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PROCEEDINGS AND DEBATES OF THE 97th CONGRESS, FIRST SESSION

SENATE—*Tuesday, June 2, 1981*

(Legislative day of Monday, June 1, 1981)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., offered the following prayer:

Let us pray.

Almighty God, who inhabits eternity, whose throne is heaven, whose footstool is the Earth; Thou art worthy to receive our worship and praise. We thank Thee for Thy gracious mercy and forgiveness when we fail and sin. We praise Thee for Thy grace which is lavished upon us despite our indifference to Thee, our pride and our preoccupation with self.

We worship Thee. We adore Thee. We glorify Thee. We humble ourselves befor Thee. Worthy art Thou, Lord God of the universe, world without end. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. Under the previous order the majority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair.

THE SENATE AGENDA

Mr. BAKER. Mr. President, let me briefly outline the day, as I see it at this moment, and then I wish to inquire of the minority leader if we could proceed with certain matters.

I inquire of the Chair: Is there not an order for the Senate to go into executive session for the purpose of considering the nomination of R. Tenney Johnson, of Maryland, with a 1-hour time limitation beginning at 2 p.m. this afternoon?

The PRESIDENT pro tempore. The Senator is correct.

Mr. BAKER. I thank the Chair.

Mr. President, there are a number of items from the Commerce Committee which are on the calendar and which I hope at some point the minority will be in a position to clear so that we could proceed with their consideration. I think all or part of those measures will be considered by the Senate and probably passed by unanimous consent.

But I have submitted that list of several measures, and when the distinguished minority leader can give me an answer on that I shall be grateful for it.

Beyond that, Mr. President, there will be a period for the transaction of morning business which I shall request an order for shortly and then one other matter.

I have also submitted for the consideration of the minority a unanimous-consent agreement that would make provision for a 1½-hour debate on a motion to commit S. 271, a bill to repeal section 222 of the Communications Act of 1934, on which there is a dispute on the jurisdiction to some degree at least between the Commerce Committee and the Judiciary Committee.

What I wish to do, if the distinguished minority leader could clear it, is to enter that order as soon as we can and sequence that immediately after the consideration of the R. Tenney Johnson nomination. And in addition to that I might advise the minority leader that since I believe he has a caucus today of Democratic Members and we have one of Republican Members on a range of important issues, I presently plan to ask consent of the Senate to stand in recess from 12:30 p.m. today until 2 p.m.

I respectfully then inquire of the minority leader what position he may be in to clear nominations for consideration and items on the Calendar of General Orders and consideration of the unanimous-consent request that I have just described.

Mr. ROBERT C. BYRD. Mr. President, the request of the distinguished majority leader will be very carefully considered and I think that I will be in a position to be responsive later today. Once I have an opportunity to discuss these various measures in my conference, I am sure that some of them will be agreeable and that the majority leader may proceed to take them up later today. But at this point I am unable to be more definitive.

Mr. BAKER. I thank the minority leader.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I now ask unanimous consent that following on after the discharge of the time allocated to the two leaders under the standing order there be a period for the transaction of routine morning business to extend not more than 45 minutes in length in which Senators may speak for not more than 5 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I have no further requirement for my time under the standing order and I will be pleased to yield to any Senator or yield it to the distinguished minority leader if he has any need for it.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader. I will not have any need for the time which he very graciously offered to yield.

I will yield such time as the Senator from Wisconsin may require from the time that I have under the order.

Mr. BAKER. Mr. President, before the Senator from Wisconsin begins then, I yield back the remainder of the time allocated to me under the standing order.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. Under the standing order, the minority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I thank the distinguished minority leader.

A FEW GOOD MEN FOR THE MARINES

Mr. PROXMIRE. Mr. President, recruiting for the Armed Forces is one of the most essential military functions currently funded by Congress. We need high-quality personnel. And we have an extensive nationwide identification and advertising campaign to reach the pool of eligible potential recruits.

The Marines have a particularly appealing slogan: "We're looking for a few good men."

Well, I can attest to the fact that they are looking hard. Richie Van Sistine is a resident of Hilbert, Wis. And the Marines are avidly after him. They send him recruiting material offering the promise of travel, adventure, excitement,

good pay and benefits, educational assistance programs, and career training.

Now all of this sounds pretty good, and Richie may one day take them up on the offer—or he might not. It is just a little too early to make this decision, since he is only in the second grade and all of 7 years old.

Obviously his name came up on some mailing list used for recruiting, just as the names appeared from the retirement home in Ohio last year. Incidentally, many of Richie's second grade friends also received recruiting literature from the Marine Corps asking if they would be interested in joining the Marine Corps.

Maybe it does not pay to screen these lists more carefully. The additional screening may cost more than the sending of an inappropriate letter.

But it is difficult to tell the recipients that this is the case. It appears simply to be mismanagement, waste, or overkill.

It would seem to me that the military services should tighten up their recruiting lists to the point of at least having a reasonable assurance that the list contains individuals of the right age group.

I am sure that Richie appreciated the mail. But the timing was a little off.

THE FOREIGN CORRUPT PRACTICES ACT

Mr. PROXMIRE. Mr. President, 4 years ago Congress passed a landmark law: The Foreign Corrupt Practices Act.

That act is under the gun now from the Reagan administration supporting S. 708.

Philip B. Heymann, former Assistant Attorney General in charge of the Criminal Division of the Justice Department, recently wrote an analysis of S. 708, published in the Washington Post. Mr. Heymann says:

> S. 708 goes much further than eliminating interpretive problems, ambiguities and confusion for business people and opens the doors for bribery by American companies overseas.

I think it would be a tragedy for the Senate to allow bribery of foreign officials by our companies once again. A review of a recent letter of mine published in the Washington Post will remind the Members of the Senate of the history of the bribery scandal.

I ask unanimous consent that the two Washington Post articles referred to be printed in full in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 27, 1981]

OPENING DOORS FOR BRIBERY ABROAD

(By Philip B. Heymann)

The Foreign Corrupt Practices Act (discussed on this page in a May 20 article by U.S. trade representative Bill Brock) prohibits American business from bribing officials of foreign governments and is an extraordinary member of the family of post-Watergate laws. On the one hand, its existence is hardly surprising. Practically no politician or businessman will openly defend bribery of officials, even abroad. But on the other hand, it reaches only American businessmen, leaving their foreign competitors to reap the advantages of corruption at our expense. No one really knows how prevalent or necessary bribery is in various countries, because it is carried out secretly everywhere. What it costs us in exports can only be a guess, although it must have real costs. No one really knows whether our efforts to reduce corruption are effective in, and appreciated by, Third World countries. But the response of Egypt, Mexico, Algeria and a dozen other countries suggests there are real benefits.

Against this background, one would expect heated debate about the statute, and we've had that. What has been surprising is that the arguments never address the primary question: whether we should be forbidding our businesses from engaging in forms of corruption open to their foreign rivals. Debate has instead centered on alleged ambiguities of the statute and uncertainties about interpretation for two reasons. This has protected politicians and businessmen from having to defend corruption. And what at first seems like a sensible compromise—allowing bribery only if it is an absolutely necessary defensive response to a situation that would otherwise provide crucial and unfair advantages to foreign competitors—is probably unworkable (for bribery is far more often suspected than seen) and likely to result in damaging our foreign relations by branding buying countries tolerant of corruption and competitors corrupt.

This is the context for hearings last week on S 708, a bill introduced by Sen. John H. Chafee (R-R.I.) to amend the Foreign Corrupt Practices Act to eliminate "interpretive problems," "ambiguities" and "confusion" for business people and regulators. It goes much further and opens the doors for bribery by American companies. The present act is, I think, unduly harsh in holding a company criminally responsible when it has "reason to know" that a foreign national, acting as its agent, intends to bribe to get the business and his commission. Crimes generally require more than a "reason to know" of wrongdoing. But foreign bribes are frequently handled by well-known agent-bagmen and a bill, like S 708, that allows the company to ignore even the clearest indications of prospective bribery in selecting its agent and arranging his commission and funding—so long as it does not affirmatively authorize or openly approve bribery—will do wonders for the business of agents known for bribery. If the statute is to mean anything, the corporation should be responsible, at least for sizable civil penalties, if it recklessly aided or encouraged bribery.

The same gap appears for employees. The bill frees companies from their normal responsibility for acts their employees take on their behalf, so long as the company didn't "authorize" the corruption. Then another provision of S 708 apparently operates as a "catch 22" to immunize the bribing employee if the corporation can't be convicted, although this is less than clear in the present drafting. These immunities cover not only the Foreign Corrupt Practices Act but also any other statutes violated in furtherance of the effort to bribe.

If any danger of prosecution remains, it is reduced by the ambiguous wording of exemptions for payments, unlimited in amount, intended to be a "token of esteem" or to "facilitate" in customary ways performance of official duties. The exemptions should at least be limited in the dollar amounts permitted. And the bill creates a new uncertainty as to whether bribing an official to give a contract he is authorized to award is bribing him to act "in violation of the recipient's legal duty as a public servant."

If there is something to be said for, and against, having a statute like the Foreign Corrupt Practices Act, maybe there is something to be said for having one so full of loopholes that it is half like having an act and half like not having one. But I doubt it. An act full of loopholes will, for a while, reward the more unscrupulous American companies at the expense of the more scrupulous. In the long run, it will turn into little more than the pious homage that vice pays to virtue, and that is how La Rochefoucauld defined hypocrisy.

[From the Washington Post, June 1, 1981]

BRIBERY AND FOREIGN COMPETITION

(By WILLIAM PROXMIRE)

WASHINGTON.—In response to the article by Ambassador Bill Brock headlined "No Wonder No Exports" [op-ed, May 20], what is the ambassador talking about? His own administration has told our banking committee that our exports have been extraordinarily strong. And they have been, ever since 1977. That happens to be the date Congress unanimously passed into law a bill I authored known as the Foreign Corrupt Practices Act.

Congress passed the act in response to a series of scandals involving bribes paid by American corporations that had brought down a friendly democratic government in Japan, deeply embarrassed and almost destroyed the monarchy in the Netherlands, and provided the basis for considerable gains by the Communist Party in Italy. It also followed a thorough investigation by the Securities and Exchange Commission that disclosed that some 450 American companies admitted making more than $300 million in questionable payments. And it followed testimony by Roderick Hills, then chairman of the SEC, that in every industry where bribes were paid, other competing firms had been able to operate successfully without paying bribes.

The law we passed has, according to a GAO study, gone a long way toward preventing bribery by American corporations. It does so by requiring corporations to keep accurate records in reasonable detail of payments of corporate funds. This "paper trail" is essential to prevent the use of slush funds to pay bribes. Sen. John Chafee's bill would gut the accounting provision by requiring adherence to a standard of materiality for corporate financial statements. Former SEC Chairman Harold Williams has argued that this provision would have permitted virtually all of the $300 million in questionable payments admitted by American corporations. Ambassador Brock would go even further than the Chafee bill. He would completely drop all of the accounting requirements in the act and rely on criminal statutes that, of course, do not reach foreign bribery because the actual bribe is paid, in most cases, by foreign agents in foreign countries outside our reach unless a "paper trail" is required. It would be impossible to establish the responsibility of American corporate officials whose slush funds made the bribe possible.

The current law makes the SEC a primary enforcing and administering agency. The SEC's enforcement division under Stanley Sporkin did remarkable work that exposed the bribery scandal and provided the groundwork for the law. It has the expertise, the constant and knowledgeable familiarity with the multinational corporations, essential for effective administration of the Foreign Corrupt Practices Act. Brock recommends we take the SEC out of the act altogether, and hand over the enforcement solely to the Justice Department.

Current law prohibits the payment of bribes, through agents, that executives of the exporting companies knew or had reason to know were being paid to government officials. Mr. Brock would knock out this part of the law and simply prohibit exporting executives from "authorizing or directing" any questionable payments. Talk about an open invitation to putting your executive head into the sand! Obviously, there could

be no prosecution, no matter how flagrant the bribe paid by a foreign agent in behalf of an American company if the American executive didn't formally authorize or direct it.

Mr. Brock favors a change in current law that would permit so-called grease payments to foreign officials as long as the payment is customary in the country where made and the purpose is to facilitate or expedite performance by a foreign official of his official duties. This exception subsumes the whole law. Wholesale bribery of foreign government officials would be sanctioned under the Brock proposal and the Chafee bill even where the statutory law of a nation is violated.

Congress was right in passing the Foreign Corrupt Practices Act in 1977. Experience has shown that the law has curbed bribery without harming export sales. This is not the time to gut the law with the radical changes recommended by Ambassador Brock and Sen. Chafee.

LIFE AFTER THE HOLOCAUST

Mr. PROXMIRE. Mr. President, Rene Molho survived Auschwitz and Dachau and was in the displaced persons camp in Landsberg until November 1945. During that time he suffered severe bouts of depression and terrible nightmares. For a while he toyed with the idea of finding and killing the camp doctor who killed his brother, but when he was given the chance, he could not bring himself to the task.

Molho eventually moved to America, and though he had studied medicine before the war, he obtained employment at Sears, where he remains to this day.

Rene Molho's voice is especially poignant because it speaks of shattered dreams. It tells of a life violently changed, and the bitter effects of those changes on a desperately normal existence. Speaking of a son who hides his Jewish past, he admits that "what Hitler couldn't do to us with killing, he has done." His son is unaware of the torment of his heritage, while Molho knows it all too well.

Molho knows that "the traits of the people who hurt you come into you, and in order to keep it under control you have to be very, very strong." He remembers that when his son would do something wrong, his reaction would often be too harsh, and he would instantly regret it.

Feeling the pain of the victim for so long caused Molho to inevitably inflict that pain upon those he really loved. And he states that "I can't condone violence because I've seen too much of it."

Molho was amazed by the declaration of the United Nations a few years ago that equated Zionism with racism, considering that it is "the body that stands for brotherhood, and logical * * * learned, intelligent people." He wonders whether a little stronger anti-Semitism might be necessary to wake people up, to make them realize the danger.

He feels that the books on the holocaust have been far too mild, and do not contain enough anger: "Americans cannot imagine it, and they do not feel guilty about allowing such slaughter." Molho is most ashamed of the fact that these great crimes were often greeted by silence by most of the world.

The Genocide Convention is a good way to break that silence. It can do nothing to bury the past, but it does address itself to present and future holocausts. It condemns the crime, defines it, and requires punishment for it. Over 80 nations have ratified it, while it has been pending before the Senate for 24 years. The convention has been approved by the American Bar Association, the American Civil Liberties Union, and every American President since Truman.

Testimony on the Jewish holocaust will be around for years. If it ever runs out, let us be sure that we do not have witnesses to a new travesty to continue the story. We must take the time to ratify the Genocide Convention now.

DOMINIC FRINZI, HHI MAN OF THE YEAR

Mr. PROXMIRE. Mr. President, I am pleased to announce that Milwaukee's Dominic Frinzi, was selected by Harness Horseman International as its "Man of the Year" for 1980.

He earned this award not only for his impressive service as two-term President of the Illinois Harness Horsemen's Association but also for his tireless energy, dedication, and enthusiasm with which he long has worked to improve the standards and quality of the sport and its horses.

A top-notch lawyer, Dominic Frinzi has argued in numerous cases which have influenced important judicial decisions dealing with the horse racing industry. And through his dedication, concern and determination, he has earned widespread recognition as a civic leader and activist devoted to the well being of his fellow citizens and the quality of life in his community.

Mr. President, it is with great pride that I offer my most sincere congratulations to Dominic Frinzi as the recipient of this well deserved honor. Wisconsin is indeed proud to be the home of this outstanding individual.

Mr. President, I once again thank the distinguished minority leader and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SYMMS). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, we are now or will shortly be in a period for the transaction of routine morning business to extend not longer than 45 minutes in which Senators may speak for 5 minutes, not more than 5 minutes each, is my recollection. Is that the order which has been entered?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Mr. President, we have checked our cloakroom for Senators who may wish to speak or transact business during this period, and so far we have not had any takers. Shortly after we are in the period for the transaction of routine morning business I am going to once again suggest the absence of a quorum. But for those who may hear me on the system throughout the Senate wing of the Capitol and the several offices, I will say if we do not have Members here to speak within the next 10 minutes or so, I intend to close morning business and put the Senate in recess until 2 p.m.

I yield the floor at this point so that the Chair may execute the order previously entered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 45 minutes during which Senators may speak up to 5 minutes each.

Mr. BAKER. Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONGRESS URGED TO SUPPORT CONTINUATION OF FEDERAL BLACK LUNG BENEFITS PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I have recently received a concurrent resolution adopted by the West Virginia Legislature. I ask unanimous consent that House Concurrent Resolution No. 21, a resolution memorializing the Congress of the United States to support the continuation of the Federal black lung benefits program, be printed in the RECORD.

There being no objection, the concurrent resolution was ordered to be printed in the RECORD, as follows:

HOUSE CONCURRENT RESOLUTION NO. 21

Whereas, The people of West Virginia support continuation of the federal black lung benefits program which requires coal industry employers to compensate employees who are inflicted with disabling pulmonary and respiratory diseases caused by years of coal mine employment.

Whereas, The production of American coal, and its energy derivatives, is central to all feasible plans to make the Nation secure and independent of foreign sources of energy and all possible domination by foreign governments over our national economic and political stability; and

Whereas, The production of coal sufficient to so secure the Nation will cause present and future coal workers to suffer the same dreaded diseases now compensated by coal industry employers as a result of the federal black lung benefits program; and

Whereas, The infliction of disabling pulmonary and respiratory diseases upon present and future coal workers will rob them of the physical comfort and dignity and the financial security which is enjoyed by other American workers in the mature years of their employment and in the golden years of their lives, ending so many before their time; and

Whereas, Those coal workers deserve to

share equally with other American workers in the Nation's well-established commitment to make dignified and to make secure those years which follow the lifetime of dedicated service to the Nation by working Americans; therefore, be it

Resolved by the Legislature of West Virginia: That the Congress of the United States be requested to continue in full force and effect the federal black lung benefit program; and, be it

Further Resolved, That the Clerk of the House of Delegates is hereby directed to forward a copy of this resolution to the President of the United States, United States Senators Robert C. Byrd and Jennings Randolph, the West Virginia Delegation in the House of Representatives and the presiding officers of the legislatures of the coal producing states.

RELOCATION TAX DEDUCTION

Mr. STEVENS. Mr. President, on February 24, I introduced S. 565 which would raise the Federal income tax deduction for the sale and purchase of a home when an individual moves for business reasons. S. 565 tied the deduction to the maximum Federal reimbursement for such moves, which is currently $12,000.

While the Treasury Department recognized the severe problems the current limit causes, they voiced their opposition to S. 565 as they felt the bill was excessively costly, in addition to the fact that it introduced a new mechanism to increase the deductible limit. The Department, though, offered various alternatives to alleviate the hardship. One alternative I introduced on May 6, S. 1130, would raise the deductible limit for househunting and temporary living expenses from $1,500 to $5,000—$15,000 for foreign moves—and it would raise the limit for the sale and purchase of a home from $3,000 to $10,000—$20,000 for foreign moves. S. 1130 would also provide that expenses for househunting and temporary living will not count against the larger amount for the sale and purchase of a home. The $5,000/$15,000 and $10,000/$20,000 figures would be phased-in over the next 3 years.

I feel very strongly that this legislation must be passed. If we are to increase productivity in our country, we must enhance the movement of people from areas of labor supply to areas of labor demand. The present deductible limit on business-related moves inhibits productivity and the flow of people seeking new employment is restrained.

I have received many letters supporting this legislation from individuals and businesses who desperately seek tax relief. One such letter comes from McDonald's Corp., and I ask. Mr. President, that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

McDONALD'S CORP.,
Oak Brook, Ill., April 30, 1981.

Re: Proposed Bill S. 565.

Sen. TED STEVENS,
Senate Office Building,
Washington, D.C.

SENATOR STEVENS: I would like to sincerely thank you for your understanding of the relocation tax problem facing our corporation as well as several hundred other corporations.

McDonald's Corporation typically relocates 350–400 employees all around the country each year and this bill would certainly provide some long sought tax relief.

I am sure that you have heard the phrase "relocation is no longer a benefit but should be viewed by corporations as a cost of doing business." This is fact and relocations are unavoidable; we look forward to a much needed legislative remedy.

Cordially,

RITA ALBOREZ-POZNIAK,
McDonald's Corporation,
E.R.C. Board of Directors.

ORDER FOR RECESS UNTIL 2 P.M.

Mr. BAKER. Mr. President, about 15 minutes ago I announced that if there were no further morning business to be transacted that it was my intention to ask the Chair to close morning business and put the Senate in recess.

I now ask unanimous consent that, at the conclusion of the period for the transaction of routine morning business, the Senate stand in recess until the hour of 2 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2 p.m.

The Senate, at 11:35 a.m., recessed until 2 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. NICKLES).

EXECUTIVE SESSION

NOMINATION OF R. TENNEY JOHNSON, OF MARYLAND, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF ENERGY

The PRESIDING OFFICER. Under the previous order, the hour of 2 p.m. having arrived, the Senate will go into executive session and proceed to the consideration of the nomination of R. Tenney Johnson to be General Counsel of the Department of Energy. The clerk will report the nomination.

The assistant legislative clerk read the nomination of R. Tenney Johnson, of Maryland, to be General Counsel of the Department of Energy.

The PRESIDING OFFICER. Time for debate on this nomination is limited to 1 hour to be equally divided and controlled by the Senator from Idaho (Mr. MCCLURE) and the Senator from West Virginia (Mr. ROBERT C. BYRD) or their designees.

The Senate proceeded to consider the nomination.

Mr. McCLURE. Mr. President, I suggest the absence of a quorum, and that the time be equally charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I rise in strong support of the President's nomination of R. Tenney Johnson to be General Counsel of the Department of Energy. Mr. Johnson is completely qualified for the position of General Counsel, and he is a public servant with the highest of personal integrity. I want to state at the very outset of this debate, that my support for the Johnson nomination is complete, categorical and totally without any doubt or reservation.

Mr. President, the Committee on Energy and Natural Resources by a vote of 18 to 0 on May 12 reported favorably the Johnson nomination. Mr. Johnson was nominated on March 19, 1981, and he appeared before the committee on two occasions. First, he presented prepared testimony at the nomination hearing on April 8. After the first hearing, the committee at the request of the Senator from Ohio (Mr. METZENBAUM), recalled Mr. Johnson to a second nomination hearing on April 30 to answer questions about various matters. These matters related to the nominee's activities as a consultant at the Department of Energy, pending his formal nomination and confirmation. I will discuss these matters at length later in my remarks. Mr. Johnson responded to oral questions at the hearings and also provided a number of responses to questions for the record from committee members.

During these proceedings, Mr. Johnson also supplied the committee with the information statement and financial disclosure report required by the committee rules. He has agreed to divest himself of two small holdings in energy companies, as required by the Department of Energy Organization Act. He also has agreed to recuse himself in matters affecting former clients he served as a private attorney, using the standard recusal. In all respects, Mr. Johnson has been responsive completely to the Committee's requests and requirements, and those requests and requirements have been satisfied fully.

Mr. President, the action and responses of Mr. Johnson during the committee's confirmation proceedings undoubtedly led in part to the committee vote of 18 to 0 on May 12 to report favorably his nomination to the Senate. Perhaps even more persuasive, however, in the committee's consideration of this nomination were the significant qualifications and integrity of Tenney Johnson for the position of DOE General Counsel. Mr. Johnson clearly has been one of the finest, most able general counsels in the Federal service during my service in the Congress. I recall that when Secretary Edwards first mentioned

to me in private that he was considering Mr. Johnson for the general counsel position, my staff responded that Mr. Johnson was the finest general counsel known to them and certainly the perfect choice to be the Secretary's primary legal advisor. I urged the Secretary to submit Mr. Johnson's name to the White House, and thereafter I and many others in the Senate supported his selection by the President. Our support then, as now, was premised directly on his qualifications and integrity.

Mr. President, Mr. Johnson has been a lawyer for 22 years. Most of those years have been spent in the Federal service. Thirteen years have been spent as General Counsel or Deputy General Counsel of five major agencies. He began his career in 1959 as a lawyer in the General Counsel's Office at the Defense Department. In 1963, he became deputy general counsel of the Army and in 1967 deputy general counsel of the new Department of Transportation. He was appointed general counsel of the Civil Aeronautics Board in 1970, general counsel of NASA in 1973, and the first general counsel of the Energy Research and Development Administration in 1975, a predecessor agency of DOE.

The next year, Mr. Johnson was confirmed by the Senate as a President Ford appointee to be a member of the Civil Aeronautics Board. Upon expiration of his term, he spent the summer of 1977 working with Dr. Schlesinger and the Carter administration's Office of Management and Budget planning the organizational structure of the new Department of Energy, while Congress considered the DOE Organization Act legislation. Upon establishment of the Department, Mr. Johnson resigned from the Federal service and engaged in the private practice of law as a partner in a Washington firm until accepting the current nomination.

These many years of experience form the basis for Mr. Johnson's qualifications for this nomination. He articulately restated that experience in the following excerpt from his own prepared statement to the committee, which appears on page 8 of the April 30 hearing volume:

I believe that the principal area of my expertise and experience is advising heads of Federal agencies on the proper and lawful conduct of all aspects of their responsibilities as they develop and advocate their policies, administer their programs, and work with the Congress and the Administration. I have managed several large government law offices. While I consider myself a "generalist", I have nevertheless concentrated in certain areas of law such as regulatory and administrative practice and government contracting. I have some experience in regulation of the air transportation industry. My main experience has been with agencies whose major activities involve "high technology" and research and development. In many ways my work as General Counsel of the Energy Research and Development Administration was a culmination of the various elements of my prior career in the Federal Government. These form the basis, I believe, for my principal qualification to be General Counsel of the Department of Energy.

The General Counsel is the chief law officer of the Department and the principal legal advisor to the Secretary and the various Secretarial officers. This is, to be sure, a key role. However, as I see the role, the General Counsel is not primarily a policy-maker, but rather a contributor and facilitator, and a provider of an independent (and I hope, objective) point of view.

In addition to his unquestioned experience for the position of general counsel, I believe that Mr. Johnson's philosophy of reducing economic regulation, supporting technology development, and streamlining Federal licensing of energy facilities is consistent completely with the President's program and the obvious mood and direction of this Congress and the country. Mr. Johnson emphasized these principles in his prepared statement, at pages 9 and 10 of the hearing volume:

I believe that a shift in the Department's focus away from regulation and towards research and development is very much in the national interest. When I was a member of the Civil Aeronautics Board in 1976 and 1977, I vigorously supported its move toward lessening economic regulation of the air transportation industry. I believe that the free market will serve as a more efficient allocator of resources, will more surely set relative values for society's choices, and will be more responsive to changing circumstances, than centralized regulation, with its legalities, slow-moving procedures, insufficient current information base, and inadequacies of individual decisionmakers operating under these constraints.

At the same time, I believe there is a crucial role for the Federal Government to play in supporting and performing high-risk research and development in all forms of energy. This is a formidable management task. Not the least of the challenges is assuring that high technology will be successfully transferred from the laboratory to the commercial marketplace. In addition, the Federal Government needs a focus for energy planning, international activity in energy, development and production of nuclear weapons, and management of a strategic reserve for petroleum.

There are several important roles for lawyers in the Department of Energy. One, for example, is in the area of creating a more rational process for planning, siting, and licensing energy production centers. The procedures which we have cumulatively adopted at all levels in our nation are almost impossibly complicated, repetitive, and overwhelmingly negative in effect. I believe we should examine thoroughly and afresh the cumulative burden we have imposed on ourselves. Together with our colleagues in the states and localities, we should review our Federal, state, and local procedures so that all appropriate information needed at each stage of the process can be identified and considered by all necessary decisionmakers and the appropriate decision clearly made, so that all can then move on to the next stage. It is not a matter of creating a steamroller, but rather a more rational, understandable, and open procedure in which all points of view can be effectively considered and acted upon in accordance with their merits. This is of course not an easy, nor a short-term job. But it is a task which "can-do" lawyers should find challenging and worth doing. I would like to include myself in their ranks.

These are exactly the positions that the President, the Secretary of Energy and a majority of Americans now support.

Mr. President, I want to emphasize the fact that the Senate previously confirmed Mr. Johnson for the CAB. There were no problems with that confirmation. Mr. Johnson has served as the chief legal officer or the deputy chief legal officer in five separate major agencies—the Department of the Army, the Department of Transportation, the CAB, NASA, and ERDA, as well as the chief legal officer in the team that established the Department of Energy. As he himself so eloquently states it:

The principal area of my expertise and experience is advising heads of Federal agencies on the proper and lawful conduct of all aspects of their responsibilities as they develop and advocate their policies, administer their programs, and work with the Congress and the Administration.

What more fitting and critical qualification could any nominee have for the position of DOE General Counsel? I believe there could be none more fitting and critical at this most challenging time in our energy and economic history. The Administration and this country need such well-qualified men for our top public service positions. None could be better qualified than Tenney Johnson, and obviously my committee came to the same conclusion in voting to report his nomination by 18 to 0.

Mr. President, I am saddened to say at this point that the primary purpose for this debate on the Johnson nomination under the unanimous consent agreement is not focus exclusively on Mr. Johnson's excellent qualifications and high integrity. Rather, one member of the committee and the Senate, my good friend the Senator from Ohio (Mr. METZENBAUM), apparently has some continuing concerns about Mr. Johnson's activities as a consultant to the Secretary of Energy, pending his nomination and confirmation as General Counsel.

As I stated earlier, the committee recalled Mr. Johnson on April 30, 1981, in order that the Senator from Ohio could question the nominee in detail about these matters. Mr. Johnson was questioned for approximately an hour and one half by the Senator from Ohio at that hearing. Because of a number of allegations of possible misconduct which arose in that hearing, and my conviction that the DOE General Counsel had to be free totally of such alleged, possible misconduct, I commissioned a full review of all available information relating to the allegations.

The review included the March 11, 1981, hearing of the Subcommittee on Environment, Energy, and Natural Resources of the House Government Operations Committee, which included DOE officials testifying under oath and addressed most of the matters raised in the April 30 hearing. The review also included the same subcommittee's hearing of March 25, 1981, at which Mr. Johnson testified under oath extensively on the same matters. Additionally, I asked Mr. Johnson to clarify and amplify in detail his April 30 testimony in a series of questions, which appear at pages 128 to 134 of the hearing volume. Subse-

quently, I requested and received a statement from 10 senior DOE officials familiar with these matters regarding the accuracy of Mr. Johnson's testimony, contained in a letter of June 1, 1981, from DOE Acting General Counsel Eric J. Fygi. I also requested that Mr. Johnson in a sworn statement directly respond to the allegations. I have received that statement as transmitted by his letter of June 1, 1981. I also directed the committee staff to interview two lawyers representing the American Petroleum Institute, who were identified in the April 30 hearing, regarding the accuracy and completeness of Mr. Johnson's testimony. Finally, I requested that the White House Legal Counsel interview an Office of Management and Budget official, who was identified in the April 30 hearing, as to the accuracy and completeness of Mr. Johnson's testimony.

Mr. President, my extensive review of the full record in the Energy and Natural Resources Committee, the record of the two hearings in the House Government Operations Subcommittee, and the subsequent statements of everyone identified as related to these matters leads to a categorical conclusion—any suggestion that Mr. Johnson committed any impropriety during his consultancy at DOE is wholly without any basis in fact. The accuracy and completeness of Mr. Johnson's testimony before the Energy and Natural Resources Committee have been corroborated independently by all identified individuals and information, including the 10 DOE officials in the Fygi letter, by the OMB official and the two private lawyers in the respective interviews, and by the record of the House subcommittee with Mr. Johnson and DOE officials testifying under oath.

There is no contradictory evidence in any of these proceedings which would support a contrary conclusion. Consequently, I have concluded without any doubt or reservation that Tenney Johnson has not committed any impropriety and further, that his integrity remains of the highest caliber.

Mr. President, I ask unanimous consent that Mr. Johnson's letter of June 1 and Mr. Fygi's letter of June 1 be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

R. TENNEY JOHNSON,
Washington, D.C., June 1, 1981.

Hon. JAMES A. MCCLURE,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: As requested by the Chief Counsel of the Committee, I have reviewed the hearing record and prepared answers to the allegations about my conduct as a consultant to the Secretary to amplify the response which I made at the hearing and the replies made to your written questions.

These answers are attached. I have sworn to them under oath before a notary public.

I appreciate the care and attention given to this nomination.

Sincerely,

R. TENNEY JOHNSON.

AFFIDAVIT

District of Columbia.

R. Tenney Johnson, being duly sworn, hereby states that he has prepared and signed the attached narrative Allegations and Answers and that the information provided therein is, to the best of his knowledge and belief, current, accurate, and complete.

R. TENNEY JOHNSON.

Subscribed and sworn before me this 1st day of June, 1981.

CHERYL D. ARRINGTON,
Notary Public.

My Commission Expires November 14, 1984.

Allegation: It has been implied that I advocated opening an existing contract with the University of California to competition, so that my private energy company clients could bid for the work.

Answer: The facts are completely to the contrary. I did not advocate opening the contract for competition. As I testified, I did not participate in any discussions or decisions with the Department on whether to extend the contract or open it up for competition. My only role, as I testified, was to recommend, in response to questions from Departmental officials, that the Department negotiate a draft extension of the existing contract with the University of California before deciding whether to extend the contract or open it up to competition. As I testified, the basis of the recommendation was to give the Department a better bargaining position vis-a-vis the University than it would have by delaying the negotiation until the University knew it was in a sole source position.

Thus, I did not use my consultant position in any way to advance the interests of my private clients or to enable them to bid on this or any other contract.

My involvement in this matter began when I met with attorneys from the Office of General Counsel and officials from the Office of Procurement, at their request, to discuss the contract with the University of California for managing several DOE laboratories. This contract is scheduled to expire in 1981. The DOE procurement procedure calls for a formal process under which the Department would review the contract and determine whether to extend it or to open it up for competition. A special panel of DOE employees would be appointed for this process, and the entire procedure would take several months to complete. Under business-as-usual procedure, negotiations with the University would be undertaken only after this process produced a decision to extend the contract. It was desirable, however, according to DOE management officials, that the Department be able to sign a contract with the University at an earlier date than the business-as-usual procedure would allow. The question was whether the Secretary should exercise the power he had to waive the normal procedure so as to enable a faster resolution of the contract issue.

I stated that in my opinion the Government would have a weaker bargaining position under the normal process than if it negotiated a sample contract with the University before the University knew it would be in a sole source position. The internal review procedure for deciding whether to extend or compete should proceed, I said, in the usual way, and the sample contact would be signed with the University only if that procedure ended with a decision to extend.

Thus, no additional time for negotiation would be required if this decision were to be made. On the other hand, as I testified, if the decision were to open the contract to competition, the Department would not be locked in to the sample contract. While this is not a procedure technique I would recommend in every case, it was, in my judgment, lawful, appropriate to the circumstances, and in the best interest of the government.

The attorneys and management officials considered this advice and eventually prepared and coordinated a document seeking the Secretary's approval for proceeding in this fashion. When the Acting Under Secretary submitted this document to the Secretary, the Executive Secretary referred it to me for comment. I added a note indicating my involvement in the development of the concept reflected in the document and recommending approval. This completed my participation in the matter.

I did not participate either in the negotiation with the University of California or in the review by the DOE panel on whether to extend or complete the contract. (I have subsequently learned that the panel recently recommended extending the contract.) I would add that the recommendation to the Secretary was made by the appropriate Departmental officials and was concurred in as lawful by the appropriate legal officers.

None of my actions in this matter were intended, nor can be fairly construed, to benefit my private clients.

Allegation: It has been claimed that I participated in drafting questions to be used in a Congressional hearing to "destroy" a witness in that hearing.

Answer: This is untrue. As I testified, I was requested by the then Special Assistant to the Secretary to work with career officials of the Department in drafting questions requested by the staff of a member of a Congressional Subcomimttee that was scheduled to hear the former Special Counsel testify the following day. I assisted in preparing questions which could be answered in a straightforward, professional, factual way.

In doing so, I took pains to assure that none of the questions or answers would tend to embarrass or discredit the witness. Those present at the meeting can attest to my care in this regard. The answers, however, would provide a factual and fair perspective necessary for a balanced evaluation of the witness's testimony.

The questions, which have been introduced into the hearing record, speak for themselves. In no way would answering them factually tend to "destroy" the witness. I would deplore any attempt to haze any witness or distort or mispresent previous statements by any witness. I have never done so, and I would not be a party to any effort to do so.

Responding to the Special Assistant's request to assist was within the scope of my duties as a consultant to the Secretary. The questions were written, and provided to the Congressman whose staff asked for them, by career officials of the Department.

Allegation: It has been claimed that I directed a change to be made in a budget narrative on the enforcement budget proposal and thereby exceeded my authority as a consultant.

Answer: It is not true that I directed any specific change. The Acting Administrator of the Economic Regulatory Administration asked me to meet with him and others and, among other things, to read a draft justification of the budget request for the Office of Special Counsel.

After scanning it, I stated, as I have testified twice under oath, that the draft narrative, as read by me, contained implications that were inconsistent with the Secretary's policy. Specifically, the implications were that the Department would never press charges based on pricing violations alleged to total $7 billion and that oil companies

could therefore in due course expect to be relieved of those charges. The Secretary's policy, on the other hand, was that the charges would be pursued as necessary to enforce the law—if not immediately because of budgetary restrictions, then later—and that no amnesty for violators of the regulations would be granted.

I therefore suggested that the draft should be changed to be accurate and positive. The Acting Administrator agreed with my assessment and directed that the narrative be changed, as acknowledged in the memorandum from the Acting Special Counsel that was introduced in the hearing record. Making suggestions in response to requests from career officials was within my proper role as a consultant to the Secretary and consistent with the duties he has asked me to perform as such.

Allegation: It has been claimed that I exceeded my proper role as a consultant by "interjecting" myself in the Department's consideration of the V-factor rule and "initiating" a review of the rule.

Answer: My actions and advice with regard to the V-factor rule were well within my proper duties as a consultant. As I testified, and stated in reply to Chairman McClure's written questions, I informed myself about the rule and about the discussions that took place between Departmental attorneys and the Office of Legal Counsel, Department of Justice. I discussed the rule in general terms with the Secretary. I suggested, on my own initiative, that the Department review the rule, knowing that conducting such a review would be approved by the Secretary and would be consistent with the sentiments of the OMB task force on regulatory review. I made suggestions in drafting of the Department's Notice of Intent to Review. These suggestions were based on the concept that the review would be in good faith, with no preconceptions.

However, the actual drafting was performed by the appropriate career officials, the Notice of Intent was coordinated within the Department in the normal way, and the Notice was signed and promulgated by the Acting General Counsel.

The V-factor rule was a major action by the previous Administration taken only four days before it left office. Informing myself about it and making the suggestion that it should be reviewed by the new Administration were within my duties as an advisor to the new Secretary. However, I did not direct that a review be made. As a consultant, I could not take any official action on behalf of the Department or direct that any such action be taken, and I did not do so.

Allegation: It has been claimed that I "violated my oath of office as a lawyer to keep matters confidential" and committed an illegal act by acknowledging to an attorney representing the American Petroleum Institute that the Department was working on the V-factor rule and stating that it expected to publish something the following day.

Answer: I did not violate any oath of confidentiality or any standard of conduct for lawyers or special government employees by making these statements. As I testified, I communicated nothing of substance in my conversation with the attorney. There was no way the attorney could glean what the Department was actually going to do from among the range of options available to it. He learned nothing that he did not already know from other sources.

I answered a telephone call on Thursday, February 19, 1981 from an attorney representing the American Petroleum Institute. As I testified, he stated that he was aware that the Department was working on the V-factor rule and asked if he could have a copy when it was ready. (I did not know where he obtained this information. It is possible that he received it from officials of the Office of Management and Budget who were aware that the Department was considering what to do about the V-factor rule. As indicated in my answer to Chairman McClure's written questions in the hearings record, there had been considerable discussion between these officials and Departmental attorneys about the legal status of the rule. It has been reported that the American Petroleum Institute had urged the Office of Management and Budget to have the V-factor rule revoked.)

In any event, I acknowledged, as I testified, that the Department was working on it and hoped to have it finished the following day, Friday. He asked for a copy. I said he could have it after it was executed, as this was the standard procedure. He did not ask for an advance copy, nor did I promise or give him one.

He called my office the next day, as indicated in my phone log, offering to send a messenger to obtain the copy of the Department's publication. It was not ready, however, and I so informed my secretary. She referred him to the Office of Public Affairs. I had no further conversation with him.

The fact that I acknowledged what he already knew—namely, that the Department was working on the V-factor rule—did not amount to giving him advance notice of what the Department was going to do. The Department had a whole range of options—from announcing that the rule was reaffirmed upon review to opening a new rule-making proposing to revoke the rule. This range of possibilities could be inferred by anyone familiar with the circumstances. I did not indicate which option the Department would select (namely, to announce that the rule was in effect but under review). Thus, the information I provided was not substantive, and I violated no lawyer's pledge of confidentiality, and committed no impropriety or illegality.

Allegation: It has been claimed that I generally exceeded the role of a consultant in that I made suggestions which career officials had to accept because I was the President's nominee to be General Counsel of the Department.

Answer: In fact, I have been very careful to stay within the role of a consultant. I am familiar with the guidelines on the proper functions of consultants that have been issued by the Office of Management and Budget and the Office of Personnel Management, as well as the official standards of conduct for special government employees. I have exercised no statutory authority, decided no issue of policy, issued no binding guidance, made no public statements on behalf of the Department, or behaved in any way in the role for which I am nominated. As I have testified under oath before two committees of Congress, I have consistently stated in meetings with Departmental personnel and outside groups that I am a consultant, and not exercising line authority. No one has been in any doubt as to my status. If my comments and suggestions have been acted upon, it has been because of their merits, as viewed by the official acting on them. My comments have not been considered directive in nature, and occasionally have not been adopted because better solutions were found.

The Secretary asked me to help him at the very beginning of his service. It is at the outset that the demands on a new Secretary are the heaviest, and the Secretary is most in need of advice. It was on this basis that I agreed to assist him as a consultant, rather than wait for the clearance and confirmation process to be completed.

DEPARTMENT OF ENERGY,
Washington, D.C., June 1, 1981.

Hon. JAMES A. MCCLURE,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am responding to Mr. Trabrandt's request that departmental officials personally familiar with the functions performed since January 20, 1981 by Mr. R. Tenney Johnson examine the record developed by the Committee in connection with Mr. Johnson's nomination to be General Counsel of the Department.

Mr. Trabrandt has requested that individuals personally familiar with five general areas of Mr. Johnson's activity with the Department examine the Committee's record of his nomination. In addition to myself, those officials are:

Barton R. House, Acting Administrator, Economic Regulatory Administration.

Hilary J. Rauch, Director of Procurement and Assistance Management.

William V. Vitale, Executive Secretary.

Avrom Landesman, Acting Special Counsel for Compliance.

Carl Corrallo, Solicitor to the Special Counsel for Compliance.

Thomas C. Newkirk, Deputy General Counsel for Regulation.

William F. Funk, Assistant General Counsel for Petroleum Regulation.

Leonard Rawicz, Assistant General Counsel for Procurement and Financial Incentives.

Robert L. Forst, Attorney Adviser, Office of the Assistant General Counsel for Procurement and Financial Incentives.

Each of these individuals has authorized me to state that he has examined personally the Committee's printed record of Mr. Johnson's confirmation hearings, and that each of these officials believes the responses given by Mr. Johnson as to matters about which those individuals have personal knowledge are entirely true and accurate. The five matters on which Mr. Trabrandt requested our views are described more particularly below.

THE BUDGET NARRATIVE ISSUE

I was present at the March 3 meeting to which Senator Metzenbaum adverted, along with Messrs. House, Landesman, Corrallo, and Newkirk. Each of our general recollections corresponds with what Mr. Johnson stated as to this matter to the Committee. More particularly, however, I recall that when I examined the draft narrative during this meeting (which was the first occasion on which I had reviewed this document), both I and Mr. House expressed the view that the language chosen was inappropriate in that it did not correspond to what such documents typically are designed to convey. Narratives accompanying any Administration's budget proposals do not speculate as to what a particular funding request will not permit an agency to accomplish, but rather seek to explain the activities that will be accomplished with the money sought. The reservation as to the manner in which the proposed document had been drafted did not originate only with Mr. Johnson, but rather were also expressed contemporaneously by myself and Mr. House as we all examined the document in question.

THE V-FACTOR RULE

I am familiar with this matter, and in fact executed the *Federal Register* notice that announced the intention to conduct a review of several departmental rulemakings, including the retroactive amendment to the V-Factor rule. In addition, Messrs. Newkirk, Funk and Corrallo are familiar with this matter. Our recollections all agree with the

statements made by Mr. Johnson to the Committee as to the character and degree of his involvement in this activity.

While Mr. Johnson has advised the Committee of his involvement in the Department's decision to review this rulemaking, this involvement did not precipiate the Department's concern, after January 29, 1981, with the V-Factor rule. To the contrary, the Department's scrutiny of the rule arose out of predictable issues involving the effect on that rule of the President's memorandum of January 29, 1981 entitled "Postponement of Pending Regulations." Quite apart from and prior to Mr. Johnson's role in familiarizing himself with the rule and his ultimate suggestion that it be reviewed, officals of the Office of Management and Budget charged with carrying out the President's memorandum, as well as representatives of private firms and the media, had contacted me, Mr. Newkirk or Mr. Funk as to this matter. The thrust of these initial inquiries bore upon the question of whether the rule itself fell within the scope of the memorandum which instructed federal regulatory agencies to postpone for 60 days the effectiveness of all final rules otherwise scheduled to become effective within 60 days from the date of the memorandum. The Office of General Counsel of this Department was requested by OMB to examine carefully the rule to determine whether, as a matter of law, it fell within the terms of the President's memorandum and therefore was required to have its effective date postponed.

The result of this scrutiny was the legal determination, to which I adhered and which corresponded with the views of the Department of Justice, that the V-Factor rule did not as a matter of law fall within the terms of the President's memorandum. Having concluded that, however, we also determined that it would be appropriate (and, indeed, entirely predictable in the normal course of events) that this rule should be evaluated carefully by senior individuals of the incoming Administration. The notice ultimately adopted by the Department was intended, among other things, authoritatively to dispel doubts as to the rule's current legal status in view of the President's memorandum, to inform the public that it along with several other rules would be reviewed, to state the logical truism that those compliance actions under any of the rules being reviewed would themselves by necessity be examined as well, and to state authoritatively that no decision on the merits of these rules had yet been made by the incoming Administration.

Some of the questions put to Mr. Johnson suggest that he acted as an intermeddler in this matter, and that the commitment to review the rule is in reality a commitment on Mr. Johnson's part to urge its revocation. None of Mr. Johnson's conduct as to this matter that I have observed suggests anything of the kind. The statements he has made to the Committee describing his role in this matter are entirely consistent with his statements and conduct, including private discussions, on every occasion that this matter was considered. The related legal and policy considerations inherent in this rule involve precisely the type of advice that a consultant with Mr. Johnson's skills and experience would be expected to provide to the Secretary, and on the Secretary's behalf render to the senior professional staff of the Department.

Finally Senator Metzenbaum suggested in the record that Mr. Johnson committed an impropriety by acknowledging during a telephone conversation with a private attorney that some, unspecified action addressing the V-Factor rule was imminent. Mr. Johnson testified before the Committee that during this conversation he gave no information as to the substance of the Department's contemplated action, but provided only an estimate of when the document by which the Department acted would be available to the public. The fact that some action was under way with respect to that rule already was widespread knowledge, and in these circumstances providing advice as to anticipated timing of availability of a decision was an ordinary courtesy, similar to the practice observed by many courts and administrative agencies. Any suggestion of an impropriety on Mr. Johnson's part by reason of his having provided an estimate of when the Federal Register notice covering the V-Factor rule would be available to the public is without merit. Messrs. Landesman, Corrallo, Newkirk and Funk join me in this conclusion.

GENERAL ACTIVITIES

As Acting General Counsel, I am familiar with the general activities performed by Mr. Johnson for the Secretary, as we have exchanged advice and information on a routine basis since the advent of his service as a consultant. In this connection, I should add that there has been a wide array of matters concluded with frequency by this office on which I have not felt it necessary to seek Mr. Johnson's advice. Messrs. Newkirk and Funk of this office, as well as Mr. William V. Vitale, Executive Secretary of the Department, are as well familiar with the character and scope of Mr. Johnson's general activities during his service as a consultant for the Secretary.

In this connection, some of the questions put by Senator Metzenbaum to Mr. Johnson suggest that it was somehow improper for a consultant in Mr. Johnson's position to participate in the official business of the Department. Any such implication is incorrect as a matter of law. Mr. Johnson's consultancy is not that of a private contractor, but rather during his days of service with the Department he is a special government employee, a type of employment status expressly recognized by statute.

Mr. Johnson's areas of expertise, as reflected in the character and duration of his prior federal service, are in the disciplines of administrative law, public contract law, and the mixed questions of law and policy that are peculiar to one who is an experienced legal adviser to an agency head. The character of Mr. Johnson's service as a consultant has involved providing advice to the Secretary that is consistent with his skills and experience, and making himself available to the senior professional staff of the Department to provide them his understanding of the Secretary's general policies so that those officials' actions would properly reflect such policies.

Mr. Johnson has, however, refrained assiduously from conducting himself in a manner beyond this role, and has exercised himself no line, command, or delegated legal authority that otherwise would be wielded by the General Counsel or any other confirmed official. In addition, he has reviewed, with a view to providing the Secretary advice, certain classes of documents transmitted to the Secretary through Mr. Vitale's office, so that the Secretary and his immediate staff may have the benefit of Mr. Johnson's advice when acting upon such documents. Such a function corresponds exactly to the duties that such a consultant is in a position to perform, and corresponds as well to the actual requests for advice made by the Secretary and his immediate staff.

UNIVERSITY OF CALIFORNIA CONTRACTS

While I am not personally familiar with this matter, Messrs. Rauch, Rawicz and Forst are personally familiar with Mr. Johnson's advice as to this contract activity. They have authorized me to state that they concur with the accuracy of Mr. Johnson's response to the Committee as to this matter, and particularly that they confirm that Mr. Johnson's advice was sought and received as to a tactical question involving only the sequence of the necessary steps that should occur.

More particularly, the contracts with the University of California under which some of this Department's weapons research activities are carried out expire September 30, 1982. The thrust of Mr. Johnson's advice was to recommend that the negotiation with the University of California of contract terms commence in advance of a formal determination as to whether to extend the contracts or to compete them afresh. Mr. Johnson's advice that contract negotiations begin while noncompetitive extension had yet to be decided was designed to further the obvious interests and bargaining position of the government, and from what I know of this matter had the question been put to me I would have provided the very same advice. As a parenthetical observation, the methodology suggested by Mr. Johnson violates no principle of public contract law, particularly when one takes into account the peculiar character of weapons laboratory contracts and the special nature of the authority under the Atomic Energy Act that they are designed to further.

MEETING SUNDAY, FEBRUARY 22, 1981

I attended this meeting, along with Messrs. House, Landesman, and other regulatory and compliance officials of the Department. The meeting was conducted in response to requests communicated to the Department the preceding Friday that departmental officials be prepared by Monday morning to brief two members of the Subcommittee on Environment, Energy and Natural Resources of the House Government Operations Committee. One of the members had requested that the Department be in a position to provide that member questions and answers that would assist the member in preparing for the hearing. In this connection, I had been asked by the then Special Assistant to the Secretary to conduct this briefing.

At no time during this meeting (or, for that matter, at any other time) did Mr. Johnson express any animus whatsoever toward any former or present government employee, including Mr. Bloom, the former Special Counsel for Compliance. Particularly, during the course of the meeting he expressed the view that the purpose and nature of the questions to be developed should not be susceptible of seeming to discredit any individual, for that was not the nature of the Department's mission. The Department's mission was to respond to the requests made of the Department by members of the Subcommittee to aid their understanding of the budgetary and enforcement policy issues that were expected to arise during the hearing. Mr. Johnson's counsel during this meeting was that the questions prepared, as well as any other material conveyed, should be designed to adduce only answers that would reflect professional judgments and facts about the merits of the issues before the Subcommittee. At no time during this meeting did Mr. Johnson express or intimate any desire or purpose to impeach the *bona fides* of any witness, let alone "destroy" Mr. Bloom as a witness.

On the basis of this review of the Committee record and my personal observations, I am of the view that any suggestion that Mr. Johnson has committed an impropriety dur-

ing his service as a consultant to the Secretary is wholly without basis in fact.

I hope this information will be helpful to you and to the Committee.

Sincerely,

ERIC J. FYGI,
Acting General Counsel.

Mr. McCLURE. Mr. President, I reserve the remainder of my time.

Mr. DOMENICI. Will the Senator yield 3 minutes?

Mr. McCLURE. I yield 3 minutes to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, first I compliment the distinguished chairman of the Energy Committee, Senator McCLURE, for the thorough investigation. I would expect exactly that of Senator McCLURE. He has always been that kind of a Senator and he has been that kind of a chairman.

Mr. President, I fully support Tenny Johnson for the position of DOE General Counsel. Senator McCLURE has said it better than I can. He knows him and his excellent work in the Government better than I do, but, frankly, I wholeheartedly support him.

Certainly, from what I have seen in my 8½ years in this body, he is a very distinguished man who will serve the Department well. I am surprised that he is the subject of certain criticism now and at his nominating hearing.

A portion of that criticism was really directed at the Department of Energy and the administration, rather than Mr. Johnson. The remainder of the criticism did involve Mr. Johnson personally, but I do not believe that any of it really justifies action by the Senate other than confirmation of his nomination today.

I have reviewed carefully the definition of a consultant. He was a consultant. I understand, as a Senator, precisely what a consultant is supposed to do. We have a manual in OMB with guidelines. I believe that he has complied in every respect.

It is easy to make allegations, particularly if you happen to be a U.S. Senator. However, if an allegation is made against a nominee and it relates to his personal actions or his judgment, then the allegation should be supported by substantial and verifiable evidence. To not have such evidence is to be unfair to the nominee.

I think Senator McCLURE in his detailed statement has clearly indicated that there is no substantial evidence, no verifiable evidence, to support the accusations against Mr. Johnson.

As far as Mr. Johnson is concerned, there is no evidence to indicate that he acted improperly while he was a consultant, nor is there any evidence that he had any conflicts of interest. In the absence of such evidence, Mr. Johnson should not have the burden of demonstrating that he acted properly. It could be fairly assumed that he did. But I believe Senator McCLURE has gone far beyond that in the various communications that he has related to the Senate in attempting, in a reverse kind of proof, to prove that, as a matter of fact, Mr. Johnson did nothing wrong.

So where is the evidence that would show that Mr. Johnson did more than suggest a review of the DOE's V-factor rule? Clearly, if you look at what a consultant is supposed to do, that is precisely one of the responsibilities, to suggest. There is no evidence that he did more. Is there evidence to support the allegation that he improperly participated in the drafting of a DOE notice of intent to review the rule? The answer is no. He suggested certain language which I believe was certainly within the duties that a consultant has when he is hired by a department of our Government.

He also suggested that certain language be changed in the draft budget narrative for the Office of Special Counsel of DOE. Again, a suggestion, precisely the kind of activity that comes within the definition of a consultant.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOMENICI. One additional minute, please.

Mr. McCLURE. I yield.

Mr. DOMENICI. Where is the evidence that would demonstrate he improperly directed the change or ordered the change? There is none. There is no such evidence, Mr. President.

I could go on in each case where he will be accused here today, and in each instance this Senator is convinced that he did precisely what a competent expert consultant should have done during a transition period, to suggest, to be part of helping them get through the transition, but at no time did he violate the rules of a consultant. I think the Senate should, by a compelling majority, approve this extremely well qualified man for the position for which the President has recommended him. I thank the Senator for yielding.

Mr. McCLURE. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I yield myself 12 minutes.

Mr. President, I rise today in opposition to the confirmation of R. Tenney Johnson to be General Counsel for the Department of Energy. I do so, Mr. President, with some regret, because I believe that the President should have broad discretion in his choice for every important position.

But there are limits. The Senate has a constitutional duty in the nomination process, and I do not take that duty lightly. Accordingly, I must urge my colleagues to vote against this nomination because during the past 5 months, Mr. Johnson has engaged in activities that raise profound concerns about the propriety of his serving as DOE's chief legal officer.

The previous speaker raises a question about Mr. Johnson merely making suggestions, and implications, to sort of suggest there is no smoking gun, that we do not have him redhanded in this matter.

Well, I think sometimes when you have somebody up for confirmation, you do not have to have him redhanded. We are here to look upon the nomination of this individual and base our determination on whether or not, on the whole record, he should or should not be confirmed.

The case against Mr. Johnson is decisive. Since January 21, he has served as a consultant to Secretary Edwards, being paid at a rate of $192 per day. The terms of his consulting contract state that he is to advise the Secretary on legal matters and affairs. Mr. Johnson has occupied an office in the Secretary's suite and has been issued a Government ID because he has been at DOE every day.

At the same time, Mr. Johnson has remained a partner in the District of Columbia law firm of Sullivan and Beauregard. He has been a registered lobbyist on behalf of an oil company. He represents a number of clients that are considered "energy concerns" under the DOE Organization Act. Those clients include Holley Corp.; Energy Systems of TRW; Avco-Everett Research Laboratories; Aerojet Energy Conversion Co.; and the Newport News Drydock and Shipbuilding Co., a subsidiary of Tenneco.

This, Mr. President, is very far from the standard procedure followed by nominees of this and other administrations.

Joseph Tribble, for example, who recently took office as Assistant Secretary for Conservation and Renewable Resources at DOE, served as a consultant to the Department while awaiting Senate confirmation. Mr. Tribble, however, had taken pains to sever his connection with his former employer, Union Camp Paper, at the time of his nomination.

Mr. Tribble did nothing unusual. In fact, his action was standard procedure—precisely what the people of this country have a right to expect from high Federal officials.

But Mr. Johnson—who has been named to be General Counsel—did not see fit to do even the minimum in order to avoid a possible conflict of interest.

Mr. President, this man is not up for confirmation for a low-level position. He is being confirmed for the position of General Counsel. We expect the highest degree of integrity and moral ethics from members of the legal profession, particularly when they accept governmental responsibility.

According to the Federal Personnel Manual, a Government consultant means "a person who serves as an advisor to an officer or instrumentality of the Government, as distinguished from an officer or employee who carries out the agency's duties and responsibilities. He gives his views or opinions on problems or questions presented to him by the agency, but he neither performs nor supervises performance of operating functions."

Apparently, Mr. Johnson did not read the manual.

In a similar manner, the Office of Management and Budget has issued two circulars, A–76 and A–120, prohibiting the Government from contracting our essential governmental functions.

Mr. Johnson, however, has shown no regard for the restrictions placed on a Government consultant. And apparently, he has just as little regard for the confirmation process in the Senate. From the moment he signed that consulting contract, Mr. Johnson started setting

policy at DOE as though he were already the General Counsel.

For the last 5 months, Mr. Johnson has spent a large part of his time working to get DOE to reconsider a complex pricing regulation known as the V factor. This may seem harmless to anyone unfamiliar with the regulation. In reality, the V factor involves more than $13 billion that the Economic Regulatory Administration says oil companies owe to the consumers, wholesalers, retailers, and the Federal Government; $13 billion, even in today's economic world "ain't hay."

The V factor regulation was first promulgated by the Federal Energy Administration in 1974. Under the rule, a refiner is prohibited from allocating its refining costs, except in proportion to the products it produces.

Let me give you an example.

Let us assume it is 1978, when the price of home heating oil is decontrolled but the price of gasoline is still regulated. A refiner takes a barrel of crude oil and 50 percent of the refined product is heating oil and 50 percent is gasoline. Under the V factor, a refiner can allocate only 50 percent of the refining costs associated with that barrel in determining the lawful controlled price for the gasoline it sells.

That is simple enough. You allocate what your actual costs are. But what happens when there is no V factor? In that case, the oil companies take all of the costs associated with refining that barrel of oil and allocate them entirely to the controlled product, gasoline.

The impact of that reallocation would completely wipe out all of the $13 billion in existing overcharge cases presently pending against the oil companies.

The oil companies tried to eliminate the V factor last year. In August, they succeeded in getting a Federal district court judge in Texas to invalidate a critical portion of the 1974 regulation on a procedural technicality—a finding that all interested parties were not given an opportunity to comment in the record.

As soon as that decision was rendered, the oil companies began refiling their costs; 2 weeks later the refilings totalled more than $10 billion. Today, those refilings total $27 billion, according to ERA's Office of Special Counsel.

In early September, the Department of Energy announced a proposed rulemaking to retroactively remedy the defect in the earlier rule. The purpose of this proposed rulemaking was to put an end to the accounting game the oil industry was playing with the consumers of this Nation. A public hearing was held, the oil companies were given an opportunity to comment on the record. None disputed the legality of a retroactive rulemaking.

On January 16. DOE issued a final rule in the Federal Register remedying the procedural defect and protecting consumers and their claims against the oil companies. The oil companies lost in the rulemaking, but they were not deterred. You cannot stop the oil companies when they are at work in Washington.

In fact, the industry started working a month before the final rule was published.

On December 9, Charles Di Bona, president of the American Petroleum Institute, sent a letter to the Reagan transition team—a letter that can only be described as an oil industry wish list. The API urged the President-elect to decontrol the price of crude oil, to decontrol all petroleum products, to increase leasing in the Outer Continental Shelf, to expedite leasing of onshore lines. Then, over on the second page the letter urged Mr. Reagan to:

> Oppose the adoption of DOE's proposed rulemaking that would retroactively require refiners to allocate their costs for pass-through purposes on a volumetric basis.

The letter went on to say:

> A recent Federal court decision found that the V factor had been illegally adopted. DOE's proposed rule would be inconsistent with this court decision and inappropriate on economic considerations.

As a matter of fact, Mr. President, that letter does not even tell half the story, because the original V factor was invalidated for technical reasons. This letter suggests that it was done on a substantive basis.

Mr. Reagan was inaugurated on January 20. One day later, Mr. Johnson began his consultant job with Secretary Edwards.

According to a national news article of March 10, four oil industry lawyers, including Donald Craven, who was hired by the American Petroleum Institute to lobby the Reagan administration on repeal of the V factor, met on February 4 with Jim Tozzi, a senior OMB official and a member of the President's Task Force on Regulatory Relief, to discuss some industry relief from the V factor. Mr. Craven, I might add, also represents Gulf, which, at the time of the meeting, had outstanding overcharges lodged against it totaling more than $500 million. Also present at the meeting was Boyden Gray, Vice President BUSH's counsel.

The wheels were beginning to turn toward the oil industry's goal. Now, enter Mr. Johnson. According to his DOE telephone logs, he received a call on February 13 from Mr. Tozzi. About the same time, Mr. Johnson told the Energy Committee, he suddenly became familiar with the V factor regulation. He also told the committee that, after reviewing the rule, he decided that, although it was a final rule, before President Reagan took office, it fell within the spirit of the President's January 29 memorandum and ought to be reviewed.

That is preposterous, Mr. President. That is absurd. It was a final rule and the President's memo only dealt with regulations that were pending. But Mr. Johnson wanted to reach out. He wanted to protect the oil industry. That is what he is going there for.

Again, the memorandum that the President wrote directed every Cabinet officer to review all pending major rules proposed during the final weeks of the Carter administration.

The memo said nothing about final rules such as the V factor, but Mr. Johnson decided to review it anyway. Mr. Johnson was not to be deterred. Mr. Johnson had a job to do.

Mr. Johnson told the committee that even though he was merely a consultant, he, on his own, initiated—I am using his own words—initiated the process of deciding to review the V factor.

He did not respond to a request from Secretary Edwards that he provide a legal opinion.

This man, who is just supposed to be a consultant and not involved in policy decisions, moved in. He took it upon himself and he began to set Government policy—acting as if he had already been confirmed by the Senate.

On February 16, a meeting was convened in the office of DOE Assistant General Counsel Tom Newkirk to discuss the V factor. When Mr. Johnson learned that the meeting was underway, he told those assembled to come into his office. He summoned them into his office. He was not even invited to the meeting. But Mr. Johnson had to make certain that he had control of the V factor to protect the oil industry.

Once everyone was assembled, Mr. Johnson told Mr. Newkirk that he wanted the following language in the notice: "Proposed enforcement actions under these rules will be included in the review." And that language was included in the final notice.

Regardless of how far they had gone in an enforcement case, Mr. Johnson wanted to be certain to review it, open up the door, take care of the oil companies. Why should he worry about the American consumer or winning the battle against inflation? Why should he be concerned about any body except the oil companies?

What a red flag to the oil companies. Mr. Johnson was telling them: "Hey, don't settle any of your cases. We're going to be looking at the V-factor . . . and while we're at it, we're also going to review your overcharge cases. Hang on for a few months and you might get off scot-free." And all of this occurred while Mr. Johnson was a consultant and as well as partner in an energy law firm.

According to the Office of Special Counsel, which is the independent arm of ERA set up to audit and prosecute the 15 largest oil companies for pricing overcharges, the red flag has been highly effective. Since DOE began reviewing the V-factor several major settlements totaling more than $250 million have fallen through. No company has even hinted at an interest in negotiating cases. And who can blame the companies?

But Mr. Johnson was not finished with the V-factor. According to his DOE telephone logs. Mr. Johnson received a call on January 19 from Mark Evans, a Washington attorney hired by API along with Mr. Craven to lobby the administration on the V-factor. The message on the log says "Per Boyden Gray," Vice President Bush's counsel for the regulatory relief task force.

Mr. Johnson says he does not think it is unusual that Mr. Gray would refer

the API lobbyist to him. Mr. Johnson claims that he is the only attorney that Mr. Gray knew at DOE. Mr. Johnson would have us believe that Mr. Gray did not know there was an acting general counsel. Mr. Johnson wants us to think that Mr. Gray did not know any of Secretary Edwards' personal assistants.

According to Mr. Johnson, Mr. Evans was calling to find out what was the status of the V-factor review. What did Mr. Johnson tell the API lobbyist? Did he tell him that he was merely a consultant to the Secretary; that he was not a DOE employee; that he was still in private practice; and that there were people in the Public Information Office to answer the public's questions? No way. He told Mr. Evans that the attorneys in Mr. Newkirk's office were working on the V-factor and that "they would probably have something done later today or tomorrow."

When Mr. Johnson told Mr. Evans this, he gave him advance notice about DOE's decision to reconsider and review a rule that impacts on $13 billion in overcharges.

What were the ethics of his revealing that information to him? What was the legal propriety of his doing so? Giving advance notice to an outside party on any departmental decision not yet released is expressly prohibited by at least two formal notices issued by the DOE Secretary. And it is improper conduct for any member of the legal profession.

The next day, Mr. Evans called Mr. Johnson back. The message this time says "wants to send a messenger to pick up the V factor package." Mr. Johnson has testified under oath that he did not give Mr. Evans an advance copy of the notice to reconsider the V factor. He also swears that he did not promise to provide the API lobbyist with an advance copy of the notice. Mr. President, I find it hard to believe that Mr. Evans would offer to send a messenger unless he thought he was going to get an advanced copy.

I wish I could say that Mr. Johnson's initiation of DOE's decision to reconsider the V factor was the only thing he did during the past 5 months that goes beyond the bounds of a consultant's job. But it is not.

The nominee also was involved in the preparation of budget documents DOE submitted to Congress recently.

For the past 3 years, the Office of Special Counsel has been auditing the 15 largest oil companies for possible overcharges made to their refining customers. Those audits are now almost complete. In the process, the Office has identified overcharges totaling more than $10 billion and has begun to seek appropriate administrative and judicial action to recover the money on behalf of consumers and Government.

At the same time, the Office of Enforcement has been auditing the smaller refiners and wholesalers. This Office has identified overcharges of almost $3 billion.

The Carter administration proposed cutting the budget for these two Offices in 1982 from $67 million to $55 million. This cut was to reflect the decreased need for auditors and clerical personnel as the audits begun 3 years ago were completed. The Carter budget, however, left sufficient money to staff a proper level of lawyers to vigorously pursue all of the overcharge cases.

The money that was invested last year in the compliance budget was well spent. Without even considering the importance of enforcing the law against the oil companies, the $34 million spent on the Office of Special Counsel yielded recoveries and settlements totaling $550 million.

The present administration, however, plans to cut the compliance budget for fiscal year 1982 from $67 million to $12 million, even though $13 billion in overcharge cases remain unresolved. The Office of Special Counsel alone will have its budget cut from $34 million to $6 million.

The Acting Administrator of ERA, Mr. House, sent a memo to the Acting Undersecretary on Feb. 2 stating that a compliance budget of at least $44 million was needed in 1982. "Any lesser resource level," he wrote—

> Will signal DOE's reluctance to follow through on existing identified violations and will seriously weaken DOE's position in negotiating settlements.

He went on to say:

> Over $13 billion in identified violations would not be pursued, resulting in . . . criticism of DOE and the administration for absolving criminal and civil violations of Federal law.

It was in this atmosphere, that Avrom Landesman, DOE's acting special counsel, prepared the narrative for his office to submit to Congress for the 1982 budget. A portion of that narrative read:

> Because of limitations on available resources, new enforcement actions will not be initiated even where substantial violations have been discovered . . . It is estimated that this will result in the litigation of less than $3 billion of the $10.8 billion in violations identified.

According to Mr. Landesman, in testimony before a House Subcommittee, 2 days after he wrote that narrative, Mr. House requested a meeting with Mr. Johnson to discuss the compliance budget. At that meeting, Mr. Johnson asked to see the budget narrative. When he read the portion I just quoted, Mr. Johnson became very upset and told Mr. Landesman he thought it should be changed.

Once again, Mr. Johnson did not wait for the Secretary to ask him to provide a legal opinion.

He did not give his views when asked.

Mr. Johnson set policy. He made important Government decisions, even though he did not have the authority to do so.

The budget narrative was revised and returned to Mr. House 2 days later without any mention of the paragraphs that describe why the Office will not be able to pursue $7 billion in overcharges. Attached to the revised narrative was a cover note from Mr. Landesman, stating:

> I believe that the amended narrative satisfies that concern expressed by Tenney Johnson during our meeting with him on March 3d.

Mr. President, I could go on and on. I could discuss how Mr. Johnson worked with DOE officials on renegotiation of a weapons contract, while he still represented high technology clients. I could talk about how he wrote responses to Members of Congress and drafted questions for Republican Members of the House to ask at a subcommittee hearing.

The point is that it is wrong—and it is a very disturbing beginning for the chief legal officer of a major Federal department.

Mr. President, I want all of this on the record. And I want the administration to know that this high-sounding rhetoric about efficient government will be tested in the eyes of the people of this country by the quality and performance of its nominees.

Mr. President, I believe this is another message to the American consumer that the administration is indifferent to the concerns of the American people. But much worse than that, it says "Where is the integrity in this Government?" Where is the integrity that makes it possible to appoint a man as General Counsel to the Department of Energy who acts as its special consultant, acts contrary to the rules and regulations of the law, and goes on and moves into situations in which he has no legal propriety?

Mr. President, I believe that this man should not be confirmed for the Office of General Counsel. But, Mr. President, I am a realist. I can count as well as any Member of this body and I am realistic enough to understand that all of the Members on the other side are prepared to vote to support his nomination. I therefore say with regret that I shall not ask for a rollcall vote. I can only say that I believe that this is a very bad appointment. It should not have been made, and I am sorry that I am here on the floor having to oppose it, since I believe very strongly that we should not oppose Presidential appointments unless there is something very deep seated in our opposition. I feel that way about this one.

Mr. President, I reserve the remainder of my time.

(The following occurred during the remarks of Mr. METZENBAUM:)

Mr. BAKER. Mr. President, will the Senator yield?

Mr. METZENBAUM. Not on my time.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senator from Ohio may yield to me without the time being charged against the time allocated to him under the previous order.

The PRESIDING OFFICER (Mr. MURKOWSKI). Without objection, it is so ordered.

Mr. METZENBAUM. And without changing the time for the final vote?

Mr. BAKER. And without changing the time for the final vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—S. 271

Mr. BAKER. Mr. President, I believe this unanimous-consent request has been cleared with the distinguished minority leader. I will recite it now.

Mr. President, I ask unanimous consent that when the Senate completes action on the nomination of R. Tenney Johnson to be General Counsel of the Department of Energy, the Senate return to legislative session, and that not before 3 o'clock it proceed to the consideration of Calendar Order No. 37, S. 271, a bill to repeal section 222 of the Communications Act of 1934.

I further ask unanimous consent that the Senator from South Carolina (Mr. THURMOND) be immediately recognized for the purpose of moving that the bill be committed to the Judiciary Committee for a period of 1 week, and that the time on the motion be limited to 90 minutes to be equally divided and controlled by the Senator from South Carolina (Mr. THURMOND) and the Senator from Oregon (Mr. PACKWOOD), provided that if the motion fails the bill be returned immediately to the Calendar of General Orders.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, this request has been cleared on our side and there is no objection.

Mr. BAKER. Mr. President, I thank the distinguished minority leader.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, I thank the Senator from Ohio for permitting me to interrupt. I apologize to the Senator from Idaho and thank him as well because, due to the diligence and perseverance of the Senator from Ohio in protecting his rights, I ended up taking time from the Senator from Iowa.

Mr. McCLURE. Mr. President, I yield to the Senator from Oklahoma (Mr. NICKLES).

Mr. NICKLES. Mr. President, I thank the Senator from Idaho and congratulate him and his committee for doing an outstanding job.

Mr. President, I fully support Mr. Johnson's nomination for DOE General Counsel. At the outset, I want to point out that it would be difficult to find an individual who is better qualified than Mr. Johnson for that particular position. For much of his professional career, he has been a general counsel or deputy general counsel within the Federal Government. He has served as a member of the Civil Aeronautics Board. He was also in the private practice of law for 3 years.

An interesting and important aspect of Mr. Johnson's background is the fact that he has served as General Counsel for three major Federal agencies. Those agencies are the Energy Research and Development Administration, the National Aeronautics and Space Administration, and the Civil Aeronautics Board. Mr. Johnson has also served as Deputy General Counsel in two additional agencies, the Department of Transportation and the Department of the Army.

I note also that the quality of his performance in those positions has been outstanding. That is apparent from the fact that he received the Distinguished Service Award in 1976 from the Energy Research and Development Administration, the Meritorious Achievement Award from the Department of Transportation in 1968, and the Exceptional Civilian Service Decoration from the Department of the Army in 1967.

Mr. President, Mr. Johnson has also performed a number of special assignments. He was chairman of the Organizational Integration Working Group, DOE Activation Task Force, from June to September 1977. During the period 1975–79, he served as U.S. Co-Chairman, United States-Union of Soviet Socialist Republics Joint Working Group on Intellectual Property, United States-Union of Soviet Socialist Republics Agreements for Cooperation. From 1970–72, he served as consultant on patent policy and indemnification against usually hazardous risks, Commission on Government Procurement.

Mr. President, I am very pleased to support Mr. Johnson's nomination, and I hope he will be confirmed by an overwhelming majority of this body.

Mr. McCLURE. Mr. President, I yield 1½ minutes.

Mr. President, I want to respond in the time remaining to what the Senator from Ohio has already said with respect to the discussion of the V-factor. I have already placed in the RECORD the letter of the Acting General Counsel for DOE concerning Mr. Johnson's role with respect to the review of the regulation on the V-factor, indicating the view that what was done was entirely and totally within the rules and regulations and the law and the ethics of the profession with respect to the suggestion made by a consultant regarding that particular regulation.

With respect to contacts with two API attorneys, let me refer to the fact—not the rumor, but the fact—of what was actually done in regard to those contacts. The record under sworn testimony indicates that Mr. Johnson received a phone call in which he was offered advice with respect to the regulation, and he refused to discuss the matter. There was, later on, a messenger who came up. That was not a contact with Mr. Johnson at all. There was, later, another inquiry by another API attorney as to when a document would be released. Mr. Johnson said, as was customary practice, with respect to timing and not substance, that it might be released the following day.

The PRESIDING OFFICER. The Senator has used 1½ minutes.

Mr. McCLURE. Mr. President, I ask unanimous consent that I may proceed for 2 additional minutes. I do that only with respect to the time taken by the colloquy between the majority and the minority leaders.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. I yield myself 1 additional minute.

Mr. President, the Senator from Ohio has very strong feelings concerning the oil industry. There is not any question about that fact, and his statement today reiterated what all of us well know.

A reporter for the Washington Post very recently was embarrassed, as was that great newspaper, for having written a story based upon fact but which was pretty largely fiction and that, I think, is what we have heard here today, a fictional account of something that might have happened but did not really happen; something that might have taken place but did not take place. But in the fertile imagination of some it has been extrapolated into some kind of a serious charge. But the facts are, and I repeat, the facts on the record refute the charges that are made.

At this point, Mr. President, I am going to address the specific issues raised during Mr. Johnson's nomination hearing held on April 30. At that hearing, Senator METZENBAUM criticized certain actions of the Reagan administration and the Department of Energy, and he also raised a number of possible allegations against Mr. Johnson personally. The Senator suggested that Mr. Johnson, as a consultant to the Department of Energy for the period beginning in January of this year, may have engaged in certain decisionmaking activities and thus did not strictly confine his activities to consulting functions. The Senator also raised several questions involving potential conflicts of interest possibly created by Mr. Johnson's consulting activities.

During the hearing, Mr. Johnson responded to each of Senator METZENBAUM's questions. He provided additional information in answers to written questions that I submitted to him subsequent to the hearing. Other information, described previously, was included in my review of these issues, as well. Based on Mr. Johnson's answers, both at the hearing and later for the record, and the other information available to me, I have concluded that there is no merit whatsoever to any of the possible allegations. In no instance did Mr. Johnson act improperly, nor were any conflicts of interest created by Mr. Johnson's status as a consultant or his activities in that capacity.

These conclusions are readily derived from a number of fundamental facts that are set forth in Mr. Johnson's sworn testimony and in his written responses to my questions. Those facts speak for themselves. Moreover, they have been fully corroborated by individuals other than Mr. Johnson, consisting of DOE personnel, administration officials, and other individuals who have personal knowledge of the events cited by Senator METZENBAUM. Each of these persons has confirmed the facts as stated by Mr. Johnson and that pertain to his consulting activities.

Mr. President, to demonstrate that there is no substance to the allegations made at the hearing, I will summarize or quote the undisputed facts that relate to each issue. Before I do that, however, I have a comment about the general issue of Mr. Johnson's activities as a consultant.

It is evident from his testimony at the hearing that, while serving as a DOE consultant, he was well aware of the precise limits of his role in the Department's decisionmaking process. He explained

those limits very well to Senator METZENBAUM in the following terms:

Senator, in virtually every meeting in which I have participated I have advised all the participants that I am a consultant and acted only as a consultant, and I am very careful in all my actions in the Department not to presume that the Senate has taken any action on the position for which I have been nominated.

I am very conscious that I have no authority. If the officials who do have the authority have accepted any ideas that I presented, they have done so in my opinion on the merit of those ideas and not because I compelled them to do so.

I had no power to compel, and made it consistently plain that I had no power to compel. I have been, if I may say, Senator, on both sides of this equation in five different administrations. I have been a career official working with nominees and working with them to carry out the policies of the new administration. I very well know that when a staff official is in an acting capacity the decisions that are taken by that official are the responsibility of that official.

However, it is perfectly proper and indeed desirable for a staff official to seek views of people who have been brought in to assist the Secretary and who are presumed to be able to reflect the Secretary's views on matters. It makes perfectly good sense for them to seek out views of individuals such as myself, but they know, as I knew in my time, that the advice given is not binding nor is it an order of any kind. It is a suggestion and may be accepted on its merits.

There have been times when suggestions that I made have not been accepted because better ideas were found. I am very used to participating in discussions in which ideas are cast back and forth until the best solution emerges, and it is not a question of dictation by any individual. (p. 31, April 30, 1981, Hearing Record, Publication No. 97–9)

After the hearing, I asked Mr. Johnson to describe the guidance he received from the Secretary on what services the Secretary wanted him to perform as a consultant. Mr. Johnson submitted the following reply:

He asked me to assist him by informing myself on Departmental matters, particularly legal issues, discussing them with Departmental officials, personally advising him on such issues, reviewing on request documents submitted to him, advising other officials whom he had appointed on his immediate staff, passing on to officials in authority desires and instructions of the Secretary. I was also to make suggestions and give advice to Departmental officials to assist them in carrying out the policies of the Secretary and the Administration. On the other hand, I had no directive authority, could not make policy on my own authority, could take no official action, and could not represent the Department to other agencies or the public. (p. 130, April 30, 1981, Hearing Record, Publication No. 97–9)

Mr. Johnson, in his June 1 letter in discussing the last allegation, forcefully denies and refutes the assertion that he exceeded his role as a consultant. Mr. Fygi, on behalf of several DOE senior officials, supports his position in a most persuasive discussion in his June 1 letter at page 4. Also, Mr. Landesman in testimony under oath on March 11 before the House subcommittee which was substantiated expressly by Mr. House, who also was under oath, stated that Mr. Johnson was a consultant, who made that clear to DOE officials and did not issue directives or make decisions. Mr. Fygi's discussion on this issue is as follows:

As Acting General Counsel, I am familiar with the general activities performed by Mr. Johnson for the Secretary, as we have exchanged advice and information on a routine basis since the advent of his service as a consultant. In this connection, I should add that there has been a wide array of matters concluded with frequency by this office on which I have not felt it necessary to seek Mr. Johnson's advice. Messrs. Newkirk and Funk of this office, as well as Mr. William V. Vitale, Executive Secretary of the Department, are as well familiar with the character and scope of Mr. Johnson's general activities during his service as a consultant for the Secretary.

In this connection, some of the questions put by Senator Metzenbaum to Mr. Johnson suggest that it was somehow improper for a consultant in Mr. Johnson's position to participate in the official business of the Department. Any such implication is incorrect as a matter of law. Mr. Johnson's consultancy is not that of a private contractor, but rather during his days of service with the Department he is a special government employee, a type of employment status expressly recognized by statute.

Mr. Johnson's areas of expertise, as reflected in the character and duration of his prior federal service, are in the disciplines of administrative law, public contract law, and the mixed questions of law and policy that are peculiar to one who is an experienced legal adviser to an agency head. The character of Mr. Johnson's service as a consultant has involved providing advice to the Secretary that is consistent with his skills and experience, and making himself available to the senior professional staff of the Department to provide them his understanding of the Secretary's general policies so that those officials' actions would properly reflect such policies.

Mr. Johnson has, however, refrained assiduously from conducting himself in a manner beyond this role, and has exercised himself no line, command, or delegated legal authority that otherwise would be wielded by the General Counsel or any other confirmed official. In addition, he has reviewed, with a view to providing the Secretary advice, certain classes of documents transmitted to the Secretary through Mr. Vitale's office, so that the Secretary and his immediate staff may have the benefit of Mr. Johnson's advice when acting upon such documents. Such a function corresponds exactly to the duties that such a consultant is in a position to perform, and corresponds as well to the actual requests for advice made by the Secretary and his immediate staff.

I note that there is no evidence that Mr. Johnson's view of his consulting role is incorrect, nor that the Secretary of Energy's guidance on Mr. Johnson's consulting role violated any Departmental rule or practice. Moreover, there is no evidence that Mr. Johnson's consulting activities went beyond the limits as expressed by Mr. Johnson, or beyond the scope of the services requested by the Secretary.

I will now turn to the specific issues raised at the hearing, and to the facts that relate to those issues. One of the major issues was the claim that Mr. Johnson acted improperly by participating in the Department of Energy's decision to review the so-called V-factor rule. On January 16, 1981, during the final week of the Carter administration, the DOE issued a final rule on the V-factor, a highly technical issue relating to cost allocation and pricing for certain petroleum products during the period that those products were subject to price controls. On January 29, 1981, President Reagan issued a memorandum directing cabinet officers to postpone for 60 days from that date the effective date of final rules already promulgated, but not yet effective. The purpose of postponing the effective dates was "to subject to full and appropriate review many of the prior administration's last minute decisions * * *." In a notice issued on February 23, 1981, the DOE announced that it would review a number of rules previously issued by the DOE during the Carter administration, including the V-factor rule. The DOE acknowledged in the notice that the V-factor rule, along with five other rules, did not fall within the literal terms of the President's memorandum, because it was effective prior to the issuance of the memorandum. However, the DOE expressed its belief that "it is consistent with the spirit of the memorandum to review these additional final rules as well, to determine if any action is appropriate." The notice also stated:

Proposed enforcement actions under these rules will be included in this review. The decision to conduct this review should not be construed as indicating any view by DOE as to the desirability of changing or eliminating any of these rules.

Senator METZENBAUM suggested that Mr. Johnson, while acting as a DOE consultant, may have "interjected" himself into the V-factor issue and thus had acted improperly. The facts show that there was no improper conduct on Mr. Johnson's part. He participated with DOE staff attorneys and other officials in discussing the review of the rule. He concluded that it would be appropriate for the new administration to review the rule because it was a last minute decision of the outgoing administration.

Accordingly, Mr. Johnson suggested, on his own initiative, that a review would be desirable and within the spirit of the President's memorandum. In making that suggestion, he acted within the proper scope of his duties as a consultant to the Secretary. Mr. Johnson also participated with Departmental attorneys in the drafting of a notice of intention to review the rule, and he suggested the language which stated that the decision to review does not indicate any decision on the merits of the rule. He also requested that language be included to deal with the problem of enforcement of actions based on a rule which might be amended after completion of a rulemaking proceeding not yet initiated.

Each of these suggestions was within Mr. Johnson's duties as a consultant. His job was to render advice to the Secretary on all areas in which the Secretary was interested. It was not his function to sit mute during meetings and merely listen to discussions about pending issues. Indeed, if he had refrained from taking the initiative and making suggestions, a question could have been raised as to whether his performance as a consultant was satisfactory. Finally, I note that there has been no evidence that any DOE

regulation or guideline was violated by any actions taken by Mr. Johnson with regard to the decision to review the V-factor rule.

Mr. Fygi's letter of June 1, at pages 2 to 4, discusses extensively the views of the senior DOE officials involved in the V-factor rule decision about Mr. Johnson's role. Also, the House subcommittee reviewed Mr. Johnson's role in some detail while he was testifying under oath at the March 25 hearing. It is particularly noteworthy that Subcommittee Chairman MOFFETT at the conclusion of the hearing commented to the effect that Mr. Johnson was very capable and he expected Mr. Johnson to be confirmed. Additionally, at my request, the White House Legal Counsel interviewed Mr. James Tozzi, the OMB official identified bv Mr. Johnson at pages 33, 40, 41, and 42 of the hearing volume as having been in contact with Mr. Johnson on the V-factor issue. The Deputy White House Legal Counsel, Mr. Richard A. Hauser, has indicated that Mr. Tozzi on June 1 advised the Legal Counsel that he has reviewed the testimony of Mr. Johnson generally and particularly the discussions related to their contacts. He further advised the Leagl Counsel that to the best of his recollection Mr. Johnson's testimony and answers for the record are absolutely accurate regarding the substance of their conversations. Mr. Fygi's discussion on this issue is as follows:

I am familiar with this matter, and in fact executed the Federal Register notice that announced the intention to conduct a review of several departmental rulemakings, including the retroactive amendment to the V-Factor rule. In addition, Messrs. Newkirk, Funk and Corrallo are familiar with this matter. Our recollections all agree with the statements made by Mr. Johnson to the Committee as to the character and degree of his involvement in this activity.

While Mr. Johnson has advised the Committee of his involvement in the Department's decision to review this rulemaking, this involvement did not precipitate the Department's concern, after January 29, 1981, with the V-Factor rule. To the contrary, the Department's scrutiny of the rule arose out of predictable issues involving the effect on that rule of the President's memorandum of January 29, 1981 entitled "Postponement of Pending Regulations." Quite apart from and prior to Mr. Johnson's role in familiarizing himself with the rule and his ultimate suggestion that it be reviewed, officials of the Office of Management and Budget charged with carrying out the President's memorandum, as well as representatives of private firms and the media, had contacted me, Mr. Newkirk or Mr. Funk as to this matter. The thrust of these initial inquires bore upon the question of whether the rule itself fell within the scope of the memorandum which instructed federal regulatory agencies to postpone for 60 days the effectiveness of all final rules otherwise scheduled to become effective within 60 days from the date of the memorandum. The Office of General Counsel of this Department was requested by OMB to examine carefully the rule to determine whether, as a matter of law, it fell within the terms of the President's memorandum and therefore was required to have its effective date postponed.

The result of this scrutiny was the legal determination, to which I adhered and which corresponded with the views of the Department of Justice, that the V-Factor rule did not as a matter of law fall within the terms of the President's memorandum. Having concluded that, however, we also determined that it would be appropriate (and, indeed, —entirely predictable in the normal course of events) that this rule should be evaluated carefully by senior individuals of the incoming Administration. The notice ultimately adopted by the Department was intended, among other things, authoritatively to dispel doubts as to the rule's current legal status in view of the President's memorandum, to inform the public that it along with several other rules would be reviewed, to state the logical truism that those compliance actions under any of the rules being reviewed would themselves by necessity be examined as well, and to state authoritatively that no decision on the merits of these rules had yet been made by the incoming Administration.

Some of the questions put to Mr. Johnson suggest that he acted as an intermeddler in this matter, and that the commitment to review the rule is in reality a commitment on Mr. Johnson's part to urge its revocation. None of Mr. Johnson's conduct as to this matter that I have observed suggests anything of the kind. The statements he has made to the Committee describing his role in this matter are entirely consistent with his statements and conduct, including private discusions, on every occasion that this matter was considered. The related legal and policy considerations inherent in this rule involve precisely the type of advice that a consultant with Mr. Johnson's skills and experience would be expected to provide to the Secretary, and on the Secretary's behalf render to the senior professional staff of the Department.

Finally Senator Metzenbaum suggested in the record that Mr. Johnson committed an impropriety by acknowledging during a telephone conversation with a private attorney that some, unspecified action addressing the V-factor rule was imminent. Mr. Johnson testified before the Committee that during this conversation he gave no information as to the substance of the Department's contemplated action, but provided only an estimate of when the document by which the Department acted would be available to the public. The fact that some action was under way with respect to that rule already was widespread knowledge, and in these circumstances providing advice as to anticipated timing of availability of a decision was an ordinary courtesy, similar to the practice observed by many courts and administrative agencies. Any suggestion of an impropriety on Mr. Johnson's part by reason of his having provided an estimate of when the Federal Register notice covering the V-factor rule would be available to the public is without merit. Messrs. Landesman, Corrallo, Newkirk and Funk join me in this conclusion.

Senator METZENBAUM also objected to the fact that the DOE decided to review the rule. The Senator has every right to express his opinion that the rule is beneficial and should not be rescinded, but there is no evidence that the decision to review the rule was illegal or in any way improper. As Mr. Johnson stated during the hearing:

It is perfectly proper for the new administration to review a rule with tremendous effect because the new administration has to live with the rule. The old administration, while it put it into effect, is not responsible for its consequences.

Surely, the Senator would agree that any existing regulation of any Federal agency is subject to amendment or rescission, and any such change in the rule will be perfectly valid if the proper administrative procedures are followed.

Another issue raised at the hearing was whether Mr. Johnson acted improperly in communicating with representatives of the American Petroleum Institute during the time the DOE was considering whether to act on the V-factor rule. Mr. Johnson's phone logs were the source of the original information on these contacts. In addressing that issue, Mr. Johnson supplied the following facts:

My contacts with the American Petroleum Institute consisted of answering two phone calls made to me. The first was made by Donald Craven, a Washington attorney whom I only later learned had been retained by the American Petroleum Institute. The call was made on January 30, 1981. Mr. Craven offered to brief me on the V-factor rule. I declined the offer. I have had no subsequent contact with Mr. Craven. He has not sent me any material for review. I took no action of any kind on the basis of Mr. Craven's phone call.

The second phone call was made by Mark Evans. In that conversation I learned that he was a Washington attorney in the same firm as Mr. Craven. This call was made on February 19, 1981.

He stated that he was aware that the Department was working on the V-factor. I said that was true. He asked when the Department would complete its work. I said I expected that something would be issued the next day. He asked if he could have a copy when it was issued. I said that as I understood the Department's procedure, he could have one when it was issued. At no time in this conversation did I discuss the substance of the Department's work, nor did I promise to provide an "advance copy." There was no way he could tell from my conversation what the Department actually was going to do from among the options available to it.

Mr. Evans called me the next day at a time when I was not in the office. He asked my secretary if he could send over a messenger to pick up the Department's "package" on the V-factor. When my secretary mentioned this request to me later that day, I said I had nothing for Mr. Evans. (In fact the Department had not completed its work that day. It was not until the following Monday that the Notice of Intention to Review was finally signed and issued.) I told my secretary that he could get a copy not from me but from Public Affairs or General Counsel. Later, my secretary told me she had referred him to Public Affairs.

I have had no other contact with Mr. Evans.

Neither Mr. Craven's call on January 30 nor Mr. Evans' call on February 19 had any effect on my activities on the V-factor rule. The bulk of my participation in that matter took place in between those dates (p. 133, April 30, 1981, Hearing, Publication No. 97–9).

Again, Mr. Fygi's letter of June 1, at page 4, forcefully supports Mr. Johnson's testimony and conclusion regarding the contacts with the private lawyers. The concurrence of the senior DOE lawyers on this point is particularly noteworthy. Also, Mr. Johnson's June 1 letter restates the full circumstances in a manner which should dispel the overtones of an API initiated or led reversal of the V-factor rule through Mr. Johnson. Further, Mr. Johnson's testimony and answer for the record regarding these contacts, particularly the answer at page 133 quoted above, were the subject of a committee staff interview of Messrs. Donald Craven, Esq., and Mark Evans, Esq., of the law firm of Miller & Chevalier on May 29, 1981. Messrs. Craven and Evans

reviewed Mr. Johnson's statements in the record and individually stated that they believe that Mr. Johnson's answer is complete and accurate in all material respects to the best of their recollection. Both attorneys stated categorically that Mr. Johnson refused completely to discuss the substance of the V-factor rule and its potential reconsideration by the Reagan administration—so much so that his unwillingness was a source of great concern to them about a possible position adverse to their client's interest. Finally, both attorneys stated that without any reservation they would verify the accuracy and completeness of Mr. Johnson's answers to all material facts and certainly as to the conclusions drawn by Mr. Johnson. Again, we have independent corroboration of Mr. Johnson's testimony from identified individuals involved in these matters.

There was nothing improper about Mr. Johnson's conversations with the two API attorneys. He did not provide advance notice of the DOE's decision, nor did he commit to providing advance notice. He provided no substantive information whatsoever. The suggestion that in dealing with the API representatives Mr. Johnson breached a confidential relationship with his employer, is groundless.

A third issue discussed at the hearing related to a meeting of DOE officials called for the purpose of preparing questions to be directed at Paul Bloom in a House committee hearing on proposed budget cuts for the DOE Office of Special Counsel. Mr. Johnson participated in the meeting. Senator METZENBAUM, during his questioning of Mr. Johnson, expressed his view that the meeting was improper and the questions developed at the meeting were intended to "destroy" Mr. Bloom.

The questions prepared by the DOE officials are reprinted in the committee hearing report on Mr. Johnson's nomination at page 19. As Mr. Johnson testified at the hearing, the questions were designed to elicit facts, not opinions, and they certainly did not discredit Mr. Bloom or his enforcement efforts. In fact, Mr. Johnson has stated repeatedly that he emphasized that approach in the meeting, and, further, that he would never be party to an effort to discredit such a witness. It is evident from a review of the questions themselves that there was nothing improper about the meeting or the questions.

Mr. Fygi's letter at page 6 provides the views of other DOE officials who attended the meeting, which was called for the purpose of preparing questions in response to a request from a Member of Congress. They substantiate Mr. Johnson's testimony completely with regard to his participation and his advice, which was to avoid any attack on Mr. Bloom. Mr. Johnson's letter of June 1 restates once again his opposition to the suggestion of "destroying" a witness. He states:

I would deplore any attempt to haze any witness or distort or misrepresent previous statements by any witness. I have never done so, and I would not be a party to an effort to do so.

Mr. Johnson's ringing objection to the mere suggestion, which is paralleled in his oral testimony at page 17 of the Hearing Volume, confirms for this Senator the lack of substance in this allegation. Mr. Fygi's discussion on this issue is as follows:

I attended this meeting, along with Messrs. House, Landesman, and other regulatory and compliance officials of the Department. The meeting was conducted in response to requests communicated to the Department the preceding Friday that departmental officials be prepared by Monday morning to brief two members of the Subcommittee on Environment, Energy and Natural Resources of the House Government Operations Committee. One of the members had requested that the Department be in a position to provide that member questions and answers that would assist the member in preparing for the hearing. In this connection, I had been asked by the then Special Assistant to the Secretary to conduct this briefing.

At no time during this meeting (or, for that matter, at any other time) did Mr. Johnson express any animus whatsoever toward any former or present government employee, including Mr. Bloom, the former Special Counsel for Compliance. Particularly, during the course of the meeting he expressed the view that the purpose and nature of the questions to be developed should not be susceptible of seeming to discredit any individual, for that was not the nature of the Department's mission. The Department's mission was to respond to the requests made of the Department by members of the Subcommittee to aid their understanding of the budgetary and enforcement policy issues that were expected to arise during the hearing. Mr. Johnson's counsel during this meeting was that the questions prepared, as well as any other material conveyed, should be designed to adduce only answers that would reflect professional judgments and facts about the merits of the issues before the Subcommittee. At no time during this meeting did Mr. Johnson express or intimate any desire or purpose to impeach the bona fides of any witness, let alone "destroy" Mr. Bloom as a witness.

Senator METZENBAUM suggested a fourth possible allegation pertaining to Mr. Johnson's suggestions that certain language changes be made in the proposed budget narrative for the Office of Special Counsel at DOE. The Senator objected to the fact that the proposed budget for the DOE enforcement effort was reduced from the Department's request of $35 million down to the OMB proposal of $11.9 million, and out of that amount, the Office of Special Counsel was allocated only $6 million. The Senator also suggested that Mr. Johnson may have acted improperly in suggesting to a DOE official that there should be certain language changes in the draft budget narrative.

Mr. Johnson explained in very explicit terms that he only made a suggestion. He did not order the DOE official to make any changes. Mr. Johnson testified:

Senator, I was asked for my views on the memorandum. I gave them. It was not my decision and not my authority to tell him to change it. The actions that he took were at least responsive to the notion that the document states positively what can be done with the resources and does not contain any implication that enforcement actions would not be undertaken when there is time and money to undertake them. (p. 30, April 30, 1981, Hearing Record, Publication 97–9)

Mr. Johnson also explained why he had concluded that the draft should be revised. He stated:

I said that I saw that document as containing an implication that the Department was going to walk away from a large amount of claims, and since I knew the Secretary had taken the position that there was to be no amnesty for oil companies that had violated regulations, that that contained an implication that was contrary to the Secretary's policy. (p. 29, April 30, 1981, Hearing Record, Publication 97–9)

This particular issue was reviewed extensively and thoroughly in the House subcommittee hearings on March 11, with testimony of the other involved DOE officials, and on March 25, with testimony by Mr. Johnson, all of which was under oath. The hearing record demonstrates conclusively that Mr. Johnson made a recommendation which was adopted and implemented by others. In fact, Mr. Landesman in the March 11 hearing stated that, even if he were the confirmed General Counsel of DOE, Mr. Johnson could not direct him to change the budget document. Only Mr. House could give such an order, and, in fact, it was Mr. House who gave the order to modify the text of the OSC budget discussion. Mr. Johnson's letter of June 1 highlights the subcommittee hearing record in establishing the consultant role in the change to the text. Mr. Fygi's letter of June 1, at page 2, clearly corroborates the testimony of Mr. Johnson and the testimony in the House subcommittee. Mr. Fygi's discussion on this issue is as follows:

I was present at the March 3 meeting to which Senator Metzenbaum adverted, along with Messrs. House, Landesman, Corrallo, and Newkirk. Each of our general recollections corresponds with what Mr. Johnson stated as to this matter to the Committee. More particularly, however, I recall that when I examined the draft narrative during this meeting (which was the first occasion on which I had reviewed this document), both I and Mr. House expressed the view that the language chosen was inappropriate in that it did not correspond to what such documents typically are designed to convey. Narratives accompanying any Administration's budget proposals do not speculate as to what a particular funding request will not permit an agency to accomplish, but rather seek to explain the activities that will be accomplished with the money sought. The reservations as to the manner in which the proposed document had been drafted did not originate only with Mr. Johnson, but rather were also expressed contemporaneously by myself and Mr. House as we all examined the document in question.

Once again, it is obvious that the allegation is without merit. It was Mr. Johnson's duty as a consultant to the Secretary to express his view that the draft narrative misrepresented the Secretary's position on an important issue. Mr. Johnson expressed his opinion to the appropriate DOE official, and his suggestion was accepted. There was nothing improper about such a suggestion.

A fifth issue raised during the hearing was Mr. Johnson's participation in a DOE decision relating to an existing contract between DOE and the University of California. The issue was whether DOE should proceed to negotiate a draft contract, in the form of an extension of

the existing contract with the university, or whether the negotiations should be deferred pending a decision on whether to invite competitive bidding. During his testimony before the committee, Mr. Johnson provided the following background information:

In the case of the contract with the University of California, the question was whether it should be extended or not, and this still is under review. The decision had not been rendered within the Department, at the time I was consulted, as to whether the negotiation would solely be with the University of California or be open to competition. Since there was some urgency attached to this I said that it would be desirable to negotiate a draft contract now before the University of California knew for sure that the contract would be renewed with them, giving the Government a better bargaining position in regard to that contract.

It did not, however, lock in the Government to that particular contract since the fundamental decision of whether to extend it or not had not been reached within the Department. My advice was simply to increase the Government's bargaining position in the negotiation. (Pp. 15–16, April 30, 1981, Hearing Record, Publication 97–9.)

Mr. Fygi's letter of June 1, at page 5, which significantly represents the views of the senior DOE procurement officials most directly involved in and responsible for the renegotiation of the University of California contract, forcefully rebuts the allegation that Mr. Johnson participated improperly or with a conflict of interest. He, as he testified, provided advice on the critical tactical issue in the renegotiation. Mr. Johnson's letter of June 1 provides an extensive discussion of the procurement issues and the nature of his advisory participation in the consideration of the contract. Mr. Fygi's discussion on this issue is as follows:

While I am not personally familiar with this matter, Messrs. Rauch, Rawicz and Forst are personally familiar with Mr. Johnson's advice as to this contract activity. They have authorized me to state that they concur with the accuracy of Mr. Johnson's response to the Committee as to this matter, and particularly that they confirm that Mr. Johnson's advice was sought and received as to a tactical question involving only the sequence of the necessary steps that should occur.

More particularly, the contracts with the University of California under which some of this Department's weapons research activities are carried out expire September 30, 1982. The thrust of Mr. Johnson's advice was to recommend that the negotiation with the University of California of contract terms commence in advance of a formal determination as to whether to extend the contracts or to compete them afresh. Mr. Johnson's advice that contract negotiations begin while noncompetitive extension had yet to be decided was designed to further the obvious interests and bargaining position of the government, and from what I know of this matter had the question been put to me I would have provided the very same advice. As a parenthetical observation, the methodology suggested by Mr. Johnson violates no principle of public contract law, particularly when one takes into account the peculiar character of weapons laboratory contracts and the special nature of the authority under the Atomic Energy Act that they are designed to further.

Mr. Johnson was asked for his views on the matter, and he complied with that request. It is obvious that Mr. Johnson did not make an official decision on the contract. He limited his role to expressing his opinion, which was perfectly proper.

Senator METZENBAUM also suggested that Mr. Johnson's involvement in the University of California contract decision created a conflict of interest. The Senator suggested that Mr. Johnson could have opened the door for participation by certain corporate clients of his law firm. According to the Senator, this was accomplished by Mr. Johnson's suggestion that the possibility of competitive bidding not be foreclosed. Mr. Johnson responded to the allegation with the following statements:

It is not conceivable, Senator. None of those clients are in possible condition to run a laboratory of the complexity of Lawrence Livermore. The only thing I was doing was trying to assure that the Government had the best bargaining position when it was negotiating with the University of California.

Under no conceivable set of circumstances would it be possible for any clients of mine to be the competitor in such a situation.

The decision, Senator, as to whether to open the matter up for competition has not been made. It is under review within the Department, and I have not participated in that review. (Pp. 14 and 15, April 30, 1981, Hearing Record, Publication 97–9.)

On this particular question, this Senator, other Senators on and off the committee, and the staffs of several of our committees, including Appropriations, Armed Services, and Energy, would all appreciate that these huge nuclear weapon laboratories and production facilities (which also have civilian energy programs) simply would be beyond the capability of Mr. Johnson's clients by several orders of magnitude. That fact is not intended to discredit the clients; rather, it is a recognition of the complexity and size of these labs and facilities. Consequently, the suggestion of some benefit to those clients from a bidding procedure is highly unrealistic.

It is evident from these statements that there was no conflict of interest. Thus, an analysis of the facts again demonstrates that there was no substance to the allegation.

During the hearing Mr. Johnson was questioned by Senator METZENBAUM on two additional subjects: The nominee's continuing financial relationship with his law firm, and the extent to which both he and his law firm performed legal services for companies labeled by DOE as energy concerns. In response, Mr. Johnson noted that he was an "intermittent consultant." This means that the Government did not pay him on days when he did not work for the Government. Thus, he was not paid by the Government for the time he spent on work for private clients.

Mr. Johnson provided the following additional information to the committee:

I earn only on the basis of work which I have performed or have originated (i.e., brought to the firm myself). I do not share in work performed by others except in work I originated. Thus, I receive no compensation for work done by my partners for Tosco or Morrison-Knudson, neither of which are my clients. If I am confirmed, I will sever my relationship with the firm, and withdraw my capital and accumulated earnings. If any fees for past services remain to be paid after I leave the firm, I will receive them, less my share of the firm's overhead, when they are paid. I will thereafter receive no other compensation. (P. 129, April 30, 1981, Hearing Record, Publication 97–9.)

In referring to the law firm's work for energy related clients, Mr. Johnson testified:

The energy work that our firm did was almost entirely performed by me. One of my partners has assisted the Tosco Corporation. . . . On another matter, a partner has assisted a company called Morrison-Knudsen, but that is the sum total of the energy concerns represented by the firm other than by me. (P. 12, April 30, 1981, Hearing Record, Publication 97–9.)

Moreover, as a consultant, Mr. Johnson has avoided participating in any way in the department's consideration of any proposal of, or other matter related to, Tosco or Morrison-Knudsen.

The facts supplied by Mr. Johnson in his testimony and subsequent submittals to the committee show beyond any doubt that no actual or potential conflicts of interest were created by his status as a consultant and his relationship with his law firm, under the ground rules he employed. The DOE Organization Act provides statutory prohibitions and restrictions regarding recusal by a DOE official in matters related to his prior employment for the past 5 years. These statutory provisions provide the congressional direction on this issue.

Mr. President, this extensive and thorough review of all of the outstanding allegations against Mr. Johnson should clear any lingering cloud on his integrity. The record itself, and all of the corroborating information, stand as redoubtable fortress as yet undaunted in defense of Mr. Johnson's integrity. As Mr. Fygi correctly concluded:

On the basis of this review of the Committee record and my personal observations, I am of the view that any suggestion that Mr. Johnson has committed an impropriety during his service as a consultant to the Secretary is wholly without basis in fact.

I would hope that this debate will clear that lingering cloud once and for all. In the end, Tenney Johnson is a man of unparalleled qualification and integrity for this position. The record now fully supports that conclusion—and we must act today to conclude this debate and all the allegations by confirming overwhelmingly the Johnson nomination. Thank you, Mr. President.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time? The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I yield myself a minute and a half.

Rather than use up all my time. I would like to take this occasion to point out, if my friend from Idaho is suggesting that facts do not confirm that the "v" factor rule has gone by the boards with this administration, there is confirmation of that fact in Platt's oil regulation re-

port of April 24, 1981. Let me read what that states:

Regarding the proposed rule, several sources find particularly perplexing the fact that DOE is still pushing the matter because, they say, the new "v" factor proposal was supposed to have been dropped outright under direct orders from the White House Office of Management and Budget.

It goes on to say:

Does the latter item mean that the White House has left resolution of the new "v" factor proposal up to DOE? Not at all.

Rather, top administration officials are apparently unaware that the issue is still active. This indication has been confirmed in a recent letter from a White House official to an oil company representative, in which the official declared that the "v" factor rulemaking had been "repealed."

Mr. President, I ask unanimous consent that the report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

PLATT'S OIL REGULATION REPORT

DOE WAGES CAMPAIGN TO PRESERVE ENFORCEMENT EFFORTS

Dept. of Energy and special counsel officials, concerned about Reagan Administration attempts to trim their operations, are waging an intense campaign to preserve their cases against oil companies over at least the next several years. Moreover, according to sources, the campaign is showing signs of succeeding, and companies of all sizes should beware.

Reportedly, enforcement and special counsel officials are examining every opportunity for expanding and prolonging enforcement cases—a crucial exercise now that Congress is examining the proposed DoE budget for the next fiscal year. Included in this process is a tactic that began during the closing months of the Carter Administration—reopening old audits wherever possible. For example, one small downstream firm was recently contacted by the agency regarding its product sales during the last two months of 1973. In this case, an audit had already been conducted covering the period in question—in 1976. Apparently, DoE has uncovered new information requiring a reexamination. Many such examples have emerged over the past several weeks.

The idea of reopening old audits, according to sources, is to pad DoE's list of unresolved cases to strengthen its argument for sufficient funds to maintain its operations. Ironically, this same tactic had been used unsuccessfully by the agency earlier this year with chief White House budget-cutter Stockman, who even publicly ridiculed DoE for inflating the amount of money involved in overcharge cases. But DoE officials now seem to be employing the strategy with better results on Capitol Hill where they reportedly have won commitments from several key legislators for a higher funding level for enforcement efforts than had been requested by the White House.

The current DoE enforcement situation is mirrored all over the federal bureaucracy at the moment. Officials are fighting White House attempts to curtail their programs. Unfortunately, the White House can't possibly keep track of all the independent actions of the agencies. Furthermore, there is still a substantial constituency in Congress that supports enforcement of the now-defunct oil price regulations. Given those two factors, the current survival campaign by both the enforcement and special counsel offices at DoE is given a fair chance of succeeding.

"V" FACTOR MUDDLE LINGERS

Despite a decision made weeks ago by the Reagan White House to drop the matter permanently (see February 27 Reg/Report), the question of whether the "v" factor in the refinery cost allocation rules was valid and is enforceable continues at the Department of Energy, the product of a fierce internal effort by DOE enforcement people to preserve the issue.

Further, unless new attention is devoted to the matter by the White House, or unless the courts somehow strike down the "v" factor rule once and for all, the issue may persist for some time to come.

The "v" factor rule required assignments of increased costs to price-controlled products to be based on the volumetric proportion of output of each product to total refinery output. The rule was made necessary when the government began the long process, in 1974, of decontrolling selected refinery products. The long controversy over the "v" factor began because it was originally implemented as an emergency rulemaking, with no prior opportunity for public review. The emergency action was taken to "correct" a final rule, not a proposal, an action that was ruled as improper by the U.S. Supreme Court last year.

When we last reported on the status of the "v" factor, DOE had just announced it was reviewing its recent new proposed rulemaking—which would have retroactively imposed the "v" factor beginning in 1974—in response to President Reagan's order for a temporary moratorium on new regulations. Meanwhile, a U.S. District Court in Texas had issued a temporary restraining order against the new rule until a decision could be reached on a new suit brought by Mobil.

The combined effect of those two new developments was to arouse hopefulness among refiners that the issue was about to sink out of sight. No such luck.

COURT DECISION NO HELP

The Texas court, ruling on Mobil's claims, reached the same decision as the U.S. Supreme Court last year, namely, that the old Federal Energy Office improperly implemented the "v" factor rule in 1974. Then, more recently, the Temporary Emergency Court of Appeals—the "temporary" judicial body set up in 1971 to rule on wage and price freeze matters—upheld the Texas decision.

If left to stand, the TECA action probably would wipe out much of DOE's current remaining enforcement effort aaginst refiners, because an invalid "v" factor rule would add billions of dollars to refiner cost banks. Unfortunately, the 1974 "v" factor rule is only one of three DOE could bring to bear against refiners. The other two are the new proposed rule, and a reimplementation of the original rule imposed by the Federal Energy Administration on February 1, 1976. The 1976 rule wasn't addressed directly by the TECA decision.

DOE lawyers, buoyed by the apparent TECA omission, are now claiming that even if the original 1974 rule was not invalid, the 1976 rule was properly implemented and therefore a "v" factor limitation applies at least from February 1, 1976 through the January 27, 1981 end of decontrols. On the other hand, the TECA decision declares that the "v" factor rule was invalid from 1974 through decontrol—in essence invalidating the 1976 rule as well. Both DOE lawyers and outsiders acknowledge that it probably will require another round of litigation to resolve this discrepancy.

CAPITALIZING ON INATTENTION

At this point, it appears that the "v" factor issue could be resolved in favor of the DOE enforcement people, thereby insuring many remaining months of litigation for refiners with pending enforcement cases. At the very least, the issue apparently will remain unresolved for some time, mainly because enforcement officials will be able to pursue the matter on two fronts—by declaring that the 1976 rule is valid and enforceable, and by attempting to implement the new proposal.

Top Administration officials, who had been studying many federal regulations considered unnecessary or overly burdensome, recommended elimination of the new proposal. That recommendation was translated into a directive to DoE.

So why is the "v" factor proposal still under active consideration? Basically, there are two reasons:

According to sources, DoE enforcement officials have waged an "'unprecedented campaign" within the agency to preserve the rulemaking—or at least escape the certain death the suspension would have provided—despite orders from the OMB.

Also according to sources, the White House is currently so preoccupied with broader matters—such as the president's health after the assassination attempt and his overall economic package—that administration officials simply haven't had time to concentrate on "tiny" details such as an obscure petroleum regulation.

Does the latter item mean that the White House has left resolution of the new "v" factor proposal up to DoE? Not at all.

"It's amazing," says one source. "Those guys at the White House don't have any idea what's going on at DoE. And at the rate the (president's) economic package is going through Congress, DoE could have the new rule out and conduct several years' worth of enforcement before they find out."

ENFORCEMENT NOT DEAD

The advantage DoE enforcement officials have now is that, even if the White House manages to return its attentions to the "v" factor proposal long enough to eliminate it, the recent TECA decision still leaves open the possibility—for now at least—that the rule may be enforced from February 1976 through decontrol. Trimming two years from the "v" factor restriction would still leave enormous refiner cost banks. But DoE should find sufficient room to pursue recovery of overcharges for several years—a process that sources say DoE enforcement people consider essentially as important as the outcome.

Incidentally, the Reagan Administration may not be able to curtail DoE enforcement activities easily. The agency has found a new willingness by Congress to appropriate money for DoE enforcement efforts (see story on page one). Consequently, assuming DoE either pursues the latest proposed "v" factor rule or has its 1976 rule upheld in the courts, enforcement officials will have the resources to pursue refiners for quite some time.

Despite current delays caused by pending litigation, Department of Energy officials seem resolute to implement the agency's crude oil entitlements clean-up mechanism essentially as proposed.

The April 2 deadline for public comments on the proposed entitlements clean-up scheme (see March 6 REG/REPORT) has come and gone, and still the agency hasn't issued its final rule. The reason, according to officials, is that the agency is going to have to wait until the several challenges to the final (March) regular monthly entitlements list are resolved.

Currently, a number of U.S. District Court judges have issued injunctions against the March entitlement list, primarily because the plaintiffs involved feared they would lose benefits. The current legal entanglement is so severe, say officials, that it may be at least several more weeks before the March list can be released. Until then, DOE will use the extra time to fine-tune its clean-up mechanism.

According to officials, no final decisions

have been made on the clean-up rule. But sources close to the agency say it is possible the final rule will be exactly like the second alternative proposal. That is, firms would report adjustments to their previous entitlement calculations, and then EPA would compute new balance sheets for each month in question—between January 1980 and January 28, 1981. And the initial $50-million deposit to the special "escrow account" planned to be set up by DOE will remain, despite vehement opposition to the idea by many refiners. Reportedly, refiners will be assessed their shares for the account based on their proportional runs to stills for December 1980, the last full month in the entitlements program.

Mr. METZENBAUM. Mr. President, Mr. Johnson is going to be confirmed. But that does not make what he did right; nor does not it make his involvement regarding the "v" factor and the White House's involvement in the "V" factor right.

As I said to Mr. Johnson when he came into my office for a meeting on his confirmation, I do not understand some of the new people in this administration. Do they go home at night and pride themselves in the fact that they have worked toward eliminating $13 million in claims lodged by consumers, wholesalers, and suppliers, against the oil companies? They feel that they did a great job that day. But I am not certain why they do it.

I am not certain why the "V" factor may be repealed. The money is owed to the Government, and what earthly reason there is for serving the oil companies in this manner and doing so much harm to the people of this country is difficult for me to understand.

As a matter of fact, in these days of crying need for balancing the budget some of these overcharge dollars would at least have helped in that respect. But when it comes to the oil companies, this White House and this nominee seem to have very little concern for anyone but the oil companies.

The PRESIDING OFFICER. The time allotted to the Senator from Ohio has expired.

Mr. McCLURE. Mr. President, how much time do I have?

The PRESIDING OFFICER. One minute and twenty seconds.

Mr. McCLURE. Mr. President, I yield myself the remainder of my time.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. McCLURE. Mr. President, again—and I do not want to be simply repetitious—what the Senator from Ohio has suggested simply does not accord with the facts as the record shows them.

Mr. Fygi, who is the Acting General Counsel, whose letter has already been placed in the RECORD, reviewed the precise circumstances to which the Senator from Ohio has made reference.

In his words, everyone complied with existing laws and regulations of the United States and of the Department of Energy under which they were acting, and scrutiny of the v-factor regulation was not the decision of Mr. Johnson. It was the decision of the Acting General Counsel and others who were properly making that kind of decision. I refer Members to the letter which has been placed in the RECORD.

I do not wish to belabor that point and take any further time by reading the letter again at this point, but I think all of the allegations that have been made have been answered on the record. They have been corroborated.

Incidentally, I would just state for the record that Mr. Fygi, who prepared the letter I just referred to, was the Deputy General Counsel under the Carter administration. He is not an appointee of this administration and, therefore, under the Senator from Ohio's views might have more credibility.

The PRESIDING OFFICER (Mr. HEINZ). The Senator's time has expired.

Mr. THURMOND. Mr. President, today I am pleased to support President Reagan's nomination of Mr. R. Tenney Johnson for the position of General Counsel of the Department of Energy.

Mr. Johnson has a long and distinguished career of exemplary Government service. Among the positions which he has held are: Member of the Civil Aeronatics Board; General Counsel with the Energy Research and Development Administration; General Counsel for the National Aeronautics and Space Administration; General Counsel for the CAB; Deputy General Counsel for the Department of Transportation; Deputy General Counsel for the Department of the Army; and attorney in the office of the General Counsel, Department of Defense.

Mr. Johnson has also served his country on various Government commissions and task forces, demonstrating his dedication and resolve to work for sound policies that serve the best interest of the American people. I believe he has the knowledge, experience, and capacity to serve with distinction in this office and to effectively implement the policies of the Reagan administration.

Mr. President, there have been allegations by some on the other side of the aisle that Mr. Johnson engaged in improper activities while serving as a consultant to the Department of Energy. I understand that these allegations have been exhaustively checked out by the Energy and Natural Resources Committee, and as indicated by the committee's overwhelming vote favorably reporting the nomination, there seems to be no basis for such concerns. Accordingly, Mr. President, I hope the Senate will approve this nomination so that Mr. Johnson can get on with the important responsibilities awaiting him as General Counsel of the Department of Energy.

Mr. MURKOWSKI. Mr. President, a number of issues have been raised concerning Mr. Johnson's performance as a DOE consultant. The starting point for analyzing these issues is defining the proper role of a consultant to a Federal agency. The Federal Personnel Manual defines a consultant as a person who gives his views or opinions on problems or questions presented him by the agency, but he neither performs nor supervises performance of operating functions. The OMB's guidelines for the use of consulting services, issued in 1978, state that consulting services will not be used in performing work of a policymaking, decisionmaking, or managerial nature which is the direct responsibility of agency officials.

It is clear to me that these standards have been fully complied with by Mr. Johnson. Mr. Johnson did not make policies or decisions while serving as a consultant at DOE. He did not perform operating or managerial functions. He merely provided advice. No one has provided any facts to suggest otherwise.

Mr. Johnson told the committee during his nomination hearing that he was very conscious of the fact that he had no authority as a consultant, and that he had no power to compel. He was well aware of the limitations placed on the role of a consultant, and I am satisfied that he acted properly in every instance.

I would add, Mr. President, that I am most impressed with Mr. Johnson's qualifications for the position of General Counsel of DOE. He has had substantial experience as a high-level official in a number of agencies that deal with highly technical issues, such as the Civil Aeronautics Board, the Energy Research and Development Administration, and the National Aeronautics and Space Administration. Since the DOE will have major responsibilities in the area of energy research and development, and technical areas, Mr. Johnson has excellent credentials to serve as the chief legal adviser for that Agency.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of R. Tenney Johnson, of Maryland, to be General Counsel of the Department of Energy. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Maine (Mr. COHEN), the Senator from North Carolina (Mr. EAST), the Senator from South Dakota (Mr. PRESSLER), the Senator from New Mexico (Mr. SCHMITT), the Senator from Texas (Mr. TOWER), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. EAST), and the Senator from Texas (Mr. TOWER), would each vote yea.

Mr. CRANSTON. I announce that the Senator from New Jersey (Mr. BRADLEY), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 88, nays 3, as follows:

[Rollcall Vote No. 135 Ex.]

YEAS—88

Abdnor	Bumpers	Cranston
Andrews	Burdick	D'Amato
Armstrong	Byrd,	Danforth
Baker	Harry F., Jr.	DeConcini
Baucus	Byrd, Robert C.	Denton
Bentsen	Cannon	Dixon
Biden	Chafee	Dole
Boren	Chiles	Domenici
Boschwitz	Cochran	Durenberger

Eagleton	Johnston	Pryor
Exon	Kassebaum	Quayle
Ford	Kasten	Randolph
Garn	Laxalt	Riegle
Glenn	Leahy	Roth
Goldwater	Levin	Rudman
Gorton	Long	Sarbanes
Grassley	Lugar	Sasser
Hart	Mathias	Simpson
Hatch	Matsunaga	Specter
Hatfield	Mattingly	Stafford
Hawkins	McClure	Stennis
Hayakawa	Melcher	Stevens
Heflin	Mitchell	Symms
Heinz	Moynihan	Thurmond
Helms	Murkowski	Tsongas
Huddleston	Nickles	Warner
Humphrey	Nunn	Weicker
Inouye	Packwood	Williams
Jackson	Pell	Zorinsky
Jepsen	Percy	

NAYS—3

Dodd	Metzenbaum	Proxmire

NOT VOTING—9

Bradley	Hollings	Schmitt
Cohen	Kennedy	Tower
East	Pressler	Wallop

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. McCLURE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask that the President be immediately notified that the Senate has given its consent to this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICE OF INTENTION TO MOVE TO SUSPEND PARAGRAPH 7(a)(1) OF RULE XXVI—1980 PROTOCOL AMENDING THE INTERIM CONVENTION OF CONSERVATION OF NORTH PACIFIC FUR SEALS

Mr. STEVENS. Mr. President, in accordance with rule V of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 7(a)(1) of rule XXVI for the purpose of allowing the Senate to consider Ex. S, 96-2, 1980 Protocol Amending the Interim Convention of North Pacific Fur Seals.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERNATIONAL RECORD CARRIER COMPETITION ACT OF 1981

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of Calendar Order No. 37, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 271) to repeat section 222 of the Communications Act of 1934.

The PRESIDING OFFICER. Under the previous order, the Senator from South Carolina (Mr. THURMOND) is recognized to offer a motion.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I send to the desk a motion and ask that it be stated.

The PRESIDING OFFICER. The motion will be stated.

The legislative clerk read as follows:

The Senator from South Carolina (Mr. THURMOND) moves that S. 271, Calendar Order No. 37, be referred to the Committee on the Judiciary for a period not to exceed 7 calendar days, and that thereafter the committee be deemed discharged from further consideration thereof and the bill returned to the calendar.

Mr. THURMOND. Mr. President, as I understand, we have 45 minutes to debate, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. THURMOND. Mr. President, I yield to the distinguished Senator from Maryland (Mr. MATHIAS).

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. Mr. President, I thank the distinguished chairman of the Judiciary Committee.

Mr. President, I rise in strong support of this motion. It seems to me that this bill should be referred to the Judiciary Committee to examine its possible impact on antitrust questions. We all know that the bill repeals a major exemption to the antitrust law and this repeal will have a tremendous impact on competition in international telegraphic communications. What effect it will have beyond that, I do not know.

That, of course, is the purpose for which the distinguished chairman of the Committee on the Judiciary has made the motion, so we can determine. We do not know now what the impact will be. But we need to find out.

We need to recognize the fact that there has been a revolution in the whole field of communications, a revolution of extraordinary proportions. We have seen, within the last decade, the rapid employment of communications satellites, for example, which are affecting this field.

I do not know how this particular legislation will impact on other areas of this widespread communications network, which is rapidly proliferating all over this globe. Since we do not know, I think we ought to find out. And the time to find out is now, by a brief—very brief—examination by the Committee on the Judiciary, which is traditionally charged with the oversight of antitrust issues.

Since the Committee on the Judiciary is charged with oversight of the antitrust laws, which is the basic tenet of the free enterprise system—that is what we are talking about, free enterprise; we are talking about maintaining the competition of the marketplace—then it strikes me that the Senator from South Carolina, the chairman of the Committee on the Judiciary, has been eminently reasonable in suggesting that the committee, with the special body of expertise in antitrust, should be allowed to comment formally on the bill.

Mr. President, this is entirely customary in the Senate. I do not believe that I can recall, in my limited experience here, a situation when a committee has expressed an interest of this sort, has agreed on a very brief examination, has agreed to report the bill back without amendment, and, as a mere matter of comity between committees, such an arrangement has not been agreed to.

Mr. President, I listen with great respect to the Committee on Commerce and to the reports that it issues on highly technical subjects such as the Communications Act. I would be strongly influenced in any final decision I make about the views of the Commerce Committee in that kind of area. By the same token, I suggest that the views of the Committee on the Judiciary on the antitrust aspects of the bill are equally worth consideration by Members of the Senate who may serve on neither committee. I should think that it would be a service to the entire Senate to have the views of the Committee on the Judiciary on the antitrust aspects of the bill.

Mr. President, I, myself, strongly support the chairman of the Committee on the Judiciary, and I urge other Senators, in the interest of the whole Senate—not one committee or the other, but in the interest of the whole Senate—to allow the Committee on the Judiciary the brief period of time that has been requested to review the antitrust aspects of the bill.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I thank the able Senator from Maryland for his remarks on this subject. He is the ranking majority member of the Committee on the Judiciary, and I think he has made a very fine point in his remarks.

I yield now to the able Senator from Nevada (Mr. LAXALT).

Mr. LAXALT. I thank my chairman.

Mr. President, the telecommunications industry plays a significant role in the U.S. economy, and has a pervasive influence on the lives of every citizen in the United States. As we enter the information age, telecommunications can be expected to play an even larger and more important role. For this reason, it is extremely important that Government address questions of monopoly concentration in this vital industry.

The Government has in the past conveyed monopoly power on a limited number of carriers in the telecommunications industry. As we move toward the desirable goal of deregulation in this industry, Government must accept responsibility for making certain that competition will replace regulation in an orderly and responsible fashion to assure its viability and vitality.

The situation of Western Union is a case in point. Pursuant to section 222 of the Communications Act of 1934, enacted in 1943, Western Union was

granted a statutory antitrust exemption to permit its merger with the Postal Telegraph and Cable Corp. As a result of this merger, Western Union obtained a monopoly position in domestic telegraph and telex service. However, section 222 expressly prohibited Western Union from entering into the international telegraph and telex business. This prohibition was considered necessary to prevent Western Union from routing its domestic telegraph and telex traffic to its own international operations, and thereby improperly extending its Government protected domestic monopoly power to the international market as well.

The Committee on Commerce, Science, and Transportation recently reported S. 271, which would repeal section 22, thus permitting Western Union to freely enter the international record communications market. S. 271, however, fails to provide any precompetitive safeguards to protect against a lessening of international competition by virtue of Western Union's entry into that market.

On January 16, 1981, the FCC declared that Western Union still dominates virtually 100 percent of the domestic Telex/TWX market:

The public switched record submarket consists almost entirely of Western Union's Telex/TWX service. Since AT&T discontinued TWX service in 1971 and sold some of the associated facilities to Western Union, Western Union has maintained virtually a 100 percent share of this market. Recent entry by Graphnet into the market has had no noticeable effect on Western Union's performance. FCC Further Notice of Proposed Rulemaking, CC Docket No. 79–252, FCC 80–742, paragraph 195, January 16, 1981.

Again on February 19, 1981, the FCC reaffirmed Western Union's continuing market "dominance":

While the Commission has authorized other carriers to provide domestic competition for Western Union, as well as expansion of IRC gateways to 21 additional cities, thereby further diminishing Western Union's domestic market power, it is apparent from the agreements involved in this case that Western Union presently retains some portion of the dominance which originally concerned Congress in 1943. FCC Memorandum Opinion and Order, February 19, 1981, p. 6, fn. 12.

In light of Western Union's continued and well-recognized dominance of the domestic telecommunications industry, its imminent entry into the international market, which would be permitted by the repeal of section 222 by S. 271, clearly raises significant antitrust concerns. Recognizing this fact, the distinguished chairman of the Judiciary Committee, (Mr. THURMOND) wrote to the chairman of the Commerce Committee and requested a limited sequential referral of S. 271 in order to examine these implications. He did so pursuant to the Rules of the Senate, which provide that the Judiciary Committee has jurisdiction over measures involving the "protection of trade and commerce against unlawful restraints and monopolies."

Unfortunately, the chairman of the Commerce Committee chose not to concur in Senator THURMOND's request. He declined to do so despite the fact that, in a "Dear Colleague" letter dated May 5 of this year, he himself recognized that there are, in fact, substantial antitrust implications involved in the legislation.

I was disappointed in the reaction of the Commerce Committee to what I regard as a very reasonable proposal on the part of Senator THURMOND.

Mr. PACKWOOD. Will the Senator yield?

Mr. LAXALT. Yes.

Mr. PACKWOOD. What did the Senator quote from that he said we said in our letter?

Mr. LAXALT. This is a "Dear Colleague" letter dated May 5 of this year and the statement is to the effect that the chairman recognized cerain substantial antitrust implications are involved in the legislation.

Mr. PACKWOOD. Would the Senator read that letter and tell us where we said that?

Mr. LAXALT. I do not have the letter before me, Mr. President, but I am certain the chairman will provide.

Mr. PACKWOOD. Mr. President, I would very much appreciate it if the chairman would provide that because we never said that.

Mr. LAXALT. Surely, the chairman will respond to that, Mr. President, in his remarks.

Mr. PACKWOOD. All right.

Mr. LAXALT. In the first place, as noted in the dear colleague letter circulated to all Senators today, the Judiciary Committee in no way contends that S. 271 should not originally have been referred to the Commerce Committee or challenges the primary jurisdiction of that committee. The brief sequential referral now being sought is in no way intended to impact on that jurisdiction. It is merely sought to enable the Judiciary Committee to carry out its obligations under the Senate Rules.

As also pointed out in the dear colleague letter, over the years, the Judiciary Committee has frequently agreed to share jurisdiction with the Commerce Committee and other committees with substantial interest in a bill even though the legislation may have been primarily within the Judiciary Committee's jurisdiction. Of particular relevance today, the Judiciary and Commerce Committees have shared jurisdiction over communications matters in the past. One such example involved the consideration of the interconnection question and other issues affecting A.T. & T. in 1973–74.

Earlier in this session of Congress, the Committee on the Judiciary agreed to a joint referral of S. 682, a bill involving the antitrust jurisdiction of the FTC, even though the Senate Parliamentarian had determined that the Judiciary Committee had primary jurisdiction over that bill.

In this case the Judiciary Committee is not seeking a joint referral. All that is being sought is the opportunity of a brief referral of 15 days in order to examine those aspects of S. 271 that relate to the protection of trade and commerce against unlawful restraints and monopolies. Floor consideration would not be unduly delayed, and the Senate would have the benefit of the Judiciary Committee's expertise on these matters.

Mr. President, faced with the ever-increasing complexity of legislation, the Senate will only be able to function if we approach issues such as the one now before us in a spirit of reason and comity. If we do not, any Senate committee would be able to deprive another of jurisdiction over matters properly with the other's scope by the simple device of insuring that legislation dealt predominantly with a subject within the original committee's jurisdiction.

I believe Senator THURMOND's very limited request for a brief referral of S. 271 to be extremely reasonable. It was my hope that, in a spirit of comity, the Commerce Committee would comply with that request. Unfortunately, they have chosen not to do so.

I would therefore urge the Members of the Senate to now support the motion of the distinguished Senator from South Carolina for that limited referral.

Mr. President, in conclusion, I have had brought to my attention the "Dear Colleague" letter previously referred to dated May 5, 1981, written by the distinguished chairman of the committee and joined in by Senators CANNON, HOLLINGS, and GOLDWATER.

Mr. PACKWOOD. Is this the one where the Senator said we had substantial antitrust implications?

Mr. LAXALT. I stand corrected.

Mr. PACKWOOD. I thank the Senator.

Mr. LAXALT. In part——

Mr. PACKWOOD. No. That is enough. I thank the Senator.

Mr. LAXALT (continuing). The letter in question indicates——

Mr. PACKWOOD. No more.

Mr. LAXALT (continuing). Even though it has antitrust implications.

I thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I wish to thank the distinguished Senator from Nevade for his splendid statement he has made on this subject.

I now yield to the able Senator from Pennsylvania (Mr. SPECTER).

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. Thank you, Mr. President.

Mr. President, I am pleased to lend my voice of support for the motion by the distinguished chairman of the Judiciary Committee.

Excellent arguments have already been expressed by Senator MATHIAS and Senator LAXALT, and I know there is a long list of Senators of the Judiciary Committee who are marshaled here this afternoon to present cogent reasons why the resolution should be adopted.

I have noted Senate rule XXV(1)(16) which provides that the Committee on the Judiciary has jurisdiction over "protection of trade and commerce against unlawful restraints and monopolies."

In my judgment, there is no doubt at all that the legislation in issue involving the telecommunications industry and Western Union does involve very

substantial issues which touch upon the antitrust matters.

I think it is obvious to say that the Judiciary Committee has developed extensive expertise on antitrust matters and there would be a real benefit to the Senate and to the Nation in having the experience and expertise of the Judiciary Committee apply to this legislation.

Certainly, two heads are better than one and two committees are better than one.

The request is a very moderate one in terms of tenure and I see nothing which would be of harm to the Commerce Committee in having it cede consideration of this measure to the Judiciary Committee for this very brief period of time.

I am aware of the concern that there could be some difficulty as a matter of precedent. But I think it is unusual for the chairman of the Judiciary Committee to make the request which has been tendered in this case and that in the spirit of compromise which I have noted to be so prevalent in the healthy discussion in this very august body, we would be well served by acceding to the request which the chairman of the Judiciary Committee has made.

Mr. PACKWOOD. Mr. President, will the Senator yield?

Mr. SPECTER. I yield.

Mr. PACKWOOD. Would it be the suggestion of the Senator from Pennsylvania, then, that any bill that has antitrust implications of any kind for which the Judiciary Committee asks subsequent jurisdiction be allowed?

Mr. SPECTER. I would say that question, that if the matter were deemed sufficiently important by the Judiciary Committee and its chairman that such a request should be honored.

I have noted a plethora of things to do by the Judiciary Committee so I would not expect it to step out unless the request were well justified.

Mr. PACKWOOD. Mr. President, in the Fair International Trade Act, which prohibited the marketing of imported merchandise at less than its fair market value, this shall be held and considered to be an antitrust law of the United States. That bill was referred to the Finance Committee. If the Judiciary Committee wants it they can have it after the Finance Committee is done with it. Is that right?

Mr. SPECTER. If the chairman of the Judiciary Committee thought it important enough to make a sufficient request, right. If not, let it pass.

Mr. PACKWOOD. Under the bill in the Banking Committee that prohibits bank mergers or acquisitions of banks by bank holding companies if such transactions would result in a monopoly, furtherance of a conspiracy to monopolize or, substantially lessen competition in any relevant market—even though that goes to the Banking Committee, if the Senator from South Carolina wants it the Judiciary Committee shall have it afterwards?

Mr. SPECTER. Yes, as long as it reaches sufficient imports to command the attention of the chairman of the Judiciary Committee as a preliminary to this kind of an extensive debate and discussion in the Chamber, I would say that passes the threshold.

Mr. PACKWOOD. So long as we understand that is the position of the Judiciary Committee. Every single bill that goes to any other committee that has any antitrust relevance, primary, secondary, or tertiary at all, and the Senator from South Carolina asks that it be sent to his committee automatically as a matter of right that is going to happen.

Mr. THURMOND addressed the Chair.

Mr. PACKWOOD. Wait a minute.

Mr. THURMOND. Mr. President, whose time is he speaking on? Let him speak on his own time.

The PRESIDING OFFICER. The Senator from Pennsylvania has the floor.

Mr. THURMOND. Mr. President, if he wishes to speak on his own time, OK, but not on our time.

Mr. SPECTER. Mr. President, I yield to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, if the Senator from Oregon wishes to speak now he may speak.

Mr. PACKWOOD. No. Go ahead.

The PRESIDING OFFICER (Mrs. HAWKINS). Who yields time?

If neither side yields time, time shall run equally against both sides.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Madam President, I yield 1 minute to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. GORTON. Madam President, I share the concern of the chairman of the Commerce Committee the Senator from Oregon that referral of S. 271, the Communications Act, to the Judiciary Committee would abruptly and unjustifiably cut into the jurisdiction of every substantive committee in the Senate.

The issue goes beyond the antitrust implications in the communications area. A decision by this body to refer S. 271 to the Judiciary Committee would unravel our system of organizing committees by functional subject and would by the same logic allow judiciary to claim jurisdiction over the airlines industry, the trucking industry, international merchant shipping, agriculture, export policies, small business, banking, pipeline regulation—all areas with exemptions from the antitrust laws.

As chairman of the Merchant Marine Subcommittee, I am especially disturbed by the attempt of the Judiciary Committee to seek referral of any legislation having even remote antitrust implications.

Such an expansive view of the Judiciary Committee's jurisdiction might compromise the Commerce Committee's efforts to clarify section 15 of the Shipping Act, 1916.

Section 15 is the heart of that act. It permits cooperative agreements among carriers in our foreign waterborne commerce that would otherwise violate the antitrust laws if those agreements are first approved by the Federal Maritime Commission.

Over the last 66 years, the precedent is clear: International shipping matters are handled exclusively by the Commerce Committee, regardless of whether the legislation has antitrust implications.

Congress in the Shipping Act of 1916 plainly rejected the applicability of traditional American antitrust principles to the foreign waterborne commerce of the Nation.

It was the House Merchant Marine and Fisheries Committee which studied the collusive activities of oceanborne carriers and recommended the 1916 antitrust exemption, and it was the Senate Commerce Committee which concurred in this body. That 1916 Congress was no stranger to antitrust concepts, having passed the Clayton Act only 2 years earlier.

In 1961, Congress reacted to the Supreme Court decision in *Isbrandtsen Co. v. United States*, 358 U.S. 481 (1958), and amended the 1916 act to reiterate the inapplicability of domestic U.S. antitrust principles to this field of international commerce.

Again, the House Merchant Marine and Fisheries Committee and the Senate Commerce Committee drafted these amendments rather than the Judiciary Committees of the Congress.

Recent actions of the Senate Commerce Committee provide equally strong precedent for its exclusive jurisdiction over international shipping issues.

In 1978, Congress amended the Shipping Act with controlled carrier legislation; in 1979, it also enacted antirebating legislation. Neither of these bills was referred to Judiciary, although both the House Merchant Marine and Fisheries Committee and the Senate Commerce Committee considered the antitrust objections of the Department of Justice, and rejected them.

Just last year, the Senate Commerce Committee reported out the Ocean Shipping Act of 1980. This bill provided broad antitrust exemptions for cooperative activities in international shipping, for example, conferences and shipping councils, that would otherwise violate the antitrust laws. This legislation, referred solely to the Commerce Committee, passed the Senate unanimously.

The expertise and understanding of the problems facing our merchant marine and the international shipping community lie not in the Judiciary Committee but in the Senate Commerce Committee. Failure to evaluate policy changes relating to U.S. shipping in their proper international, rather than domestic, setting could easily force U.S. ships into a position of competitive disadvantage.

Other nations permit their vessels to operate without antitrust-type restrictions and those nations resist U.S. efforts to enforce its antitrust laws extraterritorially. Antitrust restrictions handicap U.S. vessel operators, causing them to lose substantial U.S. import and export cargoes to foreign ships, and have the potential for depriving U.S. shippers of efficient and responsive service.

The antitrust exemptions in the Shipping Act permit an alternative form of regulation by the Federal Maritime Commission. The Commerce Committee, in grappling with these issues over the years, has developed an understanding of

and sensitivity to the complexities of international transportation regulation.

If the reasoning of the Judiciary Committee prevails in this communications matter, it will, at a later time, be a simple matter to negate the 66 years of the Commerce Committee's expertise in maritime matters and to assume—contrary to the intent of the present law—that antitrust considerations should obscure consideration of the unique needs of our shipping community.

I, therefore, urge my colleagues to support the position of Senator PACKWOOD and the Commerce Committee.

Mr. PACKWOOD. Madam President, I yield 5 minutes to the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. GOLDWATER. Madam President, we are here today to take up S. 271, the International Record Carrier Competition Act of 1981, Senate Calendar No. 37, which I introduced in February of this year. S. 271 repeals section 222 of the Communications Act of 1934.

Section 222 was enacted in 1943, creating a statutory antitrust exemption which allowed the merger of Western Union Telegraph Co., and the Postal Telegraph & Cable Corp.

I think it is perfectly proper to explore the reason why this has suddenly been asked to be transferred to the Judiciary Committee. A former Attorney General of the United States came down here the day this bill was put on the calendar to attend a prayer breakfast. He represents either ITT or RCA or both, not small companies, but he is well recompensed for it, and that day an objection was called for, a hold order, by one of the members of the Judiciary Committee.

The question in my mind is, Would they have ever come up with this had not the former Attorney General interceded?

While section 222 allowed these two companies to merge and have a monopoly position in domestic telegraph and telex service, the merged entity, Western Union, was forbidden to enter into the international telegraph and telex business.

The logic behind the prohibition was that since the newly merged corporation—Western Union—had a monopoly, it would feed the domestic telegraph and telex traffic to its own international subsidiary, which would then have a monopoly on international telegram and telex traffic originating in the United States.

Section 222 is being repealed because the merged entity—Western Union—no longer has a monopoly on domestic traffic. In the domestic market, the demand for services—telegraph—traditionally offered by Western Union has declined substantially.

This is due to the wealth of substitute services offered by Satellite Business Systems, American Satellite Co., General Telephone, Telenet, and Graphnet.

The Judiciary Committee has requested referral of S. 271. The legislative history of the Senate consideration of section 222 of the Communications Act of 1934 makes it clear that this provision has always been a matter of Commerce Committee jurisdiction, even though it has obvious antitrust implications.

Rule XVII of the Senate Rules provides the referral of a bill be made to the committee with jurisdiction over the subject matter which predominates in the proposed legislation. The predominant matter of S. 271 is economic regulation of the communications industry, and not simply antitrust immunity. That rule was followed when S. 271 was introduced in this Congress, and the Parliamentarian properly referred S. 271 to the Commerce Committee. There were no changes to S. 271 in committee, so the Parliamentarian's ruling should stand. The Judiciary Committee seeks referral of this bill because of what it maintains to be the underlying antitrust considerations. If the Judiciary Committee is successful, it will effectively undermine rule XVII.

I am pleased to have this question of jurisdiction put before the Senate for a vote. I believe the integrity of the committee structure would be seriously jeopardized by permitting referral of my bill, S. 271, to the Judiciary Committee, since it would set a precedent of encroachment by committees.

My 25 years of service in the Senate have taught me to avoid disputes such as these if at all possible, unless they involve significant issues. This is a truly significant matter, and I, therefore, urge my colleagues to support Senator PACKWOOD and the Commerce Committee in this matter.

Madam President, if the chairman of the Judiciary Committee is right in his supposition that his committee should have this, I suggest that he can rewrite the 1934 Communications Act, and I question the ability of the Judiciary Committee to write technical matters such as communications. This is properly referred to the only committee in this body that has the expertise, the knowledge, and the background. We can go through case after case after case which will hold this to be true, which I am sure the chairman of the committee is going to do.

I do not think there is any necessity for this matter even being brought to the floor. Time after time after time the Commerce Committee has exercised its proper jurisdiction in the field, and I suggest, Madam President, if we are not allowed to do that, this committee might as well quit in this particular field.

I thank the chairman of the committee.

Mr. PACKWOOD. Madam President, I thank the Senator from Arizona.

The Senator from Arizona has well stated what the facts of the bill are. Forty years ago Western Union was failing and Postal Telegraph was failing, and we allowed the two of them to merge, and gave them an exemption from the antitrust laws and said in exchange for that they could not compete overseas.

In the last 40 years their percentage of the communications market by the merged company has gone down and down and down. They are no longer even a monopoly in the United States.

But during those 40 years RCA, Globecom, as they call their international subsidiary, and ITT Worldcom have been competing overseas, along with a company that is a spinoff of Western Union called Western International, which was spun off totally when this bill was passed in the early forties.

Those three companies do not want to allow Western Union to compete with them overseas, even though their parent companies compete with Western Union here.

Let us be serious about this. This is not a small potatoes bill. You are not going to get a letter from people making less than $100,000. This is a "big boys' " bill, and some of the big boys are trying to keep other big boys from competing. That is the sum and substance of the merits of this bill.

Let us take a look at the history. It was introduced. The chairman of the Judiciary Committee had a right to ask that it be referred to the Judiciary Committee. He did not do that. All the time we had the bill in committee the chairman of the Judiciary Committee did not ask for referral to his committee, he did not come and testify, did not send a letter.

We did hear testimony from RCA and ITT, and Western Union International, and they are very opposed to the bill.

We reported the bill out and reported it out without any change, so that there was no argument that could be made that there was no reason for the Judiciary Committee to ask for a shared jurisdiction when the bill was put in, but there was when we put it out because the bill was changed. It had not changed.

What happened in between is that the lobbyists for ITT Worldcom went to one of the Senators on the Judiciary Committee and asked that Senator to put a hold on this bill, and I will tell you that that lobbyist and those companies do not give a darn as to jurisdictional dispute. Those companies simply want to kill the bill, and if they kill it in the Judiciary Committee, which has abolished its Antitrust Subcommittee, all the better, so far as that is concerned. They do not care about the merits of jurisdiction.

That bill came out, went on the Calendar, a hold was put on it by the chairman of the Judiciary Committee, and not until a week later did we even get a letter suggesting that he wanted a referral. Why? They wanted a referral solely so that they could start to establish the precedent of taking jurisdiction over any of these bills that have some possible antitrust implications.

The Senator from Pennsylvania said it very well, and for anybody who is on any other committee he had better well watch it.

I read the Fair International Trade Act which prohibits the marketing of imported merchandise at less than the fair market value at which such merchandise is sold in foreign markets. It provides that this "shall be held and considered to be an antitrust law of the United States," and is referred to the Committee on Finance.

But if the Judiciary Committee wants it, the Senator from Pennsylvania says they can have it.

I read the bill that prohibits bank

mergers or acquisitions of banks by bank holding companies if such transactions would result in a monopoly, the furtherance of a conspiracy to monopolize, or substantially lessen competition in any relevant market, and that was sent to the Banking Committee. No subsequent referral to the Judiciary Committee, but if they want it, the Senator from Pennsylvania says, they can have it.

I read the bill that was introduced that prohibits persons engaged in the production or refining of crude oil from acquiring any pipeline or transportation asset; translated it is divestiture of the oil companies, and that goes to the Committee on Energy and Natural Resources. You talk about an antitrust bill, and if the Judiciary Committee wants it they can have it, according to the Senator from Pennsylvania.

I can go right down the list of agricultural marketing acts that exempt the farmers from the antitrust laws that go to the Agricultural Committee, but if Judic'ary wants it they can have it.

If that is what we want in this Senate, if every one of us on the Banking Committee, the Agriculture Committee, the Finance Committee, the Public Works Committee or any other committee wants to say that just because any one of the bills we have in our committee might be said to have some tertiary effect on the antitrust laws, an itsy-bitsy, teeny-weeny effect, the Judiciary Committee can have it, then vote for what the Senator from South Carolina asks. But if you want to maintain the right of all of your committees to have a fair share of judging what should be the competitive aspects on the economy of this country, then I ask you not to vote for the motion to refer.

I will say this in closing: Most importantly, do not vote for the motion to refer at this time on this bill because this bill has very, very limited effects on the antitrust situation in the United States. All it does is allow Western Union to compete overseas, that is all it does.

I might say one last thing: The Judiciary Committee says it wants this bill for just 7 days. The Judiciary Committee at the direction of the Senator from South Carolina has introduced S. 1159. All of us in the Senate are familiar with this device. You take a bill and you rewrite so that it accomplishes the same thing, you slightly rewrite it, and phrase it in slightly different language, and it is referred to a different committee.

This bill was introduced on May 11. It does exactly the same thing in reverse that the bill before us now does, exactly the same thing. They simply changed it and phrased it in terms of a market share and it went to the Judiciary Committee. They have had it now for 3 weeks and a day and they have done nothing with it. They say, "Give us this bill for 7 days so we can look at it." They have a bill to look at. They are not interested in having a hearing on that bill, but they are interested in killing this bill. They are interested in killing this bill and, at the same time, to establish their right to have the jurisdiction over the areas of most of the other committees in this Senate.

If that is the precedent you want to establish, go right ahead, but it does not bode well for any other committee in the Senate.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Madam President, I yield such time as the Senator from Nevada desires.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. CANNON. Madam President, I would like to discuss for a moment the wonders and beauty of nature. In some mysterious way and for reasons that still escape human understanding, the springtime triggers extraordinary and awesome events. Every spring the swallows return to Capistrano, the salmon return to fresh water to spawn, the sap rises in New England maple treees, and the Judiciary Committee tries to take jurisdiction from the Commerce Committee.

I must admit that I am having a severe case of deja vu. It seems that we did all this before. In fact we have, but as I recall the chairman of the Judiciary Committee then was somewhat taller and had a New England accent, and the chairman of the Commerce Committe was much more handsome and eloquent.

Quite seriously, Madam President, this is is a very important debate. In many ways it will determine how efficiently this body will function for the next 2 years. In the 95th Congress, the Senate underwent a rigorous analysis of its rules and organization in an attempt to streamline the legislative process and begin to operate on a functional basis. In particular, an attempt was made to give each committee complete jurisdiction over the subject matter under its responsibility. In other words, instead of dealing with broad subjects such as energy, the environment, or communications on an ad hoc basis, with a piece here and a piece there, we could begin to deal with all the aspects of a delicate, multifaceted issue in committees of the Senate that had jurisdiction over the entire subject matter.

I am not standing here today to argue that the bill with which we are concerned has no bearing on antitrust issues. It has some—not a lot—but some. Rather the issue is whether a piece of legislation that is overwhelmingly concerned with the regulation of the telecommunications industry and basic communications policy—clearly the responsibility of Commerce—should be referred elsewhere just because another committee thinks it affects its jurisdiction in some regard.

Let me remind you that the Commerce Committee has jurisdiction over all bills related to "interstate commerce." If we used the same rationale that is being applied here today by the Judiciary Committee, we should have joint referral over every piece of legislation affecting interstate commerce.

Indeed, I would commend my committee chairman, the distinguished Senator from Oregon, for his remarkable restraint in not turning this debate into a referral fight on S. 1159, which is where the debate properly should be. The bill to which I just referred is one that was introduced by various members of the Judiciary Committee to cover the exact subject matter in the Commerce Committee bill. It was referred to the Judiciary Committee because it was drafted in a way that amends the Clayton Act. Frankly, I think the referral of that bill to the Judiciary Committee was absolutely wrong based upon the precedent of our previous debate with the Judiciary Committee in the last Congress.

There we were dealing with precisely the same issue that is raised by S. 1159 today. The chairman of the Judiciary Committee had drafted a bill amending the Clayton Act, but which in effect changed the rules with respect to regulation of the trucking industry. The parliamentarian originally found that Judiciary should have exclusive jurisdiction because the antitrust laws were being amended. Then, after we announced our intention to fight the referral on the floor and after the noses were counted, the Judiciary Committee agreed to a referral that in effect gave most of the jurisdiction to Commerce, despite the fact that the law being amended was the Clayton Act.

Let me quote that referral agreement to you:

> To the Committee on Commerce, Science, and Transportation with instructions that if and when reported, it will then be referred to the Committee on the Judiciary for a period not to exceed 30 days, solely for the purpose of review by the Judiciary Committee of those parts of the bill directly amending the Clayton Act and the bill shall be reported out of the Judiciary Committee without amendment.

In other words, on a bill which was precisely the equavalent of S. 1159, the only right that the Judiciary Committee won was to look at it for 30 days without being allowed to amend it or vote unfavorably on it.

I raise this point not to rub salt in the wound of that previous fight, but to point out that we have been through this before and the precedent not only points in favor of the Commerce Committee argument on S. 271, it makes me wonder why we are not fighting for our rightful jurisdiction on S. 1159.

I want to reiterate the point that we have made time and time again. The debate today is not on the merits of the legislation. It is simply upon the question of whether the Senate rules will be applied in a way that is both fair and expeditious. I strongly urge my colleagues to resist the efforts of the Judiciary Committee to stray into areas that have been set aside for the exclusive jurisdiction of other committees. There is a strong rationale for the existing Senate rules.

I may say that I was on the Rules Committee and had a part in that when we drafted the current rules and tried to streamline them and make some sense out of the mixed-up jurisdictional aspects that had been involved prior to that time. This is a vote that will serve as a precedent for future jurisdictional disputes. I urge my colleagues to vote with us on this issue.

Thank you, Madam President.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Madam President, I yield to the distinguished Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Madam President, I find this discussion quite interesting. I have not been in this body terribly long, just over 2 years.

I am a member of the Judiciary Committee and I very strongly support the motion of the chairman of the committee to refer S. 271 for only 7 days.

My reasons for joining the chairman are twofold:

First, there are obvious antitrust implications in this bill. Everyone admits that. It is not in dispute.

Second, this body is a group of 100 individuals, 100 Senators. We have all heard the phrase that we must accommodate each other, we must get along with each other.

The great horror that we have heard about, that if this motion is agreed to, every committee's jurisdiction is vulnerable to the Judiciary Committee, is absurd. First of all, no one in his right mind would ask for that kind of jurisdiction.

The chairman of our committee, Senator THURMOND of South Carolina, is very experienced and astute, and he certainly is not going to ask that the Judiciary Committee have jurisdiction over the areas suggested by those opposed to this motion.

Madam President, I very simply suggest that we have some of this energy that we are exercising here over jurisdictional turf and pursue more important issues that face our country, like inflation, unemployment, energy, and so forth, and that we not spend all this time in a worry about how many marbles every committee has.

I suggest that we very simply talk about it for a while, that we stop talking about it very quickly, have a vote, and then, very graciously, and in a manner becoming to this body, refer the bill for only 7 days to the Judiciary Committee.

I personally have no intention of delaying this bill. I think S. 271 has a lot of merit. I think it is a good bill. But the point that another bill has been rewritten on the same subject and referred to the Judiciary Committee is irrelevant.

This motion provides for only 7 days in the Judiciary Committee, and when 7 days have transpired, the Senate can work its will on the bill. So the Judiciary Committee cannot hold it up more than 7 days, even if we wanted to.

Let us get on with it. Let us just refer it for 7 days. I know the chairman of the committee is not going to get involved in these other attempts to raid committees, which has been suggested thus far.

Madam President, to summarize, I rise in support of the motion by the distinguished chairman of the Judiciary Committee.

First, S. 271 may raise antitrust as well as commerce questions. These questions fall within the jurisdiction of both the Commerce and the Judiciary Committees. The effort to give the Judiciary Committee a mere 7 days in which to examine the antitrust implications of the bill is fair and reasonable.

I have reviewed S. 271. The arguments favoring the bill are quite persuasive. Western Union was permitted to merge with Postal Telegraph when both concerns were experiencing financial difficulties. To insure that the new combine would not exercise undue market power, Congress required Western Union to divest itself of its international operations and deal with all international records carriers on a fair and nondiscriminatory basis.

If the market situation of Western Union has, in fact, changed so that no further antitrust and anticompetitive problems exist, then the repeal of these congressional strictures makes sense. All we are asking is that the Judiciary Committee be given the opportunity to review these aspects of the bill.

My second reason for supporting the resolution is equally important and goes far beyond the merits of this particular bill. The Senate is a body of accommodation. We try to give members a full opportunity to review legislation before it is moved through the body.

Of course, we do not take kindly to delays and unjustified harassment of legislation. But, we strive to accommodate all reasonable requests for fair deliberation.

Applying these principles to the particular bill at issue, it seems clear to me that the Judiciary Committee request should be accommodated. And it can be acommodated without any danger or prejudice to S. 271.

I have no axe to grind on the bill. I see no reason to delay it. I do not intend to impair it. I simply ask that the Judiciary Committee be given 7 days to review the bill and then we can proceed on it.

Madam President, I hope my colleagues can support a reasonable accommodation on this bill.

Mr. PACKWOOD. Will the Senator yield.

Mr. BAUCUS. Yes.

Mr. PACKWOOD. Is the Senator aware of a letter having been sent from the committee pertaining to the jurisdiction of other bills in addition to this bill?

Mr. BAUCUS. I must say I am not aware of that. I must say also that I will judge each question separately.

Mr. PACKWOOD. So the Senator thinks that the matter should be judged on the individual merits of each bill?

Mr. BAUCUS. I think on all of these questions it is a matter of who is asking. In this case, the chairman is asking for 7 days to consider the bill. It would depend on how much time it would take to discuss the issues. I think we should get along and work together.

Mr. THURMOND. Madam President, I yield to the Senator from Utah.

Mr. HATCH. Madam President, everybody involved in this matter is a very dear friend of mine. However, I believe that the issue here is not the bill itself. I do not think anybody questions that. As a matter of fact, Judiciary does not in any way contest the primary jurisdiction of the Commerce Committee in regards to communication bills.

All the chairman of the Judiciary Committee is making is a reasonable request. I do not think it sets a deleterious precedent. He is asking for a sequential referral for 7 days in order to hold a hearing so that the Antitrust Committee, which is now the full committee of the Judiciary Committee, can ask some questions and receive answers on major questions that could arise under this bill.

This is a matter of comity. I think comity is the only way this body can work to resolve some of these matters and get them resolved in a manner satisfactory to all of us.

Traditionally, the Commerce and Judiciary Committees have sequentially dealt with matters they had an interest in such as S. 682, shared monoply, and S. 1980, the FTC transfer of adjudication process. In 1973 and 1974 the Judiciary Committee held hearings on the interconnector issue of ATT in the communications industry.

Of course, a limited referral and automatic discharge after 7 days is, it seems to me, not too much to ask.

I do not think there is any danger whatsoever of the Judiciary Committee killing this legislation or causing any difficulties to it at all. It is simply a matter of courtesy and comity that the distinguished chairman of the Judiciary Committee has asked for.

I might raise the question, does the Commerce Committee have the expertise to handle complex antitrust issues, and especially issues involving monopolization?

I have no doubt in my mind that the Senators on the Commerce Committee are just as intelligent and just as effective as the Senators of the Judiciary Committee. In fact, I think we have nonlawyers on the Judiciary Committee and they have lawyers on the Commerce Committee.

On the other hand, there are some serious antitrust issues here that literally anybody who looks at them would want to give some consideration to, and especially the Judiciary Committee if it wants to do its job—such as Western Union has a domestic monopoly, which could result in the same problems which section 222 was designed to prevent; such as whether S. 271 contains enough safeguards to protect Western Union's domestic market position; I think such as, since the Commerce Committee hearings on S. 271 were in February of this year, they did not have the benefit of hearing the position of the newly appointed Assistant Attorney General for Antitrust.

I think it would be very instructive, Madam President, to obtain his views on the antitrust aspects of this bill to all of us here. And it would be a shame if this bill passes and there were some antitrust aspects that were not considered as a result of the lack of the Judiciary Committee review of this particular bill.

With regard to S. 1159, there is an im-

pact between the two committees on that. That addresses the antitrust concerns raised in S. 271 and clearly illustrates that there are antitrust issues involved. I think it makes more sense to hold a hearing on S. 271 directly, since it is a piece of legislation that raises the issues about which S. 1159 is concerned.

So, Madam President, it is not our intention to completely reexamne S. 271 or in any way to block that legislation. We merely want the opportunity for 1 day of hearings in an area which our committee has special expertise in, where we have antitrust experts on our staff. Certain Senators on the committee also qualify as antitrust experts.

I think this could be scheduled for next week, early June—June 10 is available, I understand—so it will not unreasonably delay this bill in any way. In that way, if the Judiciary Committee has any amendments to suggest, they will be able, through the hearing process, to come up with those amendments and bring them up on the floor at the time S. 271 is considered.

Madam President, I think these are reasons enough, and again, I reemphasize that I do not think anybody, especially the chairman of the Committee on the Judiciary, has any desire to take away the jurisdiction of the Committee on Commerce on this matter. I do think his request has been fair and courteous. I think it has been reasonable, and I do think that we could do some extra special work here that would assist the Committee on Commerce on a bill which could have some very serious antitrust ramifications, not only with regard to Western Union, but in many other ways as well.

I support the distinguished chairman of the Committee on the Judiciary in this matter, although I do respect and accept the positions of Senator PACKWOOD, Senator GOLDWATER, and, of course, Senator CANNON and others who have a contrary point of view.

I do not think it hurts in these areas to have this kind of referral, especially since the committee is willing to do the work on it and add its expertise to that considerable expertise of the Committee on Commerce.

Madam President, I do support the distinguished chairman of the Committee on the Judiciary. I think we can do a service to the Committee on Commerce, to the Committee on the Judiciary, and to the whole Senate, as well as to the American people, even though this is not the most earthshaking thing, from anybody's point of view.

With that, Madam President, I hope that my colleagues will consider supporting the motion of the chairman of the Committee on the Judiciary.

Mr. GOLDWATER. Madam President, will the Senator yield me about 2 minutes?

Mr. PACKWOOD. I yield 2 minutes to the Senator from Arizona.

Mr. GOLDWATER. Madam President, we first must understand that section 222 is being repealed because the merged entity, Western Union, no longer has a monopoly on the domestic market. I heard the distinguished Senator from Nevada, the distinguished Senator from Montana, the distinguished Senator from Utah and the distinguished Senator from Pennsylvania talk about monopoly. I should like any Senator in this Chamber to rise and tell me how many Western Union offices he can name in his State. There are just none left. These people have been almost put out of busines in this field.

Madam President, who is opposing this bill? Well, RCA and ITT, and they have opposed it for the 4 years I can remember being on the committee, having hearings on this bill. The amazing thing is that the former Attorney General of this country was the one who raised the interest of one Senator to the point that he marked a hold on it. It is a strange coincidence—I would not make the charge without further investigation, but somebody in the Attorney General's office, along about that time, dismissed the suit against ITT.

Now, the same kind of operation is going on here. I think they are taking in a wonderful committee, the Committee on the Judiciary, trying to convince them that there is a monopoly. I can tell you from a lifetime spent in communications, Madam President, there is no monopoly. The only thing they want to see is some big money boys, RCA and ITT, grab hold. They do not have enough. They just run the whole doggone world. Now they want to take in Western Union and there is no Western Union left.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Madam President, I yield myself such time as I may require.

First, I would like to mention that it has been comity and courtesy for one committee to allow its bills to be seen by other committees and commented upon—and in many cases, to have joint referral. For instance, I have a letter here from the distinguished chairman of the Committee on Finance (Mr. DOLE), dated May 15. He said it has come to his attention that one of the four titles of S. 1068, introduced by a member of the Judiciary Committee, consists of certain matters in the jurisdiction of the Committee on Finance. I did not question that, Madam President. When the chairman of the Committee on Finance said that he felt his committee ought to see this, out of respect for that chairman and out of my high regard for any chairman in this Senate, I have agreed to refer it. And not just for 7 days; I have agreed to refer it for 45 days.

I have a letter here now to Senator BAKER, signed by Senator BIDEN and myself from the Judiciary Committee and Senator SIMPSON and Senator CRANSTON from Veterans' Affairs, requesting that S. 349, when reported to the Committee on Veterans' Affairs, be referred to the Committee on the Judiciary for not to exceed 45 days.

Madam President, we have all agreed in these other cases. This is the only time that I have had any question arise about a bill being referred. If we have any bill in the Committee on the Judiciary that the able chairman of the Committee on Commerce feels he wants to see, we shall let him see it. In fact, he did want to see a bill we had, S. 682. When the able chairman of the Committee on Commerce asked to see it, we let him see it. We agreed to let the Committee on Commerce review S. 682.

I say to him now, if there is any other bill me have which he feels concerns communications or any matter within his jurisdiction—like S. 682 which I have right here—we shall be glad to refer it to the Commerce Committee.

All that I am asking is reciprocity. We are just asking that we be allowed to see a bill that came out of his committee.

Madam President, I want to say further that this action will not be abused. I have a list here of bills since 1957 on which the Senate Committee on Commerce and other committees have shared jurisdiction with the Senate Judiciary Committee on particular issues or legislative bills—for 25 years. That has been only an average of about a bill a year where there was a request for shared review. Unless we felt that this current bill had important antitrust implications, we would not ask for it to be sent to the committee.

In the factsheet that the distinguished chairman sent out to the Members of the Senate, he makes this statement, and I call the attention to my colleagues on this. It is on page 2 of that factsheet. It said that this legislation has obvious antitrust implications. If this bill has obvious antitrust implications, should it not go to the Judiciary Committee? The Standing Rules of the Senate, on page 24, item 16, provide that the Committee on the Judiciary is responsible for the "protection of trade and commerce against unlawful restraints and monopolies."

The Judiciary Committee thus has a responsibility to look out for the whole Senate in the matters of antitrust. That is our duty. It is our responsibility. On this matter, all that we ask is for the bill to be referred to the Judiciary Committee so we may review it and make comments on it for the benefit of the Senate. We do not intend to amend it. We did not even ask for a joint referral. We merely asked for the opportunity to look at it and make suggestions if any were worthwhile.

This is important. We have three expert antitrust lawyers on this committee. One is Pete Chumbris who was with Senator Dirksen and Senator Hruska for years and years and who has been with the Senate for 28 years. He is an expert on these matters.

He believes that this bill needs to be referred to our committee for comment.

Mr. Steve Cannon on the committee staff was with the Antitrust Division of the Justice Department for a number of years. His opinion is that this bill should be referred to the Judiciary committee.

We have Ms. Marcy Tiffany of our staff, who formerly practiced antitrust law as a member of an outstanding law firm in Washington, also believes that S. 721 should be referred to our committee for review and comment. This will benefit both the public and the Senate.

What is wrong with that? All we are trying to do is to protect the public and to protect the Senate. That is my only

interest. I am not interested in Western Union. I am not interested in ITT. I am not interested in furthering the interests of any corporation. I have not a single bit of stock in any corporation in the world. But if I had, it would not make any difference; I just want to protect the public.

Further, I note that we have a new Assistant Attorney General in the Justice Department for antitrust matters, Professor Baxter, and this gentleman is an expert on antitrust matters. At the time the Commerce Committee held its hearings on S. 271 he had not yet been confirmed. He has since been confirmed and assumed his duties in that office. I would like for him to look at this bill. I wish to have him come up during our proposed one day hearing on this bill to testify. We will have the bill for only 1 week, if it is referred. But we would have a hearing in that time and we would ask Professor Baxter to come up and testify on this bill and to give us his opinion on its ramifications. That should be worth something, because it would help the Senate. It should help the country. What is wrong with that?

It is my duty as chairman of the Judiciary Committee to try to protect the public.

I just want to say that in my judgment it is important that every step possible be taken to protect the public interest on antitrust matters. It is amazing how many important matters there are concerning antitrust.

We held a hearing some time ago on an antitrust matter. That matter involved antitrust concerns raised by the impending sale of an important U.S. company to a Canadian concern. As part of that sale, the stockholders were to get a relatively small amount for their stock. As a result of our hearing, another entity agreed to buy that company and pay the stockholders a lot more money. Thus that hearing not only resolved the antitrust concerns connected with the originally proposed sale, but also resulted in benefitting the stockholders, the people. If that hearing had not been held, the stockholders and the public as a whole would not have benefited as they did.

That is all we are trying to do. We do not want to usurp the jurisdiction of the Commerce Committee. The chairman of that committee is an able man, a fine man. He has a good committee and he has good members on his committee. We just want the antitrust experts on our committee and the Assistant Attorney General to take a look at this bill and see what suggestions they might make for the benefit of both the public and the Senate.

I have a responsibility in this, because the Senate rule XXV puts that responsibility on me. I did not choose it; the rule imposes such a responsibility on the chairman of the Judiciary Committee. I am just trying to meet my responsibility when I say, as I do, to the Senate that the Committee on the Judiciary wants to take a look at this bill for 7 days in order to make comments. We think this effort would help the Senate to determine whether the bill should pass, and if it should pass, whether it should have amendments. I would note, however, that we do not intend to amend it, but we do want the opportunity to make comments, recommendations, and especially to hear from the Assistant Attorney General on antitrust on this piece of legislation.

I reserve the remainder of my time.

Mr. PACKWOOD. Madam President, will the Senator yield for a question on my time?

Mr. THURMOND. I am pleased to yield.

Mr. PACKWOOD. He cited rule XXV (1)(16), the protection of trade and commerce against unlawful restraints of trade. What we have in the law at the moment is a lawful restraint of trade. We prohibit Western Union from competing overseas. All we are talking about is removing that restraint. How does that make this an unlawful restraint?

Mr. THURMOND. I am not saying it does make it unlawful. I am saying that this bill involves antitrust matters just as the Senator cited in his factsheet when he said, "Even though it has obvious antitrust implications." If this bill has obvious antitrust implications, then what is the objection to letting the Judiciary Committee take a look at it and make comments on it if they have any comments to make?

Mr. PACKWOOD. I am sorry. I was reading the rules. I thought the Judiciary Committee had jurisdiction on simply the trade and commerce against unlawful restraints and monopolies, not antitrust.

Mr. THURMOND. We will work with the Senator any way we can. We will let him have any bill that he asks for from my committee.

Mr. PACKWOOD. The Senator from South Carolina complained that he had not had a chance to hear from the Assistant Attorney General. The Senator has in his committee, of course, the bill he introduced, S. 1159, which is exactly the same as S. 271 in reverse. He had it for 3 weeks. Why has he not had a hearing and heard from the Attorney General on it?

Mr. THURMOND. We expect to hold hearings on that bill if this bill passes, but we were hoping that we could get this bill and comment on this bill and thereby prevent the necessity of action on that bill altogether.

Mr. PACKWOOD. The Senator is asking for this bill for 7 days and he had this one 3 weeks. Why did he not ask for jurisdiction of this bill when it was introduced when we considered it and reported it? Why only when it comes out of committee—and we are on my time now—only when it comes out of committee does he ask for the jurisdiction and it was not changed a whit from the time it went in until it went out? Let me ask further: The Senator asked also for jurisdiction over S. 898; is that correct?

Mr. THURMOND. That is correct.

Mr. PACKWOOD. He sent a letter saying when we finish it, if we finish it, we want it referred to the Judiciary Committee.

Mr. THURMOND. I made the request on S. 898 because, like S. 271, it appears to have obvious antitrust implications.

Mr. PACKWOOD. It is the Senator's opinion that any letter he sends like that to any chairman phrasing it has antitrust implications——

Mr. THURMOND. There have been in the past and will be in the future very few such requests. As stated a few moments ago, only about one bill a year for 25 years was subject to a joint review request, there were very few bills that were asked for. In fact the members of the Judiciary Committee requested me to make this present request. The committee felt——

Mr. PACKWOOD. Wait a minute. The letter that he sent said——

Mr. THURMOND (continuing). Felt that we ought to ask that this bill be referred to us so we could comment on it.

Mr. PACKWOOD. The letter that he sent said one member asked.

Mr. THURMOND. What is that?

Mr. PACKWOOD. The letter the Senator sent to Senator BAKER and me said one member on your committee asked.

Mr. THURMOND. A number of members have requested this referral in a signed resolution that I have here. A number of Senators have requested this referral.

Mr. PACKWOOD. Madam President, I simply conclude with this, the Judiciary Committee has asked for this bill. They asked for S. 898 to be referred. The Senator from Pennsylvania has indicated that any bill that has any antitrust implications, no matter how minor, if the Judiciary Committee chooses to ask for it they shall get it. The Senator from South Carolina has indicated they do not request for it very often; if they do they have it as a matter of right. I simply say to other committees if that is the precedent they want to establish, they should vote for the Senator from South Carolina. If not, they should vote with me.

Mr. THURMOND. How much time remains, Madam President?

The PRESIDING OFFICER. The Senator from South Carolina has 4 minutes and 25 seconds.

Mr. THURMOND. How much time has the Senator from Oregon?

The PRESIDING OFFICER. Nineteen minutes and 22 seconds.

Who yields time?

Mr. PACKWOOD. How much time did I have left?

The PRESIDING OFFICER. Nineteen minutes and 22 seconds.

Mr. PACKWOOD. I am prepared to yield back my time if the Senator from South Carolina is prepared to yield back his.

Mr. THURMOND. Madam President, I will be glad to yield back in just a short time. I thought I might just make this closing statement: I think it is well for the operation of this great body to continue in its great historic tradition of comity and courtesy. I tell the Senator now that if there is any bill he would like to see that refers to any matter within the jurisdiction of his committee, we will be glad to refer to him. And similarly, we will respect a request for any other bill that another committee wants to see, just as Judiciary has honored the requests of Senator DOLE and Senator SIMPSON and others.

I feel that it is in the best interest of this Senate to adopt a policy that when a chairman requests a bill that he does not do so lightly, that he do so for a good reason. But when he does, we should acquiesce to the chairman's request, especially when it will not delay the matter. Here the delay would be only for 1 week. We are asking for this time in order to get the opinion of the Assistant Attorney General, and to let our specialists in antitrust study this matter to see if they have any helpful suggestions. In a week, it will come back under any circumstances. It may come with recommendationse and suggestions. It may not.

But what are we doing is trying to preserve the historic comity and courtesy of this body which has always existed between the committees, especially when the members of a committee request a chairman to ask that a certain bill be sent to the committee, as the members of the Judiciary Committee did in this particular instance.

Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. PACKWOOD. Madam President, as the Senator from South Carolina well knows, a bill does not have to be referred to committee to hold a hearing. It does not have to be referred to hold a hearing on that bill. The rules of this body permit any committee to hold any hearing that they want to hold.

This particular bill, S. 271, was introduced early this year. At any time that the Senator from South Carolina wanted to hold a hearing on that bill he could have. He has a similar bill in his committee that was introduced by him on which he could have held hearings.

I find it very coincidental that it was not until we had sent the bill out after hearings and 1 week after a hold had been put on the calendar that a request was made to refer this bill to the Judiciary Committee.

And it was only after RCA and ITT had lost in our committee unanimously, only after that, that an effort was made to refer it to the Judiciary Committee. I think it would be a bad precedent.

If the Senator is prepared to yield back his time, I am prepared to yield back mine.

Mr. THURMOND. Madam President, I just want to state for the record that I made the request weeks ago for this bill to be referred to our committee so we could have a quick hearing and comment on it.

I want to say again, I am not concerned about what those corporations want and do not want. Our job is to serve the public. Our job is to protect the interest of the people of this country. That is all I have tried to do in asking that this bill be referred to the Judiciary Committee. I hope that when the Members vote they will realize that a chairman, acting in his capacity, will be presumed, I imagine, to be acting in what he considers to be the best interest of the country.

There cannot be any delay. This is 1 week for a hearing, and then the bill can be considered and acted upon by the Senate.

Again, I would remind the distinguished Senator that when they asked for a bill from our committee, we agreed to refer it to his committee.

Mr. LONG. Would the Senator yield?

Mr. PACKWOOD. I yield to the Senator from Louisiana.

Mr. LONG. Madam President, I hope that the Senate is not going to set a precedent here that any time a committee wants a bill referred to that committee from the committee which clearly has jurisdiction, the committee with jurisdiction is under the burden of referring it.

Madam President, if we are to do that, we will never get anything done around this body. We could be here forever. The committee can just go on and on ad infinitum without ever reaching any conclusions.

As the chairman of the Commerce Committee has said, any committee—you do not have to have jurisdiction to hold a hearing. I mean, you could just hold hearings on anything on God's green earth anytime you want to. Every committee can do it.

May I say, as a former chairman of the Finance Committee, I can recall times when a single Senator just sets up a hearing, just calls people and gets a lot of people in and holds himself a hearing. He does not represent anybody, not even a committee. You can get away with that in the U.S. Senate. I have seen Senators do it with great success on occasion.

So that people can hold hearings and committees can hold hearings and subcommittees can hold hearings. They can do it if they do not have one whit of jurisdiction to do it.

But when a committee that is responsible and hears the issue and reports on it, controversial though it may be, to set a policy that another committee would like it referred to it because they feel an interest in the matter, that it ought to be referred and to feel that we owe it to one another by courtesy and comity, in my opinion, Madam President, that just flies into the rules of the Senate which says that the jurisdiction of this bill is in this committee. And these committees are reasonably well balanced.

With that in mind, I hope that we do not set a precedent here that when a committee feels it should have the bill referred to it because it would like to look at this matter, that everything must wait until it has hearings.

Mr. THURMOND. Will the Senator yield?

Mr. LONG. I yield to the Senator.

Mr. THURMOND. Madam President, I have here a letter from the chairman of the Finance Committee asking that a bill be referred to him. He said it had matters pertaining to the Finance Committee's jurisdiction. We were glad to agree to refer it to him.

I am sure no chairman of a committee today would ask for a bill unless he felt there is merit in it, just as I am sure the able Senator would not have asked for a bill to be referred unless he felt there was some reason for it. And if there is some reason for it, it has been a custom to refer it.

I agree that you cannot refer every bill to every committee, or anything of that kind. But when you have a chairman, especially when he is acting at the request of the committee, who asks for a referral, it seems reasonable to agree to such a referral just as I referred this bill to the Finance Committee at the request of Senator DOLE the present chairman of the committee.

Mr. LONG. The point is, sometimes you do and sometimes you do not. It all depends upon the particular problem involved.

But I would think that were a committee cleared to have jurisdiction, it is within the discretion of the committee they do not think they ought to refer this. I hope, unless the Senate finds some good reason why it wants further advice on the subject, it would sustain the jurisdiction of the committee.

● Mr. INOUYE. Madam President, I would hope the Senate will resist any attempt to refer S. 271 to the Judiciary Committee.

I believe the reasons set forth by the distinguished chairman of the Commerce Committee, its ranking minority member, and many of my other colleagues on the committee clearly explain why jurisdiction over this legislation, which deals with the Federal regulation of communications, should rest exclusively with the Commerce Committee.

Indeed, I believe argument to the contrary not only overlooks the Senate rules and a considerable body of its precedent, but is based on a history which has been made irrelevant by the technological breakthroughs in communications since World War II, and the decisions of the FCC recognizing these revolutionary changes in the state of the art. Western Union no longer has a monopoly on domestic record communications traffic, and this was the underlying reason for the enactment of section 222 in 1943.

In my view, the ramifications of acceding to the Judiciary Committee's request go far beyond accepting myth over reality. We would be setting a precedent for according that committee super status, and giving it authority to oversee most of the work of the other standing committees of the Senate. In the event the Judiciary Committee will then be the architect of communications policy, our tax policy, our transportation policy, and so forth. A result, I believe we all agree, is neither envisioned by the Senate rules, nor by conventional wisdom which holds that the committee with the expertise and experience regarding a particular subject is the appropriate forum in which to consider it.●

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Madam President, if the other side is willing to yield back their time, I am willing to yield back my time.

Mr. PACKWOOD. Madam President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the motion of the Senator from South Carolina (Mr. THURMOND) to refer S. 271 to the Committee on the Judiciary for not to exceed 7 calendar days. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

(Mr. CHAFEE assumed the chair.)

Mr. HEFLIN (when his name was called). Present.

Mr. BAKER. Mr. President, on this vote I have a pair with the distinguished Senator from Maryland (Mr. MATHIAS). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. STEVENS. Mr. President, on this vote I have a live pair with the Senator from North Carolina (Mr. EAST). If he were present and voting, he would vote "yea." I voted "nay." Therefore, I withdraw my vote.

I announce that the Senator from Maine (Mr. COHEN), the Senator from North Carolina (Mr. EAST), The Senator from Maryland (Mr. MATHIAS), the Senator from South Dakota (Mr. PRESSLER), the Senator from Texas (Mr. TOWER), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from New Jersey (Mr. BRADLEY), the Senator from Connecticut (Mr. DODD), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

The PRESIDING OFFICER. Is there any other Senator in the Chamber who wishes to vote?

The result was announced—yeas 28, nays 59, as follows:

[Rollcall Vote No. 136 Leg.]

YEAS—28

Abdnor	Grassley	Simpson
Armstrong	Hatch	Specter
Baucus	Helms	Stafford
Biden	Laxalt	Stennis
Boren	Leahy	Symms
Chiles	Melcher	Thurmond
D'Amato	Metzenbaum	Tsongas
DeConcini	Nickles	Zorinsky
Denton	Percy	
Dole	Proxmire	

NAYS—59

Andrews	Glenn	Mattingly
Bentsen	Goldwater	McClure
Boschwitz	Gorton	Mitchell
Bumpers	Hart	Moynihan
Burdick	Hatfield	Murkowski
Byrd, Harry F., Jr.	Hawkins	Nunn
	Hayakawa	Packwood
Byrd, Robert C.	Heinz	Pell
Cannon	Huddleston	Pryor
Chafee	Humphrey	Quayle
Cochran	Inouye	Randolph
Cranston	Jackson	Riegle
Danforth	Jepsen	Roth
Dixon	Johnston	Rudman
Domenici	Kassebaum	Sarbanes
Durenberger	Kasten	Sasser
Eagleton	Levin	Schmitt
Exon	Long	Warner
Ford	Lugar	Weicker
Garn	Matsunaga	Williams

ANSWERED "PRESENT"—1

Heflin

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—2

Baker, against.
Stevens, against.

NOT VOTING—10

Bradley	Hollings	Tower
Cohen	Kennedy	Wallop
Dodd	Mathias	
East	Pressler	

The PRESIDING OFFICER. On this motion, the yeas are 28, the nays are 59, one Senator voting present. The motion to refer is not agreed to.

Under the previous order, the bill, S. 271, is returned to the calendar.

Mr. PACKWOOD. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Mr. President, on this motion I voted "present." I would like to explain the reason why I voted "present."

I am a member of the Commerce Committee and I am also a member of the Judiciary Committee. I am in a unique position of being the only member of both committees.

In the interest of internal harmony in the Commerce Committee and in the interest of internal harmony in the Judiciary Committee, I voted "present." Either way it would have gone I would have had a bite on the apple of antitrust.

[Laughter.]

Mr. STEVENS. Mr. President, there will be no more votes tonight.

INTERNATIONAL TRAVEL ACT AUTHORIZATION

Mr. STEVENS. Mr. President, I ask that the Chair lay before the Senate Calendar Order No. 91, S. 1105.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1105) to amend the International Travel Act of 1961 to authorize appropriations for fiscal year 1982, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alaska?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Commerce, Science, and Transportation with amendments as follows:

On page 2, line 16, strike "the offices" and insert "any office";

On page 2, line 19, strike "offices" and insert "office":

So as to make the bill read:

S. 1105

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 6 of the International Travel Act of 1961 (22 U.S.C. 2126) is amended by striking out "and" immediately before "(8)", and by inserting immediately before the period at the end thereof the following: "; and (9) $8,600,000 for the fiscal year ending September 30, 1982".

SEC. 2. The first sentence of section 4 of the International Travel Act of 1961 (22 U.S.C. 2124) is amended by striking "who shall report directly to the Secretary." and substituting "who shall report directly to and be under the general supervision of the Secretary or, to the extent such authority is delegated, the Deputy Secretary, but shall not report to, or be subject to general supervision by, any other officer of the Department of Commerce.".

SEC. 3. The International Travel Act of 1961 is further amended by adding at the end thereof the following new section:

"SEC. 10. (a) Notwithstanding any other provision of law, the Secretary may not reduce the number of employees of the United States Travel Service in any office of such Service in foreign countries to a number that is less than the number of authorized employees assigned to such office in fiscal year 1979.

"(b) Notwithstanding any other provision of law, the Secretary may not reduce the amount of funds obligated in any fiscal year to pay for the activities of the offices of the United States Travel Service in foreign countries to an amount that is less than the amount of funds that were obligated to pay for the activities of such offices in fiscal year 1980.".

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZATION OF APPROPRIATIONS FOR THE INTERNATIONAL INVESTMENT SURVEY ACT

Mr. STEVENS. Mr. President, I ask that the Chair lay before the Senate Calendar Order No. 94, S. 1104.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1104) to amend the International Investment Survey Act of 1976 to provide an authorization for further appropriations, to avoid unnecessary duplication of certain surveys, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alaska?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment as follows:

On page 2, line 5, strike "the".

So as to make the bill read:

S. 1104

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4(b) of the International Investment Survey Act of 1976 (22 U.S.C. 3103(b)) is amended by striking all of such section before the words "among other things and to the extent he determines necessary and feasible—" and substituting the following:

"(b) With respect to foreign direct investment in the United States, the President shall conduct a benchmark survey covering calendar year 1980, a benchmark survey covering calendar year 1987, and benchmark sur-

veys covering every fifth calendar year thereafter. With respect to United States direct investment abroad, the President shall conduct a benchmark survey covering calendar year 1982, a benchmark survey covering calendar year 1989, and benchmark surveys covering every fifth year thereafter. In conducting surveys pursuant to this subsection, the President shall,".

SEC. 2. Section 4(c)(2) of the International Investment Survey Act of 1976 (22 U.S.C. 3103(c)(2)) is amended to read as follows:

"(2) In addition to the benchmark surveys conducted pursuant to paragraph (1), the President shall annually compile currently available data on United States portfolio investment abroad including items such as data on the magnitude and aggregate value of portfolio investment, form of investment, types of investors, nationality of investors and recorded residence of private holders, diversification of holdings by economic sector, and holders of record. The President shall submit an analysis of such data to the Congress not later than the first day of July of each year.".

SEC. 3. Section 4 of the International Investment Survey Act of 1976 (22 U.S.C. 3103) is amended by redesignating subsections (e) and (f), and all references thereto, as subsection (f) and (g), respectively, and by inserting the following new subsection after subsection (d):

"(e) The Secretary of Commerce shall prepare a report on the estimated cost of monitoring and compiling data on legislation enacted by the major trading partners of the United States, and such other foreign nations as the Secretary deems appropriate, which regulates or restricts foreign inward investment in such foreign nations.".

SEC. 4. Section 8 of the International Investment Survey Act of 1976 (22 U.S.C. 3107) is amended by striking "AND REVIEWS" in the section heading, by striking "(a)" immediately after "SEC. 8.", and by striking subsection (b).

SEC. 5. Section 9 of the International Investment Survey Act of 1976 (22 U.S.C. 3108) is amended by striking "and" immediately after "1980," and by inserting immediately before the period at the end thereof the following: ", $4,000,000 for the fiscal year ending September 30, 1982, and such sums as may be necessary for any subsequent fiscal years".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZATION OF APPROPRIATIONS FOR NATURAL GAS PIPELINE SAFETY ACT AND HAZARDOUS LIQUID PIPELINE SAFETY ACT

Mr. STEVENS. Mr. President, I ask that the Chair lay before the Senate, Calendar Order No. 99, S. 1099.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1099) to amend the Natural Gas Pipeline Safety Act of 1968, as amended, and the Hazardous Liquid Pipeline Safety Act of 1979 to authorize appropriations for fiscal years 1982 and 1983.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alaska?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Commerce, Science, and Transportation with an amendment to strike out all after the enacting clause, and insert the following:

That section 4(b) of the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. 1673(b)) and section 204(b) of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. 2003(b)) are each amended by striking "once every 6 months." and substituting "twice each calendar year.".

SEC. 2. Section 8(a) of the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. 1675(a)) is amended by striking "sixtieth day" and substituting "90th day".

SEC. 3. Section 206(a) of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. 2005(a)) is amended by striking "60th day" and substituting "90th day".

SEC. 4. Section 5(a) of the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. 1674(a)) is amended by striking "other than subsection (a)(3) thereof)" and substituting "(other than subsection (a)(2) thereof)".

SEC. 5. Section 17(a) of the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. 1684(a)) is amended by—

(1) striking "and" at the end of paragraph (1);

(2) striking the period at the end of paragraph (2) and substituting a semicolon; and

(3) adding at the end thereof the following new paragraphs:

"(3) $3,446,000 for the fiscal year ending September 30, 1982; and

"(4) $3,446,000 for the fiscal year ending September 30, 1983.".

SEC. 6. Section 17(b) of the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. 1684(b)) is amended by—

(1) striking "and" at the end of paragraph (1);

(2) striking the period at the end of paragraph (2) and substituting a semicolon; and

(3) adding at the end thereof the following new paragraphs:

"(3) $3,618,000 for the fiscal year ending September 30, 1982; and

"(4) $3,618,000 for the fiscal year ending September 30, 1983.".

SEC. 7. Section 214(a) of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. 2013(a)) is amended by—

(1) striking "and" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and substituting a semicolon; and

(3) adding at the end thereof the following new paragraphs:

"(3) $1,000,000 for the fiscal year ending September 30, 1982; and

"(4) $1,000,000 for the fiscal year ending September 30, 1983.".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill to amend the Natural Gas Pipeline Safety Act of 1968 and the Hazardous Liquid Pipeline Safety Act of 1979 to authorize appropriations for fiscal years 1982 and 1983, and for other purposes.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER VITIATING ACTION ON CALENDAR ORDER NO. 99, S. 1099

(Later the following occurred:)

Mr. STEVENS. Mr. President, I ask unanimous consent that the action taken by the Senate on Calendar Order No. 99, S. 1099, a bill to amend the Natural Gas Pipeline Safety Act of 1968, as amended, and the Hazardous Liquid Pipeline Safety Act of 1979 to authorize appropriations for fiscal years 1982 and 1983, be vitiated.

I state that the reason is that the House of Representatives has just sent this body a similar bill, and it is our intention to attempt to see if we can amend the action of the Senate so that we return to the other body the House-passed bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ANNUAL FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

At the request of Mr. STEVENS, the bill (S. 1040) to amend the District of Columbia Self-Government and Governmental Reorganization Act to increase the amount authorized to be appropriated as the annual Federal payment to the District of Columbia was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 502 of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 2501d) is amended by striking out "for the fiscal year ending September 30, 1978, and for each fiscal year thereafter the sum of $300,000,000" in the first sentence and inserting in lieu thereof "for each of the fiscal years ending September 30, 1978, September 30, 1979, September 30, 1980, and Sepetmber 30, 1981, the sum of $300,000,000; and for the fiscal year ending September 30, 1982, and for each fiscal year ending after September 30, 1982, the sum of $336,600,000".

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZATION OF APPROPRIATIONS FOR THE NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

At the request of Mr. STEVENS, the bill (S. 1050) to extend the authorization of appropriations for the National Historical Publications and Records Commission for the fiscal years 1982 and 1983, was considered.

Mr. MATHIAS. Mr. President, on behalf of Senators PRYOR, PELL, and SASSER, cosponsors of S. 1050, I am pleased to see the Senate move this simple reauthorization to final passage.

This bill was favorably reported by the Senate Governmental Affairs Committee by a 10 to 0 bipartisan vote on May 15. It will permit this Commission to continue its important support of historical publications and records preservation across our Nation. And it will insure the continued private support of those same efforts through matching funds. Private support for publications and records preservation at present represents 60 percent of the total funding devoted to this effort. Without the Federal participation, this private participation is certain to cease.

Those individuals and organizations who are researching and writing about our Nation's most important historical figures have recently written to me describing the way the national historical publications and records program works and the way it leverages private dollars. I ask unanimous consent that the letter to me from the Coalition To Save Our Documentary Heritage be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COALITION TO SAVE OUR DOCUMENTARY HERITAGE,
May 21, 1981.

HON. CHARLES MCC. MATHIAS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MATHIAS: On behalf of the Coalition to Save our Documentary Heritage, I would like to express our appreciation for your sponsorship of S. 1050. The Coalition strongly supports this legislation, which would reauthorize the grants program of the National Historical Publications and Records Commission for two years at an annual level of $3 million. S. 1050 is now on the Senate Calendar and we urge its expeditious consideration.

Attached to this letter is a list of the 47 member organizations of the Coalition. These organizations represent historians, archivists, librarians, state and local government officials, genealogists, university presses, and college and university professors and officials. Three of the members have representatives on the NHPRC.

The public/private funding partnership that has been so successful over the past seventeen years has contributed enormously to our documentary heritage. For your benefit we would like to describe the continuing successes of the two grants programs.

PUBLICATIONS

There are forty-three ongoing publications projects currently funded in part by the NHPRC. Nearly half of these projects will cease to exist if this bill does not pass, and a considerable portion of the public and private funds that have been spent on them will be wasted.

While the projects that are publishing the papers of the Founding Fathers (i.e., Jefferson, Adams, Franklin, Madison, and Washington) may find sufficient funding in the private sector, projects relating to such a diversity of figures as Daniel Chester French, the sculptor of Abraham Lincoln in the Lincoln Memorial, labor leader Samuel Gompers, social worker Jane Addams, Chief Justice of the Supreme Court John Marshall, Civil War General and President Ulysses S. Grant, and even the Documentary History of the First Federal Congress, will probably terminate without his reauthorization.

Only a handful of publications projects existed in 1964, and they were operating on very small private grants, together with institutional support. The introduction of Federal funding to the NHPRC in 1964 made it possible to expand the number of publications projects. It also provided the nucleus of funding necessary to convince the private institutions and other sources of financial support to contribute to this endeavor.

But the private sources cannot and will not support these projects alone. Rather than receiving increased private [illegible], the projects will receive less, and in many cases this [illegible] will disappear completely.

For example, the Documentary History of the First Federal Congress currently receives payment for indirect costs (office space, furniture and equipment, together with the University's administrative support system) and the salary of its Editor in Chief from the George Washington University.

If no federal funds are being contributed, no research project will exist in the University's estimation, and the project office will be forced to close down. The three volumes, including two volumes of histories of First Congress legislation, on which the staff has worked for the past four years, will not go to press.

One thing is clear: the termination of the federal contribution will also mean the end of nearly all of the private participation.

Inquiries to some of the major foundations have already been made, and each response has been the same. These private foundations have been overwhelmed with applications in recent months, and they do not have the resources to supply the long term, stable financing that documentary editions require.

The amount granted for the publications program of the NHPRC has remained constant at $2 million since 1975, and yet the program has been able to expand and to encourage new projects which document the lives of notable women, Blacks, Hispanics, and Native Americans, as well as to continue its role as a sponsor of the projects relating to the founding of the nation.

RECORDS

The Records grants program of the NHPRC that was authorized in 1974, but not fully funded until FY 1980, has played a critical role in beginning to deal with some of the overwhelming problems relating to records preservation and management that are facing states, localities and institutions.

The records program has funded projects of national importance such as manuals on archival techniques, research and development projects in photography preservation, appraisal studies for a variety of historical records, and needs assessment and planning on such key problems as labor records, police records, and records documenting science and technology in the United States.

For example, a grant was given to the municipality of Anchorage, Alaska, to preserve and duplicate the Anchorage Historical and Fine Arts Museum's nitrate and glass plate negative collections which extensively document various aspects of early 20th century life in Alaska, including gold mining in the region of Dan and Chititu Creek, military life at Fort Michael, and domestic life along the Valdez-Fairbanks Trail and in Nome. This holding, including these rare historical images, is the only public photography collection in the Anchorage area.

Another example of this broad-based program is a grant given to the City of Baltimore to arrange the mayoral and council records from 1797 to 1971 in the Archives and Records Management Office. City officials realized a need to develop a system for properly controlling their valuable but virtually unknown and inaccessible municipal records. Before it received an NHPRC grant to begin to organize the collection and to properly treat the important historical documents, the City committed itself to sustaining the effort. The NPHRC grant brought in a qualified professional to begin the program which, after the completion of this demonstration effort, will make this important city archives usable by students of Baltimore History.

Records grants are short-term (one or two years) and have been designed to strengthen individual or cooperative archival programs across the country in their efforts to save America's past. Emphasis has been placed on modern archival techniques and on increasing the non-federal support whenever possible. After the NHPRC grant assists in providing the expertise and organization, the program becomes self sufficient.

It is essential that the federal presence in the form of records grants be continued because it is spending a relatively small amount of money to provide the expertise that enables the states, localities, and institutions to save much larger sums that would have been spent on storing all of the records.

The NHPRC also provides national leadership in the archival and records management fields, and has worked to establish regional document conservation centers, each of which serves several states and assists with document preservation problems in the region.

We urge the Senate's speedy passage of S. 1050 for the following reasons:

Highly specialized programs: The National Historical Publications and Records Commission is not run by bureaucrats, but by a Commisison of experts working with a staff of experts. The emphasis is on sound efficient techniques in historical editing and archival and records management. The very modest funding has merely provided a bit of incentive to foster use of cost-efficient techniques throughout the country.

Cost savings: Records projects stress the drawing up of carefully considered records schedules so that bulky low value records occupying expensive office and storage space can be destroyed, while those that clearly have continuing value to society are identified, put in order, and made more easily accessible. This improved access also saves time and money, and the savings increase with each use. Publications projects, such as The Documentary History of the Supreme Court (1789–1800), which bring together widely scattered or hard to access material save time and money for government agency personnel, congressional staff, lawyers and other researchers tracking legislative history or pursuing other research.

Efficient management: Historical preservation and publication projects have been slow and labor intensive. By demonstrating the use of automated word processing and information retrieval techniques, through the guidance provided by manuals and other publications, through trained personnel, and through bringing archivists and librarians from throughout the country together, the NHPRC has induced cooperation and avoided much duplication of effort.

Leveraging of private dollars: The NHPRC grant programs have stimulated, not supplanted, non-federal funding.

The records grants, averaging $20,000, have demonstrated to many state and local governments and to nonprofit organizations their continuing need for a professional archives and records program maintained with their own resources. Over 60 percent of the funding for records grant projects comes from non-federal sources. The Commission has paid no indirect costs to any grantee.

The sponsoring organization's share of publications projects would decline abruptly if federal funding were withdrawn. It is estimated that half of the 43 projects currently funded would come to a halt immediately; the others would be greatly slowed and hampered by extremely precarious funding.

The Historical Publications program has, to date, sponsored the publication of 319 volumes, 5,450 reels of microfilm, and 1,005 microfiches. All of these have made an important contribution to our knowledge of

and access to the documents of our national heritage.

The Historical Records program has made over 350 grants in 49 of the 50 states, which have contributed to the preservation of historical records across our nation.

In 1972, when Senator Roth cosponsored the NHPRC reauthorization bill, he quoted former President Eisenhower and said:

"The free world must have histories written by men and women in search of the truth—not by those seeking to rewrite the records of the past to their own advantage. This underlines the essential need of a broad and incorruptible supply of our Nation's documentary resources."

The NHPRC's grant program has fostered a private/public partnership. Private foundations and institutions contribute roughly 60 percent of the program's costs. The federal support has, in the past, been 40 percent. Because we recognize the need to restrain federal spending we are willing to work with a 25 percent reduction in federal support, as S. 1050 proposes. This, of course, will mean that an even greater level of private support will be needed to continue the programs sponsored by the NHPRC.

The NHPRC offers dramatic proof of a worthwhile and effective government funding program, which even in times of fiscal restraint deserves national support. The Coalition again thanks you for your efforts to continue this small but effective program which has assisted in the publication of so much that is a part of our American heritage.

Sincerely,

CHARLENE N. BICKFORD,
Coordinator for the Coalition.

COALITION TO SAVE OUR DOCUMENTARY HERITAGE

(A working list that is expanding)

The American Association for State and Local History.
National Association of State Archivists and Records Administrators.
American Historical Association.
National Coordinating Committee for the Promotion of History.
American Catholic Diocesan Archivists.
Association for Documentary Editing.
Northeast Document Conservation Center.
Pacific Northwest Archivists Inc.
Association of American University Presses.
Organization of American Historians.
Society of Georgia Archivists.
Kentucky Council on Archives.
Tennessee Archivists.
Society of Southwest Archivists.
Long Island Archives Conference.
New England Archivists.
Society of Ohio Archivists.
Society for History in the Federal Government.
American Library Association.
Society of Indiana Archivists.
New England Museums Association.
Massachusetts Committee for the Preservation of Architectural Records.
Conference of Intermountain Archivists.
Society for the Preservation of New England Antiquities.
Southern Historical Association.
Western Council of State Libraries.
The National Trust for Historic Preservation.
Michigan Archival Association.
Columbia Seminar on Early American History and Culture.
American Society for Legal History.
Regional Conference of Historical Agencies (Central and Northern New York).
Mid-Atlantic Regional Archives Conference.
New England Library Board.
Midwest Archives Conference.
Association of Research Libraries.
Conservation Administration News.
Public Works Historical Society.
Society for Historians of the Early American Republic.
Kansas City Area Archivists.
Association for the Study of Afro-American Life and History, Inc.
Dobbs Brothers, Restoration and Conservation Co., Inc.
Association of Records Managers and Administrators, Inc.
Coordinating Committee on Women in the Historical Profession.
Society for Scholarly Publishing.
National Association for Interdisciplinary Ethnic Studies.
Tennessee Cultural Crisis Committee.
Society of California Archivists.

The bill (S. 1050) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1050

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2504(b) of title 44, United States Code, is amended by striking out "for the fiscal year ending September 30, 1981, an amount not to exceed $4,000,000" and inserting in lieu thereof the following: "for ecah of the fiscal years ending September 30 of 1982 and 1983, an amount not to exceed $3,000,000".

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to

AUTHORIZATION OF APPROPRIATIONS FOR INTERNATIONAL AFFAIRS FUNCTIONS OF THE DEPARTMENT OF THE TREASURY

At the request of Mr. STEVENS, the Senate proceeded to consider the bill (S. 1116) to authorize appropriations for the international affairs functions of the Department of the Treasury for fiscal year 1982, which had been reported from the Committee on Banking, Housing, and Urban Affairs with amendments, as follows:

On page 2, strike line 3, through and including line 4, and insert the following:

"(2) by inserting 'and $22,896,000 for fiscal year 1982' after 1980";

On page 2, after line 9, insert the following:

SEC. 2. On or before October 1, 1981, the Secretary of the Treasury shall transmit a report to both Houses of the Congress regarding the status of negotiations within the Organization for Economic Cooperation and Development on improving the International Arrangement on Guidelines for Officially Supported Export Credits and on the status of any other multilateral or bilateral negotiations or discussions for the purpose of improving any other arrangements, standstills, minutes, and practices involving official export financing in which the United States participates. Such report shall include—

(1) an assessment of the progress, if any, that has been made in these negotiations, and of the prospects for a successful conclusion to these negotiations within a reasonable time; and

(2) a recommendation by the Secretary of the Treasury as to whether the Congress, in order to improve the prospects for a successful conclusion to these negotiations, should enact legislation for the purpose of enhancing the ability of the Export-Import Bank of the United States to offer or support export credit fully competitive with the subsidized official export credit offered or supported by other governments.

So as to make the bill read:

S. 1116

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 5(a) of the Act of November 8, 1978 (92 Stat. 3092), is amended—

(1) by striking out "and" after "1979" and inserting in lieu thereof a comma; and

(2) by inserting "and $22,896,000 for fiscal year 1982" after "1980,".

(b) Subsection (b) of such section is amended by inserting "and for fiscal year 1982 not to exceed $1,000,000," after "$800,000".

SEC. 2. On or before October 1, 1981, the Secretary of the Treasury shall transmit a report to both Houses of the Congress regarding the status of negotiations within the Organization for Economic Cooperation and Development on improving the International Arrrangement on Guidelines for Officially Supported Export Credits and on the status of any other multilateral or bilateral negotiations or discussions for the purpose of improving any other arrangements, standstills, minutes, and practices involving official export financing in which the United States participates. Such report shall include—

(1) an assessment of the progress, if any, that has been made in these negotiations, and of the prospects for a successful conclusion to these negotiations within a reasonable time; and

(2) a recommendation by the Secretary of the Treasury as to whether the Congress, in order to improve the prospects for a successful conclusion to these negotiations, should enact legislation for the purpose of enhancing the ability of the Export-Import Bank of the United States to offer or support export credit fully competitive with the subsidized official export credit offered or supported by other governments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZATION OF APPROPRIATIONS FOR NONPERFORMING ARTS FUNCTIONS OF THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

At the request of Mr. STEVENS, the bill (S. 1209) authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1209

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (e) of section 6 of the John F. Kennedy Center Act (Public Law 85–874, as amended; 20 U.S.C. 761) is amended as follows: In the last sentence strike out the period and add in lieu thereof ", and not to exceed $4,544,000 for the fiscal year ending September 30, 1982.".

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT OF ENVIRONMENTAL QUALITY IMPROVEMENT ACT OF 1970

At the request of Mr. STEVENS, the bill (S. 1210) amending the Environmental Quality Act of 1970, was considered.

Mr. GORTON. Mr. President, the Council on Environmental Quality was established in 1969 by the National Environmental Policy Act. The Council, established within the Executive Office of the President, was to be comprised of members who would "be conscious of and responsive to the scientific, economic, social esthetic, and cultural needs and interests of the Nation;" and who would "formulate and recommend national policies to promote the improvement of the quality of the environment."

The Council's performance has been good in the decade following its creation.

The Council has, in the past, taken a leading role in the development of national environmental policy. Ocean oil pollution, water resources, and solar energy are but a few areas where the Council has participated in the administration's policy development.

The Council has provided leadership and a forum for national discussion in such important areas as toxic substances, agricultural lands, global resources, the export of hazardous substances, and domestic housing, and water-sewer problems. The Council has provided an independent policy point of view with respect to the Nation's environment which could not be articulated by any of the agencies of our Federal system which have control over particular programs or properties, the operation of which affect our national environment. The Council has assisted other Federal departments in evaluating the environmental effectiveness of their existing programs, has reviewed Federal agency predicting of environmental changes, and had promoted the advanced knowledge of the effects of technology on the environment.

Most importantly, the Council has prepared the President's environmental quality report, required by the National Environmental Policy Act to be provided annually to Congress. In the past, the Council's staff has compiled up-to-date technical information and its own professional advice on environmental issues for the Congress. In fiscal year 1980, the project consumed approximately $0.5 million in staff time, materials and production costs.

The Council's total fiscal year 1980 budget was $3,108,000. The President's budget proposal for the Council on Environmental Quality was $1,044,000. I do not feel that the Council can carry out the rather wide range of responsibility with which it is charged with only $1 million. I am doubtful that the Council can effectively prepare the environmental quality report on that short budget, let alone continue to make the significant contribution to the development of environmental policy in this Nation that the Council has made in the past. It was with this in mind that the Environment Committee reported out the bill reauthorizing $1,544,000 for the Council on Environmental Quality.

I am aware, as is the majority of the Senate, of the importance of maintaining the budget parameters which the administration has proposed. The Committee on Environment and Public Works has, therefore, reported out several bills which, taken together, realize the administration's proposals. Note that S. 1211, authorizing appropriations to the Environmental Protection Agency for operation under the Toxic Substances Control Act proposes reduced appropriation level so as to compensate for the increase proposed by this bill.

Mr. President, at this time when fiscal austerity is much with us, we must, nevertheless, continue to practice environmental policy thinking. The Congress earlier instructed the Council on Environmental Quality to "formulate and recommend national policies to promote the improvement of the quality of the environment." In order to accomplish that same end, I encourage the Senate's support of S. 1210.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1210

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 205 of the Environmental Quality Improvement Act of 1970 (40 U.S.C. 4374) is amended by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"(a) $1,544,000 for the fiscal year ending September 30, 1982.".

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXTENSION OF TOXIC SUBSTANCES CONTROL ACT

At the request of Mr. STEVENS, the bill (S. 1211) to extend the Toxic Substances Control Act for 1 year, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1211

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 29 of the Toxic Substances Control Act (15 U.S.C. 2628) is amended by inserting before the period at the end of the first sentence thereof the following: ", $59,646,000 for the fiscal year ending September 30, 1982".

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT OF MARINE PROTECTION, RESEARCH, AND SANCTUARIES ACT

At the request of Mr. STEVENS, the Senate proceeded to consider the bill (S. 1213) to amend title I of the Marine Protection, Research, and Sanctuaries Act, as amended.

Mr. CHAFEE. Mr. President, on March 26, 1981, the Acting Administrator of the Environmental Protection Agency requested an additional $2 million in fiscal year 1982 to carry out the functions under section 111 of the Marine Protection, Research, and Sanctuaries Act. In documents submitted to the Committee on Environment and Public Works to support this request, the Agency indicated the increased authorization was necessary to continue the programs authorized by title I, to meet the Agency's obligation under a stipulation agreement and to establish and implement plans to phase out the dumping of sewage sludge and industrial waste in ocean waters prior to January 1, 1982, as required by Public Law 96–572.

Title I of the Marine Protection, Research, and Sanctuaries Act, regulates the transportation and disposal of materials in the ocean. As part of the title I program, the Environmental Protection Agency reviews ocean dumping permit applications and, where appropriate, issues special, general research, or emergency permits. The Agency also reviews permit applications for the disposal of dredged material, and evaluates and acts on waiver requests by the Army Corps of Engineers. The program evaluates potential and current dumping sites and designates dump-sites for specific discharges.

The vast majority of the sites designated are for the disposal of dredged material, although sites for other materials are assessed and designated where appropriate. Finally, in implementing title I, the Agency participates in the International Ocean Dumping Convention. This bill increases the existing fiscal year 1982 authorization to support the programs under this title.

The primary focus of the program supported by this increased authorization is the evaluation and designation of ocean dumping sites for the disposal of dredged material. The Corps has indicated a continuous and growing need for such sites, and the Environmental Protection Agency has the responsibility not only to designate new sites as required, but to evaluate on a regular basis the impacts of all sites currently in use. This requires field studies and analyses of areas of the ocean which are not currently used for ocean dumping but which are potential ocean dumping sites, as well as of areas which are currently used, or have been used in the past, as either interim or final sites for dredged material.

S. 1213, which the committee ordered reported by a unanimous voice vote on May 11, provides increased authorization for title I of the Marine Protection, Research and Sanctuaries Act, as requested by the administration, in the amount of $2,000,000. This makes the total author-

ization for fiscal year 1982 $4,218,000. The committee did not extend the authority for title I beyond fiscal year 1982.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 111 of the Marine Protection, Research, and Sanctuaries Act, as amended (33 U.S.C. 1420), is amended by striking "and fiscal year 1982," and inserting in lieu thereof "and not to exceed $4,213,000 for fiscal year 1982.".

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DISAPPROVING THE PROPOSED DEFERRAL OF CERTAIN BUDGET AUTHORITY

At the request of Mr. STEVENS, the Senate proceeded to consider the resolution (S. Res. 120) disapproving the proposed deferral of budget authority for Veterans' Administration medical care.

Mr. CHILES. Mr. President, I am pleased to offer this resolution and I hope the Senate will pass it today. This resolution would disapprove the proposed deferral of $31 million of medical care staffing funds for the Veterans' Administration. We believe that maintaining an adequate level of staffing at VA hospitals and clinics is one of those basic protections for the disadvantaged that should not be cut back to achieve fiscal restraint. No one has argued that these facilities are overstaffed, or even that they are adequate to meet the current demand for services. The administration's proposal shows a reduction in hospital days of service and a reduction in outpatient clinic visits. Yet the need for service is growing, not declining.

The administration argues that it is not cutting back on doctors and nurses, only on support staff. In medical facilities, support staff are not some kind of excess paper pusher. They are the technicians, the nurses' aides, the caseworkers who enable the physicians to perform their job efficiently. If you cut back on support staff, each physician will be able to treat fewer patients. If you cut back on laboratory technicians, physicians will not be able to get X-rays or diagnostic tests performed in a timely fashion. The result will be, simply, less medical care for the veteran.

Mr. President, in addition to the substantive problem of cutting back services, we have a procedural problem with this deferral. Congress has frequently had problems with the Office of Management and Budget withholding funds for congressionally mandated staffing. This is an institutional problem, not a partisan one: OMB acts the same whether the President is a Democrat or a Republican. I strongly support the President's position that he wants to streamline the bureaucracy and reduce the size of Government. This deferral resolution does not speak to the constitutional question of whether the President's authority to manage the executive branch includes the power to determine staffing levels. Rather, we are dealing with a limited situation in which Congress has examined a certain need, the need for veterans' medical care, and determined that a minimum level of staffing is required to serve that need.

In the last session of Congress, we passed a law (Public Law 96–151) which mandated that OMB provide the Veterans' Administration with the full personnel ceiling for which Congress has appropriated funds.

Despite this legislation, OMB has refused to grant the VA an exemption from the President's hiring freeze. Instead, they have submitted this proposed deferral of funds for the two affected appropriation accounts.

Mr. President, the Budget and Impoundment Control Act of 1974 was written to resolve procedural disputes of this sort. That act gives the Comptroller General the responsibility to rule on the appropriateness of proposed actions to withhold funds. We have submitted this situation to the Comptroller General, and he has ruled that the deferral is an illegal action circumventing the law that mandates the hiring of staff for which funds are appropriated.

Let me quote the final paragraphs from the Comptroller General's letter of February 10, 1981:

In light of the provisions of section 1001 it is our view that the Impoundment Control Act may not be used to deny to VA the funds and related positions mandated to be available by paragraph 5010(A)(4). In this connection, and in the context of paragraph 5010 (A)(4), we see no distinction between a congressional mandate to spend and a mandate to allot positions and make funds available to fill them.

We conclude that 38 U.S.C. 5010(A)(4) precludes the administration from using the President's hiring freeze, as implemented by OMB bulletin No. 81–6, to reduce congressionally funded VA employment levels. We also hold that all the funds appropriated for the designated positions in the medical care, medical and prosthetic research, and medical administration and miscellaneous operating expenses accounts for fiscal year 1981 must continue to be available to fill those positions.

The Comptroller General followed this finding with the following conclusion in his April 13, 1981 letter to the President of the Senate:

In the first two cases, deferrals D81–95 and D81–96 would reduce the funded personnel levels 1,280 and 49 below the mandated levels established by Congress . . . Consequently, we believe that deferrals D81–95 and D81–96 are unauthorized to the extent they result in a reduction in the personnel levels below those mandated by Congress.

Based on the foregoing, we recommend the adoption of an impoundment resolution disapproving deferrals D81–95 and D81–96 on the basis that they are unauthorized under the Impoundment Control Act. This action would require the administration to make the funds available to fund the position mandated by the Congress.

Mr. President, let me state for the record that by passing this resolution, we are not conceding the legality of the proposed deferral. That is also made clear in the text of the resolution. Rather, we are taking the most expeditious action available to correct OMB's mistake and allow the medical staff to be hired.

Mr. President, passing this resolution will be very important to the medical care of our veterans. It is consistent with the appropriations bill which passed the Senate and meets the President's guidelines on the budget. I therefore hope it will pass.

Mr. CRANSTON. Mr. President, I rise in support of Senate Resolution 120, which I joined with my good friend and able colleague, the Senator from Florida (Mr. CHILES), and many others in introducing on May 5.

This is an impoundment resolution, pursuant to section 1013(b) of the Impoundment Control Act of 1974, disapproving the proposed deferrals—D81–95 and D81–96, transmitted by special message from the President on March 10, 1981—of $29.4 million in the Veterans' Administration medical care account and $1.7 million in the VA's medical and prosthetic research account, respectively. According to the deferral documents, the funds involved are for 1,280 full-time equivalent employees—FTEE's—in VA health care facilities and 74 FTEE's in VA health care research programs.

Mr. President, the proposed deferrals are just one further step that Director of the Office of Management and Budget, David Stockman, has taken in persistent, open disregard and violation of section 5010(a)(4) of title 38, United States Code, which requires that he make available to the Veterans' Administration the authority to employ under certain VA health care accounts not less than the number of employees for which Congress has appropriated funds. The VA accounts identified in section 5010(a)(4) are the medical care account, the medical and prosthetic research account, and the medical administration and miscellaneous operating expenses account.

A few weeks ago, on April 27, in a statement appearing on pages S4005 through S4009 of the RECORD, I described Director Stockman's violations of this provision of law, including the application of the Reagan administration's Government-wide hiring freeze, to VA health care employees in violation of section 5010(a)(4).

I also discussed and inserted in the RECORD at that point an April 13 report to the Congress—OGC–81–7—from the Acting Comptroller General concluding that the current OMB-imposed ceilings on VA medical care account and research account employees are 1,280 FTEE's and 49 PTEE's, respectively, below the levels mandated by section 5010(a)(4) by virtue of the enactment of Public Law 96–526, the HUD-Independent Agencies Appropriations Act for fiscal year 1981, which made appropriations for the VA accounts in question. In that same report, which was submitted pursuant to the requirement in section 1014(b) of the Impoundment Control Act that the Comptroller General inform the Congress as to whether in his judgment each proposed deferral is in accordance with existing statutory authority, the Acting

Comptroller General determined that, in light of the fact that deferrals D81–95 and D81–96 would have the effect of reducing the VA's medical care account and research account employment ceilings below the mandated levels, those deferrals are unauthorized. Accordingly, the Acting Comptroller General recommended the adoption of an impoundment resolution disapproving deferrals D81–95 and D81–96 on the basis that they are unauthorized under the Impoundment Control Act.

As the Acting Comptroller General further noted, adoption of such a resolution by either House of Congress, would, under section 1013(b) of the Impoundment Control Act, "require the administration to make the funds avilable to fund the positions mandated by the Congress."

I certainly trust that adoption of this resolution will finally bring to a halt OMB Director Stockman's persistent flouting of the law and congressional intent and that he will not add a violation of section 1013(b) to his list of statutory transgressions.

Mr. President, I want to emphasize for my colleagues that this is not simply an exercise in vindicating certain provisions of the laws relating to veterans' programs and impoundments—though I feel strongly that the statutory principles involved therein would themselves warrant this action. Rather, what is also at stake is the VA's ability to provide health-care services to the Nation's sick and disabled veterans at the levels that the Congress has intened. I would also note specifically that the deferral is severely restricting the operation of a vital program for Vietnam-era veterans—the VA's readjustment counseling program, which is operated at storefront vet center operations at 91 locations. As I noted in my April 27 statement, the deferral is effectively preventing the employment of 114 of the 176 personnel that were specifically funded to enhance and expand the readjustment counseling program.

Mr. President, the most important component of any health-care program or system is far and away the people who provide the care and operate the facilities involved. Congress has long recognized that essential fact with respect to the VA health-care system and, in order to provide badly needed upgrading of VA facilities, has added over 50,000 positions to the VA system over the past decade.

Moreover, it was in reaction to the previous OMB Director's actions thwarting the intent of the Congress, by providing the VA with lower health-care personnel ceilings than the Congress had intended in fiscal year 1979 appropriations legislation and diverting the funds involved to absorption of VA health-care personnel costs resulting from the October 1978 civilian pay raise, that the Congress enacted section 5010(a)(4) of title 38, in section 301 of Public Law 96–151. That law was thus designed to serve a vitally important purpose in helping to insure adequately staffed health-care facilities for our Nation's sick and disabled veterans.

I would note before closing, Mr. President, that, in addition to sponsoring this resolution in order to obtain compliance with title 38, the Impoundment Control Act and Public Law 96–526, I have joined in bringing suit in my official capacity as a Senator—the only time I have ever done so—against OMB Director Stockman. That litigation also is described on pages S4005 through S4009 of the April 27 RECORD, where I had printed a copy of the complaint.

As we contend in that litigation, OMB Director Stockman is unlawfully forcing me and other Senators and Members of Congress to pursue adoption of this resolution in order to seek compliance as swiftly as possible with the laws I have discussed. Although the adoption of this resolution should result in the personnel positions and necessary funding therefor being provided to the VA immediately, this will not amount to a satisfactory resolution of this continuing controversy involving, as it does, so many unlawful actions, so extended a denial of authority to employ much-needed health-care employees, and, apparently, so easily repeated a course of action in defiance of the express law and will of the Congress.

Accordingly, on behalf of the veterans whose health care is at stake and in order to begin instilling appropriate respect for all of the laws involved, I urge my colleagues to support the Chiles resolution.

The resolution (S. Res. 120) was considered and agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 120

Whereas the provision of medical care for veterans remains a top national priority, even during periods of fiscal restraint; and

Whereas efficient and effective provision of medical care by the Veterans' Administration requires a full complement of physicians, nurses, other health professionals, and support staff; and

Whereas section 5010(a)(4) of title 38, United States Code, requires the Director of the Office of Management and Budget, in each fiscal year, to provide the Veterans' Administration the full personnel ceiling for which the Congress has appropriated funds, and those funds, in three specified Veterans' Administration appropriation accounts (the medical care, medical and prosthetic research, and medical administration and miscellaneous operating expense accounts); and

Whereas the Comptroller General in opinion B–198108 dated February 19, 1981, has held that the Impoundment Control Act of 1974 (31 U.S.C. 1400 et seq.) may not be used to deny to the Veterans' Administration such ceiling and funds mandated to be made available in a given fiscal year pursuant to such section 5010(a)(4) and thereby defeat the mandate of that section; and

Whereas, notwithstanding the foregoing, the Director of the Office of Management and Budget continues to withhold, by virtue of the deferral proposals which are the subject of this resolution (D81–95 and D81–96), such personnel ceiling and funds for two of the Veterans' Administration appropriation accounts involved, the medical care and the medical and prosthetic research accounts (including ceiling and funds expressly intended by Congress to improve and expand readjustment counseling services for Vietnam-era veterans in the vet centers program); and

Whereas the Comptroller General has determined that rather than temporary deferring expenditure of these funds until the fourth quarter of fiscal year 1981, it is intended to use these funds for other purposes and leave the positions unfunded for the entire fiscal year; avoiding such diversion of appropriated funds away from medical care staffing to other purposes was the intent of Congress in enacting section 5010(a)(4); and

Whereas, in light of that action, the Senate in adopting this resolution of disapproval of such proposed deferral is not, and should not be deemed to be, disagreeing with the opinion of the Comptroller General, or condoning the unlawful withholding of the Director of the Office of Management and Budget, but rather is taking all feasible steps to assert its view that the Veterans' Administration must be provided all personnel ceilings in each fiscal year for which funds are appropriated in the specified accounts: Now, therefore, be it

Resolved, That the Senate disapproves the proposed deferrals, D81–95 and D81–96, which would defer the amounts of $29,389,000 and $1,690,000 of budget authority for the Veterans' Administration, as set forth in the message transmitted by the President to the Congress on March 10, 1981, under section 1013 of the Impoundment Control Act of 1974.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SEQUENTIAL REFERRALS—NOMINATIONS

Mr. STEVENS. Mr. President, I ask unanimous consent, as in executive session, that the nominations that were referred yesterday for Inspectors General positions of various agencies be sequentially referred as follows:

That each nomination be referred to the Committees of Legislative Jurisdiction, and if and when each committee reports the nomination, they then be referred to the Government Affairs Committee for not to exceed 20 calendar days.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent, as in executive session, that the nomination of Sherman Maxwell Funk, of Maryland, to be Inspector General of the Department of Commerce, be referred to the Committee on Commerce and if and when the Committee on Commerce reports the nomination, it then be referred to the Committee on Governmental Affairs for not to exceed 20 calendar days.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent as in executive session that the nomination of Joseph P. Welsch, of Virginia, to be Inspector General of the Department of Transportation, be referred to the Committee on Commerce and if and when the Commerce Committee reports the nomination, it then be referred to the Committee on Governmental Affairs for not to exceed 20 calendar days.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that the nomination of Richard Mulberry, of Texas, to be Inspector General of the Department of the Interior, be referred to the Committee on Energy and if and when the Energy Committee reports the nomination that it then be referred to the Committee on Governmental Affairs for not to exceed 20 calendar days.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—S. 854

Mr. STEVENS. Mr. President, I ask unanimous consent that, if and when S. 854, the Foreign Missions Act of 1982, is reported by the Committee on Foreign Relations, it be referred to the Committee on Governmental Affairs for a period of 90 calendar days, excluding weekends, holidays, and those periods when the Senate is not in session, and that the printed report of the Committee on Foreign Relations be delivered to the Committee on Governmental Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar under Merit System Protection Board and the Department of Health and Human Services.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

MERIT SYSTEMS PROTECTION BOARD

The legislative clerk read the nomination of Alex Kozinski, of California, to be Special Counsel.

Mr. STEVENS. Mr. President, I am pleased to support the nomination of Mr. Alex Kozinski to the Office of Special Counsel of the Merit Systems Protection Board. I strongly recommend his confirmation by the Senate.

The Office of Special Counsel was established by the Civil Service Reform Act of 1978 as a part of the Merit Systems Protection Board. The Merit Board is an independent body responsible, among other things, for adjudicating Federal employees' appeals and grievances. The Special Counsel is the Board's investigator and prosecutorial arm.

Unfortunately, the Office of the Special Counsel has never gotten off the ground. Lack of funding, lack of personnel, and the absence of a permanent head have contributed to its lackluster performance. In addition, its strained relationship to the Merit Systems Protection Board has diverted needed resources away from its responsibilities.

I still believe, however, that the legislation establishing the Office of the Special Counsel was correct. The need to establish a viable program to protect our Federal employees from political harassment and abuse exists as much today as it did when we passed the legislation establishing the Office.

I believe Mr. Kozinski understands the challenge before him and has the capabilities and enthusiasm to establish an effective program to protect Federal employees and for that matter the whole system itself. With the nomination and appointment of a new chairman to the Merit Systems Protection Board, Mr. Kozinski has the opportunity to transform its relationship to the Board so the offices can devote their energies to fully carry out their respective, yet interwoven functions.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the nomination was considered and confirmed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

The legislative clerk read the nomination of Robert J. Rubin, of Massachusetts, to be an assistant secretary.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. STEVENS. Mr. President, I ask unanimous consent that there be a period for routine morning business not to exceed 25 minutes, in which Senators may speak for not to exceed 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR STAR PRINT—SENATE JOINT RESOLUTION 84

Mr. ROBERT C. BYRD. Mr. President, on behalf of the distinguished Senator from Arizona (Mr. DECONCINI), I ask unanimous consent that due to a clerical error in the proclamation date, there be a star print of Senate Joint Resolution 84, the National Energy Education Day Resolution. The corrected resolution should read, "To proclaim March 19, 1982, 'National Energy Education Day'." I am submitting a corrected copy of the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

RAYMOND NELS NELSON

Mr. PELL. Mr. President, many of us in Rhode Island and Washington and particularly here in the Senate grieve at the dreadful and untimely death yesterday of Raymond Nels Nelson, who was cruelly murdered by an unknown assailant.

I am particularly shocked and saddened by his tragic death because I had known Ray Nelson longer than anyone here in the Senate. It was more than 20 years ago, when I was an underdog first seeking public office and regarded as an unlikely candidate, that Ray Nelson gave up a promising newspaper career with the Providence Journal to join my campaign staff.

As press secretary he contributed enormously to the success of that first campaign, and then for more than 12 years worked directly with me as my administrative assistant. In April of 1974, Ray moved on to the staff of the Senate Committee on Rules and Administration where he did a superior job in the sensitive and complex task of allocating office space in the Senate Office Buildings. In addition, Ray served as Associate Director of the Joint Committee on Inaugural Ceremonies for the last two Inaugurations, directing the broadcast coverage of the ceremonies. He also served in a liaison capacity between the Smithsonian Institution and its oversight Rules and Administration Committees.

There is probably no other Senate employee known to more of us than was Ray. The respect and affection with which he was regarded by his colleagues was shown when he was selected to serve as president of the Senate Staff Club, and last year was presented the Distinguished Service Award by the Congressional Staff Club for "his longtime service in every facet of Senate life." He also served as Senate chairman for the Combined Federal Campaign.

Ray was a truly good man who bubbled with warmth, enthusiasm, and new ideas, and a man in whose company it was always a joy to be.

I know how sad his wife, Shirley, and his children, David, Rebecca, and Mark are. I wanted to take this opportunity to say how much my wife, Nuala, and I grieve for and with them.

I ask unanimous consent that articles about Ray Nelson from the Providence Evening Bulletin of June 1 and the Washington Post of June 2, 1981, be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Providence (R.I.) Bulletin, June 1, 1981]

RAYMOND N. NELSON

Raymond Nels Nelson, 59, former administrative assistant to Senator Claiborne Pell, was found beaten to death today in his Washington home, according to District Police.

Police said a roommate at 701 Quincy Street, NE found the body at about 7:30 AM and called police. Police said they believe Nelson was killed last night or this morning. They have no suspects and no medical cause of death has been determined.

Nelson, a former Journal-Bulletin reporter, was manager of the newspapers' Warwick bureau in 1960 when he left to join Pell's first election campaign as press secretary. He was named administrative assistant to the Senator in January, 1961. He served in that capacity until 1974, when he left to become a staff member of the Senate Committee on Rules and Administration, of which Pell was formerly chairman and is now the ranking minority member.

Nelson, who was well-known and liked on Capitol Hill, had served as president of the Senate Staff Club, a large organization of his colleagues.

Senator Pell, speaking through his Washington office, said he was deeply saddened by "this horrible, senseless tragedy."

"Ray Nelson", he said, "was a dear and old friend of my wife and me, as well as an associate who worked with me for many years. I grieve with and for his wife and children." Pell is in Rhode Island today for Brown University's commencement.

A 1971 Providence Sunday Journal story quoted Mr. Nelson as saying he was "a catholic reader" who had a "natural curiosity and an interest in world affairs". The article continued, "He also has two other things going for him. He is a nice guy and a tough guy and he knows when to be which."

When Mr. Nelson joined the Pell campaign in June, 1960, the candidate, who would become the first unendorsed aspirant to win a statewide primary in Rhode Island, was considered a long shot. Mr. Nelson called the campaign "the most fun I have ever had." Some of his old friends shook their heads at his taking a chance with a unknown candidate. Mr. Nelson said later, "there is absolutely nothing like being right when everybody thinks you are wrong."

Mr. Nelson, whose parents, Nels Hilmer and the late Lillie E. V. (Swanson) Nelson, were Swedish immigrants, was born in Providence on September 2, 1921, and spent his early years in the Pontiac section of Warwick. A twin brother died of spinal meningitis at age 8.

He was a 1939 graduate of the former Lockwood High School in Warwick and served as an enlisted man in Naval aviation during World War II. He had no further formal education except for night school and a ten week journalism course at Brown University.

In the summer of 1939 he worked in the Rhode Island Hospital kitchen, then he was an office assistant at the Fruit of the Loom textile plant.

From 1942 through 1945, he was in the Navy and was an aviation machinist. In a 1956 biographical sketch, he traced his Navy experience, winding up this way: "Was in England for one wonderful year. Never heard shot fired in anger. Only personal acute experience was crash of plane. Believe I was one of luckier ones in war, in retrospect, although at times I volunteered without success for many things, such as aerial gunner, but too big. Nuff said."

Mr. Nelson worked for the Providence Journal-Bulletin as a dictationist in 1946–47 and joined the state staff as a reporter in 1947. He became chief of the Warwick Bureau in 1952 and kept that post until he joined Pell in 1960.

He is survived by his wife, Shirley, of Bethesda, Maryland, a married daughter, Rebecca Rae, and two sons, David Crane and Mark.

[From the Washington Post, June 2, 1981]

SENATE AIDE BEATEN TO DEATH IN HIS NORTHEAST APARTMENT

(By Athelia Knight)

Raymond H. Nelson, a well known Capitol Hill staffer for more than two decades, was discovered brutally beaten to death yesterday in his Northeast Washington apartment.

Nelson, 59, was found by his roommate at 701 Quincy St. NE, about 7:30 a.m., D.C. police said. Police said he died of head injuries. Police said they have no motive in the killing and refused to say what weapon was used in the beating.

Nelson's death shocked neighbors, friends and Capitol Hill colleagues. "I deeply regret this horrible, senseless tragedy," said Sen. Claiborne Pell (D-R.I.), for whom Nelson had worked as an administrative assistant for 13 years. "Ray Nelson was a dear and old friend of my wife and me, as well as an associate who worked with me for many years. I grieve with and for his wife and children."

Nelson worked as Pell's administrative assistant until 1974 when he joined the staff of the Senate Rules Committee. "He was the person mainly in charge of room space allocation in the Senate Building," said John B. Childers, deputy staff director for the committee. "He probably knew more people in the Senate than any single person and more people knew him."

"He was very full of love, very generous, very full of life and vitality," said his daughter-in-law, Vicky, who was at the family's Bethesda home yesterday. "He was always looking for the good things in life."

Neighbors said Nelson and his wife, Shirley, had been separated for several years. The couple had three children—David, Rebecca and Mark.

Even though the couple was separated, neighbors said Nelson was often seen working in the yard and walking the dog.

Nelson, whom friends and colleagues described as a dapper dresser with a penchant for hats he wore cocked to one side, was a native of Providence, R.I.

A 1939 high school graduate, Nelson was an aviation machanist in the U.S. Navy during World War II In 1946, he joined the Providence Journal, where he was a reporter and later became chief of the bureau in Warwick, the paper's largest suburban bureau.

He became campaign press secretary for Pell in 1960. When Pell came to Washington in January 1961, Nelson became his administrative assistant.

Mr. MATHIAS. Mr. President, with the tragic death of Raymond Nels Nelson, we have lost a dedicated member of the Senate staff and a friend.

For many years, Ray has been an arresting, colorful figure in our midst. His character was a fine blend of healthy irreverence traceable to his days as a newspaperman with a practicality and sensitivity honed by his service as administrative assistant to our distinguished colleague, Senator CLAIBORNE PELL. Ray's very special brand of wit and charm was informed by the deep empathy he felt for the joys and sorrows, hopes, and failures of his fellow human beings.

Today, in sorrow, we remember how Ray could pontificate, tongue in cheek, and then having captured our attention, turn serious to impart his message. We remember how he could dismiss stupidity and insensitivity with a disdainful wave of the hand more eloquent than words, and then discourse on the positive aspects of an issue with intelligence and warmth.

In his lifetime, he was husband, father, serviceman, political figure, reporter and bureau chief, Senate administrative assistant, active participant in the Hill's staff activities, and a valuable member of the staff of the Committee on Rules and Administration. He was a devotee of the arts, but at the same time he could participate with implacable joie de vivre in one of the Senate's least aesthetic undertakings—the biennial relocating of offices.

As chairman of the Rules Committee I have the sad duty of informing my colleagues in behalf of Ray's family that he will be cremated and there will be a memorial service for him at Trinity Lutheran Church at 2 p.m., on Thursday, June 4. The church is at 11200 Old Georgetown Road, Bethesda, Md.

Ray's ashes will be interred in the cemetery at Pontiac Lutheran Church in Warwick, R.I., at 2 p.m., on Saturday, June 6.

The family suggests that anyone wishing to do so may make a contribution in memory of Raymond Nels Nelson to: The Children's Hospital National Medical Center, (Attention: Development Office) 111 Michigan Avenue N.W., Washington, D.C. 20010.

TWO SIGNIFICANT EDITORIALS REGARDING THE VOTING RIGHTS ACT

Mr. THURMOND. Mr. President, there has been much controversy—and all too much misinformation—about the discriminatory special-review provisions of the 1965 Voting Rights Act that are up for renewal in August of 1982.

Under the present law, it will be possible for States that were brought under these review provisions to prove in Federal court that there has been no discrimination in voting for 17 years—so that those States under the act could be treated like all other States. That seems to be a reasonable approach. But if the affected States are not allowed that opportunity then all States ought to be brought under the special review requirements.

The real issue is whether the Voting Rights Act will be applied uniformly, or whether certain States and areas continue to be unfairly singled out.

Two recent editorials—one in the South's oldest newspaper, the Augusta (Ga.) Chronicle-Herald, and the other in the Columbia (S.C.) State express some of my sentiments about this important legislation.

Mr. President, in order to share these excellent editorials with my colleagues, I ask unanimous consent that these viewpoints appear at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Columbia (S.C.) State, May 22, 1981]

VOTING RIGHTS LAW HAS MET ITS STATE GOALS

The Voting Rights Act of 1965 was a milestone in civil rights enforcement. By making it easier for blacks to register and vote and harder for white officials to thwart them,

the act revolutionized politics in the South. Segregationist politicians either retired from the scene or changed their tunes.

The act, nevertheless, contains elements of unfairness. Originally it was directed principally at the South. It was triggered by a formula based on the use of literacy tests and voter registration in 1964. Only South Carolina, five other Southern states, Alaska, and parts of four other states came under the law at first. Extensions of the act expanded coverage so that 25 states in whole or in part are now included.

The main objectives of the act have been achieved. Voter registration in all covered areas is now sufficient to meet the act's requirements. Literacy tests have been abolished.

But civil rights lawyer Laughlin McDonald argues that without the automatic Justice Department review of election laws there will be "prompt and serious regression in voting rights." We don't believe that. It discounts the importance of the black vote, the good faith of officials, and the power of the federal judicial system.

If Congress, on the other hand, decides the problem is still of sufficient scope to warrant an extension, the law should be applied to all states. It can be argued that this will create an administrative nightmare at the Justice Department. It would. But the review procedure can be changed. The Justice Department has objected to only 2.3 percent of the almost 35,000 election law changes submitted to it. A procedure could be set up to provide federal screening of election law changes at the state or regional level. Only cases involving apparent discriminatory intent would be submitted to Washington.

The most important or most onerous (depending on one's point of view) part of the act, however, is the one requiring the covered areas to get Justice Department or federal court approval before any election law can be changed. The procedure, called preclearance, is designed to prevent subtle changes in the law from diluting the voting strength of blacks and other minorities.

A bill to extend the act for 10 years is now before Congress. Senate Judiciary Committee Chairman Strom Thurmond, whose panel will handle the issue, has made it clear he wants to eliminate the enforcement provisions or extend them to all states.

As we have said, all of the tests laid down in the original legislation have been met by the covered areas. These areas should no longer be required to suffer the stigma of second-class citizenship, should no longer be required to comply with rules not applicable to every part of the nation. Inherent in the act is a presumption of guilt, and that is not a part of the American system.

No one would argue seriously that there are no pockets of discrimination left in the land. Civil rights leader Jesse Jackson, in Columbia last weekend to heat up a nationwide campaign to extend the act, pointed to one such pocket—Senator Thurmond's home county of Edgefield. This county has far more black voters than it had before 1965, but change hasn't increased black representation on governing bodies.

Edgefield, we suggest, is an exception. We would also suggest that such remaining pockets of resistence are not located solely in areas presently covered by the law. Ideally, Congress should let the act die and leave to the courts the task of dealing with discriminatory situations.

[From the Augusta (Ga.) Chronicle-Herald, Apr. 7, 1981]

WATER UNDER THE BRIDGE

It was a moment for liberal nostalgia in Selma, Ala., Sunday as demonstrators assembled to restage the 1965 march to Edmund Pettus Bridge.

Jesse Jackson, now affiliated with an organization styled "People United to Save Humanity," sought to drum up the emotional tension of the long-ago march to Jackson, when he claimed that "means are still being used to keep blacks off the (election registration) books."

Jackson sought to create sentiment supporting extension of the iniquitous federal Voting Rights Act, but his charge is without substance unless and until he can cite instances—places, dates, names—and offer conclusive evidence.

Insofar as the 1965 law eliminated spots of inequity, and insofar as it stimulated the voting conscience of newly registered individuals, it served a purpose. That purpose, however, was tarnished by the law's application to only a few specific states, grossly violating the U.S. Constitution's guarantee of equal protection under the law for all. It placed these states, with blatant disregard for equal rights, under the paternalistic dictatorship of the federal Justice Department in all election matters regarding which states supposedly have jurisdiction. That indignity and handicap is something which vindictive liberals would like to see retained.

It even provided for the utterly absurd legalization of votes by illiterates—which is not a plus, but a minus, in the pursuit of informed, enlightened government.

Jesse Jackson, instead of trying to turn back the clock, should address himself to the present challenges of responsible citizenship in a concerted effort to have good and equitable government for all people.

EDITORIAL COMMENDING APPOINTMENT OF ARTHUR BURNS AS U.S. AMBASSADOR TO WEST GERMANY

Mr. THURMOND. Mr. President, the recent nomination of Dr. Arthur Burns as U.S. Ambassador to West Germany is one of the most outstanding appointments of the Reagan administration.

Dr. Burns has as many admirers on Capitol Hill as he has in the new administration, and I predict his nomination will be resoundingly approved by my colleagues here in the Senate.

West Germany is the heart of the North Atlantic Treaty Organization. During the Easter recess I visited West Germany's capital city, Bonn, and conferred with leading officials of that government. The West Germans are in the forefront in our NATO forces, and I predict this important role will be enhanced under the leadership of Dr. Burns as our representative in Germany.

Mr. President, selection of Dr. Burns for this post has been favorably received both in the United States and Germany. I ask unanimous consent that an editorial praising this nomination, which appeared in the May 28, 1981 issue of the Aiken Standard newspaper in Aiken, S.C. under the heading "Arthur Burns, Staunch Symbol," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ARTHUR BURNS, STAUNCH SYMBOL

No one could be better suited than Arthur Burns—that staunch symbol of American economic stability—to his newly conferred rank as U.S. ambassador to Germany.

And nowhere, it would seem, will Ambassador Burns be more appreciated than in West Germany, where fiscal integrity is accorded only slightly less respect than godliness.

Arthur Burns has several important qualifications for the task of representing the United States in the capital of its foremost ally. First, there is the close personal relationship and confidence he enjoys with President Reagan. Burns was a principal adviser to the president during the transition period and is one of the chief architects of Mr. Reagan's economic recovery program.

This close relationship, together with the new ambassador's international prestige as an expert in economics and finance, should assure him a warm welcome in Bonn, where the much-admired Germany economic miracle is beginning to lose some of its luster. His appointment was immediately hailed, in fact, by the German government as a sign of the importance President Reagan attaches to German-American relations.

Burns was distinguished by his high-level service to three administrations before becoming an economic adviser to Mr. Reagan. He was chairman of President Eisenhower's Council of Economic Advisers, and chairman of the Federal Reserve Board under Presidents Nixon and Carter.

Few men in public life could carry such prestigious credentials abroad to a post where economic issues will be of an importance rivaled only by the military alliance that binds the United States and Germany.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

RECOMMENDATIONS WITH RESPECT TO WAIVING CERTAIN SECTIONS OF THE TRADE ACT—MESSAGE FROM THE PRESIDENT—PM 56

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Finance:

To the Congress of the United States:

In accordance with subsection 402(d)(5) of the Trade Act of 1974, I transmit herewith my recommendation for a further 12-month extension of the authority to waive subsections (a) and (b) of section 402 of the Act.

I include as part of my recommendation my determination that further extension of the waiver authority, and continuation of the waivers applicable to the Socialist Republic of Romania, the Hungarian People's Republic, and the

People's Republic of China will substantially promote the objectives of section 402.

This recommendation also includes my reasons for recommending the extension of waiver authority and for my determination that continuation of the three waivers currently in effect will substantially promote the objectives of section 402.

RONALD REAGAN.

THE WHITE HOUSE, *June 2, 1981.*

MESSAGE FROM THE HOUSE

At 2:35 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 779. An act to authorize the Secretary of the Army to contract with the Tarrant County Water Control and Improvement District Numbered 1 and the city of Weatherford, Tex., for the use of water supply storage in Benbrook Lake, and for other purposes.

H.R. 1371. An act to amend section 12 of the Contract Disputes Act of 1978.

H.R. 3420. An act to authorize appropriations for fiscal year 1982 for carrying out the Natural Gas Pipeline Safety Act of 1968 and the Hazardous Liquid Pipeline Safety Act of 1979, and for other purposes.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker has signed the following enrolled joint resolution:

S.J. Res. 50. Joint resolution designating July 17, 1981, as "National P.O.W.-M.I.A. Recognition Day".

The enrolled joint resolution was subsequently signed by the President pro tempore (Mr. THURMOND).

HOUSE BILLS REFERRED

The following bills were read twice by unanimous consent, and referred as indicated:

H.R. 779. An act to authorize the Secretary of the Army to contract with the Tarrant County Water Control and Improvement District Numbered 1 and the city of Weatherford, Tex., for the use of water supply storage in Benbrook Lake, and for other purposes; to the Committee on Environmental and Public Works.

H.R. 1371. An act to amend section 12 of the Contract Disputes Act of 1978; to the Committee on Governmental Affairs.

HOUSE BILL PLACED ON THE CALENDAR

The following bill was read twice by unanimous consent, and placed on the calendar:

H.R. 3420. An act to authorize appropriations for fiscal year 1982 for carrying out the Natural Gas Pipeline Safety Act of 1968 and the Hazardous Liquid Pipeline Safety Act of 1979, and for other purposes.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary reported that on today, June 2, 1981, he had presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 50. Joint resolution designating July 17, 1981, as "National P.O.W.-M.I.A. Recognition Day".

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1259. A communication from the Acting General Counsel of the General Accounting Office, transmitting, pursuant to law, a report on the status of budget authority proposed for rescission, but for which Congress failed to pass a rescission bill; pursuant to the order of January 30, 1975, referred jointly to the Committee on Appropriations and the Committee on the Budget.

EC–1260. A communication from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, notice of the intent to obligate $15.1 million in the Navy Stock Fund for war reserve stocks; to the Committee on Appropriations.

EC–1261. A communication from the Secretary of the Army, transmitting, pursuant to law, notice that the Department of the Army intends to proceed with the next phase of the Chemical Agent Munitions Disposal System at Tooele Army Depot, Utah; to the Committee on Armed Services.

EC–1262. A communication from the Acting Assistant Secretary of the Army (Installations, Logistics, and Financial Management), transmitting, pursuant to law, a report on a study with respect to converting the housing management activity at Fort Eustis, Virginia, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC–1263. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting, pursuant to law, a report on three construction projects to be undertaken by the Naval and Marine Corps Reserve; to the Committee on Armed Services.

EC–1264. A communication from the Secretary of the Navy, transmitting a draft of proposed legislation to amend title 10, United States Code, to eliminate the requirement that nominations of persons for appointment to the U.S. Naval Academy be made not later than May 4 of each year; to the Committee on Armed Services.

EC–1265. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "DOD's Industrial Preparedness Program Needs National Policy to Effectively Meet Emergency Needs"; to the Committee on Armed Services.

EC–1266. A communication from the Acting Director of the Federal Emergency Management Agency, transmitting, pursuant to law, a report on the acquisition of real and personal property for the quarter ended May 31, 1981; to the Committee on Armed Services.

EC–1267. A communication from the Chairman of the National Credit Union Administration, transmitting, pursuant to law, the first annual report on the Depository Institutions Deregulation Committee, dated May 26, 1981; to the Committee on Banking, Housing, and Urban Affairs.

EC–1268. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the third annual report on the urban development action grant program; to the Committee on Banking, Housing, and Urban Affairs.

EC–1269. A communication from a member of the Board of Directors of the Export-Import Bank of the United States, transmitting, pursuant to law, a report with respect to a transaction involving U.S. exports to the Socialist Republic of Romania; to the Committee on Banking, Housing, and Urban Affairs.

EC–1270. A communication from the Acting Under Secretary of Energy, transmitting, pursuant to law, the third of the semiannual reports on the activities undertaken by the Department of Energy to implement the alternative fuels portion of the Department of the Interior and Related Appropriations Act for fiscal year 1980; to the Committee on Energy and Natural Resources.

EC–1271. A communication from the Acting General Counsel of the Department of Energy, transmitting a draft of proposed legislation to reduce regulatory burdens and authorize the waiver of licensing requirements with respect to certain non-Federal hydroelectric power projects; to the Committee on Energy and Natural Resources.

EC–1272. A communication from the Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, the report on abnormal occurrences at licensed nuclear facilities for the fourth calendar quarter of 1980; to the Committee on Environment and Public Works.

EC–1273. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Billions Could Be Saved Through Waivers For Coastal Wastewater Treatment Plants"; to the Committee on Environment and Public Works.

EC–1274. A communication from the Fiscal Assistant Secretary of the Treasury, transmitting, pursuant to law, the 25th annual report on the condition and results of the operation of the Highway Trust Fund; to the Committee on Finance.

EC–1275. A communication from the Acting Assistant Legal Advisor for Treaty Affairs of the Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60-day period prior to May 21, 1981, to the Committee on Foreign Relations.

EC–1276. A communication from the Secretary of Labor, transmitting, pursuant to law, the semiannual report of the Office of Inspector General, Department of Labor, for the period October 1, 1980 through March 31, 1981; to the Committee on Governmental Affairs.

EC–1277. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on May 5, 1981; to the Committee on Governmental Affairs.

EC–1278. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on May 5, 1981; to the Committee on Governmental Affairs.

EC–1279. A communication from the Mayor of the District of Columbia, transmitting a draft of proposed legislation to amend the District of Columbia Self-Government and Governmental Reorganization Act and section 7324 of title 5, United States Code, to authorize the Council of the District of Columbia to regulate political activities of employees of the District of Columbia Government; to the Committee on Governmental Affairs.

EC–1280. A communication from the Under Secretary of State for Management, transmitting, pursuant to law, notice of new system of records for the Department of State for

implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–1281. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new system of records for the Department of Defense for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–1282. A communication from the Chairwoman of the Merit Systems Protection Board, transmitting, pursuant to law, a report on a new system of records for the Board for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–1283. A communication from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, a report for a proposed altered record system entitled "Job Opportunity Announcements"; to the Committee on Governmental Affairs.

EC–1284. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, a report summarizing and analyzing the reports submitted by executive agencies showing the amount of personal property furnished to non-Federal recipients; to the Committee on Governmental Affairs.

EC–1285. A communication from the Assistant Secretary of Interior for Indian Affairs, transmitting, pursuant to law, a proposed plan for the distribution of funds awarded to the Confederated Tribes of the Colville Reservation of Washington, by the U.S. Court of Claims; to the Select Committee on Indian Affairs.

EC–1286. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the Annual Report of the Indian Health Care Improvement Act (P.L. 94–437); to the Select Committee on Indian Affairs.

EC–1287. A communication from the Acting Commissioner, Immigration and Naturalization Service, transmitting, pursuant to law, copies of orders entered in 907 cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens; to the Committee on the Judiciary.

EC–1288. A communication from the Director of the Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to establish a commission to recommend the salary and benefits of judges and judicial officers, and for other purposes; to the Committee on the Judiciary.

EC–1289. A communication from the Acting Inspector General of the Department of Health and Human Services, transmitting, pursuant to law, a report on a proposed match of payroll records against social security numbers for the purpose of reviewing the integrity of Health and Human Services payroll processing procedures; to the Committee on Labor and Human Resources.

EC–1290. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report regarding the status and accomplishments of the runaway youth program; to the Committee on Labor and Human Resources.

EC–1291. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the Special Report to the Congress on the Impact of the Change in the Definition of Developmental Disabilities, the Developmental Disabilities Assistance and Bill of Rights Act; to the Committee on Labor and Human Resources.

EC–1292. A communication from the Secretary of Education, transmitting, pursuant to law, a proposed publication entitled "Priorities for fiscal year 1981 for the International Understanding Program"; to the Committee on Labor and Human Resources.

EC–1293. A communication from the Chairman of the Federal Election Commission, transmitting, pursuant to law, the Annual Report of the Federal Election Commission; to the Committee on Rules and Administration.

EC–1294. A communication from the Principal Deputy Assistant Secretary of Defense (Comptroller) transmitting, pursuant to law, a report on the value of certain property, supplies, and commodities provided under the German Offset Agreement by the Berlin Magistrate for the quarter ending March 31, 1981; to the Committee on Appropriations,

EC–1295. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to exempt certain physicians from Senate confirmation prior to appointment in the Armed Forces; to the Committee on Armed Services.

EC–1296. A communication from the Acting Assistant Secretary of the Air Force for Research, Development, and Logistics, transmitting, pursuant to law, a report on a decision made to convert the Commissary shelf-stocking and custodial function at Ellsworth Air Force Base, S. Dak. to performance under contract; to the Committee on Armed Services.

EC–1297. A communication from the Acting Assistant Secretary of the Army for Research, Development, and Acquisition, transmitting, pursuant to law, a report on Army Research and Development Contracts over $50,000 awarded October 1, 1980 through March 31, 1981; to the Committee on Armed Services.

EC–1298. A communication from the Acting Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on a proposed foreign military sale to Jordan; to the Committee on Armed Services.

EC–1299. A communication from the Deputy Assistant Secretary of Defense for Administration, transmitting, pursuant to law, a report on the financial condition and operating funds of the Department of Defense for the fiscal year ending September 30, 1980; to the Committee on Armed Services.

EC–1300. A communication from the Secretary of the Navy, transmitting a draft of proposed legislation to impose certain restrictions on enlisted and military band personnel; to the Committee on Armed Services.

EC–1301. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the semiannual report of Inspector General, Department of Housing and Urban Development for October 1, 1980 to March 31, 1981; to the Committee on Banking, Housing, and Urban Affairs.

EC–1302. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "FAA Misses Opportunities To Discontinue or Reduce Operating Hours of Some Airport Traffic Control Towers"; to the Committee on Commerce, Science, and Transportation.

EC–1303. A communication from the Secretary of Transportation, transmitting, pursuant to law, the semiannual report of the Inspector General, Department of Transportation, for October 1, 1980, through March 31, 1981; to the Committee on Commerce, Science, and Transportation.

EC–1304. A communication from the Acting Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, a report on the construction of a proposed motion generation system; to the Committee on Commerce, Science, and Transportation.

EC–1305. A communication from the Secretary of Commerce, transmitting, pursuant to law, the report of the Inspector General of the Department of Commerce for October 1, 1980, to March 31, 1981; to the Committee on Commerce, Science, and Transportation.

EC–1306. A communication from the Secretary of the Interior, transmitting, pursuant to law, the Outer Continental Shelf oil and gas leasing and production annual report, including the number of reported or alleged safety violations and results of investigations undertaken; to the Committee on Energy and Natural Resources.

EC–1307. A communication from the Under Secretary of the Department of the Interior, transmitting, pursuant to law, notice of a proposed oil and gas lease, Outer Continental Shelf, Gulf of Alaska; to the Committee on Energy and Natural Resources.

EC–1308. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "River Basin Commissions Have Been Helpful, But Changes Are Needed"; to the Committee on Environment and Public Works.

EC–1309. A communication from the Acting Administrator of the General Services Administration, transmitting, for the information of the Senate, information on certain proposed lease prospectuses; to the Committee on Environment and Public Works.

EC–1310. A communication from the Assistant Secretary of Health and Human Services (Health), transmitting, pursuant to law, a report on a proposed new system of records for the Department for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–1311. A communication from the Acting Inspector General of the Community Services Administration, transmitting, pursuant to law, the third semiannual report of the Office of Inspector General, Community Services Administration, for the period October 1, 1980, through March 31, 1981; to the Committee on Governmental Affairs.

EC–1312. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a proposed new system of records for the Department of Defense for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–1313. A communication from the Under Secretary of Interior transmitting a draft of proposed legislation to provide for the use and distribution of Clallam judgment funds in docket No. 134 before the Indian Claims Commission, and for other purposes; to the Select Committee on Indian Affairs.

EC–1314. A communication from the controller of the Boys Clubs of America, transmitting, pursuant to law, the audited financial report for the year ending December 31, 1980; to the Committee on the Judiciary.

EC–1315. A communication from the Acting Commissioner of the Immigration and Naturalization Service, transmitting, pursuant to law, orders in the cases of certain aliens who have been found admissible to the United States under the Immigration and Nationality Act; to the Committee on the Judiciary.

EC–1316. A communication from the Director of the Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to improve the federal jury system by extending the work injury coverage of the Federal Employee's Compensation Acts, title 5, United States Code, to petit and grand jurors in the U.S. district courts, clarifying the compensation of attorneys for jurors to protect their employment rights, and authorizing the service of jury summonses by ordinary mail; to the Committee on the Judiciary.

EC–1317. A communication from the Director of the Administrative Office of the U.S. Courts, transmitting, pursuant to law, the annual report of the Director of the Admin-

istrative Office and the reports of the sessions of the Judicial Conference of the United States held in 1980; to the Committee on the Judiciary.

EC–1318. A communication from the Secretary of Health and Human Services, transmitting, notification that the final report on a study dealing with sudden infant death syndrome will not be available until the end of September 1981; to the Committee on Labor and Human Resources.

EC–1319. A communication from the Chairman of the Minimum Wage Study Commission, transmitting, pursuant to law, the final report of the Commission; to the Committee on Labor and Human Resources.

EC–1320. A communication from the Secretary of Energy, transmitting, pursuant to law, the second semiannual report of the Inspector General for the Department of Energy for the period October 1, 1980 through March 31, 1981; to the Committee on Labor and Human Resources.

EC–1321. A communication from the Secretary of Education, transmitting, pursuant to law, the annual report of the Women's Educational Equity Act Program for fiscal year 1980; to the Committee on Labor and Human Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–125. A resolution adopted by the Dallas Transit Board, commenting upon the proposed recommendation to limit State of Texas capital assistance through the State public transportation fund; to the Committee on Banking, Housing, and Urban Affairs.

POM–126. A resolution adopted by the City Council of Point Arena, Calif., expressing its support of efforts by the Federal Administration to return powers to local entities and urging a careful implementation of those efforts in ways that will enhance, not further impede, home rule; to the Committee on Finance.

POM–127. A resolution adopted by the City Council of Lauderdale Lakes, Fla., opposing any budget cuts which would reduce social security benefits; to the Committee on Finance.

POM–128. A resolution adopted by the California Federation of Women's Clubs, urging changes in the Social Security System to meet the requirements of the changes that have occurred in society; to the Committee on Finance.

POM–129. A resolution adopted by the City Council of Half Moon Bay, Calif., expressing its support of efforts by the Federal Administration to return powers to local entities and urging a careful implementation of those efforts in ways that will enhance, not further impede, home rule; to the Committee on Governmental Affairs.

POM–130. A resolution adopted by the City Council of Signal Hill, Calif., expressing its support of efforts by the Federal Administration to return powers to local entities and urging a careful implementation of those efforts in ways that will enhance, not further impede, home rule; to the Committee on Governmental Affairs.

POM–131. A resolution adopted by the City Council of Westminster, Calif., expressing its support of efforts by the Federal Administration to return powers to local entities and urging a careful implementation of those efforts in ways that will enhance, not impede, home rule; to the Committee on Governmental Affairs.

POM–132. A resolution adopted by the Republican Women's Club of Indian River, Vero Beach, Florida, supporting high bonds for arrested drug defendants and opposing the reduction of such bonds prior to the arraignment of these alleged criminals; to the Committee on the Judiciary.

POM–133. A resolution adopted by the Alabama State Council on the Arts and Humanities, expressing support for the efforts of the Reagan Administration in dealing with the economic problems of the Nation; to the Committee on Labor and Human Resources.

POM–134. A resolution adopted by the City Council of Palm Desert, California, expressing its support of efforts by the Federal Administration to return powers to local entities and urging a careful implementation of those efforts in ways that will enhance, not impede, home rule; ordered to lie on the table.

POM–135. A resolution adopted by the City Council of Pico Rivera, California, expressing its support of efforts by the Federal Administration to return powers to local entities and urging a careful implementation of those efforts in ways that will enhance, not impede, home rule and retaining present cutoff figure of 50,000 for entitlement of funds; ordered to lie on the table.

POM–136. A resolution adopted by the City Council of Needles, California, supporting efforts of the Federal Administration to return home rule to local entities; ordered to lie on the table.

POM–137. A resolution adopted by the City Council of Victorville, California, expressing its support of efforts by the Federal Administration to return powers to local entities and urging a careful implementation of those efforts in ways that will enhance, not impede, home rule; ordered to lie on the table.

POM–138. A resolution adopted by the Board of Directors of the City of Pasadena, California, expressing its support of efforts by the Federal Administration to return powers to local entities and urging a careful implementation of those efforts in ways that will enhance, not further impede, home rule; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

On May 27, 1981:

By Mr. HATCH, from the Committee on Labor and Human Resources:

Report to accompany the bill (S. 1029) to amend title XIII of the Public Health Service Act relating to health maintenance organizations (Rept. No. 97–127).

On today:

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment in the nature of a substitute:

S. 1007. A bill to amend the Food Stamp Act of 1977 to restrain food stamp program spending, to increase State agency flexibility, to focus benefits toward the most needy, to extend appropriations authority, to amend the Agriculture and Consumer Protection Act of 1973, and to extend and improve the commodity distribution programs, and for other purposes (with additional views) (Rept. No. 97–128).

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry, without amendment:

S. Res. 149. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1007; referred to the Committee on the Budget.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation:

Mary Ann Weyforth Dawson, of the District of Columbia, to be a member of the Federal Communications Commission for a term of seven years from July 1, 1981.

(The above nomination, reported from the Committee on Commerce, Science, and Transportation with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. WEICKER, from the Committee on Small Business:

Paul Robert Boucher, of Virginia, to be Inspector General, Small Business Administration (Reappointment); pursuant to the order of May 21, 1981, referred to the Committee on Governmental Affairs for 15 calendar days.

(The above nomination, reported from the Committee on Small Business with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HEFLIN:

S. 1295. A bill to establish a Soybean Research Institute for the purpose of coordinating and conducting research programs, encouraging soybean exports, and providing the leadership for a national soybean policy; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. PACKWOOD (by request):

S. 1296. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act to authorize appropriations for fiscal years 1982 and 1983; to the Committee on Commerce, Science, and Transportation.

By Mr. THURMOND (for himself and Mr. STAFFORD):

S. 1297. A bill to amend title 38, United States Code; to increase the compensation payable to veterans who have lost or lost the use of both upper extremities as the result of service-connected disability; to the Committee on Veterans' Affairs.

By Mr. WALLOP (for himself, Mr. BRADLEY, Mr. HATFIELD, Mr. PACKWOOD and Mr. BAUCUS):

S. 1298. A bill to amend the Internal Revenue Code of 1954 to extend certain tax provisions to Indian tribal governments on the same basis as such provisions apply to States; to the Committee on Finance.

By Mr. McCLURE (by request):

S. 1299. A bill to reduce the regulatory burdens and authorize the waiver of licensing requirements with respect to certain non-Federal hydroelectric power projects; to the Committee on Energy and Natural Resources.

By Mr. DANFORTH:

S. 1300. A bill to amend the Internal Revenue Code of 1954 to allow individuals a credit for contributions to certain investment accounts, to exempt the earnings on such accounts from tax, and to exempt from tax certain distributions from such accounts; to the Committee on Finance.

By Mr. RANDOLPH (for himself and Mr. CHAFEE):

S. 1301. A bill to amend the Comprehensive Employment and Training Act to provide a career intern program to encourage school districts and community-based organizations to carry out programs to improve the educational employment opportunity for youths; to the Committee on Labor and Human Resources.

By Mr. CRANSTON:

S. 1302. A bill for the relief of Tse Mee Sau; to the Committee on the Judiciary.

By Mr. MELCHER:

S. 1303. A bill to authorize the Secretary of the Interior to exchange certain lands in Hill County, Montana.

By Mr. CHAFEE (for himself, Mr. DURENBERGER, Mr. SARBANES and Mr. BAUCUS):

S. 1304. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of business development companies; to the Committee on Finance.

By Mr. BOSCHWITZ:

S. 1305. A bill for the relief of Sung Tae Sung; to the Committee on the Judiciary.

S. 1303. A bill for the relief of Salome Zusman; to the Committee on the Judiciary.

S. 1307. A bill for the relief of Mr. William Greerson; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HEFLIN:

S. 1295. A bill to establish a Soybean Research Institute for the purpose of coordinating and conducting research programs, encouraging soybean exports, and providing the leadership for a national soybean policy; to the Committee on Agriculture, Nutrition, and Forestry.

LEGISLATION TO ESTABLISH A SOYBEAN RESEARCH INSTITUTE

Mr. HEFLIN. Mr. President, I am today introducing legislation to establish a National Soybean Research Institute. My reason for recommending such action is to focus attention on and bring about a renewed commitment to one of our most precious agricultural resources—the soybean.

The soybean is one of this Nation's most nutritional crops. In fact, the soybean has become our leading agricultural commodity, producing a revenue of almost $14 billion annually.

Equally impressive is the fact that soybean exports bring in more revenue than any other single U.S. crop, $8.9 billion in fiscal year 1980–81.

Yet, I strongly believe that we have merely cracked open the door on the possibilities of this miracle crop.

Therefore, Mr. President, with the establishment of a Soybean Research Institute, I feel we could provide the leadership and direction needed at this time to take full advantage of the potential that resides in the production, marketing, and use of soybeans and soybean products.

I foresee the Soybean Research Institute bringing together the most talented scientists, agricultural experts, and concerned groups to solve many of the troublesome production and marketing problems that currently plague U.S. soybean producers.

Production, for example, has tripled over the past 30 years, but this is only because plantings have tripled during this time, not because of any significant growth in increased yield per acre. Thus, while world demand is steadily increasing, our ability to supply is steadily decreasing.

Also, our soybean farmers are plagued by a tiny but destructive parasite, the cyst nematode. This little worm causes $300 million in crop damage each year. So far, these worms have been developing strains faster than researchers can find ways to control them.

Obviously, we must increase our commitment to soybean scientific research in order to curb this threat. The Soybean Research Institute would make it possible to launch an intensive, unified effort to wipe out the cyst nematode.

Naturally, our land grant universities currently involved in soybean research would play a vital role in this effort.

Strengthened commitments are needed in other areas, also. Although we may increase our yield through soybean research, unless we establish a more open, aggressive export policy, then we would be creating an undesirable situation, namely an excessive amount of soybeans for the domestic market.

There is continued competition from various South American soybean producers. The United States still maintains some 70 percent of the export market, but there was a time when we possessed 90 percent of that market. When the export embargoes were imposed during a previous administration, our export customers concluded that we were unreliable suppliers and looked for supplies elsewhere. To fill the vacuum, our competitors jumped headlong into soybean production and captured over 20 percent of the world market.

Argentina, for example, grew 4 million metric tons of soybeans several years ago. This year's crop is nearly four times as great, with 15.7 million metric tons destined for the world market. Brazil, once a very minor competitor, now outdistances the United States in exporting soybean meal.

Of course the Brazilian Government in the past 5 years has assisted its farmers in developing their soybean crop. Because of a commitment to research, they have developed varieties of soybeans more suitable to Brazilian climatic conditions.

Even more important, the Brazilian Government has backed development with generous concessions to foreign investors and enormous subsidies to exporters of meal. These subsidies have amounted to as much as $1 a bushel and have enabled exporters in Brazil to offer European and Japanese feed buyers discounts of $20 to $30 a ton below U.S. prices.

Soybean demand in Japan and Western Europe should continue to grow at a rate of about 5 percent annually; 49.4 million metric tons were produced in the United States and 23.8 million metric tons were exported from the United States. Yet anticipated yield increases and significantly greater planting of soybeans in Brazil, and competition from other oils, may pose threats to American soybean exports in the future. It is absolutely imperative that U.S. producers become more proficient in research and market development in order to profit in today's competitive market.

A National Soybean Research Institute would assume the leadership in expanding international markets for soybeans.

We have been fortunate, Mr. President, in that our country has been spared from the scourge of famine.

But America has not only fed her own people, she has fed hungry people around the world. Since the food for peace program administered by USDA was first initiated by Congress in 1954, this country has contributed more than $30 billion in agricultural commodities to hungry people in foreign nations through government - to - government programs and voluntary agencies cooperating with our Government.

It is predicted that in 25 years the Earth's population will be 6.5 to 7 billion compared to some 4 billion today. These people must be fed and to feed them we must have adequate agricultural research and technology, while maintaining incentives for our farmers to produce.

A National Soybean Research Institute would lay the foundation and insure our success in meeting these future, worldwide needs.

Mr. President, about 85 percent of the soybeans used in and exported from the United States ends up as livestock feed. It was not until the mid-1960's that the Western World began giving serious consideration to soybeans as a direct food—another source of protein.

For the last 5 years, USDA has been spending on the average of $1.2 million a year on soybean research programs involving the use of soy protein for human nutrition.

In addition, private industry has invested about one-half million dollars annually for basic research and product development in the same area.

Here again, I believe that a more intensive effort is needed—and that the Soybean Research Institute would be a natural addition to what is being done in the area of soybean research. It could, in fact, provide the emphasis needed to accomplish a major breakthrough in the development and use of soybean products for human consumption.

Mr. President, the Soybean Research Institute I am proposing would, of course, be supportive of the family farm concept as we know it today. It would be structured to lend aid and assistance to small farmers throughout the Nation. The American family farm represents entrepreneurship at its best. It is here that we find a direct relationship between personal profit and investment, innovation, risk-taking, and just plain old hard work and enterprise.

Russian experts have come to this country to visit American farms, and have taken back to Russia with them our large power units, our combines and pickers, our well-bred livestock, and our high yielding crop varieties. But they do not seem to work well on the Russian farms, because our Russian visitors never saw that invisible mortar and cement that held it all together on the American farm. That invisible mortar or cement is, in fact, the farmer and his family in business for themselves, in pursuit of a little more profit than would come from average performance or would result from central governmental interference or for the so-called good of a commune.

Our Nation—and every nation of the world—must make a commitment to move agriculture to the front burner. To do less would be to condemn hundreds of millions of people to such a substandard level of living in a few years that peace would be difficult, if not impossible. That is why this Nation's agriculture now commands such a strategic position. And this is why it must be kept moving forward.

I feel that my proposal to establish a National Soybean Research Institute could serve as a major element in our overall agricultural policy.

Mr. President, I hope that hearings can be held expeditiously and I extend an invitation to my colleagues to join me in this unique and worthwhile endeavor. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1295

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That a Soybean Research Institute shall be established and that sufficient funds shall be allocated to maintain the administrative functions of the Institute and to enable the development of a unified, aggressive national soybean policy.

The Soybean Institute shall develop programs to accomplish the following:

(1) Working cooperatively with the President, the U.S. Department of Agriculture and other Federal agencies, to develop an intensive research program to increase the per acre yield and eliminate the cyst nematode parasite.

(2) Development of an effective soybean export market policy.

(3) Formation of a cohesive unit including national and international groups interested in and responsible for food production and/or consumption, for the purpose of establishing and coordinating national and international objectives.

(4) To insure that the soybean shall fulfill its role as a miracle protein crop for the United States and for the world.

The Institute shall be composed of sixteen (16) members and a chairman.

The President, upon nomination by the Secretary of Agriculture, shall select the members. Members shall be selected from a broad spectrum of agriculture, business, scientific, educational, and consumer interests. The composition of the members of the Institute shall be balanced geographically; and the term of office of the members shall be for a period of six (6) years. The term of office for the members shall be staggered so that the terms of one-fourth (¼) of the membership will expire simultaneously.

By Mr. THURMOND (for himself and Mr. STAFFORD):

S. 1297. A bill to amend title 38, United States Code, to increase the compensation payable to veterans who have lost or lost the use of both upper extremities as to the result of service-connected disability; to the Committee on Veterans' Affairs.

LEGISLATION TO INCREASE VA COMPENSATION RATES FOR VETERANS WHO HAVE SUFFERED THE LOSS OF BOTH UPPER EXTREMITIES

Mr. THURMOND. Mr. President, I rise to introduce legislation that would amend section 314, title 38, U.S.C., which would increase rates of disability compensation payable to veterans who have suffered the loss or loss of use of both upper extremities as a result of a service-connected disability.

Mr. President, according to data received from the Veterans Administration, there are 125 veterans who have suffered the service-connected loss of both upper extremities and 357 veterans who have incurred the service-connected loss of use of both upper extremities.

Depending upon the degree of impairment and/or the site of the extremity amputation involved, these veterans are rated by the VA in the upper special statutory award categories under section 314 of title 38. My bill would advance these veterans one full step in their present statutory award category. This would amount to an average increase of some $250 per month to these severely disabled veterans.

Mr. President, in view of the many and varied disabilities one may have, the compensation rating schedule is very complex in its effort to adequately compensate for service-connected injuries. However, under current law, a certain distinction is made—and a higher rate of compensation is paid—with respect for the loss of a single upper extremity, if that extremity is on the right or left side of a right- or left-handed veteran. In contrast, this higher rating is not reflected in the case of a single lower extremity loss since there is no comparable dexterity function that is involved.

However, when considering bilateral upper and lower extremity losses, this distinction is not carried through and both classes of double amputees are treated the same. I believe this is a disparity that should be rectified.

Mr. President, I believe upon close examination of the loss of function suffered by bilateral arms amputees and the very limited extent of function restored by their prosthetic devices, one will agree that veterans so disabled suffer a more distinct disadvantage in terms of their ability to function in their daily activities than those veterans who suffer the loss of both legs.

Mr. President, I ask unanimous consent that my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1297

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 314 of title 38, United States Code, is amended by—

(a) striking from subsection (1) the words "both hands, or";

(b)(1) striking from subsection (m) the words "two extremities" and inserting in lieu thereof "both hands, or both legs"; and

(2) striking out the words "elbow or" in subsection (m);

(c) striking from subsection (n) everything after the phrase "as the result of service-connected disability," and by inserting in lieu thereof all of the following: "has suffered the anatomical loss or loss of use of both arms at a level, or with complications preventing natural elbow action with prosthesis is place, or has suffered the anatomical loss of both legs so near the hip as to prevent the use of a prosthetic applicance, or has suffered the anatomical loss of both eyes, the monthly compensation shall be $1,581"; and

(d) inserting in subsection (o) immediately following the comma after the phrase "total blindness with 5/200 visual acuity or less," all of the following: "or if the veteran has suffered the anatomical loss of both arms so near the shoulder as to prevent the use of a prosthetic appliance,".

SEC. 2. The amendments made by the first section of this Act shall take effect October 1, 1981.

By Mr. WALLOP (for himself, Mr. BRADLEY, Mr. HATFIELD, Mr. PACKWOOD, and Mr. BAUCUS):

S. 1298. A bill to amend the Internal Revenue Code of 1954 to extend certain tax provisions to Indian tribal governments on the same basis as such provisions apply to States; to the Committee on Finance.

INDIAN TRIBAL GOVERNMENTAL TAX STATUS ACT OF 1981

● Mr. WALLOP. Mr. President, I am pleased today to introduce a bill that is of vital importance to American Indians. This legislation would enhance the opportunities of Indian tribal governments to provide essential governmental services to these tribal members by according Indian tribal governments the same tax status which is currently accorded State, county, and municipal governments. Enactment of this bill would strengthen tribal governments significantly by providing additional sources of financing and by eliminating the unfair burden of taxes Indian tribal governments must now pay. Joining with me in sponsoring this legislation are: Senators BRADLEY, HATFIELD, PACKWOOD, and BAUCUS.

Mr. President, this legislation already has a strong legislative history. A bill identical in all substantive respects to my legislation was introduced in the 95th Congress under the sponsorship of Chairman Ullman of the Committee on Ways and Means and Chairman UDALL of the

Committee on the Interior. That bill, H.R. 4089, was a subject of hearings by the Committee on Ways and Means and was reported favorably to the House, but was not considered prior to adjournment of the 95th Congress. Similar legislation was reintroduced in the 96th Congress, but no action was taken on it at that time. The companion legislation in the House of Representatives is being introduced under the sponsorship of Mr. JONES and Mr. UDALL, along with several other cosponsors. In my view enactment of this legislation in the 95th Congress as recommended by the Committee on Ways and Means was fully justified and today, there are even more compelling reasons for prompt enactment of this proposal.

This bill would amend the Internal Revenue Code to extend certain Federal tax benefits to recognized Indian tribes and Alaskan Natives, placing those tribal governments on an equal footing with the tax treatment accorded States, municipalities and local governments for certain tax purposes. This legislation would not, I emphasize not, expand the taxing power of recognized Indian tribal governments, but rather would overturn a technical and questionable ruling by the Internal Revenue Service which denies those governments the treatment accorded State and local governments for certain tax purposes.

Legal authorities long have recognized the power of Indian tribes to govern their reservations and members. Specifically, tribal governments have the authority to exercise general police powers, including the power to tax transactions occurring on reservation lands.

In implementation of these powers, many tribal governments have assumed broad governmental responsibilities. Tribes have provided to their members police and fire protection, health care, schools, roads and transportation, recreational facilities, and agricultural and business assistance. Because of these activities which have been aimed at stimulating their economies and providing common governmental services, the revenue needs of tribal governments have increased.

As a matter of policy, the Federal Government for the past half century virtually without exception has sought to strengthen tribal governments politically and economically. The Indian Reorganization Act of 1934 authorized tribes to modernize their governmental structures to deal more effectively with contemporary problems and needs. In recent years both Congress and the executive branch have reaffirmed and strengthened the governmental role of Indian tribes. Most recent Federal legislation, for example, which provides assistance to local governments, also expressly includes assistance to tribal governments. These acts include the Economic Opportunity Act, Economic Development Act, the Housing and Urban Development Act, the Juvenile Delinquency Prevention and Control Act, the Omnibus Crime Control and Safe Streets Act, and the State and Local Fiscal Assistance Act.

In an effort to assume greater responsibility for financing their own governmental functions and services, Indian tribes have endeavored to raise funds at the local level through the collection of tribal taxes. Efforts of Indian tribal governments to levy their own taxes, however, have been only partially successful because the Internal Revenue Code does not extend to Indian tribes the same treatment it accords other State and local governments. This difference in treatment undermines the tax initiatives of tribal governments and seriously interferes with their efforts to improve the conditions of life in Indian country.

There are essentially two ways of overcoming the position of the Internal Revenue Service regarding the tax status of Indian tribal governments. The first is to incorporate pursuant to State law. The second is to enact legislation to overcome the position of IRS. The first option—incorporation under State law—would qualify a tribe as a municipal corporation eligible to receive a tax exempt status but it would require a tribe to become, in effect, a political subdivision of the State. Such a status would be totally inconsistent with the legal and political history of Indian tribes and would tend to undercut the sovereignty and integrity of such tribal governments.

The more historically justified approach is to discontinue the discriminatory application of Federal tax laws to Indian tribal governments. Both the Congress and the President have indicated repeatedly their intention to treat Indian tribal governments fairly in the provision of Federal assistance and to provide the same benefits to Indian tribal governments that are now afforded to State and local governments. This legislation would make available to tribal governments tax benefits now available to State and local governments to deal more effectively with their current needs.

PROVISIONS IN THE LEGISLATION

The most significant aspects of the bill are that it: First, grants a deduction from Federal income tax for taxes paid to an Indian tribe; second, provides that charitable contributions to Indian tribal governments would be deductible for income, estate and gift purposes; third, exempts Indian tribal governments from a variety of excise taxes; including the tax on special fuels, the manufacturers excise taxes and the tax on the use of certain highway vehicles; and fourth, provides an income tax exemption for certain governmental obligations, subject to special limitations regarding the tax treatment of industrial development bonds issued by an Indian tribal government.

TAX IMPACT

The tax impact of this legislation was estimated by the House Ways and Means Committee in its report filed by the committee in the 95th Congress after consideration of this legislation in 1978. The committee, in agreement with the Treasury Department, estimated that the provisions in the legislation relating to the deductibility of Indian tribal government taxes would reduce income tax revenues by $1 million a year. The revenue effect of the other provisions in the legislation was estimated to reduce overall tax liability by less than $5 million per year.

Mr. President, at a time when President Reagan and the Congress is looking to cut Federal spending and reduce the bureaucracy we are looking to State and local governments to assume a greater responsibility for carrying out their governmental functions. Tribal governments are willing to accept these same responsibilities. It seems to me only fair and just to free legitimately recognized Indian tribal governments from the discriminatory constraints imposed upon them by the interpretation of our tax laws given by the Internal Revenue Service. The quickest, most effective, and logical way of eliminating this discriminatory treatment is to enact S. 1298. This action by the Congress would impose no significant tax burden on our citizens but rather would enhance the ability and opportunity of recognized Indian tribal governments to provide better, more efficient, and economical services to their constituent members at a time when such governmental services are greatly needed.

This legislation has the strong support of Indian tribes throughout the United States as well as numerous organizations who work on behalf of American Indians. As evidence of this support, I ask unanimous consent that a resolution from the Northern Arapahoe Business Council meeting at Fort Washakie, Wyo., on April 24, 1981, be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION No. 4721

Whereas, the Arapahoe Business Council considers it essential that the United States Government continue to recognize that Indian Tribes are in fact governments in the same manner that state, county and municipal governments are and should therefore enjoy all of the same benefits and rights under the federal tax system that those other governments already possess; and

Whereas, important congressional leaders in the 97th Congress, particularly Senator Malcolm Wallop of Wyoming, have recognized that the time has come for enactment of legislation to give Indian Tribes these governmental tax benefits and rights;

Now, therefore, be it resolved, that the Arapahoe Business Council strongly urges that Senator Wallop, consistent with his previous interest in this subject, sponsor and introduce a Senate Bill which has been drafted, circulated and discussed with Congressional Leaders entitled the Indian Tribal Governmental Tax Status Act; and

Be it further resolved, That Senator Alan Simpson support the measure in every way he can and that Congressman Richard Cheney support the same bill when introduced in the near future in the United States House of Representatives.●

By Mr. McCLURE (by request):

S. 1299. A bill to reduce regulatory burdens and authorize the waiver of licensing requirements with respect to certain non-Federal hydroelectric power projects; to the Committee on Energy and Natural Resources.

WAIVER OF CERTAIN LICENSING REQUIREMENTS WITH RESPECT TO CERTAIN NON-FEDERAL HYDROELECTRIC POWER PROJECTS

● Mr. McCLURE. Mr. President, at the request of the administration, I send to the desk for appropriate reference a bill to reduce regulatory burdens and authorize the waiver of licensing requirements with respect to certain non-Federal hydroelectric power projects.

Mr. President, this draft legislation was submitted and recommended by the Department of Energy, and I ask unanimous consent that the bill and the executive communication which accompanied the proposal from the Acting General Counsel be printed in the RECORD.

There being no objection, the bill and communication were ordered to be printed in the RECORD, as follows:

S. 1299

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Power Act (16 U.S.C. § 792 *et seq.*) is amended by adding after section 30 a new section as follows:

"SEC. 31. In order to simplify, promote, and expedite the development of a non-Federal hydroelectric power project, and consistent with the public interest and safety, the Commission, by rule or order, may waive any provision of this Part, in connection with an application for, or amendment or notice of, a permit, license, or exemption for an existing or proposed water project and appurtenant project works, if the total installed capacity of the project upon completion is equal to or less than 15 megawatts, subject to terms and conditions that the Commission considers appropriate."

DEPARTMENT OF ENERGY,
Washington, D.C., May 21, 1981.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is proposed legislation "[t]o reduce regulatory burdens and authorize the waiver of licensing requirements with respect to certain non-Federal hydroelectric power projects." This proposed legislation is part of the Department of Energy legislative program for the 97th Congress. The Office of Management and Budget advises that the presentation of this proposal is in accord with the President's program.

PURPOSE OF THE LEGISLATION

The purpose of this bill is to simplify, promote, and expedite the development of non-Federal hydroelectric power projects by authorizing the Federal Energy Regulatory Commission (FERC) to reduce unnecessary or burdensome regulatory requirements with respect to hydroelectric projects having an installed capacity of 15 megawatts or less.

FERC currently has limited authority to waive the licensing requirements of the Federal Power Act for (a) hydroelectric projects of 5 megawatts or less at existing dams and impoundments (16 U.S.C. § 2705(d)) and (b) hydroelectric projects of 15 megawatts or less installed in water conduits, on non-Federal lands that are used for irrigation or industrial purposes. (16 U.S.C. § 823a.) The draft bill would expand this waiver authority, and the related authority to prescribe terms and conditions, so that it extends to all hydroelectric projects of 15 megawatts of installed capacity or less, whether the projects utilize new or existing dams, are on Federal or non-Federal lands, or utilize conduits, rivers, or other watercourses.

It is expected that enactment of this bill would reduce the regulatory burden on those persons who now must seek an application for a permit or license for their small water power projects subject to Federal Power Act provisions. It also would reduce the administrative burden on the FERC. The requirements of the Federal Power Act with respect to small non-Federal hydroelectric power projects are often needlessly detailed and excessively burdensome. Mandatory continuation of these requirements is unjustifiable.

Sincerely,

ERIC J. FYGI,
Acting General Counsel.●

By Mr. DANFORTH:

S. 1300. A bill to amend the Internal Revenue Code of 1954 to allow individuals a credit for contributions to certain investment accounts, to exempt the earnings on such accounts from tax, and to exempt from tax certain distributions from such accounts; to the Committee on Finance.

INVESTMENT CREDIT INCENTIVE ACT OF 1981

● Mr. DANFORTH. Mr. President, today, I am introducing the Investment Credit Incentive Act of 1981. This legislation is aimed at stimulating increased personal saving in our country through tax incentives. It is patterned after similar legislation (H.R. 3073) currently pending in the House of Representatives introduced by Congressman DICK GEPHARDT. In my opinion, Congressman GEPHARDT has made a valuable and timely contribution to the debate concerning the development of effective tax incentives for saving.

Under this legislation, a tax credit of 10 percent is allowed on the first $5,000 invested each year in an account in a financial institution. The maximum amount that can be contributed to such an account is $50,000. Earnings on these contributions would not be taxed as long as they were kept on deposit. Withdrawals of principal or interest before the end of a 10-year period would be taxed at ordinary tax rates. At the end of 10 years, up to $50,000 in capital and $50,000 in earnings could be removed from the account tax free. Additional withdrawals of either would be taxed at capital gain rates.

It is well documented that the United States has the lowest savings rate of our major trading partners. There is little doubt that an important element of stimulating productivity, reducing inflation, and enhancing our international competitiveness is increasing the pool of savings from which businesses can finance new capital investment.

While this bill may not be the preferred incentive for every saver or investor in our country, it does provide some incentive to all of them. In addition, a 10-year program for saving and reinvesting would encourage the type of long-term stable supply of funds we need without discouraging savers by limiting access to their funds for an unrealistically long period.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1300

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This act may be cited as the "Investment Credit Incentive Act of 1981".

SEC. 2. INVESTMENT ACCOUNTS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by inserting after section 44E the following new section:

SEC. 44F. CONTRIBUTIONS TO INVESTMENT ACCOUNTS.

"a() ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 10 percent of the sum of—

"(1) the amounts paid in cash, and

"(2) the fair market value of qualified securities transferred,

during the taxable year by such individual to an investment account.

"(b) LIMITATIONS.—

"(1) MAXIMUM CREDIT.—The credit allowed subsection (a) to an individual for a taxable year may not exceed $500.

"(2) LIMITATION BASED ON AMOUNT OF TAX.—The credit allowed by subsection (a) shall not exceed the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under a section of this subpart having a lower number or letter designation than this section, other than credits allowable by sections 31, 39, and 43.

"(c) DEFINITIONS.—For purposes of this section—

"(1) INVESTMENT ACCOUNT.—The term 'investment account' means a trust created or organized in the United States for the exclusive benefit of an individual or his beneficiaries, but only if the written governing instrument creating the trust meets the following requirements:

"(A) No contribution will be accepted by the trust if—

"(i) it is other than in cash or qualified securities, or

"(ii) the investor has any other investment account.

"(B) The sum of—

"(i) the cash, and

"(ii) the aggregate fair market value of all property,

contributed to the trust for all taxable years will not exceed $50,000.

"(C) The trustee is a bank (as defined in section 401(d)(1)), or any other person who demonstrates to the satisfaction of the Secretary that the manner in which such other person will administer the trust will be consistent with the requirements of this section.

"(D) The interest of the investor in the account is nonforfeitable.

"(E) No part of the trust assets will be invested in life insurance contracts.

"(F) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

"(2) QUALIFIED SECURITY.—The term 'qualified' means any security (within the meaning of section 165(g)(2)) which is readily tradable on an estabilshed securities market.

"(d) INVESTMENT ACCOUNT EXEMPT FROM TAX.—Any investment account shall be exempt from taxation under this subtitle except for the taxes imposed by section 511 (relating to imposition of tax on unrelated business income).

"(e) ORDERING RULES FOR DISTRIBUTIONS.—Distributions from an investment account shall be deemed to be made—

"(1) first from the adjusted contributions to the account, to the extent thereof,

"(2) second from the qualified seasoned earnings of the account, to the extent thereof,

"(3) third from the nonqualified seasoned earnings of the account, to the extent thereof, and

"(4) then from other amounts in the account.

"(f) TAX TREATMENT OF DISTRIBUTIONS.—

"(1) IN GENERAL.—Amounts paid out of an investment account during a taxable year shall be subject to taxation as follows:

"In the case of amounts paid out of:	Tax treatment:
A. Adjusted contributions	No tax.
B. Qualified seasoned earnings	No tax.
C. Nonqualified seasoned earnings	40 percent inclusion.
D. Other amounts	100 percent inclusion.

"(2) DEFINITIONS RELATING TO TAX TREATMENT.—For purposes of paragraph (1)—

"(A) 40 PERCENT INCLUSION.—The term '40 percent inclusion' means 40 percent of each payment shall be included in gross income (as ordinary income) by the payee for the taxable year in which the payment is received.

"(B) 100 PERCENT INCLUSION.—The term '100 percent inclusion' means 100 percent of each payment shall be included in gross income (as ordinary income) by the payee for the taxable year in which the payment is received.

"(3) ADJUSTED CONTRIBUTIONS.—For purposes of this subsection, the term 'adjusted contributions' means with respect to any payment out of an investment account, the excess of—

"(A) the sum of—

"(i) all cash contributed to the account, plus

"(ii) the aggregate adjusted bases of all property contributed to the account,

before the close of the taxable year during which such payment is made, over

"(B) the credit allowed by subsection (a) for such taxable year and all prior taxable years with respect to contributions to the account.

"(4) DEFINITIONS AND SPECIAL RULES RELATING TO EARNINGS.—For purposes of this subsection—

"(A) SEASONED EARNINGS.—The term 'seasoned earnings' means, with respect to any payment out of an investment account, the lowest amount of earnings in such account during the period of 10 taxable years ending before the taxable year in which such payment is made.

"(B) QUALIFIED SEASONED EARNINGS.—The term 'qualified seasoned earnings' means the seasoned earnings of the account to the extent such earnings do not exceed $50,000.

"(C) NONQUALIFIED SEASONED EARNINGS.—The term 'nonqualified seasoned earnings' means the seasoned earnings of the account which are not qualified seasoned earnings.

"(D) SPECIAL RULES.—

"(i) EARNINGS INCLUDE REALIZED APPRECIATION, ETC.—The earnings of the account include realized appreciation and other net gains.

"(ii) ACCOUNT TREATED AS HAVING NO EARNING BEFORE CREATION.—For purposes of subparagraph (A), the earnings of the account shall be zero for any taxable year before the taxable year in which the account is created.

"(iii) PROPER ADJUSTMENTS FOR DISTRIBUTIONS.—In determining seasoned earnings for any taxable year, proper adjustments shall be made for distributions of seasoned earnings in prior taxable years.

"(g) SPECIAL RULES.—For purposes of this section—

"(1) FAIR MARKET VALUE OF QUALIFIED SECURITIES DETERMINED ON DATE OF CONTRIBUTION.—In the case of a contribution of qualified securities to any investment account, the fair market value of the securities shall be determined on the date of the contribution.

"(2) DISTRIBUTIONS OF PROPERTY.—In the case of a distribution of property from any investment account, the fair market value of such property (determined on the date of the distribution) shall be treated as an amount paid out of such account.

"(3) ACCOUNT MUST BE NONTRANSFERABLE EXCEPT AT DEATH.—An account shall not be treated as exclusively for the benefit of an individual unless—

"(A) it is nontransferable except at the death of the investor or as provided in paragraph (6), and

"(B) the written governing instrument creating the trust provides that all amounts in the account will be distributed to the beneficiaries of the investor before the close of the 5th year following the death of the investor.

"(4) TERMINATION OF ACCOUNT IN CERTAIN CASES.—An account shall be treated as terminated—

"(A) on the first day on which the account—

"(i) buys or leases any property from, or sells or leases any property to, or

"(ii) borrows any money from, or lends any money to,

the investor or any member of his family, and

"(B) if it has not therefore terminated, on the last day of the 5th year after the date of the death of the investor.

In any such case, the trust shall be treated as paying out all amounts in the trust on the day on which it is treated as terminated.

"(5) EFFECT OF PLEDGING ACCOUNT AS SECURITY.—If at any time the investor (or a beneficiary) uses the account or any portion thereof as security for a loan, the portion so used shall be treated as distributed to the investor (or beneficiary).

"(6) DIVORCE.—The transfer of an investor's interest in an investment account to the investor's former spouse under a divorce decree or under a written instrument incident to such divorce is not to be considered a taxable transfer made by the investor notwithstanding any other provision of this subtitle, and such interest at the time of the transfer is to be treated as an investment account of the spouse and not of the investor. Thereafter such account shall be treated for purposes of this subtitle as maintained for the benefit of such spouse.

"(7) BASIS IN ACCOUNT AFTER DEATH.—The basis of any investment account in the hands of a person acquiring such account by reason of the death of the investor shall be able the same as the basis in such account immediately before the death of the investor.

"(8) CONTRIBUTIONS RETURNED BEFORE DUE DATE OF RETURN.—

"(A) IN GENERAL.—If—

"(i) any amount contributed during a taxable year to an investment account is paid out of such account on or before the date prescribed by law (including extensions of time) for filing the return of tax imposed by this chapter for such taxable year,

"(ii) no credit is allowed by subsection (a) with respect to such amount, and

"(iii) such payment is accompanied by the net income attributable to such amount, then such amount shall not be treated as a contribution to such account.

"(B) YEAR INCOME INCLUDED.—Any net income described in subparagraph (A)(iii) shall be included in the gross income of the individual for the taxable year in which the contribution was made.

"(9) CUSTODIAL ACCOUNTS.—Rules similar to the rules provided by section 408(h) shall apply.

"(10) REPORTS.—The trustee of an investment account shall make such reports regarding such account to the Secretary, and to the investor, with respect to contributions, distributions, and such other matters as the Secretary may require under regulations. The reports required by this paragraph shall be filed at such time and in such manner, and furnished to such individuals at such time and in such manner, as may be required by those regulations.

"(h) OTHER DEFINITIONS.—For purposes of this section—

"(1) INVESTOR.—The term 'investor' means the individual for whom the account is established.

"(2) MEMBER OF FAMILY.—The family of the investor shall be treated as including his spouse, ancestors, lineal descendants, and any spouse of a lineal descendant.

"(3) DISTRIBUTIONS TREATED AS PAYMENTS.—Any distribution out of an account shall be treated as a payment out of such account.

"(i) SECTION NOT TO APPLY TO CERTAIN PERSONS.—This section shall not apply to any estate or trust, nor shall it apply to any nonresident alien individual."

(b) TAX ON EXCESS CONTRIBUTIONS.—

(1) IN GENERAL.—Section 4973 of such Code (relating to tax on excess contributions to individual retirement accounts, certain section 403(b) contracts, certain individual retirement annuities, and retirement bonds) is amended by adding at the end thereof the following new subsection:

"(d) EXCESS CONTRIBUTIONS TO INVESTMENT ACCOUNTS.—For purposes of this section in the case of an investment account (within the meaning of section 44F(c)(1)), the term 'excess contributions' means the excess of—

"(1) the sum of—

"(A) the cash, and

"(B) the aggregate fair market value of all property,

contributed to the account during the taxable year and all prior taxable years, over

"(2) $50,000.

For purposes of this subsection, any contribution which is paid out of an investment account in a distribution to which section 44(F(g)(8) applies shall be treated as an amount not contributed."

(2) TAX PAID BY INVESTOR.—Subsection (a) of section 4973 of such Code is amended by adding at the end thereof the following new sentence: "In the case of an investment account, the tax imposed by this subsection shall be paid by the individual for whom the account is established."

(3) TECHNICAL AND CONFORMING AMENDMENTS.—

(A) Subsection (a) of section 4973 of such Code is amended by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively, and by inserting after paragraph (1) the following new paragraph:

"(2) an investment account (within the meaning of section 44F(c)(1)),".

(B) The section heading for section 4973 of such Code is amended by inserting "INVESTMENT ACCOUNTS," after "RETIREMENT ACCOUNTS,".

(C) CLERICAL AMENDMENT.—The item relating to section 4973 in the table of sections for subchapter B of chapter 42 of such Code is amended by inserting "investment accounts," after "retirement accounts,".

(c) FAILURE TO PROVIDE REPORTS ON INVESTMENT ACCOUNTS.—

(1) IN GENERAL.—Subsection (a) of section 6693 of such Code (relating to failure to provide reports on individual retirement accounts or annuities) is amended by adding at the end thereof the following new sentence: "The person required by section 44F(g)(10) to file a report regarding an investment account at the time and in the manner required under such section shall pay a penalty of $10 for each failure unless it is shown that such failure is due to reasonable cause."

(2) CLERICAL AMENDMENTS.—

(A) The section heading for section 6693 of such Code is amended by inserting "OR INVESTMENT ACCOUNTS" after "ANNUITIES".

(B) The item relating to section 6693 in the table of sections for subchapter B of chapter 68 of such Code is amended by inserting "or investment accounts" after "annuities".

(d) OTHER TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Subsection (b) of section 6096 of such Code (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44E" and inserting in lieu thereof "44E, and 44F".

(2) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 44E the following new item:

"Sec. 44F. Contributions to investment accounts."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made in taxable years beginning after December 31, 1981.●

By Mr. RANDOLPH (for himself and Mr. CHAFEE):

S. 1301. A bill to amend the Comprehensive Employment and Training Act to provide a career intern program to encourage school districts and community-based organizations to carry out programs to improve the educational opportunity for youths; to the Committee on Labor and Human Resources.

YOUTH CAREER INTERN PROGRAM ACT

● Mr. RANDOLPH. Mr. President, today I introduce legislation similar to a bill jointly sponsored in the last Congress by myself and our former colleague, who served on the Labor and Human Resources Committee, Secretary of Health and Human Services, Richard Schweiker. The measure, the Youth Career Intern Program Act, is to encourage local educational agencies and community based organizations to implement and carry out programs to improve educational employment opportunity for youth in areas of high youth unemployment across the country.

I am joined in sponsoring this bipartisan legislation by my able colleague from Rhode Island, Senator JOHN CHAFEE. Senator CHAFEE is a strong supporter of legislation to help disadvantaged youth.

The high level of youth unemployment continues to be one of the more pervasive problems confronting our Nation.

Nationally, the level of youth unemployment averages 17 percent. A disportionate level of this unemployment is based in our major cities where youth unemployment rates have averaged close to 40 percent. This appalling waste of our Nation's most valuable resource, its youth, must be halted.

The current condition of our economy is a contributing factor to the employment problems of youth. A most critical problem confronted is a lack of the requisite education and training to obtain and retain meaningful employment. A proven and available weapon to attack this substantial problem is the career intern program.

The program was conceived and has been implemented on a limited scale by opportunities industrialization center, OIC, founded and operated by the Reverend Leon Sullivan.

Our bill would allow for replication across the country of the career intern program, one of OIC's most successful projects. The success of the career intern program has been described in testimony before the Labor and Human Resources Committee in hearings on education and youth unemployment during the 96th Congress. Dr. Michael Timpane, acting director of the National Institute of Education at that time stated:

One such program that we believe to be highly promising is the career internship program (CIP) started in Philadelphia by Rev. Leon Sullivan and his colleagues at opportunities Industrialization Centers, Inc. This program is an alternative high school for 16 to 21 year olds who have dropped out of high school or are in serious risks of dropping out before graduation.

The program enables students to complete high school, acquire occupational knowledge, plan for a career, and improve basic reading and mathematics skills—in short, to facilitate the transition from high school to work or to further education.

Initial evaluation findings indicate a significant increase in the rates of high school completion, in reading and math scores, and in rates of employment or enrollment in college and technical schools.

This program has proved to be so successful in Philadelphia that the Department of Labor has now transferred funds to the National Institute of Education to support the replication of this program in four additional cities in order to ascertain what made the program so successful in Philadelphia and whether or not it can be duplicated elsewhere with similar results.

OIC is not the only community-based organization which has had success in meeting the training and education needs of dropouts or potential dropouts. The findings of NIE show that community-based organizations are a good vehicle for reaching these at-risk students or dropouts. Private nonprofit organizations like OIC are a vital link between the schools and the business community.

Mr. President, the Senate Labor and Human Resources Committee, over the next several months, will begin the process of evaluating the success and/or failure of various youth employment programs administered under title IV of the Comprehensive Employment and Training Act. It is my intention that the youth career intern program will be a part of any legislative package growing out of this process later in this session or in the second session.●

By Mr. MELCHER:

S. 1303. A bill to authorize the Secretary of the Interior to exchange certain lands in Hill County, Mont.; to the Committee on Energy and Natural Resources.

EXCHANGE OF CERTAIN LANDS IN MONTANA

● Mr. MELCHER. Mr. President, this bill would authorize and direct the Secretary of the Interior to enter into a land exchange in Hill County, Mont. It would involve about 400 acres of private land and 400 acres of public along the Milk River.

In January of this year the Water and Power Resources Service responded to Mr. Keith Donoven concerning a possible land exchange. I am including that letter at the end of my remarks because it forms the basis for this bill.

In effect the service told Mr. Donoven that they lacked the exchange authority to trade with private ownership. I note the Service makes reference to other general authority for exchanges that may be proposed.

That same kind of authority was proposed and passed in the last Congress, but was, unfortunately vetoed as a part of a larger measure.

This exchange is desired by both the private land owner as well as the Water and Power Resources Service.

I ask unanimous consent that the bill and the accompanying letter he printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 1303

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior be, and hereby is, authorized and directed to enter into an exchange of lands with Keith Donoven in Hill County, Montana. The private deeded lands proposed for exchange are, to wit: the SW¼ and NW¼ SE¼, Section 13, Township 34 North, Range 12 East, 200 acres; N½ NW¼, section 24, Township 34 North, Range 12 East, 80 acres; N½ N½ NE ¼ SE¼, Section 17, Township 34 North, Range 13 East, 10 acres; N½ NE¼ NE¼, Section 21, Township 34 North, Range 13 East, approximately 25 acres; plus an area comprised of SW½–SW¼SE¼, SE¼SW¼, W½NE¼SW¼, E¼–E½W½SW¼, E¼SE¼SW¼NW¼, N¼ S½–SW¼NW¼, NW¼SW¼NW¼. Section 22 Township 34 North, Range 13 East. Such deeded lands contain 415 acres more or less and are to be exchanged for the following lands owned by the United States, to wit: S½S½, Section 24, Township 34 North, Range 12 East, 160 acres; NE¼NW¼, Section 25, Township 34 North, 40 acres; N½NE¼, Section 25, Township 34 North, Range 12 East, 80 acres; SW¼NW¼, Section 30, Township 34 North, Range 13 East, 40 acres; W½SW¼ Section 30, Township 34 North, Range 13 East, 80 acres.

SEC. 2. No conveyance shall be made pursuant to this Act until the Secretary determines values being exchanged are equal, except differences in value may be offset by monetary settlement in accordance with applicable law and regulations.

SEC. 3. The patents issued pursuant to this Act shall contain a reservation to the United States of all gas, oil, coal, and other mineral deposits as may be formed in such lands, provided, however, that if the private deeded lands conveyed to the United States include both surface and sulsurface mineral values, the Secretary is authorized and directed to enter into such an exchange on an equal value basis.

WATER AND POWER RESOURCES SERVICE,
Malta, Mont., January 16, 1981.

Mr. KEITH DONOVEN,
Kremlin, Mont.

DEAR MR. DONOVEN: With regard to your request for a possible land exchange with this government agency's withdrawal land at Fresno Reservoir.

Your request has been reviewed by the Land Use Branch at our Regional Office in Billings, Montana. I have been advised that we do not have authority to participate in a land exchange with private ownership.

However, we understand that legislation is

being proposed which would provide this agency with land exchange authority.

We will keep you informed of any changes.

Sincerely,

ROBERT A. GREEN,
Chief, Milk River C. & M. Fld. Sec.●

By Mr. CHAFEE (for himself, Mr. DURENBERGER, Mr. SARBANES, and Mr. BAUCUS):

S. 1304. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of business development companies; to the Committee on Finance.

LEGISLATION PROVIDING PASSTHROUGH TAX TREATMENT TO BUSINESS DEVELOPMENT COMPANIES

● Mr. CHAFEE. Mr. President, last year, Congress passed the Small Business Investment Incentive Act of 1980, Public Law 96–477. This new law enables public venture capital companies and small business investment companies (SBIC's) to avoid complex, outdated regulation under the Investment Company Act of 1940 and, instead, elect simplified treatment as business development companies (BDC's).

To claim the exemption from rules of the 1940 act, BDC's must comply with certain requirements insuring they are investing in and providing substantial management assistance to small, growing companies. Unlike the Investment Company Act of 1940, which was originally designed to regulate mutual funds before the existence of the modern venture industry, the 1980 act is suited to the unique regulatory needs of venture investing.

The new law is a good one; however, it will not be fully utilized until a conforming amendment is added to subchapter M of the Internal Revenue Code. This part of the Code allows investment companies to pass earnings through to their shareholders without first paying taxes on them. Currently, an investment company must be regulated under the complex 1940 act to qualify for such tax treatment.

Since SBIC's and venture capital companies that take advantage of the new securities law will not be registered under the 1940 act, they will not be able to utilize the conduit tax treatment in subchapter M.

Subchapter M should be amended, therefore, to provide the same tax treatment to BDC's under the new law as venture capital companies regulated under the old one, or else the new Securities Act will be ineffective. The flow of funds to small, growing businesses will be curtailed.

Today, along with Senators DURENBERGER, SARBANES, and BAUCUS, I am introducing a bill that would provide such tax treatment to business development companies. Each of us has worked closely with the National Association of Small Business Investment Companies in drafting this conforming amendment. The Finance Subcommittee on Savings, Pensions, and Investment Policy, which I chair, is now scheduled to hold a hearing in June to discuss our legislation. We urge all our colleagues to support its enactment this year.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1304

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That

(a) IN GENERAL.—Subchapter M (relating to regulated investment companies and real estate investment trusts) of chapter 1 of subtitle A of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new part:

"PART IV—PROVISIONS WHICH APPLY TO DEVELOPMENT COMPANIES

"SEC. 860A. Tax treatment of business development companies.

"SEC. 860A. TAX TREATMENT OF BUSINESS DEVELOPMENT COMPANIES.

"(a) GENERAL RULE.—Except as otherwise provided in this section, the provisions of parts I and III of this subchapter shall apply to a business development company which would be a regulated investment company but for the requirements of section 851(a). When used other than in this part, the term 'regulated investment company' shall be deemed to include a business development company to which the provisions of parts I and III of this subchapter apply.

"(b) DEFINITION OF BUSINESS DEVELOPMENT COMPANY.—For purposes of this section, the term 'business development company' means any domestic corporation (other than a personal holding company as defined in section 542 without regard to section 542 (c)(8))—

"(1) which is a business development company within the meaning of section 2(a)(48) (15 U.S.C. 80a–2(a)(48)) of the Investment Company Act of 1940, as amended (15 U.S.C. 80a–1 to 80b–2); or

"(2) which is a small business investment company, licensed before July 1, 1980, under the Small Business Investment Act of 1958, as amended (15 U.S.C. 661 to 696), or is so licensed on an application filed not more than one month after the date such company is incorporated."

(b) CLERICAL AMENDMENT.—The table of parts for Subchapter M of Chapter 1 is amended by adding at the end thereof the following new item:

"PART IV. PROVISIONS WHICH APPLY TO BUSINESS DEVELOPMENT COMPANIES."

(c) EFFECTIVE DATE.—The amendments made by sections (a) and (b) shall apply to taxable years beginning on or after October 21, 1980.●

● Mr. DURENBERGER. Mr. President, during the final days of the 96th Congress, a major securities law was passed that will greatly facilitate the flow of venture capital to small, growing firms. The Small Business Investment Incentive Act of 1980 exempts public venture capital companies and small business investment companies (SBIC's) from the most aggravating provisions of the Investment Company Act of 1940, allowing them instead to elect treatment and regulation as business development companies (BDC's) under the new law.

With the passage of the "1980 Act", Congress took a giant step toward its goal of opening capital formation mechanisms to smaller companies. The legislation I am sponsoring today is the next logical step in this process. It will amend subchapter M of the Internal Revenue Code to make tax treatment of BDC's under the 1980 act consistent with that accorded venture capital companies and SBIC's under the Investment Company Act of 1940.

Section 851 of the tax Code permits regulated investment companies that pass through 90 percent of their earnings to shareholders and meet the other requirements of subchapter M to elect conduit tax treatment. The company then pays no corporate tax on income distributed to shareholders. One of the eligibility criteria for conduit tax treatment is registration under the Investment Company Act of 1940.

As the situation currently exists, a venture capitalist wishing to get relief from the 1940 Investment Company Act must forfeit his subchapter M tax passthrough. Once treated as a BDC under the 1980 act, he no longer satisfies the definition of regulated investment company in section 851, since he is no longer a 1940 act company. The result is that venture capitalists are reluctant to utilize the new securities law. My bill would eliminate registration under the Investment Company Act as one of the eligibility requirements of subchapter M for public BDC's.

In addition, the bill we are introducing today would make all licensed SBIC's eligible for conduit tax treatment, provided they meet the other substantive requirements of section 851. Currently, only those companies that are making or have made a public offering or have more than 100 shareholders can register under the Investment Company Act of 1940. Most SBIC's do not qualify because they are privately held, and therefore are denied the option of pass-through tax treatment.

The legislative history of the 1942 amendment that made 1940 act registration a prerequisite for 851 tax treatment clearly demonstrates that Congress did not intend the reference to limit the availability of the conduit tax treatment. Instead, it was principally a descriptive phrase. The venture capital industry as we know it today did not exist at that time and the SBIC program did not come into being until 1958. According to the legislative history, Congress was attempting to cover all types of investment entities, and assumed that most were registered under the 1940 act.

The amendment to section 851 that we are proposing today will have a negligible revenue impact, yet it will be a tremendous incentive for venture capital companies to use the new securities law. By reducing the regulatory burden on public SBIC's and venture capital firms, Congress clearly indicated its desire to promote venture investing. Without this amendment, however, the effect of the securities bill will be neutralized and congressional intent frustrated.

I urge my colleagues to give this bill their careful consideration.●

● Mr. SARBANES. Mr. President, I am pleased to join my colleagues the junior Senator from Rhode Island, the senior Senator from Minnesota and the junior Senator from Montana in introducing S. 1304, legislation enabling business de-

velopment companies to qualify for pass-through treatment of corporate earnings. By so doing, this legislation will correct an anomaly in the tax treatment of venture capital companies which has arisen pursuant to the enactment last year of the Small Business Investment Incentive Act, Public Law 96-477. S. 1304 would also extend pass-through treatment to bona fied small business investment companies with fewer than 100 shareholders.

The purpose of the Small Business Investment Incentive Act, briefly put, was to amend the Investment Company Act of 1940 in order to encourage mobilization of capital for new, small, medium sized and independent business by facilitating the activities of venture capital companies and investment advisors while maintaining indispensable standards of investment protection. It is a tribute to the effectiveness of the Investment Company Act that the investment company industry has not experienced a debacle in 40 years. Over that 40-year period, however, mutual fund and venture capital operations have diverged in very significant ways and the act had come to restrict unnecessarily venture capital activities. Recognizing the importance of venture capital for for new and untried businesses whose access to conventional capital markets is limited, the Small Business Investment Incentive Act last year established a new regulatory framework exempting private and public venture capital companies that meet certain criteria and thereby qualify as business development companies from the registration requirements of the Investment Company Act.

It would be illogical and self-defeating if the incentive to venture capital activities provided by the business development company framework were to be nullified by unfavorable tax treatment for the business development company. Companies regulated under the Investment Company Act of 1940 qualify for passthrough tax treatment of corporate earnings—such earnings are taxed once to the shareholders in the year they are earned rather than twice, once to the corporation and again when distributed to the shareholders. Since registration under the 1940 act is the prerequisite for passthrough treatment, a company not so registered is ineligible for it. Under existing law a venture capital company seeking to expand its investment activities by qualifying as a business development company not regulated by the 1940 act is therefore penalized with regard to its tax status. By extending the passthrough to qualified business development companies, S. 1304 would correct that anomaly. It would also extend passthrough treatment to small business investment companies not currently eligible, that is, those with fewer than 100 shareholders, but would not apply such treatment to closely held personal holding companies.

Mr. President, the Small Business Investment Incentive Act was designed to contribute to the capital formation process for a critical sector of the business community. It recognizes the vital importance to our national economy of the small business sector. It removes unnecessary and antiquated regulatory barriers that have obstructed the direct flow of capital to small and new business enterprises. S. 1304, the legislation being introduced today, is a logical and necessary tax corollary of the Small Business Investment Incentive Act. It will help to translate the promise of that legislation, enacted in the last Congress into solid economic reality.●

ADDITIONAL COSPONSORS

S. 98

At the request of Mr. DANFORTH, the Senator from Idaho (Mr. SYMMS) was added as a cosponsor of S. 98, a bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for certain research and experimental expenditures, and for other purposes.

S. 99

At the request of Mr. JEPSEN, the Senator from Michigan (Mr. LEVIN), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Montana (Mr. MELCHER), and the Senator from Minnesota (Mr. DURENBERGER) were added as cosponsors of S. 99, a bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for certain expenses paid or incurred in connection with the adoption of a child.

S. 141

At the request of Mr. BENTSEN, the Senator from Colorado (Mr. HART) was added as a cosponsor of S. 141, a bill relating to tax treatment of qualified dividend reinvestment plans.

S. 360

At the request of Mr. WEICKER, the Senator from Massachusetts (Mr. TSONGAS) was added as a cosponsor of S. 360, a bill to amend the Internal Revenue Code of 1954 to improve productivity and employment by promoting capital investment in small business, and for other purposes.

S. 395

At the request of Mr. WALLOP, the Senator from Iowa (Mr. GRASSLEY) was added as a cosponsor of S. 395, a bill to amend the Internal Revenue Code of 1954 to provide estate and gift tax equity for family enterprises, and for other purposes.

S. 728

At the request of Mr. KENNEDY, the Senator from North Dakota (Mr. BURDICK), and the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of S. 728, a bill to amend the Foreign Assistance Act of 1961 to prohibit the assignment to or presence in El Salvador of U.S. military personnel and to prohibit the furnishing of military and other security assistance for El Salvador.

S. 861

At the request of Mr. PACKWOOD, the Senator from Wyoming (Mr. WALLOP) was added as a cosponsor of S. 861, a bill to amend the Social Security Act to provide for a 6-year demonstration program of comprehensive community-based noninstitutional acute and long term care services for the elderly and disabled.

S. 1030

At the request of Mr. MCCLURE, the Senator from Wisconsin (Mr. KASTEN), the Senator from California (Mr. HAYAKAWA), and the Senator from Nebraska (Mr. ZORINSKY) were added as cosponsors of S. 1030, a bill to protect firearms owners constitutional rights, civil liberties and rights to privacy.

S. 1091

At the request of Mr. ZORINSKY, the Senator from Oklahoma (Mr. NICKLES), and the Senator from North Carolina (Mr. EAST) were added as cosponsors of S. 1091, a bill to provide an entitlement for educational institutions for the reimbursement of the reasonable costs incurred in responding to compliance reviews conducted by the Office for Civil Rights of the Department of Education, and for other purposes.

S. 1235

At the request of Mr. D'AMATO, the Senator from Idaho (Mr. SYMMS), the Senator from North Carolina (Mr. HELMS), the Senator from North Carolina (Mr. EAST), and the Senator from Kansas (Mr. DOLE) were added as cosponsors of S. 1235, a bill to exempt certain matters relating to the Central Intelligence Agency from the disclosure requirements of title 5, United States Code.

S. 1279

At the request of Mr. DANFORTH, the Senator from Montana (Mr. MELCHER), the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of S. 1279, a bill to amend the Internal Revenue Code of 1954 to exclude from gross income a certain amount of interest earned on the All Savers Certificate offered only at savings institutions.

SENATE JOINT RESOLUTION 17

At the request of Mr. GARN, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of Senate Joint Resolution 17, a joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and for other purposes.

SENATE JOINT RESOLUTION 62

At the request of Mr. DOLE, the Senator from Georgia (Mr. NUNN), and the Senator from Kentucky (Mr. HUDDLESTON) were added as cosponsors of Senate Joint Resolution 62, a joint resolution to authorize and request the President to designate the week of September 20 through 26, 1981 as "National Cystic Fibrosis Week."

SENATE JOINT RESOLUTION 73

At the request of Mr. GLENN, the Senator from Alabama (Mr. HEFLIN), the Senator from North Dakota (Mr. ANDREWS), the Senator from Washington (Mr. JACKSON), the Senator from Tennessee (Mr. SASSER), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Georgia (Mr. NUNN), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Wisconsin (Mr. KASTEN), the Senator from Ohio (Mr. METZENBAUM), and the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of Senate Joint

Resolution 73, a joint resolution to designate the week beginning June 1, 1981, and ending June 7, 1981, as "Management Week in America."

SENATE JOINT RESOLUTION 78

At the request of Mr. COCHRAN, the Senator from Maryland (Mr. MATHIAS), the Senator from Tennessee (Mr. SASSER), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Alaska (Mr. STEVENS) were added as cosponsors of Senate Joint Resolution 78, a joint resolution to provide for the designation of October 2, 1981, as "American Enterprise Day."

SENATE JOINT RESOLUTION 84

At the request of Mr. DECONCINI, the Senator from New Mexico (Mr. SCHMITT), the Senator from Pennsylvania (Mr. HEINZ), and the Senator from Illinois (Mr. PERCY) were added as cosponsors of Senate Joint Resolution 84, a joint resolution to proclaim March 18, 1982, as "National Energy Education Day."

AMENDMENT NO. 59

At the request of Mr. CRANSTON, the Senator from Tennessee (Mr. SASSER) was added as a cosponsor of amendment No. 59 intended to be proposed to S. 912, a bill to amend the Atomic Energy Act to clarify that no prior public hearing is required for applications for amendment which involve no significant hazards consideration and for other purposes.

SENATE RESOLUTION 148—RESOLUTION CALLING FOR A MORATORIUM OF INDEFINITE DURATION ON THE COMMERCIAL KILLING OF WHALES

Mr. PACKWOOD submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 148

Whereas whales are a unique marine resource of great esthetic and scientific interest to mankind and are a vital part of the marine ecosystem; and

Whereas the protection and conservation of whales are a particular interest to citizens of the United States; and

Whereas the United States, which effectively banned all commercial whaling by United States nationals in December 1971, has sought an international moratorium through the International Whaling Commission on the commercial killing of whales since 1972; and

Whereas in 1971 the Congress enacted the Pelly Amendment to the Fishermen's Protective Act of 1967 (22 U.S.C. 1978(a)), giving the President of the United States the right to embargo the fishery products of foreign nations whose nationals have conducted whaling operations that interfere with international conservation programs; and

Whereas in 1979 the Congress enacted the Packwood-Magnuson Amendment to the Magnuson Fishery Conservation and Management Act of 1976 (16 U.S.C. 1824(b)(6)(A)), which limits access to the U.S. Fishery Conservation Zone to any nation found by the Secretary of Commerce to be in violation of whale conservation programs; and

Whereas in 1979 the Congress enacted a provision urging the International Whaling Commission to agree to a moratorium on the commercial killing of whales (Pub. L. 96-60, Title IV, § 405, Aug. 15, 1979); and

Whereas the management regime established by the International Convention for the Regulation of Whaling, signed in 1946 and implemented by the International Whaling Commission, is not providing adequate protection to the world's whale populations: Now, therefore, be it

Resolved by the Senate of the United States, That it is the sense of the Senate that the United States Delegation to the International Whaling Commission is urged to work toward the adoption of a moratorium of indefinite duration on the commercial killing of whales.

SENATE RESOLUTION 149—RESOLUTION WAIVING CONGRESSIONAL BUDGET ACT

Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry, reported the following original resolution; which was referred to the Committee on the Budget.

S. RES 149

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 1007, the Food Stamp and Commodity Distribution Amendments of 1981. Such waiver is necessary to permit consideration of an additional fiscal year 1981 authorization of appropriations for the food stamp program which was not reported on or before May 15, 1980, as required by section 402(a) of the Congressional Budget Act of 1974. Increases in program costs have resulted in the need for additional authorization authority to permit a fiscal year 1981 supplemental appropriation in excess of the amounts already authorized to be appropriated for fiscal year 1981.

Such waiver is also necessary to permit consideration of authorization of appropriations for the food stamp program and the commodity distribution programs for fiscal year 1982 which was not reported on or before May 15, 1981, as required by section 402(a) of the Congressional Budget Act of 1974. Specifically, S. 1007 would extend authorizations of appropriations for these programs for fiscal years 1982 through 1985 and make significant reforms in the food stamp program to restrain food stamp program spending, focus benefits toward the most needy, increase the flexibility of states in administering the program, provide for improved administration, and reduce fraud and abuse. The delay in reporting S. 1007 was occasioned by a number of factors including consideration at the same time of separate legislation to extend the authorities for almost all of the Nation's major farm commodity programs and by a determined effort on the part of the Committee on Agriculture, Nutrition, and Forestry to report legislation meeting the budgetary restraints of the First Concurrent Resolution on the Budget for fiscal year 1982.

NOTICES OF HEARINGS

SUBCOMMITTEE ON CRIMINAL LAW

Mr. MATHIAS. Mr. President, the Subcommittee on Criminal Law of the Judiciary Committee will hold a hearing on June 8, 1981, on S. 186, the Criminal Justice Construction Reform Act, at 10 a.m. in room 2228, Dirksen Senate Office Building. Senator DOLE will chair the meeting.

For further information, please contact Ralph Oman at 224-9491.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. ROTH. Mr. President, the Committee on Governmental Affairs will hold a hearing at 9:30 a.m. on Thursday, June 4, 1981 on Government organization for international trade and investment matters and on S. 970, a bill to create a Cabinet-level Department of International Trade and Investment. For further information regarding the hearing, you may contact Ms. Marian Malashevich at 244-2441.

SUBCOMMITTEE ON INTERNATIONAL FINANCE AND MONETARY POLICY AND THE SUBCOMMITTEE ON SECURITIES

Mr. GARN. Mr. President, on behalf of the Committee on Banking, Housing and Urban Affairs, I am announcing that the Subcommittee on International Finance and Monetary Policy and the Subcommittee on Securities will continue joint hearings on S. 708 on June 16, 1981, at 9:30 a.m.

The hearing on June 16 will be held in room 5302 of the Dirksen Senate Office Building. The subcommittees held 2 days of hearings on S. 708, the "Business Accounting and Foreign Trade Simplification Act," on May 20 and 21, 1981.

For further information, interested persons should contact Paul Freedenberg at 224-0891 or John Daniels at 224-1561.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Wednesday, June 3, to mark up budget reconciliation matters within the jurisdiction of the Agriculture Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittee on Intergovernmental Relations of the Governmental Affairs Committee be authorized to meet on Wednesday, June 3, beginning at 9 a.m. to hold oversight hearings on the GAO report entitled "The Community Development Block Grant Program Can Be More Effective in Revitalizing the Nation's Cities."

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

CARDINAL STEFAN WYSZYNSKI

● Mr. LEVIN. Mr. President, Cardinal Stefan Wyszynski, who died in Warsaw last Thursday, led the Polish Catholic Church for 32 years. During that time, he symbolized Poland's quest for freedom from an imposed civil order that was alien to his people. And while Poland's quest for freedom will continue, its path will become more difficult without the guidance of the cardinal whom many regard as the Polish Catholic Church's greatest leader in its 1,000 year history.

The legacy that Cardinal Wyszynski leaves behind should serve as an example to his bereaved followers of the two main objectives in his life: the integrity of Poland's culture and heritage, and the spiritual regeneration of its people. He

was a great Polish patriot. It was said that Cardinal Wyszynski's loyalty to Poland was second only to his loyalty to the Catholic Church.

It was in that light that he helped to guide Poland through its current struggle. His personal mediation of the conflicts between Poland's Communist Government and the Solidarity Union helped to avoid Soviet intervention.

Mr. President, in a state that is officially atheistic, the Polish Government declared a national period of mourning over Cardinal Wyszynski's death. And, perhaps a greater tribute to Cardinal Wyszynski were the institutions represented at his memorial service on Sunday. Joining an estimated quarter of a million Poles gathered in Warsaw's Victory Square were representatives of the Catholic Church, Communist Party and Solidarity Union. This presence was a reminder of Cardinal Wyszynski's influence in a society that he helped forge. And his memory will help guide that society in the future.●

SUPPORT FOR THE PRESIDENT'S ECONOMIC PROGRAM

● Mr. PACKWOOD. Mr. President, I direct your attention, and the attention of my esteemed colleagues in the U.S. Senate to a special survey of timely importance recently conducted by the National Republican Senatorial Committee.

We asked Senatorial Club members for their opinions on several crucial budgetary matters. The results were overwhelming—we have received tens of thousands of responses. I am pleased to report that they have spoken as one.

The message is clear: we must stand firmly behind President Reagan and his program for economic recovery. Let the record show that the members of the National Republican Senatorial Club urge quick action on the administration proposals now before Congress.

I might add that the members of the Senatorial Club are informed, active participants in our political system. When they speak—we are obligated to listen.●

CRS CHINA STUDY

Mr. GLENN. Mr. President, I call attention to a research paper entitled "Increased U.S. Military Sales to China: Arguments and Alternatives." It was prepared by Dr. Robert G. Sutter, specialist in Asian affairs at the Congressional Research Service, Library of Congress, and examines in detail the security relationship between the United States and the People's Republic of China. He gives special attention to the sensitive question of possible U.S. military sales to China. His study succeeds in presenting this complex subject succinctly and with a degree of scholarship I find most impressive.

The study examines all aspects of the arms sales debate and outlines the strategic assumptions held by various contending schools of thought. Dr. Sutter then discusses both the advantages and disadvantages of U.S. military sales to China. He concludes that the "risk of a carefully limited U.S. military transfer to China could be reduced substantially if U.S. leaders shifted to a more clearly defined policy of moderate U.S. objectives toward China that could assure friends and foes alike of American intentions toward the PRC."

I happen to support some expansion of the United States-People's Republic of China strategic dialog, and I am prepared to consider transferring some selective defensive technologies and other military equipment to the People's Republic of China. But I believe strongly that we must move cautiously and in full consideration of our allies' views.

For example, I would oppose a dramatic shift, particularly if it were done in haste and without full consultation with the Congress. But even for those Members of Congress and their staffs who disagree, I believe Dr. Sutter's thought-provoking study deserves careful scrutiny. He has made a major contribution to our knowledge of United States-People's Republic of China relations, and it is must reading for those interested in this vital area of American foreign policy.

I ask that the summary of Dr. Sutter's paper be printed in the RECORD.

The summary follows:

SUMMARY

The rapid development of U.S. relations with the People's Republic of China (PRC) over the past few years has led to the establishment of normal Sino-American economic and political relations and a recent American willingness to sell some military support equipment and civilian technology with military applications to the PRC. Chinese leaders are pressing the United States to go further, notably to sell weapons and weapons-related technology to China. They are strongly supported by U.S. observers who judge that more U.S. military transfers to China are needed to meet current Chinese expectations that the U.S. will sell some weapons and weapons-related technology to China; to increase China's sense of security against the Soviet Union; and to consolidate U.S. political relations with China in anticipation of possible future Sino-American difficulties over Taiwan, U.S.-Soviet arms control and other matters.

American proponents of increased transfers stress the growing need for closer Sino-American cooperation in the face of what is seen as Soviet expansionism abroad. (A few of them judge that the U.S. should soon follow military sales with other forms of security cooperation, leading ultimately to the establishment of a mutual security arrangement between the U.S. and China.) They acknowledge that although U.S. friends and allies in Asia may be unsettled by the transfers, this need not work completely to American disadvantage; it might actually increase U.S. leverage over some of those states, notably Japan. The proponents claim that Moscow views closer U.S.-PRC ties as inevitable and that the USSR is not likely to act rashly in dealing with either China or the United States. Limited U.S. transfers to China are said to present no major impediment to U.S.-Soviet cooperation in such important areas as arms control.

Recent trends in the triangular relationship among the United States, Soviet Union and China are seen by the proponents of increased Sino-American military sales as favoring their case. Pressure for sales to China is likely to build so long as U.S. relations with the Soviet Union remain more hostile than cooperative, U.S. relations with China build toward greater friendship, and Sino-Soviet relations remain stalemated. The Chinese leaders are also likely to continue to press for U.S. military supplies.

Increased military sales to China are strongly opposed by other U.S. observers. Some believe that negotiations with Moscow are a better way to deal with Soviet power than closer strategic alignment with China. Others see problems stemming from possible leadership instability in China or excessive Chinese expectations of, or dependence on, U.S. support; or they voice concern over the rise in Chinese influence and decline in U.S. influence in Asia that is expected to follow U.S. arms sales to China, stressing that China might use its new influence to bully its smaller neighbors, especially Taiwan.

In reaction to the U.S. sales, the Soviet Union might increase military pressure throughout China's periphery—a development that would likely affect negatively U.S. interests as tensions rose in Asia. Japan might feel compelled to adopt a more independent foreign policy that would not necessarily be in U.S. interests. U.S.-Soviet relations could clearly be affected, as the sales to China could lock the United States into a stridently anti-Soviet policy that would preclude progress in arms control negotiations or other important matters.

The arguments of those opposed to the U.S. sales to China suggest that U.S. policy makers will be taking certain—possibly grave—risks if they decide to go ahead with more sales. In the absence of a clear definition of American objectives in developing security relations with China, such ties could well be misinterpreted by Chinese, Soviet, Japanese, Taiwanese or other interested leaders abroad, as well as by opinion leaders in the United States. Friends and foes alike could see the ties as affecting their interests in the extreme—misinterpretations that could lead to reactions with potentially negative consequences for the United States.

If the Reagan Administration does decide to proceed with military sales to China, the likelihood of misinterpretation of that action could be substantially reduced if the United States took the current opportunity to define publicly a set of limited goals for American-China security ties that could command support at home, consolidate relations with China and still reassure U.S. friends and foes in Asia. This would necessitate a change in the American practice during the past decade when U.S. policy makers kept their approaches to Sino-American security ties shrouded behind a veil of ambiguity and secrecy.

THE EASTER SEALS REHABILITATION CENTER OF SOUTHWESTERN CONNECTICUT

● Mr. WEICKER. Mr. President, June 10, 1981, marks the 37th anniversary of the Easter Seals Rehabilitation Center in southwestern Connecticut. It is also the day on which the center's fourth and most recent addition will be formally dedicated. The Rehabilitation Center was first established in 1944 in one room of an old schoolhouse and was directed for 27 years by Ruby C. Oscarson, a pioneer in the field of rehabilitation. Since its modest beginnings the center has provided the highest quality care to nearly 27,000 residents of the region through more than 2 million hours of treatment.

Although the center is fully staffed by a host of professionals from several different disciplines, the center's mainstay has always been its volunteer leadership. The development of this outstanding community commitment, a cooperative effort on the part of concerned citizens,

businesses and local government officials, assisted by a dedicated staff, is reflected by the participants in the upcoming dedication ceremony.

Under the leadership of Mr. Fred T. Allen, chairman of the board and executive officer of Pitney Bowes, Inc., funds for the new construction were received from corporations, businesses and interested individuals. Mr. David T. Kearn, president of the Xerox Corp., has also provided a great deal of assistance to the center in addition to his responsibilities as the Chairman of the U.S. Council for the International Year of the Disabled Persons. Both David Albert, the current president of the board, and Mrs. Edward Plaut, president of the board when the first facility was completed in 1954, have provided much of the overall leadership over the years necessary to make the newest addition to the center a reality. Very ably assisting in these efforts has been the dedicated staff under the leadership of James L. Shearin, executive director.

All of these individuals, Mr. President, exemplify the epitome of citizen voluntarism and leadership. It is for this reason that I would lke to ask my colleagues to join me in extending congratulations and best wishes for the future to the entire Rehabilitation Center, its staff, board of directors, and volunteers.●

A COMPARISON OF NATIONAL SECURITY APPROACHES

● Mr. KENNEDY. Mr. President, last month, Robert W. Barnett wrote a series of three interesting and perceptive articles for the Baltimore Sun which compared approaches to national budgets and national security in America, China, and Japan.

Formerly Deputy Assistant Secretary of State and now a senior fellow of the Asian Society and resident associate of the Carnegie Endowment for International Peace, Mr. Barnett notes that "China and Japan share with the United States an acute awareness of threat from the Soviet Union, but they respond differently to it.

In the wake of the major budget debate which has just occurred in the Congress, I believe that Robert Barnett's findings on the continuing responses of these three important countries are of particular interest, and I request that his series, "National Budgets, National Security," be printed in full at this point in the RECORD.

The material follows:

NATIONAL BUDGETS, NATIONAL SECURITY—I

(By Robert W. Barnett)

China and Japan share with the United States an acute awareness of threat from the Soviet Union, but they are responding differently to it.

Peking and Tokyo observe, all the time, very nearby evidence of formidable Soviet military capability. Forty-five Russian divisions and a forest of nuclear-armed missiles stand along China's northern frontier. Soviet warships, aircraft and merchant vessels move today into Haiphong, Danang and Cam Ranh Bay, constant reminders of the military potentials of Moscow's links with Hanoi.

The growing Navy of the Soviet Union can steam into the Pacific Ocean from Siberian bases only by moving through narrow straits which can be seen across from Japan's shores. The Soviet Union occupies four small northern Japan islands—despite Tokyo's challenge of its right to remain there—and one is now being provided with new military capability.

Soviet military aircraft skirt and sometimes penetrate Japanese air space.

A Russian military capability to pounce on Chinese or Japanese targets lies only minutes away. In our environment of nuclear missiles, that may be true for all countries, but the Chinese and Japanese, looking at their maps, sense the immediacy of danger.

President Reagan occupies the White House today because he convinced the American people that he could do better than the Carter administration in handling threats to the nation seen in the emergence of superior Soviet military capability and in pernicious price inflation. While the whole world watches, the Reagan administration now proposes to lick inflation by cutting almost $50 billion in non-defense spending and to make the country strong by adding almost $50 billion to the budget for the military establishment.

Budget calculations of superpowers differ, obviously, from those of countries not having that aspiration. However, for all countries budgets reveal not only values, vulnerabilities and sought-for capabilities, but also self-image.

Everything past, present, and future is involved in how a nation goes about deciding what to set aside as not essential, how to pay for what it wants to do, and whether that cost will be borne today or by the future.

Perceptions of necessity differ as viewed by governments in Peking, Tokyo and Washington.

China's mortal vulnerability is price inflation and both modernization and amiable foreign relations must be subordinated to bringing it under control. Japan's is assured access to resources without reliance on force of arms. Washington's appears to be to regain self-esteem and by behavior at home to insure the good opinion of others abroad.

Washington is in the throes of a budget crisis which is a test of this nation's intention. Peking and Tokyo have just passed through crises of comparable severity. Our circumstances differ from theirs, of course, but there is value in making note of how their analyses of national requirements have led to judgments which differ conspicuously from those about to be made by the United States.

Peking and Tokyo are by no means novices in analyzing the dynamics of security for the individual, the group, the nation and the international neighborhood. Both take for granted the refinement of their cultural traditions, their knowledge of war and peace, the possibility of good government and of corrupt government, cycles of affluence and of natural and social disaster, and an ancient ethical idiom by which public responsibility in their countries is judged. Their national commitments, even when fluctuating, are not inadvertent, or, from their standpoint, irresponsible. They, too, as we do, try to take everything into account. Their budgets announce their priorities.

In 1979, the People's Republic of China spent the equivalent of $15.1 billion on its military establishment, or about 11 percent of China's gross national product (GNP). This was a $1.3 billion over-run, largely attributable to China's 17-day Vietnam War, in which direct Russian involvement was an understood possibility. In 1980, despite great rhetorical stress on the Soviet threat, China cut military spending by 13.3 percent—to $13.1 billion—so as to increase the allocation of resources to agriculture, light industry, transportation, communications, education—in short, for the people's welfare, and to bring in sight a prospect for basic economic growth without inflation. The same commitment to that priority is evident in the 1981 budget. Peking believes that this is, in fundamental terms, the only way to gain real national security.

Last spring Prime Minister Masayoshi Ohira talked in Washington with President Carter, Defense Secretary Harold Brown and the State Department about wanting to increase Japan's contribution to our mutual security. For years, Washington and Tokyo have discussed Japan's "no-war" Constitution, its tradition of a 1-percent-of-GNP limit on military spending, Japan's nuclear allergy and charges in Congress and in the American business community that Japan was getting a "free-ride" on security. Those were always ingredients in mutual security discussions. In 1980, Iran, Afghanistan and, marginally, Cambodia had given added urgency to consideration of common vulnerabilities. Washington believed, after the Ohira talks, that Tokyo had promised to increase its military budget of about $10.2 billion—just less than .9 percent of GNP—by 9.7 percent. Doing this would cause Japan to exceed slightly 1 percent of its GNP in defense spending within three or four years.

However, on New Year's Day, Tokyo announced an intention to make a budget increase of only 7.6 percent. The State Department promptly complained. Many defense-minded Japanese were disappointed. But Tokyo's decision has to be seen as reflecting a deliberate calculation of Japan's comprehensive national security priorities.

So Chinese and Japanese national security spending priorities do differ significantly from ours. These differences are no secret, but the differences are not discussed with the care that might give them instructive value.

NATIONAL BUDGETS, NATIONAL SECURITY—II

(By Robert W. Barnett)

In discussing China, we must start with the proposition that self-reliance stands at the very center of Chinese Communist military strategy.

All of the heroic figures of the Long March and of Yenan were authentic military commanders and strategists. Mao's most quoted maxim is "political power comes from the mouth of a gun." But power for China's leaders was never real unless rooted in the capability and intention of ordinary Chinese people whose interests were the first principle of security, and the ultimate precondition of self-reliance. The U.S.S.R. was never the quartermaster for the People's Liberation Army, nor will the Pentagon be.

Some charge China with the same hegemonistic superpower intention which Peking attributes to Moscow. I do not. Poverty and unsolved domestic problems prohibit use of China's resources that way for a long time to come. China will not be an aggressor, but it will respond, promptly and vigorously, to any penetration of its borders.

As recently as January, 1979, China did, in fact, attack Vietnam, to teach it a lesson, to divert Vietnam's forces from Cambodia, to reassure Thailand, to forestall an "encircling" Soviet present in the South, and to frustrate Vietnam's first serious steps towards effective economic reconstruction.

But, paradoxically, it was China which was taught the lesson. Its 17 days of combat cost it something like all the money intended for investment in the modernization of China's entire military establishment during the year 1979. In taking that loss, China also compromised its reputation as a peace-loving nation, fanned anti-Chinese paranoia in Southeast Asia and increased Soviet involvement in Vietnam.

I believe that, inadvertently, China may have been instrumental in underlining, for itself and others, what war in Vietnam should have demonstrated to the United States and what Afghanistan should be teaching Moscow: Limited and sub-limited wars are not cost-effective for "aggressors." Peking will, I think, be guided by this lesson for the rest of the coming decade.

But what about nuclear capabilities and strategies? The evolution of Mao's attitudes is interesting. Right off, he equated possession of a nuclear weapons capability with status. He believed, however, that atom bombs could not decide wars. Peking has a nuclear weapons capability. But it exists for an entirely political reason: to break the monopoly of the two superpowers. According to Mao, nuclear weapons themselves are useless, and their actual number more or less irrelevant. Mao told Andre Malraux in 1965 that six would be enough. Mao did not fear nuclear weapons and believed that their potency depended entirely upon their being feared. It was fear that deterred.

Peking will continue to invest in nuclear capability only what is needed to confirm knowledge that it possesses reliable second-strike power, and not much more. China will possess means to have always an invulnerable weapon or two sure to reach Moscow, Leningrad, Vladivostok—or another target or two of its choice. That capability, infinitesimal in the context of SALT vocabularies, will be enough, according to the Chinese, to deter the Soviet Union or any other nuclear-armed adversary from the "intimidating" strategic braggadocio of overkill.

China will be a modest and relatively restrained actor in the world military scene, convinced that deterrence is in the imagination, and that possession of just a few weapons sure to exterminate swiftly an enemy capital may be all that is necessary to arrest resort to nuclear weaponry by anyone. Meanwhile, Chinese leaders recognize that the most immediate real threat to national security is price inflation, and in the breakdown of domestic order, demoralization among the people, and the failure of government authority to hold out hope for a better future. For that reason China's priorities are what we now see them to be. They require, just now, cancellation of heavy investment in capital plant, and great restraint in defense spending.

Post-war, resource-poor Japan, disarmed and stripped of overseas territory, and with only half the population of the United States or of the Soviet Union, has become the third economy in the world. Now condemned by some of us for devoting less than 1 percent of its gross national product to arms spending, still it administers the seventh or eighth largest military establishment in the world. As we know, Japan often claims to spend no more because of its no-war Constitution, public revulsion against war, concern over disapproval by other countries for destabilizing remilitarization, and so forth. But Japan's unspoken reasons may be quite different.

Even with the Soviet Union a close neighbor, Japan's survival is threatened far more by its vulnerability to events which could not be cured, or even much affected, except unfavorably, by the actual use of any military power. The Japanese economic system depends, vitally, upon access to imported raw materials, particularly oil, and particularly from the Middle East.

No Japanese leader can plausibly explain to the Diet how prospects of access to that oil could be improved by Japanese possession of naval, air, or ground forces deployable to that area were it endangered by domestic turmoil or external aggression. The Japanese Diet will not vote large military budgets without being told against whom Japan's forces would be used, where and for what ultimate purpose.

So far the most plausible rationale offered is that they could replace American forces re-deployed from Japan elsewhere. But many thoughtful Japanese have difficulty—even then—in imagining where the released American forces would fight for any purpose that could diminish and not increase Japan's own basic vulnerabilities.

A war in the Middle East which stopped or even suspended Japan's and Europe's supply of oil would be, for Japan, a disaster. And closer to home, a brilliant Japanese trip-wire engagement designed, strategically, to hold up a Soviet assault on the home islands until Washington could organize appropriate retaliation could spell national suicide if it were a prelude to nuclear exchange. Japan does not have China's geographic and demographic assets.

For these reasons, intellectual leaders of the Japanese establishment like Saburo Okita and Kiichi Saeki, haunted by the necessity to define real national security, have advocated a concept of comprehensive security in which weapons are only a low-priority ingredient. Assistance to developing countries in the destabilizing throes of modernization, reinforcement of strategies for easing inflation and curing crippling trade and financial imbalances, captial and technology transfers to increase the productivity of agriculture and industry in developing countries, greater cultural interchanges: These are also ways to forestall explosions of despair and violence which can tear to pieces the general environment of order and hope within which both rich and poor countries can best cope with basic structural problems which face the globe.

Conspiracy and the use of force are dangers. But so, for example, are population growth, exhaustion of finite natural resources, dehumanization of productive processes, pathological urbanization, racial and religious antagonisms—from which no country is exempt.

How can Japan's possession of a large military establishment help to resolve these dangers? It probably couldn't. For this reason many Japanese prefer to think of paying, much more heavily than ever before, for what would be Japan's share in "comprehensive" security; in expanded economic aid.

NATIONAL BUDGETS, NATIONAL SECURITY—III

(By Robert W. Barnett)

Inherent in these kinds of decisions is, of course, a feeling about the future. What people and their governments do often measures conviction and values even more than what they say.

And I want to suggest that "saving" and "studying" are, very clearly, future-oriented activities. To save and to study is doing something—not just talk. The power and greatness of the United States has been based on its capacity for capital accumulation—through saving—and on the quality of its people—achieved by investment in general and very advanced education.

These characteristics of the American system, rather than just our political institutions, are what East Asian countries, through the past century, have noticed and have most wanted to emulate, in environments much less generous than ours.

But what now must Americans—and East Asians—conclude is the future orientation in the actual priority Washington accords to the use of American resources?

During 1979, 27 percent of public expenditure in the United States was devoted to defense, compared to 19 percent for education. Comparable figures for Japan were 7 percent and 12 percent; and for China, they were 15 percent and 22 percent.

We defer spending, as individuals and societies, because of belief that there is a future—to make the future better. But we are not now doing as well as we used to—or as some other countries now do. Last year, in the United States, private, corporate and government saving represented 18 percent of the gross national product (GNP). Japan's represented 30 percent; China's, something like 25 percent. Psychologically significant "personal" savings in the United States and in Japan were, respectively, at 6 percent and 20 percent of "personal" income!

All East Asians know that their future, as well as ours, will be vitally affected by the wisdom of the choices President Reagan makes in restoring vitality to the American economy and in achieving real national security for the United States. They listened as both Governor Reagan and President Carter were agreeing last autumn on the need to spend much more on the U.S. military establishment, saying, essentially, that this was necessary because the Soviet Union is spending 12 percent of its GNP (against 6 percent U.S. spending) and because on the drawing board the United States could not be sure of superiority in all significant categories of weapons capability. East Asians now know that Defense Secretary Caspar Weinberger dislikes to talk about such "percentages" or about automatic dollar/combat capability equations. But, to East Asia, Washington gives the impression that almost everybody is demanding that much more money be spent on weapons.

But some of them may wonder whether anyone in the Reagan administration listens when former Chairman of the Joint Chiefs of Staff Maxwell Taylor says that fewer weapons at lower cost, and a better defined strategy should replace mere acquisition of "vast new military programs, consisting largely of high-priced weaponry." This would regain for the United States a respect in the international community now being forfeited by Washington's seeming readiness to acquiesce in almost all of the weapons-hungary demands of the competing services of its military establishment.

Others wonder how it can be that defense spending should increase by 5 percent annually without creating both unmanageable domestic turmoil and stoking savage inflation, in an economic setting where GNP growth may be under 2.5 percent, where productivity is already declining by 1 percent annually, and where federal payments to individuals have risen from 22 percent of the budget only 20 years ago to about 50 percent of it today.

Some East Asians wonder if the President and his Secretary of State have listened to Lester Thurow warn that "United States has fallen to tenth among all nations in per capita gross national product. . . . Productivity is falling in the United States; almost everywhere else it is rising. Extend current economic trends 20 years into the future, and, regardless of missiles or diplomats, present U.S. alliances and foreign policies will be in shambles."

President Reagan will soon have things to say about our powers, vulnerabilities, and responsibilities, to our East Asian friends, and about what we expect from them. If he listens, to, many of these friends will tell him that a breakdown in the American economy—unmanageable inflation, high unemployment, trade protectionism, and drying up of available capital—is a greater potential threat to their survival than the Soviet Navy ever could be: Mere possession of more weapons at the price of rising domestic, social, and economic disorder would betray not only the true security of the American people, but of theirs as well. Some speak of the Wisdom of the East: This might be it.●

RETIREMENT OF DR. GENE HENDERSON

● Mr. DANFORTH. Mr. President, on June 7, Dr. Gene Henderson, superintendent of the Francis Howell School District of St. Charles County, Mo., will mark his retirement from a long and productive career in the public schools of Missouri.

Dr. Henderson was born in 1927, in Fulton, Mo. He began his career as an educator in 1949, in the schools of Fulton; for 4 years, he taught in the schools where he had gained knowledge as a student. Between 1953 and 1961, he served as a band instructor in the public schools of Bethany. In 1961, he assumed the superintendency of the Martinsville schools, serving for 1 year. From 1962 until 1965, Dr. Henderson was superintendent of schools in the Chamois system. In 1965, he became superintendent of the Francis Howell School District, where he has served as the district's principal administrative officer for 16 years.

I join the patrons and students of the Francis Howell district in the recognition of Dr. Henderson's contribution to public education and in extending every hope for enjoyment in retirement with his wife, Bonnie.●

MEMORIAL DAY ADDRESS BY SENATOR LUGAR

● Mr. LUGAR. Mr. President, on May 22, I had the honor of speaking at the Indianapolis 500 Festival Memorial Service on Monument Circle. This service is a moving tribute to all those who gave their lives that we may live in freedom. I ask that my remarks be entered into the RECORD.

The remarks follow:

MEMORIAL DAY ADDRESS 1981

(By Senator RICHARD G. LUGAR)

Independence Day celebrates the birth of a young nation. We are still moved by the vision and courage which American patriots displayed over two hundreds years ago. With youthful enthusiasm and great courage, they defied the imperial power of the Old World. In the midst of great danger, they pledged to each other their lives, their fortunes, and their sacred honor. Theirs was a confidence and exuberance of men and women dedicated to achieving the rights and freedoms that they believed had been granted to them and to all men by Almighty God.

Memorial Day reminds us of the cost of our Independence Day—the pain of defiance and the price of asserting the dignity of persons in a world of intense passions, powerful interests, and tyrannical tendencies. Memorial Day recalls to us the many young lives snuffed out before their time, fields not planted, homes not built, and children unborn. It recalls to us sacrifices made to protect our towns and cities, our neighborhoods, our homes and churches, and the fierce independence of Americans. It recalls to us the reality of selfless acts of patriotism by many, many Americans whose deeds and whose names will remain forever unknown to us.

It is well to be reminded of this, for we are often forgetful. It is especially important now, for there are people here and abroad who wish *not* to remember the price of freedom. There are those who counsel that freedom faces no dangers which cannot be accommodated, averted, or otherwise wished away. Today, for example, Prime Minister Helmut Schmidt of Germany is in Washington. He is trying at great risk to his own political future to hold fast to an alliance of free nations against those of his own political party who favor ever greater accommodation with the Soviet Union. Indeed, there are many statesmen in many countries of the world today whose chief defense of freedom consists in hoping to tame and to moderate the Soviet Union. To adopt this course requires an hyprocrisy which knows no bounds: the Soviet conquest of Afghanistan is called a defensive action; hundreds of missiles pointed at European cities are called defensive weapons; Soviet proxy terrorists are called freedom fighters; and Soviet ships in American coastal waters are called defensive fleets.

For this perverse understanding the towering Russian author Alexandr Solzhenitsyn provides a sobering antidote. He has recently written these words:

"Anyone not hopelessly blinded by his own illusions must recognize that the West today finds itself in a crisis, perhaps even in mortal danger. One could point to numerous particular causes or trace the specific stages over the last 60 years which have led to the present state of affairs. But the ultimate cause clearly lies in 60 years of obstinate blindness to the true nature of communism.

"I am not concerned here with those who cherish, glorify and defend communism to this day. To such people I have nothing to say. Yet there are many others who are aware that communism is an evil and menace to the world, but who have nevertheless failed to grasp its implaccable nature. And such individuals, in their capacities as policy advisors and political leaders, are even now committing fresh blunders which will inevitably have lethal repercusions in the future.

(A common mistake) is the falure to understand the radical hostility of communism to mankind as a whole—the failure to realize that communism is irredeemable, that there exist no "better" variants of communism, that it is incapable of growing "kinder," that it cannot survive as an ideology without using terror, and that, consequently, to coexist with communism on the same planet is impossible. Either it will spread, cancerlike, to destroy mankind, or else mankind will have to rid itself of communism . . ."

In the land of Solzhenitsyn there is no Independence Day, for there is no independence to celebrate. I remember well my visit to the Soviet Union in August of 1979. There one can literally feel what Solzhenitsyn describes so eloquently—the iron grip of totalitarian state control over every minute of every life; the constant erosion of human dignity; and the systematic destruction of the human spirit. All people grieve their dead; but in the land of Solzhenitsyn there is no celebration of individual human destiny in a memorial day. It is our special privilege to remember that American sacrifice has had this meaning: to serve a nation of people striving to preserve and to expand human liberty and dignity in a world marked by despotism, barbarism, and terrorism.

In recent days two poignant events have reminded Americans of further threats to decency, free institutions, and dignity. As he paused to wave to American citizens in the nation's capitol, the President of the United States was shot and nearly killed. And more recently, Pope John Paul II was shot and nearly killed as he greeted worshippers in St. Peter's Square. Americans were shocked and outraged by these acts. But as we have reflected upon the attacks upon these two men—who perhaps more than any others guide the course of the human spirit today—we have been told by some political observers that such attacks are inevitable in an unjust and troubled world. I, for one, am outraged that anyone would attack the Pope or the President for any reason, and deeply disturbed by the presence of spurious analysis which rationalizes and explains away such attacks. Surely, there are times for moral judgment and unequivocal condemnation and we have just encountered two such times.

Memorial Day is a reminder that we must pay a deep and bittersweet price if we wish to preserve our independence. Selfishness, indifference, and resignation are not consistent with the preservation of our free and independent way of life. For we as creatures of God, the ideals of human liberty and dignity require constant struggle, diligence, and sacrifice.

It is self-indulgent, fundamentally mistaken, and morally deficient to argue that the world would be safer if America were weaker or more tolerant of evil; that the Soviet Union represents no serious threat to the West; that it is our military power which threatens the peace; and that our example, alone, will cause dedicated despots to alter their ways. It is a moral trust to make clear to all the world that the United States is prepared to defend against those who threaten freedom and dignity, and that it will be prepared to do so.

We must not permit ourselves a phony libertarian self-indulgence which makes it impossible to protect Presidents and Popes. Our Constitutional framework implies many ways in which we can and must act together in common cause to secure our lives, our liberty, and our happiness. The signers of the Declaration of Independence were prepared to hang together or to be hung separately. And so must we, in the knowledge that the preservation of our nation requires more than the random actions of self-centered individuals.

America's is a national fabric strong enough to make the abstract ideal of freedom work in a world in which liberty is still the exception in practice. This fabric has depended upon the sacrifice of many brave patriots. But we will understand the death of patriots only if we know and revere patriotism. And we will understand the sacrifice of many brave Americans only if we profoundly respect the history of our land and its place among the nations of the world. And we will appreciate the meaning of this day only if we hold in awe the Almighty God who looks down upon the frailty of our great institutions with knowing comprehension.

Memorial Day is a day to reflect upon those who have sacrificed for their country. But this day will be hollow if we do not reflect upon the fact that some of us, too, may one day be required to make major sacrifices for our country. Appeals to a world of safety and freedom which knows no dangers are illusory. We are obliged to the American men and women who have died for us to give great care to the common good and to the conditions for its preservation. To do less would not do justice to the memory of those Americans we honor today.●

LEGISLATIVE PROSPECTS FOR SPECIAL EDUCATION: UNANSWERED QUESTIONS; UNFULFILLED GOALS

● Mr. WEICKER. Mr. President, on April 3, 1981, my distinguished colleague and friend, Senator CHARLES MATHIAS, spoke at the 20th anniversary celebration for the Christ Church Guild Center in Bethesda, Md. His speech very eloquently addressed the education of handicapped children, not only as it is carried out at the guild center, but the national story as well. Education for the handicapped has come a long way, but there are still many unfulfilled goals in our attempts to provide an appropriate education for our

handicapped citizens. Senator MATHIAS articulates these issues at a time when many of us are concerned about the future funding of this vital program. I would like to submit Senator MATHIAS' speech for the RECORD so that it may stand as a testament to America's commitment to our handicapped children.

Mr. President, I ask that Senator MATHIAS' speech be entered into the RECORD at this point.

The remarks follow:

LEGISLATIVE PROSPECTS FOR SPECIAL EDUCATION: UNANSWERED QUESTIONS; UNFULFILLED GOALS

(By Senator CHARLES McC. MATHIAS, JR.)

It is a great pleasure to be with you this afternoon to help celebrate the 20th Anniversary of Christ Church Child Center. It is always a pleasure to associate with people who are dedicated to helping others lead happier, more fulfilling lives, but when those people are helping handicapped children, it is a positive joy.

Christ Church Child Center is a unique and wonderful organization. Your interdisciplinary approach to the children and their families was already fully developed when public schools were still either shunting aside the handicapped, providing them with segregated classrooms and inadequate teaching, or had discouraged them from attending classes altogether. Nearly 15 years before anyone had ever heard of Public Law 94–142, you were blazing trails in the education of handicapped children.

With the passage of the Education for the Handicapped Act in 1975, this nation made a unique commitment to handicapped children. I do not know of any counterpart to P.L. 94–142 in any other nation in the world. The law not only affirms the educational rights of the handicapped, it also establishes programs to assure those rights as the public policy of the United States.

As many of you know, Public Law 94–142 evolved from state laws that urged, but did not require, the education of the handicapped. When those laws proved ineffective, state "mandatory" laws were passed requiring such services, but adequate funds were never provided to pay for them. Children were still not being served, so parents turned to the courts.

In 1974 Judge John Raine in the Circuit Court for Baltimore County, Maryland, ruled on a class action suit. The Maryland Association for Retarded Children had sued the State of Maryland on behalf of all the State's retarded children. Judge Raine decreed that:

"It is the established policy of the State of Maryland to provide a free education to all persons between the ages of 5 and 20 years, and this includes children with handicaps, and particularly mentally retarded children, regardless of how severely and profoundly retarded they may be."

A series of parallel state and federal court decisions supporting the claims of handicapped children set the stage for congressional action.

The Education of the Handicapped Act authorizes the federal government to make grants to state and local agencies to help with the excess cost of special education. It also requires the federal government to assure that states are in compliance with the law's requirements of specific due process procedures, individual education plans, and other protections for children and parents. In a sense, the Act is both a discretionary grant program and a civil rights law.

As a result of this mix of state and federal laws and appropriations and court decisions, we have reached the highest level of service on behalf of handicapped children in history. Almost four million children are receiving special education, geared to individual education plans as the law requires. Better quality education is being provided. More parents are participating cooperatively with school officials than ever before. More care is being taken to protect the constitutional rights of parents and children than ever before.

Clearly, education for the handicapped has come a long way since those landmark court decisions and the initial legislation. But sometimes what we hail as a landmark achievement turns out to be only the first milestone on a very long, very rough road.

This is what we are finding out about Public Law 94–142. And it is just what we found about civil rights legislation. Too often in these difficult areas court decisions and laws are only the beginning of a process, not the end.

For example, Title VIII of the 1968 Civil Rights Act made it the law of the land "to provide . . . for fair housing throughout the United States". But recent studies show that while residential desegregation is occurring both in suburban areas and in cities, discrimination still exists in the sale and rental of housing and in mortgage lending.

This is very discouraging 13 years after the Fair Housing law took effect. But not one of us who fought for that legislation is going to give up on it because it hasn't lived up to our highest hopes. We know that we have to work harder to make the law work better. And that's why in February I introduced a new Fair Housing Act to modify the law and to provide an enforcement mechanism. My bill also includes the handicapped as a protected class for the first time.

I think that's pretty much where we are now with Public Law 94–142. There have been problems and uncertainties. There are still unfulfilled goals. But I am not prepared to give up on it and neither are you.

Henry Ward Beecher, a great civil libertarian and a wise human being, thought that "law and institutions are constantly tending to gravitate. Like clocks," he said, "they must be occasionally cleansed, and wound up, and set to true time."

I myself do not have the key that will wind up Public Law 94–142 and set it to true time. But clearly that is what needs to be done. I have no doubt that, working together, public and private agencies and individuals concerned with the education of handicapped children will find the proper key.

Public Law 94–142 was a tremendous breakthrough. If its goal is to be met by at least the mid-1980's, we have to address several major problems. These concern me, and I am sure they trouble you too.

Some questions on eligibility criteria need to be resolved. For example, nearly one-third of the children counted as handicapped under the program are classified as speech-impaired. They are receiving only speech therapy. For this number of children, states received about $235 million in federal grant funds for fiscal year 1980.

The General Accounting Office reports that the speech-impaired children include many who receive therapy for impairments such as lisping, stuttering, and word pronunciation problems. For example, they say "wabbit" for "rabbit" or "bud" for "bird". Other children have voice tones which are low, high, nasal, harsh or hoarse.

I am not questioning whether such children need speech therapy. Speech therapy may be vital for them to master the basic skill of effective communication. What I am questioning is whether the Congress intended that they be served under the 94–142 program as handicapped children.

The law and its legislative history are unclear on this. Nevertheless, the Department of Education issued a bulletin in July 1980 to permit children receiving only speech therapy to be counted as handicapped for federal funding.

I am raising the question because of the significant dollar impact that including such children has on the total program. It is all very well to talk about "appropriate free education for all handicapped children" but, when funds are limited, putting this principle into action can force you to make some anguishing policy decisions.

Two years ago listening to witnesses testify at a hearing on Public Law 94–142, I began to realize just how difficult it is for you to make those decisions because the precise legislative intent of Public Law 94–142 still is far from clear. There was not even any consensus among those expert witnesses about what the terms "handicapped" and "least restrictive environment" and "free, appropriate education" mean.

The question I asked the education professionals at that hearing and the question I would like to ask you is this: Would it alarm you, or reassure you, if Congress attempted to delineate more carefully some of the categories of limits of handicaps under the 94–142 program?

A great many other issues remain to be resolved if the goal of Public Law 94–142 is to be met by the mid-1980's. But the greatest challenge before us is obtaining adequate federal funding for Public Law 94–142. The lack of money to pay for needed personnel, space, supplies and other services is and has been the principal barrier to providing full, appropriate education programming for all handicapped children. It is a problem I have been wrestling with since before Public Law 94–142 became law. And I am sorry to say it is a problem that is getting harder rather than easier to surmount.

My work in 1974 in amending Public Law 93–380, the precursor to Public Law 94–142, established the principle that the federal government should help shoulder the extra costs for funding education of handicapped children. It also established the formula for this funding. At the beginning of Public Law 94–142, the federal government promised to be a responsible financial partner with state and local agencies in providing the services mandated by the Act and, for the first two years under the law, the federal government honored that commitment. But then things began to slide.

I still bear battle scars from later fights in the Appropriations Committee to get the federal government to live up to its pledges. But as you well know, the actual funds annually requested by the President and finally appropriated by Congress are considerably less than the full funding levels authorized by 94–142.

Now I am deeply concerned about the future funding of the program. President Reagan has proposed that 94–142 funds be consolidated next year with funds of 44 federal elementary and secondary education programs into two block grants—one for local educational agencies and the other for state educational agencies.

The intent, as stated by the Administration, is to decrease federal control over these programs and to increase local flexibility in the use of federal aid. The Administration proposes to cut the combined funding of all these programs by 25 percent. It argues that the cut would be partially offset by lower administrative costs due to reduced regulatory and paperwork burdens.

For the handicapped, both the state grant and preschool incentive grant programs are included in the proposed block grant for local educational agencies along with 10 other federal education programs. Together these would serve the economically disadvantaged, migrants, adults needing basic education, and school districts undergoing

desegregation, as well as handicapped children.

The consolidation proposal would generally eliminate requirements for state and local matching funds and would allow federal funds to supplant state and local funds. The proposal does not specify any program purposes or objectives or special services that would have to be provided by the recipients of the block grants.

I am not at all optimistic about our chances of ever coming out anywhere near the authorized funding level for 94–142. Even maintaining the current funding level will be a challenge. The President has proposed rescinding 25 percent of the funds that Congress has already apportioned under 94–142 for the school year which starts this fall.

As I said earlier, next year—the first year of the block grants—the Administration has proposed a 25 percent reduction for education programs. But I think we have some grounds for hope here. The Senate Committee on Labor and Human Resources rejected the proposed cuts for 94–142 grants and instead recommended a 10 percent increase above the current level. That recommendation would increase 94–142 grant funding from $922 million to slightly over $1 billion.

The Senate Budget Committee, however, rejected the 10 percent increase for the next year but did maintain the current funding level despite the Administration's request for a 25 percent cut.

Over the past several years—largely through the trail-blazing of organizations like Christ Church Child Center and the leadership of the professionals in special education—virtually every school district in the nation has moved toward affirming the fundamental rights of handicapped children.

This is a substantial achievement especially when you consider that when I was a boy growing up in Frederick, Maryland, families with handicapped children literally locked them away; hid them from public view.

So we can be proud of what we have achieved. But we still have a very long way to go and now, just when we're beginning to see real signs of progress both in attitudes toward the handicapped and in education for handicapped children, is no time to turn back.

If new limits on federal spending must curtail or slow down delivery of some federal services, we must redouble our efforts to fulfill the goal of 94–412: "to assure the free appropriate public education of all handicapped children."

I can think of no more appropriate way for all of us to mark this 20th Anniversary of the Christ Church Child Center than by reaffirming our shared commitment to America's handicapped children.●

THE YOUTH CAREER INTERN PROGRAM ACT

● Mr. CHAFEE. Mr. President, I am proud to be an original cosponsor of legislation which would help disadvantaged youths to become productive and educated members of society. This bill attacks youth unemployment and rising school dropout rates—two problems of startling proportions. It does so by encouraging community-based organizations and local educational agencies to establish career intern programs.

Youth unemployment is virtually endemic to many areas of this country. In 1980, the unemployment rate among teenagers was over 17 percent; the rate for minority group teenagers was over twice that. Equally alarming, and by no means unrelated, are the enormous numbers of youths who are dropping out of school, running away from home, and getting in trouble with the law. Youths who are without even the prospect of jobs which provide security and the opportunity for advancement often become destructive of themselves and society. It is vital that youths be given the opportunity to acquire skills that will allow them to support and improve themselves.

Programs and theories aimed at resolving youth unemployment abound. Yet, many are of dubious value or seriously flawed. This bill endorses an approach with proven success. Education is an essential prerequisite to placing and keeping youths in the workforce. It readies them not only for work, but for life. Community-based organizations, such as the opportunities industrialization centers, are best able to respond to youth unemployment and its attendant problems. For it is they who best understand the conditions which give rise to the problems which youths face. These groups have worked with local education agencies to rescue high school dropouts, to teach them basic skills, and to train them for productive jobs.

In this time of budgetary restraint, it is essential that we recognize that career intern programs have been cost effective. They have provided education and training at costs at or below those offered in traditional settings. Moreover, they have made productive citizens out of disillusioned youths who might otherwise have dwelled in a state of hopelessness and been lifelong recipients of public aid.

We are now engaged in a stringent review of various CETA programs. As we seek to eliminate or correct those elements of CETA which have not worked, we must not abandon the goal of reducing youth unemployment. By embracing an approach which has demonstrated its effectiveness, we will be directing our energies toward giving a justifiable sense of hope to those youths who most desperately need our help.●

KANSAS CITY UNITES TO FIGHT YOUTH UNEMPLOYMENT

● Mr. EAGLETON. Mr. President, I would like to commend private initiatives and the city government of Kansas City, Mo., for taking important strides in fighting the problem of youth employment.

In today's economy, many young people, especially disadvantaged youths, are presented with little opportunity for job experience. With the decrease of Federal involvement in this area, it is imperative that the private sector take an active role.

The Chamber of Commerce of Greater Kansas City, the Kansas City Alliance of Business, the Urban League of Greater Kansas City, the Private Industry Council of Kansas City, the Kansas City Central Labor Council, and the city have done just that.

Under the leadership of these sponsoring organizations, a drive has begun to provide 2,500 summer jobs for the disadvantaged youths of Kansas City. Through the efforts of volunteers, business executives, and employers the needs of both industry and jobseeking young people will be met.

Mr. President, I urge other cities across the Nation to follow the lead provided by Kansas City and set up similar programs. The result will be higher employment, a better trained work force, and an improved level of income and independence among our young people.

I ask to have printed in the RECORD an article which appeared on May 29, 1981, which highlights the details of the program and reflects my views on this important initiative now underway in Kansas City.

The article follows:

FINDING SUMMER JOBS

For any young person, the first or interim job between school and lifetime adult work is extremely important, supplying some money to help with living expenses as well as insight into the satisfaction of being independent. For disadvantaged youth, the first steps into the work world have even greater consequences.

Recognizing they can't make much progress if the jobs aren't available, Kansas City private industry intends to find some spots suitable for fledgling workers. A concentrated drive has started to develop 2,500 summer jobs for disadvantaged youth under the leadership of the Chamber of Commerce of Greater Kansas City, the Kansas City Alliance of Business, the Urban League of Greater Kansas City, the Private Industry Council of Kansas City and the city.

A volunteer telephone bank, getting an early start this week, will contact businesses asking if they will provide jobs. Chief executives of 10 industry groups will solicit positions from firms in those fields. The Kansas City Alliance of Business will handle placements and the Kansas City Comprehensive Employment and Training Act program will make referrals from a pool of needy youth.

The combination of a slow economy and the shrinking of federal job programs intensifies an already bleak situation in youth employment. About 600 fewer CETA jobs will be available this year, with further cuts expected next year. It's always harder for young people to find jobs than adults, now having their own troubles with a 7 percent unemployment rate. Year-long projections for 1981 indicate that 24.2 percent of those 16 and 17 will be unemployed, for example, and the rate for non-white youths is expected to be 51.8 percent here.

The retreat by the federal government in summer employment underwriting makes it imperative that private industry act to fill the gap, finding space, concentrating on those who need work most, offering it, helping match jobs with applicants. The private sector program started here does that. The sponsoring organizations are to be commended for their leadership. Not only is it socially responsible but it can pay dividends for industry. As Chamber chairman Robert A. Long observed: "It is in the best interest of area businesses to begin developing the future labor supply, for today's youth hold the key to Kansas City's economic future."

Firms cannot be urged too strongly to take part. Thousands of untested kids looking around the corner into adulthood, still with hope, depend on it. A job now or its lack can make or break many of them. The right decision to participate will make unnecessary any business' regret in the future that a little more effort could have made the difference.●

ON RETURNING NAZI ART TO GERMANY

● Mr. WEICKER. Mr. President, I believe the recommendation to return to Germany various works of art confiscated at the end of World War II is seriously flawed and I urge the administration to abandon this course of action.

These pieces of art, some 9,000 in number and including several watercolors by Hitler himself, were originally commissioned by the Third Reich to glorify nazism and the exploits of the German armies. In a very concrete way, these works represent and symbolize one of history's most demonic and destructive regimes. How we handle these art objects reflects our attitude toward the deeds and values of those who created them. Improvement of our relations with the current German Government notwithstanding, we cannot in anyway communicate by our actions that the crimes of this pivotal period of modern history are forgotten or forgiven.

In order that these art works be utilized in the most appropriate and constructive manner possible, the U.S. Holocaust Memorial Council would appear to be an ideal repository. The Council's clear, congressionally established mission, to quicken the Nation's memory and conscience with regard to this period, and its mandate to be involved in archival and educational activities, recommend it strongly for this responsibility. It is certainly preferable to any of the other alternatives now available: returning the works to the Germans; destroying them; or leaving them under the control of the Army.

I urge the administration to carefully consider the merits of each proposed course of action before proceeding. This matter has important long-term consequences which must be addressed.

Mr. President, I ask that an article which appeared in the Washington Post on this subject be printed at this point in the RECORD.

The article follows:

UNITED STATES CONSIDERS GIVING NAZI ART BACK TO GERMANY

(By Charles Fenyvesi)

The U.S. government is considering the return to West Germany of four watercolors by Adolf Hitler and more than 6,000 works of art commissioned to glorify the conquests of Nazi armies in Europe and North Africa.

The paintings and sketches were collected at the end of World War II by the U.S. Army from hiding places such as salt mines, castles and museums, as well as from individuals. The search followed an agreement by the Allies—the United States, Britain, France and the Soviet Union—to locate, confiscate and destroy all art that might revitalize Nazism.

Instead of destroying the art, however, the U.S. Army shipped the collection home, storing the items at various locations and loaning them for display at U.S. military bases and in hospitals, government buildings and traveling exhibits.

Before Chancellor Helmut Schmidt's visit here last week, State Department specialists recommended to Secretary of State Alexander M. Haig Jr. that the collection be returned to West Germany as a gesture of friendship between the two countries.

As another option, they suggested returning to Germany that portion of the collection judged by a committee not to be Nazi propaganda. But the officials warned about possible controversy as the committee decided whether oil portraits of Hitler and his cohorts, and items featuring swastikas and other emblems of the Third Reich, were propaganda and thus not returnable.

In 1945 the Allies defined as the goal of occupation the prevention of "all Nazi and militaristic activity or propaganda."

According to Fritz Ziefer, a press counselor with the German embassy here, Bonn has not initiated any action toward getting the collection back. "We don't consider that war art part of German culture, and we have no national interest in it," he said. However, he added, former owners of the paintings and families of the artists have asked the government periodically to try to retrieve the art works. Ziefer concluded that "it's strictly a legal matter," not a political one.

Much of the collection—if returned—would have to be closed to the public because display of Nazi insignias is against German law. A 1946 Allied agreement declares as illegal "the planning, designing, erection, installation, posting or other display of any monument, memorial, poster, statue, edifice, street or highway name marker, emblem, tablet, or insignia which tends to preserve and keep alive the German military tradition. . . ."

Earlier this month, Rep. William Whitehurst (R-Va.) introduced legislation to authorize the return to West Germany of "certain works of art" seized by the U.S. Army at the end of the war. Whitehurst says that no U.S. funds would be expended in the transfer.

Since 1947, when the collection was set up, the Army has spent an average of $20,000 a year to maintain what it calls "German war art." According to Marylou Gjernes, curator of the Army Center of Military History in Alexandria, some of the items require restoration. Her office has photographs of all the items, cataloged by artists.

The items themselves are stored in various government buildings. The four watercolors by Hitler are kept in the vault of the U.S. Army Center of Military History here and are occasionally loaned, most recently to a University of Maryland exhibition in Towson.

Some of the collection's paintings hang in the Pentagon and on Capitol Hill, but most people are not aware of who painted them or what they represent, Gjernes said.

One work, depicting the Russian front, hangs in Whitehurst's congressional office. He says he resents the collection being called "Nazi art." He calls it "military art," argues that most of the items have no ideological content and thinks that all but 1,000 articles should be returned to be hung in German museums.

"We returned Japan's war mementos when we returned Okinawa," Whitehurst said. In 1978, he sponsored legislation to return to the German navy 10 paintings from the U.S. collection. The bill passed by a voice vote, and the paintings now hang in Bremerhaven's naval museum—"an appropriate place," Whitehurst says.

Whitehurst, who was in the Navy during World War II and lost a brother fighting the Nazis, has seen what he calls a representative sample of the collection, shown to him by Army authorities. He was unaware that four Hitler watercolors are included, and said he thought it unlikely that they would be returned to Germany because "they glorify the regime we all loathe."

The Hitler watercolors are conventional depictions of the Belgian countryside and old buildings in Munich and Vienna, painted during World War I or shortly thereafter.

Many of the German war paintings are pastoral landscapes; some show a lonely machine-gun emplacement or soldiers on the march. The majority are colorful and sometimes bucolic representations of Germany's conquests. German soldiers are depicted as eminently human: thoughtful, tough, grim—but never despairing. There are images of a regimental commander with well-chiseled features, a daring young mountain trooper, a radio operator absorbed in his craft, and an enlisted man throwing a hand grenade.

All the paintings fall within Hitler's prescribed style of realism, yet they are anything but dull. The earnest faces half convince a viewer that theirs is a just war. Tangled rows of barbed-wire barriers, hordes of Frenchmen fleeing from German tanks and vivid colors of burning Ukrainian villages do offer fine art. There is a certain merit, if that is the proper word, to the oil painting titled "In the Beginning Was the Word," which shows Hitler addressing his followers.

"It's a collection you can make anything out of," said curator Gjernes, who is of several minds about the prospects of having to part with it.

"Some of the paintings we have are quite beautiful," she said. "They reflect someone else's belief. I cannot argue with the emotions of the painters. I wasn't there."●

S. 1273—THE INTELLIGENCE REFORM ACT OF 1981

● Mr. CHAFEE. Mr. President, on May 21, 1981, I introduced S. 1273, the Intelligence Reform Act of 1981.

I ask that S. 1273 be printed in the RECORD at this time.

S. 1273 follows:

S. 1273

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Intelligence Reform Act of 1981".

SEC. 2. Section 6 of the Central Intelligence Agency Act of 1949 (50 U.S.C. Sec. 403g) is amended to read as follows:

"SEC. 6. In the interests of the security of the foreign intelligence activities of the United States and in order further to implement the proviso of section 102(d)(3) of the National Security Act of 1947 (50 U.S.C. 403(d)(3)) that the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure, the Agency shall be exempted from the provisions of any law which require the publication or disclosure of the organization, functions, names, official titles, salaries, or number of personnel employed by the Agency. In furtherance of the responsibility of the Director of Central Intelligence to protect intelligence sources and methods, information in files maintained by an intelligence agency or component of the United States Government shall also be exempted from the provisions of any law which require the publication or disclosure, or the search or review in connection therewith, if such files have been specifically designated by the Director of Central Intelligence to be concerned with—

"(1) the design, function, deployment, exploitation or utilization of scientific or technical systems for the collection of foreign intelligence, counterintelligence, or counterterrorism information;

"(2) special activities and foreign intelligence, counterintelligence, or counterterrorism operations;

"(3) investigations conducted to determine the suitability of potential foreign intelligence, counterintelligence, or counterterrorism sources; and

"(4) intelligence and security liaison arrangements or information exchanges with foreign governments or their intelligence or security services.

Notwithstanding the preceding sentence, requests by United States citizens and by aliens who are lawfully admitted for permanent residence in the United States for information concerning themselves made pursuant to any provision of law shall be processed in accordance with such provision. The provisions of this section shall not be superseded except by a provision of law which is

enacted after the date of enactment of the Intelligence Reform Act of 1981 and which specifically repeals or modifies the provisions of this section.".●

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

ORDER FOR RECESS UNTIL 11:45 A.M. TOMORROW

Mr. STEVENS. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in recess until the hour of 11:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR SIMPSON AND SENATOR ROBERT C. BYRD TOMORROW

Mr. STEVENS. Mr. President, I ask unanimous consent that following the recognition of the two leaders under the standing order on tomorrow, the Senator from Wyoming (Mr. SIMPSON) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that the distinguished minority leader, the Senator from West Virginia, Senator ROBERT C. BYRD, be recognized for 15 minutes for a special order following the recognition of Mr. SIMPSON.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOUSING BILL—S. 1197

Mr. STEVENS. Mr. President, it is the intent of the leadership to turn to the housing bill, Calendar No. 111, S. 1197 at 12:30 p.m. tomorrow.

RECESS UNTIL 11:45 A.M. TOMORROW

Mr. STEVENS. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 11:45 a.m. tomorrow morning.

The motion was agreed to; and at 5:42 p.m., the Senate recessed until Wednesday, June 3, 1981, at 11:45 a.m.

NOMINATIONS

Executive nominations received by the Senate June 2, 1981:

DEPARTMENT OF THE TREASURY

Ann Dore McLaughlin, of the District of Columbia, to be an Assistant Secretary of the Treasury, vice Joseph Laitin, resigned.

John M. Walker, Jr., of New York, to be an Assistant Secretary of the Treasury, vice Walter J. McDonald, resigned.

Peter J. Wallison, of New York, to be General Counsel for the Department of the Treasury, vice Robert H. Mundheim, resigned.

DEPARTMENT OF LABOR

Donald L. Dotson, of Pennsylvania, to be an Assistant Secretary of Labor, vice William P. Hobgood.

DEPARTMENT OF ENERGY

Herman E. Roser, of New Mexico, to be an Assistant Secretary of Energy (defense programs), vice Duane C. Sewell, resigned.

AGENCY FOR INTERNATIONAL DEVELOPMENT

Jay F. Morris, of Maryland, to be an Assistant Administrator of the Agency for International Development, vice Donald Gordon MacDonald, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 2, 1981:

DEPARTMENT OF ENERGY

R. Tenney Johnson, of Maryland, to be General Counsel of the Department of Energy, vice Lynn R. Coleman.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

MERIT SYSTEMS PROTECTION BOARD

Alex Kozinski, of California, to be Special Counsel of the Merit Systems Protection Board for a term of 5 years, vice Haywood Patrick Swygert, resigned.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Robert J. Rubin, of Massachusetts, to be an Assistant Secretary of Health and Human Services, vice John L. Palmer, resigned.

HOUSE OF REPRESENTATIVES—*Tuesday, June 2, 1981*

The House met at 12 o'clock noon.

The Reverend Robert R. Robertson, pastor, First United Church of Christ, Everett, Pa., offered the following prayer:

Lord God, we pray to ask for Your continuing guidance and help in the affairs of this Nation, and the nations of the world. We especially pray for Your power and wisdom to be with these our leaders. Give them a growing sense of law and order. Temper their lives with a spirit of justice and righteousness as they strive to serve the will of the people.

Bring to them a spirit of gracefulness, grant them patience; provide them with a sense of courage; allow them the grace and freedom to make, and to admit to, mistakes; and help them to celebrate the joy of good and right choices.

We thank You for being our God and for granting the spirit of this prayer. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

THE REVEREND ROBERT ROBERTSON

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUSTER. Mr. Speaker, today's opening prayer was offered by the Reverend Robert Robertson, pastor of my home congregation, the First United Church of Christ in Everett, Pa. Reverend Robertson, his wife, Barbara, and their two children, Andy and Amy, have been wonderful additions to the community for 9 years since arriving in Everett in October 1972.

Reverend Robertson graduated from Meyersdale High School in Somerset County, Pa., received his undergraduate degree from Catawba College in Salisbury, N.C., and his masters of divinity from the Lancaster Theological Seminary in Pennsylvania.

Reverend Robertson has taken a strong spiritual faith, and utilized it to help his neighbors and congregation by being active in many areas including the area community housing board and as chairman of the area senior citizens center.

I am pleased that the House of Representatives has had the privilege of praying together with Reverend Robertson.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

BLANCA ROSA LUNA DE FREI

The Clerk called the bill (H.R. 661) for the relief of Blanca Rosa Luna de Frei.

There being no objection, the Clerk read the bill as follows:

H.R. 661

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Blanca Rosa Luna de Frei shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one from the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act or, if applicable, from the total number of such visas and entries which are made available to such natives under section 202(e) of such Act.

With the following committee amendments:

Page 2, line 5 delete the work "and", and all that follows through "entries".

Page 2, line 9 delete the words "and entries".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JUNIOR EDMUND MONCRIEFFE

The Clerk called the bill (H.R. 688) for the relief of Junior Edmund Moncrieffe.

There being no objection, the Clerk read the bill as follows:

H.R. 688

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of section 203(a)(2) and 204 of the Immigration and Nationality Act, Junior Edmund Moncrieffe shall be held and considered to be the alien son of Rupert Edmund Moncrieffe, a lawful permanent resident of the United States: *Provided,* That the natural mother or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROLAND KARL HEINZ VOGEL

The Clerk called the bill (H.R. 783) for the relief of Roland Karl Heinz Vogel.

There being no objection, the Clerk read the bill as follows:

H.R. 783

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(9) of the Immigration and Nationality Act, Roland Karl Heinz Vogel may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MADELEINE MESNAGER

The Clerk called the bill (H.R. 1469) for the relief of Madeleine Mesnager.

There being no objection, the Clerk read the bill as follows:

H.R. 1469

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Madeleine Mesnager, the adoptive mother and aunt of Jeanne Petroff, a citizen of the United States, shall be deemed to be an immediate relative within the meaning of section 201(b) of such Act, and the provisions of section 204 of that Act shall not be applicable in this case: *Provided further,* That any fee received by any agent or attorney on account of services rendered relating to the introduction of this bill shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

OMAR MARACHI

The Clerk called the bill (H.R. 1480) for the relief of Omar Marachi.

There being no objection, the Clerk read the bill as follows:

H.R. 1480

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, Omar Marachi shall be held and considered to have satisfied the requirements of section 316 of the Immigration and Nationality Act relating to required periods of residence and physical presence within the United States and, notwithstanding the provisions of section 310(d) of that Act, may be naturalized at any time after the date of enactment of this Act if otherwise eligible for naturalization under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REMEDIOS R. ALCUDIA, CHRISTOPHER, EZRA, VERMILLION, AND PERISTELLO ALCUDIA

The Clerk called the bill (H.R. 1547) for the relief of Remedios R. Alcudia, Christopher, Ezra, Vermillion, and Peristello Alcudia.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AURORA ISIDRA RULLAN DIAZ

The Clerk called the bill (H.R. 1550) for the relief of Aurora Isidra Rullan Diaz.

There being no objection, the Clerk read the bill as follows:

H.R. 1550.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Aurora Isidra Rullan Diaz may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Mr. and Mrs. Peter Banez, citizens of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HANIFE FRANTZ

The Clerk called the bill (H.R. 2185) for the relief of Hanife Frantz.

There being no objection, the Clerk read the bill as follows:

H.R. 2185

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Hanife Frantz shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant visas which are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act or, if applicable, from the total number of such visas which are made available to such natives under section 202(e) of such Act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

That, in the administration of the Immigration and Nationality Act, Hanife Frantz, the widow of a citizen of the United States, shall be deemed to be an immediate relative within the meaning of section 201(b) of such Act, and the provisions of section 204 of that Act shall not be applicable in this case.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Private Calendar.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO HAVE UNTIL MIDNIGHT TOMORROW TO FILE CONFERENCE REPORT ON H.R. 3512, SUPPLEMENTAL APPROPRIATIONS AND RESCISSION ACT OF 1981

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tomorrow, Wednesday, June 3, 1981, to file a conference report on the bill (H.R. 3512) making supplemental appropriations for the fiscal year ending September 30, 1981, rescinding certain budget authority, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

MAKING IN ORDER ON THURSDAY, OR ANY DAY THEREAFTER, CONSIDERATION OF CONFERENCE REPORT AND ANY AMENDMENTS IN DISAGREEMENT ON H.R. 3512, SUPPLEMENTAL APPROPRIATIONS AND RESCISSION ACT OF 1981

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that it may be in order at any time on Thursday, or any day thereafter, to consider the conference report and any amendments in disagreement on the bill (H.R. 3512) making supplemental appropriations for the fiscal year ending September 30, 1981, rescinding certain budget authority, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CARDINAL WYSZYNSKI, CHAMPION OF FREEDOM

(Mr. LANTOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANTOS. Mr. Speaker, a great spiritual leader, a courageous fighter for liberty, a deep believer in human rights, is no longer with us. Cardinal Stefan Wyszynski, the late primate of Poland, died last week, and freedom-loving men and women throughout the world mourn his passing.

I have, Mr. Speaker, a particularly personal appreciation for what this great man believed in and for the courageous way in which he acted on his beliefs. During his distinguished career, he opposed both the totalitarianism of Nazi Germany and the imperialism of the Soviet Union with determination and wisdom.

A representative of the finest in the Roman Catholic tradition, he fought for all humankind. His memory will be honored and cherished by all who are committed to freedom.

CONSTITUENT RESPONSE ON ADMINISTRATION SOCIAL SECURITY PROPOSALS IS NEGATIVE

(Mr. SHARP asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHARP. Mr. Speaker, the overwhelming response I have received from my constitutents to the administration proposals on social security has been negative. Person after person calls them unfair.

And I certainly agree, especially when one looks at the administration's proposal to drastically and immediately reduce early retirement benefits.

Thousands of Americans have planned for their retirement next year, counting on the Government to faithfully fulfill its obligations. Many must retire for health reasons, some are committed by contract to leave their regular employment.

Suddenly these citizens are being told they may lose up to $160 a month they had every right to expect they would receive. That may not be a lot of money for those earning over $100,000 a year, but it is a very stiff

tax for the bulk of those expecting to retire next January.

Mr. Speaker, the Congress must, and I believe it will, reject such unfair proposals. We must seek alternatives that will be based on fairness to the generation receiving benefits and fairness to the generations now paying into the fund.

WHAT IS ADMINISTRATION'S MILITARY PAY POLICY?

(Mr. MOFFETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOFFETT. Mr. Speaker and colleagues, we all heard the speech by President Reagan to the graduating class at West Point. He talked about how we had come out of the Vietnam syndrome, and how we are rearming to be better prepared in the world. He promised the graduates increased pay and incentives to make the Army more attractive.

What the President did not tell those graduates and the military personnel around the world, of course, is that he has just deferred a planned 5.3-percent pay increase for the military which was to become effective on July 1, 1981, under current law. This increase was to be added to the one scheduled for October 1, 1981.

Mr. Speaker, the question is, What is the administration's position on military personnel? The Reagan budget increases investment in hardware by 34 percent, but the investment in operations and maintenance is increased only 4 percent. We are, therefore, laying the groundwork for a military with fancy equipment, but no way to repair it and no skilled hands to operate that equipment which works, and to fix the equipment which does not.

□ 1215

THE EFFECTS OF GRAMM-LATTA ON OLDER WOMEN

(Ms. OAKAR asked and was given permission to address the House for 1 minute, and to revise and extend her remarks.)

Ms. OAKAR. Mr. Speaker, as Chair of the Task Force on Social Security and Women for the Aging Committee, I will be holding hearings on the effects of the social security cuts in the Gramm-Latta budget and other administration proposals on older women.

Mr. Speaker, 72 percent of all our elderly poor happen to be women. The average woman 65 or over lives on $220 per month. If they take the early retirement benefit at age 62, their reduced benefit is an average of $189 a month. The administration's proposal would decrease that check by 25 percent. The elimination of the minimum benefit of $122 a month, also affects older women adversely.

Mr. Speaker, the list goes on and on and on. This is the so-called safety net related to our older Americans, especially older women. I believe personally it is a sham. Hopefully, our hearings will relay the truth about the administration's proposals related to social security and their effect on older Americans, in particular older women.

A 3-YEAR TAX CUT WITH SUNSET TRIGGERED PROVISIONS—A BIPARTISAN COMPROMISE

(Mr. LEVITAS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. LEVITAS. Mr. Speaker, there has been much discussion in Washington and around the country recently about proposed tax reductions.

Some of us who would like to see a multiyear tax reduction such as the Kemp-Roth program are very concerned about the high deficits under which the budget is now operating. We want to see the tax burden relieved and productivity stimulated. But, we are concerned that the national debt will this year reach $1 trillion, and that a multiyear tax reduction could add to the depth of the deficits and add to the raging fires of inflation.

Consequently, since President Reagan has asked for proposals for compromise, I now submit one which many of us who feel the way I do could support wholeheartedly. That proposal is to enact a 3-year, 30-percent tax cut, but for the second and third years trigger in a sunset provision for each of those years. The triggers would be whether or not the economy achieves the very same assumptions which the Reagan administration and OMB Director David Stockman have placed before us. If the inflation rate comes down, as it is predicted according to the President's program, if the interest rates are reduced, according to the President's program, if the deficits are brought under control, according to the President's program, then those tax reductions for the second and third out years are put in place; if not, we avoid the higher deficits and the inflation which would result from them by having an automatic sunset of the tax cut.

This proposal is fiscally prudent. It gives the President his Kemp-Roth tax cut intact. It uses the President's very own economic assumptions and gives Congress and the marketplace an incentive for reaching them.

Mr. Speaker, this is a compromise based on the President's own assumptions, and I think it would merit bipartisan support and become the bipartisan compromise which the President and the public want.

VETERANS' PROGRAMS UNDER FIRE BY ADMINISTRATION

(Mr. PEASE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEASE. Mr. Speaker, we will vote today on seven bills relating to veterans. I note that the Reagan administration opposes four of the seven bills.

That is understandable. The Gramm-Latta-Reagan budget has a $38 billion deficit for fiscal year 1982. President Reagan must oppose all new spending programs and cut existing ones.

Mark this. The Reagan budget for fiscal year 1983 projects a deficit of $23 billion if additional spending cuts of $30 billion are made by Congress.

The question is which veterans' programs will be on the chopping block a year from now as part of that $30 billion in new, unspecified cuts which must be made.

ARTS RESCISSIONS

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, the unfairness and callousness of the Reagan administration seems to have no limits. I was shocked to learn of the further cuts in 1981 funding being proposed by the administration, all third quarter fiscal year 1981 funds for the national endowments for the arts and humanities have been frozen pending a rescission in these areas totaling $58 million. That is this quarter we are in. These proposals are a breach of both contract and faith with arts and cultural groups. The freeze alone threatens irreparable damage to many arts and cultural organizations who have already budgeted these moneys for their activities. In light of the massive cuts under consideration for fiscal 1982, these rescissions would impose additional and unexpected hardship upon groups now fighting for their very survival.

For example, the Joffrey Ballet Co. of New York City depends on the revenues they receive from their national tour to cover over 50 percent of their annual operating expenses. The recent freeze on arts endowment funds jeopardizes most of the revenues they expected to earn on their 12-city tour, now in progress, if sponsoring agencies in the host cities fail to receive their third quarter payments from the NEA. The remainder of the tour could be canceled. It would be difficult, if possible at all, for the Joffrey to recover

from such a financial blow. In addition, the loss of funding would be needlessly destructive to the local economies that benefit enormously from these cultural activities and from the relatively modest Federal investment in the arts.

The Joffrey Ballet is not alone in this situation. Many other organizations in New York and around the country would face similar disasters. I cannot urge my colleagues strongly enough to oppose any cuts in 1981 funding for the arts and humanities.

THE MILITARY CONSTRUCTION AMENDMENT WOULD HOLD UP MX MISSILE SYSTEM

(Mr. SIMON asked and was given permission to address the House for 1 minute.)

Mr. SIMON. Mr. Speaker, I join my colleague, the gentleman from New York (Mr. WEISS), in his concern over the drastic cuts in arts and humanities, and I will have more to say about that within a few days.

My immediate reason for taking time at this point is to point out that when we get to the Military Construction Authorization Act, I will have an amendment which would hold up any further funding of the racetrack MX missile system until the President's committee makes its recommendation. I will be joined in support of this amendment by my colleagues, the gentleman from Utah (Mr. MARRIOTT), the gentleman from Utah (Mr. HANSEN), and the gentleman from Nevada (Mr. SANTINI).

IN OPPOSITION TO THE ADMINISTRATION'S MODIFICATIONS OF THE SOCIAL SECURITY SYSTEM

(Mr. MATSUI asked and was given permission to address the House for 1 minute.)

Mr. MATSUI. Mr. Speaker, I rise to speak in opposition to President Reagan's recommended alterations of our Nation's social security system. I share the concern of my outraged constituency that these drastic changes will unfairly penalize current social security beneficiaries and those hard-working Americans approaching retirement.

The principal flaw of President Reagan's proposal is the immediacy of its harsh effect. Conscientious citizens have no opportunity to prepare for these severe cutbacks in fundamental retirement benefits. The President has pulled out the safety net without a warning.

While I fully support the need to assure the fiscal viability of the social security system, I believe far more equitable solutions are possible. For instance, the Ways and Means Subcommittee on Social Security has recommended in H.R. 3207 a phase-in formula approach to commence in 1990. In contrast to the President's suggestion, this formula would not disrupt pending retirement plans of working Americans.

As the Congress addresses this difficult task, it must exercise caution and due regard for the interest of social security beneficiaries. It must be remembered that the social security system is the primary means by which retired Americans have guaranteed their financial security.

This security must not be sacrificed in the interest of fleeting political expediency. The conscience and compassion of the Nation cannot allow this to occur.

WHAT IS FAIR IN SOCIAL SECURITY?

(Mr. O'BRIEN asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. O'BRIEN. Mr. Speaker, remarks about the unfairness of the Reagan program do not just upset me; they turn my stomach. Let us talk about what is really fair.

When the program was developed by President Roosevelt years ago, we were living to be about 63 years of age, and every hard-working laborer willingly contributed $30 a year to the program. Now we are living to be about 76, and the laborers, most of them, are contributing about $2,000 a year, and many of them think they want to opt out because if they do not, they feel they will never get anything.

Let me point out one other thing with respect to the 62-year retirement age. Look at it from the standpoint of life expectancy. Two people are arriving at the age of 61 and deciding what to do. One takes early retirement, and one elects to work 3 more years. If they both live to the age of 76, the early retiree gets more retirement dollars than the 65-year retiree. Meanwhile the 65-year-old is continuing to contribute into the system and risking himself in the stress he has in his regular employment.

Mr. Speaker, when it comes to fair play, I think the arguments against the President's program simply lack foundation in fact.

COORDINATION OF SEVERE STORMS RESEARCH NEEDED

(Mr. WINN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WINN. Mr. Speaker, I am introducing today a bill entitled the Severe Storms Advisory Committee Act of 1981. The purpose of the advisory committee would be to review, on an annual basis, the severe storms research and operations activities of the Federal Government.

Mr. Speaker, this legislation is badly needed. For example, several weeks ago eight tornadoes splintered houses and barns across Oklahoma and Kansas and violent thunderstorms caused considerable damage in the Mississippi Valley. Unfortunately, this is not an infrequent occurrence. Much of the Nation is plagued by such storms for large portions of each year.

The advisory committee established by this bill would assess current objectives and milestones of the severe storms forecasting program, recommend initiation of any needed new programs, and recommend incorporation of new technological developments into the operational forecasting system. The committee would thus tie together the Federal effort in this area. The National Oceanic and Atmospheric Administration (NOAA) would take the lead, in cooperation with DOD, NASA, FAA, and the Federal Emergency Management Agency. The committee would not exceed 12 members and its life would be limited to 5 years. No new authorization is provided by the bill. The personnel, facilities, and needed services are to be provided by the agencies involved.

I urge the Committee on Science and Technology to take prompt action on this necessary legislation.

SOCIAL SECURITY AND THE SAFETY NET

(Mr. LUNGREN asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, it seems that over the last couple of weeks we have had many Members take the well and talk about social security. I have done that. I have requested that we turn the rhetoric down and prepare to talk and come up with some alternatives. But as I return to the well, I constantly hear from the other side of the aisle criticisms of this President, some Members accusing him of destroying the safety net because of his recommendations on social security.

Let us make one thing very clear. Those who have destroyed the safety net on social security for the people of this country are those in this Congress who, through their spending and their taxing policies, have allowed inflation to take more and more from our retirement bases than the people were able to put into their savings accounts and into the social security system over the years.

Last week I was in my district and attended a classroom attended by social security recipients or at least people of that age group. When I discussed the issue with them, they were

not berating the President. They wanted to know what we were going to do to make that system solvent; they were giving the President credit for at least having the guts to talk about the problem.

Some have said that we have had committees in this House working on the program. That is fine. Everybody has worked on it, but where have their answers been? Four years ago we in this House promised the American people we would solve the problem of social security from now until the 21st century. Four years does not make a century, but it does make a great deal of mischief.

Mr. Speaker, we ought to have the guts to follow the President, give him some advice, and help him come up with a solution to the problem so we can indeed save the social security program for the people.

CUBAN BROADCAST INTERFERENCE HEARINGS ANNOUNCED

(Mr. FASCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FASCELL. Mr. Speaker, as chairman of the Subcommittee on International Operations of the House Committee on Foreign Affairs, I would like to draw your attention to a series of hearings planned by the subcommittee to discuss an issue which will touch the everyday lives of many Americans. The subject of the hearings is the upcoming Region II Administrative Radio Conference where the nations of the Western Hemisphere will renegotiate international agreements governing AM broadcasting. The results of this conference will affect the ability of AM radio stations to broadcast without interference and to maintain the quality of radio services received by the American public.

Within the range of conference issues is the problem of Cuban interference with U.S. broadcasting activities. At present, Cuban broadcasting practices interfere with U.S. radio stations in Florida, the Gulf Coast States, and a number of other States throughout the Nation as far north as Maine and as far west as Washington. New proposals for more high-powered stations, which are being discussed by the Cuban Government and which will be aired at the November conference in Rio de Janeiro, could further aggravate this problem and cause increased levels of interference in radio broadcasts as far away as Alaska and Hawaii.

Testifying at the subcommittee hearings on June 4 and 10 will be representatives of the Department of State, the National Telecommunications and Information Administration—Department of Commerce—the FCC, and experts from the private sector who will discuss the effects on U.S. broadcasters of conference issues which include channel spacing, transmitter power, and frequency allocation.

A CALL FOR A BIPARTISAN TAX BILL

(Mr. LOTT asked and was given permission to address the House for 1 minute.)

Mr. LOTT. Mr. Speaker, I think we are seeing more and more every day now why we on this side of the aisle were so concerned about the ratio being put in place earlier this year on the Ways and Means Committee. They have the majority that refuses to even make an effort to work out a bipartisan compromise tax bill.

It is time for that bill. We have got to work on it. The Speaker has indicated as recently as yesterday that there would be a tax bill on the President's desk by August 1.

Must we fight about this? The President has again and again said, "I want to work with the Congress."

Mr. Speaker, let us work together in a bipartisan effort. The President has gone the extra mile. It is time now to get together on a reasonable tax bill.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. ALEXANDER). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to, under clause 4 of rule XV.

U.S. INTERNATIONAL TRADE COMMISSION AND CUSTOMS SERVICE AUTHORIZATIONS

Mr. GIBBONS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2540) to authorize appropriations for the U.S. International Trade Commission, the U.S. Customs Service, and the Office of the U.S. Trade Representative for fiscal year 1982, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2540

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—AUTHORIZATION OF APPROPRIATIONS

SECTION 101. UNITED STATES INTERNATIONAL TRADE COMMISSION.

Paragraph (2) of section 330(e) of the Tariff Act of 1930 (19 U.S.C. 1330(e)(2)) is amended to read as follows:

"(2) There are authorized to be appropriated to the Commission for necessary expenses for fiscal year 1982 not to exceed $18,501,000. No part of any sum that is appropriated under the authority of this paragraph may be used by the Commission for the making of any special study, investigation, or report that is requested by any agency of the executive branch unless that agency reimburses the Commission for the cost thereof.".

SEC. 102. UNITED STATES CUSTOMS SERVICE.

Section 301 of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075) is amended—

(1) by inserting "(a)" immediately after "SEC. 301."; and

(2) by inserting at the end thereof the following:

"(b) There are authorized to be appropriated to the Department of the Treasury not to exceed $480,001,000 for the salaries and expenses of the United States Customs Service for fiscal year 1982.

"(c)(1) No part of any sum that is appropriated under the authority of subsection (b) may be used—

"(A) for administrative expenses to pay any employee of the United States Customs Service overtime pay in an amount exceeding $25,000; or

"(B) to implement any procedure relating to the time of collection of estimated duties that shortens the maximum 10-day deferment procedure in effect on January 1, 1981.

"(d) For the fiscal year beginning October 1, 1981, and for each fiscal year thereafter, there are authorized to be appropriated to the Department of the Treasury for salaries of the United States Customs Service such additional sums as may be provided by law to reflect pay rate changes made in accordance with the Federal Pay Comparability Act of 1970.".

SEC. 103. OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE.

Section 141(f) of the Trade Act of 1974 (19 U.S.C. 2171(f)) is amended to read as follows:

"(f)(1) There are authorized to be appropriated to the Office for the purpose of carrying out its functions $10,000,000 for fiscal year 1982; of which not to exceed $40,000 may be used for entertainment and representation expenses.

"(2) For the fiscal year beginning October 1, 1981, and for each fiscal year thereafter, there are authorized to be appropriated to the Office for the salaries of its officers and employees such additional sums as may be provided by law to reflect pay rate changes made in accordance with the Federal Pay Comparability Act of 1970.".

TITLE II—FUNCTIONS AND POWERS OF THE OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

SEC. 201. FUNCTIONS AND POWERS.

(a) BASIC AMENDMENTS TO THE TRADE ACT OF 1974.—Section 141 of the Trade Act of 1974 (19 U.S.C. 2171) is amended as follows:

(1) Subsection (c) is amended by redesignating paragraph (2) as paragraph (3), and by inserting immediately after paragraph (1) the following new paragraph:

"(2) The United States Trade Representative may—

"(A) delegate any of his functions, powers, and duties to such officers and employees of the Office as he may designate; and

"(B) authorize such successive redelegations of such functions, powers, and duties to such officers and employees of the Office as he may deem appropriate.".

(2) Subsection (d) is amended—

(A) by inserting ", powers and duties" immediately after "functions" in paragraph (3);

(B) by striking out "and" after the semicolon at the end of paragraph (6);

(C) by striking out the period at the end of paragraph (7) and inserting in lieu thereof a semicolon; and

(D) by adding immediately after such paragraph (7) the following:

"(8) pay for expenses approved by him for official travel without regard to the Federal Travel Regulations or to the provisions of subchapter I of chapter 57 of title 5, United States Code (relating to rates of per diem allowances in lieu of subsistence expenses);

"(9) accept, hold, administer, and utilize gifts, devises, and bequests of property, both real and personal, for the purpose of aiding or facilitating the work of the Office; and

"(10) acquire, by purchase or exchange, not more than two passenger motor vehicles for use abroad, except that no vehicle may be acquired at a cost exceeding $9,500.".

(3) Subsections (b)(3), (g), and (h) are repealed.

(4) Such section (including the section sideheading) is further amended—

(A) by striking out "Special Representative for Trade Negotiations" each place it appears therein and inserting in lieu thereof "United States Trade Representative";

(B) by striking out "Deputy Special Representatives for Trade Negotiations" in subsection (b)(2) and inserting in lieu thereof "Deputy United States Trade Representatives"; and

(C) by striking out "Deputy Special Representative" and "Deputy Special Representative for Trade Negotiations" each place it appears in subsections (b)(2) and (c)(3) and inserting in lieu thereof "Deputy United States Trade Representative".

(b) CONFORMING AMENDMENTS TO TRADE ACT OF 1974.—(1) The chapter heading for chapter 4 of title I of the Trade Act of 1974 is amended to read as follows:

"Chapter 4—OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE".

(2) The table of contents of such Act relating to such chapter 4 is amended to read as follows:

"Chapter 4—OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

"Sec. 141. Office of the United States Trade Representative.".

(c) CONFORMING AMENDMENTS TO TITLE 5.—(1) Section 5312 of title 5, United States Code, is amended by striking out:

"Special Representative for Trade Negotiations." and inserting in lieu thereof

"United States Trade Representative.".

(2) Section 5314 of such title is amended by striking out:

"Deputy Special Representatives for Trade Negotiations (2)."

and inserting in lieu thereof

"Deputy United States Trade Representative (2).".

TITLE III—MISCELLANEOUS CUSTOMS PROVISIONS

SEC. 301. ORGANIZATION AND MANAGEMENT OF THE UNITED STATES CUSTOMS SERVICE.

The Secretary of the Treasury shall take such action as may be necessary to ensure that—

(1) the United States Customs Service is administered by the close of fiscal year 1983 through not more than 6 regional offices and 35 district offices; and

(2) by the close of fiscal year 1982 the aircraft fleet of the United States Customs Service consists of not more than 45 aircraft.

SEC. 302. INCREASE IN VALUE LIMITATIONS FOR CERTAIN CUSTOMS PURPOSES.

(a) INCREASE IN VALUE LIMITATIONS ON ARTICLES ADMINISTRATIVELY EXEMPTED FROM DUTY.—Section 321(a) of the Tariff Act of 1930 (19 U.S.C. 1321(a)) is amended—

(1) by striking out "$10" in paragraph (1) and inserting in lieu thereof "$20";

(2) by striking out "$25" and "$40" in paragraph (2)(A) and inserting in lieu thereof "$50" and "$100", respectively;

(3) by striking out "$25" in paragraph (2)(B) and inserting in lieu thereof "$50"; and

(4) by striking out "$5" in paragraph (2)(C) and inserting in lieu thereof "$10".

(b) INCREASE IN LIMITATION ON VALUE OF ARTICLES SUBJECT TO SUMMARY FORFEITURE.—(1) Section 607 of the Tariff Act of 1930 (19 U.S.C. 1607) is amended—

(A) by striking out "VALUE $10,000 OR LESS" in the heading thereto and inserting in lieu thereof "ADMINISTRATIVE FORFEITURE"; and

(B) by striking out "$10,000" each place it appears in the text thereto and inserting in lieu thereof "$15,000".

(2) Section 610 of the Tariff Act of 1930 (19 U.S.C. 1610) is amended—

(A) by striking out "VALUE MORE THAN $10,000" in the heading thereto and inserting in lieu thereof "JUDICIAL FORFEITURE"; and

(B) by striking out "$10,000," in the text thereto and inserting in lieu thereof "the maximum value specified in section 607 of this title,".

(3) Section 612 of the Tariff Act of 1930 (19 U.S.C. 1612) is amended by striking out "$10,000," and inserting in lieu thereof "the maximum value specified in section 607 of this title,".

(c) INCREASE IN FAIR RETAIL VALUE LIMITATION ON IMPORTS UNDER PERSONAL EXEMPTION.—Subpart A of part 2 of schedule 8 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended—

(1) by striking out "$300" in item 813.30 and inserting in lieu thereof "$400"; and

(2) by striking out "$600" and "$300" in item 813.31 and inserting in lieu thereof "$800" and "$400", respectively.

(d) INCREASE IN FAIR RETAIL VALUE LIMITATION ON CERTAIN NONCOMMERCIAL IMPORTATIONS.—Part 6 of schedule 8 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by striking out "$600" in the article description immediately preceding item 869.00 and inserting in lieu thereof "$800".

(e) EFFECTIVE DATES.—The amendments made by subsections (a), (c), and (d) shall apply with respect to importations made after September 30, 1981.

(2) The amendments made by subsection (b) shall apply with respect to seizures made after September 30, 1981.

SEC. 303. AMENDMENTS REGARDING CUSTOMS SERVICES FOR PRIVATE AIRCRAFT AND VESSELS.

(a) AMENDMENTS.—Section 53(a) of the Airport and Airway Development Act of 1970 (49 U.S.C. 1741(a)) if amended—

(1) by striking out "on or after July 1, 1970"; and

(2) by striking out "$25" and inserting in lieu thereof "$50".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to services performed after September 30, 1981.

SEC. 304. JOINT UNITED STATES-CANADIAN CUSTOMS OPERATIONS.

The President is urged to enter into negotiations for purposes of reaching an agreement with the Government of Canada under which customs facilities can be constructed, maintained, and operated by the United States and Canada on a joint basis at those border crossings where the volume of traffic does not warrant the provision of separate customs facilities by each Government.

SEC. 305. TEST AND EVALUATION OF CERTAIN CUSTOMS PROCESSING.

During fiscal year 1982, the United States Customs Service, Department of Agriculture, and the Immigration and Naturalization Service shall conduct 6-month tests in at least two major international airports of new Federal inspection systems that would result in the facilitation of passenger entry into the United States. The Commissioner of Customs, the Commissioner of Immigration and Naturalization, and the Secretary of Agriculture (or his designee) shall submit to the Congress a joint report containing the results and an evaluation of such tests, including, but not limited to (1) data on the differences, if any, between the new systems of processing and traditional processing with respect to revenue collections, seizures in the enforcement of both agricultural and customs laws, and processing times; and (2) an assessment regarding whether any of the new systems have potential for manpower savings.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Florida (Mr. GIBBONS) will be recognized for 20 minutes, and the gentleman from Michigan (Mr. VANDER JAGT) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from Florida (Mr. GIBBONS).

Mr. GIBBONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me first say that trade policy and the carrying out of trade policy has never been a partisan issue in the years I have been in Congress. The Republicans and Democrats have worked together to carry out a common purpose. We are here today to discuss the mechanics by which we implement the policy that we have set here.

The bill before the House, H.R. 2540, provides an authorization of appropriations for fiscal year 1982 for three international trade agencies under the jurisdiction of the Ways and Means Committee.

The authorization levels provided in this bill are fully consistent with and fully support President Reagan's budget. We adopted the numbers requested by the President for the Customs Service and the Office of the Trade Representative, thus achieving a $30,258,000 reduction over the original budget requests of January. For Customs, we are providing an authorization of $480,001,000. This is a reduction from the January budget estimates for fiscal year 1981 of $495.6

million. In other words, Customs is taking an absolute cut; its budget numbers will be lower in fiscal year 1982 than in fiscal year 1981—despite inflation and a growing Customs workload. Customs manpower will be reduced from 13,280 in fiscal year 1980 to 12,703 in fiscal year 1982. For the Office of the Trade Representative, we are providing $10 million. This figure is $633,000 above the fiscal year 1981 estimated budget—an increase of 6 percent.

For the International Trade Commission, we adopted the figure requested by that agency—$18,501,000. The ITC, which is a quasi-judicial, independent agency designed to provide special services to the Congress, submits its budget directly to the Congress and does not clear its budget through OMB. Therefore, over the years, the Ways and Means Trade Subcommittee has been careful to provide especially severe oversight of the Commission's operations. The Commission's budget is only $790,000 or 4.4 percent more than its total fiscal year 1981 budget, assuming the enactment of the pay increase supplemental. There will be no increase in the Commission's staff. Therefore, we believe that the ITC's budget is a very tight one and should be supported as submitted.

There are several items of particular interest in title III of the bill relating to the Customs Service.

Because of the cut in the Customs budget, the continued inflation, and Customs growing workload, we desperately need to find ways to make the operations of Customs more efficient, to eliminate unnecessary tasks and low priority programs. Therefore, we have proposed several changes in the laws affecting Customs operations, which we estimate may save about $14 million per year beginning in fiscal year 1983 and thereafter.

Several of these proposals have evoked questions.

In one case, the bill requires that by the end of fiscal year 1983, Customs be operated out of no more than 6 regional offices and 35 district offices. This is a reduction of at least 3 regions and 11 districts. We have not spelled out in the bill which offices are to be closed and I have no idea which offices Customs management and analysts may eventually select for closing. But let me say, that over the past 17 years there have been 12 studies on Customs' field organization and all of those studies have found a need for fewer offices. Closing some of these headquarters offices will result in cost savings, reduced overhead, and increased efficiency. It is a time to end the studying and to act. By mandating the closings, we intend to give Customs the political backbone to make the hard choices of which offices to close. There are some who are questioning this provision. We can no longer play pork barrel politics with the budget. The present Customs field structure is a product of 200 years of gross pork barreling and the Nation's taxpayers demand an end to it. Some may argue that this proposal and the $7-plus million it will save are not in the President's budget. That is a strange argument. Of course, the Congress can make additional savings and efficiencies above and beyond the President's budget. This is what our oversight function is for.

Second, because of the extraordinary budget tightness facing Customs, we must find new more efficient ways to inspect arriving passengers and cargo. This is particularly important, because at some of our Nation's airports, it already takes up to 2 hours or more to clear Customs—and this is before the planned budget cuts.

The General Accounting Office has recommended several new ways of processing passengers. Primarily, these new methods center on one-stop inspection and the preliminary interviewing of passengers before they receive their luggage or pit baggage from the aircraft. GAO believes that these new methods, variations of which are used in many foreign nations, can be tried without impairing law enforcement. Therefore, the committee's bill provides for 6 month tests at at least two major international airports of new ways of processing passengers. We have taken great care to work with USDA to insure that such tests are jointly developed and administered and evaluated by Customs, Agriculture, and the Immigration and Naturalization Service so that the concerns of each of these agencies are addressed. In particular, we are concerned that the current systems of protecting the country against the importation of infected or diseased animals and plants be continued without change. We believe that the committee's amendment providing for joint agency development of tests—which will not—I repeat, not—be the so-called red door/green door type of system—satisfies the concerns of the American agricultural community about the dangers of the entry of exotic plant and animal diseases.

Finally, I would just like to say that I wish we could provide a larger budget for Customs. It is a well-run agency of dedicated public servants. It is a revenue raising agency. I hope that in fiscal year 1983, the administration will support a significant growth in its budget. This year, however, the demands for less Government spending require this budget reduction. It will mean some hardships and some delays in the processing of goods and merchandise. We hope that with the creative management which has been demonstrated by Customs in recent years, that they will use this budgetary crisis to find new and better ways of doing the really essential tasks.

Mr. Speaker, I have covered the main points of the bill and the principal controversial sections. I urge the Members to support this bill as one which meets the Nation's immediate budget needs while also including some long-range improvements in the operation of the Customs Service.

□ 1230

Mr. Speaker, I reserve the balance of my time.

Mr. VANDER JAGT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the distinguished chairman of the Subcommittee on Trade has explained the content of H.R. 2540, which I rise to support. Under his very distinguished bipartisan leadership, through extensive hearings and markups, he has worked together with the minority and the administration to fashion a bill which now has the unanimous support of the committee. I commend him for his leadership and urge my colleagues to support the bill.

Mr. Speaker, I support H.R. 2540, a bill authorizing appropriations for the U.S. International Trade Commission, the U.S. Customs Service, and the U.S. Trade Representative for fiscal year 1982. It is heartening to be considering this bill so early in the session since last year it failed to be scheduled at all and often the appropriations bill comes to us first in spite of House rules that require prior passage of authorization legislation.

As described by my colleague, H.R. 2540 authorizes for fiscal year 1982 $18.5 million for the International Trade Commission (ITC), $480 million for the Customs Service, and $10 million for the USTR. All of these amounts represent austere budgets consistent with our overall efforts to control Government spending and reduce the Federal budget deficit. In the case of the Customs Service, the authorization reflects a 3.1-percent reduction over fiscal year 1981 levels.

In addition to the amounts authorized, H.R. 2540 contains statutory language and important report language that address congressional concerns regarding the operations of these agencies. For example, the bill contains a provision which increases from $20,000 to $25,000 the cap on the amount of overtime pay which may go to any Customs employee and urges Customs management to continue to monitor the allocation of overtime.

The increase in the cap will alleviate the administrative burden and additional cost of complying with the more restrictive cap which should be helpful at a time when the hiring freeze will mean fewer inspectors to share the

overtime workload. Yet the cap helps to curtail escalating costs in general as well as ease the problems which have arisen among Customs personnel.

Because the reduced budget for the Customs Service will necessarily put pressure on services provided to the traveling public, H.R. 2540 provides for 6-month tests of new systems of facilitating passenger processing at at least two major international airports. These tests would be determined and carried out by three agencies: Customs, Agriculture's Animal Plant Health Inspection Service (APHIS) and the Immigration and Naturalization Service (INS). There has been some concern that speeded-up processing would mean the entrance of plant or animal pests and diseases. The bill provides for the active participation of the Department of Agriculture in the processing tests and in any resulting new systems.

The bill also prohibits the use of appropriated funds to implement any mechanism for the collection of estimated customs duties that provide for less than a 10-day deferment in the collection of such duties. Congressional intent in this regard has been firmly expressed on three previous occasions in the report language of both the Customs Procedural Reform Act (Public Law 95-410) and the fiscal year 1980 and 1981 authorization bills for the U.S. Customs Service.

Although the present administration has announced no plans to change the present deferment period, the committee wants a definitive statement that finally will put this matter to rest. Thus, H.R. 2540 provides a statutory prohibition against any shortened deferment period.

I would like also to mention the concern of the Ways and Means Committee with respect to the reorganization of the structure of the Customs Service which is addressed in this bill. The committee has pressed Customs for several years to reduce the number of its regional offices and to otherwise streamline its operations so that resources are concentrated at the district and port locations where the important direct services are delivered. Although Customs has taken significant steps to improve the efficiency and effectiveness of the agency, it has not moved to reduce the number of regional offices. The bill mandates reducing the number of regional offices from 9 to 6 and the number of district offices from 46 to 35 by the end of fiscal year 1982 to help the need for Government cost savings and efficiency.

Finally, the bill makes changes in the personal exemptions and simplified duties applied to merchandise brought back into the United States by the traveling public. We have also made changes in the reimbursements required for certain special customs services. These changes are an effort to set realistic value levels that take into account inflation—a trend that began with the Customs Procedural Reform Act.

Therefore, the personal exemption for returning residents would be increased from $300 to $600 and from $600 to $800 in those cases where an individual is returning from the insular possessions. Also, above the personal exemption, the flat 10-percent rate of duty—5 percent in case of the insular possessions—would be applied to the next $800 worth of noncommercial entries rather than $600 as in current law.

Mr. Speaker, H.R. 2540 is an important authorization bill that addresses a broad range of issues that are of ongoing concern for the Congress. I urge my colleagues to give this bill their unqualified support.

Mr. GIBBONS. Mr. Speaker, I thank the distinguished ranking minority member of the committee. I have found that it is a pleasure to work with him and to work with all the members of our committee. I pledge that we will continue that kind of cooperation.

Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. IRELAND), who has a question.

Mr. IRELAND. Mr. Speaker, while the committee has attempted to insure that any new methods of speeding the processing of passengers as the gentleman from Florida alluded to, through Customs protects the American agricultural community against the introduction of foreign animal and plant pests and diseases, I continue to have serious concerns.

I would like to ask my colleague from Florida whether it is the intention that in these tests, there will be no reduction in the level of inspection designed to insure the enforcement of the Nation's plant and animal health laws?

Mr. GIBBONS. The committee is very clear on that point. There will be no reduction of the level of inspection. The Subcommittee on Trade and the General Accounting Office will be monitoring the development and conduct of these tests very closely. The USDA's Animal and Plant Health Inspection Service will be an equal participant in the design and implementation of the studies. As a fellow Member from the State of Florida, I certainly share the concern of the entire State delegation on this matter.

Mr. IRELAND. I thank the gentleman. I am further concerned that in fact, the current level of enforcement of the Nation's agricultural health laws is already inadequate. It is a miracle that there have not been more, costly outbreaks of animal and plant epidemics.

I think part of the problem is that the traveling public and the customs officers themselves do not place a high priority on the enforcement of these agricultural laws. Under Customs laws, the penalty for bringing in a possibly diseased agricultural product is simply the forfeiture of that item. A failure to report the item to a Customs officer under questioning means a penalty equal to the value of the item. In the case of infested fruit or meat products carried by the general public, this is a miniscule amount. It is no deterrent at all.

Also, under the agricultural laws, there is a criminal penalty for a violation of the animal and plant quarantine laws. But that is never used; it is too laborious. The U.S. attorneys simply will not touch it. Therefore, it is no deterrent.

For that reason, the gentleman and I have introduced today legislation which we feel will provide a practical deterrent. I have explained it in detail in my floor statement, but for the present, I would suggest that we should think of it as analogous to a costly traffic ticket which would be assessed, rather than an impressive sounding potential penalty which would never be assessed.

The point here is to stop people, not to have a law engraved in granite which stops nothing.

Can the gentleman, the cosponsor of this bill comment on when the committee may be able to consider this legislation?

Mr. GIBBONS. The gentleman makes a number of excellent points. I am very pleased to be a cosponsor of this penalty-for-failure-to-declare legislation. This type of measure is essential for insuring the better enforcement of our Nation's laws relating to animal and plant health. My Subcommittee on Trade will schedule this bill for consideration during our upcoming round of hearings on small tariff bills. While I cannot speak for the entire membership of the subcommittee, I believe it has an excellent chance of passage.

Let me make several other points.

In the conduct of these tests, I expect that Customs will develop some new, informative literature, in various languages, for the traveling public explaining the travelers obligation to meet national laws. In these pamphlets, I hope that more can be done to stress the importance of complying fully with the agricultural health laws.

Last, as you know, the Carter administration proposed legislation which would establish a system of civil penalties for the violation of these health laws. That proposal was introduced in 1980 in the Senate as S. 2956. It was not introduced in the House. I understand that this year OMB is reviewing

the situation to determine whether USDA can again request this legislation. This legislation is a matter which would be under the jurisdiction of the House Agriculture Committee, and I hope concerned members will explore the possibility of that legislation.

Mr. IRELAND. I thank the gentleman for his kind words of support for my legislation, and for his hard work and support to protect the agricultural interests of our State and our Nation.

As I have often said, no one who has ever stood in line in Miami, or Tampa, or any of our major international airports can be insensitive to the need to facilitate our traveling public—and our guests—more expeditiously.

But at the same time we cannot let an airport traffic management problem override the health and welfare of our agricultural industry. That is self-evident, and I welcome the support of the gentleman and the committee as we work in the future with Customs, Agriculture, and all appropriate officials and agencies to make sure that our Nation's agricultural interests are fully protected.

Mr. GIBBONS. Mr. Speaker, I thank the gentleman. As one Member of Congress who has observed the terrible damage that these imported diseases can do to our plants and animals and to the economy of this Nation, I assure the gentleman that I do not intend to stand by and watch these very helpful protective measures be sacrificed just for passenger convenience.

Mr. Speaker, I yield such time as he may consume to the gentleman from Oregon (Mr. AUCOIN).

Mr. AUCOIN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I understand the need for cost savings in the Customs Service, and though I understand that, I am concerned that in closing some regional or district offices, there may be a reduction in services to the local trading community and that this might, in turn, lead to a diversion of trade away from certain ports and to areas which still retain a Customs headquarters.

I am wondering if the distinguished chairman, the gentleman from Florida, would comment on this concern?

□ 1245

Mr. GIBBONS. Mr. Speaker, will the gentleman yield?

Mr. AUCOIN. I am happy to yield to the gentleman from Florida (Mr. GIBBONS).

Mr. GIBBONS. Mr. Speaker, I know that this is a fear among importers and exporters in a number of cities. But I want to stress, as strongly as I possibly can, that the committee does not intend for there to be any reduction in service to the trading community—merely a reduction in overhead and layers of bureaucracy. Indeed, we expect that service to the public will be improved by these closings, since they will free up personnel to work with the public directly, rather than maintain unneeded headquarters staffing.

We stress this point in our committee report on page 10, where we say:

The Committee does not expect most personnel from these closed headquarters operations to be transferred to other headquarters; rather, they are to be moved into line operations.

I would also like to quote from a 1978 GAO study on the need for Customs to close some of these headquarters. The GAO said, and I quote:

The negative effects of retaining the existing (organizational) structure are felt by all those served by Customs because fewer resources are available to meet day-to-day operating requirements. Having fewer regions and districts would allow Customs to reduce overhead and reassign personnel to day-to-day operations.

Mr. AUCOIN. I thank the gentleman. Is it also your understanding that Customs has not yet decided on what facilities to close and that decisions on closures will be based on up-to-date information on workloads and trade trends.

Mr. GIBBONS. The gentleman is correct. That is our understanding.

Mr. Speaker, I now yield such time as he may consume to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Speaker, I thank the gentleman for yielding and would ask two questions of the distinguished gentleman from Florida (Mr. GIBBONS). The first question concerns the same issue the gentleman from Oregon (Mr. AUCOIN) raised, the closing of three regional offices and nine district offices.

The committee report notes that the personnel which will be freed up by closing those offices will be transferred to ports of entry to provide direct service. Has the committee given any consideration at this point to just where those personnel might be reassigned? I ask this because of a problem I am trying to work out with the Customs Service. At the point of entry at Mid-Continent Airport in Wichita, there are only 3 Customs Service personnel who handled 5,250 entries last year while at another point of entry in an adjacent State, the Customs Service had 9 staff members to handle 5,837. Would the committee agree that as personnel are freed up, they should be shifted to facilities like that in Wichita which are short staffed?

Mr. GIBBONS. Mr. Speaker, will the gentleman yield?

Mr. GLICKMAN. I am happy to yield to the gentleman from Florida.

Mr. GIBBONS. Mr. Speaker, the gentleman is correct; the purpose of closing headquarters offices is to free up personnel to serve the public.

I must advise the gentleman that with the cut in Customs budget and its decline in manpower, even closing headquarters staffs will not substantially reduce the demands on Customs manpower. Further, I would expect most of the staff at closed headquarters offices to switch to "port-of-entry" type work in the same area. Nevertheless, the only hope for increased manpower in the type of case you describe is through cutting some of these headquarters staffs. In the example you cite at Mid-Continent Airport, it certainly sounds as if staffing should be adjusted upward, and with your permission, I would like to inquire with Customs as to why immediate staffing adjustments could not be made so as to help at Wichita Airport.

Mr. GLICKMAN. I thank my colleague. I would ask one additional question.

I note the support the committee has given in its report to the one-stop inspections where one staff person handles both Customs Service and Immigration and Naturalization Service matters. That approach makes imminent sense in terms of maximizing service provided at the least cost. In the case of Wichita, we have those three Customs Service personnel, but no INS office. That has created some real problems most notably for the sizable aviation industry located in Wichita. It has meant that when a plane is flown into Wichita for business purposes or for repairs or modifications, any passengers other than crew can be diverted to the nearest INS office in Kansas City to be cleared for entry. A number of us in the Kansas congressional delegation have been working to get an INS office in Wichita for a number of reasons, but, short of that, it would certainly be a help if this one-stop service could be instituted there. Can you tell me, is it the view of the committee that one-stop service should be instituted in situations like this where there is a Customs Service point of entry but no INS staff to provide complementary services?

Mr. GIBBONS. I thank the gentleman for bringing this example to my attention. It is a classic example of unnecessary bureaucracy. The one-stop system and cross training of Customs inspectors is ideally designed for the type of situation you describe at Wichita. Again, with your permission, I would like to begin some discussions with Customs on a creative, nonexpensive way to handle the case you describe. In this time of budget austerity, it is absolutely essential that our border inspection services cooperate and coordinate to cut down on manpower needs and redtape.

Mr. GLICKMAN. I thank my colleague for his generous responses and urge the adoption of this bill.

Mr. GIBBONS. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Louisiana (Mrs. BOGGS).

Mrs. BOGGS. Mr. Speaker, I am very concerned by the fact that title III of the bill before us includes a provision directing the U.S. Customs Service to reduce the number of regional offices from nine to six by the end of fiscal year 1983.

There is a strong suspicion on the part of those in the trade and maritime communities that this reorganization will result in the closure of regional office 5 which is located in New Orleans. This would make no sense whatsoever by any rational standard.

New Orleans is the Nation's leading port in tonnage for waterborne traffic. According to Corps of Engineers statistics, New Orleans surpassed the Port of New York in 1979 and became the Nation's premiere port.

New Orleans is the No. 6 port in the Nation in customs collections, which easily surpasses both Houston and Miami.

Ports in the State of Louisiana are rapidly growing and expanding; 35 percent of the Nation's waterborne commerce moves through Louisiana and some 13 percent of the Nation's total foreign waterborne trade is handled within the State.

Just last month, operations began at the Louisiana offshore oil port, which we call the Louisiana superport. This is the first true deep-draft port in the continental United States. It will handle a significant volume of the Nation's imported petroleum needs in the future.

Just 2 weeks ago I participated in hearings in New Orleans on the development of coal-handling facilities in our region. By all reports, New Orleans will likely experience a significant increase in coal and grain movement once the channel is dredged to a depth of 55 feet.

It therefore concerns me, Mr. Speaker, that at a time when there is the very definite potential for growth in trade activities in the New Orleans area that this House is considering legislation that could result in the closure of one of the key facilities that makes New Orleans a great port and that contributes to the orderly processing of customs revenues.

Could the gentleman from Florida please explain to me what criteria he expects the Treasury Department to use in determining the reduction in the number of customs regional offices?

Does the gentleman feel that growth trends in import activities should be an important factor in the development of plans for reorganizing the Customs Service?

Mr. GIBBONS. Mr. Speaker, will the gentlewoman yield?

Mrs. BOGGS. I am happy to yield to the gentleman from Florida.

Mr. GIBBONS. I thank the gentlewoman for bringing these observations. I will try to answer her questions.

Before I do, let me say I had the privilege of visiting New Orleans about 2 years ago. As I recall, when I was there, the gentlewoman informed me about the great growth of the Port of New Orleans and, of course, it is one of the historically great ports of the world. I would hope that the Customs Service would use criteria that are designed to achieve the greatest amount of good for every American and that they would be completely objective and use objective criteria in measuring the workload, the work demands on these various headquarters.

As the gentlewoman knows, the Customs Service is perhaps the oldest service rendered by our Government. It really was in existence before this Government came into existence, and it is a continuation of that. During that time conditions have vastly changed; communication is much more rapid and decisions can be made more centrally than they could in those days.

So I would hope that in developing this objective criterion by which to measure offices, that thorough consideration would be given to what are the needs of the community and how do the needs of that community stack up with the needs of other areas.

From what the gentlewoman has described to me about the activity of the Port of New Orleans, it would seem to me that headquarters as important as that would probably be maintained.

Mrs. BOGGS. I thank the gentleman.

Mr. Speaker, I would like to include in the RECORD a copy of a letter the Louisiana congressional delegation received last year from the executive director of the Port of New Orleans on this proposal to reorganize and reduce the regional office structure of the customs service:

PORT OF NEW ORLEANS,
March 5, 1980.

Hon. RUSSELL B. LONG,
U.S. Senator,
Russell Senate Office Building,
Washington, D.C.

Hon. J. BENNETT JOHNSTON,
U.S. Senator,
Russell Senate Office Building,
Washington, D.C.

Hon. LINDY (MRS. HALE) BOGGS,
U.S. Representative,
Longworth House Office Building,
Washington, D.C.

Hon. W. HENSON MOORE,
U.S. Representative,
Rayburn House Office Building,
Washington, D.C.

Hon. ROBERT L. LIVINGSTON,
U.S. Representative,
Cannon House Office Building,
Washington, D.C.

DEAR MRS. BOGGS AND GENTLEMEN: We are writing to bring to your attention the proposed closing of several Customs regions, with the strong possibility that New Orleans may be one of those to be closed. We are indebted to Mrs. Boggs for her enclosed letter of January 25, 1980, which alerted us to the proposed closings.

As background, the U.S. Customs Service nationally was last reorganized in 1966 based on the "Stover Report," which brought about the regionalization of Customs. That report, the only one of the many conducted over the past fifteen years in which the opinions of brokers, freight forwarders, steamship companies and importers were considered, recommended that the then existing 113 principal field offices and nearly 400 subordinate installations be reorganized into six regions. The result was a four tier structure, Headquarters, Region, District and Port designed to achieve uniformity and unity of command, permit increased delegation of authority, permit centralization of certain functions, and improve field administrative programs. The six regions were established using the following criteria: (1) grouping geographical areas having similar Customs activities and problems; (2) achieving a balance of workload among regions; and (3) maintaining a reasonable number of ports to be supervised. Using those criteria, the Boston, New York, Baltimore, New Orleans, San Francisco, and Chicago Regions were created. Intense Congressional and public interest resulted in the subsequent addition of three more regions in the cities of Miami, Houston, and Los Angeles for a total of nine.

While the Regional office performs the many functions mentioned above, one of its most important is coordinating the research efforts and on-going liaison involved in developing, implementing, and operating new trade and other programs such as the construction of the Louisiana Offshore Oil Port (LOOP). Regional representatives of Customs meet frequently with company officials and others to assure that the equipment at the LOOP conforms to government standards and this will reduce the paperwork and other problems for everyone involved. They then coordinate the flow of information to the rest of the staff and Custom's Headquarters.

The recent report of the General Accounting Office reiterates, as it has in previous reports, the desirability of a six regional configuration for Customs. It states that "six regions would provide for:

More balanced workload and personnel among regions.

Better groupings of regions into areas having similar activities and problems.

Greater uniformity of management over activities along the Mexican border."

In putting forth its recommendation, GAO repeats the assertions of the studies conducted since the Stover Report. Many of

those studies called for the abolishment of the New Orleans Region (among others) on irrelevant grounds—smaller workload, less personnel, fewer districts, and smaller collections. Having been tremendously reduced from its original size after large sections were carved out to create two additional regions, New Orleans was left with only two districts. Consequently, fewer personnel and reduced collections and workload are conditions which would naturally follow such an act.

The GAO study, like its predecessors, presents no original research, or new interpretation of events, no study of commercial conditions, but instead proposed reducing regions where it appears convenient. Instead of simply following the path of least resistance, Customs should apply a more imaginative and responsible approach to reorganization. It should conduct some new research into the number and location of firms engaged in international commerce, the trade routes of various lines, programs in progress which will affect Customs and the community, and the existing and potential workload.

With those facts in hand, a more thoughtful decision may be reached.

A very significant set of statistics that dramatically illustrates the greater business volume carried out by the New Orleans Customs District as compared to Houston and Miami is shown by the enclosed collections comparison for Calendar Year 1979 as compared to Calendar Year 1978. This enclosure shows that New Orleans ranked No. 6 in the nation, with total collections of almost $374 million, as compared to Houston with $270 million, and Miami not even ranking within the top 15 in the nation. Of corresponding interest and importance is the enclosed summary of waterborne statistics for Louisiana ports. This shows that 35 percent of the nation's total waterborne commerce moves through Louisiana ports and waterways. Louisiana handles 13 percent of the nation's total foreign waterborne trade value.

Also of interest is the enclosed Executive Summary of the Mid-America Ports Study. This report shows on page 17 that Louisiana's share of projected new port facilities required in the 17-state region is almost 44 percent of the total, or $4.1 billion out of $9.4 billion for the next 20 years.

In conclusion, we believe strongly that the tremendous concentration of waterborne commerce, related industries and maritime entities certainly demonstrate that New Orleans is undoubtedly the greatest maritime, foreign trade action center in the Southeastern part of the nation. In view of the foregoing, we solicit your assistance in using your good offices with the Secretary of the Treasury to insure that the New Orleans Customs Region will not be abolished.

Sincerely,

EDWARD S. REED,
Executive Port Director-General Manager.

The SPEAKER pro tempore (Mr. AUCOIN). The time of the gentleman from Florida (Mr. GIBBONS) has expired.

The Chair now recognizes the gentleman from Michigan.

Mr. VANDER JAGT. Mr. Speaker, I yield such time as he may consume to the gentleman from Louisiana (Mr. LIVINGSTON).

Mr. LIVINGSTON. Mr. Speaker, I thank the gentleman for yielding. I would not want to take much of the gentleman's time except to reemphasize what the gentlewoman from Louisiana (Mrs. BOGGS) has just pointed out, that the Port of New Orleans is now recognized to be, if not the largest port in the world, certainly among the largest, and it certainly would be ill-advised if the Customs Office were to be closed in that area.

I frankly would move to strike section 301 of this particular bill if I possibly could. I cannot do that, but I want to make my objection known for the record.

While I support this bill as a whole, I am compelled to speak out against one particular section of it. I refer to section 301, which provides that the Customs Service must eliminate three of the current nine regional offices that it operates. In addition, this section mandates the closing of 11 district offices, a reduction from 46 to 35.

Section 301 is not a part of President Reagan's program for economic recovery, was not requested by this administration. By the same token, the hypothetical savings from the closings of these offices were not specifically figured into the Reagan budget. In fact, I understand that the administration intends to work with the Senate to delete section 301 from the bill. I would support such an effort.

Given current circumstances, I cannot believe that the House really means to mandate that the Secretary of Treasury close these facilities. This would be the wrong move at the wrong time.

The Port of New Orleans, for example, has recently moved into a position as the premier port facility in the United States. New trends in coal and grain exports indicated that cargo volumes in the New Orleans/Baton Rouge corridor will increase dramatically over the next decade. In addition, the coast of south Louisiana is fast becoming the most active drug-smuggling area in the country.

These situations demand a regional-level Customs Service response, not a congressionally mandated reduction of regional offices.

Mr. Speaker, under the rules of the House, I cannot offer an amendment today to strike out section 301, as I would like to do. But I can make clear that I hope the administration and my colleagues in the Senate will be more successful, and that the Members of the House—once given the chance—will join in rejecting these ill-advised closings of Customs Service regional and district offices.

Mr. DE LUGO. Mr. Speaker, I am pleased to indicate my support today for H.R. 2540, the bill that authorizes appropriations for the U.S. International Trade Commission, the U.S. Customs Service, and the Office of the U.S. Trade Representative for fiscal year 1982.

This bill is of extreme importance to the U.S. Virgin Islands, which relies very heavily on the tourism industry, since it increases the current ceiling on duty-free gifts that tourists can mail to the mainland from $40 to $100. It also increases the ceiling on duty-free hand carried purchases from $600 to $800. Meanwhile, gifts sent from persons in foreign countries would be duty-free up to $50 and hand carried purchases up to $400, therefore the Virgin Islands would maintain its two to one advantage in both categories.

Tourism, our economic mainstay, has been hard hit by inflation. The increases in the duty-free ceiling that this bill would provide, particularly in the ceiling on gift purchases made from the territory, would be an economic shot in the arm for us. Each year hundreds of thousands of vacationers come to partake of our impeccable weather, clear tropical waters and beautiful white sand beaches. Aside from our esthetic attractions, however, there is also our reputation as a shopping area, where liquors, perfumes, watches, and gifts can be purchased at a savings over mainland prices.

However, tariff considerations given to neighboring developing areas have severely reduced our once famous price advantage. Increasing our duty-free ceiling will ameliorate this situation and enhance the attractiveness of this American flag territory to today's sophisticated, bargain-conscious tourists. A thriving tourist industry will in turn contribute significantly in providing aid to private enterprise, help the local government increase its severely strained operating revenues, and create much needed additional employment in the Virgin Islands.

The importance of this legislation to the economy of the U.S. Virgin Islands cannot be overstated and I am pleased to voice my support for its passage.

Ms. FERRARO. Mr. Speaker, as chairwoman of the subcommittee with jurisdiction over Federal personnel ceilings, I have been investigating the effects of reduced Federal personnel on the ability of certain agencies to perform their mandated functions. The Customs Service is one of the agencies in question.

The committee report on H.R. 2540 points out that the U.S. Customs Service is "an exceptionally well-run agency" which has little fat to cut and, therefore, reduced budget and personnel will result in "slowed and reduced service for the traveling public and the trading community."

This administration has instituted an arbitrary hiring freeze and personnel ceiling cutbacks which bear no relationship to affected agencies' workload or to the fact that it may be counterproductive in budget terms to cut personnel at a revenue producing agency. The effects of this grand-

standing, public relations ploy are evident in the Customs Service.

I am particularly concerned because 347 Customs employees will be separated through reductions in force during this fiscal year. Two hundred and five of them—59 percent—will be in the New York region. There are also major cutbacks scheduled for the Immigration and Naturalization Service, and again, the eastern region, which includes New York, will inexplicably take disproportionately high share of the cuts.

The peak international tourist season is almost here. My subcommittee will be holding a hearing at JFK on June 15 to try to determine the magnitude of these problems and to find long-term solutions.

But today we must face the immediate problem. I do not believe that lax enforcement of our customs and immigration laws is an acceptable alternative to hours long waits at our Nation's airports of entry. While I would prefer not to see experiments with expedited passenger processing undertaken in an atmosphere of impending crisis, I recognize that we must act now.

Let me record strong agreement with the committee report language on the enforcement question, which states:

It is important that the tests be carefully constructed to ensure that movement to this system will not result in illegal immigation or increased drug, weapons or other contraband smuggling or danger to the agricultural community.

Having stated my doubts about the wisdom of personnel cuts in agencies like Customs, and the resulting need to devise emergency means of dealing with staff shortages that follow, I want to express my support for the demonstration projects authorized by the committee.

As I have said, we need to develop innovative new methods of improving passenger processing. At JFK International Airport in New York, the coming peak tourist months of summer will mean even longer than average delays for incoming passengers at INS and Customs checkpoints.

The tourist trade is very important to New York's economy. The Port Authority of New York and New Jersey, which operates JFK, has conducted a major promotional campaign this spring to encourage Western Europeans to travel to the United States. This effort has included a series of seminars with European travel agents. In these seminars, the single biggest complaint heard, over and over, was that the Federal inspection process, meaning Customs and INS, caused great delay and inconvenience to arriving passengers.

JFK is by far the leading U.S. airport of entry. In 1980, 6.3 million international passengers arrived at Kennedy. That is 31 percent of total U.S. arrivals by air, and 75 percent more than the second largest gateway airport.

In the past weeks I have been involved in discussions with officials of major U.S. international airlines about the need for prompt, strong measures to deal with the delay problems at JFK. I commend the committee for recognizing the severity of the problem and for establishing the two 6-month demonstration projects. I would hope that JFK International Airport, as this country's leading gateway, would be selected as one of the two demonstration sites.

Mr. VANDER JAGT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. GIBBONS) that the House suspend the rules and pass the bill, H.R. 2540, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

EXTENSION OF FUNDS FOR VETERANS' ADMINISTRATION SUPPORT OF STATE MEDICAL SCHOOLS

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2156) to amend title 38, United States Code, to extend by 12 months the period during which funds appropriated for grants by the Veterans' Administration for the establishment and support of new State medical schools may be expended as amended.

The Clerk read as follows:

H.R. 2156

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5073(a)(2)(G) of title 38, United States Code, is amended by striking out "seventh such period" and inserting in lieu thereof "seventh and eighth such periods".

The SPEAKER pro tempore. Is a second demanded?

Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Mississippi (Mr. MONTGOMERY) will be recognized for 20 minutes, and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to take this time to compliment the distinguished gentleman from Ohio (Mr. MOTTL), the very able chairman of our Subcommittee on Hospitals and Health Care. I want to compliment him for the work he has done since assuming the position of chairman of the subcommittee when we organized earlier this year. I am very pleased with the time and attention he has devoted to the medical issues that relate to our Nation's veterans and, of course, part of the backbone of the veterans' programs are the medical care in the hospitals.

It is my privilege at this time to yield such time as he may consume to the gentleman from Ohio (Mr. MOTTL) and request that he would handle this bill.

Mr. MOTTL. Mr. Speaker, I thank the gentleman for those kind remarks.

Mr. Speaker, the bill H.R. 2156 is a very simple yet very important measure. Public Law 92-541, the Veterans' Administration Medical School Assistance and Health Manpower Training Act of 1972, established a program through which the VA could provide grant assistance for the establishment of not more than eight new State medical schools, on a pilot basis, to be located in proximity to and operated in affiliation with a VA medical facility. As a result of this authority, five new State medical schools were established with the assistance of the VA grant. Each of these new medical schools has received grants to assist in the alteration or repair of buildings in order to make them suitable for use as medical school facilities and to help pay faculty salaries.

Although new medical schools are no longer authorized to be established under the program, funds previously appropriated remain available for 6 years after the year for which they were appropriated. Under section 5073(a)(2) of title 38, a grant made to a new medical school under the program for a payment of faculty salaries may be used for that purpose only during the first 7 years of the school's operation, and only up to a statutorily specified percentage of total faculty salary costs—declining from 90 percent during the first 3 years of a school's operation to 50 percent in the seventh year.

Wright State University, in affiliation with the VA Medical Center in Dayton, Ohio, was the first of the five new medical schools established under this program, and it is now well into its seventh year of operation. According to information received by the committee, Wright State, because of unanticipated delays in completing its faculty roster in the first year, was unable to expend fully the first year's VA grant for faculty salaries. Thus, at the end of that year, approximately one-third of the VA grant funds were

unexpended and remained in Wright State's account. It should be noted that the University of South Carolina Medical School, Columbia, S.C., and possibly one other, could also experience similar problems.

In an attempt to resolve this problem, the bill, as reported, would extend the availability of the appropriations authorized for purposes of this grant program from a period of 6 years to a period of 7 years following the year in which such appropriations are made. However, some question was raised that the bill, as reported, could be interpreted as an amendment proposing an appropriation; and, if so, would not be in order. Therefore, the bill has been amended to eliminate a possible conflict with the Appropriations Committee. As amended, the bill would simply provide an additional 12-month period in which these schools could obligate the funds already committed to them under the program. This provision would limit the amount of remaining funds that could be used to pay faculty salaries during the 12-month period to 50 percent of the total cost of such salaries during that year—the same limit that currently applies in the seventh year.

Mr. Speaker, this bill will not authorize any additional funds beyond those already appropriated. I would like to express my appreciation to Chairman SONNY MONTGOMERY, the ranking minority member of the full committee and the Subcommittee on Hospitals and Health Care, the Honorable JOHN PAUL HAMMERSCHMIDT, and the Honorable CLARENCE BROWN of Ohio for their support on this most important measure.

Mr. Speaker, I urge my colleagues to favorably consider this measure.

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Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2156, a bill to extend for 1 additional year the authority to disburse funds already appropriated to new State medical schools. I commend the chairman of our subcommittee, Mr. MOTTL, for expediting this important and needed legislation.

During the 92d Congress, legislation was enacted that would authorize grants to States to assist them in establishing new State medical schools. The law provided that the grants would be disbursed in increments as required over a 7-year period.

Funds were appropriated and five States qualified for the grant. Because it was a new program, and medical schools were being created from "square 1," delays were experienced and faculties were not readily available. As a result, some of these schools will have unexpended funds remaining in their accounts when the authorization to expend such funds expires. Simply stated another way—they will run out of time before they run out of money.

Mr. Speaker, the record of the five new schools speaks for itself. They are all affiliated with Veterans' Administration hospitals and are assisting in serving the health needs of the Nation's veterans while providing a modern health care delivery system in the States in which they are located.

The funds have been appropriated. They are programed for expenditure by the schools and need only the 1-year extension authorized by this measure to spend them.

I urge my colleagues to support this bill.

Mr. BROWN of Ohio. Mr. Speaker, in the past weeks, we have heard a great deal about making Government funding more efficient so that moneys are expended in such a way as to bring maximum benefits to the institution receiving the grants. Within this context of the current emphasis being placed on the effective allocation of Federal resources, I would like to make the case for the medical schools that receive funding through the Veterans' Administration Medical School Assistance and Health Manpower Training Act of 1972. These centers will be forced to make hasty decisions in order to spend appropriated Federal funds before their 7-year grant authorization expires on June 30 of this year, and because one of the schools involved, Wright State, is in my district, I have chosen to be an original cosponsor of H.R. 2156—a bill that would extend the authorization for the program for an additional 12 months.

The Medical School Assistance and Manpower Training Act provides funds for the establishment and support of new State medical schools in affiliation with nearby veterans' facilities. In the case of Wright State University Medical School—which is affiliated with Dayton VA Medical Center—the grant runs for a period of 7 years as specified by the regulations of the Veterans' Administration. Wright State's authority ends June 30, 1981; however, because the university has budgeted the use of the money for faculty support salaries, some of it will not have been spent by the end of the grant period. Wright State, therefore, needs the authorization period to be extended by the 12 months so that remaining grant money can be used in an effective and rational manner. Extension of the grant period would cost no extra money and require no new VA regulations. At the same time, it would preclude the four other schools from facing the same technical problem in the near future. I feel it is only in the best interest of the Federal Government and the American taxpayer for the Congress to reward the prudent use of funds rather than forcing grantees to spend all their moneys in a short period that may not provide for the most efficient use of funds.

At a time when both the VA hospital appropriations and health funds are being reduced, I feel we are justified in helping ease the termination of these grants to a program that has answered many of our most pressing medical problems. Not only has the affiliation between teaching schools and veterans' hospitals upgraded the care available for those who have served their country in times of need, it has provided a training ground for future health care professionals and introduced them to the special needs of our veterans. Most importantly, these facilities have been particularly sensitive to the maldistribution of primary health care.

The VA hospital and medical school partnership has served us well since its beginnings in 1946. I urge my colleagues to consider this measure favorably, so as not to disrupt a longstanding partnership that has brought mutual benefit to veterans, students, and the communities they serve.

Mr. HAMMERSCHMIDT. Mr. Speaker, I have no further requests for time, and I yield back the remainder of my time.

Mr. MOTTL. Mr. Speaker, I yield back the remainder of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi (Mr. MONTGOMERY) that the House suspend the rules and pass the bill, H.R. 2156, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MOTTL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill just passed, H.R. 2156.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

VETERANS' HEALTH CARE ACT OF 1981

Mr. MOTTL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3499) to amend title 38, United States Code, to extend the Vietnam-era veterans' readjustment counseling program, to provide medical care for Vietnam veterans exposed to herbicide defoliants, including agent orange, to recover the cost of certain health care

provided by the Veterans' Administration, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3499

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; AMENDMENTS TO TITLE 38, UNITED STATES CODE

SECTION 1. (a) This Act may be cited as the "Veterans' Health Care Act of 1981".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

AUTHORITY FOR CONTRACT HOSPITAL CARE IN PUERTO RICO AND THE VIRGIN ISLANDS

SEC. 2. Section 601(4)(C)(v) is amended by striking out "December 31, 1981" and inserting in lieu thereof "September 30, 1982".

MEDICAL CARE FOR VETERANS EXPOSED TO AGENT ORANGE

SEC. 3. Section 610(a) is amended—

(1) by striking out "and" at the end of clause (3);

(2) by redesignating clause (4) as clause (5); and

(3) by inserting after clause (3) the following new clause (4):

"(4) any veteran who served in the Republic of Vietnam during the Vietnam era if a physician employed by the Veterans' Administration (or, in areas where no such physician is available, by a physician carrying out such function under a contract or fee arrangement) determines that such hospital care is necessary for the treatment of a condition that may be associated with exposure while serving in the Republic of Vietnam to phenoxy herbicides and chemicals used as defoliants (including the defoliant commonly knows as 'Agent Orange'); and ".

EXTENSION OF VIETNAM-ERA VETERANS' READJUSTMENT COUNSELING PROGRAM

SEC. 4. Section 612A(a) is amended by striking out "or two years after the effective date of this section" and inserting in lieu thereof "or by September 30, 1984".

MEDICAL CARE FOR SURVIVORS AND DEPENDENTS OF CERTAIN VETERANS

SEC. 5. The second sentence of section 613(b) is amended by striking out "particularly" and "most effective".

MEDICAL CARE FOR VETERANS IN THE REPUBLIC OF THE PHILIPPINES

SEC. 6 (a) Section 624(d) is amended by striking out "and at the same rate as specified in section 632(a)(4) of this title".

(b) Section 631 is amended by inserting "in fulfilling its responsibility" after "the Republic of the Philippines".

(c)(1) Section 632 is amended to read as follows:

"§ 632. Contracts and grants to assure the effective care and treatment of United States veterans in the Veterans Memorial Medical Center

"(a) The President, with the concurrence of the Republic of the Philippines, may authorize the Administrator to enter into contracts with the Veterans Memorial Medical Center, with the approval of the appropriate department of the Government of the Republic of the Philippines, covering the period beginning on October 1, 1981, and ending on September 30, 1986, under which the United States—

"(1) will provide for payments for hospital care and medical services (including nursing home care) in the Veterans Memorial Medical Center, as authorized by section 624 of this title and on the terms and conditions set forth in such section, to eligible United States veterans at a per diem rate to be jointly determined for each fiscal year by the two Governments to be fair and reasonable; and

"(2) may provide that payments for such hospital care and medical services provided to eligible United States veterans may consist in whole or in part of available medicines, medical supplies, and equipment furnished by the Administrator to the Veterans Memorial Medical Center at valuations therefor as determined by the Administrator, who may furnish through the revolving supply fund, pursuant to section 5021 of this title and subject to reimbursement, such medicines, medical supplies, and equipment as necessary for this purpose.

"(b)(1) To further assure the effective care and treatment of United States veterans in the Veterans Memorial Medical Center, there is authorized to be appropriated for each fiscal year occurring during the period beginning on October 1, 1981, and ending on September 30, 1986, the sum of $500,000 to be used by the Administrator for making grants to the Veterans Memorial Medical Center for the purpose of assisting the Republic of the Philippines in the replacement and upgrading of equipment and in rehabilitating the physical plant and facilities of such hospital.

"(2) Grants under this subsection shall be made on such terms and conditions as prescribed by the Administrator. Such terms and conditions may include a requirement of prior approval by the Administrator of all purchases of equipment and of all plans for rehabilitating and upgrading the physical plant and facilities of the Veterans Memorial Medical Center.

"(3) Funds for such grants may be provided only from appropriations of the Veterans' Administration available for medical care.

"(c)(1) The Administrator may stop payments under any contract or grant under this section upon reasonable notice as stipulated by the contract or grant if the Republic of the Philippines and the Veterans Memorial Medical Center fail to maintain such hospital in a well-equipped and effective operating condition as determined by the Administrator.

"(2) The authority of the Administrator to enter into contracts and to make grants under this section is effective for any fiscal year only to the extent that appropriations are available for that purpose.".

(2) The item relating to such section in the table of sections at the beginning of chapter 17 is amended to read as follows:

"632. Contracts and grants to assure the effective care and treatment of United States veterans in the Veterans Memorial Medical Center.".

RECOVERY OF THE COST OF CERTAIN HEALTH CARE PROVIDED BY THE VETERANS' ADMINISTRATION

SEC. 7. (a) Subchapter III of chapter 17 is amended by adding at the end the following new section:

"§ 629. Recovery by the United States of the cost of certain care and services

"(a) In any case in which a veteran is furnished care and services under this chapter for a non-service-connected disability which was incurred—

"(1) incident to the veteran's employment and the disability is covered under a workers' compensation law or plan which provides reimbursement for or indemnification of the cost of health care and services provided to the veteran by reason of the disability,

"(2) as the result of a motor vehicle accident covered under the law of a State which requires that owners or operators of motor vehicles registered in such State have in force automobile accident reparations insurance, or

"(3) as the result of a crime of personal violence that occurred in a State or political subdivision of a State in which a person injured as the result of such a crime is entitled to receive health care and services at such State's or subdivision's expense for personal injuries suffered as the result of such crime, the United States shall have the right to recover the reasonable costs of such care and services from the State (or political subdivision thereof), employer, employer's insurance carrier, or automobile accident reparations insurance carrier, as appropriate, to the extent that such veteran, or the provider of care and services to such veteran, would be eligible to receive reimbursement or indemnifications for such care and services if such care and services had not been furnished by a department or agency of the United States.

"(b) The amount that may be recovered by the United States under subsection (a) of this section may not exceed the lesser of (1) an amount equal to the reasonable cost of the care and services furnished such veteran under this chapter, as determined by the Administrator, or (2) the maximum amount specified by the law of the State or political subdivision thereof concerned or by any relevant contractual provision to which such veteran was a party or was subject. The Administrator shall prescribe regulations for the determination of the reasonable cost of care and services under clause (1) of the preceding sentence, and any determination of such reasonable value by the Administrator under such clause shall be made in accordance with such regulations. Regulations under the preceding sentence shall be prescribed only after notice and opportunity for public comment.

"(c)(1) The United States shall, as to the right provided in subsection (a) of this section, be subrogated to any right or claim that such veteran or such veteran's personal representative, successor, dependents, or survivors may have against a State or political subdivision of a State, an employer, an employer's insurance carrier, or an automobile accident reparations insurance carrier.

"(2) In order to enforce any such right or claim to which it is subrogated under paragraph (1) of this subsection—

"(A) the United States may intervene or join in any action or proceeding brought by the veteran or such veteran's personal representative, successor, dependents, or survivors against a State or political subdivision of a State, an employer, an employer's insurance carrier, or an automobile accident reparations insurance carrier, or

"(B) if—

"(i) no such action or proceeding has been commenced within one hundred and eighty days after the first day on which care and services for which recovery is sought were furnished to such veteran by the Veterans' Administration under this chapter, and

"(ii) the United States has sent written notice by certified mail to such veteran at

such veteran's last-known address, or to such veteran's personal representative or successor, of the United States intention to institute legal proceedings,

the United States may, sixty days after the mailing of such notice, institute and prosecute legal proceedings against such State or political subdivision, employer, employer's insurance carrier, or automobile accident reparations carrier.

"(d) A veteran eligible for care and services under this chapter may not be denied such care and services by reason of this section.

"(e) No law of any State or of any subdivision of a State, and no provision of any contract or agreement entered into, renewed, or modified pursuant to any State law shall operate to prevent recovery by the United States (1) under subsection (a) of this section for care and services furnished under this chapter to any veteran for a non-service-connected disability, or (2) under subsection (b) of section 611 of this title for care and services furnished as a humanitarian service in emergency cases under such subsection to any individual.".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 628 the following new item:

"629. Recovery by the United States of the cost of certain care and services.".

MINIMUM NUMBER OF HOSPITAL AND NURSING HOME BEDS IN MEDICAL FACILITIES OF THE VETERANS' ADMINISTRATION

SEC. 8. (a) Paragraph (1) of section 5010(a) is amended by striking out the first sentence and inserting in lieu thereof the following: "The Administrator shall establish the number of hospital and nursing home beds in medical facilities over which the Administrator has direct jurisdiction for the care and treatment of veterans at not more than one hundred twenty-five thousand and not less than one hundred thousand. The Administrator shall establish such number so as to maintain a contingency capacity to assist the Department of Defense in time of war or national emergency. Of the number of beds authorized, the Administrator shall operate and maintain not less than eighty-two thousand five hundred hospital beds and not less than nine thousand nursing home beds and shall have available such additional beds and facilities above the operating bed level as the Administrator considers necessary for contingency purposes. The President shall include in the budget transmitted to the Congress for each fiscal year pursuant to section 201(a) of the Budget and Accounting Act, 1921 (31 U.S.C. 11(a)), an amount for medical care and amounts for construction sufficient to enable the Veterans' Administration to operate and maintain not less than eighty-two thousand five hundred hosital beds and not less than nine thousand nursing home beds in accordance with this paragraph.".

(b) Paragraph (3) of such section is amended to read as follows:

"(3)(A) The Chief Medical Director shall annually (i) analyze agencywide admission policies and the records of those eligible veterans who apply for hospital care, medical services, and nursing home care, but are rejected or not immediately admitted or provided such care or services, and (ii) review the adequacy of the established operating bed levels, the geographic distribution of operating beds, and the demographic characteristics of the veteran population and the associated need for medical care and nursing home facilities and services in each State.

"(B) After considering the analyses and recommendations of the Chief Medical Director pursuant to subparagraph (A) of this paragraph, the Administrator shall annually report, on or before December 31, to the committees regarding the number of operating beds required to meet the health care mission of the Veterans' Administration and, as appropriate, shall recommend the number of operating beds required for the health care of veterans.".

(c) Section 5010 is further amended by striking out subsection (b) and redesignating subsection (c) as subsection (b).

EXPANSION OF SCOPE OF AGENT ORANGE STUDY

SEC. 9. Paragraph (1) of section 307(a) of the Veterans Health Programs Extension and Improvement Act of 1979 (Public Law 96-151; 93 Stat. 1097) is amended to read as follows:

"(1)(A) The Administrator of Veterans' Affairs shall design a protocol for and conduct an epidemiological study of the long-term adverse health effects in humans of service in the Armed Forces of the United States in the Republic of Vietnam during the period of the Vietnam conflict as such health effects may result from exposure to phenoxy herbicides (including the herbicide known as Agent Orange) and the class of chemicals known as the dioxins produced during the manufacture of such herbicides. In conducting such study, the Administrator may include an evaluation of the adverse health effects in humans of such service as such health effects may result from other factors involved in such service, including exposure to other herbicides, chemicals, medications, or environmental hazards or conditions.

"(B) The Administrator shall also conduct a comprehensive review and scientific analysis of the literature covering other studies relating to whether there may be long-term adverse health effects in humans from exposure to phenoxy herbicides (including the herbicide known as Agent Orange) and the class of chemicals known as the dioxins produced during the manufacture of such herbicides. In conducting such review and analysis, the Administrator may include a review and analysis of the literature covering other studies relating to whether there may be long-term adverse health effects in humans from other factors involved in service in the Armed Forces of the United States in the Republic of Vietnam during the Vietnam conflict or in other comparable situations involving one or more of the factors described in the second sentence of subparagraph (A).".

EFFECTIVE DATES

SEC. 10. (a) The amendments made by sections 2, 3, 4, 5, 6, and 7 shall take effect on October 1, 1981.

(b) The amendment made by section 7(a) shall apply with respect to care and services furnished under chapter 17 of title 38, United States Code, on or after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Ohio (Mr. MOTTL) will be recognized for 20 minutes, and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. MOTTL).

Mr. MOTTL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill, H.R. 3499, the Veterans' Health Care Act of 1981, is the result of five oversight and legislative hearings by the Subcommittee on Hospitals and Health Care. The need for all of the provisions of H.R. 3499 was clearly demonstrated during the hearings.

Mr. Speaker, this bill would:

Extend the authority of the Administrator of Veterans' Affairs to contract for hospital care, or medical services to obviate the need for hospital admission, for veterans in the Commonwealth of Puerto Rico and the Virgin Islands to September 30, 1982.

It would also provide authority for hospital care for Vietnam veterans who served in the Republic of Vietnam if a physician employed by the Veterans' Administration, or a physician carrying out such functions on a contract or fee basis arrangement in areas where a VA physician is not available, determines that such care is necessary for the treatment of a condition that may be associated with exposure to phenoxy herbicides and chemicals used as defoliants, including the herbicide commonly known as agent orange.

H.R. 3499 would extend the Vietnam-era veterans readjustment counseling program, the so-called vet centers, by 3 additional years or until September 30, 1984.

This program would cost an estimated $27.4 million in budget authority and $24 million in outlays to operate in fiscal year 1982, which is a small amount to pay to alleviate the psychological and emotional problems of Vietnam veterans. By comparison, the proposed military construction budget for 1982 is $6.8 billion. Taxpayers spent some $30 billion a year in the midsixties to support the American military machine in Vietnam. In view of the special sacrifices that Vietnam veterans have made for their country, which have gone largely unheralded, it is fitting that the Congress remedy this gross injustice and continue to provide Vietnam veterans with the services of the vet centers. In the past 1½ years, these vet centers have had more than 130,000 visits and have provided services to over 52,000 Vietnam-era veterans. There are many more out there we still must reach, and that is why we must keep this program going.

One provision would make technical changes in the language of the CHAMPVA program in section 613(b) of title 38, United States Code, to facilitate the treatment of certain beneficiaries within VA facilities.

Further, the bill would extend the Administrator's authority to contract for the hospital care and medical services of U.S. veterans in the Veterans'

Memorial Medical Center in the Republic of the Philippines and provides for a grant program of $500,000 per year for 5 years for the replacement and upgrading of equipment and rehabilitation of the physical plant of this medical center. This grant authority expires on September 30, 1986. It also clarifies the position of the United States that the Republic of the Philippines has the primary responsibility for providing hospital care and medical services for Commonwealth Army veterans and new Philippine scouts, and is an expression of the long-standing position of the United States that the operation and maintenance of the Veterans Memorial Medical Center should eventually be assumed by the Philippine Government.

H.R. 3499 would also provide authority to the Veterans' Administration to recover the reasonable cost of care and services from a State, employer, employer's health insurance carrier, automobile accident reparations insurance carrier, or in situations arising under a State's "victims of crimes" provisions in those cases where a VA health care facility provides the hospital care or medical service for non-service-connected conditions of a veteran.

The bill would require that the Administrator of Veterans' Affairs establish not more than 125,000 or not less than 100,000 hospital and nursing care beds in VA facilities and operate and maintain not less than 82,500 hospital beds and not less than 9,000 nursing care beds. It further provides that the budget transmitted to the Congress for each fiscal year will include an amount for medical care and for medical construction sufficient to enable the VA to operate and maintain this minimum number of hospital and nursing care beds.

The proposed legislation would authorize the Administrator of Veterans' Affairs to expand the epidemiological study on the long-term adverse health effects, if any, in veterans serving in the Republic of Vietnam who were exposed to phenoxy herbicides, including agent orange, and the chemicals known as dioxins. The study was originally authorized by Public Law 96-151, and authorizes an expanded review and analysis of other studies which relate to the long-term adverse health effects in humans from other factors involved in service in the Armed Forces in the Republic of Vietnam.

Mr. Speaker, all of the provisions of H.R. 3499 are sorely needed and justified. The Congressional Budget Office has estimated the budget authority in fiscal year 1982 to be $30.8 million and outlays of $27.2 million. Some of the provisions are cost-savings measures. The principal cost is for the extension of the readjustment counseling program. The testimony on this subject clearly demonstrated the urgent need for the extension of the program.

I wish to express my sincere appreciation to the chairman of our committee, the Honorable SONNY MONTGOMERY of Mississippi; to Congressman TOM DASCHLE of South Dakota, the chairman of the Vietnam Veterans Caucus; the Honorable DON EDWARDS of California; the Honorable BOB EDGAR of Pennsylvania; the Honorable MARVIN LEATH of Texas; the Honorable RICHARD SHELBY of Alabama; the Honorable CHRIS SMITH of New Jersey; as well as a special thanks to the Honorable JOHN PAUL HAMMERSCHMIDT, the ranking minority member of the committee, and the Honorable MARGARET HECKLER for their support in bringing this important piece of legislation to the floor today. Without their help, it would have been most difficult to act on this legislation at this point in time.

I urge my colleagues to favorably consider the Veterans' Health Care Act of 1981, H.R. 3499.

Mr. Speaker, I reserve the balance of my time.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3499. This bill incorporates the provisions of seven measures that were the subject of extensive hearings by the Subcommittee on Hospitals and Health Care. All of the major veterans' organizations and spokesmen for the Veterans' Administration expressed their views on this legislation.

This measure, Mr. Speaker, which I was privileged to cosponsor, truly can be termed an omnibus measure because it contains seven unrelated matters, though all are in the general area of veterans' health care.

The first provision will extend the authority of the Veterans' Administration to contract for hospital care in Puerto Rico and the Virgin Islands through the 1982 fiscal year. Our failure to enact this provision will result in the denial after December 31, 1981, of medical care to eligible veterans residing in these U.S. possessions.

The provision authorizing grants to the Republic of the Philippines to assist in providing care and treatment in the Veterans' Memorial Medical Center to certain veterans must also be considered at this time in view of the impending termination of the existing grant authority.

Initiated in 1948, the grant program has recognized the close special relationship between the United States and the Republic of the Philippines. Yet, it has been the long-standing policy of the United States that the full responsibility for the operation and maintenance of the Veterans' Memorial Medical Center should eventually be assumed by the Republic of the Philippines.

This measure, authorizing a total of $2.5 million over a 5-year period for the replacement and upgrading of equipment and rehabilitation of the physical plant and facilities of the hospital presents a reasonable alternative to the abrupt cutoff of grant funds. I strongly support it.

Another provision of this measure will require the Veterans' Administration to operate not less than 100,000 hospital and nursing home beds. Having witnessed the continuing erosion of the Veterans' Administration Hospital system—a health care system once described as second to none—I am pleased to support this provision.

Mr. Speaker, three provisions of this bill relate directly to the needs of Vietnam veterans. One provision will extend a priority in medical care for treatment of conditions that may be associated with the use of defoliants. Another provision will extend the readjustment counseling program for an additional 3 years, while another provision will expand the scope of the previously authorized agent orange study in order to include the effects of all environmental hazards.

Mr. Speaker, all of the provisions of this measure have been carefully thought out. They are needed and I urge that the bill be passed.

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. HAMMERSCHMIDT. I am very pleased to yield to the gentleman from Mississippi, the distinguished whip.

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Mr. LOTT. Mr. Speaker, I appreciate the gentleman yielding and I would like to take this opportunity to commend the gentleman from Arkansas (Mr. HAMMERSCHMIDT) and the distinguished chairman of the subcommittee and, of course, our distinguished chairman of the full committee from my own State of Mississippi (Mr. MONTGOMERY) for the job that they have done on veterans' legislation. I think my record speaks for itself in support of these efforts.

I do want to ask this question, though, if I could: This particular bill, H.R. 3499, the Veterans' Health Care Act of 1981, does in fact have some provisions in it that are controversial; is that correct?

Mr. HAMMERSCHMIDT. It does have some provisions that some with administrative authority feel are controversial; that is correct. And obviously that makes them controversial.

Mr. LOTT. I think it would certainly go beyond the administration.

Mr. HAMMERSCHMIDT. Yes; I agree that could be so.

Mr. LOTT. There are others that raise some questions. While in the final analysis they may go along, approve of them, the reason I ask is this: I wonder if this bill should be on suspension or should it have been on the regular calendar so it could have a full

and thorough discussion with amendments being in order?

Mr. HAMMERSCHMIDT. It had, of course, thorough and full review within the subcommittee and the full committee of jurisdiction. I did not feel there was that much controversy, at the time from the testimony that we heard. That is a subjective judgment, of course; but I really believe that this bill has overwhelming support in the House.

Mr. LOTT. In the House, most veterans' bills do pass overwhelmingly, as they should, because this committee is a very responsible committee and does a good job. I do think sometimes that perhaps we put too much legislation on suspension here in the House, and I just wanted to raise that question.

Mr. HAMMERSCHMIDT. Might I say further to the gentleman, some of the controversy may be caused by a misunderstanding on what the issues are. When I suggest that the administration opposes this, I am not entirely sure that is so, because as the gentleman knows, it has taken time to put the new administration in place. We do not yet have a Veterans Administrator confirmed. We get mixed signals out of those people that are down at the Veterans' Administration right now. We have had conflicting testimony.

I would not want to, certainly, indict the administration as opposing certain provisions of this bill when I do not know for sure.

Mr. LOTT. Like this committee, I am sure that the administration should be primarily a nonpartisan organization anyway. Maybe no matter what administration controls, hopefully they will speak with about the same voice down there.

I understand what the gentleman is saying. I just would urge the committee to be careful about the bills they put on suspension.

Mr. HAMMERSCHMIDT. I appreciate that. Let me say further, in discussion with the President of the United States—and I think the gentleman knows this—he, the President has always expressed his very strongest concern over many of these items that are in this bill. I am not sure that his legislative recommendation would take this form, but he has great concern about the Vietnam veteran, about the possible implications of agent orange, about all matters bearing on the health and welfare of all our veterans. It is a matter of trying to find the right solution. I would say that the President has deep concern about everything that is in this bill.

Mr. JEFFORDS. Mr. Speaker, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Mr. Speaker, I rise in support of the Veterans' Health Care Act and I wish to commend the gentleman and the committee for their action.

I cosponsored the legislation introduced by my colleague from Massachusetts (Mrs. HECKLER) to extend the veterans readjustment program for 3 years. I am very pleased that an extension of the program has been endorsed by Mr. MOTTL and the Committee on Veterans' Affairs.

I have spoken here before on the importance of the readjustment counseling program for Vietnam veterans. It is a subject I can discuss with a great deal of pride and praise because the program we have in Vermont is excellent. Since the Outreach center opened in January 1980, about 500 vets have taken advantage of the center regularly and countless others drop in from time to time. It is truly the focal point for many Vietnam vets in the State. These men are getting back into the labor force, they are reestablishing relationships with their wives and families, and they are responding to the system without anger—something that many of them felt would never be possible. Most important, however, they seem to be becoming comfortable with themselves and with their status as veterans of the Vietnam conflict. In short, the program has been a tremendous success.

I also support the provision of this bill that expands the study on the effects of agent orange that is already underway to include an evaluation of the effects of other environmental agents or conditions. Pending the outcome of this study, this bill authorizes medical care for Vietnam veterans if VA-approved doctors find that treatment is necessary for symptoms that could be associated with agent orange or other defoliants.

This is a small step, but it is a beginning. Vietnam veterans in my home State of Vermont have been working very hard to inform one another of the consequences of exposure to agent orange. Nevertheless, there is still a need for a comprehensive study of the problem by an independent group.

Mr. Speaker, I would also like to briefly mention two other bills that the House is considering today and indicate my strong support for them. H.R. 3423, the Veterans' Training and Business Loan Act of 1981 makes Vietnam-era vets eligible for educational assistance for the pursuit of on-the-job training and vocational training through 1983. It also creates a Small Business Administration loan program for Vietnam vets that is similar to what was extended to World War II and Korean war vets under their GI bills.

Another bill, H.R. 2039, authorizes the VA to guarantee home loans with provisions for variable payment plans used to purchase single family dwelling units.

I am pleased that the House is enacting these bills today. It is time we gave the considerations to Vietnam veterans that they deserve and heightened our awareness of the debt of gratitude we owe our veterans as a whole.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Ohio, a member of our committee.

Mr. WYLIE. I thank the gentleman for yielding.

Mr. Speaker, the Veterans' Health Care Act of 1981, designated H.R. 3499, contains several provisions essential to maintaining the continuity of health care being administered to eligible veterans. I recommend its adoption by our colleagues.

Of special interest to those of us who have received a high volume of constituent mail about the Vietnam veterans readjustment counseling centers is the section extending their authority to operate until September 30, 1984. These centers were scheduled to close September 30, 1981, by the law establishing them.

Hearings before the Veterans' Affairs Committee brought out the difficulty these centers have encountered in establishing themselves in a community. Time is required to overcome the doubt and skepticism that is frequently engendered by a new program and new approach. Operation Outreach, as these centers were called, was set up to provide readjustment assistance for veterans of Vietnam, not to administer a medical treatment program. This distinction broke new ground in the usual delivery of health services. The development of methodology and policy along with the counseling facilities themselves has taken more time than anticipated.

Based on the record they have so far established and on field investigations conducted by the staff of the Veterans' Affairs Committee, it appears these centers have not yet had the time to do the job they were established for. I recommend, therefore, that this bill giving them 3 more years of existence be considered favorably.

Mr. HAMMERSCHMIDT. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. MOTTL. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Pennsylvania (Mr. EDGAR), who has certainly contributed a great deal to this bill.

Mr. EDGAR. Mr. Speaker, we heard in the last few minutes that there is some controversy about this bill. I think the only controversy about this particular bill at this time in history is that the bill has not been to the floor sooner and that we may not pass the bill by unanimous consent.

This bill is a very good one and perhaps for the first time in a long time we are recognizing on the House Veterans' Affairs Committee that there are some unique problems that face the Vietnam-era veteran, some problems like delayed stress syndrome, exposure to agent orange, needs for better, improved health care services, opportunities to walk in off the street to Outreach centers. I think the President of the United States ought to listen carefully to the words of those who serve actively on the House Vietnam-Era Caucus who have been lobbying for some time not only to recognize the great value of readjustment conseling centers, but the special needs of those veterans who served in a very troubled time in our history.

I think if the President of the United States and the ranking minority member and the ranking whip, the majority leader, and the Speaker of the House would listen, as we did, to the many hours of testimony, they would recognize that this bill is only controversial to those people who do not know the details and the needs.

I would hope that we would eliminate that controversy by passing this bill unanimously and by sending a clear message to the President of the United States, but more importantly a clear message to every Vietnam veteran who served this country well, that we care about them and their needs and their responsibilities.

Mr. Speaker, today marks a very significant milestone. For the first time in many years the House of Representatives has taken the initiative over both the Senate and the executive branch in advancing the cause for progressive legislation in behalf of Vietnam-era veterans.

The 3-year extension of readjustment counseling and the long overdue medical provision for the treatment of agent orange disabilities contained in H.R. 3499 are only part of this achievement. When coupled with the employment, vocational, and business loan programs brought before the House yesterday, they comprise a well-rounded targeted readjustment package that will benefit thousands of deserving Vietnam veterans.

We have taken the lead on these issues with the unanimous bipartisan support of the House Committee on Veterans' Affairs. I would like to thank the chairman of the full committee, SONNY MONTGOMERY, for his leadership. Special thanks are also in order for Congressmen TOM DASCHLE and DAVE BONIOR of Michigan of the Vietnam Veterans Caucus, Subcommittee Chairman RON MOTTL and ranking minority members JOHN PAUL HAMMERSCHMIDT and MARGARET HECKLER.

The action we are taking today is designed to clearly state the intent of the House Committee on Veterans' Affairs and the House as a whole in support for full implementation of these programs. The battle over readjustment counseling has been waged within the Congress and in the White House for nearly 10 years. The program was implemented in 1979 with a limited budget and under a 2-year restrictive time period. Testimony before our committee as early as 1978 indicated that a minimum of 5 years of full operation was necessary to allow these centers to reach their full targeted veteran population. Even if the Congress approves the full 3-year extension contained in H.R. 3499, Operation Outreach is far behind the schedule already mandated by the Congress. The program, quite naturally was delayed in reaching full operation due to startup time lags. In addition, in recent months the program has been effectively crippled under OMB's hiring freeze and the deferral of expansion funds authorized by the Congress last December. We intend to see this situation corrected.

A major survey of Vietnam-era veterans mandated by the Congress and completed by the Center for Policy Research in New York indicates that up to 800,000 Vietnam veterans are still suffering from the residual effects of that war and are in need of these services.

Very few programs, scheduled for elimination in fiscal year 1982 by OMB have received so much attention and support both within the Congress and among the American people. It is a tribute to the value and effectiveness of this project that 91 small storefront counseling centers with an original $9.9 million budget could spread so much good news. When our colleague DON EDWARDS of California introduced H.R. 747, the original legislation in this Congress which called for the 3-year extension we are voting on today, he was quickly joined by 100 additional sponsors.

But support for the program has also come from around the country: From State and local officials, and from all veterans' service organizations. However, the most telling support has come from individual veterans themselves and from their families whose lives have been touched by this valuable assistance.

Quite simply, readjustment counseling works. It works as originally designed by the health care professionals and dedicated VA employees who staff these centers. We need to send them a very strong signal of our support for this program and for the continuation of the services they provide. They have our confidence and our support. The vet center program should continue in full operation as mandated by this legislation, free from continued bureaucratic manipulation or administrative counterventionn.

I trust the statement made today in passage of this legislation will make clear the intention of the House supporting 3 more years of quality, peer group designed and implemented, readjustment counseling services.

Vietnam will always be with us. The scars of Vietnam will always be with us, too. In war there are no unwounded soldiers. However, at vet centers across this country, over 60,000 Vietnam veterans have already learned that they do not have to fight that war any longer. There are thousands more in need of help. Through this program and the others approved today we can show our good faith to welcome them all home again at full potential.

Mrs. HECKLER. Mr. Speaker, will the gentleman yield?

Mr. EDGAR. I yield to the gentlewoman from Massachusetts, who has worked on this legislation.

Mrs. HECKLER. Mr. Speaker, I rise in support of H.R. 3499, the Veterans' Health Care Amendments of 1981.

Consideration today of H.R. 3499 marks a turning point in the House regarding health care treatment for all veterans, but especially Vietnam veterans. This House has never before been presented with proposed Vietnam veteran legislation such as this, legislation which in one bold stroke would:

Expand the Operation Outreach vet center program an additional 3 years, until 1984;

Authorize Veterans' Administration treatment of Vietnam veterans for agent orange poisoning, and expand the VA study of agent orange to all herbicides used in Vietnam.

Establish maximum and minimum authorization levels regarding the number of hospital beds the Veterans' Administration must operate.

I am especially pleased that H.R. 4399 contains the provision of my bill, H.R. 2886, to extend the highly successful and needed Operation Outreach vet center program.

I personally have visited vet centers operating in my State and have worked closely with both counselors and veterans being counseled. My personal observation is that this program is an unqualified success.

I am pleased to say that the Veterans' Administration agrees. It therefore is paradoxical that the Veterans' Administration should recommend that this program be eliminated and eliminated abruptly on September 29.

By the Veterans' Administration's own figures, 82 percent of veterans counseled by Operation Outreach say they were counseled successfully and to each's own satisfaction. This is not a bureaucratic statistic—it is human. The number of veterans who say they were counseled unsuccessfully is a meager 2 percent.

The Hospitals Subcommittee of which I am a member heard testimony from veterans, counselors, medical care experts, and VA physicians on this subject. Testimony went only in one direction—commendation for the program and recommendations that it be extended.

In March, the congressionally mandated five-volume, 6-year study of Vietnam veterans was released by the Center for Policy Research in New York City. It further confirms what some of us have known for a long time: That Vietnam combat veterans suffer significantly more emotional, social, educational, and job-related problems than those who were not in battle.

It further found that exposure to combat has a direct relationship to current abuse of alcohol and other drugs, as well as arrested, medical, and stress-related problems.

The American Psychiatric Association has recognized a disorder unique to the Vietnam veteran—delayed stress syndrome. This disorder is defined as a veteran suffering emotionally or psychologically from combat, long after returning from the battle.

These problems are not disappearing. In fact, they are intensifying. Talk of cutting this program is exacerbating such problems. We need to be concerned about Operation Outreach and Vietnam veterans because there are 2½ million Americans who served in Vietnam. But there are 230 million veterans of Vietnam in America. We must preserve and extend Operation Outreach because we all—each and every one of us—are Vietnam veterans, and we all are benefiting from this highly successful program.

Section 3 of H.R. 3499 would specifically provide for treatment of a veteran by the VA for agent orange poisoning. Such treatment would be provided if a Veterans' Administration physician, or a physician under contract to the VA, diagnoses a veteran's health problem as connected to agent orange poisoning.

A significant number of Vietnam combat veterans have been seeking this type of treatment at the VA for years. This legislation has been too long in coming, but I commend the leadership of the Veterans' Committee for advancing this proposed legislation at this time.

Mr. Speaker, between 1964 and 1971, the Department of Defense sprayed 11 million gallons of agent orange—and millions more of other herbicides—on the Vietnam jungles as a defoliant.

Agent orange is a 50-50 mixture of two chemicals, the manufacture of which creates an inevitable byproduct, dioxin. Dioxin has been described by experts such as Dr. Epstein, of the University of Chicago, as one of the most toxic and potent synthetic chemicals ever produced.

Human and laboratory tests in lower animals have found that persons exposed to dioxin are more likely to contract cancer than are those who are not.

The Veterans' Administration recently awarded a congressionally mandated study contract to the UCLA Medical Center to conduct a comprehensive study of the health effects of agent orange exposure. Results will be available in 2 years.

In the interim, there is great concern among Vietnam veterans over the adverse health effects that are a consequence of exposure.

As one of those who first brought the agent orange concern before the Veterans' Committee in 1978, I feel it has taken too long for this kind of legislation.

Passage of this bill today will send a message to the frustrated and angry Vietnam veteran who feels his fears and needs are not being addressed or met. It will say that this House cares and will give the veteran in need the benefit of the doubt.

The benefit of the doubt as opposed to the bureaucratic cold shoulder. This our message in this bill.

I thank and commend Messrs. MONTGOMERY, HAMMERSCHMIDT, MOTTL, DASCHLE, EDGAR, and BONIOR especially for their work on behalf of Vietnam veterans.

Section 8 of H.R. 3499 establishes minimum and maximum levels of beds that the Veterans' Administration will be required by Congress to have authorized and to operate. This benefits veterans of all wars.

The Veterans' Administration would be authorized a maximum of 125,000 and a minimum of 100,000 hospital beds throughout its 172-hospital system.

It would be required to operate not less than 82,000 acute care beds and not less than 9,000 nursing home beds.

By statutorily mandating minimum and maximum numbers of beds Congress will stop the erosion of hospital beds that has occurred against our will during the past decade.

During the past 10 years VA has lost 10,000 to the bureaucratic cutting at the Office of Management and Budget. This is directly contrary to the documented need for greater numbers of beds throughout the system as stated in the VA's 1978 report on the aging veteran.

The VA's own 1978 report on the aging veteran documents the need for 125,000 beds by the turn of the century. Instead, needed beds are being taken out of service. This provision would reverse that confounding trend and assert the will of Congress over the VA hospital system.

Mr. EDGAR. Let us join in recognition, as the gentlewoman has said, that the controversy rests in the minds of the Vietnam veterans. Let us ease that controversy by unanimously passing this piece of legislation.

Mr. MOTTL. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Michigan (Mr. BONIOR), who is not a member of the committee but has done a yeoman's job on behalf of the Vietnam veteran.

Mr. BONIOR of Michigan. Mr. Speaker, on Thursday, last week, two Vietnam veterans ended a multiday hunger strike. They had sought through that hunger strike to communicate to America and its Government something of the needs felt by Vietnam veterans.

Their plea was not new to many of the Members of this House. We have all heard it before in the letters we receive from Vietnam veterans, in town hall meetings, in the briefings of our case workers. But it was no less urgent for being less new. Listen to their plea: "Extend and properly fund the readjustment counseling program." "Recognize and deal with the real problem of agent orange." "Develop inpatient psychiatric care in the VA hospitals which is appropriate to the needs of posttraumatic-stress-disorders, delayed-stress."

That is not a radical agenda. Nor a frivolous one, as the Members of this body know, the need has been well documented.

Documented in the 1976 National Academy of Science study which raised serious questions about the quality of VA psychiatric care;

Documented in the Forgotten Warrior project, funded by the Disabled American Veterans and run by Dr. John Wilson, which laid out the readjustment problems faced by Vietnam veterans;

Documented in the 1979 and 1981 Center for Policy Research Studies, done under a Veterans' Administration (VA) contract, which confirmed the underlying conclusions of Dr. Wilson and specificially called for an outreach program similar to the readjustment counseling program;

Documented in the European epidemiological studies, made public by the gentleman from South Dakota and myself, which demonstrated a correlation between exposure to 2,4,5-T, a major ingredient in agent orange, and cancer.

Today, this body takes action which will answer the pleas of Vietnam veterans.

Today, this body acts unequivocally to extend the readjustment counseling program for 3 years.

Today, this body breaks new ground by clarifying and establishing that veterans with health problems related to exposure to agent orange are eligible for health care.

Today, this body asserts its continuing concern that agent orange research be allowed to forcefully pursue

the most effective channel, whatever that channel may be.

Today's action reflects the leadership of several members of the Veterans' Affairs Committee who have acted to insist that we meet our national obligation. The chairman of the subcommittee, Mr. MOTTL, the ranking minority member of the subcommittee, Mr. HAMMERSCHMIDT, the chairman of the full committee, who has worked to bring a new direction to the committee, Mr. MONTGOMERY, and the gentleman from South Dakota, the present chairman of the Vietnam veterans in Congress, Mr. DASCHLE, who joined by the gentleman from Pennsylvania, Mr. EDGAR, has served as a crucial ambassador for Vietnam veterans of the committee, also Mr. EDWARDS of California and Mrs. HECKLER of Massachusetts. I extend them my thanks.

In acting today, we have not answered every need, which, of course, we may never be able to do. But we have started. In acting today, we have not guaranteed that what we pass will be finally enacted, and then properly implemented. But we have shown our resolve.

Let us carry that resolve with us as we face some of the outstanding problems:

The need for carefully and specifically designed psychiatric in-patient facilities for Vietnam veterans will remain.

But that does not require legislation. The VA could do that today, under existing authority.

Let the VA and the new administration show its resolve as well by demonstrating the regional availability of special psychiatric wards for Vietnam veterans.

The problem of implementation will still loom over us, a discouraging burden.

The magnitude of this problem can be suggested by the fate of the readjustment counseling program during fiscal year 1981—this fiscal year.

Appropriated for the program was $30 million. This included a $6 million increase for new staff and new centers, available for implementation in December of 1980.

While the Carter administration implemented the new funds, the Office of Management and Budget under the new administration first froze that implementation in January, and then in March deferred it until nearly the end of this fiscal year. As we talk today, the money is not yet in place.

Delaying expansion, however, was only a part of the problem. As the VA has itself testified, over and above the freeze and deferral, an additional $12 was reprogramed to cover hospital operation costs, not the costs of the vet centers.

Consider the bottom line: The program was budgeted for $30 million; $6 million was impounded, leaving $24 million; $12 million was then reprogramed, leaving approximately $12 million as the final budget.

The program received only 40 percent—less than half—of the money Congress appropriated for it.

What is even more startling is that while the reprograming is, arguably, a "normal" exercise of the Executive's "abnormal" discretion over spending, the impoundment of the $6 million was clearly illegal. Two separate rulings by the General Accounting Office (GAO) had made that clear.

For some reason, the Executive was so intent on ending this program that they would not only oppose its extension, they would not only reprogram 40 percent of the budget, but they would also illegally impound an additional 20 percent more. The message to Vietnam veterans was clear.

But so also was the message to Congress. At stake in the Executive action was the fundamental question of whether the Executive will abide by Congress control over spending.

As Members of this body know, these issues are being resolved now in the courts through a law suit brought by myself and other Members of Congress—some of whom are on the floor here today. Additional efforts to compel the Executive to abide by congressional intent have been brought by others, including the chairman of the Committee on Veterans' Affairs, Mr. MONTGOMERY, and the chairman of the Appropriations Subcommittee, Mr. BOLAND. Finally, the Congress is expected to act this week to explicitly disapprove the Executive's decision to defer funding.

I am increasingly confident that the Executive will bend to the will of Congress—better late than never. I have always been confident that the courts will uphold the law and protect the integrity of the congressional spending power.

But let today's actions send a clear signal. Our resolve is firm.

We act today not only to extend the program, but to communicate our insistence that the intent of Congress be fulfilled in the implementation of the program.

Let the time end where Vietnam veterans must go on hunger strikes as a plea for action.

I would like to close with a question to the distinguished chairman of the subcommittee, Mr. MOTTL.

I am concerned about OMB's persistent statement that Congress did not specifically intend that the readjustment counseling program be implemented through the so-called store front Outreach centers based in the community, outside the traditional Veterans' Administration regional centers and hospitals. In my mind, the legislative history has clearly established that Congress did specifically intend that the program be run through such vet centers. Would the chairman comment? Is it his understanding as well, that the committee clearly intends the program be run through separate vet centers like the 91 now in existence?

Mr. MOTTL. If the gentleman will yield, it is the legislative intent of the subcommittee—I am speaking also for the full committee—that they be allowed to sustain themselves to 91. We expand this program as Outreach.

Mr. BONIOR of Michigan. I thank the gentleman for his comment.

I would note that, of course, the committee has already, in part, made clear that intent within their report. I refer, for example, to the statement on page 5 of the report, which states, the centers are "unique and should be allowed to operate outside VA facilities * * *".

Nor was this question left open in the past. The committee clearly stated their intent that the program be community based on page 23 of the report to the House bill which originally established the program, House Report No. 96-140, where the committee said:

> The committee feels the readjustment counseling provided under the reported bill should be community oriented if it is to be effective, and that vigorous outreach must be undertaken . . .

Mr. MOTTL. Mr. Speaker, I yield such time as he may consume to the very distinguished and capable representative of Puerto Rico (Mr. CORRADA), who looks out for the veterans' best interests in Puerto Rico.

Mr. CORRADA. I thank the gentleman for yielding.

Mr. Speaker, I rise in strong support of H.R. 3499, the Veterans' Health Care Act of 1981. This legislation encompasses different health provisions for veterans.

As Resident Commissioner from Puerto Rico, I can attest to the strong support of all island veterans' organizations for this important bill.

The bill has three main purposes. The first is to allow Vietnam veterans to receive Veterans' Administration hospital and nursing home care for conditions which a VA doctor determines may be associated with exposure while serving in the Republic of Vietnam to phenoxy herbicides and chemicals used as defoliants including agent orange. In areas where no such physician is available, the determination can be made by a physician carrying out such functions under contract or fee arrangement.

The second purpose is to allow the VA to expand the scope of the ongoing study of the health effects of agent orange exposure to include the possible health effects of exposure to other toxic chemicals used in Vietnam.

The third main purpose is to extend through fiscal year 1984 the current

VA psychological readjustment counseling program for Vietnam veterans. The present program is scheduled to expire at the end of fiscal year 1981.

The bill also contains three other provisions: First, it permits the VA to recover the costs of veterans' non-service-connected care if the disability is covered by State workers' compensation plans, by State-required no-fault automobile insurance, or by State "victims of crimes" compensation.

Second, extends the authority of the VA to contract for the care of U.S. veterans in the Republic of the Philippines through fiscal year 1986; it authorizes funds to replace and upgrade VA medical equipment in the Philippines; and it terminates VA's authority at the end of fiscal year 1981 to contract for the care of veterans who served in the Philippines' armed services.

Third, it extends the authority of the Veterans' Administration to provide contract hospital care and medical services to veterans in Puerto Rico and the Virgin Islands through September 30, 1982.

This will permit uninterrupted continuation of services to our veterans population and offers the Congress the needed additional time to consider the merits of the Veterans' Administration's "Report to Congress on Health Care for Veterans in Puerto Rico and the Virgin Islands." This report will indeed be very helpful in the future consideration of a definite path which will lead to offer adequate medical assistance to veterans in Puerto Rico and the Virgin Islands.

Mr. Speaker, this legislation is not only important to our veterans, but essential to our most recent veterans—those of the Vietnam war. More than any other veteran in the history of our Nation, the Vietnam veteran has suffered from neglect by our Government. Having fought in an increasingly unpopular war from which we retreated in defeat, the Vietnam veteran returned to a nation which wanted to forget that era. Instead of receiving the support and appreciation warranted by his response to his country's call to duty, all Vietnam veterans fell victims to the charges that they were drug addicts, malcontents, and suffering from emotional problems. But while being ready to label them in those terms, we have not often stood willing to give them our assistance and help. Only those that served in Vietnam can truly understand the tremendous disappointment in realizing that their sacrifices in the battlefield were for naught; but we can insure that we live up to the commitments that as a nation we have always made to our veterans. This legislation, Mr. Speaker, fulfills a part of that commitment. I urge all my colleagues to vote in favor of this legislation.

Mr. MOTTL. Mr. Speaker, last but not least, I yield 4 minutes to the gentleman from South Dakota (Mr. DASCHLE), the very capable Representative who continues to champion the cause of the Vietnam veteran in the committee as well as in the Congress of the United States.

□ 1330

Mr. DASCHLE. Mr. Speaker, I have been on the House floor many different times over the last 2½ years and I have to say without question that this is one of my finest moments. It is a moment that I will treasure for as long as I am in politics, as long as I am in Government.

I want to thank, in the most sincere fashion, the chairman of this subcommittee, the chairman of the Committee on Veterans' Affairs and the ranking members for their unequivocal support of this most important effort. We have waited too long, Mr. Speaker, for the kind of support that we see here today. We have waited for years to be able to come home and tell these Vietnam veterans for the first time we are listening. We are listening to the problems that they have with psychological abuse, and with drug abuse. We are listening to the problems that they have in finding a need for employment and someone to talk to, but we are listening for the first time.

And it is to their credit and to the credit of those people who have worked as hard as they have on this legislation, that today we come with a unanimous voice.

Last week, Richard Cohen wrote in the Washington Post that it is unfortunate that we have to see the victims to appreciate the pain. For 10 years we have heard about the pain, we have heard about those victims of agent orange. Today, for the first time, we can tell those victims, yes, we are listening and we are doing something about it.

For the first time we are going to give you the kind of priority medical treatment that you deserve as victims of the last war, and indeed, we intend to build upon that kind of service.

We are going to continue to listen and continue to build on the documentation that we have as a responsibility in the Veterans' Affairs Committee by building on the research and the study that we have authorized through this legislation in agent orange.

So, I commend the chairman. I commend these Members for their persistent effort and I commend the veterans for their effort over these last 10 years, many times a lonely, desperate and very, very frustrating effort to get this Congress to come to the position we are today.

The legacy of agent orange has been with most of us only since 1977, yet it is one of the most unusual and controversial issues our Government has faced in many years. The Veterans' Committee has taken a genuinely substantive and proper step by approving legislation I originally introduced in H.R. 2953 which will provide priority medical care for Vietnam veterans suffering from effects which may be related to agent orange or perhaps other chemicals used in Southeast Asia. This step will in the short term alleviate much of the financial burden on many of these men currently under treatment for chronic health problems and assure them that the Veterans' Administration and the Congress are concerned and willing to provide the treatment necessary to correct these conditions. Pending the completion of VA, Air Force, and Center for Disease Control studies on this issue, the subject of compensation will be addressed. I wish to assure both my colleagues and the 2.8 million veterans who served in Vietnam that if exposure to agent orange, or any other chemical used in Vietnam, is found to be detrimental, I will seek final approval of legislation I have introduced which authorizes compensation (H.R. 2493).

H.R. 3499 takes another very important step by reauthorizing the Vietnam Veterans' Outreach centers for an additional 3 years. The centers, many of them in operation for barely a year have been visited by over 56,000 veterans and 23,000 family members. A recent study commissioned by the VA estimated that as many as 450,000 additional veterans may be suffering from delayed stress. Without question, the unique and peculiar nature of the war itself and the treatment faced upon returning home has left many of these men bitterly frustrated and alienated from conventional VA sources of assistance. The peer group counseling network utilized at the centers has been endorsed by a number of reputable organizations. The Center for Policy Research, which recently finished a massive study on the readjustment problems of Vietnam veterans, has concluded that this approach is the best method available to reach out and bring these men back into the mainstream of society. I am most pleased that the committee disregarded the Reagan administration's request to discontinue the program. I fail to understand how the President could consider Vietnam a noble war, but its veterans unworthy of treatment to counter the side effects of the war itself and the bitterness and disillusionment they felt upon their return home.

This legislation also makes necessary refinements in the VA's epidemiology study, as proposed by the Scientific Panel of the Interagency Work Group. These changes will allow the VA to consider the effects of herbicides other than agent orange, pesticides,

and other chemicals which were extensively used in Vietnam.

Another very important provision in this legislation deals with the subject of hospital and nursing home beds in the VA hospital and health-care system. The Office of Management and Budget (OMB) has in recent years initiated a most unfortunate trend by forcing reductions in the number of beds and medical personnel maintained by the VA. The practical effect of this policy has been that the VA has been unable to provide the care and services mandated by the Congress and veterans are often denied care they have been promised. H.R. 3499 will require that no less than 82,500 hospital and 9,000 nursing home beds be maintained in the VA health and hospital care system. Passage of this legislation will thus help the VA resist continued OMB encroachment and allow the VA to provide the quality care veterans have come to expect. This is especially important in view of the fact that most World War II veterans are now in their sixties and will increasingly need the services which the VA now provides.

I wish to offer my gratitude to the members of the committee, especially the chairman of the Subcommittee on Hospitals and Health Care, Mr. MOTTL, the ranking minority member, Mr. HAMMERSCHMIDT, and the full committee chairman, Mr. MONTGOMERY, for their dedication and support in advancing this legislation. Together, the provisions of H.R. 3499 form a package which addresses the most imminent needs and concerns of America's Vietnam veterans. Though the answers are not yet all in concerning the effects of exposure to agent orange, we are going to provide the basic health care needs these men deserve and require until the effects of agent orange are more clearly understood. Though the agony and disillusionment of the war and return home cannot totally be erased, we are going to provide an outlet for the venting of these frustrations. And finally, though our Vietnam experience will haunt this Nation for many years to come, we can and have come to terms with Vietnam, and truly separated the "war from the warrior."

● Mrs. COLLINS of Illinois. Mr. Speaker, it is with great pride that I rise today to express support for a number of bills on which the House will vote on relating to veterans. I would specifically like to highlight:

H.R. 3499, the Veterans' Health Care Act of 1981, which would extend the Vietnam-era veterans' readjustment counseling program, provide medical care for Vietnam veterans exposed to herbicide defoliants—including agent orange—and to recover the cost of health care provided by the VA.

As a cosponsor of H.R. 2157, which would provide a presumption of service connection for veterans exposed to herbicides during the Vietnam era, I was pleased that this bill was encompassed in H.R. 3499.

H.R. 3423, the Veterans' Training and Business Loan Act of 1981, which provides vocational education and training opportunities for Vietnam-era veterans and disabled veterans. The disturbing reality is that a large percentage of Vietnam veterans have not successfully adjusted to civilian life. On top of feeling ignored, Vietnam veterans experience drug and alcohol problems, along with lack of proper job training and jobs. In a study prepared for the Veterans' Administration entitled, "Legacies of Vietnam: Comparative Adjustment of Veterans and Their Peers," it was recommended that the period of eligibility for GI education and training benefits be extended and training benefits be targeted to reach chronically unemployed veterans. The Committee on Veterans' Affairs, in response to these and other recommendations, has reported a bill to isolate and target job training and placement for those veterans of the Vietnam era still experiencing employment problems.

H.R. 1100, would expand the eligibility of former prisoners of war for certain health-care benefits provided by the Veterans' Administration. This bill changes from 6 months to 60 days the length of time a former POW must have been interned to establish a presumption of service connection for certain diseases. This legislation is important in that it assures former POW's of compensation and health care benefits for all their disabilities which were attributed to their internment.

Accordingly, I look forward to my colleagues joining me in voting for final passage of these bills.●

● Mr. GILMAN. Mr. Speaker, I take this opportunity to express my support, with some reservation, for H.R. 3499, the Veterans' Health Care Act of 1981.

Of course, Mr. Speaker, I fully support the provisions in this bill that have the highly laudatory effect of liberalizing the services available to our Nation's veterans. I particularly applaud the committee's decision to extend the eligibility for health care to individuals who were exposed to agent orange and who, in the judgment of Veterans' Administration physicians, are suffering from health problems because of that exposure. This eligibility is temporary, however, pending the expected September 1981 completion of a study of the effects of agent orange mandated by Public Law 96-151.

However, it is with respect to that study that I differ with the committee and I regret that we are taking this bill up under the suspension of the rules procedure. If we were free to offer an amendment, Mr. Speaker, I would move to incorporate into this bill the provisions of H.R. 1962, which I have introduced and which has been cosponsored by 33 of my colleagues. That bill would amend Public Law 96-151 to provide that the study be transferred from the VA to the National Academy of Sciences. I am convinced that a study done by the National Academy of Sciences, in cooperation with the VA, would result in a study that would be more credible to the veterans whom it would affect most specifically—the veteran who has been exposed to agent orange, who fears that his health may have been affected, and who, based on its record on this issue, mistrusts the VA's ability to conduct an unbiased study.●

● Mr. EDWARDS of California. Mr. Speaker, I rise in support of H.R. 3499, the Veterans' Health Care Act of 1981. As a member of the Committee on Veterans' Affairs, and of its Subcommittee on Hospitals and Health Care, I am proud of the measure before us today.

I would like to commend the distinguished chairman of our committee, the gentleman from Mississippi (Mr. MONTGOMERY) for the leadership he has shown in shepherding this bill, as well as the various other bills we have considered this week dealing with veterans benefits and services, through the House. I would also like to compliment the gentleman from Ohio and the chairman of the Subcommittee on Hospitals and Health Care, Mr. MOTTL, for the key role he has played in the drafting of this legislation.

H.R. 3499 is an excellent bill containing a number of important provisions which our chairman has outlined for us. If I may, however, I would like to take a moment to highlight a few of the key features of the bill.

Under this legislation, the Veterans' Administration would be authorized to provide hospital care to Vietnam veterans if VA physicians determine that such care is necessary for the treatment of a condition that may be associated with exposure to agent orange. This provision provides a workable, fair, and immediate solution to a problem of serious concern to many Vietnam veterans.

There is not yet conclusive evidence of the effects of exposure to agent orange on Vietnam veterans. The VA is conducting ongoing research in this area, and in fact the provisions of this bill would expand the scope of their study. However, while this research continues, there is a need to treat health care problems that may arise among veterans who served in Southeast Asia when there is reason to believe that the problem could have been caused by exposure to this herbicide. H.R. 3499 will enable the VA to

provide such care now, even though the results of ongoing studies will not be reached for several more years. I think our enactment of this measure will help to alleviate concerns which I have heard expressed by many Vietnam veterans who fear for their health because of their exposure to agent orange.

Another crucial provision of H.R. 3499 is that which extends Operation Outreach, the VA's highly successful program of readjustment counseling, for another 3 years. Under this legislation, the program, which is due to expire this fall, would be continued until October 1, 1984.

In January of this year, I introduced H.R. 747, which also proposed a 3-year extension of Outreach, I did so because all the available evidence suggested that the readjustment difficulties of Vietnam-era veterans continued to be significant. Evidence also demonstrated that in their short time of operation, the 91 community-based, storefront centers established as Operation Outreach had been remarkably successful in reaching out to a segment of the Vietnam veteran population that had come to feel alienated from the Veterans' Administration as well as other governmental insititutions.

I should take this opportunity to thank the 100 of my colleagues, from both sides of the aisle, who cosponsored H.R. 747. Their support was gratifying. Even more gratifying was the outpouring of support and encouragement I received from Vietnam-era veterans throughout the country. The hundreds of letters I received from these veterans—and from their families and friends—demonstrated vividly how effective Operation Outreach has been. In case after case these letters explained how the readjustment counseling services of Operation Outreach had helped veterans—10 years—15 years—or more after their service—to finally put the war behind them and take their place as productive members of their communities.

Reading these letters and listening to the testimony presented to the committee by the veterans organizations and experts in the area of readjustment counseling affirmed my belief that we would be doing a grave disservice to our Nation's veterans if we did not extend Operation Outreach.

I am pleased, therefore, that the bill which the committee adopted, and which is before us today, contains language to keep Operation Outreach in business for another 3 years.

I strongly support this measure. I hope that we can approve the bill unanimously, and that the Senate will schedule it for prompt consideration.●

● Mr. MONTGOMERY. Mr. Speaker, this is a very important bill that will enhance the medical care and treatment for our Nation's veterans. I want to compliment the distinguished gentleman from Ohio, RON MOTTL, for the tremendous work he has done in bringing this bill to the floor.

Mr. Speaker, I might point out that a major provision of this bill is contained in section 4. This section of the bill would extend, by 3 years, the period during which Vietnam-era veterans may receive psychological readjustment counseling. The enactment of this provision of the bill will mean that Vietnam veterans will have an opportunity to participate in the Outreach center program for another 3 years. It has been a very successful program.

I want to pay special tribute to the Honorable DON EDWARDS, the very able gentleman from California and the ranking majority member of the full committee for sponsoring this legislation. DON EDWARDS was instrumental in bringing about the legislation that created these Outreach centers. He was a strong advocate in conference with the other body when we resolved our differences and agreed to establish these centers. We are grateful to DON EDWARDS, Mr. Speaker, for working so closely with the former chairman of the subcommittee, Dave Satterfield of Virginia, in passing the enabling legislation creating this particular program.

Mr. Speaker, this is a good measure. It is well within the budget targets contained in the first budget resolution and I would urge my colleagues to support the bill.●

● Mr. MOFFETT. Mr. Speaker, I rise today to renew my commitment to the health and well-being of our Vietnam veterans through my support for the Veterans' Health Care Act. This legislation before us today provides for the special health needs of thousands of Vietnam veterans who were exposed to the herbicide agent orange and for those who have had psychological difficulties readjusting to civilian life. I believe that the passage of the Veterans' Health Care Act will go a long way toward insuring these veterans that Congress has no intention of betraying their needs.

Unfortunately, many Vietnam veterans fear that they have been betrayed by proposed VA budget cutbacks. The President's recommendation that the psychological counseling program not be continued has sparked cries of betrayal and injustice from veterans across the Nation. The modest funding level of the counseling program belies its remarkable reach and effectiveness; thousands of Vietnam veterans have received counseling services in the short time that the program has been operative. It took 10 years for Congress to enact the readjustment program—this is reprehensible enough. To discontinue the program now, in the face of recent studies on the stress and disorders so many Vietnam veterans suffer, would indeed be a betrayal—a betrayal to the veterans themselves, their families, and the entire Nation which prides itself on the deeds of its veterans. Today's legislation extends the counseling service through fiscal year 1984 and it deserves our hearty support.

The Veterans' Health Care Act provides another significant health-care service for Vietnam veterans: VA health care for those veterans suffering from exposure to agent orange. I have made public statements about the VA and its inadequate treatment of the agent orange problem. At the risk of repeating myself, I will say again that a recent VA survey shows that VA doctors are not discussing results of their tests with potential agent orange victims, that many Vietnam veterans believe the VA is giving their possible agent orange-related symptoms short shrift, and that the VA has indirectly acknowledged existence of the problem. This problem is a wide range of disabling ailments, which many believe are connected to agent orange exposure. These ailments include liver damage, cancer, and reproductive system damage resulting in stillbirths, miscarriages, and the bearing of children with severe birth defects. The Veterans' Health Care Act would allow Vietnam veterans suffering from possible agent orange-connected disabilities to receive VA hospital care. It has taken the VA 2 years to contract out an agent orange health study. Let's not allow any further dragging of the heels in providing vital health care services for disabled Vietnam veterans.

In conclusion, I urge my colleagues to sign their names on the dotted line of this figurative letter of commitment to Vietnam veterans by supporting the Veterans' Health Care Act. There are many veterans in this country who feel that a gap is yawning before them and at the far side of that gap recede veterans' health programs. With the Reagan administration yet to announce a successor for the VA Administrator position, I can understand why any veteran would feel like crying Judas. Let us give them the chance to cry hurrah instead.●

Mr. MOTTL. Mr. Speaker, in conclusion we want to especially thank the gentleman from South Dakota (Mr. DASCHLE) and the gentleman from Mississippi (Mr. MONTGOMERY) for their leadership on this legislation, and especially the ranking minority member, the gentleman from Arkansas (Mr. HAMMERSCHMIDT), who contributed a great deal in being here on the floor today.

Mr. Speaker, at this point I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. MOTTL)

that the House suspend the rules and pass the bill, H.R. 3499, as amended.

The question was taken.

Mr. EDGAR. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. MOTTL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the bill, H.R. 3499, just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

CONSTRUCTION AND ACQUISITION OF NATIONAL CEMETERIES

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2136) to amend title 38, United States Code, to revise the provisions of such title relating to the construction and alteration of, and acquisition of land for, national cemeteries, as amended.

The Clerk read as follows:

H.R. 2136

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1006 of title 38, United States Code, is amended to read as follows:

"§ 1006. Construction and alteration of, and acquisition of land for, national cemeteries

"(a) For purposes of this section:

"(1) The term 'alter', when used with respect to a cemetery, means to remodel, improve, or expand the cemetery.

"(2) The terms 'construct' and 'alter', when used with respect to a cemetery, include such preliminary planning, engineering, architectural, legal, fiscal, and economic investigations and studies and such surveys, designs, plans, working drawings, specifications, procedures, and other similar actions as are necessary for the construction or alteration, as the case may be, of the cemetery.

"(3) The term 'cemetery' means any cemetery (or any part of a cemetery) that is, or will be, under the jurisdiction of the Veterans' Administration as part of the National Cemetery System, including necessary roadways and necessary facilities (including superintendent's lodges, chapels, crypts, mausoleums, and columbaria).

"(b) No cemetery may be constructed or altered by the Administrator, and no land to be used as the site for, or for the expansion of, any cemetery may be acquired by the Administrator except in accordance with this section.

"(c) In carrying out this section, the Administrator—

"(1) shall provide for the location of cemeteries in a manner that results in the equitable distribution of cemeteries throughout the United States, taking into consideration the comparative urgency of the need for each particular cemetery; and

"(2) shall give due consideration to excellence of design.

"(d)(1) Subject to subsection (e) of this section, the Administrator may construct or alter any cemetery and may acquire, by purchase, condemnation, donation, exchange, or otherwise, such land or interests in land as the Administrator considers necessary for use as the site for such construction or alteration.

"(2) Any site authorized to be acquired under this section may be acquired without regard to title III of the Federal Property and Administrative Services Act of 1949.

"(3) Whenever the Administrator determines that any site acquired for the construction of a cemetery is not suitable for that purpose, the Administrator may exchange that site for another site to be used for that purpose or may sell such site without regard to the provisions of the Federal Property and Administrative Services Act of 1949.

"(e)(1) No appropriation may be made for the construction or alteration of any cemetery, or for acquisition of any land to be used as the site for (or for the expansion of) any cemetery, if such construction, alteration, or acquisition involves a total expenditure by the United States of more than $500,000, unless a document setting forth the proposed construction, alteration, or acquisition is first submitted by the Administrator to the Committees on Veteran's Affairs of the Senate and House of Representatives and, before the expiration of ninety days of continuous session of Congress following the date on which such document is so submitted, neither such committee adopts a resolution stating in substance that it does not favor the proposed construction, alteration, or acquisition.

"(2) For purposes of paragraph (1) of this subsection—

"(A) continuity of a session of Congress is broken only by an adjournment sine die; and

"(B) days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the ninety-day period.

"(3) Each document submitted to the Committees on Veterans' Affairs of the Senate and House of Representatives under paragraph (1) of this subsection shall contain—

"(A) a brief description of the cemetery to be constructed or altered or of the land to be acquired for cemetery purposes; and

"(B) an estimate of the cost to the United States of such construction, alteration, or acquisition.

A copy of each such document shall be delivered to both such committees on the same day and on a day in which both Houses of Congress are in session.

"(4) The estimated cost of any construction, alteration, or acquisition not disapproved under paragraph (1) of this subsection (as such estimated cost is set forth in the document submitted to the Committees on Veterans' Affairs under such paragraph) may be increased by the Administrator by an amount equal to the percentage increase, if any (as determined by the Administrator), in construction, alteration, or acquisition costs, as the case may be, from the date of submission of such document to the date of contract, but in no event may the amount of the increase exceed 10 per centum of such estimated cost.

"(5) The Administrator may not enter into any project for any construction, alteration, or acquisition described in subsection (d)(1) of this section for which the estimated cost is not more than $500,000 before the expiration of sixty days beginning on the date on which the Administrator submits a report of the facts concerning the proposed construction, alteration, or acquisition to the Committees on Veterans' Affairs. Any such report shall be submitted to such committees on the same day. After entering into any such project, the Administrator shall report to such committees not less often than every two years on the progress of the project.

"(f)(1) The Administrator may carry out any construction or alteration authorized under this section by contract if the Administrator considers it to be advantageous to the United States to do so.

"(2) The Administrator may obtain, by contract or otherwise, and without regard to the civil service laws and regulations, the services of individuals who are architects or engineers and of architectural and engineering corporations and firms, to the extent the Administrator may require such services for any cemetery authorized to be constructed or altered under this section.

"(3) No corporation, firm, or individual may be employed under the authority of paragraph (2) of this subsection on a permanent basis.

"(4) The Administrator shall be responsible for all construction and alteration authorized under this section, including the interpretation of construction contracts, the approval of materials and workmanship supplied pursuant to a construction contract, approval of changes in the construction contract, certification of vouchers for payments due the contractor, and final settlement of the contract.

"(5) The authority of the Administrator to enter into contracts under this section is subject to the availability of appropriations for that purpose.

"(g)(1) The Administrator shall submit to Congress not later than January 31 of each year a report showing the location, space, cost, and status of each construction, alteration, or acquisition authorized under this section that was uncompleted as of the date of the last preceding report made under this paragraph.

"(2) The Administrator shall make such cemetery project surveys as may be requested by resolution by the Committee on Veterans' Affairs of the House of Representatives or the Committee on Veterans' Affairs of the Senate, and within a reasonable time, but not later than six months after the date of the adoption of any such resolution, shall make a report thereon to Congress. Such report shall contain, with respect to any such project, the information specified in subsection (e)(3) of this section.

"(h) The Administrator shall make a continuing investigation and survey of the needs of the National Cemetery System in order to carry out this section.".

(b) The item relating to section 1006 in the table of sections at the beginning of chapter 24 of such title is amended to read as follows:

"1006. Construction and alteration of, and acquisition of land for, national cemeteries.".

SEC. 2. Section 1004 of title 38, United States Code, is amended by striking out sub-

section (b) and by redesignating subsections (c) through (g) as subsections (b) through (f), respectively.

SEC. 3. (a)(1) Chapter 24 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 1009. Contributions to local authorities

"The Administrator may make contributions to local authorities toward or for the construction of traffic controls, road improvements, or other devices adjacent to a national cemetery if the Administrator considers such traffic controls, road improvements, or devices necessary for safe ingress to, or egress from, such cemetery. The authority of the Administrator to make contributions under this section is subject to the availability of appropriations for that purpose.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"1009. Contributions to local authorities.".

(b) Section 1009 of title 38, United States Code, as added by subsection (a), shall take effect on October 1, 1981.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Mississippi (Mr. MONTGOMERY) will be recognized for 20 minutes, and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the enactment of H.R. 2136, as amended, will result in better planning and operation of our national cemetery system. The purpose of this measure is to permit greater oversight into the construction and alteration of, and acquisition of land for, national cemeteries. It will not result in any Federal outlays and will greatly assist the Committee on Veterans' Affairs in carrying out its oversight responsibilities.

Mr. Speaker, I now yield such time as he may consume to the chairman of the Subcommittee on Housing and Memorial Affairs, the gentleman from Texas (Mr. LEATH).

Mr. LEATH of Texas. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in support of H.R. 2136. H.R. 2136 would revise current procedures relating to the construction or alteration of a cemetery, or the acquisition of land for a new cemetery, or the expansion of an existing cemetery.

Under the bill, no appropriation shall be made to construct or alter, or to acquire land to be used as the site for, or for the expansion of any cemetery if such construction, alteration, or acquisition involves a total expenditure of more than $500,000 unless a detailed document justifying these actions is submitted to the House and Senate Committees on Veterans' Affairs, and before the expiration of 90 days of continuous session of Congress following submission of the document, neither committee adopts a resolution that it does not favor the proposed action.

The bill further provides that the Administrator may not enter into any construction, alteration, or acquisition under $500,000 before the expiration of 60 days after the date on which he submits a report of the facts concerning such proposed action to the House and Senate Veterans' Affairs Committees. The Administrator shall report to the committees every 2 years on the progress of the project.

Mr. Speaker, the rules of the House of Representatives place oversight and legislative responsibilities with the Committee on Veterans' Affairs for cemeteries of the United States in which veterans of any war or conflict are or may be buried, whether in the United States or abroad, except cemeteries administered by the Secretary of the Interior.

Mr. Speaker, I believe that oversight responsibility without authorization authority is largely meaningless. I believe the enactment of this bill will enhance the committee's ability to carry out its responsibilities.

Mr. Speaker, I urge the adoption of H.R. 2136.

Mr. MONTGOMERY. Mr. Speaker, I reserve the balance of my time.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2136, a bill to revise current procedures relating to the construction and acquisition of land for national cemeteries.

This measure was the subject of recent hearings before our Subcommittee on Housing and Memorial Affairs under the able guidance of the gentleman from Texas, Chairman LEATH, and the former ranking minority member, the late Tennyson Guyer of Ohio and his successor as ranking minority member, the distinguished gentleman from Michigan (Mr. SAWYER). Testimony was received from the Veterans' Administration and the major veterans organizations.

Mr. Speaker, the Committee on Veterans' Affairs is vested with both legislative and oversight responsibility for the National Cemetery System, according to the rules of the House of Representatives. Notwithstanding the clear jurisdictional mandate set forth in the rules, the Veterans' Administration arbitrarily selects sites for national cemeteries subject only to the availability of funds.

The bill before us will require authorization action by the House and Senate Committees on Veterans' Affairs on any cemetery construction or site acquisition project costing in excess of one half million dollars before any funds can be appropriated.

Mr. Speaker, until 1979, Veterans' Administration hospital construction operated in the same manner, with construction of new or replacement hospitals subject only to the funding limitation. Now, hospital construction must be authorized in the same manner as this bill will do for cemetery construction.

I would anticipate that the procedures authorized by this measure will operate as effectively as the procedures currently used in hospital construction.

Mr. Speaker, I urge that the bill be passed.

Mr. Speaker, at this time I yield 2 minutes to the gentleman from Michigan (Mr. SAWYER), the ranking minority member of the subcommittee.

Mr. SAWYER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in support of H.R. 2136, a bill that would give the House and Senate Veterans' Affairs Committees effective oversight over the expansion and development of our national cemetery system.

This legislation revises procedures for acquiring land or making improvements where the total expenditure exceeds $500,000. In accordance with its provisions, no appropriation of this order could be made unless a detailed document justifying the project was submitted to the two Veterans' Affairs Committees. The committees would have 90 days of continuous session of Congress to disapprove the action.

While the Committee on Veterans' Affairs has oversight responsibility for the national cemetery system, the Veterans' Administration has taken the position it has blanket authority to establish and locate national cemeteries without regard to Congress judgments in these matters.

I believe, Mr. Speaker, that orderly development of the national cemetery system requires active oversight and approval by the authorizing committees of Congress. Accordingly, I support this measure and urge my colleagues to do likewise.

Mr. HAMMERSCHMIDT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MONTGOMERY. Mr. Speaker, I strongly support enactment of this bill, as amended, and hope it will receive the unanimous approval of the House.

I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi (Mr. MONTGOMERY) that the House suspend the rules and pass the bill, H.R. 2136, as amended.

The question was taken.

Mr. HAMMERSCHMIDT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the bill, H.R. 2136, just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

VETERANS' MEMORIAL HEADSTONES AND MARKERS

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1714) to amend title 38, United States Code, to authorize the Veterans' Administration to furnish memorial headstones or markers to commemorate veterans who by choice are buried at sea, who donate their bodies to science, or who are cremated and have their ashes scattered without interment, as amended.

The Clerk read as follows:

H.R. 1714

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (b) of section 906 of title 38, United States Code, is amended to read as follows:

"(b) The Administrator shall furnish, when requested, an appropriate memorial headstone or marker to commemorate any veteran—

"(1) whose remains have not been recovered or identified;

"(2) whose remains were buried at sea, whether by the veteran's own choice or otherwise;

"(3) whose remains were donated to science; or

"(4) whose remains were cremated and the ashes scattered without interment of any portion of the ashes, for placement by the applicant in a national cemetery area reserved for such purpose under the provisions of section 1003 of this title, in a State, private, or local cemetery, or in any other appropriate location that is designated by the next of kin and that the Administrator, in the Administrator's discretion and having due regard for the circumstances in each case, approves.".

SEC. 2. Subsection (a) of section 1003 of title 38, United States Code, is amended to read as follows:

"(a) The Administrator shall set aside, when available, suitable areas in national cemeteries to honor the memory of members of the Armed Forces and veterans—

"(1) who are missing in action;

"(2) whose remains have not been recovered or identified;

"(3) whose remains were buried at sea, whether by the member's own choice or otherwise;

"(4) whose remains were donated to science; or

"(5) whose remains were cremated and the ashes scattered without interment of any portion of the ashes.".

SEC. 3. The amendments made by this Act shall take effect on October 1, 1981, and shall apply with respect to the furnishing of memorial headstones or markers to commemorate veterans dying on or after December 7, 1941.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Mississippi (Mr. MONTGOMERY) will be recognized for 20 minutes, and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to call to the attention of the House that this legislation was introduced by our distinguished colleague from Hawaii (Mr. HEFTEL). I am pleased to say that he called this matter to the attention of the committee.

Mr. Speaker, I now yield such time as he may consume to the chairman of the Subcommittee on Housing and Memorial Affairs, the gentleman from Texas (Mr. LEATH).

Mr. LEATH of Texas. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of H.R. 1714. H.R. 1714 as reported is a bill to amend title 38, United States Code, to authorize the Veterans' Administration to furnish memorial headstones or markers to commemorate veterans who by choice are buried at sea, who donate their bodies to science, or who are cremated and have their ashes scattered without interment.

The headstone or marker could be placed in a national cemetery area reserved for such purpose, State, private, or local cemetery or any other appropriate location designated by the next of kin.

The benefit would be retroactive to December 7, 1941, so that it would include veterans dying in World War II, Korea, the Vietnam conflict, and thereafter.

Enactment of H.R. 1714 will have no inflationary impact. The Congressional Budget Office advises that the cost of this bill would be insignificant.

Mr. Speaker, I urge the adoption of H.R. 1714.

Mr. MONTGOMERY. Mr. Speaker, I thank the chairman of the subcommittee.

Mr. Speaker, I would like to reserve my time so that the ranking minority member on this committee could make his remarks. Then I will yield time to the gentleman from Hawaii (Mr. HEFTEL).

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1714, a bill to authorize the furnishing of a headstone or memorial marker for certain deceased veterans whose remains for one reason or another cannot be interred.

I also want to commend the distinguished chairman of our Subcommittee on Housing and Memorial Affairs, the gentleman from Texas (Mr. LEATH) and the ranking member, Mr. SAWYER of Michigan, the other members of the subcommittee for their prompt action in bringing to the floor this measure that will eliminate a longstanding inequity in the law.

Existing law, Mr. Speaker, authorizes the furnishing of headstones or markers on behalf of veterans whose remains were not recovered or identified or who were buried at sea. It does not, however, authorize a memorial of this nature for the veteran who, by choice, was buried at sea, or for the veteran whose remains were donated to science or were cremated and the ashes scattered without interment. This measure will permit the furnishing of markers or headstones in such cases.

The bill will also permit the veteran's marker to be placed in the memorial area of a national cemetery that is presently limited to honoring the memory of members of the Armed Forces.

Mr. Speaker, this bill will eliminate inequities in existing law at a minimal cost to the Government. I urge that it be approved.

Mr. Speaker, at this time I yield 2 minutes to the gentleman from Michigan (Mr. SAWYER).

Mr. SAWYER. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of H.R. 1714. While this is a relatively small group of individuals affected, those who choose burial at sea, those who choose cremation with their ashes being scattered, and those who donated their bodies to science, it seems to me there was an omission in the law that this clarifies and plugs and makes it equitable to that small group of people.

□ 1345

Mr. HAMMERSCHMIDT. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. MONTGOMERY. Mr. Speaker, I am pleased to yield 3 minutes to the sponsor of this legislation, the gentleman from Hawaii (Mr. HEFTEL).

Mr. HEFTEL. Thank you, Mr. Chairman.

Mr. Speaker, I particularly want to thank the chairmen of the committee and the subcommittee, Mr. MONTGOMERY and Mr. LEATH of Texas; Mr. HAMMERSCHMIDT, the ranking minority member, for the expeditious manner in which they moved this legislation once the matter was brought to their attention.

I particularly want to thank Mrs. Beverly Brew Miranda, of Kula, the island of Maui in Hawaii, who brought it to my attention when she found that her husband, who had elected to have his body donated to medical science, could not be memorialized in the Cemetery of the Pacific.

Once I learned of the problem and introduced the legislation and discussed it with the chairmen of the committee, I found that they were so responsive and moved so very quickly that it is a testimonial to the way in which we function and in the extent to which we care.

I am delighted to be able to participate in bringing this to the floor, and I urge its adoption.

Mr. MONTGOMERY. Mr. Speaker, I certainly hope that we will have unanimous adoption of this piece of legislation.

Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi (Mr. MONTGOMERY) that the House suspend the rules and pass the bill, H.R. 1714, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to amend title 38, United States Code, to authorize the Veterans' Administration to furnish memorial headstones or markers to commemorate veterans who by choice are buried at sea or who donate their bodies to science, and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks, and that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous matter on the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 5, rule I, the Chair will now put the question on each motion on which further proceedings were postponed in the order in which that motion was entertained, and then on which further proceedings were postponed on Monday, June 1, 1981, in the order in which that motion was entertained.

Votes will be taken in the following order:

H.R. 3499, by the yeas and nays;
H.R. 2136, by the yeas and nays;
H.R. 3337, by the yeas and nays;
H.R. 1100, by the yeas and nays;
H.R. 3423, by the yeas and nays;
H.R. 2039, by the yeas and nays; and
H. Con. Res. 76, by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic votes after the first such vote in this series.

VETERANS' HEALTH CARE ACT OF 1981

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 3499, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. MOTTL) that the House suspend the rules and pass the bill, H.R. 3499, as amended, on which the yeas and nays are ordered.

The vote was taken by electonic device, and there were—yeas 388, nays 0, not voting 42, as follows:

[Roll No. 54]

YEAS—388

Addabbo	Brinkley	Daschle
Akaka	Brodhead	Daub
Albosta	Brown (CA)	Davis
Alexander	Brown (CO)	de la Garza
Anderson	Brown (OH)	Dellums
Andrews	Broyhill	DeNardis
Annunzio	Burgener	Derwinski
Anthony	Burton, John	Dicks
Applegate	Burton, Phillip	Dixon
Archer	Butler	Donnelly
Ashbrook	Byron	Dorgan
Aspin	Campbell	Dornan
Atkinson	Carman	Dougherty
AuCoin	Chappie	Downey
Bafalis	Cheney	Dreier
Bailey (MO)	Chisholm	Duncan
Bailey (PA)	Clausen	Dunn
Barnard	Clay	Dwyer
Barnes	Clinger	Dymally
Beard	Coats	Dyson
Bedell	Coleman	Early
Beilenson	Collins (IL)	Eckart
Benedict	Collins (TX)	Edgar
Benjamin	Conable	Edwards (AL)
Bennett	Conte	Edwards (CA)
Bereuter	Conyers	Edwards (OK)
Bethune	Corcoran	Emerson
Bevill	Coughlin	Emery
Biaggi	Courter	English
Bingham	Coyne, James	Erdahl
Blanchard	Coyne, William	Erlenborn
Bliley	Craig	Ertel
Boggs	Crane, Daniel	Evans (DE)
Boland	Crane, Philip	Evans (GA)
Bolling	Crockett	Evans (IN)
Boner	D'Amours	Fascell
Bonior	Daniel, Dan	Fazio
Bonker	Daniel, R. W.	Fenwick
Bowen	Danielson	Ferraro
Breaux	Dannemeyer	Fiedler
Fields	Livingston	Robinson
Findley	Loeffler	Rodino
Fish	Long (LA)	Roemer
Fithian	Long (MD)	Rogers
Foley	Lott	Rose
Ford (MI)	Lowery	Rosenthal
Ford (TN)	Lowry	Rostenkowski
Forsythe	Lujan	Roth
Fountain	Luken	Roukema
Fowler	Lundine	Rousselot
Frank	Lungren	Roybal
Frenzel	Madigan	Rudd
Garcia	Markey	Russo
Gaydos	Marks	Sabo
Gejdenson	Marriott	Santini
Gephardt	Martin (IL)	Savage
Gibbons	Martin (NC)	Sawyer
Gilman	Martin (NY)	Schroeder
Gingrich	Matsui	Schumer
Ginn	Mattox	Seiberling
Glickman	Mavroules	Sensenbrenner
Goldwater	Mazzoli	Shamansky
Gonzalez	McClory	Shannon
Goodling	McCloskey	Sharp
Gore	McCollum	Shaw
Gradison	McCurdy	Shelby
Gramm	McDade	Shumway
Green	McDonald	Shuster
Gregg	McEwen	Siljander
Guarini	McGrath	Simon
Gunderson	McHugh	Skeen
Hagedorn	McKinney	Skelton
Hall (OH)	Mica	Smith (AL)
Hall, Ralph	Michel	Smith (IA)
Hall, Sam	Mikulski	Smith (NE)
Hamilton	Miller (CA)	Smith (NJ)
Hammerschmidt	Miller (OH)	Smith (OR)
Hance	Mineta	Snowe
Hansen (ID)	Minish	Snyder
Hansen (UT)	Mitchell (MD)	Solarz
Harkin	Mitchell (NY)	Solomon
Hartnett	Moakley	Spence
Hatcher	Moffett	St Germain
Hawkins	Molinari	Stangeland
Heckler	Montgomery	Stanton
Hefner	Moore	Stark
Heftel	Moorhead	Staton
Hendon	Morrison	Stenholm
Hertel	Mottl	Stokes
Hightower	Murphy	Studds
Hiler	Murtha	Swift
Holland	Myers	Synar
Hollenbeck	Napier	Tauke
Holt	Natcher	Tauzin
Hopkins	Neal	Taylor
Horton	Nelligan	Thomas
Howard	Nichols	Traxler
Hubbard	Nowak	Trible
Huckaby	O'Brien	Udall
Hughes	Oakar	Vander Jagt
Hunter	Oberstar	Vento
Hutto	Obey	Volkmer
Hyde	Ottinger	Walgren
Ireland	Panetta	Wampler
Jacobs	Parris	Watkins
Jeffords	Patman	Waxman
Jeffries	Patterson	Weaver
Jenkins	Paul	Weber (OH)
Johnston	Pease	Weiss
Jones (NC)	Pepper	Whitehurst
Jones (OK)	Perkins	Whitley
Jones (TN)	Petri	Whittaker
Kazen	Peyser	Whitten
Kemp	Pickle	Williams (MT)
Kildee	Porter	Williams (OH)
Kindness	Pritchard	Winn
Kogovsek	Pursell	Wolf
Kramer	Quillen	Wolpe
LaFalce	Rahall	Wortley
Lagomarsino	Railsback	Wright
Lantos	Rangel	Wyden
Latta	Ratchford	Wylie
Leach	Regula	Yates
Leath	Reuss	Yatron
LeBoutillier	Rhodes	Young (AK)
Lee	Richmond	Young (FL)
Lehman	Rinaldo	Young (MO)
Lent	Ritter	Zeferetti
Levitas	Roberts (KS)	
Lewis	Roberts (SD)	

NAYS—0

NOT VOTING—42

Badham	Brooks	Carney
Bouquard	Broomfield	Chappell

Coelho	Fuqua	Scheuer
Cotter	Gray	Schneider
Deckard	Grisham	Schulze
Derrick	Hillis	Stratton
Dickinson	Kastenmeier	Stump
Dingell	Leland	Walker
Evans (IA)	Marlenee	Washington
Fary	Mollohan	Weber (MN)
Flippo	Nelson	White
Florio	Pashayan	Wilson
Foglietta	Price	Wirth
Frost	Roe	Zablocki

□ 1400

The Clerk announced the following pairs:

Mr. Zablocki with Mr. Pashayan.
Mr. Fary with Mr. Schulze.
Mr. Mollohan with Mr. Hillis.
Mr. Fuqua with Mr. Walker.
Mr. Gray with Mr. Badham.
Mr. Chappell with Mr. Weber of Minnesota.
Mr. Brooks with Mr. Broomfield.
Mr. Kastenmeier with Mrs. Schneider.
Mrs. Bouquard with Mr. Dickinson.
Mr. Coelho with Mr. Evans of Iowa.
Mr. Dingell with Mr. Deckard.
Mr. Derrick with Mr. Carney.
Mr. Florio with Mr. Grisham.
Mr. Foglietta with Mr. Marlenee.
Mr. Flippo with Mr. Frost.
Mr. Nelson with Mr. Leland.
Mr. Wilson with Mr. Stratton.
Mr. White with Mr. Stump.
Mr. Roe with Mr. Price.
Mr. Wirth with Mr. Scheuer.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, the Chair announces he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all the additional motions to suspend the rules on which the Chair has postponed further proceedings on today and yesterday.

CONSTRUCTION AND ACQUISITION OF NATIONAL CEMETERIES

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 2136, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi (Mr. MONTGOMERY) that the House suspend the rules and pass the bill, H.R. 2136, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 383, nays 8, not voting 39, as follows:

[Roll No. 55]

YEAS—383

Addabbo	Downey	Jones (TN)
Akaka	Dreier	Kastenmeier
Albosta	Duncan	Kazen
Alexander	Dunn	Kemp
Anderson	Dwyer	Kildee
Andrews	Dymally	Kindness
Annunzio	Dyson	Kogovsek
Anthony	Early	Kramer
Applegate	Eckart	LaFalce
Archer	Edgar	Lagomarsino
Ashbrook	Edwards (AL)	Lantos
Aspin	Edwards (CA)	Leach
Atkinson	Emerson	Leath
AuCoin	Emery	LeBoutillier
Bafalis	English	Lee
Bailey (MO)	Erdahl	Lehman
Bailey (PA)	Erlenborn	Lent
Barnard	Ertel	Levitas
Barnes	Evans (DE)	Lewis
Beard	Evans (GA)	Livingston
Bedell	Evans (IN)	Loeffler
Bellenson	Fascell	Long (LA)
Benedict	Fazio	Long (MD)
Benjamin	Fenwick	Lott
Bennett	Ferraro	Lowery
Bereuter	Fiedler	Lowry
Bethune	Fields	Lujan
Bevill	Findley	Luken
Biaggi	Fish	Lundine
Bingham	Fithian	Lungren
Blanchard	Foley	Madigan
Bliley	Ford (MI)	Markey
Boggs	Ford (TN)	Marks
Boland	Fountain	Marriott
Bolling	Fowler	Martin (IL)
Boner	Frank	Martin (NC)
Bonior	Frenzel	Martin (NY)
Bonker	Garcia	Matsui
Bowen	Gaydos	Mattox
Breaux	Gejdenson	Mavroules
Brinkley	Gephardt	Mazzoli
Brodhead	Gibbons	McClory
Brown (CA)	Gilman	McCloskey
Brown (CO)	Gingrich	McCollum
Brown (OH)	Ginn	McCurdy
Broyhill	Glickman	McDade
Burgener	Goldwater	McDonald
Burton, John	Gonzalez	McEwen
Burton, Phillip	Goodling	McGrath
Butler	Gore	McHugh
Byron	Gradison	McKinney
Campbell	Gramm	Mica
Carman	Green	Mikulski
Chappie	Guarini	Miller (CA)
Cheney	Gunderson	Miller (OH)
Chisholm	Hagedorn	Mineta
Clausen	Hall (OH)	Minish
Clay	Hall, Ralph	Mitchell (MD)
Clinger	Hall, Sam	Mitchell (NY)
Coats	Hamilton	Moakley
Coelho	Hammerschmidt	Moffett
Coleman	Hance	Molinari
Collins (IL)	Hansen (ID)	Montgomery
Collins (TX)	Hansen (UT)	Moore
Conable	Harkin	Moorhead
Conte	Hatcher	Morrison
Conyers	Hawkins	Mottl
Corcoran	Heckler	Murphy
Coughlin	Hefner	Murtha
Courter	Heftel	Myers
Coyne, James	Hendon	Napier
Coyne, William	Hertel	Natcher
Crane, Daniel	Hightower	Neal
Crane, Philip	Hiler	Nelligan
Crockett	Holland	Nichols
D'Amours	Hollenbeck	Nowak
Daniel, Dan	Holt	O'Brien
Daniel, R. W.	Hopkins	Oakar
Danielson	Horton	Oberstar
Dannemeyer	Howard	Obey
Daschle	Hubbard	Ottinger
Daub	Huckaby	Panetta
Davis	Hughes	Parris
de la Garza	Hunter	Patman
Dellums	Hutto	Patterson
DeNardis	Hyde	Paul
Derwinski	Ireland	Pease
Dicks	Jacobs	Pepper
Dixon	Jeffords	Perkins
Donnelly	Jeffries	Petri
Dorgan	Jenkins	Peyser
Dornan	Jones (NC)	Pickle
Dougherty	Jones (OK)	Porter
Pritchard	Schumer	Tauzin
Pursell	Seiberling	Taylor
Quillen	Sensenbrenner	Thomas
Rahall	Shamansky	Traxler
Railsback	Shannon	Trible
Rangel	Sharp	Udall
Ratchford	Shaw	Vander Jagt
Regula	Shelby	Vento
Reuss	Shumway	Volkmer
Rhodes	Shuster	Walgren
Richmond	Siljander	Wampler
Rinaldo	Simon	Watkins
Ritter	Skeen	Waxman
Roberts (KS)	Skelton	Weber (OH)
Roberts (SD)	Smith (AL)	Weiss
Robinson	Smith (IA)	Whitehurst
Rodino	Smith (NE)	Whitley
Roemer	Smith (NJ)	Whittaker
Rogers	Smith (OR)	Whitten
Rose	Snowe	Williams (MT)
Rosenthal	Snyder	Williams (OH)
Rostenkowski	Solarz	Winn
Roth	Solomon	Wolf
Roukema	Spence	Wolpe
Rousselot	St Germain	Wortley
Roybal	Stangeland	Wright
Rudd	Stanton	Wyden
Russo	Stark	Wylie
Sabo	Staton	Yates
Santini	Stenholm	Yatron
Savage	Stokes	Young (AK)
Sawyer	Studds	Young (FL)
Scheuer	Swift	Young (MO)
Schneider	Synar	Zeferetti
Schroeder	Tauke	

NAYS—8

Craig	Hartnett	Michel
Edwards (OK)	Johnston	Weaver
Gregg	Latta	

NOT VOTING—39

Badham	Flippo	Pashayan
Bouquard	Florio	Price
Brooks	Foglietta	Roe
Broomfield	Forsythe	Schulze
Carney	Frost	Stratton
Chappell	Fuqua	Stump
Cotter	Gray	Walker
Deckard	Grisham	Washington
Derrick	Hillis	Weber (MN)
Dickinson	Leland	White
Dingell	Marlenee	Wilson
Evans (IA)	Mollohan	Wirth
Fary	Nelson	Zablocki

The Clerk announced the following pairs:

Mrs. Bouquard with Mr. Weber of Minnesota.
Mr. Mollohan with Mr. Pashayan.
Mr. Brooks with Mr. Broomfield.
Mr. Zablocki with Mr. Badham.
Mr. Dingell with Mr. Evans of Iowa.
Mr. Fary with Mr. Deckard.
Mr. Chappell with Mr. Walker.
Mr. Nelson with Mr. Schulze.
Mr. Leland with Mr. Forsythe.
Mr. Price with Mr. Grisham.
Mr. Roe with Mr. Marlenee.
Mr. Fuqua with Mr. Carney.
Mr. Florio with Mr. Hillis.
Mr. Flippo with Mr. Frost.
Mr. Derrick with Mr. Dickinson.
Mr. Foglietta with Mr. Gray.
Mr. Wilson with Mr. Wirth.
Mr. White with Mr. Stump.
Mr. Stratton with Mr. Washington.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1415

YOUTH EMPLOYMENT DEMONSTRATION AMENDMENTS OF 1981

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 3337.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. HAWKINS) that the House suspend the rules and pass the bill, H.R. 3337, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 309, nays 84, not voting 37, as follows:

[Roll No. 56]

YEAS—309

Addabbo	Donnelly	Hopkins
Akaka	Dorgan	Horton
Albosta	Dornan	Howard
Alexander	Dougherty	Hubbard
Anderson	Downey	Huckaby
Andrews	Dunn	Hughes
Annunzio	Dwyer	Hunter
Anthony	Dymally	Hutto
Applegate	Dyson	Hyde
Aspin	Early	Jacobs
Atkinson	Eckart	Jeffords
AuCoin	Edgar	Jenkins
Bailey (PA)	Edwards (CA)	Jones (NC)
Barnes	Emerson	Jones (OK)
Bedell	Emery	Jones (TN)
Beilenson	English	Kastenmeier
Benedict	Erdahl	Kazen
Benjamin	Erlenborn	Kemp
Bennett	Ertel	Kildee
Bereuter	Evans (DE)	Kindness
Bethune	Evans (IN)	Kogovsek
Bevill	Fascell	LaFalce
Biaggi	Fazio	Lagomarsino
Bingham	Fenwick	Lantos
Blanchard	Ferraro	Leach
Boggs	Fiedler	Lehman
Boland	Findley	Lent
Bolling	Fish	Levitas
Boner	Fithian	Lewis
Bonior	Foley	Long (LA)
Bonker	Ford (MI)	Long (MD)
Bowen	Ford (TN)	Lowry
Breaux	Forsythe	Lujan
Brinkley	Fountain	Luken
Brodhead	Fowler	Lundine
Brown (CA)	Frank	Markey
Brown (OH)	Frenzel	Marks
Burton, John	Garcia	Marriott
Burton, Phillip	Gaydos	Martin (NC)
Byron	Gejdenson	Martin (NY)
Campbell	Gephardt	Matsui
Carman	Gibbons	Mattox
Chisholm	Gilman	Mavroules
Clausen	Gingrich	Mazzoli
Clay	Ginn	McCloskey
Clinger	Glickman	McCurdy
Coats	Goldwater	McDade
Coelho	Gonzalez	McEwen
Coleman	Goodling	McGrath
Collins (IL)	Gore	McHugh
Conable	Gradison	McKinney
Conte	Green	Mica
Conyers	Guarini	Mikulski
Corcoran	Gunderson	Miller (CA)
Coughlin	Hall (OH)	Miller (OH)
Courter	Hall, Ralph	Mineta
Coyne, William	Hamilton	Minish
Crockett	Harkin	Mitchell (MD)
D'Amours	Hatcher	Mitchell (NY)
Danielson	Hawkins	Moakley
Daschle	Heckler	Moffett
Daub	Hefner	Molinari
Davis	Heftel	Moore
de la Garza	Hertel	Morrison
Dellums	Hightower	Mottl
DeNardis	Holland	Murphy
Dicks	Hollenbeck	Murtha
Dixon	Holt	Napier
Natcher	Roemer	Synar
Neal	Rogers	Tauke
Nelligan	Rose	Tauzin
Nichols	Rosenthal	Thomas
Nowak	Rostenkowski	Traxler
O'Brien	Roth	Trible
Oakar	Roukema	Udall
Oberstar	Roybal	Vander Jagt
Obey	Russo	Vento
Ottinger	Sabo	Volkmer
Panetta	Savage	Walgren
Parris	Sawyer	Wampler
Patman	Scheuer	Watkins
Patterson	Schneider	Waxman
Pease	Schroeder	Weaver
Pepper	Schumer	Weber (OH)
Perkins	Seiberling	Weiss
Petri	Shamansky	Whitehurst
Peyser	Shannon	Whitley
Pickle	Sharp	Whittaker
Porter	Shaw	Whitten
Pritchard	Shelby	Williams (MT)
Pursell	Simon	Williams (OH)
Rahall	Skelton	Winn
Railsback	Smith (IA)	Wolf
Rangel	Smith (NJ)	Wolpe
Ratchford	Snowe	Wortley
Regula	Solarz	Wright
Reuss	Spence	Wyden
Richmond	St Germain	Wylie
Rinaldo	Stanton	Yates
Ritter	Stark	Yatron
Roberts (KS)	Stokes	Young (AK)
Roberts (SD)	Studds	Young (MO)
Rodino	Swift	Zeferetti

NAYS—84

Archer	Gramm	McDonald
Ashbrook	Gregg	Michel
Bafalis	Hagedorn	Montgomery
Bailey (MO)	Hall, Sam	Moorhead
Barnard	Hammerschmidt	Myers
Beard	Hance	Paul
Bliley	Hansen (ID)	Quillen
Brown (CO)	Hansen (UT)	Rhodes
Broyhill	Hartnett	Robinson
Burgener	Hendon	Rousselot
Butler	Hiler	Rudd
Chappie	Ireland	Santini
Cheney	Jeffries	Sensenbrenner
Collins (TX)	Johnston	Shumway
Coyne, James	Kramer	Shuster
Craig	Latta	Siljander
Crane, Daniel	Leath	Skeen
Crane, Philip	LeBoutillier	Smith (AL)
Daniel, Dan	Lee	Smith (NE)
Daniel, R. W.	Livingston	Smith (OR)
Dannemeyer	Loeffler	Snyder
Derwinski	Lott	Solomon
Dreier	Lowery	Stangeland
Duncan	Lungren	Staton
Edwards (AL)	Madigan	Stenholm
Edwards (OK)	Martin (IL)	Taylor
Evans (GA)	McClory	Weber (MN)
Fields	McCollum	Young (FL)

NOT VOTING—37

Badham	Flippo	Price
Bouquard	Florio	Roe
Brooks	Foglietta	Schulze
Broomfield	Frost	Stratton
Carney	Fuqua	Stump
Chappell	Gray	Walker
Cotter	Grisham	Washington
Deckard	Hillis	White
Derrick	Leland	Wilson
Dickinson	Marlenee	Wirth
Dingell	Mollohan	Zablocki
Evans (IA)	Nelson	
Fary	Pashayan	

The Clerk announced the following pairs:

Mr. Zablocki with Mr. Carney.
Mr. Mollohan with Mr. Deckard.
Mr. Flippo with Mr. Evans of Iowa.
Mr. Florio with Mr. Dickinson.
Mr. Derrick with Mr. Grisham.
Mrs. Bouquard with Mr. Hillis.
Mr. Brooks with Mr. Broomfield.
Mr. Price with Mr. Marlenee.
Mr. Chappell with Mr. Pashayan.
Mr. Fary with Mr. Walker.
Mr. Stratton with Mr. Schulze.
Mr. White with Mr. Badham.
Mr. Leland with Mr. Frost.
Mr. Fuqua with Mr. Gray.
Mr. Nelson with Mr. Wirth.
Mr. Washington with Mr. Roe.
Mr. Stump with Mr. Wilson.
Mr. Dingell with Mr. Foglietta.

So, two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent for the immediate consideration of an identical Senate bill (S. 1070) to extend the authorization for youth employment and demonstration programs, and for other purposes.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1070

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Youth Employment Demonstration Amendments of 1981".

SEC. 2. Section 112(a)(4) of the Comprehensive Employment and Training Act is amended by adding at the end thereof the following new subparagraph:

"(D) There are authorized to be appropriated such sums as may be necessary for the fiscal year 1982 to carry out part A of title IV.".

SEC. 3. Section 441 of the Comprehensive Employment and Training Act is repealed.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H.R. 3337, was laid on the table.

GENERAL LEAVE

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill just passed.

The SPEAKER, pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PRISONER-OF-WAR BENEFITS AND HEALTH-CARE SERVICES ACT OF 1981

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 1100, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi (Mr.

MONTGOMERY) that the House suspend the rules and pass the bill, H.R 1100, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 394, nays 2, not voting 34, as follows:

[Roll No. 57]

YEAS—394

Addabbo	Davis	Hawkins
Akaka	de la Garza	Heckler
Albosta	Dellums	Hefner
Alexander	DeNardis	Heftel
Anderson	Derrick	Hendon
Andrews	Derwinski	Hertel
Annunzio	Dicks	Hightower
Anthony	Dingell	Hiler
Applegate	Dixon	Holland
Archer	Donnelly	Hollenbeck
Ashbrook	Dorgan	Holt
Aspin	Dornan	Hopkins
Atkinson	Dougherty	Horton
AuCoin	Downey	Howard
Bafalis	Dreier	Hubbard
Bailey (MO)	Duncan	Huckaby
Bailey (PA)	Dunn	Hughes
Barnard	Dwyer	Hunter
Barnes	Dymally	Hutto
Beard	Dyson	Hyde
Bedell	Early	Ireland
Benedict	Eckart	Jacobs
Benjamin	Edgar	Jeffords
Bennett	Edwards (AL)	Jeffries
Bereuter	Edwards (CA)	Jenkins
Bethune	Edwards (OK)	Johnston
Bevill	Emerson	Jones (NC)
Biaggi	Emery	Jones (OK)
Bingham	English	Jones (TN)
Blanchard	Erdahl	Kastenmeier
Bliley	Erlenborn	Kazen
Boggs	Ertel	Kemp
Boland	Evans (DE)	Kildee
Bolling	Evans (GA)	Kindness
Boner	Evans (IN)	Kogovsek
Bonior	Fascell	Kramer
Bonker	Fazio	LaFalce
Bowen	Fenwick	Lagomarsino
Breaux	Ferraro	Lantos
Brinkley	Fiedler	Latta
Brodhead	Fields	Leach
Brown (CA)	Findley	Leath
Brown (CO)	Fish	LeBoutillier
Brown (OH)	Fithian	Lee
Broyhill	Foley	Lehman
Burgener	Ford (MI)	Lent
Burton, John	Ford (TN)	Levitas
Burton, Phillip	Forsythe	Lewis
Butler	Fountain	Livingston
Byron	Fowler	Loeffler
Campbell	Frank	Long (LA)
Carman	Frenzel	Long (MD)
Chappell	Garcia	Lott
Chappie	Gaydos	Lowery
Cheney	Gejdenson	Lowry
Chisholm	Gephardt	Lujan
Clausen	Gibbons	Luken
Clay	Gilman	Lundine
Clinger	Gingrich	Lungren
Coats	Ginn	Madigan
Coelho	Glickman	Markey
Coleman	Goldwater	Marks
Collins (IL)	Gonzalez	Marriott
Collins (TX)	Goodling	Martin (IL)
Conable	Gore	Martin (NC)
Conte	Gradison	Martin (NY)
Conyers	Gramm	Matsui
Corcoran	Green	Mattox
Coughlin	Gregg	Mavroules
Courter	Guarini	Mazzoli
Coyne, James	Gunderson	McClory
Coyne, William	Hagedorn	McCloskey
Craig	Hall (OH)	McCollum
Crane, Daniel	Hall, Ralph	McCurdy
Crane, Philip	Hall, Sam	McDade
Crockett	Hamilton	McEwen
D'Amours	Hammerschmidt	McGrath
Daniel, Dan	Hance	McHugh
Daniel, R. W.	Hansen (ID)	McKinney
Danielson	Hansen (UT)	Mica
Dannemeyer	Harkin	Michel
Daschle	Hartnett	Mikulski
Daub	Hatcher	Miller (CA)
Miller (OH)	Richmond	St Germain
Mineta	Rinaldo	Stangeland
Minish	Ritter	Stanton
Mitchell (MD)	Roberts (KS)	Stark
Mitchell (NY)	Roberts (SD)	Staton
Moakley	Robinson	Stenholm
Moffett	Rodino	Stokes
Molinari	Roemer	Studds
Montgomery	Rogers	Swift
Moore	Rose	Synar
Moorhead	Rosenthal	Tauke
Morrison	Rostenkowski	Tauzin
Mottl	Roth	Taylor
Murphy	Roukema	Thomas
Murtha	Rousselot	Traxler
Myers	Roybal	Trible
Napier	Rudd	Udall
Natcher	Russo	Vander Jagt
Neal	Sabo	Vento
Nelligan	Santini	Volkmer
Nichols	Savage	Walgren
Nowak	Sawyer	Wampler
O'Brien	Scheuer	Watkins
Oakar	Schneider	Waxman
Oberstar	Schroeder	Weaver
Obey	Schumer	Weber (MN)
Ottinger	Seiberling	Weber (OH)
Panetta	Sensenbrenner	Weiss
Parris	Shamansky	Whitehurst
Patman	Shannon	Whitley
Patterson	Sharp	Whittaker
Paul	Shaw	Whitten
Pease	Shelby	Williams (MT)
Pepper	Shumway	Williams (OH)
Perkins	Shuster	Winn
Petri	Siljander	Wolf
Peyser	Simon	Wolpe
Pickle	Skeen	Wortley
Porter	Skelton	Wright
Pritchard	Smith (AL)	Wyden
Pursell	Smith (IA)	Wylie
Quillen	Smith (NE)	Yates
Rahall	Smith (NJ)	Yatron
Railsback	Smith (OR)	Young (AK)
Rangel	Snowe	Young (FL)
Ratchford	Snyder	Young (MO)
Regula	Solarz	Zeferetti
Reuss	Solomon	
Rhodes	Spence	

NAYS—2

Beilenson	McDonald

NOT VOTING—34

Badham	Foglietta	Roe
Bouquard	Frost	Schulze
Brooks	Fuqua	Stratton
Broomfield	Gray	Stump
Carney	Grisham	Walker
Cotter	Hillis	Washington
Deckard	Leland	White
Dickinson	Marlenee	Wilson
Evans (IA)	Mollohan	Wirth
Fary	Nelson	Zablocki
Flippo	Pashayan	
Florio	Price	

□ 1430

The Clerk announced the following pairs:

Mr. Zablocki with Mr. Pashayan.
Mr. Brooks with Mr. Broomfield.
Mr. Mollohan with Mr. Walker.
Mr. Price with Mr. Schulze.
Mrs. Bouquard with Mr. Badham.
Mr. Nelson with Mr. Carney.
Mr. Florio with Mr. Deckard.
Mr. Fary with Mr. Evans of Iowa.
Mr. Stratton with Mr. Dickinson.
Mr. Flippo with Mr. Hillis.
Mr. Roe with Mr. Marlenee.
Mr. Wilson with Mr. Stump.
Mr. Fuqua with Mr. Leland.
Mr. Foglietta with Mr. Wirth.
Mr. White with Mr. Frost.
Mr. Gray with Mr. Washington.

Mr. GREGG changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to amend title 38, United States Code, to expand eligibility of former prisoners of war for certain benefits and health-care services provided by the Veterans' Administration, and for other purposes."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

VETERANS' TRAINING AND BUSINESS LOAN ACT OF 1981

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 3423, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi (Mr. MONTGOMERY) that the House suspend the rules and pass the bill, H.R. 3423, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device and there were—yeas 352, nays 41, not voting 37, as follows:

[Roll No. 58]

YEAS—352

Addabbo	Coats	Fascell
Akaka	Coelho	Fazio
Alexander	Coleman	Ferraro
Anderson	Collins (IL)	Fiedler
Andrews	Conte	Fields
Annunzio	Conyers	Findley
Anthony	Corcoran	Fish
Applegate	Coughlin	Fithian
Ashbrook	Courter	Foley
Aspin	Coyne, James	Ford (MI)
Atkinson	Coyne, William	Ford (TN)
AuCoin	Crockett	Forsythe
Bafalis	D'Amours	Fountain
Bailey (MO)	Daniel, Dan	Fowler
Bailey (PA)	Daniel, R. W.	Frank
Barnard	Danielson	Frenzel
Barnes	Daschle	Garcia
Bedell	Daub	Gaydos
Benjamin	Davis	Gejdenson
Bennett	de la Garza	Gephardt
Bereuter	Dellums	Gibbons
Bethune	DeNardis	Gilman
Bevill	Derrick	Gingrich
Biaggi	Dicks	Ginn
Bingham	Dingell	Glickman
Blanchard	Dixon	Goldwater
Bliley	Donnelly	Gonzalez
Boggs	Dorgan	Goodling
Bolling	Dornan	Gore
Boner	Dougherty	Gradison
Bonior	Downey	Gramm
Bonker	Dreier	Green
Bowen	Duncan	Gregg
Breaux	Dunn	Guarini
Brinkley	Dwyer	Hagedorn
Brodhead	Dymally	Hall (OH)
Brown (CA)	Dyson	Hall, Ralph
Broyhill	Early	Hall, Sam
Burgener	Eckart	Hamilton
Burton, John	Edgar	Hammerschmidt
Burton, Phillip	Edwards (AL)	Hance
Byron	Edwards (CA)	Harkin
Campbell	Emerson	Hartnett
Carman	Emery	Hatcher
Chappell	English	Hawkins
Chappie	Erdahl	Heckler
Chisholm	Ertel	Hefner
Clausen	Evans (DE)	Heftel
Clay	Evans (GA)	Hendon
Clinger	Evans (IN)	Hertel

Hightower
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hunter
Hutto
Jacobs
Jeffords
Jenkins
Jones (NC)
Jones (OK)
Jones (TN)
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Lantos
Leach
Leath
LeBoutillier
Lee
Lehman
Lent
Levitas
Loeffler
Long (LA)
Long (MD)
Lott
Lowery
Lowry
Lujan
Luken
Lundine
Markey
Marks
Marriott
Martin (IL)
Martin (NC)
Martin (NY)
Matsui
Mattox
Mavroules
Mazzoli
McClory
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKinney
Mica
Mikulski
Miller (CA)
Miller (OH)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Moffett
Molinari
Montgomery
Moore
Moorhead
Morrison
Mottl
Murphy
Murtha
Myers
Napier
Natcher
Neal
Nelligan
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Parris
Patman
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts (KS)
Roberts (SD)
Rodino
Roemer
Rogers
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Rudd
Russo
Sabo
Santini
Savage
Sawyer
Scheuer
Schneider
Schroeder
Schumer
Seiberling
Sensenbrenner
Shamansky
Shannon
Sharp
Shelby
Shuster
Siljander
Simon
Skeen
Skelton
Smith (IA)
Smith (NE)
Smith (NJ)
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stangeland
Stanton
Stark
Staton
Stenholm
Stokes
Studds
Swift
Synar
Tauke
Tauzin
Taylor
Thomas
Traxler
Trible
Udall
Vander Jagt
Vento
Volkmer
Walgren
Watkins
Waxman
Weaver
Weber (MN)
Weber (OH)
Weiss
Whitehurst
Whitley
Whittaker
Whitten
Wilson
Winn
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zeferetti

NAYS—41

Archer
Beard
Bellenson
Benedict
Brown (CO)
Butler
Cheney
Collins (TX)
Conable
Craig
Crane, Daniel
Crane, Philip
Dannemeyer
Derwinski
Edwards (OK)
Erlenborn
Fenwick
Gunderson
Hansen (ID)
Hansen (UT)
Hiler
Hyde
Ireland
Jeffries
Johnston
Latta
Lewis
Livingston
Lungren
Madigan
McDonald
Michel
O'Brien
Paul
Porter
Robinson
Roukema
Shaw
Shumway
Smith (AL)
Smith (OR)

NOT VOTING—37

Albosta
Badham
Boland
Bouquard
Brooks
Broomfield
Brown (OH)
Carney
Cotter
Deckard
Dickinson
Evans (IA)
Fary
Flippo
Florio
Foglietta
Frost
Fuqua
Gray
Grisham
Hillis
Leland
Marlenee
Mollohan
Nelson
Pashayan
Price
Pritchard
Roe
Schulze
Stratton
Stump
Walker
Washington
White
Wirth
Zablocki

The Clerk announced the following pairs:

Mr. Zablocki with Mr. Grisham.
Mr. Price with Mr. Pashayan.
Mr. Florio with Mr. Pritchard.
Mr. Mollohan with Mr. Schulze.
Mr. Fuqua with Mr. Marlenee.
Mrs. Bouquard with Mr. Deckard.
Mr. Brooks with Mr. Broomfield.
Mr. Fary with Mr. Evans of Iowa.
Mr. Flippo with Mr. Dickinson.
Mr. Boland with Mr. Brown of Ohio.
Mr. Nelson with Mr. Carney.
Mr. Gray with Mr. Badham.
Mr. Roe with Mr. Stratton.
Mr. White with Mr. Walker.
Mr. Albosta with Mr. Foglietta.
Mr. Frost with Mr. Leland.
Mr. Wirth with Mr. Hillis.
Mr. Washington with Mr. Stump.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

VETERANS' HOME LOAN GUARANTEES

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 2039, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi (Mr. MONTGOMERY) that the House suspend the rules and pass the bill, H.R. 2039, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device and there were—yeas 397, nays 0, not voting 33, as follows:

[Roll No. 59]

YEAS—397

Addabbo
Akaka
Albosta
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Ashbrook
Aspin
Atkinson
AuCoin
Bafalis
Bailey (MO)
Bailey (PA)
Barnard
Barnes
Beard
Bedell
Bellenson
Benedict
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Bliley
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bowen
Breaux
Brinkley
Brodhead
Brown (CA)
Brown (CO)
Brown (OH)
Broyhill
Burgener
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carman
Chappell
Chappie
Cheney
Chisholm
Clausen
Clay
Clinger
Coats
Coelho
Coleman
Collins (IL)
Collins (TX)
Conable
Conte
Conyers
Corcoran
Coughlin
Courter
Coyne, James
Coyne, William
Craig
Crane, Daniel
Crane, Philip
Crockett
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Daub
Davis
de la Garza
Deckard
Dellums
DeNardis
Derrick
Derwinski
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dornan
Dougherty
Downey
Dreier
Duncan
Dunn
Dwyer
Dymally
Dyson
Early
Eckart
Edgar
Edwards (AL)
Edwards (CA)
Edwards (OK)
Emerson
Emery
English
Erdahl
Erlenborn
Ertel
Evans (DE)
Evans (GA)
Evans (IN)
Fascell
Fazio
Fenwick
Ferraro
Fiedler
Fields
Findley
Fish
Fithian
Foley
Ford (MI)
Ford (TN)
Forsythe
Fountain
Fowler
Frank
Frenzel
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Gregg
Guarini
Gunderson
Hagedorn
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hansen (ID)
Hansen (UT)
Hartnett
Hatcher
Hawkins
Heckler
Hefner
Heftel
Hendon
Hertel
Hightower
Hiler
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnston
Jones (NC)
Jones (OK)
Jones (TN)
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach
Leath
LeBoutillier
Lee
Lehman
Lent
Levitas
Lewis
Livingston
Loeffler
Long (LA)
Long (MD)
Lott
Lowery
Lowry
Lujan
Luken
Lundine
Markey
Marks
Marriott
Martin (IL)
Martin (NC)
Martin (NY)
Matsui
Mattox
Mavroules
Mazzoli
McClory
McCloskey
McCollum
McCurdy
McDade
McDonald
McEwen
McGrath
McHugh
McKinney
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Moffett
Molinari
Montgomery
Moore
Moorhead
Morrison
Mottl
Murphy
Murtha
Myers
Napier
Natcher
Neal
Nelligan
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Parris
Patman
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Rodino
Roemer
Rogers
Rose
Rosenthal
Rostenkowski
Roth
Roukema
Rousselot
Roybal
Rudd
Russo
Sabo
Santini
Sawyer
Scheuer
Schneider
Schroeder
Schumer
Seiberling
Sensenbrenner
Shamansky
Shannon
Sharp
Shaw
Shelby
Shumway
Shuster
Siljander
Simon
Skeen
Skelton
Smith (AL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stangeland
Stanton
Stark
Staton
Stenholm
Stokes
Studds
Swift
Synar
Tauke
Tauzin
Taylor
Thomas
Traxler
Trible
Udall
Vander Jagt
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weaver
Weber (MN)
Weber (OH)
Weiss
Whitehurst
Whitley
Whittaker
Whitten

Williams (MT)	Wortley	Young (AK)
Williams (OH)	Wright	Young (FL)
Wilson	Wyden	Young (MO)
Winn	Wylie	Zeferetti
Wolf	Yates	
Wolpe	Yatron	

NAYS—0

NOT VOTING—33

Badham	Foglietta	Price
Bouquard	Frost	Roe
Brooks	Fuqua	Savage
Broomfield	Grisham	Schulze
Carney	Harkin	Stratton
Cotter	Hillis	Stump
Dickinson	Leland	Walker
Evans (IA)	Marlenee	Washington
Fary	Mollohan	White
Flippo	Nelson	Wirth
Florio	Pashayan	Zablocki

□ 1445

The Clerk announced the following pairs:

Mr. Mollohan with Mr. Carney.
Mr. Brooks with Mr. Broomfield.
Mr. Zablocki with Mr. Pashayan.
Mr. Nelson with Mr. Marlenee.
Mr. Harkin with Mr. Badham.
Mrs. Bouquard with Mr. Dickinson.
Mr. Fary with Mr. Evans of Iowa.
Mr. Savage with Mr. Hillis.
Mr. Price with Mr. Schulze.
Mr. Fuqua with Mr. Walker.
Mr. Florio with Mr. Washington.
Mr. Flippo with Mr. White.
Mr. Roe with Mr. Stump.
Mr. Stratton with Mr. Wirth.
Mr. Foglietta with Mr. Frost.
Mr. Leland with Mr. Grisham.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to amend chapter 37 of title 38, United States Code, to authorize the Administrator of Veterans' Affairs to guarantee home loans with provisions for variable-payment plans, and for other purposes."

A motion to reconsider was laid on the table.

SENSE OF CONGRESS FOR SECRETARY OF ARMY TO PLACE PLAQUE IN ARLINGTON NATIONAL CEMETERY FOR ARMED FORCES MEMBERS WHO DIED IN IRANIAN HOSTAGE RESCUE ATTEMPT

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and agreeing to the concurrent resolution, House Concurrent Resolution 76.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi (Mr. MONTGOMERY) that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 76) on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 391, nays 0, not voting 39, as follows:

[Roll No. 60]

YEAS—391

Addabbo	Dornan	Jeffries
Akaka	Dougherty	Jenkins
Alexander	Downey	Johnston
Anderson	Dreier	Jones (NC)
Andrews	Duncan	Jones (OK)
Annunzio	Dunn	Jones (TN)
Anthony	Dwyer	Kastenmeier
Applegate	Dymally	Kazen
Archer	Dyson	Kemp
Ashbrook	Eckart	Kildee
Aspin	Edgar	Kindness
Atkinson	Edwards (AL)	Kogovsek
AuCoin	Edwards (CA)	Kramer
Bafalis	Edwards (OK)	LaFalce
Bailey (MO)	Emerson	Lagomarsino
Bailey (PA)	Emery	Lantos
Barnes	English	Latta
Beard	Erdahl	Leach
Bedell	Erlenborn	Leath
Beilenson	Ertel	LeBoutillier
Benedict	Evans (DE)	Lee
Benjamin	Evans (GA)	Lehman
Bennett	Evans (IN)	Lent
Bereuter	Fascell	Levitas
Bethune	Fazio	Lewis
Bevill	Fenwick	Livingston
Biaggi	Ferraro	Loeffler
Bingham	Fiedler	Long (LA)
Blanchard	Fields	Long (MD)
Bliley	Findley	Lott
Boggs	Fish	Lowery
Boland	Fithian	Lowry
Bolling	Foley	Lujan
Boner	Ford (MI)	Luken
Bonior	Ford (TN)	Lundine
Bonker	Forsythe	Lungren
Bowen	Fountain	Madigan
Breaux	Fowler	Markey
Brinkley	Frank	Marks
Brodhead	Frenzel	Marriott
Brown (CA)	Garcia	Martin (IL)
Brown (CO)	Gaydos	Martin (NC)
Brown (OH)	Gejdenson	Martin (NY)
Broyhill	Gephardt	Matsui
Burgener	Gibbons	Mavroules
Burton, John	Gilman	Mazzoli
Burton, Phillip	Ginn	McClory
Butler	Glickman	McCloskey
Byron	Goldwater	McCollum
Campbell	Gonzalez	McCurdy
Carman	Goodling	McDade
Chappell	Gore	McDonald
Chappie	Gradison	McEwen
Cheney	Gramm	McGrath
Chisholm	Gray	McHugh
Clausen	Green	McKinney
Clay	Gregg	Mica
Clinger	Guarini	Michel
Coats	Gunderson	Mikulski
Coelho	Hagedorn	Miller (CA)
Coleman	Hall (OH)	Miller (OH)
Collins (IL)	Hall, Ralph	Mineta
Collins (TX)	Hall, Sam	Minish
Conable	Hamilton	Mitchell (MD)
Conte	Hammerschmidt	Mitchell (NY)
Corcoran	Hance	Moakley
Coughlin	Hansen (ID)	Moffett
Courter	Hansen (UT)	Molinari
Coyne, James	Harkin	Montgomery
Coyne, William	Hartnett	Moore
Craig	Hatcher	Moorhead
Crane, Daniel	Heckler	Morrison
Crane, Philip	Hefner	Mottl
Crockett	Heftel	Murphy
D'Amours	Hendon	Murtha
Daniel, Dan	Hertel	Myers
Daniel, R. W.	Hightower	Napier
Danielson	Hiler	Natcher
Dannemeyer	Holland	Neal
Daschle	Hollenbeck	Nelligan
Daub	Holt	Nichols
Davis	Hopkins	Nowak
de la Garza	Horton	O'Brien
Deckard	Howard	Oakar
Dellums	Hubbard	Oberstar
DeNardis	Huckaby	Obey
Derrick	Hughes	Ottinger
Derwinski	Hunter	Panetta
Dicks	Hutto	Parris
Dingell	Hyde	Patman
Dixon	Ireland	Patterson
Donnelly	Jacobs	Paul
Dorgan	Jeffords	Pease
Pepper	Scheuer	Tauzin
Perkins	Schneider	Taylor
Petri	Schroeder	Thomas
Peyser	Schumer	Traxler
Pickle	Seiberling	Trible
Porter	Sensenbrenner	Udall
Pritchard	Shamansky	Vander Jagt
Pursell	Shannon	Vento
Quillen	Sharp	Volkmer
Rahall	Shaw	Walgren
Railsback	Shelby	Wampler
Rangel	Shumway	Watkins
Ratchford	Shuster	Waxman
Regula	Siljander	Weaver
Reuss	Simon	Weber (MN)
Rhodes	Skeen	Weber (OH)
Richmond	Skelton	Weiss
Rinaldo	Smith (AL)	Whitehurst
Ritter	Smith (IA)	Whitley
Roberts (KS)	Smith (NE)	Whittaker
Roberts (SD)	Smith (NJ)	Whitten
Robinson	Smith (OR)	Williams (MT)
Rodino	Snowe	Williams (OH)
Roemer	Snyder	Wilson
Rogers	Solarz	Wolf
Rose	Solomon	Wolpe
Rosenthal	Spence	Wortley
Rostenkowski	St Germain	Wright
Roth	Stangeland	Wyden
Roukema	Stanton	Wylie
Rousselot	Stark	Yates
Roybal	Staton	Yatron
Rudd	Stenholm	Young (AK)
Russo	Stokes	Young (FL)
Sabo	Studds	Young (MO)
Santini	Swift	Zeferetti
Savage	Synar	
Sawyer	Tauke	

NAYS—0

NOT VOTING—39

Albosta	Flippo	Nelson
Badham	Florio	Pashayan
Barnard	Foglietta	Price
Bouquard	Frost	Roe
Brooks	Fuqua	Schulze
Broomfield	Gingrich	Stratton
Carney	Grisham	Stump
Conyers	Hawkins	Walker
Cotter	Hillis	Washington
Dickinson	Leland	White
Early	Marlenee	Winn
Evans (IA)	Mattox	Wirth
Fary	Mollohan	Zablocki

The Clerk announced the following pairs:

Mr. Mollohan with Mr. Winn.
Mr. Fary with Mr. Dickinson.
Mr. Zablocki with Mr. Hillis.
Mr. Brooks with Mr. Broomfield.
Mr. Mattox with Mr. Walker.
Mr. Frost with Mr. Pashayan.
Mr. Hawkins with Mr. Schulze.
Mr. Florio with Mr. Marlenee.
Mr. Fuqua with Mr. Gingrich.
Mr. Roe with Mr. Carney.
Mr. Flippo with Mr. Badham.
Mr. Barnard with Mr. Evans of Iowa.
Mr. Conyers with Mr. Leland.
Mr. Early with Mr. Foglietta.
Mr. Price with Mr. Nelson.
Mr. Washington with Mr. Stump.
Mr. Stratton with Mr. White.
Mr. Wirth with Mrs. Bouquard.
Mr. Albosta with Mr. Grisham.

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. CHAPPELL. Mr. Speaker, on rollcalls 54, 55, and 56, I was unavoidably detained and could not be present.

Had I been present, I would have voted "yea" on each one.

TRIBUTE TO DR. HOWARD W. THURMAN

(Mr. DYMALLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DYMALLY. Mr. Speaker, the death of Dr. Howard W. Thurman—preacher, theologian, mystic, and writer—in San Francisco on April 9, 1981, removed from the American scene one of its most distinguished religious thinkers. Born into a family one generation removed from slavery in Daytona, Fla., Dr. Thurman rose to a position of international preeminence. Persons such as Mahatma Gandhi and the mystic Rufus Jones were among his intimate friends.

The city of Washington, D.C., was graced with Dr. Thurman's presence during the years he served as dean of the chapel and professor at Howard University. He subsequently held the position of dean of Marsh Chapel at Boston University and was cofounder of one of the first genuinely integrated churches in this Nation, the Church of the Fellowship of All Peoples in San Francisco.

A primary religious concern which consumed much of Dr. Thurman's reflection, preaching, and writing was "the search for common ground," that is, the unity between God and man, and between man and man, which transcended human divisions and arrangements with respect to religion and life. Though he took seriously the presence of contradictions and polarities in human communities and institutions, he expressed the faith that "in God there are no contradictions."

At the time of his death, Dr. Thurman was head of Howard Thurman Educational Trust, a nonprofit foundation dedicated to providing scholarship aid to students in higher education; to the distribution of books, tapes, and papers by Thurman; and to the convening of seminars and conversations focusing his thought.

The author of 22 books and over 200 articles, Howard Thurman's contributions to the intellectual and spiritual life of the past several decades are beyond measure. The world is richer for his having lived in it.

LEGISLATIVE PROGRAM

(Mr. LOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOTT. Mr. Speaker, I take this time to inquire of the distinguished majority leader as to what the schedule will be for the rest of the week.

Mr. WRIGHT. Mr. Speaker, will the distinguished acting minority leader yield?

Mr. LOTT. I yield to the majority leader.

Mr. WRIGHT. I thank the gentleman for yielding.

The schedule for the remainder of the week is that on tomorrow we will have a session but a pro forma session with no legislative business, in honor of the passing of our late and beloved colleague, the Honorable Carl Vinson of Georgia, who will be buried tomorrow.

□ 1500

It is possible that a quorum call might be requested tomorrow. While there will be no legislative business, there will be the swearing in of our new colleague, the gentleman from Maryland, Steny Hoyer.

On Thursday, we will have two items of business which we hope to conclude on that day. We will meet at 10 o'clock on Thursday, and the first order of business will be the conference report on the supplemental appropriations bill.

Following that, we will take up H.R. 3455, the military construction authorization.

If we are able to complete those two on Thursday, there will not be any business on Friday.

Mr. LOTT. I thank the gentleman for that schedule.

THE LATE HONORABLE CARL VINSON

(Mr. EVANS of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVANS of Georgia. Mr. Speaker, I have the sad duty of informing you that former Representative Carl Vinson, who served as a Member of Congress for over 50 years from the great State of Georgia, passed away.

Representative Vinson was a man unsurpassed in his dedication to my home State and to the security of our Nation. His service as chairman of the Armed Services Committee is unmatched in fervor to the extent that Georgia will forever be honored by his memory. His name has been placed above the door of the Armed Services Committee Room.

Congressman JACK BRINKLEY and I have reserved time for a special order to pay tribute to Carl Vinson on Wednesday, June 10. I invite all of my colleagues to participate at that time in memory of a great Georgian and a great American.

THE TWO TAX PACKAGES

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I just wanted to say how very disgusted I have been with the press of late on this whole issue of the two tax packages. I really think they have been treating it like a sporting event and I really hope the Speaker would have a press conference and give them a little pop quiz.

I am not sure they really have any idea what the real issues and the real differences between the two packages are. I do not think people understand that the reason the Democrats are so concerned is we want to do away with the marriage penalty tax, and we would like housewives to be able to have a retirement account, and we would like very much for middle-income people between $15,000 and $50,000 to be able to have the major portion of the tax cut, and that we are very worried about having a cut for more than 1 year and make sure we do it one at a time.

It is very easy to get votes for another cut next year if everything is working well.

I hope he gives this little pop quiz to the press, and I hope they know what this is about, and I hope they understand this is not a ball game; this is a very serious economic issue that this House is going to have to deal with.

SMALL BUSINESS TAX ACT OF 1981

(Mr. RUSSO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUSSO. Mr. Speaker, smaller businesses are the overwhelming majority of business firms in the United States. During the last several years, these smaller businesses have been competing in a marketplace that has become increasingly more concentrated on the largest firms. Smaller businesses are not able to compete effectively when most of the rules of the game favor the larger firm. As all costs are rising each year, it is the small firm that is least able to cope with the higher cost of capital, labor, and taxes. In recent years small businesses have been faced with the nearly impossible task of expanding business while interest rates on loans have climbed above the previously unheard of 20-percent level. Smaller firms are generally more labor intensive. These firms hire more new workers than big firms. The new jobs that should be available from smaller businesses will materialize only if the firm hiring the new worker will realize greater productivity. Increased productivity for workers goes hand-in-hand with more efficient use of capital. Relief from the present burden of Federal income tax for small businesses is a step in the right direction. It will help to remove some

of the obstacles to capital expansion and productivity.

The bill that I am introducing today is the result of serious consideration to the needs of small business. It addresses these needs without losing sight of the general tax policy goals of equity and simplicity. Too often Congress has set forth with the best intentions to enact tax laws that seek to aid small businesses only to arrive at rules whose complexity defeats their purpose. This bill would provide tax rules that are easily understood, but hopefully would not provide new opportunities for tax shelter artists. As the Ways and Means Committee considers the several proposals for depreciation reform and individual tax cuts, I am hopeful that the plight of small businesses will be remembered. This bill may be easily coordinated with a simplified depreciation system.

Under the bill, small businesses could annually elect to take an immediate deduction for up to $25,000 of tangible personal property placed in service during the year instead of recovering the property's cost through depreciation. The investment credit would not be allowed for amounts expensed in this manner. This provision would greatly simplify capital cost recovery for small business. It would allow most firms to use one class and 1-year writeoff for all of their capital expenditures.

My bill would also widen the corporate income tax brackets. Graduated corporate income tax brackets were first enacted in 1978. Under present law, the corporate tax rates range from 17 percent on the first $25,000 to 46 percent on amounts over $100,000. This bill would expand each of these brackets to $37,500, with top rate of 46 percent on amounts over $150,000.

The double taxation of dividends is a problem often cited by smaller firms. My bill would help to alleviate this problem for most small firms by not taxing the first $100,000 of a small corporation's taxable income paid to shareholders as dividends for the taxable year. Taxable income in excess of the first $100,000 of dividends paid would continue to be taxed at the normal corporate rates. Thus, a small business corporation with $200,000 taxable income paying out at least $100,000 in dividends for the taxable year would be taxed only on $100,000—at the regular corporate rate. A small business corporation would be defined as a domestic corporation with not more than $1 million received as a contribution to capital or as paid-in surplus. This proposal has been carefully drafted to avoid the pitfall of creating additional potential for tax abuse.

The bill would also double the investment credit used property limitation. Under present law, the investment credit is allowed only on the first $100,000 of used property purchased each year. This limit would be increased to $200,000. I am hopeful that the Ways and Means Committee will review this used property limitation during the consideration of depreciation changes. The investment credit must be closely coordinated with depreciation reform. I am hopeful that the committee will view favorably a significant increase in the used property limitation. Under a new capital cost recovery system, the distinction between new and used property could be eliminated if appropriate recapture rules were devised.

Under present law, a 10-percent investment tax credit is allowed for the rehabilitation of buildings which are at least 20 years old which are used by the taxpayer in its trade or business.

In order to encourage the rehabilitation of older buildings, many of which are used by small businessmen, the bill would change present law to allow a 15-percent rehabilitation credit for buildings at least 30 years old, a 20-percent credit for buildings at least 40 years old, and a 25-percent credit for a certified rehabilitation of a certified historic structure. For purposes of this provision, certified historic structures include certified historic residential rental properties. No credit would be allowed for buildings less than 30 years old.

The bill also provides that the investor who acquires preferred stock in new corporations may realize ordinary losses if the venture fails. This tax treatment is presently available under section 1244 of the Tax Code, but it is limited to shareholders of common stock only. Extending ordinary loss treatment to losses on preferred stock issued by a small business to an individual shareholder would benefit the risk-taking investors whose finances support many new corporate ventures.

The bill would also increase the maximum number of shareholders in a subchapter S corporation from 15 to 25. Subchapter S allows certain small business corporations to elect not to be taxed at the corporate level, but pass all income or loss through to the shareholders. This proposal would allow more small businesses to take advantage of subchapter S.

The bill also requires the Treasury Department to complete, within 1 year of enactment, a detailed study of the appropriate methods of tax accounting for inventory during periods of inflation. This Treasury study would also require Treasury to report on ways to simplify inventory accounting for small businesses. The present accounting rules are very complex. Smaller firms are often placed in a disadvantageous position compared to larger firms that are much better able to cope with these problems. After receiving this detailed analysis, the Ways and Means Committee and the Senate Finance Committee will be in a better position to enact new accounting rules that will meet the smaller firm's requirements during periods of inflation.

FIRSTHAND CRITICISM

(Mr. WYDEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYDEN. Mr. Speaker, a lot of experts have criticized the Reagan administration's proposals to cut social security. But I received a letter last week from a working wife in Portland, Oreg., that says it all.

The letter is from Mrs. Donna Miller, 8312 SE. Oak Place, and here is what she said:

I can't believe it!! I'm absolutely stunned about the penalties President Reagan wants to put on Social Security for age 62 recipients.

Once again the working people get penalized. We plod along working most of our lifetimes, trying to raise our families, pay our taxes, pay our own medical bills, receiving no help from anyone—and we're the ones who lose when budget cuts are made.

My husband, age 54, has been a welder for over 25 years. While laid off last year, he had a heart attack. We'd paid the insurance premium so our hospital bills were 80 per cent covered, but because he was laid off work at the time, we were not eligible for disability payments or unemployment, of course. So, we survived on my salary of $500 a month. We tightened our belts and made it, all on our own, with no help from anyone.

We have a mobile home, and a little house on our own lot. We live in the mobile home, and let my 80-year-old widowed mother live in the house, rent free, so that she can have enough money from her Social Security to buy decent food and pay her heat bills. Mama is diabetic.

It is most difficult for my husband to work as hard as he does since his heart attack, but he does, because he must.

When he asked the Employment Division if they could help retrain him to an easier job, the answer was no. The doctor had released him for work, and he had been welding since the heart attack, so that was that.

We've tried to plan for our retirement so our bills will be paid for by the time my husband would retire at age 62, so we can live on Social Security as comfortably as possible. But how can we retire at a 55 percent cut of his earned benefits?

He's paid in to Social Security all his working days. By the way, I am 47 years old, so it puts an added burden on us, as I couldn't collect any retirement for 7 years after my husband.

Jobs are nil, crime runs wild, and now our President wants to punish us further because we want to retire at age 62. I so wish he was in our shoes for a while, so he'd know how it feels to suffer through layoffs, worry about medical bills and have the rug pulled out from under you, when all you want is to retire and live a few years without job worries.

I'm scared, I'm mad and I feel completely defeated.

THE INTERPARLIAMENTARY UNION SPRING MEETING, MANILA, PHILIPPINES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 60 minutes.

Mr. PEPPER. Mr. Speaker, at the end of April, I had the distinct privilege and pleasure of serving as chairman of a House delegation, appointed by the Speaker to represent the U.S. House of Representatives at the spring meeting of the Interparliamentary Union held in Manila, Philippines. I have requested this special order today so that members who attended that important international conference of parliamentarians can report on the accomplishments.

As with all recent IPU sessions, the Manila meeting provided the best opportunity available in the world today for parliamentarians of many lands to gather together to discuss significant world issues. Through IPU meetings it has even been possible for parliamentarians to discover areas of agreement and to publish joint resolutions designed to encourage their respective governments to develop and implement policies for which there is wide popular support among citizens of the world.

The IPU has been in existence now for nearly a century and has throughout that period given important impetus to positive international efforts by encouraging international arbitration and conciliation. Ninety-four countries are now members of the IPU, and 560 members of parliaments from 80 countries attended the meeting in Manila. Representatives from many international organizations, such as the United Nations organizations, also attended as observers. Needless to say, given the many representatives from developing and developed countries and from the many continents, diversity of views and points of disagreement were very apparent. The sharing of these different views and the negotiation process of the drafting sessions allowed all the parliamentarians ample opportunity to learn clearly where other parliaments stand.

My colleagues in the House who participated in the Manila meeting deserve high commendation for their diligence and persistence in representing the United States and carrying messages on issues very important to Americans. Representative EDWARD J. DERWINSKI, designated by the Speaker to serve as House vice chairman, through his many and longstanding contacts with other parliamentarians who regularly attend IPU sessions and his enthusiasm for making the American participation a success, performed great service. The other delegation members included Representatives J. J. PICKLE, E (KIKA) DE LA GARZA, GEORGE E. DANIELSON, DAVID R. BOWEN, ANTONIO WON PAT, ROBERT MCCLORY, and GUY VANDER JAGT. We from the House were complemented by a highly qualified Senate group, headed by Senator ROBERT T. STAFFORD, that also included Senators QUENTIN N. BURDICK and HOWARD W. CANNON.

Our delegation was a fine example of bipartisan and bicameral cooperation.

With pride I can report that each and every member of our delegation was intensely engaged in the activity of the conference. Our delegation presented four American draft resolutions which we defended as positions worthy of international support. Obviously with the give and take on negotiation in the drafting committees, all of the American positions were not adopted. But we can be satisfied that other nations' parliamentarians are now better aware of American views.

Five of our delegates spoke formally to the meeting to explain views on the agenda issues, and U.S. delegates participated on all five drafting committees established to compose draft resolutions that serve as the communiques of parliamentarian opinion of the IPU. Some of the drafting lasted late into the night.

The issues before us in Manila were important ones and included arms control and disarmament, Parliaments and human rights, energy, the U.N. International Year of Disabled Persons and decolonization. These issues were fully debated in Manila, and draft resolutions on them were adopted for consideration by all national groups before final adoption at the fall conference.

In statements and negotiation, U.S. delegates were quite forceful in making clear how we view these matters. Our delegates reaffirmed opposition to the Soviet occupation of Afghanistan and the insistence that they withdraw their armed troops from Afghan soil. We also stressed how disastrous any Soviet military intervention in Poland would be. On the question of the disabled persons, I personally spent hours together with other parliamentarians, shaping a resolution that should add momentum to international efforts on behalf of these very disadvantaged people. This resolution, specially adopted unanimously by the Interparliamentary Council in Manila, urges greater efforts to facilitate the integration of disabled persons into economic, social, and cultural development and recommends a number of concrete actions to ease and prevent disability. This resolution of the IPU complements efforts of our own body on behalf of the disabled, such as embodied in House Concurrent Resolution 55.

The Manila meeting also devoted special attention to the energy crisis, human rights, and decolonization. Resolutions on these subjects contain many helful suggestions and should be considered. Some of the ideas advanced, however, particularly concerning energy and decolonization, go way beyond what the American Congress would support. I am sure that U.S. delegates to the fall conference will want to propose amendments that could make IPU positions on these matters more universally approved.

In conclusion, the Manila IPU meeting was a productive and enlightening session. Opinions of the world's parliaments were registered so we can move ahead better informed of possibilities and obstacles. Methods and program proposals were advanced that deserve study. A final report, detailing more fully the results of the meeting, will be published in the near future.

Mr. DANIELSON. Mr. Speaker, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from California (Mr. DANIELSON).

Mr. DANIELSON. I thank the gentleman for yielding.

Mr. Speaker, the spring meeting of the Interparliamentary Union held at Manila, Republic of the Philippines, during the period of April 20 to 25, 1981, was my first opportunity to serve on our delegation. The experience was for me a most exciting and informative one. The opportunity to meet with, work with, and debate the important issues facing the world today with fellow parliamentarians from throughout the world was both unique and valuable. Our cochairmen, the Honorable CLAUDE PEPPER, of Florida, from the House of Representatives and the Honorable ROBERT T. STAFFORD from the Senate assigned me to the Committee on Parliamentary, Juridical, and Human Rights Questions. I feel that I was most fortunate in that assignment. During the days of the spring meeting our committee concentrated on the subjects of human rights and the various international treaties and agreements implementing human rights policies throughout the world. I personally took up the subject of international terrorism since it is clear to me that terrorism is the most palpable and vicious form of the violation of human rights. On behalf of our group I also advocated that parliaments throughout the world take an evenhanded approach to the consideration of human rights violations and that the people of the world, and their parliaments, should be objective in evaluating the conduct of all regimes, be they authoritarian or democratic, and should get away from the tendency to apply an international double standard in the field of human rights. Too often, in my opinion, we have looked upon conduct by one regime differently than we look upon identical conduct by other regimes solely be-

cause of our relationships to those several regimes.

A text of my speech on that subject, which I made before my subcommittee on Wednesday, April 22, 1981, follows:

STATEMENT OF REPRESENTATIVE GEORGE E. DANIELSON

Mr. Chairman, and Fellow Parliamentarians, the question before us is what role Parliaments can play to control governmental activity on human rights, and what Parliaments can do to promote adherence to and the effective implementation of meaningful international standards on human rights.

The recognition of international standards of conduct on human rights has been a part of the basic tradition of the United States for more than 200 years—at least as far back as the American Declaration of Independence—in 1776.

Ever since that time civil, political and economic rights have been the basis of our legal system and the United States Congress has enacted innumerable laws to secure those rights for individual Americans. Certainly, and historically, there have been those for whom full respect for human rights have been denied. But a free and independent Congress—a President freely elected by and responsible to the people—a free, inquisitive and courageous press, and a people blessed with the rights of freedom of thought and speech, have provided the self-criticism needed to bring about improvements where improvements have been necessary.

We in the Congress strongly supported the emphasis laid by the U.S. delegation to the recent Geneva session of the UN Human Rights Commission on the grievous threat to human rights posed by the rising tide of terrorism in the world today—much of it sponsored from abroad.

Terrorist attacks on life, liberty and security of person are attacks on the very governmental and political structures which provide and protect those rights. Terrorists believe that their violent acts will compel the abandonment of the defense of those rights and thus bring about the destruction of a free society. As the direct representatives of the people, we in the Parliaments should condemn and strongly resist this terrorist assault on fundamental freedoms and on our free institutions.

At the HRC session in Geneva the U.S. delegation also protested the violation of another fundamental human right—the freedom of a people to choose their own political system, free from coercion, from intimidation, and from external interference.

We in the United States believe that all governments derive their just powers from the consent of the governed. Yet, today we see glaring examples of human oppression imposed from abroad: by Soviet troops in Afghanistan, which the IPU deplored last September in Berlin. The threat of foreign intervention since has been raised by the Soviets and their surrogates against the stirrings of the human spirit in Poland. By condemning such moves and by supporting effective government counter-measures, Parliaments can register their determined opposition to these massive violations of human freedom.

In my country the Congress has enacted laws to integrate the consideration of human rights into foreign policy and to serve as a policy guide for the Executive. We have legislated to include human rights criteria as conditions to the granting of foreign assistance. We have insisted upon scrutiny of the human rights records of other nations as well as our own.

As an example, the U.S. Congress created a Commission on Security and Co-Operation in Europe to monitor and report on compliance with the Helsinki Final Act, including its Principle Seven, on Respect for Human Rights and Fundamental Freedoms, including Freedom of Thought, Conscience, Religion and Belief. We know that the United States record on human rights is good, and we know that our compliance with the Helsinki accords can stand up to close inspection.

At the same time, on the part of some signatories, we note wide discrepancies between their performance and their obligations to abide by the human rights provisions of the Final Act. Some of these same signatories argue that the examination and discussion of their human rights record by others constitutes interference in their internal affairs and that it is contrary to other provisions of the Helsinki accords. To this we reply that the matter of compliance with the provisions of the accords is a matter of legitimate and proper concern for all of the signatories. We will continue to monitor, and we will continue to press for full compliance. To do less would render that great effort but an idle act. No country's human rights record should be above scrutiny, or beyond criticism, whatever the country and whatever its political system.

We have observed that closed, totalitarian regimes, with their endemic oppression of human rights, often virtually escape international censure, while more open societies may be judged much more harshly. We parliamentarians know, all of us know, that all societies, all regimes, should be held accountable to the same, commonly-accepted, standards on human rights. Parliaments can, and should, press for this needed objectivity and even-handedness, and for the elimination of an international "double standard" in the field of human rights.

The new U.S. Administration is currently reviewing four international human rights conventions submitted earlier by President Carter to the Senate for ratification. These are: the International Covenant on Economic, Social and Cultural Rights; the International Covenant on Civil and Political Rights; the International Convention on the Elimination of All Forms of Racial Discrimination; and the American Convention on Human Rights. While this process is underway, the U.S. delegation to the recent HRC meeting in Geneva joined in backing a consensus resolution urging support of the two above UN covenants, and it strongly supported the HRC's adoption of the Declaration on the Elimination of All Forms of Intolerance based on Religion or Belief.

Mr. Chairman, while understanding the desire of governments to weigh carefully, as ours is doing, the legal and other implications of international human rights instruments to which they have not yet adhered, we call on all countries to fulfill their commitments under those instruments to which they have already subscribed. Only thus can we hope to realize the high intentions expressed and give them genuine impact on the human rights and the lives of our peoples.

Mr. Speaker, I am pleased to announce that I was assigned to the drafting subcommittee on my committee. In drafting our committee's resolution, I was able to include a provision to condemning terrorism and violence in all forms as grave threats to the assurance of human rights.

As I said before, Mr. Speaker, I found my service on our delegation to the Interparliamentary Union to be most valuable and rewarding. I hope that it will be my good fortune to participate in future work of that fine group.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from Illinois.

Mr. McCLORY. I thank the gentleman for yielding and I want to commend the gentleman from Florida for his leadership of the House delegation at the Interparliamentary meeting in Manila and to concur in the remarks the gentleman has addressed that this was a most important meeting.

Mr. Speaker, the subject which was assigned specifically to the Education, Science, Culture, and the Environment Committee, upon which I was named to serve, gave primary consideration to the subject of the Year of Disabled Persons, taking note that the United Nations has designated 1981 as the Year of Disabled Persons.

In this connection, Mr. Speaker, I participated in the preparation of a memorandum which was thereafter filed in behalf of our U.S. group. The memorandum, which outlines activities undertaken by various segments of our Nation, including the private sector, is included at the end of these remarks. In addition, Mr. Speaker, I addressed the members of the committee, briefly sketching the work of the U.S. Council for the International Year of Disabled Persons established by the President and calling attention to the concurrent resolution that was adopted on April 7, 1981 (H. Con. Res. 55) shortly before our delegation departed for the spring conference in Manila.

Mr. Speaker, my remarks to the members of the committee are as follows:

STATEMENT OF REPRESENTATIVE ROBERT MCCLORY (U.S.A.) ON THE YEAR OF DISABLED PERSONS

What should we do as members of the world's parliaments to support and implement the United Nations' action in designating 1981 as the Year of Disabled Persons—in particular disabled children?

We should, indeed, do the best and the most that is possible.

In short, we should share with each other our experiences as members of our respective parliamentary bodies. We should inform, and we should support each other—and we should coordinate our efforts for the maximum good for the largest number of our disabled brothers and sisters of every land—and of every race, color and creed.

It seems to me counter-productive to criticize, to condemn, or to seek to make political propaganda from this issue. To criticize the internal policies of a member nation, or to use this issue as a forum for political debate is a disservice to those whom we wish

to aid—and repugnant to the kind of useful exchanges which the IPU makes possible.

First, of course, we can all participate in a great awareness program to bring to the individual attention of countless millions of our constituents and fellow citizens both the plight and the potential of our disabled brothers and sisters. When we stop to consider that physical and mental disability touches about one out of every ten families, this awareness task seems entirely realizable.

In the United States, both a Presidental proclamation and a Concurrent Resolution of the U.S. House of Representatives and U.S. Senate are directed primarily at bringing the subject of disabled persons to public notice. A postage stamp commemorative of the Year of Disabled Persons will be issued in July.

A full schedule of public events has been planned touching virtually every segment of our society and reaching into every part of our geographic boundaries.

Second, we seek to identify and reach every type of disability and every age of individual with particular influence on young people. It is not simply a federal or national government effort. It seeks, indeed, to reach every subsidiary unit of government and public officials at all levels.

Third, since the maximum benefit can come from individual understanding and cooperation, the governmentally initiated programs in the United States rely substantially on participation by private organizations and persons.

One of my long-time friends, and a fellow alumnus of my college alma mater, and himself a paraplegic—Alan Reich—is President of the U.S. Council for the International Year of Disabled Persons. Already, he has given assurance of a successful national program in my country by securing cooperation in all 50 states on the part of governmental and non-governmental entities.

Let me mention just two projects of special interest to the delegates attending this Spring IPU meeting, namely, (a) a conference of representatives of the disabled community from North and South America and the Caribbean with the plans scheduled for development this month and the full conference to be held in November, and (b) a meeting of selected disabled persons from the developing nations to share experiences and techniques also to take place in November. It is expected that both of these projects will be sponsored by private companies.

Finally, what we have learned and what we discover this year and hereafter we offer for the benefit of disabled persons everywhere. The Year of Disabled Persons is not a goal nor an end in itself. On the contrary, it is a starting point, a launching pad for world-wide cooperation among governments, parliamentarians, and individual citizens and organizations everywhere in behalf of 500 million of our fellow citizens who are disabled and who need us—and whom we need to make this a better and happier world in which to live.

MEMORANDUM PRESENTED BY THE AMERICAN GROUP AT INTER-PARLIAMENTARY UNION

On December 16, 1976, the United Nations General Assembly designated 1981 as a special year in which the needs and aspirations of disabled persons the world over could be addressed. The purpose of the International Year is to promote full participation in society, to promote the achievement of living conditions equal to those of other persons in the country, and to assure disabled persons an equal share in the improvement of living conditions resulting from social and economic development.

On February 6, 1981, President Reagan issued a proclamation stating that through partnerships of disabled and nondisabled persons of private sector and government and of national, state and community organizations, the United States can expand opportunities for disabled persons. These goals are being addressed both at the federal governmental level and by a nationwide organization of entities in the private sector.

A number of statutes have been enacted over the years to help develop services and ensure rights for disabled persons. It is the philosophy of the United States that disability may be ameliorated by early identification and training of young disabled children, by education of disabled youngsters along with nondisabled youngsters when possible, and by vocational training and employment opportunities for disabled adults. The participation in society of disabled persons of all ages offers disabled persons the fullest opportunity for a normal life and gives nondisabled persons the opportunity to personally know and work with disabled persons. Attitudes can be improved by experiences of learning and working together. In the United States the abilities of persons are stressed, and it is well known that for most disabled persons ability far outweighs disability. Efforts are being made to help expand the abilities of impaired individuals and to work to accommodate the disabilities of such individuals. Accommodations made for disabled persons include the accessibility of public buildings, the provision of interpreters for deaf persons and readers for blind persons, and a vast array of technological devices to assist individuals to hear, see, talk, walk, breathe, and otherwise function as normally as possible. Increasingly, disabled persons are participating in the educational, economic, and social life of the United States.

As a means of early identification of disability, low income children are screened for physical and mental deficiencies which could lead to disability if not corrected early. Pregnant women and young children are provided supplementary feeding, if needed, to prevent disability and promote optimal prenatal and early developmental growth.

A free, appropriate education is the right of all handicapped children in the United States. Disabled children are educated in the same setting as nondisabled children, insofar as this is possible, and special assistance and supportive services are provided to the disabled children to enable them to participate in the regular classrooms. Some severely disabled children must be provided their education in a special facility, but efforts are made to integrate such children into normal school activities as much as possible.

Vocational rehabilitiation is provided to disabled persons who require training or special services to prepare themselves for employment. Under this program an individualized plan is prepared for each person to ensure that he or she receives all services necessary to allow the disabled individual to engage in productive activity. The services provided include physical and mental restoration, counseling, college instruction, training in sheltered workshops, transportation, and income maintenance. Many persons in the vocational rehabilitation program receive job training in private industry where such training frequently leads to a permanent job in the private sector. Severely disabled persons who are not able to work are taught the skills necessary to allow them to live within the family or the community as independently as possible.

All programs which receive federal funds must serve disabled persons who would otherwise qualify for these services. Colleges and universities receiving federal funds cannot deny an education to disabled persons who otherwise qualify for entrance into the school. Other federal programs to which this requirement applies include health facilities, public housing, public transportation, and public recreation facilities.

Disabled persons who are unable to contribute toward their own support may qualify for a variety of benefits including medical services, subsidized housing, food stamps and income maintenance.

To prevent disability, a broad research program is underway which includes basic biomedical research, rehabilitation engineering research, and research which addresses the special educational needs of disabled children.

The National Council on the Handicapped has broad responsibility to review and evaluate policies, programs, and activities conducted by federal agencies. Members of the National Council on the Handicapped are representative of handicapped individuals, national organizations concerned with the handicapped, individuals engaged in research related to the handicapped, business concerns, and labor organizations. The Council makes recommendations respecting ways to improve research concerning handicapped individuals and ways to increase the effectiveness of service delivered to handicapped persons. The dissemination and utilization of research findings are also responsibilities of the National Council.

In addition to the governmental activity, the private sector is engaged in furthering the goals of the International Year of Disabled Persons. A broad coalition has been established which includes the corporate community, public interest groups, and state and local governmental groups. This organization, the United States Council on the International Year of Disabled Persons, is promoting programs to implement the following goals:

Expanded educational opportunity;

Improved access to housing, buildings, and transportation;

Greater opportunity for employment;

Greater participation in recreational, social, and cultural activities;

Expanded and strengthened rehabilitation programs and facilities;

Purposeful application of biomedical research aimed at conquering major disabling conditions;

Reduction in the incidence of disability through accident and disease prevention;

Increased application of technology to ameliorate the effects of disability; and

Expanded international exchange of information and experience to benefit all disabled persons.

The U.S. Council has organized a community partnership program, a corporate partnership program, and the Council plans to take special national initiatives involving the public and private sector. The community partnership program is an effort to encourage communities to establish goals and programs. To date, 14,000 mayors and other chief elected officials and all governors have pledged cooperation. The corporate partnership program urges corporations to make a firm commitment to full participation of

disabled persons and to undertake special initiatives. National initiatives of the U.S. Council include activities in the areas of attitudes toward disability, biomedical research, technology, international exchange, and volunteerism.

A major activity of the U.S. Council is the corporate partnership program. Through joint programs with other interested groups such as voluntary and non-profit agencies, organizations of disabled and nondisabled persons, labor unions, and national, state and local governments, private corporations are making a significant contribution to the quality of life of the 35 million disabled persons in the United States. In this way, the United States hopes to demonstrate world corporate social responsibility and create entrepreneurial leadership in this important area of human concern. The following corporate initiatives are currently being undertaken in the United States:

Corporations are seeking to increase employment, including training and recruitment, of handicapped individuals. It is recognized that handicapped persons can be recruited for all levels of employment. Special success is occurring through employment of severely handicapped persons in the computer area, and some corporations have established home-based employment using computers for persons who are unable to travel to work.

Corporations are improving access to buildings and job sites. This increases employment opportunities for handicapped individuals and improves business by making commercial areas accessible to handicapped persons.

Corporations are undertaking programs to positively affect attitudes within the workplace and in the business world generally.

The corporate community is utilizing technology to lessen the effect of disability in the work environment. Devices, such as talking typewriters, reading machines, and broad use of computers are greatly increasing employment opportunities for disabled persons.

Corporations are working to reduce disability-causing accidents and diseases associated with the workplace.

The corporate community is participating in the community partnership program, a U.S. Council activity designed to increase knowledge of, and opportunities for, disabled persons at the community level.

Activities taking place at the community level to commemorate the International Year of Disabled Persons include television programs to increase positive attitudes regarding disabled persons, examination of retail stores to determine accessibility for disabled persons, sports events involving disabled and nondisabled persons, recruitment centers for disabled persons seeking employment, and awareness programs in public schools.

It is the hope of government and corporate leadership in the United States that the activities undertaken in the International Year of Disabled Persons can further the quality of life and the participation in society of disabled persons in the United States and around the world. It is hoped that the sharing of ideas and technology between countries will result in a more productive and satisfying life for all disabled persons.

Mr. Speaker, I have received word, just in the last few days, of the recent passing of the longtime Secretary General of the Interparliamentary Union, André de Blonay.

Mr. de Blonay was a most distinguished Swiss citizen who had a broad background in international organizations. Even before he came to head the Interparliamentary Union in 1953, I should point out that André de Blonay was a celebrated citizen of Switzerland coming from a Swiss family whose roots ran deep in the history of this great little country.

It was during André de Blonay's tenure that the membership of the IPU was expanded substantially to take in representatives from those many other nations whose parliamentary systems differ substantially from the parliaments of the western free world. While many may question the wisdom of this change in the membership rolls of the IPU, there can be no question but that the opportunities for contacts between the representatives of our country and other free world nations increased substantially when membership was granted to the Eastern bloc and other nations having single party parliaments or legislative bodies.

Mr. Speaker, I am sure that all who recall André de Blonay will attest to his skill as an administrator of this great international organization. He provided prestige, distinguished and experienced leadership, and was, himself, a most imposing and commanding personality.

Mr. Speaker, I'm sure I bespeak the sentiments of all of my colleagues, and particularly those of us who have had the opportunity to represent our Nation at meetings of the Interparliamentary Union, in expressing our respect and affection for André de Blonay. Let us also add our sympathy to the surviving members of his family.

Mr. Speaker, may I add these other unrelated comments regarding the recent Interparliamentary Union Conference held in Manila which is the subject of the special order which our colleague from Florida, Chairman of the House Delegation to the Spring Conference, Congressman CLAUDE PEPPER, has reserved. Mr. Speaker, as my colleagues to the Manila conference know, I traveled to Mainland China after departing from Manila. While visiting in the People's Republic of China, I had occasion to visit with the Deputy Secretary of the People's National Congress and with a Vice Chairman of the Standing Committee of the People's National Congress. In these meetings in Peking, I urged these officials of the People's National Congress to consider affiliation with the IPU. Certainly, it would add to the interest and influence of the IPU if parliamentary representatives of the one billion citizens of the People's Republic of China were a part of this great international organization.

Mr. Speaker, without elaborating upon my meetings in the PRC, I wish, merely, to observe that the relations between that country and ours, as evidenced by the words and actions of Chinese officials and citizens alike, are more cordial than at any time in recent history. There is an apparent attitude which permeates the citizenry of the People's Republic of China—an attitude of warmth and of friendship which evidences their strong desire for enhanced economic, political and social ties from which our respective nations and the entire world would seem destined to benefit. Mr. Speaker, based in large part on these observations and the favorable reaction to my initiatives during my conferences in Peking, I am hopeful that the People's Republic of China will affiliate with the IPU and that the delegates representing this great mainland area of Asia will join in forthcoming meetings of the IPU.

Mr. Speaker, finally, may I pay a special tribute to our delegation leader, Senator BOB STAFFORD of Vermont and to my colleagues, Congressman CLAUDE PEPPER of Florida, Chairman of the House group and to Congressman ED DERWINSKI of Illinois and Senator QUENTIN BURDICK, Vice Chairmen of our delegation, for their leadership during this important Spring Conference of the Interparliamentary Union.

Mr. PEPPER. I thank the able gentleman from Illinois, who has been a long-time representative from the House to the Interparliamentary Union and is highly esteemed by the members from all the countries who attend those conferences, and who made a splendid record again this year.

Mr. DE LA GARZA. Will the gentleman yield?

Mr. PEPPER. I yield to the distinguished gentleman from Texas.

Mr. DE LA GARZA. I want to add my commendation to the leadership of the gentleman from Florida that he gave us during all this session that we had in the Philippines, and I say, as a much younger Member, I want to commend him for his untiring effort in our behalf and on how diligently he worked every hour of the working session. I want to thank him also for giving me the honor of serving, of representing our country in the drafting session on the energy issue. This was to me very interesting and certainly quite a challenge. It was with great pride that we were able to have a resolution that was unanimously adopted by the conference, and again, I thank the gentleman for allowing me this privilege and commend him for the excellent leadership which he gives us when we attend these very important sessions.

Mr. PEPPER. I want to thank the very able gentleman from Texas, one of the outstanding members of our

delegation to Manila, for the splendid work he did on the Energy Committee. You may be sure that he had very difficult obstacles to overcome in that committee, where there were so many nations that came from the other part of the world and the other kind of philosophy from ours who were trying to keep us from getting adopted principles that we think make for peace and security in the world.

One of the strong efforts that the distinguished gentleman from Texas and we made was to try to get a declaration of commitment from all the nations, including the Soviet Union, that they would not interfere with the ownership of the oil reserves in their critical areas nor would they interfere with the transportation or accessibility of the oil ports to the ships of the world or the areas that wanted to obtain those supplies. But while we did not get all that we wanted, the gentleman from Texas, by his persistence and the excellence of his efforts, did get a commitment in there that the roots of transportation, the means of access to the oil reserves of the critical oil countries, would be available to all the countries of the world that wanted to purchase in those markets, a very significant recognition.

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Let me add that one of the things that the gentleman from Illinois (Mr. MCCLORY) and I were able to get done in that Committee on the Disabled was to get a resolution adopted which called upon the United Nations to establish a special agency, the function of which should be to serve the disabled people of the world.

We are hopeful, therefore, that what we did may have meaning in the lives of many disabled people all over the globe.

May I just add, Mr. Speaker, that we all returned with a warm gratitude in our hearts for the very gracious hospitality extended to our delegations and all those delegations attending the assembly by the distinguished President of the Philippines and his very able and lovely wife. We also are very much indebted to our Ambassador in the Philippines, Mr. Murphy and to his lovely wife for the gracious hospitality they extended to us and the invaluable assistance that the Ambassador and his lady and the members of the Embassy staff rendered to our delegation in performing our duties in respect to the conference.

So I think I can report with satisfaction, Mr. Speaker, that our delegation made an earnest effort to be worthy of the representation of this House and we hope that shall be the record of those who observed our contributions.

● Mr. DERWINSKI. Mr. Speaker, I am pleased to join with the other Members who attended the spring meeting of the Interparliamentary Union in Manila, the Philippines, in reporting our activities at this most important international conference.

It has been my impression, after attending numerous IPU meetings over the years, that U.S. relations abroad are very definitely benefited by the parliamentary contacts which IPU meetings facilitate. Those of us who have served as delegates to these meetings have interacted closely with parliamentarians who have gone on to direct their government's policies. Our relationship with them has continued to have an abiding influence on our respective nations' foreign policies.

I want to take this opportunity to commend the chairman of the delegation from the House, the gentleman from Florida, CLAUDE PEPPER, for the outstanding job he did in leading our group in Manila. He deserves special praise for his negotiation skill in helping to shape a final resolution on the work of the United Nations in the International Year of the Disabled Persons. His expertise was a valuable asset to our delegation.

The strong leadership of Senator ROBERT STAFFORD, who was chairman of that body's delegation, was instrumental in promoting the U.S. position which became universally approved. As usual, he was a very active and effective participant.

We were successful in getting adopted a draft resolution endorsing the International Year of the Disabled Persons, in particular the disabled child. The purpose of this designation is to give special emphasis to promoting the full participation in society of the disabled person; to improve their living conditions equal to other persons in the country; and to provide for their aspirations and needs. Efforts to help expand the abilities of impaired individuals by education, vocational training, and employment opportunities for disabled adults were areas stressed in adopting this resolution.

Other issues that required our attention were arms control and disarmament, the world energy crisis, the implementation of the United Nations recommendations on decolonization, parliaments and ways of promoting human rights. We were successful in getting draft resolutions adopted condemning terrorist activities, the continued Soviet aggression in Afghanistan, and for the rights of peoples in non-self-governing territories. The IPU Council also considered requests for future agenda issues, and as with past years, the subject of the Mideast figured prominently.

One of the ongoing activities of the IPU is their continued investigations of the reported violations of the rights of parliamentarians. At a special Council meeting which I attended, a status report of the ongoing investigations was presented to the Council detailing the situation with respect to 120 parliamentarians from Ethiopia, who have been arrested without charges and punished without trial.

The IPU is now pressing the Ethiopian authorities for information on these individuals. This IPU action on behalf of the detained Ethiopian parliamentarians has had my full support and I will be looking for progress reports, hopefully, of the release of these parliamentarians.

In debate, in long hours of negotiation, and in many dialogs with parliamentarians from many other national and idelogical perspectives, our delegates, in my view, did an outstanding service in communicating American and congressional views on important international matters. Much was also learned on how other nations view U.S. policies as a result of the great debating skill exhibited by members of the U.S. delegation.

There are several parliamentary associations where representatives meet to share ideas and views and seek common directions and solutions. But the IPU is the oldest and largest and the only parliamentary association where representatives from the United States and from virtually all the Eastern bloc nations can meet. It is also a unique opportunity for north-south dialog between the developed and developing countries.

I again commend the gentleman (Mr. PEPPER) and I also commend all those who took part in the work of the Interparliamentary Union. I believe this is an extremely important activity in which Members of this body participate. Working with our counterparts from the over 94 countries who are now members of the IPU is an invaluable form of communication.●

● Mr. WON PAT. Mr. Speaker, I am pleased to join my esteemed colleague Representative CLAUDE PEPPER today as he reports on the spring meeting in Manila of the Interparliamentary Union. As a member of the U.S. delegation to that meeting I was privileged to work closely with Representative PEPPER who was the chairman of the delegation from the House of Representatives

I want to call particular attention to the fine work done by our colleague Representative DAVID BOWEN who addressed the Conference about non-self-governing territories on April 22. His statement did an outstanding job of clarifying American responses to the needs of such areas and did much to reinforce the image that this Nation is a friend to developing nations.

It was my pleasure and privilege to also address the Conference on this same subject. As a resident of a U.S. territory, I have had a long experience with this issue. We on Guam are justly proud of our many years of association with this Nation and as Representative BOWEN said: "Guam is another ex-

ample of the exercise of a mode of free association chosen instead of sovereign independence."

The work of the Conference covered many other subjects and it is my belief that the work done there by the American delegation was a credit to this country and to the Congress of the United States.

It is important that this exercise in communications between legislators from all nations continue. We have much to learn from each other and I believe that meetings such as that which took place in Manila provide the background for cooperation between this body and the legislatures of other countries in the future.

Congressman PEPPER did an outstanding job as chairman of our delegation from the House and I also congratulate my other colleagues from the House and Senators ROBERT STAFFORD, HOWARD CANNON, and QUENTIN BURDICK for their significant contributions at the Manila Conference. Thank you.●

GENERAL LEAVE

Mr. PEPPER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

VIVE LA FRANCE!

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, we hear constantly that there is a wave of conservatism sweeping the world, bringing with it the economic structure of the 19th century. We are told that the election of Ronald Reagan is proof that Margaret Thatcher was no fluke, that the industrial world is ready to march back to the happy days when governments catered only to the needs of the rich, leaving everyone else to fend for themselves. The latter-day social Darwinists see triumph in their grasp.

But looking at the world in a different way, we see that they may very well be wrong.

France, so often the leader in the world, has done anything but move to the right. In fact, France has just thrown out a rightwing that has been in power since 1938. The people of France have just spoken. They are tired of unemployment, tired of economic repression, and tired of the nonanswers of the right. They want opportunities to work, they want economic opportunity, they want social justice.

And in Great Britain, so often the last to lead, Margaret Thatcher can go nowhere without being greeted by bitterly unhappy Britons. London has been besieged by unprecedented demonstrations by people who are unemployed as a result of her economic policies. Britons have seen Reaganomics and lived with it, and they do not think it works. They would like to see a solution to their problems, and they do not see it in a bigger dose of the British version of Stockman's poison.

Even in Germany, that bastion of conservatism, Helmut Schmidt sees his party losing in by-elections. Germans may fear inflation more than the devil, but that does not mean they embrace the prescriptions of Herr Schmidt, whose policies may please bankers, but surely have brought pain and more displeasure than even placid Germans are willing to endure.

No, we are not seeing a tilting of the globe to the right; France has demonstrated that.

If a victory by the left in France has taken place, as indeed it has, there are few here in the United States who understand and appreciate just how long the odds were against it. After all, in France, the press is controlled. It is the government that runs the television services there, and the government names its own people to run the networks. It is as if Ronald Reagan had the power to name the president of ABC, CBS, and NBC. The incumbent right wing government of France has had decades to use the media as its own propaganda agent, but that has not been enough to keep the right in power.

And it is not only the electronic media that the French Government influences. Agence France-Presse, the French version of AP and UPI, gets 70 percent of its operating money from the Government. You can imagine that when the Presidential Palace frowns, the wire service of France takes due note and acts accordingly.

With all that, and much, much more going for it, the right wing government of France lost.

The people of France sent a message: They want jobs and justice.

The people of Great Britain have been saying the same thing: they want jobs and justice.

The people of Germany have been saying the same thing: they want jobs and justice.

We here in America have not been told much of this, perhaps because we are preoccupied with our own problems. But we should be watching and listening, because in the policies and experiences of other countries we can see our own future foreshadowed.

The Giscard government of France was hellbent on nuclear power, just as the Reagan government is. Mitterand said that he would moderate that all-out drive.

The Giscard government put economic stability above all else, at the cost of record unemployment. The people of France have said that 1.6 million unemployed Frenchmen is too many.

The Giscard government followed a cavalier foreign policy. The people of France have said that they want a government that respects human rights, does not underwrite and prop up tinpot despots in former French possessions in Africa, and is staunchly anti-Communist. That is another reason why they elected Mr. Mitterand.

In other words, all of the things that are being advanced as our own policies have been tried in France. They did not work, and the people of that country have rejected them.

We have in our history gained much from our relatives across the sea. It was France that supported our own revolution—with money, with ships, with ideas, and with what we would today call military advisers. Had it not been for French support, our independence might never have been won—and that is a debt we ought to acknowledge.

In more recent years we have been inclined to castigate France for moving out of the NATO alliance. And yet if we but reflected on it, perhaps we should be grateful for that as well.

We took upon ourselves the task of defending Europe after World War II. We still spend a vast amount of our defense budget in building forces and maintaining forces on the continent—even though Germany and others have the economic strength to carry their own load. And why do we do this? We do it because we have never attempted to devise a policy to fit the realities of the postwar world. We have simply temporized, tinkered, and never moved an inch toward realistic policies.

France has said they will carry their own load. They will be responsible for themselves. Perhaps it is because they know NATO is anything but a grand alliance; perhaps they know that the shield is cardboard. In any case, we should seek to learn what it is we can do in a truly cooperative spirit with Europe—and it may well be NATO is not the way that can be done. Maybe now, 40 years later, we should again look at Europe as independent, not subordinate. After all, Europe's economic power is equal to our own.

□ 1530

It was France that led the way in pointing to the unreality of the postwar monetary structure. France insisted on making the United States make good its promises to redeem the dollar in gold—not because of the gold, but because of the fact that the monetary structure represented by that

gold redemption promise was untenable. We fumed and we condemned DeGaulle, but in the end, Nixon killed the Bretton Woods monetary agreement, long years after France saw the writing on the wall, and so impolitely asked us to read it.

So here we are today, launching Reaganomics on the promise that it is the only right thing to do. Yet if we but look at the world, we will see that others are telling us, the right wing is the wrong wing. Vive la France.

BEN PLUCKNETT SETS DISCUS AND SHOTPUT RECORD

(Mr. EMERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EMERSON. Mr. Speaker, I wish to call to the attention of the House, and of all Americans, the extraordinary achievements of Ben Plucknett, whose parents, Mr. and Mrs. Glenn Plucknett of Sikeston, Mo., live in my district. On May 16, 1981, Ben broke the world record in the discus throw at a world class track meet in southern California.

Plucknett, who represented the Southern California Striders Track Club, set this world record at the 40th annual California relays at Modesto. He tossed the discus a record 233 feet 7 inches in his final throw of the day. His toss broke the previous world record of 233 feet 5 inches, set by Wolfgang Schmidt of East Germany.

Not only did Plucknett break a world record at the meet, but 4 hours after his world record-breaking toss, he stepped into the shotput ring and put the shot a personal record of 67 feet 7 inches. The combination of the two records is thought to be the best combined performance by an athlete in history.

Plucknett, a native of Nebraska, was a two-time Big Eight Conference champion while a student at the University of Missouri-Columbia and was an all-American while at the University in 1976.

I am sure that all Americans join me in sending the heartiest congratulations to Ben Plucknett and his family for his truly extraordinary achievements.

FREEDOM IS PRICELESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. HUTTO) is recognized for 5 minutes.

● Mr. HUTTO. Mr. Speaker, we have just observed another Memorial Day in which we paid our respects to those who have given so much to our great Nation. I, along with many Members of this body, gave speeches on Memorial Day in which we took note of the sacrifices that have been made in all America's wars that we might enjoy the freedoms we have today. Especially, I think it is good that we recognize the families of America who have given up loved ones—those who have made the supreme sacrifice for the love of their country.

Patriotism is not dead. We have seen vivid examples in the last year or two of how Americans unite for the good of the Nation at crucial times. We may squabble among ourselves, but let no outsider trod on the United States of America. That is when we come together. We did it when our hostages were taken by Iran. And again, when they came home, there was a great outpouring of love and patriotism from a united nation.

There are still those who are willing to fight and die for America, like those who went voluntarily to try to free our hostages in Iran. Eight of them gave their lives in this cause.

Yes, Memorial Day is a good time to honor those who have given so much for our Nation. We recognize and pay our respects to the living veterans as well as the dead. The veterans of all our wars should be given due honor and this is especially true of our Vietnam-era veterans since this conflict was so recent in our history.

Mr. Speaker, I would like to close with a poem written by Homer S. Jackson, principal of Haney Vocational Technical Center in Panama City, Fla. This poem was recited at a Memorial Day ceremony on May 25, 1981.

FREEDOM IS PRICELESS

Everybody talks about Freedom
  But Freedom is a priceless thing,
It brings great happiness
  And makes the birds sing.

Freedom comes to many
  Through blood, sweat, and tears,
But there is everlasting joy
  Cause Freedom lasts throughout the years.

Some men take Freedom lightly
  Others take it with great concern,
But if you don't appreciate Freedom
  You have much to learn.

There is great joy in resting now
  In the places of your choice,
Think how you were unshakable
  So now you have a voice.

Think about those before you
  Who had no kind of say,
They worked from morn to sunset
  From light till the close of day.

They had to go to the back woods
  To get a secret word to pray,
Hell and damnation followed them
  Each and every day.

Now let us look at Freedom
  It's more than a gift to stay,
It is a sign of happiness
  That comes to those who obey.

Freedom goes beyond the sunset
  It outdistances the rain,
Freedom brings peace of mind
  With it woes and stain.

Some came today to celebrate
  Others have come to commemorate,
But if you just look around
  And thank God for Freedom you've found.

So organize your good thoughts
  And spread the news everywhere,
Let the world know you are concerned
  And that you live each day above fear.

Let them see you moving ahead
  Through happiness and sad times,
But remind each and everyone
  That this Freedom is mine.

Say to those who don't know
  And say to your fellowman,
That without this great Freedom
  America could not stand.●

THE 35TH ANNIVERSARY OF THE ITALIAN REPUBLIC

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, June 2 marks a stirring event in the rich history of Italy. For on that day in 1946, the great Italian people gave a resounding vote of confidence for political democracy.

It was 35 years ago on this day that the Italian people voted in a plebiscite to end their constitutional monarchy and establish a republic. By replacing the Italian monarchy with a republican form of government, Italy began her return to the cultural and political prominence she had long enjoyed.

Eleven days after the referendum, King Umberto II left Italy. With the aid of the Marshall plan, the determined and ingenious Italian people launched upon a great period of economic, political, and social progress. In addition to outstanding postwar achievements on the domestic scene, Italy also placed herself in the vanguard of European integration. Moreover, in the North Atlantic Treaty Organization, Italy has been and continues to be a stalwart and loyal Western ally.

The beautiful land of Italy, washed by the blue waves of the Mediterranean and cradled within the Alps, has boasted of an advanced civilization for thousands upon thousands of years. It may be truly said that Italy constitutes a mosaic of human history. She is a major source of Western culture—her legal system is a model for the West, her language is the tongue of music, and her Renaissance stands as one of mankind's greatest achievements.

I take this opportunity to extend my greetings and best wishes to the people of the Italian Republic, as well as to the Italian Americans in my own 11th Congressional District of Illinois and throughout our country who are joining in this 35th anniversary observance.

Mr. Speaker, an article on the restoration of Italy's art treasures from the news magazine Panorama of Milan follows as it appeared in the June 1981 edition of the World Press Review:

The eyes of experts all over the world are fixed on him, but Prof. Gianluigi Colalucci seems unbothered. Tireless and precise to a milimeter, since last June Colalucci has borne the most important responsibility of his life: to return all the paintings in the Sistine Chapel to their ancient splendor.

Flanked by assistants, Colalucci has a twelve-year plan just for the work on Michelangelo's "Universal Judgement." A movie crew will record each step while laboratory technicians proceed with physical and chemical analysis.

As director of restoration for the Vatican museums, Colalucci is satisfied with the work so far. "The thrill of seeing the brilliant colors laid down by Michelangelo's own hand is enormous. Remember that Buonarroti took four years to execute the dome and seven for the 'Judgement'," he notes. "Since then there have been centuries of protective treatments, nearly always with a glue base. There are coats of glue that are no longer used and that obscure the original colors."

To bring Michelangelo's tones back to life, the magicians of restoration now have at their disposal a miraculous solvent called AB 57, a honeylike material made of sodium bases, fungicides, and other substances. To cancel out the injuries of time the workers spread a light film over the painting, let it stand twenty-four hours, and then repeat the process.

Interest in the Sistine restoration is not due only to technical advances. Historians of art have made no official comment, but it is whispered that once the work is completed there will be a major new discovery in Michelangelo's painting.

While the ills of the Vatican masterpiece are being cured, another of the world's famous invalids has begun a time of healing: Leonardo da Vinci's "Last Supper." The work is in the hands of Pinin Brambilla Barsilon, who works with a surgeon's microscope to cure a painting in critical condition. "Besides the layers of repainting since 1700 there are also scales of color peeling and dropping off." she notes. "And the whole work also seems shrouded in a gray mist due to humidity and pollution."

Nevertheless the result so far is breathtaking. The work has already saved Saint Simon and the halo above him. "We're counting on recovering half of Leonardo's painting by next year," says Carlo Bertelli, art superintendent of Milan. "So far the work has cost very little: $47,000 to $57,000. But Rome has been silent about further funding."

Other masterpieces are also under the surgeon's scalpel. Bronze experts are at work on the horses of St. Mark's at Venice and on the statue of Marcus Aurelius in Rome, where both horse and rider are stricken with a cancer caused by pollution. Concerned parties have suggested an underground museum to save the ancient equestrian statue.

Also seriously ill are the marble works of the Roman Forum, the arches and columns of the city's historic center. X-rays of Giotto's campanile in Florence have revealed fearful deterioration of the structure's iron supports. "It will take a restoration effort of at least two years," say Florentine experts. Another patient is the Basilica of St. Francis of Assisi, where the frescoes of Giotto have not been touched.

From north to south monuments are falling, columns are tottering, paintings and colors are fading away, never to be seen again. No more than 300 people travel the peninsula stopping leaks and remedying past mistreatment. With degrees from Rome's Central Institute of Restoration or Florence's Fortezza da Basso, the restorers are nearly all private citizens, often organized in consortia or small cooperatives. Among them are experts in metal, mosaics, ceramics, architecture, and solvents.

It is a patrol flanked and coordinated by the profession's masters in Rome. At the Central Institute of Restoration, just twenty-one professors either offer advice or intervene directly in the more difficult cases. Above all they pioneer new methods and teach the profession.

Extremely rigorous—three years of courses plus an optional year of specialization—the Roman school furnishes a dozen restorationists every year. There are also graduates from Florence and those from semi-secret private courses like one run by the Christian Workers' Society of Brescia (a 1939 law bars the proliferation of private schools).

"The problem is not with the low number of restorationists," the Central Institute's directors say. "We lack a global intervention policy. This is why all the restoration work is late. The restorationists arrive to plug up a frightful, chronic emergency. Decades of insensibility cannot be canceled with miracles."●

REMARKS OF STUART E. EIZENSTAT BEFORE DUKE UNIVERSITY FORUM ON PRESIDENTIAL NOMINATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

● Mr. LEVITAS. Mr. Speaker, recently, Stuart E. Eizenstat, former domestic policy adviser to President Carter, offered some thoughts on revisions that might be made in the Presidential nominating process before the Duke University Forum on Presidential Nominations on May 11, 1981, in Washington, D.C.

Mr. Eizenstat's observations are most interesting and, among other things, focus on the need to involve more participation by elected officials within the parties. I commend Mr. Eizenstat's views to the consideration of my colleagues.

Mr. Eizenstat's remarks follow:

There are two essential changes which I believe should be made in the nomination process for Presidential candidates: a) reduce the duration of caucuses and primaries; and b) increase the importance of the political parties and the elected officials of the parties in the selection.

Since 1972, there has been a growing proliferation of primaries. Now, more than one-half of the States have them. The caucuses and primaries now stretch from January to June, stretching the resources of candidates and the patience of voters.

It is no accident that our last three elected Presidents—Nixon, Carter, and Reagan—all held no elected public office when they were nominated and later elected. Only non-office-holders have the time required to build organizations in all of the primary States and to make themselves known by the voters in those States. Those elected officials with significant responsibilities have the greatest difficulty competing in such a system—although this stature gives them significant qualification for the job of President which they seek.

Moreover, individual primaries, like the one in New Hampshire, take on a role of exaggerated importance which fails to reflect the nation's diversity on its views. These take on a life of their own and have too great an influence on later primaries.

I do not believe one national primary is the answer to these problems. Such a system would put an even greater premium on full-time campaigning, would be extraordinarily costly to candidates, would make it difficult for lesser-known, but qualified candidates to gain stature and financial backing from early victories, would further eviscerate State and local parties which are badly in need of strengthening, and would ignore regional and local issues that often test a candidate's ability to balance regional issues against the national interest.

I would require that the primaries and caucuses be held within a four-month period so that the campaigns are somewhat shortened.

I would endorse the plans of Congressmen Morris Udall and John Ashbrook that all primaries must fall on the first Tuesday of each month from March to June, with States having their choice of date. I do not think it wise to require that each of these be a regional primary, since this would tend to lead to regional favorite sons, and would give too much emphasis to regional issues over national issues. Moreover, such a set-up might guarantee one region, with less populous States, having no effective voice in the selection process, if it followed the regional primary of the industrial Northeast or Midwest.

Where primaries are employed, they should not be "open" primaries, where voters can vote even if they are independents or members of another Party, as in Wisconsin. A recent Supreme Court decision permits the Republican and Democratic Parties to keep the primaries available only to voters with that Party identification. This power should be utilized, to preclude members of one Party from crossing over and trying to influence the primaries of another Party.

Of even greater importance than these modifications, is to find ways to strengthen the influence of elected officials and party organizations in the nomination of Presidential candidates.

Parties at all levels have been debilitated by the false glorification of independence from Party labels, unrestricted funding by independent organizations (like the National Conservative Political Action Committee), primaries themselves, the enormous impact of television, the diminished role of elected and Party officials due to the changes of the past decade, and the rise of single issue groups.

Parties are important harmonizers in our society of disparate views. They can also serve as the umbrella under which elected officials from a Party and their Party's Presidential candidate, can have an earlier and closer identification.

I do not think it practical in our heterogeneous nation to scrap our Constitution and try to develop a parliamentary form of government—despite the fact that with a stable ruling party this is the most efficient form of democracy. But, I do think it is important to tie our Congressman and President more closely together.

In 1976 and 1980, Democratic Congressmen and Senators had little hand in selecting their Party's nominee, Jimmy Carter, and thus felt less of a stake in his Presidency. He, in turn, owed them little in return. In 1980, at the Democratic Convention, only 45 of the 3,331 delegates were Congressmen and Senators.

While in 1976, it might have been somewhat more difficult for Jimmy Carter to secure the Democratic nomination if elected and Party officials had played a greater role, it would have made it easier for him to govern had they played a more significant part in securing his nomination.

Likewise, while there was in 1980 a set-aside for State organizations to select Party officials to serve as delegates, it was a small one indeed. We cannot expect to rebuild State and local parties unless we provide some incentives for Party participation. Attendance at a national Convention provides such an attraction.

Moreover, exclusion of Party and elected officials has made the Party Platform one which often represents the sum total of the maximum demands of every group which participates in the Convention. No wonder that Platforms are as ignored as they are by Members of Congress, when they have had no role in developing them. I believe Platforms are important, having been one of the principal authors of the 1976 and 1980 Democratic Party Platforms. To assure they are more meaningful and are taken more seriously, I suggest again that elected and Party officials be given a greater hand in drafting them.

None of the changes I propose suggest abolishing primaries and closing the nomination process. I believe, however, that we should do more to mix the advantages of participatory democracy through the primaries with changes to enhance the opportunity for those who must ultimately govern with a President to have a stake in his nomination—and for him to have some obligation to them in turn.

I would have the Parties, certainly the Democratic Party, change its rules to require that every Democratic Congressman, Senator, and Governor be automatically a full voting delegate to both the Midterm and the National Convention. They should not have to run against their own constituents for such a position.

They also should be a greater percentage of the total number of delegates.

Primaries should select no more than 60 percent of the delegates to the Convention. I do believe these delegates should be bound through the first ballot—or the voice of the majority in the State primary would be nullified. We should not play fast and loose with the primary results or we will add to the cynicism which already surrounds the nomination process. The other 40 percent should come from the elected officials and from people selected by the State Party organization. These people should go unpledged and uncommitted to any particular candidate, to maximize their influence.

Elected officials and Party officials should also participate in drafting the Party Platform. Greater Congressional input here will instill a greater sense of balance in the Platform and a greater sense of Congressional responsibility to implement it.

To further strengthen our political parties, I would suggest Congress remove all limits in giving through National Committees, so that they can become dispensers of more campaign financing vis-a-vis political action committees than is now the case. Caps should be enacted on the maximum contribution which candidates can receive from political action committees, individually or cumulatively.

These modifications will help add cohesion to a fragmented and chaotic nomination process.

I commend President Terry Sanford and Duke University for its interest in helping to modify a system badly in need of change.●

NATIONAL TECHNOLOGY FOUNDATION ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BROWN) is recognized for 20 minutes.

● Mr. BROWN of California. Mr. Speaker, throughout the 96th Congress and continuing into the 97th Congress, the Subcommittee on Science, Research, and Technology has been studying the critical issues of innovation and productivity. Hearings have covered patent policy, university-industry relations, Federal laboratory utilization, the Government's role in industrial innovation high-technology small business, a focusing point for technology through a foundation, and several other areas. In the United States private enterprise is the sector of society primarily responsible for providing jobs, goods, and services. I believe this is appropriate and the Government should not attempt to take over this responsibility. Government, however, must provide an environment in which private enterprise can flourish in both the short and long term. If needs for essential goods and services are not being met by private enterprise, the Federal Government should take steps to remove barriers to action. The subcommittee's study has made it clear that current efforts of the Federal Government to facilitate technology development are fragmented and too small to provide a focus for a national economy in which innovation can thrive.

Today, I am introducing the National Technology Foundation Act of 1981, a bill designed to correct many of the problems we have found. The bill would establish a National Technology Foundation to facilitate technology advancement and innovative utilization for the national welfare. It is a revised version of H.R. 6910 introduced in the 96th Congress and incorporates valuable suggestions received through direct communications and 5 days of hearings held on the bill in September 1980. Joining me as cosponsors of this bill are the current chairman of the subcommittee, DOUG WALGREN, and HAROLD HOLLENBECK, ALLEN ERTEL, WES WATKINS, JOHN SEIBERLING, and MERV DYMALLY.

Responsibility for technology-related programs is now scattered throughout the Federal Government. The various mission agencies—Department of Defense, Department of Health and Human Services, Department of Energy, and so forth—each support technology development related to their mission. The National Science Foundation and the Department of Commerce have components directed at technology and innovation, but these are minor portions of the budgets of those agencies and are often treated as stepchildren by those agencies. Recent budget cuts have made this situation even more true.

In considering how the Federal Government can most effectively organize itself to support technology for the national welfare, one extreme is to leave programs scattered but to make each the best possible. The other extreme would be to consolidate all science and technology activities of the Federal Government in a single Department of Science and Technology; an idea that received considerable attention in the midseventies during consideration of the bill that became the National Science and Technology Policy, Organization, and Priorities Act of 1976. The idea of a Department was not adopted at the same time because of compelling arguments that most science and technology activities should be kept closely tied to the missions which they support—defense, energy, space, health, and so forth, and hence should be kept as integral parts of the agencies which pursue those missions. The National Technology Foundation bill represents an intermediate position. It would consolidate technology-related activities which are not now closely tied to a specific agency mission and would insure that the Federal Government will assume a coordinating role among additional responsibilities for technology planning, advancement, and transfer to utilization which have heretofore not been adequately discharged by any sector of society.

The programs which this bill would consolidate in a single agency might, in theory, be adequately supported in their current homes, the Department of Commerce and the National Science Foundation. This has not been the case. Support has been modest at best and even at their best they still suffer the fractionation of being in several agencies. I am reserving judgment on which course of action is best, consolidation in a new agency or strengthening in existing agencies. The bill to establish a National Technology Foundation is a vehicle by which we can continue to focus the discussion of alternatives. If the Department of Commerce and the Science Foundation are unable to strengthen and broaden their current programs, the National Technology Foundation may emerge as the only feasible alternative.

At hearings held in September 1980 the major focus of testimony centered

on whether or not it would be in our Nation's best interests to create a new autonomous agency or whether existing institutions were sufficient to resolve the problems associated with technology and innovation. The administration spokesmen testified to their position that existing programs were capable of promoting applied research and development. A few other witnesses testified that if given more resources they thought existing departments or agencies could be flexible enough to address these issues. However, there was strong sentiment expressed by most of the nonadministration experts that existing institutions were unable to deal with the technology innovation and development issues in the coordinated manner that was needed. There were differences expressed amongst this group with some suggesting a narrower focus of only the engineering portion while others suggested an even broader scope. Many also addressed specific details of functions and composition while generally concurring that a void existed which the National Technology Foundation would fill.

WHY A NATIONAL TECHNOLOGY FOUNDATION

The population of the world is growing inexorably while its resources are inexorably being consumed. It does not take a mathematician to determine that per capita consumption in the future cannot match the per capita consumption of an average American today if technology does not dramatically improve. Only if there are continual major improvements in technology can the world provide for its inhabitants. By improved technology I mean not only the development of hardware but also the better organization of society to assist in the efficient use of technology, the Foundation would support development of the requisite knowledge base, the resources of high-quality manpower, high-technology small business, the promotion of technology transfer for appropriate civilian utilization and stimulation for entry into the stream of commerce, the establishment of technological standards, and the long-range planning and forecasting needed for each of these areas. In short, the Foundation would be a focal point for all that technology embodies.

While the U.S. Government has adopted a largely laissez faire attitude toward international trade in high-technology items—other than military hardware—governments in other countries—most notably Japan—have planned and provided a national atmosphere in which both technology development and the export of high-technology products are carefully nurtured. These other countries have often been highly successful in their efforts. We are buying Sonys, Volkswagens, Datsuns, and Seikos. The international balance of trade has been unfavorable to the United States for several years. It is likely that without a coherent Federal policy of technology development and promotion the United States will not be able to compete effectively in future world trade. The National Technology Foundation would provide a focus for one of the two needs, technology development and movement into the stream of commerce. The other needs, assistance for exports, should be provided by an expanded and reoriented Department of Commerce and Trade, as other legislators have recommended—for example, Senator ROTH in his bill S. 970.

The United States is faced with seemingly uncontrollable inflation. By finding improved ways to produce and deliver goods and services—and this is the meaning of technological progress—we can make a significant contribution to the efforts to control inflation. The National Technology Foundation would contribute to that process.

High-technology industries have been responsible for the creation of a higher share of new jobs than low-technology industries, and the development of new technologies promises fuller national employment.

The profession that takes knowledge and converts it into the design of products and processes is engineering. Engineers take science and turn it into technology. Heretofore there has been inadequate recognition of past and potential contributions of engineers. In the Federal Government, engineering has been overshadowed by science. In research support, engineering receives less than 10 percent of the budget of the National Science Foundation. The National Academy of Engineering is subordinate to the National Academy of Sciences. Moreover, there is a shortage of engineers in the country today at all levels of training, including a shortage of the most educated, who will be needed to train future generations. Among other things, the National Technology Foundation would recognize the importance of engineering and help harness its potential.

THE SPECIFIC NEEDS ADDRESSED BY THE NATIONAL TECHNOLOGY FOUNDATION

Links between the generation of knowledge and its use need to be strengthened. The National Technology Foundation would help tie science to useful applications. This would be accomplished by several means. First, extramural grants and contracts would be provided to researchers and technologists in areas of science and technology showing promise for useful results. Second, it would disseminate scientific and technical information, and third, it would have, as an integral part, its own intramural science and technology laboratory which already exists.

The United States needs to insure that an adequate supply of technological manpower, training or educational institutions, facilities, and equipment is available to it. This country has never had a scientific and technological manpower policy to guide where Federal funds would be best used. As a result the Federal Government has funded the training of too many in some areas and not enough in others. This is a national planning failure that ought to be corrected. The National Technology Foundation would do that.

The bill provides for the continuation and establishment of a new type of technology institution called centers for industrial technology. These centers would join industry and universities in cooperative technology activities including generic research—research on technology of use to many industries, such as welding or microfabrication—and the training of individuals in technology innovation. The 96th Congress passed, and the President signed, legislation for such centers as part of the Stevenson-Wydler Innovation Act of 1980 (Public Law 96-480). In this bill they are transferred to the National Technology Foundation because I consider these centers to be only one part of a broader focus as expressed by the Foundation.

In order to make sensible decisions about technology and society, there is a need in all sectors of society to understand the workings of technology development, of technology management, and of the interactions of technology with society. The National Technology Foundation would analyze the workings of technology in modern society. It would formulate policies based on these analyses, both for its own operations and for the benefit of other parts of the Federal Government and society as a whole. This function was also included in Public Law 96-480 and again is considered as one part of the broader responsibilities of the Foundation.

Technology, in the sense I am using it, includes not only what comes immediately to mind—machinery, electronics, chemicals, and so forth—but also the structure and management of the human organizations of our society. The Foundation would study technology policy in this broader sense.

The National Technology Foundation would foster high-technology small business. The past performance and the potential of small business are tremendous in high technology. We need more Silicon Valleys and Route 128's, and we need to encourage them in all areas of the country.

State and local governments are a large sector of the national economy. They should be as efficient and productive as possible and need assistance to become so. The National Technology Foundation would encourage and

assist State and local governments to be more productive and make better use of science and technology in their operations and decisionmaking as well as offer assistance to any statewide organized technology distribution network.

The inadequacy of the Nation's position in engineering has already been cited. This inadequacy needs to be corrected. The National Technology Foundation would work to see that the Nation has an appropriate supply of engineers. In addition it would provide support for fundamental engineering studies. The bill would provide that the National Technology Foundation would bear primary responsibility for nominating award winners for the National Technology Medal, an award established by Public Law 96-480.

We are living in a time of rapid change. Degrees of change that once took a century now come about in a decade. The Nation needs to look down the road and anticipate better what tomorrow will bring. The principal agency of change is technology. The National Technology Foundation would identify emerging national problems and support research and development of solutions to those problems.

The Nation needs to provide incentives for development of innovations, and the Nation needs standards of measurement and product performance or design to permit the efficient flow of commerce. The National Technology Foundation would provide for these needs.

Many, but not all, of the needs mentioned above are already being addressed by Federal programs. For example, the Patent Office provides incentives for innovation, and the National Bureau of Standards provides standards. None of the needs are being met with complete adequacy. There is a tremendous need, moreover, for such existing programs as there are to be coordinated more fully for most effective utility. One of the primary accomplishments of establishing a National Technology Foundation with strong centralized focus would be to meet the need for coordination.

DESCRIPTION OF THE BILL

The National Technology Foundation Act of 1981 establishes the Foundation as an independent agency in the Federal Government.

STRUCTURE OF THE FOUNDATION

The Foundation would have eight main branches, as follows.

First, the Office of Small Business. This Office would serve as the focus of the Foundation's small business activities. It would carry out the small business innovation program that would be transferred to it from the National Science Foundation. This program provides funding for the research and development phases of new technology small business and links small business with venture capital for the production phase. The program has been very well received in the small business community and is ripe for expansion. The National Technology Foundation would have the authority to operate other types of programs for the development of high-technology small business, as well. Other functions of the Office of Small Business would be to foster communication between scientific and technological agencies of the Federal Government and the small business community, assist high-technology small businesses in dealing with the Federal Government, and recommend policies enabling the Nation to benefit more from high-technology small businesses.

Second, the Office of Institutional and Manpower Development. This Office would collect and analyze information on technological manpower, providing quantitative manpower need projections, and would provide for adequate training and educational institutions for technological manpower to meet the needs. The Foundation would provide support as necessary directly to individuals to obtain training, provide support to existing institutions—such as schools of engineering—support the development of new curricula or training programs, encourage the exchange of professional personnel between academia and industry, and support with funding—or if need be operate—new kinds of institutions—for example, the Centers for Industrial Technology authorized by Public Law 96-480, Federal responsibility for which is transferred by the bill.

Third, the Office of Technology Policy and Analysis. This Office would conduct technology assessments, develop indicators of the health of technology, study the effects of technology on the economy and vice versa—including foreign trade matters—study the impacts of policies on technology, identify emerging problems, and make recommendations for steps with the potential for advancing technological innovation. In short, this Office would be the brain trust of the Foundation. The National Science Foundation's Innovation Processes Research Section would be transferred to this Office to form the nucleus of its activities.

Fourth, the Office of Intergovernmental Technology. This Office would facilitate the integration of scientific and technological resources into the policy formulation, management support, and program operations of State and local governments. The intergovernmental programs of the National Science Foundation and the Center for Utilization of Federal Technology of the Department of Commerce would be transferred and serve as the nucleus of this Office.

Fifth, the Office of Engineering. This Office would support, by extramural grants and contracts, fundamental research in all engineering disciplines and applied research not adequately supported from other sources. A major portion of the National Science Foundation's engineering directorate would be transferred to the Office of Engineering and would constitute the initial program of the Office.

Sixth, the Office of National Programs. In conjunction with the Office of Technology Policy and Analysis, this Office would identify emerging national problems—for example, novel ways of producing materials—and support basic and applied research leading to their solution. It would also support applied research and development in focused areas of national concern not adequately supported by other agencies—for example, earthquake hazards reduction. Specific problem focused programs of the National Science Foundation's engineering directorate would be transferred to form the core program of the Office initially.

Seventh, the National Bureau of Standards. The Bureau would be transferred intact from the Department of Commerce to the National Technology Foundation and function as the Foundation's intramural science and technology laboratory. It would continue in its current missions—maintaining measurement standards, performing basic research related to standards, serving as a laboratory for other Federal agencies, and so forth. It would also assist other activities of the Foundation, as determined by the Director of the Foundation. The act gives authority to the Foundation to support U.S. interests in international voluntary standardization activities, which is not adequate under existing law. The Bureau would be the proper branch of the Foundation to exercise that authority. Whether international activity would be undertaken by Federal employees or by representatives of private voluntary standards organizations with Federal funds is a matter deserving further consideration.

Eighth, the Patent and Trademark Office and National Technical Information Service. These two agencies would be transferred from the Department of Commerce to the National Technology Foundation and administered as a single branch of the Foundation. Both agencies deal with the classification and dissemination of scientific and technical information and closer coordination would provide improved service. The Patent and Trademark Office has had a particularly hard time in the Department of Commerce and hearings have been held regarding the advisability of making this office an independent agency. Because the purpose of the office is the promote technology, it would be more ap-

propriate to incorporate it in a larger entity devoted to the same purpose and having additional functions.

MANAGEMENT OF THE FOUNDATION

The Foundation would have a Director, a Deputy Director, and eight Assistant Directors—one for each branch. It would also have a National Technology Board.

NATIONAL TECHNOLOGY BOARD

The Board would have 24 members and would have powers over the National Technology Foundation similar to those the National Science Board has over the National Science Foundation. Members would be Presidential appointees and would be selected from people eminent in a wide variety of fields. It would be expected that nominations for the Board would be solicited widely, including from all member societies of the American Association of Engineering Societies.

The intent of having a Board is to insure that the community of those who will be affected by the Foundation will have a say in the operation of the Foundation. There is considerable risk in any Federal agency either that it will be "captured" by a narrow segment of its potential community or that it will operate solely under motivations and incentives internal to the Federal Government, thus failing in either event to serve properly. The best way to insure proper service is by control from the community. There is little risk of the Board running amok because the President has control over the Director, the membership of the Board and the budget.

The principal specific functions of the Board would be to establish the policies of the Foundation, review its budget, review its program, and approve any large grants or contracts.

DIRECTOR AND ASSISTANT DIRECTORS

The Director, the Deputy Director, and the eight Assistant Directors of the Foundation would be Presidential appointees at executive levels II, III, and IV, respectively. The Director's term of appointment would be 6 years.

In order to permit the strong central operation needed to coordinate activities of the various branches of the Foundation, all authority over the Foundation other than that reserved to the Board, has been given to the Director. The Director may delegate parts of that authority and would be expected to do so, but would always have the ability to take personal control of any aspect of Foundation operations.

COORDINATION OF PROGRAMS

A separate section of the National Technology Foundation Act, section 11 requires close coordination of the Foundation's programs with other activities in technology.

The strongest tie created by the act is between the National Technology Foundation and the National Science Foundation. This is because of the need expressed earlier to strengthen links between the generation of knowledge and its use. One of the virtues of having applied activities in the National Science Foundation has been the closeness of the activities to basic research. The act preserves this virtue by requiring that the membership of the National Technology Board overlap the National Science Board by six to eight members. Terms of service of National Technology Board members are to be of the same length and to have the same starting dates as Science Board members to facilitate the overlap. The act also requires that to the maximum extent feasible extramural basic research support that the National Technology Foundation wishes to provide should be channeled through the National Science Foundation. This provision would not apply to basic research in engineering since it would be transferred entirely to the Technology Foundation.

Section 11 also requires that the Technology Foundation coordinate programs closely with the Small Business Administration. SBA has not in the past provided strong support for high-technology small business, but it has authority to do so and appears to be moving in this direction. The act gives the Director of SBA the authority to assure that any small business activities of the Foundation do not duplicate SBA activity.

Section 11 requires further that Foundation activities be coordinated with State and local governments. The Centers for Industrial Technology authorized by the act for example, will be of interest to State and local governments and their participation in the Centers should be explored.

Other coordination is required in other sections of the act. The President's Office of Science and Technology Policy and Analysis would be assisted in two ways, by support from the Foundation's Office of Technology Policy and Analysis and by staff assistance from the Foundation's Office of Intergovernmental programs to the Intergovernmental Science, Engineering and Technology Advisory Panel.

OTHER PROVISIONS OF THE ACT

Sections 10 and 12 of the act provide miscellaneous authorities to the Foundation that are common throughout Government: reorganize, have regional offices, transfer funds to a modest degree among authorized categories, make rules for its operation, expend funds, enter into grants and contracts, acquire and hold real property, and so forth.

AUTHORIZATIONS

The act would provide for authorization of activities in fiscal years 1982, 1983, and 1984. Any funds for years beyond 1984 would have to be authorized by further acts. The following table gives an analysis of the current funding of programs that would be transferred to the Foundation, and levels of funding proposed by the act for the offices of the Foundation.

A brief rationale for the funding levels also follows. In general, these are activities which have been chronically underfunded in comparison to the need, so that proposed funding increases at a moderately rapid pace. The total amount appropriated for these programs in fiscal year 1981 is $354 million. The act proposes $500 million in fiscal year 1982 and $730 million and $935 million in fiscal years 1983 and 1984, respectively.

NATIONAL TECHNOLOGY FOUNDATION OFFICE—BUDGET ANALYSIS

[In millions of dollars]

National Technology Foundation Office	Fiscal year—			
	1981 [1]	1982	1983	1984
1. Small Business	[2] 7.5	10	20	40
2. Institutional and Manpower	[3] 22.5	45	90	150
3. Technology Policy and Analysis	[3] 1.5	15	20	20
4. Intergovernmental Technology	[3] 6.1	10	20	30
5. Engineering	[2] 65.5	80	150	200
6. National Programs	[2] 24.7	70	90	110
7. National Bureau of Standards	[4] 102.4	120	145	170
8. Patent and Trademark Office and National Technical Information Service	[4] 116.9	130	170	190
9. Other purposes	[5] 6.9	20	25	25
Total	354.0	500	730	935

[1] Appropriated.
[2] NSF.
[3] NSF and DOC.
[4] DOC.
[5] This is a prorated share (121.6/1080.4 of NSF's overhead (61.7)).

RATIONALE FOR FUNDING

First, Small Business. This is an excellent existing program with plenty of demand. It should increase as quickly as possible. The amounts budgeted are small compared with Small Business Administration programs—which are budgeted at over $1 billion.

Second, Institutional and Manpower Development. This is the area of greatest need in the Foundation. Rapid increases are proposed to a level that can have national impact.

Third, the Office of Technology Policy and Analysis. This office should quickly be put together to help formulate Foundation programs and begin longer range studies. It should not need to grow much thereafter.

Fourth, Intergovernmental Technology. This area should also grow rapidly from its current size. National impact can be accomplished without enormous funds.

Fifth, engineering. This is a chronically underfunded area which needs substantial increases.

Sixth, national programs. These have been virtually strangled at NSF. They need immediate resuscitation and continued revitalization.

Seventh, the National Bureau of Standards. The Bureau is a mature organization. Continued growth at a moderate rate is appropriate. Expansion of innovation programs and of

linkages between NBS and industry will be encouraged.

Eighth, Patent and Trademark Office and National Technical Information Service. The Patent and Trademark Office is mature but malnourished. More high-quality patent examiners are needed and a computer based information system for getting access to patents should be developed. A substantial increase between 1982 and 1983 is provided for this purpose.

Ninth, other purposes. This is intended to provide funds for the central administration, the National Technology Board, certain personnel costs, support staff, and other inevitable overhead costs. Once the Foundation is fully staffed increases should be slight.

SUMMARY

The concept of a National Technology Foundation grows out of continuing study of innovation and productivity by the Subcommittee on Science, Research, and Technology. There is a clear need for the Federal Government to improve its programs in support of technology, and the consolidation and enhancement of existing fragmented programs in a National Technology Foundation is an alternative deserving careful consideration.

The principal needs the Foundation would address are the need for improved technology for the benefit of all mankind, the need to improve the U.S. balance of trade, the need to fight inflation, the need to provide full employment, and the need for more adequate support and recognition of engineering.

The National Technology Foundation would be an independent agency with eight main branches for, first, small business; second, institutional and manpower development; third, technology policy and analysis; fourth, intergovernmental technology; fifth engineering; sixth, national (problem focused) programs; seventh, National Bureau of Standards; and, eighth, Patent and Trademark Office and National Technical Information Service. The agency would have programs transferred from NSF—all of engineering plus most of industrial science and technological innovation—and from the Department of Commerce—almost all of the programs of the Assistant Secretary of Commerce for Science and Technology.

The National Technology Foundation Act incorporates the two main features of Public Law 96-480, passed with bipartisan support of the 96th Congress by putting the Office of Industrial Technology functions of Public Law 96-480 into the technology policy and analysis branch of the Foundation and putting the responsibility for the support of centers for Industrial Technology in the institutional and manpower development branch.

The National Technology Foundation would not have any responsibility for assisting foreign trade. Independently, the Department of Commerce should be upgraded to a Department of Commerce and Trade and should be assigned a foreign trade assistance function. The Foundation would work closely with the Department.

The governance of the Foundation would be handled by a Director and a National Technology Board patterned in organization, but not composition, after the National Science Board. Key functions of the Board would be to establish the policies of the Foundation and Review the Foundation's budget and programs. The Director would have all powers not assigned to the Board and would be assisted by a deputy and eight assistants, one for each branch.

The bill contains authorizations for fiscal years 1982 ($500 million), 1983 ($730 million), and 1984 ($935 million). In each year the eight branches plus an "other purposes" category each have a line item. Each branch grows over the 3 years of authorization.

The bill requires close coordination between the National Technology Foundation and other agencies, particularly the National Science Foundation. The two foundations are to have interlocking directorates.

Mr. Speaker, I welcome any comments on, or support for this legislation.●

INTRODUCTION OF THE OMNIBUS SMALL BUSINESS CAPITAL FORMATION ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 20 minutes.

● Mr. LAFALCE. Mr. Speaker, I am introducing a bill which contains a number of proposals to amend our tax system in a way that will permit small businesses to retain and attract the capital necessary for their survival. More specifically, this measure would, among other things, lower capital gains taxes, graduate and reduce corporate tax rates, accelerate and simplify depreciation schedules, reduce gift and estate taxes, and liberalize certain provisions contained in subchapter S of the Internal Revenue Code.

This bill is identical to a bipartisan measure introduced in the Senate. I am introducing the measure at this stage of our tax discussions because I believe that it offers a number of thoughtful approaches which are needed to ease the burdens of small business brought about by high interest rates, inflation and an outmoded and discriminatory Federal Tax Code.

For too long the Federal Government has conducted a policy of benign neglect of the small business capital shortage. To permit the continuation of this policy will only encourage fewer private sector jobs, less innovation and more absorptions of small businesses by the corporate sector.

We are all in agreement that greater economic growth is vital to our future as a nation. It is therefore imperative that we keep in mind that small business accounts for 43 percent of the gross national product, 53 percent of all private sector jobs and more than 50 percent of all industrial inventions and innovations.

This bill, which includes many of the major promising tax recommendations of small business organizations and the White House Conference on Small Business, recognizes the special role played by small business in our economy and offers concrete proposals to restore our tax system to permit small business to grow and innovate.

I would not claim that it offers all the answers to restructuring our discriminatory Tax Code to foster the creation, expansion, profitability and continuity of small business enterprises; nor would I claim that it should not be amended, modified, or improved upon. I am indeed hopeful, however, that its introduction will serve to focus our attention on the needs of small business. Should we fail to do so we will further jeopardize the very backbone of our free enterprise system.

I insert a factsheet outlining this bill in the RECORD at this point:

FACTSHEET—OMNIBUS SMALL BUSINESS CAPITAL FORMATION ACT OF 1981

The provisions of the Omnibus Small Business Capital Formation Act of 1981 fall into five broad categories:

I. Capital Formation.—To improve the ability of small business to attract needed capital from external sources of financing by providing greater incentives for investors.

A. Investment tax credit for investments in new stock issues of small businesses. A 10 percent tax credit (up to $1,000 per person) would be provided for an investment in stock issued by businesses with less than $25 million in net worth.

B. Authorize the creation of a new financing instrument, the "Small Business Participating Debenture" (SBPD). The SBPD would be a hybrid security, with elements of equity and debt capital. SBPD's issued by eligible firms (net worth less than $25 million) would bear a relatively low stated rate of interest, but also could involve a distribution of the company's earnings, which would be taxable to the investor at the preferential long term capital gains rate.

C. Capital gains tax reduction for individuals and corporations, with maximum rates reduced from 28 percent to 21 percent for investments in small businesses.

D. Capital gains "rollover." Gains resulting from the sale of an investment in a small business would not be recognized if reinvested in another qualifying small business within 18 months.

E. An increase in the maximum number of shareholders permissible for Subchapter S corporation election from 15 to 100. This

would improve the access of small businesses to new sources of capital.

F. Broker-dealer Reserve. Would permit dealers "making a market" in small business equities to transfer, with deferred tax recognition, up to an aggregate of $1 million in capital gains resulting from the sale of such stock, to a reserve for future market-making activities. This would greatly enhance the marketability of small business stock.

II. Capital Retention.—to permit small businesses to retain a greater share of internally generated capital.

A. Graduation and reduction of corporate tax rates. Would increase the number of brackets to seven and reduce tax rates, particularly helpful for smaller businesses. Present law corporate tax brackets and rates are as follows:

Taxable income:	Percent
$0 to $25,000	17
$25,000 to $50,000	20
$50,000 to $75,000	30
$75,000 to $100,000	40
Over $100,000	46

Under the bill, brackets and rates would be:

Taxable income:	Percent
$0 to $25,000	15
$25,000 to $50,000	17
$50,000 to $75,000	25
$50,000 to $100,000	30
$100,000 to $150,000	35
$150,000 to $200,000	40
Over $200,000	44

B. Accelerated and simplified depreciation tax treatment for more realistic capital cost recovery for smaller businesses. Bill would propose "5-3" classification (from 10-5-3) for equipment and vehicles, respectively, with 10 percent investments and 6 percent credit for investment in trucks and other vehicles. First $100,000 of small business investment not subject to any phase-in period. Bill would not address question of depreciation for structures.

C. Increase in the amount of permissible accumulated earnings from $150,000 to $300,000. Accumulated earnings tax would apply only to amounts in excess of $30,000.

D. Increase in the ceiling on the used property investment tax credit from $100,000 to $250,000.

III. Estate Tax Reforms.—to reduce onerous burden of gift and estate taxes of small businesses.

A. Increase the present estate tax exemption from $175,000 to $600,000.

B. Provide an unlimited gift and estate tax marital deduction.

C. Increase the annual gift tax exclusion from the current limit of $3,000 to $6,000 per year per donee.

D. Make several changes in special use valuation rules for farm land and closely held businesses.

E. Set the value of gifts made within 3 years of decedent's death at the value at the time of the gift rather than at the date of death.

F. Permit the 5 year deferral/10 year installment election for payment of estate taxes, provided that at least 35 percent of the gross estate or 50 percent of the taxable estate is a closely held business. (Present law limitation is 65 percent of adjusted gross estate.)

IV. Employee Stock Options.—bill would permit employees to exercise stock options without tax consequences, as opposed to present law requirement of paying ordinary income tax on "spread" between option price and market price. Employees would be eligible for capital gains treatment when the stock is sold, with option price being cost basis. This provision would enable smaller businesses to attract better management by encouraging the use of stock options for key employees. Bill would include conditions set forth in H.R. 5829 as reported by Senate Finance Committee in 1980.

V. Inventory Accounting for Small Business.—inflation has the effect of creating illusory profits for firms on "first in—first out" (FIFO) inventory accounting, since reported "cost of goods sold" are based on original, lower inventory price. Lower "cost of good sold" means higher taxable incomes and tax liabilities. Conversion to more realistic "last in—first out" (LIFO) method is very complicated and costly for smaller business. Under the bill:

A. Cash accounting (immediate expensing) would be permitted for businesses with total annual sales of $1 million or less.

B. Tax penalty associated with conversion to LIFO, which results from requirement to take back into income all previously written down inventories, would be payable over 10 year period.

C. Bill would delay until after December 31, 1980, compliance with Revenue Procedure 80-5 and Revenue Ruling 80-60, which require taxpayers to take back into income the value of erroneously written down inventories (Thor Power Tool case), to give small business more time to comply.●

OVERSIGHT HEARINGS ON FREEDOM OF INFORMATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. ENGLISH), is recognized for 5 minutes.

● Mr. ENGLISH. Mr. Speaker, on July 14, 15, and 16, the Subcommittee on Government Information and Individual Rights will hold general oversight hearings on the Freedom of Information Act. The hearings will begin at 9:30 a.m. in room 2203, Rayburn House Office Building. The purpose of the hearings is to assess how well the Freedom of Information Act is working and accomplishing its objectives.

It has been many years since any congressional committee has taken a broad look at the FOIA. Much of the recent debate on FOIA has centered on specific problems and narrow complaints that have been separately raised. One consequence of this has been that little formal attention has been paid to the importance of FOIA in the public oversight of Federal Government activities. In these hearings, I hope that we will be able to assess the value of the act as well as evaluate the problems that have developed.

Another consequence of the piecemeal approach is that some issues have been resolved in isolation from one another. Solutions with general applicability may have been overlooked, and unnecessarily different procedures have resulted. By accepting comments on all aspects of the Freedom of Information Act, the subcommittee should be able to discern trends and identify patterns. This will simplify the consideration of any legislation.

Although a number of bills amending the FOIA have been introduced and referred to the subcommittee, and others may be introduced in the near future, these hearings will not focus on legislation. We would like to be able to make some general judgments about the act before concentrating on specific bills. There will be plenty of opportunity for consideration of legislation later in this Congress.

We hope to have a broad range of viewpoints on all aspects of FOIA represented at the July hearings. Those who use the act as well as those who are affected by it are invited to participate by submitting testimony or by appearing as witnesses. We will select as witnesses a representative sample of those who request to appear. In addition to the public witnesses, a number of agencies will be invited.

Anyone interested in testifying at these hearings should contact the subcommittee no later than June 22. Written testimony will be accepted for the record until 30 days after the hearings.

INDIAN TRIBAL GOVERNMENT TAX STATUS ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. JONES) is recognized for 5 minutes.

● Mr. JONES of Oklahoma. Mr. Speaker, I rise to introduce a bill to amend the Internal Revenue Code to extend to recognized Indian tribes and Alaska Native villages the same tax treatment which is applicable to other governmental units. These amendments will enhance the ability of the tribes to serve the needs of their members, while furthering the Federal Government's longstanding policy of self-determination for Indian tribes and Alaska Natives.

Under the Internal Revenue Code, State and municipal governments not only are exempt from taxation, but enjoy a variety of other forms of favorable treatment intended to protect and strengthen government at the State and local levels. Indian tribes and Alaska Native villages provide many of the same essential public services as our States and municipalities. These include law enforcement, fire protection, schools, roads and transportation, water, sewage and garbage services, natural resource development, land use planning, housing, social and health programs, legal services, business licensing and regulation, and other activities. However, while an Internal Revenue Service ruling does exempt Indian tribes and Alaska Native villages from taxation, the Internal Revenue Code does not confer upon these tribes and villages any of

the other forms of favorable treatment now enjoyed by States and municipalities.

More important, this distinction in treatment clearly is at odds with Federal Indian policies promulgated for the past several administrations. Specifically, for the past half century, the Federal Government virtually without exception has sought to strengthen tribal governments politically and economically. The Indian Reorganization Act of 1934 authorized tribes to modernize their governmental structures to deal more effectively with contemporary problems and needs. In more recent years, both Congress and the executive branch have sought to reaffirm and strengthen tribal governments. Indeed, most Federal legislation enacted during the past 20 years to provide assistance to local governments also has expressly included assistance to tribal governments.

In an effort to assume greater local responsibility for financing their own public services, Indian tribes have attempted to raise funds on the reservation through the imposition of tribal taxes. These efforts, however, have been only partially successful because under the Internal Revenue Code taxes paid to Indian tribes are not treated in the same manner as taxes collected by non-Indian State and local governments. This difference in treatment undermines the tax initiatives of tribal governments and seriously interferes with their efforts to improve conditions of life in Indian country.

The proposed legislation has become increasingly vital for tribal governments as a result of the Reagan administration's policy of substantially reducing the Federal budget and transferring more public functions to State and local governments. Federal assistance to Indian tribes has been cut by one-third in the Reagan administration's proposed 1982 budget. Thus, Indian tribes are being asked to assume still greater responsibility for providing public services, even as they face severe cuts in Federal funding. If these tribes are to shoulder the new responsibilities being placed on States and municipalities, they must be accorded the same tax treatment as other State and local governments.

This bill generally accomplishes that objective. The term "recognized Indian tribe" includes any tribe, band, community, village, or group of Indians or Alaska Natives which is recognized by the Secretary of the Treasury, after consultation with the Secretary of the Interior, as performing substantial governmental functions. This definition includes the Indian tribes and Alaska Native villages which are treated as governmental units for certain revenue sharing purposes under the State and Local Fiscal Assistance Act of 1972. Three hundred and forty-seven groups are presently listed as eligible for revenue sharing entitlements under that act.

The bill also provides equivalent tax treatment with respect to interest paid on certain tribal debt obligations, pension and retirement income and contributions, charitable contributions, excise taxes, tribal income and real property taxes, and certain unrelated business income. Finally, the bill provides that certain tribal officials are to be "Government officials" for purposes of the tax on self-dealing between a private foundation and disqualified person.

The bill enjoys broad support among tribal leaders as well as a number of national Indian interest organizations. I would like to insert in the RECORD as an example of this support a strong letter of support from Mr. Ross O. Swimmer, the principal chief of the Cherokee Nation of Oklahoma.

DEAR CONGRESSMAN JONES: I am writing to request your strong support and sponorship of the proposed "Indian Tribal Governmental Tax Status Act".

This legislation would extend to Indian tribes the same general tax treatment under the Internal Revenue Code which at the present time is accorded state and local governments. More specifically, the measure grants, inter alia, a deduction from the federal income tax for taxes paid to an Indian tribe, exempts tribal governments from a variety of federal excise taxes, and provides a tax exemption for income on certain tribal governmental obligations.

The fundamental concept of the bill—namely, that Indian tribes are governments and, therefore, should receive the same federal tax treatment as other governments—is completely consistent with the legal history of tribes and current federal policy. As you are aware, Indian tribes long have exercised services, including health, education, police and fire protection, and general welfare, to their members. Furthermore, for a generation the established policy of the federal government has been to strengthen the political and economic institutions of tribal governments.

I am convinced that the "Indian Tribal Governmental Tax Status Act" would represent a significant step toward the economic enhancement and, hopefully, independence of Indian tribes. As I am sure you can appreciate, this progress ultimately would make Indian tribes far less dependent upon federal funds—a not untimely consideration in light of current national budgetary policies.

Very truly yours,
ROSS O. SWIMMER,
Principal Chief,
Cherokee Nation of Oklahoma.

Finally, let me conclude by giving you the revenue implications of this bill. Passage of this legislation would nominally affect the Federal budget. The revenue loss would be approximately $5 million annually. These days, that is a bargain, and I urge my colleagues to swiftly approve this legislation. Thank you, Mr. Speaker.●

AN INTERVIEW WITH LECH WALESA

(Mr. SOLARZ asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SOLARZ. Mr. Speaker, the establishment of Solidarity, the first independent trade union in a Communist country, was an extraordinary event in the annals of communism. It was a vivid demonstration of the weakness of the economic system imposed by the Soviets upon Eastern Europe, as well as a stirring reminder of the desire for greater individual freedom behind the Iron Curtain.

If not for the exceptional leadership of Lech Walesa, it is extremely unlikely that Solidarity could ever have been established. Walesa is to politics what Michelangelo was to sculpture. His unusual blend of principle and pragmatism has enabled him to guide Solidarity, and Poland, through numerous crises virtually without bloodshed.

The Washington Post recently printed a remarkable interview with Walesa by the noted Italian journalist Oriana Fallaci. In view of the insights it provides about Walesa, who continues to play a crucial role in the ongoing drama in Poland, I would like to enter into the RECORD the complete text of this interview.

LECH WALESA: THE MAN WHO DRIVES THE KREMLIN CRAZY

LECH WALESA. One moment, First of all we have to clear things up. I am not a diplomat, I am not a master of ceremonies and even less an intellectual. I am an uncouth man, a worker. I have never read a book in my life, and I am a man with a goal to reach, so I don't give a damn for certain things. Not for the books, not for the interviews, not for the Nobel Prize and even less for you. I have no complexes, I don't. Neither toward the generals, nor toward the prime ministers, nor toward you. I can give a punch on the desk of a prime minister, I can leave a general in the lurch without saying goodbye, and as for you I can do the same. Anyway, I am the one who puts the first question: What do I lose, how much do I lose with this interview? Besides, why do you look at me that way?

ORIANA FALLACI. I look at you because you resemble Stalin. Has anybody ever told you that you resemble Stalin? I mean physically. Yes, same nose, same profile, same features, same mustache. And same height, I believe, same size.

A. Nie, nie, nie. No, no, no, nobody told me and I don't care. I didn't know it, I don't want to know it and you haven't answered my question yet. So I put another one: This interview, how do you write it? Question and answer, question and answer, or all together with the comments inside? Because the comments inside, I don't like them. It isn't fair, it is the reader who must make his comment and decide if the guy is right or wrong.

Q. Listen, Walesa. My interviews are written question and answer, question and answer, always. Whether you gain or you lose with this one, I don't know, because it depends on what you will tell me. And if

you don't mind, I am the one who asks. Now let's start. Seven months ago, nobody knew your name outside Poland and very few, I guess, inside Poland. Today you are one of the most famous men in the world and you drive Brezhnev crazy with your Solidarity movement, you put [former Polish Communist Party chief Edward] Gierek out of a job, you give [present Polish Communist Party chief Stanislaw] Kania a headache each time you call for a strike. When you go to Rome you are received by the pope as a head of state or a star and . . .

A. Stop, stop, stop, stop.

Q. Why? What happened?

A. It happens that you have a very authoritarian style, a typically dictatorial one. And as I do too, we have a problem. The problem is to find a compromise. So let's make a deal. From now on I will be nice with you and you will be nice with me, OK?

Q. OK. Here is the question: When you measure this glory, this power which fell on your shoulders, don't you ever say, my God, this is too much for me, I cannot keep it?

A. Yeah, yeah, yeah. The Holy Virgin knows. I'm tired, bloody tired, and not only in my body because I never sleep, my heart doesn't work as it should, it throbs, it hurts. I'm tired inside, in the soul. This life is not for me. Meeting people for whom you must wear a tie, knowing good manners, listening to recommendations: Don't do this, don't do that, please smile. Ties strangle me, I cannot wear them, why in hell should I smile when I don't feel like it? Nothing is permitted to me anymore, nothing. I cannot have a drink, I cannot pick up a girl, else the whole world falls apart and they say that the soda water went to my head. It isn't right. And you must say it, you must explain that men are men even if they make politics, men are sinners, so what?

Q. Yes, but I meant something else, Walesa. I meant the responsibility you took in front of your country and of history. Don't you ever feel scared by it, inadequate?

A. Nie, nie, nie. No, no, no, because I am a man of faith and because I know that this moment needs a guy like me. A guy who can make decisions with good sense and solve problems in a cautious, moderate way. I am not a fool. I do understand that too many injustices got accumulated during these 36 years, so things cannot change from morning to night. It takes patience, it takes wisdom I mean, the rage that people would like to burst like a bomb must be controlled. And I know how to control it, because I know how to reason through I am not a learned man, I know how to say things with the proper words. Like I did with the peasants at the strike in Jelenia Gora, for instance, when I yelled at them: "You've started the wrong strike, you idiots, you champions of stupidity, I'm against you." And 300 people remained speechless. Well, speaking to the crowds isn't always the art of going with the crowds, sometimes it's the art of going against the crowds and . . . Do I look pretentious?

Q. You don't. Why?

A. Because sometimes I give this impression. But I am not pretentious, believe me. I am a guy who wants to help people, for instance, if you ask me a favor, get me there, get me something, I immediately do my utmost. And I get you there even if I get my self into trouble, even if my friends say: "Mind your business. Is it your business? I like to make myself useful. It was so even in December 1970 and in August 1980, when I did what I did because nobody wanted to do it. It was so when I worked in the opposition, and today it is the same. I mean, I know how far we can go with our demands, I know what country we live in and what our realities are. I know the path we must follow. And the danger is to abandon such a path, to stray from the line because of a few blockheads or a few hotheaded idiots who don't understand.

So I have to keep repeating to them that things cannot be obtained too fast, that the demands must be put at the right time, without impatience. Look at the monument we erected for our dead, our workers killed by the police in 1970. Had we built it at once or two years later, now it would be simply the branch of a tree, easy to cut. Instead, today it's a tree and its roots are so deep that nobody can extirpate them, and if it will be cut it will blossom again.

Q. Lech, where did you learn to talk like that, from whom?

A. I don't know. I told you that I never read a book, anything. I never had teachers either, nor examples to imitate. I always solved my problems alone. Even the technical ones, like to fix a TV set or a sink, I think them over and I fix them in my way. Politics is the same. I think it over and I find the solution, or at least a solution. As for the moderate line I gave to Solidarity, however, I can tell you that I set it after the defeats of 1968 and 1970. It was then that I realized the necessity of working without impatience; otherwise, we would break our heads. I said to myself: Lech, a wall cannot be demolished with butts, we must move slowly, step by step, otherwise the wall remains untouched and we break our heads. You know, I have been arrested a hundred times, more or less, usually 48-hour arrests, and one thinks very well in jail because in jail there aren't noises and one is alone. It was in jail that I also found the way of sowing doubt into the minds of my jailers, to make them release me and to make them understand how wrong they were toward the country and themselves. Finally, it was in jail that I discovered the system of informing people about my arrests. Because it is useless to be arrested if people don't know.

Q. What was this system, Lech?

A. Well, when they released me and I went home, I placed myself in front of a bus stop and even if I had money to buy my ticket I pretended to be penniless. So I asked the people to buy my ticket, explaining that I had been arrested and why. People got interested and bought my ticket. Then I took the bus and during the trip I continued to explain, I held sort of a rally for them to warm up feelings. I did so for years. Wherever I went, whatever I did, I made something happen.

Q. This is great politics, Lech.

A. Nie, nie, nie. I am no politician, I have never been. Maybe one day I'll be one. I have just started to look around and understand their tricks, their calculations, but today I am no politician. The proof is that if I were a politician I would like doing what I do now, I would never have enough of it. Instead I'm fed up and I tell you at once what I am: I am a man full of anger, an anger I have kept in my stomach since I was a boy, a youngster. And when a man accumulates the anger I have accumulated for so many years, he learns to manage it all right. Which explains why I control so well the crowds and the strikes. Ha! One has to be very angry in order to know how to control the anger of the people. One has to have learned to live with it. Listen, my rage has been stored up for so long that I could keep it in at least five more years. That is, until 1985. It burst in August 1980 because I became aware that the occasion was bigger than I could hope. And I jumped beyond the fences of the Lenin shipyards in Gdansk.

Q. Let's talk about that, Lech, about the day you jumped beyond the fences.

A. Well, long before it happened we had considered the possibility of some big strike in Gdansk. We had considered it in our meetings when we taught the workers the history of Poland and the union laws. In fact, I had made myself ready to avoid an excessive situation and I had told the workers if there is an uproar I want to be informed at once. And when I was informed I immediately realized that the uproar had burst early because the situation was ripe, thus I had to get into the shipyards. The trouble was that four gentlemen—I mean, four policemen—watched me day and night. I got them lost—I won't tell you how, because I might need that trick again in the future—and I got to the shipyards and I jumped inside. I got there at a crucial moment. In fact, there was a meeting of 2,000 workers and the big boss was asking them to leave, making his promises. And nobody cared to oppose him. As a matter of fact, they were already leaving. I felt my blood boil. I elbowed my way through the crowd, I set myself in front of him and—do you know boxing? I landed him a straight left and I put him down so quickly that he almost fell out of the ring. I mean, I shouted at him that the workers wouldn't go anywhere if they weren't sure they had obtained what they wanted. So they felt strong, and I became their leader, and I still am.

Q. Leach, what does it mean to be a leader?

A. It means to have determination, it means to be resolute inside and outside, with ourselves and with the others. Here is what it means: I have been always so, even as a boy, when I was a poor boy living in the country and I wanted to become an aviator. I have always been the ringleader, like the billygoat that leads the flock, like the ox that leads the herd. People need that ox, that billygoat, otherwise the herd goes on its own here and there, wherever there is some grass to eat, and nobody follows the right road. A flock without an animal that leads is a senseless thing without a future. However, I don't know if I really am a leader. I simply know that I smell things, I feel situations, and when the crowd is silent I understand what it silently says. And I say it with voice, with the proper words. But now I have something to ask you. Because you travel a lot, and you know a lot of people, and you can answer. What do people say about me in the West?

Q. Well, they ask themselves, "Who really is this Walesa?"

A. Ha! This is a question they put to themselves in the East, too. "Who is this guy who makes our soldiers sleep in their boots for six months?" "Is he a general?" And it goes without saying that, in the East, they gave themselves an answer already.

Q. Yes, they call you an anarchist, a counterrevolutionary, an enemy of socialism, according to Tass and Pravda.

A. Tell them that I only am a man who wants some justice, a man who wants to be useful to them too, beyond any frontier and color and ideology. The hungry hare has no frontiers and doesn't follow ideologies. The hungry hare goes where it finds the food, and the other hares don't block it passage

with tanks. They should learn from the hares. But let's not talk about the East, let's talk about the West. What do they say about me in the West?

Q. Some say that you are a Christian Democrat, others say that you are a grandchild of Rosa Luxemburg [a Polish-born early associate of Lenin who broke with him over the issue of democracy within communism], others that you are a Social Democrat. And there are even some who call you a Eurocommunist. What shall we answer to them?

A. Nothing, because I refuse to express myself with their words, their labels, their slogans, left and right—socialism and communism, capitalism and Luxemburgism, Christian Democrat and Social Democrat. I express myself with my words: good, bad, better and worse. And I say: If it serves the people, it is good. If it doesn't serve the people, it is bad. Of course, one has to see how and in what sense it serves. One day I shared a little piece of bread with a nice girl, and I felt happy. Another day my wife served me a large portion of excellent sausages, but she did it so rudely that I felt unhappy and I couldn't eat them. I mean, having much food isn't enough and sometimes a little piece of bread is better than a large portion of excellent sausages. At the same time, one has to admit that if there isn't even that little piece of bread we cannot know happiness at all. Thus, we should build up a system which combines the two things: food and happiness. Then I say: Damn it, we live on this earth 50 or 60 years and on one side there are the rich who get richer and richer, on the other side there are the poor who get poorer and poorer. It doesn't work. Richness must be shared. But what do they store up, those rich who don't divide with the others? Anyhow they die, and when they die they leave all to heirs who are never satisfied and who curse them all the same.

Q. But, more or less, the socialists and the communists say these same things, Lech.

A. Nie, nie, nie. I told you that I don't want to use slogans invented by them.

Q. Do you mean that communism has failed?

A. Ha! It depends on the way you measure the concept of good, bad, better, worse. Because if you choose the example of what we Polish have in our pockets and in our shops, then I answer that communism has done very little for us. If you choose the example of what is in our souls instead, I answer that communism has done very much for us. In fact, our souls contain exactly the contrary of what they wanted. They wanted us not to believe in God, and our churches are full. They wanted us to be materialistic and incapable of sacrifices; we are antimaterialistic, capable of sacrifice. They wanted us to be afraid of the tanks, of the guns, and instead we don't fear them at all.

Q. Lech, let's go back to the sausages without freedom. How to obtain it?

A. Freedom must be gained step by step, slowly. Freedom is a food which must be carefully administered when people are too hungry for it. Suppose that Solidarity obtains some access to TV and through TV it starts yelling: "Away with the thieves, the rascals, the gangsters who robbed us for so many years." How would people react? Cutting off heads, I tell you, flooding the streets with blood. It would be chaos, anarchy. It already happened in the countryside, I saw it with my eyes. All at once the government got busy selling TV sets to the peasants, TV filled their houses with programs which attacked religion, and as a consequence many peasants lost their faith. They even became atheists. *Nie, nie, nie.* Things cannot change suddenly. It's dangerous. Don't you agree?

Q. Not really. I think that we should never be afraid of freedom, because there is only one thing which teaches freedom, and this is freedom itself. Freedom should never be administered by drops, like a spoonful of milk in the stomach of a starving person.

A. Well . . . On the other hand, one cannot exaggerate it as you do in the West, with all those political parties which don't know what they want, and one disturbs the other, doesn't let the other work, yet one supports the other—what kind of brothel is that? It seems a brothel to me and nothing else. Never mind that here in Poland it wouldn't be possible to have political parties, because things stay as they are. Here the control must be exercised by the unions. If we will be able to do it, we'll function better than your parties, which waste their time biting each other, insulting each other, accusing each other, collecting gossip on each other: He goes to sleep with her, she goes to sleep with someone else. It doesn't seem to me that your parties have done much, and in all that brothel I see only one indisputable fact: They say they want something and they do the reverse, Am I right?

Q. Yes, but if the unions substitute for the political parties, there is no pluralism, there is only a sharing of power between the party and the unions. Don't you want the pluralism, Lech?

A. Yeah, yeah, yeah. Sure. Every person, every group in the whole society must have the right to express itself. But why imitate the parties and use the world party? One can say "association," "club." The club of those who raise canaries, for instance. Or the club of those who pray with the rosary. And as wheat doesn't grow on stones—I mean, as in Poland we cannot have political parties but the one which already exists, as men must adapt themselves, let the canaries' breeders get together. Let them have a statute which welcomes the formation of other clubs—the club of those who raise rabbits, or pheasants, or ducks—and let us all become breeders of canaries, rabbits, pheasants, ducks, chickens. The important thing is that such groups exist freely, so they can serve society, and that the master does not arrest them. Do I say stupid things?

Q. No, Lech, you don't say stupid things.

A. Well, maybe I do. I don't know much about concepts, I never have time to think, and there are so many problems that I must fix in my mind. With you I'm rather thinking out loud. Yet I like it. Gee, do I like it. Because it happens so rarely that you hear the right questions. And right questions make me think. I mean, sometimes it is in talking with others that one gets an idea and says: "Why didn't I think of it before?" Yes, that's how ideas blossom, and this canaries idea might turn out very well.

Q. Yet the idea of growing wheat on stones is good, too.

A. Yeah, yeah, yeah. The problem is that one should remove the stones first. And what if under the stones there isn't the soil to grow wheat? What if the wheat grows short and deformed?

Q. Better than nothing.

A. I don't know. Maybe you are right, maybe you are wrong. But I think that you are wrong, and I am going to demonstrate it. If you want a child, and you want it with all your heart, desperately, do you prefer to have a deformed dwarf or not to have him at all? Oh, I would like to be less tired and to express myself better. I would like . . . Let's go on. But don't put those difficult questions to me, because they give me a headache, and now I have a headache.

Q. All right, an easy question, then. I know that your stepfather lives in America, so I guess that he has invited you many times to join him there. Have you ever planned to emigrate there?

A. *Nie, nie, nie,* never. I could never leave Poland, never. Besides, I've always thought that a man must live where he was born and grew up, in order to give back to his country what he got from it. Yes, my second father has invited me many times. I call him my second father because he married my mother after the death of my father. My real father died in 1945 from the privations he suffered in the extermination camp where the Germans put him. "Come here. What do you do there?" my second father wrote. But besides the fact that I couldn't live outside Poland, I felt that his invitation didn't come from his heart. It came from the dollars in his pockets. And I was not wrong because, when I met him again in Rome last month, I did not recognize him. In Poland he was a poor man, yet always ready to make sacrifices and divide what he had with others. Now he thinks only about money, amusements, and he has lost humanity. The dollars went to his head, I guess, and the result is that I don't get along with him anymore. I see life in a different way, I don't like money as he does. Yes, it's good to have money, we need money to live and raise our children properly, but money isn't all and doesn't give dignity. On the contrary, it gives a lot of temptations and sometimes makes people nasty. Which is why I would never try to become a millionaire.

Q. Then tell me, Lech: Were you angry at your stepfather when he let himself be photographed with Reagan?

A. Nie, nie, nie, nie, I like Reagan. Yeah. I like him a lot. The way he moves, the way he talks: just like me. Well, maybe he talks a little better than me, but for sure he moves like me. Look how he walks, or how he waves his hands and his arms. I only hope that he doesn't change, that he doesn't forget where he comes from. It would be a pity. Has he already changed? I'll see when I go to America and I will meet him, I hope.

Q. When will you go to America, Lech?

A. On the one hand I would like to go at once, on the other hand, never. Because I'm still black and blue from the hugs of the Roman crowds and I don't like it when people push me and touch me and kiss me like that. Anyhow, I'll go soon. As soon as I've put some order in the movement, let's say in six or seven months if nothing bad happens. Poland needs help. Not dollars help, I mean political help, economic help, and in order to obtain such help we must have contacts abroad. Nor should we forget that in the West there are people who make cold calculations, agreements, who would like to use the blood of Poland to solve their problems. Yes, I really must go to America. And with the help of our queen, the Holy Virgin, I shall go.

Q. Is that why you wear on your jacket this image of the Black Virgin [a statue of the Madonna that Poles credit with turning back a 17th-century Swedish invasion]? And isn't that image a label too?

A. Nie, nie, nie. It isn't a label, it is a habit. Or, better, a blessing. The Black

Virgin has always been sort of blessing for us Polish, and this particular one . . . I don't even remember who gave it to me, or when. Someone must have put it on my jacket after a pilgrimage. With the rosary also, it happened like this. Someone put a rosary in my hands, and I kept it until it broke. This is not easy for you westerners to understand, I know. The church has never been for you what it has always been for us, a symbol of struggle, I mean, the only institution which never submitted to the oppressors. And when we examine the factors which led to what is happening today in Poland, it is not enough to mention the workers' uprisals in 1956, 1968, 1970, 1976. It isn't even enough to consider our contact with foreigners, I mean the fact that we have been traveling abroad very much in these years and that we have seen how you live in your countries. We also have to consider the election of Pope Wojtyla, his travel to Poland and the continuous obstinate smart work of the church. Without the church nothing could happen, my case itself would not exist, and I would not be what I am. I'll say more: If I hadn't been a believing soul, I wouldn't have resisted, because I had so many threats. So many.

Q. But have you always been so religious, Lech?

A. Yeah, yeah, yeah. Ask my bishop. Even at school, when they taught us communism and I didn't pay any attention. Only between 17 and 19 I got far from the faith. Ha! I got on the wrong path: drinking, idleness, girls. Then something happened. One day I felt very cold, very tired, and I started looking for a place where I could go inside and rest. But there was nothing except a church in the area, so I entered the church and I sat down on a bench. And immediately I got well. So well that I left the wrong path. Now don't misunderstand me, don't believe I am an angel. Angels do not exist and I am no angel, I'm rather a Satan. However, I go to church every morning, and every morning I receive communion, and if I have some major sin to confess, I also go to confession. I say so because I am not that bad, after all. Since I've lived in this world I only got drunk a couple of times, and as for the girls . . . Listen, my wife is not bad. I rather say that she is the ideal woman for me. Had I another wife, by now I would be divorced or killed with a kitchen knife. So I have no reason to betray her. Besides, we have six children. Doesn't that show that we make love well? Much and well. Well, of course, when I happen to be far from her for many weeks as I was recently, I get temptation. I told you that I am no saint.

Q. OK, Lech, it seems to me that your headache is over. So let's go back to the difficult questions. Don't you ever have fears about being manipulated? For example, yesterday in Warsaw a high prelate said to me: "Walesa never does what the cardinal doesn't want."

A. In this respect it is true. I would never do a thing against the faith, the church and even less against Cardinal Wyszynski. He is a great man, his wisdom is immense and his help has been enormous. All the time and in every way. People don't know that it was Cardinal Wyszynski who arranged our meetings with Gierek and Kania, and even during the strikes of the peasants of Rzeszow and Bielsko-Biala I had to ask him to give me a hand. Without his intervention I wouldn't have been able to call an end to these strikes. So it would be stupid of me if I did something against the cardinal. Nor would he permit anyone to do something against me. Not even somebody with a black skirt [a priest's cassock]. But if somebody with a black skirt tries to use me . . . Listen, I cannot swear that no one tries, on any side. But I can swear that I don't permit anybody to manipulate me, not even to influence me. And if someone tries, I break his nose.

Q. What about the intellectuals, in that sense?

A. From the intellectuals and the peasants, *liberas nos Domine* [free us, Lord]! I say so. You would never believe the hangover I got from those peasants during their strikes. I kept yelling: "You are mean. Selfish, mean. Stubborn, mean. Don't you understand the situation we are in?" The intellectuals are like them, in a sense. Because they are unable to adjust themselves to the reality of the moment. During the struggle they were perfect, in fact I respect them a lot, yet now they cannot adjust. They would like to go on with the methods we followed before August 1980. Which is the reason why I always shout: "Be realistic. Use your brain." And this proves that I am not manipulated by them. Neither by the church nor by them. Then why do you keep so many professors and teachers and university lecturers in your movement, you may ask. Ha! Because, should I refuse them, they would dig underground like moles and they would get in all the same, through the tunnel. Better say: Come in, sit down. Besides, they're intelligent, and intelligent people are always useful. Provided you don't get inferiority complexes toward them. I don't. Know why? Because intellectuals need a lot of time to understand things, and even more to make a decision. They stay there to discuss, examine, discuss, and in five hours they reach the same conclusion I reached in five minutes or five seconds.

Q. And what about the Communist Party, Lech? I always asked myself why they let you rise so high and so fast. To exploit you? To use you as an alibi or as a scapegoat? Or maybe to assimilate you?

A. *Nie, nie, nie.* Being assimilated by the powers is a possibility that I don't even consider. If I wanted such a thing, I would have done it when I was Mr. Nobody. You can't imagine the offers I had. Being assimilated by the powers? I'd rather shoot myself in the head. Dignity counts more than life. Listen, they let me emerge because they didn't have another choice. Literally. Of course, this doesn't . . . I mean, when we speak about Poland we have to consider also the situation abroad. We are controlled. Thus, victims cannot be avoided. People always ask me: "Lech, aren't you afraid of being killed?" And as an answer I shrug my shoulders. I do so little to protect myself. Some of my friends try, they follow me wherever I go, but what is the use? One can be murdered in so many ways, not only with guns. They killed my best friend, they might kill me. I'm a fatalist. If it must happen, it will happen. And I will go to paradise.

Q. Lech, there is a three-month armistice between the government and Solidarity. But not all armistices end up with a peace treaty. what will happen then?

A. To begin with, Solidarity did not sign any armistice. We only said that we wouldn't be hostile toward the new government of [Premier Wojciech] Jaruzelski. Poland needs a strong government, a government capable of governing, and Jaruzelski can do it. Because he is a soldier, a general, therefore used to giving orders and to imposing discipline on others and on himself. As a soldier, he also should have the clean hands which are necessary to clear the country out of bastards with dirty hands. We must let him work. But if the hostilities will come from him and his government, we'll fight. We will, I promise. Whether someone likes it or not.

Q. Whether the Soviets like it or not, you mean. And what if Jaruzelski fails?

A. If he fails and our "brothers" don't "help" us, if he fails and our "allies" don't intervene, then it should be Solidarity that takes the responsibility of government. It is not very likely—as a matter of fact, it's so unlikely that such a possibility seems to me fantastic. Yet it is a possibility. Yet it is a possibility, it exists. Now let me make this clear: I don't want it, Solidarity doesn't want it, we only want to arrange it so the poor people eat a little more and are a little more satisfied. We want to arrange it, not to make politics, not to govern. But if other choices will not exist, Solidarity must be the choice. If the government says, "This is a mess, we resign," Solidarity should take the responsibility and I should take the situation into my hands. I say it in a firm way. And I add: Poland will never go back to being what it was before August 1980. Never.

Q. Lech, I want to make sure I have understood you. Did you really say that, should this government fail, Solidarity should govern and you should take the situation into your hands?

A. Yes, I said it.

Q. So you were not joking. And do you believe that you would be capable?

A. Yes, I believe it.

Q. Do you also believe that the Communist Party and the Kania government would accept such a capitulation? Yesterday in Warsaw a very important member of the government who also is a very important member of the [Communist Party] central committee said to me: "We shall never agree to share power, and even less to give up power."

A. Today they say so. Tomorrow, who knows? Great empires have fallen during the history of man.

Q. And what would the consequences be with your "brothers," your "allies"—I mean, with the Soviets? How can you hope that they would permit such a thing, that they wouldn't intervene to help?

A. This is the point, this is the problem, this is why I said that I regard such a possibility as a fantastic possibility.

Q. Less fantastic than a Soviet intervention if you even think to take over, Lech? So let us pronounce these two words that you Polish never pronounce, not even whisper, as if avoiding them could serve to exorcise them: Soviet intervention, Soviet intervention. Brezhnev says them, instead. And Kania, too. Publicly.

A. Oh, oh, oh, how often people raise their voices in order to scare. Don't we do the same in the opposition? I don't think that a violent confrontation would serve them, and they know it. So they will not do it. Or, better . . . Listen, somebody once said to me that everything would start in Poland and that we would obtain all or almost all, and that then we would suddenly lose all, to be resurrected one day and be men again. Well, I don't accept such prophecies, yet I admit that they might contain some truth. Just because of that possible truth I tell you that we don't want to pay such a price. Here is why we follow this tortuous path, and why I fight those who would like to change the moderate line of Solidarity, and why I keep

talking of political patience, and why I yell at the intellectuals and at the peasants. And why I remain so vague in speaking with you.

Q. Come on, Lech. Do you really believe that Brezhnev cares about the way we talk? It is not the words that count it is the facts. And when Kania has to deal with you, when Jaruzelski has to deal with you, when . . .

A. How many times have you seen the Soviet tanks in Poland? How many times have the Soviet tanks come here from August on?

Q. In Czechoslovakia they waited almost eight months.

A. But that solution has never been applied to Poland. Four times at least, Poland has found itself in a tragic situation during the last 25 years, yet we overcame it without the Soviet tanks. This time it will be the same. Besides, Czechoslovakia is not Poland.

Q. It isn't Hungary, either. Yet in Hungary too the Soviet tanks intervened. It is not Afghanistan either, yet Afghanistan is invaded by the Soviets.

A. Poland is different, Poland is different.

Q. Then let me say this: Isn't it true that the Polish students have asked and obtained, at least on paper, abolition of the obligatory teaching of Marxism and of the Russian language in their universities?

A. It's true.

Q. Isn't it true that, if the agreement is not respected and the students' strikes are not taken into consideration, the workers will strike for them?

A. Yes, it's true. Solidarity approves what the students are doing on that matter and it will fully support them in that struggle. We are with them, I am with them. The only reason why I did not go to the Lodz university during the students' strike is that I had to stay with the peasants in Rzeszow. The peasant strike's problem was more urgent. But I sent my advisers to Lodz, and they remained there all the time, and every two hours I called to tell them what should be done. Finally, I am the one who arranged the meeting of the students with the deputy premier, [Mieczyslaw] Rakowski.

Q. Well, do you expect the Soviets to accept such a national refusal of their ideology and of their language? Do you really believe that such heresy will go unpunished forever?

A. Nie, nie, nie, and what do you expect from us, then? That we give up? That we stop everything, that we go back to what we were and we say, sorry, it was a joke, we did not mean it, because we don't want to be punished? Should we give up the duty of being men and forget? What other solution do we have but to do what we are doing? I said it and I repeat it: We don't want to pay the price of a violent confrontation, we really don't. But if it will be necessary to pay that price, we will. Nobody will say that we are cowards. Personally I am more than ready to die. I am not as ready to kill: I am not able to kill, not even a chicken to make soup; my stomach gets upset when I see people killing a chicken. Yet if I were attacked, if I had to defend my country, my house, my children, my friends, my fellow workers, I wouldn't hesitate. Oh, why do you make me say these things? Why? You give me a headache again. Now I have a headache again.

Q. I do too, now. I have it too, Lech. So let's keep our headache, both of us, and let's face the last difficult question: But are the Soviet tanks indispensable? Aren't, wouldn't the Polish tanks be enough?

A. Nie, nie, nie, nie. I shall not consider that, no. Not even for a second. I refuse to believe that our bonzes [literally, Buddhist monks] are unable to find a bloodless solution. I refuse to believe that our soldiers will kill our workers. We will solve everything without pain, profitably for the two sides. Why do you ask such a thing?

Q. Because that very important member of the government also said to me: "The Polish army is devoted to the party one thousand percent." A lie?

A. Here is the only question which I cannot answer. This house is filled with microphones. Yes, microphones, and God knows how many there are listening now to this conversation. Yes, since 1972 they have tapped me with their bloody machines, and sometimes I ask myself: How long will it last, how long?

Q. And you, Lech, how long will you last?

A. If they don't kill me, you mean? If everything goes on smoothly? Well, coldly speaking, I would say that from now on I can only descend. Gradually or with a headlong fall. This is because I am not fitted for normal times and I cannot submit myself to the rules and the games. Because I am dead tired and my heart is in bad shape, my health goes to pieces. Because I cannot repeat myself—that is, I cannot repeat what I have done in August and until today. And finally because, if the worst happens, all the rage of the people will turn on me. And the same ones who applauded me, erected altars for me, will throw stones at me, will trample on me, will trample on me. They will even forget that I acted for good, in good faith. You know, if I were selfish and shrewd, I would cut my mustache and go back to some shipyard. But I shall not do it. I cannot do it. From now on, the situation will become more and more complicated, more and more difficult, and we are going to receive many blows. Yes, many blows, I must stay where I am: to struggle, to extinguish the unnecessary fires, like a fireman, to transform the movement into an organization, to . . .

Q. To raise canaries that sing much and well. Thank you, Lech. Good luck, Lech.

A. Good luck to you, and thanks to you, with all my heart. You have been nice to me and it isn't true that you throw the chador into the face of people you interview [a reference to the Persian robe Fallaci removed during her interview with the Ayatollah Khomeini in 1979]. I have enjoyed these hours we spent together so much, though you gave me a headache twice. You offered me so many ideas which I'll think over. I shall never forget you. And, if the Polish censors will permit publication of your book, "A Man," I will read it. And it will be the first book I've read in my life. Anyhow, if I go to paradise. I'll save a seat for you. So we can talk about the wheat that grows on the stones.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. EVANS of Iowa (at the request of Mr. MICHEL), for today and the balance of the week, on account of official business as a member of the Committee on Agriculture.

Mr. NELSON (at the request of Mr. WRIGHT), for today, on account of official business.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 50. Joint resolution designating July 17, 1981, as "National P.O.W-M.I.A. Recognition Day."

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. GONZALEZ, for 60 minutes, today.

Mr. GONZALEZ, for 60 minutes, on Wednesday, June 3, 1981.

Mr. GONZALEZ, for 60 minutes, on Thursday, June 4, 1981.

Mr. FASCELL, for 30 minutes, on Thursday, June 4, 1981.

(The following Members (at the request of Mr. NELLIGAN) to revise and extend their remarks and include extraneous material.)

Ms. FIEDLER, for 60 minutes, on June 4.

Mr. DERWINSKI, for 60 minutes, on June 3.

(The following Members (at the request of Mr. WOLPE) to revise and extend their remarks and included extraneous material:)

Mr. HUTTO, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. LEVITAS, for 5 minutes, today.

Mr. BROWN of California, for 20 minutes, today.

Mr. LAFALCE, for 20 minutes, today.

Mr. ENGLISH, for 5 minutes, today.

Mr. JONES of Oklahoma, for 5 minutes, today.

Mr. EVANS of Georgia, for 60 minutes, on June 10.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. SOLARZ, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,560.

Mr. BROWN of Ohio, immediately following the remarks of Mr. HAMMERSCHMIDT on H.R. 2156, extension of funds for Veterans' Administration support of State medical schools, today.

Ms. FERRARO, on H.R. 2540, immediately prior to the vote.

Mr. DE LUGO, in support of H.R. 2540, U.S. International Trade Commission and Customs Service Authorization, during general debate in the House today.

(The following Members (at the request of Mr. NELLIGAN) and to include extraneous matter:)

Mr. YOUNG of Florida in five instances.
Mr. CLINGER.
Mr. BROWN of Ohio in four instances.
Mr. BENEDICT.
Mr. MCDADE in two instances.
Mr. MICHEL in three instances.
Mr. RITTER.
Mr. LEE.
Mr. DERWINSKI.
Mr. KEMP.
Mr. LEBOUTILLIER.
Mr. LAGOMARSINO in three instances.
Mr. RUDD.
Mr. BEREUTER.
Mr. MCCLOSKEY in two instances.
(The following Members (at the request of Mr. WOLPE) and to include extraneous matter:)
Mr. IRELAND.
Mr. DE LA GARZA in 10 instances.
Mr. STARK in 10 instances.
Mr. WYDEN.
Mr. COELHO.
Mr. YATES.
Mr. RODINO.
Mr. BYRON.
Mr. ALEXANDER in two instances.
Mr. HERTEL.
Mr. DORGAN of North Dakota.
Mr. SKELTON.
Mr. WAXMAN.
Mr. GEJDENSON in two instances.
Mr. DE LUGO.
Mr. HAMILTON.
Mr. MAZZOLI.
Mr. WEISS in four instances.
Mr. LEVITAS.
Mr. CORRADA in two instances.
Mr. WON PAT.
Mr. BAILEY of Pennsylvania in two instances.
Mr. MOFFETT.
Mrs. SCHROEDER.
Mr. ECKART.
Mr. SEIBERLING in 10 instances.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 31 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, June 3, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1490. A letter from the Secretary of the Army transmitting notice of the Army's intention to proceed with the second phase of the Chemical Agent Munitions Disposal System at Tooele Army Depot, Utah, pursuant to section 409(b)(4) of Public Law 91-121, as amended; to the Committee on Armed Services.

1491. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment to Jordan (Transmittal No. 81-49), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

1492. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment to Jordan (Transmittal No. 81-53), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

1493. A letter from the Mayor of the District of Columbia, transmitting a draft of proposed legislation to provide for improvements in the local planning process in the District of Columbia, a transfer authority over certain purely local planning activities to the government of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

1494. A letter from the Mayor of the District of Columbia, transmitting a draft of proposed legislation to amend the District of Columbia Self-Government and Governmental Reorganization Act with respect the National Capital Service Area; to the Committee on the District of Columbia.

1495. A letter from the Mayor of the District of Columbia, transmitting a draft of proposed legislation to authorize the transfer of the District of Columbia Employment Security Building to the government of the District of Columbia; to the Committee on the District of Columbia.

1496. A letter from the Secretary of Education, transmitting a report by the National Center for Education Statistics on the condition of education pursuant to section 406(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1497. A letter from the Secretary of Education, transmitting the annual report for fiscal year 1980 on programs under the Women's Educational Equity Act, pursuant to section 937 of the Elementary and Secondary Education Act, as amended; to the Committee on Education and Labor.

1498. A letter from the Chairperson, National Advisory Council on Bilingual Education, transmitting the fifth annual report of the Council, pursuant to section 732(c) of the Elementary and Secondary Education Act, as amended; to the Committee on Education and Labor.

1499. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Jordan (Transmittal No. 81-49), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1500. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense articles to Saudi Arabia (Transmittal No. 81-51), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1501. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment and services to Oman (Transmittal No. 81-52), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1502. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Jordan (Transmittal No. 81-53), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1503. A letter from the Secretary of Housing and Urban Development, transmitting the semiannual report of the Department's Inspector General, covering the period ended March 31, 1981, pursuant to section 5(b) of the Inspector General Act of 1978; to the Committee on Government Operations.

1504. A letter from the Acting Administrator of General Services, transmitting various prospectuses proposing the lease of space, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1505. A letter from the Fiscal Assistant Secretary of the Treasury, transmitting the 25th annual report on the financial condition and results of the operations of the highway trust fund, pursuant to section 209(e)(1) of the Highway Revenue Act of 1956, as amended (H. Doc. No. 97-56); to the Committee on Ways and Means and ordered to be printed.

1506. A letter from the Mayor of the District of Columbia, transmitting a draft of proposed legislation to amend the District of Columbia Self-Government and Governmental Reorganization Act and section 7324 of title 5, United States Code, to authorize the Council of the District of Columbia to regulate political activities of employees of the District of Columbia government; jointly, to the Committees on the District of Columbia and Post Office and Civil Service.

1507. A letter from the Acting Comptroller General of the United States, transmitting a report on opportunities to reduce expenditures related to airport traffic control towers operated by the Federal Aviation Administration (CED-81-100, June 1, 1981); jointly, to the Committees on Government Operations and Public Works and Transportation.

SUBSEQUENT ACTION ON A BILL INITIALLY REFERRED UNDER TIME LIMITATIONS

Under clause 5 of rule X, the following action was taken by the Speaker:

the Committee on Science and Technology consideration of the bill (H.R. 2330) for a period ending not later than June 5, 1981, for consideration only of such portions of the bill and amendment authorizing funds for the development of a long-term nuclear powerplant safety systems plan pursuant to subsection 205(f) of the Energy Reorganization Act of 1974, as amended, as fall within that committee's jurisdiction over energy research and development pursuant to clause 1(r)(11), rule X.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RODINO:

H.R. 3748. A bill to amend titles 10, 14, 37, and 38 of the United States Code, to codify recent law, and to improve the Code; to the Committee on the Judiciary.

By Mr. BROWN of California (for himself, Mr. WALGREN, Mr. HOLLEN-

BECK, Mr. ERTEL, Mr. WATKINS, Mr. SEIBERLING, and Mr. DYMALLY):

H.R. 3749. A bill to advance the national prosperity and welfare, to establish a National Technology Foundation, and for other purposes; jointly, to the Committees on Science and Technology and the Judiciary.

By Mr. FINDLEY:

H.R. 3750. A bill to insure that each community in the United States, regardless of size, is provided with the maximum local full time radio broadcasting service; to the Committee on Energy and Commerce.

By Mr. BAILEY of Pennsylvania:

H.R. 3751. A bill to amend and revise provisions of the Internal Revenue Code of 1954 relating to the targeted jobs tax credit; to the Committee on Ways and Means.

H.R. 3752. A bill to amend the Internal Revenue Code of 1954 to provide tax incentives for the training of skilled labor in labor-short industries; to the Committee on Ways and Means.

H.R. 3753. A bill to amend the Internal Revenue Code of 1954 to provide for the disposition of investment tax credits earned by basic American industries through transferability, refundability, and carryback and carryforward of earned and future investment tax credits, and to provide certain penalties when taxpayers transfer or receive refunds for such credits; to the Committee on Ways and Means.

By Mr. BROWN of Ohio:

H.R. 3754. A bill to amend the Internal Revenue Code of 1954 to provide a 50-percent maximum tax rate on taxable income; to the Committee on Ways and Means.

By Mr. BROWN of Ohio (for himself, Mr. RITTER, Mr. BENEDICT, Mr. CORCORAN, and Mr. DANNEMEYER):

H.R. 3755. A bill to amend title XIX of the Social Security Act to provide for a cap on medicaid expenditures beginning with fiscal year 1982, and for other purposes; to the Committee on Energy and Commerce.

By Mr. JOHN L. BURTON:

H.R. 3756. A bill to provide that no Treasury note which is issued for a term of more than 3 years shall bear interest at a rate which is greater than 8 percent per annum; jointly to the Committees on Banking, Finance and Urban Affairs and Ways and Means.

By Mr. FORD of Tennessee:

H.R. 3757. A bill to amend title XVIII of the Social Security Act to include dental care among the items and services for which payment may be made under the supplementary medical insurance program; jointly to the Committees on Energy and Commerce and Ways and Means.

By Mr. HANCE:

H.R. 3758. A bill to amend the Internal Revenue Code of 1954 to reduce estate and gift taxes; to the Committee on Ways and Means.

By Mr. IRELAND (for himself, Mr. GIBBONS, and Mr. FRENZEL):

H.R. 3759. A bill to amend the Tariff Act of 1930 with respect to the penalty for failure to declare articles valued at less than $50; to the Committee on Ways and Means.

By Mr. JONES of Oklahoma (for himself, Mr. CONABLE, Mr. FRENZEL, Mr. MATSUI, Mr. UDALL, Mr. CLAUSEN, Mr. YOUNG of Alaska, Mr. BEREUTER, Mr. SOLARZ, and Mr. LOWRY of Washington):

H.R. 3760. A bill to amend the Internal Revenue Code of 1954 to extend certain tax provisions to Indian tribal governments on the same basis as such provisions apply to States; to the Committee on Ways and Means.

By Mr. LAFALCE:

H.R. 3761. A bill to amend the Internal Revenue Code of 1954 to improve productivity and employment by promoting capital investment in small business, and for other purposes; to the Committee on Ways and Means.

By Mr. LEBOUTILLIER:

H.R. 3762. A bill to make State and local governments eligible for negotiable order of withdrawal accounts; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LOWRY of Washington:

H.R. 3763. A bill to amend section 5 of the Uniformed Survivors Benefits Amendments of 1980 to provide the same annuity benefits to the surviving spouses of certain former members of the uniformed services who died before September 21, 1972, but after their discharge or release from active duty, as are provided under such section to the surviving spouses of certain former members who died before such date while serving on active duty; to the Committee on Armed Services.

By Mr. NAPIER (for himself and Mr. EMERSON):

H.R. 3764. A bill to amend title II of the Social Security Act to eliminate the 5-month waiting period which is presently a prerequisite of eligibility for disability insurance benefits or the disability freeze; to the Committee on Ways and Means.

By Mr. NAPIER (for himself, Mr. EMERSON, Mr. ROBERTS of Kansas, Mr. HARTNETT, Mr. MCCOLLUM, Mr. ROBERTS of South Dakota, Mr. MORRISON, Mr. JOHNSTON, Mr. CRAIG, Mr. SKEEN, Mr. HANSEN of Utah, Mr. STATON of West Virginia, Mr. HOLLAND, Mr. BAILEY of Missouri, and Mr. BROWN of Colorado):

H.R. 3765. A bill to provide mandatory social security coverage for Members of Congress and certain congressional employees; to the Committee on Ways and Means.

By Mr. NAPIER (for himself, Mr. EMERSON, Mr. NELLIGAN, Mr. ROBERTS of Kansas, Mr. ROBERTS of South Dakota, Mr. HARTNETT, Mr. CAMPBELL, Mr. HANSEN of Utah, Mr. MORRISON, Mr. SKEEN, Mr. FIELDS, Mr. CRAIG, Mr. MCCOLLUM, Mr. JOHNSTON, Mr. BROWN of Colorado, Mr. BAILEY of Missouri, Mr. HANSEN of Idaho, Mr. ROGERS, and Mr. STATON of West Virginia):

H.R. 3766. A bill to amend title II of the Social Security Act to eliminate the earnings test for individuals age 65 and over; to the Committee on Ways and Means.

By Mr. RUSSO:

H.R. 3767. A bill to amend the Internal Revenue Code of 1954 to provide an annual election to expense $25,000 of depreciable business assets, to increase the amount of income to which the lower corporate tax rates apply, to provide a zero rate of tax where a small business corporation distributes dividends, to increase the amount of used property to which the investment tax credit applies, to increase the investment tax credit for qualified rehabilitation expenditures, and for other purposes; to the Committee on Ways and Means.

By Mr. WAXMAN:

H.R. 3768. A bill to amend title III of the Public Health Service Act to provide for the prompt and orderly closure and transfer of Public Health Service hospitals and clinics; to the Committee on Energy and Commerce.

By Mr. WINN:

H.R. 3769. A bill to establish a Severe Storms Advisory Committee to review, on an annual basis, the severe storms research and operations activities of the Federal Government; to the Committee on Science and Technology.

By Mr. PHILLIP BURTON:

H.J. Res. 271. Joint resolution commemorating the centennial of the United Brotherhood of Carpenters and Joiners of America; to the Committee on Ways and Means.

By Mr. COELHO:

H.J. Res. 272. Joint resolution to authorize and request the President to issue a proclamation designating April 4 through 10, 1982, "National Medic Alert Week"; to the Committee on Post Office and Civil Service.

By Mr. DANIEL B. CRANE:

H.J. Res. 273. Joint resolution to designate the third Sunday in September 1981 as "National Ministers Day"; to the Committee on Post Office and Civil Service.

By Mr. LAFALCE:

H.J. Res. 274. Joint resolution to establish National Volunteer Firefighters' Day; to the Committee on Post Office and Civil Service.

By Mr. MITCHELL of New York:

H.J Res. 275. Joint resolution designating the week beginning September 25, 1981, as "Battle of West Canada Creek Bicentennial Week"; to the Committee on Post Office and Civil Service.

By Mr. TAYLOR:

H.J. Res. 276. Joint resolution to designate June 30, 1981, as "National Drug Standards Day"; to the Committee on Post Office and Civil Service.

By Mr. WOLF (for himself, Mr. PARRIS, Mr. ASHBROOK, Mr. HAGEDORN and Mr. ERLENBORN):

H.J. Res. 277. Joint resolution granting the consent and approval of the Congress for the States of Virginia and Maryland and the District of Columbia to amend the Washington Metropolitan Area Transit Regulation Compact to delete the requirement that laborers and mechanics employed by contractors and subcontractors in the construction, alteration, or repair of projects undertaken by the Washington Metropolitan Area Transit Authority be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act; jointly, to the Committees on the Judiciary and the District of Columbia.

By Mr. RINALDO (for himself, Mr. ANNUNZIO, Mr. APPLEGATE, Mr. ATKINSON, Mr. BAILEY of Pennsylvania, Mr. BENJAMIN, Mr. BIAGGI, Mr. BINGHAM, Mr. JOHN L. BURTON, Mr. CARNEY, Mr. CHAPPIE, Mrs. CHISHOLM, Mr. CLAUSEN, Mr. COELHO, Mr. CONTE, Mr. CONYERS, Mr. DE LA GARZA, Mr. DENARDIS, Mr. DERWINSKI, Mr. DONNELLY, Mr. DOWNEY, Mr. DUNN, Mr. DWYER, Mr. FASCELL, Mr. FAUNTROY, Mr. FAZIO, Mr. FISH, Mr. FOGLIETTA, Mr. FORD of Michigan, Mr. FORSYTHE, Mr. GILMAN, Mr. GOLDWATER, Mr. GUARINI, Mr. HERTEL, Mrs. HOLT, Mr. HORTON, Mr. HOWARD, Mr. LANTOS, Mr. LEBOUTILLIER, Mr. LEE, Mr. MARKEY, Mr. MARKS, Ms. MARTIN of Illinois, Mr. MATSUI, Mr. MAVROULES, Mr. MCDADE, Mr. MCGRATH, Mr. MCHUGH, Mr. MOFFETT, Mr. MOLINARI, Mr. MOORHEAD, Mr. MURPHY, Mr. MURTHA, Mr. NELLIGAN, Mr. OBERSTAR, Mr. O'BRIEN, Mr. OT-

TINGER, Mr. PEYSER, Mr. PRICE, Mr. PURSELL, Mr. RAHALL, Mr. RICHMOND, Mr. RITTER, Mr. RODINO, Mr. ROE, Mr. ROTH, Mrs. ROUKEMA, Mr. ST GERMAIN, Mr. SANTINI, Mr. SCHEUER, Mrs. SCHNEIDER, Mr. SCHUMER, Mr. SHAW, Mr. SHUMWAY, Mr. SMITH of New Jersey, Mr. SOLARZ, Mr. SOLOMON, Mr. VENTO, Mr. WALGREN, Mr. WEISS, Mr. WORTLEY, Mr. ZEFERETTI, and Mr. LAGOMARSINO):

H. Res. 145. Resolution expressing the sense of the House of Representatives that the week commencing on June 7, 1981, should be designated as "National Italian-American Heritage Week"; to the Committee on Post Office and Civil Service.

By Mr. ROSENTHAL (for himself and Mr. DERWINSKI):

H. Res. 146. Resolution to offer strong support for current diplomatic efforts to resolve the latest crisis in Lebanon, and to protect the right of Lebanese Christian and other communities to live in freedom and security; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FAZIO:

H.R. 3770. A bill for the relief of Divinia Manatad and Jeuerita Manatad; to the Committee on the Judiciary.

By Mr. LOWRY of Washington:

H.R. 3771. A bill to authorize the documentation of the vessel, *Pacific Pride*, as a vessel of the United States with coastwise privileges; to the Committee on Merchant Marine and Fisheries.

By Mr. ROYBAL:

H.R. 3772. A bill for the relief of Mee Sau Tse; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 52: Mr. COURTER, Mr. DOUGHERTY, Mr. FOGLIETTA, Mr. FOUNTAIN, Mr. PANETTA, Mr. RHODES, Mr. SUNIA, Mr. VENTO, Mr. WEAVER, and Mr. JEFFORDS.

H.R. 397: Mr. MITCHELL of Maryland.

H.R. 450: Mr. HAGEDORN, Mr. HAMMERSCHMIDT, Mr. PHILIP M. CRANE, Mr. JOHNSTON, Mr. GINGRICH, and Mr. WOLF.

H.R. 654: Mr. MOLLOHAN and Mr. BENEDICT.

H.R. 703: Mr. LUNDINE.

H.R. 713: Mr. WOLF and Mr. MCCOLLUM.

H.R. 808: Mr. SUNIA, Mrs. COLLINS of Illinois, Mr. FOGLIETTA, Mr. LEVITAS, and Mr. DE LUGO.

H.R. 894: Mr. MCDONALD and Mr. JACOBS.

H.R. 911: Ms. FIEDLER.

H.R. 1005: Mr. WEAVER, Mr. DREIER, Mr. WYDEN, Mr. NAPIER, Mr. HARTNETT, and Mr. EVANS of Iowa.

H.R. 1034: Mr. NAPIER.

H.R. 1309: Mr. LELAND.

H.R. 1364: Mr. MCCOLLUM.

H.R. 1464: Mr. HILER, Mr. DASCHLE, Mr. WOLF, Mr. MCKINNEY, Mr. PARRIS, Mr. VANDER JAGT, Mr. RINALDO, Mr. MARRIOTT, Mr. SIMON, Mr. LEE, Mr. EMERSON, Mr. LELAND, Mr. HUTTO, Mr. PHILIP CRANE, Mr. TAUZIN, Mr. O'BRIEN, and Mr. FOWLER.

H.R. 1491: Mr. EMERY.

H.R. 1492: Mr. EMERY.

H.R. 1493: Mr. EMERY.

H.R. 1508: Mr. BROYHILL, Mr. BLILEY, Mr. TAUKE, Mr. MOORHEAD, Mr. LUKEN, Mr. COLLINS of Texas, Mr. SCHEUER, and Mr. D'AMOURS.

H.R. 1576: Mr. RAHALL.

H.R. 1596: Mr. HANSEN of Idaho, Mr. MOAKLEY, Mr. O'BRIEN, Mr. SCHEUER, Mr. SOLARZ, Mr. STOKES, and Mr. SUNIA.

H.R. 1703: Mr. JOHNSTON.

H.R. 1711: Mr. BAILEY of Pennsylvania.

H.R. 1725: Mr. WOLPE.

H.R. 1890: Mr. DIXON, Mr. JAMES K. COYNE, and Mr. HARKIN.

H.R. 1911: Mr. NAPIER.

H.R. 1918: Mrs. SCHROEDER and Mr. PURSELL.

H.R. 1983: Mr. WEBER of Minnesota.

H.R. 1995: Mr. HUBBARD, Mr. NICHOLS, and Mr. YOUNG of Alaska.

H.R. 2067: Mr. FORD of Michigan, Mr DINGELL, Mr. HERTEL, Mr. BLANCHARD, Mr. WOLPE, Mr. BROOMFIELD, Mr. PURSELL, and Mr. DAVIS.

H.R. 2103: Mr. FORSYTHE, Mr. LAGOMARSINO, and Mr. DERWINSKI.

H.R. 2104: Mr. STOKES, Mr. PORTER, Mr. DOUGHERTY, Mr. NAPIER, and Mr. BURGENER.

H.R. 2325: Mrs. BOUQUARD, Mr. STATON of West Virginia, and Mr. JAMES K. COYNE.

H.R. 2327: Mr. NAPIER.

H.R. 2488: Mr. ERTEL.

H.R. 2548: Mr. WOLPE.

H.R. 2556: Mr. GOODLING.

H.R. 2588: Mr. AUCOIN, Mr. MOAKLEY, Mr. VENTO, Mr. OBERSTAR, and Mr. WIRTH.

H.R. 2646: Mr. EVANS of Georgia, Mr. TRIBLE, Mr. HERTEL, Mr. NAPIER, Mr. DORNAN of California, and Mr. MAZZOLI.

H.R. 2773: Mr. GINGRICH, Mr. MARTIN of Illinois, Mr. ANTHONY, Mr. ALEXANDER, Mr. MINETA, Mr. FOGLIETTA, and Mr. NAPIER.

H.R. 2805: Mr. PHILIP M. CRANE.

H.R. 2883: Mr. SMITH of New Jersey, Mr. BAFALIS, Mr. PANETTA, Mr. FORSYTHE, Mr. JONES of North Carolina, Mr. HOLLAND, Mr. WINN, Mr. RAILSBACK, Mr. MCEWEN, Mr. LENT, Mr. QUILLEN, Mr. ST GERMAIN, Mr. FOUNTAIN, Mr. SMITH of Alabama, Mr. DUNCAN, Mr. WON PAT, Mr. COELHO, Mr. WALKER, Mr. VENTO, Mr. DYSON, Mr. WEBER of Minnesota, Mr. SIMON, Mr. MURPHY, Mr. SCHEUER, Mr. PETRI, Mr. DOWNEY, Mr. SOLOMON, Mr. HUGHES, Mr. OTTINGER, Mr. GINGRICH, and Mr. BAILEY of Pennsylvania.

H.R. 2897: Mr. YOUNG of Alaska.

H.R. 2932: Mr. SNYDER.

H.R. 2973: Mr. CROCKETT, Mr. FLORIO, and Mr. MITCHELL OF MARYLAND.

H.R. 2983: Mr. STOKES, Mr. PORTER, Mr. SMITH of Alabama, Mr. MICHEL, and Mr. SOLOMON.

H.R. 3114: Mr. BUTLER and Mr. LIVINGSTON.

H.R. 3143: Mr. BENJAMIN, Mr. CONYERS, Mr. ECKART, Mr. STARK, Mr. OBERSTAR, Mr. FAZIO, Mrs. CHISHOLM, Mr. SABO, Mr. FARY, and Mr. FOGLIETTA.

H.R. 3158: Mr. BAILEY of Pennsylvania.

H.R. 3159: Mr. BAILEY of Pennsylvania.

H.R. 3204: Mr. MOAKLEY and Mr. FRANK.

H.R. 3205: Mr. STOKES.

H.R. 3218: Mr. RODINO, Mr. MITCHELL of Maryland, Mr. GARCIA, Mr. FORD of Tennessee, and Mr. CROCKETT.

H.R. 3253: Mr. FOGLIETTA and Mr. BEDELL.

H.R. 3436: Mr. BARNES and Mr. SABO.

H.R. 3442: Mr. VENTO and Mr. WON PAT.

H.R. 3666: Mr. HUBBARD and Mr. BLILEY.

H.J. Res. 72: Mr. LEBOUTILLIER, Mr. GRAMM, Mr. ARCHER, Mr. YOUNG of Alaska, Mr. SHUMWAY, Mr. MAVROULES, Mr. BEVILL, and Mr. STANTON of Ohio.

H.J. Res. 125: Mr. GUNDERSON.

H.J. Res. 131: Mr. GRADISON, Mr. MONTGOMERY, Mr. D'AMOURS, and Mr. RAILSBACK.

H.J. Res. 225: Mr. GOLDWATER, Mr. SAWYER, Mr. DORGAN of North Dakota, Mr. MATTOX, Mr. LANTOS, Mr. BROYHILL, Mr. HARTNETT, Mr. SHELBY, Mr. HANSEN of Utah, Mr. ANDREWS, Mr. LEWIS, Mr. GRAMM, Mr. MILLER of Ohio, Mr. MCEWEN, Mr. MORRISON, Mr. LUNGREN, Mr. MURPHY, and Mr. HANCE.

H. Con. Res. 59: Mr. WAXMAN and Mr. CONYERS.

H. Res. 100: Mr. NAPIER.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

103. By the SPEAKER: Petition of the New England Board of Higher Education, Wenham, Mass., relative to the guaranteed student loan program; to the Committee on Education and Labor.

104. Also, petition of the University of Wisconsin Archives Council, Eau Claire, Wis., relative to reauthorization of the National Historical Publications and Records Commission; to the Committee on Government Operations.

105. Also, petition of the Negros Occidental Chapter, Defenders of Bataan and Corregidor, Inc., Bacolod City, Philippines, relative to veterans benefits; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3455

By Mr. BONIOR of Michigan:

—At the end of the bill, add the following new section:

REPEAL OF AUTHORIZATION FOR CONSTRUCTION OF BINARY NERVE GAS PRODUCTION FACILITIES

SEC. 906. Notwithstanding section 705(a), the authorization for military public works to be accomplished by the Secretary of the Army at Pine Bluff Arsenal, Arkansas, contained in title I of the Military Construction Authorization Act, 1981 (94 Stat. 1750), and the authorization of appropriations therefor, are repealed as of the date of the enactment of this Act. If appropriated funds have previously been obligated for construction contracts for such military public works, such contracts shall be canceled and the contractors involved shall be paid the cancellation liability of the United States under such contracts.

By Mr. ERTEL:

—Page 59, after line 11, add the following new section:

REALIGNMENT OF FORT INDIANTOWN GAP

SEC. 906. (a) No funds appropriated pursuant to any authorization contained in this Act may be used to realign, or terminate any component of, Fort Indiantown Gap located in Annville, Pennsylvania, before November 1, 1981.

(b) No funds appropriated pursuant to any authorization contained in this Act may be used to realign, or terminate any component of, Fort Indiantown Gap located in Annville, Pennsylvania, if before November 1, 1981, both the Armed Services Committee of the Senate and the Armed Services Committee of the House of Representatives pass, by a majority vote of those members

of the committee present and voting, a quorum being present, resolutions disapproving such realinement or termination.

(c) For purposes of this section, the term "to realign" includes any action which both reduces and relocates functions and civilian personnel positions, but does not include a reduction in force resulting from workload adjustments, reduced personnel or funding levels, skill imbalances, or other similar causes.

By Mr. SIMON:

—Page 27, strike out lines 10 through 25 and insert in lieu thereof the following:

MX MISSILE SYSTEM

SEC. 305. No funds appropriated pursuant to the authorization for the MX missile system in section 301 may be obligated or expended with respect to a basing mode for the MX missile until—

(1) the President selects a specific basing mode for the MX missile system and transmits to the Congress in writing a description of the basing mode selected;

(2) the Secretary of Defense submits to the Committees on Armed Services of the Senate and House of Representatives a report in writing (A) justifying the selection of the President referred to in paragraph (1), and (B) containing a comparison and evaluation of alternative basing modes to the basing mode selected by the President; and

(3) a period of sixty days has elapsed after the certification under paragraph (1) has been received by the Congress and during which both Houses of Congress have not adopted resolutions of their respective Houses expressing disapproval of the development of the basing mode selected by the President.

EXTENSIONS OF REMARKS

SMALL BUSINESS TAX INCENTIVES ACT OF 1981

HON. JOSEPH M. McDADE
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. McDADE. Mr. Speaker, Congressman DAN MARRIOTT and I recently introduced H.R. 3202, the Small Business Tax Incentives Act of 1981. We submitted this measure because small business continues to be seriously affected by long-term inflation, high interest rates, and a heavy tax burden.

In late March, the Subcommittee on Tax, Access to Equity Capital and Business Opportunities of the House Small Business Committee, of which Mr. MARRIOTT is ranking minority member, held a series of hearings on the impact the President's tax proposals would have on small business. H.R. 3202 addresses many of the pressing problems voiced by the small business community during those hearings.

I would like to call to your attention the various provisions of the Small Business Tax Incentives Act. I feel these provisions were best outlined by my colleague from Utah during his excellent testimony before the House Ways and Means Committee when that panel held hearings on the tax aspects of the President's economic program. Accordingly, I am submitting Mr. MARRIOTT's thorough and able testimony for your consideration. The remarks of my distinguished colleague follow:

Mr. Chairman, Members of the Committee, I'm Dan Marriott, Congressman for the Second District of Utah. I appreciate this opportunity to outline what I believe must be a key element of any equitable and effective supply-side tax reform. As the Ranking Republican on the Subcommittee on Tax, Access to Equity Capital, and Business Opportunities, of the House Committee on Small Business, I feel it is essential that we fully understand the probable effects of the President's proposed economic program on the nation's small business community, and that we try to take those effects into consideration as debate continues on the final form the package will take.

I. AN OVERVIEW OF SMALL BUSINESS

The role of small business in our economy is indeed a crucial one. Let me simply refresh your memories with a number of significant statistics:

According to actual tax returns filed, there are around 15½ million businesses in the U.S. Of these, 2.7 million are corporations, including around 400,000 Subchapter S corporations.

1.4 million are partnerships.

Over 11.3 million are sole proprietorships.

Using the SBA's rule of thumb, that 97 percent of all businesses are small, there are over 15 million small businesses in this country.

II. SMALL BUSINESS' CONTRIBUTIONS TO THE ECONOMY

Small business accounts for the vast majority of all net new jobs in the private sector.

Treasury Secretary, Donald Regan, puts the figure at 85 percent.

The National Small Business Association puts the figure at 95 percent, which is probably closer to the mark. From 1969–1976, there were 9 million new jobs created. There was virtually no increase in employment among the nation's 1,000 largest corporations. Three million of those jobs were in State government; the other 6 million were in small businesses. (Source: Small Business Administration).

In any event, small business provides 58% of all non-farm employment.

Small business accounts for 50% of all new technical innovations.

According to the National Federation of Independent Business, small businesses contribute 43% of the Gross National Product, and 48% of the business portion of the GNP.

In addition to playing an active role in the stability of their towns and cities, small businesses are becoming increasingly aware of their potential political clout, and how to use it.

III. TAXES AND SMALL BUSINESS

The economic role of small business, as essential as it is, may be seriously threatened by the combination of long-term inflation, high interest rates, and a bias against small business of current tax laws.

I call your attention to figures set forth in the hearing record entitled Inventory Accounting as a burden on the Capital Formation Process (Pt. II), before the Subcommittee on Access to Equity Capital and Business Opportunities of the House Small Business Committee. These hearings, held June 10 and 11, 1980, produced the following table:

TABLE I.—THE RELATIVE TAX DISADVANTAGE OF SMALL CORPORATIONS

Size of business receipts	Percentage of total taxes to net worth	
	1969	1974
$50,000 to $100,000	18.3	30.1
$100,000 to $500,000	14.8	23.5
$500,000 to $1,000,000	15.4	21.3
$1,000,000 to $5,000,000	16.6	19.9
$10,000,000 to $50,000,000	14.7	16.9
$50,000,000 to $100,000,000	13.7	13.6
Over $1,000,000,000	11.8	11.5

There are additional, if unintentional, biases against small business in the tax code:

1. *Depreciation.*—The use of the Asset Depreciation Range is restricted, because of its complexity, almost exclusively to large firms.

2. *Accounting Methods and Inventory Methods.*—Small firms are merely confused by the complex regulations they face in choosing an accounting method. Further, because they cannot take advantage of an inventory method that recognizes the impact of inflation inventories, they wind up paying what amounts to an inventory tax.

3. *Accumulated Earnings Tax.*—A small corporation, if it accumulates earnings over $150,000, will have to justify to the IRS why the money should not be distributed (taxed). Since high interest rates force small businesses to finance, as much as possible, from retained earnings, this rule discourages growth. Small, closely held corporations are the only ones subjected to scrutiny by the IRS under this proposal. Even if it is able to show that operating needs justify a high accumulated earnings level, the small business may find the cost of mounting a defense prohibitive or even fatal.

4. *Ceiling on the Investment Tax Credit for Used Property.*—Small businesses make substantial use of used, refurbished equipment. The ceiling of $100,000 was supposedly needed to prevent large firms for trafficking in ITC's by reselling equipment between companies. Studies have shown this does not take place (Source: NFIB). Moreover, the value of the $100,000 ceiling has been greatly diminished by inflation. The most that can be said for the limit of this point is that it inhibits growth of many small firms, and provides an American market for the Japanese and other producers of less expensive, new equipment which is eligible for the full investment tax credit with no ceiling.

5. *Estate Taxes.*—Many small businesses must be sold so the heirs can pay the estate taxes due. Such a sale is frequently made to a larger concern, which works to increase economic concentration and to spur inflationary pressures. It obviously has another unintended result, that of preventing a family from continuing to operate a concern from generation to generation.

IV. SPECIFIC PROPOSALS FOR RELIEF OF SMALL BUSINESS

Congressman McDade and I have introduced a bill which we believe will restore a balance to our tax laws and correct the existing bias against small business. I'd like to take a few moments to outline our proposal and to comment on the reasons for the approach we've taken.

I strongly support the Administration's tax reduction proposals as a necessary first step to turning our economy around. The careful planning and foresight that have gone into these proposals is reflected by the fact that the Reagan Administration is not relying on tax policies alone, but is wisely joining them to budgetary restraint and sound monetary policies.

However, the very diversity that lends such strength to the American economy also makes it impossible for any single program to solve all its problems. For this reason, we would argue that, while 10–5–3 and Kemp-Roth are a good beginning, they must be augmented if small business is to realize any substantial benefit from the President's tax reduction package.

1. The great majority of corporations in this country are not capital-intensive and, therefore, would not benefit significantly from 10–5–3. In fact, 80% of all corporations

are small businesses. Most of them, including those in light industry, construction, trade, and service, would benefit more from a reduction in corporate tax rates.

The Marriott-McDade bill closely follows the lead of the bill reported last year by the Senate Finance Committee as H.R. 5829. It drops the bottom rate from 17% to 15% (for the first $25,000 of taxable income) and extends the scale of lower rates from the present $100,000 to $200,000. Anything beyond $200,000 would be taxed at 46%, which is slightly higher than the rate in the Finance Committee bill. (See Table II.)

Our reasons for setting the upper rate at 46% are simple: First, we have already offered large corporations a sizable break for all amounts under $200,000. Secondly, larger, more capital-intensive corporations will benefit—in a way that most small corporations won't—from 10-5-3. Thirdly, we believe that such a rate structure will tend to balance out the inequity in present effective corporate tax rates, while minimizing the revenue loss to the Treasury. The revenue loss from this portion of our bill has not been estimated; however, with the cap we propose, it should be significantly less than that for the Finance Committee bill, which went from $1.0 billion in fiscal year 1981 to $7.1 billion in fiscal year 1985.

TABLE II

[In percent]

Taxable income	Rate
Current law:	
0 to $25,000	17
$25,000 to $50,000	20
$50,000 to $75,000	30
$75,000 to $100,000	40
Over $100,000	46
Marriott-McDade bill (H.R. 3202):	
0 to $25,000	15
$25,000 to $50,000	17
$50,000 to $75,000	25
$75,000 to $100,000	30
$100,000 to $150,000	35
$150,000 to $200,000	40
Over $200,000	46

2. Studies show that about 80% of all businesses buy less than $25,000 in equipment in any one year. These non-capital-intensive firms, whether incorporated or not, are in no position to benefit from 10-5-3.

For example, if a small firm buys a $15,000 word processor, it will probably have to borrow money to pay for it. The term of the loan is likely to be four years, but 10-5-3 sets the depreciation period at five years; in other words, it will have paid off the loan for the equipment a full year before it can write it off. There are numerous other examples, from a new kitchen for a restaurant, to a new cooler for a flower shop.

We have calculated, with the help of NFIB and NSB, that a $25,000 direct expensing provision, as contained in H.R. 5829, coupled with the addition of a one percent investment tax credit, would allow the lowest bracket businesses to come out even with the capital recovery they would receive under other provisions of 10-5-3, which proposes a 6% credit for 3-year equipment.

Moreover, it would have the added benefit of simplicity. Under the proposed bill, there are still amortization schedules. Expensing would eliminate these tables and for most small firms, would have the effect of reducing the number of depreciation classes from 130 to one. The revenue loss from this provision has not yet been estimated. It should be similar to that in H.R. 5829, which peaked at $2.9 billion in fiscal year 1982, then dropped back below $1 billion in fiscal year 1985.

3. Under present law, there is a $100,000 limitation on the amounts of used equipment eligible for the investment tax credit; there is no similar limitation on new equipment.

This discriminatory tax treatment impacts directly and primarily on small businesses, which are already hindered by their inability to externally or internally generate the capital necessary to buy the equipment.

Capital stock formation among small businesses has been impeded by high interest rates, restricted availability of credit, regulatory burdens imposed by government, and tax laws.

Factoring in inflation, it is estimated that it would cost approximately $600,000 to start a small machine shop with used machinery which would employ ten workers. Retooling by already established small businesses is similarly far in excess of the current $100,000 cap.

Given current declining productivity, high interest rates, high capital costs and stiff international competition, small businesses should not be handicapped in their effort to enter into, and remain in, the American economy.

The Machinery Dealers National Association says it is confident that most new businesses in their industry equip their shops with used machinery.

To redress this imbalance, Mr. McDade and I propose that the ceiling on the amount of used property available for the investment tax credit be increased to $300,000.

4. The next provision is one which was included in the Finance Committee bill last year. It calls for increasing the number of Subchapter S corporation shareholders from 15 to 25, thus allowing more businesses to use the Subchapter S provisions. The revenue loss from this provision is estimated at only $5 million per year, but it will provide small businesses with much greater flexibility in attracting investment capital.

5. Title VI contains a combination of three provisions designed to attract more capital to the financially starved small business community. First, it attracts the all-essential seed money for a small business by allowing a $20,000 deduction to one per lifetime per individual. Then, to encourage the retention of the investment in small business, it calls for an increase in the capital gains tax exclusion to 80% for individuals who invest in a small business. Thirdly, it reduces the corporate alternative tax rate from 28% to 20%, to make the corporate capital gains tax rate the same as the maximum capital gains rate applicable to noncorporate taxpayers, when the corporation sells an interest in a small business.

The total estimated revenue "loss" from cutting the rate of the capital gains tax in half, on equity investments, in small businesses engaged in trade or commerce, is estimated to be only $159 to $176 million. Revenue gains from the jobs created by capital raised from such a reduction would be significantly higher, as was vividly demonstrated by the general capital gains cut passed in 1978.

Both the National Association of Small Business Investment Companies and the National Venture Capital Association point to the dramatic reaction of the venture capital industry to the tax cut. In the eight years before the tax cut, venture capital firms raised about $466 million; in only three years, following the cut, they raised over $1.7 billion.

In the eight years prior to the tax cut, venture capital firms invested a little over $2.9 billion; in only three years following the cut, they almost matched their eight year total, investing over $2.5 billion.

Furthermore, the Treasury has not lost the revenue it predicted it would. According to Oscar S. Pollock of Ingalls and Snyder in New York, indications are that the effects of the tax cut are significantly in the other direction. In 1978, the Joint Tax Committee estimated a revenue loss to the Treasury of $2.6 billion as a result of the capital gains tax reduction. What happened was quite the opposite. Treasury now estimates that there was a $1.1 billion revenue gain in 1979. In other words, in true supply-side fashion, a cut in the rate yielded a net increase in actual taxes paid.

We chose this three-part approach in lieu of a "rollover" for three simple reasons: First, it is far easier to administer, for both the small business investor and for the IRS; second, it will result—in the worst case—in a small revenue loss or—in the best case—in a revenue gain; thirdly, and just as important, it will rechannel investment money from tax shelters, where the success of the business is not the primary consideration, to areas of the economy where success is actually a prerequisite for a tax benefit. In other words, the small business investor, under our plan, has a vested interest in seeing that the small business' chances for success are maximized.

6. The next provision addresses a problem about which I expressed concern long before I ever came to Congress. As I mentioned earlier, too many small firms are sold, not because the heirs wish to sell them, but because they must do so to pay estate taxes. The present $500,000 exclusion is simply outdated and inadequate.

Such a sale can be avoided, of course, if the family-owned business purchases substantial insurance to pay Uncle Sam upon the death of the principal. As an insurance man myself, I have no doubt that, even with an increase in the exclusion, the prudent businessman or woman will invest in prudent financial planning, in order to assure their heirs an immediate, liquid estate in addition to the family business. Too many small businessmen and women are learning to cope the way farmers have for years: "Live poor and die rich." They shouldn't be forced to make that kind of a choice.

Our bill proposes an increase in the exclusion of small businesses from estate taxes to $2 million, when the small business is passed to a qualified heir and held for at least eight years. This recapture period is considerably less than the present 15 years primarily because the present provision is so totally out of step with actuarial tables. A surviving spouse is less than likely to outlive the deceased for 15 years. This provision recognizes reality and provides the spouse with much greater flexibility should he or she wish to retire, becomes ill, or is incapacitated after a reasonable period of operating the business.

It will also provide greater incentive for the continued growth of a small firm. Currently, an entrepreneur reaching middle age is likely to forgo expansion or improvement of the family business when the most likely beneficiary is Uncle Sam rather surviving heirs. "Why increase the value of my business just to pay increased estate taxes?" is likely to be the key factor in the equation.

7. The next title is designed to encourage savings and investment directly, by increasing the exemption of interest and individ-

uals to $2,000 per year per individual ($4,000 for joint returns), and making the exemption permanent.

8. Finally, in recognition of the need small business has for inventory reform, we've incorporated the language of a proposal introduced by Mr. Nowak, my Subcommittee Chairman. He has already testified on the matter in some detail before this Committee.

CONCLUDING REMARKS

In closing, I would simply like to point out our measure is a carefully crafted piece of legislation designed to benefit small business, but not at the expense of larger firms.

The Administration's own figures indicate that the tax part of its economic package is composed of tax rate reductions for individuals of about $554 billion over 5 years, and a total of $164.3 billion in reductions over the same period for business. We have pointed out that the benefits of 10-5-3 for small business will be quite limited. Additionally, the benefits of Kemp-Roth apply only to money withdrawn from the business, when that money is taxed.

Our bill is designed to encourage investment and retention of funds in small business, to offset some of the tax biases now affecting small business, to address problems not dealt with in the Administration's fine, but limited, tax reduction package, and to harness the true potential of the small business community for creating jobs, innovations, and enterprises that will ultimately provide the real foundation for economic growth and opportunity in this nation.

Thank you.●

EXECUTIVE PAY CEILING

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. WOLF. Mr. Speaker, I rise to express my continued concern about the adverse effects of the executive pay ceiling on the recruitment, retention, and morale of our top managers in the Federal service. Due to the imposition of the pay limitations, these managers have had a single 5½-percent pay raise since 1977. Absolutely incredible, considering the double-digit inflation of recent years. Also, as a result of the pay caps, we now have some 33,000 top executives and lesser management employees all at the pay ceiling. This means that, in many cases, four to seven tiers of management are being paid the same salary. An intolerable situation in itself.

I believe that the work of the Federal executive is especially important at this time when efficiency and productivity are needed more than ever in Government. As taxpayers, we all want the best available talent to run the Government and to keep costs down. Unfortunately, we are losing the very employees who contribute the most to the efficiency of the Federal service. This exodus through retirement and higher paying jobs in the private sector is due in large part to the pay ceiling. Last year, over 75 percent of the Federal executives who reached retirement age did, indeed, retire. This is unprecedented. NASA officials indicated that virtually all of the top managers on the Columbia project will retire and that a whole new management team will be continuing the project. Quite a waste.

The FBI recently conducted a survey of its top executives. The results of that survey again point out the seriousness of this pay compression issue. Mr. Speaker, I request that the executive summary of that survey be inserted in the RECORD.

In summary, I believe that our capacity to attract and retain executives of outstanding ability and achievement to top positions in the Government has seriously diminished and has reached a crisis point. I sincerely hope that the administration and the Congress will, as expeditiously as possible, take whatever action is necessary to resolve this problem which is destroying the quality of our Senior Executive Service.

SUPERGRADE SURVEY—EXECUTIVE SUMMARY

In October, 1980, an Executive Salary Ceiling Questionnaire was sent to all 135 supergrades in the FBI. One hundred and five responded (79 percent) as follows:

The average respondent has moved 6.9 times in his FBI career, 3.3 times in the last 10 years, and 1.5 times in the last three years. The average respondent has received 3.9 promotions within the last 10 years and 1.5 promotions within the last three years. The average respondent has received .7 actual salary increases and twice as many (1.4) "on-paper" salary increases in the last three years. Eighty-eight respondents indicated some form of financial loss occasioned by the numerous transfers and lack of sufficient remuneration for same. Fifty-four respondents reported an average increase of $573 between their old mortgage payments and their new mortgage payments. Thirty-seven respondents assigned a dollar value to their total losses as a result of administrative advancement. These losses were non-reimbursable out-of-the-pocket expenses which averaged $6,450. Twenty-two respondents cited an additional tax liability averaging $3,860 which occurred when Government reimbursement for closing costs and moving expenses exceeded the amount allowed by Federal regulations. Ninety-one respondents reported an average separation from their families of 5.3 months during their last move.

Proposed remedies offered by respondents generally concerned two major areas—transfer and relocation expenses, and adequate salary.

Of the 104 respondents who identified career motivation factors 99 (95 percent) mentioned responsibility, while 80 (77 percent) mentioned salary. Where responsibility and salary were mentioned together 63 (83 percent) ranked responsibility as more important than salary, while 13 (17 percent) reversed the order. Five (5 percent) mentioned salary or salary-related items, such as retirement, as the only thing of personal importance. Sixteen (15 percent) mentioned responsibility or responsibility-related items as solely important.

Perhaps the most important question in the survey addressed the impact on the FBI if no financial relief is forthcoming in the future. Of the 105 respondents, (42 percent) indicated they planned to retire as soon as they are eligible, six said they planned to quit immediately if given a better offer, 43 did not mention early retirement but did express concern over the pay "cap," and only 12 voiced a firm commitment to the Bureau regardless of financial losses.●

FAMILY PLANNING

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. McCLOSKEY. Mr. Speaker, Family Planning Services—title X of the Public Health Service Act—will soon be considered for renewal. I recommend to my colleagues the following Issues in Brief from the Alan Guttmacher Institute, which outlines the achievements of the family planning program.

[From the Issues in Brief, April 1981]

TITLE X: A DECADE OF ACCOMPLISHMENT

When the Family Planning Services and Population Research Act (Title X, Public Health Service Act) expires in September 1981, it will have completed its first decade of service. In the coming months, Congress will be considering the renewal of Title X which is the backbone of the national family planning program and the mainstay of the nation's efforts to avert unwanted pregnancies and minimize the need for abortion. No less importantly, in recent years Title X provided more than half of federal funding—and about 60 percent of worldwide expenditures—for reproductive biology, contraceptive development and assessment of the safety of contraceptive methods currently in use.

BACKGROUND

The federal government's involvement in family planning dates back to the mid-1960s, and rests on three fundamental premises: that all persons should be able to freely determine the number and spacing of their children; that the timing and spacing of births is directly related to the health of mothers and children; and that the availability of family planning services to low-income persons can be instrumental in preventing or alleviating poverty and dependency.

WHAT IS TITLE X?

Title X comprises two separate but closely related programs:

Project grants for the provision of voluntary family planning services (including natural family planning and infertility services) to all who need and want them, including sexually active adolescents, with priority given to low-income persons. The legislation's goal has always been the prevention of unwanted pregnancy. It has always contained an absolute prohibition on the use of funds for abortion. The service program is buttressed by a training program for clinic personnel, community-based education activities and strict evaluation requirements to ensure the accountability of the program. The fiscal year 1981 appropriation for this component of title X was $166 million.

A research program in human reproduction, the development and evaluation of contraceptive technology and population

dynamics, conducted under the aegis of the Center for Population Research of the National Institute for Child Health and Human Development. In 1981, $79.9 million was appropriated for this purpose.

WHY IS TITLE X CRUCIAL TO THE FAMILY PLANNING PROGRAM?

In addition to Title X, Titles V (Maternal and Child Health), XIX (Medicaid) and XX (Social Services) of the Social Security Act also contribute to the support of the national family planning program. The inclusion of family planning in these programs demonstrates congressional commitment to the principle that services be provided in all appropriate settings and programs. Nevertheless, because each is a state-administered program, the emphasis given to family planning varies greatly from state to state. Moreover, since each of the programs has a specific purpose other than family planning, contraception does not generally receive high priority.

There are many reasons Title X is critical to the availability of family planning services nationwide:

It provides more than half of all federal funds for family planning.

The growth rate of the entire family planning program hinges on appropriations levels for Title X.

Title X is the only program through which Congress can affect the extent to which family planning services are provided.

Eighty percent of family planning services provided to teenagers in specialized clinics are provided in Title X-supported clinics, making Title X the nation's major vehicle for the prevention of unintended adolescent pregnancies.

Title X services are not limited to persons on welfare or to the poorest of the poor. Thus, they can help the near-poor and many teenagers avoid falling into poverty as a result of unwanted births.

WHO RECEIVES SERVICES?

Four and a half million women received family planning services through the federally supported family planning clinic network in 1978. The typical client is young, has a low or marginal income and has no children. One-third are in their teens; 69 percent are white; and seven in 10 have incomes below 150 percent of the official poverty level.

Title X-funded programs have always served teenagers, most of whom initiate sexual activity almost a year before seeking contraception. While the parents of most young teenagers know that their daughters are attending a clinic, services are not generally contingent on parental consent or notification. However, most facilities make every effort to encourage teenagers to get the support of their parents.

WHO PROVIDES SERVICES?

A network of 3,200 agencies operate clinics at over 5,000 service sites in virtually every U.S. county. In 1978, health departments served 41 percent of patients in organized programs; Planned Parenthood affiliates served 27 percent; hospitals 13 percent; and a variety of other agencies, such as HMOs, neighborhood health centers and free clinics, 19 percent.

DHHS generally makes grant awards to state health departments or statewide, regional or metropolitan area "umbrella" agencies (e.g., nongovernmental family planning "councils") which, in turn, subcontract with local agencies. Every organization competing for Title X funds must present a plan for the use of funds that is subject to extensive review, beginning at the community level.

WHAT SERVICES ARE PROVIDED?

The principal function of the family planning program has been to introduce effective contraception to many low-income women and teenagers. Prior to clinic enrollment about half of new patients used no contraception or one of the least effective methods. After enrollment, 75 percent chose one of the most effective methods.

Most women who receive contraceptive services are also provided a range of other preventive care: pelvic and breast examinations, cancer screening, venereal disease testing, etc. For many women, family planning clinics serve as the entry-point into the health care system.

SOME ACCOMPLISHMENTS OF THE FAMILY PLANNING PROGRAM

Almost 800,000 unintended pregnancies a year—almost 420,000 of them among teenagers—are averted as a direct result of the federally funded family planning program. If these unplanned pregnancies had occurred, there would be an estimated 275,000 additional births and 420,000 more abortions each year (the remaining pregnancies would end in miscarriages). During the 1970s, 2.3 million unintended births were averted due to the federally supported family planning programs.

There has been a marked increase in the use of effective contraceptive methods among low-income persons, eliminating previous differences in method use between the poor and the more affluent.

Each dollar invested in family planning by the government in year one yields a saving of $2.00 in health and welfare costs associated with unwanted births the following year. The cost/benefit ratio is even greater among teenagers—a $2.90 saving for every dollar spent—because teenage pregnancies and births are more likely to be problematic medically and teenage parents are more likely to need welfare or other public benefits than their adult counterparts.

Two Title X-supported researchers won the Nobel Prize for their work on the brain hormone (LHRH) that could supplant today's birth control pills for women and provide the first such pill for men.

WHAT REMAINS TO BE DONE?

In 1978, 5.8 million of the 13 million poor women and sexually active teenagers in need of subsidized family planning services did not receive care.

Almost 1.5 million abortions were performed in 1979, reflecting the high incidence of unwanted pregnancy.

In 1976, nine percent of births to married women were reported as unwanted, even after the birth of the child.

One out of every six births—544,000 in 1978—occurs out-of-wedlock; most of these births are unintended.

There is an urgent need to develop new and improved contraceptive methods and to follow up already well developed leads.●

CONGRESSIONAL VIGIL ON SOVIET JEWRY

HON. SIDNEY R. YATES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. YATES. Mr. Speaker, the absolutely deplorable record of the Soviet Union as a gross and consistent violator of basic human rights is well established. But free people cannot accept that situation, and we must not ignore the men and women who we know are suffering the cruelty and deprivation of the Soviet system.

Today I want to remind the House that in 1978 Vladimir Slepak, a Moscow radio and television engineer, was arrested and given a 5-year sentence by a Soviet court. The Soviets did this because Vladimir and his wife, Maria, had spoken out and demanded the right to emigrate and join their sons in Israel. Vladimir Slepak first sought permission to emigrate in 1970 and as a result, he and his family have been the target of systematic harassment by the Soviets for a number of years. Vladimir has been fired from numerous jobs, he has been searched, beaten, and over the years, he has been arrested and jailed some 25 times for periods of 10 to 15 days but Vladimir and Maria continued the fight. In 1976, Vladimir became one of the first Moscow Helsinki monitors and he has not given up. The remarkable courage and dedication of the entire Slepak family is an example for all of us and I look forward to the day when they are together in Israel.●

VICE PRESIDENT BUSH'S NAVAL ACADEMY COMMENCEMENT REMARKS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. MICHEL. Mr. Speaker, on May 7, 1981, Vice President GEORGE BUSH delivered the commencement address at the graduation exercise of the U.S. Naval Academy in Annapolis, Md. At this point I insert into the RECORD the Vice President's inspiring address:

EXCERPTS FROM REMARKS OF VICE PRESIDENT BUSH

Today I'd like to talk to you about what you, as graduates of the United States Naval Academy, can expect to face as future leaders of our country.

If there's a single word to sum up what the meaning of your four years here at Annapolis have been directed toward, that word is "leadership". With that in mind, it's significant to note that you and your fellow graduates from the other Service Academies will be witness in your first few years of duty to the departure from the military scene of the remaining veterans of World War Two.

Indeed, most of those World War Two veterans have already left active service, and the frame of reference at the highest levels of leadership within our armed forces is more and more that of the American involvement in Korea and Vietnam.

The significance of this changing of the guard lies in the fact that World War Two was the last war in which we as a nation were disposed to fight with all the material

and moral force we could bring to bear. The experience of that war—shared by many of us—helps to better understand what it is we're trying to deter—and indeed, what the word "deterrence" itself means.

Since that time, of course, the world of the American military professional has become more complex. Korea and Vietnam were in large part limited in their scope and intensity by the new realities of modern weaponry. Add to this the fact that the fossil energy we once drew on without limit is now recognized as a finite resource, and you can see that our military options have become increasingly difficult and dangerous in the past four decades.

There are other complications as well, factors that have a significant impact on our national defense decisions and priorities.

When I was flying during World War Two, if we missed a wire and crashed into a barrier, our superiors just ordered up another airplane. I might also add, this wasn't approved practice, but it did occasionally happen.

Today, some of our airplanes cost $25 million each. Small wonder that we put more into pilot training nowadays than ever before. And small wonder that we now talk in terms of tens of airplanes, while during World War Two we were producing thousands.

But if the scope and numbers of modern weaponry and defense have changed in the past 40 years, I regret to say that the old problems that have made the use of weapons necessary throughout history aren't any different than they used to be. There are still nations that rely on aggression as a means of expanding their influence, and there are still injustices forced by one nation on another, despite all rules of international law.

In meeting the threat of such aggression, the United States Navy remains today, as throughout our country's history, an irreplaceable force in demonstrating America's determination to defend its vital interests—and that fact is well understood by the President, the Secretary of State and the Secretary of Defense.

Let me assure you, however, that our Administration is determined to reverse that trend, so that the United States Navy takes its proper place as second to none on the face of the earth.

Our Navy has the high quality of leadership necessary to carry out its mission in the 1980's—from the Chief of Naval Operations, Admiral T. B. Hayward, to the men and women in this audience who are now entering active duty. And though, as I say, there has been tremendous change in terms of the difficulties and dangers involved in that mission, the stakes are the same—nothing less than the security of our nation.

That's why, in this decade of the 1980's, our nation's service academies and armed forces deserve the support of every American who prizes freedom. Too often in the past the vital role played by the men and women who make up our armed forces has gone unappreciated in peacetime. But if we value freedom and peace, we must also value those who wear the uniform of our country.

One thing I could never stomach were the vicious attacks on our military during the late 1960's and early 1970's. Thank God we seem to have put behind us those far too frequent attacks on our military.

And in this regard, let me assure you that America's Service Academies and our armed forces have no more ardent supporter than the President who now sits in the White House, your Commander in Chief.

You are graduating at a critical time in terms of the direction of the U.S. Navy. Our President has made a determination, long overdue in my opinion, to strengthen the U.S. Navy—to reverse the unfavorable trends that have been setting in vis-a-vis the Soviet Union.

We intend to move forward towards the concept of a viable three-ocean Navy—to continue to improve our submarine capability—to keep Naval aviation, and that surely includes the Marine Corps, in the forefront—and to see that our surface Navy, once without peer, is fast, strong and flexible enough to protect our interests around the globe.

Your country and freedom-loving men and women everywhere need you to maintain, operate and lead America's naval arm in these difficult, dangerous times.

To the Class of 1981, let me add that while the burden you take up is great, you can be sure not only of the support but the active help of your countrymen in carrying out your mission. The security of our country and the guarding of its freedom will to a major extent rest on your shoulders, but there will be others, from every walk of American life, sharing the responsibility of leadership in the years ahead.

I say this because I believe—indeed, I know—there is a renewed faith and enthusiasm in America today, a new optimism in our country's future and our ability to meet the challenges of that future, much as previous generations of Americans met the challenges of their times.

Call it the rediscovery of America by the American people, the recognition once again not only of what we have been and are, but of what we have within our ability to become. Yes, we face great challenges over the next decade in the economic as well as the military field. But for all our problems, as President Reagan said in his recent address at Notre Dame:

"When it is written, the history of our time won't dwell long on the hardships of the recent past. But history will ask, and our answer will determine the fate of freedom for a thousand years, 'Did a nation born of hope lose hope? Did a people forged by courage find courage wanting? Did a generation steeled by hard war and a harsh peace forsake honor at the moment of a great climactic struggle for the human spirit?'"

The President asked those questions, but I know that he has confidence in what the answer will be. And as I see and feel the spirit of the Class of '81 and of the tradition of this great Academy, I share that confidence. So long as there is an Annapolis, there will be an America. And so long as the spirit of Annapolis lives, the spirit of American freedom has nothing to fear.

Thank you, and may your future be blessed with fair winds and clear skies.●

DIMENSIONS OF TERRORISM

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. LAGOMARSINO. Mr. Speaker, this administration has declared opposition to terrorism in the world as a major element of our foreign policy.

Even though we constantly remind our colleagues of the insidious connections between the Soviet Union and the international terrorist movement, many simply refuse to accept that connection.

I would like to bring to the attention of all of my colleagues the following commentary which, once again, describes the pervasive Soviet influence in terrorist activities around the world. I hope that it might give a better insight into some of the problems we face in improving relations with the Soviet Union:

DIMENSIONS OF TERRORISM

(By William Randolph Hearst Jr.)

NEW YORK.—The fuses of international terrorism were ignited last week to explode in seething Northern Ireland and escalate tension half-a-world away in the Middle East. As usual, they are calculated to coerce the West and benefit the Soviet Union which refers to them as "liberation movements," including the one in our own Caribbean backyard of El Salvador.

This time the Soviets and their power-hungry surrogates miscalculated. At a foreign ministers' conference of NATO allies in Rome, the Western alliance toughened its attitude—after we agreed to balanced arms talks at the end of the year with the Russians—and flatly questioned the validity of that fuzzy word, "detente," with the U.S.S.R. Immediately following the Rome meetings, our State Department announced the expulsion of Libya, a haven of world terrorism, from its embassy in Washington, as further recognition of our awareness of their part in most terrorist plots.

In other words, the alliance moved much closer toward the views held by President Reagan and his secretary of state, Alexander Haig, whom many Europeans know and trust from his stint as Supreme Commander of NATO. The U.S. President and Secretary Haig have delared bluntly that the Soviets had better behave in the immediate future or we just won't bother negotiating with them. Our allies agreed with our views and did so in direct language that cannot be misinterpreted.

Secretary Haig has been outspoken in his condemnation of the U.S.S.R. for assembling terrorist units from about 60 nations. The Russians have worked with and helped terrorist-minded regimes to plan operations from sanctuaries in Libya, PLO camps in Lebanon, Syria, and even provided "graduate" training in the Soviet Union. They use loyal satellites like Bulgaria, East Germany and Czechoslovakia to harbor terrorist cadres for dispersal in Europe.

Their chief surrogates abroad are represented by Fidel Castro and his legions in Africa and the Middle East and are presently preparing terrorist trainees for the Caribbean and elsewhere in Latin America. Our own Commonwealth of Puerto Rico has begun to feel the first depredations of "FALN" terrorists, transported to Cuba by the Russians where they are trained by Castro's secret service under the active supervision of Russia's KGB.

The Soviet-run interlocking directorate of terrorism has existed since early 1970, according to knowledgeable informants on this deadly issue who often have been ignored or criticized for seeing Reds under beds. Like Secretary Haig, these people are academicians and historians, serious observers of the international scene. One of them is Mrs. Claire Sterling, whose book, "The

Terror Network," was recently published by Reader's Digest Press-Holt, Rinehart and Winston. Her credentials as a foreign journalist the last 30 years are impeccable and her political views I would describe as sturdily anti-Communist, but soundly liberal.

Over several years of research in many countries, Mrs. Sterling accumulated vast amounts of data, including interviews, reports and remembrances of disaffected terrorists. It's a hair-raising book, which many higher-ups in our government have poured over, and I wholeheartedly recommend it to you.

Mrs. Sterling also deals at some length with the combustible issues of Northern Ireland, officially called Ulster. Unappreciated by outsiders, and even many emotional Irishmen in the Republic of Ireland, is how the IRA is trying to reunify the country on an ideological basis geared to militant socialism. The gun-toting faction, known as the "provisional wing" of the IRA (Provos for short), works hand-on-bomb with the international terrorist network and has trainees with the PLO.

Mrs. Sterling writes that the Provos wage war to "demolish the colonial regime (i.e. Great Britain) in the north and the Quisling government" of the Republic of Ireland. This branch of the IRA aims to set up a socialist state with a brogue. All top Provos have been thoroughly indoctrinated with Marxist views.

Take, for example, someone well-known like Bernadette Devlin McAliskey, once a MP in London who was lionized during a visit here several years ago. Her major difference with the Provos is that they won't let her be No. 1. Devlin, as she's usually known, broke away to form her own party which is an out-and-out Trotskyite apparatus demanding immediate revolution in the north and in the Republic of Ireland.

Few Irish on the inside—north or south—and virtually none on the outside are even remotely aware of the Provos' ultra-socialist aims for a United Ireland. They are overwhelmingly God-fearing folk who for centuries nursed bitterness against the English who treated their kinfolk as second-class people. after the partition in 1921, which left six counties under British rule in Northern Ireland, fresh troubles simmered and blew up between Catholics and Protestants.

To keep both sides apart because the Protestants outnumber Catholics 2-to-1 in a population of 1.5 million, Britain sent in troops in 1969. They were first welcomed by the Catholics until the IRA Provos insinuated urban guerrillas. Attacks and disorders spread from the main city, Belfast, throughout the province. There are children today who have never known anything but violence and death as they grew up. Some have been known to play soccer by kicking unexploded grenades around.

Into this maelstrom appeared a rabble-rousing Protestant minister, Ian Paisley, who had acquired some fundamentalist theological education from one of our colleges in the South. Paisley was elected an MP by his constituency and has encouraged Protestant private armies to rally and fight off IRA assaults.

The signal for the latest storm now besetting Northern Ireland has been the death by hunger strike of Bobby Sands in a prison hospital. He was only 27 and already an inveterate IRA fighter. To some, Sands is a hero and a martyr; to others, a terrorist and a criminal

While keeping our fingers crossed about events in Northern Ireland, the U.S. is moving on a large-scale diplomatic front in the Middle East. We've asked Israel to hold off action while urging Syria to pull back its 22,000 troops and Soviet-furnished SAM-6 surface-to-air missiles. The Syrian units were sent in originally by key Arab nations as "peace-keeping" troops in Lebanon.

The Syrians expanded terms of their own mission by unilaterally driving into a strategic valley from which artillery fire can be rained on nearby Israeli settlements and their Chrisian Arab allies. The hasty introduction of SAM-6s to Syria was a deliberate act of the Soviet Union. These were accompanied by a complement of technicians and instructors. The Russians have now withdrawn their advisers but Syria defiantly insists it means to play hardball. The Syrian regime is a complete Russian Client.

What I've written this week paints a gloomy picture of the Soviet-run international terror network. It should make us think hard and realistically about the limits of accommodation with an adversary bent on doing us in. More on this subject whenever.●

MARIO ANDRETTI

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. RITTER. Mr. Speaker, I rise today to bring to my colleagues attention the growing reputation of my home area, Pennsylvania's Lehigh Valley, as the home of champions in the sports world.

In 1978, the valley's own Easton Assassin, Larry Holmes, defeated Ken Norton to clinch the World Boxing Council's heavyweight crown. He continues as world heavyweight champion today.

Two years after that, in 1980, a whole team of Lehigh Valley superstars, the Pennsylvania Stoners, captured the American Soccer League title.

And now, Mr. Speaker, within the last few days, Lehigh Valley residents have once again seen one of their own capture the 1981 Indianapolis 500 auto racing championship, one of the sporting world's most coveted prizes. He is Mario Andretti of Nazareth, Pa. His triumph has swelled the collective chests of the valley residents to new dimensions.

Andretti's racing career includes many significant victories. He was auto racing's rookie of the year in 1965, he first won the Indy 500 in 1969, and his 1978 six Grand Prix victories on the Formula One circuit rightfully earned him the World Driving Champion title that year.

Mr. Speaker, let no one mistakenly construe Mario's Indy victory as a gift horse. He began the race in the 32d spot in a field of 33. To have gone on to win the title against those odds is truly a magnificent achievement.

Mr. Speaker, Harvard University President James Bryant Conant once noted that "* * * each honest calling, each walk of life, has its own elite, its own aristocracy based on excellence of performance." No statement better exemplifies Mario Andretti's standing in the world of auto racing. He is truly a member of auto racing's aristocracy.

And we in the Lehigh Valley, home of the champions, are full of pride and exhuberance over his latest triumph. As the Allentown Morning Call so aptly put it in a May 26 editorial "Mario, we are proud of you—as we have been over so many years!"●

FULL-TIME RADIO COMING TO RURAL AMERICA

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. FINDLEY. Mr. Speaker, today I am introducing legislation taking note of the Federal Communications Commission's forward-looking 9 kilohertz plan and directing the Commission, in implementing it, to insure that each community in the United States, regardless of size, is provided with the maximum local full-time radio broadcasting service. In the last Congress, similar legislation—H.R. 13015—gained the cosponsorship of over one-quarter of the Members of the House of Representatives.

The reason that this legislation is so vital is that currently almost one-fifth of the American people do not have local nighttime radio service. Instead, from sunset to sunrise, if they are able to listen to radio at all, they must tune in to a station hundreds of miles away. If local weather conditions make certain roads impassable, if there is danger from flooding or a tornado, if schools are closed or community activities canceled or rescheduled, almost 50 million Americans have no way to find out about it until the Sun comes up the next morning and their local radio station resumes broadcasting.

Now the Federal Communications Commission is about to take an action that will have a greater impact upon daytime broadcasters and the communities they serve than anything it has done in its 50 years of existence. In July the FCC will decide whether to reaffirm or abandon its policy to shift radio channel spacing for 10 to 9 kilohertz. If the FCC reaffirms its policy, daytime broadcasters may have a chance to expand their service to full time. If the Commission abandons its policy, the fight to break down the clear channels will resume.

Right now there are powerful forces working against the millions of Americans served by the daytime broadcasters. The National Association of Broadcasters is opposed to the 9 kilohertz plan and trying to defeat it.

Using scare tactics, the NAB has told daytimers that it will cost them thousands of dollars to retune to 9 kilohertz, when in fact it will cost a daytimer with a nondirectional antenna as little as $135 for a new crystal and 1 hour of engineering time. Tuning a directional antenna will cost more, but not nearly as much as the NAB suggests.

Another unfounded charge is that shifting to 9 kilohertz will reduce the quality of radio broadcasting. Again, the NAB should know better. According to the Department of Commerce's Institute for Telecommunications Science, any additional interference, if it occurs at all, will be imperceptible. The FCC's own studies confirm that interference will be minimal.

The real issue troubling the NAB is worry over the economics of the broadcasting industry, and even here they have misjudged the issues. Again using scare tactics, the NAB states that "the average AM radio station would experience revenue losses in the order of 20 percent should we shift to 9 kHz channel spacing." But this thinly veiled attempt to protect entrenched economic interests simply misses the point. The daytime radio stations are already on the air competing for the advertising dollar. The only change that will be made by shifting to 9 kHz is that many will be able to remain on the air after sunset. And to the extent that they are located in communities where there is no local full-time station, they will actually be strengthening the broadcasting industry by attracting new advertising revenues.

Not only is the NAB's analysis wrong, but they try to scare daytime broadcasters into believing that "those stations with more marginal facilities—daytimers—would suffer the greatest relative losses." Let me tell you, I have heard from literally scores of daytime broadcasters and they are not afraid of the free competitive marketplace.

The president of WCIR of Beckley, W. Va., wrote me that his station "is at a definite disadvantage in the competitive marketplace" because of the current FCC policy which forces them to leave the air each evening about suppertime.

The vice president of WPCO in Mt. Vernon, Ind., wrote, "Since our station must go off the air at sundown, the regular listening audience then must tune to another station for evening listening. Each time a person changes the dial, there is greater likelihood they they will not set the dial back to our station."

The general manager of WMAX in Grand Rapids, Mich., told me that the "sunset signoff also has a very adverse effect on our competitive position in the Grand Rapids radio market * * * that is unfair and increasingly impossible to overcome."

And the president of Crawford Broadcasting Co. wrote, "We believe that the new communications act proposal begets new operating horizons for radio in a way which will produce far more efficient and competitive service to the public."

Mr. Speaker, there are millions of Americans who are depending upon the FCC to carry through with its commitment to narrow channel spacing from 10 to 9 kilohertz and to provide them with local nighttime radio service. The rest of the world—Europe and Asia—shifted to 9 kilohertz years ago with no problems at all. Therefore, no one can argue convincingly that the Western Hemisphere will encounter problems if it follows suit.

This issue has literally been studied to death. No doubt that has been the intent of opponents of increased local full-time radio broadcasting. Yet every study I have seen convinces me that it is time to make the change to 9 kHz so that the millions of Americans living in small towns and rural areas can for the first time have full-time local radio service.

Text of bill follows:

H.R. 3750

A bill to insure that each community in the United States, regardless of size, is provided with the maximum local full-time radio broadcasting service

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 307(b) of the Communications Act of 1934 is amended by adding at the end thereof the following: "In any proceeding to assign channels within the amplitude modulation (AM) radio broadcasting band the Federal Communications Commission shall, pursuant to adoption of a nine kilohertz channel spacing plan, ensure that each community in the United States, regardless of size, is provided with the maximum local full-time radio broadcasting service."●

HONORING JOHN AND ROSE TABA

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. LANTOS. Mr. Speaker, for generations, millions of penniless immigrants who were rich in integrity, intelligence, and dedication have built and developed this great Nation. Two such outstanding individuals from my native Hungary are John F. and Rose Taba. They hail from a small village on the Danube, Dunapataly. From childhood on, they have exemplified the hard work, the decency, the self-reliance, the creativity of the Magyar spirit.

In 1956, after the failure of the heroic Hungarian uprising against Soviet Russia, they came to the United States and seized the wide-open opportunities of raising a family, building a business and contributing to their community. Working together as a family, they succeeded in fulfilling the American dream in one short generation. They exemplify the finest tradition of Hungarian Americans with their deep commitment to the ideals of this country and the heritage of their homeland.

I am proud to join their thousands of friends—Hungarians, Hungarian Americans, and Americans—whose lives they have enriched in many wondrous ways with music, good food, and warm fellowship that knows no boundaries and no language.●

INTERNATIONAL CONFERENCE ON FAMILY PLANNING

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. McCLOSKEY. Mr. Speaker, the International Conference on Family Planning in the 1980's, the first of its kind in 15 years, was held in Jakarta, Indonesia, between April 27 and May 1, 1981. The conference was attended by family planning experts representing 90 nations, as well as by delegates from the various donors of foreign assistance, foundations that make family planning grants available, and private voluntary organizations.

The conferees heard President Suharto of Indonesia call family planning "a key to the survival of the world in the future," noting that while a large population constitutes a great potential for development, a large population alone does not guarantee the success of development. He observed that, without the ability and the possibility of heightening prosperity, a big population becomes a burden to society and may cause disaster for successive generations.

President Suharto pointed out that family planning affects various aspects of life ranging from education and culture to the position and role of women in a society. He emphasized that the implementation of family planning programs is a global rather than a national task and that nations must learn from each other through an exchange of experiences.

The conference, sponsored jointly by the United Nations Fund for Population Activities, the International Planned Parenthood Federation and the Population Council, issued the following statement at the conclusion of the conference:

JAKARTA STATEMENT

During the last ten years a widespread popular demand for family planning information and services has been documented and many family planning programs have

been successfully implemented. One hundred and eighteen governments now support the provision of family planning information and services. However, on the average less than 50 cents per capita per year is currently spent on family planning and population programs in developing countries, and the demand for services far outstrips available funds.

Family planning is an essential component of any broad-based development strategy that seeks to improve the quality of life for both individuals and communities. The challenge of the 1980s is to secure the political commitment, financial and human resources to meet the family planning needs of 900 million couples of child-bearing age. The number of these couples in developing countries is projected to double by the year 2000. This challenge was dramatically stated by President Suharto in his opening address to the conference when he declared, "Successful implementation of family planning programs will be a key to the survival of the world in the future."

We believe that if the following steps are taken the lives of millions of mothers and children will be saved and the living conditions of individuals in a stabilized world population will be enhanced in the twenty first century. Eighty million people are added to the global population each year and this annual growth is likely to reach 100 million by the end of the century. We believe that most serious changes may take place in the world environment and the fabric of society if our recommendations are not heeded.

The actions outlined below are of profound practical and moral importance for all mankind and deserve support by political leaders, religious groups, health professionals, development planners and all levels of society throughout the world:

1. Family planning is a basic human right. Governments should be encouraged to translate this right into realistic policies and programs which meet the needs of their people.

2. A wide range of fertility regulating methods should be made available to men and women, with information on their advantages and disadvantages. These should include reversible methods, and, where legally accepted, voluntary male and female sterilization. Since most currently available contraceptive methods fall short of providing complete protection against unwanted pregnancy, access to safe, modern abortion techniques should also be offered wherever laws permit.

Where abortion is not legal, adequate medical care and contraceptive services should be available to those suffering from the consequences of badly performed abortions.

3. Family planning services are most effective when they are initiated, managed, evaluated and controlled by people of the community and when they are sensitive to the values, needs and problems of people. Mobilizing community resources and generating local leadership will increase program orientation towards people and self-reliance, therefore community participation in the planning and provision of family planning services must be ensured.

4. Family planning is an essential and integral part of economic and social development. Depending on local conditions, family planning can be linked with health, education, rural development, women and youth programs. It may also be the lead component of a primary health care program. Population education must be integrated into formal and non-formal educational systems to prepare future generations.

5. The non-governmental sector should be fully used to stimulate and complement government family planning programs.

6. Women and men should be equal partners in social development. Programs to encourage greater participation of women in community and national life will not only benefit women but also encourage smaller families. Family planning programs should set an example by emphasizing program and policy responsibilities for women. The responsibilities of fatherhood should be emphasized for men.

7. Adequate supplies of contraceptives must be assured for all people. Because of rapidly expanding needs in the 1980s, planning and action to ensure continued availability of these commodities is necessary and appropriate centers of manufacture should be established in the developing world.

8. Improved means of fertility regulation are urgently needed. The safety, acceptability and effectiveness of methods must be enhanced. Support for research to improve existing methods and to develop and test new technologies must be substantially increased.

9. There is an urgent need to increase current expenditure in developing countries from an estimated $1 billion dollars to approximately $3 billion annually in order to meet population and family planning program needs. Countries providing development assistance should increase their support of population programs from the current 2 percent of development assistance outlays to at least 5 percent. At the same time, the developing countries should substantially increase the proportion of their public expenditures which are allocated for family planning programs.●

EXTENSION OF TARGETED JOBS TAX CREDIT PROGRAM VITAL

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. BAILEY of Pennsylvania. Mr. Speaker, today I am introducing a bill to extend the targeted jobs tax credit (TJTC) program to December 31, 1984, tighten the present certification process of the program, and include all Vietnam-era veterans under the program.

The TJTC program was enacted in November 1978 as part of the Revenue Act of 1978 (Public Law 95-600). The program, as it exists, expands job opportunities for those most in need by giving a tax credit to employers who create jobs or target existing jobs to the following individuals:

Handicapped persons referred from vocational rehabilitation agencies;

Economically disadvantaged youths between the ages of 18 and 24;

General assistance recipients;

Supplemental security income recipients;

Economically disadvantaged Vietnam-era veterans;

Students between the ages of 16 to 19 participating in cooperative education programs; and

Economically disadvantaged convicts hired within 5 years of release from prison or date of conviction, whichever is later.

The TJTC serves the country well by targeting jobs to these individuals by avoiding expensive bureaucratic programing. Oversight is maintained through the certification process but the jobs are targeted and provided directly by the provisions of the act, existing agencies and the private employer. Moreover, the use of private sector jobs for employment opportunity and training provides a real world experience to the recipient and greater chance of full-time employment than more structured Government programs offer.

In 1979, 109,000 jobs were certified under the TJTC program. They came from all over the country and covered all targeted individuals. About half of the certified jobs were in the cooperative education program area with about half of the students involved being economically disadvantaged. In a recent survey, 97 percent of the teachers polled stated that they saw increased job opportunities for young people and disadvantaged youths because of the TJTC program.

I have heard from a number of employers in my district, confirming that they have hired more individuals and particularly hired more of those from the targeted groups due to the TJTC program. The tax credit certainly benefits the employers directly, and is the most direct and effective way to create jobs for the most needy with the best long-term employment results in the private sector.

The bill I am introducing today will extend the targeted jobs tax credit until December 31, 1984, and tighten up the certification process. To be certified under the program, application for certification will have to be applied for within 90 days of the hiring date. This will insure that jobs certified were created or targeted under the program and not just applied for after the fact at a later date. Additionally, it will include all Vietnam era veterans in the program rather than just the economically disadvantaged veterans.

I urge the support of my colleagues for this bill which I believe provides an effective and needed jobs opportunity program at a time when our economy needs just such a boost.●

YOUTH EMPLOYMENT DEMONSTRATION ACT AMENDMENTS

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mrs. COLLINS of Illinois. Mr. Speaker, today the House votes on final passage of H.R. 3337, the Youth Employment Demonstration Act amendments. I rise in support of H.R. 3337 and hope that my colleagues will join me in voting favorably for this legislation.

As my colleagues are aware, teenagers represent 10 percent of the civilian labor force and close to 24 percent are unemployed. The teenage jobless rate in some inner cities is anywhere from 39 to 50 percent. In the city of Chicago, the teenage unemployment rate is around 30 percent. Certainly, we are in critical need of legislation which would extend the authorization for youth employment and demonstration programs. Passage of H.R. 3337 is needed because the authorization of appropriations for youth programs under part A of title IV of CETA expired last September. The programs are currently being funded under the continuing resolution for 1981.

I share the Committee on Education and Labor's view that by providing Federal funds for training unemployed youth is an investment in human capital which will have an anti-inflationary result by raising the skill level of the labor force and improve productivity.

The link between education and employment opportunities have been firmly established. Also education problems seem to be concentrated among particular groups of youth, minority, and low income. Further, it is generally accepted that without basic literacy skills, youth are unable to take advantage of further education or training. Subsequently, many are consigned to the bottom of the economic social ladder.

We cannot sit idly by and let our youth slip away with no training or jobs. Accordingly, I look to my colleagues to pass this legislation.●

TRIBUTE TO L. T. "LOU" BARRINGER

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. ALEXANDER. Mr. Speaker, L. T. "Lou" Barringer, 80 years young, is stepping down as president of L. T. Barringer & Co. a subsidiary of Cannon Mills after 63 years in the cotton business. Lou Barringer has been in the forefront of the effort to keep cotton "king" in the Midsouth. Fortunately for the industry Lou Barringer's six decades of wisdom and experience will not be lost to the industry since he is staying on with Cannon Mills as a consultant.

I commend the following article which appeared in the Memphis Commercial Appeal on May 31, 1981, to my colleagues:

BARRINGER TO RETIRE AS COMPANY HEAD

(By Emmett Maum)

L. T. 'Lou' Barringer, 80, considered one of the most valuable men in helping to achieve cotton legislation, will step down Aug. 1 as president of L. T. Barringer & Co., cotton subsidiary of Cannon Mills Co.

Barringer, an agricultural confidant of President Harry Truman, will retire after 63 years in the cotton business.

But, Barringer said, "The next day, I will be back at my desk, doing what I've been doing for so many years."

No successor has been named, "and I have no idea who will become president," Barringer said. At the same time, Hugh J. Toumey, board chairman and chief executive officer of Cannon Mills, Inc., sales subsidiary of Cannon Mills Co., will retire.

Barringer is in his office from 9 a.m. to 6 p.m. week days and usually 9 a.m. to 1 p.m. Saturdays and Sundays. The only difference is that he will be serving as consultant rather than president, a position he has held at the company at 1195 Union since it was organized in 1930.

Otto G. Stoltz, board chairman and president of Cannon Mills Co., based in Kannapolis, N.C., said, "Lou Barringer has made a long and valuable contribution to Cannon and the cotton industry. We are very proud to have been associated with him."

While Truman was a U.S. senator from Missouri, he and Barringer met on one of Truman's visits to the Bootheel. Thereafter they often discussed agricultural matters, especially cotton. Barringer helped Truman learn a great deal about cotton and said that as senator and later as President, Truman was a big help in agricultural legislation, including cotton programs.

During the Truman administration, Barringer frequently visited the White House, often for meetings with the President concerning agriculture, but sometimes on efforts related to the then-developing space program and other Truman programs, he recalled.

"Once I visited Truman six straight days in the White House," he said.

Barringer spent so much time in Washington that he kept a room at all times at the Mayflower Hotel. Even today, he has a White House pass given him by Truman.

"In those days, synthetic fibers were just getting going, and we had to work to ward off their efforts to take over our cotton markets," he said.

Through the years in which he was a factor in agricultural and cotton legislation, Barringer worked behind the scenes. He never accepted an official position, but was close to numerous U.S. senators and representatives and high government officials.

Truman was "knowledgeable and fair about agriculture, including cotton," said Barringer. In fact, the former President worked on a farm his parents owned near Independence, Mo., as a youngster. "Truman was agriculture all the way," said Barringer.

In the 1940s, Barringer said, he was able to swing one of the biggest advance bookings of cotton in history. Anderson, Clayton & Co., which no longer is in the cotton business, was financing some California cotton producers' crops. A-C planned to buy the cotton as it was ginned. Barringer asked how many bales would be involved and was told 70,000 to 80,000 bales.

"I told them we would buy all of it," he said, "and it turned out to be a total of 78,000 bales. We paid the current market price each day when the farmers were ready to sell the cotton."

Barringer's presence in agricultural policy efforts has continued throughout his career. His collection of Washington memorabilia includes large signed photographs of Truman, key Truman aides with whom he worked and former President Lyndon B. Johnson, as well as invitations to gatherings like the "housewarming" former Vice President Nelson Rockefeller held for his new quarters in 1975.

During the Carter administration, when cotton exports were lagging, Barringer recalled, "The Export-Import bank head was resisting a $75-million loan to Japan for the purchase of cotton." Barringer said he and some Southern senators worked closely, and the senators finally persuaded former President Carter to push for the loan.

"If Japan hadn't received it and bought the cotton, prices for cotton probably would have dropped quite a bit, and our exports would have been down sharply. That didn't cost the taxpayers a penny, because Japan pays its obligations."

Barringer in 1918 started his cotton career with Cannon Mills as a "squidge," or clerk, in Concord, N.C. Later he moved to the firm's cotton department in Atlanta. Finally, in 1930, Charles A. Cannon, who was board chairman and president, decided the company was using so much cotton it should open its own cotton firm. So L. T. Barringer & Co. was founded here. Today, John W. Barringer, a son who is a Collierville farmer, serves as assistant to the president of the cotton company. The younger Barringer has been a prime mover in the group organizing the Mid-South Agricenter, Inc., for Memphis.

In 1976, Barringer was honored with a surprise dinner at the Mayflower. Many speakers lauded the Memphian, including Truman's daughter, Margaret Truman Daniel; Rep. Ed Jones (D-Tenn.), former Sen. James O. Eastland (D-Miss.), former Sen. William Fulbright (D-Ark.), and former Secretary of Agriculture Orville Freeman. He was praised for working in the thick of congressional battles over cotton legislation for more than 35 years.

Mrs. Daniel recalled that Barringer had campaigned for Truman in 1938, 1944 and 1948. "I don't have much to say except I love you," she said. "To this day, he is a close family friend."●

TRIBUTE TO HON. JUSTICE FREDERIC T. HENRY

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. LEE. Mr. Speaker, colleagues, I sadly today bring to your attention the passing of one of my congressional district's and upstate New York's most respected jurists, the Honorable Jus-

tice Frederic T. Henry of Canandaigua, N.Y.

Judge Henry died Sunday at the age of 84, marking the loss to family, friends, and acquaintances of a good and honorable man. Those who served with him on New York State's highest court speak of his accomplishments as a friend as quickly as they address his accomplishments on the bench.

Frederic Henry grew up in Canandaigua, left to attend Cornell University Law School and serve in the U.S. Navy during the First World War, and then returned to his home and his lifelong neighbors to practice law in Canandaigua. In 1943 he began 7 years' service as Ontario County, N.Y. Surrogate Court judge. In 1950, he was elected to the New York State Supreme Court, and in 1959, in recognition of his respected service and his embodiment of the most admirable of characteristics of a jurist: fairness, compassion, and crystal-clear reasoning capacity, then-Gov. Nelson A. Rockefeller named Justice Henry to the State's highest court, the appellate court.

At the age of 77, in 1973, Judge Henry retired to return to the community of Canandaigua as a consultant to his son's practice of law and to exhibit a refreshed activity in the many community-betterment organizations to which so much of his life's free moments had been devoted: the Community Chest, the YMCA, the Canandaigua Hospital, and others.

The community will miss Judge Henry. I ask you to join with me today in observing the passing of this most honorable New York State jurist.●

IRISH EYES ON HUNGER

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. McDADE. Mr. Speaker, I would like to bring to my colleagues' attention an article which appeared in the New York Times on March 17, 1981, written by Father William J. Byron, president of the University of Scranton, Scranton, Pa. The article is entitled, "Irish Eyes on Hunger."

IRISH EYES ON HUNGER

(By William J. Byron)

SCRANTON, PA.—If there are Reagan roots in Tipperary, the Friendly Sons of St. Patrick surely will ferret them out for attention and celebration today. President Reagan's connection with the Irish predates his portrayal of The Gipper. "Dutch" was just a childhood nickname. His surname assigns him to the ranks of Irish-Americans whose forebears were the "boat people" of the 1840's.

The Irish came to these shores in a flight from famine. Yet concern for the hungry of the world is not high on any list of Irish excesses in contemporary America. This is strange, indeed, for what other immigrant group left so many famished behind and brought so many fevered with them only to die over here as an ultimate consequence of the potato failure over there?

Sunken eyes, pallid lips, protruding bones, bloated bellies were part of the scenery on an Emerald Isle blackened by blight in 1846. Millions of inhabitants of the modern world—Cambodia, say—have exhibited the same symptoms and experienced the same despair. Cambodia last year, Somalia this year, Ireland 135 years ago—the problem is hunger and what to do about it.

Wherever the Friendly Sons banquet tonight, there surely will be a potato on the plate. If it could speak, it would tell of hard times past; if it could point, it would direct all Irish eyes to the present problem of world hunger.

Somewhere on a White House shelf is a report, "Overcoming World Hunger: The Challenge Ahead." It is the March 1980 outcome of work begun two years earlier by a commission named by Jimmy Carter. His Presidency ended before he could attend to the recommendations. Chief among them is the suggestion that the United States "make the elimination of hunger the primary focus of its relationship with the developing countries, beginning with the decade of the 1980's."

With a Reagan in the White House, an O'Neill in the House Speaker's chair, and names such as Kennedy, Moynihan, Leahy, and Biden in Senate rollcalls, those hungry of the world who may also be afflicted with a sense of history might wonder when some political leadership will emerge here to activate an attack on hunger in less-fortunate lands.

Hundreds of thousands, possibly up to two million Irish men, women, and children died from starvation and disease related to the great potato famine. British lawmakers lined up at that time on the side of protectionism and laissez-faire. Government initiatives did establish public works to provide wages, paltry as they were, for potato-less farmers. But provision of food for starving Irishmen was left to private enterprise. It simply didn't work.

It would be a good idea to think forward and ask how history will evaluate today's Irish-American occupant of the Oval Office in terms of his response to world hunger. When the Friendly Sons invite their Senators and representatives, Irish or otherwise, to join them for dinner on St. Patrick's Day, more glasses than questions are raised, naturally. But out of the Irish-American experience comes a question that simply must be asked as this decade unfolds: Will America make elimination of hunger the primary focus of its relationship with the developing countries?

By the year 2100, political leadership here could conceivably extend to some Cambodian-Americans or Somali-Americans (Those possibilities are no less likely than was the expectation in the 1840's that the Irish would rise to the top of our executive and legislative branches.) Such groups could well have their own black-tie events on special days to celebrate their own heritage. The rice on their plates might stimulate musings on issues now beyond imagining. The question of what Irish and other Americans did in the 1980's for the world hungry is likely to occupy the thoughts of some. The answer to that question is being shaped in the Reagan White House and in the Congress of the O'Neills, Kennedys, Moynihans, Bidens, Leahys and their colleagues who are Irish at least one day a year.

Politicians on occasion recognize their own mortality. What a beautiful thing it would be if a line from the famous "Irish wish" could penetrate both Congress and the Oval Office and be understood in reference to the hungry of our world: "And when you come to die may the wail of the poor be the only sorrow you'll leave behind." This distance between cries of hunger and cries of sorrow at the passing of those who led the effort to eliminate hunger would be a remarkable measure of an extraordinary political career.●

REFLECTIONS OF A CHILD OF HOLOCAUST SURVIVORS

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. GEJDENSON. Mr. Speaker, several weeks ago, on April 30, Americans set aside a day to remember and mourn the 6 million lives which were lost in the holocaust of World War II. I had the privilege of joining my distinguished colleagues in the House as we paid tribute to those who were so senselessly murdered.

When we remember the holocaust, we must not only focus on the devastation of millions of men, women, and children, or on the loss of their descendants for all generations. We must also commemorate the survivors—those who faced incomprehensible atrocities and, through their very survival, reaffirm life and dignity in a world very often bereft of both. Nazism sought not only to exterminate all of the Jews in the world, but to erase even the memory of their existence. The Nazi crime, which came perilously close to completion, was thwarted by these individuals. Their lives are monuments to the vibrant Jewish culture of eastern Europe which no longer exists, and they are testimony to the spirit of a people who answer death by affirming life, by creating life.

When the State of Connecticut held a ceremony in remembrance of the holocaust, the main speaker was Menachem Z. Rosensaft, who, like myself, is a child of survivors. Mr. Rosensaft's parents survived the concentration camps at Auschwitz and Bergen-Belsen, and following their liberation he was born in the displaced persons' camp at Bergen-Belsen, on the cite of the concentration camp. With his background, and with his master's degree in European history, Mr. Rosensaft has spread the message and memory of the holocaust throughout this Nation by means of three books, numerous articles, a book of poetry, and several years of public speaking engagements. He is currently serving as a member of the steering committee that is planning a world gathering of holocaust survivors, where at least

3,000 survivors and their children are expected.

I would like to share with my colleague the remarks which Mr. Rosensaft made on April 27, when he delivered the keynote address at the holocaust commemoration in Hartford, Conn.

The address follows:

REFLECTIONS OF A CHILD OF HOLOCAUST SURVIVORS

And even if a million dying children did not destroy Creation
There will be another already forgotten universe
Over which God will have to cry those tears
That should have extinguished the fires of Auschwitz

"The Messiah," wrote Franz Kafka in one of his parables, "will only come when he will no longer be needed; he will only come on the day after his arrival; he will come, not on the last day, but on the very last."

During the winter and spring of 1945, when Allied troops at last entered the Nazi death camps, the stunned liberators discovered that they had come at the wrong time: too late to save, but too early to recite the final prayer. And, confronted with the emaciated survivors of civilization's nethermost inferno, they knew that they would never be able truly to comprehend what these living skeletons had undergone. The chasm between the survivors and the rest of the world was one which might, in time, be narrowed, but which could never be bridged.

In the course of the past thirty-six years, an entire generation, my generation, was born and has grown into maturity. For most of the members of this age group, Jews and non-Jews alike, the Holocaust is an historical abstraction. But not for us, the survivors' children. For us the cataclysm is more than real. While our very presence symbolizes our parents' ultimate victory over the enemies of the Jewish people, our collective consciousness is permeated with echoes of a world we never knew. Thus, we are the first generation and we are the last generation: the first to be born after the Holocaust, and the last to have a direct link with that Eastern European Jewish existence that was so brutally annihilated.

Other than in the limited sense that the designation is self-explanatory, it is difficult to define the children of Holocaust survivors as a separate entity in any comprehensive or accurate sense. We come from different backgrounds, covering virtually the entire European continent. We live in countries throughout the world, pursue a multitude of careers, and have diverse interests. Even our attitudes toward Judaism are vastly dissimilar. In brief, we are no more homogeneous than the survivors themselves. For the most part, all we have in common is our parents' experiences . . . but because of those experiences, we have everything in common.

Perhaps the best way to explain is with a story, or, rather, with two stories.

The first one: A child is born in a small Polish town in May of 1948. Its name is irrelevant, but it is definitely a Jewish town, with Jewish homes, Jewish schools, Jewish stores, synagogues and hassidic shtiblach, Jewish voices and Yiddish songs, an all-pervasive Jewish atmosphere. The family is a large one, as are most Jewish families in Eastern Europe, and the child is welcomed into the world by its parents, grandparents, brothers and sisters, uncles, aunts and cousins.

Soon, the child begins to receive a traditional Jewish education, both religious and cultural. He—or she—knows both Yiddish and Hebrew, in addition to Polish. At home, the atmosphere is one of profound Yiddishkeit, without any self-consciousness. His friends are all children like himself. And he knows that he will have all the options. He can become a scholar or a rabbi, a businessman or an industrialist, attend the famous Yeshiva in Lublin or study at a university in Warsaw or Cracow. He can become a Zionist or a socialist or both, a Jewish intellectual or a Polish professional. The choice is his. Of course, there are some restrictions. The centuries-old anti-Semitism of the Polish people remains very much in evidence. Still, the child grows up in a normal, stable environment. His existence is rooted in hundreds of years of family and communal tradition. He is safe, secure.

That is what should have been. But now for the second story, the real one: A child is born in the Displaced Persons camp of Bergen-Belsen in Germany in May of 1948. The name alone evokes shivers. Only minutes away from his crib are the mass-graves where tens of thousands who perished in this infamous concentration camp lie buried anonymously. Both his parents are Polish Jews, from towns which were once primarily Jewish. Only the parents are now virtually alone. Their entire families—parents, husband and wife, children, brothers and sisters, uncles and aunts—have been murdered. Few of their friends have survived the war. They themselves have experienced unspeakable atrocities. Now they must rebuild their lives, but in a vacuum. Gone is the support of a home, of family and friends, of security. Their confidence in man has been severely shaken, if not destroyed. Nevertheless, they are determined to go forward. They marry, and the child is the spark of their new beginning. But he, too, must grow up in this vacuum.

Ultimately, the family of three leaves the Displaced Persons camp. Filled with hopes and anticipation, they settle in Israel, or the United States, or elsewhere, to start new existences, new careers. But soon, a new disappointment sets in. Contrary to expectation, they are not usually welcomed with much warmth, even by the Jewish communities of their new homes. Perhaps there is some pity, some almost obligatory charity, but more often than not there is condescension, disdain. By and large, there is no desire to know what these refugees, these survivors went through. Certainly, there are few attempts to understand. Those who were indifferent throughout the years of the Holocaust remain indifferent. Thus, it is difficult for these new immigrants to integrate themselves into a less than receptive society. Also, there are the nightmares, the memories, the trauma, the fear and suspicion. The child is aware of all this, and it inevitably affects him in one way or another. As time goes by, he realized that he is somehow different. He is most comfortable with others like himself, to whom he does not have to explain his background, or his lack of grandparents, or his parents' experiences. In short, he is a child of Holocaust survivors.

With some variations, the above is accurate for most of us who are commonly referred to by the generic term, "the Second Generation". We are, I believe, unique in that while we did not experience the Holocaust, we have a closer personal link to it than anyone other than our parents. For us, it is not an abstract historical phenomenon to be treated dispassionately in an academic manner. Rather, it is our past, our parents' lives, our grandparents' death. Without having gone through the Holocaust, we nevertheless feel its flames. For us, the number 6,000,000 is not merely an anonymous statistic. It is our families, multiplied, and multiplied, and multiplied. It is my grandparents, and hundreds of thousands of other Jewish grandparents. It is my parents' brothers and sisters, and millions of other Jewish brothers and sisters. It is my six-year old brother, my mother's son who was gassed in Auschwitz, and more than a million other Jewish children.

Personally speaking—and in this context I would not presume to speak for anyone other than myself—even my relationship to Judaism is profoundly affected by the Holocaust. I cannot think of the destruction of the Temple in Jerusalem without thinking of thousands upon thousands of burning synagogues and Jewish homes. The martyrdom of a Rabbi Akiva who was put to death for his faith by the Romans must be seen in the light of Jews entering the gas chambers saying Shema Israel. The heroism of Bar Kokhba and of the fighters of Masada cannot any longer be recalled without at the same time remembering Mordekhai Anielewicz and the Warsaw Ghetto Uprising, the symbols of all the Jewish fighters and partisans of the Holocaust, and of all the resistance movements in all the camps and ghettos. Similarly, Abraham's readiness to sacrifice Isaac must be contrasted with the desperate attempts of Jewish parents during the Holocaust somehow to rescue their children, while the fires of Sinai cannot henceforth be approached except through the fires of Auschwitz. And we must never forget that our God who brought us out of Egypt is the same God who did not bring 6,000,000 of our people out of Nazi Europe.

This is not to suggest that one may erect a theology on the ashes of the Holocaust. However, we must treat it as an intrinsic part of the Jewish existence, and, as such, integrate it into our thoughts and being. No one among us has the right to evade its implications. For to ignore or minimize the Holocaust, to falsify or distort it in any manner, is to invite its recurrence.

In recent years, the Holocaust has all too often been trivialized, vulgarized and exploited. What should be sacred ground characterized by agonized silence and muted elegies, only to be approached with fear and apprehension, has become fashionable, an open territory without rules or restrictions. The annihilation of 6,000,000 European Jews is now the subject of speculative academic exercises. Pseudo-historians question the precise number of the victims, or even whether the Holocaust ever occurred, while others seek to deprive the Holocaust of its Jewish identity by deliberately ignoring the fact that the Final Solution was directed solely against the Jewish people. At the same time, novelists and dramatists concoct romanticized facsimiles of the most harrowing experience ever undergone by man, failing to comprehend the enormity of their desecration; irresponsible so-called mental health specialists concoct invalid theories at the expense of the victims, the survivors, and the children of the survivors; self-annointed authorities philosophize abstractly about Auschwitz and Treblinka for the sole purpose of philosophizing; and insensitive theologians attempt to posit religious interpretations of and justifications for the Holocaust without realizing that even to suggest

that God was somehow present at or a participant in Auschwitz is an act of blasphemy against the victims as well as against God.

Our response to this profane trend is a solemn commitment that, together with our parents, we shall perpetuate the sanctity and the inviolability of the memory of the Holocaust. We shall prevent it from being either mythologized or desecrated. And, above all, we shall transmit to our children our profound reverence and admiration for the spiritual strength, the heroic defiance and the somber dignity displayed throughout the years of the Holocaust by all those who experienced it, both the 6,000,000 and the survivors, for it is their unyielding adherence to the highest principles of Judaism and humanism which symbolizes and explains the survival of the Jewish people.

However, it is not sufficient for us to commemorate and remember. Simultaneously, we must do all that is within our power to ensure that there will never be another Holocaust. Because of who we are, we have a unique understanding of the bestiality that is inherent in mankind. We know only too well that Auschwitz, Treblinka and Bergen-Belsen represent the ultimate consequences of racism, persecution, oppression and discrimination. It is therefore our obligation—as much as if not more than anyone else's—to fight against and attempt to eradicate these phenomena whenever and wherever they occur. We must be as concerned about the unspeakable plight of the Cambodian refugees as we are about the persecution of Jews in the Soviet Union. We must take as firm and uncompromising a stand against South African Apartheid as we do against manifestations of anti-Semitism in France, Argentina and the Arab World. And it is incumbent upon us to reaffirm our total solidarity with and support for the State of Israel. We cannot stand by and allow its very survival to be bartered away for any reason.

Specifically, we may not criticize the world—including the Jewish world—for its silence forty and forty-five years ago, and for failing to come to the rescue of European Jewry at that time, unless we now demonstrate conclusively that we in fact learned the dire lessons of our recent past. Thus we must unambiguously reject and actively oppose any and all manifestations of extremism, violence, fanaticism or terrorism. For it is only by working toward the elimination of all hatred that we can justify our existence as human beings and Jews in the aftermath of the Holocaust.●

A TOWN HERO

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. LAGOMARSINO. Mr. Speaker, I rise to call the attention of this body to the impending retirement from formal public service of a dedicated and humane individual, Charles A. Mozley, of Fillmore, Calif.

Mr. Mozley, as he has become known to two generations of students at Fillmore High School, will be the subject of a special retirement tribute on June 12, sponsored by the people of the town which he has served so admirably for the past 29 years. His is truly a remarkable career, one of which all of us in this body can be proud. I am particularly pleased to bring Charley's accomplishments to the attention of this House because for a year he served as a member of my staff here in Washington, during a sabbatical from Fillmore High School in 1974.

Mr. Mozley is a teacher of civics—a profession which goes back to the time of Aristotle, at least—and I have known few people with a better grasp of what it means to be an active citizen in a democratic republic. During his career, he has taught over 4,000 young people the principles, privileges and responsibilities of citizenship in our Nation—as well as guiding a brace of interns and staff in my office.

Charley came to teaching by a strange route. After serving in the Navy in World War II, he was a jazz musician, playing the drums in nightclubs around the country. He came to Fillmore after a year in Barstow, Calif., and I must say, Mr. Speaker, to my dear colleague, JERRY LEWIS, that Barstow's loss was our gain.

For 29 years, Mr. Mozley has served not only as civics and psychology teacher, but also as senior class adviser, adviser for the senior council and on the senior class plays—and all-around confidant, cheerleader and friend of uncounted scores of Fillmore students. There are students now in his class whose parents sat in Charley's class years ago, and they tell me he has lost none of his enthusiasm, dedication and wry wit. He is truly that remarkable rarity and unique institution, a town hero. In fact, last month they made him grand marshal of the Fillmore Festival.

I said at the beginning of my remarks that Charley is retiring from formal public service. I qualified it that way because I know that Charley is not planning to withdraw from a lifetime of helping young people. He presently serves on the city youth needs committee, and continues his commitment to helping raise a family. And I know that his wife, Barbara, and his children, Melissa, Matt, Joel and Jim, join me in reporting that Mr. Mozley is as young today as the many young people he has helped through the years. He has a stake in continuing to do that, because his kids have given him five grandchildren to look out for.

So, Mr. Speaker, on behalf of my colleagues in the House and Senate, and with the pleasurable consent of the people of the community of Fillmore, I'd like to say—Thank you, Mr. Mozley, and God bless you.●

FOREIGN PORTS VERSUS GUAM: THERE IS NO CHOICE

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. WON PAT. Mr. Speaker, for the past 5 years I have been waging a long and difficult effort to defeat proposals put forth by the U.S. Navy to either close down or seriously reduce the effectiveness of the naval ship repair facility on Guam.

I was reminded of this today when I read a story in the Washington Post which discusses the ongoing controversy over whether or not Japan has allowed American ships carrying nuclear weapons into their waters and ports.

Despite statements by a former U.S. Ambassador to the contrary, Japanese officials have held steadfastly to their claim that American vessels with nuclear weapons are barred from that nation's waterways.

In recent months, I have been a strong advocate of an increased military role by the Japanese. I have said repeatedly that they should do more to carry the defense burden, particularly for their own defense.

While I have no argument with the Japanese decision to keep nuclear weapons out of their waters—that is and should be a decision only they can make—I do question the continued insistence by the U.S. Navy that this Nation should rely on foreign ports for our defense activities.

Since 1898 the U.S. Navy has found Guam to be a safe haven and a friendly port. Guamanians are Americans and have no reservations about U.S. military activities. We on Guam are very proud to be the westernmost Pacific base for the U.S. fleet. And at no time, have the American citizens of Guam ever barred nuclear weapons from our waters or our island. In fact, the military has found that Guam has welcomed it with open arms. Not because of any penchant for war; rather, because we realize that America might help keep our Pacific waters safe from foreign intervention.

If the Japanese wish to ban American nuclear weapons from their waters that is their right. The same is true of the Philippines which have a similar policy. But it does not require an expert in military affairs to realize that such a ban certainly restricts the usefulness of our bases in these countries.

I am all the more perplexed then by the continued efforts by the Navy to close down their operations at the Guam ship repair facility. Why would any military expert close down the only U.S. facility of this nature in the entire western Pacific when the alternatives are foreign ports which have

and will continue to place restrictions on our activities in their waters? I for one, cannot understand the logic of such reasoning. It seems simple logic would dictate that the facility on Guam would be kept going as an important ace in the hole against that time when this Nation would need to be guaranteed that our ships, complete with nuclear weapons, could find a safe and friendly haven in that part of the globe.

The price for this is not outrageous: The Guam facility costs only $24 million per year. This money, which is certainly a small sum compared to the overall military budget, gives over 700 Americans jobs and insures that work on American military vessels is done by Americans.

The choice is simple: The American citizens of Guam are ready and willing to do their share for the defense of this Nation. Can the same be said for our foreign allies?

I ask that the Washington Post story be included in the RECORD at this time. Thank you.

JAPAN INSISTS IT BARRED U.S. SHIPS WITH A-ARMS

(By William Chapman)

TOKYO, May 19.—The Japanese government stuck to its 21-year-old story today that American ships carrying nuclear weapons have been barred from Japan's waters and ports despite new disclosures by former officials that there never had been such an agreement.

Although the government's story was challenged on several sides, it nevertheless seemed determined to try to ride out the growing controversy.

The conflict burst into the open in a series of newspaper interviews that pitted the memories of former key officials against the version the government is clinging to.

Nuclear arms are a sensitive topic in this country that had two cities devastated by atomic bombs in World War II, and successive Japanese governments have avoided the issue of whether U.S. naval forces carry nuclear weapons. The Japanese also consider it extremely important that their politicians be seen as honest, and it would be a major embarrassment for a government in office to be suspected of lying about so sensitive an issue.

[Associated Press reported from Washington that Secretary of State Alexander M. Haig Jr. has canceled a visit to Japan scheduled for the second week of June. U.S. officials said the decision was made because Japan's new foreign minister would be away that week and had nothing to do with the problems plaguing U.S.-Japanese relations.]

Meanwhile, socialist and antinuclear organizations laid plans for large-scale protests aimed against the U.S.-Japanese mutual security treaty and attempting to force Prime Minister Zenko Susuki's government to take responsibility for allegedly deceiving the public.

The controversy arose yesterday when former U.S. ambassador Edwin O. Reischauer disclosed in a newspaper interview that since 1960 an agreement had permitted nuclear-armed American warships to dock routinely in Japanese ports and pass through Japanese waters.

Successive Japanese governments have insisted that such ships could not come into port withour prior consultation between the two governments. In a new denial of Reischauer's story today, the government said again that prior consultation would be necessary and that no such consultation had ever been held.

However, several former officials were quoted in news stories today as saying that the understanding reached in 1960 did not require prior consultation for American naval vessels. They said that the agreement had been discussed only in terms of bringing nuclear weapons ashore for land-basing and that warships were hardly discussed at all.

Takezo Shimoda, a former ambassador to the United States who was active in the 1960 negotiations, said that at the time the question of temporary docking or passing through Japan's waters "was outside the matter for prior consultation."

Members of Suzuki's Liberal Democratic Party said they expect the prime minister to survive by continuing to deny Reischauer's story.●

THE NINTH AVENUE FESTIVAL: WORLD'S LONGEST BLOCK PARTY

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. WEISS. Mr. Speaker, Ninth Avenue in New York City is always a street of exceptional variety and flavor—in food, business, and culture. But on the weekend of May 16 and 17, Ninth Avenue showed what makes it really exceptional, as it welcomed half a million visitors to the eighth annual Ninth Avenue Festival, or "the world's longest block party."

For the festival, traffic is banned from 20 blocks of the avenue along a mile-long stretch. Entertainment is featured at several stages on the corridor, including music and folk dancing of many kinds. Strollers can choose among samples of food, drink, and other wares offered by the area's merchants, who set up 255 booths for the occasion. In their diversity, the offerings recall the history of the avenue. Irish, Italian, Greek, Caribbean, Asian, and Middle Eastern food, for example, are among that offered in this area where immigrants of those nationalities, and others, settled when they first came to these shores.

In its simultaneously international and American flavor, the festival is indeed what the New York Times describes as "the city's quintessential neighborhood celebration." And it is the people of the neighborhood who make it work: the small shopkeepers, bakers, grocers, artists, and others. All year round, but especially on the festival weekend in May, Ninth Avenue is one of New York's best places to live, to shop, and to buy and eat food.

I salute the merchants of Ninth Avenue, and the Ninth Avenue Association, both for the festival, and for giving the festival receipts to local churches, charitable groups, and scholarship funds. I cannot name everyone who contributed, but three members of the association deserve special mention: James Dell'Orto, owner of Manganaro's Hero Boy; Evelyn Regino, who sets up "Regino's Polish Corner" every year at 50th Street; and Lili Fable, president of the association and owner, with her husband Anthony, of Poseidon Bakery.

From 37th to 57th Street on the West Side, Ninth Avenue is truly a wonder of city life.●

PUT THEM TO WORK

HON. CLEVE BENEDICT

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. BENEDICT. Mr. Speaker, I recently had the pleasure of reading an essay which I believe illustrates clearly the need to tighten welfare's eligibility standards by putting capable peope to work. The essay was written by my constituent, Tami Dean, a 16-year-old junior at Jefferson High School in Jefferson County, W.Va. I would like to take this opportunity to share her insightful essay with you.

PUT THEM TO WORK

(By Tami Dean)

Our late and very great 16th President, Abe Lincoln, once made a list of 10 "cannots." In my opinion, the most important and most applicable to today's society are the ninth and tenth ones, They read as follows:

"You cannot build character and courage by taking away a man's initiative and independence."

"You cannot help men permanently by doing for them what they could and should do for themselves."

We are living in a society where vast multitudes of people have their hands out asking for support. These people are subservient to a fear—that fear is the fear of poverty. Now, it is true that Jesus Christ admonished us in the New Testament to care for the widows and orphans, but he said nothing of the thousands of men and women who are accepting sustenance and support when they are capable of supporting themselves. As a matter of fact, the Book of Romans says, "To him that worketh goes the reward . . ." and "As ye sow so shall ye reap" is also a biblical principle. Even casting it into a secular light there is the well-known fable about the ant and the grasshopper. The ant worked and set up a store for winter while the grasshopper lounged and when winter came he was relegated to the charity of his neighbors.

Giving a person something for nothing is certainly taking away his initiative. He is not going to take it upon himself to find a job and earn money if it is handed to him. Character is built by work and personal experience. Nobody can be granted character. It must be built.

Our welfare system is a perfect example of "doing for men what they could and should do for themselves." This ties in with the fact that welfare takes away a person's

independence. A person cannot be independent who relies constantly on the charity of others. It is the man who works for a living, not he who demeans himself by begging, who gains total independence.

We would not have a United States of America if our forefathers had not worked for their independence. They would never have gotten it by sitting back and doing nothing.

We would not have gotten out of the Great Depression if the people had been content to sit back and accept the direct relief of the Federal Emergency Relief Administration. But they wanted to work! For that very reason, the Civilian Conservation Corps was created. In that way, the people could work for their money rather than sit back and have it handed to them. Why, it's a matter of pride if nothing else! The people in the thirties wanted to work. Why aren't people like that today?

So I would like to state that, though I am no economics expert, it is my considered opinion that our federal government would be in a much better state of finance if there were fewer strong and healthy people relying on it for their monthly welfare checks. My solution? Put them to work!!

Of course, the first question which comes to everyone's mind is, "How?" Well, there are many, many menial tasks to be done. There are jobs picking up trash, mowing grass on federal land, and construction and maintenance of buildings which are federally owned. And the state governments could help to ease the burden by offering work on state buildings and land.

We all know that one will always find some welfare recipients who will consider themselves "too good" to perform such "demeaning" tasks as these aforementioned. But if they are that good, why are they drawing welfare? They should go out and find a job "worthy of themselves."

There is no truer or more commonly quoted adage than "money doesn't grow on trees." It is quite obvious our government can't retain its present spending rate. Some people are crying because Reagan plans to "trim the fat" off of the budget. I take issue with anyone who accuses Ronald Reagan of lining the rich man's pockets at the expense of the poor. It is time some of them started fending for themselves. They cannot continue their parasitical practices without completely draining our economy. The only course to be taken is to tighten eligibility standards and put these capable people on work projects. It is only when they start earning their money that they obtain true independence.●

AMERICAN BASIC INDUSTRIALIZATION NATIONAL DEFENSE ACT

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. BAILEY of Pennsylvania. Mr. Speaker, today I'm introducing the American Basic Industrialization National Defense Act—ABINDA. Its goals are ambitious. They presume a primary industrial and transportation capacity to protect the United States against any combination of economic and/or military challenges from abroad. The vehicle is not perfect or complete, but necessary and by far the major factor in this endeavor; the vehicle is the Internal Revenue Code of 1954. The basic industries are as follows: steel, mining, railroads, automobiles, airlines, and paper.

Concepts like transferability, carryforward, carryback, minimum corporate tax, refundability, investment tax credit, and targeting are either redefined and/or reapplied or both in the Code to accomplish this end. Why?

These industries form our Nation's industrial heart. From them or through them flow practically every fundamental production need upon which this Nation's economic and military stability depend. Without them we cannot be free. If we lack them we lack independence. With them all related development and commerce can prosper free of foreign decisions. Without them we are potential victims of caprice, aggression, indifference, or accident. With them we can exercise a free and unfettered national will. Without them our decisions will be influenced by variables beyond our political control.

We have no choice. The only question is how we preserve them, how we channel resources into their revitalization. A matrix of elements, international and domestic, has combined to create an unhealthy environment for the long-range massive capital investment requirements these industries need. Prejudices against savings and investment in our Tax Code—a disproportionate impact caused by a well-meaning but discriminatory regulatory situation—trade policies which allowed foreign competitors to distort the rules of free enterprise at home but exploit them in our markets—while our domestic producers were denied similar opportunities—all these things have distorted resource allocations in this Nation. We shall either modernize these industries or cease to control our future.

In order to do so we must remedy the defects caused by past distortions and build a new industrial base. This piece of legislation seeks to do that through a combination of flexible devices that will help put the affected industries on a more equal footing. They will then be able to share in contemplated accelerated cost recovery changes for the future.

The bill penalizes and sunsets refundability and extended carryback in a one chance approach to help marginally profitable companies improve their cash flow. It "targets" in two ways. It limits the affected industries to the ones mentioned here and limits the resultant cash flow to productivity producing investments by definitions. It also recognizes the deficiencies in the Code suffered by capital intensive industries and provides flexibility to see that promised resources are available for investment rather than offered through the Code in one place as an ITC only to be taken away in the form of the minimum corporate tax or denied because of nonrefundability somewhere else. It does these things in the following ways.

An affected company in an affected industry can choose among the following: Refund up to 25 percent per year for 2 years their currently computed ITC load with up to a resultant 25 percent forfeiture computed yearly at one half the amount of the refund taken. The remaining 25 percent or more can be carried forward this third year and can be factored into the ITC already earned and being carried at that time. The purpose is to penalize refundability and encourage carryforward while still providing an opportunity for immediate cash flow; or a company can carry back against 10 years of past tax liability including past minimum tax liability their current ITC load but must forfeit the balance remaining.

For all ITC earners in all industries everywhere, the new effective date for current and future ITC's shall be 10 years from the effective date of the act—January 1, 1981. Future ITC's shall be refundable at a rate of up to 10 percent per year on any remaining ITC balance but a forfeiture of up to one-half the amount taken shall be required. In addition, future ITC's shall be transferable or negotiable to other corporations at up to 15 percent of outstanding ITC balances per year, but a penalty in the form of a forfeiture of one-half the amount transferred less any discount shall be necessary. Any profit to the transferee or purchasing corporation shall be taxable.

Again, the goal is to provide flexibility while encouraging carryforward against normal profit years. But we need the cash flow available for investment purposes to enable these corporations to compete. The implications for national defense purposes and employment are obvious and do not require elaboration.

Some sense of fair play should be invoked for these industries which have suffered so long at the hands of past injustices. Although refundability or transferability are not to be desired, they are the only alternatives to undeserved and unearned potential failures of industries without which we cannot survive, industries who have encountered difficulties through no fault of their own.●

H.R. 2400 AND THE PUBLIC UTILITY INDUSTRY

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. STARK. Mr. Speaker, I would like to bring to the attention of my colleagues a recent study by the Congressional Research Service on the impact of the Reagan administration's tax proposals on the public utility industry.

The study finds that for electric and telephone utilities H.R. 2400—the Economic Recovery Tax Act—would provide potential new tax benefits which substantially exceed present tax payments; for gas utilities the increased tax benefits would about equal expected levels of tax payments.

The text of the introduction and summary to this report appears below. The report was prepared by Donald W. Kiefer, a specialist in public finance and finance institutions in the Economics Division of the Congressional Research Service.

THE IMPACT OF THE REAGAN ADMINISTRATION TAX PROPOSALS (THE ECONOMIC RECOVERY TAX ACT OF 1981) ON THE PUBLIC UTILITY INDUSTRY

INTRODUCTION AND SUMMARY

The Reagan Administration's tax proposals, embodied in the Economic Recovery Tax Act of 1981 (H.R. 2400 and S. 683) introduced by Representative Barber Conable and Senator Robert Dole, would have dramatic effects on the U.S. tax system. The primary revision in the corporate income tax included in the proposals is a substantial further acceleration of depreciation deductions in an effort to stimulate investment and capital formation. This report assesses the effects of the proposed tax legislation on the public utility industry, which would be affected significantly by its enactment because of the industry's capital intensity and because of several provisions in the bill which focus specifically on public utilities. Section I of the report reviews the effects which the existing investment-related tax benefits—accelerated depreciation and the investment tax credit—have had on the industry and the effects which would result from the further acceleration of depreciation deductions in the Economic Recovery Tax Act.[1] Section II of the report analyzes the provisions of the bill which focus specifically on this industry, provisions which would change the required ratemaking treatment of accelerated depreciation and the investment tax credit (ITC) in regulating public utilities.

Because of the extreme capital intensity of the public utilities, the industry has received substantial benefits from the present investment-oriented tax provisions. From 1954, when accelerated depreciation was adopted, to the present, effective corporate income tax rates in this industry have declined substantially, and tax deferrals have played an increasingly important role in the financial structure of the industry. In 1979, the latest year for which data are available, accelerated depreciation and the investment tax credit reduced the Federal income tax payments of the electric utilities by $3.025 billion, the telephone utilities by $2.98 billion, and the gas utilities by $894 million. The industries' effective corporate income tax rates, based on actual Federal income tax payments and a modified concept of book net income (which excludes AFUDC),[2] were respectively 7.7 percent, 6.3 percent, and 17.1 percent.

When accelerated depreciation and the investment tax credit receive normalization ratemaking treatment, the tax savings become available to the utility companies to assist in financing their capital investment. Their contribution is largest in the telephone companies where they provide over 16 percent of gross capitalization and have since 1975 provided more than 30 percent of the increase in gross capitalization.[3] In the electric and gas industries the tax deferrals contribute 8.7 percent and 7.3 percent, respectively, of gross capitalization and have recently provided approximately one-sixth and one-eighth, respectively, of annual increases in gross capitalization.

The additional benefits which the public utilities can derive from the further tax reductions in the Economic Recovery Tax Act, while not inconsequential, are limited by the industry's present low tax liability. For the electric and telephone utilities the legislation would provide potential new tax benefits which substantially exceed present tax payments; for gas utilities the increased tax benefits would about equal expected levels of tax payments. Thus, the Economic Recovery Tax Act would virtually eliminate any Federal income tax liability for the public utilities once the more rapid depreciation were fully phased-in. The direct effect of the increased tax benefits on the utilities would be an increased cash flow equal to the amount of the reduction in Federal tax payments. While the tax payments of the industries have recently varied substantially, the data suggest increased tax benefits in the neighborhood of $1 billion per year in each of the utility industries. Additionally, the electric and telephone industries would accumulate substantial tax loss carryovers and unused investment tax credits which may induce the utility industry to advocate changes in the tax law to increase the benefits available to companies with no current tax liability. The industry would also be expected to move further in the direction of financial arrangements (e.g. saleleasebacks) and changed business structures (e.g. mergers with firms in other industries with tax liabilities to absorb excess tax benefits) designed to take maximum advantage of the tax benefits which the industry could not use directly.

In addition to increasing substantially the tax benefits received by the public utility industry, the Economic Recovery Tax Act would revise the ratemaking treatment of the tax benefits required by the tax code. The present code provisions basically restrict the use of flow through ratemaking treatment of both accelerated depreciation and the investment tax credit to those utilities which were using flow through for accelerated depreciation at the time of passage of the Tax Reform Act of 1969. All other utilities must normalize to be eligible for the tax benefits.

A review of the legislative history of accelerated depreciation and the investment tax credit leads to the conclusion that Congress intended the tax benefits to reduce the after-tax cost to businesses associated with the acquisition and ownership of capital assets, and that the resulting tax savings should be available for financing further capital investment. In short, their purpose was to subsidize business investment. Flow through treatment is inconsistent with this purpose; it denies utility firms any financial benefits from the tax advantages and does not provide capital for future investment. Rather, flow through treats the tax benefits as direct subsidies to utility customers and passes the tax reductions directly on to them through immediate utility rate reductions. Normalization treatment, on the other hand, regards the tax benefits as subsidies to capital investment and accurately accounts for the capital subsidy embodied in the tax benefits. Utility rates are also reduced under normalization treatment, but the rate reductions are spread over the lives of the underlying capital assets.

The Economic Recovery Tax Act would make two changes in the rules governing ratemaking treatment of accelerated depreciation. First, the legislation would require that normalization treatment apply to differences between book depreciation and tax depreciation attributable to both the use of different depreciation methods and different depreciation periods. The present code provision refers only to depreciation methods. Secondly, the legislation would require normalization treatment for all utility firms which use accelerated depreciation for new property placed in service after December 31, 1980. Present law allows those utilities which used flow through treatment in 1969 to continue using it. For those utilities which currently use flow through, the switch to normalization would result in increased cash flow to the company as well as somewhat higher utility rates charged to its customers. These effects would build gradually as new utility property came under the new rules and, in the aggregate, would be relatively limited because of the limited proportion of utility property affected and because, in most of the 12 States which currently require flow through treatment, it applies to only a portion of the total benefits from accelerated depreciation.

The Economic Recovery Tax Act would change the normalization treatment of the investment tax credit required by the tax code to make the treatment fully consistent with accounting for the ITC as, effectively, a reduction in the cost of the capital asset. Specifically, for utility property placed in service after December 31, 1981 the amended restrictions would permit both exclusion of the accumulated deferred investment tax credits from the utility rate base and a reduction of the cost of service by a proportionate amount of the ITC spread uniformly over the lives of the utility's assets. Since virtually all utilities which currently nomalize the ITC use the cost of service method (option 2), the effective change which they

[1] The depreciation revisions themselves are not summarized in this report. Other than placing utility property with a guideline life of 18 years or longer in the 10-year depreciation class and allowing utilities to elect not to take progress payments into account in calculating depreciation, they would apply to utilities the same as other industries. For a detailed summary of the proposals see: President Reagan's Economic Policy, White House Fact Sheet, and Related Documents, February 18, 1981, as reproduced by Bureau of National Affairs, Inc.

[2] Allowance for funds used during construction.

[3] "Gross capitalization" is a concept used in this report to measure the significance of the tax benefits to the firms' financial structures. It consists of private capitalization (equity capital plus long-term debt) plus the tax deferrals resulting from accelerated depreciation and the investment credit.

would experience is the exclusion of the deferred ITC's from the rate base.

For those utilities which normalize the ITC the change in rules would result in lower utility rates charged to customers and lower cash flow received by the utility companies. These effects occur because the rule change corrects an anomaly in the present normalization requirements which results in utility rates, cash flow received by the utilities, and utility profit rates which are higher than would be consistent with the utility accounting process, higher than intended by the utility regulatory commission, and higher than are consistent with the effects of the ITC in the unregulated sector of the economy. The effects resulting from the new ITC normalization rules would build gradually as new property came under the rules beginning in 1982. At present rates of return and rates of growth of deferred tax credits, the new normalization rules would imply lower utility rates charged to customers and lower cash flow to utility companies in amounts which grow each year by about $100 million in the electric utility industry and $70 million in the telephone utility industry. However, the actual effects would be expected to be lower than these figures, perhaps by significant amounts, because the larger accelerated depreciation tax benefits would reduce the amount of investment credits which the utilities could use directly and thereby reduce the rate at which deferred investment credits accumulate.●

ONE-SIDED "PEACE" MOVEMENT

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. LAGOMARSINO. Mr. Speaker, a recent editorial in the Press-Courier of Oxnard, Calif., in my district, described the new peace movement as a "one-sided lobby for unilateral Western disarmament."

The editorial describes the recent demonstrations against El Salvador, the deployment of nuclear missiles in Western Europe, and the buildup of U.S. defense forces by the new peace movement. It adds, "conspicuously absent from these demonstrations is any hint of protest directed at the Soviet Union or its surrogates."

The editorial also notes that the Reagan administration can point to public opinion polls and its own mandate from the November election to support its stand for a tougher foreign policy and a stronger national defense.

The full text of the editorial follows:

[From the Press-Courier, May 9, 1981]

ONE-SIDED "PEACE" MOVEMENT

Writing more than half a century ago, the German philosopher Oswald Spengler detected a kind of unconscious death wish among the inheritors of Western culture, whom he judged too self-indulgent and short-sighted to pay the price required for their civilization's survival.

Spengler's bleak perception no doubt strikes many as overly pessimistic, or at least premature. But it does offer an intriguing, and not implausible, explanation for the revival of a liberal-left "anti-war" movement in the United States and Western Europe.

Among the galaxy of grievances aired during recent demonstrations, including the one at the Pentagon, three stand out: U.S. policy in El Salvador, NATO's plans to strengthen its theater nuclear deterrent, and the larger effort to restore U.S. defenses in the face of an awesome Soviet military buildup.

Broadly speaking, the new peace movement is demanding an end to American military aid for the Salvadoran government, cancellation of plans to deploy cruise and Pershing II nuclear missiles in Western Europe, and a halt to the new U.S. defense programs deemed by a bipartisan majority in Congress to be essential to national security.

Conspicuously absent from these demonstrations is any hint of protest directed at the Soviet Union or its surrogates.

Thus, for example, the speeches and signs at the affair in Washington included no demands for a Soviet withdrawal from Afghanistan, no expressed wish for an end to the covert supply of arms to Marxist guerrillas in El Salvador, no clamor for a halt to the deployment of Soviet SS-20 nuclear missiles aimed at Western Europe, and no manifest objection to a Soviet military buildup unprecedented in scope since Nazi Germany rearmed during the 1930s.

On its face, then, the new "peace" movement adds up to a one-sided lobby for unilateral Western disarmament!

Put another way, it constitutes a frontal attack against the most visible steps being taken by Western governments to defend themselves against the global offensive waged by the Soviet Union.

But it's too soon to conclude that Spengler was a prophet.

The Reagan administration can and should put these demonstrations in proper perspective by noting any number of public opinion polls, including the one tabulated on election day last November, showing majority support for a tougher foreign policy and a stronger national defense.

And even in Western Europe, where the collapse of detente has triggered palpable nervousness, the pacifist sentiment decried recently by NATO Secretary General Joseph Luns is more likely than not to give way ultimately to a reasoned consensus in favor of adequate defenses and against appeasement.

Even so, neither Washington nor its European allies can afford to ignore the mischievous potential of a reviving left-wing protest movement. The fact that the hard-core left has already attracted a measure of support from less radical liberals, including members of some church groups, should serve as a warning that these demonstrations cannot be dismissed solely as guerrilla theater.

Western European governments need to try harder to educate their own citizens on the sobering realities confronting the NATO alliance. And the Reagan administration would be wise to renew attempts to transform its overall foreign and defense policy mandate into a durable base of support for policies intended to prevent El Salvador from becoming another Cuba.

The Reagan administration and its counterparts in Western Europe have the facts on their side. Making sure that those facts are widely understood is the best defense against those who would make Oswald Spengler's vision a reality.●

MASS EXODUS OF CIVIL SERVANTS FROM GOVERNMENT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mrs. SCHROEDER. Mr. Speaker, a variety of restrictions have together produced an unprecedented exodus of dedicated civil servants from Government. My concern about this issue led me to write the Acting Director of the National Aeronautics and Space Administration on the day of the successful landing of the Space Shuttle. I asked him to comment on reports of a "brain drain" at NASA. For the information of my colleagues, I insert my letter to Dr. Lovelace and his response in the RECORD:

COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Washington, D.C., April 14, 1981.

Dr. ALAN M. LOVELACE,
Acting Administrator, National Aeronautics and Space Administration, Washington, D.C.

DEAR DR. LOVELACE: On this day of your great accomplishment in successfully completing the first flight of the Space Shuttle, I believe it is necessary to focus on a serious problem which may be developing within NASA. The space agency needs a highly trained and technically proficient workforce to discharge its scientific and experimental mission. The excitement of space travel has attracted the world's best assemblage of scientists and engineers to NASA. This group of employees made the triumph of the Space Shuttle possible.

Recently, however, I have heard reports of a large number of pending resignations and retirements at NASA. Some of the agency's best employees have evidently decided to pursue more lucrative private sector positions when the excitement of the Space Shuttle mission is past.

Are these reports true? Does NASA face a serious brain drain? Can qualified replacement employees be found and trained in time for NASA to fulfill its future missions on schedule? Can anything be done, administratively or legislatively, to stem this surge of attrition?

I would appreciate your prompt response so steps can be taken to hold on to NASA's most precious asset, its people. I look forward to working with you in the future to attract and retain the type of individual which NASA and our government need.

Warmest personal regards,

PATRICIA SCHROEDER,
Chairwoman,
Subcommittee on Civil Service.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION,
Washington, D.C., May 14, 1981.

Hon. PATRICIA SCHROEDER,
Chairwoman, Subcommittee on Civil Service, Washington, D.C.

DEAR MADAME CHAIRWOMAN: This responds to your letter of April 14, 1981, concerning the potential for a serious "brain drain" within NASA.

I share the concern expressed in your letter. Some 2200 permanent employees left NASA in FY 1980. During that same period

90 senior executives retired, a rate of over 20 percent. This included nearly two-thirds of the optional retirement eligibles. Our projections indicate that another 90 senior executives may leave NASA in FY 1981.

We believe that there are several factors involved in providing an explanation of why so many people are leaving in such a short period of time. One of these factors has been the long history of personnel reductions and program reductions or stretchouts in NASA that extend back to the 1960's. Since 1967, NASA has experienced a reduction in its personnel strength every year; over that period our personnel strength has decreased form 33,947 to 22,613. The natural effect of these personnel reductions has been to reduce the intake of new blood and increase the overall age of our workforce. NASA's average age was 39.4 in FY 1968 and has increased to 43.5 in FY 1980.

The effects of eliminating or stretching out programs are difficult to quantify, but I believe that the top technical and scientific talent are attracted to those programs that are relatively stable. If we continue to delay or eliminate valuable scientific and technological efforts, I believe we will experience increased difficulty in maintaining a first rate base of talent.

The pay ceiling is probably the major single factor contributing to our retention difficulties. Dr. Frosch, our former Administrator, made the following statement before the Quadrennial Commission.

"An increasing number of NASA's key executives are leaving the agency, and although there are probably many factors which lead to an executive's decision to make a career change, I am convinced that the single most important reason is the fact that Federal executives' pay is simply too low."

"Based on my own experience as a Federal employee, I am keenly aware of the intangible benefits of public service and of the very real feeling of satisfaction of being able to participate directly in achieving major national goals—in NASA's case in aeronautics and space. But there does come a time when an executive's concerns about increasing personal debts and his or her ability to afford college tuition simply outweigh the intangible rewards of public service. That is particularly true in a scientific and engineering agency such as NASA where the education and experience of our executives are directly useful and sought after in the private sector."

"A clear trend in recent years underlines my concerns. In fiscal years 1977 and 1978 the attrition rate among executives was less than 6%. In FY 1979 almost 10% of our executives left the agency, and in FY 1980 the rate was 16.7%, not counting reemployed annuitants who technically retired but retained their positions without a break in service. If the present situation continues we project that there will be a separation rate of more than 20% for this fiscal year."

"While my major concern centers around NASA's senior executives, we are beginning to experience the same problems with our middle managers in the General Schedule who in effect provide the pool of talent from which we must draw our senior executives."

Dr. Frosch also stated, "A certain amount of turnover among executives is to be expected, and indeed is desirable in a research and development organization. The artificially low Federal pay cap, however, has the effect of driving out of NASA those whose talents and experience are most needed by the agency, and at the point in their careers when they are most productive."

In the process of attracting top technical executive talent, an attractive salary is, of course, a key element. Under the present Federal salary structure, the Government is not competitive in its search for top talent in the aerospace arena. I am enclosing a table from a report of the American Management Association on executive compensation in the aerospace industry which illustrates that fact.

The problem in NASA caused by the pay ceiling is made clearer when you consider that we currently have about 1700 employees who earn the same amount of pay; that number includes all 440 of our Senior Executive Service (SES) members and 1217 (83 percent) of our GS-15's. If a general pay raise of 4.8 percent goes into effect in October, it will add another 1100 to those at the pay cap for a total of approximately 2800 NASA employees. The NASA employees in this pay cap situation range for individual engineers working at our field centers to our Associate Administrators and Center Directors who are responsible for managing thousands of employees and multi-million dollar aerospace programs. In my opinion, this type of pay compression leads to disenchantment among the current workforce and presents a significant obstacle in the recruiting of truly first rate talent from the private sector.

Another factor that may contribute to the departure of NASA employees is the negative perception that has been building for the past several years in the Federal service in general. Many signals that come from the general public, their elected representatives and the media are negative toward the civil servants and the work performed by them. Examples of actions contributing to this perception include the continuation of pay caps, the possibility that retirement benefits will be significantly altered to the detriment of the civil servants, and severe travel restrictions that limit the possibility of scientists' and engineers' participation in work related professional activities. One recent example is the NASA experience with SES performance awards (bonuses). In May 1980 the agency awarded bonuses to 240 Senior Executives in accordance with the then applicable law and regulation, and with the knowledge of the Office of Personnel Management (OPM). This resulted in criticism that culminated in the number of bonuses being reduced by law for fiscal years 1980 and 1981, and further restrictions being placed on bonuses through guidelines issued by OPM. This puts NASA in the position where only a small number of our executives can be recognized with a bonus in the year that the agency first flew the Space Shuttle. Needless to say, this will reduce our capability to motivate and reward our people at a critical point in the agency's history, and increases the probability of key people leaving NASA.

I believe that NASA is fortunate to have extremely dedicated employees at all levels in its organization and I would like to think that the challenge of our programs alone will spur all of our employees to take on increased responsibilities. However, the above factors make it difficult to generate the enthusiasm necessary for employees to take on added burdens or strive for new challenges. This is particularly true among mid-level managers and senior executives who have the opportunity to move into the private sector where added responsiblity can be translated directly into increased tangible rewards. We are hopeful that qualified replacements for those who depart can be found within the agency and from the private sector; however, we are already facing an increasingly difficult situation regarding internal mobility. Employees from the NASA field centers have no economic incentive to move to Washington and other high-cost areas. The combination of the salary ceiling, moving expenses, and the cost of living in those areas result, of course, in a loss of real income for mid-level employees and executives who are willing to move.

We believe that there are things that can be done to help this situation:

A period of time is needed when the agency's personnel ceiling is relatively stable, allowing us to hire at entry levels and develop talent rather than reducing the force with the inevitable reduction in the hiring and retention or bright young technical minds.

Realistic pay levels should be instituted and maintained that will allow reasonable pay distinctions between the differing responsibilities for members of the SES and the upper grades of the General Schedule. This action is believed to be essential if we are to return to a system which provides rewards and incentives for Federal employees that are related to their responsibilities and performance. Without such rewards and incentives, we believe that agencies such as NASA will be seriously impaired in carrying out our national programs.

When NASA came into existence in 1958, the Congress recognized the need for NASA to retain and recruit the most qualified personnel available to meet the challenge of Sputnik. The National Aeronautics and Space Act of 1958, gave the Administrator authority to fix the compensation of a limited number of its personnel at a rate up to but not to exceed the highest rate for a GS-18. It was this authority that enabled NASA in its early years to compete with industry in attracting the best qualified people. Prior to the establishment of the SES, this advantage was eroded as the result of the pay cap.

We need resolution of some of the difficult problems that face us regarding civil servants. For example, the continuing debate regarding the retirement system may cause employees to make decisions about retiring that otherwise they might not make if they had a clear picture of what the retirement system will be in the future. Further, the SES bonus situation may effect the plans of executives in NASA. A reasonable possibility of receiving a bonus for a truly good job would probably help us to retain some executives. A limitation that places the bonus possibilities at 20 to 25 percent of the number of executives does not seem to provide much incentive for the majority of executives. In my opinion, it is preferable to return to the original 50 percent limitation or to a system with no limitation on the number of bonuses, but with a total dollar control instead.

I realize that the above suggestions are neither easy to adopt nor likely to produce enough of a change to satisfy all employees; however, it is my belief that a stable workforce, appropriate pay levels with distinctions between them, and the elimination of some of the ambiguity regarding employee benefits (including SES bonuses) will go a long way toward making the Government a more attractive employer.

Thank you for the opportunity to present my views on this matter. If I can be of fur-

ther assistance to you or the Subcommittee, please do not hesitate to call on me.

Sincerely,

A. M. LOVELACE,
Acting Administrator.

Enclosure.

EXECUTIVE COMPENSATION SERVICE TOP MANAGEMENT REPORT, THIRTIETH EDITION, 1979/1980—AMERICAN MANAGEMENT ASSOCIATIONS

THE AEROSPACE INDUSTRY—

[Sales and profit statistics in thousands]

	Sales groups (in millions) [1]		
	Under $50	$50 to $200	Over $200
Average sales	$26,024	$111,271	$490,231
Average profits (after taxes)	1,115	3,468	22,584
Percent of sales	4.3	3.1	4.6
Average capital invested	5,862	27,462	170,342
Return on investment	19.0	12.6	13.3
Average employees	605	1,915	9,536
Number of companies	7	5	12

[1] Sufficient information available only for sales groups shown.

COMPENSATION OF INDIVIDUAL POSITIONS

	Sales groups (in millions)		
	Under $50	$50 to $200	Over $200
Chief executive officer:			
Salary	76.8	112.4	198.1
Bonus	57.3	47.3	80.2
Total	101.4	140.8	258.2
Chief operating officer:			
Salary	([1])	([1])	162.0
Bonus	([1])	([1])	68.4
Total			207.6
Top marketing executive:			
Salary	([1])	([1])	70.0
Bonus	([1])	([1])	21.9
Total			86.4
Top industrial relations executive:			
Salary	33.3	39.5	58.4
Bonus	[2] 18.6	[2] 9.3	18.0
Total	42.6	45.7	67.4
Top financial executive:			
Salary	42.9	59.6	78.8
Bonus	[2] 26.3	[2] 22.6	27.5
Total	53.4	70.9	97.1
TMR			.125

[1] Insufficient data.
[2] 2 bonus cases.

Note.—Salary, bonus and total in thousands of dollars. (Since all companies may not have a bonus plan, averages of individual items may not add to the average total compensation shown.)●

THE KEY TO A SUCCESSFUL ECONOMIC PROGRAM: WAGE-PRICE CONTROLS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. WEISS. Mr. Speaker, we have been fortunate recently to experience a slowing in the rate of inflation. This improvement, which I fear is only temporary, has been caused by factors unrelated to the President's economic program, which has yet to be adopted, no less applied in practice.

Yet interest rates continue at record high levels, and everyone—consumers, lenders, Wall Street, and workers—clearly expects inflation to resume its dizzying climb. Our "inflationary psychology" is unbroken. Budget-cutting of domestic programs with massive increases in defense expenditures will not break it. Only a stern measure will do the job: mandatory wage and price controls.

Syndicated columnist Joseph Kraft recognizes the need for controls, and makes an interesting case on their behalf in today's New York Daily News. I commend his article, which I have requested be reprinted below, to the careful attention of my colleagues.

WAGE-PRICE CONTROLS: THE BOTTOM ANTI-INFLATION LINE

WASHINGTON.—Dame Fortune is working for the Reagan administration in its fight against inflation. But the underlying surge of the economy is so powerful that luck isn't good enough.

So the administration, in a desperate move to squeeze the economy further, abandoned past positions on taxes and Social Security. It thereby fingered the missing piece in economic policy—a program to restrain prices and wages.

Like most pleasant surprises, the luck in the fight against inflation comes in threes. First, a mini-glut of oil has led to a drop in the price of a commodity that has previously worked to force up inflation. Food prices, another past source of inflationary pressures, have also moderated. Thirdly, the dollar has laterly appreciated against other currencies, thus cutting the cost of imported goods.

A marked easing off in the Consumer Price Index has been the most visible consequence. The CPI registered a rise of 12.6 percent in 1980. The April numbers show the CPI rising at an annual rate of only 4.8 percent.

But a crucial difference separates external causes of inflation—such as rises in commodity prices—from the underlying demand pull of the economy. Many signs suggest that, while the external thrusts have abated, the inner drive of the economy, the demand for goods and services and capital and labor, continues high.

A veritable explosion in the growth of the gross national product—up at a rate of 8.4 percent according to revised figures for the first quarter of this year—flashes one sign. Figures on hourly earnings—up at a rate of over 10 percent during the last six months—also express the strength of demand. Then there are the record interest rates.

Leading banks have recently raised the rate at which they lend to their best customers to over 20 percent. That means businessmen and consumers are prepared to pay enormous premiums for credit. Why?

Part of the reason is that demand for goods and services is brisk enough to justify the high rates. Another element is that borrowers believe that inflation, instead of falling, will go right on rising. That expectation is fed by professional analyses that find that the efforts of the Reagan administration to put a lid on federal spending have not been effective.

The administration, in these conditions, felt obliged to build confidence in its anti-inflationary effort by acting to make still further cuts in both the federal budget and consumer spending. In that spirit, it aired proposals to curtail some Social Security payments. It also announced a willingness to compromise with the Democrats on tax legislation now before the Congress.

Still, the economy can hardly be said to be out of danger. On the contrary, a basic defect in the administration's economic plan has been exposed by the latest developments. Even with good breaks, the administration has to squeeze very hard on interest rates and federal spending to hold back inflation. Experience—in 1966-67; in 1969-71; and 1974-75; and in 1979-80—suggests that tight money and tight budgets precipitate sharp recession before they really put a bite on inflation. With several companies—including Chrysler and some of the thrift institutions—in grave trouble, a tough anti-inflationary policy could stimulate something approaching panic in the weaker sectors of the economy.

For true safety, something else has to be added to the squeeze on interest and budgets. The something else is a mandatory program for restraining prices and wages. With such a program, commodity gluts and softness in the economy would be translated into cuts in prices and wages. Once those started to fall, inflation would be truly unwinding, not merely in suspense. The economy would at last come off the knife edge where, for the past decade, it has been so perilously positioned.●

QUALITIES NEEDED IN SERVICE ACADEMIES SELECTION

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. LEVITAS. Mr. Speaker, I recently received a letter from Cadet William Kent Nichols, whom I nominated to the Air Force Academy in 1977, and who is being graduated this year. In his letter he provides me with some of his reflections on criteria that should be kept in mind by all of us and our academy selection advisory committees when considering the young men and women we desire to nominate to service academies. I share Cadet Nichols' observations with my colleagues, because I believe they are particularly pertinent and instructive.

Cadet Nichols' comments follow:

• • • It seems to me that the most important step in acquiring a professional and superior officer corps is the initial selection of officer candidates. Officer candidates must have been seeded with the qualities of moral courage, loyalty, and duty to country in order to take advantage of the academy experience and ultimately to serve our country well. These qualities are not outdated in our modern forces, but, on the contrary, are even more necessary today than they have been in the past. I suspect that recognizing these qualities in a person is an almost impossible task, but I cannot overemphasize their importance.●

REPORTS OF U.S. TALKS WITH EL SALVADOR INSURGENT OPPOSITION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. HAMILTON. Mr. Speaker, following reports in March 1981 that the United States accepted and then abandoned the idea of direct meetings with representatives of El Salvador's Democratic Revolutionary Front, I wrote the State Department to inquire about the accuracy of these reports and about U.S. policy on talking with the opposition.

Attached for Members' consideration are my letter to the Department and the State Department's reply. In its reply, the State Department clarifies its position against talks with the opposition and states U.S. policy on a negotiated settlement of the El Salvador conflict.

The correspondence follows:

APRIL 27, 1981.

Hon. ALEXANDER HAIG, Jr.,
Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: It was recently reported that several Salvadorans have indicated that the United States earlier this year first accepted, then abandoned, the idea of direct meetings with representatives of El Salvador's opposition insurgent forces.

I would like to know if such a meeting was ever agreed to in principle by either the State Department or the Embassy even if a firm date was never set. If the idea of talks with the Salvadoran representatives was pursued, why were they apparently so quickly abandoned?

I would appreciate knowing:

What the purpose of such a meeting was to be?

Who made the decision to try to meet with these Salvadoran leaders?

With whom were the representatives of El Salvador to meet?

Did Mexican or other third country national officials have any role in the arrangement for the meeting?

What contacts does the administration have today with the insurgent forces or their diplomatic representatives, either directly or through third parties?

What is our policy with regard to contacts with members of the Salvadoran leftist opposition?

Finally, what is current policy concerning a negotiated solution to the conflict in El Salvador and what role is the United States prepared to play in trying to reach such a solution?

I appreciate your consideration of these questions.

With best regards.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East.

DEPARTMENT OF STATE,
Washington, D.C., May 18, 1981.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I am responding to your letter of April 27 to Secretary Haig concerning allegations that the United States accepted and then cancelled talks with representatives of the Salvadoran Democratic Revolutionary Front (FDR).

Since last December the FDR has sought to engage the United States in negotiations with them. For some months we have made clear both publicly and privately that the U.S. will not negotiate with the FDR and that the FDR should address itself to the Duarte Government if its purported search for peace is at all serious.

A number of third parties have contacted Department of State officials in Washington and overseas to broker contacts with the FDR. In each case we have told them of our policy that negotiations should be among the Salvadorans themselves. We have said that we do not see ourselves as a party to any negotiations. A press report alleging a planned meeting with U.S. representatives in Tegucigalpa in February is one of those instances of an approach made to us by an intermediary of the FDR. We never agreed to participate in such a meeting. The United States is not maintaining direct contacts with the FMLN-FDR at this time. We do not believe the benefits of such contacts would outweigh the disadvantages.

The United States position is that an election process is the best route to a peaceful resolution of the situation in El Salvador. If what is meant by "negotiation" or "negotiated settlement" is the establishment of a government in El Salvador by negotiating the sharing of power, we oppose it because it does not allow the people of El Salvador to choose their own leaders in a fair and open election. If, on the other hand, what is implied is that talks should be held among various Salvadoran groups to establish the conditions and procedures for elections, then we support such talks or negotiations.

We believe that the political process established by the Salvadoran government is the most likely way to peace. This process has already seen the granting of a general amnesty to all those who will put down their arms, the appointment of an electoral commission to develop the ground rules for the election of a constituent assembly in 1982, and an invitation to all political parties, regardless of ideology, to renounce violence and participate in the elections themselves and in the work on the provisions and guarantees that should be included in the electoral law.

We welcome the Salvadoran government's commitment to elections because we believe it points the way to a political solution of a conflict and does so on terms open to all Salvadorans. We think it provides a means whereby all groups who have been fighting with arms may test their strength before their own people in a non-violent, democratic manner.

Sincerely,

RICHARD FAIRBANKS,
Assistant Secretary for Congressional Relations.●

UNITED STATES-MEXICO PRISONER EXCHANGE TREATY IS A SUCCESS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. STARK. Mr. Speaker, I would like to bring to the attention of my colleagues the following article from the Los Angeles Times on the United States-Mexico Prisoner Exchange Treaty.

As an original sponsor of the prisoner exchange legislation, I am very pleased by the success of the treaty. Not only have hundreds of Americans been spared from harsh and inhumane treatment in Mexico jails, but the United States-Mexico treaty has served as a model for agreements with many other countries. These agreements can only strengthen the cause of justice and international cooperation.

This program would never have gotten off the ground without the special help of Congressman DANTE FASCELL, Chairman CLEM ZABLOCKI, Congressman BEN GILMAN, and Congressman LARRY WINN. I want to offer my thanks—as well as that of hundreds of transferred Americans—to these gentleman for their interest, concern, responsibility, and legislative action.

The article follows:

[From the Los Angeles Times]

UNITED STATES-MEXICO EXCHANGE PROGRAM 3½ YEARS OLD—PRISONER TREATY A "QUIET SUCCESS"

(By Robert Montemayor)

It has been more than 3½ years since the first buses carrying Americans who had been imprisoned in Mexico pulled up to the Metropolitan Correctional Center in San Diego.

They waved and cheered from the bus windows, despite the fact that they were being transferred from one country's prison system right into another. But it was what they had fought for—even staged a hunger strike for—to force Mexican officials to send them home.

Those who arrived in San Diego in December, 1977, were the first of more than 500 Americans who have been swapped for about 275 Mexican prisoners under an unprecedented international prisoner exchange treaty.

SMOOTH-RUNNING ROUTINE

The constitutionality of the treaty had been questioned by many international attorneys concerned that the two countries' legal systems were incompatible.

Many predicted that the American prisoners—most of them in Mexican jails on drug-related charges—would successfully challenge their Mexican convictions as soon as they returned to the United States and make a quick exit to freedom.

Instead, the Mexican prisoner exchange operation has since spawned treaties with Canada, Turkey, Bolivia, Peru and Panama. Three court challenges to the treaty have been rejected at the appellate level.

U.S. officials who handle the exchange program say it has settled into a smooth-running routine that involves quietly swapping prisoners every three months. In fact, most of the transfers in 1980 and so far this year have involved more Mexicans than Americans.

"It's largely been a very quiet success after the first noisy transfers that we had with the first four plane-loads of 232 Americans transferred out and the 36 Mexicans transferred down," said Mike Abbell, director of the U.S. Office of International Affairs in Washington. D.C.

TALES OF MEXICO JAIL ABUSES

Abbell said there are now about 225 Americans in Mexican prisons, far fewer than the estimated 600 locked up there in 1976 when the treaty idea was first being considered.

In addition, there are about 350 Mexicans in the U.S. federal prison system, abut half of them eligible for transfer back to Mexico. The treaty excludes Mexicans who are in U.S. jails for immigration violations.

Abbell said the treaty has succeeded in achieving its two main goals—permitting prisoners to serve out their sentences in their own countries and easing the political friction between the United States and Mexico.

Long before the treaty was signed in November, 1976, stories of prisoner abuse in the Mexican jails were common. There were tales of Mexican guards using electric cattle prods on men's genitals, of women being raped, of families of prisoners being charged exorbitant legal fees and of the Mexican legal system trudging along at a snail's pace.

The reports from Mexico sparked a furious media and lobbying campaign in 1976 that eventually led to the exchange treaty.

Ironically, Abbell points out that "we've lost more Mexicans in U.S. prisons in terms of killings . . . than the reverse."

He said one Mexican was among the 33 killed in the two-day riot last year at the New Mexico State Penitentiary in Santa Fe.

Another Mexican was killed earlier this year, he said in a Kansas state prison" only days before he was supposed to be transferred to Mexico. Abbell said that the man was serving a term for murder

"Apparently the friends of whoever the Mexican killed were able to get him killed inside the Kansas prison," Abbell said. "I know of those two incidents specifically . . . but I don't know of any incidents in the past four or five years where an American has been killed in a Mexican prison."●

TO PROVIDE FOR AN ORDERLY PHASEOUT OF FEDERAL OPERATION OF THE PUBLIC HEALTH HOSPITAL AND CLINIC SYSTEM

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. WAXMAN. Mr. Speaker, I am today introducing H.R. 3768, a bill to provide a legislative framework for the phaseout of Federal control of the Public Health Service hospital and clinic system. The purpose of this measure is to give the communities, in which PHS hospitals or clinics are located, a reasonable opportunity to assume control of these facilities with a minumum of disruption to the patients, the staff, and the communities affected. The bill would assure that, by the end of fiscal year 1982, all 8 hospitals and 28 clinics would either have been transferred or closed.

The PHS hospital and clinic system has a long and distinguished history, dating back to 1798, when the Federal Government undertook the responsibility for providing free medical care to American merchant seamen. The hospital and clinic system was developed to discharge this responsibility. Over the years, additional beneficiary groups were recognized, so that today there are three basic categories: One, the primary beneficiaries, including American merchant seamen, active duty Coast Guard personnel, PHS Commissioned Corps officers, and National Oceanographic and Atmospheric Administration officers and crew; two, secondary beneficiaries—to whom services are provided on a space-available basis—including Department of Defense active duty personnel and dependents; and, three, community beneficiaries, often from medically underserved areas, to whom PHS hospitals provide a wide range of outpatient services. Among the latter group are Native Americans, Indochinese, Haitian, and Cuban refugees.

The system has gone through substantial structural changes as well. From a peak capacity of 30 hospitals during World War II, it has been consolidated into a national general medical and surgical network of 8 hospitals and 28 freestanding outpatient clinics, many of which replaced hospitals at which demand for inpatient services had declined. The eight hospitals, with a staff of approximately 4,500, are located in Baltimore, Boston, Nassau Bay, New Orleans, Norfolk, San Francisco, Seattle, and Staten Island. In fiscal year 1980, the PHS hospitals admitted 35,208 patients and processed 979,182 outpatients visits. The clinics, most of which act as referral centers for the hospitals, are located in Atlanta, Buffalo, Charleston, S.C., Chicago, Cincinnati, Cleveland, Detroit, Galveston, Honolulu, Houston, Jacksonville, Memphis, Mobile, New York City, Philadelphia, Pittsburgh, Port Arthur, Portland, Maine, Portland, Oreg., St. Louis, San Diego, San Juan, San Pedro, Savannah, Tampa, and Washington, D.C. In 1980, they handled 840,000 medical and dental visits.

On March 23, the Subcommittee on Health and the Environment held a joint oversight hearing with the Subcommittee on Merchant Marine at the Baltimore PHS Hospital. Testimony at the hearing, ably chaired by my colleague from Maryland, Ms. MIKULSKI, served to illustrate the important role that many of the PHS facilities play in their communities. In addition to providing quality medical, surgical, psychiatric, and alcohol detoxification services to statutory beneficiaries, the Baltimore hospital has also responded to the needs of the medically underserved neighborhoods within its service area. It is the site of a community health center funded under section 330 of the PHS Act that provided essential outpatient services to the low-income Hampden, Woodberry, and Remington neighborhoods. The hospital operates a Geriatric Day Treatment Center that provides intensive rehabilitation for the severely disabled elderly, helping to avoid costly and unnecessary institutionalization. It is also the site of the Cooperative Center for Occupational and Environmental Health which, in collaboration with the Johns Hopkins Schools of Public Health and Medicine, evaluates and treats work and environment related illnesses.

In my view, the efforts of the Baltimore hospital to respond to the wide range of medical and health needs of its community is the direction in which the Federal Government should be moving the PHS hospital and clinic system. Unfortunately, the administration has taken the position that the Federal Government should withdraw from operation of the PHS hospitals and clinics altogether by the end of this fiscal year. Legislation to accomplish this goal, H.R. 3223, has been introduced by my distinguished colleagues Mr. MADIGAN and Mr. BROYHILL.

In view of recent actions by the House Appropriations Committee relating to the fiscal year 1981 PHS hospital and clinic budget, and in view of the reconciliation instructions for fiscal year 1982 contained House Concurrent Resolution 115, it is apparent that the Federal Government will, as a matter, soon dispose of the system, whether or not the merchant seamen entitlement to free care is continued. I regret these decisions, for I believe that a careful community-by-community analysis of the impact of the facility closures would have led to a different result. Nonetheless, it is now clear that a precipitous and ill-advised systemwide closure is imminent. The only remaining question is whether local communities will be able to preserve any of the ongoing operations.

The purpose of the legislation I am introducing today is to create a reasonable opportunity for local communities, whether under public or private auspices, to take over hospitals or clinics that they feel provide needed health services. Under the administrations' proposal, local entities would have until July of this year to apply to assume sponsorship of a PHS hospital or clinic; by October 31, 1981, all of the PHS facilities would either be transferred or closed. This time frame

is simply unrealistic. Neither public officials nor private individuals could possibly resolve the numerous financial, administrative, legal, and logistical problems needed to assure a smooth transition from Federal to local operation by the end of October. I am concerned that many potentially interested parties, faced with this impractical timetable, will be deterred from taking control, and that a valuable community resource will be lost.

H.R. 3768 attempts to accommodate both the needs of potential local sponsors and Federal budgetary considerations. It would give local entities until September 1, 1981, to apply for sponsorship of a hospital or clinic. On the basis of these applications, the Secretary of the Department of Health and Human Services would divide the facilities into groups: Those to be closed, and those to be transferred to local control. The facilities on the closure track would cease operations by October 31, 1981. The facilities on the transfer track would be given until September 30, 1982, to work out the transition to local sponsorship. The bill would give the Secretary broad authority, subject, of course, to amounts available through appropriations, to make the financial, administrative, legal, and personnel arrangements necessary to effect an orderly transfer.

Unlike H.R. 3223, my bill does not propose elimination of the merchant seamen entitlement to free medical care. In my view, initial consideration of this issue would more appropriately lie with the Committee on Merchant Marine and Fisheries, to whom reconciliation instructions were also addressed.

I urge my colleagues to support this reasonable proposal.●

BELLAIRE POLICE CHIEF RETIRES AFTER 31 YEARS SERVICE

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. APPLEGATE. Mr. Speaker, I would like to take this opportunity to bring to the attention of the House of Representatives, a constituent of mine, Mr. Anthony (Red) Giannetta. On June 1, Mr. Giannetta retired from his position as of chief of police in Bellaire, Ohio, after more than 31 years of service.

Mr. Giannetta's impressive public record began with his 3 years of service in the U.S. Marine Corps where he was a gun captain in Guam. He later served as a Marine honor guard in Washington, D.C., where he rose to the rank of gunnery sergeant.

In 1949 Mr. Giannetta joined the Bellaire police force and was appointed captain in 1959. He became chief in 1975.

We are all grateful to Mr. Giannetta for his dedication to public service and are very proud of his achievements. His outstanding leadership abilities have provided an excellent example for both the police force and the citizens alike. The Bellaire community will remain deeply indebted to Mr. Giannetta for his enriching contributions.●

VETERANS—SPECIAL INDIVIDUALS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. LaFALCE. Mr. Speaker, we have before us today six bills addressing the needs of veterans. I urge my colleagues to support these bills, thereby taking positive steps to help the veteran population of our Nation.

At a time when Federal support for many programs is being reduced, my colleagues on the Veterans' Affairs Committee have, fortunately, not lost sight of the special needs of veterans—both young and not-so-young. While expenditures should not be an overriding concern in our consideration of such important issues as those affecting veterans and their families, the fact remains that most veterans are taxpayers and want to see Washington make good use of their hard-earned money. Both veterans and the fiscally prudent have been well taken care of in the package of bills presented by the Veterans' Affairs Committee.

For the most part, the veterans' legislation we are voting on today exemplifies what we as legislators can do for people about whom we are truly concerned. The Veterans' Affairs Committee is to be commended for its diligence and spirit of cooperation in formulating the measures before us today.

The Veterans Health Care Act, H.R. 3499, is perhaps the single most important piece of legislation we are considering this afternoon. Among other things, this landmark bill recognizes the dual problems of agent orange and psychological readjustment as pervasive among the younger veteran population. By allowing veterans to receive hospital and nursing home care for agent orange-related illnesses, we are at long last taking a positive step on behalf of thousands of very frightened and angry young men and their families. Similarly, a 3-year extension of the outreach program shows, in real terms, our sensitivity to the ongoing needs of the individuals who fought in an unpopular war during one of our Nation's most divisive periods.

Our commitment to veterans should not be taken any less seriously during time of fiscal restraint. The Health Care Act seeks to insure the availability of hospital and nursing home care to sick and elderly vets by expanding the number of beds in the VA health care system beyond the levels advocated by the Reagan administration. Vets of all ages take great pride and comfort in their hospital, clinic, and nursing home system. It is for them from a grateful nation. Until, and unless, we can provide a better system, we must maintain the VA system and levels of care.

We also have a chance to support today another very significant measure and one which, like the health care bill, offers solutions to issues we have debated for many years. I am referring to H.R. 3423, the Veterans Training and Business Loan Act of 1981.

Underemployment and unemployment among Vietnam veterans is well known by anyone who pays even the most cursory attention to the issue. The 10-year time frame we established to help get these young men on an even keel with their nonveterans counterparts simply has not provided ample opportunity for many to use their benefits. H.R. 3423 extends on-the-job training and vocational education for qualified veterans for another 2 years. This is a wise move, Mr. Speaker, because 2 more years can make a world of difference to a vet on the threshold of independence and self-sufficiency.

Many soldiers return home to fulfill their dreams of self-employment, only to find their American dream squelched by tight startup capital and scarce technical assistance and guidance. While the availability of funds for all small businessmen is limited, it is more limited now than at any time since the end of the Vietnam war. The Training and Business Loan Act establishes a business loan program in the Veterans' Administration, available to all vets with at least a 30-percent service-connected disability and Vietnam era vets, thereby targeting help to veterans and hopefully closing the gap in assistance of this nature available to them as a special group in need of some specialized attention.

Mr. Speaker, it is important that we pass these measures which will assist those who have given so much to all of us.●

JOHN A. FICKEN

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. SKELTON. Mr. Speaker, recently, one of Missouri's outstanding leaders in agriculture met an untimely death in a tractor accident. John A.

Ficken was a highly respected farmer from Ionia, Mo., and was known throughout the State for his leadership in many agricultural organizations. He was an officer with the Missouri State Fair, past president of the Missouri Pork Producers Association, past president of the Benton County Extension Council, and was most active in the Missouri Farm Bureau Association. He served as a member of the U.S. Air Force from 1951 to 1955. All who knew him realized the value of his friendship and witnessed his work for the betterment of agriculture in our State. He will be truly missed. His wife, four sons, and two daughters survive.●

CARDINAL WYSZYNSKI

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. GEJDENSON. Mr. Speaker, The recent passing of Cardinal Wyszynski is a cause for great sorrow not only in Poland but worldwide among those who recognized the leadership he provided the Polish people as the spiritual leader of that nation's overwhelmingly Roman Catholic population. Cardinal Wyszynski was immensely respected for his wisdom, patience, and above all for his extraordinary skill in mediating potential conflict in his troubled country. Many examples come to mind of Cardinal Wyszynski's ability to avert open confrontation: in 1956 when he called for national unity and calm in the face of nationwide unrest, thereby averting a Soviet invasion, and again in 1980 when he acted as mediator in meetings with the head of the Communist Party Stanislaw Kania and Solidarity leader Lech Walesa.

Cardinal Wyszynski campaigned vigorously throughout his life for social and political rights for his countrymen. His extensive writings on labor and rural problems led his followers to nickname him the "workerpriest." He was an underground army chaplain in the anit-Nazi resistance in World War II before being consecrated as the Bishop of Lublin in 1946. Only 2½ years later, he was named Archbishop of Gniezno and Warsaw by Pope Pius XII, thereby becoming the Primate of Poland. Cardinal Wyszynski's lifelong labor to unite and strengthen Poland earned him the love of his people and the respect of us all.●

CO-OP AND CONDOMINIUM CONVERSION—A NATIONAL DILEMMA

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. WEISS. Mr. Speaker, across the country, tenants are being swept up in the tide of co-op and condominium conversion. In New York City a trend that began in the early seventies in wealthier neighborhoods has suddenly hit like a tidal wave. On the West Side of Manhattan and in Riverdale, the district which I represent, we are witnessing a phenomenon so remarkable that it may make rental apartments extinct.

The rate of co-op conversion must be viewed with the local vacancy rate. In New York City we have a housing shortage of emergency proportions. There is a vacancy rate of about 3 percent for all of New York City—probably less than 1 percent in Manhattan. This, plus the fact that most New Yorkers are already paying 30 to 45 percent of their income for rent, dramatizes the dilemma they face in seeking decent, affordable shelter. As the number of rental units are reduced through conversions, the housing crisis becomes more acute because of greater demand from increases in divorced, single, and elderly households.

The critical shortage of housing has intensified speculation in real estate, driven up co-op prices, and accelerated the trend toward conversions. Property owners are eager to capitalize on scarcity, a booming market, and the promise of huge profits.

Added to this pressure cooker atmosphere is a U.S. Senator from New York who is actively working in Congress against rent control and rent stabilization laws.

While there is an increasing tendency toward conversion in less affluent neighborhoods and in other boroughs besides Manhattan, past experience indicates that conversion has taken place primarily in affluent areas where buildings are extremely profitable and are not a result of a distressed real estate market. A recent HUD report specifically notes that rent control is not a significant contributing factor to conversion. Cities such as Chicago and Denver, where there is no form of rent control, have had an overwhelming number of conversions.

Urban homeownership clearly has positive benefits to a community. It has created a new group of owners with a sense of community and a stake in their neighborhoods. As the value of an apartment follows the inflationary spiral year after year, buying a co-op has turned out for many to be an excellent financial investment. As people move increasingly into higher tax brackets where deductions on mortgage interest and real estate taxes provide a greater benefit, ownership looks better and better.

In neighborhoods such as Clinton, in my district, which has experienced significant housing abandonment, in-rem buildings have become resource for low- and moderate-income tenants who are offered a change to purchase apartments at modest cost and who can improve them through sweat, equity, and Federal community development money.

However, the positive aspects of co-op ownership must be balanced with the tremendous disadvantages that are also attendent. As the process takes hold of a neighborhood, one person's neighborhood stabilization becomes another person's gentrification. Many do not have the capital to purchase their apartments. In addition, high interest rates prevailing in the lending markets mean carrying charges that are too high for middle- and low-income people.

For those who cannot affort to buy, there is the emotional and financial trauma of being uprooted from their home and their community and the difficulty of finding another apartment. The HUD study has shown that a large portion of tenants who purchased their apartments preferred to rent; many bought because they were afraid that in an increasingly tight housing market there would be no place else to move. And most tenants who are forced to move because they cannot afford to buy find themselves paying higher rents for their new quarters. Many who do buy, the HUD study tells us, face enormous increases in their monthly housing budget—as much as 36 percent for insiders and 62 percent for outsiders.

Although New York has some of the most stringent controls in the country, the tenant in the conversion process is still at a decided disadvantage. In an eviction plan, a minority of tenants—35 percent—determine the fate of the majority. In a noneviction plan, tenants have even less power, since only 15 percent of the shares need to be sold and not necessarily to the tenants in occupancy. This inequity makes negotiating for the price of the apartment and the reserve fund heavily weighted in favor of the landlord.

As this Congress seeks to examine the conversion process, we must bear in mind that co-op conversion does not address our most critical housing need—the need to increase the supply of affordable housing. We must seek ways of accommodating and broadening the opportunities for those who seek homeownership while providing safeguards for those who either do not or cannot afford to do so.●

IT TOLLS FOR THEE

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. STARK. Mr. Speaker, I would like to bring to the attention of my colleagues the following New York Times article about human rights violations around the world.

As Americans, we should care about human rights violations wherever they occur—in Communist countries, Socialist countries, and capitalist countries. If human rights mean anything, they must apply to citizens of friendly and unfriendly governments alike.

IT TOLLS FOR THEE

(By Anthony Lewis)

BOSTON, May 13.—This is a column about two physicists, or more accurately about two human beings who happen to be physicists. They are from countries far apart in miles and in politics. They do not know each other. What they have in common, apart from their science, is their experience of that contemporary phenomenon: the terrorism of the state.

Vladimir Kislik comes from Kiev, in the Soviet Union. He is a Jew, and in 1973 he applied for an exist visa to emigrate to Israel. His wife and son were allowed to go. He was refused permission—and entered a nightmare life.

Mr. Kislik immediately lost his position at the Institute of Physics of the Ukranian Academy of Sciences. He took menial jobs and was fired from them. He was arrested for vagrancy. Foreign scientists who visited him at home were assaulted by ruffians on the streeet.

Last July, during the Olympics, he was put in jail for 15 days. There he had a heart attack. He was sent to a psychiatric hospital, where he was put in a ward with dangerous psychotics. Friends got word to the outside world, and groups in France and the United States sent strong protests to Soviet authorities. Mr. Kislik was released.

Recently he was arrested again. According to reports from Kiev, he is about to go on trial on a charge of "hooliganism." That carries a sentence of up to five years in a labor camp.

Elena Sevilla is a physicist from Argentina. She had a baby by Caesarean section in November 1975. Five days later she was arrested in her hospital bed. No charge was made, then or afterward. In January 1976, an Argentine judge ordered her released. But the authorities did not let her go, instead placing her under indefinite detention without charge. Her child was given to her parents. She was put under a strict prison regimen: allowed almost nothing to read, kept in her cell 23 hours a day.

There were protests from groups abroad, just as in Mr. Kislik's case: from the American Physical Society, the National Academy of Sciences, Amnesty International. Elena Sevilla was luckier than Mr. Kislik. After three years she was released and allowed to leave the country. She is now studying at Cornell.

Of course these two are not the only scientists who have been victims of their governments. In the Soviet Union, Anatoly Shcharansky is wasting away in solitary prison confinement, reportedly near death. Yuri Orlov is serving a seven-year sentence in a labor camp. Andrei Sakharov is in internal exile.

The scientist victims in Argentina are less familiar to us, but their stories are no less chilling. Federico Eduardo Alvarez Rojas, a well-know physicist, and his wife Hilda Graciela were seized by armed men in 1976 in front of their three young children; though once reported to have been seen in a prison, they have never been officially accounted for. American physicists know of at least 16 other of their Argentine colleagues who have similarly "disappeared."

The stories of Vladimir Kislik and Elena Sevilla and the others make a simple but fundamental point: the indivisibility of concern for humanity. State brutality and terrorism are evils—absolute evils—whether practiced in one corner of the world or another, one political system or another.

John Donne made the point to us as individuals 350 years ago. The passage best remembered is: "Never send to know for whom the bell tolls; it tolls for thee." But he also put it another way: "Any man's death diminishes me, because I am involved in mankind."

In today's world the point is not just individual or spiritual but political. If we close our eyes to official brutality here or there—in the Soviet Union or Argentina, in Uganda or Cambodia—we risk our own civilization. Scientists have tended to understand that, supporting their threatened colleagues everywhere. Governments are another question.

The question is especially acute now, as the new American Administration proposes what amounts to a double standard for human rights. It would focus attention on the cruelties of Communist governments and wink at the horrors done by "friendly" right-wing regimes.

Ironically, victims of Soviet repression—at least some of the more prominent among them—do not seem to want a one-dimensional American policy. Pavel Litvinov, a dissident who got out, said when I asked him that this attention naturally centered on events in the Soviet Bloc, "but I believe very strongly in the principle of human rights everywhere. I care about Argentina."

Five years ago this week some brave Soviet citizens set up a Moscow group to monitor observance of the rights supposedly gained in the Helsinki agreements. Most are now in prison or forced exile. Their spokesman in America, Ludmilla Alexeyeva, said: "The United States has achieved respectability and credibility in speaking out publicly and forcefully against human rights violations around the world. A continuation of this universal policy is essential to the human rights movement in the Soviet Union."●

INTRODUCTION OF LEGISLATION TO PROTECT AMERICA FROM THE IMPORTATION OF INFECTED AND DISEASED PLANT AND ANIMAL PRODUCTS

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. IRELAND. Mr. Speaker, today, on behalf of myself and Congressmen GIBBONS and FRENZEL, I am introducing legislation to make effective the laws against the importation of possibly infected and diseased plant and animal material.

At present, persons entering the United States are supposed to report all animal and plant materials that they are carrying into the United States. For example, the Customs Declaration Form No. 6059 distributed to persons entering the United States asks the following questions:

Are you or anyone in your party carrying any fruits, plants, meats, or plant or animal products, birds, snails, or other live organisms of any kind?

Have you or anyone in your party been on a farm or ranch outside the USA in the last thirty days?

Of course, any of us can see the inadequacy of such questions for foreign nationals who may have little or no English, or who come from predominantly agricultural nations. Most would answer "yes" to the second part without any sense of the importance of the answer to U.S. argiculture.

Parenthetically, I would endorse the points made by Mr. GIBBONS in his excellent letter of May 27, 1981, to the Honorable William Archey, Acting Commissioner of U.S. Customs, suggesting ways in which incoming passengers, both United States and foreign, can be alerted to the dangers of bringing in contraband, and warned of the financial consequences to themselves should they do so.

In some cases, these materials, including associated items such as soils and serums, are prohibited or must be quarantined, because they may be infected or carrying exotic animal and plant diseases. These diseases could cause hundreds of millions and even billions of dollars worth of damage to American agriculture, and thus, to American consumers.

For example, it is estimated that if foot and mouth disease were permitted to spread to the United States and become established here, it could cost close to $12 billion to contain it. The eradication of African swine fever is estimated also in the billions of dollars. There was an outbreak of Exotic Newcastle disease of poultry as a result of entry of infected products and in the period 1971–72 it cost close to $56 million to eradicate it in California. The entry of dangerous fruit flies, such as the Mediterranean fruit fly, has become a particular problem in California at the present time.

These are but a few examples of the kind of situations which might wreak havoc to American agriculture.

And I must note that we in Florida have recently had a discussion of some magnitude with the Department of Agriculture on how we can best protect ourselves from the Mediterranean fruit fly without breaking the interstate commerce laws. We are not just concerned about H.R. 2540, in short,

and will continue to monitor any situation which appears of interest.

A recent APHIS working paper makes clear the actual risks involved in the matter at hand.

It is important to emphasize that about 3 percent of all travelers carry prohibited contraband. First quarter results of an ongoing annual survey being conducted on 4 percent of all travelers entering five major international airports show that this contraband is discovered nearly equally as often in hand-carried and checked baggage. Less than 50 percent of this material is declared by travelers either on their declaration form or orally! It only takes one infested orange or one small virus-infected piece of meat to start an infestation or outbreak which could cost millions of dollars to control. Infestations and outbreaks are too costly to take undue risks.

U.S. agricultural production is, it need hardly be stated, the greatest in the world, approaching a figure of $500 billion annually and contributing much of our balance of payments. In fiscal year 1980, for example, exports of U.S. agricultural commodities exceeded $40 billion. Accordingly, it is of critical importance that the United States be protected against the introduction of agricultural contraband.

Unfortunately, the present laws governing the entry of these animal and plant products are totally ineffective. As USDA noted in a 1979 memo,

The port-of-entry inspection of incoming travelers' baggage routinely discloses large quantities of prohibited plant and animal products and materials. Experienced inspectors estimate that deliberate concealment is involved in about one-fourth of the interceptions of prohibited agricultural materials. This presents a very real and constant threat for the introduction of destructive plant and animal diseases and pests from foreign countries.

Under title 7 of the United States Code, there are criminal penalties for the violation of the laws administered by the Animal and Plant Health Inspection Service. These criminal penalties are almost never enforced because of the heavy burden of work already before the courts and the Department of Justice. In the last Congress, legislation (S. 2956) was introduced at the request of the USDA to provide for a system of believable and enforceable civil penalties for the violation of APHIS laws. That bill was not enacted, and so far this year, no similar legislation has been submitted on behalf of the administration.

Under title 19, failure to declare an article to Customs, either in writing or orally if asked, results in the forefeiture of the item and makes the importer liable to a penalty equal to the value of the article. This provision of customs law is simply no deterrent. What is the value of an orange or a half eaten pork sandwich, or a partially cooked sausage? Customs, will take away such items if they are found, but rarely if ever bothers to assess a penalty of 20 cents or $1—the value of the food item, since the paperwork involved costs nearly $8. Yet that innocent looking orange or half a sandwich can be carrying diseases, which if established in the United States will annihilate orchards and herds throughout whole States and will cost incredible sums of money to eradicate.

The need to report the importation of animal and plant materials must be made more vivid to the traveling public. Violations of the laws to report such items must carry a credible penalty which will cause people not to bring in such items or to report such items to the customs officers and APHIS personnel at our Nation's ports of entry.

To put some teeth into the law requiring the reporting of such items, our bill amends title 19, United States Code, section 497 to provide a penalty of up to $50 for failure to report articles.

Mr. GIBBONS, Mr. FRENZEL, and I feel that such an amount, while seemingly slight in the face of the massive damage which unauthorized items can cause, is a practical amount which can and will be enforced. I would urge the House to see this as a sort of traffic ticket which will deter would-be offenders, when properly advertised by the airlines and the Customs, with the full cooperation of the individual airport authorities.

For those who feel we should impose massive potential penalties, I can only ask who they think will really be eager to enforce such penalties against the typical offender? Let us get something which works, rather than something which only sounds tough.

I do not delude myself that we will actually eradicate the problem through this legislation. But, it is certain that without this legislation, the cutbacks in Customs and other inspection agencies will eventually produce a deterioration in a situation which is already tenuous, at best.

I welcome the gentleman from Florida's initiative in cosponsoring this important legislation with me, and his commitment to hold hearings on it before his Subcommittee on Trade of the Committee on Ways and Means as quickly as possible. The gentleman from Minnesota's support is particularly welcomed, as it shows that the concern here is truly national, rather than regional.

We each appreciate the importance of moving this bill quickly, since the tests of speeded-up Customs procedures will be taking place at Miami International Airport, among others. At present, the law lacks any realistic teeth in the face of violations.

For these tests to be truly meaningful, we need to provide teeth just as soon as we can. This legislation provides those teeth, and I think it is a bite which will take.

In conclusion, I of course state that we stand prepared to coordinate our efforts on behalf of this legislation with any actions the Agriculture Committee may want to take to devise an enforceable and believable system of civil penalties for the violation of APHIS laws.

H.R. 3759

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 497 of the Tariff Act of 1930 (19 U.S.C. 1497) is amended by striking out the period at the end thereof and inserting in lieu thereof the following: "; except that, if the value of such article, including, but not limited to, any animal or plant article, is less than $50, such person shall be liable to a penalty of $50, in addition to the forfeiture of such article. In the case of articles valued at less than $50, the Customs Service shall provide for a system of immediate appeal and total or partial mitigation of penalty to address cases involving issues such as hardship or misunderstanding due to language barriers.".●

INTRODUCING H.R. 3748

HON. PETER W. RODINO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. RODINO. Mr. Speaker, today, I am introducing H.R. 3748, a bill to amend certain titles of the United States Code, to codify recent law, and to improve the code. This bill will amend titles 10, 14, 37, and 38, United States Code, that have been enacted into positive law, to reflect changes in the substance of those titles by laws or reorganization plans that did not specifically amend those titles. The bill makes no change in the substance of existing law. This bill was prepared by the Office of the Law Revision Counsel of the House of Representatives and submitted to the Committee on the Judiciary of the House under section 285b of title 2, United States Code.●

VIETNAM'S COMMUNIST RULERS HAVE THEIR TROUBLES

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. MICHEL. Mr. Speaker, recent news reports state that the Communist rulers of Vietnam are having troubles these days. They told the world that once they took over, all forms of corruption in Saigon would cease—such does not appear to be the case. Their admirers in the United States told us that the Vietnamese Communists were not beholden to the Soviet Union. But the facts show that Viet-

nam is a Soviet proxy in the Southeast Asia.

I recall the strident voices denouncing American aid to the former Government of South Vietnam. Where are those same voices today now that it is undeniable that the Communist government of Vietnam is infinitely worse, in every way, than any of the governments of South Vietnam?

At this point I wish to insert in the record: "Now Vietnam Fights for a Soviet Indochina" from the Wall Street Journal, June 1, 1981, and "Vietnam Admits Losing Battle To Control Vice" from the London Daily Telegraph, republished in the Baltimore Sun, May 30, 1981.

[From the Wall Street Journal, June 1, 1981]

NOW VIETNAM FIGHTS FOR A SOVIET INDOCHINA

(By S. Rajaratnam)

Whoever wins the war in Cambodia, it is now not going to be the Vietnamese because, in my view, they have lost their war for a Vietnamese Cambodia to the Soviets. Out of the ashes of the old war now rises the new struggle for a Soviet-dominated Cambodia and eventually an Indochina presided over by the Soviets. The Vietnamese are now a subsidiary factor and to continue to deal with the Cambodian issue as primarily a Vietnamese problem is to blind ourselves to what has always been the central issue—the Soviet drive for pre-eminence in Southeast Asia.

Soviet objectives are not physical occupation of Southeast Asia but the forced conversion of this prosperous and crucial region into a proxy for their global politics.

When in December 1978 the Vietnamese invaded Cambodia the Soviets may have believed that a Vietnamese-dominated Indochina could be an asset in the power game. They may also have believed that the war would be over in a few weeks and the conquest would be accepted by the world with the resignation it received the occupation of neutral Laos.

By conceding backward Laos and Cambodia to Vietnamese imperial greed they would be winkling the Vietnamese out of their profitable and long-standing neutrality in the Sino-Soviet conflict. Laos and Cambodia were peanuts compared with the pearls and diamonds the Soviets hoped to garner in the rest of Southeast Asia with the cannon fodder their grateful ally could provide.

After nearly two and a half years things have not worked out that way. An army which allegedly trounced the mighty French and Americans is being denied victory by the not very impressive Khmer Rouge guerrillas. Two dry weather offensives have petered out and the Vietnamese are now contemplating the use of their air force, including F-5 jets, against increasing guerrilla harassment.

Soon non-Khmer Rouge guerrillas may join in the harassment.

The Association of Southeast Asian or Asean states instead of, as expected, being cowed into seeking accommodation with the mighty Vietnamese launched a diplomatic counter offensive which has successfully isolated them in the United Nations and in the non-aligned world as well. For both the Soviets and the Vietnamese this was something of a shock. They believed that a Vietnam which had been an object of universal adulation for some 30 years could have easily swung the Third World into endorsing its war of "liberation" in Cambodia.

Instead it was thumbs down. The disappointment was all the greater for the Soviet Union because it had hoped that "heroic" Vietnam would entice new supporters from the Third World to the Soviet side. Instead the only friends the Vietnamese have today are those that the Soviet Union can browbeat into supporting Vietnam's unwinnable colonial war in Cambodia. Some of the odium Vietnam has attracted is also rubbing off on the Soviets.

An even greater disappointment with the Vietnamese is that they are turning out to be an intolerable economic burden as well. The cost of underwriting what was expected to be a short war has now doubled to an estimated $6 million a day.

The Soviets also are saddled with the additional burden of propping up a Vietnamese economy which stubbornly proceeds from worse to worst. Far from being grateful, the Vietnamese have publicly voiced their displeasure over Soviet stinginess. In an interview with the Far Eastern Economic Review of Feb. 28, the chairman of the Vietnamese State Planning Commission complained about the 150 percent increase in the price of Soviet oil. "In selling to Vietnam," he reminded the Russians, "the Soviets should give some element of aid." He also expressed disappointment that the Soviets had yet to make any financial commitment to Vietnam's Five-Year Plan.

The propaganda about a Vietnamese economic miracle in Cambodia (which they seem incapable of achieving at home) has now been exposed by the Soviets themselves. On April 16, a Soviet embassy spokesman in Phnom Penh announced that, in view of the impending termination of international aid, the Soviets had started laying the groundwork for the reconstruction of Cambodian economy. "We are now preparing the base," he announced and added ominously: "It is the beginning."

A beginning implies the end of something and that something is a Vietnamese Cambodia. I do not see the Soviets pouring millions of rubles into Cambodia and then handling it back to the Vietnamese. Since the Soviets seem to be financing everything—the war in Cambodia and the domestic economies of the Indochinese states—they might as well administer Indochina themselves and, hopefully, run it properly. The Vietnamese role in Cambodia, from now on, will be to ward off guerrillas until such time as the Soviets can train sufficient Cambodians to take over this responsibility themselves.

I believe that as in Cambodia so too in Laos the Vietnamese cormorant will eventually be forced to disgorge its unswallowable prey to its keeper. In the early days the Soviets deferred to the fantasy of a Vietnamese Indochina by dealing with Laos and Cambodia through Hanoi. Now they are dealing directly with the leaders of Laos and Cambodia who will now be beholden to the Soviets.

From the Soviet point of view the quiet dismantling of a Vietnamese empire is sound strategy. They have discovered what should have been obvious even in 1978. Vietnamese might rested on borrowed strength. It was Soviet and Chinese aid coupled with collapse of political will in the United States which made possible Vietnam's glorious victory.

The Vietnamese will be most unhappy that inexplicably they should now be fighting for a Soviet Indochina and in a moment of unthinking euphoria they entered into an alliance with the Soviets to fight the "Chinese menace." The Soviets can at any time bring them to heel by offering them the option of facing Chinese vengeance on their own.

So after nearly two and a half years of fighting the Vietnamese have lost Cambodia and are left with the choice of either accepting Soviet servitude or facing Chinese vengeance.

There is, fortunately, a third choice and that is the solution offered by the Asean states and endorsed by the United Nations. It is a solution which does not impinge on Vietnamese honor or threaten their independence and which offers them protection against Chinese, Soviet, or any other menace.

It requires first the withdrawal of Vietnamese troops from Cambodia. Now that a Vietnamese Cambodia is not in the cards, the Vietnamese should have no difficulty complying gracefully with something which is inevitable anyway.

The second requirement is to offer the people of Cambodia, under United Nations supervision, a chance to choose the form of government they want.

In my view, unless we are totally mistaken about the Khmer Rouge record, it is most unlikely the Cambodia people will opt for its return. The leadership they are likely to endorse is one which will free itself of contending power blocs and which will be ready to live in fruitful co-operation with its Southeast Asian neighbors and in particular with a peaceful Vietnam.

Such a Vietnam can confidently look forward to aid and assistance from Asean, whose interest it is to see a prosperous and truly independent Vietnam. Moreover a Southeast Asia of over 350 million people, working together, can develop fruitful relations with great powers without becomming their proxies and victims as the Vietnamese have now become.

But so long as Vietnam insists that things are irreversible then Asean has no choice but to oppose Vietnam simply because its present policy endangers not only Vietnam but also the whole of Southeast Asia by converting it into a cockpit for new imperial wars. After all it was not Asean but Vietnam which re-introduced great power rivalry into a region which Western imperialism had vacated.

That Vietnam has become the first victims of this disastrous policy is a justification for re-examining it.

[From the London Daily Telegraph, May 30, 1981]

VIETNAM ADMITS LOSING BATTLE TO CONTROL VICE

BANGKOK, THAILAND.—Six years after it took over South Vietnam, the Communist regime has admitted that vice is as popular and rampant as ever in Ho Chi Minh City, formerly Saigon.

The current issue of the regime's official youth magazine Vanguard described an "investigative report" by one of its correspondents last month. He said a tour of coffee shops turned up entertainment ranging from decadent songs to rock 'n' roll dancing.

At one of the cafes, he wrote, pornographic movies were a special after-midnight feature for regular customers.

The magazine report said that police raids on 42 coffee shops late last month resulted in seizure of "hundreds of tapes of decadent

music, along with almost 50 reels of movies made in the United States, Taiwan, Western Europe and Thailand."

Three coffee house owners were charged at a people's court hearing, the article said. It gave no details of charges or results of the tribunal.

The investigative reporter appeared outraged that songs by popular singers of the pre-1975 period are available in Ho Chi Minh City, and indicated that possession of such tapes and records is illegal under the new regime.

"The latest songs written by Pham Duy, Hung Cuong and other scoundrels who have fled abroad, which have been presented by the Voice of America, are also available in the coffee houses," he wrote.

He said that in one coffee house he visited, young people appeared "entranced by a maudlin tune of a popular song dating from the puppet regime and sung by a female singer."

The Communist authorities have been trying to clean up "wicked Saigon" since April 30, 1975, the day Hanoi's army entered the city. But authorities have admitted that black marketeering, underground capitalist enterprises, prostitution and violent crime have continued at an alarming pace.●

IMPROVING THE QUALITY OF LIFE IN THE GENEVA LAKE AREA

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. ASPIN. Mr. Speaker, there have been some developments in projects in the Lake Geneva area of my district since I last reported on them.

In 1979, I agreed to help the Geneva Lake Area Chamber of Commerce look for funds to rehab the old Chicago & Northwestern depot in Lake Geneva. We hoped the old depot might be used as a tourist center and a central location for buses, taxis, and trains.

While going from agency to agency looking for funds, I heard over and over that the depot would be an ideal project for a local development corporation. These are generally nonprofit groups to attract new industry or revitalize old housing and industry in a community. Federal and State funds can flow through an LDC to help private homeowners and business people.

With this in mind, I contacted Wisconsin cities that had LDC's and drafted the articles of incorporation for a Geneva Lake development corporation.

The details are being worked out now by Mayor Dick Folman and chamber of commerce members. The paperwork will soon go to the State for final approval and Lake Geneva will then have its own LDC helping improve the quality of life in the Geneva Lake area.●

SOCIAL SECURITY REFORM: AN EDITORIAL VIEWPOINT

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. BEREUTER. Mr. Speaker, as the debate continues over changes to be made in the social security system, I believe we must keep a historical perspective—we must remember why the system was established and how it has changed over the last 50 years. I, therefore, recommend to my colleagues the following syndicated column which ran in the Falls City Journal. I also agree strongly with the editorial's conclusion that the ongoing debate is just the beginning of a long overdue reconsideration of the social security system. The text of the column follows:

[From the Falls City Journal, May 19, 1981]

VIEWPOINT—AN END TO SOCIAL INSECURITY?

(By Don Graff)

In the beginning, the intention was relatively modest.

The idea was to provide some insurance for the elderly working population against unanticipated financial need. "Working" was defined in the most basic sense of the word, meaning jobholders in industry and commerce, no high-salaried professionals.

And even so coverage was far from comprehensive. Initially no more than 60 percent of the work force participated and benefits were limited, supplementing an individual's own savings and whatever might be forthcoming from other sources. Participants financed the program through deductions from their paychecks. But they were not thereby investing in an annuity, paying in money that they would be entitled to withdraw later.

The idea was not to establish a national pension system. The program was structured not as a cumulative trust fund but as a simple transfer mechanism. Money paid in by the participating portion of the active work force was immediately paid out to the eligible portion of the retired population.

That, briefly was Social Security as conceived and instituted in the Depression '30s. That is not Social Security in the inflationary '80s and to a considerable extent because the program has changed so much in the last half century it is in trouble. Again.

So now we have President Reagan and Congress revving up for the third rescue operation in approximately as many years. What makes this time around different is that for the first time retrenchment is being seriously addressed as essential to keeping the system solvent.

The administration proposals—principally to set back annual cost-of-living increases from July to October at a savings of billions a year, discourage early retirement, revise the formula for computing future benefits and tighten eligibility requirements for some—are in part a hurry-up effort designed to head off independent congressional action. Both houses are looking at more drastic pruning because the Social Security system is in such clearly bad shape, in real danger of running out of funds.

In a sense it is a victim of its own success. From the very beginning the system functioned not merely as intended but better. So much better that not only did participation multiply, benefits proliferated. With an expanding economy and a growing population, the nation could afford it, particularly in the boom '60s when a number of expensive additions were made to the original benefits package.

The good times came to an end in the sagging '70s, however. Partly it is demographics—a declining birthrate, meaning fewer newcomers to the work force, and more Americans living longer, meaning more retirees to be supported. In the 1930s, the payroll taxes of 11 workers supported one beneficiary. The ratio is now about 5-to-1, and some projections see it hitting 3-to-1 or less within another half a century.

The growing problem has been addressed to date through quick fixes that come down basically to raising payroll tax rates to meet recurrent benefit payment gaps. Any more fundamental restructuring of the program has been regarded as politically impossible given the growing and politically active population of retirees.

But there comes a point at which the inescapable can no longer be ignored. Such as now. A program such as Social Security cannot be insulated from the society and more immediately the economy in which it exists. It cannot pay out more in the long run than that economy is capable of putting into it.

The proposals now on the table are only the beginning of a long overdue reconsideration of the entire system. There are plenty of others to fuel the debate, such as spinning off costly Medicare as a separate program and taxing benefit payments above a subsistence level.

The important point now is that a start has been made. Social Security may not have been intended as a national pension system, but Americans have come to regard it as such. If despite the political complications the Reagan administration succeeds in restoring the system to soundness, the achievement could well rank in history's final accounting as its most constructive.●

SPECIAL INTERESTS

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. MAZZOLI. Mr. Speaker, one can say that, despite the difficulty of the recent vote on the fiscal year 1982 budget, the really hard votes lie ahead.

Coming on stage are the special interest lobbies. I call them the "Yes But" groups. "Yes, we need to cut government spending, but, don't start with me."

These folks, as the following Wall Street Journal editorial of May 22, 1981, makes clear, will make a mockery of the budget process if we are not careful.

TRULY NEEDY?

The Reagan administration seems to be having trouble cutting back funding for the Export-Import Bank. It had proposed cutting $752 million from the $5.9 billion the Carter administration wanted to give the

bank in direct lending authority in the current fiscal year. It also wanted to rescind $1 billion of the $8.56 billion in loan guarantees the previous administration proposed allowing the bank to write. But the biggest clients of the bank launched an intensive lobbying campaign, and now the House and Senate have restored much of the funding.

It's the sort of episode that makes you wonder how the administration will fare in the coming guerrilla war various interests are going to wage against its proposed budget cuts. In this instance, those seeking the handouts are big companies that export expensive items like airplanes and power plants. They claim they need discount financing of the sort the Ex-Im Bank provides because other governments (those, say, of France, Britain, West Germany) are prepared to offer discount credit to their manufacturers' customers overseas. Without U.S. Export-Import Bank help, they claim, they couldn't compete and thousands of U.S. jobs would be lost.

What these corporations don't stress is the enormous hidden costs the Ex-Im Bank program imposes on the rest of the economy. A recent Congressional Budget Office study reckons that Americans who aren't beneficiaries of the program pay additional interest costs of between $200 million and $900 million annually (at current interest rates and lending levels), because of Ex-Im pressures on capital markets. The congressional paper says it can't document any offsetting foreign policy gains and concludes that payments by non-beneficiaries (i.e., most of us) are "largely redistributed to U.S. exporters, foreign importers and banks, with the remainder absorbed in efficiency losses from misdirection of resources."

It's hard, in short, to think of a more inviting target for cuts, particularly for an administration committed to a free and growing economy. But in the current squabble the White House shows every sign of being either naive or disinterested. Capitol Hill gossip has it that the Commerce Department was sending up signals contrary to the administration position (Commerce denies this), and, in any event, it wasn't until setbacks on the floor that Mr. Reagan's own budget office—which does understand the issue—weighed in with any kind of strong statement.

All this comes only weeks after the administration's decision to negotiate "voluntary" import restraints on Japanese automobiles, an episode in which the Transportation Department seemed to be off and running on its own. That was another example of big business and big labor moving to protect parochial interests at the expense of the economy. The amounts at stake in the Ex-Im fight aren't large, but at some point the administration will have to learn how to combat these assaults, lest the economic program it has launched be made a mockery.●

FEDERAL ASSISTANCE FOR TRAINING PRISON PERSONNEL

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. STARK. Mr. Speaker, responsible action is needed to deter crime in the United States. One step would be to improve the quality nationwide of our penal institutions. Many criminals resort to crime upon release. Two things are needed, training of the inmates and training of the prison personnel. A national academy to train and educate prison personnel would serve to provide technical assistance to State and local institutions with tight budget restrictions.

It is appropriate to include here, excerpts from Chief Justice Warren E. Burger's commencement address at the George Washington University School of Law on Sunday, May 24, 1981, which sets out his plan to improve our penal institutions:

[From the Washington Post, May, 26, 1981]

A "MORAL OBLIGATION" TO PRISONERS

(By Warren E. Burger)

No one questions that a criminal conviction should always be open to correct a miscarriage of justice. But no other system in the world invites our kind of never-ending warfare with society, long after criminal guilt has been established, beyond reasonable doubt, with all the safeguards of due process. Our system has moved thoughtful, sensitive observers who are dedicated to individual liberty to ask: "Is guilt irrelevant?"

Looking back, we see that over the past half century we have indulged in a certain amount of self-deception with euphemisms, sometimes perhaps to sugar-coat the acid pills of reality, and sometimes to express our humane aspirations for those who break our laws. Prisons became "penitentiaries"—places of penitence—juvenile prisons became "reform schools" and, more recently, we have begun "halfway houses" without being quite sure halfway from what to what.

I have long believed—and I have frequently said—that when society places a person behind walls and bars it has a moral obligation to take some steps to try to render him or her better equipped to return to a useful life as a member of society. Now, I say "try," and I use the term moral obligation, not legal, not constitutional. The Constitution properly mandates due process and it mandates nothing concerning the subject of punishments except that they not be "cruel and unusual." To make these people good citizens is also for our own proper self-interest.

To do all the things that might have some chance of changing persons convicted of serious crimes will cost a great deal of money, and 1981, if you have listened to talk shows, is hardly the year in which to propose large public expenditures for new programs to change the physical plants and internal programs of penal institutions. So what I am about to propose are programs of relatively modest fiscal dimensions that I believe will help—but with no guaranteed results.

Two steps could reasonably be taken within the range of affordable expenditure. I relate them chiefly because they are affordable in an economic sense—and feasible in terms of the psychology and the political and economic realities of 1981. These proposals are closely related. Each bears on training and education—training of the inmates and training of the keepers.

In all too many state penal institutions, the personnel—the attendants and guards—are poorly trained and some are not trained at all for the sensitive role they should perform. A fairly recent study shows an astonishing rate of turnover of guards and correctional personnel.

An important and lasting consequence of lack of trained personnel is the impact on the inmate—and individual inmate—who continues his hostility toward society, toward fellow inmates and prison personnel. The keepers come to be the immediate symbols of the society that keeps them confined. Unfortunately, judicial holdings have not always discouraged this warfare. More often than not, and I emphasize this, inmates go back into society worse for their confinement.

The best of prison administrators cannot change some of the negative conditions unless those in the high-turnover, lower-echelon categories are carefully screened, well-trained and reasonably paid. Psychological testing of applicants is imperative to screen out people with latent tendencies of hostility. The existing prohibitions on psychological screening must be reexamined. Today, those lower positions in most of the states are generally not paid adequately enough to get even minimally qualified people.

The time is ripe to extend the fine work begun in 1972 by the National Institute of Corrections, and we should proceed at once to create a national academy of corrections to train personnel much as the FBI has trained local and state police. This is especially needed for the states, which have no real training resources available. The academy should also provide technical assistance to state and local institutions.

The second step for which I would urge consideration is one that would need to be over a longer period of time. We should introduce or expand two kinds of educational programs in the prisons.

The first would be to make certain that every inmate who cannot read, write, spell and do simple arithmetic would be given that training—not as an optional matter but as a mandatory requirement. The number of young, functional illiterates in our institutions is appalling. Without these basic skills, what chance does any person have of securing a gainful occupation when that person is released and begins the search for employment—with the built-in handicap of a criminal conviction?

Focusing on the longer-term prisoner, the second phase of this educational program would require a large expansion of vocational training in the skilled and semi-skilled crafts. The objective would be that a prisoner would not leave the institution without some qualifications for employment in the construction, manufacturing or service industries. These vocational training programs should also be mandatory. An inmate who declines to cooperate must be motivated to do so by incentives including shortening the sentence. Just as good behavior credit is now allowed to reduce sentences, we should allow credit on sentences for those who cooperate by learning. We should help them to learn their way out of prison.

Even in this day of necessary budget austerity, I hope that the president and Congress, in whose hands such matters must rest, will be willing to consider these two modest, but important steps. No one can guarantee results, but if we accept the moral proposition that we are our brothers' keepers and the moral proposition that there is a divine spark in every human being—hard as that is to believe sometimes—we must try.●

U.S. STRENGTH IN FOREIGN AFFAIRS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. WEISS. Mr. Speaker, the strength of the United States in international affairs has been weakened by the Reagan administration's failure to implement a coherent, consistent foreign policy. While threatening world peace with a massive arms buildup and using El Salvador's civil conflict as the basis for a rhetorical confrontation with the Soviet Union and for military intervention, the President has made a choice for chief U.S. arms control negotiator which exhibits disregard for critically important arms control efforts. And while rightfully deploring Soviet intervention in Afghanistan, President Reagan rewarded that action by lifting the Soviet grain embargo.

A column which appeared in the New York Times recently documents these and other dangerous inconsistencies in the administration's handling of foreign policy. This commentary, by Richard Barnet, clearly shows how this policy undermines our Nation's role as peacekeeper and defender of freedom and democracy in the world.

A copy of the column follows:

[From the New York Times, June 1, 1981]

THIS IS DEALING FROM STRENGTH?

(By Richard J. Barnet)

WASHINGTON.—The Reagan Administration appears to have declared as nonproblems the so-called global concerns over which the Carter Administration briefly agonized: what to do about the catastrophic world food situation, the instability of the world monetary system, the sharing of resources under the sea, the mounting debts of poor countries, the growing rivalries within the developed world over access to scarce resources, and the environmental consequences of such rivalries.

Mounting economic and social instability in the third world is the No. 1 security problem, but the Administration's preferred approach to this threat to peace is to shake a finger at Moscow or to repaint an old battleship. It is a dangerously unrealistic policy, for there is no way that the United States can be restored to economic health without taking on these global problems in a serious way.

But is it not unfair to judge President Reagan harshly for not doing what he never had any intention of doing? Should not his performance be judged by his own goals? Unfortunately, by that test, too, he is headed for failure.

The Administration came to office promising to restore America to what Dean Acheson once called "situations of strength." Obviously, more than a military buildup was required. The Government would have to learn once again to speak with one voice on foreign policy issues. It would have to demonstrate strong public support for its program to restore American power. It would have to strengthen America's ties with its major allies. Most important, it would have to demonstrate that the nation's economy was vital enough to sustain our global commitments.

So far, the Administration has succeeded in confusing friend and foe alike. The President calls Soviet leaders liars and cheaters but invites them back into Middle East discussions. According to Secretary of State Alexander M. Haig Jr., the Russians are powerful enough to orchestrate much of the world's mischief, yet he says they are about to fall into the very ashcan of history that they have been preparing for us. The President's closest adviser, Edwin Meese 3d, announces that military action against Cuba is being considered, but the grant embargo against the Soviet Union is precipitously lifted without even advance notification to our allies.

El Salvador is selected as the critical site to make a stand against the newly discovered worldwide Communist-terrorist conspiracy. But neither the Congress, the Roman Catholic hierarchy, nor our European allies believe that the bloody civil war in that country was invented in Moscow. International terrorism is a fashionable construct to make chaotic and unmanageable events in a dizzying variety of places fit a ready-made strategy for addressing them—much like the "arc of crisis" rhetoric in the Carter Administration—but the Central Intelligence Agency says it has been unable to confirm the basic facts on which the Administration's paranoid worldview rests. Administration spokesmen claim that America would lose prestige if El Salvador's moderately repressive torturers and murderers, whom we are generously supplying with helicopters and rifles, should fall.

Thus, the Administration is setting that country up to be the new Vietnam. Whether a single additional adviser or even one infantry platoon is ever sent there, the Administration has already invested so much in that operation that this nation cannot help emerging from the involvement weaker, not stronger. Having announced that a political solution that includes the left is a major defeat, we have once again advertised our impotence. Having made support of our El Salvador policy a loyalty test for our allies in Europe and watched them flunk, the Administration has strengthened neutralist sentiment on the Continent and given a boost to the antiwar movement in both America and Europe.

The national security adviser, Richard V. Allen, scolds the Europeans for their "contemptible" better-Red/than-dead attitudes. The predictable result of our pressure has been to cause the West German Government to move slightly to the right and the German people to move to the left (66 percent of them, according to United States Government polls, are against modernizing the North Atlantic Treaty Organization with theater nuclear forces). The administration's obvious reluctance to negotiate arms-control arrangements in Europe, which a majority of Europeans see as the only way to reduce the Soviet nuclear threat against the Continent, offers the Soviet Union an unparalleled opportunity to put pressure on European governments by playing on legitimate popular fears. Reagan realism may work so well that the Kremlin will be able to claim a veto power over NATO weapons decisions.

Situations of strength these are not.●

INCOME TAX RELIEF FOR FORMER MISSILE SITE EMPLOYEES

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. DORGAN of North Dakota. Mr. Speaker, I am introducing a bill to correct an injustice done to 118 people in North Dakota 10 years ago. Between 1970 and 1974 the U.S. Government employed a great number of people at the anti-ballistic-missile site near Concrete, N. Dak. There was no housing at this site, and yet the workers were not allowed to deduct from their income taxes their living-away-from-home and transportation expenses.

The Internal Revenue Service maintained that the temporary status, under which these workers were employed, could only be continued for a maximum of 12 months. The length of employment was not defined when workers were hired, and thus they had no means of knowing they would fall victim to this clause.

This case was heard in the Eighth Circuit Court of Appeals and was decided in favor of the plaintiff, Louis Fredrick. The Internal Revenue Service did make repayment to Mr. Fredrick and many other former workers who applied for repayment soon after the decision, but the statute of limitations was not held open during the court hearings, as it could have been. To further complicate the situation for the workers, the statute expired at different times for the people involved.

There is multiple injustice and a cruel irony in all of this. Not only were these 118 people not allowed to take their travel expenses as deductions when there were no housing alternatives for them at the jobsite, but also, they were presented with a technicality when they sought rightful reimbursement from the Internal Revenue Service following their court victory. The Internal Revenue Service audited only those who worked at the anti-ballistic-missile site for over 12 months. It was these people who were not allowed to take deductions for their unavoidable expenses, and it was these people who have been the subjects of this discrimination. Workers employed for under 1 year were allowed to take these expenses as deductions.

Mr. Speaker, I introduce this bill to insure that justice is done to those who have very patiently sought it for over 10 years, and who, having achieved this justice in a court victory, were denied it by an Internal Revenue Service ruling.●

WALL STREET REJECTS REAGANOMICS

HON. DENNIS E. ECKART

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. ECKART. Mr. Speaker, President Reagan is claiming that the financial community supports Reaganomics. Wall Street, however, has a different story to tell.

This morning's editorial in the New York Times shows how Wall Street investors are reacting to the President's tax plans.

IN DEFENSE OF WALL STREET

Considering the magnitude of the nation's economic problems, we could understand the Reagan Administration's radical abolition of Lord Keynes's General Theory and even its reverence for Arthur Laffer's amateurish curve. We began to worry when it also took the position that budget deficits don't really count in battling inflation and that rapid growth could occur while the Federal Reserve Board is officially encouraged to curb it, through high interest rates.

But what can you make of the latest iconoclasm? That champion of free markets in the White House has called in the Democratic leaders of Congress and exhorted them to ignore the message of the noblest market of them all: Wall Street. The President wants Congress to buy his tax program even though the financial markets won't.

Wall Street, the President insists, is not to be trusted; it sees the world "through a very narrow glass." Indeed, he adds, "I have never found Wall Street a source of good economic advice."

Well now, Mr. Reagan is surely not the first to have been burned once or twice by a fast-talking Wall Street broker, But is he blaming "the market" for its salesmen? No. He threatened to betray his free-market ideology because this grand market was showing so little confidence in his economic predictions.

The fact is that as free markets go, Wall Street is pretty smart and sensitive. It's big and competitive and its records, through fluctuating interest rates, the collective economic judgment of millions of freely operating investors. It has well tested Mr. Reagan's proclaimed intention of calming inflationary expectations. The President should be unhappy not with the market, a relatively passive messenger, but with its message: that Americans refuse so far to bet their bundles on his program.

Despite four months of energetic White House propaganda and budget-cutting, and a remarkably compliant Congress, there has been no real decline in long-term interest rates. Investors appreciate the President's spending cuts, but lack confidence in the rest of his plan: sharp increases in defense spending and a simultaneous three-year reduction in income taxes. Wall Street has been betting against much lower inflation rates, thereby stiffening Congressional resistance to the President's tax reductions.

It seems unfair, we know. Given Mr. Reagan's once unlimited faith in free markets, you'd think they would reciprocate the sentiment. But free markets have a way of being free; they will not bend, like politicians, to the finger-wagging of a popular President. Even Lord Keynes knew that. And we suspect President Reagan does too. Why, otherwise, did he spend so much time yesterday groping for a compromise in tax policy that would be less inflationary and more attractive to investors? To win the votes of Democrats, to be sure. But above all, to mollify Wall Street.●

MEDICAID ASSISTANCE REFORM AMENDMENTS OF 1981

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. BROWN. Mr. Speaker, I am introducing a bill today which will provide for a more equitable allocation of Federal assistance to the States under the medicaid program within the capped fiscal year 1982 authorization level which President Reagan has recommended to the Congress. The bill—which embodies a novel concept advanced by the Ohio Hospital Association—is intended to aid Ohio and some 22 other States which are beset by disproportionately high unemployment and cost of living—two serious factors which impact directly on the number of medically indigent in the States and State resources to meet increased demand for services.

Medicaid, or title XIX of the Social Security Act, is an entitlement program which provides medical assistance to the poor through a State and Federal partnership. Since 1965, the Federal Government has paid a minimum of 50 percent of each State's medicaid costs and a maximum share of 83 percent of these costs.

Over the past 16 years, over $108 billion in Federal medicaid funds have been distributed amongst the States on the basis of a formula which relies solely on per capita personal income as an indicator of a State's ability to pay for services. One characteristic of the current medicaid formula is that per capita income, on which it is based, understates the fiscal capacities of several States who are enjoying a marked increase in revenues derived from oil and mineral resources, while it distorts the capacities of others which have been severely affected by downturns in the economy.

Many States in the Northeast and Midwest, for instance, have seen the demand for medicaid services explode as unemployed workers from the auto and other adversely impacted industries have exhausted unemployment benefits and have gravitated to the welfare and medicaid rolls. At the same time, these States have experienced declining revenue bases as a result of a decrease in taxable personal and business income.

Although the current medicaid formula has resulted in inequitable distribution of Federal funds in the past, continued utilization of this formula would have grave implications for States like Ohio, in light of the expanded responsibilities which will accompany President Reagan's comprehensive plan to overhaul the Federal bureaucracy and attack inflation through reduced Federal spending.

State matching rates are to be frozen for 2 years under the Reagan proposal, although for fiscal year 1982, Federal assistance to each State will not be allowed to exceed a level 5 percent greater than that which was received the previous year. Thus, with total program costs estimated to rise anywhere from 12 to 17 percent in the coming year, the actual percentage of each State's medicaid costs which will be borne by the Federal Government will be substantially reduced in fiscal year 1982 if Federal assistance is capped.

Because of the pressing need to attack inflation now through reductions in Federal spending and the equal importance of halting the growth of Federal entitlement programs by providing States with incentives to look for economies through more efficient ways of running their programs, a cap on Federal medicaid assistance in the proportions recommended by President Reagan is both necessary and practical.

However, because Federal medical assistance dollars are so vitally important to the States, it is only fair that the formula by which these funds are distributed be adjusted to reflect changes in State fiscal capacities and to acknowledge the viability of additional indicators of, first, the demand for services within a State; second, the effects of high cost of living upon State revenues; and, third, the short-term impact of unemployment and recession upon State revenues.

Criticism of the overreliance on the per capita income measure in the allocation of Federal assistance dollars is certainly not a new phenomenon. The per capita income measure is currently estimated to be in use in determining State allocations under 24 Federal assistance programs. The Advisory Commission on Intergovernmental Relations (ACIR) has done a substantial amount of research on the viability of per capita income as a measure of State fiscal capacity, and ACIR's own formula for Federal assistance to the States—the "Representative Tax System"—clearly points out that at least 14 States would receive substantially less Federal dollar support if other measures of their revenue-raising ability were taken.

Because the medicaid program is an open-ended entitlement program, there has never been a ceiling on total Federal expenditures. For this reason, most legislative proposals concerning the program have been designed to help a few (or even all) of the States—through some alteration of State

matching rates which would hold harmless any States which were not targeted beneficiaries—without cutting into the allocations of others. The theory in the past has been that the Federal medicaid "pie" is infinite.

Although the adjustments to the medicaid program which I am proposing today would provide for a redistribution of Federal funds, benefiting slightly less than half of the States, it would not change State matching rates and it does not assume an open-ended Federal medicaid investment. The formula that I am proposing would simply adjust spending ceilings for the States in fiscal year 1982 and following years, in order to direct a slightly larger proportion of Federal medicaid dollars to States with high unemployment and/or cost of living—allowing for a redistribution of some $360 million in Federal aid (or 2.1 percent of the Federal medicaid total) within the 5-percent cap proposed by President Reagan.

Calculating medicaid assistance under the Brown proposal, attachments A and B follow:

ATTACHMENT A.—CALCULATING MEDICAID ASSISTANCE UNDER THE BROWN PROPOSAL

The proposed formula for recalculating a state's share of the total federal assistance amount (which would be capped at a level 5 percent greater than the estimated expenditures in FY '81) involves a three-step procedure. It basically involves the determination of a state's adjusted share of total federal Medicaid dollars through a recalculation of each state's FY '81 program costs which would have been borne by the Federal government had the Brown formula (taking unemployment and cost-of-living into account) been in place. The adjusted percentage would then be applied to the capped federal assistance total.

Step 1: Calculate Adjusted Federal Medicaid Assistance Percentage (AFMAP):

a. Cases where state's unemployment rate is above national average:

Current Medicaid Assistance Percent = 5 (State unemployment 1980)/(National unemployment 1980) = AFMAP

b. Cases where state's cost-of-living estimate is above national ave.:

Current Medicaid Assistance Percent = 5 (State COL)/(National COL) = AFMAP

c. Cases where both state's unemployment and cost-of-living are above national average:

Current Medicaid Assistance Percent + 5 (State unemployment 1980)/(National unemployment 1980) + 5 (State COL)/(National COL) = AFMAP

(Where State Unempl. 1980 is the state's unemployment average for 1980 and Nat'l Unempl. '80 is the national average for the same year; where State COL is the state's estimated cost-of-living and Nat'l COL is the national average estimated for the same year. Both of these estimates can be recalculated on a yearly basis to reflect comparative state unemployment and cost-of-living for the previous year. The 5 in the formula is the "kicker.")

In the case of Ohio, which had an 8.4 percent unemployment rate in 1980 compared to a national average of 7.1 percent, the state's AFMAP would be 61.015, calculated as:

$$55.10 + 5\,(8.4)/(7.1) = 61.015$$

Ohio falls into the category of Case a, because its unemployment rate exceeded the national average. Ohio's COL did not exceed the national average; therefore, it would not qualify as either Case b or c.

Step 2: Determine State's Share of Adjusted Total Federal Medicaid Assistance:

To determine the percentage of total Medicaid funding each state would have received had the Brown Medicaid formula been in effect in FY '81, compute:

AFMAP × State's Total Medicaid Payments (Federal and State), fiscal year 1981/Adjusted Total Federal Medicaid Assistance, fiscal year 1981

Under the Brown formula, Ohio would have received approximately 3.94 percent of the federal medicaid assistance total for fiscal year 1981.

No state would be allowed to receive more than 16 percent of the total federal reimbursement figure in any year. (Only New York would be affected by this provision. Without the 16 percent limit, New York would receive about half of the funds redirected to the states under the Brown proposal. With the 16 percent cap, New York would still receive the largest increase in federal assistance, however, amounting to $95 million.)

Step 3: Apply State's Adjusted Percentage Share of Federal Medicaid Assistance to Proposed fiscal year 1982 Capped Medicaid Budget:

Using the approximately $17 billion proposed by the Reagan Administration to fund Medicaid in fiscal year 1982 under a five percent cap, Ohio would receive approximately $678 million or 3.94 percent of the total.

The attached table shows the level of funding each state would receive under the Brown Medicaid Proposal, compared to the current formula, using the five percent cap proposed by President Reagan.

ATTACHMENT B.—STATE BY STATE ALLOTMENT UNDER BROWN MEDICAID PROPOSAL

States	Reagan proposal fiscal year 1982 capped 5 percent	Brown proposal fiscal year 1982 capped 5 percent	Dollar change	Percentage of total	Percentage dollar change
Alabama	$245,677,096	$246,160	$482,812	1.43	.20
Alaska	24,431,483	28,640	4,208,486	.17	17.23
Arizona	0	0	0	.00	100.00
Arkansas	234,873,509	232,320	−2,553,728	1.35	−1.09
California	2,191,390,922	2,225,618	34,227,149	12.94	1.56
Colorado	118,889,872	109,677	−9,213,311	.64	−7.75
Connecticut	204,595,947	208,279	3,683,252	1.21	1.80
Delaware	33,705,805	34,378	672,541	.20	2.00
District of Columbia	99,911,648	101,882	1,970,008	.59	1.97
Florida	336,363,787	310,297	−26,066,342	1.80	−7.75
Georgia	407,439,962	375,866	−31,574,354	2.18	−7.75
Hawaii	59,723,271	61,683	1,959,404	.36	3.28
Idaho	43,419,160	43,331	−88,332	.25	−.20
Illinois	759,490,272	781,552	22,061,972	4.54	2.90
Indiana	277,801,120	287,131	9,330,354	1.67	3.36
Iowa	163,443,377	150,777	−12,665,962	.88	−7.75
Kansas	127,060,308	117,214	−9,846,474	.68	−7.75
Kentucky	279,576,160	277,958	−1,618,467	1.62	−.58
Louisiana	355,422,886	327,880	−27,543,317	1.91	−7.75
Maine	122,689,928	130,141	7,451,040	.76	6.07
Maryland	254,472,472	258,308	3,835,978	1.50	1.51
Massachusetts	693,772,828	710,266	16,493,046	4.13	2.38
Michigan	729,363,956	790,353	60,988,788	4.59	8.36
Minnesota	423,207,359	390,411	−32,796,241	2.27	−7.75
Mississippi	208,403,356	204,679	−3,724,231	1.19	−1.79
Missouri	259,385,867	239,285	−20,100,977	1.39	−7.75
Montana	48,186,561	44,452	−3,734,193	.26	−7.75
Nebraska	86,369,878	79,677	−6,693,190	.46	−7.75
Nevada	30,489,726	28,127	−2,362,786	.16	−7.75
New Hampshire	60,355,563	60,402	46,793	.35	.08
New Jersey	493,727,915	552,545	58,817,516	3.21	11.91
New Mexico	68,112,173	67,839	−273,201	.39	−.40
New York	2,694,707,204	2,790,074	95,367,175	16.22	3.54
North Carolina	354,472,347	327,003	−27,469,656	1.90	−7.75
North Dakota	42,067,399	38,807	−3,259,992	.23	−7.75
Ohio	663,920,645	678,225	14,304,154	3.94	2.15
Oklahoma	237,210,470	218,828	−18,382,506	1.27	−7.75
Oregon	134,780,156	137,931	3,151,064	.80	2.34
Pennsylvania	887,157,664	897,581	10,423,810	5.22	1.17
Rhode Island	96,920,338	98,020	1,099,801	.57	1.13

ATTACHMENT B.—STATE BY STATE ALLOTMENT UNDER BROWN MEDICAID PROPOSAL—Continued

States	Reagan proposal fiscal year 1982 capped 5 percent	Brown proposal fiscal year 1982 capped 5 percent	Dollar change	Percentage of total	Percentage dollar change
South Carolina	$221,216,204	$204,073	−$17,143,038	1.19	−7.75
South Dakota	47,178,254	43,522	−3,656,055	.25	−7.75
Tennessee	311,750,599	308,870	−2,880,520	1.80	−.92
Texas	816,473,259	753,201	−63,272,183	4.38	−7.75
Utah	82,174,901	75,807	−6,368,103	.44	−7.75
Vermont	55,043,047	50,778	−4,265,533	.30	−7.75
Virginia	265,415,752	244,847	−20,568,260	1.42	−7.75
Washington	223,582,574	229,206	5,623,210	1.33	2.52
West Virginia	94,261,979	95,699	1,436,987	.56	1.52
Wisconsin	525,078,903	526,327	1,247,704	3.06	.24
Wyoming	9,834,142	9,072	−762,092	.05	−7.75
Total				100.01	

Source: Table prepared by CRS, estimates are subject to limitations of data and the assumptions used in estimation, details may not sum to totals due to rounding.●

CHIROPRACTIC—AN ALTERNATIVE

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. WYDEN. Mr. Speaker, this week, when H.R. 2004, the health manpower bill is marked up in the Subcommittee on Health and Environment, I will be offering an amendment to allow chiropractic students greater access to existing student grant and loan programs.

My amendment does not call for the expenditure of any additional Federal money. It would merely allow chiropractic schools and students to compete equally for Federal assistance, under the health manpower program.

My amendment parallels the amendment recently adopted by the Senate Labor and Human Resources Committee in S. 799, the Health Manpower Act.

I believe chiropractic offers alternative health care increasingly popular with patients. A recent article in the Oregon Journal, written by Joyce Lain Kennedy, discusses chiropractic as a career. I would like to share this information.

Chiropractors offer an approach to health care based on the idea that physical well-being is determined largely by the central nervous system. They believe that interference with this system—which can happen particularly in the spinal column—impairs functioning and lowers resistance to disease.

Employing such diagnostic tools as X-ray and ultrasound, chiropractors use primarily manual manipulations in treating patients. They may also advise on nutrition and recommend such procedures as traction or therapeutic exercises.

Your timing for entering the field couldn't be better. Long snubbed by the medical profession, chiropractic seems finally on the brink of mainstream acceptance and long-denied cooperation with other health-care providers. Indications:

In Chicago, five chiropractors are suing several medical associations, charging that a violation of anti-trust laws—which has enforced medicine's boycott of chiropractors—has worked to the detriment of patients. The American Medical Association already has responded by revamping its code of ethics to allow its members to collaborate with chiropractors.

The Department of Health and Human Services recently released an exhaustive study of chiropractic. Federal interest and funds in themselves signal a growing regard for the field's legitimacy, and the resultant data projects a promising outlook.

Reimbursement for chiropractic services is now included in many federal and private health-insurance programs.

Legislation pending in Congress would make chiropractic students eligible for low-interest health-education assistance loans.

Prepare for an educational grind. Prerequisites for chiropractic college are generally two years of undergraduate work heavy in biology and chemistry.

In most states, licensing is based on graduation from an accredited chiropractic college and passage of a qualifying exam.

Career prospects are bright. With 23,000 chiropractors already practicing, the HHS study predicts that the 10,000 to 13,000 people who enter the field during the next five years will be easily absorbed.

The study portrays the average chiropractic doctor as a white male in solo practice working in a small town in the Midwest or California and grossing approximately $63,400 per year. With the new public attitudes and an interest within the field in recruiting minorities and women, this profile soon may be obsolete.●

MOUNT ST. MARY'S COLLEGE

HON. BEVERLY B. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mrs. BYRON. Mr. Speaker, nestled in the Catoctin Mountains, not far from Camp David, is the beautifully scenic campus of Mount St. Mary's College. Mount St. Mary's is one of the earliest established institutions of higher learning in the United States; it was established in 1808.

There are many campus-sponsored activities there and one of the most famous is the Gleemen and Belles Choral Group. This outsanding group gives concerts each year to a variety of groups not only in this area, but throughout the hemisphere. The Gleemen and Belles group has just returned from its 15th annual concert tour which took it to Nassua, The Bahamas, San Juan, and St. Croix. In the past, the group has traveled to Europe, Bermuda, Panama and the Canal Zone, the east and gulf coasts and California.

In some of their performances in other lands, they have been titled the "Ambassadors of Good Will for the Mount and the United States" by their hosts.

The group tailors their varied repertoire to each audience they entertain, ranging from classical selections to pop, sacred songs to Broadway tunes. Many of the numbers are choreographed and soloists and ensembles are often featured. A special presentation is organized each Christmas season.

The singers range in age from 18 to 22 years, and they represent many States from all around the country. The director of the group is the Reverend Dr. David W. Shaum, who has inspired many with his hard work, friendly attitude, and helpfulness. Penny Krepps is the accompanist.

I salute the dedication of these individuals and the choral group which has brought pleasure in music to so many. ●

FOR WANT OF A NAIL—1981 STYLE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. MICHEL. Mr. Speaker, there is an old saying that demonstrates the importance of little things:

For want of a nail, the horseshoe was lost; for want of a shoe, the horse was lost; for want of a horse, the rider was lost; for want of a rider, the battle was lost.

Today, that saying might go this way:

For want of a spare part, an American plane in West Germany was lost to duty; for want of that plane, and others like it, NATO was weakened; for want of a strong NATO, the Soviets attacked * * *.

We all know that our military is suffering from a lack of spare parts for many planes and other weapons. We cannot even hope to deter aggression unless our weapons are ready to be used.

What are we going to do about it?

At this point I wish to insert in the RECORD "Many Air Force Planes Often Can't Be Flown For Lack of Spare Parts" from the Wall Street Journal, June 1, 1981.

OUT OF ACTION: MANY AIR FORCE PLANES OFTEN CAN'T BE FLOWN FOR LACK OF SPARE PARTS—EVEN A KEY BASE IN GERMANY IS PLAGUED BY SHORTAGES; ECONOMIZING IS BLAMED

(By Walter S. Mossberg)

BITBURG, WEST GERMANY.—Commanders at the American air base here are particularly proud of a big, busy room known as the "Eagle Readiness Center." Lit by soft blue lights, the room is dominated by large displays listing the status of the base's 75 F15 fighter planes. The clatter of Teletypes fills the air, and five clocks on the wall give the hour in various time zones.

Though it looks like a war room, the readiness center isn't used for commanding pilots in combat or plotting military strategy. Instead, the people who staff the center spend all their time contacting Air Force warehouses and repair depots on two continents, searching for hard-to-find spare parts needed to keep the F15 Eagles flying.

On a typical day recently, the center's staff was keeping track of a shipment of special sealant and a common rudder component. Both items were supposedly on their way to Bitburg from Oklahoma, one of the places represented by the clocks on the wall. Until they arrived, two of the base's $27 million F15s would remain grounded. Another of the jets was idle for lack of eight different parts, including a single, specially designed screw.

DAILY STRUGGLE

The Bitburg base, close to Germany's western border, may be the premier fighter base in Western Europe. It boasts the best, most modern aircraft, and its supply staff regularly wins awards. Because of its importance to allied defense plans, the base also rates a certain priority in the Air Force supply system. Even then, Bitburg's 36th Tactical Fighter Wing, like other U.S. units in Europe, must struggle daily against shortages of parts, ammunition, fuel and other supplies.

U.S. Army and Air Force commanders throughout Europe complain that they are so short of such basic supplies that training has had to be cut and readiness has been hurt. Even worse, they say, American forces in Europe in many cases lack enough supplies to stay in combat for more than brief periods.

"We don't have enough weapons today. We don't have enough spare parts today. We don't have enough fuel for flying today. We don't have enough money to do anything, and here we are on the front lines," complains Gen. Benjamin Bellis, vice commander-in-chief of United States Air Forces in Europe.

Says Maj. Gen. W. C. Nutt, logistics commander for the Air Force in Europe: "Funding for spare parts has been really dismal for the past couple of years, and there's a two-year lead time. We don't want to have to fight between now and 1983—that's what it boils down to."

FAULTY GENERATORS

In a single day recently, five of the 100 F15s in Europe were grounded for lack of the same part, a generator that breaks down too often and is in short supply. "I don't believe there were ever enough parts bought for the F15," asserts Lt. Kathleen Spencer, assistant chief of an aircraft-maintenance unit at Bitburg.

Gen. Bellis, who once headed the F15's development program, agrees. "That's correct. We didn't buy sufficient spare parts. You can see that at the tactical level."

For years, the military brass and the Congress slighted the Pentagon's mundane "operations and maintenance" accounts in favor of money for shiny new planes, missiles, ships and tanks. And, as new weapons such as the F15 have grown more complex, requiring more and costlier parts and ammunition, the military's supply deficiencies have worsened.

To attack the problem, the Carter administration in January proposed a radical switch in defense spending, slashing new-weapons purchase to finance big increases for supplies, maintenance and construction. Though President Reagan's budget restored the weapons funds, it, too, included big increases for these support items.

YEARS OF WORK NEEDED

But even if Congress quickly votes the extra money, it will take years to fill the warehouses, depots and fuel tanks. And there isn't any guarantee that the flow of money will continue. If future cuts are needed, support items are still likely to be a tempting target.

For now, American commanders in Europe can only wait, scramble to make do, and worry.

At the top of the operational chain of commend, Gen. Bernard Rogers, Supreme Allied Commander in Europe, declares that when it comes to the ability to sustain its forces in combat, "The U.S. is flat on its ass."

Much further down the line, and much more diplomatic, is Col. Marcus Anderson, commander of Bitburg's tactical fighter wing. He says that "because of restrictions on funding, there are many things we've had to forgo." Col. Anderson estimates that, after the first week of war, his base would need a lot of outside help to keep enough planes, parts and ammunition on hand.

Bitburg's fighter wing, which has three-fourths of the F15s in Europe (there's a squadron in the Netherlands), plays a vital role in Western defense plans. Located just minutes by air from the East German border, the wing is supposed to "control the skies" in the early stages of any Communist onslaught and blunt waves of more numerous Warsaw Pack attackers with the F15's superior electronics and air-to-air missiles.

The Bitburg base is one of the best-equipped in the Air Force, a showcase installation with a better-than-average readiness rate. Four planes are kept on alert 24 hours a day.

But just 60%, or about 45, of Bitburg's 75 F15s are considered "fully mission capable" at any one time, on average. Nearly 14% of the fighters, about 10 planes, are rated "not mission capable" partly or wholly for lack of parts. On a typical day recently, six of Bitburg's F15s qualified as "hangar queens"—planes idled 21 days or more and thus officially subject to cannibalization to provide needed parts for other planes.

Once a plane becomes a "hangar queen," it risks falling into a vicious cycle. Because the plane is grounded anyway for lack of a part, more parts are removed from it to keep other plans going. But these, too, must be ordered; so the "queen" may stay grounded still longer. The Bitburg fighter with the missing screw was a victim of that process.

Bitburg's commanders insist, however, that the situation is better than these numbers alone would indicate. For instance, hangar queens rarely linger for more than two or three months because a rule bars mechanics from removing more than 10 parts from any one grounded plane.

What's more, the officers say, the 60% of Bitburg's planes normally considered "fully mission capable" could be augmented in a crisis by another 15%, or 11 planes. These extra planes could be made "flyable," even though some important systems—including radar—might be broken, provided mechanics have about 12 hours and can resort to heavier-than-normal cannibalization.

In addition to posing a crucial issue of combat readiness, the parts problem contributes to a nagging training deficiency that is a source of frustration for Bitburg's 100 fighter pilots. The average Bitburg pilot gets only about half of the training flights that base officers consider necessary, even though he flies the most potent planes in Europe.

"We would have to be able to fly every pilot once each flying day, which amounts to about 20 times a month," Col. Anderson says. But there isn't any prospect of that "in the near term," he adds. Currently, Bitburg's pilots average about 11 training flights monthly. That's far fewer than the U.S. believes Soviet pilots fly and only about a third of the number thought to be flown by Israel's F15 pilots.

Because of funding cuts and fuel-cost increases, Bitburg's wing has been authorized fewer total flying hours this year than in 1978, even though it has more pilots. The average flight time allowed for each pilot is up slightly from a low of 150 hours a year in 1979 but is still well below the 190 hours of 1978.

"On a day-to-day basis, we try to schedule 22 sorties, but I can't tell you the last time we got that many," says Lt. Col. Jim Cox, commander of Bitburg's 53rd Tactical Fighter Squadron, which has 26 pilots. The training pace, he adds, "isn't enough to be proficient," especially in view of the fact that, if war broke out, "some of us might have to fly with broken radar." (If that happened, he says, "I'd try to use my heat-seeking missiles," which don't depend on radar.) Col. Cox blames the inadequate training on a "lack of parts and lack of skilled people" to install them.

Though Bitburg is considered a good place to serve, its parts problem is exacerbated by the same difficulty in retaining skilled people that plagues other U.S. bases. Of 1,600 authorized noncommissioned and commissioned maintenance officers, the base had just 1,480 recently, and the maintenance chief terms even 1,600 too few. Annual turnover in maintenance is 40%, and overtime work is common.

The quality of pilot training has suffered along with the quantity. Because of poor weather and German regulations, daily training flights at Bitburg must be conducted at much higher altitudes and slower speeds than the Air Force believes real combat would require. Most training is against other F15s, instead of the smaller allied jets that more closely resemble Soviet fighters.

To get more realistic training, Bitburg pilots must fly periodically to Italy or Britain, where special ranges and mock-Soviet squadrons are maintained. But opportunities for such travel have been limited by the budget pinch. And the Bitburg wing hasn't ever been able to send a single F15 to the Air Force's main anti-Soviet war games in Nevada. It's hoped the first few Bitburg planes may participate this summer.

For about six months last year, Bitburg's pilots and others in Europe had to forgo all practice in firing the F15's cannon. There weren't any funds to pay for the practice sessions, conducted against a special towed target that is flown out of Spain.

The budget cuts have affected the Bitburg base physically as well. Eighteen maintenance and repair projects totaling $2 million, all deemed "essential" by base officials, have been delayed an average of four years. For seven years, until it was fixed in 1980, a leaking roof at a Bitburg warehouse allowed rainwater to pour down onto some of the $40 million in sophisticated aircraft parts stored inside.

Worse, from a combat viewpoint, have been the delays at Bitburg and other Air Force bases in the construction of operating buildings that are "hardened," or reinforced, against Soviet bombings and "filtered" to protect their occupants from chemical weapons.

Construction of eight semihardened buildings has slipped two to three years behind schedule because of budget limits. If war broke out, the building housing all the computers needed to maintain complex components of the fighters would be vulnerable, because it isn't hardened. The computers would have to be moved to one of the F15 shelters—leaving one of the fighter planes unprotected.

Col. Cox's squadron is due to get a new bomb-proof, filtered headquarters this summer. But, because of budget limitations, it doesn't include quarters for the maintenance crews, so he is trying to squeeze in space unofficially for at least a few mechanics who might keep his planes in the air. "Without them, I'm dead," he says.●

TAX INCENTIVES FOR RESEARCH AND DEVELOPMENT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. STARK. Mr. Speaker, I would like to share with my colleagues the testimony of Hon. Edmund G. Brown, Jr., Before the Senate Finance Committee on tax incentives for research and development:

TESTIMONY OF EDMUND G. BROWN, JR., GOVERNOR OF CALIFORNIA, BEFORE THE SENATE FINANCE COMMITTEE

This is an exciting and critical time in the formation of business tax policy for the United States. The tax changes you are now considering can be compared in scope and magnitude only to those enacted during the early 1950's. Because of our short-term fiscal crisis, with a large deficit a probability, a tax cut must be carefully fashioned to meet short-term constraints while contributing to our long-term economic goals.

At the same time, we must recognize the limitations of broad tax reform to accomplish our economic goals. The U.S. economy is currently undergoing a major restructuring due to fluctuating energy prices, the maturing of technologies developed 10 to 20 years ago, and increasingly fierce international competition in both basic and advanced industries. This restructuring will occur with or without a tax cut, but it is in our national interest to hasten this restructuring and influence the final shape of our economy with a thoughtful tax program. To survive and maintain our quality of life we must encourage, rather than impede this process. Government plays a critical role in this process by focusing spending only where necessary, by making its policies predictable, and by passing appropriate tax policies; government can further economic development rather than impede it. However, such a tax policy should be put in context of broader economic policy in which emphasis shifts from conservatism to entrepreneurial risk-taking and from imitation to innovation in the development of new products. Any tax policy, if not accompanied by these actions by the private sector will be insufficient to meet the economic challenges of the remainder of this century.

In addition to the general lowering of personal income taxes and the reform of depreciation allowances already before you, I would like to discuss two specific measures which deserve your support. If we are to maintain our competitive edge, we as a nation must invest in science and engineering research and development. Study after study has shown that the largest single contributor to increases in productivity has not been more capital of the same kind or more labor of the same kind, but has been technological advances and increases in human knowledge.

S. 98, coauthored by Senators Danforth and Bradley (parallel to H.R. 1183 authored by Representative Shannon and H.R. 1539 authored by Representative Pickle) would provide for a 25% tax credit for increases in research and development spending by private firms. H.R. 1864, authored by Representatives Shannon and Pickle, would provide for a 25% tax credit for business contributions to universities for research. Both proposals are needed because basic and applied research are undertaken by both universities and businesses. Taken together, these measures should provide a much-needed stimulus to private investment in research and development.

THE 25 PERCENT INCREMENTAL RESEARCH AND DEVELOPMENT TAX CREDIT

S. 98, providing for incentives for research and development conducted by businesses is critical for a number of reasons:

First, our companies cannot compete internationally if only given more capital through tax cuts. No matter how effective the proposed reductions in personal income tax rates, they will not bring U.S. savings in line with Japanese or German savings rates. To keep up, we must be concerned with the quality of our investment. In particular, we must seek to add new capital for plants and equipment which are technologically superior and resource efficient.

Second, many companies are living off research and development undertaken five and ten years ago. In many industries, the new product cycle simply takes that long. If companies are not encouraged to increase their current spending in this area, the present rapid pace of corporate innovation will slow dramatically.

Third, the proposed "10-5-3" depreciation schedule taken alone discriminates against rapid innovation. For firms in industries with rapid technological change, the 5-year write-off for equipment is too long and will actually impose a higher tax burden. In contrast, those industries with little technological change, which consequently have write-off periods for equipment far in excess of 5 years, will benefit the most. It would be preferable to provide innovative firms with some protection against increases in write-off periods; but in the absence of such a provision, a research and development tax credit can limit the bias against innovation.

Fourth, this provision will benefit both mature and cutting edge industries, both new and old firms, and both small and large companies. It is not special interest legislation designed to aid a few high-technology companies in California. I am sure you are all aware of the successful revitalization of the Massachusetts and North Carolina economies which is occurring around technology based firms. More importantly, no U.S. industry can hope to compete in the future simply by using additional capital to duplicate itself—all must compete by being the first to innovate and the first to bring new products and processes to the world market. This holds as true for the auto and steel industries as it does for the electronics industry. By providing incentives only for increases in research and development, this bill focuses only on future investment in research and development and does not favor those industries which in the past have concentrated on research and development.

25 PERCENT TAX CREDIT FOR UNIVERSITY CONTRIBUTIONS

This nation has long depended on its public and private universities to carry out the long-term basic research needed to sustain private technological advances. Many of the current high-technology industries are directly linked to basic advances made at leading universities ten to thirty years ago. The proposed 25 percent tax credit for business contributions to university research is a vital complement to incentives for research and development within private businesses for several reasons.

First, in this period of limited public resources and amidst cuts in the National Science Foundation budget, a clear need exists to encourage the private sector to make long-term investments in basic university research. In California, I am attempting to do this by instituting a program of matching grants for business and government contributions to microelectronics research at the University of California. A Federal tax credit will further encourage participation in such programs across the country.

Second, the United States faces a shortage of engineers and scientists which is reaching alarming proportions. It is in this area that a comparison with the Japanese is quite telling. Out of 10,000 citizens in Japan, there are 400 engineers and scientists; while in the United States, there are 70. Out of the same 10,000 persons in Japan, there is one lawyer, while there are twenty lawyers in the United States. This shortage will become even more acute when the increased military budget begins to attract scientists and engineers out of civilian research and development. Increasing the research and development funds available to universities can only help in this regard.

REVENUE COST AND PUBLIC RETURN

I am sure that you are all concerned about the effect of these tax credits on the federal deficit. In fact, each of these proposals carries an initial cost which is quite modest rel-

ative to the overall tax package now being considered. While I realize that each public dollar must bear close scrutiny, if the current academic studies are accurate, there is no tax reform available to you which has a higher public return than increasing investment in research and development. Taken together, the two research and development tax credits will have an initial revenue cost of just over $600 million in 1982, and $1 billion in 1985. In contrast, the tax cut proposed in Kemp-Roth will cost $10 billion in 1982 and $59 billion in 1985. Such a revenue loss is indefensible in light of the national interest in innovation. If enacted, these research and development tax credits will focus private management on long-term investment, on the quality of investment, and on the neglected supply-side of the economy—human knowledge. Broad based tax cuts will not accomplish these goals.

STIMULATING ENTREPRENEURIAL BEHAVIOR

In addition to these critical measures, I would like to briefly discuss two other proposals which would increase our nation's entrepreneurial efforts: the restoration of incentive stock options and a targeted reduction in capital gains taxes.

Until recently, a decisive incentive for inducing promising entrepreneurs and managers to leave the security of large firms to take the risk of founding or joining new firms was the incentive stock option. Such options were occasionally subject to abuse, so that Congress acted to eliminate them. If targeted to new and small firms, where they can serve as a major incentive to innovation, I believe that favorable tax treatment for incentive stock options should be reinstated. S. 689, authorized by Senators Packwood and Bentsen, is a step in the right direction.

We have all observed the tremendous response of the nation's investors to the 1978 across-the-board reduction in capital gains tax rates. The area of greatest response, and greatest value to the economy, is in venture capital. In California, I am proposing to stimulate venture capital by eliminating state taxation of capital gains arising from new long-term investments in small California companies. I believe that there is also room for further targeted reductions at the Federal level. While there is no single bill which goes as far as desirable, S. 889, coauthored by Senators Roth, Long, Bentsen, and Wallop, which would cut in half the tax rate on gains from investment in small technology based firms, is an important first step.

CONCLUSIONS

You now face the task of fashioning U.S. business tax policy for years to come. If new tax policy legislation is enacted which stimulates research and development and is accompanied by more entrepreneurial private management, the United States will emerge from current difficulties ready to compete in the world economy. If this opportunity to focus the tax structure on innovation is missed, we run the serious risk of providing major tax benefits indiscriminately with insufficient preparation for the future. I urge all members of the Senate Finance Committee to support the research and development tax incentives outlined here today.●

JOSE S. RIVERA HONORED

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. WON PAT. Mr. Speaker, earlier this month, Mr. Jose S. Rivera passed away on Guam after a long and illustrious career as an educator on Guam.

The outstanding efforts of this learned man was honored by the Governor's Commission on Chamorro Language on April 10, 1981, and is a fitting tribute to one who had a deep and abiding love for the people of Guam and the Chamorro language.

One of the highlights of his career was the work he did on the Chamorro language dictionary. This major work brought, for the first time, a better understanding of the Chamorro language to our people.

I join the commission in saluting Mr. Rivera and his many contributions to our island. I also want to take this opportunity to express my deep sympathy to the Rivera family for their loss. Guam will certainly be a lesser place without the talents and dedication of Jose S. Rivera.

I ask that the commission's resolution on Mr. Rivera now be placed in the CONGRESSIONAL RECORD.

RESOLUTION

Whereas, Mr. Jose S. Rivera has enjoyed a long and distinguished career as an educator in Guam, serving in both teaching and administrative positions and,

Whereas, Mr. Rivera has additionally made a major contribution to the children of Guam and the Northern Marianas through his work on the Chamorro Language dictionary and,

Whereas, his research work on the dictionary demonstrates that he is a meticulous and dedicated scholar with a deep and abiding love for the Chamorro language and people and,

Whereas, the valuable scholarly work that Mr. Rivera has completed is virtually irreplaceable and,

Whereas, most of the work on the Chamorro language dictionary was accomplished at great personal sacrifice and through individual initiative and,

Whereas, Mr. Jose S. Rivera is a man whose work and life has been an inspiration to his family and to the people he has taught or had contact with and,

Whereas, Mr. Jose S. Rivera has promoted the highest standards of scholarly achievement: Therefore, be it

Resolved, that the Chamorro Language Commission greatly recognizes and appreciates the efforts of Mr. Jose S. Rivera and encourages all citizens to also recognize his work.

Copies of this resolution shall be given to Mr. Jose S. Rivera, members of his family, the Commissioner of Agat, Guam Legislators from District IV, the Representative to the United States Congress, the Speaker of the Guam Legislature, the Lieutenant Governor and the Governor of Guam.

This is enacted by the authority of Public Law 7-162.

Duly adopted on the commission's regular monthly meeting of April 10, 1981.

Robert A. Underwood, Chairman; Clotilde C. Gould, vice chairman; Bernadita C. Dungca, sec'y; Jesus C. Barcinas, member; Carmen C. Blas, member; Monsignor Oscar L. Calvo, member; Pedro B. Leon Guerrero, member; Father Anthony S. Apuron, member.●

REAGAN'S SOCIAL SECURITY PROJECTIONS

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. ASPIN. Mr. Speaker, I was stunned when I saw the social security benefit cutbacks proposed by President Reagan.

There are two very serious problems with the Reagan package. First, the cuts are far greater than anything needed to keep the social security fund solvent. The cuts are 7½ times greater than the deficit the Reagan administration calculates the social security fund will face in the next 5 years.

Second, some of the cuts are just plain unfair. Reagan is proposing to cut by one-third the benefits of those 61-year-olds who plan to retire next January. Many people have made plans for years based on the promised annuity they would receive from social security. Now the President is proposing to pull the rug out from under them.

The declared goal of the administration is to induce more Americans to work to age 65 instead of retiring as early as age 62, as 70 percent of our citizens now do.

If that is really the goal, why then is Reagan also proposing to trim benefits for those retiring at age 65 by up to 9 percent? What's more, the administration has failed to calculate the ripple effect of more people working to age 65—with more older people working there will be fewer jobs for younger people, which means more people on the unemployment rolls and more payments to be made from the unemployment compensation fund.

The moral horror of the Reagan plan, however, is that it shows government breaking faith with the people. For years, millions of people have planned to retire at age 62 and have planned their finances accordingly. It is amoral to tell our 61-year-old citizens in May that we are going to slash their benefits in January by more than a third.

When deficits are found in the social security system, they can and ought to be corrected quickly. If duplicative or unnecessary benefits are found, they ought to be eliminated immediately. But here we are talking about fundamental changes in the benefit struc-

ture. Fundamental changes ought to be made after giving citizens advance notice of many years, not 8 months. Anything else is simply not fair.

Richard S. Schweiker, the Secretary of Health and Human Services, argues that the cuts are essential or "the system would go broke as early as fall 1982."

But let me show you a few numbers. These numbers come from the Reagan administration itself. The administration says the social security system will run a deficit of $11 billion between now and 1986. It also says that its proposals will prune $70.9 billion more from social security benefits than is necessary to preserve the system over the next 5 years. This is overkill.

Reagan social security projections, calendar years 1982-86, under Reagan economic assumptions

[Dollars in billions]

Deficit without any changes in the system	$11.0
Savings from Reagan's February program	$35.5
Savings from May package of proposals	$46.4
Total savings from all Reagan proposals	$81.9
Savings as percentage of deficit	745

There are only two possible explanations for this.

One, perhaps the administration does not believe its own economic assumptions. If the administration really does not believe all the things it said to support its budget over the last few months, then the social security fund would have a deficit bigger than $11 billion between now and 1986.

Or, two, the administration has discovered that there is only one way to fulfill its campaign pledge to cut taxes, raise defense spending, and balance the budget—and that is to brutalize social security.

It was only a few weeks ago that the White House said social security retirement was part of the holy—or holey—safety net. I guess in the interim someone in David Stockman's office discovered that social security accounts for almost one-quarter of Federal spending and could not be exempt from the ax.

The Federal budget is roughly one-fourth for defense, one-fourth for social security and one-half for everything else. Compared to Carter's budget for this year, Reagan has already slashed $51 billion from the "everything else" half and added $51 billion to the defense quarter. To make the overall savings he wants to make, he has to chop away at the social security quarter.

The social security fund may need help to remain solvent, but the Reagan administration proposals go far beyond anything needed to accomplish that. Instead of reforms to bail out the social security fund, the administration proposals would use the social security fund to bail out the Defense Department and other programs favored by the administration.

I do not think we have seen the last of the cuts. When he was Governor of California, Reagan said he thought social security ought to be made voluntary. He soft-pedaled that talk during last year's campaign, but I would not be surprised to see the idea surface again as the administration drives to boost defense spending and cut drastically away at everything else.

The changes may be both unfair and excessive, but given the current popularity and political clout of President Reagan, I anticipate that many of the President's proposals will pass. Reagan is riding the crest of a budget cutting tidal wave never seen in our history. Despite the unpopularity of the cuts among older citizens, he might be able to push them through.

Reagan commands the Republican Party as no previous Republican leader has in this century. And the Republican Party commands the executive branch, the Senate, and effectively controls the House because it can get the support of conservative Democrats. I certainly hope we can protect the social security system from this onslaught, but it would be misleading to promise victory.

There has been an outpouring of anger over the proposed cuts. The administration has reacted by saying it is willing to compromise. However, in saying this, Secretary Schweiker maintained a hard line. For example, while many critics have said any changes in the early retirement benefit should only apply after 1990, Schweiker said, "We would like to not delay that long because we need the revenue now." Furthermore, Schweiker said he was open to the idea of some kind of tax on social security benefits. While he was vague, it appeared he was thinking of a tax on retirees with large outside incomes—in other words, a tax that would negate the administration's proposal to allow retirees over age 65 to earn unlimited amounts of income without losing benefits.

The administration knows its social security proposals will not win favor with senior citizens. So it has tried to win support from younger people by promising a cut in social security taxes. What it has tried to avoid saying is that the cut would amount at most to $29.70, and that savings would not come until 1985.

The administration's public announcement contained only one page on tax rates. One column suggested there would be a tax cut starting next January with bigger cuts in later years. When I asked administration officials why there were two columns and what they were proposing, they told me the second column was what their bill would call for.

That provides for no change in the social security tax structure until 1985 when the tax rate would be trimmed by one-tenth of 1 percent. That means the maximum anyone would save is $29.70.

SOCIAL SECURITY TAX STRUCTURE

	Taxable income	Percentage		
		Present tax law	Reagan proposal	Maximum annual tax savings [2]
Calendar year:				
1981	$29,700	6.65	6.65	.....
1982 to 1984	[1]	6.70	6.70	.....
1985	[1]	7.05	6.95	$29.70
1986 to 1989	[1]	7.15	7.05	29.70
1990 to 2019	[1]	7.65	6.45	356.40
2020 and after	[1]	7.65	7.55	29.70

[1] Beginning in January 1982, the amount of income subject to the social security tax will rise annually in link with the annual increase in wage rates, not inflation rates.

[2] This is the savings assuming no inflation. The actual dollar savings will rise in step with wage rates. Based on recent experience, that means the savings will not keep pace with inflation and the savings in 1985 will have less buying power than $29.70 today.

The administration proposal contains a larger social security tax cut after 1990. However, we know from past experience that any tax written into the law to take effect more than 5 years in the future usually gets changes along the way as circumstances change, so I cannot take a tax cut proposed for 9 years hence very seriously.

A SALUTE TO "MR. NECTARINE"

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. COELHO. Mr. Speaker, California's position of unrivaled leadership in agricultural production can be attributed to many factors—our warm, sunny climate, the industriousness of our growers, the quality of our crops, imaginative marketing, and much more. There are some, however, who are pioneers in my home State's farm community—those who have made significant contributions to furthering agriculture's role throughout the world. One such pioneer, I am proud to advise my colleagues, is my constituent, Mr. Fred Anderson of Merced, Calif.

Mr. Anderson is now 89 years young, but for his research and development of many varieties of fruits and nuts, among them 50 varieties of nectarines, he has earned the nickname "Mr. Nectarine." Nine almond varieties, six plums, six apricots, and a variety of cherries, pecans and pears are all Fred Anderson's doing.

A California native, Mr. Anderson was fascinated by the work of Luther Burbank and set out to emulate his research in plant breeding. He studied at San Jose State College and earned a degree in pomology and plant genetics from the University of California at

Berkeley. Upon graduation he taught vocational agriculture at the high school level while taking a summer job at a nursery in Fresno, Calif. That summer stint led to a 10-year, full-time position which involved him in tree production, budwood selection and plant breeding.

In 1932 Mr. Anderson moved to Merced, Calif. to pursue his interest on his own 62-acre orchard. The U.S. patent law had been enacted 2 years earlier, so many of the fruit and nut varieties he created were identified as being distinctively his. In 1936 his first patent was awarded and 6 years later one of his more famous fruit varieties was introduced, the "Le Grand" nectarine. To this day, seven of the nine most popular nectarines are Fred Anderson's accounting for 80 percent of California's commercial nectarine production.

Over the past decade Mr. Anderson has remained active in farming, growing on 250 acres, almonds, pecans, walnuts, and nectarines. His latest research has focused on fruit varieties that can withstand the San Joaquin Valley's summer heat.

To Mr. Anderson's credit are his having received the coveted Wilder Medal for his breeding of stone fruits, and the annual Research Award presented by the California Association of Nurserymen. Home gardeners and agriculturalists everywhere owe a debt of gratitude for the contributions Fred Anderson has made to the plant sciences. When one considers that virtually all the commercial nectarine production in the United States is concentrated in California, it is with a very special tip of the hat that we salute "Mr. Nectarine."●

ISRAEL EXPERIMENTS WITH INCENTIVE-ORIENTED ECONOMICS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. KEMP. Mr. Speaker, I recently had the pleasure of meeting Yoram Aridor, the new Finance Minister of Israel. A few months ago, Mr. Aridor inherited an unenviable combination of economic conditions—a stagnant economy with 130 percent annual inflation. A succession of his predecessors had been unable to make any headway; in fact, the problems only got worse.

Despite the practical limitations on his powers, especially in an election year, Mr. Aridor has nevertheless made some remarkable progress in only 3 months. When I met him in my office recently, he explained that his philosophy is to encourage saving without punishing consumption—a classical philosophy which makes excellent economic sense, since savings are only worth what they can buy. Mr. Aridor has reduced excessively high excise tax rates—exceeding 100 percent in many cases—with a resulting net gain of revenue to the Government. The income tax brackets have been widened, to reverse some of the past tax-bracket creep caused by inflation. Inheritance and certain property taxes were abolished. Banks have been allowed to offer real, inflation-adjusted rates of return on time deposits. The most striking result, to my mind, is the fact that the central bank has not had to create money to finance the Government deficit for the past 3 months.

So far, these reforms have been temporary. And obviously, there is more to classical or supply-side economics than just tax cutting. No government can hope to end inflation without first restoring a sound monetary policy, or to maintain general prosperity without a consistently sound budgetary policy. But the success of these initial efforts to restore incentives indicates a new direction for Israeli economic policy, which I hope will be pursued further.

I believe we, in the United States, especially in Congress, can learn a great deal from what is happening in Israel. Israel's problems differ from ours only in degree, not in kind. We, too, suffer from a chronic stagflation, caused by a monetary and budgetary disequilibrium, and from a sapping of economic incentives. While reaffirming our moral and financial support for our staunch democratic ally in the Middle East, we must also recognize that, both in the United States and in Israel, a strong, noninflationary economy is the first prerequisite for a strong defense.

I will be traveling this week to Israel to examine the economic situation at firsthand, and speaking with various citizens and public officials. I would like to report my findings to my colleagues when I return. For now, I call my colleagues' attention to an analysis of the recent economic policies in Israel by H. C. Wainwright & Co., the Boston economic consulting firm. The article follows:

POLITICAL UPDATE—ISRAEL FLIRTS WITH INCENTIVES

Political goals have their price. However resolute and confident initially, a democratic administration pursuing fruitless policies will waver as the electoral hour approaches. The desire to retain power by then usually overwhelms ideology. Leaders who are quick and adept will switch policies without succumbing to a fall in the government, substituting one group of ministers and advisers for another. Israel, where a policy of economic austerity (higher taxes and curbs on "demand") has been replaced with one of tax cuts, is the latest example.

Given the consequences of "losing face" in politics, a smooth shift of direction is difficult and rare. What forced prime minister Menachem Begin to act was the resignation of his finance minister, Yigael Hurvitz, in January. Hurvitz, who had been attempting to bring down the triple digit inflation rate by curbing private expenditure and wages, resigned to protest a big union wage settlement for teachers. An important member of the beleaguered cabinet, his defection to Moshe Dayan's third-party slate necessitated an early general election, now scheduled for June 30.

The opposition Labour Party automatically became a heavy favorite to win, given the country's chronic economic malaise under Begin's administration. Sixty percent of the respondents in the latest *Jerusalem Post* poll named the "economy and inflation" as their greatest concern.[1] Ladbrokes of London quoted odds implying a 40 percent chance that Labour will win an overall majority in parliament (a rare occurrence in Israel).

For his new finance minister, Begin chose Yoram Aridor, a 48-year old lawyer and politician with a bachelor's degree in economics. As the *Miami Herald* correspondent Theodore Stanger describes it, Aridor "has embarked on a campaign of massive sales- and income-tax reductions in what appears to be an impromptu imitation of Reagan-style 'supply-side' economics. . . . No sooner was Aridor installed than he announced a series of moves in direct contrast to Hurvitz' classic inflation cure. Aridor slashed the value-added (sales) tax rates on a wide range of consumer items, adjusted the income-tax tables for inflation . . . and promised to link salaries fully to the inflation rate (versus the present 80 percent linkage level)."[2] He abolished the inheritance tax and the property tax, reduced some capital gains tax rates, and cut import duties. And he announced generous savings and home-buying incentives to bring funds back into the above-ground economy.

Actually, Aridor's options were limited. In a lame duck administration, there was little hope of pushing tax reductions through the Knesset. The cuts he made were ones which were within the jurisdiction of the Treasury. Partly as a result, his sales tax reductions will last for only three months. But popular reaction to the early cuts has strengthened his hand in making more permanent changes.

The initial economic responses have been extraordinary. According to Mr. Stanger, "the sales tax on new, small-cylinder cars dropped from 223 percent to 154 percent . . . Car sales boomed. In one four-day period in February, dealers sold 4,228 new cars, compared with 608 new cars sold in all of January." He also reports that "the demand for color TV's has been so awesome that El Al passenger planes have been recruited to bring in extra shipments. A recent El Al flight from Copenhagen was able to carry only a few passengers because most of the seats were occupied by boxes of TV sets."

The Governor of the Bank of Israel, which is independent of the government, warned that the tax cuts would cost the government too much revenue. But the Wall Street Journal's Israel correspondent reported early in March that "Even though the policy lowers taxes, the increased buying has actually swelled state revenue. Additional revenue in February alone to-

[1] *Jerusalem Post*, international edition, March 15-21, 1981, p. 1.

[2] "Big Israeli tax reductions put campaign into high gear," *Miami Herald*, March 20, 1981.

taled $26 million, on a foreign currency outlay of $14 million." [3] According to The Economist's correspondent, January was the first month for a very long time in which no money was printed (the deficit had been running about 50 percent of total government spending). And Aridor's income tax reforms are estimated to cut in half the number of wage earners in the top (60 percent) bracket.[4] The Jerusalem Post reports that Aridor has been "pleased with the results of his earlier price cutting initiatives," and "is expected to continue in the same vein until the elections." [5]

This early reaction, of course, is not entirely a symptom of sudden prosperity. It may largely reflect consumer's anticipations that the lowered tax rates are only a window which will be closed again should Begin lose the election. Still, it illustrates the sensitivity of an economy to tax changes. A more telling indication of the impact of Aridor's policies is the response in the polls. The Jerusalem Post reported two weeks ago that "the gap is shrinking between the ruling Likud and Labour." Measured in terms of likely seats in the Knesset (which are allocated in proportion to the vote), the Labour margin over Likud shrank from a towering 38 in the January-February poll to 27 seats in March.

The Labour Party, which favors wage-price controls, export subsidies, and greater government control over the economy, has taken the changes badly, attacking the tax bracket adjustments as an inflationary political bribe. One leading candidate for the Treasury should Labour win, Gad Yaacobi, reportedly "contends that the whole 'Aridor bubble' will burst within a matter of months." [6] And the Bank of Israel is in dispute with Aridor over the value of the shekel. The Bank's policy of continuing to let the shekel depreciate (initiated by Milton Friedman in 1977) is rapidly offsetting the new income tax cuts through bracket creep.

The case of Israel is much more important to the world than its population of 4 million and its GNP of $20 billion would suggest. First, Israel is an enclave of Western culture and technology in a region of the world that has been a military volcano. A weak Israeli economy implies both internal instability and a deterioration in military capability. Indeed, the Israeli foreign minister, who conferred with Ronald Reagan in Washington in February, has been warning his colleagues that Israel would be unable to carry on a continued arms race with the Arab states "if only for economic reasons." [7] Israel is under U.S. protection. As its economy has slackened, demands for concessionary loans to buy arms have increased. But the United States cannot increase military aid without threatening its own fragile relationships with important Arab states. A significant improvement in Israeli economic performance should thus tend to strengthen the U.S. position in the Middle East.

Second, every policy switch by a government, however small, reflects the testing and failure of some doctrine. The world economy is a natural laboratory, and experiments are taking place in every corner. Israel has put austerity on trial. Though monetarism is not yet dead, the verdict is in. Similar policies still in use in Britain and the United States will encounter the forces that brought the turn in Israel. There are many differences between the situation in Israel and in the U.K. or the U.S. Not least of these is the fact that the Israeli leadership was so much closer to electoral defeat. Elsewhere too, when defeat nears, the pressure for a switch in policy will become irresistible.●

[3] Peter Allen-Frost, "Israeli tax cuts come under attack from economists and the opposition," Wall Street Journal, March 19, 1981, p. 31.

[4] "Can Israel's spending spree sweep Begin back?" The Economist, March 7, 1981, p. 39.

[5] Shlomo Maoc, "Aridor continues price-cutting policy," Jerusalem Post, international edition, March 15-21, 1981, p. 9.

[6] Allen-Frost, *ibid.*

[7] "Shamir says Israel can't afford arms race," Jerusalem Post, international edition, March 22-28, 1981.

THE MAXIMUM TAX TO UNEARNED INCOME

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. BROWN of Ohio. Mr. Speaker, during the past years of this country's economic distress we have learned many things about our economy. Some of these lessons, particularly those that have shown our popular economic theories and tendencies to be little more than outdated myths, have been difficult to acknowledge and accept. But these lessons, by giving us a better understanding of our economy, provide us with a realistic hope that our present economic misfortunes need not necessarily be with us indefinitely.

One lesson that I believe to be of supreme importance is that saving is the main staple of a growing economy. The importance of saving is, in many ways, the basis of the new economic philosophy that we know as supply-side economics. Our past economic philosophy was centered around consumption; that demand drove the economy and that the fine tuning of demand through manipulation of the deficit could cure all our economic ills. The new economics could not distance itself more from this folly of consumption than it does by its emphasis on saving. If there is a lynchpin to supply-side economics, it is that additions to the supply of goods in the economy should be financed through additions to saving. It is the saving of the private sector and not the spending of Government that provides wealth to the workers of this country.

Despite the emergence of this truth and despite the fact that our foreign competitors continue to outsave us and outgrow us, our tax code still maintains a bias against saving. The most obvious and most easily removable of the tax code's barriers to saving is the higher marginal tax rates that apply to interest and dividend income, that is, the income derived from saving. Earned income is subject to a maximum marginal tax rate of 50 percent, while income derived from saving faces a top marginal tax rate of 70 percent.

While it is obvious that such a barrier promotes consumption at the expense of saving, it is also obvious that when marginal tax rates exceed 50 percent, it is more valuable to the saver to shelter a dollar of income than to earn a dollar of income. Consequently, what saving is done by those above the 50 percent bracket is inordinately saved in tax shelters, such as gold, artworks, and so forth.

To remove this bias against saving and to eliminate the attractiveness of many of our tax shelters, I am introducing a bill that will extend the maximum tax of 50 percent to unearned income as well as earned income. My bill will also maintain the tax brackets between 50 and 70 percent, however, so that eligible taxpayers may experience marginal tax rate reductions below 50 percent for savings income, if Congress approves marginal tax rate reductions this year. For example, if a taxpayer's savings income fell into the 54-percent bracket and Congress approved a 10-percent across-the-board tax cut this year, his savings income would be taxed at a rate below 50 percent instead of at the lowered maximum rate of 50 percent.

Unless the maximum tax is extended to earned income before all the brackets with rates above 50 percent are lowered to 50 percent, the tax cut will not be the same across the board. This is so because only the brackets with rates below 50 percent and the brackets with a 70-percent rate would experience the full impact of the tax cut; all the brackets with rates between 70 and 50 percent would be cut less (this assumes a 10-percent cut in the marginal tax rates per year for 3 years).

We must remember that one of the goals of the across-the-board, supply-side rate cuts is not to make all the brackets with tax rates above 50 percent have rates equal to 50 percent, but instead to lower the top marginal tax rate from 70 percent to 50 percent. We should want all the brackets' marginal rates to be cut the same amount and for those brackets with rates between 50 percent and 70 percent to fall below 50 percent when the series of tax cuts is completed. If the brackets with rates above 50 percent have their rates immediately lowered to 50 percent, this across-the-board cut can only be accomplished if the maximum tax is extended before we cut marginal rates.

These straightforward steps will eliminate the ridiculous distinction between earned and unearned income and will do much to encourage savings to flow to productive investment that will put more goods on the shelf and more workers in the factories.

For this reason and because the only way America can grow out of its economic misfortune is to increase productive savings and productive invest-

ment, I ask that you join me in supporting the extension of the maximum tax to unearned income.●

MISS ELIZA JANE PRATT

HON. W. G. (BILL) HEFNER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. HEFNER. Mr. Speaker, it is my sad duty to report the death of one of our former colleagues, Miss Eliza Jane Pratt of Wadesboro, N.C., who was the only woman from our State ever to serve in the U.S. House of Representatives. Miss Pratt died on May 13, 1981, at the age of 79 after several years of declining health.

Miss Pratt was appointed by Gov. Gregg Cherry in June of 1946 to fill the unexpired House term of Eighth District Representative W. O. Burgin, who had died. She served until January of 1947. She did not seek election to a full term because of the illness of her mother.

Miss Pratt came to Washington in the 1930's to work on Capitol Hill. She worked for a number of Members of Congress and for several Government agencies, including the Library of Congress, the Office of Alien Affairs, and the U.S. Department of Agriculture. She returned to North Carolina in the 1960's.

Miss Pratt's untiring efforts, her dedication, and her loyalty to the citizens of North Carolina and our country will long be remembered.●

UNITARY METHOD OF STATE TAXATION AND OIL COMPANY PROFITS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. STARK. Mr. Speaker, according to a recently issued report by the Citizen/Labor Energy Coalition:

In 1979, Conoco, Amoco, Exxon, and Mobil paid State income taxes amounting to 0.3 percent, 0.4 percent, and 1.4 percent of their total corporate profits in State income taxes, respectively. These figures are less than the rate paid by the average family of four making $16,000 the year before.

In a recent article, Ken Cory, controller of the State of California and chairman of the California Franchise Tax Board, discusses the critical problem of the ability of the international oil companies to avoid State taxation, and the added burdens this places on other State taxpayers as the States scramble to find added revenues to finance their new responsibilities. He notes that unitary method of State taxation of multinational oil companies, now used on California and a number of other States, while not without flaws, has one overwhelming argument in its favor—it works.

As the battle on unitary taxes shapes up here in the House, I commend this excellent article to the attention of my colleagues. The article appeared in the May 25 edition of Tax Notes.

[From Tax Notes, May 25, 1981]

THE OIL COMPANIES' DISAPPEARING PROFITS: A CASE FOR THE UNITARY METHOD

(By Ken Cory)

Clearly the nation is in serious trouble. Industry reels under the impact of inflation and taxation, unemployment rises and the burden of the poor becomes even heavier.

At the same time, these impacts have not been equally distributed between sections of the economy or the country. The connection between the record profits of the very large oil companies and the record losses of the very large automobile companies is easily perceived. The fact that gasoline prices are high and rising clearly has something to do with the fact that Chrysler is afloat only at government sufferance. The differences between the unemployment rates in Houston and Detroit are similarly not unconnected.

Nor is the auto industry alone. Indeed, were one scoring winners and losers, the winners are the oil companies and the losers are everybody else. The record oil industry profits last year were a disproportionate 40 percent of all manufacturing profits.

STATE TAX AVOIDANCE

The tax consequences are less apparent but no less real. They are of increasing importance as the Administration justifiably moves to return a large share of government power and responsibility to the states. A great deal has been written about the failure of the international oil companies to pay their share of federal income taxes, but very little has been written about the increased tax burden this has placed on other businesses. Even less has been written about the ability of the international oil companies to avoid state taxation, and the added burdens this places on other state taxpayers as the states scramble to find added revenues to finance their new responsibilities.

Rising oil profits require a reexamination of the international oil companies' ability to avoid state taxation and force smaller, less profitable businesses to pick up their share of the taxes. The Citizen/Labor Energy Coalition recently issued a report citing the following data compiled from state revenue departments:

". . . In 1979, Conoco, Amoco, Exxon and Mobil paid state income taxes amounting to 0.3 percent, 0.4 percent, 0.9 percent, and 1.4 percent of their total corporate profits in state income taxes, respectively. These figures are less than the rate paid by the average family of four making $16,000 the year before.

". . . In Colorado, Gulf and Cities Service reported no taxable income in 1978, despite combined sales in the state of $33.7 million.

". . . Wisconsin fared even worse that year, with Exxon, Gulf, Tenneco and Union of California all alleging that their oil business in the state was a losing proposition, and therefore paying no state income taxes."

With other industries feeling the shock of energy prices and the Administration asking state governments to carry a greater burden, the question of effective state taxation of the international oil companies has become a very serious matter. Some states have attempted to get at the problems by using sales taxes on gasoline or gross receipts taxes. Such taxes hardly address the problem since their burden falls directly and immediately on the consumers. A more sophisticated approach is clearly required.

TRANSFER PRICE SHELL GAME

The states' problem in taxing oil companies centers around what are called "transfer prices." These are the prices that one division or corporate subsidiary of a vertically integrated company charges other divisions or subsidiaries in the same company. For example, an oil company's crude oil producing division "sells" crude oil to its refining division and the refining division in turn "sells" gasoline, heating oil, and other refined products to its marketing divisions. These are not true market transactions in the sense that they represent nothing more than a company doing business with itself. They are internal bookkeeping transactions and involve no real transfer of revenue outside the corporate organization.

When the various divisions are in different jurisdictions which have different rates of taxation there is an obvious opportunity to play a "shell-and-pea" game in order to avoid taxes. If the refining division faces higher taxes than the crude producing division, taxes can be reduced simply by increasing the price at which crude oil is sold to the refining division. As a result, the refining division makes little or no profits and pays little or no taxes, while the producing division makes lots of money where the tax rates are low. In addition, it is not unknown for an international oil company to set up off-shore companies specifically for the purpose of avoiding taxes.

Two points should be made. First, all integrated (or "unitary") corporations that operate across jurisdictional boundaries are capable of such manipulation. In terms of sheer magnitude, however, nothing matches the capability of the major oil companies. Second, it is important to recognize that this shifting of profits need not involve fraud or other illegality. The Internal Revenue Service (as well as the tax authorities in other nations) uses the so-called "arms-length" method of accounting in assessing the legitimacy of intracorporate transfer prices. According to this system, transfer prices used for an item would be compared to the price that would prevail in a true market, or "arm's-length," transaction. In the petroleum industry, at any given time, there is never a single price for crude oil, gasoline, or any other petroleum product. There are clusters of "market" prices which reflect various long-term contract prices and spot market prices. The absence of any one clear "market price" gives considerable latitude to managers in setting intracorporate transfer prices.

There is more than ample evidence that the integrated oil companies manipulate transfer prices to minimize taxes. In one Canadian case Exxon was shown to have used a paper subsidiary in the Dutch Antilles to evade many millions of dollars of Canadian taxes. And a recent report from Canada's Director of Investigations and Research, Consumer and Corporate Affairs alleges that "During the period 1958 to 1973 . . . excessive costs were imposed on Canadian consumers as a result of overcharges on transfer prices for imported crude oil levied by foreign parent companies on their Canadian subsidiaries . . ." Prior to 1973, the in-

tegrated oil companies shifted their profits to the production end of the business to maximize their tax savings through the use of the depletion allowance and foreign tax credits. Since 1973, these same companies have used this vertical structure to shift profits and, not incidentally, to maintain the downstream control OPEC needed to support its price structure. In fact, the integrated oil companies have opposed divestiture legislation by arguing that the oil industry is essentially unitary and that there are efficiencies inherent in vertical integration that cannot be measured merely by examining transfer prices.

THE UNITARY SOLUTION

To deal with the transfer price problem, a number of states, and in particular California, have employed the "unitary" method of corporate taxation. Essentially this method looks at that part of the corporation which is located within the state and attempts to identify the real economic contribution it makes to the overall corporate unit. While the formulae vary from state to state, in general, they determine the portion of the corporation's revenue subject to state taxation on the basis of the amount of property, payroll, and sales within the jurisdiction.

The unitary system of corporate taxation is not without flaws. Most obvious is the difficulty of determining what is a "unitary" corporation. It is generally agreed that a conglomerate corporation whose parts do little or no business with each other should not be treated as a unitary entity. For example, a firm that runs a car rental operation in one jurisdiction and a hamburger chain in another is hardly unitary. In taxing the hamburger chain a state would not be justified in looking at revenue earned by the car rental. There are, of course, closer cases where the unitary nature of the corporation can be reasonably disputed. But the general standard is sufficiently clear and workable: are the commonly owned entities operated as an economic unit? In short, it is the business reality that is the test.

In comparison with the necessity of untangling a host of intracorporate transactions and comparing them against an arm's-length standard, the unitary method presents no extraordinary problems of fairness of workability. In fact some tax scholars have found it a theoretically superior instrument of tax policy. But, tax theory aside, there is one overwhelming argument for the unitary approach: it can actually be used to collect taxes. It is no exaggeration to say that the arm's-length method completely fails to provide the states with a workable method for taxing corporate income earned within their jurisdictions.

Some critics of the unitary method are willing to tolerate its use by states in taxing multistate corporations, but they object to its use in taxing the earnings of multinational corporations. They claim that looking at the worldwide earnings of a corporation in order to determine what portion the state may tax result in unfair taxation of foreign earnings. This argument misses the point. The purpose of the unitary method is to determine what part of a corporation's total income (whether multistate or multinational) can appropriately be said to have been earned within the state, not to tax income earned outside the state. Or, put another way, what contribution did the activities within the state make to the total earnings of the corporation? This is a wholly legitimate question for any taxing jurisdiction to ask. It is painfully obvious that the arm's-length method provides no useful answer.

POLITICAL BATTLE ON THE HORIZON

Despite this failure of the arm's-length method, multi-national corporations have been quite successful in promoting efforts to restrict the ability of states to use the unitary method. Two years ago there was a bitter fight in the Senate over a provision in the United Kingdom Tax Treaty limiting the unitary method. Ultimately a reservation to the provision prevailed by a close margin. The unitary method has also withstood a number of broad-based legal challenges. In two recent cases—brought by Mobil and Exxon—the Supreme Court reaffirmed the constitutionality of the unitary method and rejected claims that worldwide apportionment amounts to double taxation.

These courtroom defeats have encouraged the oil companies and multinationals to focus their opposition to the unitary method on legislative remedies. Republican Sen. Charles McC. Mathias, Jr., and Rep. Barber Conable, the ranking Republican on the House Ways and Means Committee, have introduced legislation to prevent states from using the unitary method to tax multinational corporations. Needless to say, the bills have very powerful support. Advocates of the bills are now interested in attaching some form of the legislation to the pending tax-cut bill. This strategy could force Congress to consider the unitary method in a loaded political setting that would hardly be conducive to a deliberate exploration of the issues.

It is worth noting that the federal government has similar problems in dealing with transfer prices and a strong argument can be made for the use of the unitary approach by the Internal Revenue Service. While the U.S. Treasury Department supported the U.K. Tax Treaty and the Mathias bill, it has used the unitary approach itself. Unfortunately, the IRS has not done so systematically, and it certainly has not done so with the international oil companies.

With the rapid increase in both energy prices and profits, we simply have no choice but to find an effective means of taxing the international oil companies. It is irrational to rely on a system that permits 40 percent of manufacturing profits to remain out of the range of effective taxation. To ask that the states do so in the context of the current economic policies borders on madness. It requires other businesses whose profits are already suffering to bear more than their share of the burden. The unitary method may not be a perfect solution, but it is a reasonable, workable, and equitable approach and at the moment we have no other.●

THE TORTURE OF JACOBO TIMERMAN

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. BARNES. Mr. Speaker, Jacobo Timerman's account of his imprisonment and torture in Argentina, entitled "Prisoner Without a Name, Cell Without a Number," has been universally acclaimed. But the most interesting and perceptive piece I have seen recently has been not on the book, but on the man. In an interview with Christian Williams of the Washington Post, Timerman gave us a two-paragraph human rights lesson that is worth a dozen political science textbooks, destroying the myth that our human rights policy has failed and capturing the importance of the policy for our own democracy and society. This passage read as follows:

America gets impatient with human rights, restless. You don't see the accomplishment. Do you expect to change a government with a policy? No, if you want to change the government you have to send in the Marines. What a human rights foreign policy does is save lives. And Jimmy Carter's policy did. How many? I don't know. Two thousand? Is that enough? But that policy is even more important to you than to us. It builds up a democratic consciousness in the United States. It is more important for the United States that Lefever be defeated than for Argentina.

I am very disappointed in President Reagan. * * * A new administration is entitled to change an approach, to change a strategy, but not to change a policy. The policy of human rights belongs to United States history. This administration is not changing a strategy, but an ideology.

Mr. Speaker, our human rights policy works. The new administration has an opportunity to learn from the past and show us how we can be more effective in our pursuit of human rights. I hope the administration will seize this opportunity, and will not abandon this policy that is so important to people everywhere—not least to ourselves.

I include the entire article at this point:

[From the Washington Post, May 22, 1981]

THE TORTURE OF JACOBO TIMERMAN—THE AGONY AND THE WITNESS OF THE JOURNALIST AND THE JEW

(By Christian Williams)

"The word that I hate most is 'unbelievable,'" said the man who had been tortured. He wore a well-cut, pin-striped suit, and his face, tanned the color of his expensive gold wristwatch, reflected the irony in his voice.

"What people want to hear about first is the torture. I am tired, but I try to tell them. 'Unbelievable,' they say. That's the word they used when the witnesses came out of the concentration camps.

"But I have an idea. On the television talk shows, I will agree to be tortured just as I was in Argentina. Then everyone will know what it's like.

"It would be easy, because the equipment is very simple. All you need is an electrical outlet, and a small transformer with a dial, and two wires for the electrodes. Here it's 110 volts, and in Argentina it's 220 volts, but otherwise the same. I would want a doctor in attendance.

"The first stage is pain, excruciating pain wherever the electrodes are applied. People would see my muscles contract, my hands drawing up in fists like this, my back arching, and hear that particular scream. The second stage, when they turn the dial up, destroys the tissue wherever the electrodes are applied. The testicles, say. The third stage stops the heart." He touches his chest.

"I would agree to be tortured on television to the first stage."

Jacobo Timerman was on the "Today" program yesterday, and will be interviewed today by the CBS Morning News, Cable News Network and Bill Moyers. It is unlikely that American news organizations will take him up on his offer, even to the first stage.

Much better to retain a certain distance from Jacobo Timerman, the distance appropriate to the outspoken intellectual whose case has come to symbolize the Argentina Problem—the problem of a nation struggling to govern itself while beset by terrorism, kidnaping, bombings, a 170-percent inflation rate and the scrutiny of its political allies.

Timerman, now 58, was until April 15, 1977, the publisher and editor in chief of La Opinion, a liberal daily newspaper in Buenos Aires. He was outspoken, and influential, and seen frequently on Argentine television. On that date, 20 armed men entered his 15th-floor luxury apartment, handcuffed him from behind, and took him to prison. He was jailed until Oct. 13, 1977, and kept under house arrest thereafter until Sept. 24, 1979. Twice the Argentine supreme court found that he was imprisoned without charge. The second time it so found, the junta responded with a threat to disband the supreme court. Timerman, however, had become a nuisance also in his incarceration. So his citizenship was revoked, his newspaper and all his possessions confiscated, and he was expelled from the country.

In ridding itself of Jacobo Timerman, the Argentine military government gave his story to the world. Bitter and combative, it now reaches out from the pages of his book, "Prisoner Without a Name, Cell Without a Number," and the spate of articles and interviews accompanying his book-promotion tour. The context of his story is Argentina, where since 1976 thousands of persons have "disappeared"—estimates of how many range from 6,000 to 20,000—and many more have been arrested and imprisoned.

But it begins and ends with his Jewishness, which he requires that others confront as he has confronted it.

"To be a Jew is to have almost a second biology," he said in Washington this week. "That is what I have learned. You are a man—and a Jew. You are a journalist—and a Jew. The question is always of survival. Nobody can explain why anti-Semitism exists, why a people is hated. Yet we are. Before Argentina there was the Holocaust the Inquisition. That is why I am a Zionist. We must have a homeland, and we must have guns."

Timerman was more than a Jew and a liberal. He was rich, and a Zionist. A military officer once described him as "a talented, arrogant Jew." His partner in La Opinion was David Graiver, also a Polish-born Jew. The junta believed Graiver was funneling money for the Montaneros guerrilla movement. Graiver was arrested, but later died in a plane crash.

Timerman was jailed and tortured but never charged. "That's the way it works in a totalitarian system. You're arrested because you're guilty." He was presumed guilty of participating in a worldwide plot to wreak economic havoc in Argentina—and specifically to seize control of Patagonia and establish a Jewish state there.

"I would be taken from the torture machine into another room, and there would be a man, an intellectual, smoking a pipe, pronouncing his words correctly. A man just like you or me, who would carefully explain that he was not a torturer.

"Then he would say: 'We know Brzezinski is a Jew. We know President Carter is a Jew, he changed his name from Braunsweig. We know Brzezinski has a plan to take over Brazil and Argentina and Chile, You must tell us about the details.' "

Did they really expect answers? He shrugged. "They were enjoying themselves. They had the Jew where they wanted him, at last."

THE FATALIST

By birth a Jew ("I am not at all observant"), by vocation a political journalist. He served his apprenticeship on the dailies of Buenos Aires. One day, he recalled, his editor told him that the time had come when he could have a by-line. This was a great privilege because most articles were unsigned.

"'One thing,' the editor said. 'Jacobo sounds too Jewish. Why don't you sign your name as Alejandro?' But I held out, and at the time I though I had scored a great victory. Only now I realize that it was a great defeat that the question should arise at all."

Timerman also revealed a talent for entrepreneurship. In the 1960's he introduced the newsmagazine concept to Argentina by founding the journal Primera Plana. It was successful. He sold it and used the profits to found the daily La Opinion in 1971. He was both publisher and editor in chief, with 45 percent of the stock. Graiver had 51 percent. Timerman's success was now conspicuous. He had his fine 15th-floor apartment with a view. He had a holiday home in Punta del Este, in Uruguay, "like the other rich men in Buenos Aires."

La Opinion was a liberal paper, distinctly intellectual, and it followed no predictable party line. But then, neither did Argentina. Between 1973 and 1976 there were four Peronist presidents, and a dozen notable political and military and revolutionary splinter groups, encompassing Trotskyite guerrillas, Peronist death squads, labor unions, the Church and competing branches of the armed forces. The nation was at war with itself, but the front was everywhere within its long borders reaching southward between the sea and the Andes.

One morning Timerman received two letters at La Opinion. One was from a rightist terrorist group, condemning him to death. The other was from the Trotskyite Popular Revolutionary Army, also threatening him with death.

Timerman responded on Page 1, revealing the threats and wondering with fatalistic curiosity, "Who will wind up with my corpse—the terrorists of the left or those of the right?"

Timerman had at one point called for a coup—the traditional method of changing goverments in Argentina—and in retribution Isabel Peron closed La Opinion for 10 days. The coup came in 1976, putting the army in power. But it was the army—the Nazi contingent within the army, he says—that arrested him and took him away.

HEROIC MEASURES

But the first question is always about the torture. "Unbelievable."

"People say that a strong man can come out of torture with whatever he had when he went in, but it's not true. Some part of my spirit was destroyed." He scoffs at the notion that torture can be withstood, that torture tests and defines the hero.

"No," he said, "when you are tortured to learn the address of a building, or the name of a man, you are lost. You will tell them anything. Albert Camus gave these instructions to the French Resistance: Try to hold out long enough for the others to escape. But do not die under torture. Try to survive. Of course, Tito's Underground received different instructions: They were supposed to die. That seems unreasonable.

"Mine was an ideological torture, because I had no address they wanted. Mine was a torture only from hate. It was not only the machine, but being tied in a chair all night, intentionally wet down. Of being required to soil yourself.

"It's hard to describe. I begin to think that perhaps everyone should be tortured. Tell me what you think of this idea: When you graduate from high school, you are tortured to the first stage for five minutes. Then when you get a college diploma, you must undergo another 10 minutes. If you want to run for office, another 15. This way it would not seem unbelievable."

He is congratulated on his sense of humor.

"Oh, I have no sense of humor," he said. "Only a sense of irony."

END OF AN IDEOLOGY?

This week in Washington, Timerman, as a spectator, visited the Senate Foreign Relations Committee hearings on President Reagan's nomination of Ernest W. Lefever to head the U.S. human rights program. Introduced by Sen. Charles H. Percy (R-Ill.), Timerman was greeted with loud applause. Lefever represents a less conspicuous policy regarding human rights in friendly governments. This is being called "quiet diplomacy," in contrast to the aggressive policies of Jimmy Carter.

"A quiet diplomacy is a silent diplomacy," Timerman was saying the next day. "Nations maintained a silent diplomacy with Hitler, and you see what happened.

"America gets impatient with human rights, restless, you don't see the accomplishment. Do you expect to change a government with a policy? No, if you want to change the government you have to send in the Marines. What a human rights foreign policy does is save lives. And Jimmy Carter's policy did. How many? I don't know. Two thousand? Is that enough? But that policy is even more important to you than to us. It builds up a democratic consicousness in the United States. It is more important for the United States that Lefever be defeated than for Argentina.

"I am very disappointed in President Reagan," he said. "A new administration is entitled to change an approach, to change a strategy, but not to change a policy. The policy of human rights belongs to the United States history. This administration is not changing a strategy, but an ideology.

"So much in Argentina is unique," he went on. "And no one knows about it. The murders, the disappearances, the tortures. Just to ask the names of the missing persons was extremely dangerous, and yet how could a newspaper not ask? This is why I did not go into exile, although my wife and my sons and I talked about it many times.

"My wife would say, 'I will run the paper, you escape.' I would say, 'No—I will run the paper, you escape.' But how could we when there was a Committee of Mothers of Missing Children asking our help? Do you know that in Argentina there is also a Committee of Grandparents of Missing Grandchildren? Where else in the world would you find a Committee of Mothers of Missing Journalists?

"Think of it. More than 100 journalists have disappeared in Argentina in the past four years. How come nobody knows about that? How come the newspapers of the world have not merely printed their names? This is a genocide of journalists, and nobody knows."

Those are the things Timerman says in interviews, and to anyone who will listen. It is not possible to corroborate the statistics of Argentinian chaos. But Timerman's coroboration is his experience: He was arrested, jailed, tortured and, finally, released, but he was never disputed with a formal charge.

THE SPIRIT IN EXILE

He is a survivor, of course. Although the junta confiscated all his property, including La Opinion (which he valued at well over $5 million, and which has been shut down), they could not touch his summer home in Uruguay. He sold it, and that money established him in Tel Aviv, where he lives now. His wife is there, and two of his sons. The third son is in New York, studying foreign affairs. Timerman has just written another book, about Israel, and does a column twice weekly in Maariv, and is not troubled financially. Timerman likes Israel, but he is not used to the colors. "The blue of the sea is too blue. It is not the blue of the South Atlantic."

Yet in this week of witness in America, his opinions probably wield more power than they ever have before.

He scoffs at the notion that he has survived intact, and with power.

"Part of my spirit has been destroyed," he said. "The great cost has been to my peace of mind. I try to come back now to the things that were most important to me, and I cannot. It is very frightening. I have lost the ability to read the great poets, Sophocles, or T. S. Eliot, or Delmore Schwartz, that were so important to me. I have been invited to Princeton to write a book about the effects of torture on the spirit, and I may do it. But I am afraid of what I may learn.

"You see, I was not degraded by the torture, but I was deteriorated. Many times I have asked myself, without my wife and children what would I do? Because of them, I cannot wake up in the morning and begin to suffer. But if it were not for them, I would always travel. I would be alone, and have no permanent things. I would keep from remembering, for that is the trick of survival under torture, and the big tragedy."

Timerman believes that Argentina must improve, that the worst times are over there, and that many of the 1 million exiles will eventually be able to return. Perhaps he will, too, because it is the land where he grew up, and made his fortune, and raised his family?

"No," he said sharply. "I will never return. I cannot. You see, I was not treated there as a political enemy, I was not hated for my politics. I was hated because I was a Jew, and I can never return to that. I will stay in Israel. I am no longer ashamed to love my Jewishness, because when I was in the diaspora, I was ashamed."●

PRIME TIME FOR SENIOR CITIZENS

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. HERTEL. Mr. Speaker, senior citizens in our Nation are facing a crisis at the hands of the present administration. The debate is complex and many faceted. I recommend to my colleagues this excerpt from an article in the Grosse Pointe News dated May 14, 1981, by Marian Trainor as an insight summary to the dilemma we must face on programs for older americans.

PRIME TIME FOR SENIOR CITIZENS

(By Marian Trainor)

Much has been written about President Reagan's economic program and its affects on older Americans. Opposers of the program point out Medicaid help will be cut by $1 billion during the next fiscal year and by $5 billion by 1986. The President refutes by promosing that the truly needy and the elderly will not be hurt by the program.

"Not so" counters the opposition. They say with health-care costs rising even more sharply than the high rate of inflation, a limitation on the federal contribution to the program which is now funded jointly with the states, would result in the states bearing most of the burden of any further rise in hospital, nursing home and doctor fees.

This could result in limiting the number of people accepted for Medicaid benefits or slashing Medicaid, which differs from Medicare in that it aids those people under 65 who cannot afford the care they need.

It could force many poor people to postpone treatment of ailments until they require hospitalization. On the face of it the federal government saves money, but what is saved at the federal level on preventive care will be spent at a state level on the much more expensive hospital care. This is particularly true in cases requiring nursing home care.

Proponents of Reagan's program argue present federal programs will be lumped into block grants and turned over to the states thus eliminating bureaucratic red tape and letting states establish their own priorities.

"Too costly," counters the oppositon. They believe that such services as home-delivered Meals on Wheels, Homemaker Services and Senior Centers would suffer. Under this plan local agencies would be forced to jostle for their money at the state level rather be assured of regular federal support.

And there are other concerns. Food stamps would be reduced by $1.8 billion at a time when the number of older persons receiving food stamps has increased and the cost of food has escalated. Under the formula which denies food stamps to people with incomes over 130 percent of the poverty line, most needy elderly would be ineligible.

Other cuts include funding for aged research and a change in the cost-of-living index for retired civil service workers. Under the new plan the index would be done annually, instead of twice a year as it now is calculated.

From the other side of the fence come promises from those who support President Reagan's budget "reform." They say that social programs will not only be maintained but more money will be spent on services during the next four years.

The big argument here is that the "social safety net" program will command an increasingly large portion of the budget moving from 3.6 percent of the 1981 budget to 40.6 percent of the 1984 budget. Under the "social safety net" (a concept initiated in 1930 under the New Deal) the "truly needy" will be protected by Social Security benefits, unemployment benefits and cash benefits for dependent families. This concept embraces the elderly, the disabled and veterans.

Which voices should we heed? Where shall we turn for reassurance that older Americans will not be deprived under the President's program? Older citizens have lived through hard times—and some good times. They are willing to share the burden of establishing fiscal responsibility but it is one they feel all Americans should assume equally.

If senior citizens are to retain what is needed to insure the necessities of life—good nutrition, adequate housing, medical care and contact with the outside world made possible by available transportation and Senior Centers—it would appear that they are going to have to become very active politically both as individuals and groups. They are going to have to let elected officials at the state and federal level know their needs so that when money is apportioned, a fair share will be allotted to them under the program.●

THE GREAT LAKES: AN ABUNDANT SOURCE OF FRESH WATER

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. BLANCHARD. Mr. Speaker, I recently introduced H.R. 3600, the Great Lakes Protection Act of 1981, because I feel that it is time that the protection and preservation of the Great Lakes become an important part of our national agenda. While water shortages plague much of the Nation, we in the Great Lakes basin are surrounded by billions of gallons of clean fresh water. I would like to call your attention to the following editorial from the Detroit News which offers additional evidence of the importance of the Great Lakes as a precious national resource in light of serious water shortages in many other parts of the country.

WATER

Water, the first requirement of all life, is abundant here in the Great Lakes basin, an increasingly salient fact as national concern grows about the worsening drought in many parts of the country.

Consider:

The Mississippi River, which transports half the grain, 20 percent of the crude oil, and 15 percent of the coal moved in the United States, was closed to navigation for five days last month because of a sharp drop in the water level. Barges now carry 20 percent less cargo to reduce their draft.

Even so, 126 tow boats and 1,455 barges got stuck in the mud in January.

At Memphis, the river fell right off the water gauges. New markers were installed, and the river dropped below them. Never has the river been so low.

On the East Coast, New York City's reservoirs hold only two-thirds of the normal supply. New Jersey has a tough water-rationing program. Washington's water supply is threatened because the flow of the Potomac is only 1.3 billion gallons a day, compared with a normal flow of seven billion gallons.

The flow of fresh water from the Middle Atlantic states into Chesapeake Bay has declined so much that the salt water "front" (the line where saline and fresh water meet) has pushed inland 28 miles.

In the Midwest and Plains states, farmers are worried about the survival of moisture-starved hard winter wheat.

Meteorologists explain that the west-to-east jet streams, the engines that drive storms across the country, have shifted north over Canada. Two persistent high-pressure centers have parked over the West Coast and Rocky Mountains for more than two months, forcing stratospheric winds far north of their normal course and leaving most of the nation wanting for rain. If the pattern doesn't shift, spring will be dry—calamitously dry.

In dramatic contrast, Michigan's situation on the drought map is markedly favorable. Detroit shows a Palmer scale "plus three" (excessive) moisture rating, as does the southwestern part of the state. Central Michigan records "plus 2," well above normal, while the northern Lower Peninsula and the Upper Peninsula are in near-normal or mild-drought categories.

Fresh water is Michigan's most valuable natural resource, and there is far more than enough for drinking and industrial processing. While most of the nation is parched, here in our providentially well-situated state, Michiganians watch billions of gallons of fresh water flow daily by their door.

It's time Michigan paid more heed to its limitless supply of fresh water and turned this unique asset to good account.

Industries of all kinds, like people of all kinds, need water. We've got it. Let's flaunt it.●

GUN DECONTROL

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. RUDD. Mr. Speaker, I am pleased to join with my distinguished colleague from Missouri (Mr. VOLKMER) in cosponsoring again in the 97th Congress the Federal Firearms Law Reform Act, H.R. 3300.

Since the adoption of the Gun Control Act of 1968, many unnecessary restrictions have been placed on law-abiding U.S. citizens who own, desire to own, collect or sell firearms.

Sufficient time has now passed to review objectively the effects of the 1968 act and to determine how the law might be improved.

With this consideration in mind, 182 Members of the House cosponsored similar legislation, H.R. 5225, during the 96th Congress. The bill is a compilation of various reforms designed to correct specific abuses which have been perpetrated by the Bureau of Alcohol, Tobacco, and Firearms which oversees the Gun Control Act.

There is now increased sentiment for the reforms encompassed within this bill. Hearings should be initiated promptly so that action can be completed expeditiously.

The legislation is straightforward. Its objective is to amend the 1968 act to focus more clearly on enforcement provisions against those who actually abuse the use of guns. The bill would eliminate the regulatory morass which has unnecessarily restricted the legitimate actions of gun collectors, dealers, hunters, and other law-abiding gun owners.

The bill does not rescind or otherwise amend the major provisions of the 1968 act dealing with identification of purchasers, mail order sales, sales to minors, and related areas.

The Bureau of Alcohol, Tobacco, and Firearms has become notorious for its repeated attempts to initiate complex and cumbersome regulations which ultimately restrict legitimate gun ownership.

This bill seeks to eliminate much of this discretionary authority granted by the Congress to the Bureau. For instance, the legislation provides for a precise and limited definition of "engaging in the business" of dealing in firearms and ammunitions—activities which are regulated by the Gun Control Act of 1968.

The BATF has consistently used the broadest possible interpretation of engaging in the business to bring under its jurisdiction every conceivable aspect of gun ownership, including occasional sales by gun enthusiasts and small collectors. This restricted definition will preclude the BATF from harassing citizens—primarily small collectors—who sell guns only occasionally.

Under the revisions of the bill, licensed collectors would be permitted to collect whatever type of firearms they desire with a continuation of relevant reporting requirements to the BATF. Currently, only curios and relics are permitted to be collected.

Additionally, many general stores and bait and tackle shops in Arizona—and other similar stores throughout the country—are required to keep elaborate records of all ammunition sales, even though they do not sell firearms. This reform bill would eliminate cumbersome paperwork requirements for such stores which sell ammunition.

The legislation specifies that only firearms actually involved in an alleged violation may be seized by the BATF from an owner. The Bureau has repeatedly seized whole collections of guns and retained them for extended periods.

This bill provides for 90-day comment periods in the promulgation of all BATF regulations in order to provide citizens sufficient time to voice their views on such additional regulations. Even after having been finalized, the regulations would be subject to congressional review and veto procedures under the revisions of this bill.

In short, Mr. Speaker, the primary thrust of this legislation is to eliminate excesses of a bureaucracy which has attempted to accomplish through regulation restrictions which Congress never intended. Congress must act to clarify the intent of the Gun Control Act so that those who do not intend criminal activities will not be subjected to the whims of an overzealous Washington bureaucracy.

An additional important aspect of the bill is the prohibition of parole for those convicted under the existing penalties. Lenient judges would no longer be allowed to thwart congressional intentions to deal sternly with gun-possessing criminals.

Mr. Speaker, I believe these are all reasonable provisions which should receive early and favorable consideration.●

REPAYING A DEBT OF GRATITUDE TO OUR VETERANS

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. DE LUGO. Mr. Speaker, this is a great day for the American veteran. Today, we have an opportunity to thank the thousands of men and women who unselfishly sacrificed years of their lives to protect their fellow countrymen. The House of Representatives will consider today a series of bills that seek to repay the debt of gratitude owed to these modern-day partiots. These bills are of particular importance to the U.S. Virgin Islands, where the young men and women who are my constituents have joined and served in the Armed Forces in proportionatelly greater numbers than most other regions of the United States. I am pleased to indicate my support for the following bills and I urge my colleagues to approve them:

VETERANS HOME LOAN GURANTEES (H.R. 2039)

This bill authorizes the VA to guarantee home mortgage loans which have provisions for graduated payment plans. These mortgages allow young people to purchase homes by structuring mortgage payments so that they are low during the early years of the mortgage and increase in later years as the individual's income, and thus ability to pay a higher mortgage, increases. Passage of this legisla-

tion will make it easier for our younger veterans to partake in the American dream—owning a home.

PRISONER OF WAR BENEFITS AND HEALTH CARE SERVICES ACT OF 1981 (H.R. 1100)

This bill changes from 6 months to 60 days the length of time a former POW must have been interned to establish a presumption-of-service connection for certain diseases and medical conditions. It also provides service-connected medical benefits for psychosis, psychoneurotic disorders, and psychophysiologic disorders. Finally, the measure would provide medical treatment, both inpatient and outpatient, on a priority basis to former POW's, regardless of the length of their internment.

Many of us cannot comprehend the severe traumas, both physically and psychologically, that our American POW's experienced as a result of their incarceration. The prisoner of war experience is characterized by torture, execution, "death marches", starvation, and—most of all—a crushing sense of doom and loss of hope. Passage of this legislation would extend a helping hand to these people and help them adjust better to civilian life.

VETERANS' TRAINING AND BUSINESS LOAN ACT OF 1981 (H.R. 3423)

This bill provides Vietnam-era veterans with 2 years of additional eligibility for on-the-job training and for vocational education. The unemployment rates of veterans who served in Vietnam continues to be unacceptably high. For example, during the first quarter of calendar year 1981 their unemployment rate was 10.9 percent. Passage of this legislation will certainly contribute to lowering that rate to more reasonable levels.

This bill also establishes a veterans' business loan program in the VA and authorizes $25 million for a revolving fund to finance it. All veterans with at least a 30-percent service-connected disability and Vietnam era veterans would be eligible for either direct or guaranteed loans up to $200,000. As we all know, many Vietnam era veterans have now completed their formal education and are now ready to become entrepreneurs in various fields of business. While they were serving their country, however, their civilian counterparts were already entering the mainstream of American business. When the servicemen returned from Vietnam, they had to play catch-up. This bill will enable them to make up some of that lost ground.

Finally, this bill would extend for an additional 2 years the veterans' readjustment appointments program. This would allow the VA and other Federal agencies to reach many more Vietnam era veterans who likewise need only the opportunity to prove their ability to overcome the employment barriers encountered upon returning to civilian life.

VETERANS HEALTH CARE ACT OF 1981

This legislation would extend the Vietnam era veterans' readjustment conseling program and provide medical care for Vietnam vets who were exposed to herbicide defoliants, including agent orange. Of more immediate importance to the Virgin Islands, is the provision which would extend the Veterans' Administration's authority to provide contract hospital care for veterans with non-service-connected disabilities in the Virgin Islands. Such an extension would insure that the VA could maintain the medical care now being provided pending the review and analysis of the recent report which assessed the health care need of veterans in the Virgin Islands.

Mr. Speaker, every time I return to the Virgin Islands I make it a point to meet with a number of men and women who served in the armed services. Many of them are Vietnam veterans.

The message these people give me is very clear—all is not well.

In many instances they still find themselves at a disadvantage with those who have not served in the Armed Forces. Others are still experiencing difficulties in trying to adjust to civilian life.

It is incumbent upon this Congress to take whatever steps are necessary to put our veterans on an even keel with the rest of the population. Passage of these bills will certainly be a giant step toward reaching that goal.●

PRESIDENT REAGAN'S FOREIGN POLICY

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. STARK. Mr. Speaker, I am concerned about the direction—or lack of direction—of the current administration's foreign policy.

What are the fundamental objectives and priorities of U.S. foreign policy today?

The administration has talked tough with the Russians—but lifted the grain embargo.

The administration has drawn the line against Soviet subversion in El Salvador—without convincing either the American people or our allies abroad that the Soviet Union is the source of that sad country's troubles.

Most recently the United States was the only country to vote against the World Health Organization drafted international marketing code for infant formula. The administration seems to have misjudged its mandate in this case. The State Department admits that this vote has brought a deluge of mail running 9 to 1 against the U.S. position.

I would like to bring to the attention of my colleagues a column by Richard J. Barnet, author of "Real Security: Restoring American Power in a Dangerous Decade", which appeared in Monday's New York Times. In this column Mr. Barnet discusses the administration's performance in the foreign policy arena to date.

[From the New York Times, June 1, 1981]

THIS IS DEALING FROM STRENGTH?

(By Richard J. Barnet)

WASHINGTON.—The Reagan Administration appears to have declared as nonproblems the so-called global concerns over which the Carter Administration briefly agonized: what to do about the catastrophic world food situation, the instability of the world monetary system, the sharing of resources under the sea, the mounting debts of poor countries, the growing rivalries within the developed world over access to scarce resources, and the environmental consequences of such rivalries.

Mounting economic and social instability in the third world is the No. 1 security problem, but the Administration's preferred approach to this threat to peace is to shake a finger at Moscow or to repaint an old battleship. It is a dangerously unrealistic policy, for there is no way that the United States can be restored to economic health without taking on these global problems in a serious way.

But is it not unfair to judge President Reagan harshly for not doing what he never had any intention of doing? Should not his performance be judged by his own goals? Unfortunately, by that test, too, he is headed for failure.

The Administration came to office promising to restore America to what Dean Acheson once called "situations of strength." Obviously, more than a military buildup was required. The Government would have to learn once again to speak with one voice on foreign policy issues. It would have to demonstrate strong public support for its program to restore American power. It would have to strengthen America's ties with its major allies. Most important, it would have to demonstrate that the nation's economy was vital enough to sustain our global commitments.

So far, the Administration has succeeded in confusing friend and foe alike. The President calls Soviet leaders liars and cheaters but invites them back into Middle East discussions. According to Secretary of State Alexander M. Haig Jr., the Russians are powerful enough to orchestrate much of the world's mischief, yet he says they are about to fall into the very ashcan of history that they have been preparing for us. The President's closest adviser, Edwin Meese 3d, announces that military action against Cuba is being considered, but the grain embargo against the Soviet Union is precipitously lifted without even advance notification to our allies.

El Salvador is selected as the critical site to make a stand against the newly discovered worldwide Communist-terrorist conspiracy. But neither the Congress, the Roman Catholic hierarchy, nor our European allies believe that the bloody civil war in that country was invented in Moscow. International terrorism is a fashionable construct to make chaotic and unmanageable events in a dizzying variety of places fit a ready-made strategy for addresssing them—much

like the "arc of crisis" rhetoric in the Carter Administration—but the Central Intelligence Agency says it has been unable to confirm the basic facts on which the Administration's paranoid worldview rests. Administration spokesmen claim that America would lose prestige if El Salvador's moderately repressive torturers and murderers, whom we are generously supplying with helicopters and rifles, should fall.

Thus, the Administration is setting that country up to be the new Vietnam. Whether a single additional adviser or even one infantry platoon is ever sent there, the Administration has already invested so much in that operation that this nation cannot help emerging from the involvement weaker, not stronger.

Having announced that a political solution that includes the left is a major defeat, we have once again advertised our impotence. Having made support of our El Salvador policy a loyalty test for our allies in Europe and watched them flunk, the Administration has strengthened neutralist sentiment on the Continent and given a boost to the antiwar movement in both America and Europe.

The national security adviser, Richard V. Allen, scolds the Europeans for their "contemptible" better-Red-than-dead attitudes. The predictable result of our pressure has been to cause the West German Government to move slightly to the right and the German people to move to the left (66 percent of them, according to United States Government polls, are against modernizing the North Atlantic Treaty Organization with theater nuclear forces). The Administration's obvious reluctance to negotiate arms-control arrangements in Europe, which a majority of Europeans see as the only way to reduce the Soviet nuclear threat against the Continent, offers the Soviet Union an unparalleled opportunity to put pressure on European governments by playing on legitimate popular fears. Reagan realism may work so well that the Kremlin will be able to claim a veto power over NATO weapons decisions.

Situations of strength these are not.●

SCREENWRITER—BILL WITTLIFF

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. PICKLE. Mr. Speaker, one of America's hottest and most productive screenwriters is a resident of Austin and a product of—and storyteller of—Texas. Bill Wittliff has several irons in the fire, all bringing to the screen a unique, gifted talent for transmitting emotions and character. As an early admirer of our beloved Texas writer and folklorist, J. Frank Dobie, Bill Wittliff has become part of the Dobie tradition. He is a colorful man with a head full of colorful descriptions who has balanced his national success with a steadfast desire to stay near his Texas roots.

The American Film magazine this month features a fine article on Texan Bill Wittliff, whose creative talents are being shared and appreciated by everyone. I am glad to put this article in the RECORD.

MEMORIES OF A TEXAS CHILDHOOD

(By Mike Greco)

Texas is rich in unredeemed dreams, and now that the dust of its herds is settling, the writers will be out on their pencils, looking for them in the suburbs and along the mythical Pecos. And except to paper riders, the Pecos is a lonely and bitter stream. I have that from men who rode it and who knew that country round—such as it was, such as it can never be again.

Too much of Texas is flat, barren, and uninviting; the horizon is broken only occasionally by oil derricks or skyscrapers. It is not surprising that such a forbidding landscape should inspire legends about heroes who not only survived in this hard country but thrived in it. The land was a crucible, so the legends go, in which the heroes formed their character—courageous, rugged, tenacious, honest, and spiritually linked to the land.

Now that the dust of Texas herds has settled, the most interesting writer riding his pencil into the mythical past may be Austin screenwriter William D. Wittliff. At a time when Hollywood is relying on old movies for inspiration, Wittliff writes about the people and places he knows best—and he has met with much success. In less than five years, five of his unusual screenplays have been filmed: Thaddeus Rose and Eddie (1978), The Black Stallion (1979), Honeysuckle Rose (1980), and Barbarosa and Raggedy Man, which are scheduled to be released later this year. (In fact, his scripts are so much in demand that Marble Arch Productions and Universal Pictures gave him coproducer status in order to acquire, respectively, Barbarosa and Raggedy Man.)

Wittliff identifies with the land and the people that created America's lonely heroes. He is a Texan to the marrow of his bones who is searching for his identity in what he calls "the hairy underbelly of the myth." He is as interested in the flawed nature of his progenitors as he is in their heroic deeds.

Wittliff rides his pencil in the heart of Texas. Nestled in the tree-covered hills with the Colorado River meandering through them, Austin is light-years away from the skyscrapers of Dallas and Houston. A potpourri of funky saloons, chili parlors, and monuments to LBJ, Austin is the spiritual as well as the political capital of Texas and an ideal place for Wittliff to search for his Texas identity. "My roots are here," says the forty-one-year-old screenwriter. "I pull on those roots."

Settled in his favorite restaurant—Austin's Raw Deal—Bill Wittliff recently explained how his fascination with Texas developed. "I didn't realize that literature could spring from a place like Texas," he said, "until I was twelve years old and read one of J. Frank Dobie's books. It was an anthology of folktales, and the first folktale in the book was one I had heard as an oral tradition when I was about six years old. To see it in print just set me on fire. It was an awesome thing for me to realize that literature can spring out of your own land, your own environment."

Wittliff channeled his enthusiasm for Texas into book publishing. In 1964, after graduating from the University of Texas with a degree in journalism, he established the Encino Press. Wittliff launched his company, which publishes limited editions of works by Texas writers, with an essay by J. Frank Dobie about an old West Texas cowboy who had become interested in ornithology. Wittliff said, "Dobie gave us Bob More: Man and Bird Man royalty-free a month to the day before he died, and that started the Encino Press. Because Dobie trusted us, other writers who were established in Texas came to Encino Press."

Wittliff desperately wanted to follow in his mentor's footsteps and write about Texas as Dobie had done, but everything he attempted—short stories, essays, poems, and novels—fell far short of his expectations. "I cried bitter tears about not being able to write. My hand was trying to make a pretty sentence, but my head was full of images," the soft-spoken Texan confided. The Encino Press published works by Larry McMurtry, A. C. Greene, Edwin Shrake, John Graves, and Larry King, but nothing by its founder and publisher.

Then in 1973, while commuting between Austin and Dallas, researching a visual history of Dallas, Wittliff thought about a character his grandfather had once told him about—"an old Anglo guy that he had met when he was a kid back in the 1890's." Wittliff said, "The guy had had his ears cut off because he had stolen cattle as a boy. I was moved by that image. I started thinking about him and creating a story around him. I did this over a period of about six weeks. At the end of that period, I sat down and wrote it as a film script because I had seen it in my head."

Wittliff had finally found a form where his head and hand got together. At the time he wrote that script—which became Barbarosa—he had never seen a screenplay. The day Wittliff completed the script, Edwin Shrake, a friend and Sports Illustrated columnist turned novelist, read it and sent it to his agent. "It got some interest," Wittliff remembered. "I got a couple of letters. They didn't want to make it, but it was enough of a response to jump me into the next one."

Wittliff wrote the as yet unproduced "Gally Hobbs," Thaddeus Rose and Eddie, and Raggedy Man in quick succession. "It was the first time I had found a form that worked for me," he said. "I was afraid to stop because I'd been trying to find a form for years and years and was afraid of losing the only one I felt comfortable with."

Wittliff hired an agent to represent him in Los Angeles, and in a very short time, Thaddeus Rose and Eddie and Raggedy Man were optioned. United Artists bought Thaddeus Rose and Eddie and hired Irwin Kershner to direct the film. "My first trip to L.A. was made to talk to Kershner about the script, which turned out to be a real blessing for me," said Wittliff. "Kersh recognized pretty fast that I didn't know what the hell I was doing. He kinda took me under his wing and gave me an education in screen-writing.

"Kersh is a marvelous teacher. He was terrific to me. Rather than just say this won't work or this needs to be changed, Kersh could always back up his comments. 'This won't work because . . . .' 'Have you considered doing it this way?' 'What's really in the character's head here? He took a real interest in my stuff and helped me make it better."

Irwin Kershner, director of The Empire Strikes Back, believes Wittliff is successful because "he writes out of his own experience as a Texan. He's got the language of the region down so well and he uses that peculiar Texas humor so well that his scripts have the ring of truth to them. No one writes better dialogue than Bill, and nobody

writes characters funnier or more fully rounded. His work is unique." So is Wittliff himself, Kershner adds. "He is not one of those city boys who come to Hollywood trying to be all things to all people. He knows who he is and where he belongs. He's politically grounded, he's philosophically grounded, he's emotionally grounded in Texas. That's why he still lives there and only visits Los Angeles. He's a true regionalist."

When United Artists decided not to make Thaddeus Rose and Eddie, it was sold to CBS, which produced it for television and aired it in 1978. "I was disappointed that it wasn't made as a theatrical feature," Wittliff admitted, "but it brought my work to the attention of the Coppola people." And that let to The Black Stallion. Wittliff was invited to San Francisco to discuss the film with Carroll Ballard, the director. "I came up with several ideas," Wittliff said, "including putting the father on the boat and the whole idea of Alexander and Bucephalus, which I think gives the film its mystical quality."

However, Wittliff doesn't want to take the credit for The Black Stallion's success. "I think I planted a seed," he said, "but I don't think I grew the tree that became Black Stallion. I think Caleb [Deschanel] did that. I think Carroll [Ballard] did that. I think [Robert] Dalva, the editor, did that. The edited version was very different from the shooting script. I learned a lot working on Black Stallion."

Willie Nelson was also impressed by Thaddeus Rose and Eddie. Nelson, an Austin institution who set the country and western music establishment on its ear in the mid-seventies, watched the film on television and made inquiries about his fellow Texan. "Willie and I hit it off," said Wittliff. "We have a lot in common. I think Willie's music has a lot of content in it. If one listens between the lines of Red Headed Stranger, it's real powerful stuff. It's about losing grace and redemption. I'm moved by that album." When Universal sent representatives to Austin to negotiate film rights to the Red Headed Stranger album, Nelson invited Wittliff to the meeting and asked him to write the screenplay.

Nelson was delighted by Wittliff's screen adaptation of his album, and he asked Wittliff to rewrite the screenplay for Honeysuckle Rose when Warner Bros. signed Nelson for his first starring film role. "I don't want to take the credit for Black Stallion," Wittliff said, "and I sure don't want to take the blame for Honeysuckle Rose. Jerry Schatzberg [the director] had preconceived ideas about what life on the road was like, and he refused to see the reality of it. Do you have to mention I wrote Honeysuckle Rose?"

A few months after Wittliff began work on Honeysuckle rose, Nelson asked him if he had anything lying around. Wittliff did—his first screenplay, Barbarosa. Wittliff recalled, "Willie literally stuck his finger in the middle of the script, opened it, read two pages, closed it, and said, 'I want to be that guy.' Then Willie suggested we talk to Gary Busey for the other guy, and we made a deal with Marble Arch."

In 1979 Wittliff became a local celebrity when Honeysuckle Rose was filmed on location in Austin and Black Stallion opened to critical acclaim. That year, Sissy Spacek read a story about Wittliff while visiting her mother in Quitman, Texas. As it happened, she and her husband, director Jack Fisk, were looking "for a Texas writer for a film we wanted to make," Spacek recently said. "Bill sounded like the kind of writer we were looking for. We visited with him in Austin when we attended my cousin's wedding last year. He gave us a copy of Raggedy Man to read as a sample of his writing, and it was very much like the story we had been discussing. Bill had already written the film Jack and I wanted to make."

Raggedy Man, which is expected to be released late this year, is Wittliff's most autobiographical film to date. It is set in 1943 in Gregory, Texas, a small town where the inhabitants' horizons are much narrower than the big Texas sky looking down on them. Spacek portrays a divorced mother of two small children who runs the town's telephone office. As the sole operator, office manager, and bill collector, she is exploited by both the company and the town she serves. The film examines her journey of self-discovery and liberation, her relationship with her children, and the watchful protection of the town's enigmatic handyman from whom the film takes its name.

Wittliff grew up without a father in Gregory, Texas. His mother was the town's telephone operator, and like their fictional counterparts in Raggedy Man, they lived in the telephone office. "Raggedy Man began with an image," Wittliff explained. "I was going through some old photographs, and I found one of my mother and my brother and me, dressed in sailor suits, standing by the side of that little house. I built the story around that image. It's about a woman's desperation to be human."

Spacek also drew on memory. "Jack, Bill, and I have mothers who are amazing, special women from that era. The character I play is a combination of Bill's image of it, my image of it, and Jack's image of it, because we share similar experiences, having been raised in small-town Texas by strong mothers. With Bill, I always can imagine him as a little kid barefoot in Texas. Raggedy Man is that kid's story."

"Raggedy Man for me is probably more of an exorcism than anything," said Wittliff. "I wanted to believe that my father wanted to be with us but couldn't. It wasn't true. He was down the road drunk. It's a childhood fantasy. I wanted desperately for my father to be out there wanting to be with me."

The screenplay was optioned by a group of Mormon investors, who couldn't get the project off the ground. But Wittliff had faith in Raggedy Man, so he bid, against Jon Peters, to buy it back from the Mormons. "It had its admirers," he said, "but never had any takers as far as studios are concerned until Marianne Moloney stormed the barriers at Universal and persuaded them to make it. We originally talked to Sally Field, but when Sissy became interested, I knew she would be perfect for the part."

Raggedy Man and Barbarosa went into production last fall with Wittliff serving as a producer on both films. He was turning to producing, he explained, because "I wanted to stay in the room from casting through scoring. If someone wants to buy one of my original scripts, that's the price." Wittliff's desire to produce and direct (he shot second-unit material on Raggedy Man) stems from his concern as a writer about the way his scripts are interpreted. "I don't think my stuff is in the lines," he said. "It's in between the lines. It's not what the dialogue says, but it's the spaces. My whole thing about producing is not that I want to be a producer but that I know the spaces better than anyone else. I want to assemble the people who are going to make the movie and make certain they understand the spaces."

Wittliff's next step in protecting the "spaces" is to direct the Red Headed Stranger. He and Willie Nelson bought the script back from Universal and are preparing a package to present to the other studios. "Universal thought Robert Redford had to be the redheaded stranger in order for a Western to have a chance at the box office," Wittliff said. "Willie and I bought it back because we have a lot of faith in the story even without a big star."

Writing a movie for Bill Wittliff is almost a mystical experience that puts him in touch with his "roots" and his innermost self. "The part of writing that fascinates me most is the unconscious part when things fall out on the paper," Wittliff admitted. "I love sitting there writing and something blows out on the paper, and you look at it and say, 'Damn, I didn't know that.' That's the reason I write. I don't know what I really think until I see it on paper." (Hanging on the wall behind Wittliff's writing desk is a quote from a W. H. Auden essay: "How can I know what I think till I see what I say?")

Wittliff is a great storyteller. Whether competing with the cosmic cowboys and Ivy League professionals at the Raw Deal or captivating his audience in the intimacy of his office or home, Wittliff is the quintessential heir to the oral tradition of Texas. He is always animated, and his statements carry a conviction rarely encountered in Hollywood; Wittliff becomes most intense and excited when discussing the art of writing.

"Most of my scripts start with an image that may later disappear," he said. "The image doesn't necessarily fall at the beginning or the end but can fall anywhere. If it's an image that moves me, I'll try to put it down on paper. If I'm still curious enough about the image, then I'll start seeing where it goes in other directions."

Wittliff's images come from the heart rather than from the head. He was "moved" by the image of the "old Anglo guy" with no ears and by the photo of his mother and brother and by the Red Headed Stranger album. His approach to his art and the life it represents is as visceral as a cowboy's plaintive song for his steers on the open range: "I get in trouble on scripts when I start thinking about them. As long as I'm moved, I keep going. When I intellectualize, I go to hell. There's a time to question it, to see what form it's going to take, but if I look at it too early, it limits what bubbles up."

The creative process for Wittliff is "making conscious what has been unconscious. Things hit the paper from out of nowhere. They're not thought out; they're felt through images in the mind. It doesn't happen all the time, but it's the thing I pray for. I want to disappear and have those moments when the thing I'm putting on paper becomes so real that I'm no longer leading but following."

His work environment is crucial to him. He writes in the beautifully restored Victorian mansion that houses Encino Press. (His writing room was occupied in the late nineteenth century by O. Henry when he lived in Austin.) Wittliff has converted the library downstairs to his office and has decorated it with rare prints by Texas Works Progress Administration photographers, paintings by Texas artists, manuscripts and documents from nineteenth-century Texas,

and, over the fireplace, a pen-and-ink drawing of J. Frank Dobie.

Wittliff refuses to trade the peace and serenity of the Texas hill country for the bright lights of Tinseltown. "I remain in Austin because I want to write," he said. "I want to write well. Whatever my deficiencies as a writer, I want to give myself the best chance I can to see what I've got. I know myself well enough to know that I've got a far better chance of gettin' it up here than anywhere else."

"It's a matter of isolating and narrowing the anxieties," Wittliff continued. "Here the anxiety is always the quality of the work. The time to deal with the studios, and all the problems you can have in assembling a package, is after the writing is done, so you've got a film that you really want to go through all that —— for."

Austin, he believes, is the best place for him and his wife, Sally, to raise their twelve-year-old son, Reid, and eight-year-old daughter, Allison. "I've got a good wife. She stuck by me while I was shedding bitter tears about not being able to write and helped me struggle in creating the Encino Press. Sally and the kids love it here. It just wouldn't be worth it to me in terms of quality of life to leave Austin."

The family is crucial in Wittliff's screenplays. Each of his protagonists must confront it and adapt his values and lifestyle around it. Barbarosa, the character with no ears in Wittliff's first screenplay, desperately wants to be part of his Mexican wife's aristocratic family, but they shun him as the despised gringo who has corrupted the family blood.

Three generations of Zavellas try to kill Barbarosa to avenge the dishonor he has brought on the family, but they are no match for him. Barbarosa wants to belong to the family so badly he accepts his position as the hunted outcast. He instills the family with a sense of pride and purpose; he is the yardstick against which the Zavellas measure themselves.

Thaddeus Rose and Eddie is about two old Texas bachelors who avoid family responsibilities by chasing women and drinking. Their moment of truth comes when they finally realize they need a lasting relationship. In Raggedy Man the heroine has to come to grips with her relationship with her children and find an identity as a divorced single parent in an intolerant community.

The family constellation changes in The Black Stallion from a complete nuclear family to a mythical Alexander and Bucephalus family to an extended family at odds with the community. The film's youthful hero must adjust to each family, and each leaves an indelible mark on the boy.

The protagonist of Red Headed Stranger fails when he attempts to establish a family and create a community on his own selfish terms. He atones for his sins by joining a widow and her son—on her terms. And the hero of Honeysuckle Rose has to choose between two families: an adolescent family with which he can escape responsibilities and his real family, which needs his commitment.

"The ultimate theme of all of my films is people need people," Wittliff said. But he is also preoccupied with fathers and father figures who fail to fulfill their responsibilities to their families and communities. "I probably take fathers because in our society he is the peg on which most families hang," Wittliff said, "and as a male, he's the peg on which most communities hang as a larger father, so to speak."

"I am interested," Wittliff confided, and seemed embarrassed in doing so, "in looking for what is at the base of the human heart." He turned again to fathers and their responsibilities. "I didn't know that the Raggedy Man was the children's father until I was three-quarters the way through the script," Wittliff said. "Damn, I didn't know that."●

SENATE — *Wednesday, June 3, 1981*

(Legislative day of Monday, June 1, 1981)

The Senate met at 11:45 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., offered the following prayer:

Father in heaven, it is so easy for us to take life for granted. So often we have to lose a good thing before we appreciate it. We take health for granted until we get sick. We take family for granted until we are separated. We take friends for granted until we are alienated. We take privilege for granted until it is removed. We take for granted the faithful service of those who work with us until they leave us. We take freedom for granted until we are bound.

Forgive us, dear Lord, for this sin of presumption. Help us to be grateful for all the blessings and benefits which Thou dost bestow so benevolently upon us. Help us to love Thee and each other. Receive our gratitude and praise. We pray in Jesus' name. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, are there special orders for the recognition of Senators this morning?

The PRESIDENT pro tempore. There are two special orders: One for the Senator from Wyoming (Mr. SIMPSON), for 15 minutes; the other for the Senator from West Virginia (Mr. ROBERT C. BYRD), for 15 minutes.

Mr. BAKER. I thank the Chair. I am advised that the distinguished Senator from West Virginia, the minority leader, has no need for his time under the special order, and I ask unanimous consent that the order be vitiated.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that at the conclusion of the time allocated to the two leaders under the standing order and the execution of the special order, there be a period for the transaction of routine morning business, for not longer than 30 minutes, in which Senators may speak for not more than 5 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

HOUSING AND COMMUNITY DEVELOPMENT AMENDMENTS OF 1981

Mr. BAKER. Mr. President, it is the intention of the leadership on this side to ask the Senate to proceed to the consideration of S. 1197, the housing bill, after the conclusion of the time for the transaction of routine morning business.

I have advised the distinguished minority leader of that intention, as well as the distinguished acting minority leader, who is in the Chamber. I will not now make that motion. I will wait until later.

However, so that all Senators may be on notice that that is the principal business to be transacted by the Senate today, I thought I would call that to the attention of all those who may hear this statement.

SENATOR STROM THURMOND—A REAL PRO

Mr. BAKER. Mr. President, I take this opportunity to pay my respects to the distinguished occupant of the chair, the President pro tempore.

What I am about to say is an especially difficult thing to phrase appropriately, but I feel an obligation to say it, and I wish to take this opportunity to say it while the Senator from South Carolina (Mr. THURMOND) is in the chair.

Over the last few weeks, we have gone through one of those periods when I suppose inevitably there is a good faith and conscientious conflict between chairmen and members of two of the committees of the Senate—in this case, the Committee on the Judiciary and the Committee on Commerce, relating to their roles and responsibilities in connection with a communications bill.

It proved impossible to reconcile the jurisdictional conflict in that case.

The last effort in that regard was made in my office to try to negotiate and arbitrate settlement of that dispute, but it failed.

Without any foreknowledge of how the result might finally be, or how the Senate might finally dispose of the issue. I recommended to the distinguished occupant of the chair and the distinguished chairman of the Commerce Committee, Senator PACKWOOD, that the conflict be submitted to the Senate as a whole, as indeed it was on yesterday in the form of a motion by the distinguished chairman of the Judiciary Committee, the Senator from South Carolina, that S. 271, Calendar Order No. 37, be referred temporarily to the Judiciary Committee. That motion did not prevail.

The reason for reviewing these circumstances, Mr. President, is to point out to all of our colleagues that Senator THURMOND is as gracious when he does not succeed as he is when he so more often does succeed.

If I may say so, in the parlance of the legislative arrangements of this city, STROM THURMOND is a real pro. He defends and guards his prerogatives. He discharges his obligations. He is true to his commitments. He more often than not succeeds. He sometimes does not. But he is a pro in either case.

In saying that I mean to pay him a tribute and a compliment of the highest order because I admire and respect that trait and characteristic in our colleagues. No one in this body on either side of the aisle exhibits it to such a degree as does the Senator from South Carolina.

Many have observed and remarked on the fact that the legislative process is necessarily the business of compromise. Sometimes it is not.

Sometimes it is simply bringing an issue to a head and disposing of it one way or the other. An equally important part of the legislative process is to abide by the decision of the Senate without rancor, without resentment, without a diminution of the effectiveness of the party, whether successful or unsuccessful.

So in the conflict on yesterday, as unfortunate as it may have appeared to be and as unsatisfactory as it may have been in its outcome to the Senator from South Carolina, it was extremely valuable in that it once again provided a role model for all of us on how to act as a Senator and how to accept success and how to accept failure.

Mr. President, I wish to note these observations for the record this day and to do so while the distinguished occupant of the Chair is present to hear them.

Mr. President, I have no further need for my time under the standing order and I yield it back.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDENT pro tempore. The Senator from Florida is recognized.

Mr. CHILES. Mr. President, as the acting minority leader I relinquish any time that the minority leader has.

RECOGNITION OF SENATOR SIMPSON

The PRESIDENT pro tempore. The distinguished Senator from Wyoming is recognized for 15 minutes.

SENATOR STROM THURMOND—A TRUE INSPIRATION

Mr. SIMPSON. Mr. President, I just happened to come into the Chamber as I heard the remarks of the majority leader paying tribute to the gentleman who occupies the chair at the present moment. I just wish to add a very real commentary of my own to you, sir, who serves as chairman of the Judiciary Committee, of which I am a member, who assisted me in obtaining membership on that committee, a committee I chaired when I was a member of the Wyoming House of Representatives and thoroughly enjoyed and enjoy now, a man who has taught me much, a man who has been most supportive, most understanding, and that is the Senator from South Carolina.

He has been a true inspiration to all of us, especially we newer Members. You have expressed to me your kindness, your friendship, your skills, and your amazing vitality, and I commend you, sir. It is a distinct pleasure. You make this body a richer place for service. I wanted to share that.

I did not actually reserve that full 15 minutes for that, but I wanted to say that and concur in the remarks of the majority leader.

COST SAVINGS RECOMMENDATIONS BY VETERANS' AFFAIRS COMMITTEE

Mr. SIMPSON. Mr. President, very briefly, and I shall not take the full time allotted, the Veterans' Affairs Committee this morning, the committee which I chair and on which you also serve with such distinction on that committee, ordered reported a resolution of the full committee to the Budget Committee specifying all of the cost savings legislation that the committee recommended in order to meet our reconciliation instructions.

I am sure the majority leader will be pleased at that, as one more committee joins the ranks of having done its duty, the Veterans' Affairs Committee, with regard to the meeting of the reconciliation instructions.

Mr. BAKER. Mr. President, if the Senator will yield to me, I am overjoyed at that prospect. I may say that the early compliance with those instructions for the Veterans' Affairs Committee, under the leadership of the distinguished Senator from Wyoming, is characteristic of the efficiency he brings to this body.

I will examine that work product very carefully and with great assurance that he has done a good job with it.

I thank him.

Mr. SIMPSON. I thank the majority leader.

VETERANS' BENEFITS LEGISLATION

Mr. SIMPSON. Mr. President, I ask unanimous consent that all of the bills that will be introduced in this packet be printed in full at the appropriate place in the RECORD.

The PRESIDING OFFICER (Mr. DENTON). Without objection, it is so ordered.

S. 1311—VETERAN'S INSURANCE AMENDMENTS ACT OF 1981

Mr. SIMPSON. Mr. President, I send to the desk a bill to amend chapter 19 of title 38, United States Code, to permit the unrestricted assignment of a beneficiary's interest in the proceeds of a government life insurance policy in cases involving contested claims, and to amend the amount an attorney may receive for representing a claimant in such cases. I submit this bill at the request of the administration.

The text of the bill follows:

S. 1311

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans Insurance Amendments Act of 1981."

TITLE I—ASSIGNMENTS AND ATTORNEYS' FEES

SEC. 101. Section 718 of title 38, United States Code, is amended by:

(1) inserting in subsection (b) after "title," the following: "or contested claims which are resolved in accordance with subsections (c) and (d) of this section,";

(2) inserting "or her" immediately following "his"; and

(3) adding at the end of subsection (b) the following: "(c) In cases involving claims by two or more persons with opposing interests to proceeds of policies maturing on and after the date of enactment of this subsection, resolution of these conflicting claims by assignment of all or any portion of the proceeds to persons outside the class specified in subsection (b) of this section will be permitted. Except in cases where payment under this section will be made in a lump sum, the contingent beneficiary must join any assignment under this subsection. This subsection is not applicable to insurance granted under the provisions of section 722(b) of this title.

"(d) Each claimant to whom insurance proceeds will be paid under an assignment effected pursuant to subsection (c) of this section may assign a portion of the proceeds to be paid to an attorney who represented such claimant in the contested claim. The assignment to an attorney under this subsection may not exceed the lesser of (1) 10 per centum of the proceeds to be paid to that claimant, or (2) the amount of the fee payable pursuant to an agreement between the claimant and attorney. This assignment will be the only fee payable for professional services rendered in connection with the claim for insurance proceeds."

SEC. 102. Section 753 of title 38, United States Code, is amended by:

(1) deleting at the beginning thereof "Any person to whom United States Government Life Insurance shall be payable may assign his";

(2) inserting in lieu thereof the following: "(a) Except in cases involving contested claims to insurance proceeds, which will be governed by subsection (b) of this section, persons to whom United States Government Life Insurance shall be payable may assign their"; and

(3) adding at the end thereof the following:

"(b) In cases involving claims by two or more persons with opposing interests to insurance proceeds maturing on and after the date of enactment of this subsection, resolution of these conflicting claims by assignment of all or any portion of the proceeds to persons outside the class specified in subsection (a) of this section is authorized. Except in cases where payment under this section will be made in lump sum, the contingent beneficiary must join any assignment under this subsection.

"(c) Claimants to whom insurance proceeds will be paid under an assignment effected pursuant to subsection (b) of this section may assign a portion of the proceeds to be paid to an attorney who represented them in the contested claim. The assignment to an attorney under this subsection may not exceed the lesser of (1) 10 per centum of the proceeds to be paid to the claimant, or (2) the amount of the fee payable pursuant to an agreement between the claimants and attorney. This assignment will be the only fee payable for professional services rendered in connection with the claim for insurance proceeds."

SEC. 103. Subsection 784(g) of title 38, United States Code, is amended by:

(1) redesignating this subsection as paragraph 784(g)(1);

(2) deleting "10" and inserting in lieu thereof "25";

(3) deleting "one-tenth" and inserting in lieu thereof "one-fourth";

(4) deleting "his" and inserting in lieu thereof "the veteran's" immediately following "during";

(5) inserting "or her" immediately following "his"; and

(6) adding at the end thereof the following:

"(2) In cases brought under this section where insurance proceeds were paid before the litigation was commenced, and the person or persons to whom prior payment was made are ultimately the successful parties to the litigation, the Court shall determine a reasonable fee, not to exceed 25% of the disputed proceeds, to be paid to the attorneys of such party or parties; this attorney fee shall be incorporated into the judgment or decree of the court. This fee will be paid by the successful party or parties to their attorneys and may be apportioned as determined by the court. No other fee will be payable to any attorney for services in cases to which this subsection pertains."

SEC. 104. Section 3405 of title 38, United States Code, is amended by:

(1) inserting immediately after "3404" the following: ", 718, 753"; and

(2) inserting "or her" immediately following "him".

TITLE II—EFFECTIVE DATE

SEC. 201. The amendments made by this Act shall take effect as of the date of enactment of this Act.

S. 1312—VETERANS' REHABILITATION AND EDUCATION ADJUSTMENT ACT OF 1981

Mr. SIMPSON. Mr. President, I send to the desk a bill to amend title 38, United States Code, to make adjustments and improvements in the vocational rehabilitation and education programs administered by the Veterans' Administration. I submit this bill at the request of the administration.

The text of the bill follows:

S. 1312

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Veterans' Rehabilitation and Education Adjustment Act of 1981".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 2. Chapter 3 is amended by—

(1) adding the following subsection at the end of section 242:

"(c) The Administrator may establish Veterans Benefits Counselors at locations such as school campuses to provide assistance regarding benefits under this title to veterans and eligible persons and to conduct outreach as provided for under this subchapter.";

(2) striking out section 243 in its entirety; and

(3) amending the table of sections at the beginning of the chapter to strike out "243. Veterans' representatives.".

SEC. 3. Chapter 31 is amended by—

(a) striking out section 1503 in its entirety; and

(b) amending the table of sections at the beginning of the chapter to strike out "1503. Periods of eligibility.".

SEC. 4. Section 1512 is amended by—

(1) inserting "(a)" before "The"; and

(2) adding at the end thereof a new subsection (b) to read as follows:

"(b) There shall be transferred between the fund and current and future appropriations for readjustment benefits such amounts as the Administrator shall, from time to time, determine are necessary either to meet the requirements of the fund or to assure that fund surplus excess is returned to the appropriation.".

SEC. 5. Section 1652(b) is amended by striking out "402(a) of the Economic Opportunity Act of 1964 (42 U.S.C. 2902(a))" and inserting in lieu thereof "sections 7(a), (h), and (i) of the Small Business Act (15 U.S.C. 636 (a), (h) and (i))".

SEC. 6. Section 1673(a) is amended by—

(1) striking out "(1)" before "The";

(2) repealing paragraph (2) in its entirety;

(3) redesignating clauses (A), (B), (C), and (D) as clauses (1), (2), (3), and (4), respectively; and

(4) amending clause (2) (as redesignated by clause (3) of this section), to read as follows:

"(2) any sales or sales management course which does not provide specialized training within a specific vocational field;".

SEC. 7. Section 1682 is amended by—

(1) amending clause (1) of subsection (d) to read as follows:

"(d)(1) Notwithstanding the prohibition in section 1671 of this title prohibiting enrollment of an eligible veteran in a program of education in which such veteran has 'already qualified,' an otherwise eligible veteran shall be allowed educational assistance up to six months (or the equivalent thereof in part-time assistance) (A) for the pursuit of refresher training to permit such veteran to update such veteran's knowledge and skills and to be instructed in the technological advances which have occurred in such veteran's field of employment during and since the period of such veteran's active military service; or (B) for the pursuit of continuing education or training required by Federal, State, or local law either to attain professional or vocational relicensure or to retain employment in a particular profession or vocation.";

(2) striking out in clause (2) of subsection (d) "refresher" and inserting in lieu thereof "education or"; and

(3) amending the second sentence of subsection (e) by striking out "at one-half of the full-time institutional rate" and inserting in lieu thereof "in accordance with the rate of pursuit, but in no event more than the less than half-time rate".

SEC. 8. Section 1723(a) is amended by—

(1) striking out "(1) before "The";

(2) repealing paragraph (2) in its entirety;

(3) redesignating clauses (A), (B), (C), and (D) as clauses (1), (2), (3), and (4), respectively; and

(4) amending clause (2) (as redesignated by clause (3) of this section), to read as follows:

"(2) any sales or sales management course which does not provide specialized training within a specific vocational field;"

SEC. 9. The last sentence of subsection (d)(1) of section 3503 is amended by—

(1) striking out "or"; and

(2) inserting after "July 4, 1946" a comma and "or (c) any forfeiture of educational benefits under chapters 31, 32, 34 or 35 of this title".

SEC. 10. Section 408 of the Veterans' Education and Employment Assistance Act of 1976 (Public Law 94–502; 90 Stat. 2383) is amended by—

(1) striking out "June 1, 1981" in subsection (a)(1)(A) and inserting in lieu thereof "June 1, 1982";

(2) amending subsection (a)(1)(B) to read as follows: "before the close of the 60-day period after the day on which the President submits to Congress the recommendation described in subparagraph (A), Congress adopts and the President approves a joint resolution disapproving the recommendation or, in the event the President returns the joint resolution to the Congress with his objections, two-thirds of each House of Congress agree to pass and approve the joint resolution.;

(3) striking out "December 31, 1981" each place it appears and inserting in lieu thereof "December 31, 1982"; and

(4) striking out "January 1, 1982" and inserting in lieu thereof "January 1, 1983".

S. 1313—VETERANS' ADMINISTRATION MEDICAL PERSONNEL AMENDMENTS OF 1981

Mr. SIMPSON. Mr. President, I send to the desk a bill to amend title 38, United States Code, to provide additional flexibility within the Veterans' Administration's existing medical personnel management system. I submit this bill at the request of the administration.

The text of the bill follows:

S. 1313

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans' Administration Medical Personnel Amendments of 1981".

SEC. 2. Section 4106 of this title is amended by striking out subsection (b) and, in lieu thereof, inserting:

(b) Appointments under section 4104(1) of this title shall be subject to a probationary period of two years. The record of each person serving under such appointment may be reviewed at any time during that period by a board or boards appointed in accordance with regulations issued by the Administrator. Procedures to be followed preceding, during, and subsequent to board reviews shall be established in regulations issued by the Administrator. The Board(s) shall recommend to the Chief Medical Director such action as it deems appropriate and consistent with the ability of the employee, as found by the Board(s), to perform effectively. The Chief Medical Director may accept, reject, or modify the recommendation of the Board(s). If the Chief Medical Director takes action not recommended by the Board(s), a statement of the reasons therefor shall be prepared and made part of the record.

SEC. 3. Section 4110(a) of title 38, United States Code, is amended by striking out the period at the end of the first sentence and adding "who has satisfactorily completed the probationary period required by section 4106 (b) of this title.".

S. 1314—CARE AND TREATMENT OF PATIENTS IN THE VETERANS MEMORIAL MEDICAL CENTER

Mr. SIMPSON. Mr. President, I send to the desk a bill to amend title 38, United States Code, to authorize funds to the Republic of the Philippines to assure the effective care and treatment of U.S. veterans, Commonwealth Army veterans, and new Philippine Scout veterans residing in the Republic of the Philippines. I submit this bill at the request of the administration.

The text of the bill follows:

S. 1314

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That section 624(d) of title 38, United States Code, is amended by striking "and at the same rate as specified in section 632(a)(4) of this title".

SEC. 2. Section 631 of title 38, United States Code, is amended to read as follows:

"§ 631. Assistance to the Republic of the Philippines

"The President is authorized to assist the Republic of the Philippines in fulfilling its responsibility in providing medical care and treatment for Commonwealth Army veterans and new Philippine Scouts in need of such care and treatment for service-connected disabilities and non-service-connected disabilities under certain conditions".

SEC. 3.(a) Section 632 of title 38, United States Code, is amended to read as follows:

"§ 632. Contracts and grants to assure the effective care and treatment of United States veterans in the Veterans Memorial Medical Center

"(a) The President, with the concurrence of the Republic of the Philippines, may authorize the Administrator to enter into contracts with the Veterans Memorial Medical Center, with the approval of the appropriate department of the Government of the Republic of the Philippines, covering the period beginning on October 1, 1981, and ending on September 30, 1986, under which the United States—

"(1) will provide for payments for hospital care and medical services, including nursing home care, in the Veterans Memorial Medical Center as authorized by section 624 of this title, and on the same terms and conditions set forth in such section, to eligible United States veterans at a per diem rate to be jointly determined for each fiscal year by the two Governments to be fair and reasonable; and

"(2) may provide that payments for such hospital care and medical services provided to eligible United States veterans may consist in whole or in part of available medicines, medical supplies, and equipment furnished by the Administrator to the Veterans Memorial Medical Center at valuations therefor as determined by the Administrator, who may furnish through the revolving supply fund, pursuant to section 5021 of this title and subject to reimbursement, such medicines, medical supplies, and equipment as necessary for this purpose.

"(b) To further assure the effective care and treatment of United States veterans in the Veterans Memorial Medical Center there is authorized to be appropriated for each fiscal year occurring during the period beginning October 1, 1981, and ending September 30, 1986, the sum of $500,000 to be used by the Administrator for making grants to the Veterans Memorial Medical Center for the purpose of assisting the Republic of the Philippines in the replacement and upgrading of equipment and in rehabilitating the physical plant and facilities of such hospital. Such grants shall be made on such terms and conditions as prescribed by the Administrator. Such terms and conditions may include prior approval by the Administrator of all purchases of equipment and of all plans for rehabilitating and upgrading the physical plant and facilities of the Veterans Memorial Medical Center. Funds for these grants shall be provided only from the Veterans Administration's "Medical Care".

"(c) The Administrator may stop payments under any such contract or on any such grant upon reasonable notice as stipulated by such contract or grant if the Republic of the Philippines and the Veterans Memorial Medical Center fail to maintain such hospital in a well-equipped and effective operating condition as determined by the Administrator.

(b) The table of sections at the beginning of such chapter is amended by striking "632". Contracts and grants to provide hospital care, medical services and nursing home care", and inserting in lieu thereof "632". Contracts and grants to assure the effective care and treatment of United States veterans in the Veterans Memorial Medical Center."

SEC. 4. No provision of this Act shall take effect prior to October 1, 1981.

S. 1315—PENSIONS OF VETERANS BLINDED AS A RESULT OF NONSERVICE CONNECTED DISABILITY

Mr. SIMPSON. Mr. President, I send to the desk another bill to amend title 38, United States Code, to provide that the pension of a single veteran who is blind as a result of a nonservice-connected disability and who is participating in a program of rehabilitation operated by the Veterans' Administration exclusively for the rehabilitation of blinded veterans shall not be reduced because the period of care of such veterans extends more than 3 months.

We have the situation where most blinded veterans do complete their training in just under 3 months. However, there are a few such veterans who require more than 3 months to complete their rehabilitative training and who choose to terminate their training early to avoid reduction in their pensions.

This provision will eliminate this unintended disincentive to completion of rehabilitative training by non-service-connected blinded veterans. The cost impact of that measure is not at all significant.

Then the final two in the packet, and the reason these are being presented, Mr. President, is to assure that we have appropriate hearings before we get to the next issue of business of the Veterans' Affairs Committee to deal with these.

The text of the bill follows:

S. 1315

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3203(a)(1)(B) of title 38, United States Code, is amended by striking out the period at the end and inserting in lieu thereof the following: "unless the veteran is a blinded person and the care is being furnished in a Veterans' Administration blind rehabilitation center or clinic.".

S. 1316—GRADUATED-PAYMENT PLANS IN VA LOAN GUARANTY PROGRAM

Mr. SIMPSON. Mr. President, I send to the desk two further bills, one to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to guarantee home loans with provisions for graduated-payment plans. That is significant innovation.

This bill would provide some relief for lower-income level and younger veterans who would otherwise be unable to purchase a home. The initial payments, of course, in this type of financial proceeding are lower in this type of loan. Then they increase in anticipation of the future higher earnings of the veteran.

We want to pursue that. We think that is worth holding hearings on, worth discussing, and getting a full ventilation of whether that will be effective for the American veterans.

The text of the bill follows:

S. 1316

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

ESTABLISHMENT OF GRADUATED-PAYMENT PLANS IN VA LOAN GUARANTY PROGRAM

SEC. 2. Section 1803(d)(2) is amended by—

(1) inserting "(A)" after "(2)"; and

(2) adding at the end of the following new subparagraphs:

"(B) The Administrator may guarantee loans with provisions for various rates of amortization corresponding to anticipated variations in family income. With respect to any loan guaranteed under this subparagraph—

"(i) the initial principal amount of the loan may not exceed the reasonable value of the property as of the time the loan is made; and

"(ii) the principal amount of the loan thereafter (including the amount of all interest to be deferred and added to principal) may not at any time be scheduled to exceed the projected value of the property.

"(C) For the purposes of subparagraph (B) of this paragraph, the projected value of the property shall be calculated by the Administrator by increasing the reasonable value of the property as of the time the loan is made at a rate not in excess of 2.5 percent per year, but in no event may the projected value of the property for the purposes of such subparagraph exceed 115 percent of such reasonable value. A loan may not be guaranteed under such subparagraph for a purpose other than the acquisition of a single-family dwelling unit."

SEC. 3. Section 1828 is amended by—

(1) inserting "(1)" after "constitution or law"; and

(2) inserting "(2)" restricting the manner of calculating such interest (including prohibition of the charging of interest on interest), or (3) requiring a minimum amortization of principal," after "lenders,".

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 3. Section 1826 is amended by:

(a) striking out subsection (a) in its entirety; and

(b) striking out "(b)" in subsection (b).

EFFECTIVE DATE

SEC. 4. The amendments made by this Act shall take effect on October 1, 1981.

S. 1317—REMARRIAGE NOT TO RESULT IN TERMINATION OF DEPENDENCY AND INDEMNITY COMPENSATION

Mr. SIMPSON. Finally, Mr. President, I send to the desk a bill to amend title 38, United States Code, to provide that remarriage of the surviving spouse of a veteran after age 62 shall not result in termination of dependency and indemnity compensation.

We find that many of these survivors have cared continuously for a severely disabled spouse over and for a number of years, which often precludes them from pursuing a career. Upon the veteran's death the widow or widower is left without any means of support other than dependency and indemnity compensation know as DIC.

Those surviving spouses are often older citizens who have devoted their lives to caring for a service-disabled veteran. We believe that it is indeed unfair to deny them the benefits which they earned over the many years of devoted service simply because they might remarry during their latter years.

Many such individuals have stated to us that they live together rather than marry at that time because of the service income limitation, and they would welcome the opportunity to formalize their relationship without increasing financial hardship.

This bill and our consideration of it might well assist in their doing so.

The text of the bill follows:

S. 1317

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 103(d) of title 38, United States Code, is amended by adding the following new paragraph after paragraph (3):

"(4) The remarriage after age 62 of a surviving spouse of a veteran shall not bar payment of benefits under section 411 of this title."

Mr. SIMPSON. Mr. President, that is the package from the chairman of the Veterans' Affairs Committee. I thank the Chair for his forbearance, and I appreciate the time to present these and I yield back the remainder of my time.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of routine morning business.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I see the distinguished Senator from Minnesota in the Chamber and he may seek recognition. If he does, after he speaks, it is my intention to continue the period for the transaction of routine morning business for most of the entire period allotted. We are trying to obtain clearance now to proceed to the consideration of the housing bill, which may take a little while to do, while we ascertain the location and availability of those Senators who must necessarily be present on the floor to manage that measure.

So I wish to make that announcement to explain why we will probably utilize most, if not all, of the time remaining for the transaction of routine morning business even though there may not be speakers on the floor to utilize that time.

I yield the floor. Mr. President.

The PRESIDING OFFICER. The Senator from Minnesota.

(The remarks of Mr. BOSCHWITZ at this point in connection with the introduction of legislation are printed under "Statements on Introduced Bills and Joint Resolutions.")

Mr. BOSCHWITZ. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DAYS OF REMEMBRANCE

Mr. PROXMIRE. Mr. President, 9 days ago our Nation celebrated Veteran's Memorial Day.

Historically, it has been a day of reflection, a day of concern, and above all, a day of remembrance. This year was no exception. In Arlington Cemetery, by the Tomb of the Unknown Soldier, the Vice President laid a memorial wreath honoring those who fought and died for freedom. In the old amphitheater nearby, tribute was paid to the men who were killed in the tragic attempt to rescue the hostages in April of last year. Across the Potomac, there was a memorial service for Vietnam veterans.

In thousands of towns and cities across the United States, Americans joined in this collective expression of sentiment for victims who died in Vietnam, Europe, and Iran. It is fortunate that for these serious causes there are so many voices, and fortunate that a day has been reserved for remembering these men and women.

Another important day passed less than a month and a half ago—Holocaust Memorial Day. As in the recent Memorial Day, tribute was paid to victims; these victims, however, did not die in combat. Instead, as private citizens, they were subjected to Hitler's brutal, merciless genocide.

By definition, genocide is any act committed with intent to destroy in whole or in part a national, ethnical, racial or religious group. In Hitler's Germany, this took the form of 6 million Jewish deaths. In Uganda, under Idi Amin, hundreds of thousands were left dead. It is a vicious, hideous crime. This cannot be overemphasized.

Mr. President, we cannot forget our past, for it is with us today. Indeed, it has been said that our history gives rise to our future. Let us now, in the aftermath of both the Holocaust Memorial Day and the Veteran's Memorial Day begin to take the steps to prove what we have learned from our past. The first move was made in December of 1946 when the United Nations General Assembly, appalled at details of Nazi atrocities, unanimously adopted a resolution declaring genocide a crime under international law. I ask my colleagues now to take the last step and stand firm in support of the Genocide Treaty, expressing our realization of the need to build a humane future for mankind.

RAYMOND NELS NELSON

Mr. FORD. Mr. President, tragic violence has again struck an employee of the U.S. Senate. Raymond Nels Nelson, since 1974 a professional staff member of the Committee on Rules and Administration, was, on Sunday, cruelly murdered in his home.

A Providence, R.I. newspaperman, Ray came to the Senate in 1961 as administrative assistant to the now senior Senator from Rhode Island, Mr. PELL. He served for 13 years in that capacity.

With the Rules Committee, he served with great vigor and skill on many important legislative matters and, most recently, has been dealing with the awesome responsibilities of space assignments for the committee. His professionalism, fairness, and pleasant manner endeared him to all who came in contact with him. We shall miss him greatly.

To his wife, Shirley, and his three children, David, Rebecca, and Marc, I extend my most sincere sympathy.

REPORTS OF INTRODUCTION INTO NICARAGUA VIA CUBA OF SOVIET HEAVY EQUIPMENT SUCH AS TANKS AND JETS

Mr. THURMOND. Mr. President, the Congress, the administration, and the American people should view with great alarm reports about the introduction of Soviet military equipment into Nicaragua via Cuba. According to these reports, this equipment, possibly includes Soviet jets and tanks.

The Monroe Doctrine, issued in earlier days of our Nation, remains sound in the 21st century. This country cannot permit the arming of nations in the Western Hemisphere by a Communist state such as the Soviet Union.

Mr. President, if the cancer which has emerged in Nicaragua is allowed to grow, it will eventually spread itself to other Central and South American nations. Even Mexico, which has common borders with the United States, could be endangered.

Cuba, of course, is a mere puppet of the Soviet Union. However, Cuba must be dealt with if it allows the Soviets to use its territory as a stopping off place for the eventual clandestine transfer of armaments to Nicaragua or other Western Hemisphere nations.

The present administration has taken a proper and required step by giving aid to El Salvador which is now facing Communist inspired rebels whose support comes from the Marxist government of Nicaragua. It should not be forgotten that the ill-advised policies of the Carter administration led to the downfall of a U.S. friend in Nicaragua, former President Anastasio Somoza. In fact, it is likely that the revolutionaries who drove Somoza from office were also responsible for sending agents into our own country to assassinate him last year.

This deed removed the possibility of Somoza's return to Nicaragua.

Our recent policy toward Somoza and acceptance of the Panama Canal Treaty has led to inroads by Communist forces in Central America. These policies were rejected in the last election, and the Reagan administration should meet this threat head on since it can be dealt with more easily now than later.

Further, the administration should not be deterred by the shrill cries from certain segments of the American press which greeted the recent introduction into El Salvador of a small number of military advisors. Some of these critics are the same ones who urged the overthrow of Somoza and support for the present government in Nicaragua.

The situation we find ourselves in today has been fostered by a recent reluctance to sell arms to friendly nations in South America. We now know that if the arms cannot be procured from the United States, they will be bought elsewhere. Peru demonstrated that fact in the early 1970's, and now that country has Soviet advisors assisting it with the operation of certain types of equipment we refused to sell. In fact, in the last 5 years we have sold less military equipment in South and Central America than a distant country like West Germany, and only a little more than a small nation like France.

Mr. President, the emergency light is on in Central America. If we do not meet this challenge with skillful and bold policies, we may soon be faced with a fire which will not easily be contained.

Mr. President, in conclusion, I ask unanimous consent that an article entitled "Soviet Said to Ship Arms to Nicaragua" which appeared in the New

York Times and another article entitled "Haig Says U.S. Watching Flow of Arms to Nicaragua" which appeared in the Washington Post, both dated today, June 3, 1981 be placed in the RECORD at the conclusion of my remarks.

There being no objectoion, the articles were ordered to be printed in the RECORD, as follows:

SOVIET SAID TO SHIP ARMS TO NICARAGUA

(By Judith Miller)

WASHINGTON, June 2.—The State Department said today that it had received unverified reports that Soviet T-55 tanks might have been shipped from Cuba to Nicaragua.

Administration officials said later that while there was still no hard evidence that the tanks had been shipped, Secretary of State Alexander M. Haig Jr. was convinced that the reports were accurate.

Asked about the reports today, Mr. Haig said that the State Department had noted "with increasing concern" the sophisticated armaments being shipped to Nicaragua from the Soviet Union, Libya and Cuba. He also expressed concern about the growing size of the Nicaraguan armed forces and reserves, adding that "we see nothing to justify" that kind of manpower or equipment in the country.

State Department officials said that for five or six weeks there had been significant activity at Nicaraguan ports and that this had coincided with reports indicating that tanks were on board the ships.

SOME EXPRESS SKEPTICISM

Some officials believe that the tanks may have been unloaded under camouflage, which would prevent intelligence agencies from accumulating hard evidence of their transfer.

Other officials expressed skepticism, suggesting that intelligence agencies should have been able to verify the information by now.

"The intelligence community has reported this half a dozen times," said James R. Cheek, Deputy Assistant Secretary of State for Inter-American Affairs, who is awaiting reassignment. "One day they'll be right."

Mr. Cheek said that American officials had for months expected deliveries to Nicaragua of equipment from the Soviet Union. He added that Nicaragua now possessed only a few American Sherman tanks of World War II vintage—perhaps "four or five"—and some long-outdated American training planes.

Dean Fischer, the State Department spokesman, said of the intelligence reports: "We do have information that some Soviet tanks may have arrived and that others are still in Cuba. These reports have not been confirmed."

NICARAGUA'S NEIGHBORS CONCERNED

Mr. Fischer declined to comment on whether State Department officials believed that Soviet aircraft had been given to the Sandinist Government in Nicaragua, as some intelligence information also suggests.

He said that the United States and Nicaragua's neighbors were concerned about the possible introduction of advanced Soviet arms into the region. He also suggested that such a development would prevent the United States from considering any resumption of aid to Nicaragua.

President Reagan suspended $10 million in economic aid to Nicaragua last April 1 on the ground that the Sandinist Government was aiding leftist insurgents in El Salvador. Mr. Fisher said that the United States had attempted to leave open the door" to a resumption of aid if Nicaragua ended its support of the guerrillas and its involvement in international terrorism."

Referring to the reports about the tanks, he said, It is not an appropriate time at present to resume aid."

Congressional aides familiar with the reports and State Department officials also expressed skepticism about the utility of heavy tanks in Nicaragua. One senior official said that it would be the event of the century" if the Nicaraguans succeeded in moving heavy Soviet tanks any great distance across the country since they would be too heavy for most roads and bridges and would be difficult to deploy in the country's rugged terrain.

Latin American specialists at the State Department also noted that Honduras, Nicaragua's neighbor, was better armed, having recently received about 20 medium British tanks.

HAIG SAYS U.S. "WATCHING" FLOW OF ARMS TO NICARAGUA

(By John M. Goshko)

Secretary of State Alexander M. Haig Jr. said yesterday the Reagan administration is "watching with increasing concern" the levels of sophisticated weapons being shipped into Nicaragua and "the high level of manpower" being assigned to the Nicaraguan armed forces.

"We see no threat [to Nicaragua] that justifies increases of this size," Haig said. "We will be watching closely the levels of arms that have arrived and that are expected to arrive."

Haig, answering questions at a State Department meeting for editors and broadcasters from around the country, was asked about a report in yesterday's Washington Post saying the United States has received intelligence reports that Soviet T55 tanks may have been sent secretly into Nicaragua.

He refused to comment directly on the report. But he did contend that high levels of arms "of a worrisome nature" are continuing to flow into Nicaragua from Cuba.

Some of this arms flow, Haig said, continues to be diverted to leftist guerrillas fighting the U.S.-backed government in neighboring El Salvador. Although he cited the big buildup of Nicaraguan forces being engaged in by the leftist-oriented, revolutionary government there, Haig did not specify whether any of the alleged flow is part of a long-rumored plan to equip the Nicaraguans with Soviet weaponry including tanks and MIG jet fighters.

Earlier, however, department spokesman Dean Fischer confirmed that the United States has received intelligence reports that Soviet tanks may have been shipped into Nicaragua and that additional tanks are in Cuba awaiting delivery. While Fischer said the reports have not been confirmed, he added that the presence of such Soviet weapons would pose "serious problems" for other Central American countries.

"As Nicaragua adds military equipment to its already substantial arsenal, tensions do inevitably increase," Fischer said. "We would consider the presence of heavy Soviet armor or aircraft to pose serious problems for Nicaragua's neighbors.

Daniel Ortega, the head of Nicaragua's revolutionary junta, has told The Washington Post the reports his country intends to obtain Soviet tanks and jets are "totally unfounded." However, the Nicaraguan government, which won power in 1979 after a bloody civil war, has made clear its intention to build a powerful military force, and there have been reports that the goal is for 50,000 men and women.

The Nicaraguans already are believed to have more than 20,000 people on military duty or undergoing training. The junta has justified the buildup on the grounds that Nicaragua must protect itself against hostile, military-dominated rightist regimes in Honduras, El Salvador and Guatemalaa and antirevolutionary Nicaraguan exiles centered in Honduras.

CONCLUSION OF MORNING BUSINESS

Mr. STEVENS. Mr. President, is there further morning business?

The PRESIDING OFFICER. If there is no further morning business, morning business is closed.

HOUSING AND COMMUNITY DEVELOPMENT AMENDMENTS OF 1981

Mr. STEVENS. Mr. President, I ask unanimous consent that the Chair lay before the Senate Calendar Order No. 111, S. 1197, the housing bill.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1197) to amend and extend certain Federal laws relating to housing, community, and economic development, and related programs, to provide an improved and expedited multifamily mortgage foreclosure procedure, and for other purposes,

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the bill.

The Senate proceeded to consider the bill.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceded to call the roll.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I rise to present an innovative housing and community development bill. It represents the Banking, Housing and Urban Affairs Committee's effort to meet the difficult challenge of budget reductions while devising ways to make the use of scarce Federal resources more cost effective while streamlining burdensome and costly administrative procedures. S. 1197 is the culmination of a process which included 4 days of intensive hearings on housing and community development issues, extensive research by our staff, consultation with HUD and numerous client groups and considerable constructive debate by members of the committee in our markup session. We are confident that we have produced a thoughtful bill which contributes extensively to the improvement of our housing and community development program.

We no longer can afford programs of unlimited Federal assistance to growing numbers of American citizens.

Our country is enduring an economic trauma which requires control of runaway Federal spending. While some would argue that housing programs have borne an inordinate proportion of budget cutbacks, the truth is that housing programs, especially for increasingly more expensive new construction, are committing us for decades ahead to expenditure of tens of billions of dollars. We must scale back. Yet, we must not lose sight of our long-held obligation to assist those

who can least afford safe, adequate housing for themselves and their families. Our bill, therefore, first and foremost is our best attempt to focus limited Federal assistance on those who need that assistance most and who simply have few if any alternatives to Federal assistance.

I remind my colleagues that we have no latitude on any budget issues raised in this bill. Congress has now decided the dollar amounts and the committee has carefully constructed a bill whose funding authorizations do not exceed the limits we have set in the budget debate.

As our second major objective, we have striven for procedural simplification in both the community development and assisted housing programs under our jurisdiction. We have attempted to "deregulate" programs under our jurisdiction where unnecessary Federal regulatory instrusion has created high administrative costs and posed obstacles for State and local governments in their decisionmaking and in the administration of assistance programs. But, we have done this without weakening the purposes of CD and housing assistance programs, and in some cases we have strengthened them.

Title I of this bill addresses community and economic development authorizations.

I would like to reassure those who see in this bill a retreat from the basic purposes of the community development program. It is not. Rather, title I is a return to the original intention of the act: to provide a flexible program through which communities determine their community development needs and proceed to meet them with—as we reiterate in the body of title I—"maximum feasible priority to activities which will benefit low- and moderate-income families or aid in the prevention or elimination of slums and blight" or to meet urgent needs.

S. 1197 makes a significant procedural change in the program by eliminating application requirements, and by substituting a statement of intention, coupled with certifications that the law's requirements are being met. It is important to emphasize that the act's statement of findings and purposes has not been amended in any way. The primary objective of the program remains "the development of viable urban communities, by providing decent housing and suitable living environments and expanding economc opportunities, principally for persons of low and moderate income."

The minority in its supplemental views misconstrues our purposes in eliminating the application process. It is simply incorrect to state, as the minority does, that "the bill would dismantle program features designed to assure that low-income persons and distressed neighborhoods principally benefit from the program, as originally intended; that local citizens, not just officials in city hall, have adequate opportunity to participate in the development of the local program, and that the Federal Government exercise some responsibility for the use of the program's funds." This matter is sufficiently important that we should take time to set the record straight.

I shall address each of these major criticisms in turn.

First, our bill makes no change in the basic purpose of the act. Indeed, to make this clear, we have reiterated, in section 102(b), that community development funds must be used "so as to give maximum feasible priority to activities which will benefit low- and moderate-income families or aid in the prevention or elimination of slums or blight"; or to meet urgent needs posing a serious threat to health or welfare when other funds are not available. These requirements are taken from section 104(b)(2) of the present law. Nor should our commitment to this purpose ever be in doubt.

Since 1974, there has been disagreement over the administration of the community development program. But this dispute has not been over its basic purposes. Although it has to some extent involved priorities, the basic issue has been the extent to which HUD should intrude with its conception of what is appropriate to carry out these purposes and, in effect, to substitute its judgments for those of the local officials charged with administering the program.

The provisions of the 1972 act relating to the application requirements and review have been amended more frequently than any other section of the act—indeed, since 1974 there have been 23 changes made in the provisions of this single section. It is much simpler and more straightforward, since the intent of the act has always been to give communities flexibility to determine how best to meet the purposes of the act, to strike this controversial section and, instead, emphasize HUD's proper role in reviewing actual performance. In our bill, we thus reaffirm the basic tenets of a block grant as envisioned by the drafters of the original 1974 act.

Second, the minority charges that our bill dismantles the citizen participation requirements of the act. In fact, it does not. The committee bill is stronger on this score than the administration's proposal. Section 102(b) of the bill explicitly requires that grantees furnish citizens with information about funds available and activities that may be undertaken; gives citizens an opportunity to examine and comment on both the statement of proposed activities and the performance of the grantee; and, to assure that this is done, requires at least one public hearing at which citizens may express their views.

Under our bill, grantees are required to consider all citizen comments; but, as in present law, they are not required to accept them. I reiterate: Here, as elsewhere, we are simplifying procedures, not changing substance. Moreover, I can state from my own experience that few city officials who ignore the views of the citizens will long survive in public office. The majority believes that it is appropriate to assure citizen access to information, to provide them with an opportunity to express their views, and to assure them that those views are taken into account. Where we disagree with the minority is over the appropriateness of requiring specific, rigid plans to achieve this purpose. It is not right to intrude in a process which is already governed by State and local law in most communities. It would be naive to believe that the sophisticated groups which have become experienced with local CD programs will find it any more difficult under our bill to maintain their high level of involvement.

Finally, we have retained, explicitly, HUD's responsibility to assure that community development funds are spent for the activities and purposes for which they are provided. That is the essence of the block grant concept: To establish clear purposes and set a range of activities, while permitting State and local governments the flexibility which responsiveness to local needs and conditions requires. The vehicle for doing this is not, however, the application. Rather, the bill makes clear the original intent of the 1974 act—an intent which we believe has been distorted in recent years—to enforce the act by reviewing actual performance and, if necessary, adjusting or conditioning grants. Under our bill, HUD is required, no less than annually, to review recipient performance for compliance with the requirements and objectives of the act.

We expect HUD's performance reviews to be both responsible and thorough. Moreover, there is a model at hand—the approach taken to performance monitoring by HUD Secretary Carla Hills and Assistant Secretary David Meeker in 1976. HUD's performance reviews at that time focused not on minor and insubstantial matters, but on whether the purposes of the act were being carried out and, if not, how communities could be helped to comply with the act. As both a statement of the kind of approach the committee has in mind and a possible model for HUD to follow, I ask unanimous consent to insert in the RECORD at this point information on HUD's performance monitoring approach supplied to the Banking Committee when it held oversight hearings in 1976.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CURRENT AND PROJECTED CDBG MONITORING ACTIVITIES

INTRODUCTION

Section 104(d) of Title I of the Housing and Community Development Act of 1974 requires the Department to undertake annual reviews of each block grant recipient's performance and compliance with statutory and regulatory requirements of the Community Development Block Grant program.

GENERAL BACKGROUND

The Department issued its initial guidelines for monitoring in Handbook form on November 13, 1975. Pursuant to those guidelines, each of HUD's ten Regional Offices devised its own monitoring system, to be implemented by the respective Area Offices in that Region. The Regional Offices retain responsibility for the overall management of monitoring activities in their respective jurisdictions. Additionally, on a very selective basis, Central Office personnel will accompany Area Office staff on monitoring visits to ensure that the monitoring activity is carried out in a manner consistent with the statute and program regulations.

Although the different Regional Monitoring Systems vary with respect to the nature and scope of activities to be undertaken by Area Offices, they all mandate a mix of ac-

tivities combining both in-house and on-site monitoring reviews of grantee performance and compliance with program requirements.

IN-HOUSE MONITORING

Continuing activities by HUD staff to assess grantee performance and compliance, short of an actual site visit to the locality, constitute HUD's in-house monitoring effort. The principal tool for in-house monitoring of the block grant program is the Annual In-House Review performed prior to approval of the subsequent year grant for all entitlement communities, and less frequently for discretionary recipients. Due to the fact that the In-House Review is performed as part of the application review process, which got underway during the early months of 1976, experience with this activity is limited to the third quarter of the Fiscal Year. This Review is useful primarily as a means of collecting, at one time and in one place, all relevant information possessed by HUD relating to a particular grantee's performance and compliance, e.g., application materials, audit results, citizen complaints, results of site visits, and other general files.

In the area of compliance monitoring, the In-House Review is most effective for those subject with which the Area Office staff have the greatest day-to-day contact, e.g., eligibility of program activities, financial procedures. For other areas of potential compliance difficulty, such as equal opportunity requirements and Federal Labor Standards, it is necessary in most cases to conduct on-site monitoring of the grantee's program.

ON-SITE MONITORING

The principal form of monitoring activity engaged in by the Department during the second and third quarters was the site visit to the local grant recipient.

During the second quarter (October 1–December 31, 1975), the average number of on-site visits made in each Region was 110. Approximately 75 percent of second quarter visits were made to entitlement recipients. with the remaining 25 percent to discretionary grantees. During the third quarter (January 1–March 31, 1976), the average number of on-site visits by Regions was 224, representing a substantial increase. Of the number of localities which were the subject of site visits during the third quarter, the figures reveal that 60 percent of the national total of 1324 entitlement grantees, and 27 percent of the 1803 discretionary grantees were site-visited by HUD.

Regular site visits were made to every type of grantee: metropolitan cities; urban counties; hold harmless communities; metropolitan and nonmetropolitan discretionary grantees. In addition special site visits were made in all of the major program areas: relocation/acquisition; environment; equal opportunity; financial management; labor standards; citizen participation; housing assistance plans; eligibility of program activities; and capacity of the grantee.

MONITORING RESULTS

The ultimate goals of the Department's monitoring effort are to insure that statutory and other program requirements are met, and to formulate corrective or remedial actions to deal with any deficiencies on the part of grantees. In this regard, the quarterly reports indicate the number and general nature of "findings" made and "actions" taken in various subject areas.

During the second quarter, the primary areas of difficulty for grantees nationwide were equal opportunity, labor standards, and the environment. Much of the early monitoring focused on recordkeeping and other procedural matters, rather than grantee performance in carrying out their program, due to the fact that most grantees were just beginning their program activities.

During the third quarter, equal opportunity emerged as a difficult problem area for grantees: Equal opportunity was the subject of 23 percent of findings made and actions taken, nationwide. Other significant problem areas include relocation/acquisition (18.3 percent of findings), citizen participation (12.2 percent of findings) and environment (12.2 percent of findings). A total of 1294 findings were made nationwide in ten subject areas during the third quarter.

The findings being made are varied. Examples of the types of findings reported by the Regions include:

"Equal opportunity—(inadequate recordkeeping and lack of affirmative action plans);

"Labor Standards—(failure to hold preconstruction conferences and failure to send required notices of certain activities to the Area Office);

"Environment—(miscalculation of time periods for public comment on environmental findings and inadequate documentation within the environmental review record; and local draw down of funds before release by HUD.)

"Financial management—(Inadequate Accounting Systems and Violations of $10,000 minimum draw down requirements)."

Most of these violations are of a type to be anticipated during the start-up period of any new program. As grantees gain experience with HUD procedures and other program requirements, these types of violations should decrease.

Site visits were clearly the most effective source of findings during the third quarter: 81.6 percent of national findings were made as a result of on-site visits.

ACTIONS

Most of the actions taken during both the second and third quarters were in the form of warning letters or other advisory communications to grantees found to be deficient in terms of performance or compliance, a result which is generally appropriate to the first monitoring effort. For the most part, second year applications had not been received by HUD Area Offices during the second or third quarters of the fiscal year. Therefore, the actions taken by Area Offices in the subject quarters reported are not necessarily representative of the type of actions that would be taken when applications are pending before the Department. The great majority of applications are submitted during the fourth quarter of the fiscal year. The letters generally outlined the nature of the problem, offered assistance in its correction, and advised the grantee that continued noncompliance would result in more severe actions by HUD. It is likely that particular cases of grantee deficiency will require additional follow-up to the warning letter in an effort to insure that the required performance or compliance takes place.

Most of the actions taken other than warning letters (34.2 percent of the total actions) involve direct communication between HUD staff and the grantee in an effort to render the necessary assistance and arrive at a solution to the problem, in order to bring the grantee into conformance with the law or regulations. Such communication was either in written form, by phone, or by means of a personal conference.

In a few cases involving serious performance or compliance problems, more severe actions were taken, e.g., failure to invite a subsequent year's discretionary application, substitution of local funds for block grant funds, conditional approval of the subsequent year's grant.

CONCLUSION

The Department's monitoring effort, initiated during the second quarter of Fiscal Year 1976 and significantly expanded during the third quarter, appears to be achieving the goals to which it was directed. The results of the Department's monitoring efforts have been significant. As a result of the site visits, Area and Regional Offices are able to take appropriate corrective and remedial actions to remedy, where possible, the deficiencies that are found, and in many cases to prevent continuance of the deficiencies or violations of Community Development Block Grant requirements.

Grantees in all Regions appear to be pleased with HUD's monitoring effort, particularly the site visits. These activities afford them an opportunity to become aware of any deficiencies that exist in their community development programs, and to receive the necessary assistance from HUD to arrive at solutions to these problems.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT,
May 6, 1976.

MEMORANDUM

To: All Regional Administrators.
Attention: Assistant Regional Administrators for Fair Housing & Equal Opportunity
Assistant Regional Administrators for Community Planning & Development.
From: James H. Blair, Fair Housing & Equal Opportunity, E David O. Meeker, Community Planning & Development Co.
Subject: FH&EO Review of Entitlement Applications.

FH&EO review of entitlement applications is expected to be thorough, taking into account experiences of prior years. Certifications will continue to be accepted; however, additional information or assurances from the applicant may be required when there is substantial evidence in past performance which contradicts or challenges the certifications (570.306(b)(1)). The same general principles apply to hold harmless and discretionary applications; however, the extent of the review may be modified as appropriate to the amount of the grant.

Consistent with the provisions of section 570.306(b)(2) of the Community Development Block Grant regulation, FH&EO staff shall recommend approval of the application unless it is determined:

"i. on the basis of significant facts and data, generally available and pertaining to community housing needs and objectives, the applicant's description of such needs and objectives is plainly inconsistent with such facts and data; or

"ii. the activities proposed in the application to be undertaken are plainly inappropriate to the meeting the needs and objectives identified by the applicant; or

"iii. the application does not comply with the block grant regulations or other applicable law."

With respect to the first two standards, section 570,303(a) requires the applicant, in identifying its needs, to take into consideration and summarize any special needs found to exist in any identifiable segment of the total group of lower-income persons in the community. In its review, FH&EO staff should take into account whether the applicant has taken such special needs into consideration and summarized them. With respect to the third standard of review, FH&EO staff should analyze the application within the context of the equal opportunity certifications under section 570.303(e)(11) and the non-discrimination requirements of section 570.601. If application of these standards indicates a failure on the part of the applicant to comply with these regulations, FH&EO staff shall indicate, pursuant to section 507.306(b)(1), the substantial evidence, including significant facts and data, which challenges the certifications, statements of fact and data, or other programmatic decisions, and shall recommend appropriate additional information and specific assurances to be required from the applicant.

Further, the Area Office shall review the

recipient's past performance to determine whether:

"i. the recipient has carried out a program substantially as described in its prior application(s):

"ii. the program conformed to the requirements of the block grant regulations and other applicable laws and regulations; and

"iii. the recipient has demonstrated a continuing capacity to carry out in a timely manner the approved community development program."

If the recipient's past performance pertaining to minorities and women varied substantially from that described in its application and the subsequent application does not amend or correct the matter, the evidence shall be documented and corrective action recommended, including appropriate recommendations for additional information and specific assurances. Any modifications and/or actions proposed by FH&EO staff to correct deficiencies shall be coordinated with Area Office procedures for such notification and consistent with the timetable as called for in the memorandum of November 29, 1974 from Assistant Secretary Meeker. Final actions taken by Area Offices should involve only minimal use of contract conditioning.

If, in the course of the review of past performance, FH&EO Area Office staff find what they believe to be noncompliance with section 109, title VI, Executive Order 11246 or section 3 requirements, the matter shall be discussed immediately with FH&EO Regional staff for determination as to referral for compliance review. Such referral, however, shall not be the basis for recommending disapproval of the application.

JAMES H. BLAIR,
Assistant Secretary for Fair Housing and Equal Opportunity.
WARREN H. BUTLER,
Assistant Secretary for Community Planning and Development.

Attachments:

(1) Checklist: Review of Past Performance.

(2) Checklist: Entitlement Application Review and Instructions.

FAIR HOUSING AND EQUAL OPPORTUNITY—CHECKLIST: REVIEW OF PAST PERFORMANCE

[The following questions must be answered before reviewing the subsequent year's application. Sources of information include prior year's application and comments, site visits, performance report and additional information requested from the recipient, as may be necessary]

	Yes	No*	NA
1. Were activities proposed for last year designed to directly benefit minorities generally commensurate with need?			
2. If yes, did they get substantially underway during the program year?			
3. Has any housing assistance been provided (occupied) during the program year?			
(a) Have minorities benefited commensurately with need (as stated in prior application)?			
(b) Have female-headed households benefited commensurately with need?			
4. If the recipient has proposed activities generating relocation, answer the following:			
(a) Has relocation begun?			
(b) Is there a positive pattern of relocation for minorities? (Service and location)			
(c) Is there a positive pattern of relocation for female-headed households? (Service and location)			
*For no answers jot down vital statistics and source of information (e.g. performance report, table IC) which documents the deficiency. Subsequent applications should be reviewed in light of these deficiencies and this data will provide the basis for looking beyond the assurance. Specific areas of concern and recommended actions are incorporated as a part of the application review checklist.			
5. Has the recipient demonstrated affirmative action in employment as required in the equal employment opportunity clause of the grant agreement?			
6. Has the recipient taken action to affirmatively further fair housing through such activities as land development, zoning, site selection policies or programing?			
7. Has the recipient taken action to prevent discrimination in the sale, rental and/or financing of housing within the recipient's jurisdiction?			
8. Has the recipient demonstrated affirmative actions as required under sec. 3?			
(a) Utilizing lower income area residents as trainees and employees?			
(b) Utilizing sec. 3 eligible businesses?			
9. Has the recipient demonstrated affirmative action as required under Executive Order 11246?			
*For no answers, jot down vital statistics and source of information (e.g., performance report, table IC) which documents the deficiency. The reviewer shall recommend corrective action, looking beyond the assurances, if data indicates that an assurance maybe meaningless. Such action could include the provision of additional information and specific assurances, including timetables, prior to approval of the application.			
Examples:			
(A) The applicant, while agreeing through certification to take action to affirmatively, further fair housing has in fact taken no action during the program year (performance report VB. 1 and 2). The reviewer may recommend that the applicant be required to provide a specific assurance, including the actions it will take and the dates these actions will be implemented.			
(B) Although the applicant has had significant personnel action during the program year, this action has not demonstrated affirmative action in minority and/or female employment in the program areas funded in whole or in part by CDBG funds (performance report VE). The reviewer may recommend that the applicant be required to provide a specific assurance, including numerical goals and timetables, necessary to demonstrate affirmative action.			
10. If an on-site visit has been conducted, is the recipient maintaining data as required in:			
(a) Sec. 570.900(c)—Performance standards			
(b) Sec. 570.907(f)—Recordkeeping			
11. Has the recipient complied substantially with all EO related conditions specified in prior assurances and the grant agreement?			
*For no answer, jot down vital statistics and source of information (e.g., performance report, table IC) which documents the deficiency. Recommend institution of departmental procedures for termination, reduction or withholding of funds until corrective action is taken. A subsequent application should not be approved until this situation is corrected. Any deficiencies in questions 1 to 9 may be treated as above if:			
(A) The applicant refuses to amend the application or provide additional information or assurance, or			
(B) The applicant provides additional information and/or assurances but does not meet either the goals or timetables to which it has agreed			

(a) Percent and characteristics of minority and female heads of household by census tract, available from the U.S. Census (PHC–1 and PHC–3) and R. L. Polk and Company Surveys in selected localities (female-heads of households, only).

(b) Location of existing assisted housing by type.

(c) Appropriate newspaper clippings relating to civil rights.

Integrated into the "community profile", in summary form, should be:

(a) Maps which may include overlays showing minority concentrations, tracking materials derived from census block statistics and accompanying maps and/or supporting documentation previously submitted by applicants such as those included with:

"(1) Instructions for compliance with Title VI for the Neighborhood Facilities Grant Program (HUD 41906), Public Facility Loan Program (HUD 41905), the Open Space Land Program (HUD 41907) and the Neighborhood Development Program (HUD 41904).

"(2) Workable Program Submissions, including conditions to recertifications.

"(3) 701: Housing Elements; Studies in areas covered by CD Block Grant activities which identify problems of low income, minority, and/or female-headed households, including constraints, obstacles for delivery systems for services, and proposed treatment; Progress Reports and Final Project Closeout Reports; and any EO Contract Conditions.

"(4) Community Renewal Programs which illustrate community needs and/or delivery of existing facilities or services.

"(5) General Neighborhood Renewal Plans; Conventional Urban Renewal Plans (including individual plans—not NDP); Interim Assistance Plans, Disaster Planning Funds; Federally Assisted Code Enforcement Programs (115) and 312 grants and loans); Neighborhood Improvement Programs; Conventional and NDP Plan changes; Model Cities Planning Data, i.e. initial submissions and updates; CDA Letter #11 Plans; Low Rent Public Housing Program Reservations including section 23 Leasing."

(b) Information and maps available from EMAD, . . . e.g., Housing Market Reports, Annual Housing Surveys, Post Office Surveys.

(c) Studies by civil rights or public interest groups, universities, planning commissions and areawide and state planning organizations. Civil rights groups who express interest in providing assistance could be urged to review extent material, such as that listed above, to help prepare factual, EO profiles.

2. Alternatively, use the maps attached to the application if they are good and only supplement them with data on existing locations of assisted housing. For large cities, group similar census tracts. Keep these maps or tables with EO files. Send them to processing only if necessary to make a particular point.

3. a. Keep in EO files. Send to processing only if necessary tomake a particular point.

b. If deficiencies have been found in Questions 1–4, corrective action is required in the planning and programming of community development activities. These corrections should be reflected in the answers to Question No. 7.

4. This requires a comparison between the "facts" of the EO Community profile and the applicant's "facts" as contained in the application. If the facts in the application are substantially inconsistent with available information, the Reviewer should check "no", describe the deficiency, providing data and the source of the information which contradicts the application, and recommend corrective action.

As an example:

The minority area(s) of town has no public sewer system, a seriously inadequate septic system and/or dirt roads. The applicant identifies a number of community development needs, but does not identify these community development needs in the mi-

nority area(s). The reviewer shall succinctly present this evidence, noting how it may violate the provisions of 570.601 (2) and (3) as well as 570.303(a), and recommend corrective action.

In some cases the application may be incomplete. As an example:

In preparing a HUD funded Community Renewal Program, the locality had noted that 3 areas of the city were most severely deficient in streets and street improvements—all of them minority areas. The CDBG applicant in describing a need for street improvements within the locality, does not identify and/or summarize the greater severity of need of the minority community, as required in 570.303(a), although there is evidence that these deficiencies have not been corrected. Document the evidence and recommend corrective action.

8. Housing Assistance Plans. There are 3 primary sources of information on housing assistance needs. These are the U.S. Census publications and special tabulations; Polk and Company data; and state and area-wide agency studies.

Currently available in each area office is a special census tabulation prepared by EMAD which indicates housing deprivation of persons by family type and by minority groups. Housing assistance needs of minorities identified in table II which are below the figures in this special tabulation shall be documented and corrective action recommended.

9. If the goals are inappropriate to meeting the needs, the reviewer shall document the evidence and recommend corrective action. The following factors should be used to test appropriateness:

"(a) Proportional goals by household types. This is described in the HAP instructions and is one test of appropriateness.

"(b) Appropriateness of goals by tenure types. While proportionality is not required between meeting the housing assistance needs of current owners and renters, a community which has identified housing assistance needs for persons currently renting or expected to reside may not ignore these needs in their goals. The numerical goals for meeting the identified housing assistance needs of renters and persons expected to reside shall respond to these needs in a meaningful way.

"(c) Appropriate use of section 8 or other resources. Where needs are identified, and housing assistance resources (including section 8) which would serve the stated needs are available, the community must propose sufficient housing resources to meet, in a meaningful way, the needs of the income range identified in Table II.

"(d) Consistency of this year's proposed activities to 3-year goal. While the applicant is not required to meet all needs proportionately in any given year, the activities scheduled for any one year may not preclude meeting the proportionality or appropriateness tests (b. and c. above) over a 3-year period."

10. Self-explanatory.

11. This ties past performance to proposed goals. If a community for example, has not met prior goals for all or a part of their housing assistance, has not found suitable sites for new construction, or whose occupancy records in the HAP Performance Report indicate minority or female participation significantly below the needs which they have identified for these groups, the reviewer should document such evidence and recommend corrective action. Corrective action may include a recommendation for a specific assurance from the applicant, including goals and timetables, prior to approval of the application.

It is important, of course, to determine the causes of the failure to perform. For example, if such failure is due to problems associated with HUD's delivery of available resources, and the community has taken positive steps to make use of available resources without success, there should be no basis for penalizing the applicant. On the other hand, if the applicant has failed to take necessary actions within its control to facilitate the use of available resources to meeting housing needs, disapproval of the application may be appropriate. Brevity and specificity in requiring such specific assurances is illustrated by the following:

"... It is expected that (the City) will establish a timely schedule for implementing the Resolution which pledges that it will locate and approve sites for at least 90 units of family housing, of which 60 units or more must be in areas not having an undue concentration of assisted persons or low-income persons.

"It is imperative that specific sites be ready for our preliminary review no later than September 5, 1975. My staff and I would be happy to assist you in any way during the interim period to achieve this objective. Firm approved sites should be available to implement the production of the units no later than October 10, 1975. In this way, we can reach initial implementation of your Housing Assistance Plan during the first action year."

(Mr. SCHMITT assumed the chair.)

Mr. LUGAR. We leave virtually unchanged the requirement that entitlement communities must develop a housing assistance plan as a part of the community development process. This remains the principal link between the community development programs of a community and its housing needs.

Under our amendments, a community must certify that it has a current housing assistance plan in place, previously approved by the Secretary.

The small cities block grant proposal in the bill provides an optional opportunity for States to participate in the program by administering funds distribution for nonentitlement cities.

The committee believes that the small cities program can be enhanced by allowing States which are capable and adequately equipped to become involved in the process. Many States have community affairs departments. Most carry on community development activities.

Most have resources which can be used to assist small cities to meet their critical problems. We should not ignore them.

The provisions of the bill give States an option to administer funds distribution for nonentitlement cities if they: Provide a 10 percent cash match for the Federal funds; consult with local governments in developing a distribution system; administer the program with State funds; and provide technical assistance to the small cities.

The committee plan is a well conceived strengthening of federalism. In specifying that the funds cannot be used except to benefit small cities, the program avoids charges that the States will use the funds for other purposes.

It prohibits States from using only Federal funds for administration of the program, and very strongly specifies that local officials must be consulted in developing the funds distribution process.

These requirements are designed to assure that States choosing to participate in the process will be doing so in good faith, with the purpose of aiding the small cities within their boundaries.

In the event that a State does not choose to operate a program or is prohibited from doing so by failure to meet the bill's requirements, then the small cities are protected by HUD, who will operate the program essentially as in the present manner albeit with less procedural intervention.

These changes have been made to encourage those States which have already demonstrated an interest in local community development and to discourage those whose only attraction is the availability of Federal funds for building their own infrastructure.

States are free to develop whatever purposes and procedures for distributing funds that State and local priorities dictate. And consultation with local officials is required to assure a logical, appropriate, and equitable process for using the Federal funds.

Mr. President, I want to take a moment to anticipate a question which relates to the existing small cities program.

Under the State block grant program, States will be able to make multiyear commitments to their small cities. The proposed State block grant legislation is structured to provide States with maximum flexibility to meet the needs of their small communities.

States are in the best position to be sensitive to the needs of all of their smaller localities and to determine whether a multiyear commitment for some particular program is most responsive to local needs.

Since we anticipate that States will alter the existing program to be more responsive to their requirements and the needs of their communities, the proposed legislation does not contain a provision mandating continuation of existing multiyear commitments made by HUD where a State assumes administration of the program.

However, under the proposed statutory provisions, States may allow communities to receive the remaining years of a commitment and we would anticipate that they would choose to view this as a moral commitment to do so in order to provide as much continuity as possible for their communities.

Turning to the urban development action grant program, the committee retains the UDAG program as a separate section of the Housing and Community Development Act of 1974.

It is funded at $500 million per year for 1982 and 1983. The committee was impressed with the outpouring of support of this program hearing it described as one of the most successful economic development assistance programs devised by the Federal Government.

Again, as in community development, we undertook to make procedural changes which underscore administrative simplification without major changes to the substance of the program.

But we do sharpen the focus of the program in order that scarce Federal dollars may be concentrated on activities with the greatest economic benefits to their communities. We have also tightened the administration of the program by HUD to assure maximum return on the Federal dollar.

Mr. President, as our colleagues know, the administration had proposed originally that the UDAG program be funded for only 1 year.

This proposal reflected the fact that while the Secretary expressed his support for UDAG, he is engaged in a complete evaluation of the program's effectiveness and its relationship to future economic development programs.

We do not view our 2-year extension of the UDAG program as a preemption of the Secretary's prerogative to make recommendations for change to us after he completes his study.

Turning to housing, Mr. President, in this portion of the bill, the committee has again attempted to streamline the administrative procedures as well as to tame the growth of costs for assisted housing projects.

Yet, we believe this is a compassionate bill for we try to serve the needs of the truly poor and institute more equity into the aspects of the program which affect their ability to pay rent and otherwise meet living expenses.

The major budgetary problem that we face in housing programs is that funds are committed for subsidized housing far in advance. Budget authority provided today commits the Government by contract to housing subsidy payments for the next 15 to 40 years.

Given the skyrocketing costs of new construction, the Government cannot meet unlimited needs in providing housing assistance.

Our goal is to provide more housing. But continuously throughout this portion of the bill we have inserted provisions designed to target our limited funds to provide safe, decent, and adequate housing for those who are most in need.

Working again, well within our budget requirements, the bill provides assistance commitments for an additional 150,000 units in 1982 and 140,000 more in 1983.

Although this is a reduction from previous requests, it still means that we will be assisting 290,000 new families, 45 percent of these units will be new construction or substantially rehabilitated, and 55 percent will be existing units.

Several measures in the bill are designed to stretch the limited funds as far as possible.

For example, eligibility for assistance is limited to those with income below 50 percent of area median income rather than the current 80-percent limit.

This is still well above the poverty level in most areas, and is consistent with the purpose of aiding very low income families in obtaining decent housing.

Tenant rental payments under all of HUD's rental assistance programs would increase from current limits of 30 percent of adjusted family income, 10 percent of unadjusted family income or 15 percent in the case of section 8 tenants, or the housing portion of a household's welfare payments.

In addition, the definition of adjusted income would also be changed by income deductions across all programs to allow only for deductions for minors and elderly and handicapped persons.

The current system of deductions favors higher income tenants, who spend more and can then take more deductions.

However, to avoid undue hardship to those families receiving assistance, rent-rule changes will be phased in over a 5-year period and in no case shall result in an annual rent increase of more than 10 percent for any current tenant.

Several provisions in the bill amend the housing programs in ways that would reduce the average expenditures per assisted tenant again with the intention of stretching Federal dollars to assist as many of the truly needy as possible.

Among these provisions are a requirement that new section 8 projects be "modest in design and * * * reduce the types and number of unnecessary amenities and features," and another that limits Federal payments for vacant section 8 units to 1 month. Efficiency units are also encouraged in projects for elderly or handicapped persons.

The bill removes the requirement that section 8 and public housing projects must house families with a broad range of incomes. The committee feels that by requiring this economic mix while truly needy families go homeless is an injustice that was never intended in the original assisted housing programs.

The bill also recognizes the plight of local public housing authorities who are desperate for operating subsidies for those units already occupied. Operating subsidies are authorized by the bill at levels of approximately $1.2 billion in fiscal year 1982 and $1.35 billion in fiscal year 1983.

Several of the provisions I have discussed have the effect of standardizing certain administrative procedures where previously different procedures applied to the different housing programs.

These standardizations will not only save time and money, and make the programs more understandable, but will correct inequities in the ways these programs are administered.

None of the measures in the bill is designed to do anything less than provide safe, decent, and adequate housing to those most in need. We are attempting to make the limited funds we have work harder than ever to achieve that goal.

The balance of the bill, Mr. President, is relatively uncontroversial. Title III extends FHA insurance authority, increases loan limits on various manufactured housing insurance programs, extends the flood insurance program while repealing erosion coverage and extends the riot insurance program while repealing crime insurance protection.

Title IV creates new mortgage foreclosure procedures to permit HUD to speed up the process by which it recovers foreclosed multifamily rental units. This title overrides existing State mortgage foreclosure procedures which vary in their complexity and the time in which a building may be foreclosed and disposed of.

This new procedure is necessary to speed up foreclosure intakes to protect the physical condition of foreclosed properties and the quality of environment in which the tenants live during these proceedings. The committee received no opposition to the title and believes it is in the best interest of maintaining viable multifamily rental housing stock.

Title V is a simple, 1-year extension of the Department of Agriculture's rural housing programs. Few changes were made to these programs due to the limited amount of time in which we had to review them.

It is the committee's intention, however, to conduct a thorough review of the programs, for among other reasons, to determine if they are consistent with HUD assisted housing programs.

To the best of our knowledge, the rural housing programs have not been reviewed by the Senate since 1976 and we would all agree that much has changed in the housing needs of our country since then.

Mr. President, we are pleased with this bill believing it to be a constructive proposal for enhancing the quality of our communities, strengthening the bonds of federalism, and compassionately yet realistically meeting the fundamental and immediate housing needs of the poor.

And while not all of it was fully supported by all members of the committee, I commend this bill to my colleagues and urge its adoption in the traditional bipartisan manner that has marked our past efforts.

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, the Reagan administration has roared into the battle for a stronger economy carrying a banner that shouts "cut spending."

Now, I join that battle with joy. Hurray. For years I have been pleading with my colleagues in this body to cut back Federal spending. Now we have a President who not only agrees but also who has led the charge with a series of recommendations for sharp reductions.

In general, the Senate, as well as the House, has gone along with the President. I think we should have gone farther but the response in Congress to this call of retrenchment has been solid and constructive.

Now, today we come to a different phase of the Reagan crusade. Today we do not debate and decide on levels of spending. The budget resolution took care of that. Today we decide where the money we make available for housing and community development goes. We decide how to allocate and control money we take from the Federal taxpayers and expend for the purpose of reducing the slums and blight that shame our country and for the purpose of improving the pitifully inadequate housing that imprisons millions of our very poor.

The Banking Committee divided almost down the middle over this issue. Eight members voted to report the bill in its present form; seven members voted to knock out title I. Seven voted against reporting the bill at all. Now, why this division? Why did the committee so narrowly split on this bill?

An editorial in this morning's New York Times puts the issue squarely. That editorial, incidentally, is on the

desk of every Senator. It is entitled "Keep a Federal Eye on Federal Aid."

The editorial says, in part:

Congress will finally have to decide how to structure Federal aid to localities. Where it aims merely to use the Federal taxing power to support state and local budgets, it should attach no strings and relax all supervision. But where Federal assistance is to be earmarked for rebuilding cities and alleviating other social problems, it will have to insist on intelligent monitoring of how the money is spent. There's nothing socialistic about businesslike audits.

Now, the present law provides the cities with leeway to use the money for housing and community development with considerable discretion. Since 1974, when the Nixon administration recommeded and the Congress passed the community development program, the law has permitted mayors to use the money for three broad purposes: Eliminating slums and blight was number one; aiding low and moderate income families, number two; and alleviating other pressing needs.

Now, has the law unduly constricted the discretion of the Nation's mayors? Consider a report of the General Accounting Office before we decide, as the present bill before us would do, to relax standards any further.

What the GAO found was that there has been considerable abuse in the program as presently constituted. Here is a program—just think of this, Mr. President—here is a program that provides a tiny proportion, perhaps 1 percent of the money needed to provide adequate housing for the Nation's poor and to repair the blighted part of our cities. So limited funds should go to the most urgent housing and community development needs.

And yet, the GAO tells us that some of these funds have gone for music lessons and ice-skating lessons. That is right, music and ice-skating lessons. And with literally millions living on $5,000 a year or less, in one community 15 percent of the rehabilitation loans went to homeowners with incomes exceeding $30,000 per year.

Now, in committee, this Senator tried to tighten up the law by confining the rehab aid to families with incomes no more than 20 percent above the poverty level. When that would not fly, I proposed limiting assistance to families with incomes not exceeding 20 percent above median. The committee would not even accept that.

So, together with almost half of the committee, I voted against the community development section of the bill and then against the bill itself.

Now, what happens if the Congress knocks out title I of this bill? And I intend to offer an amendment shortly that would do that. It means we revert to present law, which, at least, provides for a system of accountability and reporting which, for all its faults, does require that most of the money serve the purpose of housing the poor and eliminating slums and blight.

The bill, as reported by the committee, in the words of the New York Times:

. . . proposes to pour a series of valuable domestic programs into one hat and pull out conservative rabbits called block grants. And where Government aid has already been thus transformed, as in so-called community development grants for cities, the White House wants to prove that the animal can be safely let off the Federal leash.

Mr. President, Congress and the President are well on their way to making historic reductions in spending on Federal programs. We should certainly insist that the money we do spend, since we are cutting it down, goes to help those who need help the most. No way will we do that by tossing billions out to the cities and telling them not to worry about accounting for how they spend it.

Now, let me be specific. The bill's five titles contain a variety of program revisions and extensions affecting virtually all areas of housing and community development. Included in the legislation are a major rewriting of the community development block grant program, reductions in fiscal year 1981 budget authority in compliance with Budget Reconciliation Instructions, authorization for 150,000 units of section 8 and public housing, down from 210,000 units last year, significant revisions in the section 8 rental assistance program, extensions of FHA insurance authorities, a new program to facilitate HUD's acquisition of multifamily projects in default, and the reauthorization of various rural housing programs.

This bill embodies a number of fundamental shifts in our approach to housing and community development. It includes some very worthwhile provisions.

But regrettably, the bill also contains some serious flaws that I believe must be corrected before the bill can be approved.

Mr. President, I would like to comment further on several of the more significant sections of the legislation.

Title I of the bill would almost totally revise the community development block grant program, and in so doing it would scrap many of the provision that in the judgment of many of us, are essential to assuring that the program accomplishes its objectives.

It would gut provisions of existing law designed to assure that the program principally benefits low and moderate income people and that its funds are targeted to worthwhile activities that are consistent with the purposes of the act. It would establish a new State role in the administration of the program for small cities, thereby needlessly creating another layer of bureaucracy in the program.

And, it would eliminate the law's requirement that, as a condition of receiving block grants, small cities must develop a housing assistance plan that reflects low and moderate income housing needs—that would be eliminated, the requirement that they develop a program to show that they are meeting the low and moderate income housing needs of their community—thus sending a clear signal to these communities that attention to low and moderate income housing needs can take a back seat in overall program goals.

Mr. President, these sweeping changes were approved with little opportunity for the committee or public interest groups to review them and to assess their impact. In fact, the legislation containing these revisions arrived at the committee's door literally hours before the secretary of HUD and public witnesses were scheduled to testify on the administration's housing and community development recommendations, and only days before the committee conducted its markup of the bill.

So they had no real opportunity to testify on the changes that go so far in the present law.

In examining the proposals, it becomes clear that the committee purchased a greater amount of local flexibility in using the program at a heavy price—the potential waste of millions of dollars. The hasty and ill-advised changes in the block grant program were a major reason for the unanimous minority vote against the bill. All Democrats did vote against the bill.

Title II of the legislation contains reauthorization of our housing assistance programs, and a variety of important changes in the way these programs operate. Of the 150,000 additional units of section 8 and public housing authorized for fiscal year 1982 under the bill, approximately 45 percent would be newly constructed or substantially rehabilitated, while about 55 percent would be existing or moderately rehabilitated. This level of assistance involves about $17.8 billion in budget authority.

The bill also simplifies the manner in which incomes are determined under the assisted housing programs, replacing the current confusing schedule of deductions with standard deductions and providing uniform recertification requirements. These are welcome improvements which should facilitate administration of the programs.

In addition, the bill would raise the tenant contribution for assisted housing tenants, both current and new, to 30 percent of income from the current level of 25 percent. This change will slow the rapid growth in housing assistance outlays while having only minimal impact on the majority of assisted housing tenants.

I think that part of the bill is particularly important because we should recognize that the great majority of poor people in this country are not benefited by this housing program. They are outside the program and they pay an average of 40 percent of their income in rent, not 25 and not 30 but 40 percent. So the relatively few that have access to this housing assistance have a tremendous advantage and an elite status.

In order to get more people into it, it seems to me it is more sensible to permit the level of payment by assisted housing to go to 25 percent and 30 percent.

The bill recognizes that the section 8 program is an enormously costly program, and it attempts to reduce these costs by reinforcing the program's emphasis on "modest design" housing, by giving greater weight to cost considerations in approval of applications for new section 8 development, by reducing payments for vacant units, and by reducing average room sizes.

These and other changes will lower the costs per-unit, and will enable us to serve a greater number of households for the

money provided. I should note that these provisions enjoyed wide bipartisan support.

The bill also addresses the serious impact that rent controls on new construction can have on new apartment construction.

I think everyone who serves in this body is aware of the effect of rent controls. There is a divided Senate, I am sure, on the issue, but many of us feel it has greatly inhibited construction. What this bill does is withhold section 8 new construction funds from communities which impose rent controls on newly constructed or vacant multifamily units.

Most committee Democrats strongly oppose this amendment. I personally supported it. While it will be argued that this provision unfairly penalizes the poor in areas with housing shortages, it seems to me that rent controls contribute to shortages, which penalizes all low income renters, not just those who would expect to receive section 8 assistance. If we can induce localities to remove rent controls we would spur new apartment construction and thus help relieve shortages.

Let me say that the provision does not withhold all section 8 assistance, just that for new construction and substantial rehabilitation. Existing and moderate rehabilitation subsidy would still be made available.

In the area of Federal housing insurance programs, the bill would extend for 2 years, in most cases, insurance authorities for both single and multifamily FHA programs. These extensions are necessary to prevent disruption of these programs which can mean so much for renters and homeowners of moderate incomes. The bill also raises loan limits and lengthens loan terms for FHA property improvement and manufactured home programs. These increases would reflect significant costs increases that have occurred since loan limits and terms were last increased.

Title IV of the bill would establish a new program of nonjudicial foreclosure for multifamily residential and nonresidential mortgages held by HUD under title II of the National Housing Act or under the section 312 program. I believe that the procedures outlined in this title accomplish the purpose of facilitating HUD acquisition of defaulted properties, while protecting the rights of the owners of these properties. Since substantial damage can occur to a property between the time it defaults and the time that HUD acquires it, this streamlined procedure can lower the cost of rehabilitation and resale by the Department following acquisition.

Mr. President, before I close let me indicate that while this legislation complies with the budget reconciliation instructions, it still involves some $22.5 billion in budget authority for fiscal year 1982. This is an enormous sum, and in light of the tremendous budget deficits that we are likely to see over the next several years, if the administration's proposed economic program is adopted, I do not believe we can point to the legislation as an example of fiscal restraint. I regret that greater savings will not be made because I feel that several areas could have absorbed reductions without causing any serious consequence. This legislation turns the housing and fiscal needs of the Nation on their respective heads. We need better targeting for the poor of the limited resources we have. What we have here is enormous sums of money to the States without any standards. This insures that on the basis of experience the money will be wasted.

Talk about Government waste, this legislation will build waste with our $22.5 billion housing program.

Mr. President, in closing, let me emphasize that I have enormous concern about the overall impact on this bill. I know that my concern is shared by many Members on my side of the aisle. If we cannot change this legislation to reflect our concerns, I do not see how many of us will be able to support its passage.

Mr. President, I know of no Senators on our side who want to speak at this time, but I would like to put in a brief quorum call, if the manager will permit, to give other Senators the opportunity to come to the floor at this time before I propose an amendment.

Mr. GARN. Mr. President, the bill before the Senate today is a major redirection of Federal housing and community development programs which will enhance the principles of federalism by giving the States and local governments more flexibility and which will meet the economic necessities of slowing the accelerating growth of program costs. The mandate of November's elections calls for more efficient Government that avoids unnecesary costs and burdensome regulations while continuing to meet basic problems of the country and its citizens. The Banking, Housing and Urban Affairs Committee has accepted that challenge and has streamlined Federal housing and community development programs. At the same time, S. 1197 maintains the framework of support for communities to meet their development needs and of expanding subsidies for the housing needs of the poor.

In the area of community development, title I of the bill largely incorporates the President's recommendations to strengthen the principles of federalism by simplifying and deregulating the community development block grant program and by allowing State governments a role in administering grants to small cities.

These amendments maintain the current purposes of community development support which are to achieve "the development of viable urban communities, by providing decent housing and suitable living environments and expanding economic opportunities, principally for persons of low- and moderate-income." However, growing administrative, regulatory, and procedural hurdles placed in the path of local governments seeking "entitlement" grants will be greatly reduced. Thus the bill will return this program to the original intent of a block grant which sets forth broad guidelines of community development aims and gives localities a flexible role to meet their needs in the manner they determine is best and most appropriate to local circumstances.

The bill gives States an option of administering community development funds for small cities. This is in recognition of the fact that many States have community affairs departments, activities and programs that support community development, and far greater ability to assess the appropriate priorities between competing small city development needs than Federal bureaucrats directed from Washington. To insure that small cities do continue to get the full benefit of the assistance provided, States must pay for administrative costs to run the program, consult with small city local officials, have community development planning and match 10 percent of the funds with State community development assistance to small cities. If a State does not choose to meet these requirements, then HUD will continue to award and administer grants from the funds set aside for the State's small cities.

Title I of the bill also continues the urban development action grant (UDAG) program at a level of $500 million for 2 years. The program has supported innovative economic development projects in many, many cities and in the committee's judgment should be continued for the 2-year period the bill covers for other programs. I know, however, that the committee will carefully review the administration's recommendations for this program for fiscal year 1983 based on a complete evaluation of its effectiveness which is now underway.

Mr. President, turning to housing assistance programs, the bill will reduce the rapid growth of costs for subsidized housing and better target the programs to help those most in need. I consider these changes to be essential to pursuing a housing assistance policy that the country can afford while compassionately recognizing the needs of the poor.

Significant steps toward controlling housing program costs are needed now to make progress toward budget control. These programs commit the Government for decades ahead to substantial growth in housing subsidies. Already these commitments total nearly $240 billion and even without the additional authorizations in this bill outlays will grow from $6.5 billion in fiscal year 1981 to over $9.6 billion in fiscal year 1986.

S. 1197 will slow the growth of costs through several significant steps. First, new authorizations for housing assistance are limited to $17.8 billion for fiscal years 1982 and 1983. This will provide housing aid for 290,000 more families beyond those already helped. Second, the committee has adopted the administration's recommendations to increase tenant rent over 5 years to 30 percent of income from the current 25-percent standard. This is justified because tenants in nonsubsidized apartments pay for more than 30 percent of their income for rent and outlays for subsidized housing will be reduced over $1.4 billion in fiscal year 1986 from this change. Finally, the bill makes tight program improvements which will reduce the cost of each additional housing unit so program funds can help more families.

The bill also will focus limited housing

funds on those who most need aid. Currently most of the 30 million eligible families get no help at all while a lucky few receive large subsidies. With the costs of the programs there is little prospect of ever being able to help all these families arbitrarily defined as eligible so the bill reduces the income limit to 50 percent of the median income in the area. This reduced limit is substantially over the poverty level in most areas. I also point out to my colleagues that even last year the democratically controlled Senate adopted a reduction in eligibility limits.

As chairman of the Banking Committee, I believe even greater improvements in the efficiency of housing assistance programs are needed. The committee will continue to examine improvements in the delivery mechanism such as through housing block grants. Reductions in mandated costs, which include such measures as excessive minimum property standards and Davis-Bacon wage requirements, appear essential to make these programs more efficient. The committee will also look at ways of financing subsidized housing, including the current practice of using the Federal financing bank for the public housing program.

Other provisions in the bill affect FHA mortgage insurance programs, rural housing programs, and miscellaneous programs in HUD and I believe these are noncontroversial.

Mr. President, I think it is important to point out to the Senate that this bill meets the reconciliation targets adopted by the Senate. Furthermore, unlike longstanding past practices of annual reauthorizations for FHA insurance and other housing programs, this bill provides a 2-year extension of these programs so the committee and the Senate can more effectively spend time next year considering program oversight and improvements.

Finally, I commend Senator LUGAR for his diligent work on this bill as chairman of the Subcommittee on Housing and Urban Affairs and Senator ARMSTRONG for thoroughness and thoughtfulness of his proposals to improve the housing programs, many of which are incorporated in the committee bill.

UP AMENDMENT NO. 129

(Purpose: To amend title I of the bill to retain existing law with respect to community development applications and distribution of funds)

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE) proposes an unprinted amendment numbered 129.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading be dispensed with. I shall explain the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning with page 4, line 5, strike out all through page 12, line 14.

On page 12, line 16, strike out "SEC. 103." and insert in lieu thereof "SEC. 102.".

Beginning with page 14, line 6, strike out all through page 18, line 9.

On page 18, line 11, strike out "Sec. 105." and insert in lieu thereof "SEC. 103.".

On page 20, line 4, strike out "SEC. 106." and insert in lieu thereof "SEC. 104.".

On page 20, line 11, strike out "SEC. 107. (a)" and insert in lieu thereof "SEC. 105.".

On page 20, strike out lines 18 through 22.

On page 20, line 23, strike out "(2)".

On page 21, line 2, strike out "; and" and insert in lieu thereof a period.

On page 21, strike out lines 3 through 11.

On page 21, line 13, strike out "Sec. 108." and insert in lieu thereof "Sec. 106."

On page 30, line 24, strike out "SEC. 109." and insert in lieu thereof "SEC. 107."

On page 31, line 19, strike out "SEC. 110." and insert in lieu thereof "SEC. 108."

On page 32, line 2, strike out "SEC. 111." and insert in lieu thereof "SEC. 109".

Beginning with page 32, line 6, strike out all through page 34, line 15, and insert in lieu thereof the following:

TECHNICAL AMENDMENT

SEC. 110. Section 102(d) of the Housing and Community Development Act of 1974 is amended by striking out "103(a)(1)" and inserting in lieu thereof "103".

On page 34, line 17, strike out "SEC. 113." and insert in lieu thereof "SEC. 111.".

(At the request of Mr. CRANSTON, his name was subsequently added as a cosponsor of the amendment.)

Mr. PROXMIRE. Mr. President, this amendment would strike the substantive revisions of the community development block grant program contained in title I of the bill.

That title, it seems to me, properly could be called the Waste, Fraud, and Abuse Promotion Act of 1981, because if this bill goes through, on the basis of the General Accounting Office report, that is exactly what we can expect, inasmuch as they have documented the fact that even in the present program—which does require some degree of accountability—we have had abuse.

As the New York Times has pointed out, and I have referred to that editorial, if we let the animal off the leash entirely, we can certainly expect that the abuse; without accountability, without requiring any reporting, without even the effective discipline which we now have in the bill from the people in local communities, we can expect even greater abuse.

I offer this amendment because I strongly believe that the revisions contained in this legislation would drastically reduce the effectiveness of the community development program and cause the waste of millions of dollars of the taxpayers' money.

These changes, which upset the law's careful balance between local discretion and advancement of national objectives and which throw out provisions essential to assuring the proper use of public funds, were the major reasons why every member of the Banking Committee minority—every Democratic Senator—voted against reporting the bill. In fact, Mr. President, I am surprised that my Republican colleagues, so long the defenders of fiscal responsibility, would advocate provisions that contain such potential for the waste and abuse of the program's limited funds.

The changes the bill would make to the block grant program are dramatic and far-reaching: No longer would there be an application for CD funds explaining to HUD and to the public how a grant will promote a comprehensive strategy for community improvement.

In other words, that would not be necessary any longer. No longer would the applicant have to explain to HUD, explain to the Federal Government, in return for getting this money, these billions of dollars, how the grant would promote a comprehensive strategy of community improvement. If we lessen that kind of accountability, it is hard to believe that we would get the same kind of effort directed at solving the problem.

No longer would the Secretary be able to disapprove an application that would use funds in a manner clearly inconsistent with the purposes of the act. It is one of the reasons the New York Times is opposed to it. No longer would there be any formal structure for broad citizen participation in the community development planning process.

That is an element of control, to see that. Particularly in blighted areas, we have found a remarkable citizen response. We certainly have in Milwaukee, in Madison and other parts of my State, and I am sure it is true throughout the rest of the country: In areas where you have a great deal of poverty and where they normally are far less articulate, we did find leaders who would come forward and indicate their concern. Because of that, they would apply a degree of restraint and a degree of pressure to see that the program did serve the interests of the poor and of the low-income people.

Mr. President, while the bill would eliminate the application process, it would also weaken the Secretary's ability to conduct performance reviews which would be the only remaining method to assure that the taxpayers' money is not wasted.

Mr. President, you would normally think that, when you reduce these so-called requirements of accountability, the mayors and the communities and the counties and so forth would say, "Hooray, we do not want this redtape, we do not want to have to make this accountability." The fact is that title I is opposed by the National League of Cities; it is opposed by the Conference of Mayors; it is opposed by the National Association of Small Communities; it is opposed by the National Association of Counties; it is opposed by the National Association of Housing and Redevelopment Officials; it is opposed by the Work-Group for Community Development Reform; it is opposed by the National Low-Income Housing Coalition; it is opposed by the National Association of Neighborhoods.

The latter groups, I suppose, you might expect. But when you have a program of this kind opposed by local officials—including the mayors, including the counties—particularly when you have a situation where they did not really have an opportunity to testify—because, as I say, these proposals came up the very day they appeared. They had no chance

to check it with their membership, no chance for careful analysis, no chance for preparing statements in opposition—no wonder they opposed this kind of drastic and radical change.

I think it is to their credit that they indicate their opposition, although it would require a greater degree of accountability on their part.

The bill would also interpose State bureaucracy between HUD and small cities, by giving States the opportunity to receive the money from HUD and pass it on to small cities. For small cities, the link between CD grants and housing opportunities for low- and moderate-income people would be broken since these cities would no lcnger be requqired to accept such housing as a condition of their CD grant.

Mr. President, does anybody really think that many of these cities will provide housing opportunities for low- and moderate-income people, when they have resisted strongly? They have finally given in in many instances because that is the only way they would get housing money. When they do not have to comply, does anybody think the fundamental purpose of getting housing for low- and moderate-income people is going to be served by cutting the link?

Mr. President, my amendment is very simple: It would strike these changes in the CD law, and thus retain the current law. Current law results from a long history of carefully crafted compromises designed to strike a balance between local discretion in the use of funds, and appropriate Federal review to assure that the purposes of the program are carried out.

I believe it is vital that the Senate support my amendment for several reasons. First, the specific changes contained in the reported bill were the result of a hurried push by the Banking Committee majority to implement administration recommendations without benefit of adequate hearings and deliberation. As I noted in my opening statement, the proposals arrived at the committee a few hours before the scheduled hearings, and only a few days before the scheduled markup. The many organizations with important interest and expertise in the subject had no worthwhile opportunity to examine or comment on the proposed changes before the committee met to consider the legislation.

This brings me to my second objection: That there has been no evidence presented that these changes are necessary or even desirable for an effective community development program. True, we have heard complaints about overregulation and excessive zeal on the part of some HUD officials, and that the Department's regulations are difficult to comply with. But, these are primarily administrative problems that should be addressed by HUD. After all, those complaining so loudly about regulatory abuses are now in control of the regulatory process.

Who is running the show up there? Who is President of the United States? Who is Secretary of HUD? The Reagan administration is in charge, in firm charge, of the executive branch. If there are administrative difficulties, they can certainly solve them and they can do it without gutting this law.

Mr. President, I question whether there was a need for the kind of major statutory changes called for in this bill in order to make the CD program more responsive. Interestingly enough, my view was shared by the U.S. Conference of Mayors—the very group that we might expect to be most interested in a reduction of the Federal role in the CD program. In its letter to the committee expressing its concern about the committee's hasty action in marking up the bill, the conference stated that:

> We would like to emphasize that our members repeatedly have told us that the principal problems they have had with the CDBG program have stemmed from the regulation imposed in recent years which far exceed the intent of the statutory language.
>
> As we testified before the Subcommittee on Housing and Urban Affairs in 1980, we believe that the current statute is basically sound.
>
> What they are saying is:
>
> Yes, indeed, we would like to have the regulations simplified and clarified, which the Reagan administration can do without any change in the law, or without action by the Senate or the House.

But here we are knocking out the safeguards we now have, and it is wholly unnecessary, in the judgment of the people who have to live with this act, who know it intimately because they have lived with it for years.

So even the mayors agree that the problem with the CD program is not the statute—which represents that important balancing of interests—but the way HUD has administered the statute. It would seem more logical for HUD to try to streamline its administration consistent with the purposes of the program, before they come to Congress to claim the essential structure of the program is wrong.

My third objection to the bill's revisions of the block grant program is that they mean abdication of congressional responsibility to monitor the use of Federal tax moneys to see that they are expended in a sound, prudent manner. In this instance, deregulation of the CD program and too great a shift to the philosphy of local control would expose billions of Federal tax dollars to potential waste and abuse. I must again stress that the community development program represents a careful balancing of local discretion with Federal objectives. Restriction of the Federal role in this program will turn community development into revenue sharing with little ability to assure that Federal funds are used to carry out the purposes of the program. It was never intended that the community development program be a revenue sharing program.

Our former colleague, Senator Robert A. Taft, Jr., who was a good friend of mine at college before we both came to the Senate and who was a fine Senator from Ohio, commented in his views on the Housing and Community Act of 1974. This is what Senator Taft—who, of course, is the son of the late Senator Robert A. Taft, who was a Presidential candidate—said:

> A clear Federal directive is needed which channels (but does not mandate specifically) the use of funds. . . . I consider strong Federal directives for the program not to constitute support of bureaucratic "second guessing" but rather to be a necessity for fulfillment of the Federal responsibility to the taxpayers to promote the use of the money in as productive a manner as possible.

That was said by former Senator Robert A. Taft, Jr., of Ohio, a Republican, in stating his opinion when he was a member of our Banking Committee in 1974.

Mr. President, I believe that the statute as currently structured carries out Senator Taft's idea very well, and there is no compelling need to tamper with it to reduce the involvement of the Federal Government.

In fact, if there is any need to change the statute that governs the CD program, it should be in the direction of tighter, not weaker, Federal control. The GAO recently did a study for me of the effectiveness of the CD program in revitalizing America's cities. The results of their study are particularly alarming in view of the impact of the changes that this bill would make to the CD program. GAO found that HUD should require greater targeting of CD funds within communities if we are to have an impact on revitalization. Greater targeting, not less; not abandoning all targeting. Too much CD money is used for activities that have little relation to a community's real needs. Income limits have been too loosely set in some communities, and there is often no consistent pattern to the use of funds.

In summary, while the administration and the majority on the Banking Committee are calling for relaxation of the CD requirements—or as the New York Times said, letting the animal off the leash entirely— GAO says that Congress ought to take a hard look at the need for additional controls. I am not saying here that GAO is totally right and that we ought to legislate more controls on the program, but we have been put on notice by GAO that the direction in which this bill would take us is fraught with danger.

It is my view that the Senate, and the Banking Committee should reexamine the CD program to see how it could be made both simpler and more effective. Neither the bill before us, nor the process that produced it, have contributed to that goal. My amendment would retain current law.

Let me stress that. If my amendment is adopted, it does not mean we throw out everything. It means that we retain current law, which we have lived with and worked out, which is supported by the mayors and the counties, by those who work most closely with it. It would allow HUD and the committee the time to accomplish a more thoughtful and comprehensive analysis of the program.

I urge my colleagues to support an effective community development program by voting for the amendment I have proposed.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there

a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LUGAR. Mr. President, I oppose the amendment offered by the distinguished Senator from Wisconsin. It is an important amendment, because it addresses, I suspect, the basic change which the Reagan administration and Republicans on the Banking Committee have attempted to bring not only to title I but also to this entire legislation.

The Senator from Wisconsin has attempted to make the argument that, essentially, title I of our bill lets potential fraud off the leash—and he has cited the New York Times—and the general feeling that by failing to have applications that were of the order that the present legislation calls for, we would bring about mismanagement and the type of difficulty the GAO report describes, which the Senator from Wisconsin has illustrated with dramatic examples.

First of all, I simply wish to make the point that nothing in the bill we are discussing today, S. 1197, makes any change in the accountability of any government with regard to the expenditure of funds. As a matter of fact, the audit procedures have not been changed. I repeat that, because I believe there must be some misunderstanding that whereas in the present situation people are accountable, in the future they would not be.

I cite for the benefit of the record the excellent report which was established by the committee in preparation for this debate:

> For entitlement communities, the Secretary's review is conducted to determine whether the grantee has carried out its activities and its housing assistance plan in a timely manner and consistent with the three broad objectives of the Act cited in Section 104(b(3)—

I point out that those three broad objectives have remained the same from 1974 right through this current draft. There is no change in those objectives.

> Whether it has carried out those activities and its certifications in compliance with the requirements of Title I and other applicable laws, and whether it has a continuing capacity to carry out those activities.
>
> The Secretary's review of states which elect to distribute funds determines whether the funds had been distributed to localities in a timely manner and in conformance with the system described in its initial statement. In addition, HUD determines whether the state had carried out its certifications in compliance with Title I and other applicable laws and had conducted appropriate reviews of units of general local government receiving assistance from the state.
>
> The Secretary is authorized, where reviews determine that performance did not conform to the requirements, to make appropriate adjustments in future grants or state allocation amounts. With respect to assistance made available to units of general local government under section 106(d), the Secretary is authorized to adjust, reduce, or withdraw such assistance, or take other action as appropriate in accordance with the Secretary's reviews and audits. The Secretary is also authorized to provide such assistance directly to the units of general local government in the event that the Secretary found the state's action to be unsatisfactory with respect to allocating and administering funds. However, funds already expended on eligible activities under Title I would not be recaptured or deducted from future assistance to such unit of general local government.

Mr. President, that is not a change; that is the law. That is precisely what is in S. 1197. Any argument that S. 1197 makes fraud more possible and misspending more possible is simply erroneous.

It misses the fact that the audit procedure is identical.

If GAO finds difficulties, those difficulties might very well recur unless for some reason the new Secretary of HUD runs a more efficient shop.

It is not my purpose to engage in partisan rhetoric in the course of this discourse, but I might point out that the deficiencies that GAO found were found in a past administration and in audits conducted by that administration.

We are not suggesting that the audits be loosened. We, as a matter of fact, would commend to the Secretary of HUD the need to take to heart the deficiencies found by GAO in the administration of the past. But to somehow use those deficiencies as a way of discrediting S. 1197 is really to distort history very substantially.

What really is at the heart of this dispute on the amendment of the Senator from Wisconsin comes down to this word targeting and really who will determine priorities in a community and with what degree of labor those priorities will be obtained.

Mr. President, this act that we amend today commenced in 1974. The UDAG program was the successor for seven broad community development programs that were brought together into one. In 1974 there were communities such as Salt Lake City served by the distinguished chairman of our committee, Senator GARN, and the community in Indianapolis that I served as mayor at that time. I simply say during the committee deliberations we testified with some degree of expertise having been there, having filled out the forms. I suspect there are relatively few persons in this body among our colleagues who have had such a dramatic experience as taking a look at 2,600 pages of forms that the application contained in those days.

At one happy moment, and I have cited this in our opening statement, under Secretary Carla Hills and Assistant Secretary David Meeker, the application pages went down to apparently the low water mark of 52, not 2,600 but 52. During the markup we had a dramatic illustration of all of the equipment, all of the pages that used to be involved in making application for one of these things, stacks of books on top of each other, that actual mayors, actual councilmen, actual local governmental officials in this country faced because of action or inaction on this floor. We so seldom know the implications of what we do and the mischief it causes. But it was remedied by Miss Hills and Mr. Meeker, and 2,600 pages came down to 52.

Now, sadly enough, Mr. President, during the past 4 years the 52 has become 2,200. It is no wonder that the Reagan administration coming in now objected to 2,200 pages. I wish to make absolutely certain in our graphic senses we see the evolution of 2,600 pages down to 52, but during 4 years of the past HUD administration, back up to 2,200.

That really does not bring about any decrease in fraud. What it does bring about are headaches all over this country and it was not by accident all the pages accumulated. The pages accumulate because of targeting the desire on the part of the Federal Government to make certain that it intrudes in every process known to man and woman with regard to the application of UDAG. It is bureaucracy run amok. It has nothing to do with fraud. It has everything to do with people tinkering in local government.

Mr. President, this is an honest argument and there are many persons in our country who, as a matter of fact, believe the Federal Government knows best. If you are a true believer in the Federal Government and its intrusion you would be in favor of the 2,200 pages also. This is the way that we on the Federal side exercise our will.

The argument we are having today on title I comes in the simplification of the application, not in the audits, not in the antifraud provisions, but in the application. We are saying the application ought to be simple. It ought to hit head on the general objectives of this legislation to help poor people, to help provide decent housing to the poor, to focus our objectives on those who are of poor or at best moderate income in community development activities.

Those have been the objectives from the beginning and they are the objectives now, unchanged.

But it makes a whale of a lot of difference how you approach that application situation. I am sorry that in the markup it seemed to become a partisan matter, but so be it. We had an election last November. At least some of us felt the public said we have had enough of overregulation, bureaucracy run amok, control on top of control and we would like somebody to get in with the scissors and start cutting the pages out, and that we have done, the minority may feel with a vengeance, but I say with very great constructive intent and with deliberate speed.

I was surprised to hear the testimony of the U.S. Conference of Mayors. I have served as a member of the board of trustees of that body. I am well acquainted with most of the present membership of that board. I simply say that I do not know many mayors who in their heart of hearts are eager to have 2,200 pages as opposed to 52. In fact I became very suspicious of activity of that variety produced on the day of a markup and I suspect that in the leadership of that particular group there were a number of persons who simply, as a matter of fact, really like the old regime. As a matter of fact, we are a part of the old regime. But I simply say that is not the regime that came in with the election of 1980. And we are determined really to say to the country that it is time we went back to the spirit of the law of 1974 and that was a law that was fashioned by a Congress that had Democratic majorities on

both sides of the Capitol and a Republican administration, but it was an honest attempt to reduce Federal regulations and to bring about an application that gave local governments a clear shot at trying to meet these broad objectives of assisting poor people and bringing about standards of decent housing for the poor, and then provide for stringent audit by HUD which has remained ever since to make certain those objectives were fulfilled.

Let me comment briefly on the quotation that Senator PROXMIRE offered from our former colleague, Senator Bob Taft. Senator Taft's comment as quickly as I could transcribe it from Senator PROXMIRE's speech, talked about channeling rather than directing funds as the congressional responsibility, and clearly that is. Our responsibility here today is to try to think of how we are going to do some things about housing for the poor, about community development generally, to offer channels for that to occur. We are offering in this bill an exemplary attempt to give every citizen of the community the right to know the possibilities, the right to participate in the public hearing to be heard about those possibilities, the ability of local officials to respond to those citizen thoughts, and for procedures with local elected officials to move ahead, audited by HUD to make certain they met the general objectives.

That I think is constructive challenging and I believe would fully fulfill Senator Taft's ideas and ones which we on the majority side of the committee share.

Let me add just this final thought about the title I issue: I appreciate that this is a useful debate even if there is a difference of opinion because I think it highlights dramatically the difference between the view of federalism that the majority of the committee holds and the view of federalism which a part at least of the committee holds.

The view the majority hold on S. 1197 reflects this, and that is that there ought to be a maximum amount of local decisionmaking.

Most of us in public life, Republican and Democrat alike, have given speeches in which we have extolled the virtues of grass roots democracy, and we have pointed out how great it is to give people the right as locally elected officials, with public hearings, the grass roots opportunity to do what they wish.

Now we believe as a majority in actually implementing this when we have opportunities in statutes, and this is one of the first ones to come down the pike, and we have seized that opportunity, I think with enthusiasm.

The minority would have preferred, and may still prefer, simply to defer that debate altogether.

During the markup there was a complaint by the minority, which is repeated today, that there is so little time to think about all of this. Well, as a matter of fact, this has been a debate of our Republic for 200 years.

One does not need a whole lot of preparation to try to come to some determination as to what you think the role of the Federal Government ought to be vis-a-vis States and local governments. For our part we came fully prepared to debate that issue. We think the role of the Federal Government ought to be less. We think the application ought to be simple. We believe that the audit of moneys ought to be stringent.

I think it is a very clear-cut and concise policy which makes sense. I think the minority simply did not know what they wanted and stalled for time.

They may still, as a matter of fact, be calling for more time to regroup, to try to think through how you can have your cake and eat it, too. It is awfully hard to argue in favor of 2,200 pages and, at the same time, argue in favor of stronger local discretion. It simply will not sell.

Mr. President, I am hopeful that the amendment will be defeated soundly; that, as a matter of fact, we will proceed with title I in our bill, S. 1197. It makes a remarkable change. It sends the right signals to the country that we mean business and that we are prepared to try to give local discretion a chance.

Mr. GARN addressed the Chair.

The PRESIDING OFFICER (Mr. D'AMATO). The Senator from Utah.

Mr. GARN. Mr. President, I rise in opposition to this amendment. I certainly want to commend my colleague from Indiana for his excellent statement in opposition to this amendment, and I do not need to repeat what he has said because he has done it so adequately, except for one thing that I think needs to be emphasized.

As I look at the "Dear Colleague" letter from Senator PROXMIRE and others, the first paragraph really disturbs me because it simply is incredibly misleading. If you want targeting that is one thing. If you want more rules and regulations imposed on the mayors of this country, fine, and you can be for that. I do not happen to feel that way. It says:

> We intend to offer an amendment to overturn the Committee majority's action to strip the Community Development Block Grant Program of protections against waste and abuse.

Senator LUGAR mentioned that and he quoted the law. Everything else in the Dear Colleague letter is fine. The minority is entitled to their opinion. But as far as waste and abuse, the provisions we change have nothing to do with it whatsoever, and it needs to be emphasized that that is misleading to our colleagues. The auditing procedures are identical. That is a matter of HUD enforcing those auditing procedures. If there has been waste and abuse that is at HUD's doorstep. The changes we make have nothing to do with that. That must be pointed out.

To the staff who are listening to the squawk boxes before their Senators come out to vote on this amendment, let me say let us separate that issue out and get it to the point of whether we want more control over the mayors of this country or not. But let us not mix it up with fraud and abuse. The law is the same. I hope that point has been made clearly and sufficiently.

Let me also speak in opposition on a more general front. Fourteen years ago I was elected to the Salt Lake City Commission. It only took me about 3 weeks in office to start being discouraged with HUD.

For my entire 14 years in public office I have seen HUD grow with more and more controls, always with the excuse that they must dictate, they must target, they must decide what the purposes are.

My distinguished colleague from Wisconsin has heard this speech many times. I could sit down and he could give it for me. But, nevertheless, I will force him to listen once more. It is simply a matter of are we going to trust locally elected officials who are accountable and responsible to the voters in their cities or are we not? That has been an issue that Senator LUGAR and I have wrestled with for a long, long time because both of us served as mayors of our cities, as he said. Both of us served as officers of the National League of Cities, and both of us came back to testify time and time again before the congressional committees, before the Banking Committee, which I now chair, before the Finance Committee and the House committees. It was really rather demeaning to come back as an elected mayor of your city, having experience with local governmental affairs, working daily on housing and sewer and water and police and fire and all those services that are absolutely necessary to be provided from local governments, and be given 10 minutes to testify and be told "bring copies of your statement and we will ask you a few questions." This distinguished body of Senators, who have never had any of that experience would pat you on the head and say, "Go home, good mayor, and we will decide what is best for you."

Well, I am amazed that after all these years and all this money that has been spent by HUD, with so little effect across this country, that that philosophy still continues. That is one of the reasons why I ran for the Senate. I was tired of being treated like a little boy from the country, and decided that I should try to infiltrate. Maybe if I came to the Senate I could have some impact. But there are still those who think the collective judgment of 585 Congressmen and Senators somehow is better than the judgment of a mayor or city council elected in their city.

Again, most of those elected to the Congress have had no local government experience at all. Most of them came from law offices. We have got 70 lawyers in here, 71, I do not know, but certainly not too many who have actually been at the receiving end of HUD.

The reason I have to present this speech over and over again—and if I have to do it for the next 10 or 20 years I am going to do that—is because what happens in the implementation of the policy is Congress makes these policy decisions and they turn them over to HUD, and then we have GS–8's, 10's, 12's, and 15's, who are never accountable to any place in this country, creating these 2,600 pages of rules and regulations that Senator LUGAR talked about.

Just think of that. There is no doubt the Senate did not intend that at the time this act was created, but try to think of yourself as a mayor trying to

figure out those 2,600 pages. Think of the time and effort and wasted local taxpayers' dollars trying to satisfy these managers at HUD.

I have said many times we were not really mayors, we were the local managers for the Federal Government. But it was not even Congress that was really dictating to us. They were passing the buck to the bureaucracy and then the Federal civil servants, who have the next closest thing to eternal life you will ever find on the face of this earth. They are locked in where new Senators and new Presidents are only a minor irritation to them, and can yet create these page after page of rules and regulations.

Well, I finally started turning down Federal grants because they were to expensive to follow the rules and regulations. I turned down one-half of a million dollars of CETA funds the last year I was mayor.

So finally we have a majority in the Senate of the United States that really does feel we can trust some of these local government officials, and that we can get more for our dollars, more for the poor and the minorities, more in housing if we remove some of the strings.

So, yes, this is a very vital piece of legislation. And it certainly has not been dreamed up in the last 2 or 3 months. Some of us have been talking it for 6 years. It is not off the top of someone's head. Those of us who have worked with the A–95 review process and the application process I think are qualified to make some changes, to at least suggest some changes.

So this is an important debate today because it basically boils down to: Are we going to continue the dominance of Congress? The waste and inefficiency that has occurred in HUD over the last decade is a disgrace, primarily created by Congress. And now we are being told that it has worked so well let us continue it; do not change; do not let these locally elected officials have some discretion; continue to dictate to them.

And that is supposed to be efficiency. Hindsight is 20/20. I would suggest that the Senate look at the record of HUD and find out some of the abuses that are there. But you cannot blame it on the application process. That is part of the problem.

I do not know of any debate that I can think of that I feel more strongly about than this one. This amendment must be defeated. A very important principle that we are dealing with today is whether we continue to allow nonelected bureaucrats to make decisions for the cities and counties and States of this country, or are we going to turn some authority back. We should do this because you know there is a good, old-fashioned system in this country: If you do not like your local mayor, you can get a new one at the next election. But I would like someone to tell me how you get rid of the regional director of HUD in Denver, Colo., or any of the people who are sitting over there year after year, telling us how to run our cities.

So this is far more fundamental than what Senator PROXMIRE is talking about today. It is much deeper. It goes to the much more important subject of do we continue to centralize decisions in Washington, do we continue to have Senators with no local government experience decide what is best for 80,000 units of local government in this country, or do we give general, broad policy guidance to the cities and let them work within that framework, while still maintaining the control, as far as fraud and abuse?

I hope this amendment is overwhelmingly defeated, as it should be.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Thank you, Mr. President.

Mr. President, I rise in support of and am pleased to cosponsor the amendment being offered by the Senator from Wisconsin.

I would like to compliment the distinguished Senator from Utah and the distinguished Senator from Indiana for the work they have done on this legislation. I would respectfully like to try and bring the debate on this amendment back to center, however, and discuss what is at stake in this amendment.

I believe that the provisions in the bill represent substantial change for the worse in terms of our ability and the ability of our cities across this land to effectively deal with the statutory mandate as dictated by the community development block grant program when it was established in a bipartisan way back in the early part of the 1970's, beginning in the Nixon administration and carried forward in the Ford administration and, over the past several years, in the previous administration.

Mr. President, the committee bill calls for some very significant changes in the application and review processes under the community development block grant program.

These proposals could have the effect, I believe, of diluting the targeting of Federal resources at a time when these funds are decreasing and are being subjected to increasing demands at the local level as a result of reductions and terminations in other programs whose functions are to be absorbed within the community development block grant program.

Under the present law dealing with the block grant legislation, applicants are required to undertake a multiyear planning process and develop a comprehensive local strategy for meeting community development and housing needs which relate to the primary purposes and objectives of the program.

An application may be disapproved if a community's statement of need is plainly inconsistent with the available facts and data; if the proposed activities are plainly inappropriate in meeting the applicant's needs; or if the applicant proposes either ineligible activities or the program as a whole does not represent an adequate response to meeting the needs of lower and of moderate income persons in the community.

Those are the two income groups which were specifically designated in the original legislation to be assisted by this program.

In sum, Mr. President, the current application requirements and review process provide for maximum local flexibility in the definition of needs and response, within the context of broad national priorities and the general requirement that funds be expended so as to produce measurable results in response to locally identified needs.

Certainly, Mr. President, the authority that was created under this legislation may have been construed in recent years to require the imposition of excessive Federal requirements and directions. And I would agree with the two previous Senators who have spoken, Senator LUGAR and Senator GARN, that there has been an unfortunate increase in the number of regulations and directions coming out of HUD.

But what I am suggesting, and I believe what the Senator from Wisconsin is suggesting, is that let us deal with that problem. If there has been tinkering with the legislation so as to create problems at the local level—and we do have an administration presently in office which is committed to trying to reduce the intrusion of Federal regulations—then let us deal with that problem.

But what is presently in the bill and what we are trying to correct is to avoid any changes in the community development block grant program that would weaken the purpose of that legislation as it was designed in the very first instance. If we want a revenue-sharing program here, then let us do that.

But I do not think that was the intention of the original sponsors or the people who are deeply committed to seeing something done at a time of limited resources, with slums and blight in our cities across this land.

What concerns me, Mr. President, about the pending changes in the committee bill is the fact that we are embarking, frankly, on hastily conceived and considered statutory modifications before there has been any evaluation of the present administrative regulations and procedures.

We have heard the rhetoric about how many pages of Federal regulations the people have to deal with. Mr. President, I am not going to argue with that. But let us look at what these regulations are, and if there are some bad ones then get rid of them.

But we are making a decision here today without really determining whether or not some of the provisions that are in those regulations are, in fact, the kind of regulations that are going to provide some assistance for people in this country. That is what we ought to be doing.

This Congress is only 5 months old. We went through the markup of the legislation in a couple of days. We really did not get a chance to look at whether or not the administration was really going to try and do something about the regulations.

The Senator from Wisconsin asked for a General Accounting Office study to be done to assess whether or not the present law is working and how it is operating.

They came back and said it is not tight enough because taxpayers' dollars are being wasted in local communities across this country because they are not meet-

ing the needs that this legislation was designed to address when it was originally enacted.

That is what we ought to be doing, if we are going to be responsible about dealing with the housing problems—and that is what we are dealing with here today, the housing problems of low- and moderate-income families in this country. That ought to be what we are trying to accomplish.

So, Mr. President, the obvious problem, as I have mentioned, with this approach is that we are without a statement of locally developed need and a strategy for meeting that need on a multiyear basis.

I believe that it is impossible to determine whether a community's annual statement of objectives and activities represents a valid response to local conditions. In addition, how can we insure that limited funds—and we are going to be dealing with limited funds and everyone in this body knows that—are being focused on national priorities?

Again, that was part of the original legislation in this area and, again, it was a bipartisan effort. We are talking about the Nixon-Ford legislation here. We are not talking about Carter legislation. We are talking about legislation that goes back to a previous administration, an administration that embraced many of the same philosophies that are being embraced today by the present administration.

While I am all for, as I mentioned, increased local flexibility—and I think the overwhelming majority of people in this body support that notion—and certainly in the utilization of scarce Federal resources to give those local communities the options that they should have, my concern is that we should not signal a retreat in Federal concern for the effective utilization and targeting of Federal dollars.

How do we insure that community development block grant funds are being spent in accordance with the program's primary objectives of principally benefiting low- and moderate-income persons without a statement of local need and the ability to measure local objectives against this statement? How do we insure that funds are used over time so as to have an impact without any multiyear planning process or comprehensive strategy?

I would submit, Mr. President, that it would be impossible. We are simply laying the framework for increasing waste and abuse in Federal resources at the very time when we can least afford it. Local communities, in fact, have expressed their opposition to this change.

I find it somewhat ironic that the so-called beneficiaries of the present legislation as it is written are opposed to the very notion. The very communities that we are talking about here today have expressed in a loud and almost unanimous voice that present law is a lot better than what is being offered by the committee bill, and, in fact, they support the amendment being offered by the Senator from Wisconsin and other members of the committee.

They recognize what the problems are at the local level, and almost without exception across this country they have stood up and said, clean up the administration and lessen some of the regulatory requirements.

For these reasons, Mr. President, I would urge my colleagues on both sides of the aisle to show some sense of proportion here, to show some balance, some deliberation, so that we can deal with the community development block grant program in an environment of some rationality.

That we just do not come in without any kind of analysis whatsoever and talk about local communities and flexibility, and at the same time also talk about meeting the housing needs of people in the Nation.

I strongly urge my colleagues to support the amendment offered by the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I thank my good friend from Connecticut. What he said toward the end of his speech is unanswerable.

My good friends from Indiana and Utah talk about how the local officials want the change, how it is in their interest to have the change. What do they say? The National League of Cities, the Conference of Mayors, the National Association of Small Communities, the National Association of Counties, the National Association of Housing and Redevelopment Officials, the Working Group for Community Development Reform, the National Low-Income Housing Coalition, the National Association of Neighborhoods, and the National Urban League all unanimously, without exception, say they do not want title I adopted in its present form. They support, in effect, the Proxmire amendment.

It may be, as the distinguished Senator from Utah indicated, that Senators who have not served as mayors, and some of us have not, do not know what they are talking about when it comes to this kind of thing. But it is hard to believe that mayors who serve now, who have served under this legislation for years and years, do not know what they are talking about.

They speak, as you say, emphatically and clearly. They reject title I. They do not want title I. They say that the problem is not in the statute. The statute is a statute that they say they can work with. Their problem, they say, is in the regulations.

As I say, the new administration, and I share their view, is an administration that wants to reduce regulations sharply. I agree with that wholeheartedly. They are in office and have the power and responsibility to do it.

For that reason, Mr. President, I would hope that Senators would support this amendment and knock out this change.

My good friend from Indiana indicated that there was, in effect, as I understood him, no real loosening of auditing or control.

Well, Mr. President, I could not disagree more. The fact is in the first place there is no longer an effective requirement for people in the local community to participate in the planning process, particularly the people in the blighted area itself, people who have voluntarily had a part to play in working out these applications in the past. There is no effective provision in this proposed law that they could continue to participate.

It is true that the Sarbanes amendment was accepted in committee. What that amendment does, as we all know, is to require a hearing. It does not say when the hearing will be. The hearing can be after the proposal is all put together. As we know, that may well be the case in some communities where they do not have the kind of regard for the people in the blighted area that they should have.

Mr. LUGAR. Will the Senator yield for a question?

Mr. PROXMIRE. I am happy to yield.

Mr. LUGAR. I would simply raise the question as to how this particular argument pertains to fraud. In other words, how this would tie in with fraud and pertinent to the activities cited in the GAO report?

Mr. PROXMIRE. What that would tie into would be developing a program that really serves the needs of the local community as the people who live in that community see it. It would be quite different. If the Senator wants to know how this would tie in with fraud and waste, I am coming to that.

I do think it would tie into what is the fundamental purpose of this act, the reason we are providing a great deal of money. It is because we want to see that these blighted communities are served. We want to see legislation enacted that permits the people who live in the community the opportunity to speak effectively.

Mr. LUGAR. We have no disagreement on that. We all want to save blighted communities, but the Senator's arguments speak of loosening up the program. There seemed to be an implication that the changes in the application procedure and public hearings would in some way increase fraud or misuse of funds.

The debate we are engaged in is on the manner in which we should direct resources, which is important in terms of allocation, but does not pertain to fraud, review authority, or illegal use of funds.

Mr. PROXMIRE. Let me come to the other point. The point I made still stands. The Senator from Indiana has not shaken it. That was the opportunity for local people in the local community to be heard effectively on the kind of program they will have to live under and the kind of assistance that will be given to the community will not be heard effectively.

Now we come to the other part.

Under the bill as we have it now, as it would change the law, we would no longer have the requirement that performance review addressed where the grantee has carried out a program substantially as described in its application.

As I understand it, the application is designed to be the link between the local program and national objectives.

The part of the law that is knocked out is the part that sets forth that the application set forth a summary of a 3-year community development plan

which identifies community development and housing needs, demonstrates a comprehensive strategy for meeting those needs, and specifies both short- and long-term community development objectives which have been developed in accordance with area-wide development planning and national urban growth policies; second, formulates a program which includes the activities to be undertaken to meet its community development needs and objectives; third, describes a program designed to eliminate or prevent slums and blight, improve conditions for low and moderate income persons residing in or expected to reside in, as a result of existing or projected employment opportunities in the community, housing opportunity plans approved by the Secretary.

All of that which was required to be in the application is, under the title of the bill that is before us, eliminated. It seems to me that this would mean that the money would be far less likely to be spent to achieve the national objectives on which we jointly agree.

That is the part of the bill which I think is a mistake. That is the reason why I think the funds are less likely to be spent in the way the Congress earnestly desire them to be spent.

We do have, as the Senator has indicated, an objective finding and purpose of this bill, which, of course, has far less effective control than requiring that the application include this particular data.

Mr. President, I yield the floor.

Mr. TSONGAS. Mr. President, I understand that there is a time constraint, so I shall try to accommodate the Senate. Let me just make a few remarks, if I may.

COMMUNITY DEVELOPMENT PROGRAMS

Mr. President, for 20 years or so, we spent more money on urban renewal and various other unsuccessful urban experiments than we did to rebuild Europe under the Marshall Plan. We wasted a shameful portion of that money before we settled on a few important principles—principles supported by both Democratic and Republican administrations up to now. Those principles are:

First, target Federal funds to those who lack fiscal capacity to solve their own problems.

Second, use Federal funds to maximum advantage—as glue money for other public and private sector development efforts.

Third, insure that Federal and any other community and economic development funds are used to further a planned strategy for long-term economic growth, jobs and taxes.

In passing the CDBG program 7 years ago, Congress specifically rejected the notion that we create a revenue sharing program for community development, and embraced these principles as an alternative, to insure that the taxpayers' money would be spent wisely and effectively.

Last year, when we reauthorized CDBG for an additional 3 years, we looked at the law with great care. In thousands of pages of testimony on that law, not one word indicates that the law itself places undue burdens on local government. Many would say—and I would agree—that much can be done to relieve the regulatory, policy, and paperwork burdens on those governments without changing the law.

No evidence has been given that we should weaken the law, but evidence recently was given by GAO that we should consider strengthening the law.

No evidence has come forward to indicate that the link between smaller cities and HUD should be changed, or that smaller communities will benefit by changing from an objective HUD scoring system to a State-administered system with no guidelines and unclear controls on allocation of funds.

Now the administration has come forward with a proposal to eliminate application and review requirements. This includes elimination of requirements for a comprehensive strategy, to insure that CDBG funds are spent for solid, long-term economic and community revitalization purposes.

This includes elimination of the requirement that major physical development projects financed by the ACTION grant program be shown to be part of that strategy.

And with no justification, and certainly with no careful consideration of impacts, the administration proposes to give States the option to run a free-wheeling program for small cities.

The few requirements for this State control raise serious questions. For instance, the State is required to provide a 10-percent cash match. Is this 10 percent above and beyond projects already planned? The law does not say. Is this 10 percent to be allocated in proportion to each grant, or only for the first city in line?

Can the State run a long-planned highway through four towns and call it a 10-percent match? The law does not say. The law makes no provision for protecting those small cities which have received 2- or 3-year comprehensive grants, and may face termination of their programs in midstream if the program is taken over by the State. I want to question the distinguished chairman a little further on this specific point, and I hope to do so at some time.

I am strongly opposed to eliminating the statutory controls on expenditure of CDBG funds. I feel confident that we have examined this issue fully and fairly and have found no evidence to make these changes.

I am strongly opposed to transferring the small cities program to the States, because we have had no opportunity to examine the impact of this proposal, and no evidence that this move is warranted.

I ask unanimous consent that a letter on this issue from Mayor Jean Levesque of Salem, Mass., printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION OF SMALLER COMMUNITIES,
Washington, D.C., April 16, 1981.

Re proposed transfer of HUD Small Cities Program to the States.

DEAR ——— ———: In testimony given before the House Subcommittee on Housing and Community Development on March 19th, David A. Stockman indicated that HUD is presently considering transferring the C.D.B.G. "small cities" Program to the states in 1982 in order to more completely centralize this program.

As Chairman of the National Association of Small Communities (NASCO), I am concerned and upset that organizations such as NASCO, The National Association of Towns and Townships, the National League of Cities, Small Cities Advisory Council and other appropriate organizations were not notified of this totally new direction for the program, and also did not have the opportunity to work with HUD and OMB on this and other alternatives to realistically deal with the problems and needs of our smaller communities. Therefore, I strongly urge that greater involvement of states in the program not be pursued. As you no doubt know most states presently lack staff capacity to run the program and the performance by many states under the technical assistance program of Section 107 reveals for the most part a very marginal ability when compared with the assistance available from representatives of the HUD area offices. Moreover, it is the feeling of most local officials that the federal review process is objective and not politicized as most state grant processes have become.

What small cities need is a lowering of the entitlement threshold so that a significant number would have direct access to HUD funds on an entitlement basis. The mechanics for competing for the small cities funds should also be simplified. Both of these improvements to the Small Cities Program are best achieved in the context of the program remaining at the Federal level.

We urge your objection to any legislation which would transfer the program to the states!

Very truly yours,

JEAN A. LEVESQUE,
Chairman.

Mr. TSONGAS. Mr. President, the report which accompanies this bill justifies these changes on the grounds of unwarranted Federal regulatory intrusion and burgeoning administrative hurdles.

It says we have gone from 52 pages to over 2,000 pages of regulations in 7 years. I do not want to quibble over the total number of CDBG regulations for the entire program, but I must point out that the HUD regulations for the application and review requirements, for both small and large cities—which means that not all cities are subject to all requirements—appear to be about 52 pages.

I may have missed a few hundred pages, but I cannot have missed 1,950 pages. So let us not say we are eliminating 2,000 pages of regulations by ending the protections in the laws.

Again, while local officials have complained about the need to reduce paperwork, and those complaints are justified, let us not say we need to reduce effective use of the taxpayers' money in order to reduce paperwork. Let us call it what it is—negligent use of tax money for no purpose.

In conclusion, let me say that these community development laws are more to me than words on a piece of paper, or formula calculations on a computer printout. I spend a lot of time bringing these programs to life in Massachusetts.

I know that, absent these requirements, a lot of cities will continue to do a good job. But if we want to avoid going back to funding golf courses, we should

not abandon 7 years of careful fine tuning and leave that possibility open.

If the States were to take control of the program for small cities, I am sure that some—like Massachusetts—would spend the money well, because they have a proven track record in community development.

But there is no justification for placing a new layer of bureaucracy between local government and these funds, and certainly no reason to give the States the opportunity to subvert the objectives of this program.

Mr. President, we do not need to enact these provisions. We have an authorization. We are not required to take this action in order to comply with reconciliation. We shall make a big mistake if we act now in haste, and our actions result in unwise expenditure of scarce Federal funds.

Let me make two other remarks, Mr. President. I do not believe any Member of the Senate spends as much personal time as I do working on cities. Just in terms of the scheduling of my time in Massachusetts, I spend a lot of my time working with individual mayors on the issue of revitalization. The cities in our State have had a lot of bad years and it is a challenge to try to bring them back.

First, I can state with certainty that if you make changes in the CDBG program, or cut it back, the opportunity for these cities to engage in their own revitalization will be severely diminished. I think anyone who has worked with cities would arrive at the same conclusion. I think the statement by Senator PROXMIRE indicating how these cities feel about the changes is rather conclusive.

Second, I want to make a prognosis. In my opinion, the best urban revitalization program is the UDAG program. That program also happens to be the one with the most stringent terms and conditions for targeting resources. A program like public service CETA, with less stringent targeting, has been subject to great abuse.

I believe that, potentially, one way to eliminate the CDBG program is to take all the restrictions out of the law. Then it will be abused and the abuse will become the rationale for killing the entire program.

It seems to me if we are going to kill it, let us do it in a way that shows what we are doing and not in this rather strained way that I think does justice neither to the opponents nor to the program itself. I urge that the amendment of the Senator from Wisconsin be approved.

Mr. President, I would like to engage the chairman in a colloquy about one of the provisions of title I, if I might. As he has explained, the bill would permit States, at their option, to take over administration of the small cities community development block grant program.

In my State of Massachusetts, many, many communities participate in the small city program.

Many of these communities are participants in the comprehensive small cities program, administered by HUD to encourage comprehensive community development planning and programing for small cities.

As the chairman knows, communities participating in this program are not given 3-year contracts, but are awarded funds on an annual basis, pending sufficient appropriations and adequate progress in meeting the previous year's goals.

Consequently, there are many communities now in the first, second, or third years of planned, comprehensive grant programs which face the possibility of State administration of the small cities program in fiscal year 1982 and beyond.

Now, it is my understanding that some very considerable portion of the funds which would be made available for nonentitlement grantees in fiscal year 1982 and fiscal year 1983 has been committed, in effect, through the comprehensive small cities program.

I know that for my State of Massachusetts, the figure would be very high, since a high proportion of my State's small cities are participants in the comprehensive grant program. Mr. Chairman, am I correct in my reading of S. 1197 that there are no statutory provisions which require States to honor these multiyear commitments where they have been made by HUD in previous years?

Mr. GARN. That is correct.

Mr. TSONGAS. Would I also be correct in assuming that the committee assumed when drafting this legislation that the States would honor multiyear commitments made by HUD, even though the statute does not specifically require them to do so?

Mr. GARN. The committee based its decision to offer States the option to undertake the administration of the small cities program on a belief that many States have the capacity and the willingness to run sound community development programs.

The committee believes that States can run these programs with more sensitivity and understanding of local problems than the Federal Government.

Thus, the committee would be very surprised to find that States which opted to take over the small cities program were not prepared to honor these commitments, insofar as they are clearly responding to the needs of communities which adopted multiyear programs to address their needs.

Mr. TSONGAS. I appreciate that statement. The chairman would agree, then, that it was the committee's intention, and therefore the intention of the entire Senate in adopting these changes to title I, that States opting to take over the small cities grant program would be expected as a condition of such a takeover, to honor and fund those multiyear commitments which cities undertook with funding and approval from HUD in previous program years?

Mr. GARN. Yes, that would be correct.

Mr. TSONGAS. Would the chairman further agree that the Senate would expect the Secretary of HUD, when issuing regulations to enact this provision, to include in those regulations a requirement that States agree to honor and carry out to their completion multiyear commitments made to communities in previous program years by HUD?

Mr. GARN. Yes, I certainly would expect HUD to include such a requirement in the regulations.

Mr. TSONGAS. Once again, I would like to thank the distinguished chairman of the Banking Committee for this opportunity.

ORDER OF ROLLCALL VOTE TO OCCUR AT 3:30 P.M. TODAY ON UP AMENDMENT NO. 129

Mr. STEVENS. Mr. President, it is my understanding that the distinguished Senator from Wisconsin has an amendment that is pending that is ready for a a vote at this time. Have the yeas and nays been ordered on that amendment?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. STEVENS. I ask unanimous consent that the rollcall on the amendment of the Senator from Wisconsin occur at 3:30 this afternoon.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that that amendment be set aside and that other amendments be in order. I announce that it is our intention that if rollcall votes are ordered on any amendments called up between now and 3:30 p.m., they will occur following the rollcall vote that has been ordered on the amendment of the Senator from Wisconsin.

We also hope that we will be able to finish this bill by 4:30 this afternoon. We will have more to say about that later.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

UP AMENDMENT NO. 130

(Purpose: To amend section 201 of the Housing and Community Development Amendments of 1978)

Mr. DODD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. DODD) proposes an unprinted amendment numbered 130.

Mr. DODD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER Without objection, it is so ordered

The amendment is as follows:

On page 66, between lines 18 and 19, insert the following:

ENERGY EFFICIENCY EFFORTS

SEC. 213. Section 201 of the Housing and Community Development Amendments of 1978 is amended—

(1) by redesignating subsection (h) as subsection (i); and

(2) by inserting after subsection (g) the following:

"(h)(1) Notwithstanding any other provision of law, in exercising any authority relating to the approval or disapproval of rentals charged tenants residing in projects which are eligible for assistance under this section, the Secretary—

"(A) shall consider whether the mortgagor could control increases in utility costs by

securing more favorable utility rates, by undertaking energy conservation measures which are financially feasible and cost effective, or by taking other financially feasible and cost-effective actions to increase energy efficiency or to reduce energy consumption; and

"(B) may, in his discretion, adjust the amount of a proposed rental increase where he finds the mortgagor could exercise such control.

"(2) The Secretary may waive one or more of the requirements of this section and may provide financial assistance to an owner of a project which is eligible for assistance under this section in order to assist the owner in carrying out a plan to upgrade the project to meet cost-effective energy efficiency standards prescribed by the Secretary.".

Mr. DODD. Mr. President, this amendment addresses the serious situation threatening the viability of the existing inventory of HUD insured and subsidized housing developments in my State and in many other areas of the Nation experiencing rapidly escalating utility costs. Our failure to take immediate and cost-effective actions to promote energy-efficiency in this inventory would place this housing beyond the financial reach of those it is intended to serve and would substantially increase Federal costs.

The situation this amendment addresses stems from the very nature and design of the prior HUD insured and subsidized programs. Unlike the section 8 program which provides for annual subsidy increases in response to increased operating costs, these HUD subsidy programs—section 236, section 221(d)(3) program which provides for annual supplement—provided fixed levels of assistance which do not increase in relation to income changes or cost increases. Principally as a result of increasing utility costs, many residents of these developments now pay excessive portions of their incomes for rent and have no housing alternatives.

The problem, Mr. President, is that the owners of these projects have little, if any, incentive to conserve energy and no available source of Federal assistance for needed improvements. Since HUD regulates rents in these buildings, a rise in utility bills prompts mortgagors to apply to the Department for rent increases to cover the additional expenses. In most cases, HUD simply verifies the increase and rarely considers whether all financially feasible steps have been taken to reduce utility expenses. The increase is granted and residents bear the full impact through increased rents. As long as HUD will approve these costs and the residents pay for the increases, mortgagors have no economic incentives to reduce costs by conserving energy or seeking lower rates.

In response to this situation, the first portion of my amendment would require the Secretary to assess the extent to which rent increases requested by the owners of these projects result from increased utility costs and the degree to which the owner has taken steps to decrease energy consumption.

The Secretary could approve less than the full increase, but my intent here is not to limit the ability of owners to secure necessary operating income.

Rather, the purpose here is to insure that owners know future rent increase requests will not be approved automatically if they continue to avoid reasonable, cost-effective actions to mitigate utility costs and the resultant effects on tenants.

For example, owners should be expected to try and secure the lowest utility rates possible for their property and implement cost-effective energy conservation measures using available project reserves or Federal and local assistance.

This amendment will not deprive owners of rent increases to which they would otherwise be entitled but rather would insure that such increases are limited to circumstances outside the owner's control.

Because these conservation improvements often increase costs in the short-term, I believe that it is essential that the Federal Government provide funding for these efforts as a last resort in order to maintain these housing resources at affordable rents for the low- and moderate-income families for whom this housing was designed to serve.

The simple fact is that there is currently no Federal funding source to provide direct assistance to project owners to make this housing energy efficient.

Modest expenditures for this purpose would be more than offset by the future energy savings and the reduction in the ultimate Federal contribution needed to keep this housing within the means of its residents.

While funding to increase the energy efficiency of these projects is permissible under the program of operating assistance for troubled multifamily housing projects enacted in 1978, the requirements for receipt of this assistance are geared to a more comprehensive treatment of the management and capital improvement needs of financially troubled projects.

In sum it is difficult, if not impossible, to obtain funding under this program exclusively for conservation activities absent other serious deficiencies.

The purpose of this assistance, however, is to maintain the financial soundness and low- and moderate-income character of the subsidized projects.

Making these projects energy efficient contributes to this objective, particularly in light of recent utility cost increases.

With this in mind, the second part of my amendment gives the Secretary the discretion to waive certain requirements under the troubled projects program in order to provide mortgagors with assistance to implement a cost-effective energy conservation plan.

It simply does not make sense to require these projects to become more distressed overall before they can become eligible for this assistance.

The decisions as to which comprehensive requirements would be waived and the use of funds for energy conservation are left to the discretion of the Secretary.

I envision that this change would enable the Secretary, at his discretion, to use this authority in circumstances consistent with the purposes of this assistance and only upon a determination that the owner is incapable of making these improvements without creating an additional cost burden on residents.

These activities would be funded from the available appropriation for the troubled projects program and would not result in any increase in budget authority or outlays.

In conclusion, I hope that my colleagues will agree that these amendments represent a modest and prudent step, within the current budget limitations, in support of both enhanced, cost-effective energy conservation and the protection of the very valuable investment of the Federal Government in the housing inventory for our lower and moderate-income citizens.

Mr. LUGAR. Mr. President, we believe that the amendment offered by the Senator from Connecticut has merit and will be delighted to support the amendment.

Mr. PROXMIRE. Mr. President, I commend my good friend from Connecticut for coming forward with this initiative to provide incentives to increase the energy efficiency of HUD subsidized housing developments and thereby mitigating the potential impact of rent increases on low- and moderate-income residents.

As I understand this amendment, HUD would be required in the consideration of proposed rent increases for these developments to consider the extent to which owners can and have taken cost-effective energy conservation measures within their control.

In addition, the Secretary would be given the discretion to use funds appropriated for the troubled projects program to finance these needed improvements.

This amendment will not result in any increased costs and, in fact, in the long term should result in a savings to the Government to the extent that energy consumption is reduced and the likelihood of future income subsidies or insurance claims is mitigated.

For these reasons, I am pleased to accept the Senator's amendment on behalf of the minority.

Mr. DODD. I thank my distinguished colleagues from Wisconsin and Indiana for their support of this amendment. I appreciate the assistance they have given me in developing the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 130) was agreed to.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 131

(Purpose: To strike section 211 of the bill)

Mr. ARMSTRONG. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. ARMSTRONG) proposes unprinted amendment numbered 131:

On page 63 of the bill, strike lines 23, 24, and 25, and strike the entirety of pages 64 and 65 of the bill.

Mr. ARMSTRONG. Mr. President, before addressing myself to the subject of this amendment, which I will do quite briefly, let me just take this occasion while I am on my feet to congratulate the distinguished subcommittee chairman and the ranking minority member and the others who have worked to bring this bill to the floor.

In my judgment, the legislation which we are now considering corrects some very serious difficulties with the present program of subsidized housing. If there were ever a moment in the life of this country when it was important for us to target our resources to be sure that the truly needy received the first and largest allocation of scarce resources and to wherever we can eliminate wasteful or abusive practices, this is obviously the time and place, and I believe that this bill does much to accomplish that purpose, and I think it is a very worthy thing and I do congratulate the managers of the bill in making that possible.

The amendment is a very simple one. It strikes from the bill a section which was inserted originally at my suggestion which provided for an interagency task force consisting of HUD, OMB, and Treasury to report to Congress within 6 months on three matters:

First, the direct and indirect Government cost on a per-unit basis of providing housing under the three major Federal rental housing assistance programs; second, the least expensive means of federally financing section 8 projects; and third, what additional Federal resources will be required to protect the Federal Government's current investment in already subsidized Federal housing projects.

This study is, in my judgment, urgently required for reasons which are spelled out in some detail in the committee report.

However, I am disposed to strike this from the bill upon the assurances by the Department that they are prepared to go forward with that study in an expeditious manner and furnish to Congress the information which is requested by the bill or which is directed by the bill in its present form.

I am particularly inclined to do so because of my very high regard and friendship for the Assistant Secretary of HUD for Housing who has expressed great personal interest in conducting a study along the lines which are contained in this section, and I have every confidence that under his leadership and that of others in the Department the study will be conducted and, therefore, the statutory language is not necessary.

With that explanation, Mr. President, I move the adoption of this amendment.

Mr. LUGAR. Mr. President, I compliment the Senator from Colorado on his very constructive amendment, even more so on his generosity of spirit in striking language which he offered in the markup.

But as the distinguished Senator has related, he has visited with the Secretary of HUD and with others and has been reassured that the objectives that he sought are shared by them and will, in fact, be implemented. We are delighted to support his amendment.

Mr. PROXMIRE. Mr. President, the amendment of the Senator from Colorado, as I understand it, would withdraw the requirement of this study that is in the bill. It would do so because, as I have been told, this study will be made anyway by the administration.

And I wish to say, of course, I accept the amendment and am happy to support it.

The PRESIDING OFFICER. Is there further debate?

The question is on agreeing to the amendment of the Senator from Colorado.

Mr. ARMSTRONG's amendment (UP No. 131) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 129

Mr. CRANSTON. Mr. President, I wish to speak briefly on the amendment that has been proposed by Senator PROXMIRE.

I am very happy to cosponsor the amendment which would delete all of title I of the housing and community development amendments in S. 1197 except for the program dollar authorizations and the sections dealing with the authorization of the urban development action grant program. The remainder of the provisions contained in title I of S. 1197 are so onerous that a bipartisan effort to improve the proposed title would be pointless.

In an effort to relax Federal regulation of community development block grants (CDBG) the committee majority voted to amend the existing statute so that:

First, the current application procedure for requesting CDBG funds is deleted;

Second, the secretarial review process is weakened to the point where review of the community's proposal occurs after the project is funded;

Third, the existing requirement that a comprehensive community development plan and strategy be submitted is dropped;

Fourth, citizen participation requirements are weakened; and

Fifth, a State block grant program is created.

If these provisions are adopted I am concerned that the ability of the Federal Government to assure that CDBG funds are targeted to low-income persons and to projects that will have an impact on revitalization of a community will be significantly weakened. Because the community will be able to substitute a statement of objectives, published in a local newspaper, that is not reviewed by HUD in lieu of a formal application, the Federal Government will not have the opportunity to comment upon the proposed use of Federal funds until after the project is funded. This could lead to abuses and waste in the program. Communities could fund projects including swimming pools, tennis courts, and saunas under the guise of redevelopment and not use the funds for the benefit of low-income people. The projects would be well underway before HUD would have the opportunity to curtail this kind of abuse.

This change in the formal application procedure by the Republican majority is a perverse attempt to permit cities to avoid using CDBG funds for low- and moderate-income people as set out in the purposes of the act. The elimination of the application process and the reduction of participation of low-income persons in the development of the redevelopment plans for their communities will allow cities to revitalize low-income areas without considering the needs and desires of low-income persons who live in those areas.

These changes have been adopted by the committee without adequate hearings or comments. In fact, a recent GAO report found that even under the existing program communities fail to effectively target their funds, and that the funds are often used for questionable purposes. GAO concluded that tighter oversight was needed to assure that progress is made in carrying out the purposes of the act. Title I of this bill contradicts the intent of the GAO report which calls for stronger Federal controls. I do not consider title I to be a responsible approach to the disbursing of CDBG funds to communities.

Mr. President, these changes transform the program into little more than a revenue-sharing program which is not the intent of the CDBG program. It was specifically designed to allow for Federal controls so that localities would not abuse the discretion they are afforded in the act. Congress has a responsibility to assure that Federal funds will be used in a manner consistent with the purposes of this act. I am very concerned about the potential for abuse that would occur if this title is enacted and it is for this reason that I urge my colleagues to vote for this amendment.

I yield the floor.

Mr. SCHMITT. Mr. President, what is the pending business?

The PRESIDING OFFICER (Mr. COCHRAN). The pending business is S. 1197. There is no amendment pending at this time.

UP AMENDMENT NO. 132

(Purpose: To reduce the section 516 authorization)

Mr. SCHMITT. Mr. President, I send an amendment to the desk which is in the nature of a technical amendment. and I believe the managers of the bill have agreed to accept it.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. SCHMITT) proposes an unprinted amendment numbered 132.

Mr. SCHMITT. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 106, line 9, strike out "$49,000,000" and insert in lieu thereof "$24,000,000".

Mr. SCHMITT. Mr. President, I believe the distinguished manager of the bill, Senator LUGAR, understands this amendment. It merely corrects the legislation to follow the intent of the committee. An inadvertent error in amount was included, and this amendment will correct that error.

Mr. LUGAR. Mr. President, I am pleased to commend the Senator from New Mexico for a very constructive amendment, for his careful and thoughtful attention to detail. Obviously, we support the amendment.

Mr. PROXMIRE. Mr. President, I understand this amendment is required for reconciliation, and therefore I am happy, of course, to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment (UP No. 132) was agreed to.

Mr. SCHMITT. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LUGAR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection; it is so ordered.

UP AMENDMENT NO. 133

(Purpose: To reallocate unused entitlement funds)

Mr. RIEGLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Michigan (Mr. RIEGLE) for himself, Mr. DIXON, and Mr. LEVIN, proposes an unprinted amendment numbered 133.

Mr. RIEGLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 15, beginning with "added" on line 3, strike out all through line 5 and insert in lieu thereof "reallocated in the succeeding fiscal year among the metropolitan cities and urban counties of the same State on the basis of a formula under which the amount reallocated to each such city or county bears the same ratio to the total amount reallocated to the metroplitan cities and urban counties within that State as the ratio which the amount allocated to that city or county pursuant to the preceding provisions of this section bears to the total amount allocated to the metropolitan cities and urban counties within that State.".

Mr. RIEGLE. Mr. President, I am offering this amendment on behalf of myself, Senator DIXON, Senator LEVIN, and Senator PERCY.

This amendment addresses the need to reallocate community development block grant funds after they are allocated by formula to communities that for a variety of reasons do not participate in the block grant program. Under present law, funds that are allocated to a community but not used are redistributed by HUD to other nearby communities. First priority goes to other communities in the same metropolitan statistical area. Second priority goes to other communities in the same State. Funds have not been redistributed outside the State.

The bill before us would change that approach by having HUD recapture the funds at the national level and then add the recaptured amounts to funds distributed by formula nationwide in the subsequent fiscal year. The administration sees this approach as one more way to reduce HUD's role in community development decisionmaking.

Mr. President, my amendment moves in the direction that the administration favors, but avoids a significant loss of funding that would be suffered by several States under the committee's reported bill.

This principally has an effect in about six States, Michigan, of course, being one, and California, Illinois, Texas, Wisconsin, and Connecticut being the others.

The reported bill would distribute funds from those States across the entire 50 States. The total amount of money involved is not great, so no community would gain noticeably under the administration's new approach. The amounts involved are $16 million, or only 0.4 percent of the total block grant program. However, for the States that are adversely affected, there are significant losses.

I have talked with the chairman about this matter and the ranking minority member. It would be my hope that the committee would accept this amendment.

Mr. LUGAR. Mr. President, I would like to support this amendment and will do so and recommend that the Senate approve the Riegle amendment. I believe it to be a constructive change.

Essentially, the current law provides for reallocation in the metropolitan areas where funds are lost. This has proven to be complex on some occasions.

Senator RIEGLE's amendment provides for recapture within a State. There was, of course, an intent, as the Secretary of HUD presented his ideas, that this money might be reallocated on a national basis as opposed to being recaptured in a State. Clearly, that course is arguably better. But, at the same time, it would appear to us, at least, that there is commonsense in the State recapture provision.

The sums of moneys are not large. As Senator RIEGLE has pointed out, apparently $14 million is involved out of $3.6 billion. So that, in our judgment, the question is a close call, but we commend the Senator for a constructive amendment and support it.

Mr. RIEGLE. I thank the Senator very much for his support and comment.

Mr. President, the approach I propose would be consistent with the policy adopted last year for section 8 housing funds and with the policy the committee is proposing for small cities this year.

Mr. PROXMIRE. Mr. President, I am happy to support this amendment. It is a good amendment. It keeps funds within the State where they were originally allocated and thus reduces the pressure on other communities within the areas which would be burdened if they were not kept there. Also, it is consistent with what we have done for housing assistance funds. It is not a new procedure. It is consistent with a policy we have already established.

I commend the distinguished Senator from Michigan on the amendment. I ask unanimous consent that I may be listed as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, I am delighted to have the support of the Senator.

If there is no further comment, I again thank both the chairman and the ranking minority member for their support and ask that we vote now on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan (Mr. RIEGLE).

The amendment (UP No. 133) was agreed to.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 134

Mr. D'AMATO. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from New York (Mr. D'AMATO) proposes an unprinted amendment numbered 134.

Mr. D'AMATO. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Page 82, between lines 9 and 10, add the following:

Section 242(d)(5) of the National Housing Act is amended by adding the following paragraph at the end thereof: ", provided however, the foregoing shall not limit the ability of the Secretary to approve a mortgage increase for any changes by the Secretary on any mortgage eligible for insurance under this subpart for which an application for increase had been made within 2 years of enactment.

Mr. D'AMATO. Mr. President, I am offering a technical amendment to the Housing and Community Development

Amendments of 1981. My amendment is intended to clarify the meaning of the term "modification of an existing mortgage." I am concerned about hospitals that are currently being renovated and refurbished through the combined use of HUD mortgage insurance, GNMA guaranteed obligations, and tax-exempt bonds.

In the 1979 amendments to the housing bill Congress grandfathered approximately 41 hospitals to allow them to complete any construction for which an application for insurance had been submitted by June 7, 1979. This amendment also prohibited any modifications of existing mortgages after that date. The use of the term modification has caused some bond counsel to question whether any changes in the mortgage structure is allowed even for those hospitals that qualified under the grandfathering provision.

Most of the hospitals that are affected by this amendment are in urban areas serving moderate-income persons. These hospitals need either more financing or have changed their renovation needs since the original applications were filed. I am sure, Mr. President, we all understand how under today's financial situation it may be necessary to require additional financing to complete such construction projects.

My amendment also requires that both the hospitals and HUD take action in a timely fashion. I believe, Mr. President, that the thought behind the original amendment was to limit the number of such applications. I have no desire and my amendment does not open the door to new applications or extensions that will go on for many years. I have included in this amendment a time limitation of 2 years after the date of enactment of this bill.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I commend the Senator from New York on a constructive amendment in which he has tried to tidy up some of the affairs of the past with regard to hospitals that are very well taken care of, I believe, by his thoughtful research. I support the amendment and commend it to the Senate.

Mr. PROXMIRE. Mr. President, I am happy to support the amendment. As the Senator from New York points out, the amendment would not expand the number of hospitals covered by present law. It would not mean any increase in the present mortgages for covered hospitals, only that adjustments could be made in mortgages up to the limits now in effect.

The hospitals affected are those serving predominantly persons of moderate incomes and thus the amendment is especially worthwhile. I am happy to support it.

Mr. D'AMATO. Mr. President, I thank my distinguished colleagues, the Senator from Wisconsin and the Senator from Indiana. I move the adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from New York (Mr. D'AMATO).

The amendment (UP No. 134) was agreed to.

Mr. D'AMATO. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 135

(Purpose: To authorize loans at interest rates in excess of certain State usury ceilings)

Mr. BUMPERS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Arkansas (Mr. BUMPERS), for himself and Mr. PRYOR, proposes an unprinted amendment numbered 135.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 82, between lines 9 and 10, insert the following:

USURY PROVISION

SEC. 319. Title V of the Depository Institutions Deregulation and Monetary Control Act of 1980 is amended by adding at the end thereof the following:

"Part D—General Usury Override

"OTHER LOANS

"SEC. 531. (a) If the applicable rate prescribed in this section exceeds the rate a person would be permitted to charge in the absence of this section, such person may in the case of any loan, notwithstanding any State constitution or statute which is hereby preempted for the purposes of this section, take, receive, reserve, and charge on any such loan, interest at a rate of not more than 1 per centum in excess of the discount rate, including any surcharge thereof, on ninety-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district where the person is located.

"(b) If the rate prescribed in subsection (a) exceeds the rate such person would be permitted to charge in the absence of this section, and such State imposed rate is thereby preempted by the rate described in subsection (a), the taking, receiving, reserving, or charging a greater rate than is allowed by subsection (a), when knowingly done, shall be deemed a forfeiture of the entire interest which the loan carries with it, or which has been agreed to be paid thereon. If such greater rate of interest has been paid, the person who paid it may recover, in a civil action commenced in a court of appropriate jurisdiction not later than two years after the date of such payment, an amount equal to twice the amount of interest paid from the person taking, receiving, reserving, or charging such interest.

"(c) For the purpose of this part—

"(1) the term 'loan' includes all secured and unsecured loans, notes and bonds, credit sales, forbearances, advances, renewals or other extensions of credit made by or to any person or organization;

"(2) the term 'interest' includes any compensation, however denominated, for a loan;

"(3) the term 'organization' means a corporation, government or governmental subdivision or agency, trust, estate, partnership, cooperative, association, or other entity; and

"(4) the term 'person' means a natural person or organization.

"EFFECTIVE DATE OF PART D

"SEC. 532. (a) The provisions of this part shall apply only with respect to loans made in any State during the period beginning on July 1, 1981, and ending on the earlier of—

"(1) April 1, 1983, or

"(2) the date, on or after July 1, 1981, on which such State adopts a law or certifies that the voters of such State have voted in favor of any provision, constitutional or otherwise, which states explicitly and by its terms that such State does not want the provisions of this part to apply with respect to loans made in such State,

except that such provisions shall apply to any loan made on or after such later date pursuant to a commitment to make such loan which was entered into on or after July 1, 1981, and prior to such later date.

"(b) A loan shall be deemed to be made on or after July 1, 1981, if such loan—

"(1) is funded or made in whole or in part after July 1, 1981, regardless of whether pursuant to a commitment or other agreement therefor made prior to July 1, 1981;

"(2) was made prior to July 1, 1981, and bears or provides for interest on or after July 1, 1981, on the outstanding amount thereof at a variable or fluctuating rate; or

"(3) is a renewal, extension, or other modification made on or after July 1, 1981, of any loan, if such renewal, extension, or other modification is made with a written consent of any person obligated to repay such loan.

"(c) This part does not apply to any loan which is—

"(1) made in a State to which the provisions of parts A, B, and C of this title do not apply on the date of enactment of this part; or

"(2) secured by a residential manufactured home unless the loan meets the requirements of section 501(c).".

Mr. BUMPERS. Mr. President, I want to refresh the memories of my colleagues about the action taken by Congress last year to alleviate the plight of a lot of people, especially in my home State of Arkansas, who are in the financial business, because they were limited by a constitutional usury rate at a time when interest rates were going out the roof across the country. We passed three usury override provisions in the omnibus banking bill:

First, we provided that on business and agricultural loans, financial institutions could charge 5-percent above the Federal discount rate plus the Federal surcharge on the Federal discount rate. That translates into today's banking business this way, Mr. President: The Federal discount rate is 14 percent. Five percent above that, which was permitted under the bill of last year, would get the banker up to 19 percent, and the Federal surcharge right now is 4 percent. That is set by the Board of Governors of the Federal Reserve Board. Conceivably, bankers could charge as much as 23-percent interest under that bill. But that was only for business and agricultural loans. Consumer loans were not covered under it.

Second, we provided that any federally related institution, such as a federally chartered bank, a federally chartered credit union, any State bank insured by

the FDIC, and any State savings and loan insured by the FSLIC could charge 1 percent above the Federal discount rate on any loan. Since the Federal discount rate today is 14 percent that would mean they could charge 15 percent even on consumer loans.

But we still left some loopholes that are really wreaking havoc on the retailers of my State—and there are other States similarly situated—especially in the automobile industry. Ford Motor Credit, GMAC, all of those institutions that are not federally related, in my State, for example, are limited to a 10-percent rate on consumer loans. That means that the dealer cannot sell a car unless a bank is willing to finance it.

If an automobile is being sold for personal use the automobile dealer or the automobile finance company may not charge those higher interest rates. The most GMAC will charge the customer is 10 percent. So, in short, the automobile financing companies are pulling out. GMAC is pulling out. Ford Motor is pulling out. Chrysler is pulling out.

The automobile dealers in my State are in a terribly precarious situation. Even if they could find a banker to loan somebody money to buy an automobile, the maximum rate the bank could charge today is 15 percent. Since bankers are paying between 15 and 16 percent for their money, they are not clamoring to make those loans.

Mr. President, I ask unanimous consent that an article on the front page of the Wall Street Journal on May 22, 1981, setting out the particular situation in Arkansas, be printed in the RECORD immediately following my comments.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BUMPERS. Mr. President, in April of last year the National Automobile Dealers Association did a random survey across the country and found that about 30 percent of their sales contracts for the purchase of an automobile were being lost because of the inability of the consumers to obtain financing. Think about that, 30 percent of the automobile dealer sales in the country being lost for lack of financing. By May the figure had jumped to an astounding 50 percent.

In a lot of cases, the inability of lending institutions to charge the going rate just simply caused the customer to withdraw. The dramatic reduction in consumer credit which consumers experienced during a recent period of high interest rates was not, of course, solely due to State usury limits, but there is not any doubt they have been big contributors.

Mr. President, I just talked to the chairman of the Banking Committee a moment ago. I told him that this is a critical situation for my State. I do not like the idea of coming to the Senate or to the Congress and asking them to bail out the State of Arkansas from a situation like this. I happen to be a borrower, not a lender. I do not like high interest rates any better than anybody else does. But I can tell you that the retailing industry in my State, especially the automobile industry, is in critical condition, and we have to have some relief. The only place they can get it right now, and the only place they can get it prior to November 1982, when our next election will be held to vote on this issue, is right here.

So I am pleading with my cohorts to lend an ear, to give us special consideration. The automobile industry in this Nation is in a critical condition. When you compound that with the fact that 50 percent of the sales nationwide are being lost for lack of credit, we are hurting ourselves.

Incidentally, I have a commitment from the chairman of the Banking Committee to hold hearings on this matter. I know the committee is considering a much broader bill dealing with this usury situation. I am reluctant to even burden them with this specialized kind of legislation. But the reason I bring it up now is to establish the dialog, to put everybody on notice that we are in a hopeless situation. We have to have relief and we have to have it soon.

The president of the Arkansas Dealers Association told me that if it takes 6 months to get this amendment through, 50 percent of the automobile dealers in Arkansas will be out of business. That is how serious it is. That is not hyperbole.

Mr. President, in sum, the State of Arkansas faces an economic emergency because of the usury limit in our State constitution. I ask unanimous consent that the article be reprinted at the conclusion of my remarks.

I have spoken in the Senate many times about the emergency financial situation created by the usury limit in the Arkansas constitution.

The State constitution mandates an interest ceiling of 10 percent on consumer and business loans, while small businessmen are required to finance their inventory with national suppliers at rates in excess of 20 percent. The merchant loses money if he sells the merchandise on credit and is limited to a 10-percent interest rate.

The usury override legislation that was passed by Congress last year provided temporary relief to some segments of the Arkansas economy, but another emergency relief measure needs to be passed to prevent many small businessmen from being driven out of business between now and next year's general election when the voters of Arkansas will once again be given an opportunity to change the 10-percent usury limitation contained in the Arkansas constitution.

An inequitable situation was created by the usury override legislation passed by Congress last year.

Under current law, any person, not just financial institutions, can make a business or agricultural loan and charge an interest rate up to 5 percent over the Federal discount rate, regardless of the State usury limit. But only federally-related financial institutions are allowed to make consumer loans that exceed State usury ceilings.

The net result is that merchants must borrow money at 21 percent or higher for loans on their inventory, and loan money to their customers at 10 percent. It does not take long under this financial arrangement to bankrupt the merchant.

Mr. President, the amendment Senator PRYOR and I are proposing today will provide temporary relief by allowing any person to charge a rate of interest of 1 percent in excess of the discount rate on all types of loans. The usury preemption in the bill will expire on April 1, 1983, or sooner if the State passes a law or constitutional provision overriding the Federal legislation.

There is no question that Arkansas' economy has suffered as a result of the constitutional usury limit.

Since 1974, when it all really started—the prime rate reached 12 percent in July 1974—Arkansas has ceased advancing on the national per capita income. From 1958 to 1974, Arkansas went from 62.3 percent to 78.7 percent of the national per capita income. Arkansas' growth was a 7.84 percent compounded annual rate, or 1.57 percent a year faster than the United States 6.27 percent.

Since 1974, however, Arkansas per capita income has increased at a 9.68 percent rate, which was .23 percent a year slower than the U.S. rate of 9.91 percent. We do not have comparable data for 1980, but the economic outlook just published by the University of Arkansas has comparative figures for personal income that indicates Arkansas will drop again when the figures come out.

Real personal income fell in 1980, both for Arkansas and the United States, with Arkansas' decrease almost twice the U.S. percentage (—4.959 percent versus —2.608 percent). This was partially due to the poor agricultural year, aided by the very weak year for construction. The 1981 projection is much better because it assumes a very good year for agriculture.

In earlier recessions, when the inflation was lower and interest rates lower and less volatile, Arkansas suffered less than the Nation. That is no longer the case. Arkansas is simply not competitive at these levels of inflation and interest rates, and it seems that it will be some time until the Nation's economy can be brought back to more reasonable levels—if indeed, it ever gets to the point that 10 percent is a broadly acceptable rate.

Recent unemployment data indicates that Arkansas suffered more from the poor economy in 1980 than did the Nation as a whole, and that the problem is continuing.

Overall, almost 6,000 more jobs would have existed in Arkansas at the end of 1980 if the State had performed like the Nation. Wholesale and retail trade employment would have been 3,600 more, and transportation and public utilities would have been up 2,100 jobs. If these jobs existed, Arkansas' February 1981 unemployment rate would have been 8.7 percent, instead of 9.3 percent.

State usury limits were established for ordinary times. However, when extraordinary circumstances result in a rapid escalation of interest rates and the prime rate quickly surpasses most State usury limits, the limitations no longer serve the purpose for which they were designed.

No one can deny that these are extraordinary times. During the decade of the sixties, the prime rate was changed only 15 times. During the year 1980 alone, the prime rate was changed 60 times. The prime interest rate hit 20 percent last April. Four months later, it was at 11 percent, and then in December was at 21.5 percent.

Usury limits compound the problems of small businessmen who are already hurt by the increased costs of doing business. Inasmuch as small businessmen generally have to pay 1 to 2 percentage points above prime to finance their inventory, they cannot obtain credit to continue to finance their ordinary business obligations, since lending institutions will naturally refuse to extend credit at usury law limits which are well below the going rate. In addition, sales of higher cost items, such as automobiles, drop dramatically because those consumers who desire credit and are willing to pay higher rates to finance the purchase of these items simply cannot get credit.

The Nation's automobile industry has been, and continues to be, in desperate straits. Production and sales are down dramatically and unemployment within the industry and within allied industries is extremely high. As far as the small business dealer is concerned, the attrition rate is staggering. Over 1,600 dealers have closed their doors since January 1, 1980, and over 100,000 dealer employees have lost their jobs.

The current problems facing the industry are, of course, multifaceted and no single action by the Government or industry will provide an immediate solution. However, State usury laws have played a significant role in the problems that have been encountered by many automobile dealers.

Automobile dealers are not the only people affected adversely by State usury limitations, but they exemplify the reason for the amendment I am introducing today.

As I said earlier, in April of last year, the National Automobile Dealers Association performed a random survey of dealers from across the country and found that approximately 30 percent of their sales contracts for the purchase of an automobile were being lost because of an inability of the consumers to obtain financing. By May, this figure had jumped to an astounding 50 percent. In many cases, the inability of lending institutions to charge the going rate resulted in their withdrawal from the automobile financing business.

The dramatic reduction in consumer credit which consumers experienced during the recent period of high interest rates was not, of course, solely the result of State usury limits, but there is no doubt that these limits contributed significantly to the problem in many areas of the country, especially Arkansas.

Unlike many other States, the Arkansas Legislature cannot legislate lenders out of this critical situation. With a 10-percent maximum interest rate limit embedded in Arkansas' constitution, there is no choice but emergency Federal legislation until our next general election in 1982.

Because of this unique interest rate restriction, many creditors, especially those that automobile dealers must depend on; namely, GMAC, Ford Motor Credit, and Chrysler Credit have established very strict credit policies. Beginning January 1, 1980, GMAC, for example, withdrew collision, conversion and confiscation coverage 93C, which exposes dealers to all losses resulting from repossessed vehicles. Shortly thereafter, Ford also limited their 3C coverage and recently Chrysler has withdrawn it. These moves are unique to Arkansas and were only the beginning of what has become a critical situation for Arkansas automobile dealers.

This critical situation was compounded when GMAC announced that it will not finance new non-GM cars or trucks for Arkansas dealers after March 31, 1981. In addition, the only used cars that will be eligible for GMAC financing will be those traded in on the purchase of a new GM car or truck.

Unless the Arkansas automobile dealers obtain relief immediately, most will not be able to stay in business another year without a dramatic drop in interest rates which is not imminent.

The problem created by usury ceilings is not unique to Arkansas, but the attention of the Senate has been directed to our State more often than others. I do not want to ask for emergency relief again to solve this problem that ultimately will have to be solved at the State level with the passage of a constitutional amendment. I recognize the local nature of this problem, but there is no other source of relief for the people of my State except in Congress.

I urge favorable consideration of this amendment.

EXHIBIT 1

[From the Wall Street Journal, May 22, 1981]

ARKANSAS RETAILERS SAY USURY LAW THREATENS WHOLESALE CLOSEDOWNS

(By Brenton R. Schlender)

LITTLE ROCK, ARK.—When C. Bernie Allen first got into the record and home-entertainment business here 17 years ago, he never dreamed that his fate as a businessman would be determined by Arkansas voters.

But on the day following the election last November, he watched the choir of demonstrator television sets in one of his four suburban stores flash voting returns that confirmed his fears with chilling redundancy. Arkansas voters, fed up with inflation, higher taxes and steep mortgage interest rates, had chosen to retain the state's century-old 10 percent interest rate ceiling on consumer loans. Mr. Allen, who had been paying some out-of-state lenders more than 20 percent in interest to finance his stores' operations for several months, knew that he faced more red ink and possibly his day in bankruptcy court.

Sure enough, in early March his company, Moses Melody Shops Inc., filed for reorganization in federal bankruptcy court here, despite record Christmas sales and the layoff of half his 72 employees. Now, Mr. Allen adds, the company is being liquidated.

"The load of carrying the difference between what we had to pay for money and what we could charge our customers for credit just got too heavy," the 49-year-old former minor-league third baseman explains. "The atmosphere for retail business in this state is like a morgue now."

VARIED COUNTERMEASURES

Hundreds of other furniture, appliance, soft-goods and automobile retailers in Arkansas also are being cramped by the lowest usury ceiling—and the stiffest penalties for violations—in the nation. To preserve profits, they have had to raise prices, tighten customer credit requirements, shorten repayment periods, lay off employees and discontinue free delivery and other services.

Federal legislation has taken Arkansas banks and savings and loan associations off the hook somewhat by allowing them to charge up to 15 percent on consumer loans and 23 percent on business and farm loans. But even the 15 percent limit is so low that many banks have nearly halted consumer lending; they prefer to divert funds to higher-yielding money-market certificates and other investments outside Arkansas.

"There's no other state quite like it," says Robert Devine, national coordinator for credit legislation for J. C. Penney Co. Not only is the Arkansas ceiling the nation's lowest, but Arkansas is the only state where interest rates are governed by the state constitution and not the legislature, he says. "In other words, it's just about impossible for retailers to operate there," he adds.

DEVELOPMENT HURT

Moreover, experts say the strict ceiling and stiff penalties have compounded an historically stagnant state economy and thereby have damped economic development in Arkansas. Others blame the usury ceiling at least in part for a recent spate of business bankruptcies and higher retail prices statewide. "It's hard to quantify exactly what the usury ceiling has done to harm Arkansas, but you know it has," says Jim Guy Tucker, a former congressman and currently an attorney for the Arkansas Bankers Association. It's just that a lot of the bodies haven't floated to the surface yet."

As the election last fall demonstrated, however, lots of people in Arkansas like the usury ceiling. That was the third time since 1968 that voters rejected proposed constitutional amendments, sponsored by a coalition of bankers, retailers and auto dealers, that would have allowed the legislature to set the interest rate ceiling and reduce usury penalties.

The staunchest opponents of the proposals have been organized labor and consumer groups. They cite many reasons. They don't want to give legislators, many of whom have ties with banks, the authority to set the ceiling. And they don't want to dilute the penalty for making a usurious loan—complete forgiveness of all principal and interest.

THE PRINCIPAL ARGUMENT

Mainly, however, "We don't think it's right for retailers to make money on money," says J. Bill Becker, Arkansas AFL-CIO president. He also sees "nothing wrong with tight money". He contends that federal economic-growth barometers show that Arkansas, whose population grew 18.8% in the 1970s, "has done pretty darn good" even with the ceiling.

But signs of the ceiling's effects are all over Arkansas' retailing industry—from the small-town mom-and-pop furniture stores all the way up to big car dealers and department stores. Mr. Allen, for example, was able to carry $2 million in "customer paper" only by borrowing at high interest rates (up to 23% at some out-of-state finance companies), or by paying reluctant appliance finance companies such as Westinghouse Credit Corp. and General Electric Credit Corp. to

back his credit customers. The most he could charge his customers, however, was 10% simple annual interest, with the debt to be paid in no more than 12 monthly installments.

"Most of those accounts were for about $50, and the customer would send you $5 a month," he moans. "That's almost as much as it cost us to mail out the monthly statements."

All those debt problems just to keep merchandise moving ultimately combined with the recession to run Mr. Allen out of business. Like Mr. Allen, his banker, William Bowen, chairman of Commercial National Bank here, blames Mr. Allen's troubles on the usury ceiling. "Bernie Allen played a good game," Mr. Bowen says, "but he got caught in the trap."

Also being hurt is Dillard's Department Stores, Inc., which is headquartered in Little Rock and operates seven of its 40 large stores in Arkansas. The company estimates that it lost $1.2 million in 1980 alone through borrowing from banks to cover its Arkansas credit customers. (Dillard's as a whole, however, earned $8.5 million, up from 8.3 million in 1979.) According to E. Ray Kemp, Dillard's vice chairman, 52% of the company's $35 million in sales in Arkansas are on credit, and "for every $1 we got back in interest and service charges, we spent $1.80." He adds, "Arkansas never was a normal place to do business, but now it's getting even worse."

Part of the problem, Mr. Kemp asserts, is that Arkansans are "taking advantage of any cheap credit they can get." He notes that Dillard's stores outside Arkansas average only 45% in charge sales, and those customers generally pay about 18% annual interest.

Over the years, Arkansas retailers have a few ways to offset the costs of extending credit. Dillard's, for example, has cut its pay period for credit purchases to six months from the 18 months allowed two years ago. Other retailers have quit extending their own credit altogether or encourage the use of bank credit cards, which can charge 15% in annual interest because of the federal bank laws.

Many retailers say they are operating with fewer clerks than ever before and have put off remodeling plans or moves to larger quarters. Others have simply trimmed inventories and discontinued free services.

HIGHER PRICES

However, the easiest way to recoup the built-in credit losses is to raise merchandise prices, and studies show that, except in border areas, Arkansas retailers have done just that. According to Gene Lynch, professor of finance at the University of Arkansas in Fayetteville, prices for furniture and appliances in Little Rock run as much as 11% higher than prices for identical merchandise in surrounding states—a difference he blames solely on the usury ceiling. That finding indicates that "cash customers are subsidizing every credit purchase in the state" by paying higher prices themselves, he contends. "There's no free lunch for anybody."

But in border towns such as Texarkana, which lies smack on the Texas-Arkansas line, Arkansas retailers can't raise prices and still compete with rivals across town. Consequently, most furniture and appliance dealers and all 15 franchised new-car dealers have set up shop on the Texas side of State Line Avenue, which bisects the central business district. There, they can charge up to 24% for consumer credit.

Melvin Kusin, owner of Kusin's Texas Furniture Store in Texarkana, knows what it's like to do business in both states because he owns another furniture store in nearby Hope, Ark. Mr. Kusin says the Texas store has "subsidized" the Hope store since consumer lending was "flat cut off" by Arkansas banks last summer. "Without the Texas store, we'd have to add 8% to 10% to our prices across the board just to cover interest expenses."

The few furniture dealers staying in Arkansas have been fixtures there for nearly half a century. "Sure we'd be better off in Texas, but we own our own property here," says R. J. McNatt, whose Moore Furniture Store has been in business "within spittin' distance of Texas" for more than 40 years. "Sometimes, when I get to thinking about it, I get a little mad that they don't have my problems down the street," adds the unperturbable Mr. McNatt. "But it's too late to move now."

The new-car dealers in Texarkana are lucky that, by the early 1970s, they all had moved to the Texas side. "Arkansas has practically been cut out of the map" as far as the auto makers' finance companies are concerned, says Dennis Jungmeyer, executive director of the Arkansas Automobile Dealers Association.

In the past year, General Motors Acceptance Corp., Ford Motor Credit Corp. and Chrysler Credit Corp.—all bound to the 10% interest ceiling for consumer car loans—have imposed on Arkansas dealers restrictions unheard of in the other 49 states. For example, GMAC and Ford Motor Credit don't extend wholesale or retail credit on new non-GM and non-Ford products, and GMAC finances the sale of a used car only if it is traded in on a new GM model. Unlike elsewhere, all dealers in Arkansas have to pay for insurance on cars in transit to their showrooms, and they have to pick up the full tab when a vehicle is repossessed. They also must pay market rates—as much as 23% lately—to finance their own inventories.

TOLL OF AUTO DEALERS

The Arkansas dealers, accustomed for years to tight financing, have still found ways to stay in business. Last year, only nine dealerships folded or changed hands out of 390, according to Mr. Jungmeyer. But so far this year, 17 dealers have already gone out of business or changed hands, even though sales have improved somewhat.

For a while, some dealers managed to turn the disadvantages of 10% credit into a marketing tool: They advertised their cheap credit to customers in surrounding states. But now some finance companies refuse to grant 10% credit to anyone but an Arkansas resident.

Normally, the dealers would rely on local banks to lend the money to customers turned down by finance companies. But even with the federal law allowing banks to charge 15%, they aren't making many auto loans. Several Little Rock banks say they grant consumer loans only to their best customers and only in amounts exceeding $3,000.

"With consumer loans, you have to be sparing and lend only to stay in touch with your good customers," says Mr. Bowen of Commercial National Bank. And Joseph Ford, a vice president at First National Bank in Little Rock, adds, "We just plain can't afford to loan out money" even at 15%. Since last June, Mr. Ford has seen First National's outstanding consumer loans drop to less than $13 million from $17 million. "This lack of credit has got to hurt the young people and little people of Arkansas as well as the businesses," he observes.

In the wake of failures at the ballot boxes, bankers, retailers and car dealers are beginning to hope for help from higher, and previously unmentionable, places. "Nobody likes the idea of the federal government meddling with our business," says David Kilborn, general manager of Cliff Peck Chevrolet in Little Rock. "But that's about our last hope now." Several Arkansas legislators in Washington have introduced a bill that would provide federal interest-rate relief to retailers, and a New York congressman has proposed creation of a national usury ceiling that would override state-imposed limits.

If retailers and auto dealers in Arkansas can hang on until November 1982, however, federal help may not be needed. In March, the Arkansas legislature voted to put on the 1982 ballot yet another constitutional amendment that would raise the consumer-loan ceiling to 17%—which still would be the nation's lowest—while retaining the current penalty for violations.

But even the amendment's proponents aren't very optimistic that it will fare any better than the last three proposals. "It's pretty hard to convince a voter that 17% or 18% interest will end up costing him no more than the 10% he's paying now," Mr. Kemp of Dillard's says.

Others aren't sure that the proposed amendment will offer enough relief. "My worst fear is that the new amendment will be as obsolete as the old law by the time we get around to vote on it," says Jackson Stephens, chairman of Stephens Inc., a Little Rock investment banking firm. "But by that time," he adds, "things might be so bad that the people will demand a cure."

At this point, Mr. President, I yield to my distinguished colleague (Mr. PRYOR).

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. I appreciate the senior Senator from Arkansas yielding to me at this time. I would like to associate myself with the remarks he has so well stated on the floor.

Mr. President, last year during consideration of the Depository Institutions Deregulation and Monetary Control Act Senator BUMPERS and I were able to add a provision which removed certain usury restrictions while equalizing the treatment of State and national financial institutions: Since 1933 national banks had been permitted to charge up to 1 percent over the discount rate on any loan, notwithstanding any State usury law. Our provision allowed that same privilege to State-chartered banks, S. & L.'s and credit unions.

Now law, this authority and other usury preemptions have proved to be helpful to my State and, I am sure, the home States of many of my colleagues. Since the enactment of the legislation, however, we have come to realize that the coverage of the preemptions is too narrow. The legislation granted this added lending authority only to banks, savings and loans, mutual savings banks, credit unions and small business investment companies. Moreover, the thrust of the preemptive legislation last year was directed at business, agricultural and mortgage lending. Consumer loans were barely considered.

Excluded from the vital benefits of the legislation were automobile dealers, furniture and appliance dealers and other retailers as well as the consumers who needed credit to buy their goods.

To correct this omission Senator BUMPERS and I have introduced a bill which would allow any person—that is, any natural person or organization—to charge up to 1 percent over the Federal Reserve discount rate on any type of loan. This authority would expire on April 1, 1983, and States may override this Federal action at any time.

The need for this relief is clear. The

automobile dealers in my State are paying more than 20 percent for their floor plan but, under Arkansas' strict usury laws, can charge no more than 10 percent on car loans. During these times of high interest rates consumers cannot even turn to their local banks because the banks are making consumer loans only to a few favored depositors, preferring the higher rates of return available from out of State investments. Auto finance corporations like GMAC, Ford Motor Credit, and Chrysler Credit have either withdrawn from lending activities in Arkansas or imposed special restrictions which make lending unprofitable or impossible.

In 1981 the prime rate of interest fluctuated by 10 percentage points, and under these conditions a number of other States may at times find their usury ceilings well below market rates of interest. Last May a National Automobile Dealers Association survey showed that across the country half of all sales contracts for the purchase of cars was lost because of the inability of consumers to find financing.

In 1980, 1,600 auto dealers in the United States went out of business, with an estimated loss of 100,000 jobs. Others appear to be headed in the same direction. While usury laws alone cannot be held accountable for the dealers' distress, they are certainly an important factor. That is why the 20,000-member NADA supports relief legislation.

This relief would be applied to more than this one industry, however. Many small businesses have been operating at a disadvantage in some States—equipment dealers, furniture companies and appliance dealers are just a few examples. In addition, low interest ceilings are making it difficult for local units of government to borrow funds for needed municipal improvements.

Mr. President, approval of this legislation would be a boost in the arm for small business. Although no hearings have been held on this particular legislation, the Senate should have by this time a clear picutre of the harm that unrealistic usury laws do, and there is ample precedent for relief of this sort. I am pleased that the distinguished chairman of the Senate Banking Committee has agreed to hold early hearings on our bill and appreciate his courtesy on this matter.

I appreciate the courtesy of the Chair and the distinguished senior Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, I appreciate the statements made by both our distinguished colleagues from Arkansas. I will point out that there has been a commitment made by the chairman of the committee to hold a hearing on the point of concern of Senator BUMPERS and Senator PRYOR. Clearly, it is a concern that goes well beyond the State of Arkansas. I would say that automobile dealers in Indiana, and, as a matter of fact, most people who are in retail businesses throughout this Nation and in many fields of commerce, are equally concerned.

I can assure the Senator from Arkansas that the members of the Banking Committee, and I hope many more Senators, would be eager for a very careful examination of the issue.

Mr. BUMPERS. If the Senator will yield on that point, a lot of those automobiles we are not selling are made in Indiana.

Mr. LUGAR. That is so true. So we share that bond. I simply reiterate the point made by our distinguished chairman of the full committee (Mr. GARN) that there will be a hearing that will be, we hope, satisfactory to the request made by the Senator today.

Mr. PROXMIRE. Mr. President, may I say to my friend, the Senator from Arkansas, that I am inclined to favor a broad usury preemption, but I believe we should have a hearing in the Banking Committee and mark up the bill in committee.

I say that because the amendment of the Senator from Arkansas goes far beyond the preemption we passed last year. Last year, after full hearings, we preempted usuary limits on home mortgage loans and for federally related financial institutions.

This amendment would provide a preemption across the board, but limit the preemption to 1 percent in excess of the discount rate. After hearings, we may find that is too limited, or too much.

As I say, I have all the sympathy in the world for what the Senator is trying to do. We make automobiles in Wisconsin, too. American Motors is the principal plant there, and we have a big Chevrolet plant. We should address usury in a more comprehensive way.

Mr. President, I think the Senator is absolutely right in arranging with the committee for a hearing on this issue.

The PRESIDING OFFICER. Will the Senator suspend for 1 minute?

Under the previous order, the hour of 3:30 having arrived, a vote is now in order on the amendment of the Senator from Wisconsin (Mr. PROXMIRE).

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Senator from Arkansas be allowed to proceed for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I appreciate that very much.

I thank both the distinguished floor managers for their understanding. I especially thank the chairman of the Banking Committee for assuring me that he will hold hearings on this very promptly.

As I say, I wanted to raise the issue to point out the critical financial situation in my State.

With that, Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The Senator has that right.

The amendment (UP No. 135) was withdrawn.

UP AMENDMENT NO. 129

The PRESIDING OFFICER. Under the previous order, the vote now occurs on the amendment of the Senator from Wisconsin. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Kansas (Mrs. KASSEBAUM), the Senator from Maryland (Mr. MATHIAS), the Senator from Georgia (Mr. MATTINGLY), the Senator from Texas (Mr. TOWER), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

I further announce that, if present and voting, the Senator from Texas (Mr. TOWER) and the Senator from Wyoming (Mr. WALLOP) would each vote "nay."

Mr. CRANSTON. I announce that the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from Ohio (Mr. METZENBAUM) are necessarily absent.

I also announce that the Senator from Georgia (Mr. NUNN) is absent attending the funeral of former Congressman Carl Vinson.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 37, nays 53, as follows:

[Rollcall Vote No. 137 Leg.]

YEAS—37

Baucus	Eagleton	Moynihan
Bentsen	Ford	Pell
Biden	Glenn	Proxmire
Bradley	Hart	Pryor
Bumpers	Inouye	Randolph
Burdick	Jackson	Riegle
Byrd, Robert C.	Johnston	Sarbanes
Cannon	Kennedy	Sasser
Chiles	Leahy	Tsongas
Cranston	Levin	Weicker
DeConcini	Matsunaga	Williams
Dixon	Melcher	
Dodd	Mitchell	

NAYS—53

Abdnor	Goldwater	Nickles
Andrews	Gorton	Packwood
Armstrong	Grassley	Percy
Baker	Hatch	Pressler
Boren	Hatfield	Quayle
Boschwitz	Hawkins	Roth
Chafee	Hayakawa	Rudman
Cochran	Heflin	Schmitt
Cohen	Heinz	Simpson
D'Amato	Helms	Specter
Danforth	Humphrey	Stafford
Denton	Jepsen	Stennis
Dole	Kasten	Stevens
Domenici	Laxalt	Symms
Durenberger	Long	Thurmond
East	Lugar	Warner
Exon	McClure	Zorinsky
Garn	Murkowski	

NOT VOTING—10

Byrd, Harry F., Jr.	Kassebaum	Nunn
	Mathias	Tower
Hollings	Mattingly	Wallop
Huddleston	Metzenbaum	

So the amendment of the Senator from Wisconsin (UP No. 129) was rejected.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Are there further amendments to be proposed?

Mr. MOYNIHAN. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will please be in order.

The Senator from New York is recognized.

Mr. MOYNIHAN. I thank the Chair.

Mr. President, I wonder if I could address the distinguished managers of this legislation for a moment with respect to the provision in section 205(a) on page 57 of the legislation which amends the Housing Act of 1937, to bring about one of the most extraordinary interpositions of Federal will and fiat to the affairs of local government that we have seen proposed in this Chamber in many years and which I daresay we have never——

Mr. STENNIS. Mr. President, the Senate is not in order. I am standing within 12 feet of the Senator and I cannot hear him.

The PRESIDING OFFICER. The observation of the Senator from Mississippi is well taken.

The Senator from New York will please suspend until we can have order in the Senate.

Will Senators wishing to converse please retire to the cloakroom?

The Senator from New York.

Mr. MOYNIHAN. I thank the Chair for its courtesy and I thank the distinguished Senator from Mississippi for calling the matter to the Senate's attention.

Mr. President, if I may repeat, we have in this legislation a proposal to interpose the judgment of the Federal Government in the affairs of local communities more stringent than any I have heard proposed in this Chamber, more than I believe has been proposed in the memory of Members of this body and no equivalent of which has ever been adopted.

Specifically, it is provided in section 205 to amend the Housing Act of 1937—that is about how far we go back in these matters—to provide that the benefits of section 8 housing may not be provided to any community which applies rent controls or rent stabilization to some or all newly constructed multifamily residential projects.

This is a wholly unexpected and in my judgment wholly unwarranted provision. It is just but one more of the matters which lead what was once a bipartisan and well supported program of the U.S. Senate now to have a bill before us which was reported out of the Committee on Banking, Housing, and Urban Affairs by a narrow margin of one vote. It is a pattern of polarization and partisanship which we had thought was behind us on certain measures such as social insurance, housing, and other matters of public welfare. It evidently is not and all the more is it to be deplored and to be opposed.

There is an elemental fact of the legislation that is now before us which is that it is a guillotine. The communities that have adopted rent control programs, stabilization programs—and they are all over; they can be found in all parts of the Nation—have done so by the normal democratic processes by which a city or town government makes such decisions. They extend over time. They involve legislation. They often and commonly involve referenda, and if they were to be repealed it would require time also.

This legislation does not even provide the minimum courtesy and the minimum acceptance of the democratic procedures of local government to provide a period of time in which to submit to the Federal dictation in such matters without being penalized, and without being deprived of their expectations under section 8 housing.

How strange and how inexplicable, coming in the aftermath of an election in which the new administration had proclaimed as almost its principal Federal purpose to get the Federal Government out of the affairs of local government. Here we find them coming into our homes through the keyhole of this measure to interfere with affairs of some 4 million people in the city of New York just as a beginning, with no hearings, with no consultations with the officials involved, much less the tenants involved. It imposes a national judgment on what is the most varied circumstances in our country, which is the nature of housing markets, the availability, the pressures on rents, the turnover in populations.

It is to me both inexplicable and wrong. It is one more aspect of this legislation which guarantees that it is going to have the least support of any housing bill that has been in the Chamber since the Housing Act of 1937 was in fact adopted. There will not have been in half a century a bill to receive such little support.

I recognize the fact of there being 53 votes in favor of any measure in this bill. We have just this moment seen 53 votes cast in opposition to an amendment by the Senator from Wisconsin, who has nurtured, developed, and cared for this legislation through almost a generation.

It is not the reputation of the Senator from Wisconsin to be a spendthrift. He is not noted for profligacy with Federal funds.

He is not generally thought to be a person given to inattention with respect to the impact of Federal programs on local governments.

It was with exactly a background of a carefully disciplined, coherent and sustained attention to the housing needs of this Nation that he just proposed a reasonable and necessary amendment, which was defeated by 53 votes, that number with which we are now familiar, and I am conscious that any effort to amend the bill with regard to this particular section would also fail, and I have no desire to see the conferees burdened with such a background when they meet with the House of Representatives, which will not accept this measure.

Yet I would like to ask the managers if they would not explain what I must say I find inexplicable as a measure. Suddently from nowhere a political viewpoint that asserts that the Federal Government must stop telling people what to do in their own hometowns is telling them what to do and then saying to you, "If you don't do it you will be denied that which otherwise would be yours," not merely as a matter of largesse of the Federal Government but as a matter of sharing public revenues raised equally in the communities to be affected as well as those that would be exempted.

I do not see how this is necessary; I do not even understand its genesis.

I wondered if I might ask the distinguished managers of the legislation what their view of the matter is and, in particular, what would be their view of a guillotine provision that does not even provide the communities that have such measures the opportunity to remedy their situations in order to avoid penalties.

I see my friend, the distinguished Senator from Indiana, the chairman, smiling at me. I hope it is not one of mild embarrassment, since that matter has come forward in the way it has, and I know he will ably represent that view, and I will be happy to hear him.

Mr. LUGAR. Mr. President, the Senator from New York has raised an important and certainly legitimate question, and I shall attempt to reply on behalf of the committee's deliberations as well as my own vote on the issue. The vote was 8 to 5, and I was one of the 8 to support it. We only included section 8 funds for new construction or for newly rehabilitated units in our action—and I think that is an important distinction—that which is new is the net input for which an application has been made. Moneys for new subsidized construction should not go into a community which has rent control.

The logic of this opposition is essentially that rent controls, in due course, limit the amount of building that goes on in a local community. There is evidence which appears to show the negative impacts of rent control on communities. In any case, those who are students of urban government have been exposed to books, magazine articles, and studies which have shown that rent controls have been debilitating with regard to the stock of housing in communities, whatever the social purpose of having such controls.

Section 8 is not a revenue-sharing proposition. It is not a distribution of funds per capita or by States. There is, in effect, no entitlement of a community or a State to section 8 funds. Applications are made by developers to the Federal Government for these funds. The funds are very limited, and clearly one of the arguments that we could have had today is that they are too limited. The needs are enormous. Section 8 has been a useful program, and the committee throughout, in a patient way, has tried to see how it could stretch Federal dollars so that they would bring about the greatest amount of decent housing for poor and moderate-income families.

Our judgment was that if we put money into communities which did not have rent control there was likely to be net gain of housing for the poor of that community whereas the net effect in rent control cities was likely to be less.

There are two additional arguments the Senator can raise which are important with regard to local government and federalism generally. I share the Senator's distress on these particular issues, namely, the effect on local governments.

If, in effect, this was a per capita distribution or a revenue-sharing matter——

Mr. MOYNIHAN. Mr. President, might we have order? The distinguished chairman is speaking to an important issue.

The PRESIDING OFFICER (Mr. DANFORTH). The Senator from New York is correct. The Senate is not in order. The Senate will be in order.

Mr. LUGAR. If, in effect, we were literally taking money away from a community which was entitled to it by formula, this would be even more of a serious problem. It is still a serious problem, and one that I am certain each of the Senators who voted for this amendment shares with the Senator.

I suppose it is balanced, at least in my judgment, by the problem that we have with assisted housing in general. In essence, we have been able to serve maybe one out of every 10 families or one in 12 families who are poor and ought to be served, and the question is how to stretch these dollars.

To avoid the problems of D'Amato-Armstrong amendment a community could remove rent controls. There will be a period of time in which this can be done. The section 8 provision we are talking about will not take effect immediately. It applies to fiscal 1982 and to fiscal 1983, in this 2-year authorization.

Cities will have time to take action. The Senator's prediction may be correct that the House of Representatives will not have a similar provision. The House committee voted 16 to 6 to defeat an identical amendment offered in their committee. Indeed we shall have an argument in conference about it.

I do not know where the conference will end up. But, there will be a period of time during which local governments' can attempt to find relief.

Mr. MOYNIHAN. Mr. President, I see the Senator from Wisconsin has risen.

Mr. PROXMIRE. Mr. President, I very much appreciate the remarks of my good friend from New York, and I always do. He is a marvelous Senator and a delightful person.

Let me say in the first place, Mr. President, that this is an amendment offered by the distinguished colleague of the Senator from New York, his distinguished junior colleague, and it is an amendment that I supported and voted for. It is an amendment—I stress the fact—that has been offered by the other Senator from New York because, of course, he has great experience in New York, too, and as the senior Senator from New York appreciates their problems, so does the other Senator.

It has been my judgment for a long, long time that whether it is price control, wage control, rent control, that they just do not work.

They do not work.

Now, you have a situation in New York City where I have found some of the most affluent people I know, very high incomes, who were all for rent control because they occupy beautiful apartments on Fifth Avenue or Park Avenue and other parts of that marvelous city. They have these apartments with a rent that is frozen and which gives them a very happy advantage.

Of course, the fundamental economic problem with rent control is it destroys any incentive to build rental units. You have to be an idiot these days, with inflation what it is, to build a rental unit with the expectation that you are going to be able to get a return on your income. Everybody knows, as I say, there are more tenants than landlords and the tenants have more political whammies than the landlords for that very reason and that has paralyzed the construction of rental units. It is one of the problems, along with the condominium problem and the tax problem, that has left us with a serious problem in the opportunity for people, particularly people with moderate incomes, to get rental units. So those are the economic reasons.

Now, the Senator points out a very interesting fact. This is, I think, the first significant housing legislation that has come to the floor in either body that is opposed to this kind of rent control. The Senator started out in his speech, as I recall, saying, "What real business does the Federal Government have in interfering in what should be a local determination?"

The answer, of course, is we are putting Federal money in there. When we put Federal money in there, it seems we have every right, in fact, we have an obligation, to see that the money is well spent.

As my good friend from Indiana pointed out, with rent control it means private rental units will not be constructed because the incentive is destroyed. It means we have to put funds in there to take the place of this deficiency and, for that reason, rent control is counterproductive.

I recognize the arguments on the other side, particularly the local argument, the local sovereignty argument. But, as I say, this is Federal money that we are concerned with now. I think we have every right, in fact a duty when we find a clearly counterproductive economic activity, to do our best to oppose it in the way we have.

People do not have to comply with this. All they have to do is say, "All right, we won't take your Federal money. We will continue our rent control." If New York City wants to do that, fine.

Mr. MOYNIHAN. Mr. President, I wonder if my good friend would hear me then just another moment. This is a subject which has been one of very considerable scholarly inquiry. I note that my friend from Indiana could only say that there appears to be evidence that rent control leads to abandonment and the decline of stocks.

I would have to say that is the strongest case you could make. John Gilderblum of the University of California has recently published a rather extensive study which concludes that communities with rather modest controls experience no reductions in building maintenance and none in building stocks. At Tufts, Prof. John Eckhart has, in effect, replicated the same study.

I would have to say to my friend from Wisconsin that he has used the words "rent control." But this legislation says rent control and rent stabilization. Now, I am not familiar enough with other parts of the country to know how common that is. But in the city of New York, it is the most common form.

Rent control, which in 1970 was involved with 1.2 million units—and the Senator is right, in the 1950's, Park Avenue was filled with duplex apartments in which mature couples were rattling around in a place where they once raised large families but it was cheaper to stay in their rent control buildings. Those are long since gone.

In 1970, there were 1.2 million units. By 1978, it was down to 400,000.

The main form of activity in the city of New York is rent stabilization and rent stabilization is voluntary in return for agreeing to stabilizing rents. Landlords agree to an 8-percent return on capital. It is an entirely voluntary choice the entrepreneur of the building makes. And most of them make it. It makes sense to them. It involves a subsidy by the city for housing. The city pays the subsidy and it judges that to be a useful thing.

The city subsidizes sidewalks. The city subsidizes street lamps and parks.

The builder has the free choice—and most take it, not all do, but most, depending a little bit on the sort of rental levels, most take this option.

Now, why are we going to impose on, let us say, the city of New York an activity which they engage in, which is entirely voluntary——

Mr. PROXMIRE. Mr. President, will the Senator yield on that point?

Mr. MOYNIHAN. I am happy to yield.

Mr. PROXMIRE. Mr. President, I think the Senator suggests what might develop into a reasonable compromise in conference. Because, as the Senator points out, and others pointed out, the chances are the House will not have this provision and we will have it. We will have to work out some compromise.

It may be that if we can find a way to have something like the volunteer system, which the Senator says that they have in New York City, I am not familiar enough with that to know, but, at any rate, what we need is some kind of provision that would enable people who build a rental unit to take care of their costs in an inflationary economy. We all know that the chances are overwhelming that for the next 10 years we are going to have to live with inflation, maybe 5 percent, maybe 10 percent, maybe 15 percent.

Under those circumstances, it is devastating for anybody who builds a building and expects to rent units not to be able to make some adjustments to the costs as they increase.

If we can work something out in conference, perhaps, which would make it possible for a person who wants to build a rental unit to have a real incentive, an expectation that he could have a reasonable return, I think that might be a very interesting and useful compromise.

I think that might be something we can give great attention to. But I think the Senate committee has made real progress. I hope the Senate will affirm that progress in taking a hard, cold look at what rent control has done in the past when it has not permitted some kind of adjustment of the kind the Senator describes in New York City.

Mr. MOYNIHAN. Mr. President, may I say that I am much reassured by the

statements of my friend from Wisconsin. I am not going to press the matter here, but if this matter is not dropped in conference, expect me to be on this floor as long as my breath lasts in opposition, because, I regret to say, the managers of this legislation have, in effect, admitted that they did not know the difference between rent control and rent stabilization.

Rent stabilization is a voluntary arrangement that the entrepreneur makes, calculating it out to maximize his return on capital. It is a judgment about how to maximize his return, freely made and freely entered into. It is not the business of the Senate to tell the city of New York that it cannot make a respectable arrangement, a voluntary arrangement, with builders that gives the builders the option of a fixed return at a lower rate of rent or to go into the market freely. Some do; some do not.

It is the kind of arrangement we want to leave to the people whose judgment is clearly best. How many times, from that side of the aisle, have we heard that the people of the grassroots know best and now we are passing legislation which is very clearly—I am sorry, Mr. President, I could not ever dream of speaking with disrespect, but the committee that passed this bill did not know what it was passing. It thought it was opposing rent control and it turns out there is a wholly different phenomenon called rent stabilization that in no way fits the criteria of rent control but is, nonetheless, penalized.

That is not good legislation. Once you go into conference, you drop the matter, and then have hearings and listen to the testimony of landlords. Ask 10 landlords from the city of New York, five of whom want the program and five of whom do not, and then see if any felt the worse and ask why they do or do not.

We do not know enough about this matter to adopt it now. I think that point having been made, and not desiring to invoke what will be an automatic partisan party majority, I will let the matter go.

Could I ask the distinguished manager a question? He knows my respect for him. He knows that I know what he has done in the city of Indianapolis. He was perhaps the greatest mayor Indianapolis ever had. Would I be wrong in thinking that the distinction between rent control and rent stabil'zation is just now being brought to the attention of the Senator?

Mr. LUGAR. The Senator is not correct in that assumption. This has been discussed during the markup. The distinction is a real one. I suppose the problem of finding the degree involved in stabilization is important, too. It may not be so voluntary as the Senator from New York implies. As the Senator from Wisconsin has suggested, it does offer some grounds for further discussion in conference and I submit that may be the appropriate forum for the next round of discussion.

Mr. MOYNIHAN. I know the reasonableness and openmindedness of the two managers of this legislation. I am prepared to entrust this matter to them and the views of the Members of the House. However, I do have to say that I think this was done hastily. In my view, the measure could not logically apply both to rent control, which is automatic and leaving no option, and rent stabilization, which is simply an arrangement which cities make with entrepreneurs.

With that, Mr. President, and thanking the two managers of this legislation, I yield the floor.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays——

Mr. MOYNIHAN. Would the Senator have the kindness to allow me to make one further statement?

Mr. PROXMIRE. Yes.

Mr. MOYNIHAN. It is my understanding that Assistant Secretary designate of HUD Steven May, who is the former mayor of Rochester, said that the administration was not in favor of this amendment. Am I correct in my understanding?

Mr. PROXMIRE. It is my understanding that this is correct.

Mr. MOYNIHAN. Is this another case of a rebellious Republican majority refusing to concede to the legitimate concerns of the administration for the welfare of the people?

Mr. DOLE. Yes.

[Laughter.]

Mr. MOYNIHAN. Yes, it is. I thank the Chair.

Mr. PROXMIRE. Let me say it was a bipartisan combination.

[Laughter.]

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PROXMIRE. I yield to the Senator from North Dakota.

Mr. BURDICK. Mr. President, I rise to question the amendment to title V, section 503, that would allow the Secretary of Agriculture to stop the Farmers Home homeownership programs at his discretion, irrespective of the appropriations or authorizations passed by this Congress.

Mr. President, in rural America high interest rates are a serious problem and the vast majority of my rural constituents support the cuts in Federal spending that will lead, hopefully, to lower inflation and lower interest cost for all borrowers. However, when the inflation problem is licked, few rural borrowers will be able to go to private lenders for a market rate loan because transactional cost, low volume, and a high demand for agricultural product loans has meant that few private lenders make housing loans. The farmers home office is essentially the only lender for rural housing. Hence, I am sure this committee joins me in supporting the continuing viability of the rural housing programs.

The present low-income housing program gives interest credits so that low-income homebuyers, whose income is under $11,200, can afford modest housing. These interest credits, if necessary, make the loan an effective interest rate of 1 percent. Even at that paltry level, only those close to the income ceiling can afford the program. Under an amendment last year passed by Congress the moderate-income borrowers up to $15,600 income are eligible for interest credits on a sliding scale. In both programs, the amount the buyer pays increases with his increasing income and on resale the Government subsidy is recaptured.

Despite the mandatory language in the amendment, making interest credit available above $11,200, the Department has failed to issue regulations implementing the program and this committee amendment would now repeal that amendment. Hence, buyers above $11,200 would be required to pay market interest rates. Unfortunately, under the income ceiling of $15,600, no buyers qualify for a market rate loan. Although $500 million remains in the program for fiscal year 1981, after the $300 rescission, the money is not likely to be used.

Mr. President, it should be noted that the amendment would also give the Secretary discretion to end the interest credit for the low-income borrowers at any time despite authorization or appropriation levels. Ending interest credit for low-income families is unthinkable. This temporary subsidy has been part of the program since its inception and without it there would be no program. The chance this amendment would be exercised will cause such uncertainty that realtors and builders will avoid making buyers aware of the mere possibility of this program.

This amendment along with the present low-income ceiling, making so few buyers eligible for the program, puts its future in serious jeopardy. This amendment would work to the detriment of our rural Americans who share the highest levels of inadequate housing in America.

The committee report accompanying this bill mentions that the rural housing proposals came too late for any major review of the programs, objectives, and operations. It mentions that it has been 5 years since the committee last examined the rural housing programs and that the Rural Housing Subcommittee will conduct an extensive review of the programs and make recommendations to the Senate in the next authorization cycle.

When this amendment was considered by the committee, the Administrator of Farmers Home had not been confirmed. Because the impact of this amendment is so severe and so far reaching for the continuation of the homeownership programs, I urge that this committee withdraw the amendment and give the Department and affected groups the opportunity to fully air this issue. Such a delay should have no effect on the budget proposals of the President.

Mr. DOLE. Mr. President, the changes in section 8 of the Housing Act of 1937 proposed in S. 1197 to be voted on today, if enacted into law, would make changes in the Internal Revenue Code that are, I am certain, unintended. These changes to the code occur because a number of tax provisions cross-reference section 8 for a definition as to what constitutes low and moderate income and low- and moderate-income housing.

RENTAL HOUSING REVENUE BONDS

One of the most significant changes to the code would occur in an area we amended just last year: housing bonds. In the Omnibus Reconciliation Act of 1980 we limited industrial development bonds for housing purposes to low- or moderate-income rental housing bonds. Low or moderate income was defined by reference, through code section 167, to section 8 of the Housing Act. At the time, low income under section 8 was defined as 80 percent of the median for an area. Few of us, at the time, expected a change to that definition as great as that which S. 1197 mandates.

NEED FOR A TECHNICAL TAX CODE AMENDMENT

The remedy for this problem does not lie in an amendment of S. 1197, however. We should not attempt to amend the Internal Revenue Code without due consideration by using an amendment to a housing law bill as a vehicle. What is needed is a separate technical amendment to the Internal Revenue Code given prompt and full consideration by tax experts on both sides of the aisle.

Such an amendment would make clear that our intent in referring to section 8 of the Housing Act for a definition of low and moderate income in the revenue bond area was for administrative ease and not to inextricably tie the rental housing revenue bond program to a housing subsidy program. It would also, I trust, not spell disaster for the limited bond program carefully crafted in legislation only a few months old.

I would suggest to the manager of the bill that I plan to introduce a bill containing such an amendment to the code in the near future and would urge its prompt consideration by my colleagues on the Finance Committee. That statement is made because there are some concerns about that provision.

UP AMENDMENT NO. 136

(Purpose: To recognize the Kansas Department of Economic Development as a public housing agency)

Mr. DOLE. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an unprinted amendment numbered 136.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 66, between lines 18 and 19, insert the following:

RECOGNITION OF KANSAS DEPARTMENT OF ECONOMIC DEVELOPMENT

SEC. The Secretary of Housing and Urban Development shall permit the Kansas Department of Economic Development to participate as a public housing agency for the purposes of programs carried out under the United States Housing Act of 1937 and as a State agency for the purposes of section 883.203 of title 24 of the Code of Federal Regulations as in effect June 1, 1981.

Mr. DOLE. Mr. President, the amendment I propose today would simply allow my State of Kansas to join the other 49 States in receiving its approved allotment of section 8 housing units this year.

We have a problem because of a department ruling. It has been suggested that we ought to call up the Secretary and tell him to change the ruling. I am not suggesting that we have not tried to do that. We have been in discussions at the staff level at HUD, but HUD's ruling that our State agency does not qualify is based on technical arguments which are both wrong and, in my view, inappropriate.

Without going into all the technical arguments, I would just suggest that as far as I know everyone in my State, the State of Kansas, and the Kansas City area office of HUD, believed that the KDED was authorized to administer the fund.

My amendment would not cost the U.S. Government a penny, because this housing has already been appropriated and approved and is waiting in the Kansas City HUD area office. Section 8 housing units will not be taken from other States. I am only trying to insure that Kansas does not lose its housing because of a technicality.

Our problem stems from a Department of Housing and Urban Development ruling earlier this year that the Kansas Department of Economic Development does not qualify as a public housing agency eligible to administer section 8 housing. Federal law provides that only such a State agency can administer these funds. Since Kansas has no other appropriate agency, our State will probably lose the section 8 units.

HUD's ruling that our State agency does not qualify is based on technical arguments which are both wrong and inappropriate when an entire State's low-income housing is at stake. Without going into all the technical arguments, suffice it to say that everyone in the State of Kansas and the Kansas City area office of HUD has believed that KDED was authorized to administer the funds. A lengthy Kansas attorney general opinion details the legal arguments that the Kansas legislature intended the Kansas Department of Economic Development to administer such a program. In January, the HUD office in Kansas City cleared the agency for this purpose. Everyone in Kansas—from the head of KDED to the small communities and the congressional delegation—has assumed that this agency would administer our section 8 units.

It is simply inconceivable that a Federal agency would use such trivial grounds to deprive an entire State of participation in this program.

Senator KASSEBAUM and I have urged HUD officials in Washington to reverse the earlier ruling. After much delay, there seems to be agreement that our State has a legitimate case, but progress has stalled once again. We cannot afford to wait any longer.

Kansas' allocation of 120 section 8 units is at stake. The HUD area office has these units available now for State agency set-aside. Work can begin tomorrow if KDED is authorized to administer the program. If not, there are two ways Kansas could lose the units entirely. First, without KDED, the area office will need Washington approval to convert the set-aside units to a different category which can be administered directly by HUD in Kansas City. No conversion approval would mean no Kansas units. Second, HUD must spend 70 percent of its funds by July 1 of this year. If KDED does not receive approval in coming days, the July 1 deadline will not be met and the units will be revoked.

With time running out while HUD refuses to act, the Senator from Kansas has no choice but to force the issue by proposing this amendment. Because both Senators from Kansas are joining in offering an amendment which only applies to our State, we anticipate no objection and urge the Senate to approve our amendment without delay.

Mr. President, I know of no objection to the amendment.

Mr. LUGAR. Mr. President, Senator DOLE's amendment obviously has merit and equity not only for the State of Kansas but for the bill. It is a pleasure to indicate our acceptance.

Mr. PROXMIRE. Mr. President, I am pleased to support the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (UP No. 136) was agreed to.

UP AMENDMENT NO. 137

Mr. ARMSTRONG. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. ARMSTRONG), for himself and Mr. CHAFEE, proposes an unprinted amendment numbered 137.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 38, strike out lines 14 through 18 and insert in lieu thereof the following:

"(e) Section 213(d) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof a new paragraph to read as follows:

'(4) With respect to fiscal years beginning after September 30, 1981, the Secretary of Housing and Urban Development is authorized to retain a portion of the contract authority available during any fiscal year under the authorities cited in pargraph (1) of subsection (a) of this section, not to exceed 10 per centum of the available contract authority on an aggregate basis. Such contract authority shall be available for subsequent allocation to specific areas and communities, and may be used for:

'(A) unforeseeable housing needs, especially those brought on by natural disasters or special relocation requirements;

'(B) support for the needs of the handicapped or for minority enterprise;

'(C) applications for assistance with respect in housing in new communities;

'(D) providing for assisted housing as a result of the settlement of litigation.

'(E) small research and demonstration projects;

'(F) lower-income housing needs described in housing assistance plans, including activities carried out under areawide housing opportunity plans;

'(G) innovative housing programs or alternative methods for meeting lower-income housing needs approved by the Secretary.' "

Mr. ARMSTRONG. Mr. President, this amendment is offered on behalf of the Senator from Rhode Island (Mr. CHAFEE) and myself.

Mr. President, this amendment addresses itself to the so-called Secretary's discretionary fund in the section 8 housing program. It has been the practice to set aside some 20 percent of section 8 funding in a discretionary fund administered by the Secretary of HUD. The dollar amount of this is staggering. We are talking about 20 percent of a huge program, literally approaching $5 billion a year in discretionary funding.

Mr. President, I am concerned, as I have previously expressed to the Committee on Banking, that no Secretary of any administration ought to have—nor, indeed, should any official of the administration have—the kind of unguided discretion over a large program, involving huge amounts of money, that has been customary in the past. Just to give some idea of the potential for abuse which is inherent in this kind of unguided discretion, Mr. President, let me point out what happened on January 19 of this year, the last day of the prior administration. On that day, more than $2 billion in section 8 budget authority—and I did say billion, Mr. President, not $2 million but $2 billion in section 8 budget authority—was released from the Secretary's discretionary fund and was available for new proposals in section 8 housing units. Several aspects of this release, aside from the date on which it occurred, were worthy of note.

First of all, that two regions of the Nation, region I and region II, the Northeast, received more than 55 percent of the funds. Second, that some areas of the country, particularly the Northwest, which had just been hit by the Mount St. Helens volcanic eruption, received no funds.

Third, and I think this is what concerned me most, unlike past practice, funds were released for specific projects rather than to HUD local offices to determine how the funds could best be allocated to suit local needs. In other words, we are talking about the Office of the Secretary dealing directly with project contractors rather than through local officials, obviously opening the door to potential abuse.

Mr. President, I do not accuse anyone of abuse in this case, although I note for the record, as I did in committee, that there are substantial allegations of wrongdoing and hanky-panky and at least questionable practices raised by such newspapers as the Boston Globe, the Providence Journal-Bulletin, and the Washington Post.

Finally, in the release of nearly $2 billion of discretionary funds of January 19 of this year, I note that, although public housing projects are reporting significant budget deficits for this fiscal year, not 1 dollar of this nearly $2 billion that was released was allocated to shore up the deficits in existing projects.

So, Mr. President, my thought, my motive, and my purpose as we considered this bill in committee was simply to delete all authority for discretionary funds. As I sought to draft an amendment to do so, I looked in the law for that section which authorizes the discretionary fund. That is when I discovered the aspect about this whole discretionary fund of gigantic proportions which I find the most mind-boggling of all. That is there there is no statutory authorization for any discretionary fund of any size.

Well, Mr. President, I then thought I would offer an amendment which would simply make it unlawful to have a discretionary fund and, in fact, at another time, I may do exactly that. I really have doubts that there should be a discretionary fund of any substantial nature. But I have been prevailed upon by those who are interested in this program, particularly the Senator from Rhode Island, who has been an authority and a student on these matters, to moderate somewhat my own initial thinking and, rather than offer an amendment which would abolish or completely eliminate the discretionary fund, to reduce it to no more than 10 percent and then only to permit this fund to exist under certain guidelines which are contained in the amendment.

With that understanding, Mr. President, let me explain what the guidelines are. First, that the money shall be available for subsequent allocation to specific areas and communities—not to individual project contractors, but to areas and communities in the regular order so that we are not talking about the Secretary of HUD dealing with local developers or local project contractors.

Second, that we are talking about allocation for unforeseen housing needs such as those brought on by natural disasters or special relocation requirements; that the funds in this so-called discretionary account support the needs of the handicapped or minority enterprise; applications for assistance with respect to housing in new communities; lower income housing needs described in housing assistance plans, including activities carried out under areawide housing opportunity plans; and innovative housing plans or alternative methods for meeting lower income housing needs approved by the Secretary.

Mr. President, I wish I could report to the Senate that the language which is contained in the Chafee-Armstrong amendment is very tightly drawn, that it would give with great precision the kind of direction the Department should have. I cannot honestly so report. But it is a much better direction than the Department has ever had before. We are limiting, by reducing from 20 to 10 percent, the amount of the discretionary fund. Although I personally think it is too large, out of regard and deference for the Senator from Rhode Island and others, including the subcommittee chairman, who has indicated to me his desire to retain in the Department a degree of discretion, I have agreed to go along with this amendment. I hope that the Senate will also support it.

Mr. LUGAR. Mr. President, we are pleased to accept the amendment. I appreciate the good will of the Senator from Colorado, his instructive input in the committee and the refinements he has made today.

Mr. PROXMIRE. Mr. President, I am pleased to accept the amendment on behalf of the minority. I think it is so worthwhile, I want to be listed as a cosponsor. I am delighted to join the Senator from Colorado.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, this amendment would allow HUD to continue to set aside a portion of its assisted housing funds for discretionary purposes. To assure proper disposition of these funds, my amendment sets a limit on the funds that may be set aside, and specifies the purposes for which such funds may be used.

Currently, HUD maintains a Headquarters Reserve Fund created by regulations pursuant to section 213 of the Housing and Community Development Act of 1974. This fund, somtimes called the Discretionary Fund, serves many important program purposes and provides the Secretary with essential flexibility in addressing special housing-related needs.

For example, discretionary funds have been used for emergency assistance following natural disasters. When the floods of Hurricane Agnes washed away low-income housing, discretionary funds were used to replace housing that had been destroyed.

The fund is used routinely to meet handicapped needs. When local developer interest is inadequate to meet our handicapped housing goals, HUD frequently must advertise nationally. This can only be done if a central fund exists.

Discretionary funds are also used to experiment with low-cost alternatives to the present approach to assisted housing.

Mr. President, I am aware that use of the discretionary fund was the subject of some controversy during the final days of the last administration, but this is no reason to wipe out the fund entirely and hamstring this administration because of the activities of those before it.

This amendment would safeguard against abuse by limiting the amount and the application of the fund, but would leave HUD the latitude to assure its legitimate operations may be carried out.

I believe this is a most reasonable approach, and I urge my colleagues to accept this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 137) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LUGAR. Mr. President, I ask unanimous consent that a letter dated June 2, 1981, addressed to Senator GARN

from the National Association of Towns and Townships concerning a proposal to transfer the HUD Small Cities program to administration by State governments be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION OF TOWNS AND TOWNSHIPS,
Washington, D.C., June 2, 1981.

Hon. JAKE GARN
U.S. Senate,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR GARN: I am writing on behalf of the Executive Committee of the National Association of Towns and Townships (NATaT) and our more than 13,000 small community members, to urge your support for President Reagan's proposal to transfer the HUD Small Cities program to administration by state governments. Although we do believe that some minor improvements are necessary to safeguard the interests of small local governments, we are convinced that a properly constructed state block grant program will prove to be the most efficient and equitable means for delivering community development assistance to needy small communities.

Our members—most of them are communities of less than 10,000 population—have experienced substantial difficulty in making use of the Small Cities program as it is now constituted. A simplified program, administered by state officials who will be armed with a greater knowledge of local needs and capacities, will reach the thousands of needy small towns which have not benefitted from HUD assistance in the past. HUD will retain monitoring capabilities which will assure that national policy is followed at the state level.

In order to make certain that small communities benefit fully from this new Community Development program, NATaT's support for this new initiative assumes that three provisions will be added to the proposed legislation:

1. State expenditures for administration of the program should be limited to a maximum of three percent of each state's allocation;

2. It should be absolutely clear that none of the funds distributed by the states will go to large cities. All grants must go to communities with less than 50,000 population;

3. State governments should be required to honor multi-year grant commitments already made by HUD.

It will also be very important to provide local governments with adequate information about the new Community Development system.

We are convinced that this new initiative represents the best hope for meeting the community development needs of America's long-neglected small communities. We urge you to cast your vote in their behalf, in favor of this proposal.

Sincerely,

ED KRUEGER,
President.

Mr. LUGAR. Mr. President, I ask unanimous consent that a letter dated April 29, 1981, addressed to Senator PROXMIRE from the National Governors' Association concerning the community development action grant programs be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL GOVERNORS' ASSOCIATION,
Washington, D.C., April 29, 1981.

Hon. WILLIAM PROXMIRE,
U.S. Senate, Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR PROXMIRE: As you know, the Administration has proposed a number of changes in the community development block grant (CDBG) and urban development action grant (UDAG) programs as part of the FY 1982 HUD authorization bill. The legislation proposed by the Administration would provide state and local governments greater flexibility in the use of these important development funds and would establish a direct state role in administering the so-called "small cities" CDBG program. The National Governors' Association strongly urges your support for these reforms.

Many of the federal programs and tools that state and local governments have used to promote community and economic development are targeted for substantial reduction or elimination in the current round of budget cuts. The CDBG and UDAG programs are among the few remaining tools available to support state and local development and revitalization efforts. It is therefore extremely important that Congress enact the legislative changes necessary to provide greater flexibility in the use of these funds to address a broad range of development needs and activities.

Equally important is the need to provide a direct and meaningful role for states in managing a unified community and economic development block grant. As funding for categorical federal development programs is diminished, local governments are turning increasingly to the states for assistance. We are firmly convinced that states are in the best position to direct scarce development resources to the areas of greatest need. In our view, the transfer of administrative responsibility for the non-entitlement portion of CDBG from HUD area offices to elected state officials will assure more direct accountability for the use of these funds, and will produce funding decisions that are more responsive to local needs.

In recent years, the states have established an impressive record of achievements in designing programs and policies to aid distressed areas. The Administration's block grant proposal would build on the expertise states have developed in this area and would significantly enhance ongoing state efforts to promote community development and revitalization. As the Senate Banking Committee begins its mark-up of the 1982 HUD authorizations, we urge your support of the Administration's state block grant proposal.

Sincerely,

DICK THORNBURGH,
Governor of Pennsylvania, Chairman, Committee on Community and Economic Development.

WILLIAM F. WINTER,
Governor of Mississippi, Vice Chairman, Committee on Community and Economic Development.

Mr. DODD. Mr. President, I would like to take this opportunity to engage in a brief colloquy with the distinguished Senator from Indiana (Mr. LUGAR), the chairman of the Subcommittee on Housing and Community Development. Since the inception of the community development block grant program, the use of funds for public service activities has been subject to various limitations, including a restriction to areas where other physical development activities were being undertaken in a concentrated manner.

HUD has had a great deal of difficulty in implementing this limitation and, in fact, it was not until March 1978 that the Department issued regulations limiting these eligible services to neighborhood strategy areas. Even then, a phaseout period was provided. Given this difficulty in administration and a recognition that there is a need to provide local officials with increased flexibility in the use of CDBG resources in light of budget reductions and increasing demand for these funds resulting from the consolidation of related programs, the committee bill removes this limitation, but continues to preclude the use of funds if these services were provided with local resources within the prior 12-month period.

While I believe this maintenance of effort requirement is appropriate, I believe there is a need for some transition particularly as a result of the prior administrative difficulties. For example, the city of Hartford has been using CDBG funds to provide services, in senior centers Many of these centers are not located in NSA's and beginning in the upcoming program year, the city will not be able to use block grant funds.

However, under the committee bill, if the city picks up these costs from local funds, they will not be able to fund these services with block grant funds in the succeeding year. Given the lateness of the implementation of the prior provision and the pending change, I was interested as to the chairman's opinion as to whether this type of situation would qualify for a waiver of the 12-month requirement?

I notice in bill that the Secretary may waive this maintenance of effort requirement if the discontinuation of funding was due to circumstances beyond the control of the applicant.

Mr. LUGAR. The Senator is correct in stating that part of the reason for this change results from the difficulties experienced by HUD and localities in establishing an appropriate linkage between public services and concentrated physical development activities. The 12-month requirement was added to the law in 1977 to avoid situations in which CDBG funds simply would be substituted for local resources.

While it is my intent that the use of CDBG funds for public services continue to be directed to either new or an increased level of activity, I would agree that the Secretary should interpret the waiver provision liberally during the transition to the broader eligibility for public service activities provided in this bill. Depending upon local situations, I would agree that the prior inconsistencies in administration could present a circumstance beyond the control of the applicant.

Mr. DODD. I was interested further, as to whether the chairman would also agree with me that HUD should look favorably upon requests in the program year immediately preceding enactment of this change from cities which wish to continue funding such services from CDBG resources?

Mr. LUGAR. Again, I believe the Secretary should be reasonable in reviewing

these situations in recognition of the need for an appropriate transition. We certainly do not want to create a situation where localities are put in the position of either having to discontinue needed services or shift resources from other ongoing activities in anticipation of this change. Both prior and subsequent to the enactment of this provision, I believe the emphasis should be on local determination and flexibility.

Mr. DODD. I thank the chairman for his cooperation in this matter and commend him for the accommodations he has extended during consideration of this bill to Members on both sides of the aisle.

Mr. LUGAR. Mr. President, as you know the Banking Committee ordered S. 1197 reported to the Senate on May 5. Included in our bill is an extension of Federal flood insurance authority for 2 years. Unbeknown to the committee, the Comptroller General had issued an opinion affecting an important provision of the agreement between the Federal Emergency Management Agency and the pool of private insurance companies and their agents which produce the flood insurance.

This provision imdemnifies the companies and their agents from all judgments for damages as a result of court action by policyholders or applicants arising out of or caused by acts or omissions of FEMA in carrying out direct billing or policy issuance procedures controlled by FEMA to the extent that FEMA is responsible and the companies or agents have not caused or contributed to the liability. This decision, Mr. President, was based on the Comptroller General's conclusion that no appropriation has been made available for payments under the indemnity clause.

The result of the deletion of this so-called hold harmless provision is to make the companies and agents reluctant to participate in the national flood insurance program since private errors and omissions insurance does not cover damages and legal costs arising out of the Federal Government or its contractors. Therefore, we have a dilemma which should be resolved in order to sustain the progress which has been made in implementing the national flood insurance program.

Private insurers have asked us to consider an amendment to the Flood Insurance Act which would restore indemnity. We have yet to hear from the administration on this matter and are anxious to receive its counsel. The committee intends to resolve this problem of restoring protection with all due speed and recommend appropriate corrective action to the Senate at the earliest opportunity.

Mr. CRANSTON. Mr. President, I am voting against final passage of this bill. This decision was not made lightly. I have always been a supporter of housing legislation; however, this bill contains many provisions which I consider ill-advised and others which I believe are unduly harsh when considering the needs of low-income people. As a response to a national housing crisis it is remarkably threadbare. In short, the only housing policy reflected by the bill is one of disinterest on the part of the administration and the committee's Republican majority to the needs of Americans for decent housing.

The CDBG changes in title I of the bill are enough to convince me not to vote for this bill, but there are other provisions contained in S. 1197 that I find troublesome. Under the guise of reducing Federal spending, the administration is attempting to gut the housing program.

Democrats on the committee are committed to trying to develop increased opportunities for housing in this country, which led to our amendments in committee. First, increasing units for the housing of low income and elderly persons; second, reducing the cost of housing by permitting single room occupancy; third, reducing room size to reduce the cost of units; and fourth, transfering of $1.1 billion in budget authority targeted for the sale of public housing financing instruments to the Federal financing bank for additional housing units. These amendments reflect a concern for human beings, not just numbers, as the administration proposes.

The new administration and the Republican majority have combined to reduce severely the amount of assistance low- or moderate-income people will receive from the Federal Government. Their proposals will only push the poor deeper into poverty. Subsidized housing has been especially hard hit. President Carter proposed funding for 260,000 units of federally subsidized housing in his budget for 1982. In proposing its final revised budget, the Reagan administration recommended that assisted housing be reduced to an all time low of 175,000 units. The Republican majority on the Banking Committee was even less compassionate than the administration. They voted for only 150,000 units.

In addition, the administration recommended, and the majority agreed, that only 45 percent of the units are to be new construction or substantially rehabilitated housing. If these proposals are adopted it will be even more difficult for low-income people to find decent, safe, and affordable housing.

The administration has asked Congress to eliminate the "Ginnie Mae" tandem program of 7.5-percent mortgages to developers of low-income housing. This position was adopted in the bill. It is also considering limitations on the 11(b) tax-exempt financing authority. Tandem and 11(b) financing make up the bulk of financing for low-income housing. Many supporters of low-income housing believe that without this below-market financing, it will not be economically feasible to build low-income housing. With cutbacks in assisted housing and developer financing where will low-income people be living in the future?

I take issue with the proposed increase in the tenant's contribution toward rent. The bill raises the contribution from 25 percent to 30 percent of the tenant's income. Although it will be phased in over a period of 5 years, the Federal Government would squeeze an extra $1.72 billion from poor people which represents a 20-percent out-of-pocket increase for all tenants. This proposal amounts to Government-sponsored inflation and is severely harsh on those people who already have limited resources on which to exist.

Another provision that I have serious reservation about is the prohibition of illegal aliens from receiving Federal housing assistance. I can foresee many abuses to citizens by authorities attempting to determine whether one is an alien or not. I do not believe that the committee's response to this problem has been carefully thought out to protect against violations of the civil rights of low-income people be they alien or not.

Mr. President, it is for all of these reasons that I have determined that I cannot support this bill. I ask my colleagues to consider the implication of the policy set forth in this legislation and if they agree that this is not a housing bill but an antihousing bill, I hope they will join with me in voting against it.

Mr. BRADLEY. Mr. President, I oppose the adoption of S. 1197, the Housing and Community Development Act Amendments of 1981, because I believe it abandons moderate- and low-income families—those persons who in today's housing market cannot qualify for home mortgages and cannot afford the skyrocketing cost of unsubsidized rental housing. Congress created HUD in 1965 to provide for full and appropriate consideration at the national level of the needs and interests of the Nation's communities. We established a national housing goal in 1949 and reaffirmed it in 1968—"a decent home and suitable living environment for every American family." Millions of Americans have no answer to how they will take care of their housing needs. Unfortunately for them and for us, the private sector without any subsidies cannot provide them with one.

The housing industry is in its longest postwar decline. Due to sharp increases in interest rates, builders cannot get construction loans at rates that allow them to build moderately priced homes. Potential purchasers cannot qualify for or are reluctant to accept 15 to 16 percent mortgages. Unsubsidized multifamily rental housing is not deemed profitable to build—particularly for moderate- and middle-income families. For low-income families unsubsidized housing is out of the question. And existing housing stock is insufficient to house the population. The Senate Banking Committee proposal for 150,000 assisted units fails to recognize the dimensions of the problem. Even given the conflicting interests of reducing total Government spending and providing adequate housing, the cut in the level of assisted housing is excessive and unnecessary.

The shortage of unsubsidized rental housing has become an increasing problem since the late 1970's and is expected to reach epidemic proportions in the 1980's. The reason given is that the building and financial industries perceive rental housing as a bad investment. Unfortunately, stimulating new investment in the private unsubsidized multifamily rental market would result in a 25-percent increase in market

rents. This would not solve the problem of unavailability of housing to many moderate- and most low-income families. Therefore the only option is Government subsidized housing. The problem of determining a more economical way to produce housing for moderate- and low-income families is one we must address. However, until we have determined a method, the responsibility to adequately house our citizens remains.

This legislation also fails to recognize the harmful effect the current collapse of the construction industry has on the economy as a whole. The home building industry has been in a decline for 28 months and expects the decline to continue for at least 3 to 6 months. In this situation most builders and suppliers cannot survive. Increasing numbers of builders are facing bankruptcy, and with them will disappear thousands of construction jobs.

The Senate committee bill will have a strong impact on many communities. Using the State of New Jersey as an example, under the committee bill New Jersey can expect to receive approximately 3,900 units in fiscal year 1982 compared to an expected 6,697 units under the fiscal year 1981 appropriation. Under the committee bill the New Jersey Housing Finance Agency can expect 700 units of new and rehabilitated low- and moderate-income housing when the agency's capacity is between 5,000 and 7,000 units per year and the State's need exceeds this capacity by 200 to 300 percent annually.

The Senate committee housing bill also fails to provide for the promotion of communities by folding several effective programs into community development block grant program without an increase in funding. It will be impossible to effectively carry out the section 312 rehabilitation loan, the section 701 comprehensive planning assistance, the neighborhood self-help development, weatherization assistance and CSA's community economic development programs under the committee proposal. I support the views set forth by my Democratic colleagues in the Senate committee report on S. 1197 in opposition to title I of the bill. The purpose of the community development block grant program will not be carried out under the proposal. Although the committee recognized the importance of separating UDAG from CDBG it erred substantially in diluting citizen participation in the local community development process, in eliminating the linkage of housing assistance and community development and in failing to determine the impact of the proposed substantial changes in the community development component of the bill.

The defects of the Senate committee bill are so glaring that I must oppose its passage and I urge my fellow colleagues to do likewise. I am encouraged by the unanimous vote of the Democrats on the committee against reporting out the bill and suggest that we follow their studied action.

Mr. DURENBERGER. Mr. President, in a narrow sense, title I of this legislation only makes technical changes in the CDBG program. It changes HUD's prior approval role on the CDBG plans of communities. It reduces the level of citizen participation previously mandated by the Federal Government. It also allows the States a potential role in the small cities grant program.

However, in the larger perspective it sends a clear signal to HUD and the cities that the Senate is backing off its long-term commitment to target these funds primarily for the benefit of low- and moderate-income families and individuals. In 1974 when the administration was proposing special revenue sharing for community development, the Senate wanted to require that 80 percent of the money be used to directly benefit low- and moderate-income families. The House has always been somewhere between the Senate and the administration. The bill and the report contemplate much more local discretion and much less Federal targeting of the funds.

Local discretion is a valuable principle and it is important that the Federal Government encourage it where appropriate. I am glad to see that the President is committed to moving ahead in this area. GRS is a good example of a program that provides almost complete freedom in deciding how Federal funds may be used. GRS deserves the support of the Senate. There are two good reasons to support it. First, the Federal Government in a variety of programs and regulations puts heavy mandates on State and local governments. These mandates are expensive to implement. They reflect Federal policies and purposes, and the Federal Government ought to provide the funds to carry them out.

Second, not every community has an adequate fiscal capacity to deal with the problems it faces. And certainly the capacity is not equally distributed across States and communities. There is a justifiable Federal purpose in a program like GRS to equalize capacity to some extent. And the GRS formula tries to accomplish that objective by recognizing tax capacity and tax effort explicitly, although one may argue about the success or failure of that formula.

So it is appropriate to have a program like GRS that sends Federal funds to States and cities with complete latitude provided to Governors and mayors, legislatures, commissions, and councils to spend on programs that are recognized for whatever reason as appropriate endeavors of local government.

But this commitment to GRS and even a commitment to reduce the regulatory burden on State and local governments, does not mean that every program should be structured like GRS.

CDBG was not intended by the Congress to be general revenue sharing or even special revenue sharing as the Nixon administration proposed as part of the process that created this block grant. Rather it was designed to replace categorical grant programs where the Federal purpose was not equalization or compensation. The purposes of the programs replaced was very explicit. They were designed to assist persons of low- and moderate-income break the cycle of poverty that existed primarily in inner city neighborhoods and was due in part to the physical condition of those neighborhoods. The Senate has always insisted that this basic Federal purpose be preserved in this program.

Part of the process of providing flexibility to local governments while preserving the Federal purpose in a program is to change the method of allocation from discretionary grants made by Federal departments to formula grants with entitled jursidictions. That modification is reflected in the CDBG block grant. But it should be clear that no one can write a formula that preserves entirely the Federal purpose. The entitled jurisdictions are much larger than the neighborhoods that we intend to benefit. This failure in the ability of the formula to target was recognized in the first 2 years of CDBG. It resulted in more targeting through HUD regulations and the reauthorization in 1977. The targeting, effected through prior HUD approval of CDBG plans, assists that formula allocation and by the way assists local officials in achieving the Federal purpose.

This is not to say that all agree that there is a Federal purpose in community development. In fact, I am one who believes that the solution to "community development" problems would be much more likely from another source. Programs like CDBG treat the symptoms of fiscal distress in cities that result from a separation between the wealth that a city creates and the places where that wealth is invested. If the mayors could reach out to the tax base of the suburbs they would not face this kind of distress and Federal treatment would not be necessary.

There are also communities in the Nation where metropolitan government works to share the problems of housing, employment, and development with all communities within a region. In fact, these structural solutions which are available in most if not all of our major cities would in the long run be a better solution to the community development problems than programs like CDBG. And the long run might be considerably shorter, if the Federal Government got out of the community development business.

But so long as we are about community development, so long as we claim that there is a Federal purpose here, we ought to be sure that the Federal funds provided go to that purpose and not to community development generally. This is to suggest that "community development" is a very broad function of Government, but that the Federal purpose in community development is much narrower than the broad function. Those community development projects in which the Federal Government has no interest are not by that designation illegitimate. They are simply local, no more—no less. And by the same argument, not everything that is community development is a Federal purpose and not everything that is community development should be supported by Federal funds.

My argument concludes by saying to my colleagues that I think that we are mistaken, if in the name of more discretion to local officials we broaden the

Federal purpose in community development. In fact, as I have said, I think we should greatly narrow the Federal role because the structural solution that is available to the States and their cities is far more promising. Paradoxically, this belief that the Federal role should be narrowed leads me to believe that the Federal Government should be even more explicit in targeting those funds it will be expending. This can and should be done in conjunction with regional government planning.

For these reasons I think it is imperative that we find a way to continue to have a prior review system. I am hopeful that we can continue the best aspects of the present system while finding ways to ease the application process burden. Toward that end and in order to gain further input from those most directly affected by the block grant process, I will be holding hearings on this subject in the Intergovernmental Relations Subcommittee on Government Affairs.

Mr. TSONGAS. Mr. President, this legislation will seriously undermine our community and economic development efforts in Massachusetts and throughout the Nation. It will target the low-income family and elderly housing tenants for severe economic hardship.

The changes in housing programs are a major blow to poor people. First, the administration stripped the poor of their basic services including housing, and raised low-income housing rents. Now the Senate proposed to extract the final pound of flesh by forcing cities to choose between rent controls for tenants outside public housing and rent subsidies for tenants inside public housing.

The changes in community development programs are unnecessary, since they were reauthorized in the last Congress. More importantly the are dangerous, because they take away controls on how community development funds are spent. The proposed change in small cities program administration has received only a cursory examination, and would place another layer of bureaucracy between local and Federal Government. I believe that necessary regulatory reforms and reductions in paperwork should and can be made without this massive effort to weaken the law. Under the guise of eliminating these burdens the administration is actually wasting the taxpayers money.

It is clear that the issues are not dollars or programs, but philosophy. The administration could have an economic recovery program with the cities as partners, but they have chosen to make the cities their victims. I have worked on seven major housing bills since I came to Congress, but I cannot support this bill. It represents a major retreat from the programs and principles which have proven workable and effective.

● Mr. CHILES. Mr. President, I want to say a few words in opposition to the Banking Committee's move to terminate the authorization for the Federal crime insurance program (FCIP).

The FCIP provides residential and commercial insurance at reasonable rates for persons who are otherwise unable to obtain crime insurance because they are located in high crime areas. The program has been in operation for nearly 10 years now, and it insures approximately 80,000 people across the country.

The program recognizes that fighting crime, in the long run, involves more than increasing our law enforcement budgets. It recognizes that one important way to turn around our crime problem is to encourage people to build stable neighborhoods and to attract businesses to an area. A neighborhood where people know one another is a neighborhood where people will help one another to keep criminals out. It is tough to get people to move into an area and revitalize it unless you provide them with some incentives. The FCIP provides an incentive by giving people who want to revitalize a community the crime insurance that they would be unable to obtain on the commercial market. By taking away that incentive, we hamper this rebuilding effort and we do little to fight crime in the long run.

Mr. President, nearly 5,000 of the FCIP policyholders live in my State of Florida. Most of those who hold policies are in Dade and Broward Counties, areas which have been hard hit by crime. Many of these policyholders live in high crime areas, and are trying to revitalize these areas. Just last year, Miami was torn apart by civil disturbances in the Liberty City area. Today, people are trying to rebuild that community, and to attract businesses back into the Liberty City area. Insurance companies are helping in that rebuilding effort. Just after last year's disturbances, a group of major insurance companies in the Miami area met with Florida's insurance commissioner, Bill Gunter. After the meeting, the insurance companies told Mr. Gunter that they would continue to underwrite riot reinsurance policies in Dade County. To my way of thinking, this shows that our State governments and our private insurors want to do their part to help rebuild. Today, the Banking Committee's action sends a message out that the Federal Government is not willing to do its part.

Mr. President, the Banking Committee seems to be saying that either giving the crime insurance program an authorization or allowing the crime insurance program to use its borrowing authority is too high a price to pay. I can understand the committee's desire to save money and reduce Federal spending. I am in favor of balancing the budget, and I have worked long and hard to reduce Federal spending. But today, I am concerned that we are being pennywise and pound foolish. We may save money today, but it may end up costing us far more in the future.

I can understand the committee's concern over the imbalance between the amount paid out in claims and the amount collected in premiums under the crime insurance program. But I am not sure that it is a valid reason to terminate the program. This imbalance, a 3 to 1 ratio, should not really be surprising, since the very purpose of the crime insurance program is to insure people who live or do business in high crime areas. If there were no imbalance, then either the private sector would be involved in underwriting policies, or else the premiums would be prohibitively expensive.

Moreover, in some areas, this imbalance simply is not that high, yet these areas are being unfairly penalized. In Florida for instance, last year $857,000 was paid out in claims and $459,000 was collected in premiums under this program. If we want to reduce the imbalance in the program, then we ought to be looking for ways to change the program. We should not simply throw the program away, and leave all these people with no protection.

Mr. President, at this late stage of the bill's consideration, I will refrain from offering an amendment to restore funding for this program. My understanding however, is that the House presently favors continuing the crime insurance program in some form. So I would hope that the Banking Committee will reconsider its actions when this measure goes to conference. We need this insurance program if we are to effectively turn around our crime problem and rebuild our cities.●

● Mr. WILLIAMS. Mr. President, I regret that I must oppose this bill. I do not take this step lightly because I am fully aware that the legislation contains a number of important, even necessary provisions. But, the bad far out weighs the good. This bill would have us waste millions of dollars in community development funds at the same time that it picks the pockets of the poor in an effort to cut Federal housing assistance expenditures. Mr. President, if ever a bill deserved defeat, this one does.

Mr. President, I should like to outline some of the more egregious features of this legislation.

The community development block grant program was developed in 1974 to simplify our delivery of community revitalization funds. It has enjoyed wide support from those on the local level who put it to use. The program represents a careful fusion of local flexibility and the advancement of broad national objectives. The bill, in my view, would rip this structure apart, overloading the program with local flexibility at the same time that it overturns the Federal Government's responsibility to see that the program, in the interests of all taxpayers, truly accomplishes its objectives. The bill would deny citizens meaningful participation in the development of local block grant programs.

It would blur the program's present focus on low- and moderate-income persons, and it would reduce the ability of the Federal Government to monitor and guide the program's operations. The committee's rewriting of the program was based on the majority's unhappiness over the regulatory burdens that it perceives the present law places on localities. However, it should be pointed out that to the extent the program creates unwarranted regulatory requirements for communities, they result from the administration of the statutes. It would make more sense for the administration to provide regulatory relief by overhauling its own procedures that created the burdens in the first place.

It is especially ironic that while the bill purports to act in the interest of localities, the representatives of those localities in Washington have urged the committee not to change the program as the bill has proposed. These representatives, as well as committee members, had virtually no opportunity to examine and assess the proposed changes, since the administration's recommendations appeared at the committee the night before the HUD Secretary and public witnesses were scheduled to testify on the administration's 1981 housing and community development legislation. Moreover, the committee rushed to markup the proposed revisions within days of their submission by the administration. I cannot believe that such hasty, unconsidered action furthers the administration's stated goal of more deliberate, efficient Government. To the contrary, the bill almost invites communities to disregard the program's fundamental purposes in their use of program funds. After all, if the Federal Government is willing to scrap provisions designed to promote proper use of the funds, we can expect communities to draw a most unfortunate conclusion—that the Federal Government is losing its interest in overseeing this program, that the Federal Government does not really care whether the program goes to aid the poor or to upgrade distressed neighborhoods.

Ironically, a recent General Accounting Office report provides clear evidence that the program, as it is now, is too loosely monitored, and that funds are being diverted to highly questionable public purposes including ice skating and music lessons and rehabilitation assistance for persons with upper incomes. In the face of this criticism, and the GAO's specific recommendations for tightening the program's protections against waste, the administration and the committee majority would tear down these protections. For an administration so publicly committed to rooting out waste and fraud in Federal programs, the proposed revisions of the block grant program, which the committee adopted constitutes an act of bad faith.

Mr. President, what this bill does to the community development block grant program would be reason enough to oppose it. But, in moving from title I to title II, which deals with housing assistance programs. the bill goes from bad to worse. This bill lashes out at the poor. It punishes the poor as if being poor is not punishment enough.

It lowers the weight of our budget cutting exercise on the backs of those least able to bear the load. In approving for fiscal year 1982 a housing assistance level of only 150,000 section 8 and public housing units, some 25.000 units below that proposed by the President, and 60,000 units below that authorized for fiscal year 1981, the bill signals the virtual end of the Federal Government's commitment to better, more affordable housing for low-income persons. High interest rates have almost totally choked off private apartment construction, and the housing stock is suffering a net loss of as many as 300,000 multifamily units a year to conversion, abandonment, deterioration, and demolition. The bill will do nothing to bridge the growing gap between the amount of housing we need and what we are actually producing.

Not content to chop away housing assistance, the bill also seeks to soak the poor with additional rent. Under current law, assisted housing tenants pay 25 percent of their income toward the rent. The bill would raise that contribution to 30 percent. Almost one-third of a low-income person's income would go for rent. We can imagine how this kind of burden would bust the budgets of low-income people forcing them to make cruel choices among basic needs.

The bill's supporters claim that this increase in rents is necessary to promote greater equity between those few in assisted housing who enjoy a much lower rent obligation than the many who have equally low incomes but who do not live in assisted housing. Frankly, I fail to see how an increase in rent contributions for assisted housing tenants translates into any benefit at all for those currently unassisted. Unassisted tenants would continue to pay very high rents, or live in substandard housing, while those in section 8 or public housing projects would receive a jump in their rents. Equity would be better served if we expand the amount of assistance to those in need, rather than heaping more hardship on those we are now assisting.

The bill also attempts to inject the Federal Government into the issue of local rent controls by withholding section 8 new construction funds from localities with rent controls on new and vacant multifamily units. Not only is this an unwarranted intrusion by the Federal Government into local prerogatives, but it uses the poor as a lever to enforce a Federal policy preference. Rent controls are usually imposed after a great deal of public debate, sometimes bitter debate, and in response to serious housing shortages and climbing rents. We can hardly expect a community to reopen this debate just to secure a few section 8 units.

The provision also imposes the restriction immediately upon enactment, thereby applying the sanctions before communities have had a chance to take the action that the bill contemplates. Considering that it takes some time to adopt rent controls, especially in localities that approve them through referendum, we can expect that it would take some time to remove them. The bill fails to take this important fact into account.

The provision has other serious flaws in concept as well as in application. Its supporters contend that rent controls inhibit new apartment construction, and therefore to provide section 8 assistance to these communities would in effect bail them out of troubles that they have caused for themselves. Section 8 subsidizes too few new units to have any measurable impact on housing supply in individual communities. Thus, in no way can section 8 new construction allocations be considered a bail out for communities with housing shortages. Moreover, even if the removal of rent controls spurs the construction of multifamily projects, this rebirth of production would not mean greater construction of rental housing for low-income people. Rather, the increase in production would only affect apartments for middle- and upper-income renters. This is because local rent controls apply to private, unsubsidized construction, not to projects carrying a Federal subsidy.

Since virtually all low-income housing produced today is federally subsidized, not subject to local rent controls, the bill's antirent control provision would hold the poor hostage to effect a change that can only inure to the direct benefit of middle- or upper-income renters. There is great danger, as well, that when communities with rent controls realize that it is possible for them to keep out new section 8 projects and still receive community development block grants, they may find it in their interest to retain their controls.

Mr. President, this bill stands in stark contrast to the law's long-term commitment to decent affordable housing for our people. It stands as an example of how we have truly failed to honor that commitment. It seems to me that we would be better off to defeat this bill and seek the necessary reauthorizations and program extensions in some other manner. I urge the Senate to take this action.●

● Mr. GARN. Mr. President, last year at this time the Senate was considering the Housing and Community Development Act of 1980, and title V of that act contained national legislation for tenants in condominiums or cooperatives undergoing conversions, and legislation designed to provide judicial relief for Florida condominium owners subject to recreational leases containing automatic rental increase clauses.

While I did not oppose those provisions, enacted last year, to provide some judicial relief for holders of long recreational leases which were found by the courts to be unconscionable, I did object to the beginnings of Federal Government intervention into local condominium conversion matters.

I continue to believe that Federal regulation of condominium and cooperative conversion activity is both inappropriate and unwarranted. It is inappropriate because conversion related problems vary significantly between housing markets, and thus cannot be solved by one, uniform national law. Unlike a national law, local conversion legislation can be designed to suit the individual characteristics of local housing conditions, which differ according to rental vacancy rates, trends in the rental market, and the percentage, ages, and incomes of displaced tenants.

Local conversion regulation can be sensitive to housing priorities and policies of the community, including the decision to discourage or assist condominium conversion activity. Conditions in New York are not the same as conditions elsewhere, and require a different legislative approach best determined at the local level.

In short, controls over the conversion of rental housing to condominium ownership, and consumer protection for ten-

ants in converting housing, may be enacted by local governments to achieve a variety of public purposes, specific objectives, and priorities of the community. These public policy decisions critically affect local housing goals and should not be made by Congress.

Furthermore, Federal regulation of condominium conversions is unwarranted and ill-advised where State and local governments are responding to the need for conversion legislation. To date, an estimated 100 to 200 State and local governments have specifically responded to the recent acceleration of conversion activity in their communities with conversion legislation.

According to a survey by the National Multi-Housing Council on the status of current laws and legislative activities affecting condominium and cooperative housing, as of January 31, 1981, 25 States have enacted laws to regulate condominium conversions, not including regulations in the District of Columbia. Several of those States have passed, or have pending for consideration in the State legislatures, the comprehensive Uniform Condominium Act.

Where States have not adopted condominium statutes at the State level, often their larger metropolitan areas have adopted legislation at the local level. I am attaching a list of those States, and local jurisdictions, which have passed or are considering legislation concerning condominium and cooperative laws as completed by the Council.

Clearly, States and local jurisdictions are actively examining the need for condominium legislation, and are fashioning their legislative responses to meet special community housing needs and goals.

When the Senate passed title V last year, we unfortunately acted without the benefit of an extensive study by the Department of Housing and Urban Development documenting comprehensive information on condominium and cooperative conversions. I would briefly like to point out some of the findings of that study which strongly suggest that legislation regulating condominium conversions is unjustified. For example:

The HUD study found that condominium conversions have not taken place on a large scale, nationwide, and that they have not had a great impact on the rental market. Far from being a significant factor in the national rental housing shortage, the study found that at the end of 1979, only 1.3 percent of the Nation's occupied rental housing stock had been converted.

The HUD study laid to rest the myth that there is a significant displacement problem with former tenants in condominium conversions. HUD found that the amount of displacement in all households was equal to 10 percent of those who resided in converted buildings prior to conversion. HUD also found that 90 percent of all former residents indicated that they were satisfied with their new condominium housing.

Most importantly, the HUD study confirmed that condominium conversions are a local phenomena, and that State and local governments have responded to conversion-related problems. According to the study, conversion activity has been concentrated in the larger metropolitan areas, and 76 percent of all conversions have occurred in the largest 37 SMSA's. As a matter of fact, 59 percent of that activity has taken place in just 12 of those areas. This finding, which came too late for Banking Committee consideration last year, clearly portrays conversions as a local, and not a national activity, therefore, requiring local, not national, regulation. As previously noted in my remarks, many of the States and local jurisdictions have passed statutes and ordinances providing protections for tenants and buyers in converted condominiums. Regarding this local legislation, the study states that the larger jurisdictions and those with more conversions are more likely to adopt condominium conversion legislation.

Mr. President, I am happy to report that in last year's housing conference the conferees wisely chose to abandon the Senate's condominium conversion protections, in favor of a sense of the Congress resolution which was devoid of legislative effect. I am sorry to have learned that that resolution is being misused.

This resolution imposes no affirmative obligations upon the Federal financial regulatory agencies. It merely expresses the sense of the Congress discouraging federally insured lenders from financing those condominium conversions which will adversely impact on the housing opportunities of low and moderate income, elderly, and handicapped tenants. According to the Parliamentarian. a sense of the Congress resolution imposes no legislative duties nor does it embody affirmative legislation.

I believe that the history of the aborted condominium conversion legislation demonstrates that the conferees flatly and unequivocally rejected any Federal role in regulating conversion activity. The findings of the HUD study have supported the wisdom of that decision. I would hope that these actions would put to rest any call for more Federal Government regulation in an area which is so clearly a local matter.

CONDOMINIUM CONVERSION (AS OF JANUARY 31, 1981)

The following States have enacted or have pending legislation concerning condominium conversion. The municipalities listed after each State have specific laws regulating condo conversion (UCA) Uniform Condominium Act.

Arizona.

California: over 20 communities and several counties in CA have adopted some form of conversion ordinances.

Colorado: Boulder.

Connecticut: Hartford.

Delaware: Wilmington.

District of Columbia.

Florida.

Georgia: Atlanta.

Illinois: Considering UCA—Calumet, Chicago, Elkgrove Village, Evanston, and Skokie.

Indiana: No state law but ordinances in Indianapolis.

Iowa: Pending legislation.

Kentucky: Louisville—pending legislation.

Maine: introduced legislation—Maine Condominium Act.

Maryland: Montgomery County.

Massachusetts: Seven bills introduced 1981—Acton, Boston, Brookline—on appeal, Framingham, Lowell, Quincy, Salem, and Somerville—regulations under consideration.

Michigan.

Minnesota: Adopted UCA 1980—Minneapolis, Wayzata, and St. Paul.

Mississippi: Introduced legislation consistent with UCA in January 1981.

Nevada: Reno.

New Hampshire.

New Jersey: Bills pending in 1981 session in addition to an already strict state law.

New York: Bills pending in addition to state law New York City.

North Carolina: State legislature Drafting Committee is compiling recommendations to present to the next session of the N.C. General Assembly re condo conversion regulation and moratoriums.

Ohio: Lakewood, Lyndhurst—suburbs of Cleveland.

Oregon: Portland.

Pennsylvania: Adopted revised version of UCA in July 1980.

Rhode Island: Bills introduced in the 1980 session died in committee.

Tennessee.

Utah: Pending Legislation.

Vermont: UCA passed in 1980 but later killed in the Senate. Reintroduced in 1981.

Virginia.

Washington: State buyer protection. Tenant protection in: Everett, King County, Lynwood, Mercer Island, Redmond, and Seattle.

West Virginia: UCA passed in 1980.

Wisconsin: Tenant protection with additional legislation pending.

STATES WITH CONDO BUYER PROTECTION REGULATIONS:

Hawaii. Louisiana, Maine, Montana, and South Dakota.

In all, 25 states have enacted laws to regulate condominium conversions not including regulations in the District of Columbia.●

● Mr. DODD. Mr. President, I intend to oppose final passage of S. 1197, the Housing and Community Development Amendments of 1981. I do so reluctantly, because I believe this legislation contains several positive proposals and represents the best efforts of the committee working within the time constraints imposed by the May 15 reporting deadline. I want to commend the chairman of the full committee (Mr. GARN) and the chairman of the Subcommittee on Housing and Urban Affairs (Mr. LUGAR) for the accommodations extended to this Senator during consideration of this bill in committee and before the full Senate. I appreciate particularly the majority's commitment, extended during committee markup, to conduct hearings on the demonstration housing development loan program I introduced. I believe it is essential that the committee move expeditiously to address current and emerging housing policy issues in an innovative manner.

Mr. President, in committee and on the floor I have opposed specific provisions of this legislation and questioned others. Taken as a whole, this bill represents undesirable changes in the Nation's housing, community and economic development policies. It represents a failure to maintain current efforts and instead signals a retreat from our commitment to the housing needs of lower- and moderate-income families and older Americans. At a time when our housing

needs are far exceeding our ability to meet those needs, I fear that this bill will be seen as a retrenchment in our historic commitment to the principle established in the landmark 1949 Housing Act of "a decent home and suitable living environment for every American family."

The committee bill provides for only 150,000 new assisted housing unit reservations in the coming fiscal year, reduces the eligibility for assisted housing from 80 to 50 percent of median income, and increases the percentage of income which beneficiaries of assistance must contribute toward rent. In addition, an increasing proportion of assisted housing activity would be directed for income subsidies in connection with existing units, rather than for urgently needed new housing construction or the substantial rehabilitation of this Nation's substandard housing stock.

Those who argue that the committee bill reflects the budget constraints approved by the Senate majority are right, but they suffer from the same shortsightedness that produced those constraints and took almost 20 percent of the total budget cuts from housing programs. I submit that in the consideration of individual authorization and appropriations legislation we will have the opportunity to reorder priorities stated in the current budget while remaining within the already approved overall constraints on budget authority and outlays. In reordering individual program assumptions, both within this bill and the budget as a whole, we have the opportunity to state a sense of priorities which respond adequately to basic human needs and produce cost-effective, productive investments.

The housing needs of the American people will not abate or disappear because we have redefined them in this legislation. In fact, we have fallen far short of meeting the housing needs of our lower income citizens and increasing housing costs have placed moderate income, working families among those unable to afford adequate housing.

In 1973, the Nixon administration imposed a moratorium on new assisted housing activity. Not only did this action freeze all efforts to meet increasing housing needs, but it destroyed the capacity of government and the private sector to later implement new program directions. I submit that the funding levels in this bill move us dangerously close to another moratorium that would cripple all efforts to address current and future housing policy issues.

Where is the so-called safety net for lower income families without sufficient income to afford decent shelter at an affordable cost? How long will lower and moderate income working families wait for lower interest rates and promised increases in production? Will we be able to afford to produce the needed level of housing at future costs? And, most importantly, will anyone be left behind to build this housing?

Mr. President, if Connecticut received each of the 150,000 new housing units contained in this bill the current demand for housing would still not be met. According to the State Department of Housing, 173,000 households in Connecticut currently need assistance either because their current dwellings are substandard or too expensive. This need must be addressed before we can begin to focus on the 20,000 units the same department estimates will be needed annually to meet the demands of the immediate future.

By rejecting this bill, we can go back to committee and in a more deliberate and thoughtful manner consider how we can proceed with this task of demonstrating progress in response to these conditions. We can send a signal that it is possible to live within the overall budget requirements and still exhibit compassion and a true sense of priorities in support of basic human needs. If current programs are flawed, let us get about the business of establishing a more sound base for the future. We cannot afford this bill or any other like it that sacrifices the future for limited short-term savings and ignores the basic needs of the American people.●

● Mr. MOYNIHAN. Mr. President, the Housing and Community Development Amendments of 1981 contain a number of provisions that would, if enacted, be disastrous for those with low incomes and for communities throughout the country.

The bill includes language introduced by Senators ARMSTRONG and D'AMATO to deny Federal housing assistance to communities with rent control ordinances. That rent control is desirable is a policy judgment with which many may disagree and some do; what few can question is that local ordinances are none of the Federal Government's business. Rent control and rent stabilization are the quintessence of local issues. Had this amendment been proposed and accepted by a Democratic majority, it would have been decried as a wholly improper and unacceptable instance of Federal intrusion, overregulation and paternalism. That it has Republican sponsorship does not make it more appropriate.

In fact, this is the position taken by the Reagan administration, which opposes the rent control provisions of this bill. On March 5, OMB Director David Stockman told the House Banking Committee that penalizing communities with rent control "is the kind of meddling that could only compound local meddling that caused rent controls in the first place." On March 18, HUD Secretary Samuel Pierce told the House Subcommittee on Housing and Community Development that "rent control should be determined by the localities." And on May 7, White House spokesman Larry Speakes told reporters that President Reagan feels that "the Federal Government should stay out of the business of rent control."

To support this bill would be to participate in the federalization of the issue of rent control. In what can only be termed a power grab by Washington, a fresh example of the classic pattern of intruding the purportedly superior wisdom of Federal officials into what has heretofore been left to governments closest to the people.

There are additional problems with this bill. It would raise the percentage of income paid as rent by low-income tenants in assisted housing from 25 to 30 percent. Thirty percent of income may represent a significantly lower rental than is available in the private housing market. But for those tenants now living in an assisted unit, it is a rent increase, pure and simple. A rent increase that will take $1.72 billion from low-income renters over the next 5 years. From precisely those people whose incomes are already too small to insure that all necessities can be obtained. From families which are already hard pressed to pay 25 percent of income for rent. This is no better than government-sponsored inflation for those people suffering worst from the inflation that this Government cannot seem to cure.

The bill would lift many important provisions governing the Community Development Block Grant (CDBG) program. Not all provisions, but only those designed to insure that low- and moderate-income areas benefit from the funds. The bill eliminates the requirement that funds be targeted to low- or moderate-income neighborhoods. It repeals the citizen participation requirements, which have given low-income area residents some control over development in their neighborhoods. These changes seriously hamper the program's ability to help rehabilitate low- and moderate-income areas, which was the original intent behind CDBG. It has operated effectively and should not be changed in this fashion.

This bill makes changes that are bad government and bad social policy. I cannot support it and I will not vote for it. It is one thing to curtail Government programs. It is quite a different thing to do so in a way that most hurts the least fortunate. And it would be unconscionable to support a bill that predicates receipt of Federal funds upon a certain type of local behavior. The rent control language is an attempt to punish cities that behave in a certain way and by creating the threat of punishment, causing those cities to change their behavior. If the Senate acts affirmatively on this bill, I will take my fight against the rent control language to conference and will, if necessary, resume it when the final version of the bill comes before the Senate. It can and must be defeated.●

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Florida (Mrs. HAWKINS), the Senator from Maryland (Mr. MATHIAS), the Senator from Georgia (Mr. MATTINGLY), the Senator from Texas (Mr. TOWER), the Senator from Wyoming (Mr. WALLOP), and the Senator

from South Dakota (Mr. ABDNOR) are necessarily absent.

I further announce that, if present and voting, the Senator from Texas (Mr. TOWER), the Senator from Wyoming (Mr. WALLOP), and the Senator from Florida (Mrs. HAWKINS) would each vote "yea."

Mr. CRANSTON. I announce that the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Ohio (Mr. METZENBAUM), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I also announce that the Senator from Georgia (Mr. NUNN) is absent attending the funeral of former Congressman Carl Vinson.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 65, nays 24, as follows:

[Rollcall Vote No. 138 Leg.]

YEAS—65

Andrews	Garn	Nickles
Armstrong	Glenn	Packwood
Baker	Goldwater	Percy
Baucus	Gorton	Pressler
Bentsen	Grassley	Pryor
Boren	Hatch	Quayle
Boschwitz	Hatfield	Randolph
Cannon	Hayakawa	Roth
Chafee	Heinz	Rudman
Chiles	Helms	Sasser
Cochran	Huddleston	Schmitt
Cohen	Humphrey	Simpson
D'Amato	Jackson	Specter
Danforth	Jepsen	Stafford
Denton	Johnston	Stennis
Dixon	Kassebaum	Stevens
Dole	Kasten	Symms
Domenici	Laxalt	Thurmond
Durenberger	Long	Warner
East	Lugar	Weicker
Exon	McClure	Zorinsky
Ford	Murkowski	

NAYS—24

Biden	Eagleton	Mitchell
Bradley	Hart	Moynihan
Bumpers	Heflin	Pell
Burdick	Inouye	Proxmire
Byrd, Robert C.	Leahy	Riegle
Cranston	Levin	Sarbanes
DeConcini	Matsunaga	Tsongas
Dodd	Melcher	Williams

NOT VOTING—11

Abdnor	Hollings	Metzenbaum
Byrd, Harry F., Jr.	Kennedy	Nunn
Hawkins	Mathias	Tower
	Mattingly	Wallop

So the bill (S. 1197) was passed, as follows:

S. 1197

An act to amend and extend certain Federal laws relating to housing, community, and economic development, and related programs, to provide an improved and expedited multifamily mortgage foreclosure procedure, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Housing and Community Development Amendments of 1981".

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TITLE I—COMMUNITY AND ECONOMIC DEVELOPMENT

AUTHORIZATIONS

SEC. 101. Section 103 of the Housing and Community Development Act of 1974 is amended to read as follows:

"AUTHORIZATIONS

"SEC. 103. The Secretary is authorized to make grants to States, units of general local government, and Indian tribes to carry out activities in accordance with the provisions of this title. There are authorized to be appropriated for these purposes not to exceed $4,166,000,000 for each of the fiscal years 1982 and 1983. Sums appropriated pursuant to this section shall remain available until expended.".

STATEMENT OF ACTIVITIES AND REVIEW

SEC. 102. (a) The caption of section 104 of the Housing and Community Development Act of 1974 is amended to read as follows: "STATEMENT OF ACTIVITIES AND REVIEW".

(b) Subsections (a), (b), and (c) of section 104 of such Act are amended to read as follows:

"(a)(1) Prior to the receipt in any fiscal year of a grant under section 106 by any metropolitan city or urban county, under section 106(d) by any State, or under section 106(d)(2)(B) by any unit of general local government, the grantee shall have prepared a final statement of community development objectives and projected use of funds and shall have provided the Secretary with the certifications required in subsection (b) and, where appropriate, subsection (c). In the case of metropolitan cities and urban counties receiving grants pursuant to section 106(b) and in the case of units of general local government receiving grants pursuant to section 106(d)(2)(B), the statement of projected use of funds shall consist of proposed community development activities. In the case of States receiving grants pursuant to section 106(d), the statement of projected use of funds shall consist of the method by which the States will distribute funds to units of general local government.

"(2) In order to permit public examination and appraisal of such statements, to enhance the public accountability of grantees, and to facilitate coordination of activities with different levels of government, the grantee shall—

"(A) furnish citizens information concerning the amount of funds available for proposed community development and housing activities and the range of activities that may be undertaken,

"(B) publish a proposed statement in such manner to afford affected citizens or, as appropriate, units of general local government an opportunity to examine its content and to submit comments on the proposed statement and on the community development performance of the grantee, and

"(C) hold one or more public hearings to obtain the views of citizens on community development and housing needs.

In preparing the final statement, the grantee shall consider any such comments and views and may, if deemed appropriate by the grantee, modify the proposed statement. The final statement shall be made available to the public, and a copy shall be furnished to the Secretary together with the certifications required under subsection (b) and, where appropriate, subsection (c).

"(b) Any grant under section 106 shall be made only if the grantee certifies to the satisfaction of the Secretary that—

"(1) the grantee is in full compliance with the requirements of subsection (a)(2)(A), (B), and (C), and has made the final statement available to the public;

"(2) the grant will be conducted and ad-

ministered in conformity with Public Law 88-352 and Public Law 90-284;

"(3) the projected use of funds has been developed so as to give maximum feasible priority to activities which will benefit low- and moderate-income families or aid in the prevention or elimination of slums or blight; the projected use of funds may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs; and

"(4) the grantee will comply with the other provisions of this title and with other applicable laws.

"(c)(1) Any grant made under section 106(b) shall be made only if the unit of general local government certifies that it is following a current housing assistance plan which has been approved by the Secretary and which—

"(A) accurately surveys the condition of the housing stock in the community and assesses the housing assistance needs of lower income persons (including elderly and handicapped persons, large families, owners of homes requiring rehabilitation assistance, and persons displaced or to be displaced) residing in or expected to reside in the community as a result of existing or projected changes in employment opportunities and population in the community and its surroundings (and those elderly persons residing in or expected to reside in the community), or as estimated in a community accepted State or regional housing opportunity plan approved by the Secretary, and identifies housing stock which is in a deteriorated condition, including the impact of conversion of rental housing to condominium or cooperative ownership on such needs;

"(B) specifies a realistic annual goal for the number of dwelling units or lower income persons to be assisted, including (i) the relative proportion of new, rehabilitated, and existing dwelling units, including existing rental and owner occupied dwelling units to be upgraded and thereby preserved, (ii) the sizes and types of housing projects and assistance best suited to the needs of lower income persons in the community, and (iii) in the case of subsidized rehabilitation, adequate provisions to assure that a preponderance of persons assisted should be of low and moderate income; and

"(C) indicates the general locations of proposed housing for lower income persons, with the objective of (i) furthering the revitalization of the community, including the restoration and rehabilitation of stable neighborhoods to the maximum extent possible, and the reclamation of the housing stock where feasible through the use of a broad range of techniques for housing restoration by local government, the private sector, or community organizations, including provision of a reasonable opportunity for tenants displaced as a result of such activities to relocate in their immediate neighborhood, (ii) promoting greater choice of housing opportunities and avoiding undue concentrations of assisted persons in areas containing a high proportion of low-income persons, and (iii) assuring the availability of public facilities and services adequate to serve proposed housing projects.

"(2) The Secretary shall establish such dates and manner for the submission of housing assistance plans described in paragraph (1) as the Secretary may prescribe.".

(c)(1) Section 104(d) of such Act is amended to read as follows:

"(d) Each grantee shall submit to the Secretary, at a time determined by the Secretary, a performance report concerning the use of funds made available under section 106, together with an assessment by the grantee of the relationship of such use to the objectives identified in the grantee's statement under subsection (a). The Secretary shall, at least on an annual basis, make such reviews and audits as may be necessary or appropriate to determine—

"(1) in the case of grants made under section 106(b) or section 106(d)(2)(B), whether the grantee has carried out its activities and, where applicable, its housing assistance plan in a timely manner, whether the grantee has carried out those activities and its certifications in a manner which is not plainly inconsistent with the requirements of this title, the primary objectives of this title, and other applicable laws, and whether the grantee has a continuing capacity to carry out those activities in a timely manner; and

"(2) in the case of grants to States made under section 106(d), whether the State has distributed funds to units of general local government in a timely manner and in conformance to the method of distribution described in its statement, whether the State has carried out its certifications in compliance with the requirements of this title and other applicable laws, and whether the State has made such reviews and audits of the units of general local government as may be necessary or appropriate to determine whether they have satisfied the applicable performance criteria described in paragraph (1) of this subsection.

The Secretary may make appropriate adjustments in the amount of the annual grants in accordance with the Secretary's findings under this subsection. With respect to assistance made available under section 106(d), the Secretary may provide such assistance directly to the units of general local government, or adjust, reduce, or withdraw such assistance, or take other action as appropriate in accordance with the Secretary's reviews and audits under this subsection, except that funds already expended on eligible activities under this title shall not be recaptured or deducted from future assistance to such units of general local government.".

(2) The amendment made by paragraph (1) shall take effect on October 1, 1982.

(d) Section 104 of such Act is amended by striking out subsections (e) and (f) and redesignating subsections (g), (h), (i), and (j) as subsections (e), (f), (g), and (h).

(e) Section 104(f) of such Act, as redesignated by subsection (d) of this section, is amended—

(1) by striking out "applicants" in paragraph (1) and inserting in lieu thereof "recipients of assistance under this title";

(2) by striking out "applicant" wherever it appears and inserting in lieu thereof "recipient of assistance under this title";

(3) by striking out "applications and" in the last sentence of paragraph (2); and

(4) by adding the following new paragraph at the end thereof:

"(4) In the case of grants made to States pursuant to section 106(d), the State shall perform those actions of the Secretary described in paragraph (2) and the performance of such actions shall be deemed to satisfy the Secretary's responsibilities referred to in the second sentence of such paragraph.".

(f) Section 104(g) of such Act, as redesignated by subsection (d) of this section, is amended—

(1) by striking out paragraph (1) and inserting in lieu thereof the following:

"(1) Units of general local government receiving assistance under this title may receive funds, in one payment, in an amount not to exceed the total amount designated in the grant (or, in the case of a unit of general local government receiving a distribution from a State pursuant to section 106(d), not to exceed the total amount of such distribution) for use in establishing a revolving loan fund which is to be established in a private financial institution and which is to be used to finance rehabilitation activities assisted under this title. Rehabilitation activities authorized under this section shall begin within 45 days after receipt of such payment."; and

(2) by striking out the last two sentences of paragraph (2).

ELIGIBLE ACTIVITIES

SEC. 103. (a) Section 105(a) of the Housing and Community Development Act of 1974 is amended—

(1) by striking out paragraph (8) and inserting in lieu thereof the following:

"(8) provision of public services, including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, energy conservation, welfare or recreation needs, if such services have not been provided by the unit of general local government (through funds raised by such unit, or received by such unit from the State in which it is located) during any part of the twelve-month period immediately preceding the date of submission of the statement with respect to which funds are to be made available under this title, and which are to be used for such services, unless the Secretary finds that the discontinuation of such services was the result of events not within the control of the unit of general local government except that not more than 10 per centum of the amount of any assistance to a unit of general local government under this title may be used for activities under this paragraph;"; and

(2) by striking out "and" at the end of paragraph (15);

(3) by striking out the period at the end of paragraph (16) and inserting in lieu thereof "; and"; and

(4) by adding at the end thereof the following new paragraph:

"(17) provision of assistance to private, for-profit entities, when the assistance is necessary or appropriate to carry out an economic development project.".

(b) In fiscal years 1982, 1983, and 1984 the Secretary may waive the limitation on the amount of funds which may be used for public services activities under section 105(a)(8) of the Housing and Community Development Act of 1974, as amended by this Act, in the case of a unit of general local government which, during fiscal year 1981, allocated more than 10 per centum of funds received under title I of the Housing and Community Development Act of 1974 for such activities.

ALLOCATION AND DISTRIBUTION OF FUNDS

SEC. 104. (a) Section 106(a) of the Housing and Community Development Act of 1974 is amended to read as follows:

"(a) Of the amount approved in an appropriation Act under section 103 for grants in any year (excluding the amounts provided for use in accordance with section 107 and section 119), 70 per centum shall be allocated by the Secretary to metropolitan cities and urban counties. Except as otherwise specifically authorized, each metropolitan city and urban county shall be entitled to an annual grant from such allocation in an amount not exceeding its basic amount computed pursuant to paragraph (1) or (2) of subsection (b).".

(b) Section 106 of such Act is amended by striking out subsection (c) and redesignating subsections (d), (e), (f), and (g) as subsections (c), (d), (e), and (f), respectively.

(c) Section 106(c), as redesignated by subsection (b) of this section, is amended to read as follows:

"(c) Any amounts allocated to a metropolitan city or urban county pursuant to the preceding provisions of this section which are not received by the city or county for a fiscal year or which become available as a result of actions under section 104(d) or section 111

shall be reallocated in the succeeding fiscal year among the metropolitan cities and urban counties of the same State on the basis of a formula under which the amount reallocated to each such city or county bears the same ratio to the total amount reallocated to the metropolitan cities and urban counties within that State as the ratio which the amount allocated to that city or county pursuant to the preceding provisions of this section bears to the total amount allocated to the metropolitan cities and urban counties within that State.".

(d) Section 106(d)(1) of such Act, as redesignated by subsection (b) of this section, is amended—

(1) by striking out "section 103(a)" and all that follows through "nonmetropolitan areas of each State" in the first sentence and inserting in lieu thereof the following: "section 103 for grants in any year (excluding the amounts provided for use in accordance with section 107 and section 119), 30 per centum shall be allocated among the States for use in nonentitlement areas. The allocation for each State shall be"; and

(2) by striking out "nonmetropolitan" wherever it appears and inserting in lieu thereof "nonentitlement".

(e) Section 106(d) of such Act, as redesignated by subsection (b) of this section, is amended by striking out paragraphs (2) and (3) inserting in lieu thereof the following:

"(2)(A) Amounts allocated under paragraph (1) shall be distributed to units of general local government located in nonentitlement areas of the State to carry out activities in accordance with the provisions of this title—

"(i) by the State, consistent with the statement submitted under section 104(a); or

"(ii) by the Secretary, in any case described in subparagraph (B), for use by units of general local government in accordance with paragraph (3)(B).

"(B) The Secretary shall distribute amounts allocated under paragraph (1) where—

"(i) the State has elected, in such manner and before such time as the Secretary may prescribe, not to distribute such amounts;

"(ii) the State has failed to submit the certifications described in subparagraph (C); or

"(iii) such action is necessary as a result of findings and actions taken pursuant to section 104(d).

"(C) To receive and distribute amounts allocated under paragraph (1), the Governor must certify that the State—

"(i) engages or will engage in planning for community development activities;

"(ii) provides or will provide technical assistance to units of general local government in connection with community development programs;

"(iii) will provide, out of State resources, funds for community development activities in an amount which is at least 10 per centum of the amounts allocated for use in the State pursuant to paragraph (1); and

"(iv) has consulted with local elected officials from among units of general local government located in nonentitlement areas of that State in determining the method of distribution of funds required by subparagraph (A).

"(3)(A) If the State receives and distributes such amounts, it shall be responsible for the administration of funds so distributed. Such amounts may not be used for administrative expenses incurred by the State in carrying out its responsibilities under this title.

"(B) If the Secretary distributes such amounts, the distribution shall be made in accordance with determinations of the Secretary pursuant to statements submitted and the other requirements of section 104 (other than subsection (c)) and in accordance with regulations and procedures prescribed by the Secretary.

"(C) Any amounts allocated for use in a State for a fiscal year which are not received by that State or the units of local government of that State or which become available as a result of actions taken under section 104(d) or 111 shall be added to amounts available for use in that State in the succeeding fiscal year. Any amounts which are or become available in any case described in paragraph (2)B)(i) shall be available for use within the State to which the amounts were allocated.

"(4) In computing amounts under paragraph (1), Indian tribes shall be excluded.".

(f) Section 106(f), as redesignated by subsection (b) of this section, is amended by striking out "(1)" and all that follows through "106(e)" and inserting in lieu thereof "all basic grant entitlement amounts".

(g) Section 102(a)(4) of such Act is amended by inserting before the period at the end thereof the following: ", or until September 30, 1982, whichever is later".

DISCRETIONARY FUND

SEC. 105. Subsections (a), (b), and (c) of section 107 of the Housing and Community Development Act of 1974 are amended to read as follows:

"(a) Of the total amount approved in appropriation Acts under section 103 for each of the fiscal years 1982 and 1983, not more than $60,000,000 for each of the fiscal years 1982 and 1983 may be set aside in a special discretionary fund for grants under subsection (b). Grants under this section are in addition to any other grants which may be made under this title to the same entities for the same purposes.

"(b) From amounts set aside under subsection (a), the Secretary is authorized to make grants—

"(1) in behalf of new communities assisted under title VII of the Housing and Urban Development Act of 1970 or title IV of the Housing and Urban Development Act of 1968 or in behalf of new community projects assisted under title X of the National Housing Act which meet the eligibility standards set forth in title VII of the Housing and Urban Development Act of 1970 and which were the subject of an application or preapplication under such title prior to January 14, 1975;

"(2) in Guam, the Virgin Islands, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands;

"(3) to Indian tribes; and

"(4) to States, units of general local government, Indian tribes, or areawide planning organizations for the purpose of providing technical assistance in planning, developing, and administering assistance under this title, and to States and units of general local government for implementing special projects otherwise authorized under this title. The Secretary may also provide, directly or through contracts, technical assistance under this paragraph to such governmental units, or to a group designated by such a governmental unit for the purpose of assisting that governmental unit to carry out assistance under this title.

"(c) Amounts set aside for use under subsection (b) in any fiscal year but not used in that year shall remain available for use in subsequent fiscal years in accordance with the provisions of that subsection."

NONDISCRIMINATION

SEC. 106. Section 109(a) of the Housing and Community Development Act of 1974 is amended by adding the following new sentence at the end thereof: "Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 shall also apply to any such program or activity.".

TRANSITIONAL PROVISIONS

SEC. 107. (a) Any amounts appropriated for any fiscal year before fiscal year 1982 in a Department of Housing and Urban Development-Independent Agencies Appropriation Act or a Supplemental Appropriation Act under the head "Community Development Grants" which are or become available for obligation shall remain available as provided by law, and shall be used in accordance with the following:

(1) funds authorized for use under section 106(a) of the Housing and Community Development Act of 1974 before the effective date of this title shall be available for use as provided by section 106(c) of such Act;

(2) funds authorized for use under section 107 of such Act before the effective date of this title shall be available for use as provided by section 107(c) of such Act; and

(3) funds authorized for use under section 106(c) or (e) of such Act before the effective date of this title shall be available for use as provided by section 106(d)(3)(A) of such Act.

(b) Any grant or loan which, prior to the effective date of any provision of this title, was obligated and governed by any authority stricken by any provision of this title shall continue to be governed by the provisions of such authority as they existed immediately before such effective date.

URBAN DEVELOPMENT ACTION GRANTS

SEC. 108. (a) Section 119 of the Housing ing and Community Development Act of 1974 is amended to read as follows:

"URBAN DEVELOPMENT ACTION GRANTS

"SEC. 119. (a) The Secretary is authorized to make urban development action grants to cities and urban counties which are experiencing severe economic distress to help stimulate economic development activity needed to aid in economic recovery. Of the total amount approved in appropriation Acts under section 103 for each of the fiscal years 1982 and 1983, not more than $500,000,000 shall be available for each of the fiscal years 1982 and 1983 for grants under this section.

"(b)(1) Urban development action grants shall be made only to cities and urban counties which have, in the determination of the Secretary, demonstrated results in providing housing for low- and moderate-income persons and in providing equal opportunity in housing and employment for low- moderate-income persons and members of minority groups. The Secretary shall issue regulations establishing criteria in accordance with the preceding sentence and setting forth minimum standards for determining the level of economic distress of cities and urban counties for eligibility for such grants. These standards shall take into account factors such as the age of housing; the extent of poverty; the extent of population lag; growth of per capita income; and, where data are available, the extent of unemployment and job lag.

"(2) A city or urban county which fails to meet the minimum standards established pursuant to paragraph (1) shall be eligible for assistance under this section if it meets the requirements of the first sentence of such paragraph and—

"(A) in the case of a city with a population of fifty thousand persons or more or an urban county, contains an area (i) composed of one or more contiguous census tracts, enumeration districts, or block groups, as defined by the United States Bureau of the Census, having at least a population of ten thousand persons or 10 per centum of the population of the city or urban county; (ii) in which at least 70 per centum of the residents have incomes below 80 per centum of

the median income of the city or urban county; and (iii) in which at least 30 percentum of the residents have incomes below the national poverty level; or

"(B) in the case of a city with a population of less than fifty thousand persons, contains an area (i) composed of one or more contiguous census tracts, enumeration districts, or block groups or other areas defined by the United States Bureau of the Census or for which data certified by the United States Bureau of the Census are available having at least a population of two thousand population of the city, whichever is greater; five hundred persons or 10 per centum of the (ii) in which at least 70 per centum of the residents have incomes below 80 per centum of the median income of the city; and (iii) in which at least 30 per centum of the residents have incomes below the national poverty level.

The Secretary shall use up to, but not more than, 20 per centum of the funds appropriated for use in any fiscal year under this section for the purpose of making grants to cities and urban counties eligible under this paragraph.

"(c) Applications for assistance under this section shall—

"(1) in the case of an application for a grant under subsection (b)(2), include documentation of grant eligibility in accordance with the standards described in that subsection;

"(2) set forth the activities for which assistance is sought, including (A) an estimate of the costs and general location of the activities; (B) a summary of the public and private resources which are expected to be made available in connection with the activities, including how the activities will take advantage of unique opportunities to attract private investment; and (C) an analysis of the economic benefits which the activities are expected to produce;

"(3) contain a certification satisfactory to the Secretary that the applicant, prior to submisison of its application, (A) has held public hearings to obtain the views of citizens, particularly residents of the area in which the proposed activities are to be carried out, and (B) has analyzed the impact of these proposed activities on the residents, particularly those of low and moderate income, of the residential neighborhood, and on the neighborhood in which they are to be carried out; and

"(4) contains a certification satisfactory to the Secretary that the applicant, prior to submission of its application, (A) has identified all properties, if any, which are included on the National Register of Historic Places and which, as determined by the applicant, will be affected by the project for which the application is made; (B) has identified all other properties, if any, which will be affected by such project and which, as determined by the applicant, may meet the criteria established by the Secretary of the Interior for inclusion on such Register, together with documentation relating to the inclusion of such properties on the Register; (C) has determined the effect, as determined by the applicant, of the project on the properties identified pursuant to clauses (A) and (B); and (D) will comply with the requirements of section 121.

"(d)(1) Except in the case of a city or urban county eligible under subsection (b)(2), the Secretary shall establish selection criteria for grants under this section which must include (A) as the primary criterion, the comparative degree of economic distress among applicants, as measured (in the case of a metropolitan city or urban county) by the differences in the extent of growth lag, the extent of poverty, and the adjusted age of housing in the metropolitan city or urban county; (B) other factors determined to be relevant by the Secretary in assessing the comparative degree of economic deterioration in cities and urban counties; and (C) at least the following other criteria; demonstrated performance of the city or urban county in housing and community development programs; to the extent to which the grant will stimulate economic recovery by leveraging private investment; the number of permanent jobs to be created and their relation to the amount of grant funds requested; the proportion of permanent jobs accessible to lower income persons and minorities, including persons who are unemployed; the impact of the proposed activities on the fiscal base of the city or urban county and its relation to the amount of grant funds requested; the extent to which State or local government funding or special economic incentives have been committed; and the feasibility of accomplishing the proposed activities in a timely fashion within the grant amount available.

"(2) For the purpose of making grants with respect to areas described in subsection (b)(2), the Secretary shall establish selection criteria, which must include (A) factors determined to be relevant by the Secretary in assessing the comparative degree of economic deterioration among eligible areas, (B) such other criteria as the Secretary may determine, including at a minimum the criteria listed in paragraph (1)(C) of this subsection.

"(e) The Secretary may not approve any grant to a city or urban county eligible under subsection (b)(2) unless—

"(1) the grant will be used in connection with a project located in an area described in subsection (b)(2), except that the Secretary may waive this requirement where the Secretary determines (A) that there is no suitable site for the project within that area, (B) the project will be located directly adjacent to that area, and (C) the project will contribute substantially to the economic development of that area;

"(2) the city or urban county has demonstrated to the satisfaction of the Secretary that basic services supplied by the city or urban county to the area described in subsection (b)(2) are at least equivalent, as measured by per capital expenditures, to those supplied to other areas within the city or urban county which are similar in population size and physical characteristics and which have median incomes above the median income for the city or urban county;

"(3) the grant will be used in connection with a project which will directly benefit the low- and moderate-income families and individuals residing in the area described in subsection (b)(2); and

"(4) the city or urban county makes available, from its own funds or from funds received from the State or under any Federal program which permits the use of financial assistance to meet the non-Federal share requirements of Federal grant-in-aid programs, an amount equal to 20 per centum of the grant to be available under this section to be used in carrying out the activities described in the application.

"(f) Activities assisted under this section may include such activities, in addition to those authorized under section 105(a), as the Secretary determines to be consistent with the purposes of this section.

"(g) The Secretary shall, at least on an annual basis, make reviews and audits of recipients of grants under this section as necessary to determine the progress made in carrying out activities substantially in accordance with approved plans and timetables. The Secretary may adjust, reduce, or withdraw grant funds, or take other action as appropriate in accordance with the findings of these reviews and audits, except that funds already expended on eligible activities under this title shall not be recaptured or deducted from future grants made to the recipient.

"(h) No assistance may be provided under this section for projects intended to facilitate the relocation of industrial or commercial plants or facilities from one area to another, unless the Secretary finds that the relocation does not significantly and adversely affect the unemployment or economic base of the area from which the industrial or commercial plan or facility is to be relocated.

"(i) Not less than 25 per centum of the funds made available for grants under this section shall be used for cities with populations of less than fifty thousand persons which are not central cities of a metropolitan statistical area.

"(j) A grant may be made under this section only where the Secretary determines that there is a strong probability that (1) the non-Federal investment in the project would not be made without the grant, and (2) the grant would not substitute for non-Federal funds which are otherwise available to the project.

"(k) In making grants under this section, the Secretary shall take such steps as the Secretary deems appropriate to assure that the amount of the grant provided is the least necessary to make the project feasible.

"(l) For purposes of this section, the Secretary may reduce or waive the requirement in section 102(a)(5)(B)(ii) that a town or township be closely settled.

"(m) In the case of any application which identifies any property in accordance with subsection (c)(4)(B), the Secretary may not commit funds with respect to an approved application unless the applicant has certified to the Secretary that the appropriate State historic preservation officer and the Secretary of the Interior have been provided an opportunity to take action in accordance with the provisons of section 121(b).

"(n)(1) For the purposes of this section, the term 'city' includes Guam, the Virgin Islands, and Indian tribes.

"(2) The Secretary may not approve a grant to an Indian tribe unless the tribe (A) is located on a reservation or in an Alaskan Native Village, and (B) is an eligible recipient under the State and Local Fiscal Assistance Act of 1972.

"(o) In the event that no amounts are set aside under, or precluded from being appropriated for this section for fiscal years after fiscal year 1983, any amount which is or becomes available for use under this section after fiscal year 1983 shall be added to amounts appropriated under section 103.".

(b) Section 121 of such Act is amended by striking out "subsection (c)(7)(B)" in subsection (b) and inserting in lieu thereof "subsection (c)(4)(B)".

(c) The amendments made by subsections (a) and (b) shall become effective on the effective date of regulations implementing such subsections. As soon as practicable, but not later than January 1, 1982, the Secretary shall issue such final rules and regulations as the Secretary determines are necessary to carry out such subsections.

REHABILITATION LOANS

SEC. 109. (a) Section 312 of the Housing Act of 1954 is amended by adding at the end thereof the following:

"(l) On or after October 1, 1981, loans may be made under this section only in connection with urban homesteading programs or multifamily properties.".

(b) Subsection (a)(1)(D) of such section is amended by striking out "approved".

(c) The first sentence of subsection (d) of such section is amended—

(1) by inserting "and" after "1979,"; and

(2) by striking out all after "1980" and inserting in lieu thereof a period.

(d) The last sentence of subsection (d) of such section is repealed.

(e) Subsection (h) of such section is amended by striking out "1982" each place it appears and inserting in lieu thereof "1983".

(f) Subsection (j)(1) of such section is amended by striking out the second sentence.

URBAN HOMESTEADING

SEC. 110. The first sentence of section 810 (h) of the Housing and Community Development Act of 1974 is amended by striking out "and not to exceed $26,000,000 for the fiscal year 1979" and inserting in lieu thereof "not to exceed $26,000,000 for the fiscal year 1979, and not to exceed $13,467,000 for the fiscal year 1983".

REPEALERS

SEC. 111. (a) Title VII of the Housing and Community Development Amendments of 1978 is hereby repealed.

(b) Section 701 of the Housing Act of 1954 is hereby repealed.

TECHNICAL AMENDMENTS

SEC. 112. (a) Section 102(a) of the Housing and Community Development Act of 1974 is amended—

(1) by striking out paragraphs (18) and (19);

(2) by inserting immediately after paragraph (6) the following:

"(7) The term 'nonentitlement area' means an area which is not a metropolitan city or part of an urban county."; and

(3) by redesignating the remaining paragraphs accordingly.

(b) Section 102(c) of such Act is amended by striking out "a Community Development Program in whole or in part" and inserting in lieu thereof "activities assisted under this title".

(c) Section 102(d) of such Act is amended by striking out "103(a)(1)" and inserting in lieu thereof "103".

(d) The caption of section 105 of such Act is amended to read as follows: "ELIGIBLE ACTIVITIES".

(e) Section 105(a) of such Act is amended—

(1) by striking out the first sentence and the words "These activities" in the second sentence and inserting in lieu thereof "Activities assisted under this title";

(2) by striking out "program" in paragraph (6);

(3) by striking out "the Community Development Program" in paragraph (9) and inserting in lieu thereof "activities assisted under this title";

(4) by striking out "to the community development program" in paragraph (11);

(5) by striking out "(as specifically" and all that follows through "104(a)(1)" in paragraph (14) and inserting in lieu thereof "which are carried out by public or private nonprofit entities"; and

(6) by striking out "(as specifically described in the application submitted pursuant to section 104)" in paragraph (15).

(f) Section 105(b) of such Act is amended by striking out "a grant" and inserting in lieu thereof "assistance".

(g) The second sentence of section 106(b)(4) of such Act is amended by striking out "for a grant under subsection (c) or (e)" and inserting in lieu thereof the following: "to receive assistance under subsection (d)".

(h) Section 108(d)(2) of such Act is amended by striking out "approved or".

(i) The first sentence of section 110 of such Act is amended by striking out "grants" and inserting in lieu thereof "assistance".

(j) The first sentence of section 112(a) of such Act is amended by striking out "103(a)" and inserting in lieu thereof "103".

(k) Section 113(a)(2) of such Act is amended by striking out "as approved by the Secretary".

(l) Section 116(b) of such Act is amended to read as follows:

"(b) In the case of funds available for any fiscal year, the Secretary shall not consider any statement under section 104(a), unless such statement is submitted on or prior to such date (in that fiscal year) as the Secretary shall establish as the final date for submission of statements in that year.".

REPORT ON BLOCK GRANT PROGRAM

SEC. 113. Not later than one hundred and eighty days after the date of enactment of this Act, the Secretary of Housing and Urban Development shall report to the Congress on administrative and legislative steps that can be taken to—

(1) require all grantees to concentrate their block grant funds in distressed geographic areas small enough so that visible improvements can be achieved in a reasonable time period and to ensure that claimed benefits to low- and moderate-income persons are, in actuality, occurring;

(2) reduce the broad list of activities currently eligible so that funds can be focused on those activities which meet the cities' most urgent revitalization needs;

(3) develop overall income eligibility requirements for recipients of block grant supported rehabilitation; and

(4) limit eligible rehabilitation work to that which is essential to restore the housing unit to a decent, safe, and sanitary or energy efficient condition, specifically prohibiting nonessential and luxury items, so that more homes needing basic repairs can be rehabilitated.

TITLE II—HOUSING ASSISTANCE PROGRAMS

HOUSING AUTHORIZATIONS

SEC. 201. (a) The first sentence of section 5(c)(1) of the United States Housing Act of 1937 is amended by inserting immediately after "1980" the following: ", by $891,500,000 on October 1, 1981, and by $899,800,000 on October 1, 1982".

(b) The second sentence of section 5(c)(1) of such Act is amended by striking out "Acts;" and all that follows through the period and inserting in lieu thereof the following: "Acts. In addition, the aggregate amount which may be obligated over the duration of the contracts may not exceed $31,200,000,000 with respect to the additional authority provided on October 1, 1980, $17,815,100,000 with respect to the additional authority provided on October 1, 1981, and $17,810,600,000 with respect to the additional authority provided on October 1, 1982.".

(c) Section 5(c) of such Act is amended by—

(1) redesignating paragraphs (3), (4), and (5) as paragraphs (4), (5), and (6), respectively; and

(2) inserting immediately after paragraph (2) the following:

"(3)(A) Of the additional authority approved in appropriation Acts and made available on October 1, 1981, and October 1, 1982, the Secretary shall make available at least $75,000,000 each fiscal year for assistance to projects under section 14.

"(B) Of the balance of the additional authority referred to in the preceding subparagraph which remains for each fiscal year after deducting the amount to be provided for assistance to projects under section 14, the Secretary shall allocate funds for use in different areas and communities in accordance with section 213(d) of the Housing and Community Development Act of 1974, except that on a national basis the Secretary may not enter into contracts aggregating—

"(i) more than 45 per centum of such balance for existing units assisted under this Act; and

"(ii) more than 55 per centum of such balance for newly constructed and substantially rehabilitated units assisted under this Act.

"(C) Notwithstanding subparagraph (B), after making the allocations referred to in such subparagraph, the Secretary shall accomodate the desires of States and units of local government regarding the mix between newly constructed or substantially rehabilitated and existing or moderately rehabilitated housing if the contract and budget authority allocated is sufficient to provide assistance with respect to such mix. Any contract or budget authority which remains after assistance is set aside for such mix shall be reallocated in accordance with section 213(d) of the Housing and Community Development Act of 1974. In any case where a State or unit of local government determines that funds allocated under this paragraph would be more effectively used for the modernization of existing public housing, the Secretary may approve the use of all or a part of such funds in accordance with the provisions of section 14.

"(D) The Secretary may not make reservations from the total amount of budget authority provided to carry out this Act in any fiscal year in a manner which would cause the amount reserved to exceed 30 per centum of the total amount for the last quarter of any fiscal year or 15 per centum of the total amount for any month of the last quarter of any fiscal year.".

(d) Section 9(c) of such Act is amended by—

(1) striking out "and" immediately after "on or after October 1, 1979,";

(2) striking out "$826,000,000" and inserting in lieu thereof "$970,800,000"; and

(3) inserting immediately before the period at the end thereof the following: ", not to exceed $1,204,600,000 on or after October 1, 1981, and not to exceed $1,350,400,000 on or after October 1, 1982".

(e) Section 213(d) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof a new paragraph to read as follows:

"(4) With respect to fiscal years beginning after September 30, 1981, the Secretary of Housing and Urban Development is authorized to retain a portion of the contract authority available during any fiscal year under the authorities cited in paragraph (1) of subsection (a) of this section, not to exceed 10 per centum of the available contract authority on an aggregate basis. Such contract authority shall be available for subsequent allocation to specific areas and communities, and may be used for:

"(A) unforseeable housing needs, especially those brought on by natural disasters or special relocation requirements;

"(B) support for the needs of the handicapped or for minority enterprise;

"(C) applications for assistance with respect to housing in new communities;

"(D) providing for assisted housing as a result of the settlement of litigation;

"(E) small research and demonstration projects;

"(F) lower-income housing needs described in housing assistance plans, including activities carried out under areawide housing opportunity plans;

"(G) innovative housing programs or alternative methods for meeting lower-income housing needs approved by the Secretary."

(f)(1) The first sentence of section 201(h) of the Housing and Community Development Ameandments of 1978 is amended—

(A) by striking out "and" after "the fiscal year 1980,";

(B) by inserting before the period at the end thereof the following: ", not to exceed $50,176,000 for the fiscal year 1982, and $50,176,000 for fiscal year 1983"; and

(C) by striking out the comma immediately following "Act" and inserting in lieu thereof a closed parenthesis.

(2) The third sentence of section 236(f)(3) of the National Housing Act, as redesignated by section 202(f)(7) of this title, is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1983".

(g) Section 305(c) of the National Housing Act is amended—

(1) by striking out "and" immediately after "October 1, 1978,"; and

(2) by inserting before the period at the end thereof the following: ", and by $2,300,000,000 on October 1, 1981, except that not more than $942,800,000 of such amount shall be available for the purchase of or commitments to purchase mortgages secured by projects which do not contain units assisted under section 8 of the United States Housing Act of 1937".

(h) Section 202(a)(4)(B)(i) of the Housing Act of 1959 is amended by striking out "and to $5,752,500,000 on October 1, 1981" and inserting in lieu thereof "to $5,752,500,000 on October 1, 1981, and to $6,102,500,000 on October 1, 1982".

TENANT RENTAL PAYMENTS

SEC. 202. (a) Section 3 of the United States Housing Act of 1937 is amended to read as follows:

"RENTAL PAYMENTS; DEFINITIONS

"SEC. 3. (a) Dwelling units assisted under this Act shall be rented only to families who are lower income families at the time of their initial occupancy of such units. A family shall pay as rent for a dwelling unit assisted under this Act the highest of the following amounts, rounded to the nearest dollar:

"(1) 30 per centum of the family's monthly adjusted income;

"(2) 10 per centum of the family's monthly income (15 per centum for the purpose of section 8); or

"(3) if the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs, the portion of such payments which is so designated.

"(b) When used in this Act:

"(1) The term 'lower income housing' means decent, safe, and sanitary dwellings assisted under this Act. The term 'public housing' means lower income housing, and all necessary appurtenances thereto, assisted under this Act other than under section 8. When used in reference to public housing, the term 'lower income housing project' or 'project' means (A) housing developed, acquired, or assisted by a public housing agency under this Act, and (B) the improvement of any such housing.

"(2) The term 'lower income families' means those families whose incomes do not exceed 50 per centum of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs, unusually high or low family incomes, or other factors.

"(3) The term 'families' includes families consisting of a single person in the case of (A) a person who is at least sixty-two years of age or is under a disability as defined in section 223 of the Social Security Act or in section 102 of the Developmental Disabilities Services and Facilities Construction Amendments of 1970, or is handicapped, (B) a displaced person, (C) the remaining member of a tenant family, and (D) other single persons in circumstances described in regulations of the Secretary. In no event shall more than 15 per centum of the units under the jurisdiction of any public housing agency be occupied by single persons under clause (D). In determining priority for admission to housing under this Act, the Secretary shall give preference to those single persons who are elderly, handicapped, or displaced before those eligible under clause (D). The term 'elderly families' means families whose heads (or their spouses), or whose sole members, are persons described in clause (A). A person shall be considered handicapped if such person is determined, pursuant to regulations issued by the Secretary, to have an impairment which is expected to be of long-continued and indefinite duration, substantially impedes such person's ability to live independently, and is of such a nature that such ability could be improved by more suitable housing conditions. The term 'displaced person' means a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws. Notwithstanding the preceding provisions of this subsection, the term 'elderly families' includes two or more elderly, disabled, or handicapped individuals living together, or one or more such individuals living with one or more persons determined under regulations of the Secretary to be essential to their care or well being.

"(4) The term 'income' means income from all sources of each member of the household, as determined in accordance with criteria prescribed by the Secretary. Such term includes the amount of income which a member of the household would have received with respect to any resource (or interest therein) owned by such member within the preceding 24 months if such member gave away or sold such resource or interest at less than the fair market value of such resource or interest for the purpose of establishing eligibility for assistance under this section, as determined pursuant to regulations of the Secretary. Household income shall be determined on the basis of actual income received over a representative prior period, with appropriate provision for sudden loss of income.

"(5) The term 'adjusted income' means the income which remains after excluding such amounts or types of income as the Secretary prescribe. In determining amounts to be excluded from income, the Secretary may, in the Secretary's discretion, take into account the number of minor children in the household and such other factors as the Secretary may determine are appropriate.

"(6) The term 'public housing agency' means any State, county, municipality, or other governmental entity or public body (or agency or instrumentality thereof) which is authorized to engage in or assist in the development or operation of lower income housing.

"(7) The term 'State' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the territories and possessions of the United States, the Trust Territory of the Pacific Islands, and Indian tribes, bands, groups, and Nations, including Alaska Indians, Aleuts, and Eskimos, of the United States.

"(8) The term 'Secretary' means the Secretary of Housing and Urban Development.

"(c) When used in reference to public housing:

"(1) The term 'development' means any or all undertakings necessary for planning, land acquisition, demolition, construction, or equipment, in connection with a lower income housing project. The term 'development cost' comprises the costs incurred by a public housing agency in such undertakings and their necessary financing (including the payment of carrying charges), and in otherwise carrying out the development of such project. Construction activity in connection with a lower income housing project may be confined to the reconstruction, remodeling, or repair of existing buildings.

"(2) The term 'operation' means any or all undertakings appropriate for management, operation, services, maintenance, security (including the cost of security personnel), or financing in connection with a lower income housing project. The term also means the financing of tenant programs and services for families residing in lower income housing projects, particularly where there is maximum feasible participation of the tenants in the development and operation of such tenant programs and services. As used in this paragraph, the term 'tenant programs and services' includes the development and maintenance of tenant organizations which participate in the management of lower income housing projects; the training of tenants to manage and operate such projects and the utilization of their services in project management and operation; counseling on household management, housekeeping, budgeting, money management, child care, and similar matters; advice as to resources for job training and placement, education, welfare, health, and other community services; services which are directly related to meeting tenant needs and providing a wholesome living environment; and referral to appropriate agencies in the community when necessary for the provision of such services. To the maximum extent available and appropriate, existing public and private agencies in the community shall be used for the provision of such services.

"(3) The term 'acquisition cost' means the amount prudently required to be expanded by a public housing agency in acquiring property for a lower income housing project.".

(b) Sections 4, 5, 9, and 11 of such Act are amended by striking out "LOW INCOME" where it appears in the caption accompanying each such section and by inserting in lieu thereof "LOWER INCOME".

(c) Sections 2, 4, 5, 6, 9, 11, 12, 13, and 14 of such Act are amended by striking out "low-income" wherever it appears and inserting in lieu thereof "lower income".

(d) Section 6(c)(2) of such Act is amended by striking out the phrase "at intervals of two years (or at shorter intervals where the Secretary deems it desirable)" and inserting in lieu thereof "no less frequently than annually".

(e) Section 8 of such Act is amended—

(1) by striking out paragraph (3) of subsection (c) and inserting in lieu thereof the following:

"(3) The amount of the monthly assistance payment with respect to any dwelling unit shall be the difference between the maximum monthly rent which the contract provides that the owner is to receive for the unit and the rent the family is required to pay under section 3(a) of this Act. Reviews of family income shall be made no less frequently than annually.";

(2) by striking out paragraph (7) of subsection (c) and redesignating paragraph (8) of such subsection as paragraph (7);

(3) by striking out paragraphs (1), (2), and (3) of subsection (f) and redesignating paragraphs (4), (5), and (6) of such subsec-

tion as paragraphs (1), (2), and (3), respectively;

(4) by striking out "The provisions of section 3(1), 5(e), and 6" in subsection (h) and inserting in lieu thereof "Sections 5(e) and 6";

(5) by striking out the comma after the word "Act" in subsection (h); and

(6) by striking out "25 per centum of one-twelfth of the annual income of such family" in paragraph (3) of subsection (j) and inserting in lieu thereof "the rent the family is required to pay under section 3(a) of this Act".

(f) Section 236 of the National Housing Act is amended—

(1) by striking out "two years" in subsection (e) and inserting in lieu thereof "one year";

(2) by striking out "25 per centum of the tenant's income" in the second sentence of subsection (f) and inserting in lieu thereof "30 per centum of the tenant's adjusted income";

(3) by striking out clause (ii) in the third sentence of subsection (f) and inserting in lieu thereof the following:

"(ii) to permit the charging of a rental for such dwelling units at such an amount less than 30 per centum of a tenant's adjusted income as the Secretary determines represents a proportionate decrease for the utility charges to be paid by such tenant, but in no case shall such rental be lower than 25 per centum of a tenant's adjusted income.";

(4) by striking out "25 per centum of their income" in paragraph (2) of subsection (f) and inserting in lieu thereof "30 per centum of their adjusted income";

(5) by striking out "25 per centum of the tenant's income" in paragraph (2) of subsection (f) and inserting in lieu thereof "the highest of the following amounts, rounded to the nearest dollar:

"(A) 30 per centum of the tenant's monthly adjusted income;

"(B) 10 per centum of the tenant's monthly income; or

"(C) if the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs, the portion of such payments which is so designated";

(6) by striking out the third sentence in paragraph (2) of subsection (f);

(7) by striking out subparagraph (A) of subsection (f)(3) and redesignating subsection (f)(3)(B) as subsection (f)(3); and

(8) by striking out subsection (m) and inserting in lieu thereof the following:

"(m) For the purpose of this section the term 'income' means income from all sources of each member of the household, as determined in accordance with criteria prescribed by the Secretary. Such term includes the amount of income which a member of the household would have received with respect to any resource (or interest therein) owned by such member within the preceding twenty-four months if such member gave away or sold such resource or interest at less than the fair market value of such resource or interest for the purpose of establishing eligibility for assistance under this section, as determined pursuant to regulations of the Secretary. The term 'adjusted income' means the income which remains after excluding such amounts or types of income as the Secretary may prescribe. In determining amounts to be excluded from income, the Secretary may, in the Secretary's discretion, take into account the number of minor children in the household and such other factors as the Secretary may determine are appropriate. Household income shall be determined on the basis of actual income received over a representative prior period, with appropriate provision for sudden loss of income.".

(g) Section 101 of the Housing and Urban Development Act of 1965 is amended—

(1) by striking out paragraph (2) in subsection (c) and inserting in lieu thereof the following:

"(2) 'income' means income from all sources of each member of the household, as determined in accordance with criteria prescribed by the Secretary. Such term includes the amount of income which a member of the household would have received with respect to any resource (or interest therein) owned by such member within the preceding twenty-four months if such member gave away or sold such resource or interest at less than the fair market value of such resource or interest for the purpose of establishing eligibility for assistance under this section, as determined pursuant to regulations of the Secretary. The term 'adjusted income' means the income which remains after excluding such amounts or types of income as the Secretary may prescribe. In determining amounts to be excluded from income, the Secretary may, in the Secretary's discretion, take into account the number of minor children in the household and such other factors as the Secretary may determine are appropriate. Household income shall be determined on the basis of actual income received over a representative prior period, with appropriate provision for sudden loss of income.";

(2) by striking out the first sentence of subsection (d) and inserting in lieu thereof the following: "The amount of the annual payment with respect to any dwelling unit shall be the lesser of (1) 70 per centum of the fair market rent, or (2) the amount by which the fair market rental for such unit exceeds 30 per centum of the tenant's adjusted income."; and

(3) by striking out ", except the elderly, at intervals of two years (or at shorter intervals in cases where the Secretary may deem it desirable)" in paragraph (2) of subsection (e), and by inserting in lieu thereof "no less frequently than annually".

(h) Title II of the Housing and Community Development Amendments of 1979 is amended—

(1) by striking out subsection (c) in section 202; and

(2) by striking out subsection (c) in section 203.

(i)(1) In determining the rent to be paid by tenants who are occupying housing assisted under the authorities amended by this section on the effective date of this Act, the Secretary, notwithstanding any other provision of this section, may provide for delayed applicability, or for staged implementation, of the procedures for determining rent required by the provisions of subsections (a) through (h) of this section if the Secretary determines that immediate application of such procedures would be impracticable, would violate the terms of existing leases, or would result in extraordinary hardship for any class of tenants. The Secretary shall prohibit any increase in rents required by the amendments made by this section (other than any part of those increases attributed to increases in family income) in excess of 10 per centum for a family during any twelve-month period. Notwithstanding any other provision of this section, application of the procedures for determining rent contained in this section shall not result in a reduction in the amount of rent paid by any tenant below the amount paid by such tenant immediately preceding the effective date of this Act.

(2) Tenants of housing assisted under the provisions of law amended by this section whose occupancy begins after the effective date of this Act shall be subject to immediate rent payment determinations in accordance with the amendments contained in subsections (a) through (h), except that the Secretary may provide for delayed applicability, or for staged implementation, of these requirements for such tenants if the Secretary determines that immediate application of the requirements of this section would be impracticable, or that uniform procedures for assessing rents would significantly decrease administrative costs and burdens.

(3) The Secretary's actions and determinations and the procedures for making determinations pursuant to this subsection shall not be reviewable in any court. The provisions of subsections (a) through (h) shall be implemented and fully applicable to all affected tenants no later than five years following the date of enactment of this Act, except that the Secretary may extend the time for implementation if the Secretary determines that full implementation would result in extraordinary hardship for any class of tenants.

COST REDUCTION IN ASSISTED HOUSING

SEC. 203. (a) Section 8 of the United States Housing Act of 1937 is amended—

(1) by inserting after the first sentence of subsection (b)(2) the following: "To increase housing opportunities for very low-income families, the Secretary shall assure that newly constructed housing to be assisted under this section is modest in design and shall reduce the types and number of unnecessary amenities and features.";

(2) by adding at the end of subsection (c)(2) the following:

"(D) Notwithstanding the foregoing, the Secretary shall limit increases in contract rents for newly constructed or substantially rehabilitated projects assisted under this section to the amount of operating cost increases incurred by owners of comparable projects in the area.";

(3) in subsection (c)(4)—

(A) by striking out all after "exceeding" in the first sentence and inserting in lieu thereof "thirty days."; and

(B) by striking out "sixty-day" in the second sentence and inserting in lieu thereof "thirty-day"; and

(4) by adding at the end thereof the following:

"(m) The Secretary shall give a weighted average consideration of 33⅓ per centum for cost considerations when reviewing proposals for assistance under this section.

"(n) For the purpose of achieving the lowest cost in providing units in newly constructed projects assisted under this section, the Secretary shall give a priority in entering into contracts under this section for projects which are to be located on specific tracts of land provided by States or units of local government if the Secretary determines that the tract of land is suitable for such housing, and that affording such priority will be cost effective.

"(o) The Secretary shall not enter into any contract with respect to a newly constructed project under this section if the sizes of the units in such project exceed (1) the sizes specified in the minimum property standards by more than 10 per centum or the sizes specified by other applicable Federal standards, or (2) the sizes specified in the applicable local codes, whichever are greater.".

(b)(1) The Secretary of Housing and Urban Development may not deny or withhold Federal housing assistance with respect to any property in which some or all of the dwelling units do not contain bathroom or kitchen facilities because of the lack of such facilities.

(2) In the case of newly constructed or substantially rehabilitated projects for occupancy by elderly or handicapped persons

or families with respect to which Federal housing assistance is provided pursuant to contracts entered into on or after October 1, 1981, to the maximum extent practicable, the Secretary of Housing and Urban Development shall, on a nationwide basis, assure that not less than 25 per centum of the units are efficiency units.

(3) As used in this subsection, the term "Federal housing assistance" means assistance under any program pursuant to the United States Housing Act of 1937, the National Housing Act, section 101 of the Housing and Urban Development Act of 1965, section 202 of the Housing Act of 1959, title V of the Housing Act of 1949, or title I of the Housing and Community Development Act of 1974.

REDIRECTION OF ECONOMIC MIX POLICY

SEC. 204. (a) The Secretary of Housing and Urban Development shall rescind 24 C.F.R. 880.603(c).

(b) Section 8 of the United States Housing Act of 1937 is amended—

(1) by inserting "only where consistent with the purpose of aiding lower income families in obtaining a decent place to live" after "mixed housing" in subsection (a);

(2) by adding at the end of subsection (b)(2) the following: "Each contract entered into under this section after the date of enactment of the Housing and Community Development Amendments of 1981 shall provide that a family which is not eligible for assistance under this section at the time of its initial occupancy may rent a unit in a newly constructed or substantially rehabilitated project assisted under this section only if the number of units in the project which are occupied by families eligible for assistance under this section equals or exceeds the number of units in the project which were to be available for occupancy at initial rent-up by families eligible for assistance under this section."; and

(3) by inserting after "nonhandicapped persons" in the second sentence of subsection (c)(5) the following: "which are not subject to mortgages purchased under section 305 of the National Housing Act and not financed with the proceeds of obligations the interest on which is exempt from taxation under chapter 1 of the Internal Revenue Code of 1954".

(c) Section 6(c)(4)(A) of such Act is amended by striking out "will include families with a broad range of incomes and" and by striking out "lower income and".

MISCELLANEOUS HOUSING ASSISTANCE AMENDMENTS

SEC. 205. (a) Section 8 of the United States Housing Act of 1937 is amended—

(1) by adding at the end thereof the following:

"(p) After the date of enactment of this subsection, the Secretary may not enter into any contract for a newly constructed or substantially rehabilitated project pursuant to this section which is to be located within the jurisdiction of a State or unit of local government which applies rent controls or rent stabilization to some or all newly constructed multifamily residential projects or to units in any multifamily residential project which become vacant."; and

(2) by adding at the end of subsection (c) the following:

"(8) Each contract under this section shall provide that the owner will notify tenants at least six months prior to any rent increase which may occur after the expiration of such contract.".

(b)(1) Within one year after the date of enactment of this Act, the Secretary of Housing and Urban Development shall conduct a survey to determine the number of projects which are assisted under section 8 of the United States Housing Act of 1937 owned by developers or sponsors with five-year annual contributions contracts who plan to withdraw from the section 8 program when their contracts expire and who will increase rents in those projects to levels that the current residents of those projects will not be able to afford. The Secretary shall notify affected residents of possible rent increases where applicable.

(2) Not later than one year after the date of the enactment of this Act, the Secretary shall transmit to the Congress a report recommending methods for recapturing the cost to the Federal Government of front-end investment in those units which are removed from the section 8 program.

(c) Section 8 of the United States Housing Act of 1937 is amended by adding at the end thereof the following:

"(q) The Secretary shall assure that no Federal, State, or local official financially profits by participating in the development of housing to be assisted under this section.".

(d)(1) The Secretary of Housing and Urban Development shall permit public housing agencies to retain, out of judgments obtained by them in recovering amounts wrongfully paid as a result of fraud and abuse in the housing assistance program under section 8 of the United States Housing Act of 1937, an amount equal to the greater of (A) the legal expenses incurred in obtaining such judgments, or (B) 50 per centum of the amount actually collected on the judgments.

(2) The Secretary of Housing and Urban Development shall include in the annual report under section 8 of the Department of Housing and Urban Development Act a summary of cases brought to its attention by public housing authorities for prosecution or civil action, and shall describe the handling of such cases by such authorities and by the Department of Housing and Urban Development and the resolution of such cases in the court system.

(e) Section 8(d)(1) of the United States Housing Act of 1937 is amended by striking out clause (B) and inserting in lieu thereof:

"(B) the procedural and substantive rights of the tenant with respect to occupancy of the unit shall be determined by the terms of the lease and applicable State and local law;".

RENT SUPPLEMENTS

SEC. 206. (a) Section 101(1) of the Housing and Urban Development Act of 1965 is amended to read as follows:

"(1) Notwithstanding the provisions of subsection (a) and any other provision of law, the Secretary may utilize additional authority under section 5(c) of the United States Housing Act of 1937 made available by appropriation Acts on or after October 1, 1979, to supplement assistance authority available for that purpose under this section.".

(b) The second sentence of section 101(d) of such Act is repealed.

DISPOSAL OF HUD-OWNED PROJECTS

SEC. 207. Section 203(a) of the Housing and Community Development Amendments of 1978 is amended by adding at the end thereof the following: "To the maximum extent feasible, the Secretary shall seek to dispose of projects owned by the Secretary to tenant-owned cooperatives.".

SECTION 235 AMENDMENTS

SEC. 208. (a) Section 235(c)(2)(A) of the National Housing Act is amended by striking out "ceases for a period of 90 continuous days or more making payments required under the mortgage loan, or advance of credit secured by such a property, or".

(b) Section 235(h)(1) of such Act is amended by adding the following new sentence at the end thereof: "The Secretary shall not enter into new contracts for assistance payments under this section after September 30, 1981, except pursuant to a commitment issued on or before September 30, 1981.".

(c) Section 235(q)(14) of such Act is amended by striking out "ceases for a period of 90 continuous days or more making payments on the mortgage, loan, or advance of credit secured by the property, or".

RESTRICTION ON USE OF ASSISTED HOUSING

SEC. 209. (a) Section 214 of the Housing and Community Development Act of 1980 is amended to read as follows:

"RESTRICTION ON USE OF ASSISTED HOUSING

"SEC. 214. (a) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development may not make financial assistance available for the benefit of any alien unless he or she is a resident of the United States and is—

"(1) an alien lawfully admitted for permanent residence as an immigrant as defined by sections 101(a)(15) and 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15) and 8 U.S.C. 1101(a)(20)), excluding, among others, alien visitors, tourists, diplomats, and students who enter the United States temporarily with no intention of abandoning their residence in a foreign country;

"(2) an alien who entered the United States prior to June 30, 1948, or such subsequent date as is enacted by law, has continuously maintained his or her residence in the United States since then, and is not ineligible for citizenship, but who is deemed to be lawfully admitted for permanent residence as a result of an exercise of discretion by the Attorney General pursuant to section 249 of the Immigration and Nationality Act (8 U.S.C. 1259);

"(3) an alien who is lawfully present in the United States pursuant to an admission under section 207 of the Immigration and Nationality Act (8 U.S.C. 1157) or pursuant to the granting of asylum (which has not been terminated) under section 208 of such Act (8 U.S.C. 1158);

"(4) an alien who is lawfully present in the United States as a result of an exercise of discretion by the Attorney General for emergent reasons or reasons deemed strictly in the public interest pursuant to section 212(d)(5) of the Immigration and Nationality Act (8 U.S.C. 1182(d)(5)); or

"(5) an alien who is lawfully present in the United States as a result of the Attorney General's withholding deportation pursuant to section 243(h) of the Immigration and Nationality Act (8 U.S.C. 1253(h)).

"(b) For purposes of this section the term 'financial assistance' means financial assistance made available pursuant to the United States Housing Act of 1937, section 235 or 236 of the National Housing Act, or section 101 of the Housing and Urban Development Act of 1965.".

(b) An alien who is lawfully present in the United States as a result of being granted conditional entry pursuant to section 203(a)(7) of the Immigration and Nationality Act (8 U.S.C. 1153(a)(7)) before April 1, 1980, because of persecution or fear of persecution on account of race, religion, or political opinion or because of being uprooted by catastrophic natural calamity shall be deemed, for purposes of section 214 of the Housing and Community Development Act of 1980, to be an alien described in section 214(a)(3) of such Act.

PAYMENT FOR DEVELOPMENT MANAGERS

SEC. 210. The Secretary of Housing and Urban Development shall develop and implement a revised schedule for development managers of lower income housing projects assisted under the United States Housing Act of 1937 so that the percentage limitation applicable to fees chargeable in connection with smaller projects is increased to a minimum level which is practicable.

REVIEW OF OPERATING SUBSIDY FORMULA; FEASIBILITY STUDY

SEC. 211. (a) The Secretary of Housing and Urban Development shall review the administration of the operating subsidy program under section 9 of the United States Housing Act of 1937 and, not later than March 1, 1982, shall report to the Congress recommendations for one or more new operating subsidy formulas which contain incentives to achieve good management, full rent collection, and improved maintenance of projects developed under the United States Housing Act of 1937.

(b) The Secretary of Housing and Urban Development shall examine the feasibility of having the Department of Housing and Urban Development design and implement a computer system which can be utilized by public housing agencies to comply with the Department of Housing and Urban Development's reporting requirements, and report thereon to the Congress not later than March 1, 1982.

ENERGY EFFICIENCY EFFORTS

SEC. 212. Section 201 of the Housing and Community Development Amendments of 1978 is amended—

(1) by redesignating subsection (h) as subsection (i); and

(2) by inserting after subsection (g) the following:

"(h)(1) Notwithstanding any other provision of law, in exercising any authority relating to the approval or disapproval of rentals charged tenants residing in projects which are eligible for assistance under this section, the Secretary—

"(A) shall consider whether the mortgagor could control increases in utility costs by securing more favorable utility rates, by undertaking energy conservation measures which are financially feasible and cost effective, or by taking other financially feasible and cost-effective actions to increase energy efficiency or to reduce energy consumption; and

"(B) may, in his discretion, adjust the amount of a proposed rental increase where he finds the mortgagor could exercise such control.

"(2) The Secretary may waive one or more of the requirements of this section and may provide financial assistance to an owner of a project which is eligible for assistance under this section in order to assist the owner in carrying out a plan to upgrade the project to meet cost-effective energy efficiency standards prescribed by the Secretary.".

RECOGNITION OF KANSAS DEPARTMENT OF ECONOMIC DEVELOPMENT

SEC. 213. The Secretary of Housing and Urban Development shall permit the Kansas Department of Economic Development to participate as a public housing agency for the purposes of programs carried out under the United States Housing Act of 1937 and as a State agency for the purpose of section 883.203 of title 24 of the Code of Federal Regulations as in effect June 1, 1981.

TITLE III—PROGRAM AMENDMENTS AND EXTENSIONS

EXTENSION OF FEDERAL HOUSING ADMINISTRATION MORTGAGE INSURANCE PROGRAMS

SEC. 301. (a) Section 2(a) of the National Housing Act is amended by striking out "October 1, 1981" in the first sentence and inserting in lieu thereof "October 1, 1983".

(b) Section 217 of such Act is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1983".

(c) Section 221(f) of such Act is amended by striking out "September 30, 1981" in the fifth sentence and inserting in lieu thereof "September 30, 1983".

(d) Section 235(m) of such Act is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1982".

(e) Section 236(n) of such Act is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1982".

(f) Section 244(d) of such Act is amended by—

(1) striking out "September 30, 1981" in the first sentence and inserting in lieu thereof "September 30, 1983"; and

(2) striking out "October 1, 1981" in the second sentence and inserting in lieu thereof "October 1, 1983".

(g) Section 245(a) of such Act is amended by striking out "September 30, 1981" where it appears and inserting in lieu thereof "September 30, 1983".

(h) Section 809(f) of such Act is amended by striking out "September 30, 1981" in the second sentence and inserting in lieu thereof "September 30, 1983".

(i) Section 810(k) of such Act is amended by striking out "September 30, 1981" in the second sentence and inserting in lieu thereof "September 30, 1983".

(j) Section 1002(a) of such Act is amended by striking out "September 30, 1981" in the second sentence and inserting in lieu thereof "September 30, 1983".

(k) Section 1101(a) of such Act is amended by striking out "September 30, 1981" in the second sentence and inserting in lieu thereof "September 30, 1983".

EXTENSION OF FLEXIBLE INTEREST RATE AUTHORITY

SEC. 302. Section 3(a)(1) of Public Law 90–301 is amended by striking out "October 1, 1981" and inserting in lieu thereof "October 1, 1983".

RESEARCH AUTHORIZATIONS

SEC. 303. The second sentence of section 501 of the Housing and Urban Development Act of 1970 is amended by striking out "and not to exceed $51,000,000 for the fiscal year 1981" and inserting in lieu thereof "not to exceed $51,000,000 for the fiscal year 1981, not to exceed $35,000,000 for the fiscal year 1982, and not to exceed $35,000,000 for the fiscal year 1983".

FEDERAL HOUSING ADMINISTRATION GENERAL INSURANCE FUND

SEC. 304. Section 519(f) of the National Housing Act is amended by striking out "$1,738,000,000" and inserting in lieu thereof "$1,864,637,000".

PROPERTY IMPROVEMENT AND MANUFACTURED HOME LOANS

SEC. 305. Section 2(b) of the National Housing Act is amended to read as follows:

"(b)(1) No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it if the amount of such loan, advance of credit or purchase exceeds—

"(A) $17,500 ($20,000 where financing the installation of a solar energy system is involved) if made for the purpose of financing alterations, repairs and improvements upon or in connection with existing single-family structures or manufactured homes;

"(B) $43,750 or an average amount of $8,750 per family unit ($50,000 and $10,000, respectively, where financing the installation of a solar energy system is involved) if made for the purpose of financing the alteration, repair, improvement, or conversion of an existing structure used or to be used as an apartment house or a dwelling for two or more families;

"(C) $22,500 ($35,000 in the case of a manufactured home composed of two or more modules) if made for the purpose of financing the purchase of a manufactured home; and a suitably developed lot on which to place the home;

"(D) $35,000 ($47,500 in the case of a manufactured home composed of two or more modules) if made for the purpose of financing the purchase of a manufactured home;

"(E) such an amount as may be necessary, but not exceeding $12,500, if made for the purpose of financing the purchase, by an owner of a manufactured home which is the principal residence of that owner, of a suitably developed lot on which to place that manufactured home, and if the owner certifies that he or she will place the manufactured home on the lot acquired with such loan within six months after the date of such loan;

"(F) $60,000 or an average amount of $20,000 per family unit if made for the purpose of financing the preservation of an historic structure; and

"(G) such principal amount as the Secretary may prescribe if made for the purpose of financing fire safety equipment for a nursing home, extended health care facility, intermediate health care facility, or other comparable health care facility.

"(2) Because of prevailing higher costs, the Secretary may, by regulation, in Alaska, Guam, or Hawaii, increase any dollar amount limitation on manufactured homes or manufactured home lot loans contained in this subsection by not to exceed 40 per centum. In other areas where needed to meet higher costs of land acquisition, site development, and construction of a permanent foundation in connection with the purchase of a manufactured home or lot, the Secretary may, by regulation, increase any dollar amount limitation otherwise applicable by an additional $7,500.

"(3) No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit or purchase by it if the term to maturity of such loan, advance of credit or purchase exceeds—

"(A) fifteen years and thirty-two days if made for the purpose of financing alterations, repairs and improvements upon or in connection with an existing single-family structure or manufactured home, except that such limitation may be extended to twenty years and thirty-two days where financing the installation of a solar energy system is involved;

"(B) twenty years and thirty-two days if made for the purpose of financing the alteration, repair, improvement or conversion of an existing structure used or to be used as an apartment house or a dwelling for two or more families, except that such limitation may be increased to twenty-five years and thirty-two days where financing the installation of a solar energy system is involved;

"(C) twenty years and thirty-two days (twenty-three years and thirty-two days in the case of a manufactured home composed of two or more modules) if made for the purpose of financing the purchase of a manufactured home;

"(D) twenty years and thirty-two days (twenty-five years and thirty-two days in the case of a manufactured home composed of two or more modules) if made for the purpose of financing the purchase of a manufactured home and a suitably developed lot on which to place the home;

"(E) fifteen years and thirty-two days if made for the purpose of financing the purchase, by the owner of a manufactured home which is the principal residence of that owner, of a suitably developed lot on which to place that manufactured home;

"(F) twenty-five years and thirty-two days if made for the purpose of financing the preservation of an historic structure;

"(G) such term to maturity as the Secretary may prescribe if made for the purpose of financing the construction of a new structure for use in whole or in part for agricultural purposes; and

"(H) such term to maturity as the Secretary may prescribe if made for the purpose of financing fire safety equipment for a nursing home, extended health care facility, intermediate health care facility, or other comparable health care facility.

"(4) For the purpose of this subsection—

"(A) the term 'developed lot' includes an interest in a condominium project (including any interest in the common areas) or a share in a cooperative association; and

"(B) a loan to finance the purchase of a manufactured home or a manufactured home and lot may also finance the purchase of a garage, patio, carport, or other comparable appurtenance.

"(5) No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it unless the obligation bears such interest, has such maturity, and contains such other terms, conditions, and restrictions as the Secretary shall prescribe, in order to make credit available for the purpose of this title. Any such obligation with respect to which insurance is granted under this section shall bear interest and insurance premium charges not exceeding (A) an amount, with respect to so much of the net proceeds thereof as does not exceed $2,500, equivalent to $5.50 discount per $100 of original face amount of a one-year note payable in equal monthly installments, plus (B) an amount, with respect to any portion of the net proceeds thereof in excess of $2,500, equivalent to $4.50 discount per $100 of original face amount of such note. The amounts referred to in clauses (A) and (B) of the preceding sentence when correctly based on tables of calculations issued by the Secretary or adjusted to eliminate minor errors in computation in accordance with requirements of the Secretary, shall be deemed to comply with such sentence.

"(6)(A) Any obligation with respect to which insurance is granted under this section may be refinanced and extended in accordance with such terms and conditions as the Secretary may prescribe, but in no event for an additional amount or term in excess of any applicable maximum provided for in this subsection.

"(B) The owner of a manufactured home lot purchased without assistance under this section but otherwise meeting the requirements of this section may refinance such lot under this section in connection with the purchase of a manufactured home if the borrower certifies that the home and lot is or will be his or her principal residence within six months after the date of the loan.".

INCREASE IN MAXIMUM LOAN LIMIT FOR MANUFACTURED HOME PARKS; MANUFACTURED HOME CONDOMINIUMS

SEC. 306. (a) Section 207(c)(3) of the National Housing Act is amended by striking out "$8,000" and inserting in lieu thereof "$9,000".

(b) Section 234(a) of such Act is amended by inserting "or a manufactured home or manufactured home and lot" after "one-family unit".

HOMEOWNER COUNSELING

SEC. 307. Section 106(a)(1)(iii) of the Housing and Urban Development Act of 1968 is amended to read as follows:

"(iii) default and delinquency counseling and advice to homeowners with respect to property maintenance, financial management, and such other matters as may be appropriate to assist them in improving their housing conditions and in meeting the responsibilities of homeownership;".

TECHNICAL AMENDMENTS

SEC. 308. (a) The last sentence of section 207(c)(3) section 213(p), the last proviso in section 220(d)(3)(B)(iii), section 221(k), the proviso in section 231(c)(2), and section 234(j) of such Act are amended—

(1) by inserting "therein" immediately after "installation" wherever it appears; and

(2) by striking out "therein" before the punctuation at the end thereof.

(b) Section 223(f) of such Act is amended—

(1) by inserting "and" immediately after the semicolon at the end of paragraph (2)(A); and

(2) by redesignating paragraph (5) as paragraph (4).

(c) For purposes of paragraphs (1) and (4) of section 308(c) of the Housing and Community Development Act of 1980, the term "mobile home" and the term "manufactured home" shall be deemed to include the term "mobile homes" and the term "manufactured homes", respectively.

(d)(1) The material preceding the proviso in clause (2) of the first sentence of section 234(c) of the National Housing Act is amended to read as follows: "(2) the project is or has been covered by a mortgage insured under any section (except section 213(a)(1) and (2)) of this Act or the project was approved for a guarantee, insurance, or a direct loan under chapter 37 of title 38, United States Code, notwithstanding any requirements in any such section that the project be constructed or rehabilitated for the purpose of providing rental housing:".

(2) Section 318 of the Housing and Community Development Act of 1980 is repealed.

FLOOD INSURANCE

SEC. 309. (a) Section 1319 of the National Flood Insurance Act of 1968 is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1983".

(b) Section 1336(a) of such Act is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1983".

(c) Section 1376(c) of such Act is amended by striking out "and" after "1980," and by inserting after "1981" the following: ", not to exceed $51,000,000 for the fiscal year 1982, and not to exceed $51,000,000 for the fiscal year 1983".

(d)(1) Section 1302(g) of such Act is repealed.

(2) Section 1370(c) of such Act is repealed.

(e) The amendments made by this section do not affect any obligations arising out of contracts entered into on or before the date of enactment of this Act.

RIOT AND CRIME INSURANCE

SEC. 310. (a) Section 1201 of the National Housing Act is amended—

(1) by striking out "C," in subsection (b)(1);

(2) by striking out "September 30, 1981" in subsection (b)(1) and inserting in lieu thereof "September 30, 1982"; and

(3) by striking out "and 1231(c) until September 30, 1984" in subsection (b)(1)(A) and inserting in lieu thereof "until September 30, 1982".

(b) Part C of title XII of such Act is repealed.

(c) The amendments made by this section do not affect any obligations arising out of contracts entered into on or before the date of enactment of this Act.

NEIGHBORHOOD REINVESTMENT CORPORATION

SEC. 311. Section 608(a) of the Housing and Community Development Amendments of 1978 is amended by striking out "and not to exceed $13,426,200 for fiscal year 1981" and inserting in lieu thereof "not to exceed $13,426,000 for fiscal year 1981, not to exceed $14,950,000 for fiscal year 1982, and not to exceed $14,950,000 for fiscal year 1983".

NATIONAL INSTITUTE OF BUILDING SCIENCES

SEC. 212. (a) Section 809(c)(4) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following: "Notwithstanding any such rules and procedures as may be adopted by the Institute, the President of the United States shall appoint, by and with the advice and consent of the Senate, two of the members of the Board of Directors selected each year for terms commencing in that year, as representative of the public interest.".

(b) Section 809(h) of such Act is amended by striking out "1982" and inserting in lieu thereof "1987".

MODEL ZONING CODE

SEC. 313. The Secretary of Housing and Urban Development is authorized and directed to develop a model manufactured housing zoning code for use by appropriate local authorities.

LOWER COST TECHNOLOGY

SEC. 314. The Secretary of Housing and Urban Development is authorized to develop and implement a demonstration program utilizing lower cost building technology for projects located on innercity vacant land.

COMPILATION OF BASIC LAWS

SEC. 315. Not later than ninety days after the date of enactment of this Act, the Secretary of Housing and Urban Development shall publish a full and complete edition of the basic laws and authorities relating to housing and community development reflecting changes and additions occasioned by this Act. Such publication shall carry annotations reflecting periodic changes to basic laws and a description of provisions which are replaced or amended. The Secretary of Housing and Urban Development shall forward copies of such publication to the Chairman of the Committee on Banking, Housing, and Urban Affairs of the Senate and the Chairman of the Committee on Banking, Finance and Urban Affairs of the House of Representatives. A revised edition of such basic laws and authorities shall be published not later than ninety days after the enactment of any subsequent housing and community development authorizing legislation.

USURY PROVISION

SEC. 316. Section 501(a)(1)(C)(vi) of the Depository Institutions Deregulation and Monetary Control Act of 1980 is amended by inserting "or residential manufactured home" after "residential real property".

NATIONAL CONSUMER COOPERATIVE BANK

SEC. 317. (a) Section 108 of the National Consumer Cooperative Bank Act is amended by adding at the end thereof the following:

"(f)(1) Effective on and after the date of enactment of the Housing and Community Development Amendments of 1981—

"(A) the Bank may not make any new commitment for a loan or guarantee; and

"(B) the Bank may not issue any obligations pursuant to section 107.

"(2) All amounts received by the Bank as repayments of principal and payments of interest or other charges or fees in connection with loans or guarantees shall be paid into the Treasury of the United States as miscellaneous receipts not later than thirty days after receipt by the Bank, except that the Bank may pay out of such amounts its operating expenses in an amount each year not to exceed that amount determined by the Comptroller General of the United States to be necessary for that year, but the total amount of such expenses shall not exceed the cost which would have been incurred if the Bank were terminated during fiscal year 1981 and its functions transferred to the Secretary of the Treasury.".

(b) Section 105(a)(5) of such Act is amended to read as follows:

"(5) in the case of a primary cooperative organization—

"(A) restricts its voting control to members or voting stockholders on a one vote per person basis, except that this requirement shall not apply to any housing cooperative existing on March 21, 1980, which did not meet such requirement on that date; and

"(B) takes positive steps to insure eco-

nomic democracy and maximum participation by members of the cooperative including the holding of annual meetings and, in the case of organizations owned by groups of cooperatives, provides positive protections to insure economic democracy;".

RESCISSION OF 1981 AUTHORITY

SEC. 318. Notwithstanding any other provision of law, the Secretary of Housing and Urban Development may not obligate or expend $5,552,000,000 of budget authority provided for fiscal year 1981.

MORTGAGE INSURANCE FOR HOSPITALS

SEC. 319. Section 242(d)(5) of the National Housing Act is amended by adding the following paragraph at the end thereof: *"Provided, however,* That the foregoing shall not limit the ability of the Secretary to approve a mortgage increase for any changes by the Secretary on any mortgage eligible for insurance under this subpart for which an application for increase had been made within two years of enactment.".

TITLE IV—MULTIFAMILY MORTGAGE FORECLOSURE

SHORT TITLE

SEC. 401. This title may be cited as the "Multifamily Mortgage Foreclosure Act of 1981".

FINDINGS AND PURPOSE

SEC. 402. (a) The Congress finds that—

(1) disparate State laws under which the Secretary of Housing and Urban Development forecloses real estate mortgages which the Secretary holds pursuant to title II of the National Housing Act or section 312 of the Housing Act of 1964 covering multiunit residential and nonresidential properties burden the programs administered by the Secretary pursuant to these authorities, and cause detriment to the residents of the affected projects and the community generally;

(2) long periods to complete the foreclosure of these mortgages under certain State laws lead to deterioration in the condition of the properties involved; necessitate substantial Federal management and holding expenditures; increase the risk of vandalism, fire loss, depreciation, damage, and waste with respect to the properties; and adversely affect the residents of the projects and the neighborhoods in which the properties are located;

(3) these conditions seriously impair the Secretary's ability to protect the Federal financial interest in the affected properties and frustrate attainment of the objectives of the underlying Federal program authorities, as well as the national housing goal of "a decent home and a suitable living environment for every American family";

(4) application of State redemption periods to these mortgages following their foreclosure would impair the salability of the properties involved and discourage their rehabilitation and improvement, thereby compounding the problems referred to in clause (3);

(5) the availability of a uniform and more expeditious procedure for the foreclosure of these mortgages by the Secretary and continuation of the practice of not applying postsale redemption periods to such mortgages will tend to ameliorate these conditions; and

(6) providing the Secretary with a nonjudicial foreclosure procedure will reduce unnecessary litigation by removing many foreclosures from the courts where they contribute to overcrowded calendars.

(b) The purpose of this title is to create a uniform Federal foreclosure remedy for multiunit residential and nonresidential mortgages held by the Secretary of Housing and Urban Development pursuant to title II of the National Housing Act or section 312 of the Housing Act of 1964.

DEFINITIONS

SEC. 403. As used in this title—

(1) "mortgage" means a deed of trust, mortgage, deed to secure debt, security agreement, or any other form of instrument under which any interest in property, real, personal or mixed, or any interest in property including leaseholds, life estates, reversionary interests, and any other estates under applicable State law, is conveyed in trust, mortgaged, encumbered, pledged, or otherwise rendered subject to a lien, for the purpose of securing the payment of money or the performance of an obligation;

(2) "multifamily mortgage" means a mortgage held by the Secretary pursuant to title II of the National Housing Act or section 312 of the Housing Act of 1964 covering any property, except a property on which there is located a one- to four-family residence;

(3) "mortgage agreement" means the note or debt instrument and the mortgage instrument, deed of trust instrument, trust deed, or instrument or instruments creating the mortgage, including any instrument incorporated by reference therein (including any applicable regulatory agreement), and any instrument or agreement amending or modifying any of the foregoing;

(4) "mortgagor" means the obligor, grantor, or trustor named in the mortgage agreement and, unless the context otherwise indicates, includes the current owner of record of the security property whether or not personally liable on the mortgage debt;

(5) "person" includes any individual, group of individuals, association, partnership, corporation, or organization;

(6) "record" and "recorded" include "register" and "registered" in the instance of registered land;

(7) "security property" means the property, real, personal or mixed, or an interest in property, including leaseholds, life estates, reversionary interests, and any other estates under applicable State law, together with fixtures and other interests subject to the lien of the mortgage under applicable State law;

(8) "State" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the territories and possessions of the United States, and the Trust Territory of the Pacific Islands, and Indian tribes as defined by the Secretary;

(9) "county" means county as defined in section 2 of title I, United States Code; and

(10) "Secretary" means the Secretary of Housing and Urban Development.

MORTGAGES SUBJECT TO ACT

SEC. 404. Multifamily mortgages held by the Secretary encumbering real estate located in any State may be foreclosed by the Secretary in accordance with this title, or pursuant to other foreclosure procedures available, at the option of the Secretary.

DESIGNATION OF FORECLOSURE COMMISSIONER

SEC. 405. A foreclosure commissioner or commissioners designated pursuant to this title shall have a nonjudicial power of sale as provided in this title. Where the Secretary is the holder of a multifamily mortgage, the Secretary may designate a foreclosure commissioner and, with or without cause, may designate a substitute foreclosure commissioner to replace a previously designated foreclosure commissioner, by executing a duly acknowledged, written designation stating the name and business or residential address of the commissioner or substitute commissioner. The designation shall be effective upon execution. Except as provided in section 408(b), a copy of the designation shall be mailed with each copy of the notice of default and foreclosure sale served by mail in accordance with section 409(1). The foreclosure commissioner, if a natural person, shall be a resident of the State in which the security property is located and, if not a natural person, the foreclosure commissioner must be duly authorized to transact business under the laws of the State in which the security property is located. The foreclosure commissioner shall be a person who is responsible, financially sound and competent to conduct the foreclosure. More than one foreclosure commissioner may be designated. If a natural person is designated as foreclosure commissioner or substitute foreclosure commissioner, such person shall be designated by name, except that where such person is designated in his or her capacity as an official or employee of the government of the State or subdivision thereof in which the security property is located, such person may be designated by his or her unique title or position instead of by name. The Secretary shall be a guarantor of payment of any judgment against the foreclosure commissioner for damages based upon the commissioner's failure properly to perform the commissioner's duties. As between the Secretary and the mortgagor, the Secretary shall bear the risk of any financial default by the foreclosure commissioner. In the event that the Secretary makes any payment pursuant to the preceding two sentences, the Secretary shall be fully subrogated to the rights satisfied by such payment.

PREREQUISITES TO FORECLOSURE

SEC. 406. Foreclosure by the Secretary under this title of a multifamily mortgage may be commenced, as provided in section 408, upon the breach of a covenant or condition in the mortgage agreement for which foreclosure is authorized under the mortgage if any previously pending proceeding, judicial or nonjudicial, separately instituted by the Secretary to foreclose the mortgage other than under this title has been withdrawn, dismissed, or otherwise terminated. No such separately instituted foreclosure proceeding on the mortgage shall be instituted by the Secretary during the pendency of foreclosure pursuant to this title. Nothing in this title shall preclude the Secretary from enforcing any right, other than foreclosure, under applicable State law, including any right to obtain a monetary judgment. Nothing in this title shall preclude the Secretary from foreclosing under this title where the Secretary has obtained or is seeking any other remedy available pursuant to Federal or State law or under the mortgage agreement, including, but not limited to, the appointment of a receiver, mortgage-in-possession status or relief under an assignment of rents.

NOTICE OF DEFAULT AND FORECLOSURE SALE

SEC. 407. (a) The notice of default and foreclosure sale to be served in accordance with this title shall be subscribed with the name and address of the foreclosure commissioner and the date on which subscribed, and shall set forth the following information:

(1) the names of the Secretary, the original mortgagee and the original mortgagor;

(2) the street address or a description of the location of the security property, and a description of the security property, or so much thereof as is to be offered for sale, sufficient to identify the property to be sold;

(3) the date of the mortgage, the office in which the mortgage is recorded, and the liber and folio or other description of the location of recordation of the mortgage;

(4) the failure to make payment, including the due date of the earliest installment payment remaining wholly unpaid as of the date the notice is subscribed, or the description of other default or defaults upon which foreclosure is based, and the acceleration of the secured indebtedness;

(5) the date, time, and place of the foreclosure sale;

(6) a statement that the foreclosure is being conducted pursuant to the Multifamily Mortgage Foreclosure Act of 1981;

(7) the types of costs, if any, to be paid by the purchaser upon transfer of title; and

(8) the amount and method of deposit to be required at the foreclosure sale (except that no deposit shall be required of the Secretary), the time and method of payment of the balance of the foreclosure purchase price and other appropriate terms of sale.

(b) As a condition and term of sale, the Secretary may require that the purchaser at a foreclosure sale under this title agree to continue to operate the security property in accordance with the terms, as appropriate, of the loan program under section 312 of the Housing Act of 1964, the program under which insurance under title II of the National Housing Act was originally provided with respect to such property, or any applicable regulatory or other agreement in effect with respect to such property immediately prior to the time of foreclosure sale.

COMMENCEMENT OF FORECLOSURE

SEC. 408. (a) If the Secretary as holder of a multifamily mortgage determines that the prerequisites to foreclosure set forth in section 406 are satisfied, the Secretary may request the foreclosure commissioner to commence foreclosure of the mortgage. Upon such request, the foreclosure commissioner shall commence foreclosure of the mortgage, by commencing service of a notice of default and foreclosure sale in accordance with section 409.

(b) Subsequent to commencement of a foreclosure under this title, the Secretary may designate a substitute foreclosure commissioner at any time up to forty-eight hours prior to the time of foreclosure sale, and the foreclosure shall continue without prejudice, unless the substitute commissioner, in his or her sole discretion, finds that continuation of the foreclosure sale will unfairly affect the interests of the mortgagor. In the event that the substitute commissioner makes such a finding, the substitute commissioner shall cancel the foreclosure sale, or adjourn such sale in the manner provided in section 411(c). Upon designation of a substitute foreclosure commissioner, a copy of the written notice of such designation referred to in section 405 shall be served upon the persons set forth in section 409(1) of this title (1) by mail as provided in such section 409 (except that the minimum time periods between mailing and the date of foreclosure sale prescribed in such section shall not apply to notice by mail pursuant to this subsection) or (2) in any other manner, which in the substitute commissioner's sole discretion, is conducive to achieving timely notice of such substitution. In the event a substitute foreclosure commissioner is designated less than forty-eight hours prior to the time of the foreclosure sale, the pending foreclosure shall be terminated and a new foreclosure shall be commenced by commencing service of a new notion of default and foreclosure sale.

SERVICE OF NOTICE OF DEFAULT AND FORECLOSURE SALE

SEC. 409. The foreclosure commissioner shall serve the notice of default and foreclosure sale provided for in section 407 upon the following persons and in the following manner, and no additional notice shall be required to be served notwithstanding any notice requirements of any State or local law—

(1) NOTICE BY MAIL.—The notice of default and foreclosure sale, together with the designation required by section 405, shall be sent by certified or registered mail, postage prepaid and return receipt requested, to the following persons:

(A) the current security property owner of record, as the record exists forty-five days prior to the date originally set for foreclosure sale, whether or not the notice describes a sale adjourned as provided in this title;

(B) the original mortgagor and all subsequent mortgagors of record or other persons who appear of record or in the mortgage agreement to be liable for part or all of the mortgage debt, as the record exists forty-five days prior to the date originally set for foreclosure sale, whether or not the notice describes a sale adjourned as provided in this title, except any such mortgagors or persons who have been released; and

(C) all persons holding liens of record upon the security property, as the record exists forty-five days prior to the date originally set foreclosure sale, whether or not the notice describes a sale adjourned as provided in this title.

Notice under clauses (A) and (B) of this paragraph shall be mailed at least twenty-one days prior to the date of foreclosure sale, and shall be mailed to the owner or mortgagor at the address stated in the mortgage agreement, or, if none, to the address of the security property, or, at the discretion of the foreclosure commissioner, to any other address believed to be that of such owner or mortgagor. Notice under clause (C) of this paragraph shall be mailed at least ten days prior to the date of foreclosure sale, and shall be mailed to each such lienholder's address as stated of record or, at the discretion of the foreclosure commissioner, to any other address believed to be that of such lienholder. Notice by mail pursuant to this subsection or section 408(b) of this title shall be deemed duly given upon mailing, whether or not received by the addressee and whether or not a return receipt is received or the letter is returned.

(2) PUBLICATION.—A copy of the notice of default and foreclosure sale shall be published, as provided herein, once a week during three successive calendar weeks, and the date of last publication shall be not less than four nor more than twelve days prior to the sale date. The information included in the notice of default and foreclosure sale pursuant to section 407(a)(4) may be omitted, in the foreclosure commissioner's discretion, from the published notice. Such publication shall be in a newspaper or newspapers having general circulation in the county or counties in which the security property being sold is located. To the extent practicable, the newspaper or newspapers chosen shall be a newspaper or newspapers, if any is available, having circulation conducive to achieving notice of foreclosure by publication. Should there be no newspaper published at least weekly which has a general circulation in one of the counties in which the security property being sold is located, copies of the notice of default and foreclosure sale shall be posted in at least three public places in each such county at least twenty-one days prior to the date of sale.

(3) POSTING.—A copy of the notice of default and foreclosure sale shall be posted in a prominent place at or on the real property to be sold at least seven days prior to the foreclosure sale, and entry upon the premises for this purpose shall be privileged as against all persons. If the property consists of two or more noncontiguous parcels of land, a copy of the notice of default and foreclosure sale shall be posted in a prominent place on each such parcel. If the security property consists of two or more separate buildings, a copy of the notice of default and foreclosure sale shall be posted in a prominent place on each such building. Posting at or on the premises shall not be required where the foreclosure commissioner, in the commissioner's sole discretion, finds that the act of posting will likely cause a breach of the peace or that posting may result in an increased risk of vandalism or damage to the property.

PRESALE REINSTATEMENT

SEC. 410. (a) Except as provided in sections 408(b) and 411(c), the foreclosure commissioner shall withdraw the security property from foreclosure and cancel the foreclosure sale only if—

(1) the Secretary so directs the commissioner prior to or at the time of sale;

(2) the commissioner finds, upon application of the mortgagor at least three days prior to the date of sale, that the default or defaults upon which the foreclosure is based did not exist at the time of service of the notice of default and foreclosure sale; or

(3)(A) in the case of a foreclosure involving a monetary default, there is tendered to the foreclosure commissioner before public auction is completed the entire amount of principal and interest which would be due if payments under the mortgage had not been accelerated; (B) in the case of a foreclosure involving a nonmonetary default, the foreclosure commissioner, upon application of the mortgagor before the date of foreclosure sale, finds that such default is cured; and (C) there is tendered to the foreclosure commissioner before public auction is completed all amounts due under the mortgage agreement (excluding additional amounts which would have been due if mortgage payments had been accelerated), all amounts of expenditures secured by the mortgage and all costs of foreclosure incurred for which payment from the proceeds of foreclosure is provided in section 412, except that the Secretary shall have discretion to refuse to cancel a foreclosure pursuant to this clause if the current mortgagor or owner of record has on one or more previous occasions caused a foreclosure of the mortgage, commenced pursuant to this title or otherwise, to be canceled by curing a default.

(b) Prior to withdrawing the security property from foreclosure in the circumstances described in subsection (a)(2) or (a)(3), the foreclosure commissioner shall afford the Secretary a reasonable opportunity to demonstrate why the security property should not be so withdrawn.

(c) In any case in which a foreclosure commenced under this title is canceled, the mortgage shall continue in effect as though acceleration had not occurred.

(d) If the foreclosure commissioner cancels a foreclosure sale under this title, a new foreclosure may be subsequently commenced as provided in this title.

CONDUCT OF SALE; ADJOURNMENT

SEC. 411. (a) The date of foreclosure sale set forth in the notice of default and foreclosure sale shall not be prior to thirty days after the due date of the earliest installment wholly unpaid or the earliest occurrence of any uncured nonmonetary default upon which foreclosure is based. Foreclosure sale pursuant to this title shall be at public auction, and shall be scheduled to begin between the hours of 9 o'clock ante meridian and 4 o'clock post meridian local time on a day other than Sunday or a public holiday as defined by section 6103(a) of title 5, United States Code, or State law. The foreclosure sale shall be held at a location specified in the notice of default and foreclosure sale, which shall be a location where foreclosure real estate auctions are customarily held in the county or one of the counties in which the property to be sold is located, or at a courthouse therein, or at or on the property to be sold. Sale of security property situated in two or more counties may be held in any one of the counties in which any part of the security property is situated.

(b) The foreclosure commissioner shall conduct the foreclosure sale in accordance

with the provisions of this title and in a manner fair to both the mortgagor and the Secretary. The foreclosure commissioner shall attend the foreclosure sale in person, or, if there are two or more commissioners, at least one shall attend the foreclosure sale. In the event that no foreclosure commissioner is a natural person, the foreclosure commissioner shall cause its duly authorized employee to attend the foreclosure sale to act on its behalf. Written one-price sealed bids shall be accepted by the foreclosure commissioner from the Secretary and other persons for entry by announcement by the commissioner at the sale. The Secretary and any other person may bid at the foreclosure sale, including the Secretary or any other person who has submitted a written one-price bid, except that the foreclosure commissioner or any relative, related business entity or employee of such commissioner or entity shall not be permitted to bid in any manner on the security property subject to foreclosure sale. The foreclosure commissioner may serve as auctioneer, or, in accordance with regulations of the Secretary, may employ an auctioneer to be paid from the commission provided for in section 412(5).

(c) The foreclosure commissioner shall have discretion, prior to or at the time of sale, to adjourn or cancel the foreclosure sale if the commissioner determines, in the commissioner's sole discretion, that circumstances are not conducive to a sale which is fair to the mortgagor and the Secretary or that additional time is necessary to determine whether the security property should be withdrawn from foreclosure as provided in section 410. The foreclosure commissioner may adjourn a sale to a later hour the same day without the giving of further notice, or may adjourn the foreclosure sale for not less than nine nor more that twenty-four days, in which case the commissioner shall serve a notice of default and foreclosure sale revised to recite that the foreclosure sale has been adjourned to a specified date and to include any corrections the foreclosure commissioner deems appropriate. Such notice shall be served by publication, mailing and posting in accordance with section 409, except that publication may be made on any of three separate days prior to the revised date of foreclosure sale, and mailing may be made at any time at least seven days prior to the date to which the foreclosure sale has been adjourned.

FORECLOSURE COSTS

SEC. 412. The following foreclosure costs shall be paid from the sale proceeds prior to satisfaction of any other claim to such sale proceeds:

(1) necessary advertising costs and postage incurred in giving notice pursuant to sections 409 and 411;

(2) mileage for posting notices and for the foreclosure commissioner's attendance at the sale at the rate provided in section 1921 of title 28, United States Code, for mileage by the most reasonable road distance;

(3) reasonable and necessary costs actually incurred in connection with any necessary search of title and lien records;

(4) necessary out-of-pocket costs incurred by the foreclosure commissioner to record documents; and

(5) a commission for the foreclosure commissioner for the conduct of the foreclosure to the extent authorized by regulations issued by the Secretary.

DISPOSITION OF SALE PROCEEDS

SEC. 413. Money realized from a foreclosure sale shall be made available for obligation and expenditure first to cover the costs of foreclosure provided for in section 412; then to pay valid tax liens or assessments prior to the mortgage; then to pay any liens recorded prior to the recording of the mortgage which are required to be paid in conformity with the terms of sale in the notice of default and foreclosure sale; then to service charges and advancements for taxes, assessments, and property insurance premiums; then to the interest; then to the principal balance secured by the mortgage (including expenditures for the necessary protection, preservation, and repair of the security property as authorized under the mortgage agreement and interest thereon if provided for in the mortgage agreement); and then to late charges. Any surplus after payment of the foregoing shall be paid to holders of liens recorded after the mortgage and then to the appropriate mortgagor. If the person to whom such surplus is to be paid cannot be located, or if the surplus available is insufficient to pay all claimants and the claimants cannot agree on the allocation of the surplus, or if any person claiming an interest in the mortgage proceeds does not agree that some or all of the sale proceeds should be paid to a claimant as provided in this section, that part of the sale proceeds in question may be deposited by the foreclosure commissioner with an appropriate official or court authorized under law to receive disputed funds in such circumstances. If such a procedure for the deposit of disputed funds is not available, and the foreclosure commissioner files a bill of interpleader or is sued as a stakeholder to determine entitlement to such funds, the foreclosure commissioner's necessary costs in taking or defending such action shall be deductible from the disputed funds.

TRANSFER OF TITLE AND POSSESSION

SEC. 414. (a) The foreclosure commissioner shall deliver a deed or deeds to the purchaser or purchasers and obtain the balance of the purchase price in accordance with the terms of sale provided in the notice of default and foreclosure sale.

(b) The foreclosure deed or deeds shall convey all of the right, title, and interest in the security property covered by the deed which the Secretary as holder, the foreclosure commissioner, the mortgagor, and any other persons claiming by, through, or under them, had on the date of execution of the mortgage, together with all of the right, title, and interest thereafter acquired by any of them in such property up to the hour of sale, and no judicial proceeding shall be required ancillary or supplementary to the procedures provided in this title to assure the validity of the conveyance or confirmation of such conveyance.

(c) A purchaser at a foreclosure sale held pursuant to this title shall be entitled to possession upon passage of title to the mortgaged property, subject only to an interest or interest senior to that of the mortgage, and any other person remaining in possession thereafter shall be deemed a tenant at sufferance.

(d) There shall be no right of redemption, or right of possession based upon right of redemption, in the mortgagor or others subsequent to a foreclosure pursuant to this title.

(e) When conveyance is made to the Secretary, no tax shall be imposed or collected with respect to the foreclosure commissioner's deed, whether as a tax upon the instrument or upon the privilege of conveying or transferring title to the property. Failure to collect or pay a tax of the type and under the circumstances stated in the preceding sentence shall not be grounds for refusing to record such a deed, for failing to recognize such recordation as imparting notice of for denying the enforcement of such a deed and its provisions in any State or Federal court.

RECORD OF FORECLOSURE AND SALE

SEC. 415. (a) To establish a sufficient record of foreclosure and sale, the foreclosure commissioner shall include in the recitals of the deed to the purchaser or prepare an affidavit or addendum to the deed stating—

(1) that the mortgage was held by the Secretary;

(2) the particulars of the foreclosure commissioner's service of notice of default and foreclosure sale in accordance with sections 409 and 411;

(3) that the foreclosure was conducted in accordance with the provisions of this title and with the terms of the notice of default and foreclosure sale;

(4) a correct statement of the costs of foreclosure, calculated in accordance with section 412; and

(5) the name of the successful bidder and the amount of the successful bid.

(b) The deed executed by the foreclosure commissioner, the foreclosure commissioner's affidavit and any other instruments submitted for recordation in relation to the foreclosure of the security property under this title shall be accepted for recordation by the registrar of deeds or other appropriate official of the county or counties in which the security property is located upon tendering of payment of the usual recording fees for such instruments.

COMPUTATION OF TIME

SEC. 416. Periods of time provided for in this title shall be calculated in consecutive calendar days including the day or days on which the actions or events occur or are to occur for which the period of time is provided and including the day on which an event occurs or is to occur from which the period is to be calculated.

SEPARABILITY

SEC. 417. If any clause, sentence, paragraph or part of this title shall, for any reason, be adjudged by a court of competent jurisdiction to be invalid or invalid as applied to a class of cases, such judgment shall not affect, impair, or invalidate the remainder thereof and of this title, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

REGULATIONS

SEC. 418. The Secretary is authorized to issue such regulations as may be necessary to carry out the provisions of this title.

TITLE V—RURAL HOUSING

AUTHORIZATIONS

SEC. 501. (a) Section 513 of the Housing Act of 1949 is amended—

(1) by striking out "not to exceed $3,797,600,000 with respect to the fiscal year ending September 30, 1981" in subsection (a) and inserting in lieu thereof "not to exceed $3,700,600,000 with respect to the fiscal year ending September 30, 1982";

(2) by striking out "not less than $3,120,000,000" in subsection (a)(1) and inserting in lieu thereof 'not less than $3,170,000,000";

(3) by striking out subsection (b)(2) and inserting in lieu thereof the following:

"(2) not to exceed $49,000,000 for loans and grants pursuant to section 504 for the fiscal year ending September 30, 1982, of which not more than $25,000,000 shall be available for grants;";

(4) by striikng out subsection (b)(3) and inserting in lieu thereof the following:

"(3) not to exceed $24,000,000 for financial assistance pursuant to section 516 for the fiscal year ending September 30, 1982;"; and

(5) by striking out "and" at the end of subsection (b)(4), by striking out the period at the end of subsection (b)(5) and inserting in lieu thereof "; and", and by adding at the end thereof the following:

"(6) not to exceed $2,000,000 for the purposes of section 509(c) for the fiscal year ending September 30, 1982.".

(b) Section 515(b)(5) of such Act is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1982".

(c) Section 517(a)(1) of such Act is 1981" and inserting in lieu thereof "September 30, 1982".

(d) Section 521(a)(2)(D) of such Act is amended—

(1) by striking "$493,000,000" and inserting in lieu thereof "$398,000,000"; and

(2) by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1982".

(e) Section 523 of such Act is amended—

(1) by striking out "September 30, 1981" each place it appears in subsection (f) and inserting in lieu thereof "September 30, 1982";

(2) by adding at the end of subsection (f) the following: "None of the funds appropriated under this subsection shall be available for the purposes of subsection (b)(1)(B)."; and

(3) by striking out "not to exceed $2,500,000 for fiscal year 1981" in the first sentence of subsection (g) and inserting in lieu thereof "not to exceed $1,000,000 for fiscal year 1982".

DEFINITION OF LOW INCOME

SEC. 502. Section 501(b)(4) of the Housing Act of 1949 is amended to read as follows:

"(4) For the purpose of this title, the term 'persons of low income' and the term 'persons and families of low-income' mean persons and families whose incomes do not exceed those levels established for any area by the Secretary with adjustments for smaller and larger families.".

INTEREST SUBSIDY PROGRAM

SEC. 503. Section 521(a)(1)(B) of the Housing Act of 1949 is amended by striking out "shall" and inserting in lieu thereof "may".

REPORTS

SEC. 504. The Secretary of Agriculture shall transmit a report to the Congress not later than March 1, 1982, setting forth—

(1) various options for presenting the budget of the Farmers Home Administration and alternatives to the use of Federal Financing Bank financing for rural housing programs;

(2) workable definitions of "low income" which will target Farmers Home Administration housing assistance programs to a population substantially equivalent to the population served by the Department of Housing and Urban Development's assisted housing programs;

(3) the effect of a requirement that 30 per centum of assistance provided Farmers Home Administration be provided to families with incomes at 50 per centum of area median income and recommendations for contribution requirements which will achieve equity with the contribution requirements of the Department of Housing and Urban Development's assisted housing programs;

(4) recommendations for ensuring that subsidy levels for assisted families are minimized and that assisted families with similar circumstances in different regions of the country are treated equally; and

(5) the Farmers Home Administration's efforts to minimize the cost of housing subsidized under its programs and the Farmers Home Administration's use of existing lower cost housing technology.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GARN. Mr. President, may I just speak briefly as chairman of the Banking Committee to compliment the managers on both sides in the expeditious way they have handled a very comprehensive housing bill.

I must admit that it may have been a mistake to let Senator LUGAR manage the bill because in the past years when I have it has always taken me at least 2 days to get this bill through the Senate and here he has managed to do it in one afternoon. I probably should not have allowed such expertise to be displayed in the Chamber. I will be displaced forever.

But very seriously I do wish to compliment the managers on both sides for the handling of this bill this afternoon.

Mr. STEVENS. Mr. President, it is the intention of the leadership that there will be no more votes this evening.

Mr. President, what is the pending business?

The PRESIDING OFFICER. There is no pending business.

ROUTINE MORNING BUSINESS

Mr. STEVENS. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business with Senators permitted to speak therein not to exceed 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ANTITRUST SUITS BY FOREIGN GOVERNMENTS

Mr. PERCY. Mr. President, I was pleased to be added earlier this week as a cosponsor of S. 816, legislation to amend the Clayton Act to limit the circumstances under which foreign governments may sue for violations of the antitrust laws.

As the Senator from one of the major exporting States of this country and from a city which is a crossroad of international business and financial interests, I have made it a high priority throughout my Senate career to eliminate as many barriers as I can to the free flow of international trade and business relationships.

For this reason, I very strongly support the principle of S. 816:

That our Government and foreign governments should be on equal footing in U.S. courts and that foreign governments should not be denied the right to sue for antitrust damages in our courts so long as that right is similarly available to us in that foreign country.

In 1978, the Supreme Court ruled in an antitrust case referred to as Pfizer against India that a foreign government is a "person" as defined under section 4 of the Clayton Act and is thus entitled to bring treble damage antitrust actions in U.S. courts.

The pending legislation, S. 816, would modify this decision by amending the Clayton Act to specifically permit antitrust actions by a foreign government in American courts provided that:

Similar conduct is forbidden by the laws of that foreign government; that those laws are enforced and that the United States be permitted to recover actual damages for similar conduct under the foreign laws.

While I do subscribe to the principle on which the bill rests, I am concerned at the same time that the bill be a workable piece of legislation. Some recent reservations on the part of the State Department have been brought to my attention and I hope they can be resolved before this legislation reaches final passage.

Mr. President, I ask unanimous consent that a letter from the Department of State to my distinguished colleague, the chairman of the Judiciary Committee, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, D.C.

HON. STROM THURMOND,
Chairman, Committee on the Judiciary, U.S. Senate.

DEAR MR. CHAIRMAN: The Department of State's views have been requested concerning S. 816, a bill to amend the Clayton Act to limit the circumstances under which foreign governments may sue for violations of the antitrust laws.

The Department is not able to support this bill as it presently stands. The present text would restrict suits by both foreign governments and their instrumentalities, without further definition. The effect could be to affect suits by commercial instrumentalities of foreign governments which are, in fact, vigorous competitors in the marketplace fully subject to suit under our laws. Further, the present text incorporates a three-tiered test of reciprocity which could be very difficult, if not impossible, for any other country to meet, given the variations in concept and approach involved in even the most effective foreign competition laws. The result is that the bill, in its present form, could be inequitable and injurious to U.S. commercial interests abroad.

The Department could support this legislation if it were clarified in two respects. First, we believe it should clearly exclude the commercial instrumentalities of foreign governments from its coverage, so that an entity that would be subject to suit in the United States could likewise sue on the same basis as a private entity here. Second, we believe that the bill should be clarified to ensure that the reciprocity test could be met by countries that have strong and vigorously enforced antitrust legislation, such as the Federal Republic of Germany, even if that legislation may differ in its particulars from U.S. legislation.

Sincerely,

RICHARD FAIRBANKS,
Assistant Secretary for Congressional Relations.

Mr. PERCY. Mr. President, I appreciate the special effort made by the Judiciary Committee to accommodate the concerns of the State Department by adding report language to address both points raised in its letter.

I ask unanimous consent that the language from Senate Report 97–78, excerpted as follows, be printed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

THE ANTITRUST RECIPROCITY ACT OF 1981

The "similar conduct" test under the bill expresses the committee's understanding that the foreign government's competition laws need not be identical to U.S. antitrust laws in scope or formulation. What is necessary is

that the type of conduct at issue under the foreign government's section 4 complaint must have been prohibited by the laws of that nation, including any multinational treaty to which the nation is a party and which is enforceable through a damage action in the courts of that nation.

For example, section 1 of the Sherman Act broadly prohibits all contracts and combinations in restraint of trade. If a foreign government wishes to claim that it was victimized by price-fixing—one category of restraint covered by section 1 of the Sherman Act—it must establish only that its laws also prohibited price-fixing. It would be irrelevant that the foreign nation had not chosen to outlaw other types of restraints that are also reached by section 1, such as resale price maintenance agreements or tying arrangements.

In this way, the bill recognizes that foreign sovereigns can decide what kinds of anticompetitive conduct they want to prohibit and to determine how they want to formulate these prohibitions. In no sense, therefore, does the bill condition the antitrust rights of foreign governments, which have applicable and enforced competition laws, on a willingness to copy the particulars of U.S. statutes. In so interpreting the laws of a foreign state, a court may consider the representations of officials of the foreign state as well as those of relevant U.S. Government agencies such as the Department of State and the Department of Justice, or any other relevant evidence.

Finally, it should be noted that the bill applies only to suits by, or on behalf of, a "foreign government or an instrumentality of a foreign government." Thus, it applies to activities conducted by the foreign government, either directly or through subordinate units or entities that exercise sovereign power or act on its behalf. The bill is not intended, however, to apply to entities that conduct exclusively or primarily commercial activities, even though the government may be the sole or controlling owner of such commercial entities.

In determining whether the entity allegedly affected by the challenged conduct is covered by the provisions of S. 816, the definition of "commercial activity" found in the Foreign Sovereign Immunities Act, 28 U.S.C. section 1603(d), should be instructive. For example, the bill would apply to a procurement agency that is engaged primarily or exclusively in making purchases on behalf of a foreign government or on behalf of a public institution acting on behalf of the government, even if that procurement agency is separately established or incorporated. By contrast, the bill would not apply to a company that is primarily or exclusively engaged in standard commercial operations, like the manufacture of automobiles or the operation of an airline, even if a foreign government owns the company.

Mr. PERCY. Mr. President, I know that the concerns raised by the State Department were shared by some of our allies and major trading partners as well. The report language certainly goes a long way in expressing the intention of the committee to allay the fears of our friends abroad.

I hope that these matters can be further discussed on the floor when the bill is considered by the Senate.

I think we would render a service to ourselves, to U.S. businesses in the international markets, and to our allies by discussing these issues forthrightly on the floor as a means of avoiding any possible misunderstanding or injury to U.S. commercial interests abroad.

SPEECH BY NADEEM MAASRY

Mr. PERCY. Mr. President, the problem of how best to address current world economic problems created by the flow of capital to the OPEC nations and to meet the long-term capital requirements of the oil-consuming countries is an issue we must face. In a recent speech entitled, "Toward the Ideal Marriage: Energy Alternatives—and Middle East Funding," presented to the Business Week Executive Conference, Nadeem Maasry, vice president of Financial General Bankshares, provided some very useful insights into this problem. Mr. Maasry suggests a solution which promotes free trade and private enterprise. I ask unanimous consent that excerpts from Mr. Maasry's speech be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TOWARD THE IDEAL MARRIAGE: ENERGY ALTERNATIVES—AND MIDDLE EAST FUNDING

When the capital needs of the oil-consuming nations—both the rich and the poor—needed for development of alternative energy are compared with the petrofund surpluses, one is tempted to explore a pertinent set of questions. One such question was posed recently by a prominent American banker: Since the West possesses the technological capability to develop new energy sources and a capital surplus exists in the Middle East, it would seem to be a perfect marriage. I quote, "So it is not unrealistic to expect OPEC, sooner or later, directly or indirectly, to play an important role in the development of alternative energy."

I submit that in theory, such a marriage could take place and it would truly be a marriage made in heaven. But, in reality, I have to say today that too many disincentives exist for one to be very sanguine that such a perfect union will occur unless current circumstances are altered significantly.

In the majority of the oil-producing countries, insufficient private-sector framework exists to allocate the surplus to productive ends, creating the basis for long-term growth. Rather, in country after country, there are cadres of civil servants toiling within billowing bureaucracies, content to deposit oil revenues in risk-free bank deposits, treasury bonds and other secure instruments. It must be understood that the bulk of oil revenues rests in government hands, indeed in the hands of civil servants who cannot take risks and who are ultra-conservative in their investment policies. The civil servant is not interested in long-term returns.

I wish to emphasize today that there is an unfortunate, though perhaps understandable, lack of long-term planning in the bureaucracies and among the leadership in many of the surplus oil-producing countries. But coupled with that assessment is a fact of equal importance: Oil-consuming nations have demonstrated a shortsighted approach toward attracting the investment to petrofunds into alternative energy projects by failing to promote greater cooperation between the West and the Middle East; by failing to encourage the growth of private banking counterparts in the surplus countries and by failing to develop creative financing ideas.

Such investments would serve multiple purposes:

Provide, for the first time, reliable channels for the investment of petrofunds over the longer term.

Relieve oil-producing nations of the mounting pressure to deplete their petroleum reserves.

Diffuse inflationary pressures in the oil-producing lands by offering investment instruments that would be more attractive than real estate and other nonproductive opportunities.

Aid in the restructuring of the global economy in a manner serving the mutual interests of the oil-consuming and oil-producing nations.

A marriage between western alternative energy technology and petrofund surpluses might have been consummated by now if appropriate approaches had been made. But with far too much frequency, most approaches centered around transactions that featured the sale of technology for petrofunds rather than equity. There is no future in such deals.

Here and there, encouraging signs are to be seen in the types of quasi-governmental/private-sector ventures now being formed. They will serve as the transitional institutions to finance the underpinnings of a free market. But they are few and far between and are laboring against formidable odds. As long as the governments of the oil-rich nations dispense increasing social benefits to the populace and employ them in greater numbers as civil servants, the less likely it will be that a potential managerial class will be attracted to risk-oriented projects.

So, we are faced with the challenge of altering a vicious cycle, characterized by petrofunds, larger government bureaucracies, and woeful progress in realizing the potential of a thriving and lasting system of free enterprise.

In this influential audience and throughout this country are individual businessmen, investors and public policy leaders who could alter the present course of the Middle East economies by helping them to create the foundations of a private sector which will enhance political and economic stability and sustain commerce around the world in the years ahead.

After World War II, the world faced another mighty challenge. In a joint effort, the Marshall Plan was launched in Europe. Some $13 billion in government aid and billions more in private investment were expended and strong economies were created.

Today, despite the frictions of our time, it is still possible for business and society to be allies in the pursuit of both progress and the general good, but only if accommodations and compromises are made to arrest the slide toward economic disaster and only if preparations are accelerated for the transition to the new energy era.

This will require a new kind of relationship between oil-producing countries, developing nations and the industrialized states of the West. What is needed is a Marshall Plan in reverse—and I emphasize the word "Plan." Plans must be drawn up calling for U.S. and other western expertise, rather than money, to be made available and, if combined with local capital, that would create the kind of conditions which led to success in Europe. The key to such an unprecedented effort must be joint action taken interdependently. It will fail without that key

If it does fail, the dream of a perfect marriage between today's petrofunds and tomorrow's alternative energy sources will remain only a dream. This need not happen. Today, it behooves the western world and the oil-consuming nations to reexamine avenues and incentives for constructive petrofund investments of a kind that will assure the oil-producing nations secure long-term investment instruments instead of speculative, fly-by-night will-o'-the-wisps.

MR. NADEEM G. MAASRY

Mr. Maasry is Senior Vice President of Financial General Bankshares Inc., which is

one of the largest multi-bank bank holding companies with banks in five different jurisdictions in the United States. He is responsible for all international commitments.

Mr. Maasry was born in Lebanon and received his education at the American University of Beirut and at Johns Hopkins University in this country.

He is credited with conceiving of the idea as well as putting together and organizing the Kuwait Financial Centre in 1974, the first investment bank totally in the private sector in Kuwait with participation from a U.S. financial institution. The Kuwait Financial Centre has grown to a size of over $150 million by year-end 1980. It is therefore from his own personal experience in an oil surplus country that Mr. Maasry talks to us today about the necessity to help a nascent private sector in the financial markets of the oil countries to play a bigger role in energy project financing as well as other investments.

Mr. Maasry has served on a number of bank boards including Credit European in Luxembourg and the Kuwait Financial Centre in Kuwait. He has participated in several important conferences and symposia and written extensively on the subject of money and banking in the Arab world.

CITIZENSHIP EDUCATION

Mr. PERCY. Mr. President, the Center for Citizenship Education has brought to my attention a recent speech by Bob Stuart, chairman of the board, National Can Corp., delivered to students at Northwestern University in Chicago, Ill. This speech gives full meaning to positive citizenship development in America. For the interest of my colleagues, I ask unanimous consent that the speech be printed in the RECORD at this point.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ADDRESS BY BOB STUART

In a matter of minutes the President of the United States will be addressing the Nation on a very important aspect of citizenship—an economic policy designed to insure continuing freedom for all Americans. The President, we are told by White House spokesmen, wishes to stress that while "patriotism" is at issue, acceptance of what appears to be a stringent economic policy is an act of survival. Also, he is urging all citizens not to penalize their congressional representatives for acceding to the proposed cuts in spending. "Do what is best for your country," he seems to be saying—the ultimate value of citizenship.

Back in 1976, the year of our Bicentennial Celebration, the Commissioner of Higher Education for the State of Utah delivered an address to a National Conference for Education and Citizenship in Kansas City. This conference invested nearly one-half million dollars to launch a new and badly needed effort to renew and restore an understanding of citizenship and the values and responsibilities of citizenship among American citizens. Regrettably nothing significant grew from that conference.

Today I come to you as a member of the board of the new Center for Citizenship Education which has launched a whole new thrust to bring that about, and has already brought together a major consortium of every conceivable type of organization and institution interested in promoting responsible citizenship, known as the Council for Advancement of Citizenship. In 1976 that Commissioner, delivered a speech entitled "Morality and Citizenship: Whose Responsibility?" I have recast that title somewhat to come up with my own for this evening: "The Moral Crisis in Citizenship Education: Whose Responsibility?"

Today that former Commissioner of Higher Education is our new Secretary of Education, appointed by a newly elected President. He is, of course, Terrel H. Bell. Dr. Bell can now look out across a nation in which the answer to the question he posed is as elusive as it was in 1976. At this point in our history, however, the question he raised stems not just from a national dilemma but truly from a national crisis. We seem to be cast adrift without a rudder in a sea of problems from which there is no escape. Where should we be heading? No one, at least no one we are willing to trust is pointing firmly and insistently toward the harbor or shoreline. Even if we should agree on where the shoreline is, who is going to take us there? If we all pull together, will we surely be saved? Or would it be better to strike out, each on his own "looking out for Number One," hoping that the others make it to safety too, but the devil take the hindmost?

Today we Americans are in a state of confusion closely bordering on malaise. We are no longer sure of who we are or where we are going. We are searching for meaning in life. Our youth are puzzled about whether there are truly any "eternal verities," or whether every decision "depends on the situation." Cheat on an exam? Why not? Gotta get that degree. Anyway, everybody else does it. Snitch on a colleague to gain favor with the boss? Hey, man, it's a dog-eat-dog world. Walk away from the scene of an accident or a crime? Ignore the victim? Of course! You're just asking for trouble if you get yourself involved.

I'm personally convinced that we have let the values of family and community life erode terribly. The overwhelming pressures today are in favor of again using the idiom "looking out for Number One." But can Number One, and that's me or to you that's you, working solely in his or her own self-interest, really protect themselves from our large-scale, quality of life-damaging problems: of inflation, unemployment, environmental degradation, juvenile crime, diminished international prestige and economic woes? Clearly, he or she cannot. They must join with others in common cause, as we have always joined in the past. And he will look for leadership, as we have always looked in the past—and generally found it.

In this inaugural year, we are all looking to the leadership of a newly elected President swept into office by a wave of public dissatisfaction. That dissatisfaction centered on the perception that so many of our national ills, both at home and abroad, were not getting better, but indeed seemed to be getting worse. Whether a new national leader can cure them remains to be seen. Certainly no mere president can do it without the wholehearted support of all of us.

Fortunately it appears that our new President Reagan will undertake to bring us together by reaffirming the values and responsibilities to which we have committed ourselves in the past. He has already reminded us that, while he is proud to have been elected President, he cannot do the job alone, that he must count on every one of us, whatever his or her station in life, to contribute their share to the overall effort to restore our faith in ourselves, our leaders, and our institutions. He will, we can expect, urge us to greater social service, accepting responsibilities to others and expressing that acceptance through concerted government/private sector/voluntary programs to revitalize our families, our neighborhoods, our communities, our agencies of self-government. The willingness we show to work together toward common goals, and to do so skillfully, are together the essence of good citizenship.

How do we move from a confused citizenry to a common condition of effective citizenship? We do it through a restoration of belief in our democratic heritage and of confidence in our mutual ability to surmount obstacles. What convictions, ethics, and values do we hold in common as Americans? We have always been able to answer that question in the past. Two hundred years of testing our democratic beliefs on the forge of hard times has left us a rich legacy from which to draw support for these trying days. They are implicit in the ethical and procedural systems we have developed over the decades—and which we so often take for granted—in fostering individual liberty, equality of opportunity, the rule of law, the American economic system, and our representative government.

Our new President's strategy in coping with the problems he faces must necessarily go far beyond reshaping political bureaucracies to make them more responsive to public needs and more cost-effective in their operations. To succeed, he must focus time and attention on citizenship development in the broadest sense of the term, from cradle to grave. He must include all of us into the process of setting goals and priorities, so that we can agree on where we as a nation ought to be going, and on how we are planning to get there. He must urge the committed to open their circles in welcome to those who are not, and get them committed too. In doing so, he will need the support of this business community, of nonpolitical organizations working in the public sector, of voluntary agencies, and of individual volunteers.

There are plenty of concerned citizens ready to help. Some of them met last spring at Wingspread in Wisconsin, to explore their common interest in strengthening citizenship competence in all its aspects. Representatives of business corporaticns, labor unions, educational institutions, and voluntary associations, they demonstrated their own good citizenship by joining together to create the Council for the Advancement of Citizenship. The goals of the new Council are several fold—to conduct intensive research on what is already going on in the field of citizenship development, to establish an information clearinghouse, and to develop a mass communications program, all with a view toward implementing a national movement at all levels of American life to promote a better understanding of citizenship opportunities and responsibilities.

Fortunately, President Reagan starts from a philosophic position favorable to developing a partnership relation with the private sector. He and his supporters regard the private arena as their natural home. They are citizens who represent private-sector values first and foremost, but who have won a victory in the political arena. They are ready to work with those of us who are committed to the development of those attitudes and citizenship skills which will help us navigate the shoals now upon us and lying just ahead, through a working partnership of public and private enterprise.

But President Reagan's team, fresh from victory at the polls, will find the going even rougher on the high seas. They have already bumped headlong into the established system, in mandating a Federal hiring freeze as a first order of business. Suddenly, they find themselves in confrontation with a bureaucracy skillfully defended by tenured civil servants and supported politically by powerful special-interest groups. In battling the established system on its own turf—or to continue our seaworthy analogy which I as a sailor, a rag and stick yachtsman, like to use—on its own surf the Reagan team has little more change of winning than any of his predecessors.

As we have seen, the Federal bureaucracy tends to change not as the President changes, nor even as the immediate political chief changes. Rather, the bureaucracy tends to

shift with its own constituency, its own special interest group or pressure group, sometimes as leader, sometimes as follower. When American farmers rise in indigation to oppose a regulation just published by the Department of Agriculture, the Department listens carefully and generally, mends its ways. But then, farmers have taken pains to organize in politically potent combinations.

American Indians, on the other hand, found the Bureau of Indian Affairs singularly unresponsive through the years, until they began to do the same. President Reagan will make the bureaucracy more responsive and efficient only as he persuades citizens as a whole to voice their general expectations for more responsive and efficient government in ways that compel the various bureaucracies to listen to the overall citizenry and not just the pressure group.

What then, is the answer? It can be found in citizenship development. Educate citizens in the rules and ethics of the game; show them where they have a voice and how to press the levers of power; and imbue them with the attitudes that go with winning. In this approach there will obviously lie peril for "couldn't-care-less" incumbents, but better government for the citizen-at-large.

The American business community has a special responsibility in responding affirmatively to the dialogue on social responsibility. The nation rightly attributes the extraordinary development of its resources to the aggressive, risk-taking, decision-making skill of uncounted business enterprises, large and small. No other nation has a comparable record. Moreover, business values have played a major role in shaping the American way of life.

Businessmen and business corporations have an outstanding record of social responsibility—first of course to their customers and then to their employees and even to their suppliers, as well as to their shareholders naturally, but also to the communities in which they do business. Top executives who manage public corporations have had to limit their corporations use of profits to support social and civic causes which would not return benefits directly and promptly to all the corporation's shareholders, because the corporation's profits belong to its shareholders; but in spite of that corporate managers have been quick to help address public problems where there could presumably be an indirect return to the corporation's shareholders. Especially have they frequently involved their corporations in dealing with those problems which could not possibly be solved as well, if at all, by government or by other nonbusiness institutions.

My own civic and charitable interests and commitments are but one example of personal and corporate involvement in such social responsibilities by business leaders across the nation. I could speak for hours on that subject alone, but at this moment I merely wish to express my admiration and respect for what businesses and business people are doing in so many individual fields.

However, I believe that in many ways in the movement to develop values and competencies for effective citizenship in the years ahead, business leaders will be increasingly sought after for support and guidance. Business executives know that support and guidance must be forthcoming, in a spirit of responsible citizenship, if business expects to see any reduction in the burden of government regulation and interference of which it complains so bitterly.

I do want to emphasize the moral aspect of our business way-of-life. Ultimate justification for that way-of-life does not lie in the number of automobiles produced, nor on the number of dishwashers and houses, nor even on the standard-of-living, no matter how high. Nor does ultimate justification lie in profits, the business profits are properly the immediate, legitimate objective of business enterprise, and the basis for our high standard of living, and for the continued existence of each business that contributes to it. Rather, it lies in the extraordinary opportunities our economic system provides for self-fulfillment of the individual citizen. More than any previous civilization, America has emphasized freedom and individualism.

The business comunity, in which so much American individualism has sought and found expression, without trampling on the opportunities of others, cannot and would not wish to escape responsibility for helping to provide and expand such opportunities in the future, for joining in the movement to develop effective citizens, and for making decisions that reflect such high ethical standards that the need for government regulation and interference will become superfluous, on the face of it.

Beyond the nurturing of individualism, business institutions have traditionally helped to maintain the Constitutional balance between the government and the society that government is designed to serve. Throughout history, societies have been unitary; that is, state and society have been one—static and, if not immutable, at least highly resistant to change. Only in relatively recent history and in Western Europe did an alternative institutional relationship gradually emerge. There, the separation of church and state created liberating tensions that encouraged the evolution of social and institutional relationships in response to changing needs.

Today, in our own society, the churches unaided cannot preserve an effective counterbalance to the state. Other institutions important to American life such as schools and educational institutions and the business corporation and the nonprofit voluntary association must also play institutional roles in citizenship development, expressing moral and ethical values through which individuals can relate courageously yet responsibly to the state.

As I mentioned previously, business corporations must and do necessarily express social responsibility beyond the goal of profits for shareholders. Business at one time intruded too heavily into the personal lives of its employees. With a swing of the pendulum business tried to bend over backwards not to influence its employees in political or religious or moral matters. Now business must get back into influencing its employees—to be good citizens. Just as the President of the United States must expand the base of citizen participation in public affairs, just so the corporation executive must expand the base of employee participation in corporate affairs.

Increasingly, businesses are institutionalizing employee input into the decision-making process in many areas—such concerns as employment conditions, retirement pensions and programs, but also in business operational goals, and more newly employee volunteer work, and support for worthy charities. Increasingly, they are seeking out opportunities for social service within the local and national communities. Some offer work-study opportunities or sponsor community-service programs, for young people still in high school or college. Others sponsor community-service opportunities for employees during their working years. A few are considering the merits of offering flexitime alternatives to full-time work for employees nearing the end of their company careers; in connection with the corporations general responsibility and helping make arrangements to phase its retirees into community service work, for those who are appalled at the prospect of closing out their active years "cold turkey." Many of these possibilities were explored by business leaders who attended a Wingspread Conference on "The Future of Employee Volunteering" last November.

These business initiatives and these citizen voluntary activities have an obvious tie-in with efforts the President might make to provide higher levels of citizenship participation in public affairs on a national scale. Community-service options for any citizen who wants to help solve a problem, even for men and women currently employed daily, and even more for those who are working part time, or not currently needing employment income, about to retire, can be geared toward revitalization of deteriorating urban neighborhoods and reversal of the process of urban decay.

City residents can and must play a major role in restoring economic and social vitality to distressed urban areas. That role might reasonably include participation in research on causes and effects of urban decay; and the planning of immediate and longer-term programs to reverse the process, but more likely personal involvement in the providing of essential services and the establishment and operation of self-help organizations in targeted neighborhoods, in logical extension of the citizenship participation principle.

The practice of real citizenship, responsible citizenship, involves three major facets. The one which everyone thinks of first is participation in the political process, i.e., voting in primaries as well as general elections, and preferably working for a candidate or candidates and a political organization or party. The second, which I have been emphasizing here today, is voluntary participation in solving the problems of one's community, state, and nation and making voluntary contributions of one's own time and energy to meet the needs of one's community and fellow citizens rather than leaving it all up to government to do. A third, which we have yet not touched on, and which I will not take your valuable time to elaborate on today because I think you already know it, is nevertheless every bit as important as the other two, and I want to remind you of it now and leave an emphasis on it with you before I bring these remarks to a close. It is living responsibly and ethically, complying with all proper laws and regulations, cooperating with the proper authorities in their legitimate performance of their duties, and observing those American traditions and customs which contribute to the quality of life of our nation, and perhaps most important, teaching and inspiring all those persons with whom we have influence to do likewise.

To really broaden the exercise of citizenship by all Americans, so that they properly embrace all three of those facets, will require a substantial educational effort.

Those of us who enjoy the advantages of a good education have a special responsibility to bring along those who do not. The job is developing good citizens—citizens who can cope with the complexities of the modern world, who respect themselves and care about others. That job is the responsibility of all of us. Let's hope for Presidential leadership that will show the way, clearly pointing out the opportunities for individual self-fulfillment through service to family, community and nation, urging us relentlessly to take advantage of those opportunities; and facilitating the process of developing effective functioning citizens in any way the federal government can do so. But let us never forget that first, last, and always, that the nation does not belong to the government or to the president. It is ours, and that what happens to it is really up to us.

What will you do?

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ANNUAL REPORT OF THE FEDERAL PREVAILING RATE ADVISORY COMMITTEE—MESSAGE FROM THE PRESIDENT—PM 57

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

In accordance with Section 5347(e) of Title 5 of the United States Code, I hereby transmit the 1980 Annual Report of the Federal Prevailing Rate Advisory Committee. The period covered by the report precedes my term of office.

RONALD REAGAN.

THE WHITE HOUSE, *June 3, 1981.*

MESSAGES FROM THE HOUSE

At 11:53 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its clerks, announced that the House has passed the following bill, without amendment:

S. 1070. An act to extend the authorization for youth employment and demonstration programs, and for other purposes.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 661. An act for the relief of Blanca Rosa Luna de Frei;

H.R. 688. An act for the relief of Junior Edmund Montcrieffe;

H.R. 783. An act for the relief of Roland Karl Heinz Vogel;

H.R. 1469. An act for the relief of Madeleine Mesnager;

H.R. 1480. An act for the relief of Omar Marachi;

H.R. 1550. An act for the relief of Aurora Isidra Rullan Diaz;

H.R. 2039. An act to amend chapter 37 of title 38, United States Code, to authorize the Administrator of Veterans' Affairs to guarantee home loans with provisions for variable-payment plans, and for other purposes;

H.R. 2136. An act to amend title 38, United States Code, to revise the provisions of such title relating to the construction and alteration of, and acquisition of land for, national cemeteries;

H.R. 2540. An act to authorize appropriations for the U.S. International Trade Commission, the U.S. Customs Service, and the Office of the U.S. Trade Representatives for fiscal year 1982, and for other purposes.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 76 Concurrent resolution expressing the sense of the Congress that the Secretary of the Army should place a plaque in Arlington National Cemetery honoring members of the U.S. Armed Forces who died during an attempt to rescue American hostages held in Iran.

At 4:52 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1100. An act to amend title 38, United States Code, to expand eligibility of former prisoners of war for certain benefits and health-care services provided by the Veterans' Administration, and for other purposes;

H.R. 1714. An act to amend title 38, United States Code, to authorize the Veterans' Administration to furnish memorial headstones or markers to commemorate veterans who by choice are buried at sea or who donate their bodies to science, and for other purposes;

H.R. 2156. An act to amend title 38, United States Code, to extend by 12 months the period during which funds appropriated for grants by the Veterans' Administration for the establishment and support of new State medical schools may be expended;

H.R. 2185. An act for the relief of Hanife-Frantz;

H.R. 3423. An act to amend title 38, United States Code, to provide vocational education and training opportunities for certain Vietnam-era veterans, to establish a small business loan program for Vietnam-era veterans and disabled veterans, and for other purposes; and

H.R. 3499. An act to amend title 38, United States Code, to extend the Vietnam-era veterans' readjustment counseling program, to provide medical care for Vietnam veterans exposed to herbicide defoliants (including agent orange), to recover the cost of certain health care provided by the Veterans' Administration, and for other purposes.

HOUSE BILLS REFERRED

The following bills were read twice by unanimous consent, and referred as indicated:

H.R. 661. An act for the relief of Blanca Rosa Luna de Frei; to the Committee on the Judiciary.

H.R. 688. An act for the relief of Junior Edmund Montcrieffe; to the Committee on the Judiciary.

H.R. 783. An act for the relief of Roland Karl Heinz Vogel; to the Committee on the Judiciary.

H.R. 1469. An act for the relief of Madeleine Mesnager; to the Committee on the Judiciary.

H.R. 1480. An act for the relief of Omar Marachi; to the Committee on the Judiciary.

H.R. 1550. An act for the relief of Aurora Isidra Rullan Diaz; to the Committee on the Judiciary.

H.R. 1714. An act to amend title 38, United States Code, to authorize the Veterans' Administration to furnish memorial headstones or markers to commemorate veterans who by choice are buried at sea or who donate their bodies to science, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 2039. An act to amend chapter 37 of title 38, United States Code, to authorize the Administrator of Veterans' Affairs to guarantee home loans with provisions for variable-payment plans, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 2136. An act to amend title 38, United States Code, to revise the provisions of such title relating to the construction and alteration of, and acquisition of land for, national cemeteries; to the Committee on Veterans' Affairs.

H.R. 2185. An act for the relief of Hanife-Frantz; to the Committe on the Judiciary.

H.R. 3423. An act to amend title 38, United States Code, to provide vocational education and training opportunities for certain Vietnam-era veterans, to establish a small business loan program for Vietnam-era veterans and disabled veterans, and for other purposes; to the Committee on Veterans' Affairs.

HOUSE BILLS PLACED ON CALENDAR

The following bills were read twice and ordered placed on the calendar:

H.R. 1100. An act to amend title 38, United States Code, to expand eligibility of former prisoners of war for certain benefits and health-care services provided by the Veterans' Administration, and for other purposes.

H.R. 2540. An act to authorize appropriations for the U.S. International Trade Commission, the U.S. Customs Service, and the Office of the U.S. Trade Representatives for fiscal year 1982, and for other purposes.

H.R. 3499. An act to amend title 38, United States Code, to extend the Vietnam-era veterans' readjustment counseling program, to provide medical care for Vietnam veterans exposed to herbicide defoliants (including agent orange), to recover the cost of certain health care provided by the Veterans' Administration, and for other purposes.

HOUSE CONCURRENT RESOLUTION REFERRED

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 76 Concurrent resolution expressing the sense of the Congress that the Secretary of the Army should place a plaque in Arlington National Cemetery honoring members of the U.S. Armed Forces who died during an attempt to rescue American hostages held in Iran; to the Committee on Veterans' Affairs.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1322. A communication from the Acting Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Army's proposed letter of offer to Jordan for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–1323. A communication from the Secretary of the Navy, transmitting a draft of proposed legislation to authorize the Secretary of Defense to count as reductions, positions downgraded from GS–13 and above to GS–12 and below in complying with the requirements of section 811(a) (1) and (2) of the Department of Defense Appropriation Authorization Act, 1978, (Public Law 95–79, 91 Stat. 323); to the Committee on Armed Services.

EC–1324. A communication from the Secretary of Defense, transmitting a draft of proposed legislation to amend titles 10 and 5, United States Code, to increase the number of Assistant Secretaries in the Department of Defense and for other purposes; to the Committee on Armed Services.

EC–1325. A communication from the Secretary of the Air Force, transmitting, pursuant to law, his decision to withdraw active Air Force support activities at Hancock Feld,

N.Y., during fiscal year 1983; to the Committee on Armed Services.

EC–1326. A communication from the Assistant Secretary of State for Congressional Relations, transmitting, pursuant to law, a report on the President's decision to extend a credit to the Socialist Republic of Romania in connection with its purchase of two nuclear steam generators; to the Committee on Banking, Housing, and Urban Affairs.

EC–1327. A communication from the Vice President of the U.S. Synthetic Fuels Corporation, transmitting, pursuant to law, the quarterly report of the Corporation for the period January 1 through March 31, 1981; to the Committee on Energy and Natural Resources.

EC–1328. A communication from the Acting Assistant Legal Advisor for Treaty Affairs of the Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60-day period prior to May 28, 1981; to the Committee on Foreign Relations.

EC–1329. A communication from the Acting Inspector General of the Department of Health and Human Services, transmitting, pursuant to law, the report on the activities of the Office of Inspector General, Department of Health and Human Services, for the period January 1 through March 31, 1981; to the Committee on Governmental Affairs.

EC–1330. A communication from the Acting Administrator of the Veterans' Administration, transmitting, pursuant to law, the report of the Office of Inspector General, Veterans' Administration; to the Committee on Governmental Affairs.

EC–1331. A communication from the Acting Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, the report of the Office of Inspector General, NASA, for the period ending March 31, 1981; to the Committee on Governmental Affairs.

EC–1332. A communication from the Mayor of the District of Columbia, transmitting a draft of proposed legislation to amend the District of Columbia Self-Government and Governmental Reorganization Act with respect to the National Capital service area; to the Committee on Governmental Affairs.

EC–1333. A communication from the Mayor of the District of Columbia, transmitting a draft of proposed legislation to authorize the transfer of the District of Columbia Employment Security Building to the Government of the District of Columbia; to the Committee on Governmental Affairs.

EC–1334. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report on the refugee resettlement program; to the Committee on the Judiciary.

EC–1335. A communication from the Acting Commissioner of Immigration and Naturalization, transmitting, pursuant to law, orders suspending deportation of certain aliens under section 244(a)(1) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC–1336. A communication from the Secretary of Education, transmitting, pursuant to law, a report entitled "The Condition of Education"; to the Committee on Labor and Human Resources.

EC–1337. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Changes Needed To Deter Violations of Fair Labor Standards Act"; to the Committee on Labor and Human Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–139. A petition from a citizen of Dallas, Tex., urging congressional cooperation with the efforts of the Reagan administration to strengthen the military power of the United States; to the Committee on Armed Services.

POM–140. A petition from a citizen of Plano, Tex., urging congressional cooperation with the efforts of the Reagan administration in strengthening the military power of the United States; to the Committee on Armed Services.

POM–141. A petition from a citizen of Plano, Tex., urging congressional cooperation with the efforts of the Reagan administration to strengthen the military power of the United States; to the Committee on Armed Services.

POM–142. A petition from a citizen of Plano, Tex., urging congressional cooperation with the efforts of the Reagan administration to strengthen the military power of the United States; to the Committee on Armed Services.

POM–143. A resolution adopted by the Berkley Rent Stabilization Board, opposing the vote of the Senate Banking Committee to restrict Federal housing subsidies to cities with local rent control laws; to the Committee on Banking, Housing, and Urban Affairs.

POM–144. Joint resolution adopted by the legislature of the State of Maine; to the Committee on Environment and Public Works:

"JOINT RESOLUTION

"We, your Memorialists, the Senate and House of Representatives of the State of Maine in the One Hundred and Tenth Legislature, now assembled, most respectfully present and petition the Honorable Ronald W. Reagan, President of the United States, as follows:

"Whereas, this body commends the efforts of the Administration and Congress to reduce inflationary pressures in the economy by recommending budget cuts as well as tax incentives for private capital investments; and

"Whereas, this body supports reductions of the various federal programs to achieve these objectives; however, there is great concern over the proposed elimination of future funding for the Economic Development Administration and the rescission of the remaining appropriations of fiscal year 1981 of the agency; and

"Whereas, the Public Works and Economic Development Act of 1965, by which the Economic Development Administration was established, has resulted in $131,684,993 being spent in Maine, amounting to 429 grants and loans; and

"Whereas, a large proportion of the EDA investment in Maine has been to those industries that have their basis in the state's natural resources—food processing facilities and forest product manufacturing or to assist declining industries such as textiles and shoes in some of the state's smaller towns and more isolated regions; and

"Whereas, investments in the private sector have created 8,570 permanent jobs and countless temporary jobs involved in the construction or expansion of industry in the State and local public works' projects have created over 25,000 temporary jobs and 17,050 permanent positions in the State; and

"Whereas, it has been our experience in Maine that the benefits from this program far outweigh the public cost whenever the increased economic activities resulting from investments have been thoroughly examined; and

"Whereas, over $25,000,000 worth of projects in Maine are pending funding at this time, $10,400,000 was being counted on for the development of 2 cargo ports and over $2,000,000 was anticipated for planning and technical assistance and for development of a statewide Revolving Loan Fund; and

"Whereas, included in the $25,000,000 are the fish piers for which the citizens of Maine have already approved a bond issue and only $2,000,000 of the anticipated $7,500,000 was received before the funding cut; and

"Whereas, projects with applications pending were notified by EDA that they should not expect to receive EDA assistance since fiscal year 1981 funds were sufficient to cover only those projects for which full approval had been given prior to the Administration's rescission proposal; now, therefore, be it

"*Resolved*, That we, your Memorialists, express our strong support for the Public Works Program of the Economic Development Administration and respectfully urge the Congress and the Honorable Ronald W. Reagan, President of the United States, to continue the funding of this program so as to permit the continued development of job-generating projects so necessary to the future well-being of this State and Nation; and be it further

"*Resolved*, That duly authenticated copies of this resolution be transmitted forthwith by the Secretary of State to the Honorable Ronald W. Reagan, President of the United States, the President of the Senate and Speaker of the House of Representatives of the United States Congress and to each member of the Maine Congressional Delegation."

POM–145. A resolution adopted by the Consulting Engineers Council of Texas, Inc., favoring the adoption of legislation relating to the development of needed energy and water resources projects; to the Committee on Environmental and Public Works.

POM–146. A resolution adopted by the House of Representatives of Puerto Rico; to the Committee on Governmental Affairs.

"RESOLUTION

"STATEMENT OF MOTIVES

"December 31, 1982, will mark the tenth anniversary of the disappearance of the renowned Puerto Rican sportsman, Roberto Clemente which occurred at the moment he was leaving his country to give a helping hand to the people of Nicaragua after it had suffered the effects of earthquakes which had left its capital city virtually in ruins.

"During his life, Roberto Clemente achieved goals within the sports world never before attained by a Puerto Rican, and only by a handful of other men in the sports world. Each day, his deeds exalted the name of Puerto Rico. During the off-season months, he returned to this island and shared his knowledge with the youth of Puerto Rico. He excelled as a father, upholding with his moral fiber, the unity of his family. In his life, Roberto set an example for Puerto Rico.

"When he disappeared more than eight years ago, the humanitarian phase of his personality remained in the minds of hundreds of millions of North Americans, Latin Americans and Puerto Ricans who mourned his death. He left his family and country on New Year's Eve, a night of great festivity, to accompany and deliver provisions collected in Puerto Rico for the people of Nicaragua.

"Normally, it is the birth of a person that is celebrated, not his death. Nevertheless, Clemente did not die alone; after a life full of great achievements Clemente did performing his greatest sacrifice and the most admirable of all his performances.

"It is proper that this humble, honest and humanistic son of the small town of Carolina be remembered with a commemorative stamp to be issued on December 31, 1982, in the city of Carolina that saw his birth and death.

"*Be it resolved by the House of Representatives of Puerto Rico:*

SECTION 1. To request, as it is hereby requested, that the United States Postal Service issue a postal commemorative stamp in homage to memory of the renowned Puerto Rican

sportsman, Roberto Clemente, on December 31, 1982, in the city of Carolina, Puerto Rico.

SEC. 2. To exhort all the civic, sports, and cultural organizations in Puerto Rico, as it is hereby exhorted, to make their opinion on such a significant matter known at the federal level.

"SEC. 3. A copy of this Resolution shall be sent to the Postmaster General of the United States, to the President of the United States, the Honorable Ronald Reagan; the Vice-President of the United States, the Honorable George Bush, the leaders of the Congress, and the Resident Commissioner of Puerto Rico, the Honorable Baltazar Corrado."

POM-147. A resolution adopted by the City Council of Waterford, Calif., expressing its support of efforts by the Federal Administration to return powers to local entities and urging a careful implementation of those efforts in ways that will enhance, not further impede, home rule; to the Committee on Governmental Affairs.

POM-148. A petition from a citizen of San Antonio, Tex., relating to the release of the indentity of intelligence agents; to the Select Committee on Intelligence.

POM-149. A resolution of the West Central Wardens and Superintendents Association, urging the development of funding programs to continue the upgrading of correctional service throughout the country; to the Committee on the Judiciary.

POM-150. A resolution adopted by the Southern Conference of Attorneys General, favoring increased drug enforcement efforts; to the Committee on the Judiciary.

POM-151. A resolution adopted by VFW Post 3803, Ville Platte Department of Louisiana, favoring the Reagan administration policies concerning veterans' hospitals and facilities; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary, without amendment:

S. 1033. A bill granting the consent of Congress to the agreement between the States of North Carolina and South Carolina establishing their lateral seaward boundary (Rept. No. 97-129).

By Mr. EAST (for Mr. THURMOND), from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 823. A bill to provide for the payment of losses incurred as a result of the ban on the use of the chemical Tris in apparel, fabric, yarn, or fiber, and for other purposes (Rept. No. 97-130).

By Mr. HATCH, from the Committee on Labor and Human Resources:

Report to accompany the bill (S. 1200) to authorize appropriations for the National Science Foundation for the fiscal year 1982 (Rept. No. 97-131).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. McCLURE, from the Committee on Energy and Natural Resources:

Charles M. Butler, III, of Maryland, to be a Member of the Federal Energy Regulatory Commission for the remainder of the term expiring October 20, 1983.

Georgiana H. Sheldon, of Virginia, to be a Member of the Federal Energy Regulatory Commission for a term expiring October 20, 1984.

(The above nominations, reported from the Committee on Energy and Natural Resources, with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

EXECUTIVE REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

The following executive reports of committees were submitted after the recess of the Senate on June 3, 1981, under authority of the order of the Senate of that date:

By Mr. THURMOND, from the Committee on Armed Services:

Tidal W. McCoy, of Virginia, to be an Assistant Secretary of the Air Force, vice Joseph Charles Zengerle III, resigned.

Joel E. Bonner, Jr., of Virginia, to be an Assistant Secretary of the Army, vice Alan J. Gibbs.

William R. Gianelli, of California, to be an Assistant Secretary of the Army, vice Michael Blumenfeld, resigned.

Harry N. Walters, of New York, to be an Assistant Secretary of the Army, vice William Eldred Peacock, resigned.

Mr. THURMOND. Mr. President, from the Committee on Armed Services, I report favorably the following nominations: Gen. Robert E. Huyser, U.S. Air Force (age 56), for appointment to the grade of general on the retired list; Lt. Gen. Hans H. Driessnack, U.S. Air Force, for appointment as senior U.S. Air Force member of the Military Staff Committee of the United Nations; Maj. Gen. William J. Livsey, Jr., U.S. Army, to be lieutenant general; Maj. Gen. Harold A. Hatch, U.S. Marine Corps, to be lieutenant general; Lt. Gen. Freddie L. Poston, U.S. Air Force (age 55), for appointment to the grade of lieutenant general on the retired list; Lt. Gen. Stanley M. Umstead, Jr., U.S. Air Force (age 52), for appointment to the grade of lieutenant general on the retired list; Lt. Gen. Richard L. West, Army of the United States (major general, U.S. Army) (age 56), to be placed on the retired list in the grade of lieutenant general; Maj. Gen. Ernest D. Peixotto, U.S. Army to be lieutenant general; Vice Adm. William N. Small, U.S. Navy, for appointment as Vice Chief of Naval Operations to the grade of admiral while so serving; Adm. Donald C. Davis, U.S. Navy (age 60), for appointment to the grade of admiral on the retired list; Rear Adm. Robert L. Walters, U.S. Navy, to be vice admiral; Maj. Gen. John K. Davis, U.S. Marine Corps, to be lieutenant general; and Lt. Gen. Charles M. Hall, Army of the United States (major general, U.S. Army) (age 56), to be placed on the retired list in the grade of lieutenant general. I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. In addition, in the U.S. Navy and Naval Reserve, there are 284 temporary/permanent promotions to the grade of captain and below (list begins with Latimer T. Albert); in the Navy and Naval Reserve, there are 11 temporary/permanent appointments to the grade of captain and below (list begins with Kenneth J. Anderson); in the U.S. Navy Reserve there are 1,419 temporary promotions to the grade of captain and below (list begins with Reinaldo G. Alvarez); and in the Regular Air Force there are 490 appointments to the grade of major and below (list begins with George W. Berger). Since these names have already appeared in the RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of May 11, May 19, and May 20, 1981, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DOLE (by request):

S. 1308. A bill to insure the confidentiality of information used by the Internal Revenue Service to develop standards for the examination or other investigation of returns under the Internal Revenue Code of 1954; to the Committee on Finance.

By Mr. GOLDWATER (for himself and Mr. JACKSON) (by request):

S. 1309. A bill for the relief of the estate of Dorothy Meserve Kunhardt; to the Committee on the Judiciary.

By Mr. BOSCHWITZ (for himself, Mr. CHAFEE, Mr. BURDICK, Mr. GORTON, Mr. HATCH, Mr. HAYAKAWA, Mr. HUMPHREY, Mr. JEPSEN, Mr. PERCY, Mr. TOWER, Mr. QUAYLE, Mr. ARMSTRONG, and Mr. KASTEN):

S. 1310. A bill to amend the Internal Revenue Code of 1954 to provide certain community development, employment, and tax incentives for individuals and businesses in depressed areas; to the Committee on Finance.

By Mr. SIMPSON (by request):

S. 1311. A bill to amend chapter 19 of title 38, United States Code, to permit the unrestricted assignment of a beneficiary's interest in the proceeds of a Government Life Insurance policy in cases involving contested claims, and to increase the amount an attorney may receive for representing a claimant in such cases, and for other purposes; to the Committee on Veterans' Affairs.

S. 1312. A bill to amend title 38, United States Code, to make adjustments and improvements in the vocational rehabilitation and education programs administered by the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

S. 1313. A bill to amend title 38, United States Code, to provide additional flexibility within the Veterans' Administration's existing medical personnel management system; to the Committee on Veterans Affairs.

S. 1314. A bill to amend title 38, United States Code, to authorize funds to the Republic of the Philippines to assure the effective case and treatment of patients in the Veterans Memorial Medical Center; to the Committee on Veterans Affairs.

By Mr. SIMPSON:

S. 1315. A bill to amend title 38, United States Code, to provide that the pension of a veteran who is blind as a result of a non-service-connected disability and who is being furnished hospital care by the Veterans' Administration in a Veterans' Administration center operated exclusively for the rehabilitation of blinded veterans shall not be reduced because the period of care of such veteran extends more than three months; to the Committee on Veterans Affairs.

S. 1316. A bill to amend chapter 37 of title

38, United States Code, to authorize the Administrator of Veterans' Affairs to guarantee home loans with provisions for graduated-payment plans, and for other purposes; to the Committee on Veterans Affairs.

S. 1317. A bill to amend title 38, United States Code, to provide that remarriage of the surviving spouse of a veteran after age 62 shall not result in termination of dependency and indemnity compensation; to the Committee on Veterans Affairs.

By Mr. RIEGLE (for himself, Mr. LEVIN, and Mr. HATFIELD):

S. 1318. A bill to amend the Internal Revenue Code of 1954 with respect to State or local government obligations issued to finance certain beverage container facilities the construction of which is made necessary by an antidisposable beverage container law; to the Committee on Finance.

By Mr. BRADLEY:

S. 1319. A bill to amend the Internal Revenue Code of 1954 to provide for individual and corporate income tax reductions, and for other purposes; to the Committee on Finance.

By Mr. HEINZ:

S. 1320. A bill to amend the Internal Revenue Code of 1954 to modify the excise tax on trucks, buses, tractors, etc., and for other purposes; to the Committee on Finance.

By Mr. COCHRAN:

S. 1321. A bill to provide access to small businesses and other persons, of information concerning rules applicable to such businesses or persons; to the Committee on the Judiciary.

By Mr. COCHRAN (for himself and Mr. STENNIS):

S. 1322. A bill to designate the United States Department of Agriculture Boll Weevil Research Laboratory building, located on the campus of Mississippi State University, Starkville, Mississippi, as the "Robey Wentworth Harned Laboratory"; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. TSONGAS (for himself and Mr. KENNEDY):

S. 1323. A bill to amend the Internal Revenue Code of 1954 with respect to the residential energy and investment tax energy credits, and for other purposes; to the Committee on Finance.

By Mr. PERCY:

S.J. Res. 86. Joint resolution authorizing the President to proclaim the month of November, 1981 as "National REACT Month"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOLE (by request):

S. 1308. A bill to insure the confidentiality of information used by the Internal Revenue Service to develop standards for the examination or other investigation of returns under the Internal Revenue Code of 1954; to the Committee on Finance.

CONFIDENTIALITY OF TAXPAYER COMPLIANCE INFORMATION

● Mr. DOLE. Mr. President, today I am introducing legislation, at the request of the administration, to clarify the intent of Congress that the Internal Revenue Service's data base for its taxpayer compliance measurement program (TCMP) cannot be disclosed to private persons under the restrictions of section 6103 of the Internal Revenue Code.

TCMP SYSTEM

Under present Internal Revenue Service (IRS) procedures, most individual income tax returns selected for examination are picked on the basis of a scoring system. The development of variables used to arrive at the scores begins with carefully controlled audits pursuant to an audit program called the taxpayer compliance measurement program (or TCMP). This program is intended to serve the basic purposes of the Internal Revenue Service's general audit program, which involves approximately 2 million returns.

COURT DECISIONS PERMIT DISCLOSURE

Recent court decisions brought under the Freedom of Information Act have awarded plaintiff's access to these TCMP source materials with the deletion of all characteristics which would be used to identify particular taxpayers. In reaching their conclusions, the courts point to section 6103(b)(2) of the Internal Revenue Code (code) which excludes from the definition of protected return information "data in a form which cannot be associated with, or otherwise identify, directly or indirectly, a particular taxpayer." The courts construe the exclusion as compelling the editing and disclosure of return information.

DISCLOSURE UNWARRANTED AND HARMFUL TO IRS AUDIT PROGRAM

Neither the Freedom of Information Act nor the exclusion was intended to permit public disclosure of information which would seriously compromise the integrity of the self-assessment system of taxation. Maintaining the confidentiality of such information far outweighs any legitimate public interest in its disclosure or any benefit to be derived from disclosure. Furthermore, the purpose of the exclusion was to continue public access to anonymous statistical studies and compilations prepared for tax administration purposes and to require editing under the Freedom of Information Act only when the IRS adds identifiers to previously disclosable studies. The exclusion was not meant to compel the preparation of edited materials for public distribution upon demand.

If the TCMP source data are released, the IRS would be faced with the problem of developing an alternative audit selection system. The resulting costs to the IRS, both in terms of the resources needed to accomplish this task and the potential loss of tax revenues due to the use of a less effective audit selection system, would be immeasurable.

DISCLOSE ANONYMOUS DATA UNLESS DISCLOSURE IMPAIRS TAX ADMINISTRATION

This bill would amend the definition of return to include within the definition any data—whether or not identifiable—from which standards or other criteria or procedures can be derived for the selection of returns for examination or other investigation the disclosure of which the Service determines would seriously impair Federal tax administration. This addition is specifically intended to permit protection of the TCMP data base dealt with in the court cases. It would thus authorize disclosure of anonymous statistical tabulations based on the TCMP which the Service prepares for tax administration purposes the disclosure of which would not seriously impair Federal tax administration.

Although this addition to section 6103(b)(2) clarifies that the TCMP data base constitutes protected return information subject to disclosure only as provided by section 6103, its continued confidential use by the IRS is assured since other persons entitled to receive return information under the various provisions of that section would be unable to justify access to the information for the statutory purposes for which such access is authorized or required.

This legislation will prevent the adverse consequences to the tax system which disclosure of the data base would cause. The administration supports this bill and urges immediate consideration by the Congress.●

By Mr. BOSCHWITZ (for himself, Mr. CHAFEE, Mr. BURDICK, Mr. GORTON, Mr. HATCH, Mr. HAYAKAWA, Mr. HUMPHREY, Mr. JEPSEN, Mr. PERCY, Mr. TOWER, Mr. QUAYLE, Mr. ARMSTRONG and Mr. KASTEN):

S. 1310. A bill to amend the Internal Revenue Code of 1954 to provide certain community development, employment, and tax incentives for individuals and businesses in depressed areas; to the Committee on Finance.

URBAN JOBS AND ENTERPRISE ZONE ACT OF 1981

Mr. BOSCHWITZ. Mr. President, on behalf of Senator CHAFEE and myself, I am introducing today the "Urban Jobs and Enterprise Zone Act of 1981." This legislation, which has been the subject of much debate and discussion over the past year, was first introduced in the 96th Congress. And today, after having consulted with the vast majority of the leading urban organizations around the country, as well as many of our cities' mayors and businesses, we are reintroducing an amended version of this proposal which we feel will be far more effective in the task of creating jobs in our Nation's inner cities. Simultaneously today, an identical bill is also being introduced in the House of Representatives by Congressmen KEMP and GARCIA.

When this proposal was first introduced in the 96th Congress, Mr. President, the enthusiastic response was very gratifying. Mayors from all over the country wrote indicating support and offering their suggestions and recommendations, a number of which have been incorporated in this new bill that we are introducing today. Of course, not all agreed with each and every provision of the legislation, but all eagerly welcomed a fresh, new, and innovative approach to resolving the problems of poverty and joblessness in inner-city America.

After investing scores of billions of dollars in the so-called war on poverty over the last two decades, we have failed to provide any meaningful opportunity for advancement—an opportunity to get a foot up the ladder of success, so to speak. While our welfare programs provide crucial services, they, unfortunately, have created a system of dependency which has helped trap many of our poor in a self-perpetuating cycle of poverty. The Urban Jobs and Enterprise Zone Act attempts to break that cycle by offering a more lasting and rewarding alternative to welfare dependency—a job, and a job in the private sector, which will mean personal, economic, and societal growth.

The focus of this year's urban jobs legislation is the same as last year's: Small business development and job creation in the most distressed areas of our urban centers as well as depressed rural areas. The means to reach that end have changed somewhat, but the overall goal is still the same: job creation.

Those areas which HUD designates as enterprise zones based upon the severity of their economic distress will qualify for a package of benefits designed to lure job-creating businesses into the inner city. Any business that is willing to take the risk of locating in one of these zones and who will pledge to hire at least 40 percent of its workers from the unemployed labor force, will qualify for a lucrative series of Federal tax incentives.

By simply locating in the zone itself business will qualify for some of the incentives, but by employing at least 40 percent of the workers from the unemployed labor force, additional incentives will be available. And workers who take jobs in those zones will receive a 5 percent break on their personal income taxes up to $1,500 a year.

In keeping with last year's bill, this legislation is directed at small businesses. They create the vast majority of new jobs. In the past 10 years, nearly 20 percent of new private sector employment has come from businesses with 20 or fewer employees and 80 percent of new jobs have been created by businesses with less than 100 employees.

The source of that is a study, Mr. President, done by David Birch of the Massachusetts Institute of Technology.

Another advantage of small businesses, as compared to corporations, is the increased opportunity for rapid advancement. A person working in a small business has a one-to-one relationship with the boss, something that is not often the case in larger businesses. Too often, people at the lower end of the wage scale get lost in the shuffle of big business. However, from my own experience, I just do not think this is as prevalent in small businesses. The employer and employee identify more with one another. A person's qualities, problems, family, and ambitions cannot escape the boss' notice, and seldom do.

Furthermore, working in a small business is stimulating and exciting. Getting in on the ground floor of a new business, particularly a small business, allows you to see all the wheels turning at once before you. It offers a very effective method for advancement and a means to learn how businesses work so that eventually you'll be able to go into business yourself.

If people are going to maximize their efforts and abilities, there must be potential for them to rise above low-skilled minimum wage jobs—to see an opportunity to advance within a business. The urban jobs bill offers that potential.

As I have previously mentioned, the focus and concept of this legislation remains unchanged; however, we have developed a list of new incentives that will make these enterprise zones more attractive to businesses. After consulting with dozens of urban organizations, we concluded that the incentives needed to be strengthened to overcome the drawbacks of locating in an inner city.

The problems of crime, weak infrastructure support, city taxes, et cetera, remain a barrier to business development in these areas. Business already encounters the usual problems of tax burdens and a lack of startup capital and technical expertise; but when these are combined with the disadvantages of locating in a distressed area, businesses are hit with a double whammy, so to speak. Thus, our task is not only to make it attractive for entrepreneurs to invest in risk-taking ventures, but also to invest in new businesses that are located within the inner cities.

We have tackled this problem by combining a package of Federal and local incentives. Those cities that have UDAG eligible areas and can also show signs of high unemployment, poverty, out-migration, or abandonment of buildings, can apply to HUD for zone designation.

However, to receive designation, these cities will have to compete among one another on the basis of the severity of their economic distress plus their "local commitment." The cities, States, counties, and other municipal-type governments are encouraged to work together to construct a State and local package of incentives. Cities will then compete with other cities for zone designation on the basis of who can offer the most attractive package.

So, not only must cities qualify on the basis of their economic distress, but there has to be a local, State and county package of various types of incentives—property or income tax relief, relaxation of building codes, increased infrastructure support, et cetera—to augment the Federal package of tax incentives, that is, elimination of capital gains taxes, a 50-percent reduction in income taxes, a 5-percent refundable tax credit for wages paid to previously unemployed workers, et cetera. This local-Federal package addresses the problems that all small businesses face, as well as the particular problems of a business who has located in an inner city.

For the workers, there are also tax incentives. Instead of providing a break in the employee's social security taxes, this year's bill provides a refundable tax credit of up to $1,500 a year for all workers who are employed in the zone by a business with at least 40 percent CETA-eligible employees. That is quite a hefty supplement to their annual wages and an enormous advantage to the employee who chooses to work in one of these businesses.

In closing, Mr. President, I would like to say that as a small businessman myself, I think this legislation offers a very attractive package of incentives which will be successful in stimulating business development. It has always been my contribution to the formation of this bill, to look at it as a businessman and to decide what would entice me into a distressed area.

I think we have put together such a package and I am pleased to say that it has gained widespread support of both the Republican and Democratic Members in Congress. In addition, at our press conference today, Vernon Jordan, president of the National Urban League, wholeheartedly endorsed this legislation and urged that all Members of Congress—despite their party or ideological commitments—rally behind this proposal and see that it is enacted in the 97th Congress.

Mr. President, I have one last point that is worthy of mention. I want to make clear that outside of HUD's role as designator of the zones, the involvement of the Federal Government in this legislation is rather slight. We are not creating a vast new program that is going to cost the Federal Government billions of dollars. This is a program of private investment. This is a program of giving tax concessions to businesses to come into distressed areas so that they will put people back to work, put them on payroll and get them paying taxes. This is not a new form of a welfare program. We are simply trying to utilize the great free enterprise system to put people back to work and to revitalize inner city America.

Mr. BURDICK. Mr. President, will the Senator yield?

Mr. BOSCHWITZ. I yield to the Senator from North Dakota.

Mr. BURDICK. I would like to say to my friend from Minnesota that he is making a very important speech today. I am intrigued with his idea and I will certainly review it very carefully.

One question I have is, Who would administer this program?

Mr. BOSCHWITZ. Mr. President, in answer to the Senator's question there is no real administration. After HUD makes the choice of an area as an enterprise job zone, there really is no administration beyond that. I suppose HUD would have some oversight and see whether or not that particular zone is attracting business.

As a matter of fact, my good friend from North Dakota asks an interesting question that I would like to answer in two parts.

First of all, I know my friend is from a very rural State. It borders my State. Much of my State is rural. We have changed this bill from last year's model, so to speak, to include rural areas, areas that have 250,000 population or more, so that a county in his State or my State, virtually any county, would qualify.

Then they go to HUD and ask to be designated an enterprise zone. They are in competition with, presumably, hundreds of other counties and areas that also want to be designated an enterprise zone. The bill says that not more than 25 will be designated in a given year. So that community which comes with the best package of tax benefits to be combined with the Federal tax benefits when that community is chosen as an enterprise zone is the community that will be chosen.

Furthermore, if that community comes and says, "If we are designated an enterprise zone and give this tax package, plus the tax package that you, the Federal Government, will give, this employer, that employer, a series of employers have indicated or have signed contracts that they will locate there," that will certainly give great credibility and enhance the strength of that particular area to be designated an enterprise zone.

Mr. BURDICK. Let me ask my friend,

has he estimated what the tax loss might be to the Federal Government and to the various States?

Mr. BOSCHWITZ. Mr. President, the Senator from North Dakota asks a good question, as to what the tax loss would be.

It is very hard to judge that. Most of these areas are producing no taxes at the present time. Most of the employees, at least 40 percent of the employees, would be unemployed and, as a result, would be removed from the welfare rolls and become taxpayers instead. Because of that, we feel that the impact on revenues will not be great.

I might say that the Reagan administration has endorsed the concept and hopes that a bill of this nature will be passed in this Congress. That, perhaps, is an indication that there will not be too great a revenue loss.

Mr. BURDICK. I commend the Senator from Minnesota for this approach. It is certainly worth delving into.

Mr. BOSCHWITZ. I thank the Senator from North Dakota.

Mr. President, I ask unanimous consent that a fact sheet on the Urban Jobs Enterprise Zone Act, be printed in the RECORD.

There being no objection, the fact sheet was ordered printed in the RECORD, as follows:

FACT SHEET, URBAN JOBS ENTERPRISE ZONE ACT

A. AREA REQUIREMENTS

1. Area's population must be at least 4,000 if located within Standard Metropolitan Statistical Area of at least 50,000; area population must be 2,500 for other areas. Indian reservations are exempt from the population requirements.

2. Area must be UDAG (including pockets-of-poverty) eligible.

3. Area must meet one of the following criteria:

a. unemployment over last 18 months was at least 1½ times the national average;

b. was a low-income poverty area as determined by most recent census;

c. 70 percent of residents have income below 80 percent of the area median income.

d. population decline of at least 10 percent between 1970 and 1980 and either chronic abandonment of buildings or substantial tax arrearages.

4. Must submit a plan to HUD detailing local efforts to reduce various burdens borne by employers and employees.

B. DESIGNATION BY HUD

1. 10 to 25 zones per year.

2. Preference will be given to areas showing the greatest distress, which have the greatest community support and which submit the best plans (including economic incentives given by state, county and local governments).

C. BENEFITS AVAILABLE TO BUSINESS AND INVESTORS IN IT

1. 5 percent refundable tax credit for wages paid to CETA—eligible (Title II B or D, or Title IV A or B) employees who work in zone.

2. Elimination of the capital gains tax for all the new businesses and investors in them.

3. A package of local tax benefits as designed by each area when they bid to get Enterprise Zone designation.

D. ADDITIONAL BENEFITS AVAILABLE TO THOSE BUSINESSES WITH AT LEAST 40 PERCENT CETA-ELIGIBLE EMPLOYEES

1. Elimination of income tax on half of all income earned from operations within the zone or interest on loans to zone businesses.

2. May use cash accounting if receipts are less than $2 million per year.

3. Extension of loss carryover to 20 years.

E. BENEFITS AVAILABLE TO EMPLOYEES

1. If employed in the zone by a busines with at least 40 percent CETA-eligible employees, a 5 percent refundable tax credit for wages earned, up to a $1,500 credit per year.

● Mr. QUAYLE. Mr. President, I am pleased to join today with my colleagues, Senators BOSCHWITZ and CHAFEE in sponsoring a bill to establish free enterprise zones within some of our Nation's most economically depressed and blighted areas. While creation of these enterprise zones will not be a panacea for our urban ills, the use of incentives to promote new private enterprise and entrepreneurship in economically depressed regions is an idea whose time has come.

As chairman of the Subcommittee on Employment and Productivity, I will work to coordinate programs in our jurisdiction with this innovative proposal of tax incentives and tax reform. Several key elements of this new idea must be kept in mind: The goal is to create new business in the zones, not to foster development in these neighborhoods at the expense of other neighborhoods. The enterprise zone regulations must be simple, the essential concept is to make it easy for people to enter business. Any policy aiming to revive these depressed areas must emphasize small business and entrepreneurship, and not larger well-established operations. Finally, this bill is a bold new experiment, and as such provides for not more than 25 enterprise zones to be created each year for a 3-year period.

The legislation which I join in sponsoring has several features which must be noted. Small businesses established within an enterprise zone will automatically fall under the Regulatory Flexibility Act, providing substantial relief from the Federal regulations.

Further, our States and local governments have long awaited the kind of Federal tax incentives for depressed areas which this bill will provide. The Governor of Indiana recently signed into law legislation which will create an Enterprise Zone Commission. That commission will identify certain local taxes, rules and regulations to be made exempt in designated enterprise zones. With the passage of this Urban Jobs and Enterprise Zone Act, which I cosponsor today, we can begin to coordinate a truly unique approach to promoting free enterprise, revitalizing our urban centers, and creating jobs.●

● Mr. CHAFEE. Mr. President, the Urban Jobs and Enterprise Zone Act of 1981 offers our Nation's most distressed cities and towns an opportunity for economic rebirth.

Let me emphasize the concept of opportunity because it is just that. It is not the answer; it is not the miracle cure; it is not a massive, new spending program masquerading as salvation from Washington, D.C.

The enterprise zone idea and the support it has from President Reagan signal a new direction in American urban policy. It is founded on our belief that job creation in declining urban and rural areas can only be achieved by removing obstacles to economic growth and providing long-term incentives for people to live and work in these places.

It is time for our Federal Government to give up trying to prescribe solutions for the vast array of local economic problems in this Nation and, instead, offer a richer opportunity for local authorities to foster new jobs and entrepreneurial growth from the ground up.

This is the goal of the Urban Jobs and Enterprise Zone Act of 1981, which I am pleased to be reintroducing today. Having worked on this legislation for more than a year with Senator BOSCHWITZ, Congressman KEMP, and Congressman GARCIA, I believe we have made significant improvements over the original 1980 draft of the bill. We have also had the input and support of dozens of economic development experts from around the United States in producing this new bill. In particular, I want to express my appreciation for the help my staff and I have received in this effort from many concerned Rhode Islanders.

The act we propose today allows between 10 and 25 zones to be established in each of the next 3 years. Applications for zone designation will be considered from areas which meet tests of high unemployment and widespread poverty, and show a strong commitment on the part of local business, government and civic leaders to work together to enhance economic opportunities for people who live or work there. The Department of Housing and Urban Development (HUD) will be the administering agency.

The primary benefits under the Enterprise Zone Act are Federal tax reductions designed to increase new jobs and business investment in zone areas. These tax breaks will increase the rate of return on productive economic activity, helping to overcome the high costs associated with locating in distressed areas. Such costs might include training an unskilled workforce, protecting against crime and vandalism, and compensating for poor city services.

Zone employers will be given a 5 percent refundable tax credit for wages paid to CETA-eligible employees, that is, people who are considered long-term unemployed from economically disadvantaged families. The capital gains tax will also be eliminated on all new zone investments.

For zone businesses hiring at least 40 percent CETA-eligible workers, there are additional tax incentives. Income tax on half their profits will be eliminated. And, for those who lend capital to such zone enterprises, taxes will be eliminated on half the income from their loans.

For all workers in businesses with at least 40 percent CETA-eligible employees, there is a 5 percent refundable tax credit for wages earned, up to a $1,500 credit per year. This relief is provided in view of the fact that, in many cases, leaving welfare rolls also means leaving behind tax-free income and health benefits which can far exceed minimum or low wage salaries.

The act also recognizes that some Federal programs enacted in past years have been useful tools in economic develop-

ment projects. Therefore, special consideration will be given to applications from zone areas for assistance under programs such as the Urban Development Action Grant (UDAG), section 8 low-income housing, and CETA private sector job training.

I believe this legislation offers a fresh and effective approach to the perplexing problems of economic decline—an approach that can be used in the South Bronxes and South Providences of our Nation, as well as in depressed rural areas.

I will be conducting the first congressional hearings on the Urban Jobs and Enterprise Zone Act next month, on July 13 and 16, and I urge all my colleagues to support its enactment during this Congress.●

By Mr. SIMPSON (by request):

S. 1311. A bill to amend chapter 19 of title 38, United States Code, to permit the unrestricted assignment of a beneficiary's interest in the proceeds of a Government Life Insurance policy in cases involving contested claims, and to increase the amount an attorney may receive for representing a claimant in such cases, and for other purposes; to the Committee on Veterans' Affairs.

S. 1312. A bill to amend title 38, United States Code, to make adjustments and improvements in the vocational rehabilitation and education programs administered by the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

S. 1313. A bill to amend title 38, United States Code, to provide additional flexibility within the Veterans' Administration's existing medical personnel management system; to the Committee on Veterans' Affairs.

S. 1314. A bill to amend title 38, United States Code, to authorize funds to the Republic of the Philippines to assure the effective case and treatment of patients in the Veterans Memorial Medical Center; to the Committee on Veterans' Affairs.

By Mr. SIMPSON:

S. 1315. A bill to amend title 38, United States Code, to provide that the pension of a veteran who is blind as a result of a non-service-connected disability and who is being furnished hospital care by the Veterans' Administration in a Veterans' Administration center operated exclusively for the rehabilitation of blinded veterans shall not be reduced because the period of care of such veteran extends more than 3 months; to the Committee on Veterans' Affairs.

S. 1316. A bill to amend chapter 37 of title 38, United States Code, to authorize the Administrator of Veterans' Affairs to guarantee home loans with provisions for graduated-payment plans, and for other purposes; to the Committee on Veterans' Affairs.

S. 1317. A bill to amend title 38, United States Code, to provide that remarriage of the surviving spouse of a veteran after age 62 shall not result in termination of dependency and indemnity compensation; to the Committee on Veterans' Affairs.

(The remarks of Mr. SIMPSON on this legislation appear earlier in today's RECORD.)

By Mr. BRADLEY:

S. 1319. A bill to amend the Internal Revenue Code of 1954 to provide for individual and corporate income tax reductions, and for other purposes; to the Committee on Finance.

TAX REDUCTION ACT OF 1981

Mr. BRADLEY. Mr. President, the bill I am introducing today offers a sorely needed alternative to the administration's tax proposal. Economists, investors, businessmen, academics, and Congressmen warn that the administration's tax bill will not put America on a course of sustained economic recovery, but will fuel inflation and force the Federal Reserve to slam on the monetary brakes. That is a formula for soaring interest rates, protracted recession, and unacceptable levels of unemployment.

My bill will correct some of the more glaring flaws and inefficiencies in the administration's proposals. It provides tax cuts to accelerate economic recovery, reduces inequities in the tax system, and increases incentives for work, saving and productive investment. The bill will reduce taxes by about $4.2 billion in fiscal year 1981 and $14.9 billion in calendar year 1981. In fiscal year 1982, the bill will cut taxes by about $35.6 billion and in calendar year 1982 by $48.8 billion. Over 40 percent of these tax cuts are specifically designed to stimulate savings, investment and productivity. The rest will offset the individual income and payroll tax increases. That will occur this year and next.

The President is promising that his tax bill will cure inflation, put Americans back to work, and cause a surge in their productivity to boot.

To achieve this outcome, the administration's tax package would have to induce a supply side miracle inspired by a radical, abrupt, yet sustained, increase in America's productivity growth. Actual experience teaches us that is highly unlikely. For the last 16 years, our productivity has grown at rates well below the high levels assumed by the administration. For the last 3 years, its growth has been negative.

Sustaining high productivity not only will require more investment in plant and equipment, but a more highly skilled labor force and changes in American management practices as well. None of these can occur quickly. It takes 5 to 10 years to build major new industrial facilities. Thus, even the new investment that the administration's tax bill is supposed to generate will not be contributing to productivity for a number of years.

Given the odds against a supply side miracle, it would be irresponsible for us to count on one in setting our Nation's economic policies. We must therefore modify the administration's tax proposals so that their inflationary thrust does not jeopardize our prospects for a robust economic recovery.

First, we must insure that any personal tax cuts offset inflation-induced tax increases and rising payroll taxes. The 10-percent uniform rate cut the President is advocating simply does not do this. Bracket creep and social security taxes impose a disproportionately heavy burden on middle- and low-income groups. Yet 10–10–10 delivers the bulk of its tax cuts to upper bracket taxpayers.

Second, we need a tax cut that, unlike the President's does not leave dramatically increased savings to chance. In 1980, the average American family saved 5.7 percent of its income. In the first 5 years of the 1960's there was essentially no inflation, rapid productivity growth, and great optimism. How much did the average American family save then? Six percent of its income.

To put that in perspective, remember that 6-percent savings rate includes the savings of high-income groups and involuntary savings such as contributions to pension plans. The median family does not save 6 percent of its income, and voluntary savings is much less than 6 percent. Moreover, it is not necessarily true that the high income individuals who are the prime beneficiaries of 10–10–10 will at the margin save more than middle-income individuals. On average they certainly save more, but they need not save more out of extra income. The high-income family might use a tax cut to buy a second home because they have enough put away for retirement. A middle-income family might save its tax cut because it is worried about how to survive during old age. Unfortunately, we just do not have much information on what marginal, as opposed to average, savings rates look like as one goes up the income scale.

But it seems clear that, at best 10–10–10 is unlikely to increase savings by more than 6 cents on the dollar. That will not give us the extra investment we need to restore productivity growth or to successfully challenge our international competitors. As a result of the baby boom, more workers for relatively the same equipment we would have to raise investment from 11 percent to between 13 percent and 14 percent of the GNP just to hold the amount of capital per worker constant. To keep up with the Japanese and Germans in terms of capital per worker, we would have to invest over twice that amount.

Beyond that, as long as we are running a deficit, each dollar that goes to reduce taxes will raise that deficit by much more than it will increase private savings. A dollar cut in taxes is a dollar less in revenue while a dollar less in taxes is historically 6 cents more in savings. For this reason, 10–10–10 will shrink, not swell, the domestic resources available for investment. Like apes on a treadmill, we will end up nowhere, while the shadow of our dwindling prosperity looms ever larger; 10–5–3, which is supposed to stimulate business investment, is equally inefficient and poorly targeted.

It will offer huge benefits to some firms, particularly the large capital-intensive ones, and very little to others. It will make investment particularly profitable where firms can borrow heavily, so that the combination of initial tax savings from rapid depreciation and the investment tax credit, high interest deductions and low equity will be a boon to tax shelter investment. It also will provide huge breaks for investments in office buildings and shopping centers. They last far longer than the 10 years in which they could be depreciated under the President's bill, and they also can be sold and written off many times. But we are most in need of industrial factories full

of equipment, not office buildings and shopping centers. And we need to boost innovation which, in turn, means much more investment in research and development. Yet 10–5–3 will discourage investment in the very industries we want to promote. If 10–5–3 is adopted, the tremendous incentive it provides for speculative building and tax shelters may very well end up sucking investment funds out of industry. That would mean less investment in industrial facilities and R. & D. after 10–5–3 is enacted than before.

My bill avoids these pitfalls. Its principal provisions are:

A reduction in rates for low- and middle-income taxpayers. The bottom rate would be reduced from 14 percent to 12 percent and all other rates would be lowered to help offset mounting social security taxes and inflation-induced income tax increases.

An increase in the personal exemption from $1,000 to $1,100 to benefit low- and middle-income taxpayers. This increase includes both the exemptions which taxpayers may claim for themselves and their dependents and the extra exemptions for the blind and the elderly.

An increase in the zero bracket amount (formerly the standard deduction) from $2,300 to $2,400 for single persons and from $3,400 to $3,600 for married couples who file joint returns. This also benefits low- and middle-income taxpayers.

An increase in the earned income credit for low-income taxpayers from 10 percent of the first $5,000 to 11 percent and an extension of the income ceiling from $10,000 to $11,000.

Easing of the burden on married couples with two incomes who pay much higher taxes than they would if they were single. This would be achieved by a new deduction of 10 percent or up to $4,000 of the earnings of the spouse with the lower income. This deduction would substantially lower the marriage penalty, enhance the equity of the tax system, and reduce the disincentives to work which result from the high tax rates applicable to the second earner's income.

Reduction of the top rate on investment income from 70 to 50 percent, phased in by 1982. This would eliminate the distinction between unearned income and provide substantial incentives for savings and investment.

Higher utilization of provisions for individual retirement savings by increasing the deduction for contributions to individual retirement accounts (IRA's) from $1,500 to $2,000; increasing the deduction for contributions to qualified pension plans from $7,500 to $15,000; and providing a new deduction of up to $1,000 for contributions to IRA's for employees participating in qualified pension plans. These provisions will reduce the inflationary thrust of individual tax cuts and give a substantial boost to capital formation. The bill also modifies the existing rules for pension plans to provide greater protection for rank-and-file employees and to prevent tax abuse.

Simplification and liberalization of the depreciation rules to eliminate the effect of inflation on capital recovery. This would be achieved by permitting business taxpayers to deduct the present value of all future depreciation allowances in the year an asset is purchased. This will provide substantial incentives for investment in new plant and equipment, but unlike 10–5–3 will not generate wasteful subsidies for buildings nor encourage tax shelter investments.

A 25 percent tax credit for certain expenditures on research and development, including R. & D. that the taxpayer pays universities to perform. This is intended to encourage risk taking and innovation to stimulate productivity and improve the competitiveness of our industries in international markets.

Mr. President, this approach is clearly preferable to the administration's proposals on both equity and efficiency grounds. But it is still a long way from the kind of radical tax cut America needs. Instead of 70 percent, or even 50 percent, I would like to see us lower the top individual rate to 30 percent. And rather than reducing the corporate tax burden by complicated depreciation allowances and increased investment tax credits, why not have a straightforward rate cut instead?

But the only way we can afford rate cuts of th's magnitude is by coming to grips with the special deductions, exclusions and credits that narrow the tax base and introduce wide disparities in tax liability among taxpayers with equal incomes.

The alarming proliferation of these special interest provisions threatens the integrity of our tax system. The main function of that system is to raise the revenues appropriate to our fiscal and distributive goals. In recent years, however, we have increasingly turned to the tax code to cure the social and economic ills that afflict our society. This ad hoc approach to tax policy and legislation has dangerously weakened and inordinately complicated the income tax. Many Americans know that the loopholes we have created enable wealthy individuals to avoid paying their fair share. The Internal Revenue Code is so complex that businessmen must get technical tax advice before making investment decisions which are then all too heavily influenced by consideration of the "tax angles." Tax forms are now so unwieldy that millions of low- and moderate-income Americans must pay to have their returns prepared, while the firms that do the preparing have become large and profitable.

Equally important is the way special interest tax provisions harm our economy. Today's tax subsidy is tomorrow's economic distortion. Because taxpayers act in reliance on these subsidies, it is virtually impossible to repeal them—even when their continuation siphons off scarce investment capital from more productive activities. And new subsidies are all too easily rationalized on the ground that special treatment for some has disadvantaged others.

Nothing in the administration's proposals even begins to address these problems. On the contrary, the administration's spending cuts will only motivate special interest groups to redouble their lobbying efforts to restore through the tax code what they lost in the budget. Mr. President, unless we reverse this trend in favor of greatly reduced rates and a truly comprehensive tax base, the only people paying income taxes will be the workers whose wages and salaries are subject to withholding.

In sum, Mr. President, while my tax bill is clearly preferable to the administration's, it is also true that neither of us goes far enough in lowering rates, reducing complexity and restoring equity. It is therefore high time that we assess the troubled state of our tax policy and make finding solutions an important national priority in the months ahead. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1319

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Tax Reduction Act of 1981".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

TITLE I—INDIVIDUAL INCOME TAXES

SEC. 101. DECREASE IN MAXIMUM RATE TO 60 PERCENT IN 1981.

(a) IN GENERAL.—Section 1 (relating to tax imposed) is amended—

(1) by striking out in the table in subsection (a) all that follows the item relating to taxable income in excess of $85,600 but less than $109,400 and inserting in lieu thereof the following:

"Over $109,400	$47,544, plus 60% of excess over $109,400.";

(2) by striking out in the table in subsection (b) all that follows the item relating to taxable income in excess of $60,600 but less than $81,800 and inserting in lieu thereof the following:

"Over $81,800	$35,055, plus 60% of excess over $81,800.";

(3) by striking out in the table in subsection (c) all that follows the item relating to taxable income in excess of $41,500 but not over $55,300 and inserting in lieu thereof the following:

"Over $55,300	$20,982, plus 60% of excess over $55,300.";

and

(4) by striking out in the table in subsection (d) all that follows the item relating to taxable income in excess of $42,800 but less than $54,700 and inserting in lieu thereof the following:

"Over $54,700	$23,772, plus 60% of excess over $54,700.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning in 1981.

SEC. 102. RATE CUTS FOR 1982 AND AFTER; INCREASE IN ZERO BRACKET AMOUNTS.

(a) RATE REDUCTION.—Section 1 (relating to tax imposed) is amended to read as follows:

"SECTION 1. TAX IMPOSED.

"(a) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—There is hereby imposed on the taxable income of—

"(1) every married individual (as defined in section 143) who makes a single return jointly with his spouse under section 6013, and

"(2) every surviving spouse (as defined in section 2(a)),

a tax determined in accordance with the following table:

"If taxable income is:	The tax is:
Not over $3,600	No tax.
Over $3,600 but not over $5,600	12% of excess over $3,600.
Over $5,600 but not over $7,600	$240, plus 14% of excess over $5,600.
Over $7,600 but not over $11,600	$520, plus 17% of excess over $7,600.
Over $11,600 but not over $15,600	$1,200, plus 20% of excess over $11,600.
Over $15,600 but not over $20,000	$2,000, plus 23% of excess over $15,600.
Over $20,000 but not over $24,400	$3,012, plus 27% of excess over $20,000.
Over $24,400 but not over $29,700	$4,200, plus 29% of excess over $24,400.
Over $29,700 but not over $35,000	$5,737, plus 35% of excess over $29,700.
Over $35,000 but not over $45,600	$7,592, plus 41% of excess over $35,000.
Over $45,600 but not over $59,800	$11,938, plus 48% of excess over $45,600.
Over $59,800	$18,754, plus 50% of excess over $59,800.

"(b) HEADS OF HOUSEHOLDS.—There is hereby imposed on the taxable income of every individual who is the head of a household (as defined in section 2(b)) a tax determined in accordance with the following table:

"If taxable income is:	The tax is:
Not over $2,400	No tax.
Over $2,400 but not over $4,400	12% of excess over $2,400.
Over $4,400 but not over $6,400	$240, plus 14% of excess over $4,400.
Over $6,400 but not over $8,400	$520, plus 17% of excess over $6,400.
Over $8,400 but not over $11,400	$860, plus 21% of excess over $8,400
Over $11,400 but not over $14,600	$1,490, plus 23% of excess over $11,400.
Over $14,600 but not over $18,000	$2,226, plus 25% of excess over $14,600.
Over $18,000 but not over $23,300	$3,076, plus 30% of excess over $18,000.
Over $23,300 but not over $28,600	$4,666, plus 35% of excess over $23,300.
Over $28,600 but not over $33,900	$6,521, plus 40% of excess over $28,600.
Over $33,900 but not over $44,500	$8,641, plus 45% of excess over $33,900.
Over $44,500	$13,411, plus 50% of excess over $44,500.

"(c) UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS).—There is hereby imposed on the taxable income of every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 143) a tax determined in accordance with the following table:

If taxable income is:	The tax is:
Not over $2,400	No tax.
Over $2,400 but not over $3,400	12% of excess over $2,400.
Over $3,400 but not over $4,400	$120, plus 14% of excess over $3,400.
Over $4,400 but not over $6,400	$260, plus 17% of excess over $4,400.
Over $6,400 but not over $8,400	$600, plus 18% of excess over $6,400.
Over $8,400 but not over $10,400	$960, plus 20% of excess over $8,400.
Over $10,400 but not over $12,800	$1,360, plus 23% of excess over $10,400.
Over $12,800 but not over $14,900	$1,912, plus 25% of excess over $12,800.
Over $14,900 but not over $18,100	$2,437, plus 29% of excess over $14,900.
Over $18,100 but not over $23,400	$3,365, plus 32% of excess over $18,100.
Over $23,400 but not over $28,700	$5,061, plus 38% of excess over $23,400.
Over $28,700 but not over $34,000	$7,075, plus 43% of excess over $28,700.
Over $34,000 but not over $41,400	$9,354, plus 48% of excess over $34,000.
Over $41,400	$12,906, plus 50% of excess over $41,400.

"(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—There is hereby imposed on the taxable income of every married individual (as defined in section 143) who does not make a single return jointly with his spouse under section 6013 a tax determined in accordance with the following table:

If taxable income is:	The tax is:
Not over $1,800	No tax.
Over $1,800 but not over $2,800.	12% of excess over $1,800.
Over $2,800 but not over $3,800.	$120, plus 14% of excess over $2,800.
Over $3,800 but not over $5,800	$260, plus 17% of excess over $3,800.
Over $5,800 but not over $7,800.	$600, plus 20% of excess over $5,800.
Over $7,800 but not over $10,000.	$1,000, plus 23% of excess over $7,800.
Over $10,000 but not over $12,200.	$1,506, plus 27% of excess over $10,000.
Over $12,200 but not over $14,850.	$2,100, plus 29% of excess over $12,200.
Over $14,850 but not over $17,500.	$2,868, plus 35% of excess over $14,850.
Over $17,500 but not over $22,800.	$3,796, plus 41% of excess over $17,500.
Over $22,800 but not over $29,900.	$5,969, plus 48% of excess over $22,800.
Over $29,900	$9,377, plus 50% of excess over $29,900.

"(e) ESTATES AND TRUSTS.—There is hereby imposed on the taxable income of every estate and trust taxable under this subsection a tax determined in accordance with the following table:

"If taxable income is:	The tax is:
Not over $1,000	12% of taxable income.
Over $1,000 but not over $2,000.	$120, plus 14% of excess over $1,000.
Over $2,000 but not over $4,000.	$260, plus 17% of excess over $2,000.
Over $4,000 but not over $6,000.	$600, plus 20% of excess over $4,000.
Over $6,000 but not over $8,200.	$1,000, plus 23% of excess over $6,000.
Over $8,200 but not over $10,400.	$1,506, plus 27% of excess over $8,200.
Over $10,400 but not over $13,050.	$2,100, plus 29% of excess over $10,400.
Over $13,050 but not over $15,700.	$2,868, plus 35% of excess over $13,050.
Over $15,700 but not over $21,000.	$3,796, plus 41% of excess over $15,700.
Over $21,000 but not over $28,100.	$5,969, plus 48% of excess over $21,000.
Over $28,100	$9,377, plus 50% of excess over $28,100.".

(b) INCREASE IN ZERO BRACKET AMOUNT.—Subsection (d) of section 63 (defining zero bracket amount) is amended—

(1) by striking out "$3,400" and inserting in lieu thereof "$3,600",

(2) by striking out "$2,300" and inserting in lieu thereof "$2,400", and

(3) by striking out "$1,700" and inserting in lieu thereof "$1,800".

(c) FILING REQUIREMENTS.—Paragraph (1) of section 6012 (a) (relating to persons required to make returns of income) is amended—

(1) by striking out "$3,300" and inserting in lieu thereof "$3,500",

(2) by striking out "$4,400" and inserting in lieu thereof "$4,700", and

(3) by striking out "$5,400" and inserting in lieu thereof "$5,800".

(d) CONFORMING AMENDMENTS.—

(1) LUMP SUM DISTRIBUTIONS TAX.—Subparagraph (C) of section 402 (e) (1) (relating to tax on lump sum distributions) is amended by striking out "$2,300" and inserting in lieu thereof "$2,400".

(2) PERSONAL HOLDING COMPANY TAX.—Section 541 (relating to personal holding company tax) is amended by striking out "70 percent" and inserting in lieu thereof "50 percent (65 percent in the case of taxable years beginning in 1981)".

(e) WITHHOLDING AMENDMENTS.—

(1) WITHHOLDING TABLES.—Subsection (a) of section 3402 (relating to requirement of withholding) is amended by striking out the second sentence and inserting in lieu thereof the following new sentence: "With respect to wages paid after December 31, 1981, the tables so prescribed shall be the same as the tables prescribed under this subsection which were in effect on January 1, 1981, except that such tables shall be modified to the extent necessary to reflect the amendments made by section 102 of the Tax Reduction Act of 1980.".

(2) WITHHOLDING ALLOWANCES BASED ON ITEMIZED DEDUCTIONS.—Subparagraph (B) of section 3402 (m) (1) (relating to withholding allowances based on itemized deductions) is amended—

(A) by striking out "$3,400" and inserting in lieu thereof "$3,600", and

(B) by striking out "$2,300" and inserting in lieu thereof "$2,400".

(f) REPEAL OF MAXIMUM TAX.—

(1) IN GENERAL.—Part VI of subchapter Q of chapter 1 (relating to maximum rate on personal service income) is repealed.

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (1) of section 3 (b) (relating to tax tables for individuals) is amended to read as follows:

"(1) an individual to whom section 1301 (relating to income averaging) applies for the taxable year,".

(B) Subsection (b) of section 1304 (relating to special rules for income averaging) is amended—

(i) by inserting "and" at the end of paragraph (1),

(ii) by striking out ", and" at the end of paragraph (2) and inserting in lieu thereof a period, and

(iii) by striking out paragraph (3).

(C) The table of parts for subchapter Q of chapter 1 is amended by striking out the item relating to part VI.

(g) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by subsections (a), (b), (c), (d), and (f) shall apply to taxable years beginning after December 31, 1981.

(2) WITHHOLDING AMENDMENTS.—The amendments made by subsection (c) shall apply to remuneration paid after December 31, 1981.

SEC. 103. PERSONAL EXEMPTIONS INCREASED TO $1,100.

(a) GENERAL RULE.—Section 151 (relating to allowance of deductions for personal exemptions) is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "$1,100".

(b) FILING REQUIREMENTS.—

(1) Section 6012(a)(1)(B) (relating to persons required to file returns of income) is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "$1,100".

(2) Subparagraph (A) of section 6013 (b)(3) (relating to assessment and collection in the case of certain returns of husband and wife) is amended by striking out "$1,000" and "$2,000" each place they appear and inserting in lieu thereof "$1,100" and "$2,200", respectively.

(c) WITHHOLDING REQUIREMENTS.—

(1) Paragraph (1) of section 3402(b) (relating to percentage method of withholding income tax at source) is amended by striking out the table and inserting in lieu thereof the following:

"PERCENTAGE METHOD WITHHOLDING TABLE

"Payroll period	Amount of 1 withholding exemption
Weekly	$21.15
Biweekly	42.31
Semimonthly	45.83
Monthly	91.67
Quarterly	275.00
Semiannual	550.00
Annual	1,100.00
Daily or miscellaneous (per day of such period)	3.01"

(2) Paragraph (1) of section 3402(m) (relating to withholding allowances based on itemized deductions) is amended by striking out "$1,000" and inserting in lieu thereof "$1,100".

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by subsections (a) and (b) shall apply to taxable years beginning after December 31, 1980.

(2) WITHHOLDING AMENDMENTS. — The amendments made by subsection (c) shall apply with respect to remuneration paid after December 31, 1981.

SEC. 104. INCREASE IN THE EARNED INCOME TAX CREDIT.

(a) INCREASE IN CREDIT.—Subsection (a) of section 43 (relating to earned income credit) is amended by striking out "10 percent" and inserting in lieu thereof "11 percent".

(b) REVISION OF LIMITATION.—Subsection (b) of section 43 (relating to limitation) is amended to read as follows:

"(b) LIMITATION.—The amount of the credit allowable to a taxpayer under subsection (a) for any taxable year shall not exceed the excess (if any) of—

"(1) $550, over

"(2) 13.75 percent of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $7,000.".

(c) CONFORMING AMENDMENTS.—

(1) Subsection (f)(2) of section 43 is amended—

(A) by striking out "$10,000" each place it appears and inserting in lieu thereof "$11,000", and

(B) by striking out "$6,000" and inserting in lieu thereof "$7,000".

(2) Paragraph (2) of section 3507(c) (relating to earned income advance amount tables) is amended—

(A) by striking out "10 percent" each place it appears and inserting in lieu thereof "11 percent",

(B) by striking out "$6,000 and $10,000" and inserting in lieu thereof "$7,000 and $11,000", and

(C) by striking out "$3,000 and $5,000" and inserting in lieu thereof "$3,500 and $5,500".

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1981.

(2) AMENDMENTS OF SECTION 3507.—The amendments made by subsection (c)(2) shall apply to remuneration paid after December 31, 1981.

SEC. 105. DEDUCTION FOR TWO-EARNER MARRIED COUPLES.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as section 222 and by inserting after section 220 the following new section:

"SEC. 221. DEDUCTION FOR TWO-EARNER MARRIED COUPLES.

"(a) IN GENERAL.—In the case of a joint return under section 6013 for the taxable year, there shall be allowed as a deduction an amount equal to 10 percent of the lesser of—

"(1) $40,000, or

"(2) the qualified married earner amount.

"(b) DEFINITION OF QUALIFIED MARRIED EARNER AMOUNT.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified married earner amount' means an amount equal to the qualified earned income of the spouse with the lower qualified earned income for the taxable year.

"(2) QUALIFIED EARNED INCOME.—For purposes of paragraph (1), the term 'qualified earned income' means an amount equal to the excess of—

"(A) the earned income of the spouse for the taxable year, over

"(B) an amount equal to the sum of the deductions described in paragraph (1), (2), (7), (9), or (10) of section 62 to the extent such deductions are properly allocable to or chargeable against earned income described in subparagraph (A).

The amount of qualified earned income shall be determined without regard to any community property laws.

"(3) EARNED INCOME.—For purposes of paragraph (2), the term 'earned income' means income which is earned income within the meaning of section 401(c)(2)(C) or 911(b), except that—

"(A) such term shall not include any amount—

"(i) not includible in gross income,

"(ii) received as a pension or annuity,

"(iii) paid or distributed out of an individual retirement plan (within the meaning of section 7701(a)(37)),

"(iv) received as deferred compensation, or

"(v) received for services performed by an individual in the employ of his spouse (within the meaning of section 3121(b)(3)(A)), and

"(B) section 911(b) shall be applied without regard to the phrase ', not in excess of 30 percent of his share of net profits of such trade or business,'.

"(c) DEDUCTION DISALLOWED FOR INDIVIDUAL CLAIMING BENEFITS OF SECTION 911, 913, or 931.—No deduction shall be allowed under this section for any taxable year if either spouse claims the benefits of section 911, 913, or 931 for such taxable year.".

(b) DEDUCTION ALLOWED IN COMPUTING ADJUSTED GROSS INCOME.—Section 62 (defining adjusted gross income) is amended by inserting after paragraph (14) the following new paragraph:

"(17) DEDUCTION FOR TWO-EARNER MARRIED COUPLES.—The deduction allowed by section 221.".

(c) CONFORMING AMENDMENT TO WITHHOLDING.—Subparagraph (A) of section 3402(m)(2) (defining estimated itemized deductions) is amended by striking out "other than paragraphs (13) thereof" and inserting in lieu thereof "other than paragraphs (13) and (17) thereof".

(d) OTHER CONFORMING AMENDMENTS.—

(1) Subsection (a) of section 85 (relating to unemployment compensation) is amended by striking out "and without regard to section 105(d)" and inserting in lieu thereof ", section 105(d), and section 221".

(2) Subsection (d)(3) of section 105 (relating to amounts received under accident and health plans) is amended by inserting "and section 221" after "subsection" the first place it appears.

(3) The table of sections for such part VII is amended by striking out the item relating to section 221 and inserting in lieu thereof the following new items:

"221. Deduction for two-earner married couples.

"222. Cross references.".

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1981.

(2) WITHHOLDING.—The amendment made by subsection (c) shall apply to remuneration paid after December 31, 1981.

SEC. 106. APPLICATION OF CERTAIN CHANGES IN THE CASE OF FISCAL YEAR TAXPAYERS.

Section 21 (relating to effects of changes in rate of tax) is amended by adding at the end thereof the following new subsection:

"(g) CHANGES MADE BY TAX REDUCTION ACT OF 1981.—In applying subsection (a) to a taxable year which is not a calendar year, the amendments made by sections 101, 102, and 103 of the Tax Reduction Act of 1981 (and no other amendments made by such Act) shall be treated as a change in a rate of tax.".

TITLE II—CORPORATE INCOME TAXES

Subtitle A—Cost Recovery Provisions

SEC. 201. FIRST-YEAR CAPITAL COST RECOVERY METHOD.

(a) IN GENERAL.—Part IV of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by inserting after section 167 the following new section:

"SEC. 168. FIRST-YEAR CAPITAL COST RECOVERY METHOD.

"(a) ALLOWANCE OF DEDUCTION.—There shall be allowed as a deduction an amount equal to the aggregate of the applicable percentage of the basis of each first-year recovery property placed in service by the taxpayer during the taxable year.

"(b) CLASS AND APPLICABLE PERCENTAGE.—

"(1) IN GENERAL.—All first-year recovery property—

"(A) shall be placed in one of the four classes set forth in the following table, and

"(B) shall have the applicable percentage set forth for such class in the following table:

"Class	Applicable percentage:
1	98.5
2	97.3
3	94.8
4	92.7

"(2) ASSIGNMENT TO CLASSES.—The Secretary shall prescribe a table which sets forth the types of assets which fall into each of the 4 classes.

"(3) INITIAL ASSIGNMENT OF PROPERTY TO CLASS.—

"(A) IN GENERAL.—For purposes of this section—

"FIRST-YEAR RECOVERY PROPERTY WITH PRESENT CLASS LIFE (IN YEARS)	Shall be placed in class:
Less than 4	1
4 or more but less than 8.5	2
8.5 or more but less than 14.5	3
14.5 or more	4

"(B) PRESENT CLASS LIFE.—For purposes of this paragraph, the present class life of any property is the class life (if any) which would be applicable to such property as of May 1, 1981, under section 167(m) (determined without regard to any regulation, ruling, or announcement published by the Secretary after such date).

"(4) ASSIGNMENT TO DIFFERENT CLASS.—The Secretary may assign any property to a different class if the Secretary determines that as a result of such assignment the yearly declines (in constant dollars) in the value of the property will be more accurately reflected (relative to such declines for other property).

"(5) PROPERTY FOR WHICH THERE IS NO CLASS LIFE.—If a present class life cannot be determined under paragraph (3)(B) with respect to any property, the Secretary shall assign such property to a class in a manner consistent with paragraph (4).

"(c) FIRST-YEAR RECOVERY PROPERTY DEFINED.—Except as otherwise provided in this section, for purposes of this title, the term 'first-year recovery property' means tangible property—

"(1) which is of a character subject to the allowance of depreciation,

"(2) which is—

"(A) personal property, or

"(B) other property (not including a building and its structural components) but only so long as it meets the requirements of clause (i), (ii), or (iii) of section 1245(a)(3)(B), and

"(3) which is placed in service by the taxpayer after December 31, 1980.

"(d) CERTAIN PROPERTY EXCLUDED FROM

DEFINITION OF FIRST-YEAR RECOVERY PROPERTY.—For purposes of this section—

"(1) PROPERTY USED PREDOMINANTLY OUTSIDE THE UNITED STATES.—The term 'first-year recovery property' does not include property which, during the taxable year, is used predominantly outside the United States (within the meaning of paragraph (2) of section 48(a)).

"(2) CERTAIN LIVESTOCK.—The term 'first-year recovery property' does not include livestock (within the meaning of section 1231 (b)(3) without regard to the period for which such livestock has been held by the taxpayer) other than items of livestock which the taxpayer elects to treat as first-year recovery property.

"(3) CERTAIN METHODS OF DEPRECIATION.—The term 'first-year recovery property' does not include—

"(A) property if—

"(i) the taxpayer elects to exclude such property from the application of this section, and

"(ii) for the first taxable year for which a deduction would (but for such election) be allowable under this section with respect to such property, the property is depreciated under the unit-of-production method or any other method of depreciation not expressed in a term of years,

"(B) property which is a leasehold improvement which is depreciated or amortized over the term of the lease, or

"(C) property which is depreciated under the retirement-replacement-betterment method.

"(4) AMORIZATION PROPERTY.—The term 'first-year recovery property' does not include property with respect to which the taxpayer—

"(A) is entitled to elect amortization (in lieu of depreciation), and

"(B) elects such amortization.

"(5) PUBLIC UTILITY.—The term 'first-year recovery property' does not include—

"(A) any public utility property with a present class life of more than 18 years, and

"(B) any public utility property with a present class life of 18 years or less unless the taxpayer uses a normalization method of accounting (within the meaning of section 167 (1)(3)(G)) with respect to such property.

For purposes of the preceding sentence, the present class life of any property shall be determined under rules similar to the rules of paragraphs (3)(B), (4), and (5) of subsection (b).

"(6) OIL OR GAS FIRED BOILERS.—The term 'first-year recovery property' does not include any boiler described in section 167(b).

"(7) NONCORPORATE LESSORS.—In the case of a person other than a corporation, the term, 'first-year recovery property' includes property with respect to which such person is the lessor only if subparagraph (A) or (B) of the first sentence of section 46(e)(3) is met with respect to such property.

"(e) SPECIAL RULES FOR DISPOSITIONS OF FIRST-YEAR RECOVERY PROPERTY.—For purposes of this title (other than this section)—

"(1) ZERO BASIS.—The adjusted basis of any first-year recovery property shall be zero.

"(2) DISPOSITIONS.—In the case of any disposition of first-year recovery property—

"(A) the applicable percentage (determined under subsection (b)) of—

"(i) the amount realized, or

"(ii) in the case of a disposition other than a sale, exchange, or involuntary conversion, the fair market value of such property,

shall be treated as ordinary income and shall be recognized notwithstanding any other provision of this subtitle, and

"(B) no gain other than that treated as ordinary income under subparagraph (A) shall be recognized.

"(f) SPECIAL RULES.—

"(1) DISPOSITIONS WITHIN 1 YEAR AFTER PLACED IN SERVICE.—The term 'first-year recovery property' shall not include any property if such property is disposed of by the taxpayer before the date 1 year after the date on which such property was placed in service.

"(2) PROPERTY FOR WHICH INVESTMENT CREDIT NOT ALLOWABLE.—If a credit would not be allowable under section 38 to the taxpayer with respect to any first-year recovery property (determined without regard to sections 48(a)(11) and 48(c)(2)), the applicable percentage for such property shall be determined under the following table (in lieu of the table contained in subsection (b)(1)(B)):

"Class:	percentage: Applicable
1	91. 3
2	79. 5
3	73. 1
4	71. 0

"(3) PROPERTY WHICH CEASES TO BE A FIRST-YEAR RECOVERY PROPERTY.—If any first-year recovery property for which a deduction was allowable to the taxpayer under this section ceases to be first-year recovery property with respect to the taxpayer—

"(A) the taxpayer shall be treated as having disposed of such property for an amount equal to its fair market value as of the date of such cessation, and

"(B) the basis of such property in the hands of the taxpayer after the date of such cessation shall be treated as equal to such fair market value.

"(4) PUBLIC UTILITY PROPERTY.—For purposes of this section, the term 'public utility property' has the meaning given to such term by section 167(1)(3)(A) except that, for purposes of this section, clause (iv) of such section shall be applied as if it read as follows:

"'(iv) transportation of gas, oil, or steam by pipeline,'.

"(g) PHASE-IN.—

"(1) REDUCTION OF DEDUCTION FOR PROPERTY PLACED IN SERVICE BEFORE 1990.—

"(A) IN GENERAL.—In the case of any first-year recovery property placed in service before 1990, the amount allowable as a deduction under this section shall be the phase-in percentage of the amount which, but for this paragraph, would have been so allowable with respect to such property.

"(B) PHASE-IN PERCENTAGE.—For purposes of subparagraph (A)—

"In the case of property placed in service during:	The phase-in percentage is:
1981	35
1982	50
1983	50
1984	70
1985	75
1986	80
1987	85
1988	90
1989	95

"(2) DENIED DEDUCTION PLACED IN SUSPENSE ACCOUNT.—The taxpayer shall establish a suspense account for purposes of this subsection. As of the close of each taxable year ending after December 31, 1980—

"(A) the taxpayer shall add to such suspense account the aggregate amount disallowed as a deduction by reason of paragraph (1) with respect to property placed in service during such taxable year,

"(B) the taxpayer shall add to such account an amount equal to the balance in such account (as of the first day of such taxable year), multiplied by one-half of the rate of interest in effect under section 6621 as of the middle of such taxable year, and

"(C) the taxpayer shall subtract from such account the amount by which the amount allowable as a deduction under subsection (a) for such taxable year is increased by reason of paragraph (3).

"(3) Allowance of suspended deductions.—

"(A) IN GENERAL.—In the case of taxable years beginning after 1981 and before 1991, the recovery percentage of the balance in the suspense account established by the taxpayer under paragraph (2) shall be added to the amount allowable as a deduction under subsection (a) for such taxable year. Such balance shall be determined as of the close of the taxable year but before making the adjustments under subparagraphs (A) and (C) of paragraph (2) for the taxable year.

"(B) RECOVERY PERCENTAGE.—For purposes of subparagraph (A)—

"In the case of taxable years beginning in:	The recovery percentage is:
1982	25
1983	30
1984	35
1985	40
1986	45
1987	50
1988	55
1989	70
1990	100

"(h) OTHER TRANSITIONAL RULES.—

"(1) LIMIT ON USED PROPERTY.—For purposes of this section—

"(A) IN GENERAL.—In the case of property placed in service in a taxable year beginning before 1984, the term 'first-year recovery property' shall include used property only to the extent that the aggregate cost of used property placed in service during such taxable year does not exceed the limitation determined under the following table:

"In the case of a taxable year beginning in:	The limitation is:
1980 or 1981	$100, 000
1982	200, 000
1983	300, 000

If such cost exceeds the limitation determined under the preceding table, the taxpayer shall select (at such time and in such manner as the Secretary shall by regulations prescribe) the items of used property which are to be treated as first-year recovery property, but only to the extent of an aggregate cost not in excess of such limitation. Such a selection, once made, may be changed only in the manner, and to the extent, provided by such regulations.

"(B) USED PROPERTY.—For purposes of this paragraph, the term 'used property' means any property—

"(i) the original use of which does not begin with the taxpayer, and

"(ii) which is first-year recovery property (determined without regard to this paragraph).

"(C) COORDINATION WITH LIMITATION ON USED PROPERTY FOR INVESTMENT TAX CREDIT.—The limitation of section 48(c)(2) applicable to the taxpayer for any taxable year shall be reduced by an amount equal to the cost of any used property taken into account under this section for such taxable year.

"(D) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of subparagraphs (B), (C), and (D) of paragraph (2) of section 48(c) and of paragraph (3) of section 48(c) shall apply for purposes of this paragraph.

"(2) PROPERTY CONTINUES TO BE USED BY SAME PERSON.—The term 'first-year recovery property' shall not include any property acquired by the taxpayer if, after its acquisition by the taxpayer, it is used by a person who used such property before January 1, 1981 (or by a person who bears a relationship described in subparagraph (A) or (B) of section 179(c)(2) to a person who used such property before such date).

"(i) PARTNERSHIPS, SUBCHAPTER S CORPORATIONS, AND OTHER PASSTHROUGH ENTITIES.—The Secretary shall prescribe such regulations as may be necessary to ensure that the tax treatment of each partner, shareholder, or other beneficiary of a partnership, electing small business corporation, or other pass-

through entity with respect to the acquisition, disposition, or distribution of (or other transaction with respect to) first-year recovery property by the entity is consistent with the treatment which would result if such beneficiary engaged in such transaction directly."

(b) FIRST-YEAR RECOVERY DEDUCTION TREATED AS DEPRECIATION.—Subsection (a) of section 167 (relating to depreciation) is amended by adding at the end thereof the following new sentence: "In the case of first-year recovery property (as defined in section 168(c)), the deduction allowable under section 168 shall be deemed to constitute the reasonable allowance provided by this section.".

(c) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 is amended by inserting after the item relating to section 167 the following new item:

"Sec. 168. First-year capital cost recovery method.".

SEC. 202. DEPRECIATION OF REAL PROPERTY.

Section 167 (relating to depreciation) is amended by redesignating subsection (s) as subsection (t) and by inserting after subsection (r) the following new subsection:

"(s) METHOD OF DEPRECIATING CERTAIN REAL PROPERTY.—

"(1) IN GENERAL.—In the case of section 167(s) property (other than low-income housing), the depreciation allowance under subsection (a) shall be computed under the straight line method using a useful life of 20 years and no salvage value.

"(2) LOW-INCOME HOUSING.—In the case of low-income housing, the depreciation allowance under subsection (a) shall be computed under the straight line method using a useful life of 15 years and no salvage value.

"(3) DEFINITIONS.—For purposes of this subsection—

"(A) SECTION 167(S) PROPERTY.—Except as provided in subparagraph (B), the term 'section 167(s) property' means any property—

"(i) which is section 1250 property or an elevator or escalator which would be section 1250 property but for section 1245(a)(3)(C), and

"(ii) which is placed in service after December 31, 1980.

"(B) EXCEPTION FOR PROPERTY FOR WHICH CLASS LIFE IS PRESCRIBED UNDER SUBSECTION (m).—The term 'section 167(r) property' shall not include any property for which a class life is in effect under subsection (m) as of May 1, 1981.

"(C) LOW-INCOME HOUSING.—The term 'low-income housing' means any property described in clause (i), (ii), (iii), or (iv) of section 1250(a)(1)(B).".

SEC. 203. $25,000 OF DEPRECIABLE BUSINESS ASSETS TREATED AS EXPENSE.

(a) IN GENERAL.—Section 179 (relating to additional first-year depreciation allowance for small business) is amended to read as follows:

"SEC. 179. EXPENSE TREATMENT FOR CERTAIN DEPRECIABLE BUSINESS ASSETS.

"(a) TREATMENT OF EXPENSES.—The cost of any section 179 property shall be treated as an expense which is not chargeable to capital account. Any cost so treated shall be allowed as a deduction for the taxable year in which the section 179 property is placed in service.

"(b) DOLLAR LIMITATION.—

"(1) IN GENERAL.—The aggregate cost taken into account under subsection (a) for any taxable year shall not exceed $25,000 ($12,500 in the case of a married individual filing a separate return).

"(2) ORDER IN WHICH PROPERTY TAKEN INTO ACCOUNT.—Except as otherwise provided in regulations prescribed by the Secretary, if the aggregate cost of section 179 property placed in service by the taxpayer during the taxable year exceeds the limitation of paragraph (1), property shall be taken into account under subsection (a)—

"(A) in the order of the classes in which such property is placed under section 168(b) (beginning with the class with the lowest number), and

"(B) within any class, in the order in which the property is placed in service.

"(c) DEFINITIONS AND SPECIAL RULES.—

"(1) SECTION 179 PROPERTY.—For purposes of this section, the term 'section 179 property' means any first-year recovery property which is acquired by purchase for use in a trade or business.

"(2) PURCHASE DEFINED.—For purposes of paragraph (1), the term 'purchase' means any acquisition of property, but only if—

"(A) the property is not acquired from a person whose relationship to the person acquiring it would result in the disallowance of losses under section 267 or 707(b) (but, in applying section 267 (b) and (c) for purposes of this section, paragraph (4) of section 267(c) shall be treated as providing that the family of an individual shall include only his spouse, ancestors, and lineal descendants),

"(B) the property is not acquired by one component member of a controlled group from another component member of the same controlled group, and

"(C) the basis of the property in the hands of the person acquiring it is not determined—

"(i) in whole or in part by reference to the adjusted basis of such property in the hands of the person from whom acquired, or

"(ii) under section 1014(a) (relating to property acquired from a decedent).

"(3) SPECIAL RULE FOR SECTION 1031 OR 1033 EXCHANGES.—For purposes of this section, in the case of any property received in an exchange described in section 1031 or 1033, the cost of such property shall only include money or the fair market value of other property (within the meaning of section 1031), or the fair market value of property not similar or related in service or use (within the meaning of section 1033) received by the taxpayer.

"(4) SECTION NOT TO APPLY TO ESTATES AND TRUSTS.—This section shall not apply to estates and trusts.

"(5) DOLLAR LIMITATION OF CONTROLLED GROUP.—For purposes of subsection (b) of this section—

"(A) all component members of a controlled group shall be treated as one tax payer, and

"(B) the Secretary shall apportion the dollar limitation contained in subsection (b) among the component members of such controlled group in such manner as he shall by regulations prescribe.

"(6) CONTROLLED GROUP DEFINED.—For purposes of paragraphs (2) and (5), the term 'controlled group' has the meaning assigned to it by section 1563(a), except that, for such purposes, the phrase 'more than 50 percent' shall be substituted for the phrase at least 80 percent' each place it appears in section 1563(a)(1).

"(7) DOLLAR LIMITATION IN CASE OF PARTNERSHIPS.—In the case of a partnership, the dollar limitation contained in subsection (b) shall apply with respect to the partnership and with respect to each partner.

"(8) COORDINATION WITH SECTION 168.—

"(A) WHERE ENTIRE COST DEDUCTED.—If the entire cost of any section 179 property (determined without regard to paragraph (3)) is allowed as a deduction under subsection (a), such property shall not be treated as first-year recovery property for purposes of section 168.

"(B) WHERE ONLY PART OF COST DEDUCTED.—If only a portion of the cost of any section 179 property (determined without regard to paragraph (3)) is allowed as a deduction under subsection (a)—

"(i) such property shall not be treated as first-year recovery property for purposes of section 168 to the extent of the amount allowed as a deduction under subsection (a) of this section, and

"(ii) in the case of any disposition of such property, for purposes of sections 1245 and 168(f), the taxpayer shall be treated as having disposed of 2 properties each of which bears the same ratio to fair market value at the time of disposition as the amount taken into account under this section or section 168 (as the case may be) bears to the sum of such 2 amounts.".

(b) TECHNICAL AMENDMENTS.—

(1) Paragraph (1) of section 263(a) (relating to capital expenditures) is amended—

(A) by striking "or" at the end of subparagraph (F);

(B) by striking out the period at the end of subparagraph (G) and inserting in lieu thereof a comma and "or", and

(C) by adding at the end thereof the following new subparagraph:

"(H) the cost of any property deductible under section 179.".

(2) Subparagraph (A) of section 1033(g)(3) (relating to condemnation of real property held for productive use in trade or business or for investment) is amended by striking out "(relating to additional first-year depreciation allowance for small business)" and inserting in lieu thereof "(relating to expense treatment for certain depreciable b siness assets)".

(c) RECAPTURE RULE.—Subsection (a) of section 1245 (relating to gains from dispositions from certain depreciable property) is amended—

(1) by striking out "169, 184" each place it appears in paragraph (2) and inserting in lieu thereof "169, 179, 184",

(2) by striking out "section 190" in the third sentence of paragraph (2) and inserting in lieu thereof "section 179, 190", and

(3) by striking out "169, 185" in paragraphs (2)(D) and (3)(D) and inserting in lieu thereof "169, 179, 185".

(d) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 is amended by striking out the item relating to section 179 and inserting in lieu thereof the following:

"Sec. 179. Expense treatment for certain depreciable business assets.".

SEC. 204. THIRTY PERCENT VARIANCE FROM CLASS LIFE FOR LONG-LIFE PUBLIC UTILITY PROPERTY AND CERTAIN REAL PROPERTY.

Subsection (m) of section 167 (relating to class lives) is amended by adding at the end thereof the following new paragraph:

"(4) 30 PERCENT VARIANCE FOR LONG-LIFE PUBLIC UTILITY PROPERTY AND CERTAIN REAL PROPERTY.—In the case of—

"(A) any property which is placed in service after December 31, 1980, and is described in subparagraph (A) of section 168(d)(5) (relating to long-life public utility property), and

"(B) any property placed in service after December 31, 1980, which would be section 167(s) property but for subsection (s)(3)(B),

the last sentence of paragraph (1) shall be applied by substituting '30 percent' for '20 percent' ".

SEC. 205. TERMINATION OF INVESTMENT TAX CREDIT.

(a) GENERAL RULE.—Subsection (a) of section 48 (defining section 38 property) is amended by adding at the end thereof the following new paragraph:

"(11) FIRST-YEAR RECOVERY PROPERTY.—The term 'section 38 property' shall not include any first-year recovery property (as defined in section 168).".

(b) CONTINUATION OF ENERGY CREDIT.—Subparagraph (B) of section 48(l)(1) (re-

lating to energy property treated as section 38 property) is amended by striking out "paragraph (3)" and inserting in lieu thereof "paragraphs (3) and (11)".

SEC. 206. EFFECTIVE DATE.

The amendments made by this subtitle shall apply to taxable years ending after December 31, 1980.

Subtitle B—Research and Experimental Expenditures

SEC. 211. CREDIT FOR RESEARCH AND EXPERIMENTAL EXPENDITURES.

(a) Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting before section 45 the following new section:

"SEC. 44F. CREDIT FOR RESEARCH AND EXPERIMENTAL EXPENDITURES.

"(a) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(1) 25 percent of the qualified research or experimental expenditures, plus

"(2) 25 percent of the qualified higher education research or experimental expenditures,

paid or incurred by the taxpayer during the taxable year in carrying on any trade or business of the taxpayer.

"(b) QUALIFIED RESEARCH AND EXPERIMENTAL EXPENDITURES.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified research and experimental expenditures' means the excess of—

"(A) the research and experimental expenditures of the taxpayer for the taxable year, over

"(B) the average of such expenditures during the base period of the taxpayer.

"(2) BASE PERIOD.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'base period' means the 3 taxable years immediately preceding the taxable year for which the determination is being made.

"(B) TRANSITIONAL RULES.—Subparagraph (A) shall be applied—

"(i) by substituting 'first taxable year' for '3 taxable years' in the case of taxable years beginning in 1981, and

"(ii) by substituting '2' for '3' in the case of taxable years beginning in 1982.

"(3) DEEMED TAXABLE YEARS.—If the number of taxable years in the base period exceeds the number of taxable years of—

"(A) the taxpayer, or

"(3) any person with whom the taxpayer is required to aggregate expenditures under subsection (d)(2).

which precede the taxable year, then the taxpayer or such person shall be treated as having a number of taxable years equal to such excess during which no research and experimental expenditures were made.

"(c) QUALIFIED HIGHER EDUCATION RESEARCH AND EXPERIMENTAL EXPENDITURES.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified higher education research and experimental expenditures' means amounts paid during a taxable year to any institution of higher education for a planned research, critical investigation, or experimentation to the extent that such amounts do not exceed 5 percent of the taxable income of the taxpayer for such year.

"(2) CERTAIN AMOUNTS INCLUDED.—The term 'qualified higher education research and experimental expenditures' includes those expenditures described in paragraph (1) utilized for an exploration for new knowledge (1) undertaken without a predetermined application or (2) for a possible application which may prove useful to the taxpayer.

"(3) CERTAIN ITEMS EXCLUDED.—The term 'qualified higher education research and experimental expenditures' does not include any amount paid for—

"(A) the ordinary testing or inspection of materials or products for quality control, or for efficiency surveys, advertising, promotions, management studies, or consumer surveys;

"(B) acquiring any patent, model, production, or process from any other person, or obtaining a patent (including attorney's fees expended in a patent application);

"(C) research to the extent that the taxpayer has received a grant, contract or subcontract for such research from any Federal, State, or local government, or agency or instrumentality thereof; or

"(D) research in the social sciences or humanities.

"(4) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means an institution described in section 1201(a) or 481(a) of the Higher Education Act of 1965 (as in effect on January 1, 1981).

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) RESEARCH AND EXPERIMENTAL EXPENDITURES.—The term 'research and experimental expenditures' has the meaning given to such term by section 174(e), except that such term shall only include expenditures for research and experimentation conducted within the United States.

"(2) AGGREGATION OF EXPENDITURES.—

"(A) CONTROLLED GROUP OF CORPORATIONS.—In determining the amount of the credit under this section—

"(i) all research and experimental expenditures (and all qualified higher education research and experimental expenditures) of members of the same controlled group of corporations shall be treated as expenditures of a single taxpayer, and

"(ii) the credit (if any) allowable by this section to each such member shall be its proportionate share of the increase in research and experimental expenditures giving rise to the credit (or its proportionate share of such qualified higher education expenditures).

"(B) COMMON CONTROL.—Under regulations prescribed by the Secretary, in determining the amount of the credit under this section—

"(i) all research and experimental expenditures (and all qualified higher education research and experimental expenditures) of trades or businesses (whether or not incorporated) which are under common control shall be treated as expenditures of a single taxpayer, and

"(ii) the credit (if any) allowable by this section to each such person shall be its proportionate share of the increase in research and experimental expenditures giving rise to the credit (or its proportionate share of such qualified higher education expenditures).

The regulations prescribed under this subparagraph shall be based on principles similar to the principles which apply in the case of subparagraph (A).

"(3) PASSTHROUGH IN THE CASE OF SUBCHAPTER S CORPORATIONS, ETC.—Under regulations prescribed by the Secretary, rules similar to the rules of subsections (d) and (e) of section 52 shall apply.

"(4) ADJUSTMENTS FOR CERTAIN ACQUISITIONS, ETC.—Under regulations prescribed by the Secretary—

"(A) ACQUISITIONS.—If, after December 31, 1979, a taxpayer acquires the major portion of a trade or business of another person (hereinafter in this paragraph referred to as the 'predecessor') or the major portion of a separate unit of a trade or business of a predecessor, then, for purposes of applying this section for any taxable year ending after such acquisition, the amount of research and experimental expenditures (and the amount of qualified higher education research and experimental expenditures) paid or incurred by the taxpayer during periods before such acquisition shall be increased by so much of such expenditures paid or incurred by the predecessor with respect to the acquired trade or business as is attributable to the portion of such trade or business or separate unit acquired by the taxpayer.

"(B) DISPOSITIONS.—If, after December 31, 1979—

"(i) a taxpayer disposes of the major portion of any trade or business or the major portion of a separate unit of a trade or business in a transaction to which subparagraph (A) applies, and

"(ii) the taxpayer furnishes the acquiring person such information as is necessary for the application of subparagraph (A),

then, for purposes of applying this section for any taxable year ending after such disposition, the amount of research and experimental expenditures (and the amount of qualified higher education research and experimental expenditures) paid or incurred by the taxpayer during periods before such disposition shall be decreased by so much of such expenditures as is attributable to the portion of such trade or business or separate unit disposed of by the taxpayer.

"(5) SHORT TAXABLE YEARS.—In the case of any short taxable year, research and experimental expenditures (and qualified higher education research and experimental expenditures) shall be annualized in such circumstances and under such methods as the Secretary may prescribe by regulation.

"(6) CONTROLLED GROUP OF CORPORATIONS.—The term 'controlled group of corporations' has the same meaning given to such term by section 1563(a), except that—

"(A) 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in section 1563(a)(1), and

"(B) the determination shall be made without regard to subsections (a)(4) and (e)(3)(C) of section 1563.

"(e) LIMITATION BASED ON AMOUNT OF TAX.—

"(1) IN GENERAL.—The credit allowed by subsection (a) for any taxable year shall not exceed the amount of the tax imposed by this chapter reduced by the sum of the credits allowable under a section of this part having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43. For purposes of the preceding sentence, the term 'tax imposed by this chapter' shall not include any tax treated as not imposed by this chapter under the last sentence of section 53(a).

"(2) CARRYBACK AND CARRYOVER OF UNUSED CREDIT.—

"(A) ALLOWANCE OF CREDIT.—If the amount of the credit determined under this section for any taxable year exceeds the limitation provided by paragraph (1) for such taxable year (hereinafter in this paragraph referred to as the 'unused credit year'), such excess shall be—

"(i) a research and experimental credit carryback to each of the 3 taxable years preceding the unused credit year, and

"(ii) a research and experimental credit carryover to each of the 7 taxable years following the unused credit year,

and shall be added to the amount allowable as a credit by this section for such years. If any portion of such excess is a carryback to a taxable year beginning before January 1, 1981, this section shall be deemed to have been in effect for such taxable year for purposes of allowing such carryback as a credit under this section. The entire amount of the unused credit for an unused credit year shall be carried to the earliest of the 10 taxable years to which (by reason of clauses (i) and (ii)) such credit may be carried, and then to each of the other 9 taxable years to the ex-

tent that, because of the limitation contained in subparagraph (B), such unused credit may not be added for a prior taxable year to which such unused credit may be carried.

"(B) LIMITATION.—The amount of the unused credit which may be added under subparagraph (A) for any preceding or succeeding taxable year shall not exceed the amount by which the limitation provided by paragraph (1) for such taxable year exceeds the sum of—

"(i) the credit allowable under this section for such taxable year, and

"(ii) the amounts which, by reason of this paragraph, are added to the amount allowable for such taxable year and which are attributable to taxable years preceding the unused credit year.".

(b) DEDUCTION FOR RESEARCH AND EXPERIMENTAL EXPENDITURES.—

(1) IN GENERAL.—Section 280C (relating to disallowance of deduction for portion of wages for which credit is claimed under section 40 or 44B) is amended by adding at the end thereof the following new subsection:

"(c) RULE FOR SECTION 44F CREDIT.—In the case of an individual or an electing small business corporation (within the meaning of section 1371(b)), no deduction shall be allowed for that portion of research and experimental expenditures (other than qualified higher education research and experimental expenditures) paid or incurred during the taxable year which is equal to the amount allowable as a credit under section 44F for such taxable year (determined without regard to section 44F(d)).".

(2) CONFORMING AMENDMENTS.—

(A) The heading for section 280C is amended to read as follows:

"SEC. 280C. EXPENDITURES FOR WHICH CREDIT IS CLAIMED UNDER SECTION 40, 44B OR 44F.".

(B) The item relating to section 280C in the table of sections for part IX of subchapter B of chapter 1 is amended to read as follows:

"Sec. 280C. Expenditures for which credit is claimed under section 40, 44B, or 44F.".

(c) TECHNICAL AMENDMENTS RELATED TO CARRYOVER AND CARRYBACK OF CREDITS.—

(1) CARRYOVER OF CREDIT.—

(A) Paragraph (4) of section 55(c) (relating to credits) is amended by inserting "44F(e)(1)," before "53(b)".

(B) Subsection (c) of section 381 (relating to items of the distributor or transferor corporation) is amended by adding at the end thereof the following new paragraph:

"(28) CREDIT UNDER SECTION 44F.—The acquiring corporation shall take into account (to the extent proper to carry out the purposes of this section and section 44F, and under such regulations as may be prescribed by the Secretary) the items required to be taken into account for purposes of section 44F in respect of the distributor or transferor corporation.".

(C) Section 383 (relating to special limitations on unused investment credits, work incentive program credits, new employee credits, alcohol fuel credits, foreign taxes, and capital losses), as in effect for taxable years beginning after June 30, 1982, is amended—

(i) by inserting "to any unused credit of the corporation under section 44F(e)(2)," after "44E(e)(2),", and

(ii) by inserting "research and experimental credits," after "alcohol fuel credits," in the section heading.

(D) Section 383 (as in effect on the day before the date of the enactment of the Tax Reform Act of 1976) is amended—

(i) by inserting "to any unused credit of the corporation which could otherwise be carried forward under section 44F(e)(2)," after "44E(e)(2),", and

(ii) by inserting "research and experimental credits," after "alcohol fuel credits," in the section heading.

(E) The table of sections for part V of subchapter C of chapter 1 is amended by inserting "alcohol fuel credits, research and experimental credits," after "new employee credits," in the item relating to section 383.

(2) CARRYBACK OF CREDIT.—

(A) Subparagraph (C) of section 6511(d)(4) (defining credit carryback) is amended by striking out "and new employee credit carryback" and inserting in lieu thereof "new employee credit carryback, and research and experimental credit carryback".

(B) Section 6411 (relating to quick refunds in respect of tentative carryback adjustments) is amended—

(i) by striking out "or unused new employee credit" each place it appears and inserting in lieu thereof "unused new employee credit, or unused research and experimental credit";

(ii) by inserting "by a research and experimental credit carryback provided in section 44F(e)(2)," after "53(b)," in the first sentence of subsection (a);

(iii) by striking out "or a new employee credit carryback from" each place it appears and inserting in lieu thereof "a new employee credit carryback, or a research and experimental credit carryback from"; and

(iv) by striking out "work incentive program carryback)" and inserting in lieu thereof "work incentive program carryback, or, in the case of a research and experimental credit carryback, to an investment credit carryback, a work incentive program carryback, or a new employee credit carryback)".

(d) OTHER TECHNICAL AND CLERICAL AMENDMENTS.—

(1) Subsection (b) of section 6096 (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44E" and inserting in lieu thereof "44E, and 44F".

(2) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 44E the following new item:

"Sec. 44F. Credit for research and experimental expenditures.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1980.

SEC. 212. RESEARCH AND EXPERIMENTAL EXPENDITURES DEFINED.

(a) IN GENERAL.—Section 174 (relating to deduction for research and experimental expenditures) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) RESEARCH AND EXPERIMENTAL EXPENDITURES DEFINED.—

"(1) IN GENERAL.—For purposes of this section, the term 'research and experimental expenditures' means amounts paid or incurred by the taxpayer—

"(A) for research for the purpose of discovering information which is potentially useful in—

"(i) the development of a new business item for the taxpayer, or

"(ii) bringing about a significant improvement in an existing business item of the taxpayer, or

"(B) in applying results obtained by research to develop a plan or design for a new business item for the taxpayer, or for a significant improvement in an existing business item of the taxpayer.

"(2) EXCLUSIONS.—The term 'research and experimental expenditures' does not include expenditures related to—

"(A) research in the social sciences or the humanities; and

"(B) to the extent that such expenditures are funded by a grant, contract or subcontract for research and development with any agency or instrumentality of any Federal, State, or local government.

"(3) DEFINITIONS.—For purposes of this subsection—

"(A) RESEARCH.—The term 'research' means a planned search or critical investigation, and includes experimentation.

"(B) BUSINESS ITEM.—The term 'business item' means a product, service, process, or technique for use by the taxpayer in a trade or business.

"(C) EXISTING.—The term 'existing' means a business item sold or used by the taxpayer in a trade or business before the taxpayer paid or incurred the amounts for research, or for the application of research results.

"(4) LIMITATION OF AMOUNTS SPENT FOR APPLIED RESEARCH.—No amount shall be taken into account under paragraph (1) as a research and experimental expenditure which is paid or incurred for research, or the application of research results, in connection with a business item after the point at which—

"(A) the new business item or significantly improved business item meets specific functional and economic requirements of the taxpayer for that item, or

"(B) the new or improved item is ready for manufacture, sale, or use.

"(5) PERSONS WITH COMMON INTERESTS.—For purposes of this subsection, a business item of any person with whom the taxpayer is required to aggregate expenditures under section 44F(d)(2) shall be treated as a business item of the taxpayer.".

(b) CONFORMING AMENDMENT.—Subsections (a) and (b) of section 174 are amended by striking out "research or experimental" each place such term appears and inserting in lieu thereof "research and experimental".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1980.

TITLE III—RETIREMENT PLANS

SEC. 301. RETIREMENT SAVINGS PROVISIONS.

(a) GENERAL RULE.—Section 219 (relating to deduction for retirement savings) is amended to read as follows:

"SEC. 219. RETIREMENT SAVINGS.

"(a) ALLOWANCE OF DEDUCTION.—In the case of an individual, there shall be allowed as a deduction an amount equal to the qualified retirement contributions of the individual for the taxable year.

"(b) MAXIMUM AMOUNT OF DEDUCTION.—

"(1) IN GENERAL.—The amount allowable as a deduction under subsection (a) to any individual for any taxable year shall not exceed $2,000.

"(2) $1,000 LIMITATION IN THE CASE OF ACTIVE PARTICIPANTS IN EMPLOYER PLANS.—In the case of an individual who for any part of the taxable year is an active participant in a qualified employer plan, paragraphs (1)(A) and (3)(A)(ii)(II) shall be applied by substituting '$1,000' for '$2,000'.

"(3) SPECIAL RULES IN CASE OF SIMPLIFIED EMPLOYEE PENSIONS.—

"(A) LIMITATION.—If there is an employer contribution on behalf of the employee to a simplified employee pension, the limitation under paragraph (1) shall be equal to the sum of—

"(i) the amount contributed by the employer to the simplified employee pension and included in gross income (but not in excess of $7,500), and

"(ii) $1,750, reduced (but not below zero) by the amount described in clause (i).

"(B) CERTAIN LIMITATIONS DO NOT APPLY TO EMPLOYER CONTRIBUTION.—Paragraphs (1) and (2) of subsection (c) shall not apply with respect to the employer contribution to a simplified employee pension.

"(C) SPECIAL RULE FOR APPLYING SUBPARA-

GRAPH (A)(II).—In the case of an employee who is an officer, shareholder, or owner-employee described in section 408(k)(3), the $7,500 amount specified in subparagraph (A)(ii)(I) shall be reduced by the amount of tax taken into account with respect to such individual under subparagraph (D) of section 408(k)(3).

"(4) SPECIAL RULE FOR INDIVIDUAL RETIREMENT PLANS.—If the individual has paid any designated employee contributions during the taxable year, the amount of the qualified retirement contributions (other than employer contributions to a simplified employee pension) which are paid during the taxable year to an individual retirement plan and which are allowable as a deduction under subsection (a) for such taxable year shall not exceed—

"(A) the amount determined under paragraph (1) (as modified by paragraphs (2) and (3)) for such taxable year, reduced by

"(B) the sum of the employer contributions to a simplified employee pension plus the amount of such designated employee contributions.

"(c) CERTAIN INDIVIDUALS NOT ELIGIBLE.—

"(1) SELF-EMPLOYED INDIVIDUALS AND CERTAIN SHAREHOLDERS.—No deduction shall be allowed under subsection (a) to any individual for any taxable year—

"(A) if for any part of such taxable year such individual was an active participant in a qualified plan, and

"(B) if at any time during such year such individual was an employee (within the meaning of section 401(C)(1)), or a shareholder (within the meaning of section 408(k)(3)(B)(ii)), with respect to such plan.

"(2) INDIVIDUALS WHO HAVE ATTAINED AGE 70½.—No deduction shall be allowed under this section with respect to any qualified retirement contribution which is made for a taxable year of an individual if such individual has attained age 70½ before the close of such taxable year.

"(3) ALTERNATIVE DEDUCTION.—No deduction shall be allowed under this section for the taxable year if the individual claims the deduction allowed by section 220 for the taxable year.

"(d) OTHER LIMITATIONS AND RESTRICTIONS.—

"(1) RECONTRIBUTED AMOUNTS.—No deduction shall be allowed under this section with respect to a rollover contribution described in section 402(a)(5), 402(a)(7), 403(a)(4), 403(b)(8), 408(d)(3), or 409(b)(3)(C).

"(2) AMOUNTS CONTRIBUTED UNDER ENDOWMENT CONTRACT.—In the case of an endowment contract described in section 408(b), no deduction shall be allowed under this section for that portion of the amounts paid under the contract for the taxable year which is properly allocable, under regulations prescribed by the Secretary, to the cost of life insurance.

"(e) DEFINITION OF RETIREMENT SAVINGS CONTRIBUTIONS; ETC.—For purposes of this section—

"(1) QUALIFIED RETIREMENT CONTRIBUTION.—The term 'qualified retirement contribution' means—

"(A) any designated employee contribution paid in cash by the individual during the taxable year, and

"(B) any amount paid in cash during the taxable year by or on behalf of such individual for his benefit to an individual retirement plan.

For purposes of the preceding sentence, the term 'individual retirement plan' includes a retirement bond described in section 409 only if the bond is not redeemed within 12 months of its issuance.

"(2) DESIGNATED EMPLOYEE CONTRIBUTION.—

"(A) IN GENERAL.—The term 'designated employee contribution' means any contribution—

"(i) which is made by an individual as an employee under a qualified employer plan, and

"(ii) which the individual designates as being taken into acconut under this subsection.

"(B) LIMITATION ON MANDATORY CONTRIBUTIONS.—

"(i) IN GENERAL.—No mandatory contribution shall be taken into account by any employee under subparagraph (A) for any taxable year.

"(ii) MANDATORY CONTRIBUTIONS.—For purposes of clause (i), the term 'mandatory contribution' has the meaning given to such term by section 411(c)(2)(C).

"(C) DESIGNATION.—An individual shall make a designation under subparagraph (A) with respect to any contribution under a qualified employer plan by notifying, not later than the time prescribed by law for filing the return for the taxable year (including extensions thereof), the plan administrator of such plan that the individual is taking such contribution into account under this section. Any designation or notification referred to in the preceding sentence shall be made in such manner as the Secretary shall by regulations prescribe and, after such time for filing, such designation shall be irrevocable.

"(3) QUALIFIED EMPLOYER PLAN.—The term 'qualified employer plan' means—

"(A) a plan described in section 401(a) which includes a trust exempt from tax under section 501(a),

"(B) an annuity plan described in section 403(a),

"(C) a qualified bond purchase plan described in section 405(a), and

"(D) any plan under which amounts are contributed by an individual's employer for an annuity contract described in section 403(b).

"(4) PAYMENTS FOR CERTAIN PLANS.—The term 'amounts paid to an individual retirement plan' includes amounts paid for an individual retirement annuity or a retirement bond.

"(f) OTHER DEFINITIONS AND SPECIAL RULES.—

"(1) COMPENSATION.—For purposes of this section, the term 'compensation' includes earned income as defined in section 401(c)(2).

"(2) MARRIED INDIVIDUALS.—The maximum deduction under subsection (b) shall be computed separately for each individual, and this section shall be applied without regard to any community property laws.

"(3) TIME WHEN CONTRIBUTIONS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a contribution to an individual retirement plan on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (including extensions thereof).

"(4) REPORTS.—The Secretary shall prescribe regulations which prescribe the time and the manner in which reports to the Secretary and plan participants shall be made by the plan administrator of a qualified employer plan receiving designated employee contributions.

"(5) EMPLOYER PAYMENTS.—For purposes of this title, any amount paid by an employer to an individual retirement plan shall be treated as payment of compensation to the employee (other than a self-employed individual who is an employee within the meaning of section 401(c)(1)) includible in his gross income, whether or not a deduction for such payment is allowable under this section to the employee after the application of subsection (b).

"(6) EXCESS CONTRIBUTIONS TREATED AS CONTRIBUTION MADE DURING SUBSEQUENT YEAR FOR WHICH THERE IS AN UNUSED LIMITATION.—

"(A) IN GENERAL.—If for the taxable year the maximum amount allowable as a deduction under this section for contributions to an individual retirement plan exceeds the amount contributed, then the taxpayer shall be treated as having made an additional contribution for the taxable year in an amount equal to the lesser of—

"(i) the amount of such excess, or

"(ii) the amount of the excess contributions for such taxable year (determined under section 4973(b)(2) without regard to subparagraph (C) thereof).

"(B) AMOUNT CONTRIBUTED.—For purposes of this paragraph, the amount contributed—

"(i) shall be determined without regard to this paragraph, and

"(ii) shall not include any rollover contribution.

"(C) SPECIAL RULE WHERE EXCESS DEDUCTION WAS ALLOWED FOR CLOSED YEAR.—Proper reduction shall be made in the amount allowable as a deduction by reason of this paragraph for any amount allowed as a deduction under this section for a prior taxable year for which the period for assessing deficiency has expired if the amount so allowed exceeds the amount which should have been allowed for such prior taxable year.".

(b) TREATMENT OF DISTRIBUTIONS FROM EMPLOYER PLAN TO WHICH EMPLOYEE MADE DEDUCTIBLE CONTRIBUTIONS.—

(1) IN GENERAL.—Section 72 (relating to annuities; certain proceeds of endowment and life insurance contracts) is amended by redesignating subsection (o) as subsection (p) and by inserting after subsection (n) the following new subsection:

"(o) SPECIAL RULES FOR DISTRIBUTIONS FROM QUALIFIED PLANS TO WHICH EMPLOYEE MADE DEDUCTIBLE CONTRIBUTIONS.—

"(1) TREATMENT OF CONTRIBUTIONS.—For purposes of this section and sections 402, 403, and 405, notwithstanding section 414(h), any deductible employee contribution made to a qualified employer plan shall be treated as an amount contributed by the employer which is not includible in the gross income of the employee.

"(2) ADDITIONAL TAX IF AMOUNT RECEIVED BEFORE AGE 59½.—If—

"(A) any amount is received from a qualified employer plan to which the employee made one or more deductible employee contributions,

"(B) such amount is received by the employee before the employee attains the age of 59½, and

"(C) such amount is not received by reason of such employee's becoming disabled (within the meaning of subsection (m)(7)),

then the employee's tax under this chapter for the taxable year in which such amount is received shall be increased by an amount equal to 10 percent of the amount so received to the extent that such amount is includible in gross income, and also to the extent that the amount so includible (when added to the amounts previously received under the plan which were subject to tax under this paragraph) does not exceed the aggregate deductible employee contributions made by the employee to such plan. For purposes of this title, any tax imposed by this paragraph shall be treated as a tax imposed by subsection (m)(5)(B).

"(3) AMOUNTS CONSTRUCTIVELY RECEIVED.—For purposes of this subsection, rules similar to the rules provided by subsection (m)(4) shall apply.

"(4) ROLLOVER AMOUNTS NOT TAKEN INTO ACCOUNT.—

"(A) IN GENERAL.—Paragraph (2) shall not apply to any amount which is not includible in gross income under section 402(a)(5), 402(a)(7), or 403(a)(4).

"(B) SPECIAL RULES.—For purposes of sections 402(a)(5), 402(a)(7), 403(a)(4), 408(d)(3), and 409(b)(3)(C), the Secretary shall prescribe regulations providing for such allocations and separations of amounts attributable to deductible employee contribu-

tions, and for such other rules, as may be necessary to insure that the deductible employee contributions do not become eligible for additional tax benefits (or freed from limitations) through the use of rollovers.

"(5) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

"(A) DEDUCTIBLE EMPLOYEE CONTRIBUTIONS.—

"(i) IN GENERAL.—Except as provided in clause (ii), the term 'deductible employee contribution' means any designated employee contribution (as defined in section 219(e)(2)).

"(ii) SPECIAL RULE.—If the amount of the designated employee contributions taken into account under section 219 for any taxable year exceeds the amount of the deduction allowable by section 219 for such taxable year (or where section 219(b)(3) applies, the amount specified in section 219(b)(3)(A)(ii)(II) as modified by section 219(b)(2)), each of such designated employee contributions shall be treated as a deductible employee contribution only to the extent that it does not exceed an amount which bears the same ratio to the amount of the deduction so allowable (or the amount so specified) as such contribution bears to the aggregate of such designated employee contributions.

"(B) AGGREGATE DEDUCTIBLE EMPLOYEE CONTRIBUTIONS.—The term 'aggregate deductible employee contributions' includes the deductible employee contributions taken into account under section 219 for the taxable year in which the amount is received.

"(C) QUALIFIED EMPLOYER PLAN.—The term 'qualified employer plan' has the meaning given to such term by section 219(e)(3).".

(2) 10-YEAR AVERAGING AND CAPITAL PROVISIONS NOT TO APPLY.—Subparagraph (D) of section 402(e)(4) (relating to total taxable amount) is amended by adding at the end thereof the following new sentence: "For purposes of this subsection, subsection (a)(2), and section 403(a)(2), the total taxable amount (determined without regard to this sentence) shall be reduced by the amount by which the aggregate deductible employee contributions under the plan (as determined under section 72(o)(5)) exceed the sum of the amounts previously distributed under the plan which were includible in gross income.".

(c) ESTATE AND GIFT TAX EXCLUSION.—

(1) ESTATE TAX.—Subsection (c) of section 2039 (relating to exemption of annuities under certain trusts and plans) is amended by adding at the end thereof the following new sentence: "For purposes of this subsection, any deductible employee contributions (as determined under paragraph (5) of section 72(o) as of the date of the decedent's death) shall be considered as made by a person other than the decedent.".

(2) GIFT TAX.—Subsection (b) of section 2517 (relating to transfers attributable to employee contributions) is amended by adding at the end thereof the following new sentence: "For purposes of this subsection, any deductible employee contributions (as determined under paragraph (5) of section 72(o) as of the date of the transfer) shall be considered as made by a person other than the employee.".

(d) AMENDMENT OF SECTION 220.—Subparagraph (C) of section 220(b)(1) (relating to maximum deduction) is amended by striking out "$1,750" and inserting in lieu thereof "$2,000".

(e) CONFORMING AMENDMENTS TO INCREASE IN IRA LIMITATIONS.—

(1) The following provisions are each amended by striking out "$1,500" each place it appears and inserting in lieu thereof "$2,000":

(A) Section 408(a)(1) (defining individual retirement account).

(B) Section 408(b) (defining individual retirement annuity).

(C) Section 408(j) (relating to increase in maximum limitations for simplified employee pensions).

(D) Section 409(a)(4) (defining retirement bond).

(2) Subparagraph (A) of section 408(d)(5) is amended by striking out "$1,750" and inserting in lieu thereof "$2,250".

(3) Subparagraph (A) of section 409(b)(3) (relating to redemption within 12 months) is amended—

(A) by inserting "or 220" after "section 219", and

(B) by adding the following sentence at the end thereof: "The preceding sentence shall not apply to the extent that the bond was purchased with a rollover distribution described in subparagraph (C) of this paragraph or in section 402(a)(5), 402(a)(7), 403(a)(4), or 408(d)(3).".

(4) Subsection (a) of section 4973 is amended by striking out the last sentence and inserting in lieu thereof the following: "The tax imposed by this subsection shall be paid by such individual.".

(5) Subparagraph (C) of section 4973(b)(2) is amended by striking out "sections 219(c)(5)" and inserting in lieu thereof "section 219(f)(7)".

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1981.

(2) ESTATE AND GIFT TAX PROVISIONS.—

(A) The amendment made by subsection (c)(1) shall apply to the estates of decedents dying after December 31, 1981.

(B) The amendment made by subsection (c)(2) shall apply to transfers after December 31, 1981.

SEC. 302. INCREASE IN AMOUNT OF DEDUCTION FOR CERTAIN RETIREMENT PLANS.

(a) SELF-EMPLOYED INDIVIDUAL RETIREMENT PLANS.—

(1) IN GENERAL.—Subsection (e) of section 404 (relating to special limitations for self-employed individuals) is amended—

(A) by striking out "$7,500" in paragraphs (1) and (2) and inserting in lieu thereof "the deductible amount",

(B) by adding at the end thereof the following new paragraph:

"(5) DEDUCTIBLE AMOUNT DEFINED.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'deductible amount' means an amount equal to either—

"(i) $7,500, or

"(ii) in the case of a plan which meets the requirements of subparagraph (B) for the plan year, $15,000.

"(B) REQUIREMENTS.—A plan meets the requirements of this subparagraph for the plan year if—

"(i) the plan administrator elects for the plan year and all subsequent plan years the application of section 72(m)(5) to all employees (within the meaning of section 401(c)(1)) who participate in the plan, and

"(ii) for the plan year, the plan provides that, after not more than 3 years of service, each participant has a right to 100 percent of his accrued benefit under the plan which is nonforfeitable (within the meaning of section 411) at the time such benefit accrues.".

(2) CONFORMING AMENDMENTS.—

(A) Subsection (e) of section 401 is amended by striking out "$7,500" and inserting in lieu thereof "the deductible amount described in section 404(e)(5)".

(B) Subparagraph (A) of section 401(j)(2) (relating to benefit plans for self-employed individuals and shareholder-employees) is amended by striking out "$50,000" and inserting in lieu thereof "$50,000 or, in the case of a plan described in section 404(e)(5)(B), $100,000".

(3) Subparagraph (B) of section 1379(b)(1) (relating to certain qualified pension, etc., plans) is amended by striking out "$7,500" and inserting in lieu thereof "the deductible amount described in section 404(e)(5)".

(b) SIMPLIFIED EMPLOYEE PENSIONS.—

(1) IN GENERAL.—Paragraph (7) of section 219(b) (relating to simplified employee pensions) is amended by striking out "$7,500" each place it appears and inserting in lieu thereof "$15,000".

(2) CONFORMING AMENDMENTS.—Section 408 of such Code (relating to individual retirement accounts) is amended—

(A) by striking out "$7,500" in subsection (d)(5)(A) and inserting in lieu thereof "$15,000", and

(B) by striking out "$7,500" in subsection (j) and inserting in lieu thereof "$15,000".

(c) APPLICATION OF PENALTY TO RETIREMENT PLANS OF SELF-EMPLOYED INDIVIDUALS.—Paragraph (5) of section 72(m) (relating to annuities; certain proceeds of endowment and life insurance contracts) is amended—

(1) by striking out "an owner-employee." each place it appears and inserting in lieu thereof "a qualified employee,",

(2) by striking out "owner-employee" in the caption thereof and inserting in lieu thereof "owner-employee and self-employed individuals", and

(3) by adding at the end thereof the following new subparagraph:

"(C) For purposes of this paragraph, the term 'qualified employee' means—

"(i) any owner-employee, or

"(ii) any employee (within the meaning of section 401(c)(1)) who participates in a plan whose plan administrator elects (at such time and in such manner as the Secretary prescribes by regulations) the application of this paragraph to all employees (within the meaning of section 401(c)(1)) who participate in such plan.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1981.

SEC. 303. TERMINATION OF COST-OF-LIVING ADJUSTMENTS FOR CERTAIN LIMITATIONS OF QUALIFIED PLANS.

Subsection (d) of section 415 (relating to limitations on benefits and contribution under qualified plans) is amended by adding at the end thereof the following new paragraph:

"(3) NO ADJUSTMENT AFTER 1981.—No adjustment shall be made under paragraph (1) after December 31, 1981, and the amounts in effect on such date shall remain in effect for all years beginning after such date.".

SEC. 304. CERTAIN AMOUNTS CONSTRUCTIVELY RECEIVED UNDER EMPLOYEE PLANS OR ANNUITIES BY SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Paragraph (4) of section 72(m) (relating to annuities; certain proceeds of endowment and life insurance contracts) is amended by striking out "owner-employee" each place it appears and inserting in lieu thereof "employee (within the meaning of section 401(c)(1))".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1981.

By Mr. HEINZ:

S. 1320. A bill to amend the Internal Revenue Code of 1954 to modify the excise tax on trucks, buses, tractors, and so forth, and for other purposes; to the Committee on Finance.

MOTOR VEHICLE TAX ACT OF 1981

● Mr. HEINZ. Mr. President, today, I am introducing a bill designed to provide financial relief to hard-pressed truck dealers by amending present Federal truck excise tax provisions. The major change involves shifting the point of collection of the tax from the time of transfer between the wholesaler to the dealer to the time

of sale to the ultimate customer by the dealer.

The 10-percent Federal excise tax levied against trucks, and the 8-percent tax levied against truck parts, has for a long time now been an area of financial concern to the many small business heavy-duty truck dealers of this Nation. Under current law, this tax is imposed on the manufacturer at the time the truck is transferred to the dealer. This means the manufacturer includes the cost of the tax in his price, passing the tax on to the dealer in the process. Therefore, the dealer must finance not only the wholesale price of the vehicle, but must also carry the cost of a substantial excise tax. With today's heavy-duty "over the road" trucks costing between $50,000 and $75,000, the tax amounts to an extra $5,000 to $7,500 per truck.

Historically, truck dealers pay between 1 and 2 percent over prime to finance their inventory. At today's interest rates, inventory financing for the small truck dealer is a tremendous burden, and current Federal excise tax rules compound the problem. If a dealer were required to pay the excise tax at the time of retail transfer, he would be able to finance 11 trucks for the same amount that he now finances 10. Nationwide, the interest cost, to the dealer, of financing this tax reached into the tens of millions of dollars in 1980.

As a result of unprecedented interest rates, truck sales have become as depressed as auto sales, if not more so. These high interest rates have left hundreds of dealers perilously close to bankruptcy. The bill that I am introducing today is designed to provide immediate and much needed assistance to these dealers without altering the amount of revenue raised by the tax.

My bill would make the following changes in existing law:

First, the point of tax liability and collection would be the time of the first retail sale of trucks, trailers, or their parts, instead of the time of their wholesale transfer.

Second, to avoid increasing the Federal excise tax by taxing a dealer's profit margin, a compensation change in the tax base is made. Under existing law, the tax equals 10 percent on the wholesale price of trucks and trailers and 8 percent of the wholesale price of parts and accessories. Under this proposal, the tax would be computed on 90 percent of the actual retail sales price of these vehicles and on 75 percent of the actual retail sales price of their parts and accessories. The revenue raised from the tax under existing law and under this proposal is the same until fiscal year 1985 when the excise tax drops to 5 percent.

Third, a similar change is proposed for the treatment of the excise tax on heavy-duty truck tires, currently paid by the tire manufacturer at the time they are sold to the truck manufacturer. Under my bill, this tax is also collected at the time of the first retail sale of a truck or trailer. Should the Internal Revenue Service identify a need to segregate that portion of the excise tax attributable to tires, it would do so by regulation.

This legislation will not solve all the problems confronting heavy-duty truck dealers. However, it will provide them immediate, significant relief from their current financial bind brought about from sluggish sales and high interest rates.

I believe that this bill's concepts are sound, and I urge my colleagues to give it their consideration and more importantly their support.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1320

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Motor Vehicle Tax Act of 1981".

SEC. 2. (a) Section 4061 of the Internal Revenue Code of 1954 is amended by inserting the following at the end thereof:

"(c) SALES AFTER ENACTMENT OF MOTOR VEHICLE TAX ACT OF 1981.—The tax imposed by this section shall not apply to articles sold by the manufacturer, producer, or importer after the first day of the first taxable quarter which commences more than 30 days after the date of the enactment of the Motor Vehicle Tax Act of 1981."

(b) The chapter heading for chapter 31 of subtitle D of the Internal Revenue Code of 1954 is amended to read as follows:

"Chapter 31—RETAILERS EXCISE TAXES"

(c) Chapter 31 of such subtitle D is amended by inserting the following immediately before section 4041:

"Subchapter A—Trucks, Buses, Tractors, Etc.

"Sec. 4001. Imposition of tax.
"Sec. 4002. Articles classified as parts.
"Sec. 4003. Exemptions.
"Sec. 4004. Determination of price.
"Sec. 4005. Use considered sale.
"Sec. 4006. Certain tax free sales.
"Sec. 4007. Registration.

"SEC. 4001. IMPOSITION OF TAX.

"(a) TRUCKS, BUSES, TRACTORS, ETC.—

"(1) TAX IMPOSED.—There is hereby imposed upon the first sale at retail of the following articles (including in each case parts or accessories therefor sold on or in connection therewith or with the sale thereof) a tax of 10 percent of the wholesale price of the article (determined under subsection (c)), except that on and after October 1, 1984, the rate shall be 5 percent:

"Automobile truck chassis.
"Automobile truck bodies.
"Automobile bus chassis.
"Automobile bus bodies.
"Truck and bus trailer and semitrailer chassis.
"Truck and bus trailer and semitrailer bodies.
"Tractors of the kind chiefly used for highway transportation in combination with a trailer or semitrailer.

A sale of an automobile truck, bus, truck, or bus trailer or semitrailer shall, for the purposes of this subsection, be considered to be a sale of a chassis and of a body enumerated in this subsection.

"(2) EXCLUSION FOR LIGHT-DUTY TRUCKS, ETC.—The tax imposed by paragraph (1) shall not apply to a sale of the following articles suitable for use with a vehicle having a gross vehicle weight of 10,000 pounds or less (as determined under regulations prescribed by the Secretary)—

"Automobile truck chassis.
"Automobile truck bodies.
"Automobile bus chassis.
"Automobile bus bodies.
"Truck trailer and semitrailer chassis and bodies, suitable for use with a trailer or semitrailer having a gross vehicle weight of 10,000 pounds or less (as so determined).

"(b) PARTS AND ACCESSORIES.—

"(1) Except as provided in paragraph (2), there is hereby imposed upon the first retail sale of parts or accessories (other than tires and inner tubes) for any of the articles enumerated in subsection (a)(1) a tax equivalent to 8 percent of the wholesale price of the article (determined under subsection (c)), except that on and after October 1, 1984, the rate shall be 5 percent.

"(2) No tax shall be imposed under this subsection upon any part or accessory which is suitable for use (and ordinarily is used) on or in connection with, or as a component part of, any chassis or body for a passenger automobile, any chassis or body for a trailer or semitrailer suitable for use in connection with a passenger automobile, or a house trailer.

"(c) WHOLESALE PRICE.—For purposes of the tax imposed under this section—

"(1) the wholesale price of an article taxable under subsection (a) shall be deemed to be 90 percent of the actual retail selling price of such article; and

"(2) the wholesale price of an article taxable under subsection (b) shall be deemed to be 75 percent of the actual retail selling price of such article.

"SEC. 4002. ARTICLES CLASSIFIED AS PARTS.

"For the purposes of section 4001, spark plugs, storage batteries, leaf springs, coils, timers, and tire chains, which are suitable for use on or in connection with, or as component parts of, any of the articles enumerated in section 4001(a), shall be considered parts or accessories for such articles, whether or not primarily adapted for such use.

"SEC. 4003. EXEMPTIONS.

"(a) SPECIFIED ARTICLES.—The tax imposed under section 4001 shall not apply in the case of any article specified in section 4063(a).

"(b) EXEMPT PARTS.—Under regulations prescribed by the Secretary—

"(1) the tax imposed under section 4001 (b) shall not apply in the case of rebuilt parts or accessories; and

"(2) the tax imposed by section 4001(b) shall not apply to the sale of any article on or in connection with the sale of a light-duty truck as described in section 4001(a)(2) or which is sold for use by the purchaser on or in connection with an automobile bus.

"(c) ARTICLES TAXED UNDER MANUFACTURERS EXCISE TAX.—The tax imposed under section 4001 shall not apply in the case of any article on which a tax was paid under section 4061, as determined under regulations prescribed by the Secretary. Such regulations shall specify methods for identifying the articles which are exempt under this subsection and may include methods for apportioning inventory between articles which are exempt and articles which are not exempt.

"SEC. 4004. DETERMINATION OF PRICE.

"(a) CONTAINERS, PACKAGING, AND TRANSPORTATION CHARGES.—In determining, for the purposes of section 4001(c), the actual retail selling price for which an article is sold, there shall be included any charge for coverings and containers of whatever nature, and any charge incident to placing the article in condition packed ready for shipment, but there shall be excluded the amount of tax imposed by this subchapter, whether or not stated as a separate charge. A transportation, delivery, insurance, installation, or other charge (not required by the foregoing sentence to be included) shall be excluded from the price only if the amount thereof is established to the satisfaction of the Sec-

retary in accordance with the regulations. There shall also be excluded, if stated as a separate charge, the amount of any retail sales tax imposed by any State or political subdivision thereof, or the District of Columbia, whether the liability for such tax is imposed on the vendor or the vendee.

"(b) CONSTRUCTIVE SALE PRICE.—If an article is—

"(1) sold on consignment, or

"(2) sold (otherwise than through an arm's length transaction) at less than the fair market price,

the actual retail selling price for purposes of section 4001(c) shall be computed on the basis of the retail price for which such articles are sold, in the ordinary course of trade as determined by the Secretary.

"(c) LEASES, PARTIAL PAYMENTS, INSTALLMENTS, ETC.—The provisions of subsections (c), (d), and (f) of section 4216 and subsections (a), (b), (c), (d)(1), and (d)(2) of section 4217 shall apply for purposes of this subchapter in the same manner as such provisions apply for purposes of chapter 32.

"SEC. 4005. USE CONSIDERED SALE.

"If any manufacturer, producer, or importer uses an article (otherwise than as material in the manufacture or production of, or as a component part of, another article taxable under this subchapter), then he shall be liable for tax under this subchapter in the same manner as if such article were sold at retail by him. In any such case, the actual retail selling price for purposes of section 4001(c) shall be computed on the basis of the price at which such or similar articles are sold at retail in the ordinary course of trade, as determined by the Secretary

"SEC. 4006. CERTAIN TAX FREE SALES.

"(a) GENERAL RULE.—Under regulations prescribed by the Secretary, no tax shall be imposed under section 4001 on the sales of an article—

"(1) for export,

"(2) to a State or local government for the exclusive use of a State or local government, or

"(3) to a nonprofit educational organization for its exclusive use,

but only if such exportation or use is to occur before any other use.

"(b) PROOF OF EXPORT.—Where an article has been sold free of tax under subsection (a) for export, or for resale by the purchaser to a second purchaser for export, subsection (a) shall cease to apply in respect of such sale of such article unless, within the 6-month period which begins on the date of the sale (or, if earlier, on the date of shipment), the seller receives proof that the article has been exported.

"(c) DEFINITIONS.—For purposes of this section—

"(1) The term 'export' includes shipment to a possession of the United States.

"(2) The term 'State or local government' means any State, any political subdivision thereof, or the District of Columbia.

"(3) The term 'nonprofit educational organization' means an educational organization described in section 170(b)(1)(A)(ii) which is exempt from income tax under section 501(a). The term also includes a school operated as an activity of an organization described in section 501(c)(3) which is exempt from income tax under section 501(a), if such school normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on.

"(d) RETAIL SELLER RELIEVED FROM LIABILITY IN CERTAIN CASES.—In the case of any article sold free of tax under this section (other than a sale to which subsection (b) applies), if the retail seller in good faith accepts a certification by the purchaser that the article will be used in accordance with the applicable provisions of law, no tax shall thereafter be imposed under this subchapter in respect of such sale by such retail seller.

"SEC. 4007. REGISTRATION.

"(a) GENERAL RULE.—Except as provided in subsection (b), section 4006 shall not apply with respect to the sale of any article unless the retail seller, the first purchaser, and the second purchaser (if any) are all registered under this section. Registration under this section shall be made at such time, in such manner and form, and subject to such terms and conditions, as the Secretary may by regulations prescribe. A registration under this section may be used only in accordance with regulations prescribed under this section.

"(b) EXCEPTIONS.—

"(1) Subsection (a) shall not apply to any State or local government in connection with the purchase by it of any article if such State or local government complies with such regulations relating to the use of exemption certificates in lieu of registration as the Secretary shall prescribe to carry out the purpose of this section.

"(2) Subject to such regulations as the Secretary may prescribe for the purpose of this section, in the case of any sale or resale for export, the Secretary may relieve the purchaser or the second purchaser, or both, from the requirement of registering under this section.

"(3) Subparagraph (a) shall apply to purchases and sales by the United States only to the extent provided by regulations prescribed by the Secretary.

"(4) The provisions of this section may be extended to and made applicable with respect to, the exemptions provided in section 4003(a) and section 4003(b)(2) to the extent provided by regulations prescribed by the Secretary.

"Subchapter B—Special Rules."

(c) Section 4221(e) of such Code is amended by adding the following new paragraph at the end thereof:

"(7) TIRES AND TUBES SOLD FOR USE ON VEHICLES TAXABLE UNDER SECTION 4001.—Under regulations prescribed by the Secretary, the taxes imposed under section 4071 shall not apply to any article which is sold for use by the purchaser, or by any subsequent purchaser, on any article described in section 4001(a)(1)."

(d)(1) Paragraph (1) of section 6412(a) of such Code (relating to floor stocks refunds) is amended—

(A) by striking out "4061(a)(1),"; and

(B) by striking out "TRUCKS, TIRES" in the paragraph heading and inserting in lieu thereof "TIRES".

(2) Section 6412(c) of such Code is amended by striking out "4061, 4071," and inserting in lieu thereof "4071".

(e)(1) Section 6416 of such Code is amended by striking out "chapter 31 (special fuels)" in paragraph (1) of subsection (a) and substituting "chapter 31 (retailer's excise taxes".

(2) Section 6416(b)(1) of such Code is amended by inserting "or by section 4001" after "by chapter 32".

(3) Section 6416(b)(2) of such Code is amended by adding the following at the end thereof: "The tax paid by a retail seller under section 4001 in respect of any article shall be deemed an overpayment if the tax did not apply to such article by reason of section 4003 or if such article was sold free of tax by reason of section 4006.

(4) Section 6416(h) is amended by inserting "(or the retail seller in the case of the tax imposed under section 4001)" before "may be identified" and by inserting "(or under section 4001)" after "under chapter 32".

(f)(1) Section 209(c)(1) of the Highway Revenue Act of 1956 is amended by—

(A) inserting "and under section 4001(a)(1) (retailer's excise tax on trucks, buses, etc.)" before the semicolon at the end of subparagraph (C); and

(B) inserting "and 4001(b)" after "4061(b)" in subparagraph (H).

(2) Section 209(c)(3) of such Act is amended by—

(A) striking out "4061(b)" and substituting "4001(b)" in subparagraph (A); and

(B) striking out "4061" and substituting "9001" in subparagraph (B).

(3) Paragraph (4) of section 409(f) of such Act is amended by striking out subparagraph (A) and by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

SEC. 3. The amendments made by section 2 of this Act shall take effect on the first day of the first taxable quarter which commences more than 30 days after date of the enactment of this Act.●

By Mr. COCHRAN:

S. 1321. A bill to provide access to small businesses and other persons, of information concerning rules applicable to such businesses or persons; to the Committee on the Judiciary.

SMALL BUSINESS REGULATORY INFORMATION ACT OF 1981

Mr. COCHRAN. Mr. President, there is growing sentiment throughout the country that Federal regulation of small businesses is counterproductive. Without question, a serious problem exists regarding the ability of businesses to plan for the future because of the regulatory maze that has been created.

We must make the Federal Government more responsive to small businesses which cannot afford a staff of regulatory experts to decipher applicable rules and regulations. Many times, it is next to impossible even to determine which rules are applicable.

In an effort to rectify this problem, I am introducing the Small Business Regulatory Information Act of 1981. This act will require each Federal agency to publish in the Federal Register, along with each rule proposed or promulgated, the standard industrial classification (SIC) for all affected industries. Within 5 years of enactment, all previously published regulations must be amended to include appropriate SIC numbers.

The SIC system is a classification system administered by the Information and Regulatory Affairs Office at OMB which assigns a code, or SIC number, to every business unit or establishment on the basis of its primary activities.

A Small Business Information Center will be established in the Office of the Federal Register which will, upon request, provide businesses with a listing of the rules that apply to them based on their SIC number.

Thus a business will be able to look at a proposed rule and at previously published rules and tell at a glance if the rule is applicable, or the Small Business Information Center can be contacted for this information.

This bill is designed simply to insure that small businesses are able to conduct their business planning in a rational manner and in reliance on the proper information.

Mr. President, I ask unanimous con-

sent that the bill be printed in the RECORD in its entirety.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1321

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Business Regulatory Information Act of 1981".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. The Congress hereby finds that there is a serious problem regarding the ability of business to plan for the future because of the regulatory maze it finds itself in; and, with over seven thousand new rules promulgated each year, notification of the application of these rules to a particular industry or industries is a necessary responsibility of the Federal Government. The Congress hereby determines that small businesses and other persons should have access to a central information source in order to conduct their future business planning in a coordinated and rational fashion, and in reliance on the proper information. It is the policy of the Congress to ensure that business is able to function in a stable and predictable environment relative to Government Actions.

SEC. 3. For the purposes of this Act—

(a) the term "agency" has the same meaning as in section 552(e) of title 5, United States Code;

(b) the term "rule" has the same meaning in section 551(4) of such title, except that such term does not include a rule issued with respect to (A) a military or foreign affairs function of the United States, (B) agency management or personnel, or (C) agency organization, procedure, or practice; and

(c) the term "SIC" means the standard industrial classification for industries as administered by the Office of Information and Regulatory Affairs.

SEC. 4. Each agency shall publish in the Federal Register with each rule proposed or promulgated after the date of enactment of this Act, the SIC code for such industry to which the rule applies.

SEC. 5. The Director of the Federal Register ("Director") shall establish in the Office of the Federal Register, a Small Business Information Center ("Center"). Upon request, the Center shall provide to small businesses and other persons a listing of the rules which apply to any industry or industries within a specified standard industrial classification:

(a) within five years after the date of enactment of this Act, the head of each agency shall ensure that each proposed and final rule of the agency contains the current SIC code for each industry or industries to which the rule applies;

(b) each year after the date of enactment, the head of each agency shall amend at least 20 per centum of the rules of the agency to include the SIC code and shall complete the amendments within five years; and

(c) the head of each agency shall transmit such rules to the Director. The Director shall compile the rules received and incorporate them into the general index to the Code of Federal Regulations required by section 1510(b) of title 44, United States Code.

By Mr. TSONGAS (for himself and Mr. KENNEDY):

S. 1323. A bill to amend the Internal Revenue Code of 1954 with respect to the residential energy and investment tax energy credits, and for other purposes; to the Committee on Finance.

COMMERCIAL AND MULTIFAMILY ENERGY TAX CREDIT ACT

Mr. TSONGAS. Mr. President, today I am introducing legislation to broaden and improve the energy tax credits provided by the Internal Revenue Code. Energy tax credits provide a simple and effective mechanism to encourage investment in conservation. They depend upon consumers' decisions in the marketplace rather than a Federal bureaucracy. They are an accepted part of the administration's energy policy.

Unfortunately, there are problems with the existing energy tax credits. The credits exclude important segments of our economy. Some expire next year and others have a reduced effect due to inflation. These weaknesses help keep America from getting the optimal amount of energy conservation—which our economy and security require. The Commercial and Multifamily Energy Tax Credit Act of 1981 addresses these problems.

The current statute on energy tax credits for businesses is too limited. It covers complex investments which have specific industrial applications, such as cogeneration equipment, combustible gas recovery systems, and modifications to alumina electrolytic cells. In addition, the IRS has, through regulations, restricted credits on the few listed properties that commercial facilities can use—such as automatic energy control systems—to industrial applications. The legislation I am introducting today will end these regulatory limits. It will also make commercial facilities eligible to receive tax credits for insulation, storm windows, and other useful energy conservation investments. Further, it would increase the credit to 20 percent.

The existing residential energy tax credits exclude owners of rental housing. At present, neither the renter nor the rental property owner has an effective incentive to invest in energy efficiency. The average renter does not stay long enough to consider the investment warranted. The landlord often finds he can pass along most or all of the energy costs to renters. Because of their ownership interest, landlords are the most likely party to invest in energy conservation. Therefore, this bill extends the residential energy tax credits to them.

Both of these changes are vital to the energy security of our Nation and the welfare of our citizens. In 1977 the commercial sector used 10 quads of energy; rental housing used another five quads. Combined, this is 20 percent of our Nation's total energy demand—roughly 7.5 million barrels of oil equivalent per day. With cost-effective investments in energy conservation improvements, half of this energy could be saved. This represents two-thirds of all the oil we now import. Yet, because of regulatory restrictions and exclusions in the existing tax credits, this potential is virtually untapped today

In the New England States, the need for energy conservation improvements in commercial establishments and rental housing is particularly acute.

As a percentage of total energy used, the commercial sector in Massachusetts is 2½ times larger than that of the Nation as a whole. The percentage used in Massachusetts residences is almost two times larger than the national average. Further, in Massachusetts 40 percent of the residences are rental units.

For the New England States overall, 25 percent of the housing stock is multifamily. Of these, 60 percent were built before 1940 with little regard for energy efficiency.

In 1978, imported oil accounted for 74 percent of New England's energy compared to 20 percent nationwide. This represented a $16 billion cash outflow to foreign producers from New England

The rising costs of energy demands that we remove the IRS regulatory barriers to energy conservation in these sectors of our economy. We cannot afford not to.

As time passes, inflation and expiration dates threaten the energy tax credits. The Commercial and Multifamily Energy Tax Credit Act moves the termination date of the business energy tax credit from December 31, 1982, to December 31, 1985. It also adjusts the expenditure limits on the residential credits to compensate for inflation since the credits began in 1978. These changes will help maintain the effectiveness of the energy tax credits.

This bill is consistent with other bills filed in this area, such as Senator WALLOP's Industrial Energy Security Tax Credit Act (S. 750), Senator KENNEDY's Energy Productivity Act of 1981, (S. 787), and Senator DURENBURGER's Commercial Business Energy Tax Credit Act (S. 1288). I hope that the Finance Committee will hold hearings on these bills and on the issue of energy conservation tax credits for the industrial, commercial, and multifamily sectors.

Mr. President, I believe the committee will find that there is a clear need for such legislation. Modest economic incentives through the tax code can help insure that the investment that this Nation so desperately needs is done in an efficient and resource-conserving manner.

Mr. President, I ask unanimous consent that the full text of the Commercial and Multifamily Energy Tax Credit Act and a summary of its provisions be printed in the RECORD.

There being no objection, the bill and the summary were ordered to be printed in the RECORD, as follows:

S. 1323

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Commercial and Multifamily Energy Tax Credit Act".

SEC. 2. DEFINITION OF SPECIALLY DEFINED ENERGY PROPERTY.

(a) HOTELS, OFFICE BUILDINGS, RETAIL AND WHOLESALE TRADE FACILITIES, AND OTHER FACILITIES INCLUDED.—Paragraph (5) of section 48(1) of the Internal Revenue Code of 1954 (defining specially defined energy property) is amended by adding at the end thereof the following new sentence: "In the case of any property installed in connection with any commercial facility (including a hotel, office building, educational facility, health care facility, or retail or wholesale trade facility), any reduction of the amount of energy consumed in connection with such facility shall be treated as a reduction of energy consumed in a commercial process.".

(b) ADDITIONAL ITEMS.—Paragraph (5) of section 48(1) of such Code is amended by striking out "or" at the end of subparagraph (L), by redesignating subparagraph (M) as subparagraph (V), and by inserting

after subparagraph (I) the following new subparagraphs:

"(M) insulating material or coating installed in connection with a building, pipe, duct, container, or window,

"(N) a storm or thermal window or door for the exterior of a building, a second entry door, or a revolving door,

"(O) caulking or weatherstripping of an exterior door or window,

"(P) a furnace replacement burner designed to achieve a reduction in the amount of fuel consumed as a result of increased combustion efficiency,

"(Q) a device for modifying flue openings designed to increase the efficiency of operation of the heating system,

"(R) an electrical or mechanical furnace ignition system which replaces a gas pilot light,

"(S) an electrostatic precipitator, a charcoal filter, or any other air cleaner,

"(T) an automatic energy saving setback thermostat,

"(U) replacement or modification of heating distribution, cooling, ventilating, or lighting systems which increase their energy efficiency, or"

(c) The table contained in clause (1) of section 46(a)(2)(C) of such Code is amended by inserting after the last item the following new item:

"VII. SPECIALLY DEFINED ENERGY PROPERTY.—Property described in section 48(1)(5)—20 percent—June 30, 1981—December 31, 1985."

(d) EFFECTIVE DATES.—

(1) The amendment made by subsections (b) and (c) shall take effect as if included in the amendments made by section 301(b) of the Energy Tax Act of 1978.

(2) The amendments made by subsection (b) shall apply to periods after June 30, 1981, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1954.

SEC. 3. EXTENSION OF RESIDENTIAL ENERGY CREDIT TO LESSORS.

(a) IN GENERAL.—Section 44C(d) of the Internal Revenue Code of 1954 (relating to special rules) is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraphs:

"(5) EXPENDITURES BY LESSORS.—

"(A) LESSORS.—Notwithstanding any provision of this section requiring the taxpayer to use a dwelling unit as a residence, if any taxpayer who is the lessor of a dwelling unit makes expenditures which, but for such provision, constitute energy conservation or renewable energy source expenditures, then, for purposes of this section, the lessor shall be treated as having made energy conservation or renewable energy source expenditures in connection with such dwelling unit.

"(B) AMOUNT OF CREDIT.—The amount of the credit allowed under subsection (a) in the case of a lessor shall be the amount otherwise determined under this section, except that in any case in which the depreciation allowance under section 167 (or amortization in lieu of depreciation) is allowed as a deduction with respect to the dwelling unit, subsection (b) shall be applied—

"(i) by substituting '10 percent' for '15 percent' in paragraph (1), and

"(ii) by substituting '30 percent' for '40 percent' in paragraph (2).

"(C) WHEN EXPENDITURE MADE.—An expenditure with respect to an item shall be treated as made when the original installation of such item is completed.

"(D) COORDINATION WITH OTHER PROVISIONS.—No credit or deduction shall be allowed under any other provision of this chapter with respect to any amount for which a credit has been allowed under subsection (a).".

(b) CONFORMING AMENDMENT.—Subsection (a) of section 44C of such Code (relating to general rule) is amended by striking out "In the case of an individual, there" and inserting in lieu thereof "There".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures made after June 20, 1981 in taxable years ending after such date.

SEC. 4. AMOUNT OF RESIDENTIAL ENERGY CREDIT.

(a) IN GENERAL.—Subsection (b) of section 44C of the Internal Revenue Code of 1954 (defining qualifying expenditures) is amended—

(1) by striking out "$2,000" in paragraph (1) and inserting in lieu thereof "$3,000," and

(2) by striking out "$10,000" in paragraph (2) and inserting in lieu thereof "$15,000".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after June 30, 1981.

SEC. 5. PERIOD TO WHICH ENERGY INVESTMENT CREDIT APPLIES.

Subclause (I) of section 46(a)(2)(C)(i) of the Internal Revenue Code of 1954 (relating to energy percentage) is amended by striking out "1982" and inserting in lieu thereof "1985".

BRIEF SUMMARY OF PROVISIONS

Section 2. Energy tax credits for commercial facilities.—Makes commercial properties eligible for energy conservation investments that the tax code lists in "Specially Defined Energy Property," such as automatic energy control systems. It also adds additional properties to the list of Specially Defined Energy Property. These properties include: materials to insulate buildings, pipes and containers, storm windows, weatherstripping, and changes in heating, cooling, ventilating, and lighting systems to improve energy efficiency. Finally, it increases the credit to 20 percent.

Section 3. Extension of residential credits to owners of rental housing.—Extends both the energy conservation and renewable energy tax credits to owners of rental residences. This section is similar to a provision which was approved by the Senate as part of the Windfall Profit Tax Bill. The Conference Committee deleted that provision of the Senate bill.

Section 4. Adjustment of residential energy tax credit limits for inflation.—Adjusts the limits on expenditures covered by the residential energy credit upward by 50 percent to compensate for inflation. Since the changes this section would make will remain in effect until the credit's termination date on December 31, 1985, a 50 percent increase will help maintain the effect intended in the enactment of the credit on 1978. (The CPI from January 1, 1978 to this bill's enactment date will total approximately 47 percent.)

Section 5. Extension of the time period for business tax credits.—Extends all the energy tax credits for business to December 31, 1985, the same expiration date that applies to residential credits. Under present law, most of the business energy tax credits expire on December 31, 1982.

COMMERCIAL AND MULTIFAMILY ENERGY TAX CREDIT ACT

SECTION 2—INCLUSION OF THE COMMERCIAL SECTOR AND OF TECHNOLOGICALLY SIMPLE PROPERTIES WITHIN THE BUSINESS ENERGY TAX CREDIT

Section 2 of the bill clarifies the definition of the "Specially Defined Energy Property" so that it specifically includes conservation investments in commercial facilities. The bill applies this change retroactively to the 1978 origin of the credit. Section 2 also adds several types of property within the category of "Specially Defined Energy Property" so that businesses can receive tax credits for investments in less technologically complex devices than those already listed (e.g. materials to insulate buildings, pipes, and containers; storm windows). The addition of these properties applies prospectively starting July 1, 1981. Finally, section 2 increases the credit to 20 percent.

The changes would retroactively provide commercial facilities with credits for expenditures on property presently listed within the category of "Specially Defined Energy Property." One such property, automatic energy control systems, many commercial facilities can use. The bill would also prospectively provide both commercial and industrial facilities with credits for the smaller, less complex items that the bill adds to the "Specially Defined Energy Property" category.

The retroactive aspect of the change of the Specially Defined Energy Property statute would normally create tax administration problems. However, since IRS just issued final regulations for this credit on January 23, 1981, few taxpayers would have intentionally not taken the credit in reliance on the regulations. Instead, most have probably taken the credit and face a deficiency. In addition, since the amendment clarifies rather than changes the intent of the statute the amendment should apply to the life of the statute.

SECTION 3—EXTENSION OF RESIDENTIAL CREDITS TO LANDLORDS

Section 3 of this bill allows landlords to use both the 15 percent energy conservation and 40 percent renewable energy residential credits for expenditures on rental residences. For residences upon which landlords deduct depreciation, the level of the tax credit is lower. This section copies a provision of the 96th Congress' S. 3919, the Senate version of The Windfall Profits Tax Bill. The Conference Committee deleted that provision.

SECTION 4—ADJUSTMENT OF RESIDENTIAL CREDIT LIMITS FOR INFLATION

Section 4 adjusts the limits on expenditures covered by the residential energy credit upward by 50 percent to compensate for inflation. The section raises the expenditures amount covered by the Energy Conservation Credit from $2,000 to $3,000 and raises the expenditure amount covered by the Renewable Energy Source Credit from $10,000 to $15,000.

The expenditure limits presently in the code came from the Energy Tax Act of 1978 and apply to expenditures made after April 20, 1977. Using the Consumer Price Index, inflation from January, 1978, to June 30, 1981, was 47.1 percent.[1] Using the more conservative GNP Deflator, inflation from January, 1978, to June 30, 1981, was 33 percent.[2] Since the changes the bill would make will presumably remain effective until the credit's termination date on December 31, 1985, a 50 percent increase seems appropriate to maintain the effect intended in enactment of the credit in 1978.

SECTION 5—EXTENSION OF TIME PERIOD FOR BUSINESS TAX CREDITS

Section 5 extends all the energy credits for businesses to December 31, 1985. Under present law, most of the business energy tax credits expire on December 31, 1982.

Mr. KENNEDY. Mr. President, there is a national consensus that energy conservation is an essential element of a balanced national energy policy. Yet that consensus is not reflected in Federal financial incentives. Federal financial incentives for energy production were seven times greater than energy conservation incentives at the end of 1980.

In recent years, a consensus has developed that energy conservation—or energy

[1] Figure assumes 6 percent CPI for the first two quarters of 1981.

[2] Figure assumes 5 percent GNP Deflator for the first two quarters of 1981.

efficiency—is an essential element of a balanced national energy program. The consensus involves every element of the energy policy community including academia, business, organized labor, and environmental and consumer groups. This consensus of support for energy conservation exists because conservation:

Is already succeeding in a major way—it has saved the equivalent of 6 million barrels per day of oil;

Is the most cost-effective, least inflationary alternative to insecure oil imports;

Has significant potential, especially over the next decade—it can save the equivalent of 16 million barrels per day by 1990;

Involves the least uncertainty about its energy benefits;

Is regionally and socially equitable; and

Has little or no political opposition.

In spite of the existence of this broad consensus in favor of energy conservation, conservation receives only one-seventh of the financial incentives that are available to energy production.

The Congress faces a critical decision—whether the Government should interfere in energy investments. If all energy subsidies were abolished, price would be a neutral determinant in decisionmaking between energy options. However, if the Government continues to interfere in the market to increase energy security, it should redress the present serious imbalance in Federal financial incentives.

If large production incentives are continued, as it now appears will be the case, it will be necessary to establish a comprehensive energy conservation program to achieve a balanced energy policy.

I am thus happy to join with Senator TSONGAS in introducing this legislation which will expand the present energy conservation tax credits to commercial buildings and rental housing.

Improving the efficiency of our commercial sector is critical to our energy security as a Nation—and to Massachusetts where the many industries are not eligible for the existing tax credits.

By Mr. PERCY:

S.J. Res. 86. Joint resolution authorizing the President to proclaim the month of November, 1981 as "National REACT Month"; to the Committee on the Judiciary.

NATIONAL REACT MONTH

Mr. PERCY. Mr. President, I am today introducing a joint resolution requesting that the President designate the month of November 1981 as National REACT Month. REACT is an acronym which stands for "Radio Emergency Associated Citizens Teams."

The purpose of the resolution is to honor and recognize the efforts of citizens across the country who have volunteered as members of a REACT team. REACT is a volunteer organization which involves more than 200,000 Americans who, using their own CB radios, work in their local communities to insure highway safety and emergency communications. Countless lives are saved through their efforts.

Their work speeds the arrival of medical or other emergency help to the scene of an accident or a natural disaster. REACT also has a formal cooperative understanding with the American Red Cross, and many REACT members have been trained by the Red Cross in emergency first aid techniques.

REACT International, Inc., the nonprofit coordinating body for the local groups, is headquartered in Chicago, and I am especially proud of the countless Illinoisans who participate in the REACT program. By providing 24-hour monitoring of the airwaves, they have been invaluable in giving warning of tornadoes and blizzards in Illinois and in assisting law enforcement officials to get help quickly to the scene of accidents on Illinois highways. A National REACT Month will be a good opportunity for all of us to thank REACT members for their selfless contribution to our communities.

Mr. President, I ask unanimous consent that a fact sheet published by REACT International, Inc., and the text of the joint resolution be printed in the RECORD at this point.

There being no objection, the joint resolution and the fact sheet were ordered to be printed in the RECORD, as follows:

S.J. RES. 86

Whereas, through REACT (radio emergency associated citizens teams), two hundred thousand citizens participate as volunteers to provide highway safety and emergency communications using their own citizens band radios in their local communities; and

Whereas, the cumulative effort, totaling over fifty million volunteer man-hours this year, has resulted in the savings of many lives because of the greater speed with which medical aid reaches the scene of an accident or natural disaster: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to designate the month of November 1981 as "National REACT Month", during which all citizens shall take notice and be aware of the significant contribution every local REACT team makes to the welfare of its local community and the Nation as a whole.

FACT SHEET

1. REACT is an independent non-profit public service organization fully IRS approved to receive tax deductible contributions.

2. Since its establishment in 1962, the organization has grown to 1,500 Teams and 32,000 dues paid members. Teams are active in all 50 U.S. States, 9 Canadian Provinces, Puerto Rico, Virgin Islands, Guam, Australia, Philippines, South Africa, West Germany, Trinidad-Tobago and Venezuela.

3. REACT Teams agree to develop a 24-hour monitor system on Chanel 9, the official emergency channel of the Citizens Band Radio Service. All operations must comply with local, state and Federal regulations, particularly those governing radio operations.

4. Local REACT Teams provide volunteer service in behalf of highway safety, and maintain emergency communications in case of disaster. Community service activities of all kinds are served by REACT communications including Special Olympics, March of Dimes, and other significant local activities.

5. REACT members, Teams and Councils are protected under a $500,000 General Liability Insurance Policy, covering REACT activities.

6. REACT International has created a training program for emergency channel monitors under a contract awarded by the U.S. Department of Transportation, National Highway Safety Administration. Prepared for NEAR (National Emergency Aid Radio), the program includes a 34-minute film, plus texts for instructors and students.

7. Since 1962 REACT Teams have handled an estimated 85 million emergency calls including more than 20 million highway accidents.

8. A formal cooperative understanding exists between the American National Red Cross and REACT. A large percentage of REACT Teams have taken Red Cross First Aid training and provide emergency communications coordinated through their Red Cross Chapters.

9. Research on a two-year REACT program in cooperation with the Ohio State Highway Patrol has been published by the Transportation Research Board of the National Academy of Sciences. Projecting results in Ohio, REACT members provide over 21-million volunteer man-hours per year in public service activities.

10. Through REACT Safety Break Time (co-sponsored by American Trucking Associations) REACT Teams serve over 1,000,000 cups of coffee and other refreshments annually to holiday weekend travelers along the nation's highways.

ADDITIONAL COSPONSORS

S. 63

At the request of Mr. RANDOLPH, the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 63, a bill to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization.

S. 254

At the request of Mr. SCHMITT, the Senator from Colorado (Mr. ARMSTRONG) was added as a cosponsor of S. 254, a bill to authorize public land States to select certain public lands in exchange for land taken by the United States for military and other uses, and for other purposes.

S. 270

At the request of Mr. SCHMITT, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 270, a bill to amend the Communications Act of 1934 in order to encourage and develop marketplace competition in the provision of certain radio services and to provide certain deregulation of such radio services, and for other purposes.

S. 354

At the request of Mr. PERCY, the Senator from Iowa (Mr. JEPSEN) was added as a cosponsor of S. 354, a bill to amend the Export Administration Act of 1979.

S. 441

At the request of Mr. NUNN, the Senator from North Carolina (Mr. EAST) was added as a cosponsor of S. 441, a bill to provide limited assistance by the Armed Services to civilian drug enforcement agencies.

S. 546

At the request of Mr. RANDOLPH, the Senator from New Hampshire (Mr. RUDMAN) was added as a cosponsor of S. 546, a bill entitled the Fish Restoration Act of 1981.

S. 716

At the request of Mr. NUNN, the Senator from Texas (Mr. BENTSEN), and the Senator from New Mexico (Mr. SCHMITT) were added as cosponsors of S. 716, a bill to amend the Federal Property and Administrative Services Act of 1949 to permit State and county extension services, and any State agricultural experiment station, to obtain excess property from the United States.

S. 732

At the request of Mr. NUNN, the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Louisiana (Mr. JOHNSTON) were added as cosponsors of S. 732, a bill to insure the confidentiality of information filed by individual taxpayers with the Internal Revenue Service pursuant to the Internal Revenue Code and, at the same time, to insure the effective enforcement of Federal and State criminal laws and the effective administration of justice.

S. 814

At the request of Mr. NUNN, the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Louisiana (Mr. JOHNSTON) were added as cosponsors of S. 814, a bill to improve the administration of criminal justice with respect to organized crime and the use of violence.

S. 886

At the request of Mr. ANDREWS, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 886, a bill to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Louis L'Amour.

S. 890

At the request of Mr. SCHMITT, the Senator from New Mexico (Mr. DOMENICI), and the Senator from Minnesota (Mr. BOSCHWITZ) were added as cosponsors of S. 890, a bill to amend title 5, United States Code, to improve procedures for the issuance of agency rules.

S. 921

At the request of Mr. SARBANES, his name was added as a cosponsor of S. 921, a bill to amend title 38, United States Code, to extend authority to provide contract hospital care and medical services in Puerto Rico and the Virgin Islands, and for other purposes.

S. 1010

At the request of Mr. NUNN, the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 1010, a bill to protect taxpayers' privacy regarding third-party recordkeepers summoned to produce records of taxpayers and at the same time to insure effective, efficient enforcement of Internal Revenue Service third-party summons.

S. 1131

At the request of Mr. DANFORTH, the Senator from Idaho (Mr. SYMMS), and the Senator from Kentucky (Mr. HUDDLESTON) were added as cosponsors of S. 1131, a bill to require the Federal Government to pay interest on overdue payments and to take early payment discounts only when payment is timely made, and for other purposes.

S. 1163

At the request of Mr. NUNN, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 1163, a bill to increase the penalties for violations of the Taft-Hartley Act, to prohibit persons, upon their convictions of certain crimes, from holding offices in or certain positions related to labor organizations and employee benefit plans, and to clarify certain responsibilities of the Department of Labor.

S. 1188

At the request of Mr. HEINZ, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 1188, a bill to authorize critical inland navigation improvement projects on the Monongahela and Upper Ohio River Waterways.

S. 1189

At the request of Mr. HEINZ, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 1189, a bill to amend the Social Security Act to provide for a program of block grants for energy and emergency assistance, to establish a trust fund to which receipts from the windfall profit tax may be transferred to pay for such program, and for other purposes.

SENATE JOINT RESOLUTION 29

At the request of Mr. HEINZ, the Senator from Nebraska (Mr. EXON) and the Senator from West Virginia (Mr. ROBERT C. BYRD) were added as cosponsors of Senate Joint Resolution 29, a joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning with the first Sunday in June of each year as National Garden Week.

SENATE JOINT RESOLUTION 64

At the request of Mr. SIMPSON, the Senator from Maryland (Mr. MATHIAS), the Senator from Maryland (Mr. SARBANES), and the Senator from Kansas (Mr. DOLE) were added as cosponsors of Senate Joint Resolution 64, a joint resolution designating August 13, 1981, as National Blinded Veterans Recognition Day.

SENATE JOINT RESOLUTION 73

At the request of Mr. GLENN, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of Senate Joint Resolution 73, a joint resolution to designate the week beginning June 1, 1981, and ending June 7, 1981, as Management Week in America.

SENATE CONCURRENT RESOLUTION 14

At the request of Mr. HEINZ, the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of Senate Concurrent Resolution 14, a concurrent resolution expressing support for a further extension of our footwear orderly marketing agreement with Taiwan and Korea.

SENATE RESOLUTION 139

At the request of Mr. ANDREWS, the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of Senate Resolution 139, a resolution to assure the access of farmer-owned refining businesses to crude oil at reasonable prices.

NOTICES OF HEARINGS

SUBCOMMITTEE ON WATER RESOURCES

Mr. ABDNOR. Mr. President, on June 8 the Subcommittee on Water Resources will begin 4 days of hearings into various aspects of national water resources policy. I believe these hearings will be most important ones, laying the groundwork for a major water resources bill later this year.

Because of the significance of these hearings, I ask unanimous consent that a press release issued by the Committee on Environment and Public Works be printed at this point in the RECORD.

There being no objection, the press release was ordered to be printed in the RECORD as follows:

PRESS RELEASE

The Subcommittee on Water Resources will conduct hearings on national water resources policy, including cost-sharing for harbor and inland waterway development, on June 8, 12, 16, and 18, Senator James Abdnor (R–S.D.) announced today.

"These hearings will examine the key aspects of our national water resources policy," Abdnor explained. Abdnor is the Subcommittee's chairman. "We expect that these hearings will establish a foundation that will enable the Subcommittee to report, later this summer, the first significant water resources bill since 1976."

The Subcommittee's ranking minority member is Senator Moynihan. Other Subcommittee members are Senators Domenici, Gorton, Murkowski, Bentsen, and Baucus.

The hearings on June 8 and 18 will provide an overview of existing water resources policy and water problems, including the extent of Federal responsibility, the adequacy of existing programs to meet future water needs, and such issues as whether the Federal government should participate in major urban water supply projects. Interior Secretary Watt and Assistant Army Secretary-designate Gianelli will be invited to testify on June 8. In evaluating bills such as S. 621, the Subcommittee will expect the Administration and other witnesses to discuss the following questions:

(1) Why has spending, in uninflated dollars, on water projects declined sharply in recent years, and what can or should be done to reverse that decline?

(2) Why does project development take so long, and what impediments to development can be removed?

(3) How can past commitments for water development be fulfilled in a fair and rapid manner?

(4) Should the states be involved to a far greater degree in project consideration and development. If so, how?

(5) How should priorities be established among various types of water projects?

(6) Should there be changes in cost-sharing requirement?

The June 12 hearing will focus on the issue of harbor development. In addition to the Administration's proposal, S. 809, and Printed Amendment No. 31, the hearing will consider S. 68, S. 202, S. 576, S. 828, and S. 1094. The Subcommittee will ask the witnesses to address the following issues:

(1) Is it necessary now to deepen coastal harbors to take advantage of foreign markets for coal and other bulk exports? If so, how can that be accomplished in the shortest possible time?

(2) Who should pay for the costs for dredging and maintaining deep harbor channels? Will cost-sharing, by itself, establish the necessary priorities? How will that affect competition among ports?

(3) If a system of full cost recovery were

in place, should the Federal government continue to study the feasibility of harbor improvements, and oversee construction?

The June 16 hearing will evaluate the subject of inland waterway development and user fees, including the Administration's bill, S. 810, and Printed Amendment No. 32. The Subcommittee will ask the witnesses to discuss the following questions:

(1) Would a system of user-fees related to expenditures damage the barge industry? Would it alter the competition among the various transportation modes? How would it relate to the selection of priorities for future waterway projects?

(2) If a user-fee system were implemented, what would be the fairest way to phase-in such fees?

Each of the four hearings will be held in Room 4200 of the Dirksen Senate Office Building. The June 8 hearing will begin at 2 p.m. Each of the others will begin at 10 a.m.

In accordance with the Senate rules, witnesses will be asked to file twenty-five copies of their testimony with the Committee at least 24 hours prior to their appearance. Those wishing to testify or to submit written statements for the record should contact Ms. Debbie Perry at (202) 224-7866.

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

Mr. PACKWOOD. Mr. President, on June 3 and 4, 1981, the Subcommittee on Taxation and Debt Management generally is conducting hearings on the question of tuition tax credits. The bill scheduled for hearings is S. 550, introduced by Senators PACKWOOD, MOYNIHAN, ROTH, and several other Senators.

The purpose of this statement is to briefly explain the issues raised by this bill. This may help you track the progress of tax legislation before the Taxation Subcommittee. It helps assure greater public awareness of tax bills coming before hearings.

TUITION TAX CREDITS—S. 550

S. 550, introduced by myself, Senator MOYNIHAN, Senator ROTH, and several other Senators, provides tuition tax credits for tuition payments.

The credit equals 50 percent of tuition, with a maximum credit of $500 per student per year. The credit is refundable.

The tuition tax credit is applicable to tuition paid to private elementary, and secondary institutions, grades 1 through 12; and also to college and vocational schools. To be eligible for the credit, the tuition must be paid to an institution that is exempt under Internal Revenue Code section 501(c)(3), and it must not exclude persons from admission or participation based on race, color, or national or ethnic origin.

The bill is phased in three stages. In stage 1, effective August 1, 1982, the maximum tuition tax credit per student per year is $250. The credit would apply to full-time undergraduate college and vocational school students, as well as elementary and secondary students.

In stage 2, effective August 1, 1983, the maximum credit is increased to $500 per student per year. In stage 3, effective August 1, 1984, the tuition tax credit is extended to graduate college and vocational students, and to students enrolled with at least a one-half time academic load.

Different versions of tuition tax credit bills passed both the House of Representatives and the Senate in 1978. However, the two Houses did not agree on a final version of the bill, and the legislation died at the end of the session.

The hearings on June 3 and 4 are scheduled for both the morning and afternoon. All witnesses timely requesting to testify were scheduled, fully representative of a wide range of viewpoints on the subject of tuition tax credits.

Mr. President, I request unanimous consent that the witness lists for these hearings be inserted in the RECORD following these remarks.

There being no objection, the lists were ordered to be printed in the RECORD, as follows:

COMMITTEE ON FINANCE—SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

WEDNESDAY, JUNE 3, 1981

9:00 a.m.

The Honorable Alfonse M. D'Amato (R.-New York).

The Honorable Gary Hart (D.-Colorado).

The Honorable John E. Chapoton, Assistant Secretary of the Treasury for Tax Policy.

A panel consisting of:

Dr. James Skillen, Executive Director, Association for Public Justice, Washington, D.C.

Dr. Eugene Linse, Chairman, Citizens for Educational Freedom, Washington, D.C.

Robert L. Smith, Executive Director, Council for American Private Education, Washington, D.C.

A panel consisting of:

David E. Landau, Legislative Counsel, American Civil Liberties Union, Washington, D.C.

Richard Gene Puckett, Executive Director, Americans United for Separation of Church and State, Washington, D.C.

Nancy N. Neuman, Social Policy Director, League of Women Voters of the United States, Washington, D.C.

Marilyn Braveman, Director of Education, The American Jewish Committee, New York, New York.

Joanne T. Goldsmith, Executive Director, National Coalition for Education and Religious Liberty.

1:00 p.m.

A panel consisting of (3 minutes each):

Helen Brice, Washington, D.C.

Barbara Fields, Washington, D.C.

Lydia Jones, Landover, Md.

Carmen Madden, Washington, D.C.

Richard Sylvester, Washington, D.C.

Frances Bell, Washington, D.C.

A panel consisting of:

Professor E. G. West, Carleton University, Ottawa, Canada, representing the Heritage Foundation.

Professor Frank Brown, DePaul University, Chicago, Illinois, and Chairman, National Association for Personal Rights in Education.

Dr. Harold Buetow, Catholic University, Washington, D.C.

Joel Sherman, Esq., National Institute of Education, Washington, D.C.

A panel consisting of:

Professor Bernard L. Weinstein, the University of Texas at Dallas, Richardson, Texas.

Walter Berns, Resident Scholar, American Enterprise Institute for Public Policy Research, Washington, D.C.

William Ball, Esq., Ball & Shelly, Harrisburg, Pa.

Antonin Scalia, Stanford University Law School, Stanford, CA.

A panel consisting of:

Hope Smith, President, Towson State University, representing the American Association of State Colleges and Universities, Washington, D.C.

Steve Leifman, National Director, Coalition of Independent College and University Students, Washington, D.C.

Dr. Melvin A. Eggers, Chancellor, Syracuse University, representing the National Association of Independent Colleges and Universities.

Dr. Peter J. Cayan, Jr., President, North Country Community College, New York, representing the American Association of Community and Junior Colleges, Washington, D.C.

Paul E. Bragdon, President, Reed College, Oregon, representing the American Council on Education.

THURSDAY, JUNE 4, 1981

9:30 a.m.

The Honorable T.H. Bell, Secretary of Education.

A panel consisting of [3 minutes each]:

Bill Sadler, Annapolis, Md.

Mona Hanford, Bethesda, Md.

Jacob I. Friedman, New York, New York.

Juanita Ramirez, Irving, Texas.

Wallace G. Tolman, Jr., Manassas, Va.

Joseph E. Horton, Leesburg, Va.

Rabbi Morris Sherer, President, Agudeth Israel of America.

Most Reverend James P. Lyke, O.S.M., Auxiliary Bishop of Cleveland, representing the United States Catholic Conference.

Dr. Jerry Falwell, President, The Moral Majority, Inc.

A panel consisting of:

Dr. Thomas Vitullo-Martin, Director of Research, Metroconomy, Inc., New York, New York.

Professor James S. Coleman, University of Chicago, Chicago, Illinois.

A panel consisting of:

Willard McGuire, President, National Education Association, Washington, D.C.

Dorothy Shields, Director of Education, AFL–CIO, also representing American Federation of Teachers, Washington, D.C.

Dr. Harold J. T. Isenberg, President, Federation of Catholic Teachers, A.F.T., AFL–CIO, New York, New York.

A panel consisting of:

Jack Clayton, American Association of Christian Schools, Normal, Illinois.

Rabbi Bernard Goldenberg, National Director, National Society of Hebrew Day Schools, New York, New York.

William Billings, Executive Director, National Christian Action Coalition, Washington, D.C.

Dr. Michael T. Ruiter, Executive Director, Christian Schools International, Grand Rapids, Michigan.

2:00 p.m.

A panel consisting of:

Joan E. Reinthaler, The Sidwell Friends School, Washington, D.C.

Rabbi Chaim Dov Keller, Administrator, Telsheyeshiva and Chairman, Educational Committee, Beth Jacob Elementary School, Chicago, Illinois.

Wallie Simpson, Founder, Lower East Side Community School, Inc., New York, New York.

Abigail Wiebenson, Assistant Head, Georgetown Day School, Washington, D.C.

A panel consisting of:

Jeanne S. Frankl, Chairman, Coalition of Citizens Against Tuition Tax Credits and Executive Director, Public Education Association, New York, New York.

Grace Baisinger, Chairperson, National Coalition for Public Education, Washington, D.C.

Lynne Ein, National School Boards Association, Washington, D.C.

A panel consisting of:

Kirby J. Ducote, Executive Director, Louisiana Federation, Citizens for Educational Freedom, New Orleans, La.

Mary M. Patnaude, Chairperson and Executive Director, New Jersey Right to Educational Choice Committee, Inc., Westfield, N.J.

Dr. Timothy O'Brien, Catholic League for Religious and Civil Rights.

Lydia Kess, Esq., representing the National

Jewish Commission on Law and Public Affairs.

A panel consisting of:

William P. Gallagher, Executive Director, New York State Federation of Catholic School Parents, Binghampton, New York, also representing the National Catholic Education Association, Washington, D.C.

Julius Berman, Esq., representing the Union of Orthodox Jewish Congregations of America, New York, New York.

James C. Phillips, Christian Schools of Michigan, Ypsilanti, Michigan.

J. Wayne Hammond, Accelerated Christian Education, Inc., Lewisville, Texas.

The Honorable Gary Ackerman, The Senate, State of New York.

SUBCOMMITTEE ON ENERGY CONSERVATION AND SUPPLY

Mr. WEICKER. Mr. President, I would like to announce for the information of the Senate and the public, that the Subcommittee on Energy Conservation and Supply has scheduled hearings on S. 1166, the National Home Weatherization Act.

The hearings will be held on Wednesday, July 15, at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

ADDITIONAL STATEMENTS

INTERNATIONAL INVESTMENT SURVEY ACT AUTHORIZATION—S. 1104

● Mr. PRESSLER. Mr. President, S. 1104 authorizes $4 million for fiscal year 1982 for the International Investment Survey Act. A reauthorization hearing was held before the Subcommittee on Business, Trade and Tourism, which I chair, on April 9, 1981. Testimony was received from representatives of the Commerce and Treasury Departments which are responsible for carrying out the act.

It is my belief that the conditions which originally prompted passage of the International Investment Survey Act still exist. There is considerable concern within the U.S. business community about the level of foreign involvement in the American economy. This involvement has been increasing rapidly, and in some cases is viewed as a threat to specific American industries as well as the stability of U.S. financial markets.

A number of economists feel that should foreign economic holdings in this country become too extensive that we would be vulnerable to economic shocks in the event of sudden shifts in these holdings. For instance, the movement of massive amounts of foreign capital in or out of U.S. securities could result in dangerous instability in the stock market.

While the likelihood of a concerted effort to cause disruption is minimal, it is still important that we have the means to monitor foreign capital flows. This is why continuation of the International Investment Survey Act is necessary. It is our primary source of statistical data on the movement of foreign money through our economy, and without it we would only be able to guess at the relative size of foreign investments at any one time.

For the reasons I have mentioned I am pleased that the Senate approved S. 1104 as reported by the Senate Committee on Commerce, Science, and Transportation.●

STRATEGIC PETROLEUM RESERVE FUNDING MUST NOT STOP SYNTHETIC FUELS PROGRAM; MARVIN STONE EDITORIAL IS VALID

● Mr. RANDOLPH. Mr. President, in recent weeks during Senate consideration of the proposed budget, the question of how to fund the Strategic Petroleum Reserve surfaced as the primary budget issue in the energy area. This weekend, I read and responded to an editorial by Marvin Stone in June 1 issue of U.S. News & World Report.

I submit for the RECORD and I ask our colleagues to review this editorial, "Three Billion Well Spent," and my response to it which represents what one observer feels should be the proper role for this reserve as we attempt to reconcile domestic energy development with our future national security.

The editorial follows:

$3 BILLION WELL SPENT

(By Marvin Stone)

It's time to stop playing politics with the nation's Strategic Petroleum Reserve.

This costly but vital project is supposed to protect the U.S. against a sudden cutoff of foreign oil by stockpiling enough to tide us over an emergency. The danger of such a cutoff is very real, especially if the tension now building between Israel and Syria flares into a new Mideast war.

Despite compelling reasons, neither Congress nor the White House seems willing to spend the 3 billion dollars needed to purchase oil for the reserve in 1982. Unless the nation's leaders show more resolve, the oil-stockpiling program—already lagging badly—will fall further behind schedule.

The idea of a Strategic Petroleum Reserve grew out of the 1973–74 Arab oil embargo that forced American motorists to line up for gasoline and left the U.S. economy in shambles. In 1975, President Ford asked Congress to approve a billion-barrel stockpile, enough oil to replace the nation's import needs for 90 days. The first 500 million barrels were to be stored by 1982.

So far, only 135 million barrels have been stored in salt-dome caverns along the Louisiana-Texas coast. That would be about a month's supply if all imports were halted. The delays have been blamed on oil shortages, bureaucratic mismanagement and opposition from foreign oil producers.

Perhaps the most important reason, however, is the escalating cost of oil. The price of a 42-gallon barrel of oil has risen from $10.38 in 1975 to around $36 today. In 1975, a billion-barrel reserve was estimated to cost 6 billion dollars. Now, the estimate is 47 billion dollars for a scaled-down reserve of 750,000 barrels.

President Reagan, attempting to keep a campaign promise to build up the reserve, asked for 3.9 billion dollars for the program in 1982. That would have enabled the government to buy about 230,000 barrels a day.

However, under pressure to trim federal spending and move toward a balanced budget, both the House and Senate have voted to reduce appropriations for the reserve by 3 billion dollars next year on the assumption that members will agree on some other financing method.

There is a wide variety of alternate plans now floating around on Capitol Hill.

The Senate Energy Committee has voted to borrow the money by selling government bonds, a bookkeeping gimmick that would not show up in the regular budget.

Senator Nancy Kassebaum (R-Kans.) wants to force major oil importers to contribute five days' worth of imports each year to the reserve in exchange for a 10 percent fee.

Representative Phil Gramm (D-Tex.) has introduced legislation that would allow the government to sell "oil bonds" to private investors. Each bond would be worth the price of a barrel of oil and could be redeemed at the end of 10 years or during an emergency at the then prevailing price of oil.

Another scheme would allow the government to borrow the 3 billion dollars from the 17 billion earmarked for the new U.S. Synthetic Fuels Corporation.

Although both Treasury Secretary Donald Regan and Budget Director David Stockman have testified that a straightforward appropriation would be the best way to fund the reserve, the White House has remained strangely silent. Without leadership from President Reagan, there is a real danger that Congress will not be able to reach agreement on a plan for financing the reserve.

It may take a certain amount of political courage to spend 3 billion dollars on oil that may never be needed at a time when programs such as Social Security, school lunches and prenatal care are facing sharp cuts. But the consequences could be much worse—for the administration and Congress—if another catastrophic oil shortage ever sends Americans back to the gasoline lines.

U.S. SENATE,
Washington, D.C., June 3, 1981.

Mr. MARVIN STONE,
Editor, U.S. News and World Report, Washington, D.C.

DEAR MARVIN: Your thoughtful editorial, "Three Billion Well Spent" in the June 1 edition of U.S. News and World Report, is valid.

This Nation needs secure domestic supplies of fuel. Your words concerning the possibility of upcoming foreign supply interruptions because of renewed Mideast conflict are accurate. Such beliefs were also accurate in 1943 and in 1961. I spoke then in the House of Representatives and before the Senate Interior Committee emphasizing that, "every year that passes in which we become more and more dependent on foreign oil to buttress our economy and security perhaps is one year nearer to disaster. We are gambling with our country's future."

The concept of the Strategic Petroleum Reserve highlights our national preoccupation with minimizing the short-term effects of inadequate domestic energy supplies while failing to forge a policy to solve longer term problems.

Recognizing this fact, the Synthetic Liquid Fuels Act of 1944 was introduced and passed during the Roosevelt Administration. This legislation mandated development of new technology to produce ethanol, methanol and other liquid fuels from coal, oil shale, and agricultural products.

In 1955, the decision was made by the then current Administration to eliminate all government participation in alternate synthetic fuels projects. The assumption was that if needed, private industry would anticipate and respond that the country have adequate fuel supplies. If we had continued government support for synthetic fuels initiated in the early forties, as in my bill, we would have realized domestic commercial production today.

When the Strategic Petroleum Reserve concept was acted on in 1975 I refused to support that short-term effort until we had developed, as a first priority, legislation we could use to recreate a synthetic fuels industry in the United States and establish complete energy independence.

Passage of the Energy Security Act of 1980 sent the message to OPEC that we again were encouraging the construction of synthetic fuel plants, not only through subsidy support where needed to assure early commericialization, but through protection against unwarranted regulation and inflationary impacts. It also signaled domestic energy industries that we were asking for immediate action on synthetic fuels by allowing the President to initiate necessary activities to reach this goal under the Defense Producton Act of 1950 while the Synthetic Fuels Corporation was being organized.

It is important now that we do not take a step backward in our long-term national commitment to synthetic fuels. The President must appoint the final two members of the Corporation Board and provide personal leadership in the activities of the organization to guarantee its vitality.

If these steps are taken by the new Administration on synthetic fuel development, full funding of the Strategic Petroleum Reserve will be a necessary and correct secondary step to take. Filling the oil reserve will guard against supply interruptions while our synfuels capacity is being constructed. We, however, can not use funds set aside for synthetic fuel development to purchase foreign oil. To borrow three billion dollars from appropriations for the Synthetic Fuels Corporation would erode public confidence in the government's ability to establish and consistently pursue policies to assure eventual and permanent energy independence. Such a funding scheme would be unacceptable.

A coordinated and balanced program encouraging an oil reserve and synthetic fuels industry will serve our Nation well. Neither are subsidies, but are investments for our future generations.

Truly,

JENNINGS RANDOLPH.●

REGULATORY REFORM NEEDED NOW

● Mr. SASSER. Mr. President, I rise to reiterate my suport for S. 1080, the Regulatory Reform Act of 1981. This bill can help stop the Federal Government from strangling the "free" out of the free enterprise system.

In 1982, the Federal Government will spend almost $7.5 billion on regulatory activties and will employ 89,000 people to administer Federal regulations.

And what has the burgeoning regulatory structure wrought? Well, in 1980, the Small Business Administration estimated that the Nation's private entrepreneurs waded through 2,000 separate forms, and filled out 850 million pages of paper answering more than 7.3 billion questions.

The effect? Well, let me give you just a couple of examples that have occurred in my home State of Tennessee.

For the past 20 years, Jakes Brothers Sausage Co. in Joelton, Tenn., has called the delicious product it makes "smoked pork sausage." That seemed quite reasonable, considering the fact that the product is made by smoking pork sausage. However, in one of the most patently ridiculous examples of regulatory excesses imaginable, the U.S. Department of Agriculture has decreed a change in the labeling. Henceforth, the label must read: "smoked sausage made with pork."

Now, I cannot believe that the USDA employs personnel who have nothing better to do than come up with absurd label changes. Yet there it is: USDA Regulation No. 319.160.

The point is this. The history of Tennessee does not record any irreparable harm being suffered by our citizens from the labeling of our hickory-smoked pork sausage as smoked pork sausage. In fact, the old name makes perfect sense considering the contents of the product.

Ellis Jakes, of Jakes Brothers Sausage, told me that he does not feel it will be an expensive matter to change the label on his sausage. Yet, as a matter of principle, he challenges the Department of Agriculture's right to require such a change.

And his story is, it seems to me, a good case of history of the problems caused by over regulation.

Another example was the attempt 2 years ago by the Department of Labor to require employees of Southern Clay, Inc., in Paris, Tenn., to take mine safety training. None of the 250 employees of Southern Clay, Inc. ever even come close to any mines.

Although the company owns three clay mines, the mining is done by independent subcontractors who employ a total of 12 persons.

Not only was the requirement that the Department of Labor give mine safety training to its employees unwarranted, costly, annoying, and downright absurd—but also, to add insult to injury, the Department of Labor insisted that the employees must have annual refresher training as well.

Fortunately, these regulations were never finally imposed after my intervention with the agency on behalf of Southern Clay, Inc. If they had been, the company would have been forced to spend a great deal of money to train its employees with the cost passed on to the consumer in the form of higher prices for the kitty litter.

Examples like these raise my hackles. I believe that S. 1080, for the most part, represents a constructive approach to doing away with ridiculous cases like these, thereby improving the regulatory system.

There are some things I would like to see added to this bill, however. First and foremost is the question of effective congressional control of the rulemaking process. S. 1080 should be amended to include a legislative veto provision drafted along the lines of S. 344, which I am cosponsoring with Senators LEVIN and BOREN and several other of my colleagues. The Congress has the duty to comment on the interpretation by the Federal agencies of the laws that we spend so much time shaping. It is our responsibility to oversee agency rulemaking so that it will not contravene legislative intent.

As the ranking minority member of the Subcommittee on Intergovernmental Relations, I am also particularly aware of the impact of the more than 1,200 Federal regulations imposed on State and local governments.

Why, for example, should the Environmental Protection Agency tell folks in Chattanooga, Tenn., that their garbage trucks are making too much noise? People in Chattanooga have ears. If the trucks bother them, they will bring their concerns directly to the mayor.

Yet, the EPA has seriously considered setting noise emission standards for garbage trucks in Chattanooga and other cities across the Nation. The cost? About $25 million a year. And are there alternatives the EPA hasn't considered?

Yes, indeed. For instance, the garbage trucks could alter their schedules so that they are not routed through residential neighborhoods in the early morning hours. This certainly seems more sensible to me than the expensive soundproofing of garbage trucks.

Now, I understand that the enforcement of the EPA garbage truck regulation has been suspended following a meeting between the agency and the garbage truck manufacturers. That means that, though the regulations still remain on the books, the manufacturers of garbage trucks need not comply. Yet, this is but a "stopgap" measure which gives EPA time to reconsider its noise control objectives in light of significant budgetary cutbacks this year.

Steps must be taken to improve a regulatory system that allows such ridiculous regulations to be imposed on business and on other levels of government. I believe that S. 1080, the regulatory reform act of 1981, is an excellent vehicle, building on democratic regulatory reform initiatives of the 96th Congress, for streamlining our regulatory system.

I urge the Judiciary and Governmental Affairs Committees to take early action on S. 1080.●

U.S. TRAVEL SERVICE AUTHORIZATION—S. 1105

● Mr. PRESSLER. Mr. President, S. 1105, a bill to reauthorize the U.S. Travel Service, was reported by the Committee on Commerce, Science, and Transportation on May 6, 1981, without amendment. This reauthorization must be approved if the activities of the U.S. Travel Service are to be continued.

Beginning with the International Travel Act of 1961, the Federal Government has supported efforts to promote foreign travel to the United States. Through the U.S. Travel Service the Federal Government has operated programs in several foreign countries to disseminate information on attractions and travel opportunities in the United States. The purpose of the travel sevice is not to advertise or promote individual businesses, but to foster interest in the great variety of geographic and cultural attractions which specific regions of the United States have to offer. The U.S. Travel Service has generally produced a large financial return from these activities. Depending on the figures used, the Travel Service returns between $10 and $20 dollars for each dollar spent on its promotional efforts. And this does not take into account the multiplier effect of these foreign expenditures as they work their way through the U.S. economy.

Both visitor arrivals and tourism expenditures have grown rapidly in the United States and worldwide over the past several years, and I am hopeful this

trend will continue. In 1980 it is estimated that foreign travelers spent some $12 billion in the United States, up from $10 billion in 1979. This has resulted in tourism receipts becoming one of the principal contributors to our foreign trade income.

However, we must realize that during the past few years many international travelers have been drawn to the United States by the dual attraction of low international air fares and very favorable exchange rates. These two situations are now changing and will be working against us in the future. This means that if the United States is to continue to garner its share of the international tourist dollar we will have to improve our promotion and facilitation efforts.

Unfortunately, this is not the direction in which we have been heading. Federal assistance to the tourism industry has declined sharply since 1979, with the budget of the U.S. Travel Service falling from $13.5 million to $8 million in 1981. The Reagan administration has proposed another decrease to $6.5 million for fiscal year 1982.

It has been, and continues to be the position of the Senate that more should be done by the Federal Government in the area of tourism promotion. The travel and tourism industry provides direct employment for 4.4 million Americans and indirectly accounts for another 2.2 million jobs. The industry contributes $140 billion to the U.S. economy each year. Yet despite these facts, few administrations have offered their firm support for this function.

In an effort to change this situation the Senate Commerce Committee spent 5 years and $250,000 conducting a national tourism policy study. This extensive research project made a number of conclusions about what would be the best ways for the Federal Government to foster growth in the tourism industry. These recommendations were incorporated in the National Tourism Policy Act which was passed by the 96th Congress in 1980 (S. 1097). However, the measure was pocket vetoed by President Carter.

The act, as passed, called for the creation of an independent agency within the Federal Government which would replace the U.S. Travel Service as the tourism promotion arm of the Federal Government. It was felt that the insulation provided by this independent status would result in a more autonomous, aggressive, and effective organization.

The measure also called for the creation of a Cabinet level coordinating council to monitor and make recommendations on the many disparate activities of Federal agencies which have an impact on the travel and tourism industry. The national tourism policy study had found that there existed over 100 programs within the Federal establishment which had a significant bearing on the industry, but for which there was no coordination regarding their impact on the travel and tourism industry. The committee felt it was very important that such a coordinating council be created to act as an advocate for travel and tourism within the Federal Government. Unfortunately, this provision was dropped in conference with the House during final discussions of S. 1097 and was not in the bill sent to President Carter.

Early in the 97th Congress, I introduced S. 304, a bill which is virtually identical to S. 1097 as it went to the President. This bill passed the Senate unanimously on January 27, 1981. While enactment of this legislation remains my primary goal, I realize that if it is not enacted then we must have an alternate plan. That is why I introduced this reauthorization. It will insure that the Federal Government's role in international tourism promotion continues even if the new system I am advocating does not become a reality.

This reauthorization, then, should be viewed as a backup measure whose purpose is to insure continuation of a Federal role in tourism in the event that the preferred legislation, S. 304, is not enacted. Therefore I am pleased the Senate acted favorably on S. 1105.●

VIETNAM VETERANS APPRECIATION WEEK

● Mr. SASSER. Mr. President. Claiborne County, Tenn., recently approved a resolution declaring the week of May 25 through 31, 1981 as Vietnam Veterans Appreciation Week. I commend Claiborne County for its initiative in recognizing the brave veterans of the Vietnam era.

For too long, Mr. President, Vietnam veterans have been forgotten. They are the veterans who were lost in a sea of domestic upheaval upon returning home from an unpopular war; their sacrifices and contributions were lost as the Nation tried to forget the fighting brought into their own homes by television.

It is altogether fitting, however, that the Nation, and in particular this body, begin to bridge the gap that sets Vietnam veterans apart. We began this process during the 96th Congress, when we approved legislation permitting a Vietnam Veterans Memorial to be built in Constitution Gardens. We are continuing the process by voting increased appropriations to the Veterans' Administration.

But more remains to be done before the wound is completely healed. Specifically, we must recognize the special problems facing the Vietnam veterans readjustment counseling program. I have cosponsored legislation, by the able Senators from California (Mr. CRANSTON) and Rhode Island (Mr. CHAFEE), which would accomplish these goals. We must not be a party to any attempt to break faith with the Vietnam veteran, and I look to the Senate to approve Senate printed amendment No. 42 and S. 872 in the near future.

I ask that Claiborne County's resolution designating Vietnam Veterans Appreciation Week be printed in full following my remarks.

The resolution follows:

PROCLAMATION

Know all Claiborne Countians by these presents:

That whereas, all Claiborne Countians are justly proud of the glorious heritage passed on to them by their forebears since the earliest settlers came into what is now Claiborne County, Tennessee;

And whereas, a noble aspect of the heritage is, and has always been, the willingness of our forebears and their descendants to take up arms in defense of their homes, their families, their communities, and their country when honor and duty made such a course of action necessary;

And whereas, the citizens of Claiborne County have continued with unabated cost and fervor to carry on this tradition through all of our wars and conflicts, up to and including the most recent hostilities in Vietnam and adjacent areas in Southeast Asia;

And whereas, the citizens of Claiborne County are especially proud of the courage, dedication, devotion to duty, and sacrifice of our young fighting men during the aforesaid Vietnamese conflict, in which we feel that they honorably carried on this noble tradition, and in which some gave their lives, and others still bear the horrible physical and mental scars of war;

And whereas, both during and after the aforesaid Vietnamese conflict, the citizens of Claiborne County have witnessed the sickening spectacle in certain quarters of our Nation of a lack of understanding of the sacrifices being made by our fighting men, and a lack of appreciation for their willingess to serve their country, which lack of understanding and appreciation, in many instances, manifested itself in abuse of, and contempt for, these noble young men and their dedication to honor and duty;

And whereas, the citizens of Claiborne County deplore the aforesaid treatment of our Vietnam veterans and firmly believe that we should express our sentiments by publicly honoring and paying tribute to these noble young men and the memory of those who gave their lives;

And whereas, Claiborne County Memorial Post No. 8779 of the Veterans of Foreign Wars, of the Department of Tennessee, and the ladies auxiliary of said post, have embarked upon a campaign to honor our Vietnam veterans, in which campaign they have requested the support of the governing bodies of our county and municipalities, all public officials of our county, and all citizens of our county, to assist in this endeavor;

Now, therefore, for the reasons hereinabove set forth, and pursuant to the aforesaid unanimous resolution of the county commission of Claiborne County; the endorsement of the county and municipal officials of Claiborne County; and the enthusiastic and whole-hearted support of the entire citizenry of Claiborne County, we, the undersigned, do hereby declare the week of May 25 through May 31, 1981, as Vietnam Veterans Appreciation Week in Claiborne County, Tennessee, and the municipalities therein,

We further call upon all citizens of Claiborne County, especially this week and in the future, to express their personal appreciation in every way possible to these noble veterans and their families, and to the families and relatives of those who gave their lives.

We further call upon all of the citizens of Claiborne County to assist Claiborne County Memorial Post No. 8779 of the Veterans of Foreign Wars, and the ladies auxiliary of said post, in compiling a roster of all Claiborne Countians who served in the Vietnamese conflict, in order that said roster can be given its rightful place of honor in our county's public records, and be indelibly engraved in the hearts and minds of all our citizens who treasure our freedom, and appreciate all of the efforts of our Vietnam veterans in furthering same.

We further call upon all of the news media in our county and our surrounding areas to widely publicize the proclamation, and join with us in paying tribute to our Vietnam veterans during this special week.

In testimony whereof, we, the undersigned, have herewith set our hands and seals upon this the 19th day of May, 1981.

Bill D. Herst, County Executive, Charles "Bud" Chadwell, Mayor, Town of New Tazewell, E. J. Hardin, III, Mayor of the Town of Tazewell, James D. Estep, Jr., Attorney, Town of New Tazewell, Bob Owen, City Recorder, Treasurer, City Judge, Town of Cumberland Gap.●

CONCLUSION OF MORNING BUSINESS

Mr. STEVENS. Mr. President, is there further morning business?

The PRESIDING OFFICER (Mr. HAYAKAWA). If there is not, morning business is closed.

BORROWING AUTHORITY FOR THE DISTRICT OF COLUMBIA

Mr. STEVENS. Mr. President, I ask the Chair to lay before the Senate Calendar No. 104, S. 640.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (S. 640) to amend the District of Columbia Self-Government and Governmental Reorganization Act with respect to the borrowing authority of the District of Columbia.

The Senate proceeded to consider the bill.

UP AMENDMENT NO. 138

Mr. STEVENS. Mr. President, on behalf of Mr. MATHIAS I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS), on behalf of Mr. MATHIAS, proposes an unprinted amendment numbered 138.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, line 3, between the words "That" and "section" insert: "(a)".

On page 2, after line 5, insert the following:

(b) Section 723(c) of the District of Columbia Self-Government and Governmental Reorganization Act (Public Law 93-198) is amended to read as follows:

"(c) Subject to the limitation contained in section 603(b), there are authorized to be appropriated not more than $155,000,000 per year for fiscal years 1982 and 1983; and, to the extent that funds appropriated for this purpose exceed $145,000,000 per year for the fiscal years 1982 and 1983, such excess funds shall not be apportioned by the Office of Management and Budget nor shall such funds be made available for obligation for this purpose unless such appropriation act shall explicitly and specifically provide that such obligation limitation as is hereby created does not apply."

(By request of Mr. STEVENS, the following statement was ordered to be printed in the RECORD:)

● Mr. MATHIAS. Mr. President, today I am pleased to bring before the full Senate a bill which will enable the District of Columbia to proceed with its long-term plan to insure financial stability for the city.

Briefly, S. 640 would extend the borrowing authority of the District for 2 years to allow the city to move into the capital bond market without interrupting important ongoing construction and repair projects. The borrowing authority will be capped at $155 million in fiscal year 1982, as requested by President Reagan, and the Governmental Affairs Subcommittee on Governmental Efficiency and the District of Columbia received no unfavorable testimony during consideration of the bill.

On May 11, 1981, I received a letter from the Office of Management and Budget commenting on S. 640 with suggested changes in the procedure by which the city borrows from the Treasury. After discussions with the Office of Management and Budget and a review of the history of the city's borrowing, I feel it appropriate that these modifications be considered during hearings before my subcommittee, tentatively scheduled in late June.

Under current law, the District of Columbia may borrow such funds as are necessary to complete improvement projects for which construction and construction services funds were authorized or appropriated prior to October 1, 1980, or the date of enactment of the D.C. Appropriation Act of 1981, whichever is later. S. 640 extends this authority for 2 years. This interim authority is necessary to allow the city a smooth entry into the bond market.

The first full audit of the city's books has just been completed and the way is now paved to begin the change to financing with revenues from capital bonds. To delay or abandon important construction and repair projects would be a disservice to all who live and work in our Nation's Capital, as well as those who visit here each year. S. 640 will insure that this does not occur.

The Governmental Affairs Committee is adding a technical amendment to S. 640 which will bring the bill in line with President Reagan's budget for fiscal years 1982 and beyond. The amendment specifies that the loan authority granted in S. 640 is capped at a level of $155 million in budget authority and $145 million in outlays, in both fiscal year 1982 and fiscal year 1983. The Governmental Affairs Committee has already made this recommendation to the Budget Committee to be included in its reconciliation package. The technical amendment merely conforms S. 640 with the Governmental Affairs Committee reconciliation proposals to assure the savings are not nullified sometime in the future.●

Mr. FORD. Mr. President, I understand the amendment by the distinguished Senator from Maryland (Mr. MATHIAS) is a technical amendment and has been agreed upon, and there is no objection on this side.

Mr. STEVENS. I thank the Senator from Kentucky.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maryland.

The amendment (UP No. 138) was agreed to.

The bill, as amended, was ordered to be engrossed for a third reading, was read the third time, and passed as follows:

S. 640

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 723(a) of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code. sec. 47-241 note) is amended by striking out "October 1, 1980, or upon enactment of the fiscal year 1981 appropriation Act for the District of Columbia government" in the first sentence and inserting in lieu thereof "October 1, 1982, or upon enactment of the fiscal year 1983 appropriation Act for the District of Columbia government.".

(b) Section 723(c) of the District of Columbia Self-Government and Governmental Reorganization Act (Public Law 93-198) is amended to read as follows:

"(c) Subject to the limitation contained in section 603(b), there are authorized to be appropriated not more than $155,000,000 per year or fiscal years 1982 and 1983; and, to the extent that funds appropriated for this purpose exceed $145,000,000 per year or the fiscal years 1982 and 1983, such excess funds shall not be apportioned by the Office of Management and Budget nor shall such funds be made available for obligation for this purpose unless such appropriation act shall explicitly and specifically provide that such obligation limitation as is hereby created does not apply.".

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZATION FOR THE COMMITTEE ON ARMED SERVICES TO HAVE UNTIL 7 P.M. TODAY TO FILE REPORT

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Armed Services have until 7 p.m. today, Wednesday, June 3, to file certain routine nominations and to file a report to accompany S. 1127, the Intelligence authorization bill for fiscal year 1982.

The PRESIDING OFFICER. Without objection, it is so ordered.

GRANTS BY THE VETERANS' ADMINISTRATION IN SUPPORT OF STATE MEDICAL SCHOOLS

Mr. STEVENS. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 2156.

The PRESIDING OFFICER laid before the Senate H.R. 2156, an act to amend title 38, United States Code, to extend by 12 months the period during which funds appropriated for grants by the Veterans' Administration for the establishment and support of new State medical schools may be expended, which was read twice by its title.

The Senate proceeded to consider the bill.

(By request of Mr. FORD, the following statement was ordered to be printed in the RECORD:)

● Mr. GLENN. Mr. President, I want to express my thanks to the Committee on

Veterans' Affairs for its persistence in obtaining passage of a measure that is very simple, yet quite important. I refer to H.R. 2156, a measure identical in purpose to a bill (S. 380) that I have introduced. A similar provision has been ordered reported by the Committee on Veterans' Affairs. I might add that the Senate, last year, twice approved similar provisions, though they failed to be enacted.

In 1972, Congress established a program by which the Veterans' Administration could assist the establishment of no more than eight new State-affiliated medical schools. In actuality, five such schools were started under the program. The first of these was the Wright State University School of Medicine near Dayton, Ohio, which is associated with the VA Medical Center there. It, like the other schools, was authorized grant assistance for the alteration or repair of physical facilities and for faculty support during the first 7 years of its existence.

In the case of Wright State, that 7-year period will have run its course at the end of this month and the university will be left with unexpended grant funds. It will lack authority to spend those funds unless this measure is enacted.

Unanticipated delays in completing the faculty rosters in the earliest days of the Wright State Medical School's existence gave rise to this situation. In effect, Wright State now is facing a possible penalty for having exercised prudence in the expenditure of its grant awards. And the possibility exists that at least one or two of the other four medical schools that were established under Public Law 92–541 might also face this same problem further down the road.

Passage of this bill will extend by 12 months the time in which these medical schools can expend their grant awards for faculty support. It will authorize no new appropriations. Nor will it appropriate any additional funds. All that it will do is to help these schools adjust to termination of their grant programs.●

The bill was considered, ordered to a third reading, read the third time, and passed.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONSTITUTION FOR THE U.S. VIRGIN ISLANDS

Mr. WEICKER. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of House Joint Resolution 238.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (H.J. Res. 238) to approve a constitution for the United States Virgin Islands.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut?

There being no objection, the Senate proceeded to consider the bill (H.J. Res. 238) to approve a constitution for the U.S. Virgin Islands, which had been reported from the Committee on Energy and Natural Resources with amendments as follows:

On page 2, line 4, after "approved" insert "for submission to the people of the Virgin Islands in accordance with the provisions of Public Law 94–584 (90 Stat. 2809)";

On page 3, line 5, strike "the" and insert "due";

On page 9, line 5, strike "descendent" and insert "descendant";

On page 39, line 12, strike "Senate" and insert "legislature";

On page 40, line 6, strike "VIII" and insert "VII";

On page 41, in the signature clause strike "Ruby Simmonds, Vice" and insert "Ruby Simmonds, 1st Vice":

Mr. WEICKER. Mr. President, at the heart of the American experience is the principle of government by the consent of the governed. House Joint Resolution 238 expresses the consent of the Congress to the implementation of that principle in the Virgin Islands.

Since the Virgin Islands were acquired from Denmark, there has been a constant growth of local self-government. The Organic Act of 1936 and the revised Organic Act of 1954 placed increasing responsibility for local government in the hands of the U.S. citizens residing in the Virgin Islands. With the passage of the Elective Governor Act in 1968, the Virgin Islands became self-governing except for one basic fact. That fact is that their self-government was not a product of their wishes and desires, expressing their hopes and aspirations, but was a product of what the Federal Government determined would be best.

For local government to be truly self-government, it must be the result of the people themselves, pursuant to a constitution of their own design. This resolution, quite properly, does not express any opinion as to the merits of any provision of the constitution. That decision is reserved for the people of the Virgin Islands, as it should be. The resolution quite simply states that the constitution meets the requirements of the original authorization. It acknowledges the sovereignty of the United States and the supremacy of the U.S. Constitution.

It provides for a republican form of government and a bill of rights. It addresses the subject matter of local government provisions of Federal law. The judgment on how those requirements were met is now up to the people of the Virgin Islands. The committee has adopted an amendment to clarify that Congress is reserving to the people of the Virgin Islands the final decision on the constitution and several technical changes recommended by the convention.

Mr. President, the members of the Fourth Virgin Islands Constitutional Convention should be commended for their efforts and dedication. I urge the Senate to approve the joint resolution with the committee amendments so that the U.S. citizens residing in the Virgin Islands may enjoy true local self-government.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President, House Joint Resolution 238, as reported by the Committee on Energy and Natural Resources, expresses the consent of the Congress to the submission of the fourth constitution of the Virgin Islands to the voters in the Virgin Islands for approval or rejection in accordance with the provision of Public Law 94–584.

The constitution was developed pursuant to the authorization of Public Law 94–584 by a local constitutional convention and submitted to the President for review and comment on August 26, 1980. The President transmitted the constitution to the Congress on October 25, 1980. In order to afford the Congress sufficient time to review the constitution for procedural compliance with the requirements of the authorization, the period for review was extended by section 501 of Public Law 96–597.

House Joint Resolution 238 was considered and approved by the House and was the subject of a hearing before the Committee on Energy and Natural Resources on May 8, 1981. As a result of that hearing and the committee review, the committee unanimously ordered the measure favorably reported on May 12, 1981, with technical amendments to correct typographical errors noted by the convention and to clarify that the congressional approval is procedural only and does not constitute enactment of the constitution nor any opinion as to the merits of any provisions.

This congressional review is important not only because the constitution places the plenary authority and responsibility for territorial affairs in the Congress, but because constitutional government is at the heart of the American experience. The efforts of the U.S. citizens in the territories to develop local self-government should receive congressional recognition and support.

In reviewing the document it was necessary to strike a careful balance between the desires of the local population and the continuing responsibility of the Congress. There are aspects of this constitution which I might not support were they proposed as Federal law, but they are not being so proposed. The Congress in approving the constitution will not be enacting it into law but will be consenting to permit it to be put before the voters in the Virgin Islands for final judgment. That is where the merits of this constitution should be judged.

The development of institutions and processes of local self-government has been the purpose of organic legislation for the territories since the northwest ordinance. In the Virgin Islands, organic legislation since 1917 has placed increasing control over local government in the hands of the U.S. citizens residing there. The most recent developments, such as the elective governor, were in large measure a response to the desires of the Virgin Islands, and to the recommendations of the first constitution of the Virgin Islands. The final step, as provided by Public Law 94–584, is to permit the Virgin Islands to formulate a constitution as the basic document for local self-government.

Approval of the constitution will not affect the status of the Virgin Islands as an unincorporated territory of the

United States, nor lessen the plenary authority and responsibility of the Congress for the Virgin Islands. It will represent, however, a commitment by the Congress to not exercise its authority in the future on matters of local government. To that end I have requested the administration to provide a drafting service to identify those provisions of Federal law affecting local government in the Virgin Islands which must be repealed before the constitution can become fully effective. It is my intention to consider those repeals expeditiously so that there will be no hiatus between the effective date of constitution and the removal of Federal law.

I congratulate the members of the convention for their dedication and their efforts. It is an exceedingly difficult job to balance competing interests, as the experience of the third constitution demonstrates. While, as I indicated, I might not agree with all their conclusions, I will respect their judgment.

Federal relations and ultimate status remain as issues for future discussion and are not foreclosed by this constitution. Those issues involve different considerations and require the active participation and specific consent of the Congress. This constitution should be the product of the people of the Virgin Islands and I believe we should defer to them. On questions, however, of status or Federal relations, I believe we should not attempt to avoid the responsibilities imposed on the Congress by the constitution, although we should be sympathetic to local wishes.

Last Congress, I cosponsored an amendment with Senator JOHNSTON, Senator JACKSON, and Senator MATSUNAGA which would have established a 4-year commission to examine the entire body of Federal law which constitutes Federal relations, that is, the allocation of authorities and responsibilities between the Federal and local government. I continue to believe that such a comprehensive review is essential. I am concerned that too often questions of Federal relations, such as environmental laws or coastwise legislation, become wrapped in the rhetoric of status. I would hope the Virgin Islands can avoid that.

Acceptance of this constitution by the voters in the Virgin Islands will make the territory self-governing. That is an important step and again I congratulate the members of the convention for their efforts.

Mr. President, I strongly support House Joint Resolution 238 and urge its passage.

● Mr. JOHNSTON. Mr. President, I strongly support the passage of House Joint Resolution 238 as amended by the Committee on Energy and Natural Resources. In 1976 I cosponsored the original legislation which authorized the convening of a constitutional convention in the Virgin Islands. That legislation was the direct result of the efforts of Congressman RON DE LUGO, with the effective support of the leadership in the Virgin Islands. It was their request that the Congress entrust to the U.S. citizens residing in the Virgin Islands the basic decisions in the institutions and processes of local self-government. I think that trust has been well rewarded.

Although I would not agree with every provision of the constitution, it does represent the judgment of the delegates to the convention. The ultimate decision will be with the voters in the Virgin Islands and their decision will be respected.

Over the past several years, I have had the pleasure of working with a great many individuals from the Virgin Islands including former Governor Paiewonsky, Congressman RON DE LUGO, and others for whom I have the highest respect and admiration. It has been their leadership and representation which forms the true basis for the development of constitutional self-government. Whatever the final decision of the people of the Virgin Islands may be, I think they, and we, can take pride in the importance and judgment which our fellow citizens in the Virgin Islands have exercised.

In addition to Congressman RON DE LUGO, the original sponsor of this resolution, a special commendation is owed to the members of the convention. During the committee hearings I was impressed by the delegates who testified. The president of the convention, Rupert Ross, Judge Henry Feuerzeig, Ruby Simmonds, and Bent Lawaetz, together with Alexander Farrelly, the counsel to the convention, demonstrated that the Congress' trust in the Virgin Islands was not misplaced. Mr. John James, another delegate, eloquently pointed out that drafting a constitution is not an easy process and that our fellow citizens in the Virgin Islands will have many issues to consider.

Mr. President, I agree with the comments made by the chairman of the committee and I urge the favorable consideration of this resolution.●

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, the minority has no objection, and we are delighted to support the joint resolution. We suggest we move to passage.

Mr. WEICKER. Mr. President, are there committee amendments that have to be agreed to at this time?

The PRESIDING OFFICER. Does the Senator wish that the amendments be agreed to en bloc?

Mr. WEICKER. The Senator so requests.

The PRESIDING OFFICER. Without objection, the committee amendments are agreed to en bloc.

The committee amendments were agreed to en bloc.

The PRESIDING OFFICER. The joint resolution is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the joint resolution.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution (H.J. Res. 238) was read the third time, and passed.

The preamble was agreed to.

Mr. WEICKER. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. FORD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RECESS UNTIL 11 A.M. TOMORROW

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 11 a.m. tomorrow.

There being no objection, the Senate, at 5:23 p.m., recessed until Thursday, June 4, 1981, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate June 3, 1981:

DEPARTMENT OF DEFENSE

Russell D. Hale, of Virginia, to be an Assistant Secretary of the Air Force, vice Charles William Snodgrass, resigned.

COMMODITY CREDIT CORPORATION

Richard E. Lyng, of Virginia, to be a Member of the Board of Directors of the Commodity Credit Corporation, vice James H. Williams, resigned.

Frank W. Naylor, Jr., of California, to be a Member of the Board of Directors of the Commodity Credit Corporation, vice Malcolm Rupert Cutler.

Mary Claiborne Jarratt, of Virginia, to be a Member of the Board of Directors of the Commodity Credit Corporation, vice Carol Tucker Foreman.

DEPARTMENT OF ENERGY

J. Erich Evered, of Nevada, to be Administrator of the Energy Information Administration, vice Lincoln E. Moses, resigned.

HOUSE OF REPRESENTATIVES—*Wednesday, June 3, 1981*

The House met at 12 o'clock noon.

The Reverend Howard Roberts, pastor, Broadview Baptist Church, Temple Hills, Md., offered the following prayer:

Almighty God, grant us peace and justice for our time and all times. When peace and justice are not known in our minds, felt in our hearts, and at work in our hands and feet, bitterness and prejudice prevail, with oppression and injustice for all.

May peace be more than a word, may it be our character. May we be makers of peace in home, in community, and in the world.

May justice be more than a deed; may it be our motivation. May we be practitioners of justice in our work and in our leisure.

May we develop wisdom, courage, and strength which will enable us to rise above special interest, party strife, and selfish nationalism to act out of concern for all humankind.

May our every word and deed cause justice to flow like a river and mercy like an everlasting stream. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agreed to the following resolution:

S. Res. 120. Resolution disapproving the proposed deferral of budget authority for Veterans' Administration medical care.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1040. An act to amend the District of Columbia Self-Government and Governmental Reorganization Act to increase the amount authorized to be appropriated as the annual Federal payment to the District of Columbia;

S. 1050. An act to extend the authorization of appropriations for the National Historical Publications and Records Commission for the fiscal years 1982 and 1983;

S. 1104. An act to amend the International Investment Survey Act of 1976 to provide an authorization for further appropriations, to avoid unnecessary duplication of certain surveys, and for other purposes;

S. 1105. An act to amend the International Travel Act of 1961 to authorize appropriations for fiscal year 1982, and for other purposes;

S. 1116. An act to authorize appropriations for the international affairs functions of the Department of the Treasury for fiscal year 1982;

S. 1209. An act authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes;

S. 1210. An act amending the Environmental Quality Improvement Act of 1970;

S. 1211. An act to extend the Toxic Substances Control Act for 1 year; and

S. 1213. An act to amend title I of the Marine Protection, Research, and Sanctuaries Act, as amended.

THE REVEREND HOWARD WALLACE ROBERTS

(Mrs. HOLT asked and was given permission to address the House for 1 minute.)

Mrs. HOLT. Mr. Speaker, my colleagues, it is an honor and a privilege to be able to introduce and present to you the Reverend Dr. Howard Wallace Roberts.

Dr. Howard Roberts is the pastor of the Broadview Baptist Church in Temple Hills, Md., in the Fourth Congressional District which I am honored to represent.

Dr. Roberts is here with us today as we witness the swearing-in of our newest Member of Congress, Steny Hamilton Hoyer, who will represent Maryland's Fifth Congressional District.

Dr. Roberts has been a trusted friend and counselor to Steny and Judy Hoyer over the years so it is very fitting that he offer his beautiful prayer today as Steny begins his service to his district.

Dr. Robert has served 4 years at Broadview Baptist and has built a foundation in his community of a profound and heartfelt cooperation among all faiths and peoples. In tribute to his strong leadership in this area he was recently elected president of the Interchurch Club of Washington, D.C. Dr. Roberts has with him today his wife Peggy and two of their three children.

I am sincerely proud to represent a clergyman such as Dr. Howard Roberts, and my colleague-to-be and I thank him for his service to the community.

SWEARING IN OF THE HONORABLE STENY H. HOYER AS A MEMBER OF THE HOUSE

The SPEAKER. The Chair is in receipt of a communication which he is delighted to read:

WASHINGTON, D.C.,
June 3, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a copy of the Certificate of Election for the Honorable Steny H. Hoyer, who was duly elected Representative in Congress from the 5th Congressional District of the State of Maryland in a Special Election held on May 19, 1981.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

Mr. HOYER, accompanied by present and former members of the Maryland delegation and the junior Senator from Maryland appeared at the bar of the House and took the oath of office.

SALUTE TO THE HOUSE BY THE HONORABLE STENY H. HOYER

The SPEAKER. The Chair recognizes the gentleman from Maryland (Mr. HOYER) for his maiden address. He is entitled to 1 minute, without objection.

Mr. HOYER. Mr. Speaker, I would first of all like to thank my former colleagues: Richard Langford, who represented the Fifth Congressional District before I got there, a long time before; Congressman Carlton Sickles, who was Congressman-at-Large; Congressman Hervey Machen, who represented the Fifth Congressional District; and most recently, Congressman Lawrence Hogan, my Republican friend, who is now the county executive of Prince Georges County.

I am, as all the Members know, a constituent residing in the district represented by Congresswoman HOLT. I have told her, Mr. Speaker, that if she does not vote the way I like, I will vote against her in the next election, but she has told me, "No, we are going to redistrict you out of my district."

I hope we do, only so that I have my own district.

Mr. Speaker, I want to simply say that I have had the opportunity of

participating in two caucuses over the last week and a half, and I have been, as I knew I would be, tremendously impressed with the quality, the substance, and the obvious caring of the Members of this body.

Mr. Speaker, I look forward to serving with you and with them in the coming months and years.

PERMISSION FOR COMMITTEE ON ENERGY AND COMMERCE TO SIT TOMORROW DURING 5-MINUTE RULE

Mr. OTTINGER. Mr. Speaker, I ask unanimous consent that the Committee on Energy and Commerce may meet to mark up the bill, H.R. 2330, tomorrow, Thursday, June 4, 1981, during the 5-minute rule.

I would like to advise that the minority concurs in this request.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

ACTION NEEDED TO STRENGTHEN SOCIAL SECURITY SYSTEM

(Mr. SHAMANSKY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHAMANSKY. Mr. Speaker, it is clear that we must act to strenghten the social security system. Despite large tax increases approved 4 years ago to insure the system's solvency the old-age and survivors fund could be insolvent within 18 months. It is questionable whether the public would accept, and the economy support, additional large tax boosts.

Yet the proposals so far offered by the administration to correct the social security problems miss the target. It came as a shock to the administration to find out—after it recommended slashing early retirement benefits—that most American workers retire early if they can. We must wonder what other basic facts are missing from the President's economic program.

Administration social security changes also would hurt the disabled and drastically reduce family benefits, making reductions greater than those necessary to shore up the system.

Social security's ills are apparent, but we need not panic. I am certain that with bipartisan leadership the needed corrections can be made, protecting the benefits of those already on social security and those who will be tomorrow's recipients.

ADMINISTRATION DISABLES DISABILITY INSURANCE

(Mr. McCURDY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCURDY. Mr. Speaker, the administration has attacked the heart of disability insurance protection vital to many older Americans. The President proposes that we no longer consider a person's age and prospect of finding another job in determining their eligibility for disability insurance. This creates a gaping hole in the so-called safety net. Are we going to turn away a 60-year-old man who, after a lifetime as a carpenter, loses a hand and cannot find work elsewhere in his community? The administration says that carpenter should leave his home in his twilight years and take up a new trade. Mr. Speaker, this is no safety net; this is a cruel form of forced welfare.

Mr. Speaker, the administration's attack on disability insurance protection is faulty and ill-advised. Fortunately, the Congress is working on positive solutions which keep the social security system solvent and keep the door open for disabled Americans.

HEARINGS HELD ON HOW REAGAN SOCIAL SECURITY PACKAGE AFFECTS WOMEN

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I really want to congratulate the Congresswoman from Ohio, MARY ROSE OAKAR, who is doing extensive hearings today on how the Reagan administration social security package affects women. I testified there today with the specifics, and in 1 minute obviously cannot give them all to the Members, but I hope they will all look at them.

I am delighted that Congresswoman OAKAR is going after this. We in the Congresswomen's Caucus find that it is absolutely critical, that one of the most urgent problems in this decade for this country was the feminization of poverty before the administration came out with its social security proposals. Now, it is even worse.

I wish that somehow everybody who cares about women and their role in America would write a letter to the President reminding him that every mother is a working mother, and that to punish them in their later lives for having done what we say we hold as a great value is absolutely wrong.

□ 1215

If you look today at the people who were surviving on social security alone, you will find that there are four women for every one man who is surviving solely on social security. And what is their average daily benefit? It is $6.39.

And the President wants to go after these people. I think that is cruel, and I hope everybody will get into the details of this and try and do what we can. We should not punish motherhood, and we should not push women into the poverty level.

NATURAL RESOURCES

(Mr. WEAVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WEAVER. Mr. Speaker, the Washington Post this morning printed a Herblock cartoon, showing despoilers of the public lands while Secretary of the Interior, James Watt, has a sign reading, "Why save it? The end is near."

I thought the House would like to know the origin of this. It occurred in an exchange between Secretary Watt and myself in an Interior Committee hearing.

It reads:

Mr. WEAVER. We ought to leave a few drops of oil for our children, their children. They are going to need it just to eat, not to drive around in gas guzzling cars, just to produce the food they will need.

I wonder if you agree, also, in the general statement that we should leave some of our other resources for our children, that we should not just gobble them up all at once?

Secretary WATT. Absolutely. That is the delicate balance the Secretary of the Interior must have, to be steward for the natural resources for this generation, as well as future generations.

I do not know how many future generations we can count on before the Lord returns.

ADMINISTRATION'S PROPOSALS TO REFORM SOCIAL SECURITY SYSTEM EXACERBATE EXISTING INEQUITIES

(Ms. FERRARO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. FERRARO. Mr. Speaker, Candidate Reagan promised the women of this country last October that he would "address any remaining inequities in the treatment of women under the social security system." Unfortunately, for the women of America, the administration's proposals to reform the social security system not only fail to address the present inequities in the system, but they further exacerbate those inequities.

One proposal of the administration is that a person be required to have worked in covered employment in 30 out of the last 40 quarters in order to be eligible for disability insurance, rather than 20 of the last 40 quarters, as is presently required. The administration's proposal requires a person to have worked at least 7½ years out of the previous 10 in order to be eligible for disability protection.

This proposal hits hardest at women who not only have shorter labor force participation rates than men, but also hurts women who frequently leave the labor force to raise children, to care for other family members, or who enter the labor force late in life as many displaced homemakers do.

Mr. Speaker, we in Congress have an obligation to the needy women of this country to reject such a proposal. It imposes undue hardship on women; and it represents a breach of promise made by this Congress and this President.

Thank you.

UNITED STATES HAS MORAL OBLIGATION TO PEOPLE OF NORTHERN IRELAND

(Mr. RATCHFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RATCHFORD. Mr. Speaker, as the tragic civil strife in Northern Ireland enters a new and perilous stage, the morality of the United States, and the conscience of its people, demand our constructive involvement in the quest for a peaceful settlement.

We must be vigilant in our efforts to elevate the importance of the situation in Northern Ireland, in our foreign policy formulation. As a nation committed to promotion of human rights and lasting peace throughout the world, we can no longer stand idly by as this conflict continues to claim the lives of countless antagonists and bystanders each year.

During the Presidential campaign of 1980, candidate Reagan declared that we should "leave no initiative untried in our pursuit of peace; be clear voiced in our resolve to resist any unpeaceful act wherever it may occur." The time has come, Mr. Speaker, for us to accept that challenge in Northern Ireland. Forging a lasting peace and meaningful freedoms in a united Northern Ireland must be the goal of all nations that view the needless bloodshed in strife-torn Northern Ireland with horror.

Our passion for human rights, and our close, historic ties with Catholics and Protestants in all of Ireland call our Nation to action. The people of Northern Ireland desire peace, and cry out for the United States to offer its assistance in the pursuit of political and social stability.

The Irish tragedy has been allowed to persist for too long without a genuine effort by the British to seek a cure. I call upon the President today to make the Irish conflict an integral part of all future discussions with our close ally, Great Britain. Our long and friendly relations with the British Government must not obscure our desire to achieve lasting peace in Northern Ireland. It must be recognized in this Congress that the United States has a moral obligation to the people of Northern Ireland that supersedes all else.

Mr. Speaker, we must renew our call for the British Government to embark on a new initiative toward resolution of this emotional, fraternal conflict. The time has come for the United States to engage itself as an active partner in that process with an eye toward promoting immediate discussions among the parties concerned. With no motivation other than to secure an end to the official and civilian violence in Northern Ireland, the United States is well suited to mediate an end to this conflict through either an international peace forum or a Camp David-style initiative. If we fail to assume such a role, it seems likely that the needless violence of recent days will intensify.

PRESIDENT'S PROPOSALS FOR SOCIAL SECURITY SYSTEM UNDERMINE CONFIDENCE OF THE PUBLIC

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, I wish to express my concern over the administration's proposal for the social security system.

Mr. Speaker, hardly a week had passed since President Reagan announced his plans for the social security system before I began to receive hundreds of letters in protest. Understandably so. The administration's proposal would slash benefits for 18.1 million people who plan to retire over the next 5 years.

Workers now aged 56 to 61 who expect to retire between 1982 and 1986 would suffer an average 10-percent cut in initial benefits because of a so-called technical change in the formula used to calculate benefits. This low primary benefit will affect the size of a retiree's benefit until death. In addition, more than 7 million workers and spouses who claim early retirement benefits would receive cuts equal to one-third of promised annuities because of the administration's plan to reduce early retirement benefits from 80 to 55 percent.

Today, over 35.6 million people receive social security benefits. Another 114 million workers and their employers are paying into the system and expect to be able to count on it should they become disabled or when they are ready to retire. Those who plan to retire in the next several years represent the first generation of workers to contribute to the social security system for their entire working lives. It looks as though the President also wants to make them the first generation to get stung by what was promised to be a dependable source of retirement income.

The administration expects to balance the books on social security by forcing those who had planned to retire early, or in the next several years, to stay on the job longer, contribute payroll taxes longer, and collect benefits for a shorter period of time. Unfortunately, the President does not realize that many of the people who will be most affected by the proposed cuts have made irreversible plans to retire and begin a new phase of their lives. In addition, he ignores the fact that most who opt for early retirement do not do so voluntarily. A 1976 social security report showed that 54 percent of early retirees were in poor health and another 20 percent had lost their jobs or were forced to retire.

Mr. Speaker, I recognize the need for major changes in the social security system. The social security 5-year budget forecast issued this past January demonstrated that steps would have to be taken soon to raise the amount of money going into the system or to reduce future benefits if the system is to remain solvent. Unfortunately, the Reagan administration has resorted to overkill in its effort to make the system sound. Studies of the proposed cuts indicate that twice as much money would be slashed from benefits than is needed to insure the fund's stability. Under the White House proposal, future benefits would be cut on a gradual basis from current projections, resulting in a 25-percent reduction in benefits over 75 years and a large surplus of money in the fund by 2055.

While the President's proposals are excessive and unfair to a select group of future retirees, they also present a greater injustice. They rob the system of its most important feature: The confidence of the public; the trust of the people who we asked to believe that their contributions would provide them with a dependable source of income should they become disabled or decide to retire and who are now having the rug pulled out from under them.

The social security system requires some first aid and then some long-term therapy. Our prescription, however, should be carefully chosen and administered fairly. In the end, we must have a plan which will provide dependable benefits to those who have counted on the system for their retirement, will not unduly burden the workers and employers who are paying into the system, and will not single out any particular group just so the books can be balanced on short notice.

LEGISLATION INTRODUCED THAT WOULD INSTRUCT ATTORNEY GENERAL TO USE FBI COMPUTER TO HELP LOCATE MISSING CHILDREN

(Mr. SIMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SIMON. Mr. Speaker, if a car is stolen, police departments nationwide are notified through a computer system operated by the FBI. In 1977 the FBI even investigated the disappearance of a horse in Kentucky. Yet at the Federal level we do practically nothing to find missing children.

It is a situation that must change. More than 1 million children run away each year and most of them return home, unharmed. But some 50,000 children who are not habitual runaways or the targets of parental kidnapings, also disappear. A majority of these children never return home. Many, like the children in Atlanta, are later found murdered.

Today I am introducing legislation that would instruct the Attorney General to use an existing FBI computer to help locate these children. The system would work in the same way as the FBI's stolen car file. When a child, who does not have a history of running away or is not involved in a parental kidnaping, disappears, identifying information would be available to the local police departments nationwide on the computer.

The legislation will not solve the problem, but it will be a first step toward preventing tragedies. Atlanta, unfortunately, is only the tip of the iceberg.

PRIVATE PENSIONS—AN UNINTENDED VICTIM

(Mr. TAUZIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TAUZIN. Mr. Speaker, lost in the furor over the proposed Reagan administration cuts in social security is the negative effect on employers with private pension plans integrated with social security.

The proposed cuts would shift an unexpected and undue hardship on the backs of employers. They will be forced to increase annual contributions to pension plans by tens of billion dollars, according to Thomas Woodruff, executive director of the President's Commission on Pension Policy.

Even with those increased contributions, pensioners still will wind up with lower benefits.

I doubt whether the Reagan administration calculated on this ripple effect of its proposed social security cuts. If the administration had talked with many of America's corporations, the administration would have gotten a sobering lesson about how thoroughly social security is woven into our national economic fabric.

Ripping out a piece here and a piece there affects the entire blanket protecting America's retired workers, workers about to retire, and the companies that employed or employ those workers.

It seems odd that at a time when everyone is striving to revitalize America's private sector economy, the administration would propose an action that will increase costs for American business.

I am certain the Reagan administration did not intend its proposed cuts in social security to be harsh and cruel for senior citizens. I am doubly certain that in its rush to cut social security, the Reagan administration did not realize it was being harsh and cruel on American business.

Considering this administration's concern for business, I cannot think of a more compelling reason for them to go back to the drawing boards with this idea.

A BILL TO ALLOW PRODUCERS TO RECOVER AGRICULTURAL PRODUCTS FROM WAREHOUSES THAT ARE DEBTORS IN BANKRUPTCY

(Mr. BAILEY of Missouri asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAILEY of Missouri. Mr. Speaker, today I am pleased to introduce a bill to allow producers to recover agricultural products from warehouses that are debtors in bankruptcy.

Under current law, if a farmer stores his soybeans in a warehouse and the warehouse owner files for bankruptcy, the farmer's beans—or other products—become tied up in court proceedings.

This bill would amend a portion of the United States Code and enable owners of any agricultural products with valid warehouse receipts to obtain the products from the warehouse. The bill would eliminate a current situation in my home State of Missouri, where farmers have been denied by Federal marshals the removal of their stored grain because the warehouse owner has gone bankrupt. When this bill becomes law, the grain will be exempt from bankruptcy proceedings.

Mr. Speaker, I am pleased that the gentleman from Missouri (Mr. EMERSON) and the gentleman from South Carolina (Mr. NAPIER) have joined in cosponsoring this bill and I welcome any of my colleagues to join us in aiding the agricultural producers of this Nation.

HOUSE SHOULD RESTRAIN GOVERNMENT SPENDING

(Mr. TRIBLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. TRIBLE. Mr. Speaker, when this House agreed to the conference report on the budget, we stated that the growth of Federal spending must be curtailed. We must keep that goal firmly in mind. We must not be deterred by the actions of a few or by a loss of will.

Our good work will be undone if we vote to control spending 1 day, and go on a spending spree the next. The conditions which demanded our first budget resolution have not changed: They call to us now, as before, to restrain Government spending.

I urge my colleagues to remember this while considering the many proposals before us.

Congress has spoken on the budget. We have set ourselves a responsible goal—to get our affairs in order. But there are among the leadership of this body a willful few who believe that when the Congress speaks they need not obey. They forget they are servants of Congress and of the people—not laws unto themselves. My colleagues, the will of the American people must not be frustrated. This is the time for us to act decisively.

H.R. 3705—THE BANKRUPTCY TECHNICAL AMENDMENTS ACT OF 1981

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, the bill which I am cosponsoring with the chairman of the Judiciary Committee (Mr. RODINO), the Bankruptcy Technical Amendments Act of 1981, H.R. 3705, is a purely technical measure. The measure is to be distinguished in the minds of Members from the bill which passed the House in the last Congress described as a technical amendments bill but which was swollen into a measure containing numerous controversial and substantive provisions. The measure is to be distinguished also from the substantive bills to be introduced later which I anticipate will lead to hearings responsive to many of the concerns being brought to the attention of Members by their constituents.

As ranking minority member on the Judiciary Committee, which has jurisdiction over the subject of bankruptcy, I have heard many complaints from both my constituents and my colleagues in this House to the effect that the bankruptcy code enacted in 1978 is not working as many of us had

intended. I am advised that there is widespread abuse of the chapter 13 proceedings. This is of particular concern to small- and medium-size businessmen, who have been bearing the brunt of what many perceive to be an easy escape on the part of many debtors from their solemn obligations to their creditors.

I want to assure Members of my personal awareness of and sensitivity to their concerns and of my commitment to having our committee give them careful and appropriate consideration in the context of remedial legislation.

Mr. Speaker, the measure which the chairman of the committee (Mr. RODINO) and I are introducing relates solely to noncontroversial, technical amendments.

COST OF LIVING ADJUSTMENTS

(Mr. GEPHARDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEPHARDT. Mr. Speaker, the other day Mr. Stockman delivered a stern warning to Congress not to, in his words, "sabotage" the budget Congress adopted last month by allowing amendments to be offered on the House floor when the reconciliation package is considered. And last week, the minority whip, the gentleman from Mississippi, similarly warned of the dire consequences of allowing certain exemptions form the spending cuts directed by the budget resolution, evoking the spectre of the *Titanic*, no less, to describe the magnitude of the disaster that will follow such action.

Before all this talk of sabotage and shipwrecks gets out of hand, I think it is important to tone down the rhetoric and look at the record.

This will not be the first time the House considers a reconciliation package. We did so last fall in ordering spending cuts for fiscal 1981. And during consideration of the measure the House voted overwhelmingly to restore funds to allow continued cost-of-living adjustments in benefits to Federal, military and civilian retirees.

A majority of Democrats voted for that restoration. So did Republicans. In fact the amendment itself, the so-called COLA amendment was offered by a Republican, the former Member from Maryland. On the vote, three-fourths of the Republicans voted in favor of making an exception from the spending cuts on this issue.

During debate on the rule for reconciliation last year on the question of how open or closed it should be, the former Member from Maryland had this to say:

> Frankly, whether you are for or against these given propositions, including COLA, the least we ought to have . . . is the right to vote.

The same point applies today. Frankly, I am pleased to learn that responsibility for governing has put past behavior in a different light.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore (Mr. MCCURDY) laid before the House the following communication from the Clerk of the House of Representatives:

JUNE 2, 1981.

Hon. THOMAS P. O'NEILL, JR.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House of Representatives, I have the honor to transmit a sealed envelope from The White House, received in the Clerk's Office at 3:48 p.m. on Tuesday, June 2, 1981 and said to contain a message from the President concerning the extension of the Jackson-Vanik Waiver Authority for a further period of twelve months and the continuation of the waivers applicable to the Socialist Republic of Romania, the Hungarian People's Republic and the People's Republic of China, together with a copy of the President's Determination in connection therewith.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, JR.,
Clerk, House of Representatives.

RECOMMENDATION FOR EXTENSION OF WAIVER AUTHORITY OF PORTIONS OF TRADE ACT OF 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-57)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Ways and Means and ordered to be printed:

(For message, see proceedings of the Senate of today, Wednesday, June 3, 1981.)

□ 1230

THE 1980 ANNUAL REPORT OF FEDERAL PREVAILING RATE ADVISORY COMMITTEE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Committee on Post Office and Civil Service.

(For message, see proceedings of the Senate of today, June 3, 1981.)

POSTPONEMENT OF SPECIAL ORDER UNTIL MONDAY, JUNE 8, 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 60 minutes.

● Mr. DERWINSKI. Mr. Speaker, due to the death of our former colleague, Carl Vinson, and with the absense of many of our Members, I have decided to postpone my special order honoring the primate of Poland, Stefan Cardinal Wyszynski, who passed away on May 28. I have rescheduled the special order for Monday, June 8.●

THE 1982 BUDGET AND A TROUBLED ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GREEN) is recognized for 20 minutes.

Mr. GREEN. Mr. Speaker, in 1979 and 1980, America suffered back-to-back double digit inflation for the first time since World War I. The value of a 1960 dollar has now shrunk to 36 cents. A pound of hamburger that cost 48 cents in 1960 now costs about $1.58 nationwide and even more in New York City. Mortgage interest rates averaged nearly 13 percent in 1980—the highest level in U.S. history and double the levels of the early 1960's. There were more Americans out of work last year—7.4 million—than in any year, save one, since World War II. Unemployment for blacks, Hispanics, and other minorities was much higher than the average. During much of the postwar period, U.S. productivity rose about 3 percent a year; for the last 2 years, it has actually declined. The U.S. personal savings rate is now at the lowest level we have experienced over any 3-year period in the last 30 years. Indeed, the United States now stands at the bottom among all the major industrial democracies in its level of personal savings and investment. Our personal savings rate is not even half that of our major trading partners. There is general agreement that our economy is in serious trouble and that certain reforms of Government policy are in order.

I do not agree with every change this administration has requested. In fact, I think many of the proposals are unrealistic and misguided. However, I do believe that one element of our approach should be to reduce the Federal deficit, something I have consistently advocated since coming to the Congress. In addition, very few Government programs have operated so perfectly that they should be immune from review. In general, I intend to support changes which will make programs simpler, more efficient, and closer to local governments. As a member of the Appropriations Committee, which determines the exact funding for Government programs, my budget philosophy is to seek a reduction in the deficit, reorganize certain programs, and shift some of the emphasis from military spending—which is the only area of increase—to some

of the social programs which are vital to America's poor and its cities.

Consequently, in my remarks today I want to explain five important subjects: First, Government programs of priority which I think should be saved and not cut as has been proposed; second, areas of the budget which should receive less spending than proposed by the administration; third, the budget process; fourth, my votes on the first budget resolution for fiscal year 1982; and fifth, my assessment of where we should go from here. Throughout all sections of my remarks, I want to emphasize how I have attempted and will continue to influence formation of the budget.

BILL GREEN PRIORITIES

MASS TRANSIT

Good mass transit systems spur economic activity, hold urban centers together, and provide a particularly valuable service to our cities' poorest citizens. The White House has properly recognized the importance of stimulating new economic productivity. However, this will be most difficult in many large cities if the mass transit operating subsidy is phased out by 1985, as has been proposed by the administration. The administration used sound judgment in its proposal to shift capital funding for mass transit away from emphasis on new fixed rail systems and toward existing systems, but this policy will be undercut if we eliminate operating subsidies. This route could very well take our mass transit systems down the same path traveled by our Nation's passenger railroads.

New York City's Mayor Ed Koch has indicated that—

> The proposed cut will be counterproductive to the Administration's intention to encourage economic growth. In New York City, 85 percent of the persons entering Manhattan's central business district during morning rush hours use some form of public transportation, and more than 60 percent ride the subway.

As Mayor Koch also indicated in that same statement, an efficient mass transit system contributes significantly to the city's relative energy efficiency.

I might also point out that, of the 14 major cities with mass transit systems, New York covers the highest proportion of its expenditures with fares. I fully agree with the mayor when he said, "Reductions in this (subsidy) will force further fare increases and increase expenses to low-income people who rely on mass transit to get to work."

We would not be constructing sound economic or energy policy by significantly reducing mass transit operating subsidies, and a number of Republican Members from New York, including me, have requested that the President meet with us to discuss this.

ARTS AND HUMANITIES

I recognize that there was some measure of politicization of the National Endowments for the Arts and Humanities under the Carter administration, and there undoubtedly could be savings by elimination of what have come to be known as basketweaving projects. However, I defy anyone to show me where reductions of 50 percent can be achieved in that fashion. Incredibly, that is exactly what the administration has proposed—reducing funding for the Endowments by 50 percent next year.

The Office of Management and Budget (OMB) contends that private funds could replace public funding of the arts. However, it is often Government funds which have stimulated the private investment in the first place. Most Government grants are matching in nature and often result in considerably more private contributions than could otherwise be expected. As many private arts contributors confirmed in a Wall Street Journal article I placed in the RECORD March 4, there is almost no evidence to substantiate the claim that private contributions can make up for the cut in public funding. Indeed, the evidence is just the opposite.

In recent days I have learned that OMB is now considering reductions in 1981 for the Endowments. This was particularly shocking news because it indicates that officials at OMB have very little knowledge of how funding for the arts and humanities works. The threat of rescission of funds this year jeopardizes several projects currently underway. Because of the urgency of this situation, I have requested that an administration official meet with National Endowment for the Arts Chairman Livingston Biddle and me in my office so that we can explain what such a rescission would mean. I will certainly fight in the Appropriations Committee any rescission request for Endowments funding.

SOLAR AND CONSERVATION BANK

There can be little dispute that the energy crisis is at the heart of our economic problems. Experts also agree that the only short-term approach which holds the promise of any significant energy progress is conservation. Consequently, I see no logical reason to follow the proposal to terminate the Solar and Conservation Bank this year. As the author of the conservation portion of the act creating the bank, I can assure my colleagues that my committee at the time received overwhelming evidence to justify the value of this bank and its conservation mission.

I acknowledge that we currently have tax incentives to encourage energy conservation. I would also point out, however, that these incentives were carefully considered at the time the Solar Bank legislation was being formulated, and the bill was specifically designed to dovetail with current tax law.

In addition, tax incentives really do not help low-income households very much because so few of these households itemize their returns. On the other hand, an institution such as the Solar and Conservation Bank could be of significant benefit to the poor. The longer we delay implementation of solar and conservation practices, the longer it will be before we achieve energy independence and the more serious will continue to be our economic difficulties. I was pleased that I was able to persuade my own Appropriations Subcommittee that we should not go along with the President's request to rescind all funds for the bank in 1981. We produced and the full House accepted a bill which continues funds for the conservation portion of the bank. Unfortunately, this funding was lost in the conference. I intend to continue to work for funding of the bank in the 1982 appropriation.

LEGAL SERVICES FOR THE POOR

I have always actively supported legal services for the poor. While I sympathize with the efforts of the Reagan administration to consolidate narrow categorical programs into block grants, I am concerned that access to the courts for the poor not get lost in the shuffle. Because of the need for backup services and research capabilities, there is also logic in keeping legal services as a national program and not including it in the block grant approach. Consequently, I am opposed to elimination of the Legal Services Corporation, which in fiscal year 1981, received $321 million in budget authority to provide legal aid to approximately 1.5 million low-income people across the country.

FOOD STAMPS

I do not think the current food stamp program is perfect, but a reduction of $150 million this year and $1.8 billion next year is extreme. I am very concerned for the poor and the elderly who depend so much on this program.

A cutoff of $11,000 for a family of four may be generous in some parts of the country, but I assure the Members of this body that it is not generous or even adequate in New York City. I am urging my colleagues to structure a program which will allow greater flexibility and which can take cost-of-living variations into account.

Many of the changes proposed by the administration would increase the administrative complexity of the program with the potential for increasing a State's error rate. My own State of New York, for example, is most concerned about the proposal to institute retrospective accounting and adjust benefits for families with children participating in the school lunch program. New York is in the process of

implementing a computer system to mange the food stamp program. Prospective budgeting is at the base of the system. Mandatory retrospective budgeting would require major reprograming at a substantial cost to the State in terms of money, time, and staff resources. Again, I see the wisdom of allowing greater flexibility for the States in administering such Government programs.

LOW-INCOME ENERGY ASSISTANCE

I have contended for some time that we should not view high winter heating costs as being of an emergency nature in the sense of being unexpected or one-time occurrences. Instead, because of the incredible increase in energy prices since 1974, we should view heating assistance to low-income persons as a legitimate Government responsibility and one which should be on-going. The last Congress created such a program on which needy persons and local administrators could rely and plan. This legislation incorporated my amendment to the 1979 emergency heating legislation that insured that renters who pay heating costs indirectly would be eligible for assistance.

Governor Carey's office estimates that the administration proposal will mean a reduction of $55 million for New York State in 1982. As a Member of the House Select Committee on Aging in the last Congress, I held hearings in New York State on the subject and was told that even current funds were most inadequate. Witnesses told members of the committee of incidents where elderly and poor people were sacrificing adequate nutrition in order to pay heating costs. The Federal Government cannot afford to do everything, and some kinds of programs must be cut. This should not be one of them, particularly since decontrol of oil prices, which I support, obviously increases the need for this program.

MEDICAID

I opposed the administration's intention to reduce medicaid funding in fiscal year 1981 by $100 million. The only justification given us was that the funds could be made up for by reducing fraud and abuse. My own State has done a commendable job of significantly reducing such waste, and I do not know how we could reduce our share further without cutting people who need assistance out of the program.

The administration has also proposed a cap on medicaid expenditures pending a comprehensive reorganization of the program. Unfortunately, such a cap would discriminate against States which already suffer discrimination in medicaid payments. New York State, for example, receives Federal payment for only 50 percent of its costs while some other States receive almost 80 percent. Thus, a cap would freeze into the system current injustices.

STRATEGIC PETROLEUM RESERVE

Energy costs are at the heart of our economic problems. We should have no higher priority than to expand domestic energy capacity and free ourselves from OPEC domination. We will always be intimidated by instability in the Middle East until we have a reasonable stockpile of petroleum. Congress has mandated that the Strategic Petroleum Reserve be filled for this purpose by the purchase of oil with Government funds. It is essential that we continue with this effort. Several Members of the House have proposed that some type of private financing for the Reserve be developed.

A May 4, 1981, Washington Post editorial claimed—

> Private funding will not work. In an emergency, the private owners' interest would be to keep holding the oil as the price rose. If private financing merely means selling oil reserve bonds on the private market, like the bonds of other Federal agencies, it's hardly worth doing. Since the impact on the economy is the same in both cases, it makes little difference whether Congress calls it spending or borrowing.

Indeed, on May 13, during consideration of the fiscal 1981 rescission and supplemental appropriations bill, I voted against a successful amendment cutting $3 billion for the Reserve.

AID TO HIGHER EDUCATION

I wish to emphasize that many people rely on student assistance programs in order to finance an education. The guaranteed student loan, for example, is an extraordinarily important program and we should be most cautious about changing it. I think that it is reasonable to consider some type of income limitation for the program, but I doubt that we should go as far as the administration has suggested.

GREEN PROGRAM TO ENCOURAGE PERSONAL SAVINGS

At the beginning of my remarks, I decried the terrible savings rate we are now experiencing. This is important because money saved is available for investment. It is also available to fund Federal deficits without the need to print money. This is crucial because it is clear that the Reagan plan cannot provide a stimulus that can instantly eliminate deficits.

I believe that the administration should add a specific saving incentive to its economic proposal and that such an incentive should be geared to the lower and middle-income levels where the average propensity to save is the lowest. My saving incentive proposal—embodied in H.R. 1397—differs from those that have previously been offered. Most others involve tax deductions or exclusions which largely aid upper income households, which are already the major immediate beneficiaries of the Reagan proposals. Such households also already tend to save a larger proportion of their income on average than more modest income households. Therefore, I suspect the additional savings induced by such saving programs would be minimal.

I propose, instead, that we subsidize low- and moderate-income saving. My program is modeled on a program that worked well in West Germany. The ingredients of the plan include the following: Participants would have to commit to save or invest for 7 years. The savings could be held at banks or invested in mutual funds or other vehicles similar to those allowed under Keogh and IRA programs. The United States would commit to pay a substantial interest bonus of 14 percent of the value of the initial investment at the end of the investment period. The program would have an investment limit per year of $500 per individual and $1,000 for a married couple. Finally, my plan would have an income limit of $15,000 adjusted gross income for an individual or $30,000 for a married couple.

Instituting a saving incentive program that is targeted to modest-income savers would be even more urgent if the Kemp-Roth tax cut or something similar to it is enacted. In short, I believe that my saving incentive program can have an inflation dampening effect on the deficits which the Reagan administration admits must accompany the first years of its tax cut.

WHERE WE SHOULD CUT

As I said at the outset, I do believe that Federal spending should be pared and the deficit reduced. Consequently, I would like to suggest several programs which I think should be funded at levels lower than that suggested by the administration.

MILITARY SPENDING

The President has requested the largest increase in defense spending in the peacetime history of this country—a 30-percent increase over the original fiscal year 1981 budget request. It is an increase of more than $1 trillion in 5 years. For those of us who have difficulty comprehending such figures, it would take 2,740 years to spend $1 trillion at the rate of $1 million a day. The President wants to spend all that on a new manned bomber, a sixth nuclear-powered aircraft carrier, and dozens of ships and hundreds of planes beyond what the previous administration had ordered. The President's request would result in defense spending—as a percent of total budget outlays—rising from 25 percent in 1982 to 38 percent in 1986.

I recognize the current critical needs of our Armed Forces, especially in the areas of readiness, spare parts, and pay. We have serious defense problems in those areas and I support increased funding for them. However, I do not

think that the defense budget should be immune from the same scrutiny being applied to social programs. There are areas of the defense budget which can be reduced and we should not hesitate to criticize waste wherever we find it. As examples, I question the need for the new MX missile and the need for additional aircraft carriers. The request for additional carriers is especially perplexing at a time when the primary constraint on our having carriers on the water has more to do with crew restrictions and maintenance inadequacies than with the quantity of aircraft carriers available.

AGRICULTURAL SUBSIDIES

Agricultural subsidies are inflationary and difficult to justify. I was pleased to see the House take some action with respect to dairy subsidies when it passed H.R. 1986 earlier this year, and I was encouraged when the President signed the measure from his hospital bed. This should be only a beginning. Last year, as in previous years, I called for an initial reduction for the Commodity Credit Corporation of 10 percent. This would result in a $210 million savings in 1982. Given that many administration proposals call for program eliminations or cuts of 25 to 50 percent, I think this is a modest and reasonable course.

WATER PROJECTS

Every Member of Congress is familiar with water projects which cannot be justified on a cost/benefit basis and which hold a significant threat to the environment. Over the years I have been working with the Coalition for Water Project Review—a group of private environmental organizations—to eliminate funding for some of the projects which represent the greatest abuses, such as the O'Neill unit in Nebraska and the Tennessee-Tombigbee Waterway.

THE BUDGET PROCESS

Fashioning a Federal budget is a lengthy, complicated process which normally begins with the President's request in January and concludes in September. I am a member of the House Appropriations Committee, which determines the exact funding level for Government programs, and, as such, play a direct role in constructing the budget. On February 3, Office of Management and Budget (OMB) Director Dave Stockman met with the other Republican members of the committee and me and sought our reaction to some of the proposals then being considered by the new administration. I discussed my concerns with him at that time and followed up with a more detailed letter to him on February 14. Shortly thereafter, Stockman, Treasury Secretary Regan, and Council of Economic Advisers Chairman Weidenbaum appeared before my committee and I had the opportunity to impress upon them the needs of New York City and how urban areas would be affected by the Reagan proposals. Finally, I carried the concerns of my constituents through the budget process by writing a letter to the House Budget Committee on April 1, making specific suggestions as to which programs should be retained and which should be cut. My comments put forward earlier in these remarks reflect the priorities I stressed in that letter and in my conversations with Mr. Stockman and the other administration officials.

GRAMM-LATTA BUDGET VERSUS THE JONES BUDGET

The House Budget Committee wrote a version of what is known as the first concurrent resolution on the budget, which sets nonbinding broad spending goals for the Congress—the second resolution will be adopted next fall and will be binding. This was known as the Jones budget—after the chairman of the Budget Committee—a different version, or substitute, known as the Gramm-Latta budget—after Congressman GRAMM of Texas and LATTA of Ohio—then emerged as the major alternative. As we all know, the President endorsed the Gramm-Latta proposal as his own. To be honest, I did not think that either the Jones or the Gramm-Latta budgets accurately reflected my thinking on the budget or the needs of New York City. I also resented the fact that Gramm-Latta had been put together without any input from Republicans from the Northeast and was obviously designed to attract conservative southern Democrats. As a result, I was undecided which proposal I would support and called a meeting in my office of other concerned House Republicans from the Northeast and Midwest to discuss our approach to the budget. Prior to the budget coming to the House floor, I had the opportunity to talk also with Secretary Regan and other members of the Cabinet, and finally on April 30 I met with President Reagan and Vice President BUSH in the Oval Office. I explicitly outlined my disappointment that moderate Republicans from the Northeast and Midwest had not been consulted during the formation of Gramm-Latta, and I was encouraged when the President responded that he did not want that to happen again and that he would direct his advisers to construct a mechanism for receiving our advice. I then explained to the President that I do not think there is any way that the Defense Department can begin to spend a 30-percent increase in a single year without gross mismanagement and inefficiency. After acknowledging my concern, the President emphasized that the first budget resolution is not binding and that the process leaves plenty of opportunity for shifting spending from area to area. I left the Oval Office thanking the President for his time and assuring him that I certainly did intend to use my position on the Appropriations Committee to fight for a shift of funds from defense to a variety of social programs.

On the day before the final votes on the first budget resolution, several other moderate Republicans joined me in holding a press conference to announce that we could not support the Jones budget. We reiterated that neither package precisely reflected our budget priorities, and, had we been free to fashion our own budget, we would have provided less money for military spending than either the Jones budget or the Gramm-Latta substitute. We would then have used those funds for a variety of nondefense programs.

In short, all of us opted for Gramm-Latta for three basic reasons. First, the most important reason to stress is that Gramm-Latta came closest to the overall spending level we preferred. However, we made it clear to the administration and the House Republican leadership that our votes in favor of Gramm-Latta did not commit us to the ratio of defense and nondefense spending embodied in that substitute.

Second, Gramm-Latta gave the Ways and Means Committee greater flexibility in determining tax policy. While not all of us who attended that press conference support the exact approach of the Kemp-Roth tax cut proposal, we do agree with the administration that basic tax revisions are desirable and necessary to get the American economy moving again.

Third, we felt that the revenue estimates in Gramm-Latta were more accurate than those of the Jones budget. The Jones proposal was able to provide as much as Gramm-Latta for defense, provide more for many nondefense programs, and still produce a smaller deficit only because it projected $18 billion more revenue from our current tax structure than Gramm-Latta. This unrealistic revenue estimate was calculated deliberately for the sole purpose of making the Jones package attractive enough to succeed on the House floor. We were not willing to institutionalize such an approach, and neither was a majority of our colleagues.

VOTES ON BUDGET RESOLUTION

THE GREEN TRANSFER AMENDMENT

I drafted an amendment to the budget which would have transferred money from certain spending categories to others of greater need. Specifically, my amendment would have reduced the national defense function by $3.8 billion, reflecting elimination of $300 million for the *Oriskany* carrier, $600 million for the new nuclear carrier, and $2.9 billion for the MX missile. The Green transfer amendment would also have reduced the natural resources and environment func-

tion by $500 million to phase out several insupportable water projects.

The total of $4.3 billion in reductions would then have been redistributed in the following ways: $389 million for the solar and energy conservation bank, $200 million for mass transit operating subsidies, $171 million for the National Endowments for the Arts and Humanities, $347 million for Legal Services, $1.993 billion for food stamps and low income energy assistance and $1.2 billion for medicaid.

Unfortunately, the Rules Committee—which governs consideration of legislation on the floor—voted to allow only four amendments to be offered: One each by Congressmen HEFNER, FAUNTROY, and OBEY, and the one by Congressmen GRAMM and LATTA. Thus, the House was not permitted the opportunity to vote on the Green transfer amendment. Because of my dissatisfaction with the Jones proposal and the Gramm-Latta substitute and because the Rules Committee was unreasonably restrictive in not allowing members to fine tune either proposal, I spoke April 30 and urged my colleagues to vote against the manner in which the budget resolution was to be considered. I regret that I was in the minority. Thus, only the amendments I mentioned were permitted.

OTHER AMENDMENTS

The Hefner amendment brought defense spending in the Jones proposal to precisely the same level as that contained in Gramm-Latta, and it was adopted by voice vote. The Fauntroy amendment had merit in certain of its provisions, such as reductions in defense—although they were a bit more than I would consider ideal—water projects and tobacco subsidies. Unfortunately, it also called for reductions in the strategic petroleum reserve. Most significantly, however, it also projected substantially higher revenues—$39 billion more than Jones and $60 billion more than Gramm-Latta—which were to result from significant tax increases. Because of that feature of the Fauntroy proposal, I voted with the majority of the House in rejecting the amendment 69-356. The Obey amendment also had some admirable features, such as full funding for the strategic petroleum reserve, restoration of money for weatherization for elderly and low-income households, and reasonable funding of title I of the Elementary and Secondary Education Act, handicapped education programs, and the national direct student loans. Again, however, Mr. OBEY's substitute was predicated upon enormous tax increases which have virtually no change of being approved by Congress, and his amendment was, therefore, insupportable. The amendment lost 119-303.

Finally, then, the House moved to a vote on the amendment by Messrs. GRAMM and LATTA, which was designed as a substitute for the Jones proposal. I have already listed my major reasons for giving it my reluctant vote. Obviously, someone who was as dissatisfied as I was with both the Jones and Gramm-Latta proposals could have voted "no" on both of them, but that would have seemed to me to be an empty gesture. Having voted for Gramm-Latta, I am now in a better position to work for the funding shifts to the social programs I talked about earlier. In addition, as one of the few Republican voices in the House who speaks for America's cities, I am concerned that I maintain reasonable relations with the administration which will be governing this Nation for at least the next 4 years. In the past New York City has benefited in several ways by having a Republican advocate to help win support on my side of the aisle. This is now all the more important with a Republican administration and Senate. There will be countless times over the coming years when I will need to go to the Reagan administration to press the case for urban America. To have futilely opposed the President on the Gramm-Latta vote would have severely affected my ability to negotiate with the administration on a host of issues; and, over the long run, this would have been detrimental to the citizens of New York City. The Gramm-Latta substitute passed easily on a vote of 253-176. Differences between this proposal and that passed by the Senate were quickly resolved and on May 20 I voted with the majority of the House in approving the final version of the first budget resolution. I was pleased that this final version not only retained the same revenue projections as the House-passed resolution, but also increased spending in several nondefense areas, such as natural resources and environment; transportation; and education, jobs and social services.

CONTINUING TO REVISE THE BUDGET

The question now comes, "Where do we do go from here?" Despite the vote on Gramm-Latta, I continue to be concerned at the overall budget impact on the Northeast and Midwest regions. Since these areas have a shrinking tax base, it is more difficult for my State and others to manage the additional financing burdens they are being asked to assume. I am gratified at President Reagan's pledge to me to seek the counsel of Northeast and Midwest Republicans prior to future budget decisions.

Finally, I wish to reemphasize my continuing work on the Appropriations Committee to shift some of the defense increase to the nondefense priorities I have described. This will be an ongoing effort until September when the budget is completed. I shall then resume my efforts when work is begun on the 1983 budget to see that my concerns and the needs of urban America are addressed.

JACK KEMP REINTRODUCES THE URBAN JOBS AND ENTERPRISE ZONE ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentlemen from New York (Mr. KEMP) is recognized for 60 minutes.

● Mr. KEMP. Mr. Speaker, just a year ago, when BOB GARCIA and I were first introducing the Urban Jobs and Enterprise Zone Act, we emphasized that "what we are trying to do is reopen the debate" on the problems of urban poverty and decay "by introducing a new concept—the Jobs and Enterprise Zone."

Today I think it is fair to report success beyond our wildest dreams in sparking this debate.

The National Urban League, the NAACP, the National League of Cities, the National Urban Coalition, and members of the Congressional Black Caucus all have endorsed this new concept of enterprise zones. Both the Republican and the Democratic platforms urged that the idea be explored. Mayors across the Nation—in my own city of Buffalo, Baltimore, New York, New Orleans, Miami, San Diego, and many other cities—have applauded this initiative. Enterprise zone committees and conferences spring up everywhere. State legislatures are debating, and some have passed, enterprise zone legislation—Washington D.C., for instance, has enterprise zone legislation introduced by Councilman Arrington Dixon. Finally, President Reagan has committed his administration to establishing enterprise zones in the Nation's poorest communities.

This enthusiasm is not the result of some legislation wizardry by BOB GARCIA or JACK KEMP, or our Senate sponsors RUDY BOSCHWITZ or JOHN CHAFEE. Rather it reflects in large part the frustration we see today with the wasteland of ideas for helping cities. After a year of discussing enterprise zones all around the Nation I have concluded that anyone with a new idea for confronting urban poverty and decay not only get a hearing—but may even get the key to the city.

What is the new idea behind the Kemp-Garcia bill? Simply this: People below the poverty line are not some special helpless class, to be set apart as if they suffered from some permanent affliction. Columnist William Raspberry has made this point particularly well:

A lot of us are beginning to question the assumption, implicit in many of our social welfare programs, that poor people are essentially beyond salvation and that the only humane thing to do is to take care of them. We are learning, at last, that the better care we take of people, the more helpless they become. And we are starting to think less

about how best to take care of people and more about ways to move them toward self-sufficiency.

Despite their predicament, the poor are no different in their goals from other Americans. They want to be productive and self-sufficient in providing for their families. They want jobs, they want to save and even invest. But they need tangible economic opportunities, which are now missing from our inner cities.

Now some people have suggested that it will take impossibly high wages to lure inner-city residents back to work. That is nonsense. We must never underestimate just how quickly human capital can be mobilized in our inner cities.

Such capital is far more than money: It is productive capability, and exists in the minds, hands, and creativity of the people. When the Social Security Administration opened 77 beginning level jobs in Baltimore last year, 15,000 people showed up before 7 in the morning to apply.

People will take a chance on a better future, they will invest their human capital, if they believe they have some chance to succeed. This is true of the inner-city poor, and it is true of the potential inner-city entrepreneur as well.

Everyone agrees that it is risky to start up a business in the inner city. Some of these risks we can reduce, for instance by improved police protection. But many of them are inherent in the nature of inner city businesses and communities.

Recognizing that risk is likely to remain greater in the inner city—and that risk is, anyway, an inevitable part of entrepreneurship—the Urban Jobs and Enterprise Zone Act concentrates its efforts on the other half of the risk-reward calculation: the rewards.

Why, anyway, does an individual take a chance and start up a business? The entrepreneur surely is not looking for immediate profits. Most new small businesses do not make a profit for several years. Instead, entrepreneurs choose the risky course of starting their own business because they calculate that, in the long run, they will reap a greater personal and financial reward. The Urban Jobs and Enterprise Zone Act increases that record by providing dramatic tax incentives to entrepreneurs who create jobs for disadvantaged workers in the inner city.

Many people have raised the objection that what small businesses—which provide virtually all the new jobs in the inner city—need is not more incentive, but instead, more capital. They criticize this bill for not creating a new Federal loan guarantee program, or providing startup grant money.

I personally do not believe that the Federal Government is very efficient at picking successful entrepreneurs. This is not a criticism of bureaucrats, it is just a reflection of the fact that large institutions have a hard time understanding or coping with individuals who have innovative, crazy, new ideas. But even if the Federal Government were a highly efficient capital provider, it still is not a significant one. We could triple Federal business assistance programs and they would still be providing less than 10 percent of all startup capital. By far the greatest part—89 percent—of this capital comes from personal savings. Seventy-five percent of all new businesses start without using any outside debt or equity; and even when they do use outside debt or equity it is more likely to come from family and friends than from financial institutions.

What makes a person decide to put his or her savings into a new enterprise instead of, say, a house, or money market funds, or a yacht? Once again, the answer is that entrepreneurs—like the inner-city poor—make some calculation of future risk and reward.

This is why future-oriented tax incentives make more capital available in the present. By reducing capital gains and income taxes, in particular, the Urban Jobs and Enterprise Zone Act promises a greater reward to those who succeed in their initial risk-taking investment. In this way we tap the greatest resources available for our inner cities: the huge pool of private resources seeking a significant, after-tax rate of return in these uncertain and inflationary times.

The essence of the Kemp-Garcia Urban Jobs and Enterprise Zone Act is that it "greenlines" some of our poorest communities by dramatically increasing incentives for working, producing, and risk-taking within these areas.

Because the poor on welfare face what are, effectively, the very highest marginal tax rates of all, the bill provides a 5-percent refundable personal income tax credit for wages earned by zone employees, up to a cap of $1,500. This reduces the tax rate faced by individuals leaving welfare for work, and will also provide an important incentive for badly needed skilled workers and managers to take jobs in the inner city.

To provide an additional incentive to employers for hiring disadvantaged workers, the Urban Jobs and Enterprise Zone Act offers a 5-percent refundable business income tax credit equal to 5 percent of the wages paid to CETA-eligible employees. Along with the personal income tax credit, this is designed to offset the disincentives of the payroll tax, which discourages employers from hiring the untrained poor, particularly teenagers. In addition, because this credit applies as long as the originally eligible worker is employed by a zone enterprise, it offers an important incentive for training and retaining employees.

Finally, to create a new sense of economic buoyancy and expand entrepreneurial activity in the zone, the bill eliminates capital gains taxes, excludes half of all income earned by zone enterprises, and interest income earned on loans to zone enterprises, from taxation, and extends the loss carryforward to 20 years. This last provision makes the income tax reduction more valuable, by allowing early losses to be written off against later gains. To qualify for these incentives a business needs to hire 40 percent of its new employees from among CETA eligible workers.

During the past several months BOB GARCIA and I have reached out to community groups, mayors, and local officials, small businessmen and women, academic experts, and many other interested groups, seeking suggestions about how we could improve our bill. At their advice we have made the designation criteria more flexible, increased the importance of local and State participation and support, deepened the tax incentives and tied them more closely to the needs of disadvantaged workers. In the months to come we look forward to working with these same groups, the administration, and our colleagues from both parties on perfecting the bill and enacting it into law.●

CARDINAL STEFAN WYSZYNSKI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ADDABBO) is recognized for 5 minutes.

● Mr. ADDABBO. Mr. Speaker, it is with tremendous sadness and great spiritual loss that I rise today to join my distinguished colleagues in paying tribute to Cardinal Stefan Wyszynski who passed away last week after an heroic and unrelenting fight against cancer. Cardinal Wyszynski's passing leaves a great political, religious, spiritual, and social void that I pray the people and nation of Poland will be able to overcome in this, their hour of struggle.

As leader of the Catholic Church in Poland for 32 years, years that were at times fruitful, and other times frustrating, Cardinal Wyszynski rose to become a nationally loved leader and teacher in Poland and an internationally respected and admired religious figure the world over. He was a fighter in every sense of the word, a man who would not be intimidated by an opponent and who never thought of seeking the easy way out. He remained until his death an outspoken opponent of communism because of the shackles it thrust upon a person's ability and right to think, speak out against injus-

tice, and grow in one's culture, past and present. Few men have ever loved Poland as devotedly as Cardinal Wyszynski. It is most tragic that he will be remembered most by many for his work near the end of his life, being the voice heard above the roar of the crowds as he urged moderation on his people, acting as an intermediary between the Polish Government and the independent Solidarity trade union. It is tragic because he will never see the final fruits of that fight.

The Polish people have lost a very special part of their culture and tradition. Though they mourn his passing they would be best to glorify his life and use the lessons in their future he so aptly taught them in the past.●

CONFERENCE REPORT ON H.R. 3512

Mr. WHITTEN submitted the following conference report and statement on the bill (H.R. 3512) making supplemental and further continuing appropriations for the fiscal year ending September 30, 1981, rescinding certain budget authority, and for other purposes.

CONFERENCE REPORT (H. REPT. No. 97-124)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3512) making supplemental and further continuing appropriations for the fiscal year ending September 30, 1981, rescinding certain budget authority, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 4, 7, 8, 10, 11, 23, 26, 28, 30, 31, 32, 39, 63, 64, 69, 73, 74, 78, 88, 89, 90, 91, 92, 95, 97, 104, 119, 120, 121, 122, 124, 125, 126, 130, 132, 133, 134, 135, 136, 137, 141, 149, 153, 181, 182, 183, 186, 187, 203, 211, 212, 213, 214, 217, 232, 252, 254, 270, 271, 274, 279, 288, 291, 317, 324, 327, 328, 329, 330, 332, 334, 336, 345, 347, 354, 355, 360, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 407, 408, 409, 410, 411, 412, 413, 414, 416, 418, 419, 420, 423,.424, and 425.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 5, 6, 9, 12, 14, 16, 19, 22, 34, 35, 36, 43, 67, 71, 85, 93, 99, 106, 107, 108, 112, 127, 128, 129, 138, 144, 146, 156, 160, 163, 165, 167, 168, 170, 172, 175, 176, 177, 179, 180, 188, 200, 218, 219, 224, 233, 239, 243, 248, 249, 250, 257, 258, 263, 265, 281, 292, 309, 310, 315, 316, 318, 320, 323, 326, 333, 335, 338, 341, 344, 346, 348, 349, 350, 352, 358, 359, 362, 363, 364, 373, 375, 379, 380, 381, 382, 385, 386, 404, 405, 406, 415, 417, 422, 426, 427, 430, 431, and 432, and agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$23,640,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,000,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: "Restore the matter stricken by said amendment, amended to read as follows: $7,251,000, of which" and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert: Restore the matter stricken by said amendment, amended to read as follows:

SALARIES AND EXPENSES

(RESCISSION)

Of the funds appropriated for the Small Business Administration, "Salaries and expense" in Public Law 96-536, $700,000 are rescinded: *Provided*, That $8,500,000 shall be available for Small Business Development Centers for fiscal year 1981 pursuant to section 20(i)(6) of the Small Business Act, as amended.

And the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$73,400,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$8,400,000"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$46,500,000"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$466,149,000"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$561,605,000"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$923,568,000"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$111,675,000"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$15,300,000"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$17,737,000"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$25,400,000"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$26,150,000"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$70,900,000"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$6,000,000"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$116,700,000"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$27,700,000"; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$598,750,000"; and the Senate agree to the same.

Amendment numbered 70: That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$241,400,000"; and the Senate agree to the same.

Amendment numbered 75: That the House recede from its disagreement to the amendment of the Senate numbered 75, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$753,285,000"; and the Senate agree to the same.

Amendment numbered 76: That the House recede from its disagreement to the amendment of the Senate numbered 76, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$205,869,000"; and the Senate agree to the same.

Amendment numbered 77: That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said

amendment insert "$150,206,000"; and the Senate agree to the same.

Amendment numbered 79: That the House recede from its disagreement to the amendment of the Senate numbered 79, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$41,017,000"; and the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$113,609,000"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$308,976,000"; and the Senate agree to the same.

Amendment numbered 83: That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$44,346,000"; and the Senate agree to the same.

Amendment numbered 86: That the House recede from its disagreement to the amendment of the Senate numbered 86, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$82,511,000"; and the Senate agree to the same.

Amendment numbered 87: That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$105,688,000"; and the Senate agree to the same.

Amendment numbered 94: That the House recede from its disagreement to the amendment of the Senate numbered 94, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$40,000,000"; and the Senate agree to the same.

Amendment numbered 96: That the House recede from its disagreement to the amendment of the Senate numbered 96, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows:

NUCLEAR REGULATORY COMMISSION

SALARIES AND EXPENSES

(RESCISSION)

Of the funds appropriated for the Nuclear Regulatory Commission in the Energy and Water Development Appropriation Act, 1981, $5,000,000 are rescinded.

And the Senate agree to the same.

Amendment numbered 98: That the House recede from its disagreement to the amendment of the Senate numbered 98, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows:

(DEFERRAL)

Of the funds appropriated for the payment to the Tennessee Valley Authority in Public Law 96-367 making appropriations for Energy and Water Development and in Public Law 96-304 making supplemental appropriations for Energy and Water Development, $42,000,000 are deferred for obligation until October 1, 1981.

And the Senate agree to the same.

Amendment numbered 102: That the House recede from its disagreement to the amendment of the Senate numbered 102, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$500,000,000"; and the Senate agree to the same.

Amendment numbered 105: That the House recede from its disagreement to the amendment of the Senate numbered 105, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$10,170,000"; and the Senate agree to the same.

Amendment numbered 109: That the House recede from its disagreement to the amendment of the Senate numbered 109, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$12,785,000"; and the Senate agree to the same.

Amendment numbered 110: That the House recede from its disagreement to the amendment of the Senate numbered 110, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,461,000,000"; and the Senate agree to the same.

Amendment numbered 114: That the House recede from its disagreement to the amendment of the Senate numbered 114, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows:

HOUSING COUNSELING ASSISTANCE

(RESCISSION)

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, $3,000,000 are rescinded.

And the Senate agree to the same.

Amendment numbered 116: That the House recede from its disagreement to the amendment of the Senate numbered 116, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$499,300"; and the Senate agree to the same.

Amendment numbered 117: That the House recede from its disagreement to the amendment of the Senate numbered 117, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,953,100"; and the Senate agree to the same.

Amendment numbered 139: That the House recede from its disagreement to the amendment of the Senate numbered 139, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following:

(RESCISSION AND DEFERRAL)

And the Senate agree to the same.

Amendment numbered 150: That the House recede from its disagreement to the amendment of the Senate numbered 150, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,154,000"; and the Senate agree to the same.

Amendment numbered 151: That the House recede from its disagreement to the amendment of the Senate numbered 151, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows: "and $5,800,000 shall not become available for obligation until October 1, 1981, to remain available for obligation until September 30, 1982"; and the Senate agree to the same.

Amendment numbered 152: That the House recede from its disagreement to the amendment of the Senate numbered 152, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$34,000,000"; and the Senate agree to the same.

Amendment numbered 162: That the House recede from its disagreement to the amendment of the Senate numbered 162, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$9,000,000"; and the Senate agree to the same.

Amendment numbered 166: That the House recede from its disagreement to the amendment of the Senate numbered 166, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following:

(RESCISSION AND DEFERRAL)

And the Senate agree to the same.

Amendment numbered 174: That the House recede from its disagreement to the amendment of the Senate numbered 174, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$38,200,000"; and the Senate agree to the same.

Amendment numbered 178: That the House recede from its disagreement to the amendment of the Senate numbered 178, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$13,700,000"; and the Senate agree to the same.

Amendment numbered 196: That the House recede from its disagreement to the amendment of the Senate numbered 196, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$49,776,000"; and the Senate agree to the same.

Amendment numbered 199: That the House recede from its disagreement to the amendment of the Senate numbered 199, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$44,981,000"; and the Senate agree to the same.

Amendment numbered 201: That the House recede from its disagreement to the amendment of the Senate numbered 201, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$10,785,000"; and the Senate agree to the same.

Amendment numbered 209: That the House recede from its disagreement to the amendment of the Senate numbered 209, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,630,000"; and the Senate agree to the same.

Amendment numbered 215: That the House recede from its disagreement to the amendment of the Senate numbered 215, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$112,244,000"; and the Senate agree to the same.

Amendment numbered 216: That the House recede from its disagreement to the amendment of the Senate numbered 216, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$158,189,000; and the Senate agree to the same.

Amendment numbered 220: That the House recede from its disagreement to the amendment of the Senate numbered 220, and agree to the same with an amendment, as follows: In lieu of the sum proposed by

said amendment insert "$7,494,000"; and the Senate agree to the same.

Amendment numbered 221: That the House recede from its disagreement to the amendment of the Senate numbered 221, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$16,982,000"; and the Senate agree to the same.

Amendment numbered 227: That the House recede from its disagreement to the amendment of the Senate numbered 227, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$13,500,000"; and the Senate agree to the same.

Amendment numbered 229: That the House recede from its disagreement to the amendment of the Senate numbered 229, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$410,455,000"; and the Senate agree to the same.

Amendment numbered 230: That the House recede from its disagreement to the amendment of the Senate numbered 230, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$25,270,000"; and the Senate agree to the same.

Amendment numbered 231: That the House recede from its disagreement to the amendment of the Senate numbered 231, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$8,925,000"; and the Senate agree to the same.

Amendment numbered 234: That the House recede from its disagreement to the amendment of the Senate numbered 234, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$100,000,000"; and the Senate agree to the same.

Amendment numbered 235: That the House recede from its disagreement to the amendment of the Senate numbered 235, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$266,400,000"; and the Senate agree to the same.

Amendment numbered 236: That the House recede from its disagreement to the amendment of the Senate numbered 236, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$152,625,000"; and the Senate agree to the same.

Amendment numbered 238: That the House recede from its disagreement to the amendment of the Senate numbered 238, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$97,563,000"; and the Senate agree to the same.

Amendment numbered 242: That the House recede from its disagreement to the amendment of the Senate numbered 242, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$76,819,000"; and the Senate agree to the same.

Amendment numbered 244: That the House recede from its disagreement to the amendment of the Senate numbered 244, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$12,126,000"; and the Senate agree to the same.

Amendment numbered 247: That the House recede from its disagreement to the amendment of the Senate numbered 247, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$98,442,000"; and the Senate agree to the same.

Amendment numbered 251: That the House recede from its disagreement to the amendment of the Senate numbered 251, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,261,000"; and the Senate agree to the same.

Amendment numbered 256: That the House recede from its disagreement to the amendment of the Senate numbered 256, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$445,000,000"; and the Senate agree to the same.

Amendment numbered 276: That the House recede from its disagreement to the amendment of the Senate numbered 276, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$37,843,000"; and the Senate agree to the same.

Amendment numbered 283: That the House recede from its disagreement to the amendment of the Senate numbered 283, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$8,500,000"; and the Senate agree to the same.

Amendment numbered 286: That the House recede from its disagreement to the amendment of the Senate numbered 286, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$16,915,000"; and the Senate agree to the same.

Amendment numbered 287: That the House recede from its disagreement to the amendment of the Senate numbered 287, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows:

CORPORATION FOR PUBLIC BROADCASTING

PUBLIC BROADCASTING FUND

(RESCISSION)

Of the funds provided for "The Corporation for Public Broadcasting" for fiscal year 1983 in Public Law 96-536, as amended, $35,000,000 are rescinded.

And the Senate agree to the same.

Amendment numbered 289: That the House recede from its disagreement to the amendment of the Senate numbered 289, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows:

NATIONAL COMMISSION ON STUDENT FINANCIAL ASSISTANCE

For necessary expenses to carry out section 491 of the Higher Education Act, $250,000.

And the Senate agree to the same.

Amendment numbered 319: That the House recede from its disagreement to the amendment of the Senate numbered 319, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows:

GOVERNMENT PRINTING OFFICE

OFFICE OF SUPERINTENDENT OF DOCUMENTS

SALARIES AND EXPENSES

For an additional amount for. "Salaries and expenses", Office of Superintendent of Documents, $400,000.

And the Senate agree to the same.

Amendment numbered 321: That the House recede from its disagreement to the amendment of the Senate numbered 321, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$76,100,000"; and the Senate agree to the same.

Amendment numbered 322: That the House recede from its disagreement to the amendment of the Senate numbered 322, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$35,000,000"; and the Senate agree to the same.

Amendment numbered 340: That the House recede from its disagreement to the amendment of the Senate numbered 340, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows:

RAILROAD REHABILITATION AND IMPROVEMENT FINANCING FUNDS

(RESCISSION)

Of the funds authorized to be expended under this head by the Department of Transportation and Related Agencies Appropriation Act, 1981, and prior appropriation acts, $1,000,000 are rescinded.

And the Senate agree to the same.

Amendment numbered 353: That the House recede from its disagreement to the amendment of the Senate numbered 353, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows:

(RESCISSION)

Of the funds appropriated under this head in the Department of Transportation and Related Agencies Appropriation Act, 1981, and prior appropriation acts, $1,000,000 are rescinded.

And the Senate agree to the same.

Amendment numbered 376: That the House recede from its disagreement to the amendment of the Senate numbered 376, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$17,788,000"; and the Senate agree to the same.

Amendment numbered 377: That the House recede from its disagreement to the amendment of the Senate numbered 377, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$20,716,000"; and the Senate agree to the same.

Amendment numbered 378: That the House recede from its disagreement to the amendment of the Senate numbered 378, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows: ", of which $2,500,000 shall be derived by transfer from 'Promote and develop fishery products and research pertaining to American fisheries' "; and the Senate agree to the same.

Amendment numbered 383: That the House recede from its disagreement to the amendment of the Senate numbered 383, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,497,000"; and the Senate agree to the same.

Amendment numbered 384: That the House recede from its disagreement to the amendment of the Senate numbered 384, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$1,000,000"; and the Senate agree to the same.

Amendment numbered 421: That the House recede from its disagreement to the

amendment of the Senate numbered 421, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$230,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 13, 15, 17, 20, 21, 25, 29, 33, 37, 38, 40, 41, 42, 47, 49, 50, 53, 68, 72, 81, 84, 100, 101, 103, 111, 113, 115, 118, 123, 131, 140, 142, 143, 145, 147, 148, 154, 155, 157, 158, 159, 161, 164, 169, 171, 173, 184, 185, 189, 190, 191, 192, 193, 194, 195, 197, 198, 202, 204, 205, 206, 207, 208, 210, 222, 223, 225, 226, 228, 237, 240, 241, 245, 246, 253, 255, 259, 260, 261, 262, 264, 266, 267, 268, 269, 272, 273, 275, 277, 278, 280, 282, 284, 285, 290, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 311, 312, 313, 314, 325, 331, 337, 339, 342, 343, 351, 356, 357, 361, 365, 366, 367, 368, 369, 370, 371, 372, 374, 428, and 429.

JAMIE L. WHITTEN,
EDWARD P. BOLAND,
WILLIAM H. NATCHER,
NEAL SMITH,
JOSEPH P. ADDABBO,
CLARENCE D. LONG,
SIDNEY R. YATES,
EDWARD R. ROYBAL,
TOM BEVILL,
ADAM BENJAMIN, Jr.,
BO GINN,
JULIAN C. DIXON,
VIC FAZIO,
SILVIO O. CONTE,
JOSEPH M. McDADE,
JACK EDWARDS,
JOHN T. MYERS,
J. KENNETH ROBINSON,
CLARENCE E. MILLER
(except amendment No. 102),
LAWRENCE COUGHLIN,
C. W. (BILL) YOUNG
(except amendment No. 102),
Managers on the Part of the House.

MARK O. HATFIELD,
TED STEVENS,
LOWELL P. WEICKER,
JAMES A. McCLURE,
PAUL LAXALT,
JAKE GARN,
HARRISON SCHMITT,
THAD COCHRAN,
MARK ANDREWS,
JAMES ABDNOR,
ROBERT W. KASTEN, Jr.,
ALFONSE M. D'AMATO,
MACK MATTINGLY,
WARREN RUDMAN,
ARLEN SPECTER,
WILLIAM PROXMIRE,
JOHN C. STENNIS,
ROBERT C. BYRD,
DANIEL K. INOUYE,
THOMAS F. EAGLETON,
LAWTON CHILES,
J. BENNETT JOHNSTON,
WALTER D. HUDDLESTON,
QUENTIN N. BURDICK,
PATRICK J. LEAHY,
JIM SASSER,
DENNIS DeCONCINI,
DALE BUMPERS,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3512), making supplemental appropriations for the fiscal year ending September 30, 1981, rescinding certain budget authority, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I

CHAPTER I—DEPARTMENT OF AGRICULTURE

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

Amendment No. 1: Appropriates $13,250,000 for the Animal and Plant Health Inspection Service as proposed by the Senate instead of $7,000,000 as proposed by the House. The additional funds will be used to meet emergency outbreaks of plant and animal diseases and infestation such as the khapra beetle, the grasshopper and the Mediterranean fruitfly; and to meet a shortfall in brucellosis indemnity funding and to continue whole herd depopulation.

Amendment No. 2: Deletes House language providing that the funds are only for emergency control programs.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

DAIRY AND BEEKEEPER INDEMNITY PROGRAMS

(Rescission)

Amendments No. 3 and 4: Defer $1,500,000 for the Beekeeper Indemnity Program until October 1, 1981, as proposed by the House. The Senate amendment proposed to rescind the $1,500,000.

FEDERAL CROP INSURANCE CORPORATION

Administrative and operating expenses

Amendment No. 5: Appropriates $28,181,000 for administrative and operating expenses for the Federal Crop Insurance Corporation as proposed by the Senate instead of $42,181,000 as proposed by the House.

The Federal Crop Insurance Act of 1980 has resulted in the marketing and servicing of Federal Crop Insurance by private brokers and companies, represented by over 10,000 agents. The conferees are concerned over the potential for misrepresentation (either intentional or inadvertant) on the part of agents performing the sale and servicing of policies, as well as loss adjustment work. The conferees are aware of misunderstandings between insurance salesmen and farmers which have been substantial enough to result in litigation. The conferees direct that the Corporation take appropriate steps to ensure that both the insurance agent and the farmer have a clear understanding of the salesman's limited delegation of authority as an agent of the Federal Government.

Subscription to capital stock

Amendment No. 6: Deletes House language appropriating $150,000,000 for subscription to capital stock.

FARMERS HOME ADMINISTRATION

AGRICULTURAL CREDIT INSURANCE FUND

(Rescission)

Amendments No. 7 and 8: Restore House language rescinding $50,000,000 in farm ownership loans.

RURAL DEVELOPMENT INSURANCE FUND

Insured water and sewer facility loans

Amendments No. 9: Deletes House language deferring $110,000,000 and rescinding $50,000,000 for water and sewer facility loans.

Alcohol fuel production facility loans

The Department of Agriculture has developed procedures for loan guarantees for alcohol fuel production facilities. Therefore, it is the intent of the conferees that the Department expeditiously implements the program as specified in the House and Senate Reports.

Rural development planning grants

(Deferral)

Amendments No. 10 and 11: Defer $2,000,000 for rual development planning grants as proposed by the House. The Senate proposed that these funds be rescinded.

Rural housing supervisory assistance grants

(Rescission)

Amendment No. 12: Changes sub-title from "(Deferral)" to "(Rescission)" as proposed by the Senate.

Amendment No. 13: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which rescinds $500,000 in rural housing supervisory assistance grants. The House language had proposed that these funds be deferred.

RURAL ELECTRIFICATION ADMINISTRATION

RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND

Amendment No. 14: Deletes House language deferring $62,000,000 in electric loans and $50,000,000 in telephone loans as proposed by the Senate. The conferees agree that these loan funds shall continue to be available for generation and transmission facilities, including loans for distribution cooperatives which involve transmission facilities. Furthermore, the conferees expect that the Rural Electrification Administration will continue to have access to the Federal Financing Bank for loan guarantee borrowers.

SOIL CONSERVATION SERVICE

Watershed and flood prevention operations

The Conferees direct that the Soil Conservation Service return immediately to the States all funds which have been withdrawn in the last 60 days for projects, where local taxes have been paid or plans for construction have been completed or bids announced. The Conferees expect to be notified that such action has been taken prior to the reporting of the Agriculture Appropriations Act for fiscal year 1982. Furthermore, the Conferees concur in the Senate report language which directs that the Office of Management and Budget not act as an impediment to the timely authorization of watershed projects and to forward these projects to the Congress at the earliest possible time.

FOOD AND NUTRITION SERVICE

Amendment No. 15: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

Child nutrition programs

For an additional amount for "Child nutrition programs", $109,875,000: *Provided*, That this appropriation shall be available only to the extent an official supplemental request is transmitted to the Congress.

Food stamp program

For an additional amount for the "Food stamp program", $1,740,724,000: *Provided*, That this appropriation shall be available only upon enactment into law of authorizing legislation, but pending the enactment

into law of such legislation, funds received from the sale of surplus agricultural commodities shall be available to the extent and in the manner provided in this paragraph: *Provided further,* That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: *Provided further,* That of the amounts provided herein, $536,124,000 shall be available upon certification by the Secretary of Agriculture that the Department of Agriculture is using all regulatory and administrative methods available under law to curtail fraud, waste, error, and abuse in the program: *Provided further,* That this appropriation shall be available only to the extent an official amended supplemental request is transmitted to the Congress: *Provided further,* That the funds provided herein shall remain available until September 30, 1981.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Child nutrition programs

Appropriates $109,875,000 for the Child Nutrition Programs as proposed by the Senate. The conference agreement provides that this appropriation shall be available only to the extent an official supplemental request is transmitted to the Congress.

Food stamp program

Appropriates $1,740,724,000 for the Food Stamp Program instead of $1,204,600,000 as proposed by the House and $1,742,600,000 as proposed by the Senate. This appropriation, together with the previously appropriated $9,739,276,000, provides a total of $11,480,000,000 for the Food Stamp Program for 1981. This total amount is equal to the fiscal year 1981 "cap" on the Food Stamp Program contained in pending legislation (S. 1007 and H.R. 3603). The conference agreement provides: (1) that this appropriation shall be available only upon enactment of authorizing legislation, except that pending enactment of such legislation, funds received by the Commodity Credit Corporation from the sale of surplus agricultural commodities shall be available to the extent and in the manner provided in this paragraph; (2) that the appropriation shall be subject to any work registration or workfare requirements as may be required by law; (3) that of the amounts provided, $536,124,000 shall be available upon certification by the Secretary that all methods available under the law are being used to curtail fraud, waste, error, and abuse; (4) that this appropriation shall be available only to the extent an official amended supplemental request is transmitted to the Congress, and (5) that this appropriation shall remain available until September 30, 1981.

CHAPTER II—DEPARTMENT OF COMMERCE

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

(Rescission)

Amendment No. 16: Rescinds $187,850,000 as proposed by the Senate instead of $181,350,000 as proposed by the House.

The conferees are agreed that with regard to the projects funded as a result of the Federal Government's "moral commitment" to do so, first priority and consideration will be given those projects listed in House Report No. 97-29, and should any of those projects fail to continue to meet legal and technical requirements for funding, EDA should have the flexibility to:

1. Make such adjustments to the funding levels of individual projects as may be appropriate based on the final review of applications and

2. Fund projects not previously identified on which it is determined that a commitment exists.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

Amendment No. 17: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which prohibits any funds available to the National Oceanic and Atmospheric Administration from being used to either reduce or plan for a reduction in full-time permanent employment of less than 12,580.

The conferees are agreed that the personnel reductions proposed by the Administration for the National Oceanic and Atmospheric Administration would seriously impair the ability of this agency to carry out the responsibilities and programs mandated by the Congress. The conferees have therefore limited the Administration's proposed reduction in force (RIF) to allow for an employment level of not less than 12,580 permanent full-time employees. It is the intent of the conferees that the reduction in the level of the NOAA RIF should not be allocated to other bureaus and agencies within the Department of Commerce or other departments and agencies of the Federal Government. Employment in these other areas of the Department of Commerce or in other departments and agencies of the Government should be maintained at levels consistent with other provisions of this conference agreement.

(Rescission)

Amendment No. 18: Rescinds $23,640,000 instead of $26,236,000 as proposed by the House and $22,645,000 as proposed by the Senate. The following table displays the conference agreement on each individual item in the amendment:

[In thousands of dollars]

	House bill	Senate bill	Conference agreement
Salmon tagging with Japan	−800,000		
Conversion of Pacific Regional Headquarters, National Weather Service to an administrative office	−348,000		
Oceanographic instrumentation		−100,000	
Pascagoula Fisheries Laboratory renovation and expansion		−650,000	
Flood program		−325,000	
Purchase of local warning radars		−1,845,000	
NOAA undersea research program	−500,000		
Anadromous/grants	−1,000,000		
Campeche oil spill	−500,000	−500,000	−500,000
Striped bass	−750,000		
Vessel buy-back program	−10,000,000	−15,000,000	−11,100,000
National Oceanic Satellite System (NOSS)	−6,000,000		−6,000,000
Marine resources monitoring	−2,074,000	−3,175,000	−3,175,000
Commercial fisheries grants to States	−1,632,000		−1,632,000
Regional fishery management councils	−333,000	−500,000	−500,000
Columbia River fisheries	−733,000	−550,000	−733,000
Sea Grant			
National Marine Fisheries	−1,566,000		
Total	−26,236,000	−22,645,000	−23,640,000

The conferees are agreed that of the $3,900,000 remaining available for the vessel buy-back program, the Department of Commerce shall make available not to exceed $1,400,000 for supplemental pay costs.

Construction

(Rescission)

Amendment No. 19: Rescinds $11,000,000 as proposed by the Senate instead of $9,000,000 as proposed by the House.

COASTAL ENERGY IMPACT FUND

(Deferral and Transfer of Funds)

Amendment No. 20: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

COASTAL ENERGY IMPACT FUND

(DEFERRAL)

Of the funds appropriated under this head in Public Law 95-86, $7,000,000 are deferred for obligation until October 1, 1981.

COASTAL ZONE MANAGEMENT

(TRANSFER OF FUNDS)

For an additional amount for "Coastal zone management", $33,000,000, to be derived by transfer from "Coastal energy impact fund", to remain available until expended.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees are agreed that Coastal States should not anticipate receiving any Federal funding beyond the funds provided in this Act, and that these funds shall be used to phase-down the grants to States for the period fiscal year 1982-fiscal year 1984.

PROMOTE AND DEVELOP FISHERY PRODUCTS AND RESEARCH PERTAINING TO AMERICAN FISHERIES

(Disapproval of Deferral)

Amendment No. 21: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

PROMOTE AND DEVELOP FISHERY PRODUCTS AND RESEARCH PERTAINING TO AMERICAN FISHERIES

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves $2,500,000 of the proposed deferral D 81-105, relating to Department of Commerce, National Oceanic and Atmospheric Administration, "Promote and Develop Fishery Products and Research Pertaining to American Fisheries", as set forth in the message of April 27, 1981, which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law of this Act, and the amount of the proposed deferral disapproved herein shall be made available for obligation.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

FISHERMEN'S GUARANTY FUND

Amendment No. 22: Inserts language proposed by the Senate which permits $450,000 of the appropriation of $1,900,000 to be derived from receipts instead of deriving the entire $1,900,000 from receipts as proposed by the House.

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION

SALARIES AND EXPENSES

(Rescission)

Amendment No. 23: Restores rescission of $163,000 as proposed by the House.

PUBLIC TELECOMMUNICATIONS FACILITIES, PLANNING AND CONSTRUCTION

(Rescission)

Amendment No. 24: Rescinds $6,000,000 instead of $12,858,000 as proposed by the House and $4,000,000 as proposed by the Senate.

MARITIME ADMINISTRATION

SHIP CONSTRUCTION

(Disapproval of Deferral)

Amendment No. 25: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate as follows:

SHIP CONSTRUCTION

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves $55,000,000 of the proposed deferral D81-80 relating to the Department of Commerce, Maritime Administration, "Ship construction" as set forth in the message of March 10, 1981, which was transmitted to the Congress by the President. The disapproval shall be effective upon enactment into law of this Act and the amount of the proposed deferral disapproved herein shall be made available for obligation.

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES

Salaries and Expenses, United States Attorneys and Marshals

(Including Transfer of Funds)

Amendment No. 26: Restores the word "including" as proposed by the House.

Amendments No. 27 and 28: Appropriate $7,251,000 of which $6,371,000 shall be derived by transfer instead of appropriating $8,131,000 of which $6,371,000 shall be derived by transfer as proposed by the House, and $6,371,000 to be derived by transfer as proposed by the Senate.

Fees and Expenses of Witnesses

(Including Transfer of Funds)

Amendment No. 29: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

Fees and Expenses of Witnesses

(Including Transfer of Funds)

For an additional amount for "Fees and expenses of witnesses", $6,200,000, of which $2,931,000 is to be derived from Office of Justice Assistance, Research, and Statistics, "Law enforcement assistance".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes $2,931,000 to be derived by transfer from the Juvenile Justice program of the "Law enforcement assistance" appropriation. However, the conferees intend that the Office of Juvenile Justice and Delinquency Prevention shall make available whatever resources are necessary to permit participation in the formula grant program by those States not currently participating, if they establish eligibility by August 1, 1981. In a manner consistent with the preceding sentence and the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, the Office may identify those sources of funding necessary to transfer the $2,931,000 as required by this conference agreement.

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

Amendment No. 30: Appropriates $12,203,000 as proposed by the House instead of $13,687,000 as proposed by the Senate.

Amendment No. 31: Restores language proposed by the House which prohibits the Federal Bureau of Investigation from using any funds in this Act or any funds appropriated to the FBI in Public Law 96-536 in excess of $35,218,000 for payment to the General Services Administration for standard level user charges for space and services.

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

Amendment No. 32: Appropriates $8,869,000 as proposed by the House instead of $9,519,000 as proposed by the Senate.

FEDERAL PRISON SYSTEM

SALARIES AND EXPENSES

(Disapproval of Deferral)

Amendment No. 33: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which disapproves deferral D81-86 relating to the Department of Justice, Federal Prison System, "Salaries and Expenses" as set forth in the message of the President of March 10, 1981.

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

Salaries and Expenses

(Including Transfer of Funds)

Amendment No. 34: Inserts the word "Including" as proposed by the Senate.

Amendment No. 35: Appropriates $1,475,000 as proposed by the Senate.

THE JUDICIARY

SUPREME COURT OF THE UNITED STATES

Acquisition of Property as an Addition to the Grounds of the United States Supreme Court Building

Amendment No. 36: Appropriates $645,000 as proposed by the Senate instead of $585,000 as proposed by the House.

The conferees are agreed that the Architect of the Capitol should proceed expeditiously with the purchase of the property to be used as a parking lot for the Supreme Court. However, the amount provided by the conference agreement is not intended to be an installment on the purchase price of the property, and if the amount provided is not sufficient to acquire the property, the Architect should resubmit the entire proposal to the Congress.

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

BANKRUPTCY COURTS, SALARIES AND EXPENSES

(Transfer of Funds)

Amendment No. 37: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates $2,000,000 to be derived by transfer from "Space and facilities".

BOARD FOR INTERNATIONAL BROADCASTING

GRANTS AND EXPENSES

Amendment No. 38: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

The amounts provided in Public Law 96-536 for the Board for International Broadcasting may be expended without regard to the limitation on $2,400,000 for the purpose of transferring RFE/RL positions to the United States.

Notwithstanding section 8(b) of the Board for International Broadcasting Act of 1973, not to exceed $1,600,000 of the amounts placed in reserve pursuant to that section, or which would be placed in reserve pursuant to that section, shall be available to the Board for carrying out that Act.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

(*Rescission*)

Amendment No. 39: Rescinds $8,957,000 as proposed by the House instead of $7,357,000 as proposed by the Senate.

DEPARTMENT OF THE TREASURY

BUREAU OF GOVERNMENT FINANCIAL OPERATIONS

Fishermen's protective fund

Amendment No. 40: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates $8,300,000 to remain available until expended.

The conferees note the significant increase in the number of seizures of American fishing vessels by foreign countries during the last two years. The conferees are concerned that in these instances, the Secretary of State did not exercise his authority under 22 U.S.C. 1975 which permits the withholding of foreign assistance payments, as appropriate, for those countries that seize American fishing vessels and fail or refuse to reimburse the United States Government for payments made to owners of fishing vessels for certain losses sustained by such seizures. If the Secretary withholds such foreign assistance payments, he is required to deposit such amounts in the Fishermen's Protective Fund in accordance with the above section of law. The conferees are agreed that the Secretary should exercise his authority to withhold foreign assistance payments as appropriate with regard to any future seizures of American fishing vessels by foreign countries, so that requirements for payments from the fund will not have to be financed wholly from additional appropriations as has been the case in the past.

INTERNATIONAL COMMUNICATION AGENCY

SALARIES AND EXPENSES

(Transfer of Funds)

Amendment No. 41: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $350,000, to be derived by transfer from "Salaries and expenses (special foreign currency program)".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

(*Disapproval of Deferral*)

Amendment No. 42: Reported in technical disagreement. The managers on the part of

the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves $350,000 of the proposed deferral D 81-75 relating to the International Communication Agency, "Salaries and expenses (special foreign currency program)" as set forth in the message of February 13, 1981, which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law of this Act and the amount of the proposed deferral disapproved herein shall be made available for obligation.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

MARINE MAMMAL COMMISSION

SALARIES AND EXPENSES

Amendment No. 43: Deletes rescission of $4,000 as proposed by the Senate.

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

(Rescission)

Amendment No. 44: Rescinds $700,000 and designates $8,500,000 for Small Business Development Centers instead of rescinding $1,405,000 and designating $9,500,000 for Small Business Development Centers as proposed by the House. The Senate proposed no rescission or designation of funds.

BUSINESS LOAN AND INVESTMENT FUND

(Disapproval of Deferral)

Amendment No. 45: Disapproves $73,400,000 of the proposed deferral D 81-41A instead of $113,400,000 as proposed by the House and $9,900,000 as proposed by the Senate.

The conferees are agreed that the direct funding levels for the section 7 (h) program and the section 7 (l) program shall be maintained at $25,000,000 and $10,000,000 respectively for fiscal year 1981.

Chapter III—DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL

The following items addressed by the Conferees apply to more than one appropriation. Specific dollar amounts by military service will be reflected under each summary appropriation table.

Special Pay for Aviation Officers.—The Conferees agreed to provide $55,500,000 in a special account as discussed elsewhere in this report as recommended by the Senate instead of a total of $50,140,000 in the separate service military personnel accounts as recommended by the House.

Mileage Reimbursement.—The Conferees agreed to provide a total of $71,100,000 for reimbursement of military personnel undergoing a change of station move at an estimated incremental cost of 13¢ per mile of vehicle operation.

Military personnel, Army

Amendment No. 46: Appropriates $8,400,000 instead of $15,400,000 as proposed by the Senate. The agreement on items in conference is as follows:

[In thousands of dollars]

	Budet estimate	House	Senate	Conference
Subsistence	10,900	10,400	8,300	8,300
Mileage reimbursement	33,000	19,000	33,000	26,000
Offsets/inflation	−2,000	−2,000	1,500	1,500
All other programs	.....	−27,400	−27,400	−27,400

Military personnel, Navy

Amendment No. 47: Reported in technical disagreement. The Managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment appropriating $290,089,000 instead of $305,329,000 as proposed by the House and $297,289,000 as proposed by the Senate. The Managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. The agreement on items in conference is as follows:

[In thousands of dollars]

	Budget estimate	House	Senate	Conference
Aviation officer bonus	38,540	24,940	.....	.....
Mileage reimbursement	33,800	19,400	33,800	26,600
Offsets/inflation	−1,465	−1,465	1,035	1,035
All other programs	.....	262,454	262,454	262,454

Military personnel, Marine Corps

Amendment No. 48: Appropriates $46,500,000 instead of $36,150,000 as proposed by the House and $49,250,000 as proposed by the Senate. The agreement on items in conference is as follows:

[In thousands of dollars]

	Budget estimate	House	Senate	Conference
Reenlistment bonus	4,000	14,000	30,100	30,100
Mileage reimbursement	12,000	6,500	12,000	9,250
Aviation officer bonus	11,000	9,200	.....	.....
Offsets/inflation	−350	−350	350	350
All other programs	.....	6,800	6,800	6,800

Military personnel, Air Force

Amendment No. 49: Reported in technical disagreement. The Managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment appropriating $140,150,000 instead of $152,100,000 as proposed by the House and $142,700,000 as proposed by the Senate. The Managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. The agreement on items in conference is as follows:

[In thousands of dollars]

	Budget estimate	House	Senate	Conference
Aviation officer bonus	30,000	16,000	.....	.....
Mileage reimbursement	11,800	6,700	11,800	9,250
Offsets/inflation	−1,000	−1,000	500	500
All other programs	.....	130,400	130,400	130,400

Amendment No. 50: Reported in technical disagreement. The Managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

Special Pay for Aviation Officers

For the payment of special pay under section 301b of title 37, United States Code, $55,500,000, to be transferred to the various military personnel accounts.

The Managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Pending transfer to the proper appropriations, the Conferees agreed to provide $55,500,000 in a special account as recommended by the Senate instead of a total of $50,140,000 in the separate service military personnel accounts as recommended by the House. The Conferees agreed that DOD should submit a prior approval reprogramming request to the House and Senate Appropriations Committees outlining which aviators DOD plans to include in the bonus program and the amounts to be transferred to the military personnel appropriation of each service. The Conferees agreed that no bonuses are to be paid directly from the special account.

Operation and maintenance

The supplemental request was developed with the assumption of an 8 percent inflation rate for non-stock funded Operation and Maintenance purchases in fiscal year 1981. The conferees have agreed that the estimating assumptions are unrealistically low and consequently, have added funds to provide for a rate of inflation of approximately 10 percent. The conferees direct the Department of Defense to seek the prior approval of the Appropriations Committees for the expenditure and allocation of the additional inflation funds within each appropriation. The Department shall provide a detailed plan for the use of the funds to the Appropriations Committees by July 15, 1981.

The following tables provide a summary of the agreements reached by the conferees on the Operation and Maintenance Appropriations in conference.

Operation and Maintenance, Army

Amendment No. 51: Appropriates $466,149,000 instead of $327,049,000 as proposed by the House and $489,699,000, as proposed by the Senate.

The conference agreement on items in conference is as follows:

[Dollars in thousands]

	Budget	House	Senate	Conference
Weteye bomb movement	1,500	.....	1,500	1,500
National Training Center, Fort Irwin, Calif	27,900	.....	27,900	10,000
Leased communications	4,100	4,100	.....	.....
FTS cost	3,000	3,000	.....	.....
SINOP base support	5,600	.....	5,600	.....
Indirect fuel costs	79,300	51,200	79,300	65,250
Undistributed reduction	.....	−6,000	−20,000	−6,000
Inflation	.....	.....	120,650	120,650
All other programs	.....	274,749	274,749	274,749
Total	.....	327,049	489,699	466,149

Operation and Maintenance, Navy

Amendment No. 52: Appropriates $561,605,000 instead of $402,899,000 as proposed by the House and $575,555,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[Dollars in thousands]

	Budget	House	Senate	Conference
Special mission ship "Tarbatness"	5,000	.....	5,000	5,000
DD 963 class feedwater treatment	2,000	.....	2,000	.....
Indirect fuel costs	68,000	44,100	68,000	56,050
NIS Agents	1,000	1,000	700	700
Undistributed reduction	.....	−6,000	−31,000	−31,000
Inflation	.....	.....	167,056	167,056
All other programs	.....	363,799	363,799	363,799
Total	.....	402,899	575,555	561,605

Operation and Maintenance, Marine Corps

Amendment No. 53: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $56,906,000 instead of $45,060,000 as proposed by the House and $46,906,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement on items in conference is as follows:

[Dollars in thousands]

	Budget	House	Senate	Conference
Inflation	300	300	12,146	12,146
Undistributed reduction	.....	.....	−10,000	.....
All other programs	.....	44,760	44,760	44,760
Total	.....	45,060	46,906	56,906

Operation and Maintenance, Air Force

Amendment No. 54: Appropriates $923,568,000 instead of $779,118,000 as proposed by the House and $923,880,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[Dollars in thousands]

	Budget	House	Senate	Conference
National emergency airborne command post	2,000	.....	2,000	.....
Civilian personnel	16,000	.....	16,000	8,000
Tuition payments	2,500	2,500	.....	.....
FTS cost increases	200	200	.....	.....
Reimbursements	21,400	.....	5,300	.....
Wilford Hall	3,500	3,500	.....	3,500
MX leases and master planning	11,900	3,900	.....	.....
Indirect fuel costs	155,000	133,300	155,000	144,150
Classified programs	17,200	14,800	16,500	16,500
Classified activities	7,000	5,880	4,180	5,880
Undistributed reductions	.....	−5,362	−26,000	−5,362
Inflation	.....	.....	130,500	130,500
All other programs	.....	620,400	620,400	620,400
Total	.....	779,118	923,880	923,568

Operation and Maintenance, Defense Agencies

Amendment No. 55: Appropriates $111,675,000 instead of $67,675,000 as proposed by the House and $112,475,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[Dollars in thousands]

	Budget	House	Senate	Conference
Indicia reevaluation	2,000	1,600	.....	1,600
Increased agency workloads	8,000	7,000	4,000	4,000
MX survey support	600	.....	600	600
Net assessment (studies)	5,000	.....	1,600	1,000
DNA cost growth	1,000	1,000	.....	.....
DOD schools (nonfuel)	16,000	9,400	.....	.....
Indirect fuel costs	12,000	8,400	12,000	10,200
Inflation	−11,300	−11,300	42,700	42,700
All other programs	.....	51,575	51,575	51,575
Total	.....	67,675	112,475	111,675

Operation and Maintenance, Army Reserve

Amendment No. 56: Appropriates $15,300,000 instead of $16,700,000 as proposed by the House and $14,800,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[Dollars in thousands]

	Budget	House	Senate	Conference
Indirect fuel costs	1,000	1,000	.....	500
Supplies for early deploying units	10,000	10,000	5,000	5,000
Inflation	.....	2,700	6,800	6,800
All other programs	.....	3,000	3,000	3,000
Total	.....	16,700	14,800	15,300

Operation and Maintenance, Navy Reserve

Amendment No. 57: Appropriates $17,737,000 instead of $12,113,000 as proposed by the House and $21,737,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[Dollars in thousands]

	Budget	House	Senate	Conference
Reserve ship maintenance	4,000	.....	4,000	.....
Inflation	.....	.....	5,624	5,624
All other programs	.....	12,113	12,113	12,113
Total	.....	12,113	21,737	17,737

Operation and Maintenance, Air Force Reserve

Amendment No. 58: Appropriates $25,400,000 instead of $24,300,000 as proposed by the House and $26,400,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[Dollars in thousands]

	Budget	House	Senate	Conference
AFR/ANG beddown	1,000	.....	1,000	.....
Inflation	.....	1,100	2,200	2,200
All other programs	.....	23,200	23,200	23,200
Total	.....	24,300	26,400	25,400

Operation and Maintenance, Army National Guard

Amendment No. 59: Appropriates $26,150,000 instead of $26,400,000 as proposed by the House and $25,650,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Supplies for early deploying units	15,000	15,000	10,000	10,000
Indirect fuel costs	1,000	1,000	.....	500
Inflation	.....	5,500	10,750	10,750
All other programs	.....	4,900	4,900	4,900
Total	.....	26,400	25,650	26,150

Operation and Maintenance, Air National Guard

Amendment No. 60: Appropriates $70,900,000 instead of $66,200,000 as proposed by the House and $77,400,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Puerto Rico security	1,300	.....	1,300	1,300
AFR/ANG Beddown	6,500	.....	6,500	.....
Inflation	.....	3,500	6,900	6,900
All other programs	.....	62,700	62,700	62,700
Total	.....	66,200	77,400	70,900

Claims, Defense

Amendment No. 61: Appropriates $6,000,000 instead of $49,000,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Army	41,000	.....	41,000	.....
Navy	8,000	.....	8,000	6,000
Total	.....	.....	49,000	6,000

The conferees approved $6,000,000 related to personnel claims for Navy. The Conferees did not approve any funds for maneuver damage claims due to DOD failure to undertake negotiations with the NATO allies concerning peacetime host nation support and related status of forces matters.

Procurement

Aircraft Procurement, Army

Amendment No. 62: Appropriates $116,700,000 instead of $105,000,000 as proposed by the House and $150,600,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget estimates	House	Senate	Conference
UH 60 Blackhawk helicopter	32,000	16,000	32,000	20,700
UH 60 Blackhawk (advanced procurement)	14,000	7,000	14,000	14,000
Offsets/inflation	−9,500	−9,500	13,100	−9,500

Missile Procurement, Army

Amendment No. 63: Appropriates $25,100,000 as proposed by the House instead of $54,140,000 as proposed by the Senate.

Procurement of Weapons and Tracked Combat Vehicles, Army

Amendment No. 64: Appropriates $796,000,000 as proposed by the House instead of $859,020,000 as proposed by the Senate.

Procurement of Ammunition, Army

Amendment No. 65: Appropriates $27,700,000 instead of $12,700,000 as proposed by the House and $57,160,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget estimate	House	Senate	Conference
Offsets from program delays (VIPER)	.....	−26,000	−11,000	−11,000
Offsets/inflation	−20,400	−20,400	9,060	−20,400

VIPER

While approving $15,000,000 procurement funding for VIPER, the Conferees are concerned that the Army may make a production decision that is premature and unjustified. Despite the technical and cost problems that have plagued VIPER through development, the Army now proposes to decrease the number of weapons fired in Operational Testing II and to shorten the testing and analysis time. The Conferees agree that before a production decision is made, the correction of all significant technical problems should be demonstrated by testing. Furthermore, a rigorous analysis should be made of the cost-benefit of VIPER. The Conferees further direct the Army to secure the prior approval of the House and Senate Committees on Appropriations before signing a production contract. The Army should be able to support its conclusion that testing and analysis demonstrate the VIPER system to perform according to specification and to be cost effective.

Other Procurement, Army

Amendment No. 66: Appropriates $598,750,000 instead of $523,400,000 as proposed by the House and $696,580,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget estimate	House	Senate	Conference
34-ton semitrailer	60,500	12,000	60,500	60,500
5-ton trucks	68,000	34,000	68,000	34,000
10-ton trucks	47,400	23,700	47,400	35,550
M–915 line haul tractor-trailer	59,000	.....	59,000	59,000
Administrative support vehicles	88,000	44,000	.....	.....
Offsets/inflation	−22,800	−22,800	29,180	−22,800

Amendment No. 67: Deletes language which was included in the House bill to increase the limitation on procurement of passenger motor vehicles.

Aircraft Procurement, Navy

Amendment No. 68: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $143,600,000 instead of $117,100,000 as proposed by the House and $132,400,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget estimate	House	Senate	Conference
F/A–18 aircraft	95,900	95,900	.....	95,900
CH–53E cost growth	26,500	.....	26,500	26,500
Offsets/inflation	−30,000	−30,000	54,700	−30,000

Weapons Procurement, Navy

Amendment No. 69: Deletes the appropriation of $51,200,000 which was proposed by the Senate. The House bill did not include this appropriation.

Shipbuilding and Conversion, Navy

Amendment No. 70: Appropriates a total of $241,400,000 instead of $156,900,000 as proposed by the House and $263,200,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget estimate	House	Senate	Conference
CG–47 Aegis cruiser	149,900	149,900	152,400	152,400
LSD–41 LSD program	21,800	.....	21,800	.....
Trident	−26,000	−26,000	.....	.....
SSN–688	−26,200	−26,200	.....	.....
FFG–7	−3,300	−3,300	.....	.....
T–AGOS Surtass	−2,100	−2,100	.....	.....
ARS salvage ships	−900	−900	.....	.....
Craft, outfitting, post delivery, and escalation	−23,500	−23,500	.....	.....

Amendment No. 71: Appropriates $152,400,000 for the CG–47 Aegis cruiser program as proposed by the Senate instead of $149,900,000 as proposed by the House.

Amendment No. 72: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert: "and $89,000,000 for advance procurement for reactivation of a battleship, to remain available for obligation until September 30, 1985".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Battleship Reactivation

In agreeing to appropriate $89,000,000 for reactivating the battleship *New Jersey*, the conferees note the Secretary of the Navy has publicly stated the Navy will "commit to a reactivation/modernization of *New Jersey* in a West Coast Shipyard for a top price of $326M SCN/$3M R&D". The conferees will expect the Navy to honor this $329,000,000 ceiling for all appropriations for phase I improvements as outlined in testimony; and if the Navy is not certain the work can be performed for this amount, the *New Jersey* reactivation project should not proceed.

Other Procurement, Navy

Amendment No. 73: Deletes the appropriation of $56,700,000 which was proposed by the Senate. The House bill did not include this appropriation.

Procurement, Marine Corps

Amendment No. 74: Appropriates $19,200,000 as proposed by the House instead of $28,600,000 as proposed by the Senate.

Aircraft Procurement, Air Force

Amendment No. 75: Appropriates $753,285,000 instead of $739,885,000 as proposed by the House and $965,125,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget estimate	House	Senate	Conference
F–15 (adv. proc.)	40,040	20,000	40,040	30,000
F–16 (adv. proc.)	.....	65,700	.....	65,700
ALCA/ARIA contract aircraft	23,700	20,300	23,700	23,700
Various modifications	44,606	1,606	44,606	1,606
Offsets/inflation	−119,876	−119,876	104,624	−119,876

F–15 (Advance Procurement)

The conferees are in agreement that $30,000,000 is provided for advance procurement of 12 additional F–15 aircraft in fiscal year 1982.

F–16 (Advance Procurement)

The conferees are in agreement that $65,700,000 is provided for advance procurement for an additional 60 aircraft in fiscal year 1982 for a total buy of 180 aircraft.

ALCA/ARIA Contract Aircraft

None of these funds are for the procurement of aircraft to be used for purposes related to the M–X program.

Missile Procurement, Air Force

Amendment No. 76: Appropriates $205,869,000 instead of $164,663,000 as proposed by the House and $275,869,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget estimate	House	Senate	Conference
Ground-launched cruise missile	59,206	18,000	59,206	59,206
Minuteman III expansion	.....	.....	5,000	.....
Offsets/inflation	−29,698	−29,698	35,302	−29,698

Minuteman III Expansion

The conferees agreed to delete the $5,000,000 included in the Senate bill for Minuteman III expansion without prejudice to consideration of this matter in the fiscal year 1982 appropriation.

Other Procurement, Air Force

Amendment No. 77: Appropriates $150,206,000 instead of $138,206,000 as proposed by the House and $218,206,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget estimate	House	Senate	Conference
Hawaiian air defense	.....	.....	12,000	12,000
Offsets/inflation	−44,211	−44,211	23,789	−44,211

Procurement, Defense agencies

Amendment No. 78: Appropriates $16,436,000 as proposed by the House in-

stead of $21,436,000 as proposed by the Senate.

Research, development, test and evaluation

Research, Development, Test and Evaluation, Army

Amendment No. 79: Appropriates $41,017,000 instead of $17,150,000 as proposed by the House and $127,650,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget estimate	House	Senate	Conference
BMD systems technology	36,183		36,183	
SINCGARS–V	9,825	4,925	9,825	7,375
Patriot	23,417		23,417	23,417
Viper		2,000		
Offsets/inflation	−25,541	−25,541	22,459	−25,541

SINCGARS Radio

The conferees are in agreement that a total of $7,375,000 is provided for the SINCGARS Radio program. The conferees urge that the process be expedited for selecting which of the three radios under development should be recommended for procurement and urge that the radio most capable of meeting the future threat to our communications be selected.

Research, Development, Test and Evaluation, Navy

Amendment No. 80: Appropriates $113,609,000 instead of $101,664,000 as proposed by the House and $211,407,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget estimate	House	Senate	Conference
DDG–X	14,298		14,298	
Sub tac warfare (MK 48 ADCAP)	19,662	14,662	19,662	19,662
Ship dev (eng)	29,308	14,008	14,508	14,008
SMAW	6,945		6,945	6,945
Offsets/inflation	−57,532	−57,532	25,468	−57,532

DDG–X Program

The conference denies the $14,298,000 request for the DDG–X. The conferees believe that the Navy must more sufficiently define the engineering goals and performance specifications for the DDG–X before funds be appropriated for a new surface ship combatant. The conferees request that the Department of the Navy present a written report to both Appropriations Committees of Congress defining the engineering goals and peformance specifications for the DDG–X program similar to that requested by the Senate Armed Services Committee in its fiscal year 1982 Defense Authorization report. Until DDG–X design goals and performance parameters are more sufficiently defined to meet capability requirements, rather than cost constraints, further R. & D. funding for the DDG–X program should be deferred. The denial of the Administration's supplemental request for the DDG–X is made without prejudice for fiscal year 1982, pending full justification of the DDG–X development effort.

Ship Development (Engineering)

The Senate recedes to the House on the elimination of the TAH hospital ship. The conference appropriation for this account includes $2,000,000 for research and development for the reactivation of the battleship *New Jersey* and $1,000,000 for research and development for the reactivation of the battleship *Iowa*.

Special Activities

The conference agreement includes $5,000,000 for special activities.

Amendment No. 81: Reported in technical disagreement. The Managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert: "of which not to exceed $2,000,000 is for research and development in connection with the reactivation of the battleship U.S.S. *New Jersey* and not to exceed $1,000,000 is for research and development in connection with the reactivation of the battleship U.S.S. *Iowa*,".

The Managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Research, Development, Test and Evaluation, Air Force

Amendment No. 82: Appropriates $308,976,000 instead of $285,127,000 as proposed by the House and $423,706,000 as proposed by the Senate.

The Conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget estimate	House	Senate	Conference
Space communications	5,021		5,021	5,021
LANTIRN	4,828		4,828	4,828
Chem/bio defense equip (BIGEYE)	1,870	1,870		1,870
Airfield attack system (JP–233)	66,000	25,400	66,000	25,400
MRASM	14,000		14,000	14,000
M–X Water Surveys			8,000	
Offsets/inflation	−15,089	−15,089	52,911	−15,089

Space Communications

The conferees are in agreement that $5,021,000 is approved for Space Communications. The funds are to be used to upgrade existing systems and the issue of providing funds for a new satellite system will be addressed in the regular fiscal year 1982 bill.

Chemical/Biological Defense Equipment (BIGEYE)

The House recommended $1,870,000 for BIGEYE binary agent bomb development. The Senate recommended no funds. The Senate recedes.

The Committee of Conference has agreed to fund initiatives in chemical weaponry, but remains deeply concerned about the many as yet unanswered questions surrounding this effort. Therefore, the committee directs the Administration to determine the long-range costs of the chemical warfare modernization program and provide a country-by-country report from our NATO allies with respect to their official views on that long-range program. The information provided to the Committee has been insufficient in this regard.

The Committee also believes it imperative that the Administration provide an overview of the mission-oriented requirements for the various binary weapons, as well as an arms control impact study of such requirements, before further funding is approved.

M–X Water Surveys

The conferees agreed that no funds will be provided in this supplemental appropriation for M–X Water Surveys, and that this denial is without prejudice to consideration of a reprogramming request following submission by the Administration of its report on the M–X basing mode.

Low Altitude Airfield Attack System (JP–233)

The conferees agreed to provide $25,400,000 only to pay termination costs of the cancelled JP–233 system. These funds are not to be used for continuation of the program.

Research, Development, Test and Evaluation, Defense Agencies

Amendment No. 83: Appropriates $44,346,000 instead of $30,763,000 as proposed by the House and $74,958,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget estimate	House	Senate	Conference
Def Res Sci (Particle Beam)	5,000		5,000	5,000
Defense Nuclear Agency	4,702	2,702	4,702	2,702
Defense Mapping Agency	583		583	583
Long Haul Comm (DSC)	3,612		3,612	
Blue-green laser			8,000	8,000
Offsets/inflation	−1,828	−1,828	23,172	−1,828

Long Haul Communications

The conferees deny this request without prejudice, and agree that the examination of the fiscal year 1982 budget will include a thorough review of the justification and projected costs of this program.

General Provisions

Amendment No. 84: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken by said amendment, insert:

"None of the funds appropriated to the Department of Defense for fiscal year 1981 and hereafter shall be available for obligation to reimburse a contractor for the cost of commercial insurance (other than insurance normally maintained by the contractor in connection with the general conduct of his business) that would protect against costs of the contractor for correction of the contractor's own defects in materials or workmanship incident to the normal course of construction (those defects in materials or workmanship which do not constitute a fortuitous or casualty loss)."

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees adopted language which will preclude the funds appropriated from being available to reimburse defense contractors for the cost of commercial insurance which would cover the cost of correcting the contractors' own defects in materials and workmanship incident to the normal course of construction.

The denial of premium payments would extend to all contractors' own workmanship and material defects (such as mismanagement, improper or omitted work) except those which were fortuitous or casualty losses. This latter category for which premium payments would not be denied, would be the unforeseeable, out of the ordinary incidents—such as a negligent workman causing an extensive fire, material defects resulting

in a catastrophic loss, or other defects which cannot be anticipated in the normal course of construction.

In summary, this language makes clear that the funds appropriated for fiscal year 1981 and hereafter will not be available for the reimbursement of commercial insurance premiums for contractor workmanship and material defects which management would be expected to avoid.

Amendment No. 85: Deletes House language relating to the inflation factor used for the military and other governmental activities.

Chapter IV—DEPARTMENT OF ENERGY

OPERATING EXPENSES

Energy supply, research and development activities

(Rescission and Deferral)

Amendment No. 86: Rescinds $82,511,000 from Operating Expenses, Energy Supply, Research and Development Activities instead of $44,430,000 as proposed by the House and $134,225,000 as proposed by the Senate.

Amendment No. 87: Defers obligation of $105,688,000 from Operating Expenses, Energy Supply, Research and Development Activities until October 1, 1981, instead of $143,769,000 as proposed by the House and $38,448,000 as proposed by the Senate.

The following table sets forth the conference agreement with respect to the individual programs funded in this account:

ENERGY SUPPLY RESEARCH AND DEVELOPMENT—OPERATING EXPENSES

	Conference allowance	
	Rescissions	Deferrals
I. Solar energy R. & D.:		
A. Solar applications for buildings:		
1. Active solar heating and cooling	−2,300,000	
2. Passive solar heating and cooling	−1,500,000	
3. Photovoltaic energy systems	−8,600,000	−12,400,000
Subtotal solar applications for buildings	−12,400,000	−12,400,000
B. Solar applications for industry:		
1. Solar thermal energy systems	−3,480,000	−14,570,000
2. Biomass energy systems	−14,850,000	
Subtotal solar applications for industry	−18,330,000	−14,570,000
C. Solar applications for power:		
1. Wind energy systems	−8,300,000	−17,300,000
2. Ocean energy systems	−4,400,000	
Subtotal solar applications for power	−12,700,000	−17,300,000
E. Other solar programs: International solar energy program	−1,200,000	
Total solar energy R. & D	−44,630,000	−44,270,000
II. Geothermal:		
A. Hydrothermal industrialization		−6,500,000
B. Geopressured resources		−2,539,000
C. Geothermal technology development		−461,000
Total geothermal		−9,500,000
III. Hydropower:		
A. Small scale hydropower	−4,602,000	
B. Feasibilities studies loan program	−14,000,000	−5,944,000
Total hydropower	−18,602,000	−5,944,000
Total solar, geothermal and hydropower	−63,232,000	−59,714,000
IV. Nuclear fission reactor programs:		
A. Conventional reactor systems:		
1. High temperature reactor technology		−1,026,000

ENERGY SUPPLY RESEARCH AND DEVELOPMENT—OPERATING EXPENSES—Continued

	Conference allowance	
	Rescissions	Deferrals
2. Light water reactor systems	−1,000,000	
Subtotal conventional reactor systems	−1,000,000	−1,026,000
B. Commercial nuclear waste: Commercial waste management		−5,000,000
C. Spent nuclear fuel: Spent fuel storage:		
a. Domestic	−1,000,000	
b. International	−1,000,000	
Subtotal spent nuclear fuel	−2,000,000	
D. Advanced nuclear systems:		
1. Space and terrestrial applications	−1,000,000	
2. Advanced systems evaluations	−500,000	
Subtotal advanced nuclear systems	−1,500,000	
E. Breeder reactor systems:		
1. Liquid metal fast breeder reactor		−3,000,000
3. Water cooled breeder reactor		−1,000,000
5. Fuel cycle research and development		−1,000,000
Subtotal breeder reactor systems		−5,000,000
Total nuclear fission reactor programs	−4,500,000	−11,026,000
V. Fusion energy R. & D.:		
B. Development and technology		−1,000,000
C. Applied plasma physics		−1,000,000
D. Planning and projects		−500,000
Total fusion energy R. & D		−2,500,000
VII. Environment: Environmental research and development:		
1. Overview and assessment	−4,000,000	
2. Biological and environmental research	−3,979,000	
3. Program direction	−1,000,000	
Total environment	−8,979,000	
VIII. Supporting research and technical analysis:		
A. Basic energy sciences:		
2. Materials sciences		−2,000,000
3. Chemical sciences		−1,000,000
4. Engineering, mathematical, and geosciences		−2,000,000
Subtotal basic energy sciences		−5,000,000
B. Technical assessment projects: Advanced technology projects	−3,000,000	
Total supporting research and technical analysis	−3,000,000	−5,000,000
IX. Remedial action programs:		
B. Remedial action for former DOE contractor installation MED/AEC sites		−1,000,000
D. Remedial action for inactive uranium mill tailing sites		−1,000,000
E. West Valley, N.Y.		−2,000,000
Total, remedial action programs		−4,000,000
Total in disagreement	−79,711,000	−82,240,000
Items not in disagreement	−2,800,000	−23,448,000
Total amount in bill	−82,511,000	−105,688,000

Both the House and Senate Committees on Appropriations have requested data from the Department with regard to the proposed implementation of P.L. 96-368. The conferees agree with the Senate report language directing that the Department not proceed beyond its planning activities until this information has been provided and considered by the Committees on Appropriations in connection with the fiscal year 1982 appropriation request.

OPERATING EXPENSES

General science and research activities

(Deferral)

Amendment No. 88: Restores matter proposed by the House and stricken by the Senate to defer obligation of $5,000,000 from Operating Expenses, General Science and Research Activities until October 1, 1981. The conferees agree that the deferral of funds should be made against lowest priority funding requirements so as to minimize any programmatic impact.

OPERATING EXPENSES

Atomic energy defense activities

The conferees agree that $10,000,000 of the $41,000,000 supplemental appropriation shall be available for the Special Isotopes Separations program.

(Disapproval of Deferral)

Amendment No. 89: Restores matter proposed by the House and stricken by the Senate to disapprove the proposed deferral of $10,000,000 from Operating Expenses, Atomic Energy Defense Activities, set forth in D81-29A submitted March 10, 1981. The conferees agree that the proposed redirection of the inertial confinement fusion program will be further considered in connection with the fiscal year 1982 bill.

Plant and capital equipment

Energy Supply, Research and Development Activities

(Rescission and Deferral)

Amendment No. 90: Restores language in heading stricken by the Senate.

Amendment No. 91: Rescinds $2,500,000 from Plant and Capital Equipment, Energy Supply, Research and Development Activities as proposed by the House instead of $16,100,000 as proposed by the Senate.

Amendment No. 92: Defers obligation of $36,647,000 from Plant and Capital Equipment, Energy Supply, Research and Development Activities until October 1, 1981, as proposed by the House instead of $1,367,000 as proposed by the Senate.

The conferees agree that the fiscal year 1982 funding levels for the individual projects included in this account will be considered further in connection with action on the fiscal year 1982 appropriation bill.

GEOTHERMAL RESOURCES DEVELOPMENT FUND

Geothermal loan guarantee and interest assistance program

(Rescission and Deferral)

The conferees agree with Senate report language regarding the rescission of funds from the loan guarantee reserve and the authority to guarantee loans.

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

Corps of Engineers—Civil

Construction, General

The conferees agree with the House report language relating to the Burns Waterway and Burns Ditch, Indiana project and the Senate report language relating to the Tug and Levisa Fork areas of the Big Sandy River Basin and the Upper Cumberland River Basin project and the Treasure Island, Pinellas County, Florida project.

DEPARTMENT OF THE INTERIOR

WATER AND POWER RESOURCES SERVICE

General investigations

(Transfer of Funds)

Amendment No. 93: Deletes House language which would have transferred $1,300,000 from the Construction Program to General Investigations for the Wind-Hydroelectric Energy Project.

INDEPENDENT AGENCIES

FUNDS APPROPRIATED TO THE PRESIDENT

Appalachian regional development programs

(Rescission)

Amendment No. 94: Rescinds $40,000,000 instead of $25,000,000 as proposed by the House and $110,000,000 as proposed by the Senate.

(Deferral)

Amendment No. 95: Restores language proposed by the House and stricken by the Senate to defer obligation of $15,000,000 for area development programs until October 1, 1981.

NUCLEAR REGULATORY COMMISSION

SALARIES AND EXPENSES

(Rescission)

Amendment No. 96: Restores language proposed by the House and stricken by the Senate amended to rescind $5,000,000 from the Nuclear Regulatory Commission instead of $10,000,000 as proposed by the House. The conferees direct the Commissioners to eliminate all unnecessary travel and agree that travel by Commissioners for emergencies, to visit facilities currently licensed or under consideration for license or permit, laboratories engaged in NRC research and NRC regional offices is permissible under the terms of the rescission. No funds are provided for official entertainment activities without approval of the Committees on Appropriations. Because the Commission has taken steps on its own initiative to reallocate staff to licensing activities, a total of 25 additional positions shall be allocated, as the Chairman determines appropriate, to NRR and the Executive Legal Director. The Commission's personnel ceiling for FY 1981 is 3,300. No funds are to be used for public hearings on the "safety goal", but previously planned safety goal workshops may continue. The Committees agree to review progress made by the Commission in licensing during review of the FY 1982 budget.

TENNESSEE VALLEY AUTHORITY

(Rescission)

Amendment No. 97: Rescinds $85,500,000 as proposed by the House instead of $177,500,000 as proposed by the Senate.

(Deferral)

Amendment No. 98: Restores language proposed by the House and stricken by the Senate amended to defer obligation of $42,000,000 until October 1, 1981, for the coal gasification project, instead of $57,800,000 as proposed by the House.

The conferees agree that the remaining funds for the proposed coal gasification project may be available only for detailed design and other activities, while the Synthetic Fuels Corporation evaluates a proposal submitted for the project.

Further, the conferees understand and are in agreement that no additional funds will be appropriated for the project, including termination and close-out costs.

WATER RESOURCES COUNCIL

Water resources planning

(Rescission)

Amendment No. 99: Rescinds $5,000,000 for water resources planning as proposed by the Senate instead of $7,288,000 as proposed by the House.

Amendment No. 100: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which adds language relating to grants to States under Title III of the Water Resources Planning Act.

Chapter V—MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

International Financial Institutions

Contribution to the International Finance Corporation

(Rescission)

Amendment No. 101: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which rescinds $33,447,900 for the International Finance Corporation.

Constribution to the International Development Association

Amendment No. 102: Appropriates $500,000,000 for the International Development Association instead of $534,600,000 as proposed by the House and $408,000,000 as proposed by the Senate.

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

International Development Cooperation Agency

Agency for International Development

Amendment No. 103: Reported in technical disagreement. American Schools and Hospitals Abroad (Foreign Currency Program): The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides $14,300,000 in foreign currency for the American University in Cairo.

(Rescission)

Amendment No. 104: Sahel Development Program: Rescinds $1,500,000 from the Sahel Development Program to be used for the African Development Foundation as proposed by the House instead of $2,000,000 as proposed by the Senate.

Amendment No. 105: Provides $10,170,000 for "Operating Expenses" instead of $8,651,000 as proposed by the House and $10,476,000 as proposed by the Senate. This will allow for the effective implementation as of July 1, 1981 of new allowances and benefits authorized by the Foreign Service Act of 1980.

(Rescission)

Amendment No. 106: Contingency Funds: Deletes a rescission of $1,400,000 as proposed by the House.

(Rescission)

Amendment No. 107: Indochina Postwar Reconstruction Assistance: Deletes a rescission of $1,800,000 as proposed by the House.

(Rescission)

Amendment No. 108: Middle East Special Requirements Fund and Security Supporting Assistance (Syria): Deletes a rescission of $25,000,000 as proposed by the House.

The Managers on the part of the House and Senate insist that no additional funds for Syria will be disbursed during the remainder of fiscal year 1981 and that the issue of the remaining undisbursed funds in the Syrian "pipeline" should be resolved in the fiscal year 1982 authorization and appropriation process.

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL

(Rescission)

Amendment No. 109: Rescinds $12,785,000 instead of $2,600,000 as proposed by the House and $13,285,000 as proposed by the Senate.

EXPORT-IMPORT BANK OF THE UNITED STATES

LIMITATION ON PROGRAM ACTIVITY

Amendment No. 110: Provides $5,461,000,000 for the principal amount of direct loans instead of $5,524,000,000 as proposed by the House and $5,398,000,000 as proposed by the Senate.

Chapter VI—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

(Rescission and Deferral)

Amendment No. 111: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

Of the amounts of additional contract authority provided under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, as authorized by section 5 of the United States Housing Act of 1937, $30,611,609 for existing units under section 8, including section 8(j), of such Act, $197,102,148 for newly constructed and substantially rehabilitated units assisted under such Act, and $5,219,104,150 of budget authority, are rescinded.

(Deferral)

Of the amounts of additional contract authority provided under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, as authorized by section 5 of the United States Housing Act of 1937, $15,000,000 for modernization of existing low-income housing projects and $300,000,000 of budget authority shall be withheld from obligation until October 1, 1981.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees stress that the reduction in the 1981 Indian housing program in no way reflects a retreat from a commitment to provide adequate levels of subsidized Indian housing.

SOLAR ENERGY AND ENERGY CONSERVATION BANK

(Rescission)

Amendment No. 112: Rescinds $121,000,000 from assistance for solar and conservation improvements as proposed by the Senate, instead of $101,000,000 as proposed by the House.

COMMUNITY PLANNING AND DEVELOPMENT

(Rescission)

Amendment No. 113: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

COMPREHENSIVE PLANNING GRANTS

(Rescission)

Any amount not reserved from appropriations provided under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Acts, 1981 and prior years, including any amounts becoming available from cancellation of prior year reservations, but excluding $19,000,000, are rescinded.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agree that the $19,000,000 made available for comprehensive planning grants includes $2,000,000 to be used only

for the work study program. The conferees further agree that the $19,000,000 shall be made available only to metropolitan and non-metropolitan areawide planning organizations.

The Senate report indicated that no funding has been requested for the comprehensive planning grants program for 1982 and that 1981 is expected to be the program's final year. The Committee of Conference emphasizes that it expects no funding will be provided for the comprehensive planning grants program after 1981. The conferees' recommendation will allow areawide planning organizations to transition to other funding sources.

NEIGHBORHOODS, VOLUNTARY ASSOCIATIONS AND CONSUMER PROTECTION

(Rescission)

Amendment No. 114: Restores language proposed by the House and stricken by the Senate amended to rescind $3,000,000 from housing counseling assistance, instead of $6,000,000 as proposed by the House.

(Rescission)

Amendment No. 115: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate making available $501,500 from the Secretary's Discretionary Fund for the balance of grant commitments to nine neighborhood self-help development projects.

INDEPENDENT AGENCIES

ENVIRONMENTAL PROTECTION AGENCY

(Rescission)

Amendment No. 116: Rescinds $499,300 from research and development, instead of $849,300 as proposed by the House and $149,300 as proposed by the Senate.

The conferees are concerned that the total Federal radiation research effort is in disarray. Many departments and agencies have inadequately defined and partially overlapping radiation research responsibilities. The Administration is urged to review current assignments and recommend alternatives with the objective of better coordinated and more effective Federal radiation research.

(Rescission)

Amendment No. 117: Rescinds $4,953,100 from abatement, control and compliance, instead of $6,371,100 as proposed by the House and $1,253,100 as proposed by the Senate. The conferees agree that the $1,418,000 made available above the House recommendation is for resource conservation and recovery technical assistance panels.

(Rescission)

Amendment No. 118: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

Of the funds appropriated under this head, $880,000,000 in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1980, and $756,000,000 in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, are rescinded. The reduction in each appropriation will be distributed among the States according to the allotment formula specified in section 205(c) of Public Law 92-500, as amended by Public Law 95-217. Whenever a State's share of the reduction from an appropriation, as determined by the formula, is greater than its unobligated balance for that appropriation, as determined by the Administrator of the Environmental Protection Agency upon the date of enactment of this Act, the shortfall will be distributed according to the allotment formula among all the States which still have funds remaining from that appropriation. This process of distributing the shortfall will continue until the amount of the reduction has been allocated among the States.

Of the funds appropriated under this head in the Public Works Employment Appropriation Act, 1977, $64,000,000 are rescinded.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees urge the Environmental Protection Agency, in the use of funds remaining, to place high priority on projects under Federal court order.

FEDERAL EMERGENCY MANAGEMENT AGENCY

(Rescission)

Amendment No. 119: Rescinds $8,000,000 from funds appropriated to the President, disaster relief as proposed by the House, instead of $20,000,000 as proposed by the Senate.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

(Rescission)

Amendment No. 120: Rescinds $4,500,000 from research and development as proposed by the House, instead of $37,900,000 as proposed by the Senate.

The conferees agree that NASA may reprogram $52,000,000 to the space shuttle of the $60,000,000 proposed for such purpose. The conferees direct that the remaining $8,000,000 be made available for the following program activities:

International Solar Polar Mission	$3,000,000
Solar Electric Propulsion System	3,000,000
Technology Utilization	2,000,000

The conferees have restored $3,000,000 for the International Solar Polar Mission (ISPM). The European Space Agency (ESA) has invested over $100,000,000 in this program with the understanding that the United States would provide one of the two spacecrafts. The Administration has now indicated its intent to terminate the development of the U.S. spacecraft and has requested the transfer of $14,600,000 from the program to the space shuttle.

Various spokesmen for the Administration have expressed different opinions as to the proper course of action relative to terminating work on the U.S. spacecraft. Furthermore, ESA has submitted a proposal to NASA for the development of a second European spacecraft in lieu of a U.S. spacecraft. This ESA proposal would permit many of the originally envisioned mission objectives to be accomplished—but it would eliminate some U.S. instrumentation, including the important coronagraph.

The conferees understand that restoring $3,000,000 will maintain the viability of a fully instrumented U.S. spacecraft option, including the coronagraph, until a final mission configuration can be determined. Retaining $3,000,000 for ISPM expresses the support of the conferees to keep open various options for a two-spacecraft mission. However, it is clear that if any option is to succeed, the Administration must make a firm commitment to support that option over the life of the program.

To assist the Administration and Congress in making a decision, the conferees instruct NASA to initiate a review of ISPM, with the National Academy of Sciences, through the procedures established in House Report 96-1476. The conferees expect this review to consider the scientific merits and costs of all of the two spacecraft options. Because of the time criticality of the decision, the conferees expect to be briefed by the review panel on its recommendations by September 11, 1981.

NATIONAL CONSUMER COOPERATIVE BANK

(Rescission)

Amendments No. 121 and 122: Rescinds $16,990,000 from self-help development and establishes a loan limitation of $19,700,000 as proposed by the House, instead of $29,990,000 and $6,700,000, respectively, as proposed by the Senate.

NATIONAL SCIENCE FOUNDATION

(Rescission)

Amendment No. 123: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, $46,000,000 are rescinded, and of the amounts remaining for research and related activities under Public Law 96-526: (1) not more than $37,000,000 shall be available for scientific, technological, and international affairs; (2) not more than $83,000,000 shall be available for engineering; (3) not more than $18,053,000 shall be available for earthquake hazards mitigation; (4) not more than $1,240,000 shall be available for the establishment and operation of three university-based Innovation Centers; (5) not more than $2,800,000 shall be available for grants to two-year and four-year colleges for equipment and instrumentation costing $35,000 or less; (6) not more than $300,000 shall be available for small business innovation for projects to aid the handicapped; and (7) not more than $1,400,000 shall be available for special programs for women and minorities in science and technology. None of these funds shall be available for separately targeted programs for appropriate technology, science faculty improvement programs for two-year and four-year college faculty research participation, and research opportunity grants and visiting professorships for women.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agree that the $20,000,000 restored for research and related activities shall be allocated on a priority basis at the discretion of the Foundation.

(Rescission)

Amendment No. 124: Rescinds $10,000,000 from science education activities as proposed by the House, instead of $16,000,000 as proposed by the Senate.

Amendment No. 125: Earmarks not more than $500,000 for science education programs related to appropriate technology as proposed by the House, instead of $1,200,000 as proposed by the Senate.

DEPARTMENT OF THE TREASURY

(Rescission)

Amendment No. 126: Deletes language proposed by the Senate rescinding

$59,849,284 from investment in National Consumer Cooperative Bank, establishing a loan limitation of $55,949,284, and halting further commitments to guarantee loans.

VETERANS ADMINISTRATION

Amendment No. 127: Appropriates $990,000,000 for compensation and pensions as proposed by the Senate, instead of $973,600,000 as proposed by the House.

Amendment No. 128: Appropriates $467,500,000 for readjustment benefits as proposed by the Senate, instead of $217,500,000 as proposed by the House.

Amendment No. 129: Appropriates $3,555,000 for veterans insurance and indemnities as proposed by the Senate, instead of $4,740,000 as proposed by the House.

(Deferral)

Amendment No. 130: Restores language proposed by the House disapproving the deferral of medical care funds.

(Rescission)

Amendment No. 131: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate rescinding $25,789,000 of medical care funds. The committee of conference supports the February 19, 1981, opinion of the General Accounting Office regarding section 5010(a)(4) of title 38 of the United States Code. The conferees intend that this rescission of medical care funds not adversely affect any court suit concerning the withholding of funds or reduction in funded personnel ceiling.

(Deferral)

Amendment No 132: Restores language proposed by the House disapproving the deferral of medical and prosthetic research funds.

(Deferral)

Amendment No. 133: Restores language proposed by the House disapproving the deferral of medical administration and miscellaneous operating expenses funds.

(Rescission)

Amendment No. 134: Rescinds $162,160,000 from construction, major projects as proposed by the House, instead of $165,760,000 as proposed by the Senate.

(Deferral)

Amendment No. 135: Restores language proposed by the House disapproving the deferral of $85,965,000 of construction, major projects funds.

Amendment No. 136: Deletes administrative provision proposed by the Senate limiting funds provided for agencies funded in the HUD-Independent Agencies Appropriation Act for personnel compensation and benefits to be used for other purposes without the approval of the Committees on Appropriations.

Chapter VII—DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

Amendment No. 137: Appropriates $55,200,000 for management of lands and resources as proposed by the House instead of $56,353,000 as proposed by the Senate. The managers agree that BLM should make every effort to accelerate land conveyances to the State of Alaska and to the Alaskan Natives, including the hiring of sufficient staff for that purpose at the most expeditious rate possible.

Amendment No. 138: Deletes the rescission proposed by the House of $108,000,000 for payment in lieu of taxes.

OFFICE OF WATER RESEARCH AND TECHNOLOGY

Amendment No. 139: Inserts heading "(Rescission and Deferral)" instead of "(Deferral)" as proposed by the House and "(Rescission)" as proposed by the Senate.

Amendment No. 140: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "$2,745,000 shall not become available for obligation until October 1, 1981, and shall remain available for obligation until September 30, 1983, and $5,900,000 are rescinded".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. Amounts of $1,545,000 for water resources R&D, $3,600,000 for saline water R&D, $480,000 for technology transfer, and $275,000 for program support are rescinded. Amounts of $775,000 for water resources R&D, $1,800,000 for saline water R&D, and $170,000 for technology transfer are deferred.

UNITED STATES FISH AND WILDLIFE SERVICE

Amendment No. 141: Appropriates $2,000,000 for resource management as proposed by the House instead of $2,750,000 as proposed by the Senate.

NATIONAL PARK SERVICE

Amendment No. 142: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "$4,776,000 including $576,000 to complete construction of the Savage River Bridge at Denali National Park and Preserve, Alaska".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The net increase over the amount proposed by the House consists of decreases of $328,000 for payment to Brewster County, Texas, and $1,300,000 for continued development of units of the National Park Service created or expanded by the Alaska lands bill; and increases of $1,700,000 for maintenance of facilities needed to provide for the health and safety of NPS visitors and employees, and $576,000 to complete construction of the Savage River Bridge in Denali National Park and Preserve, Alaska.

Amendment No. 143: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment rescinding $19,000,000 for the Urban Park and Recreation Fund instead of $35,000,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The $16,000,000 made available by this amendment is for those projects for which a commitment has been made but no funds obligated.

LAND AND WATER CONSERVATION FUND

Amendment No. 144: Deletes language proposed by the House which prohibited use of funds for a contingency reserve.

Amendment No. 145: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows: In lieu of the matter proposed by said amendment, insert the following:

(Rescission)

Of the funds appropriated under this head in the Department of the Interior and Related Agencies Appropriations Act, 1981 (Public Law 96-514) and previous Interior Department Appropriations Acts, $90,000,000 are rescinded in the following amounts: $55,000,000 for payments to the States; $133,000 for the Bureau of Land Management; $4,918,000 for the Forest Service; $12,217,000 for the United States Fish and Wildlife Service; $14,782,000 for the National Park Service; and $2,950,000 for the Pinelands National Reserve: *Provided*, That notwithstanding the provisions of 16 U.S.C. 460l-8, the unobligated balances of the contingency reserve and funds appropriated and apportioned for the various States and Territories upon enactment of this Act shall be reallocated among the States and Territories so that each shall receive not less than seventy-five percent of the amount each would have received under the statutory allocation of the amount appropriated for payment to the States under this head in Public Law 96-514.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The amounts allocated to the various agencies are for priority land acquisitions.

In addition, the managers agree that the Forest Service is to use $1,500,000 to acquire the Dillworth tract in Cascade Head Science Research Area and is also to acquire land within the Manistee N.F. under option from the Boy Scouts of America.

Amendment No. 146: Deletes House language as proposed by the Senate which prohibited use of funds for a discretionary reserve.

Amendment No. 147: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment rescinding $6,500,000 for the Historic Preservation Fund instead of $8,000,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. The $1,500,000 made available by this amendment is for those states that have not received their survey and planning grants.

Amendment No. 148: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows: In lieu of the sum proposed by said amendment, insert the following: "$12,000,000 available from the Highway Trust Fund to liquidate contract authority provided under section 105(a)(8) of Public Law 94-280 for engineering services, roadway excavation, and pilot boring for the Cumberland Gap Tunnel, as authorized by section 160 of Public Law 93-87".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. The managers agree that the funds restored will be used to complete preliminary engineering and design activities but will not be used to begin actual construction.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

Amendment No. 149: Restores title as proposed by the House:

(Rescission and Deferral)

Amendment No. 150: Rescinds $3,154,000 for regulation and technology instead of $1,954,000 as proposed by the House and $8,954,000 as proposed by the Senate. The increase of $1,200,000 over the amount proposed by the House is state regulatory grant funds that are no longer required because of delays in establishing permanent state regulatory programs.

Amendment No. 151: Defers $5,800,000 instead of $7,000,000 as proposed by the House. The increase of $5,800,000 over the Senate amount is for state regulatory grant funds that will be required in fiscal year 1982 instead of fiscal year 1981 as originally appropriated.

OFFICE OF THE SECRETARY

Amendment No. 152: Rescinds $34,000,000 in Youth Conservation Corps instead of $30,000,000 as proposed by the House and $38,194,000 as proposed by the Senate.

Amendment No. 153: Deletes amendment proposed by the Senate providing that no valid obligations would be invalidated.

Amendment No. 154: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows: In lieu of the matter proposed by said amendment, insert the following: "*Provided*, That notwithstanding provisions of 16 U.S.C. 1704(d) and 1706 the unrescinded balance of the amount appropriated under this head in Public Law 96-514 shall be allocated as follows: $18,000,000 for the purposes of 16 U.S.C. 1704; $4,000,000 to the Secretary of the Interior; and $4,000,000 to the Secretary of Agriculture".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. This allocation provides that the States recieve 30% of the amount appropriated in the regular fiscal year 1981 appropriation and the Departments of Agriculture and Interior receive equal amounts for management and closeout of the 1981 program.

Amendment No. 155: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows: Restore the matter stricken by said amendment amended to read as follows:

RURAL WATER TREATMENT AND DISTRIBUTION SYSTEM

(Deferral)

Of the funds appropriated under this head in the Department of the Interior and Related Agencies Appropriations Act, 1981 (Public Law 96-514), $1,900,000 shall not become available for obligation until the conditions of Section 9(b) of Public Law 96-355 regarding deauthorization of the Oahe unit have been met.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. Section 9(b) of Public Law 96-355 authorizes $68,100,000 for construction of the WEB project. It further states that if the Oahe unit is not deauthorized by September 30, 1981, the authorization for appropriations is terminated. This amendment defers the planning and design funds until the conditions of Section 9(b) are met. The managers are in agreement that the project be reauthorized through the Farmers Home Administration and that appropriations be authorized to be made to that organization.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

Amendment No. 156: Appropriates $62,542,000 for construction and land acquisition as proposed by the Senate instead of $78,442,000 as proposed by the House. Funds for salvage of timber damaged by the eruption of Mount Saint Helens are provided by transfer in Amendment No. 158.

Amendment No. 157: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which permits the Forest Service to waive the public works contracting procedure, if necessary, to construct the permanent roads required for salvage of timber damaged by the eruption of Mount Saint Helens.

Amendment No. 158: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows: In lieu of the matter proposed by said amendment, insert the following: ": *Provided further*, That $22,607,000 appropriated in the Department of the Interior and Related Agencies Appropriations Act, 1981 (Public Law 96-514), for timber management and any related activities, including roads, on the Tongass National Forest, Alaska, that are replaced by funds provided under the authority of section 705(a) of Public Law 96-487 (which fund is hereby established at not less than $25,000,000 for fiscal year 1981), are transferred to this account, to remain available until expended, to facilitate timber salvage activities in the Mount Saint Helens volcano area of the Gifford Pinchot National Forest as follows: construction of forest development roads and trails by the Forest Service $18,812,000; land line location $300,000; timber sales preparation $800,000; and road maintenance $2,695,000".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. The amounts provided by this transfer will permit the Service to provide for all road and land line location to salvage by the end of 1984 about 770 million board feet of timber damaged by the eruption of Mount Saint Helens.

Additional funds for timber sales preparation and road maintenance will be provided in the fiscal year 1982 bill. The anticipated receipts from salvage of this timber are $177,000,000—a "profit" of $115,000,000.

DEPARTMENT OF ENERGY

ALTERNATIVE FUELS PRODUCTION

(Rescission)

Amendment No. 159: Reported in technical disagreement. The managers on the part of the house will offer a motion to recede and concur in the amendment of the Senate which rescinds $875,000,000 from the "Solar and conservation reserve". This amendment rescinds the balance in the reserve rather than transferring it to the Strategic Petroleum Reserve.

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

Amendment No. 160: Inserts "Rescission and" in the heading as proposed by the Senate.

Amendment No. 161: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment rescinding $53,036,000 for fossil energy research and development instead of $66,850,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Funds for the SRC-I pilot plant ($1,000,000), peat gasification ($5,000,000) and a study of a methanol from coal facility in Beaverdale, PA ($4,814,000) are made available in fiscal year 1981. In addition, $3,000,000 for enhanced gas recovery are not rescinded.

Amendment No. 162: Defers $9,000,000 for fossil energy research and development instead of $60,536,000 as proposed by the House and $6,000,000 as proposed by the Senate. In addition to the amount proposed by the Senate, $3,000,000 for enhanced gas recovery are deferred.

FOSSIL ENERGY CONSTRUCTION

Amendment No. 163: Inserts "Rescission and" in the heading as proposed by the Senate.

Amendment No. 164: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate rescinding $89,400,000 for fossil energy construction.

Amendment No. 165: Defers $235,000,000 for fossil energy construction as proposed by the Senate. The $100,000,000 contained in the deferral for SRC-II is in addition to amounts deferred in administration deferral No. D81-33B.

ENERGY PRODUCTION, DEMONSTRATION, AND DISTRIBUTION

Amendment No. 166: Inserts heading "(Rescission and Deferral)" instead of "(Deferral)" as proposed by the House and "(Rescission)" as proposed by the Senate.

Amendment No. 167: Deletes language proposed by the House deferring $7,248,000 for energy production, demonstration, and distribution.

Amendment No. 168: Deletes the House-proposed language "of the funds appropriated under this head".

Amendment No. 169: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "$400,000 shall not become available for obligation until October 1, 1981, and $10,348,000 are rescinded".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. Funds for a coal loan guarantee reserve ($2,500,000) will be made available for obligation in fiscal year 1981 and $400,000 for leasing activities will be deferred.

ENERGY CONSERVATION

Amendment No. 170: Deletes heading "(Deferral)" and inserts heading "(Rescission and Deferral)" as proposed by the Senate.

Amendment No. 171: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "$67,762,000 shall not become available for obligation until October 1, 1981, and $153,180,000 are rescinded".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. From the amounts proposed for rescission

by the Senate $81,390,000 are made available for obligation in fiscal year 1981 as follows: $2,000,000 for the urban consortium, $3,000,000 for gas turbine engine development, $3,100,000 for Stirling engine development, $68,700,000 for schools and hospitals conservation grants, and $4,590,000 for biomass energy studies. From the amounts proposed for rescission by the Senate $63,925,000 is deferred until fiscal year 1982 as follows: $6,705,000 for building systems, $5,150,000 for residential/commercial retrofit, $2,190,000 for the residential conservation service, $3,192,000 for community systems, $7,630,000 for technology and consumer products, $2,258,000 for appliance standards, $28,400,000 for industrial energy conservation (excluding coke process development of $19,300,000 and program direction of $500,000), $4,400,000 for gas turbine energy development, $1,700,000 for Stirling engine development, and $2,300,000 for vehicle systems.

Amendment No. 172: Changes title to:

(Rescission and Deferral)

Amendment No. 173: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment rescinding $17,167,000 for economic regulation instead of $39,167,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The $22,000,000 deferred will be used in FY 1982 for the fuels conversion and compliance programs rather than for gasoline rationing as originally appropriated.

Amendment No. 174: Defers $38,200,000 instead of $61,967,000 as proposed by the House and $16,200,000 as proposed by the Senate. The $22,000,000 increase over the amount deferred by the Senate is for continuation of the compliance program through FY 1982 and for the fuels conversion program.

STRATEGIC PETROLEUM RESERVE

Amendment No. 175: Deletes heading "(Including Transfer of Funds)" as proposed by the Senate.

Amendment No. 176: Deletes transfer of $875,000,000 proposed by the House from the "Solar and conservation reserve" appropriated in Public Law 96-126 to the Strategic Petroleum Reserve. The funds in the "Solar and conservation reserve" are proposed for rescission in Amendment No. 159. The effect is to increase new budget authority in the Strategic Petroleum Reserve, offset by an equivalent rescission in the "Solar and conservation reserve".

Amendment No. 177: Deletes advance appropriation of $883,408,000 proposed by the House for the Strategic Petroleum Reserve for fiscal year 1982.

Amendment No. 178: Rescinds $13,700,000 for the Energy Information Administration instead of $11,700,000 as proposed by the House and $14,000,000 as proposed by the Senate. The $2,000,000 increase in the rescission over the amount proposed by the House is for Emergency Energy Conservation Act data collection. The $300,000 retained is for the Financial Reporting System.

DEPARTMENT OF THE TREASURY

ENERGY SECURITY RESERVE

(Rescission)

Amendment No. 179: Rescinds $250,600,000 for the purposes of subtitle A of Title II of the Energy Security Act as proposed by the Senate. The amendment would not provide a $30 million loan guarantee reserve for biomass energy projects.

Amendment No. 180: Rescinds $218,900,000 for subtitle B of Title II of the Energy Security Act as proposed by the Senate. The amendment would not provide a $23 million loan guarantee reserve for urban waste energy projects.

Amendment No. 181: Restores language stricken by the Senate which removes the mandatory June 30, 1981 transfer date to the Synthetic Fuels Corporation for funds currently administered by the Department of Energy.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH SERVICES ADMINISTRATION

Amendment No. 182: Appropriates $120,000 for Indian health services as proposed by the House for the Masters in Public Health program for American Indians and Alaska Natives. The managers are informed that $1,100,000 is being administratively withheld as a result of not awarding any new scholarships to Indian students in Indian health profession. These funds should either be used for the purpose for which they were appropriated or reported as a rescission or deferral as required by the Impoundment Control Act of 1974.

Amendment No. 183: Deletes language proposed by the Senate providing that (1) medicaid and medicare reimbursement could be used for planning and design of new and replacement facilities and (2) that appropriated funds could be used for lease of 200 units of housing to be constructed near the Chinle Hospital and at Inscription House Health Center. The managers prefer that planning and design funds be provided in the construction account and that fiscal year 1981 reimbursements be used for accreditation and certification. The matter of leasing housing units will be addressed in connection with the fiscal year 1982 bill.

Amendment No. 184: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows: In lieu of the matter stricken by said amendment, insert the following: "For an additional amount for "Indian health facilities," $2,500,000, to remain available until expended, for site reviews, water investigations, and preliminary engineering and design of sanitation facilities for 2,840 Indian housing units."

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The managers are aware that the Department of Housing and Urban Development will not approve housing projects for construction unless a commitment has been made for the provision of sanitation facilities. Because of this, more than 1,700 HUD Indian housing units scheduled for construction this fiscal year will be delayed because the Indian Health Service does not have funds to provide essential sanitation facilities.

In order that these housing projects, as well as housing provided by the Bureau of Indian Affairs and others not be delayed, an additional $2,500,000 is provided to the Indian Health Service to initiate preliminary engineering design, rights of way and archeological clearances, soil and water source investigations, and other related preproject planning for 2,840 Indian housing units.

The managers recommend that the housing agencies also request funds for sanitation facilities rather than continuing the existing procedures.

Amendment No. 185: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment rescinding $3,916,000 instead of $8,871,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The funds restored by this action are for the following projects:

Planning and design:	
Crownpoint, NM, hospital	$1,326,000
Kanakanak, AK, hospital	1,259,000
Browning, MT, hospital	1,050,000
Anadarko, OK, outpatient facility	200,000
Tsaile, AZ, outpatient facility	250,000
Huerfano, AZ, outpatient facility	220,000
Construction:	
Lodge Grass, MT, 10 units of personnel quarters	650,000
Total	$4,955,000

DEPARTMENT OF EDUCATION

INSTITUTE OF MUSEUM SERVICES

Amendment No. 186: Deletes language rescinding $12,357,000 proposed by the Senate.

SMITHSONIAN INSTITUTION

Amendment No. 187: Appropriates $200,000 for salaries and expenses for events observing the 100th anniversary of the birth of Franklin Delano Roosevelt as proposed by the House.

Administrative provision

Amendment No. 188: Deletes language proposed by the House which protected deferred funds from further executive impoundment action.

Chapter VIII—DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

EMPLOYMENT AND TRAINING ASSISTANCE

(Rescission)

Amendment No. 189: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment amended to read as follows:

EMPLOYMENT AND TRAINING ASSISTANCE

(RESCISSION)

Of the funds provided for "Employment and training assistance" for fiscal year 1981 in Public Law 96-536, as amended, $82,500,000 are rescinded: Provided, That notwithstanding any other provision of law, $696,000,000 shall be available for the Youth Employment and Training Program authorized under title IV, part A, subpart 3, of the Comprehensive Employment and Training Act: Provided further, That notwithstanding any other provision of law, $70,136,000 shall be available for title II, part A, section 202(e), of the Comprehensive Employment and Training Act.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees are concerned about the precipitous staffing reductions planned for the Bureau of Apprenticeship and Training during fiscal year 1981. The planned reductions amount to about 20 percent of the Bureau's staff. The conferees believe that this should not take place without Congressional review and therefore direct the Department of Labor to postpone any reductions in the

Bureau until the Congress has an opportunity to consider the matter in connection with the fiscal year 1982 appropriation bill. At the same time, the conferees direct that no further offsetting reduction in other Labor Department staff be made in order to maintain Bureau of Apprenticeship and Training staff.

LABOR-MANAGEMENT SERVICES ADMINISTRATION

Salaries and expenses

(Rescission)

Amendment No. 190: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment which rescinds $570,000. The House bill included no rescission in this account.

EMPLOYMENT STANDARDS ADMINISTRATION

Salaries and expenses

(Rescission)

Amendment No. 191: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment which rescinds $406,000. The House bill included no rescission in this account.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

Salaries and expenses

(Rescission)

Amendment No. 192: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment which rescinds $920,000. The House bill included no rescission in this account.

MINE SAFETY AND HEALTH ADMINISTRATION

Salaries and expenses

(Rescission)

Amendment No. 193: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment which rescinds $660,000. The House bill included no rescission in this account.

BUREAU OF LABOR STATISTICS

Salaries and expenses

(Rescission)

Amendment No. 194: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment which rescinds $160,000. The House bill included no rescission in this account.

DEPARTMENTAL MANAGEMENT

Salaries and expenses

(Rescission)

Amendment No. 195: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment which rescinds $300,000. The House bill included no rescission in this account.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH SERVICES ADMINISTRATION

Health Services

(Rescission)

Amendment No. 196: Rescinds $49,776,000 instead of $45,679,000 as proposed by the House and $56,383,000 as proposed by the Senate. In addition to the amounts rescinded by the House, the conferees have agreed to a rescission of $4 million in the home health demonstration program as proposed by the Senate and to a rescission of $2,097,000 in program support activities of the Bureau of Medical Services as proposed by the Senate.

Amendment No. 197: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate amended to read as follows: "*Provided*, That not more than $128,399,000 shall be available under this head for operation of Public Health Service hospitals and clinics."

The managers on the part of the Senate will move to recede and concur in the amendment of the House to the amendment of the Senate. This language establishes a ceiling on obligations for the operation of the hospitals and clinics program. The amount approved is $2,157,000 higher than the amount in the Senate bill. This funding level is consistent with the President's budget request for this activity.

The Committee directs the Department of Health and Human Services to use the fiscal year 1981 funds available for the Public Health Service hospitals first for the operation, maintenance and transition costs of those hospitals and clinics whose communities have made a firm commitment to assume their operations which is acceptable to the Secretary; and, second, to maintain as many of the services of the other facilities as is possible. The conferees are agreed that any community may submit a plan for community use of these facilities and that no hospital should be closed prior to October 1, 1981.

CENTERS FOR DISEASE CONTROL

Preventive Health Services

Amendment No. 198: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment which reappropriates $2,000,000 from unobligated swine flu balances. The conferees are agreed that this shall be a one-time appropriation to conduct the Mt. St. Helens health effects study.

(Rescission)

Amendment No. 199: Rescinds $44,981,000 instead of $43,975,000 as proposed by the House and $51,676,000 as proposed by the Senate. The conference agreement contains the following changes from the House bill:

Chronic diseases	−$506,000
Environmental hazards	+1,348,000
Occupational safety and health research	−1,348,000
Buildings and facilities	−500,000

Amendment No. 200: Rescinds $9,400,000 from unobligated swine flu balances as proposed by the Senate, instead of $11,400,000 as proposed by the House.

NATIONAL INSTITUTES OF HEALTH

The amounts agreed upon by the conferees for the National Institutes of Health are intended to permit funding of training grant awards supporting 10,000 research trainees together with full institutional allowances and indirect costs associated with those awards as well as 5,000 new and competing research project grants.

NATIONAL CANCER INSTITUTE

(Rescission)

Amendment No. 201: Rescinds $10,785,000, instead of $7,730,000, as proposed by the House, and $14,264,000, as proposed by the Senate.

NATIONAL HEART, LUNG, AND BLOOD INSTITUTE

(Rescission)

Amendment No. 202: Reported in technical disagreement. The Managers on the part of the House will move to recede and concur in the Senate amendment with an amendment which will rescind $9,950,000, instead of $10,131,000 as proposed by the House, and $11,325,000, as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

NATIONAL INSTITUTE OF DENTAL RESEARCH

(Rescission)

Amendment No. 203: Deletes rescission of $347,000 proposed by the Senate.

NATIONAL INSTITUTE OF ARTHRITIS, METABOLISM, AND DIGESTIVE DISEASES

(Rescission)

Amendment No. 204: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment with an amendment which will rescind $2,113,000, instead of $2,316,000 as proposed by the House and $3,237,000, as proposed by the Senate. The Managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

NATIONAL INSTITUTE OF NEUROLOGICAL AND COMMUNICATIVE DISORDERS AND STROKE

(Rescission)

Amendment No. 205: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment with an amendment which will rescind $997,000, instead of $2,456,000, as proposed by the House and $1,791,000, as proposed by the Senate. The Managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES

(Rescission)

Amendment No. 206: Reported in technical disagreement. The Managers on the part of the House will move to recede and concur in the Senate amendment with an amendment which will rescind $1,571,000, instead of $2,757,000, as proposed by the House, and $1,720,000 as proposed by the Senate. The Managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

(Rescission)

Amendment No. 207: Reported in technical disagreement. The Managers on the part of the House will move to recede and concur in the Senate amendment with an amendment which will rescind $2,694,000, instead of $3,335,000, as proposed by the House and $3,360,000, as proposed by the Senate. The Managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

NATIONAL EYE INSTITUTE

(Rescission)

Amendment No. 208: Reported in technical disagreement. The Managers on the part of the House will move to recede and concur in the Senate amendment with an amendment which will rescind $2,137,000, instead of $2,619,000, as proposed by the House, and $2,381,000, as proposed by the Senate. The Managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

(Rescission)

Amendment No. 209: Rescinds $3,630,000, instead of $3,455,000, as proposed by the House, and $4,056,000, as proposed by the Senate.

NATIONAL INSTITUTE ON AGING

(Rescission)

Amendment No. 210: Reported in technical disagreement. The Managers on the part of the House will move to recede and concur in the Senate amendment with an amendment which will rescind $377,000, instead of $598,000, as proposed by the House, and $659,000, as proposed by the Senate. The Managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

RESEARCH RESOURCES

(Rescission)

Amendment No. 211: Rescinds $8,623,000, as proposed by the House, instead of $10,561,000, as proposed by the Senate. The amount provided includes full restoration of funds for the Minority biomedical support program. The rescission should be distributed equitably among the other programs of the Division.

JOHN E. FOGARTY INTERNATIONAL CENTER FOR ADVANCED STUDY

(Rescission)

Amendment No. 212: Deletes rescission of $500,000 proposed by the Senate.

NATIONAL LIBRARY OF MEDICINE

(Rescission)

Amendment No. 213: Deletes rescission of $341,000 proposed by the Senate.

OFFICE OF THE DIRECTOR

(Rescission)

Amendment No. 214: Deletes rescission of $360,000 proposed by the Senate.

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH

(Rescission)

Amendment No. 215: Rescinds $112,244,000 instead of $80,244,000 as proposed by the House and $144,244,000 as proposed by the Senate. In addition to the amounts rescinded by the House the conferees have agreed to rescind an additional $20 million from the alcoholism formula grant program and an additional $12 million from the drug abuse formula grant program. This action results in total rescissions for these two programs of $30 million and $18 million respectively.

HEALTH RESOURCES ADMINISTRATION

HEALTH RESOURCES

(Rescission)

Amendment No. 216: Rescinds $158,189,000 instead of $180,934,000, as proposed by the House, and $154,854,000 as proposed by the Senate.

The conferees are agreed that the rescission includes the following changes from the amounts proposed by the House:

Local health planning agencies	+$6,000,000
Dental health team grants	+250,000
Public health capitation grants	−2,100,000
Health administration grants	+750,000
Public health traineeships	−250,000
Health administration traineeships	+250,000
Family medicine/general dentistry residencies and training	+6,975,000
General internal medicine and pediatrics	+1,500,000
Nursing:	
Advanced training	+3,000,000
Nurse practitioners	+3,000,000
Traineeships	+3,000,000
Program support	+370,000
Total	+22,745,000

ASSISTANT SECRETARY FOR HEALTH

Salaries and Expenses

Amendment No. 217: Appropriates $40,000,000 as proposed by the House instead of $37,700,000 as proposed by the Senate.

(Rescission)

Amendment No. 218: Rescinds $38,270,000 as proposed by the Senate, instead of $37,630,000 as proposed by the House.

HEALTH CARE FINANCING ADMINISTRATION

Payments to health care trust funds

(Rescission)

Amendment No. 219: Rescinds $6,520,000 as proposed by the Senate instead of $4,346,000 as proposed by the House. This rescission relates to the Professional Standards Review Organization program which is also affected by amendment numbers 220 and 221.

Program management

(Rescission)

Amendment No. 220: Rescinds $7,494,000 instead of $3,996,000 as proposed by the House and $8,694,000 as proposed by the Senate. In addition to the amounts rescinded by the House the conferees have agreed to additional rescissions of $2,000,000 in research, demonstrations and evaluation and $1,498,000 for the Professional Standards Review Organization program.

Amendment No. 221: Reduces the amount which can be transferred from the Medicare trust funds to support Federal administrative costs by $16,982,000 instead of $12,322,000 as proposed by the House and $20,349,000 as proposed by the Senate. In addition to the rescissions approved by the House the conferees have agreed to an additional rescission of $3,000,000 in research, demonstrations, and evaluation and $1,660,000 in the Professional Standards Review Organization program. The combined impact of the conference agreements on amendment numbers 219, 220, and 221 is displayed in the following table:

	Continuing resolution	Rescission			Conference
		President	House	Senate	
Professional Standards Review Organizations:					
Hospital review (payments account):					
Medicaid, direct appropriations	$40,120,000	−$8,693,000	−$4,346,000	−$6,520,000	−$6,520,000
Medicare, nonappropriated funds	(78,180,000)	(−16,940,000)	(−8,470,000)	(−12,705,000)	(−12,705,000)
Nonhospital activities:					
Federal funds	22,372,000	−5,992,000	−2,996,000	−4,494,000	−4,494,000
Trust funds	(32,996,000)	(−6,643,000)	(−3,322,000)	(−4,982,000)	(−4,982,000)
Total, PSRO budget	173,668,000	−38,268,000	−19,134,000	−28,701,000	−28,701,000
Research, demonstration, and evaluation:					
Federal funds	30,000,000	−1,000,000	−1,000,000	−4,200,000	−3,000,000
Trust funds	(20,000,000)	(−3,000,000)	(−3,000,000)	(−9,367,000)	(−6,000,000)
Total, research and evaluation	50,000,000	−4,000,000	−4,000,000	−13,567,000	−9,000,000

SOCIAL SECURITY ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

Amendment No. 222: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate which increases the amount of funds available in the contingency reserve for Social Security administrative expenses from the $50,000,000 currently appropriated to $80,000,000. The President had proposed a contingency of $117,667,000. The House had not approved any increase in this contingency reserve. The conferees are agreed that the additional funds made available may only be used to the extent necessary to support an increased workload which may result from legislation currently pending before the Congress but not yet enacted.

LOW INCOME ENERGY ASSISTANCE

(Rescission)

Amendment No. 223: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate which rescinds $500,000 from federal administrative funds for the low income energy assistance program.

REFUGEE ASSISTANCE

(Rescission)

Amendment No. 224: Rescinds $41,805,000 as proposed by the Senate instead of $74,805,000 as proposed by the House.

CUBAN AND HAITIAN ENTRANTS RECEPTION AND PROCESSING

(Rescission)

Amendment No. 225: Reported in technical disagreement. The managers on the part

of the House will move to recede and concur in the amendment of the Senate amended to read as follows:

CUBAN AND HAITIAN ENTRANTS RECEPTION AND PROCESSING

(Rescission)

"Of the funds for 'Cuban and Haitian entrants reception and processing' for fiscal year 1981 in Public Law 96-536, as amended, $10,000,000 are rescinded."

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. The House bill contained no rescission in this budget account.

CUBAN AND HAITIAN ENTRANTS DOMESTIC ASSISTANCE

Amendment No. 226: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate which appropriates $6,000,000 for assistance to local school districts with a high concentration of Cuban and Haitian immigrants. The House bill did not include any funds for this purpose.

ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT SERVICES

Human Development Services

(Rescission)

Amendment No. 227: Rescinds $13,500,000 instead of $5,100,000 as proposed by the House and $24,700,000 as proposed by the Senate. The conferees are agreed that the rescission includes:

Child welfare research	−$850,000
Child welfare training	−400,000
Grants for State and community activities on aging	−5,000,000
Aging research and training	−5,000,000
National Clearinghouse on Aging	−200,000
Federal Council on Aging	−100,000
Developmental disabilities	−1,750,000
Social services research	−200,000

DEPARTMENTAL MANAGEMENT

Policy research

(Rescission)

Amendment No. 228: Reported in technical disagreement. The Managers on the part of the House will move to recede and concur in the amendment of the Senate which rescinds $2,500,000 of funds appropriated for 1981 for policy research.

DEPARTMENT OF EDUCATION

ELEMENTARY AND SECONDARY EDUCATION

(Rescission)

Amendment No. 229: Rescinds $410,455,000 for Title I, parts A and B instead of $351,477,000 as proposed by the House and $463,885,000 as proposed by the Senate.

Amendment No. 230: Rescinds $25,270,000 for Title IV, part C instead of $9,140,000 as proposed by the House and $41,400,000 as proposed by the Senate.

Amendment No. 231: Rescinds $8,925,000 for Title V, part B instead of $5,100,000 as proposed by the House and $12,750,000 as proposed by the Senate.

Amendment No. 232: Rescinds $500,000 for sections 1524 and 1525 of the Education Amendments of 1978 as proposed by the House instead of $3,000,000 as proposed by the Senate.

Amendment No. 233: Deletes rescission of $100,000 proposed by the House for Public Law 92-506.

Amendment No. 234: Earmarks $100,000,000 for section 117 (concentration grants) instead of $130,500,000 as proposed by the House and $71,070,000 as proposed by the Senate.

Amendment No. 235: Earmarks $266,400,000 for Title I, part B, subpart 1 (migratory children) instead of $259,200,000 as proposed by the House and $273,600,000 as proposed by the Senate.

Amendment No. 236: Earmarks $152,625,000 for Title I, part B, subpart 2 (handicapped children) instead of $148,500,000 as proposed by the House and $156,750,000 as proposed by the Senate.

Amendment No. 237: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate which prohibits the use of funds appropriated for Title IV, part C of the Elementary and Secondary Education Act to be used for purposes of Title V, part B; and provides that reductions in Title IV, part C and Title V, part B shall be proportionate among the States.

EQUAL EDUCATIONAL OPPORTUNITIES

(Rescission)

Amendment No. 238: Rescinds $97,563,000 instead of $36,876,000 as proposed by the House and $131,719,000 as proposed by the Senate. The conferees are agreed that the rescissions by program are as follows:

Grants to school districts	−$74,400,000
Special programs and projects	−7,724,000
Grants to non-profit organizations	−2,500,000
Educational television and radio	−2,000,000
Evaluation	−500,000
Training and advisory services	−8,564,000
Women's educational equity	−1,875,000

LIBRARIES AND LEARNING RESOURCES

(Rescission)

Amendment No. 239: Rescinds $10,000,000 for Title IV, part B of the Elementary and Secondary Education Act, school libraries program, as proposed by the Senate, instead of $21,375,000 as proposed by the House.

Amendment No. 240: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate amended to read as follows: ", $2,000,000 of the amount provided for title II, part A of the Higher Education Act".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 241: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate amended to read as follows: ", and $250,000 of the amount provided for title II, part B of the Higher Education Act".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

EDUCATION FOR THE HANDICAPPED

(Rescission)

Amendment No. 242: Rescinds $76,819,000 instead of $68,719,000 as proposed by the House and $89,995,000 as proposed by the Senate. The conferees are agreed that the rescissions by program are as follows:

State grant program	−$47,500,000
Severely handicapped	−625,000
Early childhood	−2,500,000
Regional, vocational and adult and postsecondary programs	−1,050,000
Innovation and development	−5,000,000
Media services and captioned films	−2,000,000
Regional resource centers	−2,094,000
Recruitment and information	−250,000
Special education personnel development	−14,500,000
Special studies	−1,300,000

The conferees direct that the funds appropriated for special education personnel development be equitably distributed among the 50 States by renegotiating proportional reductions in the contracts of the cycle projects already approved, and making comparable percentage reductions in the new qualifying proposals for the States on the current cycle. Further, the conferees expect that the parent training programs operated by parent coalitions will be funded as planned for fiscal 1981.

Amendment No. 243: Earmarks $25,000,000 for section 619 of the Education of the Handicapped Act (pre-school incentive grants) as proposed by the Senate instead of $21,875,000 as proposed by the House.

REHABILITATION SERVICES AND HANDICAPPED RESEARCH

(Rescission)

Amendment No. 244: Rescinds $12,126,000 instead of $7,875,000 as proposed by the House and $18,723,000 as proposed by the Senate. The conferees are agreed that the rescissions by program are as follows:

Rehabilitation:	
Service projects	−$3,000,000
Training	−3,825,000
National Institute for Handicapped Research	−5,250,000
National Clearinghouse on the Handicapped	−51,000

The conferees are agreed that the amount available for fiscal year 1981 includes $3,000,000 for special recreation projects as approved by the House. With regard to these projects, as well as spinal cord injury demonstration centers, the Department should follow the directives contained in the House report (No. 97-29).

The National Institute of Handicapped Research shall give serious attention to addressing the pressing needs of the Pacific Basin under their Research and Training Center authority.

Amendment No. 245: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate which earmarks $2,800,000 for section 112 of the Rehabilitation Act of 1973 (client assistance), notwithstanding other provisions of law.

Amendment No. 246: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate which earmarks $650,000 for the Navajo Tribal Council to carry out section 130 of the Rehabilitation Act of 1973.

VOCATIONAL AND ADULT EDUCATION

(Rescission)

Amendment No. 247: Rescinds $98,442,000 for vocational education instead of $7,236,000 as proposed by the House and $124,201,000 as proposed by the Senate. The conferees are agreed that the rescission by program are as follows:

Basic grants	−$44,127,000
Program improvement	−31,494,000
Programs of national significance	−2,523,000
Special programs for disadvantaged	−5,046,000
Consumer and homemaking education	−13,150,000
Bilingual vocational training	−840,000
State planning	−1,262,000

Amendment No. 248: Rescinds $20,000,000 for grants to States for adult education as proposed by the Senate instead of $15,000,000 as proposed by the House.

Amendment No. 249: Rescinds $5,000,000 for the Career Education Incentive Act as proposed by the Senate instead of $2,500,000 proposed by the House.

Amendment No. 250: Rescinds $6,862,000 for Title VIII of the Elementary and Secondary Education Act (community schools) as proposed by the Senate instead of $4,431,000 as proposed by the House.

Amendment No. 251: Rescinds $2,261,000 for Title III, part E of the Elementary and Secondary Education Act (consumers' education) instead of $904,000 as proposed by the House and $3,617,000 as proposed by the Senate.

Amendment No. 252: Earmarks $93,323,000 for part A, subpart 3 of the Vocational Education Act (program improvement and supportive services) as proposed by the House instead of $118,576,000 as proposed by the Senate.

Amendment No. 253: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate which earmarks $7,477,000 for part B, subpart 2 of the Vocational Education Act (programs of national significance), and $2,243,100 for the National Occupational Information Coordinating Committee.

Amendment No. 254: Deletes language proposed by the Senate relating to payments for State advisory councils.

Amendment No. 255: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate which earmarks $3,138,000 for sections 809, 810, and 812 of the Elementary and Secondary Education Act (community schools).

STUDENT FINANCIAL ASSISTANCE

Amendment No. 256: Appropriates $445,000,000 for Title IV, part A, subpart 1 of the Higher Education Act (basic opportunity or Pell grants) instead of $661,000,000 as proposed by the House and $391,000,000 as proposed by the Senate.

Amendments No. 257 and 258: Deletes language proposed by the House relating to the maximum grant a student may receive in the 1981–82 academic year.

Amendment No. 259: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate which inserts substitute language establishing a maximum grant of $1,750, notwithstanding section 411(a)(2)(A)(i)(I) of the Higher Education Act.

Amendment No. 260: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate amended to read as follows: ": *Provided further,* That notwithstanding section 411(b)(3)(B)(i) each Pell grant be reduced by $80 after taking the cost of attendance limitation of section 411(a)(2)(B)(i) into account".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 261: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate which authorizes the Secretary of Education to establish cost of attendance rules for Pell grant eligibility.

Amendment No. 262: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate which authorizes the Secretary of Education to ratably reduce 1981 State allocations under the National Direct Student Loan program, notwithstanding any other provision of law.

STUDENT LOAN INSURANCE

Amendment No. 263: Deletes limitation included by the House for expenses related to the guaranteed student loan program.

Amendment No. 264: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate which inserts language prohibiting the reservation or payment of administrative expenses incurred by educational institutions.

HIGHER AND CONTINUING EDUCATION

(Rescission)

Amendment No. 265: Deletes phrase proposed by the House.

Amendment No. 266: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate which rescinds $12,800,000 of the amount provided for Title I, part B of the Higher Education Act.

Amendment No 267: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate amended to read as follows: ", $3,000,000 of the amount provided for section 417".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 268: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate amended to read as follows: ", $6,020,000 of the amount provided for section 420 and".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 269: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate amended to read as follows: "$2,150,000 of the amount provided for title IX, part B of the Higher Education Act are rescinded".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees are agreed that $1,000,000 is rescinded from the amount available for graduate and professional educational opportunities and $1,150,000 from mining fellowships.

Amendment No. 270: Deletes rescission of $3,000,000 proposed by the Senate for Title IX, part E of the Higher Education Act.

Amendment No. 271: Deletes rescission of $1,000,000 proposed by the Senate for Title III, part G of the Elementary and Secondary Education Act.

Amendment No. 272: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate amended to read as follows: ": *Provided,* that the funds appropriated in Public Law 96-536, as amended, for title IX, part B are available notwithstanding the provisions of section 922(b)(2) of the Higher Education Act".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 273: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate which earmarks $2,200,000 for Title I, part B of the Higher Education Act only for section 115(d).

HIGHER EDUCATION FACILITIES LOAN AND INSURANCE FUND

(Deferral)

Amendment No. 274: Restores paragraph inserted by the House disapproving deferral D 81-82.

The Senate recedes to the House position on deferral D 81-82. The conferees instruct the Secretary of Education to release the funds to Boston College and Georgetown University in accordance with the report language in House Report #97-29.

COLLEGE HOUSING LOANS

(Rescission)

Amendment No. 275: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate amended to read as follows:

COLLEGE HOUSING LOANS

(RESCISSION)

Of the funds appropriated for participation sales insufficiencies for fiscal year 1981 in Public Law 96-536, as amended, $14,271,000 are rescinded. Payments of insufficiencies in fiscal year 1981 as may be required by the Government National Mortgage Association, as trustee, on account of outstanding beneficial interests or participations issued pursuant to section 302(c) of the Federal National Mortgage Association Charter Act, as amended (12 U.S.C. 1717) shall be made from the fund established pursuant to title IV of the Housing Act of 1950, as amended (12 U.S.C. 1749) using loan repayments and other income available during fiscal year 1981.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

SCHOOL IMPROVEMENT

(Rescission)

Amendment No. 276: Rescinds $37,843,000 instead of $14,642,000 as proposed by the House and $61,218,000 as proposed by the Senate. The conferees are agreed that the rescissions by program are as follows:

Basic skills improvement	−$3,500,000
Arts in education	−350,000
Metric education	−460,000
Cities in schools	−305,000
Push for excellence	−175,000

Alcohol and drug abuse education	−150,000
Ethnic heritage studies	−750,000
National diffusion program	−1,250,000
Teacher corps	−7,500,000
Teacher centers	−3,900,000
Follow through	−18,000,000
Gifted and talented	−628,000
Migrant high school equivalency	−250,000
Precollege science teacher training	−625,000

With regard to arts in education, the conferees are agreed that the remaining funds for this program would be sufficient to support most of the activities of the National Committee for Arts for the Handicapped.

Amendment No. 277: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate which inserts Part A of Title III of the Elementary and Secondary Education Act.

Amendment No. 278: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate which inserts Title III, section 303(c)(2) of the Comprehensive Employment and Training Act, as amended.

Amendment No. 279: Restores legal citation proposed by the House for the Alcohol and Drug Abuse Education Act.

Amendment No. 280: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate which inserts section 422(a) of the General Education Provisions Act.

Amendment No. 281: Earmarks $17,225,000 for Title II, part A of the Elementary and Secondary Education Act (basic skills national program) as proposed by the Senate instead of $18,000,000 as proposed by the House.

EDUCATIONAL STATISTICS

(Rescission)

Amendment No. 282: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate which rescinds $1,000,000 for section 406 of the General Education Provisions Act.

RESEARCH AND RELATED ACTIVITIES

(Rescission)

Amendment No. 283: Rescinds $8,500,000 for section 405 of the General Education Provisions Act, instead of $7,000,000 as proposed by the House and $10,000,000 as proposed by the Senate.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

(Rescission)

Amendment No. 284: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate amended to read as follows:

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

(Rescission)

Of the funds appropriated under this head for fiscal year 1981 in Public Law 96-536, as amended, $500,000 for the purposes of part D of the General Education Provisions Act are rescinded.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

RELATED AGENCIES

ACTION

Operating expenses, domestic programs

(Rescission)

Amendment No. 285: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment amended to rescind $5,187,000, instead of $3,207,000 as proposed by the House and $3,907,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement contains the following rescissions:

Volunteers in service to America (VISTA)	−$3,207,000
Citizen participation and volunteer demonstration	−1,480,000
Administrative overhead	−500,000

COMMUNITY SERVICES ADMINISTRATION

Community services program

(Rescission)

Amendment No. 286: Rescinds $16,915,000, instead of $16,500,000 as proposed by the House and $22,915,000 as proposed by the Senate. The conference agreement contains the following changes from the House bill:

Community economic development	−$200,000
Administrative overhead	−215,000

CORPORATION FOR PUBLIC BROADCASTING

Public Broadcasting Fund

(Rescission)

Amendment No. 287: Rescinds $35,000,000 for fiscal year 1983, instead of $60,000,000 as proposed by the House. The Senate bill included no rescission for this account.

FEDERAL MEDIATION AND CONCILIATION SERVICE

Salaries and expenses

(Rescission)

Amendment No. 288: Deletes rescission of $687,000 proposed by the Senate.

NATIONAL COMMISSION ON STUDENT FINANCIAL ASSISTANCE

Amendment No. 289: Appropriates $250,000 instead of $750,000 as proposed by the House. The Senate had proposed to delete all funds for this purpose.

NATIONAL LABOR RELATIONS BOARD

Salaries and expenses

(Rescission)

Amendment No. 290: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment which rescinds $1,060,000. The House bill included no rescission for this account.

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

Salaries and expenses

(Rescission)

Amendment No. 291: Rescinds $54,000 as proposed by the House. The Senate bill included no rescission for this account.

General provisions

Amendment No. 292: Deletes language proposed by the House which would have required that no part of any appropriation contained in this chapter shall be used in connection with the issuance, implementation, or enforcement of any rule, regulation, standard, guideline, recommendation, or order which includes any ratio, quota, or other numerical requirement related to race, creed, color, national origin, or sex, and which requires any individual or entity to take any action with respect to (1) the hiring or promotion policies or practices of said individual or entity, (2) the admissions policies or priorities or such individual or entity.

Amendment No. 293: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate amended to read as follows:

Of the total amounts appropriated for the Department of Health and Human Services for fiscal year 1981, $13,500,000 are hereby rescinded from funds available for travel, consultants, consultant services, training, and furniture and equipment purchases.

The managers on the part of the Senate will move to recede and concur with the amendment of the House to the amendment of the Senate. This language rescinds $13,500,000 from administrative funds of the Department of Health and Human Services instead of $27,123,000 as proposed by the Senate. The conferees have agreed not to rescind $5,277,000 of Department of Education administrative funds proposed to be rescinded by the Senate. The conferees are further agreed that the Social Security Administration should be exempted from any reductions required by this section.

Chapter IX—Legislative Branch

SENATE

Amendments No. 294 through 308: Reported in technical disagreement. Inasmuch as these amendments relate solely to the Senate and in accord with long practice, under which each body determines its own housekeeping requirements and the other concurs without intervention, the managers on the part of the House will offer motions to recede and concur in the Senate amendments No. 294 through 308.

HOUSE OF REPRESENTATIVES

Amendments No. 309 and 310: Change section numbers as proposed by the Senate.

ARCHITECT OF THE CAPITOL

Capitol Buildings and Grounds

Capitol Buildings

(Rescission)

Amendment No. 311: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate which rescinds $97,000, including $47,000 from intrusion alarm systems and $50,000 from electronic system maintenance. The conferees have been informed that, based on a February 13, 1981, first-come, first-serve priority list maintained by the Architect of the Capitol, the rescission will have no effect on systems scheduled for installation in House offices.

Capitol Grounds

Amendment No. 312: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate which rescinds $10,000 in snow removal funds.

Senate Garage

Amendment No. 313: Reported in technical disagreement. The managers on the part of the House will move to recede and concur

in the amendment of the Senate which rescinds $102,000.

CAPITOL POWER PLANT

(Rescission)

Amendment No. 314: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate which rescinds $70,000 that had been appropriated under this heading in H.R. 7593.

LIBRARY BUILDINGS AND GROUNDS

Structural and Mechanical Care

(Rescission)

Amendments No. 315-316: Rescind $508,000, $430,000 of which was contained in H.R. 7593, as proposed by the Senate instead of $241,000, $163,000 of which was contained in H.R. 7593, as proposed by the House. Included is a $202,000 rescission of architectural/engineering funds intended for design work on the restoration, renovation, and fire safety project at the Thomas Jefferson and John Adams buildings. This rescission is made without prejudice since the question of the extent of design work needed before the construction phases of the project commence will be examined during consideration of the annual appropriation bill for fiscal year 1982.

LIBRARY OF CONGRESS

Furniture and furnishings

Amendment No. 317: Deletes $450,000 rescission proposed by the Senate. The conferees agree that the $450,000 may be used for a motorized book shelf contract settlement.

Administrative provisions

Amendment No. 318: Deletes section number as proposed by the Senate.

GOVERNMENT PRINTING OFFICE

Office of Superintendent of Documents

Salaries and Expenses

Amendment No. 319: Appropriates $400,000 instead of $1,300,000 proposed by the House.

General provisions

Amendment No. 320: Deletes section number as proposed by the Senate.

Chapter X—MILITARY CONSTRUCTION

MILITARY CONSTRUCTION, AIR FORCE

Amendment No. 321: Appropriates $76,100,000 instead of $70,240,000 as proposed by the House and $81,100,000 as proposed by the Senate. The conferees have agreed to the following additions to the amounts and line items as proposed by the House:

RDF, Planning and Design	+$5,000,000
Cannon AFB, N.M.: Sound Suppressor Support Facility	+420,000
Luke AFB, Arizona: Sound Suppressor Support Facility	+440,000

Amendment No. 322: Limits expenditures for study, planning, design, architect and engineering services to $35,000,000 instead of $30,000,000 as proposed by the House and $40,000,000 as proposed by the Senate.

The increase in limitation relates only to the Air Force request for additional design funds for the Rapid Deployment Program.

Amendment No. 323: Deletes language proposed by the House requiring that planning and design funds for the MX basing mode not be obligated until the final environmental impact statement has been completed.

The conferees believe that a similar provision in Section 118 of Public Law 96-436 (Fiscal Year 1981 Appropriations) will prevent the Department from designing any site-specific facilities until the provisions of the National Environmental Policy Act (42 U.S.C. 4332) are met. The conferees agree that the Department is not to enter into any site-specific design contracts for any purpose while awaiting final site selections and completion of the requirements directed by Section 118, Public Law 96-436.

The conferees also agree that the $92 million deferment proposed by the House and accepted by the Senate relates specifically to the award on new contract starts. Therefore, no new starts are to be initiated on MX planning and design; no new architect-engineer contracts are to be awarded; no options on existing contracts are to be exercised nor are any call-type contracts for design-related services to be exercised; and no additional personnel are to be hired or physically transferred by the Corps of Engineers. Corps of Engineers personnel on the payroll as of the date of the Senate report may continue with inhouse planning and design funds.

Chapter XI—DEPARTMENT OF TRANSPORTATION

COAST GUARD

RETIRED PAY (INCLUDING TRANSFER OF FUNDS)

Amendment No. 324: Inserts transfer of funds language in the heading as proposed by the House.

Amendment No. 325: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment amended to read as follows: "$12,000,000, and, in addition, not to exceed $2,000,000 shall be derived by transfer from the unobligated balance in the appropriation "Acquisition, construction, and improvement" ".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

POLLUTION FUND

Amendment No. 326: Appropriates $15,000,000 as proposed by the Senate instead of $12,000,000 as proposed by the House.

RECREATIONAL BOATING SAFETY AND FACILITIES IMPROVEMENT ASSISTANCE

Amendment No. 327: Deletes appropriation of $2,000,000 proposed by the Senate. In disapproving the initiation of this new program, the conferees agree that the user taxes which have been collected should be utilized to offset the cost of programs which benefit the boating public. In order to reach such an equitable solution, the conferees direct that the Secretary shall submit to the appropriate committees of the Congress, not later than September 30, 1981, a proposal outlining his recommendation of how this should be accomplished.

FEDERAL AVIATION ADMINISTRATION

FACILITIES AND EQUIPMENT (AIRPORT AND AIRWAY TRUST FUND)

(Disapproval of Deferral)

Amendment No. 328: Disapproves deferral of $30,000,000 as proposed by the House. The Senate amendment proposed to reserve $25,000,000 for subsequent obligation. In disapproving the proposed deferral, the conferees direct the Federal Aviation Administration to immediately make available funds for the following projects: airport control towers at Mesa, Az. and Kodiak, Ak.; instrument landing systems at Charleston, W. Va., Williston, N. Dk., and Cavern City, N.M.; automated radar terminal system (ARTS II) at Baton Rouge, La.; very high frequency omnidirectional range (VOR) at Circleville, Ohio; and localizer at Montgomery County, Pa. The conferees further direct the FAA to give high priority to the following locations in the Administration's next radar procurement: Hillsboro, Oreg.; Mid-Hudson Valley, N.Y.; and Moses Lake and Pasco, Wash.

Amendment No. 329: Inserts language making the disapproved deferral available for obligation as proposed by the House.

Amendment No. 330: Deletes rescission of $25,000,000 proposed by the Senate.

GRANTS-IN-AID FOR AIRPORT PLANNING AND DEVELOPMENT

Amendment No. 331: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment amended to read as follows:

GRANTS-IN-AID FOR AIRPORT PLANNING AND DEVELOPMENT

(LIMITATION ON OBLIGATIONS)

The limitation in section 302 of the Department of Transportation and Related Agencies Appropriation Act, 1981 (Public Law 96-400), is amended by deleting "$700,000,000" and inserting in lieu thereof "$450,000,000".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. Of the obligation level provided, $3,000,000 shall be available only for the Grand Forks International Airport.

AIRCRAFT PURCHASE LOAN GUARANTEE PROGRAM

Amendment No. 332: Limits guarantees to $350,000,000 as proposed by the House instead of $300,000,000 as proposed by the Senate. The conferees direct FAA not to use regulations or administrative procedures to exclude any class of carrier from the program. The conferees also direct that in administering these funds the FAA give first priority to applications which are part of ongoing procurements of qualifying aircraft. If applications are filed subsequent to those previously submitted, the House and Senate Committees on Appropriations will consider, at the appropriate time, any requests for additional authority for the aircraft purchase loan guarantee program.

FEDERAL HIGHWAY ADMINISTRATION

NATIONAL SCENIC AND RECREATIONAL HIGHWAY (LIQUIDATION OF CONTRACT AUTHORIZATION)

Amendment No. 333: Deletes the words "Trust Fund" from the heading as proposed by the Senate.

FEDERAL-AID HIGHWAYS (LIQUIDATION OF CONTRACT AUTHORIZATION) (TRUST FUND)

The conferees take note of the Senate language and direct the Secretary of the Department and the Administrator of the Federal Highway Administration to return any and all interstate discretionary fund allocations to the State of Florida.

URBAN HIGH DENSITY TRAFFIC PROGRAM

Amendment No. 334: Increases contract authority by $33,959,000 as proposed by the House.

ACCESS HIGHWAYS TO PUBLIC RECREATION AREAS ON CERTAIN LAKES

Amendment No. 335: Appropriates $10,000,000 as proposed by the Senate.

FEDERAL RAILROAD ADMINISTRATION

RAIL SERVICE ASSISTANCE

Amendment No. 336: Deletes language proposed by the Senate authorizing the Secretary of Transportation to expend $10,000,000 from the sale of fund anticipation notes to the Secretary of the Treasury.

Amendment No. 337: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment amended to read as follows:

After reserving funds for the grant agreements executed prior to March 10, 1981, for the remainder of fiscal year 1981, the Secretary shall obligate available funds up to the extent of the entitlements which existed immediately prior to March 10, 1981, or on the basis of the rail transportation needs to be addressed by the project to be funded.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees direct that within the funds available for the local rail service assistance program priority consideration be given to providing funds to permit the start of rehabilitation of the Woodland to Tennessee line portion of the Illinois Central Gulf Railroad, and to enable the purchase by the Rosedale Port Commission of the segment of the Illinois Central Gulf Railroad that serves that Port.

CONRAIL WORKFORCE REDUCTION PROGRAM

(Including Transfer of Funds)

Amendment No. 338: Deletes $50,000,000 appropriation proposed by the House.

Amendment No. 339: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment providing $15,000,000, of which $5,000,000 shall be derived by transfer.

RAILROAD REHABILITATION AND IMPROVEMENT FINANCING FUNDS

(Rescission)

Amendment No. 340: Rescinds $1,000,000 instead of $37,000,000 as proposed by the House. The conferees direct that, of the total amount available for railroad rehabilitation and improvement, at least $30,000,000 shall be available only for the Milwaukee Road (Milwaukee II) Miles City Line.

NORTHEAST CORRIDOR IMPROVEMENT PROGRAM

Amendment No. 341: Deletes language proposed by the House to disapprove deferral D81-92. The conferees note the language contained in the House Committee report regarding existing electrification contracts and agree that the conference action should not be interpreted by the Federal Railroad Administration as approving or directing that these contracts be terminated.

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

(Including Transfer of Funds)

Amendment No. 342: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment amended to read as follows:

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Grants to the National Railroad Passenger Corporation", for operating losses incurred by the Corporation, $15,300,000 to be derived by transfer from the unobligated balances under the appropriations "Department of the Treasury, Office of the Secretary, Investment in Fund Anticipation Notes" and "Federal Railroad Administration, Railroad Rehabilitation and Improvement Financing Funds". Not to exceed $24,900,000 of amounts previously appropriated for capital improvements may be used for operating expenses incurred by the Corporation.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

PAYMENTS TO THE ALASKA RAILROAD REVOLVING FUND

Amendment No. 343: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment appropriating $2,000,000.

SETTLEMENTS OF RAILROAD LITIGATION

Amendment No. 344: Deletes language proposed by the House limiting the issuance of notes under section 210(e) of Public Law 93-236 to amounts provided in appropriation Acts. The conferees direct that no notes or other obligations be issued by the Secretary of Transportation without prior approval of the House and Senate Committees on Appropriations.

URBAN MASS TRANSPORTATION ADMINISTRATION

RESEARCH, DEVELOPMENT, AND DEMONSTRATIONS AND UNIVERSITY RESEARCH AND TRAINING

(Transfer of Funds)

Amendment No. 345: Provides $2,000,000 to be derived by transfer as proposed by the House. The conferees direct that $2,000,000 be provided for the vehicle access demonstration project in the Nation's Capital along Canal Road, which is to be implemented expeditiously.

URBAN DISCRETIONARY GRANTS

(Deferral)

Amendment No. 346: Defers $220,000,000 as proposed by the Senate instead of $238,500,000 as proposed by the House. The conferees direct that this deferral be allocated as follows:

	Thousands
Bus and bus facilities	$14,000
Existing fixed guideway modernization and extensions	20,000
New systems and downtown people movers	92,500
Urban initiatives	48,500
Planning and technical studies	20,000
Innovative techniques	15,000
Technology introduction	10,000

Under the conference agreement a total of $392,500,000 of the fiscal year 1981 appropriation will be available for new systems and downtown people movers. These funds are to be allocated as follows:

	Thousands
Miami: rail construction	$195,000
Buffalo: light rail	125,000
Baltimore: rail construction	4,000
Atlanta: rail construction	40,000
Portland: light rail (Banfield)	9,000
Miami: circulator	11,500
Detroit	8,000

In agreeing on $8,000,000 in urban discretionary funds for Detroit, the conferees have given due consideration to the concept that the primary responsibility for selecting mass transit projects should reside with state and local governments. Officials who are most familiar with Detroit's transportation problems have articulated the need for a downtown light rail component of an integrated transportation system, and the conferees expect the Secretary to work with these officials in order that Detroit's actual needs are most responsibly addressed within the parameters of federal policy.

The conferees intend to consider preliminary engineering funding for the Los Angeles rail system in connection with the fiscal year 1982 appropriations legislation.

Under the conference agreement a total of $41,500,000 of the fiscal year 1981 appropriation will be available for the urban initiatives program. In addition to those projects already under construction, these funds are to be used to initiate projects in the following cities: Buffalo, N.Y., Harrisburg, Pa., Gary, Ind., Asbury Park, N.J., Altoona, Pa., Charlestown, W. Va., Los Angeles, Calif., Miami, Fla., Baltimore, Md., Fargo, N. Dak., Indianapolis, Ind., Boston, Mass.

WATERBORNE TRANSPORTATION DEMONSTRATION PROJECT

(Rescission)

Amendment No. 347: Rescinds $20,700,000 as proposed by the House instead of $24,700,000 as proposed by the Senate.

INTERSTATE TRANSFER GRANTS

Amendment No. 348: Appropriates $65,000,000 as proposed by the Senate instead of $50,000,000 as proposed by the House. The conference agreement includes $50,000,000 for the City of Chicago and $15,000,000 for eligible projects in the State of Oregon.

The conferees agree with the Administration's policy for the use of Interstate transfer funds, which has been stated as follows:

"The Interstate Transfer Program is an entitlement and, therefore, state and local officials have discretion to use these funds for substitute highway or transit projects—including new fixed guideway systems—as they deem appropriate."

OFFICE OF THE INSPECTOR GENERAL

Salaries and expenses

Amendment No. 349: Appropriates $1,000,000 as proposed by the Senate instead of $600,000 as proposed by the House.

RELATED AGENCIES

CIVIL AERONAUTICS BOARD

Payments to air carriers

Amendment No. 350: Appropriates $20,000,000 as proposed by the Senate instead of $27,900,000 as proposed by the House.

INTERSTATE COMMERCE COMMISSION

Payments for directed rail service

(Transfer of funds)

Amendment No. 351: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment amended to read as follows:

INTERSTATE COMMERCE COMMISSION

PAYMENTS FOR DIRECTED RAIL SERVICE

(TRANSFER OF FUNDS)

For necessary expenses for "Payments for directed rail service", $2,500,000, to be derived by transfer from Interstate Commerce Commission, "Salaries and expenses", to remain available until expended.

NATIONAL CLEAN-UP AND FLAG-UP AMERICA'S HIGHWAYS WEEK

The week of June 28 through July 4, 1981, is designated as "National Clean-up and Flag-up America's Highways Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

MOTOR CARRIER RATEMAKING STUDY COMMISSION

Salaries and expenses

Amendment No. 352: Appropriates $2,000,000 as proposed by the Senate instead of $1,500,000 as proposed by the House.

DEPARTMENT OF THE TREASURY

OFFICE OF THE SECRETARY

INVESTMENT IN FUND ANTICIPATION NOTES

(Rescission)

Amendment No. 353: Rescinds $1,000,000 instead of $37,000,000 as proposed by the House.

Amendment No. 354: Deletes transfer of $10,000,000 proposed by the Senate.

GENERAL PROVISION

Amendment No. 355: Inserts language proposed by the House providing an exception to section 16 of the Federal Airport Act of 1946 for the City of Gary, Indiana.

Chapter XII—DEPARTMENT OF THE TREASURY

UNITED STATES CUSTOMS SERVICE

Amendment No. 356: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert the following:

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $10,000,000, to be used for the implementation of the Air Module Concept; including acquisition (purchase of four), operation and maintenance of aircraft: *Provided:* That none of the funds made available by this Act shall be available for administrative expenses in connection with effecting the reduction of employment in the U.S. Customs Service below the level on April 30, 1981.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

In view of the tremendous rise in violent crime involving the criminal misuse of firearms and the epidemic level of drug abuse in this country, the Conferees are agreed that the level of employment (including administrative and support personnel) in the U.S. Customs Service and in the Bureau of Alcohol, Tobacco and Firearms, be maintained at the April 30, 1981, level.

The Secretary of the Treasury is directed to inform the Committees on Appropriations of the House and Senate, as soon as possible, of the actual level of employment in these two agencies on April 30, 1981.

INTERNAL REVENUE SERVICE

Amendment No. 357: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating $500,000 for Taxpayer Service and Returns Processing and making the funds available to be used retroactively.

UNITED STATES SECRET SERVICE

Amendment No. 358: Appropriates $11,629,000 for salaries and expenses as proposed by the Senate instead of $9,250,000 as proposed by the House.

BUREAU OF GOVERNMENT FINANCIAL OPERATIONS

Amendment No. 359: Appropriates $7,563,000 for salaries and expenses as proposed by the Senate.

GENERAL SERVICES ADMINISTRATION

Amendment No. 360: Appropriates $150,000,000 for the General Supply Fund as proposed by the House instead of $135,000,000 as proposed by the Senate.

INTERGOVERNMENTAL PERSONNEL ASSISTANCE

(Rescission)

Amendment No. 361: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate rescinding $5,600,000.

GENERAL PROVISION

Amendment No. 362: Inserts language proposed by the Senate. This exact language passed the House in another part of this bill (see Amendment No. 426). The Conferees are agreed that this provision applies to funds made available by Title IV of this Act.

Chapter XIII—DISTRICT OF COLUMBIA

Amendment No. 363: Inserts chapter number and heading as proposed by the Senate.

FEDERAL FUNDS

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

Amendment No. 364: Inserts heading and appropriates $4,600,000 for "Federal Payment to the District of Columbia" as proposed by the Senate.

DISTRICT OF COLUMBIA FUNDS

Amendment No. 365: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

DISTRICT OF COLUMBIA FUNDS

GOVERNMENTAL DIRECTION AND SUPPORT

(Rescission)

Of the funds appropriated for "Governmental direction and support" for fiscal year 1981 in Public Law 96-530, $3,665,500 are rescinded: *Provided,* That outstanding settlements of claims and suits not to exceed $200,000 in total shall be paid in the same manner as judgments rendered against the District of Columbia government.

ECONOMIC DEVELOPMENT AND REGULATION

(Rescission)

Of the funds appropriated for "Economic development and regulation" for fiscal year 1981 in Public Law 96-530, $40,500 are rescinded.

PUBLIC SAFETY AND JUSTICE

For an additional amount for "Public safety and justice", $3,394,000.

PUBLIC EDUCATION SYSTEM

(Including Rescissions)

For an additional amount for "Public education system", $2,970,000, to be allocated as follows: $1,100,000 for the District of Columbia Public Schools, and $1,870,000 for the School Transit Subsidy: *Provided,* That of the funds appropriated under this heading for the Public Library for fiscal year 1981 in Public Law 96-530, $298,800 are rescinded: *Provided further,* That of the funds appropriated under this heading for the Commission on the Arts and Humanities for fiscal year 1981 in Public Law 96-530, $5,000 are rescinded: *Provided further,* That of the funds appropriated under this heading for the Educational Institution Licensure Commission for fiscal year 1981 in Public Law 96-530, $3,500 are rescinded.

HUMAN SUPPORT SERVICES

For an additional amount for "Human support services", $20,754,100: *Provided,* That $3,500,000 of this appropriation, to remain available until expended, shall be available solely for District of Columbia employees' disability compensation.

TRANSPORTATION SERVICES AND ASSISTANCE

(Rescission)

Of the funds appropriated for "Transportation services and assistance" for fiscal year 1981 in Public Law 96-530, $3,031,600 are rescinded.

ENVIRONMENTAL SERVICES AND SUPPLY

(Rescission)

Of the funds appropriated for "Environmental services and supply" for fiscal year 1981 in Public Law 96-530, $121,600 are rescinded.

WATER AND SEWER ENTERPRISE FUND

For an additional amount for "Water and Sewer Enterprise Fund", $3,017,800.

WASHINGTON CONVENTION CENTER ENTERPRISE FUND

For establishment of the Washington Convention Center Enterprise Fund, $382,600.

CAPITAL OUTLAY

For an additional amount for "Capital outlay", $696,000.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Governmental direction and support

The conference action rescinds $3,665,500 in budget authority as proposed by the Senate. The conferees have not approved the language proposed by the Senate concerning the collection and use of program fees collected from the issuance of debt by the District of Columbia government. The conferees have approved language which will allow for claims and suits not to exceed $200,000 in total to be paid in the same manner as judgments rendered against the District of Columbia government. The settlement of these claims is authorized under D.C. Code 1-904, and involve property damage in excess of $1,500 and personal injury in excess of $5,000, but not to exceed $10,000 in either category.

Economic development and regulation

The conference action rescinds $40,500 instead of appropriating $19,400 including an increase of $3,527,300 in new authority and a reduction of $3,507,900 in current authority as proposed by the Senate. This action by the conferees reflects approval of $136,400 in new budget authority for the Public Service Commission instead of $196,300 as proposed by the Senate.

Public safety and justice

The conference action appropriates $3,394,000 instead of $2,919,400 including an increase of $3,874,900 in new authority and a reduction of $955,500 in current authority as proposed by the Senate. The conferees were concerned about the possible shortfall in juror fees, witness fees and indigent defense funds in the criminal justice system of the District of Columbia courts which could have resulted in a cessation of criminal trials in the district during the remainder of the fiscal year. Accordingly, the conferees have included an additional $474,600 for the courts to insure that jury trials will be continued throughout the balance of fiscal year 1981. This increase will provide an additional $236,800 for witness and juror fees and an

additional $237,800 for the Criminal Justice Act Program. This action by the conferees coupled with reprogramming requests presently being considered by District officials will provide the district of Columbia Courts with their full supplemental budget request of $436,800 for witness and juror fees and $759,600 for the Criminal Justice Act Program.

METROPOLITAN POLICE DEPARTMENT

The conferees are displeased that District of Columbia officials have not followed the directive of Congress with respect to the Metropolitan Police Department. The Congressional directive was explicitly expressed in the Joint Explanatory Statement of the Committee of Conference (House Report No. 96-1477) that accompanied the regular fiscal year 1981 District of Columbia appropriations bill. Because of the low level of staffing, District officials were directed to move aggressively toward a hiring and training program which would bring the Police Department employment level above that of 3,800 filled sworn police officer positions immediately. Although an additional $6 million was appropriated for this purpose, District officials have neither complied nor offered a suitable explanation for their noncompliance.

The conferees hereby place District officials on notice that if this critical problem is not resolved at once, future Federal payments to the City will be jeopardized.

Public education system

The conference action appropriates $2,970,000 instead of $2,662,700 as proposed by the Senate, and allocates $1,100,000 to the District of Columbia Public Schools and $1,870,000 to the School Transit Subsidy. The conferees have also approved rescissions of $298,800 in the Public Library, $5,000 in the Commission on the Arts and Humanities, and $3,500 in the Educational Institution Licensure Commission.

Human support services

The conference action provides $20,754,100 instead of $20,922,000 including an increase of $7,300,000 in new authority and an increase of $13,622,000 in current authority as proposed by the Senate. This action by the conferees will provide a total of $3,632,100 for the unemployment compensation program, instead of $3,800,000 as proposed by the Senate. The conferees have also approved language providing that $3,500,000 for the disability compensation program should remain available until expended as proposed by the Senate. A total of $13,622,000 is provided for the Department of Human Services instead of $17,436,000 as proposed by the Senate.

Transportation services and assistance

The conference action rescinds $3,031,600 instead of $2,724,900 including an increase of $4,432,100 in new authority and a reduction of $7,157,000 in current authority as proposed by the Senate. This action by the conferees will provide a total of $4,125,400 to cover electricity costs for streetlighting in accordance with a court judgment against the District of Columbia government and to cover other utility costs under the Department of Transportation.

Environmental services and supply

The conference action rescinds $121,600 of budget authority available to the Department of Environmental Services as proposed by the Senate.

Water and sewer enterprise fund

The conference action appropriates $3,017,800 to cover debt service requirements and sludge disposal costs under the Department of Environmental Services as proposed by the Senate.

Washington Convention Center enterprise fund

The conference action provides $382,600 to establish the Washington Convention Center Enterprise Fund as proposed by the Senate.

Capital outlay

The conferees have agreed to provide $696,000 to increase the capacity of storm sewers to eliminate the periodic flooding of basements and backyards which residents in the areas of Kearney and Jackson Streets, N.E. experience during heavy rainfalls.

TITLE II—INCREASED PAY COSTS

LEGISLATIVE BRANCH—SENATE

Amendments No. 366 through 372: Reported in technical disagreement. Inasmuch as these amendments relate solely to the Senate and in accord with long practice, under which each body determines its own housekeeping requirements and the other concurs therein without intervention, the managers on the part of the House will offer motions to recede and concur in the Senate amendments No. 366 through 372.

ARCHITECT OF THE CAPITOL

Office of the Architect of the Capitol

Salaries and Expenses

Amendment No. 373: Appropriates $106,000 as proposed by the Senate instead of $114,000 as proposed by the House.

Senate garage

Amendment No. 374: Reported in technical disagreement. Inasmuch as this amendment relates solely to the Senate and in accord with long practice, under which each body determines its own housekeeping requirements and the other concurs therein without intervention, the managers on the part of the House will offer a motion to recede and concur in the Senate amendment.

Library buildings and grounds structural and mechanical care

Amendment No. 375: Deletes $7,000 proposed by the House.

DEPARTMENT OF AGRICULTURE

FOOD SAFETY AND QUALITY SERVICE

Amendment No. 376: Appropriates $17,788,000 for the Food Safety and Quality Service instead of $16,988,000 as proposed by the House and $18,588,000 as proposed by the Senate.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

(Including Transfer of Funds)

Amendment No. 377: Appropriates $20,716,000 instead of $20,000,000 as proposed by the House and $22,116,000 as proposed by the Senate.

Amendment No. 378: Provides that $2,500,000 shall be derived by transfer from "Promote and develop fishery products and research pertaining to American Fisheries" instead of $5,000,000 as proposed by the House. The Senate proposed no transfer.

MILITARY PERSONNEL, ARMY

Amendment No. 379: Appropriates $1,079,432,000 as proposed by the Senate instead of $1,067,132,000 as proposed by the House.

MILITARY PERSONNEL, NAVY

Amendment No. 380: Appropriates $745,583,000 as proposed by the Senate instead of $743,183,000 as proposed by the House.

MILITARY PERSONNEL, MARINE CORPS

Amendment No. 381: Appropriates $236,714,000 as proposed by the Senate instead of $235,614,000 as proposed by the House.

NATIONAL GUARD PERSONNEL, ARMY

Amendment No. 382: Appropriates $104,803,000 as proposed by the Senate instead of $103,303,000 as proposed by the House.

DEPARTMENT OF EDUCATION

DEPARTMENTAL MANAGEMENT

Amendment No. 383: Appropriates $2,497,000 instead of $497,000 as proposed by the House and $4,497,000 as proposed by the Senate.

DEPARTMENT OF ENERGY

FEDERAL ENERGY REGULATORY COMMISSION

Amendment No. 384: Appropriates $1,000,000 for increased pay costs for the Federal Energy Regulatory Commission instead of $2,031,000 as proposed by the Senate.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH SERVICES ADMINISTRATION

Amendment No. 385: Appropriates $5,310,000 for Health Services, as proposed by the Senate.

Center for Disease Control

Amendment No. 386: Appropriates $2,000,000 for Preventive Health Services, as proposed by the Senate.

Amendment No. 387: Deletes heading proposed by the Senate.

Amendment No. 388: Deletes appropriation of $3,479,000 for the National Cancer Institute, proposed by the Senate.

Amendment No. 389: Deletes appropriation of $1,375,000 for the National Heart, Lung, and Blood Institute, proposed by the Senate.

Amendment No. 390: Deletes appropriation of $419,000 for the National Institute of Dental Research, proposed by the Senate.

Amendment No. 391: Deletes appropriation of $1,124,000 for the National Institute of Arthritis, Metabolism, and Digestive Diseases, proposed by the Senate.

Amendment No. 392: Deletes appropriation of $794,000 for the National Institute of Neurological and Communicative Disorders and Stroke, proposed by the Senate.

Amendment No. 393: Deletes appropriation of $952,000 for the National Institute of Allergy and Infectious Diseases, proposed by the Senate.

Amendment No. 394: Deletes appropriation of $149,000 for the National Institute of General Medical Sciences, proposed by the Senate.

Amendment No. 395: Deletes appropriation of $666,000 for the National Institute of Child Health and Human Development, proposed by the Senate.

Amendment No. 396: Deletes appropriation of $244,000 for the National Eye Institute, proposed by the Senate.

Amendment No. 397: Deletes appropriation of $426,000 for the National Institute of Environmental Health Sciences proposed by the Senate.

Amendment No. 398: Deletes appropriation of $282,000 for the National Institute on Aging proposed by the Senate.

Amendment No. 399: Deletes appropriation of $43,000 for Research Resources proposed by the Senate.

Amendment No. 400: Deletes appropriation of $58,000 for the John E. Fogarty In-

ternational Center for Advanced Study in the Health Sciences proposed by the Senate.

Amendment No. 401: Deletes appropriation of $339,000 for the National Library of Medicine proposed by the Senate.

Amendment No. 402: Deletes appropriation of $524,000 for the Office of the Director proposed by the Senate.

Office of the Assistant Secretary for Health

Amendment No. 403: Deletes appropriation of $1,062,000 for the Assistant Secretary for Health proposed by the Senate.

Health Care Financing Administration

Amendment No. 404: Provides $3,000,000 for Program Management to be derived by transfer from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund, as proposed by the Senate.

Office of Human Development Services

Amendment No. 405: Appropriates $1,116,000 for Human Development Services, as proposed by the Senate.

Departmental Management

Amendment No. 406: Deletes appropriation of $1,116,000 for the Office for Civil Rights, as proposed by the Senate.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

(Including Transfer of Funds)

Amendment No. 407: Provides $20,494,000 for salaries and expenses as proposed by the House, instead of $27,066,000 as proposed by the Senate.

DEPARTMENT OF LABOR

Amendment No. 408: Restores heading as proposed by the House.

EMPLOYMENT AND TRAINING ADMINISTRATION

Amendment No. 409: Restores pay cost transfer language as proposed by the House.

LABOR-MANAGEMENT SERVICES ADMINISTRATION

Amendment No. 410: Restores pay cost transfer language as proposed by the House.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

Amendment No. 411: Restores pay cost transfer language as proposed by the House.

MINE SAFETY AND HEALTH ADMINISTRATION

Amendment No. 412: Restores pay cost transfer language as proposed by the House.

BUREAU OF LABOR STATISTICS

Amendment No. 413: Restores pay cost transfer language as proposed by the House.

DEPARTMENTAL MANAGEMENT

Amendment No. 414: Restores pay cost transfer language as proposed by the House.

DEPARTMENT OF THE TREASURY

Amendment No. 415: Appropriates $216,000 for the Office of Revenue Sharing as proposed by the Senate, instead of $100,000 as proposed by the House.

VETERANS' ADMINISTRATION

Amendment No. 416: Appropriates $265,205,000 for medical care as proposed by the House, instead of $258,967,000 as proposed by the Senate.

Amendment No. 417: Deletes language proposed by the House limiting the number of other than full-time permanent and nonceiling personnel. The conferees have deleted the limitation in recognition of the Administration's intention to immediately lift the ceiling on full-time permanent appointments in the medical care account for fiscal year 1981 and 1982. The language was included in the bill to resolve the full-time permanent personnel ceiling issue. The Committee of conference believes the lifting of the ceiling on full-time permanent appointments will contribute to a more efficient and effective utilization of resources.

Amendment No. 418: Appropriates $7,917,000 for medical and prosthetic research as proposed by the House, instead of $7,785,000 as proposed by the Senate.

Amendment No. 419: Appropriates $1,591,000 for medical administration and miscellaneous operating expenses as proposed by the House, instead of $2,106,000 as proposed by the Senate.

Amendment No. 420: Appropriates $15,659,000 for general operating expenses as proposed by the House, instead of $14,267,000 as proposed by the Senate.

OTHER INDEPENDENT AGENCIES

ACTION

Amendment No. 421: Appropriates $230,000 for "Operating expenses, domestic programs", instead of $460,000 proposed by the Senate. The House bill included no funds.

INTERNATIONAL SALARIES AND EXPENSES COMMUNICATION AGENCY

Amendment No. 422: Appropriates $9,846,000 as proposed by the Senate instead of $9,585,000 as proposed by the House.

NATIONAL SCIENCE FOUNDATION

Amendment No. 423: Appropriates $4,759,000 for research and related activities as proposed by the House, instead of $3,259,000 as proposed by the Senate.

Amendment No. 424: Increases the limitation on program development and management by $759,000 as proposed by the House, instead of by $1,759,000 as proposed by the Senate.

TITLE III—GENERAL PROVISIONS

Amendment No. 425: Restores provision proposed by the House and stricken by the Senate limiting funds provided for agencies funded in the HUD-Independent Agencies Appropriation Act for personnel compensation and benefits to be used for other purposes without the approval of the Committees on Appropriations.

SECTION 304

Amendment No. 426: Deletes language proposed by the House. This exact language was included in the Senate passed bill and is included in Chapter XII of Title I of this Act (see Amendment No. 362).

SECTION 305

Amendment No. 427: Deletes language proposed by the House. The House language provided that no funds would be available to pay for an abortion or for administrative expenses in connection with any health plan under the Federal Employees Health Benefit Program which provided any benefits or coverage for abortions under such negotiated plans after the last day of the contracts currently in force.

Amendment No. 428: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment amended as follows:

In lieu of the section number named in said amendment insert the following: "304".

The Managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 429: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

SEC. 305. None of the funds in this Act shall be used to prevent or interfere with the right and obligation of the Commodity Credit Corporation to sell surplus agricultural commodities in World trade at competitive prices as authorized by law.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment reaffirms the authority and responsibility for the Commodity Credit Corporation to protect the government's investment, to make food available to the people of the world and to prevent commodities from being held and counted to reduce the American Farmers production. This amendment does not remove or amend the restrictions contained in Agricultural Acts relating to the sale of surplus commodities, but rather only denies funding to agencies and activities which prevent or interfere with the normal sale of surplus agricultural commodities in World Trade at competitive prices.

Also, this amendment deletes section 304 proposed by the Senate which would have provided that none of the funds in this Act could be used to pay for employee travel involving the taking of annual leave while away from the official duty station.

TITLE IV—FURTHER CONTINUING RESOLUTION

Amendments No. 430, 431, and 432: Change section numbers as proposed by the Senate.

CONFERENCE TOTAL—WITH COMPARISONS

The total net new budget (obligational) authority recommended by the Committee of Conference, with comparisons to the budget estimates, and the House and Senate bills follow:

Budget estimates of net new (obligational) authority	[1] $8,374,139,259
House bill	6,810,285,916
Senate bill	6,695,450,041
Conference agreement	6,649,301,016
Conference agreement compared with:	
Budget estimates of net new (obligational) authority	−1,724,838,243
House bill	−160,984,900
Senate bill	−46,149,025

[1] Includes a net of $776,325,000 in budget estimates not considered by the House. Of this amount, $536,124,000 for the food stamp program has not yet been officially transmitted to the Congress.

JAMIE L. WHITTEN,
EDWARD P. BOLAND,
WILLIAM H. NATCHER,
NEAL SMITH,
JOSEPH P. ADDABBO,
CLARENCE D. LONG,
SIDNEY R. YATES,
EDWARD R. ROYBAL,
TOM BEVILL,
ADAM BENJAMIN, Jr.,
BO GINN,
JULIAN C. DIXON,
VIC FAZIO,
SILVIO O. CONTE,
JOSEPH M. McDADE,
JACK EDWARDS,
JOHN T. MYERS,
J. KENNETH ROBINSON,
CLARENCE E. MILLER
(except amendment No. 102),

LAWRENCE COUGHLIN,
C. W. (BILL) YOUNG
(except amendment No. 102),
Managers on the Part of the House.

MARK O. HATFIELD,
TED STEVENS,
LOWELL P. WEICKER, Jr.,
JAMES A. MCCLURE,
PAUL LAXALT,
JAKE GARN,
HARRISON SCHMITT,
THAD COCHRAN,
MARK ANDREWS,
JAMES ABDNOR,
ROBERT W. KASTEN, Jr.,
ALFONSE M. D'AMATO,
MACK MATTINGLY,
WARREN RUDMAN,
ARLEN SPECTER,
WILLIAM PROXMIRE,
JOHN C. STENNIS,
ROBERT C. BYRD,
DANIEL K. INOUYE,
THOMAS F. EAGLETON,
LAWTON CHILES,
J. BENNETT JOHNSTON,
WALTER D. HUDDLESTON,
QUENTIN N. BURDICK,
PATRICK J. LEAHY
JIM SASSER,
DENNIS DECONCINI,
DALE BUMPERS,
Managers on the Part of the Senate.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GREEN) to revise and extend their remarks and include extraneous matter:)

Mr. GREEN, for 20 minutes, today.

Mr. KEMP, for 60 minutes, today.

Mr. DERWINSKI, for 60 minutes, on Monday, June 8, 1981.

(The following Member (at the request of Mr. RATCHFORD) to revise and extend his remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. GREEN) and to include extraneous matter:)

Mr. SHUMWAY.
Mr. WOLF.
Mr. MICHEL.
Mr. CLINGER.
Mr. WINN.
Mr. LUNGREN.
Mr. KEMP.
Mr. MARTIN of North Carolina.
Mr. PAUL.
Mr. PHILIP M. CRANE.
Mr. LEBOUTILLIER.
Mr. GRISHAM.

(The following Members (at the request of Mr. RATCHFORD) and to include extraneous matter:)

Mr. CONYERS in two instances.
Mr. ASPIN in two instances.
Mr. BLANCHARD.
Mr. FORD of Tennessee.
Mr. OTTINGER in five instances.
Ms. FERRARO.
Mr. ECKART.
Mr. RODINO in two instances.
Mr. TRAXLER.
Mr. SIMON.
Mr. WILLIAM J. COYNE.
Mr. AKAKA.
Mr. ZEFERETTI.
Mr. COELHO.
Mr. GARCIA.
Mr. JONES of Tennessee in six instances.

ADJOURNMENT

Mr. RATCHFORD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 34 minutes p.m.), the House adjourned until tomorrow, Thursday, June 4, 1981, at 10 a.m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WHITTEN: Committee of conference. Conference report on H.R. 3512 making supplemental and further continuing appropriations (Rept. No. 97-124). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BAILEY of Missouri (for himself, Mr. EMERSON, and Mr. NAPIER):

H.R. 3773. A bill to amend title 11, United States Code, to permit certain acts to recover agricultural products from warehouses that are debtors in bankruptcy; to the Committee on the Judiciary.

By Mr. PHILIP M. CRANE:

H.R. 3774. A bill to amend the Internal Revenue Code of 1954 to provide income and estate tax deductions for decedents who donate organs for use as transplants; to the Committee on Ways and Means.

By Mr. MCEWEN:

H.R. 3775. A bill to amend the Internal Revenue Code of 1954 to allow self-employed individuals an income tax deduction for one-half of the social security tax on self-employment income; to the Committee on Ways and Means.

H.R. 3776. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for certain life insurance premiums; to the Committee on Ways and Means.

H.R. 3777. A bill to amend the Internal Revenue Code of 1954 to provide that the amounts paid for health insurance will be allowed as a deduction without regard to the 3-percent limitation on the medical deduction and whether or not the individual itemizes his deductions; to the Committee on Ways and Means.

By Mr. MURPHY:

H.R. 3778. A bill to amend section 3 of the Federal Mine Safety and Health Act of construction contractors who are engaged in certain activities conducted on the surface area of any coal or other mine, and for other purposes; to the Committee on Education and Labor.

By Mr. MURPHY (for himself and Mr. BINGHAM):

H.R. 3779. A bill to amend the Export Administration Act of 1979 to impose export restrictions on agricultural commodities to the Soviet Union; to the Committee on Foreign Affairs.

By Mr. SCHUMER:

H.R. 3780. A bill to amend title II of the Social Security Act to extend child's insurance benefits to full-time students who have not attained the age of 26, and for other purposes; to the Committee on Ways and Means.

By Mr. SIMON:

H.R. 3781. A bill to amend title 28, United States Code, to authorize the Attorney General to acquire and exchange information to assist Federal, State, and local officials in the identification of certain deceased individuals and in the location of missing children; to the Committee on the Judiciary.

By Mr. MURPHY (for himself, Mr. LEBOUTILLIER, and Mr. BINGHAM):

H. Con. Res. 141. Concurrent resolution urging the President to reinstate the export restrictions on agricultural commodities to the Soviet Union; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. JONES of North Carolina introduced a bill (H.R. 3782) to revitalize the pleasure cruise industry by clarifying and waiving certain restrictions in the Merchant Marine Act, 1936, and the Merchant Marine Act, 1920, to permit the entry of the steamship vessel *Oceanic Constitution* into the trade, which was referred to the Committee on Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 741: Mr. EDWARDS of Alabama, Mr. VOLKMER, Mr. BAFALIS, Mrs. BOGGS, Mr. SUNIA, Mr. WOLF, Mr. LEHMAN, Mr. DREIER, Mr. D'AMOURS, Mr. EVANS of Georgia, Mr. MYERS, Mr. WHITEHURST, Mr. NEAL, Mr. BARNES, Mr. WORTLEY, Mr. BURGENER, Mr. FIELDS, and Mr. MURPHY.

H.R. 1643: Mr. CORCORAN.

H.R. 1765: Mr. COURTER, Mr. LENT, and Mr. DYMALLY.

H.R. 2322: Mr. DASCHLE.

H.R. 2326: Mr. HEFTEL and Mr. BROWN of Ohio.

H.R. 2389: Mr. WOLPE, Mr. MOLINARI, and Mr. WALKER.

H.R. 3091: Mr. RODINO, Mr. MILLER of California, Mrs. BOUQUARD, Mr. BARNARD, and Mr. DWYER.

H.R. 3274: Mrs. SCHNEIDER, Mr. BEVILL, and Mr. BEDELL.

H.R. 3705: Mr. BUTLER, Mr. MCCLORY, and Mr. EDWARDS of California.

H.J. Res. 89: Mr. SIMON, Mr. TRIBLE, Mr. LUJAN, Mr. DORNAN of California, Mr. COURTER, Mr. CHENEY, Mr. JAMES K. COYNE, Mr. HAGEDORN, Mr. LEE, Mr. LUKEN, Mr. MCCOLLUM, and Mr. NAPIER.

H. Con. Res. 28: Mr. HANSEN of Idaho, Mr. GINGRICH, Mr. PASHAYAN, Mr. BROYHILL, Mr. WILSON, Mr. PHILIP M. CRANE, Mr. DANNEMEYER, Mr. BAILEY of Pennsylvania, Mr. GINN, Mr. NELSON, Mr. ROBERT W. DANIEL, JR., Mr. BROWN of Ohio, Mr. BADHAM, Mr. PANETTA, Mrs. BOUQUARD, Mr. COLEMAN, Mr. MARTIN of North Carolina, Mr. HYDE, Mr. MITCHELL of New York, Mr. ERTEL, Mr. CLINGER, Mr. HILER, Mr. GIBBONS, Mr. HENDON, Mr. BETHUNE, Mr. BEILENSON, Mr. DANIEL B. CRANE, Mr. PARRIS, Mr. STANGELAND, Mr. EMERSON, Mr. LEWIS, Mr. JEFFRIES, Mr. RITTER, Mr. LOWERY of California, Mr. STATON of West Virginia, Mr. WOLF, Mr. HUNTER, Mr. WIRTH, Mr. LAFALCE, Mr. MCCOLLUM, and Mr. NAPIER.

H. Res. 142: Mr. ATKINSON, Mr. LAGOMARSINO, Mr. ROSENTHAL, Mr. SEIBERLING, Mr. YATES, Mr. GORE, Mr. LEHMAN, Mr. WILLIAMS of Ohio, Mr. KILDEE, Mr. BONKER, Mr. FRANK, Mr. DENARDIS, Mr. JEFFORDS, Mr. ROE, Mr. FORSYTHE, Mr. WEBER of Ohio, Mr. DERWINSKI, Mr. PETRI, Mr. BEILENSON, Mr. LEBOUTILLIER, Mr. UDALL, Mr. PRITCHARD, Mr. IRELAND, Mr. EMERY, Mr. LONG of Maryland, Mr. SIMON, Mr. SOLARZ, Mr. CLINGER, Mr. FRENZEL, Mr. GILMAN, Mr. MARKEY, Mr. FINDLEY, Mr. ROTH, Mr. WEISS, Mr. WORTLEY, Mr. FOGLIETTA, Mr. LUNGREN, and Ms. FIEDLER.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3455

By Mr. MARRIOTT:

—Page 27, line 11, insert "(a) after "SEC. 305.".

Page 27, after line 25, insert the following new subsection:

(b) No funds appropriated pursuant to the authorization for the MX missile system in section 301 may be obligated or expended with respect to any basing mode for the MX missile unless—

(1) a plan to minimize the economic, social, and cultural, impacts of the basing mode selected for such missile on the affected State and local communities (including minimization through the provisions of Federal financial assistance) is submitted by the Secretary of Defense to the Congress; and

(2) a period of sixty days has elapsed after the plan submitted under paragraph (1) has been received by the Congress and during which both Houses of Congress have not adopted resolutions of their respective Houses expressing disapproval of such plan.

—Paragraph (2) of section 305, as proposed to be inserted by the amendment, is amended to read as follows:

(2) the Secretary of Defense submits to the Committees on Armed Services of the Senate and House of Representatives a report in writing (A) justifying the selection of the President referred to in paragraph (1), (B) containing a comparison and evaluation of alternative basing modes to the basing mode selected by the President, and (C) recommending a plan to mitigate the economic, social, and cultural impacts of the selected basing mode on the affected State and local communities, including through the provision of Federal financial assistance; and

EXTENSIONS OF REMARKS

FARMERS FEAR ANOTHER CROP WILL BITE THE DUST

HON. ED JONES
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. JONES of Tennessee. Mr. Speaker, this is a particularly busy time for all of us in this body as we take up important legislation that affects this entire Nation. In the House Committee on Agriculture, of which I am a member, we are currently trying to draft a multiyear farm bill that will establish agricultural policy for this country for the next 4 years.

I realize that many of my colleagues may not be as familiar with the issues pertaining to agriculture as I am, just as I may not be as familiar with some urban problems as they are. However, as this body and the Senate takes up a new farm bill, it is going to be important that we all try to understand the issues that affect the small minority of families that provide us with food and fiber. For that reason, I am inserting today in the RECORD a series of newspaper articles recently published in the Memphis Commercial Appeal newspaper. They were written by Ms. Deborah Clubb and Mr. William Thomas, both very capable and diligent reporters.

I want to bring these articles to the attention of my colleagues because I think they represent a very accurate portrayal of what many American farmers are facing. Possibly from this material, all of us might gain a greater appreciation for the legislation we have to debate later this year.

Today I am inserting part 1 of this 5-part series. This story focuses on the drought problem that our Nation's breadbasket suffered last year and that we may be confronting again this summer.

FARMS TILLING FEAR THAT ANOTHER CROP BITES THE DUST

Not since the 1930s, when 50 million acres turned to dust and people like Woody Guthrie and John Steinbeck set out to define the "brother-can-you-spare-a-dime" era, not since then has so much attention been focused on a change in the weather—on an American drought.

Ever since last summer's unequaled heat wave and this winter's record river lows, all kinds of people—from mountaineers in Arkansas and government drouth-mappers in Washington to media lords in New York—have expressed growing alarm over the lack of rain and vanishing reserves in lakes and underground aquifers that furnish more than half the nation's drinking water.

There is no real comparison between the 1980s and the 1930s—that storied decade marked by dust storms eclipsing the sun; this one marked by river closings, extreme temperatures and mounting evidence that large sections of the country are, indeed, running out of water. But there are some similarities:

For one thing, the present drouth has arrived in the midst of the new "hard times"—times when people have money but the money won't buy much; times when the last thing anyone needs is higher food prices at the supermarket. For another, the drouth has hit farmers the hardest, causing a sharp rise in a nervous condition sometimes referred to as "farmer stress."

A rash of peculiar theories as to what caused this drouth has broken out. Early on, scientists weighed the notion that the volcanic eruption of Mt. St. Helens might be a factor. Later, they discarded that theory when they found that not enough volcanic ash had been blown into the atmosphere to make much of a difference.

There are other theories:

An apparently God-fearing Mississippian believes the drouth is punishment for the nation's sins.

Then, there's the fisherman in Arkansas who thinks the daffy weather is the consequence of all the satellites that have been put into orbit and "junked up" the sky.

The most likely explanation, according to the National Climate Analysis Center, is that abnormal wind streams in the upper atmosphere have scrambled weather patterns. It apparently started when a high-pressure ridge of air stalled over the West late last spring, causing moist Pacific winds to detour over Canada bypassing the United States altogether. Why it happened, meteorologists don't know.

No matter. The important thing is that it has left farmers so deeply in debt that the only way many can finance another crop this spring is through government drouth disaster loans. Drouth aid to farmers in Tennessee, Mississippi and Arkansas through last month totaled more than $600 million.

Although no farmers are yet piling their bedsprings onto their jalopies and striking out for California, many say that another season in the sun like the last one's will be the end of their careers as growers.

Already, a fair number of veteran farmers have rented out their land and become inactive rather than make heavy investments to plant a crop and risk losing their farms to something as unpredictable as the weather.

Although farmers historically complain about rain—it's either too little or too much, too early or too late—this time, the Joint Agriculture Weather Facility in Washington has supported their complaints by distributing a series of drouth maps showing that things are just about as bad as farmers say they are—and maybe worse. At least, in places.

Surprisingly, Memphis and a large section of North Mississippi and West Tennessee are exceptions. Here, rainfall is now considered to be "near normal." Also, there has been no threat of water restrictions here as there have been in other cities across the land, thanks to an enormous artesian aquifer 500 feet deep in what is known as the Memphis Sands.

Nevertheless, Memphis has continued to be a focal point for national drouth stories.

In late January when the Mississippi River fell to its lowest point in 111 years, pictures of long stretches of sandbar became classic illustrations for TV, newspaper and magazine reports on the scope and intensity of the drouth. The media line is that this drouth closed the Mississippi River.

And for a while it did. After Christmas, the U.S. Coast Guard reported more than 200 accidents involving tows in shallow water. The result was a series of traffic jams that slowed movement on the river to a crawl. A normal, 14-day trip between Chicago and New Orleans took 25 days during the lowest of the low water. For the public, the upshot likely will be higher prices on any number of products due to increased transportation costs.

Actually, had it not been for the scrawny appearance of the Mississippi River, most Memphians probably would have assumed that the drouth ended when the heat wave stopped late last summer. There had been 19 straight days, July 3–21, when temperatures topped 100 degrees. When it was over, the heat had taken 67 lives. Nationwide, the death toll was 1,265, an awesome figure, but not nearly as high as the Dust Bowl year of 1936 when 4,678 people died.

Although the sandbars have now disappeared under rising waters and the river has "reopened," it is not that easy to consign the 1980–81 drouth to history.

In the northwest quarter of Arkansas—an area where eight million chickens died in the heat—conditions are still as dry as any place in the country. Hundreds of water wells have never recovered from last summer's demands. Water haulers are still at work there. And they expect business to pick up even more as the weather warms.

With rains as the only hope for replenishing the wells and the subsoil, it is hardly surprising that the arrival of spring this month is being awaited with a heightened sense of expectation.

The problem is an ordinary wet spring won't do. The past nine months have been so dry that some parts of the country are so far behind it will take an unusually wet season to catch up.

What it means is that although the land will be greening soon—patches of early grass already have turned—the green might not last without some good rains to sustain it.

For brown is the color of the drouth: Brown fields, brown woods, brown earth long since plowed up and prepared during a winter so dry that farmers at least could get out and turn the ground. What is not so clear is whether brown is the color of the immediate future.●

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

CREDIT RISING WATER LEVEL SINKING

HON. ED JONES
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. JONES of Tennessee. Mr. Speaker, I have been inserting into the RECORD a series of articles on agricultural problems written by Ms. Deborah Clubb and Mr. William Thomas of the Memphis Commercial Appeal newspaper. Part two of this series discusses the credit situation as it pertains to farmers.

The article follows:

[From the Commercial Appeal, Memphis, Mon., Mar. 9, 1981]

U.S. FARMERS STAY AFLOAT ON RISING SEA OF CREDIT

(By Deborah M. Clubb)

A darkening cloud of debt is hovering over America's farms.

A growing number of American farmers cannot pay crop expenses with the cash flow generated on their land. Their debt has become four or five times larger than their income, compared with two-to-one or three-to-one in the 1960s and early 1970s.

To get from their farms a portion of that absent return, they mortgage and remortgage to borrow money to cover expenses to produce food and fiber products.

Inflation and other factors have pushed their land values to incredible numbers, making paper millionaires out of the same farmers who scrimp to cover skyrocketing crop production costs.

In the last three years, American agriculture has become more and more dependent on a number of U.S. Department of Agriculture (USDA) programs that provide risk relief to farmers through economic emergency and crop disaster lending. This year that dependence is astounding.

It came about through an almost imperceptible change in the 1978 Agriculture Credit Act that established Farmers Home Administration economic emergency loans. It has kept in business some farmers who otherwise would have gone under in recent economic storms.

The government support price systems that flourished until 1973 were designed to guarantee farmers a profit by direct payments from the government if production was kept within crop quotas. When the quota system was ended target prices set a floor for crop prices.

But that system came under attack from urban and consumer-oriented legislators and administrators who favored market-oriented farm programs over support programs.

As another omnibus farm bill begins hearings in Washington, President Reagan's market-oriented agriculture secretary, John Block, is helping plan budget cuts for farm credit programs and other changes in farm programs.

"I'm not satisfied to see in some counties major reliance on Farmers Home for operating and ownership loans to farmers," Block said in an interview last week. "I think we should be relying on the private sector, PCAs (Production Credit Associations) and country banks primarily.

"I think agriculture's been living off of borrowed money. Just borrowing money to say in business doesn't make any sense at all.

"We need profitability in the industry," Block said. "The President's economic program will get inflation and costs under control. Then I'd like to see strengthening demand for our products abroad. That will strengthen prices. Then we're creating a climate for profitability out of the marketplace."

The USDA-funded credit programs in the FmHA have been attacked in Congress with charges that the money is not going to farmers who genuinely need it. Hearings revealed cases in which money was approved for hotel and condominium projects far removed from farming purposes. However, USDA officials said no charges have been proved by federal investigators and often the misunderstood loans came from the agency's business and industrial or housing programs.

But problems in the agriculture community run deeper than the administrative pitfalls of FmHA or other farm lending programs.

At the heart of the trouble is a major policy question that, in most opinions, has never been answered.

"The federal government, not by policy but by program, is sustaining perhaps marginal farmers," said Marlin Jackson, board chairman of Security Bank in Paragould, Ark.

It's all part of an effort to preserve an ill-defined notion called "family farmers," Jackson said.

"We have a mutation in which a great variety of programs are slugging away at something that is existing contrary to all rules of the universe. We're preserving these at any cost and burden to the taxpayer . . .

"Farming is a way of life but it's also a business. Can farmers continue to absorb high costs, undergirded not by a farm policy but by credit? . . . Are we doing people a favor by keeping them comatose economically—neither alive with any hope of success nor dead?"

Forrest City, Ark., PCA president John Stite said, "The big problem we have is projecting how a fellow can pay money expenses and production expenses and debt load on the commodity prices we've got."

Cookeville, Tenn., PCA president Jerry Rose said, "The best thing we could do is increase the margin of profit between production costs and what they sell their products for. That's not very popular with consumers. Cheap money helps but that doesn't solve the problem. The problem is not enough margin of profit."

Farmers agree.

Jack Cothran, Wynne, Ark., farmer and president of the Arkansas American Agricultural Movement (AAM) said the solution to profitability is a loan price that is not a subsidy. "It's a rate at which we can borrow money to pay our loan without being forced to sell our crop at a price below what it cost to produce it."

Brownsville, Tenn., farmer and Tennessee AAM president Tommy Willis, is angry. "It's cheapest for 96 percent of the population to finance 20 percent of farmers every year to keep them in business than to have 80 or 90 percent of them make a profit."

Willis preferred the acreage set-aside program that controlled commodity supplies by paying farmers to idle land. "(Former Georgia) Sen. Herman Talmadge had a bill for a set-aside that would have cost between $800 and $900 million. But loans have exceeded that six times.

"If we had had a set-aside, we would have had less food during the drouth," Willis admitted, "but how long can we affort to produce it for less than the cost of production and export it for less than the cost of production?"

John E. Lee Jr., director of USDA's National Economic Division, a policy research arm of the department, said, "Small and beginning farmers need a certain amount of help, but if good-size operators go out on a limb, the philosophy is it may not be the government's place to bail him out.

"The emphasis in the next four years will likely be on bringing more land into production just to meet export demand. There will be programs in place to protect farmers if there are two bumper years in a row."

As Lee sees it, the United States needed policies to deal with crop surpluses from the 1920s to the early 1970s. With blossoming export markets, "that slack is pretty much gone. We will be in a position to need more land in production.

"The question is whether production costs will eat up net profits."

That, said Lee, is why Reagan's administration will work so hard to get inflation down. That would help farm incomes come up and might slow the trend to fewer, larger farms, Lee said.

It might add up to a future where farmers will be set loose and forced to plan for bad years without a federal safety net there to catch them. The eventual result could be fewer farmers, fewer so-called family farmers, and fewer young or new farmers.

As it is now, a farm must operate 10 to 20 years before farm income will make purchase payments on the land.

"Young farmers and tenants will be hurt and some farmers that, let's just face it, have not done as well as they would like to have done (will also be hurt)," said Allan H. Brock, deputy administrator of FmHA farm and family programs in Washington. Current programs "are keeping them going until good times come. And I think they are coming."

"Farmers Home (an agency funded by USDA) has become a rural development agency," said Dr. George D. Irwin, an economist with the Farm Credit Administration that supervises the privately funded farm credit system. "Agriculture lending is less than one-third the total program. The rest has gone for community facilities—water and sewer projects and housing."

FmHA has 10 per cent of total agriculture credit, up from 3 per cent a few years ago. Interest in 1980 was around 10 per cent on operating loans and will be around 12 or 13 per cent this year.

"Probably 15 per cent of my total ag loan volume is being lost to Farmers Home because of cheaper interest rates, mostly in the form of disaster loans," said Grenada (Miss.) Bank's agriculture loan vice president W. R. Jones.

As for disaster loans, if farmers bale supposedly ruined crops for cattle feed, FmHA is basically stuck with trusting what farmers report. "We have no way of climbing every barn loft and going into every field. It's like income tax—we have to trust their word on it."

Said Brock, "If they give us false information, they've violated federal statute."

What astounds many onlookers, including officials who make the loans, is that eligibility for disaster loans is based strictly on loss—so the farmer with a net worth of $14 million who walked into a Mid-South Small Business Administration office was legally

able to apply for and receive a loan at 8¼ per cent this winter.

The intent of the Farmers Home program is to sustain family-size farmers with a reasonable chance of success, Brock said.

"The first thing we do is find out what's wrong on the farm and correct the program. When they come to us for refinancing, we make our plans so we can graduate him to other programs. At the end of the year, he brings in his record book and compares it to that plan. We just do not finance the status quo . . . In the fifth year we can ask them to graduate, and they have to do it."

Arkansas FmHA acting director Mike Dunaway defended the farm loans. "Every farm we keep in business the more competition there is. The more that go out the more big farms and corporate farms and prices would skyrocket."

Economist Irwin said, "The Reagan team is more inclined to provide a stable environment and let them survive or fail."

AMERICAN FARM ROLLCALL: 1978

The country has 2,479,866 farms with $1,000 or more in agricultural product sales versus 2.6 million in 1974.

100,000 farms account for half of all farm output, and the largest 800,000 account for 90 percent.

1.6 million farms had sales of less than $20,000.

2.2 million were operated by families or individuals; 241,000 by partnerships and 54,000 by corporations of which 48,000 were family held corporations.

Farming was the principal occupation of 1.3 million operators while another 1.2 million spent most work-time at off-farm occupations.

The average age of farmers is 50.1 years, down from the 51.7 found in 1974.

Seventy percent of all farmland is owned by persons over 50 years of age.

PROFITABILITY

Costs and incomes	Per acre [1]	
	1960	1980
Cotton:		
Gross income	$180	$436
Production costs	147	445
Return [2]	+33	−9
Soybeans:		
Gross income	46	110
Production costs	31	127
Return	+15	−17

[1] Averages for all counties, Mississippi Delta. Production costs include average land costs.
[2] To management and overhead
Source: University of Mississippi Extension Service.

Percentage return to equity, 1979

Wholesale corporations	20.5
Retail corporations	17.5
All manufacturing corps	16.5
Textile manufacturers	11.9
Automobile makers	10.9
Iron and steel manufacturers	8.8
Farming	[1] 3.8

[1] Return to farm operators, equity divided by farm return to operators. Other percentages show return on stockholders equity.

U.S. FARM ASSETS AND DEBTS

[In billions]

	1960	1980 [1]
Farm assets		
Real estate	$137.1	$730.3
Non-real estate [2]	$54.8	$228.7
Financial assets	15.8	40.3
Total assets	210.1	999.3
Farm debt		
Real estate debt	12.1	96.0
Non-real estate debt:		
Commodity Credit Corp	([3])	4.7
Banks, FmHA, PCA	([3])	66.0
Other creditors: Suppliers, merchants, etc.	([3])	14.0
Total	12.7	84.7
Total debt	24.8	180.5
Equity	185.4	819.0

[1] USDA preliminary as of Jan. 1, 1981.
[2] Livestock, poultry, machines and motor vehicles, stored crops, household equipment and furnishings.
[3] Not available.

FARMERS PRAY FOR SPRING RAINS

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. JONES of Tennessee. Mr. Speaker, I am continuing to insert into the CONGRESSIONAL RECORD a series of stories on agriculture which have appeared in the Memphis Commercial Appeal newspaper. These stories were written by Ms. Deborah Clubb and Mr. William Thomas, and they cover a wide range of agriculture-related topics. This part outlines weather problems of farmers.

FORECASTERS VARY AS FARMERS PRAY FOR SPRING RAINS

(By Deborah M. Clubb)

Two things about the 1980-81 drouth are undeniable.

It was a major drouth abetted by extreme heat over most of the Eastern United States.

And it's not over yet.

The situation remains critical for soil moisture needs in many states and for surface and groundwater supplies throughout the area. Farmers, community water officials, utility operators, government hydrologists and water-dependent industries share a mutual desire for abundant spring rains.

The drouth was an unexpected blip on the trend charts of the nation's climatologists and meteorologists. It began when a large fair weather system set in over most of the eastern half of the United States in late June—and just stayed. Or, as the weather pros say, "maintained itself from day to day, all summer and into the fall."

As long as that fair weather system stalled there, no significant rain fell and temperatures went beserk. The weather pros drew great maps tracing the dry, drier and driest regions.

Finally, that system moved west in September to hover over Arkansas, Oklahoma and west Texas. But after a bit of rain near year's end, Mid-South weather dried out again, and got colder, until the last days of February brought scattered showers and spring-like warmth.

It's not over. Before last week's rains, the drouth was as bad as had been experienced in the Mid-South, government experts said. The rains helped soil moisture considerably, bringing southern Mississippi and southern Louisiana back to normal. At the same time, snow and rain came to other dry areas of the West. But other parts of the Mid-South still need three to five inches, with areas of East Tennessee, Northwest Arkansas and Northwest Louisiana remaining in critical need. Much of Texas, Oklahoma and Kansas are still very dry.

Will the dryness of 1980 continue through the spring and summer and wreak havoc once again on all growing things? Or, worse, was the 1980 drouth the beginning of a critically dry cycle of years, reminiscent of the dry years preceding the great Dust Bowl?

Predictably, few forecasters agree on weather predictions.

What is clear is that the amount of spring rainfall this year is especially critical.

Since nothing much was growing through February, all rain that fell went to recharging the soil moisture. Excess rain will run off into rivers and streams.

With late February's warm temperatures, however, Mid-South vegetation came alive, making more demands on the water that fell last week.

With solid moisture levels so low, a wet spring is needed to raise levels and give plants a reserve on which to draw during typically dry summer periods. Only after the soil moisture level is normal will water begin to collect again in underground and surface systems that have dropped considerably.

"The spring rains could make or break a lot of farmers," said meteorologist John Kwiatkowski at the National Weather Service station in Stoneville, Miss.

"If this year stays dry, that (subsoil) reserve will be lower than normal, so if we have even usual dry spells, plants would have little to fall back on. If we had another dry year like last year, plants would really be in bad shape."

Through early March, the Mid-South got about one-third the amount of rainfall it usually gets.

Even now, weather service experts expect the Mississippi River to remain below its normal level through the spring and summer since the Upper Mississippi area does not have the usual snow cover to gradually melt and fill the tributaries.

Mike Looney, a leading forecaster at the Memphis National Weather Service office, said, "It's likely the river will not reach normal height although we don't expect it to be as low as in January. At the same time, maybe we won't have to worry about floods."

Said Kwiatkowski: "In a normal year, winter rain is usually surplus and runs off into the rivers and doesn't do farmers any good—but still it (the subnormal rain) is not a good sign."

Much of Mississippi, Arkansas, Tennessee and Louisiana has a 50-75 percent chance of getting enough moisture to get new crops off to a good start, except for Northwest Arkansas which has about a 25 percent chance of getting normal soil moisture, the weather service said.

"We've had about 6 inches stored in the soil now. Most of these soils can only hold 10 inches, so if we get 4 or 5 inches in March, we'll be starting off at ground zero," Kwiatkowski said.

Dr. Gene Rench at the Stoneville station added, "If we don't start the season full by May 1, we are looking at a serious situation because the probability of getting the full

amount of rain you need—when a plant begins to grow and weather gets warmer—is not good."

Lyle Denny, a climatologist with the U.S. Department of Agriculture (USDA), tracks drouth conditions around the nation, month by month, every year by figuring previous dry months with current temperature, precipitation and plant use demands. In early March, most of the area in West Tennessee and North Mississippi was in a "mild drouth" which Denney interpreted as "threatening." The southern part of the Mississippi Delta was a few degrees worse, in a moderate drouth while Middle and East Tennessee were in the extreme drouth category.

"Once the dryness is over, it's going to be apparently over before I say it's over. After we get soil moisture up, we have to replenish rivers, lakes and reservoirs and the shortage in groundwaters and aquifers," Denny said.

The present drouth threat is totally hydrologic instead of agricultural—affecting storage facilities, such as rivers, lakes and reservoirs.

But that is only true for another few weeks.

Government forecasters predicted above-normal spring rains from the Gulf north to Kansas and Iowa and across to the East Coast. So far, that volume of rain hasn't come to Arkansas, Tennessee or Mississippi, but it is still predicted for March.

As of yesterday, most of New England, the Great Lakes area and the North Central Plains were moist. The Southeast Gulf Coastal states had improved significantly, although they were not removed from the official drouth designation. An area from Kansas, south to east Oklahoma and east Texas and across central Missouri, Arkansas, southern Illinois, Kentucky and Tennessee had also improved. The worst drouth areas continued to be a stretch from central and eastern Montana and parts of the Dakotas through Nebraska and the Red River Valley of Texas, Oklahoma and Arkansas.

"What this means is that, while there is potential for a crop-yield reduction in 1981 . . . we still have the spring rain period to go through, and the spring rain can rapidly change this around," said Norton Strommen, chief meteorologist at USDA's World Food and Agricultural Outlook and Situation Board. The Great Plains have experienced drier years than 1980, yet rains in April and timely showers afterward have produced excellent yields, Strommen said.

Jim McQuigg, a meteorological consultant in Columbia, Mo., believes it is too early "to say it was so dry that it will stay dry and write it off. We still have plenty of time to get our moisture back." Records show that many years were dry in the fall and winter but still allowed good crops, he said. "The odds are in favor of fairly good moisture."

Without adequate spring rains and normal rainfall during the summer, an agriculture-threatening drouth will recur, experts say.

John McWhorter, an agricultural and biological engineer at Mississippi State University, said that, based on rainfall records, it is probable a drouth will occur in 1 of 10 years—"but we don't know which one."

Normal rainfall or above was usual for years after 1967, but amounts 4–12 inches below normal formed the trend in a period before 1967, McWhorter said.

In 1979, Starkville recorded 82 inches, but only 40 inches fell in 1978.

"One might conclude that over the next few years, there might be a pretty good chance that we're going to have some dry years."

Tim Campbell, president of Mid-South Weather, Inc., private weather consultant and student of the upper atmosphere, has a more frightening scenario:

"The only forecast I can give is that a drouth could occur again this summer. It would be very foolish for anyone in agribusiness to bet against it. They would be betting against the odds."

If the pattern holds, the drouth center will shift north-northeast or due east which could put it over the Midwest or over the Delta, he said.

While dry cycles usually have come in 20-year patterns, with dryness in the 1930's, 1950's and 1970's, a 50-year pattern could emerge. "The year 1930 was like 1980, extremely hot and dry with moisture deficits across the Great Plains," Campbell said. "So if you go back and forth (in the patterns), you can get into a pretty bad picture."

According to the USDA Yearbook of Agriculture for 1932, a major portion of the Mid-South was involved in the drouth of 1930 that extended over the area from southern Pennsylvania, Maryland and Virginia to southern Kansas on the north, Alabama on the south and Texas on the west. Relief came to some parts in time to improve production, but the damage showed in the measure of yields per acre as a percentage of the 1919–1928 average yields. For example, Kentucky's yields were 60.5 percent of the average; Arkansas, 62.8; Missouri, 66.8; Tennessee, 75.6; Texas, 86; Mississippi, 91.5; Louisiana, 100.3, and Alabama, 111.3.

Another drouth came in the northern wheat states in 1931, and the central states faced others in 1934 and 1935. The result in the 1930's, when fierce winds swept up the badly eroded, over-cropped fields, lives in legend as the Dust Bowl.

The drouths of the 1950's involved the normally semiarid Great Plains and Southeastern states. Later drouths concentrated over the Northeastern states but the dryness returned to the Southwest in 1969 and recurred several times through the '70's. That series culminated in the major drouth of 1977 that extended from California and Washington to the Plains and brought choking dust storms back to Oklahoma, Kansas and neighboring states.

Said Campbell: "Farmers should plan for the worst and hope for the best. And plant early—I do not expect a cold spring. I expect normal rain in March, April and May and normal to above-normal temps. If they plant early and the crop is up and looking well, it might survive if a drouth happens."

Government weather professionals disagree with Campbell.

"Since we have never seen one develop like last year, the probability is low that we will see it again," said climatologist Strommen.

USDA meteorologist D. J. Haddock's forecast was more cautious: "I cannot officially tell you anything about what next summer or fall is going to bring," he said.

"If we repeat 1980, the results will be much worse. We're going to go into this summer with below-normal water tables east of the Rockies. Even normal rainfall in the summer would not lead to average yields, much less if a drouth occurred. The only way we could get above-average yields is with above-average rains.

"There's already severe depletion of the water table where they're irrigating in Iowa, other parts of the Midwest and Plains states. This raises several questions: Will they have to stop? How much did it deplete the table? How much will we have to be called on to do here?

"Our importance will increase exponentially in the next five to seven years because we'll have water when other areas won't."●

WATER, A FIGHTING MATTER

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. JONES of Tennessee. Mr. Speaker, this insertion is part 4 of a five part series which recently appeared in the Memphis Commercial Appeal outlining some of the problems experienced by the American farmer. These articles were written by Ms. Deborah Clubb and Mr. William Thomas:

[From the Commercial Appeal, Mar. 11, 1981]

U.S. WATER SUPPLIES CONTINUED TO SHRINK DURING FALL, WINTER

(By Deborah M. Clubb)

Americans have a hard time believing they can be in short supply of anything—and when the shortage is water, the most essential of all elements, their skepticism hardens.

Yet the 1980–81 drouth has reminded water users in many parts of this country that nothing is limitless about the nation's water inventory.

Even in the Mid-South, where water is generally considered abundant, the drouth of 1980–81 has highlighted water habits and just how tricky the inventory is.

After the summer drouth destroyed the profit and profitability of many farmers throughout the East, the fall and winter drouth tripled the dryness and crippled major water supplies.

It dried wells, streams, lakes and reservoirs throughout the region. Parts of the densely populated Northeast, which uses 10 times more water from surface as from underground systems, were forced into water rationing.

In January, the U.S. Geological Survey (USGS), official tracker of the nation's water, ordered all division and district offices to report twice a month on supplies. By early March, streamflow conditions, an official measure of availability of surface water, had improved in the Delaware, Potomac and Chesapeake rivers. Virginia lifted its water restrictions, but still more rain was needed to get a level that would hold through summer.

New York City reservoirs doubled, but drouth emergency procedures stayed on because still more water was needed to last through demands of spring and summer.

Mid-South rivers, streams, lakes and other surface waters showed immediate effects of the drouth, with the historic-low Mississippi River level giving a dramatic measure of the broad reach of the dryness.

Wells, for drinking water and crop irrigation, reflected the shortage of rainfall, too. Some dried up and most fell to surprising lows. Towns and rural residents searched for water supplies wherever they could find them and many farmers redug wells at great cost.

Agriculture is the biggest consumer of water in the United States.

Nationally, the biggest battles over water are being fought between farmers and the federal government and farmers and cities.

California is the battleground for a trio of confrontations between the U.S. Department of Interior and farmers who for years have irrigated crops from federally built surface water systems.

The dispute revolves around government enforcement of its interpretations of the Reclamation Act of 1902 and other water-related measures like the Federal Flood Control Act. As officials began to enforce limits on the amount of acreage that could be legally irrigated from federal water projects, farmers have gone to court with several suits, battling to prevent having to sell cropland or stop irrigating it.

In Phoenix and other expanding Western cities, depletion of groundwater makes it doubtful that farmers, developers and residents will get all the water they want in a few years.

As the Western United States' Ogallala Aquifer disappears, irrigation is decreasing in some limited areas, particularly parts of Texas and Arizona and state water officials are talking about water transfer projects to draw supplies from the Missouri River or Arkansas-White rivers.

At the same time, farmers in the Plains states of eastern Colorado, Nebraska, Kansas and Oklahoma continue to invest in irrigation, and Agriculture Department (USDA) water resource officials expect even more development in Nebraska and the Southeast.

Three irrigation issues have begun to worry water managers and agriculturalists:

Continuing depletion of groundwater aquifers—water-bearing layers of permeable rock, sand or gravel.

"The most important single issue is depletion of groundwater aquifers that's not slowing down any," said Harold Stults, USDA deputy director for water resources. "It is inevitable that it will cause some adjustments (but) it will have a bigger effect on the communities than on agriculture."

Farmers can switch from irrigated to nonirrigated crops in many parts of the country without great difficulty. For example, Colorado sugar beet growers might shift to wheat and make roughly the same money—but items bought to grow wheat might be a third the cost of beet needs. The reduced purchases would be reflected in the businesses and other economic fabric of the communities.

Economic sense of irrigation in the humid Eastern states. "It may be an opportunity for increased production with some investment in equipment," said Stults.

Irrigation's impact on water quality.

Even now, irrigation is cited as a major reason for groundwater depletion in parts of the Mid-South.

Rice irrigation has sucked the water out of Arkansas.

Water officials agree that a rapid increase in rice acreage is the most direct cause of depletions in state aquifers.

Rice irrigation accounted for 73 per cent of groundwater used in the state in 1975—a total of 2,596,000 gallons a day. One acre of rice needs about three acre feet of water. Groundwater use for rice was 1,882 million gallons in 1975, and surface water supplied 304 million gallons.

Generally, water levels in Arkansas' Alluvial Aquifer haven't changed much in the last 20 years after a rapid decline from 1910-1950 stabilized. However, the Sparta Sand went down 20 feet from 1970-1980 as production increased.

Arkansas and federal water officials are closely watching depleting groundwater supplies in three areas:

The major rice area west of Crowley's Ridge between Brinkley and Jonesboro won't have problems this year—but could have serious trouble in 20 years. "Water levels will continue down with current use," said Forest Lyford, hydrologist with the USGS in Little Rock.

The Pine Bluff area of the Grand Prairie uses the Sparta Sand Aquifer "and it's going down from irrigation and industry," Lyford said.

The south central part of the state, around El Dorado and Magnolia, also uses the Sparta Sand. "Water tables have been dropping for some time from municipal and industrial use," Lyford said. Yearly drop is 1-2 feet a year.

Lyford said there is no problem with the water supply east of Crowley's Ridge or west of the Cache River because both the St. Francis and White rivers that recharge the areas are reliable sources. But the smaller Cache River does not feed much water back into saturated soil layers during summer months.

Many wells respond quickly to changes in stream stage and will come up when rivers come up. Others, particularly in the rice-growing areas, do not recharge easily, probably because of a clay layer up to 24 feet thick that forms rice paddies but has a low permeability, Lyford said.

For municipal water supplies, Arkansas officials report a trend toward more use of surface water since groundwater reserves are being depleted. Some communities can use running rivers, but others must fund construction of impoundments that can cost millions of dollars.

John Saxton, director of the state's soil and water conservation commission, said his agency has loaned money to help some towns that needed new water supplies because of the drouth. Also, as a way to better prepare for future water needs, his staff this year will monitor wells in a six-county area to check the drawdown before and during irrigation.

The Mississippi Delta might eventually not have enough irrigation water to go around, said Charles Branch, director of the bureau of land and water resources in the Mississippi Department of Natural Resources.

"We in Mississippi have been using groundwater generally extensively for decades," Branch said. "We're withdrawing water at a much more rapid rate than we are replacing it . . . Generally, statewide water levels have been falling for the last 30 years as population demand has grown."

Eighty-eight per cent of the state's drinking water comes from groundwater. Most of it has historically been of such high quality that little or no treatment is necessary before use. Only three communities—parts of Jackson, Meridian and Columbus—rely on surface water, Branch said. Fifty per cent of industrial needs, exluding power generation, comes from the groundwater.

In most of Mississippi, the groundwater comes from confined aquifers that generally do not show immediate effects of short-term drouth, but the Delta water supply is different. That water table is not confined and reacts to drops in surface water. Tupelo and Lee County present an area where industrial and municipal demands have rapidly and critically reduced the aquifer.

Widespread pumping for rice irrigation and catfish ponds have caused large depressions in the surface of the groundwater body near Cleveland, the Sunflower-Leflore counties area and north-central Tallahatchie County.

"Our people are beginning to realize that these are not endless supplies," Branch said. "We have surface water coming out our ears but it's not generally been looked at for drinking water."

Municipal and some industrial users take water from a level 750-1,200 feet below ground. The deeper water is of higher quality than the shallow water that is used for irrigation, Branch said. "The shallow has some taste and odor and a higher color level. Some private homes in rural areas use it where over the years they have used it and there's no other alternate within economic reason."

Groundwater levels drop 1-5 feet a year across the state. This year, the USGS measured about 50 wells in September and again at the end of February. "Water levels are generally at the same level as in September," Branch said.

"There's potential that we will be facing critical water supply problems as far as irrigation in the Mississippi Delta in the coming years."

Preliminary USGS estimates show the shallow alluvium aquifer can only support 500,000 acres in rice production, but in 1980, 250,000 acres of rice and 30,000-40,000 acres of catfish were watered. Rice acreage increased 30,000-40,000 acres a year for the past 5 years in parts of the Delta.

"Based on potential yield of 500,000 acres, we're moving toward the upper limit of its capabilities."

Branch's staff is gathering data to help better understand the groundwater system. They will take measurements again this spring to determine the amount of recharge in the winter and spring months. Also, the USGS, Mississippi Research and Development Center and Branch's bureau are planning a joint three-year study of irrigation effects on groundwater, using satellite data to map irrigated land and catfish ponds.

Experts hope the water studies will tell the capacity of the aquifer "and then someone will have to limit the water use to match that capacity," said Eddy Downing, manager of the regional planning branch at the Mississippi Research and Development Center. Water use and well permits now issued by the state bureau of land and water resources "never have been used to control water use in the past, but the day is coming," said Downing.

Ironically, the low water situation is not bad news for owners and operators of land that usually floods in the spring. Billy Bridges at the U.S. Engineers office at Vicksburg, Miss., said, "Normally, when we have a flood, it has already begun before March."

Parts of West Tennessee might experience usual spring floods when heavy rains roll off steep hillsides and through straightened, channelized waterways. But so far, most of the streams and lakes of the state are below normal levels.

Middle and East Tennessee rely on surface water for most municipal purposes. From October to January, half of normal precipitation has fallen. "Although precipitation was almost normal for February, we need normal or above normal to keep streams flowing during summer months," said Jeff May, chief of data management for the USGS in Nashville.

What little irrigation is done east of the Tennessee River is done from streams, May said. Many industries and homes have wells and some smaller towns use springs. West Tennessee homes, towns and industry rely on groundwater while farmers can use dig-wells or pump from a stream.

So far this year, most residents have enough water.

Only in Scott County, northwest of Oak Ridge, have communities had to pump water from a private lake to satisfy the utilities district, said Bob Hunt, director of the state's water resources division.

A group of state and local water and agriculture officials are working with the Tennessee Civil Defense on actions to prevent and prepare for water emergencies such as conservation activities and exploration for groundwater in the consolidated rock that underlies two-thirds of the state.

"We ought to go ahead and be prepared," Hunt said, "and have emergency conditions ready and priorities set."

As Craighead County, Ark., extension agent Albert Swaty said, "Things are going to have to be done or we're going to have trouble down the road. We could be fighting over water in the future.

"It's going to be clear gold."●

WATER LEVELS LOWER SPIRITS

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. JONES of Tennessee. Mr. Speaker, I am inserting into the RECORD on this occasion part 5 of a five-part series on agriculture. This part of the series examines the impact of last year's drought on agriculture and is the final part in a series of stories by Mr. Deborah Clubb and Mr. William Thomas for the Memphis Commercial Appeal newspaper.

SEEING WATER VANISH SINKS VETERAN'S SPIRITS LOWER THAN THE RIVER

(By William Thomas)

LAKE CITY, ARK.—Cotton Taft, so-named because he could whop a baseball into a cotton field every time somebody flung one at him, has lived on the St. Francis River for 81 years. Until this year he plucked his livelihood from the river in the form of fish and fur. Then came the drouth.

"It just about dried up the river," said Taft, a crusty, corncob-pipe-smoking character who lives on the riverbank in a boxy dwelling not far from the Arkansas 18 Bridge at Lake City. He has lived there so long that the sapling trees he planted 21 years ago are now fully grown.

Despite the shade they make, Taft said it was the hottest, driest, most pitiful year he's experienced on the river.

"It was so dry I couldn't get my boat up and down the river to fish. And it hasn't changed much this winter. Normally, I make enough money in a month to do me a whole year. This year, I couldn't make enough to pay my trapping license. The river stayed so low I couldn't catch no fur."

Taft, who was born on the edge of the St. Francis in 1899, son of a fisherman, said this was the first time in his life that trapping was a complete flop.

"See that boat?" he said, aiming his pipe at a homemade skiff turned bottom-up on the bank. "That's a million-dollar boat. I can take that boat and go up around the island, make a 30-mile circle in six or eight hours and come back loaded. But not this year. This is the first time I never took her out."

And a drouth that big, said Taft, is something to think about.

"I never went to school but I was born more sensible than most folks," he said. "And I know about life on the river. Fish, for example, have a hell of a nature when you've been studying 'em long as I have. And animals have a hell of a sense of humor. I was raised on hoot owls, hawks, beaver, coon, muskrat, squirrel, ducks and stuff like that. Anything that runs from me, I eat. I don't like anything that don't run.

"You couldn't pile back in the river the fish I've taken out of it. I caught a catfish that weighted 74 pounds and a buffalo that weighed 54 pounds. So when it comes to this river, I know what I'm talking about. And something bad is happening."

Taft put his pipe in his mouth, struck a match to it, sucked hard, blew forth a plume of blue smoke and went on:

"You'd have to see it like it was before the levees," he said. "My grandpa had a steamboat on this river. A steamboat. I was just a kid when that played out. My dad was a fisherman and he moved up on Goat Island and stayed till 1918, when it froze the river. Then we came down here.

"This was a rich town once. There were so many people here you couldn't walk down Main Street. We had five cafes and you couldn't get a place to sit down. You'd go in and get a plate of grub and have to stand up to eat. I don't know where all those people went.

"I had a fish market here and four people working. We'd have a line of cars going both ways all day long. That was during the war and you had to have stamps to get meat, but not fish. I could catch a mountain of fish then. But we just about caught 'em up. They ain't in there now."

Once, there was more water in the river, too.

"Back before these ditches were dug, the water stayed up all the time. There was a lot of timber then. You could go out and work three or four days and make a hundred dollars and come back and throw one hell of a drunk."

Taft grinned around his pipe.

"There were even two whorehouses up there. They had hamburgers downstairs, girls upstairs. You'd pay the hamburger man 50 cents and then you could go upstair where the girls were. There were fights up and down the sidewalk. The police chief didn't say anything about the fights. But if you spit on the sidewalk, he'd take you to the mayor. They don't fight like that no more. Now, they just shoot, shoot, shoot.

Taft, who started fishing and trapping when he was 7 and never did anything else, remembers when he could fill the boat with fish. "I used to catch 300, 400 pounds a day. Now I'm lucky if I get 15 or 20 pounds. And this year, I couldn't even get that."

Taft believes the fish were poisoned by insecticides. "Some places, we ain't got a crawdad, a minnow, nothing. I think the poison ran off the farms and into the river and our fish miscarried. The eggs stay in the fish now. I used to find them every summer on the nets. Now, I never find any."

But it's the vanishing river that troubles Taft more than anything.

"I raised a boy and a girl out here," he said, "and I made plenty of money. If I had another 80 years, I'd come right back and do it again. But I'm not sure the river would be here. Something has happened. I seen the hottest day last summer and the coldest day this winter that I've ever seen.

"I think they messed up our weather by putting all that stuff in the sky. You know what I mean—satellites. I think that's part of it. They spent all our money, got shed of our taxes and changed everything. For years, I sat our here and never saw a skeeter. Last year, the skeeters ate me up."

Taft pointed his pipe at the sky and narrowed his eyes.

"But the worst thing that happened," he said, "is that it never rained. The river almost dried up. I've never seen it that low. Before, the water was always there when you needed it. It was right there. But this year it wasn't."●

CLARK PORTEOUS

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. JONES of Tennessee. Mr. Speaker, I rise today to pay tribute to a distinguished member of the media in my district who is retiring. He is Mr. Clark Porteous whose byline has appeared in the Memphis Press-Scimitar for the past 47 years. Throughout his long and distinguished career, Clark Porteous has maintained a reputation for thoroughness, fairness, and objectivity. He is going to be missed by all of us who enjoyed reading his work and especially by his employer, the Press-Scimitar.

For me personally, I am going to miss an old and cherished friend in the media. He has been as rough on me as anyone, but I could always count on Clark to be fair in his reporting. More than that, I respected him and the work he did. I know he is still going to be around the city of Memphis which has been his home for so many years, and I take some measure of solace in that. I want to wish for him a very happy and productive retirement.

[From the Memphis Press-Scimitar, May 27, 1981]

CLARK PORTEOUS RETIRING AS NEWSMAN

(By David Rapp)

Clark Porteous, whose Press-Scimitar byline has been a byword in the Mid-South for close to half a century, is retiring.

His departure from the newsroom Friday will end a career that spans 47 years and thousands upon thousands of news and human interest stories—from politics and parades, fires and festivals, to lynchings and assassinations.

Through it all, he earned a reputation among his readers, his news sources and his colleagues alike as an aggressive and thorough, but fair and impartial reporter.

The late Edward J. Meeman, the first of three editors Porteous served under, once wrote: "Clark Porteous is objective. He gets the facts, and lets the facts speak for themselves. He gets all the facts. He does not

color them. Neither does he take their natural color out of them. He reproduces the actual color of the facts, be those facts bright or drab."

Milton R. Britten, the present editor of The Press-Scimitar, said:

"He's just a great information getter. No matter what it is, if you need information, one way or another Clark can always get it. He was and is widely known in Memphis and the Mid-South. He's also widely trusted by news sources, even when writing about things they'd just as soon not see in the paper.

"Clark was always The Press-Scimitar's star reporter and he still is. He was an example to every person who came to work for the paper. He's just in love with being a newspaper reporter and he has done an exceptional job."

THE EARLY YEARS

Thomas Clark Plaisance Porteous, a high school track star and debater in Laurel, Miss., came to Southwestern at Memphis with a track scholarship and soon joined the college newspaper, later becoming its editor. He was graduated June 7, 1934, and one day later joined The Press-Scimitar as a reporter.

It didn't take long for him to prove he had a nose for news and an ear for the colorful quote.

After a Memphis man shot his 20-year-old son, young Porteous managed to get an interview with the father in his jail cell.

"I didn't know exactly what to ask a man who had shot his son, so I told him the good news that his son would live," Porteous recalled years later. "But he swore an ugly oath."

When Porteous asked the man if he wasn't glad that his son was going to recover, the father replied, "Hell, no, what do you think I shot him for?"

Clark's account of the unusual interview appeared across the top of Page 1 in The Press-Scimitar.

Two years later, in 1936, an American Airlines plane, the Southerner, crashed on a Sunday evening between Memphis and Little Rock. Porteous was sent with a photographer to find the plane, if possible.

Near Goodwin, Ark., some parked vehicles led them to a man who thought he had seen a ball of fire plummet into the swamps. Anxious to continue the search, Porteous borrowed a flashlight and led a posse through the swamps.

"We began to find pieces of aluminum in the broken trees," he remembered later. "Finally I stumbled over something, and it was the body of a man, at least the torso, as the part below the waist was missing."

The cause of the crash is still a mystery, but Porteous' account in the next day's Press-Scimitar scooped the nation's press.

WIDE RANGING

In the following years Porteous pursued other stories with equal persistence. Whether it was covering the Maid of Cotton tours, digging up political stories or running down a new City Hall angle from E.H. "Boss" Crump, Porteous was usually on the scene first.

In 1946 he took a year's leave of absence when he won a Nieman Fellowship to Harvard University along with 12 other journalists from across the nation.

His tenure at Harvard resulted in a novel, South Wind Blowing, based on a 1937 lynching he witnessed in Mississippi. The book took an unusual approach, with each of 19 characters describing the lynching of a black man from a schoolyard tree.

"First-rate reporting by a fearless and respected Memphis newspaperman," said a review in the New York Star. "It is much more than good reporting, it is a high artistic achievement," read the St. Louis Post-Dispatch.

The story of the lynching also reveals Porteous' resourceful ability.

Told that a posse had captured a black man wanted for killing a white man in Slayden, Miss., Porteous went to Slayden where he found several men in a store discussing what to do with the black man. He noticed them leaving through a back door one by one, then followed them to the schoolyard.

"They brought the man out, stood him on the front of a Model A Ford, put a noose around his neck and tied the rope to the limb of a tree," Porteous wrote later. "Behind this you could see the little desks in the school through an open window. We were running towards the scene when they drove the truck out from under the man, left him dangling."

Porteous and photographer Mervin Rosenbush pretended to be commercial photographers and began snapping pictures and taking orders for prints from the men standing next to the body, backs to the camera. Some became suspicious and the pair lit out for Memphis "in Rosy's souped up Ford," and though they were chased for a while, they got away.

DIG, DIG, AND DIG

The late Robert Johnson, long-time columnist for The Press-Scimitar, wrote a 1955 column describing Porteous in terms familiar to most of his colleagues and sources.

"Through the years, Press-Scimitar readers have come to know Mr. Porteous as one who had a way all his own of getting at the bottom of things. (His) stubborn and resourceful tactics have won the high respect of his colleagues, made him known as an expert in dig-dig-and-dig uncovering of facts.

"He has handled many of the biggest news happenings, from major crime to big labor news, politics and features. But one thing which makes Clark a top newspaperman is that, even if it's just a small item, they're all 'big stories' to him."

Some of the big stories he covered were the 1961 admission of James Meredith as the first black to enter Ole Miss at Oxford, where he dodged bullets and "had to go into the YMCA now and then to try to wash the tear gas out of my eyes"; the January 1956 Emmett Till trial, when Porteous served as the main liaison between blacks and whites; and the 1977 death of Elvis Presley, when he wrote the Page 1 obituary of the famed entertainer.

But he also was known as the "people's reporter" and for his constant efforts to get a "new angle" on every assignment.

He gave first-person accounts of everything from riding a jet plane in the early 1960s to a tour of Memphis topless clubs in 1975.

Some examples:

A "bombsight view of Memphis," when he took a ride in a B-17 in October 1943. "I sat in the top gun turret, with its two .50-caliber machine guns . . . I had a big time, whirling about as if on a miniature merry-go-round, looking through the turret's plastic top into the clouds for 'enemy' fighters I knew weren't there."

The perils of growing a beard in August 1939, when beautiful girls stopped him on the street to stroke his jowls, and politicians stopped their speeches to point him out.

About marching (and playing trumpet) with the Treadwell High School Band in the 1956 Cotton Carnival Parade; and, in 1961, covering the parade as King Midas, dressed in gold lame robe, gold crown and bushy gray beard. "The final touch was my own long Church Warden pipe, wrapped in gold foil."

The many years of covering City Hall during the reign of "Mister Crump." He described the "countless hours, waiting outside of closed-door meetings, waiting for Mister Crump—not some elected offical—to come out and talk to the press." He also remembered the impromptu parades of Crump and his entourage marching down Main, bowing and shaking hands: "Everybody knew Mister Crump and he knew everybody."

He bought Crump's wrath down on him when he reported an anecdote told by Gordon Browning during Browning's successful 1948 comeback campaign for governor. The anecdote involved a supposed voter-hunting expedition by Crump and one of his allies, Will Gerber, into a cemetery. "Gerber was on his knees scraping moss off an old tombstone, and saying finally he couldn't read the name, to put down any name, and Crump said, 'No, Willie, we've got to have an honest election.'

"Good memories and bad," Porteous would write later about the Crump era. "How different it is with truly elected officials, all speaking for themselves, making their own mistakes. Democracy, it's wonderful."

Of the "joys" of smoking. He had started puffing a pipe as a Southwestern student, later owned nearly 300 pipes, and never went anywhere without one. "Someone should speak up for the evil of smoking," he wrote in 1964. "I guess this tobacco-stained wretch should qualify."

Of quitting smoking cold turkey. He put away his trademark in 1979 after a car accident fractured one of his ribs. "I had thought it would be difficult to quit. But I had not smoked in a couple of weeks, and I was surviving. I began to think, no more burned clothes, my teeth wouldn't be so badly stained next time I went for my semi-annual dental checkup and cleaning, I would not annoy others, I would save on my mounting weekly tobacco bill. And it would be bound to help my health."

He gave away all but a token few of his pipes.

"Best thing, I don't cough any more," he wrote. "But I do feel a subtle sort of longing when I see someone else enjoying a pipe of tobacco."

SUMMING UP

Porteous, who speaks in a characteristically matter-of-fact way about his retirement, is keeping his options—like his contacts—on an open line. His plans include spending more time with his wife, former Press-Scimitar reporter Elizabeth Colling, their six children and five grandchildren.

"I've done what I wanted to do. I've enjoyed every minute of it," he said. "The Press-Scimitar has been a great place to work, and I've worked for three fine editors—Ed Meeman, Charles Schneider and Milt Britten. When Meeman hired me in 1934, he said he'd give me a trial at $10 a week. No one has ever said that I'm not still on trial.

"I'd like to keep on but the calendar just caught up with me," he added. "There will always have to be reporters * * * someone has to go out and cover the City Hall meetings.

"That's why I'm glad I've been a newspaperman."●

A TRIBUTE TO CANTOR DAVID SHIFF

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. OTTINGER. Mr. Speaker, I rise to bring to the attention of my colleagues the outstanding achievements of Cantor David Shiff of the Midchester Jewish Center in Yonkers, N.Y. On June 13, Cantor Shiff will be honored for 25 years of dedicated service to the Yonkers community.

Born in New York City, Cantor Shiff began his career at the age of 8 at the Sterners Choir in New York. After a short period, he became leading soloist. He received his first position as cantor at the Gun Hill Jewish Center in the Bronx in 1954 and then, in 1956, moved on to serve in his present position. He formed a congregational choir to help beautify the holiday services, and has appeared in many television and radio specials. He is also involved in many community activities and organized and is featured in the annual spring concerts held at the Midchester Jewish Center.

Cantor Shiff has made some invaluable contributions to his community. I commend him for 25 years of distinguished service and wish him good luck in the future.●

SOCIAL SECURITY: RUN IT AS WELFARE

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. WINN. Mr. Speaker, there is little doubt that the crisis facing the social security system is serious and inescapable. Unless changes are made, the system will be unable to make benefit payments to the 36 million Americans depending on social security by 1982 and it could be in debt by as much as $111 billion in the next 5 years. In view of the financial crisis facing the system, it is clear that action must be taken.

I have been alarmed by the amount of confusion that has developed as a result of the announced proposed changes in the system. Unlike many previous proposals, the Reagan administration will not raise the traditional retirement age from 65: They will not raise social security taxes for the 114 million workers paying into the system and they will not remove from the rolls, or cut benefits for, those currently receiving benefits. The administration will, however, phase out the retirement earnings test. These provisions will allow the younger worker to receive a small tax cut and the older worker to earn income.

What the Reagan administration's proposal does do is discourage workers from early retirement. Early retirees now get 80 percent of what they would get at age 65. Under the Reagan proposal they would get 55 percent at age 62.

The administration has also proposed changing the disability insurance program so that eligibility is limited to medical factors alone, thus restoring the program to its original purpose. Proposals have also been offered to lower the amount of the social security benefits for those who receive a pension from a noncovered employer such as the Federal Government.

The administration's plan would move the automatic cost-of-living increase from July to October in 1982. Finally, the administration has proposed altering the formula for computing the benefits of future retirees. While this would mean a reduction in future benefits, it will correspond with a reduction in the amount a worker pays into the system.

There are no easy answers to solving the crisis we face. It has resulted from previously liberalizing the programs which have drained the funds. If changes are not made, consideration will have to be given to using general revenue funds to save the system.

I was interested in a column which appeared recently in the Kansas City Star. Mr. Heaster proposes that future eligibility for social security recipients be based upon need: In other words, turn it into a welfare-type program. I agree with Mr. Heaster that workers must have more flexibility and control over their economic destiny after retirement, and submit his column for my colleagues' review:

SOCIAL SECURITY: RUN IT AS WELFARE

(By Jerry Heaster)

The problems confronting the Social Security system will never be resolved unless everyone affected is up to facing some unpleasant facts of life. The first harsh reality is this:

In economic terms, that which cannot be financed cannot occur.

This means current beneficiaries and those nearing eligibility age would be ill-served by any massive lobbying effort to defeat proposals aimed at restoring the system's integrity. If this group chooses to use its massive political clout to maintain the status quo, it will be trading off short-term gains for long-term disaster.

This is a certainty because given current income and expenditure patterns, Social Security will become insolvent before the end of next year. If this hemorrhage isn't stopped by bringing benefits into line with taxes, the only alternative will be to raise Social Security taxes to levels far above the increases previously mandated for the years ahead.

But if Congress attempts to do this, it risks sparking a revolt among the workers and employers for whom Social Security contributions have become an almost intolerable burden during the past decade. In political terms, any such revolt would bring a destructive inter-generational conflict and spell ultimate doom for the system.

Besides, the higher taxes of the past 10 years seem only to have exacerbated the problem, and the reason for this is simple: As long as Congress can keep bleeding workers and their employers, it removes the need to get at the structural problems that are the real cause of Social Security's problems.

There are many reasons for the demise of the Social Security system—the main one being that the elected representatives charged with keeping the system viable have used it as a slush fund to buy votes.

But pointing fingers of blame for past mistakes won't solve the problem. Thus, any outrage felt over the legislative misfeasance that has brought Social Security to the brink of bankruptcy must be sublimated.

So, too, must all of the outdated attitudes toward Social Security.

The most dangerous of all the fallacious perceptions regarding the system is that of Social Security as an insurance program. It isn't, and the fact that people have been forced to pay into it regularly doesn't make it so. Only responsible administration and productive nurturing by its caretakers would have allowed it to function as a true insurance program. (How many insurance companies, for instance, would dare think of trying to raise customers' premium payments arbitrarily simply because beneficiaries demanded more money than they had contracted to receive?)

The quickest way to get rid of this psychological hurdle is to do away with the trust fund and fold it into the general budget with other social programs. Benefits then should be scaled down gradually over the next couple of decades. This would allow Social Security to be returned to the role it originally was intended to serve—that of a retirement income supplement.

And all of this gradual realignment should be predicated on the assumption that—as a welfare program—future eligibility should be based upon need.

Meantime, if workers really do want insurance to protect them against reduced earnings after retirement, they could begin to set up their own programs and tailor them to fit individual needs. Workers could finance such voluntary retirement with the money they would save as the burden is eased as result of decreased taxes.

One way of allowing workers more control over their economic destiny after retirement would be to expand the concept of the Individual Retirement Account to all workers, regardless of whether they're covered by a company-sponsored pension fund.

Returning the job of retirement planning to individuals would serve another important function—that of fostering much needed capital formation.

As it stands now Social Security is a nonproductive use of resources. It is a hand-to-mouth arrangement under which money is transferred on a current basis from the productive to the nonproductive sector of the economy to finance consumption exclusively.

The expanded use of private retirement plans would mean more savings and investment by individuals, and this money would be plowed into the economy to finance growth as well as consumption.

All this would take time, of course, But a reform program that allowed 20 to 25 years of lead time would give younger workers

enough time to adjust before the Golden Years arrived.●

GRIFFIN HIGH CHESS TEAM HAS GREAT YEAR

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. GINGRICH. Mr. Speaker, the game of chess is a very old and popular game played by thousands of high school students all over the Nation. In my own district one team in particular has done well at national tournaments and is considered to be one of the leading teams in the Nation.

The Griffin High School chess team has won honor and distinction. In only 5 months the team has won dozens of trophies. The club membership is one of the largest in the country for a high school chess club.

The members of the varsity team for the 1981-82 school year were Milton McCarthney, Larry Brindley, David Clark, Kevin Oglesby, Jeff Wright, Mark Hartman and alternates Jeff Morrow and Ed Henderson.

I would like to share with you this resolution passed by the city council of Griffin that exemplifies the respect of the people of Griffin for this outstanding team:

RESOLUTION BY THE CITY COUNCIL OF GRIFFIN

Whereas chess has been a part of the extra-curricular activities at the Griffin High School for several years and has grown in popularity since that time; and

Whereas Griffin-Spalding County High School is very fortunate to have Mr. Larry Foster to advise the team comprised of eight devoted players; and

Whereas this team, during the 1981 season, won the Regional Championship, placed second in the Southeastern Invitational Tournament, captured the State Championship and traveled to Philadelphia to compete in the National Tournament where they placed 10th out of 38 teams from across the United States that were competing; and

Whereas several members of the Griffin High Chess Team were awarded individual trophies and recognition, among them national titles: Now therefore,

I, Louis W. Goldstein, Mayor of the City of Griffin do hereby proclaim Wednesday, May 13, 1981 as "Griffin High Chess Team Day" in the City and express the Board's pride in the unprecedented accomplishments of this team of fine young men and congratulate Mr. Foster for his most important part in their victory.

This 12th day of May, 1981 A.D.

Signed: Louis W. Goldstein, Mayor.

Attest: Roy L. Inman, City Manager.●

A LOOK AT CORPORATIONS NEEDED IN THE TAX CUT DEBATE

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. WALGREN. Mr. Speaker, most of the debate on the tax cut legislation has been focused on the personal tax cut for individuals. We must also take a comprehensive look at the business side of the tax cut. I would like to share with my colleagues two articles which may help provide some answers.

The first, from the February 5 Washington Post, points out that new Government figures show that business investment in recent years has been much higher than previously thought. Indeed, its share of the Nation's total output of goods and services has been bigger in the last 5 years than at any other time since World War II. The major reason for these revisions was the discovery by the Commerce Department that a chunk of investment in leased equipment was not being recorded. Firms invested more money through leasing equipment, rather than buying it, since high inflation gave this method a tax advantage.

The second article, from the April 20 issue of Business Week, shows that the "corporate income tax is well on its way to extinction," accounting for 23 percent of all Federal revenues in 1960 and falling to 12.4 percent last year. Moreover, under the Reagan plan, in 1986 the corporate income tax will provide only 7.7 percent of Washington's receipts, a figure that I find most disturbing.

My Subcommittee on Oversight and Investigations has been holding a series of hearings on the issue of capital formation and investment, and I would like to commend Chairman DINGELL and the staff for the fine job they are doing in exploring these issues. The 97th Congress must give serious and focused attention to the productivity problems of this Nation. Capital formation and tax policies play a significant role.

[From the Washington Post, Feb. 5, 1981]

ARGUMENT FOR TAX CUT TO AID BUSINESS WEAKENED BY NEW STATISTICS

(By Caroline Atkinson)

Late last year, the federal government published without fanfare a new set of economic statistics which suggest that, as a nation, we are thriftier and much less self-indulgent than we have been taught to think in recent years.

The critics say reprovingly that we have abandoned the worthy tradition of investing to build for the future, and become a nation of undisciplined consumers, spendthrifts. Their favorite answer: business should be given a tax cut to encourage it to invest again.

The new figures, however, show that business investment in recent years has been much higher than previously thought—indeed, that its share in the nation's total output of goods and services has been bigger in the last five years than at any other time since World War II.

Far from "embark(ing) on the dangerous path of consuming its own capital and living off its own savings," as David A. Stockman, director of the Office of Management and Budget, said last week, the nation has put aside more of its income into investment in the last few years than during the 1950s or 1960s.

Last year, for example, total investment (apart from housing) accounted for 11.3 percent of the nation's gross national product. In 1970 the proportion was 10.5 percent, in 1960 it was 9.6 percent and 10 years before that it was 9.5 percent.

On the latest figures from the Commerce Department, investment was 6.1 percent higher on average in each of the last 10 years than previously thought. In 1979 it totaled $279.7 billion, up by $25.8 billion, or nearly one-tenth, from the previous estimate. The pre-Christmas revisions thus wiped out in one shot much of the rationale for a big tax break for business—although this remains part of the tax program of the Reagan administration and congressional Democrats alike.

A major reason for the revisions was the discovery by the Commerce Department that a chunk of investment in leased equipment was not being recorded. Firms have invested more and more money by leasing equipment, rather than buying it, as high inflation has given this a tax advantage.

A new survey of business spending on plant and equipment also showed officials that the old benchmarks they had been using from the previous survey were too low.

Personal savings were revised upward in December, too, largely because of an increase in the figures for personal incomes, unmatched by a spending rise. The income rise came mainly from higher than estimated interest payments. Money has poured into higher yielding deposits such as money market funds and savings certificates, as these have become available to small investors.

Some people say that despite this impressive investment record, America still needs to spend more on building up capital. They argue that the country has to gird for a faster-growing labor force; to compensate for mandated investment in "nonproductive" areas such as pollution control, and to replace energy inefficient plants and equipment. But this is a call for more investment than ever, not for a return to a glorious past.

Moreover, it is far from certain that the tax breaks suggested would actually bring forth much more investment, let alone a big rise in productivity, even though they are very generous.

If the accelerated depreciation proposals backed by President Reagan during the election campaign are enacted, business tax liabilities would be more than halved by 1985. Business will almost certainly come off much better out of the coming tax bill than individuals, although corporations already shoulder only a small proportion of the total tax burden.

Many economists, however, doubt the arguments for such a cut in business tax. Congress and the rest of the political establishment appear to be convinced that lower corporate taxation will lead to more investment and that more investment will give a big

boost to productivity (and a helping hand in the fight against inflation).

But neither of these linkages is proven. Productivity experts Edward Denison and Lester Thurow, for example, believe that investment has very little to do with the recent slowdown in productivity growth.

And economists Robert Eisner and Robert Chirinko of Northwestern University concluded from a recent study for the Treasury's Office of Tax Analysis that "one can get almost any answer one wants as to the effects of tax incentives" from economic models.

Eisner earlier carried out a survey of business reaction to the investment tax credit. He found "while business welcomes the tax reduction," firms said they "buy little or no additional equipment as a consequence of the tax credit."

Tax experts in the Treasury do not agree on the likely effects of more generous depreciation or other aids to business. But even those who believe that there is a measurable boost to investment from tax incentives do not, on the whole, believe that it is the major determinant of how much business invests. A boom in the economy is a more reliable way of encouraging firms to expand.

Joseph Pechman of the Brookings Institution pointed out in a recent article that "the major constraint on investment in current conditions is the decline in demand." He added: "A three-year period of recession and catch-up would reduce investment by a third to half a year's worth of investment. I know of no technique, tax or otherwise, that would raise investment by that amount over the next three years."

Pechman comes down in favor of some kind of business tax break this year although he warns against exaggerating its potential effect on investment or productivity. "Most analysts agree that an increase of one percentage point in the ratio of investment to the gross national product—about $28 billion in 1981—would generate a 0.2 percentage point increase in the annual rate of productivity growth."

This is only a modest payoff from a huge tax cut. It also depends on the unlikely assumption that all of the tax cut goes into more investment.

It is often claimed by lobbyists for business tax cuts that overseas governments treat their firms more generously, thus helping them to compete more effectively against American business. But a recent study of how business is taxed in eight major countries shows a very different picture.

The industrialized country that consistently has the lowest tax or biggest subsidy on investment is Britain, according to a study by International Monetary Fund economist George F. Kopits. But Britain also has probably the worst productivity record.

Meanwhile West Germany and Japan, the two countries whose economic performance Americans would most like to emulate generally tax their firms much more heavily than does the United States.

The business tax proposals endorsed by Reagan would shoot the United States to the top of the list of countries subsidizing investment. The 10-5-3 proposals, which classify all assets into one of three groups to be written off over 10, five, or three years, would cut a huge $60 billion from corporate taxes by 1985, according to congressional estimates.

And, Kopits estimates, of the eight countries studied, the United States would then have the most generous tax treatment of investment in each of six major classes of assets, with an effective subsidy, rather than a tax, on investment of all kinds.

The United States now has the second-largest subsidy on investment in four out of the six groups: transportation equipment, electrical, and non-electrical, machinery, and other producer durables. Britain has the largest. In the other two groups, nonresidential buildings and other construction, the United States ranks sixth and third in the generosity stakes.

Even if Congress ends up passing the cheaper version of 10-5-3 that was approved by the Senate Finance Committee last summer, Kopits estimates that American business will be better off than most. The subsidy rate on transportation equipment will be the highest among the eight countries; that on the two types of machinery and the "other producer durables" category, the second highest; and that on construction, the third highest.

[From Business Week, Apr. 20, 1981]

WHITTLING AWAY AT THE CORPORATE TAX BURDEN

(By Stuart Jackson and Norman Jonas)

With little lamentation and hardly any notice so far, the corporate income tax is well on its way to extinction. In 1960 it accounted for more than 23% of all federal revenues; after a succession of business tax incentives starting with the Kennedy-Johnson cuts, it dropped to a share of roughly 14% throughout the 1970s, bottoming at 12.4% last year (chart). If President Reagan has his way, by 1986 the corporate income tax will provide a scant 7.7% of Washington's receipts, and top Reagan Administration officials would like to reduce this proportion even further.

If businessmen have not been jubilant about this trend, it is because corporations have absorbed a big increase in effective tax rates in recent years as a result of inflation, to say nothing of such government-imposed costs as antipollution controls. According to Harvard University economist Dale W. Jorgenson, the effective corporate rate jumped to 25% this year from 13.5% in 1977, almost entirely because "a doubling of inflation and interest rates has substantially eroded the value of capital consumption allowances."

As depreciation write-offs have lost their value as a way to replace capital because of chronic inflation, business has responded with a drive for such sweeping reforms as the 10-5-3 tax plan, which the Reagan Administration has essentially adopted as its own in what it calls the Accelerated Cost Recovery System (ACRS). This write-off schedule would virtually break the traditional link between the economic and tax lives of business assets and, in theory, permit capital allowances to cover today's inflated replacement costs.

DEMISE PLANNED

By the Administration's own calculations, the revenue impact of its plan is huge—a drop of almost $60 billion by 1986. Some of this would go to unincorporated businesses and individuals, but the effect on corporations would hold corporate tax collections, in nominal dollars, to $72.8 billion in 1986, up only $8 billion from the 1980 level. In inflation-adjusted dollars, this would represent a substantial decline. At the same time, total budget receipts will be rising to $940 billion from $520 billion, according to the Reagan scenario.

The Administration makes no bones about its intention, beyond 10-5-3, to reduce the corporate income tax drastically. Says Norman B. Ture, Treasury Under Secretary for tax and economic affairs: "There's a huge philosophical sentiment to get the corporate tax out of the system." In addition to liberalized depreciation, Ture says that a direct cut in corporate tax rates "is on the list" for a future tax package, along with liberalized dividend treatment and tax incentives for research and development.

While these moves would, indeed, bring the demise of the corporate income tax much closer, even Ture has a few misgivings about the way it is being done. "It would be preferable not to do it piecemeal," he says, noting that the Administration intends to make "a serious investigation" of proposals to integrate the corporate and personal income taxes. Integration is a method of eliminating the double taxation of corporate profits and dividends and is already in effect in several other industrial nations.

The problem with the piecemeal approach, as most economists and quite a few executives have noted, is that the overall benefits of corporate tax reduction may be distributed very unevenly, with many capital-intensive companies wiping out most of their federal tax liabilities while others gain little. Says Jorgenson: "At current inflation rates, ACRS would reduce the effective tax rate on assets acquired in 1981 by industry in general to a negative 16%" but it would nonetheless widen the current disparity in tax rates among different assets and industries.

TAX SHELTERS

While many businesses have begun lobbying in Congress to narrow these disparties, tax experts see another potential problem in cutting corporate taxes by beefing up depreciation. Some fear it could generate a new tax-shelter game, encouraging investments on the basis of tax advantage rather than economic justification. Businesses with write-offs to spare might scurry to buy nondepreciable assets, such as land and financial claims, or racing into curious mergers and acquisitions—all to shelter income.

Despite all the problems of the ACRS and other ideas for speeding up capital recovery, Congress seems determined to produce a depreciation reform bill this session. The final version is almost certain to be less generous than the Administration proposal, but it will mark another long step in the direction of eliminating the corporate income tax.●

SALUTE TO REPUBLIC OF ITALY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. RODINO. Mr. Speaker, I want to salute the Italian nation and its people as they celebrated yesterday, June 2, the 35th anniversary of the founding of the Italian Republic.

Like all Americans of Italian descent, I take pride in my heritage, and I am particularly proud of the role that democratic Italy plays in modern Europe. I served during World War II with the 1st Armored Division of the U.S. Army in Italy, and when the war ended, I became involved in a letter-

writing campaign from the United States as Italy elected its new Parliament. At a time when totalitarianism was taking hold in other parts of Europe and around the globe, the Italian people made a commitment to rebuild their nation into a strong democratic state.

The principles that were established in Italy in 1946 have girded that country in confronting much difficulties in the past three decades—a struggling economy, high unemployment, social unrest, and incidences of domestic terrorism. In meeting these adversities, the Italian people have demonstrated the same creativity and character that gave the world Michelangelo, Botticelli, DaVinci, Verdi, Puccini, Galileo, Marconi, and Fermi. The accomplishments of these and other Italian artists, composers, authors, and scientists have helped to shape the face of Western civilization, and we in America are fortunate to share in this rich culture. The contributions of Americans of Italian origin in the fields of science, medicine, education, law, and the arts have continued this tradition and enhanced our Nation's culture.

On this 35th anniversary of the Italian Republic, I join all Americans in paying tribute to the Italian nation and its people in the spirit of friendship and appreciation.●

INVESTING IN PUBLIC INFRASTRUCTURE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. HAMILTON. Mr. Speaker, I insert my Washington Report for Wednesday, June 3, 1981, into the CONGRESSIONAL RECORD:

INVESTING IN PUBLIC INFRASTRUCTURE

A large portion of a Congressman's time is spent helping local public officials to improve streets, highways, bridges, sewers, water systems, harbors, and ports. In recent years, I have detected a growing interest among Hoosiers in the need to upgrade this public "infrastructure." Rarely do I meet with Hoosier public officials who do not express their concern to me about the neglect of public infrastructure.

Extensive segments of the interstate highway system are badly deteriorated. One out of every five bridges in the country is in need of total rebuilding or major repair. Water mains in the nations's largest cities are riddled with leaks. Poorly maintained track is causing derailments of trains and delays in shipping. Coal ships languish outside crowded ports. These are all evidence of the decay of public infrastructure. It is helpful to think of public infrastructure as durable goods that are purchased for the nation's communities, very much like the durable goods—cars, refrigerators, homes, and so forth—that are purchased for private use. The public assets, just like the private, will wear out and break down if they are not cared for. However, as public infrastructure decays, communities become less desirable places in which to live and work.

Given our interest in revitalizing the economy, these matters take on added significance. Studies have revealed that public facilities are almost always more important than tax breaks or other incentives when businesses decide where to locate. We have been too narrow in our understanding of the types of investment the economy needs. While we must stimulate investment in the private sector to strengthen the economy, we also have to make an equally important commitment to rebuild and repair the public infrastructure needed to support economic growth.

Although there are many causes of decay of public assets, two stand out. The first, and more obvious, is time. All structures wear out eventually or become outdated as the years go by. Some water systems now in use, for example, were built in the 1800's, and some bridges currently in use were never designed to handle the volume and weight of today's traffic. The lack of investment in maintenance is a second factor. There has been a decline in investment in public works since the mid-1960's. In terms of gross national product, spending for public works fell from 3.6% in 1965 to 1.7% in 1979. In terms of constant dollars, spending for public works was less in 1977 than it was in 1963.

Several reasons for the neglect of public infrastructure have been discussed. During the last two decades, society tended to concentrate on spending for social services. Inflation and the desire to restrain the rapid growth of government meant that improvements would cost more, that there would be a limited amount of money for them, and that governments would postpone spending for public infrastructure to meet many other demands. The neglect can also be attributed to a sluggish economy, an energy crisis which reduced the gasoline tax revenues used to maintain roads and bridges, and a shift in population which cut into the tax base of many governments. Congress cannot evade its share of responsibility. Several critics blame the fragmentation of jurisdiction among various committees, the bias toward new construction in may federal programs, and the absence of a national policy on public works.

The decline of public infrastructure is not a new problem. Evidence of it has been accumulating ever since the mid-1970's. Further inaction will make the job of rebuilding and repair more difficult and costly, yet we procrastinate. Moreover, we should be aware that about 20%, or $16 billion, of our annual appropriation for public works is used to finance the costs of delays in construction—a major waste of scarce public capital. The main reason for the delay is the enormously complex regulatory structure that has been put in place since the mid-1960's. While this structure reflects a diverse society whose competing interests must be balanced, its impact shows the need for regulatory reform.

When policy makers discuss how best to remedy the problem of decay of public assets, one of the most popular suggestions is a greater reliance on user fees. User fees can be used as added leverage for borrowing to help finance some maintenance, repair, and construction. Unfortunately, today's high interest rates make it hard for smaller communities to exercise this option. Expanded private operation of public facilities has been used to some degree in such areas as transit, education, and sanitation. The drawbacks of this option, however, appear whenever there are disagreements about rate increases, contract provisions, or methods of monitoring the quality of services. Other ideas abound, but none addresses the most critical issue: how to generate public support for measures that go against the current mood of fiscal restraint. The public must be persuaded that a sound economy and a good infrastructure are inseparably linked.

We cannot continue to follow a policy of "build it and forget it." The longer we delay the restoration of public infrastructure, the harder and more expensive the task will be. America's private economy is nourished by public infrastructure. Starving the infrastructure will surely keep the economy from growing.●

WILLIAM A. "BILL" WHITE

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. GRISHAM. Mr. Speaker, it is my pleasure to bring to the attention of the House the accomplishments of a personal friend and outstanding citizen, William A. "Bill" White.

Bill will be retiring this month after 32 years with the Los Angeles Unified School District. During that time he used his skills and experience to educate and to train our Nation's most precious resource, our youth.

As a former New York Yankee farmhand, Bill got the firsthand experience needed to be a teacher of physical education, passing on his knowledge to the students of Los Angeles County. He expanded his role and became a teacher of driver education as well.

By no means were Bill's activities limited to the school system. For 10 years he served on the Southeast Parks and Recreation Board. Many residents of my home district know Bill best as the top baseball umpire in college ranks and the high school leagues.

In devoting his life to his community, Bill has fulfilled the ideal of an outstanding American. I am sure that this Congress, along with Bill's wife Sandy, his sons Danny and Billy and daughters Laurie and Susan, join me in saluting a model citizen. We all wish Bill best of luck in the years ahead.●

REAGAN STALLS RICH-POOR TALKS ON TRADE, AID, RESOURCES, FUEL

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. SIMON. Mr. Speaker, the Christian Science Monitor has a discouraging article written by Louis Wiznitzer

titled, "Reagan Stalls Rich-Poor Talks on Trade, Aid, Resources, Fuel."

The article quotes a Western diplomat as saying:

What this administration is really saying is that it intends to use naked power to further its interests in the Third World; that sounds very much like Russia.

If we think we are being politically sophisticated by being insensitive to the hopes and aspirations of the developing nations and the world's poor, we are not showing sophistication we are showing shortsightedness.

I hope that as the new administration considers what it should be doing in the world of foreign affairs that in our foreign diplomacy that some wisdom and compassion will modify what appear to be incredibly shortsighted policies.

I am inserting the Christian Science Monitor article in the RECORD at this point:

REAGAN STALLS RICH-POOR TALKS ON TRADE, AID, RESOURCES, FUEL

(By Louis Wiznitzer)

UNITED NATIONS, N.Y.—"You have done to us by land what you did to us last month by sea," said a Latin American diplomat to the US delegation after the Reagan administration announced its decision to pull out of the North-South dialogue.

The United States effectively blocked the United Nations Law of the Sea Conference in April by pulling out just before the conference was about to begin its work in New York. Last week the US informed the United Nations General Assembly that it would not participate in projected global negotiations on trade, raw materials, energy, finance, and development until it had reviewed its position on these matters. This review is not expected to be completed before October. The latest US blow to the third world (and to lesser degree to its Western allies) stunned the representatives of the world community at UN headquarters.

The North-South dialogue between industrial and developing nations has not brought about a new economic order as the world's "have-nots" had hoped, but it has made some progress and led to some concrete results, advantageous to both rich and less-developed countries (LDCs), such as:

The creation of a Common Fund aimed at stabilizing the prices of raw materials.

The rescheduling (in the cases of some of the poorest countries, the canceling) of LDC debts.

Last fall, the dialogue ran into a snag when the US adopted a rigid stance on the competence and the mandate of a projected global negotiations conference. The industrial nations and particularly the US wanted the negotiations on economic problems to take place in specialized agencies such as the International Monetary Fund (IMF), the General Agreement on Tariffs and Trade (GATT), and the World Bank, where they play a leading role. The LDCs wanted the conference to be responsible for all phases of the negotiations.

Baron Rudi von Wechmar, West Germany's ambassador to the United Nations and president of the General Assembly, managed to work out a compromise formula that proved acceptable to all member states except the US. It attempted to placate US fears that the UN might take over the IMF and dictate its economic policies to the US government.

Since the beginning of the year Baron von Wechmar has continued his consultations with representatives and high officials of two dozen countries (selected because of their regional or political importance or because of their wealth) and had hoped to hammer out an agreement before the summer.

Global negotiations would have lasted for several years in any event before producing concrete arrangements. The negotiations would have helped in the meantime to avoid acrimonious recriminations by the LDCs against the rich countries and might have helped to narrow the political and philosophical gaps between them. By including energy among the items to be negotiated, the LDCs had made a major concession to the industrial nations, which otherwise would not have agreed to discuss the other items.

A senior diplomat of a Western country admitted to being dismayed: "It is clear to us that the new [Reagan] administration, for ideological reasons, has decided to concentrate on the East-West rivalry and to ignore the South. We are now convinced that come the end of the year, having finished its review of its relations with the third world, the U.S. will announce that it will not participate in the global negotiations. There is even some doubt as to President Reagan's intention to attend the summit conference in Mexico to be cohosted by Mexican President López Portillo and Austrian Chancellor Bruno Kreisky in October."

The Reagan administration has made no secret of its belief that U.S. interests are best served by concentrating on bilateral rather than multilateral economic relations with the third world and by allowing U.S. private interests rather than the U.S. government to assist these countries.

High U.S. officials have said more than once that they don't believe in silencing regimes hostile to the U.S. In fact, one U.S. official privately told newsmen last week that "the Reagan administration will determine whether to aid a country or not according to the way it votes at the U.N."

Most experts recognize, however, that private enterprises are not likely to invest in poor countries such as Bangladesh, Mali, Somalia, and others. "What this administration is really saying is that it intends to use naked power to further its interests in the third world; that sounds very much like Russia," said one Western diplomat.

The sudden U.S. turn on the North-South dialogue not only surprised countries such as Venezuela, Mexico, Brazil, India, Nigeria, Pakistan, and Egypt, but also U.S. allies.

Although West Germany, France, Japan, and Canada are not prepared to turn the existing international economic system upside down and hand their national wealth over to the poor, they do want to meet some of the needs of the LDCs and to pursue a productive dialogue with them.

"We do not despise the third world and we know that we need it just as it needs us. We shall now try to reason with the Reagan administration and persuade it to participate in global negotiations after all. But if we fail then, even though we don't like it, we would have to find ways to pursue the North-South dialogue without the U.S., perhaps through major regional agreements," says one Western treasury official.

"What is at stake in the North-South dialogue is not just economics. It is politics in the broadest sense, it is geostrategic stability," says West Germany's von Wechmar, who vows to pursue his efforts toward a dialogue in the face of a U.S. snub.●

THE REAGAN PROPOSAL: TO PROTECT SOCIAL SECURITY OR BALANCE THE BUDGET?

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. COTTER. Mr. Speaker, the public outcry against the Reagan social security proposal stems from the perception by Americans that the draconian proposal was aimed primarily at creating a budget surplus and secondarily at saving the social security system.

It is well known that the social security retirement fund will experience cash flow problems by the fall of 1982. We must act to resolve this problem, but the Reagan proposal to save $46 billion in the next 5 years was clearly an overreaction to the budgetary pressures. Most of these savings come as a result of immediate and drastic reductions for early retirees, survivors, disabled workers, and their families.

The firestorm of public protest over these cuts constituted an intuitive understanding that they went far beyond what is necessary to resolve the problems facing the social security system. Even people who are not aware of the problems facing the system—and there are serious problems—do not condone an immediate and massive reduction to social security benefits. Under the Reagan approach, an early retiree next year would suffer a reduction of $156 a month because of a new formula.

The most disturbing aspect of the Reagan proposal is its apparent treatment of social security as some nonessential program rather than one into which individual workers had contributed throughout their working careers. The Reagan proposal is perceived as a violation of his commitment to the concept of a social safety net which he articulated while ordering his Federal priorities.

The overwhelming public condemnation of Reagan's social security proposal indicates that any changes to the program must be made with a sufficient lead size and these adjustments must be minimized by spreading the impact on more than one group of social security recipients. To do otherwise would be unfair and wrong.

I am glad that President Reagan has announced his intention to seek a bipartisan alternative to these discredited recommedations. It is clear that the social security system must be strengthened and restructured, but any changes must be done with sensi-

tivity to current and future recipients and taxpayers.

Significant benefit changes, for example, should be made on a prospective basis so people have an opportunity to adjust gradually. As a member of the Social Security Subcommittee, I will work with the Reagan administration to find an equitable resolution to this most important issue facing the 97th Congress.●

VOICE OF DEMOCRACY SCHOLARSHIP ESSAY WINNER

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. AKAKA. Mr. Speaker, I would like to take this opportunity to share with my colleagues the fine essay composed by my constituent, Mr. Thomas Lether. This essay was selected as the winning entry from the State of Hawaii in the voice of democracy scholarship program sponsored annually by the Veterans of Foreign Wars (VFW).

Mr. Lether is presently a senior at Baldwin High School in Kahului, Maui, and is president of his student government. Following in the footsteps of his older brother, he hopes to eventually become an attorney. Mr. Lether intends to start realizing this career goal by attending the University of Puget Sound.

Mr. Lether's essay completely epitomizes the theme of this year's competition, "My Commitment to My Country." His essay was selected as the winning State entry in a scholarship program which currrently has more than one-quarter million participants. Student participation in this competition has tripled during the past 19 years of VFW sponsorship. I would like to thank the members of the VFW for their efforts in establishing this outstanding program and also congratulate Mr. Lether on his fine entry in the essay competition.

The essay follows:

The American Nation, founded over two hundred years ago but still maintaining a sense of its beginnings, becoming the world's foremost power but still striving for greater heights. This country was founded by people looking for a better life, from the pioneers crossing the great plains to the "Huddled Masses" crowding Ellis Island. All of these patriots were leaders in their own way. Now as we are facing a third century, the United States once again cries out for leaders who are willing to commit themselves to the American cause. I shall always try to answer that call.

I consider myself to be an American, with the same and even more rights than my Forefathers. But along with the privileges come the duties and responsibilities of my citizenship. The problem is, how can a person support his country? This problem is especially fathomless to the many young people, such as myself, who are not yet able to exercise their voting rights. But I've found out that there are ways for me to participate in a democracy. The best way is for me to learn all I can about this country and the way it operates. I have always enjoyed civics and history classes. I'm presently Student Body President, a member of the District Student Council, and a member of many school action groups. Many times I have had to work closely with the State Legislature. I represented my school district as a state lobbyist when I was fifteen. In addition to giving me a sense of responsibility, I have learned much about our democratic system of government. I never really appreciated our country's Constitution until I tried to write one for my own Student Government. Now I can fully appreciate and understand the scope of what this fantastic document has to say. After learning this basic framework it is possible and probable, that I will go on to be not only interested, but also active in the workings of my country.

President John Fitzgerald Kennedy once said, "Ask not what America will do for you, but what we can do for the freedom of man." But why should I or anyone have to do something for this country? As Americans we feel free to do as we please. But as true loyal, Americans it is our duty to inspire the great American dream that so many patriots have suffered, sacrificed, and died for. Being able to inspire others is a big part of my commitment to democracy. To me democracy is a personal issue that must be achieved by each of us before it can be accomplished as a nation. Therefore, it is up to me to search for that elusive thing that is called the democratic spirit. I must lead others to do the same. My commitment to this country cannot be a part time one. It must be constant and undying. Every hour of school work, every extra student government activity leads to this goal. I feel that Americans must learn to commit themselves to the United States of America because we all need to be bound together in a new feeling of nationalism. This view of solidarity must be displayed to a world full of critics and possible aggressors. The world will continue to look to the United States for support and direction. If my actions can help bring Americans together, then I will be satisfied with my commitment to this country.

The question is, whether or not my actions will have any effect on the future of this country and her people. I feel that the future generations that call themselves Americans will need all the help they can get. If the legacy of democracy can be passed down through me, then I have served my country. I've always believed that the attitudes expressed by a person will manifest themselves in his children. If this is true then there is an unlimited treasure to be found in the future generations of Americans. I know that it is up to me to make the first move to uncover this wealth. This uncovering of the American dream is another part of my commitment. As for myself I don't look for praise, but for the knowledge that I've done my best for my country and that someone else might be willing to commit himself to democracy because of my actions or examples.

Two hundred years ago Dr. Benjamin Rush stated that, "The American war is over, but this is far from the case with the American Revolution. On the contrary, only the first act of a great drama is at a close." This country faces a future filled with many problems. Is the next decade to be the epilogue of this great drama? I don't believe so. I will always try to commit my all to the United States of America. By seeing the best that this country has to offer, and then by showing this to others, I hope to spread the cause of democracy. I wish to lead others along a path of patriotism. I feel as long as there is the spark of nationalism and patriotism, as long as people are willing to commit themselves to their country, this country can only be seeing the dawn of a great day to come.●

GENERAL FOODS OPERATION OPPORTUNITY SUMMER JOBS PROGRAM

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. OTTINGER. Mr. Speaker, in June, the General Foods Corp., will begin the 14th summer of Operation Opportunity in White Plains, N.Y. Through this innovative program, the company provides both summer employment and educational opportunity for disadvantaged youths. Operation Opportunity is an outstanding example of the private sector addressing public needs. I salute General Foods for conducting this program, and for conducting it so well.

Under Operation Opportunity, General Foods employs economically disadvantaged students from Westchester County schools at its headquarters. The students have completed at least 1 year of high school and have been nominated by their school counselors. They are given meaningful jobs such as bookkeeper, typist, laboratory assistant, or clerk.

General Foods pays them something more than the minimum wage—this summer $3.65 per hour for first-year participants and $3.75 for second- and third-year participants. But, the program is much more than a jobs program. For the company matches every dollar earned by the students in an escrow fund to support their education beyond high school.

Eighty students will participate in Operation Opportunity this year. This will bring to 471 the number who have participated since the program was begun in 1968. About 85 percent are minority members. I am delighted to report that more than 95 percent of those who have completed their participation have used escrow funds to continue their education.

Their further studies have been in various fields including medicine, business and education. One participant went on to become one of the first female graduates of the U.S. Military Academy at West Point.

Operation Opportunity has helped young Americans to raise their personal goals and to pursue these goals. Their achievements provide not only individual success stories but also sig-

nificant contributions to their communities. Thus, benefits will long accrue from this continuing act of good corporate citizenship by General Foods and I applaud them for it.●

HONORING CLEVELAND'S POLKA MUSIC MEN AND CECELIA DOLGAN AND THE SLOVENIAN NIGHT SHOW

HON. DENNIS E. ECKART

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. ECKART. Mr. Speaker, decades ago, Cleveland was the polka capital of the world. Today, millions of people still enjoy listening and dancing to polka music.

On June 8, Polka Week begins at Joey Miskulin's Lounge in Cleveland, honoring seven polka band greats. I have long been a fan of these men and their music. With thanks for the enjoyment they bring me, I would like to make their achievements known to my colleagues.

Frank Yankovic is America's Polka King since 1948. Credited with starting the polka movement in America after World War II, Frank has 2 million-selling records, the "Just Because Polka" and the "Blue Skirt Waltz."

Ohio's Polka King, Eddie "the Hambone" Habat, played his first professional polka at the age of 15 at the original Yankovic Cafe. He has made over 150 records for Decca Records.

Johnny Vadnal is Cleveland's Polka King. He has recorded more than 300 records for the RCA Victor label, including the famous "Juke Box Polka" and the "Yes Dear Waltz."

America's first daily polka disc jockey is Kenny Bass. Kenny has been broadcasting for 33 years and was named "Midwest Polka Champ" in 1952. He's made over 200 records.

Lou Trebar is America's Slovenian Waltz King. He and the late Jonny Pecon, America's Polka Prince, made over 300 records with the Pecon-Trebar Orchestras and won the Arthur Godfrey Talent Scout Show.

Joe Troli has been Frank Yankovic's writer and arranger for 45 years and has also written and arranged polka and waltz hits for other top recording bands from Cleveland.

I invite everyone who enjoys good music and good people to come celebrate Polka Week in Cleveland.

Mr. Speaker, this year marks the 10th anniversary of the Slovenian Night Show radio program. Every week, the Slovenian community of Cleveland can hear about the history and geography of Slovenia and songs around a Slovenian theme.

The host of the Slovenian Night Show is Cecilia "Cilka" Dolgan. She has sung grand opera at the Cleveland Institute of Music and with the Cleveland Symphony at Severance Hall.

Her recordings span a broad spectrum of classic folk songs, Slovenian pop hits, modern arrangements of traditional music, and old-fashioned presentations of Slovenian songs. She is director of the Circle 2 SNPJ Slovenian Junior Chorus and she prepares a cultural program twice annually.

Whether in her concerts, many benefit performances, directing, church work, or radio program, Cecelia Dolgan has used her talents to enrich the Slovenian and Cleveland communities.●

FORT HAMILTON CELEBRATES THE 156TH ANNIVERSARY OF ITS ESTABLISHMENT

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. ZEFERETTI. Mr. Speaker, on June 12, 1981, Fort Hamilton will celebrate the 156th anniversary of its establishment in Brooklyn. In its 156 years, Fort Hamilton has become vitally important to the economy of New York City, as well as to the defense of the Nation.

The site now known as Fort Hamilton was first seen by Giovanni de Verrazano in 1524, but the actual cornerstone for the fort was not laid until June 11, 1825. In 1652, the Nyac Indians gave the Dutch West India Company title to land which included what is now Fort Hamilton. Before the year was over, however, the company transferred its patent to Cornelius Van Werckhoven, who in 1657 turned the land over to Jacques Cortelyou. Cortelyou proceeded to lay out the town of New Utrecht. A blockhouse was built to protect this new community against Indians, smugglers, and pirates. With this move, the present post began to take shape.

Today, Fort Hamilton is the only U.S. Army installation in the Metropolitan New York City area. The primary mission of this command is to provide service and support to some 5,000 full-time active duty personnel who are stationed throughout the greater metropolitan area. The command also supports Army ROTC units, an Armed Forces examination and entrance station, the Long Island District Recruiting Command, and other Armed Forces activities.

Fort Hamilton will remain a keystone of Brooklyn's economy. I am very pleased that I, along with help from other members of New York's congressional delegation, was able to maintain the facility's operations, despite the Department of Defense's plan to close the post. As an integral part of our community, the fort has contributed to all aspects of society.

Mr. Speaker, Fort Hamilton is truly a remarkable military installation. It is my hope that the post will celebrate many more anniversaries of its establishment.●

WHY LIFT GRAIN EMBARGO?

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. MURPHY. Mr. Speaker, it is becoming increasingly evident that the illusion of what the Reagan administration says must be tempered by the reality of what it does, and no where is this truer than in the area of foreign policy. Recently, the Reagan administration resumed the sale of grain to the Soviet Union, that had been discontinued because of the Russian invasion of helpless Afghanistan. The Reagan administration said that sales were being resumed because it was unfair to ask the American farmers to exclusively bear the burden of American foreign policy, but instead of spreading the burden by including sales of high technology and computers, the President eliminated all burdens. Although many American farmers did not like to have the potential market for their grain reduced, they nonetheless have stoically accepted the necessity of their role in the best interests of the United States.

Why then, did the Reagan administration decide to resume Soviet grain sales? It was not because the grain embargo was ineffective. Prior to the resumption of sales, Secretary of State Haig had publicly admitted that the refusal of the United States to sell Russia grain was creating severe hardship in the Soviet Union. Last year's Soviet grain crop fell well below their projections, and they have been forced to cut twigs from trees to feed their cattle and hogs, and have reduced the size of their herds. Russia needs American grain now more than it did when the embargo was first enacted. The grain embargo is a more effective tool of American policy now than when it was first instituted.

Why then was the grain embargo lifted? It certainly was not that Russia is less belligerent and aggressive. Russian troops are still in Afghanistan, and as a matter of fact, it now appears that they intend to build permanent bases there. Russia has created a form of vassal war states who act as surrogates around the globe subverting legitimate governments in the Third World by encouraging and bankrolling terrorist movements. Cuba, Libya, and Vietnam are the most significant destabilizing forces in the world today, Many of the Cuban, Libyan, and Vietnamese troops engaged in warfare

today are eating American grain on the battlefields of the Third World.

The reason that President Reagan allowed resumption of grain sales to the Soviet Union, then, must be viewed in light of the political considerations. During the last Presidential campaign, Candidate Reagan promised to remove the Soviet grain embargo, and President Reagan is carrying through on a campaign pledge. Our national interest cannot be and must not be subverted by political considerations. When sacrifices are made, they must be meaningful; they must be consistent.

About a month ago, the Reagan administration made a decision to terminate further economic aid to the Sandinista government in Nicaragua because Nicaragua was becoming a conduit for arms to terrorists trying to subvert and overthrow the duly elected Government of El Salvador. Included in that aid was $7 million of American grain. Two weeks ago, it was reported that the American cutoff of aid to Nicaragua was being replaced by millions of dollars of foreign aid from Mexico, Libya, and the Soviet Union. Included in that aid package was $4 million worth of American grain from the Soviet Union. Resumption of grain sales to the Soviet Union is subverting American foreign policy interests.

By severely limiting access to food stamps by lowering the income levels for families of four and providing a reduced threshold of need, thereby removing thousands of Americans from eligibility, the Reagan administration has taken an antagonistic policy to the further expansion of food stamps to the American people. Once again, however, it is necessary to examine the illusion of words from the reality of deeds. Grain sales to the Soviet Union are made at prices far below the farmer's cost of production, and are, in effect, subsidized sales. The Reagan administration is not really against free food. They are just restricting food subsidies for Americans, so that a massive food stamp program in the form of subsidized grain can be established for the Soviet Union.

We must send out the message loud and clear to all the world. The United States wants to live in peace with all nations, but let no nation perceive that desire for peace as weakness. When Russia, or any nation, willfully violates reasonable standards of civilized behavior, we must show that the actions of the United States will be swift and firm. We must show that barbarous behavior will not be tolerated, and that this country still has the courage of convictions and spirit of resolve to do what must be done without concern for political considerations, without concern for the short-range effects on any one industry, but only with the goal of what is good for America. Let us draw the line here.

Actions by governments in a civilized world that were abhorrent yesterday must not be made to be agreeable today; actions that are unacceptable today must not be made acceptable tomorrow. It is with the greatest sense of urgency that I introduce a House concurrent resolution urging the President to reinstate export restrictions on agricultural commodities to the Soviet Union, and a bill that would amend the Export Administration Act of 1979, that would effectively and legislatively attain the same goals.●

CELEBRATING AMERICA'S ORIGINS

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. WILLIAM J. COYNE. Mr. Speaker, it is too easy to forget one of the miracles of America—the happy mixture of people from all over the world, working and living together with mutual respect. One of the exciting ways we remind ourselves of this miracle in my district is with our annual Pittsburgh Folk Festival.

This year, on May 21-24, we celebrated the 25th anniversary of this event in our civic arena under the sponsorship of my alma mater, Robert Morris College. It featured dances, songs, crafts, costumes, and a wonderful variety of foods from the following countries or regions of the world: Africa, Bulgaria, Carpatho-Russia, China, Croatia, England, Germany, Greece, Hispania, Hungary, India, Ireland, Israel, Italy, Latvia, Lebanon, Lithuania, Philippines, Poland, Scandinavia, Scotland, Serbia, Slovakia, Slovenia, and Ukraine.

To honor the leaders and thousands of volunteers who made this festival such a happy and successful demonstration of America's rich cultural heritage, and to inspire other communities to keep the memory of our origins alive, I wish to share with my colleagues the history of the Pittsburgh Folk Festival as described in the silver anniversary program:

PITTSBURGH FOLK FESTIVAL HISTORY, 1956-81

The Pittsburgh Folk Festival story may have been told and retold as one reads the histories of the various paricipating nationalities. Many of the original groups of that first Festival in 1956 have been a part of the ongoing program but only seven have taken part in all twenty-five years of activity. Thus, we are honoring these groups for sustaining their steadfast commitment to the Festival. They are: Bulgaria, Croatia, Greece, Lebanon, Lithuania, Scotland and Ukraine.

The story of the Pittsburgh Folk Festival had its beginning in 1955 when Rev. John Schlicht, C.S.Sp., Chairman of the History Department at Duquesne University, visited the Festival of Nations in St. Paul, Minnesota. He was impressed with the concept and felt that this type of presentation was a natural one for Pittsburgh, a city that has always prided itself in being a conglomerate of nationalities. Father Schlicht contacted Richard Crum who was then choreographer for the Tamburitzans and who also had served as a member of the staff of the St. Paul Festival years ago. Dick was to become a constant partner of Father Schlicht as they visited the many clubs, churches and nationality halls in and about the county. Plans were formulated, commitments were made and the time and place for the 1956 Pittsburgh Folk Festival was established; time—June 9 and 10, place—Syria Mosque, groups involved—eighteen. The attendance was substantial for the Mosque. It was obvious that the idea was going to take off. Success was assured. Many of those who served in the various Chairmanship positions are gone now, but they left behind an invaluable legacy of culture and heritage—The Pittsburgh Folk Festival.

In the formative years of the Festival the present directing staff, Director Charles R. Cubelic and Program Director Nicholas Jordanoff were a part of the Tamburitzans; Cubelic was Assistant Director and Jordanoff was a student performer. They both served in various capacities with the Festival—musician, dancer, assistant and general helper. They really served their apprenticeship well, having learned from the masters.

The years have passed quickly. Innovation and change have become key words for the Festival, from two days in the Syria Mosque, an audience of 7,000 to 8,000, the Festival has grown to a four-day extravaganza in the Civic Arena and an audience of 60,000 to 70,000 people.

Symbolic of the Festival was the adoption of the pipe-smoking little man, who has become the logo for the Pittsburgh Folk Festival. Created in 1964, he has remained with the Festival through all these years. His dress really epitomizes the meaning of the event because he is made up of many nationalities. He truly repesents our theme, "Unity in Diversity."

The continuing success of the Festival can be attributed to its flexibility, its integrity, its authenticity and its resistance to commercialism. Over the years the nationalities have been able to meet the need for change and have thus contributed to the overall stength. We have changed theaters; we have changed program format; and we have been able to expand to all areas of the Civic Arena.

Each of the nationality groups, with the guidance and support of the Directors and their staff, strives to maintain a high level of artistic integrity and ethnic authenticity. Preparation for the Festival has become a year-round activity—research, rehearsals, cooking, baking, crafts, costume-making and the acquisition of folk art for display. All of these activities provide powerful motivation to the groups in maintaining their ethnic identities and keeping alive their songs, dances, recipes and customs. Perhaps that has been the greatest gift of the Festival: the survival and continuing vitality of the nationality groups. Without the impetus of the Festival, how many of them would have "melted away"?

We look forward to the next twenty-five years of Pittsburgh Folk Festivals—to the hard work and the joy—to the camaraderie and the friendships—and the sense of wonder which makes each program as exciting as the first. May we all continue to come together to share and display the many

colorful facets of our multi-cultural community.●

KENDALL REFINERY'S 100TH ANNIVERSARY

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. CLINGER. Mr. Speaker, I would like to take this opportunity to acknowledge that during July of this year, Kendall Refining Co. of Bradford, Pa., will celebrate its 100th consecutive year of productive existence. As Representative of the 23d District of Pennsylvania, I take great pleasure in extending my personal congratulations before this, the 97th Congress.

This fine company, founded just 22 years after the drilling of the first domestic oil well, has consitently offered high quality petroleum products and innovative technology to the U.S. market. Throughout periods of prosperity and depression, Kendall Refining has remained a vibrant and productive enterprise. This fact, in and of itself, is sufficient reason for congratulations, but more can be said for this outstanding corporation.

Kendall Refinery had remained in the town of its birth, Bradford, Pa., at a time when many industries were moving to large industrial centers. By remaining in the Bradford area, Kendall has provided hundreds of badly needed jobs, either directly or indirectly. This type of community service puts Kendall Refinery and its operators in a class with the great companies of our Nation, and I am proud to honor them today.●

CUTTING THROUGH THE TAX CUT THICKET

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. LeBOUTILLIER. Mr. Speaker, the subject of taxes is complex and not easily understood by the public. It is the duty of the media and those of us in government to communicate the facts and probable effects concerning the administration's tax cut proposal. A good example of effective communication is seen in the following editorial by Herbert W. Stupp.

The editorial indicates that there are historical precedents for the success of tax cuts in stimulating the economy during periods of high tax rates. In light of these precedents, the Kemp-Roth plan, rather than drying up revenues for the Federal Government, should result in increased revenues at all levels.

I would like to bring to the attention of my colleagues a recent editorial on this issue that was broadcast on New York's WOR-TV.

[The editorial is reprinted below:]

TAX CUTS FIRST

It used to be that legislators were rarely willing to cut spending, but often eager to cut taxes. Congress has passed most of President Reagan's rollbacks in projected spending. But oddly, his income tax plan is meeting opposition. That plan, known as Reagan-Kemp-Roth, calls for cutting personal income tax rates across the board by 30 percent over three years.

First, you should know that you are facing massive tax increases approved by the last administration and Congress. A family earning $15,000 in 1980 will have at least a 56-percent increase in taxes by 1984, unless something is done. The President's plan would simply reduce the increase in store for us.

Some fear that tax rate cuts will dry up revenue for the federal government and force more budget cuts. But history proves that if tax rates are too high, cuts can result in actual revenue gains. The Kennedy tax cut of 1964 did that, as did the cuts in the 1920's. New Yorkers should know this best of all. The Carey and Koch inspired tax cuts have resulted in more, not less, revenue for the city and state. This happens when tax rate cuts encourage people to invest, save and work more, creating gains in real income. So strangely enough, lower taxes could mean more money for needed programs, instead of further budget trimming.

The President's three-year tax rate cuts will give needed incentives to millions of Americans. And that could get our economy rolling again.●

A REAGAN BLUNDER

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. PAUL. Mr. Speaker, it has become commonplace knowledge that the Wall Street Journal has the best editorial page in America. On Wednesday, June 3, we can see again why this is so.

I would like to call the Journal's eloquent statement on the World Bank, and why we should not expand its funding, to my colleagues' attention.

More money for the World Bank and its affiliates violates the principles of the Reagan platform. The Senate and the House Banking Committee have already approved these big spending and loan proposals, at a time when average Americans cannot get a home mortgage. The House should block this inflationary foreign aid, as the Journal recommends.

The article follows:

A REAGAN BLUNDER

President Reagan has put up a good fight on the budget these past few months. The main action has centered on defense and domestic programs, and Mr. Reagan, as we see it, has hewed admirably to principle in the face of political pressure. So we can only conclude that it was the distraction of the main fight that caused Mr. Reagan to blunder so badly on the question of what to do about the World Bank.

Mr. Reagan blundered when he allowed his administration to be maneuvered into backing a big increase in World Bank funding. Backers of the legislation call it a measure to permit the U.S. to "continue its active role" in the World Bank and other so-called multi-lateral lending agencies. But that's misleading. The U.S. will continue its active role whether or not new funding passes. What the current bill would do is ram through an enormous expansion of these agencies that was negotiated by President Carter.

We bring this up now because the question is at a critical stage in Congress and because a tremendous amount of money is involved. The expansion that will be voted on in the coming week or so would cost the U.S. $4.67 billion in cash over three years, most of it for the World Bank's soft-loan affiliate. There is another $8.1 billion in pledges to bail out the bank if its other loans go bad, through purchases of its callable capital.

The irony is that the real stalwarts of this administration have been on the right side of this issue from the beginning. The transition team delivered a fine report, recommending that the administration not proceed with the expansion of the World Bank in 1982 and withdraw the Carter administration's request for $3.24 billion in contributions to the sixth replenishment of the International Development Association, as the Bank's soft-loan affiliate is called.

These recommendations were echoed by Mr. Reagan's budget cutters at OMB, who proposed renegotiating the contributions at half the Carter levels. This sent the State Department and World Bank lobby into a panic. OMB had to compromise. And before long, the Deputy Treasury Secretary, Mr. McNamara, was up on Capitol Hill mouthing phrases about "complex international negotiations," about "the leadership role of the United States" and about the importance of being "able to deliver on such international agreements." In other words, the U.S. should lead not by addressing the merits of the issue but by bowing to the sentiments of the international crowd.

The result is that these authorizations have squeaked through some committees and could come up for a vote in the full Congress soon. They would open the floodgates for massive lending for exactly the sort of programs in other countries—nationalized railroads, co-operative lending, government subsidies to mass transit, government meddling in oil and gas production—that the administration is fighting so valiantly to unravel at home.

Wrongheaded lending programs are the real problem with the World Bank, and the administration understands the point. It has initiated a major study to open the whole question of whether these multinational institutions have been serving not only U.S. interests but the interests of Third World borrowers. It seems silly for the administration to rush in with the billions now up for a vote—without waiting for the results of its own study of whether the investment is wise.

So as Congress pursues the reconciliations required by the Gramm-Latta resolution, it would do everyone a favor to look at the World Bank and affiliated agencies. The House Banking Committee will have the opportunity when it tries to meet the directive to cut $13 billion from a section of the budget that includes both World Bank

funds and money for housing subsidies here at home.

There will be those who argue that we have a commitment here to other shareholders in the bank, such as West Germany and Japan. It was, however, made crystal clear to other shareholders that any new U.S. subscriptions could be only tentative without congressional authorization and appropriation. The administration has no more obligations to these programs than to SALT II or Law-of-the-Sea. It does have a commitment to the American voters to fight against precisely this sort of spending.●

BATTLE MONUMENT GRADUATES 14 YOUNG MEN AND WOMEN

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. LONG of Maryland. Mr. Speaker, it will be my privilege this Friday, June 5, to address the graduating class of Battle Monument School in Dundalk, Md.

The 14 young men and women who are being graduated on Friday have worked especially hard for their graduation certificates, for each has waged a personal battle to conquer his limits, expand his horizons, and become a productive member of our society.

These young people have benefited from the revisions in Federal and State policy toward educating our young people who have specific handicaps. Their fellow students, who range in age from 3 months to 20 years, will benefit from the examples these 14 have set as they prove that ability, not disability is what counts.

I also congratulate the parents; families and teachers of these graduates. Their love, support and patience will be rewarded on Friday as each student steps forward to receive his or her certificate.

I know my colleagues join me in congratulating David Wayne Bland, Brandon David Bowman, Clarence Wendell Cox, Jr., Lisa Jenkins, Joyce Dean Koneyak, William Mack Krouse, Jr., Michele Gail Michael, Lisa Jo Moore, Thomas Ray Perry, Rita Lynn Piniecki, Donna Marie Schaaf, Cynthia Colleen Sheppard, Martha Squires, and Russell Timothy Vales.

Our best wishes go to each of these young people for a productive and prosperous future.●

ISSUES RAISED BY SUBJECT OF SEX EDUCATION

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. SHUMWAY. Mr. Speaker, Fairfax County, Va., where I live while I am here in Washington, has just adopted a new program of sex education. Since my children are in the Fairfax County schools, and since I have had some experience with sex education programs in California, I would like to address some of the issues raised by this touchy subject.

There is an old story about the way to change lead into gold. What you do is wrap the lead up in a piece of paper, unwrap it, and their is your gold. Except that, while you are doing it, you must not think of the word "rhinoceros." Obviously, you cannot do it. The subject of sex education is a little bit like that. What you want to accomplish through sex education cannot be accomplished, because the process itself affects the student in a way that produces results opposite to what is desired.

Why do we want to teach sex education? So that children will know how to have babies when they grow up? Of course not. People have been having babies for thousands of years without sex education, and there is no evidence at all that they are better at it now than they were before we had sex education.

So that teenagers will stop having sex? That may well be the pious hope of some parents who accede to suggestions that we have sex education in the schools. But again, the evidence is all against the proposition. Everything I have seen on the subject shows a positive correlation between sex education and increased sexual activity among teenagers. Now I am not naive enough to conclude automatically that it is sex education that is causing the increased teenage sexual activity. But the correlations are so strong, and there are so few exceptions to the trend, in fact none that I know of, that a person would have to be very gullible to promote sex education as a solution to teenage promiscuity.

Well then, how about sex education so that when our teenagers do have sex they will not get pregnant, or will not get venereal disease? It is certain that a large number of the proponents of sex education do make exactly that argument. "The kids are doing it anyway," they tell us, "so we might as well help them keep from getting hurt by it."

This line of argument is particularly attractive to school administrators and other government officials who are prohibited by legal activists and by Federal judges from saying a word about the morality of premarital sexual activity.

This line of argument suffers from two defects. It is vulnerable again on the evidence: Sex education correlates very well with increased pregnancy and with incidences of venereal disease. In other words, there is no evidence whatever that sex education keeps kids from becoming pregnant, or keeps them from contracting venereal diseases, with often tragic consequences. It is true that in some cases birth rates decline, but only as abortion rates climb. Rates of teenage pregnancy invariably rise with increases in sex education.

This line of argument also has the dubious distinction of promoting, by implication, the acceptability of teenage sexual activity. There is simply no way, Mr. Speaker, that sexual activity by teenagers can be dealt with calmly and matter of factly by parents and/or schoolteachers, without conveying to the teenager the idea that such activity is expected, and in some measure condoned. Parents who claim that their teenagers do not engage in sex are called naive by school counselors, and the teenagers themselves are often regarded by teachers as backward, repressed, and appropriate targets for consciousness raising.

If one attends school board meetings on this subject, or reads the literature on sex education, one hears the following argument in support of increased sex education: "We need to give our children all the relevant facts, so that they can make decisions responsibly and rationally."

Now this appeal to reason is very hard to combat. Everyone is in favor of reason and responsibility. But what is happening here is the extraction of a code of activity from any kind of moral or ethical matrix. What we do is teach children the various ethical systems, and then tell them to make their own decisions.

Specifically, we have to teach them that, while many people, probably including their own parents, think that premarital sex is morally wrong, there are others who do not agree. These others argue that so long as sex is set in a loving, caring context, there is nothing wrong with it, so long as "no one gets hurt." The way to see that no one gets hurt, of course, is to use various prophylactic methods against conception or venereal disease. Under those circumstances, one may indulge in sex provided one is "ready for it," or "able to handle it now."

Theoretically, of course, we should teach them that there are still others who argue that sex is natural and desirable at any age, and that if they are not indulging in it as teenagers there is something wrong with them. These others also teach that sex takes many forms, including homosexuality, incest, pederasty, masturbation, sadism, and masochism, in addition to monogamous, marital heterosexuality, and that there is no "rational" basis for choosing among these various forms of sexual expression. As a practical matter, this information is routinely taught in the sex education classes across America.

Now as desirable as information is, I would argue that what we are looking for in this area is not rational decisions, but right decisions. If the promoters of sex education want to argue about whether premarital sex for teenagers is right or not, I am perfectly willing to undertake that argument. But that question is never, or rarely, presented. Sex ed promoters know that the vast majority of parents agree on that point, and that they regard premarital sex as wrong. My guess is that a great many sex ed proponents agree with them.

Where they go wrong is in thinking that rational decisions will be right ones. Unfortunately, in the real world, as distinguished from Plato's "Republic," things do not always work out that way. For one thing, the rationality of the average person is open to some question, let alone the rationality of what John Greenway once called the sexually manic teenager. Worse, we have already outlined some of the competing moral systems dealing with this area of human activity, all of them presumably based on some kind of rationality. The fact is that people disagree about what is rational and desirable.

If what we are interested in is right choices—right in the estimates of the average parent whose children are candidates for sex education—we should pay less attention to reason and more to emotion. In short, we need to do a better job of indoctrinating our youth about the moral implications of sexual activity. If all we do is give them the facts so that they can make responsible decisions, what we actually do is teach them that if they do their homework, they will be able to justify, to their school counselor at least, if not to their parents, any course of activity they want to pursue. "But Mom, I love him, and we were taught in school that sex is a legitimate way of demonstrating that we care!"

The kind of introduction I am talking about can most easily be done using God, of course, the Judeao-Christian deity. If the concept of God as the source of morally right action is not used, some other form of outside measuring stick will have to be used, such as natural law or right reason. It may be theoretically possible to base an ethical system on atheism, or man-based philosophy, but no such system has ever been successful in gaining the kind of wide acceptance that is needed to sustain a social system.

The schools, of course, are barred by current interpretations of the Constitution from offering that kind of moral context for sex education. That is exactly why they ought to flee from sex education as from the plague. They cannot possibly satisfy the wishes of the parents without the moral context. Nor will the results be what is desired. There is every reason to think that the result will be an increase in sexual activity, with its attendant horrors of abortion, teenage motherhood, and venereal disease. Both theory and practice bear out this prediction.

Discussion of sex as just another bodily function, divorced from the taboos society has erected around it, simply provides kids with useful justifications for indulging their urges. Their justifications will be sophisticated, based on personal responsibility and their own internalized values. But that kind of personal responsibility is what children are learning, and what adults have. We seriously confuse the issue by pretending that children are adults in this context. The result will be a loss of support for a very basic institution of our society, the public schools. The public schools are already under attack, as the growth of the private academies and the pressure for tuition tax credits indicates. I contend, Mr. Speaker, that we should draw back and reconsider, as a nation, this policy of sex education divorced, as it apparently must be, from moral indoctrination. Unless we do, we court disaster. I will have more to say on this subject at a later time.●

WASHINGTONVILLE NEIGHBORHOOD CELEBRATION

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. OTTINGER. Mr. Speaker, it is with great admiration that I bring to the attention of my colleagues the outstanding work of the Washingtonville neighborhood program—a local organization of individuals working together to revitalize the aging and deteriorated Washingtonville neighborhood in the Village of Mamaroneck, N.Y. It is because of their hard work and dedication that the neighorhood has undertaken a marvelous transformation over the past several years.

Washingtonville, with its population of 2,000 mostly Italian, black, and Spanish residents, was the most physically neglected neighborhood in the village of Mamaroneck. Five years ago, village officials invited leaders of the neighborhood to sit down and discuss their problems and concerns. Out of that spring meeting, the Washingtonville neighborhood program was founded.

The Washingtonville neighborhood program is comprised of a dynamic group of individuals representing triethnic churches, schools, fraternal, civic, social service, social organizations, and a volunteer firehouse. Over the past 5 years, these groups, working together with a caring local government, have literally turned around the Washingtonville neighborhood, both physically and spiritually. The Washingtonville neighborhood program has effectively mobilized support outside of the community and has worked to secure over $1 million in Federal, State, and local funds for a number of neighborhood programs, including new miniparks, homeowner low interest loans and grants, street paving, new sidewalks and lights, public works projects, a neighborhood preservation company, and a fuel co-op. In addition to these very critical physical accomplishments, the Washingtonville neighborhood program is also responsible for the special spiritual transformation which has occurred in the neighborhood. Washingtonville residents now have a sense of pride and dignity in their neighborhood.

The Washingtonville neighborhood program has been recognized throughout Westchester County as an example of successful neighborhood revitalization. The Westchester Municipal Planning Federation has also recognized the accomplishments of the group and has presented it with the Citizen Participation Award.

Every summer, the neighborhood sponsors a Washingtonville Fiesta to raise money for neighborhood improvements. This year, the neighborhood and the village will, for the first time, host the Streets Arts Festival. The festival will be held on Sunday afternoon, June 7. A highlight of the neighborhood celebration will be the unveiling of a mural created by Washingtonville residents.

I urge my colleagues to join me in congratulating and thanking those persons who have worked hard to save the Washingtonville neighborhood and all other people across this country who have cared enough to preserve and keep together a very valuable American asset—our Nation's neighborhoods.●

URBAN JOBS AND ENTERPRISE ZONE ACT

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. GARCIA. Mr. Speaker, it is with pride that JACK KEMP and I are reintroducing today the Urban Jobs and Enterprise Zone Act.

The focus of this bill is threefold: First, it provides incentives for job creation at a time when so many of our inner-city residents need jobs. Second, it provides incentives for low-income rental housing at a time when so many of our inner-city residents demand adequate shelter. And third, it provides incentives for commercial revitalization at a time when so many of our

inner-cities themselves are facing devastation.

Neither JACK KEMP nor I intend this bill to be viewed as a replacement for existing jobs, housing, or urban development programs. Let me repeat that crucial point: our bill is not a replacement for existing programs. Instead, it is a pragmatic, bipartisan approach to a difficult subject which has been aided by the extraordinary input of the community groups who, we believe, are intended to be the chief beneficiaries of our novel approach.

INTRODUCTORY REMARKS BY CONGRESSMAN ROBERT GARCIA

I am pleased to announce that Congressman Jack Kemp and I are reintroducing the Urban Jobs and Enterprise Zone Act.

I have worked most closely with Jack and Senators Chafee and Boschwitz in the redrafting of this bill.

Since our last version was introduced in Congress last June, we have benefitted enormously from the substantial contributions of literally several thousand community groups, inner city residents, local activists, representatives of minority groups, mayors and city councilpersons, small businessmen and women, and organized labor groups. Some were Republican, many of these people were Democrats, and all were committed at the street level to making our cities better places to work and grow. This bill, in extraordinarily large measure, reflects their concerns much better than our earlier bill did, and for their efforts I am deeply and personally grateful.

One thing which Jack and I have absolutely refused to change, however, is the purpose of our bill. It is still designed to create jobs and strengthen neighborhoods. It is still designed to strengthen neighborhood economies. Above all, it is still designed to strengthen the community ties which connect neighbor to neighbor.

As with the previous version of our bill—despite many false rumors to the contrary—the Enterprise Zone bill does not create a subminimum wage, eliminate the OSHA or other vitally needed government bodies, nor in any way reduce the presence in the inner cities of health or safety programs. I have devoted my entire legislative life in Albany and Washington to putting those laws on the books and I would never participate in their dismantling.

Nor do Jack and I view our effort as a replacement for any current housing, job training, or commercial revitalization program now undertaken by the government. Instead, our bill is designed to use the vitality of the Federal Tax Code as an incentive for localities to assist in the creative revitalization of poor urban neighborhoods—and to do so in ways that will benefit the very people who now live in those neighborhoods.

What is a community? Based upon my experiences growing up in the South Bronx portion of New York City, an area I now represent in the Congress, it seems to me that a community consists of at least three things: jobs for the people who live there, housing for those who wish to call the community their home, and businesses for shopping and work. That is how I remember the South Bronx of my youth, where my Aunt worked at one local factory, spent her money at another local store, and lived no more than a few blocks from either. Not only was this arrangement convenient, not only did this arrangement—repeated thousands upon thousands of times for the other South Bronx residents—create a real community, but this arrangement assured the constant recycling of our dollars in our neighborhoods.

It was with this kind of experience in mind that Jack and I wrote our bill.

And it is because liberals and conservatives, Democrats and Republicans have always agreed upon these fundamental notions that Jack and I were able to work together so well to create a bill which has attracted strong bipartisan support—one which is far more pragmatic than ideological.

STATEMENT OF CONGRESSMAN ROBERT GARCIA

We are reintroducing today the Urban Jobs and Enterprise Zone Act. I have worked most closely with Congressman Jack Kemp in the redrafting of our bill. Since our last version was introduced in Congress last June, we have benefitted enormously from the substantial contributions of community groups, local activists, mayors and city councilpersons, small businessmen and women, and labor groups. This bill, in large measure, reflects their concerns much more precisely than our earlier version and for their efforts I am grateful.

As with our last version—despite the many rumors to the contrary—the enterprise zones bill does not create a subminimum wage, eliminate OSHA or other vitally needed regulatory bodies, or in any way reduce the presence within the poor areas our bill is designed to assist of existing health or safety governmental mechanisms. Nor do Jack and I view this effort as a replacement for any current housing, job creation and training, or commerical revitalization program.

Instead, our bill is designed to use the vitality of the federal tax code in order to provide incentives for the recreation of neighborhoods in areas where once they flourished but now are troubled.

What is a community? Based upon my experiences growing up in the South Bronx portion of New York City, an area which I now represent in the Congress, it seems to me that a community—a flourishing community—consists of three things: jobs for the people who live there, housing for those who wish to call the community "home", and businesses for shopping and work. Based upon this fundamental notion—one which liberals and conservatives alike have always agreed upon—Jack and I have provided numerous tax incentives for job creation, lower income rental housing, and commercial revitalization. These incentives are detailed in the accompanying sheet which provides the highlights of our bill. Nevertheless, more so than with our last version, the new "total community" approach we have adopted is one which, we believe, really does hit right on the mark the very real concerns of America's poorest city residents. Reflecting the incredibly good assistance of several national civil rights groups, our version which we are introducing today has been endorsed by the Congressional Black Caucus, among other urban-oriented groups. I thank them for their endorsement, just as I thank them for their help in coming up with a new, better bill.

Yet, I do not intend for this bill to stand alone. There are, of course, other federal programs designed to provide jobs, housing, and economic revitalization within poor inner city neighborhoods. President Reagan wants to cut many of these programs out of the federal budget. Therefore, while I today reintroduce the enterprise zones bill, I also today repeat my position of working actively to fight the Reagan budget cuts. The enterprise zone approach cannot work by itself—its success requires that it be used in conjunction with the very programs the President wants to eliminate. As the coauthor of the enterprise zone proposal, I cannot in good conscience let President Reagan cut these other vital urban programs.●

ORGAN TRANSPLANT TAX INCENTIVE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. PHILIP M. CRANE. Mr. Speaker, I have today introduced legislation to provide income and estate tax deductions for decedents who donate organs for use as transplants. This bill will encourage individuals to voluntarily provide in their wills for donation of their organs for transplanting into patients whose own organs have failed. Medical science has made enormous progress in applying transplantation techniques to manage diseases and disfunctions that only a few years ago would have been fatal. Availability of organs for transportation, however, is lagging behind the need. A study by the American Society of Transplant Surgeons indicates that mortality rates for renal transplantation (replacing a kidney) have dropped precipitously in 1978 and 1979, to approximately 5 percent. Nearly 55,000 individuals in America continue to require some form of dialysis (expensive procedure performed every few days to clean blood). As many as 30,000 of these dialysis patients could resume a relatively normal lifestyle with a transplantation operation.

PROVISIONS OF BILL

In simple terms, this bill would provide a tax incentive for cornea or vascularized organ donations. Vascularized organs include the heart, liver, pancreas, lungs, and kidneys. State laws require full testamentary consent before an organ can be removed for transplantation. When an individual makes provision for this humane donation, he will receive both a $25,000 deduction on his last income tax return and a $25,000 exclusion from estate taxes.

The $25,000 deduction from income taxes would also benefit any individual whose dependent donates an organ. Thus a minor without significant income would reduce the tax liability of his family with a posthumous donation which benefits both his loved ones and the loved ones of the recipient of the life-preserving organ.

COST SAVINGS

The Federal Government extensively funds dialysis procedures. The cost of organ transplantation should be compared with the federally financed alternative.

Based on figures accumulated by the end stage renal disease program of the Federal Government, the initial cost of a renal transplant is approximately $20,000 and each year afterwards averages $1,000. Assuming only 60 percent of the kidney transplants function (actually 65 percent survive) and the remaining 40 percent return to hemodialysis, the total expense of transplanting 100 patients is approximately $12 million. This includes transplant costs with followup costs of dialyzing 40 graft failure patients for 9 years.

Hemodialysis now costs about $28,000 per year per patient. This is figured by computing $150 per dialysis three times a week plus the initial operations. Ten years of hemodialysis on 100 patients, therefore, costs $28 million.

An additional 10 years of life for 100 patients costs less than half under transplantation than under hemodialysis. Moreover this does not consider at all a recent study in the New England Journal of Medicine that indicates only one-third of hemodialysis patients are successfully rehabilitated. The remaining two-thirds often require financial support from government social programs.

Of course, no one wants to criticize hemodialysis. It has saved countless lives and will continue to save thousands every year. No one would be likely to argue, however, that the 4,000 to 5,000 patients who yearly receive a transplant are not better off for these medical advances.

Clearly transplantation of kidneys could save as much as $160,000 per patient. Since kidney transplantation represents 80 to 90 percent of all transplant surgery (approximately 75 hearts are transplanted yearly; eye corneas are also transplanted), these figures give a convincing picture of the savings potential of a bill encouraging donation of organs.

REVENUE ESTIMATE

At most the American Society of Transplant Surgeons estimate that 8,000 to 10,000 organs would be transplanted yearly if ample replacement organs were available. Assuming the best possible results (that 10,000 would benefit from transplantation) and further assuming that the donors were all in a 50-percent tax bracket and had enough income to take advantage of the full deduction, the income tax deduction would reduce tax collections by $125 million. Although this is clearly a high estimate due to our generous assumptions, it still compares very favorably against the tremendous cost savings generated by transplantation. By way of comparison, renal dialysis cost the Federal Government $1 billion annually in 1980, and this figure is expected to rise to $3 billion per year by 1983.

HUMAN FACTORS

These we cannot hope to quantify. Place yourself, however, in the position of a parent whose only child has suffered a complete renal failure. Would you choose to have your child dependent on a machine to clean his blood every 3 days for the rest of this life? Or would you choose to have your child returned to near normalcy, able to run, jump and play however near or far away from home without worrying about the next treatment date, the prospect of contracting hepatitis, or the psychological trauma of dependence on a machine for life itself? These questions are slanted to make a point: transplantation would be our nearly universal choice in the case of one of our loved ones. In that instance, we would do well to provide a tax incentive for donation of the gift of a normal life to the recipient of an organ.●

JERRY HICKS—COURAGEOUS AMERICAN

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. RODINO. Mr. Speaker, I want to honor a courageous young American who died recently while serving his country as an officer in the U.S. Air Force. Jerry Hicks, Air Force captain, was the son of a dear friend of mine, Mrs. Maria Applegate of West Long Branch, N.J.

During my wife Ann's long illness, Marie Applegate was her nurse, and she became close to my family. She often spoke with a mother's pride about her son Jerry, the Air Force captain who received top honors in everything he endeavored to do. But, ironically, it was not until Jerry's tragic death that I began to realize how special a person he had been. The extent of the loss to his family, his friends and his country became quickly apparent as I learned more about this young man who seemed much older than his 28 years.

As a captain in the Air Force's Aerospace Rescue and Recovery Service, Jerry Hicks was a committed soldier and extraordinary pilot. To say that he was admired and respected by his friends and colleagues seems almost an understatement. His commanding officer has said Jerry was "unequaled as a rescue pilot and professional Air Force officer." Jerry received top honors in all his courses and he used his powerful intellect to help others strive for excellence. He was a devout Christian and dedicated husband. In short, he was an example to all who knew him.

Mr. Speaker, Marie Applegate shared many emotional moments with my family during her caring for Ann. I share with her now the sorrow of her loss.●

HISTORY'S LESSON

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. TRAXLER. Mr. Speaker, the eminent historian, Arthur Schlesinger, Jr., in an article in yesterday's Wall Street Journal, offered some insight and forewarnings about the direction neoconservatism may be taking us. Mr. Schlesinger points out that the free enterprise system has survived because our society has developed a sense of social responsibility and has implemented policies responsive to the needs of those less fortunate. He presents us with a lesson in history that should not be ignored or cast aside lightly. I call upon my colleagues to give some thoughtful attention to the words of Mr. Schlesinger.

[From the Wall Street Journal, June 2, 1981]

NEOCONSERVATISM AND THE CLASS STRUGGLE

(By Arthur Schlesinger, Jr.)

Is class warfare what we really want in America? One would have supposed that this is the last thing our already tense society, streaked as it is with anger and violence, needs. Yet this is the direction in which the "neo-conservatism" of the Reagan administration is taking us.

Conservatism, like liberalism, is a house with many mansions. The older tradition of Anglo-American conservatism goes back to Edmund Burke. This tradition, the ethical afterglow of feudalism, was inspired by a belief in the organic character of society. Power was held to imply responsibility, and all classes were to be brought together in harmonious union by a sense of reciprocal obligation. Political leaders in this tradition saw society, not as a bundle of cold and commercial relationships, but as a living moral unity. 19th Century Tories, like Shaftesbury and Disraeli, had no hesitation about calling in the state to redress the social balance on behalf of the poor and thereby to strengthen the ties of community.

In essence, this was the ethos of the landed aristocracy. The rising business classes in the 9th Century had a different view. They sought to strike off the old bonds of prescription and hierarchy and to set the individual free. Their creed was laissez-faire—every one for himself and the devil take the hindmost—and they fiercely opposed intervention by the state to protect those who fell behind. Their goal was to replace the old society of status with the new society of contract. Their interest was not in social cohesion but in pecuniary opportunity, though they appended the self-serving argument that the pursuit of private interest was the best way to promote the general welfare.

THE ROOT OF ALL EVIL

The United States never had a feudal system and thus does not have feudal sentiments. Some contemporary American conservatives—Russell Kirk and George Will, for example—are of the Burkean school. Mr. Will admonished his fellow conservatives the other day that they can carry their vendetta against government too far. But our contemporary neo-conservatives are mostly not conservatives in the older sense. Rather they are 19th Century Manchester liberals sworn to two basic propositions: that government is the root of all evil; and that, once we get government off our backs, our problems will solve themselves.

They add to these general thoughts a specific economic strategy—the old trickle-down theory, or, as it has been rebaptized recently, supply-side economics. According to this creed, the business of tax policy is to allocate more money to the rich in the expectation that they will use it to produce jobs and income for the rest of us. The consistent supply-sider opposes across-the-board tax reduction. The whole point is to redistribute income to the rich on the theory that only the rich can do the saving and investing essential for economic growth. At the same time, the role of government must be systematically diminished. The result is the Reagan policy of cutting taxes for the rich and social programs for the poor.

So the administration proposes to take from our cities a quarter of their federal aid, to take a million or more persons off food stamps, to reduce federal support for education, for dependent children, for mass transit, for subsidized housing, for Medicaid, for nutrition, for the arts, to slash federal programs for jobs, job training and welfare, to retreat from civil rights enforcement, to end legal services for the poor and black lung benefits for coal miners.

Such policies may have some higher justification. But it is idle to suppose that they will not bring suffering to those living on the margin of subsistence in our land. There may be an argument for purification through suffering. There is something distasteful, however, when rich people call for purification through poor people's suffering.

Of course, the rich assure the poor that economic insecurity is the great stimulus to accomplishment. Yet the proposition that economic security saps initiative and self-reliance is one the rich apply freely to others, rarely to themselves. If they really believed their guff about the bracing effect of economic insecurity, they would favor a 100 percent inheritance tax so that their own children would not be denied this great moral benefit.

The massacre of public programs is of course a socially discriminatory policy. For, as J.K. Galbraith has so eloquently pointed out, public services are essential to the poor, not to the rich. The rich send their children to private schools; the poor have no alternative but public education. Occupational safety and health regulations protect the poor, not the rich. The rich buy books and pictures; the poor need public libraries and museums. The rich have estates; the poor go to public playgrounds, swimming pools and parks. The rich have doctors on Park Avenue; the rest of us look at mounting medical bills and yearn for national health insurance.

The neo-conservatism of laissez-faire invites political and social risks that the older Burkean conservatism avoided. By placing pecuniary opportunity above social cohesion, it invites the risk of intensifying the divisions within our society. Neo-conservatism is based on a long-odds gamble—that the release of productive energy allegedly to be wrought by tax reduction will increase benefits for all, and do so before the withdrawal of public concern causes the poor and powerless to lose faith in the justice of the social order.

I do not make this elementary point out of sentimental concern for the less fortunate; nor out of the theory that moves David Stockman to such excited indignation that (in his words) "almost every service that someone might need in life ought to be provided, financed by the government as a matter of the basic rights." I would suggest rather the explosive possibilities when an economic establishment pursues a class war against the poor.

For, as Mr. Galbraith and others have pointed out, capitalism has not triumphed over the prophecies of Karl Marx by loyalty to the gospel of devil-take-the-hind-most. Capitalism has survived because of a continuing and remarkably successful effort to humanize the industrial order, to cushion the operations of the economic system, to combine pecuniary opportunity with social cohesion. It has survived because of a long campaign, mounted by liberals, to reduce the suffering—and thereby the resentment and the rebelliousness—of those to whom the accidents of birth deny an equal chance.

What Marx failed to foresee was precisely the ability of modern democratic society to develop a sense of social responsibility, a working sense of community. Those who would now have us abandon social responsibility in the name of unbridled individualism are doing Marx's work for him—and, it may well be, more effectively than a squalid generation of Communist parties has been able to do. Social responsibility is indispensable to the preservation of a free political order. This is not, I repeat, the talk of a sentimental liberalism. It is the injunction of a wise conservatism—as I imagine Edmund Burke would agree.

THE DAY OF RECKONING

President Reagan is following a dangerous course. To some degree, ironically, the liberal reforms of the welfare state he so volubly deplores will postpone the day of reckoning. But, despite Social Security and unemployment compensation, ordinary Americans will begin to wonder about a society in which (according to the economic unit of U.S. News & World Report) executive salaries in 350 of the Nation's largest corporations rose nearly 10 percent in 1980, in which 15 corporate leaders award themselves more than a million dollars a year (and often double or triple that through stock options or stock appreciation rights) and in which the median compensation for board chairmen—$445,158—is 30 times that of the average factory worker—all this in a day when the deliberate policy of government is to enrich the already rich and to deprive the poor of essential services.

American conservatives in their desire to establish a native tradition often invoke the name of the 19th Century writer and philosopher Orestes A. Brownson. They might well recall Brownson's own words a century ago in that robustly conservative work "The American Republic": "The men of wealth, the business men, manufacturers and merchants, bankers and brokers, are the men who exert the worst influence on government in every country. . . . They act on the beautiful maxim, 'Let the government take care of the rich, and the rich will take care of the poor,' instead of the far safer maxim, 'Let government take care of the weak, the strong can take care of themselves.' "●

A MEMORIAL IN THE HEALING SPIRIT

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. BOLLING. Mr. Speaker, I found Philip Geyelin's op ed piece in the June 1, 1981, Washington Post interesting and want to share it with my colleagues.

A MEMORIAL IN THE HEALING SPIRIT

(By Philip Geyelin)

An arbitrary and capricious government says this isn't Memorial Day weekend. But tradition says it ought to be, and that's reason enough for a brief report on a little noted and lightly attended memorial service that took place in Constitution Gardens close by the Lincoln Memorial a week ago.

It added something of consequence to the conventional wisdom about what is loosely called the mood of America, in general, and about public attitudes toward war and peace (the so-called Vietnam Syndrome), in particular.

The setting was a two-acre patch of lush lawn and tall shade trees set aside by a unanimous vote of both houses of Congress as the site of a Vietnam war memorial. A starkly eloquent, V-shaped stretch of black marble, half-sunk in the earth and bearing the names of each of the 57,661 Vietnam War dead and the approximately 2,500 still missing, has already been chosen as the winning design.

Apart from the deed of federal parkland, this is a strictly private enterprise. Construction of the memorial will be paid for by public contributions to a Vietnam Veterans Memorial Fund. A nation-wide fund-raising effort is still well short of its $5 million to $7 million goal.

But there is a message in the $1.4 million already raised and in the astonishing progress made on a project that was launched almost single-handedly. It began when Jan Scruggs, an enlisted man in the Army who saw combat in an infantry unit that suffered heavy casualties, walked unannounced into the office of Sen. Charles Mathias (R-Md.) two years ago.

Scruggs had thought long and hard about some way to memorialize the Vietnam war dead. Mathias' response was very nearly instantaneous. Within days he had lined up Sens. George McGovern and Barry Goldwater as co-sponsors of the necessary legislation. By the end, all 100 Senate members had not only voted for it, but co-sponsored it as well.

That, in itself, told you something about evolving American attitudes toward this country's least popular, most controversial war. The simple ceremony on the Mall a week ago told more. The managers of the memorial fund were holding their second annual commemorative services. Measured by the number of those who passed up the beach or the Indianapolis 500 or their own backyards on the sun-baked day to be on hand, it was not a particularly impressive event.

There were symbols: a half-dozen gold-star mothers in crisp white uniforms; a couple of bearded veterans in camouflage combat fatigues. But only the bandstand was solidly packed—with the scarlet full-dress uniforms of the U.S. Marine Band. Not many more than 50 of the 500 or so chairs set up in front of the podium were filled.

But the turnout was no measure of the simple, understated force of the event. There was something in the spirit of those on hand—and in their words—that said a lot for the recuperative powers and enduring sensibility of a nation that only a decade ago was caught up in a raging, embittering debate over its first lost war. The point is that the spirit was so low-key.

Who would have expected 10 years ago, for example, that a principal speaker at a gathering of Vietnam veterans would be Ellsworth Bunker, the former ambassador to (among other countries) South Vietnam.

Lean and erect in his late 80s, and economical with words as a Vermont man should be, Bunker is the very model of a model Establishmentarian. And Vietnam veterans, of course, are supposed to be unregenerately turned off by the Establishment.

But there was Bunker, unwavering in his support for the war's aims, while sensitive to its anguishing complexity—"a war new to the American experience . . . conventional and guerrilla . . . political and psychological . . . limited by restraints we imposed upon ourselves. . . . We went in not for greed but to help resist aggression and we brought our adversary to favorable terms."

There was no argument—only remembrance and talk of reconciliation. "This is a place where we will always be able to express love," said one veteran, an organizer of the affair. "They were young when we were young and each one of their names matters." At the end, family and friends filed slowly by a microphone to speak, very simply, a name.

You could make too much of it; there is plenty of anger left, and bitterness against the government. But what was said and not said at the National Vietnam Veterans Memorial Day Service on the Mall speaks well of how, on balance, this country feels about itself and its place in the world a decade after the national trauma of Vietnam.●

THE GORSHKOV SOLUTION

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. MICHEL. Mr. Speaker, I would guess that the name Sergei G. Gorshkov is not known to most Americans. But in one sense he is one of the most important people in the world insofar as American security—or should I say insecurity?—is concerned. This year Gorshkov marked his 25th anniversary as head of the naval forces of the Soviet Union. During his tenure as head of the fleet, the Soviet Union has become the greatest naval power in the world.

That is right, Mr. Speaker—I said "the greatest" not "the second greatest." We in the United States are so used to thinking of ourselves as rulers of the seas that we forget that "we have lost our maritime superiority." Those last words are not mine but those of Secretary of the Navy, John F. Lehman, Jr.

Admiral Gorshkov has accomplished a feat that is practically without parallel in naval history. He has taken a fleet that for all practical purposes was third-rate, small and inefficient and has built it into the greatest navy in the world.

That is the kind of determination we are facing, Mr. Speaker. Last year, Secretary of Defense Harold Brown told us we are now vulnerable to a first-strike attack on our land-based missiles. Now we learn that we are definitely No. 2 in naval superiority.

Is it too late to recover? It is up to us to answer that question—and as quickly as possible.

At this time I wish to insert in the RECORD, "United States, Soviets Now Sail as Equals" from the Los Angeles Times, May 31, 1981.

UNITED STATES, SOVIETS NOW SAIL AS EQUALS—AMERICAN MASTERY OF SEA LOST AFTER RUSSIAN BUILDUP

(By Robert C. Toth)

WASHINGTON.—"Sooner or later," Adm. Sergei G. Gorshkov predicted in 1976 as he directed an unprecedented buildup in the Soviet navy, "the United States will have to understand that it no longer has mastery of the sea."

The moment that Gorshkov predicted has arrived. "We have lost our maritime superiority," Secretary of the Navy John F. Lehman Jr. said last week as he discussed the emergence of the Soviet navy as a "blue water" force capable of operating throughout the world and far from its home bases.

Virtually all defense specialists now would agree. Much as the Soviet Union's strategic missile strength has grown to equal the U.S. nuclear arsenal, a recent Navy intelligence estimate concluded that the Soviet navy has expanded "to challenge the United States in all aspects of maritime power, qualitatively and quantitatively."

BEAR HAS WEBBED FEET

"The Russian bear has grown webbed feet," the report said. In less than two decades, the Soviet navy has been transformed from a force capable of little more than coastal defense into an armada so formidable that it already has forced the United States to share control of some oceans.

The latest count shows the Soviet fleet with 372 submarines and 275 surface warships, compared to the American fleet of 119 submarines and 335 surface warships. Many Soviet subs are old diesel vessels, and U.S. total tonnage exceeds the Soviet total. Yet all told, the Soviets have 647 major ships of war, compared to 454 for the United States.

And the momentum continues.

Lehman disclosed that the Soviets have begun building their first great nuclear-powered aircraft carrier, the class of warships that has most symbolized U.S. dominance of distant seas since World War II.

OMINOUS PARALLEL NOTED

Naval historians see an ominous parallel between the Soviet navy's challenge to the United States now and Germany's naval challenge to Great Britain before World War I. Germany "forced Britain to surrender influence in large regions of the world," Oxford Prof. Hedley Bull wrote recently, and that was the beginning of the end of its empire.

Despite Soviet construction of new surface warships whose bristling armaments recall the "pocket" battleships of World War II, some analysts argue that the buildup is a defensive reaction to what the Kremlin perceives as American naval threats.

Other authorities, such as former U.S. Navy chief Elmo Zumwalt, say the buildup is designed to support Soviet expansionist policy, up to and including intervention in overseas "wars of liberation."

Gorshkov, who this year marked his 25th anniversary as head of the Soviet navy, seems clearly willing to have his ships used as an instrument of power politics. The expanded Soviet navy has been "a great aid to Soviet diplomacy" in Third World regions, he wrote in 1978.

"In many cases, naval demonstrations have made it possible to achieve political goals without resorting to an armed struggle, merely by exerting pressure through one's own potential power and by threatening to initiate military hostilities," Gorshkov said.

Two weeks ago, as the Lebanese crisis heated up, the Soviets moved nine ships into the Mediterranean in just six days, bringing their total fleet in that area to 39. In 1958, when U.S. Marines landed in Lebanon, the Soviets did not put nine ships all told into that sea.

The 1962 Cuban missile crisis demonstrated even more strikingly Moscow's lack of warships with a long reach, according to Vice Adm. Sylvester R. Foley, deputy chief of naval operations for plans, policy and operations. "The U.S. naval blockade, I feel, made the Soviets recognize the value of naval power to support national aims far from home," Foley said in an interview.

Soviet surface warships began deep-water deployments in 1963. By 1967, during the Six-Day War, Soviet ships were anchored in Port Said and Alexandria, in Egypt, to deter Israeli attack. Soviet ships supported Cubans in Angola in 1975, and later in Ethiopia, if only by their offshore presence. They did the same in 1978 during the Sino-Vietnam clash.

Naval scholars such as Michael McGwire of the Brookings Institution date the Soviet naval expansion to 1961, however, and argue that it was "largely a response to the rapid buildup" of U.S. strategic and conventional forces ordered by President John F. Kennedy.

Soviet warships and submarines, designed to attack U.S. carriers—whose nuclear bombers are capable of hitting Moscow—and nuclear missile submarines, were "forward deployed" into deep water, first into the eastern Mediterranean and the Norwegian seas, then into the North Atlantic and Arabian Sea, as the range of U.S. missiles grew, in this view.

A DIFFERENT STRATEGY

While Soviet surface ships now boldly cruise all the world's oceans, its missile submarines follow a different strategy. Ever since the first long-range missile Soviet submarines began appearing in the early 1970s, they have been deployed in sanctuaries close to home: the Barents and Norwegian seas and the Sea of Okhotz in the Pacific. Unlike U.S. nuclear subs, they do not patrol far out at sea.

Fearful of U.S. anti-submarine weapons, the Soviets established these underwater bastions along their coasts from which to

protect their underwater nuclear missiles. In contrast, the United States "hides" its missile submarines in huge ocean expanses.

And, even though these Soviet sanctuaries are in international waters, the United States avoids antisubmarine operations there lest the Soviets fear Washington is preparing a preemptive strike, according to an Arms Control Assn. report by Joel Wit of the Library of Congress. MccGwire and others also have maintained that the Soviets developed ocean-going warships to protect its sea lanes through the Atlantic and Indian Oceans, between European Russia and the Soviet Pacific coast. They argue that the Chinese threat to the Trans-Siberian railroads require the alternate sea route.

But to Navy Secretary Lehman and Adm. Foley, the Soviets do not have the same critical dependence on the sea as the United States and Moscow's blue-water navy cannot be justified as a defensive force.

"They are out to oppose our lines of communication that bring us raw materials and are vital to resupply Europe if necessary," Foley said.

Although the Soviet navy has only about 275 surface warships, Russia's commercial and fishing fleets are ready auxiliary vessels. "If one of their civilian tankers is passing nearby, the Soviet navy can call on it to service its ships," Foley said. "That gives them tremendous flexibility."

Moreover, the Soviet naval mission has been to keep the United States from exercising free rein in certain ocean regions, not to control those regions themselves. This requires fewer ships than the "sea control" mission.

Lehman, with White House support, wants to increase the U.S. Navy by one-third, to about 600 ships, including 15 carrier-centered battle groups (up from the present 12) to comprise a three-ocean fleet (instead of the present two-ocean capability).

NO SIGNS OF SLACKENING

Soviet shipbuilding shows no signs of slackening, however. Last year the Soviets launched three new classes of submarines, for example, totaling 14 vessels, nine of them nuclear. By comparison, the United States launched two (nuclear) submarines all told in 1980.

The Soviets launched the first gigantic Typhoon ballistic missile submarine which, at more than 25,000-ton displacement, is by far the world's largest submersible. Three more Typhoons are already under construction.

The Soviets have four so-called "aviation cruisers" with helicopters and jet aircraft aboard. Two more are under construction. In addition, they have begun manufacturing components and preparing shipyards for their first nuclear-powered carrier, which is expected to displace up to 75,000 tons and carry high-performance, fixed-wing jets.

By 1990, the Soviets will have the ships necessary to form at least five carrier-centered battle groups, and authorities such as J. S. Breemer, writing in the Naval War College Review, argue that the goals and mission of the Soviet fleet thereafter will shift from "sea denial" to become "the more traditional goal of a great naval power: maritime supremacy."

Kaiser Wilhelm's Germany did not seek so much, It wanted only to limit Britain's freedom of maneuver, not to rule the waves in Britannia's place, according to Prof. Bull.

The parallels between that competition and the current Soviet challenge to the United States are striking, Bull wrote. Both challengers were dominant land powers, without long naval traditions, with geography limiting access of open sea but with dedicated naval leaders (Alfred von Tirpitz and Gorshkov). However, there are also important differences. For example, Kaiser Wilhelm's Germany was a dynamic industrial power while the Soviet Union is "in a position of decisive economic and technological inferiority" to the United States, Bull said.

The U.S. Navy is not as sanguine about a technological edge. The Soviets "have made technological advances which in some cases are superior to our own," Rear Adm. Sumner Shapiro, chief of naval intelligence, told Congress recently. "We can no longer depend on superior American technology to offset Soviet numbers."

Among the most striking Soviet advances are:

—Five Alpha class titanium-hulled, nuclear-powered attack submarines, which are the fastest (perhaps 45 knots), deepest diving (up to 4,000 feet) in the world; construction techniques (used on these vessels) may be applied to missile submarines.

—The "pocket battleship" Kirov, with a sistership under construction, is the Soviet's first nuclear-powered warship, "twice the size of any surface combatant, other than an aircraft carrier, to be built since World War II," Shapiro said. It is equipped with new generations of surface-to-air missiles, long-range anti-ship cruise missiles, and anti-sub missiles as well as various guns and helicopters.

Even before these technological developments are felt, the Soviets have already "forced the United States to share control of the sea," Bull said.

"The distribution of naval power is better described today in terms of equilibrium rather than in terms of preponderance of a single state," Bull wrote. This balance "is an exceptional, not a normal situation in ocean affairs, and its implications for world politics are not yet fully apparent."●

TRIBUTE TO A RETIRING SUPERINTENDENT OF SCHOOLS IN WHITE PLAINS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. OTTINGER. Mr. Speaker, I would like to take this opportunity to pay tribute to Dr. Arthur P. Antin, who is retiring this June from the White Plains, N.Y., public school system after completing 25 years of service there. For the last 12 of these years, Dr. Antin has served as the superintendent of schools.

Long active in White Plains civic affairs, Dr. Antin is a member of the Greater White Plains Council of Community Services and is a trustee of Pace University and of the White Plains Public Library.

Professionally, Dr. Antin is a past president of the New York State Association of School Business Officials, of the Lower Hudson Council of Chief School Administrators, and of the Southern Westchester Council of Chief School Administrators.

Over the last 25 years, Dr. Antin has served well all the students who have attended the White Plains school system. He has always been a great help to me whenever I have needed his advice or assistance. I am glad to know that he will be close by in his new capacity as dean for students at the College White Plains campus of Pace University.

I would like now to wish him all the happiness that he has earned and so richly deserves. I am sure White Plains students will miss his expert guidance.●

AIPAC DIRECTOR ADDRESSES SUBCOMMITTEE ON AMERICA'S MIDEAST POLICY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. KEMP. Mr. Speaker, last month, the Subcommittee on Foreign Operations, on which I serve, had the opportunity to hear from Mr. Tom Dine, newly installed executive director of the American Israeli Public Affairs Committee. Following in the fine tradition that AIPAC has set over the years for public service, Tom's testimony was an erudite and enlightening analysis of American foreign policy concerns and strategic interests in the Middle East. In view of the difficult, multifaceted questions facing the United States both in our relations with the countries of that region and our need to address the growing threat posed by the Soviet Union, I insert Tom Dine's perceptive remarks in the RECORD:

THE UNITED STATES IN THE MIDDLE EAST: A FORCEFUL OR FEARFUL FOREIGN POLICY?

I am delighted to be participating, full-time, in my first AIPAC Policy Conference. I am even more delighted to report to you that we have a full house. Washington Hilton rooms are filled to the brim as are the two hotels across the street, and there is standing room only for the two luncheons and our large dinner tonight.

We have one objective over the next 48 hours—and that one objective must be carried out through the summer months, and into the fall: to persuade and convince Members of Congress to oppose, in no uncertain terms, the Saudi arms package and to oppose the sale publicly—for the record.

For these two days, we are here to learn and to do. Then we must return to our communities to educate and energize our relatives, our neighbors, our associates, our friends—Jew and non-Jew—that the arms package the Administration is proposing to sell Saudi Arabia is not in the best interest of the United States. And it certainly is not in Israel's interest.

In the midst of new realities, the first seven months of my AIPAC stewardship—I report to you—have been anything but calm.

1. November 4, 1980, witnessed a major change in political power that may prove to

be a political realignment of a mag... unseen since 1932. It needs to be clearly recognized that Israel has had—and will continue to receive—bipartisan support. But it is not easy when old friends like Church, Javits, Stone, and Brademas are no longer in Congress.

2. The quickness by Defense Secretary Caspar Weinberger and Joint Chief of Staff David Jones in pushing the Saudi arms package has kept AIPAC in high gear since February. We are in an all-out campaign to stop the sale. I want this assembly of the most politically active and astute of America's Jews to know that AIPAC will go all-out as long as we have to, to show Howard Baker he does not have the votes in the Senate, and for him to recommend to the President not to send the package to Capitol Hill.

3. In the leanest of all fiscal years that I have witnessed in my 16 years in Washington, AIPAC has been covering every base possible to preserve and maintain the Administration's request to Congress of $2.2 billion of military and economic assistance for Israel—and we are succeeding. At the same time, I am pleased to report that the House and Senate Appropriations Committees decided not to rescind the $12.5 million the Administration wished to cut from the Soviet Jewry resettlement program. Again, your lobby has been actively at work.

4. Then there is the missile crisis in Lebanon that could easily and quickly evolve into open warfare between Syria and Israel, if not the United States and U.S.S.R. as well.

5. And finally, this policy conference itself has required an enormous amount of preparation.

These events recall to mind a quote from Othello: "Oh, now forever/Farewell the tranquil mind."

Four months into the Administration, many of the unproductive detours of the Carter Administration's foreign policy appear to be behind us. Continuing attempts, glaring acts of insecurity, to exorcise the weighty ghost of Henry Kissinger, for instance, have been set aside for expressions of national confidence.

This doesn't mean, however, that we are beyond the era of clumsiness. This Administration, like the last two, appears to be of several minds. One day the public hears from Haig, another day it is Weinberger, sometimes it is Meese, and at various times when the President has spoken as he did recently at the moving and meaningful Holocaust Commission ceremony in the East Room, the White House press office has seen fit to go out and correct his statement. Structural as well as substantive contradictions threaten to prevent the resurgence of American idealism and power abroad.

In the 1980s, U.S. foreign policy must guard against twin perils: a mismanagement of our contest with the Soviet Union and a mismanagement of the international economy. The Middle East provides ample opportunities for false steps in both of these areas due to Arab-Israeli tensions, oil and petrodollars, and nuclear proliferation.

How has the Reagan Administration responded to these dangers and what is to be done?

So far, there have been several forceful efforts to our foreign policy.

Recognizing and confronting Cuban and PLO actions throughout Central America, but particularly in El Salvador, Honduras, and Guatemala have been, in my judgment, long overdue. The United States can never ...ow away the use of ... diplomacy. As Thomas Hobbes ... increase the perception of one's po... have to use it effectively once in a ...

Defense spending is rapidly grow... so is the arsenal of our major adver... are not in a static situation but a ... in terms of what the Soviet milita... and the state of the technological ...

At NATO, the Administration has ... to shore up the alliance's policy of 3 per... real growth in annual defense budgets and last week the allied governments agreed unanually to show qualitative improvements in areas of added funding.

Regarding Poland, the Administration has been tough and has actively pursued our European friends to also join in our warnings to the Soviets of grave consequences if Poland is invaded.

The U.N. and other international fora are different and less hostile places from our point of view. Ambassador Kirkpatrick openly counters Third World and Arab hostility toward Israel—and toward the United States.

We could not ask for a better President or Secretary of State or National Security Adviser when it comes to putting international terrorism in its proper place.

The bilateral relationship between Israel and the United States is positive and progressing well. For the first time since the Yom Kippur war, Israeli officials are not put on the defensive in dealings with their U.S. counterparts. The $2.2 billion aid request is generous when seen in the context of this city's fiscal environment. The Israeli Aircraft Industry has been given the green light to compete in selling Kfirs to Ecuador and other Latin governments, and the U.S. Armed Services are to procure from Israeli manufacturers $200 million worth of military goods for starters. And when an American Secretary of State, on Israeli soil, in Jerusalem, publicly called Israel a "trusted ally," all of us felt goosebumps.

There have been several bargaining efforts which strengthen America's hand abroad.

The Japanese auto imports agreement is an important step in defusing the protectionist drive in this country and to cool off the export buildup from Japan. Also, in terms we can understand, it was a clear demonstration that Washington can ask for a quid pro quo from an ally and a friend—and receive it.

In Lebanon, Phil Habib was appropriately trying to defuse the threat of hostilities caused by Syria's missile installation in the Bekaa Valley and Israel's insistence that they be removed. There should be no rewards to either the Soviets or Syrians for violating the status quo. But, clearly, the "sword of Damocles" hangs over the Levant.

This is a good record. It demonstrates strength. But we have witnessed several fearful efforts in our foreign policy that undermine the forceful approach.

Lifting the Soviet grain embargo was the wrong signal at the wrong time for the wrong reasons. The Secretary of Agriculture cheered the triumph of "market forces," but agri-business discounted the injurious diplomatic impact of this decision, as well as what the embargo had done to Soviet society. A few days after the embargo was jettisoned, Kevin Klose of the Washington Post reported from Moscow that the Soviets had been "hard hit" by the grain ban.

Soviet domestic scarcity is affecting its foreign policy. Meat and produce shortages have forced the Soviets to cut back on food aid to Poland where shortfalls in food had sparked demonstrations. But the Administration, at a time when Moscow was vulnerable, both domestically and in its relations with its next door ally, lifted the embargo and forfeited a potentially powerful economic club that could have been used to keep the Soviets in line with regard to Poland, human rights, Soviet Jewry, etc.

The awkward approach to Pakistan has serious implications. The Pakistani government wants to build an Islamic bomb; the United States, in the past, has tried to dissuade the Pakistans from this. To enhance our anti-Soviet alignment we now want to provide $500 million worth of military aid to Islamabad and after the fact think about the advent of nuclear weaponry in South Asia and the Middle East. We may inadvertently spur a regional nuclear arms race.

Let's now move into another striking area where the Administration is at cross-purposes with itself—arming Saudi Arabia with America's most advanced, lethal weapons system from our conventional arsenal.

The package now consists of four categories of items: 1,100 advanced Sidewinder air-to-air missiles; 62 pairs of external fuel tanks that conform to the fuselage of the F-15 and that, ironically, are now built in Israel; 7 KC-135 aerial tankers; 5 AWACS (Airborne Warning and Command System) aircraft.

Why is this arms package not in our best interest?

1. It is dangerous to the United States to transfer sophisticated defense technologies to arm an inherently unstable government. The recent example of Iran should be enough to restrain such an arms sale. The Khomeini regime inherited the finest U.S. naval aircraft, the F-14, and its sophisticated missile system, the Phoenix, plus the U.S. Navy's advanced ship-to-ship missile system, the Harpoon. It is presumed by most military analysts that the vital technical data associated with these highly advanced weapons systems ended up in the U.S.S.R.

The overthrow of the Shah of Iran by an anti-Western, leftist opposition could happen to the Saudi royal family, an unrepresentative ruling elite as were the Pahlavis. The security of the AWACS in the hands of the Saudis, is of great concern; the potential for an AWACS to be flown, for instance, to South Yemen and then on to Moscow is not considered farfetched. Twelve U.S. Air Force F-15 pilots last month publicly expressed their objection to the sale of the advanced Sidewinder missiles "because it compromises the classified AIM 9L construction." "Why," they asked, "give our technological edge away?"

How advanced is AWACS?

It is both a surveillance and an air command post. The AWACS crew can track aerial targets within a 600-mile circle from an altitude of 30,000-35,000 feet. The AWACS can also "look down" with its radar and distinguish from the ground clutter such small aerial targets as jet fighters or cruise missiles at low altitude.

On March 10, 1975, before the House Appropriations Subcommittee on Appropriations, then Air Force Chief of Staff Gen. David Jones, and now our Joint Chief, in responding to a question about "revolutionary" advances in weapons, said "the system that I think is the greatest breakthrough in command and control in my entire military career is the AWACS." In a memorandum prepared for the Subcommittee afterwards, the Air Force stated AWACS will be "the

central nervous system for our entire force structure."

The AWACS has a range of 250-350 miles. If it were to loiter over the Empire State Building, it could simultaneously observe flights in and out of Logan, Philadelphia, Washington National, Baltimore, even Richmond and Pittsburgh airports, and also the sea lanes.

2. Selling F-15 enhancement items such as the Sidewinder missiles and the conformal fuel tanks would violate explicit assurances provided by the Congress on May 9, 1978 when Defense Secretary Harold Brown wrote Senate Foreign Relations Committee Chairman John Sparkman regarding limitations on the offensive capabilities of the Saudi F-15s. Making such sales now calls into question the value of any Executive branch agreement with the legislative branch concerning arms transfers.

3. An unbridled arms race involving the most advanced weaponry that now exists in the American and European arsenals is unfolding. The level of technological sophistication in the regional military balance will be raised to an even higher level, creating less, rather than more stability. This is no way to achieve peace.

4. The sale is a threat to Israel's security. To quote that 1975 Air Force memorandum again, "AWACS surveillance would deter attacks that depend on surprise for success." Both the U.S. and the Israeli Air Forces rely on preemptive strikes. If the Saudis now possessed AWACS, it could over Saudi territory monitor Israel's Air Force with regard to the missile crisis in Lebanon. On July 4, 1976, in a peacetime situation, a Saudi AWACS over Saudi territory could have picked up the Israeli C-130s flying down the Red Sea over to Kenya and on to Entebbe and alerted Idi Amin.

5. Where is the Saudi quid pro quo? America is held hostage by Saudi oil. This is the fearful part of foreign policy. This is the weak America; this is a continuation of Carterism.

This Administration apparently is not totally fearful of oil. Just last week, for example, Libyan diplomats were deported from this country. Yet we are dependent upon Libyan crude oil. U.S. officials agree that a tangled maze of energy policies and crisis plans exist following the deportation, leaving our country even more vulnerable than in 1973-1974, to economic shocks of an oil cutoff.

As concerned Americans, we must oppose the Saudi arms package. Our country must change both its attitude and its policy toward the 4,000 princes that make up the House of Saud.

Our objectives:

Stop the sale of the arms package—preferably without a vote in Congress:

Treat Israel favorably, including an acceptable and satisfactory defense arrangement from the Administration;

Obtain from the Saudis quid pro quos in the form of dropping their open hostility to Camp David and Sadat, stopping its funding of the PLO to the tune of $1 million a day; stabilizing oil prices rather than continuing the steep rise as has occurred from the $12 per barrel in 1978 to the $32 per barrel today, stopping the calls for jihad against Israel and the cleansing Jersusalem of Jews, and allowing the U.S. Air and ground bases on Saudi soil itself so the Soviets can, in fact, realize our resolve.

Including the prospective enhancements, the Saudi F-15s could not effectively defend against air attacks from the Soviet Union. U.S. military support would be necessary to repel successfully such attacks. The Saudis may even have serious difficulties defending against sustained air attacks from major regional powers like Iran, without U.S. assistance.

We want an active and powerful America, a forceful foreign policy, one that is wise and judicious, selective and humane, tough and forward marching, one that demonstrates in Teddy Roosevelt's phrase, velvet on iron.

We must speak up and reject contradictory and self-defeating tendencies such as kneeling to desert rulers, salaaming to black gold, putting greed ahead of principle, carrying out a fearful foreign policy. Otherwise, in our contest with the Soviet Union, our deterrence, our strength, our purpose will not be respected.

We, in the Jewish community, can bring matters to a head. We can protest and petition the Legislative branch to say "no" to Saudi blackmail and American acquiescence. We must do all this—before it is too late.

We must start now.

President Kennedy often used the following story at the conclusion of speeches, including a talk at the AFL-CIO convention a week before he was murdered:

Marshall Lyuaty, the great French marshal, went out to his gardener and asked him to plant a tree. The gardener said, "Why plant it? It won't flower for a hundred years." "In that case," the marshal said, "plant it this afternoon."

AIPAC has been planting trees on Capitol Hill at a rapid rate. Today and tomorrow you must join us in that effort and, upon your return home, plant them there as well. This political action is in the interest both of a secure Israel—and a strong America.●

INTERPARLIAMENTARY UNION

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1981

● Mr. PICKLE. Mr. Speaker, the Interparliamentary Union meeting held this year in Manila was attended by some 80 nations. The Philippine Government proved to be an unusual host, and I think made every delegate from every nation feel pleased that they were in Manila. The Philippine International Convention Center was one of the largest and most commodious meeting halls I have ever seen, and it is bound to have been the envy of all nations. The Philippine Islands are developing and building. They have a beautiful mix of people with thousands of "jeepneys" cruising the boulevards. Major buildings and edifices are appearing, which shows that the city of Manila is growing in both an aesthetic and industrial manner. There is some opposition to President Marcos, but I found that by and large people felt that he was developing the country. The people seem to be busy, alert and progressive.

I was privileged to be a member of the International Security and Disarmament Subcommittee and I found it to be extremely interesting because of the confrontations with the Russian delegation.

At the start of the Subcommittee meetings some of the nations wished to condemn Russia again for its blatant invasion of Afghanistan. But this was softened to include our agreement criticizing "brutal invasion and aggression of one country over another". I insisted, however, that this phrase be related to the Afghanistan invasion and finally got what I thought was an understanding by the committee to refer to the resolution of criticism against Russia passed at the IPU conference in Berlin last year—1980. When we came to the point of the adoption of the resolution, the phrase "as passed at the Berlin IPU meeting" had been dropped, and I thought it should be specifically included. The Russians objected because they wanted no reference to the criticism levied against them last year in East Berlin. We put the question to a vote, however, and the Russians lost. This was a small victory, but I think it pointed out again that all of the nations objected to the invasion of their country by any other nation—Russia included.

In my Committee I also had proposed that we make a positive statement inviting and encouraging both North and South Korea to sit down at the bargaining table to see if there could be any way to resolve their difficulties. These two countries pose the most imminent threat to peace in the Pacific or Far East theater and I think it would be well that we encourage the people to at least talk and look at possible ways for unification. As we all know, a tremendous amount of firepower is located in that general area, and it could spark a conflagration at any moment. Here again, the Russians objected, and I think they objected primarily because they must have figured the United States was "up to some mischief." When my motion on the Korea matter was not gaining approval, the Russians wanted to request the removal of all forces in the Indian Ocean, and I felt this was particularly aimed at Diego Garcia. Because the Committee had refused to specify an area like Korea, they felt similarly they should not specify an area like the Indian Ocean. Therefore, this statement of policy was omitted and I suppose Russia and the United States maintained a draw at that point.

Throughout the discussions the United States did not retract from its position on the SALT II Treaty. We agreed to continue to study and to explore means for the limitation of strategic armament, but we clearly asked for equity and understanding on the part of all nations.

Altogether, I thought the conference was a beneficial one. The United States did not come in for any overt

criticism and I think we made new friends at the conference. This is the primary advantage of these Interparliamentary Union trips: If the United States was not there attending the meetings and the conferences it is very likely that we would receive a lot of negative criticism by the other nations of the world. When we can join into prolonged and even heated discussions we are still showing our good intent and that we are indeed a participating democracy. We met every morning and every afternoon for a week in strong debate. Yet I am convinced that this kind of exchange of information and feeling is the best way to maintain better relations in this world. Sometimes I think we do more good at the IPU meetings than we do at the United Nations. It should be remembered that the United Nations are representatives appointed by their governments, whereas the people meeting at the Interparliamentary Union meetings are elected delegates from parliamentary bodies, and I believe we come as near to maintaining peace as does the United Nations. The IPU could be more effective if given specific powers of commitment. I would hope that our governments and the world press would come to the next meeting in Havana, Cuba, and in Nigeria the following year to see for themselves and to report more extensively to the people the good that is achieved through these kinds of exchanges.●

TRIBUTE TO THOMAS J. HURNEY

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. FAUNTROY. Mr. Speaker, it is said that the greatest gift a person can give another is of himself. That is what has made Thomas J. Hurney one of the most significant philanthropists in our Nation's Capital and perhaps anywhere in the country, for he has given his time, his name, his money, and his intellect for the good of others.

Tom Hurney's sincere efforts to extend a helping hand to those who cannot make it by themselves is why he is being honored Wednesday night by the Shaw Community Center Food Committee.

The Shaw Community Center Food Committee is observing its 15th anniversary this year; its only function and enterprise is to distribute Thanksgiving Day turkey baskets to families living in the inner-city who otherwise would not be able to participate in this annual American tradition.

It is because of men and women like Tom Hurney that the Shaw Community Center Food Project has, on the average, been able to provide baskets for over 300 families each year since 1966.

The food project expects to increase its generosity this year because of the work of Thomas J. Hurney. He has already told friends who plan to pay tribute to him or his community service that they should not give gifts to him, but should instead give to the Shaw food project.

In the Holy Scriptures, the Apostle Paul writes:

Though I have all faith, so that I could remove mountains, and have not charity, I am nothing.

Tom Hurney is everything because he has boundless charity for his neighbor. I am proud to join the Mayor of the District of Columbia and the City Council of the District of Columbia in saluting a fellow native Washingtonian, Thomas J. Hurney, for his dedicated devotion to charity.

In conclusion, I will share with my colleagues a copy of the proclamation issued by Mayor Barry and the resolution resolved to by the City Council of the District of Columbia on behalf of Thomas J. Hurney.

THOMAS J. HURNEY DAY, JUNE 3, 1981

A PROCLAMATION

Whereas, on Wednesday, the Shaw Community Center Food Committee will roast Thomas J. Hurney, in recognition of his many varied contributions to our community; and

Whereas, Shaw Community Center is a community Base Program for children and youth; and

Whereas, all proceeds from the "Hurney Roast" will go toward the Shaw Community Center's annual Thankgiving Day food project; and

Whereas, the life of Thomas J. Hurney not only inspires the youth of our nation but also exemplifies the hope, promise and fulfillment of the American dream: Now, therefore, I, the Mayor of the District of Columbia,

Do hereby proclaim Wednesday, June 3, 1981, as "Thomas J. Hurney Day" in Washington, D.C., and call upon all of our residents to join with me in honoring Thomas J. Hurney in grateful acknowledgment of the exceptionally outstanding contributions which he makes to his fellow citizens.

A RESOLUTION TO HONOR THOMAS J. HURNEY AND DECLARE JUNE 3, 1981, AS THOMAS J. HURNEY DAY IN THE DISTRICT OF COLUMBIA

Whereas, Thomas J. Hurney is a fourth generation Washingtonian and has long been associated with community services in the District of Columbia as a member and past-president of the Washington Touchdown Club;

Whereas, Thomas J. Hurney is well known not only by those who participate in and frequent the many events organized by the Washington Touchdown Club, but also by the Washington community as a whole for his commitment to our city, amply shown by his work with the Shaw Community Center, the Boys Club of Greater Washington, among many other civic and fraternal organizations in the District of Columbia; and

Whereas, because of this demonstrated commitment to our community, the Shaw Community Center Food Committee is "roasting" Thomas J. Hurney on Wednesday, June 3, 1981: Now, therefore, be it

Resolved by the Council of the District of Columbia, That this resolution may be cited as the "Thomas J. Hurney Day Resolution of 1981".

SEC. 2. The Council of the District of Columbia wishes to express its appreciation to Thomas J. Hurney for his unselfish commitment to our community and declares Wednesday, June 3, 1981, as Thomas J. Hurney Day in the District of Columbia.

SEC. 3. This resolution shall take effect immediately.●

TRIBUTE TO FORMER AMBASSADOR RICHARD GARDNER

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mrs. FERRARO. Mr. Speaker, on Friday, the President announced his intention to name a new Ambassador to Italy to replace Richard Gardner, a dedicated public servant appointed by President Carter. I would like to take this opportunity to express my appreciation and, I am sure that of my colleagues, to Mr. Gardner for a job done superbly, often under difficult circumstances.

Richard Gardner performed his job in an outstanding manner and was responsible for great strides being made during the last 4 years to improve the relationship between the Italian and American peoples. A recent article from La Sicilia, Sicily's largest newspaper, attests to the high esteem in which Mr. Gardner is held and I would like to share excerpts from this article with my colleagues:

TRIBUTE TO FORMER AMBASSADOR RICHARD GARDNER

By that strange, unwritten law, seemingly anachronistic and absurd in a time of high specialization in all sectors of modern life, U.S. Ambassadors are still considered as "personal" representatives of their President, and therefore follow his destiny, good or bad.

Richard Gardner is therefore leaving, to make room for a man of Reagan, the new President. Personal merits do not count, nor is the amount and quality of the work done determinant: he must go because another is entitled to that place, maybe a friend, maybe a campaign assistant. Nothing amazing and nothing shocking in this: it is known to be a rule of the game, which was always observed.

But the "Gardner case" is a special case. Because this educated, balanced man, very active in his official mission but at the same time discreet and prudent in official contacts, is a man who had a deep influence in the diplomatic relations between Italy and the United States. He landed in Rome, perhaps the "hottest" capital of the Western world, in a tempestuous moment, and his path was immediately laden with difficulties, since his interlocutor was a government torn by sectarianism in a general political situation marked on one hand by the

strongest communist party in the free world, and on the other by the strongest neofascist party in the Western world. These four years were tempestuous for the whole world, troubled by an escalating economic crisis without precedent in the last half century; four years in which the ghost of war often grazed us (Afghanistan, the Horn of Africa, Israeli-Arab relations, Poland, the Iranian revolution), and in which Italy suffered the bloody experience of terrorism, the trauma of Moro's assassination, the shame of the Lockheed affair and of a hundred other scandals, the wounds of an apocalyptic earthquake. Yet, in these four years Gardner held his post with composure and sang-froid, and with very great diplomatic ability.

A professor of international law at New York's Columbia University, already experienced in international relations thanks to an intense and extended cooperation with Presidents Kennedy and Johnson, he immediately tackled in Rome the main difficulty encountered by all his predecessors: the relationship with the communists. And he solved the problem in a clear and at the same time tactful manner: the United States—he said—would never support or encourage an Italian Government open to communists, but it would not exercise any form of interference and political pressure in Italian internal affairs. A different attitude which was generally appreciated, particularly as compared with the position of previous Ambassadors who had acted as spokesmen, if not protagonists, of different attitudes and "blockades". The "ideological block" which had surrounded the American Embassy for decades crumbled rapidly, and artists, scientists, leftist journalists and even PCI political leaders obtained visas for travelling to the United States without difficulty: L'UNITA', the official PCI newspaper, was able to open a correspondent's office in Washington, and Giorgio Napolitano Berlinguer's heir apparent, was able to give lectures in American universities.

At the same time, Gardner opened Villa Taverna to intellectuals, journalists, democratic politicians, and wove his portion of the large tapestry through which—after half a century of uncertainty—a socialist party would appear which, overcoming at long last its subordinate position with respect to the PCI, could accept Italy's full participation in the Western world, and would support stabler governments and economic, social and administrative structures adequate to meet the needs of a modern industrial democracy.

That he succeeded in his work appears to be confirmed by facts, notably the coming to power of a young and quite different socialist leadership which represents the independence and the role of the PSI, based on clearly Western, reformist, positions, and offers a renewed possibility of cooperation with the DC and a factual convergence with the great European social democracies.

Gardner's action, furthermore, was not restricted to his relations with the Palace and surrounding areas. Gardner also became popular by travelling all over Italy; during his mandate he visited all Italian regions at least twice, he gave an impressive series of lectures—over one hundred and fifty, it is estimated—in universities, Chambers of Commerce, and the most qualified circles; he took part in cultural and popular events; he was among the first—with tangible evidence of his participation—to visit the earthquake area in Irpinia.

He also had the time and inclination to read Mazzini's writings and to convince his

CLARK PORTEOUS RETIRES FROM MEMPHIS PRESS-SCIMITAR

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. FORD of Tennessee. Mr. Speaker, on May 29, Clark Porteous, a reporter for the Memphis Press-Scimitar for 47 years, retired.

Mr. Porteous, one of the Midsouth's most distinguished newspapermen, was born on July 10, 1911, in New Orleans and raised in Laurel, Miss. On June 9, 1934, 1 day after graduation from Southwestern at Memphis, he joined the Press-Scimitar and quickly established himself as an aggressive, thorough, and impartial reporter.

In his long and brilliant career with the Press-Scimitar, the Clark Porteous byline has appeared over thousands of stories ranging from local civic club meetings to breaking national news events. As a Nieman fellow to Harvard University in 1946–47, he published a nationally recognized novel about lynching in Mississippi. As an investigative reporter he exposed a job sales scandal in Mississippi and the neglect of a babysitter in the death of a 6-month-old Memphis child.

As a reader's reporter, he has won thousands of friends for the Press-Scimitar with his tireless coverage of local news. He is the most widely recognized reporter in the Midsouth, counting among his many friends and admirers the most powerful of politicians and the most anonymous of readers.

Clark Porteous has served the public in the highest tradition of his profession. His retirement is a great loss, but through his career he has left an example of excellence for all reporters to follow.

I commend the following article on Mr. Porteous' fine career to my colleagues:

[From Memphis Press-Scimitar]

CLARK PORTEOUS RETIRING AFTER 47 YEARS AS NEWSMAN

(By David Rapp)

Clark Porteous, whose Press-Scimitar byline has been a byword in the Mid-South for close to half a century, is retiring.

His departure from the newsroom Friday will end a career that spans 47 years and thousands upon thousands of news and human interest stories—from politics and parades, fires and festivals, to lynchings and assassinations.

Through it all, he earned a reputation among his readers, his news sources and his colleagues alike as an aggressive and thorough, but fair and impartial reporter.

The late Edward J. Meeman, the first of three editors Porteous served under, once wrote: "Clark Porteous is objective. He gets the facts, and lets the facts speak for themselves. He [illegible]. He does not color the [illegible] actual color of the facts, be those facts bright or drab."

Milton R. Britten, the present editor of The Press-Scimitar, said:

"He's just a great information getter. No matter what it is, if you need information, one way or another Clark can always get it. He was and is widely known in Memphis and the Mid-South. He's also widely trusted by news sources, even when writing about things they'd just as soon not see in the paper.

"Clark was always The Press-Scimitar's star reporter and he still is. He was an example to every person who came to work for the paper. He's just in love with being a newspaper reporter and he has done an exceptional job."

THE EARLY YEARS

Thomas Clark Plaisance Porteous, a high school track star and debater in Laurel, Miss., came to Southwestern at Memphis with a track scholarship and soon joined the college newspaper, later becoming its editor. He was graduated June 7, 1934, and one day later joined The Press-Scimitar as a reporter.

It didn't take long for him to prove he had a nose for news and an ear for the colorful quote.

After a Memphis man shot his 20-year-old son, young Porteous managed to get an interview with the father in his jail cell.

"I didn't know exactly what to ask a man who had shot his son, so I told him the good news that his son would live." Porteous recalled years later. "But he swore an ugly oath."

When Porteous asked the man if he wasn't glad that his son was going to recover, the father replied, "Hell, no, what do you think I shot him for?"

Clark's account of the unusual interview appeared across the top of Page 1 in The Press-Scimitar.

Two years later, in 1936, an American Airlines plane, the Southerner, crashed on a Sunday evening between Memphis and Little Rock. Porteous was sent with a photographer to find the plane, if possible.

Near Goodwin, Ark., some parked vehicles led them to a man who thought he had seen a ball of fire plummet into the swamps. Anxious to continue the search, Porteous borrowed a flashlight and led a posse through the swamps.

"We began to find pieces of aluminum in the broken trees," he remembered later. "Finally I stumbled over something, and it was the body of a man, at least the torso as the part below the waist was missing."

The cause of the crash is still a mystery, but Porteous' account in the next day's Press-Scimitar scooped the nation's press.

WIDE RANGING

In the following years Porteous pursued other stores with equal persistence. Whether it was covering the Maid of Cotton tours, digging up political stories or running down a new City Hall angle from E. H. "Boss" Crump, Porteous was usually on the scene first.

In 1946 he took a year's leave of absence when he won a Nieman Fellowship to Harvard University along with 12 other journalists from across the nation.

His tenure at Harvard resulted in a novel, South Wind Blowing, based on a 1937 lynching he witnessed in M[illegible]ppi. The book took an unus[illegible] with each of 19 character[illegible] lynching of a black m[illegible]

"Th[illegible] and received a review in the New York Star. "It is much more than good reporting, it is a high artistic achievement," read the St. Louis Post-Dispatch.

The real story of the lynching also reveals Porteous' resourceful ability.

Told that a posse had captured a black man wanted for killing a white man in Slayden, Miss., Porteous went to Slayden where he found several men in a store discussing what to do with the black man. He noticed them leaving through a back door one by one, then followed them to the schoolyard.

"They brought the man out, stood him on the front of a Model A Ford, put a noose around his neck and tied the rope to the limb of a tree," Porteous wrote later. "Behind this you could see the little desks in the school through an open window. We were running towards the scene when they drove the truck out from under the man, left him dangling."

Porteous and photographer Mervin Rosenbush pretended to be commercial photographers and began snapping pictures and taking orders for prints from the men standing next to the body, backs to the camera. Some became suspicious and the pair lit out for Memphis "in Rosy's souped up Ford," and though they were chased for a while, they got away.

DIG, DIG, AND DIG

The late Robert Johnson, long-time columnist for The Press-Scimitar, wrote a 1955 column describing Porteous in terms familiar to most of his colleagues and sources:

"Through the years, Press-Scimitar readers have come to know Mr. Porteous as one who had a way all his own of getting at the bottom of things. (His) stubborn and resourceful tactics have won the high respect of his colleagues, made him known as an expert in dig-dig-and-dig uncovering of facts.

"He has handled many of the biggest news happenings, from major crime to big labor news, politics and features. But one thing which makes Clark a top newspaperman is that, even if it's just a small item, they're all 'big stories' to him."

Some of the big stories he covered were the 1961 admission of James Meredith as the first black to enter Ole Miss at Oxford, where he dodged bullets and "had to go into the YMCA now and then to try to wash the tear gas out of my eyes"; the January 1956 Emmett Till trial, when Porteous served as the main liaison between blacks and whites; and the 1977 death of Elvis Presley, when he wrote the Page 1 obituary of the famed entertainer.

But he also was known as the "people's reporter" and for his constant efforts to get a "new angle" on every assignment.

He gave first-person accounts of everything from riding a jet plane in the early 1960s to a tour of Memphis topless clubs in 1975.

Some examples:

A "bombsight view of Memphis," when he took a ride in a B–17 in October 1943. "I sat in the top gun turret, with its two .50-caliber machine guns . . . I had a big time, whirling about as if on a miniature merry-go-round, looking through the turret's plastic top into the clouds for 'enemy' fighters I knew weren't there."

The perils of growing a beard in August 1939, when beautiful girls stopped him on the street to stroke his jowls, and politicians stopped their speeches to point him out.

About marching (and playing trumpet) with the Treadwell High School Band in the

1956 Cotton Carnival Parade; and, in 1961, covering the parade as King Midas, dressed in a gold lame robe, gold crown and bushy gray beard. "The final touch was my own long Church Warden pipe, wrapped in gold foil."

The many years of covering City Hall during the reign of "Mister Crump." He described the "countless hours, waiting outside of closed-door meetings, waiting for Mister Crump—not some elected official—to come out and talk to the press." He also remembered the impromptu parades of Crump and his entourage marching down Main, bowing and shaking hands: "Everybody knew Mister Crump and he knew everybody."

He brought Crump's wrath down on him when he reported an anecdote told by Gordon Browning during Browning's successful 1948 comeback campaign for governor. The anecdote involved a supposed voter-hunting expedition by Crump and one of his allies, Will Gerber, into a cemetery. "Gerber was on his knees scraping moss off an old tombstone, and saying finally he couldn't read the name, to put down any name, and Crump said, 'No, Willie, we've got to have an honest election.'"

"Good memories and bad," Porteous would write later about the Crump era. "How different it is with truly elected officials, all speaking for themselves, making their own mistakes. Democracy, its wonderful."

Of the "joys" of smoking. He had started puffing a pipe as a Southwestern student, later owned nearly 300 pipes, and never went anywhere without one. "Someone should speak up for the evil of smoking," he wrote in 1964. "I guess this tobacco-stained wretch should qualify."

Of quitting smoking cold turkey. He put away his trademark in 1979 after a car accident fractured one of his ribs. "I had thought it would be difficult to quit. But I had not smoked in a couple of weeks, and I was surviving. I began to think, no more burned clothes, my teeth wouldn't be so badly stained next time I went for my semiannual dental checkup and cleaning, I would not annoy others, I would save on my mounting weekly tobacco bill. And it would be bound to help my health."

He gave away all but a token few of his pipes.

"Best thing, I don't cough any more," he wrote. "But I do feel a subtle sort of longing when I see someone else enjoying a pipe of tobacco."

SUMMING UP

Porteous, who speaks in a characteristically matter-of-fact way about his retirement, is keeping his options—like his contacts—on an open line. His plans include spending more time with his wife, former Press-Scimitar reporter Elizabeth Colling, their six children and five grandchildren.

"I've done what I wanted to do. I've enjoyed every minute of it," he said. "The Press-Scimitar has been a great place to work, and I've worked for three fine editors—Ed Meeman, Charles Schneider and Milt Britten. When Meeman hired me in 1934, he said he'd give me a trial at $10 a week. No one has ever said that I'm not still on trial.

"I'd like to keep on but the calendar just caught up with me," he added. "There will always have to be reporters . . . someone has to go out and cover the City Hall meetings.

"That's why I'm glad I've been a newspaperman."●

END RUN TO GUATEMALA

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. OTTINGER. Mr. Speaker, I rise to protest the administration's eagerness to provide military assistance to one of the world's worst human rights offenders: Guatemala.

The regime of President Romero Lusas Garcia has engaged in the most brutal violations of human rights. Since he came to power in July 1978, over 5,000 Guatemalans have been killed, and hundreds have disappeared. The country has some 3.5 million Indians, and several of their villages have been entirely wiped out by government gunmen.

Once again the administration, by supporting an intolerably repressive regime, will be helping the Communist cause rather than hurting it. Despite the viciousness of this regime, President Reagan is considering a resumption of arms aid to Guatemala. I am extremely distressed by reports that the administration is tempted to use contingency funds for $2.5 million in nonlethal equipment for Guatemala, in order to bypass congressional review of this aid. As the New York Times said in a recent edictiorial:

If the Administration actually attempts such an end run around the budget process, Congress may have to remind it that the United States, too, has constitutional institutions.

I am including that New York Times editorial in today's RECORD and I commend it to the attention of my colleagues:

END RUN TO GUATEMALA

Retired General Vernon Walters, an old hand at military diplomacy, is known for his polished skills as a linguist. But he chose peculiar words last week to explain why the Reagan Administration is considering a resumption of arms aid to Guatemala. During a visit there as Secretary of State Haig's special emissary, General Walters said, deadpan, that Guatemala's Government is defending "peace and liberty" and "constitutional institutions."

Peace and liberty are indeed imperiled in Guatemala. One threat comes from some 2,000 leftist guerrillas who have been receiving encouragement and possibly arms from Cuba. General Walters noted that peril. But he shrugged off another threat: state terrorism condoned by President Romeo Lucas Garcia. In a decade, as many as 25,000 Guatemalans have been killed, mostly by state security forces; the recent toll includes 76 officials of the opposition Christian Democratic party, scores of trade unionists and at least 6 Catholic priests.

This brutality has brought Guatemala's government a grim reputation as the hemisphere's worst human-rights offender. Particularly hard hit have been the country's 3.5 million Indians, some of whose villages have been totally wiped out, mainly by Government gunmen.

The United States has an obvious security interest in true peace and liberty throughout Central America, and particularly in a nation whose jungles border on Mexico. But that interest is not served by an uncritical partnership with a regime openly at war with its own people. Guatemala wants America's political backing even more than its weapons. The predominantly military regime has found most of the weapons it wants elsewhere—ever since in 1977 it rejected American military aid rather than comply with Congress's human rights standards.

Those standards remain the law, and all aid still has to pass Congressional scrutiny. In its eagerness to renew contacts with the Guatemalan military, the Administration is tempted to dip into contingency funds for $2.5 million in "non-lethal" equipment, thus bypassing Congressional review. If the Administration actually attempts such an end run around the budget process, Congress may have to remind it that the United States, too, has constitutional institutions.●

MAURICE SONNENBERG: KEEN PERSPECTIVE ON U.S. EXPORTS AND FOREIGN TRADE

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. COELHO. Mr. Speaker, at a time when the United States faces a staggering trade deficit and desperately needs a forthright and cohesive national export policy, the insight of Maurice Sonnenberg is worthy of my colleagues' consideration.

Mr. Sonnenberg is an experienced investment banker whose clients include major banking institutions throughout the country, industrial development authorities for a number of States, and several important business corporations. It was his ingenuity which contributed to Volkswagen's decision to locate a plant in Pennsylvania, and he advanced many highly credible ideas as a member of the President's Export Council.

Considered a scholar in the field of international trade, Mr. Sonnenberg has written widely on this subject and is well respected for his views on Eximbank programs and other approaches to the promotion of world commerce. Some of his proposals have centered on tax reform to discourage export disincentives and Justice Department policy on trade practices with antitrust implications. Taking a broad look at our economy, Mr. Sonnenberg has articulated sound judgments on policies which govern trade sanctions, such as the recently lifted grain embargo imposed against the Soviet Union.

Recently, Mr. Sonnenberg published two articles in the journal, Yankee Trader, which I would like to place in the CONGRESSIONAL RECORD. His perspective, I believe, forms the basis of a trade platform which should guide our Nation's commitment to bringing our

ratio of imports to exports into balance, while helping to strengthen the posture of the United States as a viable trading nation in the world community.

Thank you, Mr. Speaker.

[From the Yankee Trader, April/May 1981]

TRADE: A LIMITED WEAPON

(By Maurice Sonnenberg)

In the last week of 1979, the Russians invaded Afghanistan as Soviet troops and tanks crossed the southern border to bolster a puppet government. It was the first time since the end of World War II that the Soviets had used military force, outside of Eastern Europe, and it followed by less than two months the seizure of the American embassy and the taking of hostages in Iran. The response of the Administration to these disruptions in the world political system was economic. Among other things, President Carter ordered an embargo against the shipment of grain to the Soviet Union. He froze Iranian assets in U.S. banks. He also proposed a boycott of the summer Olympic games to be held in Moscow. He asked U.S. allies to follow suit. Few did, however. In fact, to give one example, Argentina picked up the slack of the U.S. grain embargo and concluded an agreement to ship wheat to the Soviets. Only a handful of nations stayed away from the summer Olympics, and most telling, in Afghanistan the Soviet troops continued to slaughter Afghan rebels in defense of unstated policies in South Asia. There, at least, the American gambit failed.

A dominant shibboleth of all administrations since the end of World War II has been that trade is an effective weapon in the conduct of foreign policy. Most recently this belief was expressed by President Reagan's agricultural secretary who proposed at the time of his nomination to use food as a weapon in the conduct of foreign policy. This suggestion is not unprecedented. Past Presidents have always employed blockages, embargoes, boycotts and other types of restrictive trade policies to advance their foreign policies. The problem with such an approach, as President Carter discovered with the Russians in Afghanistan, is that in only selected instances does trade serve as an effective weapon in foreign affairs. While a case can be made that the freezing of Iranian assets may have helped toward the release of the hostages, that example, if indeed true, is an exception to the rule in recent years that embargoes, sanctions, and boycotts have achieved nothing other than diverting American business to other nations, usually our loyal allies.

In addition to Argentina during the Soviet grain embargo, Brazil, Canada and some nations in Europe provided, either under new agreements or through old contracts, a substantial portion of Russia's needs for wheat. This does not take into account the American grain diverted to the Soviet Union by third countries acting as intermediaries in the transaction. As well, the Europeans were only too keen to fill the gap left when the United States declared export controls on the shipment of non-strategic machinery and equipment to the Soviet Union.

Despite a record of failure, it is easy to see why the mythology persists about the coercive powers of economic policy. For starters, the trade weapon is often a convenient substitute for military force. Better to deny the Soviets grain then to send American troops to Afghanistan. Likewise, such sanctions give the appearance of hurting our enemies—or sometimes our allies—where they are most vulnerable. The assumption behind the military embargo of Turkey was how can they survive without U.S. Aid? Only when the United States was the sole economic giant—this was in the years following World War II—were we able to effectively use economic policies to advance our goals in foreign policy.

EFFECTS OF THE MARSHALL PLAN

The Marshall Plan, the common expression for the European Recovery Program, philosophically as well as economically checked Communist expansion into Western Europe. It offered our allies $11 billion of economic assistance, and the donor, in this case the United States, had obvious economic and politic control over the aid recipients. Nations receiving this aid were subject to suspensions or terminations that could be activated when their conduct went against the American national interest.

The strength of economic policies as an aspect of foreign policy can be measured in Greece. In 1950, a civil war ended there, in part because President Truman convinced Congress to extend aid to the Greek government. He argued that such aid would not only halt Communist expansion, but put the country on a sound economic basis. By the end of 1951, over $600 million had been sent to Greece, much of it for the purchase of agricultural commodities, industrial goods and technology. The crises ended, and for more than two decades, our relations with Greece were stable. Likewise, our aid to Turkey at the same time stabilized relations in that part of the Mediterranean until conflict occurred between these traditional foes and the United States became caught in the crossfire.

What has changed since the era of the Marshall Plan, and reduced the effectiveness of economic policies in U.S. foreign relations, is the emergence of strong competitors to the United States. Western Europe and Japan, then mostly in rubble, are now economic giants. The Soviet Union and the Eastern bloc countries are obviously stronger than they were a decade ago. Thus, the trade weapon is curtailed because many other nations are willing to fill the breach whenever the United States decides to cut off a certain product to a certain nation. Where once the U.S. might have been the only supplier—say of heavy machinery and technology—there are now many.

The following is a list, by no means complete, of examples where international and U.S. trade embargoes have proved ineffective:

Rhodesia: This country was the subject of an embargo for almost ten years. Nevertheless, despite the sanctions, for years it managed to conduct world trade, including with its black neighbors, as well as fight a guerrilla war. But it was the warfare that eventually forced capitulation to its adversaries, not the embargo.

Turkey: The only effect of the embargo of U.S. military supplies after Turkey invaded Cyprus was to antagonize a NATO ally. The embargo not only weakened western defenses and brought no solution to the question of Cyprus; it also, somewhat incredibly, coincided with a deterioration of relations between the United States and Greece, which, in theory anyway, was supposed to be pleased with the cutoff of weapons to Turkey. It was, but other problems grew worse.

Equador: The refusal of the U.S. government to allow the sale to Equador of Israeli Kfir jets, which are driven by Pratt and Whitney engines and therefore subject to American control abroad, has no effect on the military build-up in South America. Equador cancelled the order with Israel; Pratt and Whitney lost further business; and the French happily supplied Equador with the jets it needed.

Cuba: After twenty years of trade embargo policies against Cuba, there is little indication of political liberalization on the island ninety miles from the U.S. shore. Just the opposite, in fact. Cuba has been more intransigent than ever. Its troops are spread across Africa and, if one believes the dispatches from the State Department, it is also championing revolutionary movements in Nicaragua and El Salvador. The Russians, as well as countries from Europe and Latin America—not to mention Japan and Canada—have filled the trade gap left by the American embargo.

Nuclear Proliferation: The Catch-22 of world politics. Sweden, West Germany, France and Canada are all eager to sell nuclear power plants and fuel in places such as Pakistan, where the United States prohibits its companies from doing business. Ironically, in denying billions of dollars in contracts to U.S. business, the United States is relinquishing its only hope in regulating proliferation throughout the world. Experts claim that our competitors, in their rush for profits, offer equipment more easily convertible to nuclear weaponry.

It is difficult, at this point, to judge the extent to which the Reagan administration will employ economic sanctions to advance its policies. But the previous administration was hardly reluctant to swing the economic bludgeon—to cut off trade; to deny aid—in order to foster its policies concerning human rights. The U.S. does have a maximum moral interest in promoting adherence to the principles of human rights. Nevertheless, in a time when our leverage is sharply reduced because few nations are absolutely dependent on American goods, the soundness of any embargo, even one with human rights as its justification, is dubious as long as our allies will continue to fulfill the trade we are denying. To give an example: The Export-Import Bank decision not to issue a letter of interest for the sale of U.S. turbines (worth $276 Million) to Argentina simply resulted in the Government export banks of Japan and Great Britain offering to provide the financing for the same type of equipment from their respective countries. In another case, the failure of the U.S. government to approve an export license for Boeing-Vertol for the sale of helicopters to Argentina brought a response and order from the ubiquitous French.

Commercial loss, for a worthy cause, can sometimes be justified. Extreme cases, such as Nazi Germany, recall the age-old argument about doing business with tyrants. But few cases today are black and white. The world is shaded grey in many sections of the Middle East, Africa, Asia and Latin America. Outside of the Americas and Western Europe, the number of democratic governments can be counted on one hand. The rest are a combination of totalitarianism on the left and right. And however satisfying to the national conscience it would be to pretend that these nations and their tyrannical leaders did not exist, the problem is that many do. Simply to end economic relations does not make the problem go away. Sometimes it makes it worse. But the converse is also true. By extending economic relations to unsavory countries, at least ones which

do not pose a direct military threat to the security of the West, the United States has a chance, however remote, of retaining some influence in those nations' affairs. I note the example of Yugoslavia in the early 1950s.

In the 1950s, Marshal Tito broke with Stalin. At the time the United States sent military assistance to Yugoslavia including jet fighters. Needless to say, a number of members of Congress were outraged by this support for a Communist nation. Nevertheless, Yugoslavia remains the most independent country in Eastern Europe, a bridge between East and West. Likewise, in the current example of Nicaragua under the Sandinistas, if the United States cuts off all aid and trade agreements, it is possible Nicaragua could be driven into the economic arms of our protagonists. By maintaining trade with that country, we at least have a chance to continue commerce and more normal relations.

In conclusion, it is to be repeated that in the world today coercive techniques, such as embargoes, denial of export licenses, boycotts, and credit freezes are of little value. They do not isolate the offending nation; they only isolate the United States and provide windfalls for our competitors. Only against a weak and dependent nation, one controlled through a history of trade dependence, are embargoes and sanctions effective. When a powerful nation is a critical supplier of raw materials or industrial goods, or when a powerful nation is the prime market for one or two products, or raw materials, it can exact terms. But larger, more mobile nations can either find outlets for their products or suppliers for their needs, and the sanctions, therefore, fail.

Finally, in authoritarian societies, such as the Soviet Union, economic displacement because of sanctions leads only to belt tightening and reordering of priorities in the economic sector. And it should be pointed out that nothing appears to affect the military side of the Soviet economy as that priority never changes.

It is obvious that rather than cutting off our trade and losing whatever role we have, it perhaps is better to foster foreign trade and thereby maintain our diminishing influence. We can maintain some leverage upon intractible adversaries by understanding the delicate and realistic balance of world politics and should avoid indiscriminate and impractical use of our trade policy as a political weapon.

[From the Yankee Trader, February/March 1981]

Export Issues Debated on Presidential Council

(By Maurice Sonnenberg)

The need for a strong, cohesive national export policy has never been more obvious, and it is manifested in an extraordinary new found interest by the governmental and commercial sector of our society. While everyone agrees something must be done about our position in world markets, however, not everyone is in agreement on just what steps are most needed.

From my experience serving on the President's Export Council, I believe that body or one similar to it can be a primary instrument in achieving effective results on trade policy. The Council is designed to allow input of ideas from different economic sectors of society with the main purpose in mind of recommending programs and policies that will result in greater exports. It is bi-partisan in make-up, with members serving at the will of the President. The forty-one members of the Council include the heads of seven executive branch agencies involved with foreign trade, six leading members of Congress and representatives from industry, labor, agriculture and business.

The President's Export Council was originally established in 1973, but it was essentially dormant for years in much the same way that many of our pressing trade problems were not given necessary priority. Its inactivity ended in May 1979 when the urgent need for answers to some of these problems led to the reconstitution of the Council as a full-time working body. Since its reactivation the Council has delved into a broad range of issues confronting exporters and has left its indelible mark on U.S. trade policy. President Carter has seen fit to extend the Charter of the Council due to expire on December 31, 1980, until December 1982. This will allow the necessary continuity of its work as well as providing President Reagan time to decide how and if he will make use of the Council.

In December the President's Export Council submitted to the President its Final Recommendations for the period of its initial charter. As these have already been well publicized, I will not enumerate them all here. I believe it might be of more interest to my fellow SOS America members to hear of some of the views the Council shared and a few of the recommendations. Many of the issues the Council wrestled with in its deliberations will no doubt continue to command attention even after the Council's recommendations are acted upon.

The President's Export Council has come out in favor of a number of programs designed to increase incentives to export, such as the trading company legislation, foreign tax credit revision, adequate lending authority to the Commodity Credit Corporation and a stronger DISC (Domestic International Sales Corp.) system. Of major priority in these incentive programs is the Council's concern with export financing. There is a great disparity between what the governments of the other major trading nations provide their exporters in the way of financing and our programs. The U.S. Export-Import Bank is a great disadvantage in this regard as it has not been given a position of relative prominence vis-a-vis its foreign counterparts. Three steps must be taken: First, Eximbank since it is a self-sustaining institution, should be treated as a separate line item in the annual budget and its authorization should be removed from the annual Foreign Assistance Act. Next its annual loan authorizations must be substantially increased, and lastly, something must be done to bring the interest rates in line with what our competitors offer. It is also felt that Overseas Private Investment Corporation (OPIC) should be an independent agency with greater emphasis on a role as an export financing body. It should be permitted to engage in financing of projects in middle-income, not just low, LDC's (lesser developed countries). OPIC's role in providing risk insurance coverage should be greatly expanded.

Another problem that worries many of us is the Justice Department's proclivity toward frightening potential exporting corporations with possible anti-trust actions on their overseas activities. Senator Javits, one of the Senators on the Council, has introduced a bill (S. 1010) that essentially creates a Presidentially appointed commission to study the international application of anti-trust laws and submit its recommendation within one year. The administration (i.e. Department of Justice) opposes the bill. A similar problem issue is the Foreign Corrupt Practices Act, which is in great need of clarification. the enforcement agencies, SEC and Department of Justice which have overlapping jurisdiction of such laws, must establish clear guidelines for purposes of enforcement and prosecution. Our exporters must not be placed in the position of either risking a technical violation of U.S. law or abandoning sales in certain countries altogether, which is now the situation confronting many companies.

The use of export controls has been a source of great concern because of the tendency to invoke them even when no overriding domestic needs or national security imperatives are in evidence. The Council has felt that unilaterally imposed trade controls, intended to influence the internal affairs of other nations or merely register our displeasure over a foreign policy matter, are many times unwarranted and unrealistic.

Various types of export controls are often dictated without a proper balance being determined between the economic and political needs of this country internationally. I feel our human rights policies were not enforced consistently, bringing about little change but costing us in trade. Another example is the environmental regulations which have required Eximbank in an extra-territorial manner to certify that projects in other countries meet our national standards. Export credits have been unreasonably withheld from nations generally allied with us only because they differ with us on a few issues.

In other cases the Council has taken note of major foreign policy events and accordingly recommended action when it appeared foreign policy considerations had to be given paramount importance. In July 1979 the Council took a position of recommending Most Favored Nation (MFN) status and extensive credits be extended to the People's Republic of China and the Soviet Union. By September of 1979 as relations with the PRC were improving, a lively debate in the Council led to a major revision of the Council's attitude, The concessions now read "MFN status and credits were to be accorded both to the Soviet Union and China as soon as practicable for each." By February 1980, after the invasion of Afghanistan, China alone received MFN status.

In the area of export disincentive, I personally feel there is no reform more urgent that corrections of the tax laws regarding American citizens working abroad. The President's Export Council has very strongly supported legislation designed to relieve the tax burden placed on such individuals in the belief that our tax policy is seriously misguided. During the first half of this century the U.S. was the world's great exporting nation, and income earned by Americans abroad was virtually exempt from domestic taxes.

In the early 1950's major revisions were made in the tax system. Foreign residency requirements were altered and a $20,000 limit was placed on the amount of foreign income to be excluded from taxation. This exclusion was aimed primarily at motion picture personalities sheltering large amounts of money overseas, and initially there was not a great deal of effect on most Americans working overseas. As inflation and the declining strength of the dollar began to be felt, Congress, instead of raising

the exemption level, lowered it to $15,000! To make matters worse, the manner in which the exclusion was computed was changed so that in practical effect it became a $3,000 exemption. The Foreign Earned Income Act of 1978 provided no relief for the average businessman, and IRS rulings made "keep-whole" cost-of-living allowances to overseas employees taxable as income. This had the ludicrous result of certain instances where American nationals had to pay income tax higher than their real income!

As a result of the high cost of maintaining U.S. citizens, American companies have often been forced to hire other nationalities to work overseas. The effect of this on American exports is hard to estimate, but we believe it is severe. When a third party national takes the place of a U.S. citizen in a certain country, it is only natural to expect he will tend to order equipment and services from his own homeland rather than U.S. companies. In addition to any loss of goods, services and material orders, there is also the consequential loss of shipping to American flag carriers. The Government Accounting Office in one report said that current U.S. tax policies mean a reduction of five percent in total U.S. exports, which translated into a loss of perhaps $7 billion in overseas sales and 280,000 jobs in this country.

All of the major industrial nations except the U.S. recognize that the presence of their citizens in overseas markets is necessary for a successful foreign trade; none of them tax salary or living allowances of their nationals working abroad. Prudently designed exclusions on income earned are not tax loopholes for the rich—they mean thousands of additional jobs right here at home. This is a message the President's Export Council has delivered to both Congress and the Carter Administration, and a change in attitude does seem to have been effected. Legislation is in Congress now which would at least help, and I am hopeful that The Reagan Administration will see fit to push on this particular issue.

One final area in which the President's Export Council has made a number of suggestions is that of reorganization within the government to more effectively deliberate and administer trade policy. Some progress has been made over the past few years, but the opinion on the Council is definitely leaning toward even more centralization of trade functions, perhaps in a unified Cabinet-level Department of International Trade. Different governmental functions pertaining to trade are spread through a variety of agencies, many of which do not see export promotion in particular as a goal. I believe personally that some sort of "Trade Czar" is needed, whether the actual position be Secretary of International Trade, Special Trade Representative or something else.

Ultimately the government's contributions to our national export effort rests of course with the President, and no amount of legislation or reorganization is as important as the Chief Executive's determination to improve our stature in the international marketplace and alleviate a continuing national attitude of indifference towards export. I have no doubt that the new administration will bring greater impetus toward achieving our national export goals, and I believe that the President's Export Council, in whatever form he chooses to employ it, can and should play a part.●

PLAN FOR RESCUING U.S. AUTO INDUSTRY

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. ASPIN. Mr. Speaker, a number of recent developments in the auto industry have concerned me.

I fear the administration plan for rescuing the U.S. auto industry may help the Japanese more than Detroit.

The administration is proposing to lower a number of standards so the auto industry can make cars more cheaply, but those same standards will apply to imports as well, so the Japanese will be able to make cars more cheaply, too. And the bigger savings may well go to the Japanese.

The Reagan administration's auto rescue package is a collection of 34 changes in the regulations dealing with air pollution and vehicle safety. The administration claims the changes will save car and truck manufacturers $1.4 billion. This will result in a savings of around $150 for each car or truck sold in the United States—no matter where it is made.

In announcing its proposal, the administration said this regulatory reform package, coupled with the President's other tax and budget proposals, would put the autoworkers now on indefinite layoff back to work and raise domestic car production from the current low of 9 million units to 11 million units.

What the administration has not said is that most of these regulatory changes have been requested by the foreign automakers who sell in this country.

Here are a few of the major regulatory changes proposed by the Reagan administration that were previously requested by the Automobile Importers of America, an association of 16 leading Japanese and European auto firms:

Elimination of the 1984 high-altitude auto emission standards. This standard would require that all passenger cars meet the 1984 emission standards, no matter at what altitude the car is being driven. This provision is hard to meet because hydrocarbon and carbon monoxide emissions increase at higher altitudes due to the thinner air. Even cars driven at sea level all the time would have to meet the high-altitude standards. The Japanese Government, in many ways, has tougher air pollution standards than the United States, but it does not have one for high altitudes. To meet this standard, Japanese automakers would have to provide special equipment for cars targeted for the U.S. market. The Reagan proposals saves them that expense and helps the Japanese firms.

Modify the current bumper crashworthiness standards. Front bumpers must now be able to withstand a 5-mile-per-hour impact. The Reagan proposal is to consider reducing it to 2.5 miles per hour or eliminating it altogether. Foreign car manufacturers have asked for a similar change. Japanese and other foreign makers would have to design their cars specifically for the U.S. market to accept these heavy duty bumpers. The bumpers would increase the weight of small cars by a greater percentage than on larger cars and thus degrade the Japanese advantage in fuel economy. Elimination of the bumper standard can be defended in terms of fuel economy. Elimination of the bumper standard can be defended in terms of fuel economy, but not in terms of aiding the U.S. auto industry as the administration has done.

Delay and review those provisions that require passive restraints for cars beginning in 1982. The current provisions would require larger cars to have airbags or automatic seat belts in the 1982 model year and all cars to have these systems by 1984. While it is not known exactly what the administration will do with these regulations, it is known that it is harder to put airbags and other passive restraint equipment on small cars because of the smaller amount of space available inside. Small car manufacturers, especially foreign manufacturers, have been seeking changes in the requirement for years. If the administration does away with this provision, the biggest benefits will go to the makers of the smallest cars. Here again, the Japanese do not require cars sold in Japan to be equipped with airbags or automatic seat belts. A change in this provision will save the Japanese substantial development and production costs.

There is certainly merit in dropping a number of the 34 regulations, since some contribute little to public health or safety while costing a great deal. But there is no merit to the administration's claim that elimination gives U.S. industry a competitive edge.

The administration's highly touted plan for rescuing Detroit might better be billed as a boost for Japan, Inc. The administration brags that the reforms would shave $150 off the price of an average American car, which is now $7,530. But the changes would shave somewhat more off the price of an already cheaper Japanese car, thus widening the Japanese advantage.

The U.S. auto industry has a lot of catching up to do. If we are serious about helping the industry, then I think we need to adopt three policies:

First, limit the number of Japanese cars coming into the United States to 1.6 million a year.

Second, provide some real tax relief for the auto industry, such as chang-

ing depreciation schedules and the tax treatment for special tools.

Third, provide economic relief and job training for the more than 200,000 auto workers who are out of work.

The administration needs to begin to bite the bullet on some of the hard decisions. It is easy to issue regulatory reforms. It is much harder to devise policies that will really get at the economic and social needs of this industry.

The new auto import agreement with Japan has a loophole big enough to drive 150,000 or more vehicles through.

It looks to me like the administration got taken to the cleaners by some wily Japanese negotiators.

As you know, a number of us have sought to limit the number of Japanese auto imports while the U.S. auto industry retools. The administration agreed to approach the Japanese and try to work out a voluntary agreement. The administration came back with a sheaf of papers and a lot of public relations about what a great win it scored over the Japanese. The administration scores an A for public relations, but an F for public policy.

The problem is that the administration accepted the Japanese statistics on how many cars they have sold to the United States. This is a bit of a numbers game, so let me set the numbers in front of you so you can see just how the administration got taken to the cleaners:

The United States recorded imports of Japanese cars last year totaling 1.99 million.

The U.S. Senate has been working on legislation that would restrict Japanese imports to 1.60 million over the next 12 months.

Special Trade Negotiator William Brock got the Japanese to agree to cut their sales, which they place at 1.84 million last year, to 1.68 million. Brock said that figure was close enough to the numbers being discussed in the Senate to eliminate any need for the legislation.

It appears that Mr. Brock has missed the significance of the numbers. The Japanese figures show them selling 150,000 fewer vehicles to the United States because the Japanese do not count as car exports to the United States either their sales to Puerto Rico or their sales of station wagons, which they put in a separate category called car-derived vans.

Brock didn't get the Japanese to agree to 1.68 million cars the way we count, but more like 1.83 million. What's more, they are free to make a big push on station wagons. And, if they want, they can sell 1 million cars to agents in Puerto Rico who can ship them to the mainland.

What's more, those of us who have been working on this issue have been seeking a 3-year limitation because that's how long it will take the U.S. auto industry to readjust. Brock's agreement is billed as a 3-year pact. But if you look at the fine print, you find the numbers I just cited apply only to the first year. In the second year, the Japanese quota would rise in line with any increase in U.S. domestic sales. And the third-year limits are to be worked out later on—which means there really is not any third-year agreement!

In sum, there are enough loopholes here to allow lots more than 2 million cars a year into the United States. The agreement is more loophole than substance. We need legislation to limit imports now more than ever.

The popular allegation that American autoworkers are overpaid and have given the competitive advantage to Japanese automakers is malarkey.

American autoworkers do make more money than their Japanese counterparts. But the difference in wages is not very important in the difference in prices. If we raised the pay of Japanese workers to put them on a par with Americans, Japanese cars would still cost $1,500 less to make than American cars of similar size.

What's more, in the last 5 years, while Japanese car sales have soared from about 8 percent of the U.S. market to more than 20 percent, Japanese wages have been rising much faster than American wages. From 1975 to 1980, the pay of American autoworkers went up 56 percent. In that same time span, Japanese auto wages rose 101 percent.

One problem with comparing Japanese and American labor costs is that, in Japan, fringe benefits count for much more than in the United States. The Japanese have a national health system, for example, so health care costs are not reflected directly in wages. And there is company housing for workers, so lower pay obscures the fact that the free housing boosts real income.

Japanese carmakers have about a $1,900-per-car cost advantage as vehicles emerge from the assembly line. The advantage is comprised of four parts:

From better management: $960. For example, the Japanese manage to prevent defects while American auto firms have until now managed to detect defects. The Japanese system saves the time and manpower needed to correct defects. Another example is "quality circles," small teams of workers and management who are looking constantly for ways to make production more efficient. As a result of their innovations, production line downtime in Japan is 20 percent versus 40 percent in the United States. AMC in Kenosha has been moving toward this concept.

From more modern technology: $100. The Japanese use more robots and computerized machinery. But the advantage here is not as great as is often perceived.

From labor costs: $420. If we include all wages and fringe benefits, Japanese workers now get about $12 an hour versus $19 an hour for American autoworkers.

From warranty savings: $100. The better quality control on Japanese cars means they face fewer repairs under warranty and can pare down the selling price of their car accordingly.

In assorted other savings: $320. For example, component manufacturers are scattered all over the United States so assembly plants must keep large inventories on hand. In Japan, the subcontractors are generally next door, holding down inventories and the staff needed to manage them.

These five advantages add up to $1,900. When the $400 cost of trans-Pacific shipping and import duties are deducted, the Japanese are left with an advantage of about $1,500 per car. The shipping cost disadvantage simply cancels out the labor cost advantage.

What this all shows is that efforts to lay the blame for the problems of the auto industry on the backs of the autoworkers are unfair canards.

The Pentagon plans to buy 20,000 European-made trucks. I could not believe the Pentagon could be so idiotic.

Forty-five other Congressmen have joined me in writing President Reagan to denounce this decision. The Pentagon's plan would cost the American taxpayer $300 million. It would deny that money to an American industry that needs the business badly.

The Pentagon called its plan "a shining example of cooperation with our European allies." As I wrote the President, "Those who are being asked to 'cooperate' are American workers, of whom one out of six depends upon the auto industry for their jobs."

I am awaiting a reply from the White House. I hope the administration will open its eyes to reality and tell the Pentagon to remember it is the United States it is supposed to be serving.

I have discovered to my surprise that one of the administration proposals to bail out the auto industry would shave only $1.50 off the cost of a car and discourage sales overseas everywhere but Brunei, Burma, and South Yemen.

The Reagan administration would lift the requirement that the speedometers on American-made cars show the speed in both miles per hour and kilometers per hour and the odometers be tamperproof.

This change will shave from $1 to $1.50 off the cost of each car, according to the Reagan administration.

This is bound to promote sales dramatically.

Chrysler will survive.

American Motors will thrive.

The U.S. auto firms will dominate the world. Of course, almost all countries now use kilometers so we could not sell cars there. We would be shut out of Canada since they have switched to metric, but, so what! Canada is only our biggest export market. After all, think what this will do for our sales in the three foreign countries that still use miles—Brunei, Burma, and South Yemen.

Why, if Detroit could ever find those countries on the map, we would really wipe out the competition from Toyota and Volkswagen, not to mention rickshaws and ox carts.

There are 200,000 auto workers on indefinite layoff from an industry that last year lost a record $4.2 billion—and the administration is going to defend the battlements of English measure and save the car buyer a buck and a half!

Seriously, there is an explanation for this proposal. It is ideology. The administration has simply used a vacuum cleaner approach to regulations in its zeal to show its disgust for regulations. But regulations are not the source of the industry's problems. Does the White House not understand that the regulations apply to Japanese-made cars and German-made cars just as much as to American-made cars?

REVIEW OF THE ADMINISTRATION'S ECONOMIC PROGRAM

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. EDWARDS of California. Mr. Speaker, Charles T. Manatt, the chairman of our Democratic Party, delivered his first major review of the administration's economic program in California at the Commonwealth Club on May 22, 1981. Chairman Manatt raises the questions of concern to us all about the real problems posed by the Reagan economic program for our country and its citizens. I commend his observations to my colleagues.

REMARKS OF CHAIRMAN CHARLES T. MANATT, DEMOCRATIC NATIONAL COMMITTEE

ADDRESS TO COMMONWEALTH CLUB

Californians: This is my first speech as Chairman here in California, and I feel a little like the prodigal son come home. I cannot think of a more distinguished group for my maiden address than the Commonwealth Club, and I am honored to join you today.

The number one subject throughout the nation today is the health of our economy and the President's program for economic recovery, and that is what I want to talk to you about today.

The Reagan Administration has embarked on one of the most far-reaching economic programs in our history. It will touch the lives of every citizen, from the investment banker on Nob Hill considering a billion dollar joint venture to the welfare mother in the south Bronx figuring her weekly budget for her children's school lunches. Its success or failure will shape our nation for good or ill for years to come.

One fact remains clear at the outset. The President has scored a major political victory in the opening rounds. He has used the bully pulpit masterfully, delivering his message to the American people simply and attractively.

I don't think I am giving away any trade secrets when I confess to you that we Democrats take very seriously, indeed, the skills of this President as a national communicator.

We Democrats can meet that challenge. I remain confident that the world's oldest continuing political party—the Democratic Party—will also regain its status as the governing party in America. And we Democrats are busy rebuilding, retooling, and revitalizing to achieve that goal.

What concerns me more about the Reagan program, not as a partisan, but as a citizen—not as Chairman of the DNC, but as a lawyer, businessman, parent, and taxpayer is this basic question. After the political dust has settled: after we've tallied up the winners and losers among the politicians in our midst, what will the Reagan program mean for our economy and to the people of our nation?

To put it simply: will the Reagan program work? And what kind of future will we face if it does not?

By nature I am an optimist. And I continue to be impressed by the inherent strength of our economy. But as you know well, our economic problems are very serious; they run deep; and they have been eroding our economic health for many years.

A decade of inflation has turned upside down all the traditional assumptions about savings, thrift, and progress on which America was built and on which our continued social health depends.

Interest rates at record highs are bankrupting small businesses; distorting investment and planning in every boardroom; and turning the dream of home ownership in America for millions of families into an unreachable luxury.

Productivity declined again last year, pricing us out of world markets and fueling inflation at home. Americans watch with amazement today as the nations the United States left in rubble at the end of World War II, Japan and Germany—and a host of others—outcompete and out-trade us in markets around the world.

Unemployment among adults seems stuck at a level nearly twice what we once defined as a full employment economy. That figure is running five or six times as high for many of our minority youth.

Finally, one cannot calculate, but one can speculate about the price these economic woes have exacted on our spirit as a people. No econometric model can measure the cost of broken dreams. Nor can we gauge precisely how year after year persistent inflation—like acid on an etching block—eats away at the confidence and native optimism of our people, turning us all more inward, more anguished, and more fearful, of what the future may bring.

This much we do know. If the leadership of our nation is unable to reverse this inflationary spiral and rekindle economic growth, all our hopes for the future may be shattered and the American dream turn to ashes in our mouths.

What worries me about the Administration program—and what is troubling financial markets across this land—is the fear that the Reagan program cannot work: indeed that is a sure-fire formula for making our economic problems worse.

The cornerstone of the Reagan economic program is the three-year $233 billion Kemp-Roth bill—the largest permanent income tax cut in our history. All the Administration's hopes for economic recovery rest on the claim that under Kemp-Roth savings and investment will increase so dramatically—that a major expansion in our economy will generate all the needed revenues to balance the budget by 1984.

Incredibly enough, as the widely respected financial analyst Henry Kaufman of Salomon Brothers has pointed out: there is no evidence that this ever happened before in American history and no basis in fact to support this claim. Indeed, when Kemp-Roth was first proposed, even former President Nixon's Chairman of the Council of Economic Advisors Herbert Stein could not swallow that claim. Instead he wrote that even using the most favorable assumptions about the response of workers and savers to lower tax rates, it would take 30 years to generate the lost revenues the Administration claims will be returned in three.

The fact is that the United States has one of the lowest records of savings and investment of any industrialized nation. That is at the heart of our productivity—and thus our inflation—problem. Even when the economy was booming and inflation was low, during the 1960's, Americans only saved about 6.5 percent of their incomes; today that figure has fallen to just 5.2 percent.

Nations like Japan, in contrast, save 25 percent of their incomes and the West Germans more than 13 percent. A serious supply-side economic program would target major new incentives to increase the level of savings and investment in the United States and thus provide the capital we need to increase productivity.

That is precisely the approach taken by the Democrats in Congress. Chairman Dan Rostenkowski of House Ways and Means, proposes to double the savings Americans can invest tax free in IRA pension and retirement accounts. Senator Lloyd Bentsen would increase the amount of interest and dividend income exempt from taxation and exclude from taxes altogether investments by Americans in accounts used for home mortgage lending purposes.

The Administration Kemp-Roth tax cut proposal, on the other hand, provides no new incentives at all to stimulate new savings and investment. It relies totally on blind faith.

What then, you may wonder, will so transform the investment climate and psychology of the nation under Kemp-Roth; what will change profoundly in three years the savings habits built up by Americans over many decades? Neither President Reagan, David Stockman, nor the Secretary of the Treasury can tell us. Yet, incredibly enough under their program the future of our economy hinges on this one essential point.

The sole basis for their blind optimism appears to be the curious economic theories of Dr. Arthur Laffer. Yet we are told that, if we question this approach, we are hopelessly out of date.

With all due respect to our fellow Californian, Dr. Laffer, I don't want the future of my family, my bank, or my country charted on the back of a cocktail napkin.

When Kemp-Roth was introduced three years ago, Business Week Magazine—which is not, exactly a house organ of the Democratic Party—said this in a lead editorial:

"Kemp-Roth would touch off an inflationary explosion that could wreck the country and impoverish everyone on a fixed income."

Nothing in the proposal has changed to make that assessment less true. Indeed, the inflationary dangers are probably greater today. For, the Reagan Administration plans to couple Kemp-Roth with the largest build-up in defense spending in our nation's history and the potential inflationary impacts of both are multiplied.

This year, the Pentagon will spend about $163 billion. By 1984, under the Reagan program, that figure will rise to a minimum of $256 billion, and Congressional estimates are higher still.

President Reagan has never gone before the American people to add these figures up, but this is what they show.

This Administration proposes to offset a $233 billion tax cut and a $181 billion increase in defense spending over the next three years with $138 billion in non-defense cuts and not affect inflation. How? The White House says hypothetical new revenues generated by their hypothetical economic boom will hypothetically make up the difference and balance the budget by 1984.

My friends, if you believe that I have some costume jewelry I would like to sell you at bargain prices after I end my speech.

In fact, every major economic forecasting firm, along with the Congressional Budget Office says that the promised boom won't materialize. The Nobel Prize Winning economist Wassily Leontief, now at N.Y.U. says flatly: "I guarantee it will not happen." And he warns of "higher inflation soaring interest rates, increasing taxes, and more unemployment" as a result of the Reagan plan.

I submit to you that those are not the conditions the American people thought they were voting for in the general election last year.

All of you recall that it was the massive, unfunded defense build-up during Vietnam that helped first ignite the inflationary fires that we are struggling to put out today. This Administration proposes to increase defense spending three times the size of the Vietnam build-up and at the same time enact the largest permanent tax cut in American history.

Is it any wonder that alarm bells are going off in financial markets across the United States?

Whether, or not, the Administration's Pentagon budget is the level needed to guarantee our national security is not the issue I am raising here.

The question is: how will this Administration keep those increases in military spending coupled with Kemp-Roth, from fueling the inflation rate? The Administration does not say.

When you add up all the questions about the Reagan economic program—questions that the Administration cannot answer or will not ask, only one conclusion is possible. The Reagan program represents a giant roll of the dice with the economy of the United States.

Maybe you had different experiences. But when I went into that polling booth last November I did not see a referendum authorizing legalized gambling by the President with the lives and savings of the people of the United States.

It is an open secret in Washington that the basic economic assumptions that underlie the entire Reagan program were arrived at through a series of jockeying and maneuvers among the President's advisers that resembled the haggling of rug merchants at a bazaar more than a serious economic analysis. Under the pressure of a deadline, the numbers were produced that no Administration official can justify.

When you look hard at all the Reagan Administration's fundamental assumptions about economic growth, inflation, interest rates, and savings—the bedrock upon which their entire economic program is built—they disappear like numbers written in the sand after the tides wash.

Already, after just four months, the Administration has had to revise its estimate of the 1981 budget deficit upwards by $5 billion because of the recent spurt in interest rates—a widely predicted increase in interest rates, I would note, that apparently caught only the Administration by surprise.

I do not want to compete with Jeane Dixon, but I predict that this Administration will be estimating—and re-estimating—its economic predictions so often over the next four years, that the economic forecasts of the Reagan Administration will soon rank right up there in credibility with their iron-clad promise not to cut Social Security retirement benefits.

It is no accident that the Wall Street Journal began its lead article this month with the headline "Wall Street is greeting President's program with jitters and turmoil" and spoke of "chaos" in the financial community.

As you well know, the leaders of our financial community, do not make their decision based on ringing slogans or on a roll of the dice. They count dollars, not votes; and their decisions affect the futures of tens of millions of Americans who have entrusted them—with a fiduciary responsibility—to invest billions of dollars of their savings in pension funds and insurance plans.

America hard-nosed money managers have taken a hard-nosed look at the Reagan program and this is what they see—more inflation, high interest rates, and massive budget deficits.

I share those fears. Much as I wish the President's economic assumptions could somehow come true I'm afraid that the Administration program contains the seeds of disaster for our country. And I take no comfort in that prospect, whatever short-term political advantage it might bring. This issue is too large for narrow partisanship.

The American people simply cannot affort four years of double digit inflation, double-digit interest rates, high unemployment, and massive deficits—particularly at a time when the programs created to trim the edges of pain and hold families intact during economic hardship have been cut to the bone and even to the marrow.

Already, Secretary of the Treasury Regan is predicting a recession and continued high interest rates. That is not what the American people thought they were voting for in November 1980. But high interest rates are the inevitable result of an economic policy like the President's that puts the entire burden of fighting inflation on monetary policy.

The American people need a growing economy that offers the promise of work for all those who are able. Instead, they have gotten a program that guarantees—as a University of Chicago study has shown—to drive hundreds of thousands of the working poor back onto welfare and unemployment rolls because it takes away their financial incentives to work. Even Senator Dole acknowledges that the Reagan program will send additional Americans onto food stamps and welfare rolls. What will be the cost? Again the Administration is not prepared to say.

It is good politics and dramatic theatre to come before the Congress and declare "The time to act is now". But I would respectfully suggest that when it comes to determining the economic future of the American people, the time to act is when you have considered the consequences of your actions.

Before the Administration stampedes the nation into an ill-considered and dangerous tax cut plan, I challenge them to tell the American people what happens to them—to their lives and savings if—as every respected economist predicts—no massive boom in savings and investment materializes, and an inflationary explosion occurs? And what is the Administration's fall-back plan?

We Democrats do not claim to have all the answers to our economic ills or that all answers lie on one side of the political aisle only. But this I do know. The American people deserve better than an economic program that is based—not on any reasonable chance of success, but on glib slogans and skillful political marketing.

Before this program is enacted, the American people deserve answers to other questions that have been raised.

Just this month, 15 of the nation's Governors, predicted that the Administration's program will put "extraordinary pressure on state and local budgets and on property, sales and other local taxes." How much will their property, sales and state income taxes rise under the Reagan program? The Administration has no answer.

On the fundamental issue of energy, which is so inextricably bound up with our nation's economic health, the people are asking, what policies—beyond dismantling the Energy Department—does the Administration offer to make us less vulnerable to another oil shock.

For despite the progress in recent years in reducing imports, our continued dependence on uncertain supplies of foreign oil is like an underwater mine, lying just below the surface, waiting to explode all our hopes for economic recovery. The Administration trumpets the call for its program and sails along blindly seemingly unmindful of this fundamental threat.

The President seems to have developed a positive antipathy for conservation as a national policy. "Cold in the winter; hot in the summer," is the way he described it recently. The Director of OMB is systematically dismantling all of the incentives for development of alternative energy supplies built up over four years by two different Congresses.

What we see in Washington on the issue of energy is not governing, but an abdication of governing, and it is typical of the Reagan Administration. This Administration seems to focus on every problem through a separate telescope as if they were totally unrelated—as if the inflationary dangers of Kemp-Roth are not multiplied by increased spending for defense; as if restrictive monetary policy won't drive up interest rates; and as if our economic health is unrelated to our dependence on foreign energy. Yet if there is one lesson we Americans have learned in recent years, it is how inextricably connected all these issues are.

It is not a policy to wait for each new headline about tension in the Persian Gulf and hope that a new war or revolution or act of terrorism does not cut off our oil supply, sending another inflationary shock wave through our economy, crippling any chance for economic growth. If this Administration has serious problems with the energy program enacted by the previous Administration, it owes it to the American people to offer an alternative—and that is much more than decontrol, a wing and a prayer.

Before the nation starts head-long down the slippery slope of Reagan economics, we need a serious discussion of alternative policies.

A serious program for economic recovery would enlist the cooperation of business and labor, and consider other incentives, as Democrats have called for, to hold the wage-price spiral down. The Reagan program calls for no such efforts. A serious economic recovery program would be fiscally responsible. But the Reagan program, unlike the Democratic budget alternative, calls for massive budget deficits.

A serious program for economic recovery would increase incentives for new savings and investment, as Democratic proposals do. But the Reagan tax program offers none. A serious program for long term economic recovery would support new research and development to boost productivity, as Senator Bill Bradley's legislation does. But the Administration is cutting support for R. & D. And a serious program for economic recovery would reduce American dependence on costly foreign oil, but the Reagan Administration looks the other way.

Finally, I would suggest there is one other question the Administration should answer about its economic program—and that is its human cost.

We Democrats believe strongly that America must increase dramatically its investment in new and improved plant and equipment to speed our economic recovery, and, as I have said, our tax policies are aimed towards that goal. But we Democrats also believe that to build a prosperous nation, we must invest in our people too—in the minds and learning of our children; in the health and well-being of our citizens; in the prospects of our citizens to work. The Administration's program will leave Americans less educated; less healthy; and less trained for gainful work—and that is no formula for economic recovery.

There are still hundreds of thousands of young people in our country, many minority youth, who have never held a productive job in their lives. They learn in our streets, not in our schools. And they learn about crime, drugs, alcohol, not mathematics, medicine or law.

Proposals for a sub-minimum wage are a cruel joke next to the problems these kids face. Some could not fill out a job application if they had one, or follow a bus route to get to work; many can barely read or write at all. Can the Administration tell us what price this nation will pay for years to come in welfare, crime and broken families, if we abandon another generation of these young people to a life without work and without skills?

The hard fact is that no economic recovery can be successful that leaves part of America behind. And surely there is no better investment in our future than offering disadvantaged young people the chance for productive lives.

For our part, we Democrats will continue to set before the nation, not only our questions about Administration policy, but our constructive alternatives.

In not too many months I believe the nation will look back, and recognize, that our economy would have been stronger and our society more healthy had we passed the Democratic budget alternative.

When the American people take a hard look, they will also see that the Reagan tax plan offers tax cuts only for the very wealthy—and a net tax increase for Americans earning $30,000 or less, because of built-in increases in the Social Security tax. On the other hand, the Democratic tax package offers real tax relief—and the greatest share goes to low and middle-income Americans earning up to $50,000 a year—Americans who pay 50 percent of all income taxes today and badly need the tax relief. Democrats will continue to fight for an energy program that safeguards our economy and national security. And we will defend these values of opportunity and compassion to which America has a permanent commitment.

Despite my concerns about Administration policy, I remain optimistic about America's future.

Our nation, like this state, was built by a people possessed of that special American pioneer spirit—a people of great determination and courage, but also great faith; a people committed to working hard but also to finding the humor in life; a people with a deep sense of community and responsibility for their neighbors but also a deep sense of independence and individual dignity. They were a people who loved this country and were never afraid to follow the lure of the dream of a better life.

That spirit remains strong and alive in our generation of Americans, as well. So long as it does—and so long as there remains a Democratic Party to take on the Republicans—I will remain an optimist about America.

Thank you very much.

ON THE ROLE OF MARTIN LUTHER KING, JR.

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1981

● Mr. CONYERS. Mr. Speaker, among Martin Luther King's extraordinary leadership qualities was his ability to bridge the divisions that existed among civil rights organizations in his day, and to create a powerful consensus among black and white Americans for social change. An understanding of Dr. King's leadership role in the civil rights movement is essential to overcome the political drift and quietude of the present day.

In this light, I want to share with my colleagues a major piece of analysis on Dr. King's politics written by Dr. August Meier, a professor of history at Kent State University. Entitled "On the Role of Martin Luther King," it appeared first in the journal, New Politics (winter, 1965) and was later reprinted in an outstanding collection, the "Making of Black America," published in 1969 by Atheneum Press. Excerpts from the article follow:

ON THE ROLE OF MARTIN LUTHER KING

(By August Meier)

The phenomenon that is Martin Luther King consists of a number of striking paradoxes. The Nobel Prize winner is accepted by the outside world as the leader of the nonviolent direct action movement, but he is criticized by many activists within the movement. He is criticized for what appears, at times, as indecisiveness, and more often denounced for a tendency to accept compromise. Yet, in the eyes of most Americans, both black and white, he remains the symbol of militant direct action. so potent is this symbol of King as direct actionist, that a new myth is arising about his historic role. The real credit for developing and projecting the techniques and philosophy of nonviolent direct action in the civil rights arena must be given to the Congress of Racial Equality which was founded in 1942, more than a dozen years before the Montgomery bus boycott projected King into international fame. And the idea of mass action by Negroes themselves to secure redress of their grievances must, in large part, be ascribed to the vision of A. Philip Randolph, architect of the March on Washington Movement during World War II. Yet, as we were told in Montgomery on March 25, 1965, King and his followers now assert, apparently without serious contradiction, that a new type of civil rights strategy was born at Montgomery in 1955 under King's auspices.

In a movement in which respect is accorded in direct proportion to the number of times one has been arrested, King appears to keep the number of times he goes to jail to a minimum. In a movement in which successful leaders are those who share in the hardships of their followers, in the risks they take, in the beatings they receive, in the length of time they spend in jail, King tends to leave prison for other important engagements, rather than remaining there and suffering with his followers. In a movement in which leadership ordinarily devolves upon persons who mix democratically with their followers, King remains isolated and aloof. In a movement which prides itself on militancy and "no compromise" with racial discrimination or with the white "power structure," King maintains close relationships with, and appears to be influenced by, Democratic presidents and their emissaries, seems amenable to compromises considered by some half a loaf or less, and often appears willing to postpone or avoid a direct confrontation in the streets.

King's career has been characterized by failures that, in the larger sense, must be accounted triumphs. The buses in Montgomery were desegregated only after lengthy judicial proceedings conducted by the NAACP Legal Defense Fund secured a favorable decision from the U.S. Supreme Court. Nevertheless, the events in Montgomery were a triumph for direct action, and gave this tactic a popularity unknown when identified solely with CORE. King's subsequent major campaigns—in Albany, Georgia; in Danville, Virginia; in Birmingham, Alabama; and in St. Augustine, Florida—ended as failures or with only token accomplishments in those cities. But each of them, chiefly because of his presence, dramatically focused national and international attention on the plight of the Southern Negro, thereby facilitating overall progress. In Birmingham, in particular, demonstrations which fell short of their local goals were directly responsible for a major Federal Civil Rights Act. Essentially, this pattern

of local failure and national victory was recently enacted in Selma, Alabama.

King is ideologically committed to disobeying unjust laws and court orders, in the Gandhian tradition, but generally he follows a policy of not disobeying Federal Court orders. In his recent Montgomery speech, he expressed a crude, neo-Marxist interpretation of history romanticizing the Populist movement as a genuine union of black and white common people, ascribing race prejudice to capitalists playing white workers against black. Yet, in practice, he is amenable to compromise with the white bourgeois political and economic Establishment. More important, King enunciates a superficial and eclectic philosophy and by virtue of it he has profoundly awakened the moral conscience of America.

In short, King can be described as a "Conservative Militant."

In this combination of militancy with conservatism and caution, of righteousness with respectability, lies the secret of King's enormous success.

Certain important civil rights leaders have dismissed King's position as the product of publicity generated by the mass communications media. But this can be said of the success of the civil rights nonviolent action movement generally. Without publicity it is hard to conceive that much progress would have been made. In fact, contrary to the official nonviolent direct action philosophy, demonstrations have secured their results not by changing the hearts of the oppressors through a display of nonviolent love, but through the national and international pressures generated by the publicity arising from mass arrests and incidents of violence. And no one has employed this strategy of securing publicity through mass arrests and precipitating violence from white hoodlums and law enforcement officers more than King himself. King abhors violence; as at Selma, for example, he constantly retreats from situations that might result in the deaths of his followers. But he is precisely most successful when, contrary to his deepest wishes, his demonstrations precipitate violence from Southern whites against Negro and white demonstrators. We need only cite Birmingham and Selma to illustrate this point.

Publicity alone does not explain the durability of King's image, or why he remains for the rank and file of whites and blacks alike, the symbol of the direct action movement, the nearest thing to a charismatic leader that the civil rights movement has ever had. At the heart of King's continuing influence and popularity are two facts. First, better than anyone else, he articulates the aspirations of Negroes who respond to the cadence of his addresses, his religious phraseology and manner of speaking, and the vision of his dream for them and for America. King has intuitively adopted the style of the old fashioned Negro Baptist preacher and transformed it into a new art form; he has, indeed, restored oratory to its place among the arts. Second, he communicates Negro aspirations to white America more effectively than anyone else. His religious terminology and manipulation of the Christian symbols of love and non-resistance are partly responsible for his appeal among whites.

* * * If his success with Negroes is largely due to the style of his utterance, his success with whites is a much more complicated matter. For one thing, he unerringly knows how to exploit to maximum effectiveness their growing feeling of guilt. King, of course, is not unique in attaining fame and popularity among whites through playing upon their guilt feelings. * * * With intuitive, but extraordinary skill, he not only castigates whites for their sins but, in contrast to angry young writers like Baldwin, he explicitly states his belief in their salvation. Not only will direct action bring fulfillment of the "American Dream" to Negroes but the Negroes' use of direct action will help whites to live up to their Christian and democratic values; it will purify, cleanse and heal the sickness in white society. Whites will benefit as well as Negroes. He has faith that the white man will redeem himself. Negroes must not hate whites, but love them. In this manner, King first arouses the guilt feelings of whites, and then relieves them—though always leaving the lingering feeling in his white listeners that they should support his nonviolent crusade. Like a Greek tragedy, King's performance provides an extraordinary catharsis for the white listener. * * *

It is not surprising, therefore, to find that King is the recipient of contributions from organizations and individuals who fail to eradicate evidence of prejudice in their own backyards. For example, certain liberal trade union leaders who are philosophically committed to full racial equality, who feel the need to identify their organizations with the cause of militant civil rights, although they are unable to defeat racist elements in their unions, contribute hundreds of thousands of dollars to King's Southern Christian Leadership Conference (SCLC). One might attribute this phenomenon to the fact the SCLC works in the South rather than the North, but this is true also for SNCC which does not benefit similarly from union treasuries. And the fact is that ever since the college students started their sitins in 1960, it is SNCC which has been the real spearhead of direct action in most of the South, and has performed the lion's share of work in local communities, while SCLC has received most of the publicity and most of the money. However, while King provides a verbal catharsis for whites, leaving them feeling purified and comfortable, SNCC's uncompromising militancy makes whites feel less comfortable and less beneficent.

King's very tendencies toward compromise and caution, his willingness to negotiate and bargain with White House emissaries, his hesitancy to risk the precipitation of mass violence upon demonstrators, further endear him to whites. He appears to them a "responsible" and "moderate" man. To militant activists, King's failure to march past the State Police on that famous Tuesday morning outside Selma indicated either a lack of courage, or a desire to advance himself by currying Presidential favor. But King's shrinking from a possible bloodbath, his accession to the entreaties of the political establishment, his acceptance of face-saving compromise in this, as in other instances, are fundamental to the particular role he is playing, and essential for achieving and sustaining his image as a leader of heroic moral stature in the eyes of white men. His caution and compromise keep open the channels of communication between the activists and the majority of the white community. In brief: King makes the nonviolent direct action movement respectable.

Of course, many, if not most, activists reject the notion that the movement should be made respectable. Yet, American history shows that for any reform movement to succeed, it must attain respectability. It must attract moderates, even conservatives, to its ranks. The March on Washington made direct action respectable; Selma made it fashionable. More than any other force, it is Martin Luther King who impressed the civil rights revolution on the American conscience and is attracting that great middle body of American public opinion to its support.

* * * There is another side to the picture: King would be neither respected nor respectable if there were not more militant activists on his left, engaged in more radical forms of direct action. Without CORE and, especially, SNCC, King would appear "radical" and "irresponsible" rather than "moderate" and "respectable."

King occupies a position of strategic importance as the "vital center" within the civil rights movement. Though he has lieutenants who are far more militant and "radical" than he is, SCLC acts, in effect, as the most cautious, deliberate and "conservative" of the direct action groups because of King's leadership. This permits King and the SCLC to function—almost certainly unintentionally—not only as an organ of communication with the Establishment and majority white public opinion, but as something of a bridge between the activist and more traditionalist or "conservative" civil rights groups, as well. For example, it appears unlikely that the Urban League and NAACP, which supplied most of the funds, would have participated in the 1963 March on Washington if King had not done so. Because King agreed to go along with SNCC and CORE, the NAACP found it mandatory to join if it was to maintain its image as a protest organization. King's identification with the March was also essential for securing the support of large numbers of white clergymen and their moderate followers. The March was the brainchild of the civil rights movement's ablest strategist and tactician, Bayard Rustin, and the call was issued by A. Philip Randolph. But it would have been a minor episode in the history of the civil rights movement without King's support.

Yet curiously enough, despite his charisma and international reputation, King thus far has been more a symbol than a power in the civil rights movement. Indeed his strength in the movement has derived less from an organizational base than from his symbolic role.

* * * It is, of course, no easier today than it has been in the past few years to predict the course of the Negro protest movement, and it is always possible that the current state of affairs may change quite abruptly. It is conceivable that the ambitious program that SCLC is now projecting—both in Southern voter registration and in Northern urban direct action programs—may give it a position of commanding importance in civil rights. As a result of the recent demonstrations in Selma and Montgomery, King's prestige is now higher than ever. At the same time, the nature of CORE and NAACP direct action activities at the moment has created a programmatic vacuum which SCLC leaders may be able to exploit. Given this convergence of circumstances, SCLC leaders may be able to establish an organizational base upon which to build a power commensurate with the symbolic position of their president.

It is indeed fortunate that King has not obtained a predominance of power in the movement commensurate with his prestige. For today, as in the past, a diversity of approaches is necessary. Needed in the move-

ment are those who view the struggle chiefly as a conflict situation, in which the power of demonstrations, the power of Negroes, will force recognition of the race's humanity and citizenship rights, and the achievement of equality. Equally needed are those who see the movement's strategy to be chiefly one of capitalizing on the basic consensus of values in American society by awakening the conscience of the white man to the contradiction between his professions and the facts of discrimination. And just as necessary to the movement as both of these are those who operate skillfully, recognizing and yet exploiting the deeply held American belief that compromise among competing interest groups is the best modus operandi in public life.

King is unique in that he maintains a delicate balance among all three of these basic strategy assumptions. The traditional approaches of the Urban League (conciliation of the white businessmen) and of the NAACP (most preeminently appeals to the courts and appeals to the sense of fair play in the American public), basically attempted to exploit the consensus in American values. It would of course be a gross oversimplification to say that the Urban League and NAACP strategies are based simply on attempting to capitalize on the consensus of values, while SNCC and CORE act simply as if the situation were purely a conflict situation. Implicit in the actions of all civil rights organizations are both sets of assumptions—even where people are not conscious of the theoretical assumptions under which, in effect, they operate. The NAACP especially encompasses a broad spectrum of strategies and types of activities, ranging from time-tested court procedures to militant direct action. Sophisticated CORE activists know very well when a judicious compromise is necessary or valuable. But I hold that King is in the middle, acting in effect as if he were basing his strategy upon all three assumptions described above. He maintains a delicate balance between a purely moral appeal and a militant display of power. He talks of the power of the bodies of Negro demonstrators in the streets, but unlike CORE and SNCC activists, he accepts compromises at times that consist of token improvements, and calls them impressive victories. More than any of the other groups, King and SCLC can, up to this point at least, be described as exploiting all three tactical assumptions to an approximately equal degree. King's continued success, I suspect, will depend to a considerable degree upon the difficult feat of maintaining his position at the "vital center" of the civil rights movement.

Viewed from another angle King's failure to achieve a position of power on a level with his prestige is fortunate because rivalries between personalities and organizations remain an essential ingredient of the dynamics of the movement and a precondition for its success as each current tries to outdo the others in effectiveness and in maintaining a good public image. Without this competitive stimulus, the civil rights revolution would slow down.

I have already noted that one of King's functions is to serve as a bridge between the militant and conservative wings of the movement. In addition, by gathering support for SCLC, he generates wider support for CORE and SNCC, as well. The most striking example is the recent series of demonstrations in Selma where SNCC had been operating for nearly two years with only moderate amounts of publicity before King chose that city as his own target. As usual, it was King's presence that focused world attention on Selma. In the course of subsequent events, the rift between King and SNCC assumed the proportions of a serious conflict. Yet people who otherwise would have been hesitant to support SNCC's efforts, even people who had become disillusioned with certain aspects of SNCC's policies during the Mississippi Summer Project of 1964, were drawn to demonstrate in Selma and Montgomery. Moreover, although King received the major share of credit for the demonstrations, it seems likely that in the controversy between King and SNCC, the latter emerged with more power and influence in the civil rights movement than ever before. It is now possible that the Administration will, in the future, regard SNCC as more of a force to be reckoned with than it has heretofore.

Major dailies like the New York Times and the Washington Post, basically sympathetic to civil rights and racial equality, though more gradualist than the activist organizations, have congratulated the nation upon its good fortune in having a "responsible and moderate" leader like King at the head of the nonviolent action movement (though they overestimate his power and underestimate the symbolic nature of his role). It would be more appropriate to congratulate the civil rights movement for its good fortune in having as its symbolic leader a man like King. The fact that he has more prestige than power; the fact that he not only criticizes whites but explicitly believes in their redemption; his ability to arouse creative tension combined with his inclination to shrink from carrying demonstrations to the point where major bloodshed might result; the intellectual simplicity of his philosophy; his tendency to compromise and exert caution, even his seeming indecisiveness on some occasions; the sparing use he makes of going to or staying in jail himself; his friendship with the man in the White House—all are essential to the role he plays, and invaluable for the success of the movement. It is well, of course, that not all civil rights leaders are cut of the same cloth—that King is unique among them. Like Randolph, who functions very differently, King is really an institution. His most important function, I believe, is that of effectively communicating Negro aspirations to white people, or making nonviolent direct action respectable in the eyes of the white majority. In addition, he functions within the movement by occupying a vital center position between its "conservative" and "radical" wings, by symbolizing direct action and attracting people to participate in it without dominating either the civil rights movement or its activist wing. Viewed in this context, traits that many activists criticize in King actually function not as sources of weakness, but as the foundations of his strength.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, June 4, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 5

9:00 a.m.
Finance
Estate and Gift Taxation Subcommittee
To resume hearings on S. 404, S. 395, S. 858, S. 574, S. 23, S. 557, and S. 995, proposals to revise the estate and gift tax laws and minimize the burden on small and moderate-size estates.
2221 Dirksen Building

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Fine Arts Commission, the National Gallery of Art, and the Bureau of Mines.
1114 Dirksen Building

Environment and Public Works
To continue oversight hearings on the implementation of the Clean Air Act.
4200 Dirksen Building

Foreign Relations
Business meeting, to consider pending calendar business.
4221 Dirksen Building

Joint Economic
To hold hearings on the employment/unemployment situation for the month of May, to be followed by hearings on certain labor efforts on productivity of the American economy.
2154 Rayburn Building

JUNE 8

9:30 a.m.
Finance
Energy and Agricultural Taxation Subcommittee
To hold hearings on miscellaneous energy-related tax proposals, including S. 307, S. 448, S. 498, and S. 725.
2221 Dirksen Building

Judiciary
*Criminal Law Subcommittee
To resume hearings on S. 186, authorizing funds through fiscal year 1988 for the Department of Justice to provide assistance to State and local governments for the improvement of the States criminal justice system.
2228 Dirksen Building

10:00 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To hold oversight hearings on the implementation of the municipal waste

water treatment construction grants program of the Clean Water Act, and to hold hearings on S. 975, revising and extending for one year certain provisions of the Federal Water Pollution Control Act, and on other related proposals.

4200 Dirksen Building

2:00 p.m.
Environment and Public Works
Water Resources Subcommittee
To hold hearings on S. 621, authorizing funds for the development of certain water resources projects, and to review existing water resources policy and water problems.

4200 Dirksen Building

JUNE 9

9:30 a.m.
Labor and Human Resources
Business meeting, to consider proposed reconciliations in relation to proposals which fall within the committee's jurisdiction.

4232 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Reese H. Taylor, Jr., of Nevada, to be a Member of the Interstate Commerce Commission.

235 Russell Building

Environment and Public Works
To resume oversight hearings on the implementation of the Clean Air Act.

4200 Dirksen Building

Governmental Affairs
To hold hearings on S. 1120, proposed Waste, Fraud, and Abuse Reduction Act.

3302 Dirksen Building

2:00 p.m.
Environment and Public Works
Business meeting, to resume consideration of legislative proposals in relation to spending levels as required by Senate Concurrent Resolution 9 and the Budget Act.

4200 Dirksen Building

3:00 p.m.
Judiciary
Business meeting, to consider S. 114, establishing criteria for the imposition of the death penalty for Federal crimes, and other pending calendar business.

2228 Dirksen Building

JUNE 10

9:30 a.m.
Appropriations
*Defense Subcommittee
To resume closed hearings on proposed budget estimates for fiscal year 1982 for the defense establishment receiving testimony on special programs of the Air Force.

S-406, Capitol

Labor and Human Resources
Business meeting, to continue consideration of proposed reconciliations in relation to proposals which fall within the committee's jurisdiction.

4232 Dirksen Building

10:00 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To resume oversight hearings on the implementation of the municipal wastewater treatment construction grants program of the Clean Water Act, and to hold hearings on S. 975, revising and extending for one year certain provisions of the Federal Water Pollution Control Act, and on other related proposals.

4200 Dirksen Building

Governmental Affairs
To hold hearings on the nomination of Donald E. Sowle, of Virginia, to be Administrator for Federal Procurement Policy, Office of Management and Budget.

3302 Dirksen Building

Judiciary
Separation of Powers Subcommittee
To resume hearings on S. 158, establishing a congressional finding and declaration that human life begins at conception.

6226 Dirksen Building

Select on Indian Affairs
To hold hearings on the substance of S. 1088, authorizing funds for fiscal years 1982 and 1983 to promote the goal of economic and social self-sufficiency for American Indians, and Hawaiian and Alaskan Natives (pending on Senate calendar).

1318 Dirksen Building

2:00 p.m.
Environment and Public Works
Transportation Subcommittee
To resume hearings on S. 841 and S. 1024, bills authorizing funds through fiscal year 1986 for the construction and safety of Federal highways.

4200 Dirksen Building

JUNE 11

9:00 a.m.
Appropriations
*Defense Subcommittee
To continue closed hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on command, control, and communication programs and intelligence-related activities of the Department of Defense.

S-406, Capitol

Labor and Human Resources
Employment and Productivity Subcommittee
To hold hearings on employment and training programs in the United States, focusing on objectives of employment and training policy and the relationship between Federal, State, and local governments in the funding, design, and administration of employment and training programs.

4232 Dirksen Building

*Veterans' Affairs
To hold hearings on S. 917, increasing the rates of disability compensation for disabled veterans, and the rates of dependency and indemnity compensation for their survivors; S. 911, authorizing the payment of a special pension to the survivor of persons awarded the Medal of Honor; and S. 915, S. 779, and S. 112, bills providing for memorials to honor the memory of certain deceased members of the Armed Forces.

412 Russell Building

9:30 a.m.
*Commerce, Science, and Transportation
To resume hearings on S. 898, proposed Telecommunications Competition and Deregulation Act.

235 Russell Building

10:30 a.m.
Environment and Public Works
To resume oversight hearings on the implementation of the Clean Air Act.

4200 Dirksen Building

2:00 p.m.
*Labor and Human Resources
To hold hearings on the nominations of Vincent E. Reed, of the District of Columbia, to be Assistant Secretary for Elementary and Secondary Education, Department of Education; William C. Clohan, Jr., of West Virginia, to be Under Secretary of Education; Robert M. Worthington, of Utah, to be Assistant Secretary for Vocational and Adult Education, Department of Education; Winifred A. Pizzano, of Virginia, to be Deputy Director of the ACTION Agency; and Lawrence F. Davenport, of California, to be an Associate Director of the ACTION Agency.

4232 Dirksen Building

JUNE 12

9:00 a.m.
*Office of Technology Assessment
The Board, to hold a business meeting on pending business matters.

EF-100, Capitol

9:30 a.m.
Finance
Taxation and Debt Management Subcommittee and Energy and Agricultural Taxation Subcommittee
To hold joint hearings on the taxation of commodity straddle transactions, and on S. 626, proposed Commodity Straddles Tax Act.

2221 Dirksen Building

10:00 a.m.
Environment and Public Works
Water Resources Subcommittee
To hold hearings on proposals to provide for the development of ports and harbors and inland waterways in the United States, including S. 809, S. 68, S. 202, S. 576, S. 828, and S. 1094.

4200 Dirksen Building

Judiciary
Separation of Powers Subcommittee
To resume hearings on S. 158, establishing a congressional finding and declaration that human life begins at conception.

6226 Dirksen Building

JUNE 15

9:00 a.m.
Appropriations
*Defense Subcommittee
To resume closed hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on defense intelligence programs.

S-406, Capitol

Labor and Human Resources
*Employment and Productivity Subcommittee
To continue hearings on employment and training programs in the United States, focusing on objectives of employment and training policy and the relationship between Federal, State and local governments in the funding, design and administration of employment and training programs.

4232 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
To resume hearings on S. 898, proposed Telecommunications Competition and Deregulation Act.

235 Russell Building

10:00 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To resume oversight hearings on the implementation of the municipal wastewater treatment construction grants program of the Clean Water Act, and to hold hearings on S. 975, revising and extending for one year certain provisions of the Federal Water Pollution Control Act, and on other related proposals.
4200 Dirksen Building

Judiciary
Separation of Powers Subcommittee
To resume hearings on S. 158, establishing a congressional finding and declaration that human life begins at conception.
5110 Dirksen Building

JUNE 16

9:00 a.m.
Governmental Affairs
Civil Services, Post Office, and General Services Subcommittee
To hold hearings on S. 1224, strengthening the congressional franking law and clarifying its privilege.
Room to be announced

9:30 a.m.
Banking, Housing, and Urban Affairs
International Finance and Monetary Policy, and Securities Subcommittees
To resume joint hearings on S. 708, clarifying the intent and modifying certain provisions of the Foreign Corrupt Practices Act of 1977.
5302 Dirksen Building

Commerce, Science, and Transportation
To continue hearings on S. 898, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 1182, improving the administration of the Longshoremen's and Harbor Workers' Compensation Act by removing certain inequities, reducing incentives for fraud and abuse, and assuring immediate compensation benefits and competent medical treatment for injured employees.
3110 Dirksen Building

10:00 a.m.
Environment and Public Works
Water Resources Subcommittee
To hold hearings on S. 810, proposed Inland Waterway User Fee Act.
4200 Dirksen Building

Labor and Human Resources
Education Subcommittee
To resume hearings on S. 1103, authorizing funds through fiscal year 1986 for elementary and secondary education programs and providing educational support at the State and local level.
4232 Dirksen Building

JUNE 17

9:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on budget estimates for fiscal year 1982 for the defense establishment, receiving testimony from public witnesses.
1223 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on the substance of S. 1100, authorizing funds for fiscal year 1982 to improve rail service in the Northeast region of the United States (pending on Senate calendar).
5110 Dirksen Building

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To continue hearings on S. 1182, improving the administration of the Longshoremen's and Harbor Workers' Compensation Act by removing certain inequities, reducing incentives for fraud and abuse, and assuring immediate compensation benefits and competent medical treatment for injured employees.
1318 Dirksen Building

Labor and Human Resources
*Education, Arts and Humanities Subcommittee
To continue hearings on S. 1103, authorizing funds through fiscal year 1986 for elementary and secondary education programs, and providing educational support at the State and local level.
4232 Dirksen Building

Veterans' Affairs
To hold hearings on the substance of S. 266, implementing procedures and guidelines for the interagency sharing of health resources between the Department of Defense and the Veterans' Administration.
412 Russell Building

10:00 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To resume oversight hearings on the implementation of the municipal wastewater treatment construction grants program of the Clean Water Act, and to hold hearings on S. 975, revising and extending for one year certain provisions of the Federal Water Pollution Control Act, and on other related proposals.
4200 Dirksen Building

Governmental Affairs
To hold hearings on S. 1249, providing tools and incentives to the Federal Government in its efforts to collect debts owed the United States.
3302 Dirksen Building

JUNE 18

9:00 a.m.
Commerce, Science, and Transportation
To hold oversight hearings on the implementation of the Motor Carrier Act (Public Law 96-296).
235 Russell Building

Labor and Human Resources
Employment and Productivity Subcommittee
To resume hearings on employment and training programs in the United States, focusing on objectives of employment and training policy and the relationship between Federal, State and local governments in the funding, design and administration of employment and training programs.
4232 Dirksen Building

9:30 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To hold oversight hearings on the implementation of the Uranium Mill Tailings Act.
410 Russell Building

Labor and Human Resources
Education, Arts and Humanities Subcommittee
To continue hearings on S. 1103, authorizing funds through fiscal year 1986 for elementary and secondary education programs, and providing educational support at the State and local level.
5110 Dirksen Building

10:00 a.m.
Environment and Public Works
Water Resources Subcommittee
To resume hearings on S. 621, authorizing funds for the development of certain water resources projects, and to review existing water resources policy and water problems.
4200 Dirksen Building

Governmental Affairs
To hold hearings on proposed legislation expanding the Inspectors General Act of 1978 to include certain departments and agencies within the Federal Government.
3302 Dirksen Building

Judiciary
Separation of Powers Subcommittee
To resume hearings on S. 158, establishing a congressional finding and declaration that human life begins at conception.
6226 Dirksen Building

JUNE 19

9:00 a.m.
Commerce, Science, and Transportation
To resume hearings on S. 898, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

Labor and Human Resources
Employment and Productivity Subcommittee
To continue hearings on employment and training programs in the United States, focusing on objectives of employment and training policy and the relationship between Federal, State and local governments in the funding, design and administration of employment and training programs.
4232 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on S. 49, S. 879, and S. 1151, bills extending the period of daylight savings time.
6226 Dirksen Building

10:00 a.m.
Environment and Public Works
Transportation Subcommittee
To resume hearings on S. 841 and S. 1024, bills authorizing funds through fiscal year 1986 for the construction and safety of Federal highways.
4200 Dirksen Building

JUNE 22

10:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold oversight hearings on the role of the rural telecommunications system in America.
235 Russell Building

Environment and Public Works
Environmental Pollution Subcommittee
To resume oversight hearings on the implementation of the municipal wastewater treatment construction

grants program of the Clean Water Act, and to hold hearings on S. 975, revising and extending for one year certain provisions of the Federal Water Pollution Control Act, and on other related purposes.
4200 Dirksen Building

JUNE 23

9:30 a.m.
Commerce, Science, and Transportation
*Aviation Subcommittee
To hold hearings on proposed legislation to provide for an early phase out of the Civil Aeronautics Board.
235 Russell Building
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold oversight hearings on the role of the Federal Government in family planning programs of title X of the Public Health Services Act.
6226 Dirksen Building
Labor and Human Resources
Labor Subcommittee
To resume hearings on S. 1182, improving the administration of the Longshoremen's and Harbor Workers' Compensation Act by removing certain inequities, reducing incentives for fraud and abuse, and assuring immediate compensation benefits and competent medical treatment for injured employees.
4232 Dirksen Building

10:00 a.m.
Environment and Public Works
To resume oversight hearings on the implementation of the Clean Air Act.
4200 Dirksen Building
Governmental Affairs
To resume hearings on S. 1080, improving and modifying the Federal regulatory process, and other related measures.
302 Dirksen Building

JUNE 24

9:30 a.m.
Commerce, Science, and Transportation
*Aviation Subcommittee
To continue hearings on proposed legislation to provide for an early phaseout of the Civil Aeronautics Board.
357 Russell Building

10:00 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To resume oversight hearings on the implementation of the municipal wastewater treatment construction grants program of the Clean Water Act, and to hold hearings on S. 975, revising and extending for one year certain provisions of the Federal Water Pollution Control Act, and on other related measures.
4200 Dirksen Building
Governmental Affairs
To hold oversight hearings on the Federal Government's film making procedures.
3302 Dirksen Building
Governmental Affairs
Energy, Nuclear Proliferation, and Government Processes Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the Nuclear Non-Proliferation Act.
Room to be announced
Labor and Human Resources
Education, Arts and the Humanities Subcommittee
To resume hearings on S. 1103, authorizing funds through fiscal year 1986 for elementary and secondary education programs, and providing educational support at the State and local level.
4232 Dirksen Building

2:00 p.m.
Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on S. 1042, abolishing the Intergovernmental Personnel Act grant program.
3302 Dirksen Building

JUNE 25

9:00 a.m.
*Veterans' Affairs
Business meeting, to mark up S. 917, increasing the rates of disability compensation for disabled veterans, and the rates of dependency and indemnity compensation for their survivors, S. 911, authorizing the payment of a special pension to the survivors of persons awarded the Medal of Honor, and S. 915, S. 779, and S. 112, bills providing for memorials to honor the memory of certain deceased members of the Armed Forces, and the substance of S. 266, implementing procedures and guidelines for the interagency sharing of health resources between the Department of Defense and the Veterans' Administration.
412 Russell Building

9:30 a.m.
Labor and Human Resources
*Labor Subcommittee
Business meeting, to mark up S. 398, permitting certain employees to work a 10-hour day in the case of a 4-day workweek.
4232 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings in conjunction with the National Ocean Policy Study on the substance of Senate Resolution 147, calling for a moratorium of indefinite duration on the commercial killing of whales.
235 Russell Building
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on proposed legislation to provide for an early phaseout of the Civil Aeronautics Board.
224 Russell Building
Environment and Public Works
To resume oversight hearings on the implementation of the Clean Air Act.
4200 Dirksen Building
Governmental Affairs
Energy, Nuclear Proliferation, and Government Processes Subcommittee
To continue hearings on proposed legislation authorizing funds for programs of the Nuclear Non-Proliferation Act.
Room to be announced

11:00 a.m.
Governmental Affairs
Business meeting, to mark up S. 10, providing for creation of a Commission to design a blueprint for improving governmental performance at the Federal level and throughout the intergovernmental system.
3302 Dirksen Building

JULY 7

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on the primary intervention in addressing societal problems.
4232 Dirksen Building

JULY 8

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To hold joint oversight hearings with Finance's Subcommittee on International Trade on U.S. trade policy.
2221 Dirksen Building
Finance
International Trade Subcommittee
To hold joint oversight hearings with Banking, Housing, and Urban Affairs Subcommittee on International Finance and Monetary Policy on U.S. trade policy.
2221 Dirksen Building

JULY 9

9:00 a.m.
*Veterans' Affairs
To hold hearings on the prospective nomination of Robert P. Nimmo, of California, to be Administrator of the Veterans' Administration.
412 Russell Building

JULY 15

9:30 a.m.
*Veterans' Affairs
To hold oversight hearings on procedures for the adjudication of certain claims, and to hold hearings on S. 349, providing for limited judicial review of the administrative action of the Veterans' Administration, and for reasonable fees to attorneys representing legal counsel for veterans.
412 Russell Building

JULY 16

9:30 a.m.
*Veterans' Affairs
To continue oversight hearings on procedures for the adjudication of certain claims, and to hold hearings on S. 349, providing for limited judicial review of the administrative action of the Veterans' Administration, and for reasonable fees to attorneys representing legal counsel for veterans.
412 Russell Building

JULY 22

9:30 a.m.
Veterans' Affairs
To hold hearings on S. 5, S. 7, S. 25, S. 26, S. 48, S. 105, S. 248, S. 417, and S. 742, bills providing educational assistance to members of the Armed Forces.
412 Russell Building

JULY 23

9:30 a.m.
*Veterans' Affairs
To continue hearings on S. 5, S. 7, S. 25, S. 26, S. 48, S. 105, S. 248, S. 417, and S. 742, bills providing educational assistance to members of the Armed Forces.
412 Russell Building

JULY 28

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on adoption services in the United States.
4232 Dirksen Building

JULY 29

9:30 a.m.
*Veterans' Affairs
Business meeting, to mark up S. 349, providing for limited judicial review of the administrative action of the Veterans' Administration, and for reasonable fees to attorneys representing legal counsel for veterans.
412 Russell Building

SEPTEMBER 16

9:30 a.m.
Veterans' Affairs
Business meeting to mark up S. 5, S. 7, S. 25, S. 26, S. 48, S. 105, S. 248, S. 417, and S. 742, bills providing educational assistance to members of the Armed Forces.
412 Russell Building

CANCELLATIONS

JUNE 3

9:30 a.m.
Labor and Human Resources
*Employment and Productivity Subcommittee
To continue oversight hearings on the implementation of the Farm Labor Contractor Registration Act, and to hold hearings on S. 922, clarifying the meaning of "migrant worker", and insuring the proper administration and enforcement of the Farm Labor Contractor Registration Act.
4232 Dirksen Building

2:00 p.m.
Judiciary
Constitution Subcommittee
To hold hearings on proposed legislation authorizing funds for the U.S. Commission on Civil Rights.
2228 Dirksen Building

JUNE 4

9:30 a.m.
Labor and Human Resources
*Employment and Productivity Subcommittee
To hold oversight hearings on the implementation of the Farm Labor Contractor Registration Act, and to hold hearings on S. 922, clarifying the meaning of "migrant worker", and insuring the proper administration and enforcement of the Farm Labor Contractor Registration Act.
4232 Dirksen Building

JUNE 9

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold oversight hearings on the implementation of family planning programs.
5110 Dirksen Building
Labor and Human Resources
*Labor Subcommittee
To hold oversight hearings on the implementation of the Longshoremen and Harbor Workers Compensation Act.
4232 Dirksen Building

JUNE 10

9:30 a.m.
Labor and Human Resources
*Labor Subcommittee
To continue oversight hearings on the implementation of the Longshoremen and Harbor Workers Compensation Act.
4232 Dirksen Building

SENATE—*Thursday, June 4, 1981*

(Legislative day of Monday, June 1, 1981)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Reverend Robert W. Thurston, D.D., minister, First Baptist Church, New London, N.H., offered the following prayer:

Eternal God, we thank You for the faith which sustains us, the hope which inspires us, and the light by which we daily walk.

Help us to correct our mistakes. Cause us to look within ourselves and to see there all that we condemn in others.

Give to every nation that which we seek for our own Nation—concern for the needs of everyone, sensitivity to moral issues, deliverance from cynicism and despair, strength to be free and to carry the burden of freedom, and readiness to accept responsibility, rather than to evade its consequence.

Let us go through today's work with faithfulness, strong to do justly, to love mercy, and to walk humbly with You. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. BAKER. Mr. President, I thank the Chair.

I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

THE SENATE AGENDA

Mr. BAKER. Mr. President, in the informal calendar of legislative activity that we construct in the leadership office, today had been set aside for continuation of final disposition of S. 1197, the housing bill. I offer appropriate commendation and appreciation to the distinguished Senator from Indiana (Mr. LUGAR) who managed the bill, and the Senator from Wisconsin (Mr. PROXMIRE), because we finished that bill yesterday, which must be a record for a housing bill, by the way. I point out as well that some Members who had very controversial amendments that might have been offered to the bill did not offer those amendments. No doubt they will be dealt with later on other bills or as free-standing matters. In any event, on yesterday, we were able to complete a major piece of legislation in a very short period of time; perhaps even in record time.

CONFERENCE REPORT ON SUPPLEMENTAL APPROPRIATIONS

That leaves us, Mr. President, with not much to do on the Legislative Calendar. I hope that the other body will act on the supplemental appropriations bill conference report this morning. My estimation, which, of course, is unofficial, is that the House of Representatives may act or take final action on the conference report and the items in disagreement at 1 o'clock today. If they do that and we receive that conference report here, it is, of course, the intention of the leadership on this side, I hope with the concurrence of the leadership on the Democratic side, to take up that conference report as soon as possible and to proceed to its consideration and completion today.

I remind all of my colleagues who may be listening to this statement that the deadline for completion of action on the conference report is midnight tomorrow night, June 5, because the continuing resolution expires at that time and this simply must be in place. I hope that, later today, when we receive the conference report, and I would not presume to ask for the agreement at this time, but later today, when we receive the report and see the condition that it is in from the other body, we might be able to obtain a time agreement for its consideration.

Mr. President, I inquire of the majority leader if he might consider that or be willing to inquire on his side about those prospects.

Mr. ROBERT C. BYRD. Mr. President, I shall be delighted to inquire about the prospects on this side of the aisle for a time agreement. As far as I personally am concerned, I would be agreeable to such. I shall be getting back in touch with the distinguished majority leader once I have done that.

Mr. BAKER. I thank the minority leader.

Mr. President, let me say now, in advance, that if we can finish action on the conference report today, I hope we might do so by about 5 p.m. But I am prepared to ask the Senate to remain in session beyond that time and to stay late today, since Thursday is the day announced for late sessions if necessary, in order to try to avoid a session of the Senate tomorrow. If we cannot finish action today on the conference report, as I said a moment ago, it will be necessary to be in tomorrow to do so and, heaven forbid, on Saturday if necessary, because this matter is of such extraordinary importance.

FOOD STAMP BILL

Mr. President, I had hoped to have the food stamp bill available for action in the Senate beginning on Monday. It is my understanding now that there is a printed report to accompany that bill and that the 3-day rule will not have matured until Tuesday of next week. Notwithstanding that, it is my intention that we shall find something to do on the Calendar of General Orders or the Executive Calendar on Monday. We will be in session on Monday. I hope that, as well, the minority leader might be able to consider shaving 1 day off the 3-day rule so we could take up the food stamp bill on Monday.

I observe around the room that certain of the staff of the distinguished minority leader have a serious and somber look on their faces, so that may not be possible. But I make that request in any event. I hope the minority leader might consider, with compassion and concern, the possibility of shaving 1 day off the 3-day rule so we can go to the food stamp bill on Monday.

If he does that, of course, it will give us a good full day on Monday to debate that issue. If not, we shall have to proceed with that bill on Tuesday. But I make that request of the minority leader, that we might consider a 1-day reduction in the 3-day rule.

I observe not only do the minority leader's staff have a somber look on their faces, but also the minority leader has a smile on his face. I leave that to him to interpret.

Mr. ROBERT C. BYRD. Echoes from the past.

Mr. BAKER. "Echoes from the past." I am afraid that has a sinister and foreboding import.

In any event, it will be my intention to move to the food stamp bill as soon as possible, on Monday if possible; if not, on Tuesday of next week.

NOMINATION OF CHARLES Z. WICK

Mr. President, there are a number of other things we can deal with. I hope that, today, we might be able to deal with some of the nominations and items on the Executive Calendar. I especially would like to proceed to the nomination of Charles Z. Wick, of California, to be Director of the International Communication Agency. Mr. Wick has, I believe, certain assignments that he would like to undertake for the President that cannot be undertaken until the Senate grants its consent to this nomination.

May I inquire, as well, of the minority leader if there is some possibility that, during today, we may proceed to the consideration of that item and other items on the Executive Calendar?

Mr. ROBERT C. BYRD. There certain-

ly is a possibility of proceeding with other items on the Executive Calendar. There may be a possibility of proceeding with the nomination of Mr. Wick. I am not in a position at this time to state.

Mr. BAKER. I thank the minority leader. I know the minority leader has expressed concern on a number of issues in writing about Mr. Wick. Mr. Wick has now replied to those. I shall consult with the minority leader later today on that and other items on the Executive Calendar.

Mr. President, I have no further need for the rest of my time under the standing order, if any time remains. I yield to the minority leader if he has any need for it.

Mr. ROBERT C. BYRD. Mr. President, I should be happy to have control of it.

Mr. BAKER. Mr. President, I yield the remainder of my time to the distinguished minority leader.

Mr. ROBERT C. BYRD. I thank the distinguished majority leader.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The minority leader is recognized.

ATTEMPTED PRESIDENTIAL ASSASSINATIONS

Mr. ROBERT C. BYRD. Mr. President, Ronald Reagan was the eighth sitting President to be the victim of an assassination attempt. Four American Presidents have been killed by assassins' bullets—Abraham Lincoln, James Garfield, William McKinley, and John F. Kennedy. Three others escaped serious injury—Andrew Jackson, Harry Truman, and Gerald Ford. This macabre history is especially disturbing in light of the alarming frequency of attempts on the lives of Presidential candidates, prominent political figures, and other well-known Americans. Any act of violence is to be condemned, but the attempted assassination of the President of the United States is a particularly heinous crime which deserves the most severe punishment.

Today I am introducing legislation to mandate life imprisonment for any individual who attempts to kill the President, the President-elect, the Vice President, or the official next in the order of succession. Under current law, actual assassination of the President or any of the other named persons is a capital offense, punishable by death if a constitutionally viable death penalty statute is enacted by the Congress. However, attempted assassination, a crime as onerous in intent as the act itself, carries only a sentence of any term of years to life. Thus, life imprisonment is now a mere possibility—rather than a mandatory sentence—for those who attempt to take the President's life.

Following the assassination of Robert Kennedy, I introduced legislation to make assassination of a Member of Congress or a Member of Congress-elect a capital offense. That bill became law. Assassination of an elected representative is more than the murder of one individual. It has the potential to disrupt our governmental system and to destroy the people's electoral mandate.

In no instance is this danger more serious than with the President of the United States. Even the wounding of the President, requiring surgery and temporary incapacitation, carries the potential for grave national security consequences. The possible disruption of our domestic political order must not be taken lightly. The individual motivations of the assassin should come second to the heinous nature of the act and the effect which is intended, if not accomplished.

In the aftermath of the most recent assassination attempt, procedures to insure the safety of the President have been reassessed. New steps are being taken to limit the President's exposure to potentially dangerous situations. But President Reagan, like most men who have occupied our Nation's highest office, has refused strict limits on his mobility and freedom. In a democratic society it is crucial for the President to mingle with the public—to engage in spontaneous face-to-face encounters with the people he was elected to serve. While the risks can be lessened, they can never be eliminated. But those contemptible individuals who would contemplate harming the President must know that the punishment for such a crime will be swift, certain, and severe. Perhaps this threat will discourage some who would seek to harm this Nation and its President.

Mr. President, I send to the desk a bill and ask for its appropriate referral.

The PRESIDING OFFICER (Mr. HUMPHREY). The bill will be received and appropriately referred.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1324

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 1751 of title 18, United States Code, is amended—

(1) by striking out "kill or"; and

(2) by adding at the end thereof the following: Whoever attempts to kill any individual designated in subsection (a) of this section shall be punished by imprisonment for life.".

AFGHANISTAN—DARE WE FORGET?

Mr. ROBERT C. BYRD. Mr. President, in November 1955, as a member of a House Foreign Affairs Committee delegation which toured the Middle East and Far East, I wrote a newsletter to my constituents expressing serious concerns over the growing Soviet influence in Afghanistan.

I should like to quote from portions of that newsletter which relate the concerns I had during our visit to Afghanistan 26 years ago.

Afghanistan is a remote and very backward country and much of the territory borders upon Russia. Ours is the first Congressional Committee ever to visit this isolated and barren land, and the committee is deeply concerned as a result of its findings. All signs at the moment point to a growing Soviet influence, and there is fear that the country will soon slip behind the Iron Curtain.

The Soviets are constructing badly needed roads for the people of Afghanistan, and Bulganin will pay an official visit to Kabul within the next few days. Afghanistan's neutralist policy is showing signs of wear and, although the Afghans themselves, as a whole, seem to be very anti-Russian in their thinking, the present ruling family is leaning dangerously toward the USSR.

Relations with Pakistan are strained and King Zahir Shah seems to be unwittingly playing into the hands of the Communists by continuing to demand that certain territory in what is now Pakistan be set aside for the Pushtun tribes. . . .

A crisis of considerable significance is taking shape in Afghanistan as a result of the foregoing circumstances. The National Assembly will meet within the next day or so, at which time the government will seek support of its policies. Should it be assured by the tribal chieftains of such support, we may expect to see Afghanistan press the demand against Pakistan for a separate Pushtun state and the Afghanis will likely be aided and abetted by the Russians who will supply arms.

We may then see Afghanistan, a country through whose mountain passes have streamed invading armies from the time of Alexander the Great, become a satellite of Russia and a highway over which Red armies will someday threaten Pakistan and the waterways and oil fields of the Middle East.

In June 1973, the parliamentary constitutional monarchy in Afghanistan was overthrown in a military coup led by the deposed monarch's brother, Lt. Gen. Daud Khan. In 1974, President Daud declared that his government would support the independence movements in Pakistan's two border provinces of Baluchistan and the northwest frontier. For the first time in 26 years, regular troops from Pakistan and Afghanistan faced each other across the Durand line.

During President Daud's rule, from 1973 until April 1978, the Soviet presence in Afghanistan grew substantially, as the Soviet Union poured in aid and military advisers in an effort to exert greater political control on this nonaligned country. However, Afghanistan, which is 99 percent Moslem, proved nearly impossible for the Soviets to bring into their orbit as a satellite. As a result, President Daud was overthrown in April 1978. Diplomats familiar with the situation felt the immediate provocation for the coup was the Government crackdown on Afghan Communists. Three days later, the Soviet Union recognized the new Government, headed by Nur Taraki,

chairman of the Marxist, pro-Moscow Khalq-Parcham party.

The Soviets had high hopes that they could exert significantly more influence with a Marxist in power. But diplomats predicted that Taraki would hesitate to create an orthodox Communist state in so devoutly a Moslem country. In October of that year, the Soviet presence tripled.

However, the resistance to having a Marxist president of, and a growing Soviet presence in, Afghanistan began to manifest itself early in 1979. In January, the West received the first reports of anti-Government guerrillas, fighting in the name of Islam, threatening a provincial capital in eastern Afghanistan.

On February 14, 1979, U.S. Ambassador Adolph Dubs was killed in a shoot-out between police and Moslem gunmen, who had kidnaped him in an attempt to win the freedom of three Shiite clergymen held by the government. It was reported, from reliable sources, that Soviet advisers were involved with the Afghan police when the shooting occurred.

In March of 1979, the Moslem rebellion was spreading and increasing in intensity. There was a major uprising in Herat (west of Kabul) in which diplomats reported at least a dozen Soviet advisers being slain.

On April 13, 1979, the New York Times reported that U.S. intelligence officials were estimating that as many as 100 of the estimated 3,000 Soviet military advisers in Afghanistan may have died in the spreading rebellion against the Kabul government. The Times also reported that in addition to serving as advisers, Soviet personnel were said to be playing a growing role in the fighting, including piloting helicopters and fighter planes and directing artillery fire.

On August 13, 1979, four Afghan rebel groups issued a communique announcing they were united into a single organization whose aim was to overthrow the government of President Taraki. On September 16, it was announced that Taraki had resigned and Premier Hafizullah Amin had taken over as President. It was determined later that Taraki had been killed in a shoot-out in the Presidential Palace on September 14.

In December 1979, the Soviet Union moved three army divisions to its border with Afghanistan. On December 26, the Soviets began an around-the-clock airlift of troops into Afghanistan and the invasion was underway. On December 27, Amin was replaced by Deputy Premier Babrak Karmal and a day later, Karmal announced that the Soviet Union had agreed to a new program of urgent, political, moral, and economic assistance, including military aid.

Mr. President, I hark back to my newsletter of 26 years ago. In many ways, what we found on our trip to that country was prophetic for both the Soviet Union and the West. The Soviets, through political intrigue, manipulation, coups, and even assassinations could never force the Afghan people to submit to being their satellite. The anti-Russian feelings we found among the Afghan people in 1955 grew with each stage of increased Soviet presence in that country. It burst into widespread rebellion when the decidedly pro-Moscow government of Nur Taraki was installed in a Soviet-backed coup in April of 1978. We have seen a succession of governments over the years, toppled because of their inability to impose an alien ideology and government on a people who are fiercely independent and whose deep-seated Moslem beliefs do not allow them to accept Marxism.

The West can take little comfort in the dilemma in which the Soviets find themselves in Afghanistan. Soviet tanks roll over those very roads the Russians were constructing in 1955. And today, Afghanistan, a country through whose mountain passes have streamed invading armies from the time of Alexander the Great, has, in fact, become an occupied satellite of the Soviet Union and a highway over which Red armies can threaten Pakistan and the waterways and oil fields of the Middle East. What the Soviets could not accomplish politically, they are now attempting to accomplish militarily. That is why we must continue to ask: Afghanistan—dare we forget?

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business to extend not longer than 30 minutes in which Senators may speak therein not more than 10 minutes each.

The PRESIDING OFFICER. Without objection, it is now ordered.

Mr. BAKER. Mr. President, I have a number of requests to make and then I shall renew my request of the minority leader in respect to the Executive Calendar.

ORDER FOR THE RECOGNITION OF SENATOR NUNN ON TUESDAY

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate convenes on Tuesday next, on June 9, after the recognition of the two leaders under the standing order the Senator from Georgia (Mr. NUNN) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SEQUENTIAL REFERRAL OF S. 854

Mr. BAKER. Mr. President, I believe this request has been cleared with the distinguished minority leader.

I ask unanimous consent that S. 854, the Foreign Missions Act of 1982, that was sequentially referred Tuesday, now be sequentially referred as follows:

That when the Committee on Foreign Relations report S. 854, it be referred to the Committee on Government Affairs for a period of 45 calendar days, excluding weekends, holidays, and those days in which the Senate is not in session, and that the printed report of the Foreign Relations Committee be delivered to the Committee on Government Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. BAKER. Mr. President, I have cleared on my side of the aisle certain bills on the Calendar of General Orders and certain items on the Executive Calendar. I will identify them, if I may, for the minority leader.

We are cleared here to proceed with the consideration of Calendar Order No. 112, S. 468, to advance to third reading. We propose at that time to call up Calendar Order No. 157, H.R. 1100, and to strike all after the enacting clause and insert in lieu thereof Calendar Order No. 112, S. 468, previously advanced to third reading and to adopt Calendar Order No. 157 and to indefinitely postpone Calendar Order No. 112.

I am prepared to do that at this time if it is cleared on the minority side.

Mr. ROBERT C. BYRD. Mr. President, there will be no objection at this time.

Mr. BAKER. I thank the minority leader.

FORMER PRISONERS OF WAR BENEFITS ACT OF 1981

Mr. BAKER. Mr. President, I now ask that the Chair lay before the Senate Calendar Order No. 112, S. 468, and advance that bill to third reading.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (S. 468) to amend title 38, United States Code, to expand the eligibility of former prisoners of war for certain health care benefits provided by the Veterans' Administration, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Veterans' Affairs with an amendment to strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Former Prisoners of War Benefits Act of 1981".

SEC. 2. (a) Chapter 3 of title 38, United States Code, is amended by adding after section 220 the following new section:

"§ 221. Advisory Committee on Former Prisoners of War

"(a)(1) The Administrator shall establish an advisory committee to be known as the Advisory Committee on Former Prisoners of War (hereafter referred to in this section as the 'Committee').

"(2) The members of the Committee shall be appointed by the Administrator from the general public, shall serve for terms to be determined by the Administrator, not to exceed three years, and shall include—

"(A) appropriate representatives of veterans who were held as prisoners of war;

"(B) individuals who are recognized authorities in fields pertinent to disabilities prevalent among former prisoners of war, in-

cluding authorities in epidemiology, mental health, nutrition, geriatrics, and internal medicine; and

"(C) appropriate representatives of disabled veterans.

"(3) The Committee shall also include as ex officio members the Chief Medical Director and the Chief Benefits Director, or their designees.

"(b) The Administrator shall, on a regular basis, consult with and seek the advice of the Committee with respect to the administration of benefits under this title to veterans who were held as prisoners of war, and the compensation, health care, and rehabilitation needs of such veterans.

"(c) Not later than July 1, 1982, and not later than July 1 of each even-numbered year thereafter, the Committee shall submit to the Administrator a report on the programs and activities of the Veterans' Administration that pertain to veterans who were held as prisoners of war, and shall include in each such report an assessment of the compensation, health care, and rehabilitation needs of such veterans, a review of the programs and activities of the Veterans' Administration designed to meet such needs, and such recommendations, including recommendations for administrative and legislative actions, as the Committee determines appropriate. The Administrator shall submit such report to the Congress forthwith with any comments the Administrator determines appropriate. The Committee may also submit to the Administrator such other reports and recommendations as the Committee determines appropriate. The Administrator shall submit with each annual report submitted to the Congress pursuant to section 214 of this title a summary of all reports and recommendations of the Committee submitted to the Administrator since the previous annual report of the Administrator was submitted to the Congress pursuant to such section.".

(b) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 220 the following new item:

"221. Advisory Committee on Former Prisoners of War.".

SEC 3. (a) Section 101 of title 38, United States Code, is amended by adding at the end the following new paragraph:

"(32) The term 'prisoner of war' means a veteran who, while serving in the active military, naval or air service was forcibly detained or interned in line of duty by an enemy governments or its agents, or a hostile force—

"(A) during a period of war; or

"(B) during any period other than a period of war in which such veteran was held under circumstances which the Administrator finds comparable to the circumstances under which persons have generally been forcibly detained or interned during periods of war.".

(b) Section 612(b)(7) is amended by striking out "of World War I, World War II, the Korean conflict, or the Vietnam era.".

SEC. 4. Section 312 of title 38, United States Code, is amended by—

(1) striking out subsection (b) in its entirety;

(2) redesignating subsection (c) as subsection (b); and

(3) amending subsection (b) as redesignated in clause (2) of this section to read as follows:

"(b) For the purposes of this title and subject to the provisions of section 313 of this title—

"(1) in the case of any veteran who was held as a prisoner of war for not less than thirty days, the disease of—

"(A) avitaminosis,

"(B) beriberi (including beriberi heart disease),

"(C) chronic dysentery,

"(D) helminthiasis,

"(E) malnutrition (including optic atrophy associated with malnutrition),

"(F) pellagra, or

"(G) any other nutritional deficiency, and

"(2) in the case of any veteran who, while so serving, was held as a prisoner of war for any period of time, the disease of psychosis which becomes manifest as a disability to a degree of 10 per centum or more after such service, shall be considered to have been incurred in or aggravated by such service, notwithstanding that there is no record of such disease during the period of service.".

SEC. 5. Section 610(a) of title 38, United States Code, is amended by—

(1) striking out "and" at the end of clause (3);

(2) redesignating clause (4) as clause (5); and

(3) inserting after clause (3) the following new clause:

"(4) any veteran who was held as a prisoner of war; and".

SEC. 6. Section 612(1) of title 38, United States Code, is amended by—

(1) redesignating clause (4) as clause (5); and

(2) inserting after clause (3) the following new clause:

"(4) To any veteran described in section 610(a)(4) of this title.".

SEC. 7. (a) In order to assist in the further development of statutory and administrative policies regarding the needs of veterans who are former prisoners of war by addressing certain issues not resolved on basis of the study submitted pursuant to section 305 of Public Law 95-479, the Administrator of Veterans' Affairs (hereafter referred to in this section as "Administrator") shall conduct a further study of the health of former prisoners of war. In carrying out such study the Administrator shall examine—

(1) the types, combinations, severity, and frequency of occurrences of physical and mental disabilities (including but not limited to psychoneuroses, arthritis, respiratory and gastrointestinal disorders, and frozen feet residuals) particularly prevalent among such veterans;

(2) a representative sample of the cases of such veterans whose claims for disability compensation under chapter 11 of title 38, United States Code, have been denied; and

(3) any other factors considered relevant to the issues whether (A) additional presumptions should be established to assist such veterans in obtaining determinations that their disabilities are the result of their experiences as prisoners of war, and (B) the eligibility of any such veterans for health-care services from the Veterans' Administration should be expanded.

(b) Not later than December 31, 1982, the Administrator shall prepare and transmit to the Congress a report on the results of the study required by this section. Such report shall include such recommendations for administrative and legislative action as the Administrator considers may be necessary to meet the needs of veterans who are former prisoners of war for disability compensation and health-care services.

(c) In preparing the design of and conducting the study required by this section and in preparing the report required by this section, the Administrator shall consult with the Advisory Committee on Former Prisoners of War established pursuant to section 221 of title 38, United States Code (as added by section 2 of this Act).

SEC. 8. (a) Notwithstanding any provision of law—

(1) any veteran who was held as a prisoner of war (as defined in paragraph (32) of section 101 of title 38, United States Code, as added by section 3(a) of this Act) may, not later than December 31, 1982, file a claim for disability compensation under chapter 11 of title 38, United States Code, based upon a mental disorder with respect to which a previous such claim was disallowed prior to January 1, 1981; and

(2) any claim filed pursuant to clause (1) of this subsection shall for all purposes under such title be considered an original claim.

(b) The Administrator shall, to the maximum extent feasible and in order to carry out the requirements of subchapter IV of chapter 3 of such title seek out and provide information to veterans affected by the provisions of subsection (a) regarding the opportunity to file a claim for disability compensation pursuant to such subsection.

SEC. 9. (a) Except as provided in subsection (b), the amendments made by this Act shall be effective on the date of enactment.

(b) The amendments made by section 4 of this Act shall become effective October 1, 1981.

Mr. CRANSTON. Mr. President, I am pleased to join with the distinguished chairman of the Veterans' Affairs Committee (Mr. SIMPSON) in urging my colleagues to approve S. 468, the proposed "Former Prisoners of War Benefits Act of 1981," as reported by the committee on May 15. This unanimously approved committee measure is designed to improve Veterans' Administration benefits and services for veterans who are former POW's.

The measure is based, in part, on the findings, conclusions, and recommendations for legislative actions made by the VA in its report, entitled "Study of Former Prisoners of War," which was submitted to the Congress on June 2, 1980, pursuant to section 305 of Public Law 95-479, the Veterans' Disability Compensation and Survivors Benefits Act of 1978, and on testimony the committee received at its April 22 hearing on ex-POW legislation. A number of provisions in the measure as reported have been derived from a measure I, joined by Senators MATSUNAGA and DECONCINI, introduced on March 10—S. 670, the proposed "Ex-Prisoners of War Benefits Improvements Act of 1981."

BACKGROUND

As chairman of the Senate Veterans' Affairs Committee in the last two Congresses and now as ranking minority member, I am well acquainted with the deep concerns that many have—and which I share fully—for these veterans who made such special sacrifices and endured extreme hardships as prisoners of war. Their strength, courage, and love of freedom helped to preserve our country, and we truly owe them a debt that can never be fully repaid. The pending measure, however, represents a grateful Nation's recognition of some of the special needs and concerns of this group of veterans.

Mr. President, this measure—the first to be unanimously reported by the com-

mittee this year—will, I believe, be of great significance for many of our Nation's ex-POW's. The committee has devoted an extraordinary amount of time and effort to addressing the complex issues involved in trying to deal fairly and adequately with the problems of former POW's ever since the VA study was submitted last June pursuant to the study provision, which I authored, in Public Law 95-479.

I hope my colleagues will agree that we have been successful in developing an effective measure that melds the provisions of the proposals that were pending before the committee—including my measure, S. 670; the measure introduced by my distinguished colleague from South Carolina (Mr. THURMOND), S. 468; and the measures introduced by Senators ABDNOR and KASTEN, S. 251 and S. 1164, respectively. The spirit of cooperation and flexibility that was displayed during consideration of this legislation by all members of the committee has contributed to making this a truly bipartisan initiative which reflects the committee's continuing commitment to efforts that would meet the needs of ex-POW's.

Mr. President, I would like to take this opportunity to comment very briefly on a number of the provisions of the committee bill that I believe are particularly important.

ADVISORY COMMITTEES ON FORMER PRISONERS OF WAR

Section 2 of the committee bill would require the Administrator of the VA to establish an Advisory Committee on Former Prisoners of War. The membership of the Advisory Committee would include appropriate representatives of former POW's, individuals who are recognized authorities in fields pertinent to disabilities prevalent among former POW's, and appropriate representatives of disabled veterans generally. The VA Administrator would be required to consult with and seek the advice of the committee on a regular basis. In addition, the committee would be required to submit a biannual report to the Administrator—the first report due no later than July 1, 1982—who would in turn be required to submit the report to the Congress.

The provisions of section 2 are generally derived from the provisions of my proposal for the establishment of an advisory committee. In this regard, I am pleased that the members of the Veterans' Affairs Committee shared my belief that it is important that the Advisory Committee's biannual report to the Administrator be required by law to be submitted to the Congress. I believe this will serve to enhance the status of the Advisory Committee within the VA and will give the Congress, on a continuing basis, a means of assessing the need for any further actions to address the needs of former POW's. Also, a role for involvement of disabled veterans in the work of the committee was agreed to, as I had proposed.

IMPROVEMENTS RELATED TO VA SERVICE-CONNECTED COMPENSATION

Section 4 of the pending measure would make a number of modifications in existing law which relate to presumptions of the service-connected nature of certain diseases and disabilities of former POW's. The basic purpose of these improvements is to relieve to a certain extent the burden on a former POW to submit evidence to the Administrator that certain disabilities are service connected.

First, the committee bill would reduce from 6 months to 30 days the minimum internment period required for the automatic application of presumptions related to diseases and disabilities resulting from dietary deficiencies, including chronic dysentery, and would eliminate completely a length-of-internment requirement for the automatic application of the presumption of service connection in cases of psychosis.

I had proposed in S. 670 that no minimum internment requirement be imposed for the presumptions related to dietary-deficiency-related diseases or to psychosis; Senator THURMOND's bill proposed that the minimum internment requirement for both types of disabilities be reduced to 60 days. Thus, I was pleased that the committee was able to reach the compromise that is reflected in the committee bill, and I would like to take this opportunity, Mr. President, to express my particular appreciation to my friend from South Carolina (Mr. THURMOND) for his cooperation in this area.

Second, the committee bill would—as would all of the proposals that were considered—eliminate the requirement that in order to be presumed to be service-connected a psychosis must become manifest within 2 years after the veteran's release from active duty. This provision is based on a recommendation for legislative change made by the VA in its June 1980 study.

Third, the bill would, as would the provisions of S. 670, eliminate the unduly complicated two-step procedure in current law for the application of the presumptions of service connection. Step one of this current procedure provides that a veteran who was held as a POW for more than 6 months is presumed to have suffered from conditions of dietary deficiencies, forced labor, and inhumane treatment in violation of the Geneva Conventions; step two provides further that the presumptions of service-connection for certain diseases apply to a veteran who has suffered from such conditions.

Instead, as I have noted, this bill would provide directly for the application of a presumption of service connection of certain dietary-deficiency-related disabilities of any veteran who was held as a POW for 30 days or more and for the application of such a presumption for the psychosis of a veteran who was held as a POW for any length of time.

Mr. President, I would also note that the bill provides a definition of "prisoner of war" for purposes of title 38, United States Code, which includes service persons who are held captive either during a period of war or during any other period in which he or she was held under circumstances comparable to those under which persons have been held captive during periods of war.

IMPROVEMENTS RELATED TO HEALTH CARE

In the health-care area, the committee bill provides that ex-POW's would be given the same eligibility for nonservice-connected care from the VA as veterans who have no service-connected disabilities and are unable to defray the costs of care. That eligibility is for hospital and nursing home care, prehospital and post-hospital outpatient care and outpatient care that would obviate a need for hospitalization. In addition, the measure would place ex-POW's in a new fourth priority category for outpatient care ahead of all veterans who have no service-connected disabilities.

In this connection, Mr. President, I want to point out that the provisions of the committee bill would provide the same eligibility and outpatient priority to former POW's as my amendment No. 59 to S. 921, the proposed "Veterans' Programs Extension and Improvements Act of 1981," would provide to Vietnam veterans for disabilities that can be linked by some credible evidence to exposure to agent orange or certain other toxic substances used militarily in Vietnam and to veterans who participated in nuclear weapon tests for disabilities that can be so linked to exposures to test radiation. I anticipate that that bill and that amendment will be before the Senate later this month.

REQUIREMENT FOR ADDITIONAL STUDY AND PRESUMPTIONS RELATING TO NEUROSES

Mr. President, it should be noted that the provisions of S. 468 as reported do not include the provisions of my bill that would permit the Administrator of the VA to establish administrative presumptions of service connection with respect to other disabilities that are found to be reasonably attributable to the POW experience. Likewise, the measure does not include the provisions of S. 670 or S. 468 as introduced that would add neurosis to the list of disorders to which presumptions apply.

Instead, section 7 of the committee bill would require the Administrator to conduct a further study, addressing certain issues not resolved by the VA's 1980 study, of specific physical and mental disabilities prevalent among former POW's—including neuroses and other disabilities cited by ex-POW and veteran organizations such as residuals of frozen feet, chronic respiratory disorders, and gastro-intestinal diseases—and denials of claims from former POW's for disability compensation. The purpose of this study would be to help us determine whether additional presumptions should be established and eligibility for health-care benefits and services expanded. This report would be required to be conducted in consultation with the Advisory Committee that would be established by the committee bill and would be submitted to the Congress not later than December 31, 1982, with the Administrator's recommendations for appropriate administrative and legislative action.

Further, section 8 of the committee bill would permit a former POW whose claim for disability compensation based on a mental disorder has been denied prior to January 1, 1981, to file a new claim that would for all purposes be considered as an original claim. As an original

claim, such a claim would receive de novo consideration, and the award-effective-date provisions of section 3010 of title 38, United States Code, would apply. The Veterans' Administration would be required by the bill to seek out former POW's who could be benefited by this provision and provide them with information regarding it.

With respect to these provisions, Mr. President, I want to note that I shared the committee's view that, although very sympathetic to concerns in this area, we could not find sufficient justification—despite our very sympathetic approach to this problem—to add new statutory presumptions at this time. It is my expectation that the results of the followup study that would be required by the committee bill will provide the data that we need to give the fullest possible consideration to this important issue. I want to assure my colleagues in the Senate that there are no closed minds on this issue and that, as the ranking Democratic member of the committee, I will do my utmost to assure that this issue receives priority consideration when the study results are submitted.

CONCLUSION

In closing, I would like to express my thanks and congratulations to those who participated in the development of this legislation. As I previously noted, I am very grateful for the cooperation of Senator THURMOND and his staff representative John Pressly, whose contributions were invaluable.

In addition, the distinguished chairman of the committee (Mr. SIMPSON) deserves plaudits for his work on the measure, as does the committee staff member, Julie Susman, who devoted such extensive time and energy to this bill. Other committee staffers Laurie Altemose and Becky Hucks also deserve thanks for their assistance in preparing the committee report. The committee's ever-helpful printing clerk, Harold Carter, and his assistant, Jim MacRae, provided invaluable help to all. Finally, I would note the contributions of minority staff members—Babette Polzer, Ed Scott, and Jon Steinberg—and my appreciation for their efforts.

Mr. President, the measure pending before us is a good one. It has great significance to and will benefit those very courageous and valiant patriots whose sacrifices as POW's must never be forgotten and will never be fully repaid. I urge my colleagues to give their wholehearted approval to the proposed "Former Prisoners of War Benefits Act of 1981."

Mr. SIMPSON. Mr. President, I rise to urge the passage of S. 468, the proposed "Former Prisoners of War Benefits Act of 1981." This bill addresses one of the most compelling issues to come before this Congress. These most deserving veterans have suffered many forms of deprivation, torture, starvation, "death-marches" and other means of inhumane treatment. Over the years, these former POW's have reported that their claims for compensation have often been unfairly denied by the Veterans' Administration due to lack of solid medical evidence.

Because of the importance of this matter, the Senate Committee on Veterans' Affairs determined, after a June 17, 1980, hearing, that legislative action would be forthcoming early in the 97th Congress. This provided the committee with sufficient time to study the issue—including the VA's report mandated by Public Law 95-479 and submitted to Congress on June 2, 1980—in depth. The committee's first legislative hearing of the 97th Congress was held on April 22, 1981, to consider three bills which would have expanded VA benefits for former prisoners of war.

This commitment resulted in an intense effort to craft a bipartisan committee bill which would be appropriately responsive to the needs of former POW's. The committee bill, S. 468, is cosponsored by all members of the Senate Committee on Veterans' Affairs.

One of the most difficult issues for us to grapple with was the potential cost of such legislation. In this time of great budget restraint, it is especially important to be realistic and to enact legislation that is within the VA's cost ceilings. During the committee's budget hearings, the committee members voted to allow for up to the figure of $25 million for legislation to address compensation and health-care needs of former POW's. Original CBO estimates ranged as high as $70 million and a VA estimate reached over $100 million. As committee investigations proceeded a more thorough and responsible examination of existing services was undertaken, which resulted in the conclusion that much fewer individuals would be involved than originally anticipated.

CBO's estimate for the committee bill is $5.6 million. It appears that great strides have been made internally, using the newly established guidelines for post-traumatic stress disorder. This new diagnostic category is now used when rating—for purposes of disability compensation—former POW's who suffer from a specific neuropsychic disorder associated with the traumatic POW experience.

An important provision in section 7 of S. 468 would provide a 1-year study to examine further this very complex issue. The VA would be directed to study specific physical and mental disabilities, compensation claims of former POW's which have been denied by the VA and any other factors revelant to the issue of whether additional presumptions should be established to assist such veterans in equating their current disabilities to their experiences as prisoners of war. This additional targeted study is needed in order to address these issues which were not resolved by the results of the VA study submitted to Congress last spring.

Section 8 of S. 468 would allow any former POW whose claim for disability compensation based on any mental disorder was denied prior to January 1, 1981, to reopen the claim without presenting any new medical evidence. Former POW's would have until December 31, 1982, to again file a claim under the new VA guidelines for post-traumatic stress disorder.

The bill contains other important literalizations of benefits in the areas of disability compensation and health care services.

A majority of the 94,000 surviving former POW's are from the Korean conflict and World War II eras. As these veterans begin to experience some of the problems associated with aging which may be complicated by their experiences as prisoners of war, it seems especially appropriate to provide eligibility to them for VA inpatient and nursing home care as well as outpatient services to this very special category of veterans.

Mr. President, this bill would provide a real step forward for expanding benefits and services for our Nations' former POW's. The House passed its version of the bill June 2, and I strongly urge that we swiftly follow suit in order to be able to forward a final bill to the President in as prompt a manner as is possible.

Mr. President, at this time, I ask unanimous consent that excerpts of the committee's report on S. 468 be inserted in the RECORD to fully explain and clarify the details of the committee's bill.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

SUMMARY OF S. 468 AS REPORTED

BASIC PURPOSE

The basic purpose of S. 468 as reported (hereinafter referred to as "the Committee bill") is to improve benefits and services to be provided to veterans who are former POW's through the Veterans' Administration's compensation and health-care systems.

The Committee bill would accomplish this purpose by establishing an advisory committee of authorities in the types of disabilities prevalent among former POW's, liberalizing the presumptive provisions concerning compensation provided to veterans who are former POW's, providing VA health-care benefits and services to all former POW's, directing the VA to conduct a further study of the health of former prisoners of war to determine if additional presumptions of service connection should be established and if the health-care services for such veterans provided by the VA should be expanded, and authorize certain former POW's to reopen claims for compensation under certain circumstances, as if it were an original claim.

SUMMARY OF PROVISIONS

The Committee bill has one title, containing nine sections.

Section 1 of the bill provides that this Act may be cited as the "Former Prisoners of War Benefits Act of 1981".

POW advisory committee

Section 2 of the bill would provide for a Committee to be known as the Advisory Committee on Former Prisoners of War to be established by the Administrator of Veterans' Affairs. The Committee would consist of individuals who are recognized authorities in fields related to disabilities which occur often in former prisoners of war, representatives of former prisoners of war, and representatives of disabled veterans. There would also be two ex officio members—the Chief Medical Director and the Chief Benefits Director of the Veterans' Administration or their designees. The members, appointed by the Administrator, would serve terms of no more than 3 years, be eligible for reappointment, and would serve to advise the Administrator on matters concerning policy and procedure which would impact on the VA's benefits and services to

former POW's. The Administrator would, on a regular basis, be required to consult with and seek the advice of the Committee. The Committee would submit bi-annual reports to the Administrator, beginning not later than July 1, 1982, which would include an assessment of the compensation, health care, and rehabilitation needs of such veterans, a review of the programs and activities of the Veterans' Administration designed to meet such needs, and any recommendations for legislative and administrative actions as the Committee would determine to be appropriate. These reports would be submitted to Congress forthwith. Summaries of interim reports and recommendations would also be submitted to Congress annually.

Definition of prisoner of war

Section 3 of the bill would add a new paragraph to section 101 of title 38 to define "prisoner of war" generally for purposes of title 38, United States Code, as a veteran who, while serving in the active military, naval, or air service was forcibly detained or interned in the line of duty by an enemy government or its agents, or a hostile force either during a period of war or during a comparable period, as determined by the Administrator. There is also a technical amendment to conform section 612 of such to the change in section 101 of such title.

Nutritional presumptions

Section 4 of the bill would reduce the required period of internment as a prisoner of war from 6 months to 30 days for presumptions relating to certain disabilities and diseases, particularly those incurred as a result of malnutrition such as avitaminoses; beriberi (including beriberi heart disease); chronic dysentery; helminthiasis; malnutrition (including optic atrophy associated with malnutrition); pellagra; or any other nutritional deficiency.

Presumption for psychosis

Section 4 of the bill would provide service-connected benefits for psychosis which becomes manifest to a degree of 10 percent regardless of when the condition first becomes manifest and regardless of the length of the period of internment as a prisoner of war. This section would eliminate both the requirement of a 6-month period of internment for a presumption relating to psychosis and the requirement for the psychosis to manifest itself within 2 years of the date of separation to be presumed to be connected to the POW experience for the purpose of establishing a service-connected disability.

Section 4 would also strike language in section 312(b) of title 38, which when discussing prisoners of war refers to specific enemy governments. This change would expand eligibility to include those former POW's who were interned during World War I.

Eligibility for health-care benefits and service

Section 5 of the bill would expand section 610(a) of title 38 to provide eligibility for inpatient hospital and nursing home care for veteran who had been held as a prisoner of war, regardless of the length of internment.

Section 6 of the bill would expand section 612(1) of title 38 to provide outpatient care, on a priority basis, to former prisoners of war. Such former prisoners of war would be eligible for pre- or post-hospital care or to obviate the need for inpatient care on a priority basis after those veterans with a service-connected disability or those who are being examined for the existence or rating of a service-connected disability, and above all other non-service-connected veterans.

VA study

Section 7 of the bill would provide for a limited study of the health of former POW's to be conducted by the VA to determine whether additional presumptions should be established in the area of physical and mental disabilities in section 312 of title 38, that would relate to the POW experience, to examine the health services provided by this bill in order to determine if the VA is appropriately addressing the health-care needs of former prisoners of war, and the bases upon which a sample of cases of former POW's claims for disability compensation have been denied. The Advisory Committee established by this bill, would be consulted in the design preparation, conducting the study and the report preparation of this study which would be submitted to the Congress not later than December 31, 1982.

Claims for mental disorders which have been denied

Section 8 of the bill would allow a former prisoner of war, whose claim for disability compensation based on a mental disorder had been previously denied before January 1, 1981, to file a claim not later than December 31, 1982, which would, for all purposes, be considered a new claim.

Effective dates

Section 9 of this bill would provide that the effective date of this bill would be the date of enactment with the exception of section 4 which would take effect on October 1, 1981.

DISCUSSION

BACKGROUND

In 1978, the Committee held hearings to consider the claims of certain former prisoners of war (POW's) from World War II who were interned in the Pacific theater, of long-lasting and progessive physical and psychological damage attributable to the conditions of internment experienced by former POW's.

It appeared that, because of the inadequate state of medical knowledge of the effects of various hardships suffered during internment, including the long-term effect of dietary deficiencies and unsanitary conditions and because of the strong desire of former prisoners of war to return home as quickly as possible after World War II, these repatriation camps may have discharged veterans without thorough examinations and without close attention to their potential health problems. A major problem appeared to have been a lack of adequate records, necessary at a later date in order to establish service connection for ailments possibly related to internment. Also, conditions which may have seemed relatively minor at the time of repatriation may have become progressively debilitating. Thus, 30 years later, a former POW suffering from a debilitating disease that may well have resulted from his or her internment, may encounter extreme difficulty in proving service connection.

The hearing included data from a 1974 National Academy of Sciences Study entitled "Follow-up Studies of World War II and Korean War Prisoners," which indicated—

Higher rates of cardiovascular disease from prisoners of war interned in the Pacific theater during World War II than for non-POW's who served in that theater;

Strong statistical evidence of "K-Z syndrome", also known as "POW syndrome", which is marked by severe, permanent psychological scars and nonspecific physical problems and is attributed to organic brain disease, among POW's interned in the Pacific theater during World War II and during the Korean conflict.

Much higher incidence of tuberculosis and other infective and parasitic diseases among POW's interned in the Pacific theater during World War II and during the Korean conflict than among either non-POW's who served in those theaters or POW's interned in the European theater during World War II; and greatly increased death rates from nutritional disorders, nerve disorders, intestine and liver diseases, genitourinary diseases, and bone diseases among POW's interned in the Pacific theater during World War II.

Because of the complexity of the issues and the research and analysis required, the Committee directed the VA to conduct and submit to Congress by March 1, 1979, a study of the disability compensation and health-care benefits accorded former prisoners of war. The study, mandated by Public Law 95-479, directed the VA, in consultation with the Department of Defense, to review the procedures used in repatriating POW's and to evaluate the adequacy of those procedures, including the resultant effect on the medical records of POW's. The VA was also directed to include a study of the types and severity of disabilities particularly prevalent among POW's in specific theaters of operation. The VA was also directed to review and analyze current law, regulations, and procedures with regard to claims of former POW's for service-connected benefits and undertake a comparison of the treatment accorded former POW's under the veterans' benefits programs of other governments. Finally, the VA was required to include in the report appropriate administrative and legislative recommendations necessary to assure that former POW's are awarded compensation and health-care benefits for disabilities reasonably attributable to their internment.

Public Law 96-22, signed into law on June 13, 1979, provided for VA outpatient dental services to former POW's who were held captive for at least 6 months. This provision was the result of recommendations by medical and nutritional experts that nutritional and vitamin deficiencies such as beriberi, scurry, protein deficiency, and pellagra were common problems of prisoners of war and that these same nutritional deficiencies produce gum disease which have long-term effects on oral and dental health.

The VA's study of veterans who are former prisoners of war, which was mandated by Public Law 95-479, was submitted to Congress on June 2, 1980. The Committee held a hearing on June 17, 1980, to address the findings of the study and to receive testimony from concerned veterans and former POW groups. The VA's report contained three legislative recommendations—(1) remove the present 2-year limitation on the "presumptive period" for former POW's suffering from psychosis and thus establish a presumption that a former POW's phychosis is service connected whenever it becomes manifest; (2) provide eligibility to former POW's for VA hospital care and medical services for any disease or neuropsychiatric disability; and (3) provide for an annual POW/MIA Recognition Day.

Report recommendations to be carried out administratively

In addition to legislative recommendations, the VA's report made a number of recommendations to be implemented by VA administrative action, as follows:

First, the report recommended that the VA's forthcoming guideline on "post-traumatic stress neurosis" include an explicit reference to veterans who are former POW's as well as to other veterans who served in combat and that those guidelines be used specifically for the diagnosis and treatment of former POW's who are suffering from anxiety neurosis or similar neurotic disorders as well as for rating purposes. The Committee notes that, on March 17, 1980, the VA provided to the Committee a copy of an internal policy directive (Change 282 to Program Guide 21-1) concerning post-traumatic stress neurosis. Subsequently, on April 18, the VA published in the Federal Register (vol. 45, No. 77, page 26326) an amendment to the Schedule of Rating Disabilities to provide for the new diagnostic classification of such neurosis. The Committee understands

that the VA is implementing this recommendation and, in fact, has revised the text further to specifically mention former prisoners of war as being particularly vulnerable to suffering from post-traumatic stress neurosis.

Second, the report recommended that the VA adopt a standardized protocol for compensation and examinations for all former POW's that would be similar to the protocol developed by the Department of Defense for former Vietnam-era POW's, and that each VA medical center designate certain physicians who are knowledgeable about former POW's and their medical problems to conduct or supervise such examinations in order to assure adequate followup and to assist in ongoing research.

The Committee urges that the implementation of this recommendation be well documented in the study mandated by section 7 of the Committee bill.

Third, the report recommended that the Department of Defense continue followup treatment of and research concerning Vietnam-era former POW's who have been separated from service and that the VA furnish the Defense Department with the results of such followup and research and other statistical reports concerning former POW's. The Committee urges that, in addition to implementing this recommendation, the VA continue to consult with Defense Department personnel responsible for monitoring the followup of former POW's of the Vietnam era on the findings of the VA report and all other studies that relate to the difficulties experienced by former POW's.

Fourth, the report recommended that the VA establish an advisory committee, to include recognized authorities in the field of POW studies, to provide for a continuing assessment of the medical evidence concerning disabilities prevalent among former POW's and to advise the Administrator on policies and procedures concerning former POW's. The Committee is pleased to note that the VA is actively involved in the implementation of this recommendation and trusts that the provisions of the Committee bill concerning such a committee will be incorporated in the VA's efforts.

Fifth, the report recommended that the VA implement procedures for conducting thorough pathological examinations of former POW's using surgical, cytological, or autopsy methods, as appropriate, and provide such data as evidence in claims to assist in determining whether the veteran's death was service connected. The Committee notes that the VA has entered into an agreement with the Armed Forces Institute of Pathology to collect and register such pathological materials for research purposes and urges that the VA continue to implement this recommendation and utilize relevant information gained from such examinations in the study mandated by section 7 of the Committee bill.

POW indicators on VA records

Sixth, the report recommended that the VA review its manual and computerized records and forms to identify those which should be identified by POW indicators and assure that such indicators are added where necessary. The Committee expects the VA to advise the Committee on the extent to which this recommendation has been implemented and what specific results have been measured.

Seventh, the report recommended that the VA periodically, publicize the programs of benefits and services available to former POW's and provide a copy of the POW report as a reference document to each VA medical center and regional office. The Committee trusts that this recommendation will continue to be conscientiously carried out.

Eighth, the report recommended that the VA designate one or more central office coordinators to assist in the implementation of ongoing VA programs for former POW's, to serve as liaison with individual former POW's former POW groups, and the Defense Department's Office of POW/MIA Affairs, and to monitor the implementation of the report recommendations. The Committee notes that the VA has already designated a coordinator of POW issues and has urged that contact persons also be designated in each medical center and regional office for the effective coordination of all matters relating to former POW's.

IMPLEMENTATION

The Committee has monitored closely the implementation of the report's administrative recommendations and received a report on November 6, 1980, on the status of those recommendations. The Administrator's report follows:

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR
OF VETERANS' AFFAIRS,
Washington, D.C., November 6, 1980.

Hon. ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The purpose of this letter is to provide you with a status report concerning the recommendations for administrative action presented in the report, "POW: Study of Former Prisoners of War," of May 1980, which described the study conducted in accordance with section 305 of Public Law 95-479. Comments on each of the study recommendations follow the underscored recommendations below.

Full implementation of the recommended administrative actions is one of my primary concerns. This status report to you reflects the first in a series of internal VA reports which I have directed to be accomplished each quarter until the recommendations for administrative action have been fully implemented. These internal reports not only provide information on the status of any given recommendation, but they also indicate to me the areas which may require special attention, support and follow-up during the subsequent period.

One other prefatory comment is in order before describing the administrative actions. Due to the complexity and breadth of the administrative actions which have an impact on the Department of Medicine and Surgery (DM&S), the selection process for a knowledgeable Coordinator for Former POW's and also a working POW coordinating Committee in DM&S is still underway, for resolution no later than November 30. The effect of this selection will be to centralize implementation and monitoring efforts on behalf of former POW's within one group of DM&S representatives. Currently, elements of that Department respond individually to inquiries and issues which relate directly to their areas of expertise and responsibility.

Recommendation: That the VA's forthcoming guidelines on "post-traumatic stress neurosis" include an explicit reference to former POW's as well as other combat veterans, and that these be used to diagnose, treat, and rate former POW's with anxiety neurosis or similar neurotic disorders as well as other combat veterans.

Specific reference to former prisoners of war was made by Department of Medicine and Surgery Circular 10-80-111 of June 5, subject Post-Traumatic Stress Neurosis (Disorder), which followed the Professional Services Letter, IL-11-80-15 of March 20, 1980, also addressing Post-Traumatic Stress Neurosis (Disorder). These guidelines provide clinical information necessary to consider post-traumatic stress disorders as a diagnostic finding and emphasize that special attention be given to all former prisoners of war when they are in patient status.

The classification of post-traumatic stress neurosis, and the specific mention of the prisoner of war experience, was also the subject of an article in the VAnguard (VA Central Office newsletter), October 1980 issue. The VAnguard is distributed to all VA field stations and Central Office elements. The wording of Program Guide 21-1 relating to claims adjudication will be revised to include a specific reference to "former prisoners of war" in addition to the current word "internment" within six months. Inclusion of the phrase "former prisoners of war" will be accomplished in conjunction with other required changes to the program guide. Emphasis on former prisoner of war claims and their priority has been included as a subject of regular communications with regional offices.

Recommendation: That the VA adopt a standardized protocol for disability compensation examinations for all former POW's similar to that developed by the military for the former Vietnam POW's, and that each VA Medical Center designate certain physicians knowledgeable about former POW's and their medical problems to conduct or supervise such examinations for purposes of followup treatment and research.

Establishment of the timetable for full implementation of this recommendation is among the first priorities of the DM&S Coordinator and Committee who will be designated no later than November 30. A standardized protocol for POW disability compensation examinations, patterned after the military version, will be adopted. The patient treatment folders of former prisoners of war are currently highlighted (marked) and specially called to the attention of examining and treatment staff. Through provision of specialized orientation and program direction. VA Medical Centers will assure that those physicians from the various clinical services who are most directly responsible for treatment of former POW's be knowledgeable about and attuned to the frequently unique needs of this group of veterans.

Recommendation: That followup medical treatment and research of former Vietnam POW's still on active duty be continued by DOD, and that followup treatment and research of former Vietnam POW's separated from the military be conducted at VA Medical Centers using military protocols, with the individual results of such examinations furnished to DOD and the statistical results published and disseminated by the VA.

Treatment and followup care of former POW's are currently being provided in VA Medical Centers. It was noted that there is no universal military protocol for former Vietnam prisoners of war that was used consistently and universally by the Army, Navy and Air Force. Clinical records for former POW's on active military duty who enter the VA Medical Centers for treatment are provided to the Department of Defense.

As the DM&S Coordinating Committee becomes functional, special efforts will be made to encourage expanded research activity. Representatives from the Department of Medicine and Surgery plan to meet with Department of Defense officials to better ascertain the nature of the research and followup of former Vietnam POW's. We also plan to explore the possibility of establishing a central control registry for former POW's being released from active duty. To this registry, the Department of Defense could send copies of examinations and treatment results for POW's developed during active duty. This would provide the VA with important clinical data that could be utilized immediately. Upon receipt, the VA could contact the veteran and offer an invitation to participate in treatment and/or research at an appropriate VA facility.

Recommendation: That the VA take such action as is necessary to establish the proposed advisory committee of authorities in the types of disabilities prevalent in former

POW's, use the expert opinions of the panel to asseses the medical evidence on former POW's and advise the Administrator and his staff on agency policies and procedures concerning former POW's.

This recommendation was an element of H.R. 7663, introduced in the House of Representatives in June. When it became apparent that legislative action on issues concerning former prisoners of war would not be taken until 1981, we continued to pursue the subject of the Advisory Committee on Former POW's on an administrative level. In a letter to the Committee Management Secretariat of the General Services Administration in September, I requested approval of the advisory committee, based on our earlier justifications plus the results of the study of former prisoners of war, the interest shown in the advisory committee during the Congressional hearings in June, and the continuing need for the advisory committee to provide opinions on policies and procedures relating to former POW's. On October 28, we received approval for the establishment of the Advisory Committee from the Committee Management Secretariat. In your letter of October 13, 1930, you requested our evaluation of adding the review of compensation issues and the requirement that the committee report through the Chief Benefits Director and the Director of the Compensation and Pension Service as well as through the Chief Medical Director and Assistant Chief Medical Director. Your proposed change is being thoroughly reviewed and I will respond in a separate letter as soon as our review has been completed.

Recommendation: That the VA implement procedures for conducting thorough pathological material examinations (surgical, cytologic, autopsy) of former POW's whenever possible, conduct special mortality studies when sufficient data is available, and provide such data as evidence in individual cases for determination of whether the death was the result of a service-connected disability.

The Armed Forces Institute of Pathology (AFIP) has agreed to participate in conducting pathological material examinations. VA Circular 1–80–11 of January 18, 1980 described this activity. The Circular directs that all pathological material from POW's will be examined and reported in the customary manner at each medical center, and a duplicate set of slides, blocks, and representative wet tissue will be forwarded to the AFIP. The Circular also notes that, "Such examinations should be as complete as possible with particular attention directed toward evidence of disability or injury related to evidence of stress, malnutrition, avitaminoses, and parasitic diseases. Whenever possible there should be examination of the brain, spinal cord, retina, optic nerves, peripheral nerves, sympathetic ganglia, skeletal muscle, digestive tracts, and skeletal system." The Department of Medicine and Surgery's Coordinating Committee, with the assistance of the Advisory Committee on Former POW's, will continue to explore means of facilitating coordination between involved VA and AFIP personnel in connection with this recommendation.

Recommendation: That the VA review its manual and computerized records and forms to identify those which should be identified with POW indicators, and then take the appropriate administrative actions to ensure that these records and forms are so identified.

The manual form used to apply for compensation or pension, VA Form 21–526 "Veteran's Application for Compensation or Pension," sets the stage for identification of those with status as former prisoners of war in the veterans benefits area. The application form includes items for completion which indicate whether the veteran had ever been a prisoner of war and, if so, the name of the country and dates of confinement. Similarly, VA Form 21–2507 "Request for Examination," prepared by regional offices requesting compensation examinations at VA medical facilities, contain a block designated "POW" for checking by the regional offices. These basic manual forms, the identification of claim folders with POW labels, discussed below, and the planned modification of the Beneficiary Identification and Records Locator System (BIRLS), also discussed below, provide for important identification of former prisoners of war who file claims for compensation and pension.

With regard to BIRLS, program modifications have been issued to establish POW indicators that will identify all known POW's in this computerized record. In addition, all POW's with 180 or more days of internment will be identified accordingly. Input will be made from the master POW file created in connection with the study of former POW's. These program modifications should be present in November 1980. A group of former POW's who will not have a BIRLS record or will not have the indicator in their BIRLS record upon initial installation of the program modifications require that approximately 13,000 "error messages" must be dealt with as a separate group. Thus, an additional six to eight months will be needed for this group to eliminate duplicates and create skeleton records for veterans with no BIRLS record, and identify the records via an indicator in BIRLS.

We are also considering a proposal that the BIRLS Subsystem expansion, targeted for 1984, include expending POW records to include all information in the current master POW file (dates of confinement and detaining power/country or theater of war).

With regard to the labeling of claims, folders once BIRLS has been updated with the initial indicator, a program will be run to generate a listing of corresponding claims folders by regional office. The program will be run twice, the first time near the end of CY 1980 for the majority of the POW records and the second time, about six to eight months later, to identify records among the group of 13,000 error messages. All the subject claims folders currently under regional office and Records Processing Center jurisdiction will be identifiable via a POW label, VA Form 10–5558. Files in Federal Archives and Records Centers will also be labeled if they are retrieved by the VA. There will not be a special effort to retrieve these inactive files just for labeling. Any new claims folder established for a former POW will be labeled when originally assembled.

In reference to medical records, DM&S Circular 10–80–7 of January 15, 1980 provided policy on labeling clinical records of former POW's. DM&S Circular 10–80–11 of January 18, 1980 established a POW registry with the Armed Forces Institute of Pathology and also described data on POW identification on VA Form 10–10, Application for Medical Benefits. The form permits recording of information concerning the wartime period held captive and, for World War II POW's, whether they were held captive in the European Theater or the Pacific Theater. The previous form provided for only designation as "POW." Circular 10–80–11 also discussed the microfiche listing of former POW's for field facilities, which was covered as well in DM&S Circular 10–79–272 of October 3, 1979, in relation to dental eligibility for former prisoners of war. VA Form 10–10R, Reapplication for Medical Benefits, is under revision at this time to include POW information. In lieu of changing numerous VA forms on which POW information should be included, we are evaluating a proposal for the addition of the information to the patient data card which, when used in preparing forms, will transpose the information to all forms.

Recommendation: That the VA designate certain individual(s) to be the VA Central Office coordinator(s) with the responsibility for assisting in the implementation of ongoing VA programs for former POW's; serving as liaison with individual former POW's, former POW groups, and the DOD Office of POW/MIA Affairs; and monitoring this study's recommendations.

Recommendation: That the VA periodically emphasize the special health care and compensation procedures applicable to former POW's through its agency information and education programs, and that a copy of this report be provided each VA Medical Center and Regional Office as a reference on former POW's.

Copies of the report, "POW: Study of Former Prisoners of War," were furnished to all VA Regional Offices and Medical Centers, and to Central Office elements, in June. In addition to emphasizing the special consideration and procedures for former POW's through such media as the October 1980 VAnguard article described above, and observance of the National POW/MIA Recognition Day in July of 1979 and 1980, periodic emphasis is provided through the continuing training programs within regional offices. Emphasis on former prisoner of war claims and their processing priority has been included as a subject of regular communications with regional offices. This includes reopened claims as well as other types of claims. This type of emphasis will be reinforced by label identification of the claims folders. Designations for Coordinators for Former POW's have been made at the agency level and within the Department of Veterans Benefits. The designation for the Department of Medicine and Surgery will be accomplished no later than November 30, 1980. The DM&S Coordinating Committee will also assure that periodic policy statements similar to DM&S Circular 10–73–33 of February 22, 1973, will be sent to field facilities to emphasize the need for attention to DM&S policies on POW's, as well as including this information as part of existing and future training programs for employees who relate to former POW's, such nursing personnel, physicians and administrative employees. The Department and Agency Coordinators will explore other informational and educational methods which can enhance our current efforts.

Thank you for expressing your continuing concern for former prisoners of war. I am very appreciative of the interest you and your staff have shown in our efforts on behalf of this special group of veterans.

Sincerely,

MAX CLELAND,
Administrator.

SECTION 2.—ADVISORY COMMITTEE ON FORMER PRISONERS OF WAR

Over the years representatives of former prisoners of war have relayed statistics to the Congress showing the higher incidence of physical and mental disorders suffered by former prisoners of war due to the extreme hardship they suffered during their internment. These veterans have conveyed information concerning problems encountered by former prisoners of war in their efforts to connect their disabilities to their POW experience for the purposes of receiving VA disability compensation. By including representatives of such veterans in the membership of a special advisory committee on former prisoners of war, the Committee believes that Congress would be acting appropriately in establishing through legislation, a formal interaction between former POW's, scientists, the Administrator, other authorities in the field, and the Congress, for the purpose of hearing and responding appropriately to the needs of this very deserving group of veterans.

As mentioned earlier in this report, the Veterans' Administration included in its re-

port on former prisoners of war submitted to Congress in June 1980, a recommendation, to be carried out administratively, to establish an advisory committee on former prisoners of war. The VA has informed the Committee that this recommendation is being carried out, recruitment is actively in progress, and the advisory committee should be in place by the summer.

All four bills considered by the Committee contained provisions which would establish such an advisory committee. The Committee believes that it is extremely important to take legislative action to insure that the advisory committee is established as an on-going committee with clear expectations and the responsibility of reporting to the Congress as well as to the Veterans' Administration. The Committee bill provides for a bi-annual report to be submitted to the Administrator which then would be transmitted to the Congress

By including the establishment of the advisory committee in the Committee bill, the Committee re-emphasizes its interest in such an advisory committee, and its desire to participate in the process of determining the configuration of the advisory committee, the formulation of its agenda and goals, and to receive its views on a regular basis.

The Committee wishes to point out that by including the provision that the members of the advisory committee shall serve for terms not to exceed 3 years, the Administrator is not precluded from reappointing any member whom he determines should serve for a longer period of time. However, the Committee has no position as to the advisability of reappointment and leaves the matter solely to the discretion of the Administrator.

The Committee notes that, the Administrator shall make every effort to locate eligible and interested former prisoners of war and include, wherever reasonably possible, representatives of veterans who were held as prisoners of war from different periods of war and theaters of operation; however, the Committee trusts that the Administrator will strive to achieve a balance of experiences and perspectives in the ex-POW membership, in order to represent fully the interests of all veterans who have been held as prisoners of war. Currently 94,000 former POW's are still alive. The following chart indicates the ages of former POW's who are known to the VA:

	Total POW's	World War II POW's			Korea	Vietnam era POW's		
		Total	Europe	Pacific		Total	Vietnam	Pueblo
Current age of POW's:								
Under 40	124	18	14	4	2	104	104	0
40 to 44	27	2	1	1	3	22	22	0
45 to 49	1,090	9	7	2	1,047	34	34	0
50 to 54	3,668	2,881	2,819	62	774	13	13	0
55 to 59	16,876	16,598	13,980	2,618	273	5	5	0
60 to 64	11,448	11,324	7,830	3,494	124	0	0	0
65 to 69	4,089	4,058	3,002	1,056	31	0	0	0
70 to 74	1,273	1,262	818	444	11	0	0	0
75 to 79	272	271	41	230	0	1	1	0
80 to 84	109	108	5	103	1	0	0	0
85 and over	59	59	3	56	0	0	0	0
Unknown	52,025	49,879	43,283	6,596	1,678	468	468	0
Total living POW's	91,060	86,469	71,803	14,666	3,944	647	647	0
Average age	59.7	60.3	59.6	62.7	51.5	39.8	39.8	0

The Committee's purpose in providing representatives of disabled veterans is to provide balance and perspective to the POW interest by including members knowledgeable of the issues concerning veterans' disabilities, but who have not been prisoners of war.

The Committee notes that there is not in the Committee bill, a requirement for the number of members on the advisory committee. Although there are provisions designed to outline the categories from which the Administrator shall select the members, the number of members and the balance established between recognized authorities in fields related to disabilities prevalent among former prisoners of war, representatives of former prisoners of war, and representatives of disabled veterans generally is left for the Administrator to determine. The Committee trusts that the Administrator will include in the membership individuals with some experience in legislative issues as well as substantive and experimental knowledge of the concerns within the jurisdiction of the advisory committee.

The Committee wishes to clarify that the purpose of the advisory committee is to review relevant scientific and empirical data in order to assess whether the compensation, health care and rehabilitation needs of former prisoners of war are currently being met by Veterans' Administration programs and services. In order to accomplish this goal, it is the Committee's view that a certain amount of review of VA programs is necessary so that in its regular meetings with the Administrator, the members can advise him of their findings in light of current VA benefits and services and their administration relevant to the health needs of former prisoners of war. The Committee does not mean to imply by directing the advisory committee to be well-informed on VA programs and to evaluate their findings with respect to the existence, relevance and delivery of current benefits and services, that this is to be the major function of the advisory committee. In fact, the VA has a department, the Office of Planning and Program Evaluation, which has the responsibility for carrying out internal VA program evaluation. Section 219 of title 38, includes a provision stating that the VA is responsible for its program evaluation. The advice received from this specially designed committee will be considered carefully by this Committee as it continues to examine the issues which have impact on the compensation and health-care needs of all former prisoners of war. Because of the Committee's overriding concern to provide the most appropriate level of benefits and services, the Committee bill contains provisions which mandate a further VA study and permit former POW's to file for compensation when a claim had been disallowed, under certain circumstances (to be covered in sections 7 and 8 of the discussion). The results of the aforementioned provisions will be addressed in future Committee hearings which will be held upon completion of the study. By that time the advisory committee will also have had ample opportunity to review the results of the proposed study, and transmit its recommendations for administrative and legislative actions to the Congress.

SECTION 3.—DEFINITION OF A PRISONER OF WAR

The Committee bill would simplify references to prisoners of war by establishing a general definition for the term in section 101 of title 38. This would have the effect of no longer excluding veterans who were interned during World War I from the POW provisions currently in title 38, as well as including POW's of future hostilities and giving the Administrator the discretion to determine if an internment in a period other than a period of war would be comparable for all purposes of title 38.

Under the provisions of the Committee bill, World War I veterans who were held as prisoners of war would be included in the new eligibility for inpatient health care for any disability and certain outpatient care on a priority basis, as described in sections 5 and 6 of this discussion, as well as the provisions in section 312 relating to presumptions of service connection.

The Committee believes that it is important to emphasize the point that there might be circumstances in which servicepersons could be interned under conditions comparable to those to which POW's have generally been subjected. For example, if the "Pueblo incident" had occurred today, those captives would not be eligible for certain special considerations afforded former POW's under section 312, relating to the presumptions, or section 612(b)(7), relating to certain outpatient dental care eligibility, because those provisions apply to POW's of only certain past, specified periods of war. The 83-man crew of the *Pueblo* became eligible for VA benefits and services based on their experiences as prisoners of war, because on January 23, 1968, when the U.S.S. *Pueblo* was taken captive by the North Koreans, our nation was engaged in one of the specified periods of war—the Vietnam era—even though the incident was unrelated to that conflict. The Committee bill would give the Administrator the authority to determine if such an incident occurring in a time other than a period of war would be comparable to a period of war for purposes of title 38.

SECTION 4.—PHYSICAL AND PSYCHOLOGICAL PRESUMPTIONS PSYCHONEUROSIS

One of the most difficult issues addressed by the Committee when making determinations of which provisions to include in the Committee bill, was the question of the appropriate legislative response to the concerns expressed to the Committee about a presumption for psychoneurosis under section 312 of title 38.

Several of the bills considered by the Committee added psychoneurosis as a presumptive disorder under section 312, of title 38. The VA, in its study, stated that anxiety neurosis is the most prevalent service-connected condition in the sample of former POW's it studied. The VA study concluded that, "A comparison of service-connected anxiety neurosis among former European Theater POW's . . . revealed that anxiety neurosis appears in a significantly greater amount among these former POW's than

among other service-connected wartime veterans." In fact, approximately 15 percent of all service-connected former POW's are service-connected for anxiety neurosis compared with approximately 4 percent of all other service-connected veterans. In spite of this evidence the VA, in neither its study nor its testimony before this Committee on April 22, 1981, recommended that any form of psychoneurosis be added to the presumptive disorders relative to the POW experience in section 312 of title 38.

There is no doubt that former prisoners of war seem to suffer from anxiety neurosis in greater numbers than other wartime veterans. The issue before the Committee is whether or not the VA is currently responding in an appropriate manner to claims for service-connection in such cases.

The VA has informed the Committee that it has adopted new guidelines of "post-traumatic stress neurosis" in which former POW's are specifically referenced. According to the VA, these guidelines have been adopted from the American Psychiatric Association's 1980 "Diagnostic Criteria—DSM III" and are now used by the rating boards and the Board of Veterans' Appeals as the clinical information used to classify post-traumatic stress disorders as a new diagnostic finding for the purpose of establishing a service-connected disability.

The Committee supports the VA's administrative action in recognizing the new clinical data on delayed psychiatric disorders which may result from the internment suffered by former prisoners of war, and updating its diagnostic guidelines to be responsive to the possible inclusions of new claims for disability compensation which would not have qualified under old VA guidelines. The effectiveness of this recent administrative action in meeting the concerns of former prisoners of war with respect to service-connecting their psychiatric disorders will become evident shortly, as more former POW's file claims under the new guidelines. The provisions of sections 7 (further VA study) and 8 (claims for mental disorders which have been denied) of the Committee bill, will provide further evidence of the extent to which these new guidelines are being implemented.

The VA claims that former prisoners of war are being notified of these new guidelines and are being urged to file under the category of "post-traumatic stress disorder," if they believe their delayed psychiatric disorder is a result of their POW experience. The Committee urges the VA to implement these new guidelines by promptly honoring any request for review under new administrative guidelines. The Committee also recommends that the VA make a timely review of those cases involving psychiatric disorders previously ruled nonservice-connected but which now may be identified as true delayed stress syndrome. The VA's new guidelines for post-traumatic stress disorders follow:

RATING PRACTICES AND PROCEDURES

DISABILITY

Mental disorders

1. *Psychoneurosis.* Drastic reductions in evaluations should not be made in ratings for psychoneurosis when a reduction to an intermediate rate is more in consonance with the degree of disability. Moreover, the general policy to be observed is gradual reduction in rates to afford the veteran all possible opportunities of adjustment.

2. *Latent Schizophrenia.* Several cases have been brought to our attention where regional office rating boards have accorded service connection for latent schizophrenia. To clear up any misconceptions, some explanation is provided.

Generally speaking, latent schizophrenia is not a proper disability for service connection. While the "Diagnostic and Statistical Manual of Mental Disorders," 1968 Edition, American Psychiatric Association, lists the diagnosis in the same section as psychoses, careful reading of the diagnostic requirements clearly reveals that an essential element to the diagnosis is a history entirely free of psychotic episodes. Following a psychotic reaction, the disability must be reclassified for proper diagnosis. Therefore, latent schizophrenia is not a true psychosis. Since it also does not qualify as a neurosis, there is no basis for service connection for such a condition.

Claims for service connection for latent schizophrenia should be handled similarly to claims for service connection for personality disorders. While the condition is not a disability within the meaning of applicable laws, superimposed psychotic reactions in service or within the presumptive period would be a proper basis for service connection.

3. *Post-Traumatic Stress [ ] disorder.* The type or disorder contemplated under this diagnostic classification is a psychiatric disorder having its onset as an incident of armed conflict or enemy action, [ ] following bombing [or] shipwreck, [the result of] internment [or having been a POW (prisoner of war)] under the inhumane or severely deprived conditions, or similar life threatening episodes. To justify the clinical diagnosis and to assure uniformity of its use, the following findings should appear in the clinical examination presented by the examiner:

a. A recognizable stressor that would be expected to evoke significant symptoms in almost all individuals; that is, a life threatening episode under circumstances mentioned above. It is important that this stress be described as to its nature and severity and also in time sequence; that is, whether it occurred while on active duty, before service or since discharge therefrom.

b. Reexperiencing the traumatic event either by a recurrent and intrusive recollection of the event, dream of the event, or suddenly acting or feeling as if the traumatic event were occurring because of an association with an environmental or ideational stimulus.

c. Numbing of response to or involvement with the external world beginning sometime after the traumatic event as shown by markedly diminished interest in one or more significant activities, feeling of affective responses.

d. At least two of the following symptoms that were not present prior to the traumatic event:

(1) Hyperalertness or exaggerated startle response.

(2) Initial, middle or terminal sleep disturbance.

(3) Guilt about surviving when others have not, or about behavior required to achieve survival.

(4) Memory impairment or trouble concentrating.

(5) Avoidance of activities that arouse recollection of the traumatic event.

(6) Intensification of symptoms by exposure to events that symbolize or resemble the traumatic event.

When an examination is received with the diagnosis of post-traumatic stress [ ] disorder which does not show the foregoing findings, it should be returned as inadequate for rating purposes setting forth the reasons why the examination is inadequate.

The post-traumatic stress [ ] disorder is divided into acute and chronic. Those episodes which are acute and transitory reactions subside without recurrence and present no residual disability. They may not, of course, be service connected. It is also to be noted that some of the above-mentioned symptoms may occur episodically, and in between episodes the patient will show symptomatology. On being questioned, however, the individual will disclose residuals such as nightmares, startle patterns, and problems with socialization.

Care should also be taken to assure that transient situational disturbances containing adjustment reaction of adult life which subside when the situational disturbance no longer exists or is withdrawn, and the reactions of those without neurosis who have "dropped out" and become alienated are not erected into a diagnosis of post-traumatic stress [ ] disorder.

When this disorder is initially manifested during service and recorded in service department clinical records, generally under such outdated terminology as "shell shock" or "combat fatigue" or words of similar import, there should be no hesitancy in granting service connection even though there may be a lapse of a considerable period of time between the psychic trauma and the chronic manifestations. When initial clinical manifestation occurs at a date remote from service termination, service connection should still be granted if the life threatening episode, described by the examiner, is consistent with the nature, character and circumstances of veterans' service as evidenced by his or her military records.

[The essential feature of the post-traumatic stress disorder is the development of characteristic symptoms following a traumatic psychological event that is generally outside the range of the usual human experience. A single experience or a group of experiences may affect an individual leading to a post-traumatic stress disorder. Such experiences include, but are not limited to, immediate life threatening experiences. In some circumstances, for example, grave registrations, liberation of concentration camps, or POW experiences, it is the cumulative effect of powerful, distressing experiences which are essential as a forerunner of post-traumatic stress disorder. In general, the traumatic experience should be a stress which is of such severity that it could reasonably be expected to produce the characteristic symptoms of distress in almost everyone.

It is not intended, however, that the post-traumatic stress disorder must have had its onset during combat. This is clearly set forth above by use of the phrase "or similar life threatening episodes" which also precludes the assumption that the examples cited were to be all inclusive. The use of the phrase "life threatening episodes" is used in a generic sense to describe those stressors set forth in section 309.81. Post-traumatic Stress Disorder, Chronic or Delayed, in Diagnostic and Statistical Manual of Mental Disorders (Third Edition), DSM–III, on page 236.

Those stressors mentioned in section 309.81 of DSM–III such as military combat, floods and earthquakes and accidents with serious injuries such as vehicular or airplane crashes, large fires and certain other disasters such as shipwreck, bombing, torture and death camps are life threatening in nature and would evoke significant distress in most persons who were involved. Since all the events cited by DSM–III are, in fact, life threatening, the criteria for post-traumatic stress disorder have not been modified by use of the phrase "life threatening episodes."

The existence of a recognizable stressor or accumulation of stressors that would evoke significant symptoms of distress in almost everyone must be identified. It is important that this stress be described as to its nature and severity. Also, the time sequence should be clearly identified; that is, whether it occurred while on active duty, before service, or since discharge therefrom. In identifying the stress and the time sequence, it is important that the relationship between them be described.

If, of course, any of the above stressors or

other life threatening episodes had their onset during active duty, service connection may be established upon reexperiencing the traumatic event as evidenced by at least two of the symptoms appearing in paragraph 3d above.]

The Committee's reluctance to include psychoneurosis as a new presumptive category in the Committee bill stems in part from the Committee's desire to give the VA a chance to implement its new guidelines which address this very issue. Another concern, expressed by psychiatrists and other mental health professionals, is that the term, psychoneurosis, is too broad and does not address directly the specific delayed psychiatric disorders experienced by former POW's. The American Psychiatric Association's (APA) DSM III (used by the VA as a diagnostic manual) does not even have a category labeled psychoneurosis. There is a category for anxiety disorders, which includes many subcategories not considered relevant to the POW experience, as well as anxiety neurosis, which contains as one of its four subcategories post-traumatic stress disorder.

The DSM III diagnostic criteria which refers to all anxiety disorders follows:

ANXIETY DISORDERS

PHOBIC DISORDERS (OR PHOBIC NEUROSES)

300.2x. Agoraphobia

Differential diagnosis.—Phobic avoidance of certain situations in schizophrenia, major depression, obsessive compulsive disorder, paranoid personality disorder.

Diagnostic criteria

A. The individual has marked fear of and thus avoids being alone or in public places from which escape might be difficult or help not available in case of sudden incapacitation, e.g., crowds, tunnels, bridges, public transportation.

B. There is increasing constriction of normal activities until the fears of avoidance behavior dominate the individual's life.

C. Not due to a major depressive episode, obsessive compulsive disorder, paranoid personality disorder, or schizophrenia.

300.21 Agoraphobia With Panic Attacks

A history of panic attacks whether or not currently present.

300.22 Agoraphobia Without Panic Attacks

No history of panic attacks.

300.23 Social Phobia

Differential diagnosis.—Avoidance of certain social situations that are normally a source of some distress, e.g. normal fear of public speaking, schizophrenia, major depression, obsessive compulsive disorder, paranoid and avoidant personality disorders, simple phobia.

Diagnostic criteria

A. A persistent irrational fear of, and compelling desire to avoid, a situation in which the individual is exposed to possible scrutiny by others and fears that he or she may act in a way that will be humiliating or embarrassing.

B. Significant distress because of the disturbance, and recognition by the individual that his or her fear is excessive or unreasonable.

C. Not due to another mental disorder, such as major depression or avoidant personality disorder.

300.29 Simple Phobia

Differential diagnosis.—Schizophrenia, obsessive compulsive disorder.

Diagnostic criteria

A. A persistent, irrational fear of, and compelling desire to avoid, an object or a situation other than being alone, or in public places away from home (agoraphobia), or of humiliation or embarrassment in certain social situations (social phobia). Phobic objects are often animals, and phobic situations frequently involve heights or closed spaces.

B. Significant distress from the disturbance and recognition by the individual that his or her fear is excessive or unreasonable.

C. Not due to another mental disorder, such as schizophrenia or obsessive compulsive disorder.

ANXIETY STATES (OR ANXIETY NEVROSES)

300.81 Panic Disorder

Differential diagnosis.—Physical disorders, such as hypoglycemia, pheochromocytomia, and hyperthyroidism; withdrawal from some substances, such as from barbituarates; substance intoxications, such as due to caffeine or amphetamine; schizophrenia; major depression; somatization disorder; generalized anxiety disorder; simple or social phobia.

Diagnostic criteria

A. At least three panic attacks within a three-week period in circumstances other than during marked physical exertion or in a life-threatening situation. The attacks are not precipitated only by exposure to a circumscribed phobic stimulus.

B. Panic attacks are manifested by discrete periods of apprehension or fear, and at least four of the following symptoms appear during each attack;

(1) dyspnea;
(2) palpitations;
(3) chest pain or discomfort;
(4) choking or smothering sensations;
(5) dizziness, vertigo, or unsteady feelings;
(6) feelings of unreality;
(7) paresthesias (tingling in hands and feet);
(8) hot and cold flashes;
(9) sweating;
(10) faintness;
(11) trembling or shaking; and
(12) fear of dying, going crazy, or doing something uncontrolled during an attack.

C. Not due to a physical disorder or another mental disorded, such as major depression, somatization disorder, or schizophrenia.

D. The disorder is not associated with agoraphobia (p. 131).

300.02 Generalized Anxiety Disorder

Differential diagnosis.—Physical disorders, such as hyperthyroidism; organic mental disorders, such as caffeine intoxication; adjustment disorder with anxious mood; schizophrenia; depressive disorders; hypochondriasis; obsessive compulsive disorder; panic disorder.

Diagnostic criteria

A. Generalized, persistent anxiety is manifested by symptoms from three of the following four categories:

(1) *motor tension:* shakiness, jitteriness, jumpiness, trembling, tension, muscle aches, fatigability, inability to relax, eyelid twitch, furrowed brow, strained face, fidgeting, restlessness, easy startle;

(2) *automatic hyperactivity:* sweating, heart pounding or racing, cold clammy hands, dry mouth, dizziness, light-headedness, paresthesias (tingling in hands or feet), upset stomach, hot or cold spells, frequent urination, diarrhea, discomfort in the pit of the stomach, lump in the throat, flushing, pallor, high resting pulse and respiration rate;

(3) *apprehensive expectation:* anxiety, worry, fear, rumination, and anticipation of misfortune to self or others; and

(4) *vigilance and scanning:* hyperattentiveness resulting in distractability, difficulty in concentrating, insomnia, feeling "on edge," irritability, impatience.

B. The anxious mood has been continuous for at least one month.

C. Not due to another mental disorder, such as a depressive disorder or schizophrenia.

D. At least 18 years of age.

3810.30 Obsessive Compulsive Disorder (or Obsessive Compulsive Neurosis)

Differential diagnosis.—Obsessive brooding, rumination, or preoccupation; schizophrenia; major depression; tourette's disorder; organic mental disorder.

Diagnostic criteria

A. Either obsessions or compulsions:

Obsessions: recurrent, persistent ideas, thoughts, images, or impulses that are egodystonic, i.e., they are not experienced as voluntarily produced, but rather as thoughts that invade consciousness and are experienced as senseless or repugnant. Attempts are made to ignore or suppress them.

Compulsions: repetitive and seemingly purposeful behaviors that are performed according to certain rules or in a stereotyped fashion. The behavior is not an end in itself, but is designed to produce or prevent some future event or situation. However, either the activity is not connected in a realistic way with what it is designed to produce or prevent, or may be clearly excessive. The act is performed with a sense of subjective compulsion coupled with a desire to resist the compulsion (at least initially). The individual generally recognizes the senselessness of the behavior (this may not be true for young children) and does not derive pleasure from carrying out the activity, although it provides a release of tension.

B. The obsessions or compulsions are a significant source of distress to the individual or interfere with social or role functioning.

C. Not due to another mental disorder, such as tourette's disorder, schizophrenia, major depression, or organic mental disorder.

Post-traumatic stress disorder

Differential diagnosis.—Adjustment disorder with anxious mood.

Diagnostic criteria

A. Existence of a recognizable stressor that would evoke significant symptoms of distress in almost anyone.

B. Reexperiencing of the trauma as evidenced by at least one of the following:

(1) recurrent and intrusive recollections of the event;
(2) recurrent dreams of the event; and
(3) sudden acting or feeling as if the traumatic event were reoccurring, because of, an association with an environmental or ideational stimulus.

C. Numbering of responsiveness to or reduced involvement with the external world, beginning some time after the trauma, as shown by at least one of the following:

(1) markedly diminished interest in one or more significant activities;
(2) feeling of detachment or estrangement from others; or
(3) constricted affect.

D. At least two of the following symptoms that were not present before the trauma:

(1) hyperalertness or exaggerated startle response;
(2) sleep disturbance;
(3) guilt about surviving when others have not, or about behavior required for survival;
(4) memory impairment or trouble concentrating;
(5) avoidance of activities that arouse recollection of the traumatic event; and
(6) intensification of symptoms by exposure to events that symbolize or resemble the traumatic event.

SUBTYPES

308.30 Post-traumatic Stress Disorder, Acute

A. Onset of symptoms within six months of the trauma.

B. Duration of symptoms of less than six months.

309.81 Post-traumatic Stress Disorder, Chroni or Delayed

Either of the following, or both:

(1) duration of symptoms of six months or more (chronic); or

(3) onset of symptoms at least six months after the trauma (delayed).

300.00 Atypical Anxiety Disorder

This category should be used when the individual appears to have an anxiety disorder that does not meet the criteria for any of the above specified conditions.

At this time, although sympathetic to concerns in this area, the Committee did not feel it has sufficient justification to add a new statutory provision, using language deemed by professionals in the field to be too broad to be an appropriate clinical diagnosis. The terminology is so new that there seems to be a lack of consensus in the field as to a term which appropriately defines the delayed psychiatric disorders associated with the POW experience. As mentioned above, the most recent VA guidelines classify this disorder as "post-traumatic stress", although as seen above in the DSM III it is only a subcategory to anxiety neurosis, which was targeted by the VA study as the most prevalent psychiatric disorder among former POW's.

The Committee points out that the study required by section 7 of the Committee bill would focus on the issue of presumptions of psychiatric disorders. These results will be an important consideration in evaluating the adequacy of existing presumptions for former prisoners of war.

Finally, the Committee notes that even within the former POW community there is a division of opinion as to the necessity and advisability of including a statutory presumption for service connection of some type of neurosis.

The Committee bill provides that the presumptions related to certain nutritional diseases would apply to former prisoners of war who were held for more than 30 days and the presumption of psychosis would apply to such former prisoners regardless of their length of internment. The reduction of the period of time a former POW must have been held for the purposes of the aforementioned presumptions was the Committee's response to the following concerns of medical authorities and former prisoners of war:

1. Although certain nutritional diseases do take time to become manifest, the current provision of law, which provides for a 6 months period of internment is too restrictive and may exclude from eligibility former POW's who suffer from the specified medical conditions. Some former POW's were interned for shorter times, and yet were subjected to extremely harsh dietary and nutritional conditions. S. 468, as originally introduced, provided for a 60 day period of internment. However, since it appears possible that, under certain circumstances, it is possible to contract certain nutritional diseases in a shorter period of time, the Committee decided to adopt 30 days as a minimum time a former prisoner of war must have been held to allow these existing presumptions to be applied as fairly as possible.

2. With respect to psychosis, the Committee bill would remove all references to the length of internment. This is because VA authorities and other witnesses at the Committee's hearing and during the Committee's examination of this issue, unanimously stated that often the harshest treatment received by a POW during internment, comes within the first stages of captivity. A new captive, often wounded, first realizes his or her absolute loss of control, and then may be subjected to extreme forms of mental and physical torture and abuse. In order to survive, a captive may summon up a sub-conscious survival mechanism which may involve strong denial of the situation at hand. Years later a psychotic disorder may surface as the veteran's need to deny becomes less important to his or her survival. There are other stressors which may impact similarly on the former POW's coping mechanisms and may trigger a psychotic disorder which was rooted in the horrifying experiences associated with being a prisoner of war.

The Committee bill would also eliminate the requirement that a psychosis become manifest to a 10-percent disabling degree within 2 years after separation from service in order for the presumption to apply.

Periods of war

The Committee bill would delete references to specific periods of war and would then include former POW's from World War I and all future periods of war for all purposes of this section. The Committee could find no logical reason to exclude the less than 800 veterans who were held as prisoners of war during World War I from legislation designed to benefit former POW's.

The Committee notes that the effect of its amendments to present section 312 would be to remove a "two-step presumption". Existing law first provides in subsection (b) of such section that a veteran who was held as a POW for more than 6 months is presumed to have suffered from conditions of dietary deficiencies, forced labor, and inhumane treatment. Existing law further provides in subsection (c) that the presumptions of the service-connected nature of certain diseases apply to a veteran who has suffered from such conditions. In removing this two-step presumption, the Committee stresses that its intent is not to tighten the applicability of the presumptions, but rather to relieve to a certain extent the burden on the former POW to submit evidence to the Administrator that certain disabilities are service connected.

SECTION 5.—INPATIENT HEALTH CARE

The Committee fully shares the view expressed below by the VA in its POW study legislative recommendations, that there should be a statutory amendment to expand the eligibility of former POW's for VA health care.

"All of the information and data analyzed in this study show that a significantly greater proportion of former POW's have service-connected disabilities than other veterans who served during the same periods. The former POW has also been shown to be more severely disabled than non-POW veterans. Despite this, two factors make the adjudication decisions extremely difficult; one is the frequent absence of medical information at the time of repatriation and the second is that medical science cannot, at this time, conclusively determine on an individual basis the origins of some disabilites particularly prevalent among former POW's."

The appropriate legislative response is clear. These 94,000 living former POW's (as of October 1, 1981—National Academy of Sciences Statistic) are often in need of health care, with disabilities which may be connected to their POW experiences. The overwhelming majority of surviving former POW's, over 93,000 were interned during World War II and the Korean conflict. These veterans are advancing in age such that health concerns, which may or may not have been aggravated by their POW experience, become increasingly important.

The Committee bill provides all former POW's without regard to their length of internment, with eligibility for inpatient hospital and nursing home care for any disability which would require such care.

Under current law, such eligibility is provided to veterans who have service connected disabilities, those who were medically discharged or retired, those who are over 65, those who are in receipt of pension, and those who are unable to defray the costs of care.

The Committee supports this additional eligibility due to the extremely trying circumstances during the internment of these former POW's, the fact that some of their health problems may be related to their POW experiences despite the fact that they are unable to establish service connection, and because of their higher incidence of disability with the resulting greater need for a variety of medical services.

SECTION 6.—OUTPATIENT HEALTH CARE

By virtue of providing former POW's with eligibility for VA inpatient care; they automatically become eligible for certain outpatient care—pre- and post-hospital care and care to obviate the need for hospital care. The Committee bill provides a new category for former POW's in the section 612(i) of title 38, relating to priorities for outpatient care. The new category would place former POW's ahead of all other non-service-connected veterans. The Committee disagrees with the VA's recommendation to give all former POW's the same priority for outpatient care as a service-connected veteran seeking care for a non-service-connected former POW receiving outpatient care before a 40-percent disabled service-connected veteran. The Committee considers that to be an inappropriate setting of priorities. The Committee notes that 44 percent of all former POW's are currently in receipt of compensation. Therefore, the provisions for VA health care in the Committee bill would cover the most basic health needs of the other 52,640 former POW's.

SECTION 7.—VA STUDY

The VA's study of former prisoners of war submitted pursuant to section 305 of Public Law 95-479, is a substantial document of the experiences of former POW's during captivity, repatriation and the years that followed. The health problems of such veterans were clearly enumerated as well as the problems they may experience trying to substantiate their claims for purposes of establishing a service connection for disabilities which they claim for purposes of establishing a service connection for disabilities which they claim are attributable to the conditions of capture and internment.

The VA asserts that recent administrative actions taken, including new administrative guidelines concerning psychiatric disorders and the agency efforts to "bend over backwards" in making all reasonable efforts to find service connection of former POWs, afford former POW's an appropriate opportunity to pursue compensation claims. The Committee supports this effort on the part of the VA. However, representatives of the American Defenders of Bataan and Corregidor have expressed concern that their members still have difficulty in obtaining service connection for what they claim to be internment-related disabilities due to a lack of medical records covering their internment. Data concerning such circumstances was not contained in the VA's study. To address this problem fully, as well as to obtain specific data on physical and psychiatric disabilities not found in the VA study, the Committee bill would require the Administrator to conduct a further study with specific, targeted goals, within a limited time frame. Such data may require some non-computerized compilation. However, this will enable the Committee to base any possible future legislative initiatives on better statistical conclusions and individual case information if appropriate. The Committee recommends that the study include a review of a representative sample of case denials from the Board of Veterans' Appeals over the past five years.

The Committee wishes to emphasize that it is important to examine existing presumptions for former POW's and study the actual claims process in order to determine if the current statutory authority is sufficient in the area of physical and mental disabilities and if the rating boards are being appropriately responsive to the claims for service connection of former POW's who do not have medical records from the period of internment.

Additionally, the study would focus on specific physical disabilities mentioned during the Committee's April hearing, by the Disabled American Veterans and the American Defenders of Bataan and Corregidor.

The specifics of the study require that the Administrator examine (1) the types, combinations and frequency of occurrences of physical and mental disabilities (including but not limited to psychoneurosis, arthritis, respiratory and gastrointestinal disorders, and frozen feet residuals) particularly prevalent among such veterans; (2) a representative sample of the cases of such veterans whose claims for disability compensation have been denied; and (3) any other factors considered relevant to the issues whether (A) additional presumptions should be established to assist such veterans in obtaining determinations that their disabilities are the result of their experiences as prisoners of war, and (B) the eligibility of any such veterans for health-care service from the Veterans' Administration could be expanded.

The Committee believes that this additional study is needed to address the specific issues described above, which were not resolved by the study mandated by section 305 of Public Law 95–479, in order to determine whether additional presumptions of service connection should be established for former POW's, and whether their eligibility for health-care benefits and services should be expanded.

The Committee would welcome interim progress reports, if any, at any time throughout the study.

SECTION 8.—CLAIMS FOR MENTAL DISORDERS WHICH HAVE BEEN DENIED

The Committee believes that in order for it to determine fairly if the VA is reviewing claims for mental disorders in accordance with its new guidelines there needs to be a time, during which all former POW's who have experienced a disallowable of a claim based on a mental disorder, may file a new claim. Therefore, the Committee bill would permit a former POW whose claim for disability compensation based on a mental disorder, was denied prior to January 1, 1981, to file a new claim before December 31, 1982. The time limit coincides with the date the VA is to submit its study to Congress. At that time, the Committee would have a record of the cases and the resulting decisions which have come before the VA concerning all mental disorders and the results of the study which will provide a strong documentation concerning the health-care or compensation needs of former POW's.

The VA is required by the Committee bill, to conduct a program of outreach in order to alert, to the maximum extent feasible within existing resources, former POW's of their right to file a new claim if they meet the requirements stated above. The Committee bases its direction to the Administrator, concerning outreach, on the provisions of section 240 of title 38.

The Committee encourages all interested and concerned veterans' service organizations and groups representing former POW's to join in this effort to inform all former POW's of the VA's new guidelines and the Committee's efforts to have the VA review certain claims which were previously denied.

The Committee gained information from the VA's presentation of its study, as well as further VA responses to questions which arose during the June 17, 1980, hearing, which led to the Committee's in-depth examination of the report, and a commitment to move ahead with appropriate legislation to improve benefits and services to former POW's early in the 97th Congress.

On April 22, 1981, the Committee held its first legislative hearing under the chairmanship of Senator Alan Simpson to consider S. 251, introduced by Senator James Abdnor; S. 468, introduced by Senator Strom Thurmond; and S. 670, introduced by Senator Alan Cranston. All three bills provide for improvement of benefits and services to veterans who are former prisoners of war. In its recommendations to the Senate Budget Committee for fiscal year 1982, the Committee recommended that the Congressional budget for fiscal year 1982 include $25 million for legislation to improve VA benefits and services to veterans who are former POW's.

On May 11, 1981, Senator Kasten also introduced a bill concerning former POW's, S. 1164, which was considered by the Committee as it carefully studied all the proposed bills and the testimony offered at the hearing. The Committee concluded that all of the proposals contained some worthwhile provisions and is reporting a bill which the Committee believes best meets the needs and addresses the concerns of our Nation's veterans who are former prisoners of war.

COST ESTIMATE

In compliance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the Committee, based on information supplied by the Congressional Budget Office, estimates that the costs resulting from the enactment of the Committee bill during the first 5 years following enactment would be $5.6 million in fiscal year 1982; $5.5 million in fiscal year 1983; $5.8 million in fiscal year 1984; $6.2 million in fiscal year 1985; and $6.5 million in fiscal year 1986. A detailed breakdown of the costs, as estimated by CBO, over the 5-year period follows:

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE—MAY 14, 1981

1. Bill number: S. 648.

2. Bill title: the Former Prisoners of War Benefits Act of 1981.

3. Bill status: As ordered reported by the Senate Committee on Veterans' Affairs May 13, 1981.

4. Bill purpose: To expand the eligibility of former prisoners of war for certain health-care benefits provided by the Veterans' Administration, and for other purposes.

5. Cost estimate:

[By fiscal years, in millions of dollars]

	1982	1983	1984	1985	1986
Estimated authorization level	3.0	2.6	2.8	3.1	3.3
Required budget authority	2.8	2.9	3.0	3.1	3.2
Outlays	5.6	5.5	5.8	6.2	6.5

This bill would result in additional future federal liabilities through extensions of existing entitlements and would require subsequent appropriation action to provide the necessary budget authority. The figures shown as "Required Budget Authority" represent an estimate of the additional budget authority needed to cover the estimated obligations that would result from these entitlement extensions.

The cost of this bill would fall within budget function 700.

6. Basis for estimate:

Section 2:

This section would establish an Advisory Committee on Former Prisoners of War. The number, term of service and pay of committee members would be determined by the Administrator. It is not expected that the additional cost of establishing such a committee would be significant.

Sections 3 and 4:

This section would change from 6 months to 30 days the length of time a former POW must have been interned to establish a presumption of service connection for certain diseases and medical conditions. For compensable psychosis, the internment time limit would be dropped altogether and the presumption of service connected would be extended throughout the lifetime of the former prisoner of war, rather than applying only for 2 years from the date of separation from service.

[By fiscal years, in millions of dollars]

	1982	1983	1984	1985	1986
Benefit cost (compensation):					
Required budget authority	2.8	2.9	3.0	3.1	3.2
Outlays	2.6	2.9	3.0	3.1	3.2
Administrative cost (general operating expenses):					
Estimated authorization level	.6	(1)	(1)	(1)	(1)
Outlays	.6	(1)	(1)	(1)	(1)

[1] Less than $500,000.

According to a VA study, there are currently approximately 95,000 living former POW's. Of this number, 18 percent were held less than 6 months. More than 34 percent of former POW's are currently receiving compensation benefits. There are no data on the number of former POW's whose applications for compensation benefits have been rejected on the grounds that service connection could not be established. Since VA is usually quite lenient in assuming service connection for disabilities of former POW's particularly with respect to psychological disabilities, it is expected that the number of new cases entitled by this provision would be small. This estimate assumes 600 new cases the first year after enactment and 20 additional cases in each of the following years. However, if the number of new cases resulting from enactment of this bill is considerably higher than assumed by this estimate, the cost would also be substantially higher. Conversely, a lower than estimated number of new cases would result in a lower cost. The new cases are assumed to receive benefits at the average benefit level for all compensation cases.

The estimate of administrative cost is based on a VA estimate.

Sections 5 and 6: These sections would grant entitlement to all former POW's for inpatient and ambulatory care in VA medical facilities.

[By fiscal years, in millions of dollars]

	1982	1983	1984	1985	1986
	2.4	2.6	2.8	3.1	3.3
Estimated authorization level	2.4	2.6	2.8	3.1	3.3
Outlays					

This estimate assumes that only a small number of new applications for VA medical care would result from this provision. Currently, 34 percent of former POW's are receiving compensation benefits which entitle them to VA medical care under existing law. Many of the remainder have private health insurance and would continue to seek health care in the private sector despite their entitlement to VA care. This estimate, therefore, assumes only about 1,400 new requests for treatment a year.

Section 7: This section would direct the Administrator of Veterans' Affairs to conduct a study focusing on the types of disabilities most prevalent among former POW's and the reasons for denials of applications for compensation benefits by former POW's.

The cost of this study should not be significant.

7. Estimate comparison: None.
8. Previous CBO estimate: None.
9. Estimate prepared by: K. W. Shepherd.
10. Estimate approved by: James L. Blum, Assistant Director for Budget Analysis.

REGULATORY IMPACT STATEMENT

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee on Veterans' Affairs has made an evaluation of the regulatory impact which would be incurred in carrying out the Committee bill. The results of that evaluation are described below.

The Committee bill has nine sections: 1—Title; 2—POW Advisory Committee; 3—Definition of "prisoner of war" and other technical changes; 4—Disability compensation—presumptions concerning nutritional deficiencies and psychosis; 5—Eligibility for inpatient health care; 6—Eligibility for outpatient health care on a priority basis; 7—Study on further health needs of veterans who were held as prisoners of war; 8—Provision to allow certain former prisoners of war to reopen claims for disability compensation under certain circumstances; and 9—Effective dates.

A. *Estimates of the numbers of individuals and businesses who would be regulated, and a determination of the groups and classes of such individuals and businesses:*

The enactment of the Committee bill would not result in the regulation of any individual or business.

B. *Determination of the economic impact of such regulations on individuals, consumers and businesses affected:*

Since, as previously indicated, there would be no such regulation, there would be no such impact.

C. *Determination of the impact on the personal privacy of the individual affected:*

The enactment of the Committee bill would not impact on the personal privacy of participants in the programs involved as presently constituted.

D. *Determination of the amount of additional paperwork that will result from regulations to be promulgated under the bill:*

No regulation that would result in any significant amount of additional paperwork is expected to be promulgated under the provisions of the Committee bill except in section 2, which would require the POW Advisory Committee to submit bi-annual reports to Congress and possibly interim reports or summaries; section 7, which would direct the Veterans' Administration to conduct a study of the health of former prisoners of war which would result in compiling and interpreting data which would be relevant to the report of the issues on which the Committee bill would request recommendations not later than December 31, 1982; and section 8, which would result in more claims filed for disability compensation which would need to be processed in the VA Regional Offices and at the Board of Veterans' Appeals.

SECTION-BY-SECTION ANALYSIS OF S. 468 AS REPORTED

Section 1:

Would provide that the Committee bill may be cited as the "Former Prisoners of War Benefits Act of 1981".

Section 2:

Would amend present chapter 3 of title 38, United States Code, relating to administrative and various other aspects of Veterans' Administration operations.

Subsection (a) of section 2 would add a new section 221, entitled "Advisory Committee on Former Prisoners of War". The new section would consist of 3 subsections as follows:

Subsection (a) of new section 221: Would require the Administrator to establish an advisory committee to be known as the "Advisory Committee on Former Prisoners of War", the membership of which would be appointed by the Administrator, serve for terms to be determined by the Administrator, and comprise appropriate representatives of veterans who were held as prisoners of war (as that term would be defined by the amendment poposed to be made by section 3(a) of the Committee bill), individuals who are recognized authorities in fields pertinent to disabilities prevalent among former prisoners of war, including authorities in epidemiology, mental health, nutrition, geriatrics, and internal medicine, and appropriate representatives of veterans who are disabled veterans, and the Chief Medical Director and the Chief Benefits Director, or their designees, would serve as ex officio members of the Committee.

Subsection (b) of new section 221: Would require the Administrator, on a regular basis, to consult with and seek the advice of the Committee with respect to the administration of benefits under title 38, United States Code, to veterans who are former prisoners of war and such veterans' compensation, health-care, and rehabilitation needs.

Subsection (c) of new section 221: Would require the Committee to submit a bi-annual report to the Administrator, who in turn would submit such report, along with any comments the Administrator deems appropriate, to the Congress. The first such report would be due no later than July 1, 1982, and subsequent reports would be due by July 1 of each even-number year thereafter. The reports would be required to include an assessment of the needs of former prisoners of war, a review of VA programs and activities designed to meet such needs, and recommendations for administrative and legislative actions. In addition, the Committee would be authorized to submit to the Administrator such additional reports and recommendations as it deems necessary. The Administrator would be required to include a summary of all such additional recommendations and reports in the next annual report submitted to the Congress pursuant to present section 214 of title 38, United States Code, relating to reports to Congress.

Subsection (b) of section 2 would amend the present table of sections of chapter 3 to reflect the changes proposed by this section of the Committee bill.

Section 2—Costs.—Enactment of the provision of section 107 is estimated to entail no cost.

Section 3:

Subsection (a) of section 3 would amend present section 101 of title 38, United States Code, relating to definitions, by adding a new paragraph to define the term "prisoner of war" for the purposes of title 38 as a veteran who, while serving in the active military, naval, or air service, was forcibly detained or interned in the line of duty by an enemy government, or its agents, or a hostile force during a period of war, or during any other period that the veteran was held under circumstances determined by the Administrator to be comparable to the circumstances under which personnel generally have been forcibly detained or held during periods of war.

Subsection (b) of section 3 would make conforming amendments in present section 612(b)(7) of title 38, United States Code, relating to eligibility for outpatient dental services and treatment, to reflect the changes proposed by subsection (a) of this section of the Committee bill.

Section 4:

Would amend present section 312 of title 38, United States Code, relating to presumptions relating to certain diseases and disabilities.

Clauses (1) and (2) of section 4 would strike out present subsection (b) of such section and redesignate present subsection (c) of such section as subsection (b). The effect of striking out present subsection (b) would be to delete the presumption that a veteran who was held as a prisoner of war during World War II, the Korean conflict, or the Vietnam era for not less than 6 months suffered from dietary deficiencies, forced labor, or inhumane treatment in violation of the terms of the Geneva Conventions of July 27, 1919, and August 12, 1949. Under current law, that presumption triggers certain further presumptions—discussed in the following analysis of the amendment proposed to be made by clause (3) of service connection regarding certain disabilities.

Clause (3) of subsection 4 would amend subsection (b) of such section, as proposed to be redesignated by clause (2) of this section of the Committee bill, to delete the requirement that, in order for the presumptions of service connection set forth in such subsection to apply, a former prisoner of war during World War II, the Korean conflict or the Vietnam era must have suffered from dietary deficiencies, forced labor, or inhumane treatment (in violation of the terms of the Geneva Conventions of July 27, 1919, and August 12, 1949). In addition, that subsection would be amended to provide that the presumptions related to certain nutritional diseases would apply to former prisoners of war who were held more than 30 days and the presumption of psychosis would apply to such former prisoners regardless of the length of internment. Further, that subsection would be amended to delete the requirement that, in order to presumed to be service-connected a psychosis must become manifest within 2 years from the date of separation from service. In addition, the reference to specific periods of war would be deleted and this subsection would be made applicable to all former prisoners of war (as that term would be defined by the amendment proposed to be made by section 3(a) of the Committee bill), and would be expanded to cover former prisoners of war from World War I and future hostilities.

Sections 3 and 4—Costs.—Enactment of the provisions of these sections are estimated to result in costs of $2.6 million in fiscal year 1982.

Section 5:

Would amend subsection (a) of present section 610 of title 38, United States Code, relating to eligibility for hospital, nursing home, and domiciliary care, to add a new clause (4) to such subsection (redesignating present clause (4) as clause (5)) to provide eligibility for VA hospital and nursing home care for veterans who are former prisoners of war without regard to the age of such former prisoners, the service-connected nature of such prisoners' disabilities, or the inability of such former prisoners to defray the expenses of hospital care. By virtue of present section 612(f), this amendment would also result in these veterans being provided with outpatient treatment eligibility for pre- and post-hospital care and care to obviate a need for hospitalization.

Section 6:

Would amend present section 612(1) of title 38, United States Code, relating to priorities for outpatient care as among other eligible veterans, by adding a new clause (4) to such section (redesignating present clause (4) as clause (5)) to place in a new fourth priority category veterans who are former prisoners of war.

Sections 5 and 6—Costs.—It is estimated that enactment of these provisions of this section would result in costs of $2.4 million in fiscal year 1982.

Section 7:

Subsection (a) of section 7 would require the Administrator to conduct a further study, addressing certain issues not resolved by the study submitted pursuant to section

305 of Public Law 95-479, of specific physical and mental disabilities prevalent among former prisoners of war and denials of claims for disability compensation under chapter 11 of title 38, United States Code, in order to determine whether additional presumptions for disability compensation should be established for them and whether their eligibility for health-care benefits and services should be expanded.

Subsection (b) of section 7 would require the Administrator to transmit to the Congress a report on the results of such study not later than December 31, 1982. Such report would be required to include recommendations for administrative and legislative action deemed necessary by the Administrator.

Subsection (c) of section 7 would require the Administrator, in preparing the design of and conducting such study, to consult with the advisory Committee proposed to be established by section 2 of the Committee bill.

Section 7—Cost.—It is estimated that enactment of the provisions of this section would result in no significant cost.

Section 8:

Subsection (a) of section 8 would permit a former prisoner of war whose claim for disability compensation based on a mental disorder has been denied prior to January 1, 1981, to file a new claim before December 31, 1982, and would specify that, for all purposes under title 38, United States Code, a claim filed under this authority would be considered as an original claim. The Committee notes its intention that, as an original claim, such a claim would receive de novo consideration and also notes that the award effective date provisions of section 3010 of title 38 would apply.

Subsection (b) of section 8 would direct the Administrator, to the maximum extent possible, to carry out the requirements of subchapter IV of chapter 3 of title 38, United States Code, relating to veterans' outreach services to seek out and provide information to veterans who could be affected by the provisions proposed by subsection (a) of this section of the Committee bill.

Section 8—Cost.—It is estimated that enactment of the provisions of this section would result in costs which are reflected in the estimate for sections 3 and 4.

Section 9:

Subsection (a) of section 9 would provide that, except as otherwise provided in subsection (b), the provisions of the Committee bill become effective on the date of enactment.

Subsection (b) of section 9 would provide that the provisions of section 4 of the Committee bill, relating to disability compensation benefits become effective October 1, 1981.

TABULATION OF VOTES CAST IN COMMITTEE

In compliance with paragraph 7 of rule XXVI of the Standing Rules of the Senate, the following is a tabulation of votes cast in person or proxy by Members of the Committee on Veterans' Affairs at a May 13, 1981, meeting to consider S. 468.

The Committee agreed to report S. 468, with an amendment in the nature of a substitute, favorably to the Senate by a 12-0 vote, as follows:

Yeas—12: Alan Simpson, Strom Thurmond, Robert Stafford, Bob Kasten, Jeremiah Denton, Frank Murkowski, Arlen Specter, Alan Cranston, Jennings Randolph, Spark Matsunaga, Dennis DeConcini, George Mitchell.

Nays—0.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. BAKER. Mr. President, I ask the Chair to lay before the Senate Calendar Order No. 157, H.R. 1100.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 1100) to amend Title 38, United States Code, to expand eligibility of former prisoners of war for certain benefits and health-care services provided by the Veterans Administration, and for other purposes.

There being no objection, the Senate proceeded to the consideration of the bill.

Mr. BAKER. Mr. President, I move that all after the enacting clause be stricken in H.R. 1100 and that there be substituted in lieu thereof the text of S. 468, Calendar Order No. 112.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. BAKER. Mr. President, I move adoption of Calendar Order No. 157, as amended.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 1100), as amended, was passed.

The title was amended so as to read:

A bill to amend title 38, United States Code, to improve certain programs of Veterans' Administration benefits for veterans who are former prisoners of war, and for other purposes.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that Calendar Order No. 112, S. 468, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE EXECUTIVE CALENDAR

Mr. BAKER. Mr. President, there are certain items on the Executive Calendar that I will draw to the attention of the minority leader. I am speaking particularly of the nominations of Kenneth A. Gilles to be Administrator of the Federal Grain Inspection Service, under the Department of Agriculture; Philip F. Johnson to be a Commissioner of the Commodity Futures Trading Commission and other designations under Commodity Futures Trading Commission; Mary Ann Weyforth Dawson to be a member of the Federal Communications Commission under the Federal Communications Commission; Charles M. Butler III to be a member of the Federal Energy Regulatory Commission and Georgiana H. Sheldon to be a member of the same commission, under the Department of Energy.

Also, all of the military nominations beginning on page 3 of the Executive Calendar and including page 6, excepting, however, the first four nominations under the Department of Defense.

I ask the minority leader if he is in position to state the clearance or absence of approval of those nominations.

Mr. ROBERT C. BYRD. Mr. President, the aforementioned nominations that have been brought to the attention of the Senate by the majority leader have been cleared on this side of the aisle and we are ready to proceed.

Mr. BAKER. I thank the minority leader.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate go into executive session for the purpose of considering the nominations just identified and that they be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF ENERGY

The legislative clerk read the nominations of Charles M. Butler III, of Maryland, and Georgiana H. Sheldon, of Virginia, to be members of the Federal Energy Regulatory Commission.

NOMINATION OF GEORGIANA H. SHELDON

Mr. McCLURE. Mr. President, on June 3, the Committee on Energy and Natural Resources favorably reported the nomination of Georgiana H. Sheldon to be a member of the Federal Energy Regulatory Commission. The vote was 19 to 0. The committee's vote followed a nomination hearing held on May 21.

Mrs. Sheldon has been serving as Acting Chairman of the Commission since January 1 of this year. She has been a member of the Commission since 1977. Commissioner Sheldon is both the first and only woman to serve as a Commissioner of the Federal Power Commission and the Federal Energy Regulatory Commission.

Commissioner Sheldon previously served as Deputy Director of the Defense Civil Preparedness Agency, as an official of the Agency for International Development, and as both Vice Chairman and Acting Chairman of the U.S. Civil Service Commission.

The Federal Energy Regulatory Commission has a somewhat unique status as an independent regulatory agency. Under the Department of Energy Organization Act, it is placed within that Department, but it retains its regulatory independence. The FERC, when considered together with its predecessor agency, the Federal Power Commission, is one of the oldest of our Federal regulatory

commissions, and certainly one of the most important. The FERC has the responsibility for implementing the Natural Gas Act, the Natural Gas Policy Act of 1978, the Federal Power Act, and certain other statutory requirements. The Commission must deal with such issues as the impact on natural gas consumers of pipeline transportation rates, the environmental impacts of electric transmission lines and hydroelectric projects, the adequacy of natural gas supplies for the various sectors of the economy, the reliability of supplies of electric energy, and the financial health of our Nation's electric utility companies.

In her testimony before the committee, Commissioner Sheldon described the challenges confronting the Commission. She stated:

In my last three and one-half years at the agency, the Commission has played an essential role in the Federal Government's effort to manage the serious energy problems stemming from the 1973 oil crisis. This has been a difficult challenge at a time of energy shortages, rapidly rising prices, and skepticism about government's ability to be responsive to the public.

We still have many hard choices ahead of us: decisions to make on energy prices, rates of return for public utilities, natural gas policies, hydroelectric project permits and licenses. In all these areas we have the same goal: How may we bring available energy supplies and the energy requirements of American consumers and industry into an acceptable balance, at the most equitable cost to the country as a whole?

Attaining this goal will require both a willingness to examine the evidence, as it becomes available, on project costs, necessary rates of return, and the structure of energy markets. It will also demand the ability to translate Commission decisions into effective procedures for implementation. Just as there is seldom such a thing as a "perfectly" competitive market, there is infrequently a "perfectly" effective regulatory decision. Our decision must thus reflect a healthy skepticism toward simple policy solutions.

Mr. President, when Senator WARNER introduced Commissioner Sheldon to the committee on May 21, he extended to her very high praise for her performance as an FERC Commissioner. He told the committee:

As a member of the Nation's principal energy regulatory body, she has earned the respect of members of both Houses who exercise substantive and budgetary jurisdiction. Her expertise is highly respected among technical experts within the Commission, among state regulators, and in the ranks of leaders of the regulated industries.

I certainly concur with Senator WARNER'S remarks. Commissioner Sheldon, as Acting Chairman and member of the FERC, has a record of effective leadership and solid contributions to the deliberations of the Commission. On behalf of the Committee on Energy and Natural Resources, I am extremely pleased to recommend Senate approval of Commissioner Sheldon's nomination.

NOMINATION OF CHARLES M. BUTLER, III

Mr. President, on June 3 the Committee on Energy and Natural Resources, by a vote of 19 to 0, reported the nomination of Charles M. Butler III, to be a member of the Federal Energy Regulatory Commission. It is the President's intention to designate Mr. Butler to be Chairman of the Commission. Mr. Butler's nomination hearing was held on May 21. He has fully complied with the committee's rules requiring submittal of a financial disclosure report and a detailed information statement. I am prepared to recommend Mr. Butler's confirmation.

Mr. Butler is an experienced attorney who has practiced both energy law and general corporate law. He is an honors graduate of the University of Houston and the University of Texas School of Law. He was employed out of law school by the Houston, Tex., firm of Baker & Botts as an associate attorney. In 1974 he joined Senator JOHN TOWER as chief legislative assistant and legislative counsel. In 1975 he became associated with the Dallas, Tex., firm of Kendrick, Kendrick & Bradley. The following year he and his family moved to Detroit, Mich., where he served as senior attorney for American Natural Resources Co. In 1979 he moved to Washington, D.C., to rejoin Senator TOWER as administrative assistant.

In his testimony before the committee, Mr. Butler related his background and professional experience to the general responsibilities he will have as Chairman of the FERC. He stated:

My undergraduate studies in economics and political science provide a background for understanding the congressional purpose in creating the Commission. Law school has provided an appreciation for the obligations of the Commission to implement effectively the congressional mandates contained in various statutes entrusted to the Commission's stewardship. Legal experience in one of the preeminent national law firms provided a sense of discipline in undertaking and executing complex tasks. And experience with the holding company of a major gas pipeline and gas utility has provided insight into the workings of regulated companies.

As I have previously noted, during the past 2 years, Mr. Butler has served as administrative assistant and counsel to Senator JOHN TOWER. His congressional experience has made him acutely aware of the importance of working with the Congress in achieving equitable solutions to our Nation's energy problems. Mr. Butler emphasized that point in the following words when he appeared before the committee:

Last, but perhaps of most significance, the two years served as Senator Tower's Chief Legislative Assistant and this last two years as his Administrative Assistant have enabled me to reflect on and undertand the fundamental needs of the Members of Congress. I empathize with the needs of the Members to deal with the differing viewpoints of constituents which arise in the context of sensitive and complex problems—and we can all attest to the sensitivity and complexity of our national energy problems. Consequently, I would hope that the Members of both the House and the Senate will find the Commission responsive to their needs under my stewardship. I would expect to have a strong congressional relations staff available to meet the needs of members and their staffs, and I would certainly expect to be available to the the Members, myself, both formally and informally.

As Chairman of the FERC, Mr. Butler will have all the responsibilities of a member of the Commission. The importance of those responsibilities can be measured in part by the fact included in Mr. Butler's testimony before the committee:

More than half of the energy used in this country (Btu's of primary energy use) is regulated by the FERC. The Commission obviously has a critical role in setting and implementing national energy policy.

As Chairman of the FERC, Mr. Butler would also be responsible for the executive and administrative operations of the Commission, including the appointment of administrative law judges and other officials, and the general supervision of Commission personnel. These administrative responsibilities will be both demanding and challenging, but fully within Mr. Butler's capabilities.

Mr. President, on behalf of the Committee on Energy and Natural Resources I am pleased to recommend Senate approval of the Presidential nomination of Charles M. Butler III for the position of Chairman of FERC.

The PRESIDING OFFICER. The nominations are considered and confirmed.

DEPARTMENT OF AGRICULTURE

The legislative clerk read the nomination of Kenneth A. Gilles, of North Dakota, to be Administrator of the Federal Grain Inspection Service.

The nomination was confirmed.

COMMODITY FUTURES TRADING COMMISSION

The legislative clerk read the nomination of Philip F. Johnson, of Illinois, to be a Commissioner of the Commodity Futures Trading Commission for the term expiring April 13, 1984, and to be Chairman of the Commodity Futures Trading Commission.

● Mr. HUDDLESTON. Mr. President, it is a pleasure for me to support the nomination of Philip Johnson to be Chairman and a member of the Commodity Future Trading Commission (CFTC).

Mr. Johnson is a distinguished lawyer with great expertise in the field of commodities regulation. I am confident that his knowledge and experience will be of great value to the Commission.

The Commodity Futures Trading Commission has the responsibility of administering the Commodity Exchange Act. That act is designed to insure fair practices and honest dealings on commodity exchanges and to provide a measure of control over those forms of speculative activity that often demoralize the markets to the injury of agricultural producers, consumers, and the exchanges themselves.

The importance of our futures markets to the Nation's farmers cannot be overemphasized. Almost one-half of the futures contracts traded on all exchanges are for agricultural commodities. The legislation establishing the Commission provides that, in nominating persons for appointments, the President shall seek to establish and maintain a balanced Commission. Therefore, it is imperative that a person with an exterise in agriculture be nominated. I was, therefore, happy to join Senator ZORINSKY and the other members of the Committee on Agriculture, Nutrition, and Forestry in urging the President to nominate at least one person who has expertise in agriculture.

Mr. President, there is one other matter concerning Mr. Johnson's appointment that should be mentioned. The legislation establishing the Commission provides that not more than three of the five members of the Commission may be members of the same political party. During the hearings on Mr. Johnson's nomination, he was questioned about his political affiliation. Mr. Johnson stated that, philosophically, he is a Republican.

In view of the fact that the President nominated Mr. Johnson to be Chairman of the Commission, it seems only logical to me that Mr. Johnson be considered a member of the Republican Party for purposes of the act.

In conclusion, Mr. President, as I previously stated, Mr. Johnson has my support, and I believe he will make a fine Chairman and Commissioner.●

The nomination was confirmed.

FEDERAL COMMUNICATIONS COMMISSION

The legislative clerk read the nomination of Mary Ann Weyforth Dawson, of the District of Columbia, to be a member of the Federal Communications Commission.

The nomination was confirmed.

The following nominations were also considered en bloc and confirmed en bloc:

U.S. AIR FORCE

Gen. Robert E. Huyser, to be lieutenant general on the retired list.

Lt. Gen. Hans H. Driessnack [redacted] FR, to be senior U.S. member of the Military Staff Committee of the United Nations.

Lt. Gen. Freddie L. Poston, to be lieutenant general.

Lt. Gen. Stanley M. Umstead, Jr., to be lieutenant general on the retired list.

U.S. ARMY

Maj. Gen. William James Livsey, Jr., to be lieutenant general.

Lt. Gen. Richard Luther West, to be lieutenant general on the retired list.

Maj. Gen. Ernest Dishman Peixotto, to be lieutenant general.

Lt. Gen. Charles Maurice Hall, to be lieutenant general on the retired list.

U.S. NAVY

Vice Adm. William N. Small, to be vice chief of naval operations and admiral.

Adm. Donald C. Davis, to be admiral on the retired list.

Rear Adm. Robert L. Walters, to be vice admiral.

U.S. MARINE CORPS

Maj. Gen. John K. Davis to be lieutenant general.

Maj. Gen. Harold A. Hatch, to be lieutenant general.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE AND NAVY

Air Force nominations beginning George W. Berger, to be major, and ending Joel I. Sherer, to be first lieutenant, which nominations were received by the Senate and appeared in the Congressional Record of May 20, 1981.

Navy nominations beginning Latimer T. Albert, to be captain, and ending Michael J. Thomas, to be lieutenant (j.g.), which nominations were received by the Senate and appeared in the Congressional Record of May 11, 1981.

Navy nominations beginning Kenneth J. Anderson, to be ensign, and ending Curtis L. Hitt, to be commander, which nominations were received by the Senate and appeared in the Congressional Record of May 11, 1981.

Navy nominations beginning Reinaldo G. Alvarez, to be captain, and ending Eva G. Stapleton, to be commander, which nominations were received by the Senate and appeared in the Congressional Record of May 19, 1981.

Mr. BAKER. Mr. President, I move to reconsider en bloc the vote by which the nominations were confirmed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

MODIFICATION OF ORDER FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the order for morning business be modified as follows: I ask unanimous consent that time for the transaction of route morning business be extended until the hour of 12:30 p.m. today during which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE UNITED STATES SENATE

THE BIRTH OF POLITICAL PARTIES IN THE SENATE, 1791–1800

Mr. ROBERT C. BYRD. Mr. President, the United States Senate is a political institution. Political parties and political issues are the very substance of our daily existence. The center aisle beside me divides the members of the two parties, and behind me are the entrances to two cloakrooms, one for Republicans and one for Democrats. All this is quite natural and we accept it as the normal way of operating in the Senate. Historically, however, the founders of this government, the authors of our Constitution, and the first members of this body, did not anticipate or accept political parties and partisan divisions. Despite their resistance, such divisions grew, quickly and one might say inevitably, within the first decade of the government's existence. As we know, men of good faith simply do not think alike on all issues. One's economic, social, or geographical situation predisposes an individual to interpret events differently and to see different solutions to the same problems. Personal jealousies, rivalries, antagonisms, and ambitions also contributed to the division of society into political factions, based on ideological or even irrational differences. And so it was during the first decade of the history of the United States Senate.

This was a tumultuous decade, which saw the first senator expelled from this body, and the first to be denied a seat. At one point, war with Britain seemed inevitable. Then, war with the nation's closest ally, France, seemed certain. The ratification of the Jay Treaty gave the Senate the opportunity to exercise one of its most important constitutional powers, that of advice and consent, but in the process the debate nearly tore apart the young nation. The debate over the Jay Treaty, as with so many other explosive issues during the years from 1791 to 1800, revealed the birth of political parties as permanent institutions in the new republic. The Federalists and Anti-Federalists who had fought over the ratification of the new Constitution, now faced each other in the halls of Congress. This was the beginning of party politics in the United States.

When the Second Congress convened in Philadelphia's Congress Hall on Monday, October 24, 1791, many familiar faces from the First Congress were missing. Of the senators who had drawn the short term, several had not been reelected by their state legislatures. Among them was William Maclay, whose bluntness had offended Pennsylvania's legislators once too often. Another was Secretary of Treasury Alexander Hamilton's father-in-law, New York Senator Philip Schuyler, who had been replaced by the charismatic and ambitious young lawyer, Aaron Burr. In Massachusetts, Tristram Dalton was defeated by another rock-ribbed Federalist, George Cabot. New Jersey's Jonathan Elmer had accepted a judgeship and was replaced by Federalist John Rutherford. William S. Johnson of Connecticut had resigned over the summer to devote his full attention to the presidency of Columbia University, and Roger Sherman moved up from the House to replace him. A tremendous boost to the Anti-Federalist ranks was provided by the outspoken member from Virginia, James Monroe. Though he had lost his first bid for election to the First Congress, he had been elected in December 1790 to fill the last few months of the term of William Grayson, the first senator to die in office. Monroe arrived in Philadelphia in October 1791, fresh from his election for a full six-year term, and soon was consulting closely with Secretary of State Thomas Jefferson and House member James Madison to plan Anti-Federalist strategy.

The admission of Vermont as the fourteenth state of the Union had raised the number of senators from 26 to 28. Vermont's first two senators, Moses Robinson and Stephen Bradley, had both been soldiers in the Revolutionary War and active in Vermont's bid for statehood. Robinson, though not a lawyer, became the first chief justice of Vermont's supreme court and later governor. Bradley was one of the Green Mountain Boys who successfully wrenched the state away from the territorial claims of New York. Though defeated for reelection in 1794, Bradley returned to the Senate from 1801 to 1813, serving as president pro tempore in 1802 and 1803, and 1808. During his first term in the Senate, he introduced the bill which established a national flag of fifteen stripes and fifteen stars which flew over the land from 1795 until 1814.[1]

The Commonwealth of Kentucky, hav-

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ing been carved out of Virginia in 1792, provided the reason for the fifteen-star flag. Kentucky's first two senators were John Edwards and John Brown. Edwards had helped guide Kentucky on its tortuous course toward statehood. As a reward, he was unanimously elected to the Senate, but he rarely spoke and took little part in the deliberations in Philadelphia. Brown served under both Washington and Lafayette during the Revolution. During his twelve years in the Senate, serving as president pro tempore in 1803 and 1804, he actively represented his state's interests.[2]

Thirteen incumbents and four freshmen senators were present at the opening of the Second Congress, over which John Adams presided as vice president. Though he complained that "my country has in its wisdom contrived for me the most insignificant office that ever the invention of man contrived or his imagination conceived," he managed to cast twenty-nine tie-breaking votes during his eight years in office, more than any vice president since.[3] The closeness of those votes suggests a rise in factionalism that the framers of the Constitution had hoped would be subordinated to an overriding interest in the national welfare. But a division into two combative political groups was now clearly evident.

There was growing distrust between those sympathetic to agricultural interests, led by Jefferson, who feared a trend toward centralized, aristocratic government, and those of mercantile-financial sympathies, led by Hamilton, who feared an excess of democracy. Staunch Federalist Paine Wingate of New Hampshire had foreseen difficult days ahead for the Senate even during the First Congress. Drawing the battle lines between North and South, he prophesized: "The jarring interests and the different views and habits of the Northern and Southern members will be the source of many inconveniences and difficulties. Necessity rather than affection will I presume keep us together awhile longer."[4]

Factualism, so dreaded by Washington and the framers of the Constitution, stalked the halls in Philadelphia and could no longer be ignored. It threatened to divide the Congress, the Cabinet, and the nation. In the Second Congress, few issues would be unaffected by the growing division. For the moment, the Federalists maintained their control over both the House and the Senate but their hold was slipping.

The Anti-Federalists thought they saw their first opportunity to discredit the Federalists in connection with Indian battles on the frontier, which they charged were being conducted without congressional consent. The disastrous defeats of the federal forces at the hands of the Miamis, Shawnees, and Delawares presented the Anti-Federalists with the opportunity to order an inquiry which, they hoped would pin the blame squarely on Hamilton whose Treasury Department was responsible for army supply contracts. The Federalist majority, however, was able to squash the results of this first "fishing expedition."

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The Anti-Federalists fared better on the issue of apportionment, which was raised after the first census, dominated the first session of the Second Congress, and ended in the first presidential veto. After seven months of deadlock and acrimonious debate, the Federalist-controlled House and Senate agreed on a compromise bill. But Jefferson, Madison, and Attorney General Edmund Randolph convinced Washington that the measure was unconstitutional, so he vetoed it. Jefferson reported that when the veto message reached Congress, "a few of the hottest friends of the bill expressed passion," but they were unable to override the veto.[5]

At stake in these and the debates to follow, as each side saw it, was not just the issue at hand but the nation's future. The Federalist view was clearly stated in Hamilton's brilliant *Report on Manufactures*, submitted to Congress in December 1791. It outlined his plans for transforming the nation from an agricultural country into an industrialized, self-sufficient one. The *Report* served as a rallying point for Jefferson and his friends in Congress who found its proposals abhorrent.

With factionalism spreading, the first session of the Second Congress adjourned on May 8, 1792. The summer months saw the first clear signs of the storm that had been brewing ever since Hamilton had rammed through his whiskey tax. Protests arose in western Pennsylvania where farmers "reckoned their fluid wealth in Monongahela rye." Hamilton was quick to equate such resistance to the tax with treason against the national government. Opponents of the tax, led by young Albert Gallatin, saw it as misuse of federal power. For the time being, the result was an uneasy stalemate.

President Washington's first term was ending and he longed to retire to Mount Vernon, but the schism in his Cabinet loomed before him. Both sides begged him to remain at the helm. Secretary of State Jefferson also hoped to retire from the Cabinet, but he could not leave Treasury Secretary Hamilton unchecked. Jefferson's supporters, the Anti-Federalists, now called themselves Republicans or Democratic-Republicans, to demonstrate their differences from the aristocratic Federalists. While the Republicans supported Washington's reelection, they plotted to unseat Vice President Adams. They had just about decided to support New York Governor George Clinton for the vice presidency when the situation became confused by a new senator from New York, the ambitious thirty-six-year-old Aaron Burr.

Burr kept his political views a secret in those days and as a result was courted and suspected by both sides. Hamilton personally despised him: "As a public man he is one of the worst sort—a friend of nothing but as it suits his interest and ambition." Though born in New Jersey, grandson of the fiery theologian Jonathan Edwards and son of the first president of Princeton, Aaron Burr chose New York for his political base. His rise was spectacular. His methods, however, appalled more sober men. After one of his victories, a friend wrote that Burr's "twistings, combinations, and maneuvers to accomplish this object are incredible."[6]

When Burr entered the race for the vice presidency, leaders of the Republican party quietly gathered in Philadelphia to settle the matter. Since many, like James Monroe, doubted Burr's integrity, they were unwilling to entrust him with party leadership. Emerging from one of the first "smoke-filled rooms" in our political history, they nominated the older, more reliable Clinton as their candidate. Burr acquiesced gracefully in public, but complanied bitterly in private. He would be heard from again.

When the electoral ballots were tallied on February 13, 1793, Washington emerged with 132 of the possible 136 votes. Adams, with 77, beat Clinton's 50, Jefferson's 4, and Burr's 1. In the Senate, the Federalists retained their majority, 17 to 13. But they had lost control of the House. On key issues, some 58 of the 106 Representatives were likely to vote with the Republicans while 48 generally sided with the administration. Interest blocs would shift from issue to issue, but the stage was set for increasingly partisan battles in the Third Congress.

Shortly before the second session of the Second Congress ended on March 2, 1793, the Republicans had an early taste of victory. Largely at their insistence, Congress passed the Fugitive Slave Act, which required the free states to return any escaped slave who crossed their borders. Though the act would create great controversies in the nation a few decades later, it engendered almost no debate at this time, passing the Senate unanimously and the House with a lopsided vote of 48 to 7.[7]

The elections to the Third Congress, which convened on December 2, 1793, made little difference in party representation. In the House Theodore Sedgwick, put up for Speaker by the extreme Federalists, was beaten by the Republican-backed candidate, Frederick Muhlenberg of Pennsylvania. But all of the staunch Federalist leaders—Langdon of New Hampshire, Strong of Massachusetts, Ellsworth of Connecticut, King of New York, and Morris of Pennsylvania—were returned to the Senate. The Senate's Republicans were rudely reminded that they were still a minority when their most brilliant young newcomer, Pennsylvania Senator Albert Gallatin, who had replaced Maclay, was denied his seat by a strict party vote. The incident immediately focused national attention on the Senate, which had long been overshadowed by the more dramatic actions of the House.

Keenly aware of the Swiss-born, thirty-three-year-old Gallatin's radical Republican sentiments, the Federalist senators were not about to welcome him into their midst. Gallatin had barely taken his oath of office when Vice President Adams laid before the Senate a petition protesting his election on the grounds that he had not been a citizen for the constitutionally-required nine years. The petition was referred to a

committee composed of five Federalists. In the meantime, Gallatin was allowed to take his seat, where he proceeded to delight Republicans and irritate Federalists by plaguing Treasury Secretary Hamilton with requests for details and information. Not surprisingly, the Federalist-dominated committee reported against Gallatin and the matter was brought before the Senate as a whole.[8]

In those days the Senate chose to meet behind closed doors, while the House was open for all to attend and observe its debates. For years Senator James Monroe had been introducing bills to open the Senate's proceedings, but, to that point, he had been unsuccessful. Now, when he tried again in February 1794 to open the doors for the Gallatin debate, the Senate reversed itself and agreed to admit the public. Despite the lack of a gallery, members of the public crowded into the Senate Chamber for seven days to watch such Federalists as Rufus King spar with his fellow New York Senator Aaron Burr, speaking for the Republicans.

The Federalists were not merely fighting over the principle of citizenship. They needed every vote in the closely-divided Senate and they wanted to remove an able enemy of Hamilton. At the last minute, Benjamin Hawkins of North Carolina, who had often supported the Republicans and upon whom Gallatin's friends depended, left Philadelphia to avoid casting a vote. The decision now rested on Pennsylvania's other senator, Federalist Robert Morris, who had promised Gallatin he would remain neutral. Party loyalists finally swayed Morris, and, on February 28, he joined his fellow Federalists in unseating Gallatin by a vote of 14 to 12. The young gadfly was gone from the Senate, but not from the government. A year later he returned to Philadelphia as a member of the House, where he energetically led the Republican majority.[9]

For us, the debate over the seating of Albert Gallatin is most important for its opening of the Senate's doors to the public for the first time. As I noted in my earlier talk on the First Congress, the Senate had taken it for granted that its meetings would be closed, just as the debates of the Continental Congress and Congress of the Confederation were closed. Even though conducted behind closed doors, the Senate's proceedings were not entirely hidden from the public. The Constitution requires both Houses to keep and publish journals of their proceedings, including votes of members when requested by one-fifth of those present. These early journals have been an invaluable resource in reconstructing the Senate's history. In addition, the Senate directed its secretary in 1792 to furnish a public newspaper with a copy of the *Journal* at least once a week. Some senators, particularly the Virginians, also felt it was their duty to report about the Senate's activities to their state government and to the outside world, as I noted at some length in an earlier statement on members' circular letters.

Such highly edited glimpses into the Senate Chamber were hardly adequate to satisfy the public. Republican papers charged that the *Journal* was tampered with to suit the Federalist majority. Even if accurate, the *Journal* only occasionally showed yea and nay votes but never any of the debates, leaving the public to speculate as to a senator's motives. The closed doors of the Senate Chamber also fed the suspicions of those who regarded it as a place where clandestine cabals were hatched against the public interest. The closed-door policy, said the Senate's detractors, was part and parcel of an ominous movement, which included efforts to elevate the Senate over the House, to establish aristocracy in America. As one critic sarcastically noted: "The PEERS of America disdain to be seen by vulgar eyes: the music of their voices is harmony only for themselves, and must not vibrate in the ravished ears of an ungraceful and uncourtly multitude." [10]

Those who did not regard the Senate with suspicion often totally ignored it in favor of the House. The debates there could be read in the daily press. The widespread disregard for the Senate is clear in these lines from a newspaper in Carlisle, Pennsylvania:

> It matters little to the public who presides in the Senate: They do not choose to let the public know anything about the reasons of their political conduct; the public may therefore trouble themselves little about them, except it be to watch them with a jealously and try to get rid of them as soon as possible; it is but little good ever they did, and but little good they can do, but they may do much evil.[11]

Why, in view of its negative impact on the Senate's reputation, was the closed-door policy maintained? Opponents of public sessions argued that they would promote oratorical pyrotechnics for the benefit of the gallery and press and would interfere with the expeditious performance of public business. Sometimes the Senate's business was interrupted by the noise from the House gallery one floor below of clapping, striking of canes on the floor, and cries of "Bravo!" Answering the argument that open doors promoted a healthy national dissemination of debates, advocates of continued secrecy noted that press reports of House debates were notoriously inaccurate.

As historian Roy Swanstrom noted in his study of the Senate from 1789 to 1801, there was a close correlation between the closed-door policy and the Federalist belief that government ought to be clothed in a dignified aloofness, responsible to the people but not constantly under their close scrutiny. The issue, however, was not entirely party-inspired, as strong Federalists like Rufus King and Philip Schuyler consistently supported open sessions. The controversy surrounding Albert Gallatin's eligibility presented the opportunity to pry open the Senate's doors, if only temporarily. Gallatin's case placed the Senate in a delicate situation. A state's right to choose its own senator was being questioned. Furthermore, the American people were very sensitive to even the appearance of "star chamber" proceedings against the rights of any individual.[12] The Federalist majority could ill afford the extreme criticism sure to follow any unseating of Gallatin in secret. Thus, on February 11, 1794, they voted to open their doors—but only for Gallatin's hearing.[13]

The doors to the Senate quickly slammed shut after Gallatin's fate was decided. But the motion to shut the doors again was passed by its closest margin, 14 to 13. The affable Senator Stephen Bradley of Vermont saw that the fate of the policy lay in his hands. Though he had previously voted with the Federalists to keep the doors closed, he had no deep convictions about the matter and decided to vote to open them on the next vote. Realizing that Bradley's vote would give the "open-door" senators the victory, four other New England Federalists, Foster of Rhode Island, Langdon and Livermore of New Hampshire, even powerful Oliver Ellsworth of Connecticut, and Senator Vining of Delaware jumped on the bandwagon. On February 20, 1794, the vote to finally open the Senate's doors was 19 to 8.[14] The struggle had been a long and bitter one. After listening to the abuse heaped on some of his Federalist friends, Vice President Adams commented: "What the effect of this measure, which was at last carried by a great majority, will be, I know not: but it cannot produce greater evils than the contest about it, which was made an engine to render unpopular some of the ablest and most independent members.[15]

It would still be almost two years before the Senate galleries could be built and a permanent open-door policy put into effect. No hammers were heard in Congress Hall until the fall of 1795. The galleries were completed for the first session of the Fourth Congress, on December 7, 1795, and the public finally admitted. By then, the highly controversial Jay Treaty had already been debated in secret.

What was the reaction when the Senate's doors were thrown open? Not as great as we might suspect. No hordes rushed through to view the senators at work. The sight of two dozen urbane gentlemen courteously discussing the issues of the day could hardly compete with the boisterous eloquence downstairs in the House. Nevertheless, the decision to open the Senate's doors to the public was an important one. It did not bring the Senate into great public favor, but it removed an irritant that had long alienated the Senate from the public.

Years later, a witness to those early public meetings published a colorful account of the 1796 Senate, which I should like to quote at this point.

> Among the Thirty Senators of that day there was observed constantly during the debate the most delightful silence, the most beautiful order, gravity, and personal dignity of manner. They all appeared every morning full-powdered and dressed, as age or fancy might suggest, in the richest material. The very atmosphere of the place seemed to inspire wisdom, mildness, and condescension. Should any of them so far forget for a moment as to be the cause of a protracted whisper while another was addressing the Vice President, three gentle taps with his silver pencilcase upon the table by Mr. Adams immediately restored everything to repose and the most respectful attention, presenting in their courtesy a most striking contrast to the independent loquacity of the Representatives

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below stairs, some few of whom persisted in wearing, while in their seats and during the debate, their ample *cocked* hats, placed "fore and aft" upon their heads . . .[16]

With the Gallatin issue settled, the Senate turned its attention to other matters. Hitherto, Congress had concentrated almost entirely on domestic problems, but, with dramatic suddenness, foreign affairs took center stage during the Third Congress. During the nine-month recess that followed Washington's second inauguration, the French Revolution reached its bloody climax. The repercussions were worldwide. In America, the Revolution accentuated the issue of the division of powers between the President and Congress. It also widened the gap between the Republicans, who deplored the execution of the king but supported the French people, and the Federalists, who feared that French radicalism would spread to America.

When war broke out in Europe, the United States found itself in a delicate situation vis-a-vis the main belligerents; France, its close ally in the American fight for independence, and Britain, whose powerful navy controlled the seas and with whom America had a flourishing trade. President Washington was sufficiently alarmed to return to Philadelphia from Mount Vernon and summon his cabinet. Hamilton, boldly intruding into the area of foreign affairs, drew up a declaration of neutrality for Washington to issue. Secretary of State Jefferson, not a little annoyed by Hamilton's brazenness, claimed that only Congress could constitutionally make such a declaration. Washington decided to steer a middle course, issuing a statement which did not officially declare neutrality but proclaimed friendship to both warring powers. No one, not even Jefferson, thought Congress had to be called into session to approve the proclamation—setting a precedent for executive initiative in foreign relations which Washington and future presidents would increasingly assert.

Notwithstaning the president's declaration of neutrality, pro-French Democratic Clubs sprang up in many cities. At first, they hailed the arrogant French Minister, Citizen Genet, who blatantly fitted out French privateers in American ports and stirred up sentiment against Washington. Eventually, however, Genet's rudeness and meddling in American affairs embarrassed even Jefferson and the Republicans who acquiesced to Federalist demands for his recall.

By the time the Third Congress convened on December 2, 1793, Jefferson was tired of the political infighting and Washington's preference for Hamilton's opinions over his own, and he was determined to retire. On January 4, 1794, he finally resigned and rode off for Virginia, but before he left, he submitted to Congress his long-awaited report on American commerce. Basically, the report urged favoritism toward France and restrictive trade measures against Britain. His proposals were exactly the opposite of those of Hamilton who fumed that Jefferson "threw this FIREBRAND of discord into the midst of the representatives of the states . . . and instantly decamped to Monticello." [17]

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As Hamilton predicted, Jefferson's report did cause quite a stir in Congress. Republicans embraced it and Federalists denounced it. While the Federalists held onto a majority in both chambers, they worried that a new wave of extreme anti-British sentiment would wipe away their leadership. Though the Senate had as yet no standing committee on foreign affairs, five of the strongest Federalist senators—Ellsworth, King, Strong, Cabot, and Morris—served as an unofficial advisory body to the president on such matters. They urged Washington to send an envoy to England to negotiate a treaty to end the threat of war.[18]

Monroe, and Virginia's other Senator, John Taylor, led the Republicans in the Senate in objecting strenuously, but futilely to the proposal, particularly to the suggestion that the obviously pro-British Hamilton represent the United States in the bargaining. Hoping to mollify them, Washington selected Chief Justice John Jay for the mission but found that the Republicans distrusted Jay almost as much as they did Hamilton.

After three days of debate, on April 19, 1794, Jay was confirmed by the Senate as Envoy Extraordinary by a margin of 18 to 8, and soon sailed for England. [19] The Senate had not been consulted as to the instructions he carried with him. Attorney General Edmund Randolph believed this an abridgement of the Senate's rights, following the custom that a treaty negotiated by a nation's representative acting in compliance with his instructions must subsequently be ratified, but his advice was ignored in the cabinet. The Senate's Republicans could only wait for Jay's return and look forward to the battle sure to erupt over any agreement he reached.

The first session of the Third Congress adjourned on June 9, 1794. Over the summer recess, the storm long brewing over Hamilton's whiskey tax finally broke in western Pennsylvania. Farmers, urged on by the pro-Republican "Democratic Clubs," took their shotguns down from the wall and announced they would resist to the death the infringement of their right to brew and sell what they pleased. Washington and Hamilton agreed that such resistance to the national government was intolerable and the president ordered up thirteen thousand militia troops to march west to quell the Whiskey Rebellion.

The rebellion evaporated at their approach. Hamilton could round up only twenty suspects, and the two who were finally convicted were eventually pardoned by Washington. This "tempest in a teapot" outraged the Republicans who believed it was manufactured by Hamilton to demonstrate the need for a standing army and extend federal authority over the west. Jefferson sarcastically summed up the Republican position: "An insurrection was announced and proclaimed and armed against but could never be found." [20]

Washington felt compelled to defend his Pennsylvania actions in his fifth State of the Union address to the Congress on November 3, 1794. In the midst of a fairly even-tempered account, he shocked the Republicans by including a strong denunciation of the Democratic Clubs and other "self-created societies." The Senate, which had fallen into the subservient habit of replying to presidential messages by repeating their phraseology, balked this time. Burr of New York and Jackson of Georgia moved to expunge Washington's offensive diatribe from the Senate's response.[21]

Though the Federalists overrode Burr's and Jackson's objection, Washington's outburst could not be ignored. As Alvin Josephy has noted in his *History of the Congress of the United States*, it was no coincidence that the issue of the limit of federal power came to the forefront when it did. It reflected the Federalists' impatience with opposition and their belief in the right of the federal government to take whatever measures it deemed necessary to maintain security. It also confirmed what Republicans had long suspected—that the Federalists were no longer the revolutionaries they had been when they swore in the Declaration of Independence, to acknowledge the "Right of the People to alter or to abolish" the government if they deemed it oppressive. Now that they were in charge, they had adopted the view that the government had an unrestricted right to squelch any challenge to its continued existence. President Washington, until that time viewed as above criticism, had clearly damaged his carefully nurtured public image by descending from his lofty pinnacle into the partisan frey.[22]

The issue that would bring the opposing philosophies of Federalism and Republicanism to a head was the Jay Treaty. It aroused partisan passions to a more feverish pitch than any other issue of the closing years of the eighteenth century. As the second session of the Third Congress opened, John Jay was still in England. The nation grew uneasy as weeks passed with no word on his progress. Finally, in January 1795, news arrived that he had signed a treaty with the British on November 19. But it was not until March 7, four days after the end of the Third Congress, that the first copy of the treaty finally reached Philadelphia.

The terms of the Jay Treaty were complicated. In the long run, there was much in the treaty that would benefit the nation but even more to anger Republicans and disappoint some Federalists. Partisan newspapers led the attack with column upon column of vitriolic denunciation. Pamphleteers vied with one another in a contest of invective. Names of former heroes were dragged through the mire of public abuse. Copies of the treaty were publicly burned. Jay was hanged in effigy. Speakers were stoned.

President Washington waited just long enough for some friendly senators newly elected to the Congress to take their seats before calling the Senate into special session on June 8, 1795, and submitting the treaty for ratification. Washington had kept the terms of the treaty a strict secret. After receiving it, the Senate's Federalist majority defeated two proposals to reveal its terms to the public and debated the treaty behind closed doors. Hamilton was now a private citizen, having resigned from the cabinet in January, but he continued to guide the

Federalist senators. Burr, speaking for the Republicans, condemned the treaty and moved to reopen negotiations. After two weeks of bitter debate, the Federalists crushed all the Republican maneuvers to defeat the treaty and finally, on June 24, 1795, by exactly a two-thirds majority, approved the treaty.[23]

Five days later, Virginia Senator Stevens Mason, the thirty-five-year-old Republican lawyer who had filled MONROE's vacated seat, triggered a national explosion. He gave his copy of the still-secret treaty to the editor of the *Aurora*, a Republican newspaper, for publication. Though hints of the treaty's contents had been leaking out ever since it had arrived, the actual text of the treaty confirmed the Republicans' worst fears and touched off furious demonstrations.

The printing of the actual treaty unleashed a fury against it which, said Washington, was "like that against a mad dog." At first, the outrage against the treaty was directed to Jay, "the arch-traitor" who had negotiated the "humiliation," but the senators who had ratified it soon received their own share of the obloquy. One handbill claimed "The Senate have bargained away your blood-bought privileges for less than a mess of pottage." A mass rally in South Carolina resolved that Jacob Read, and the other nineteen who voted for ratification had rendered themselves unworthy of the public trust. There were rumors that the votes of some senators had been bought. According to gossip, Senator Gunn of Georgia had voted for the treaty in exchange for the ending of a congressional investigation into a Georgia land speculation scandal. Others claimed that Read had been bought off with fifteen hundred British Pounds.[24]

In some cases, attacks on senators did not stop with just words. At the end of July, an angry mob marched on the Philadelphia home of Pennsylvania Senator William Bingham, burned a copy of the treaty, pelted the house with stones, and broke several windows. In Kentucky, the legislature denounced Senator Humphrey Marshall and called for a constitutional amendment to enable states to recall their senators, but condemnation did not stop there. Marshall, an arrogant Federalist in a strongly Republican state, not only had the temerity to vote for the treaty but named his eldest son "John Jay." He was burned in effigy, vilified in print, and stoned in Frankfort. Only some very fast talking saved him from an ignominious ducking in a muddy river.[25]

Meanwhile, the "virtuous and patriotic ten", who had voted against the treaty, were widely toasted on the fourth of July for their refusal to sign this "death warrant of America's liberty." The name most loudly acclaimed when Republican glasses were raised high was that of Stevens Mason, the senator who had first revealed to the light of day what had transpired in the dark, secret recesses of the Senate Chamber.[26]

When Washington, after much hesitation and wavering, finally signed the treaty, he joined Jay and the Senate majority as the butt of public vilification. Critics charged that the president and the Senate wished to form an oligarchy bent not only on foisting a disastrous treaty upon the nation, but on subverting the liberties of the people and making themselves supreme. Washington was portrayed as "His Columbian Majesty," with the senators serving as his courtiers.

When the Fourth Congress convened, action on the treaty shifted from the Senate to the House. (At that time the House was attempting to maintain that it had a role in approving any treaty that required the appropriation of funds. This clearly blatant effort to usurp the Senate's treaty-making role came to nothing.)

Incidentally, we heard much of the same argument at the time the Panama Canal Treaties were debated in the Senate, and prior thereto.

The senators were undoubtedly glad to see the spotlight shift. Their endorsement of the Jay Treaty had not only subjected them as individuals to bitter reproach but brought the Senate as a whole to a new nadir of unpopularity.

The Fourth Congress opened on December 7, 1795, with a smaller Federalist majority in the Senate and, for the first time, a Republican majority in the House. The doors to the Senate Chamber swung open to admit the public to the new gallery. But few took advantage of the new opportunity, as the rousing House debates over possible impeachment of Washington, which took up the entire first session, provided far greater spectacle. Though Washington's forces rallied at the last minute to save him from public embarrassment, he had had enough of public life. During the summer recess in 1796, he prepared his moving farewell address to the nation. (Which we read every year in this chamber on the day honoring his birth.) In his address, Washington cautioned against permanent foreign alliance and internal divisiveness, but his warning about the latter came too late. Washington's retirement precipitated the first contested presidential election and exacerbated the country's political schism.

The Federalists nominated John Adams and Thomas Pinckney; the Republicans, Thomas Jefferson and Aaron Burr. The Federalists' slogan was "Peace and Prosperity"; the Republicans', "The Rights of Man." Jefferson, however, foreseeing particularly stormy weather ahead, was uneager for office at this time and did little to promote his candidacy. Adams' victory would have been a foregone conclusion had not Hamilton secretly tried to promote Pinckney from second to first place, thereby splitting the Federalist vote. As a result, Adams beat Jefferson by a narrow margin of three votes. Jefferson, archenemy of the Federalists, gained the second highest number of electoral votes, thus becoming vice president. For the next four years, Jefferson, totally on the outside by the Adams administration, confined himself to his single constitutional duty of presiding over the Senate. As I have noted in an earlier talk, after watching the Senate debates occasionally dissolve into chaos before him, Jefferson set about writing a manual on Senate rules. Privately, he gave counsel to the Republicans and bided his time.

The polarization of political life was also reflected in the social life in Philadelphia. As political feuding heated up, hosts and hostesses needed to be careful when drawing up their guest lists to avoid inviting men who might come to blows over the oysters. Despite the pressures which weighed upon the nation in the 1790s, social Philadelphia wore an air of gaiety quite out of keeping with its reputation for Quaker simplicity. Some likened the endless social whirl to "fiddling while Rome was burning." Others, like Abigail Adams, wife of the vice president, were more impressed. She wrote to her sister that the winter of 1792 was "one continued scene of parties, upon parties, balls and entertainments equal to any European city."[27]

Senators enjoyed a full share of this lavish life—too large a share, according to one New Jersey Senator who wrote his wife: "There is more gaiety here than I wish to partake of—I feel myself in fashion contrary to my own inclination."[28] Other Senators disagreed and did much to make the social whirl even more feverish. Pennsylvania Senators Robert Morris and William Bingham, two of the richest men in the nation, each owned splendid houses in Philadelphia where they entertained in style. Morris lent his four-story city home on High Street to George and Martha Washington. Maryland Senator John Eager Howard's father-in-law, Benjamin Chew, was the scion of one of Philadelphia's leading families and lent Howard his baronial townhouse and country estate for parties. Senator Pierce Butler, described by his enemies as a "Democrat but no democrat," entertained his fellow southern congressmen in the grand house he rented. The wiley Aaron Burr also lived and entertained in style.[29]

Eventually party lines became so sharply drawn that even such prominent men as Oliver Ellsworth and James Madison barely saw one another socially. When, as an old man, Madison was asked to recount personal anecdotes about Ellsworth, he replied, "as we happened to be thrown but little into the familiar situations which develop features of personal and social character, I can say nothing particular as to either."[30] Some did manage to cross the battle lines. Republican Senator James Monroe was known to dine in the home of the Federalist Senator William Bingham.

Since the Federalists' strength was concentrated in the North and the Republicans' in the South, social life took on a sectional as well as factional flavor. Again, there were crossovers. When Federalist John Langdon of New Hampshire first came to the Senate in 1789, he shared lodgings with three other New England Federalists. But Langdon gradually began to drift, both socially and politically, into the Republican camp and eventually joined a group of Southern Republicans who took their meals together in Philadelphia at Marache's on North Fourth Street. Langdon even became president of the "Marache's Club." Meetings were devoted to eating good

Footnotes at end of article.

food and plotting the downfall of the Federalists.[31]

One uninvited guest in Philadelphia who cared nothing for party lines was the yellow fever which struck with deadly force three times during the decade the Senate resided in Philadelphia. In 1973, President Washington considered special legislation to move the Congress elsewhere, but cooler weather ended the epidemic. During its next deadly visit in 1797, it was feared that afflicted visitors would fill the galleries and infect the Senate and House. In 1798, the entire east coast suffered the fever's scourge, which claimed seventy lives a day in Philadelphia.

President Adams managed to avoid the yellow fever as did most of the senators, but they suffered from the nation's patriotic fever, aroused by France's arrogance. Adams thought it best to call the new Fifth Congress into a special session on May 15, 1797. The Fifth Congress was almost evenly divided between Federalists and Democratic-Republicans. On most issues, however, the Federalists could muster a slim majority in the House and a broader one in the Senate. Many veterans of earlier battles were gone from the Senate Chamber. The New York legislature, again in control of the Federalists, ousted Burr, and returned Philip Schuyler. Two staunch Hamiltonians, Ellsworth of Connecticut, who had succeeded Jay as Chief Justice, and Strong of Massachusetts were also gone, but Massachusetts' new senator, Theodore Sedgwick, would help lead the Federalists.

Adams informed the special session that he was sending a three-man commission to Paris in an attempt to avoid hostilities. His appointments—Charles Cotesworth Pinckney, John Marshall, and Elbridge Gerry—were quickly confirmed by the Senate.[32] Adams also requested Congress to pass measures necessary for national defense in case negotiations failed. By July 10, when the special session ended, the Federalists in the House and Senate, appropriated funds for port and harbor fortifications, and three frigates. and increased the militia, with only feeble opposition from the Republicans.

In the Senate, the most important incident of that special session was the first expulsion of one of its members. Senator William Blount of Tennessee, a signer of the Constitution and a land speculator, had conspired to wrest New Orleans away from Spain with the help of the Creeks and Cherokees. and turn it over to the British. The evidence was conclusive, and Blount was expelled by a near unanimous vote of 25 to 1. the only "nay" coming from Senator Tazewell of Virginia.[33] The Blount case set many precedents. the most important of which was the Senate's objection to a House effort to impeach Blount. The Senate ruled that its members were not civil officers and thus not impeachable. Blount's expulsion did him no harm in Tennessee, where he was elected speaker of the state senate. A few months later, Blount had the satisfaction of seeing his protege, Andrew Jackson, seated in the Senate. In September 1797, the tall, young backwoods lawyer, who wore his long hair in a cue tied with an eelskin, was elected to fill the seat vacated by Tennessee Senator William Cocke.[34]

When the second session of the Fifth Congress assembled on November 13, 1797, there was no word from the three envoys in Paris. Adams renewed his requests for additional land and sea protection and both the Senate and House worked along on measures for the public defense until March, when the first dispatches from France arrived. The decoded dispatches told a sordid tale of bribery and insult by three French agents, who became known to the public as X, Y, and Z. Overnight, the nation turned from pacifism to militarism. Crowds took up the reply which Pinckney reputedly gave the French emissaries: "Millions for defense, but not one cent for tribute." Suddenly, in a complete reversal of the political situation of only a year past, to be a Federalist was now patriotic, to be a Republican, treasonous.

The Federalists, smarting under years of Republican invective, were fully prepared to ride the tidal wave of anti-French sentiment into a new era of power for their floundering party. In the changed situation, the Senate enjoyed a new and unfamiliar status of popular esteem. Having allegedly "sold the nation down the river" with the Jay Treaty, the Senate now emerged as the champion of national honor and interest. Its arch-Federalist members, notably Sedgwick and Goodhue of Massachusetts, Read of South Carolina, and Tracy of Connecticut, regarded the situation as a heaven-sent opportunity to strike at the French and their American sympathizers.

Besides pushing through a series of war measures, abrogating the treaty with France, raising an army and enlarging the navy, the Federalists in the Senate also passed four bills of great historical importance, designed to crush all domestic resistance to their policies, which became known collectively as the Alien and Sedition Acts. Senators Hillhouse of Connecticut and Lloyd of Maryland were the primary instigators behind these sweeping acts which passed the Senate with wide margins. Among their most repressive provisions, the Alien and Sedition Acts raised the term of residence necessary for citizenship from five to fourteen years, empowered the president to arrest and deport any alien considered dangerous to "the peace and safety of the United States," and authorized the imprisonment for up to two years of anyone, citizen or not, convicted of writing, publishing, or speaking anything "false, scandalous, and malicious" against the government. Though they either expired or were repealed within the next four years, these acts were the most intolerant ever passed by the Senate and represented the suspicion and division within the nation. By the end of the second session of the Fifth Congress, threats of imprisonment and the futility of protest had reduced the Republican voice in the Senate to a mere whisper.[35]

The third session of the Fifth Congress convened on December 3, 1798. To the surprise of many, war with France had not yet come, but there were wild rumors afloat of French-inspired slave insurrections. There were also visible signs of a split within the Federalist party, between the warhawks and the moderates. President Adams chose to side with the moderates. On February 18, 1799, he made his decision to negotiate rather than fight with France, and submitted to the Senate the nomination of moderate Federalist William Vans Murray to be minister to France.[36] The extreme Federalists were horrified. Overnight the party split apart. When a delegation of ardent Federalist senators called on Adams to tell him they would not vote to confirm Murray, Adams sent them fleeing by threatening to resign and turn the presidency over to Vice President Jefferson. In September 1800, Adams got what he wanted—a treaty with France ending the undeclared war and reestablishing friendly relations.

The Fifth Congress ended on March 3, 1799. During the summer, war fever abated, but not so greatly that the nation was ready to forsake the Federalist party it had recently embraced. Adams' handling of the crisis with France had turned many Federalists against him, but when the fall election returns were in, they showed that the Sixth Congress, which would convene in December and be the last to meet in Philadelphia, would still be controlled by the Federalists.

With the threat of war with France lifted, the nation assumed a more tranquil air, yet deep animosities still divided Republicans and Federalists. The two sides were temporarily brought together at the beginning of the session by the unexpected death of George Washington at Mount Vernon. Partisan bickering was stilled on December 26 when the House and Senate joined in memorial services to honor the first president. Immediately afterwards, the old battles resumed, made more intense by the upcoming fall elections, sure to be bitterly contested.

In June 1800, after the Congress had recessed, clerks packed up the Senate's belongings and prepared for the move with the rest of the government to the new Federal City on the Potomac. When the second session of the Sixth Congress convened on November 17, 1800, the senators and representatives found themselves crowded into the Capitol's north wing, the only part of the building that was completed. The tension in the air was almost tangible. The presidential election had been held earlier in the month, but there was as yet no clear winner. The decision lay in the hands of Congress. Would the Federalists maintain their hold on the presidency, which they had controlled for eleven years or would they have to deal with the Republican Thomas Jefferson in the White House?

These events were of great magnitude to this nation, and I shall speak of them in detail in my next address on the history of the Senate. Until then, I must leave you in suspense.

Mr. President, I ask unanimous con-

Footnotes at end of article.

sent to have printed in the RECORD notes to "The Birth of Political Parties, 1791–1800."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NOTES TO "THE BIRTH OF POLITICAL PARTIES, 1791–1800"

[1] *Dictionary of American Biography*, New York: 1928, Vol. XV–XVI, pp. 49–50; Vol. I–II, p. 575.

[2] *Ibid.*, Vol. V–VI, pp. 29–30; Vol. III–IV, pp. 130–131.

[3] *Guide to Congress*, Washington, D.C.: 1976, p. 76.

[4] Pain Wingate to General Nathaniel Peabody, February 4, 1791, New Hampshire Historical Society.

[5] Alvin M. Josephy, Jr., *History of the Congress of the United States*, New York: 1975, p. 91.

[6] *Ibid.*, p. 93.

[7] *Senate Journal*, 1st Congress, 2nd. sess., January 18, 1793, p. 474; February 8, 1793, p. 482; February 9, 1793, p. 483.

[8] For a thorough discussion of the Gallatin case see, Raymond Walters, Jr., *Albert Gallatin, Jeffersonian Financier and Diplomat*, New York: 1957, pp. 50–63.

[9] *Ibid.*

[10] *National Gazette*, February 13, 1793.

[11] *Gazette of the United States*, September 6, 1792.

[12] Roy Swanstrom, "The United States Senate, 1787–1801," Ph.D. dissertation, Seattle Pacific College, pp. 243–244. This dissertation was printed as a Senate document (Doc. No. 64, 87th Congress, 1st sess.) in 1962. The Star Chamber was an English court, abolished in 1641, consisting of judges who were appointed by the Crown and sat in closed session on cases involving the security of the state. The judges acted as both judge and jury and were noted for harsh penalties. It was so called because of its ceiling which was decorated with gilded stars.

[13] *Senate Journal*, 3rd Congress, 1st sess., February 11, 1794, p. 49.

[14] *Annals of Congress*, 3rd Congress, 1st sess., February 20, 1794, p. 47.

[15] John Adams to Abigail Adams, February 23, 1794, in *Works of John Adams*, ed. Charles Francis Adams, Boston: 1850–1856, Vol. I, p. 467.

[16] William McKoy in an article in *Poulson's American Dailay Advertiser*, 1828–1829, quoted in Swanstrom, p. 197.

[17] Josephy, p. 99.

[18] *Life and Correspondence of Rufus King*, ed. Charles King, New York: 1894–1900, Vol. I, pp. 517–423.

[19] *Senate Executive Journal*, 3rd Congress, 1st sess., April 19, 1794, p. 152.

[20] Josephy, p. 103.

[21] Ernest Bates, *The Story of Congress: 1789–1935*, New York: 1936, pp. 27–28.

[22] Josephy, pp. 103–104.

[23] *Senate Executive Journal*, 4th Congress, sp. sess., June 24, 1795, p. 186.

[24] John McMaster, *History of the People of the United States*, New York: 1883–1901, vol. II, p. 226; *Aurora*, June 8, 1796.

[25] *Gazette of the United States*, July 27, 1795; Anderson Chenault Quisenberry, *Life and Times of Honorable Humphrey Marshall*, Winchester, Kentucky: 1892, pp. 59–62.

[26] *Aurora*, July 7–16, 1793.

[27] Abigail Adams to her sister, February 5, 1792, in *Newsletters of Abigail Adams*, ed. Stewart Mitchell, Boston: 1947, p. 77.

[28] "Letter of a New Jersey Senator to his wife," *Magazine of American History*, Vol. X (December 1883), pp. 509–510. The senator is probably John Rutherford, Frederick Frelinghuysen, or Richard Stockton.

[29] Rufus Griswold, *The Republican Court*, New York: 1867, pp. 264–399.

[30] Swanstrom, p. 180.

[31] Lawrence Mayo, *John Langdon of New Hampshire*, Concord, New Hampshire: 1937, p. 275.

[32] *Senate Executive Journal*, 5th Congress, sp. sess., June 5, 1797, p. 244.

[33] *Senate Journal*, 5th Congress, 1st sess., July 8, 1797, p. 892.

[34] Swanstrom, pp. 51–56.

[35] *Annals of Congress*, 5th Congress, 2nd sess., April through July, 1798, pp. 547–623.

[36] *Senate Executive Journal*, 5th Congress, 3rd sess., February 18, 1799, p. 313.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 1:15 P.M.

Mr. BAKER. Mr. President, I am advised that the House of Representatives has now completed action on the conference report on the supplemental appropriations. I understand that a message from the House should arrive here shortly. In the meantime, since there is no other business to be transacted by the Senate, I ask unanimous consent that we stand in recess until 1:15 p.m. today.

There being no objection, the Senate, at 12:04 p.m., recessed until 1:15; whereupon, it reconvened when called to order by the Presiding Officer (Mr. GARN).

RESUMPTION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, is the Senate in morning business now?

The PRESIDING OFFICER. The period for morning business expired at 12:30 p.m.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that morning business be resumed until no later than 2 p.m. today; that Senators may speak therein; and that the period for morning business may be concluded at any time preceding 2 p.m. if the majority leader wishes to do so.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONFRONTING AMERICA'S HATEMONGERS

Mr. GRASSLEY. Mr. President, despite the horrifying images of a stricken President still fresh in American memories, many citizens of this land still assume that such acts of terror will long remain isolated incidents spawned by a few demented minds.

Yet within recent weeks, a bomb was recovered from a Nashville synagogue in one of an ongoing series of incidents which should elevate official and public consciousness of terrorist acts in this country. Jews in Nashville, or Lochearn, Maryland; blacks in Detroit, Alabama, or Mississippi; and Vietnamese immigrants in some of their adopted U.S. communities have, within recent months and years, abandoned any illusion that, in America, they are insulated from terrorism. As those who share a common horror, these groups have all been brutalized physically, psychologically, or both, during the current revival of the Ku Klux Klan.

Spreading like a cancer not only throughout America's Sun Belt, but into the West and New England as well, the Klan is undergoing an upsurge of alarming proportions. Since the mid-1970's, its membership has ballooned 100 percent to about 10,000, and has adopted increasingly sophisticated tactics for terrorism, as well as for marketing racial hatred.

In California, as in other States, the Klan has become one of the foremost paramilitary groups stockpiling weapons, and sponsors ideological and "self-defense" training camps for teenagers. The KKK has also infiltrated the armed services, forming cells and fomenting racial violence on bases and ships. Uniformed servicemen have served as security guards at Klan rallies in Texas and Louisiana, and all three branches of the service have disciplined servicemen for Klan-related activities.

Appealing to broader population segments, the Klan has exploited tensions caused by school busing and affirmative action to lure as many as 100,000 sympathizers its way, according to the Anti-Defamation League of B'nai B'rith, which monitors KKK activities. Although most Klan members never graduated from high school, such exceptions as Louisiana State University graduate David Duke, a former Grand Wizard, have mounted media campaigns with articulate appeals to the public at large.

Others have carried their crusade into the political spectrum. During the 1980 campaigns, the Nation was shocked when former State Klan Grand Dragon Tom Metzger won the primary election as Democratic candidate for California's 43d Congressional District. Appalled, Democratic officials endorsed Republican Congressman CLAIR BURGENER as the candidate worthy of grassroots Democratic support. Fortunately, BURGENER prevailed at the polls in November—after hiring body guards, at personal expense, to protect himself and his family from violence threatened by the Klan.

For too many Americans who are not black, Jewish, or other minorities, such developments may barely penetrate their consciousness, or too soon escape their attention. A voice from the past should warn that those who ignore the plight of current victims may themselves become targets of hatemongers if such terrorism is not confronted, and subdued, in early stages.

German theologian Martin Niemoeller, after surviving 8 years in Hitler's prisons, including the infamous Dachau death factory declared:

In Germany, they came first for the Communists, and I didn't speak up because I wasn't a Communist.

Then they came for the Jews, and I didn't speak up because I wasn't a Jew. Then they came for the Catholics, and I didn't speak up because I was a Protestant.

And then they came for me, and by that time, no one was left to speak up.

ERNEST LEFEVER ON THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, I have already once expressed my unhappiness with Mr. LeFever's recent remarks before the Senate Foreign Relations Committee regarding the Genocide Convention. This subject, however, is of such vital importance to me that I feel his comments deserve further scrutiny.

With respect to the treaty, Mr. LeFever stated:

> I am concerned about innocent people hurting in the real world, and I am not sure what positive impact these treaties will have.

I, too, am concerned about innocent people suffering in the real world. I am concerned about vicious acts of genocide perpetrated against citizens in Germany, South Africa, Uganda, and across the globe. I am concerned when State Department officials write to me explaining that our efforts to halt the genocide that occurred during the Nigerian civil war were impeded by our failure to ratify the Genocide Convention. I am concerned when our adversaries ignore our protests of human rights violations in other countries and claim that we are being hypocritical, citing as evidence our inability to ratify the Genocide Convention.

Mr. LeFever is right in one respect: Indeed the issue here is the real world—the world that demands a continuing commitment to human rights and will not accept the brushing aside of a treaty unanimously approved by the United Nations General Assembly and already ratified by 87 nations. In fact, the United States is the only free Western nation not to have ratified the Genocide Convention.

Mr. LeFever also stated that the Genocide Treaty raises certain "legal questions." I believe his argument is outdated, and the American Bar Association would be the first to agree with me.

The Bar had initially raised a number of objections to the convention in its testimony in 1950. Since that date, however, the Bar recognized that their arguments had not withstood the test of time, and when the Senate Foreign Relations Committee made their fourth favorable report of the Genocide Convention in 1976 they included favorable testimony expressing the Bar's reversal of their opinion on the treaty.

I wish to ask my colleagues in the Senate to echo President Truman's original endorsement of the Genocide Convention and give this treaty their full support.

SOPHISTICATION OF U.S. WEAPONS

Mr. THURMOND. Mr. President, it is my hope that the new civilian team in the Defense Department will give more attention to development of less sophisticated weapon systems.

We have been through a period of extensive and lengthy research and development programs which produced systems that do not work properly and are not easily maintained once they reach the troops. There is a definite need for less complex and more maintainable weapons systems.

This subject was touched upon in a recent article in the Boston Globe newspaper by Staff Writer Curtis Wilkie. While I do not agree with all of Mr. Wilkie's points, he has focused on a subject which deserves special attention by the new administration.

Mr. President, I ask unanimous consent that this article entitled "Critics Say U.S. Weapons Are Becoming Too Fancy" be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered printed in the RECORD, as follows:

CRITICS SAY U.S. WEAPONS ARE BECOMING TOO FANCY

(By Curtis Wilkie)

WASHINGTON.—Even as the Reagan Administration moves toward a record military budget, a growing number of critics—including some Defense Department analysts—are warning that too much is being spent to develop sophisticated weapons systems.

The critics contend that increased investment in high technology is driving up costs and creating delays in production, that the emphasis on refining the "art" of the systems has reduced the number of functional planes, ships and tanks that can be thrown into battle.

They also say that the defense establishment, with its cost-plus contracts, lures the nation's most talented engineers away from civilian enterprise, leaving the American market open for exploitation by overseas firms.

"Unless we change the way we do business, more money could actually make our problems worse," said Franklin C. Spinney, a civilian analyst for the Pentagon, in a staff paper prepared last December.

The document, entitled "Defense Facts of Life" concludes that "the across-the-board thrust toward ever-increasing technological complexity is just not working."

Spinney asserted that technology has gone beyond the ability of the average military man to handle the systems he has been given. "A superior military force is a synthesis of men and machines," Spinney wrote. "Unfortunately, as our hardware increases in complexity, this blend of man and machines becomes more difficult to understand or predict."

Meanwhile, Jacques S. Gansler, a former R.A.J.K., Pentagon official who is now in private business, has written a new book, "The Defense Industry," which expresses his concern over a market dominated by one buyer, the Defense Department, and a handful of large contractors.

"Weapons systems are becoming extremely complex," Gansler says, "and this has brought about high-technology, capital-intensive specialization among subcontractors and parts supplier. . . . In many important areas, the suppliers are in monopolistic positions and are therefore able to raise prices rapidly and dictate long delivery lines."

Since the power to produce the systems is concentrated in a few firms, there is little competition. Cost overruns and lengthy delays are endemic in such a market.

Critics cite several cases:

The C130 air transport, manufactured by Lockheed and equipped with new electronic devices, went up in price 75.9 percent in 1979 and 26 percent in 1980.

The XM1 tank, built by Chrysler, now costs about three times as much as the M60 tank it is replacing, and seven times as much as the Sherman tank used in World War II. As Gansler observes, "The XM1 performs much better than the M60—perhaps even three times as well—so on a one-for-one replacement basis, it is worth the money. But it still costs three times as much, so if the United States wants to keep the same number of tanks, it has to triple its procurement expenditures."

The Trident submarine, under contract to the Electric Boat division of the defense industry giant, General Dynamics, was to have been in service more than two years ago. But the first ship, the Ohio, is still under construction at Groton, Conn., delayed by upwards of 3,000 change orders as a result of the Navy's fascination with new devices that could be installed. Further delays were caused by the use of inferior steel by the company, setting off a protracted argument between the government and General Dynamics.

There is now an estimated 41-month wait for each F15 fighter plane produced by McDonnell Douglas. The aircraft is highly complex and, according to Spinney, maintenance is difficult. Each plane has 45 "line replacement units" (LRU) that indicate to the crew that a component is failing. "Each of these 45 LRUs can be diagnosed on one—and only one—of three computers," Spinney says, creating what he calls "a critical bottleneck to F15 operations."

Another McDonnell Douglas product, the F18 Navy strike fighter, has come under criticism. According to a congressional briefing paper, the F18 "was initially designed in 1975 as a $5-million, low-cost alternative to the F14 Tomcat, and its costs have now surpassed those of the F14 at $28 million per plane." The cost continues to increase at the same time that the plane has experienced stress problems flying at low levels.

The critics of the present system say that the Pentagon should consider buying the reliable weapons systems that have served the United States well, instead of rushing to spend so much on the development of new, fancier and more expensive models.

Sen. Gary Hart (D-Colo.) maintains that "in war, numbers count. Germany had the best fighter aircraft and tanks in World War II. But she had relatively few of them. American inferior but far more numerous, rolled over them."

The Reagan budget, Hart says, "with its emphasis on $3.5-billion aircraft carriers, $350-million submarines, $40-million fighter planes and $2.5-million tanks . . . makes it unlikely we will have the numbers we need."

And Rep. Lee Aspin (D-Wis.), a longtime critic of the way the Pentagon does business says that the nation has misplaced its priorities on high technology.

"The engineering talent that was devoted to television in this country after World War II is now devoted to developing precision-guided munitions, stand-off target acquisition systems and related weapons. The equivalent technicians in Japan, meanwhile, have been working for Sony on television and stereo equipment."

This is similar to the theory propounded by MIT economist Lester Thurow in a recent edition of the New York Review of Books:

". . . Suppose you own a civilian computer firm in Boston and many of your best people leave to work in Boston's higher-paying and more exciting aerospace firms. How do you compete with Japanese computer firms that will not be losing their most brilliant employees? The Japanese engineer might also like to work on missiles, but he does not have the opportunity to do so. The result is that you cannot compete: the Japanese computer industry could well drive the American computer industry out of business."

There are estimates that the defense and space industry already employs nearly 50 percent of the engineers involved in research

and development. Because the government is willing to pay on a cost-reimbursement basis for all military research and development, there is more money and less risk involved in defense contracts.

So the Pentagon continues to pursue what James Fallows, author of the forthcoming book "National Defense," calls the "magic weapon."

"The search for more exacting technical triumphs has taken on a life of its own," Fallows writes in this month's Atlantic Monthly. "The effect of this trend has been a lineage of weapons in which each generation of planes, tanks, missiles, ships, costs between two and 10 times more in constant dollars than the previous one. The trend, if unchanged, will make much of the debate about defense spending moot."

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NICKLES). Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—CONFERENCE REPORT ON SUPPLEMENTAL APPROPRIATIONS

Mr. BAKER. Mr. President, is there a message at the desk from the House on H.R. 3512, the conference report on the supplemental appropriations?

The PRESIDING OFFICER. The House conference report is at the desk.

Mr. BAKER. The conference report is here from the House.

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Mr. President, I ask unanimous consent that the conference report be laid before the Senate and made the pending business at 2:30 p.m. this afternoon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that on the conference report on H.R. 3512 and all amendments in disagreement there be an overall time limitation of 2 hours, equally divided, and inclusive of all debate on the conference report, amendments in disagreement, and any amendments thereto, debatable motions, points of order, if submitted, and appeals, and that debate not be in order on any motion to reconsider, and, further, that the time provided for under this order shall be under the control of the distinguished chairman of the Appropriations Committee (Mr. HATFIELD) on the majority side and Mr. PROXMIRE on the minority side.

Mr. President, I have checked with the minority leader on this and we have cleared it through our respective cloakrooms. It is satisfactory.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, I might say that it is not possible to proceed to the consideration of the conference report earlier than 2:30, because certain Senators who are involved will not be available until that time. I am prepared to transact any further business that the Senate may wish to address, to make a provision for additional time for the transaction of routine morning business, or to recess the Senate until that hour.

Mr. ROBERT C. BYRD. If the Senator will yield, the distinguished Senator from Ohio (Mr. METZENBAUM) wishes to address the Senate at about 2:15.

Mr. BAKER. I thank the distinguished minority leader.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, to extend not past the hour of 2:30, in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

YAACOV AGAM

Mr. METZENBAUM. Mr. President, today is an important day in the life of our Nation and in our community. It is a day that has been proclaimed by the mayor of the city of Washington as Agam Day. It is acclaimed Agam Day in honor of one of the world's greatest living artists.

Yaacov Agam, whose art has been shown throughout the world, about whom France has recently dedicated a stamp, a man who has recently been described in the media as being President Reagan's favorite artist, is visiting in our country. It is indeed an honor to rise to pay my tribute to him.

I know of few artists in the world who have received the acclaim and the recognition that has Agam. He has worked in almost every medium. He has worked in the world of painting, sculpture, graphics, metal, and tapestries—I think my recollection serves me right—in something better than 16 different mediums.

Mr. President, there is not a major museum in this country or in the world that does not have an Agam in its collection. Likewise, there is not an individual who has viewed Mr. Agam's work without being touched by it.

Mr. Agam explains his work as such:

My intention is to create a work of art which would transcend the visible, which cannot be perceived except in stages, with the understanding that it is a partial recreation and not the perpetuation of the existing.

Mr. President, wherever Mr. Agam and his works of art go, so do the feelings of peace and brotherhood. Two years ago, in celebration of the historic Israel-Egyptian peace accord, he created a breathtaking statuette in which the Star of David and of Islam engage in an elegant form. Both Mr. Begin and Mr. Sadat now have that form, and one also sits in the White House.

Mr. President, while other artists seek to capture time, Mr. Agam seeks to transcend it. He says:

The most constant thing in life is change itself. Reality is in constant change, unexpected, and so is my art. Instead of stopping time, I try to express the beauty of change.

And so he does. When we view Mr. Agam's work, as we will have the fortune to do in our own city in the next day, one cannot sit or stand still to truly appreciate it. When viewed from different angles, his work takes on different perspectives, as life itself.

It is indeed an honor for Mr. Agam to be here in Washington with us today. I am pleased to note his presence in the gallery at this very moment. I consider Yaacov Agam much more even than an artist, because he has indicated his willingness to use his art ability to add to the educational processes of our Nation and the world. Mr. Agam believes that, because our children see before they talk, the visual—rather than the verbal—should be emphasized. His visual art programs are presently being utilized in other nations, and it is my understanding that Secretary of Education Bell may work with Mr. Agam in the near future to bring to our own Nation the concept of "visual education."

Mr. President, this man is a giant intellectually. He is a giant on a creative basis. He is a giant, certainly, in the art world. But he is many more things.

It is a privilege for us to have him in our community. It is a privilege to have the opportunity to view his art, to live with it.

Last evening, I was out of the city. On almost every occasion when I travel somewhere throughout the country, I find Yaacov Agam's art work proudly displayed. It is wonderful that he has achieved this recognition throughout the world at a relatively young age.

Mr. President, I believe Mr. Agam is a truly magnificent artist. He captures more than images: he captures the spirit of humanity.

I believe it is important to the entire art community that we in the U.S. Senate and in the Government pay tribute to and recognize the great artists of the world. I am happy today to pay my tribute—on behalf of all Members of the Senate, I am sure—to one of the truly great artists of the world. It is an important day for us. It is an important day for the community. It is an important day for our Nation.

The PRESIDING OFFICER. Is there further morning business?

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. EAST). Without objection, it is so ordered.

SUPPLEMENTAL APPROPRIATIONS AND RESCISSION ACT, 1981 CONFERENCE REPORT.

Mr. HATFIELD. Mr. President, I submit a report of the committee of confer-

ence on H.R. 3512 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3512) making supplemental and further continuing appropriations for the fiscal year ending September 30, 1981, rescinding certain budget authority, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDIING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report will be printed in the House proceedings of the RECORD.)

Mr. HATFIELD. Mr. President, let me summarize briefly the major outlines of the bill the Senate is about to consider. In the view of many, this is one of the more complex appropriations bills we have ever considered. It combines supplemental appropriations with rescissions, deferrals, and a continuing resolution for four of our regular bills. It is the end product of weeks of diligent labor by the members of my Appropriations Committee.

We completed this conference agreement, considering 432 amendments, after a 10-hour meeting with the House of Representatives which reflected the diligent preparations of both the chairman and ranking minority member of each of the subcommittees.

I cannot pay too high a tribute to the extraordinary performance and outstanding record of achievement in a very difficult situation that was performed by all of the members of our committee. Senator PROXMIRE, our ranking minority member, with his strong hand and steady leadership was fundamental to the preparation of this bill. Each subcommittee chairman and each ranking Democratic minority member all have performed in a really outstanding manner.

That same high level of competence, of course, was evident in the performance of the staff, and it would be remiss of me to fail to pay special tribute to the staff and the hours that they labored way into the night. As a consequence we were able to complete an earlier full committee markup in one long but fruitful day. The cooperation and dedication of all committee members made this possible.

I believe I should also say, Mr. President, this is especially heartening in view of the many new members and subcommittee chairmen we have.

For program supplementals, this conference agreement provides $14.977 billion. For pay supplementals, the measure provides $5.965 billion. In rescissions, the conference agreement cuts $14.294 billion from the fiscal year 1981 budget. The total net new budget authority recommended in this conference agreement is $6.648 billion.

To give you an idea of the magnitude of the work achieved by the committee, Mr. President, let us review the history of rescissions under the Budget Act. Over the life of the act, from 1975 to 1980, Congress has rescinded just under $5.8 billion. Yet, in this one year alone, we are now recommending $14.3 billion in rescissions. We all know these represent reductions in appropriations bills approved just months ago, so you may be sure that finding and approving these cuts was a very painful process.

Mr. President, the rescissions I have mentioned represent real sacrifices across the board in our domestic economy, and let me underscore the domestic economy. But I believe in something Lloyd Douglas said years ago, and I wish to quote from that great writer. He said:

You think that sacrifice gives people a certain nobility of spirit, and that is true. But if sacrifice is such a good thing, it ought to be passed around a little, so that other members of one's family may benefit by it, too.

In my opinion, Mr. President, the Department of Defense could benefit by this same sound advice. Yet this bill begins a defense buildup, guided at this point by little in the way of overall strategy or blueprint, and this poses enormous dangers for our economic future.

The inflation which plagues the Nation grew out of defense expenditures for Vietnam. Yet there is only dim appreciation of this connection as we begin expenditures of even a larger magnitude. Some $150 billion was put in quicksand in that immoral, unconstitutional war. In addition, the reindustrialization of other industries—so desperately needed right now—is likely to be strangled as capital is diverted to new weaponry. Overseas, we can expect our competitors to concentrate on attractive consumer products as we focus on defense hardware, so we can watch our exports weaken even further.

Finally, many experts question whether defense industries can gear up fast enough to absorb these new expenditures. The result: More delays and added costs for defense programs. Those added costs represent even greater sums diverted from domestic programs.

Mr. President, I mention these problems in the context of this conference report not because this bill is the cause of the problem, but simply because this bill is the beginning of the process. As we move into our consideration of the fiscal year 1982 bills, I believe there are serious questions each of us must consider. We know we have a chance to turn our economy around now. I fear we are losing that chance by accepting a huge defense buildup without critical thought.

In the hope of stirring more critical thinking, let me say just a few more words about some of the dangers I raised a moment ago. We should remember that the buildup being proposed now is three times the size of the defense increases during the Vietnam war. There are ample grounds for the charge that these huge increases will push up the deficit and fuel inflation. In his State of the Union speech, President Reagan rightfully decried the mounting deficit which is approaching $1 trillion. He illustrated how large this sum is by saying that it constituted a stack of thousand-dollar bills 67 miles high. We should be aware that a similar stack of bills equal to the Reagan defense expenditures would reach 100 miles high.

Members of the Defense Establishment also recognize the problem. Former Secretary of Defense James Schlesinger noted recently that—

There is a danger that in our enthusiasm to increase procurement rapidly we will simply bid up prices and wages in selected areas of our industry without substantially increasing the flow of products.

Some say that domestic cuts are going to pay for these military increases and solve the inflation problem. Simply put, that is not so. The $1.46 trillion contemplated for defense over the next several years will not be balanced by domestic cuts of the same magnitude.

Mr. President, I also mentioned that I have serious concerns about the ability of our Nation to reach the dual goals of massive defense expenditures and necessary reindustrialization. Here I believe a comparison with the Japanese is enlightening.

The Japanese are putting tremendous capital resources behind their industry. In 1968, Toyota spent $16,600 on equipment and machinery per employee compared to General Motors $11,900. By 1978, Toyota doubled that amount to $40,800 while the ratio at GM stayed the same. Similarly, Japan presently spends 21 percent of GNP on industrial investments. The U.S. percentage is 10 percent. This helps to explain why Japan's productivity growth rate is three times ours. It also highlights the enormous capital expenditures that will be required in only one industry in the next decades to make American industry competition again.

I might add another factor here, and that is this year, 1981, we have 800,000 American-made automobiles that have been produced in the United States but with foreign-made engines. By 1983 that figure will jump to 1 million American-made automobiles produced in this country, but with foreign engines; and by 1983 coupling that figure with the imports of foreign-made automobiles will mean that over 50 percent of the automobiles sold in America by 1983 will be with foreign-made engines. That is directly related to their more energy-efficient production, their more energy-efficient focus and goal, and research and development moneys.

Reindustrialization of U.S. industry will require hundreds of billions in new capital for the Nation's industries, tax incentives for energy conservation, and increasing depreciation deductions. Former Secretary of Transportation Goldschmidt estimated that over $2 trillion will have to be spent to bring the Nation's vast, complex transportation network—the backbone of our industrial structure—up to par. Tens of billions more will be required to save heavy industrial bases in the Northeast and Midwest. These examples represent only a fraction of the task before us

All these programs will require the largest infusion of capital in industrial history of the world. But large Federal spending on defense means increased

Government borrowing from these same capital sources. It concentrates spending away from nondefense industry and results in upward pressure on interest rates and inflation.

I mentioned a third problem in connection with defense spending—our balance of trade deficit. Since 1975, that deficit has increased by more than $125 billion. For 1981, the deficit will be another $25 to $30 billion.

That negative balance of trade will be aggravated even more by the tremendous increases in defense proposed for the years ahead. This Nation has a large number of skilled engineers, but their number is finite. If we greatly accelerate our priorities in defense to the point where our engineers are overwhelmingly involved in new weaponry, then few engineers will be concentrating on improved, more efficient, consumer goods.

At the same time, we can expect those nations protected by our defense umbrella, such as Germany, France, and Japan, to focus their engineering talent on more attractive consumer products. In fact, that is precisely what they are doing in building their export base now. The result will be even larger inroads in high technology products from other nations.

Finally, there is the serious question about whether U.S. industry can deliver the kind of defense weaponry contemplated in this proposed buildup. Delays obviously mean cost overruns. This, in turn, means that the chances to eliminate the Federal deficit may be lost despite our best efforts on the domestic front.

Mr. President, the most recent issue of Newsweek puts the problem into clear perspective:

> On the eve of one of the biggest defense buildups in peacetime history, there is serious doubt that the nation's defense industry can deliver the goods on time and within budget. After years of dampened military spending, the U.S. defense industry has dwindled substantially. More than 2,000 aerospace subcontractors left the field between 1968 and 1976, for example, and 240 forging foundries have closed. There are scattered shortages of men and material and many firms have cut capacity. The lead time for aluminum aircraft forgings, 20 weeks in 1976, hs stretched to 120 weeks. An F–16 fighter that took 120 weeks to build in 1977 now takes 180 weeks. Delays mean higher price tags; and if the huge cost overruns in the Trident program are any example, the Pentagon's shopping list could easily bust even a swelled defense budget—and with it the Reagan administration's hopes of eliminating the Federal deficit.

Mr. President, while we are on the topic of inflation and overruns, I would like to share some recent figures provided to me by the Congressional Budget Office. Summarized on the CBO chart are units price cost growths for a wide range of Army, Navy, and Air Force weapons systems over the course of a single year.

The chart compares the costs of fiscal year 1982, as they were projected in 1980 against those same projections in March of this year. Also included is the percent increase in unit costs and the added growth in expense.

I would note here that both the Carter projection and the Reagan projection included inflation. The difference in those inflation figures is insignificant over the 5-year spend-out period of the program. That fact makes the figures on this table even more astounding. I ask unanimous consent to have printed in the RECORD the CBO table.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

UNIT PRICES OF WEAPONS SYSTEMS

BUDGET AUTHORITY

[In millions of dollars]

Weapons System	Fiscal year 1982 projected January 1980		Fiscal year 1982 budget March 1981		Percent change		Dollar impact on Reagan budget 1982
	Unit cost	Buy size	Unit cost	Buy size	Unit cost	Buy size	
Army systems:							
AH–64	25.81	14	29.70	14	15	0	54
UH–60	3.71	96	5.54	96	49	0	176
Roland	.41	1,230	.60	795	48	−35	154
Patriot	1.47	391	2.26	364	53	−7	285
Hellfire	.04	2,760	.12	1,075	167	−61	80
Pershing II	4.25	39	4.92	39	16	0	26
MLRS	.06	2,496	.07	2,496	19	0	29
Fighting vehicle	.90	600	1.35	600	49	0	268
M–1 tank	1.39	720	2.44	720	76	0	757
Divad	4.18	98	5.86	50	40	−49	84
Navy systems:							
F–14	33.50	24	34.48	30	3	25	29
F–18	22.38	96	32.01	63	43	−34	607
SH–60B	27.10	18	38.37	18	42	0	203
P–3C	33.49	12	35.59	12	6	0	25
E–2C	36.95	6	41.02	6	11	0	24
SH–2F	11.36	18	12.91	18	14	0	28
EC–130Q	30.25	2	37.45	2	44	0	14
Trident I	10.34	72	10.88	72	5	0	39
Sparrow	.13	1,120	.16	905	22	−19	26
Phoenix	1.50	72	2.03	72	36	0	39
Harpoon	.78	240	.83	340	7	42	19
Harm	.51	180	.80	134	58	−26	40
SN–688	517.50	1	581.80	2	12	100	129
CG–47	896.40	3	1,018.20	3	14	0	365
FFG–7	278.73	4	323.97	3	16	−25	136
MCM	87.30	1	99.70	1	14	0	12
TAGOS	37.65	4	39.13	4	4	0	6
Air Force systems:							
A–10	8.66	46	10.40	60	20	30	105
F–15	28.02	30	29.33	42	5	40	55
F–16	11.53	120	12.96	120	12	0	172
KC–10	49.33	6	54.63	8	11	33	42
E–3A	114.35	2	118.00	2	3	0	7
ALCM	1.06	480	1.34	440	26	−8	122
GLCM	4.20	54	5.80	54	38	0	87
Sparrow	.12	960	.15	1,560	19	63	36
Harm	.45	300	.66	136	44	−55	27
Maverick	.39	490	.47	490	21	0	40
Total dollar impact							47

Mr. HATFIELD. Mr. President, this is simple evidence of the problem we will face in the future as we try to control this defense binge. I know the White House promises it can do so, but information contained in this table tells me the task is an enormously difficult one, if possible at all.

These figures also reveal the stark contrasts between what we are adding in defense and what we are cutting in domestic programs. Let us take the Army's patriot missile. It has increased in cost by 53 percent in 1 year. That $285 million in cost growth equals the cuts proposed by the administration in the women, infants, and children (WIC) program. If those cuts are approved, some 700,000 fewer pregnant women and young children cannot participate in this nutrition program. That is 1 year's cost overrun on only one of the branches of the military's weapons system.

Cost growth in the M–1 tank total $757 million in a single year. This single overrun equals the amount cut in our energy conservation efforts. It is obvious that energy conservation is critical to our economic well-being, as well as to the military security of America. The cost of the energy to run our economy in 1981 is over $400 billion. For every $5.50 increase in the price of a barrel of oil, inflation rises 2 percent, 400,000 jobs are lost and our GNP is lowered by 1.4 percent.

In yet another example, the $607 million cost increase in the F–18 fighter—that is 1 year—nearly equals the cuts proposed in the AFDC and child support enforcement program. If that 43-percent increase in 1 year could have been avoided, some 400,000 poor families, 93 percent of whom are women and children, could have been spared the total elimination of their welfare benefits.

Overall, there seem to be good reasons to doubt that the administration can avoid the bottlenecks and cost overruns which have plagued previous defense buildups. This problem is only magnified by the current state of our defense industries.

Defense experts are warning us about the problem in advance. And I stand here today and give due notice to this Congress that these facts are unassailable. If we want to dig ourselves out of a deeper pit then we will proceed on the course that we have started. Otherwise, we must reform and we must constrict ourselves.

Former Navy Under Secretary R.

James Woolsey has estimated that procurement costs could rise by as much as 15 percent a year during the buildup ahead, simply due to shrunken state of defense industries.

Almost $12 billion of this supplemental bill is aimed at defense spending. A significant portion of this amount is geared to increasing pay and benefits for the All-Volunteer Force. This is a sensible portion of the bill, since we all know too well that readiness is critically dependent upon the enlistment and retention of committed, high-quality military personnel.

But let us be honest about the implications—the cost in human terms—of this voracious appetite. We have performed budgetary surgery without the benefit of anesthesia on the handicapped, the old, the hungry, and the poor. In the face of these actions, I wish I could be hopeful that we will waste not a single dollar in our efforts to deter Soviet aggression. It is obvious that many are paying to make these defense expenditures possible. Yet no less a military commander than General Eisenhower implored us to remember that each dollar recklessly considered for arms means one less dollar for a hungry child.

Mr. President, it mystifies and saddens me that we in Congress, seemingly without consciousness of our responsibility for these actions, are ready to appropriate billions of dollars for a defense policy which has not yet been formulated; for a long-term strategy which has not yet been developed. We continue to throw these precious dollars at a problem, without a plan of how we are to solve it. And in the meantime, we quickly and somewhat casually deprive hundreds of thousands of poor Americans of their own security—for proper food, for proper housing, for a proper education. We in Congress must take responsibility for that action, as well. I fear we are not facing up to that responsibility.

I want to say that there has been waste and abuse in the nondefense programs and there should be no toleration for waste and abuse in any program. But that includes the military dollar. With the examples of the cost overruns, I grow weary of listening to the rhetoric of those who can only point out the abuse in food stamps and the abuse in welfare but blindly turn around and vote increased costs for military and expenditures for military yet debating the same kind of efficiency and the same kind of stewardship on the taxpayer's dollar. I will not define that kind of action, but I think it is reprehensible that we so piously and so self-righteously talk about cutting out waste in one part of the budget and we are so willingly able and actually exercise a tolerance of such waste in other parts of the budget.

In the areas that teach us more about living, we want to cut; but in the areas of the budget that teach us more about how to kill, we are anxious to add to those billions.

I do not believe that the complaints that I am raising today will change the portions of the bill I find so objectionable. But I am here today to serve notice that I will continue to call for very careful and critical debate on defense increases we will consider in the future. After all, we are talking about not only those domestic programs which are being cut to make room for defense, but the welfare of our entire productive industrial economy.

We must not lose the opportunity we have to revitalize our industrial base, to improve our export capacity and to reduce inflation. Given our present state of mind on defense, I fear we may well lose that opportunity and find ourselves deeper in the pit than we are now.

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I am delighted to be able to support the conference committee's recommendations with regard to H.R. 3512, the Supplemental Appropriations and Rescissions Act of 1981.

The legislation as it came out of conference rescinded approximately $14.3 billion in currently enacted budget authority and provided new budget authority of about $20.9 billion. Thus, the net budget authority recommended by the conferees, including offsetting rescissions, is a relatively modest $6.6 billion, a mere $700 million above the cost of the pay supplementals alone.

Even more important, if the recommendations of the conferees are approved, the bill will be $2.3 billion in budget authority and $250 million in outlays below the ceilings contained in the third budget resolution for fiscal year 1981. In other words, we are meeting the goals enunciated by the Congress when it passed the third resolution a short time ago.

Mr. President, as the ranking minority member of the Labor–HHS–Education subcommittee, I am pleased with that subcommittee's agreement with the House on its portion of the bill. When we went into conference, we were $760 million in budget authority below the House amounts. The conferees agreed to reduce the House bill by $456 million and to increase the Senate bill by $306 million. The Senate was able to retain about 60 percent of the reductions that it recommended below the House bill. I had fully expected a split of 50 percent or less. Thus I believe it is a tribute to the negotiating ability of the Senate conferees and the subcommittee chairman that we were able to retain 60 percent of our position.

Mr. President, I want to pay a tribute to the senior Senator from Oregon, Senator HATFIELD, who has done a truly amazing job of pushing this remarkably complex piece of legislation through the Congress. This was his maiden voyage as chairman of our committee and he was able to avoid major controversies, thus gaining final action in less than 4 days.

As a matter of fact, I remember the markup session took 1 day, but 1 full, long day. And I heard more people comment on his competence and his fairness and the remarkable job he did in chairing that meeting than any chairman I have seen in many, many years.

I cannot think of a sterner test of a chairman's capability than to manage a bill with 432 amendments—that is what we had in it—and Senator HATFIELD passed the test with flying colors.

So, Mr. President, I am delighted to support the conference report.

Mr. President, I am happy to yield to my good friend from New Jersey.

Mr. BRADLEY. I thank the distinguished Senator from Wisconsin.

Mr. President, I would like to ask the distinguished Senator from Oregon if he would confirm for me my understanding about a portion of this rescission bill. As I understand it, the moneys for school desegregation have been cut by 70 percent. The remaining 30 percent of the money, it is my understanding, will go to so-called category I schools, those schools most recently desegregated. Is that correct?

Mr. HATFIELD. The Senator is correct.

Mr. BRADLEY. And the intent was to make sure that the category I schools have access to these moneys?

Mr. HATFIELD. That is correct.

One of the resources targeted in those specific communities that are in the category I classification is where the priority of that expenditure will be made.

Mr. BRADLEY. I thank the Senator.

Mr. PROXMIRE. If the Senator will yield further, I wanted to tell the Senator from New Jersey that in one of the discussions that occurred in the markup session it was indicated that in many cases this money, presumably money for helping in areas with segregation problems, is not going there for that purpose. So it would be logical for providing it to school districts that have this problem, the problem the Senator from New Jersey is emphasizing on the Senate floor.

Mr. BRADLEY. The Senator is referring to category I schools?

Mr. PROXMIRE. That is correct.

Mr. BRADLEY. I thank the Senator and I thank the distinguished chairman.

Mr. HATFIELD. I thank the distinguished Senator from Wisconsin (Mr. PROXMIRE) for his remarks.

Mr. President, I yield to the Senator from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. President, today we will vote on the House-Senate conference agreement on the supplemental appropriations and rescission bill for fiscal year 1981. In the past 2 months, this Congress has worked long and hard to enact the mandate of fiscal discipline that was given to us by the American people last fall. We have passed two budget resolutions and reconciliation instructions for our committees, which have been designed to accommodate President Reagan's plan for economic recovery. We have taken strong steps to restrain the rate of growth of Federal spending in order to balance the budget by fiscal year 1984.

The supplemental appropriations and rescission bill for 1981, however, is our first true test of fiscal discipline. It is in this bill that we will make the first specific spending reductions that are necessary to maintain the budget targets of $718 billion in budget authority and $661 billion in outlays for this year. This bill will actually rescind $14.3 billion from specific program appropriations for fiscal year 1981, which brings the net increase

of the Supplemental to $5.7 billion. This amount is within the spending targets set by Congress for this year, and even provides a small cushion of $2.3 billion.

Some of my colleagues on the other side of the aisle have been less than enthusiastic about the congressional actions that have been necessary to enact fiscal discipline. One has even been widely quoted to the effect that he does not care if we do bust the budget. Well, I care if we bust the budget. The President cares, my fellow Republicans in both Houses care, and the people of this country care. This is why I am pleased to vote in favor of this bill. It is a piece of legislation that will enable us to take the first steps down the road of fiscal discipline that we have charted for ourselves in the budget resolutions. We have done a commendable job so far, and I urge that we continue until we once again have a strong and stable economy.

NOAA EMPLOYMENT LEVELS

Mr. HATFIELD. Mr. President, I will move that the Senate concur in the amendment of the House to Senate amendment No. 17. The Senate amendment provided that none of the funds available to the National Oceanic and Atmospheric Administration may be used to either reduce employment below 12,580 full-time permanent positions or be used to plan for such a reduction. The House has adopted a further amendment which provides the Secretary of Commerce with additional flexibility. This amendment provides that the Secretary need not comply with this limitation if he determines that the orderly and efficient operations of the Department of Commerce requires that he not comply and if he submits a report explaining his reasons.

We will move to concur in the House amendment, however, and the subcommittee chairman, Senator WEICKER, agrees that it should be clear that the conditions for noncompliance by the Secretary are not unlimited. He must first find that the orderly and efficient operation of the entire Department of Commerce requires that he not comply. This signifies that noncompliance cannot be an alternative or even a preferred option, but, rather an unavoidable determination after other options have been explored and considered. Furthermore, the Secretary must act to notify the Appropriations Committees whenever he determines that it is necessary to plan for such a reduction and whenever he determines it is necessary to act to reduce employment below the prescribed level.

Additionally, Mr. President, I would point out that Senate amendment No. 377 to which the House has agreed, provides the agency with $500,000 over the funds requested by the Department and the administration. These additional funds are provided to support the personnel level contemplated in the Senate amendments and the programs and activities which these personnel support and carry out. It was our intent—and it remains so—that administrative actions which would significantly impact, reduce, or eliminate congressionally approved or mandated programs not occur without appropriate prior notification to the Congress. Therefore, since funds are provided to support specific activities, the Department may find it necessary to submit a reprograming request, as provided by Senate Report 96-949, or such other required notice.

Mr. CRANSTON. Mr. President, the House-Senate conference on the 1981 supplemental appropriations and rescission bill provided that no funds be used to reduce personnel at the National Oceanic and Atmospheric Administration to less than 12,580. However, it is my understanding that this morning the House in considering the conference report on H.R. 3512 added language permitting the Secretary of Commerce to reduce NOAA personnel below this level if he determines that this is required for the orderly and effective operations of the agency and so notifies the Congress.

Mr. President, I am greatly concerned about this House language and its impact on the fruit frost forecast program. Maintenance of adequate personnel at NOAA is essential to assure continuation of this very important program at the current level. For 60 years, the fruit frost forecast program has provided critcal information about minimum temperatures during the spring frost season in California, Texas, and Florida. It has proved to be a vital tool to growers of the many frost-sensitive crops in planning for frost and protecting the crops when necessary, thus keeping down the cost to consumers and assuring that full, healthy crops come to market.

Mr. President, I want to make it clear that this is a significant program and that I along with many others in the Congress wish to see it continued.

● Mr. GARN. Mr. President, I will not take my colleagues' time to review the action taken by the conference committee on chapter 6 of the fiscal year 1981 supplemental and rescission package. The details of the agreements are adequately explained in the statement of the managers.

Mr. President, I would like to take a moment to highlight the outstanding contribution of the distinguished Senator from Oregon (Mr. HATFIELD), the chairman of the Appropriations Committee. Senator HATFIELD'S leadership and statesmanship were clearly evident throughout the consideration of this bill. His skilled and impartial shepherding of this complex bill is a credit to the Senate and the Congress as a whole.

I would be remiss if I did not compliment the gentleman from Massachusetts (Congressman BOLAND), for his understanding and cooperation during the consideration of the HUD-Independent Agencies Chapter of this bill. This is the first opportunity I have had to work with Congressman BOLAND in my new capacity as chairman of the HUD-Independent Agencies Subcommittee. I expect to benefit from his broad knowledge of the programs under the jurisdiction of my subcommittee.

Mr. President, I would just like to point out several typographical errors that appear on page 54 of the joint explanatory statement. The proper level for the solar electric propulsion system should read $3,000,000 and $2,000,000 for technology utilization.

● Mr. BURDICK. Mr. President, before we vote on the 1981 supplemental appropriations conference report, which I intend to support, I would like to ask a question of the chairman of the HUD Appropriations Subcommittee which relates to Indian housing.

I was disappointed in the conference committee's decision to agree with the House and provide only 2,400 Indian housing units in fiscal year 1981. As my colleagues are aware, the Senate had recommended 4,000 units, and the President had proposed 5,000 units.

The housing situation on most Indian reservations is desperate. In fact, a report from the General Accounting Office states that 60 percent of Indians are now living in substandard housing—which is five times the Nation's average for non-Indians.

I did note with interest and some encouragement, however, that language was included in the report which says:

> The Conferees stress that the reduction in the 1981 Indian housing program in no way reflects a retreat from a commitment to provide adequate levels of subsidized Indian housing.

Could either the chairman of the committee, Mr. HATFIELD, or the chairman of the HUD Subcommittee, Mr. GARN, please elaborate on this statement in the context of the fiscal year 1982 budget?●

● Mr. GARN. The language that appears on page 51 of the statement of the managers was included to make it clear that our actions in fiscal year 1981 do not, in any way, reflect on what we will do in the fiscal year 1982 bill. Be assured that I am concerned about the state of Indian housing in the United States and the need for a continuing commitment to provide adequate and decent Indian housing.●

● Mr. JOHNSTON. Mr. President, in the supplemental appropriations and rescission bill of 1981, the conferees agreed not to rescind $271 million in loan guarantee authority for alcohol fuels. As a member of the Appropriations Committee, I intended that this sum be leveraged by a ratio of 3 to 1 as provided in Public Law 96-514. I believe other members of the committee had the same intent. This was expressly the intent of the House Appropriations Committee and was spelled out in its report. However, the Senate Appropriations Committee report and the conference report did not specifically address this matter. Is it the understanding of the distinguished subcommittee chairman that it is the intention of the conferees to have the Department of Energy guarantee loans for alcohol fuels in the amount of three times the $271 million that is provided for a reserve in the conference agreement?

Mr. McCLURE. Yes, that is my understanding.

Mr. HUDDLESTON. I commend the distinguished Senator from Louisiana for clarifying this important point. It was, of course, the Senator's amendment to the Interior appropriations bill last year which provided leveraging for

the loan guarantees. It had broad bipartisan support then and, as a member of the Appropriations Committee, it was certainly my understanding that this leveraging would continue. I appreciate the assurances of the distinguished chairman of the subcommittee that this was his understanding as well.●

(At the request of Mr. STEVENS, the following statement was ordered to be printed in the RECORD.)

● Mr. LAXALT. Mr. President, the details on the military construction chapter of the supplemental are included in the CONGRESSIONAL RECORD and the conference report, and it should be noted that the Senate position on items in disagreement was strongly supported by our conferees.

Mr. President, I would like to thank our distinguished chairman, Senator HATFIELD, for a job well done on this supplemental. It is certainly important to note that through Senator HATFIELD's leadership we are able to recommend a bill which is under the budget request and under both the House and Senate bills while still meeting the urgent needs of the various agencies and departments.

I would also like to thank my counterpart on the House Appropriations Committee, the gentleman from Georgia (Mr. GINN) for his cooperation in reaching the agreements on the military construction chapter.

Mr. President, I urge my colleagues to support this conference agreement.●

● Mr. DOMENICI. The Senate version of H.R. 3512, the fiscal year 1981 supplemental appropriations bill, provided funding for the administration's request for $36,183,000 for the Army low-altitude defense system (LOADS) ballistic missile defense program. This additional funding was requested by the administration in order to protect the option to deploy to LOADS to defend U.S. land-based ICBMs, however they may be based.

The LOAD preprototype demonstration program is designed to provide the United States with a rapidly deployable option to defend our ICBM capability. Because of current funding constraints the LOAD program is proceeding at a nonoptimum pace.

Mr. President, last year Congress directed the DOD to protect the option to deploy a LOADS capability by fiscal year 1986. Funding was specifically added to protect this option—although not in the full amount required. The Reagan administration's supplemental request for LOADS was clearly consistent with the congressional mandate of last year.

For fiscal year 1982 the Senate passed the authorization request of $126.8 million for the BMD advanced technology program and $301.7 million for BMD system technology. Additionally, the Senate has authorized $31.2 million to enhance research and development of infrared optical sensor technology which is essential to developing the overlay BMD exoatmospheric-kill concept.

The program schedule reflected in this fiscal year 1982 BMD funding was based upon the administration's expectation that funding would be available to maintain the desired fiscal year 1981 program activity level. Failure to provide the $36,183,000 supplemental request would inherently delay the LOADS program seriously.

The House did not fund the President's LOADS supplemental request. The House report stated that the request was not appropriated because of the uncertainty surrounding the MX basing mode. The House report stated that LOADS is a potential defense for the MX and that MX uncertainty is grounds for also delaying the LOADS program—especially in view of the $57 million already provided for LOADS in the regular fiscal year 1981 appropriation.

This rationale appears to be based upon a serious misconception. While it is true that LOADS could, in one version, be deployed specifically to complement a mobile-based MX, the system that is being designed, certainly at this stage, is a generic ballistic missile defense capability which could be deployed to complement a silo-based ICBM equally well.

Thus, while there is clearly uncertainty as to how the United States will base the MX ICBM, this uncertainty cannot be reasonably used as an excuse to deny LOADS funding. Indeed, it can be argued that the increasingly dim prospects for mobile basing the MX would make it more imperative than ever that the United States maintain an enhanced program of development for programs such as LOADS and the overlay ballistic missile defense concept.

Mr. President, I am of the opinion that ballistic missile defense is a strategic force option to which the United States will inevitably be required to develop—irregardless of what type of strategic offensive forces are deployed in the next decade. It is no secret that some Members of Congress would prefer BMD to the currently proposed MPS mobile-basing concept as a means of protecting U.S. land-based ICBM's from a Soviet strategic attack. But, be that as it may, all Members of Congress should support the continued U.S. program of R. & D. on ballistic missile defense capabilities.

Mr. President, I am dismayed that the Senate conferees did not maintain the Senate's position on the LOADS program in the supplemental conference result. I had been under the impression that the Senate conferees were firm in their support for LOADS despite the House's inexplicable refusal to favorably regard this program. I had sent a communication to the conferees urging them to insist upon the LOADS supplemental funding in order to preserve the U.S. option to pursue a BMD capability.

Mr. President, I would like to close by noting that over $459 million was authorized in the Senate-passed fiscal year 1982 defense authorization bill for various ballistic missile defense capabilities. Without the supplemental funding, which the conference did not provide, the LOADS program could be delayed up to 2 years—a serious delay in view of our current strategic situation.

I hope the distinguished chairman of the Appropriations Committee and the distinguished chairman of the Defense Appropriations Subcommittee will strongly support the currently authorized funding and be prepared to consider any requested funding for ballistic missile defense in the future favorably.●

LABOR-HHS-EDUCATION CHAPTER OF 1981 RESCISSION/SUPPLEMENTAL BILL

● Mr. SCHMITT. Mr. President, I am pleased to report to the Senate on the conference result for chapter VIII of H.R. 3512, the supplemental appropriations and rescission bill of 1981. This chapter deals with appropriations for the Departments of Labor, Health and Human Services, Education, and related agencies.

As my colleagues may recognize, the Labor-HHS-Education Subcommittee faced the extremely difficult task of balancing two conflicting goals.

One was the urgent necessity to bring the growth of the Federal budget under control so as to help reduce inflation—the cruelest budget cutter there is. Our other goal was to make funding cuts without undermining programs that are vitally important to the less advantaged in our society. I believe we have been able to achieve our goals and feel the Senate can be satisfied with the conference result.

Overall the conferees reduced spending for programs in our section of the bill by $2,262,407,000, with rescissions totaling $1,891,369,000 and reductions in supplemental requests totaling $371,038,000. This is only $306.5 million less than the decreases proposed by the Senate, but is $456.3 million more than the program reductions recommended by the House.

Thus, the Senate has held some 60 percent of its cuts above the House coming out of conference. Looked at another way, the Senate conferees achieved 78 percent of the reductions that came to the Labor-HHS-Subcommittee from the administration and kept 88 percent of the reductions the subcommittee recommended to the Senate.

In many cases, the Senate made a smaller or made no rescission in programs it considers essential to the Nation. One particular area was health where the Federal Government makes a vital contribution.

Thus, for the National Institutes of Health, the conferees agreed to rescind $42.8 million, or some $83 million less than requested by the administration. The proposed rescission still would reserve the policy of stabilizing new and competing research grants at the 5,000 level. We also make available 10,000 research training slots and restore all funds for institutional allowances and indirect costs associated with training.

In addition, the conferees made no cut in the program dealing with environmental hazards, we reduced our decrease for alcohol and drug abuse formula grants from $80 million to $48 million, and we made no rescission in the primary care areas of family medicine residencies and general internal medicine and pediatrics. The conferees also agreed to no rescissions for advanced nurse training, nurse practitioner and nurse traineeships. and limited the reduction in health planning to $18 million from the $24 million requested by the administration.

For Public Health Service hospitals and clinics, the conferees provided what we believe will be sufficient funds for the phaseout of these facilities and direct that "no hospital should be closed prior to October 1, 1981."

In education, the Senate did not feel it could go along with the proposal to reduce almost all elementary and secondary education programs by 25 percent, so close to the coming school year. Instead, we tried to look at each program on its merits and then make our decision. As a result we made smaller rescissions—or no rescission at all—in such programs as title I grants for the disadvantaged, preschool incentive grants for the handicapped, magnet schools and special programs and projects under emergency school aid, school library grants, and so forth. I am glad to say the conferees generally agreed with this approach.

For the National Institute of Handicapped Research, which is in the Department of Education, the committee restored $1,750,000 of the requested $7,000,000 rescission, to allow a limited number of new initiatives. Serious attention should be given to addressing the needs of Native Americans with neurosensory disabilities under the Institute's research and training center authority.

For certain education, labor, and other programs, the Senate recommended, and the conferees have agreed to, larger rescissions than those requested by the President. This was true for certain CETA programs, emergency school aid basic grants, and programs in the ACTION Agency. These were areas where the Senate agreed with our committee that programs were not well targeted and effective, and it therefore made larger rescissions than requested.

We also took action to reduce administrative costs, including consultant costs, as well as many pay and program supplementals. For example, the Senate decreased the supplemental request for the Pell grant program by $270 million by reducing each student's grant $100. In conference, the cut in the supplemental was trimmed to $216 million by reducing individual grants $80 each. We believe that students should be able to absorb this small reduction. Meantime, the overall supplemental cut of $216 million will have a major impact on reducing Federal spending.

Mr. President, while I regret that certain reductions were necessary, I am pleased with the outcome of this conference, the first with Republican leadership of the Labor-HHS-Education Subcommittee. I believe we have done a good job of protecting effective programs which help the needy, while reducing the growth of Federal spending. It is my hope that this action marks the beginning of a process that will help to redefine and redirect Federal priorities and spending in the human services area.●

● Mr. LEVIN. Mr. President, I want to take this opportunity to mention how pleased I am that the conferees have decided to retain $8 million in line item funds for Detroit's "downtown people mover" project.

Termination of the project would have had a negative impact upon efforts which are being made to revitalize the city of Detroit. Private investors have based their development plans for Detroit's riverfront area upon the future construction of the downtown people mover which has been designed to provide mobility in the central business district. The funding level which the conferees have agreed to will allow for preliminary engineering work and, more importantly, will keep the momentum on this mass transit project going.

This conference report before us also affects two other programs of great interest to the State of Michigan, Mr. President. Both programs are part of chapter III, Department of Defense—Military, and also make significant contributions to strengthening our overall national security.

Unfortunately, I must express my disappointment about the conferees' decision to deny $44 million in supplemental funding for "administrative use vehicles" the Army was seeking to continue modernizing its aging fleet of automobiles, vans, light trucks and other nontactical vehicles.

I believe such funding should have been approved to improve both our Army's readiness and our national economy by permitting the Army to reduce its diversion of tactical combat vehicles to accomplish necessary administrative functions and by increasing sales in the pivotal automobile industry.

I would hope that increased funding for administrative use vehicles would be provided in the regular fiscal 1982 Defense Appropriations Act.

However, the Senate debate on these vehicles in the supplemental served a useful purpose to sensitize the Senate that, in these trying economic times, any military administrative use vehicles obtained in the future should be purchased from American automakers to the maximum extent permitted by past international agreements.

With the help of the distinguished chairman of the Defense Appropriations Committee, we established an important principle in this area, and we will continue to press for such "Buy American" provisions in the fiscal year 1982 Defense Appropriations Act.

Lastly, Mr. President, I take great satisfaction in noting that the supplemental conference report contains $8 million in additional fiscal year 1981 funding to accelerate Defense Department research and development on a survivable, emergency action message capable communication system for our strategic ballistic missile submarines.

As a member of the Committee on Armed Services, I have taken a great interest in this system—known as the blue-green laser or strategic laser communications system. It has major potential to improve the strategic and tactical communications of our missile and attack submarines, especially during the trans- and post-attack periods of a nuclear war. The system, if properly accelerated, could enhance our submarine communications capabilities well before the year 2000.

In recognition of the blue-green laser's potential contributions to our national security within the near future, and at my suggestion, our own committee accelerated the program by virtually doubling its funding authorization to $28.7 million in fiscal year 1981 and $40.2 million in fiscal year 1982.

The $8 million in supplemental funding in this conference report will fully fund the R. & D. required in fiscal year 1981 under the authorization and maintain the blue-green laser's accelerated program.●

● Mr. DOMENICI. Mr. President, I am pleased to support this supplemental appropriations bill conference agreement. It is within our revised fiscal year 1981 budget ceilings and contains budget reductions of $14.7 billion. Chairman HATFIELD and the Senate Appropriations conferees should be commended for this result.

The net effect of this conference agreement and additional requirements for entitlement programs not yet funded leaves us only $2.3 billion in budget authority and $300 million in outlays short of our fiscal year 1981 budget ceilings. This allows very little room to accommodate a probable later funding requirement for the airport and airway development or unanticipated spending increases due to higher interest rates or faster program outlays. Our budget ceilings for fiscal year 1981 are now very tight.

Rescissions in this bill, together with the cut in the loan limitation for the Export-Import Bank, will result in savings of $14.7 billion in budget authority and $1.4 billion in outlays this fiscal year. I am disappointed that these rescissions do not follow all of the President's proposed budget reduction policies, but they offer us the first opportunity to enact cuts in spending. Up until now, we have voted into place budget targets assuming spending reductions and instructions mandating spending cuts. Today, we take the initial step to actually reduce current appropriations. In the next few weeks, we will hopefully be enacting our reconciliation package making further changes in law to reduce spending, not only in this fiscal year but in future years as well.

I urge my colleagues to support this conference agreement. It offers us the first opportunity to begin to put into place the budget plan we approved in the fiscal year 1982 first budget resolution.●

Mr. DECONCINI. Mr. President, would the distinguished manager yield for a brief colloquy with respect to amendment No. 238?

Mr. HATFIELD. I would be happy to yield.

Mr. DECONCINI. As the distinguished chairman will recall, I, along with several of my colleagues on the Senate side, sought to persuade the conference committee to reduce the rescission for grants to school districts from the $74.4 million proposed as part of the compromise package on equal educational opportunities. Although we were unsuccessful in that effort, the distinguished chairman of the Labor, HHS, and Education Subcommittee indicated that the funds remaining in this account should be di-

rected primarily to cover the current requirements of category I school districts. Indeed, it was our understanding from the discussion that that was how the principals had arrived at the $74.4 million rescission. Does the distinguished chairman of the Appropriations Committee recall the debate on this item and does he agree that the conferees intended to make sure that the needs of category I school districts would be met?

Mr. HATFIELD. Let me say to the Senator that his recollection of the debate on this amendment accords with my own. It was clearly the intention of the managers that the category I school districts should continue to receive emergency school assistance funding at the current level insofar as feasible.

Mr. DECONCINI. I thank the Senator for his cooperation and help.

Mr. ROBERT C. BYRD. Mr. President, the conference report on H.R. 3512, the supplemental appropriations and rescission bill for fiscal year 1981, represents the final stage in a process which began almost 6 months ago—a process which seeks to put forward President Reagan's program for economic recovery. While this bill only applies to the remainder of fiscal year 1981—with only 4 months left—the impact of some of its provisions will affect numerous Federal programs for years to come.

I want to commend the distinguished chairman of the Appropriations Committee (Mr. HATFIELD) for the fine job he has done in pulling all the pieces of this bill together. The appropriations process is not an easy one to grasp—with all its complexities and numerous and varied ways of providing funds for Federal programs. However, as the new chairman of the Appropriations Committee has clearly demonstrated, he has a thorough understanding of and firm grasp on the process. Senator PROXMIRE, the acting ranking minority member on the committee, continues to bring to the committee's deliberations his expert knowledge of and experience with the workings of the Federal Government. The other members of the Appropriations Committee—both the veterans and the newcomers—are to be commended, as well, for their close and complete attention to this bill.

I am going to vote for this conference report because, as I have said before, it includes supplementals for some very important programs. It contains some worthwhile rescissions which I believe are necessary in our efforts to reduce Federal expenditures and bring the Federal budget under control.

However, this bill contains some provisions about which I have reservations. There are rescissions in certain energy research and development programs, in economic development programs, in health and education programs, and in veterans' programs which concern me. I am concerned about their impact on my own State of West Virginia, and I am concerned about their impact on the Nation.

The PRESIDING OFFICER (Mr. ANDREWS). Who yields time?

Mr. HATFIELD. Mr. President, I yield back any remaining time.

Mr. PROXMIRE. Mr. President, I yield back my remaining time.

Mr. HATFIELD. Mr. President, I move adoption of the conference report on H.R. 3512.

The PRESIDING OFFICER. The question is on the adoption of the conference report.

The conference report was agreed to.

The PRESIDING OFFICER. The clerk will state the amendments in disagreement.

The legislative clerk proceeded to read the amendments in disagreement.

Mr. HATFIELD. Mr. President, I ask unanimous consent that further reading of the amendments in disagreement be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments in disagreement are as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 15 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

CHILD NUTRITION PROGRAMS

For an additional amount for "Child nutrition programs", $109,875,000: *Provided*, That this appropriation shall be available only to the extent an official supplemental request is transmitted to the Congress.

FOOD STAMP PROGRAM

For an additional amount for the "Food stamp program", $1,740,724,000: *Provided*, That this appropriation shall be available only upon enactment into law of authorizing legislation, but pending the enactment into law of such legislation, funds received from the sale of surplus agricultural commodities shall be available to the extent and in the manner provided in this paragraph: *Provided further*, That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: *Provided further*, That of the amounts provided herein, $536,124,000 shall be available upon certification by the Secretary of Agriculture that the Department of Agriculture is using all regulatory and administrative methods available under law to curtail fraud, waste, error, and abuse in the program: *Provided further*, That this appropriation shall be available only to the extent an official amended supplemental request is transmitted to the Congress: *Provided further*, That the funds provided herein shall remain available until September 30, 1981.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 17 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

Provided, That no funds available to this agency shall be used to either reduce or plan for a reduction in full-time permanent employment of less than twelve thousand five hundred and eighty (12,580): *Provided further*, That if the Secretary determines that the orderly and efficient operation of the Department of Commerce requires that he not comply with the preceding proviso, he need not comply and shall submit to the Committees on Appropriations of the House and Senate, a report explaining his reasons for not complying.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 20 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

COASTAL ENERGY IMPACT FUND (DEFERRAL)

Of the funds appropriated under this head in Public Law 96-86, $7,000,000 are deferred for obligation until October 1, 1981.

COASTAL ZONE MANAGEMENT (TRANSFER OF FUNDS)

For an additional amount for "Coastal zone management", $33,000,000, to be derived by transfer from "Coastal energy impact fund", to remain available until expended.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 21 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

PROMOTE AND DEVELOP FISHERY PRODUCTS AND RESEARCH PERTAINING TO AMERICAN FISHERIES (DISAPPROVAL OF DEFERRAL)

The Congress disapproves $2,500,000 of the proposed deferral D 81-105, relating to Department of Commerce, National Oceanic and Atmospheric Administration, "Promote and Develop Fishery Products and Research Pertaining to American Fisheries", as set forth in the message of April 27, 1981, which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law of this Act, and the amount of the proposed deferral disapproved herein shall be made available for obligation.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 29 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

FEES AND EXPENSES OF WITNESSES (INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Fees and expenses of witnesses", $6,200,000, of which $2,931,000 is to be derived from Office of Justice Assistance, Research, and Statistics, "Law enforcement assistance".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 38 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

The amounts provided in Public Law 96-536 for the Board for International Broadcasting may be expended without regard to the limitation of $2,400,000 for the purpose of transferring RFE/RL positions to the United States.

Notwithstanding section 8(b) of the Board for International Broadcasting Act of 1973, not to exceed $1,600,000 of the amounts placed in reserve pursuant to that section, or which would be placed in reserve pursuant to that section, shall be available to the Board for carrying out that Act.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 41 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SALARIES AND EXPENSE (TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $350,000, to be derived by transfer from "Salaries and expenses (special foreign currency program)".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 42 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM) (DISAPPROVAL OF DEFERRAL)

The Congress disapproves $350,000 of the proposed deferral D 81-75 relating to the International Communication Agency, "Salaries and expenses (special foreign currency program)" as set forth in the message of February 13, 1981, which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law of this Act and the amount of the proposed deferral disapproved herein shall be made available for obligation.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 47 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $290,089,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 49 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $140,150,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 50 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SPECIAL PAY FOR AVIATION OFFICERS

For the payment of special pay under section 301b of title 37, United States Code, $55,500,000, to be transferred to the various military personnel accounts.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 53 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $56,906,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 68 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $143,000,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 72 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: "and $89,000,000 for advance procurement for reactivation of a battleship, to remain available for obligation until September 30, 1985".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 81 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: "of which not to exceed $2,000,000 is for research and development in connection with the reactivation of the battleship U.S.S. New Jersey and not to exceed $1,000,000 is for research and development in connection with the reactivation of the battleship U.S.S. Iowa,"

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 84 to the aforesaid bill, and concur therein with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows:

"None of the funds appropriated to the Department of Defense for fiscal year 1981 and hereafter shall be available for obligation to reimburse a contractor for the cost of commercial insurance (other than insurance normally maintained by the contractor in connection with the general conduct of his business) that would protect against costs of the contractor for correction of the contractor's own defects in materials or workmanship incident to the normal course of construction (those defects in materials or workmanship which do not constitute a fortuitous or casualty loss)."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 111 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

Of the amounts of additional contract authority provided under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, as authorized by section 5 of the United States Housing Act of 1937, $30,611,609 for existing units under section 8, including section 8(j), of such Act, $197,102,148 for newly constructed and substantially rehabilitated units assisted under such Act, and $5,219,104,150 of budget authority, are rescinded.

(DEFERRAL)

Of the amounts of additional contract authority provided under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, as authorized by section 5 of the United States Housing Act of 1937, $15,000,000 for modernization of existing low-income housing projects and $300,000,000 of budget authority shall be withheld from obligation until October 1, 1981.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 113 to the aforesaid bill, and concur therein with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows:

COMPREHENSIVE PLANNING GRANTS (RESCISSION)

Any amounts not reserved from appropriations provided under this head in the Department of Housing and Urban Development—Independent Agencies Appropriation Acts, 1981 and prior years, including any amounts becoming available from cancellation of prior year reservations, but excluding $19,000,000, are rescinded.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 118 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

Of the funds appropriated under this head, $880,000,000 in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1980, and $756,000,000 in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, are rescinded. The reduction in each appropriation will be distributed among the States according to the allotment formula specified in section 205(c) of Public Law 92-500, as amended by Public Law 95-217. Whenever a State's share of the reduction from an appropriation, as determined by the formula, is greater than its unobligated balance for that appropriation, as determined by the Administrator of the Environmental Protection Agency upon the date of enactment of this Act, the shortfall will be distributed according to the allotment formula among all the States which still have funds remaining from that appropriation. This process of distributing the shortfall will continue until the amount of the reduction has been allocated among the States.

Of the funds appropriated under this head in the Public Works Employment Appropriation Act, 1977, $64,000,000 are rescinded.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 123 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, $46,000,000 are rescinded, and of the amounts remaining for research and related activities under Public Law 96-526: (1) not more than $37,000,000 shall be available for scientific, technological, and international affairs; (2) not more than $83,000,000 shall be available for engineering; (3) not more than $18,053,000 shall be available for earthquake hazards mitigation; (4) not more than $1,240,000 shall be available for the establishment and operation of three university-based Innovation Centers; (5) not more than $2,800,000 shall be available for grants to two-year and four-year colleges for equipment and instrumentation costing $35,000 or less; (6) not more than $300,000 shall be available for small business innovation for projects to aid the handicapped; and (7) not more than $1,400,000 shall be available for special programs for women and minorities in science and technology. None of these funds shall be available for separately targeted programs for appropriate technology, science faculty improvement programs for two-year and four-year college faculty research participation, and research opportunity grants and visiting professorships for women.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 140 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: $2,745,000 shall not become available for obligation until October 1, 1981, and shall remain available for obligation until September 30, 1983, and $5,900,000 are rescinded.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 142 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: $4,776,000 including $576,000 to complete construction of the Savage River Bridge at Denali National Park and Preserve, Alaska.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 143 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: $19,000,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 145 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

(RESCISSION)

Of the funds appropriated under this head in the Department of the Interior and Related Agencies Appropriations Act, 1981 (Public Law 96-514) and previous Interior Department Appropriations Acts, $90,000,000 are rescinded in the following amounts: $55,000,000 for payments to the States; $133,000 for the Bureau of Land Management; $4,918,000 for the Forest Service; $12,217,000 for the United States Fish and Wildlife Service; $14,782,000 for the National Park Service; and $2,950,000 for the Pinelands National Reserve: *Provided*, That notwithstanding the

provisions of 16 USC 4601–8, the unobligated balances of the contingency reserve and funds appropriated and apportioned for the various States and Territories upon enactment of this Act shall be reallocated among the States and Territories so that each shall receive not less than seventy-five percent of the amount each would have received under the statutory allocation of the amount appropriated for payment to the States under this head in Public Law 96–514.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 147 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: $6,500,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 148 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: $12,000,000 available from the Highway Trust Fund to liquidate contract authority provided under section 105(a)(8) of Public Law 94–280 for engineering services, roadway excavation, and pilot boring for the Cumberland Gap Tunnel, as authorized by section 160 of Public Law 93–87.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 154 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert: *Provided,* That notwithstanding provisions of 16 USC 1704(d) and 1706 the unrescinded balance of the amount appropriated under this head in Public Law 96–514 shall be allocated as follows: $18,000,000 for the purposes of 16 USC 1704; $4,000,000 to the Secretary of the Interior; and $4,000,000 to the Secretary of Agriculture.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 155 to the aforesaid bill, and concur therein with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows:

RURAL WATER TREATMENT AND DISTRIBUTION SYSTEM (DEFERRAL)

Of the funds appropriated under this head in the Department of the Interior and Related Agencies Appropriations Act, 1981 (Public Law 96–514), $1,900,000 shall not become available for obligation until the conditions of Section 9(b) of Public Law 96–355 regarding deauthorization of the Oahe unit have been met.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 158 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert: *Provided further,* That $22,607,000 appropriated in the Department of the Interior and Related Agencies Appropriations Act, 1981 (Public Law 96–514), for timber management and any related activities, including roads, on the Tongass National Forest, Alaska, that are replaced by funds provided under the authority of section 705(a) of Public Law 96–487 (which fund is hereby established at not less than $25,000,000 for fiscal year 1981), are transferred to this account, to remain available until expended, to facilitate timber salvage activities in the Mount Saint Helens volcano area of the Gifford Pinchot National Forest as follows: construction of forest development roads and trails by the Forest Service $18,812,000; land line location $300,000; timber sales preparation $800,000; and road maintenance $2,695,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 161 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $53,036,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 169 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment, and insert: $400,000 shall not become available for obligation until October 1, 1981, and $10,348,000 are rescinded.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 171 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment, and insert: $67,762,000 shall not become available for obligation until October 1, 1981, and $153,180,000 are rescinded.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 173 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $17,167,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 184 to the aforesaid bill, and concur therein with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows: For an additional amount for "Indian health facilities", $2,500,000, to remain available until expended, for site reviews, water investigations, and preliminary engineering and design of sanitation facilities for 2840 Indian housing units.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 185 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $3,916,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 189 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

EMPLOYMENT AND TRAINING ASSISTANCE (RESCISSION)

Of the funds provided for "Employment and training assistance" for fiscal year 1981 in Public Law 96–536, as amended, $82,500,000 are rescinded: *Provided,* That notwithstanding any other provision of law, $696,000,000 shall be available for the Youth Employment and Training Program authorized under title IV, part A, subpart 3, of the Comprehensive Employment and Training Act: *Provided further,* That notwithstanding any other provision of law, $70,136,000 shall be available for title II, part A, section 202(e), of the Comprehensive Employment and Training Act.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 197 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following: : *Provided,* That not more than $128,399,000 shall be available under this head for operation of Public Health Service hospitals and clinics.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 202 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $9,950,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 204 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $2,113,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 205 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $997,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 206 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment insert: $1,571,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 207 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $2,694,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 208 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $2,137,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 210 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $377,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 225 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $10,000,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 240 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $2,000,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 241 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $250,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 260 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $80

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 267 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $3,000,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 268 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert: , $6,020,000 of the amount provided for section 420 and

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 269 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said

amendment, insert: , and $2,150,000 of the amount provided for title IX, part B of the Higher Education Act are rescinded

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 272 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: : *Provided,* That the funds appropriated in Public Law 96–536, as amended, for title IX, part B are available notwithstanding the provisions of section 922 (b)(2) of the Higher Education Act.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 275 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

COLLEGE HOUSING LOANS (RESCISSION)

Of the funds appropriated for participation sales insufficiencies for fiscal year 1981 in Public Law 96–536, as amended, $14,271,000 are rescinded. Payments of insufficiencies in fiscal year 1981 as may be required by the Government National Mortgage Association, as trustee, on account of outstanding beneficial interests or participations issued pursuant to section 302(c) of the Federal National Mortgage Association Charter Act, as amended (12 U.S.C. 1717) shall be made from the fund established pursuant to title IV of the Housing Act of 1950, as amended (12 U.S.C. 1749) using loan repayments and other income available during fiscal year 1981.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 284 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $500,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 285 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $5,187,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 293 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

Of the total amounts appropriated for the Department of Health and Human Services for fiscal year 1981, $13,500,000 are hereby rescinded from funds available for travel, consultants, consultant services, training, and furniture and equipment purchases.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 325 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert: $12,000,000, and, in addition, not to exceed $2,000,000 shall be derived by transfer from the unobligated balance in the appropriation "Acquisition, construction, and improvements."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 331 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

GRANTS-IN-AID FOR AIRPORT PLANNING AND DEVELOPMENT (LIMITATION ON OBLIGATIONS)

The limitation in section 302 of the Department of Transportation and Related Agencies Appropriation Act, 1981 (Public Law 96–400), is amended by deleting "$700,000,000" and inserting in lieu thereof "$450,000,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 337 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

After reserving funds for the grant agreements executed prior to March 10, 1981, for the remainder of fiscal year 1981, the Secretary shall obligate available funds up to the extent of the entitlements which existed immediately prior to March 10, 1981, or on the basis of the rail transportation needs to be addressed by the project to be funded.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 342 to the aforesaid bill, and concur therein with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows:

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Grants to the National Railroad Passenger Corporation", for operating losses incurred by the Corporation, $15,300,000 to be derived by transfer from the unobligated balances under the appropriations "Department of the Treasury, Office of the Secretary, Investment in Fund Anticipation Notes" and "Federal Railroad Administration, Railroad Rehabilitation and Improvement Financing Funds". Not to exceed $24,900,000 of amounts previously appropriated for capital improvements may be used for operating expenses incurred by the Corporation.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 351 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

INTERSTATE COMMERCE COMMITTEE

Payments for directed rail service

(Transfer of Funds)

For necessary expenses for "Payments for directed rail service", $2,500,000, to be derived by transfer from Interstate Commerce Commission, "Salaries and expenses", to remain available until expended.

National Clean-Up and Flag-Up America's Highways Week

The week of June 28 through July 4, 1981, is designated as "National Clean-Up and Flag-Up America's Highways Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 356 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

UNITED STATES CUSTOMS SERVICE

Salaries and expenses

For an additional amount for "Salaries and expenses", $10,000,000, to be used for the implementation of the Air Module Concept; including acquisition (purchase of four), operation and maintenance of aircraft: *Provided,* That none of the funds made available by this Act shall be available for administrative expenses in connection with effecting the reduction of employment in the U.S. Customs Service below the level on April 30, 1981.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 365 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

DISTRICT OF COLUMBIA FUNDS

Governmental direction and support

(Rescission)

Of the funds appropriated for "Governmental direction and support" for fiscal year 1981 in Public Law 96–530, $3,665,500 are rescinded: *Provided,* That outstanding settlements of claims and suits not to exceed $200,000 in total shall be paid in the same manner as judgments rendered against the District of Columbia government.

Economic development and regulation

(Rescission)

Of the funds appropriated for "Economic development and regulation" for fiscal year 1981 in Public Law 96–530, $40,500 are rescinded.

Public safety and justice

For an additional amount for "Public safety and justice", $3,394,000.

Public education system

(Including Rescissions)

For an additional amount for "Public education system", $2,970,000, to be allocated as follows: $1,100,000 for the District of Columbia Public Schools, and $1,870,000 for the School Transit Subsidy: *Provided,* That of the funds appropriated under this heading for the Public Library for fiscal year 1981 in Public Law 96–530, $298,800 are rescinded: *Provided further,* That of the funds appropriated under this heading for the Commission on the Arts and Humanities for fiscal year 1981 in Public Law 96–530, $5,000 are rescinded: *Provided further,* That of the funds appropriated under this heading for the Educational Institution Licensure Commission for fiscal year 1981 in Public Law 96–530, $3,500 are rescinded.

Human support services

For an additional amount for "Human support services", $20,754,100: *Provided,* That $3,500,000 of this appropriation, to remain available until expended, shall be available solely for District of Columbia employees' disability compensation.

Transportation services and assistance

(Rescission)

Of the funds appropriated for "Transportation services and assistance" for fiscal year 1981 in Public Law 96–530, $3,031,600 are rescinded.

Environmental services and supply

(Rescission)

Of the funds appropriated for "Environmental services and supply" for fiscal year 1981 in Public Law 96–530, $121,600 are rescinded.

Water and Sewer Enterprise Fund

For an additional amount for "Water and Sewer Enterprise Fund", $3,017,800.

Washington Convention Center Enterprise Fund

For establishment of the Washington Convention Center Enterprise Fund, $382,600.

Capital outlay

For an additional amount for "Capital outlay", $696,000.

Resolved That the House recede from its disagreement to the amendment of the Senate numbered 428 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the section number named in said amendment, insert: 304

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 429 to the aforesaid bill, and

concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 305. None of the funds in the Act shall be used to prevent or interfere with the right and obligation of the Commodity Credit Corporation to sell surplus agricultural commodities in World trade at competitive prices as authorized by law.

Mr. HATFIELD. Mr. President, I move that the Senate concur en bloc in the amendments of the House of Representatives.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon.

The motion was agreed to.

Mr. HATFIELD. Mr. President. I move to reconsider the vote by which the conference report was agreed to.

Mr. PROXMIRE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MCCLURE. Mr. President, on page 94 of the report of the House of Representatives on the supplemental and rescission bill just passed, there appears language with respect to an amendment dealing with salaries and expenses under the U.S. Customs Service. The amendment was offered by the Senator from Arizona (Mr. DECONCINI). Senator ABDNOR, the chairman of the subcommittee, in accepting it very clearly stated that it dealt with the Customs Service salaries and expenses.

When the report was written, it included not only the support personnel for Customs Service, but it also said, "and in the Bureau of Alcohol, Tobacco, and Firearms."

I think the RECORD should correctly reflect the intention of the conferees and the language of the bill that it dealt with salaries and expenses for the Customs Service.

Mr. HATFIELD. Mr. President, I would affirm the Senator's observation. The statement of the managers goes beyond the language of the bill, and it is the bill that becomes law.

The PRESIDING OFFICER. The record will show the observation of the conferees as to the true intent of the conferees.

Mr. HATFIELD. And I assume, Mr. President, that the final record will include this colloquy on the floor as legislative history.

The PRESIDING OFFICER. The CONGRESSIONAL RECORD will include that as legislative history made during debate on the bill.

Mr. HATFIELD. I thank the Chair.

Mr. MCCLURE. Mr. President, I would like to ask the Senator from Arizona if it is not true that his amendment deals only with the U.S. Customs Service and does not in any way restrict the administration's ability to enact reforms in the Bureau of Alcohol, Tobacco, and Firearms.

Mr. DECONCINI. I am very glad that this issue has been raised. I would like to help clarify the confusion which has arisen regarding amendment No. 356 in the conference report which Senator CHILES and I originally sponsored in the Senate. The original version of this amendment simply added $10 million offset by other reductions to strengthen the Customs Service drug air interdiction capability and did not seek to prohibit employment force reductions in any Federal agency. A proviso prohibiting a reduction in employment levels of the U.S. Customs Service was attached at the insistence of the House managers.

Language was added to the joint explanation of our amended amendment which in no respect represented the intent or purpose of that amendment. The joint explanation seeks to include the BATF in the prohibition against U.S. Customs Service employment reductions. As my distinguished colleagues and coconferees have already stated, this language in no way reflects the intent or purpose of the Senate conferees in interpreting this amendment.

As my distinguished friend and colleague from Idaho knows, during the past 2 years I chaired oversight hearings on the BATF's regulatory and enforcement activities with respect to firearms. Those hearings brought to light serious evidence of widespread abuses in interpreting and enforcing the law. I believe the record of those hearings supports the need to reduce BATF resources in a number of areas and is consistent with the administration's plan for cutting BATF in strengths. I intend to work closely with the administration and my colleagues to see that these goals are met.

In conclusion, I am very glad that this clarification has been made.

Mr. MCCLURE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. COHEN). Without objection, it is so ordered.

TRIBUTE TO MARILYN COURTOT, THE NEW ASSISTANT SECRETARY OF THE SENATE

Mr. PRYOR. Mr. President, I want to take this opportunity to commend Bill Hildenbrand, the Secretary of the Senate, on his excellent choice of Marilyn Courtot as the new Assistant Secretary of the Senate.

This appointment, which is effective June 6, recognizes the achievements of a highly competent administrator whose Senate career has been dedicated to modernizing and making more professional the many activities of the Office of the Secretary. In her 7 years as Administrative Director she has served three Secretaries, during whose tenures have come major changes in the operations of the Senate.

I believe the saying is true that a successful person is one who goes ahead and does the thing the rest of us never quite get around to. To convey some notion of the extent of Marilyn Courtot's success I would like to mention some of the things she has done: her role for instance in the development of automated systems for tracking legislation, nominations, and executive communications; and her work with others to find ways of automating the demanding printing needs of the Senate. She has also analyzed the operations of many of the Secretary's support units, resulting in expanded and more efficient services offered by the Senate Library and the Office of Public Records, among others.

Marilyn Courtot has rendered invaluable assistance to the Secretary in his appearances before the Appropriations and Rules Committees, especially in the areas of budget preparation and long-range planning; she developed and implemented the first personnel policy in the history of the Secretary's office. She also has played a pivotal role in creating the orientation program held for new Senators and their key aides at the beginning of each Congress and the series of informative staff seminars sponsored jointly with the Office of the Sergeant at Arms.

That the Office of the Secretary operates as professionally and effectively as it does is due in no small measure to the efforts of this dedicated staff member.

I would like to at this time, Mr. President, offer my hearty congratulations to Marilyn Courtot on her challenging new assignment, and I am sure I am expressing the sentiment of all Members of the Senate in saying that we look forward to working with her in the future.

MESSAGE FROM THE HOUSE

At 1:16 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the House has agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3512) making supplemental and further continuing appropriations for the fiscal year ending September 30, 1981, rescinding certain budget authority, and for other purposes; it recedes from its disagreement to the amendments of the Senate numbered 13, 25, 33, 37, 40, 100, 101, 103, 115, 131, 157, 159, 164, 190, 191, 192, 193, 194, 195, 198, 222, 223, 226, 228, 237, 245, 246, 253, 255, 259, 261, 262, 264, 266, 273, 277, 278, 280, 282, 290, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 311, 312, 313, 314, 339, 343, 357, 361, 366, 367, 368, 369, 370, 371, 372, and 374 and has agreed thereto; it recedes from its disagreement to the amendments of the Senate numbered 15, 17, 20, 21, 29, 38, 41, 42, 47, 49, 50, 53, 68, 72, 81, 84, 111, 113, 118, 123, 140, 142, 143, 145, 147, 148, 154, 155, 158, 161, 169, 171, 173, 184, 185, 189, 197, 202, 204, 205, 206, 207, 208, 210, 225, 240, 241, 260, 267, 268, 269, 272, 275, 284, 285, 293, 325, 331, 337, 342, 351, 356, 365,

428, and 429, and has agreed thereto, each with an amendment, in which it requests the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

S. 1070. An act to extend the authorization for youth employment and demonstration programs, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore (Mr. THURMOND).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation:

Frederick Morris Bush, of Texas, to be Assistant Secretary of Commerce for Tourism.

(The above nomination reported from the Committee on Commerce, Science, and Transportation with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, June 4, 1981, he had presented to the President of the United States the following enrolled bill:

S. 1070. An act to extend the authorization for youth employment and demonstration programs, and for other purposes.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-152. A resolution adopted by the Legislature of Guam; to the Committee on Armed Services:

"RESOLUTION

"Whereas, U.S. Public Law 96-600 authorized the formation of a National Guard Unit on Guam; and

"Whereas, the President of the United States is vested with the power to appoint the Adjutant General of the National Guard Unit on Guam pursuant to 32 U.S.C. 314 (b); and

"Whereas, Congressman Antonio B. Won Pat and Governor Paul M. Calvo have nominated Brigadier General Robert H. Neitz to be appointed as the Adjutant General of the National Guard Unit on Guam; and

"Whereas, Brigadier General Robert H. Neitz is eminently qualified to serve as the Guam unit's first Adjutant General having previously served as:

"Special Assistant to Chief, National Guard Bureau

"Executive, National Guard Bureau

"Advisor to Commander, Air University

"Faculty, Air War College

"Student, Air War College

"Assistant Director of Operations, Hqs, PA ANG

"Deputy Commander, Operations, 11th Military Airlift Group, PA ANG

"Operations Staff Officer, 11th Air Transportation Group, PA ANG

"Pilot, Transportation, 103rd Air Transportation Squadron, PA ANG.

"Pilot, Fighter Interceptor, 103rd Fighter Interceptor Squadron, PA ANG.

"Personnel Officer, 3501st USAF Recruiting Group, New York, NY.

"Student, Oklahoma State University.

"Base Information Officer, 3575th Pilot Training Wing, Vance AFB, OK.

"Academic Instructor, 3575th Pilot Training Wing, Vance AFB, OK.

"Pilot, Instructor, 3575th Pilot Training Squadron, Vance AFB, OK.

"Defense Training Officer, 483rd TCW (Japan).

"Pilot, Troop Carrier, 37th TRPCARRON (Japan).

"Pilot, Light Bomber, 90th Bomb Squadron (Korea).

"B-26 Combat Crew Training, Langley AFB, VA.

"B-26 Transition Training, Perrin AFB, TX.

"Primary, Basic Pilot Training; and

"Whereas, in 1970, General Neitz attended the resident course of the Air War College and was the first guardsman or reservist to win the coveted National Geographic Society Award for excellence in politico-military writing; and

"Whereas, he was invited to remain on the faculty and to serve as Air National Guard Advisor to the Commander, Air University, and Commandant, Air War College. This was the first such position at a senior service school for any reserve component; and

"Whereas, after more than four years on the Air War College faculty, during which he was an adjunct professor of political science at Troy State University, General Neitz was selected to be the Executive, National Guard Bureau and commenced a four year tour in January 1976; and

"Whereas, in this position, he was responsible for the overall administration of the National Guard Bureau, a headquarters of approximately 700 military and civilian personnel, and for programs to improve its facilities, organization, procedures, and management; and

"Whereas, he became the Special Assistant to the Chief, National Guard Bureau on 1 March 1980, and was federally recognized as a Brigadier General on 29 May 1980; and

"Whereas, the appointment of a person with Brigadier General Robert H. Neitz's education and experience will assure the expedited establishment of the National Guard Unit on Guam; now, therefore, be it

"*Resolved*, That the Sixteenth Guam Legislature respectfully recommends and requests that the President of the United States appoint Brigadier General Robert H. Neitz to serve as the Adjutant General of the National Guard Unit on Guam, pursuant to the authority granted by 32 U.S.C. 314(b); and be it further

"*Resolved*, That the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President of the United States; to the Chief of the National Guard Bureau; to the President Pro Temp of the United States Senate; to the Speaker of the House of Representatives, U.S. Congress; to Brigadier General Robert H. Neitz; to Congressman Antonio B. Won Pat; and to the Governor of Guam."

POM-153. A resolution adopted by the Regional Transportation Council of Texas commenting on existing and proposed regulations issued by the United States Department of Transportation; to the Committee on Banking, Housing, and Urban Affairs.

POM-154. A resolution adopted by the City Council of Vallejo, California, urging enactment of legislation to repeal Section 301 of the Power Plant and Industrial Fuel Use Act of 1978; to the Committee on Energy and Natural Resources.

POM-155. A resolution adopted by the City Council of Point Arena, California, urging the repeal of Section 301 of the Powerplant and Industrial Fuel Use Act; to the Committee on Energy and Natural Resources.

POM-156. A resolution adopted by the City Council of Ukiah, California, urging the repeal of section 301 of the Powerplant and Industrial Fuel Use Act; to the Committee on Energy and Natural Resources.

POM-157. A joint resolution adopted by the Legislature of the State of California; to the Committee on Energy and Natural Resources:

"JOINT RESOLUTION

"Whereas, California is a major energy producer with current oil production of over one million barrels per day and a projected production of over one and a half million barrels per day by 1985; and

"Whereas, California's utilities and government are taking steps to reduce by over 50 percent the burning of oil for electrical power generation by 1990, and California's citizens have reduced transportational fuel use by over 10 percent since 1979; and

"Whereas, California has taken steps to encourage energy conservation and the use of alternative energy sources, including solar, geothermal, wind, and biomass; and

"Whereas, The United States Congress in adopting the Outer Continental Shelf Lands Act Amendments of 1978 directed the Department of the Interior to 'manage the Outer Continental Shelf in a manner which considers economic, social, and environmental values of the renewable and nonrenewable resources contained in the Outer Continental Shelf, and the potential impact of oil and gas exploration on other resource values of the Outer Continental Shelf and the marine, coastal, and human environments"; and

"Whereas, California's citizens and local governments have repeatedly stated that proposed Outer Continental Shelf Sale 53 presents unacceptable risks to economic, social, human, and natural environments far in excess of the value of projected oil resources in the Santa Cruz, Bodega, Pt. Arena, and Eel River Basins; and

"Whereas, The Department of the Interior has recognized the validity of California's position and deleted these four basins from future lease sales; and

"Whereas, The State of California has further recommended that specific tracts within the Santa Maria Basin also be deleted to avoid unacceptable risks to the threatened sea otter and other valuable coastal resources; and

"Whereas, California's state and local governments support Outer Continental Shelf leasing and development in the many areas where large quantities of oil and gas are likely to be found; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly*, That the Legislature of the State of California hereby memorializes the President of the United States and the Secretary of the Interior to fulfill the existing commitments of the Department of the Interior to delete from further consideration for Outer Continental Shelf leasing the Santa Cruz, Bodega, Pt. Arena, and Eel River Basins; and be it further

"*Resolved*, That the Legislature hereby memorializes the President of the United States and the Secretary of the Interior to accept and expedite Outer Continental Shelf leasing in areas with large oil and gas reserves and to delete the northern portion of the Santa

Maria Basin to avoid excessive risk to threatened species, fisheries, marine mammals, sea birds, recreation, marine navigation, air quality, and other important values and uses of coastal waters; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Secretary of the Interior, and to each Senator and Representative from California in the Congress of the United States."

POM–158. A resolution adopted by the Utah Guides and Outfitters, relative to ownership, access, and use of various public lands; to the Committee on Energy and Natural Resources.

POM–159. A concurrent resolution adopted by the Legislature of the State of New Hampshire; to the Committee on Environment and Public Works:

"RESOLUTION

"Whereas, the Nuclear Regulatory Commission of the United States is responsible for the licensing and inspection of nuclear power plants; and

"Whereas, the Report of the President's Commission on the Accident at Three Mile Island (Kemeny Commission Report) and A Report to the Commissioners and to the Public (Rogovin Report) made public serious deficiencies in the Nuclear Regulatory Commission, including managerial problems, inadequacies in the licensing and inspection processes, and insufficient communication among its major offices; and

"Whereas, these problems have interfered with the ability of the Nuclear Regulatory Commission to perform its duties effectively and to provide an acceptable level of safety for nuclear power plants; and

"Whereas, the safety of nuclear power plants is of paramount concern to the citizens of New Hampshire because of the potential serious consequences of even minor accidents at such plants; and

"Whereas, the Kemeny Commission Report and Rogovin Report are based on a thorough investigation of the Nuclear Regulatory Commission and the safety issues raised by the March 28, 1979, accident at Three Mile Island; now, therefore, be it

"Resolved by the House of Representatives, the Senate Concurring:

"That the Congress of the United States is hereby urged to pass an act to restructure the Nuclear Regulatory Commission so that the Commission can effectively pursue what should be its primary goal, the assurance of safety in the generation of nuclear power; and

"That the restructuring should be based on the recommendations of the Kemeny Commission Report and the Rogovin Report; and

"That an oversight committee on nuclear reactor safety be established to examine the performance of the Nuclear Regulatory Commission; and

"That copies of this resolution be forwarded to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives and the Administrator of General Services of the United States."

POM–160. A resolution adopted by the Legislature of Guam; to the Committee on Finance:

"RESOLUTION

"Whereas, in 1978, the Internal Revenue Code was amended to provide a credit against the income tax for the employment of certain new employees; and

"Whereas, the credit is based on the amount of unemployment insurance wages paid by the taxpayer; and

"Whereas, the unemployment insurance provisions of the Internal Revenue Code are not applicable to the territory of Guam; and

"Whereas, many employers who would otherwise qualify for the credit in the territory of Guam cannot do so because of the definition of unemployment insurance wages; and

"Whereas, the 'mirror image' of the Internal Revenue Code was designed to provide equitable treatment for taxpayers in the territories and the mainland; and

"Whereas, with respect to the credit for employment of certain new employees such equitable treatment has been denied residents of the territory of Guam; now, therefore, be it

"*Resolved*, That the Sixteenth Guam Legislature requests the United States Congress to amend Section 26, United States Code, 51(f), to provide a definition for wages applicable to the territory; and be it further

"*Resolved*, That the Sixteenth Guam Legislature requests such action to be taken as expeditiously as possible; and be it further

"*Resolved*, That the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President of the Senate; to the Speaker of the House of Representatives; to the Chairperson of the Senate Finance Committee; to the Chairperson of the House Ways and Means Committee; to the United States Secretary of the Treasury; to the United States Secretary of the Interior; to the Director of the Office of Territorial Affairs; to Congressman Antonio B. Won Pat; and to the Governor of Guam."

POM–161. A joint resolution adopted by the Legislature of the State of California; to the Committee on Finance:

RESOLUTION

"Whereas, Unavoidable byproducts of hazardous substances; and

"Whereas, Pollution control and toxic and hazardous substance management facilities are necessary to the health and general welfare of the residents of the State of California and to fulfill the mandates of various state and federal laws designed to protect the environment; and

"Whereas, It is essential to ensure that expenditures for pollution abatement and toxic and hazardous substance management facilities do not jeopardize the ability of American industry to make the productive capital investments necessary to maintain and enhance the nation's economic strength; and

"Whereas, Congress has already provided in Section 103(b)(4) of the Internal Revenue Code of 1954, as amended, that interest earnings on bonds issued by state and local governments to assist private industry with the costs of the installation of pollution control and solid waste disposal facilities are excludable from the gross income of the holders of such bonds; and

"Whereas, The Legislature has already declared that it is necessary and essential that the state, in cooperation with the federal government, use all practical means and measures to control and eliminate pollution hazards in the environment; and

"Whereas, In furtherance of this goal the Legislature created the California Pollution Control Financing Authority which, among other things, may issue revenue bonds to provide financing for projects which reduce, abate, or control pollution resulting from the disposal of solid or liquid waste including, without limitation, the management of toxic and hazardous substances; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly*, That the Legislature of the State of California respectfully memorializes the President and the Congress to enact legislation amending the Internal Revenue Code of 1954 to include interest earnings on bonds issued for toxic and hazardous substance management facilities within Section 103(b)(4) of the code; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM–162. A resolution adopted by the City Council of Ukiah, California, expressing its support of efforts by the Administration to return powers to local entities; to the Committee on Governmental Affairs.

POM–163. A resolution adopted by the City Council of Antioch, California, expressing its support of efforts by the Federal Administration to return powers to local entities; to the Committee on Governmental Affairs.

POM–164. A resolution adopted by the City Council of Lakeport, California, expressing its support of efforts by the Federal Administration to return powers to local entities; to the Committee on Governmental Affairs.

POM–165. A joint resolution adopted by the Legislature of the State of Alaska; to the Committee on Veterans' Affairs:

"RESOLUTION

"Whereas veterans of the Vietnam war served our country with honor and distinction in the face of extraordinary circumstances including a lack of popular support from the United States civilian population; and

"Whereas the United States government has not provided benefits, allowances, and remuneration commensurate with those provided veterans of other conflicts to veterans of the Vietnam war;

"*Be it resolved* That the Alaska State Legislature urges the United States government to reinstate all benefits and allowances in force during the Vietnam war for all Vietnam war veterans regardless of time elapsed since separation from active duty; and be it

"*Further resolved* That the United States government is urged to reactivate discharge review boards and publicize their existence, and make all efforts to provide case by case corrective measures for other than honorably discharged Vietnam veterans; and be it

"*Further resolved* That the United States government is urged to establish a Vietnam war veterans' bonus program awarding those veterans a one-time cash bonus; and be it

"*Further resolved* That the legislature deplores and decries the most recent actions of the federal administration to cut or eliminate major programs that provide services to the Vietnam veteran, and urges immediate action to rescind those cuts; and be it

"*Further resolved* That the legislature endorses state participation in programs which will emphasize or supplement federal assistance programs for Vietnam war veterans."

POM–166. A petition from a citizen of Youngstown, Ohio, favoring the repeal of PSRO; ordered to lie on the table.

POM–167. A petition from a citizen of Youngstown, Ohio, urging the deregulation of health care programs by the President and the Congress; to the Committee on Finance.

POM–168. A resolution adopted by the House of Representatives of the State of Louisiana; ordered to lie on the table:

"RESOLUTION

"Whereas, the citizens of the United States and of the great state of Louisiana have witnessed the growth in federal government spending rise from a rate of sixteen percent annually and have felt an alarmingly high federal government presence in the economy, and

"Whereas, the citizens of the United States and of the great state of Louisiana have anguished under the excessive burden of oppressive tax and regulatory policies which

have gradually squeezed productive incentives from the economy, and

"Whereas, the citizens of the United States and of the great state of Louisiana have helplessly watched as the American productivity growth rate has fallen to less than one percent per year and has dwindled severely in relation to other industrialized nations, and

"Whereas, the citizens of the United States and of the great state of Louisiana have seen the United States savings rate, upon which the availability of investment capital so gravely depends, fall from its historic level of six to eight percent to a current rate of only four and four-tenths percent, and

"Whereas, the citizens of the United States and of the great state of Louisiana who are poor, who are elderly, or who live on fixed incomes have increasingly suffered from the ravages of inflation running at an annual rate of fourteen percent or higher and the unemployment rate reaching almost eight percent of the American work force.

"*Therefore, be it resolved by* the House of Representatives of the Legislature of Louisiana that the Louisiana House of Representatives does hereby express its support of the President's Program for Economic Recovery.

Be it further resolved by the House of Representatives of the Legislature of Louisiana that the Louisiana House of Representatives does hereby memorialize Congress to swiftly support the economic policies of the President's Program for Economic Recovery.

"*Be it further resolved* that a copy of this Resolution be sent to the President of the United States, to the Speaker of the House of Representatives of the United States Congress and to the President of the Senate of the United States Congress.

"*Be it further resolved* that a copy of the vote on the question of the adoption of this Resolution shall be attached to each copy of this Resolution transmitted as provided herein."

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. ROBERT C. BYRD:

S. 1324. A bill to amend section 1751 of title 18, United States Code, to provide a mandatory life sentence for attempted assassination of the President; to the Committee on the Judiciary.

By Mr. CHILES (for himself, Mr. PRYOR, Mr. COHEN, Mr. BURDICK, Mr. GOLDWATER, Mr. DECONCINI, Mr. HOLLINGS, Mr. HUDDLESTON, Mrs. KASSEBAUM, Mr. LUGAR, Mr. METZENBAUM, Mr. PROXMIRE, Mr. SASSER, and Mr. STAFFORD):

S. 1325. A bill to reform the laws relating to former Presidents; to the Committee on Governmental Affairs.

By Mr. SASSER:

S. 1326. A bill to amend Title 38, United States Code, to authorize a service pension of up to $150 per month for veterans of World War I and for certain surviving spouses and dependent children of such veterans; to the Committee on Veterans Affairs.

By Mr. CHILES:

S. 1327. A bill to amend the Inspector General Act of 1978; to the Committee on Governmental Affairs.

By Mr. MOYNIHAN (for himself, Mr. D'AMATO, and Mr. WILLIAMS):

S. 1328. A bill to amend the Federal Water Pollution Control Act to delete the limitation on the use of public treatment works grants for treating, storing, or conveying the flow of industrial users into treatment works; to the Committee on Environment and Public Works.

By Mr. HAYAKAWA:

S. 1329. A bill for the relief of Samuel Joseph Edgar; to the Committee on the Judiciary.

S. 1330. A bill for the relief of Jose Garcia-Nunez and Maura Garcia-Nunez, his wife; to the Committee on the Judiciary.

S. 1331. A bill for the relief of Florence Louis Barry; to the Committee on the Judiciary.

By Mr. DIXON (for himself and Mr. PERCY):

S. 1332. A bill to amend the Internal Revenue Code of 1954 to make certain changes with respect to estate and gift taxes; to the Committee on Finance.

By Mr. BAUCUS (for himself and Mr. BRADLEY):

S. 1333. A bill to amend the Internal Revenue Code of 1954 to provide a capital cost recovery method which combines the investment credit with the depreciation deduction in a first-year allowance; to the Committee on Finance.

By Mr. BAUCUS:

S. 1334. A bill to amend the Internal Revenue Code of 1954 to allow expensing of $25,000 of depreciable assets, to eliminate the corporate tax on the first $100,000 of income paid as dividends by small business corporations, to allow an ordinary loss on certain preferred stock issued by small business corporations, to provide capital gains treatment for certain small business stock options, to make certain changes in the estate tax special use valuation rules, and for other purposes; to the Committee on Finance.

By Mr. SASSER:

S. 1335. A bill to designate certain lands in the Great Smoky Mountains National Park as wilderness; to the Committee on Energy and Natural Resources.

By Mr. QUAYLE:

S. 1336. A bill to provide for a series of regional presidential primary elections; to the Committee on Rules and Administration.

By Mr. STEVENS (for himself and Mr. MURKOWSKI):

S. 1337. A bill to provide for the temporary exclusion of foreign fishing support vessels from the internal waters of Alaska; ordered held at the desk until the close of business Tuesday, June 9, 1981.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROBERT C. BYRD:

S. 1324. A bill to amend section 1751 of title 18, United States Code, to provide a mandatory life sentence for attempted assassination of the President; to the Committee on the Judiciary.

(The remarks of Mr. ROBERT C. BYRD, when he introduced this legislation, appear earlier in today's RECORD.)

By Mr. CHILES (for himself, Mr. PRYOR, Mr. COHEN, Mr. BURDICK, Mr. GOLDWATER, Mr. DECONCINI, Mr. HOLLINGS, Mr. HUDDLESTON, Mrs. KASSEBAUM, Mr. LUGAR, Mr. METZENBAUM, Mr. PROXMIRE, Mr. SASSER, and Mr. STAFFORD):

S. 1325. A bill to reform the laws relating to former Presidents; to the Committee on Governmental Affairs.

FORMER PRESIDENTS FACILITIES AND SERVICES REFORM ACT OF 1981

● Mr. CHILES. Mr. President, today along with Senator PRYOR and other Senators, I am introducing the Former Presidents Facilities and Services Reform Act of 1981. The purpose of this bill is to place limits and restrictions on the services and allowances currently provided to former Presidents so that we can bring what has become a runaway area of Federal spending under control.

Last Congress, as chairman of the Appropriations Subcommittee which has jurisdiction over the support programs for former Presidents, I became alarmed by the proliferation of benefits and the continuing growth in the amount of taxpayer dollars spent to maintain our former Presidents. Together with Senator PRYOR, I chaired 3 days of oversight hearings on the problem, and heard testimony from the executive branch, the General Accounting Office, and experts in the private sector.

After the hearings, and after consulting with the administration, we, and 13 of our colleagues, introduced S. 2408 in the last Congress. After introduction, we were able to further refine and improve S. 2408 as a result of comments received and consultations with our former Presidents.

Congress adjourned last year before S. 2408 became law, but the need for bringing the costs of our former Presidents program under control remains as critical now as it was then. Last year marked the first time that the American taxpayer spent more money to support our former Presidents than we spent on the White House operation itself. And it is important to remember that former Presidents have no official duties or responsibilities.

Since 1955, the cost of former presidents to the taxpayer has grown from $65,000 a year to a projected sum of nearly $22 million this year. Had the price of gasoline gone up at the same rate, we would now be paying about $100 for a gallon of gas. A look through the record of hearings Senator PRYOR and I held will turn up examples of excesses in the program too numerous to detail here. An overview of the situation shows three major areas of growth: First, in the money spent to operate Presidential libraries; second, in office and staff allowances; and third, in the cost to provide Secret Service protection to former Presidents, their spouses or widows, and their minor children.

The bill we are introducing today will bring the growth and proliferation of costs in each of these areas under control and thereby reduce the burden the taxpayer must shoulder.

It keeps the current decentralized system of Presidential libraries in place, but it places a limit on the extent of the Government's obligation to maintain the libraries.

Currently, Presidential libraries are built with private funds but maintained and operated with public money.

In practice, the Government has no control over the size of the building it will be asked to maintain and operate forever. This bill sets a limit on the size of any Presidential library which is to be maintained with the taxpayer's dollars. The limit was set with a view toward allowing enough space for archival records and a modest museum, but not for an extravagent mausoleum.

The bill also sets a ceiling, which will

be reduced over time, on staff allowances for former Presidents. The use of office funds for partisan political activities, or for income generating activities, would be prohibited. A former President would be allowed to use Government funds to prepare his memoirs only if he were to agree to have the memoirs published by the Government Printing Office. The proceeds would be paid into the U.S. Treasury.

Finally, the bill modifies the current provisions of law dealing with Secret Service protection for former Presidents, their spouses and their families. It provides automatic Secret Service protection to each former President for the first 8 years he is out of office. After that time, however, protection would be limited to periods of actual threat. Protection for spouses and minor children would be allowed, but only to the extent that it is incidental to protection of former Presidents. It gives widows of former Presidents Secret Service protection, but only for the 6-month period after a former President has passed away.

Mr. President, the provisions of this bill, taken together, will insure that each former President is able to lead a dignified retired life; will be secure from threats of physical harm; and will have the assistance to respond to the many requests and inquiries received directly as a result of his tenure as President. The bill also insures, however, that the taxpayers' interests are served by placing controls on this area of Government spending.

Mr. President, I ask unanimous consent that the text of this bill, along with related information about the bill and the former Presidents program, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1325

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Former Presidents Facilities and Services Reform Act of 1981".

DEFINITIONS

SEC. 2. For purposes of this Act, the term "former President" means an individual—

(1) who has held the office of President of the United States of America;

(2) whose service in such office has terminated other than by removal pursuant to section 4 of article II of the Constitution of the United States of America; and

(3) who does not currently hold such office.

TITLE I—PRESIDENTIAL LIBRARIES

PRESIDENTIAL ARCHIVAL DEPOSITORIES

SEC. 101. (a) The first paragraph of section 2101 of title 44, United States Code, is amended by inserting before the semicolon a comma and "and may include research facilities and museum facilities in accordance with this chapter".

(b) Section 2108(a) of such title is amended to read as follows:

"(a)(1) When the Administrator of General Services considers it to be in the public interest he may, in accordance with the provisions of this subsection, accept for and in the name of the United States, land, buildings, and equipment offered as a gift to the United States for the purpose of creating a Presidential archival depository, take title to the land, buildings, and equipment on behalf of the United States, and maintain, operate, and protect them as a Presidential archival depository and as a part of the national archives system.

"(2) The Administrator, in consultation with the Archivist of the United States and Commissioner of the Public Buildings Service, shall promulgate achitectural and design standards applicable to Presidential archival depositories in order to ensure that such depositories (A) preserve Presidential records subject to chapter 22 of this title and papers and other historical materials accepted for deposit under section 2107 of this title and (B) contain adequate research facilities.

"(3) The Administrator shall accept and take title to only such land, buildings, and equipment under paragraph (1) as are necessary to establish, for each President or former President, a single Presidential archival depository in one building not in excess of 40,000 square feet in one geographic location, including museum space.

"(4) The Administrator may make agreements, in accordance with the provisions of this paragraph and paragraph (5) and upon such other terms and conditions he considers proper, with a State, political subdivision, university, institution of higher learning, institute, or foundation to use as a Presidential archival depository land, buildings, and equipment of the State, subdivision, university, or other organization, to be made available by it without transfer of title to the United States. Any such agreement shall provide that any such Presidential archival depository shall, for each President or former President, be one building not in excess of 40,000 square feet in one geographic location, including museum space.

"(5)(A) Prior to accepting and taking title of any land, buildings, and equipment under paragraph (1), and prior to entering into any agreement under paragraph (4) or any other agreement to accept or establish a Presidential archival depository, the Administrator shall submit a prospectus for the proposed Presidential archival depository to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives. The prospectus shall include—

"(i) a description of the land, buildings, and equipment offered as a gift or to be made available without transfer of title;

"(ii) a statement of the terms of the proposed agreement, if any;

"(iii) a general description of the types of records, papers, documents, or other historical materials proposed to be deposited in the Presidential archival depository so to be created, and of the terms of the proposed deposit;

"(iv) a statement of the additional improvements and equipment, if any, necessary to the satisfactory operation of the depository, together with an estimate of the cost; and

"(v) an estimate of the annual cost to the United States of maintaining, operating, and protecting the depository.

"(B) Except as provided in subparagraph (C), the Administrator may take title to land, buildings, and equipment under paragraph (1) or enter into an agreement under paragraph (4) or any other agreement to accept or establish a Presidential archival depository unless, within 60 days of continuous session of Congress after the date on which a prospectus is submitted under subparagraph (A), both committees referred to in such subparagraph adopt a resolution stating that the committee disapproves the prospectus submitted under such subparagraph for the Presidential archival depository to be established with such land, buildings, and equipment or pursuant to such agreement.

"(C) If a Presidential archival depository to be accepted or established with land, buildings, and equipment under paragraph (1) or pursuant to an agreement under paragraph (4) or any other agreement to accept or establish a Presidential archival depository has not been disapproved under subparagraph (B) and does not comply with the architectural and design standards promulgated pursuant to paragraph (2), the Administrator may not accept or take title to such land, buildings, and equipment and may not enter into any such agreement unless a concurrent resolution of the Congress is adopted which approves the acceptance or establishment of such depository.

"(6) No physical or material changes in or additions to a Presidential archival depository may be made unless—

"(A) the Presidential archival depository, after any such change or addition, complies with the architectural and design standards established pursuant to paragraph (2), except that any change or addition which will cause a Presidential archival depository not to comply with such standards may be made if—

"(i) such change or addition has not been disapproved under subparagraph (C); and

"(ii) a concurrent resolution of the Congress approving such change or addition is adopted;

"(B) the Presidential archival depository, after any such change or addition, is one building not in excess of 40,000 square feet in one geographic location, including museum space; and

"(C) the Administrator submits a prospectus for any such change or addition and, within sixty days of continuous session of Congress after the date on which the prospectus is submitted, both committees of Congress referred to in subparagraph (A) of paragraph (5) have not adopted resolutions disapproving such change or addition.

"(7) For the purpose of this subsection—

"(A) continuity of session is broken only by an adjournment of Congress sine die; and

"(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of any period of time in which Congress is in continuous session.

"(8)(A) The Administrator may provide technical assistance to any private organization or institution establishing a museum or memorial for a President or former President and may provide such institution with microfilm copies of historically significant Presidential and personal records contained in a Presidential archival depository.

"(B) For purposes of this paragraph—

"(i) the term 'Presidential records' has the same meaning as in section 2201(2) of this title; and

"(ii) the term 'personal records' has the same meaning as in section 2201(3) of this title.".

DISPOSAL OF PRESIDENTIAL RECORDS

SEC. 102. Section 2203(c) of title 44, United States Code, is amended to read as follows:

"(c) During his term of office, the President shall substantially complete the disposal of his Presidential records which no longer have administrative, historical, informational or evidentiary value. Prior to disposing of any such records, the President shall obtain the written views of the Archivist concerning the proposed disposal of such Presidential records and may not dispose of any records with respect to which the Archivist notifies the President that he intends to take action under subsection (e).".

EFFECTIVE DATE

SEC. 103. The amendments made by this title shall take effect on January 20, 1983.

TITLE II—FORMER PRESIDENTS

SPOUSAL PENSIONS

SEC. 201. Subsection (e) of the first section of the Act entitled "An Act to provide

retirement, clerical assistants, and free mailing privileges to former Presidents of the United States, and for other purposes", approved August 25, 1958 (72 Stat. 838; 3 U.S.C. 102 note) is amended to read as follows:

"(e) The spouse of a deceased former President shall be entitled to receive from the United States a monetary allowance at a rate per annum, payable monthly by the Secretary of the Treasury, which is equal to two-thirds of the rate which is payable under subsection (a) to a former President. The monetary allowance of such spouse—

"(1) commences on the day after the former President dies;

"(2) terminates on the last day of the month before such spouse—

"(A) dies; or

"(B) remarries before becoming sixty years of age; and

"(3) is not payable for any period during which such spouse holds an appointive or elective office or position in or under the Federal Government or the government of the District of Columbia to which is attached a rate of pay other than a nominal rate.".

OFFICE AND STAFF FOR FORMER PRESIDENTS

SEC. 202. (a) Subsections (b) and (c) of the first section of the Act entitled "An Act to provide retirement, clerical assistants, and free mailing privileges to former Presidents of the United States, and for other purposes", approved August 25, 1958 (72 Stat. 838; 3 U.S.C. 102 note) are amended to read as follows:

"(b)(1) The Administrator of General Services (hereinafter referred to as the 'Administrator') is authorized to provide to each former President, upon request, necessary services and facilities, including—

"(A) one suitable office, not to exceed four thousand square feet in area, appropriately equipped with furniture, furnishings, office machines and equipment, and office supplies, as determined by the Administrator, after consultation with the former President or his designee provided for in subsection (c), at such place within the United States as the former President shall designate;

"(B) payment of the compensation of members of an office staff designated by the former President at rates determined by the former President which are not in excess of the rate provided for level II of the Executive Schedule under section 5313 of title 5, United States Code, except that notwithstanding any other provision of law, persons receiving compensation as members of an office staff of a former President under this subsection shall not be considered to be employees of the Federal Government except for purposes of chapters 81, 83, 87, and 89 of title 5, United States Code;

"(C) payment of travel expenses and subsistence allowances, including rental of Government or hired motor vehicles, found necessary by the former President, as authorized for persons employed intermittently or for persons serving without compensation under section 5703 of such title;

"(D) communications services found necessary by the former President; and

"(E) except as provided in subsection (f) and notwithstanding the provisions of section 501 of title 44, United States Code, payment of expenses for necessary printing and binding.

"(2) Any Federal employee may be detailed to the office staff of a former President on a reimbursable basis with the consent of the head of the agency involved. An employee detailed to the office of a former President shall be responsible only to the former President for the performance of his duties during the period of such detail. An employee detailed under this subsection is deemed, for the purpose of preserving his allowances, privileges, rights, seniority, and other benefits, an employee of the agency from which detailed, and he is entitled to pay, allowances, and benefits from funds available to that agency. The authorization and payment of such allowances and other benefits from appropriations available therefor is deemed to comply with section 5536 of title 5, United States Code.

"(c) Each former President may designate to the Administrator an assistant authorized to make on his behalf such designations or findings of necessity as may be required in connection with the services and facilities to be provided under subsection (b).".

(b)(1) Subsection (f) of such section is redesignated as subsection (k).

(2) Such section is amended by inserting immediately before subsection (k) the following new subsections:

"(f) Funds provided for necessary services and facilities for a former President under this Act shall be used for activities which are the direct result of such former President having held the office of President. Such funds may not be used for partisan political activities or income generating activities, except that a former President may use such funds for the preparation of his memoirs if the former President signs an agreement with the Administrator of General Services which provides that such memoirs will only be printed and distributed by the Public Printer in accordance with section 1345 of title 44, United States Code.

"(g)(1) The Administrator is authorized to provide necessary services and facilities to a former Vice President for use in connection with winding up the affairs of his office. Such services and facilities shall be of the same general character as the services and facilities provided to a former President under subsection (b). Each former Vice President shall be entitled to conveyance within the United States and its territories and possessions of all mail matter, including airmail, sent by him under his written autograph signature in connection with his prepartions for winding up of his official duties as Vice President.

"(2) No funds for necessary services and facilities provided to a former Vice President under this Act shall be used for partisan political activities or income generating activities.

"(h) The Administrator shall expend no funds for the provision of services and facilities under this Act with respect to a former President at any time beyond ninety days after the date on which such former President dies.

"(i) By March 1 of each year, each former President shall prepare and transmit to the Committee on Governmental Affairs of the Senate, the Committee on Government Operations of the House of Representatives, and the Committees on Appropriations of the Senate and the House of Representatives a report concerning activities carried out with the assistance of the funds for necessary services and facilities provided under this Act.

"(j)(1) To carry out the provisions of subsections (b) and (g), there are authorized to be appropriated with respect to a former President and former Vice President a total of $750,000 for the fiscal year in which the term of a former President expires, except that no funds appropriated pursuant to this clause shall be available for expenditure until the day on which such term expires.

"(2) Except as provided in paragraphs (3) and (4), to carry out the provisions of subsection (b) (except the provisions of paragraph (1)(A) of such subsection) with respect to each former President, there are authorized to be appropriated to the Administrator of General Services—

"(A) $300,000 for each of the first four fiscal years beginning after the fiscal year in which the term of a former President expired;

"(B) $250,000 for the fifth and each of the three succeeding fiscal years beginning after the fiscal year in which the term of a former President expired; and

"(C) $200,000 for the ninth and each of the succeeding fiscal years beginning after the fiscal year in which the term of a former President expired.

"(3) Except as provided in paragraph (4), to carry out the provisions of subsection (b) (except the provisions of paragraph (1)(A) of such subsection) with respect to any individual who is a former President on the date of enactment of this subsection, there are authorized to be appropriated to the Administrator of General Services—

"(A) $300,000 for each of the four fiscal years beginning after the fiscal year in which this subsection is enacted;

"(B) $250,000 for the fifth and each of the three succeeding fiscal years beginning after the fiscal year in which this subsection is enacted; and

"(C) $200,000 for the ninth and each succeeding fiscal year beginning after the fiscal year in which this subsection is enacted.

"(4) To carry out the provisions of subsection (b)(1)(A) for each former President with respect to the payment of charges for furnished services, space, quarters, maintenance, repairs, or other facilities made by the Administrator of General Services in accordance with section 210(j) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(j)), there are authorized to be appropriated to the Administrator of General Services such sums as may be necessary for fiscal year 1982 and each succeeding fiscal year.

"(5) The provisions of paragraphs (2) and (3) shall lapse ten years after the date of enactment of this paragraph.".

(c) Section 4 of the Presidential Transition Act of 1963 (3 U.S.C. 102 note) is repealed.

(d) Section 5 of such Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 5. There are hereby authorized to be appropriated to the Administrator such funds as may be necessary for carrying out the purposes of this Act, except that with respect to any one Presidential transition not more than $2,000,000 may be appropriated for the purposes of providing services and facilities to the President-elect and Vice President-elect under section 3. The President shall include in the budget transmitted to Congress, for each fiscal year in which his regular term of office will expire, a proposed appropriation for carrying out the purposes of this Act.".

PUBLICATION OF PRESIDENTIAL MEMOIRS

SEC. 203. (a) Chapter 13 of title 44, United States Code, is amended by adding at the end thereof the following new section:

"§ 1345. Presidential memoirs

"The Public Printer shall cause to be printed as many copies of the memoirs of a former President who has entered into an agreement with the Administrator of General Services under subsection (f) of the first section of the Act of August 25, 1958 (72 Stat. 838) as may be necessary for the distribution and sale of such memoirs. Such memoirs shall be distributed and sold by the Superintendent of Documents in accordance with chapter 17 of this title.".

(b) The table of sections for such chapter is amended by adding at the end thereof the following:

"1345. Presidential memoirs.".

TITLE III—PROTECTION OF FORMER PRESIDENTS, FORMER VICE PRESIDENTS, AND THEIR FAMILIES

SECRET SERVICE PROTECTION AUTHORIZED

SEC. 301. Section 3056 of title 18, United States Code, is amended by striking out beginning with "protect the person of a former President" through "declined" and inserting in lieu thereof "Protect the person of a former President and the person of the spouse,

widow, widower, or minor children of a former President in accordance with sections 302 and 303 of the Former Presidents Facilities and Services Reform Act of 1980; protect the person of a former Vice President in accordance with section 304 of such Act;".

PROTECTION PERIOD

SEC. 302. (a) On or after the effective date of this title, no Secret Service protection shall be provided to a former President or to the spouse, widow, widower, or minor child of any such former President, unless such protection is authorized by subsection (b) or is extended or reinstated by the Secretary of the Treasury in accordance with section 303.

(b) The Secret Service is authorized to protect the person of a former President after the effective date of this title for a period of eight years beginning on the effective date of this title or the date on which such individual becomes a former President, whichever is later, and for such additional periods as the Treasury may authorize under section 303. The Secret Service is authorized to protect the person of the spouse or minor child of any former President after the effective date of this title to the extent that such protection is incidental to the protection of such former President or if such protection is authorized by the Secretary of the Treasury under section 303. The Secret Service is authorized to protect the person of any individual who becomes a widow or widower of a former President after the effective date of this title for a period of six months after the date on which such former President dies and for such additional periods as the Secretary of the Treasury may authorize under section 303.

AUTHORIZATION OF ADDITIONAL PROTECTION

SEC. 303. (a)(1) After the expiration or termination of Secret Service protection to a former President or the spouse or minor child of a former President, and after a period of time has passed since the expiration or termination of such protection, the Secretary of the Treasury may authorize the reinstatement of such protection—

(A) in the case of a former President, for one one-year period; and

(B) in the case of the spouse or minor child of a former President, for one six-month period,

upon a finding that a serious threat warranting such protection exists to the individual.

(2) The Secretary may extend Secret Service protection reinstated under paragraph (1) or provided under section 3056 of title 18, United States Code, prior to the effective date of this title or under section 302 after the effective date of this title—

(A) in the case of a former President, for additional consecutive one-year periods; and

(B) in the case of a spouse or minor child of a former President, for additional consecutive six-month periods,

upon the written request of the individual desiring such protection and upon the approval of the advisory committee established by the first section of the joint resolution entitled "A joint resolution to authorize the United States Secret Service to furnish protection to major Presidential or Vice Presidential candidates" approved June 6, 1968 (82 Stat. 170; 18 U.S.C. 3056 note).

(b) The Secretary of the Treasury shall submit any request for the extension of Secret Service protection under subsection (a)(2) to the advisory committee referred to in such subsection. The advisory committee shall review all such requests with the assistance of the Advisory Panel on Secret Service Protection established under subsection (c) and shall transmit to the Secretary of the Treasury its decisions regarding the extension of Secret Service protection.

(c)(1) There is established the Advisory Panel on Secret Service Protection, which shall consist of nine members, appointed by the Comptroller General of the United States. The Comptroller General shall appoint to the Advisory Panel—

(A) three officers or employees of the Federal Government having expertise in law enforcement activities, except officers or employees of the United States Secret Service;

(B) three individuals who are prominent leaders in State and local law enforcement; and

(C) three prominent citizens.

(2) Each member of the Advisory Panel shall serve for a six-year term, except that the terms of the members first appointed shall expire, as determined by the Comptroller General at the time of appointment, three at the end of one year, three at the end of two years, and three at the end of three years.

(3) Five members of the Advisory Panel shall constitute a quorum. A vacancy in the Advisory Panel shall not affect its authority.

(4) The Advisory Panel shall review requests for Secret Service protection received under this section and shall make recommendations to the advisory committee referred to in subsection (a) as to whether such requests should be granted.

(5) Each member of the Advisory Panel who is not otherwise employed by the United States Government shall receive compensation at a rate equal to the daily rate prescribed for GS-18 under the General Schedule under section 5332 of title 5, United States Code, for each day, including traveltime, such member is engaged in the actual performance of duties as a member of the Advisory Panel. A member of the Advisory Panel who is an officer or employee of the United States Government shall serve without additional compensation. All members of the Advisory Panel shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

PROTECTION FOR FORMER VICE PRESIDENTS

SEC. 304. (a) The Secret Service is authorized to protect the person of a former Vice President if such protection is authorized by the Secretary of the Treasury in accordance with subsection (b).

(b) The Secretary of the Treasury may authorize the provision of Secret Service protection to a former Vice President upon the written request of such former Vice President and upon a finding that a serious threat warranting such protection exists to such former Vice President. The Secretary of the Treasury may authorize the provision of such protection for a period beginning on the date on which the Vice Presidential term of such former Vice President expired and ending on the last day of the fiscal year in which such term expired.

EFFECTIVE DATE

SEC. 305. This title shall take effect on October 1, 1982, except that after the date of enactment the Comptroller General of the United States may appoint the Advisory Panel on Secret Service Protection established under section 303(c).●

SECTION-BY-SECTION ANALYSIS—FORMER PRESIDENT'S FACILITIES AND SERVICES REFORM ACT OF 1981

DEFINITIONS

Section 2 defines "Former President" and adopts the definitions of "Presidential records" and "personal records" found in the Presidential Records Act of 1978 (44 U.S.C. 2201).

TITLE I—PRESIDENTIAL LIBRARIES

PRESIDENTIAL ARCHIVAL DEPOSITORIES

Section 101. This section authorizes the Administration of GSA to accept responsibility for the maintenance of a Presidential archival depository (library) by taking title to the land and the building. The library must be a single building, and its size may not exceed 40,000 square feet, including museum space. Otherwise, the Administrator is prohibited from taking title. Before accepting title, an Administrator of GSA must also submit to the relevant Congressional committees a prospectus which includes, among other things, an estimate of the annual cost to the government to maintain the library. A library whose prospectus does not conform to the space or location limitations, or to the other building standards for Presidential libraries, may not be accepted by the Administration unless Congress approves a concurrent resolution allowing him to do so. This section also provides that any material additions or modifications to an already established Presidential library be subject to the same approval procedures.

DISPOSAL OF PRESIDENTIAL RECORDS

Section 102. Section 102 requires each President during his time of office to substantially complete the disposal of his Presidential records which no longer have administrative, historical, informational, or evidentiary value. The disposal of these materials shall be made under the same safeguards that currently exist in the Presidential Records Act of 1978.

COVERAGE

Section 103. Title I of the bill shall take effect on January 21, 1985, but shall cover Presidential records for which the Federal Government has title.

TITLE II—FORMER PRESIDENTS

SPOUSAL PENSIONS

Section 201. Section 201 establishes the pension of a widow of a former President at a rate which is equal to two-thirds of the rate which a former President would receive. This section effectively increases the widows' pension from the current amount of $20,000 to approximately $46,000.

OFFICE AND STAFF FOR FORMER PRESIDENTS

Section 202. A staff allowance of $300,000 a year is provided, to be reduced over time to a ceiling of $200,000. The Section provides that each former President would be entitled to one office, not to exceed 4,000 square feet in size, with space charges and pensions excluded from the ceiling.

The use of funds for partisan political activities and for income-generating activities is prohibited. The funds could be used for the preparation of memoirs provided that the receipts from the sale of such memoirs are paid into the Treasury.

The Section also requires each former President to submit a report each year by March 1, on his activities in the preceding year and authorizes $750,000 for transition expenses of a former President and former Vice President.

Finally, this section contains a "sunset" provision which automatically terminates the authorization for staff allowances for former Presidents. It would enable Congress, after ten years, to redetermine what the proper authorization levels should be.

PUBLICATION OF PRESIDENTIAL MEMOIRS

Section 203. In those cases when a former President chooses to use his office allowance for the preparation of memoirs, they will be printed by the Government Printing Office and distributed and sold by the Superintendent of Documents.

TITLE III—PROTECTION OF FORMER PRESIDENTS, FORMER VICE PRESIDENTS, AND THEIR FAMILIES

SECRET SERVICE PROTECTION AUTHORIZED

Section 301. Section 301 amends Title 18 U.S.C. 3056 to make the protection provisions conform with this legislation.

PROTECTION

Section 302. The Secret Service will be authorized to protect a former President for

8 years and protect the spouse of a former President for the same period of time to the extent the protection of the spouse is incidental to the protection of such former President.

The Secret Service is also authorized to protect the spouse of a former President who has died after leaving office, but only for the six months following the former President's death.

AUTHORIZATION OF ADDITIONAL PROTECTION

Section 303. After the expiration or termination of Secret Service protection for a former President, such protection may be reinstated for a single one year period upon a determination that a serious threat to the former President exists. Additional extensions of Secret Service protection may be authorized, but only for 6 month periods, and only upon the recommendation of a special Advisory Committee. The Advisory Committee consists of public and private sector representatives, including federal officials with law enforcement experience.

PROTECTION FOR A FORMER VICE PRESIDENT

Section 304. Secret Service will be authorized to protect a former Vice President only during the transition period if and only if the former Vice President makes a written request for such protection and the Secretary of the Treasury makes a finding that a serious threat exists that would warrant such protection.

EFFECTIVE DATE

Section 305. Section 305 establishes an effective date of October 1, 1982, for Title III.

PRESIDENTS EMERITUS

(By John Whiteclay Chambers II)

What should be done with ex-Presidents? William Howard Taft once remarked that perhaps the best way to handle a former President was to chloroform and ceremonially cremate him when he left office, in order to "fix his place in history and enable the public to pass on to new men and new measures." Taft did not insist on this ritual for himself, however, accepting instead a professorship at the Yale Law School when he finished his presidential term, and later serving as Chief Justice of the U.S. Supreme Court. These occupations were dignified and moderately remunerative. Taft thus chose a course of ex-presidential behavior midway between that of Jefferson, for example, who retired to his plantation and died heavily in debt, and Richard Nixon and Gerald Ford, both of whom hired theatrical agents, signed a number of exclusive contracts, and began earning millions of dollars for television and publishing commitments.

The evolution of the ex-Presidency has been, until recently, rather haphazard. For most of its history the nation has left the former Presidents to fend for themselves and to work out their own post-Executive careers. But in the last thirty years, the quasi-public "Office of the Ex-President" has emerged with quite well-defined perquisites, and some of the trappings of power.

Yet despite the growth of the office and of the sums of public funds spent on his maintenance, a former Chief Executive is under virtually no obligation to do, or not to do, anything at all. Until the last few years—since the ex-Presidency of Richard Nixon—no federal rules or guidelines existed to direct or restrict him.

As in almost everything else, George Washington set precedents as the first presidential retiree. Perhaps the most important decision ever made concerning an ex-President was Washington's decision to become one. Conceivably, he might have stayed in office until he died, establishing a far different tradition than the voluntary relinquishing of power.

Returning to his plantation, Washington tried not to interfere unduly with his successor, John Adams. The old hero retained enormous popularity, however, and when the nation faced the possibility of war with France in 1798, Adams found himself forced into appointing Washington as Commander-in-Chief of the Armies, a title constitutionally reserved for the President. Adams' successor, Jefferson, did not have to confront such a powerful figure. Washington died in 1799, and the unpopular Adams became the first ex-presidential "exile," banished into political inactivity.

Although a number of former Chief Executives in the ensuing century and a half remained important figures in their parties, not many achieved new elective office. Only Cleveland proved able to recapture the Presidency after a hiatus, a testimony to his ability to unite the Democratic party. The others who tried—Van Buren, Fillmore, and Theodore Roosevelt—failed at the head of so-called third parties. Three former Presidents won re-election to lesser offices—John Quincy Adams to the House of Representatives, John Tyler to the Confederate Congress, and the impeached Andrew Johnson to the U.S. Senate. They showed that a President who lost his national majority could sometimes retain a power base in his home constituency.

More common, especially in the twentieth century, has been the use of former Chief Executives in nonpartisan public service. Cleveland accepted an offer from Theodore Roosevelt to head a study commission during the coal strike of 1902. Taft co-chaired the War Labor Board in 1918 and later, as noted, became Chief Justice of the Supreme Court of the United States. Hoover headed a committee on relief of famine in Europe after World War II, and in 1947 was appointed by Truman to lead a commission to study the executive branch of the government.

Ex-Presidents also had to maintain themselves and their families economically, and until 1958 there was no government pension for them. They pursued a variety of post-White House careers, but a consensus soon developed that these should be consistent with maintaining the dignity of the Presidency. Neither the public nor most ex-Presidents have wanted to see former heads of state become hucksters or financial speculators, and genteel poverty plagued many former Chief Executives. Except for Washington, who was a good businessman, most of the Presidents of the Virginia dynasty who retired to their plantations soon discovered they were deeply in debt. Madison and Monroe, like their friend Jefferson, died virtually penniless.

To help avoid this specter, Congress doubled the President's salary in 1873 to $50,000. At the same time, legislators recognized the old tension between dignity and earning potential, for they justified the increase so that "the President could save enough money to retire [after leaving office] from all active or at least from all money-making pursuits."

The incumbent, Ulysses S. Grant, paid little heed to this, however, and the disaster that befell him probably reinforced the belief that ex-Presidents should avoid direct involvement in the commercial marketplace. Grant and his son joined a Wall Street investment banking house with an unscrupulous speculator who swindled the gullible hero out of his money and his reputation. When Grant & Ward went bankrupt in 1884, the savings of thousands of people were destroyed. Nevertheless, the penniless old soldier went on to become the first ex-President to make money out of his memoirs, which he finished only three days before he died of cancer. They earned his family nearly $450,000.

The ex-Presidents who followed Grant saved money from their salary, which was raised to $75,000 in 1909, and while avoiding positions in business, they did supplement their incomes through the practice of law. Benjamin Harrison argued cases before a Supreme Court partially filled with his own appointees. Cleveland declined to appear in court, but wrote briefs and served as a court-appointed arbiter. Accepting a law professorship at Yale, Taft described it as "a dignified retirement . . . and one which would approve itself to the general propriety of the country."

In 1912 steel magnate Andrew Carnegie, a man who dabbled in both politics and pension programs, tried to provide pensions for ex-Presidents. To embarrass Congress into giving a regular allowance to future ex-Presidents and their widows, Carnegie offered them pensions of $25,000 a year until the government provided for them. The public, however, seemed to disapprove of a millionaire paying former heads of state, and Taft rejected the offer.

Perhaps the principle of avoiding exploitation of the private earning ability of ex-Presidents was most pithily stated by the taciturn New Englander, Calvin Coolidge. Turning down several lucrative business offers, he asserted that "these people are trying to hire not Calvin Coolidge, but a former president of the United States. I cannot do anything that might take away from the presidency any of its dignity, or any of the faith the people have in it." Later, Truman and Eisenhower quoted Coolidge's remarks as a guideline for ex-Presidents. Meanwhile, Hoover had no difficulty in maintaining dignity, which was natural to him, or a high income, which came from an engineering and mining fortune he had established before entering public service.

Harry Truman, on the other hand, was never really a wealthy man. Since he rejected half a dozen corporate offers when he left office in 1953, his income stemmed primarily from the sale of his father's farm, the publication of his memoirs, and his appearance in 1958 on Edward R. Murrow's "See It Now" program. This was the first television portrait of a former President speaking informally and at length before a vast audience, and Truman received a substantial fee, although this was not publicized at the time.

When the Democrats returned to power in the 1960's, they honored Truman as an elder statesman. Kennedy held a White House dinner for him; Johnson sent him to Greece to represent the United States at the funeral of King Paul. When Truman died in 1972, his peppery forthrightness was being hailed in a reaction against presidential manipulation and deceit.

Eisenhower, too, fared well as an ex-President. The income from the sale of his wartime and presidential recollections and the subtantial fees for his television memoirs in 1961 and 1964 enabled him to live comfortably on his Gettysburg farm. Despite the turmoil at the end of his term, Eisenhower remained extremely popular. He cultivated the image of a kindly grandfather dispensing advice to his posterity. Congressional committees solicited his testimony, and Democratic Presidents sought his support for their foreign policy.

But despite Ike's paternal image, many noticed an anomaly. The man who had seemed almost apolitical in the White House appeared a vigorous partisan in retirement. Within four months after leaving Washington, he opened an attack upon the Democrats' domestic policies which he maintained until he died in 1969.

With Hoover, Truman, and Eisenhower, the shared prestige of living ex-Presidents may have reached a kind of zenith. The three sat bare-headed together at Kennedy's funeral, a powerful image of solidarity and continuity at a time when the nation felt the need for reassurance. But public support for ex-Presidents sank to the nadir in the early 1970's. Both Lyndon Johnson and Rich-

ard Nixon were forced into political retirement and seclusion.

Deeply embittered by what he considered a misunderstanding of his policies, Johnson returned to Texas and immersed himself in ensuring his memorials. All bore his brand: the LBJ Ranch, the Johnson Birthplace and Homestead; the Johnson School of Public Affairs, and the Johnson Presidential Library at the University of Texas. Money posed no problem for the richest ex-President in American history. With ranches, banks, radio and television stations, and a sizable trust fund, he and his wife controlled a fortune estimated at between $15,000,000 and $20,000,000. Furthermore, Johnson received around $1,000,000 for his memoirs and $300,000 for exclusive contractual rights to television interviews. Even though he turned the proceeds over to the Johnson Library and School of Public Affairs, his television deal raised public questions, for the first time, about the propriety of an ex-President granting such a media monopoly.

In August, 1974, Richard Nixon fled the White House under threat of impeachment. Sick, depressed, and near financial ruin, he later recalled that his life then became nearly a "life without purpose," an "almost unbearable" existence. Gradually, however, he began to recover physically, emotionally, and financially. In a surprise visit to Communist China, he was feted as a visiting dignitary. In 1978 he went to England and France and was treated with some respect. Nevertheless, although he wished to remain active within the GOP, Republican leaders believed that his actions and the controversial pardon by President Ford had hurt the party. Nixon's search for a useful purpose thus proved unavailing, but he did find economic security. During the first three years of his retirement, he augmented nearly $800,000 in federal funds with more than $1,000,000 from exclusive television interviews with David Frost.

As an ex-President, Gerald Ford has maintained an active life of speech making and politicking, remaining one of the major spokesmen of the Republican party. He is also on his way to becoming a multimillionaire. In addition to the hundreds of thousands of dollars in federal funds he and his staff receive, Ford personally will earn nearly $500,000 a year during the first five years of his ex-Presidency from lucrative part-time commitments, and from fulfillment of his network contract for television appearances, including commentary on current events. Ford's rapid rise to affluence as an ex-President has led to significant questioning of what one journalist called the "huckstering and hustling and merchandising of the presidency." "I have to earn a living," Ford explained in a TV interview.

The most significant development in the last three decades, however, has not been the activities of the former Presidents, but rather the rapid emergence of the ex-Presidency as a form of public office. This has not been a result of any coherent, deliberate policy; developments have often been fortuitously related to other events. Nevertheless, more codification has occurred in the last 30 years than in the first 150 years of the Republic.

One of the most important aspects of the office concerned the extension of the doctrine of executive privilege to ex-Presidents. In 1953 Harry Truman, even though at that time a private citizen, successfully resisted a subpoena from the House Un-American Activities Committee, which wanted him to provide information about the promotion of an alleged Communist in government. Truman claimed he could not be forced to testify about his actions in an office which had been protected by executive privilege and separation of powers. Although constitutional authorities differed, public sympathy for Truman's claim of Republican harassment led the committee to drop the matter.

Citing this precedent nearly twenty-five years later in 1977, Richard Nixon refused to testify before a House subcommittee investigating earlier negotiations with North Vietnam. When Nixon eventually agreed to talk informally on the phone with a few selected committee members, a confrontation was avoided. However, the two cases suggest *de facto* recognition that ex-Presidents continue to maintain some aspects of the executive power.

The first federal appropriations regarding the ex-Presidency came in 1955 with the congressional decision to maintain presidential libraries and museums. Franklin D. Roosevelt had begun the practice of deeding his presidential papers to the public and placing them in a special depository, but he did not live to see the Roosevelt Library open at Hyde Park, New York, in 1948. Encouraged by those planning the Truman and Eisenhower libraries, Congress recognized the new practice. In the Presidential Libraries Act of 1955 it authorized federal funds for staffing and maintaining these institutions, which were built with privately raised contributions, and which, incidentally, each included a replica of the Oval Office where a former Chief Executive could spend his last working years, like a living Cheops in his pyramid.

Still, there was no presidential pension. One was enacted as part of the congressional pension program in 1942, but the whole program was quickly repealed in the wake of a vehement public outcry against congressional avarice during a period of wartime sacrifice. After the war, Congress enacted its own pension program, but the presidential pension was not adopted for another dozen years. Instead the legislature increased the presidential salary to $100,000 in 1949. Recently it has been increased to $250,000.

In considering the proposal for a stipend for ex-Presidents in 1957, Congress addressed the old dilemna between earning potential and the need to maintain decorum. As a Senate committee asserted in recommending federal funding. "We expect a former President to engage in no business or occupation which would demean the office he has held or capitalize upon it in any improper way. There are many ways in which a former President can earn a large income, but ought not to."

With the Former Presidents Act of 1958, Congress essentially established an office of the ex-President. It declared that each former Chief Executive was entitled to receive "a monetary allowance" of $25,000 a year. (Since this represented a kind of salary rather than a contributory pension, the Internal Revenue Service later determined that it was taxable, like the President's salary.)

Congress also authorized a staff to assist the ex-President. The former Chief Executive could select, without regard to the Civil Service and classification laws, assistants and secretaries who would then become federal employees. They would be responsible solely to him in the performance of their duties. The staff allowance paid by the government was not to exceed that of the senator from the least populous state, which in 1958 meant $50,000 a year. The ex-President also received office space, furnishings, and equipment at a place in the United States determined by him. He was also given free mailing privileges. Like the comparable allowances for a President in office, these allowances for the ex-President were considered by Internal Revenue to be tax free.

Finally, Congress provided a pension of $10,000 a year for presidential widows. Previously they had been given federal assistance only upon petition, and then by special acts of Congress.

The Former Presidents Act stemmed most immediately from the plight of Harry Truman. He found his resources drained by the $30,000 he said it cost him each year just to answer his mail and fulfill requests for speeches and public appearances. He had to have federal assistance, he told House Speaker Sam Rayburn, in order "to keep ahead of the hounds."

Seeking passage of the bill, congressional leaders emphasized that a Chief Executive remained an important public figure for the rest of his life. "The American people," declared Senate Majority Leader Lyndon Johnson, "still look to an ex-President for advice, for counsel, and for inspiration in their moments of trial."

Nevertheless, dissatisfied Republicans in the House delayed action for two years. Publicly they warned that the bill gave ex-Presidents official standing and that in the future they might use the governmental services to mount a campaign for public office at the taxpayers' expense. Privately they complained that they were being asked to subsidize Truman's attacks upon their party. Overwhelming support for the bill, however, came from the mass media and from the public, and it became law in 1958.

Since then the ex-presidential allowances have been increased to counter the erosion of inflation. In 1970 Congress adopted an escalator clause, making the stipend for former Presidents equal to the annual salary of Cabinet officers, an amount that rose from $60,000 in 1970 to $66,000 in 1976.

Former Presidents also have obtained the prerogative of addressing the U.S. Senate, a modification of the proposal championed by Harry Truman to make them lifetime, nonvoting members of the Upper Chamber. This was not a new idea. President Hayes had rejected it, declaring that representation in the Senate was already inequitable. President Taft said there was already too much discussion in the Senate. Hoping to encourage Franklin D. Roosevelt not to run for re-election, Thomas E. Dewey revived the idea during World War II, but had no luck.

In the postwar era, Congress considered several such bills, but failed to adopt any. Yet, in deference to Truman's wishes, the Senate modified its rules in 1963 to give former Chief Executives the right to use it as a forum whenever they wished. The following year, on his eightieth birthday, Truman became the first ex-President to address the Senate in formal session.

Several other measures in the 1960's added to the perquisites and privileges of the ex-Presidency. The Presidential Transition Act of 1963 substituted federal for private funds to cover the cost of changing administrations. Although the incoming President received the bulk of the money, the outgoing Executive was allotted $300,000 during the six months after he left the Presidency. In 1976 this was raised to $1,000,000.

With the expansion of security measures after President Kennedy's assassination, Congress provided Secret Service agents to protect former Presidents and their families.

President Johnson's own flamboyant style led him to put Air Force jets and helicopters, complete with crews and stewards, at the disposal of Hoover, Truman, and Eisenhower, and this privilege has been continued.

In 1969 a Victorian townhouse across from the White House was designated the official Former Presidents' Residence to accommodate the former heads of state whenever they visited the nation's capital. Eight years later Gerald Ford became the first to use it.

Watergate and the resignation of President Nixon in 1974 led to questioning of some of the privileges and prerogatives and, for the first time, to restrictions on the ex-Presidency. When it was disclosed that nearly $10,000,000 had been spent by the government to make the estates of President Nixon at Key Biscayne and San Clemente more secure and comfortable for him and his staff, some challenged such expenditures on property that would remain private after he became an ex-President.

Extending the doctrine of accountability, a federal court ruled in 1976 that an ex-President would be accountable for personal misconduct while President. The judge held former President Nixon personally liable for damages because he had initiated and overseen a wiretap program without setting specific limits on it. (While asserting the moral principle, in a suit initiated by former National Security Staff member Morton Halperin, the judge reduced its effectiveness by assessing only a token fine of one dollar.)

In the Presidential Recordings and Materials Preservation Act of 1974, Congress deprived Nixon of control over his papers and tapes because of the Watergate investigation. Four years later, the lawmakers passed the Presidential Records Act of 1978, which made an outgoing President's papers public property. However, it permitted a former President to restrict access to some of his public materials for up to twelve years.

Finally, an important shaping force in the evolution of the ex-Presidency has been the growth of the Presidency itself, for the ex-Presidency is always a shadow of the larger institution. The increased power and codification of the Presidency in the postwar era encouraged similar developments in the ex-Presidency. Conversely, the ex-Presidency may be facing greater responsibility and accountability as the Imperial Presidency is dismantled. Limitation of ownership and control over White House materials may be only the first step. Congress may one day establish governmental restrictions upon the sources and amount of outside income, or reconsider the definition of eligibility. Under the Former Presidents Act, for instance, anyone who has held the office of the President—and has not been removed by impeachment and conviction—qualifies; a person who was President for even a day might qualify for lifetime allowances. Whatever future regulations may be imposed on the office of the ex-Presidency, however, one thing seems certain. It will remain a position of security, privilege, and even power that would have astonished at least the first twenty-four of the twenty-nine men who outlived their own Presidencies.

● Mr. PRYOR. Mr. President, I am pleased to join in the introduction of the Former Presidents Facilities and Services Reform Act of 1981.

This legislation is designed to control the $22 million projected cost in fiscal 1981 for Presidential pensions, office staff allowances, Presidential libraries, and Secret Service protection for former Presidents and their families.

The services and activities provided currently to our former Presidents are very expensive and the cost is growing at an alarming rate. In fiscal year 1980, these statutory programs are estimated to have cost $18.3 million—an amount which exceeded the appropriation for the entire White House operation. The libraries cost over $9 million in fiscal 1980 and the protection required $8 million. A little over a decade ago, in fiscal 1970, the library costs were less than $2 million and protection costs were about $730,000. Action to control these costs is very much needed.

It has become apparent over recent months and years that the American taxpayers want to see all Federal expenditures reviewed and where appropriate, reduced. They believe, as I do, that these programs must not be an exception to this rule.

The legislation being offered today will do a great deal to introduce controls in this area. It will provide guidelines that will apply to Presidential libraries and reduce those costs. It will also place ceilings on the funds authorized for the staffs and office expenditures of former Presidents. It will limit the duration of protection for former Presidents and their families.

Finally the legislation will resolve inconsistencies between the Former Presidents Act and the Transition Act by removing former Presidents from coverage of the Transition Act and assure that Federal funds may not be used for partisan political or income generating activities.

This legislation was developed as a result of hearings in the 96th Congress held jointly by the Governmental Affairs Subcommittee on Civil Service and General Services and the Appropriations Subcommittee on Treasury, Postal Service and General Government. The hearings served to call attention to ambiguities and deficiencies present in the current statutes. These weaknesses have been noted in reports of the General Accounting Office and I believe that everyone concerned with these statutes, including former Presidents and their families, will welcome further clarification of the provisions.

The review of these statutes has been aimed at developing good public policy. It has been our intention to enhance rather than diminish the Nation's respect and affection for its Presidents and their families.

This legislation should provide for better oversight and control over the rapid growth of Federal expenditures. It maintains and improves the programs while also responding to the interest of the taxpayers.

Congressman ANDY JACOBS has introduced a bill in the House of Representatives entitled "The Former Presidential Enough is Enough and Taxpayers Relief Act of 1981" (H.R. 878). The bill proposed today has different provisions from the House but it shares a common theme. Enough is enough. Taxpayers need relief. Spending must be brought under control.

I urge my colleagues to give this legislation favorable consideration.●

● Mrs. KASSEBAUM. Mr. President, there can be little question that Government spending has made a major contribution to the economic problems we are facing today. In recognition of this, most Americans have supported a broad-based program to reduce the growth of the Federal budget. While many laudable Federal programs may be affected by these budget cuts, it has been heartening to note that American citizens are willing to bear their share of the burden now in anticipation of a future recovery.

It is clear that Members of Congress and the executive branch should not expect the rest of the country to cut back when they exempt themselves from sacrifice. As a demonstration of this belief, the Senate has supported the President's decision to recommend no pay raise for senior Government officials and Members of Congress. Numerous other spending areas will require examination, and chief among them is the cost to the Government of providing for former Presidents. For the first time in history, we are spending more for the support of former Presidents than for the White House itself. With a projected cost of $22 million for this fiscal year, there is now widespread taxpayer sentiment that expenditures for maintaining ex-Presidents are out of control.

I am pleased to join as a cosponsor of the Former Presidents Facilities and Services Reform Act of 1981. This carefully written legislation limits the services and allowances provided for former Presidents and their wives, children, staff, or survivors, and insures that Federal funds are not used for personal political or income-generating activities. It provides Secret Service protection for the former President for 8 years only, unless the determination is made that a serious need exists. Finally, the bill places particular emphasis on controlling the enormous expense of the presidential library system without jeopardizing the system's important place in our Nation's heritage.

Americans realize that Presidents continue in public life long after leaving office. Because of the demands that continue to be present, they indeed do require adequate security and assistance in filling requests connected with their role as former Chief Executives. Because of their years of service to this country, their well-deserved right to an appropriate pension is unquestioned. I am convinced that this legislation balances our responsibilities, both to former Presidents who have served us and to frustrated taxpayers who continue to pay the bills.●

● Mr. METZENBAUM. Mr. President, I am pleased to join Senators CHILES and PRYOR in introducing the Former Presidents Facilities and Services Reform Act of 1981. This legislation is designed to curb the skyrocketing costs associated with the services the Federal Government provides to our Nation's former Presidents. Over the past 25 years, the cost to the taxpayer of pensions, office staff allowances, libraries, and Secret Service protection provided to former Presidents and their families has increased dramatically—from $65,000 in 1955 to a projected cost of $22 million in this fiscal year.

Mr. President, our Nation's former Presidents do have special needs and they are entitled to certain services upon retirement from this Nation's highest office. But, as several days of congressional hearings last year clearly demonstrated, many of the costs are excessive, unjustified and very wasteful.

The legislation that we are introducing today will help eliminate these unnecessary expenditures and will bring future costs under control. Among other things, this bill will place a cap—to be lowered over time—on the office allowances provided to former Presidents. It will prohibit the use of Federal funds for income generating activities. Furthermore, the bill will limit Secret Service protection to periods of actual threat and will control the rapidly rising costs of the current Presidential library system by placing a cap on the Govern-

ment's obligation to maintain these libraries.

The Former Presidents Facilities and Services Reform Act is sound legislation. It was developed with the participation of the executive branch, the General Accounting Office, and after consulations with our former Presidents.

The bill will not jeopardize the means by which our former Presidents can lead a dignified retired life. Under this bill, the legitimate needs of Presidents and their families will continue to be met. But wasteful Federal spending will be curtailed.

Mr. President, I believe that this legislation is fair to our former Presidents and fair to the Nation's taxpayers. I hope that we can move expeditiously to enact it into law.●

● Mr. SASSER. Mr. President, these are times of fiscal austerity. As a member of the Senate Budget Committee, I can attest that the U.S. Senate is serious about cutting Federal spending. By our actions in passing the 1981 reconciliation bill and the first concurrent budget resolution, we reduce Federal spending by more than $200 billion between 1981 and 1984.

These budget cuts will be spread throughout virtually every part of the budget. School lunch and related child nutrition programs may be cut by some $1.5 billion. Education programs may be reduced by some $1.4 billion, waste water treatment programs by over $3 billion and so on. As a result, Federal aid to State and local governments may drop by some $15 billion, and many State and local governments may have to raise sales and property taxes if they wish to provide services previously funded by the Federal Government.

All of these budget cuts are predicated on the fact that we all must make sacrifices for the common good. Indeed, if that were not the case, there is little likelihood that these spending cuts would have much popular support.

Consequently, I think that it is only appropriate that the U.S. Senate give serious and immediate consideration to S. 1325, The Former Presidents' Facilities and Services Reform Act of 1981. For, if we cannot ask the former leaders of our country to make sacrifices in this budgetary battle, how can we expect the ordinary citizen to do so.

S. 1325 provides for reasonable expenses for former Presidents. It provides for adequate Secret Service protection for former Presidents and their spouses, makes adequate allowances for staff for former Presidents, and places sensible limits on the amount of public funding for the libraries of our former Presidents.

This year we will be spending $24 million for expenses of former Presidents, $3 million more than for administration of the White House. The costs of former Presidents rose from $65,745 in 1955 to $18,250,869 in 1980. If the Federal budget as a whole had increased at the same rate, it would have totaled some $19.5 trillion in 1980.

Clearly, we need some sensible fiscal restraint in supporting former Presidents.

Our democracy is strengthened by Presidential leadership, and I hope that all our former Presidents and the Reagan administration will give this legislation the full support that it deserves. And I commend my distinguished colleague, Senator CHILES, for introducing this measure today.●

By Mr. SASSER:

S. 1326. A bill to amend title 38, United States Code, to authorize a service pension of up to $150 per month for veterans of World War I and for certain surviving spouses and dependent children of such veterans; to the Committee on Veterans' Affairs.

WORLD WAR I VETERANS' SERVICE PENSION ACT OF 1981

● Mr. SASSER. Mr. President, today it is my pleasure to introduce the World War I Veterans' Service Pension Act of 1981. It is identical to legislation introduced by my colleague Congressman GLENN ANDERSON, H.R. 1918, which currently has 109 cosponsors. H.R. 1918, I am pleased to report, will be the subject of hearings before the House Pension Subcommittee this coming July 21. I would hope that the Senate might see similar hearings in the near future as well.

Mr. President, the Veterans' Administration now estimates that there are now 482,000 living veterans of World War I. Less than a half-million veterans who, because of their service during a time of transition in veterans programs and benefits, receive virtually nothing in recognition for their service to the country.

I recognize that the Veterans' Administration currently operates a pension program for which some World War I veterans are eligible. The fact is, the VA pension program is really a poverty program, based on need. Veterans and widows who are poor enough collect less than $100 a month. More than 60 percent of these veterans collect nothing at all.

Let me quote from a letter I received from a World War I veterans:

I went into the Army December 13, 1915. Served in Mexico, 1916, and went to France 1917. Served 18 months, 14 days overseas. Returned to U.S.A. in March, 1919. Discharged August 1920. I am 85 years old. I now draw $9.35—nine dollars and 35 cents—monthly pension.

Nine dollars and thirty-five cents a month, Mr. President, to a man who served his country for almost 5 years. This is a disgrace.

From the Revoluntionary War through the Spanish-American War, our Government had a history of providing a pension to veterans in recognition of their service. After World War II, however, veterans benefits began to change, and focused on the need to compensate veterans for their service by establishing home and farm loans, job opportunities, educational benefits, and disability compensation. World War I veterans were, unfortunately, lost in the transition.

The average World War I veteran is now over 85 years of age. Two hundred of them die every day. And the dwindling number of World War I veterans continue to be forgotten by the Nation which owes its very existence to our veterans.

My bill, Mr. President, would authorize payment of $150 per month service pension in addition to any other veterans benefits, including the current VA pension or disability payment. No limit would be placed on outside income, and beyond the veteran or widow, only actually dependent orphaned children would be eligible. Based on a Census Bureau survey, my bill would be estimated to cost $1.2 billion for fiscal year 1982. Because the pension would go only to a limited and admittedly elderly group, the cost would be reduced each subsequent year. Because the bill is an authorization, not an entitlement, the above estimate would only hold true if full appropriation were realized.

To quote Congressman ANDERSON: "$150 a month is hardly a generous sum." But may I remind my colleagues that it will make a very substantial improvement in lives of these aged veterans. And it will serve a clear message to millions of American veterans that we are grateful for their service and sacrifice to the Nation.

In conclusion, I welcome the cosponsorship of my Senate colleagues on the World War I Veterans Service Pension Act of 1981. I further urge the Senate Veterans' Affairs Committee, under the able leadership of my friend from Wyoming, Mr. SIMPSON, to hold early hearings on the bill. Time is running out for the veterans of World War I; let us not shorten their remaining days by neglecting this most basic gesture of thanks.

I ask unanimous consent that the text of the World War I Veterans Service Pension Act of 1981 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1326

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "World War I Veterans' Service Pension Act of 1981."

SEC. 2. (a) Subchapter II of chapter 15, title 38, United States Code, is amended by inserting after section 512 the following new section:

"§ 513. Veterans of World War I

"(a) Subject to the availability of appropriations, the Administrator may pass to any veteran of World War I who meets the service requirements of this section a pension at a monthly rate not to exceed $150.

"(b)(1) A veteran meets the service requirements of this section if the veteran served in the active military, naval, or air service—

"(A) for ninety days or more during World War I;

"(B) during World War I and was discharged or released from such service for a service-connected disability; or

"(C) for a period of ninety consecutive days or more which began or ended during World War I.

"(2) For the purposes of this section, the term 'World War I' means the period beginning April 5, 1917, and ending on July 2, 1921.

"(c) Any payment to a veteran under this section is in addition to any payment to which the veteran is entitled under section 521 of this title or section 306 of the Vet-

erans' and Survivors Pension Improvement Act of 1978.".

(b) the Table of Sections at the beginning of such chapter is amended by inserting after the item relating to section 512 the following new item:

"513. Veterans of World War I.".

SEC. 3. (a) Subchapter II of chapter 15, title 38, United States Code, is amended by inserting after section 541 the following new section:

"§ 541a. Certain surviving spouses of World War I veterans

"(a) Subject to the availability of appropriations, the Administrator may pay to the surviving spouse of any deceased World War I veteran who met the service requirements of section 513(b) of this title a pension at a monthly rate not to exceed $150.

"(b) No pension shall be paid to the surviving spouse of a veteran under this section unless such surviving spouse was married to the veteran—

"(1) before December 14, 1944;

"(2) for one year or more; or

"(3) for any period of time, if a child was born of the marriage or was born to them before marriage.

"(c) Any payment to a surviving spouse under this section is in addition to any payment to which the surviving spouse is entitled under section 541 of this title or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978.".

(b) The Table of Sections at the beginning of such chapter is amended by inserting after the item relating to section 541 the following new item:

"541a. Certain surviving spouses of World War I veterans.".

SEC. 4. (a) Subchapter II of chapter 15, title 38, United States Code, is amended by inserting after section 542 the following new section:

"§ 542a. Certain children of World War I veterans

"(a) Subject to the availability of appropriations and whenever there is no surviving spouse entitled to a pension under section 541a of this title, the Administrator may pay to the child or children of any deceased World War I veteran who met the service requirements of section 513(b) of this title a pension at a monthly rate not to exceed $150.

"(b) In the case of eligible children of a veteran, the pension provided for by subsection (a) of this section shall be equally divided among the children.

"(c) For the purposes of this section, the term 'child' means an unmarried person—

"(1) who is under eighteen years of age;

"(2) who, before attaining the age of eighteen years became permanently incapable of self-support; or

"(3) who, after attaining the age of eighteen years and until completion of education or training (but not after attaining the age of 23 years), is pursuing a course of instruction at an approved educational institution,

and who meets the other criteria of section 101(4) of this title.".

(b) the Table of Sections at the beginning of such chapter is amended by inserting after the item relating to section 542 the following new item:

"542a. Certain children of World War I veterans.".

SEC. 5. The amendments made by this Act shall apply to payments under chapter 15, title 38, United States Code, and shall take effect January 1, 1982.●

By Mr. CHILES:

S. 1327. A bill to amend the Inspector General Act of 1978; to the Committee on Governmental Affairs.

INSPECTOR GENERAL AMENDMENTS OF 1981

● Mr. CHILES. Mr. President, the legislation I am introducing today is in response to a general accounting report which detail the savings to American taxpayer than can be derived by resolving the outstanding audits that presently exist and by allowing each Inspector General to institute civil action to recover Federal funds where the Justice Department has declined to take action. This legislation would amend Public Law 95–452.

During the last session of Congress, I held hearings with each Inspector General nominee. Each of them expressed a deep desire to do something about the number of unresolved audits that existed in their respective agency. However when you view the problem collectively, as the GAO did, the results are even more astounding.

According to the GAO, Federal agencies referred close to 13,000 fraud cases to the Department of Justice for prosecution. However, only 40 percent of these were actually prosecuted. Thus, less than 10 percent of the over 77,000 cases identified by agencies were actually prosecuted. However, we found that agencies did not always take available administrative actions against those committing fraud. In fact, 22 percent of the cases, no administrative or legal action of any kind was taken. For example, agencies quit doing business with contractors or grantees in only 13 percent of the cases involving these types of organizations. In 22 percent of the cases involving contractors or grantees the administrative action was sending them a warning letter.

Mr. President, I recognize that the Department of Justice cannot prosecute every case referred along these lines. I believe that civil fine authority could be a useful enforcement in those cases where Justice does not take some type of legal action.

I am sure that it is clear to the Members of this body that something has to be done in order to restore public confidence in the ability of the Government to successfully combat fraud, waste, and abuse in Federal programs. Federal enforcement officials have told us over and over that every time they looked for fraud and waste and abuse, they found it. Everytime they looked for program mismanagement and systemic failures they found it.

Since I have been in the Senate I have had the opportunity to examine at some length, various Government programs. Like other Senators I then issued committee reports asking the executive branch to make the necessary changes in order to get the fraud out and the intent back into the programs. Likewise, the General Accounting Office has issued numerous reports recommending changes. Many of the suggestions and recommendations are largely ignored and "business-as-usual" remain the order of the day.

The only persons who have not been marching to the orders have been the Inspectors General. These amendments to the Inspector General Act will make these fraud fighters even more effective. I think it is important that the Congress support the Inspector General with the strongest legislation possible.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1327

Be it enacted by the Senate and House of Representative of the United States of America in Congress assembled. That this Act may be cited as the "Inspector General Amendments of 1981".

DUTIES AND RESPONSIBILITIES

SEC. 2. (a) Section 4(a)(1) of the Inspector General Act of 1978 is amended—

(1) by inserting "(A)" after "(1)";

(2) by inserting "and" after the semicolon; and

(3) by adding at the end thereof the following:

"(B) to establish schedules and deadlines for the disposition and final resolution of all audits conducted by such establishment;".

(b) Section 4 of such Act is amended by adding at the end thereof the following new subsection:

"(e) Each Inspector General is authorized, where appropriate, to commence a civil action to recover Federal funds in any case in which the Inspector General or the respective federal agency, reported a violation of law to the Attorney General and the Attorney General declined to take action on such report. In carrying out such action, the Inspector General may request legal assistance and support from the Attorney General and from the General Counsel of the establishment.".

SEMIANNUAL REPORTS

SEC. 3. Section 5 of the Inspector General Act of 1978 is amended—

(1) by striking out "and" after the semicolon in paragraph (5);

(2) by striking out the period at the end of paragraph (6) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new paragraphs:

"(7) a description of each audit conducted by the establishment which has not been completed by the deadline established for such audit under section 4(a)(1)(B) or, in the case of an audit for which no deadline has been established, within six months after the date on which the audit was commenced, and an explanation of the reasons why such audit was not completed by such deadline or within such specified time; and

"(8) an identification of any savings from the budget of the establishment made by the establishment due to the activities of the Office during the reporting period, and an estimate of any such savings that may be realized by the establishment during the six-month period in which the report is made.".●

By Mr. DIXON (for himself and Mr. PERCY):

S. 1332. A bill to amend the Internal Revenue of 1954 to make certain changes with respect to estate and gift taxes; to the Committee on Finance.

TRANSFER TAX REFORM ACT OF 1981

Mr. DIXON. Mr. President, I am today introducing, along with my distinguished senior colleague from Illinois, Senator PERCY, the Transfer Tax Reform Act of 1981. Identical legislation is being introduced today in the House of Representatives by a distinguished Member of the Illinois Congressional Delegation, Congressman MADIGAN. The legislation is de-

signed to bring our badly antiquated estate and gift tax laws up to date. Due to inflation and other factors the estate tax has become an unbearable burden for many, particularly for American farmers and small businessmen. The law needs to be reformed.

The estate laws no longer just prevent the excessive accumulation of wealth. They now act to make it virtually impossible to preserve family farms and family-operated small businesses. Present estate law, by excessively taxing the transfer of an estate from one generation to the next, acts to force the sale of small farms and businesses to larger farms or corporations.

American agricultural policy has long had as its basic tenet the support and maintenance of the family farm, but our estate taxes actually operate to subvert this objective. The increasingly heavy estate tax burden forces sales that turn farmland into shopping centers or into large corporate farms. American agriculture and the American public are the losers.

The legislation we are introducing today is similar in many respects to S. 395, The Family Enterprise and Gift Tax Equity Act introduced by Senator WALLOP. I am pleased to be a cosponsor of that bill.

However, there are some differences between this bill and S. 395. I am introducing it in order to give the Senate some additional options to consider as it works to make needed changes in the estate and gift tax areas.

This bill is the result of extensive research and work by the Illinois Bar Association. It reflects the quality and intelligence of the members of the Illinois Bar that worked on it. I think that the Bar Association's efforts will be of great help to the Senate. I believe any legislation that the Senate finally passes in this area will reflect the bar's efforts, and will be better because of them.

Mr. President, the bill makes a number of changes in estate and gift tax law.

First, the unified credit against Federal estate and gift tax is substantially increased. The unified credit equivalent amount is increased from the present level of $175,000 as follows:

[In thousands of dollars]

1982	250
1983	300
1984	400
1985 and thereafter	500

The unified credit is not indexed for inflation after 1985.

Second, the Federal gift tax annual exclusion is increased from the present level of $3,000 to $10,000. This increase does not fully offset the inflation that has occurred since the $3,000 level was enacted—to do so would require a $15,000 exclusion—but it does represent a reasonable effort to restore the exclusion to a practical level.

Third, the requirement that gifts included in the gross estate because they are made within 3 years of death be revalued as of the date of death is eliminated. Also, certain technical problems relating to split gifts made within 3 years of death are corrected.

Fourth, the use of the unified credit against gift tax is made elective rather than mandatory. The bill provides that by electing to pay gift tax the taxpayer can obtain a binding determination of the value of the gift for all transfer tax purposes after the 3-year statute of limitations on the gift tax return has expired.

Fifth, the special use valuation rules applicable to farms and certain closely held business real estate are comprehensively revised to make their utilization much more equitable and also simpler for both the Government and the taxpayer. This provision is of particular importance to Illinois because Illinois and Iowa have made almost one-half of the special use valuation elections in the entire Nation since 1976.

Sixth, the installment payment of estate tax rules are simplified and coordinated with the redemption provisions of the Internal Revenue Code. The discrimination against sole proprietorships in the utilization of these rules is substantially eliminated and the percentage requirements for eligibility are reduced. The acceleration of payment provisions are also made somewhat less harsh.

Finally, the Federal disclaimer statute is completely revised to permit disclaimers in more situations than the interpretation of the present law currently being made by the Treasury Department permits.

Mr. President, I believe that it is imperative to make the needed reforms in the estate and gift tax law without delay. I believe that this bill can make a substantial contribution in helping to achieve that objective. I urge the Senate to act, and act quickly, to address the issues raised by this bill and by the legislation I cosponsored with Senator WALLOP.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1332

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Transfer Tax Reform Act of 1981".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. INCREASE IN UNIFIED CREDIT AGAINST ESTATE TAX.

(a) CREDIT AGAINST ESTATE TAX.

(1) IN GENERAL.—Subsections (a) and (b) of section 2010 (relating to unified credit against estate tax) are amended to read as follows:

"(a) GENERAL RULE.—The unified credit amount shall be allowed as a credit to the estate of every decedent against the tax imposed by section 2001.

"(b) UNIFIED CREDIT AMOUNT.—

"In the case of decedents dying in:	The unified credit amount is:
1982	$70, 800
1983	87, 800
1984	121, 800
1985 and thereafter	155, 800"

(2) Technical and Conforming Amendments.—Subsection (a) of section 6018 (relating to estate tax returns by executors) is amended—

(A) by striking out "$175,000" in paragraph (I) and inserting in lieu thereof "$500,000", and

(B) by striking out paragraph (3) and inserting in lieu thereof the following:

"(3) Phase-in of filing requirement amount.—

"In the case of decedents dying in:	"Paragraph (1) shall be applied by substituting for $500,000 the following amount:
1982	$250, 000
1983	300, 000
1984	400, 000"

(b) CREDIT AGAINST GIFT TAX.—

(I) IN GENERAL.—Paragraph (1) of section 2505(a) (relating to unified credit against gift tax) is amended by striking out "$47,000" and inserting in lieu thereof "the unified credit amount".

(2) UNIFIED CREDIT AMOUNT.—Subsection (b) of section 2505 is amended to read as follows:

"(b) UNIFIED CREDIT AMOUNT.—

"In the case of gifts made in:	The unified credit amount is:
1982	$70, 800
1983	87, 800
1984	121, 800
1985 and thereafter	155, 800"

(c) EFFECTIVE DATES.—The amendments made—

(1) by subsection (a) shall apply to the estates of decedents dying after December 31, 1981, and

(2) by subsection (b) shall apply to gifts made after such date.

SEC. 3. INCREASE IN ANNUAL GIFT TAX EXCLUSION.

(a) IN GENERAL.—Subsection (b) of section 2503 (relating to exclusions from gifts) is amended by striking out "$3,000" and inserting in lieu thereof "$10,000".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to gifts made after December 31, 1981.

SEC. 4. ESTATE TAX TREATMENT OF TRANSFERS MADE WITHIN 3 YEARS OF DECEDENT'S DEATH.

(a) IN GENERAL.—Section 2035 (relating to adjustments for gifts made within 3 years of decedent's death) is amended by adding at the end thereof the following new subsection:

"(d) VALUATION OF GIFTS.—For purposes of subsection (a), the value of property included in the gross estate by reason of subsection (a) shall be the value of such property at the time of its transfer. The preceding sentence shall not apply to a transfer of an interest in property which is included in the value of the gross estate under section 2036, 2037, 2038, 2041, or 2042 or would have been included under any of such sections if such interest had been retained by the decedent."

(b) NO ADJUSTMENT FOR CERTAIN SPLIT GIFTS.—Subsection (b) of section 2035 is amended—

(1) by striking out "and" at the end of paragraph (1),

(2) by striking out the period at the end of paragraph (2), and inserting in lieu thereof paragraph (2), and inserting in lieu thereof ", and",

(3) by adding after paragraph (2) the following new paragraph:

"(3) to any gift to a donee made during a calendar year by a decedent and the decedent's spouse pursuant to section 2513 if the total value of the gift and other gifts made by such decedent and the decedent's spouse in such year to the same donee did not exceed the combined exclusions of the decedent and the decedent's spouse under section 2503(b) for the calendar year.", and

(4) by striking out "Paragraph (2)" in paragraph (2) and inserting in lieu thereof "Paragraphs (2) and (3)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 1981.

SEC. 5. ELECTION TO PAY GIFT TAX.

(a) IN GENERAL.—Section 2505 (relating to unified credit against gift tax) is amended by adding at the end thereof the following new subsection:

"(e) ELECTION TO PAY GIFT TAX.—

"(1) IN GENERAL.—An individual may elect with respect to any calendar quarter the amount, if any, of the credit allowed by subsection (a) to be applied with respect to gifts made during such quarter.

"(2) ELECTION.—An election under paragraph (1) shall be made at the same time as the return required to be filed for such quarter under section 6019 is filed and shall be in such form and manner as the Secretary may by regulations prescribe.

"(3) EFFECT OF ELECTION.—For purposes of subsection (a)(2), the amount of any credit which does not apply by reason of an election under paragraph (1) shall not be treated as an amount allowable as a credit under this section."

(b) COMPUTATION OF ESTATE TAX.—Subsection (b) of section 2001 (relating to computation of estate tax) is amended to read as follows:

"(b) COMPUTATION OF TAX.—The tax imposed by this section shall be the amount equal to the excess (if any) of—

"(1) a tentative tax computed in accordance with the rate schedule set forth in subsection (c) on the sum of—

"(A) the amount of the taxable estate, and

"(B) the amount of the adjusted taxable gifts, over

"(2) the aggregate amount of tax assessed or paid under chapter 12 with respect to gifts made by the decedent after December 31, 1976.

For purposes of paragraph (1)(B), the term 'adjusted taxable gifts' means the total amount of the taxable gifts (within the meaning of section 2503 and as determined under section 2504(c)) made by the decedent after December 31, 1976, other than gifts which are includible in the gross estate of the decedent."

(c) VALUATION OF CERTAIN GIFTS FOR PRECEDING CALENDAR YEARS.—Subsection (c) of section 2504 (relating to determination of value of prior gifts on which gift tax has been paid) is amended to read as follows:

"(c) VALUATION OF CERTAIN GIFTS FOR PRECEDING CALENDAR YEARS AND QUARTERS.—If the time has expired within which a tax may be assessed under this chapter or under corresponding provisions of prior laws on the transfer of property by gift made during a preceding calendar year or calendar quarter, as defined in section 2502(c), and if a tax under this chapter or under corresponding provisions of prior laws has been assessed or paid for such preceding calendar year or calendar quarter, the value of such gift made in such preceding calendar year or calendar quarter shall, for purposes of computing the tax under this chapter for any calendar quarter and for purposes of computing the estate tax under chapter 11 and the generation-skipping transfer tax under chapter 13, be the value of such gift which was used in computing the tax for the last preceding calendar year or calendar quarter for which a tax under this chapter or under corresponding provisions of prior laws was assessed or paid."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to gifts made after December 31, 1981.

SEC. 6. VALUATION OF CERTAIN FARM, ETC., REAL PROPERTY.

(a) DEFINITION OF QUALIFIED REAL PROPERTY.—

(1) IN GENERAL.—Paragraph (1) of section 2032A(b) (defining qualified real property) is amended to read as follows:

"(1) IN GENERAL.—For purpose of this section, the term "qualified real property" means real property located in the United States which was acquired from or passed from the decedent to a qualified heir of the decedent but only if—

"(A) 50 percent or more of the adjusted value of the gross estate consists of the adjusted value of real or personal property which was acquired from or passed from the decedent to a qualified heir of the decedent,

"(B) 25 percent or more of the adjusted value of the gross estate consists of the adjusted value of real property which meets the requirements of subparagraphs (A) and (C),

"(C) during the 8-year period ending on the date of the decedent's death there have been periods aggregating 5 years or more during which—

"(i) such real property was owned by the decedent or a member of the decedent's family and used for a qualified use by the decedent or a member of the decedent's family, and

"(ii) there was material participation by the decedent or a member of the decedent's family in the operation of the farm or other business, and

"(D) such real property is designated in the agreement referred to in subsection (d)(2)."

(2) SPECIAL RULES.—Subsection (b) of section 2032A (defining qualified real property) is amended by adding at the end thereof the following new paragraphs:

"(4) RETIRED AND DISABLED DECEDENTS.—

"(A) IN GENERAL.—If, on the date of death of the decedent, the decedent did not otherwise meet the requirements of paragraph (1)(C) with respect to any property, and the decedent—

"(i) was eligible to receive old-age benefits under title II of the Social Security Act, or

"(ii) was disabled for a continuous period ending on such date,

then paragraph (1)(C) shall be applied by substituting 'the date on which the decedent became eligible to receive old-age benefits under title II of the Social Security Act or became disabled' for 'the date of the decedent's death'.

"(B) DISABLED DEFINED.—For purposes of subparagraph (A), an individual shall be disabled if such individual has a mental or physical impairment which renders him unable to materially participate in the operation of the farm or other business.

"(5) SPECIAL RULE FOR SPOUSES WHO ARE QUALIFIED HEIRS.—In the case of any qualified real property which was acquired by a qualified heir who is the spouse of the decedent and which does not otherwise meet the requirements of paragraph (1)(C) upon the death of such spouse, such real property shall be treated as meeting the requirements of paragraph (1)(C) if such spouse was engaged in the active management of the operation of the business at all times during—

"(A) the 10-year period ending on the date of death of the spouse, or

"(B) the period beginning on the date of death of the decedent and ending on the date of death of the spouse.

"(6) SPECIAL RULE FOR CERTAIN WOODLANDS.—In the case of real property used for a farming purpose described in subparagraph (C) of subsection (e)(5) which does not otherwise meet the requirements of paragraph (1)(C), such real property shall be treated as meeting the requirements of paragraph (1)(C) if, at all times during the 10-year period ending on the date of the decedent's death—

"(A) such real property was owned by the decedent or a member of the decedent's family and used for such farming purpose, and

"(B) the decedent or a member of the decedent's family was engaged in the active management of the operation of the business.

"(7) FUTURE AND PARTIAL INTERESTS.—An interest in qualified real property which is considered to have been acquired from or to have passed from the decedent for purposes of this section, whether such interest is held directly in real property or indirectly through a partnership, corporation or trust, shall not fail to qualify for valuation under this section solely for the reason that the interest in such property is a 'future interest' for purposes of section 2503(b). Property held in trust shall be considered to have been acquired from or passed from the decedent to a qualified heir if distributions from the trust may be made only to qualified heirs or at the direction of a qualified heir and the property would have been considered to have been acquired from or passed from the decedent to a qualified heir if owned directly and not in trust. For the purpose of determining whether trust distributions may be made only to qualified heirs, any remainder interests of beneficiaries who are not qualified heirs shall be disregarded if the aggregate value of such remainder interests does not exceed 5 percent of the value of the trust on the date of the decedent's death."

(b) DISPOSITIONS AND FAILURES TO USE FOR QUALIFIED USE.—

(1) 10-YEAR HOLDING PERIOD.—

(A) IN GENERAL.—Subsection (c) of section 2032A (relating to tax treatment of dispositions and failures to use for qualified use) is amended—

(i) by striking out "15 years" in paragraph (1) and inserting in lieu thereof "10 years", and

(ii) by striking out paragraph (3) and redesignating paragraphs (4) through (7) as paragraphs (3) through (6), respectively.

(B) TECHNICAL AND CONFORMING AMENDMENTS.—Paragraph (2) of section amend- (relating to treatment of replaced property) is amended—

(i) by striking out in subparagraph (A) all that follows "involuntarily converted," and inserting in lieu thereof the following: "except that with respect to such qualified replacement property the 10-year period under subsection (c)(1) shall be extended by any period, beyond the 2-year period referred to in section 1033(a)(2)(B)(i), during which the qualified heir was allowed to replace the qualified real property,", and

(ii) by striking out "(7)" in subparagraph (C) and inserting in lieu thereof "(6)".

(2) CESSATION OF QUALIFIED USE.—

(A) IN GENERAL.—Paragraph (6) of section 2032A(c) (defining cessation of qualified use), as redesignated by paragraph (1), is amended to read as follows:

"(6) CESSATION OF QUALIFIED USE.—For purposes of paragraph (1)(B)—

"(A) IN GENERAL.—Real property shall cease to be used for the qualified use if, except as provided in subparagraph (B), during any period of 8 years ending after the date of the decedent's death and before the date of the death of the qualified heir, there had been periods aggregating 3 years or more during which such property was not used by the decedent, qualified heir, or family member for the qualified use set forth in subparagraph (A) or (B) of subsection (b)(2) under which the property qualified and—

"(i) in the case of periods during which the property was held by the decedent (other than periods during which the decedent was an individual described in subsection (b)(4)(A) (i) or (ii), there was no material participation by the decedent or any member of the decedent's family in the operation of the farm or other business, and

"(ii) in the case of periods during which the property was held by any qualified heir, their was no material participation by such qualified heir or any member of his family in the operation of the farm or other business.

"(B) 10-YEAR ACTIVE MANAGEMENT.—If an eligible qualified heir or a family member or fiduciary of an eligible qualified heir elects, at such time and in such manner as the Secretary may prescribe, to have the provisions of this subparagraph apply to any real property—

"(i) the material participation requirements of subparagraph (A) shall not apply to such property, and

"(ii) such property shall cease to be used for the qualified use if the fiduciary or the eligible qualified heir or any member of his family did not take part in the active management of the farm or other business at all times during the period beginning on the date of death of the decedent and ending on the earlier of—

"(I) the date of death of the qualified heir, or

"(II) the date which is 10 years from the date of death of the decedent.

"(C) SPECIAL RULE FOR WOODLANDS.—The material participation requirement of subparagraph (A) shall not apply in the case of real property with respect to which the qualified use under which the property qualified under subsection (b) was used for a farming purpose described in subsection (e)(5)(C).

"(D) ELIGIBLE QUALIFIED HEIR.—For purposes of this paragraph, the term 'eligible qualified heir' means a qualified heir who on the date of death of the decedent—

"(i) is the spouse of the decedent,

"(ii) has not attained the age of 21,

"(iii) is a student described in subparagraph (A) or (B) of section 151(e)(4), or

"(iv) was disabled (within the meaning of subsection (b)(4)(B)) for a continuous period ending on such date."

(B) TECHNICAL AND CONTINUING AMENDMENT.—Subsection (e) of section 2032A (relating to definitions and special rules) is amended by adding at the end thereof the following new paragraph:

"(12) ACTIVE MANAGEMENT.—The term 'active management' means the making of the management decisions of a business (other than the daily operating decisions)."

(3) PROPORTIONAL RECAPTURE ON PARTIAL DISPOSITIONS.—Subparagraph (D) of section 2032A(c)(2) is amended to read as follows:

"(D) PARTIAL DISPOSITIONS.—For purposes of this paragraph, where the qualified heir disposes of a portion of the interest acquired by (or passing to) such heir (or a predecessor qualified heir) or there is a cessation of use of such a portion—

"(i) the term 'such interest' in subsection (c)(2)(A)(i) means the portion of the interest disposed of or to which there is a cessation of use,

"(ii) the value determined under subsection (a) taken into account under subparagraph (A)(ii) with respect to such portion shall be its pro rata share of such value of such interest, and

"(iii) the adjusted tax difference attributable to the interest taken into account with respect to the transaction involving the second or any succeeding portion shall be reduced by the amount of the tax imposed by this subsection with respect to all prior transactions involving portions of such interest."

(c) INCREASE OF $500,000 LIMITATION.—Paragraph (2) of section 2032A(a) (relating to value based on use under which property qualifies) is amended to read as follows:

"(2) LIMITATION.—

"(A) IN GENERAL.—The aggregate decrease in the value of qualified real property taken into account for purposes of this chapter which results from the application of paragraph (1) with respect to any decedent shall not exceed the applicable amount determined under subparagraph (B).

"(B) APPLICABLE AMOUNT.—For purposes of subparagraph (A), in the case of decedents dying in any calendar year after 1981, the applicable amount for such calendar year is—

"In the case of decedents dying in:	The applicable base amount is:
1982	$600, 000
1983	700, 000
1984	800, 000
1985	900, 000
1986 and thereafter	1, 000, 000"

(d) EXCHANGE OF QUALIFIED REAL PROPERTY.—

(1) IN GENERAL.—Section 2032A (relating to valuation of certain farm, etc., real property) is amended by adding at the end thereof the following new subsection:

"(i) EXCHANGES OF QUALIFIED REAL PROPERTY.—

"(1) TREATMENT OF PROPERTY EXCHANGED.—

"(A) IN GENERAL.—If an interest in qualified real property is exchanged—

"(i) no tax shall be imposed by subsection (c) on such exchange if the interest in qualified real property is exchanged solely for an interest in qualified exchange property in a transaction which qualifies under section 1031(a), or

"(ii) if clause (i) does not apply, the amount of the tax imposed by subsection (c) on such exchange shall be the amount determined under subparagraph (B).

"(B) AMOUNT OF TAX WHERE PROPERTY RECEIVED IS NOT SOLELY AN INTEREST IN QUALIFIED EXCHANGE PROPERTY.—The amount determined under this subparagraph with respect to any exchange is the amount of tax which (but for this subsection) would have been imposed on such exchange reduced by an amount equal to that portion of such tax which is attributable to the amount of the interest in qualified exchange property received by the taxpayer.

"(2) TREATMENT OF QUALIFIED EXCHANGE PROPERTY.—For purposes of subsection (c)—

"(A) any interest in qualified exchange property shall be treated in the same manner as if it were a portion of the interest in qualified real property which was exchanged, and

"(B) any tax imposed by subsection (c) on the exchange shall be treated as a tax imposed on a partial disposition.

"(3) QUALIFIED EXCHANGE PROPERTY.—For purposes of this subsection, the term 'qualified exchange property' means real property which is to be used for the qualified use set forth in subparagraph (A) or (B) of subsection (b)(2) under which the real property exchanged therefor originally qualified under subsection (a)."

(2) EXCHANGES OF PROPERTY PRIOR TO DECENDENT'S DEATH.—Subsection (b) of section 2032A is amended by adding at the end thereof the following new paragraph:

"(8) QUALIFIED EXCHANGE PROPERTY.—

"(A) IN GENERAL.—For purposes of paragraph (1)(C) of this subsection, periods with respect to qualified exchange property during the 8 years preceding the decedent's death may be aggregated with periods with respect to the real property included in the decedent's gross estate.

"(B) QUALIFIED EXCHANGE PROPERTY.—For purposes of this paragraph, the term 'qualified exchange property' means real property—

"(i) which was used for the qualified use set forth in subparagraph (A) or (B) of subsection (b)(2) under which the real property exchanged therefor qualifies under subsection (a), and

"(ii) which was exchanged for an interest in real property included in the gross estate of the decedent in a transaction which qualifies under section 1031.

"(C) WHERE PROPERTY RECEIVED IS NOT SOLELY QUALIFIED REAL PROPERTY.—Where the property received in a transaction which qualifies under section 1031 is not solely qualified real property (after the application of subparagraph (A) of this paragraph), then subparagraph (A) of this paragraph shall apply only to the qualified real property received in such transaction.

"(D) WHERE REAL PROPERTY IS RECEIVED NOT SOLELY IN EXCHANGE FOR QUALIFIED EXCHANGE PROPERTY.—Where property other than qualified exchange property is exchanged for qualified real property (after the application of subparagraph (A) of this paragraph) in a transaction which qualifies under section 1031, subparagraph (A) of this paragraph shall apply only to an undivided fraction of the real property received in such transaction. The numerator of the fraction shall be equal to the value of the qualified exchange property on the date of such transaction. The denominator of the fraction shall be equal to the value on the date of such transaction of the real property received in the transaction."

(3) TECHNICAL AND CONFORMING AMENDMENTS.—

(A) Paragraph (1) of section 2032A(f) (relating to statute of limitations) is amended—

(i) by inserting "or exchange" after "conversion",

(ii) by inserting "or (1)" after "(h)", and

(iii) by inserting "or of the exchange of property" after "replace".

(B) Paragraph (2) of section 6324B(c) (relating to special liens) is amended by inserting "and qualified exchange property (within the meaning of section 2032A(i)(3))" before the period at the end thereof.

(e) ELECTION REQUIREMENT OF SPECIAL RULES FOR INVOLUNTARY CONVERSIONS REPEALED.—Section 2032A(h) (relating to special rules for involuntary conversions of qualified real property) is amended—

(1) by striking out "and the qualified heir makes an election under this subsection" in paragraph (1)(A), and

(2) by striking out paragraph (5).

(f) METHOD OF VALUING FARMS.—Paragraphs (7) and (8) of section 2032A(e) are amended to read as follows:

"(7) METHOD OF VALUING FARMS.—

"(A) IN GENERAL.—Unless the executor elects to have the value of the farm for farming purposes determined under paragraph (8), the value of a farm for farming purposes shall be determined by dividing—

"(i) the excess of the amount of the average annual rental value of the qualified real property for farming purposes over the amount of the average annual State and local real estate taxes for such qualified real property, by

"(ii) the average annual effective interest rate for all new Federal land bank loans.

For purposes of the preceding sentence, each average annual computation shall be made on the basis of the 5 most recent calendar years ending before the date of the decedent's death. An executor may elect to have the value of a farm for farming purposes determined under this subparagraph regardless of whether the qualified real property or any portion thereof has in fact been rented or whether such qualified real property has been rented on a cash, crop shares, or other basis.

"(B) VALUATION OF WOODLANDS.—Unless the executor elects to have the value of woodlands determined under paragraph (8), the value of woodlands for purposes of this section shall be determined by dividing—

"(i) the excess of the average annual income which the property can be expected to yield in its current use over the amount of the average annual State and local real estate taxes for such qualified real property, by

"(ii) the average annual effective interest rate for all new Federal land bank loans. The computations made under the preceding sentence shall be made by determining the expected yield over a reasonable period of time under prudent management, taking into account current stocking, soil capacity, terrain configuration, and similar factors.

"(8) DISCOUNT METHOD OF VALUATION.—In any case to which paragraph (7) does not apply, the value of any qualified real property shall be 50 percent of the value of such property for purposes of this chapter, determined without regard to this section. An executor who initially elects to have the value of a farm for farming purposes determined under paragraph (7)(A) or the value of woodlands determined under paragraph (7)(B) shall be entitled to make a subsequent election to have the value of such farm determined under this paragraph provided such subsequent election is made within the period of time for assessment of tax under section 6501."

(g) ELECTION TO INCREASE BASIS UPON RECAPTURE.—

(1) ELECTION BY QUALIFIED HEIR.—Subsection (c) of section 2032A is amended by adding at the end thereof the following new paragraph:

"(7) ELECTION TO INCREASE BASIS.—If a qualified heir who is personally liable for the additional tax imposed by this subsection files an election in accordance with regulations prescribed by the Secretary, the basis of the qualified heir's interest in the qualified real property subject to such additional tax shall be adjusted in the manner provided in paragraph (3) of section 1014(a)."

(2) ELECTIVE BASIS UPON RECAPTURE.—Paragraph (3) of section 1014(a) (relating to basis of property acquired from a decedent) is amended to read as follows:

"(3) in the case of an election under section 2032A, its value determined under such section, increased by the value of any interest in such property (determined for purposes of this chapter without regard to this section) with respect to which an additional estate tax is imposed under section 2032A(c)(1) and the qualified heir has filed an election under section 2032A(c)(7)."

(3) INTEREST ON RECAPTURE TAX.—Paragraph (5) of section 2032A(c) is amended to read as follows:

"(5) DUE DATE.—The additional tax imposed by this subsection shall become due and payable on the day which is 6 months after the date of the disposition or cessation referred to in paragraph (1), but, if the election under paragraph (7) of this subsection is filed by the qualified heir, then for purposes of section 6601, interest on such additional tax shall be paid from the time prescribed in chapter 62 for payment of the tax imposed by section 2001 on the decedent's estate to the date such additional tax is paid."

(h) INCLUSION OF MEMBERS OF SPOUSE'S FAMILY.—Paragraph (2) of section 2032A(e) is amended to read as follows:

"(2) MEMBER OF FAMILY.—

"(A) IN GENERAL.—The term 'member of the family' means, with respect to any individual, only such individual's ancestors or lineal descendants, a lineal descendant of a parent of such individual, the spouse of such individual, the individual's spouse's ancestors or lineal descendants, a lineal descendant of a parent of such individual's spouse, or the spouse of any such descendant. For purposes of the preceding sentence, a legally adopted child of an individual shall be treated as a child of such individual by blood. The term 'member of the family' with respect to any qualified heir of a decedent includes all members of the family with respect to the decedent as determined under the preceding sentences of this paragraph. The term 'spouse' as used in this paragraph includes widows or widowers, whether or not they are remarried, and also includes former spouses who have been divorced from the decedent, qualified heir, or member of the family to whom such spouse was formerly married.

"(B) SPECIAL RULE.—For estate of decedents dying before January 1, 1982, the term 'member of the family' as used in subsection (c) means, with respect to any individual, in addition to the persons described in subparagraph (A), a lineal descendant of a grandparent of such individual and the spouse of any such descendant."

(i) SIGNING AGREEMENT ON BEHALF OF DISABLED PERSON.—Paragraph (2) of section 2032A(d) (relating to the agreement consenting to recapture provisions) is hereby amended by adding the following new sentence at the end therof:

"The agreement referred to in this paragraph may be signed on behalf of any person under legal disability by such person's parent, legal representative, or attorney in fact."

(j) PARTNERSHIPS, CORPORATIONS AND TRUSTS.—Subsection (g) of section 2032A (relating to interests in partnerships, corporations and trusts) is amended to read as follows:

"(g) APPLICATION OF THIS SECTION AND SECTION 6324B TO INTERESTS IN PARTNERSHIPS, CORPORATIONS AND TRUSTS.—

"(1) PARTNERSHIPS AND CORPORATIONS.—The Secretary shall prescribe regulations setting forth the application of this section and section 6324B in the case of an interest in a partnership or corporation which, with respect to the decedent, is an interest in a closely held business (within the meaning of paragraph (1) of section 6166(b)).

"(2) TRUSTS.—This section shall apply to qualified real property held in a trust in which the decedent or a qualified heir has a beneficial interest in the same manner as if the decedent or qualified heir had a direct interest in the qualified real property. For purposes of this paragraph it does not matter whether the beneficial interest in the trust is treated as real or personal property under applicable State law."

(k) CERTAIN PURCHASES BY QUALIFIED HEIRS.—Paragraph (9) of section 2032A(e) (relating to property acquired from decedent) is amended—

(1) by striking "or" at the end of subparagraph (B),

(2) by striking out the period at the end of subparagraph (C) and inserting a comma in lieu thereof, and

(3) by adding after subparagraph (C) the following new subparagraphs:

"(D) such property is acquired by any person from the estate or from a trust by exercise of an option to purchase granted to the person by the decedent or the trustee,

"(E) such property is acquired by any person from the estate or from a trust by making payments to other persons required by the terms of the will or trust as a condition for receiving the property, or

"(F) such property is purchased by any person from the estate or from a trust."

(l) DEDUCTIONS FOR INDEBTEDNESS NOT REDUCED.—Subsection (a) of section 2053 (relating to estate tax deduction for indebtedness is amended by adding at the end thereof the following new sentence:

"The deductions allowed by reason of paragraph (3) for claims against the estate and paragraph (4) for unpaid mortgages on, or any indebtedness in respect of, property shall not be reduced if the value of such property is determined pursuant to section 2032A."

(m) EFFECTIVE DATES.—The amendments made by subsections (a)(2), (c), (d)(2), (f), and (h) of this section shall apply to the estates of decedents dying after December 31, 1981. The amendments made by subsections (a)(1), (b), (d)(1), (d)(3), (e), (g), (i), (j), (k) and (l) of this section shall apply to the estates of decedents dying after December 31, 1976.

SEC. 7. COORDINATION OF EXTENSIONS OF TIME FOR PAYMENT OF ESTATE TAX WHERE ESTATE CONSISTS LARGELY OF INTEREST IN CLOSELY HELD BUSINESS.

(a) ELIGIBILITY REQUIREMENTS.—

(1) PERCENTAGE TESTS.—Paragraph (1) of section 6166(a) (relating to alternate extension of time for payment of estate tax where estate consists largely of interest in closely held business) is amended to read as follows:

"(1) IN GENERAL.—If the value of an interest in a closely held business which is included in determining the gross estate of a decedent who was on the date of his death a citizen or resident of the United States exceeds—

"(A) 35 percent of the value of the gross estate, or

"(B) 50 percent of the taxable estate of such decedent,

the executor may elect to pay part or all of the tax imposed by section 2001 in 2 or more (but not exceeding 10) equal installments."

(2) PROPERTY QUALIFYING AS AN INTEREST IN A CLOSELY HELD BUSINESS.—Paragraph (2) of section 6166(b) (relating to rules for applying definition of 'interest in a closely held business') is amended—

(A) by adding ", except that determinations with respect to an interest in property transferred by the decedent prior to death which is included in the decedent's gross estate shall be made as of the time immediately before such transfer" after "death" in subparagraph (A); and

(B) by adding at the end thereof the following new subparagraph:

"(E) ASSETS USED IN FAMILY-OWNED BUSINESSES.—

"(i) IN GENERAL.—For purposes of paragraph (1), a decedent's direct or indirect ownership in an asset or assets which are leased to or used by a family-owned business shall be deemed to be an interest in a closely held business.

"(ii) INDIRECT OWNERSHIP.—A decedent's indirect ownership shall qualify under clause (i) only if such interest results from—

"(I) an interest as a partner in a partnership which meets the requirements of paragraph (1)(B) other than the requirement that the partnership carry on a trade or business, or

"(II) stock in a corporation which meets the requirements of paragraph (1)(C) other than the requirement that the corporation carry on a trade or business.

"(iii) FAMILY-OWNED BUSINESS.—A business shall be treated as a family-owned business under this paragraph if—

"(I) it is a proprietorship, partnership, or corporation described in subparagraph (A), (B), or (C) of paragraph (1), and

"(II) a member of the decedent's family (as defined in section 2032A(e)(2)) is involved in the active management (as defined in section 2032A(e)(12)) of a trade or business conducted by such proprietorship, partnership, or corporation."

(b) COORDINATION WITH SECTION 303.—

(1) IN GENERAL.—Subparagraph (A) of section 303(b)(2) (relating to relationship of stock to decedent's estate) is amended by striking out all that follows "gross estate" the first place it appears and inserting in lieu thereof "exceeds—

"(i) 35 percent of the value of the gross estate of the decedent, or

"(ii) 50 percent of the value of the taxable estate of the decedent."

(2) TECHNICAL AND CONFORMING AMENDMENT.—Subparagraph (B) of section 303(b)(2) is amended to read as follows:

"(B) SPECIAL RULE FOR STOCK OF 2 OR MORE CORPORATIONS.—For purposes of subparagraph (A), stock of 2 or more corporations, with respect to each of which there is included in determining the value of the decedent's gross estate more than 20 percent in value of the outstanding stock, shall be treated as the stock of a single corporation. For purposes of the 20-percent requirement of the preceding sentence, stock which, on the date of the decedent's death, represents the surviving spouse's interest in property held by the decedent and the surviving spouse as community property or as joint tenants, tenants by the entirety, or tenants in common, shall be treated as having been included in determining the value of the decedent's gross estate.".

(c) ACCELERATION OF PAYMENT.—

(1) AMOUNT OF DISPOSITION.—Subparagraph (A) of section 6166(g)(1) (relating to acceleration of payment in the case of disposition of interest or withdrawal of funds from a business) is amended by striking out "one-third" each place it appears and inserting in lieu thereof "50 percent".

(2) FAILURE TO PAY INSTALLMENT.—Paragraph (3) of section 6166(g) (relating to failure to pay installments) is amended to read as follows:

"(3) FAILURE TO PAY INSTALLMENT.—

"(A) IN GENERAL.—If any installment under this section is not paid on or before the date fixed for its payment by this section (including any extension of time for the payment of such installment), the unpaid portion of the tax payable in installments shall be paid upon notice and demand from the Secretary.

"(B) PAYMENT WITHIN 6 MONTHS.—If any installment under this section is not paid on or before the date determined under subparagraph (A) but is paid within 6 months of such date—

"(i) the provisions of subparagraph (A) shall not apply with respect to such payment,

"(ii) the provisions of section 6601(j) shall not apply with respect to the determination of interest on such payment, and

"(iii) there is imposed a penalty in an amount equal to the product of—

"(I) 5 percent of the principal amount of such payment, multiplied by

"(II) the number of months (or fractions thereof) after such date and before payment is made.

The penalty imposed under clause (iii) shall be treated in the same manner as a penalty imposed under subchapter B of chapter 68."

(d) REPEAL OF SECTION 6166A.—Section 6166A (relating to extension of time for payment of estate tax where estate consists largely of interest in a closely held business) is hereby repealed.

(e) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Sections 303(b)(1)(C), 2204(c), and 6161(a)(2) are each amended by striking out "or 6166A" each place it appears.

(2) Paragraph (2) of section 2011(c) is amended by striking out "6161, 6166 or 6166A" and inserting in lieu thereof "6161 or 6166".

(3) Subsections (a) and (b) of section 2204 are each amended by striking out "6166 or 6166A" and inserting in lieu thereof "or 6166".

(4) Subsection (b) of section 2621 is amended—

(A) by striking out "sections 6166 and 6166A (relating to extensions" and inserting in lieu thereof "section 6166 (relating to extension", and

(B) by striking out "Sections 6166 and 6166A" in the heading thereof and inserting in lieu thereof "Section 6166".

(5)(A) Subsection (a) of section 6166 is amended by striking out paragraph (4).

(B) The section heading of section 6166 is amended by striking out "ALTERNATE".

(C) The table of sections for subchapter B of chapter 62 is amended by striking out the items relating to sections 6166 and 6166A and inserting in lieu thereof the following:

"Sec. 6166. Extension of time for payment of estate tax where estate consists largely of interest in closely held business."

(6)(A) Subsections (a), (c)(2), and (e) of section 6324A are each amended by striking out "or 6166A" each place it appears.

(B) Paragraphs (3) and (5) of section 6324A(d) are each amended by striking out "or 6166A(h)".

(C) The section heading for section 6324A is amended by striking out "or 6166A".

(D) The table of sections for subchapter C of chapter 64 is amended by striking out "or 6166A" in the item relating to section 6324A.

(7) Subsection (d) of section 6503 is amended by striking out "6163, 6166, or 6166A" and inserting in lieu thereof "6163 or 6166."

(8) Subsection (a) of section 7403 is amended by striking out "or 6166A(h)".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to the estates of decedents dying after December 31, 1981.

SEC. 8. DISCLAIMERS.

(a) IN GENERAL.—Subsections (b) and (c) of section 2518 (relating to disclaimers with respect to interest in property) are amended to read as follows:

"(b) QUALIFIED DISCLAIMER DEFINED.—For purposes of subsection (a), the term "qualified disclaimer" means an irrevocable and unqualified refusal by a person (or his legal representative) to accept an interest in property but only if—

"(1) such refusal is in writing,

"(2) such writing is received by the transferor of the interest, his legal representative, or the holder of the legal title to the property to which the interest relates not later than the date which is 9 months after the later of—

"(A) the date on which such person first knows that the interest has become indefeasibly vested in him under applicable State property law, or

"(B) the day on which such person attains age 21,

"(3) such person has not accepted the interest or any of its benefits after attaining age 21 or, prior to the expiration of the 9-month period, has restored all benefits received, and

"(4) such writing does not direct or attempt to direct the disposition of the disclaimed interest.

"(c) OTHER RULES.—For purposes of subsection (a)—

"(1) PARTIAL DISCLAIMER.—A disclaimer which meets the requirements of the preceding sentence with respect to any part or interest less than the whole in any property, benefit, estate, interest, right (including without limitation) the accretive portion of jointly owned property acquired by right of survivorship), power of appointment or other power shall be treated as a qualified disclaimer.

"(2) POWERS OF APPOINTMENT.—A power with respect to property shall be treated as an interest in such property. The holder of a power of appointment may disclaim the right to appoint to any or all of the permissible appointees and the right to appoint any part or all of the property subject to the power.

"(3) DISCLAIMERS INEFFECTIVE UNDER STATE LAW.—A disclaimer ineffective under State law shall nevertheless be treated as a qualified disclaimer for purposes of subsection (a) if—

"(A) the disclaimer meets the requirements of subsection (b), and

"(B) on or before the last day on which the disclaimer must be received under subsection (b)(2), the disclaimant transfers the interest to the person to whom the interest would have passed had the disclaimant died immediately prior to the event as a result of which the interest became indefeasibly vested in him."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to interests which become indefeasibly vested in the disclaimant after December 31, 1981.

● Mr. PERCY. Mr. President, I am pleased to join today with my good colleague from Illinois, Senator DIXON, to introduce the Transfer Tax Reform Act of 1981. Representative EDWARD MADIGAN is introducing the same bill in the House.

We are introducing this bill at the request of the Illinois State Bar Association. The association has spent many months drafting this legislation to reform the estate and gift tax laws. It is important that it be considered by the Congress as it evaluates our present estate and gift tax laws and proposes changes.

In recent days, discussion of estate and gift tax reform has taken on new life. The President and the Republican and Democratic leaders of the Senate Finance Committee and House Ways and Means Committee have been discussing possible compromise tax bills. Figuring prominently in each of the publicly discussed proposals are changes in the estate and gift taxes.

I am encouraged by these developments and commend to my colleagues this proposal that we are sponsoring today.

There is, of course, good reason why attention has come to be focused on estate and gift taxation. Although Congress updated these so-called transfer taxes in 1976, inflation has had a corrosive effect on them. The estate and gift tax system is now woefully behind the times and is in need of immediate attention.

Mr. President, a day does not go by that my office does not receive a written plea from a hard-pressed farmer or small business to update our estate and gift taxes. Most of these letters come into my office as hand-written notes on plain paper, asking that they be allowed to keep a small family farm or business that might otherwise have to be sold just to pay estate taxes. We are all aware of this problem that should be addressed as soon as possible. The Illinois State Bar Association proposal is one way to move us in this direction.

The major features of this legislation are provisions that would:

First, increase the unified credit from the present $175,000 to $500,000 by 1985;

Second, increase the annual gift tax exclusion from the present $3,000 to $10,000. This part of the tax has not been updated since 1943 and should have been addressed in the last reform, 1976. Just 1 year's tuition at many colleges is now over $5,000. Unless this part of the Tax Code is updated, it is conceivable that IRS could tax the estates of parents who had sent their children to college.

Third, amend the definition of "qualified real property" to allow farms rented

to family members to qualify for estate tax provisions. Under the present law, when an elderly farmer stops farming and has his son or nephew farm the land for him, he can be disqualified for estate and gift tax rates. This bill remedies this inequity;

Fourth, add three rules to determine whether "material participation" exists to allow a property to be specially valued. These new rules would apply to disabled farmers or businessmen, surviving spouses and certain woodland owners;

Fifth, increase the value reduction limitation to $1 million by 1986. Present law states that special valuation cannot reduce estate taxes by more than $500,000. This provision would update the 1976 law, assuming an optimistic inflation rate of 10 percent between 1976 and 1986; and

Sixth, amend the present valuation methods to specify that rental value can be used in the special-use valuation formula without specific reference to other comparable farms leased on a similar basis. This provision also modifies another, little-used method of valuation, replacing it with a 50-percent discount from fair market value for qualifying farms and businesses in cases where real estate does not qualify for the rental formula method.

Mr. President, this bill does not pretend to be a comprehensive reform of the estate and gift tax laws. Rather, it makes a number of new proposals for ways to update the present, inadequate law. It should be considered by Congress along with other proposals now pending. The Illinois State Bar Association, whose members are close to the agricultural economy in Illinois, have worked hard and long in drawing up this proposal. I commend it to my colleagues.●

By Mr. BAUCUS (for himself and Mr. BRADLEY):

S. 1333. A bill to amend the Internal Revenue Code of 1954 to provide a capital cost recovery method which combines the investment credit with the depreciation deduction in a first-year allowance; to the Committee on Finance.

FIRST-YEAR CAPITAL COST RECOVERY ACT

● Mr. BAUCUS. Mr. President, for the last several weeks, the Finance Committee has been holding hearings on the administration's tax package. A great deal of attention has been focused on the 30-percent reduction in personal income taxes; somewhat less attention has been paid, at least by the media, to the proposals to reduce the tax burden of business, the so-called capital cost recovery plan, or 10–5–3. Yet I believe the latter is the more complex and the program which is more important in terms of improving our productivity.

In my view, 10–5–3, if not currently seriously faulted, has the potential for becoming so. For that reason, I am presenting with Senator BRADLEY an alternative proposal; it is an exciting new concept which has been too little discussed and as a result has not been given the attention it deserves. It is the first-year capital cost recovery system. Congressman SHANNON has presented a similar measure in the House of Representatives.

When this proposal has been brought up, it has been dismissed too rapidly because of misconceptions: It is viewed as potentially too complicated, as not being generous enough, as not being enough of a stimulant. Let me discuss these misconceptions.

Obviously, any tax system has its complications; only a system without tax is simple. But one of the most important factors of simplicity is the ability to deal with a tax directly and only once. Immediate expensing does that and so does first-year capital cost recovery; the major difference is that the latter does discount the writeoff to assure that the tax is fair and positive.

Second, but very important, one of the most difficult aspects of depreciation is the problem of inflation. How do you factor it into any equation? With the first-year system, it is simple: Since you do all your figuring in 1 year, inflation no longer plays a role; the same as immediate expensing. In other words, inflation does not play any role because your entire tax question is resolved within the first year. I believe this is one of the most attractive aspects of this proposal since as we all know, inflation is one of the biggest problems facing a business person today. Inflation creates unpredictability since one never knows at what level it will be in the future; therefore, having an accounting system which does not have to factor in inflation is a very large advantage.

Third, the view has been expressed that this measure is complicated. It is obviously more complicated than no tax, but on the other hand, it can be made fairly simple, too. We have four categories of assets and these can be expanded or diminished depending on how complicated or simple we want to make such a proposal. I believe four is a good number and provides enough categories to cover assets and yet few enough to make the proposal a simple one. Complicated books do not have to be kept on all assets.

But there are other advantages as well. The failure to sever inflation's capricious link with investment is not the only drawback of 10–5–3, as Professor Jorgenson, one of the authors of this proposal, has stated. What will happen under 10–5–3 is that people will seek tax shelters in those categories, moving away once again from productive and economically sound investments. As Professor Jorgenson has pointed out, 10–5–3 confuses the need for improved productivity with simple capital formation. To provide tax incentives for capital formation without resultant productivity does not make sense.

Let me summarize once again the advantages that I see in having a first-year capital cost recovery system:

First, it allows businesses to depreciate assets in the same dollars they are purchased in, thereby doing away with the problem of inflation.

Second, it matches tax writeoffs with the economic cost of depreciation, thereby equalizing tax burdens among all assets.

Third, businesses are freed from the requirement of complex reporting. The first-year allowance would be the only deduction that would have to be reported.

Fourth, its goal is to increase our productivity.

Fifth, if inflation were to drop as the administration thinks will happen, 10–5–3 will be in fact a subsidy to business. There is no point in having a tax if it ends up being a subsidy. The first-year system is, therefore, a fair and equitable tax designed to increase productivity and yet provide incentives to business.

Mr. President, for all these reasons I believe it is very important that the Senate seriously consider the first year capital cost recovery program. I am pleased to be presenting this legislation with Senator BRADLEY and look forward to its consideration by the Finance Committee and the Senate as a whole. I ask unanimous consent that several documents in support of this proposal including a concise article by Professor Jorgenson and Peter Navarro published on May 5 in the New York Times, an editorial of that date, and an article from the March 9 edition of Fortune magazine, along with the text of the bill be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1333

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as the "First-Year Capital Cost Recovery Act of 1981".

(d) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. FIRST-YEAR CAPITAL COST RECOVERY METHOD.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by inserting after section 167 the following new section:

"SEC. 168. FIRST-YEAR CAPITAL COST RECOVERY METHOD.

"(a) ALLOWANCE OF DEDUCTION.—There shall be allowed as a deduction an amount equal to the aggregate of the applicable percentage of the basis of each first-year recovery property placed in service by the taxpayer during the taxable year.

"(b) CLASS AND APPLICABLE PERCENTAGE.—

"(1) IN GENERAL.—All first-year recovery property—

"(A) shall be placed in 1 of the 4 classes set forth in the following table, and

"(B) shall have the applicable percentage set forth for such class in the following table:

"Class	Applicable percentage:
1	98. 5
2	97. 3
3	94. 8
4	92. 7

"(2) ASSIGNMENT TO CLASSES.—The Secretary shall prescribe a table which sets forth

the types of assets which fall into each of the 4 classes.

"(3) INITIAL ASSIGNMENT OF PROPERTY TO CLASS.—

"(A) IN GENERAL.—For purposes of this section—

"First-year recovery property with present class life (in years)	Shall be placed in class:
Less than 4	1
4 or more but less than 8.5	2
8.5 or more but less than 14.5	3
14.5 or more	4

"(B) PRESENT CLASS LIFE.—For purposes of this paragraph, the present class life of any property is the class life (if any) which would be applicable to such property as of May 1, 1981, under section 167(m) (determined without regard to any regulation, ruling, or announcement published by the Secretary after such date).

"(4) ASSIGNMENT TO DIFFERENT CLASS.—The Secretary may assign any property to a different class if the Secretary determines that as a result of such assignment the yearly declines (in constant dollars) in the value of the property will be more accurately reflected (relative to such declines for other property).

"(5) PROPERTY FOR WHICH THERE IS NO CLASS LIFE.—If a present class life cannot be determined under paragraph (3)(B) with respect to any property, the Secretary shall assign such property to a class in a manner consistent with paragraph (4).

"(c) FIRST-YEAR RECOVERY PROPERTY DEFINED.—Except as otherwise provided in this section, for purposes of this title, the term 'first-year recovery property' means tangible property—

"(1) which is of a character subject to the allowance for depreciation,

"(2) which is—

"(A) personal property, or

"(B) other property (not including a building and its structural components) but only so long as it meets the requirements of clause (i), (ii), or (iii) of section 1245(a)(3)(B), and

"(3) which is placed in service by the taxpayer after December 31, 1980.

"(d) CERTAIN PROPERTY EXCLUDED FROM DEFINITION OF FIRST-YEAR RECOVERY PROPERTY.—For purposes of this section—

"(1) PROPERTY USED PREDOMINANTLY OUTSIDE THE UNITED STATES.—The term 'first-year recovery property' does not include property which, during the taxable year, is used predominantly outside the United States (within the meaning of paragraph (2) of section 48(a)).

"(2) CERTAIN LIVESTOCK.—The term 'first-year recovery property' does not include livestock (within the meaning of section 1231(b)(3) without regard to the period for which such livestock has been held by the taxpayer) other than items of livestock which the taxpayer elects to treat as first-year recovery property.

"(3) CERTAIN METHODS OF DEPRECIATION.—The term 'first-year recovery property' does not include—

"(A) property if—

"(i) the taxpayer elects to exclude such property from the application of this section, and

"(ii) for the first taxable year for which a deduction would (but for such election) be allowable under this section with respect to such property, the property is depreciated under the unit-of-production method or any other method of depreciation not expressed in a term of years,

"(B) property which is a leasehold improvement which is depreciated or amortized over the term of the lease, or

"(C) property which is depreciated under the retirement-replacement-betterment method.

"(4) AMORTIZATION PROPERTY.—The term 'first-year recovery property' does not include property with respect to which the taxpayer—

"(A) is entitled to elect amortization (in lieu of depreciation), and

"(B) elects such amortization.

"(5) PUBLIC UTILITY.—The term 'first-year recovery property' does not include—

"(A) any public utility property with a present class life of more than 18 years, and

"(B) any public utility property with a present class life of 18 years or less unless the taxpayer uses a normalization method of accounting (within the meaning of section 167(l)(3)(G)) with respect to such property.

For purposes of the preceding sentence, the present class life of any property shall be determined under rules similar to the rules of paragraphs (3)(B), (4), and (5) of subsection (b).

"(6) OIL OR GAS FIRED BOILERS.—The term 'first-year recovery property' does not include any boiler described in section 167(p).

"(7) NONCORPORATE LESSORS.—In the case of a person other than a corporation, the term, 'first-year recovery property' includes property with respect to which such person is the lessor only if subparagraph (A) or (B) of the first sentence of section 46(e)(3) is met with respect to such property.

"(e) SPECIAL RULES FOR DISPOSITIONS OF FIRST-YEAR RECOVERY PROPERTY.—For purposes of this title (other than this section)—

"(1) ZERO BASIS.—The adjusted basis of any first-year recovery property shall be zero.

"(2) DISPOSITIONS.—In the case of any disposition of first-year recovery property—

"(A) the applicable percentage (determined under subsection (b)) of—

"(i) the amount realized, or

"(ii) in the case of a disposition other than a sale, exchange, or involuntary conversion, the fair market value of such property,

shall be treated as ordinary income and shall be recognized notwithstanding any other provision of this subtitle, and

"(B) no gain other than that treated as ordinary income under subparagraph (A) shall be recognized.

"(f) SPECIAL RULES.—

"(1) DISPOSITIONS WITHIN 1 YEAR AFTER PLACED IN SERVICE.—The term 'first-year recovery property' shall not include any property if such property is disposed of by the taxpayer before the date 1 year after the date on which such property was placed in service.

"(2) PROPERTY FOR WHICH INVESTMENT CREDIT NOT ALLOWABLE.—If a credit would not be allowable under section 38 to the taxpayer with respect to any first-year recovery property (determined without regard to sections 48(a)(11) and 48(c)(2)), the applicable percentage for such property shall be determined under the following table (in lieu of the table contained in subsection (b)(1)(B)):

"Class:	Applicable percentage:
1	91.3
2	79.5
3	73.1
4	71.0

"(3) PROPERTY WHICH CEASES TO BE FIRST-YEAR RECOVERY PROPERTY.—If any first-year recovery property for which a deduction was allowable to the taxpayer under this section ceases to be first-year recovery property with respect to the taxpayer—

"(A) the taxpayer shall be treated as having disposed of such property for an amount equal to its fair market value as of the date of such cessation, and

"(B) the basis of such property in the hands of the taxpayer after the date of such cessation shall be treated as equal to such fair market value.

"(4) PUBLIC UTILITY PROPERTY.—For purposes of this section, the term 'public utility property' has the meaning given to such term by section 167(l)(3)(A) except that, for purposes of this section, clause (iv) of such section shall be applied as if it read as follows:

"'(iv) transportation of gas, oil, or steam by pipeline,'.

"(g) PHASE-IN.—

"(1) REDUCTION OF DEDUCTION FOR PROPERTY PLACED IN SERVICE BEFORE 1990.—

"(A) IN GENERAL.—In the case of any first-year recovery property placed in service before 1990, the amount allowable as a deduction under this section shall be the phase-in percentage of the amount which, but for this paragraph, would have been so allowable with respect to such property.

"(B) PHASE-IN PERCENTAGE.—For purposes of subparagraph (A)—

"In the case of property placed in service during:	The phase-in percentage is:
1981	35
1982	50
1983	60
1984	70
1985	75
1986	80
1987	85
1988	90
1989	95

"(2) DENIED DEDUCTION PLACED IN SUSPENSE ACCOUNT.—The taxpayer shall establish a suspense account for purposes of this subsection. As of the close of each taxable year ending after December 31, 1980—

"(A) the taxpayer shall add to such suspense account the aggregate amount disallowed as a deduction by reason of paragraph (1) with respect to property placed in service during such taxable year,

"(B) the taxpayer shall add to such account an amount equal to the balance in such account (as of the first day of such taxable year), multiplied by one-half of the rate of interest in effect under section 6621 as of the middle of such taxable year, and

"(C) the taxpayer shall subtract from such account the amount by which the amount allowable as a deduction under subsection (a) for such taxable year is increased by reason of paragraph (3).

"(3) ALLOWANCE OF SUSPENDED DEDUCTIONS.—

"(A) IN GENERAL.—In the case of taxable years beginning after 1981 and before 1991, the recovery percentage of the balance in the suspense account established by the taxpayer under paragraph (2) shall be added to the amount allowable as a deduction under subsection (a) for such taxable year. Such balance shall be determined as of the close of the taxable year but before making the adjustments under subparagraphs (A) and (C) of paragraph (2) for the taxable year.

"(B) RECOVERY PERCENTAGE.—For purposes of subparagraph (A)—

"In the case of taxable years beginning in:	The recovery percentage is:
1982	25
1983	30
1984	35
1985	40
1986	45
1987	50
1988	55
1989	70
1990	100

"(h) OTHER TRANSITIONAL RULES.—

"(1) LIMIT ON USED PROPERTY.—For purposes of this section—

"(A) IN GENERAL.—In the case of property placed in service in a taxable year beginning before 1984, the term 'first-year recovery property' shall include used property only to the extent that the aggregate cost of used property placed in service during such taxable year does not exceed the limitation determined under the following table:

"In the case of a taxable year beginning in:	The limitation is:
1980 or 1981	$100,000
1982	200,000
1983	300,000

If such cost exceeds the limitation determined under the preceding table, the taxpayer shall select (at such time and in such manner as the Secretary shall by regulations prescribe) the items of used property which are to be treated as first-year recovery property, but only to the extent of an aggregate cost not in excess of such limitation. Such a selection, once made, may be changed only in the manner, and to the extent, provided by such regulations.

"(b) USED PROPERTY.—For purposes of this paragraph, the term 'used property' means any property—

"(i) the orilgnal use of which does not begin with the taxpayer, and

"(ii) which is first-year recovery property (determined without regard to this paragraph).

"(C) COORDINATION WITH LIMITATION ON USED PROPERTY FOR INVESTMENT TAX CREDIT.—The limitation of section 48(c)(2) applicable to the taxpayer for any taxable year shall be reduced by an amount equal to the cost of any used property taken into account under this section for such taxable year.

"(D) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of subparagraphs (B), (C), and (D) of paragraph (2) of section 48(c) and of paragraph (3) of section 48(c) shall apply for purposes of this paragraph.

"(2) PROPERTY CONTINUES TO BE USED BY SAME PERSON.—The term 'first-year recovery' shall not include any property acquired by the taxpayer if, after its acquisition by the taxpayer, it is used by a person who used such property before January 1, 1981 (or by a person who bears a relationship described in subparagraph (A) or (B) of section 179(c)(2) to a person who used such property before such date).

"(i) PARTNERSHIPS, SUBCHAPTER S CORPORATIONS, AND OTHER PASSTHROUGH ENTITIES.—The Secretary shall prescribe such regulations as may be necessary to ensure that the tax treatment of each partner, shareholder, or other beneficiary of a partnership, electing small business corporation, or other passthrough entity with respect to the acquisition, disposition, or distribution of (or other transaction with respect to) first-year recovery property by the entity is consistent with the treatment which would result if such beneficiary engaged in such transaction directly."

(b) FIRST-YEAR RECOVERY DEDUCTION AS TREATED AS DEPRECIATION.—Subsection (a) of section 167 (relating to depreciation) is amended by adding at the end thereof the following new sentence: "In the case of first-year recovery property (as defined in section 168(c)), the deduction allowable under section 168 shall be deemed to constitute the reasonable allowance provided by this section."

(c) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 is amended by inserting after the item relating to section 167 the following new item:

"Sec. 168. First-year capital cost recovery method."

SEC. 3. DEPRECIATION OF REAL PROPERTY.

Section 167 (relating to depreciation) is amended by redesignating subsection (s) as subsection (t) and by inserting after subsection (r) the following new subsection:

"(s) METHOD OF DEPRECIATING CERTAIN REAL PROPERTY.—

"(1) IN GENERAL.—In the case of section 167(s) property (other than low-income housing), the depreciation allowance under subsection (a) shall be computed under the straight line method using a useful life of 20 years and no salvage value.

"(2) LOW-INCOME HOUSING.—In the case of low-income housing, the depreciation allowance under subsection (a) shall be computed under the straight line method using a useful life of 15 years and no salvage value.

"(3) DEFINITIONS.—For purposes of this subsection—

"(A) SECTION 167(s) PROPERTY.—Except as provided in subparagraph (B), the term 'section 167(s) property' means any property—

"(i) which is section 1250 property or an elevator or escalator which would be section 1250 property but for section 1245(a)(3)(C), and

"(ii) which is placed in service after December 31, 1980.

"(B) EXCEPTION FOR PROPERTY FOR WHICH CLASS LIFE IS PRESCRIBED UNDER SUBSECTION (m).—The term 'section 167(r) property' shall not include any property for which a class life is in effect under subsection (m) as of May 1, 1981.

"(C) LOW-INCOME HOUSING.—The term 'low-income housing' means any property described in clause (i), (ii), (iii), or (iv) of section 1250(a)(1)(B)."

SEC. 4. $25,000 OF DEPRECIABLE BUSINESS ASSETS TREATED AS EXPENSE.

(a) IN GENERAL.—Section 179 (relating to additional first-year depreciation allowance for small business) is amended to read as follows:

"SEC. 179. EXPENSE TREATMENT FOR CERTAIN DEPRECIABLE BUSINESS ASSETS.

"(a) TREATMENT OF EXPENSES.—The cost of any section 179 property shall be treated as an expense which is not chargeable to capital account. Any cost so treated shall be allowed as a deduction for the taxable year in which the section 179 property is placed in service.

"(b) DOLLAR LIMITATION.—

"(1) IN GENERAL.—The aggregate cost taken into account under subsection (a) for any taxable year shall not exceed $25,000 ($12,500 in the case of a married individual filing a separate return).

"(2) ORDER IN WHICH PROPERTY TAKEN INTO ACCOUNT.—Except as otherwise provided in regulations prescribed by the Secretary, if the aggregate cost of section 179 property placed in service by the taxpayer during the taxable year exceeds the limitation of paragraph (1), property shall be taken into account under subsection (a)—

"(A) in the order of the classes in which such property is placed under section 168(b) (beginning with the class with the lowest number), and

"(B) within any class, in the order in which the property is placed in service.

"(c) DEFINITIONS AND SPECIAL RULES.—

"(1) SECTION 179 PROPERTY.—For purposes of this section, the term 'section 179 property' means any first-year recovery property which is acquired by purchase for use in a trade or business.

"(2) PURCHASE DEFINED.—For purposes of paragraph (1), the term 'purchase' means any acquisition of property, but only if—

"(A) the property is not acquired from a person whose relationship to the person acquiring it would result in the disallowance of losses under section 267 or 707(b) (but, in applying section 267 (b) and (c) for purposes of this section, paragraph (4) of section 267(c) shall be treated as providing that the family of an individual shall include only his spouse, ancestors, and lineal descendants),

"(B) the property is not acquired by one component member of a controlled group from another component member of the same controlled group, and

"(C) the basis of the property in the hands of the person acquiring it is not determined—

"(i) in whole or in part by reference to the adjusted basis of such property in the hands of the person from whom acquired, or

"(ii) under section 1014(a) (relating to property acquired from a decedent).

"(3) SPECIAL RULE FOR SECTION 1031 OR 1033 EXCHANGES.—For purposes of this section, in the case of any property received in an exchange described in section 1031 or 1033, the cost of such property shall only include money or the fair market value of other property (within the meaning of section 1031), or the fair market value of property not similar or related in service or use (within the meaning of section 1033) received by the taxpayer.

"(4) SECTION NOT TO APPLY TO ESTATES AND TRUSTS.—This section shall not apply to estates and trusts.

"(5) DOLLAR LIMITATION OF CONTROLLED GROUP.—For purposes of subsection (b) of this section—

"(A) all component members of a controlled group shall be treated as one taxpayer, and

"(B) the Secretary shall apportion the dollar limitation contained in subsection (b) among the component members of such controlled group in such manner as he shall by regulations prescribe.

"(6) CONTROLLED GROUP DEFINED.—For purposes of paragraphs (2) and (5), the term 'controlled group' has the meaning assigned to it by section 1563(a), except that, for such purposes, the phrase 'more than 50 percent' shall be substituted for the phrase 'at least 80 percent' each place it appears in section 1563(a)(1).

"(7) DOLLAR LIMITATION IN CASE OF PARTNERSHIPS.—In the case of a partnership, the dollar limitation contained in subsection (b) shall apply with respect to the partnership and with respect to each partner.

"(8) COORDINATION WITH SECTION 168.—

"(A) WHERE ENTIRE COST DEDUCTED.—If the entire cost of any section 179 property (determined without regard to paragraph (3)) is allowed as a deduction under subsection (a), such property shall not be treated as first-year recovery property for purposes of section 168.

"(B) WHERE ONLY PART OF COST DEDUCTED.—If only a portion of the cost of any section 179 property (determined without regard to paragraph (3)) is allowed as a deduction under subsection (a)—

"(i) such property shall not be treated as first-year recovery property for purposes of section 168 to the extent of the amount allowed as a deduction under subsection (a) of this section, and

"(ii) in the case of any disposition of such property, for purposes of sections 1245 and 168(f), the taxpayer shall be treated as having disposed of 2 properties each which bears the same ratio to fair market value at the time of disposition as the amount taken into account under this section or section 168 (as the case may be) bears to the sum of such 2 amounts."

(b) TECHNICAL AMENDMENTS.—

(1) Paragraph (1) of section 263(a) (relating to capital expenditures) is amended—

(A) by striking "or" at the end of subparagraph (F);

(B) by striking out the period at the end of subparagraph (G) and inserting in lieu thereof a comma and "or", and

(C) by adding at the end thereof the following new subparagraph:

"(H) the cost of any property deductible under section 179.".

(2) Subparagraph (A) of section 1033(g)(3) (relating to condemnation of real property held for productive use in trade or business or for investment) is amended by striking out "(relating to additional fiscal-year depreciation allowances for small business)" and inserting in lieu thereof "(relating to expense treatment for certain depreciable business assets)".

(c) RECAPTURE RULE.—Subsection (a) of section 1245 (relating to gains from dispositions from certain depreciable property) is amended—

(1) by striking out "169, 184" each place

it appears in paragraph (2) and inserting in lieu thereof "169, 179, 184",

(2) by striking out "section 190" in the third sentence of paragraph (2) and inserting in lieu thereof "sections 179, 190", and

(3) by striking out "169, 185" in paragraphs (2)(D) and (3)(D) and inserting in lieu thereof "169, 179, 185".

(d) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 is amended by striking out the item relating to section 179 and inserting in lieu thereof the following:

"Sec. 179. Expense treatment for certain depreciable business assets."

SEC. 5. THIRTY PERCENT VARIANCE FROM CLASS LIFE FOR LONG-LIFE PUBLIC UTILITY PROPERTY AND CERTAIN REAL PROPERTY.

Subsection (m) of section 167 (relating to class lives) is amended by adding at the end thereof the following new paragraph:

"(4) 30 PERCENT VARIANCE FOR LONG-LIFE PUBLIC UTILITY PROPERTY AND CERTAIN REAL PROPERTY.—In the case of—

"(A) any property which is placed in service after December 31, 1980, and is described in subparagraph (A) of section 168(d)(5) (relating to long-life public utility property), and

"(B) any property placed in service after December 31, 1980, which would be section 167(s) property but for subsection (s)(3)(B),

the last sentence of paragraph (1) shall be applied by substituting '30 percent' for '20 percent'".

SEC. 6. TERMINATION OF INVESTMENT TAX CREDIT.

(a) GENERAL RULE.—Subsection (a) of section 48 (defining section 38 property) is amended by adding at the end thereof the following new paragraph:

"(11) FIRST-YEAR RECOVERY PROPERTY.—The term 'section 38 property' shall not include any first-year recovery property (as defined in section 168)."

(b) CONTINUATION OF ENERGY CREDIT.—Subparagraph (B) of section 48(l)(1) (relating to energy property treated as section 38 property) is amended by striking out "paragraph (3)" and inserting in lieu thereof "paragraphs (3) and (11)".

SEC. 7. EFFECTIVE DATE.

The amendments made by this Act shall apply to taxable years ending after December 31, 1980.

[From the New York Times, May 5, 1981]

10-5-3: "DEEPLY FLAWED"

(By Dale W. Jorgenson and Peter Navarro)

CAMBRIDGE, MASS.—There is now bipartisan consensus on Capitol Hill that business needs a tax cut to stimulate capital investment in order to improve productivity and generally revitalize America. Unfortunately, that consensus is coalescing around the Reagan Administration's highly touted, but nonetheless deeply flawed, "10-5-3" tax write-off program.

Ostensibly, 10-5-3 removes the crippling "inflation penalty" that the current business tax imposes. The penalty arises because businesses must deduct depreciation expenses according to original, rather than replacement, costs. At higher inflation rates, these deductions are worth less, so inflation in effect levies an additional tax.

The 10-5-3 approach seeks to lift this penalty through a super-accelerated depreciation plan that would allow businesses to write off depreciation on structures over 10 years, equipment over 5 years, and vehicles over 3 years. To further stimulate investment, 10-5-3 would also substantially increase the investment tax credit.

It is clear, however, that 10-5-3 does not really sever the link between inflation and investment. Instead it merely tries to "outrun" inflation. However, when 10-5-3's super-depreciation interacts with the souped-up investment tax credit, the perverse result is to transform the corporate income tax into a very large corporate subsidy. For example, at today's double-digit inflation, 10-5-3 would provide businesses with an 85 cent deduction on every dollar invested in a "5-year asset" period. The souped-up investment credit would add the equivalent of another 20 cents in write-offs so that the total tax deduction would be worth $1.05, or a 5-cent subsidy! Moreover, this subsidy would rise as inflation fell. Indeed, if the Administration reached its low-inflation target, the subsidy would balloon. That in turn would mean either higher personal income taxes, or a bigger budget deficit and renewed inflation.

The failure to sever inflation's capricious link with investment is not the only drawback of 10-5-3. The proposal also significantly widens the gaps that now exist between tax burdens for different investments. These gaps arise because the current system provides better tax breaks for some assets and industries than for others. That encourages a channeling of funds toward tax shelters and away from economically sound investments. Under 10-5-3, these gaps would approximately double, resulting in an even less-productive application of investment.

It is clear then that 10-5-3 confuses the real purpose of a business tax cut, which is not capital formation per se but rather improved productivity. In doing so, it raises the prospect of large-scale, unfair, and inefficient business subsidies that would rise and fall with the inflation roller coaster.

But can a business tax be designed that neither penalizes nor subsidies business, is inflation-neutral, and encourages the best use of capital?

We think that these objectives can be obtained by using the first-year capital-recovery system.

Under this system, businesses would deduct a first-year allowance in the year that an asset is acquired. Depreciation write-offs that would normally stretch out over the entire life of an asset would be converted into a single deduction, taking into account different lives of assets and the time value of money. For example, the allowance for a computer would be 82 cents on each dollar, while the allowance on a longer-"lived" building housing that computer would be 29 cents.

The advantages of the first-year system are obvious.

First, by allowing businesses to depreciate assets in the same dollars they are purchased in, it completely eliminates the inflation penalty.

Second, by matching tax write-offs with the economic cost of depreciation, it would equalize tax burdens among all assets, allowing investors from all industries and regions to compete on equal terms. That would be fairer and enlarge the economic pie by making the most productive use of every investment dollar.

Third, the first-year system is even simpler than 10-5-3 and would provide businesses with another important kind of tax relief—namely, freedom from complex reporting requirements. Indeed, the first-year allowance would be the only deduction that a taxpayer would ever have to report.

The primary disadvantage of the first-year system is, of course, its novelty.

While 10-5-3 has been kicking around Congress for more than a year and has the Reagan Administration's endorsement, the first-year system is still a relatively new idea germinating in Congressional committees.

Despite its low profile, the system does represent a constructive alternative to the seductively simple, but ultimately error-prone, super-depreciation dance of 10-5-3.

[From the New York Times, May 5, 1981]

REAL DEPRECIATION, REAL INFLATION

Official Washington is convinced that a business tax cut is needed to spur industrial investment. But that is only half the battle. As the economists Dale Jorgenson and Peter Navarro point out on the opposite page, President Reagan is backing the flawed "10-5-3" accelerated depreciation approach over a more effective alternative. Congress can do better.

In a world of high inflation, the capital depreciation that companies are permitted to deduct from taxable income is often less than it costs to replace wornout machines and buildings. Much of what the law labels as taxable profit exists only on paper. Real profit falls, and with it, the incentive to invest.

The proposed Reagan answer is to increase the tax credit for some industrial investment, and allow businesses to depreciate all investments more rapidly. His package, labeled 10-5-3 for the depreciable life of each of three investment categories, would clearly increase investment incentives by cutting taxes on profits. But the drawbacks are equally clear.

Souped-up depreciation, coupled with the more generous tax credit, favors investment in short-lived equipment over the more durable sort. Business shrugs off the problem, concentrating on the certain benefits of fast tax write-offs rather than the subtler questions of incentives. However, at a time when corporate America is being criticized for ignoring long-term planning, such a bias seems particularly perverse.

Equally important, 10-5-3 would merely give business a headstart in the race with rising costs. It would not do what most needs to be done: sever the connection between inflation and effective tax rates. If inflation speeded up, business would lose the ground it gained. If price increases slowed, corporate tax rates would fall, perhaps even below zero!

The Jorgenson-Navarro alternative would match tax depreciation schedules as closely as possible to the actual useful lives of various types of equipment. It would also break the link between inflation and investment incentives by what Professor Jorgenson and his other Harvard colleague, Alan Auerbach, call "first year" capital recovery.

Instead of providing regular depreciation allowances whose real value is determined by future price levels, the entire tax break would come in the year of the investment. That way, high inflation wouldn't raise the tax rate on corporations. Nor would low inflation reduce it. Business could live with 10-5-3—and surely live better than with no change in the depreciation system. But that's not the real issue. Since everyone seems to agree that business taxes ought to be cut, why not make it a reform for all seasons?

[From Fortune Magazine, Mar. 9, 1981]

A TAX STRATEGY TO RENEW THE ECONOMY

(By A. F. Ehrbar)

One of the most encouraging developments in American political attitudes is the new consensus that our tax system has become a formidable barrier to economic growth and that it needs to be drastically overhauled to restore incentives to work and invest.

With Congress no longer in the redistributive frame of mind that shaped tax legislation in the late Sixties and mid-Seventies, there is a glittering opportunity to enact a reform program that will spur productivity and growth. The Reagan Administration seems clearly determined to modify the steeply progressive structure of the personal income tax. Marginal tax rates—the rates on last-dollar income that determine whether a person is willing to take on a more exacting job or invest his money at higher risk—have risen substantially as inflation has pushed wage and salary earners into higher and

higher brackets. About 20 percent of all taxpayers are now in the 30 percent bracket or higher, as against a mere 2 percent in 1965.

A cut in rates is sorely needed, but it is only the beginning. Two other reforms are essential to relieve the costly drag that the tax system imposes on the economy. One is to remove the system's bias against personal savings, and the other is to eliminate the debilitating distortions caused by taxes on business profits. Fortune has some radical proposals to accomplish these objectives.

A MINUS RETURN ON INVESTMENT

The proposition that Americans consume too much and save too little seems indisputable. With savings rates—and accordingly, the supply of capital for investment—at depressed levels, industry is adding to plant and equipment at only half the rate of the late Sixties, the amount of capital per worker has actually been shrinking, and productivity growth is at a standstill.

The way we tax investment returns has contributed to the decline in savings. At high levels of inflation, taxes on dividends and interest often exceed the real return to the investor, so that investors end up poorer than they started. When inflation is at, say, 10 percent and bonds yield 13 percent, the real return is only 3 percent. But the bondholder pays taxes on the whole 13 percent. If he is in the 30 percent bracket, his real after-tax return is minus 0.8 percent. In the top, 70 percent bracket, it is minus 5.5 percent.

The surest way to eradicate that savage bias against savings would be to eliminate all taxes on capital income. That wouldn't be as unconscionably regressive as it might seem. For one thing, the rich can already escape taxes by putting their money in tax shelters that don't do much for economic growth or in assets that don't leave a paper trail for the IRS. As economist Milton Friedman observes, "The problem isn't really a bias against savings, but a bias against productive investment. The tax system encourages the wealthy to put their savings into gold, art, and other things that provide inflation hedges and escape taxes." Low-income workers would plainly benefit if the wealthy shifted their savings from old Packards to new factories.

Congress isn't about to let the Mellons and McCormicks off the hook, of course, but it could achieve the same measure of savings stimulus in a way that should be politically attractive. This is to allow everyone to set up tax-deferred investment and savings accounts along the lines of Keogh plans and Individual Retirement Accounts. (Employees who aren't covered by company pension or profit-sharing plans are allowed to invest 15 percent of their earnings, tax-deductible, up to a $1,500 annual limit, in IRAs; the self-employed can put up to $7,500 a year in Keogh plans.) Under Fortune's proposal there would be no limit on deductible contributions, whether they were in the form of savings-account deposits or purchases of securities; but all withdrawals—including principal as well as earnings—would be subject to taxation at ordinary rates.

In its result, the tax-deferral scheme is precisely equivalent to making investment income tax-exempt. An individual who invested pretax dollars and paid taxes on total withdrawals would end up with the same amount as one who invested after-tax dollars and paid no taxes on the investment income. However, the tax-deferral method has an important equity advantage. It exempts only income from new savings, so that people without capital get the same break, relative to their incomes, as the wealthy. For instance, if all investment income were simply exempted from taxes, an individual with $50,000 of dividends on past investments and no wage or salary income would pay no taxes at all, while a person with a $50,000 salary and no income from past savings would pay the same taxes as he does now. This would obviously be unfair. But with tax-deferred accounts, both would pay identical taxes if they saved the same portion of their $50,000 incomes.

Critics of tax-deferred accounts complain that they are regressive because people with high incomes reap most of the benefits. That is quite true, but the tax system imposes such an enormous burden on the economy precisely because it has become so progressive. It's a defensible assumption that people at the low end of the income spectrum have more to gain from good jobs than they do from soaking the rich, and a tax system that encourages saving and investment is a key to creating jobs.

Universal tax deferral on investment income would take a large bite out of the tax base and require higher rates on the remaining taxable income. But Congress could make up the lost revenue by knocking off some other deductions. Prime candidates are the deductions now permitted for state and local taxes, property taxes on owner-occupied homes, and interest payments. Any tampering with these would be sure to provoke a howl of protest from middle-income homeowners. But a good case can be made that they will come out as well or better with tax-deferred savings accounts than they do now with their real-estate deductions. Those with a high propensity to save would do a lot better than the rest—but then that is the point of the whole thing.

A DEADLY DEDUCTION

In any event, the deduction on interest paid has to be repealed if large tax-deferred investment accounts are permitted. Otherwise, an individual could "game" the tax system by borrowing whatever he contributed to a tax-deferred account. By deducting his interest costs as well as his contributions, he could get a sizable break without doing any real saving. Indeed, the tax code already contains a plethora of supposed savings incentives—such as the $200-per-person exclusion of dividend and interest income that goes into effect this year—but the interest deduction defeats the purpose.

It would obviously be unfair to end interest deductions all at once. Many people have arranged their finances on the basis of the deduction and could suffer large losses. But Congress could phase it out by gradually lowering the amount of interest that can be deducted. As for those multitudes of mortgage-holding homeowners, there is a novel way to induce them to surrender their cherished interest deduction.

Various other proposals to encourage thrift have been circulating in Washington, but none seems as workable as the tax-deferred-investment approach. For instance, Representative Richard T. Schulze, a Pennsylvania Republican, is pushing a 10 percent tax credit, up to $1,000 per person, on purchases of stocks and bonds. Brokerage houses naturally love the idea, but it's an open invitation to game the system. A couple could borrow $20,000, buy $20,000 worth of bonds, use the interest income to offset their interest costs, and spend the $2,000 credit on a trip to Tahiti.

THE FALSE LOGIC OF 10–5–3

Any program of tax changes to encourage individual saving should be accompanied by revisions that will invite business to make more investments to improve productivity. One essential is to alter the way business depreciates its fixed assets, but not for the reasons usually advanced in favor of faster write-offs. The conventional argument is that depreciation based on original costs is inadequate in periods of high inflation. Since much of the write-off comes years after an asset is acquired, original costs don't reflect the full value of equipment used up in the production process. By taking inadequate depreciation, businesses overstate their profits and pay too much tax.

That is the logic behind the "10–5–3" proposal backed by all the major business lobbies. It provides that buildings would be written off over ten years, equipment over five years, and cars and light trucks over three. By some estimates, 10–5–3 would pare business taxes by more than $60 billion in 1985.

The analysis of inflation's effect on depreciation is correct, but the excessive-taxation argument ignores what happens on the liability side of the balance sheet. Companies get an untaxed gain when inflation reduces the value of their fixed debt. Viewed another way, the interest rate they pay is set high enough to compensate the lender not only for the use of his money but also for the deterioration in its value. So part of the company's interest costs really amount to repayment of principal—which would not, of course, be deductible if it were so defined. It turns out that aggregate corporate tax payments wouldn't change very much if both depreciation and interest deductions were properly adjusted for inflation; some companies would pay less, others more. (See "Unraveling the Mysteries of Corporate Profits," Fortune, August 27, 1979.)

The real trouble with the current depreciation system is that it's a mess with or without inflation. Accelerated depreciation write-offs, in use since 1954, result in different effective tax rates on investments with different lives, so that investment decisions are based on tax considerations rather than real returns. Such misallocation of capital results in less output and slower growth, even when prices are stable. Inflation merely shifts the tax preference to different assets.

The 10–5–3 plan, and variations on it, would distort investment returns in the same way as the current accelerated write-offs. Moreover, the combination of 10–5–3 and the investment credit would give rise to outright tax subsidies. It would be even more generous than simply allowing a company to deduct the whole cost of a capital investment when it is made.

A DISTORTION-FREE SYSTEM

Two Harvard economists, Dale Jorgenson and Alan Auerbach, have advanced a proposal that would do away with the concept of accelerated depreciation and match write-offs to true economic depreciation. Write-offs would be calculated so that they correspond as closely as possible with the actual deterioration of a piece of equipment. But companies would be allowed to take all depreciation write-offs in advance, when they acquired the equipment. This would eliminate the distortion caused by inflation because purchases and depreciation allowances would be in dollars with the same value.

Depreciation that will occur in the future would be discounted back to the time of purchase at a 4-percent interest rate—so that, for instance, the $1 million of depreciation that would take place in the second year would be written off immediately, but the company would take a tax deduction of only $961,538. Why 4 percent? Because Jorgenson and Auerbach believe that is the best estimate of the average real return on business equipment. That figure may be open to dispute, but it's hard to fault the basic concept.

The Jorgenson-Auerbach approach, known as "present value" depreciation, sounds complex but is really quite simple. They figure that all assets can be divided into just 12 to 14 categories, ranging from construction machinery to commercial buildings. To establish the depreciation, you would just consult a Treasury table for the category "factor," and multiply the factor by the cost.

As part of their scheme, Jorgenson and Auerbach favor dropping the investment tax credit. The credit applies only to capital equipment, not structures. There is no doubt that it has boosted spending on equipment (and the number of doctors driving Mercedes-Benzes). But a study that Auerbach and Lawrence Summers, an MIT economist, did for the National Bureau of Economic Research suggests that more than half of the added investment attributable to the credit came at the expense of other kinds of investment, namely in housing and industrial plant. To that extent, the credit crowded out other prospective investments that offered higher economic returns. As Jorgenson observes: "What we're after is productivity, not capital spending."

THE BANKERS' LOBBY

A second change in corporate taxation that would foster larger and more productive investment is to eliminate the double taxation of dividends. (The corporation pays dividends out of after-tax profits, and stockholders then pay personal income tax on the dividends.) Double taxation distorts investment by causing capital to flow to non-corporate ventures (for example, limited partnerships in shopping centers and motels). In 1978, Al Ullman, then chairman of the House Ways and Means Committee, proposed giving shareholders a tax credit for part of the taxes paid by the corporation. The flaws in Ullman's plan were, first, that it didn't go far enough; second, that the tax credit wouldn't have been available to tax-exempt investors such as pension funds; and third, that shareholders wouldn't have received a credit for foreign tax payments. Even so, the dividend credit was a beginning, and its shortcomings could have been corrected later.

Unfortunately, business—notably the big banks—helped kill the idea. One Congressman recalls, "David Rockefeller was down here lobbying door to door in the House office buildings to stop Ullman." The banks objected to the plan because their large foreign tax payments and their special legal right to deduct interest costs while investing in tax-exempt bonds leave them with extremely low U.S. tax bills. Thus they had less to gain than other corporations from a dividend tax credit, and they feared that Ullman's plan would erode some of the comparative advantage they enjoy in the competition for capital. Since then, double taxation has dropped out of sight as a reform issue.

The pursuit of special advantages has also figured in the lobbying for depreciation changes. While the Jorgenson-Auerbach present-value depreciation would foster more economic growth, it is less generous than 10–5–3 to capital-intensive industries such as autos, steel, airlines, and utilities. Their lobbies have stuck by 10–5–3.

Business's dismal record of putting its parochial interest above the general good is the darkest cloud over Washington's new approach to taxes. Congress, after all, is a reactive body that ultimately adopts the measures the electorate demands. An important prerequisite for successful reform is that business, one of the loudest and most effective lobbies, get behind changes that promote general efficiency and growth. In the long run, such reforms will redound to the greater benefit of both business and society.●

● Mr. BRADLEY. Mr. President, I am pleased to join with the distinguished Senator from Montana, Mr. BAUCUS, in cosponsoring the First Year Capital Recovery Act. This legislation provides a sorely needed alternative to the depreciation bill proposed by the administration.

The 10–5–3 is deeply flawed. Its ostensible purpose is to offset the effect of inflation on the existing depreciation allowance. While there is no doubt that high inflation rates have eroded the value of the depreciation deduction, 10–5–3 is not the answer. It fails to sever the link between inflation and investment. Instead, it merely tries to outrun inflation through a superaccelerated plan that would allow businesses to write off structures over 10 years, equipment over 5 years, and vehicles over 3 years. To further stimulate investment, 10–5–3 would also substantially increase the investment tax credit.

The net effect of all this is to transform the corporate income tax into a very large corporate subsidy.

According to Dale Jorgenson, Professor of Economics at Harvard College, 10–5–3 would provide businesses with an 85-cent deduction for every dollar invested in an asset in the 5-year category. The additional investment-tax credit would add the equivalent of another 20 cents in writeoffs, so that the total deduction would be worth $1.05, or a 5-cent subsidy. Moreover, this subsidy would rise if, as the administration predicts, the inflation rate falls.

In addition to providing this unjustifiable subsidy, 10–5–3 is inefficient and poorly targeted. It will offer huge benefits to some firms, particularly the large capital intensive ones, and very little to others. It will make investment particularly profitable where firms can borrow heavily, so that the combination of initial tax savings from rapid depreciation and the investment tax credit, high interest deductions and low equity will be a boon to tax shelter investment. It will also provide huge breaks for investments in office buildings and shopping centers. They last far longer than the 10 years in which they could be depreciated under the President's bill and they can also be sold and written off many times. But we are most in need of industrial factories full of equipment, not office buildings and shopping centers. And we need to boost innovation which, in turn, means much more investment in research and development. Yet 10–5–3 will discourage the very industries we want to promote. If 10–5–3 is adopted, the tremendous incentive it provides for speculative buildings and tax shelters may very well end up sucking investment funds out of industry. That would mean less investment in industrial facilities and R. & D. after 10–5–3 is enacted than before.

The first year capital recovery system avoids these pitfalls. Under this system businesses would deduct a first-year allowance in the year an asset is acquired. Depreciation write-offs that would normally be stretched out over the asset's entire life would be converted into a single deduction.

The advantages of this system are obvious. First, allowing businesses to depreciate assets in the same dollars they are purchased in completely eliminates the effect of inflation on capital recovery.

Second, matching tax write-offs with the economic cost of depreciation would equalize tax burdens among all assets. This would allow investors from all industries and regions to compete on equal terms, thereby insuring that each investment dollar is put to its most productive use.

Third, the first-year system is far simpler than 10–5–3. It also frees businesses from complex record keeping and reporting requirements which would be of special value for small businesses.

Mr. President, it is essential that we reform our tax system to stimulate investment and productivity and to improve the competitiveness of our industries in international markets. But in a time of belt-tightening for the poor and disadvantaged in our society, it would be unconscionable to give wasteful subsidies to our industries and businesses, especially since such subsidies would frustrate, not further, our economic goals.●

By Mr. BAUCUS:

S. 1334. A bill to amend the Internal Revenue Code of 1954 to allow expensing of $25,000 of depreciable assets, to eliminate the corporate tax on the first $100,000 of income paid as dividends by small business corporations, to allow an ordinary loss on certain preferred stock issued by small business corporations, to provide capital gains treatment for certain small business stock options, to make certain changes in the estate tax special use valuation rules, and for other purposes; to the Committee on Finance.

SMALL BUSINESS TAX ACT OF 1981

● Mr. BAUCUS. Mr. President, today I am submitting the Small Business Tax Act of 1981 for consideration by the Senate.

I have cosponsored several bills already which are designed to assist the small business community. S. 360 is an omnibus tax bill and Senator BENTSEN has also submitted a variation, which I believe the Senate should consider as well. It is my belief that the Senate should have before it a number of proposals dealing with the small business community to determine which in fact will best be helpful to increase small business productivity and reduce unnecessary burdens which limit capital formation and retention by the small business person.

The Small Business Tax Act of 1981 is not a comprehensive tax bill, but rather represents some further refinement of measures which have been presented before us. It tries to fill some of the gaps and to present some proposals which should be considered as alternatives rather than entirely new proposals.

My bill has five sections: The first substantive section is concerned with small business expensing of capital assets. This provision would allow taxpayers to make an annual election to take an immediate deduction for up to $25,000 of tangible personal property placed in service during the year rather than recovering the cost through depreciation. No investment credit would be allowed for amounts expensed in this manner.

This provision would greatly simplify cost recovery for small businesses and is similar to a measure reported out by the Finance Committee in its 1980 tax cut bill. It would apply to property placed in service in taxable years beginning after December 31, 1980.

It probably would not represent much of a financial gain for the small business person, but would greatly simplify pro-

cedures. Instead of having to keep lengthy depreciation schedules, a small businessman can take care of the whole matter in 1 year. I think this should be an attractive alternative for the small businessman without taking away his option if he prefers to keep depreciation schedules and the like. I would think that this measure would be particularly helpful to a businessman who is just starting out, and is not in a position to set up complicated bookkeeping.

The next section attempts to deal with the very important issue of double taxation. Under this provision, a small business corporation as defined by section 1244C3 of the IRC would not be taxed on the first $100,000 of its taxable income paid to shareholders as dividends for the taxable year. Taxable income in excess of the first $100,000 of dividends paid would continue to be taxed at the normal corporate rate. Such dividends received by shareholders would not be eligible for dividend exclusion.

I do not know how many small businesses in the country would avail themselves of this opportunity, nor how many small businesses would be able to work with their shareholders to implement this program. However, I do believe it is important to address the question of double taxation. It is unfair that income is taxed twice, once at the corporate level and the other at the personal level. In a small way, this measure at least ends that process for the small businessman, and might make it easier for him to retain and raise capital.

The next section deals with losses on small business corporation preferred stocks. Under present law, losses on original issue common stock in a small business corporation may be treated as an ordinary loss up to $50,000 a year or $100,000 in the case of a joint return. In order to encourage investors to invest money in new corporate businesses, this provision would extend this treatment to losses on preferred stock issued by small business corporations to individuals.

The next substantive section deals with employee stock options. This would change the rules governing employee stock options to enable smaller businesses to attract better management by encouraging the use of stock options for key employees. Under present law, an employee exercising a stock option is, in general, taxed at ordinary income tax rates on the spread between the market price of the stock and the option price. The employer is allowed a corresponding deduction.

These rules should be changed so that employees could be permitted to exercise stock options without tax consequences to either the employee or employer. The employees would be eligible for capital gains treatment when the stock is sold with the option price being the basis of the stock. The provision would be limited to options issued by small business corporations as defined by section 1244 and would apply to options granted after the date of enactment of the bill.

Finally, my bill addresses the problem of the $500,000 cap on land use valuation for estate tax purposes. There are a number of bills before the Congress which deal with the problem of estate taxes. A major problem, of course, is farm land, since the IRS has valued the land in a way that makes it difficult for farms to be kept within a family. Although there have been modifications to estate tax laws in this respect, a $500,000 cap was placed on such valuations. Inflation and rocketing real estate prices have made that cap no longer very realistic. Several of the bills before Congress remove the cap entirely. I believe that doing so will only attract land speculators and that a cap is necessary, but that it should be more responsible to the economy. Therefore, my final proposal is simply to index the cap to inflation. This way the family farm can be valued as a family farm up to a reasonable limit as determined by earlier law, but that limit will respond to inflationary pressures and will go up to maintain a realistic level.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1334

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE: AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Small Business Tax Act of 1981".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. ELECTION TO EXPENSE CERTAIN DEPRECIABLE BUSINESS ASSETS.

(a) IN GENERAL.—Section 179 (relating to additional first-year depreciation allowance for small business) is amended to read as follows:

"SEC. 179. ELECTION TO EXPENSE CERTAIN DEPRECIABLE BUSINESS ASSETS.

"(a) TREATMENT OF EXPENSES. A taxpayer may elect to treat the cost of any section 179 property as an expense which is not chargeable to capital account. Any cost so treated shall be allowed as a deduction for the taxable year in which the section 179 property is placed in service.

"(b) DOLLAR LIMITATION.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $25,000 ($12,500 in the case of a married individual filing a separate return).

"(c) ELECTION.—

"(1) IN GENERAL.—An election under this section for any taxable year shall—

"(A) specify the items of section 179 property to which the election applies and the portion of the cost of each of such items which is to be taken into account under subsection (a), and

"(B) be made on the taxpayer's return of the tax imposed by this chapter for the taxable year.

Such election shall be made in such manner as the Secretary may by regulations prescribe.

"(2) ELECTION IRREVOCABLE.—Any election made under this section, and any specification contained in any such election, may not be revoked except with the consent of the Secretary.

"(d) DEFINITIONS AND SPECIAL RULES.—

"(1) SECTION 179 PROPERTY.—For purposes of this section, the term 'section 179 property' means tangible personal property—

"(A) of a character subject to the allowance for depreciation under section 167, and

"(B) acquired by purchase for use in a trade or business.

"(2) PURCHASE DEFINED.—For purposes of paragraph (1), the term 'purchase' means any acquisition of property, but only if—

"(A) the property is not acquired from a person whose relationship to the person acquiring it would result in the disallowance of losses under section 267 or 707(b) (but, in applying section 267(b) and (c) for purposes of this section, paragraph (4) of section 267 (c) shall be treated as providing that the family of an individual shall include only his spouse, ancestors, and lineal descendants),

"(B) the property is not acquired by one component member of a controlled group from another component member of the same controlled group, and

"(C) the basis of the property in the hands of the person acquiring it is not determined—

"(i) in whole or in part by reference to the adjusted basis of such property in the hands of the person from whom acquired, or

"(ii) under section 1014(a) (relating to property acquired from a decedent).

"(3) SPECIAL RULE FOR SECTION 1031 OR 1033 EXCHANGES.—For purposes of this section, in the case of any property received in an exchange described in section 1031 or 1033, the cost of such property shall only include money or the fair market value of other property (within the meaning of section 1031), or the fair market value of property not similar or related in service or use (within the meaning of section 1033), received by the taxpayer.

"(4) SECTION NOT TO APPLY TO ESTATES AND TRUSTS.—This section shall not apply to estates and trusts.

"(5) DOLLAR LIMITATION OF CONTROLLED GROUP.—For purposes of subsection (b) of this section—

"(A) all component members of a controlled group shall be treated as one taxpayer, and

"(B) the Secretary shall apportion the dollar limitation contained in subsection (b)(1) among the component members of such controlled group in such manner as the Secretary shall by regulations prescribe.

"(6) CONTROLLED GROUP DEFINED.—For purposes of paragraphs (2) and (5), the term 'controlled group' has the meaning assigned to it by section 1563(a), except that, for such purposes, the phrase 'more than 50 percent' shall be substituted for the phrase 'at least 80 percent' each place it appears in section 1563(a)(1).

"(7) DOLLAR LIMITATION IN CASE OF PARTNERSHIPS.—In the case of a partnership, the dollar limitation contained in subsection (b)(1) shall apply with respect to the partnership and with respect to each partner.

"(8) ADJUSTMENT TO BASIS; WHEN MADE.—In applying section 167(g), the adjustment under section 1016(a)(2) resulting by reason of an election made under this section with respect to any section 179 property shall be made before any other deduction allowed by section 167 is computed.".

(b) TECHNICAL AMENDMENTS.—

(1) Paragraph (1) of section 263(a) (relating to capital expenditures) is amended—

(A) by striking "or" at the end of subparagraph (F);

(B) by striking out the period at the end of subparagraph (G) and inserting in lieu thereof a semicolon and "or"; and

(C) by adding at the end thereof the following new subparagraph:

"(H) the cost of any property deductible under section 179.".

(2) Subparagraph (A) of section 1033(g)(3) (relating to condemnation of real property held for productive use in trade or business or for investment) is amended by strik-

ing out "(relating to additional first-year depreciation allowance for small business)" and inserting in lieu thereof ", (relating to election to expense certain depreciable business assets)".

(c) RECAPTURE RULE.—Subsection (a) of section 1245 (relating to gains from dispositions from certain depreciable property) is amended—

(1) by striking out "169, 184" each place it appears in paragraph (2) and inserting in lieu thereof "169, 179, 184",

(2) by striking out "section 190" in the third sentence of paragraph (2) and inserting in lieu thereof "section 179, 190", and

(3) by striking out "169, 185" in paragraphs (2)(D) and (3)(D) and inserting in lieu thereof "169, 179, 185".

(d) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 is amended by striking out the item relating to section 179 and inserting in lieu thereof the following:

"Sec. 179. Election to expense certain depreciable business assets.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service in taxable years beginning after December 31, 1980.

SEC. 3. ZERO RATE OF TAX WHERE SMALL BUSINESS CORPORATION DISTRIBUTES DIVIDENDS.

(a) ZERO RATE OF TAX.—Part II of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to tax on corporations) is amended by redesignating section 12 as section 13 and by inserting after section 11 the following new section:

"SEC. 12. ZERO RATE OF TAX WHERE SMALL BUSINESS CORPORATION DISTRIBUTES DIVIDENDS.

"(a) IN GENERAL.—The amount of the tax imposed by section 11 for the taxable year with respect to the taxable income of a small business corporation shall be reduced by an amount equal to the amount of tax which would be imposed by section 11 if the taxable income of the corporation for the taxable year equaled its section 12 dividend amount for such year.

"(b) SECTION 12 DIVIDEND AMOUNT.—Except as otherwise provided in this section, the term 'section 12 dividend amount' means whichever of the following is the lesser:

"(1) the amount of dividends paid by the corporation during the taxable year, or

"(2) $100,000.

"(c) DIVIDENDS TAKEN INTO ACCOUNT.—

"(1) REQUIREMENTS.—A dividend shall be taken into account under this section only if—

"(A) it is paid in cash (or is a consent dividend meeting requirements similar to those of section 565),

"(B) it is pro rata, with no preference to any share of stock as compared with other shares of the same class, and with no preference to one class of stock as compared with another class except to the extent that the former is entitled (without reference to waivers of their rights by shareholders) to such preference, and

"(C) it is not in redemption or in partial or complete liquidation.

"(2) DIVIDENDS PAID AFTER CLOSE OF TAXABLE YEAR.—For purposes of this section, a dividend paid after the close of any taxable year and on or before the 15th day of the 3d month following the close of such taxable year shall, to the extent the taxpayer elects in its return for the taxable year, be considered as paid during such taxable year.

"(3) EXCEPTION FOR DIVIDENDS ON CERTAIN PREFERRED STOCK.—For purposes of this section, the term 'dividend' includes a distribution with respect to stock of a class which is not common stock only if—

"(A) the corporation first issued stock in that class after the date of the enactment of this section, and

"(B) the corporation makes an election to have stock of that class taken into account under this section.

"(d) SMALL BUSINESS CORPORATION DEFINED.—For purposes of this section—

"(1) IN GENERAL.—Except as otherwise provided in this section, the term 'small business corporation' means, with respect to any taxable year, a domestic corporation which is a small business corporation (within the meaning of section 1244(c)(3)) as of the close of such taxable year.

"(2) CERTAIN CORPORATIONS NOT ELIGIBLE.—The term 'small business corporation' shall not include any corporation which is—

"(A) an insurance company subject to tax under subchapter L,

"(B) a corporation subject to tax imposed by subchapter M (relating to regulated investment companies and real estate trusts),

"(C) a corporation to which an election under section 936 applies,

"(D) a DISC or former DISC, or

"(E) an organization to which part I of subchapter T (relating to tax treatment of cooperatives) applies.

"(3) SERVICE CORPORATIONS NOT ELIGIBLE.—The term 'small business corporation' shall not include any corporation the principal function of which is the performance of services in the field of health, law, engineering, architecture, accounting, actuarial science, performing arts, or consulting.

"(e) SPECIAL RULES.—For purposes of this section—

"(1) COMPONENT MEMBERS OF SAME GROUP.—In the case of a controlled group of corporations (within the meaning of section 1563(a))—

"(A) all component members of the group shall be treated as one corporation,

"(B) the section 12 dividend amount shall be divided among the component members of the group in the same manner as the amounts in each taxable income bracket in the tax table contained in section 11(b) are divided among such members,

"(C) distributions from one component member of the group to another component member of the group shall not be treated as dividends, and

"(D) in applying section 1244(c)(3), subparagraph (A) of this paragraph shall apply and amounts received by one component member of the group from another member of the group shall not be taken into account.

"(2) SPECIAL RULE WHERE 20 PERCENT OR MORE OF THE DIVIDENDS IS PAID TO TAX-EXEMPTS OR ACCUMULATION TRUSTS.—A corporation shall not be treated as a small business corporation for any taxable year during which 20 percent or more of the dividends paid by the corporation are paid (directly or indirectly) to one or more of the following:

"(A) persons which are exempt from tax under section 501, or

"(B) any trust unless, under the terms of the trust, all of its income is required to be distributed currently.

"(3) TREATMENT OF DIVIDENDS.—

"(A) IN GENERAL.—The zero rated portion of any dividend paid by a small business corporation during any taxable year shall not be treated as a dividend for purposes of sections 116 and 243.

"(B) ZERO RATED PORTION.—For purposes of subparagraph (A), the zero rated portion of any dividend is an amount equal to such dividend multiplied by a fraction—

"(i) the numerator of which is the corporation's section 12 dividend amount for the taxable year for, (or, if lesser, its taxable income for the taxable year), and

"(ii) the denominator of which is the aggregate amount of the dividends paid by the corporation during the taxable year.

"(4) PASSIVE INCOME LIMITATION.—

"(A) IN GENERAL.—If the passive investment income fraction of any small business corporation for any taxable year exceeds one-fifth, such corporation's section 12 dividend amount for the taxable year shall not exceed the taxable income of the corporation for the taxable year determined by not taking into account any passive investment income and any deductions allocable to such passive investment income.

"(B) PASSIVE INVESTMENT INCOME FRACTION DEFINED.—For purposes of this subsection, the term 'passive investment income fraction' means, with respect to any taxable year, a fraction—

"(i) the numerator of which is the passive investment income for such year, and

"(ii) the denominator of which is the gross receipts for such year.

"(C) PASSIVE INCOME DEFINED.—For purposes of this subsection, the term 'passive investment income' means gross receipts derived from royalties, rents, dividends, interest, annuities, and sales or exchanges of stock or securities.

"(D) SALES OF STOCK AND SECURITIES.—For purposes of this subsection, gross receipts from the sales or exchanges of stock or securities shall be taken into account only to the extent of gains therefrom.

"(E) SPECIAL RULE FOR CERTAIN LENDING OR FINANCE COMPANIES.—For purposes of this subsection, if the small business corporation meets the requirements of section 542(c)(6) for the taxable year, the term 'passive investment income' shall not include gross receipts for the taxable year which are derived directly from the active and regular conduct of a lending or finance business (as defined in section 542(d)(1)).".

(b) CONFORMING AMENDMENTS.—

(1) Section 243 of such Code (relating to deduction for dividends received by corporations) is amended by adding at the end thereof the following new subsection:

"(e) CROSS REFERENCE.—

"For adjustment to deduction where zero rate provisions of section 12 apply, see section 12(e)(3).".

(2) Section 116 of such Code (relating to partial exclusion of dividends and interest received by individuals) is amended by adding at the end thereof the following new subsection:

"(d) CROSS REFERENCE.—

"For adjustment to exclusion where zero rate provisions of section 12 apply, see section 12(e)(3).".

(c) CLERICAL AMENDMENT.—The table of sections for part II of subchapter A of chapter 1 of such Code is amended by striking out the item relating to section 12 and inserting in lieu thereof the following:

"Sec. 12. Zero rate of tax where small business corporation distributes dividends.

"Sec. 13. Cross references relating to tax on corporations.".

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 1981.

(2) AMENDMENTS NOT TREATED AS CHANGE IN RATE OF TAX.—The amendments made by this section shall not be treated as a change in a rate of tax for purposes of section 21 of the Internal Revenue Code of 1954.

SEC. 4. LOSSES ON PREFERRED STOCK OF SMALL BUSINESS CORPORATION.

(a) IN GENERAL.—Subsections (c)(1) and (d)(2) of section 1244 (relating to losses on small business stock) are each amended by striking out "common stock" and inserting in lieu thereof "stock".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to stock issued after the date of enactment of this Act.

SEC. 5. SMALL BUSINESS INCENTIVE STOCK OPTIONS.

(a) IN GENERAL.—Part II of subchapter D of chapter 1 (relating to certain stock options) is amended by adding after section 422 the following new section:

"SEC. 422A. SMALL BUSINESS INCENTIVE STOCK OPTIONS.

"(a) IN GENERAL.—Section 421(a) shall apply with respect to the transfer of a share of stock of a small business corporation to an individual pursuant to his exercise of an incentive stock option if—

"(1) no disposition of such share is made by him within 2 years from the date of the granting of the option nor within 1 year after the transfer of such share to him, and

"(2) at all times during the period beginning on the date of the granting of the option and ending on the day 3 months before the date of such exercise, such individual was an employee of either the corporation granting such option, a parent or subsidiary corporation of such corporation, or a corporation or a parent or subsidiary corporation of such corporation issuing or assuming a stock option in a transaction to which section 425(a) applies.

"(b) INCENTIVE STOCK OPTION.—For purposes of this part, the term 'incentive stock option' means an option granted to an individual for any reason connected with his employment by a corporation, if granted by the employer corporation or its parent or subsidiary corporation, to purchase stock of any of such corporations, but only if—

"(1) the option is granted pursuant to a plan which includes the aggregate number of shares which may be issued under options and the employees (or class of employees) eligible to receive options, and which is approved by the stockholders of the granting corporation within 12 months before or after the date such plan is adopted;

"(2) such option is granted within 10 years from the date such plan is adopted, or the date such plan is approved by the stockholders, whichever is earlier;

"(3) such option by its terms is not exercisable after the expiration of 10 years from the date such option is granted;

"(4) the option price is not less than the fair market value of the stock at the time such option is granted;

"(5) such option by its terms is not transferable by such individual otherwise than by will or the laws of descent and distribution, and is exercisable, during his lifetime, only by him; and

"(6) such individual, at the time the option is granted, does not own stock possessing more than 10 percent of the total combined voting power of all classes of stock of the employer corporation or of its parent or subsidiary corporation.

Paragraph (6) shall not apply if at the time such option is granted the option price is at least 110 percent of the fair market value of the stock subject to the option and such option by its terms is not exercisable after the expiration of 5 years from the date such option is granted.

"(c) SPECIAL RULES AND DEFINITIONS.—

"(1) EXERCISE OF OPTION WHEN PRICE IS LESS THAN VALUE OF STOCK.—If a share of stock is transferred pursuant to the exercise by an individual of an option which would fail to qualify as an incentive stock option under subsection (b) because there was a failure in an attempt, made in good faith, to meet the requirement of subsection (b)(4), the requirement of subsection (b)(4) shall be considered to have been met.

"(2) SMALL BUSINESS CORPORATION.—For purposes of this section, the term 'small business corporation' has the meaning set forth in paragraph (3) of section 1244(c) (relating to losses on small business stock).

"(3) CERTAIN DISQUALIFYING DISPOSITIONS WHERE AMOUNT REALIZED IS LESS THAN VALUE AT EXERCISE.—If—

"(A) an individual who has acquired a share of stock by the exercise of an incentive stock option makes a disposition of such share within the 2-year period described in subsection (a)(1), and

"(B) such disposition is a sale or exchange with respect to which a loss (if sustained) would be recognized to such individual,

then the amount which is includible in the gross income of such individual, and the amount which is deductible from the income of his employer corporation, as compensation attributable to the exercise of such option shall not exceed the excess (if any) of the amount realized on such sale or exchange over the adjusted basis of such share.

"(4) CERTAIN TRANSFERS BY INSOLVENT INDIVIDUALS.—If an insolvent individual holds a share of stock acquired pursuant to his exercise of an incentive stock option, and if such share is transferred to a trustee, receiver, or other similar fiduciary in any proceeding under title 11 or any other similar insolvency proceeding, neither such transfer, nor any other transfer of such share for the benefit of his creditors in such proceeding, shall constitute a disposition of such share for purposes of subsection (a)(1).

"(5) COORDINATION WITH SECTIONS 422 AND 424.—Sections 422 and 424 shall not apply to an incentive stock option.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 421 (relating to general rules in the case of stock options) is amended—

(A) by inserting "422A(a)," after "422(a)," in subsections (a), (b), and (c)(1)(A), and

(B) by inserting "422A(a)(1)," after "section 422(a)(1)," in subsection (b).

(2) Section 425(d) (relating to attribution of stock ownership) is amended by inserting "422A(b)(6)," after "422(b)(7),".

(3) Section 425(g) (relating to special rules) is amended by inserting "422A(a)(2)," after "422(a)(2),".

(4) Section 425(h)(3)(B) (relating to definition of modification) is amended by inserting "422A(b)(5)," after "422(b)(6),".

(5) Section 6039 (relating to information required in connection with certain options) is amended—

(A) by inserting ", an incentive stock option," after "qualified stock option" in subsection (a)(1),

(B) by inserting "incentive stock option," after "qualified stock option," in subsection (b)(1), and

(C) by adding at the end of subsection (c) the following new paragraph:

"(4) The term 'incentive stock option', see section 422A(b).".

(6) The table of sections for part II of subchapter D of chapter 1 is amended by inserting after the item relating to section 422 the following new item:

"Sec. 422A. Small business incentive stock options.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to options granted after the date of enactment of this Act.

SEC. 6. VALUATION OF CERTAIN FARM, ETC., REAL PROPERTY.

(a) DEFINITION OF QUALIFIED REAL PROPERTY.—Subsection (b) of section 2032A (defining qualified real property) is amended by adding at the end thereof the following new paragraphs:

"(4) RETIRED AND DISABLED DECEDENTS.—

"(A) IN GENERAL.—If, on the date of death of the decedent, the decedent did not otherwise meet the requirements of paragraph (1)(C) with respect to any property, and the decedent—

"(i) was eligible to receive old-age benefits under title II of the Social Security Act, or

"(ii) was disabled for a continuous period ending on such date,

then paragraph (1)(C) shall be applied by substituting 'the date on which the decedent became eligible to receive old-age benefits under title II of the Social Security Act or became disabled' for 'the date of the decedent's death'.

"(B) DISABLED DEFINED.—For purposes of subparagraph (A), an individual shall be disabled if such individual has a mental or physical impairment which renders him unable to materially participate in the operation of the farm or other business.

"(5) SPECIAL RULE FOR SPOUSES WHO ARE QUALIFIED HEIRS.—In the case of any qualified real property which was acquired by a qualified heir who is the spouse of the decedent and which does not otherwise meet the requirements of paragraph (1)(C)(ii) upon the death of such spouse, such real property shall be treated as meeting the requirements of paragraph (1)(C)(ii) if such spouse was engaged in the active management of the operation of the business at all times during—

"(A) the 10-year period ending on the date of death of the spouse, or

"(B) the period beginning on the date of death of the decedent and ending on the date of death of the spouse.".

(b) CESSATION OF QUALIFIED USE.—

(1) IN GENERAL.—Paragraph (7) of section 2032A(C) (defining cessation of qualified use) is amended to read as follows:

"(7) CESSATION OF QUALIFIED USE.—For purposes of paragraph (1)(B)—

"(A) IN GENERAL.—Real property shall cease to be used for the qualified use if—

"(i) such property ceases to be used for the qualified use set forth in subparagraph (A) or (B) of subsection (b)(2) under which the property qualified under subsection (b), or

"(ii) except as provided in subparagraph (B), during any period of 8 years ending after the date of the decedent's death and before the date of the death of the qualified heir, there had been periods aggregating 3 years or more during which—

"(I) in the case of periods during which the property was held by the decedent (other than periods during which the decedent was an individual described in subsection (b)(4)(A)(i) or (ii)), there was no material participation by the decedent or any member of the family in the operation of the farm or other business, and

"(II) in the case of periods during which the property was held by any qualified heir, there was no material participation by such qualified heir or any member of his family in the operation of the farm or other business.

"(B) 10-YEAR ACTIVE MANAGEMENT.—If an eligible qualified heir elects, at such time and in such manner as the Secretary may prescribe, to have the provisions of this subparagraph apply to any real property—

"(i) the provisions of clause (ii) of subparagraph (A) shall not apply to such property, and

"(ii) such property shall cease to be used for the qualified use if the eligible qualified heir (or his guardian, if any) or any member of his family did not take part in the active management of the farm or other business at all times during the period beginning on the date of dealth of the decedent and ending on the earlier of—

"(I) the date of death of the qualified heir, or

"(II) the date which is 10 years from the date of death of the decedent.

"(C) ELIGIBLE QUALIFIED HEIR.—For purposes of this paragraph, the term 'eligible qualified heir' means qualified heir who, on the date of death of the decedent—

"(i) is the spouse of the decedent,

"(ii) has not attained the age of 21,

"(iii) is a student described in subparagraph (A) or (B) of section 151(e)(4), or

"(iv) was disabled (within the meaning of subsection (b)(4)(B)) for a continuous period ending on such date.".

(2) CONFORMING AMENDMENT.—Subsection (e) of section 2032A (relating to definitions and special rules) is amended by adding at the end thereof the following new paragraph:

"(12) ACTIVE MANAGEMENT.—The term 'active management' means the making of the management decisions of a business (other than the daily operating decisions).".

(c) EXCHANGE OF QUALIFIED REAL PROPERTY.—

(1) IN GENERAL.—Section 2032A (relating to valuation of certain farm, etc., real property) is amended by adding at the end thereof the following new subsection: "(i) Exchanges of Qualified Real Property.—

"(1) TREATMENT OF PROPERTY EXCHANGED.—

"(A) IN GENERAL.—If an interest in qualified real property is exchanged—

"(i) no tax shall be imposed by subsection (c) on such exchange if the interest in qualified real property is exchanged solely for an interest in qualified exchange property in a transaction which qualifies under section 1031(a), or

"(ii) if clause (i) does not apply, the amount of the tax imposed by subsection (c) on such exchange shall be the amount determined under subparagraph (B).

"(B) AMOUNT OF TAX WHERE PROPERTY RECEIVED IS NOT SOLELY AN INTEREST IN QUALIFIED EXCHANGE PROPERTY.—The amount determined under this subparagraph with respect to any exchange is the amount of tax which (but for this subsection) would have been imposed on such exchange reduced by an amount equal to that portion of such tax which is attributable to the amount of the interest in qualified exchange property received by the taxpayer.

"(2) TREATMENT OF QUALIFIED EXCHANGE PROPERTY.—For purposes of subsection (c)—

"(A) any interest in qualified exchange property shall be treated in the same manner as if it were a portion of the interest in qualified real property which was exchanged, and

"(B) any tax imposed by subsection (c) on the exchange shall be treated as a tax imposed on a partial disposition.

"(3) QUALIFIED EXCHANGE PROPERTY.—For purposes of this subsection, the term 'qualified exchange property' means real property which is to be used for the qualified use set forth in subparagraph (A) or (B) of subsection (b)(2) under which the real property exchanged therefor originally qualified under subsection (a).".

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (1) of section 2032A (f) (relating to statute of limitations) is amended—

(i) by inserting "or exchange" after "conversion",

(ii) by inserting "or (i)" after "(h)", and

(iii) by inserting ", or of the exchange of property" after "replace".

(B) Paragraph (2) of section 6324B (c) (relating to special liens) is amended by inserting "and qualified exchange property (within the meaning of section 2032A (i)(3))" before the period at the end thereof.

(d) ELECTION REQUIREMENT OF SPECIAL RULES FOR INVOLUNTARY CONVERSIONS REPEALED.—Section 2032A (h) (relating to special rules for involuntary conversions of qualified real property) is amended—

(1) by striking out "and the qualified heir makes an election under this subsection" in paragraph (1) (A); and

(2) by striking out paragraph (5).

(e) METHOD OF VALUING FARMS.—Paragraph (7) of section 2032A (e) of the Internal Revenue Code of 1954 is amended by deleting the word "cash" wherever it appears therein.

(f) BASIS UPON RECAPTURE.—Paragraph (3) of section 1014(a) (relating to basis of property acquired from a decedent) is amended by inserting "(increased by any additional estate tax which is imposed under section 2032A(c)(1))" after "such section".

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to the estates of decedents dying after December 31, 1981.

SEC. 7. COORDINATION OF EXTENSIONS OF TIME FOR PAYMENT OF ESTATE TAX WHERE ESTATE CONSISTS LARGELY OF INTEREST IN CLOSELY HELD BUSINESS.

(a) ELIGIBILITY REQUIREMENTS.—Paragraph (1) of section 6166(a) (relating to alternate extension of time for payment of estate tax where estate consists largely of interest in closely held business) is amended to read as follows:

"(1) IN GENERAL.—If the value of an interest in a closely held business which is included in determining the gross estate of a decedent who was (at the date of his death) a citizen or resident of the United States exceeds—

"(A) 35 percent of the value of the gross estate of such decedent, or

"(B) 50 percent of the taxable estate of such decedent,

the executor may elect to pay part or all of the tax imposed by section 2001 in 2 or more (but not exceeding 10) equal installments.".

(b) COORDINATION WITH SECTION 303.—

(1) IN GENERAL.—Subparagraph (A) of section 303(b)(2) (relating to relationship of stock to decedent's estate) is amended by striking out all that follows "gross estate" the first place it appears and inserting in lieu thereof "exceeds—

"(i) 35 percent of the value of the gross estate of the decedent, or

"(ii) 50 percent of the value of the taxable estate of the decedent.".

(2) CONFORMING AMENDMENT.—Subparagraph (B) of section 303(b)(2) is amended to read as follows:

"(B) SPECIAL RULE FOR STOCK IN 2 OR MORE CORPORATIONS.—For purposes of subparagraph (A), stock of 2 or more corporations, with respect to each of which there is included in determining the value of the decedent's gross estate more than 20 percent in value of the outstanding stock, shall be treated as the stock of a single corporation. For purposes of the 20-percent requirement of the preceding sentence, stock which, at the decedent's death, represents the surviving spouse's interest in property held by the decedent and the surviving spouse as community property or as joint tenants, tenants by the entirety, or tenants in common shall be treated as having been included in determining the value of the decedent's gross estate.".

(c) ACCELERATION OF PAYMENT.—

(1) AMOUNT OF DISPOSITION.—Subparagraph (A) of section 6166(g)(1) (relating to acceleration of payment in the case of disposition of interest or withdrawal of funds from a business) is amended by striking out "one-third" each place it appears and inserting in lieu thereof "50 percent".

(2) FAILURE TO PAY INSTALLMENT.—Paragraph (3) of section 6166(g) (relating to failure to pay installments) is amended to read as follows:

"(3) FAILURE TO PAY INSTALLMENT.—

"(A) IN GENERAL.—If any installment under this section is not paid on or before the date fixed for its payment by this section (including any extension of time for the payment of such installment), the unpaid portion of the tax payable in installments shall be paid upon notice and demand from the Secretary.

"(B) PAYMENT WITHIN 6 MONTHS.—If any installment under this section is not paid on or before the date determined under subparagraph (A) but is paid within 6 months of such date—

"(i) the provisions of subparagraph (A) shall not apply with respect to such payment,

"(ii) the provisions of section 6601(j) shall not apply with respect to the determination of interest on such payment, and

"(iii) there is imposed a penalty in an amount equal to the product of—

"(I) 5 percent of the principal amount of such payment, multiplied by

"(II) the number of months (or fractions thereof) after such date and before payment is made.

The penalty imposed under clause (iii) shall be treated in the same manner as a penalty imposed under subchapter B of chapter 68.".

(d) REPEAL OF SECTION 6166A.—Section 6166A (relating to extension of time for payment of estate tax where estate consists largely of interest in a closely held business) is hereby repealed.

(e) TECHNICAL AMENDMENTS.—

(1) Sections 303(b)(1)(C), 2204(c), and 6161(a)(2) are each amended by striking out "or 6166A" each place it appears.

(2) Paragraph (2) of section 2011(c) is amended by striking out "6161, 6166 or 6166A" and inserting in lieu thereof "6161 or 6166".

(3) Subsections (a) and (b) of section 2204 are each amended by striking out "6166 or 6166A" and inserting in lieu thereof "or 6166".

(4) Subsection (b) of section 2621 is amended—

(A) by striking out "sections 6166 and 6166A (relating to extensions" and inserting in lieu thereof "section 6166 (relating to extension", and

(B) by striking out "Sections 6166 and 6166A" in the subsection heading and inserting in lieu thereof "Section 6166".

(5) (A) Subsection (a) of section 6166 is amended by striking out paragraph (4).

(B) The section heading for section 6166 is amended by striking out "alternate".

(C) The table of sections for subchapter B of chapter 62 is amended by striking out the items relating to sections 6166 and 6166A and inserting in lieu thereof the following:

"Sec. 6166. Extension of time for payment of estate tax where estate consists largely of interest in closely held business.".

(6) (A) Subsection (a), (c)(2), and (e) of section 6324A are each amended by striking out "or 6166A" each place it appears.

(B) Paragraphs (3) and (5) of section 6324A (d) are each amended by striking out "or 6166A (h)".

(C) The section heading for section 6324A is amended by striking out "or 6166A".

(D) The table of sections for subchapter C of chapter 64 is amended by striking out "or 6166A" in the item relating to section 6324A.

(7) Subsection (d) of section 6503 is amended by striking out "6163, 6166, or 6166A" and inserting in lieu thereof "6163 or 6166".

(8) Subsection (a) of section 7403 is amended by striking out "or 6166A (h).".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to the estates of decedents dying after December 31, 1980.

SEC. 8. INDEXATION OF LIMITATION ON ALTERNATE VALUATION OF CERTAIN FARM, ETC., REAL PROPERTY.

Section 2032A(a) is amended by adding at the end thereof the following new paragraph:

"(3) ADJUSTMENT FOR EFFECTS OF INFLATION.—

"(A) IN GENERAL.—In the case of decedents dying after December 31, 1981, the $500,000 amount in paragraph (2) shall be increased to an amount equal to $500,000, multiplied by the applicable inflation ratio.

"(B) APPLICABLE INFLATION RATIO.—The applicable inflation ratio for any asset is the percentage arrived at by dividing—

"(i) the gross national product deflator for the last calendar quarter for the calendar year preceding the calendar year of the decedent's death, by

"(ii) the gross national product deflator for the calendar quarter ending December 31, 1981.

The applicable inflation ratio shall not be taken into account unless it is greater than 1. The applicable inflation ratio for any asset shall be rounded to the nearest 1/10 of 1 percent.

"(C) Gross national product deflator.—The gross national product deflator for any calendar quarter is the implicit price deflator for the gross national product for such quarter (as shown in the first revision thereof).".●

By Mr. SASSER:

S. 1335. A bill to designate certain lands in the Great Smoky Mountains National Park as wilderness; to the Committee on Energy and Natural Resources.

GREAT SMOKY MOUNTAINS WILDERNESS ACT

● Mr. SASSER. Mr. President, I take great pleasure in presenting to the Senate a bill to designate the Great Smoky Mountains National Park, which lies on the border between Tennessee and North Carolina, as wilderness.

Approximately 475,000 acres would be designated as wilderness by my bill. That is less than a half-million acres of land that, by virtue of its beauty, history and importance, deserves to be protected from the ravages of further development.

Before getting into the specifics of the Great Smoky Mountains Wilderness Act, let us consider for a moment the Wilderness Act itself. Does it, as some might have us believe, forever close land to the people? Are hunting, fishing, and other recreational activities prohibited?

These are valid questions, Mr. President, questions which deserve answers. And the answer is simply that wilderness designations do not infringe upon the right of the public to enter, camp, walk, swim, canoe, fish, and hunt (subject to State and Federal regulations as before). Although commodity exploration is not permitted, and no works of man (including power lines, dams, roads, or reservoirs) may be constructed, we must keep in mind the specific intent of the wilderness act, which is, and I quote:

To secure for the American people of present and future generations the benefits of an enduring resource and wilderness.

Wilderness is not required to be "virgin" territory, Mr. President. At one time, the Great Smoky Mountains were logged, burned, overgrazed, roaded, and home for many early east Tennesseans and North Carolinians. But the Great Smokies now have a substantial recreational, scenic, scientific, educational, and historical value. We must not let this opportunity slip from our hands.

I ask unanimous consent that a brief summary of the Wilderness Act, compiled by the Wilderness Society, be inserted in the RECORD at this point.

David Payne Hale, one of the park's most ardent supporters, said in 1966 that:

Whatever we preserve of the Great Smokies now is all that we and the multitudes which will follow us will have of them for a long time—perhaps all that we ever have for man may never permit a reversion of developed areas to wilderness. It is in our power to deliver the Great Smokies from those who seek to build their paradise on the ashes of those paradises they would destroy.

In a word, Mr. President, the Great Smoky Mountains must have nature, not man or his peculiar traces of "civilization," as its dominant character.

Let me relate to the Senate some of the unique aspects of the Great Smoky Mountains. In the park have been found insects and spiders new to science. Over 25 indigenous types of gastropods, or slugs. The unique spider of Cades Cove, found in only one other location in the entire world, mainland China. Panthers, bears, and boars—all of these, and more, live in a mountain environment that stands as "an ecological yardstick against which man's modification of his environment can be measured."

There are a number of important provisions in my bill, Mr. President. Mount Le Conte Lodge, as well as the existing trail shelters on the Appalachian Trail, will be excluded from wilderness designation. Activities now being conducted in Cades Cove, Elkmont, and on Clingman's Dome will be preserved as these areas are also excluded from wilderness.

The transmountain road and access routes to Clingman's Dome, Mount Le Conte Lodge, and Cades Cove are specifically excluded from wilderness designation, in order to permit access to the park as is currently available.

Additionally, and perhaps most importantly, the Great Smoky Mountains Wilderness Act insists on an equitable settlement of the dispute involving the Tennessee Valley Authority, the Department of the Interior, and Swain County, N.C. The rights of Swain County are fully protected by this legislation, and the wilderness area will not infringe on the negotiated settlement that I am happy to report has been reached.

Since I first introduced the Great Smoky Mountains Wilderness Act in 1977, I have been contacted by a number of groups which have indicated support for the proposal. The Department of the Interior and the National Park Service have in the past supported wilderness designation for the Great Smokies. The Great Smokies wilderness advocates, composed of the following organizations, also support the proposal: The Smoky Mountains Hiking Club, the Tennessee Citizens for Wilderness Planning, the Haywood (North Carolina) Trail Riders Association, the Carolina Mountain Club, the Tennessee Chapter of the Sierra Club, the Wilderness Society, the Conservation Council of North Carolina, and the Tennessee Trains Association, among many others. It is evident that there is widespread support for the wilderness designation in both Tennessee and North Carolina.

The Great Smoky Mountains is the most visited national park in America, Mr. President. During the fall, the transmountain road is clogged with visitors seeking to catch a glimpse of the fall foliage, seeking an opportunity to "feel," if only for a moment, the best nature has to offer mankind.

Wilderness designation for the Great Smokies will enhance and encourage such experiences. As motorized transportation will be restricted, the rich flavor of the Smokies can be appreciated. Americans will find strength in the mountains, exhilaration in the cool rain, warmth in the afternoon sun from Sheep Wallow Knob north to Davenport Gap, from Chinquapin Knob east to Mount Noble.

Efforts to preserve land by granting wilderness status have been opposed in the past, Mr. President. My bill will undoubtedly have its opponents. But I would urge those who oppose the concept of wilderness designations to ponder the words of Benton Mackaye, a former Tennessee Valley Authority staffer whose lasting contribution to these United States is the Appalachian Trail:

The old pioneer opened through a forest a path for the spread of civilization. His work was nobly done and the life of the town and city is in consequence well upon the map throughout our country. Now comes the great task of holding this life in check—for it is just as bad to have too much civilization as too little.

Additionally, consider the following quote from an editorial of Hendersonville (Tenn.) Times-News on March 25, 1979:

The idea that land should be kept forever wild presents a hard decision to those accustomed to making a living off the land, but the present is not as important as the future and that calls for resources not only to be conserved, but preserved.

Finally, I would urge all my colleagues, or their staffs now listening, to read Michael Frome's "Strangers in High Places," published by the University of Tennessee. It is without a doubt the finest single piece of literature I have ever read on the Great Smokies. I am confident that, after reading it, my friends will agree that the Great Smoky Mountains deserve the protection of wilderness status.

I urge the Senate's early approval of my bill. On this the third introduction of the Great Smoky Mountains Wilderness Act, it is fitting and proper that we act to preserve and protect this vital land for future Americans.●

By Mr. QUAYLE:

S. 1336. A bill to provide for a series of regional Presidential primary elections; to the Committee on Rules and Administration.

REGIONAL PRIMARY LEGISLATION

Mr. QUAYLE. Mr. President, a strong consensus has emerged that our Presidential nominating process is a system in dire need of constructive change. While I am personally pleased by the results of the 1980 election, I am not dissuaded from my conviction that the process can and should be improved. It seems that every 4 years, many of us, including the candidates themselves, voice concern about how we elect our President, and every 4 years we vow to do something about the system that has been variously described as a "traveling roadshow" and "institutionalized chaos."

Mr. President, today I am introducing a bill which I believe will bring both simplicity and logic to the nominating process. My bill would establish a system of four regional primaries. The first regional primary would be held on the second Tuesday of March and on the second Tuesday in each of the next 3 months.

Seventy days prior to the first scheduled primary a lottery would be conducted by the Federal Election Commis-

sion to determine which region would hold the first primary. Similar lotteries would be held 70 days before each subsequent regional primary, except the fourth and last. No State would be required to hold a primary, but any that do must schedule it on the date assigned to the region.

Mr. President, I am aware that many regional primary bills have previously been introduced in Congress. My bill would retain the advantages of previous regional primary proposals, but would also include one more significant advantage—the specified grouping of individual States.

One of the most widely-voiced complaints about the current system is the length of the prenomination campaign The marathon known as the Presidential campaign contributes significantly, I think, to voter apathy toward political participation. The public soon becomes bored with the candidates and the issues in a seemingly endless campaign. Voter turnout has consistently declined as the primary season has consistently lengthened. Regional primaries, by concentrating voter awareness in a 4-month period, can help to stimulate voter participation. My bill does not attempt to curb the early organization of a Presidential campaign, it merely seeks to limit the time during which delegate selection through primary results can take place.

Another complaint about the current system addressed by regional primaries is the inordinate influence of the early primaries. The press shows an exaggerated interest in these contests, emphasizing the horserace aspect of the campaign. In 1980 the question was not which candidate was demonstrating Presidential characteristics, but which one had momentum. Possible better alternatives dropped out for lack of money, volunteers, or the perception of being ahead in February or March. In 1980, two newspapers, the Manchester Union-Leader and the Des Moines Register, exerted undue influence over the winnowing out process. Regional primaries, while they cannot put an end to the "horserace" perception of a campaign, can reduce the disproportionate impact on the national will of States which have that impact merely by virtue of being first.

Regional primaries also offer the benefit of spacing out the contests. This would allow real campaigns and confrontations to take place. If candidates had to stay in a certain region for 30 days at a time, voters could get a clearer comparison. Under the current system, competing candidates are often not in the same State at the same time. Candidate forums therefore are difficult to organize. It is no accident that the two memorable ones in 1980 took place early on in Iowa and New Hampshire. By enabling candidates to focus their efforts in one section of the Nation at a time, the candidate fatigue that results from having to hopscotch back and forth across the Nation would be ameliorated.

Mr. President, despite these advantages, as I have noted, previous regional primary proposals have not met with much enthusiasm. One of the problems with these earlier proposals is the sectionalism inherent in their regional groupings. The traditional groupings, that is, New England, Mid-Atlantic, South, Midwest, and West, would provide sufficient uniformity and consolidation, but would also tend to produce winners with strong regional ties, who lack broad based national acceptability. My bill seeks to avoid the problem by proposing regions modeled after the "time zone" concept. The regions in the bill cut across traditional sectional lines. For example, in region I, Maine, and South Carolina would vote on the same day. In region II, Pennsylvania and Mississippi vote the same day. In region III, Michigan and Kansas share dates, as do, in region IV, Texas and Washington.

As you see from my examples, groupings would be slight modifications of strict time zone divisions. I chose to modify as I did for two reasons: First, I wanted regions that would be both heterogeneous and balanced as to population. Region I has an approximate population of 57.17 million; region II has 57.45 million; region III has 57.80 million; region IV has 57.51 million.

Second, I wished to anchor each region with at least one State with a large bloc of electoral votes. Region I would contain New York; region II Pennsylvania, region III Illinois; region IV California. A full list of the proposed regions follows:

Region I: Maine, New Hampshire, Vermont, Massachusetts, Connecticut, New York, Rhode Island, Delaware, New Jersey, Maryland, District of Columbia, Virginia, North Carolina, South Carolina, Virgin Islands.

Region II: Pennsylvania, Ohio, West Virginia, Indiana, Kentucky, Tennessee, Alabama, Georgia, Florida.

Region III: Michigan, Wisconsin, Illinois, Minnesota, Iowa, Missouri, Arkansas, Mississippi, Louisiana, North Dakota, South Dakota, Kansas, Oklahoma, Nebraska, Puerto Rico.

Region IV: Washington, Montana, Oregon, Idaho, Wyoming, Colorado, Utah, Arizona, New Mexico, Texas, Nevada, California, Alaska, Hawaii, Guam.

Mr. President, I do not believe that any regional primary system is perfect. I do believe, however, that a time-zone style regional primary system is vastly preferable to the present process which resembles more of a maze than a system. It is our duty to bring some order and logic to the process by which we elect our presidents. The bill I offer will accomplish this, and I urge that my colleagues support this measure.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1336

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Presidential Primaries Timing Act".

FINDINGS

SEC. 2. The Congress finds that—

(1) the proliferation of presidential primaries and the consequent lengthening of the presidential nominating process has resulted in disturbing levels of voter apathy and candidate fatigue;

(2) the disproportionate impact that a few State presidential primaries have on the nominating process impugns the integrity of that process; and

(3) the random scheduling of presidential primaries often acts to prevent voters from receiving a clear comparison among candidates.

ESTABLISHMENT OF REGIONAL PRIMARIES

SEC. 3. (a) No State shall conduct a presidential primary except in accordance with the provisions of this Act.

(b) Four regional presidential primaries shall be held during each presidential election year. The first regional primary shall be held on the second Tuesday in March, and the remaining three regional primaries shall be held on the second Tuesday of each of the three succeeding months. Seventy days prior to the date of the first regional primary, the Commission shall determine by lot the region in which that presidential primary is to be held. The Commission shall then determine by separate lot, conducted seventy days before the date of each subsequent regional primary, except the last, the region in which each subsequent regional primary is to be held.

APPOINTMENT OF CONVENTION DELEGATES

SEC. 4. Nothing in this Act shall in any way affect the right of any political party to appoint convention delegates in accordance with the procedures of such party.

DEFINITIONS

SEC. 5. For purposes of this Act, the term—

(1) "Commission" means the Federal Election Commission;

(2) "presidential primary" means an election for the expression of a preference for the nomination of individuals for election to the office of President of the United States;

(3) "region" means any of the following four regions:

(A) region 1 comprises Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Vermont, Delaware, Maryland, the District of Columbia, Virginia, North Carolina, South Carolina, and the Virgin Islands;

(B) region 2 comprises Indiana, Ohio, Pennsylvania, West Virginia, Kentucky, Tennessee, Alabama, Georgia, and Florida;

(C) region 3 comprises Iowa, Illinois, Michigan, Minnesota, North Dakota, South Dakota, Wisconsin, Nebraska, Missouri, Arkansas, Mississippi, Louisiana, Kansas, Oklahoma, and Puerto Rico; and

(D) region 4 comprises Montana, Alaska, Arizona, California, Hawaii, Idaho, Oregon, Nevada, Utah, Washington, Wyoming, Colorado, New Mexico, Texas, and Guam; and

(4) "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, or a territory or possession of the United States.

By Mr. STEVENS (for himself and Mr. MURKOWSKI):

S. 1337. A bill to provide for the temporary exclusion of foreign fishing support vessels from the internal waters of Alaska; ordered held at the desk until the close of business Tuesday, June 9, 1981.

TEMPORARY EXCLUSION OF FOREIGN FISHING SUPPORT VESSELS FROM THE INTERNAL WATERS OF ALASKA

Mr. STEVENS. Mr. President, I ask unanimous consent that the bill I introduce be printed and held at the desk for referral until the close of business on Tuesday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill follows:

S. 1337

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PROHIBITION.

During 1981, no vessel, other than a vessel of the United States, may engage in processing or fishing support activities in internal waters of the State of Alaska, unless:

(a) The Governor of Alaska determines the extent to which United States fish processors will not have adequate processing capacity or will not utilize such capacity, in specified internal waters of Alaska and determines the period of time during which United States processors lack such capacity; and

(b) The Secretary of Commerce concurs with the Governor's determination, and authorizes the transfer of fish to foreign vessels in the internal waters of the State of Alaska.

SEC. 2. DEFINITIONS.

(a) The term "internal waters" means waters landward of the baseline from which the territorial sea is measured.

(b) The term "United States fish processors" means facilities located within the United States for, and vessels of the United States used or equipped for, the processing of fish for commercial use or consumption.

(c) The term "vessel of the United States" means any vessel documented under the laws of the United States or registered under the laws of any State.

SEC. 3. PENALTIES.

Any foreign vessel, and any owner or operator of any foreign vessel, that engages in processing or fish support activities while such foreign vessel is in the internal waters of the State of Alaska, without authorization by the Secretary of Commerce pursuant to section 1, shall be subject to the following:

(a) A civil penalty, not to exceed $25,000 for each violation; and

(b) Forfeiture to the United States of any fishing vessel (including its fishing gear, furniture, appurtenances, stores, and cargo) used, and any fish taken or retained, in connection with such violation.

The procedures, presumptions, and jurisdictions specified in sections 1858 and 1860 of title 16, United States Code, shall apply to any civil penalties assessed or forfeitures carried out under this act.

ADDITIONAL COSPONSORS

S. 344

At the request of Mr. LEVIN, the Senator from Florida (Mr. CHILES) was added as a cosponsor of S. 344, a bill to increase the accountability of, policy coordination by, and management of priorities by agencies through an improved mechanism for congressional oversight of the rules of agencies.

S. 580

At the request of Mr. LEVIN, the Senator from Illinois (Mr. DIXON) was added as a cosponsor of S. 580, a bill to establish program levels for the Small Business Administration pollution control bond program.

S. 777

At the request of Mr. TOWER, the Senator from Colorado (Mr. ARMSTRONG) was added as a cosponsor of S. 777, a bill to amend the Federal Water Pollution Control Act to restrict the jurisdiction of the United States over the discharge of dredged or fill material to those discharges which are into navigable waters, and for other purposes.

S. 940

At the request of Mr. THURMOND, the Senator from California (Mr. CRANSTON), and the Senator from California (Mr. HAYAKAWA) were added as cosponsors of S. 940, a bill to encourage corporations to donate certain historical film to educational organizations by increasing the limit on the charitable contribution deduction of such corporations.

S. 1025

At the request of Mr. GRASSLEY, the Senator from Idaho (Mr. SYMMS), the Senator from Florida (Mr. CHILES), the Senator from Arizona (Mr. DECONCINI), the Senator from New Mexico (Mr. SCHMITT), the Senator from Oklahoma (Mr. BOREN), the Senator from Minnesota (Mr. DURENBERGER), and the Senator from Montana (Mr. MELCHER) were added as cosponsors of S. 1025, a bill to provide for penalties for persons who obtain or attempt to obtain narcotics or other controlled substances from any pharmacist by terror, force, or violence, and for other purposes.

S. 1030

At the request of Mr. MCCLURE, the Senator from Florida (Mr. CHILES), the Senator from Colorado (Mr. ARMSTRONG), and the Senator from Florida (Mrs. HAWKINS) were added as cosponsors of S. 1030, a bill to protect firearms owners' constitutional rights, civil liberties and rights to privacy.

S. 1215

At the request of Mr. PROXMIRE, the Senator from Kentucky (Mr. HUDDLESTON) was added as cosponsor of S. 1215, a bill to clarify the circumstances under which territorial provisions in licenses to distribute and sell trademarked malt beverage products are lawful under the antitrust laws.

S. 1310

At the request of Mr. BOSCHWITZ, the Senator from New York (Mr. D'AMATO) was added as a cosponsor of S. 1310, a bill to amend the Internal Revenue Code of 1954 to provide certain community development, employment, and tax incentives for individuals and businesses in depressed areas.

AMENDMENTS SUBMITTED FOR PRINTING

CLEAN WATER ACT AMENDMENTS OF 1981

AMENDMENT NO. 60

(Ordered to be printed and referred to the Committee on Environment and Public Works.)

Mr. MOYNIHAN (for himself, Mr. D'AMATO, and Mr. WILLIAMS) submitted an amendment intended to be proposed by them to the bill (S. 1274) to amend title II of the Clean Water Act and for other purposes.

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY CONSERVATION AND SUPPLY

Mr. WEICKER. Mr. President, I would like to announce for the information of the Senate and the public, that the Subcommittee on Energy Conservation and Supply has scheduled hearings on S. 506 to reinstate and validate U.S. oil and gas leases numbered OCS–P–0218 and OCS–P–0226.

The hearings will be held on Wednesday, July 22 at 10 a.m. in room 110 of the Dirksen Senate Office Building.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. BAKER. I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate today to hold hearings on the nomination of Ernest Lefever to be Assistant Secretary of State for Human Rights and Humanitarian Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Thursday, June 4, to mark up budget reconciliation matters within the purview of the Agriculture Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Thursday, June 4, to hold hearings on trade organization policy.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

FACE THE HOUSING CRISIS HEAD ON

● Mr. SASSER. Mr. President, the American housing industry faces a severe economic crisis.

We are building only about 1.3 million housing units a year when we need well over 2 million units a year to house a growing population. And I have seen more estimates that as much as a third of the American builders have left the homebuilding industry as a result of the housing depression that we are currently experiencing. Thus, the housing deficit is one that may continue well into the future if we do not take immediate steps to help hold down the cost of American housing.

Not only are we in a housing shortage but also the price of housing, driven ever upward by rising interest rates, has made homeownership a fading dream for most young Americans. The average cost today of a new house is now $84,000 and new home sales declined by 13½ percent nationwide.

Interest rates, ever since the announce- of the Federal Reserve Board policy on October 9, 1979, have risen to astronomical levels. According to Department of Commerce reports, the average mortgage rate on a new house as of Feb-

ruary 1981 was 13.02 percent; in October 1979, the mortgage rate was 10.91 percent.

And the most disturbing thing about these rising interest rates is their effect on the cost of housing and their impact on first-time homebuyers.

Consider if you will the interest rate cost differential and its impact on housing. A $60,000 mortgage at 10 percent costs $527 per month. With the interest rate raised to 15 percent—which is not uncommon in many areas in my own State of Tennessee—this monthly payment rises to $759 per month. In essence that increased interest rate raises the cost of this house by nearly $85,000 over the life of the 30-year mortgage.

And not only are interest rates making housing expensive, but they are proving to be a major discouragement to the first-time homebuyer.

The percentage of first-time buyers—those young families who help keep the system moving by coming in at the bottom—had declined 50 percent from 1977 to 1979; we are now at a point where less than 10 percent of these first-time buyers can afford homes. Indeed, that number is still declining: An average-priced home today—and that average price has hit $84,000—at 15 percent, interest is affordable for only 5 percent of the population. The national average rate is higher than that, Mr. President, and by the time it hits 18 percent, fully 97 percent of the American homebuying public will be unable to afford an average-priced home. That is $1,150 per month in principal, interest, insurance, taxes, and utilities. Over $1,000 per month for an average-priced home.

With interest rates at current levels—making monthly mortgage payments out of reach for all but a handful of buyers and forcing the exodus of capital into higher-yield instruments—how can homebuyers be brought back into the marketplace and how can capital be brought back into savings to expand the mortgage pool? Both questions have the same answer: tax-exempt savings for residential mortgages. It is simple, cost-effective, commonsense.

Mr. President, S. 701, introduced by my colleague, Senator BENTSEN, provides this critically needed response. It provides for the exclusion from taxation of interest earned on deposits which are used for residential mortgage lending purposes. What better way to reduce taxes, stimulate savings and investment, and spur production and sales? If we do not take steps now, we will preside over the dissolution of yet more thousands of commercial and financial enterprises and the creation of a pent-up demand that will inflate the cost of housing in the future beyond anything we have witnessed thus far.

Just bringing annual starts back up to where they were 3 years ago, to about 2 million, would generate 860,000 man-hours of work. We have cut back every last program designed to help the unemployed on the presumption that they would become employed somehow. This is one way to do it. It is also the best way to keep entrepreneurs who are carrying inventory at these phenomenal interest rates from becoming unemployed. Inventory is moving at a rate of 2.5 million annually; it was at 3.9 million in 1978.

I am a cosponsor of S. 701 and for the reasons I have stated above I want to urge speedy and favorable consideration of this approach. S. 701 is not some complex regulatory scheme. It is not out of line with any of our current priorities, notably cutting taxes and stimulating production through the private sector. It is a very necessary piece of legislation, and I commend it to my colleagues.●

HOUSING AND COMMUNITY DEVELOPMENT AMENDMENTS OF 1981, S. 1197

● Mr. LEVIN. Mr. President, I voted against S. 1197, the Housing and Community Development Amendments of 1981 last night with some reluctance. I find much to support in the bill's approach. For example, I agree with the committee's judgment that there is too much redtape and too much Federal intrusion in the CDBG program as it is currently constituted. Their proposal to shift Federal involvement to performance review rather than application evaluation is a concept which I am inclined to support in this area just as I have supported increased emphasis on performance standards in other regulatory activities.

But, Mr. President, there were still too many questions in my mind about the specific elements of the committee approach to allow me to support the bill it placed before us.

I am greatly concerned about the change in title I of the bill which shifts responsibility for small city CDBG programs to the State as opposed to the Federal Government. Rather than reducing redtape, this approach seems certain to substitute one bureaucracy for another. This view is shared by those communities most directly affected. For example, the U.S. Conference of Mayors said that:

> We oppose entirely the provisions of state control of the CDBG program in nonentitlement jurisdictions. We remain convinced that direct Federal-City relationship should be preserved . . . Certainly there is no evidence that turning the administration of the program over to the states would improve it in any way.

The National Association of Smaller Communities also objected to this provision of the bill. They concluded that:

> Greater involvement of states in the program and the performance by many states . . . reveals for the most part a very marginal ability when compared with the assistance available from representatives of the HUD area offices.

I also find the bill strikingly inconsistent in its approach to the problems involved in Federal-city relationships. At the same time that the bill seeks to give the community greater flexibility in some areas, it also directly intrudes on local decisionmaking in other areas. The punishments this bill authorizes the Federal Government to impose on communities which have rent control programs, for example, contrasts sharply with the freedom it gives communities in other areas which also involve the direct expenditure of Federal funds.

Beyond these specific concerns, Mr. President, I am also disturbed by the speed with which we were forced to consider very major changes in the nature and philosophy of these programs. As the National League of Cities suggested, the Congress and the country would have been better served had the committee deferred action on title I until the affected parties had a great opportunity to consult and develop their positions. I share the conclusion of my colleagues on the committee who voted against the bill, in part because the legislation "was presented to the committee so late and acted on so hastily that interested witnesses had no chance to offer their comments on the sweeping changes proposed."

There are, then, Mr. President, some interesting and potentially valuable approaches contained in this legislation. I find much in it that I admire. But given the particular substantive and process issues I have discussed, I reluctantly concluded that I could not support the bill.●

S. 1310—URBAN JOBS AND ENTERPRISE ZONE ACT OF 1981

● Mr. BOSCHWITZ. Mr. President, yesterday I introduced S. 1310, the Urban Jobs and Enterprise Zone Act of 1981, on behalf of myself and Mr. CHAFEE, Mr. BURDICK, Mr. GORTON, Mr. HATCH, Mr. HAYAKAWA, Mr. HUMPHREY, Mr. JEPSEN, Mr. PERCY, Mr. TOWER, Mr. QUAYLE, Mr. ARMSTRONG, Mr. KASTEN, and Mr. D'AMATO. I ask that the bill be printed in the RECORD.

The text of the bill is as follows:

S. 1310

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Urban Jobs and Enterprise Zone Act of 1981".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

TITLE I—DESIGNATION OF ENTERPRISE ZONES

SEC. 101. DESIGNATION OF ZONES.

(a) GENERAL RULE.—Chapter 80 (relating to general rules) is amended by adding at the end thereof the following new subchapter:

"Subchapter C—Designation of Enterprise Zones

"Sec. 7871. Designation.

"(a) DESIGNATION OF ZONES.—

"(1) ENTERPRISE ZONES DEFINED.—For purposes of this title, the term 'enterprise zone' means any area in the United States or its possessions which is designated by one or more local governments for purposes of this section if—

"(A) the Secretary, after consultation with the Secretaries of Commerce, Labor, and Treasury, and the Administrator of the Small

Business Administration, approves such designation, and

"(B) the government making such designation has authority to make the local commitments under subsection (d) and provides assurances satisfactory to the Secretary that such commitments will be made in such area.

"(2) LIMITATIONS ON DESIGNATIONS.—The Secretary may not approve any designation under paragraph (1)—

"(A) unless an application therefor is submitted in such manner and in such form, and contains such information, as the Secretary shall by regulations prescribe,

"(B) if any portion of the area to be designated is already included in an area designated and approved as an enterprise zone, or

"(C) if the chief executive officer of the State or possession in which the area to be designated is located files an objection with the Secretary within 21 days of the filing of the application.

"(3) DESIGNATION BY STATES.—A designation under this subsection may be made by a State government on behalf of a local government with the consent of such local government.

"(b) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—

"(1) IN GENERAL.—Any designation of an area as an enterprise zone shall remain in effect during the period beginning on the date of the designation and ending on December 31, 2001, unless the Secretary revokes such designation under paragraph (2).

"(2) REVOCATION OF DESIGNATION.—The Secretary, after consultation with the officials described in subsection (a)(1)(A), may revoke any designation of an area only if the Secretary determines that the government which designated such area is not substantially complying with the local commitments described in subsection (d). Any such revocation shall take effect under rules similar to the rules of subsection (a).

"(c) AREA REQUIREMENTS.—

"(1) IN GENERAL.—The Secretary may approve the designation of any area under subsection (a) only if—

"(A) the area is within the jurisdiction of the government designating such area,

"(B) the boundary of the area is continuous and includes, if feasible, proximately located vacant or underutilized lands or buildings which are conveniently accessible to residents of the area,

"(C) the area—

"(i) has a population which, as determined under the most recent census, is at least—

"(I) 4,000 if any portion of such area is located within a standard metropolitan statistical area (within the meaning of section 103A(1)(4)(B)) with a population of 50,000 or greater, or

"(II) 2,500 in any other case, or

"(ii) is an Indian reservation (as determined by the Secretary of the Interior), and

"(D) the area meets the requirements of paragraphs (2) and (3).

"(2) ELIGIBILITY REQUIREMENTS.—For purposes of paragraph (1), an area meets the requirements of this paragraph if the Secretary determines that—

"(A) the area is one of pervasive poverty, unemployment, and general distress, and

"(B) the area is located wholly within an area which meets the requirements for Federal assistance under section 119 of the Housing and Community Development Act of 1974.

"(3) UNEMPLOYMENT, POVERTY, ETC. REQUIREMENTS.—An area meets the requirements of this paragraph if—

"(A) the average rate of unemployment in such area for the most recent 18-month period for which data are available was at least 1½ times the average national rate of unemployment for such 18-month period;

"(B) such area was a low-income poverty area (as determined by the Bureau of the Census during its most recent census);

"(C) at least 70 percent of the residents living in the area have incomes below 80 percent of the median income of the residents of the government designating such area (determined in the same manner as under section 119(b) of the Housing and Community Development Act of 1974); or

"(D) WITH RESPECT TO SUCH AREA—

"(i) the population of all census tracts in the area decreased by 10 percent or more between 1970 and 1980, and

"(ii) the government seeking designation of the area establishes to the satisfaction of the Secretary that—

"(I) chronic abandonment or demolition of commercial or residential structures exists in the area, or

"(II) substantial tax arrearages of commercial or residential structures exist in the area.

"(4) DETERMINATION MADE BY SECRETARY.—Determinations under this subsection shall be made by the Secretary on the basis of data submitted by or on behalf of the government designating the area (or persons designated by the government) if the Secretary determines that such data is reasonably accurate.

"(d) REQUIRED LOCAL COMMITMENT.—

"(1) IN GENERAL.—No area shall be designated as an enterprise zone unless the government seeking such designation agrees in writing that during any period during which the area is an enterprise zone such government will follow a course of action designed to reduce the various burdens borne by employers or employees in such area.

"(2) COURSE OF ACTION.—A course of action under paragraph (1) may be implemented by the government, private entities, or both, may be funded from the proceeds of any Federal program, and may include, but is not limited to—

"(A) a reduction of tax rates or fees,

"(B) an increase in the level or efficiency of local services,

"(C) a simplification or streamlining of governmental requirements on employers or employees, or

"(D) a commitment from private entities in the area to provide jobs and job training for, and technical, financial, or other assistance to, employees and residents of the area.

"(e) LIMITATIONS ON DESIGNATIONS.—

"(1) IN GENERAL.—The Secretary may only designate areas as enterprise zones during the period beginning on the date of the enactment of this subchapter and ending on December 31, 1996.

"(2) MINIMUM NUMBER OF DESIGNATIONS.—During each of the 3 calendar years following the calendar year in which the date of the enactment of this subchapter occurs, the Secretary of Housing and Urban Development shall designate at least 13 but not more than 25 areas as enterprise zones.

"(f) PRIORITY OF DESIGNATION.—In deciding which areas should be designated as enterprise zones, the Secretary shall give preference to—

"(1) areas with the highest levels of poverty, unemployment, and general distress,

"(2) areas with respect to which the government seeking or approving the designation has made (or will make) the greatest effort to examine and remove impediments to job creation, taking into account the resources available to such government to make such efforts,

"(3) areas which have the widest support from the government seeking designation, the community, residents, local businesses and private organizations, especially in meeting the local commitment described in subsection (d), and

"(4) areas with respect to which the government of the State or possession in which the area is located has made commitments similar to the local commitments described in subsection (d).

"(g) DEFINITIONS AND SPECIAL RULE.—For purposes of this section—

"(1) SECRETARY.—The term 'Secretary' means the Secretary of Housing and Urban Development or his delegate.

"(2) GOVERNMENTS.—If more than one government seeks the designation of an area as an enterprise zone, any reference to, or requirement of, this section shall apply to all such governments.".

(b) CONFORMING AMENDMENT.—The table of subchapters for chapter 80 is amended by adding at the end thereof the following new item:

"Subchapter C. Designation of enterprise zones.".

SEC. 102. COORDINATION WITH OTHER FEDERAL PROGRAMS.

(a) IN GENERAL.—The Secretary of Housing and Urban Development shall—

(1) promote the coordination of all Federal housing, community and economic development, banking, financial assistance, and employment training programs which are carried on within an enterprise zone (within the meaning of subchapter C of chapter 80 of the Internal Revenue Code of 1954),

(2) expedite, to the greatest extent possible, the consideration of applications for programs described in paragraph (1) thorugh the consolidation of forms or otherwise, and

(3) provide, whenever possible, for the consolidation of periodic reports required under programs described in paragraph (1) into one summary report submitted at such intervals as may be designated by the Secretary.

(b) PROPERTY TAX REDUCTIONS.—Any reduction of taxes under any required program of local commitment under section 7871(d) of the Internal Revenue Code of 1954 shall be disregarded in determining the eligibility of a State or local government for, or the amount or extent of, any assistance or benefits under any law of the United States.

SEC. 103. SENSE OF CONGRESS WITH RESPECT TO DESIGNATIONS OF FOREIGN TRADE ZONES.

It is the sense of the Congress that—

(1) whenever possible foreign trade zones shall be established within enterprise zones (within the meaning of subchapter C of chapter 80 of the Internal Revenue Code of 1954), and

(2) in the case of any application for designation of an area in an enterprise zone as a foreign-trade zone—

(A) the Foreign-Trade Zone Board should expedite the application process as much as possible;

(B) in evaluating such application, the Board should take into account not only current economic development within the enterprise zone but also future development to be expected from the incentives offered by this Act; and

(C) the Board should provide technical assistance to the applicants.

TITLE II—TAXATION

Subtitle A—Refundable Credits for Employers and Employees

SEC. 201. REFUNDABLE EMPLOYERS' CREDIT.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting immediately before section 45 the following new section:

"SEC. 44F. EMPLOYMENT OF CERTAIN EMPLOYEES IN ENTERPRISE ZONES.

"(a) IN GENERAL.—At the election of the taxpayer, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 5 percent of the qualified wages of the taxpayer for the taxable year.

"(b) QUALIFIED WAGES DEFINED.—For purposes of this section, the term 'qualified wages' means the wages paid or incurred by

the employer during the taxable year to qualified employees.

"(c) WAGES DEFINED.—For purposes of this section—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'wages' has the meaning given to such term by subsection (b) of section 3306 (determined without regard to any dollar limitation contained in such section).

"(2) EXCLUSION OF CERTAIN AMOUNTS FOR EMPLOYERS RECEIVING ON-THE-JOB TRAINING PAYMENTS.—The term 'wages' shall not include that portion of any amount paid or incurred by an employer for any period to any individual which is equal to the amount of any federally funded payments the employer receives for on-the-job training of such individual for such period.

"(3) INDIVIDUALS FOR WHOM WIN OR EMPLOYMENT CREDIT CLAIMED.—The term 'wages' does not include any amount paid or incurred by the employer to an individual with respect to whom the employer claims credit under section 40 or 44B.

"(4) TERMINATION.—The term 'wages' shall not include any amount paid or incurred after December 31, 2001.

"(d) QUALIFIED EMPLOYEE.—For purposes of this section, the term 'qualified employee' means an individual—

"(1) who is certified by the designated local agency as having been (during the preemployment period) an eligible applicant or otherwise eligible—

"(A) under part B or part D of title II of the Comprehensive Employment and Training Act, or

"(B) under part A or part B of title IV of such Act, and

"(2) who performs at least 50 percent of his services during any period for which any computation is being made under this section within an enterprise zone.

For purposes of paragraph (1), the terms 'designated local agency' and 'preemployment period' have the same meanings given such terms by paragraphs (10) and (12) of section 51(d).

"(e) OTHER DEFINITIONS AND SPECIAL RULES.—

"(1) CONTROLLED GROUPS, ETC.—Under regulations prescribed by the Secretary, rules similar to the rules of section 52 and of subsections (f), (g), and (h) of section 51 shall apply to the credit allowable by this section, except that subsection (h) of section 51 shall be applied without regard to any dollar limitation.

"(2) ENTERPRISE ZONE.—The term 'enterprise zone' means an area for which designation as an enterprise zone is in effect under section 7871.".

(b) CREDIT TO BE REFUNDABLE.—

(1) Subsection (b) of section 6401 (relating to amounts treated as overpayments) is amended—

(A) by striking out "and 43 (relating to earned income credit)," and inserting in lieu thereof "43 (relating to earned income credit), and 44F (relating to employment of certain employees in enterprise zones)", and

(B) by striking out "and 43" and inserting in lieu thereof ", 43, and 44F".

(2) Sections 44C(b)(5), 44D(b)(5), 44E(e)(1), 55(b)(2), 55(b)(4), and 56(c) are each amended by striking out "and 43" and inserting in lieu thereof "43, and 44F".

(3) Paragraph (4) of section 6201(a) (relating to assessment authority) is amended—

(A) by striking out "or section 43 (relating to earned income)," and inserting in lieu thereof "section 43 (relating to earned income), or section 44F (relating to employment of certain employees in enterprise zones),", and

(B) by striking out "under section 39 or 43" in the heading thereof.

(c) NO DEDUCTION ALLOWED.—

(1) IN GENERAL.—Section 280C (relating to disallowance of deductions for portion of wages for which credit is claimed under section 40 or 44B) is amended—

(A) by adding at the end thereof the following new subsection:

"(c) RULE FOR SECTION 44F CREDIT.—No deduction shall be allowed for that portion of the wages or salaries paid or incurred for the taxable year which is equal to the amount of the credit allowable under section 44F (relating to credit for employment of certain employees in enterprise zones). This subsection shall be applied under a rule similar to the rule under the last sentence of subsection (b).";

and

(B) by striking out "or 44B" in the heading and inserting in lieu thereof ", 44B, or 44F".

(2) CONFORMING AMENDMENT.—The table of sections for part IX of subchapter B of chapter 1 is amended by striking out "or 44B" in the item relating to section 280C and inserting in lieu thereof ", 44B, or 44F".

(d) CONFORMING AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting before the item relating to section 45 the following new item:

"Sec. 44F. Employment of certain employees in enterprise zones.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to wages paid after the date of the enactment of this Act in taxable years ending after such date.

SEC. 202. REFUNDABLE EMPLOYEES' CREDIT.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable), as amended by section 201, is amended by inserting immediately before section 45 the following new section.

"SEC. 44G. EARNED INCOME OF EMPLOYEES IN ENTERPRISE ZONES.

"(a) IN GENERAL.—In the case of a qualified employee, there is allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to 5 percent of the qualified earned income for the taxable year.

"(b) LIMITATION.—The amount of the credit allowable to a taxpayer under subsection (a) for any taxable year shall not exceed $1,500.

"(c) "DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED EMPLOYEE.—The term 'qaulified employee' means an individual—

"(A) who is employed by a qualified business during the taxable year, and

"(B) with respect to whom at least 50 percent of the services performed by the individual for the qualified business during the taxable year are services performed in an enterprise zone.

"(2) QUALIFIED EARNED INCOME.—

"(A) IN GENERAL.—The term 'qualified earned income' means earned income attributable to services which were performed—

"(i) for a qualified business,

"(ii) in an enterprise zone, and

"(iii) during the 36-month period beginning on the date the qualified employee first performed services for any qualified business in any enterprise zone.

"(B) EARNED INCOME.—The term 'earned income' has the meaning given such term by section 43(c)(2).

"(3) ENTERPRISE ZONE.—The term 'enterprise zone' means any area with respect to which a designation as an enterprise zone is in effect under section 7871.

"(4) QUALIFIED BUSINESS.—The term 'qualified business' has the meaning given such term by section 1201(b)(2).

"(d) CREDIT TO BE REFUNDABLE; ADVANCE PAYMENTS.—For purposes of this title (other than this section, this subpart and chapter 63), any credit allowable under this section shall be treated as if it were allowed by section 43 and not by this section.

"(e) TERMINATION.—This section shall not apply to qualified earned income attributable to services performed after December 31, 2001.".

(b) CONFORMING AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting immediately before the item relating to section 45 the following new item:

"SEC. 44G. EARNED INCOME OF EMPLOYEES IN ENTERPRISE ZONE.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

Subtitle B—Reduction in Capital Gain Tax Rates

SEC. 211. CORPORATIONS.

(a) GENERAL RULE.—Subsection (a) of section 1201 (relating to alternative tax for corporations) is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) a tax computed on the taxable income reduced by the amount of the net capital gain, at the rates and in the manner as if this subsection had not been enacted, plus

"(2) a tax of 28 percent of the excess (if any) of—

"(A) the net capital gain for the taxable year, over

"(B) the net capital gain determined only by taking into account sales or exchanges of qualified property.".

(b) DEFINITION OF QUALIFIED PROPERTY.—Section 1201 is amended by redesignating subsections (b) and (c) as subsections (c) and (d) and by inserting after subsection (a) the following new subsection:

"(b) DEFINITION OF QUALIFIED PROPERTY.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified property' means—

"(A) any tangible personal property which was acquired by the taxpayer after the designation of an area as an enterprise zone and which was used predominantly by the taxpayer in such enterprise zone in the active conduct of a trade or business,

"(B) any real property located in an enterprise zone which was acquired by the taxpayer after the designation of an area as an enterprise zone and which was used predominantly by the taxpayer in the active conduct of a trade or business, and

"(C) any interest in a corporation, partnership, or other entity if, for the most recent taxable year of such entity ending before the date of acquisition of such interest, such entity was a qualified business.

"(2) QUALIFIED BUSINESS.—

"(A) IN GENERAL.—The term 'qualified business' means any person—

"(i) which is actively engaged in the conduct of a trade or business during such taxable year,

"(ii) with respect to which at least 50 percent of such person's gross receipts for the taxable year are attributable to the active conduct of a trade or business within an enterprise zone, and

"(iii) with respect to which at least 40 percent of any employees hired by such person after the later of the date on which—

"(I) such person begins the active conduct of a trade or business within an enterprise zone, or

"(II) any area in which such person is actively engaged in the conduct of a trade or business is designated as an enterprise zone, are qualified employees.

"(B) EXISTING BUSINESS.—Any person which—

"(i) was actively engaged in the conduct of a trade or business in an area immediately before such area is designated as an enterprise zone, and

"(ii) otherwise meets the requirements of this paragraph,

shall not be treated as a qualified business unless the average number of employees (determined on a full-time basis) during the taxable year is at least 10 percent greater than the average number of such employees during the taxable year preceding the designation of such area as an enterprise zone.

"(3) QUALIFIED EMPLOYEES.—The term 'qualified employee' has the same meaning given such term by section 44F(d).

"(4) SPECIAL RULES FOR LOW INCOME RENTAL PROPERTY.—

"(A) IN GENERAL.—In the case of property described in subparagraph (B)—

"(i) such property shall, for purposes of section 1201(a)(2)(B), be treated as qualified property, and

"(ii) ownership of such property shall, for purposes of section 128, be treated as the active conduct of a trade or business within an enterprise zone.

"(B) PROPERTY TO WHICH PARAGRAPH APPLIES.—Property is described in this subparagraph if such property—

"(i) is section 1250 property described in clauses (i)–(iv) of section 1250(a)(1)(B), or similar property designated by the Secretary of Housing and Urban Development,

"(ii) is located in an enterprise zone, and

"(iii) was—

"(I) constructed after the area's designation as an enterprise zone, or

"(II) rehabilitated after such designation and the cost of such rehabilitation was at least $10,000 per unit with respect to each project (or $3,000 per unit if such project was financed from a State or local agency and such agency certifies that no person is in default with respect to such financing at the time of the rehabilitation).

"(5) PROPERTY REMAINS QUALIFIED AFTER ZONE DESIGNATION CEASES TO APPLY.—

"(A) IN GENERAL.—The treatment of property as qualified property under paragraph (1) shall not terminate when the designation of the enterprise zone in which the property is located or used ceases to apply.

"(B) EXCEPTIONS.—Subparagraph (A) shall not apply after the first sale or exchange of property occurring after the designation ceases to apply to the zone.

"(6) ENTERPRISE ZONE.—The term 'enterprise zone' means an area with respect to which a designation as an enterprise zone is in effect under section 7871.".

SEC. 212. TAXPAYERS OTHER THAN CORPORATIONS.

Subsection (a) of section 1202 (relating to deduction for capital gains) is amended to read as follows:

"(a) DEDUCTION ALLOWED.—

"(1) IN GENERAL.—If for any taxable year a taxpayer other than a corporation has a net capital gain, there shall be allowed as a deduction from gross income an amount equal to the sum of—

"(A) 100 percent of the lesser of—

"(i) the net capital gain, or

"(ii) the net capital gain determined by only taking into account sales or exchanges of qualified property (as defined in section 1201(b)), plus

"(B) 60 percent of the excess (if any) of—

"(i) the net capital gain, over

"(ii) the amount of the net capital gain taken into account under subparagraph (A).

"(2) PROPERTY REMAINS QUALIFIED AFTER ZONE DESIGNATION CEASES TO APPLY.—

"(A) IN GENERAL.—The treatment of property as qualified property under paragraph (1) shall not terminate when the designation of the enterprise zone in which the property is located or used ceases to apply.

"(B) EXCEPTIONS.—Subparagraph (A) shall not apply after the first sale or exchange of property occurring after the designation ceases to apply to the zone.".

SEC. 213. MINIMUM TAX.

(a) CAPITAL GAINS.—Paragraph (9) of section 57(a) (relating to tax preference for capital gains) is amended by adding at the end thereof the following new subparagraph:

"(E) SALES OF CERTAIN PROPERTY NOT TAKEN INTO ACCOUNT.—For purposes of this paragraph, sales or exchanges of qualified property (as defined in section 1201(b)) shall not be taken into account.".

(b) ACCELERATED DEPRECIATION.—Paragraph (2) of section 57(a) (relating to accelerated depreciation on real property) is amended by adding at the end thereof the following: "The preceding sentence shall not apply to any section 1250 property which is qualified property (within the meaning of section 1201(b)).".

SEC. 214. EFFECTIVE DATE.

The amendments made by this subtitle shall apply to sales or exchanges after December 31, 1981, in taxable years ending after such date.

Subtitle C—Reduction in Gross Income of Trades or Businesses Operating in Zone

SEC. 221. EXCLUSION FROM GROSS INCOME.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to items specifically excluded from gross income) is amended by redesignating section 128 as section 129 and by inserting after section 127 the following new section:

"SEC. 128. CERTAIN INCOME ATTRIBUTABLE TO ENTERPRISE ZONES.

"(a) GENERAL RULE.— There shall be excluded from the taxable income of a taxpayer (whether or not incorporated) for the taxable year an amount equal to the applicable percentage of the sum of—

"(1) any amount received by a qualified business from the active conduct of a trade or business within an enterprise zone, or

"(2) any amount received as interest on any mortgage, loan, or other financing (other than refinancing) provided by the taxpayer to any qualified business in connection with the conduct of a trade or business within an enterprise zone.

"(b) APPLICABLE PERCENTAGE.—For purposes of subsection (a), the applicable percentage shall be determined in accordance with the following table:

"If the taxable year begins in:	The applicable percentage is:
1981–1997	50
1998	40
1999	30
2000	20
2001	10

"(c) DEFINITIONS.—For purposes of this section—

"(1) ENTERPRISE ZONE.—The term 'enterprise zone' means an area with respect to which a designation as an enterprise zone is in effect under section 7871.

"(2) QUALIFIED BUSINESS.—The term 'qualified business' has the same meaning given such term by section 1201(b)(2).

"(3) TAXABLE INCOME.—The term 'taxable income' means the excess of the income received from the active conduct of a trade or business within an enterprise zone, less the deductions allowable under this chapter which are allocable to such income.

"(d) APPLICATION OF SECTION.—The provisions of this section shall apply to—

"(1) amounts described in subsection (a) which are received after the date of the enactment of this section and before January 1, 2002, and

"(2) amounts described in subsection (a)(2) which are received during the period described in paragraph (1) and which are attributable to financing provided during such period.".

(b) CONFORMING AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 is amended by striking out the item relating to section 128 and inserting in lieu thereof the following new items:

"Sec. 128. Certain income atttributable to enterprise zones.

"Sec. 129. Cross references to other Acts.".

Subtitle D—Other Incentives

SEC. 231. OPTIONAL CASH METHOD OF ACCOUNTING FOR CERTAIN SMALL BUSINESSES.

Section 446 (relating to general rule for methods of accounting) is amended by adding at the end thereof the following new subsection:

"(f) OPTIONAL CASH METHOD.—

"(1) IN GENERAL.—Any taxpayer which is a qualified business (as defined in section 1201(b)(2)) for any taxable year may elect to compute taxable income—

"(A) under the cash receipts and disbursemen's method of accoun ng, and

"(B) without any requirement to use inventories under section 471.

"(2) GROSS RECEIPTS LIMITATION.—Paragraph (1) shall not apply for any taxable year with respect to any taxpayer if for any prior taxable year the gross receipts of such taxpayer exceeded $2,000,000.

"(3) ELECTION.—An election under paragraph (1) may be made by any taxpayer without the consent of the Secretary for the taxpayer's first taxable year for which the taxpayer is a qualified business.".

SEC. 232. EXTENSION OF NET OPERATING LOSS CARRYOVERS.

(a) GENERAL RULE.—Paragraph (1) of section 172(b) (relating to net operating loss carrybacks and carryovers) is amended by adding at the end thereof the following new subparagraph:

"(J) In the case of any taxpayer which is a qualified business (as defined in section 1201(b)(2)) for any taxable year, any net operating loss for such taxable year shall be a net operating loss carryover to each of the 20 taxable years following the taxable year of such loss.".

(b) TECHNICAL AMENDMENT.—Subparagraph (B) of section 172(b)(1) is amended by striking out "and (B)" and inserting in lieu thereof "(F), and (J)".

SEC. 233. INVESTMENT CREDIT FOR CERTAIN LOW INCOME RENTAL HOUSING.

(a) DEFINITION OF SECTION 38 PROPERTY.—Paragraph (1) of section 48(a) (defining section 38 property) is amended by striking out the period at the end of subparagraph (B) and inserting in lieu thereof ", or" and by adding immediately after subparagraph (F) the following new subparagraph:

"(G) property described in section 1201(b)(4)(B).".

(b) LODGING EXCEPTION.—Paragraph (3) of section 48(o) (relating to property used for lodging) is amended—

(1) by striking out "and" at the end of subparagraph (B),

(2) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof ", and", and

(3) by adding at the end thereof the following new subparagraph:

"(D) property described in section 1201(b)(4)(B).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to periods beginning after the date of the enactment of this Act under rules similar to the rules contained in section 48(m) of the Internal Revenue Code of 1954.

Subtitle E—Sense of the Congress With Respect to Tax Simplification

SEC. 241. TAX SIMPLIFICATION.

It is the sense of the Congress that the Internal Revenue Service should in every way possible simplify the administration and enforcement of any provision of the Internal Revenue Code of 1954 added to, or amended by, this title.

TITLE III—REGULATORY FLEXIBILITY

SEC. 301. DEFINITION OF SMALL ENTITY FOR PURPOSES OF ANALYSIS OF REGULATORY FUNCTIONS.

Paragraph (6) of section 601 of title 5, United States Code, defining small entity, is amended to read as follows:

"(6) the term 'small entity' means—

"(A) a small business, small organization or small governmental jurisdiction (within the meaning of paragraphs (3), (4), and (5), respectively), and

"(B) any qualified business (within the meaning of section 1201(b)(2) of the Internal Revenue Code of 1954), any government designating an area as an enterprise zone (within the meaning of section 7871 of such Code) to the extent any rule will affect such zone, and any not-for-profit enterprise operating within such zone.".

THE ATLANTA MURDERS

● Mr. CHILES. Mr. President, I want to bring to the attention of my colleagues and to the American people the empathy shown by Floridians of all races and creeds for the people of Atlanta. Their grief is something that is shared by honest and sincere persons throughout this Nation.

On April 28, 1981, the city council of the city of North Miami Beach passed a resolution supporting the city of Atlanta in this time of crisis. Since that time even more children have been killed by a person or persons unknown. Many other Florida cities have also passed resolutions of support as the crisis has deepened. Because resolution No. R81–49 is typical of the concern shown by many citizens of Florida, I ask that the resolution R81–49 by the city council of the city of North Miami Beach be printed in the RECORD immediately after my remarks. May I also note, Mr. President, the diligence of the Alpha Kappa Alpha Sorority, Inc., in my State whose chapters constantly remind us of the sorrow and suffering of the citizens of Atlanta.

I join my colleagues and fellow Americans who pray for an end to the senseless violence being perpetrated against the young people in Atlanta. I know and have confidence that local public officials as well as the Federal authorities are doing all they can to apprehend those persons responsible.

Finally, Mr. President, I commend the city council of North Miami Beach and other organizations who have taken similar action on this issue.

The resolution follows:

RESOLUTION No. R81–49

Whereas, the City of Atlanta, Georgia, is presently suffering from an ongoing seige of terror as a result of the mass murder of at least 23 children by unknown persons during the last 20 months; and

Whereas, there are some 18,862 municipalities in the United States and 393 municipalities in the State of Florida including the City of North Miami Beach, all of which are concerned with the critical problem faced by the City of Atlanta and the affected parents and children of that community who are suffering from the horrendous and continuing threat to the lives of the children of that City; and

Whereas, the Mayor and City Council of the City of North Miami Beach support the people of the City of Atlanta during this time of crisis and urge the Federal government to make an all out effort to solve this problem without delay.

Now, therefore, be it resolved by the city council of the City of North Miami Beach, Florida:

Section 1. That the Mayor and City Council of the City of North Miami Beach urge the Federal government to act swiftly to prevent the further killing of innocent children by utilizing every means available to solve these vicious crimes.

Section 2. That the City Clerk of the City of North Miami Beach is directed to transmit copies of this Resolution to the Dade County League of Cities, Florida League of Cities, National League of Cities, Members of the Dade County Legislative Delegation, Senators Lawton Chiles and Paula Hawkins, Congressmen Bill Lehman, Dante Fascell, and Claude Pepper, and President Ronald Reagan.●

COMMENCEMENT ADDRESS

● Mr. QUAYLE. Mr. President, on May 17, 1981, President Ronald Reagan traveled to South Bend, Ind. to address the commencement ceremonies at the University of Notre Dame.

The President was greeted with one of the warmest welcomes he has had since assuming office. His speech was on inspiration to all who were fortunate enough to be in attendance.

I ask that the speech of President Ronald Raegan to the 1981 graduating class of Notre Dame University be printed in the RECORD.

The address follows:

ADDRESS OF THE PRESIDENT AT THE COMMENCEMENT CEREMONY AT THE UNIVERSITY OF NOTRE DAME

The PRESIDENT. Father Hesburgh, I thank you very much and for so many things. The distinguished honor that you've conferred upon me here today, I must say, however, compounds a sense of guilt that I have nursed for almost 50 years. I thought the first degree I was given was honorary. But it's wonderful to be here today, Governor Orr, Governor Bowen, Senators Lugar and Quayle and Representative Hiler. These distinguished honorees, the trustees, administration, faculty, students, and friends of Notre Dame and most important, the graduating class of 1981.

Nancy and I are greatly honored to share this day with you and our pleasure has been more than doubled because I am also sharing the platform with a long-time and very dear friend, Pat O'Brien.

Pat and I haven't been able to see much of each other lately so I haven't had a chance to tell him that there is now another tie that binds us together. Until a few weeks ago I knew very little about my father's ancestry. He had been orphaned at age six. But now I've learned that his grandfather, my great grandfather, left Ireland to come to America, leaving his home in Ballyporeen, a village in County Tipperary in Ireland, and I have learned that Ballyporeen is the ancestral home of the O'Briens.

If I don't watch out, this may turn out to be less of a commencement than a warm bath in nostalgic memories. Growing up in Illinois I was influenced by a sports legend so national in scope and so almost mystical it is difficult to explain to anyone who didn't live in those times. The legend was based on a combination of three elements; a game, football; a university, Notre Dame; and a man, Knute Rockne. There has been nothing like it before or since.

My first time to ever see Notre Dame was to come here as a sports announcer two years out of college to broadcast a football game. You won or I wouldn't have mentioned it.

A number of years later I returned here in the company of Pat O'Brien and a galaxy of Hollywood stars for the world premiere of "Knute Rockne—All American" in which I was privilege to play George Gipp. I've always suspected that there might have been many actors in Hollywood who could have played the part better. But no one could have wanted to play it more than I did. And I was given the part largely because the star of that picture, Pat O'Brien, kindly and generously held out a helping hand to a beginning young actor.

Having come from the world of sports, I'd been trying to write a story about Knute Rockne. I must confess that I had someone in mind to play the Gipper. On one of my sports broadcasts before going to Hollywood, I had told the story of his career and tragic death. I didn't have very many words on paper when I learned that the studio that employed me was already preparing a story treatment for that film. And that brings me to the theme of my remarks.

I'm the fifth President of the United States to address a Notre Dame commencement. The temptation is great to use this forum as an address on a great international or national issue that has nothing to do with this occasion. Indeed, this is somewhat traditional. So, I wasn't surprised when I read in several reputable journals that I was going to deliver an address on foreign policy or on the economy. I'm not going to talk about either.

But by the same token, I'll try not to belabor you with some of the standard rhetoric that is beloved of graduation speakers. For example, I'm not going to tell you that "You know more today than you've ever known before or that you'll ever know again." And the other standby is "When I was 14, I didn't think my father knew anything. By the time I was 21, I was amazed at how much the old gentleman had learned in seven years." And then, of course, the traditional and the standby is that "A university like this is a storehouse of knowledge because the freshmen bring so much in and the seniors take so little away."

You members of the graduating class of 1981 are what behaviorists call achievers. And while you will look back with warm pleasure on your memories of these years that brought you here to where you are today, you are also, I know, looking at the future that seems uncertain to most of you but which, let me assure you, offers great expectations.

Take pride in this day. Thank your parents as one on your behalf has already done here. Thank those who've been of help to you over the last four years. And do a little celebrating. You're entitled. This is your day and whatever I say should take cognizance of that fact. It is a milestone in life and it marks a time of change.

Winston Churchill during the darkest period of the Battle of Britain in World War II said: "When great causes are on the move in the world . . . we learn we are spirits, not animals, and that something is going on in space and time, and beyond space and time, which, whether we like it or not, spells duty."

Now, I'm going to mention again that movie that Pat and I and Notre Dame were in, for it says something about America. First Knute Rockne as a boy came to America with his parents from Norway. And in the few years it took him to grow up to college age, he became so American, that here at Notre Dame, he became an All American in a game that is still to this day uniquely American.

As a coach he did more than teach young men how to play a game. He believed truly that the noblest work of man was building the character of man. And maybe that's why he was a living legend. No man connected with football has ever achieved the stature or occupied the singular niche in the Nation that he carved out for himself, not just in sport, but in our entire social structure.

Now, today I hear very often, "Win one for the Gipper," spoken in a humorous vein. Lately I've been hearing it by Congressmen who are supportive of the program that I've introduced. But let's look at the significance of that story. Rockne could have used Gipp's dying words to win a game any time. But eight years went by following the death of George Gipp before Rock revealed those dying words, his deathbed wish.

And then he told the story at halftime to a team that was losing. And one of the only teams he had ever coached that was torn by dissention and jealousy and factionalism. The seniors on that team were about to close out their football careers without learning or experiencing any of the real values that a game has to impart. None of them had known George Gipp. They were children when he played for Notre Dame. It was to this team that Rockne told the story and so inspired them that they rose above their personal animosities. For someone they had never known, they joined together in a common cause and attained the unattainable.

We were told when we were making the picture of one line that was spoken by a player during the game. We were actually afraid to put it in the picture. The man who carried the ball over for the winning touchdown was injured on the play. We were told that as he was lifted on the stretcher and carried off the field he was heard to say: "That's the last one I can get for you Gipper."

Now, it's only a game. And maybe to hear it now afterward—and this is what we feared it might sound maudlin and not the way it was intended, but is there anything wrong with young people having an experience, feeling something so deeply, thinking of someone else to the point that they can give so completely of themselves? There will come times in the lives of all of us when we'll be faced with causes bigger than ourselves and they won't be on a playing field.

This nation was born when a band of men, the founding fathers, a group so unique we've never seen their like since, rose to such selfless heights. Lawyers, tradesmen, merchants, farmers, 56 men, achieved security and standing in life but valued freedom more. They pledged their lives, their fortunes, and their sacred honor. Sixteen of them gave their lives. Most gave their fortunes. All preserved their sacred honor.

They gave us more than a nation. They brought to all mankind for the first time the concept that man was born free, that each of us has inalienable rights, ours by the grace of God, and that government was created by us for our convenience, having only the powers that we choose to give it.

This is the heritage that you're about to claim as you come out to join the society made up of those who have preceded you by a few years or some of us by a great many.

This experiment in man's relation to man is a few years into its third century. Saying that may make it sound quite old. But let's look at it from another viewpoint or perspective. A few years ago someone figured out that if you could condense the entire history of life on earth into a motion picture that would run for 24 hours a day, 365 days—maybe on leap years we could have an intermission—this idea that is the United States wouldn't appear on the screen until 3½ seconds before midnight on December 31st. And in those 3½ seconds not only would a new concept of society come into being, a golden hope for all mankind, but more than half the activity, economic activity in world history, would take place on this continent. Free to express their genius, individual Americans, men and women, in 3½ seconds, would perform such miracles of invention, construction and production as the world had never seen.

As you join us out there beyond the campus, you know there are great unsolved problems. Federalism, with its built-in checks and balances, has been distorted. Central government has usurped powers that properly belong to local and state governments. And in so doing, in many ways that central government has begun to fail to do the things that are truly the responsibility of a central government.

All of this has led to the misuse of power and preemption of the prerogatives of people and their social institutions. You are graduating from a great private or, if you will, independent, university. Not too many years ago such schools were relatively free from government interference. In recent years government has spawned regulations covering virtually every facet of our lives. The independent and church-supported colleges and universities have found themselves enmeshed in that network of regulations and the costly blizzard of paperwork that government is demanding. Today 34 congressional committees and almost 80 subcommittees have jurisdiction over 439 separate laws affecting education at the college level alone. Almost every aspect of campus life is now regulated—hiring, firing, promotions, physical plant, construction, record keeping, fundraising and to some extent curriculum and educational programs.

I hope when you leave this campus that you will do so with a feeling of obligation to your alma mater. She will need your help and support in the years to come. If ever the great independent colleges and universities like Notre Dame give way to and are replaced by tax-supported institutions, the struggle to preserve academic freedom will have been lost.

And we're troubled today by economic stagnation, brought on by inflated currency and prohibitive taxes, and burdensome regulations. The cost of stagnation in human terms, mostly among those least equipped to survive it, is cruel and inhuman.

Now, after those remarks, don't decide that you'd better turn your diploma back in so that you can stay another year on the campus. I've just given you the bad news. The good news is that something is being done about all this. Because the people of America have said, "Enough already." We who had preceded you had just gotten so busy that we let things get out of hand. We forgot that we were the keepers of the power, forgot to challenge the notion that the state is the principal vehicle of social change, forgot that millions of social interactions among free individuals and institutions can do more to foster economic and social progress than all the careful schemes of government planners.

Well, at last we are remembering: remembering that government has certain legitimate functions which it can perform very well; that it can be responsive to the people; that it can be humane and compassionate; but that when it undertakes tasks that are not its proper province, it can be none of them as well or as economically as the private sector.

For too long, government has been fixing things that aren't broken and inventing miracle cures for unknown diseases.

We need you. We need your youth. We need your strength. We need your idealism to help us make right that which is wrong. Now, I know that this period of your life, you have been and are critically looking at the mores and customs of the past and questioning their value. Every generation does that. May I suggest don't discard the time-tested values upon which civilization was built simply because they are old.

More important don't let today's doom criers and cynics persuade you that the best is past—that from here on it's all downhill. Each generation sees farther than the generation that preceded it because it stands on the shoulders of that generation. You're going to have opportunities beyond anything that we've ever known.

The people have made it plain already that they want an end to excessive government intervention in their lives and in the economy—an end to the burdensome and unnecessary regulations and a punitive tax policy that does take "from the mouth of labor the bread it has earned."

They want a government that can not only continue to send men across the vast reaches of space and bring them safely home, but that can guarantee that you and I can walk in the park of our neighborhood after dark and get safely home.

And finally, they want to know that this Nation has the ability to defend itself against those who would seek to pull it down.

And all of this, we the people can do. Indeed a start has already been made. There's a task force under the leadership of Vice President George Bush that is to look at those regulations I've spoken of. They have already identified hundreds of them that can be wiped out with no harm to the quality of life and the cancellation of just those regulations will leave billions and billions of dollars in the hands of the people for productive enterprise and research and development and the creation of jobs.

The years ahead are great ones for this country, for the cause of freedom and the spread of civilization. The West won't contain communism, it will transcend communism. It won't bother to dismiss or denounce it, it will dismiss it as some bizarre chapter in human history whose last pages are even now being written.

William Faulkner at a Nobel Prize ceremony some time back said man "would not only endure: he will prevail" against the modern world because he will return to "the old verities and truths of the heart." And then Faulkner said of man, "He is immortal, because he alone among creatures has a soul, a spirit capable of compassion and sacrifice and endurance."

One can't say those words "compassion, sacrifice and endurance" without thinking of the irony that one who so exemplified them—Pope John Paul II, a man of peace and goodness—an inspiration to the world—would be struck by a bullet from a man towards whom he could only feel compassion and love.

It was Pope John Paul II who warned last year, in his encyclical on mercy and justice, against certain economic theories that use the rhetoric of class struggle to justify injustice. He said, "In the name of an alleged justice the neighbor is sometimes destroyed, killed, or deprived of liberty or stripped of fundamental human rights."

For the West, for America, the time has come to dare to show to the world that our civilized ideas, our traditions, our values, are not—like the ideology and war machine of totalitarian societies—just a facade of strength. It is time for the world to know our intellectual and spiritual values are rooted in the source of all strength, a belief in a Supreme Being, and a law higher than our own.

When it is written, the history of our time won't dwell long on the hardships of the recent past. But history will ask and our answer determine the fate of freedom for a thousand years—did a nation born of hope lose hope? Did a people forged by courage find courage wanting? Did a generation steeled by a hard war and a harsh peace forsake honor at the moment of great climactic struggle for the human spirit?

If history asks such questions, it also answers them. And the answers are to be found in the heritage left by generations of Americans before us. They stand in silent witness to what the world would soon know and history someday record, that in the third century the American nation came of age, affirmed its leadership of free men and women, serving selflessly a vision of man with God,

government for people, and humanity at peace.

A few years ago an Australian Prime Minister, John Gordon, said, "I wonder if anybody ever thought what the situation for the comparatively small nations in the world would be if there were not in existence the United States, if there were not this giant country prepared to make so many sacrifices." This is the noble and rich heritage rooted in great civil ideas of the West—and it is yours.

My hope today is that in the years to come—and come it shall—when it's your time to explain to another generation the meaning of the past and thereby hold out to them their promise of the future, that you'll recall the truths and traditions of which we've spoken. It is these truths and traditions that define our civilization and make up our national heritage. And now they're yours to protect and pass on.

I have one more hope for you: When you do speak to the next generation about these things that you will always be able to speak of an America that is strong and free, to find in your hearts an unbounded pride in this much-loved country, this once and future land, this bright and hopeful Nation whose generous spirit and great ideals the world still honors.

Congratulations and God bless you.●

PHARMACY CRIME

● Mr. SASSER. Mr. President, earlier this year, I introduced S. 20 which would make the robbery of controlled substances from a pharmacy a Federal crime.

All of us are disturbed by the fact that violent crime has risen by 59 percent since 1970 and robberies in general have risen 33 percent since 1970.

At the same time, Mr. President, between 1976 and 1979, a 3-year period, pharmacy robberies have risen more than 100 percent. In a 6-year period between 1973 and 1979, pharmacy robberies rose 150 percent.

These statistics alone are alarming enough. But the real issue here is that the Federal Government does not have enough enforcement power to control the theft of drugs from pharmacies. When drug stores are robbed the criminal is not looking for cash. He is looking for drugs. Drugs that are controlled by Federal law. Drugs that will be sold on our streets and compound an already serious national drug problem.

Mr. President, it seems a bit absurd that the Federal Government may investigate and prosecute the trafficking of drugs on the sidewalk outside of a drug store but it cannot investigate and prosecute the theft of the same drugs from inside the pharmacy.

It is my hope that Congress will correct this situation during the 97th Congress. For the benefit of my colleagues, I ask that a statement by Mr. John Rector of the National Association of Retail Druggists be printed in the RECORD. Mr. Rector's statement was given before the Attorney General's task force on violent crime on April 16, 1981. His comments fully outline the problem that I address in S. 20. In addition I also request the printing in the RECORD of an article from the National Association of Retail Druggists Journal entitled the "Pharmacy Crime Clock," which describes in tragic detail dozens of pharmacy crimes throughout the United States.

The material follows:

THE PHARMACY CRIME CLOCK

The pharmacy crime clock ticked ominously and relentlessly in January. No matter what part of the country you reside in, chances are your local or regional newspaper carried an article that month about the grim siege being waged on the nation's pharmacies—the battlegrounds for gun-wielding thugs in search of controlled substances.

Make no mistake about it, fellow pharmacists. There is a war going on out there. And if you haven't yet become a combatant, the odds on your seeing front-line duty are growing greater by the day.

The NARD Journal has kept constant tabs on this despicable situation, receiving daily reports from local media across the country. January 1981 wasn't a special month in this arena of pharmacy crime. It was like every month in 1980, and previous years since Congress enacted the Controlled Substances Act of 1970. The resultant rise in drug abuse and street traffic in illicit drugs has been amply reflected in the "easy pickin's" the nation's Pharmacies represent to the average armed robber bent on supporting a drug habit.

Take a moment to scan the litany below. The listing is a partial representation of reports about crimes in pharmacy in the month of January alone. The language is straight from those newspaper accounts—no embellishment on our part. The articles speak for themselves.

In January as in many other months the typical armed robbery of a pharmacy contains these ingredients:

A weapon of choice—.38 caliber revolver or sawed-off shotgun.

Drugs of choice—A shopping list for Schedule II drugs (the hard stuff). The typical robber is a sophisticated shopper, who often is not interested in a cash take.

Physical abuse—More often than not, pharmacists, clerks, and customers alike are terrorized or physically abused during the course of a robbery. In some instances, compliance with robber demands still leads to assault or threats of murder.

If you are angry about this intolerable situation after reading these pages, you may wish to keep them for reference and present them to your Congressman or Senator, when NARD's Pharmacy Crime Bill comes up for consideration this session. The pages serve as a grim reminder that action on this important legislation must be taken now. With your voices and support of the NARD effort for Federal involvement in this arena, perhaps the pharmacy crime clock will eventually stop ticking.

Arizona: Tucson—The Town and Country Pharmacy was robbed yesterday, but the robbers were somewhat disappointed. What they wanted had been taken in another holdup 10 days earlier. A man pulled a gun on a clerk and said: "This is a stickup. Give me all your class A drugs." The clerk told him that all those drugs had been stolen in a previous robbery and not yet replaced. The robbers then took other undetermined drugs and fled on foot.

California: Petaluma—A city councilman was robbed at gunpoint by a bandit who entered the lawmaker's pharmacy (O'Neill's Drugs) looking for drugs.

Pinole—Two middle-aged men stole more than $300 in drugs after they held up the Village Pharmacy at gunpoint and bound the owner and two other persons. One suspect held them at gunpoint while the accomplice stole the owner's wallet and a variety of drugs from shelves.

San Jose—San Jose police today were looking for two narcotics bandits who escaped with undetermined amounts of drugs in separate holdups of pharmacies.

Santa Rosa—An armed robber held up the Healdsburg Hospital Pharmacy and made off with an undetermined amount of drugs.

[illegible]—Two men robbed the Davison Pharmacy, holding a clerk at knifepoint and escaping with $170 in cash and a bag full of drugs. The owner handed over quantities of phenobarbital, reducing tablets and sleeping pills after convincing the thief that the store no longer carried the supplies of cocaine, Quaaludes, Seconal and Nembutal it once did.

Davis—Two robbers, one armed, held up the Davis Medical Center Pharmacy, taking $150 in cash and an undetermined amount of drugs. One suspect reportedly went behind a counter, pulled out a revolver and told the pharmacist: "Give me all your Dilaudid and Demerol."

Redding—A man armed with a handgun robbed Shasta General Hospital Pharmacy, escaping with about $400 worth of drugs. The same pharmacy was the target of an armed robbery last August in which drugs and cash were taken.

Vacaville—Two ski-masked gunmen burst through the front door of a West Texas Street pharmacy and escaped with stolen narcotics and more than $100 cash. One of the men, armed with a large caliber automatic pistol, took the pharmacist into a drug storage area at gunpoint and demanded narcotics. He reportedly got about 300 Seconal capsules.

Richmond—Two men armed with a pistol and sawed-off shotgun robbed the Professional Pharmacy of $586 in cash and drugs including morphine, tincture of opium and codeine.

San Rafael—A screaming man armed with a small revolver took drugs from a pharmacy in Rohnert Park. The man waved the weapon at the pharmacist and screamed: "Give me your class A drugs!"

Illinois: Chicago—A man who walked into a Bridgeport drugstore and threatened to shoot three people unless he was given Demerol or morphine was fatally shot by the store's owner. The man walked toward the owner, who took a snub-nosed .38 caliber revolver from a narcotics cabinet and fired twice, hitting the man in the chest and neck.

Louisiana: New Orleans—A man wearing a blond wig exchanged gunfire with a Metairie drugstore pharmacist during an attempted robbery. The robber fired two shots at the pharmacist and the pharmacist returned the fire, apparently wounding the man in the head.

Opelousa—Deputies arrested a man at a local drugstore as he attempted to exit the building by the rear door. He was carrying a pillow case which contained $7,500 worth of assorted drugs which have a street value of approximately $20,000.

Maryland: Elkton—A man was apprehended inside North East Pharmacy shortly before 2 a.m. He is charged with theft over $500, possession of methaqualone with intent to distribute, and possession of marijuana.

Massachusetts: Marlborough—Two men armed with a gun and club held up Bouvier's Pharmacy and forced three people into the store's bathroom at gunpoint. One gun-carrying thief walked into the store and demanded of an employee: "Where's your Class A narcotics?" The other thief than filled a shopping bag with the drugs. The thieves stole nothing else in the robbery.

Minnesota: Rochester—A flying tackle by a pharmacist ended an attempted stick-up at a Miracle Mile drug store when he pinned one of a pair of holdup men and a customer grabbed the second. One robber demanded that the pharmacist fill a sack with mor-

phine, narcotics, and emphetamines. The robber kept one hand in his pocket, "pointing like he had a gun." The suspected weapon later turned out to be a beer bottle. Authorities said both robbers may have been under the influence of drugs.

Farmington—A man was arrested during an alleged robbery. Officers confiscated three plastic bags filled with drugs and a knife.

Mississippi: Pearl—A 16-year-old juvenile was among three persons arrested by Jackson police on charges of armed robbery in connection with a series of drug store burglaries in which only drugs were taken. One robbery involved a quantity of Seconal, Quaalude, Valium, and Placidyle.

Jackson—A man was arrested for the armed robbery of the Escatawpa Pharmacy, which involved an assortment of Prescription drugs. The robber apparently ignored cash in the store. He used a small handgun in the alleged robbery.

Vicksburg.—Two females walked into the Battlefield Discount Drugs and pulled nickelplated revolvers on the occupants, who included the pharmacist and his wife, and demanded drugs. The pair left with a quantity of Dilaudid and Demerol. They later were apprehended and charged with other similar robbery attempts.

Missouri: Springfield—Pharmacist Charles F. Cantwell didn't move fast enough to suit two armed robbers and was shot in the chest with a rifle during a holdup. The gunmen had ordered the pharmacist to give them drugs, and, after he was wounded, they continued to prod him to look for more drugs. Witnesses to the shooting asked not to be identified because of recent rash of drug-related kidnappings involving pharmacy employees and family members in cities such as Kansas City.

Nebraska: Omaha—An Omaha pharmacist was shot in the hand during an armed robbery attempt. Two robbers approached a pharmacy employee with a knife, threw the employee to the floor and ordered that the cash register be opened. The wounding shot came as one of the robbers hurdled a counter toward the pharmacist.

Lincoln—Two armed men held up Nevin Drug and got away with between $200 and $400 from the cash register and some narcotics. One weapon involved included a sawed-off, double-barreled shotgun.

Nevada: Las Vegas—Two armed men robbed the Tropicana Drug Store of an undetermined amount of money and a large amount of Schedule II "hard narcotics." The two entered the store and forced the store manager and customers to lay face down while they ransacked the shop.

New Jersey: Branchburg—Three armed men entered the Branchburg Pharmacy and threatened one of the cashiers with a handgun. Police reported that the suspects then forced patrons into a closet and threatened to kill them. Employees were forced to lie on the floor. An undertermined amount of cash and pills was stolen.

Ohio: Toledo—One man was arrested on a robbery charge after he was shot in the head and struck with a hammer by employees of an East Toledo pharmacy during what police said was a holdup attempt. One of four suspects went to a door leading to the counter behind the pharmacy and attempted to force it open, shouting to an employee: "Open the door, or we're going to kill you." But the employee drew a .38 caliber handgun and fired.

Toledo—Police arrested a man, who they said entered the Pharmacy Counter and threatened employees with a handgun before fleeing with about $400.

Pepper Pike—Three men entered the Miller Drug Store and handed the pharmacist a note saying: "This is not a joke. I want all your A's. We have a gun. If you don't want anyone hurt, give us everything." The suspects fled with about 1,500 pills, a majority of which were Quaaludes.

Columbus—Three armed men held up Enstock's Pharmacy. The pharmacist said the men tied him with bandanges and put him into a back room. The robbers fled out the rear door with approximately $200 and a large quantity of prescription drugs.

Oklahoma: Kingfisher—A 17-year-old youth triggered a sensor alarm inside of The Drug Store and was arrested within 15 minutes. Three bottles of heart medicine were found in his coat pocket. The youth apparently was in the process of filling a customer sack with drugs including injectible Valium and some phenobarbitol tablets, syringes, and needles.

Oregon: Oregon City—One of four men arrested in an armed robbery of a Milwaukie hospital pharmacy has been sentenced to 15 years in prison. He was one of four who allegedly shot their way into the hospital pharmacy and stole drugs and money, using a hospital security guard as a shield.

Astoria—An armed robber who knew what he was after took an assortment of narcotics with a retail value of about $830 from Paramount Drug Co. The man entered the store, pointed a revolver at the owner, and demanded all Schedule I narcotics in the store. The robber remained close to the owner, monitoring with the gun for him to keep quiet. Taken were large quantities of Percodan, Dilaudid, Codeine Phosphate, and Nembutal. There were up to 1,200 tablets in some of the containers.

Rhode Island: Cumberland—An armed robber escaped with an undetermined quantity of drugs during a daring armed robbery at Hunter's Pharmacy. The gunman ordered the clerk to the rear of the store and demanded of a pharmacist various drugs. At one point, when the pharmacist could not immediately locate one of the drugs demanded, the gunman threatened to shoot him.

Tennessee: Knoxville—Two bandits, one armed with what appeared to be a .38 caliber revolver, robbed the Vaughn Drug Store of money and narcotics. The men made three store employees and a customer lie on the floor, then took cash and a quantity of drugs, including Quaaludes and morphine.

Memphis—A man, possibly under the influence of drugs, robbed the Berclair Drug Store. Armed with a .22 caliber pistol, he entered the store and demanded Valium tablets. The man fired several shots before fleeing, escaping with an undetermined amount of drugs.

Texas: Austin—An armed robber, described as a "novice" by the man he held up, took $60 in cash and an undetermined amount of Dilaudid, a narcotic painkiller, from Ace Drug Mart in South Austin. Three other employees and two customers watched as the pharmacist handed over the pills and cash to the man, who carried a pistol and wore a ski hat.

Beaumont—A pharmacist was robbed at gunpoint by a man who produced a short-barreled, chrome revolver and demanded that he put amphetamines into a prescription bag.

Wisconsin: Oshkosh—A man has been charged with three Winnebago County armed robberies of pharmacies. In one robbery the owner was struck with a sawed-off shotgun and received 24 stitches to close a gash in his forehead. In another robbery a masked man carrying a sawed-off shotgun gave the pharmacist a list of drugs he wanted. In a third robbery a gunman jumped over the pharmacist's counter with a sawed-off shotgun and demanded drugs. In each of the events a large number of drugs were taken.

Athens—The Athens Drug Store was robbed at gunpoint by three men. The clerk was ordered to lie on the floor, while the owner was instructed to fill a black satchel with various drugs. The thieves threatened to kill them if they disobeyed.

PHARMACY ROBBERY AND THE FEDERAL STRATEGY TO COMBAT VIOLENCE IN AMERICA

The National Association of Retail Druggists (NARD) represents owners of more than 30,000 independent retail pharmacies, where over 75,000 pharmacists dispense more than 70 percent of the nation's prescription drugs, with annual sales estimated in excess of $8 billion. Together, they serve 18 million persons daily. NARD has long been acknowledged as the sole advocate for this vital component of our free-enterprise system.

We welcome the opportunity to assist the Task Force, the Attorney General, and the Reagan Administration in the effort to assess and strengthen the Federal government's attack on violent crime.

Our President, Jesse M. Pike, Concord, North Carolina, has recently (see exhibit I) congratulated President Reagan on the selection of the new Attorney General, in part because he has expressed a special interest in the need to review the inadequacy of the current Federal effort to combat violent crime.

We share the Attorney General's concern that violent crime "constitutes an urgent, shocking national problem that raises a serious question of whether the Federal Government is doing enough to meet its responsibilities." The NARD pledges to assist the Task Force and the Department to help achieve any mutual goal designed to help combat violent crime.

We are not experts in the full range of violence that is challenging this nation. We do have special insight and expertise in some areas that are of particular and understandable concern to our members, the owners of independent retail pharmacies, and their staff and customers.

It is shocking that violent crime has increased 59 percent since 1970.

It is shocking that robbery has increased by 38 percent since 1970, with last year's cash loss to robbery, estimated by the FBI, at nearly one-quarter of one million dollars.

Our members and pharmacists generally are, also, concerned about robbery; but I should hasten to add that although the national statistics cited in FBI March 5, 1981. release are indeed shocking such rates would represent a welcome reduction in the incidence of robbery of pharmacists!

It appears that each class of robbery has a character and trend of its own. Our special concern is robbery to obtain Federally controlled drugs from a pharmacy. The announced criteria should place this type of robbery near the top of the Department of Justice's new priorities with other felonies involving narcotics, weapons or personal violence.

While robbery nationwide increased by one-third in the past decade, the robbery of pharmacists increased by one-third between 1978 and 1979. The FBI reports that between 1975 and 1979, bank robbery was up 51 percent, robbery of convenience stores was up 15 percent, street robbery was up 5 percent, and robbery of gas stations was down 17 percent. According to DEA, statistics for a period shorter than that reported by the FBI for other robbery, between 1976 and 1979, the robberies of pharmacists increased slightly more than 100 percent. In fact, during the period 1973–79, pharmacy robberies increased an estimated 150 percent.

Similarly, a review of the value of goods stolen is illustrative of our concern. The FBI has estimated the total national loss to all robbery for 1979 at $248 million. Although such amounts boggle the minds of many, our members understand such dollar impacts. Robbery in their situation is possibly unique. The robber seldom seeks the cash, but, in fact, often times requests controlled sub-

stances by name. Such substances have a marketplace value set in the streets. DEA, unfortunately, records the value of dosage units stolen from pharmacies on the basis of replacement value only. If, however, such crimes were assessed on the basis of the street value of the drugs obtained, rather than by a double standard, as is presently the case, the nature of the problem we cite becomes even more readily apparent.

If, for example, an armed assailant entered an independent retail pharmacy owned by one of our members, harassed and abused the staff and customers and left with 282 Dilaudid tablets, never to be heard of again, DEA would record the robbery, not a Federal felony, and assess its importance on the basis of replacement cost of the drug stolen at approximately $30.00. On the other hand, if the armed robber, one block away from our member's store, was confronted by a DEA agent and arrested for an illegal sale of the controlled substance, the agency would catalog such a case as, of course a Federal Felony arrest, involving a sale with a street value in excess of $11,000!

If DEA characterized such crimes on a par with its "street busts", clearly pharmacy thefts reported to DEA could have an estimated street value well over $125 million.

As efforts to curb forms of retail diversion other than robbery have experienced continued success, the number of robberies, as a portion of total pharmacy thefts, the volume of such drugs obtained by robbery and their street marketplace value have each skyrocketed.

Of course, monetary value is only one indication of the havoc experienced by those vitimized by robbery. In one out of five robberies, a pharmacist, staffer or customer is killed or violently injured by criminal assailants. Likewise, an impact is felt by the families, particularly children, who gain greater access to drugs of abuse because such drugs are made available through pharmacy robbery diversion.

Another consideration is the fear that the prospect of a robbery has on pharmacy customers who never know if or when they will be subjected to the terror and possibly the brutal tactics of such assailants.

We know that the Federal government is falling far short of what would be necessary, working in close coordination with state and local authorities, to begin to restore "domestic tranquility" in our nation's independent retail pharmacies.

Our members have a long standing relationship with the Department, but we have one major complaint. This is the opposition of DEA to legislation that would make the robbery of DEA registrant pharmacies to obtain Federally controlled drugs a felony under Federal law.

What follows is a policy statement with accompanying explanatory text unanimously adopted by The National Association of Retail Druggists at our 82nd Annual Convention in Atlanta, Georgia, October 2, 1980.

"THAT, robbery of controlled substances from pharmacies be made a Federal offense.

Since enactment of the Controlled Substances Act of 1970, NARD has pressed for legislation making robbery of drug stores for CSA drugs a Federal offense. The Drug Enforcement Administration has required that pharmacists place bars on windows, secure skylights and bar back doors, as well as installation of security systems. Because of the DEA activities and success in drying up illicit sources of drugs, pharmacists are left as sitting ducks for criminals seeking drugs."

You will note that it succinctly states our members' recommendation, and that of other pharmacists, about the robbery of pharmacies.

For more than a decade, (see exhibit II—NARD Crime Bill: 12 Years of Advocacy, NARD April Journal, p. 24+) NARD, especially through the unrelenting effort of our Executive Vice President, William E. Woods, has urged the Congress and the Department of Justice to support necessary legislation. Unfortunately, we have had more success with the Congress. Year after year, since the passage of the Controlled Substances Act of 1970, NARD has taken its case to the Congress. From the outset the Department has adamantly opposed the NARD legislation. In fact, DEA opposition to our legislation became the single most important obstacle to passage to the Pharmacy Crime Bill.

Unlike the robberies of gasoline stations or liquor stores, we are concerned about crimes where the objective is to obtain the Federally regulated substance: controlled drugs. In fact, enforcement of provisions of the 1970 Federal Act designed to reduce forms of diversion other than robbery have increased both the street value of the drugs sought and the likelihood of robbery as a more preferred method for obtaining the drugs. Yet, such crimes are not sanctioned by the Federal government.

It is a serious violation of Federal law if dangerous drugs are diverted from a pharmacy by fraud or by improper prescribing. Yet, when the same drugs are illegally obtained in daytime robberies by vicious assailants who terrorize customers, employees and our members, no Federal sanction is available.

Yet, curiously, as illustrated by the Dilaudid case just cited, if the robber attempts to, or in fact, sell(s) these drugs acquired in the robbery such conduct constitutes a Federal felony.

The statutory authority in such matters is not limited by the value of the controlled drugs involved, by whether there has been a pattern of similar conduct involved, by whether violence has accompanied the crime or by other special statutory criteria.

The reality is that pharmacists are on the front line in this effort to prevent diversion and abuse of legitimate drugs.

It has been this mutual cooperative effort which has yielded success since 1970. Pharmacists do not seek combat pay for participating in this risky joint venture, to which they are arguably entitled, as the key health providers of these highly dangerous Federally controlled substances. What we want is a comparable amount of Federal involvement in the protection of pharmacists, their families, employees and customers.

NARD's 1969 prediction that as illicit demands of drug supply were cut off retail pharmacists would become targets for an increased number of criminals seeking other sources of drugs has regrettably become a reality. Now the daytime robberies for Controlled Substances Act drugs are spreading to hospital pharmacies.

In cautioning that failure to act in 1970 would return to haunt, NARD forecasted the grim, growing epidemic of terror and violence which is engulfing our nation's retail pharmacies, their owners, staff, families, patients and customers.

This vicious terrorism of an entire class of health care professionals—retail pharmacists—continues unabated.

The 96th Congress gave us reason to be encouraged with the movement in both the House and the Senate. Now in the 97th Congress, we have more reason than ever to expect a victory.

The new year and the 97th Congress hold great promise for passage of the pharmacy crime legislation. The enthusiastic response to the new comprehensive NARD pharmacy crime bill holds great promise. Already the key aspects of NARD's Pharmacy Protection and Violent Offender Act of 1981 have been introduced. These include:

1. Mandatory minimum penalties for the robbery of pharmacies to obtain Federally controlled substances;

2. Additional mandatory penalties for repeat offenders;

3. Mandatory penalties for those who conspire to commit such robberies;

4. Denial of probation and suspended sentences to those convicted of such robberies; and

5. A requirement that the FBI include pharmacy crime, including robberies in its annual Uniform Crime Report.

An innovative aspect of the NARD has been incorporated in Senator Jepsen (R.-IA) pharmacy crime bill. It would help assure the maximum degree of cooperation with the pharmacy community necessary for successful enforcement of a new pharmacy robbery provision as well as any current or new efforts undertaken by the Department to combat pharmacy related crimes. These objectives would be accomplished through a requirement that the Department meet regularly with the Joint Commission of Pharmacy Practioners (JCPP) and that the Commission assess the total effort to curb pharmacy related crime and report its findings to the Attorney General.

The JCPP, incidentally, is a co-ordinating body designed to serve as a policy forum on matters of common interest and concern to national organizations of pharmacy practitioners. This Commission, although often differing on parochial issues, collaborates on vitally important matters such as pharmacy crime. Its members are: American College of Apothecaries (ACA), American Society of Consultant Pharmacists (ASCP), American Society of Hospital Pharmacists (ASHP), National Association of Chain Drug Stores (NACDS), and the National Association of Retail Druggists (NARD).

The JCPP which is on record in support of a Federal pharmacy robbery statute, is coincidentally also meeting in the Hyatt Regency this morning, and, although I am not specifically authorized to speak for the group, I know that they wish the Task Force well and stand ready to assist in the development of a more sensible Federal approach to pharmacy related crimes and other related matters.

We solicit your support for the NARD Pharmacy Protection and Violent Offender Act of 1981. We nominate the legislation for review by this Attorney General's Task Force on Violent Crime, and its distinguished co-chairmen, former Attorney General Griffin Bell and Illinois Governor, James Thompson. As you formulate recommendations for Phase II of the Task Force work, which as indicated "will focus on recommendations for necessary and appropriate changes in Federal laws . . . [to] fight against violent crime," we urge you to include our suggestions on pharmacy crime legislation, including incentives toward better security against robbery, such as tax credits, as a critical component of the Reagan Administration's strategy to combat violent crime.

The President recently stated in his proclamation designating the week beginning April 19, 1981 as Victims Rights Week that "Only victims truly know the trauma crime can produce. They have lived it and will not soon forget it . . . Such experiences foster disillusionment and, ultimately, the belief that our system cannot protect us. As a nation, we can ill afford this loss of faith on the part of innocent citizens who have been victimized by crimes."

It is with this perspective in mind that the Officers, Executive Committee and staff of NARD stand ready to assist the Attorney General and the Task Force on Violent Crime to begin anew to attack what Chief Justice Burger has appropriately called the "reign of terror" confronting America.●

THE CLEAR CREEK FLOOD CONTROL PROJECT

(By request of Mr. BAKER, the following statement was ordered to be printed in the RECORD.)

● Mr. TOWER. Mr. President, over the

last 2 years, the residents of Friendswood, Tex., have experienced several severe floods which have destroyed millions of dollars of property in the southeast region of my State. The Clear Creek watershed today continues to be a serious flood problem as rising water damages both residential and commercial property.

The U.S. Army Corps of Engineers are nearing completion of a study that hopefully will provide some relief to this problem. Nonetheless, I join with the citizens and officials of the city of Friendswood to urge speedy relief of this problem.

Mr. President, I submit the following resolution by the Friendswood City Council for the RECORD:

CITY COUNCIL RESOLUTION No. 381

Whereas, a serious flood problem exists in the Clear Creek Watershed where existing residential and commercial areas are subject to extensive damages from rising water in the creek; and

Whereas, in the City of Friendswood in July 1979, 1600 of 3000 homes were flooded with attendant economic losses exceeding $38,000,000; and

Whereas, in the City of Friendswood in September 1979, 500 of these homes were again flooded; and

Whereas, in the City of Friendswood in January 1980, 75 of these homes were again flooded; and

Whereas, the citizens continue to suffer economic loss and mental anguish as a result of flooding; and

Whereas, the United States Congress in 1968 authorized the U.S. Army Corps of Engineers to design a flood control project which will provide a solution to flooding problems in the Clear Creek Watershed; and

Whereas, the studies are nearing completion and further delays will increase the cost of the project as well as the probability of additional flooding; and

Whereas, other cities, counties, drainage districts and the 67th Texas Legislature have endorsed the flood control project; now therefore,

Be it resolved by the City Council of the City of Friendswood, That the City join in urging Congress to take whatever means necessary to expedite the project and thereby reduce the probability of further economic loss and mental anguish due to flooding; and

That the City Secretary forward official copies of this resolution to the President of the United States, to the Speaker of the House of Representatives and President of the Senate of the United States Congress, and to all members of the Texas Delegation to the Congress, with the request that this resolution be officially entered into the Congressional Record.●

ABE STOLAR

● Mr. DIXON. Mr. President, I commend to the attention of my colleagues a resolution recently adopted by the city council of the city of Chicago. It pertains to the plight of Abe Stolar, a Chicagoan and U.S. citizen by birth, in Russia. Mr. Stolar, a refusenik, has tried for years to emigrate from the Soviet Union. As has happened to all too many Soviet Jews, his appeals have been denied.

Recently, I wrote to Abe Stolar and the Russian ambassador to the United States, Anatoly Dobrynin, to express my sincere concern for the welfare of this brave man. I intend to pursue my efforts in behalf of Mr. Stolar, with the hope that one day he will again see the land of his birth.

Mr. President, I ask that the city of Chicago's resolution be printed in the RECORD.

The resolution follows:

RESOLUTION

Whereas, Abe Stolar was born in Chicago, Illinois, in 1911, to parents who immigrated here from the Union of Soviet Socialist Republics; and

Whereas, Abe Stolar and his family returned to the Union of Soviet Socialist Republics in 1931 and have resided there since that time; and

Whereas, Abe Stolar has been an exemplary resident of the Union of Soviet Socialist Republics, serving as a soldier on the front line during World War II and as a civilian radio announcer thereafter; and

Whereas, Abe Stolar and his family wish to return to Chicago, the City of his birth; and

Whereas, Mayor Byrne and the citizens of Chicago wish to welcome home a native son; and

Whereas, Mayor Byrne and the citizens of Chicago recognize the human rights of all men and women; and

Whereas, Mayor Byrne and the citizens of Chicago hope that all nations will make every effort to promote and protect the human rights of all individuals; and

Whereas, Mayor Byrne and the citizens of Chicago hope that Abe Stolar and his family will be granted permission to return to Chicago; now, therefore,

Be it resolved, That the Mayor of the City of Chicago and Members of the City Council, in meeting assembled this 22nd Day of April, 1981, do hereby express their hope for the expeditious repatriation of Abe Stolar and his family.●

HANDGUN CONTROL

● Mr. McCLURE. Mr. President, all civilized and moral people must deplore the shocking attack on Pope John Paul II. In the reaction that followed this outrage, we have seen that once again, there are many who believe that the criminal is not the terrorist, but the tool he uses.

In a letter to the editor of the Washington Post, Mr. Ali F. Sevin has taken a more critical look at this assassination attempt, and his analysis clearly shows that we must blame the man, not the inanimate object.

I submit Mr. Sevin's letter for the RECORD.

The letter follows:

LETTER TO THE EDITOR

Pope John Paul II was apparently shot by a terrorist fugitive from Turkish justice. The avalanche of demands for stricter gun control laws is sure to follow.

Turkey has one of the toughest gun control laws anywhere. I know, I grew up in Turkey. No one except the police is allowed to own a handgun unless he or she can prove to the extremely cautious police that he or she must be licensed to own one.

Yet the accused assailant was convicted in Turkey for the handgun murder of Abdi Ipekci, a prominent columnist, and was sentenced to death. He escaped, presumably with the assistance of sympathizers of his political bent, during the dark days of terrorism in Turkey before the present regime put an end to anarchy on Sept. 12, 1980.

Where did he get the gun? How would stricter gun control in the United States stop such senseless deeds? There is a trickle of evidence that international terrorism is fostered by the Soviet Union, whether it is of the right or the left variety. Situations of turmoil, it seems, invite totalitarian takeover. If this is so, the Western democracies should focus their energies on discovering the inner workings of this network of terror.

Cosmetics of gun control may make some of us feel better, but they will not produce results.●

TERRORISM IN THE U.S.S.R. AND ARGENTINA

● Mr. LEVIN. Mr. President, contrary to what the Reagan administration would have us believe, the problem of state terrorism is not confined by any ideological boundaries. Countries as ideologically diverse as the Soviet Union and Argentina continue to illegally harass and imprison their people.

In an excellent article in the May 14 New York Times entitled, "It Tolls for Thee," Mr. Anthony Lewis describes the plight of two physicists, Vladimir Kislik of the Soviet Union and Elena Sevilla of Argentina.

Mr. Kislik, a Jew, applied for an emigrant visa to Israel in 1973. His wife and son were allowed to leave, but he was refused permission. He then lost his job, was sent to a psychiatric hospital and is now on trial on a charge of "hooliganism." He faces up to 5 years in prison.

Elena Sevilla had a baby by Caesarean section in November of 1975. She was arrested 5 days later in her hospital bed. While her child was put in the custody of her parents, she spent the next 3 years imprisoned without charge. Ignoring a decision by the Argentine courts to release her in January of 1976, the military authorities eventually allowed her to emigrate to this country where she is now studying at Cornell.

These were not the only physicists illegally imprisoned in either the Union of Soviet Socialist Republic or Argentina, Yuri Orlov, the founder of the 5-year old Moscow Helsinki Group, is now serving a 7 year sentence in a labor camp. Andrei Sakharov is now in internal exile. American physicists estimate that at least 16 of their colleagues have disappeared into the hands of the military.

The stories of Mr. Kislik and Ms. Sevilla are poignant reminders, however, that state terrorism and its threats to individual liberty are not confined to left or right wing regimes. I am deeply concerned that the Reagan administration chooses to ignore this reality by focusing world attention on human rights abuses in Communist countries to the exclusion of those in right wing, friendly regimes.

I commend to the attention of my colleagues an article which I ask to have printed in the RECORD.

The article follows:

IT TOLLS FOR THEE

(By Anthony Lewis)

BOSTON, May 13.—This is a column about two physicists, or more accurately about two human beings who happen to be physicists. They are from countries far apart in miles and in politics. They do not know each other. What they have in common, apart from their science, is their experience of that contemporary phenomenon: the terrorism of the state.

Vladimir Kislik comes from Kiev, in the Soviet Union. He is a Jew, and in 1973 he applied for an exit visa to emigrate to Israel. His wife and son were allowed to go. He was refused permission—and entered a nightmare life.

Mr. Kislik immediately lost his position at the Institute of Physics of the Ukrainian Academy of Sciences. He took menial jobs and was fired from them. He was arrested for vagrancy. Foreign scientists who visited him at home were assaulted by ruffians on the street.

Last July, during the Olympics, he was put in jail for 15 days. There he had a heart attack. He was sent to a psychiatric hospital, where he was put in a ward with dangerous psychotics. Friends got word to the outside world, and groups in France and the United States sent strong protests to Soviet authorities. Mr. Kislik was released.

Recently he was arrested again. According to reports from Kiev, he is about to go on trial on a charge of "hooliganism." That carries a sentence of up to five years in a labor camp.

Elena Sevilla is a physicist from Argentina. She had a baby by Caesarean section in November 1975. Five days later she was arrested in her hospital bed. No charge was made, then or afterward. In January 1976, an Argentine judge ordered her released. But the authorities did not let her go, instead placing her under indefinite detention without charge. Her child was given to her parents. She was put under a strict prison regimen: allowed almost nothing to read, kept in her cell 23 hours a day.

There were protests from groups abroad, just as in Mr. Kislik's case: from the American Physical Society, the National Academy of Sciences, Amnesty International. Elena Sevilla was luckier than Mr. Kislik. After three years she was released and allowed to leave the country. She is now studying at Cornell.

Of course these two are not the only scientists who have been victims of their governments. In the Soviet Union, Anatoly Shcharansky is wasting away in solitary prison confinement, reportedly near death. Yuri Orlov is serving a seven-year sentence in a labor camp. Andrei Sakharov is in internal exile.

The scientist victims in Argentina are less familiar to us, but their stories are no less chilling. Federico Eduardo Alvarez Rojas, a well-known physicist, and his wife Hilda Graciela were seized by armed men in 1976 in front of their three young children; though once reported to have been seen in a prison, they have never been officially accounted for. American physicists know of at least 16 other of their Argentine colleagues who have similarly "disappeared."

The stories of Vladimir Kislik and Elena Sevilla and the others make a simple but fundamental point: the indivisibility of concern for humanity. State brutality and terrorism are evils—absolute evils—whether practiced in one corner of the world for another, one political system or another.

John Donne made the point to us as individuals 350 years ago. The passage best remembered is: "Never send to know for whom the bell tolls; it tolls for thee." But he also put it another way: "Any man's death diminishes me, because I am involved in mankind."

In today's world the point is not just individual or spiritual but political. If we close our eyes to official brutality here or there—in the Soviet Union or Argentina, in Uganda or Cambodia—we risk our own civilization. Scientists have tended to understand that, supporting their threatened colleagues everywhere. Governments are another question.

The question is especially acute now, as the new American Administration proposes what amounts to a double standard for human rights. It would focus attention on the cruelties of Communist governments and wink at the horrors done by "friendly" right-wing regimes.

Ironically, victims of Soviet repression—at least some of the more prominent among them—do not seem to want a one-dimensional American policy. Pavel Litvinov, a dissident who got out, said when I asked him that his attention naturally centered on events in the Soviet bloc, "but I believe very strongly in the principle of human rights everywhere. I care about Argentina."

Five years ago this week some brave Soviet citizens set up a Moscow group to monitor observance of the rights supposedly gained in the Helsinki agreements. Most are now in prison or forced exile. Their spokesman in America, Ludmilla Alexeyeva, said: "The United States has achieved respectability and credibility in speaking out publicly and forcefully against human rights violations around the world. A continuation of this universal policy is essential to the human rights movement in the Soviet Union."●

SENATOR GRASSLEY'S ADDRESS AT UNIVERSITY OF NORTHERN IOWA COMMENCEMENT

● Mr. ARMSTRONG. Mr. President, my good friend and colleague from Iowa, Senator CHUCK GRASSLEY, returned recently to his alma mater, the University of Northern Iowa, to deliver an inspiring commencement address.

Senator GRASSLEY's speech was not only uplifting but also was filled with his special brand of downhome commonsense. He urged the graduates to reject the cynical, "looking out for No. 1" attitude that has frayed our social fabric, and not to look to the Government for all the answers.

The Senator appealed to the young people instead to invest in their society and in themselves, by harking back to enduring American values—the family, saving for the future, hard work, and participation in the political process.

Mr. President, Senator GRASSLEY's address is a fine commentary on our times, and I ask that it be printed in its entirety at this point in the RECORD.

The address is as follows:

UNIVERSITY OF NORTHERN IOWA
COMMENCEMENT

(By Senator CHARLES GRASSLEY)

Congratulations to you on your graduation.

Today most of you are leaving the University—passing into a phase of life sometimes referred to as the "Real World."

It's about the most challenging part of life you'll face—and you should enter it with anticipation. Hopefully, your university, my university, has distilled in you faith in yourselves, in America and in the future.

And the future looks bright for each of you today in America. I believe our nation has reached a turning point, and is on the road to greatness. As in no other time in the last 20 years, each individual here will have an opportunity to contribute to this new beginning.

Yet doesn't it seem these days that big institutions dwarf the individual, that largely irresistible forces determine our fates?

We do tend to feel that big government taxes our wealth; that big business and big labor drive up prices; that big oil causes our energy crisis; that big banks force up interest rates; and that big TV networks control what comes into our living rooms.

In the face of these impersonal forces, it seems easy—and sometimes necessary—to give up. We fall prey to what has been called the "Helplessness Syndrome"—the feeling that one person cannot counter these outside forces—that one person doesn't make much of a difference.

This sense of helplessness often gives way to cynicism. People turn inward, and talk of "Looking out for No. 1."

In this cult of "Self," moral restraints and social values break down. Working and saving for a goal give way to leisure and mindless consumption.

Instant gratification takes precedence over the long-term happiness to be found in enduring relationships. We are often tempted to solve our problems by taking the path of least resistance rather than seeking more enduring solutions.

But, you might legitimately ask, what difference does it make how you live your life? Can one person really make an impact in today's complex society?

Yes, I believe each of you can make a difference. Because from the moment you walk out of this arena and for the rest of your life, everything you do will affect someone else—for good or for bad. Except for the few people who choose to be hermits, no person leads a life unto himself.

Today—and every day—you are presented with a choice. You can pitch in, and become part of the most dynamic social structure ever devised, and work in harmony with like-minded individuals. Or, you can sit back, and let things tumble down around you.

You can contribute and reap the benefits of a team effort to improve our common lot, or you can go off on your own—thinking only of yourself—and suffer the turmoil of a socioeconomic system in ruins.

Every single choice you make will impact on our way of life.

If you choose to put self above family—then that cornerstone of our society will crumble.

If you choose to consume and consume, without producing, then today's economic house of cards will collapse, because it lacks a productive basis.

If you choose to join nearly half of the electorate in failing to vote—then our participatory democracy will wither and die.

Impersonal forces don't really determine what happens to us—rather, the opposite is true. We choose the kind of society we live in—and the kind of government we have—by the lives we lead.

Because, when you think about it, we and those around us make up those impersonal forces we complain about.

We are big government—when we demand that government solve our problems instead of solving them ourselves.

We are big business—when we put money over principle.

We are big labor—when we demand more without increasing production ourselves.

And we encourage trash on TV when we don't take control of our own TV sets.

But you can make a difference when you leave here by being different. You can do some of those things which don't make a lot of sense right now, but which help build a healthy society for all, as well as a healthy future for you.

For example, it may seem crazy to save and invest during a time of inflationary expectations—but saving and investing are the fountain from which springs our productivity, a fountain which needs to be continually replenished. And in a healthy economy, those who have saved and invested will find themselves in a solid financial position in the years to come.

America was not built by the worker who worked for today, or by the investor who invested for the short term—or, for that matter, by the politician who was more concerned about the next election than the next generation.

No—America was built by the pioneer, who was not burdened by the short-sightedness that today seems to blind us to our own best interests.

And it may seem inconvenient now, when

you are trying to get ahead, to weigh yourself down with family concerns—Mom and Dad and Brother and Sis, and perhaps your own household.

But someday, when you are at the top of the heap and look back, you will recall that your family was your greatest source of strength in troubled times.

And how better can you contribute to society than by instilling the positive attitudes you have acquired in your own children, if you choose to have them?

It may also seem like a waste of your time to get politically involved, to vote or even keep up with the news.

But if you just leave everything up to the other guy, he may be the one who is going to get involved in another Watergate or Abscam. If you don't participate as a check on the government, you will leave the government with absolute power. And as Lord Action said, absolute power corrupts absolutely.

Finally, when you enter the working world, as many of you will, you may want to have it all NOW—all the responsibility, all the money, all the trappings of success—whether you have earned it or not.

But the cliche of top executives starting in the mailroom and working their way to the top has a kernel of truth. These individuals have made it to the top by learning the business from the ground up—and producing at every level. They have earned their position by investing in themselves through their work.

And so should you invest in yourself. You are the Human Capital which, if patiently invested, will earn dividends for many years into the future.

It may seem risky to save and invest, to be burdened with family concerns, to be politically involved, to start at the bottom and work your way up. But Risk is what our society is all about. "Nothing ventured, nothing gained," is very close to the mark.

Today is truly the first day of the rest of your life. For these last four years, this university has prepared you—as it prepared me—to go out and make your own unique contribution to society.

And if there is any place—and any time—when your individual contribution will really make a difference, it is this great nation—and now. Our country is ready for greatness—and ready for your talent, your spirit, and your idealism.

If you keep your ability to yourselves, out of a sense of helplessness, a sense of cynicism, or for whatever reason, you are cheating yourself—and depriving your fellow man.

You have all heard that it is better to light one candle than to curse the darkness. How much better yet if that one candle you light—that contribution you make through your families, your churches, your work and even through politics—becomes a beacon to lead others.

As Emerson said, "What lies behind behind us and what lies before us are tiny matters, compared to what lies within us." And what lies within each of you is that ability to go out today—and make a real difference!

God bless you and good luck.●

DEATH OF BARABARA WARD

● Mr. KENNEDY. Mr. President, it is an occasion of great sadness for me to note the death on May 31 of one of the greatest thinkers and most remarkable women of our time, a friend of mine and devoted worker for all humanity—Barbara Ward.

Throughout her long and distinguished career as journalist, economist, educator, and author, Barbara Ward spoke out with uncommon eloquence and extraordinary insight for a comprehensive and compassionate plan of world development to bring new hope to the lives of all peoples, especially the poorest on this globe.

Barbara Ward recognized clearly the bonds between the developed and underdeveloped nations of the world and between economic issues and environmental issues. With brilliant intellect she succeeded in creating positive approaches to development that were as realistic as they were idealistic. And she spoke out with equal courage and insight for international security policies to diminish the use of force in settling disputes and, above all, to rid the world of the specter of nuclear war.

As a friend of Barbara Ward for many years, I knew not only of her special talents, but of her unique personal qualities. President Kennedy and President Johnson valued her counsel highly, as did Senator Robert Kennedy. Her wisdom was a continuing source of assistance and inspiration to all who knew her. Most of all, she was a warm and caring friend, and we shall miss her greatly.

As we mourn her death, we know that her works remain with us as a monument to her life and thought. Her books and lectures and broadcasts are a lasting contribution to our understanding of the complex problems of international development that challenge us today in every region of the Earth.

Mr. President, I ask that the obituaries on Barbara Ward which appeared in the Washington Post and the New York Times be inserted in the RECORD. I also ask that the editorial in the June 2 Washington Post and the article in yesterday's Washington Post by Robert S. McNamara, president of the World Bank, be printed in the RECORD.

The material follows:

[From the New York Times, June 1, 1981]

BARBARA WARD, BRITISH ECONOMIST, DIES—AN ADVISER OF STATESMEN

(By Paul Lewis)

LODSWORTH, ENGLAND.—Barbara Ward, the British economist and author, died today at her home in southern England after a long illness. She was 67 years old.

Her death was announced by the International Institute for Environment and Development, of which she was president from 1973 until last year.

Miss Ward, who was made a life peer five years ago with the title Baroness Jackson of Lodsworth, was at various times assistant editor of The Economist magazine and a governor of the British Broadcasting Corporation.

At the time of her death she was working on a book, with Erik Eckholm, the United States environmentalist, on global environment and social justice.

As a writer, a lecturer and an adviser and friend of statesmen, Barbara Ward was an eloquent evangelist for the needs of the developing countries and for the interdependence of nations. For over 30 years she preached the necessity of helping the poor and underprivileged of the world, the fundamental unity of the West and the need for accommodation with the Communist powers of the East.

Her prolific writings brought her many academic honors in the United States, her native Britain and several other countries. Not truly a scholar, she was clearly more than a journalist. She may perhaps best be described as a synthesizer and a propagandist who was not afraid to search through history and across many academic disciplines to find support for the causes she espoused.

ADOPTED HER MOTHER'S FAITH

Miss Ward, who was styled Lady Jackson in her own right and by virtue of her marriage, never sought political or administrative power, but she enjoyed considerable success at educating those who held power in the causes she believed in, and she worked closely with the United Nations throughout her life.

Barbara Mary Ward was born on May 23, 1914, in York, in northern England, the eldest daughter of a lawyer. Her early years were spent in the seaside town of Felixstowe, near Ipswich, where her family moved shortly after her birth.

Although her father, Walter Ward, is said to have shown interest in Quaker precepts, Barbara followed the example of her mother, Teresa Mary Burge, and embraced Roman Catholicism, which influenced her outlook throughout her life.

Beginning her education at the local convent, she was sent at the age of 15 to the Lycée Molière and the Sorbonne in Paris and then to Germany for further study. This early exposure to Continental Europe and the knowledge of its languages were reflected in her strong support for European unification and led to her personal friendship with Jean Monnet and other founders of the postwar European movement.

Miss Ward returned to England in 1932 to enter Somerville College at Oxford University, from which she graduated with the highest honors in phlosophy, politics, and economics in 1935. She published her first book, a study of colonial problems titled "The international Share-Out," in 1938, and the following year joined The Economist in London as an assistant editor.

A STAR OF "BRAINS TRUST"

During the war years she became foreign editor of The Economist and won a wide following through her appearances on the British Broadcasting Corporation's popular discussion program "The Brains Trust."

Publications during this period included studies of Turkey and of Italian and Soviet foreign policy. She also began what became a series of wider-ranging works that dealt with the challenges facing the industrial democracies, including the need for closer Western unity and a new relationship between the colonial powers and their developing possessions. These included "The Defense of the West," "Democracy East and West," "The West at Bay," "Policy for the West," "Britain's Interest in Atlantic Union" and "Interplay of East and West."

Such writings struck a sympathetic chord in the United States as it struggled with its new-found responsibilities as a global power and protector of the non-Communist world. They and particularly "India and the West," published in 1961, which argued that the economic development of the subcontinent was essential for the security and self-respect of the Western world, helped establish the considerable reputation she enjoyed here.

Miss Ward was a visiting scholar at Harvard from 1958 to 1968 and held the Schweitzer Chair of International Economic Development at Columbia from 1968 to 1973—an appointment criticized in the academic community by those who would have preferred to see a more original scholar in the post.

There were numerous other academic honors in the United States, and Miss Ward was a frequent and popular lecturer at institutions up and down the country. She often contributed to The New York Times Magazine.

In her native land she received many

honors also. She was a governor of the BBC as well as of the Old Vic and Sadler's Wells, a member of the governing council of the Institute of International Affairs and a Dame of the Order of the British Empire. A lifelong member of the Labor Party, she was created a life peeress in 1976 at the instigation of Sir Harold Wilson when he resigned as Prime Minister.

In 1950 Miss Ward married Sir Robert Gillman Allen Jackson, an Australian-born international civil servant and development expert who enjoyed a successful career with the United Nations. They had one son. Through her husband, she became closely acquainted with development problems in Ghana, where they lived for a while, and in Asia and other parts of Africa.

While playing a major role in the 1950's and 60's in awakening public opinion to the economic problems of the developing world and explaining why the West should consider its interests served by aiding the less fortunate, Miss Ward took her case to political leaders and used her considerable persuasiveness and charm to win their support.

REPORT ON U.N. PROGRAM

She was influential with U That when he was United Nation's Secretary General, and it was at his request that she became the anonymous author of the midterm report on the first United Nation's Development Decade.

Miss Ward, a close friend of Adlai E. Stevenson, was introduced to President John F. Kennedy and to Secretary of Defense Robert S. McNamara, with whom she retained a strong influence during his time as president of the world bank. She also got on well with President Lyndon B. Johnson, who once said her books were the only ones he ever read.

Miss Ward, who kept up with the times, was deeply concerned during the later years of her life about the growth of urban poverty in the developing regions and the conflict between economic development and protection of the environment. She played a major role in organizing United Nations-sponsored conferences on housing the world's poor and was both founder and president of the International Institute for Environment and Development. Last year, she was succeeded as the institute's president by William Clark, a former World Bank vice president, and became chairman of its council.

Not all Miss Ward's beliefs and insights accord with contemporary views, and some may seem outdated or at least put in question by recent history, for she was an inherent optimist who believed that if the political will existed modern technology could be combined with plentiful natural resources to put prosperity within reach of all countries.

On the other hand, most of the industrial world has accepted her fundamental conviction that the growing division between rich and poor presents a threat to international peace and the security of the West.

[From the Washington Post, June 2, 1981]

BARBARA WARD

For 30 years, it has scarcely been possible to discuss development anywhere in the world without bringing in Barbara Ward, who died in her native England on Sunday. Less theorist than popularizer, she had a fervent commitment, with a strong religious—Catholic—base, to the eradication of poverty and misery everywhere and to the participation of the privileged nations in that task. At the service of her calling she put her brilliance as a journalist, immense charm and a sure knowledge of the ways of politics. She became that rarity among public figures: someone with a nag's cause but without a nag's manner. This gave her access to the mighty. She was the model of the informed internationalist conscience.

During and after the war, Miss Ward was a leading figure of the Atlantic establishment. Her subsequent marriage to Sir Robert Jackson, a development expert, took her to India and Ghana, where she saw decolonization firsthand from the former colonies' end and developed a keen empathy with them. This was characteristic of Miss Ward. She was always poking into new places, investigating new people and books and ideas—even after cancer slowed her pace—and knitting her discoveries into the running pattern of her life. The process made her mind one of the central depositories of 20th century experience, and it made a personal encounter with her a sparkling, if sometimes exhausting, delight.

Her thinking was not for everybody; she had a faith in progress, in the benevolent potential of technology and social organization, in the applications of power, that was sometimes so strong and all-consuming as to seem unhistorical. Her life, however, had a passionate meaning. She could not abide injustice.

[From the Washington Post, June 1, 1981]

BRITAIN'S BARBARA WARD, 67, DIES; WRITER, ECONOMIST, HUMANITARIAN

(By Richard Pearson)

Barbara Ward, 67, a British journalist and economist who was one of the most eloquent voices calling for aid to the underdeveloped Third World and was an early proponent of world environmental policies, died of cancer yesterday at her home in southern England.

Miss Ward was the author of more than a dozen major works on economic development, written for the layman as well as the professional economist. She served on United Nations and Vatican commissions dealing with the sharing of world resources, and was a friend and adviser to statesmen on five continents.

Although she never held elective office, nor served in a government, she exerted profound influence on the debate surrounding the relation of rich to poor nations.

Honored for her writing, she also was an accomplished speaker, and an English radio personality. She was voted the second most popular public speaker in Great Britain in a 1944 national poll. She had written and had been foreign editor for the Economist, a highly respected British news weekly, and had lectured not only in Britain but at Harvard and Columbia universities.

Miss Ward's major works included "The International Share-Out," published in 1938, "Spaceship Earth," in 1966, and "The Widening Gap," published in 1971, and "The Home of Man," which appeared in 1976. A 1972 book she wrote with Rene Dubos, "Only One Earth," was used as the theme book for the United Nations Stockholm Conference on the Environment that same year.

Reviewing this book, one critic wrote that Miss Ward described "the dilemma of the poor nations—called to modernization and industrialization in order to raise their people from misery, yet hindered by the rich nations' traditional exercise of power and now by a new concern for pollution and ecological balance."

Another of her books, "Nationalism and Ideology," was hailed in the (London) Times Literary Supplement as a brilliant summary of man's progress from the tribe to the nation-state.

Her books and speeches to audiences brought home her hopes and her fears for the future, and a feeling that much of the future would be determined by the relationship between the rich and poor nations of the planet.

In "The Rich Nations and the Poor Nations" (of which Lyndon B. Johnson once said "I read it like I do the Bible") she wrote, "If we are to face the vast gap between the nations around the Atlantic area which have been through their modernizing revolutions and the searching nations all around the world who seek desperately to make the same transition, perhaps the first decision we have to make is to abandon the fallacy that, somewhere, somehow, everything is going to turn out all right."

In a 1964 speech in Washington she said that modern science and technology had unlocked "the gates of absolute scarcity" and made it a matter of choice whether to feed and clothe the world's poverty-stricken. "Never again can we say: 'We would have done it if we could, but the means were lacking'."

In another Washington speech that same year she asserted that the "possibility of making the desert bloom is just as stirring as going to the moon."

At the bottom of all her pleas was the theory that foreign aid, "direct transfers of wealth from rich nations to poor nations," is the solution to many world problems. She appealed to the Free World to invest money to help the underdeveloped nations "come through the sound barrier of modernization."

Among he students and admirers was President Johnson, who borrowed from Miss Ward her phrase, "the ancient enemies of mankind," as a call to use foreign aid to attack world poverty, disease, and ignorance.

Other American public figures she advised included John F. Kennedy during his presidency, World Bank President Robert S. McNamara, and Robert Kennedy, before and during his bid for the 1968 Democratic presidential nomination.

Miss Ward was appointed to the Pontifical Commission for Justice and Peace in 1967. The commision studies ways of helping poor countries. Miss Ward, a prominent Catholic lay person, recommended that the church donate some of its wealth to developing nations.

She was a past president of the International Institute for Environment and Development and was council chairman of the organization at the time of her death. She also had been a member of the Adlai Stevenson Institute of International Affairs.

Miss Ward was born in York, England. Her father was a solicitor of Quaker leanings and her mother was a devout Roman Catholic. Miss Ward was reared in her mother's faith.

At the age of 15 she went to Paris where she spent two years studying at the Lycee Moliere and the Sorbonne, then went to Germany where she attended college in Jugenheim. After spending three years at Somerville College, Oxford, she took a first in modern greats in 1935.

During the next three years she studied abroad in Europe during the summer and lectured at Cambridge University during the school year. She became a staff writer with the Economist in 1939, and served as the magazine's foreign editor from 1940 to 1950. She served on the staff of the BBC from 1943 to 1946, and on its board of governors from 1946 to 1950.

She first came to this country in 1942 and worked for the British Ministry of Information in Washington during World War II.

She was a visiting professor at Harvard University from 1958 to 1968, and was Albert Schweitzer Professor of International Economic Development at Columbia University from 1968 to 1973.

Five years ago, Miss Ward was made a life peer with the title of Baroness Jackson of Lodsworth. Last year she received Britain's Royal Society of the Arts Albert Medal, and India's Jawaharlal Nehru Memorial Award for International Understanding. She donated the money from both prizes to an Indian leper colony.

In 1950 she married Sir Robert Jackson, a United Nations official. He survives, as does a son.

[From the Washington Post, June 3, 1981]

AN ELOQUENT EVANGELIST FOR THE POOR

(By Robert S. McNamara)

With the death of Lady Jackson—Barbara Ward—the world has lost an eloquent

evangelist for the hundreds of millions of poor and underprivileged who live in the developing world.

I first met Barbara during the Kennedy administration at a Hickory Hill seminar at which she held me and my fellow Cabinet officers spellbound for hours. From then until the time she died, through the force of her moral convictions, the strength of her economic arguments and the depth of her political insights, she exerted a profound and continuing influence on my thinking.

In the mid-1960s, when there was much passionate intensity about our relations with the post-Colonial world, she was a voice of cool reason who pointed out the enormous problems of poverty that afflicted the Third World nations whether they were communist, Maoist, army-led autocracies or just struggling democracies. "There can be no stability," she used to say, "until we have begun to deal with that poverty, and it would cost us so very little of our affluence to begin the job."

What always struck me about Barbara was her ability as a presenter and expositor, both in public speeches, where she could arouse large audiences of hardened politicians, and in smaller gatherings, where she could hold one spellbound by her global vision and her personal insight.

She had lived in several countries of the Third World (for instance, Ghana and India), and this experience gave her a special knowledge of their problems. But what gave her judgments their exceptional quality was her compassion of the poor and for the powerful. She could feel pity, as most people can if they do not harden their hearts, for the poor peasant eking out a miserable existence on a handkerchief of bad soil, but she could also sympathize with those who bore the burdens of power—the unhappy African leaders trying to create a new nation and a new government with a hundred or so high school graduates, few natural resources and no traditions of independence in the modern world. It is so easy to condemn those in power for their failures; it is so much more constructive to try to help them to be more successful.

This was Barbara's special ability: she could see that the new rulers of the new states needed new ideas to bring their people forward, and she was not wedded to the conventional "modernization" programs. She was one of the first people to talk to me about the capacity of the small farmer to be far more productive if only he could be given from outside some of the knowledge and tools to get started.

She was always deeply concerned about the consequences of the population explosion, and when I consulted her in my early days at the World Bank she urged me, against a lot of contrary advice, to speak publicly about the issue. But Barbara was also a Catholic and a mother and she did not believe that a reduction in fertility rates could be achieved by propaganda and contraception alone. She believed that the will to have smaller families was a prerequisite, and that would only come with a decline in infant mortality. For this reason, she campaigned for what has come to be known as basic needs, and especially for that simplest, but most rare, gift of nature—a supply of pure, unpolluted water.

Barbara was always an evangelist, preaching the good news that the world could be made better if only men would collaborate for their mutual good—as they did so notably during the Marshall Plan era, which she regarded as the high point of post-war political wisdom. She taught millions through her broadcasts, newspaper articles, speeches and books, and, in her later years, she headed an institute that she intended to carry on her work for intelligent management of the resources of this earth.

I feel most privileged to have had the friendship of this remarkable woman, as well as her intellectual support and criticism, which I believe has been more influential on my thinking than that of any other person I have known.

NOMINATIONS ON THE EXECUTIVE CALENDAR

Mr. BAKER. Mr. President, I had hoped that today we would be able to complete a number of items on the Executive Calendar. We have disposed of a great number of them. It leaves three nominations in particular—Myer Rashish and Chester A. Crocker, in the Department of State, and Charles Z. Wick, in the International Communication Agency.

I have conferred with the minority leader, and I ask him, first, if he might be in a position to enter into an agreement as I have described it to him and as we have discussed it in connection with the consideration of the Wick nomination, on Monday.

Mr. ROBERT C. BYRD. Mr. President, I have explored the possibility of an agreement. I am ready to enter into an agreement as to Mr. Charles Z. Wick, and I am prepared to accede to that at this point.

I should like to ask a question of the distinguished majority leader, if I may. It involves the nomination of Chester A. Crocker, of the District of Columbia, to be an Assistant Secretary of State. His name has been on the Executive Calendar since May 4; and as I understand it, it was reported by a vote of 16 to 0 from the Foreign Relations Committee. Several Senators on my side of the aisle who are members of that committee are concerned as to why there is a continued delay in taking up the nomination in the Senate, inasmuch as it was reported from the committee a month ago.

So as I respond to the distinguished majority leader—and I am willing to enter into the agreement on Mr. Wick—I should like to inquire, respectfully, as to what the outlook is for early consideration of Mr. Crocker.

I keep hearing stories and reading stories. I believe that the minority on the committee are justified in asking questions as to whether this nomination is going to be held up or whether it will continue to be held hostage to a hold or holds on the nomination; because if that is the case, then the committee wastes its time in reporting a nomination on which there is a 16 to zero vote and on which hearings have been adequately conducted.

Mr. BAKER. I thank the minority leader. He raises a point I understand and about which he most obviously is in a position to be concerned.

The Rashish and Crocker nominations were reported on May 4; and in the course of time, objections have been raised on this side to proceeding to the consideration of those nominations.

I think I can advise the minority leader that it is time to move on those nominations, and it is my intention to move against the holds, much as I regret doing that, and to move on them soon. I have advised certain Members of that.

I have consulted with the President on that subject, and I expect that we will have some sort of action on it before long.

I still hope that negotiations which are underway even today, involving prominent members of the administration and the leadership in the Senate, may produce an agreement to dispose of those matters without great controversy.

The minority leader is correct. I have been urging him to clear the Wick nomination, and he has now agreed to do that, on the basis I am about to describe, but he certainly is entitled to ask when we are going to do the others.

My response to the question of the distinguished minority leader is "soon." I assure him that it is not going to become a permanent fixture on the Executive Calendar.

Mr. ROBERT C. BYRD. Mr. President, that is a very satisfactory response.

I know the problems the majority leader has. I realize that we do have to recognize and honor holds that are placed on nominations and on measures from time to time, some of those holds being placed on my side or the other side. However, there comes a time when I believe it is the responsibility of the leadership to move, and I recognize the necessity for that.

I thank the distinguished majority leader.

ELECTRONIC BLESSINGS

Mr. BAKER. Mr. President, I might say that one of the blessings of the electronic age is that notwithstanding there are not many Members in the Chamber at this time the little microphones we carry in our hands and on our lapels carry the proceedings of the Senate to each senatorial office.

While we were discussing this matter I was handed a note by a staff person saying that a hold on the Rashish and Crocker nominations is now released and we will be in a position to proceed with them on Monday.

I may say I wish to express my appreciation to all of those who insisted that we install these electronic devices.

I do not yet have a time agreement on Crocker and Rashish, but with this assurance I can tell the minority leader we will move on those nominations then on Monday.

Mr. ROBERT C. BYRD. I thank the majority leader.

TIME-LIMITATION AGREEMENT—WICK NOMINATION

Mr. BAKER. Mr. President, let me now propound a request on the Wick nomination and I hope before we go out we may be able to get a similar agreement on the Rashish and Crocker nominations.

By the way, may I express my appreciation to that Senator who had a very legitimate concern on this nomination and who had his hold place on this nomination for the very best of reasons. I admire his concern. I understand his concern. But I am doubly grateful to him for making it possible for me to an-

nounce today that we will proceed with those two nominations on Monday. I hope we might have the agreement we are about to describe on Wick also for Crocker and Rashish.

Mr. President, I ask unanimous consent, as in executive session, that on Monday, June 8, at no later than 12:30 p.m. the Senate go into executive session to consider the nomination of Charles Z. Wick, Meyer Rashish, and Chester A. Crocker, the nominees appearing on the Executive Calendar, and that in the case of the nomination of Charles Z. Wick, to be Director of the International Communication Agency, there be a time agreement as follows: 1 hour to be equally divided between the majority and minority leaders or their designees and that if a rollcall vote is ordered on any of the three nominations that I have just identified on Monday, June 8, that the rollcall vote on those nominations not occur until at or after 2 p.m. on Tuesday, June 9.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I thank the Chair.

Mr. President, I have a number of other unanimous-consent requests which I believe have been cleared on the minority side and let me proceed to put those requests now.

ORDER FOR THE RECORD TO REMAIN OPEN UNTIL 5 P.M. TODAY

Mr. BAKER. Mr. President, I ask unanimous consent that the RECORD be open until 5 p.m. today for the introduction of bills, resolutions, and statements.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CERTAIN ACTION DURING THE RECESS

Mr. BAKER. Mr. President, I ask unanimous consent that during the recess of the Senate over until June 8, 1981, messages from the President of the United States and the House of Representatives may be received by the Secretary of the Senate and appropriately referred, and that the Vice President, the President pro tempore, and the acting President pro tempore be permitted to sign duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER PERMITTING BUDGET COMMITTEE TO FILE BUDGET WAIVERS

Mr. BAKER. Mr. President, I ask unanimous consent that the Budget Committee have permission to file budget waivers until 5 p.m. on Friday, June 5.

The PRESIDING OFFICER. Without objection, it is so ordered.

SEQUENTIAL REFERRAL—S. 266

Mr. BAKER. Mr. President, I ask unanimous consent that S. 266, the Federal Interagency Medical Resources Sharing and Coordination Act of 1981, once reported by the Committee on Governmental Affairs, thereon be sequentially referred to the Committee on Veterans' Affairs for a period not to exceed 45 days.

The PRESIDING OFFICER. Without objection, it is so ordered.

SEQUENTIAL REFERRAL—S. 349

Mr. BAKER. Mr. President, I ask unanimous consent that the bill S. 349, when reported, if reported from the Committee on Veterans' Affairs, be thereafter referred sequentially to the Committee on the Judiciary for a period not to exceed 45 days.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business, not to extend longer than 15 minutes in which Senators may speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL MONDAY, JUNE 8, 1981

Mr. BAKER. Mr. President, in view of the fact that the Senate has concluded consideration of the supplemental appropriation conference report in surely what must be record time today and since we avoided the unpleasantness of the possibility that the Government could not operate beyond June 5, tomorrow night at midnight, had we not passed that measure, it seems that the Senate has performed extraordinarily well and there is no need now for the Senate to convene on Friday, tomorrow.

Mr. President, I ask unanimous consent that when the Senate stands in recess today it do so until the hour of 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I am advised now by the distinguished minority leader that there are four other nominations on the Executive Calendar that may be disposed of.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering the nominations appearing on page 3 of the Executive Calendar under Department of Defense and to include the four items listed under Department of Defense beginning with Tidal W. McCoy, of Virginia, and including and concluding with Harry N. Walters, of New York.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

DEPARTMENT OF DEFENSE

The legislative clerk read the nomination of Tidal W. McCoy, of Virginia, to be an Assistant Secretary of the Air Force.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of Joel E. Bonner, of Virginia, to be an Assistant Secreary of the Army.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of William R. Gianelli, of California, to be an Assistant Secretary of the Army.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of Harry N. Walters, of New York, to be an Assistant Secretary of the Army.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move en bloc to reconsider the vote by which the nominations were confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL MONDAY, JUNE 8, 1981

Mr. BAKER. Mr. President, I move, in accordance with the order previously entered, that the Senate stand in recess until 12 o'clock noon on Monday next.

There being no objection, the Senate, at 4:17 p.m., recessed until Monday, June 8, 1981, at 12 noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 4, 1981:

FEDERAL GRAIN INSPECTION SERVICE

Kenneth A. Gilles, of North Dakota, to be Administrator of the Federal Grain Inspection Service, vice Earl Leland Bartelt, resigned.

COMMODITY FUTURES TRADING COMMISSION

Philip F. Johnson, of Illinois, to be a Commissioner of the Commodity Futures Trading Commission for the term expiring April 13, 1984, vice Gary Leonard Seevers, resigned.

Philip F. Johnson, of Illinois, to be Chairman of the Commodity Futures Trading Commission, vice James M. Stone.

FEDERAL COMMUNICATIONS COMMISSION

Mary Ann Weyforth Dawson, of the District of Columbia, to be a Member of the Federal Communications Commission for a term of 7 years from July 1, 1981, vice Robert E. Lee, resigned.

FEDERAL ENERGY REGULATORY COMMISSION

Charles M. Butler III, of Maryland, to be a Member of the Federal Energy Regulatory Commission for the remainder of the term expiring October 20, 1983, vice Charles B. Curtis, resigned.

Georgiana H. Sheldon, of Virginia, to be a Member of the Federal Energy Regulatory Commission for a term expiring October 20, 1984 (reappointment).

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE AIR FORCE

Gen. Robert E. Huyser, U.S. Air Force (age 56), for appointment to the grade of general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

Lt. Gen. Hans H. Driessnack, 064–22–2830FR, U.S. Air Force, for appointment as senior U.S. Air Force Member of the Military Staff Committee of the United Nations, under the provisions of title 10, United States Code, section 711.

Lt. Gen. Freddie L. Poston, U.S. Air Force (age 55), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

Lt. Gen. Stanley M. Umstead, Jr., U.S. Air Force (age 52), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. William James Livsey, Jr., [redacted], U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Richard Luther West [redacted] age 56), Army of the United States (major general, U.S. Army).

The following-named officer to be assigned to a position of importance and responsibility designated by the President under the provisions of title 10, United States Code, section 3066(a) in grade as follows:

To be lieutenant general

Maj. Gen. Ernest Dishman Peixotto, [redacted] U.S. Army.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Charles Maurice Hall [redacted] (age 56), Army of the United States (major general, U.S. Army).

IN THE NAVY

Vice Adm. William N. Small, U.S. Navy, for appointment as Vice Chief of Naval Operations pursuant to title 10, United States Code, section 5085.

Vice Admiral Small, having been designated for command and other duties determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of admiral while so serving.

Adm. Donald C. Davis, U.S. Navy, (age 60) for appointment to the grade of admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

The following-named officer, having been designated for command and other duties of great importance and responsibility in the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment while so serving as follows:

To be vice admiral

Rear Adm. Robert L. Walters, U.S. Navy.

IN THE MARINE CORPS

The following-named officer under the provisions of title 10, United States Code, section 5232, to be assigned to a position of importance and responsibility designated by the President, in grade as follows:

To be lieutenant general

Maj. Gen. Harold A. Hatch [redacted], U.S. Marine Corps.

The following-named officer under the provisions of title 10, United States Code, section 5232, to be assigned to a position of importance and responsibility designated by the President, in grade as follows:

To be lieutenant general

Maj. Gen. John K. Davis [redacted], U.S. Marine Corps.

IN THE AIR FORCE

Air Force nominations beginning George W. Berger, to be major, and ending Joel I. Sherer, to be first lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 20, 1981.

IN THE NAVY

Navy nominations beginning Latimer T. Albert, to be captain, and ending Michael J. Thomas, to be lieutenant (j.g.), which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 11, 1981.

Navy nominations beginning Kenneth J. Anderson, to be ensign, and ending Curtis L. Hitt, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 11, 1981.

Navy nominations beginning Reinaldo G. Alvarez, to be captain, and ending Eva G. Stapleton, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 19, 1981.

DEPARTMENT OF DEFENSE

Tidal W. McCoy, of Virginia, to be an Assistant Secretary of the Air Force, vice Joseph Charles Zengerle, III, resigned.

Joel E. Bonner, Jr., of Virginia, to be an Assistant Secretary of the Army, vice Alan J. Gibbs.

William R. Gianelli, of California, to be an Assistant Secretary of the Army, vice Michael Blumenfeld, resigned.

Harry N. Walters, of New York, to be an Assistant Secretary of the Army, vice William Eldred Peacock, resigned.

HOUSE OF REPRESENTATIVES—*Thursday, June 4, 1981*

The House met at 10 a.m.

The Reverend Paul Radke, Westwego Assembly of God Church, Westwego, La., offered the following prayer:

O Lord our Lord how great are Your provisions and Your blessings upon Your creation. We are made to rejoice with King David as he exclaimed, "Bless the Lord, O my soul and all that is within me, bless His holy name. Bless the Lord, O my soul, and forget not all His benefits. Who forgiveth all thine iniquities, who healeth all thy diseases, who redeemeth thy life from destruction, who crowneth thee with loving kindness and tender mercies."

Bless this assembly today and may You give these who carry such great responsibility divine wisdom and knowledge to carry on the business and affairs of state. For righteousness exalteth a nation, but sin is a reproach to any people.

Guide and bless those who hold the peace and destiny of our Nation in their hands. This we pray in Christ's name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 2156. An act to amend title 38, United States Code, to extend by 12 months the period during which funds appropriated for grants by the Veterans' Administration for the establishment and support of new State medical schools may be expended.

THE REVEREND PAUL RADKE

(Mrs. BOGGS asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BOGGS. Mr. Speaker, I would like to pay tribute to Rev. Paul Radke who offered today's opening prayer. He is pastor of the Westwego Assembly of God Church in Westwego, La., and together with his wife and five children, has been an outstanding community leader. Mrs. Radke and their daughter Kathy, a political science teacher accompany him today.

Pastor Radke attended Lamar Tech in Beaumont, Tex., near his hometown. He furthered his education at Texas and Southern Assemblies of God Bible College.

He has traveled widely and preached in 35 countries. He is truly a voice of leadership around the world. Among his close friends was the late David Ben Gurion, Prime Minister of Israel. He has pioneered and pastored several churches, and has served as minister for his congregation in Westwego since 1963. For many years and in many ways, his congregation has grown under his guidance.

Pastor Radke's personal accomplishments are matched only by his service to our community. He employs radio and television in his outreaching ministry, touching everything from rest homes for the elderly to detention homes for wayward youths, to encouraging the construction of a civic center for all of the people of Jefferson Parrish.

I extend my deepest gratitude to Pastor Radke for his immeasurable contributions to our society. I also thank him for allowing us the opportunity to join in prayer with him here today.

ROSE-COLORED SNAKE OIL

(Mrs. COLLINS of Illinois asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. COLLINS of Illinois. Mr. Speaker, in recent weeks, we have been bombarded with statements by the administration that its economic policies will revitalize America.

But now we have evidence the administration is hedging its bets on how successful those economic policies will be.

Thus, it is now clear that the administration has been giving the American public just so much rose-colored snake oil about how inflation and interests rates will drop if its economic package is adopted. It is beginning to doubt, along with the rest of us, its impossible dream.

The evidence is buried quietly and unobstrusively in the size of the administration's proposed cuts in social security.

Under administration economic assumptions, social security trust fund balances should decline until 1984. Then in 1985 and 1986, they should increase.

If that is the case, why the huge proposed cut in social security benefits—a cut that by the year 2055 will realize an almost 25 percent reduction in benefits paid out?

Clearly the cuts are much larger than needed to keep social security solvent if all goes well under the administration economic policies.

That leaves only two other choices to explain the massive cuts. One is that President Reagan is breaking his promise to senior citizens and cutting benefits, earned and promised, in order to balance the budget. The second is that President Reagan and his staff do not believe their economic policies will really work and are gouging social security now as a cushion against shortfalls down the road.

SHROUD THE STATUE OF LIBERTY

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, Ernest Lefever's nomination to be Assistant Secretary of State for Human Rights should be rejected by the Senate. I do not believe the President's choices should be tampered with normally, but this is an exception.

It is unclear to me why Mr. Lefever would even want the post. He is an insistent, strident critic of the previous administration's human rights policies. Not so much, mind you, of what was accomplished, as of the way it was accomplished. Yet he has no policy of his own, save some rhetoric about quiet diplomacy.

It is also unclear to me why President Reagan would want Mr. Lefever and his quiet diplomacy in the post. Certainly the foreign policy of this administration is not quiet diplomacy. It was not quite diplomacy that sent the Libyan diplomats quickly and justifiably packing. It was not quiet diplomacy that told the Soviets and the Cubans to keep their hands off Central America. Why become quiet when human rights are involved?

I may not agree with every action Secretary of State Alexander Haig takes, but the last criticism I would make of him is that he sits on his hands. In essence, what Mr. Lefever proposes to do is become Assistant Secretary of State for Human Rights in order to sit on his hands. Perhaps during a rare burst of energy he will indulge us in hand-wringing, but nothing more. I think this is the most

charitable analysis I can make of the Lefever program.

If Mr. Lefever is confirmed by the Senate, I suggest that during his watch at the human rights office we shroud the torch on the Statue of Liberty.

BIPARTISAN COMPROMISE APPROACH ON TAX REDUCTION—ECONOMIC TRIGGERS FOR FUTURE YEARS

(Mr. LEVITAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVITAS. Mr. Speaker, many of us who support a long-term or multiyear tax reduction, and relieving the hard-pressed American taxpayers from the burdens that are imposed upon them, are also concerned about unbalanced budgets and growing deficits. People in my district and in the country know that we need a balanced budget and must reduce the amount of budget deficits. Therefore, as we approach the difficult questions of tax reductions, we also need to make certain that we do not increase the problems of inflation as a result of even greater deficits.

The budget which was adopted by Congress and submitted by President Reagan has certain specific economic assumptions in it which, if they are accurate, assure us that inflation will come down, deficits will be brought under control, and that interest rates will be reduced. It is my proposal, therefore, Mr. Speaker, that we take these Reagan-Stockman economic assumptions and write them as triggers into any outyear tax reductions to make certain that if these assumptions are met, those same assumptions which were put before us by the President himself, then the outyear tax reductions go into place. But, if not, in order to avoid inflation and high deficits and an unbalanced budget, those outyear tax reductions would be sunsetted until the economy is brought under control. To do otherwise would be irresponsible.

Therefore, Mr. Speaker, I think this is a bipartisan compromise approach: A multiyear tax reduction for 3 years with the outyears reductions being triggered on the achieving of the President's own economic assumptions.

A TRIBUTE TO COL. WILLIAM NUNN

(Mr. JOHNSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHNSTON. Mr. Speaker, I would like to call the attention of my colleagues to the record of one of our Nation's truly fine citizens, Col. William Nunn. Colonel Nunn is a retired officer of the U.S. Army whose outstanding record has won him commendations on 15 separate occasions. An even greater accomplishment is Colonel Nunn's most recent tenure as an instructor in U.S. Government, American history, Asian history and as head coach of both the track and soccer teams at Christchurch School in Christchurch, Va.

From 1960 until June 1981 Colonel Nunn has focused his tremendous energy and considerable talents on his students at Christchurch. With an understanding that education depends on relationships, the colonel has exhibited a rare ability to be demanding of his students, yet not defeating, and to be ambitious for what they could accomplish, leaving an indelibly positive mark on the memory of each young person he taught.

His devotion, loyalty, unfailing good humor, insistence on the best from each individual and determination to defend what is right are matched only by the respect, affection, and most sincere appreciation which is abundantly returned to him by the students, their families, and the faculty and board of Christchurch School.

COL. WILLIAM A. NUNN, SERIAL NO. 0231161

Combat Infantry Badge received in September, 1972;

Bronze Star Medal received in February, 1973 for action in 1942;

Bronze Star Medal received in March, 1973 for action in 1942;

Commendation Medal;

Certificate of Achievement upon leaving France;

Letter of Gratitude signed by President Harry S. Truman;

Certificate of Appreciation signed by Maxwell Taylor, Army Chief of Staff;

Asian-Pacific Theatre Ribbon;

Bronze Star (Battle Star);

Pearl Harbor Ribbon;

American Theatre Ribbon;

Victory Medal;

Occupation Medal of Japan;

Reserve Service Medal;

Expert Infantry Badge;

Governor of Yamagata Prefecture during occupation of Japan;

1960 to 1981, Christchurch School in Christchurch, Virginia—instructor; of United States Government, Asian History, American History;

Head Track Coach; and

Head Soccer Coach.

□ 1015

COMMUNICATION FROM THE DIRECTOR OF HOUSE INFORMATION SYSTEMS, COMMITTEE ON HOUSE ADMINISTRATION

The SPEAKER pro tempore (Mr. DANIELSON) laid before the House the following communication from the Director of House Information Systems, Committee on House Administration:

COMMITTEE ON HOUSE ADMINISTRATION,
HOUSE INFORMATION SYSTEMS,
Washington, D.C., May 11, 1981.

Re Federal Leasing Inc. vs. Underwriters at Lloyd's et al., C.A. No. H79-1088 (U.S. District Court for the District of Maryland).

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House,
House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: This is to notify you pursuant to House Rule 50, that I have been served with the attached subpoenas for the taking of a deposition and the production of documents relating to a House Information Systems' (HIS) purchase order for computer equipment used to support the operations of the House.

The attached subpoenas were served on me in one envelope. One is addressed to me by name, while the other is addressed to "Authorized Representative." Each subpoena makes the usual demands regarding the taking of a deposition and the production of documents.

In accordance with House Rule 50, I shall consult with the Committee on House Administration to determine whether the issuance of the subpoena is a proper exercise of the court's jurisdiction, is material and relevant, and is consistent with the privileges and rights of the House, and shall notify you of the determination forthwith in writing.

Sincerely,

BOYD ALEXANDER.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report to H.R. 3512 amd amendments in disagreement thereto, and that I may include extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CONFERENCE REPORT ON H.R. 3512, SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR 1981

Mr. WHITTEN. Mr. Speaker, pursuant to the order of the House on Tuesday, June 2, I call up the conference report on the bill, H.R. 3512, making supplemental and further continuing appropriations for the fiscal year ending September 30, 1981, rescinding certain budget authority, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER pro tempore. The Clerk will read the statement of the managers.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of Wednesday, June 3, 1981.)

Mr. WHITTEN (during the reading). Mr. Speaker, I ask unanimous consent that the statement be considered as read.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER pro tempore. The gentleman from Mississippi (Mr. WHITTEN) will be recognized for 30 minutes, and the gentleman from Massachusetts (Mr. CONTE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, as all of you know, I first voted for the substitute for the President's package for I learned as a youngster, do not buy a package without inspecting its content.

Since that time our Committee on Appropriations has inspected the various proposals which were directed to our committee by the President's Office of Management and Budget.

Where we felt we could cut back, we did so, but where we felt we could not, we have not done so.

Payment for social security does not come before our committee; however, we did point out in our bill that the social security system is vital to the American people and should be maintained as is.

I dare say that none of our 55-member committee is fully satisfied with every item in the bill; however, it does reflect a composite view.

While we cut the recommendation by the President for additional spending by $2.6 billion, and reduced his recommendation for rescissions of existing appropriations from a request of $15.1 to $14.3 billion, we added deferrals in the amount of $1.2 billion, which we believe can be saved.

While doing this, we provided for soil conservation, for the sale of surplus farm commodities in world trade at competitive prices, believing that the sale of our surplus food in foreign trade would not only recover a large share of our investment but would really contribute to bringing about peace.

We provided for the various food programs, of course, making them subject to such restrictions as the legislative committees might require in its authorization.

We held funds for education, including vocational education, for medicaid for the institutes of health, for hospitals and for the disabled.

We were able to retain $70 million to Appalachia, for the EDA and other programs of benefit to our own country.

I do regret that most of the savings here go to increased military spending where we already have a carryover of billions of dollars unobligated and unspent. We now have an investigation going in an effort to eliminate waste—the picture is anything but good.

We do have assurances that before these additional funds are spent, full justification by item will be required.

Mr. Speaker, as you know, this bill takes care of our needs until October 1. In the next few weeks we will have before you the various appropriation bills for 1982.

Mr. Speaker, I would like to say to my colleagues that this conference agreement is unique. It includes these principal features:

It provides $20.9 billion of the $23.5 billion of supplemental appropriations requested by the administration.

It provides for savings in the form of rescission totaling $14.3 billion compared with $15.1 billion recommended by the administration.

It extends the present continuing resolution from June 5 to September 30. Without an extension to the continuing resolution programs under four major appropriations bills—Labor-HHS-Education, Treasury-Postal Service, Legislative, and Foreign Assistance—would be without financing after midnight Friday, June 5.

This is a good conference agreement. It was developed and managed through conference by the subcommittees of the Committee on Appropriations—the people who know the programs involved and their requirements—and consolidated into a single bill for consideration by the House. It responds to the administration's request for restraint and at the same time continues to fund necessary people and physical resource programs.

I believe what the House conferees did with respect to this bill is truly remarkable. The time deadlines were severe, the changing budget numbers often confusing and the decisions very, very tough. The 13 subcommittee chairmen decided early on to work together, to agree to review the President's program fairly and equitably and where valid differences occurred, to respectfully disagree. Your Appropriations Committee has done the best job it can.

I must at this time take special note of my good friend and colleague, the gentleman from Massachusetts, and our ranking minority member, Mr. CONTE, as well as the 13 subcommittee chairmen, Messrs. BOLAND, NATCHER, SMITH, ADDABBO, LONG, YATES, ROYBAL, BEVILL, BENJAMIN, GINN, DIXON, and FAZIO, as well as their counterparts on the Republican side, Mrs. SMITH, Messrs. EDWARDS, COUGHLIN, MYERS, KEMP, GREEN, MCDADE, BURGENER, REGULA, O'BRIEN, and MILLER. Without the support, and the private time and counsel they have provided, our achievements would not have been possible. I truly appreciate their support and personal friendships. To this list I add all the members of the Committee on Appropriations and the members of the staff, headed by Keith Mainland, which I believe to be the best professionals, hard working, fast and accurate. Except for them, this Congress could not operate.

Mr. Speaker, this conference agreement tops all other conferences with the Senate in scope and complexity. We had our largest number of conferees, 50 in all. We had 432 amendments in disagreement concerning over 800 accounts spread throughout the jurisdiction of our 13 subcommittees. This year we had a very difficult time; first our committee reviewed the Carter budget recommendations, then we had the Reagan administration's budget. This bill not only includes 139 rescissions, 385 supplementals, and action on deferrals and various other proposals, but also involves a continuing resolution for four appropriation bills funding Government agencies for which the authority to operate will expire at midnight this Friday, June 5. Not only do we have to act favorably on this conference report, but the Senate also has to agree in order to send it to the President by Friday. Otherwise, under the Attorney General's opinion, the departments must be closed.

It has been my privilege for the second time in 2 years to present to this House an appropriation bill which covers all the various operations of Government. On both of these occasions when these various proposals came before the full committee, I asked each of the 13 subcommittees to review their part of the bill and manage it through committee markup, on the floor and finally through conference. This system has worked well, and I may say, is a feature we might wish to consider in the future for the regular bills. This gives us the opportunity to view all appropriations actions at a single time, make changes in priorities and stay within our totals.

BILL TOTALS

In total, the bill is $1.7 billion below the administration's request for fiscal year 1981. The bill before us today includes:

Supplemental appropriations totaling $20.9 billion. In total, the committee has approved 385 supplemental appropriations. This reflects 89 percent of the amounts requested by the administration. This restraint has allowed the committee to achieve savings of $1.7 billion below the President's request.

Rescissions of previously appropriated funds of $14.3 billion. In total the committee approved in whole or in part 105 of the 123 rescissions proposed by the administration. Furthermore, an additional 34 new rescissions

were found which combine to achieve savings equal to 94 percent of the amount proposed by the administration; 16 of the rescissions proposed by the administration were converted to deferrals totaling $545 million.

Deferrals of budget authority. The committee has sustained 60 deferrals proposed by the administration, totaling some $4.8 billion, and disapproved only 15 items totaling $367 million while simultaneously initiating 24 new deferrals not requested by the administration totaling some $1 billion in additional savings.

COMPARISON TO THE RESOLUTION

When the Congress adopted the third budget resolution for fiscal year 1981 it established binding ceilings under which all spending measures must conform. This conference agreement which we bring before you today is within those totals. It does not violate the ceilings, it is under the congressionally agreed upon budget by some $2.3 billion in budget authority and $300 million in outlays.

Mr. Speaker, I think I should for the RECORD call attention to the fact that we are operating under a rather odd situation, as we all know. The Budget Act which Congress passed, in 1974, provides for the fixing of budgetary targets at the beginning of a session, and later the rescissions or the reconciliation comes at the end of the session. At the present time the Committee on the Budget circumvented the Budget Act by waiving the intention and requirements of the Budget Act, by providing that the first budget resolution requires reconciliation at the beginning.

So we are under that resolution for the time being because of the actions of the Budget Committee which were approved by the Congress.

AGRICULTURAL WEALTH

Mr. Speaker, agriculture and the relatively few people involved, with huge investments and great risks, are the basis for our economy. It has been my primary job through the years to get money through the Congress to finance existing farm programs—money made necessary because of farm costs, which reflect increases under law for labor and industry. Today, those engaged in agriculture get far less for their labor, investment, and risk than other segments of our society. They certainly do not need increased interest rates to add to this burden. What they need is fair prices reflecting their increased costs. To me this is absolutely essential.

This conference report includes necessary language dealing with the Soil Conservation Service and the watershed and flood prevention program. I will include the text of the amendment for the RECORD at this point:

SOIL CONSERVATION SERVICE

WATERSHED AND FLOOD PREVENTION OPERATIONS

The Conferees direct that the Soil Conservation Service return immediately to the States all funds which have been withdrawn in the last 60 days for projects, where local taxes have been paid or plans for construction have been completed or bids announced. The Conferees expect to be notified that such action has been taken prior to the reporting of the Agriculture Appropriations Act for fiscal year 1982. Furthermore, the Conferees concur in the Senate report language which directs that the Office of Management and budget not act as an impediment to the timely authorization of watershed projects and to forward these projects to the Congress at the earliest possible time."

In addition the conferees agreed to language in section 305 of the bill which reaffirms the authority and responsibility for the Commodity Credit Corporation to protect the Government's investment to make food available to the people of the world and to prevent commodities from being held and counted to reduce the American farmers' production. This amendment does not remove or amend the restrictions contained in agricultural acts relating to the sale of surplus commodities, but rather only prohibits the use of funds to prevent or interfere with the normal sale of surplus agricultural commodities in world trade at competitive prices.

I will include the text of the amendment for the RECORD at this point.

SEC. 305. None of the funds in this Act shall be used to prevent or interfere with the right and obligation of the Commodity Credit Corporation to sell surplus agricultural commodities in World trade at competitive prices as authorized by law.

CONGRESS—THE PEOPLE'S BRANCH

In recent weeks the press, and the television media, have had their eyes on the Presidency. However, there is another separate and independent branch—the House of Representatives and the Senate—that constitute the people's branch of the Government. It is the Congress which passes laws, provides for programs and funds for them. The President can only propose; it is Congress which disposes.

The responsibility of appropriating funds from the Treasury is a sacred one, guaranteed by the Constitution itself to be the exclusive domain of the people's branch of Government. The House of Representatives vests that power to provide funding for Federal programs in the Appropriations Committee. Unlike the authorizing committees, which think up new Federal programs and are not constrained in their efforts to recommend authorization levels for Government activities, the appropriations process is characterized by constraint. We must work with the budget proposals of the President and the constraints of the economy. Oftentimes we do not always agree with all the priorities of the President and may change them.

I am proud of the fact that the Appropriations Committee has been under the President's budget request 37 out of the past 38 years. Our committee is effective because we deal with the details of the entire Government and work through our structure of the 13 subcommittees. During the 96th Congress, your Appropriations Committee held 720 days of hearings, took testimony from 10,215 witnesses, published 225 volumes of hearings which comprised 202,767 printed pages.

We must bring inflation under control and we must reduce the interest rates that are now running between 18 and 20 percent. We must balance the budget, but it must be balanced at a high level, keeping incomes up with expenditures. To do this we must provide incentives to expand production—and the greatest incentive would be to strike down the many unnecessary regulations, which could be termed strangulations. We must stabilize the value of our currency, for we cannot pay the cheap dollar we borrowed with a hard-to-get dollar.

It is important for the Congress to stress productive spending—really, investments. Our country is big, from Maine to California, from Washington to Florida, and now from Alaska to Hawaii, each with similar yet different problems and interests with Members of Congress who reflect these different interests and feelings—435 of them. These diversities create competing needs for dollars. Often Members of Congress get letters from a few people who do not have everything they would like—and who does? What many people overlook is what they do have—more in a material way than the people of any other nation. We do have financial problems and here we must balance it off—stabilize the purchasing power of the dollar.

TWO WAYS TO SERVE

There are two ways to serve as a Representative in Congress. One is to sit back and merely record your views. While this approach may be popular with people who judge you by your vote alone, it accomplishes little in obtaining results.

The other way to serve is to do all you can to bring about what you believe in, to accomplish something. They call us Congressmen but really the name is Representative in Congress; this means that a Representative is something like a lawyer working for you. It means getting the best settlement possible. It does mean that sometimes it may be a little more, other times you are forced to accept a little less. In other words, we must act and justify our actions to both sides.

With the support of my colleagues, I hold a most enviable position in Con-

gress to be of service, that of chairman of the Appropriations Committee of the U.S. House of Representatives. As chairman of the full committee, I am an ex-officio member of each of the 13 subcommittees. With the help of my colleagues, we can see that adequate funds are provided for defense and energy, for the conservation of our water resources, highways, watershed protection and flood control. Funds for disaster relief, for the food programs, for energy research, for education, for housing, for sewer and water systems, for river and harbor development and other public works projects for forestry, for hospitals and health programs, for welfare, for medicaid and medicare are all provided to serve our people.

I have the privilege of serving on all conferences on appropriation bills, where we save billions of dollars annually, but in order to get the settlement we have to compromise—we have to "sign the papers" and defend the settlement. Other Members, without this responsibility or opportunity, can just vote "no" and build up a record, but one rather slim in accomplishments.

A RICH LAND AND PEOPLE

Mr. Speaker, it is fitting today that we consider this conference report for we have a rich land and people and a free and productive Nation. Yes, we have many problems. We have dedicated our energies to solving them. But let us not forget how far we have come, nor how much more progress we can make together.

During the Depression, which we must not let happen again, we had the Reconstruction Finance Corporation, a Government corporation which enabled companies, corporations—including hundreds of failed banks—drainage districts and other political entities to refinance their obligations. In fact, I handled the refinancing of bonds for several drainage districts. This Corporation did much to snap us out of 10 years of depression. Such an approach would be good today for it would enable us to have folks better trained in dealing with business and financial obligations, such as notes and collateral.

The greatest difference between the problems of our forefathers and those we face today is that these are our problems. Problems too often we ourselves have created must be faced squarely and overcome. The roots of many of our so-called problems are really a blessing in disguise. Each one of us is living better and longer. We are living 22 years longer than our parents did at the turn of the century. This improvement in health means we have a responsibility to care for our aged, that we must often provide services to our fellow man longer. Although our population is growing and we are living longer, we are a rich nation.

If each of you will look out the window, no matter what your age, and remember what you first saw and compare it with what you see today—roads, highways, and streets, factories, our buildings, our schools, our farms, our trees, our forests, everything you will see is so far above what you first remember and in some cases thousands of times better.

We see fertile lands that are no longer subject to erosion and which feed and clothe us so we do not have to farm for ourselves. All around us we see evidence of God's bounty and the fruits of our labors. No country has ever had it so good in a material way, and I don't want to lose it. Let us keep in mind that we do have a nation rich in real wealth—physical resources, human talent, character, and ingenuity. With the support of our people, we have restored the fertility of our land, replanted our trees, and developed our highways, factories, rivers and harbors.

Mr. Speaker, the point I am making is let us look to see where the problem really is, and let us do not overdraw on the real wealth of the country, its soil, its water, its trees, and other basic resources. That is where you are going to have trouble. One thing we in Congress have done during the past 28 years is override the President who wanted to quit helping to preserve the "temple"—the soil and the physical resources—for future generations.

I am as proud as I can be for having helped provide area coverage for rural electricity. The REA electric and telephone coverage programs have not cost us a whole lot. But we have coverage all over the country now. Our progress in rural areas to achieve better housing, hard-surfaced roads, water and sewer facilities, and rural telephones has never been surpassed.

As we intensify our fight against such problems as inflation and energy, we must be certain not to give up that which we have gained. Let us remember not only what we have achieved but how we got there.

DEFENSE SPENDING

This bill provides the first phase of increased appropriations for the Department of Defense under the President's plan. It is, in a very real sense, a down payment on the fiscal year 1982 bill.

Over the past few weeks we have heard a lot of debate on the need for increased military preparedness, for a stronger, and more flexible defense. As chairman of the Appropriations Committee I want to assure all my colleagues that your committee will review defense requirements and provide appropriations when required. The committee, however, must question the effectiveness of adding huge sums of money to any area of the budget, including defense, in a relatively short period of time without detailed justification. The committee has the responsibility to undertake to determine whether or not a dollar in value is received for a dollar expended. The committee will continue to raise valid questions of whether or not the Pentagon and the Nation's industrial capacity can effectively absorb such enormous increases.

Unfortunately many of the reductions made by this bill in domestic programs will not achieve the desired goal of reducing inflation, since this same bill includes increases in spending of over $11.6 billion for the Pentagon. This is at a time when we have unobligated balances of $142.8 billion and unexpended balances of $187.5 billion as of March 31, 1981.

During the next 2 years defense spending is scheduled to increase by $80 billion. It is my hope that the Congress will demand justification of these increases and that no funds will be drawn from the Treasury until the Appropriations Subcommittee has been satisfied that these funds will be used for the purpose intended. Any time spending is increased for any program by tens of billions of dollars in such a short period of time, the opportunity for waste and abuse exists. It is this committee's responsibility to insure that we get military strength from taxpayers' dollars.

Thank you, Mr. Speaker.

Mr. CONTE. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I take the well of the House to speak to my colleagues in support of the conference report on H.R. 3512, the supplemental and rescission bill for fiscal 1981.

This conference agreement is our first step into the real world of appropriations and revenue legislation where the President's program of economic recovery will succeed or fail.

Your conferees have brought you an agreement that deserves your strong support.

The conference agreement contains appropriations of $20.9 billion, and rescissions of $14.3 billion, for a net total of $6.6 billion in new budget authority.

In addition to the appropriations and rescissions, we initiated deferrals totaling $1.2 billion, and disapproved deferrals of $367 million. There were 432 Senate amendments in conference, and these amendments included over 800 individual items that were negotiated with the Senate.

We completed the formal conference in about 10 hours, which is a remarkable accomplishment, and a tribute to the leadership of my chairman, and of all the subcommittee chairmen and ranking minority members who were conferees.

The conference agreement is $1.7 billion under the President's budget estimates for new budget authority, and is $161 million under the House

bill, and $46 million under the Senate bill.

The conference agreement is also within the ceilings in the budget resolution for fiscal 1981 by $2.3 billion in budget authority, and $300 million in outlays.

And of course the conference agreement extends the continuing resolution from June 5 to September 30, continuing appropriations for four appropriation bills: foreign operations, legislative, Treasury—Postal Service, and Labor, Health, Human Services and Education.

I will review some of the more important individual items in a moment, but I want to emphasize again that this is a historic piece of legislation. It is filled with rescissions and other reductions that go far beyond recent experience, and is hopefully our first step, with the President, down the road of budget control and economic recovery.

I also call the attention of my colleagues to an administrative provision in the Interior chapter of the House bill that provided that: "None of the funds deferred under this chapter may be proposed for rescission or subsequent deferral."

The Senate struck the provision, and the conferees accepted the Senate action.

In my opinion, this provision raised serious constitutional questions. The President has wide authority under section 3 of article II of the Constitution to communicate to the Congress. That section provides that—

He shall from time to time give to the Congress Information of the State of the Union, and recommend to their Consideration such Measures as he shall judge necessary and expedient. * * *

The Annotated Constitution of the United States comments on this clause that—

Today there is no subject on which the President may not appropriately communicate to the Congress, in as precise terms as he chooses, his conception of its duty.

While I assume that the House language was intended to prevent abuses under the Impoundment Control Act, the language was not limited to that act, and is in direct conflict with the President's Authority under the Constitution to communicate to the Congress.

With over 400 amendments, and over 800 individual items, we could not please everyone. Some will not like the defense spending, some will not like the foreign assistance, some will not like the cuts and rescissions in health and education, and of course we had our usual share of limitations on quotas, abortion, and the like.

But as a whole, and as the first major component of the President's program of economic recovery, this is an outstanding conference agreement, and deserves your support.

I will now review for the benefit of the House some of the specific recommendations of your conferees.

Total net new budget authority provided in the conference report for the Departments of Commerce, Justice, and State and for the judiciary and related agencies for program and pay items is a minus $109 million, which is $49 million over the House bill, $7 million below the Senate bill, and $69 million over budget estimates. For program items alone, the total is a minus $280 million, which is $46 million over the House bill, $3 million below the Senate bill, and $89 million over budget estimates.

For the Economic Development Administration, the conferees agreed to the list of projects included in the House report as long as those projects meet all legal requirements. Planning grants for all applicants would run only through December 31, 1981, pending further congressional action regarding the future of EDA. Regional development programs were not funded in either bill, and were not subject to conference action.

For the Small Business Administration, the conferees agreed that $8.5 million shall be used for small business development centers, and that $73 million in business loan funds shall be deferred.

The conferees also agreed to defer $7 million in coastal energy impact funds and to transfer the remaining $33 million in CEIP funds to the coastal zone management program for a 2-year phaseout of the latter program.

For other items, the conferees agreed to a rescission of $6 million for public telecommunications facilities, compared to a House rescission of $13 million and a Senate rescission of $4 million, and agreed to defer $37 million of the $92 million proposed for deferral for ship construction subsidies.

In the Defense chapter, the conference arrived at an agreement almost $1.2 billion below the Senate figure and $900 million over the House version.

Even so, the chapter is $715 million below the request.

The major change from the House is in the personnel, operations and maintenance, and shipbuilding accounts where we provided about $600 million in additional funding in anticipation of higher than projected inflation.

Other upward adjustments were made for mileage allowances, utilities costs, aviation officer bonuses, training, antitank weapons, helicopters, and truck procurement.

We took out all funds for any item associated with the MX missile system, even though a basing decision is expected next month.

Funds are in the bill to begin work on the battleship *New Jersey* although we instruct the Navy to hold to the projected cost of $329 million for this program or refrain from using the $89 million in this bill to begin the project.

The binary weapons issue was not in conference, but we have agreed to language instructing DOD to provide a full blown cost analysis of the modernization program and remarks by our allies on the entire program, as well as an overview of requirements.

We have provided funding to meet the needs of the pay raise granted last October and will address future pay raises in the fiscal year 1982 bill.

The conference agreement on the energy and water development chapter represents a compromise which I believe every Member in this Chamber can support.

This chapter provided for supplemental appropriations in the amount of $156 million, the same amount as in the House and Senate bills. There are some $253.9 million in rescissions of fiscal year 1981 funds, which is $45.8 million more than the House-passed version, and $222.3 million less than the Senate's position. The conferees compromised on a figure of $214.4 million for deferrals. This represents a figure $38.1 million below the House bill and $144.5 million above the Senate's level.

As regards renewable energy funding, the conference agreement provides for $63 million in rescissions for the solar, geothermal, and hydropower account. This compares to the Senate's position of $126 million in rescissions. In addition, there is agreed upon an amount of $59.7 million in deferrals for the programs funded under this account. The hydropower feasibility studies loan program has rescinded $14 million and a deferral of $5.9 million in its $24.7 million fiscal year 1981 funding.

In the area of synthetic fuels, a coal gasification demonstration project funded through the Tennessee Valley Authority has funds in the amount of $85.5 million rescinded and $42 million deferred until fiscal year 1982. The Senate bill had provided for a rescission of $177.5 million and a deferral of $15.8 million of the $287.6 million appropriated for this fiscal year.

Total net new budget authority provided in the conference report for foreign assistance programs and pay items is $476 million, which is $49 million below the House bill, $93 million over the Senate bill, and $78 million below budget estimates. For program items alone, the total is $465 million, which is $49 million below the House bill, $93 million over the Senate bill, and $78 million below budget estimates.

The conferees agreed to $500 million for the sixth replenishment of the International Development Association (IDA VI), compared to $535 million in the House bill and $408 in the Senate

bill. These funds will only be made available when authorized.

For the Export-Import Bank, a split was agreed upon wherein direct loans would be limited to $5,461,000,000, which is $63 million below the House bill and $63 million over the Senate bill. Both bills contained $8,059,000,000 for guaranteed loans.

For other items, the conferees agreed to provide $14 million in Egyptian pounds for the American University in Cairo, as proposed by the Senate, and $500,000 for initial U.S. participation in the African Development Foundation, as proposed by the House. Report language is included to prohibit further aid to Syria.

Mr. Speaker, I support the conference action to provide $500 million for the first U.S. contribution to IDA VI. The time has come for us to stop beating around the bush on the question of U.S. support for international assistance activities, particularly the International Development Association (IDA). For more than 20 years, I have spoken out in favor of this program—and I have heard all the arguments against our participation in IDA VI.

WHY IDA IS IMPORTANT TO OUR NATIONAL CREDIBILITY

This IDA replenishment totaling $12 billion has been carefully worked out in consultation with 33 donor nations over an 18-month period. President Reagan has given his word that the United States will support its pledge of $3.2 billion. The U.S. percentage share of IDA VI—27 percent—is the lowest of any IDA agreement in history. If we fail to appropriate our share of IDA and renege on this agreement, our credibility will be damaged and our ability to get cooperation from our allies on matters like defense spending will be seriously jeopardized. Let me tell my colleagues that the rest of the world is watching this. The President will be going to the Ottawa Summit in July and to Mexico in October to talk with the major developed and less developed nations about economic cooperation. Are we going to support the President by giving him the funding necessary to keep IDA alive or are we going to let him venture forth to these major summit meetings empty-handed and embarrassed?

IDA AND OUR FOREIGN POLICY

We cannot, in my view, have a coherent, balanced, and effective foreign policy without a foreign assistance program. And we cannot achieve all of our foreign policy objectives in the Third World on a bilateral basis alone. That is why we participate in the World Bank and its affiliates like IDA.

IDA serves important U.S. strategic and political interests. It plays an important role in stimulating market-oriented private sector growth in the LDC's. It specifically helps countries of major importance to the United States such as Egypt, Bangladesh, Pakistan, Sudan, and Kenya—countries that are either close allies or key buffers to Soviet backed expansionism.

We cannot achieve long-term political and economic stability in the developing world without these programs.

URGENCY OF APPROVING IDA

Failure to approve the U.S. contribution to IDA would mean a cutoff of $10 billion in loans to increase food production and improve health, sanitation, and education in countries at the bottom of the income ladder. The largest source of external funding for food production in Africa and South Asia would be terminated.

IDA is not welfare; it helps nations help themselves and develop Western-oriented economics. All IDA projects must meet the same strict economic and financial standards required for other World Bank lending.

At this moment, IDA funds from past replenishments are exhausted. No further commitments can be made by IDA until the United States subscribes to the replenishment.

BENEFITS FROM IDA

U.S. contributions to IDA support President Reagan's call for budget austerity. Why? Because every dollar we contribute to IDA is matched three or more times by other donors on a cost-sharing basis. Our first year contribution was reduced 50 percent from the Carter amount of $1.080 billion to $540 million, a level our allies expect us to support. The Senate's figure of $408 million would have created a serious credibility problem with our allies.

Every dollar we pay to IDA and other MDB's generates about $3 in trade for U.S. companies. For example, companies in New York received $7.8 million in procurement of goods and services through IDA financed projects last year. In my State, 15 companies got more than $100,000 in procurement from World Bank/IDA projects in 1979.

Let me conclude by saying the President supports this program. I urge my colleagues to do likewise. One final word: President Reagan has said the United States will support the existing IDA VI agreement. But he has also said that the United States will conduct a serious, thorough review of U.S. participation in the MDB's before making any future commitments. I support that review, but in the meantime, we should honor our existing commitment to this international body.

For chapter VI, Department of Housing and Urban Development and Independent Agencies, the conference agreement provides $1.8 billion in supplementals and $7.5 billion in rescissions. This is $265 million more in supplementals than was contained in the House-passed bill due mainly to an additional $250 million VA readjustment benefits supplemental that was not transmitted to the Congress until the House had already passed H.R. 3512. The conference agreement contains $34 million more in rescissions than the administration requested.

Regarding specific programs, the conference agreement provides:

For the continuation of the National Consumer Cooperative Bank but rescinds all funds for the Solar Energy and Energy Conservation Bank;

Defers $300 million in public housing modernization funds which were proposed for rescission by the administration and the Senate;

Restores $19 million for work study and areawide planning activities of the HUD "701" program;

Adopts a more equitable formula for the distribution of the $1.7 billion rescission of EPA construction grants moneys than was provided in the Senate bill;

Restores funding to the VA medical care account;

Allows NASA to reprogram $52 million into Shuttle activities and restores $8 million to NASA's research and development budget including $3 million for SEPS (solar electric propulsion system); $2 million for technology utilization and $3 million for the International Solar Polar Mission with instructions that NASA and the National Academy of Sciences are to study U.S. options with respect to ISPM and report back to the Congress by September regarding this matter; and

Restores $20 million to the National Science Foundation's research and related activities account, which is $8 million more than the House had provided, and leaves the distribution of these moneys to the discretion of the agency. The conference agreement also restores $6 million, which the House had recommended, to NSF's science education program.

For chapter VII, Interior and related agencies, the conference agreement provides program supplementals totaling $1.6 billion, pay supplementals of $147 million, rescissions of $2.2 billion, and deferrals of $361 million. The conference agreement brings the Interior chapter of this bill in nearly $1 billion below the administration estimates.

Conference agreements that may be of particular interest include:

Restoration of the $108 million proposed for rescission by the House in the payments-in-lieu-of taxes program (PILT);

Restoration of $16 million to the urban parks program;

A rescission of only $90 million in land and water conservation funds moneys compared to the $150 million rescission included in the Senate bill. Of the $90 million rescission, $55 million would be for the State share;

Restoration of $1.5 million out of the $8 million proposed for rescission by the administration and the Senate

in the historic preservation fund. This $1.5 million is to be allocated to those States which had not received their survey and planning funds;

Restoration of $12,357,000 for the Institute of Museum Services as the House had recommended;

A compromise of a $34 million rescission in the Youth Conservation Corps rather than the $30 million proposed by the House and $38 million proposed by the Senate. Of the remaining $26 million, $4 million is to be allocated to the Department of the Interior and $4 million to the Department of Agriculture with the remaining $18 million to be apportioned among the States;

With regard to the alternate fuels program and the Strategic Petroleum Reserve, the conferees agreed to rescind the $875 million remaining in the Solar and Energy Conservation Reserve rather than transferring that money to the Strategic Petroleum Reserve as part of the $1.3 billion supplemental for SPRO. The $1.3 billion supplemental for SPRO will be provided with new budget authority; however, the conference agreement does not provide the $883 million advance appropriation for SPRO which the House had recommended.

The conference agreement also rescinds the $30 million loan guarantee reserve for biomass energy projects provided by the House as well as the $23 million loan guarantee reserve for urban waste energy projects; and

Under energy conservation, the conference agreement provides for a rescission of $153 million and deferrals of $68 million. This action restores $81 million proposed for rescission by the Senate including $2 million for the urban consortium, $3 million for gas turbine engine development, $3.1 million for the Stirling engine, $68.7 million for the schools and hospitals program, and $4.6 million for biomass energy studies. This action also defers rather than rescinds as proposed by the Senate $64 million including $6.7 million for building systems, $5.15 million for residential/commercial retrofit, $2.2 million for RCS, $3.2 million for community systems, $7.6 million for technology and consumer products, $2.3 million for appliance standards, $28.4 million for industrial energy conservation, $4.4 million for gas turbine energy development, $1.7 million for Stirling engine, and $2.3 million for vehicle systems.

In the Labor, Health and Human Services and Education chapter of the bill the conferees agreed on rescissions totaling $1 billion, $856.4 million compared with President's original request for rescissions totaling nearly $2.9 billion. Comparing the conference agreement with the House and Senate positions shows that the conference total for rescissions is $283 million higher than the House and $320 million below the Senate recommended level. In total it represents 64 percent of the administration's requested rescissions.

The conferees also agreed on $547.4 million in supplemental appropriations as compared with the President's original request for $918.5 million in supplemental funds.

When we began the conference there were 126 items in disagreement just in this chapter of the bill. Without the skilled leadership of BILL NATCHER we might never have resolved all of the differences we faced—but we did and the gentleman from Kentucky should be proud of his efforts.

There were a lot of tough compromises in this bill and they were not taken lightly by the conferees. Funding for the National Institutes of Health, for instance, was carefully decided Institute by Institute for a total rescission totaling $43 million. Alcohol and drug treatment formula grants funding was split between the House and Senate positions as were other vital health programs including public health and health administration and health planning.

In education the conferees agreed on a 12-percent reduction in elementary and secondary education—restoring $520 million to the cuts proposed by the President and settling on a position between the House and Senate figures.

In libraries and learning resources there was a reduction of $12 million—or 7 percent of the fiscal 1981 appropriation.

Education for the handicapped which was funded at $1 billion, $86 million for fiscal 1981 faces a rescission of $76.8 million—or 7 percent.

Similarly, vocational education includes a rescission of 12.5 percent or $98.4 million.

Certainly one of the toughest items to resolve in this entire chapter was the supplemental request for Pell grants under student financial aid. The President had requested a supplemental of $661 million to continue funding the Pell grant program through the fiscal year with a maximum grant of $1,750 and an average grant of $1,434. The House had gone along with this supplemental, yet the Senate position had been to provide a supplemental of only $391 million while making up the difference by reducing each award by $100.

In conference we settled, after considerable debate and compromise back and forth, on a supplemental of $445 million with each award being decreased by $80.

There is an item in the education portion of this chapter, Senate amendment No. 274, concerning the higher education facilities loan and insurance fund. The Senate receded to the House on this amendment thus restoring the House language that disapproves deferral D-81-82.

The conference report includes the following statement on this item:

> The Senate recedes to the House position on deferral D-81-82. The conferees instruct the Secretary of Education to release the funds to Boston College and Georgetown University in accordance with the report language in House Report No. 97-29.

This specific language was included as a result of a statement by Secretary Bell in a letter to Chairman WHITTEN and all the conferees on H.R. 3512 which stated in part:

> However, I want to make clear that, if the House recommendation to make new loan obligations is adopted by the conferees, the conference report must specify the names of the two institutions which should receive the loans if it is the intent of Congress to fund those institutions in particular.

Thus the names of the two institutions are specifically named in the conference report as requested by the Secretary of Education. Further it should be perfectly clear from the legislative history of this matter that of the $25 million in loans, $15 million is to go to Boston College and $10 million is to go to Georgetown University.

Total net new budget authority provided in the conference report for the legislative branch for program and pay items is $34 million, which is $34 million below the House bill, $1 million over the Senate bill, and $87 million below budget estimates. For program items alone, the total is a minus $15 million, which is $48 million below the House bill, $1 million over the Senate bill, and $76 million below budget estimates.

The conferees agreed to add Senate housekeeping items, including a rescission of $46 million in unobligated Senate funds appropriated in fiscal years 1977, 1978, and 1979. The conferees also accepted a Senate amendment limiting all Senate items other than pay to 90 percent of fiscal year 1980 levels.

In the military construction chapter, we came out of conference almost as we went in. The report before you is only $5.8 million over the House version and $5 million below the Senate.

The changes to the House provide additional planning funds for rapid deployment facilities and two projects added by the Senate.

In summary, including pay raises, the conferees are recommending a Defense supplemental of $11.6 billion, about $740 million less than was requested, and a military construction supplemental of $227.3 million, about $107 million under the request.

Both chapters represent an effort to meet the needs of defense and the conference agreement does just that.

The transportation chapter represents a fair and equitable compromise on the part of both Houses of Congress. The agreement regarding the supplemental appropriations funding is in the amount of $612 million. This

figure is merely $6.9 million less than the House-passed version of the bill and $57 million more than the Senate bill. As regards rescissions, the amount agreed upon of $33.2 million is $36 million less than the House bill and $28 less than the Senate bill. Deferrals of fiscal year 1981 funding until next fiscal year are in the amount of $60 million as compared to $166.5 million in the House version and $55 million in the Senate version.

The Coast Guard, which has been hard pressed to meet the latest commitments prescribed by the Congress, is the recipient of $128.6 million in supplemental appropriations, principally for operating expenses.

The Conrail work force reduction program has a supplemental appropriation of $10 million in addition to a $5 million transfer, for a total of $15 million. This provision should offer the necessary assistance in order to reduce the costly labor force currently available to Conrail.

The quasi-governmental entity, Amtrak, has transferred to it for its use some $15.3 million. Hopefully, this additional money will assist our national passenger railroad in its attempt to become a viable means of transportation.

The urban discretionary grants program administered by the Urban Mass Transit Administration will have deferred $220 million of its $2.190 billion fiscal year 1981 funds. It has been the impression of many witnesses that these deferrals are very important to the success of the President's economic recovery program.

Mr. BOLAND. Mr. Speaker, chapter VI of the conference report on the supplemental appropriations and rescission bill deals with some very difficult issues. I am happy to report that we were able to reach an agreement with the Senate on all these issues.

The conference agreement for the HUD-Independent Agencies Subcommittee totals $2,069,081,000 in supplemental appropriations and $7,475,189,747 in rescissions.

The supplemental appropriations total $133,019,000 more than requested, $265,331,000 above the House-passed bill and $2,175,000 above the Senate-passed bill. The increase above the House passed bill largely reflects the $250,000,000 added by the Senate for Veterans' Administration readjustment benefits. That request was submitted after the House considered the bill.

The rescissions total $33,989,716 more than requested, $16,021,000 above the House-passed bill and $137,603,575 below the Senate-passed bill.

Now let me touch on the major items that we worked out in conference.

COMPREHENSIVE PLANNING GRANTS

Under the Department of Housing and Urban Development, the comprehensive planning grants program—popularly known as section 701—was a major issue before us. The administration proposed rescinding the full balance available for the program and in effect terminating it. The House supported that rescission with the exception of preserving $2,000,000 for the work study program that is targeted at helping young minority and disadvantaged planners. The Senate, however, restored the $34,975,709 proposed for rescission. We reached a compromise providing $19,000,000 and directing that HUD make available these funds for metropolitan and nonmetropolitan areawide organizations.

Within that $19,000,000, $2,000,000 continues to be reserved for the work study program.

Mr. Speaker, I took the position that if ever there was a program that could be ended at this time—this was the program. We did, however, yield to the Senate on a compromise figure. But I want to make clear, and the conference report makes clear that we will not approve any additional funding for the section 701 comprehensive planning program in 1982. The funds provided here give the areawide planning organizations an opportunity to transition to other funding sources—including, for example, funding available to localities through the community development block grant program.

HOUSING COUNSELING ASSISTANCE

Mr. Speaker, the administration also proposed rescinding $6,000,000 of the $10,000,000 appropriated in 1981 for housing counseling assistance. The conference committee split the difference in this rescission and has provided $3,000,000 or a total of $7,000,000 in 1981 for this activity. I want to make clear that it is our intention that those funds should be used for comprehensive counseling, including prepurchase and renter counseling.

EPA CONSTRUCTION GRANTS

The next big issue that faced the conferees is one that was not easy to resolve to everyone's satisfaction.

But we did the best job that we could and I believe that we have brought back a reasonable compromise for the waste water treatment construction grants program of the Environmental Protection Agency.

Let me provide you with just a little background. The administration requested a rescission of $1,700,000,000 in construction grants funds.

Both the House and the Senate versions of the bill rescinded the $1,700,000,000. The House agreed with the administration's proposal—but the Senate revised the distribution of the rescission. The principal difference in that revision is that the Senate retained the $114,351,000 of funds available from the Public Works Employment Appropriation act of 1977. These funds are popularly known as Talmadge-Nunn. The House felt strongly that of all the funds proposed for rescission—the Talmadge-Nunn funds should have been rescinded. Why? Because the purpose of the 1977 public works appropriation bill was to stimulate the economy and to provide additional jobs. But here is the shocking fact. As of December 31, 1980, the total Talmadge-Nunn obligations were $249,000,000 of the $480,000,000 made available in 1977. That represents only slightly over half of the entire appropriation—and it is clear that these funds did nothing to stimulate jobs as part of that economic package.

So it was our feeling that of the entire $1,700,000,000 proposed for rescission, the Talmadge-Nunn moneys had the weakest argument for not being rescinded.

Not unexpectedly, the Senate took exactly the opposite position. The Senate was interested in protecting those States that have large unobligated balances of Talmadge-Nunn funds. For example, West Virginia has not obligated $1 of the $34.2 million that have been made available under Talmadge-Nunn. In fact, as of last December the same was true of Louisiana, Colorado, Montana, and a number of other States which has used none or very little of their Talmadge-Nunn funds. So what the Senate did was restore the rescission of $114,351,000 for Talmadge-Nunn and take away that amount of funding—on a proportional basis—from a number of other States.

Under that arrangement the biggest loser was New York, which would have lost an additional $47,000,000 on top of the nearly $175,000,000 it was giving up under the House proposal.

Other States—particularly in the Midwest and in New England—would have lost considerable amounts of money compared to the House rescission. Massachusetts, for example, would have lost an additional $13,000,000 under the Senate proposal; New Jersey would have lost nearly $16,000,000 more.

So the problem was to try and work out some kind of compromise—and it was a very difficult issue to find any ground for compromise. But I think we were successful. What we ended up doing was agreeing to rescind $64,000,000 of the Talmadge-Nunn funds—and using those moneys to help restore some of the major cuts in the States that would have been most impacted by the Senate version of the bill.

Under the compromise, for example, New York loses $21,000,000 less than it would have under the Senate version of the bill. It is true, and I do not want to misrepresent anything here, that it does lose about $26,000,000 more than

it would under the House version. The essence of compromise is that not everyone gets what he is looking for—and that is exactly what has happened here. But we felt we had to reach some compromise and I think on the whole we have come up with something here that is as equitable as possible to all States.

At this point in the RECORD I will include a table that displays the effect of the EPA construction grants rescission based on the original House language—the Senate language and the conference language which we are asking you to approve today:

EFFECT OF EPA CONSTRUCTION GRANTS RESCISSION

	House	Senate	Conference
Total	−$1,700,000,000	−$1,700,000,000	−$1,700,000,000
Alabama	−21,486,328	−20,357,730	−21,068,948
Alaska	−12,081,644	−8,382,191	−8,649,018
Arizona	−10,894,883	−8,383,601	−9,028,430
Arkansas	−12,671,141	−15,834,932	−14,463,956
California	−112,875,738	−90,125,025	−94,515,998
Colorado	−26,313,565	−19,363,240	−25,953,226
Connecticut	−14,250,806	−10,975,243	−11,586,681
Delaware	−7,817,921	−7,239,777	−7,515,893
District of Columbia	−7,817,921	−8,382,191	−8,066,619
Florida	−64,185,081	−78,183,494	−73,340,165
Georgia	−32,485,567	−28,683,639	−29,755,977
Hawaii	−15,339,000	−16,709,702	−16,811,343
Idaho	−8,975,871	−7,632,960	−8,587,475
Illinois	−74,648,332	−63,326,736	−66,195,247
Indiana	−46,304,342	−56,642,008	−52,909,013
Iowa	−21,669,780	−27,300,631	−24,760,730
Kansas	−18,692,416	−13,607,402	−18,058,959
Kentucky	−24,455,481	−23,189,429	−23,996,699
Louisiana	−21,121,047	−26,609,329	−24,133,738
Maine	−12,539,000	−10,405,027	−10,818,939
Maryland	−53,718,086	−58,545,025	−57,266,472
Massachusetts	−49,422,792	−62,265,005	−56,472,254
Michigan	−48,474,162	−36,254,074	−38,535,157
Minnesota	−26,110,068	−20,580,445	−21,612,641
Mississippi	−25,231,446	−12,430,669	−20,279,016
Missouri	−46,069,326	−52,601,256	−51,765,244
Montana	−10,141,376	−8,382,191	−8,469,818
Nebraska	−9,210,286	−7,727,333	−8,031,966
Nevada	−8,230,381	−7,752,058	−8,111,373
New Hampshire	−9,395,940	−6,789,578	−7,276,099
New Jersey	−59,749,974	−75,275,671	−68,272,482
New Mexico	−7,817,921	−8,382,191	−8,066,619
New York	−177,683,879	−223,854,182	−203,028,138
North Carolina	−33,702,613	−41,748,813	−38,429,329
North Dakota	−12,101,666	−8,382,191	−8,745,018
Ohio	−108,165,633	−136,271,865	−123,593,965
Oklahoma	−15,528,818	−19,557,197	−17,743,005
Oregon	−14,680,777	−10,842,528	−11,559,008
Pennsylvania	−72,968,151	−75,203,704	−77,612,365
Rhode Island	−5,184,721	−3,630,907	−3,920,952
South Carolina	−21,723,435	−24,798,917	−24,531,098
South Dakota	−12,051,002	−8,382,191	−8,636,218
Tennessee	−25,907,657	−32,639,563	−29,602,989
Texas	−72,998,224	−74,318,714	−76,728,508
Utah	−14,222,718	−6,338,725	−7,805,240
Vermont	−7,817,921	−8,382,191	−8,066,619
Virginia	−20,887,620	−16,264,033	−17,346,539
Washington	−18,990,207	−13,735,834	−14,734,134
West Virgina	−64,223,170	−29,735,887	−50,433,369
Wisconsin	−32,747,731	−28,084,764	−29,281,762
Wyoming	−11,723,612	−8,382,191	−8,649,018
American Samoa	−1,266,969	−1,298,424	−1,413,933
Guam	−2,477,615	−1,568,144	−2,250,364
Puerto Rico	−25,486,666	−24,731,528	−25,798,277
Trust Territory	−6,615,935	−2,933,958	−5,126,369
Virgin Islands	−414,693	−302,856	−323,732
Northern Mariana Islands	−230,945	−290,910	−263,856

NATIONAL CONSUMER COOPERATIVE BANK

Now, Mr. Speaker, I want to turn to another issue of importance that was a difficult problem for the conferees. And—again I am happy to report that we did reach an agreement. I am referring to the National Consumer Cooperative Bank. The bank was established through legislation in 1978 to provide credit and technical assistance to cooperatives. While cooperatives have a proven record of minimizing the impact of inflation and recession, consumer cooperatives and certain producer cooperatives have been denied access to credit by lending institutions.

To date the Congress has appropriated $175,000,000 for loans by the bank. The administration proposed rescinding $90,000,000 of the bank and self-help funds—thus effectively terminating the bank.

The House bill rescinded only $17,000,000 in self-help development funds while not agreeing to rescind any of the $60,000,000 proposed for rescission for the hard loan window of the bank.

The Senate bill rescinded the full $90,000,000 as requested. The conferees have agreed with the House position. This action will allow the bank to go private—in other words the bank will be able to continue on its own without additional Federal funding.

In fact, I believe that it is possible, and we hope it is possible, that administrative expenses of the bank can be met from its own funds after fiscal year 1981.

There were a number of Senators who felt strongly that all bank funds should be rescinded but the House prevailed on this position.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

The National Aeronautics and Space Administration agreement concerns both a rescission and a reprograming. The conferees agreed to rescind $4,500,000 as proposed by the House instead of $37,900,000 as proposed by the Senate. The conferees also agreed that NASA could reprogram $52,000,000 of the $60,000,000 proposed to the Space Shuttle program. I should point out that the conference report, House Report No. 97-124, contains a printing error regarding the use of the remaining $8,000,000. The other $8,000,000 is to remain available as follows:

International solar polar mission	$3,000,000
Solar electric propulsion system	3,000,000
Technology utilization	2,000,000

VETERANS' ADMINISTRATION

Finally, Mr. Speaker, I want to address one other major issue that the conferees struggled with in this bill under the HUD-independent agencies chapter. That issue is the question of allocating sufficient personnel—both permanent full time and part time—to Veterans' Administration hospitals throughout the country. Section 5010(a)(4) of title 38 of the United States Code requires that the Director of the Office of Management and Budget permit the VA to employ for the appropriation accounts medical care, medical and prosthetic research and medical administration and miscellaneous operating expenses not less than the number of employees for the employment for which appropriations have been made. During the past 2 years that law has not been fully implemented by either the Carter or Reagan administrations. When it was partially implemented—and the appropriate level of full-time equivalent employees was made available to the various hospitals—too often other ceilings were imposed that limited the discretion of hospital directors to hire the people needed to get the job done.

For example, the 1981 ceiling on full-time permanent employees is so low that hospital directors are forced to limit the number of full-time permanent employees hired. This restriction does not contribute to the efficient allocation of resources. Arbitrarily requiring that other than full-time permanent employees—temporaries—be hired does not save money and does not promote good management. The decision to hire a full-time permanent of part-time or temporary employee should be made by each hospital director to fit local circumstances.

What we were aiming for in the action taken in the House version of this supplemental appropriation bill was to try and convince the Office of Management and Budget that the full-time employee equivalent (FTEE) ceiling that is set in the appropriation bill each year should be the governing control.

OMB was reluctant to do that and in some ways I can understand its reluctance. But the gentleman from Mississippi (Mr. MONTGOMERY) and I had a conversation on Tuesday with the Director of the Office of Management and Budget and he has agreed to lift the full-time permanent ceiling for the balance of 1981 and through fiscal year 1982. We feel that this approach will be very beneficial to the VA health care system.

At the same time—I want to put the Veterans' Administration and each of the hospital directors on notice that we will be monitoring how they make use of this increased flexibility, I think we can count on them—as good managers—to properly administer a single ceiling on full-time equivalent in an equitable fashion.

Mr. Speaker, the conferees reached agreement on this item. I think it is a good compromise—and I want to express my thanks to Dave Stockman for

the consideration he has shown to give this approach a chance to work.

● Mr. SMITH of Iowa. Mr. Speaker, the portion of the conference agreement on H.R. 3512, the supplemental and rescission bill for fiscal year 1981, for the Departments of Commerce, Justice, and State, the judiciary, and related agencies provides a net decrease in budget authority of −$108,877,000. This figure is comprised of $70,006,000 in program supplementals, $171,064,000 in pay supplementals, and −$350,947,000 in rescissions.

The conference agreement for these departments and agencies would provide for a net decrease in budget authority which is $68,753,000 less than the administration's request, $49,314,000 less than the House bill and $6,868,000 more than the Senate bill. The large increase over the House bill is due primarily to the fact that the conference agreement provides for a transfer of $33,000,000 from the Coastal Energy Impact Fund to the coastal zone management program instead of rescinding that amount as proposed by the House.

Mr. Speaker, the conference agreement with respect to EDA would rescind $187,850,000 of the $342,350,000 proposed for rescission. A total of $154,500,000 would remain available, of which $14,500,000 is for substate planning grants and $140,000,000 is for projects for which EDA made a moral commitment to fund. The list of these projects is printed in House Report 97-29, and under the conference agreement EDA must give first priority to the projects on that list.

I should also add, Mr. Speaker, that the conference agreement disapproves $73,400,000 of a $113,400,000 deferral, proposed for the Small Business Development Administration's business loan and investment fund. This action will provide for a business loan guarantee program of $4.5 billion, which was the level originally approved for fiscal year 1981. This action will also provide for a direct business loan program totaling $367,500,000 for fiscal year 1981 instead of $304 million as proposed by the administration.●

□ 1030

Mr. WHITTEN. Mr. Speaker, I have no further requests for time on this side.

Mr. CONTE. Mr. Speaker, I have no futher requests for time.

The SPEAKER pro tempore. All time having expired, without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to.

AMENDMENTS IN DISAGREEMENT

The SPEAKER pro tempore. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 13: Page 5, lines 23 and 24, strike out "may be withheld from obligation until October 1, 1981" and insert "are rescinded".

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Senate amendments in disagreement be designated by number, considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 13 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 15: Page 6, strike out lines 17 to 23, inclusive, and insert:

CHILD NUTRITION PROGRAMS

For an additional amount for "Child nutrition programs", $109,875,000.

FOOD STAMP PROGRAM

For an additional amount for the "Food stamp program", $1,742,600,000: *Provided*, That this appropriation shall be available only upon enactment into law of authorizing legislation: *Provided further*, That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: *Provided further*, That of the amounts provided herein, $538,000,000 shall be withheld from obligation until the Secretary of Agriculture certifies to the Congress that the Department of Agriculture has utilized all regulatory and administrative methods available under law to curtail fraud, waste, error, and abuse in the program: *Provided further*, That the funds provided herein shall remain available until September 30, 1981.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 15 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following:

CHILD NUTRITION PROGRAMS

For an additional amount for "Child nutrition programs", $109,875,000: *Provided*, That this appropriation shall be available only to the extent an official supplemental request is transmitted to the Congress.

FOOD STAMP PROGRAM

For an additional amount for the "Food stamp program", $1,740,724,000: *Provided*, That this appropriation shall be available only upon enactment into law of authorizing legislation, but pending the enactment into law of such legislation, funds received from the sale of surplus agricultural commodities shall be available to the extent and in the manner provided in this paragraph: *Provided further*, That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: *Provided further*, That of the amounts provided herein, $536,124,000 shall be available upon certification by the Secretary of Agriculture that the Department of Agriculture is using all regulatory and administrative methods available under law to curtail fraud, waste, error, and abuse in the program: *Provided further*, That this appropriation shall be available only to the extent an official amended supplemental request is transmitted to the Congress: *Provided further*, That the funds provided herein shall remain available until September 30, 1981.

Mr. WHITTEN (during the reading). I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The motion was agreed to.

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that Senate amendments numbered 25, 33, 37, 40, 100, 101, 103, 115, 131, 157, 159, 164, 190, 191, 192, 193, 194, 195, 198, 222, 223, 226, 228, 237, 245, 246, 253, 255, 259, 261, 262, 264, 266, 273, 277, 278, 280, 282, 290, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 311, 312, 313, 314, 339, 343, 357, 361, 366, 367, 368, 369, 370, 371, 372, and 374, be considered as read, printed in the RECORD, and that they be considered en bloc.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk designated Senate amendments 25, 33, 37, 40, 100, 101, 103, 115, 131, 157, 159, 164, 190, 191, 192, 193, 194, 195, 198, 222, 223, 226, 228, 237, 245, 246, 253, 255, 259, 261, 262, 264, 266, 273, 277, 278, 280, 282, 290, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 311, 312, 313, 314, 339, 343, 357, 361, 366, 367, 368, 369, 370, 371, 372, and 374, as follows:

Senate amendment No. 25: Page 10, after line 7, insert:

SHIP CONSTRUCTION

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves $55,000,000 of the proposed deferral D81-80 relating to the Department of Commerce, Maritime Administration, "Ship construction" as set forth in the message of March 10, 1981, which was transmitted to the Congress by the President. The disapproval shall be effective upon the enactment into law of this Act and the amount of the proposed deferral disapproved herein shall be made available for obligation.

Senate amendment No. 33: Page 12, after line 23, insert:

FEDERAL PRISON SYSTEM

SALARIES AND EXPENSES

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves the proposed deferral D81-86 relating to the Department of Justice, Federal Prison System, "Salaries and expenses" as set forth in the message of March 10, 1981, which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law of this Act and the amount of the proposed deferral disapproved herein shall be made available for obligation.

Senate amendment No. 37: Page 15, after line 21, insert:

BANKRUPTCY COURTS, SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $2,000,000, to be derived by transfer from "Space and facilities".

Senate amendment No. 40: Page 17, after line 7, insert:

DEPARTMENT OF THE TREASURY

BUREAU OF GOVERNMENT FINANCIAL OPERATIONS

FISHERMEN'S PROTECTIVE FUND

For payment to the Fishermen's Protective Fund, in accordance with section 5 of the Public Law 92-569 approved October 26, 1972, $8,300,000, to remain available until expended.

Senate amendment No. 100: Page 34, after line 25, insert:

Not to exceed $2,288,000 of the unobligated balances of the Water Resources Council, as of the date of enactment of this Act, shall be reprogramed for grants to the States provided under the authority of title III of the Water Resources Planning Act (42 U.S.C. 1962 et seq.).

Senate amendment No. 101: Page 35, after line 4, insert:

CONTRIBUTION TO THE INTERNATIONAL FINANCE CORPORATION

(RESCISSION)

Of the funds made available for this account by Public Law 96-536, $33,447,900 are rescinded.

Senate amendment No. 103: Page 37, after line 4, insert: American Schools and Hospitals Abroad (Foreign Currency Program): For necessary expenses as authorized by section 612 of the Foreign Assistance Act of 1961, $14,300,000 in foreign currencies which the President determines to be excess to the normal requirements of the United States, which shall be available only for the American University in Cairo, Egypt, to remain available until expended.

Senate amendment No. 115: Page 43, line 15, after "available" insert ": *Provided*, That $501,500 of funds appropriated for Community Development Grants in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, shall be available from the Secretary's Discretionary Fund to fully fund the balance of the grant commitments made for the nine Neighborhood Self-Help Development projects approved after September 30, 1980, and before March 17, 1981".

Senate amendment No. 131: Page 50, after line 3, insert:

MEDICAL CARE

(RESCISSION)

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriations Acts, 1981 and prior years, $25,789,000 are rescinded.

Senate amendment No. 157: Page 56, line 5, after "Service" insert ": *Provided*, That section 14(i) of the National Forest Management Act of 1976 (Public Law 94-588) may be waived at the discretion of the Secretary if he determines that such action will facilitate the salvage of timber damaged by the eruption of Mount Saint Helens".

Senate amendment No. 159: Page 56, line 11, after "rescinded" insert "; and of the funds provided under this head in Public Law 96-126, $875,000,000 for the Solar and Conservation Reserve are rescinded".

Senate amendment No. 164: Page 56, line 22, after "96-514)," insert "$89,400,000 are rescinded and".

Senate amendment No. 190: Page 61, after line 2, insert:

LABOR-MANAGEMENT SERVICES ADMINISTRATION

SALARIES AND EXPENSES

(RESCISSION)

Of the funds provided for "Salaries and expenses" for fiscal year 1981 in Public Law 96-536, as amended, $570,000 are rescinded.

Senate amendment No. 191: Page 61, after line 3, insert:

SALARIES AND EXPENSES

(RESCISSION)

Of the funds provided for "Salaries and expenses" for fiscal year 1981 in Public Law 96-536, as amended, $406,000 are rescinded.

Senate amendment No. 192: Page 61, after line 7, insert:

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

(RESCISSION)

Of the funds provided for "Salaries and expenses" for fiscal year 1981 in Public Law 96-536, as amended $920,000 are rescinded.

Senate amendment No. 193: Page 61, after line 7, insert:

MINE SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

(RESCISSION)

Of the funds provided for "Salaries and expenses" for fiscal year 1981 in Public Law 96-536, as amended, $660,000 are rescinded.

Senate amendment No. 194: Page 61, after line 7, insert:

BUREAU OF LABOR STATISTICS

SALARIES AND EXPENSES

(RESCISSION)

Of the funds provided for "Salaries and expenses" for fiscal year 1981 in Public Law 96-536, as amended, $160,000 are rescinded.

Senate amendment No. 195: Page 61, after line 7, insert:

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

(RESCISSION)

Of the funds provided for "Salaries and expenses" for fiscal year 1981 in Public Law 96-536, as amended, $300,000 are rescinded.

Senate amendment No. 198: Page 61, after line 17, insert: For an additional amount for "Preventive health services", $2,000,000, to remain available until expended: *Provided*, That these funds are to be derived from unobligated balances provided under Public Law 94-266 for National influenza immunization.

Senate amendment No. 222: Page 66, after line 10, insert:

LIMITATION ON ADMINISTRATIVE EXPENSES

The amount available to process workloads not anticipated in the budget estimates and to meet mandatory increases in costs of agencies or organizations with which agreements have been made to participate in the administration of titles XVI and XVIII and section 221 of the Social Security Act, and after maximum absorption of such costs within the remainder of the existing limitation has been achieved, is increased to $80,000,000.

Senate amendment No. 223: Page 66, after line 10, insert:

LOW INCOME ENERGY ASSISTANCE

(RESCISSION)

Of the funds provided for "Low income energy assistance" for fiscal year 1981 in Public Law 96-536, as amended, $500,000 are rescinded.

Senate amendment No. 226: Page 66, after line 15, insert:

CUBAN AND HAITIAN ENTRANTS DOMESTIC ASSISTANCE

For an additional amount for "Cuban and Haitian entrants domestic assistance", $6,000,000, to remain available until September 30, 1982, for education expenses pursuant to section 501(a) of the Refugee Education Assistance Act of 1980: *Provided*, That no funds shall be provided to any school district with fewer than 10,000 eligible students.

Senate amendment No. 228: Page 67, after line 5, insert:

DEPARTMENTAL MANAGEMENT

POLICY RESEARCH

(RESCISSION)

Of the funds provided for "Policy research" for fiscal year 1981 in Public Law 96-536, as amended, $2,500,000 are rescinded.

Senate amendment No. 237: Page 67, line 25, after "States" insert ": *Provided further*, That notwithstanding the provision of sections 404(a)(9) and 523(c), none of the funds appropriated for title IV, part C of the Elementary and Secondary Education Act may be expended for the purposes of title V, part B of such Act: *Provided further*, That any reductions required in title IV, part C and title V, part B, of the Elementary and Secondary Education Act shall be proportionate among the States".

Senate amendment No. 245: Page 69, line 16, after "rescinded" insert ": *Provided*, That notwithstanding other provisions of law, the appropriation for section 112 of the Rehabilitation Act of 1973 shall be $2,800,000".

Senate amendment No. 246: Page 69, line 16, after "rescinded" insert ": *Provided further*, That $650,000 provided under this head in Public Law 96-536, as amended, for carrying out section 130 of the Rehabilitation Act of 1973 shall be made available to the Navajo Tribal Council".

Senate amendment No. 253: Page 70, line 8, after "Act" insert ": *Provided further*, That not to exceed $7,477,000 shall be for carrying out part B, subpart 2 of the Vocational Education Act: *Provided further*, That notwithstanding the provisions of subpart 1, section 103, $2,243,100 shall be made available for the National Occupational Information Coordinating Committee".

Senate amendment No. 255: Page 70, line 8, after "Act" insert ": *Provided further*, That the $3,138,000 remaining for title VIII of the Elementary and Secondary Education Act shall be used for the purpose of carrying out sections 809, 810, and 812 of the Act".

Senate amendment No. 259: Page 70, line 20, after "expenses" insert ": *Provided further,* That with funds appropriated herein and in the 1981 Continuing Resolution, Public Law 96-536, as amended, eligibility for a Pell grant in academic year 1981-82 shall be based on a maximum grant of $1,750, notwithstanding section 411(a)(2)(A)(i)(I) of the Higher Education Act".

Senate amendment No. 261: Page 70, line 20, after "expenses" insert ": *Provided further,* That the cost of attendance used for calculating eligibility for and amount of Pell grants shall be established by the Secretary of Education".

Senate amendment No. 262: Page 70, line 20, after "expenses" insert ": *Provided further,* That notwithstanding any other provisions of law, of the sums appropriated pursuant to section 461(b)(1) of the Higher Education Act of 1965 for purposes of the fiscal year ending September 30, 1981, the Secretary shall apportion to each State an amount that bears the same ratio to the total amount of such sums as the amount received by the State under section 462(a)(1) of the Act in fiscal year 1980 bears to the sum of such amounts for all the States".

Senate amendment No. 264: Page 70, after line 23, insert:

"No amounts provided herein or under Public Law 96-86 or Public Law 96-536 shall be reserved for, or paid to, educational institutions to meet administrative expenses."

Senate amendment No. 266: Page 71, line 5, after "rescinded" insert "of the Higher Education Act are rescinded, and of the amount made available under this head in Public Law 96-536, as amended, for fiscal year 1981, $12,800,000 of the amount provided for title I, part B".

Senate amendment No. 273: Page 71, line 5, after "rescinded" insert": *Provided further,* That $2,200,000 of the amount made available in Public Law 96-536 for title I, part B of the Higher Education Act is available only for section 115(d)".

Senate amendment No. 277: Page 71, line 18, before "part B," insert "part A,".

Senate amendment No. 278: Page 71, line 19, after "Act," insert "title III, section 303(c)(2) of the Comprehensive Employment and Training Act of 1973, as amended, and ".

Senate amendment No. 280: Page 71, line 23, after "1950," insert "and section 422(a) of the General Education Provisions Act,".

Senate amendment No. 282: Page 72, after line 2, insert:

"EDUCATIONAL STATISTICS

"(RESCISSION)

"Of the funds provided in Public Law 96-536, as amended, to carry out section 406 of the General Education Provisions Act, $1,000,000 are rescinded."

Senate amendment No. 290: Page 73, after line 23, insert:

"NATIONAL LABOR RELATIONS BOARD

"SALARIES AND EXPENSES

"(RESCISSION)

"Of the funds provided for "Salaries and expenses" for fiscal year 1981 in Public Law 96-536, as amended, $1,060,000 are rescinded."

Senate Amendment No. 294: Page 75, after line 2, insert:

"SENATE"

Senate amendment No. 295: Page 75, after line 2, insert:

"(RESCISSION)

"Of the funds appropriated under the heading "SENATE" in Acts providing for the Legislative Branch for the fiscal years ending September 30, 1977, September 30, 1978, and September 30, 1979, and which (except for the provisions of this section) would remain available until expended, the remaining balances, but not less than $46,400,000, are rescinded."

Senate amendment No. 296: Page 75, after line 2, insert:

"SALARIES, OFFICERS AND EMPLOYEES

"OFFICES OF THE SECRETARIES FOR THE MAJORITY AND MINORITY

"For an additional amount for "Offices of the Secretary for the Majority and the Secretary for the Minority", $100,000."

Senate amendment No. 297: Page 75, after line 2, insert:

CONTINGENT EXPENSES OF THE SENATE

"STATIONERY (REVOLVING FUND)

"For an additional amount for 'Stationery (revolving fund)', $2,000."

Senate Amendment No. 298: Page 75, after line 2, insert:

"ADMINISTRATIVE PROVISIONS"

Senate Amendment No. 299: Page 75, after line 2, insert:

"SEC. 101. In order to provide additional capital for the revolving fund established by the last paragraph under the heading 'Contingent expenses of the Senate' appearing under the heading 'SENATE' in chapter XI of the Third Supplemental Appropriation Act, 1957 (2 U.S.C. 46a-1), the Secretary of the Senate is authorized and directed to transfer $100,000 to such revolving fund from 'miscellaneous items' in the contingent fund of the Senate."

Senate Amendment No. 300: Page 75, after line 2, insert:

"SEC. 102. Effective with respect to fiscal years beginning on or after October 1, 1980, the first sentence of section 101 of the Legislative Branch Appropriations Act, 1976 (2 U.S.C. 61a-9a), is amended by striking out '$7,500' and inserting in lieu thereof '$10,000'."

Senate Amendment No. 301: Page 75, after line 2, insert:

"SEC. 103. Section 111 of the Supplemental Appropriations and Rescission Act, 1980 (Public Law 96-304) is amended by striking out 'and to remain available through September 30, 1981' and inserting in lieu thereof 'and to remain available until December 31, 1981'."

Senate amendment No. 302: Page 75, after line 2, insert:

"SEC. 104. Section 112(a) of the Supplemental Appropriations and Rescission Act, 1980 (Public Law 96-304) is amended—

"(1) by inserting '(and the unexpended balance on any subsequent date during the fiscal year ending September 30, 1981)' immediately after 'February 28, 1981', and

"(2) by striking out 'for any fiscal year shall' and inserting in lieu thereof 'or in funds otherwise made available for the same purposes as funds so appropriated for such fiscal year shall during such fiscal year'."

Senate amendment No. 303: Page 75, after line 2, insert:

SEC. 105. The second proviso contained in the Legislative Branch Appropriation Act, 1966 (2 U.S.C. 126b), under the heading "SENATE", "SALARIES, OFFICERS AND EMPLOYEES", "OFFICE OF THE SECRETARY", is amended to read as follows: "The Secretary of the Senate is hereafter authorized to employ, by contract or otherwise, substitute reporters of debates and expert transcribers at daily rates of compensation, or temporary reporters of debates and expert transcribers at annual rates of compensation; no temporary reporters of debates or expert transcribers may be employed under authority of this provision for more than ninety days in any fiscal year; and payments made under authority of this proviso shall be made from the contingent fund of the Senate upon vouchers approved by the Secretary of the Senate."

Senate amendment No. 304: Page 75, after line 2, insert:

"SEC. 106 (a) Effective January 1, 1981, the allowance for administrative and clerical assistance of each Senator from the State of Florida is increased to that allowed Senators from States having a population of nine million but less than ten million, the population of said State having exceeded nine million inhabitants.

"(b) Effective January 1, 1981, the allowance for administrative and clerical assistance of each Senator from the State of Washington is increased to that allowed Senators from States having a population of four million but less than five million, the population of said State having exceeded four million inhabitants.

"(c) Effective January 1, 1981, the allowance for administrative and clerical assistance of each Senator from the States of Oklahoma and South Carolina is increased to that allowed Senators from States having a population of three million but less than four million, the population of said States having exceeded three million inhabitants.

Senate amendment No. 305: Page 75, after line 2, insert:

"SEC. 107. Hereafter, the Secretary of the Senate as Disbursing Officer of the Senate ia authorized to make transfers between appropriations of funds available for disbursement by him for fiscal year 1981, subject to the customary reprogramming procedures of the Committee on Appropriations of the Senate."

Senate amendment No. 306: Page 75, after line 2, insert:

"SEC. 108. Effective with the fiscal year ending September 30, 1981, section 117 of the Second Supplemental Appropriations Act, 1976 (2 U.S.C. 61f-1a), is amended by striking out '$92,000' and inserting in lieu thereof '$167,000'."

Senate amendment No. 307: Page 75, after line 2, insert:

"SEC. 109. Notwithstanding any other provision of this Act (or any provision of law enacted prior to the date of enactment of this Act), the aggregate of the funds (other than funds appropriated under title II of this Act for increased pay costs) appropriated for the fiscal year ending September 30, 1981, for projects or activities for which disbursements are made by the Secretary of the Senate, shall not exceed an amount equal to 90 per centum of the aggregate of the funds (including funds appropriated for increased pay costs) appropriated for the fiscal year ending September 30, 1980, for such projects or activities."

Senate amendment No. 308: Page 75, after line 2, insert:

"SEC. 110. (a) Effective in the case of each fiscal year (commencing with the fiscal year ending September 30, 1981) each Senator, at his election, may transfer from his Administrative, Clerical, and Legislative Assistance Allowance (hereinafter referred to as the 'clerk hire allowance') to such Senator's Official Office Expense Account any balance remaining, or any portion thereof in such clerk hire allowance as of the close of the fiscal year. Any balance so transferred to a

Senator's Official Office Expense Account shall be available only for expenses incurred during the calendar year in which occurred the close of the fiscal year. Each Senator electing to make such a transfer shall advise the Senate Disbursing Office in writing, no later than December 31, and such transfer shall be made on such date (but not earlier than the October 1 which next succeeds the close of the fiscal year with respect to which the balance occurs) as may be specified by the Senator.

"(b) Transfer of funds under subsection (a) shall be made from the appropriation 'Administrative, Clerical, and Legislative Assistance Allowance to Senators' under the heading 'Senate' and 'Salaries, officers, and employees' for transfer to the appropriation 'Miscellaneous items' for allocation to Senatorial Official Office Expense Accounts."

Senate amendment No. 311: Page 76, after line 16, insert:

CAPITOL BUILDINGS

(RESCISSION)

Of the funds appropriated under this head in H.R. 7593, and made available by Public Law 96-536, making continuing appropriations through June 5, 1981, $97,000 are rescinded.

Senate amendment No. 312: Page 76, after line 16, insert:

CAPITOL GROUNDS

(RESCISSION)

Of the funds appropriated under this head in H.R. 7593, and made available by Public Law 96-536, making continuing appropriations through June 5, 1981, $10,000 are rescinded.

Senate amendment No. 313: Page 77, after line 7, insert:

SENATE GARAGE

(RESCISSION)

Of the funds appropriated under this head in H.R. 7593, and made available by Public Law 96-536, making continuing appropriations through June 5, 1981, $102,000 are rescinded.

Senate amendment No. 314: Page 77, line 20, after "rescinded" insert ", together with $70,000 included under this head in H.R. 7593, and made available by Public Law 96-536".

Senate amendment No. 339: Page 85, after line 22, insert:

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Conrail Workforce Reduction Program, to remain available until expended, $15,000,000 which shall be transferred to the United States Railway Association in accordance with section 405(b)(1) of Public Law 96-448, of which $5,000,000 shall be derived by transfer from "Rail service assistance".

Senate amendment No. 343: Page 87, after line 5, insert:

PAYMENTS TO THE ALASKA RAILROAD REVOLVING FUND

For an additional amount for "Payments to the Alaska Railroad revolving fund", $2,000,000 to remain available until expended.

Senate amendment No. 357: Page 92, after line 18, insert:

INTERNAL REVENUE SERVICE

TAXPAYER SERVICE AND RETURNS PROCESSING

For an additional amount for the tax counseling for the elderly program (TCE), $500,000. This additional amount shall be used to retroactively reimburse volunteer tax counselors for personal and administrative expenses incurred during the past 1980 income tax filing season.

Senate amendment No. 361: Page 96, after line 11, insert:

INTERGOVERNMENTAL PERSONNEL ASSISTANCE

(RESCISSION)

Of the funds provided for the Intergovernmental Personnel Act Grant program for fiscal year 1981 in Public Law 96-536, $5,600,000 are rescinded: *Provided*, That no funds appropriated or made available by this or any other Act shall be available to fund the Intergovernmental Personnel Act Grant program after June 5, 1981.

Senate amendment No. 366: Page 97, after line 23, insert:

SENATE

Senate amendment No. 367: Page 97, after line 23, insert "'Salaries, Officers and employees", $11,740,000;".

Senate amendment No. 368: Page 97, after line 23, insert "'Office of the Legislative Counsel of the Senate", $80,000;".

Senate amendment No. 369: Page 97, after line 23, insert: "'Office of Senate Legal Counsel", $40,000;".

Senate amendment No. 370: Page 97, after line 23, insert: "'Senate Policy Committees", $131,000;".

Senate amendment No. 371: Page 97, after line 23, insert: "'Inquiries and investigations", $1,627,000;".

Senate amendment No. 372: Page 97, after line 23, insert: "'Folding documents", $11,000;".

Senate amendment No. 374: Page 99, after line 23, insert: "'Senate office building", $448,000;".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendments of the Senate numbered 25, 33, 37, 40, 100, 101, 103, 115, 131, 157, 159, 164, 190, 191, 192, 193, 194, 195, 198, 222, 223, 226, 228, 237, 245, 246, 253, 255, 259, 261, 262, 264, 266, 273, 277, 278, 280, 282, 290, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 311, 312, 313, 314, 339, 343, 357, 361, 366, 367, 368, 369, 370, 371, 372, and 374, and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 17: Page 8, line 10, after "expended" insert: "*Provided*, That no funds available to this agency shall be used to either reduce or plan for a reduction in full-time permanent employment of less than twelve thousand five hundred and eighty (12,580)".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 17 and concur therein.

Mr. CONTE. Mr. Speaker, I demand that the question be divided.

The SPEAKER pro tempore. The question will be divided.

Does the gentleman from Mississippi desire recognition?

Mr. WHITTEN. Not at this time.

The SPEAKER pro tempore. The question is on the motion to recede from disagreement to Senate amendment 17, offered by the gentleman from Mississippi (Mr. WHITTEN).

The motion to recede was agreed to.

PREFERENTIAL MOTION OFFERED BY MR. CONTE

Mr. CONTE. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. CONTE moves that the House concur in the amendment of the Senate numbered 17, with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following: ": *Provided*, That no funds available to this agency shall be used to either reduce or plan for a reduction in full-time permanent employment of less than twelve thousand five hundred and eighty (12,580).

"[However, if the Secretary determines that the orderly and efficient operation of the Department of Commerce requires that he not comply with the preceding proviso, he need not comply and shall submit to the Committees on Appropriations of the House and Senate, a report explaining his reasons for not complying.]"

Mr. CONTE. Mr. Speaker, I very reluctantly offer this motion, because as I said earlier, I agree with the conference report. I think we have done a tremendous job. The administration, however, feels very, very strongly about this amendment. The Secretary of Commerce has met with the gentleman from Iowa (Mr. SMITH) and with the gentleman from Mississippi (Mr. WHITTEN). He came to my office and also met with Senator HATFIELD and others in the other body. He is very concerned about this amendment put in by the Senate.

In a nutshell, this mischievous Senate amendment would set a bad precedent of mandating a congressionally imposed employment floor—not a ceiling—on one of the biggest bureaucracies in town, the National Oceanic and Atmospheric Administration, or NOAA, as it is commonly known. NOAA has a current on-board strength of 12,670 full-time permanent positions, or more than 43 percent of the total employees in the Department of Commerce.

The new administration has proposed a modest reduction in NOAA positions by the end of fiscal year 1981 of 3.6 percent, or 435 slots, as part of the overall cutback in Federal employment, a cutback strongly supported by most of our constituents. The reduction for NOAA is actually less, percentagewise, than for the Department as a whole, which is slated for a 4.8-percent reduction.

Senate amendment 17 would limit reductions in NOAA to 1 percent of its personnel, or a cut of only 120 positions. This small reduction would force other agencies within the Department of Commerce to absorb an additional 333 cutbacks in employment levels allocated by the Office of Management and Budget. This would

mean that while NOAA is called on to make only a 1-percent reduction, other agencies which are important to the commerce and health of this Nation would be forced to cut back by nearly 8 percent. That is not fair; it is not good management, and it should not be allowed to happen.

If this amendment is not removed from this bill, the following actions will be taken by the Department of Commerce:

An across-the-board hiring freeze will be reinstituted.

Critical new program hires in the Patent Office will not be made, thus increasing patent and trademark processing times by 1 to 2 months.

Needed employment in the International Trade Administration will not be instituted, which would negatively impact such activities as the timely processing of export application license backlogs, control over high-technology exports, review of militarily critical technologies in the license evaluation process, and administration of trigger price mechanisms.

Effective administrative control over existing EDA projects, totaling $1.2 billion, could be lost due to conflicting employment directives contained in this bill.

And finally, nearly half of the $1 billion spent for decennial census data collection could wind up wasted due to the inability to process that data in a timely manner.

These harmful results are too high a price to pay to satisfy what is essentially a special relationship which one member of the other body feels toward NOAA, a relationship which has generated an amendment to protect this one agency out of the entire Federal bureaucracy and to give it special privilege.

I would like to make one final observation, Mr. Speaker. As the new administration and the Congress labors to create a more lean and more efficient and more effective Federal Government, we must be evenhanded in dealing with these agencies or we will never accomplish our goals, Each of us has favorite programs and agencies, many of which are being cut back in this bill. It hurts us to do it, but we do it because we are convinced such reductions, taken in total, will ultimately benefit the Nation.

If we get sidetracked every time one Member is successful in gaining special consideration for his or her favorite agency, such as this hiring floor for NOAA, we have no chance of success. We must put a stop to such attempts whenever they appear, and that is why I urge all of you to adopt this motion.

Mr. O'BRIEN. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. O'BRIEN. Mr. Speaker, if I understand the gentleman correctly, the appropriation for the Commerce Department was finely tuned and all the excess eliminated. Now, if this little bit of special treatment is given to NOAA, then the Patent Office, the Census Office, and, indeed, the Agency for International Trade are going to suffer serious cutbacks that will completely degenerate their effectiveness; is that correct?

Mr. CONTE. You are protecting NOAA to the detriment of all these other agencies; the gentleman is absolutely right.

Mr. O'BRIEN. I thank the gentleman.

Mr. WHITTEN. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa (Mr. SMITH).

Mr. SMITH of Iowa. Mr. Speaker, let me state what is involved here. We are talking about the budget for NOAA. Under the instructions given by OMB to NOAA, they would have had a cut of 453 people, not necessarily for NOAA, but that is NOAA's part of the cut as it was distributed by Secretary Baldrige; so what is involved involves a lot of things, like the aquaculture program. It is especially important to the east coast and to the Northwest; also the fruit frost program, and with the closing down of 37 part-time weather stations. Those are all over the country.

We are involved with a number of things that we may or may not do in the 1982 budget coming up here in 2 or 3 weeks; but Secretary Baldrige wants to fire those people right now. He wants to determine it right now; so we are talking about whether or not to keep them on until October 1. Under this bill we would let him fire 120 people right now, but we would say that as to the other 333, you can surely wait until the first of October or until we have settled this matter in the 1982 budget.

□ 1045

If my colleagues vote for this amendment, they are saying right now, "Kill the aquaculture program" that people on the east coast especially are interested in, and those in the State of Washington and those in the State of Oregon are also interested. Maybe we will and maybe we will not, but we should not decide it now.

My colleagues will also be saying to these 38 Members around here, almost every one of which have been before the committee saying we should not close down these part-time weather stations, we would be saying do it now, do not wait for the 1982 budget and make the decision, fire them now, and the question will already be settled. We should not do it this way.

The argument is if we do not do this we will take some out of the Patent Office. That is only if OMB gets their way. It is also only if OMB does not shift some people to them from someplace else.

Let me explain something else we did in this bill. Under this bill that we have before us now there will be 200 more people cut in SBA than they wanted to. OMB can give them those 200 people. They have a number of ways to keep from reaching into the Patent Office or any other place.

The whole thing involved here is the Secretary of Commerce wants to make a decision now that we have not given him permission to make yet. I say my colleagues should not agree to this amendment.

Mr. CONTE. Mr. Speaker, I just want to make sure the RECORD is correct. My good friend from Iowa (Mr. SMITH) says we are going to close weather stations and fire those individuals. We have on board 5,018 weather service employees.

This reduction the Department of Commerce has proposed would cut only 69 of those 5,018. And listen to this. Of those 69, 40 are associated with nuclear testing services in Las Vegas. Maybe it is high time they came home and we saved some money. At any rate, those weather stations the gentleman from Iowa referred to are not affected by this motion. We will deal with that issue in the fiscal year 1982 bill.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman.

Mr. SMITH of Iowa. It still involves those 37 part-time weather stations. The Secretary has said that the cuts he proposes now are a part of the package he intends to complete in fiscal year 1982 and we would be making a decision now to close the stations when Members on both sides of the aisle do not want that decision made today.

Mr. CONTE. I maintain this action does not make that decision.

Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. Does the gentleman from Mississippi (Mr. WHITTEN) have further requests for time?

Mr. WHITTEN. I have no further requests for time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the preferential motion.

There was no objection.

The SPEAKER pro tempore. The question is on the preferential motion offered by the gentleman from Massachusetts (Mr. CONTE).

The question was taken; and on a division (demanded by Mr. CONTE) there were—ayes 10, noes 15.

Mr. CONTE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the

point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present. The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 195, nays 178, not voting 58, as follows:

[Roll No. 61]

YEAS—195

Alexander	Gramm	Nichols
Anthony	Green	O'Brien
Applegate	Gregg	Parris
Ashbrook	Gunderson	Pashayan
Atkinson	Hagedorn	Paul
Bailey (MO)	Hall, Ralph	Petri
Beard	Hammerschmidt	Pickle
Bedell	Hance	Porter
Benedict	Hansen (ID)	Pritchard
Bereuter	Heckler	Pursell
Bethune	Hendon	Quillen
Billey	Hightower	Railsback
Boggs	Hiler	Regula
Broomfield	Holland	Rhodes
Brown (CO)	Holt	Rinaldo
Broyhill	Hopkins	Ritter
Burgener	Horton	Roberts (KS)
Butler	Hughes	Roberts (SD)
Campbell	Hunter	Robinson
Carman	Hyde	Roemer
Chappie	Jeffries	Rogers
Cheney	Johnston	Roth
Clausen	Kazen	Roukema
Clinger	Kemp	Rudd
Coats	Kindness	Russo
Coleman	Kramer	Sawyer
Collins (TX)	Lagomarsino	Schneider
Conte	Latta	Sharp
Corcoran	Leach	Shaw
Coughlin	LeBoutillier	Shelby
Courter	Lee	Shumway
Coyne, James	Lent	Shuster
Crane, Daniel	Lewis	Siljander
Daniel, Dan	Livingston	Skeen
Daniel, R. W.	Loeffler	Smith (AL)
Dannemeyer	Lott	Smith (NE)
Daub	Lowery	Smith (NJ)
Davis	Lujan	Smith (OR)
DeNardis	Luken	Snowe
Derrick	Lungren	Snyder
Derwinski	Marks	Solomon
Dornan	Marlenee	Spence
Dougherty	Marriott	Stangeland
Dreier	Martin (IL)	Stanton
Dunn	Martin (NY)	Staton
Edwards (AL)	Mazzoli	Stenholm
Edwards (OK)	McClory	Swift
Emerson	McCloskey	Tauke
Emery	McCollum	Tauzin
Erdahl	McDade	Taylor
Erlenborn	McDonald	Thomas
Ertel	McEwen	Trible
Evans (DE)	McGrath	Walgren
Evans (GA)	McKinney	Wampler
Fenwick	Michel	Weber (OH)
Fiedler	Miller (OH)	Whitehurst
Fields	Mitchell (NY)	Whittaker
Findley	Molinari	Williams (OH)
Forsythe	Montgomery	Wilson
Fountain	Moorhead	Winn
Fowler	Morrison	Wolf
Gilman	Murtha	Wortley
Gingrich	Myers	Wylie
Glickman	Napier	Yatron
Goodling	Nelligan	Young (FL)

NAYS—178

Addabbo	Blanchard	Chappell
Akaka	Boland	Chisholm
Albosta	Bolling	Clay
Anderson	Boner	Coelho
Andrews	Bonior	Collins (IL)
Annunzio	Bonker	Conyers
Aspin	Bowen	Coyne, William
Bailey (PA)	Breaux	Crockett
Barnard	Brinkley	D'Amours
Barnes	Brodhead	Danielson
Benjamin	Brown (CA)	Daschle
Bennett	Burton, John	de la Garza
Bevill	Burton, Phillip	Dicks
Bingham	Byron	Dingell
Dixon	Jones (TN)	Richmond
Donnelly	Kastenmeier	Rodino
Dorgan	Kildee	Rose
Downey	Kogovsek	Rosenthal
Dwyer	Lantos	Rostenkowski
Dyson	Leath	Roybal
Early	Lehman	Sabo
Eckart	Levitas	Santini
Edgar	Long (LA)	Savage
Edwards (CA)	Long (MD)	Scheuer
English	Lowry	Schroeder
Evans (IN)	Lundine	Schumer
Fascell	Markey	Seiberling
Fazio	Matsui	Sensenbrenner
Fithian	Mattox	Shamansky
Foley	Mavroules	Shannon
Ford (MI)	McCurdy	Simon
Ford (TN)	McHugh	Skelton
Frank	Mica	Smith (IA)
Frost	Mikulski	Solarz
Garcia	Miller (CA)	St Germain
Gaydos	Mineta	Stark
Gejdenson	Minish	Stokes
Gephardt	Mitchell (MD)	Studds
Ginn	Moakley	Synar
Gonzalez	Moffett	Traxler
Gore	Mottl	Udall
Gray	Murphy	Vento
Guarini	Natcher	Volkmer
Hall (OH)	Nelson	Watkins
Hall, Sam	Nowak	Waxman
Hamilton	Oakar	Weaver
Harkin	Oberstar	Weiss
Hatcher	Obey	Whitley
Hawkins	Ottinger	Whitten
Hefner	Panetta	Williams (MT)
Hertel	Patman	Wirth
Howard	Patterson	Wolpe
Hoyer	Pease	Wright
Hubbard	Pepper	Wyden
Huckaby	Perkins	Yates
Hutto	Peyser	Young (MO)
Ireland	Rahall	Zablocki
Jacobs	Rangel	Zeferetti
Jenkins	Ratchford	
Jones (OK)	Reuss	

NOT VOTING—58

Archer	Fary	Leland
AuCoin	Ferraro	Madigan
Badham	Fish	Martin (NC)
Bafalis	Flippo	Mollohan
Beilenson	Florio	Moore
Biaggi	Foglietta	Neal
Bouquard	Frenzel	Price
Brooks	Fuqua	Roe
Brown (OH)	Gibbons	Rousselot
Carney	Goldwater	Schulze
Conable	Gradison	Stratton
Cotter	Grisham	Stump
Craig	Hansen (UT)	Vander Jagt
Crane, Philip	Hartnett	Walker
Deckard	Heftel	Washington
Dellums	Hillis	Weber (MN)
Dickinson	Hollenbeck	White
Duncan	Jeffords	Young (AK)
Dymally	Jones (NC)	
Evans (IA)	LaFalce	

□ 1100

The Clerk announced the following pairs:

On this vote:

Mr. Hollenbeck for, with Mr. Mollohan against.

Mr. Young of Alaska for, with Mrs. Bouquard against.

Mr. Craig for, with Mr. Fary against.

Mr. Evans of Iowa for, with Mr. Leland against.

Mr. Philip M. Crane for, with Mr. Dellums against.

Mr. Rousselot for, with Mr. Fuqua against.

Mr. Schulze for, with Mr. Jones of North Carolina against.

Until further notice:

Mr. Price with Mr. Madigan.

Mr. Stratton with Mr. Vander Jagt.

Mr. Heftel with Mr. Walker.

Mr. Florio with Mr. Archer.

Mr. LaFalce with Mr. Gradison.

Mr. Neal with Mr. Dickinson.

Mr. Foglietta with Mr. Conable.

Mr. Flippo with Mr. Bafalis.

Mr. Stump with Mr. Badham.

Mr. White with Mr. Moore.

Mr. Roe with Mr. Weber of Minnesota.

Ms. Ferraro with Mr. Brown of Ohio.

Mr. Biaggi with Mr. Hillis.

Mr. Beilenson with Mr. Frenzel.

Mr. Dymally with Mr. Martin of North Carolina.

Mr. Brooks with Mr. Fish.

Mr. AuCoin with Mr. Carney.

Mr. Grisham with Mr. Deckard.

Mr. Hansen of Utah with Mr. Duncan.

Mr. Jeffords with Mr. Hartnett.

Mr. Washington with Mr. Goldwater.

Messrs. BREAUX, HUTTO, CHAPPELL, DYSON, IRELAND, LEVITAS, NELSON, and VOLKMER changed their votes from "yea" to "nay."

Mr. LOWERY of California and Mr. GLICKMAN changed their votes from "nay" to "yea."

So the preferential motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 20: Page 8, strike out lines 18 to 22, inclusive, and insert:

COASTAL ZONE MANAGEMENT

For an additional amount for "Coastal zone management", $40,000,000, to be derived by transfer from "Coastal energy impact fund", to remain available until expended.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 20 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following:

COASTAL ENERGY IMPACT FUND

(DEFERRAL)

Of the funds appropriated under this head in Public Law 95-86, $7,000,000 are deferred for obligation until October 1, 1981.

COASTAL ZONE MANAGEMENT

(TRANSFER OF FUNDS)

For an additional amount for "Coastal zone management", $33,000,000, to be derived by transfer from "Coastal energy impact fund", to remain available until expended.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 21: Page 8, after line 22, insert:

PROMOTE AND DEVELOP FISHERY PRODUCTS AND RESEARCH PERTAINING TO AMERICAN FISHERIES

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves the proposed deferral D81-105, relating to Department of Commerce, National Oceanic and Atmospheric Administration, "Promote and Develop Fishery Products and Research Pertaining to American Fisheries", as set forth in the message of April 27, 1981, which was transmitted to the Congress by the President. This disapproval shall be effective upon the enactment into law of this Act.

Mr. WHITTEN (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 21 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

PROMOTE AND DEVELOP FISHERY PRODUCTS AND RESEARCH PERTAINING TO AMERICAN FISHERIES

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves $2,500,000 of the proposed deferral D81-105, relating to Department of Commerce, National Oceanic and Atmospheric Administration, "Promote and Develop Fishery Products and Research Pertaining to American Fisheries", as set forth in the message of April 27, 1981, which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law of this Act, and the amount of the proposed deferral disapproved herein shall be made available for obligation.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 29: Page 11, after line 13, insert:

FEES AND EXPENSES OF WITNESSES

(TRANSFER OF FUNDS)

For an additional amount for "Fees and expenses of witnesses", $6,500,000; to be derived by transfer from Antitrust Division, "Salaries and expenses", $1,569,000; United States Attorneys and Marshals, "Salaries and expenses", $2,000,000; and Office of Justice Assistance, Research, and Statistics, "Law enforcement assistance", $2,931,000.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 29 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

FEES AND EXPENSES OF WITNESSES

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Fees and expenses of witnesses", $6,200,000, of which $2,931,000 is to be derived from Office of Justice Assistance, Research, and Statistics, "Law enforcement assistance".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 38: Page 16, strike out lines 12 to 18, inclusive, and insert:

Notwithstanding section 8(b) of the Board for International Broadcasting Act of 1973, not to exceed $4,500,000 of the amounts placed in reserve pursuant to that section, or which would be placed in reserve pursuant to that section, shall be available to the Board for carrying out that Act.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 38 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following:

The amounts provided in Public Law 96-536 for the Board for International Broadcasting may be expended without regard to the limitation on $2,400,000 for the purpose of transferring RFE/RL positions to the United States.

Notwithstanding section 8(b) of the Board for International Broadcasting Act of 1973, not to exceed $1,600,000 of the amounts placed in reserve pursuant to that section, or which would be placed in reserve pursuant to that section, shall be available to the Board for carrying out that Act.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 41: Page 17, after line 14, insert:

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $650,000, to be derived by transfer from "Salaries and expenses (special foreign currency program)".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 41 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $350,000, to be derived by transfer from "Salaries and expenses (special foreign currency program)".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 42: Page 17, after line 14, insert:

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves $650,000 of the proposed deferral D81-75 relating to the International Communication Agency, "Salaries and expenses (special foreign currency program)" as set forth in the message of February 13, 1981, which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law of this Act.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 42 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves $350,000 of the proposed deferral D81-75 relating to the International Communication Agency, "Salaries and expenses (special foreign currency program)" as set forth in the message of February 13, 1981, which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law of this Act and the amount of the proposed deferral disapproved herein shall be made available for obligation.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 47: Page 19, line 14, strike out "$305,329,000" and insert "$297,289,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 47 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$290,089,000".

The motion was agreed to.

Mr. ADDABBO. Mr. Speaker, I rise in support of all of the amendments to chapter III, Department of Defense. All of the reductions made will not in any way affect readiness.

Mr. Speaker, the efforts of the House conferees resulted in considerable savings for the taxpayers in the Department of Defense part of the supplemental bill. We were able to persuade the Senate managers to give up $1,167,375,000 which had been included in the Senate bill for the Department of Defense. This was done in such a way that those funds necessary for the Department of Defense at this time were provided.

The total budget estimates, including both the program supplemental and the pay raise supplemental, for that part of the Department of Defense funding included in the regular annual defense appropriation bill was $12,352,242,000. The House had passed $10,680,927,000. The Senate increased the amount both above the House and above the budget level to $12,779,438,000. The conference agreement is for $11,612,063,000. Although the conference amount is a very substantial sum, the reductions which were achieved under the Senate-passed amount for defense gave the other appropriations subcommittees some room to accommodate necessary programs in the supplemental which could not otherwise have been accommodated under the fiscal year 1981 budget ceiling.

The conference amount is as I said, $1,167,375,000 under the Senate-passed bill. It is $931,136,000 above the House-passed bill and $740,179,000 below the budget estimate.

The principal area in dispute in the conference involved amounts added to the bill by the Senate for inflation. The Senate, in its review of the Defense requests, rejected the Reagan administration's estimates of inflation since they seemed to be too low and provided $1,580,826,000 in the supplemental bill for the Department of Defense for inflation based on an estimated average inflation rate for the fiscal year of 10 percent. The House-passed bill had supported the amounts requested by the administration in this area. Testimony before the full Appropriations Committee by the Director of the Office of Management and Budget as well as testimony before the Defense Subcommittee by the Secretary of Defense stated clearly that if the administration's inflation estimates prove to be faulty, and if additional funds were required by Defense for this reason, the administration would present supplemental requests to the Congress so that defense readiness would not be adversely impacted by inflation. I for one chose to accept this position of the administration. The Senate did not and provided the additional $1.6 billion to which I made reference.

In the conference we agreed to provide a total of $514,226,000 of the inflation amount which the Senate had added to the bill. We agreed to the inflation sums for the operation and maintenance appropriations. We also agreed to the much smaller such sums requested for the military personnel and the shipbuilding appropriations. We succeeded in persuading the Senate to give up the funds appropriated in the procurement accounts, other than in shipbuilding, and in the research, development, test, and evaluation accounts. This totaled approximately $1.1 billion.

I think the agreement reached is realistic. The operation and maintenance appropriations are those which are impacted most adversely by inflation. To provide unallocated lump sums for inflation in procurement and research and development accounts this late in the fiscal year would only result in even larger unobligated and unexpended balances than we will have on hand at the end of the fiscal year already. The funds were just not required at this time and I think the conferees reached a wise and equitable agreement in this area.

I will mention here just a few of the other highlights in the conference agreement.

The conferees agreed to provide $55.5 million in a special account for special pay for aviation officers. The Navy especially has complained that it is short on aviators and that a special bonus was needed to persuade aviators already in the service to remain in the service rather than to take higher paying jobs elsewhere. The conferees provided the special fund which is to be used to transfer needed funds to the military personnel appropriations after decisions are made and requests are submitted to the House and Senate Appropriations Committees.

The funds included in the House bill for the F-18 and F-16 aircraft are included in the conference agreement; $89 million for the reactivation of the battleship *New Jersey* was included in both the House and Senate bills and was not an issue at the conference. The funds for the ground launched cruise missile which had been included by the Senate but not included by the House were agreed to at the Senate level in conference. The conference agreement includes funding for the Viper antitank missile and the Patriot antiaircraft missile system of the Army. The funds requested for the DDG-X program which had been denied by the House but included by the Senate were not agreed to in the conference.

Last year, at the initiative of the House, a developmental airfield attack system, termed the "JP-233," was terminated by action of the conferees on the appropriation bill. Rather than using the funds provided for termination as the conferees directed, the Air Force used the funds to keep the program going and requested additional funds for the program in the supplemental. The House position prevailed in the conference and the funds are again denied and the conferees direct that the program be once and for all terminated.

One of the more important items in the bill involves a general provision which had been proposed by the House which provides that funds appropriated to the Department of Defense may not be used to reimburse a contractor for the cost of commercial insurance that would protect him against his own defects in materials or workmanship. The Senate had deleted the provision but in conference we found that many of the Senate conferees concurred in the House position and the provision was perfected and included in the conference agreement.

There were programs which were agreed to in the conference that I would not personally have chosen to fund but, as all of us know, conferences are a matter of give and take and I think, on balance, in the conference on the pending supplemental bill the House conferees were very successful in supporting the House position and supporting national defense and in insisting on reductions in waste and mismanagement in the Pentagon.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 49: Page 19, line 23, strike out "$152,100,000" and insert "$142,700,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 49 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$140,150,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 50: Page 19, after line 23, insert:

MILITARY PERSONNEL; SPECIAL PAY FOR AVIATION CAREER OFFICERS EXTENDING PERIOD OF ACTIVE DUTY

For the payment of special pay under section 301b of title 37, United States Code, $55,500,000.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of

the Senate numbered 50 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert:

"SPECIAL PAY FOR AVIATION OFFICERS

"For the payment of special pay under section 301b of title 37, United States Code, $55,500,000, to be transferred to the various military personnel accounts."

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachussetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 53: Page 21, line 11, strike out "$45,060,000" and insert "$46,906,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 53 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: $56,906,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 68: Page 24, line 9, strike out "$117,100,000" and insert "$132,400,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 68 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$143,600,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 72: Page 24, line 15, strike out all after "program;" down to and including "programs" in line 23 and insert "$21,800,000 for the LSD-41 program; $89,000,000 for advance procurement for the reactivation of the battleship U.S.S. New Jersey, to remain available for obligation until September 30, 1985".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 72 and concur therein with an amendment, as follows: in lieu of the matter stricken and inserted by said amendment, insert: "and $89,000,000 for advance procurement for reactivation of a battleship, to remain available for obligation until September 30, 1985".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 81: Page 26, line 10, after "$101,664,000," insert "of which $2,000,000 is for research and development in connection with the reactivation of the battleship U.S.S. New Jersey and $1,000,000 is for research and development in connection with the reactivation of the battleship U.S.S. Iowa,".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 81 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert: "of which not to exceed $2,000,000 is for research and development in connection with the reactivation of the battleship U.S.S. New Jersey and not to exceed $1,000,000 is for research and development in connection with the reactiviation of the battleship U.S.S. Iowa,".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 84: Page 27, strike out lines 4 to 11, inclusive.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 84 and concur therein with an amendment, as follows: In lieu of the matter stricken by said amendment, insert: "None of the funds appropriated to the Department of Defense for fiscal year 1981 and hereafter shall be available for obligation to reimburse a contractor for the cost of commercial insurance (other than insurance normally maintained by the contractor in connection with the general conduct of his business) that would protect against costs of the contractor for correction of the contractor's own defects in materials or workmanship incident to the normal course of construction (those defects in materials or workmanship which do not constitute a fortuitous or casualty loss)."

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 111: Page 39, strike out lines 11 to 19, inclusive and insert:

Of the amounts of additional contract authority provided under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, as authorized by section 5 of the United States Housing Act of 1937, $15,000,000 for modernization of existing low-income housing projects, $30,611,609 for existing units under section 8, including section 8(j), of such Act, $187,862,148 for newly constructed and substantially rehabilitated units assisted under such Act and $5,260,384,150 of budget authority, are rescinded.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 111 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following:

Of the amounts of additional contract authority provided under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, as authorized by section 5 of the United States Housing Act of 1937, $30,611,609 for existing units under section 8, including section 8(j), of such Act, $197,102,148 for newly constructed and substantially rehabilitated units assisted under such Act, and $5,219,104,150 of budget authority, are rescinded.

(DEFERRAL)

Of the amounts of additional contract authority provided under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, as authorized by section 5 of the United States Housing Act of 1937, $15,000,000 for modernization of existing low-income housing projects and $300,000,000 of budget authority shall be withheld from obligation until October 1, 1981.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 113: Page 42, strike out lines 2 to 9, inclusive.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 113 and concur therein with an amendment, as follows: In lieu of the matter stricken by said amendment, insert:

COMPREHENSIVE PLANNING GRANTS

(RESCISSION)

Any amounts not reserved from appropriations provided under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Acts, 1981 and prior years, including any amounts becoming available from cancellation of prior year reservations, but excluding $19,000,000, are rescinded.

Mr. CONTE. (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 118: Page 45, strike out lines 6 to 25, inclusive, and insert:

Of the funds appropriated under this head, $1,700,000,000 in the Department of Housing and Urban Development-Independent Agencies Appropriation Acts, 1980 and 1981, are rescinded. Of the amount rescinded, and to the extent available, $1,000,000,000 should be rescinded from the Department of Housing and Urban development-Independent Agencies Appropriation Act, 1980, and $700,000,000 should be rescinded from the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981. The reduction in each appropriation will be distributed among the States according to the allotment formula specified in section 205(c) of Public Law 92-500, as amended by Public Law 95-217. Whenever a State's share of the reduction from an appropriation, as determined by the formula, is greater than its unobligated balance for that appropriation, as determined by the Administrator of the Environmental Protection Agency upon the date of enactment of this Act, the shortfall will be distributed according to the allotment formula among all the States which still have funds remaining from that appropriation. This process of distributing the shortfall will continue until the amount of the reduction has been allocated among the States.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 118 and concur therein with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

Of the funds appropriated under this head, $880,000,000 in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1980, and $756,000,000 in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, are rescinded. The reduction in each appropriation will be distributed among the States according to the allotment formula specified in section 205(c) of Public Law 92-500, as amended by Public Law 95-217. Whenever a State's share of the reduction from an appropriation, as determined by the formula, is greater than its unobligated balance for that appropriation, as determined by the Administrator of the Environmental Protection Agency upon the date of enactment of this Act, the shortfall will be distributed according to the allotment formula among all the States which still have funds remaining from that appropriation. This process of distributing the shortfall will continue until the amount of the reduction has been allocated among the States.

Of the funds appropriated under this head in the Public Works Employment Appropriation Act, 1977, $64,000,000 are rescinded.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 123: Page 47, strike out all after line 18 over to and including line 14 on page 48, and insert:

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, $37,500,000 are rescinded, and of the amounts remaining for research and related activities under Public Law 96-526: (1) not more than $18,053,000 shall be available for earthquake hazards mitigation; (2) not more than $1,240,000 shall be available for the establishment and operation of three university-based Innovation Centers; (3) not more than $2,800,000 shall be available for grants to two-year and four-year colleges for equipment and instrumentation costing $35,000 or less; (4) not more than $300,000 shall be available for small business innovation for projects to aid the handicapped; and (5) not more than $1,400,000 shall be available for special programs for women and minorities in science and technology. None of these funds shall be available for separately targeted programs for appropriate technology, science faculty improvement programs for two-year and four-year college faculty research participation, and research opportunity grants and visiting professorships for women.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 123 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following:

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, $46,000,000 are rescinded, and of the amounts remaining for research and related activities under Public Law 96-526: (1) not more than $37,000,000 shall be available for scientific, technological, and international affairs; (2) not more than $83,000,000 shall be available for engineering; (3) not more than $18,053,000 shall be available for earthquake hazards mitigation; (4) not more than $1,240,000 shall be available for the establishment and operation of three university-based Innovation Centers; (5) not more than $2,800,000 shall be available for grants to two-year and four-year colleges for equipment and instrumentation costing $35,000 or less; (6) not more than $300,000 shall be available for small business innovation for projects to aid the handicapped; and (7) not more than $1,400,000 shall be available for special programs for women and minorities in science and technology. None of these funds shall be available for separately targeted programs for appropriate technology, science faculty improvement programs for two-year and four-year college faculty research participation, and research opportunity grants and visiting professorships for women.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 140: Page 52, line 18, strike out all after "96-514)" down to and including "1983" in line 20 and insert "$11,800,000 are rescinded"

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 140 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "$2,745,000 shall not become available for obligation until October 1, 1981, and shall remain available for obligation until September 30, 1983, and $5,900,00 are rescinded".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Speaker, I urge support of the conference report. With respect to chapter 7, we have worked out a good conference agreement. The conference report provides for supplemental budget authority of

$1,561,454,000 which is $10,517,000 below the budget estimate. It is $4,893,000 above the Senate bill and $36,852,000 below the bill that was approved by the House. In addition the bill provides for rescissions of $2,158,746,000 which is $55,441,000 more than the amount proposed by the administration. The amount rescinded is $294,458,000 less than rescinded in the Senate bill and $395,247,000 more than was approved by the House. The conference report also includes deferrals of $360,807,000.

The bill does not include any fiscal year 1982 advanced funding for the Strategic Petroleum Reserve as proposed by the House. However, there is a supplemental appropriation of $1,305,000,000 for additional oil purchases for the reserve in fiscal year 1981. The committee remains strong in its resolve to provide sufficient funds so that the Petroleum Reserve may be filled as expeditiously as possible.

The conference report eliminates some of the inequities associated with the proposed rescissions. Instead of rescinding $250,000,000 from the Land and Water Conservation Fund as proposed, the conference report rescinds $90,000,000. The $160,000,000 made available will insure that each State will now receive at least 75 percent of its original share. Because of different obligation patterns, fiscal years, and bienniums, the proposed rescission would have left some States with disproportionate shares of the available funds.

For the historic preservation fund the conference report added $1.5 million over the Senate bill in order to give each State a full share of its survey and planning grants. Under the proposed rescission, 10 States would have received a greatly reduced share. In the urban parks program the conference report rejects $16 million of the rescission so that those local jurisdictions whose projects had been announced as grant recipients, only to have the funds withdrawn, will now receive grants.

The Youth Conservation Corps program is another example of how the proposed rescission affected the various States unevenly. The conference report does rescind $34,000,000 but retains $18,000,000 so that the States can receive 30 percent of the original appropriation as required by law. In addition the Departments of Agriculture and the Interior split the balance of $8 million made available.

The conference report also makes available funds to salvage 771 million board feet of timber felled as a result of the eruption of Mount St. Helens. This action, combined with previous appropriations, will result in a net gain of $115 million for the Government.

The Senate version of the bill for the payments-in-lieu-of-taxes program is included in the conference report. This action makes $108 million available for fiscal year 1981.

In the energy conservation area the conference report makes $81,390,000 above the Senate amount available for obligations in fiscal year 1981. This includes $68,700,000 for schools and hospitals conservation grants, $3 million for gas turbine engine development and $3,100,000 for Stirling engine development, $2 million for the urban consortium and $4,590,000 for biomass energy studies. For fossil energy research and development the conference report rescinds $53,036,000 instead of the $66,850,000 proposed by the Senate. The increase in the amount made available is $1 million for the SRC-I pilot plant, $5 million for peat gasification, and $4,814,000 for a methanol from coal facility in Beaverdale, Pa. In addition, $3 million for enhanced gas recovery is not rescinded.

The conferees in agreeing to the conference report are in agreement that the $271 million made available for the alcohol fuels loan guarantee reserve is to provide for guarantees of $812 million. This is based on a 3 to 1 ratio of guarantees to appropriated reserves as stated in the House report accompanying this bill.

The committee is concerned about the trend to withhold appropriations by administrative action. In the programs under the jurisdiction of the Interior and Related Agencies Subcommittee, there are two examples. The Department of the Interior has withheld approximately $45 million of land and water conservation funds and the Indian Health Service has withheld $1,100,000 of scholarship money for Indian students in Indian health professions. Neither of these has been reported as a rescission or a deferral. Managers of these programs are referred to section 1011 of title X of the Impoundment Control Act of 1974.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Speaker, the gentleman from Michigan had a question or two.

Does the gentleman want to ask a question?

Mr. ALBOSTA. Yes; if the gentleman will yield.

I would like to get some clarification on the conference committee report.

I would like to take this opportunity to clarify one matter in House Report 97-29 that accompanies H.R. 3512, the supplemental appropriations and rescission bill for fiscal year 1981 with the distinguished chairman of the Subcommittee on Commerce, Justice, State, and the Judiciary, the gentleman from Iowa.

In the House Report 97-29, on page 41, concerning the title V regional commissions, is it not the intention of the committee to allow all of the remaining balances of these title V commissions to be used in an orderly phasedown of the activities of these commissions?

Mr. SMITH of Iowa. If there are any remaining balances at the end of fiscal year 1981 and they are needed for an orderly phaseout of the program, such balances should be available during the rest of the authorization.

Mr. ALBOSTA. I want to thank the distinguished gentleman from Iowa for this important clarification.

Mr. McDADE. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Pennsylvania.

Mr. McDADE. Mr. Speaker, I rise in support of H.R. 3512 making supplemental appropriations, deferring certain budget authority, and rescinding certain budget authority for fiscal year 1981 and to urge its adoption by the House. I particularly want to call the Members' attention to the recommendations set forth by your committee in the Interior and related agencies chapter of title I.

We were faced with a particularly difficult decision posed by the President's request to rescind $250 million from the land and water conservation fund programs of the National Park Service. The House denied this request entirely. The Senate agreed to rescind $150 million. In conference we were able to restore $40 million to the States' share, sufficient funds to enable each State to receive not less than 75 percent of their targeted allocation. These funds will make certain that the greatest possible equity will be shown to all 50 States. This provision was necessary because certain States obligate their funds early while others obligate late in the calendar year. At the time of our markup, there were 12 States, including my own State of Pennsylvania, that had not received or obligated their LWCF money. This was despite the fact that commitments have been made by the State to local governments for recreation projects. I am especially grateful to my chairman, the gentleman from Illinois, Mr. YATES, and to the Senator from Idaho, Senator MCCLURE, for their support of this action.

Our committee also reduced the Federal share of the land and water conservation fund by $35 million. In doing this, our report did not give specific direction to the Interior and Agriculture Departments as to which hardship acquisitions would be funded in the remainder of fiscal year 1981.

However, both agencies are not without guidance on the subject. As the result of submitted questions from both the Senate and the House Interior Appropriations Committees, the National Park Service, the Forest

Service, and the Fish and Wildlife Service have submitted for the RECORD a list of projects that represented their priority acquisitions. At this place in the RECORD, I would like to enter those lists and to advise the Interior and Agriculture Departments that it is our intention that they follow them in allocating their funding.

The information follows:

SENATE QUESTIONS

In the event that a rescission level of $55 million for the Federal side of the Land and Water Conservation Fund may be adopted by Congress in its consideration of the Supplemental Appropriations and Rescission package for fiscal year 1981, the following acquisition list represents priorities beyond those contemplated by the existing Departmental rescission proposals for fiscal year 1981. These priorities are based on hardship criteria which have been applied to the circumstances associated with each acquisition. A detailed list of hardship or emergency circumstances associated with each acquisition would be far too lengthy, but a brief explanation of the peculiarities of each acquisition has been supplied for your use.

EMERGENCY OR HARDSHIP CRITERIA

Emergency acquisition will have as their primary objective the avoidance of imminent actions resulting in irreparable harm to the land resources in question. "Irreparable harm" will include, as a minimum, adverse uses contrary to specified purposes delineated in Congressional authorizations.

Hardship cases will ordinarily dictate the use of the LWCF for land acquisition in those instances where failure to proceed with acquisition would result in the loss of a significant and unreasonable amount of financial outlay by the proposed seller, or unreasonable deprivation resulting from financial hardship associated with the seller's reasonable expectations regarding the acquisition. Hardship as defined here would be similar to notions associated with zoning statutes defining grounds for variances, and would generally mean actions that are unduly oppressive, arbitrary, or confiscatory.

Further specificity concerning hardship criteria would preempt Secretarial discretion necessary for adequate review on a case-by-case basis. The above established criteria have been applied to each of the acquisitions listed in response to Committee inquiries.

LAND AND WATER CONSERVATION FUND, SUMMARY OF PROPOSED RESCISSION—FISCAL YEAR 1981

[In thousands of dollars]

Agency	Proposed rescission $105 million	Higher priority areas not included in $50.2 million level	Areas to be included in $54.8 million level
National Park Service	$65,948	$19,502	$46,446
Forest Service	23,007	23,007	0
Fish and Wildlife Service	12,962	4,722	8,240
Bureau of Land Management	133	0	133
Pinelands NR	2,950	2,950	0
Total	105,000	50,181	54,819

NATIONAL PARK SERVICE LAND AND WATER CONSERVATION FUND, PROPOSED RESCISSION—FISCAL YEAR 1981

[In thousands of dollars]

Management unit	Proposed rescission	Remarks
Areas required for proposed rescission of $105 million (entire page):		
Appalachian Trail, Maine to Georgia.	$5,000	Acquisition to avoid disjointed trail. Initial contact made with several hundred owners.
Olympic NP, Wash	100	Hardship case identified.
Inholdings, various	1,500	Avoid potential resource damage. Acquistion 99-percent complete.
Fort Caroline N. Mem., Fla	60	Last tract in area, owner has expressed interest in selling.
St. Croix WSR, Wisconsin-Minnesota.	260	Acquisition 88-percent complete. Would consolidate Federal interests.
Virgin Islands NP, V.I	490	Hardship case identified.
Delaware Water Gap NRA, New Jersey-Pennsylvania.	600	Hardship case identified. Other owners have expressed an interest to sell.
Allegheny Portage RR NHS, Pa.	1,900	Offers to sell on hand.
New River Gorge NR, W. Va.	1,900	Funds to acquire public use areas.
Sequoia NP (Mineral King), Calif.	500	95-percent complete. Owners have expressed interest in selling.
Jean Lafitte NHP, La	1,790	Avoid potential resource threat and consolidate Federal holdings.
Obad WSR, Tenn	1,400	Appraisals on hand. Acquisition to provide for public use areas.
Monacacy NB, Md	2,502	Negotiations currently suspended. Owners have expressed willingness to sell.
Ozark NSR, Mo	150	99-percent complete. Acquisition would improve public access.
Antietam NB, Md	490	Resource threat.
C. & O. Canal NHP, Maryland-District of Columbia-West Virginia.	500	86-percent complete.
Lowell NP, Mass	360	Resource threat.
Subtotal	19,502	
Areas required for proposed rescission of $54.8 million:		
Redwood NP, Calif	21,200	Additional deposit for big 3 timber companies. Total value unknown.
John Day Fossil Beds N. Mex., Oreg.	425	Opportunity program.
Fire Island NS, N.Y	600	Needed only for zoning variances.
Indiana Dunes NL, Ind	280	Funds insufficient to permit acquisition.
Cuyahoga Valley NRA, Ohio	3,000	Current threatened tracts acquired.
Santa Monica Mtns NRS, Calif.	20,400	Only 2-percent complete.
Golden Spike NHS, Utah	200	New start.
Klondike Goldrush NHP, Alaska-Washington.	115	Opportunity program.
Georgia O'Keefe NHS, N. Mex.	36	Acquisition deferred until donation of key tract.
Kaloko Honokahau NHP, Hawaii.	150	Acquisition by exchange being pursued.
Thomas Stone NHS, Md	40	Acquistion complete.
Subtotal	46,446	
Grand total NPS	65,948	

LAND AND WATER CONSERVATION FUND, FEDERAL PORTION—FISCAL YEAR 1981 PROPOSED RESCISSION

[In thousands of dollars]

Management unit	Proposed rescission	Comments
FOREST SERVICE		
Areas required for proposed rescission of $105 million (entire page):		
Boundary waters Canoe area.	$406	Requirement of the law to acquire resorts, Pending court actions.
Appalachian Trail	930	Lands offered and under option along the trail.
Spruce Knob-Seneca Rocks NRA.	100	Development threat.
Mount Rogers NRA	450	Development threat.
Pacific Crest Trail	100	Tracts under option.
Flathead WSR	1,000	Properties under option and potential threat of development.
M. F. Salmon WSR	200	Development threat.
Inholdings	3,521	Properties under option.
Oregon Dunes NRA	1,300	Development threat.
Hells Canyon NRA	3,400	Potential resource threat.
Alpine Lakes	$11,600	Withdrawal of funds will disrupt this program. Two major land exchanges would have to be revised to eliminate cash equalization payments out of the LWCF. Outstanding offers for land purchase will have to be withdrawn and options dropped. Would also make funds available to settle suits filed by 21 parties for compensation for their properties.
Subtotal	23,007	
Areas required for rescission of $54.8 million.		
Total, FS	23,007	

LAND AND WATER CONSERVATION FUND, FEDERAL PORTION—FISCAL YEAR 1981 PROPOSED RESCISSION—Continued

[In thousands of dollars]

Management unit	Proposed rescission	Comments
FISH AND WILDLIFE SERVICE		
Areas required for proposed rescission of $105 million (entire page):		
Great Dismal Swamp	491	Optioned tract on a unit 90-percent complete.
Bogue Chitto	225	Relocation of tenants.
American Crocodile	1,731	Slippage and potential resource threat. Owners claiming hardship.
Minnesota Valley	1,634	Involved purchase comprising State highway department, Northwest Airlines, and the Service.
Mississippi Sandhill Crane	154	To acquire properties within a project that is over 90-percent complete.
Lower Suwannee	487	Hardship case and willing sellers.
Subtotal	4,722	
Areas required for rescission of $54.8 million:		
Key Deer	127	Option in hand for small acreage inholding.
Plymouth red-bellied turtle	220	Purchased and held by The Nature Conservancy and accruing interest charges.
Blunt-nosed leopard lizard	576	Slippage and optioned tract which may involve hardship claims.
Bon Secour	138	Slippage.
Moapa Dace	711	Slippage and purchase of a spring for sale on open market. Would aid species survival.
Hawaiian Waterbirds	50	Needed for long-term leases.
Rio Grande Valley	141	Needed for several small tracts within project. Willing sellers.
Dusky Seaside Sparrow	300	Emergency reprogramming request for Chassahowitzka (Crystal River Manatee).
Hawaiian Waterbirds	4,287	Offer made to purchase Kealia pond prior to February moratorium. Important for endangered waterbirds. Purchase uncertain.
Chassahowitzka	193	No willing sellers. Would involve condemnation.
Moapa Dace	59.5	Minimal impacts if funding is not available. If funds would be available, to be used for reprogrammings to acquire The Nature Conservancy holdings.
Okefenokee	10	Do.
Santa Cruz Salamander	56	Do.
Delmarva Fox Squirrel	25	Do.
California Clapper Rail	444	Do.
California Condor	1,163	Do.
Indiana/Gray Bat	94	Do.
Shiawassee	3	Do.
Trempealeau	3	Do.
Cedar Keys	15	Do.
National Elk	9	Do.
J. N. Ding Darling	100	Do.
San Bernard	328	Do.
Undistributed Rec. Additions	24.5	Do.
Contingencies	163	Do.
Slippage	−1,000	
Subtotal	8,240	
Total, FWS	12,962	

LAND AND WATER CONSERVATION FUND, FEDERAL PORTION—FISCAL YEAR 1981 PROPOSED RESCISSION—Continued

[In thousands of dollars]

Management unit	Proposed rescission	Comments
BUREAU OF LAND MANAGEMENT		
Areas required for proposed rescission of $105 million or $54.8 million (entire page):		
Rogue WSR	$101	Acquisition on this project is in the final phases. Most of the remaining acquisitions will be accomplished by condemnation; declaration of takings have already been filed. These funds will be used to cover potential deficiency awards.
Upper Missouri WSR	24	These funds would be used to attempt acquisition of small scenic easements.
Rio Grande WSR	8	These were the only other funds available to meet the rescission target. Five tracts remain to be acquired in this project, but without an additional appropriation further acquisition is not possible.
Subtotal	133	
PINELANDS		
Areas required for proposed rescission of $105 million (entire page):		
Pinelands NR	2,950	The lack of funds will prevent the State of New Jersey from acquiring a 7,300 acre site in the Reserve which has been identified in their management plan as a priority State acquisition. A grant allocation for $2,950,000 has been submitted to DOI for the site.
Subtotal	2,950	
Areas required for rescission of $54.8 million.	.....	
Total, Pinelands NR	2,950	

Mr. McDADE. Mr. Speaker, I would also like to commend to you our actions with regard to the energy programs funded in this bill. When the House considered the supplemental last month, I suggested that there were certain items that I believed could be changed from rescissions to deferrals without any harm to our Nation's energy effort. I believe we have accomplished that task. I am especially grateful that the committee saw fit to continue the coal loan program in the Department of Energy. This program will assist an industry that is still having difficulty in these inflationary times securing front end capital. We have also taken certain steps in the energy conservation programs that will allow for us to make final judgments on the merits of activities in the 1982 energy appropriations.

We have accomplished these things while at the same time keeping the final conference number well below the estimates submitted by the administration. We reduced the proposed rescissions by $55.4 million. We have deferred, until 1982, another $360.8 million and reduced the supplemental budget request by another $10 million. This gives us combined reductions, rescissions and deferrals of $426.7 million.

Mr. Speaker, I would also like to comment upon the actions of the Subcommittee on Defense. Our subcommittee was presented with program supplemental requests of $7.65 billion. We finalized recommendations totaling $6.93 billion, $715 million below the budget estimates submitted to the committee.

I believe the Defense Subcommittee has taken a number of pay and personnel initiatives that will meet the manpower needs of all three services. I believe we have addressed the military's most pressing problem while at the same time responded to the taxpayers' concerns that the defense budget be given a thorough review.

I would like to express my support and interest in one specific item contained in this bill. The committee decisions included funds to go forward with the Army commitment to integrate the M-1 tank into our defenses at the earliest possible time. These funds will bring production of the M-1 to 569 tanks, some 209 more copies than would have been produced had the supplemental been denied. Upon completion, the M-1 will be the fastest, most advanced, most mobile tank ever produced. Our committee has expressed concern that the funded delivery period objectives be met by the Army and Chrysler. I trust the Army will interpret our support of this supplemental as a clear signal that we are anxious to overcome any further delays in production of the M-1.

Mr. Speaker, while it is not an issue in this conference report, the issue of DOD ammunition policy is one that concerns me greatly. I was most pleased when our chairman, the gentleman from New York (Mr. ADDABBO) stated publicly that our committee will not look favorably upon further reprogramings from our ammunition accounts. I believe this is a most wise policy that should put to rest the practice of reducing the ammunition accounts at every perceived emergency. Our ammunition accounts need strengthening and the policy of drawing them down like savings accounts should be stopped. DOD witnesses before our committee have concurred in that judgment and I hope it will become DOD's policy throughout the coming year.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi (Mr. WHITTEN).

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 142: Page 53, line 9, strike out all after "system"," down to and including "94-565" in line 11 and insert "$800,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 142 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "$4,776,000 including $576,000 to complete construction of the Savage River Bridge at Denali National Park and Preserve, Alaska".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 143: Page 53, after line 11, insert:

URBAN PARK AND RECREATION FUND

(RESCISSION)

Of the funds appropriated under this head in the Department of the Interior and Related Agencies Appropriations Act, 1981 (Public Law 96-514), and previous Interior Department Appropriations Acts, $35,000,000 are rescinded.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 143 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$19,000,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 145: Page 53, after line 14, insert:

(RESCISSION)

Of the funds appropriated under this head in the Department of the Interior and Related Agencies Appropriations Acts, 1981 (Public Law 96-514), $150,000,000 are rescinded in the following amounts: $95,000,000 for payments to the States; $55,000,000 combined amounts for the Bureau of Land Management; Forest Service, the United States Fish and Wildlife Service, the National Park Service, and for Pinelands National Reserve: *Provided*, That notwithstanding the provisions of section 6 of the Land and Water Conservation Fund Act, as amended, the unobligated balance of

the contingency reserve and of funds appropriated and apportioned for the various States and unobligated upon the date of enactment of this Act shall be made available to the States in the most equitable means practicable, in the judgment of the Secretary, consistent with the general purposes of the Land and Water Conservation Fund Act.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 145 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

"(RESCISSION)

"Of the funds appropriated under this head in the Department of the Interior and Related Agencies Appropriations Act, 1981 (Public Law 96-514) and previous Interior Department Appropriations Acts, $90,000,000 are rescinded in the following amounts: $55,000,000 for payments to the States; $133,000 for the Bureau of Land Management; $4,918,000 for the Forest Service; $12,217,000 for the United States Fish and Wildlife Service; $14,782,000 for the National Park Service; and $2,950,000 for the Pinelands National Reserve: *Provided*, That notwithstanding the provisions of 16 U.S.C. 4601-8, the unobligated balances of the contingency reserve and funds appropriated and apportioned for the various States and Territories upon enactment of this Act shall be reallocated among the States and Territories so that each shall receive not less than seventy-five percent of the amount each would have received under the statutory allocation of the amount appropriated for payment to the States under this head in Public Law 96-514."

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 147: Page 53, after line 17, insert:

(RESCISSION)

Of the funds appropriated under this head in the Department of the Interior and Related Agencies Appropriations Act, 1981 (Public Law 96-514), and previous Department of the Interior Appropriations Acts, $8,000,000 are rescinded.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 147 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$6,500,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 148: Page 53, line 22, strike out "$15,500,000" and insert "$11,423,400".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 148 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$12,000,000 available from the Highway Trust Fund to liquidate contract authority provided under section 105(a)(8) of Public Law 94-280 for engineering services, roadway excavation, and pilot boring for the Cumberland Gap Tunnel, as authorized by section 160 of Public Law 93-87".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 154: Page 55, line 14 after "rescinded" insert ": *Provided further*, That of the remaining unobligated balance of the 1981 appropriation, $10,758,000 shall be available for Federal management and orderly close out of the program".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Cleark read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 154 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following: ⅛": *Provided*, That notwithstanding provisions of 16 U.S.C. 1704(d) and 1706 the unrescinded balance of the amount appropriated under this head in Public Law 96-514 shall be allocated as follows: $18,000,000 for the purposes of 16 U.S.C. 1704; $4,000,000 to the Secretary of the Interior; and $4,000,000 to the Secretary of Agriculture".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 155: Page 55, strike out lines 15 to 19, inclusive.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 155 and concur therein with an amendment, as follows: Restore the matter stricken by said amendment amended to read as follows:

"RURAL WATER TREATMENT AND DISTRIBUTION SYSTEM

"(DEFERRAL)

"Of the funds appropriated under this head in the Department of the Interior and Related Agencies Appropriations Act, 1981 (Public Law 96-514), $1,900,000 shall not become available for obligation until the conditions of Section 9(b) of Public Law 96-355 regarding deauthorization of the Oahe unit have been met."

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 158: Page 56, line 5, after "Service" insert ": *Provided further*, That all funds appropriated in the Department of the Interior and Related Agencies Appropriation Act, 1981 (Public Law 96-514), for timber management and any related activities, including roads, on the Tongass National Forest, Alaska, that are replaced by funds provided under the authority of section 705(a) of the Alaska National Interest Lands Conservation Act (Public Law 96-487) shall be used to facilitate timber salvage activities in the Mount Saint Helens volcano area, including roads".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 158 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following: ": *Provided further*, That $22,607,000 appropriated in the Department of the Interior and Related Agencies Appropriations Act, 1981 (Public Law 96-514), for timber management and any related activities, including roads, on the Tongass National Forest, Alaska, that are replaced by funds provided under the authority of section 705(a) of Public Law 96-487 (which fund is hereby established at not less than $25,000,000 for fiscal year 1981), are transferred to this account, to remain available until expended, to facilitate timber salvage activities in the Mount Saint Helens

volcano area of the Gifford Pinchot National Forest as follows: construction of forest development roads and trails by the Forest Service $18,812,000; land line location $300,000; timber sales preparation $800,000; and road maintenance $2,695,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 161: Page 56, line 16, after "96-514)," insert "$66,850,000 are rescinded and".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 161 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$53,036,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 169: Page 57, lines 9, 10, and 11, strike out "$3,500,000 shall not become available for obligation until October 1, 1981" and insert "$13,248,000 are rescinded".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 169 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "$400,000 shall not become available for obligation until October 1, 1981, and $10,348,000 are rescinded".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 171: Page 57, lines 16 and 17, strike out "$230,930,000 shall not become available for obligation until October 1, 1981" and insert "$3,837,000 shall not become available for obligation until October 1, 1981, and $298,495,000 are rescinded".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 171 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment insert the following: "$67,762,000 shall not become available for obligation until October 1, 1981, and $153,180,000 are rescinded".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 173: Page 57, line 22, after "96-514)," insert "$39,167,000 are rescinded and".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 173 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$17,167,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 184: Page 59, strike out lines 20 and 21.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from it disagreement to the amendment of the Senate numbered 184 and concur therein with an amendment, as follows: In lieu of the matter stricken by said amendment, insert the following: "For an additional amount for "Indian health facilities", $2,500,000, to remain available until expended, for site reviews, water investigations, and preliminary engineering and design of sanitation facilities for 2,840 Indian housing units.".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 185: Page 59, after line 21, insert:

(RESCISSION)

Of the funds appropriated under this head in the Interior and Related Agencies Appropriations Act, 1981 (Public Law 96-514), $8,871,000 are rescinded.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 185 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$3,916,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

Mr. NATCHER. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a detailed table showing the amounts for each program funded in the Labor, Health and Human Services, and Education portion of the bill H.R. 3512, together with appropriate comparisons.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The table is as follows:

CONFERENCE AGREEMENT, H.R. 3512, FISCAL YEAR 1981 SUPPLEMENTALS AND RESCISSIONS—CHAPTER VIII: SUBCOMMITTEE ON THE DEPARTMENTS OF LABOR, HHS, AND EDUCATION, AND RELATED AGENCIES

	Fiscal year 1981 appropriation	Rescissions and deferrals				Supplementals			
		President	House	Senate	Conference	President	House	Senate	Conference
SUMMARY									
Title I—Department of Labor:									
Federal funds		−$234,475,000	−$234,475,000	−$337,491,000	−$319,991,000	$24,290,000	$3,700,000	$23,990,000	$3,700,000
Deferrals (nonadd)		(−751,155,000)	(−751,155,000)	(−751,155,000)	(−751,155,000)				
Trust funds						(26,285,000)	(1,485,000)	(1,485,000)	(1,485,000)
Title II—Department of Health and Human Services:									
Federal funds		−745,357,000	−533,629,000	−643,071,000	−553,056,000	217,683,000	75,707,000	100,653,000	91,017,000
Trust funds		(−15,643,000)	(−12,322,000)	(−20,349,000)	(−16,982,000)	(211,541,000)	(90,000,000)	(123,000,000)	(123,000,000)
Title III—Department of Education:									
Federal funds		−1,897,591,000	−785,891,000	−1,166,700,000	−959,833,000	669,197,000	661,497,000	395,497,000	447,497,000
Deferrals (nonadd)		(−25,000,000)		(−25,000,000)					
Title IV—Related Agencies:									
Federal funds		−10,221,000	−20,034,000	−28,842,000	−23,489,000	7,304,000	5,492,000	5,202,000	5,222,000
Trust funds						(1,044,000)	(1,044,000)	(1,044,000)	(1,044,000)
Total, direct appropriation all titles:									
Federal funds		−2,887,644,000	−1,574,029,000	−2,176,104,000	−1,856,369,000	918,474,000	746,396,000	525,342,000	547,436,000
Deferrals (nonadd)		(−776,155,000)	(−751,155,000)	(−776,155,000)	(−751,155,000				
1982 advance		−43,000,000							
1983 advance		−52,000,000	−60,000,000		−35,000,000				
Trust funds		(−15,643,000)	(−12,322,000)	(−20,349,000)	(16,982,000)	(238,870,000)	(92,529,000)	(125,529,000)	(125,529,000)
TITLE I, DEPARTMENT OF LABOR									
Employment and Training Administration									
Employment and Training Assistance									
Governors' grants—title II—A	85,136,000			−15,000,000	−15,000,000				
Public Service Employment (title II–D): (Deferral, nonadd)	(2,195,000)	(−606,672,000)	(−606,672,000)	(−606,672,000)	(−606,672,000)				
Youth employment training programs	746,000,000			−50,000,000	−50,000,000				
Young adult conservation corps (title VIII): (Deferral, nonadd)	(200,000,000)	(−58,054,000)	(−58,054,000)	(−58,054,000)	(−58,054,000)				
Summer youth employment program (CETA, title IV): (Deferral, nonadd)	(839,008,000)	(−39,548,000)	(−39,548,000)	(−39,548,000)	(−39,548,000)				
National programs (CETA, title III)	308,897,000			−35,000,000	−17,500,000				
(Deferral, nonadd)		(−46,881,000)	(−46,881,000)	(−46,881,000)	(−46,881,000)				
Subtotal, deferrals	(3,234,183,000)	(−751,155,000)	(−751,155,000)	(−751,155,000)	(−751,155,000)				
Subtotal, rescissions	1,140,033,000			−100,000,000	−82,500,000				
Temporary employment assistance (CETA, title VI)	729,000,000	−234,475,000	−234,475,000	−234,475,000	−234,475,000				
Grants to States for Unemployment Insurance and Employment Services									
Trust funds unemployment services (contingency)	(507,721,000)					(24,800,000)			
Employment Standards Administration									
Employment Standards Administration, Federal funds	170,971,000			−406,000	−406,000				
Black Lung Disability Trust Fund									
Employment Standards Administration, salaries and expenses	20,970,000					4,000,000	3,700,000	3,700,000	3,700,000
Labor Management Services Administration									
Salaries and expenses	56,440,000			−570,000	−570,000				
Occupational Safety and Health Administration									
Salaries and expenses	206,987,000			−920,000	−920,000				
Mine Safety and Health Administration									
Salaries and expenses	148,311,000			−660,000	−660,000				
Bureau of Labor Statistics									
Salaries and expenses	106,324,000			−160,000	−160,000				
Departmental Management									
Salaries and expenses (Federal funds)	126,674,000			−300,000	−300,000				
Pay Raise Supplementals									
Employment and Training Administration:									
Federal funds						5,064,000		5,064,000	
(By transfer)							(5,064,000)		(5,064,000)
Trust funds						(1,425,000)	(1,425,000)	(1,425,000)	(1,425,000)
Labor Management Services Administration						1,915,000		1,915,000	
(By transfer)							(1,915,000)		(1,915,000)
Occupational Safety and Health Administration						3,090,000		3,090,000	
(By transfer)							(3,090,000)		(3,090,000)
Mine Safety and Health Administration						4,475,000		4,475,000	
(By transfer)							(4,475,000)		(4,475,000)
Bureau of Labor Statistics						4,917,000		4,917,000	
(By transfer)							(4,917,000)		(4,917,000)
Departmental Management:									
Federal funds						829,000		829,000	
(By transfer)							(829,000)		(829,000)
Trust funds						(60,000)	(60,000)	(60,000)	(60,000)
Subtotal, Pay raise supplemental:									
Federal funds						20,290,000		20,290,000	
(By transfer)							(20,290,000)		(20,290,000)
Trust funds						(1,485,000)	(1,485,000)	(1,485,000)	(1,485,000)
Total, Labor Department		−234,475,000	−234,475,000	−337,491,000	−319,991,000	50,575,000	5,185,000	25,475,000	5,185,000
Federal funds		−234,475,000	−234,475,000	−337,491,000	−319,991,000	24,290,000	3,700,000	23,990,000	3,700,000
Trust funds						(26,285,000)	(1,485,000)	(1,485,000)	(1,485,000)
TITLE II—DEPARTMENT OF HEALTH AND HUMAN SERVICES									
Public Health Service									
Health Services Administration									
Health Services									
Community health services:									
Primary care research and demonstrations	7,000,000	−6,524,000	−3,524,000	−6,474,000	−3,524,000				
Home health care/demonstrations and training	4,000,000	−4,000,000	−2,000,000	−4,000,000	−4,000,000				
Maternal and child health:									
MCH training	25,200,000	−4,457,000							

CONFERENCE AGREEMENT, H.R. 3512, FISCAL YEAR 1981 SUPPLEMENTALS AND RESCISSIONS—CHAPTER VIII: SUBCOMMITTEE ON THE DEPARTMENTS OF LABOR, HHS, AND EDUCATION, AND RELATED AGENCIES—Continued

	Fiscal year 1981 appropriation	Rescissions and deferrals				Supplementals			
		President	House	Senate	Conference	President	House	Senate	Conference
MCH research	$4,800,000	−$1,500,000		−$1,500,000					
Subtotal	30,000,000	−5,957,000		−1,500,000					
Family planning	166,047,000	−4,000,000	−4,000,000	−4,000,000	−4,000,000				
Public health service hospitals and clinics:									
Operations	162,485,000	−34,086,000	−34,086,000	−36,243,000	34,086,000				
Buildings and facilities	4,769,000	−2,069,000	−2,069,000	−2,069,000	−2,069,000				
Program support, BMS	8,180,000			−2,097,000	−2,097,000				
Total, health services	382,481,000	−56,636,000	−45,679,000	−56,383,000	−49,776,000				
Pay raise supplemental						$7,729,000		$5,310,000	$5,310,000
Center for Disease Control									
Preventive Health Services									
Basic preventive health programs:									
Health incentive grants (314(d))	36,000,000	−27,000,000	−27,000,000	−27,000,000	−27,000,000				
Risk reduction and health education	23,717,000	−1,976,000	−1,976,000	−1,976,000	−1,976,000				
Control of chronic conditions:									
Chronic diseases	19,284,000	−494,000	−494,000	−1,000,000	−1,000,000				
Environmental hazards	5,223,000	−1,348,000	−1,348,000						
Occupational safety and health:									
Research	62,383,000	−6,407,000	−6,407,000	−12,450,000	−7,775,000				
Training	14,252,000	−11,543,000	−5,500,000	−5,500,000	−5,000,000				
Program support	4,546,000	−467,000	−467,000	−467,000	−467,000				
Subtotal	81,181,000	−18,417,000	−12,374,000	−18,417,000	−13,722,000				
Epidemiology services	29,153,000			−2,000,000					
Technology development and application	26,823,000	−369,000	−369,000	−369,000	−369,000				
CDC, buildings and facilities	4,951,000			−500,000	−500,000				
Program management	3,894,000	−414,000	−414,000	−414,000	−414,000				
Unobligated swine flu funds			−11,400,000	−9,400,000	−9,400,000				
Mount St. Helen's study, reappropriation								2,000,000	2,0001000
Total, preventive health services	230,226,000	−50,018,000	−55,375,000	−61,076,000	−54,381,000			2,000,000	2,000,000
Pay raise supplemental:									
(By transfer, nonadd)						(6,659,000)			
Appropriation								2,000,000	2,000,000
National Institutes of Health									
National Cancer Institute	1,001,398,000	−25,386,000	−7,730,000	−14,264,000	−10,785,000	6,957,000		3,479,000	
National Heart, Lung, and Blood Institute	560,301,000	−23,868,000	−10,131,000	−11,325,000	−9,950,000	2,750,000		1,375,000	
National Institute of Dental Research	71,281,000	−1,985,000		−347,000		839,000		419,000	
National Institute of Arthritis, Metabolism, and Digestive Diseases	372,081,000	−11,179,000	−2,316,000	−3,237,000	−2,113,000	2,248,000		1,124,000	
National Institute of Neurological and Communicative Disorders and Stroke	253,953,000	−6,484,000	−2,456,000	−1,791,000	−997,000	1,587,000		794,000	
National Institute of Allergy and Infectious Diseases	232,479,000	−3,884,000				1,904,000		952,000	
National Institute of General Medical Sciences	335,687,000	−21,050,000	−2,757,000	−1,720,000	−1,571,000	299,000		149,000	
National Institute of Child Health and Human Development	223,618,000	−7,748,000	−3,335,000	−3,360,000	−2,694,000	1,331,000		666,000	
National Eye Institute	120,262,000	−4,696,000	−2,619,000	−2,381,000	−2,137,000	488,000		244,000	
National Institute of Environmental Health Sciences	97,272,000	−6,056,000	−3,455,000	−4,056,000	−3,630,000	853,000		426,000	
National Institute on Aging	76,166,000	−2,213,000	−598,000	−659,000	−377,000	563,000		282,000	
Research Resources	184,471,000	−10,745,000	−8,623,000	−10,561,000	−8,623,000	87,000		43,000	
John E. Fogarty International Center	9,138,000			−500,000		116,000		58,000	
Subtotal, Research Institutes	3,538,107,000	−125,294,000	−44,020,000	−54,201,000	−42,877,000	20,022,000		10,011,000	
National Library of Medicine	44,730,000	−341,000		−341,000		799,000		339,000	
Office of the Director	21,687,000	−360,000		−360,000		1,047,000		524,000	
Total, National Institutes of Health	3,604,524,000	−125,995,000	−44,020,000	−54,902,000	−42,877,000	21,868,000		10,874,000	
Alcohol, Drug Abuse, and Mental Health Administration									
Alcohol, Drug Abuse, and Mental Health									
General mental health:									
Research	151,058,000	−8,368,000	−8,368,000	−8,368,000	−8,368,000				
Training	93,854,000	−20,908,000	−12,000,000	−12,000,000	−12,000,000				
Community programs:									
Community mental health centers, new	24,967,000	−24,967,000	−24,967,000	−24,967,000	−24,967,000				
Demonstrations, Chron. mental illness	15,000,000	−7,400,000	−7,400,000	−7,400,000	−7,400,000				
Other services (Systems Act)	67,783,000	−6,175,000	−6,175,000	−6,175,000	−6,175,000				
Subtotal, services	107,750,000	−38,542,000	−38,542,000	−38,542,000	−38,542,000				
Drug abuse:									
Research	46,000,000	−1,211,000	−1,211,000	−1,211,000	−1,211,000				
Training	7,644,000	−192,000	−192,000	−192,000	−192,000				
Community programs:									
Project grants and contracts	161,000,000	−755,000	−755,000	−755,00	−755,00				
Grants to States	30,000,000	−30,000,000	−6,000,000	−30,000,000	−18,000,000				
Subtotal, drug abuse	244,644,000	−32,158,000	−8,158,000	−32,158,000	−20,158,000				
Alcoholism:									
Research	22,251,000	−540,000	−540,000	−540,000	−540,000				
Training	5,821,000	−374,000	−374,000	−374,000	−374,000				
Community programs:									
Project grants and contracts	73,000,000	−2,262,000	−2,262,000	−2,262,000	−2,262,000				
Grants to States	50,000,000	−50,000,000	−10,000,000	−50,000,000	−30,000,000				
Subtotal, alcoholism	151,072,000	−53,176,000	−13,176,000	−53,176,000	−33,176,000				
Total, alcohol, drug abuse and mental health	748,378,000	−153,152,000	−80,244,000	−144,244,000	−112,244,000				
Pay raise supplemental						2,786,000			
St. Elizabeths Hospital:									
Construction and renovation	1,500,000	−1,500,000	−1,500,000	−1,500,000	−1,500,000				
Pay raise supplemental	94,273,000					4,591,000	4,591,000	4,591,000	4,591,000
Total, ADAMHA	844,151,000	−154,652,000	−81,744,000	−145,744,000	−113,744,000	7,377,000	4,591,000	4,591,000	4,591,000

CONFERENCE AGREEMENT, H.R. 3512, FISCAL YEAR 1981 SUPPLEMENTALS AND RESCISSIONS—CHAPTER VIII: SUBCOMMITTEE ON THE DEPARTMENTS OF LABOR, HHS, AND EDUCATION, AND RELATED AGENCIES—Continued

	Fiscal year 1981 appropriation	Rescissions and deferrals				Supplementals			
		President	House	Senate	Conference	President	House	Senate	Conference
Health Resources Administration									
Health Resources									
Health planning and resources development:									
Health planning:									
Local planning and implementation	$101,717,000	−$24,000,000	−$24,000,000	−$15,000,000	−$18,000,000				
Program support	9,685,000	−215,000	−215,000	−215,000	−215,000				
Subtotal, health planning	111,402,000	−24,215,000	−24,215,000	−15,215,000	−18,215,000				
Health professions education:									
Institutional assistance:									
Capitation:									
MOD	55,613,000	−55,613,000	−55,613,000	−55,613,000	−55,613,000				
VOPP	9,815,000	−9,815,000	−9,815,000	−9,815,000	−9,815,000				
Subtotal, capitation	65,428,000	−65,428,000	−65,428,000	−65,428,000	−65,428,000				
Startup assistance	1,790,000	−1,790,000		−1,790,000					
Health professions education and services:									
National Health Service Corps: Scholarships	79,500,000	−16,100,000	−16,100,000	−16,100,000	−16,100,000				
Health professions student assistance: Loans	16,500,000	−16,500,000		−8,250,000					
Dental health education:									
Team grants	2,000,000	−1,000,000	−1,000,000	−500,000	−750,000				
EFDA (dental extenders)	2,000,000	−1,900,000	−1,900,000	−1,900,000	−1,900,000				
Public Health and Health Administration:									
Capitation	6,450,000	−6,450,000		−4,225,000	−2,100,000				
Special projects	5,000,000	−2,200,000	−2,200,000	−1,950,000	−2,200,000				
Health administration grants	3,000,000	−3,000,000	−3,000,000	−1,500,000	−2,250,000				
Public health traineeships	7,000,000	−3,300,000		−500,000	−250,000				
Health administration traineeships	2,000,000	−1,500,000	−1,500,000	−1,000,000	−1,250,000				
Allied health	6,700,000	−5,700,000	−5,700,000	−5,700,000	−5,700,000				
Primary care:									
Family med/gen. dental res. and training	40,500,000	−20,050,000	−10,025,000	−4,050,000	−3,050,000				
General internal medicine and pediatric	19,500,000	−6,000,000	−1,500,000						
Special manpower initiatives:									
Physicians extenders	9,100,000	−1,000,000	−1,000,000	−1,000,000	−1,000,000				
Emergency medical training	3,000,000	−3,000,000	−3,000,000	−3,000,000	−3,000,000				
Health prof. educ. improvement and development	8,500,000	−8,500,000	−8,500,000	−5,250,000	−8,500,000				
Nursing programs:									
Capitation grants	24,000,000	−24,000,000	−14,000,000	−14,000,000	−14,000,000				
Advanced nurse training	12,000,000	−11,243,000	−3,000,000						
Nurse practitioner	13,000,000	−3,000,000	−3,000,000						
Special projects	15,000,000	−3,000,000	−3,000,000	−3,000,000	−3,000,000				
Traineeships	13,000,000	−13,000,000	−3,000,000						
Scholarships	9,000,000	−9,000,000	−9,000,000		−9,000,000				
Subtotal, nursing programs	86,000,000	−63,243,000	−35,000,000	−17,000,000	−26,000,000				
Program support, health professional and nursing	16,525,000	−740,000	−740,000	−370,000	−370,000				
Subtotal, health professions and nursing	380,493,000	−227,401,000	−156,593,000	−139,513,000	−139,848,000				
HRA program management	13,637,000	−126,000	−126,000	−126,000	−126,000				
Total, health resources	505,532,000	−251,742,000	−180,934,000	−154,854,000	−158,189,000				
Pay raise supplemental (by transfer)						($3,062,000)	($3,062,000)	($3,062,000)	($3,062,000)
Office of the Assistant Secretary for Health									
Salaries and Expenses									
Health services research	23,177,000	−728,000	−728,000	−728,000	−728,000				
Health statistics:									
Program operations	35,360,000			−500,000	−500,000				
Health maintenance organizations development activities	43,813,000	−28,094,000	−35,000,000	−35,000,000	−35,000,000				
Special health initiatives:									
Smoking and health	2,995,000	−933,000	−933,000	−933,000	−933,000				
Health promotion	3,275,000	−969,000	−969,000	−969,000	−969,000				
Physical fitness and sports	929,000			−140,000	−140,000				
Public Health Service termination cost						120,729,000	40,000,000	37,700,000	40,000,000
Total, Assistant Secretary for Health	109,549,000	−30,724,000	−37,630,000	−38,270,000	−38,270,000	120,729,000	40,000,000	37,700,000	40,000,000
Pay raise supplemental						2,124,000		1,062,000	
Total, Public Health Service		−669,767,000	−445,382,000	−511,299,000	−457,237,000	159,827,000	44,591,000	63,537,000	53,901,000
Health Care Financing Administration									
Professional Standards Review Organizations:									
Hospital review (payments account):									
Medicaid, direct appropriations	40,120,000	−8,693,000	−4,346,000	−6,520,000	−6,520,000				
Medicare, nonappropriated funds	(78,180,000)	(−16,940,000)	(−8,470,000)	(−12,705,000)	(−12,705,1000)				
Nonhospital activities:									
Federal funds	22,372,000	−5,992,000	−2,996,000	−4,494,000	−4,494,000				
Trust funds	(32,996,000)	(−6,643,000)	(−3,322,000)	(−4,982,000)	(−4,982,000)				
Total, PSRO budget	(173,668,000)	(−38,268,000)	(−19,134,000)	(−28,701,000)	(−28,701,000)				
Research, demonstration, and evaluation:									
Federal funds	30,000,000	−1,000,000	−1,000,000	−4,200,000	−3,000,000				
Trust funds	(20,000,000)	(−3,000,000)	(−3,000,000)	(−9,367,000)	(−6,000,000)				
Subtotal, research and evaluation	50,000,000	−4,000,000	−4,000000	−13,567,000	−9,000,000				
State Certification: Medicare certification, trust funds	(29,760,000)	(−6,000,000)	(−6,000,000)	(−6,000,000)	(−6,000,000)				
Total, program management:									
Federal funds	52,372,000	−6,992,000	−3,996,000	−8,694,000	−7,494,000				
Trust funds	(82,756,000)	(−15,643,000)	(−12,322,000)	(−20,349,000)	(−16,982,000)				
Total Health Care Financing Administration:									
Federal funds	92,492,000	−15,685,000	−8,342,000	−15,214,000	−14,014,000				
Trust funds	(82,756,000)	(−15,643,000)	(−12,322,000)	(−20,349,000)	(−16,982,000)				
Pay raise supplemental:									
Federal funds						2,500,000			
Trust funds						(4,174,000)		(3,000,000)	(3,000,000)

CONFERENCE AGREEMENT, H.R. 3512, FISCAL YEAR 1981 SUPPLEMENTALS AND RESCISSIONS—CHAPTER VIII: SUBCOMMITTEE ON THE DEPARTMENTS OF LABOR, HHS, AND EDUCATION, AND RELATED AGENCIES—Continued

	Fiscal year 1981 appropriation	Rescissions and deferrals				Supplementals			
		President	House	Senate	Conference	President	House	Senate	Conference
SOCIAL SECURITY ADMINISTRATION									
Supplemental security income: Pay raise supplemental	$691,891,000					$38,192,000	$25,000,000	$25,000,000	$25,000,000
Low-income energy program: Federal Administration	4,000,000			−$500,000	−$500,000				
Limitation on administrative expenses:									
Contingency reserve increase for new legislation	(50,000,000)					(67,667,000)		(30,000,000)	(30,000,000)
Pay raise supplemental	(2,654,864,000)					(139,700,000)	(90,000,000)	(90,000,000)	(90,000,000)
Assistant Secretary for Human Development Services									
Adoption assistance						5,000,000	5,000,000	5,000,000	5,000,000
Research and demonstrations	12,000,000			−1,700,000	−850,000				
Child welfare training	5,600,000			−800,000	−400,000				
Administration on aging:									
Grants for State and community activities	691,720,000	−$10,000,000	−$5,000,000	−5,000,000	−5,000,000				
State agency activities	22,675,000			21,800,000					
Aging research and training	45,500,000			−10,000,000	−5,000,000				
Federal Council on Aging	581,000	−100,000	−100,000	−100,000	−100,000				
National Clearinghouse on Aging	2,000,000			−400,000	−200,000				
Developmental disabilities	61,181,000			−3,500,000	−1,750,000				
Social Services Research	3,750,000			−400,000	−200,000				
Subtotal, Human Development Services	845,007,000	−10,100,000	−5,100,000	−24,700,000	−13,500,000	5,000,000	5,000,000	5,000,000	5,000,000
Pay raise supplemental						1,420,000		1,116,000	1,116,000
Refugee Assistance (General)									
State administration services:									
Cash assistance	271,252,000	−9,424,000	−9,424,000	−7,013,000	−7,013,000				
Medical assistance	139,400,000	−4,938,000	−4,938,000	−3,649,000	−3,649,000				
State administration	46,600,000	−1,638,000	−1,638,000	−1,338,000	−1,338,000				
Social services	93,678,000	−4,000,000	−4,000,000						
Pre-1978 Cuban program (phasedown)	44,800,000	−8,000,000	−8,000,000	−8,000,000	−8,000,000				
Subtotal, States	595,730,000	−28,000,000	−28,000,000	−20,000,000	−20,000,000				
Voluntary agency programs	24,000,000	−14,400,000	−14,400,000	−14,400,000	−14,400,000				
Federal administrative expense	6,600,000	−405,000	−405,000	−405,000	−405,000				
Services for asylum applicants	12,000,00	−7,000,000	−7,000,000	−7,000,000	−7,000,000				
Additional savings because of lower number of Indochinese arriving			−25,000,000						
Subtotal, refugee assistance	638,330,000	−49,805,000	−74,805,000	−41,805,000	−41,805,000				
Cuban/Haitian entrants and reception, processing	167,100,000			−20,000,000	−10,000,000				
Cuban/Haitian entrants, domestic assistance								6,000,000	6,000,000
Total, refugee assistance	805,430,000	−49,805,000	−74,805,000	−61,805,000	−51,805,000			6,000,000	6,000,000
Departmental Management									
Pay raise supplemental:									
General departmental management						7,416,000			
(By transfer)						(1,700,000)	(8,300,000)	(8,300,000)	(8,300,000)
Office of the Inspector General						2,212,000			
Office for Civil Rights						1,116,000	1,116,000		
Policy Research	22,700,000			−2,500,000	−2,500,000				
Administrative Savings (Gen'l Provision)				−27,123,000	−13,500,000				
Total, Department of Health and Human Services:									
Federal funds		−745,357,000	−533,629,000	−643,071,000	−553,056,000	217,683,000	75,707,000	100,653,000	91,017,000
Trust funds		(−15,643,000)	(−12,322,000)	(−20,349,000)	(−16,982,000)	(211,541,000)	(90,000,000)	(123,000,000)	(123,000,000)
TITLE III—DEPARTMENT OF EDUCATION AND SPECIAL INSTITUTIONS									
Elementary and Secondary Education									
Grants for disadvantaged, Title I:									
Basic grants: Grants to local educational agencies	2,824,880,000	−706,220,000	−282,488,000	−344,638,000	−313,563,000				
State agency programs:									
Migrants	288,000,000	−72,000,000	−28,800,000	−14,400,000	−21,600,000				
Handicapped	165,000,000	−41,250,000	−16,500,000	−8,250,000	−12,375,000				
Neglected and dilinquent	37,750,000	−9,438,000	−3,775,000	−3,775,000	−3,775,000				
Subtotal	490,750,000	−122,688,000	−49,075,000	−26,425,000	−37,750,000				
State administration	47,000,000	−11,750,000	−4,700,000	−17,750,000	−13,000,000				
Evaluation and studies	10,00,000	−2,550,000	−1,000,000	−4,000,000	−4,000,000				
Subtotal, basic grants	3,372,630,000	−843,208,000	−337,263,000	−392,813,000	−368,313,000				
Concentration grants	142,142,000	−35,536,000	−14,214,000	−71,072,000	−42,142,000				
Subtotal, grants for disadvantaged, title I	3,514,772,000	−878,744,000	−351,477,000	−463,885,000	−410,455,000				
Support and innovation grants:									
Improving local educational practice	91,400,000	−41,400,000	−9,140,000	−41,400,000	−25,270,000				
State agency management	51,000,000	−12,750,000	−5,100,000	−12,750,000	−8,925,000				
Bilingual education	174,963,000	−43,741,000	−17,496,000	−17,496,000	−17,496,000				
General assistance for the Virgin Islands	3,000,000	−3,000,000	−300,000	−2,000,000	−300,000				
Territorial teacher training assistance	2,000,000	−2,000,000	−200,000	−1,000,000	−200,000				
Ellender fellowships	1,000,000	−750,000	−100,000						
Total, elementary and secondary education	3,838,135,000	−982,385,000	−383,813,000	−538,531,000	−462,646,000				
School Assistance in Federally Affected Areas									
Maintenance and operations:									
Payments for "a" children	401,000,000	−40,100,000	−20,050,000	−20,050,000	−20,050,000				
Payments for "b" children	251,000,000	−25,100,000	−12,550,000	−12,550,000	−12,550,000				
Special provisions	13,000,000	−1,300,000	−650,000	−650,000	−650,000				
Total, impacted area aid	665,000,000	−66,500,000	−33,250,000	−33,250,000	−33,250,000				
Equal Educational Opportunities									
Emergency school aid: General grants to school districts	107,800,000	−26,950,000	−16,475,000	−107,800,000	−74,400,000				
Nationally competed funds:									
Special programs and projects	83,583,000	−20,896,000	−10,448,000	−5,000,000	−7,724,000				
Magnet schools, pairing and neutral site schools	30,000,000	−7,500,000	−750,000						
Grants to nonprofit organizations	7,500,000	−1,875,000	−937,000	−2,500,000	−2,500,000				

CONFERENCE AGREEMENT, H.R. 3512, FISCAL YEAR 1981 SUPPLEMENTALS AND RESCISSIONS—CHAPTER VIII: SUBCOMMITTEE ON THE DEPARTMENTS OF LABOR, HHS, AND EDUCATION, AND RELATED AGENCIES—Continued

	Fiscal year 1981 appropriation	Rescissions and deferrals				Supplementals			
		President	House	Senate	Conference	President	House	Senate	Conference
Educational television and radio	$6,450,000	−$1,613,000	−$807,000	−$2,000,000	−$2,000,000				
Evaluation	1,000,000	−500,000	−500,000	−500,000	−500,000				
Subtotal, emergency school aid	236,333,000	−59,344,000	−29,917,000	−117,800,000	−87,124,000				
Training and advisory services	45,675,000	−11,419,000	−5,709,000	−11,419,000	−8,564,000				
Women's educational equity	10,000,000	−2,500,000	−1,250,000	−2,500,000	−1,875,000				
Total, equal educational opportunities	292,008,000	−73,253,000	−36,876,000	−131,719,000	−97,563,000				
Libraries and Learning Resources									
School libraries and instructional resources	171,000,000	−42,750,000	−21,375,000	−10,000,000	−10,000,000				
College library resources	4,988,000			−4,988,000	−2,000,000				
Training and demonstrations	1,167,000			−500,000	−250,000				
Subtotal, libraries and learning resources	177,155,000	−42,750,000	−21,375,000	−15,488,000	−12,250,000				
Education for the Handicapped, Gifted and Talented									
Education for the handicapped:									
State grant program	922,000,000	−230,500,000	−47,500,000	−47,500,000	−47,500,000				
Preschool incentive grants	25,000,000	−6,250,000	−3,125,000						
Severely handicapped projects	5,000,000	−1,250,000	−625,000	−625,000	−625,000				
Early childhood education	20,000,000	−5,000,000	−2,500,000	−2,500,000	−2,500,000				
Regional, vocational, adult and postsecondary programs	4,000,000	−1,000,000	−500,000	−1,600,000	−1,050,000				
Innovation and development	20,000,000	−5,000,000	−5,000,000	−5,000,000	−5,000,000				
Media and resource services:									
Media services and captioned films	19,000,000	−2,000,000	−1,000,000	−3,000,000	−2,000,000				
Regional resource centers	9,750,000	−2,438,,000	−1,219,000	−2,970,000	−2,094,000				
Recruitment and Information	1,000,000			−500,000	−250,000				
Special education personnel development	58,000,000	−14,500,000	−7,250,000	−25,000,000	−14,500,000				
Special studies	2,300,000			−1,300,000	−1,300,000				
Total, education for the handicapped	1,086,050,000	−267,938,000	−68,719,000	−89,995,000	−76,819,000				
Rehabilitation Services and Handicapped Research									
Rehabilitation Services:									
Service projects	32,860,000	−6,572,000		−6,572,000	−3,000,000				
Independent living	18,000,000	−3,600,000	−1,800,000						
Training	25,500,000	−5,100,000	−2,550,000	−5,100,000	−3,825,000				
Subtotal	76,360,000	−15,272,000	−4,350,000	−11,672,000	−6,825,000				
National Institute for Handicapped Research	35,000,000	−7,000,000	−3,500,000	−7,000,000	−5,250,000				
National Council on the Handicapped	256,000,000	−51,000	−25,000	−51,000	−51,000				
Total, rehabilitation and handicapped research	111,616,000	−22,323,000	−7,875,000	−18,723,000	−12,126,000				
Vocational and Adult Education									
Vocational education:									
State grants and innovative programs:									
Basic grants	562,266,000	−141,871,000	−34,127,000	−84,339,000	−44,127,000				
Program improvement and supportive services	124,817,000	−31,494,000	−31,494,000	−6,241,000	−31,494,000				
Programs of national significance	10,000,000	−2,523,000	−2,523,000	−2,523,000	−2,523,000				
Special programs for the disadvantaged	20,000,000	−5,046,000	−2,000,000	−5,046,000	−5,046,000				
Consumer and homemaking education	43,497,000	−10,975,000	−4,350,000	−21,950,000	−13,150,000				
State advisory councils	6,500,000	−1,640,000		−1,640,000					
Bilingual vocational training	4,800,000	−1,200,000	−480,000	−1,200,000	−840,000				
State planning	5,000,000	−1,262,000	−1,262,000	−1,262,000	−1,262,000				
Subtotal, vocational education	776,880,000	−196,011,000	−76,236,000	−124,201,000	−98,442,000				
Adult education, Grants to States	120,000,000	−30,000,000	−15,000,000	−20,000,000	−20,000,000				
Community schools	10,000,000	−6,862,000	−4,431,000	−6,862,000	−6,862,000				
Career education incentive	15,000,000	−5,000,000	−2,500,000	−5,000,000	−5,000,000				
Consumer's education	3,617,000	−904,000	−904,000	−3,617,000	−2,261,000				
Total, vocational and adult education	925,497,000	−238,777,000	−99,071,000	−159,680,000	−132,565,000				
Student Financial Assistance									
Basic grants (Pell program):									
Program funds	2,159,000,000					403,000,000	403,000,000	133,000,000	187,000,000
One time funding for 1980 deficit						258,000,000	258,000,000	258,000,000	258,000,000
Subtotal, Pell grants	2,159,000,000					661,000,000	661,000,000	391,000,000	445,000,000
Student Loan Insurance									
Guaranteed student loan program	1,950,296,000	−103,270,000	−103,270,000	−36,530,000	−36,530,000				
Higher and Continuing Education									
Student Services:									
Special programs for the disadvantaged	159,500,000			−6,000,000	−3,000,000				
Veterans cost of instruction	12,039,000	−12,039,000		−12,039,000	−6,020,000				
Strengthening developing institutions	120,000,000								
International education and foreign language studies:									
Domestic programs	21,800,000	−4,800,000							
Overseas programs	6,200,000	−3,200,000							
Educational outreach programs:									
Educational information centers	3,000,000	−3,000,000		−3,000,000	−3,000,000				
University community services and continuing education	9,000,000	−6,800,000		−6,800,000	−6,800,000				
State postsecondary education commissions	3,000,000	−3,000,000		−3,000,000	−3,000,000				
Graduate/professional educational opportunities	11,000,000			−2,000,000	−1,000,000				
Public service grants and fellowships	4,000,000	−2,000,000		−2,000,000					
Mining fellowships	2,150,000	−1,150,000		−1,150,000	−1,150,000				
Law school clinical experience	4,000,000	−3,000,000		−3,000,000					
Law-related education	1,000,000	−250,000		−1,000,000					
Architectural barriers removal	10,000,000	−10,000,000	−10,000,000	−10,000,000	−10,000,000				
Total, higher and continuing education	366,689,000	−49,239,000	−10,000,000	−49,989,000	−33,970,000				
Higher Education Facility Loan Insurance Fund: Deferral, (nonadd)	(25,000,000)	(−25,000,000)		(−25,000,000)					
College housing loans	14,271,000	−14,550,000		−14,550,000	−14,271,000				
School Improvement									
School improvement programs: Basic skills improvement		35,000,000	−8,750,000	−3,500,000	−3,500,000	−3,500,000			
Special projects and initiatives:									
Arts in education	3,500,000	−875,000	−350,000	−2,000,000	−350,000				
Metric education	1,840,000	−460,000	−184,000	−460,000	−460,000				

CONFERENCE AGREEMENT, H.R. 3512, FISCAL YEAR 1981 SUPPLEMENTALS AND RESCISSIONS—CHAPTER VIII: SUBCOMMITTEE ON THE DEPARTMENTS OF LABOR, HHS, AND EDUCATION, AND RELATED AGENCIES—Continued

	Fiscal year 1981 appropriation	Rescissions and deferrals				Supplementals			
		President	House	Senate	Conference	President	House	Senate	Conference
Cities in schools	$3,050,000	−$763,000	−$305,000	−$305,000	−$305,000				
PUSH for excellence	1,000,000	−250,000	−100,000	−250,000	−175,000				
Subtotal, special projects and initiatives	9,390,000	−2,348,000	−939,000	−3,015,000	−1,290,000				
Alcohol and drug abuse education	3,000,000	−750,000	−300,000		−150,000				
Ethnic heritage studies	3,000,000	−750,000	−300,000	−750,000	−750,000				
Subtotal, school improvement	50,390,000	−12,598,000	−5,039,000	−7,265,000	−5,690,000				
Dissemination and professional development programs:									
National diffusion program	10,000,000			−2,500,000	−1,250,000				
Teacher corps	30,000,000	−7,500,000	−3,000,000	−7,500,000	−7,500,000				
Teacher centers	13,000,000	−3,250,000	−1,300,000	−6,500,000	−3,900,000				
Pre-college science teacher training	2,500,000	−625,000	−250,000	−625,000	−625,000				
Followthrough	44,250,000	−11,063,000	−4,425,000	−33,188,000	−18,000,000				
Gifted and talented	6,280,000	−1,570,000	−628,000	−3,140,000	−628,000				
Migrant high school equivalency program	6,345,000			−500,000	−250,000				
Subtotal, professional development	112,375,000	−24,008,000	−9,603,000	−53,953,000	−32,153,000				
Total, educational improvement	162,765,000	−36,606,000	−14,642,000	−61,218,000	−37,843,000				
Educational statistics (NCES)	9,947,000			−1,000,000	−1,000,000				
Research and related activities: National Institute of Education	74,114,000		−7,000,000	−10,000,000	−8,500,000				
Pay Raise Supplementals									
Departmental management, Salaries and expenses						$7,700,000		$4,000,000	$2,000,000
Office of the Inspector General						497,000	497,000	497,000	497,000
Advisory committee	2,254,000			−750,000	−500,000				
Administrative savings (general provisions)				−5,277,000					
Total, Department of Education		−1,897,591,000	−785,891,000	−1,166,700,000	−959,833,000	669,197,000	661,497,000	395,497,000	447,497,000
TITLE IV—RELATED AGENCIES									
ACTION (domestic programs):									
Volunteers in Service to America: VISTA operations	34,050,000	−1,727,000	−1,727,000	−3,207,000	−3,207,000				
Citizen participation and volunteer demonstration programs	3,364,000		−1,480,000	−200,000	−1,480,000				
Older Americans volunteer programs: Senior Companion program	12,783,000	−1,480,000							
Consultants, travel, etc.				−500,000	−500,000				
Total, ACTION	50,197,000	−3,207,000	−3,207,000	−3,907,000	−5,187,000				
Pay raise supplemental						920,000		460,000	230,000
Community Services Administration:									
Community Action Operations:									
National youth sports program	6,000,000	−6,000,000		−6,000,000					
Community Action agencies	394,300,000		−12,500,000	−12,500,000	−12,500,000				
Economic development	48,500,000		−4,000,000	−4,200,000	−4,200,000				
Rural Development Loan Fund:									
(Limitation on direct loans)	(8,000,000)		(−2,500,000)	(−2,500,000)	(−2,500,000)				
(Limitation on guaranteed loans)	(2,000,000)		(−2,000,000)	(−2,000,000)	(−2,000,000)				
Community Development Credit Union Loan Fund: (Limitation on direct loans)	(1,000,000)		(−1,000,000)	(−1,000,000)	(−1,000,000)				
Pay raise supplemental						791,000			
Consultants, travel, etc.				−215,000	−215,000				
Subtotal, CSA	448,800,000	−6,000,000	−16,500,000	−22,915,000	−16,915,000	791,000			
Corporation for Public Broadcasting:									
Fiscal year 1982 (advanced in fiscal year 1980)	172,000,000	−43,000,000							
Fiscal year 1983 (advanced in 1981)	172,000,000	−52,000,000	−60,000,000		−35,000,000				
Federal Mediation and Conciliation Service	25,919,000	−687,000		−687,000					
Federal Mine Safety and Health Review Commission	4,617,000	−273,000	−273,000	−273,000	−273,000				
National Commission on Libraries and Information Science	691,000					4,000			
National Commission on Student Financial Assistance						750,000	750,000		250,000
National Labor Relations Board	116,635,000			−1,060,000	−1,060,000	2,913,000	2,913,000	2,913,000	2,913,000
National Mediation Board	4,780,000					52,000			
Presidential Comm. on Ethical Problems in Medicine	1,500,000					45,000			
Railroad Retirement (limitation)	(36,750,000)					(1,044,000)	(1,044,000)	(1,044,000)	(1,044,000)
Occupational Safety and Health Review Commission	7,860,000	−54,000	−54,000		−54,000				
Soldiers' and Airmen's Home (trust fund appropriation): Operation and maintenance	20,326,000					755,000	755,000	755,000	755,000
Pay raise supplemental						1,074,000	1,074,000	1,074,000	1,074,000
Total, Related Agencies:									
Federal funds	681,325,000	−10,221,000	−20,034,000	−28,842,000	−23,489,000	7,304,000	5,492,000	5,202,000	5,222,000
Trust funds	(36,750,000)					(1,044,000)	(1,044,000)	(1,044,000)	(1,044,000)
1982 advance	172,000	−43,000,000							
1983 advance	172,000,000	−52,000,000	−60,000,000		−35,000,000				
Limitations on loan authority	(11,000,000)		(−5,500,000)	(−5,500,000)	(−5,500,000)				

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 189: Page 60, after line 18, insert:

EMPLOYMENT AND TRAINING ASSISTANCE

(RESCISSION)

Of the funds provided for "Employment and training assistance" for fiscal year 1981 in Public Law 96-536, as amended, $100,000,000 are rescinded: *Provided*, That notwithstanding any other provision of law, $696,000,000 shall be available for the Youth Employment and Training Program authorized under title IV, part A, subpart 3, of the Comprehensive Employment and Training Act: *Provided further*, That notwithstanding any other provision of law, $70,136,000 shall be available for title II, part A, section 202(e), of the Comprehensive Employment and Training Act.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 189 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

EMPLOYMENT AND TRAINING ASSISTANCE

(RESCISSION)

Of the funds provided for "Employment and training assistance" for fiscal year 1981 in Public Law 96-536, as amended, $82,500,000 are rescinded: *Provided*, That notwithstanding any other provision of law, $696,000,000 shall be available for the Youth Employment and Training Program authorized under title IV, part A, subpart 3, of the Comprehensive Employment and Training Act; *Provided further*, That notwithstanding any other provision of law,

$70,136,000 shall be available for title II, part A, section 202(e), of the Comprehensive Employment and Training Act.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachussets?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 197: Page 61, line 15, after "rescinded" insert ": *Provided*, That not more than $126,242,000 shall be available under this head for operation of Public Health Service hospitals and clinics".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 197 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: ": *Provided*, That not more than $128,399,000 shall be available under this head for operation of Public Health Service hospitals and clinics".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 202: Page 62, line 11, strike out "$10,131,000" and insert "$11,325,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 202 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$9,950,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 204: Page 62, line 17, strike out "$2,316,000" and insert "$3,237,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 204 and concur therein with an amendment, as follows: In lieu of the sum inserted by said amendment, insert the following "$2,113,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 205: Page 62, line 24, strike out "$2,456,000" and insert "$1,791,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 205 and concur therein with an amendment, as follows: In lieu of the sum inserted by said amendment, insert the following: "$997,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 206: Page 63, line 5, strike out "$2,757,000" and insert "$1,720,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 206 and concur therein with amendment, as follows: In lieu of the sum inserted by said amendment, insert the following: "$1,571,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 207: Page 63, line 11, strike out "$3,335,000" and insert "$3,360,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 207 and concur therein with an amendment, as follows: In lieu of the sum inserted by said amendment, insert the following: "$2,694,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 208: Page 63, line 16, strike out "$2,619,000" and insert "$2,381,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 208 and concur therein with an amendment, as follows: In lieu of the sum inserted by said amendment, insert the following: "$2,137,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 210: Page 64, line 5, strike out "$598,000" and insert "$659,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 210 and concur therein with an amendment, as follows: In lieu of the sum inserted by said amendment, insert the following: "$377,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 225: Page 66, after line 15, insert:

CUBAN AND HAITIAN ENTRANTS RECEPTION AND PROCESSING

(RESCISSION)

Of the funds provided for "Cuban and Haitian entrants reception and processing" for fiscal year 1981 in Public Law 96-536, as amended, $20,000,000 are rescinded.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 225 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert the following: "$10,000,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 240: Page 68, line 21, after "Act" insert, "$4,988,000 of the amount provided for title II, part A of the Higher Education Act,".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 240 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert the following: "$2,000,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 241: Page 68, line 21, after "Act" insert "and $500,000 of the amount provided for title II, part B of the Higher Education Act".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 241 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert the following: "$250,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 260: Page 70, line 20, after "expenses" insert ": *Provided further,* That notwithstanding section 411(b)(3)(B)(i) each Pell grant be reduced by $100 after taking the cost of attendance limitation of section 411(a)(2)(B)(i) into account".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 260 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert the following: "$80".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 267: Page 71, line 5, after "rescinded": insert", $6,000,000 of the amount provided for section 417".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 267 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert the following: "$3,000,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 268: Page 71, line 5, after "rescinded" insert ", $12,039,000 of the amount provided for section 420".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 268 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following: ", $6,020,000 of the amount provided for section 420 and".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentlemen from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 269: Page 71, line 5, after "rescinded" insert, "$5,150,000 of the amount provided for title IX, part B".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 269 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following: "$2,150,000 of the amount provided for title IX, part B of the Higher Education Act are rescinded".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read as printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

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The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 272: Page 71, line 5, after "rescinded" insert ": *Provided,* That the funds appropriated in Public Law 96-536, as amended, for title IX, part B are available notwithstanding the provisions of sections 922(b)(2) and 922(e) of the Higher Education Act".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 272 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: ": *Provided,* That the funds appropriated in Public Law 96-536, as amended, for title IX, part B are available notwithstanding the provisions of section 922(b)(2) of the Higher Education Act".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 275: Page 71, after line 12, insert:

COLLEGE HOUSING LOANS

(RESCISSION)

Of the funds appropriated for participation sales insufficiencies for fiscal year 1981 in Public Law 96-536, as amended, and Public Law 89-555, $14,550,000 are rescinded. Payments of insufficiencies in fiscal year 1981 as may be required by the Government National Mortgage Association, as trustee, on account of outstanding beneficial interests or participations issued pursuant to section 302(c) of the Federal National Mortgage Association Charter Act, as amended (12 U.S.C. 1717) shall be made from the fund established pursuant to title IV of the Housing Act of 1950, as amended (12 U.S.C. 1749) using loan repayments and other income available during fiscal year 1981. The excess of total loan repayments and other income available during fiscal year 1981, less operating costs including costs for participation insufficiencies, shall be used to reduce the balance of direct loans outstanding from the Department of the Treasury.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 275 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

COLLEGE HOUSING LOANS

(RESCISSION)

Of the funds appropriated for participation sales insufficiencies for fiscal year 1981 in Public Law 96-536, as amended, $14,271,000 are rescinded. Payments of insufficiencies in fiscal year 1981 as may be required by the Government National Mortgage Association, as trustee, on account of outstanding beneficial interests or participations issued pursuant to section 302(c) of the Federal National Mortgage Association Charter Act, as amended (12 U.S.C. 1717) shall be made from the fund established pursuant to title IV of the Housing Act of 1950, as amended (12 U.S.C. 1749) using loan repayments and other income available during fiscal year 1981.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 284: Page 72, after line 8, insert:

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

(RESCISSION)

Of the funds appropriated under this head for fiscal year 1981 in Public Law 96-536, as amended, $750,000 for the purposes of part D of the General Education Provisions Act are rescinded.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 284 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert the following: "$500,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 285: Page 72, line 15, strike out "$3,207,000" and insert "$3,907,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 285 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert the following: "$5,187,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 293: Page 74, after line 24, insert:

Of the total amounts appropriated for the Departments of Health and Human Services and Education for fiscal year 1981, $27,123,000 and $5,277,000, respectively, are hereby rescinded from funds available for travel, consultants, consultant services, training, and furniture and equipment purchases.".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 293 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "Of the total amounts appropriated for the Department of Health and Human Services for fiscal year 1981, $13,500,000 are hereby rescinded from funds available for travel, consultants, consultant services, training, and furniture and equipment purchases.".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 325: Page 82, strike out lines 4 to 7, inclusive and insert "$15,000,000.".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN, Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 325 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "$12,000,000, and, in addition, not to exceed $2,000,000 shall be derived by transfer from the unobligated balance in the appropriation "Acquisition, construction, and improvements".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 331: Page 83, after line 19, insert:

GRANTS-IN-AID FOR AIRPORT PLANNING AND DEVELOPMENT

(LIMITATION ON OBLIGATIONS)

The limitation in section 302 of the Department of Transportation and Related Agencies Appropriation Act, 1981 (Public Law 96-400), is amended by deleting "$700,000,000" and inserting in lieu thereof "$400,000,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 331 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

GRANTS-IN-AID FOR AIRPORT PLANNING AND DEVELOPMENT

(LIMITATION ON OBLIGATIONS)

The limitation in section 302 of the Department of Transportation and Related Agencies Appropriation Act, 1981 (Public Law 96-400), is amended by deleting "$700,000,000" and inserting in lieu thereof "$450,000,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 337: Page 85, after line 16, insert:

After reserving funds for the grant agreements executed prior to March 10, 1981, for the remainder of fiscal year 1981, the Secretary shall obligate available funds up to the extent of the entitlements which existed immediately prior to March 10, 1981, and on the basis of the rail transportation needs to be addressed by the project to be funded.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 337 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

After reserving funds for the grant agreements executed prior to March 10, 1981, for the remainder of fiscal year 1981, the Secretary shall obligate available funds up to the extent of the entitlements which existed immediately prior to March 10, 1981, or on the basis of the rail transportation needs to be addressed by the projected to be funded.

Mr. CONTE (during the reading). Mr. Speaking, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 342: Page 86, strike out all after line 17 over to and including "funds"." in line 2 on page 87.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 342 and concur therein with an amendment, as follows: In lieu of the matter stricken by said amendment, insert the following:

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Grants to the National Railroad Passenger Corporation", for operating losses incurred by the Corporation, $15,300,000 to be derived by transfer from the unobligated balances under the appropriations "Department of the Treasury, Office of the Secretary, Investment in Fund Anticipation Notes" and "Federal Railroad Administration, Railroad Rehabilitation and Improvement Financing Funds". Not to exceed $24,900,000 of amounts previously appropriated for capital improvements may be used for operating expenses incurred by the Corporation.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 351: Page 89, after line 24, insert:

INTERSTATE COMMERCE COMMISSION

PAYMENTS FOR DIRECTED RAIL SERVICE

(TRANSFER OF UNEXPENDED BALANCES)

For necessary expenses for "Payments for directed rail service", $2,500,000, to be derived by transfer from Interstate Commerce Commission, "Salaries and expenses", to remain available until expended.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 351 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

INTERSTATE COMMERCE COMMITTEE

PAYMENTS FOR DIRECTED RAIL SERVICE

(TRANSFER OF FUNDS)

For necessary expenses for "Payments for directed rail service", $2,500,000, to be derived by transfer from Interstate Commerce Commission, "Salaries and expenses", to remain available until expended.

NATIONAL CLEAN-UP AND FLAG-UP AMERICA'S HIGHWAYS WEEK

The week of June 28 through July 4, 1981, is designated as "National Clean-up and Flag-up America's Highways Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 356: Page 92, after line 18, insert:

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $10,000,000, to be used for the implementation of the Air Module Concept; including acquisition (purchase of four), operation and maintenance of aircraft.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 356 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $10,000,000, to be used for the implementation of the Air Module Concept; including acquisition (purchase of four), operation and maintenance of aircraft: *Provided*, That none of the funds made available by this Act shall be available for administrative expenses in connection with effecting the reduction of employment in the U.S. Customs Service below the level on April 30, 1981.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 365: Page 97, after line 16, insert:

DISTRICT OF COLUMBIA FUNDS

GOVERNMENTAL DIRECTION AND SUPPORT

For a reduction in the amount for "Governmental direction and support", of $3,665,500 in current authority: *Provided*, That any program fees collected from the issuance of debt shall be available for the payment of expenses of the debt management program of the District of Columbia.

ECONOMIC DEVELOPMENT AND REGULATION

For an additional amount for "Economic development and regulation", $19,400 including an increase of $3,527,300 in new authority and a reduction of $3,507,900 in current authority.

PUBLIC SAFETY AND JUSTICE

For an additional amount for "Public safety and justice", $2,919,400 including an increase of $3,874,900 in new authority and a reduction of $955,500 in current authority.

PUBLIC EDUCATION SYSTEM

For an additional amount for "Public education system", $2,662,700 including an increase of $2,970,000 in new authority and a reduction of $307,300 in current authority.

HUMAN SUPPORT SERVICES

For an additional amount for "Human support services", $20,922,000 including an increase of $7,300,000 in new authority and an increase of $13,622,000 in current authority: *Provided*, That $3,500,000 of this appropriation, to remain available until expended, shall be available solely for District of Columbia employees' disability compensation.

TRANSPORTATION SERVICES AND ASSISTANCE

For a reduction in the amount for "Transportation services and assistance", of $2,724,900 including an increase of

$4,432,100 in new authority and a reduction of $7,157,000 in current authority.

ENVIRONMENTAL SERVICES AND SUPPLY

For a reduction in the amount for "Environmental services and supply", of $121,600 in current authority.

WATER AND SEWER ENTERPRISE FUND

For an additional amount for "Water and sewer enterprise fund", $3,017,800 including $1,307,600 in new authority and an increase of $1,710,200 in current authority.

WASHINGTON CONVENTION CENTER ENTERPRISE FUND

For establishment of the Washington Convention Center Enterprise Fund, $382,600 in current authority.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 365 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

DISTRICT OF COLUMBIA FUNDS

GOVERNMENTAL DIRECTION AND SUPPORT

(RESCISSION)

Of the funds appropriated for "Governmental direction and support" for fiscal year 1981 in Public Law 96-530, $3,665,500 are rescinded: *Provided*, That outstanding settlements of claims and suits not to exceed $200,000 in total shall be paid in the same manner as judgments rendered against the District of Columbia government.

ECONOMIC DEVELOPMENT AND REGULATION

(RESCISSION)

Of the funds appropriated for "Economic development and regulation" for fiscal year 1981 in Public Law 96-530, $40,500 are rescinded.

PUBLIC SAFETY AND JUSTICE

For an additional amount for "Public safety and justice", $3,394,000.

PUBLIC EDUCATION SYSTEM

(INCLUDING RESCISSIONS)

For an additional amount for "Public education system", $2,970,000, to be allocated as follows: $1,100,000 for the District of Columbia Public Schools, and $1,870,000 for the School Transit Subsidy: *Provided*, That of the funds appropriated under this heading for the Public Library for fiscal year 1981 in Public Law 96-530, $298,800 are rescinded: *Provided further*, That of the funds appropriated under this heading for the Commission on the Arts and Humanities for fiscal year 1981 in Public Law 96-530, $5,000 are rescinded: *Provided further*, That of the funds appropriated under this heading for the Educational Institution Licensure Commission for fiscal year 1981 in Public Law 96-530, $3,500 are rescinded.

HUMAN SUPPORT SERVICES

For an additional amount for "Human support services", $20,754,100: *Provided*, That $3,500,000 of this appropriation, to remain available until expended, shall be available solely for District of Columbia employees' disability compensation.

TRANSPORTATION SERVICES AND ASSISTANCE

(RESCISSION)

Of the funds appropriated for "Transportation services and assistance" for fiscal year 1981 in Public Law 96-530, $3,031,600 are rescinded.

ENVIRONMENTAL SERVICES AND SUPPLY

(RESCISSION)

Of the funds appropriated for "Environmental services and supply" for fiscal year 1981 in Public Law 96-530, $121,600 are rescinded.

WATER AND SEWER ENTERPRISE FUND

For an additional amount for "Water and Sewer Enterprise Fund", $3,017,800

WASHINGTON CONVENTION CENTER ENTERPRISE FUND

For establishment of the Washington Convention Center Enterprise Fund, $382,600.

CAPITAL OUTLAY

For an additional amount for "Capital outlay", $696,000.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 428: Page 126, after line 24, insert:

SEC. 303. The Social Security system is vital to the well-being of the Nation's elderly and disabled citizens and currently provides benefits to about 35 million Americans.

The Social Security system faces serious short-term and long-term financing problems that jeopardize the payment of benefits.

It is essential that Congress act forthrightly to address the Social Security financing problem and to restore the American people's confidence in the system.

Any resolution to this problem will have come as a result of a bipartisan effort.

It is the sense of the Congress that Congress should carefully study all options in order to find the most equitable solution to insuring the fiscal integrity of the system.

That Congress shall not precipitously and unfairly reduce early retirees' benefits.

That Congress will enact reforms necessary to ensure the short-term and long-term solvency of the Social Security system but will not support reductions in benefits which exceed those necessary to achieve a financially sound system and the well being of all retired Americans.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 428 and concur therein with an amendment, as follows: In lieu of the section number named in said amendment, insert the following: "304".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the last amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 429: Page 126, after line 24, insert:

SEC. 304. None of the funds provided in this Act may be used to pay for employee travel involving the taking of annual leave while away from the official duty station.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 429 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

SEC. 305. None of the funds in the Act shall be used to prevent or interfere with the right and obligation of the Commodity Credit Corporation to sell surplus agricultural commodities in World trade at competitive prices as authorized by law.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the conference report and the several motions was laid on the table.

CONFERENCE TOTALS

Mr. WHITTEN. Mr. Speaker, under leave to revise and extend my remarks and to include other matter, I include in the RECORD at this point a table detailing the actions taken by the conference committee on the bill:

	New budget authority			
	Estimates	House	Senate	Conference
TITLE I				
CHAPTER I				
DEPARTMENT OF AGRICULTURE				
Animal and Plant Health Inspection Service:				
Salaries and expenses		$7,000,000	$13,250,000	$13,250,000
Agricultural Stabilization and Conservation Service: Dairy and beekeeper indemnity programs (rescission)	−$1,500,000		−1,500,000	
(Effect of new deferral)		(−1,500,000)		(−1,500,000)

	New budget authority			
	Estimates	House	Senate	Conference
Federal Crop Insurance Corporation:				
Administrative and operating expenses	$49,181,000	$42,181,000	$28,181,000	$28,181,000
Subscription to capital stock	150,000,000	150,000,000		
Total, Federal Crop Insurance Corporation	199,181,000	192,181,000	28,181,000	28,181,000
Farmers Home Administration:				
Rural housing insurance fund (rescission of direct loan authority)	(−316,000,000)	(−150,000,000)	(−150,000,000)	(−150,000,000)
(Effect of new deferral)		(−166,000,000)	(−166,000,000)	(−166,000,000)
Agricultural credit insurance fund (rescission of direct loan authority)	(−88,850,000)	(−50,000,000)		(−50,000,000)
(Effect of new deferral)		(−35,000,000)	(−35,000,000)	(−35,000,000)
Rural development insurance fund (rescission of direct loan authority)	(−160,000,000)	(−50,000,000)		
(Effect of new deferral)		(−110,000,000)		
Alcohol production facilities loans:				
(Limitation on guaranteed loans)		(250,000,000)	(250,000,000)	(250,000,000)
Department of the Treasury:				
Energy security reserve (rescission)	−505,000,000	−505,000,000	−505,000,000	−505,000,000
Rural community fire protection grants (rescission)	−1,500,000			
(Effect of new deferral)		(−1,500,000)	(−1,500,000)	(−1,500,000)
Rural development planning grants (rescission)	−2,000,000		−2,000,000	
(Effect of new deferral)		(−2,000,000)		(−2,000,000)
Rural housing supervisory assistance grants (rescission)	−500,000		−500,000	−500,000
(Effect of new deferral)		(−500,000)		
Total, Farmers Home Administration	−509,000,000	−505,000,000	−507,500,000	−505,500,000
Rural Electrification Administration:				
Rural electrification and telephone revolving fund (rescission of direct loan authority)	(−187,000,000)			
(Effect of new deferral)		(−112,000,000)		
Rural communication development fund (rescission of direct loan authority)	(−16,000,000)	(−16,000,000)	(−16,000,000)	(−16,000,000)
Food and Nutrition Service:				
Child nutrition programs			109,875,000	109,875,000
Food stamp program	[1] 1,740,724,000	1,204,600,000	1,742,600,000	1,740,724,000
Total, chapter I:				
New budget (obligational) authority	1,429,405,000	898,781,000	1,384,906,000	1,386,530,000
Appropriations	(1,939,905,000)	(1,403,781,000)	(1,893,906,000)	(1,892,030,000)
CHAPTER II				
DEPARTMENT OF COMMERCE				
Bureau of the Census				
Periodic censuses and programs	24,200,000	24,200,000	24,200,000	24,200,000
Economic Development Administration				
Economic development assistance programs (rescission)	−342,350,000	−181,350,000	−187,850,000	−187,850,000
(Reduction in limitation on direct loans)	(−54,915,000)			
(Reduction in limitation on guaranteed loans)	(−262,000,000)			
Regional Development Program				
Regional development programs (rescission)	−21,000,000	−21,000,000	−21,000,000	−21,000,000
U.S. Travel Service				
Salaries and expenses (rescission)	−41,000	−41,000	−41,000	−41,000
National Oceanic and Atmospheric Administration				
Operations, research, and facilities	4,677,000	4,677,000	4,677,000	4,677,000
Rescission	−36,493,000	−26,236,000	−22,645,000	−23,640,000
Construction (rescission)	−9,000,000	−9,000,000	−11,000,000	−11,000,000
Coastal energy impact fund (rescission)	−40,000,000	−33,000,000		
Coastal Zone Management (By transfer)			(40,000,000)	(33,000,000)
(Effect of new deferral)		(−7,000,000		(−7,000,000)
Foreign fishing observer fund	350,000	350,000	350,000	350,000
Fishermen's guaranty fund	1,900,000	1,900,000	1,450,000	1,450,000
Fisheries Products Research (effect of deferral disapproval)			5,000,000	(2,500,000)
Total, National Oceanic and Atmospheric Administration	−78,566,000	−61,309,000	−27,168,000	−28,163,000
Science and Technical Research				
Scientific and technical research and services (rescission)	−3,370,000	−3,370,000	−3,370,000	−3,370,000
National Telecommunications and Information Administration				
Salaries and expenses (rescission)	−313,000	−163,000		−163,000
Public telecommunications facilities, planning and construction (rescission)	−25,716,510	−12,858,000	−4,000,000	−6,000,000
Total, National Telecommunications and Information Administration	−26,029,510	−13,021,000	−4,000,000	−6,163,000
Maritime Administration				
Ship construction (effect of deferral disapproval)			(55,000,000)	(55,000,000)
Research and development (rescission)	−2,500,000	−2,500,000	−2,500,000	−2,500,000
Total, Department of Commerce	−449,656,510	−258,391,000	−221,729,000	−224,887,000
DEPARTMENT OF JUSTICE				
General Administration				
Salaries and expenses (effect of deferral disapproval)		(3,165,000)	(3,165,000)	(3,165,000)
Legal Activities				
Salaries and expenses, general legal activities (by transfer)	(900,000)	(900,000)	(900,000)	(900,000)
Salaries and expenses, U.S. attorneys and Marshals		1,760,000		880,000
(By transfer)	(6,371,000)	(6,371,000)	(6,371,000)	(6,371,000)
Fees and expenses of witnesses	1,569,000			3,269,000
(By transfer)	(4,931,000)		(6,500,000)	(2,931,000)
Federal Bureau of Investigation				
Salaries and expenses		1,681,000	3,165,000	1,681,000
(By transfer)	(13,687,000)	(10,522,000)	(10,522,000)	(10,522,000)
Immigration and Naturalization Service				
Salaries and expenses	1,112,000	2,747,000	3,397,000	2,747,000
(By transfer)	(7,757,000)	(6,122,000)	(6,122,000)	(6,122,000)

	New budget authority			
	Estimates	House	Senate	Conference
Drug Enforcement Administration				
Salaries and expenses (by transfer)	($875,000)	($875,000)	($875,000)	($875,000)
Federal Prison System				
Salaries and expenses (effect of deferral disapproval)			(4,385,000)	(4,385,000)
Office of Justice Assistance, Research, and Statistics				
Research and statistics	17,034,000	15,353,000	15,353,000	15,353,000
Total, Department of Justice	19,715,000	21,541,000	21,915,000	23,930,000
DEPARTMENT OF STATE				
Administration of Foreign Affairs				
Salaries and expenses	27,750,000		1,475,000	1,475,000
(By transfer)		(20,964,000)	(20,964,000)	(20,964,000)
(Release of sec. 105 funds)		(3,000,000)	(3,000,000)	(3,000,000)
Payment to the American Institute in Taiwan	275,000			
(By transfer)		(275,000)	(275,000)	(275,000)
Payment to the Foreign Service retirement and disability fund	12,251,000	5,321,000	5,321,000	5,321,000
(Release and transfer sec. 105 funds)		(6,930,000)	(6,930,000)	(6,930,000)
International Organizations and Conferences				
Contributions to international organizations (rescissions)		−84,000,000	−84,000,000	−84,000,000
Total, Department of State	40,276,000	−78,679,000	−77,204,000	−77,204,000
THE JUDICIARY				
Supreme Court of the United States				
Care of the building and grounds	42,000	42,000	42,000	42,000
Acquisition of property as an addition to the Grounds of the U.S. Supreme Court	645,000	585,000	645,000	645,000
Total, Supreme Court of the United States	687,000	627,000	687,000	687,000
Courts of Appeals, District Courts, and other Judicial Services				
Salaries and expenses, Bankruptcy Courts	2,000,000			
(By transfer)			(2,000,000)	(2,000,000)
Judicial Survivors' Annuity Program				
Judicial survivors' annuities fund	616,000	616,000	616,000	616,000
RELATED AGENCIES				
Arms Control and Disarmanent Agency				
Arms control and disarmament activities (rescission)	−1,500,000	−1,500,000	−1,500,000	−1,500,000
Board for International Broadcasting				
Grants and expenses	600,000	600,000		
Rescission		−8,957,000	−7,357,000	−8,957,000
Total, Board for International Broadcasting	600,000	−8,357,000	−7,357,000	−8,957,000
Federal Trade Commission				
Salaries and expenses (rescission)	−226,000	−226,000	−226,000	−226,000
International Communication Agency				
Salaries and expenses (by transfer)			(650,000)	(350,000)
Salaries and expenses—Foreign Currency Program				
(Effect of deferral disapproval)			(650,000)	(350,000)
Information media guarantee fund	33,718,000			
Portion applied to debt reduction	−21,767,000			
Total, International Communication Agency	11,951,000			
DEPARTMENT OF THE TREASURY				
Bureau of Government Financial Operations				
Fishermen's Protective Fund	8,300,000		8,300,000	8,300,000
Marine Mammal Commission				
Salaries and expenses (rescission)	−4,000	−4,000		
Small Business Administration				
Salaries and expenses (rescission)	−1,405,000	−1,405,000		−700,000
Business loan and investment fund (effect of deferral disapproval)		(113,400,000)	(9,900,000)	(73,400,000)
Surety bond guarantees revolving fund (effect of deferral disapproval)		(6,000,000)	(6,000,000)	(6,000,000)
Total, related agencies	17,716,000	−11,492,000	−783,000	−3,083,000
Total, chapter II:				
New budget (obligational) authority	−368,646,510	−325,778,000	−276,498,000	−279,941,000
Appropriations	(137,039,000)	(59,832,000)	(68,991,000)	(71,006,000)
Appropriations for debt reduction	(−21,767,000)			
Rescissions	(−483,918,510)	(−385,610,000)	(−345,489,000)	(−350,947,000)
(Effect of deferral actions)		(115,565,000)	(84,100,000)	(137,800,000)
(By transfer)	(34,521,000)	(46,029,000)	(95,179,000)	(84,310,000)
(Reduction in limitation on direct loans)	(−54,915,000)			
(Reduction in limitation on guaranteed loans)	(−262,000,000)			
(Release and transfer of sec. 105 funds)		(9,930,000)	(9,930,000)	(9,930,000)
CHAPTER III				
Military Personnel				
Military personnel, Army	24,900,000		15,400,000	8,400,000
Military personnel, Navy	351,279,000	305,329,000	297,289,000	290,089,000
Military personnel, Marine Corps	82,350,000	36,150,000	49,250,000	46,500,000
(Transfer from other accounts)		(47,800,000)	(47,800,000)	(47,800,000)
Military personnel, Air Force	191,700,000	152,100,000	142,700,000	140,150,000
Military personnel, special pay for aviation officers			55,500,000	55,500,000
Reserve personnel, Army	9,200,000	9,200,000	9,200,000	9,200,000
Reserve personnel, Marine Corps	8,257,000	8,257,000	8,257,000	8,257,000
National Guard personnel, Army	27,400,000	27,400,000	27,400,000	27,400,000
National Guard personnel, Air Force	10,600,000	10,600,000	10,600,000	10,600,000
Total, military personnel	705,686,000	549,036,000	615,596,000	596,096,000
(Transfer from other accounts)		(47,800,000)	(47,800,000)	(47,800,000)

	New budget authority			
	Estimates	House	Senate	Conference
Operation and Maintenance				
Operation and maintenance, Army	$441,300,000	$327,049,000	$489,699,000	$466,149,000
(Liquidation of contract authority)	(2,985,000)	(2,985,000)	(2,985,000)	(2,985,000)
Army stock fund	34,000,000	34,000,000	34,000,000	34,000,000
Operation and maintenance, Navy	542,334,000	402,899,000	575,555,000	561,605,000
(Liquidation of contract authority)	(153,567,000)	(153,567,000)	(153,567,000)	(153,567,000)
Operation and maintenance, Marine Corps	53,760,000	45,060,000	46,906,000	56,906,000
(Liquidation of contract authority)	(4,077,000)	(4,077,000)	(4,077,000)	(4,077,000)
Operation and maintenance, Air Force	1,313,900,000	779,118,000	923,880,000	923,568,000
(Liquidation of contract authority)	(388,743,000)	(388,743,000)	(388,743,000)	(388,743,000)
Operation and maintenance, Defense agencies	131,130,000	67,675,000	112,475,000	111,675,000
Defense stock fund	300,000,000	423,000,000	423,000,000	423,000,000
Operation and maintenance, Army Reserve	16,700,000	16,700,000	14,800,000	15,300,000
Operation and maintenance, Navy Reserve	16,113,000	12,113,000	21,737,000	17,737,000
(Liquidation of contract authority)	(8,786,000)	(8,786,000)	(8,786,000)	(8,787,000)
Operation and maintenance, Air Force Reserve	28,300,000	24,300,000	26,400,000	25,400,000
(Liquidation of contract authority)	(14,997,000)	(14,997,000)	(14,997,000)	(14,997,000)
Operation and maintenance, Army National Guard	26,400,000	26,400,000	25,650,000	26,150,000
(Liquidation of contract authority)	(2,663,000)	(2,663,000)	(2,663,000)	(2,663,000)
Operation and maintenance, Air National Guard	82,000,000	66,200,000	77,400,000	70,900,000
(Liquidation of contract authority)	(44,235,000)	(44,235,000)	(44,235,000)	(44,235,000)
Claims, Defense	49,000,000	.....	49,000,000	6,000,000
Total, operation and maintenance	3,034,937,000	2,224,514,000	2,820,502,000	2,738,390,000
(Liquidation of contract authority)	(620,053,000)	(620,053,000)	(620,053,000)	(620,053,000)
Procurement				
Aircraft procurement, Army	128,000,000	105,000,000	150,600,000	116,700,000
Missile procurement, Army	27,000,000	25,100,000	54,140,000	25,100,000
Procurement of weapons and tracked combat vehicles, Army	796,000,000	796,000,000	859,020,000	796,000,000
Procurement of ammunition, Army	38,700,000	12,700,000	57,160,000	27,700,000
Other procurement, Army	732,600,000	523,400,000	696,580,000	598,750,000
Aircraft procurement, Navy	143,600,000	117,100,000	132,400,000	143,600,000
Weapons procurement, Navy	.....	.....	51,200,000	.....
Shipbuilding and conversion, Navy	317,700,000	156,900,000	263,200,000	241,400,000
Other procurement, Navy	.....	.....	56,700,000	.....
Procurement, Marine Corps	19,200,000	19,200,000	28,600,000	19,200,000
Aircraft procurement, Air Force	740,625,000	739,885,000	965,125,000	753,285,000
Missile procurement, Air Force	209,369,000	164,663,000	275,869,000	205,869,000
Other procurement, Air Force	142,706,000	138,206,000	218,206,000	150,206,000
Procurement, Defense agencies	17,436,000	16,436,000	21,436,000	16,436,000
Total, Procurement	3,312,936,000	2,814,590,000	3,830,236,000	3,094,246,000
Research, Development, Test, and Evaluation				
Research, development, test, and evaluation, Army	79,500,000	17,150,000	127,650,000	41,017,000
Research, development, test, and evaluation, Navy	146,900,000	101,664,000	211,407,000	113,609,000
Research, development, test, and evaluation, Air Force	330,900,000	285,127,000	423,706,000	308,976,000
Research, development, test, and evaluation, defense agencies	41,000,000	30,763,000	74,958,000	44,346,000
Total, research, development, test, and evaluation	598,300,000	434,704,000	837,721,000	507,948,000
Total, chapter III:				
New budget (obligational) authority	7,651,859,000	6,022,844,000	8,104,055,000	6,936,680,000
(Appropriation to liquidate contract authority)	(620,053,000)	(620,053,000)	(620,053,000)	(620,053,000)
(Transfer from other accounts)	.....	(47,800,000)	(47,800,000)	(47,800,000)
CHAPTER IV				
DEPARTMENT OF ENERGY				
Operating Expenses				
Energy supply, R. & D. activities (rescission)	−126,282,000	−44,430,000	−134,225,000	−82,511,000
(Effect of new deferral)	.....	(−143,769,000)	(−38,448,000)	(−105,688,000)
Uranium supply and enrichment activities (rescission of contract authority)	−843,000,000	−979,585,000	−979,585,000	−979,585,000
General science and research activities (effect of new deferral)	.....	(−5,000,000)	.....	(−5,000,000)
Atomic energy defense activities	41,000,000	41,000,000	41,000,000	41,000,000
(Effect of deferral disapproval)	.....	(10,000,000)	.....	(10,000,000)
Departmental administration: General administration	41,000,000	41,000,000	41,000,000	41,000,000
Total, operating expenses	−887,282,000	−942,015,000	−1,031,810,000	−980,096,000
Plant and Capital Equipment				
Energy supply, R. & D. activities (rescission)	−7,967,000	−2,500,000	−16,100,000	−2,500,000
(Effect of new deferral)	.....	(−36,647,000)	(−1,367,000)	(−36,647,000)
Uranium supply and enrichment activities (rescission of contract authority)	.....	−274,460,000	−274,460,000	−274,460,000
Atomic energy defense activities	10,000,000	10,000,000	10,000,000	10,000,000
(Effect of new deferral)	.....	(−30,000,000)	(−30,000,000)	(−30,000,000)
Departmental administration (rescission)	−11,500,000	−11,500,000	−11,500,000	−11,500,000
Total, plant and capital equipment	−9,467,000	−278,460,000	−292,060,000	−278,460,000
Geothermal resources development fund (rescission)	−22,066,000	−21,982,000	−21,982,000	−21,982,000
(Effect of new deferral)	.....	(−101,000)	(−101,000)	(−101,000)
Total, Department of Energy	−918,815,000	−1,242,457,000	−1,345,852,000	−1,280,538,000
DEPARTMENT OF DEFENSE—CIVIL				
DEPARTMENT OF THE ARMY				
Corps of Engineers—Civil				
Operation and maintenance, general	34,000,000	34,000,000	34,000,000	34,000,000
Flood control and coastal emergencies	25,000,000	25,000,000	25,000,000	25,000,000
Flood control, Mississippi River and tributaries	5,000,000	5,000,000	5,000,000	5,000,000
Total, Department of Defense—Civil	64,000,000	64,000,000	64,000,000	64,000,000
DEPARTMENT OF THE INTERIOR				
Water and Power Resources Service				
General investigations (by transfer)	(1,300,000)	(1,300,000)	.....	.....

	New budget authority			
	Estimates	House	Senate	Conference
Funds Appropriated to the President				
Appalachian regional development programs (rescission)	−$110,000,000	−$25,000,000	−$110,000,000	−$40,000,000
(Effect of new deferral)		(−5,000,000)		(−5,000,000)
Nuclear Regulatory Commission				
Nuclear Regulatory Commission (rescission)		−10,000,000		−5,000,000
Tennessee Valley Authority				
Payment to Tennessee Valley Authority fund (rescission)	−177,500,000	−85,500,000	−177,500,000	−85,500,000
(Effect of new deferral)		(−42,000,000)		(−42,000,000)
Water Resources Council				
Water resources planning (rescission)	−5,000,000	−7,288,000	−5,000,000	−5,000,000
Total, Chapter IV:				
New budget (obligational) authority	−1,147,315,000	−1,306,245,000	−1,574,352,000	−1,352,038,000
Appropriations	(156,000,000)	(156,000,000)	(156,000,000)	(156,000,000)
Rescissions	(−460,315,000)	(−208,200,000)	(−476,307,000)	(−253,993,000)
Rescission of contract authority	(−843,000,000)	(−1,254,045,000)	(−1,254,045,000)	(−1,254,045,000)
(Effect of deferral actions)		(−252,517,000)	(−69,916,000)	(−214,436,000)
(By transfer)	(1,300,000)	(1,300,000)		
CHAPTER V				
MULTILATERAL ECONOMIC ASSISTANCE				
Funds Appropriated to the President—International Financial Institutions				
Contribution to the International Finance Corporation (rescission)			−33,447,900	−33,447,900
Contribution to the International Development Association	540,000,000	534,600,000	408,000,000	500,000,000
Contribution to the African Development Bank	17,987,000	17,987,000	17,987,000	17,987,000
Total, international financial institutions	557,987,000	552,587,000	392,539,100	484,539,100
BILATERAL ECONOMIC ASSISTANCE				
Funds Appropriated to the President—Agency for International Development				
American schools and hospitals abroad (foreign currency program)			(14,300,000)	(14,300,000)
Sahel development program (rescission)	−2,000,000	−1,500,000	−2,000,000	−1,500,000
Payment to the Foreign Service Retirement and Disability Fund	2,176,000	2,176,000	2,176,000	2,176,000
Operating expenses	10,476,000	8,651,000	10,476,000	10,170,000
President's Foreign Assistance Contingency Fund (rescission)		−1,400,000		
Indochina Postwar Reconstruction Assistance (rescission)		−1,800,000		
Middle East Special Requirements Fund and Security Supporting Assistance (Syria) (rescission)		−25,000,000		
Inter-American Foundation				
Appropriations (rescission)	−138,000	−138,000	−138,000	−138,000
Total, Funds Appropriated to the President	10,514,000	−19,011,000	10,514,000	10,708,000
INDEPENDENT AGENCY				
ACTION—International Programs				
Peace Corps	531,000	531,000	531,000	531,000
Department of State				
International narcotics control (rescission)	−3,100,000	−2,600,000	−13,285,000	−12,785,000
Migration and refugee assistance (rescission)	−22,500,000	−17,500,000	−17,500,000	−17,500,000
Export-Import Bank of the United States				
(Increase in limitation on guaranteed loans)		(500,000,000)	(500,000,000)	(500,000,000)
(Reduction of direct loan authority)	(−752,000,000)	(−376,000,000)	(−502,000,000)	(−439,000,000)
Total, chapter V:				
New budget (obligational) authority	543,432,000	514,007,000	372,799,100	465,493,100
Appropriations	(571,170,000)	(563,945,000)	(439,170,000)	(530,864,000)
Rescissions	(−27,738,000)	(−49,938,000)	(−66,370,900)	(−65,370,900)
(Increase in limitation on guaranteed loans)		(500,000,000)	(500,000,000)	(500,000,000)
(Reduction of direct loan authority)	(−752,000,000)	(−376,000,000)	(−502,000,000)	(−439,000,000)
(Foreign currency program)			(14,300,000)	(14,300,000)
CHAPTER VI				
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Housing Programs				
Annual contributions for assisted housing (rescission)	−5,099,104,150	−5,219,104,150	−5,260,384,150	−5,219,104,150
(Annual contract authority—rescission)	(−227,713,757)	(−227,713,757)	(−233,473,757)	(−227,713,757)
(Effect of new deferral)				(−300,000,000)
Housing payments (appropriation to liquidate contract authority)	(256,966,000)	(256,966,000)	(256,966,000)	(256,966,000)
Payments for operation of low-income housing projects		100,000,000	100,000,000	100,000,000
Low-rent public housing—loans and other expenses:				
(By transfer, Annual contributions for assisted housing)	(1,060,422,303)	(1,060,422,303)	(1,060,422,303)	(1,060,422,303)
(Appropriation to liquidate contract authority)	(1,060,422,303)	(1,060,422,303)	(1,060,422,303)	(1,060,422,303)
Congregate services program (rescission)	−10,000,000	−10,000,000	−10,000,000	−10,000,000
Government National Mortgage Association				
Guarantees of mortgage-backed securities (limitation on guaranteed loans)	(11,000,000,000)	(11,000,000,000)	(11,000,000,000)	(11,000,000,000)
Total, housing programs	−5,109,104,150	−5,129,104,150	−5,170,384,150	−5,129,104,150
(Appropriations to liquidate contract authority)	(1,317,388,303)	(1,317,388,303)	(1,317,388,303)	(1,317,388,303)
(By transfer)	(1,060,422,303)	(1,060,422,303)	(1,060,422,303)	(1,060,422,303)
Solar Energy and Energy Conservation Bank				
Assistance for solar and conservation improvements (rescission)	−121,000,000	−101,000,000	−121,000,000	−121,000,000
Community Planning and Development				
Comprehensive planning grants (rescission)	−34,975,709	−32,975,709		−15,975,709
Rehabilitation loan fund (rescission)	−110,856,954	−110,856,954	−110,856,954	−110,856,954
Total, Community Planning and Development	−145,832,663	−143,832,663	−110,856,954	−126,832,663
Neighborhoods, Voluntary Associations, and Consumer Protection				
Housing counseling assistance (rescission)	−6,000,000	−6,000,000		−3,000,000
Neighborhood self-help development program (rescission)	−8,118,534	−8,118,534	−8,118,534	−8,118,534
Total, Neighborhoods, Voluntary Associations, and Consumer Protection	−14,118,534	−14,118,534	−8,118,534	−11,118,534

	New budget authority			
	Estimates	House	Senate	Conference
Policy Development and Research				
Research and technology (rescission)		−$5,000,000	−$5,000,000	−$5,000,000
Total, Department of Housing and Urban Development	−$5,390,055,347	−5,393,055,347	−5,415,359,638	−5,393,055,347
(Appropriations to liquidate contract authority)	(1,317,388,303)	(1,317,388,303)	(1,317,388,303)	(1,317,388,303)
(By transfer)	(1,060,422,303)	(1,060,422,303)	(1,060,422,303)	(1,060,422,303)
INDEPENDENT AGENCIES				
Environmental Protection Agency				
Research and development (rescission)	−149,300	−849,300	−149,300	−499,300
Abatement, control and compliance (rescission)	−1,253,100	−6,371,100	−1,253,100	−4,953,100
Payment to the hazardous substance response trust fund	9,000,000	9,000,000	9,000,000	9,000,000
Hazardous substance response trust fund	68,000,000	68,000,000	68,000,000	68,000,000
Construction grants (rescission)	−1,700,000,000	−1,700,000,000	−1,700,000,000	−1,700,000,000
Total, Environmental Protection Agency	−1,624,402,400	−1,630,220,400	−1,624,402,400	−1,628,452,400
Executive Office of the President				
Council on Environmental Quality and Office of Environmental Quality (rescission)	−708,000	−708,000	−708,000	−708,000
Office of Science and Technology Policy (rescission)	−595,000	−595,000	−595,000	−595,000
Total, Executive Office of the President	−1,303,000	−1,303,000	−1,303,000	−1,303,000
Federal Emergency Management Agency				
Funds appropriated to the President, disaster relief (rescission)	−8,000,000	−8,000,000	−20,000,000	−8,000,000
National Aeronautics and Space Administration				
Research and development (rescission)	−4,500,000	−4,500,000	−37,900,000	−4,500,000
National Consumer Cooperative Bank				
Self-help development (rescission)	−29,990,000	−16,990,000	−29,990,000	−16,990,000
(Limitation on direct loans)	(6,700,000)	(19,700,000)	(6,700,000)	(19,700,000)
National Science Foundation				
Research and related activities (rescission)	−66,000,000	−54,000,000	−37,500,000	−46,000,000
Science education activities (rescission)	−16,000,000	−10,000,000	−16,000,000	−10,000,000
Total, National Science Foundation	−82,000,000	−64,000,000	−53,500,000	−56,000,000
Selective Service System				
Salaries and expenses (rescission)	−1,940,000	−1,940,000	−1,940,000	−1,940,000
Department of the Treasury				
Investment in National Consumer Cooperative Bank (rescission)	−59,849,284		−59,849,284	
(Limitation on direct loans)			(55,949,284)	
Veterans' Administration				
Compensation and pensions	990,600,000	973,600,000	990,000,000	990,000,000
Readjustment benefits	467,500,000	217,500,000	467,500,000	467,500,000
Veterans insurance and indemnities	4,740,000	4,740,000	3,555,000	3,555,000
Medical care	79,967,000	79,967,000	79,967,000	79,967,000
(Effect of deferral disapproval)		(29,389,000)		(29,389,000)
Rescission			−25,789,000	−25,789,000
Medical and prosthetic research (effect of deferral disapproval)		(1,690,000)		(1,690,000)
Medical administration and miscellaneous operating expenses (effect of deferral disapproval)		(515,000)		(515,000)
Construction, major projects (rescission)	−162,160,000	−162,160,000	−165,760,000	−162,160,000
(Effect of deferral disapproval)		(85,965,000)		(85,965,000)
Vocational rehabilitation revolving fund	1,250,000	1,250,000	1,250,000	1,250,000
Total, Veterans' Administration	1,381,897,000	1,114,897,000	1,350,723,000	1,354,323,000
(Effect of deferral disapprovals)		(117,559,000)		(117,559,000)
Corporations				
Federal Home Loan Bank Board:				
(Limitation on administrative and nonadministrative expenses, Federal Home Loan Bank Board: increase in nonadministrative expenses limitation)	(930,000)	(930,000)	(930,000)	(930,000)
Total, independent agencies	−430,087,684	−612,056,400	−478,161,684	−362,862,400
Total, chapter VI:				
New budget (obligational) authority	−5,820,143,031	−6,005,111,747	−5,893,521,322	−5,755,917,747
Appropriations	(1,621,057,000)	(1,454,057,000)	(1,719,272,000)	(1,719,272,000)
Recissions	(−7,441,200,031)	(−7,459,168,747)	(−7,612,793,322)	(−7,475,189,747)
(Effect of deferral disapprovals)		(117,559,000)		(−182,441,000)
(Appropriation to liquidate contract authority)	(1,317,388,303)	(1,317,388,303)	(1,317,388,303)	(1,317,388,303)
(Limitation on corporate funds)	(930,000)	(930,000)	(930,000)	(930,000)
(Increase in limitation on guaranteed loans)	(11,000,000,000)	(11,000,000,000)	(11,000,000,000)	(11,000,000,000)
(Limitation on direct loans)	(6,700,000)	(19,700,000)	(62,649,284)	(19,700,000)
CHAPTER VII				
DEPARTMENT OF THE INTERIOR				
Bureau of Land Management				
Management of lands and resources	57,202,000	55,200,000	56,353,000	55,200,000
Payments in lieu of taxes (rescission)		−108,000,000		
Office of Water Research and Technology				
Salaries and expenses (rescission)	−11,800,000		−11,800,000	−5,900,000
(Effect of new deferral)		(−3,610,000)		(−2,745,000)
U.S. Fish and Wildlife Service				
Resource management	2,750,000	2,000,000	2,750,000	2,000,000
Construction and anadromous fish (rescission)	−2,500,000	−2,500,000	−2,500,000	−2,500,000
Total, U.S. Fish and Wildlife Service	250,000	−500,000	250,000	−500,000
National Park Service				
Operation of the National Park System	4,200,000	4,128,000	800,000	4,776,000

	New budget authority			
	Estimates	House	Senate	Conference
Urban park and recreation grants (rescission)	−$35,000,000		−$35,000,000	−$19,000,000
Land and water conservation fund (rescission)	−250,000,000		−150,000,000	−90,000,000
Historic preservation fund (rescission)	−8,000,000		−8,000,000	−6,500,000
Construction (trust fund) (rescission)	−15,500,000	−15,500,000	−11,423,400	−12,000,000
Total, National Park Service	−304,300,000	−11,372,000	−203,623,400	−122,724,000
Geological Survey				
Surveys, investigations, and research	17,600,000	15,800,000	15,800,000	15,800,000
Office of Surface Mining Reclamation and Enforcement				
Regulation and technology (rescission)	−1,954,000	−1,954,000	−8,954,000	−3,154,000
(Effect of new deferral)		(−7,000,000)		(−5,800,000)
Bureau of Indian Affairs				
Operation of Indian programs	15,423,000	7,350,000	7,350,000	7,350,000
TERRITORIAL AFFAIRS				
Office of Territorial Affairs				
Administration of territories	6,204,000	5,704,000	5,704,000	5,704,000
SECRETARIAL OFFICES				
Office of the Solicitor				
Salaries and expenses	250,000	62,000	62,000	62,000
Office of the Secretary				
Office of Inspector General	800,000	200,000	200,000	200,000
Youth Conservation Corps (rescission)	−38,194,000	−30,000,000	−38,194,000	−34,000,000
Rural water treatment and distribution system (rescission)		−1,900,000		
(Effect of new deferral)				(−1,900,000)
Total, Office of the Secretary	−37,394,000	−31,700,000	−37,994,000	−33,800,000
Total, Secretarial Offices	−37,144,000	−31,638,000	−37,932,000	−33,738,000
Total, Department of the Interior	−258,519,000	−69,410,000	−176,852,400	−81,962,000
RELATED AGENCIES				
DEPARTMENT OF AGRICULTURE				
Forest Service				
National forest system	100,000,000	100,000,000	100,000,000	100,000,000
Construction and land acquisition	62,542,000	78,442,000	62,542,000	62,542,000
Total, Forest Service	162,542,000	178,442,000	162,542,000	162,542,000
DEPARTMENT OF ENERGY				
Alternative fuels production (rescission)	−300,000,000	−300,000,000	−1,175,000,000	−1,175,000
Fossil energy research and development (rescission)	−65,932,000		−66,850,000	−53,036,000
(Effect of new deferral)		(−60,536,000)	(−6,000,000)	(−9,000,000)
Fossil energy construction (rescission)	−246,900,000		−89,400,000	−89,400,000
(Effect of new deferral)		(−224,400,000)	(−235,000,000	(−235,000,000)
Energy production, demonstration, and distribution (rescission)	−12,649,000		−13,248,000	−10,348,000
(Effect of new deferral)		(−10,748,000)		(−400,000)
Energy conservation (rescission)	−306,045,000		−298,495,000	−153,180,000
(Effect of new deferral)		(−230,930,000)	(−3,837,000)	(−67,762,000)
Economic regulation (rescission)	−33,155,000		−39,167,000	−17,167,000
(Effect of new deferral)		(−61,967,000)	(−16,200,000)	(−38,200,000)
Strategic petroleum reserve	1,305,000,000	430,000,000	1,305,000,000	1,305,000,000
(By transfer)		(875,000,000)		
Advance appropriation for fiscal year 1982	883,408,000	883,408,000		
Energy information administration (rescission)	−13,443,000	−11,700,000	−14,000,000	−13,700,000
Total, Department of Energy	1,210,284,000	1,001,708,000	−391,160,000	−206,831,000
DEPARTMENT OF THE TREASURY				
Energy security reserve (rescission)	−740,500,000	−416,500,000	−469,500,000	−469,500,000
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Health Services Administration				
Indian health services		120,000		120,000
Indian health facilities		23,000,000		2,500,000
(Rescission)	−8,871,000		−8,871,000	−3,916,000
DEPARTMENT OF EDUCATION				
Institute of Museum Services (rescission)	−12,357,000		−12,357,000	
SMITHSONIAN INSTITUTION				
Salaries and expenses		200,000		200,000
PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION				
Salaries and expenses (rescission)	−60,000			
FEDERAL INSPECTOR FOR THE ALASKA PIPELINE				
Permitting and enforcement (rescission)	−445,000	−445,000	−445,000	−445,000
Total, chapter VII:				
New budget (obligational) authority	352,074,000	717,115,000	−896,643,400	−597,292,000
Appropriations, 1981	(1,571,971,000)	(722,206,000)	(1,556,561,000)	(1,561,454,000)
Appropriations, 1982	(883,408,000)	(883,408,000)		
Rescissions	(−2,103,305,000)	(−888,499,000)	(−2,453,204,400)	(−2,158,746,000)
(Effect of deferral actions)		(−599,191,000)	(−261,037,000)	(−360,807,000)
(By transfer)		(875,000,000)		
CHAPTER VIII				
DEPARTMENT OF LABOR				
Employment and Training Administration				
Employment and training assistance:				
Governors' grants—Title II–A (rescission)			−15,000,000	−15,000,000

	New budget authority			
	Estimates	House	Senate	Conference
Youth employment training programs (rescission)			—$50,000 000	—$50,000 000
National programs—Title II (rescission)			—35,000,000	—17,500,000
Total, employent and training assistance			—100,000,000	—82,500,000
Temporary employment assistance (rescission)	—$234,475,000	—$234,475,000	—234,475,000	—234,475,000
Grants to States for unemployment insurance and employment services: (Limitation on trust fund transfer)	(24,800,000)			
Total, Employment and Training Administration	—234,475,000	—234,475,000	—334,475,000	—316,975,000
Labor-Management Services Administration				
Salaries and expenses (rescission)			—570,000	—570,000
Employment Standards Administration				
Salaries and expenses (rescission)			—406,000	—406,000
Black Lung Disability Trust Fund: Definite	4,000,000	3,700,000	3,700,000	3,700,000
Total, employment standards administration	4,000,000	3,700,000	3,294,000	3,294,000
OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION				
Salaries and expenses (rescission)			—920,000	—920,000
MINE SAFETY AND HEALTH ADMINISTRATION				
Salaries and expenses (rescission)			—660,000	—660,000
BUREAU OF LABOR STATISTICS				
Salaries and expenses (rescission)			—160,000	—160,000
DEPARTMENT MANAGEMENT				
Salaries and expenses (rescission)			—300,000	—300,000
Total, Department of Labor	—230,475,000	—230,775,000	—333,791,000	—316,291,000
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Health Service Administration				
Health services (rescission)	—56,636,000	—45,679,000	—56,383,000	—49,776,000
Center for Disease Control				
Mount St. Helens study (reappropriation)			2,000,000	2,000,000
Preventive health services (rescission)	—50,018,000	—55,375,000	—61,076,000	—54,381,000
National Institutes of Health				
National Cancer Institute (rescission)	—25,386,000	—7,730,000	—14,264,000	—10,785,000
National Heart, Lung and Blood Institute (rescission)	—23,868,000	—10,131,000	—11,325,000	—9,950,000
National Institute of Dental Research (rescission)	—1,985,000		—347,000	
National Institute of Arthritis, Metabolism, and Digestive Diseases (rescission)	—11,179,000	—2,316,000	—3,237,000	—2,113,000
National Institute of Neurological and Communicative Disorders and Stroke (rescission)	—6,484,000	—2,456,000	—1,791,000	—997,000
National Institute of Allergy and Infectious Diseases (rescission)	—3,884,000			
National Institute of General Medical Sciences (rescission)	—21,050,000	—2,757,000	—1,720,000	—1,571,000
National Institute of Child Health and Human Development (rescission)	—7,748,000	—3,335,000	—3,360,000	—2,694,000
National Eye Institute (rescission)	—4,696,000	—2,619,000	—2,381,000	—2,137,000
National Institute of Environmental Health Sciences (rescission)	—6,056,000	—3,455,000	—4,056,000	—3,630,000
National Institute of Aging (rescission)	—2,213,000	—598,000	—659,000	—377,000
Research resources (rescission)	—10,745,000	—8,623,000	—10,561,000	—8,623,000
John E. Fogarty International Center (rescission)			—500,000	
National Library of Medicine (rescission)	—341,000		—341,000	
Office of the Director (rescission)	—360,000		—360,000	
Total, National Institutes of Health	—125,995,000	—44,020,000	—54,902,000	—42,877,000
Alcohol, Drug, Abuse, and Mental Health Administration				
Alcohol, drug, abuse, and mental health (rescission)	—153,152,000	—80,244,000	—144,244,000	—112,244,000
Construction and renovations, St. Elizabeths Hospital (rescission)	—1,500,000	—1,500,000	—1,500,000	—1,500,000
Total, Alcohol, Drug, Abuse, and Mental Health Administration	—154,652,000	—81,744,000	—145,744,000	—113,744,000
Health Resources Administration				
Health resources (rescission)	—251,742,000	—180,934,000	—154,854,000	—158,189,000
Assistant Secretary for Health				
Salaries and expenses	—120,729,000	—40,000,000	—37,700,000	—40,000,000
Rescission	—30,724,000	—37,630,000	—38,270,000	—38,270,000
Total, Assistant Secretary for Health	90,005,000	2,370,000	—570,000	1,730,000
Health Care Financing Administration				
Payments to health care trust funds (rescission)	—8,693,000	—4,346,000	—6,520,000	—6,520,000
Program management (rescission):				
Federal funds	—6,992,000	—3,996,000	—8,694,000	—7,494,000
Limitation on trust fund transfer	(—15,643,000)	(—12,322,000)	(—20,349,000)	(—16,982,000)
Total, Health Care Financing Administration	—15,685,000	—8,342,000	—15,214,000	—14,014,000
Social Security Administration				
Low income energy program (rescission)			—500,000	—500,000
Limitation on administrative expenses	(67,667,000)		(30,000,000)	(30,000,000)
Refugee assistance (rescission)	—49,805,000	—74,805,000	—41,805,000	—41,805,000
Cuban/Haitian entrant, reception, and processing (rescission)			—20,000,000	—10,000,000
Cuban/Haitian entrant, domestic assistance: Entrant education			6,000,000	6,000,000
Assistant Secretary for Human Development Services				
Grants to States for social services	5,000,000	5,000,000	5,000,000	5,000,000
Human development services (rescission)	—10,100,000	—5,100,000	—24,700,000	—13,500,000
Departmental Management				
Policy research (rescission)			—2,500,000	—2,500,000
Total, Department of Health and Human Services	—619,628,000	—488,629,000	—565,248,000	—486,556,000
Department of Education				
Elementary and secondary education (rescission)	—982,385,000	—383,813,000	—538,531,000	—462,646,000

	New budget authority			
	Estimates	House	Senate	Conference
School assistance in federally affected areas (rescission)	−$66,500,000	−$33,250,000	−$33,250,000	−$33,250,000
Equal educational opportunities (rescission)	−73,253,000	−36,876,000	−131,719,000	−97,563,000
Libraries and learning technologies (rescission)	−42,750,000	−21,375,000	−15,488,000	−12,250,000
Education for the handicapped, gifted, and talented (rescission)	−267,938,000	−68,719,000	−89,995,000	−76,819,000
Rehabilitation services and handicapped research (rescission)	−22,323,000	−7,875,000	−18,723,000	−12,126,000
Vocational and adult education (rescission)	−238,777,000	−99,071,000	−159,680,000	−132,565,000
Student financial assistance	661,000,000	661,000,000	391,000,000	445,000,000
Student loan insurance (rescission)	−103,270,000	−103,270,000	−36,530,000	−36,530,000
Higher and continuing education (rescission)	−49,239,000	−10,000,00	−49,989,000	−33,970,000
Higher Education Facilities Loan and Insurance Fund (effect of deferral disapproval)		(25,000,000)		(25,000,000)
College housing loans (rescission)	−14,550,000		−14,550,000	−14,271,000
School improvement programs (rescission)	−36,606,000	−14,642,000	−61,218,000	−37,843,000
Educational statistics (rescission)			−1,000,000	−1,000,000
Research and related activities (rescission)		−7,000,000	−10,000,000	−8,500,000
Departmental management (rescission)			−750,000	−500,000
Total, Department of Education	−1,236,591,000	−124,891,000	−770,423,000	−514,883,000
RELATED AGENCIES				
ACTION (domestic programs) (rescission)	−3,207,000	−3,207,000	−3,907,000	−5,187,000
Community Services Administration (rescission)	−6,000,000	−16,500,000	−22,915,000	−16,915,000
Community Development Credit Union Loan Fund: Limitation on direct loans		(−1,000,000)	(−1,000,000)	(−1,000,000)
Rural Development Loan Fund:				
Limitation on direct loans		(−2,500,000)	(−2,500,000)	(−2,500,000)
Limitation on guaranteed loans		(−2,000,000)	(−2,000,000)	(−2,000,000)
Corporation for Public Broadcasting:				
Fiscal year 1982 (rescission)	−43,000,000			
Fiscal year 1983 (rescission)	−52,000,000	−60,000,000		−35,000,000
Federal Mediation and Conciliation Service: Salaries and expenses (rescission)	−687,000		−687,000	
Federal Mine Safety and Health Review Commission: Salaries and expenses (rescission)	−273,000	−273,000	−273,000	−273,000
National Commission on Student Financial Assistance	750,000	750,000		250,000
National Labor Relations Board (rescission)			−1,060,000	−1,060,000
Occupational Safety and Health Review Commission: Salaries and expenses (rescission)	−54,000	−54,000		−54,000
Soldiers' and Airmen's Home: Operation and maintenance (trust funds)	755,000	755,000	755,000	755,000
Total, related agencies	−103,716,000	−78,529,000	−28,087,000	−57,484,000
General Provision				
Department of Health and Human Services (rescission)			−27,123,000	−13,500,000
Department of Education (rescission)			−5,277,000	
Total, chapter VIII:				
New budget (obligational) authority (net)	−2,190,410,000	−922,824,000	−1,729,949,000	−1,388,664,000
Appropriations	(792,234,000)	(711,205,000)	(444,155,000)	(500,705,000)
Reappropriation			(2,000,000)	(2,000,000)
Rescissions, 1981	(−2,887,644,000)	(−1,574,029,000)	(−2,176,104,000)	(−1,856,369,000)
Rescissions, 1982	(−43,000,000)			
Rescissions, 1983	(−52,000,000)	(−60,000,000)		(−35,000,000)
(Effect of deferral action)		(25,000,000)		(25,000,000)
(Increase in limitations)	(67,667,000)		(30,000,000)	(30,000,000)
(Trust fund transfer)	(9,157,000)	(−12,322,000)	(−20,349,000)	(−16,982,000)
(Reduction in limitation on direct loans)		(−2,500,000)	(−2,500,000)	(−2,500,000)
(Reduction in limitation on guaranteed loans)		(−3,000,000)	(−3,000,000)	(−3,000,000)
CHAPTER IX				
LEGISLATIVE BRANCH				
Senate				
Appropriations, fiscal years 1977, 1978, 1979			−46,400,000	−46,400,000
Salaries, Officers and Employees				
Administrative, clerical, and legislative assistance to Senators	243,000			
Office of Sergeant at Arms and Doorkeeper	1,049,000			
Offices of Secretaries to the Majority and Minority	100,000		100,000	100,000
Total, salaries, officers and employees	1,392,000		100,000	100,000
Contingent Expenses of the Senate				
Stationery (revolving fund)	2,000		2,000	2,000
Total, Senate	1,394,000		−46,298,000	−46,298,000
HOUSE OF REPRESENTATIVES				
Payments to Widows and Heirs of Deceased Members of Congress				
Gratuities, deceased Members		60,663	60,663	60,663
Compensation and Mileage for the Members				
Compensation of Members	110,000			
Committee on Appropriations (Studies and Investigations)				
Salaries and expenses	652,000	652,000	652,000	652,000
Contingent Expenses of the House—Allowances and Expenses				
Supplies, materials, administrative costs and Federal tort claims	3,150,000	3,150,000	3,150,000	3,150,000
Total, House of Representatives	3,912,000	3,862,663	3,862,663	3,862,663
JOINT ITEMS				
Joint Committee on Taxation				
Salaries and expenses	40,000			
Office of the Attending Physician				
Medical supplies, equipment, expenses, and allowances	13,000			
Official Mail Costs				
Expenses	37,600,000	15,400,000	15,400,000	15,400,000
Total, joint items	37,653,000	15,400,000	15,400,000	15,400,000
Office of Technology Assessment				
Salaries and expenses	370,000	100,000	100,000	100,000

	New budget authority			
	Estimates	House	Senate	Conference
ARCHITECT OF THE CAPITOL				
Capitol Building and Grounds				
Capitol buildings (rescission)			−$97,000	−$97,000
Capitol Grounds (rescission)			−10,000	−10,000
Aquisition of property as an addition to the Captitol grounds	$11,500,000	$11,500,000	11,500,000	11,500,000
Senate Garage			−102,000	−102,000
House office buildings (rescission)		−497,000	−497,000	−497,000
Capitol Power Plant (operation)	2,600,000	2,000,000	2,000,000	2,000,000
Rescission		−24,000	−94,000	−94,000
Library Buildings and Grounds				
Structural and mechanical care (rescission)		−241,000	−508,000	−508,000
Total, Architect of the Capitol	14,100,000	12,738,000	12,192,000	12,192,000
Library of Congress				
Collection and distribution of library materials (special foreign currency program): Payments in Treasury-owned foreign currencies (rescission)		−500,000	−500,000	−500,000
Furniture and furnishings (rescission)			−450,000	
Copyright Royalty Tribunal				
Salaries and expenses	22,000	14,000	14,000	14,000
Government Printing Office				
Office of Superintendent of Documents, salaries and expenses	2,562,000	1,300,000		400,000
Railroad Accounting Principles Board				
Salaries and expenses	860,000			
Total, chapter IX:				
New budget (obligational) authority	60,873,000	32,914,663	−15,679,337	−14,829,337
Appropriations	(60,873,000)	(34,176,663)	(32,978,663)	(33,378,663)
Recissions		(−1,262,000)	(−48,658,000)	(−48,208,000)
CHAPTER X				
MILITARY CONSTRUCTION				
Military construction, Army	34,400,000	28,400,000	28,400,000	28,400,000
Military construction, Navy	27,862,000	15,862,000	15,862,000	15,862,000
Military construction, Air Force	124,100,000	70,240,000	81,100,000	76,100,000
(Effect of new deferral)		(−92,000,000)	(−92,000,000)	(−92,000,000)
Military construction, Defense agencies	29,900,000	16,400,000	16,400,000	16,400,000
Military construction, Air National Guard	6,500,000	6,500,000	6,500,000	6,500,000
Total, military construction	222,762,000	137,402,000	148,262,000	143,262,000
Family housing, Defense	111,600,000	84,000,000	84,000,000	84,000,000
Total, chapter X:				
New budget (obligational) authority	334,362,000	221,402,000	232,262,000	227,262,000
(Effect of new deferral)		(−92,000,000)	(−92,000,000)	(−92,000,000)
CHAPTER XI				
DEPARTMENT OF TRANSPORTATION				
Coast Guard				
Operating expenses	95,575,000	95,575,000	95,575,000	95,575,000
Acquisition, construction, and improvements	2,000,000			
Retired pay	15,000,000	13,000,000	15,000,000	12,000,000
(By transfer)		(2,000,000)		(2,000,000)
Reserve training	1,000,000	1,000,000	1,000,000	1,000,000
Deepwater port liability fund	5,000,000	5,000,000	5,000,000	5,000,000
(Limitation on obligations)	(50,000,000)	(50,000,000)	(50,000,000)	(50,000,000)
Pollution fund	15,000,000	12,000,000	15,000,000	15,000,000
Recreational Boating Safety and Facilities: Improvement			2,000,000	
Total, Coast Guard	133,575,000	126,575,000	133,575,000	128,575,000
Federal Aviation Administration				
Facilities and equipment (effect of deferral disapproval)		(30,000,000)	(25,000,000)	(30,000,000)
Rescission			−25,000,000	
Grants-in-aid for airports (limitation on obligations)	(−250,000,000)		(−300,000,000)	(−250,000,000)
Aircraft purchase loan guarantee program: (Limitation on new loan guarantees)	(−100,000,000)	(−50,000,000)	(−100,000,000)	(−50,000,000)
Federal Highway Administration				
Highway-related safety grants (liquidation of contract authorization) (trust fund)	(12,000,000)	(12,000,000)	(12,000,000)	(12,000,000)
National Scenic and Recreational Highways (liquidation of contract authorization)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)
Federal-aid highways (liquidation of contract authorization) (trust fund)	(1,250,000,000)	(1,250,000,000)	(1,250,000,000)	(1,250,000,000)
Urban high density traffic program (contract authority)		33,959,000		33,959,000
Darian Gap Highway	7,500,000			
Access highways to public recreation areas on lakes			10,000,000	10,000,000
Total, Federal Highway Administration	7,500,000	33,959,000	10,000,000	43,959,000
Federal Railroad Administration				
Rail service assistance	65,000,000	60,381,000	60,381,000	60,381,000
(By transfer)	(5,000,000)			
Appropriation for debt reduction	−60,381,000	−60,381,000	−60,381,000	−60,381,000
Total, rail service assistance	4,619,000			
(Effect of deferral disapproval)		(40,000,000)	(40,000,000)	(40,000,000)
Conrail workforce reduction program		50,000,000	10,000,000	10,000,000
(By transfer)	(25,000,000)		(5,000,000)	(5,000,000)
Railroad rehabilitation and improvement funds (rescission)		−37,000,000		−1,000,000
(By transfer)	(50,000,000)		(10,000,000)	
Northeast corridor improvement program (effect of deferral disapproval)		(125,000,000)		
Grants to the National Railroad Passenger Corporation		24,900,000		
(By transfer)		(15,300,000)		(15,300,000)
Payments to the Alaska Railroad Revolving Fund	2,000,000		2,000,000	2,000,000
Settlements of railroad litigation	2,320,000,000	2,113,000,000	2,113,000,000	2,113,000,000
Appropriation for debt reduction	−2,113,000,000	−2,113,000,000	−2,113,000,000	−2,113,000,000
Total, settlements of railroad litigation	207,000,000			

	New budget authority			
	Estimates	House	Senate	Conference
Rail labor assistance	$60,000,000	$60,000,000	$60,000,000	$60,000,000
Total, Federal Railroad Administration	273,619,000	97,900,000	72,000,000	71,000,000
Urban Mass Transportation Administration				
Research, development, and demonstrations and university research and training (by transfer)		(2,000,000)		(2,000,000)
Urban discretionary grants (effect of new deferral)		(−28,500,000)	(−10,000,000)	(−10,000,000)
Waterborne transportation demonstration project (rescission)	−24,700,000	−20,700,000	−24,700,000	−20,700,000
Interstate tranfer grants		50,000,000	65,000,000	65,000,000
Total, Urban Mass Transportation Administration	−24,700,000	29,300,000	40,300,000	44,300,000
Saint Lawrence Seaway Development Corporation				
(Limitation on administrative expenses)	(225,000)	(225,000)	(225,000)	(225,000)
Research and Special Programs Administration				
Cooperative automotive research (rescission)	−11,500,000	−11,500,000	−11,500,000	−11,500,000
Office of Inspector General				
Salaries and expenses	1,000,000	600,000	1,000,000	1,000,000
Total, Department of Transportation	379,494,000	276,834,000	220,375,000	277,334,000
RELATED AGENCIES				
Civil Aeronautics Board				
Payments to air carriers	27,900,000	27,900,000	20,000,000	20,000,000
Interstate Commerce Commission				
Payments for Direct Rail Service (by transfer)			(2,500,000)	(2,500,000)
Motor Carrier Ratemaking Study Commission				
Salaries and expenses	1,500,000	1,500,000	2,000,000	2,000,000
Panama Canal Commission				
Operating expenses	2,699,000	2,699,000	2,699,000	2,699,000
Emergency fund	25,000,000	10,000,000	10,000,000	10,000,000
Total, Panama Canal Commission	27,699,000	12,699,000	12,699,000	12,699,000
Department of the Treasury				
Office of the Secretary (investment in fund anticipation notes) (rescission)	(50,000,000)	(−37,000,000)	(10,000,000)	(−1,000,000)
U.S. Railway Association				
Payments for purchase of Conrail securities	200,000,000	300,000,000	300,000,000	300,000,000
Advance appropriation for fiscal year 1982	100,000,000			
Total, U.S. Railway Association	300,000,000	300,000,000	300,000,000	300,000,000
Total, chapter XI:				
New budget (obligational) authority	736,593,000	618,933,000	555,074,000	612,033,000
Appropriations, 1981	(2,846,174,000)	(2,827,555,000)	(2,789,655,000)	(2,784,655,000)
Appropriations, 1982	(100,000,000)			
Appropriations for debt reduction	(−2,173,381,000)	(−2,173,381,000)	(−2,173,381,000)	(−2,173,381,000)
Contract authority		(33,959,000)		(33,959,000)
Rescissions	(−36,200,000)	(−69,200,000)	(−61,200,000)	(−33,200,000)
(Effect of deferral actions)		(166,500,000)	(55,000,000)	(60,000,000)
(Appropriations to liquidate contract authority)	(1,269,000,000)	(1,269,000,000)	(1,269,000,000)	(1,269,000,000)
(By transfer)	(80,000,000)	(19,300,000)	(17,500,000)	(26,800,000)
(Increase in limitation)	(−199,775,000)	(50,225,000)	(−249,775,000)	(−199,775,000)
(Reduction in limitation on guaranteed loans)	(−100,000,000)	(−50,000,000)	(−100,000,000)	(−50,000,000)
CHAPTER XII				
DEPARTMENT OF THE TREASURY				
U.S. Customs Service:				
Salaries and expenses			10,000,000	10,000,000
Internal Revenue Service:				
Taxpayer service and returns processing			500,000	500,000
U.S. Secret Service	10,679,000	9,250,000	11,629,000	11,629,000
Bureau of Government Financial Operations	7,563,000		7,563,000	7,563,000
POSTAL SERVICE				
Payment to the Postal Service fund (rescission)	−250,000,000	−250,000,000	−250,000,000	−250,000,000
EXECUTIVE OFFICE OF THE PRESIDENT				
Council on Wage and Price Stability (rescission)	−1,500,000	−1,500,000	−1,500,000	−1,500,000
INDEPENDENT AGENCIES				
Administrative Conference of the United States	341,000			
Committee for Purchase from the Blind and Other Severely Handicapped	39,000	39,000	39,000	39,000
General Services Administration:				
Federal buildings fund:				
Limitation on availability of revenue (increase in limitation):				
Construction and acquisition of facilities	(2,336,000)	(2,336,000)	(2,336,000)	(2,336,000)
Real property operations	(30,700,000)	(30,700,000)	(30,700,000)	(30,700,000)
Total, Federal buildings fund: (increase in limitations)	(33,036,000)	(33,036,000)	(33,036,000)	(33,036,000)
General supply fund	425,200,000	150,000,000	135,000,000	150,000,000
National Archives and Records Service:				
Operating expenses	1,100,000	1,100,000	1,100,000	1,100,000
Total, General Services Administration	426,300,000	151,100,00	136,100,000	151,100,000
Office of Personnel Management:				
Payment to civil service retirement and disability fund	513,007,000	513,007,000	513,007,000	513,007,000
Intergovernmental Personnel Assistance (rescission)			−5,600,000	−5,600,000
Revolving fund	3,600,000	1,800,000	1,800,000	1,800,000
Total, Office of Personnel Management	516,607,000	514,807,000	509,207,000	509,207,000

	New budget authority			
	Estimates	House	Senate	Conference
Merit Systems Protection Board:				
Salaries and expenses (by transfer)	($500,000)	($950,000)	($950,000)	($950,000)
Rescission	−210,000	−210,000	−210,000	−210,000
Federal Labor Relations Authority	1,801,000	1,400,000	1,400,000	1,400,000
Total, Federal personnel activities	518,198,000	515,997,000	510,397,000	510,397,000
U.S. Tax Court: Salaries and expenses	221,000	221,000	221,000	221,000
Total, independent agencies	$945,099,000	$667,357,000	$646,757,000	$661,757,000
Total, chapter XII:				
New budget (obligational) authority	711,841,000	425,107,000	424,949,000	439,949,000
Appropriations	(693,551,000)	(676,817,000)	(682,259,000)	(697,259,000)
Rescissions	(−251,710,000)	(−251,710,000)	(−257,310,000)	(−257,310,000)
(By transfer)	(500,000)	(950,000)	(950,000)	(950,000)
(Increase in limitations)	(33,036,000)	(33,036,000)	(33,036,000)	(33,036,000)
CHAPTER XIII				
DISTRICT OF COLUMBIA				
Federal Funds				
Payment of Federal funds	4,600,000		4,600,000	4,600,000
DISTRICT OF COLUMBIA FUNDS				
Operating Expenses				
Governmental direction and support (rescission)	(−3,665,500)		(−3,665,500)	(−3,665,500)
Economic development and regulation (rescission)	(−40,500)		(19,400)	(−40,500)
Public safety and justice	(2,919,400)		(2,919,400)	(3,394,000)
Public education system	(2,970,000)		(2,662,700)	(2,970,000)
Rescission	(−307,300)			(−307,300)
Human support services	(20,754,100)		(20,922,000)	(20,754,100)
Transportation services and assistance (rescission)	(−7,157,000)		(−2,724,900)	(−3,031,600)
Environmental services and supply (rescission)	(−121,600)		(−121,600)	(−121,600)
Total, operating expenses	(15,351,600)		(20,011,500)	(19,951,600)
Enterprise Funds				
Water and sewer enterprise fund	(3,017,800)		(3,017,800)	(3,017,800)
Washington Convention Center enterprise fund	(382,600)		(382,600)	(382,600)
Capital outlay	(696,000)			(696,000)
Total, enterprise funds	(4,096,400)		(3,400,400)	(4,096,400)
Total, District of Columbia funds	(19,448,000)		(23,411,900)	(24,048,000)
Total, chapter XIII:				
New budget (obligational) authority	4,600,000		4,600,000	4,600,000
Federal funds to the District of Columbia	(4,600,000)		(4,600,000)	(4,600,000)
(District of Columbia funds)	(19,448,000)		(23,411,900)	(24,048,000)
Total, title I—General supplementals:				
New budget (obligational) authority	2,298,524,459	891,144,916	692,002,041	683,865,016
Appropriations, 1981	(18,650,795,000)	(14,853,820,663)	(18,123,864,663)	(17,115,165,663)
Reappropriation			(2,000,000)	(2,000,000)
Appropriations for debt reduction	(−2,195,148,000)	(−2,173,381,000)	(−2,173,381,000)	(−2,173,381,000)
Contract authority		(33,959,000)		(33,959,000)
Subtotal, fiscal year 1981	16,455,647,000	12,714,398,663	15,952,483,663	14,977,743,663
Appropriations, 1982	(983,408,000)	(883,408,000)		
Total appropriations and contract authority	(17,439,055,000)	(13,597,806,663)	(15,952,483,663)	(14,977,743,663)
Rescissions, 1981	(−15,045,530,541)	(−12,646,661,747)	(−15,260,481,622)	(−14,258,878,647)
Rescissions, 1982	(−43,000,000)			
Rescissions, 1983	(−52,000,000)	(−60,000,000)		(−35,000,000)
Total, rescissions	(−15,140,530,541)	(−12,706,661,747)	(−15,260,481,622)	(−14,293,878,647)
(Rescission of direct loan authority)	(−767,850,000)	(−266,000,000)	(−166,000,000)	(−216,000,000)
(Effect of deferral actions)		(−947,584,000)	(−486,353,000)	(−832,884,000)
(Appropriation to liquidate contract authority)	(3,206,441,303)	(3,206,441,303)	(3,206,441,303)	(3,206,441,303)
(By transfer)	(116,321,000)	(990,379,000)	(161,429,000)	(159,860,000)
(Increase in limitations)	(−98,142,000)	(84,191,000)	(−185,809,000)	(−135,809,000)
(Trust fund transfer)	(9,157,000)	(−12,322,000)	(−20,349,000)	(−16,982,000)
(District of Columbia funds)	(19,448,000)		(23,411,900)	(24,048,000)
(Change in limitation on direct loans)	(−48,215,000)	(17,200,000)	(60,149,284)	(17,200,000)
(Change in limitation on guaranteed loans)	(10,638,000,000)	(11,697,000,000)	(11,647,000,000)	(11,697,000,000)
(Reduction of direct loan authority)	(−752,000,000)	(−376,000,000)	(−502,000,000)	(−439,000,000)
(Release and transfer of withheld obligations)		(9,930,000)	(9,930,000)	(9,930,000)
(Foreign currency program)			(14,300,000)	(14,300,000)
TITLE II				
INCREASE PAY COSTS				
LEGISLATIVE BRANCH				
SENATE				
Office of the Vice President	79,000		79,000	79,000
Office of the President pro tempore	11,000		11,000	11,000
Offices of the majority and minority leaders	52,000		52,000	52,000
Offices of the majority and minority whips	24,000		24,000	24,000
Offices of the secretaries of the conference of the majority and the conference of the minority	13,000		13,000	13,000
Office of the Chaplain	5,000		5,000	5,000
Office of the Secretary	449,000		449,000	449,000
Conference committees	77,000		77,000	77,000
Administrative, clerical, and legislative assistance to Senators	7,246,000		7,246,000	7,246,000
Office of Sergeant at Arms and Doorkeeper	2,054,000		2,054,000	2,054,000
Offices of the secretaries for the majority and minority	32,000		32,000	32,000
Agency contributions and longevity compensation	1,698,000		1,698,000	1,698,000
Office of the legislative counsel of the Senate	80,000		80,000	80,000
Office of Senate legal counsel	40,000		40,000	40,000
Senate policy committees	131,000		131,000	131,000
Inquiries and investigations	1,627,000		1,627,000	1,627,000

	New budget authority			
	Estimates	House	Senate	Conference
Folding documents	$11,000		$11,000	$11,000
Total, Senate	13,629,000		13,629,000	13,629,000
HOUSE OF REPRESENTATIVES				
House leadership offices	147,000	147,000	147,000	147,000
Salaries, officers and employees	2,193,000	2,193,000	2,193,000	2,193,000
Committee employees	2,225,000	2,225,000	2,225,000	2,225,000
Committee on Appropriations (Studies and Investigations)	179,000	161,000	161,000	161,000
Office of the law revision counsel	11,000	11,000	11,000	11,000
Office of the legislative counsel	105,000	105,000	105,000	105,000
Members' clerk hire	11,540,000	11,540,000	11,540,000	11,540,000
Allowances and expenses	2,155,000	2,155,000	2,155,000	2,155,000
Special and select committees	732,000			
Total, House of Representatives	19,287,000	18,537,000	18,537,000	18,537,000
Joint Items				
Joint Economic Committee	100,000	57,000	57,000	57,000
(Release of sec. 309 funds)		(43,000)	(43,000)	(43,000)
Joint Committee on Printing	58,000			
Joint Committee on Taxation	127,000	127,000	127,000	127,000
Education of pages	9,000	9,000	9,000	9,000
Capitol Guide Service	67,000	67,000	67,000	67,000
Total, joint items	361,000	260,000	260,000	260,000
(Release of sec. 309 funds)		(43,000)	(43,000)	(43,000)
Copyright Royalty Tribunal				
Salaries and expenses	5,000			
Office of Technology Assessment				
Salaries and expenses	369,800	83,000	83,000	83,000
(Release of sec. 309 funds)		(220,000)	(220,000)	(220,000)
Congressional Budget Office				
Salaries and expenses	465,000	133,000	133,000	133,000
(Release of sec. 309 funds)		(248,000)	(248,000)	(248,000)
Architect of the Capitol				
Office of the Architect of the Capitol: Salaries and expenses	216,000	114,000	106,000	106,000
(Release of sec. 309 funds)		(50,000)	(50,000)	(50,000)
Capitol buildings	382,000	101,000	101,000	101,000
(Release of sec. 309 funds)		(50,000)	(50,000)	(50,000)
(Release and transfer of sec. 309 funds from Capitol Power Plant)		(132,000)	(132,000)	(132,000)
Capitol grounds	136,000	127,000	127,000	127,000
Senate office buildings	610,000		448,000	448,000
Senate garage	5,000			
House office buildings	910,000			
(Release of sec. 311 funds)		(118,000)	(118,000)	(118,000)
(Release of sec. 309 funds)		(200,000)	(200,000)	(200,000)
(Release and transfer of sec. 309 funds from Capitol Power Plant)		(339,000)	(339,000)	(339,000)
Capitol Power Plant	175,000	73,000	73,000	73,000
(Release of sec. 309 funds)		(50,000)	(50,000)	(50,000)
Library buildings and grounds: Structural and mechanical care	257,000	7,000		
(Release of sec. 309 funds)		(250,000)	(250,000)	(250,000)
Total, Architect of the Capitol	2,691,000	422,000	855,000	855,000
(Release of secs. 311 and 309 funds and transfer)		(1,189,000)	(1,189,000)	(1,189,000)
Botanic Garden				
Salaries and expenses	92,000	56,000	56,000	56,000
Library of Congress				
Salaries and expenses	6,495,000	2,908,000	2,908,000	2,908,000
(Release of sec. 309 funds)		(883,600)	(883,600)	(883,600)
(Release and transfer of sec. 309 funds from books for the blind and physically handicapped)		(1,446,350)	(1,446,350)	(1,446,350)
(Release and transfer of sec. 309 funds from furniture and furnishings)		(88,750)	(88,750)	(88,750)
Copyright Office: Salaries and expenses	1,043,000	655,000	655,000	655,000
(Release of sec. 309 funds)		(200,300)	(200,300)	(200,300)
Congressional Research Service: Salaries and expenses	1,958,000	1,033,000	1,033,000	1,033,000
(Release of sec. 309 funds)		(573,000)	(573,000)	(573,000)
Books for the blind and physically handicapped:				
Salaries and expenses	267,000			
(Release of sec. 309 funds)		(219,000)	(219,000)	(219,000)
Collection and distribution of library materials (special foreign currency program)	26,000	21,000	21,000	21,000
Total, Library of Congress	9,789,000	4,617,000	4,617,000	4,617,000
(Release of secs. 311 and 309 funds and transfer)		(3,411,000)	(3,411,000)	(3,411,000)
General Accounting Office				
Salaries and expenses	12,902,000	10,602,000	10,602,000	10,602,000
Government Printing Office				
Office of Superintendent of Documents: Salaries and expenses	405,000	200,000	200,000	200,000
Total, legislative branch	59,995,800	34,910,000	48,972,000	48,972,000
(Release of secs. 311 and 309 funds and transfer)		(5,111,000)	(5,111,000)	(5,111,000)
The Judiciary				
Supreme Court of the United States				
Salaries and expenses	714,000	700,000	700,000	700,000
Care of the building and grounds	60,000			
Total, Supreme Court of the United States	774,000	700,000	700,000	700,000
Court of Customs and Patent Appeals				
Salaries and expenses	102,000	72,000	72,000	72,000
U.S. Court of International Trade				
Salaries and expenses	264,000	114,000	114,000	114,000

	New budget authority			
	Estimates	House	Senate	Conference
Court of Claims				
Salaries and expenses	$297,000	$267,000	$267,000	$267,000
Courts of Appeals, District Courts, and Other Judicial Services				
Salaries of judges	4,870,000	1,500,000	1,500,000	1,500,000
Salaries of supporting personnel	19,032,000	6,250,000	6,250,000	6,250,000
(By transfer)		(12,500,000)	(12,500,000)	(12,500,000)
Salaries and expenses of magistrates	764,000	700,000	700,000	700,000
Bankruptcy courts, salaries and expenses	3,516,000	3,500,000	3,500,000	3,500,000
Total, Courts of Appeals, district courts, and other judicial services	28,182,000	11,950,000	11,950,000	11,950,000
Administrative Office of the U.S. Courts				
Salaries and expenses	995,000	875,000	875,000	875,000
Federal Judicial Center				
Salaries and expenses	241,000	222,000	222,000	222,000
Total, the Judiciary	30,855,000	14,200,000	14,200,000	14,200,000
Executive Office of the President				
The White House Office: Salaries and expenses	905,000	905,000	905,000	905,000
Executive Residence at the White House: Operating expenses	218,000	218,000	218,000	218,000
Special Assistance to the President: Salaries and expenses	60,000	60,000	60,000	60,000
Council of Economic Advisers: Salaries and expenses	34,000	34,000	34,000	34,000
National Security Council: Salaries and expenses	171,000	171,000	171,000	171,000
Office of Administration: Salaries and expenses	200,000	200,000	200,000	200,000
Office of Management and Budget: Salaries and expenses	1,416,000	1,416,000	1,416,000	1,416,000
Office of Federal Procurement Policy: Salaries and expenses	128,000	128,000	128,000	128,000
Office of the U.S. Trade Representative: Salaries and expenses	267,000	260,000	260,000	260,000
Total, Executive Office of the President	3,399,000	3,392,000	3,392,000	3,392,000
Funds Appropriated to the President				
Operating expenses of the International Development Cooperation Agency	10,408,000	10,408,000	10,408,000	10,408,000
DEPARTMENT OF AGRICULTURE				
Office of the Secretary	416,000	416,000	416,000	416,000
Departmental administration	704,000	704,000	704,000	704,000
Office of Governmental and Public Affairs	42,000	42,000	42,000	42,000
Office of General Counsel	671,000	910,000	910,000	910,000
Office of the Inspector General		700,000	700,000	700,000
Science and Education Administration:				
Agricultural research	10,464,000	10,464,000	10,464,000	10,464,000
Extension activities	136,000	136,000	136,000	136,000
Technical information systems	281,000	281,000	281,000	281,000
Total, Science and Education Administration	10,881,000	10,881,000	10,881,000	10,881,000
Economics and Statistics Service: Salaries and expenses	2,951,000	2,951,000	2,951,000	2,951,000
Foreign Agricultural Service	281,000	281,000	281,000	281,000
Agricultural Stabilization and Conservation Service: Salaries and expenses	13,163,000	13,163,000	13,163,000	13,163,000
(Transfer from Commodity Credit Corporation)	(6,831,000)	(6,831,000)	(6,831,000)	(6,831,000)
Total, Agricultural Stabiliation and Conservation Service	(19,994,000)	(19,994,000)	(19,994,000)	(19,994,000)
Rural Electrification Administration: Salaries and expenses	590,000	590,000	590,000	590,000
Farmers Home Administration: Salaries and expenses	5,450,000	7,513,000	7,513,000	7,513,000
Soil Conservation Service:				
Conservation operations	17,908,000	18,862,000	18,862,000	18,862,000
River basin surveys and investigations	881,000	881,000	881,000	881,000
Watershed planning	813,000	813,000	813,000	813,000
Great Plains conservation program	664,000	664,000	664,000	664,000
Total, Soil Conservation Service	20,266,000	21,220,000	21,220,000	21,220,000
Animal and Plant Health Inspection Service	9,880,000	9,880,000	9,880,000	9,880,000
Federal Grain Inspection Service: Salaries and expenses	605,000	605,000	605,000	605,000
Agricultural Marketing Service: Marketing services	1,773,000	1,773,000	1,773,000	1,773,000
Food Safety and Quality Service:				
Salaries and expenses	14,988,000	16,988,000	18,588,000	17,788,000
(Increase in limitation)	(340,000)	(340,000)	(340,000)	(340,000)
Food and Nutrition Service: Food program administration	592,000	592,000	592,000	592,000
Forest Service:				
Forest research	5,612,000	5,612,000	5,612,000	5,612,000
State and private forestry	1,068,000	1,068,000	1,068,000	1,068,000
National forest service	41,436,000	41,436,000	41,436,000	41,436,000
Construction and land acquisition	11,378,000	11,378,000	11,378,000	11,378,000
Total, Forest Service	59,494,000	59,494,000	59,494,000	59,494,000
Total, Department of Agriculture	142,747,000	148,703,000	150,303,000	149,503,000
DEPARTMENT OF COMMERCE				
General Administration				
Salaries and expenses	1,169,000	1,100,000	1,100,000	1,100,000
Bureau of the Census				
Salaries and expenses	2,629,000	2,600,000	2,600,000	2,600,000
Periodic censuses and programs	7,205,000	7,200,000	7,200,000	7,200,000
Total, Bureau of the Census	9,834,000	9,800,000	9,800,000	9,800,000
Economic and Statistical Analysis				
Salaries and expenses	897,000	890,000	890,000	890,000

	New budget authority			
	Estimates	House	Senate	Conference
International Trade Administration				
Operations and administration	$1,730,000	$1,700,000	$1,700,000	$1,700,000
Minority Business Development Agency				
Minority business development	249,000			
National Oceanic and Atmospheric Administration				
Operations, research, and facilities	15,216,000	15,000,000	22,116,000	18,216,000
(By transfer)	(5,000,000)	(5,000,000)		(2,500,000)
Coastal zone management	177,000			
Total, National Oceanic and Atmospheric Administration	15,393,000	15,000,000	22,116,000	18,216,000
Patent and Trademark Office				
Salaries and expenses	3,662,000	3,600,000	3,600,000	3,600,000
Maritime Administration				
Operations and training	464,000	450,000	450,000	450,000
Total, Department of Commerce	33,398,000	32,540,000	39,656,000	35,756,000
DEPARTMENT OF DEFENSE—MILITARY				
Military Personnel				
Military personnel, Army	1,087,632,000	1,067,132,000	1,079,432,000	1,079,432,000
Military personnel, Navy	755,283,000	743,183,000	745,583,000	745,583,000
Military personnel, Marine Corps	238,414,000	235,614,000	236,714,000	236,714,000
Military personnel, Air Force	890,562,000	885,362,000	885,362,000	885,362,000
Reserve personnel, Army	71,650,000	70,950,000	70,950,000	70,950,000
Reserve personnel, Navy	16,255,000	16,755,000	16,755,000	16,755,000
Reserve personnel, Marine Corps	9,333,000	9,333,000	9,333,000	9,333,000
Reserve personnel, Air Force	18,386,000	18,386,000	18,386,000	18,386,000
National Guard personnel, Army	104,803,000	103,303,000	104,803,000	104,803,000
National Guard personnel, Air Force	34,437,000	34,437,000	34,437,000	34,437,000
Total, military personnel	3,226,755,000	3,184,455,000	3,201,755,000	3,201,755,000
Operation and Maintenance				
Operation and maintenance, Army	391,600,000	391,600,000	391,600,000	391,600,000
Operation and maintenance, Navy	431,800,000	431,800,000	431,800,000	431,800,000
Operation and maintenance, Marine Corps	21,100,000	21,100,000	21,100,000	21,100,000
Operation and maintenance, Air Force	291,000,000	291,000,000	291,000,000	291,000,000
Operation and maintenance, Defense agencies	212,348,000	212,348,000	212,348,000	212,348,000
Operation and maintenance, Army Reserve	19,100,000	19,100,000	19,100,000	19,100,000
Operation and maintenance, Navy Reserve	5,000,000	5,000,000	5,000,000	5,000,000
Operation and maintenance, Air Force Reserve	17,900,000	17,900,000	17,900,000	17,900,000
Operation and maintenance, Army National Guard	41,800,000	41,800,000	41,800,000	41,800,000
Operation and maintenance, Air National Guard	41,400,000	41,400,000	41,400,000	41,400,000
National Board for the Promotion of Rifle Practice, Army	20,000	20,000	20,000	20,000
Court of Military Appeals, Defense	113,000	113,000	113,000	113,000
Total, operation and maintenance	1,473,181,000	1,473,181,000	1,473,181,000	1,473,181,000
Family Housing				
Family housing, Defense	17,938,000	17,938,000	17,938,000	17,938,000
Total, Department of Defense—Military	4,717,874,000	4,675,574,000	4,692,874,000	4,692,874,000
DEPARTMENT OF DEFENSE—CIVIL				
Soldiers' and Airmen's Home				
Operation and maintenance	1,074,000	1,074,000	1,074,000	1,074,000
Corps of Engineers—Civil				
Construction, general	8,150,000	8,150,000	8,150,000	8,150,000
Operation and maintenance, general	31,300,000	31,300,000	31,300,000	31,300,000
General expenses	5,600,000	5,600,000	5,600,000	5,600,000
Total, Corps of Engineers—Civil	45,050,000	45,050,000	45,050,000	45,050,000
Total, Department of Defense—Civil	46,124,000	46,124,000	46,124,000	46,124,000
DEPARTMENT OF EDUCATION				
Departmental Management				
Salaries and expenses	8,197,000	497,000	4,497,000	2,497,000
DEPARTMENT OF ENERGY				
Atomic Energy Defense Activities				
Atomic energy defense activities—operating expenses	4,147,000			
Energy Programs				
Uranium supply and enrichment activities—operating expenses	17,000			
Fossil energy research and development		1,518,000	1,518,000	1,518,000
Energy production, demonstration, and distribution		599,000	599,000	599,000
Energy conservation		348,000	348,000	348,000
Economic regulation		6,012,000	6,012,000	6,012,000
Strategic petroleum reserve	507,000	507,000	507,000	507,000
Federal Energy Regulatory Commission	2,031,000		2,031,000	1,000,000
Total, energy programs	2,555,000	8,984,000	11,015,000	9,984,000
Power Marketing Administrations				
Operation and maintenance, Alaska Power Administration	150,000			
Operation and maintenance, Southeastern Power Administration	95,000			
Operation and maintenance, Southwestern Power Administration	320,000			
Construction, rehabilitation, operation and maintenance, Western Area Power Administration	2,980,000			
Total, Power Marketing Administrations	3,545,000			

	New budget authority			
	Estimates	House	Senate	Conference
Departmental Administration				
General administration	$4,740,000	$4,240,000	$4,240,000	$4,240,000
Total, Department of Energy	14,987,000	13,224,000	15,255,000	14,224,000
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Food and Drug Administration				
Salaries and expenses	5,890,000	5,890,000	5,890,000	5,890,000
Health Services Administration				
Health services	7,729,000	.....	5,310,000	5,310,000
Indian health services	12,556,000	12,556,000	12,556,000	12,556,000
Total, Health Services Administration	20,285,000	12,556,000	17,866,000	17,866,000
Centers for Disease Control				
Preventive health services	.....	.....	2,000,000	2,000,000
Preventive health services (reappropriation)	6,659,000	.....	.....	.....
National Institutes of Health				
National Cancer Institute	6,957,000	.....	3,479,000	.....
National Heart, Lung and Blood Institute	2,750,000	.....	1,375,000	.....
National Institute of Dental Research	839,000	.....	419,000	.....
National Institute of Arthritis, Metabolism, and Digestive Diseases	2,248,000	.....	1,124,000	.....
National Institute of Neurological and Communicative Disorders and Stroke	1,587,000	.....	794,000	.....
National Institute of Allergy and Infectious Diseases	1,904,000	.....	952,000	.....
National Institute of General Medical Sciences	299,000	.....	149,000	.....
National Institute of Child Health and Human Development	1,331,000	.....	666,000	.....
National Eye Institute	488,000	.....	244,000	.....
National Institute of Environmental Health Sciences	853,000	.....	426,000	.....
National Institute of Aging	563,000	.....	282,000	.....
Research resources	87,000	.....	43,000	.....
John E. Fogarty International Center for Advanced Study in the Health Sciences	116,000	.....	58,000	.....
National Library of Medicine	799,000	.....	339,000	.....
Office of the Director	1,047,000	.....	524,000	.....
Total, National Institutes of health	21,868,000	.....	10,874,000	.....
Alcohol, Drug Abuse, and Mental Health Administration				
Alcohol, drug abuse, and mental health	2,786,000	.....	.....	.....
Saint Elizabeths Hospital	4,591,000	4,591,000	4,591,000	4,591,000
Total, Alcohol, Drug Abuse, and Mental Health Administration	7,377,000	4,591,000	4,591,000	4,591,000
Health Resources Administration				
Health resources (by transfer)	(3,062,000)	(3,062,000)	(3,062,000)	(3,062,000)
Assistant Secretary for Health				
Salaries and expenses	2,124,000	.....	1,062,000	.....
Health Care Financing Administration				
Program management (Health research)	2,500,000	.....	.....	.....
(Trust fund transfer)	(4,174,000)	.....	(3,000,000)	(3,000,000)
Social Security Administration				
Limitation on administrative expenses: (Increase in limitation)	(139,700,000)	(90,000,000)	(90,000,000)	(90,000,000)
Supplemental security income program	38,192,000	25,000,000	25,000,000	25,000,000
Human Development Services				
Human development services	1,420,000	.....	1,116,000	1,116,000
Departmental Management				
General departmental management	7,416,000	.....	.....	.....
(By transfer)	(1,700,000)	(8,300,000)	(8,300,000)	(8,300,000)
Office of Inspector General	2,212,000	.....	.....	.....
Office for Civil Rights	1,116,000	1,116,000	.....	.....
Office of Consumer Affairs	176,000	100,000	100,000	100,000
Total, departmental management	10,920,000	1,216,000	100,000	100,000
Total, Department of Health and Human Services	117,235,000	49,253,000	68,499,000	56,563,000
(By transfer)	(4,762,000)	(11,362,000)	(11,362,000)	(11,362,000)
(Increase in limitations)	(139,700,000)	(90,000,000)	(90,000,000)	(90,000,000)
(Trust fund transfer)	(4,174,000)	.....	(3,000,000)	(3,000,000)
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Management and Administration				
Salaries and expenses	12,572,000	6,000,000	12,572,000	6,000,000
(By transfer, FHA funds)	(14,494,000)	(14,494,000)	(14,494,000)	(14,494,000)
DEPARTMENT OF THE INTERIOR				
Bureau of Land Management				
Management of lands and resources	7,568,000	7,568,000	7,568,000	7,568,000
Water and Power Resources Service				
General investigations	1,400,000	1,400,000	1,400,000	1,400,000
Operation and maintenance	5,200,000	5,200,000	5,200,000	5,200,000
Construction program	5,474,000	5,474,000	5,474,000	5,474,000
General administrative expenses	2,350,000	2,350,000	2,350,000	2,350,000
Total, Water and Power Resources Service	14,424,000	14,424,000	14,424,000	14,424,000
U.S. Fish and Wildlife Service				
Resource management	5,864,000	5,864,000	5,864,0000	5,864,000
National Park Service				
Operation of the national park system	9,437,000	9,437,000	9,437,000	9,437,000

	New budget authority			
	Estimates	House	Senate	Conference
Land and Water Conservation fund (increase in limitation)	($413,000)	($413,000)	($413,000)	($413,000)
John F. Kennedy Center for the Performing Arts	141,000	141,000	141,000	141,000
Total, National Park Service	9,578,000	9,578,000	9,578,000	9,578,000
Geological Survey				
Surveys, investigations, and research	13,864,000	13,864,000	13,864,000	13,864,000
Bureau of Mines				
Mines and minerals	2,891,000	2,891,000	2,891,000	2,891,000
Bureau of Indian Affairs				
Operation of Indian programs	18,051,000	18,051,000	18,051,000	18,051,000
Office of Territorial Affairs				
Trust Territory of the Pacific Islands	95,000	95,000	95,000	95,000
(By transfer)	(73,000)	(73,000)	(73,000)	(73,000)
Secretarial Offices				
Office of the Solicitor, salaries and expenses	1,032,000	1,032,000	1,032,000	1,032,000
Office of the Secretary, departmental management	1,536,000	1,536,000	1,536,000	1,536,000
Construction management	39,000	39,000	39,000	39,000
Inspector General	472,000	472,000	472,000	472,000
Total, Office of the Solicitor and Office of the Secretary	3,079,000	3,079,000	3,079,000	3,079,000
Total, Department of the Interior	75,414,000	75,414,000	75,414,000	75,414,000
DEPARTMENT OF JUSTICE				
General Administration				
Salaries and expenses	$1,410,000	$1,400,000	$1,400,000	$1,400,000
U.S. Parole Commission				
Salaries and expenses	291,000	275,000	275,000	275,000
Legal Activities				
Salaries and expenses, general legal activities	4,916,000	6,400,000	6,400,000	6,400,000
(By transfer)	(1,500,000)	.....	.....	.....
Salaries and expenses, Foreign Claims Settlement Commission	22,000	22,000	22,000	22,000
Salaries and expenses, U.S. attorneys and Marshals	10,715,000	8,500,000	8,500,000	8,500,000
Salaries and expenses, Community Relations Service	282,000	270,000	270,000	270,000
Total, legal activities	15,935,000	15,192,000	15,192,000	15,192,000
Federal Bureau of Investigation				
Salaries and expenses	38,876,000	38,800,000	38,800,000	38,800,000
Immigration and Naturalization Service				
Salaries and expenses	11,699,000	11,600,000	11,600,000	11,600,000
Drug Enforcement Administration				
Salaries and expenses	8,524,000	8,500,000	8,500,000	8,500,000
Federal Prison System				
Salaries and expenses	10,689,000	7,465,000	7,465,000	7,465,000
(By transfer)	(1,250,000)	.....	.....	.....
Federal Prison Industries, Incorporated (Limitation on administrative and vocational training expenses) (increase in limitation)	(280,000)	(280,000)	(280,000)	(280,000)
Office of Justice Assistance, Research and Statistics				
Research and statistics	807,000	800,000	800,000	800,000
Total, Department of Justice	88,231,000	84,032,000	84,032,000	84,032,000
DEPARTMENT OF LABOR				
Employment and Training Administration				
Program administration	5,064,000	.....	5,064,000	.....
(By transfer)	.....	(5,064,000)	.....	(5,064,000)
(Trust fund transfer)	(1,425,000)	(1,425,000)	(1,425,000)	(1,425,000)
Labor-Management Services Administration				
Salaries and expenses	1,915,000	.....	1,915,000	.....
(By transfer)	.....	(1,915,000)	.....	(1,915,000)
Occupational Safety and Health Administration				
Salaries and expenses	3,090,000	.....	3,090,000	.....
(By transfer)	.....	(3,090,000)	.....	(3,090,000)
Mine Safety and Health Administration				
Salaries and expenses	4,475,000	.....	4,475,000	.....
(By transfer)	.....	(4,475,000)	.....	(4,475,000)
Bureau of Labor Statistics				
Salaries and expenses	4,917,000	.....	4,917,000	.....
(By transfer)	.....	(4,917,000)	.....	(4,917,000)
Departmental Management				
Salaries and expenses	829,000	.....	829,000	.....
(By transfer)	.....	(829,000)	.....	(829,000)
(Trust fund transfer)	(60,000)	(60,000)	(60,000)	(60,000)
Total, Department of Labor	20,290,000	.....	20,290,000	.....
(Trust fund transfer)	(1,485,000)	(1,485,000)	(1,485,000)	(1,485,000)
DEPARTMENT OF STATE				
Administration of Foreign Affairs				
Salaries and expenses	17,284,000	17,200,000	17,200,000	17,200,000

	New budget authority			
	Estimates	House	Senate	Conference
International Commissions				
Salaries and expenses	$429,000	$329,000	$329,000	$329,000
International Boundary and Water Commission, United States and Mexico: American sections, international commissions	102,000	25,000	25,000	25,000
Total, International Commissions	531,000	354,000	354,000	354,000
Total, Department of State	17,815,000	17,554,000	17,554,000	17,554,000
DEPARTMENT OF TRANSPORTATION				
Office of the Secretary				
Salaries and expenses	827,000	527,000	527,000	527,000
(Limitation on Working Capital Fund) (increase in limitation)	(1,138,700)	(1,000,000)	(1,000,000)	(1,000,000)
Coast Guard				
Operating expenses	48,520,000	48,520,000	48,520,000	48,520,000
Reserve training	3,476,000	3,476,000	3,476,000	3,476,000
Total, Coast Guard	51,996,000	51,996,000	51,996,000	51,996,000
Federal Aviation Administration				
Operations	106,880,000	106,880,000	106,880,000	106,880,000
Operation and maintenance, metropolitan Washington airports	623,000	623,000	623,000	623,000
Total, Federal Aviation Administration	107,503,000	107,503,000	107,503,000	107,503,000
Federal Highway Administration				
Motor carrier safety	555,000			
(By transfer)		(555,000)	(555,000)	(555,000)
(Limitation on general operating expenses) (increase in limitation)	(6,012,000)	(5,000,000)	(5,000,000)	(5,000,000)
National Highway Traffic Safety Administration				
Operations and research	434,000			
Federal Railroad Administration				
Office of the administrator	$368,000	$368,000	$368,000	$368,000
Railroad safety	843,000			
Total, Federal Railroad Administration	1,211,000	368,000	368,000	368,000
Urban Mass Transportation Administration				
Urban mass transportation fund (by transfer)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Saint Lawrence Seaway Development Corporation				
Limitation on administrative expenses (increase in limitations)	(45,000)	(45,000)	(45,000)	(45,000)
Office of the Inspector General				
Salaries and expenses (by transfer)	(385,000)	(385,000)	(385,000)	(385,000)
Total, Department of Transportation	162,526,000	160,394,000	160,394,000	160,394,000
DEPARTMENT OF THE TREASURY				
Office of the Secretary:				
Salaries and expenses	1,507,000	1,507,000	1,507,000	1,507,000
International affairs	163,000	163,000	163,000	163,000
Total, Office of the Secretary	1,670,000	1,670,000	1,670,000	1,670,000
Office of Revenue Sharing: Salaries and expenses	216,000	100,000	216,000	216,000
Federal Law Enforcement Training Center: Salaries and expenses	248,000	248,000	248,000	248,000
Bureau of Government Financial Operations:				
Salaries and expenses	3,741,000	3,741,000	3,741,000	3,741,000
New York City loan guarantee program	31,000			
Chrysler Corp. loan guarantee program	29,000	29,000	29,000	29,000
Total, Bureau of Government Financial Operations	3,801,000	3,770,000	3,770,000	3,770,000
Bureau of Alcohol, Tobacco and Firearms: Salaries and expenses	5,550,000	5,550,000	5,550,000	5,550,000
U.S. Customs Service: Salaries and expenses	16,468,000	16,468,000	16,468,000	16,468,000
Bureau of the Mint: Salaries and expenses	946,000	946,000	946,000	946,000
Internal Revenue Service:				
Salaries and expenses	2,322,000	2,322,000	2,322,000	2,322,000
(By transfer)	(4,686,000)	(4,686,000)	(4,686,000)	(4,686,000)
Taxpayer service and returns processing	34,767,000	34,767,000	34,767,000	34,767,000
Examinations and appeals	47,008,000	47,008,000	47,008,000	47,008,000
Investigations and collections	32,960,000	32,960,000	32,960,000	32,960,000
Total, Internal Revenue Service	117,057,000	117,057,000	117,057,000	117,057,000
U.S. Secret Service: Salaries and expenses	9,710,000	9,710,000	9,710,000	9,710,000
Total, Department of the Treasury	155,666,000	155,519,000	155,635,000	155,635,000
ENVIRONMENTAL PROTECTION AGENCY				
Salaries and expenses	6,165,000	6,165,000	6,165,000	6,165,000
U.S. Regulatory Council	60,000			
Total, Environmental Protection Agency	6,225,000	6,165,000	6,165,000	6,165,000
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				
Research and program management	41,400,000	41,400,000	41,400,000	41,400,000
VETERANS' ADMINISTRATION				
Medical care	225,978,000	265,205,000	258,967,000	265,205,000
Medical and prosthetic research	6,095,000	7,917,000	7,785,000	7,917,000
Medical administration and miscellaneous operating expenses	1,591,000	1,591,000	2,106,000	1,591,000
General operating expenses	14,267,000	15,659,000	14,267,000	15,659,000
Construction, minor projects	903,000			
Total, Veterans' Administration	248,834,000	290,372,000	283,125,000	290,372,000

	New budget authority			
	Estimates	House	Senate	Conference
OTHER INDEPENDENT AGENCIES				
ACTION: Operating expenses, domestic programs	$920,000	.....	$460,000	$230.000
Administrative Conference of the United States: Salaries and expenses	67,000	67,000	67,000	67,000
Advisory Council on Historic Preservation: Salaries and expenses	67,000	67,000	67,000	67,000
American Battle Monuments Commission: Salaries and expenses	797,000	797,000	797,000	797,000
Civil Aeronautics Board: Salaries and expenses	975,000	775,000	775,000	775,000
Commission of Fine Arts: Salaries and expenses	13,000	13,000	13,000	13,000
Commission on Civil Rights: Salaries and expenses	318,000	300,000	300,000	300,000
Committee for Purchase from the Blind and other Severely Handicapped: Salaries and expenses	26,000	26,000	26,000	26,000
Commodity Futures Trading Commission	815,000	815,000	815,000	815,000
Community Services Administration: Community services program	791,000	.....	.....	.....
Equal Employment Opportunity Commission: Salaries and expenses	1,246,000	1,200,000	1,200,000	1,200,000
Export-Import Bank of the United States (increase in limitation)	(366,000)	(366,000)	(366,000)	(366,000)
Farm Credit Administration: Revolving fund for administrative expenses (increase in limitation)	(688,000)	(688,000)	(688,000)	(688,000)
Federal Communications Commission: Salaries and expenses	3,487,000	3,437,000	3,437,000	3,437,000
Federal Election Commission: Salaries and expenses	379,000	379,000	379,000	379,000
Federal Emergency Management Agency:				
Emergency planning, preparedness, and mobilization	642,000	.....	.....	.....
Hazard mitigation and disaster assistance	853,000	.....	.....	.....
Total, Federal Emergency Management Agency	1,495,000	.....	.....	.....
Federal Home Loan Bank Board:				
Limitation on administrative expenses (increase in limitation)	(1,250,000)	(1,000,000)	(1,000,000)	(1,000,000)
Limitation on nonadministrative expenses (increase in limitation)	(2,230,000)	(1,400,000)	(1,400,000)	(1,400,000)
Federal Savings and Loan Insurance Corporation: Limitation on administrative expenses (increase in limitation)	(50,000)	.....	.....	.....
Federal Labor Relations Authority: Salaries and expenses	622,000	622,000	622,000	622,000
Federal Maritime Commission: Salaries and expenses	107,000	100,000	100,000	100,000
General Services Administration:				
Federal Buildings Fund:				
Limitation on availability of revenue (increase in limitation)				
Real property operations	(14,639,000)	(14,644,000)	(14,644,000)	(14,644,000)
Program direction	(4,826,000)	(4,826,000)	(4,826,000)	(4,826,000)
Total, Federal Buildings Fund (increase in limitation)	(19,465,000)	(19,470,000)	(19,470,000)	(19,470,000)
Federal Supply Service, operating expenses	5,504,000	5,504,000	5,504,000	5,504,000
(By transfer)	(444,000)	(444,000)	(444,000)	(444,000)
Transportation and Public Utilities Service, operating expenses	830,000	830,000	830,000	830,000
National Archives and Records Service, operating expenses	1,841,000	1,841,000	1,841,000	1,841,000
(By transfer)	(58,000)	(58,000)	(58,000)	(58,000)
Automated Data and Telecommunications Service, operating expenses	498,000	498,000	498,000	498,000
Federal Property Resources Service: operating expenses	1,189,000	1,189,000	1,189,000	1,189,000
General management and administration, salaries and expenses	3,981,000	3,981,000	3,981,000	3,981,000
Total, General Services Administration	13,843,000	13,843,000	13,843,000	13,843,000
Intelligence community staff	447,000	447,000	447,000	447,000
Advisory Commission on Intergovernmental Relations: Salaries and expenses	72,000	72,000	72,000	72,000
Delaware River Basin Commission: Salaries and expenses	3,000	3,000	3,000	3,000
Susquehanna River Basin Commission: Salaries and expenses	3,000	3,000	3,000	3,000
International Communication Agency: Salaries and expenses	10,372,000	9,585,000	9,846,000	9,846,000
International Trade Commission: Salaries and expenses	996,000	500,000	500,000	500,000
Merit Systems Protection Board: Office of the Special Counsel	140,000	140,000	140,000	140,000
National Capital Planning Commission: Salaries and expenses	130,000	130,000	130,000	130,000
National Commission on Libraries and Information Science: Salaries and expenses	4,000	.....	.....	.....
National Foundation on the Arts and the Humanities: National Endowment for the Arts: Salaries and expenses	235,000	235,000	235,000	235,000
National Labor Relations Board: Salaries and expenses	2,913,000	2,913,000	2,913,000	2,913,000
National Mediation Board: Salaries and expenses	52,000	.....	.....	.....
National Science Foundation: Research and related activities	3,259,000	4,759,000	3,259,000	4,759,000
National Transportation Safety Board: Salaries and expenses	240,000	240,000	240,000	240,000
Nuclear Regulatory Commission: Salaries and expenses	4,500,000	.....	.....	.....
Office of Personnel Management:				
Salaries and expenses	2,633,000	2,633,000	2,633,000	2,633,000
(Increase in limitation)	(1,808,000)	(1,808,000)	(1,808,000)	(1,808,000)
Panama Canal Commission: Operating expenses	27,000	27,000	27,000	27,000
Railroad Retirement Board: Limitation on administration (increase in limitation)	(1,044,000)	(1,044,000)	(1,044,000)	(1,044,000)
Securities and Exchange Commission: Salaries and expenses	3,895,000	3,850,000	3,850,000	3,850,000
Smithsonian Institution:				
Salaries and expenses	4,613,000	4,613,000	4,613,000	4,613,000
Salaries and expenses, National Gallery of Art	337,000	337,000	337,000	337,000
Salaries and expenses, Woodrow Wilson International Center for Scholars	35,000	35,000	35,000	35,000
Total, Smithsonian Institution	4,985,000	4,985,000	4,985,000	4,985,000
Total, other independent agencies	60,874,000	52,963,000	52,184,000	53,454,000
(By transfer)	(502,000)	(502,000)	(502,000)	(502,000)
(Increase in limitations)	(26,901,000)	(25,776,000)	(25,776,000)	(25,776,000)
Other temporary commissions:				
Navajo and Hopi Indian Relocation Commission: Salaries and expenses	57,000	57,000	57,000	57,000
President's Commission for the Study of Ethical Problems in Medicine: Salaries and expenses	45,000	.....	.....	.....
Total, other temporary commissions	102,000	57,000	57,000	57,000
U.S. Tax Court: Salaries and expenses	446,000	446,000	446,000	446,000
TITLE II—INCREASED PAY COSTS				
Total—New budget (obligational) authority	6,075,614,800	5,919,141,000	6,003,448,000	5,965,436,000
Appropriations	(6,068,955,800)	(5,919,141,000)	(6,003,448,000)	(5,965,436,000)
Reappropriations	(6,659,000)	.....	.....	.....
(By transfer)	(19,158,000)	(56,353,000)	(31,063,000)	(53,853,000)
(Increase in limitations)	(174,829,700)	(122,854,000)	(122,854,000)	(122,854,000)
(Trust fund transfer)	(5,659,000)	(1,485,000)	(4,485,000)	(4,485,000)
(Transfer from Commodity Credit Corporation)	(6,831,000)	(6,831,000)	(6,831,000)	(6,831,000)
(By transfer from FHA fund)	(14,494,000)	(14,494,000)	(14,494,000)	(14,494,000)
TITLE I—GENERAL SUPPLEMENTALS				
I—Agriculture:				
New budget (obligational) authority	1,429,405,000	898,781,000	1,384,906,000	1,386,530,000
Appropriations	(1,939,905,000)	(1,403,781,000)	(1,893,906,000)	(1,892,030,000)
Rescissions	(−510,500,000)	(−505,000,000)	(−509,000,000)	(−505,500,000)

	New budget authority			
	Estimates	House	Senate	Conference
(Effect of deferral actions)		(−$428,500,000)	(−$202,500,000)	(−$206,000,000)
(Rescission of direct loan authority)	(−$767,850,000)	(−266,000,000)	(−166,000,000)	(−216,000,000)
(Increase in limitation on guaranteed loans)		(250,000,000)	(250,000,000)	(250,000,000)
II—Commerce, Justice, State, and the Judiciary:				
New budget (obligational) authority	−368,646,510,000	−325,778,000	−276,498,000	−279,941,000
Appropriations	(137,039,000)	(59,832,000)	(68,991,000)	(71,006,000)
Appropriations for debt reduction	(−21,767,000)			
Rescissions	(−483,918,510)	(−385,610,000)	(−345,489,000)	(−350,947,000)
(Effect of deferral actions)		(115,565,000)	(84,100,000)	(137,800,000)
(By transfer)	(34,521,000)	(46,029,000)	(95,179,000)	(84,310,000)
(Reduction in limitation on direct loans)	(−54,915,000)			
(Reduction in limitation on guaranteed loans)	(−262,000,000)			
(Release and transfer of sec. 105 funds)		(9,930,000)	(9,930,000)	(9,930,000)
III—Defense:				
New budget (obligational) authority	7,651,859,000	6,022,844,000	8,104,055,000	6,936,680,000
(Appropriation to liquidate contract authority)	(620,053,000)	(620,053,000)	(620,053,000)	(620,053,000)
(By transfer)		(47,800,000)	(47,800,000)	(47,800,000)
IV—Energy and Water:				
New budget (obligational) authority	−1,147,315,000	−1,306,245,000	−1,574,352,000	−1,352,038,000
Appropriations	(156,000,000)	(156,000,000)	(156,000,000)	(156,000,000)
Rescissions	(−460,315,000)	(−208,200,000)	(−476,307,000)	(−253,993,000)
Rescission of contract authority	(−843,000,000)	(−1,254,045,000)	(−1,254,045,000)	(−1,254,045,000)
(Effect of deferral actions)		(−252,517,000)	(−69,916,000)	(−214,436,000)
(By transfer)	(1,300,000)	(1,300,000)		
V—Foreign operations:				
New budget (obligational) authority	543,432,000	514,007,000	372,799,100	465,493,100
Appropriations	(571,170,000)	(563,945,000)	(439,170,000)	(530,864,000)
Rescissions	(−27,738,000)	(−49,938,000)	(−66,370,900)	(−65,370,900)
(Increase in limitation on guaranteed loans)		(500,000,000)	(500,000,000)	(500,000,000)
(Reduction of direct loan authority)	(−752,000,000)	(−376,000,000)	(−502,000,000)	(−439,000,000)
(Foreign currency program)			(14,300,000)	(14,300,000)
VI—Housing and Urban Development—Independent Agencies:				
New budget (obligational) authority	−5,820,143,031	−6,005,111,747	−5,893,521,322	−5,755,917,747
Appropriations	(1,621,057,000)	(1,454,057,000)	(1,719,272,000)	(1,719,272,000)
Rescissions	(−7,441,200,031)	(−7,459,168,747)	(−7,612,793,322)	(−7,475,189,747)
(Effect of deferral actions)		(117,559,000)		(−182,441,000)
(Appropriations to liquidate contract authority)	(1,317,388,303)	(1,317,388,303)	(1,317,388,303)	(1,317,388,303)
(Increase in limitations)	(930,000)	(930,000)	(930,000)	(930,000)
(Increase in limitation on guaranteed loans)	(11,000,000,000)	(11,000,000,000)	(11,000,000,000)	(11,000,000,000)
(Limitation on direct loans)	(6,700,000)	(19,700,000)	(62,649,284)	(19,700,000)
VII—Interior and related agencies:				
New budget (obligational) authority	352,074,000	717,115,000	−896,643,400	−597,292,000
Appropriations, 1981	(1,571,971,000)	(722,206,000)	(1,556,561,000)	(1,561,454,000)
Appropriations, 1982	(883,408,000)	(883,408,000)		
Rescissions	(−2,103,305,000)	(−888,499,000)	(−2,453,204,400)	(−2,158,746,000)
(Effect of deferral actions)		(−599,191,000)	(−261,037,000)	(−360,807,000)
(By transfer)		(875,000,000)		
VIII—Labor, Health and Human Services, and Education:				
New budget (obligational) authority	−2,190,410,000	−922,824,000	−1,729,949,000	−1,388,664,000
Appropriations	(792,234,000)	(711,205,000)	(444,155,000)	(500,705,000)
Reappropriations			(2,000,000)	(2,000,000)
Rescissions, 1981	(−2,887,644,000)	(−1,574,029,000)	(−2,176,104,000)	(−1,856,369,000)
Rescissions, 1982	(−43,000,000)			
Rescissions, 1983	(−52,000,000)	(−60,000,000)		(−35,000,000)
(Effect of deferral actions)		(25,000,000)		(25,000,000)
(Increase in limitations)	(67,667,000)		(30,000,000)	(30,000,000)
(Trust fund transfers)	(9,157,000)	(−12,322,000)	(−20,349,000)	(−16,982,000)
(Reduction in limitation on direct loans)		(−2,500,000)	(−2,500,000)	(−2,500,000)
(Reduction in limitation on guaranteed loans)		(−3,000,000)	(−3,000,000)	(−3,000,000)
IX—Legislative branch:				
New budget (obligational) authority	60,873,000	32,914,663	−15,679,337	−14,829,337
Appropriations	(60,873,000)	(34,176,663)	(32,978,663)	(33,378,663)
Rescissions		(−1,262,000)	(−48,658,000)	(−48,208,000)
X—Military Construction:				
New budget (obligational) authority	334,362,000	221,402,000	232,262,000	227,262,000
(Effect of deferral action)		(−92,000,000)	(−92,000,000)	(−92,000,000)
XI—Transportation:				
New budget (obligational) authority	736,593,000	618,933,000	555,074,000	612,033,000
Appropriations, 1981	(2,846,174,000)	(2,827,555,000)	(2,789,655,000)	(2,784,655,000)
Appropriations, 1982	(100,000,000)			
Rescissions	(−36,200,000)	(−69,200,000)	(−61,200,000)	(−33,200,000)
Appropriations for debt reduction	(−2,173,381,000)	(−2,173,381,000)	(−2,173,381,000)	(−2,173,381,000)
Contract authority		(33,959,000)		(33,959,000)
(Effect of deferral actions)		(166,500,000)	(55,000,000)	(60,000,000)
(Appropriations to liquidate contract authority)	(1,269,000,000)	(1,269,000,000)	(1,269,000,000)	(1,269,000,000)
(By transfer)	(80,000,000)	(19,300,000)	(17,500,000)	(26,800,000)
(Increase in limitations)	(−199,775,000)	(50,225,000)	(−249,775,000)	(−199,775,000)
(Reduction in limitation on guaranteed loans)	(−100,000,000)	(−50,000,000)	(−100,000,000)	(−50,000,000)
XII—Treasury, Postal Service, and General Government:				
New budget (obligational) authority	711,841,000	425,107,000	424,949,000	439,949,000
Appropriations	(963,551,000)	(676,817,000)	(682,259,000)	(697,259,000)
Rescissions	(−251,710,000)	(−251,710,000)	(−257,310,000)	(−257,310,000)
(By transfer)	(500,000)	(950,000)	(950,000)	(950,000)
(Increase in limitations)	(33,036,000)	(33,036,000)	(33,036,000)	(33,036,000)
XIII—District of Columbia:				
New budget (obligational) authority	4,600,000		4,600,000	4,600,000
(Federal funds to the District of Columbia)	(4,600,000)		(4,600,000)	(4,600,000)
(District of Columbia funds)	(19,448,000)		(23,411,900)	(24,048,000)
Total, title I—General supplementals:				
New budget (obligational) authority	2,298,524,459	891,144,916	692,002,041	683,865,016
Appropriations, 1981	(18,650,795,000)	(14,853,820,663)	(18,123,864,663)	(17,115,165,663)
Reappropriation			(2,000,000)	(2,000,000)
Appropriations for debt reduction	(−2,195,148,000)	(−2,173,381,000)	(−2,173,381,000)	(−2,173,381,000)
Contract authority		(33,959,000)		(33,959,000)
Subtotal, fiscal year 1981	16,455,647,000	12,714,398,663	15,952,483,663	14,977,743,663
Appropriations, 1982	(983,408,000)	(883,408,000)		
Total appropriations and contract authority	(17,439,055,000)	(13,597,806,663)	(15,952,483,663)	(14,977,743,663)
Rescissions, 1981	(−15,045,530,541)	(−12,646,661,747)	(−15,260,481,622)	(−14,258,878,647)
Rescissions, 1982	(−43,000,000)			
Rescissions, 1983	(−52,000,000)	(−60,000,000)		(−35,000,000)
Total, rescissions	(−15,140,530,541)	(−12,706,661,747)	(−15,260,481,622)	(−14,293,878,647)
(Rescission of direct loan authority)	(−767,850,000)	(−266,000,000)	(−166,000,000)	(−216,000,000)

	New budget authority			
	Estimates	House	Senate	Conference
(Effect of deferral actions)		(−$947,584,000)	(−$486,353,000)	(−$832,884,000)
(Appropriation to liquidate contract authority)	(3,206,441,303)	(3,206,441,303)	(3,206,441,303)	(3,206,441,303)
(By transfer)	(116,321,000)	(990,379,000)	(161,429,000)	(159,860,000)
(Increase in limitations)	(−98,142,000)	(84,191,000)	(−185,809,000)	(−135,809,000)
(Trust fund transfers)	(9,157,000)	(−12,322,000)	(−20,349,000)	(−16,982,000)
(Change in limitation on direct loans)	(−48,215,000)	(17,200,000)	(60,149,284)	(17,200,000)
(Change in limitation on guaranteed loans)	(10,638,000,000)	(11,697,000,000)	(11,647,000,000)	(11,697,000,000)
(Reduction of direct loan authority)	(−752,000,000)	(−376,000,000)	(−502,000,000)	(−439,000,000)
(Release and transfer of withheld obligations)		(9,930,000)	(9,930,000)	(9,930,000)
(Foreign currency program)			(14,300,000)	(14,300,000)
(District of Columbia funds)	(19,448,000)		(23,411,900)	(24,048,000)
Total, title II—Increased pay costs:				
New budget (obligational) authority	6,075,614,800	5,919,141,000	6,003,448,000	5,965,436,000
Appropriations	(6,068,955,800)	(5,919,141,000)	(6,003,448,000)	(5,965,436,000)
Reappropriations	(6,659,000)			
(By transfer)	(19,158,000)	(56,353,000)	(31,063,000)	(53,853,000)
(Increase in limitations)	(174,829,700)	(122,854,000)	(122,854,000)	(122,854,000)
(Trust fund transfer)	(5,659,000)	(1,485,000)	(4,485,000)	(4,485,000)
(Transfer from Commodity Credit Corporation)	(6,831,000)	(6,831,000)	(6,831,000)	(6,831,000)
(By transfer from FHA fund)	(14,494,000)	(14,494,000)	(14,494,000)	(14,494,000)
Grand total—titles I and II:				
New budget (obligational) authority	8,374,139,259	6,810,285,916	6,695,450,041	6,649,301,016
Appropriations, 1981	(24,719,750,800)	(20,772,961,663)	(24,127,312,663)	(23,080,601,663)
Appropriations for debt reduction	(−2,195,148,000)	(−2,173,381,000)	(−2,173,381,000)	(−2,173,381,000)
Reappropriations	(6,659,000)		(2,000,000)	(2,000,000)
Contract authority		(33,959,000)		(33,959,000)
Subtotal, fiscal year 1981	22,531,261,800	18,633,539,663	21,955,931,663	20,943,179,663
Appropriations, 1982	(983,408,000)	(883,408,000)		
Total appropriations and contract authority	(23,514,669,800)	(19,516,947,663)	(21,955,931,663)	(20,943,179,663)
Rescissions, 1981	(−15,045,530,541)	(−12,646,661,747)	(−15,260,481,622)	(−14,258,878,647)
Rescissions, 1982	(−43,000,000)			
Rescissions, 1983	(−52,000,000)	(−60,000,000)		(−35,000,000)
Total, Rescissions	(−15,140,530,541)	(−12,706,661,747)	(−15,260,481,622)	(−14,293,878,647)
(Rescission of direct loan authority)	(−767,850,000)	(−266,000,000)	(−166,000,000)	(−216,000,000)
(Effect of deferral actions)		(−947,584,000)	(−486,353,000)	(−832,884,000)
(Appropriation to liquidate contract authority)	(3,206,441,303)	(3,206,441,303)	(3,206,441,303)	(3,206,441,303)
(By transfer)	(135,479,000)	(1,046,732,000)	(192,492,000)	(213,713,000)
(Increase in limitations)	(76,687,700)	(207,045,000)	(−62,955,000)	(−12,955,000)
(Trust fund transfer)	(14,816,000)	(−10,837,000)	(−15,864,000)	(−12,497,000)
(Transfer from Commodity Credit Corporation)	(6,831,000)	(6,831,000)	(6,831,000)	(6,831,000)
(By transfer from FHA fund)	(14,494,000)	(14,494,000)	(14,494,000)	(14,494,000)
(Change in limitation on direct loans)	(−48,215,000)	(17,200,000)	(60,149,284)	(17,200,000)
(Change in limitation on guaranteed loans)	(10,638,000,000)	(11,697,000,000)	(11,647,000,000)	(11,697,000,000)
(Reduction of direct loan authority)	(−752,000,000)	(−376,000,000)	(−502,000,000)	(−439,000,000)
(Release and transfer of withheld obligations)		(9,930,000)	(9,930,000)	(9,930,000)
(Foreign currency program)			(14,300,000)	(14,300,000)
(District of Columbia funds)	(19,448,000)		(23,411,900)	(24,048,000)

[1] Of this amount, $536,124,000 was not considered by the House.

PROVIDING FOR THE CONSIDERATION OF H.R. 3455, MILITARY CONSTRUCTION AUTHORIZATION ACT, 1982

Mr. HALL of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 144 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 144

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3455) to authorize certain construction at military installations for fiscal year 1982, and for other purposes, the first reading of the bill shall be dispensed with, and all points of order against the bill for failure to comply with the provisions of clause 5, rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. HALL) is recognized for 1 hour.

Mr. HALL of Ohio. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Missouri (Mr. TAYLOR), for purposes of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 144 is an open rule providing for the consideration of H.R. 3455, the Military Construction Authorization Act for fiscal 1982.

The rule provides for 2 hours of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services.

In order to expedite consideration of H.R. 3455, the rule provides that the bill shall be read for amendment under the 5-minute rule by titles instead of by sections. The rule also provides for one motion to recommit.

The rule further waives all points of order against the bill for failure to comply with the provisions of clause 5, rule XXI. Clause 5 of rule XXI prohibits appropriations in a legislative bill. This waiver is necessary because several sections of the bill specifically direct the use of funds from previous military construction appropriations, change the status of funds, or contain provisions which might otherwise be considered appropriations. For example, section 905 permits the use of funds appropriated for fiscal year 1981 for specified purposes, and section 904(b)(1) permits proceeds from the disposition of property to discharge certain obligations on or related to the property.

Mr. Speaker, H.R. 3455 authorizes $6.98 billion for construction activities at military facilities both in the United States and overseas. This amount is $50.35 million less than the $7.03 billion contained in the administration's amended request.

The construction proposals for the Active Forces cover approximately 773 projects at 399 major military installations within the United States and overseas. Included are 80 committee-initiated projects designed to improve workplaces, enhance housing conditions, and provide for additional quality of life facilities. The committee noted that its initiatives are consistent with its concern about the relationship between living conditions and recruitment and retention of personnel.

I am especially pleased that the committee has authorized $120.2 million for Wright-Patterson Air Force Base, including $102.3 million to add

to and alter the composite medical facility. The Medical Center at Wright-Patterson Air Force Base has been designated the Department of Defense Medical Center for region No. 6, which includes 10 States.

The Wright-Patterson Medical Center plays a key role in the Department of Defense regionalization concept of health care delivery to members of the Armed Forces and authorized beneficiaries. The Medical Center is an important element in both military and civilian medical training programs through its active affiliation with the Wright State Medical School and residency training programs in five specialties. It also represents an important community asset with the capability to respond to emergencies and natural disasters.

There have been plans to expand the Wright-Patterson Medical Center for over 4 years. I wish to commend the Armed Services Committee for the support it has provided the Medical Center for the upcoming fiscal year. It is my hope that the action taken by the committee will set in motion the realization of the impressive expansion plans for the Wright-Patterson Medical Center. Completion of this expansion will permit the Air Force Medical Center of Wright-Patterson to serve an estimated local population of 57,000 and a regional population of almost 400,000 eligible beneficiaries.

Mr. Speaker, passage of H.R. 3455 is necessary before appropriations can be provided to finance the construction activities of the military departments and defense agencies during fiscal year 1982. Therefore, I would urge my colleagues to adopt House Resolution 144 so that we may proceed to the consideration of H.R. 3455.

Mr. TAYLOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 144 is an open rule providing 2 hours of general debate for the consideration of the military construction authorization bill for 1982.

The rule waives all points of order that would otherwise lie against the bill for failure to comply with clause 5 of rule XXI. Clause 5 of rule XXI prohibits appropriations in a legislative bill, and the waiver provided by the Committee on Rules is necessary because at least two sections of the bill, sections 904(b)(1) and 905, do constitute appropriations.

The bill will be read for amendment under the 5-minute rule by titles instead of by sections. As the gentleman from Ohio (Mr. HALL) has described, one motion to recommit is provided for.

The Republican floor manager of H.R. 3455 will be the ranking minority member of the Subcommittee on Military Installations and Facilities, the gentleman from Virginia (Mr. TRIBLE).

Mr. Speaker, the bill made in order by this rule authorizes almost $7 billion for construction, operation, and maintenance of military facilities in the United States and abroad in 1982.

H.R. 3455 is the authorization for brick-and-mortar expenditures necessary to support deployment of new weapons systems, to continue our emphasis on European readiness, to develop staging facilities in the Mideast and southwest Asia for the Rapid Deployment Force, and to improve the quality of life for our military personnel and their families.

While it is not my purpose to discuss the provisions of the bill during debate on the rule, I do want to take a moment to mention one area of concern to the administration that was explained to us in the Committee on Rules.

This has to do with the form of congressional approval of any change President Reagan may want to make in the MX missile system recommended by the former administration.

The Committee on Armed Services is recommending, in section 305 of the bill, the use of a concurrent resolution as the vehicle for congressional approval of any decision by the President that changes current plans for the basing of the MX missile.

The Committee on Armed Services limits the obligation and expenditure of $356.5 million in funds for MX basing to the selection of a multiple protective structure basing mode: unless: First, the President determines and certifies to the Congress that an alternative basing mode is in the national interest; and second, the Congress, within a 60-day period of Presidential certification, adopts a concurrent resolution approving development of an alternative basing mode.

In the Committee on Rules we were assured by the chairman of the subcommittee that this provision is designed to give the President flexibility in selecting an alternative basing mode—a matter which is currently under review by a panel appointed by Defense Secretary Weinberger—and insures that any alternative approach must be approved by the Congress.

There was no controversy over this bill in the Committee on Rules, and we reported the rule by a voice vote.

I support the rule so that the House may proceed to consider the bill.

Mr. HALL of Ohio. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1145

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I ask for this time for the purpose of inquiring of the distinguished majority whip the program for next week.

Mr. FOLEY. Mr. Speaker, would the distinguished minority leader yield to me?

Mr. MICHEL. I will be happy to.

Mr. FOLEY. Mr. Speaker, we anticipate that there will be no further business this week. Next week, the House will meet at noon. This is District day, but there will be no bills offered.

There will be four suspensions under suspensions of the rules, as follows:

H.R. 3240, National Telecommunications and Information Administration authorization;

H.R. 3567, Export Administration authorization, fiscal years 1982 and 1983;

H.R. 3467, Arms Control and Disarmament Act authorization;

H.R. 3239, Federal Communications Commission authorization.

We do not anticipate that there will be votes taken on Monday. Any votes that are ordered on the suspensions on Monday will be taken on Tuesday.

On Tuesday, the House will meet at noon and will complete any votes that are in order from Monday, and also complete action on the military construction bill, in the event that we cannot complete it today.

We will also take up H.R. 3462, Justice Department authorizations, subject to a rule being granted.

On Wednesday the House will meet at 10 a.m. and will consider H.R. 3238, Public Broadcasting Act amendments, subject to a rule being granted.

It is anticipated that perhaps two or more authorization acts from the Armed Services Committee will be taken up at the end of next week, subject to rules being granted.

Mr. MICHEL. Do I gather from the statement of the gentleman that it is presumed that if the military construction bill would not be completed today, that it would have to be completed next Tuesday, or is there still a prospect of our completing that? The program calls for our going to 5:30 today, but I know there has been some discussion that on a controversial amendment or two, such as the MX missile controversy or that Colorado site, we would be going over.

Mr. FOLEY. I think if we can conclude the military construction bill we would, but I would ask the gentleman from Georgia to comment on that.

Mr. BRINKLEY. It would have been the preference to carry the bill over entirely, but the leadership prefers that we proceed with it as scheduled.

Therefore, the subcommittee is prepared to finish the bill today.

Mr. MICHEL. Does the gentleman feel that getting started at this hour, there will be good prospects of our completing the measure?

Mr. BRINKLEY. Yes.

Mr. MICHEL. I thank the gentleman. I wonder if I might inquire of the distinguished majority whip if he has any intelligence on the Legal Services authorization that was before the Rules Committee, I believe, or whether or not a rule would be granted to make that in order for next week at any time?

Mr. FOLEY. The Rules Committee has before it the Legal Services authorization, as the gentleman knows, but it is the intention of the leadership that the Armed Services authorization bills which are mentioned will be considered on Wednesday and Thursday, and will have priority over the Legal Services authorization.

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. LOTT. If I could inquire of the distinguished majority whip, I was not clear at all on the Thursday and Friday schedule. I believe the gentleman said that it is anticipated that we might take up two authorization bills from the House Armed Services Committee subject to rules being granted. That would be on Thursday?

Mr. FOLEY. That would be on Thursday or Wednesday and Thursday of next week. There might actually be more than two—two or more.

Mr. LOTT. Does the gentleman have any idea of what the schedule might be on Friday?

Mr. FOLEY. I cannot give any assurance to the gentleman at this time, but I think there is probably less than 50-50 likelihood of a session next Friday. But, I would like to have an opportunity to confirm that at a later time. I think at this time the probability is that we will not meet on Friday next, and we do not intend, of course, to meet tomorrow, assuming we have completed the business today as scheduled.

Mr. LOTT. I thank the minority leader for yielding to me.

Mr. MYERS. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Indiana.

Mr. MYERS. Mr. Speaker, in the colloquy a moment ago and the response of the gentleman from Georgia, chairman of the Subcommittee on Military Installations and Facilities, are we going to finish this bill today regardless of what time that might be, or is it still the intention to rise at 5:30 if the bill is not completed?

Mr. BRINKLEY. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. BRINKLEY. It is the judgment of the gentleman from Georgia that we will finish the bill today by 5:30. I understand that was the time that was generally agreed upon.

Mr. MYERS. If the gentleman will yield further, in the event we are not near completion at that time, then would we rise at that time and carry over to next week?

Mr. FOLEY. Mr. Speaker, if the gentleman will yield further, I think the gentleman will probably be assured that we will not stay very late tonight. If we are close to finishing at 5:30, I am sure the gentleman from Georgia would like to proceed and finish. If it looks like we are taking a great deal of additional time, the gentleman from Georgia will go over until Tuesday.

Mr. MICHEL. I might interject one other point; that is, having sent the supplemental bill over to the other body with an amendment in disagreement, which is one of a bit of volatility on that amendment, that might suggest that under those conditions we would still have to make certain that we are around here to be absolutely sure that that supplemental was finalized, because as the gentleman well knows, the 5th of June was the date on which all authorizations for spending ceased.

Mr. FOLEY. If the gentleman will yield further, we have an obligation to conclude the supplemental appropriation bill which carries a continuing resolution with it. If the bill does not come back in sufficient time to dispose of today, we will come in tomorrow and, if there is permission to do so, probably recess and wait the arrival of the action by the other body.

Mr. MICHEL. I thank the gentleman.

Mr. MYERS. That is 5½ hours. The other body is slow at times, but surely the other body can complete that little amendment in a 5½-hour period.

NATIONAL ITALIAN-AMERICAN HERITAGE WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from the further consideration of the resolution (H. Res. 145) expressing the sense of the House of Representatives that the week commencing on June 7, 1981, should be designated as "National Italian-American Heritage Week," and ask for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. RINALDO. Mr. Speaker, I reserve the right to object, but I shall not object. I am only doing this for the purpose of asking the gentleman from New York for an explanation of the resolution.

Mr. GARCIA. Mr. Speaker, will the gentleman yield?

Mr. RINALDO. I yield to the gentleman from New York.

Mr. GARCIA. Mr. Speaker, if I may, I would like to read the resolution. It says:

Whereas the House of Representatives fully recognizes that it is essential for the people of the United States of America to understand and respect the rich heritage of all American ethnic groups if we are to maintain and foster national unity;

Whereas the many great contributions of Italian-Americans to our country must be recognized and the deep Western roots of Italian-American culture, history, and traditions must be appreciated; and

Whereas Italian-Americans, like Columbus, the famous Italian geographer-navigator-explorer, have had to rise by using individual initiative, imagination, and resourcefulness—traits that have distinguished the American character and made us a Nation of individuals who time after time have pressed forward to victory in situations that seemed to promise certain defeat: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the week commencing on June 7, 1981, should be designated as "National Italian-American Heritage Week" and that the people of the United States should observe such week with appropriate ceremonies and activities.

What it essentially says, if my colleague from New Jersey would continue to yield, is that I believe, as many Members of the House do, and as the gentleman from New Jersey does, as the introducer of this resolution, that the contributions of Italian-Americans within the United States have been significant. I believe that this resolution is a resolution that is well deserved.

Mr. RINALDO. Mr. Speaker, further reserving the right to object, every Member of this House, from Maine to Florida, from New Jersey to Hawaii, represents Italian-American citizens.

There are some 25 million U.S. citizens who trace their ancestry to Italian soil.

Before many of our original 13 colonies were settled Italian-Americans made their homes at Jamestown, Va., where Venetian silk artisans and glassmakers opened shops. By 1657, hundreds of Italian Americans arrived to settle in New Amsterdam, Del., and Long Island. In more than 300 years, they came to America as immigrants to carve roads and farms through the woods, to build America's factories, railroads, houses, and cities. They have enriched America with their labor and talents. In return they received our Nation's greatest gift: freedom. The Italian immigrants who came to this country did not come here believing that America was required to give them a living and take care of them. They didn't want that. They did not want to be given a better life; what they asked for was a chance to earn for themselves a better life. They did not come for handouts. They did not come here to take it easy.

They came to work, to learn, to build, and to contribute to this great country of ours.

With this freedom and the opportunities America offered, they struggled and prospered. Science, education, the arts, government, business, labor—all benefited from their efforts.

On June 6 and 7, one of the largest and most colorful celebrations of the Italian-American heritage will be held at the Garden State Arts Center in Holmdel, N.J.

The Festa Italiana will bring together some of the most distinguished artists and leaders in the Italian-American community. Similar festivals will be celebrated in many other parts of the Nation during the month of June.

In honor of the occasion and the generations of Italian Americans who have contributed to our national life and traditions, I have introduced House Resolution 145 expressing the sense of the House of Representatives that the week commencing on June 7, 1981, should be designated as "National Italian-American Heritage Week." I urge my colleagues to join me in supporting this resolution.

● Mr. COURTER. Mr. Speaker, I rise in support of House Resolution 145 designating the week of June 7, 1981, as "National Italian-American Heritage Week."

The Italian American community which has contributed so much to our way of life is a community united to the common goals of serving our Nation and its traditions.

Since 1820 over 5 million Italians have immigrated to our country and have assimilated into our society and our Nation's history.

I urge my colleagues to support this resolution.●

● Mr. DERWINSKI. Mr. Speaker, I rise in support of House Resolution 145 which expresses the sense of the House of Representatives who designated the week of June 7, 1981 "National Italian-American Heritage Week."

Our country's history books are filled with names of outstanding Italian Americans who worked and fought to make our Nation one of the greatest in the world.

Over 5 million Italian immigrants have assimilated into our society and have become productive members of our Nation.

I feel therefore it is only fitting that this body designated June 7, 1981, to honoring the many contributions of the Italian-American community to our culture, history, and traditions which all Americans now share.●

● Ms. FERRARO. Mr. Speaker, I rise in strong support of House Resolution 145 which would designate the week of June 7, 1981, as "National Italian-American Heritage Week."

The contributions made by Americans of Italian heritage to this Nation are enormous. In every field, the arts, the judiciary, the legislature, and the business community, names ending in a vowel are prominately listed. As a first generation Italian-American, I am particularly pleased that the important role my people have played in the American society is being recognized by this resolution and I urge all of my colleagues to support its adoption.●

Mr. RINALDO. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 145

Whereas the House of Representatives fully recognizes that it is essential for the people of the United States of America to understand and respect the rich heritage of all American ethnic groups if we are to maintain and foster national unity;

Whereas the many great contributions of Italian-Americans to our country must be recognized and the deep Western roots of Italian-American culture, history, and traditions must be appreciated; and

Whereas Italian-Americans, like Columbus, the famous Italian geographer-navigator-explorer, have had to rise by using individual initiative, imagination, and resourcefulness—traits that have distinguished the American character and made us a Nation of individuals who time after time have pressed forward to victory in situations that seemed to promise certain defeat: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the week commencing on June 7, 1981, should be designated as "National Italian-American Heritage Week" and that the people of the United States should observe such week with appropriate ceremonies and activities.

The resolution was agreed to.

A motion to reconsider was laid on the table.

● Mr. ZABLOCKI. Mr. Speaker, it is a pleasure to cosponsor House Resolution 145 which expressed the sense of the House of Representatives that the week commencing June 7, 1981, be designated as "National Italian-American Heritage Week."

The contributions of Italian Americans to this country are great. Since the discovery of the United States, Italian Americans have worked toward its development and growth. Italians worked side by side with their brothers and sisters of other ethnic groups in building our roads and farms, in expanding our industries, and laying the groundwork for the economic development of our thriving society.

Because of their steady and unyielding efforts, Americans of Italian descent can see around them the fruits of their efforts. We enjoy today a free and open society. Since the time William Paca joined other famous statesmen in signing the Declaration of Independence, Italian Americans have fought consistently and selflessly in all of America's wars to keep this country free. In addition, throughout history we can see the influence of our Italian Americans in many facets of society, in culture—that is, art and music—as well as in business, government, education, science, and sports.

Mr. Speaker, it would be hard for us to look around this country and not recognize the impact Italian Americans have had. They epitomize the very work ethic that made this country strong and its virtues lasting. The constant hard work and involvement in all sectors by Italian Americans of the society is obvious.

Mr. Speaker, I am proud to be a Member of this House which quite correctly recognized the contributions of various ethnic groups as we are today paying tribute to Italian Americans, as we passed House Resolution 145 unanimously. I am confident that Italian Americans will continue to carry forth the tradition begun by Christopher Columbus through their strong determination and courageous leadership.●

GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous matter on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

SEVERE STORMS ADVISORY COMMITTEE ACT OF 1981 INTRODUCED

(Mr. WINN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WINN. Mr. Speaker, yesterday, I introduced the Severe Storms Advisory Committee Act of 1981. Due to the fact that as of yesterday afternoon late, a severe storm hit the Denver, Colo., area and somewhere between 9 and 12 tornadoes hit that area, knocking down a shopping center, damaging a school and many homes, overturning cars, with thousands of dollars worth of damage, I am sure that my colleagues would like to be cosponsors of the bill that I introduced yesterday.

I would like to inform them that I will send a "Dear Colleague" letter out asking for cosponsorship this afternoon.

□ 1200

MILITARY CONSTRUCTION AUTHORIZATION ACT, 1982

Mr. BRINKLEY. Mr. Speaker, I move that the House resolve itself into

the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3455) to authorize certain construction at military installations for fiscal year 1982, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Georgia (Mr. BRINKLEY).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill. H.R. 3455, with Mr. PICKLE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Georgia (Mr. BRINKLEY) will be recognized for 1 hour, and the gentleman from Virginia (Mr. TRIBLE) will be recognized for 1 hour.

The Chair recognizes the gentleman from Georgia (Mr. BRINKLEY).

Mr. BRINKLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today the Committee on Armed Services presents H.R. 3455, the military construction authorization bill for fiscal year 1982.

The purpose of the bill is to provide new military construction authority in support of the military departments and defense agencies at home and abroad.

At this point, Mr. Chairman, I want to thank the ranking member of the Subcommittee on Military Installations and Facilities, Mr. TRIBLE, and all the members of the subcommittee, for their fine contributions during the hearings and markup sessions on the bill. Mr. TRIBLE is a young man with a bright future. As the hearing record will reveal, his inquiries showed a grasp of the issues and an understanding of the needs involved.

We believe that H.R. 3455 is a good bill. It is a balanced measure that is fiscally responsible and meets the most pressing requirements. It is a bill that reflects the efforts and judgment of the Armed Services Committee.

The Department of Defense originally requested new authority in the amount of $6.66 billion for fiscal year 1982. Subsequently, DOD submitted a budget amendment that resulted in a revised request of $7 billion for the military construction and family housing programs.

On May 12, the Committee on Armed Services approved H.R. 3455, a clean bill totaling $6.98 billion. This amount is $50.3 million below the requested figure.

This followed extensive hearings in nine separate sessions and close review of each requested project, where the subcommittee was able to determine those proposals which in its view could be deferred without impairing the operational effectiveness of the armed services.

Our subcommittee did not cut projects just for the sake of cutting, but deleted projects that it felt could be deferred without impairing our national security. In certain instances, we added projects when it was determined either by testimony or supporting documentation that the priority was great enough to warrant inclusion in the bill. As such, the construction proposals for the Active Forces cover approximately 773 projects at approximately 399 major military installations within the United States and overseas. Included are the 80 committee-initiated projects that are designed to improve workplaces, enhance housing conditions, and provide for additional quality-of-life facilities for the Active Forces and Reserve and Guard components.

Major items included in the bill are: $424.6 million for Rapid Deployment Force construction; $1 billion for European construction, including $425 million for the NATO infrastructure program; $356.5 million for MX basing; $29 million for acquisition of 244,000 acres of training land for Fort Carson, Colo.; and $179.7 million for construction of 2,343 new units of military family housing, including 200 units of manufactured housing at Fort Irwin, Calif., in support of the U.S. Army National Training Center.

For the individual services, the committee increased the Army request by $28.9 million, increased the Navy request by $42.1 million, and reduced the Air Force request by $177.1 million. The committee also increased the Reserve and Guard request by $88.7 million.

FORT CARSON LAND ACQUISITION

One of the most thoroughly considered items in the fiscal year 1982 military construction program has been the Fort Carson training land acquisiton project. The Committee's standard for evaluating the project has been that the burden of need has been with the Army to justify the requirement in the national interest. Only after thorough and careful examination of the facts has the subcommittee determined that the Army has demonstrated a valid—even pressing—requirement for the land. The training site is located 150 miles south of Fort Carson and will be served by an existing rail line. It was selected by the Army after an evaluation of 22 sites.

Three separate hearings were held on this issue. Testimony was received from the Department of the Army, including that of a tank battalion commander and a tank company commander. The subcommittee had the benefit of testimony from two distinguished Members of Congress from Colorado, Mr. KOGOVSEK, in opposition, and Mr. KRAMER, in support, both of whom were extremely helpful in building a complete record. The views of the Environmental Protection Agency were also invited and received. Also, we had a full day of hearings with the people most affected by the acquisition, the landowners, their neighbors, State and local government officials, and area chambers of commerce.

Fort Carson is the home of the 4th Infantry Mechanized Division, the largest mechanized division stationed in the continental United States. It would be one of the first units to respond to an outbreak of hostilities in Europe. At present, it has only 22,000 contiguous acres of training land available at Fort Carson. As such, training can only be conducted in small units; battalion team-sized training is not possible.

Why is this significant? In the words of the battalion tank commander who appeared before the subcommittee:

> The battle task force, the battalion level is the level at which the battle is fought so the commander's control of the entire battalion or battlion task force is my responsibility.

He was then asked if that is the reason for the importance of battalion training. His response was:

> Yes, sir. The battle is fought at battalion level and not fought at company level or platoon level. While companies may be engaged, you know, independently or semi-independently because of the width and depth of the battlefield they would expect to be on, my job as battalion commander is to be able to control that and support it logistically with artillery and TAC helicopters and actually to control that battle there might be three or four fights going on with three or four company elements spread out over a width of anywhere, if we are on a defense, optimally ten kilometers wide, but more like in Europe up to 15 or 20 kilometers wide. I can train my companies in limited terrain scenarios at Fort Carson and we do just that.
>
> We also have a very wide priority mission, I think you should know, the division does, in Europe, which we take very seriously. So the Captain's comment about we would go through an emergency deployment regular exercise before deploying in the Pinon Canyon area is valid and it would be about a 48-hour exercise and we can practice those skills.
>
> We would road march with our vehicles and railroad our track vehicles, tanks and personnel carriers to that site as well.

When asked what constraints the battalion commander faces today at Fort Carson, the response was:

> I am unable to put the battalion team together or certainly a battalion task force together at Fort Carson in a realistic manner.

The battalion commander further stated:

> The battle is fought at battalion level and not fought at company level or platoon level.

At Fort Carson I train the pieces of my battalion, the parts, and then I put them together hopefully if I deploy them on a major exercise.

As far as actual battalion-sized training is concerned, this commander said:

I can't do it at Fort Carson. I have not had an opportunity where I can in a realistic scenario put the battalion or battalion task force together in training we have had.

At the company commander level, the subcommittee was told:

Because of the density of troops at Fort Carson, of the units on Fort Carson, the training or area availability is just not there.

The company commander stated further:

Because of the problem we have at Fort Carson, because of the fact my men go down and learn Fort Carson in maybe three field exercises, it gets to the point to where they no longer use maps, no longer use coordinates, but go to the tin shack, take a right at Red Mountain and go down where we broke down the last time.

That is funny, but unfortunate, because my junior leaders, my Sergeants who will make the money for me in combat, who will save my men's lives, are not trained well enough. And as a result of that I think they will suffer.

These statements simply mean that the tank crews cannot train for war in properly configured field units for their primary battle plan. Obviously, this lack of training affects their state of readiness.

According to Maj. Gen. Guy S. Meloy, director of training, Office of the Deputy Chief of Staff for Operations and Plans, Department of the Army, in response to a question about the impact on readiness if the land acquisition is not approved:

Since 1978, the 4th Mechanized Division has been reporting [a training and readiness status] of marginally combat ready. I see no hope at all without the acquisition that that readiness level will ever improve.

General Meloy further underscored the importance of this land acquisition project:

As far as the priority of this, this is the highest land acquisition priority in the United States Army today.

Nonetheless, the subcommittee was also sensitive to the very real concerns expressed about the environmental impact of training being conducted on the 244,000-acre site known as Pinon Canyon.

To put the site in better perspective for my colleagues, I have brought with me the chart next to the podium. As you will note, the training site is divided into five separate parcels of land—A, B, C, D, and E.

Under the Army's training schedule, only three of the five training areas will be used at one time. For example, parcels A, B, and C may be used and parcels D and E will lie fallow. None of the areas will be used during the growing season. Consequently, three training areas will be used only 5 months of the year. Furthermore, each training area, under the Army's rotational schedule, will be used only 3 years out of any 5-year period.

For example, areas A, B, and C, as I mentioned, may be used in the first year. Then in the second year areas A, B, and D, may be used. In the third year, A, B, and E may be used. In the fourth and fifth years, A and B would be rested and C, D, and E would be used. Obviously, various combinations could be used.

The important point in all of this is that under this management plan each training site would be used only 15 months out of each 5-year period.

The committee expects the Department of the Army to adhere to this type of mitigation effort in order to reduce the environmental impacts as much as possible. We have been assured that there will be no live firing in the Pinon Canyon site. Furthermore, a buffer zone has been established so that training will not be conducted near the canyon walls.

Testimony from Mr. Robert Williams, Regional Administrator of the Environmental Protection Agency for region 8, underscored the environmental controls that the Army must comply with. In the case of air pollution, for example:

The Army is [already] required to get a permit from the state and that permit will be negotiated so that the Army will have to provide mitigating measures so that violation will not occur. If, in fact, it does occur, in practice, then the Army will be subject to an enforcement action from the State of Colorado.

With regard to water quality issues, the EPA witness stated:

The Army has committed to a fairly aggressive installation of sedimentation retention structures that will minimize the erosion and the contribution of sediment and salinity materials.

He further stated:

I think the Army has put forth a fairly aggressive program in that area.

The regional administrator concluded his prepared statement by stating:

Given the two expansion options in Colorado, we believe the Army's choice of the Pinon Canyon site is the best choice from an environmental standpoint. The Army, in preparation of its final EIS, considered most of EPA's concerns, and makes strong commitments for maximum mitigation of possible adverse air and water quality impacts, the establishment of base line and operational environmental monitoring programs, the establishment of a land use and environmental monitoring advisory committee as well as the general commitment of ensuring compliance with local, state and Federal environmental standards and regulations.

Judging by the Army's excellent environmental record at the existing Fort Carson facility, there is every reason to believe they will aggressively pursue environmental protection procedures at the Pinon Canyon site.

While some environmental degradation will occur at the Pinon Canyon site, we do not believe it presents any threat to public health or will result in violations of environmental standards.

Mr. Chairman, on the basis of the hearing record, as I have cited, the committee approved the Army request for $29 million for acquisition of the 244,000 acres of training land.

MX CONSTRUCTION

Another issue of particular concern to the committee is the MX basing program. DOD requested $366 million to start construction of a horizontal multiple protective structure (MPS) basing mode. As presented to the committee, the MPS plan would house 200 missiles in 4,600 horizontal shelters clustered on mostly federally owned lands in Utah and Nevada.

The request included $332.6 million for operational support facilities, $9.5 million for land acquisition, $11 million to acquire an administrative building at Norton Air Force Base for an MX headquarters facility, and $12.9 million to build two protective shelters at Vandenberg Air Force Base for test firing the missile.

A breakdown of the $332.6 million for operational support facilities is as follows:

	Millions
Site development:	
Roads	$89.5
Railroads	53.6
Utilities	38.1
Total	181.2
Contractor mobilization:	
Support facilities	59.3
Construction camps	18.1
Total	77.4
Operational base test site:	
Test support building	14.5
Roads and utilities	9.0
Total	23.5
Purchase of Long-Lead Items:	
Electrical Items	4.4
Boiler	37.2
Two Bridge Cranes	8.9
Total	50.5

In reviewing the Air Force proposal, the committee felt that the request for land acquisition could be deferred this year without jeopardizing the MX deployment schedule.

Because of the ongoing review by the administration of alternative MX basing modes, the committee wrote into the bill section 305 which states that no funds authorized for MX basing in this bill may be obligated for an MX basing mode other than MPS unless:

First, the President determines, and certifies to the Congress, that it is in the national interest of the United States to develop a basing mode for the MX missile system other than a multiple protective structure basing mode; and

Second, the Congress, before the end of the 60-day period beginning on the date of the receipt of such certification, adopts a concurrent resolution stating in substance that it approves

the development of the alternative basing mode selected by the President.

BASIS FOR COMMITTEE ACTION

In taking this action, the committee acknowledges that a final decision has not been made by the new administration on the basing mode for the MX. At the same time, it is noted that the administration has not withdrawn the MX-related military construction program, which is based upon the MPS plan. Also, section 305 is consistent with the action the committee has taken on the fiscal year 1982 defense procurement authorization bill.

The Congress has been on record for some time in support of the MPS basing mode, and specifically in support of an initial operating capability (IOC) for the system being achieved no later than December 31, 1986. The committee, therefore, believes that in the absence of a final decision by the administration on basing the MX it should provide both the Congress and the administration with as much flexibility as possible. It is the committee's judgment also that there should be no delay in achieving the 1986 initial operating capability. At the same time, the committee believes that Congress should have an opportunity to express its views on any proposed change to the MX basing mode.

OTHER BILL HIGHLIGHTS

Briefly highlighting other aspects of the bill, the committee is recommending $282.1 million for the defense agencies in title IV. Included in this amount is $72.5 million for second phase of the construction of a Defense Intelligence Analysis Center at Bolling Air Force Base and $55.1 million for the National Security Agency operations building at Fort Meade, Md.

Title V includes $425 million for the NATO infrastructure program. The committee recommends the requested amount.

Title VI, military family housing, contained a total request of $2.37 billion. the committee is recommending $2.38 billion. Of this amount, $2.1 billion is for operation and maintenance, $109.8 million is included for improvements to existing housing, and $9.1 million for planning and design.

The operation and maintenance account is itemized as follows:

	Millions
Operating expenses	$991.5
Maintenance	835.8
Leasing	122.3
Debt Payment	150.1

In title VII, administrative provisions, the committee extended the cost variation authorities and increased the per-square-foot cost of barracks and unaccompanied officer quarters to $53 and $57, respectively. The present cost limitations are $52 and $56, respectively.

In title VIII, Guard and Reserve facilities, the committee approved $291.7 million. The increased authority will permit the Guard and Reserve Forces to undertake 63 additional projects that contribute to their readiness.

In title IX, general provisions, the committee approved the following major items:

Revised criteria for evaluating the cost effectiveness of solar energy proj ects. At present, different criteria apply to project design and project construction. The committee action resolves this ambiguity so that the criteria are identical for both design and construction evaluation;

Use of planning funds for construction management of projects funded by foreign governments for U.S. Forces. This provision will simplify current accounting procedures and eliminate the use of operation and maintenance funds for planning purposes;

Provision of construction authority in the event of a declaration of war or national emergency. This action reflects DOD experience with recent major mobilization exercises where it was determined that inadequate authority exists to restructure construction priorities during wartime or in a state of national emergency; and

With the cooperation of the Committee on Government Operations, authorization of the General Services Administration to sell excess portions of the Naval Training Center, Bainbridge, Md., to the State of Maryland for the purpose of fulfilling a contractual obligation that the Department of the Navy has with the community of Port Deposit, Md.

Mr. Chairman, this concludes my statement on H.R. 3455. I commend the bill to our colleagues and ask for your consideration and support.

□ 1215

Ms. FIEDLER. Mr. Chairman, will the gentleman yield?

Mr. BRINKLEY. Yes, I will be glad to yield to the gentlewoman.

Ms. FIEDLER. I did not hear the entire presentation, but I was caught up and interested in what the gentleman was describing regarding the Pinon Canyon parcel, and I was wondering whether or not there had been the possibility of any tradeoffs of some existing bases that might not be usable to offset part of the costs.

Mr. BRINKLEY. First, could I address the fact that there was consideration by the committee as to swaps between the Department of Defense and the Department of the Interior. We did not find much profit there.

As to the other land alternatives that were considered, there were several, but none of them were in Federal hands in toto. There is some land in Pinon Canyon, as the gentlewoman probably knows, that is within the Federal domain right now.

Was that the item to which the gentlewoman's reference was made?

Ms. FIEDLER. I thank the gentleman very much.

Mr. KOGOVSEK. Mr. Chairman, would the gentleman yield on that point?

Mr. BRINKLEY. Yes, of course.

Mr. KOGOVSEK. First of all, I would like to indicate to the gentleman from Georgia that the hearing that we received on the Pinon Canyon situation was thorough. It was fair, and I think the people that came back from Colorado, I say to the gentleman, as proponents and opponents of this acquisition, felt a lot better about the Federal Government and the congressional process after they left. I think that is entirely due to the gentleman's actions as far as conducting the hearings regarding this very, very important situation.

I would say to the gentlewoman from California that the question that she brought up is something that I and a lot of other people keep thinking about as far as the fact that we read in the U.S. News & World Report a couple weeks ago that the Department of the Army would like to close something like 173—would like to close or either seriously cut back 173 bases in the United States. They are unable to do so, according to the article, mainly because of congressional pressure to keep these bases open.

Now, whether it is a quid pro quo or not, I do not know, but we find ourselves in a very untenable situation as people in the West who are in a situation where Colorado Springs has grown around Fort Carson. They have to expand. I have never argued with that, as the chairman knows; and yet we find ourselves in this particular situation, that the Army kind of wants it both ways. In a lot of instances we have Army land in Colorado that the Army is not willing to give up, and yet at the same time it wants another 244,000 acres.

At this point, I will cease my remarks, Mr. Chairman.

Mr. BRINKLEY. I thank the gentleman very much for his comments. I appreciate that very much.

Before yielding to the gentleman from Virginia (Mr. TRIBLE) for his statement, I say again that the gentleman from Colorado (Mr. KOGOVSEK) did participate with our committee in building a record and made many valuable contributions. It is a difficult situation. You have the 4th Mechanized Battalion, of course, at Fort Carson. They are not at Fort Benning. They are not at Fort Bliss; so the issue is one of what to do to provide them with the training that they will need in case we have a national emergency?

Of course, the option at Fort Bliss was considered. Fort Irwin has been mentioned. But of course, we cannot close down Fort Carson very readily and take everything over to another

base and gear up again; so it is a question of judgment. I am certain we will have a lot of other comments by both gentlemen from Colorado.

Mr. Chairman, I reserve the balance of my time.

Mr. TRIBLE. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, the fiscal year 1982 military construction authorization bill (H.R. 3455) being considered today is extremely important to our national security.

The passage of this bill will authorize construction to field a variety of new weapons systems to modernize our Armed Forces, provide important staging facilities in the Persian Gulf-Indian Ocean region so the Rapid Deployment Force can defend our interests there, improve U.S. readiness in Europe and the Pacific area, and upgrade some of the poor living and working conditions of our military personnel at home and abroad.

As you can see, Mr. Chairman, this is not just a simple "brick and mortar" bill. With it, the Army will be able to build 47 projects totaling $132 million so it can base the Patriot and Roland air defense missile systems in Europe, place the multiple-launch rocket system with our troops in Germany and the United States, and introduce the Combat Electronic Warfare Intelligence (CEWI) system in Germany. This new generation of weapons is the result of extensive research and development begun during the early 1970's to insure that the Army will be a modern fighting force in the 1980's.

For the Navy there are projects totaling $24.5 million to continue the development of a west coast Trident submarine base at Bangor, Wash., and $69.6 million for the start of a new east coast Trident base at Kings Bay, Ga.

With the authority in this bill, the Air Force will be able to develop two ground-launched cruise missile (GLCM) bases in Europe as part of NATO's upgrading of tactical nuclear forces. There is $69.1 million in the bill for this purpose. Also, there is $102.3 million for facilities to house and maintain the air-launched cruise missiles (ALCM) being placed at four U.S. B-52 bomber bases, and $19 million for the bed down in Europe of the new TR-1 all-weather reconnaissance aircraft which will provide battlefield surveillance to theater and tactical commanders in NATO.

Perhaps the most controversial weapon system supported in this bill is the MX missile. The administration requested $366 million to start construction of a horizontal multiple protective structure (MPS) basing mode even though it is evaluating alternative methods for basing the system. This creates an awkward situation in which the Congress is being asked to authorize a basing mode that the administration may want to change after completing its review and the President makes a final selection in July.

As presented to the committee, the MPS plan would house 200 missiles in 4,600 horizontal shelters clustered on mostly federally owned lands in Utah and Nevada. The committee approved $356.6 million for the MPS basing mode, deferring for 1 year $9.5 million requested for land acquisition purposes. Because of the present uncertainty over how the MX system will be finally based, the committee felt it should allow the President the flexibility to change the basing mode and at the same time insure that any alternative approach selected by him must be approved by the Congress. In this way, the proper checks and balances between the executive and legislative branches on this issue are preserved by section 305 in the bill. That section states that no funds authorized for MX basing in this bill may be obligated for an MX basing mode other than MPS unless:

First, the President determines, and certifies to the Congress, that it is in the national interest of the United States to develop a basing mode for the MX missile system other than a multiple protective structure basing mode; and

Second, the Congress before the end of the 60-day period beginning on the date of the receipt of such certification, adopts a concurrent resolution stating in substance that it approves the development of the alternative basing mode selected by the President.

It should be made clear to all that this in no way is an attempt to force the MPS system on the new administration. It merely means that if the President does select this basing system the funds are available for him to proceed and no time is lost. On the other hand, if an alternative is chosen and the Congress approves of it, these same funds can be used for the new basing mode—and again important time is saved. We should remember that Congress has directed that the MX missile system must be operational by the end of 1986 when our present ICBM arsenal will be most vulnerable to the Soviet Union's new generation of long-range ballistic missiles.

Regarding another important matter, I want to state that this bill authorizes $424.6 million to build staging facilities at access bases in the Mideast and Southwest Asia for the Rapid Deployment Force. The committee did defer $49.5 million in projects at Lajes Fields in the Azores and $26 million for airfield development at Ras Banas, Egypt. These actions were taken because negotiations have not been concluded with Portugal on the Azores program and a decision has not been made on the final Air Force mission requirements in Egypt.

The deferral of these two projects should not be interpreted as a lack of support for the RDF. When all the related details for these projects are finalized, I am confident they will be approved by the committee.

This bill also carries slightly more than a billion dollars in new construction to improve the readiness of U.S. and Allied Forces in Europe. This is one of the largest amounts ever requested for construction in Europe in recent years and demonstrates our commitment to NATO. It also says the United States is willing to take the first bite on financing a long-range plan to restation certain U.S. Army units within West Germany so they will be more effectively deployed against the Warsaw Pact threat. For this purpose, the Army requested $18 million to initiate the restationing plan and our committee approved it. But we also feel strongly that the West German Government should be a full partner in this redeployment effort and, thus, help bear the cost, which could run into hundreds of millions of dollars over the next decade. Government-to-government discussions on this question are in progress and hopefully a bilateral agreement can be reached before next year's budget submission.

This restationing plan also will greatly improve the working and living conditions of the American soldier in Germany. Gen. Frederick J. Kroesen, commander in chief of the 200,000 troops in the U.S. Army in Europe, has told many of us that these conditions must improve if the morale of his troops are to remain high.

It is easy to agree with General Kroesen, once you see some of the U.S. bases in West Germany. Let me quote from an eyewitness account from a Chicago Tribune reporter who recently toured some of the American bases in West Germany:

> In Hanau, stores are housed in peeling whitewashed huts that used to be German cavalry stables.
>
> In the small Bavarian town of Kattebach, one company has 6 showers for 57 men and 2 women. Three are in a latrine with mildew all over the walls and ceiling. It's been that way for a year, when the shocked soldiers arrived from the clean comfort of Ft. Lewis, Washington. It will be at least this summer before improvements are made.
>
> In the Bavarian base town of Schwabach, and at scores of the 700 U.S. bases in Europe, the motor pool is a sea of mud for most of the year. That just makes it more difficult and more unpleasant to maintain the armored vehicles, trucks, and tanks—often 20 years old—supposed to take soldiers to war.
>
> If you're single and live in the barracks, you may be crammed in with five, even seven, others. Home for many GI's is a 6-by-6-foot section of a room in a barracks built for Adolf Hitler's Nazis or even Kaiser Wilhelm's troops and barely renovated since.

This bill provides funds to help correct some of these quality of life prob-

lems facing our service personnel, a matter that should be of great concern to all of us.

While the military construction program this year is one of the largest in recent years, I believe it more genuinely reflects the needs of the Department of Defense than has been the case in recent years. Due to a series of contributing factors, the Department of Defense physical plant is in an accelerating state of decline, often impairing our defense capability. Much of it is of World War II vintage which means that many facilities still in use are obsolete and have far exceeded their planned economic life. This condition, coupled with inconsistent funding support during the past several years, has produced a large facilities backlog in both construction and maintenance. As a result, it has precluded optimum training, created lower morale, and has severely inhibited reenlistment efforts.

This situation must be turned around. I believe this bill will help do that. Therefore, I urge my colleagues to vote in favor of this legislation which meets the military services' needs and at the same time is fiscally responsible in that the total amount authorized is well within the administration's budget request.

□ 1230

Mr. Chairman, I yield back the balance of my time.

Mr. BRINKLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado (Mr. KOGOVSEK).

Mr. KOGOVSEK. Mr. Chairman, as stated earlier, first of all I want to thank the chairman of the subcommittee for the very able job he has done in giving us a hearing on an issue that is very important to the people of my district. That basically is the expansion of Fort Carson into 244,000 acres of private, marginal, grazing land in southeastern Colorado.

As I said earlier, the people who came back to testify for and against this proposal left with a good feeling about the thorough hearing that the gentleman from Georgia (Mr. BRINKLEY) and the ranking minority member (Mr. TRIBLE) gave them. I, too, want to thank both the gentlemen right now for the fair hearing.

I can indicate I was not happy with the results of the committee vote, but I want everyone to know that it was a fair hearing and a thorough hearing.

Let me say at this time that it is quite obvious to those of us who have served here for the past couple of years, and those who have served here for many, many more years, that nobody really wants the Army in their backyard, at least that seems to be the situation concerning the past two or three previous expansion attempts.

Three years ago Fort Hood, Tex., for some reason—and I understand that there were problems with a much smaller expansion, but once again it was a situation where the people of a certain area that were involved in the expansion decided that they did not want the Army in their backyard.

The people in Nevada do not want the MX missile located in their State, and yet there is not going to be a whole lot they are going to say about that, I do not think.

The people in Utah do not want nuclear wastes deposited in their State, but yet the Federal Government owns 64 percent of that State and probably, if we at any time start burying nuclear wastes anyplace, it might be in the State of Utah.

So the people in the Third Congressional District who live and who will be impacted by the expansion of Fort Carson are not all that excited about the proposed and possible and probable environmental degradation that is going to take place because of that expansion.

For those not acquainted with that 244,000 acres we are looking at, I think we have to realize that it is a very dry, arid part of the country. It is similar to land found in New Mexico, Arizona, and in western Kansas. It is dry. We do not get as much rain as we get even in the area of Colorado Springs where Fort Carson is now located. Consequently, if we get into a situation where we have 500 or more tanks and personnel carriers running over that area, there is no chance for the kind of protection that the Army most sincerely wants to provide.

The fact, as the gentleman from Georgia (Mr. BRINKLEY) pointed out, is the Army would rotate on a 2- or 3-year basis their training areas, hoping that the ground will come back, will revegetate. I think this is not possible.

We have had testimony from the Colorado Soil Conservation District, we have had testimony from the Department of Agriculture, we have had testimony from the Department of the Interior over the past couple of years that it is almost impossible, and certainly very expensive, to try to revegetate that area.

I think any increased dust particles in that area will impact adversely on a lot of small towns that happen to be in the area, whether it is Knob Hill, Rocky Ford, Pueblo, Trinidad, because EPA standards are now too stringent in the West and any increased dust particles in that area would render those areas nonattainment areas as far as EPA is concerned.

My own hometown of Pueblo happens to be one of the areas of nonattainment right now and we are constantly concerned about more dust particles in the air.

It seems to me that we can offer alternatives to buying up 244,000 acreas of private grazing land, alternatives that can be workable. We have established the National Training Center in California, in a desert areas called Fort Irwin. It seems to me that $30 million of taxpayers' money that we are being asked to spend at this time can be better spent possibly on travel, sending the troops back and forth to Fort Irwin.

I think it is also important because it was a very critical point the gentleman from Georgia (Mr. BRINKLEY) brought up about military preparedness. The troops at Fort Carson, according to his testimony, are not militarily prepared right now to do the job we would want them to do in case of war. But I think that if that is such a critical issue, then we have to ask ourselves the question why is it that the Army says they will not get on the Pinion Canyon site until the year 1986.

1986 happens to be about 5 years from now and it seems to me that the alternatives that we are ready to put forth will allow us to train a mechanized division a lot more quickly than 1986.

Mr. TRIBLE. Mr. Chairman, I would yield 2 minutes to the distinguished gentleman from Colorado (Mr. KRAMER).

Mr. KRAMER. Mr. Chairman, I am pleased to rise in support of H.R. 3455, the Military Construction Authorization Act for fiscal year 1982. This legislation is the result of weeks of hearings on 773 construction projects at 399 military installations around the world.

□ 1245

As a new member of the Committee on Armed Services, I have been totally impressed with the thoroughness with which this committee has carried out its responsibilities. Each project has been reviewed to assure that it not only is essential to meet a valid and urgent military need, but it also represents the most cost-effective, feasible method for achieving this objective.

Careful attention has been given to the development of a balanced level of facility support for important new programs and initiatives such as the MX, Trident, Indian Ocean-Persian Gulf access, and the deployment of new weapons systems, while continuing to meet the essential needs of NATO and to maintain readiness in Europe, Japan, and other overseas areas.

Mr. Chairman, the House, and indeed the country, owes a debt of gratitude both to the distinguished chairman of the Subcommittee on Military Installations and Facilities, my colleague, the gentleman from Georgia (Mr. BRINKLEY) and to the ranking minority member, my colleague, the gentleman from Virginia, (Mr. TRIBLE). Both the chairman, Mr. BRINKLEY, and Mr. TRIBLE have shown considerable diligence, patience, fair-

ness, and objectivity through all the long hours of hearings on this bill. Under Mr. BRINKLEY's and Mr. TRIBLE's leadership, the committee has reported a bill that reflects a carefully structured mix of new requirements with special emphasis on projects relating to readiness and a measured advance toward our goal of modernizing or replacing many of the older structures in our inventory.

This is a good bill, Mr. Chairman, and I strongly urge my colleagues to support passage of H.R. 3455.

Mr. Chairman, I would like to examine in more depth one of the issues of readiness that is going to be an item of controversy before the committee today. That is the proposed Fort Carson acquisition. We as committee members had a very good opportunity to examine in depth the proposal to acquire an additional acreage for the training requirements of the 4th Infantry Division. Considering the size of the parcel that the Army proposes to acquire, frankly, I think the extent of the controversy has been less than might be expected and has been somewhat overplayed. We have had a chance to hear from individuals and groups from the area who stand to be affected by the acquisition.

Certainly there is interest in the area, but it is not all unfavorable interest.

As a matter of fact, of the affected landowners—of which there are 42—36 support the acquisition. Thirty-six of forty-two landowners support the acquisition, and only one landowner who actually resides on the property is in opposition to the expansion.

I have a list of bipartisan support of those that endorse the expansion, realizing that it is only in the national interest but in the economic interest of those areas that are impacted by the expansion. Incidentally, I am not in one of those areas that is impacted beneficially by the expansion. It really has no impact for the Colorado Springs area which I represent. It is simply a question of doing that which is necessary to prepare these troops for potential combat in Europe or in the Persian Gulf area, or in some other troubled spot, since they are presently simply not capable of doing the mission to the utmost of their potential capability. It is simply a question of trying to save the lives of those Americans who might be sent into combat.

Those who endorse the expansion that live in the area to be affected, as I indicated, are indeed numerous. They include the State of Colorado; our own Democratic Governor, Governor Lamm, has endorsed the expansion; the City Council of Trinidad has endorsed the expansion. Trinidad is the community that is closest to the expansion area. The Trinidad-Las Animas County Chamber of Commerce has endorsed the expansion. The Pueblo Chamber of Commerce has endorsed the expansion. The United Brotherhood of Carpenters and Joiners, the Trinidad Chapter, has endorsed the expansion. The Trinidad-Las Animas County Contractors Association has endorsed the expansion. The American Federation of Government Employees has also endorsed the expansion. Both of our Senators from Colorado, the Senator from Mr. BRINKLEY's side of the aisle, Senator HART, and the Senator from my side of the aisle, Senator ARMSTRONG, have both endorsed the expansion. So basically you have a wide group of not only local governmental officials but State governmental officials and local associations that have joined in asking that this expansion go forward in the national interest, in addition to 36 of the 42 impacted landowners.

Let us explore for a minute those concerns which I think are reasonably raised about what impact this expansion might have on the environment, because I think those are questions that need to be asked. As the gentleman from Georgia (Mr. BRINKLEY), our subcommittee chairman, has aptly pointed out, the reason that the expansion is so large is to do the maximum to provide for the integrity of the environment. No parcel in this expansion would be utilized for more than 15 months in a 5-year period. No utilization of the land would take place during growing seasons or rainy seasons.

The Environmental Protection Agency, which is obviously an agency charged with the responsibility of protecting our environment in our country testified in front of our subcommittee on April 8, 1981, as follows. I might add that the gentleman who testified was an appointment from the last administration, not from the present administration. Roger Williams testified as follows:

> Judging by the Army's excellent environmental record at the existing Fort Carson facility, there is every reason to believe they will aggressively pursue environmental protection procedures at the Pinon Canyon site. While some environmental degradation will occur at the Pinon Canyon site, we do not believe it presents any threat to public health or results in violations of environmental standards.

The EPA has indicated that the particular problems of Pueblo will not—will not—be adversely impacted by the use of the Pinon Canyon parcel. Air quality monitoring will be a continuing process by the Army. Salinity would not be a problem. The acreage involved here is less than 1 percent—less than 1 percent—of the Colorado acreage contributing to the Arkansas River runoff.

The Army will place the most soil-sensitive areas off-limits. They will monitor water discharges, salt levels, and stream flows. Because of the alkaline nature of the soils, any runoff will have salt included, and in the course of due protection, the Army will be building retaining ponds to catch sediment and salts.

In times of low stream flow, the Army is prepared to augment the streamflow.

So I think you can see that there has been a wide range of environmental considerations in trying to do something that will do justice not only to the local area but to the impact on the entire river basin as well.

Let me discuss for a moment whether or not there are any possibilities other than this particular site that could be utilized by the Army. Over a period of 2 years the Army prepared a thorough environmental impact statement. In that impact statement and during the process that it was studied and written, 22 sites were considered, including the Pinon Canyon site.

The CHAIRMAN. The time of the gentleman from Colorado (Mr. KRAMER) has expired.

Mr. TRIBLE. Mr. Chairman, I yield 5 additional minutes to the gentleman from Colorado.

Mr. KRAMER. I thank the gentleman.

Twenty-two sites were explored by the Army, and they reduced those to two sites, including Pinon Canyon, and then went on to choose the Pinon Canyon site on the basis of many factors, one of which, of course, was environmental impact.

Our committee under the able leadership of Mr. BRINKLEY and Mr. TRIBLE considered two additional sites: Fort Bliss, Tex., and the Apishapa site. Neither of them was satisfactory by any reasonable standard. Fort Bliss required an outpouring of travel costs that in a few years would exceed the acquisition costs. There were serious environmental problems at Fort Bliss. So the Army recommended against Fort Bliss as a result of these factors.

Another site was considered in Colorado, but it was too flat, and it did not contain enough acreage. It had absolutely no vegetation that was comparable to that on the Pinon Canyon site. So for both practical reasons, the need for appropriate training ground to present a realistic training scenario, and because of environmental problems, it, too, was rejected.

Some have suggested we could use Fort Irwin, the National Training Center. That is not possible. Fort Irwin is the graduate course or the postgraduate course for mechanized warfare. It is designed for final evaluations of training rather than day-to-day usage. It would only be available for a 2-week-at-most period in an 18-month cycle. The training is supposed to be done before you get to Fort Irwin, and then tested against appropriate standards once that training

has been accomplished. Transportation costs alone for Fort Irwin would run $11.4 million annually for the entire 4th Division for 2 weeks of training, as opposed to the transportation cost of $2.5 million for 5 to 8 months of training at the Pinon Canyon parcel. As a result, there would not be enough training time, and after 6 to 8 years the cost of acquiring the Pinon Canyon site would be amortized merely by the savings in transportation costs to Fort Irwin.

So the 22 sites that the Army has analyzed, plus 3 other sites—a total of 25 sites—have now been looked at, and the Pinon Canyon site has been chosen as that which best meets not only the environmental requirements but the requirements of the Army, the bottom line of which is saving American lives.

Some Members might recall receiving a Dear Colleague letter sent out by the chairman and the ranking minority member, a bipartisan Dear Colleague letter that had appended to it the statement of the Army's Chief of Staff, General Meyers, about the necessity of acquiring this parcel. I am not going to obviously belabor to you with the entire rendition by General Meyers, but he basically said the same things that I am saying, that there has been an extensive site exploration, and that this site is not just another site; it is the Army's No. 1—the No. 1—military construction priority for 1982. The reason is, in sum, that it is badly needed to bring an incompletely trained unit up to combat-readiness posture for use in Europe and, perhaps, in the Persian Gulf.

Make no bones about it, this vote that we will make today on this parcel is not an environmental vote; it is a readiness vote. It is a vote as to whether or not you want your nation prepared to go to combat if required in Europe or in the Middle East. That is the issue we are talking about. Yes, there will be disruptions when any acreage is required. We in the committee and I know the other Members of Congress will do all they can to mitigate against that disruption. We have extensive report language doing just that, protecting the environment, protecting the landowners. Above all, the bottom line, Mr. Chairman, is that we must protect American soldiers who might be called upon to lay their lives on the line. That is the issue. I hope you will support this acquisition.

□ 1300

Mr. BRINKLEY. Mr. Chairman, I have no further requests for time.

Mr. TRIBLE. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia (Mr. STATON).

Mr. STATON of West Virginia. I thank the gentleman for yielding to me.

Mr. Chairman, I want to bring to the attention of the gentleman from Georgia and the gentleman from Virginia a project in my home State which I am sorry to say was inadvertently left out of the original draft language due to some problems of which I will not speak, but nonetheless it has to do with a ceding of property in the South Charleston, W. Va., area for a construction and expansion of a Volkswagen of America plant.

In 1974, in South Charleston, W. Va., a former naval ordnance plant was converted to an industrial park, and it included an American Motors stamping plant.

In 1978, this stamping plant was sold to Volkswagen of America.

In the period 1978 to 1980, anticipating an expansion, Volkswagen of America attempted to acquire an adjacent 4.6 acres of property owned by the Department of Defense on which an Army and Marine Corps training center were located.

In 1980, Congress approved legislation permitting Volkswagen of America to acquire Department of the Army land in Sterling Heights, Mich., and this expansion led to an increased demand for expansion of the South Charleston stamping plant.

Parts are now being sent to the Westmoreland assembly plant in New Stanton, Pa., and to Pueblo, Mexico.

In 1982, parts will also be shipped to this Sterling Heights, Mich., plant as well.

The present plans that Volkswagen has for this property which we wish to acquire is an additional $125 million in capital expenditures and an additional 500 employees to add to the approximately 700 employees now engaged in operations at that plant.

In the other body, Senators BYRD and RANDOLPH of West Virginia have requested the chairman of the subcommittee, the Honorable STROM THURMOND, to include this language in the draft bill now being considered in the Senate. Should this take place, I would like to ask the subcommittee chairman and the ranking minority member to look kindly upon this language in the bill, because it enjoys the full support of all Members of the delegation from my State. I would like to ask that they take a careful look at this project, because we believe it is vital for the industrial expansion for our valley.

Mr. TRIBLE. If the gentleman will yield, I will say to my colleague that we appreciate him bringing this matter to our attention. I will tell the gentleman that we will take a special interest in this proposal. It does appear to have merit. We will be pleased to work with the gentleman from West Virginia and our colleagues in the other body to see if it can be brought to pass.

I thank the gentleman again for bringing this to our attention.

Mr. STATON of West Virginia. I thank the gentleman for his comments.

Furthermore, my home city of South Charleston is quite willing to make other land available in a transfer to the Department of Defense for the construction of a new facility which I believe will benefit all concerned.

Mr. BRINKLEY. Mr. Chairman, will the gentleman yield?

Mr. STATON of West Virginia. I yield to the gentleman from Georgia.

Mr. BRINKLEY. Mr. Chairman, I, too, commend the gentleman for bringing this to the attention of the subcommittee, and we will give it close and careful consideration.

I understand our companion body is already considering it. Should it be in the conference, of course, we would examine it at that time.

I understand there could be differences in the justification amounts between DOD and others, but we certainly would wish to hear from the gentleman at that time, and we would give it very careful consideration.

Mr. STATON of West Virginia. I thank the gentleman.

There are differences to be resolved, but I believe this body should be looking toward the expansion of this project, due to its extremely vital nature for our area.

Mr. TRIBLE. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. JAMES K. COYNE).

Mr. JAMES K. COYNE. I thank the gentleman for yielding.

Mr. Chairman, one of the military construction projects included in this authorization causes me and a number of my constituents considerable concern.

It is the $14 million the U.S. Navy would like to spend in the construction of some 200 off-base housing units in the area surrounding the Willow Grove Naval Air Station. I am deeply concerned that the Navy's plan may impose an undue hardship on the taxpayers living in the Hatboro-Horsham area.

Since assuming this office in January, I have been in constant touch with naval officials in an effort to get them to seek other sites that might utilize existing nonprivate lands, instead of taking advantage of an existing tax base.

My constituents and I want very much to provide the Department of Defense with sufficient funds to undertake the military construction projects it feels are essential to enhance the defense readiness of this country. I am concerned, however, that the Navy's housing expansion plans for the Willow Grove Naval Air Station may need to be completely reevaluated

in an effort to insure fair and equitable treatment for the people of Hatboro and Horsham.

Mr. BRINKLEY. Mr. Chairman, will the gentleman yield?

Mr. JAMES K. COYNE. I yield to the gentleman from Georgia.

Mr. BRINKLEY. Mr. Chairman, in response to the Willow Grove naval complex, I would like to offer to the gentleman, in reassurance, that the Navy has an option to buy the tract of land adjacent to Willow Grove for siting of 200 units of family housing, which is correct. The committee has no objection if a site more suitable can be obtained and we will ask the Navy to look into the matter and report back to the committee.

Mr. JAMES K. COYNE. I very much appreciate the gentleman's comments.

Mr. TRIBLE. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana (Mr. MYERS).

Mr. MYERS. Mr. Chairman, I thank my good friend, the gentleman from Virginia, for yielding me this time, and I rise in support of this legislation. But I also have a question pertaining to the procedure used for authorizing Reserve components and National Guard armories.

I note by the committee report that the committee does not specifically authorize Reserve and Guard projects.

I yield to the chairman of the committee to give further enlightenment on just what procedure is used in the authorization of the Reserve component, including National Guard and the various Reserve armories.

Mr. BRINKLEY. I thank the gentleman for his inquiry, and if the gentleman will yield, the answer is that homework is the thing to do because of the fact that we in the committee do provide for lump-sum authority, and we do it under the auspices of the National Guard Bureau.

Of course, the funds that we do provide are with State participation, and before they are funded there must be a unit strength authorized of 75 percent back home wherever one is contemplated. Therefore, if the gentleman will keep this subcommittee informed as to the nature of the need, we will see if we can encourage the National Guard Bureau to be responsive if the level of authorized strength is there. And we also anticipate increasing the lump-sum authority so that some of the backlog can be met.

Mr. MYERS. I thank the gentleman for his response. As I understand, the first move is up to the State, the Guard in the State, and the Guard organization, to request through the National Guard Bureau, and then it comes in lump sum to the gentleman.

Mr. BRINKLEY. That is correct.

If the gentleman will yield further, our colleague, the gentleman from Mississippi, just recently, on his own motion, eliminated some projects from the State of Mississippi because of the fact that the State had not measured up in providing for the State participation, even though the strength authority was at the 75 percent or above level.

So the triggering mechanism will be in the State of Indiana.

Mr. MYERS. I thank my colleague for his response.

Mr. TRIBLE. Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina (Mr. NAPIER).

Mr. NAPIER. Mr. Chairman, on April 15 I had the distinct pleasure of accompanying the chairman of the Military Construction Subcommittee of the Appropriations Committee, the distinguished gentleman from Georgia (Mr. GINN), on a tour of the Myrtle Beach Air Force Base in Myrtle Beach, S.C.

At the time, while we were touring the base, we noticed a number of things that were needed by the facility that had not been requested by the Air Force in the authorization or appropriation process at that time.

The Myrtle Beach Air Force Base had two particular needs that we found which would impact on the military effectiveness of the strategic forces based there.

The fulfillment of these needs would allow the base to operate at a level that would assure safe operations on a daily basis.

Our A-10's are at Myrtle Beach in South Carolina, and the base commander in our tour pointed out that one of the top priorities for facilities is the need to construct an addition to the aircraft operational parking apron. The current apron, frankly, is not of adequate size to accommodate the aircraft that are necessary to deploy the 354th Wing or its squadrons into or out of Myrtle Beach Air Force Base. The wing is now part of the Rapid Deployment Force and, therefore, it is very important that base facilities be of sufficient size and design to insure mobility and readiness.

In order to expand its operational apron, the Air Force is now requesting a total of $5,165,000 to add an additional 84,792 square yards of space. This apron, when completed, would be able to house six C-141 aircraft, thus allowing the unit to be fully deployable.

Second, there was a need, we understood, for a new control tower. The existing control tower at the base is just not of sufficient height to observe all aircraft operations. This would be an authorization of $1,285,000 for the construction of an 80-foot-high steel tower.

Subsequent to that visit, Mr. Chairman, we came back to Washington and requested information from the Air Force. This information was sent over to the House committee for the authorizing process. It was also sent to the Senate committee. Unfortunately, because of the lateness of the information getting over, the House was already beyond the hearing stage and already in the mark up process so it did not arrive in the House in time to be acted upon.

I am hopeful that the Senate will be able to act upon the request this year, since they have yet to mark up the military construction bill in that body.

As a result, I just wanted to call this to the attention of the House and to the attention of the chairman and the ranking minority member and let them know of the grave need we have for a state of readiness at the Myrtle Beach facility.

Mr. TRIBLE. If the gentleman will yield, I will say to my friend, the gentleman from South Carolina, that we appreciate his bringing this matter to our attention, advising this body of the unmet needs of the Myrtle Beach Air Force Base, and I pledge the attention of this Member to those requirements and will be happy to work with our colleagues in the other body in seeing that they are met.

Mr. BRINKLEY. Mr. Chairman, will the gentleman yield?

Mr. NAPIER. I yield to the gentleman from Georgia.

Mr. BRINKLEY. Mr. Chairman, I would wish to offer my appreciation to the gentleman for identifying the needs at Myrtle Beach Air Force Base.

Let me ask the gentleman a question. The gentleman says that it is a parcel of the Rapid Deployment Force there?

Mr. NAPIER. Yes.

Mr. BRINKLEY. And I understand from the gentleman that he is working presently in conjunction with Members of the other body.

Mr. NAPIER. That is correct.

Mr. BRINKLEY. The gentleman has laid an important foundation, and we will look forward to studying this further, if it should be in conference; if not, for the next fiscal year, of course, the gentleman may be certain that it will receive some priority.

Mr. NAPIER. I thank the distinguished chairman and the distinguished ranking minority member. They have been most helpful to us. They do an excellent job, and I appreciate their willingness to move forward on this request. I cannot speak for the other body, but I hope they have received this information in time from the Air Force to move forward.

● Mr. DIXON. Mr. Chairman, we will face many tough decisions in the days ahead.

Passage of the budget resolution may bring cuts in food stamps for the elderly, reduced help for handicapped and disadvantaged youngsters, and the closing of VA medical facilities.

None of these choices is easy.

On the other hand, this amendment offers us an easy way to save $3 million now, and perhaps billions in the long run.

More importantly though, it will show that the United States has taken a courageous and just stand against chemical weaponry, in this case nerve gas.

Nerve gas has rightfully been kept in mothballs for the past 12 years.

Now the administration appears to be knocking at the back door, seeking funds for a facility to produce weapons, without actually seeking to make them, the Pentagon and White House are trying to beg off some fundamental questions:

What will be done with these weapons?

When, where, and how will they be used?

Where can they safely be stored?

And most importantly, will not the undertaking of their production precipitate a chemical weapons race as threatening and difficult to control as the nuclear arms race has been?

Failure to pass this amendment would show that Congress has ignored a dangerous lesson.

In 1968, an occurrence took place that Army officials swore would never happen—when a cloud of nerve gas drifted 30 miles from an Army proving ground in Utah, and 6,000 sheep died.

No human loss of life occurred, but we should not be blinded by good fortune since restocking of nerve gas facilities risks another chemical holocaust in our land.

BINARY GAS WEAPONS ARE NOT SAFE

Despite arguments that these weapons must be detonated before gas is released, the fact remains that one of the components of the nerve gas DF is as toxic as strychnine.

These gruesome weapons represent the lowest form of combat, and deserve to remain a dark remnant of history.

Just yesterday, House and Senate conferees on the 1981 supplemental rescission bill agreed to language which requires the administration to conduct a study on the use and potential cost of such weapons, as well as consultation with our allies before production is resumed.

It does not make sense to construct a facility when serious doubts remain as to the wisdom of reentering chemical weapon production.

In the realm of chemical weaponry we certainly are not empty handed, since it is estimated that the Defense Department has a stockpile of 28,000 tons of gas produced prior to President Nixon's ban in 1969.

In this instance we should act with fiscal and humanitarian responsibility to deauthorize this unnecessary facility.

Congress should close the back door to nerve gas. It is a weapon that offers little security. But it is a clear and present danger to the American people.

I strongly urge the adoption of this amendment.●

● Mr. SANTINI. Mr. Chairman, I wish to add a strong voice in support of the amendment now on the floor to defer $356.8 million for basing construction until such time as the President has made a decision on the final basing mode for MX. Over the last 2 years, as Nevada's only Congressman, I have become more acquainted with the MX missile system than I ever wanted to in my wildest dreams. From the outset I have supported the need for the missile itself, but I have always had grave reservations about the proposed land-based shell game.

I do not claim to be an expert military strategist and I concede that a great deal of my concern is a result of being the representative for the designated MX host State. But I have spent 2 years studying the system and its alternatives and receiving briefings from defense experts within and outside the Department of Defense. I have crisscrossed the Great Basin and listened to the concerns of Nevadans and Utahans about the proposed MX basing system. I have reviewed much of the draft environmental impact statement on MX and I have studied MX reports from the General Accounting Office and the Office of Technology Assessment. And, as a member of the House Public Lands Subcommittee, I have listened to many, many hours of testimony from witnesses both favoring and opposing the proposed MPS basing mode.

My conclusion as we near the end of the road on the MX basing dilemma is: putting MX in the MPS basing mode is not the answer to our current ICBM vulnerability. There are alternatives to MX/MPS and this Nation should pursue them immediately. Reactivating our Grand Forks ABM field, accelerating research on a new generation of ABM systems, putting more B–52's on alert and upgrading our Minuteman guidance system could commence at once. In the long range, MX could be deployed in existing Minuteman fields and additional silos could be added.

In summary, there is every reason not to tie next year's MX basing authorization to one system—the MPS. The new administration has reservations about MPS and has ordered an independent review by a panel of experts known as the Townes Commission. We should not tie the hands of the President at this critical point in time to a basing mode that would likely be obsolete before it is constructed.

MX as planned is a 1990's solution to a 1980's problem. We get little bang for our defense buck until 1990, but our ICBM's are vulnerable now. And if we go forward with MX in the 4,600 to 15,000 plus shelters, Nevada and Utah will sacrifice 40,000 square miles for an MX maginot line. My greatest fear is that the system will be fully deployed, the Great Basin devastated, the lifestyle altered and in the end, our sacrifice will not do one single thing for defense. We are patriotic Americans, but we are not interested in empty gestures.

I urge your support for the amendment to defer $356.8 million for MX construction until the independent review is completed and the President has made a final basing choice for MX.

Mr. Chairman, at this time I would like to address another very significant point in the MX debate—that is, special impact aid.

If the current 4,600-plus MX/MPS deployment is commenced in the Great Basin area, and I hope it will not be, the Congress must bear the responsibility of mitigating the adverse impacts of the project to the greatest extent possible. The General Accounting Office, the Office of Technology Assessment and the Department of the Interior all have agreed that MX physical and socioeconomic impacts will be "severe." MX may well drive 25 to 50 percent of the ranchers in the area out of business. MX will have an adverse impact on mining because of competition for manpower and materials and restrictions on access to public lands. MX will definitely have an inflationary impact on the entire deployment area, and there will be severe problems for local governments as they struggle to supply basic social services to boom-bust communities.

If the administration decides to deploy MX rapidly in remote regions of the West, the requirements for an enhanced impact assistance delivery system will be immediate. Major impacts are inseparable from rapid MX deployment in remote regions. Adequate mitigation involves planning, design, engineering, and other preparations far in advance of actual deployment activities. Legislation must be enacted in the 97th Congress to provide mechanism for adequate and timely impact to aid to the deployment area. This legislation should authorize funds to come out of the Department of Defense's budget and be channeled directly to the impacted State and local governments. Accountability in terms of work programs and plans approved by DOD should be included so that Federal aid is spent for MX-generated impacts only.

In the past month, Nevada and Utah State and local governments, the Office of Economic Adjustment, DOD, OMB, and other Federal agencies have agreed upon language in the draft proposal for special MX impact assistance.

Unfortunately, a Presidential study on impact aid legislation for MX has not been presented to the House Armed Services Committee and so the MX impact aid language is not included in this House military construction authorization bill. I testified before the Subcommittee on Military Installations and Facilities in early April and have talked periodically with my good friend Chairman JACK BRINKLEY about the need for special MX impact assistance. I strongly believe it should be in this 1982 military construction authorization bill, but I do appreciate the chairman's position on this matter. I know Chairman BRINKLEY is sympathetic to the issue, but has problems with the timing.

I encourage the Armed Services Committee and my fellow colleagues to support special MX impact aid should such language later be a subject of conference over this bill. I urge the Senate to include special impact authorization in its 1982 bill.

As a backup, I will be introducing the MX special impact aid in a separate bill. Mr Chairman, the people of the Great Basin have not chosen MX. It has chosen them. I believe, therefore, as a matter of fairness, Nevada and Utah ought to at least be partners with Uncle Sam in setting priorities for MX economic aid. The language I will offer next week substitutes a modified special grant approach for the ususal categorical aid grants.

Mr. Chairman, the communities of Great Basin stand no chance of receiving timely impact aid for MX if they have to beg and borrow and plead with 14 different Federal agencies and 40 different programs for dollars.

I would like to summarize my MX concerns at this time with two points:

First. There are better strategic alternatives than MX in multiple shelters, and;

Second. If the Great Basin gets MX as planned, the physical and socioeconomic impacts will be severe and must be mitigated in large part by the Federal Government.

● Mr. GILMAN. Mr. Chairman, our colleagues on the House Committee on Armed Services and subcommittees are to be commended on the excellent work they have expended on this legislation.

This is truly a worthy piece of legislation, and I am proud to associate myself with it.

As the Representative of the 26th Congressional District of New York, which encompasses our U.S. Military Academy and the scenic region surrounding it, I am expecially proud that the request put into this bill for West Point construction, which the committee readily agrees with, are truly cost effective and a responsible use of our Federal dollars.

The Military Academy is requesting a total of $3,100,000 for repair and replacement of some badly needed utility systems. Waterlines, steam lines, storm drainage systems, metering, and sanitary systems will also be replaced or modified.

These projects will correct existing deficiencies that have been neglected for some time. The Department of the Army is to be commended for limiting these requests to the barest minimums, and for further lowering the total request to comply with the administration's budget.

If this amount is not improved, the situation will only worsen, and will impact operations adversely, so that this expenditure will have to be incurred at a greater cost some time in the future.

The Military Academy has also requested $3,550,000 for energy conservation measures at West Point, and $1,050,000 for similar measures at the Stewart Airport Subpost. These projects, which are long overdue, will help insulate permanent buildings, and enable the installation of storm windows, insulated windows and panels at these buildings. These are projects which will pay for themselves many times over in oil and other heating costs savings. The estimated MBtu savings per year per thousand dollars project cost ratio is 16 for the West Point project and 20 for the Stewart Subpost. Surely, we all appreciate the efforts of the Military Academy to save taxpayers' moneys in this highly cost-effective manner.

Accordingly, Mr. Chairman, I urge all my colleagues to join in supporting this excellent legislation.●

Mr. TRIBLE. Mr. Chairman, there are no further requests for time on this side, and I yield back the balance of my time.

Mr. BRINKLEY. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired. Pursuant to the rule, the Clerk will now read the bill by titles.

□ 1315

The Clerk read as follows:

H.R. 3455

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Military Construction Authorization Act, 1982".

TITLE I—ARMY

AUTHORIZED ARMY CONSTRUCTION PROJECTS

SEC. 101. The Secretary of the Army may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acquisition and construction:

INSIDE THE UNITED STATES

UNITED STATES ARMY FORCES COMMAND

Fort Bragg, North Carolina, $1,600,000.
Fort Campbell, Kentucky, $1,500,000.
Fort Carson, Colorado, $29,690,000.
Fort Drum, New York, $14,480,000.
Fort Greely, Alaska, $1,150,000.
Fort Hood, Texas, $15,530,000.
Fort Irwin, California, $43,350,000.
Fort Lewis, Washington, $6,700,000.
Fort George G. Meade, Maryland, $3,350,000.
Fort Polk, Louisiana, $630,000.
Fort Riley, Kansas, $4,640,000.
Fort Stewart/Hunter Army Air Field, Georgia, $28,500,000.
Fort J. M. Wainwright, Alaska, $1,200,000.
Presidio of San Francisco, California, $520,000.

UNITED STATES ARMY TRAINING AND DOCTRINE COMMAND

Carlisle Barracks, Pennsylvania, $620,000.
Fort Belvoir, Virginia, $3,600,000.
Fort Benjamin Harrison, Indiana, $5,120,000.
Fort Benning, Georgia, $21,810,000.
Fort Bliss, Texas, $4,700,000.
Fort Dix, New Jersey, $28,040,000.
Fort Eustis, Virginia, $8,280,000.
Fort Knox, Kentucky, $620,000.
Fort Leavenworth, Kansas, $670,000.
Fort Lee, Virginia, $9,870,000.
Fort McClellan, Alabama, $4,780,000.
Fort Pickett, Virginia, $640,000.
Fort Rucker, Alabama, $5,210,000.
Fort Sill, Oklahoma, $4,650,000.
Fort Story, Virginia, $1,050,000.

UNITED STATES ARMY MATERIEL DEVELOPMENT AND READINESS COMMAND

Aberdeen Proving Ground, Maryland, $4,200,000.
Army Materials and Mechanics Research Center, Massachusetts, $1,200,000.
Corpus Christi Army Depot, Texas, $840,000.
Crane Army Ammunition Plant Activity, Indiana, $540,000.
Fort Monmouth, New Jersey, $26,000,000.
Lexington—Blue Grass Army Depot, Kentucky, $1,450,000.
Red River Army Depot, Texas, $2,720,000.
Redstone Arsenal, Alabama, $4,750,000.
Rock Island Arsenal, Illinois, $4,000,000.
Savanna Army Ammunition Depot, Illinois, $3,600,000.
Tobyhanna Army Depot, Pennsylvania, $1,800,000.
Tooele Army Depot, Utah, $1,500,000.

AMMUNITION FACILITIES

Holston Army Ammunition Plant, Tennessee, $2,627,000.
Indiana Army Ammunition Plant, Indiana, $2,453,000.
Iowa Army Ammunition Plant, Iowa, $18,599,000.
Kansas Army Ammunition Plant, Kansas, $4,344,000.
Lake City Army Ammunition Plant, Missouri, $604,000.
Longhorn Army Ammunition Plant, Texas, $257,000.
Milan Army Ammunition Plant, Tennessee, $1,984,000.
Newport Army Ammunition Plant, Indiana, $728,000.
Radford Army Ammunition Plant, Virginia, $17,390,000.

MILITARY DISTRICT OF WASHINGTON

Fort Myer, Virginia, $820,000.

UNITED STATES ARMY COMMUNICATIONS COMMAND

Fort Ritchie, Maryland, $920,000.

UNITED STATES MILITARY ACADEMY

United States Military Academy, West Point, New York, $7,700,000.

UNITED STATES ARMY HEALTH SERVICES COMMAND

Fort Detrick, Maryland, $1,450,000.
Walter Reed Army Medical Center, District of Columbia, $6,250,000.

MILITARY TRAFFIC MANAGEMENT COMMAND

Bayonne Terminal, New Jersey, $2,800,000.
Sunny Point Army Terminal, North Carolina, $880,000.

CONUS VARIOUS

Various Locations, $1,950,000.

OUTSIDE THE UNITED STATES

EIGHTH UNITED STATES ARMY, KOREA

Various Locations, $62,320,000.

UNITED STATES ARMY FORCES COMMAND, OVERSEAS

Egypt, $36,000,000.

KWAJALEIN MISSILE RANGE

National Missile Range, $3,240,000.

UNITED STATES ARMY, JAPAN

Kawakami, Japan, $1,950,000.

UNITED STATES ARMY, EUROPE

Germany, $339,190,000.
Turkey, $20,800,000.

UNITED STATES ARMY INTELLIGENCE AND SECURITY COMMAND

Korea, $1,550,000.
Turkey, $2,550,000.

EMERGENCY CONSTRUCTION

SEC. 102. The Secretary of the Army may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, (4) improved production schedules, or (5) revisions in the tasks or functions assigned to military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $20,000,000. The Secretary of the Army, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization shall expire on October 1, 1982, or on the date of the enactment of the Military Construction Authorization Act for fiscal year 1983, whichever is later, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section before such date.

MINOR CONSTRUCTION

SEC. 103. The Secretary of the Army is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $34,150,000.

DEFICIENCY AUTHORIZATIONS FOR PRIOR YEAR PROJECTS

SEC. 104. (a) Section 602(1) of the Military Construction Authorization Act, 1980 (Public Law 96-125; 93 Stat. 941), is amended to read as follows:

"(1) for title I: inside the United States $591,785,000; outside United States $162,950,000; minor construction $52,270,000; for a total of $807,005,000.".

(b) Section 602(1) of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1768), is amended to read as follows:

"(1) for title I: inside the United States $590,440,000; outside the United States $248,140,000; minor construction $44,560,000; for a total of $883,140,000.".

Mr. BRINKLEY (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

AMENDMENT OFFERED BY MR. KOGOVSEK

Mr. KOGOVSEK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KOGOVSEK: Page 2, strike out line 13.

Mr. KOGOVSEK. Mr. Chairman, let me indicate that the amendment that was just read by the Clerk would deauthorize the Department of the Army from acquiring 244,000 acres of private marginal grazing land in southeastern Colorado and expending $30 million to do so.

I might say in answer to the gentleman from Colorado, who spoke so eloquently just a few minutes ago about the various amounts of support for this acquisition, that as I listened to him I felt somewhat lonely as the gentleman went through the list of supporters, the Governor, the two Senators, himself, other Members, several chambers of commerce who, by the way, are not elected.

I would ask the gentleman to think about this question: As I campaigned for reelection over the past 2 years, my commitment to the people of southeastern Colorado was that I would oppose the expansion of Fort Carson. I might also indicate that my opponent who ran against me in that election indicated that his opposition was to the expansion of Fort Carson.

I feel it is my responsibility to the people who elected me to follow through on that promise to oppose that expansion into that area. I think that when I make a promise during my election that I will oppose something, that I just do not oppose it in the subcommittee, that I just do not oppose it in the full committee, that I oppose it until the last vote is taken.

I would ask the gentleman from Colorado, who went through this long list of supporters, that if by chance his district would be impacted by this tremendous intrusion into his district, what his position would be? I would point out to the people who are here, these people who do not have a feeling for what Douglas County happens to look like, the gentleman from Colorado represents an area between Colorado Springs and Denver, a lot closer to Fort Carson that the Pinon Canyon site, a beautiful area called the Douglas Canyon area. It happens to be the same kind of terrain as Pinon County. They did not select Douglas County because the price of the land up there is quite a bit more expensive because of its location between Colorado Springs and Denver.

But let us just say that that land was going to be looked at. I have a feeling that it would be the responsibility of that Representative to probably take a different view of a Fort Carson expansion than the gentleman is now taking. Let me point out to the people who are here that we are not talking about a 20,000-acre expansion, not a 75,000-acre expansion or a 100,000-acre expansion, we are talking about a 244,000-acre land grab, an area that is bigger than the whole State of Massachusetts.

This is no small matter that we are talking about. I think that if the gentleman or anyone who supports this expansion thinks that the environmental impact of hundreds of tanks rolling back and forth across that desert land is not going to cause some environmental impact, then I think that we better reconsider where we are getting our advice because that area which I am talking about happens to be an area that is know as the Santa Fe trail and wagon tracks that were made over 100 years ago are still recognizable in that terrain.

So, I have a feeling that tanks that are going to be rolling over that land for 4 and 5 months at a time are going to leave a definite impression. Once again, we are still talking about the fact that we have to train our troops and get them militarily prepared for any war that might occur. Let me remind you that we are still talking about 1986—5 years from now. The Army seems to be in no great hurry to get on that land. I think that there are alternatives that will allow us to train those troops a lot more quickly, a lot sooner, and hopefully with a lot less environmental degradation.

I think that we as a Congress have to stop the Federal land grabs that continue to go on in this country. It is kind of what the Sagebrush Rebellion is all about only this goes a bit further.

The people in Alabama do not want nuclear waste deposited there. The People in Colorado I think would like to grow in southeastern Colorado eco-

nomically and they are not going to be able to do it with this kind of intrusion. Whether it is the Army or any other agency, the Forest Service, the Department of Agriculture, I think that all of these agencies, including the Department of the Army, have to be innovative enough to be able to find other solutions other than to continually grab more and more land, at the expense of the people who live in that area.

Mr. REGULA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I understand the motivation of the sponsor of this amendment and he may well be right. However, I think it is premature at this time to delete the authorization. The Subcommittee on Military Construction of the Committee on Appropriations of which I am the ranking member, will be leaving Sunday to examine the land in question and to make a judgment as a committee as to whether or not we should appropriate the necessary funds to purchase this land if authorized.

I think that to foreclose to the United States any possibility of acquiring the necessary acreage in conjunction with the existing land at Fort Carson would be something we should not do at the present time. We need the flexibility to evaluate whether or not this is in fact necessary to make Fort Carson an effective training base.

It is possible that we need this additional acreage to provide an adequate training facility, particularly as we redirect our efforts toward providing a strengthening of conventional forces. We historically have put a lot of our defense security program dollars into nuclear and now we are redirecting into an expansion of conventional forces, recognizing that this is what may well be needed in the future. Therefore the capability to train for tank warfare is very important.

I think the need has been established. I do think that we should give Congress the flexibility to determine the most favorable approach, perhaps it is an exchange of lands or perhaps it is a sale of some other acreage. This would allow the percentage of Colorado to remain somewhat near the same in terms of Federal ownership.

Mr. KOGOVSEK. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Colorado.

Mr. KOGOVSEK. I thank the gentleman for yielding.

One of the fears I have had, I would say to the gentleman from Ohio, is that this vote would be perceived as the final action of Congress one way or the other. I think it may be the gentleman's fear also.

Is the gentleman saying to me that he is willing to keep an open mind, as I know he is, on other alternatives other than buying this land? The gentleman serves on the Subcommittee on Military Construction of the Committee on Appropriations. I think there are alternatives. I seem to be hearing the gentleman saying the same thing.

Mr. REGULA. Yes, in response to the gentleman's question, the answer is very much so. I would like to examine the options of trading because I personally do not want to see an expansion of public lands if at all possible and if we can accommodate our needs in any other way. Federal ownership takes the land off the tax rolls. It precludes the use of it for purposes that will be contributing to the economy as opposed to activity that is not any addition to the economic strength of our Nation.

Mr. KOGOVSEK. I appreciate the gentleman's remarks. I think that the gentlelady from Colorado (Mrs. SCHROEDER) has some suggestions or has some indications as to what the Army might be able to do and I think we might be able to discuss those this afternoon.

Mr. REGULA. Let me say, as a member of the Subcommittee on Military Construction of the Committee on Appropriations, I am very interested in all of these. The reason our committee is going out to Fort Carson is to examine all of the options that are available. I would say to the gentleman that I would act from a basis of avoiding expansion of the public domain in the totality as much as possible.

The reason I am speaking on this amendment is that I think it is premature to foreclose the possibility of an acquisition and/or possibly sale, trade, or whatever other way we can accommodate to our military needs while keeping the public acreage at reasonable levels.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, first, I would like to applaud the author of the amendment, the gentleman from Colorado (Mr. KOGOVSEK) for his articulate, diligent and aggressive representation of his constituency in this matter.

I think the gentleman from Colorado has raised an important issue. I would like to, in that context, make a few observations, some of which have already been alluded to.

I would only make them to underscore for the purposes of emphasis. First, Mr. Chairman, the rationale for the development of this training site is to improve combat readiness and in specific the 4th Mechanized Division at Fort Carson.

Mr. Chairman, I question the wisdom of an action that would develop a new training site speaking to the need for combat readiness that would not be constructed for 5 years. I question the wisdom of the definition of the readiness when it takes 5 years for us to prepare for it.

Second, Mr. Chairman, the author of the amendment has thoughtfully proposed a number of alternatives that are available to the 4th Mechanized Division, Fort Irwin and Fort Bliss.

I have talked with the chairperson of the Subcommittee on Military Construction of the Committee on Appropriations who indicated that this Sunday he and members of the subcommittee will be visiting this site to determine whether this is the only available alternative to increase the readiness of the 4th Mechanized Division.

I would suggest, Mr. Chairman, that it is wise to at least provide the opportunity for these people to carry out their study to determine whether or not the acquisition of 244,000 acres is the most efficient, effective, wise way of providing combat readiness.

Fourth, Mr. Chairman, I might indicate that my distinguished colleague, the gentleman from Colorado, in his remarks in the general debate raised a number of significant and important environmental impact issues. It would seem to me they have been vaguely glossed over during the course of these deliberations.

To summarize, Mr. Chairman, in my estimation this proposal may not be the most cost-effective way to accomplish the goal of combat readiness with a 5-year delay.

I would question the wisdom of this action and, the definition of readiness if it takes 5 years to achieve it.

Finally, Mr. Chairman, it would seem to me that given the fact that there are Members of this body, specifically members of the Committee on Appropriations' subcommittee who would have to fund this project, who are prepared to diligently pursue the feasibility of alternatives, that it would behoove us to strike this matter from the authorization until such time as all of the alternatives have been carefully studied and placed before us.

So, I would conclude, Mr. Chairman, by thanking my distinguished colleague for his diligent representation of his constituency by raising this important issue.

Finally, I would urge my colleagues to support this amendment because I believe there are other more efficient and effective ways to address the problem of readiness of the 4th Mechanized Division in Colorado.

□ 1330

Mrs. SCHROEDER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this amendment, and I really hope that people listen to what my col-

league from the southern part of the State has to say. I think our dealings on this issue have been very frustrating, and I wish rather than just having this map, we had a map of the entire State of Colorado because we have many things that the Army oversees in Colorado. In my district, the First Congressional District, one of the things that we have nearby, near the major airport—in fact, at the end of the runway—is the Rocky Mountain Arsenal overseen by the Army. They are getting the nerve gas out, hopefully cleaning it up, but for the last 3 or 4 years people in my area and the surrounding counties have been trying to find out what it would take from the Army to find out whether or not the city can get that land for expansion of the airport if they need it.

People say, "Why don't you go ahead and plan?"

They hesitate to spend taxpayers' money planning on expanding it if they are never going to get it, and there are just some mere little details about; is there really a chance we will get it, or when might we get it.

It is amazing, because it is very hard to find anyone who can give us specifics. They hold our hands, they bring us over, they have coffee and everyone is nice, they are all sweet, but we never get any of those final details.

Now, that is in the northern part of the State. We have the district of the gentleman who offered this amendment, where there is an Army depot, Pueblo Army Depot, and it is taking care of the Pershing I missile. The number of employees has dropped from 2,000 to 800. There is great fear that it is on the hit list of the 50 things to be shut down.

It seems to me that if we are going to be so concerned about readiness, the Army would talk to us about what they are going to do about the Pueblo Army Depot. I remind the Members how close it is to this new expansion that they have. It would be a very logical place to send the tanks to be rehabilitated and all the other equipment they are going to have in these mechanized divisions, and yet there really is not any dialog about that and no one can find out if it is even on the hit list.

We have another area of the State where there is a hospital, Fitzsimmons Army Hospital, and we are always hearing that it is on the hit list 1 year and off the other.

The reason I am going through all this is that all of these things are under Army control, right now, today, in our State, and a lot of us would like to know about the status of those things. However, no one really wants to talk about that. They only want to talk about how they have to have another part of our State which is bigger than the whole State of Massachusetts.

For those Members in the room who do not live in the West and want to know what the Sagebrush Rebellion is all about, this is it. How much more can they take? There are days in the West when those of us in the West think that we truly are the playground of the DOD; that they would like to drop off all their nerve gas, leave all their nuclear waste, they want things the size of whole States and on and on and on. It takes away our tax base and does all sorts of things.

All we want to do is have equal treatment on both sides as we look at these issues. So far, it has really been very one-sided. Even last week, we had the Secretary of Defense show up at the Air Force Academy, and we were very happy to have him, but he sprung this on us, and that was, "Surprise, maybe you lucky people in Colorado are going to win the draw and get MX."

So, we are wondering what is going to be left of the district if everybody gets his way. I think what the gentleman from Colorado is saying is very important. He is not quarreling with the fact that it needs to be expanded. Practically everyone in the State says there does probably need to be some expansion, but the question is—the size of Massachusetts?

I also call upon a lot of the Members with military expertise, would they tell me when they have ever underestimated their needs? All we have to do is look at the surplus pile, and we know we have morphine for 250 years for a war the size of Vietnam. They always overestimate. No one ever wants to get in trouble, and what the heck, it is just your money.

So the issue is how big; the issue is why, right now, when they cannot talk about the other things; and the issue is, can we not have a little more moderation? It is not as though they have to build massive things here. They are just going to drive tanks. It is not going to hold things up. We would like to know about the other pieces.

Mr. JACOBS. Mr. Chairman, would the gentlewoman yield?

Mrs. SCHROEDER. I would be happy to yield.

Mr. JACOBS. Mr. Chairman, I thank the gentlewoman for yielding. Do I understand the issue correctly to say that as the bill stands now, as the plans of the committee are now, the proposal is to buy the land and then determine whether we need it? Is that a fair statement?

Mrs. SCHROEDER. Well, the proposal is not just that they need expansion, but that they need the size of it.

Mr. JACOBS. But to buy this particular land and later decide whether we need it?

Mrs. SCHROEDER. The parcel has been selected, and the 244,000 acres, that is the designation. The gentleman's amendment is to take it out.

Mr. JACOBS. So here we go with a purchase we are not sure of, and we will find out later whether we really need it.

Mrs. SCHROEDER. Yes, buy now and good luck with it.

The CHAIRMAN. The time of the gentlewoman from Colorado has expired.

(By unanimous consent, Mrs. SCHROEDER was allowed to proceed for 2 additional minutes.)

Mrs. SCHROEDER. What I really wanted to say, this is authorization, and I am sure the gentleman from Indiana understood that this is the authorization and not the appropriation of the money. There is a difference.

Mr. BRINKLEY. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Georgia.

Mr. BRINKLEY. Mr. Chairman, I am sure the gentlewoman would not have wished to give the gentleman from Indiana the impression that there would not be immediate plans to implement the authority provided with both the Appropriations Committee and within the Department of the Army. This is not just general authority; it is in fact specific authority.

Mrs. SCHROEDER. It is specific authority, but you have to appropriate the money.

Mr. BRINKLEY. It is specific authority with reference to 244,000 acres, commonly referred to as Pinon Canyon, which if approved the Army would go forward with.

Mrs. SCHROEDER. That is right, but you do need the money.

Mr. BRINKLEY. Yes.

Mrs. SCHROEDER. My understanding is, the Appropriations Committee has not been done away with, but there is one more step.

But, I really want to compliment the gentleman from Colorado. I think that all of us know that there needs to be some expansion, and all we are saying in our State is, please treat us as taxpaying citizens and look at the entire package. I think we have the right to ask the Army about these other issues, so that when we giveth, we should be able to taketh away a little bit.

Mr. SEIBERLING. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, as chairman of the Public Lands Subcommittee of the House Interior Committee, I presided at a hearing last year on the question of the acquisition of this land. It is right next to existing Federal national grasslands, and of course the question of Federal land acquisition as well as land disposition is within the jurisdiction of my subcommittee.

It is fashionable right now to give the military about everything they want and then some, but I would like just to point out a few things. First of all, the existing Fort Carson maneuvering area is 70,000 acres. Now, that is not a small area of land. It may be fairly small out in the great spaces of the West, but it is twice the size of, for example, the Cuyahoga Valley national recreational area in Ohio. It is four times the size of the amount of land in that area that is slated for Federal ownership. The Defense Department currently controls 31 million acres of land in the United States—31 million acres. The Park Service has authorized but not yet acquired approximately 475,000 acres of land spread all over the United States.

And yet, the administration is asking that there be a moratorium on all national park land acquisition, and in the very next breath they are asking us to give the Army, in one bite, the right to acquire 244,000 acres of private land.

Now, I submit to the Members that it is illogical to say the least, to ask for an indefinite moratorium on Federal land acquisition for the Park Service and, at the same time to take a 180-degree opposite position as far as the Department of Defense is concerned. It is downright unreasonable to do this if there are viable alternatives.

And there are alternatives; $100 million to expand the existing 71,000 acres at Fort Carson would not buy as much acreage, that is true, but it would add considerably to the existing 70,000 acres and give Fort Carson a very large amount of maneuvering space for their tank operations. That may not be ideal as having 244,000 acres. On the other hand, it means they do not have to transport a whole division over 100 miles, clogging up the existing road system, costing a lot of fuel, and so forth. I submit that maybe we should ask the Army Department to do a little compromising, as we are all being asked to do on other land acquisition matters.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I thank my friend, and join with my other colleagues in supporting the Kogovsek amendment. I do so with real regret. I hate to oppose the gentleman from Georgia on his first outing on a major bill, because he is one of the most decent and effective Members of this House, and I hope he will be running things on this subcommittee for a long time to come.

So, philosophically I want to say to my Western friends who talk about the Sagebrush Rebellion and how we are going to take all of these Federal lands in the State, one of the great things about our country is that we have a land bank. People of the United States own great chunks of land out West. Some places—maybe not here where you have a lot of private land, but as we look around for nuclear waste disposal, toxic waste disposal, expansion of military facilities, it is a pretty damn good thing to know that we have a lot of extra land out there. The Federal Government will have it and turn it over to the military or to the States when they need it.

But, this is another instance, another illustration of how we think we are such a big country, but even now we are being pressed more and more for available land. So, I think the amendment is a good one, and I endorse what my friend from Ohio is saying.

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Chairman, I thank the gentleman for yielding. I seek this time to support the Kogovsek amendment. I was impressed a minute ago by the remarks of my colleague from Ohio (Mr. REGULA) who is a member of the Military Construction Appropriations Subcommittee, of which I am a member, that he had not decided that this land was needed and that the committee was taking a trip to Colorado this weekend for the purpose of inspecting this site to make a determination.

I have not decided either that the land is needed, and I am a member of that committee, I intend to take this trip and to review the conditions as they are presented to me in order to make that decision, but I am wondering why it is that we need to authorize the acquisition of more than 200,000 acres at a cost of more than $30 million when Members of this Congress who are participating in the debate, some of whom have jurisdiction over the acquisition and the appropriation of funds for the acquisition, when we have not made those decisions.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(At the request of Mr. ALEXANDER and by unanimous consent, Mr. SEIBERLING was allowed to proceed for 2 additional minutes.)

Mr. ALEXANDER. It occurs to me that the authority to buy this land can be acquired at any time if it is judged that the land is needed, but instead we are rushing into buying a site of land that is larger than the State of Massachusetts when we have not decided that it is necessary to purchase the land.

Certainly, during a time of budgetary restraint and a beginning of an era of austerity, $30 million is an important amount of money that could be applied now to immediate needs of this country. I am supporting this amendment because I think that it is foolish for this Congress to authorize a $30 million expenditure when Members of this body have not even decided that the total amount of land is necessary for acquisition.

I thank the gentleman for yielding.

Mr. SEIBERLING. I thank the gentleman.

□ 1345

The CHAIRMAN pro tempore. (Mr. DANIELSON). The time of the gentleman from Ohio (Mr. SEIBERLING) has expired.

(On request of Mr. RATCHFORD, and by unanimous consent, Mr. SEIBERLING was allowed to proceed for 2 additional minutes.)

Mr. RATCHFORD. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I am glad to yield the gentleman from Connecticut.

Mr. RATCHFORD. Mr. Chairman, I rise in support of the amendment offered by my colleague from Colorado to delete $29.6 million which is authorized in H.R. 3455 for the proposed land acquisition necessary to expand Fort Carson in Colorado.

This amendment to H.R. 3455, the military construction authorization for fiscal year 1982, raises a host of issues which deserve the consideration of my colleagues in the House. Some of them—including the economic and environmental costs of proceeding with the expansion of Fort Carson—can be far better explained by my distinguished colleague from Colorado who has authored this amendment, and I will defer to his greater familiarity on these issues. Yet, I would like briefly to pursue two issues of fiscal responsibility, and accountability, which deserve the attention of the House during this time of scarce Federal resources, and which lead me to rise in support of this amendment.

First, we must question whether the Army's proposal to expand Fort Carson is the most appropriate and cost-effective means of meeting the very legitimate training needs which have already been identified. Neither my colleague from Colorado, nor the members of the committee question the Army's judgment that the military personnel now stationed at Fort Carson require further training to improve their military readiness. However, it is far from clear whether the acquisition of some 244,000 acres of private grazing land, which is 150 miles away from Fort Carson in southern Colorado, represents the best method of accomplishing this important goal.

Mr. Chairman, the Appropriations Subcommittee on Military Construction has already initiated an important and necessary study of the feasibility of using existing military installations for these training purposes rather than expanding Fort Carson's facilities. Before we rush to spend $29 million for this new land acquisition at

a time when Federal funds are so badly needed for other purposes, I strongly suggest that we should defer any action on this authorization until we know what alternative means could provide the necessary training for Fort Carson's troops.

Second, and closely related to the study underway by the Subcommittee on Military Construction, I must rise to challenge the wisdom and rationale for expanding a military installation in Colorado when so many bases have been closed throughout the Northeast and Midwest at considerable economic cost to the region. My colleagues in the House are well aware of the pattern of defense spending and military installation siting in our Nation, which leaves the Northeast-Midwest region with only 25 percent of the total principal installations currently maintained by the Department of Defense. This type of inequitable treatment is only highlighted by the simultaneous closing of existing installations in the declining Northeast-Midwest region and expansion of installations such as Fort Carson in Colorado.

Mr. Chairman, in this time of very tight budgets and scarce resources, when we are struggling under the very difficult requirements of reconciliation and the first budget resolution, we must look very closely at ways in which we can make the best possible use of existing resources rather than expanding into new areas. Over the past decade, 127 principal installations throughout the Nation have been closed, including 50 within the Northeast-Midwest region. It simply seems indefensible that we move forward with an expansion of Fort Carson's facilities without reviewing these closed facilities and other existing military installations to determine whether the Army's training needs cannot be met in a less harmful and expensive manner.

For all of the above reasons, Mr. Chairman, I strongly urge my colleagues to support this amendment which would delete $29.6 million authorized in H.R. 3455 for the expansion of Fort Carson. We are not ignoring the Army's training needs, but simply arguing that they should be met in a thoughtful, cost-effective manner. When considered with the economic and environmental concerns which my colleague from Colorado has raised, I hope the House will adopt a course of action which is fiscally responsible, and approve the gentleman's amendment to delete authorization for the expansion of Fort Carson.

Mr. BRINKLEY. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I will be glad to yield to the gentleman from Georgia.

Mr. BRINKLEY. Mr. Chairman, I thank the gentleman for yielding, and I just wish to respond briefly to the wondering of the gentleman from Arkansas (Mr. ALEXANDER) as to whether or not we were rushing into this transaction. The fact of the matter is that we have been trying to do it since 1974.

Further, reference has been made to the fact that this tract of land is equivalent to the size of the State of Massachusetts. That is not so. Massachusetts is 8,257 square miles, and Pinon Canyon is less than half that amount.

But that is not the issue. The issue is the national need and the national interest.

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I would just like to make one other point, but first I will yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Chairman, I would like to address a question, if I may, to the chairman of the subcommittee.

Is it not so that there is three times as much land provided for in this authorization than is needed for the training of the troops?

Mr. BRINKLEY. Mr. Chairman, if the gentleman will yield, the answer is in the negative. Because of environmental considerations and because the Army will shift from one tract to the other, all of it is needed.

The CHAIRMAN pro tempore. The time of the gentleman from Ohio (Mr. SEIBERLING) has again expired.

(On request of Mr. ALEXANDER, and by unanimous consent, Mr. SEIBERLING was allowed to proceed for 2 additional minutes.)

Mr. ALEXANDER. Mr. Chairman, I have one more question, if the gentleman will yield.

Mr. SEIBERLING. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Chairman, let me ask, is it not so that the question of need is in contention here, and that, as the gentleman from Colorado (Mr. KOGOVSEK) has said, environmentally the land will be damaged and degraded regardless of whether or not it is rotated, and that three times as much land as he judges to be needed is provided for in this authorization?

Mr. BRINKLEY. Mr. Chairman, if the gentleman will yield, I do not believe that is the fact. I believe the question of need is not in issue. I believe the gentleman from Colorado admits the need for the land. His interest is in where it is to be located.

The gentleman has pointed to the fact that tanks will degrade the land and it will be impossible for the land to come back. The testimony before the committee was that cattle do prescisely the same thing, and this is no change.

Mr. KOGOVSEK. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Colorado.

Mr. KOGOVSEK. Mr. Chairman, the gentleman from Georgia (Mr. BRINKLEY) is correct. I have not questioned the need for Fort Carson to expand, and I would indicate that the need is there.

I would correct the gentleman by saying, however, that I am not sure that the Army needs 244,000 acres. The Army, by its own admission, needs 85,000 acres to train troops in the kind of maneuvers that they wish for training purposes. They do not need 244,000 acres except to rotate, as the gentleman pointed out, maybe every several years. It is still my contention that rotation will not have the desired effect of letting the land come back.

The CHAIRMAN pro tempore. The time of the gentleman from Ohio (Mr. SEIBERLING) has again expired.

(By unanimous consent, Mr. SEIBERLING was allowed to proceed for 2 additional minutes.)

Mr. SEIBERLING. Mr. Chairman, if I may reclaim my time, I would simply like to say at this point that in the East, and in other parts of the country an effort is being made by the administration to put a moratorium on Federal land acquisition in national park units that have been authorized by the Congress of the United States, approved by the President, and desired by the local people. We are being told: "Oh, no, we have acquired too much land already." Yet in the next breath we are told that we are going to have to acquire three times as much as is needed for actual maneuvering out in Colorado, where the people do not want the land acquired.

The gentleman from Connecticut (Mr. RATCHFORD) has pointed out that in the East and in the North there are bases that are closed where the local people want them opened again, and we are told: "No, we can't do that. We have to move to the Sun Belt." Mr. Chairman, it seems to me that we ought to make better use of the bases already existing.

The CHAIRMAN pro tempore. The time of the gentleman from Ohio (Mr. SEIBERLING) has again expired.

(On request of Mr. WILLIAMS of Montana, and by unanimous consent, Mr. SEIBERLING was allowed to proceed for 2 additional minutes.)

Mr. WILLIAMS of Montana. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Montana.

Mr. WILLIAMS of Montana. Mr. Chairman, I thank the chairman of the Subcommittee on Public Lands and National Parks for yielding.

As a westerner, I am absolutely intrigued by this issue. I had not intended to speak on this, but to me as a westerner it follows very close to the line of the whole sagebrush rebellion that has been going on.

We hear a lot about how wilderness areas are oppressive to westerners; we hear a lot about how environmental restraints are oppressive to westerners because, as they say, "You can't graze cattle on the land, and you can't drive vehicles on the land," and some claim incorrectly that "you can't even hunt or fish on them."

There is nothing more oppressive to a westerner than the lockup of Federal land by a military reservation.

You can do absolutely nothing on it; you have absolutely no access to it whatsoever. Yet here we are taking 200,000 acres of privately owned land in a State that already has 36 percent of it that belongs to the Federal Government.

Mr. Chairman, this is the prime sagebrush rebellion issue that this Congress has faced thus far.

Mr. SEIBERLING. And, Mr. Chairman, it is several times the size of any unit the national park system that has ever been authorized by this Congress to be created from private land.

Mr. DAN DANIEL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I oppose this amendment to delete funds for the Fort Carson land acquistion because I am convinced that such action will be detrimental to the strategic readiness of this Nation.

The 4th Mechanized Infantry Division and Fort Carson are an important part of the national defense of the United States. The 4th Division is the only mechanized and tank division in the continental United States with all three of its brigades assigned and on active duty. It is the strongest and most powerful division in the United States with commensurate emergency deployment responsibilities in Europe and elsewhere. The readiness of the 4th Division is directly related to the quality of training its units receive. Maneuvering under unrealistic conditions, particularly in the severely constricted area at Fort Carson does not provide quality training. As a result, the training readiness of the 4th Division is being adversely affected. The improved range and lethality of modern weapons and their increased mobility on the battlefield have fundamentally altered the way the Army fights and trains. On the modern battlefield, vehicles, men, and equipment must disperse to avoid becoming lucrative targets. This dispersed posture increases problems with communications, command and control, and logistics. Realistic maneuver areas compatible with modern battlefield requirements, warfare techniques, and improved weaponry will increase the division's combat readiness. The Army has selected the Pinon Canyon parcel from among 22 other Federal and private sites because of its superior training value, cost effectiveness, and remotenesss from population centers. The terrain at the Pinon Canyon site is well configured to challenge mechanized and armored battalion task force maneuvers. The terrain is more varied and presents greater latitude for realistic battlefield situations. Additional training value will be realized from the rail transport of units to the Pinon Canyon site. Rail movement of troops and equipment is one of the prime means of deployment for the 4th Division in a wartime emergency.

Mr. Chairman, I strongly recommend to my colleagues that this amendment be defeated in the interest in the national defense of this country.

Mr. BURGENER. Mr. Chairman, will the gentleman yield?

Mr. DAN DANIEL. I yield to the gentleman from California.

Mr. BURGENER. Mr. Chairman, I am going out to Colorado on Monday to examine this area, and hopefully with an open mind, and I would, therefore, associate myself with the remarks of the gentleman from Ohio (Mr. REGULA, who will also be with us, as well as our chairman, the gentleman from Georgia (Mr. GINN).

I wish that Members would not keep referring to the State of Massachusetts. I believe there is a mathematical error here somewhere. If I am figuring correctly, although it is not really that germane, it is about perhaps one-tenth or one-twentieth the size. That does not make it relevant, but we should not keep repeating an inaccuracy.

So I do believe that the amendment was offered prematurely. It is certainly premature, and it might foreclose something that might be very necessary. But I, too, shall look at it, and I shall look at it with an open mind.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. DAN DANIEL. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, yes, I think there is a minor error. The area in question is not as large as the State of Massachusetts. But I would like to say this:

Can we imagine what howls would go up from OMB, under any administration, if we proposed to buy a chunk of private land, 244,000 acres in size, to create a national park somewhere. We would never hear the end of it.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. DAN DANIEL. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Chairman, I have great respect for my chairman on the Readiness Subcommittee, and I have really been honored to serve with him this year.

I think one of the things we want to point out is that this acquisition way more than doubles the size, which I think is a little extreme if we are just calling it an expansion.

The second point is that I know I am concerned, as the gentleman from Virginia has been, as well as everybody else, about fighting in Europe, and that is what this mechanized division probably would do.

I hope that sometime the gentleman from Virginia can come and see the land in Colorado. It does not look like Europe, I can tell him that; it looks a lot more like the Persian Gulf.

There is another point to that, too. I know from the extensive hearings we had about the depots and maintenance of the equipment, which also helps us with readiness, and right next to that we have the Pueblo Army Depot, and this mechanized force would be the one which goes right to Europe. That makes no sense in the whole scheme of readiness.

I hope that the gentleman can help us work on all those things. If the gentleman would come and look at the land, I am sure we would stand there and scratch our heads and say, "This doesn't look like Europe."

We have the Pershing unit there, and we would be a lot more ready with that and all the other things.

Mr. Chairman, the gentleman from Virginia is a very reasonable Member, and I am sure he will help us with all these things.

Mr. KRAMER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. I, too, am sympathetic with the objectives and goals contained in the sagebrush rebellion. I, too, am not particularly desirous of having the Federal Government acquire great new tracts of land, but there is a demonstrated need for this land.

Our committee diligently spent many days on hearings where all sides were represented. We made a decision by a vote of 9 to 1 in the subcommittee and on voice vote in the full committee that there was a need to acquire this parcel at this time. I hope that the Appropriations Committee will make that same judgment.

If this authorization is deleted today, the Appropriations Committee has no need for a trip to Colorado to make an independent judgment on this issue. Each committee ought to determine in its own jurisdictional area the need for this expansion.

I am not the issue here; the other gentleman from Colorado is not the issue here; the composition of my district is not the issue here. What is at issue here is American lives, as the gentleman from Virginia has amply pointed out.

I do not wish to be melodramatic, but I hope that we do not make a serious mistake here today, delete this au-

thorization, and then find the blood of American soldiers on our hands in a few years.

Now, that is the issue. It is not the Pentagon's bureaucracy; it is the American solider, the little guy who is going to get killed if training opportunities are inadequate. What we are trying to do here is provide that soldier—and every one of the Members out there has some of them in their districts—with the ample opportunity and the maximum opportunity to stay alive if he is getting shot at. That is the issue.

□ 1400

Now, yes, this expansion is controversial, obviously, from the debate here today; but I would point out that we do have a situation in which you weigh parochial interests, a Colorado interest versus a national interest. Yet I would point out that even when examining that parochial interest that the Colorado interest, many of the people in the expansion area have supported the national interest. In fact, 36 of the 41 acquisition landowners involved are supporting the national interest. Every chamber of commerce from every affected community is supporting the national interest.

This expansion, whether it takes place or not, does not put one more additional red cent or one more additional warm body in my own district. Quite frankly, in my own district, this is not a big issue even in parochial terms.

It is the interest in my district, as I hope it is in yours, that we need to do something militarily to get this country where it needs to be to meet the threat of Soviet adventurism around the world.

This vote is the first vote we are going to take on military readiness in this Congress. What kind of a signal are we going to send to the Soviet Union today? Consider that, I hope, when you decide whether or not to support this amendment.

I hope you will oppose the amendment and strike a vote, not for anybody from Colorado, but for that poor soldier whose life is on the line when he is asked to go into combat.

Mr. SKELTON. Mr. Chairman, I move to strike the requisite number of words.

My good friend and colleague from the West a few moments ago said that there is nothing more oppressive to a westerner than to take land for military use. I suggest that there is something more oppressive to a westerner than to take land for military use and that is to have an Army that is not properly trained to defend this country.

Mr. Chairman, George Washington once told us that the nation that maintains an Army that is ready to fight seldom has to use it. I think that this issue today is one of our determination to have a ready and capable military.

It has been mentioned a few moments ago about the signals we might send to a prospective enemy. A number of years ago in 1939 this Chamber turned down construction for a place in the Pacific called Guam. Historians tell us that the signal that was sent to the Empire of Japan by this Congress turning down a $5 million appropriation to construct a better harbor at Guam told them that we were not in a position to respond and that we would not be ready in the event of an attack. We all know what happened not long after that on December 7, 1941.

Mr. Chairman, I rise in opposition to this amendment. First, I would like to say, though, that I have the greatest respect and admiration for my friend, and he is my friend, the gentleman from Colorado. He does an excellent job for his State and for his district.

I find that I must on the principle of the matter take issue with my friend, the gentleman from Colorado (Mr. KOGOVSEK) on this.

Recent improvements, Mr. Chairman, in the accuracy of the firepower and the range of major weapons systems have greatly increased the nature of today's battlefield. Warfare has reached a point where if the enemy can be seen, he can be hit. To train for combat under these conditions, a battalion needs an area in which to do it. I have yet, Mr. Chairman, to hear a suggestion as to where this could go for the 4th Infantry Division that is at Fort Carson, Colo., unless you take the whole 4th Infantry out of the State of Colorado.

The question has been put, Why do you need so much land? Well, for the very simple reason that if we are to follow environmental guidelines that we have laid down, we must have a sufficient amount of land.

Mr. Chairman, with regret to my friend, I must oppose this amendment.

Mr. KOGOVSEK. Mr. Chairman, will the gentleman yield?

Mr. SKELTON. I yield.

Mr. KOGOVSEK. I thank the gentleman.

I would ask the gentleman and I would ask the other gentleman from Colorado, if it is so critical that we give the troops that we are talking about at Fort Carson the proper training, why must we wait 5 years?

Mr. SKELTON. Probably because this Congress has not taken action. This Congress is going to take action. This Congress, I feel, is dedicated to the fact that we are going to have a ready and a trained Army. The best defense is to have a ready and a prepared military defense. That is what we are intending to do by this action, sir.

Mr. KOGOVSEK. I would just tell the gentleman that I feel strongly that there are options. The gentleman has indicated that he has yet to hear some. The gentleman from Colorado does not agree with this, but I still think in spite of the fact that in this quarter, when there is some sort of postgraduate course in military training, that I think there is land available there. I know there is land available in Fort Bliss. I know there are travel problems, but I think that there are options.

Mr. DYSON. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, this is an issue that is obviously very sensitive. I have had experience in dealing with sensitive issues in the past.

I served in the General Assembly of Maryland for 6 years. During that entire 6 year period, we were plagued with a land acquisition problem, a park expansion in one of the counties which I represented. It was not resolved until my final year.

I think today I would like to offer a perspective about that land acquisition process that may be somewhat different than the way in which the two previous colleagues have approached this issue.

First of all, the author of the amendment, the gentleman from Colorado, in my estimation has done a tremendous and very credible job of making the presentation on behalf of his constituency.

I think this issue, though, is underscored by its national significance. We must do this and I therefore speak against the amendment.

The Army has testified to the Armed Service Committee that the Corps of Army Engineers would expect to begin the preliminary steps in the acquisition process, if the Fort Carson expansion area is approved. This would include title evidence and appraising, early in the calendar year of 1982 and commence negotiations with some land-owners by May of that year. The completion of these negotiations is anticipated by the end of 1982.

Based upon the testimony in the subcommittee, we were advised that 37 of the 41 landowners have indicated publicly and, in fact, have signed affidavits that they would approve the purchase of their lands as long as their rights are protected and, of course, they receive fair market value for their property. These 37 landowners represent approximately 200,000 of the 244,000 acres in question.

It is my further understanding that only seven landowners actually live on the property; and of the seven, six are prepared to sell their land.

Concerning the appraisal process, Mr. Chairman, the Army considers not

only the comparable sales data, but also the capitalized income stream the land is capable of generating when put to its highest and best use, and for improved properties the cost of replacing existing improvements, of course taking into consideration depreciation.

When appropriate, all three approaches to determine value are employed in the final opinion of value. Recognition of mineral rights are given where such rights are pertinent and relevant. Water rights and their value will be given consideration, where such rights are also pertinent. The value of commercially marketable timber will also be given consideration. The value of leaseholds and the present worth of lessee's interests will be considered. The appraisal for any ownership will be current as of the date the owner executes a contract to sell his property to the U.S. Government.

Now, with respect to compensation, our Constitution requires payment of just compensation for any property acquired.

The courts have held for many years that just compensation means fair market value. Public Law 91-646 further requires appraisal of each tract to establish an estimate of fair market value and the Army must offer the owner the full amount of the approved appraisal. The owner is not obligated to accept the Army's initial offer; he may make a counteroffer and the Army is obligated under the law to make every effort to reach a mutually acceptable price.

The act also requires that the Army compensate the owner for any severance damages and to protect him against being left with an uneconomic remnant. The act also provides for payment of relocation assistance benefits, including the cost of moving families and personal property to replacement homes and the cost of moving ranch operations to replacement sites.

In short, Mr. Chairman, our Constitution and public laws protect the landowner and insure fair and just compensation for any land and improvements acquired by the Federal Government.

The CHAIRMAN pro tempore. The time of the gentleman from Maryland has expired.

(By unanimous consent, Mr. DYSON was allowed to proceed for 1 additional minute.)

Mr. DYSON. Further, the landowner may seek redress within the courts if he or she believes that just compensation is not offered.

In my summation, in my opinion, as I said and the previous speakers who have spoken in opposition to this, I think it is simply a point in the national interest that we must consider this and reject the amendment today.

Mr. TRIBLE. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, we have heard a spirited debate here this morning. I fully understand the opposition of my colleague whose district is affected by this action. I fully understand the opposition of those Members that routinely rise in opposition to any national defense initiative; but I believe that we must underscore several important points.

First of all, this is not a hasty decision. This matter has ben studied and studied and studied for 5 years or more. The need for this land is well documented. Our subcommittee held long and intensive hearings and finally after listening to all parties, we concluded on a bipartisan note that this ought to be done by a vote of 9 to 1.

This land is urgently needed, so that the 4th Mechanized Infantry Division can train in battalion size units. Our units must train in the methods and practices necessary for actual combat.

At present such training is impossible because of lack of space. We cannot acquire that space at Fort Drum or in the Army Arsenal in Colorado or at the other bases mentioned today.

The important point was underscored in testimony before our subcommittee by a company tank commander who testified in a very simple but eloquent terms. He said, "Because of the problem we have at Fort Carson, my junior leaders, my sergeants, who will make money for me in combat, who save my men's lives, are not trained well enough." That is the point here.

National interest must prevail. We must train our people. We must prepare them for combat. That is our highest responsibility.

The Army has designated this acquisition project as its No. 1 project for fiscal year 1982. The need for additional training areas is critical. Today we simply lack the space to prepare our troops for modern tank warfare. The environmental process has been fully completed; 21 alternatives sites, 21, have been studied and found wanting.

It is essential that we move ahead. We must not delay further the training improvements required to prepare our people for combat, for the battlefield. We must move ahead. The time to act is now.

□ 1415

Mr. ASPIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to address a couple of questions here because I think the gentleman from Virginia (Mr. TRIBLE) is correct. This is not an easy decision and I think it is something that is very, very critical. But I think it is a question that is a close call.

However, at this point, listening to the debate, I think the point of the gentleman from Colorado (Mr. KOGOVSEK) is a very, very good one and I am inclined to go along with him. But I would like to address a couple of questions.

First of all, I think we can all agree. I take it that there is no question but what the Army needs some more facilities and some more lands. The question revolves around what are the alternatives and what is the timetable. I would like to address that question to the proponents of the amendment, what are the alternatives, if I could, that you are suggesting, other than the acquisition of this large amount of land that the Army wants to do and the subcommittee is recommending. What are the alternatives?

Mr. KOGOVSEK. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman from Colorado.

Mr. KOGOVSEK. I think that is one of the reasons why I would tell the gentleman from Wisconsin (Mr. ASPIN) that I went to the chairman of the Subcommittee on Military Construction Appropriations to see if there are alternatives. I mentioned a couple. Nobody thinks they are good ideas, and it is mainly the Army that has given us the studies that indicate they are not.

I think that we have enough Federal land and enough Federal bases, Army bases. We have Fort Bliss, for example. The Army says it is too far away. The Army is telling me they want property that is within a day's march because it is cheaper and they would not have to put soldiers up for two nights. They do not have to travel as far. Fort Bliss is more than a day's march. Fort Irwin is evidently more than a day's march.

We are talking about $30 million. I think the tradeoff of buying more land, possibly that $30 million could be used for travel if there are tanks and equipment already out at Fort Irwin, and it seems to make more sense to just send the troops out there and spend that money that way.

Let me also say that the first $30 million is only the beginning. The Army admits that before the land acquisition and before the first trooper is out there we are talking about a cost of $100 million by the time we buy the barracks and so on.

My point is that building another base 160 miles away from the present base does not sound too logical.

Mr. ASPIN. That is one part that I think is a good point. I would think that the Army would have a very good case if the land that they were purchasing were contiguous to the present land that they owned, but it is

what, 160 miles away? So already they must move the troops to the new site in order for them to train anyway.

Mr. KOGOVSEK. At a cost of about $250,000 a year.

Mr. ASPIN. So what we are talking about is whether we have to move 160 miles or whether we have to move to Fort Bliss or Fort Irwin.

Mr. TRIBLE. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman from Virginia (Mr. TRIBLE).

Mr. TRIBLE. I would say in response to the gentleman's question there is a very important function served by mobilizing and moving. That is what we are going to have to do in Western Europe. We are going to have to move forward and meet the enemy.

But the fact is that that is the most reasonable distance that is attainable. The fact is the Army has looked at some 21 other sites. They have studied those and we have reviewed those. The Fort Bliss alternative is the one that is most often mentioned.

The fact is that we have determined that that was an unsuitable alternative. Over a 10-year period the Fort Bliss alternative would cost twice as much and would be available less than one-half the time than the Colorado site. The fact is, again, alternative sites have been looked at, considered, and reviewed. It is our judgment that this is the best site that is available.

Unfortunately, it is in our friend's backyard and he objects.

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman from Colorado (Mr. WIRTH).

Mr. WIRTH. I want to thank the gentleman for yielding. I wanted to associate myself with the comments of the gentleman in the well, Mr. ASPIN, as well as the gentleman from Colorado (Mr. KOGOVSEK). I think both of them have made a very compelling case both on the economics and the timeframe of this land question. I would hope the attention of the Members would be drawn to that.

In addition, I would very much hope the House would be down the line considering the elements brought up by the gentleman from Colorado (Mr. KOGOVSEK) and the gentlewoman from Colorado (Mrs. SCHROEDER) related to the arsenal and the land questions surrounding that. But that will be further down the line.

In the meantime, I would very much hope that the Members would support the gentleman from Colorado and I thank the gentleman for yielding.

Mr. ASPIN. Let me just raise one other question before the debate is closed and that is the question of timing. What happens if we postpone the decision at this point?

Mr. KOGOVSEK. Will the gentleman yield?

Mr. ASPIN. I yield to the gentleman from Colorado (Mr. KOGOVSEK).

Mr. KOGOVSEK. I thank the gentleman for yielding. I think if my amendment carries we have not precluded or we have not ended the discussion. I think both the gentleman from Georgia (Mr. BRINKLEY) and the other members of the Armed Services Committee would agree that this matter will come up again in the other body.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. BRINKLEY. Mr. Chairman, I move to strike the requisite number of words and rise in opposition to the amendment.

Mr. GINN. Mr. Chairman, will the gentleman yield?

Mr. BRINKLEY. I yield to the gentleman from Georgia (Mr. GINN).

Mr. GINN. Mr. Chairman, I thank Chairman BRINKLEY for yielding. Before I briefly speak on the purpose for which I asked him to yield, I want to commend the gentleman from Georgia (Mr. BRINKLEY) and the gentleman from Virginia (Mr. TRIBLE) and the members of their subcommittee for delving into this controversial issue as deeply as they possibly could. They have done that. They have made a judgment and they have come here today and I think ably defended it. They have also been fair to the other side in hearing their viewpoint.

As chairman of the subcommittee which must fund this land acquisition in the event it is authorized, I want to explain, Mr. Chairman, why I will vote "present" on this amendment. It will be the first time in my career that I have done that. But I am doing so in an effort to continue to show fairness.

As the gentleman from Ohio (Mr. REGULA) pointed out, the Subcommittee on Military Construction Appropriations will travel to Colorado this Sunday to personally inspect the land acquisition in question. We are doing that in an effort to be fair to the gentleman from Colorado (Mr. KOGOVSEK) and also Mr. KRAMER. We are doing that to be fair to the people of Colorado and the various factions there.

So I wanted to make it very clear that we are attempting to be fair as well as the gentleman from Georgia (Mr. BRINKLEY) and the gentleman from Virginia (Mr. TRIBLE) have, and for that reason I will vote present if there is a vote.

Mr. BRINKLEY. Mr. Chairman, in conclusion of the debate I would simply like to respond to one question raised by the gentleman from Wisconsin (Mr. ASPIN) as to what will happen if we defer this further.

My response is the same thing that has happened since 1974. We have deferred it again and again and again. There is a day to decide. Today is decision day and that is the function of this body, for the majority of us to express ourselves.

Many of us feel very keenly about the problem the gentleman from Colorado (Mr. KOGOVSEK) has experienced. We feel more strongly about the national need which has been given to our committee by a preponderance of the evidence; 3 years is a timeframe about which we are talking. We say 1986. It will take the balance of this year to authorize and fund the measure, and then in the years of 1982, 1983, 1984, 1985, there will be the land acquisitions and the preparation for use in 1986. That is not too far away.

Speaking of Fort Dix, it is open. Speaking of Fort Drum, it is expanding. There is a need, and I ask for my colleagues' negative vote on this amendment. Please vote "no."

Mr. KOGOVSEK. Mr. Chairman, will the gentleman yield?

Mr. BRINKLEY. I yield to the gentleman from Colorado (Mr. KOGOVSEK).

Mr. KOGOVSEK. I would just answer the gentleman by saying that if my amendment carries this afternoon that I am sure this is not the end of the question as far as this year is concerned. The other body I am sure intends to keep this issue very much alive.

I think that we are going to have a chance to discuss this some more in the future, but it is important that this House go on record and let the people of this country and let the other body know that we are through with the Federal land grabbing that has been going on for too long.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado (Mr. KOGOVSEK).

The question was taken; and on a division (demanded by Mr. KOGOVSEK) there were—ayes 24, noes 32.

RECORDED VOTE

Mr. KOGOVSEK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 175, noes 209, answered "present" 1, not voting 46, as follows:

[Roll No. 62]

AYES—175

Addabbo	Brown (CO)	Eckart
Akaka	Burton, John	Edgar
Albosta	Burton, Phillip	Edwards (CA)
Alexander	Chisholm	Ertel
Anderson	Clay	Evans (IN)
Andrews	Coelho	Fascell
Annunzio	Collins (IL)	Fazio
Anthony	Conte	Fithian
Applegate	Conyers	Foley
Aspin	Coyne, William	Ford (MI)
Atkinson	Crockett	Ford (TN)
Barnes	Danielson	Fowler
Bedell	Daschle	Frank
Benjamin	de la Garza	Frost
Bereuter	Dellums	Garcia
Blanchard	DeNardis	Gaydos
Boggs	Derrick	Gejdenson
Bolling	Donnelly	Gephardt
Bonior	Dorgan	Glickman
Bonker	Downey	Gonzalez
Brodhead	Dunn	Goodling
Brooks	Dwyer	Gore
Brown (CA)	Early	Gradison

Gray	Mitchell (MD)	Schumer
Green	Moakley	Selberling
Guarini	Moffett	Shamansky
Hall (OH)	Mottl	Shannon
Hall, Ralph	Murphy	Simon
Hamilton	Murtha	Smith (IA)
Hance	Natcher	Smith (NJ)
Harkin	Nelson	Solarz
Hawkins	Nowak	St Germain
Heckler	Oakar	Stark
Heftel	Oberstar	Stokes
Hertel	Obey	Studds
Howard	Ottinger	Swift
Hoyer	Panetta	Synar
Hughes	Patterson	Traxler
Jacobs	Paul	Udall
Jones (OK)	Pease	Vento
Kastenmeier	Pepper	Volkmer
Kildee	Perkins	Walgren
Kogovsek	Peyser	Watkins
Lantos	Rahall	Waxman
Leach	Rangel	Weaver
Lehman	Ratchford	Weber (MN)
Long (LA)	Reuss	Weiss
Lowry	Richmond	Whitten
Lujan	Rodino	Williams (MT)
Lundine	Roemer	Wirth
Markey	Rosenthal	Wolpe
Mattox	Rostenkowski	Wright
Mavroules	Roybal	Wyden
McHugh	Russo	Yates
McKinney	Sabo	Yatron
Mica	Savage	Young (MO)
Mikulski	Scheuer	Zeferetti
Miller (CA)	Schneider	
Mineta	Schroeder	

NOES—209

Archer	Erdahl	Lott
Bafalis	Erlenborn	Lowery
Bailey (MO)	Evans (DE)	Luken
Bailey (PA)	Evans (GA)	Lungren
Barnard	Fenwick	Madigan
Beard	Fiedler	Marks
Benedict	Fields	Marlenee
Bennett	Findley	Marriott
Bethune	Forsythe	Martin (IL)
Bevill	Fountain	Martin (NC)
Bingham	Frenzel	Martin (NY)
Bliley	Gibbons	Matsui
Boner	Gilman	Mazzoli
Bowen	Gingrich	McClory
Breaux	Gramm	McCloskey
Brinkley	Gregg	McCollum
Broomfield	Gunderson	McCurdy
Broyhill	Hagedorn	McDade
Burgener	Hall, Sam	McDonald
Butler	Hammerschmidt	McEwen
Byron	Hansen (ID)	McGrath
Campbell	Hansen (UT)	Michel
Carman	Hartnett	Miller (OH)
Chappell	Hatcher	Minish
Chappie	Hefner	Molinari
Cheney	Hendon	Montgomery
Clausen	Hightower	Moore
Clinger	Hiler	Moorhead
Coats	Holland	Morrison
Coleman	Holt	Myers
Collins (TX)	Hopkins	Napier
Conable	Horton	Neal
Corcoran	Hubbard	Nelligan
Coughlin	Huckaby	Nichols
Courter	Hunter	O'Brien
Coyne, James	Hutto	Parris
Crane, Daniel	Hyde	Patman
Crane, Philip	Ireland	Petri
D'Amours	Jeffries	Pickle
Daniel, Dan	Jenkins	Porter
Daniel, R. W.	Johnston	Pritchard
Dannemeyer	Jones (NC)	Quillen
Daub	Jones (TN)	Railsback
Davis	Kazen	Regula
Deckard	Kindness	Rhodes
Derwinski	Kramer	Rinaldo
Dicks	Lagomarsino	Ritter
Dornan	Latta	Roberts (KS)
Dougherty	Leath	Roberts (SD)
Dreier	LeBoutillier	Robinson
Duncan	Lee	Rogers
Dyson	Lent	Rose
Edwards (AL)	Levitas	Roth
Edwards (OK)	Lewis	Roukema
Emerson	Livingston	Rousselot
Emery	Loeffler	Rudd
English	Long (MD)	Sawyer
Sensenbrenner	Solomon	Weber (OH)
Shaw	Spence	Whitehurst
Shelby	Stangeland	Whitley
Shumway	Stanton	Whittaker
Shuster	Staton	Williams (OH)
Siljander	Stenholm	Winn
Skeen	Tauke	Wolf
Skelton	Tauzin	Wortley
Smith (AL)	Taylor	Wylie
Smith (NE)	Thomas	Young (AK)
Smith (OR)	Trible	Young (FL)
Snowe	Vander Jagt	Zablocki
Snyder	Wampler	

ANSWERED "PRESENT"—1

Ginn

NOT VOTING—46

Ashbrook	Fary	Mollohan
AuCoin	Ferraro	Pashayan
Badham	Fish	Price
Beilenson	Flippo	Pursell
Biaggi	Florio	Roe
Boland	Foglietta	Santini
Bouquard	Fuqua	Schulze
Brown (OH)	Goldwater	Sharp
Carney	Grisham	Stratton
Cotter	Hillis	Stump
Craig	Hollenbeck	Walker
Dickinson	Jeffords	Washington
Dingell	Kemp	White
Dixon	LaFalce	Wilson
Dymally	Leland	
Evans (IA)	Mitchell (NY)	

□ 1430

The Clerk announced the following pairs:

On this vote:

Mr. Boland for, with Mrs. Bouquard against.

Mr. Leland for, with Mr. Mitchell of New York against.

Mr. Fary for, with Mr. Dickinson against.

Mr. Hollenbeck for, with Mr. Badham against.

Messrs. EMERSON, DUNCAN, DAUB, ROSE, LONG of Maryland, and ERLENBORN changed their votes from "aye" to "no."

Mr. CONTE, Mr. ANNUNZIO, and Mrs. HECKLER changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1445

The CHAIRMAN. Are there other amendments to title I?

If not, the Clerk will read.

The Clerk read as follows:

TITLE II—NAVY

AUTHORIZED NAVY CONSTRUCTION PROJECTS

SEC. 201. The Secretary of the Navy may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment for the following acquisition and construction:

INSIDE THE UNITED STATES

UNITED STATES MARINE CORPS

Marine Corps Logistics Base, Barstow, California, $4,700,000.

Marine Corps Base, Camp Lejeune, North Carolina, $28,650,000.

Marine Corps Base, Camp Pendleton, California, $18,550,000.

Marine Corps Air Station, Cherry Point, North Carolina, $4,850,000.

Marine Corps Air Station, El Toro, California, $12,400,000.

Marine Corps Air Station, Kaneohe Bay, Hawaii, $2,650,000.

Marine Corps Air Station, New River, North Carolina, $5,060,000.

Marine Corps Bases Pacific, Camp H. M. Smith, Oahu, Hawaii, $2,900,000.

Marine Corps Recruit Depot, Parris Island, South Carolina, $4,100,000.

Marine Corps Development and Education Command, Quantico, Virginia, $13,560,000.

Marine Corps Recruit Depot, San Diego, California, $1,300,000.

Marine Corps Air Station (Helicopter), Tustin, California, $7,600,000.

Marine Corps Air-Ground Combat Center, Twentynine Palms, California, $5,450,000.

Marine Corps Air Station, Yuma, Arizona, $3,450,000.

OFFICE OF NAVAL RESEARCH

Naval Ocean Research and Development Activity, Bay St. Louis, Mississippi, $5,900,000.

Naval Research Laboratory, Washington, District of Columbia, $6,800,000.

CHIEF OF NAVAL OPERATIONS

Naval Submarine Base, Bangor, Bremerton, Washington, $23,100,000.

Naval Submarine Support Base, Kings Bay, Kingsland, Georgia, $65,060,000.

COMMANDER IN CHIEF, UNITED STATES ATLANTIC FLEET

Naval Air Station, Brunswick, Maine, $12,800,000.

Naval Air Station, Cecil Field, Florida, $21,700,000.

Naval Station, Charleston, South Carolina, $21,660,000.

Naval Submarine Base, New London, Groton, Connecticut, $15,650,000.

Naval Submarine Support Facility, New London, Groton, Connecticut, $3,300,000.

Naval Air Station, Jacksonville, Florida, $6,380,000.

Naval Amphibious Base, Little Creek, Virginia, $27,950,000.

Naval Station, Mayport, Florida, $2,000,000.

Naval Station, Norfolk, Virginia, $46,100,000.

Naval Air Station, Oceana, Virginia, $15,560,000.

COMMANDER IN CHIEF, UNITED STATES PACIFIC FLEET

Naval Station, Adak, Alaska, $1,550,000.

Naval Air Station, Alameda, California, $4,750,000.

Naval Air Station, Barbers Point, Hawaii, $9,650,000.

Naval Air Station, Fallon, Nevada, $8,300,000.

Naval Air Station, Lemoore, California, $2,200,000.

Naval Station, Long Beach, California, $22,000,000.

Naval Air Station, Moffett Field, California, $2,000,000.

Naval Air Station, North Island, California, $13,240,000.

Naval Station, Pearl Harbor, Hawaii, $9,920,000.

Naval Submarine Base, Pearl Harbor, Hawaii, $13,350,000.

NAVAL EDUCATION AND TRAINING COMMAND

Naval Air Station, Chase Field, Texas, $2,800,000.

Fleet Combat Training Center, Atlantic, Dam Neck, Virginia, $4,600,000.

Naval Training Center, Great Lakes, Illinois, $11,800,000.

Naval Explosive Ordnance Disposal School, Indian Head, Maryland, $3,300,000.
Naval Air Station, Memphis, Millington, Tennessee, $11,000,000.
Naval Education and Training Center, Newport, Rhode Island, $1,900,000.
Naval Justice School, Newport, Rhode Island, $1,500,000.
Naval Training Center, Orlando, Florida, $6,880,000.
Naval Air Station, Pensacola, Florida, $14,100,000.
Fleet Combat Training Center, Pacific, San Diego, California, $6,800,000.
Naval Training Center, San Diego, California, $1,150,000.

BUREAU OF MEDICINE AND SURGERY

Naval Regional Medical Clinic, Annapolis, Maryland, $3,560,000.
National Naval Medical Center, Bethesda, Maryland, $1,100,000.

NAVAL MATERIAL COMMAND

Pacific Missile Range Facility, Barking Sands, Hawaii, $8,100,000.
David W. Taylor Naval Ship Research and Development Center, Bethesda, Maryland, $5,050,000.
Puget Sound Naval Shipyard, Bremerton, Washington, $157,300,000.
Charleston Naval Shipyard, Charleston, South Carolina, $7,050,000.
Naval Supply Center, Charleston, South Carolina, $4,200,000.
Naval Weapons Station, Charleston, South Carolina, $1,390,000.
Naval Air Rework Facility, Cherry Point, North Carolina, $2,800,000.
Naval Weapons Center, China Lake, California, $4,400,000.
Naval Weapons Station, Concord, California, $1,280,000.
Naval Weapons Support Center, Crane, Indiana, $3,500,000.
Naval Surface Weapons Center, Dahlgren, Virginia, $4,900,000.
Naval Construction Battalion Center, Gulfport, Mississippi, $680,000.
Naval Ordnance Station, Indian Head, Maryland, $26,100,000.
Naval Air Rework Facility, Jacksonville, Florida, $25,620,000.
Naval Undersea Warfare Engineering Station, Keyport, Washington, $8,300,000.
Portsmouth Naval Shipyard, Kittery, Maine, $2,900,000.
Naval Air Engineering Center, Lakehurst, New Jersey, $3,178,000.
Naval Underwater Systems Center Detachment, New London, Connecticut, $3,100,000.
Naval Air Rework Facility, Norfolk, Virginia, $18,650,000.
Naval Supply Center, Norfolk, Virginia, $6,200,000.
Naval Supply Center, Oakland, California, $2,420,000.
Naval Air Test Center, Patuxent River, Maryland, $3,600,000.
Naval Supply Center, Pearl Harbor, Hawaii, $520,000.
Navy Public Works Center, Pearl Harbor, Hawaii, $13,700,000.
Pearl Harbor Naval Shipyard, Pearl Harbor, Hawaii, $14,100,000.
Navy Public Works Center, Pensacola, Florida, $2,800,000.
Philadelphia Naval Shipyard, Philadelphia, Pennsylvania, $17,030,000.
Norfolk Naval Shipyard, Portsmouth, Virginia, $6,050,000.
Naval Air Rework Facility, North Island, San Diego, California, $1,150,000.
Naval Supply Center, San Diego, California, $2,350,000.
Naval Weapons Station, Seal Beach, California, $520,000.
Naval Air Propulsion Center, Trenton, New Jersey, $720,000.
Mare Island Naval Shipyard, Vallejo, California, $27,700,000.
Naval Surface Weapons Center Detachment, White Oak, Maryland, $4,450,000.

NAVAL TELECOMMUNICATIONS COMMAND

Naval Communication Area Master Station Eastern Pacific, Honolulu, Hawaii, $2,300,000.
Naval Communications Station, Stockton, California, $830,000.

NAVAL SECURITY GROUP COMMAND

Naval Security Group Activity, Adak, Alaska, $5,510,000.

OUTSIDE THE UNITED STATES

CHIEF OF NAVAL OPERATIONS

Circle Transit Station, Blenheim, New Zealand, $1,250,000.
Defense Installation, Mariana Islands, $32,000,000.

COMMANDER IN CHIEF, UNITED STATES ATLANTIC FLEET

Naval Facility, Brawdy, Wales, United Kingdom, $2,800,000.
Naval Station, Keflavik, Iceland, $2,350,000.

COMMANDER IN CHIEF, UNITED STATES PACIFIC FLEET

Naval Air Station, Cubi Point, Republic of the Philippines, $12,150,000.
Naval Support Facility, Diego Garcia, Indian Ocean, $122,750,000.
Naval Activities, Kenya, $4,000,000.
Naval Activities, Somalia, $24,000,000.
Naval Ship Repair Facility, Subic Bay, Republic of the Philippines, $580,000.
Naval Station, Subic Bay, Republic of the Philippines, $6,800,000.
Fleet Activities, Yokosuka, Japan, $1,250,000.

UNITED STATES NAVAL FORCES EUROPE

Naval Station, Rota, Spain, $4,300,000.
Naval Air Facility, Sigonella, Italy, $17,100,000.

NAVAL TELECOMMUNICATIONS COMMAND

Naval Communications Station, Nea Makri, Greece, $520,000.
Naval Communications Station, Ponce, Puerto Rico, $1,600,000.

NAVAL SECURITY GROUP COMMAND

Naval Security Group Activity, Edzell, Scotland, United Kingdom, $3,515,000.

EMERGENCY CONSTRUCTION

SEC. 202. The Secretary of the Navy may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, (4) improved production schedules, or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $20,000,000. The Secretary of the Navy, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization shall expire on October 1, 1982, or on the date of the enactment of the Military Construction Authorization Act for fiscal year 1983, whichever is later, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section before such date.

MINOR CONSTRUCTION

SEC. 203. The Secretary of the Navy is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $33,320,000.

NAVAL AIR STATION, KEY WEST, FLORIDA

SEC. 204. The Secretary of the Navy may acquire lands or interests in lands necessary to ensure unhampered air operations at the Naval Air Station, Key West, Florida, by exchange of Government-owned land of equal value to the lands or interests in lands acquired.

STEAM SUPPLY, NAVAL STATION, CHARLESTON, SOUTH CAROLINA

SEC. 205. The Secretary of the Navy may construct steam lines and all other needed facilities to tie into the waste heat recovery boilers of the Macalloy Corporation and to contract with such corporation for the supply of steam alone or steam and electricity, should such construction and purchase of steam provide better life cycle cost savings than the alternative in which the Navy would generate and supply steam to the Naval Station, Charleston through construction authorized under this Act for steam distribution lines for the Naval Station, Charleston in the amount of $16,000,000. Before entering into a contract with the Macalloy Corporation for the supply of steam alone or steam and electricity, a report on the costs associated with such contract (including capital costs, annual costs, and the life cycle costs for both parties) shall be submitted for review to the Committees on Armed Services of the Senate and House of Representatives. The Secretary of the Navy may enter into such contract with the Macalloy Corporation after thirty days have elapsed from the date of submission of such report or after both committees have indicated approval of such report. The authority of the Secretary to enter into a contract under this section is subject to the availability of appropriations for that purpose.

Mr. BRINKLEY (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. Are there any amendments to title II?

If not, the Clerk will read.

The Clerk read as follows:

TITLE III—AIR FORCE

AUTHORIZED AIR FORCE CONSTRUCTION PROJECTS

Sec. 301. The Secretary of the Air Force may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acqusition and construction:

INSIDE THE UNITED STATES

AIR FORCE LOGISTICS COMMAND

Kelly Air Force Base, Texas, $3,550,000.
McClellan Air Force Base, California, $18,830,000.
Robins Air Force Base, Georgia, $6,890,000.
Tinker Air Force Base, Oklahoma, $31,530,000.
Wright-Patterson Air Force Base, Ohio, $120,150,000.

AIR FORCE SYSTEMS COMMAND

Arnold Engineering Development Center, Tennessee, $1,690,000.
Brooks Air Force Base, Texas, $3,110,000.
Buckley Air National Guard Base, Colorado, $14,000,000.
Cape Canaveral Air Force Station, Florida, $1,810,000.
Eglin Air Force Base, Florida, $4,100,000.
Los Angeles Air Force Station, California, $2,370,000.
Patrick Air Force Base, Florida, $2,950,000.
Sunnyvale Air Force Station, California, $7,250,000.

AIR TRAINING COMMAND

Chanute Air Force Base, Illinois, $4,120,000.
Columbus Air Force Base, Mississippi, $510,000.
Keesler Air Force Base, Mississippi, $2,280,000.
Laughlin Air Force Base, Texas, $1,090,000.
Lowry Air Force Base, Colorado, $2,840,000.
Mather Air Force Base, California, $1,520,000.
Randolph Air Force Base, Texas, $3,360,000.
Reese Air Force Base, Texas, $1,140,000.
Sheppard Air Force Base, Texas, $10,745,000.
Vance Air Force Base, Oklahoma, $2,840,000.
Williams Air Force Base, Arizona, $2,600,000.

ALASKAN AIR COMMAND

Eielson Air Force Base, Alaska, $1,700,000.
Elmendorf Air Force Base, Alaska, $7,240,000.
King Salman Airport, Alaska, $8,050,000.
Various Locations, Alaska, $42,750,000.

MILITARY AIRLIFT COMMAND

Altus Air Force Base, Oklahoma, $6,653,000.
Andrews Air Force Base, Maryland, $4,940,000.
Bolling Air Force Base, District of Columbia, $1,280,000.
Charleston Air Force Base, South Carolina, $630,000.
Kirtland Air Force Base, New Mexico, $7,510,000.
Little Rock Air Force Base, Arkansas, $790,000.
McChord Air Force Base, Washington, $1,180.000.
McGuire Air Force Base, New Jersey, $2,680,000.
Norton Air Force Base, California, $9,000,000.
Pope Air Force Base, North Carolina, $5,510,000.
Scott Air Force Base, Illinois, $5,450,000
Travis Air Force Base, California, $3,790,000.

PACIFIC AIR FORCES

Hickman Air Force Base, Hawaii, $1,090,000.

STRATEGIC AIR COMMAND

Barksdale Air Force Base, Louisiana, $3,000,000.
Blytheville Air Force Base, Arkansas $20,440,000.
Carswell Air Force Base, Base, Texas, $39,810,000.
Castle Air Force Base, California, $2,000,000.
Dyess Air Force Base, Texas, $1,420,000.
Ellsworth Air Force Base, South Dakota, $36,880,000.
Francis E. Warren Air Force Base, Wyoming, $720,000.
Fairchild Air Force Base, Washington, $25,800,000.
Grand Forks Air Force Base, North Dakota, $1,420,000.
Griffiss Air Force Base, New York $8,390,000.
Grissom Air Force Base, Indiana, $4,070,000.
K. I. Sawyer Air Force Base, Michigan, $4,370,000.
Loring Air Force Base, Maine, $6,140,000.
March Air Force Base, California, $1,705,000.
McConnell Air Force Base, Kansas, $1,090,000.
Minot Air Force Base, North Dakota, $7,406,000.
Offutt Air Force Base, Nebraska, $4,060,000.
Pease Air Force Base, New Hampshire, $4,920,000.
Peterson Air Force Base, Colorado, $4,260,000.
Plattsburgh Air Force Base, New York, $890,000.
Rickenbacker Air Force Base, Indiana, $540,000.
Vandenberg Air Force Base, California, $9,000,000.
Whiteman Air Force Base, Missouri, $1,090,000.
Wurtsmith Air Force Base, Michigan, $2,270,000.

TACTICAL AIR COMMAND

Bergstrom Air Force Base, Texas, $2,580,000.
Cannon Air Force Base, New Mexico, $2,700,000.
Davis-Monthan Air Force Base, Arizona, $12,460,000.
England Air Force Base, Louisiana, $2,170,000.
George Air Force Base, California, $2,460,000.
Holloman Air Force Base, New Mexico, $7,480,000.
Homestead Air Force Base, Florida, $2,480,000.
Hurlburt Field, Florida, $510,000.
Langley Air Force Base, Virginia, $10,220,000.
Luke Air Force Base, Arizona, $520,000.
MacDill Air Force Base, Florida, $7,960,000.
Moody Air Force Base, Georgia, $650,000.
Mountain Home Air Force Base, Idaho, $3,410,000.
Myrtle Beach Air Force Base, South Carolina, $630,000.
Nellis Air Force Base, Nevada, $6,870,000.
Seymour-Johnson Air Force Base, North Carolina, $1,420,000.
Tyndall Air Force Base, Florida, $510,000.

UNITED STATES AIR FORCE ACADEMY

United States Air Force Academy, Colorado, $510,000.

MX MISSILE SYSTEM

Various Locations, $356,500,000.

OUTSIDE THE UNITED STATES

MILITARY AIRLIFT COMMAND

Rhein-Main Air Base, Germany, $1,500,000.

PACIFIC AIR FORCES

Clark Air Base, Republic of the Philippines, $9,330,000.
Diego Garcia Air Base, Indian Ocean, $114,990,000.
Hampyong Communication Station, Korea, $1,540,000.
Hunghae Communication Station, Korea, $1,500,000.
Kadena Air Base, Japan, $17,490,000.
Kunsan Air Base, Korea, $12,380,000.
Kwang-Ju Air Base, Korea, $6,650,000.
Osan Air Base, Korea, $26,720,000.
Various Locations, $1,250,000.

STRATEGIC AIR COMMAND

Thule Air Base, Greenland, $1,600,000.

UNITED STATES AIR FORCES IN EUROPE

Egypt, Various Locations, $44,400,000.
Germany, Various Locations, $16,780,000.
San Vito Air Station, Italy, $1,540,000.
Camp New Amsterdam, Netherlands, $4,860,000.
Hellenikon, Greece, $800,000.
Oman, Various Locations, $78,480,000.
Spain, Various Locations, $5,390,000.
Incirlik Air Base, Turkey, $1,160,000.
Turkey, Various Locations, $4,000,000.
United Kingdom, Various Locations, $26,190,000.
Various Locations, $121,424,000.

EMERGENCY CONSTRUCTION

Sec. 302. The Secretary of the Air Force may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, (4) improved production schedules, or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $20,000,000. The Secretary of the Air Force, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization shall expire on October 1, 1982, or on the date of the enactment of the Military Construction Authorization Act of fiscal year 1983, whichever is later, except for those public works projects concerning which the Com-

mittees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section before such date.

MINOR CONSTRUCTION

SEC. 303. The Secretary of the Air Force is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $28,680,000.

DEFICIENCY AUTHORIZATIONS FOR PRIOR YEAR PROJECTS

SEC. 304. (a) Section 602(3) of the Military Construction Authorization Act, 1977 (Public Law 94-431; 90 Stat. 1361) is amended to read as follows:

"(3) for title III: inside the United States $744,759,000; outside the United States $56,650,000; for a total of $801,409,000.".

(b) Section 602(3) of the Military Construction Authorization Act, 1979 (Public Law 95-356; 92 Stat. 580), as amended, is amended to read as follows:

"(3) for title III: inside the United States $505,786,000; outside the United States $68,963,000; minor construction $30,721,000; for a total of $605,470,000.".

(c) Section 602(3) of the Military Construction Authorization Act, 1980 (Public Law 96-125; 93 Stat. 942), is amended to read as follows:

"(3) for title III: inside the United States $448,380,000; outside the United States $87,620,000; minor construction $29,310,000; for a total of $565,310,000.".

(d) Section 602(3) of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1768), is amended to read as follows:

"(3) for title III: inside the United States $567,327,000; outside the United States $146,537,000; minor construction $25,420,000; for a total of $739,284,000.".

MX MISSILE SYSTEM BASING MODE

SEC. 305. No funds appropriated pursuant to the authorization of appropriations for the MX missile system in section 301 may be obligated or expended with respect to a basing mode for the MX missile other than the multiple protective structure (MPS) basing mode unless—

(1) the President determines, and certifies to the Congress, that it is in the national interest of the United States to develop a basing mode for the MX missile system other than a Multiple Protective Structure (MPS) basing mode; and

(2) the Congress, before the end of the sixty-day period beginning on the date of the receipt of such certification, adopts a concurrent resolution stating in substance that it approves the development of the alternative basing mode selected by the President.

Mr. BRINKLEY (during the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BRINKLEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentleman from Georgia (Mr. GINN).

Mr. GINN. Mr. Chairman, I thank the gentleman for yielding so the gentleman and I might have a brief colloquy.

Mr. Chairman, I would like to clarify the action taken in the supplemental relating to the design of facilities for the MX missile system. The fiscal year 1981 Appropriations bill approved last fall included $97 million for planning and design for a land-based multiple protective structure basing mode for the MX missile system. Since that time President Reagan and Secretary of Defense Weinberger have appointed a panel to review the basing mode for the system. This panel is to submit its decision by July 1, and the President's recommendation is to follow.

The conference report that has just passed the House defers any further obligation of planning and design funds until the President has certified his decision on the system. Both the House and Senate felt that since a decision on the system is to be reached shortly, further design contracts should be withheld until a firm decision has been reached.

I want to point out that it is our assumption that the President's decision will be made in July and that the funds could be released at that time. The authorization bill before us today relates to construction and not planning and design. This construction funding would not be available until after October 1 of this year, well after the anticipated decision on the program. A short delay in the obligation of planning and design funds until the President has reached a decision will not significantly effect the overall program development. However, a delay in construction authorization could have a substantial effect on delaying the initial operational capacity of the system.

Mr. BRINKLEY. Mr. GINN, do you feel that the action taken on the MX planning and design funds mandates any subsequent action on construction funding?

Mr. GINN. I do not. I believe the two issues are separate. The release of planning and design funds is a fiscal year 1981 problem that should be solved within the next 60 days. Construction funding is a fiscal year 1982 issue. The authorization bill has sufficient requirements to enable further review of the problem if this should be necessary. Additionally, at this time we are planning to delay marking up the military construction appropriations until decisions have been transmitted on the MX issue.

Mr. BRINKLEY. Do you feel that the authorization provisions in this bill will provide Congress with a sufficient flexibility?

Mr. GINN. The current authorization for the MX construction will allow enough flexibility so that we may follow with specific appropriation funding. In this way we will have an authorization in place when we are ready to move with the appropriations. This will place the Congress in the position of being able to move on a timely basis.

I thank the gentleman for discussing this with me.

Mr. BRINKLEY. I thank the gentleman.

AMENDMENT OFFERED BY MR. SIMON

Mr. SIMON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SIMON: Page 27, strike out lines 10 through 25 and insert in lieu thereof the following:

MX MISSILE SYSTEM

SEC. 305. No funds appropriated pursuant to the authorization for the MX missile system in section 301 may be obligated or expended with respect to a basing mode for the MX missile until—

(1) the President selects a specific basing mode for the MX missile system and transmits to the Congress in writing a description of the basing mode selected;

(2) the Secretary of Defense submits to the Committees on Armed Services of the Senate and House of Representatives a report in writing (A) justifying the selection of the President referred to in paragraph (1), and (B) containing a comparison and evaluation of alternative basing modes to the basing mode selected by the President; and

(3) a period of 60 days has elapsed after the certification under paragraph (1) has been received by the Congress and during which both Houses of Congress have not adopted resolutions of their respective Houses expressing disapproval of the development of the basing mode selected by the President.

Mr. SIMON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SIMON. Mr. Chairman I want to make clear I have the greatest respect for my colleague, the gentleman from Georgia (Mr. BRINKLEY), who is the chairman of this subcommittee. The gentleman is one of the really fine gentlemen of the House.

The amendment which I offer is identical to the amendment offered in the Senate by the chairman of the Senate Armed Services Committee, Senator JOHN TOWER. It is an amendment which simply says, "Let us wait until the President's Commission reports and then give Congress 60 days in which to react." That is not an unreasonable request for an expenditure that will be the second largest expenditure in the history of humanity on any single project, second only to the Interstate Highway System.

It is offered because there are serious questions not only from an economic viewpoint but from a military viewpoint about where we are going with this mobile basing mode.

I point out to my colleagues in the House not only do we have two former chairmen of the Joint Chiefs of Staff—Admiral Moore and Gen. Maxwell Taylor—who are critical of this particular basing mode, we recently had the former Director of the CIA, Admiral Turner; we have a former Secretary of Defense, Melvin Laird, and let me point out that during the last campaign—and I call this particularly to the attention of my colleagues on this side of the House—on at least five occasions the Republican Presidential candidate, Ronald Reagan, came out in opposition to the mobile basing mode. The time probably all of us saw him express that opposition was in his debate with John Anderson on national television, but it was not just during the campaign.

Let me quote from an interview with President Reagan on March 29 in the Washington Post:

> I do not believe in the basing mode that has been suggested so far. It is so elaborate, so costly, and I am not sure that it is necessary or would be effective. It does not make much sense to me.

I hope we listen to what the President had to say and let us be prudent.

My colleague, the gentleman from Georgia (Mr. BRINKLEY), had a dialog with my other colleague, the gentleman from Georgia (Mr. GINN), in which they point out that the conference committee has suggested that we hold up until the President's commission acts, and by implication they were saying this amendment, therefore, is not necessary.

Just assuming everything they say is accurate, then no harm can come from this amendment, but if that commission does not report on time, if there are delays, then the American people have some additional protection.

Mr. DASCHLE. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to my colleague, the gentleman from South Dakota.

Mr. DASCHLE. Mr. Chairman, I rise in support of the Simon amendment which would prohibit the authorization of funds for the MX/MPS basing mode until Congress has had an opportunity to review the President's recommendation on MX basing. I reiterate the point made by the gentleman from Illinois that the Senate has already approved identical language in their fiscal year 1982 defense authorization bill.

It is only reasonable to defer MX basing funding while the Department of Defense (DOD) is in the midst of reviewing MX basing. I for one, have had grave doubts about the MPS basing mode for some time. The MPS system was devised by the Carter administration to meet the growing vulnerability of our Minuteman silos and still be compatible with the then-pending SALT II Treaty.

Now that SALT II has effectively been scuttled, the virtue of this basing proposal must be reexamined in light of the fact that no limits on Soviet launchers or warheads will be in effect. I am thus pleased that the President and Secretary of Defense have agreed to reevaluate MX basing.

Several esteemed organizations have found serious deficiencies with the MPS basing mode. The Office of Technology Assessment (OTA) for one found that the MPS system is one of the least survivable options for MX basing. This finding was echoed by the Congressional Budget Office (CBO) which added that if the Soviet Union sought to match construction of a warhead for each shelter we build, the potential cost of the MPS basing mode could escalate to $108 billion.

I also must question the likelihood that this system could be completed on schedule by 1986. Secretary of Defense Weinberger himself acknowledged that construction of the MPS could be blocked almost indefinitely in the courts. Growing political and even religious opposition in the States affected (Nevada, Utah) cannot be ignored either as natives in these States learn of the potential environmental and ecological fallout of what has been called the "largest public works project in American history."

I think it is also important to acknowledge, Mr. Chairman, the fact that the water needs for construction of the MX/MPS will be 30,000 acre feet of water per day. This is the equivalent of over one-half of the flow of Missouri River water through the State of South Dakota each day. I fail to see how in the arid regions of the Western United States, the Air Force can come up with this much water without causing severe groundwater problems for the rest of the region.

There is an alternative, however. The alternative is less costly, less environmentally destructive, more survivable, and would likely divert the targetting of a significant number of Soviet missiles from land to the sea. The alternative is the small undersea mobile submarine missile basing system, or SUM (a.k.a. the Shallow Underwater Missile system). Initial construction costs of SUM would be approximately $10 billion less than the MPS. It has been determined to be more survivable by the (OTA), and is equally as capable of delivering the MX. Another important feature of SUM is the fact that survivable megatonnage will be gained with the deployment of each submarine, whereas MX deployment in the MPS system will only achieve survivable megatonnage with the completion of the entire system, which is even then questionable. I plan to soon contact the Secretary and the President to urge adoption of this alternative basing mode.

Mr. Chairman, it grieves me to think that we must invest $50 billion or more in the construction and deployment of the most devastating nuclear weapon this country has ever devised. Unfortunately, MX missile construction must go on. The Soviet Union may now be capable of destroying 90 percent of our land based ICBM missiles. This is a threat that cannot be ignored. It is a threat that must be met and a threat that must be overcome. Construction of a viable basing option is most necessary, and I believe that the SUM system is our best option. But until a final decision on MX basing is reached, it is wasteful and extravagent to invest millions of dollars in a white elephant which may soon be only a memory. I am confident that the President will decide on another form of basing. On an issue of this importance and magnitude, the Congress must be provided an opportunity to review the President's decision. Our constituents as well as our consciences deserve no less.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to my colleague, the gentleman from Iowa.

Mr. BEDELL. Mr. Chairman, I thank the gentleman for yielding.

I also rise in strong support of the gentleman's amendment. My only criticism of the amendment would be that it does not go far enough. The gentleman from Iowa has had a resolution in for some time that would say that we would not proceed with the MX missile system until such time as we had again started negotiating our SALT agreements.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. SIMON) has expired.

(On request of Mr. BEDELL and by unanimous consent, Mr. SIMON was allowed to proceed for 3 additional minutes.)

Mr. BEDELL. If the gentleman will yield further, we should realize without a SALT agreement the Soviet Union can simply increase the number of bombs that they put on each missile. They just happen to have larger missiles than we do. If they wish to put as many as 30 per missile, they would do it as they MIRV their missiles. So without SALT, instead of simply needing 4,600 shelters in order to provide us with that capability, that could be increased to 6,000 or even higher as they do so.

So I support the gentleman's amendment. It certainly is a step in the right direction, but I hope we would realize, as we look at this problem, that just in yesterday's paper they talked about the efforts to use laser beams and the experiments at this time to destroy incoming missiles with lasers. I ask: Does it really make sense to spend this kind of money going forward at a time

when it appears there will be those other opportunities, and at a time when we have such a tremendous amount of nuclear deterrent in our other modes, including our submarines, our bombers, and the other methods available?

Mr. SIMON. I thank my colleague from Iowa.

Let me make four points very quickly.

First. I simply want to underscore what the gentleman from Iowa says: Without SALT II, this thing is useless. There is no cap on the number of missiles that the Soviets can have.

Second. Without getting into classified information, there is a serious question by the time this gets finished in 1989 whether the Soviets will have the ability to see which hole we have this particular missile in.

Next, we are talking about scattering 30 percent of our missiles, which are land-based. The Soviets have 70 percent of their missiles land-based. If they follow suit—and we have to assume they will—they end up with greater protection on their missiles than we do.

Finally, I would make this last point, and that is this: We are talking for the first time about a major defense expenditure where fundamentally there are no secrets about the process.

If tomorrow we start construction and the day after the Soviets start construction, who do you think is going to have their system built first? We are going to have environmental lawsuits and all kinds of other things. Do you think there are going to be any environmental lawsuits filed in the Soviet Union?

You know the answer to that. If we start tomorrow and they start the next day, they end up with their system built before ours, and we end up not winning but losing in every respect.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. SIMON) has expired.

(By unanimous consent, Mr. SIMON was allowed to proceed for 1 additional minute.)

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Mr. SIMON. I finally urge you to remember what is at question is not the missile itself, it is simply do we wait until the President's commission reports and we have a chance to look at that report before we enter the most costly project this Congress will ever be involved in.

I urge prudence on the part of the House.

Mr. LUJAN. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. Chairman, although I support most of the areas of needed military construction in this bill, I must speak in opposition to it.

Included in this bill, Mr. Chairman, is an appropriation of over $350 million for the initial construction of MX multiple protective structures. This appropriation assumes a land-basing mode for the MX system. Along with the rest of the Members of Congress, I have been told by the Defense Department that they are still studying the basing mode to be adopted.

I have serious questions of placing our strategic retaliatory system in the heartland of our country and thereby invite an attack on the United States mainland.

Adequate environmental impact studies have not been made for this monumental construction in the fragile Western environment. No studies have been made on the environmental and human impact following any attack upon a U.S.-based MX system.

I am of the opinion that it would be environmental insanity. At a time when we are trying to balance the needs of energy extraction with wilderness protection, I cannot, Mr. Chairman, in good faith compare the need for barracks and bridges in this bill, with the need to oppose the land-basing concept of the MX system.

Mr. SEIBERLING. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. Chairman, my colleagues who were in the Congress last year will recall that I raised a few eyebrows when I opposed the amendment to knock out the MX offered by the gentleman from California (Mr. DELLUMS) because, I am known as somewhat of a dove on military spending issues.

The subcommittee I chair, the Subcommittee on Public Lands of the Committee on Interior and Insular Affairs, will have to approve any legislation withdrawing lands for siting this missile system, if that is the route that we go. Of course, we are talking about thousands and thousands of acres of public land in the States of Nevada and Utah under the present program.

In recognition of that fact, starting early last year, my subcommittee held several days of public hearings and two classified secret briefings, and spent a great deal of time in discussing this proposed weapons system, including the military justification for this system, with various experts. As a result of that, I became convinced of two things: First that a strong case exists for developing the MX or some invulnerable missile to solve the problem caused by the development of missiles by the Russians that are sufficiently accurate to knock out our Minuteman ICBM in its silos. I also became convinced that the MX-MPS basing system had not been adequately thought through, that it was going to be incredibly costly, maybe very vulnerable militarily and that further study of possible alternatives is essential.

I spoke personally about this to President Carter, and told him of the results of some of the testimony and the private classified information we received from various experts, and suggested that a new study be made by the administration.

As a result of that, the White House asked the Defense Department to take another look at the small submarine, or SUM, basing mode. Well, we know what is going to happen if the Defense Department itself reexamines a decision it had already made. They came up with a report pooh-poohing the SUM approach and saying that they saw no reason to change the existing plan.

So far this year my subcommittee has held several more days of hearings on this subject and 2 more days of classified briefings. Ten days ago I was out in Nevada, went around and talked to some of the people in the small towns and the ranchers who would be affected by this, flew around with the Air Force, visited some of the sites for deployment of this system. In addition, this year we got the Library of Congress to set up an all-day seminar with naval officers and other experts testifying as to possible alternative basing modes. We also had a briefing by the Office of Technology Assessment on their study which is due out in a couple of weeks evaluating MX/MPS and alternative basing modes.

Shortly after he became Secretary of Defense I talked with Secretary Weinberger. I told him that I felt if he wanted to carry out most effectively President Reagan's directive he should appoint an outside body of experts. I cited the experience we had when the Defense Department did its own restudy. Subsequent to that, I was gratified to see he did appoint the Townes Commission, which is due to make its report sometime around the end of June.

Now, I suggest to my colleagues that this is an extremely serious matter, not only because we are talking about spending at least $50 billion, and if there is no SALT II treaty or the equivalent, $100 billion, or even more, on this system. We are also talking about a system that many experts say is going to be vulnerable from the word "go," that even by the Air Force's own admission will not address the Russian missile threat until almost the complete deployment of the 4,600 shelters and 200 missiles in 1989 and even that is assuming that there is a SALT II ceiling on the total number of warheads that either side may possess. If there is no SALT ceiling, then we may find ourselves with a system that will never do the job that this is supposed to do.

So I think it is a very grave mistake for the Committee on Armed Services to come in here with a bill which in effect stacks the deck and says that we cannot change this basing mode unless there is affirmative action by both Houses of Congress in a concurrent resolution—which of course would have to be reported out of the two committees in the House and Senate.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. SEIBERLING) has expired.

(By unanimous consent, Mr. SEIBERLING was allowed to proceed for 5 additional minutes.)

Mr. SEIBERLING. Mr. Chairman, I suggest that it would be a serious mistake for us, on a matter of this gravity, before the Office of Technology Assessment has reported, before the Townes Commission has reported, before the President of the United States has made a recommendation, to stack the deck so that it will require reporting out a new resolution by both Committees on Armed Services and action by both Houses of Congress if we desire to adopt a different approach in the light of those subsequent events.

Mr. LUNDINE. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from New York.

Mr. LUNDINE. Mr. Chairman, I thank the gentleman for yielding.

I want to associate myself with the gentleman's remarks in support of the amendment of the gentleman from Illinois.

In my judgment, this is one of the most dangerous decisions the United States could possibly embark on. It is not only premature, it is one of the most dangerous kinds of tacks we could take. It is not cost effective and it just does not make any sense.

As one comic recently said, if we want to put our missiles on a railroad and have them be able to be disguised so the Russians would never know where they are, we should put them on Conrail because they can lose boxcars anywhere in America and they could do probably a good job of disguising their whereabouts from the Russians.

Mr. Chairman, I urge strong support for the amendment of my colleague, PAUL SIMON, to prohibit the funds in this bill from being obligated or expended for any MX basing mode until the President has submitted his decision on this matter to the Congress along with a report from the Secretary of Defense justifying his decision, and until Congress has then had a 60-day period to review this matter, and if desirable, disapprove of the President's deployment decision by concurrent resolution.

Because of the concerns the President has over this matter, he has appointed a special panel to review the proposed multiple protective structure basing mode for the MX. The report from this panel is scheduled to be made to the President in July, with a policy directive from the President due shortly thereafter. We should not move forward with a commitment of $356 million before this review has been completed and the recommendations thoroughly debated by the Congress.

More fundamentally, I have consistently opposed deployment of the MX missile system for several reasons. First, I believe the system can neither address the perceived and questionable vulnerability of our strategic nuclear force, nor help control the arms race.

As currently conceived, the MX missile system would consist of 200, 10-warhead intercontinental ballistic missiles, each about two times the size of the present land-based ICBM's and with a great deal more accuracy. The basing system for these missiles proposed in this bill, the multiple protective structure, would utilize 4,600 horizontal missile shelters, spaced about 1 mile apart in a network of roadways to hide the missiles. The missiles would be concealed from the Soviet Union by shuffling them from shelter to shelter using transport vehicles. Utilization of the vast majority of the States of Utah and Nevada would be required to implement the system.

The dedication of this large land area in our now productive Western States is justified by advocates of the MX missile system as necessary to eliminate the vulnerability of our land-based ICBM's. The vulnerability of our ICBM's and our strategic nuclear force is a myth. In order to examine this issue carefully, one has to consider the case for vulnerability which could theoretically be established on paper versus an honest assessment of operational vulnerability. A careful analysis will show that neither the United States or Soviet system can be assured of total accuracy in a nuclear exchange, or of any assurances that the benefits of such an encounter outweigh the grave risk and consequences of nuclear confrontation.

Moreover, the U.S. strategic nuclear force does not rest on the viability of our land-based ICBM's alone. For good reasons, our strategic nuclear force is based on a "triad" consisting of the land-based ICBM's, and air bomber force, and a sea-based nuclear force. Even if the Soviets were to successfully undertake a nuclear strike against our land-based ICBM's, our sea-based and bomber nuclear force would provide adequate retaliatory capability.

I am also concerned that the MX system, if deployed, will escalate the arms race between the United States and Soviet Union. Such a land-based MX system is likely to force the Soviets to target the U.S. land mass in Nevada and Utah currently planned for deployment. If this does occur, the only recourse the United States will have is consideration of development of an antiballistic missile system to then protect our "vulnerable" MX missile system. And so the arms race will go on and on.

Second, the costs of deployment of this missile system are prohibitive. In a tight budgetary climate, we cannot afford to throw billions and billions of dollars at a major commitment of questionable value. The first estimate of the cost of the MX system by the Air Force in 1978 was $33.5 billion. Estimates in 1982 by the Congressional Budget Office have grown to $121 billion. Taxpayers, dollars, and indeed, our defense dollars, can be spent much more wisely.

Third, the favored basing mode for the MX, the multiple protective structure, will have serious and irreversible impacts on the land on which it is based. It will affect approximately 48,000 square miles and require a huge influx of about 85,000 people during construction. Large amounts of water will be needed to support the system, thereby drawing precious water supply from Western ranchers and Indians. This boom-bust activity, combined with restricted use of land and water resources will handicap the productivity of our Western States.

For all these reasons, I urge your opposition to the MX missile and basing system. This attempt to bolster our national security will not work. In fact, it can only lead to escalated tensions between the Soviet Union and United States and result in a need for us to devote a yet larger amount of our national resources to an unwinable nuclear arms race. This, ironically enough, will weaken our ability to strengthen our economic position in the world and contribute to a weakened U.S. position to deal with both domestic and international problems. I urge your support for the Simon amendment.

Mr. SEIBERLING. I think the gentleman's comment about Conrail, while it was meant to be facetious, is not very far off.

Let me just tell you about some of the possible alternatives and some of the vulnerabilities of this system.

If the military are correct, and if some of the scientists are correct in terms of the timing, then by the end of this year the Russians will have the capability of knocking out our Minuteman missiles in their silos by a first strike. Obviously nothing we do is going to remedy that deficiency immediately unless we adopt some very dangerous policies, such as a launch-on-warning policy.

Now what are the alternatives to this MX so-called racetrack or dragstrip deployment system? Well, one of

the alternatives is to adopt the kind of policy I referred to, and that may be necessary in the short run.

Another one is, instead of placing the MX on land at all, to place it in a fleet of small submarines that would cruise off of our coast at depths of about 200 feet and about 200 miles off the coast, and have a system which the scientists say is technologically feasible using existing technology so that those can be launched from the submarines and guided the minute they pop up out of the surface.

Let me tell my colleagues something that may surprise them. Admiral Moorer, former Chairman of the Joint Chiefs of Staff and hardly a dove, testified in the Library of Congress seminar this spring that never in the history of the United States have we adopted a strategy that would make the continental United States the target for a major attack. Admiral Moorer pointed out that in two world wars the United States managed to keep the fighting away from our homeland.

Yet the MX-MPS basing mode would use the States of Nevada and Utah as a sponge to soak up an enemy first strike. In such event, by the Air Force's own calculations, tens of thousands and indeed millions of Americans would be wiped out, even if there was an attack on only those missiles.

There is a very basic question of strategy here. The submarine approach is one that would get away from the problems associated with using our land base as a target. The submarine approach would also be much less vulnerable to enemy attack.

Another alternative would deploy the MX missiles in silos in the existing Minuteman fields and perhaps even putting an ABM shield over those bases which we are authorized to do by the ABM treaty.

A third alternative similar to the one described facetiously by the gentleman from New York (Mr. LUNDINE) is to have small missiles, perhaps Minuteman size or even smaller, in ordinary truck trailers around the country, concealed as cargo and able to be set up at any point and fired. This would be a far less costly and completely invulnerable system.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. SEIBERLING) has again expired.

(By unanimous consent, Mr. SEIBERLING was allowed to proceed for 2 additional minutes.)

Mr. SEIBERLING. Now I could go on and outline some of the additional alternatives that are under consideration. But my point is this. Not only are some of these alternatives better from a military standpoint, not only are they cheaper from a cost standpoint, but they need to be considered and they are being considered by the administration in the Townes Commission.

I suggest that my subcommittee in the last 1½ years has held more hearings and gone into this subject in more depth than all of the other committees of the Congress put together. So I speak from an informed position.

I also suggest that it would be a serious mistake—I reiterate that it would be a serious mistake—for us to stack the deck at this time in favor of the MPS basing system, when all these studies are just about to come to a head.

I commend the gentleman from Illinois (Mr. SIMON) for giving us the opportunity to climb down off this limb before it is too late.

Mr. BRINKLEY. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, this issue represents at least a possibility of a headstart versus no headstart in an important cog in the defense mechanism for this country.

Mr. Chairman, the committee's section 305 accomplishes essentially the same purpose. It freezes the obligation of funds for any new MX basing mode until the President has made a decision. Furthermore, the authorization will not be available until October 1, the start of the new fiscal year. By that time, the Townes panel should have completed its review and the President will have made a decision.

The important difference between the committee language and the pending amendment is that work may proceed on the MPS basing mode if that is the decision of the President. The amendment has the practical effect of delaying work on any basing mode until the prescribed conditions are met. Such delay could mean that the congressionally mandated initial operating capability (IOC) of 1986 for the MX would not be met. I do not believe that we want to run the risk of delaying any further the opportunity of putting our strategic house in order.

It should be noted that the Congress is on record in support of MX-MPS basing system. Furthermore, the administration has not submitted anything officially or unofficially indicating that there has been any change in the basing mode. If there is a change, the committee language provides for Congress active participation in that decision.

Section 305 in the military construction authorization bill is consistent with the language in the defense authorization bill that the House will soon consider. If the pending amendment is adopted, then the carefully tailored work on both bills by the House Armed Services Committee will be overturned. Given the time and effort devoted to these bills on this important issue, I do not believe that we should try to rewrite or mark up such a complex and sensitive issue on the House floor and effectively dictate the requirement to adopt a similar amendment to the defense authorization bill.

The pending amendment is similar to language in the Senate-passed defense authorization bill. The Senate version of the military construction authorization bill will, in all likelihood, contain similar language. Therefore, the matter will be an issue for conference on both bills.

I strongly believe that we can resolve any differences in conference and should be permitted to do so. Therefore, I ask my colleagues to stand by their Armed Services Committee and vote down the amendment.

□ 1515

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. BRINKLEY. Yes.

Mr. SEIBERLING. As I understand the language of the bill before us, it requires two things to happen to change the basing mode. One is the determination and certification by the President, which certainly is in order; and second, that the Congress before the end of 60 days adopt a concurrent resolution stating that it approves the development of the alternative basing mode.

Mr. BRINKLEY. Yes.

Mr. SEIBERLING. Now, is there provision in the bill that any Member of the House could bring such a resolution to the floor, or would it have to go through the Armed Services Committee?

Mr. BRINKLEY. One might think that it would go through the Armed Services Committee, although I would think that any Member could initiate it.

Mr. SEIBERLING. Well, the burden then becomes a burden on those, including the administration, who would upset this basing decision, and yet it is not really necessary to make that decision now because it will be about 3 years before the MX is even ready to start being deployed. I do not think that the gentleman from Georgia would knowingly participate in an effort to stack the deck, but I suggest that if this idea originated from the Pentagon, it is an effort by the Air Force to try to lock us in before we have even received the report of the Townes Commission.

Mr. BRINKLEY. I would like to reassure the gentleman, because it really was not a mandate or an initiative of the Department of Defense. It came from our full Armed Services Committee under the leadership of Chairman MELVIN PRICE, who as we all know is certainly middle of the road and gives a great deal of care to these things.

Mr. SEIBERLING. I know the gentleman himself always does a careful and responsible job, and I would merely suggest that maybe the full

amount of reflection had not taken place on some of the implications of adopting this particular provision.

Mr. BRINKLEY. I want to commend the gentleman for supporting the Simon amendment, because if the decision should be made by the administration by August 1, no harm would be done and there would be no reference in my statement to a head start, but should there be delay at any point and the decision not made by August 1, then we would have a start over of some of the things we have already got behind us. I think my statement further assures the gentleman.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

(At the request of Mr. SEIBERLING and by unanimous consent, Mr. BRINKLEY was allowed to proceed for 2 additional minutes.)

Mr. SEIBERLING. If the gentleman will yield further, the last year when this came up in the authorizing legislation I asked Chairman PRICE two things. I said:

Is it the intent of the language approving this system to waive the environmental impact statement or in effect, to authorize the withdrawal of the lands?

He assured me that it did not do either of those two things. Since that time the draft environmental impact statement has been issued, and my subcommittee had a day of hearings on that. The draft was full of glaring deficiencies which most of the people involved conceded were the case. Of course we have not seen the final environmental impact statement, so that is one of the unknowns, another one of the unknowns.

The other aspect on which he assured me was that this did not mean we would not be able to go to a different approach, and that we would be able to consider withdrawal of the land in question as a separate issue. I assume that the committee recognizes that that is still the state of affairs. However, if we now approve this as is and say that no other basing system will be considered, we are almost making it impossible, without additional legislation, to take another look at this.

Mr. BRINKLEY. Not quite. Let me respond quickly. The funds for the land acquisition, $9.5 million, were deleted by the subcommittee and therefore I think that serves as reassurance to the gentleman.

Also the environmental considerations to which the gentleman refers might be perceived to be a dilatory tactic on the part of those who do oppose the MX.

Mr. SEIBERLING. I would simply say that it is very important that we have an adequate environmental impact statement so that they cannot use its deficiencies as a means of dilatory tactics. I want to see a good environmental impact statement.

Mr. BRINKLEY. We all do.

Mr. HUTTO. Mr. Chairman, I move to strike the requisite number of words, and I rise to speak against the amendment.

Mr. Chairman, it is with some reluctance that I rise to speak against the amendment offered by my good friend from Illinois (Mr. SIMON) and supported by my friend, the gentleman from Ohio, but I am deeply concerned with the possibility of any delay in the MX program. The Congress has previously mandated full-scale engineering development on the MX missile to provide this country with a survivable land-based leg of the Triad.

We have also mandated an initial operating capability—IOC—of 1986.

We cannot engage in a stop-start process without raising cost, delaying completion, and further exposing our Nation to the gravest of threats.

This amendment contains in it the potential for delay with the 60-day period for congressional review. Should the President not make this decision by August 1, and an automatic 60-day period ensues, the construction process dependent upon the authority of this measure must be delayed, and that delay has serious ripple effects for the entire program.

Mr. Chairman, I urge my colleagues to vote against this amendment and support the committee's language. The Department of Defense opposes this amendment and is seriously concerned with the ultimate strategic implications of delaying the program.

Since the military construction portion of the MX program is a tightly integrated unit of full-scale engineering development activity, delay in initiating construction contracts will have a direct effect on engineering, forcing the Air Force to restructure the R. & D. program to accomodate anticipated delays in construction. With planned obligations for R. & D. in fiscal year 1982 averaging over $200 million per month, the Air Force would have no choice but to alter, defer, or terminate existing engineering contracts so as not to waste money or destroy program integration.

So I say, in order to avoid this waste of money, vote against the amendment offered.

Mr. SIMON. Mr. Chairman, will my colleague yield?

Mr. HUTTO. I yield to the gentleman from Illinois.

Mr. SIMON. I thank the gentleman, who had the good judgment to marry a girl from southern Illinois, which shows uncommon good judgment. He mentioned the delay, the cost, and these other things. Is the gentleman aware that this amendment is identical to the amendment agreed to in the Senate, offered by the chairman of the Senate Armed Services Committee?

Mr. HUTTO. No; I am not. I am merely going on the testimony we had before our committee on the facts that we had, which I believe to be correct and in the best interests of the country for having the third leg of the Triad.

Mr. SIMON. I would just assure the gentleman from Florida that this is identical to the amendment tossed in by Senator TOWER over in the Senate, and I would hope my colleagues would keep that in mind as we weigh this matter.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. HUTTO. I would be glad to yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Chairman, I thank the gentleman for yielding. I would ask the gentleman—the gentleman indicated that the Defense Department supports the land-based mode.

Mr. HUTTO. They support what is in the military construction bill. The decision on the basing, as the gentleman knows, is to be made by the President within the next few months.

Mr. EDGAR. I appreciate the gentleman clarifying that subject. Caspar Weinberger, as a Defense Secretary-designate on January 15, in a story in the New York Times, reported that in regard to the MX missile mode, "I like the idea of going to sea if you can do it."

There are a number of illustrations where people within the administration have questioned whether or not the land-based mode is the appropriate mode at this time. I think, as the gentleman from Illinois has suggested, this language is not language that was just dreamed up on the spur of the moment. It is language that has been supported on the Senate side by some prominent Senators who could not be labeled as doves, but in fact are very interested in the strongest possible national defense, so I think the gentleman should, in fact, support the amendment of the gentleman from Illinois.

Mr. HUTTO. I understand what the gentleman is saying.

The CHAIRMAN. The time of the gentleman from Florida has expired.

(At the request of Mr. EDGAR and by unanimous consent, Mr. HUTTO was allowed to proceed for 2 additional minutes.)

Mr. HUTTO. Of course, if we went to sea that would leave us not with a Triad, but a Duad. We believe, and I believe most of the American people feel, that we need the Triad in our strategic position for the defense of this Nation. The President, as the gentleman knows, has indicated that he has some reservations about the land basing of the MX, but I say to the Members here that we do not want to delay in case he makes the decision on

this, and we will be seeing that very shortly.

So, the delays that I have addressed and which have been addressed by others here would put the program well behind.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. HUTTO. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Well, at this time we do not need to get into a debate about whether it would be a Diad or maybe a Quadrad, because we would have two different types of submarine fleets deployed in different areas of the ocean with different characteristics. Actually, the small submarine at 200 feet is the least detectable type of undersea system there is, and there are no known methods of detecting it at the present time.

But, the real point is, we do not really know what the other suggestions are that are being evaluated by the Townes Commission. Some of them are land based. A very strong case can be made for several different types of land-based deployment quite different from this, much less vulnerable and much more quickly effective than this tremendous MPS system that would have to be built.

I just feel that we ought to make it as clear as we possibly can that the options are remaining open, that we are going ahead with MX missile development and design, but that at present we are leaving the basing point question open.

Mr. HUTTO. I appreciate what the gentleman says, but I believe there is strong sentiment on the part of our committee that we should have the Triad, and that is the position we have taken. So, I would urge a vote against the amendment.

Mr. HANSEN of Utah. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment to the military construction authorization bill.

Mr. Chairman, while possibly everything has been said concerning this, I would like to say a few things, coming from one of the proposed areas where this thing possibly could be deployed.

I would like to say that I am past chairman of the MX Committee in the State legislature of the State of Utah. I traversed the State; I have seen and talked to the people; been on the site. I went with the gentleman from Ohio (Mr. SEIBERLING) on his trip to Nevada when we looked at this thing.

Let me say that I think the people of Utah are as patriotic as anyone, but they would like to know where this ball game is going to be played before we build the stadium.

□ 1530

I think in this particular instance we are going to build the stadium not knowing if we are going to get into the ball game at all.

First, let me state my continued and unequivocal support for the MX missile itself. The need to augment the Minuteman, our aging land-based strategic deterrent, with the MX missile is of the highest priority, and I cannot see how this is going to delay it. It seems to me in the past few years this has been delayed on one point or another, for the past 2 or 3 years anyway, regarding different things coming down the pike. I would not see where it would not be prudent to delay it now when we are trying to find out where the thing is going.

The current language in the bill restricts funding to the multiple protection structure (MPS) basing mode, commonly known as the MX shell game or racetrack deployment, unless a concurrent resolution is adopted approving an alternative mode as certified by Congress and by the President.

I feel that this is highly premature in light of the fact that President Reagan and Secretary Weinberger have appointed a blue ribbon panel to review the MX—the first high-level study as yet on the missile's basing done in an objective, nonpartisan manner. Their recommendation on MX basing and the final decision by the President which follows are due this summer.

The amendment would have the effect of allowing Congress to wait and act on the President's decision without already being prematurely committed to another, potentially less desirable, basing mode as in the current legislation.

I personally do not see how this amendment would delay in any way the development of the MX missile system. Since the final decision on its basing is due this summer and the bill would not take effect until fiscal year 1982, the basing on MX should likewise remain unaffected.

Mr. Chairman, I, therefore, urge my colleagues to support this amendment and allow the Congress and the President to make a final, unhindered decision on the basing of the MX.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. HANSEN of Utah. I yield to the gentleman from Illinois.

Mr. SIMON. Mr. Chairman, I would simply point out that not only is the gentleman representing a district in Utah but he is a former speaker of the Utah House and served as chairman of the committee in the Utah Legislature to look at this whole MX question. So this is not just a matter of a freshman Member of the House standing up and speaking.

Mr. Chairman, I commend the gentleman from Utah (Mr. HANSEN) for his remarks in support of the amendment.

Mr. HANSEN of Utah. Mr. Chairman, I thank the gentleman from Illinois (Mr. SIMON).

Mr. ERDAHL. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I think that today we have some very fundamental questions before us as to whether we should go ahead with the basing mode for the MX missile. I think one could argue on both sides whether we should proceed with the MX, but I think here today we are talking primarily about the basing mode.

It seems to me we have before us on this MX track business in Utah and Nevada one of the biggest Rube Goldberg schemes we have ever been faced with. Personally, I think it will be the biggest boondoggle—a multibillion-dollar boondoggle—since the Great Wall of China. I am willing to predict that it will not work and will never be finished.

Let me talk about several specifics I think we should take a look at and why we can support the amendment before us. First of all, it seems to be ill-advised for the Congress to continue to appropriate funds for the MX missile basing mode in Nevada and Utah when the President is still pondering less drastic and less dramatic alternatives.

Second, without some assurance of a limitation on the construction of Soviet ICBM's, we can only realistically believe that they will construct enough missiles to take out the MX should they feel they need to destroy. Although the missiles will be mobile, the system itself is not mobile, and we still have a very finite security system. There is reason to believe that the map of this plan will be available in an environmental impact study and in the Washington Post or the New York Times.

Third, there is no doubt that there is increasing evidence that the basing mode proposed in this bill will be an environmental disaster for vast areas of the West.

As has already been mentioned, Secretary of Defense Weinberger indicated that he is particularly interested in studying the feasibility of basing the MX at sea aboard small submarines. That possibility should be explored before the Congress continues to reauthorize the current basing mode.

Fourth, the currently proposed basing mode will take so long to complete that the perceived strategic nuclear advantage on our part will certainly be more than compensated by the Soviet Union, who are not concerned about public opinion and do not have to worry about environmental impact statements and, therefore, could probably build one of their own before ours is even operational.

I think we have to take a strong and a careful look before proceeding with this MX basing mode at this time.

Really an escalation of the nuclear arms race is not in the interest of the national security of our country.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. ERDAHL. Of course, I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank my colleague for yielding, and I heartily endorse his remarks.

I am interested in the money here, too. This is an awful lot of money to risk before we know what we are doing, and I think we really must be careful before we spend the people's money in this way.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. ERDAHL. Of course, I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Chairman, I would like to compliment the gentleman for his statement. I think it is articulate and to the point.

In a recent issue of Newsweek magazine, in the June 8 edition, there is an extensive discussion of our defense capabilities and commitments. I found it striking in the first paragraph where it focuses on the fact that:

> It will cost an unfathomable $1.5 trillion over the next five years, fundamentally alter the economy and radically change America's military posture in the world.

That is the first sentence. It concludes by saying this:

> Even more surprising, the buildup is going ahead without any clear strategy—except to send a signal of American resolve to the Soviet Union. In a very real sense, the administration is throwing money at the problem of national defense. "Increases in defense outlays are long overdue," says former Pentagon chief James Schlesinger. "But there must be a vision and explicit strategy along with expenditures."

Mr. Chairman, I commend the gentleman for his vision and for asking that we postpone the decision on the basing mode until we have an explicit strategy. I think that is the point the gentleman from Illinois (Mr. SIMON) is making with his amendment.

Mr. ERDAHL. Mr. Chairman, I thank the gentleman for sharing that with us, and I think the article in Newsweek is one that we should commend to all our colleagues.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. ERDAHL. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I, too, want to commend the gentleman from Minnesota (Mr. ERDAHL), and I want to say that he has brought another important new dimension into this debate, really the most important one of all.

We are edging into a decision of tremendous fiscal, strategic, and political ramifications without even having an overall strategy for dealing with it or of which it is a part.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. ERDAHL) has expired.

(On request of Mr. SEIBERLING, and by unanimous consent, Mr. ERDAHL was allowed to proceed for 2 additional minutes.)

Mr. SEIBERLING. Mr. Chairman, if the gentleman will yield further, the decision on whether finally to take this plunge should be based on the maximum amount of information reasonably available.

We do not have the report of the Townes Commission and will not until the end of June. We do not have the report of the Office of Technological Assessment. We do not have the final environmental impact statement. Those are three very key pieces of information that are needed for the Congress, as well as the President, to make an intelligent decision, and we should be basing our decision on the answer to one more question.

That is this: What is the administration's strategy to try to get us out of this terrible spiraling nuclear arms race which has long since gone way beyond the point where it makes any sense?

Mr. Chairman, I suggest the time to deal with that question is when we have all the facts before us and not before.

Mr. ERDAHL. Mr. Chairman, I thank the gentleman from Ohio (Mr. SEIBERLING).

Mr. TRIBLE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, this discussion is much ado about nothing. The amendment offered by the gentleman from Illinois (Mr. SIMON) really does not reach a substantially different result from the language the committee advances. This is not a vote against MX. This amendment, if approved, will not defeat MX.

Let me relate the thrust of these two amendments so our colleagues can evaluate these two approaches. The Committee on Armed Services has taken this approach: We believe that money should be authorized for MPS, and we would say that it can only be used for that purpose. After all, we have debated and approved this system. If the basing mode is changed by the President, funds cannot be used for an alternative unless the President certifies that alternative to us and both Houses approve within 60 days.

Now, the Simon amendment would not reach a substantially different result. It would not defeat the MX basing mode as presently contemplated. What it would do is simply this: It would say that no authorized funds can be obligated for any basing mode until the President, first, selects the mode and certifies it to Congress; second, the Secretary of Defense submits a written justification; and third, 60 days have elapsed after the certification and both Houses have not adopted a resolution of disapproval.

So let us put this matter in a proper context. This is not a vote against MPS. The amendment offered here would not reach a fundamentally different result than the language of the committee.

I believe that the language of the committee is preferable. I believe it is preferable because it will in no way bias the review now ongoing on the part of the President. It would permit us to move forward more quickly should the President believe that MPS should be implemented.

Mr. Chairman, it is time to make a decision on what language ought to be adopted but this is not a vote on the future of the MX.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. TRIBLE. I am happy to yield to my friend, the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I think that we can make a case that the committee language is in fact stronger in that it requires a joint resolution to be adopted within 60 days by an affirmative vote before the money can be used for some other system.

Therefore, once the certification has been received we have got to act in order to prevent the money being used on an alternative system.

Mr. TRIBLE. Mr. Chairman, the gentleman's points are well taken. The language crafted by the committee would fully protect the prerogatives of this body and would require our affirmative vote before any alternative could be implemented. On the other hand, the language offered by the gentleman from Illinois would require a resolution of disapproval, which is most unlikely.

Mr. DICKS. Yes; that would be most unlikely. So in fact I would think the committee language is better.

I certainly do not read this as an anti-MX vote.

Mr. Chairman, I appreciate the gentleman's yielding, and I thank him for his comments.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. TRIBLE. I am happy to yield to my colleague, the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, I want to point out that just a short time ago we adopted the supplemental—and it was adopted by voice vote without any opposition. Contained therein was language deferring $92 million for the MX basing mode construction in fiscal 1981 "until the President of the United States certifies to the Congress his decision on the basing mode for the MX missile."

So that what we have done in effect in the supplemental is to say that we would defer the $92 million—this was my amendment in the full Appropriations Committee; it was accepted unanimously there—until we had a certification from the President. In essence, this is the committee language in this authorization as it is presently crafted.

Would the gentleman who sponsored the amendment allow me to ask him a question? In your judgment as a sponsor of this amendment, am I correct that it does not prohibit the basing of the MX system but simply requires Presidential certification before construction with a possible veto by the Congress? Would that be a fair statement?

The CHAIRMAN. The time of the gentleman from Virginia (Mr. TRIBLE) has expired.

(On request of Mr. REGULA, and by unanimous consent, Mr. TRIBLE was allowed to proceed for 2 additional minutes.)

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. TRIBLE. I yield to the gentleman from Illinois.

Mr. SIMON. Mr. Chairman, I thank my colleague, the gentleman from Virginia, for yielding.

First of all, I commend the gentleman from Ohio (Mr. REGULA) for his amendment on the 1981 bill.

The gentleman is correct, and I also agree with my colleague, the gentleman from Washington (Mr. DICKS), that this is not an anti-MX amendment.

The question, it seems to me, is this: Are we going to, on this bill, exercise some prudence, as we have done with the gentleman's amendment on the 1981 bill? It seems to me the sensible thing is to exercise that prudence.

□ 1545

Mr. REGULA. Would the gentleman agree that essentially the difference between the two sets of language is the 60-day congressional period for a possible veto, but otherwise the bill language pretty well tracks with that of the gentleman's amendment.

Mr. SIMON. There is not a huge chasm of difference. The gentleman is correct.

There is, I would disagree with my colleague, the gentleman for Washington, only to the extent that I think there is a little added protection for the Congress and the American people if the President makes a different decison.

Mr. REGULA. I thank the gentleman, because I think it is important that we understand that a vote for the gentleman's amendment is not a vote against the MX basing system necessarily, but it simply involves additional time for a congressional veto of any Presidential decision.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. SIMON).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG of Florida: On page 23, line 5, strike "$7,960,000" and insert in lieu thereof "$16,960,000".

Mr. YOUNG of Florida. Mr. Chairman, the amendment adds $9 million to the bill as originally requested by the administration for the purpose of constructing facilities for the Rapid Deployment Joint Task Force Headquarters at MacDill Air Force Base. I can understand why the committee determined not to fund these, not to authorize the funds for the program, because the decision was announced that the Rapid Deployment Joint Task Force would eventually have a headquarters established somewhere in Southwest Asia or in the Middle East.

The problem that we have, and after having spent a considerable amount of time dealing with this subject on the Subcommittee on Defense of the Appropriations Committee, I have become aware of the fact that those plans are merely assumptions today. We are assuming that we will have base rights in Oman or Kenya, and Somalia or Egypt, or someplace else; but at this point, it is all assumption and that is only for basing rights. The truth of the matter is that we have not even discussed the headquartering rights for the Rapid Deployment Joint Task Force.

The other point I think equally important is that even if we did establish a headquarters overseas for the RDJTF, we still need these facilities at MacDill Air Force Base for the Readiness Command, the rear elements of the Rapid Deployment Joint Task Force Headquarters and the rapid mobilization force that is also there at MacDill Air Force Base.

I hope that the committee will be agreeable to allowing these funds to be reinserted into the bill and if something should develop along the way where it was determined the funds really were not needed, we could take them out at a later date or during the appropriations process.

Mr. BRINKLEY. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I would be happy to yield to the gentleman from Georgia.

Mr. BRINKLEY. I appreciate the experience the gentleman brings to this committee and I respect very highly his judgment.

I wonder if the gentleman knows if the other body is presently considering this in its deliberations in the Armed Services Committee over there? I was wondering whether or not we might arrive at some middle ground in conference.

Our committee did consider the issue the gentleman raises. On balance, it seemed that the case was not made because of the uncertainty of the Air Force itself.

Mr. YOUNG of Florida. Well, my response to the gentleman would be, first, I would prefer to do my job here in the House.

Mr. BRINKLEY. Yes.

Mr. YOUNG of Florida. Rather than wait for the other body; that is always a little unsure.

Second, in my own opinion, I have no doubt, and I will say to the gentleman that I spent many, many hours and days involved in this subject. The point is that even if we should establish an overseas headquarters for the RDJTF, we are still going to need this facility at MacDill. The RDJTF headquarters at MacDill today is in a bunker that goes back to the days of the Strategic Air Command, when the SAC base was there at MacDill.

The readiness command needs the facility. The element of the RDJTF headquarters that would have to remain even if we did deploy an advance element of the headquarters would still need the facility at MacDill Air Force Base.

I would hope that the Chairman would be willing to allow us to put this authorization back into the bill and then if it appears that something changes along the way, we certainly would be willing to make whatever accommodation would be appropriate.

Mr. GIBBONS. Mr. Chairman, will the gentleman yield to me?

Mr. YOUNG of Florida. I yield to my colleague, the gentleman from Florida.

Mr. GIBBONS. I first want to commend the gentleman for his diligence and for his awareness of this problem and for the fine way he has supported this project.

I hope that the committee will support his position. I certainly support it. It is needed.

I will cooperate with the committee and with the gentleman from Florida to make sure that no funds are wasted, that we only spend what is needed and we will have no trouble at all in this.

Mr. YOUNG of Florida. The gentleman from Florida makes an excellent point.

The CHAIRMAN. The time of the gentleman from Florida has expired.

(At the request of Mr. BRINKLEY, and by unanimous consent, Mr. YOUNG of Florida was allowed to proceed for 1 additional minute.)

Mr. YOUNG of Florida. The gentleman from Florida (Mr. GIBBONS) makes an excellent point. None of us want to spend a dollar for any reason, including defense, that we do not need

to spend; but this is a case where I would rather be prepared and if we have to back off at a later date because someone changes their mind, we will do so; but I think today we ought to put this money back in.

Mr. BRINKLEY. Mr. Chairman, if the gentleman will yield further, the gentleman has used the magic word of being prepared. Of course, in the Rapid Deployment Force, we obviously must look to that quality.

This side, therefore, would have no objection to the add-on.

Mr. YOUNG of Florida. I thank the chairman very much.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. YOUNG).

The amendment was agreed to.

Mr. MARRIOTT. Mr. Chairman, I ask unanimous consent to offer an amendment to section 305, as amended.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

Mr. BRINKLEY. Mr. Chairman, reserving the right to object, this is a perfecting amendment to the Simon amendment to which the committee chairman and the ranking minority member have agreed, if we may have unanimous consent to do so.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

Mr. SIMON. Reserving the right to object, Mr. Chairman, I concur with the gentleman from Utah in this and I commend him for this perfecting amendment.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah (Mr. MARRIOTT)?

There was no objection.

AMENDMENT TO SECTION 305, AS AMENDED, OFFERED BY MR. MARRIOTT

Mr. MARRIOTT. Mr. Chairman, I offer an amendment to section 305, as amended.

The Clerk read as follows:

Amendment to Section 305, as amended, offered by Mr. MARRIOTT: Paragraph (2) of section 305, as proposed to be inserted by the amendment, is amended to read as follows:

(2) the Secretary of Defense submits to the Committees on Armed Services of the Senate and House of Representatives a report in writing (A) justifying the selection of the President referred to in paragraph (1), (B) containing a comparison and evaluation of alternative basing modes to the basing mode selected by the President, and (C) recommending a plan to mitigate the economic, social and cultural impacts of the selected basing mode on the affected State and local communities, including through the provision of Federal financial assistance; and

Mr. MARRIOTT. Mr. Chairman, this is very simple and I will not take a lot of time, only to say that what this amendment does is adds to the amendment of the gentleman from Illinois (Mr. SIMON) which simply says that in addition to all the other things that must be done before we implement the program, that the Secretary will write an impact plan to deal with the economic, environmental, and social impacts of the MX system.

Second, that this plan will include Federal financial assistance, a commitment, that is, from the Federal Government to provide the funds to deal with those economic impacts.

We are not addressing the basing mode. We are simply asking that we send a signal to the people of Utah and Nevada that a priority of Congress will be to deal with economic impacts. The impact of the MX system is horrendous. We are asking that before any system is implemented that we look at the effects of the system on the water, on the population, on the energy compatibility of the State. After all, we are going to be providing the oil shale, the tar sands, the coal for the country, and we want to make sure that the priority of this body is to look at those economic, environmental, and social impacts.

I have no other comments to make, Mr. Chairman, except that I appreciate the chairman and the ranking minority member accepting this perfecting amendment.

Mr. BRINKLEY. Mr. Chairman, I move to strike the requisite number of words and add my commendation to the thoughtful remarks of the gentleman.

We do support the perfecting amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah (Mr. MARRIOTT).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title III? If not, the Clerk will read.

Mr. BRINKLEY. Mr. Chairman, I ask unanimous consent that title IV through title VII be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Titles IV, V, VI, and VII are as follows:

TITLE IV—DEFENSE AGENCIES

AUTHORIZED CONSTRUCTION PROJECTS FOR THE DEFENSE AGENCIES

SEC. 401. The Secretary of Defense may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for defense agencies for the following acquisition and construction:

INSIDE THE UNITED STATES

DEFENSE INTELLIGENCE AGENCY

Bolling Air Force Base, District of Columbia, $72,500,000.

DEFENSE LOGISTIC AGENCY

Defense Construction Supply Center, Columbus, Ohio, $680,000.
Defense Depot, Tracy, California, $554,000.
Defense Depot, Mechanicsburg, Pennsylvania, $2,050,000.
Defense Depot, Memphis, Tennessee, $5,220,000.
Defense Depot, Ogden, Utah, $2,670,000.
Defense Fuel Support Point, Grand Forks, North Dakota, $1,690,000.
Defense Fuel Support Point, Pearl City, Hawaii, $3,600,000.
Defense General Supply Center, Richmond, Virginia, $5,600,000.
Defense Property Disposal Office, Fort Bragg, North Carolina, $2,800,000.

DEFENSE MAPPING AGENCY

Aerospace Center, St. Louis, Missouri, $10,750,000.

NATIONAL SECURITY AGENCY

Fort George G. Meade, Maryland, $57,596,000.

OFFICE OF THE SECRETARY OF DEFENSE

Classified Activity, Classified Location, $10,000,000.
Classified Activity, Fort Belvoir, Virginia, $2,100,000.

OUTSIDE THE UNITED STATES

DEFENSE COMMUNICATIONS AGENCY

Patch Barracks, Vaihingen, Germany, $900,000.

DEFENSE LOGISTICS AGENCY

Defense Fuel Support Point, Wake Island, $14,500,000.
Defense Property Disposal Office, Kaiserslautern, Germany, $1,480,000.

OFFICE OF THE SECRETARY OF DEFENSE

Classified Activity, Classified Location, $2,000,000.

DEPARTMENT OF DEFENSE DEPENDENTS SCHOOLS

Croughton Royal Air Force Station, United Kingdom, $13,700,000.
Dexheim, Germany, $980,000.
Fulda, Germany, $10,500,000.
Landstuhl Air Base, Germany, $6,140,000.
Misawa Air Base, Japan, $6,180,000.
Naval Station, Guantanamo Bay, Cuba, $5,900,000.
Pusan, Korea, $2,460,000.
Schwaebisch Hall, Germany, $780,000.
Seoul, Korea, $4,350,000.
Vilseck, Germany, $9,920,000.
Yokota Air Base, Japan, $3,290,000.

EMERGENCY CONSTRUCTION

SEC. 402. The Secretary of Defense may establish or develop installations and facilities which he determines to be vital to the security of the United States and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $15,000,000. The Secretary of Defense, or the Secretary's designee, shall notify the Commodities on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including real estate actions pertaining thereto.

MINOR CONSTRUCTION

SEC. 403. The Secretary of Defense is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $6,210,000.

TITLE V—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

AUTHORIZED CONTRIBUTION

SEC. 501. (a) The Secretary of Defense is authorized to incur obligations in amounts not to exceed $425,000,000 for the United States share of the cost of multilateral programs for the acquisition or construction of military facilities and installations (including international military headquarters) for the collective defense of the North Atlantic Treaty Area.

(b) Within thirty days after the end of each calendar-year quarter, the Secretary of Defense shall furnish to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives a description of obligations incurred by the United States during the preceding quarter for the United States share of the cost of such multilateral programs.

TITLE VI—MILITARY FAMILY HOUSING AND HOMEOWNERS ASSISTANCE PROGRAM

AUTHORIZATION TO CONSTRUCT OR ACQUIRE HOUSING

SEC. 601. (a) The Secretary of Defense, or the Secretary's designee, is authorized to construct or acquire sole interest in existing family housing units in the numbers and at the locations hereinafter named, but no family housing construction shall be commenced at any such location in the United States until the Secretary shall have consulted with the Secretary of Housing and Urban Development as to the availability of suitable private housing at such location. If agreement cannot be reached with respect to the availability of suitable private housing at any location, the Secretary of Defense shall notify the Committees on Armed Services of the Senate and House of Representatives, in writing, of such difference of opinion, and no contract for construction at such location shall be entered into for a period of thirty days after such notification has been given. This authority shall include the authority to acquire land, and interests in land, by gift, purchase, exchange of Government-owned land, or otherwise. The Secretary of Defense is authorized to acquire less than sole interest in existing family housing units in foreign countries when determined to be in the best interests of the Government.

(b) With respect to the family housing units authorized to be constructed by this section, the Secretary of Defense is authorized to acquire sole interest in privately owned or Department of Housing and Urban Development-held family housing units in lieu of constructing all or a portion of the family housing authorized by this section, if the Secretary, or the Secretary's designee, determines such action to be in the best interests of the United States, but any family housing units acquired under authority of this subsection shall not exceed the cost limitations specified in this section for the project nor the limitations on size specified in section 2684 of title 10, United States Code. In no case may family housing units be acquired under this subsection through the exercise of eminent domain authority, and in no case may family housing units other than those authorized by this section be acquired in lieu of construction unless the acquisition of such units is hereafter specifically authorized by law.

(c) Family Housing units:

Marine Corps Air Station, El Toro, California, two hundred and twelve units, $15,540,000.

Fort Irwin, California, four hundred and fifty-four units, $29,859,000.

Naval Complex, San Diego, California, two hundred and ninety units, $25,350,000.

Naval Submarine Support Base, Kings Bay, Georgia, one hundred and sixty-five units, $12,740,000.

Picatinny Arsenal, New Jersey, twenty-six units, $2,141,000.

Fort Drum, New York, two hundred and thirty-two units, $15,865,000.

Naval Complex, Warminster/Willow Grove, Pennsylvania, two hundred units, $14,910,000.

Naval Air Station, Chase Field, Texas, eighty-eight units, $6,360,000.

Incirlik Air Base, Turkey, four hundred units, $29,000,000.

Greenham-Common, United Kingdom, two hundred and seventy units, $27,200,000.

Classified Location Overseas, six units, $765,000.

(d) The amounts specified in this section may, at the discretion of the Secretary of Defense, or the Secretary's designee, be increased by 10 per centum, if he determines that such increases (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress. The amounts authorized include the costs of shades, screens, ranges, refrigerators, and all other installed equipment and fixtures, the costs of the family housing unit, supervision, inspection, overhead, land acquisition, site preparation, installation of utilities, and solar energy systems.

IMPROVEMENT OF EXISTING QUARTERS

SEC. 602. (a) The Secretary of Defense, or the Secretary's designee, is authorized to accomplish alterations, additions, expansions, or extensions, not otherwise authorized by law, to existing public quarters at a cost not to exceed $109,819,000 of which $44,878,000 shall be available only for energy conservation projects.

(b) The Secretary of Defense, or the Secretary's designee, within the amount specified in subsection (a), is authorized to accomplish repairs and improvements to existing family housing in amounts in excess of the dollar limitation prescribed in section 610(a) of the Military Construction Authorization Act, 1968 (42 U.S.C. 1594h-2), as follows:

Marine Corps Air Ground Combat Center, Twenty-nine Palms, California, one hundred and thirty-five units, $2,897,300.

Navy Public Works Center, Honolulu, Hawaii, one hundred units, $3,190,000.

Chanute Air Force Base, Illinois, two hundred and twenty-two units, $4,662,000.

Fort Knox, Kentucky, one hundred units, $2,851,000.

Nellis Air Force Base, Nevada, two hundred thirty-six units, $4,956,000.

Kirtland Air Force Base, New Mexico, one hundred and fifty-five units, $3,875,000.

Offutt Air Force Base, Texas, eighty units, $1,599,000.

Randolph Air Force Base, Texas, one hundred and sixty-seven units, $3,839,000.

Fort Lewis, Washington, fifty-eight units, $1,378,000.

Mildenhall, United Kingdom, thirty units, $1,511,600.

Upper Heyford, United Kingdom, twelve units, $648,400.

ADVANCE PLANNING AND DESIGN

SEC. 603. The Secretary of Defense, or the Secretary's designee, may carry out advance planning and construction design and may obtain architectural and engineering services in connection with any family housing construction, including improvements, authorized or not otherwise authorized by law at a total cost of not to exceed $9,100,000.

LEASING OF FAMILY HOUSING

SEC. 604. Section 2675(d) of title 10, United States Code, is amended—

(1) by striking out "150" in paragraph (1) and inserting in lieu thereof "200"; and,

(2) by striking out "17,000" in paragraph (2) and inserting in lieu thereof "22,000".

AUTHORIZATION OF APPROPRIATIONS

SEC. 605. (a) There is authorized to be appropriated for fiscal year 1982 for use by Secretary of Defense, or the Secretary's designee, for military family housing as authorized by law for the following purposes:

(1) For construction or acquisition of family housing, including minor construction, improvements to public quarters, relocation of family housing, and planning, an amount not to exceed $298,649,000.

(2) For support of military family housing, including operating expenses, leasing, maintenance of real property, payments of principal and interest on mortgage debts incurred, payment to the Commodity Credit Corporation, and mortgage insurance premiums authorized under section 222 of the National Housing Act (12 U.S.C. 1715m), an amount not to exceed $2,079,184,000, of which not more than $8,600,000 may be obligated or expended for the leasing of military family housing in the United States, the Commonwealth of Puerto Rico, and Guam, and of which not more than $113,717,000 may be obligated or expended for the leasing of military family housing in foreign countries.

(3) For homeowners assistance under section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374), including acquisition of properties, an amount not to exceed $2,000,000.

(b) The amounts authorized to be appropriated in subsection (a)(2) may be increased to the extent additional funds are necessary for increased pay costs associated with actions taken pursuant to law.

TITLE VII—AUTHORIZATION OF APPROPRIATIONS AND ADMINISTRATIVE PROVISIONS

WAIVER OF RESTRICTIONS

SEC. 701. The Secretary of each military department may proceed to establish or develop installations and facilities under this Act without regard to section 3648 of the Revised Statutes (31 U.S.C. 529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on land includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or lands includes authority to make surveys and to acquire land and interests in land (including temporary use), by gift, purchase, exchange of government-owned land, or otherwise.

AUTHORIZATION OF APPROPRIATIONS

SEC. 702. There are authorized to be appropriated for fiscal years beginning after September 30, 1981, such sums as may be necessary for the purposes of this Act, but appropriations for public works projects authorized by titles I, II, III, IV, and V, shall not exceed—

(1) for title I: inside the United States $376,856,000; outside the United States $467,600,000; minor construction $34,150,000 for a total of $878,606,000.

(2) for title II: inside the United States $947,078,000; outside the United States $236,965,000; minor construction $33,320,000; for a total of $1,217,363,000.

(3) for title III: inside the United States $975,239,000; outside the United States $499,974,000; minor construction $28,680,000; for a total of $1,503,893,000.

(4) for title IV: a total of $282,100,000, including $6,210,000 for minor construction.

(5) for title V: a total of $425,000,000.

COST VARIATIONS

SEC. 703. (a) OVERALL TITLE TOTAL LIMITATION.—Notwithstanding the provisions of subsections (b), (c), (e), and (h), the total cost of all construction and acquisition in each of titles I, II, III, IV, and V, except as provided in subsection (d), may not exceed the total amount authorized to be appropriated in that title.

(b) VARIATIONS IN INSTALLATION TOTALS—UNUSUAL VARIATIONS IN COST.—Except as provided in subsections (c) and (e), any of the amounts specified in titles I, II, III, and IV of this Act (other than in sections 103, 203, 303, and 403) may, at the discretion of the Secretary of the military department or Director of the defense agency concerned, be increased by 5 percent when inside the United States (other than Alaska or Hawaii), and by 10 percent when outside the United States or in Alaska or Hawaii, if the Secretary of the military department or Director of the defense agency concerned determines that such increase (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress.

(c) VARIATIONS IN INSTALLATION TOTALS—ONLY ONE PROJECT AT AN INSTALLATION.—When the amount named for any construction or acquisition in title I, II, III, or IV of the Act involves only one project at any military installation and the Secretary of the military department or Director of the defense agency concerned determines that the amount authorized must be increased by more than the applicable percentage prescribed in subsection (b), the Secretary of the military department or Director of the defense agency concerned may proceed with such construction or acquisition if the amount of the increase does not exceed by more than 25 percent the amount named for such project by the Congress.

(d) VARIATIONS IN NORTH ATLANTIC TREATY ORGANIZATION TOTAL.—When the Secretary of Defense determines that the amount set forth in title V for the United States share of the cost of the North Atlantic Treaty Organization program must be increased, the Secretary may incur obligations in excess of such amount if the amount of the increase does not exceed by more than 25 percent the amount set forth in such title.

(e) VARIATIONS IN INSTALLATION TOTALS—REPORTS BY THE SECRETARY OF DEFENSE.—When the Secretary of Defense determines that any amount named in title I, II, III, IV, or V of this Act must be exceeded by more than the percentages permitted in subsections (b), (c), and (d) to accomplish authorized construction or acquisition or for the United States share of the cost of the North Atlantic Treaty Organization infrastructure program, the Secretary of Defense or the Secretary of the military department or Director of the defense agency concerned may proceed with such construction or acquisition after a written report of the facts relating to the increase of such amounts including a statement of the reasons for such increase, has been submitted to the Committees on Armed Services of the Senate and House of Representatives and either (1) thirty days have elapsed from the date of submission of such report, or (2) both committees have indicated approval of such construction or acquisition. Notwithstanding the provisions in prior Military Construction Authorization Acts, the provisions of this subsection shall apply to such prior Acts.

(f) COST AND SCOPE VARIATIONS OF INDIVIDUAL PROJECTS: REPORTS TO CONGRESS.—No individual project authorized under title I, II, III, or IV of this Act for any specifically listed military installations for which the current working estimate is greater than the statutory upper limit for minor construction projects may be placed under contract if—

(1) the approved scope of the project is reduced in excess of 25 percent; or

(2) the current working estimate, based upon bids received, for the construction of such project exceeds by more than 25 percent the amount authorized for such project by the Congress;

until a written report of the facts relating to the reduced scope or increased cost of such project, including a statement of the reasons for reduction in scope or increase in cost, has been submitted to the Committees on Armed Services of the Senate and House of Representatives and either thirty days have elapsed from the date of submission of such report or both committees have indicated approval of such reduction in scope or increase in cost, as the case may be.

(g) ANNUAL REPORTS TO CONGRESS.—The Secretary of Defense, or the Secretary's designee, shall submit an annual report to the Congress identifying each individual project (other than a project authorized under section 103, 203, 303, or 403) which has been placed under contract in the preceding twelve-month period and with respect to which the then current working estimate of the Department of Defense, based upon bids received, for such project exceeded the amount authorized by the Congress for that project by more than 25 percent. The Secretary shall also include in such report each individual project with respect to which the scope was reduced by more than 25 percent in order to permit contract award within the available authorization for such project. Such report shall include all pertinent cost information for each individual project, including the amount in dollars and percentage by which the current working estimate based on the contract price for the project exceeded the amount authorized for such project by the Congress.

(h) COST AND FLOOR AREA VARIATIONS—SOLAR ENERGY.—The Secretary of Defense shall encourage the utilization of solar energy as a source of energy for projects authorized by this Act where utilization of solar energy would be practical and economically feasible. In order to equip any project authorized by this Act with solar heating equipment, solar cooling equipment, or both solar heating and solar cooling equipment, the Secretary of Defense may authorize increases in the cost limitations or floor area limitations for such project by such amounts as may be necessary for such purpose. Any increase under this section in the cost or floor area of a project authorized by this Act shall be in addition to any other increase in such cost or variation in floor area limitations authorized by this or any other Act.

CONSTRUCTION SUPERVISION

SEC. 704. Contracts for construction made by the United States for performance within the United States and its possessions under this Act shall be executed under the jurisdiction and supervision of the Corps of Engineers, Department of the Army, the Naval Facilities Engineering Command, Department of the Navy, or such other department or Government agency as the Secretaries of the military departments recommend and the Secretary of Defense approves to assure the most efficient, expeditious, and cost-effective accomplishment of the construction herein authorized. The Secretaries of the military departments shall report annually to the President of the Senate and Speaker of the House of Representatives a breakdown of the dollar value of construction contracts completed by each of the several construction agencies selected together with the design construction supervision, and overhead fees charged by each of the several agents in the execution of the assigned construction. Further, such contracts (except architect and engineering contracts which, unless specifically authorized by the Congress shall continue to be awarded in accordance with presently established procedures, customs, and practices) shall be awarded, insofar as practicable, on a competitive basis to the lowest responsible bidder, if the national security will not be impaired and the award is consistent with chapter 137 of title 10, United States Code. The Secretaries of the military departments shall report annually to the President of the Senate and Speaker of the House of Representatives with respect to all contracts awarded on other than a competitive basis to the lowest responsible bidder. Such reports shall also show, in the case of the ten architect-engineering firms which, in terms of total dollars, were awarded the most business, the names of such firms, the total number of separate contracts awarded each firm, and the total amount paid or to be paid in the case of each such action under all such contracts awarded such firm.

REPEAL OF PRIOR YEAR AUTHORIZATIONS: EXCEPTIONS

SEC. 705. (a) As of October 1, 1982, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1983, whichever is later, all authorizations for military public works, including family housing, to be accomplished by the Secretary of a military department in connection with the establishment or development of installations and facilities, and all authorizations for appropriations therefor, that are contained in titles I, II, III, IV, and V, of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1749), and all such authorizations contained in Acts approved before October 10, 1980, and not superseded or otherwise modified by a later authorization are repealed except—

(1) authorizations for public works and for appropriations therefor that are set forth in those Acts in the titles that contain the general provisions; and

(2) authorizations for public works projects as to which appropriated funds have been obligated for construction contracts, land acquisition, or payments to the North Atlantic Treaty Organization, in whole or in part, before October 1, 1982, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1983, whichever is later, and authorizations for appropriations therefor.

(b) Notwithstanding the repeal provisions of subsection (a) of this section and section 605 of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1770), authorization for the following items authorized in section 101 of the Military Construction Authorization Act, 1980 (Public Law 96-125; 93 Stat. 928) shall remain in effect until October 1, 1983, or the date of enactment of the Military Construction Authorization Act for fiscal year 1984, whichever is later.

(1) Boiler Plant Emission Control System construction in the amount of $1,900,000 at Anniston Army Depot, Alabama.

(2) Boiler Plant Emission Control System construction in the amount of $3,000,000 at Tobyhanna Army Depot, Pennsylvania.

(3) Boiler Plant Emission Control System construction in the amount of $2,800,000 at Fort Benjamin Harrison, Indiana.

(4) Industrial Waste Treatment Plant construction in the amount of $1,100,000 at Riverbank Army Ammunition Plant, California.

(5) Advanced Power Train Test Facility construction in the amount of $1,560,000 at Corpus Christi Army Depot, Texas.

(6) Ammunition Inspection and Test Facility construction in the amount of $1,200,000 at Letterkenny Army Depot, Pennsylvania.

(7) Replace Boilers construction in the amount of $8,600,000 at Red River Army Depot, Texas.

(8) Dental Clinic construction in the amount of $2,750,000 at Schofield Barracks, Hawaii.

(9) Centralized Container Ammunition Facility construction in the amount of $920,000 at Lone Star Army Ammunition Plant, Texas.

(10) Indoor Athletic Facilities Construction in the amount of $12,200,000 at the United States Military Academy, West Point, New York.

(11) Temperature-Altitude Test Facility construction in the amount of $2,000,000 at the White Sands Missile Range, New Mexico.

(12) Water Monitor Station construction in the amount of $220,000 at Riverbank Army Ammunition Plant, California.

(c) Notwithstanding the repeal provisions of subsection (a) of this section and section 605 of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1770), authorization for the construction of the Reception Station at Fort Benning, Georgia, in the amount of $5,886,000 authorized in section 101 of the Military Construction Authorization Act, 1978 (Public Law 95-82; 91 Stat. 358), as such authorization was extended in section 605 of the Military Construction Authorization Act, 1980 (Public Law 96-125; 93 Stat. 945), shall remain in effect until October 1, 1983, or the date of enactment of the Military Construction Authorization Act for fiscal year 1984, whichever is later.

(d) Notwithstanding the provisions of subsection (a) of this section and of section 605 of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1770) authorizations for the following items authorized in section 201 or such authorizations as were extended in section 605 of the Military Construction Authorization Act, 1980 (Public Law 96-125) shall remain in effect until October 1, 1983, or the date of enactment of the Military Construction Authorization Act for fiscal year 1984, whichever is later:

(1) Municipal Sewer Connection construction in the amount of $2,200,000 at the Naval Submarine Base, New London, Connecticut.

(2) Insulation and Storm Windows construction in the amount of $2,350,000 at the Naval Weapons Station, Charleston, South Carolina.

(3) Applied Instruction (Morse Training) Building construction in the amount of $2,400,000 at the Naval Technical Training Center, Pensacola, Florida.

(4) Engine Test Cell Modernization in the amount of $3,500,000 at the Naval Air Rework Facility, Alameda, California.

(5) Municipal Sewer Connection construction in the amount of $2,100,000 at the Naval Shipyard, Long Beach, California.

(6) Industrial Waste Collection and Treatment construction in the amount of $6,500,000 at the Naval Shipyard, Long Beach, California.

(7) Engine Test Cell Modernization in the amount of $3,200,000 at the Naval Air Rework Facility, North Island, California.

(e) Notwithstanding the repeal provisions of subsection (a) of this section and section 605 of the Military Construction Authorization Act, 1981 (Public Law 96-418, 94 Stat. 1770), authorizations for the following items authorized in section 301 of the Military Construction Authorization Act, 1980 (Public Law 96-125; 93 Stat. 934) shall remain in effect until October 1, 1983, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1984, whichever is later:

(1) Connect to Regional Sewage System in the amount of $1,100,000 at Richards-Gebaur Air Force Base, Missouri.

(2) Pave roads in the amount of $690,000 at Davis-Monthan Air Force Base, Arizona.

(3) Aircraft Maintenance Control Facility in the amount of $850,000 at England Air Force Base, Louisiana.

(4) Composite Medical Facility in the amount of $16,500,000 at George Air Force Base, California.

(5) Air Installation Compatible Use Zone in the amount of $1,950,000 at Buckley Air National Guard Base, Colorado.

(6) Various Operational Facilities in the amount of $4,950,000 at Roberts International Airport, Liberia.

(7) Unaccompanied Officer Personnel Housing in the amount of $510,000 at Taegu Air Force Base, Korea.

(8) Security Facilities in the amount of $3,485,000 at Howard Air base, Canal Zone.

(9) Special Operations Facilities in the amount of $2,800,000 at Various Locations Overseas.

UNIT COST LIMITATIONS

SEC. 706. None of the authority contained in titles I, II, III, and IV of this Act shall be deemed to authorize any building construction projects inside the United States in excess of a unit cost to be determined in proportion to the appropriate area construction cost index, based on the following unit cost limitations where the area construction index is 1.0:

(1) $53 per square foot for permanent barracks; or

(2) $57 per square foot for unaccompanied officer quarters;

unless the Secretary of Defense, or the Secretary's designee, determines that, because of special circumstances, application to such project of the limitation on unit cost contained in this section is impracticable. Notwithstanding the limitations contained in prior Military Construction Authorization Acts on unit costs, the limitations on such costs contained in this section shall apply to all prior authorizations for such construction not heretofore repealed and for which construction contracts have not been awarded by the date of enactment of this Act.

EFFECTIVE DATE FOR PROJECT AUTHORIZATIONS

SEC. 707. Titles I, II, III, IV, V, and VI shall take effect on October 1, 1981.

Mr. BRINKLEY. Mr. Chairman, I offer an amendment.

AMENDMENT OFFERED BY MR. BRINKLEY

The Clerk read as follows:

Amendment offerd by Mr. BRINKLEY: Page 39, line 16, strike out "$975,239,000" and insert in lieu thereof "$984,239,000".

Page 39, line 18, strike out "$1,503,893,000" and insert in lieu thereof "$1,512,893,000".

Mr. BRINKLEY. Mr. Chairman, this is a conforming amendment because of the addition of the MacDill Air Force Base RDF project. It brings the total figures into line. I ask for support of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. BRINKLEY).

The amendment was agreed to.

The CHAIRMAN. Are there other amendments? If not, the Clerk will read title VIII.

The Clerk read as follows:

TITLE VIII—GUARD AND RESERVE FORCES FACILITIES

AUTHORIZATION FOR FACILITIES

SEC. 801. Subject to chapter 133 of title 10, United States Code, the Secretary of Defense may establish or develop additional facilities for the Guard and Reserve Forces, including the acquisition of land therefor, but the cost of such facilities shall not exceed the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $57,725,000; and

(B) for the Army Reserve, $49,477,000.

(2) for the Department of the Navy: for the Naval and Marine Corps Reserves, $39,000,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $108,000,000; and

(B) for the Air Force Reserve, $37,500,000.

WAIVER OF CERTAIN RESTRICTIONS

SEC. 802. The Secretary of Defense may establish or develop installations and facilities under this title without regard to section 3648 of the Revised Statutes (31 U.S.C. 529) and sections 3648 of the Revised Statutes (31 U.S.C. 529) and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on lands includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes (40 U.S.C. 255) and even though the land is held temporarily. The authority to acquire

real estate or land includes authority to make surveys and to acquire land and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

EXPANSION OF FEDERAL FACILITIES BY THE NATIONAL GUARD

SEC. 803. Section 2233 of title 10, United States Code, is amended—

(1) by inserting "or by the United States" after "or convert facilities owned by it" in subsection (a)(2); and

(2) by adding at the end of subsection (b) the following new sentence: "Such property may be transferred to any State or Territory, Puerto Rico, or the District of Columbia incident to the expansion, rehabilitation or conversion of such property under subsection (a)(2) so long as the transfer of such property does not result in the creation of a State or Territory, Puerto Rico, or the District of Columbia owned enclave within a larger Federal installation.".

FEDERAL FUNDING OF DIRECTED PROGRAMS

SEC. 804. Section 2233(a) of title 10, United States Code, is amended—

(1) by striking out "and" after clause (4);

(2) by striking out the period at the end of clause (5) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new clause:

"(6) contribute to any State or Territory, Puerto Rico, or the District of Columbia such amounts for the construction, alteration, or rehabilitation of arms storage rooms as the Secretary determines to be required to meet a change in Department of Defense standards related to the safekeeping of arms.".

Mr. BRINKLEY (during the reading). Mr. Chairman, I ask unanimous consent that title VIII be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. Are there any amendments? If not, the Clerk will read title IX.

The Clerk read as follows:

TITLE IX—GENERAL PROVISIONS

USE OF SOLAR ENERGY SYSTEMS IN NEW CONSTRUCTION

SEC. 901. Section 2688(b) of title 10, United States Code, is amended to read as follows:

"(b) For the purposes of this section, a solar energy system shall be considered to be cost effective if the original investment cost differential can be recovered over the expected life of the facility using accepted life cycle costing procedures. Such accepted life cycle costing procedures shall include the use of the sum of all capital, operating, and maintenance expenses associated with the energy system of the building involved over the expected life of such system or during a period of twenty-five years, whichever is shorter, and using marginal fuel cost as determined by the Secretary of Defense and at a discount rate of seven percent per year.".

FOREIGN GOVERNMENT FUNDED CONSTRUCTION

SEC. 902. Section 504 of the Act of September 28, 1951 (31 U.S.C. 723), is amended—

(1) by inserting "(1)" after "in connection with"; and

(2) by striking out the period at the end and inserting in lieu thereof ", and (2) construction management of those projects funded by foreign governments directly or through international organizations for which United States forces are the sole or primary user.".

CONSTRUCTION AUTHORITY UNDER A DECLARATION OF WAR OR NATIONAL EMERGENCY

SEC. 903. (a) Chapter 159 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2689. CONSTRUCTION AUTHORITY IN THE EVENT OF A DECLARATION OF WAR OR NATIONAL EMERGENCY

"(a) In the event of a declaration of war by the Congress or the declaration by the President of a national emergency in accordance with the National Emergencies Act (Public Law 94-412; 90 Stat. 1255) requiring use of the Armed Forces, the Secretary of Defense is authorized, without regard to any other provisions of law, to undertake military construction necessary to support such use within the total amount of funds that have been appropriated for military construction, including funds appropriated for family housing, that have not been obligated.

"(b) Authority under subsection (a) includes authority for (1) acquisition of real estate and interests in land (including temporary interests) by lease, purchase, gift, exchange of government-owned land, or otherwise, (2) surveys and site preparation, (3) acquisition, lease, conversion, and rehabilitation of permanent or temporary facilities, (4) appurtenances, supporting facilities, and utilities incident to such construction, (5) acquisition of and installation of equipment integral to the construction, and (6) planning, supervision, administration, and overhead incident to such construction.

"(c) Whenever a decision to undertake military construction authorized by this section is made, the Secretary of Defense shall notify the Committees on Armed Services and Approriations of the Senate and the House of Representatives of the decision and the estimated cost of such construction, including the cost of real estate actions pertaining to the construction.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2689. Construction authority in the event of a declaration of war or national emergency.".

LAND CONVEYANCE, CECIL COUNTY, MARYLAND

SEC. 904. (a) The Federal property constituting the former Naval Training Center, Bainbridge, Cecil County, Maryland, is hereby declared to be surplus property within the meaning of section 3(g) of the Federal Property and Administrative Services Act of 1949, and the Administrator of General Services is authorized to dispose of that property under such Act.

(b)(1) Proceeds from the disposition of property under this section may be used by the Administrator to discharge any lien, encumbrance, contract claim, or other charge on or related to the property.

(2) The Secretary of the Navy, after consultation with the Administrator, may determine the form and amount of any compromise or settlement of any claim against the United States with respect to the water agreement dated March 24, 1943, between the United States and the town of Port Deposit, Maryland.

(c) The exact acreages and legal descriptions of the property declared to be excess property by subsection (a) shall be determined by surveys that are satisfactory to the Secretary of the Navy.

IMPACT PLANNING ASSISTANCE FOR AREAS AFFECTED BY THE MX WEAPON SYSTEM AND THE EAST COAST TRIDENT BASE

SEC. 905. Section 801 of the Military Construction Authorization Act, 1981 (94 Stat. 1775), is amended by striking out "During fiscal year 1981" and all that follows through the colon and inserting in lieu thereof the following: "The Secretary of Defense may use funds appropriated for fiscal year 1981 for planning and design purposes to provide community planning assistance, by grant or otherwise, as follows:".

Mr. BRINKLEY (during the reading). Mr. Chairman, I ask unanimous consent that title IX be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

AMENDMENT OFFERED BY MR. BONIOR OF MICHIGAN

Mr. BONIOR of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BONIOR of Michigan: At the end of the bill, add the following new section:

REPEAL OF AUTHORIZATION FOR CONSTRUCTION OF BINARY NERVE GAS PRODUCTION FACILITIES

SEC. 906 Notwithstanding section 705(a), the authorization for military public works to be accomplished by the Secretary of the Army at Pine Bluff Arsenal, Arkansas, contained in title I of the Military Construction Authorization Act, 1981 (94 Stat. 1750), and the authorization of appropriations therefor, are repealed as of the date of the enactment of this Act. If appropriated funds have previously been obligated for construction contracts for such military public works, such contracts shall be cancelled and the contractors involved shall be paid the cancellation liability of the United States under such contracts.

□ 1600

(By unanimous consent Mr. BONIOR of Michigan was allowed to proceed for 2 additional minutes.)

The CHAIRMAN. The gentleman from Michigan (Mr. BONIOR) is recognized for 7 minutes.

Mr. BONIOR of Michigan. Mr. Chairman, first of all, I would like to say that I have a great deal of respect for Chairman BRINKLEY. Although we may disagee on this particular issue, I think that his is a very difficult assignment and yet he has done an admirable job in shaping and guiding the legislation before us today.

BINARY NERVE GAS STATEMENT

Mr. Chairman, my amendment is straightforward. It would deauthorize the construction of the Army's binary nerve gas facility at Pine Bluff, Ark. That project was authorized last year through this bill for $3.15 million. At this point, no contracts have been let, no construction begun, no funds expended.

Mr. Chairman, in my opinion, the arguments—economic, military, and moral—all lead to the conclusion that this weapon should not be produced. Propelling its acceptance is the unjustified militaristic hysteria which seems to have dominated the Congress following the international events of the past year and a half. The panicked reaction of the U.S. Government does not befit a great nation, the production of this weapon does not befit a civilized one.

Estimates of the total eventual cost of this program range up to $4 billion. Yet, Defense Department officials admit that unless totally caught by surprise, the defensive equipment of United States and Soviet troops would effectively neutralize this weapon. What is being sought, then, is $4 billion for a weapon without a mission, the justification being that mystical catch-phrase oft-repeated and oft-accepted: "the Russians have it."

Even in a year when the Defense Department is being allowed "to run away with the store," our defense expenditures should be made to increase our security, not to mimic Soviet behavior. What we need is the best defense, not merely the most expensive.

In the next few minutes, Members will see all the arguments in favor of production march before them.

You will hear that Soviet stocks are greater than ours. The fact of the matter is that we have no reliable estimates of the size of Soviet stocks and the former Secretary of Defense has stated that our stocks are a credible deterrent.

You will hear that the Soviets are moving forward with their nerve gas program. In fact, we have no evidence that the Soviets have increased their stocks since 1969. They do not have binary capability. What they have done is what we should be doing here today: Improving defensive equipment. Good military planners will not waste resources on weapons they are reasonably certain will present no military advantage.

You will hear that our stocks are deteriorating. What you probably will not hear are the words of a 1977 GAO report which stated that the "serviceability of our stocks may have been greatly understated."

You will hear that this is not a decision to produce. Do we really believe that we will spend scores of millions to build a facility with no intention to use it?

You will hear that the Soviets have used lethal gas in Afghanistan. There is no definitive proof of this and the Defense Intelligence Agency and the Central Intelligence Agency have said so.

You will hear that the newer chemicals are safer. In relative terms, they undoubtedly are. The new chemicals, however, are not harmless. They still contain toxic materials. Some will say not harmfully toxic, that is what they said about agent orange. It also seems incongruous, at a time when serious bilateral and multilateral negotiations are taking place to limit this weapon, that the United States is committing itself to a new generation of them.

You will hear that we should follow the committee's lead on this issue. However, despite the pleas of several Members last year, we are still without distinct and thorough hearings on what will eventually be a very costly program for one of the most devastating weapons known. The last full set of House chemical weapons hearings were held in 1975. I think it more than coincidence that that was the same year we finally became a party to the Geneva Protocol on Chemical and Biological Warfare of 1925 and the Congress enacted additional restraints on the production of chemical weapons.

As I read the floor debate from the 96th Congress, I was stunned to hear proponents of this program decrying the emotional nature of the debate. When parliamentary bodies are asked to leave emotions aside to create a weapon with such pernicious effects on the human body, when we are asked to be dispassionate about the specter of large populations of civilians—not military—convulsing in uncontrollable vomiting and diarrhea, blinded and ultimately strangled by a weapon we vote to create, then the ship of civilization is lost.

In a year when the Congress faces difficult questions on funding priorities, we have to ask ourselves whether this weapon will create more security for Americans than some of the social programs we have been asked to cut: social security and other programs for our elderly, food stamps, educational loans, and so forth.

For those of my colleagues who assert that it will, I ask that you further consider whether a costly weapon which offers no military advantage provides more security than improved chemical defense equipment, the renovation of some of our naval vessels, adequate pay for people in our armed services.

The logic that we must produce this weapon so that we will never have to use it is sophistry. The way to assure that it will never be used is to be sure that it is never produced.

To be strong is not to be unmindful of the responsibility of our strength. This is not security, it is madness, and as Mrs. FENWICK said in debate last year, it is an idea that is unworthy of this country. I urge my colleagues to turn back from our present course, to assert your desire for a negotiated ban on this weapon, to pass this amendment.

Mr. WHITEHURST. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, honest men can disagree. I listened with a great deal of interest to what the gentleman from Michigan (Mr. BONIOR) has just had to say. I, too, feel terrible about the prospect of the United States undertaking a program to develop binary gas. But I would like to answer the gentleman's remarks in this way: Three years ago, in 1978, I was with a group from the Armed Services Committee that had the opportunity to visit the Soviet Union. On that occasion in Moscow we had a rather remarkable experience. We spent one entire afternoon with Marshal Ogarkov, the chairman of the Soviet general staff, and the Deputy Foreign Minister Kornienko. We had what I would call a frank and full discussion.

In the opportunity that I had to ask questions I raised this question with Marshal Ogarkov. I said, "We are bothered by the developments that you have undertaken in the development of chemical agents. We know, for example, that you have 100,000 troops dedicated to chemical warfare."

I said, "Marshal Ogarkov, we have chemical stocks of a sort in Europe but we believe they do not begin to approach yours." So I said to him, "How do you feel about entering into negotiations with us to put a ban on chemical weapons?"

The Marshal's answer was rather interesting. "Well," he said, "Mr. Whitehurst," through his interpreter, "we are already in negotiations to do this. So we expect that there will be results from those negotiations, either in Helsinki or in Geneva."

That was 3 years ago, and if there has been any progress toward reaching an agreement between the United States and the Soviet Union on balancing chemical agents, I have not heard about it.

I submit to my colleagues that they are not going to get any progress until the United States starts to do something that gets the Russians' attention. A couple of years ago I had the opportunity to be with the old NATO Subcommittee, the one that the Readiness Subcommittee has grown out of, to go to Europe, talk to our military commanders. I remember asking a question of the commander of the Air Force base at Ramstein, which happens to be the largest Air Force base we have in Europe.

I said, "General, what is the greatest fear that you have for the security of this base?" His answer was, "An attack by SCUD missiles with chemical agents in the warheads; that is what I fear the most."

The gentleman has said in his remarks that if we go forward with this, if we build this system, we are certain to use it. I submit that is not true, and I submit on the basis of history that it is not true. In World War II both sides

had copious stocks of gas of one kind or another. The principal reason, if one talks to the Germans—after the war they said, "We did not use our stocks because we were afraid of what the Allies had."

Hitler himself had been gassed in the First World War. He knew personally what it was like, and, although they had these tremendous stocks, they did not use them; they refrained from using them because of that.

There are two things that we need to do this afternoon besides kill this amendment. First is to realize that there is not going to be any agreement with the Russians until we get off dead center and get moving with this program. Anytime we can get that agreement, I say fine, let us stop right there.

No. 2 is this: It is not enough to say we have equipped our soldiers with protective clothing. That is not going to stop the Russians. That is not going to protect the Ramstein Air Force Base or military facilities in central Europe where our allies are. The only thing that is going to prevent it is the presence and the known presence of American chemical agents of a highly lethal nature.

One last item, and no one should forget this because perhaps this is the most important point of all.

The CHAIRMAN. The time of the gentleman from Virginia (Mr. WHITEHURST) has expired.

(By unanimous consent Mr. WHITEHURST was allowed to proceed for 1 additional minute.)

Mr. WHITEHURST. Mr. Chairman, if the balloon goes up, and God forbid that should happen, and the Soviets decide to use chemical agents, and we find ourselves militarily in the position where we are going to be terribly handicapped because they have done that, the only other recourse the United States has is a nuclear one. Who wants in this Chamber to lower the nuclear threshold? No one. I certainly do not.

So I say to my colleagues if we kill this program, if we withdraw support from it, what we are doing most assuredly is lowering that threshold and raising ever higher the spectre of a nuclear war.

I yield back the balance of my time.

Mr. ANTHONY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I would like to respond to the gentleman from Michigan and others. In their comments they raise a number of points that need to be clarified.

First, it is stated, without qualification, that the two binary chemical components are toxic in themselves. This is correct, to a degree. Everything we have in our world is, to a degree, toxic. Let me provide you with a few facts about the two components of the binary munition in question, the 155-millimeter artillery projectile. The first component is alcohol, and we all know alcohol can be toxic, but when we compare the alcohol component of the binary with actual nerve agent and other compounds, we can better understand Mr. BONIOR'S of Michigan statement on toxicity. Let me explain. The isopropyl alcohol, used in the production of isopropyl alcohol/amine, is 7,000 times less toxic than nerve agent GB. The alcohol binary component, isopropyl alcohol/amine, which will be manufactured by industry, is 53,000 times less toxic than nerve agent GB. In a more understanding comparison, ethyl alcohol, which is that spirit which is taken internally by many here in this Chamber and throughout our country, is 15 times more toxic when inhaled than the binary alcohol component.

The second component, difluoro, is more toxic than the first, but we are still talking about a chemical compound that is 3,500 times less toxic than the nerve agent itself. Gentlemen, difluoro is less toxic than tear gas used by our police forces. I submit, therefore, the production of binary chemical munitions will not only provide a modernized stockpile of chemical weapons, but will be extremely safer in production, transportation, storage, and finally handling by our artillery troops.

Next, it is suggested that no European allied country has agreed to permit the forward storage of binary chemical munitions on their soil. We are concerned with the building of a facility which will permit us, the United States, to be prepared to produce chemical munitions should the President notify the Congress of the need for production of chemical weapons.

The construction of the binary munitions facility has not been a secret. Its potential has been known by our allies since the positive action taken by the last Congress in authorizing and appropriating the necessary construction funds. I am further assured that our allies are fully aware of the current request which we approved in the fiscal year 1981 supplemental request for $20 million to provide equipment for the plant. To date, I have been informed by both the Departments of State and Defense that the allies have expressed no concern with our actions. In fact, our allies consider the current chemical warfare issue an internal national security problem, and recognize that the proper time for their views to be considered is when and if there is a decision by the United States to increase its forward deployed quantities of chemical munitions.

Mr. Chairman, it is not difficult to understand our allies' attitudes on this issue. They are, after all, facing the same serious threat. The imbalance in chemical warfare capabilities which necessitates the need for modernizing our stockpile is a risk which they equally share.

Further, the silence of our allies should be interpreted as an indication that there is a serious concern for the chemical threat in Europe, and they are waiting for the United States to exercise its position of leadership. Mr. Chairman, we must not abandon the leadership responsibility we have within NATO. We must convey to our allies that the responsibility for deterring chemical warfare is the paramount issue, and that the United States is ready to act responsively and decisively.

It is suggested that the House has not conducted distinct and thorough hearings on this matter since 1975. I must differ with my distinguished colleague because I know that the 96th Congress, as well as this Congress, has, in fact, had a number of hearings on this subject. There were extensive floor debates in both the House and Senate last year and in the Senate this year, as well as numerous closed hearings in both Houses—necessarily closed because of the classification and national security implications of the chemical warfare threat and the poor U.S. posture—all of which thoroughly discussed the issue at hand. I must differ, therefore, with the statement that the issue has only received passing reference in the Congress. I believe the Congress has acted, and is acting most responsibly.

I must point out that war has more of a catastrophic potential from the use of nuclear weapons—a position we could be forced into if we have no credible chemical deterrent/retaliatory capability upon which to rely.

My dear colleagues, if deterrence fails, we must have a flexible response option, and this means chemical weapons with which to retaliate if it becomes necessary. A strong chemical defense only posture will not deter nor allow us to overcome the advantages gained by Soviet-Warsaw Pact use of chemical weapons without our having to resort to nuclear weapons.

It is suggested that the binary facility should not be built because of the current bilateral negotiations between the U.S.S.R. and the United States to achieve a ban on the production and use of chemical warfare munitions and agents. I question the premise that delay of our binary stockpile modernization program would aid in these negotiations.

Mr. Chairman, first I would like to clarify one point. We ceased producing nerve gas in 1969 at the direction of the then Deputy Secretary of Defense, the Honorable David Packard, and that, Mr. Chairman, was because we were looking at new technology—the binary munition.

The negotiations which have been referred to have not been as productive as many believe, or want to believe. Since the negotiations began in 1977, the United States has attempted to achieve a comprehensive arms control agreement. The goal in these negotiations is a joint U.S.-U.S.S.R. proposal to the Committee on Disarmament, which would then negotiate a multilateral chemical arms control treaty. Bilateral negotiations have met with only limited success. Disagreement continues to exist in verification, declaration of stockpiles and facilities, and entry-into-force. It is unlikely that a joint proposal will be reached in the near term. The Defense Science Board summer study, reviewing the overall chemical program, concluded that there were only poor prospects for achieving an acceptable chemical warfare treaty.

To negotiate, one must be able to bargain from a position of strength. I submit to this Chamber that we do not have this luxury. If we continue our course, then the effect will assuredly be unilateral disarmament by the late 1980's. In view of this, it becomes readily apparent that the Soviets would have no need to enter into an agreement. However, to produce binary weapons could be the necessary ingredient that we need to get these talks moving.

In a recent letter to the chairman of the Senate Armed Services Committee, Senator TOWER, the Secretary of State, Mr. Haig, stated:

The Administration considers it vital that the United States maintain the credibility of its chemical weapons deterrent. Since no steps have been taken since 1969 to ensure the continuing effectiveness of this deterrent, it is now in serious danger of deteriorating and of losing its credibility. Faced with this urgent need, we think it important to take advantage of the significant safety and environmental advantages afforded by binary weapons.

The Administration's decision does not represent a new policy departure in the chemical weapons area, nor a decision to place greater emphasis upon chemical weapons in our overall national security policy. Rather, it represents a necessary step in maintaining the effectiveness of existing United States policy of no first use of chemical weapons, and the maintenance of a limited (but effective) retaliatory capability.

And lastly, a few words on the Soviet capability. The question is raised about the activities of the Soviet Union over the past years. Let me say that even though the information that I have seen is classified, and what I am about to say is unclassified, the Soviets have not been dormant. There is shocking proof of extensive research efforts and improvement in production capability. Soviet forces are continually upgraded with new, modern, and sophisticated equipment that will permit them to operate in a toxic environment for extended periods. I personally believe the evidence of their reported use of chemicals in Afghanistan supports their doctrine of using chemicals to achieve their goals, and irrespective of their obligation under treaty, international law, or any concern for humanity.

Mr. Chairman, it is suggested that we will be authorizing the killing of innocent civilians, and that the overwhelming majority of victims will then be unprotected civilians.

Let me say that if the Soviets or other states are not deterred from initiating chemical warfare, then unnecessary loss of civilian life, as is suggested, will most certainly occur from chemical weapons, as well as from other, more catastrophic weapons which may have to be relied on to try and negate the significant advantages the Soviets will have gained from using chemical weapons. If anything, this argument is strong rationale for developing a credible chemical deterrent capability rather than spurning one.

It has been said before, and I will say it again, that defense is not enough—any football coach will tell you that. The severe combat degradation and unit ineffectiveness caused by the use of chemical defensive equipment is more than enough in itself to cause an enemy to use chemical weapons. Just think what our capability would be if chemical weapons were used against our forces, and our enemy was not forced to the same degraded posture.

Gentlemen, if the Soviets employed chemicals today, NATO could suffer a decisive defeat if it did not exercise its nuclear option. And in a period of nuclear parity, or possibly even inferiority, the nuclear option is not the deterrent of 10 to 20 years ago.

Mr. Chairman, it is also suggested that the binary modernization program will cost $4 billion, and our tax money would be better spent on defense. First of all, to my knowledge the estimated cost of developing a credible deterrent/retaliatory capability by binary modernization is about $2 billion at the very most. The $4 billion mentioned covers costs over the next 20 years, and includes $2 billion or more for demilitarization of the current aging and obsolescent stockpile—the very reason why modernization is required. This demilitarization cost is given whether we modernize or not.

The comment that chemical weapons have no military utility if we have protective gear is simply wrong. The inability for over 100 years to conclude an effective prohibition of chemical weapons attests to the significance of chemical warfare. The Soviets know the significance of chemical warfare, and they are not going to give up their capability when they are the superior. The point has already been well made that while defensive or protective equipment is necessary for survival, it will not, in itself, deter chemical attack; the required chemical protective clothing and equipment degrade a fighting force. Is the cost of one aircraft carrier, or even if it were more, worth the possibility of losing a war in Europe or being forced to resort to nuclear weapons? I think not.

And finally, Mr. Chairman, I submit that if the Soviets are not deterred from initiating chemical warfare, and if NATO allies continue to take little or no action to protect the civilian population, large and unnecessary loss of civilian life will certainly occur. Mr. Chairman, our efforts here today seek to protect the civilian populace of Europe by development of a production facility which will either cause the Soviets to negotiate with reason, or allow the United States to acquire a credible deterrent. To take the necessary action to deter chemical warfare cannot be either inhumane or immoral. To do nothing any longer is assuredly both.

Mr. HOPKINS. Mr. Chairman, I move to strike the requisite number of words. I intend to vote for the Bonior amendment to the military construction bill, even though I believe binary capabilities are needed and overdue, and certainly a great improvement over our current system.

In brief, I believe a binary capability would give us a creditable deterrent against what I believe is a very serious Soviet-Warsaw Pact threat. In our current state of preparedness, our deterrent capabilities are actually regressing as our older chemical weapons break down, and binary to a very large extent removes the storage problems we are experiencing today with our older chemical weapons. It is exactly this problem to which I wish to speak today.

We have not produced any chemical or nerve agents in the United States since 1969, and those we produced prior to that time are already mixed, lethal, toxic agents. Naturally, we have to store those agents somewhere, and as they get older, they break down. They leak and they create hazardous conditions.

As we move forward on binary capabilities, we must not forget the problems that we have already created—a problem we are ignoring, somehow hoping it is just going to go away.

Let me tell you about the extent of the problem.

Our stockpile of chemical weapons is stored at nine locations throughout the country. A good portion of these agents are in weapons that are obsolete. Some of these weapons are leaking. Fortunately, this is a very small percentage of the total stockpile, but obviously they are no good to the military and they create a serious health hazard.

Finally, after a period of time, the agents themselves break down and are no good. In other words, pretty soon we are going to have to dispose of our entire stockpile.

We have the technology to demilitarize this aging chemical stockpile. The problem is we do not know how to do it efficiently.

The Army, which has executive branch responsibility for this program, asked for $12 million in the fiscal year 1982 budget in R. & D. funds to further understand and expand our technology to improve this demilitarization process. I was distressed to find that the R. & D. Subcommittee on Armed Services cut these funds out.

I can only view this decision as burying our heads in the sand, limping along with our current inadequate demilitarization program, and praying that we do not have an accident.

I have been told that even if we fully understood the best technical process for destroying our entire supply of chemical agents in stockpile, and if we had the money required, it would take 10 years to do this job. That is 10 years of unnecessarily provoking fate and 10 years of paying to store these agents at nine different locations throughout the country. I wish I could give you today a dollar figure for the cost of this storage, but I think you get the idea if you appreciate that it takes approximately $25,000 annually to pay and support just one guard at one facility. But, of course, we have nine facilities and obviously more than one guard.

I am personally inclined to feel that we could, perhaps, for example, find one isolated location and store all our obsolete chemical agents there instead of spreading them all over the country.

I also think we should devote the necessary R. & D. funds to safely and rapidly detoxify these older munitions.

I will vote shortly in favor of the Bonior amendment as a symbolic vote against our unwillingness to come to grips with this potentially explosive problem in this country.

Mr. Chairman, I yield back the balance of my time.

Mr. SKELTON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I strongly oppose this amendment, this amendment which will attempt to nullify the work of the previous Congress in initiating a program that would be the first step toward providing a creditable deterrent against the Soviet Union's chemical warfare capability.

Mr. Chairman, let me point out that history has shown that the only real defense against chemical warfare is an offense of such weapons so formidable that it deters the enemy from using theirs.

As many of my colleagues will recall, this issue was before the 96th Congress last year. Both the House and Senate on their own initiatives added $3.15 million to both versions of the military construction authorization and appropriations bills to provide the construction necessary to house the equipment that could eventually produce the 15-mm artillery round filled with one element of the binary agent. It is my understanding that OMB apportioned these funds last March and that the Army plans to award a construction contract this September.

Mr. Chairman, may I further remind my colleagues that during the previous session, an amendment offered to deny funds in the Defense appropriation bill to procure production equipment for the binary facility was defeated by a vote of 276 to 125.

Mr. Chairman, the House of Representatives is on record on this issue. We must allow the Army to proceed with construction. I urge the defeat of this amendment.

Mr. MONTGOMERY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, as the ranking member on this subcommittee, I had the privilege of attending a number of the hearings pertaining to chemical warfare. We really do not have any choice but to start building back our chemical warfare capabilities. There is no question about it. The Soviets are way out in front of us. If we really believe in a strong defense, we are going to have to take steps in improving both our defensive and offensive chemical warfare capabilities. As the gentleman from Kentucky (Mr. HOPKINS) said, we have not built any chemical warfare munitions since 1969. The chemicals we have are old. They are dangerous, and they should be done away with. So If you want a strong defense, certainly this amendment should be defeated.

Mr. BONIOR. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I will be glad to yield to the gentleman from Michigan.

Mr. BONIOR. I thank my friend for yielding. One of the main concerns that I have and that I tried to point out in my presentation when addressing the amendment is the fact that we have not had since 1975 a set of hearings in the House on this most important and crucial question. We are talking about $4 billion which also includes, of course, as the gentleman from Arkansas (Mr. ANTHONY) pointed out, the detoxification of existing stocks. But we are talking about a very expensive program. My friend, the gentleman from Mississippi (Mr. MONTGOMERY) has indicated that he attended hearings. What hearings has he attended that have led to the conclusions which he has just made?

Mr. MONTGOMERY. I have been involved in some briefings. I will be glad to invite the gentleman the next time we have the Department of Defense, the DIA over, and the CIA over. The gentleman certainly is welcome as a Member of Congress to come to some of these briefings. We were shown pictures. It is very frightening what the Soviets have done. I wish I could tell the gentleman more, but it is classified, and I think I had better not say anything further.

Mr. BRINKLEY. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Georgia.

Mr. BRINKLEY. I thank the gentleman for yielding. It is my understanding that the R. & D. Subcommittee and the Committee on Armed Services has just this year conducted hearings on the overall issue, not with reference to the facilities at all. Those are probably the ones the gentleman has attended.

Mr. MONTGOMERY. That is correct. I thank the gentleman for helping me.

□ 1630

Mrs. FENWICK. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Every moment is a moment of decision. We have come to another one now. Yes, I think it is true that the Soviet Union is using gas. It has not been proved in Afghanistan, but I have seen those who lived in the villages of Laos and have seen people die of the yellow, red, or white gas that is dropped in canisters from the Soviet planes.

I think it is significant that so far, in late years now, these filthy chemicals are use against the poorest and most helpless people, those who have no defense against the lethal planes that deliver the canisters, just country people, poor people, helpless on the ground.

Yes, the Soviet Union is apparently armed and prepared to sink to this level of frightfulness, but I really do not think the United States is. I do not think this country intends that we should conduct this kind of warfare. I have voted for every defense bill but one since I have been in this House. I think the defense of our country is the first duty of Congress, because nobody else can provide for it, but not like this. It is indeed not worthy of our Nation that we should even contemplate spending such huge sums of money to endanger people's lives in this particular way.

I think it is time to consider what we are doing on this Earth? What kind of

a country do we want to be? What does this country stand for?

If the Soviet Union is going to sink to those despicable methods, surely the United States is not.

Mr. BRINKLEY. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. Of course I yield to the gentleman.

Mr. BRINKLEY. I thank the gentlewoman for yielding.

Of course, the gentlewoman is right as to the nature and consequences of this weapon. Surely she is not suggesting that we render ourselves and our helpless men, women, and children impotent and that we be victimized, that we not have this as a deterrent to this aggressive nation that is proceeding.

Mrs. FENWICK. If the gentleman would yield, I do not think the way to handle that is to spend $2 billion—if $2 billion is the cost when you subtract what we have to spend to care for the old gas. No. I think the strongest thing we could do would be to say to the world here today, this House is not prepared for this kind of frightfulness in warfare. I think we should say it to all the countries. I think we should shame the Soviet Union. We should not descend to their level. If this is what they see as the way in which great nations conduct their affairs, it is not the way the United States sees it.

Mr. LEACH of Iowa. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from Iowa.

Mr. LEACH of Iowa. I thank the gentlewoman for yielding.

Mr. Chairman, I would just make several points that I think are very relevant to this discussion.

There are basically three weapons of mass destruction that exist in the 20th century. One is biological, one is chemical, and one is nuclear. Biological has been dealt with in an arms control convention. In fact, part of the Biological Weapons Convention of 1972 is a commitment on the part of the United States of America to move expeditiously toward a prohibition of the development, production, and stockpiling of chemical weapons.

This particular effort in this House to go forward with a new chemical weapons facility is in the opposite direction of a commitment of the U.S. Government.

Second, as far as the defense of this country is concerned, it should be stressed that once you have one weapon of mass destruction, all other weapons become less significant. Beyond that, it should be stressed that chemical weapons are cheap to develop—even though some may cost several hundreds of millions of dollars—in comparison with nuclear weapons.

If we fund this new chemical weapon facility, we will, in effect, be saying to the rest of the world: yes, chemical weapons are legitimate; yes, you countries that are poorer than we must for the sake of your security consider developing chemical weapons—something I do not think we want to do.

Finally, it should be stressed that the perversion of science that is involved in the exploitation of chemical weapons represents one of the great tragedies of the 20th century. Arms control rather than an arms race should be the goal of this country. It is a more moral as well as a more effective approach to take.

Finally, let me just stress that it is chemical weapons that have been used in the last half decade not nuclear, not biological. It is therefore imperative that this administration give the highest priority to honoring the commitment that this Government itself made in the direction of restraining the proliferation of chemical weapons. That would be a far better way to proceed than going forth with another generation of chemical weapons.

The CHAIRMAN. The time of the gentlewoman from New Jersey (Mrs. FENWICK) has expired.

Mr. BONIOR of Michigan. Mr. Chairman, I ask unanimous consent that the gentlewoman be allowed to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan (Mr. BONIOR)?

Mr. BRINKLEY. Mr. Chairman, reserving the right to object—and I shall not—I would indicate to the Members of the body we are making excellent time. Under the 5:30 time constraint, I think we will make our deadline very well.

If we could make points that we want to make and proceed with dispatch, I know all of those here would appreciate it, and our other Members would, too.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan (Mr. BONIOR)?

There was no objection.

Mrs. FENWICK. I yield briefly to the gentlewoman from New Jersey (Mrs. ROUKEMA).

Mrs. ROUKEMA. I thank the gentlewoman for yielding.

Mr. Chairman, when I sought election to the Congress in 1980, I endorsed the need for a stronger national defense because of my belief that our defense capabilities have so deteriorated that we could not effectively deter international aggression and defend our vital national interests. And I support the administration's defense proposals to move swiftly and vigorously to reverse this dangerous trend.

I believe that those of us who campaigned on this issue have a particular obligation to review, with the greatest care, each and every defense proposal. I am deeply concerned that today we are in danger of approving funds for construction of this nerve gas facility without understanding the implications and consequences of such an action.

I am not an expert on defense spending, nor am I an expert on chemical warfare. What I have attempted to do, therefore, is go back over the written record on this issue in an effort to understand the reason for the request and the policy implications, if any.

In 1969, President Nixon asked the Senate to ratify the Geneva Protocol of 1925, which prohibits the first use of chemical warfare weapons. He said:

> I hereby reaffirm that the United States will never be the first country to use chemical weapons to kill. And I have also extended this renunciation to chemical weapons which incapacitate * * *. These steps should go a long way toward outlawing weapons whose use has been repugnant to the conscience of mankind.

In 1974, the House Foreign Affairs Committee report on the ratification of the Geneva Protocol stated clearly that research and development of chemical weapons must be based on how such weapons fit into a broad U.S. national security framework, not merely within the context of an isolated tactical problem—this in reference to the Soviet Union.

In fact, the Foreign Affairs Committee noted that the ability of a target nation to defend itself well against such a chemical warfare attack may, in fact, be more important than the possession of a chemical warfare capability, and that it is possible that the U.S. deterrent chemical warfare stockpile could be interpreted by a suspicious potential enemy as a means of achieving a preemptive first strike. Thus, the potential enemy would engage in similar stockpiling, resulting in an arms race.

The committee recommended the policy of deterrence of chemical warfare based on the idea of retaliation in kind should be reviewed and reevaluated to guarantee that it is the only effective method of achieving the broad national security interests of the United States.

In reviewing subsequent committee reports and last year's debate on this issue, Mr. Chairman, I can find no solid evidence of further extensive analysis and study. The debate in the House last year centered on challenges to this very point.

The conference report we have passed earlier says quite clearly that the committee of conference remains deeply concerned about the many as yet unanswered questions surrounding this effort.

We are taking a significant step toward a major policy change without consideration of those policy questions the Foreign Affairs Committee—to their credit—identified for thorough

study in 1974. I fear that by the construction of this facility at Pine Bluff we are not only deflecting attention and resources away from our primary defense needs, but, more importantly, we are casually accepting a basic new doctrine of defense that would integrate chemical weapons into our tactical planning. If the Bonior amendment fails, the new doctrine of tactical use—as opposed to deterrence—will be initiated with little understanding of the foreign policy, national security, and arms control implications. The conference report states:

> The committee also believes it is imperative that the administration provide an overview of the mission-oriented requirements for the various binary weapons, as well as an arms control impact study of such requirements, before further funding is approved.

The CHAIRMAN. The time of the gentlewoman from New Jersey (Mrs. FENWICK) has again expired.

Mrs. FENWICK. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

Mr. HAMMERSCHMIDT. Reserving the right to object, I would hope in floor procedure Members would get their own time and not go through this yielding procedure, as an observation.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey (Mrs. FENWICK)?

There was no objection.

Mrs. ROUKEMA. Mr. Chairman, if the gentlewoman will yield further, this is also coming at a time when our NATO allies are pressuring for resumption of arms talks and have stated objections to the deployment of chemical weapons. The conference report directs the administration to provide a country-by-country report from our NATO allies with respect to their official views on the long-range program.

The record is clear that we have not done any real planning on this issue, as has been suggested on numerous occasions. Yet we are considering taking a major step toward a new chemical weapons policy without the necessary analysis.

As the leader of the free world and as a nation that has prided itself on its historic commitment to humanitarianism, let us look at this issue more closely before we leap into a new policy direction. Let us find a way to say to the world: We can find better ways to be prepared. We need not resort to a weapon that cannot be controlled and will, for the most part, only kill innocent civilians.

By adopting the Bonior amendment, we can insure that America will examine and pursue every possible military and diplomatic alternative to prevent this terrible scourge of warfare from use. As social philosopher Christopher Dawson wrote in 1942, "As soon as men decide that all means are permitted to fight an evil, then their good becomes indistinguishable from the evil that they set out to destroy."

Mrs. FENWICK. I thank my colleague for her remarks.

The CHAIRMAN. The time of the gentlewoman has again expired.

Mr. HAMMERSCHMIDT. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise to express my firm opposition to the Bonior amendment deauthorizing construction of the Army's binary nerve gas facility at Pine Bluff, Ark.

As a Representative from the State of Arkansas where this plant is to be located, I have taken to the floor before to discuss our national requirement for a modern chemical weapons production capability. During the last session, this body aired all the issues surrounding this project including: The mounting threat of a Soviet first use of these weapons; the hazardous condition of our chemical deterent; and the lack of any progress in a Soviet-American arms control negotiation regarding chemical warfare. The fact remains that all of the arguments have been made previously, and Congress in its wisdom decided that this Nation must have a capability to produce chemical weaponry by giving approval to this construction project.

Too much time has been allowed to lapse already. The American people must be alerted to the danger we face and complete the first step taken last Congress toward restoring the credibility of our chemical deterrent. As I have pointed out previously, it is time to stop debating this issue and start acting in the best interest of our country. Today, the Soviet Union has the best equipped and trained forces in the world for conducting sustained operations on a chemical battlefield. The Soviet Union considers chemical weapons to be an integral part of modern warfare and one of the most powerful means of destroying their enemies. U.S. Army intelligence analysts believe that the Soviet forces are capable of initiating and sustaining large-scale use of chemical weapons in either a conventional or nuclear conflict.

Soviet chemical warfare specialists and forces are integrated into every level of their military structure, to include a Chemical Directorate within the Ministry of Defense. Each Soviet Army front is supported by a chemical brigade, each combined army or tank army by a chemical battalion, each division by a chemical battalion, and each motorized and tank regiment by a chemical company.

The extent of Soviet training in chemical warfare is unequaled and stresses individual and unit proficiency for exploiting their own offensive chemical operations. Use of diluted chemical agents to provide realism in training has been confirmed. The individual Soviet soldier is well trained in the use of his protective clothing. Extensive exercises are utilized to increase the soldier's psychological preparedness, improve combat proficiency while in protective clothing, and develop confidence in the adequacy of protective clothing and equipment. Decontamination equipment is especially plentiful and can be made available in every tactical operation to reduce or eliminate contamination, thereby preserving combat effectiveness. Similarly, a wide spectrum of combat vehicles have been developed and fielded with an integral overpressure system which affords the personnel a "shirt sleeve" fighting environment. This total system approach for maintaining the combat effectiveness of their forces is complemented by equipment and unit operational capabilities for detecting/warning and rapid reconnaissance of contaminated areas.

Research and development programs within the Soviet Union have been extensive and are continuing in all areas of chemical warfare activities. Protective masks and individual clothing, as well as collective protection systems, chemical agent detector alarms, and personnel and equipment decontamination means are continually being improved. In addition, their research programs to develop new chemical warfare agents and weapon systems, including dual or multiple agent systems, continue unabated. As a result, the Soviet Union could remain the best equipped nation in the world to conduct chemical warfare.

Our current chemical stockpile is totally inadequate and continues to deteriorate. Unless our stockpile is modernized with the safer binary munitions, the result will be almost the same as unilateral disarmament in the chemical arena. The failure of this country to construct and equip a binary production facility would place an undue reliance on conventional forces and would invite the initiation of chemical warfare in any future conflict.

Many of my colleagues believe that the best way to prevent the use of chemical munitions is for the United States to unilaterally disarm in this area, in the hope that the rest of the world, in particular the Soviet Union, will follow our example. Unfortunately, the history of chemical munitions reveals this is a dangerously mistaken viewpoint. Soviet military doctrine calls for employment of nerve gas in event of a war in Europe, and the Soviets have taken extensive steps to pre-

pare its manpower for this type of warfare. We must convey to our allies that the responsibility for deterring chemical warfare is the paramount issue, and that the United States is ready to act responsively and decisively.

It is suggested that we will be authorizing the killing of innocent civilians, and that the overwhelming majority of victims will then be unprotected civilians. Let me say that if the Soviets or other states are not deterred from initiating chemical warfare, then unnecessary loss of civilian life will most certainly occur from chemical weapons, as well as from other, more catastrophic weapons which may have to be relied on to try and negate the significant advantages the Soviets will have gained from using chemical weapons. If anything, this argument is strong rationale for developing a credible chemical deterrent capability rather than rejecting it. The severe combat degradation and unit ineffectiveness caused by the use of chemical defensive equipment is more than enough in itself to cause an enemy to use chemical weapons—just think what our capability would be if chemical weapons were used against our forces, and our enemy was not forced to the same degraded posture.

Chemical agents are employed in war as force multipliers. They cause casualties and they degrade the operational effectiveness of military forces. Casualty effects are most pronounced against unprotected personnel, but we expect casualty rates as high as 10 percent against fully protected soldiers due to equipment failures, improper fitting, and individual errors in the use of protective devices.

Perhaps more importantly, when military units assume a chemical warfare protected posture, they reduce their operational effectiveness by 25 percent or more. Communication becomes more difficult, physical movement becomes more difficult due to the encumbrance of protective clothing, and weapons are harder to sight and align on target because of the interference of the protective mask. In warm climates, heat casualities are a secondary bonus effect of the employment of chemicals.

The contamination of material—trucks, tanks, rations, ammunition—further degrades military operations. Resources must be diverted to decontamination efforts. Delivery of supplies to fighting units must be delayed. Some supplies must be destroyed. Maintenance operations become slower and more difficult.

The ultimate impact of a chemical attack on military operations must be viewed as a composite of some of all of the above factors. In no case will the result be negligible, regardless of the level of protection provided.

A military force that can impose such penalties without fear of retaliation in kind has a substantial advantage in battle. By developing a credible chemical warfare capability of our own, we negate that advantage, introduce a degree of uncertainty, and make the use of the enemy's chemicals less likely. It is this aspect—reducing the likelihood of use of chemicals—that will save the lives of the civilian men, women, and children for whom concern is expressed.

The comment that chemical weapons have no military utility if we have protective gear is simply wrong. The ability for over 100 years to conclude an effective prohibition of chemical weapons attests to the significance of chemical warfare. The Soviets know the significance of chemical warfare, and they are not going to give up their capability when they are superior. The point has already been made again and again that while defensive or protective equipment is necessary for survival, it will not, in itself, deter chemical attack; the required chemical protective clothing and equipment degrade a fighting force. Is the cost of one aircraft carrier, or even if it were more, worth the possibility of losing a war in Europe or being forced to resort to nuclear weapons?

In a recent letter to the chairman of the Senate Armed Services Committee, Senator TOWER, Secretary of State Haig stated:

> The administration considers it vital that the United States maintain the credibility of its chemical weapons deterrent. Since no steps have been taken since 1969 to ensure the continuing effectiveness of this deterrent, it is now in serious danger of deteriorating and of losing its credibility. Faced with this urgent need, we think it is important to take advantage of the significant safety and environment advantages afforded by binary weapons.
>
> The administration's decision does not represent a new policy departure in the chemical weapons area, nor a decision to place greater emphasis upon chemical weapons in our overall national security policy. Rather, it represents a necessary step in maintaining the effectiveness of existing United States policy of no first use of chemical weapons, and the maintenance of a limited, but effective, retaliatory capability.

I personally believe the evidence of the reported use of chemicals in Afghanistan by the Russians supports their chief doctrine of using chemicals to achieve their expansionist goals in the world. Hundreds of refugees fleeing to Pakistan have testified to Soviet gas attacks on defenseless Afghan villages. Therefore, considering the Russian stockpiles, and recent reports of its use, it is essential that the United States begin to rebuild our own stockpiles to serve as a deterrent. Binary munitions are safe to manufacture, handle, and store, and become lethal only when they are fired at an enemy. The sooner we move forward with construction of our Pine Bluff facility the sooner we will be able to assure the American people of our national security.

□ 1645

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Texas.

Mr. KAZEN. I thank the gentleman for yielding.

I rise to associate myself with the remarks of the gentleman from Arkansas (Mr. HAMMERSCHMIDT). It is true that we have subscribed to the fact that we will never use chemical warfare as a first strike. The Soviet Union has been using chemical warfare and we know it. The gentlewoman from New Jersey has given us some examples in Laos. We have heard that they have used it in Afghanistan. I do not know whether they have or not, but the persistent reports are that they have. If they have done this, there has been no world outcry against their doing it.

Now we know that the only deterrent then, if they should decide to use it in the future against us or against our allies, if they should know that we have the power to retaliate with the same, they are going to be very careful about how they use it or if they use it at all.

We have only used the nuclear power one time or two times when we ended the war. Since then both sides have had it and neither side has used it. I think the same will happen with chemical warfare in the future.

Mr. WOLPE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by my distinguished colleague from the State of Michigan, (Mr. BONIOR).

The development of binary chemical weapons will neither enhance our deterrent force nor provide us with an effective weapon for development in battle situations. Consequently, this amendment offers us an important opportunity to eliminate over $3 million of pointless military spending, and to head off an eventual $4 billion investment.

Neither the United States nor the Soviet Union has increased its stocks of chemical weapons since the late 1960's; in effect, both nations have observed an unofficial moratorium on the expansion of chemical munitions. And to the extent that any chemical deterrent may ever be necessary, our Nation already has over 3 million nerve gas projectiles in its arsenal.

Moreover, should we choose to deploy chemical weapons in military confrontations, we would soon learn that they are an ineffective weapon. Enemy troops, equipped with protec-

tive clothing, would escape the lethal effects of the aerosol clouds released by detonation. Only civilians would be vulnerable to the noxious fumes unleashed into the atmosphere—the civilian death toll would be devastating. And in the midst of all this human destruction, enemy troop movement would continue unimpeded.

A noted defense specialist has commented that our current military strategy is based upon the concept of "more." More weapons, more carriers, more aircraft, more bases, more everything. But "more" is not always better. It is, however, always more expensive. The effort to secure an adequate national defense is one which demands our unwavering support, but military spending that does nothing to render our Nation stronger is wasteful and should be eliminated. We have before us an opportunity to curtail over $3 million of pointless military expense in the short term and $4 billion over the long term. I urge my colleagues to support the Bonior amendment.

Mr. BONIOR of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. I yield to the gentleman from Michigan.

Mr. BONIOR of Michigan. I thank my colleague for yielding and commend him on his statement.

Let me answer a few of the criticisms that have been lent by the Members who have spoken against the amendment.

The gentleman from Virginia has indicated to this body that he knows of no progress being made in the discussions with the Soviet Union. I would add that in the session that ended in July both sides agreed to the principle of onsite inspections. I indeed think that is progress.

The gentleman from Arkansas (Mr. ANTHONY) indicated the very innocuous nature of the agents used in this binary chemical system. I have information that says that some of the agents are as powerful as strychnine. I think that lends credence to the argument that we need more hearings on exactly what we are doing in terms of this capability.

Finally, let this debate not end without the point being made that our NATO partners are not in agreement with what we are doing here today. The countries of Denmark, Greece, Iceland, Italy, Luxembourg, Norway, and Turkey have renounced its use. West Germany renounced use and possession in perpetuity but reluctantly allows the United States to stockpile in West Germany. The British have shifted emphasis to defending against the weapon. Secretary of Defense Weinberger has stated that we have not yet even consulted with our NATO allies about the deployment of this very lethal weapon. I think that ought to be part of the record.

When Members vote on this amendment they ought to consider that and the international ramifications of our NATO allies.

I thank the gentleman for yielding.

Mr. BETHUNE. Mr. Chairman, I move to strike the requisite number of words and rise in support of the amendment.

Mr. Chairman, I rise in support of the amendment because last fall, along about September 10, I suppose I was the Member who incited the abbreviated debate that we had on binary gas at that time. While it was abbreviated, it was the best debate that we have had in the last 3 years and lasted a good deal longer than this one appears headed for.

But, at that time, I had the impression that we were bootstrapping on this issue because I am a new Member of Congress, just having come in, in the 96th Congress, and I tried as best I could to get up to speed on this issue because the site we are discussing is only about 30 miles from my district as the crow flies, so I was naturally interested.

I discovered that for the most part Members in this body really do not know anything about this issue. In fact, I would submit that the majority of the Members here could not define for you what binary gas is, have not the faintest idea how the relationship is with our NATO allies, as the gentleman has indicated.

While there is allegation that we have had briefings and hearings on the subject out here in the Congress, I took the time last September to look up one of the hearings and it consists of four transcribed pages and that was all. I do not know what happened out in the hearing on R. & D. that the gentleman from Mississippi mentioned, but I doubt seriously if it was a comprehensive hearing which treated all of the very sophisticated issues that come up on this subject.

So the gentlewoman from New Jersey was right when she said the last time we treated the issue we polarized around the point, that we did not have a good in-depth debate and consideration of the point.

So I was troubled at that time as to whether this Congress really knew what it was doing on an issue of this importance. I am still troubled. Some people say that the Soviets have binary gas. Some say they do not have binary gas. Some say we need this for an offensive weapon. Some say we need it for a defensive weapon. Some say we need it for leverage in negotiations.

It is a big issue, much bigger than many Members think. It is much larger and deserves much more attention than we have given it here so far in this Congress. We have had changes in leadership. The gentleman from Michigan mentioned the fact that many of our NATO allies do not support this. We have had a change in leadership in France, in Italy. We have had a change in leadership in this country.

The mix of forces that controls foreign policy has altered substantially just since the last time we discussed it. We are discussing here a policy. The perception around the world is that the United States is not in favor of the use or the production of binary gas because we have not produced any for 10 years.

Now my colleagues may split hairs and say go back to the wording of the statements that were made 10 years ago and you may discover that we came out at that time against the use of binary gas. But the perception around the world—and that is what is important—is that we do not intend to produce binary gas.

So I would say to my colleagues that we really need to talk about this in more detail than we have. We are 7 years away from the time that any of this new binary gas would come off the production line. There is no rush here. We are being bold enough in this Congress to deal with some tough issues that we have not faced in the past. Why do we not deal with this issue in like fashion? Why do we not bring it up and discuss it as we should in great detail and give the people a chance to communicate with us as to their sentiment?

Finally, I would make this point because one of the best arguments I heard on this floor last September was made by the chairman of the Committee on Foreign Relations, the distinguished gentleman from Wisconsin (Mr. ZABLOCKI). The gentleman raised three questions. He said:

> In sum, Mr. Chairman, adoption of this military construction project in fiscal year 1981: Unnecessarily complicates our present efforts to maintain positive relations with our NATO allies to preserve an effective deterrent to the Soviet threat in Europe; undermines our longstanding commitment to the ban on production and use of lethal chemical warfare through negotiations; and undermines our efforts to reduce the proliferation of arms worldwide . . .

I feel that any committee that brings a bill to this floor has the responsibility to rebut those arguments and to carry the proof.

I do not think the committee has in this instance. Therefore, I urge that Members support the gentleman's amendment, and I think that he is on the right track. I think that we can do a much better, much more responsible job of analyzing a very difficult issue here in the Congress.

Mr. OTTINGER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I would like to congratulate the gentleman from Michi-

gan (Mr. BONIOR) for his amendment. I carried the burden of this fight on occasions in previous Congresses, at least once successfully, and I think the issues involved are terribly important. I think it is most important that we pass his amendment.

The fact of the matter is that we are talking about the investment of many billions of dollars in a series of weapons the terror of which is almost unparalleled. We are talking about chemical weapons that work on the nervous system, cause paralysis and asphyxiation and yet are of very little military value.

We already have a large stockpile of chemical weapons. The United States has enough chemical weapons stockpiled to kill or maim millions of human beings within an area of thousands of square miles.

Moreover, these chemical weapons can only be used effectively against civilians as the Russian troops are prepared to wear protective clothing. Our European allies have already said they do not want to get involved in this. Not one European country has agreed to allow binary weapons to be pre-positioned on its soil. So this huge expenditure of taxpayers' dollars is largely going to be wasted.

This situation is very much like the strategic mistake we made when we decided to develop and deploy MIRV. It was not long before the Soviets felt compelled to engage in their own MIRV production. Now, once again, we will spur the Russians into similar activity and we are going to leave ourselves less secure than we were before. The Russians are not going to sit still while we produce these binary weapons. They are going to go ahead and increase their own stockpile. We are going to again have a situation where we will have spent billions of dollars and they will have spent billions of dollars and we will be less secure than we are now.

In addition, the technology for producing chemical weapons may be easily acquired by other governments, fringe organizations, and terrorist groups, a most dangerous development indeed.

Lastly, we are still involved in negotiations with the Russians to try and limit use of chemical weapons. I think that that effort ought to be pursued, that it would result in much greater security than anything we could possibly do by producing these weapons. The Pine Bluff facility is a bad investment economically and militarily.

I strongly urge that this amendment be adopted.

Mr. BRINKLEY. Mr. Chairman, I notice there are two Members standing who wish to speak on this amendment.

Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto conclude in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. SMITH of New Jersey. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Michigan to deauthorize construction of the Pine Bluff Binary Chemical Weapons Facility.

Mr. Chairman, I believe we need a strong national defense, but I do not feel that that means we should scrap the 11-year moratorium on production of chemical weapons.

Mr. Chairman, I believe that the estimated $4 billion program for nerve gas production is repugnant and of dubious military usefulness.

From my research on the issue, I am convinced that the majority of victims of chemical warfare would undoubtedly be civilians, since potential adversaries, like the Soviet Army, are fully equipped with protective gear. If chemical weapons are used in a military conflict, then the overwhelming majority of victims will be the men, women, and children on the street—not advancing soldiers. Furthermore, it is my understanding that nerve gas can kill up to 12 miles away—and maim up to 24 miles away, inflicting terrible damage on nearby populations.

The gruesome nature of the weapon is frightening and scary. A few minutes ago, the gentleman from Michigan recounted the effects of nerve gas on the human person.

Nerve gas works on the central nervous system to cause sweating, convulsions, uncontrollable vomiting and diarrhea, dimming of vision, and ultimately, asphyxiation by paralyzing the respiratory system. Even nonlethal exposure will produce neurological and psychiatric disorders.

Mr. Chairman, because the military usefulness of nerve gas is questionable, because it would take its heaviest toll on civilians, I urge support for the Bonior amendment.

□ 1700

The CHAIRMAN. The Chair recognizes the gentleman from Georgia (Mr. BRINKLEY).

Mr. BRINKLEY. Mr. Chairman, in conclusion I rise in opposition to the Bonior amendment.

Mr. Chairman, in response to the gentleman from Arkansas (Mr. BETHUNE) there has been no rush. There has been perhaps delay on this issue. The issue was met, addressed, and decided last year. The statement of the managers is in yesterday's RECORD at page 11357, and it addresses existing authority and existing appropriations thereunder.

In the statement it clearly shows, as the gentlewoman from New Jersey has indicated, that the other body did recede to this body in appropriating some funds, and of course we have voted on that today in the supplemental appropriations bill.

This is a fairly modest beginning. We can make a beginning, and therefore, Mr. Chairman, I ask the Committee of the Whole to vote down the Bonior amendment.

● Mr. WYDEN. Mr. Chairman, I rise today in support of the amendment offered by my friend from Michigan (Mr. BONIOR).

This amendment would deauthorize the construction of the Army's binary nerve gas facility at Pine Bluff, Ark. I fear that unless this amendment is adopted, we will embark upon yet another arms race—an arms race for which there is no justification.

We hear the familiar refrain that. "The Soviets are increasing their nerve gas arsenal, so we better do the same." Mr. Chairman, that argument is as valid as the argument that since they have 5,000 statues of Lenin, we should build 5,000 statues of Jefferson. I ask my colleagues, will the production of artillery shells containing binary nerve gas make us any safer? Will we sleep any better at night? Will our children live in a more secure world?

Their increased manufacture and deployment will not provide a ligitimate deterrent to the Warsaw Pact countries. In the current climate of strained relations between ourselves and the Soviet Union, the production of binary nerve gas sends precisely the wrong message to our adversaries.

We must learn from history. Nerve gas has been used effectively only on defenseless, often civilian populations. Intelligence estimates tell us that the Warsaw Pact troops in Eastern Europe are equipped with sufficient protective gear to endure an attack of chemical weapons. In addition, our Armed Forces are equipped with similar protective gear.

With this in mind, we should realize that debate over chemical weapons does not center on their use in a superpower conflict. A weapon is not effective if both sides are protected from it. The only effective use of chemical weapons is against a nation which lacks protection.

If we manufacture these artillery shells, the so-called "Big-eyes," we are preparing a weapon for use in the Third World. For that is the only theater in the world where they would be effective—since the troops and guerrillas in these theaters seldom have sufficient protection. These are the kinds of fundamental changes in foreign policy we should be considering soberly and carefully.

Apparently, the Soviets are prepared to use chemical weapons in warfare, as they may have used it on Afghans and supplied it to the Vietnamese.

It is clear, that the only significant casualties of chemical warfare will be the innocent civilian population. I ask my colleagues in the Chamber today, "Can we honestly justify the manufacture of a sophisticated weapon, whose effectiveness is aimed not at an aggressor, but at civilian populations?" Not at soldiers but at defenseless men, women, and children.

Just a few weeks ago, we heard that the 1980's had proved wrong the idea that we can solve problems simply by throwing money at them. Mr. Chairman, if you can not solve social problems by throwing money at them, how can you make the world safer by carelessly throwing money at the Pentagon.

I do not believe we should manufacture a weapon whose real potential is for export to other countries.

We have already stockpiled millions of this type of shell. In fact, a significant amount of nerve gas stockpiles call my State of Oregon their home. There is nerve gas stored in Umatilla, Oreg., and I have never met an Oregonian who feels safer or less threatened because we have our share of nerve gas in our State.

As we engage in the debate, let us make no mistake about what we do by approving funds for this facility. We are talking about the manufacture of a weapon which kills in an extremely gruesome and evil way.

Death by nerve gas does not come quickly or painlessly. Rather, because the central nervous system is attacked, intense sweating, convulsions, uncontrollable vomiting, diarrhea, dimming of vision, and final asphyxia following paralysis of the respiratory system takes place. According to the dose, this torture may last from several minutes to several hours.

Oh, yes, we are told that because the artillery shells would contain two separate compartments, the chemicals are not toxic until detonation. But these chemicals, stored separately, are certainly not harmless—one of the chemicals, DF, is as toxic as strychnine.

I for one, cannot cast a vote to build this kind of weapon, and I urge my colleagues to support this amendment.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. BONIOR).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BONIOR of Michigan. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 135, noes 220, present 1, not voting 75, as follows:

[Roll No. 63]

AYES—135

Addabbo	Frost	Panetta
Aspin	Garcia	Patterson
Barnes	Gejdenson	Paul
Bedell	Glickman	Pease
Bethune	Gray	Porter
Bingham	Green	Pritchard
Blanchard	Gregg	Rahall
Boggs	Guarini	Railsback
Bolling	Gunderson	Ratchford
Bonior	Hall (OH)	Reuss
Bonker	Harkin	Rodino
Brodhead	Hawkins	Rosenthal
Brown (CA)	Heckler	Roukema
Burton, John	Hertel	Roybal
Chisholm	Hightower	Russo
Clay	Hollenbeck	Sabo
Conte	Hopkins	Savage
Conyers	Hoyer	Scheuer
Coughlin	Jacobs	Schneider
Coyne, William	Kastenmeier	Schumer
Crockett	Kildee	Seiberling
Danielson	Kogovsek	Shamansky
Daschle	Lantos	Shannon
Deckard	Leach	Sharp
Dellums	Lehman	Simon
DeNardis	Long (LA)	Smith (IA)
Dixon	Lowry	Smith (NJ)
Donnelly	Luken	Solarz
Dorgan	Lundine	Stark
Downey	Markey	Stokes
Dunn	Mattox	Studds
Dwyer	Mavroules	Swift
Eckart	Mazzoli	Tauke
Edgar	McCloskey	Udall
Edwards (CA)	McKinney	Vento
Erdahl	Miller (CA)	Walgren
Evans (IN)	Mineta	Waxman
Fascell	Minish	Weaver
Fenwick	Mitchell (MD)	Weber (MN)
Fithian	Moakley	Weiss
Ford (MI)	Nowak	Whittaker
Ford (TN)	Oakar	Williams (MT)
Forsythe	Oberstar	Wolpe
Frank	Obey	Wylie
Frenzel	Ottinger	Yates

NOES—220

Akaka	D'Amours	Hall, Sam
Anderson	Daniel, Dan	Hamilton
Andrews	Daniel, R. W.	Hammerschmidt
Annunzio	Dannemeyer	Hansen (ID)
Anthony	Daub	Hansen (UT)
Applegate	Davis	Hartnett
Archer	de la Garza	Hatcher
Atkinson	Derrick	Hefner
Bafalis	Derwinski	Heftel
Bailey (PA)	Dicks	Hendon
Barnard	Dingell	Hiler
Beard	Dornan	Holland
Benjamin	Dougherty	Holt
Bennett	Dreier	Horton
Bereuter	Duncan	Hubbard
Bevill	Dyson	Huckaby
Bliley	Edwards (AL)	Hughes
Boner	Edwards (OK)	Hunter
Bowen	Emerson	Hutto
Breaux	English	Ireland
Brinkley	Erlenborn	Jeffries
Brooks	Ertel	Jenkins
Broomfield	Evans (DE)	Jones (NC)
Brown (CO)	Evans (GA)	Jones (OK)
Broyhill	Fazio	Jones (TN)
Butler	Fiedler	Kazen
Byron	Fields	Kindness
Campbell	Findley	Kramer
Carman	Foley	Lagomarsino
Chappie	Fountain	Latta
Cheney	Fowler	Leath
Clausen	Gaydos	LeBoutillier
Clinger	Gephardt	Lee
Coats	Gibbons	Lent
Coelho	Gilman	Levitas
Coleman	Gingrich	Lewis
Collins (TX)	Ginn	Livingston
Conable	Goodling	Loeffler
Corcoran	Gore	Long (MD)
Courter	Gradison	Lott
Coyne, James	Gramm	Madigan
Crane, Daniel	Hagedorn	Marks
Crane, Philip	Hall, Ralph	Marlenee
Marriott	Perkins	Solomon
Martin (NC)	Peyser	Spence
Martin (NY)	Pickle	Stangeland
Matsui	Quillen	Stanton
McClory	Regula	Staton
McCollum	Rhodes	Stenholm
McCurdy	Rinaldo	Synar
McDade	Ritter	Tauzin
McDonald	Roberts (KS)	Taylor
McEwen	Roberts (SD)	Thomas
McGrath	Robinson	Trible
Mica	Roemer	Volkmer
Michel	Rogers	Wampler
Miller (OH)	Rose	Watkins
Molinari	Rostenkowski	Weber (OH)
Montgomery	Roth	Whitehurst
Moore	Rousselot	Whitley
Moorhead	Rudd	Whitten
Morrison	Sawyer	Williams (OH)
Mottl	Shaw	Wilson
Murtha	Shelby	Winn
Myers	Shumway	Wolf
Napier	Shuster	Wortley
Natcher	Siljander	Yatron
Neal	Skeen	Young (AK)
Nelligan	Skelton	Young (FL)
Nelson	Smith (AL)	Young (MO)
Nichols	Smith (NE)	Zablocki
O'Brien	Smith (OR)	Zeferetti
Parris	Snowe	
Patman	Snyder	

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—75

Albosta	Ferraro	Mollohan
Alexander	Fish	Murphy
Ashbrook	Flippo	Pashayan
AuCoin	Florio	Pepper
Badham	Foglietta	Petri
Bailey (MO)	Fuqua	Price
Beilenson	Goldwater	Pursell
Benedict	Grisham	Rangel
Biaggi	Hance	Richmond
Boland	Hillis	Roe
Bouquard	Howard	Santini
Brown (OH)	Hyde	Schroeder
Burgener	Jeffords	Schulze
Burton, Phillip	Johnston	Sensenbrenner
Carney	Kemp	St Germain
Chappell	LaFalce	Stratton
Collins (IL)	Leland	Stump
Cotter	Lowery	Traxler
Craig	Lujan	Vander Jagt
Dickinson	Lungren	Walker
Dymally	Martin (IL)	Washington
Early	McHugh	White
Emery	Mikulski	Wirth
Evans (IA)	Mitchell (NY)	Wright
Fary	Moffett	Wyden

□ 1715

The Clerk announced the following pairs:

On this vote:

Mr. Wyden for, with Mr. Alexander against.

Mr. Moffett for, with Mr. Emery against.

Mr. Florio for, with Mr. Johnston against.

Mr. Phillip Burton for, with Mr. Petri against.

Mr. AuCoin for, with Mr. Hyde against.

Mr. Leland for, with Mr. Mitchell of New York against.

Mr. Rangel for, with Mr. Badham against.

Mr. Richmond for, with Mr. Burgener against.

Mrs. Collins of Illinois for, with Mr. Lungren against.

Mr. Jeffords for, with Mr. Lowery against.

Mr. ATKINSON and Mr. ROBERTS of South Dakota changed their votes from "aye" to "no."

Mrs. BOGGS changed her vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. McCLORY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am pleased indeed to note in this legislation authorizing military construction (H.R. 3455) that substantial improvements are being authorized for the Great Lakes Naval Training Center in my congressional district.

Of utmost importance is the construction of quarters for men and women of the Navy at Great Lakes who are part of the Service School Command. The Navy service schools are perhaps the most significant elements in the modern Navy. The facilities for instruction and the trained personnel for providing this critical instruction are currently available. There are not, however, the quarters necessary to meet the housing needs at the Service School Command. Accordingly, the principal item which is included in the military construction program at Great Lakes is that of quarters for enlisted personnel—$8.8 million.

Mr. Chairman, other improvements at Great Lakes which have been authorized by the committee include $3 million for construction of a cold storage warehouse and $240,000 for construction of a family service center. These also are of significance at this Great Lakes Naval Training Center.

Mr. Chairman, I commend the administration for its emphasis on military preparedness. In turn, I salute the committee for its response to the military construction needs which are vital elements in behalf of our national security. In meeting these needs at Great Lakes, the committee is fulfilling its responsibilities in a substantial way.

AMENDMENT OFFERED BY MR. HARTNETT

Mr. HARTNETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARTNETT: Page 59, after line 11, add the following new section:

DISTRICT OFFICES OF ARMY CORPS OF ENGINEERS

SEC. 906. (a) During fiscal 1982, the Secretary of the Army shall maintain a District Office of the United States Army Corps of Engineers at each site within 25 miles of each major defense port within the continental United States, where there is such an office on June 4, 1981.

(b) For the purposes of this section, the term "major defense port" means any of the following:

(1) A major United States Navy shipyard.

(2) A home port for major naval forces.

(3) A major supply and embarkation port for elements of the Armed Forces.

Mr. HARTNETT. Mr. Chairman, I address this House in regard to this amendment which I am proposing to the military construction and authorization bill. I want to express my deepest appreciation to Chairman BRINKLEY and to ranking member, Mr. TRIBLE, for their diligence in helping me prepare this amendment. Mr. Speaker, the administration through OMB has mandated the Corps of Engineers civil works programs must lose 790 manpower spaces by fiscal year 1981; 2,205 spaces will be deleted during fiscal year 1982; 790 plus 2,205 comes out to 2,995 spaces, or approximately 11 percent reduction of the fiscal year 1980 authorization for the U.S. Army Corps of Engineers. The Chief of Engineers, Lt. Gen. J. K. Bratton, anticipates making realinement and reduction recommendations to Secretary of the Army by the middle of this month. I am confident that the closing of several district offices, Charleston included, cannot be ruled out. I am very much concerned for the welfare and the jobs of the 150-plus workers who now man the Charleston Office of the U.S. Army Corps of Engineers. These have been dedicated public servants and are a great asset to the U.S. Army Corps of Engineers. Within the totality of the manpower of the Southeast region and Nation, numerous areas exist where curtailment of least productive activities can concur without reducing the support in South Carolina. If the Secretary of the Army were to exercise his authority to trim 11 percent of all the offices, such as Wilmington, Savannah, Jacksonville, Charleston, I would understand it. But I cannot understand the possiblity of the Secretary closing the entire Charleston District Office.

Accordingly, I am introducing my amendment which says the Secretary of the Army will maintain a district office in Charleston and in other ports, such as Charleston, where there is a naval facility or major defense installations. The necessary manpower reductions should not have a detrimental effect on our national security. This amendment will not cost the Government any additional money, but will insure that Charleston, and other critical ports, will have the continuation of corps support, so that their vital mission can be met.

Again, I want to express my appreciation to the Chairman and to the ranking Member, and I urge my colleagues of the House to support my amendment.

Mr. BRINKLEY. Mr. Chairman, will the gentleman yield to me?

Mr. HARTNETT. I yield to the gentleman from Georgia.

Mr. BRINKLEY. Mr. Chairman, for the information of the Members, besides this amendment, we have two amendments, both of which have been reviewed by the staff and by the committee members. We intend to accept both of them. There may be two or three minor colloquys, and I believe we will be through within 10 or 15 minutes.

Mr. Chairman, concerning the pending amendment offered by the gentlemen from South Carolina (Mr. HARTNETT), this side has reviewed the amendment and accepts the amendment.

Mr. TRIBLE. Mr. Chairman, will the gentleman yield?

Mr. HARNETT. I yield to the gentleman from Virginia.

Mr. TRIBLE. Mr. Chairman, we on the Republican side have also reviewed the gentleman's amendment and recommend that it be adopted by the committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina (Mr. HARTNETT).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ANDERSON

Mr. ANDERSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDERSON: At the end of the bill, add the following new section:

LAND CONVEYANCE, LONG BEACH, CALIFORNIA

SEC. 906. (a) The Secretary of the Army (hereinafter in this section referred to as the "Secretary") is authorized to convey to the City of Long Beach, California (hereinafter in this section referred to as the "City"), all right, title, and interest of the United States in and to a tract of land of varying width consisting of 0.7176 acres and extending from the south boundary of the Long Beach Army Reserve Training Center, Long Beach, California, north along the west boundary of such training center to Willow Street.

(b) (in consideration for the conveyance under subsection (a), the City shall convey to the United States all right, title, and interest of the City in and to a tract of land of varying width consisting of 0.7176 acres and coextensive with and immediately adjoining the south boundary of the Long Beach Army Reserve Training Center, as established after the conveyance authorized in subsection (a).

(c) The City of Long Beach shall pay to the United States an amount equal to the amount by which the fair market value (as determined by the Secretary) of the property to be conveyed by the United States to the City under subsection (a) exceeds the fair market value (as determined by the Secretary) of the property to be conveyed by the City to the United States under subsection (b).

(d)(1) The exact acreages and legal descriptions of any property acquired or conveyed under subsection (a) or (b) shall be determined by surveys that are satisfactory to the Secretary. The cost of any such survey shall be borne by the City.

(2) The Secretary may require such additional terms and conditions with respect to the acquisition and conveyance authorized by this section as he considers appropriate to protect the interests of the United States.

Mr. ANDERSON (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ANDERSON. Mr. Chairman, my amendment to title IX of H.R. 3455 involves a land exchange between the city of Long Beach, Calif., and the Long Beach Army Reserve Training Center.

Specifically, this amendment would allow the Secretary of the Army to convey to the city of Long Beach all right, title, and interest of the United States a tract of land consisting of about three-quarters of an acre. In exchange, the city of Long Beach shall convey to the United States all right, title, and interest of the city a tract of land of equal size. The Army has analyzed the proposed land exchange and concluded that land which they currently hold title to is worth $1 per square foot more than the land the city would relinquish, for a total value difference of $31,259. City officials will settle this difference by making a payment directly into the U.S. Treasury.

Mr. Chairman, this land exchange will allow an important redevelopment project within Long Beach to continue and will bring added jobs and income to the surrounding area. I have worked very closely with my good friend and colleague from Long Beach, DAN LUNGREN, on this amendment and urge the committee to adopt it.

Mr. BRINKLEY. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON. I yield to the gentleman from Georgia.

Mr. BRINKLEY. Mr. Chairman, for the information of the committee, we have reviewed this amendment. It is a good amendment, and we accept it on this side.

Mr. TRIBLE. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON. I am happy to yield to the gentleman from Virginia.

Mr. TRIBLE. Mr. Chairman, we have reviewed the gentleman's amendment on the Republican side. We do not object to it and recommend that it be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ANDERSON).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ERTEL

Mr. ERTEL. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. ERTEL:

REALINEMENT OF FORT INDIANTOWN GAP

SEC. 906. (a) No funds appropriated pursuant to any authorization contained in this Act may be used to realign, or terminate any component of, Fort Indiantown Gap located in Annville, Pennsylvania, before November 1, 1981.

(b) No funds appropriated pursuant to any authorization contained in this Act may be used to realign, or terminate any component of, Fort Indiantown Gap located in Annville, Pennsylvania, if before November 1, 1981, both the Armed Services Committee of the Senate and the Armed Services Committee of the House of Representatives pass, by a majority vote of those members of the committee present and voting, a quorum being present, resolutions disapproving such realinement or termination.

(c) For purposes of this section, the term "to realign" includes any action which both reduces and relocates functions and civilian personnel positions, but does not include a reduction in force resulting from workload adjustments, reduced personnel or funding levels, skill imbalances, or other similar causes.

Mr. ERTEL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD, since it has been provided to both sides.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ERTEL. Mr. Chairman, the intent of this amendment is straightforward. It delays the Department of the Army's implementation of the realinement of Indiantown Gap until November 1, 1981. The amendment also gives the Armed Services Committee of both the House and Senate the authority to override the Army's realinement decision in this instance, if the committees act by resolution before November 1.

Why the need for this amendment?

The Army announced its decision to realine Indiantown Gap on April 1, 1976, before I ever got to Congress in 1979, the Army's data justifying the realinement was audited by the General Accounting Office. Let me read to you what GAO had to say about the Army's data:

Our (GAO's) review of the study disclosed data changes, errors, omissions, and questionable procedures that caused us (GAO) to challenge the use of the study as a basis for the decision.

That is very sharp criticism. The Army agreed at least to part of GAO's findings. The Army went back and revised its economic data justifying the realinement.

Unfortunately, a second GAO audit of the revised data will not be completed until mid to late August. Given a substantial doubt about whether this particular realinement is cost effective for the taxpayers, I think it makes good commonsense to delay implementing action until the GAO audit is completed and its findings are reviewed.

Mr. Chairman, let me say that I do not take this action lightly. Previously Congressman BOB WALKER and Congressman GUS YATRON, whose districts would also be affected adversely by the realinement, joined with me in a letter to Army Secretary Marsh asking him to delay the final decision and recommendation on his own volition. While the Secretary has not yet responded, I understand from his staff that he does not intend to respond favorably. My last contact with Secretary Marsh's staff was about 1 p.m. today.

In closing, Mr. Chairman, Congressman WALKER is not present today because of committee business. But I understand his staff has relayed to him the content of this amendment, and the indication is that Congressman WALKER does support it.

Mr. BRINKLEY. Mr. Chairman, will the gentleman yield?

Mr. ERTEL. I yield to the gentleman from Georgia.

Mr. BRINKLEY. Mr. Chairman, the Secretary of the Army has today agreed to defer final action on Indiantown Gap until he has had an opportunity to review the GAO data, which he understands will be available shortly. In view of that, we hope that the gentleman will withdraw his amendment.

Mr. ERTEL. Mr. Chairman, it is my understanding that the Secretary has responded and there will be a delay until the GAO audit is completed, is that correct?

Mr. BRINKLEY. That is correct.

Mr. ERTEL. Mr. Chairman, I thank the gentleman from Georgia (Mr. BRINKLEY).

Mr. YATRON. Mr. Chairman, will the gentleman yield?

Mr. ERTEL. I yield to my colleague, the gentleman from Pennsylvania.

Mr. YATRON. Mr. Chairman, I thank my colleague, the gentleman from Pennsylvania (Mr. ERTEL), for yielding.

Mr. Chairman, I was prepared to speak in support of the amendment offered by the gentleman form Pennsylvania (Mr. ERTEL) with respect to the Army realinement at Fort Indiantown Gap. However, I am most pleased to learn that the Secretary of the Army has accepted our position and will delay the implementation of their proposal until they have had an opportunity to receive and study the GAO report.

I believe this is a prudent and economically sound decision by the Secretary, and we will certainly hold him to his word.

My deepest and most sincere thanks go to the gentleman from Pennsylvania (Mr. ERTEL), because without his tireless efforts in this matter, I do not believe a favorable decision would have been forthcoming. The gentleman has done a superb job, and I want to commend him for it.

Mr. ERTEL. Mr. Chairman, based upon the Secretary's statement, I ask unanimous consent that I may be permitted to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

□ 1730

Mr. ENGLISH. Mr. Chairman, I move to strike the last word.

I would like to say to the gentleman from Georgia (Mr. BRINKLEY), that I have been made aware of three vital military construction projects that are required at Vance Air Force Base in my district. These projects have been requested by Vance for some time, but the various Air Force and Department of Defense review levels have not yet provided these for our consideration. I strongly support these projects to improve living conditions for our bachelor officer personnel and to replace deteriorating operations and maintenance facilities. I request the gentleman from Georgia and his subcommittee to consider the following Vance Air Force Base projects for funding:

Bachelor officers' quarters for 240 personnel at an approximate cost of $8,800,000;

A base flight operational facility sized at 8,715 square feet at an approximate cost of $800,000; and

A flight maintenance facility sized at 3,600 square feet at an approximate cost of $300,000.

VANCE AIR FORCE BASE

Project	Approximate cost	Fiscal year	
		ATC	AF
Bachelor officers' quarters for 240 personnel	$8,800,000	1985	1985
Base flight operational facility sized at 8,715 SF	800,000	1987	1985
Flight maintenance facility sized at 3,600 SF	300,000	1984	1985

Mr. BRINKLEY. Mr. Chairman, will the gentleman yield?

Mr. ENGLISH. I would be happy to yield.

Mr. BRINKLEY. The gentleman from Oklahoma and myself have conferred together with reference to the bachelor officers' quarters for 240 personnel at an approximate cost base of $8.8 million, a base flight operational facility and a flight maintenance facility at the Vance Air Force Base. We have been advised that they are not yet under design, that they are currently programed by the Air Force in later fiscal years. We will review these projects, based upon the gentleman's strong support and evaluate them for inclusion in the fiscal year 1983 military construction program.

Mr. PANETTA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to ask a few questions, if I may, of the distinguished chairman of the Military Installations and Facilities Subcommittee. As the gentleman knows from my March 31, 1981, letter to him, I am very concerned about the lack of adequate facilities at the Defense Language Institute located in Monterey, Calif., in the 16th Congressional District. I am concerned that the military construction bill under consideration today does not include any projects designed to alleviate the overcrowding in classrooms and barracks at DLI. This installation, as the chairman knows, is critical to the intelligence capability of the United States. The training of language-competent personnel in the military services and other intelligence-related agencies should be given top priority in our defense planning and our military construction programs.

Right now, DLI's increasing student inputs have outstripped the limits of the physical plant. Although the DLI was created to centralize foreign language training, in October, 1980, the Army announced a shift of about 500 Russian students to Lackland AFB. The Lackland offshoot is expected to continue over the next few years, thus threatening the integrity of DLI as an installation and endangering the effectiveness of our military foreign language program. I want to ask the distinguished chairman what the subcommittee's intentions are with regard to military construction at DLI? As a result of your subcommittee's consideration of the needs at DLI, do you have a timeframe for building the classroom and barracks facilities at DLI needed to meet the pressing foreign language training requirements of our defense intelligence community?

Mr. BRINKLEY. I thank the gentleman from California for raising this very important issue during the debate on the military construction bill for fiscal year 1982. The subcommittee looked into the construction needs at the Defense Language Institute and found that there appears to be a serious problem of overcrowding. I share the gentleman's concern about the impact of this situation on the mission of DLI. However, the subcommittee had to consider the administration's request for projects and some other ongoing programs within the constraints of a tight budget. My hope is that the subcommittee will be able to approve an expedited construction program at DLI in the military construction bill for fiscal year 1983. I want to assure the gentleman from California that I recognize and appreciate the important mission of DLI and that I will do all I can to insure that its physical capacity is improved to meet increased student loading in foreign language training.

Mr. PANETTA. I thank the distinguished chairman for his consideration and cooperation. I would only underline that we have a very serious shortage of space at DLI, and I would be pleased if the chairman or if staff of the subcommittee would visit DLI in the near future to see in person how serious the problem is. I strongly hope that we can include the classroom and barracks construction as soon as possible.

The CHAIRMAN. There being no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. DERRICK) having assumed the chair, Mr. PICKLE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3455) to authorize certain construction at military installations for fiscal year 1982, and for other purposes, pursuant to House Resolution 144, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LEVITAS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 311, nays 36, not voting 84, as follows:

[Roll No. 64]

YEAS—311

Addabbo	Butler	Dicks
Akaka	Byron	Dingell
Anderson	Campbell	Dixon
Andrews	Carman	Donnelly
Annunzio	Chappie	Dorgan
Anthony	Cheney	Dornan
Applegate	Clausen	Dougherty
Archer	Clinger	Dreier
Aspin	Coats	Duncan
Atkinson	Coelho	Dunn
Bafalis	Coleman	Dwyer
Bailey (PA)	Collins (TX)	Dyson
Barnard	Conable	Eckart
Barnes	Conte	Edwards (AL)
Beard	Corcoran	Edwards (OK)
Benjamin	Coughlin	Emerson
Bennett	Courter	English
Bereuter	Coyne, James	Erdahl
Bethune	Coyne, William	Erlenborn
Bevill	Crane, Daniel	Ertel
Blanchard	Crane, Philip	Evans (DE)
Boggs	D'Amours	Evans (GA)
Bolling	Daniel, Dan	Evans (IN)
Boner	Daniel, R. W.	Fascell
Bonker	Danielson	Fazio
Bowen	Dannemeyer	Fenwick
Breaux	Daschle	Fiedler
Brinkley	Daub	Fields
Brodhead	Davis	Findley
Brooks	de la Garza	Fithian
Broomfield	Deckard	Foley
Brown (CA)	DeNardis	Ford (MI)
Brown (CO)	Derrick	Ford (TN)
Burton, John	Derwinski	Forsythe

Fountain	Livingston	Roberts (SD)
Fowler	Loeffler	Robinson
Frank	Long (LA)	Rodino
Frost	Long (MD)	Rogers
Gaydos	Lott	Rose
Gejdenson	Lowery	Rostenkowski
Gephardt	Lowry	Roth
Gibbons	Luken	Roukema
Gilman	Madigan	Rousselot
Gingrich	Markey	Rudd
Ginn	Marks	Russo
Glickman	Marlenee	Sawyer
Gonzalez	Martin (NY)	Schneider
Goodling	Matsui	Shamansky
Gore	Mattox	Shannon
Gradison	Mavroules	Sharp
Gramm	Mazzoli	Shaw
Gray	McClory	Shelby
Green	McCloskey	Shumway
Gregg	McCollum	Shuster
Guarini	McCurdy	Simon
Gunderson	McDade	Skeen
Hagedorn	McDonald	Skelton
Hall (OH)	McEwen	Smith (AL)
Hall, Sam	McGrath	Smith (IA)
Hamilton	McKinney	Smith (NE)
Hammerschmidt	Mica	Smith (NJ)
Hance	Michel	Smith (OR)
Hansen (ID)	Miller (CA)	Snowe
Hansen (UT)	Miller (OH)	Snyder
Hartnett	Mineta	Solarz
Heckler	Minish	Solomon
Hefner	Moakley	Spence
Heftel	Molinari	Stangeland
Hendon	Montgomery	Stanton
Hertel	Moore	Stark
Hightower	Moorhead	Staton
Hiler	Morrison	Stenholm
Holland	Mottl	Swift
Holt	Murtha	Synar
Hopkins	Myers	Tauzin
Horton	Napier	Taylor
Hoyer	Natcher	Thomas
Huckaby	Neal	Trible
Hughes	Nelligan	Volkmer
Hunter	Nelson	Walgren
Hutto	Nichols	Wampler
Ireland	Nowak	Watkins
Jacobs	O'Brien	Waxman
Jeffries	Oakar	Weber (MN)
Jenkins	Obey	Weber (OH)
Jones (NC)	Panetta	Whitehurst
Jones (OK)	Parris	Whitley
Jones (TN)	Patman	Whittaker
Kazen	Patterson	Williams (MT)
Kildee	Pease	Williams (OH)
Kindness	Perkins	Wilson
Kogovsek	Peyser	Winn
Kramer	Pickle	Wolf
Lagomarsino	Porter	Wolpe
Lantos	Pritchard	Wortley
Latta	Quillen	Wright
Leach	Rahall	Wylie
Leath	Railsback	Yatron
LeBoutillier	Ratchford	Young (AK)
Lee	Regula	Young (FL)
Lehman	Rhodes	Young (MO)
Lent	Rinaldo	Zablocki
Levitas	Ritter	Zeferetti
Lewis	Roberts (KS)	

NAYS—36

Bedell	Hawkins	Sabo
Bingham	Hollenbeck	Savage
Bonior	Kastenmeier	Scheuer
Chisholm	Lundine	Schumer
Clay	McHugh	Seiberling
Conyers	Mitchell (MD)	Stokes
Crockett	Oberstar	Studds
Dellums	Ottinger	Tauke
Downey	Paul	Vento
Edgar	Reuss	Weaver
Garcia	Rosenthal	Weiss
Harkin	Roybal	Yates

NOT VOTING—84

Albosta	Bliley	Collins (IL)
Alexander	Boland	Cotter
Ashbrook	Bouquard	Craig
AuCoin	Brown (OH)	Dickinson
Badham	Broyhill	Dymally
Bailey (MO)	Burgener	Early
Bellenson	Burton, Phillip	Edwards (CA)
Benedict	Carney	Emery
Biaggi	Chappell	Evans (IA)
Fary	LaFalce	Roe
Ferraro	Leland	Roemer
Fish	Lujan	Santini
Flippo	Lungren	Schroeder
Florio	Marriott	Schulze
Foglietta	Martin (IL)	Sensenbrenner
Frenzel	Martin (NC)	Siljander
Fuqua	Mikulski	St Germain
Goldwater	Mitchell (NY)	Stratton
Grisham	Moffett	Stump
Hall, Ralph	Mollohan	Traxler
Hatcher	Murphy	Udall
Hillis	Pashayan	Vander Jagt
Howard	Pepper	Walker
Hubbard	Petri	Washington
Hyde	Price	White
Jeffords	Pursell	Whitten
Johnston	Rangel	Wirth
Kemp	Richmond	Wyden

□ 1745

The Clerk announced the following pairs:

On this vote:

Mr. Mollohan for, with Mr. Richmond against.

Mr. Alexander for, with Mr. Edwards of California against.

Mr. Pepper for, with Mr. Moffett against.

Mr. Boland for, with Mr. Leland against.

Mr. Florio for, with Mrs. Collins of Illinois against.

Mr. Fary for, with Mr. Rangel against.

Until further notice:

Mr. Roemer with Mr. Dickinson.

Ms. Ferraro with Mr. Benedict.

Mr. LaFalce with Mr. Fish.

Mr. Price with Mr. Mitchell of New York.

Mr. St Germain with Mr. Johnston.

Mr. Wyden with Mr. Ashbrook.

Mr. Whitten with Mr. Vander Jagt.

Mr. Udall with Mr. Walker.

Mrs. Schroeder with Mr. Pashayan.

Mr. Roe with Mr. Sensenbrenner.

Mr. Biaggi with Mr. Murphy.

Mr. Chappell with Mr. Siljander.

Mr. Phillip Burton with Mr. Petri.

Mrs. Bouquard with Mr. Schulze.

Ms. Mikulski with Mr. Pursell.

Mr. Fuqua with Mr. Martin of North Carolina.

Mr. AuCoin with Mr. Kemp.

Mr. Albosta with Mrs. Martin of Illinois.

Mr. Dymally with Mr. Hyde.

Mr. Early with Mr. Frenzel.

Mr. White with Mr. Badham.

Mr. Traxler with Mr. Goldwater.

Mr. Wirth with Mr. Evans of Iowa.

Mr. Stratton with Mr. Brown of Ohio.

Mr. Santini with Mr. Jeffords.

Mr. Hatcher with Mr. Bailey of Missouri.

Mr. Washington with Mr. Ralph M. Hall.

Mr. Flippo with Mr. Bliley.

Mr. Hubbard with Mr. Hillis.

Mr. Foglietta with Mr. Lujan.

Mr. Stump with Mr. Marriott.

Mr. Bellenson with Mr. Lungren.

Mr. Howard with Mr. Broyhill.

Mr. Grisham with Mr. Burgener.

Mr. Carney with Mr. Emery.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 3455, MILITARY CONSTRUCTION AUTHORIZATION ACT, 1982

Mr. BRINKLEY. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 3455, the Military Construction Authorization Act, 1982, the Clerk be authorized to make necessary technical corrections, including section numbers, punctuation, and cross references.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

GENERAL LEAVE

Mr. BRINKLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3512) entitled "An act making supplemental and further continuing appropriations for the fiscal year ending September 30, 1981, rescinding certain budget authority, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 15, 17, 20, 21, 29, 38, 41, 42, 47, 49, 50, 53, 68, 72, 81, 84, 111, 113, 118, 123, 140, 142, 143, 145, 147, 148, 154, 155, 158, 161, 169, 171, 173, 184, 185, 189, 197, 202, 204, 205, 206, 207, 208, 210, 225, 240, 241, 260, 267, 268, 269, 272, 275, 284, 285, 293, 325, 331, 337, 342, 351, 356, 365, 428, and 429 to the above entitled bill.

CONGRESSMAN SKELTON INTRODUCES THE FAMILY ENTERPRISE ESTATE TAX EQUITY ACT

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, I rise today to introduce a bill which simply and directly addresses one of the most intimidating situations facing farmers and small businessmen: The dismantling of their lifetime enterprise

through outdated estate tax laws. The Family Enterprise Estate Tax Equity Act contains two straightforward provisions:

The first would permit estates valued at $500,000 or less to pass to the heirs free of tax obligation. This is accomplished by increasing the unified tax credit to $155,800 and the increase would be phased in over a 5-year period to be fully effective by 1985.

The second provides for a 100-percent deduction against the value of the property of an estate which is inherited by a spouse.

I believe that there is ample evidence that our help is needed to strengthen and promote the survival of our small business and family farms. Indeed, estate tax reform was one of the principal recommendations of the White House Conference on Small Business. Family enterprise presents one of our best hopes for continued economic strength in the future. Small businesses, for example, account for 80 percent of all new jobs and over 50 percent of all new technical innovations not to mention 40 percent of our gross national product. Family farms are the most productive agricultural units yet devised and an historical bastion of our free entrepreneurial spirit.

Yet over the last few decades more and more of these businesses and farms have become subject to estate taxes despite our recent efforts to increase the value of the minimum estate. In the last 30 years, for example, over 50 percent of our farms have disappeared or been swallowed up by larger operations. Small businesses of all kinds have been put in jeopardy because our estate tax law has made it more attractive for them to sell out to conglomerates or big businesses than to run the risk that the business will have to be chopped up piecemeal to meet tax obligations.

Finally, I feel it is time that we once and for all recognized the inexorable contribution of the spouse in any small business or farm. The laws of the United States should not be constructed in such a way as to separate the product of a partnership that predates our country by thousands of years and is sanctioned by a higher authority. The exemption from estate tax of property inherited by a spouse will only permit that spouse to keep what is rightfully his or hers in the first place.

CONCERN OVER ANNOUNCEMENT OF LASER TESTS BY DEFENSE DEPARTMENT

(Mr. McEWEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McEWEN. Mr. Speaker, I rise to express some degree of concern that I have experienced, as well as some of the residents of the Sixth Congressional District of Ohio. This past weekend we heard repeatedly announcements that the Department of the Air Force would conduct certain testing of the laser defense technology.

Then, having heard that repeatedly over the weekend, we were informed on Tuesday of this week that the test was unsuccessful.

Then I was subjected to the reports again this morning on my way to the House of some entire week of this type activity.

I request the Department of the Air Force henceforth conduct these tests in less openness with less announcement until such time as they are successful.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3462 DEPARTMENT OF JUSTICE APPROPRIATION AUTHORIZATION ACT, 1982

Mr. BONIOR of Michigan, from the Committee on Rules, submitted a privileged report (Rept. No. 97-125) on the resolution (H. Res. 147) providing for consideration of the bill (H.R. 3462) to authorize appropriations to carry out the activities of the Department of Justice for fiscal year 1982, and for other purposes which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3480, LEGAL SERVICES CORPORATION ACT AMENDMENTS OF 1981

Mr. BONIOR of Michigan, from the Committee on Rules, submitted a privileged report (Rept. No. 97-126) on the resolution (H. Res. 148) providing for consideration of the bill (H.R. 3480) to amend the Legal Services Corporation Act to provide authorization of appropriations for additional fiscal years, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3238, PUBLIC BROADCASTING AMENDMENTS ACT OF 1981

Mr. BONIOR of Michigan, from the Committee on Rules, submitted a privileged report (Rept. No. 97-127) on the resolution (H. Res. 149) providing for consideration of the bill (H.R. 3238) to amend the Communications Act of 1934, to extend certain authorizations of appropriations contained in such act relating to public broadcasting, and for other purposes, which was referred to the House Calendar and ordered to be printed.

ADJOURNMENT TO MONDAY, JUNE 8, 1981

Mr. HOYER. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. HOYER. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

STATES CAN DO THE JOB ON MANAGING BLOCK GRANTS

(Mr. SHUMWAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SHUMWAY. Mr. Speaker, recent news reports have warned of conflicts between the States and the cities over the desirability of President Reagan's block grant proposals. As a rule, it appears that the States favor the concept while the mayors oppose it. That is not surprising, since over the last 15 years or so the local communities, especially those cities which are of a certain size, with their own political clout, have developed a cozy relationship with Washington bureaucrats, whereby financial goodies have gone directly to the cities, bypassing Governors and State legislators.

If the conflict is not surprising, it is unfortunate. It will be especially unfortunate if it delays the enactment of the Reagan block grant program. That is so, Mr. Speaker, because the block grant is one of the two critical elements of the Reagan program. Along with the reduction in marginal tax rates, it is block grants which change the direction of Government in the United States. Other economic proposals of the President, such as balanced budgets, spending reductions, and increased defense spending, are important, but they do not produce the kind of fundamental change the voters asked for last November. The marginal tax rate reductions and the block grants are the fulfillment of the Reagan campaign for a change in national direction.

In a recent thoughtful article in the Washington Star, Gov. George Busbee of Georgia defends the States' ability to manage the block grants. Governor

Busbee notes that the States have changed in the last 20 years, acquiring a flexibility and sophistication in delivery of vital services that they may have lacked in years past. The Governor makes a strong case that the States are vastly superior to the Federal Government in targeting and delivery of services, and he has some reassuring words for the mayors as well.

In a way, the Governor challenges the mayors to forget the past, which has not worked as well as many hoped it would, and move on to something new. We are entering a new era, one which some will welcome and some will fear. But in either case, that new era is here, and it will do none of us any good to dispute that fact.

Mr. Speaker, I urge the locally elected officials to accept Governor Busbee's challenge, and to work together to meet the needs of their citizens. Enactment of the President's block grant proposals will remove the dead hand of the Washington bureaucracy, and allow them to get on with the job.

I ask unanimous consent that Governor Busbee's article be printed at this point in the RECORD for the edification of my colleagues.

[From the Washington Star, May 25, 1981]

A GOVERNOR RESPONDS: STATES CAN DO THE JOB

(By George Busbee)

With deep, permanent cuts in federal aid now inevitable, state and local government face a new world in the 1980s. It is a world that will require us to be more self-reliant, to re-examine our basic relationships with the federal government and each other and to cooperate in using our limited resources to meet the most important needs of the people.

We have entered that new world inauspiciously, with local officals firing the opening shots against the states in what they see as a war to protect their "Washington turf." At issue are the administration's proposed block grants that would give states greater flexibility to allocate federal funds so as to ease the hardships that the cuts will cause.

Thus Mayor Charles Royer of Seattle, in a recent column in The Star, wondered publicly and at length whether states are capable of handling the new responsibilities now looming before them. Most state governments are not as sophisticated as President Reagan's California, Royer said; rather, most state governments are like my Georgia.

POOR RESULTS

Given Washington's old ways of looking at things, this may sound plausible. But new eras do not come about by accident; they begin because old perceptions are no longer adequate as a basis for action. It should be obvious that, whatever the good intentions involved, the federal government's plethora of programs designed to address scores of problems once the exclusive reponsibility of state and local governments have not worked very well.

It should also be evident to anyone who looks deeply into the matter that the states have undergone tremendous changes in the last 20 years and, along with better local management, now represent the best hope for the future of our communities, great and small.

The perception that the federal government cares about cities and that the states do not has a number of roots, the most important of which probably is that it was once true. But state legislatures have long since been reapportioned, state work forces professionalized, state revenue-raising capacity expanded, state administrative and planning systems modernized.

Perhaps equally important, we once believed that the best way to deal with domestic problems was through the creation of federal grants, and so both grants and grantsmen grew by leaps and bounds, addressing problems from the momentous to the mundane. By the end of the 1970s, scores of our largest cities had become dangerously dependent on a federal treasury that was obviously overcommitted.

And with the grants came federal strings that gave Washington bureaucrats increasing control over the cities' own resources and that forced the use of those resources to provide services never intended to be supported by a local tax base.

Because most states did not develop the same kind of highly visible urban grant programs developed by the federal government, mayors have argued that the states have ignored their needs. Ironically, states continue to provide local governments with more grant funds than the federal government, and recent studies by the National Governors' Association, National Science Foundation and others have shown that overall aid flowing to cities from state capitals is more responsive to need than aid flowing directly from Washington.

STATES MORE FLEXIBLE

But states have far more flexible, and in the long run more reliable, ways to aid local governments than simply through grants, and the states have been using them. During the last 20 years, states have steadily removed service responsibilities from the local tax base. Few federal programs, if any, have as highly targeted an impact on needy communities as state assumption of welfare and education costs.

And few federal programs, if any, can match the targeting impact of state "circuit-breaker" programs, which take the sting out of local property taxes by protecting low-income households from inordinately large tax bills. The states have also financed an extraordinary amount of broad-based property tax relief, reducing public resentment of that levy and leaving the spiraling federal income tax as the nation's most unpopular revenue-raising instrument.

And although Mayor Royer worries that states do not care about urban problems like mass transit, what local transit operator today would not trade his highly tenuous federal operating subsidy for much larger assured sources of dedicated revenues such as the Georgia and Washington state legislatures have provided to Atlanta and Seattle? These revenues are truly without strings.

None of these forms of assistance—taking over service responsibilities, granting local tax relief or authorizing new revenue sources—shows up in U.S. Census Bureau reports under the category of state aid to local governments. Nor do increasingly sophisticated state economic development tools, such as regulatory powers, capital investment policies and trade promotion efforts which can strengthen local economies. Washington still measures aid by grants and while grants will continue to be important, we now know they are not the answer.

The answer, for state and local officials, is to work together both at home and in Washington. The answer is to devise new solutions to our problems in our statehouses and city halls, not to fight the battles of the past in the halls of Congress. States have the will and the resources to help the cities, but they will not take on responsibilities for services and programs in which they have no voice.

TEAMWORK POSSIBLE

Such teamwork is possible. Although the National League of Cities is opposing a state role in the administration of federal economic development grants to small cities, the Georgia Municipal Association supports it. We are eager to prove we can run this program better than HUD.

It is time for local officials to decide whether they want to scrap hundreds of diminishing federal programs now distributed by Washington to 65,000 local governments through formulas and procedures that often defy logic, or whether they want to forge a new partnership with the states in which we recognize that we hold our futures jointly in our own hands.

EL SALVADOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DORNAN) is recognized for 60 minutes.

Mr. DORNAN of California. Mr. Speaker, I take out this special order tonight on El Salvador because the situation in this neighboring country to us here on the North American Continent is still in doubt. It is very much in doubt. The centrist government of President Jose Duarte is suffering in this country and even more so in Europe, the most intensively organized leftist campaign to discredit him that we have seen since that same organized effort was concentrating all of its fury against the now much missed government of the President of South Vietnam.

I think some of our Members should be informed, as I was when I went down to El Salvador last month, where that small country gets its name. Whenever I travel, the first thing I like to ask is something about the history of the nation. It struck me that the name of this nation, separated from my State of California only by Mexico and the nation of Guatemala, is a particularly beautiful name. Like the county and city that I represent part of here, it is a religious name. It is not a name like Nicaragua, or Vietnam, or other geographical names that have fallen under a Marxist, a Leninist government.

□ 1800

It is not a name like Nicaragua or Vietnam or other geographical names that have fallen under a Marxist-Leninist government. If the Leftist forces prevail there and we see this country go the way of so many of the other dominoes in the last 35 years since the conclusion of World War II, the Marx-

ist forces around the world will have captured a particular prize because they will take no small delight in knowing that they have taken a country named after Jesus Christ himself. The formal name of El Salvador is Nuestro Dueño Amo, El Salvador del Mundo.

I am going to submit a report that I have written on my trip to El Salvador during Holy Week, and with it I want to submit for the record, Mr. Speaker, an abbreviated version of the State Department White Paper on Central America of last February. This abbreviated report is titled "Special Report No. 80, Communist Interference in El Salvador." It is dated February 23, 1981. For such a small document it contains the most incredible relating of events during the latter part of 1979 throughout 1980 and the first part of this year of the most massive gunrunning, weaponsrunning, that has ever taken place in the entire history of our hemisphere going back to the days of the Spanish Main.

To see weapons of American manufacture, M-16's principally, and M-69 grenade launchers that we left behind in warehouses in South Vietnam when we left that forsaken area of the world and left behind $8 billion of American equipment—that is in 1979 dollars; it probably would be replaced only at the cost of about $12 to $13 billion today—to see American M-16's turning up directly from Vietnam and Ethiopia in this tiny little country of El Salvador is not just disturbing; it is outrageous.

I last week had the opportunity for a week and a half to visit Argentina, Chile, and Uruguay. I thought that I knew something about the agony that those three nations had suffered under the Marxist terrorism and the urban guerrillas that had torn those nations apart, particularly the major cities of Montevideo, Santiago, and Buenos Aires; but I found out that my historical knowledge was weak, indeed. It is a stunning thing to visit a so-called people's jail, to descend into the cellar of a residential home in a nice neighborhood and find yourself in a little concrete bunker where you cannot even lie down, and realize that human beings were forced to live in these conditions for a year or more. Then they were taken out and executed anyway. That is what I would call a prima facie human rights violation.

In the terrorist museum at the Campo de Mayo, the major army base in Buenos Aires Province, in the suburbs of Buenos Aires, I was shown among the incredible array of weaponry from around the world a locker larger than a high school locker, about the size that a professional football player would use but not big enough to put a man in standing up. This locker had a small mattress in it and a huge blood stain at one end.

Then I was shown photographs of the body of Lt. Col. Ibar Zabel. He was held captive by these upper-class, upper middle-class-rich, Marxist-Leninist urban guerrilla kids for 372 days and was most of that time in this large wall locker lying on his back. In the last 32 days of his life, Col. Ibar Zabel was not allowed out of the locker for 1 minute. Naturally, the spinal pain must have been intense, and his muscles must have begun to atrophy. They were carrying him from one people's jail to another around Buenos Aires, and his captors were caught in a roadblock, cut off back and front, so they lifted open the locker door and shot the lieutenant colonel in the face. Displaying a lack of intestinal fortitude to shoot it out themselves, they all took their cyanide tablets. They had a smaller size for the women and a larger size for the men.

As we left there, we went in the terrorism museum. A young lady, a master in economics, who had lived through all of this terror, broke down and began to cry as she looked at a full automobile, what was left of it, the rusted hulk of a car that had been bazooked—as she called it—in the streets of Buenos Aires. When translating the sign for me on the car, she realized that this was the 80-year-old gentleman, father of one of her good friends who worked with her in the Department of Monetary Economics. They could not get to the son, so they murdered the 79- or 80-year-old father.

Those three examples, just being down in that people's liberation cell below the ground, looking at the bloody mattress that had been the last resting spot of a kidnaped lieutenant colonel from the military in Buenos Aires, and then seeing this girl crying before this destroyed automobile, made me realize violations in the cone of South America are one sided, indeed. Certainly there are tragic violations of civil and human rights continuing on, but most of it is an ugly reaction or overreaction, if that is possible, to the nightmare of Marxist-Leninist terrorism that almost destroyed these countries, one of them Argentina, the second richest agricultural nation to our own in this hemisphere.

I think that what I learned down there so far from El Salvador, much further away than my own State of California, is that El Salvador is up now first in the box to be destroyed by this same concentrated effort that succeeded in Nicaragua and Cuba, and Grenada, the island nation, that has failed in Santiago, Chile, and Argentina.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. DORNAN of California. I gladly yield to my distinguished gentleman and colleague from Arizona (Mr. RUDD) who has such a long, extensive background of service in both Mexico and in Buenos Aires.

Mr. RUDD. I thank the gentleman for yielding.

Mr. Speaker, I commend my colleague from California (Mr. DORNAN) for his courage and dedication to freedom for speaking out in this body against the organized Communist infiltration and domination of El Salvador, a country struggling to remain free and democratic. Having spent many years in Latin America on diplomatic assignment, I know that the people value freedom and justice, which we sometimes take for granted, and I am committed to supporting them in their struggle.

In the face of the massive campaign in the United States by people who have been brainwashed by Communist propaganda to paint the disguise of an interior revolution, the facts spell out a very different story. As my colleague has pointed out, evidence of tremendous support from outside Communist sources has been gathered and documented in El Salvador, and the ugly truths of intrinsic Soviet complicity in the affairs of our Central American neighbor are beginning to surface. They are:

That the Leftist guerrillas are the arm of Cuban, Nicaraguan, and ultimately Soviet efforts to thwart democratic reforms;

That the bloodletting in El Salvador is a direct consequence of the organized efforts by these Communist guerrilla forces to foment political divisions and incite violence;

And that the only objective of these forces in attempting to overthrow the Duarte government is to strap the El Salvadoran people in the bonds of communism and further the entrenchment of communism in Central America.

Mr. Speaker, these traits bear no resemblance to the popular insurrection which the Left purports. What we are witnessing is the domination of a country which is strategic to the further spread of communism within our hemisphere.

We cannot afford to be naive. If Moscow and Havana, and Marxist governments around the world did not view El Salvador as such an opportunity, they would not be spending these vast sums on weapons and support to turn El Salvador into another Marxist state, which they have achieved in Nicaragua. Soviet-made heavy war tools such as tanks, planes are now arriving in Nicaragua to be passed on to El Salvador. We must not ignore these grim facts of aggression at America's back door. International communism's ultimate goal is the U.S.A., make no mistake about this.

El Salvador is a clear case of Communist aggression and expansionism. We must deal with the present situa-

tion in light of every known component and act to preserve freedom and survival.

This means supporting a friendly government which would provide for free elections. President Reagan has acted wisely. We must support him.

Mr. DORNAN of California. I thank the gentleman for joining me. I want to reemphasize that although the gentleman serves on the Appropriations Committee and one of the three exclusive, key committees of the House, and not on the Committee on Foreign Affairs, I would say that it is not arguable that there is no one in this entire body of 435 Members, shy a couple of vacancies, who is more experienced in any of the Latin American issues than is the distinguished gentleman from Arizona. I might add to that that I hope our colleagues are aware that the gentleman from Arizona is totally bilingual in the language that is spoken from the Rio Grande all the way to Tierra del Fuego, and that his years of service down there in the diplomatic corps were spent mostly in an intelligence-gathering capacity. I am just honored that he joined me in my special order tonight.

Mr. RUDD. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. DORNAN of California. I yield to my distingushed colleague, the gentleman from Santa Barbara.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

Mr. Speaker, I want to commend the gentleman for taking this special order today so that we can discuss this very important subject.

Mr. Speaker, outside interference in the political and military struggle taking place in El Salvador threatens to overthrow by force the current revolutionary civilian-military government headed by President José Duarte and replace it with a Communist-trained and armed guerrilla coalition, ironically named the Democratic Revolutionary Front. The present form of the Duarte government, and many of its reform policies, including agrarian reform, were brought about at the urging, if not insistence, of the Carter administration. There is no question but that there has been, and still continues, Communist intervention in the form of military arms and equipment from the Soviet bloc, Cuba, Vietnam, and Nicaragua, under the direction of Cuba, and in most cases, through Nicaragua by land, air, and water. While apparently air transport has slowed, land routes are still open. Radical Arab States and the Palestine Liberation Organization (PLO) have also furnished funds, arms, and training.

President Rodrigo Corazo of Costa Rica, highly respected as a proponent of democracy and human rights, has urged that the United States: First, provide the Salvadoran Government with sufficient military equipment to meet the externally armed leftist opposition; second, continue to push for political and economic reforms, particularly agrarian reform; and third, stop the extreme right, an urgent necessity. This is the Reagan administration policy.

Venezuela, one of the few democracies in the area, also strongly supports Duarte. Mexico has agreed to provide economic assistance to the Government of El Salvador. Duarte says that his country will need economic aid more than military aid when the military situation is controlled. Our policy reflects this need—economic aid will be three times as much as military aid, and twice that proposed by Carter. It is important to note that President Duarte also specifically and personally requested military aid and trainers from both the Carter and Reagan administrations. Military trainers were already present when President Carter agreed to send military aid and additional trainers in late January 1980. A telegram from then U.S. Ambassador to El Salvador Robert White, at the time of the terrorist-announced "final offensive," specifically requested lethal military assistance. That "final offensive" was not supported by the people, however, and failed.

I believe it is important to also keep in mind that U.S. Presidents, under the provisions of the War Powers Act, no longer have the ability to unilaterally embark on actions such as Vietnam. The act now requires consultation with Congress and specific approval of actions such as sending combat troops into another country. For that reason, I feel it is important that Congress continue to seek as much information as possible and act in an informed and judicious manner on this issue. The House Foreign Affairs Subcommittee on Inter-American Affairs, on which I serve, has already held several hearings. I can assure you that there will be even more investigation of any further proposals for additional aid, especially military aid.

The Committee on Foreign Affairs, with its Democratic majority in the House of Representatives, rejected specific amendments to, first, stop all further military aid to El Salvador and, second, bring about the immediate withdrawal of all military training personnel. The committee overwhelmingly defeated those amendments, by votes of 9 to 22 and 11 to 19, respectively.

The amendment is a reinforcement of the administration policy and will insure that our involvement continues to be carefully monitored by Congress. Many of those who voted for the amendment stated their support for the administration's El Salvador amendment.

The Salvadoran military has announced the arrest of six members of the national guard as suspects in the murders of the Maryknoll nuns and missionary. The junta has also announced it will try those charged with the murders of the chairman of the Institute of Agrarian reform and two U.S. labor advisers.

Former three-time President of Costa Rica, Jose Figueres, who assisted the Nicaraguan Sandinistas in their plot to overthrow Somoza, says:

> If the U.S. succeeds in stopping the flow of arms from the enemy, which is Cuba, then they (El Salvador) will straighten out their own situation.

The present Foreign Minister of Costa Rica remarks:

> In the Nicaraguan revolutionary movement, we had the impression in Costa Rica that it was the voice of an entire nation, that the people fully identified with the movement. In El Salvador, however, we have the impression the great masses of people are apathetic to the revolution and do not participate in it.

The acting Archbishop of El Salvador, successor to the slain Archbishop Romero, the Reverend Arturo Rivera y Damas, stated:

> It is true that the leftist groups have maximized violence and their adherence to Marxism, and for this reason, the majority of the people have turned their backs on them.

The archbishop also said:

> There is a left that is struggling for power and wants to impose its ideology. There is a right that quietly but very effectively wants to recover power and reestablish its ideology.

Also, a high, non-Salvadoran Catholic Church official has indicated his support of our policy in El Salvador.

Elections in El Salvador have been scheduled for March 1982, and presidential balloting for 1 year later. President Duarte says his government is not permanent, but is a transition government until popular elections can be held. The United States, as well as the governments and leaders of many European and Latin American nations believe that President Duarte and his civilian-military junta are the best hope for El Salvador, the only viable moderate alternative between the warring factions of the extreme right and the extreme left. They are working for practical reforms in order to stabilize the country and implement democracy.

Dr. Constantine C. Menges, a learned Latin-American scholar, postulates what would happen to the United States directly should El Salvador become a Cuba-like Marxist dictatorship, or even a Nicaragua-style Marxist government. It would seem beyond question that the same thing could, and likely would, happen in Guatemala and adversely affect Mexico, its neighbor. Great civil unrest in Mexico, let alone Marxist domination, would result in additional

millions of refugees pouring into the United States.

□ 1815

Mr. DORNAN of California. Mr. Speaker, I thank the gentleman for joining this special order.

Our colleagues are well aware of his years of distinguished service on the Foreign Affairs Committee of the House, and particularly on the Subcommittee on Inter-American Affairs. He and I are well aware in the area we represent in southern California and Arizona—the area of the distinguished gentleman from that great State—that our Hispanic population has its highest concentration in the hemisphere, outside of Mexico and some of the larger Portuguese culture cities in Brazil, and those who are most aware are keenly aware of what a key domino—and that is the correct word—what a key domino this tiny, but heavily populated nation of El Salvador is, this small nation of close to 5 million citizens.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. DORNAN of California. I yield to the gentleman from Arizona.

Mr. RUDD. I thank the gentleman for yielding.

Mr. Speaker, I just want to express deep appreciation to our colleague, the gentleman from California, who has provided some fresh, very interesting data, and it is most unfortunate that the people across this land are not aware of these facts and figures that our colleague, the gentleman from California, has presented to us on the floor tonight.

I also want to commend the gentleman from California again for the fact that he had the courage and took the time alone to go into Latin America to conduct a personal investigation as to what we are talking about here tonight, and that should be appreciated. It is by this Congressman.

Mr. DORNAN of California. Mr. Speaker, I know that the gentleman is going to take his skills of many decades to that area also.

And I would just like to point out to my colleagues an interesting fact: That if anyone from the west coast pays any of our Members the courtesy of asking them to come to speak in California and gives them a first-class ticket, they can take their return first-class ticket, trade it in on a coach ticket to Guatemala, El Salvador, Miami, back to D.C., and it will cost them less money than the first class return. There is a nonstop Pan American flight from my airport in my district at LAX to Guatemala City.

I mention that to make the point that this is, as the gentleman mentioned, our backyard. One of the most disconcerting aspects of what has happened to El Salvador, as opposed to, say, Indochina, is the even further involvement of naive members of the clergy of every faith in this struggle. That is why I begin my brief report on El Salvador—it is only 11 pages; I hope some of the Members will take the time to read it and, more importantly, that they will read the State Department Special Report No. 80—with a poem by one of the greatest Irish poets, William Butler Yeats, that he wrote just prior to the Second World War. I think the symbolic message of the poem has even more impact upon the world today. It is the one called "The Second Coming," and it begins:

Turning and turning in the widening gyre,
The falcon cannot hear the falconer;
Things fall apart; the center cannot hold;
Mere anarchy is loosed upon the world,
The blood-dimmed tide is loose, and everywhere
The ceremony of innocence is drowned;
The best lack all conviction, while the worst
Are full of passionate intensity.

I have seen the worst, and what it can do to nations in the cone of South America, and I have seen what the worst, with its passionate conviction, is doing to our neighbors in the back door of the North American Continent in Central America.

I only hope that the best will find some conviction to come forward here.

When I entered the Ambassador's residence—and, tragically, we are too long in appointing an Ambassador to Argentina; the Ambassador's residence in Buenos Aires is empty, only a DCM there—I saw a plaque on the main wall of the foyer as you come in that President Franklin Delano Roosevelt had lived in our Embassy in Buenos Aires shortly after his second reelection in 1936, he spent the nights of November 30, December 1, and December 2 of that year there. And after it says, "President Franklin Delano Roosevelt slept here," it quotes him on that trip to South America. His words are simply: "Democracy is still the best hope of the world."

And that message of Franklin Roosevelt 45 years ago is still true today. We have yet to see an election in Castro's Cuba, a palm-covered prison, where 10 million people suffer, and his young men, their Christian faith not allowed to be practiced, are sent to 19 countries in Africa and even on the Saudi Arabian peninsula in the nation of Yemen, to make sure that democracy does not prevail there.

It is not democracy that we see in Nicaragua, in spite of the fact that the Foreign Minister is a Maryknoll priest who is now in the wrong profession.

I hope that the best of our country, and particularly in Europe, where the main propaganda organizing is taking place against El Salvador, will realize that we are not watching a struggle for democracy in El Salvador. There are many social ills there that have to be reformed. But what Duarte represents is democracy, not the Communist-supplied cadres that are killing people in Chalatenango Province or Santa Ana or San Fernando or all of the other names in El Salvador that are so common to anyone who was raised in the adjoining State up the coast of California.

At this time I submit my report and the State Department report for the official record:

REPORT ON EL SALVADOR

(By Congressman ROBERT K. DORNAN)

Things fall apart; the center cannot hold;
Mere anarchy is loosed upon the world,
The blood-dimmed tide is loosed, and everywhere
The ceremony of innocence is drowned;
The best lack of conviction, while the worst
Are full of passionate intensity.

—WILLIAM BUTLER YEATS, "The Second Coming."

It is an incontrovertible fact of contemporary history that Western Civilization (with all that is symbolized by that term such as the Judaeo-Christian and Greco-Roman traditions, the dignity of the individual and the related concept of human rights, popular sovereignty, rule of law, and free enterprise) has been in full retreat and is reeling under the hammer-like blows of the militant, atheistic, totalitarian political religion of Marxism-Leninism. One need only read the eloquent testimony of Alexandr Solzhenitsyn to underscore that tragic fact. From its conquest of Russia in 1917, Marxism-Leninism has spread like a virulent cancer over the face of the globe and its victims now number legion: Latvia, Lithuania, Estonia, China, East Germany, Hungary, Poland, Albania, Yugoslavia, Bulgaria, Czechoslovakia, the Ukraine, North and South Vietnam, North Korea, Laos, Cambodia, Ethiopia, Cuba, South Yemen, Angola, Afghanistan, Grenada, and Nicaragua.

The only real empire in the world today is the Communist empire, principally the Soviet, and it goes about like a lion seeking whom it may devour. Can there be any doubt that, in addition to Nicaragua, other central American countries have been targeted to enlarge even further the far-flung Soviet empire, countries such as Honduras, Guatemala, Belize, and, yes, El Salvador? The Soviets have publicly, repeatedly, and arrogantly stated that they seek, in accord with the dialectical laws of history, to further the class struggle by any means, including violent revolution, until they achieve global hegemony over the Western forces of decadent, bourgeois capitalism. Yet we in the West seem to be morally and intellectually disarmed in the face of this demonic, ideological onslaught as if subconsciously fulfilling those terrible prophetic words of the Irish poet Yeats: "the best lack all conviction, while the worst are full of passionate intensity."

Recently, I received a letter from a constituent, a Catholic nun who chairs the Department of Theology of my own alma mater of Loyola-Marymount University in Los Angeles, in which she ripped into me for not personally talking with the people in El Salvador and said she is going to do all that she can to rip me out of office because I oppose the revolutionary activities of the leftist guerrillas. She also implied that there are benevolent Marxist regimes (she mentioned Yugoslavia and Nicaragua) and that they should be preferred to right-wing, authoritarian regimes.

It is a sad commentary on our times when a prominent representative of a religious order actually believes that Marxism has a human face in the wake of Afghanistan, the Cuban and Vietnamese boat people, and the current heroic efforts of the Catholic people of Poland to rid themselves of the yoke of Marxist tyranny. Nobody is going to tell me about the face of Communism because I've been there. I've walked the streets of Riga, Leningrad, and Kiev, all night, meeting with Jewish dissidents and Christian Pentecostals. I know what we're up against. The good but naive sister also ignores the teaching authority of her own Church which has repeatedly denounced Marxism-Leninism in no uncertain terms as being intrinsically at war with Christianity. She even has the temerity to contradict the assessment of the acting Archbishop of San Salvador, the Reverend Arturo Rivera y Damas. In a homily delivered on March 8 of this year, Archbishop Damas emphatically stated that "It is true that the leftist groups have maximized violence and their adherence to Marxism, and for this reason that majority of the people have turned their backs on them * * * But now the Church is raising her voice more insistently with the extreme leftists, telling them not to insist on using weapons as a solution, since obviously there is no advantage to it * * * Terrorism is not liberation, but merely a pseudo-political form of destabilization which paralyzes creative initiative, causes exhaustion and frustration in those who have nothing to look forward to, and encourages anarchy, disorder, theft, and other crimes."

A PERSONAL VISIT

When I was elected to our Congress in 1976, I vowed that if ever there was going to be a debate about giving military aid to a government suffering Communist subversion and terrorism I would, if at all possible, avail myself of first-hand knowledge and try to immerse myself in the situation as much as time would allow. This past Easter week, I spent five days and four nights in El Salvador—at my own expense. During my stay in the smallest and most densely populated country in Central America (about the size of Massachusetts with a population of 4.67 million people), I drew upon my former experiences as an Air Force intelligence officer and as a news reporter and visited with as many people from all walks of life as I possibly could. I talked with a simple fisherman down on the beach Holy Saturday night; I spoke with a fringe element of the former propertied elite class now angrily referred to as the "oligarch"; I spoke with our people in the U.S. embassy including the Marines in the sandbagged strongpoints on the embassy roof; I talked with people who are investigating the killing of Mike Hammer, Mark Pearlman, and Señor Rodolfo Viera as well as the brutal execution-style killing of three U.S. nuns and a Catholic social worker; I spent one night near La Libertad, the work area of the murdered nun and social worker who were assigned to El Salvador by their Cleveland bishop. The conclusion of my trip was a two hour meeting with President Jose Napoleon Duarte who is a respected Catholic (a Notre Dame graduate of the class of '48) and a trained civil engineer. My conversations with President Duarte and Salvadorans who are working hard for land reform and social justice have convinced me beyond any possible doubt that the El Salvadoran government is up against the most infamous gun-running operation in the history of the western hemisphere. There has never been a parallel, even taking into account Nicaragua in 1979 or Cuba in the 50's. The strategy is clear: the establishment of yet another armed Soviet client state to further Soviet imperialistic aims in Central America and the Caribbean—and this time within striking distance of the critical oil fields in Mexico.

That is why State Department Special Report No. 80 should be required reading for every member of the House and Senate. This report documents with incontrovertible evidence what it graphically describes as "a textbook case of indirect armed aggression by Communist powers through Cuba." It provides a detailed chronology: in 1980, El Salvador's Communist party leader Shafik Handal personally visited and received commitments of arms, materiel, and promises to train insurgent forces from the Soviet Union and such Soviet client states as Vietnam, East Germany, Czechoslovakia, Bulgaria, Hungary, Ethiopia, and the Palestine Liberation Organization (PLO). Vietnam alone agreed to provide 60 tons of arms, most of it part of the $8,000,000,000 we left behind in Indochina. According to captured documents, arms and materiel commitments by these Communist countries to the El Salvadoran guerrillas totaled 780 tons!

To get an idea of the magnitude of this commitment, the Vietnamese offer of 60 tons included 2 million rifle and machinegun bullets; 14,500 mortar shells; 1,620 rifles; 210 machineguns; 48 mortars; 12 rocket launchers; and 192 pistols. Weapons that the El Salvadoran leftist guerrillas now have in their possession include: Israeli UZI submachineguns and Galil assault rifles; powerful German G-3 rifles; Belgian FAL semiautomatic rifles; U.S. M-1, M-16, and AR-15 semiautomatic and automatic rifles; 30 and 50 caliber machineguns; U.S. M-60 machineguns; U.S. and Soviet hand grenades; U.S. and Chinese grenade launchers; U.S. M-72 light antitank weapons; and U.S. 81mm mortars.

These massive supplies of arms and ammunition were to be sent, and now are being sent, to El Salvador by way of Cuba and Nicaragua—a veritable Castro-Sandinista Caribbean pipeline! This unprecedented gun-running operation must be judged against the fact that from 1977 until January of 1981, the United States provided absolutely no weapons or ammunition to the Salvadoran armed forces. In January of 1981, mounting evidence of Communist involvement compelled President Carter to authorize a resupply of weapons and ammunition to El Salvador. This massive outside intervention on the part of Communist countries dramatically changed the nature of the struggle in El Salvador from an internal conflict to an international one with East-West dimensions.

DUARTE VERSUS EXTREME RIGHT AND LEFT

The Marxist guerrilla-front organization FDR, the Revolutionary Democratic Front, has successfully influenced the Western media by pushing the big lie of a freedom-loving band of revolutionaries seeking to "liberate" the El Salvadoran people from the oppressive "rightist" regime of President Duarte. The truth as documented by the State Department and corroborated by my own visit is far different. The present government headed by President Duarte which includes three civilians (two Christian Democrats and one independent) and one military officer is a centrist government opposed to both the extreme left and the extreme right. On October 15, 1979, progressive Salvadoran military officers and moderate civilian leaders overthrew the right-wing regime of General Humberto Romero in a bloodless coup and ousted over 80 senior officers, installing an interim governing council.

In the proclamation of October 15, the new government announced its commitment to far-reaching reforms aimed at breaking the political and economic power of a small, wealthy, propertied oligarchy (sometimes referred to as "the 14 families" but, in fact, including many more) which had dominated El Salvador for the past 50 years. Both the far left and the far right were taken by surprise. The far left accused the new government of being a puppet of the United States and of the far right and moved to open confrontation. The far right attempted to block the reform measures and, when that failed, attempted to overthrow the government.

In January 1980, the first junta dissolved because it could neither implement its announced reforms nor deal with increasing violence. The young officers responsible for the October 15 coup succeeded, however, in persuading the Christian Democrats to join them in an interim coalition until a new government could be freely elected. Since March 1980 and despite continued resistance from both the right and the left, the Duarte government has proceeded with its sweeping reform program which includes the following: (1) an agrarian reform which expropriated all estates larger than 1250 acres, and set the stage for granting 90% of all other arable land to peasant cooperatives or sharecroppers; (2) financial reforms, primarily through the nationalization of banks. The government assumed 51 percent ownership in the banks and stipulated that the remaining shares be sold to bank employees and to the public, with no individual or family allowed to hold more than one percent of the total; (3) nationalization of export marketing of primary products (coffee, sugar, and cotton); (4) electoral reform by means of an electoral commission which will prepare the ground work for voter registration as well as electoral procedures and laws that will culminate in the election of a constituent assembly in 1982 and popular elections for a president and congress by mid-1983; (5) a military code of conduct which provides the government and military high command with a basis for punishing elements of the security forces who engage in abuses of authority and human rights violations. In addition, the Duarte government has made clear its willingness to negotiate the terms of future political processes with democratic members of all opposition forces—most notably, by accepting the offer of El Salvador's Council of Bishops to mediate between the government and the Revolutionary Democratic Front of the leftist guerrillas. The leftist Front rejected the offer.

On January 10, 1981, the Marxist guerrilla forces in El Salvador under the command of the Cuban-organized Unified Revolutionary Directorate, the DRU, began their so-called "final offensive" to overthrow the Duarte government calling for strikes and a popular insurrection. They called three general strikes in June, July, and August of 1980 which proved to be disappointing failures.

With the failure of the strikes, the left realized that it had little popular support and turned increasingly to a campaign of outright terrorism, burning crops and businesses and murdering hundreds of people—all with Cuban counseling and assistance. But by demonstrating their political failure in the ineffectual strikes of last summer, the

leftist guerrillas revealed their vulnerability—their lack of support among the people. As Mao Tse-tung, the premier guerrilla leader of this century said: "The guerrilla swims in the sea of people," but there is no sea for the guerrillas to swim in El Salvador. And in the process the Marxist guerrillas have shown once again, for all who would see, the true face of Marxist-Communism: hatred, violence, and murder by a self-annointed elite seeking to impose its totalitarian ideology. As the Archbishop of San Salvador, the Reverend Arturo Rivera y Damas stated on March 8 of this year (1981): "It is true that the leftist groups have maximized violence and their adherence to Marxism, and for this reason the majority of the people have turned their backs on them."

The crackdown on the right by the Duarte government also continues without letup. The government in the early part of May of this year arrested six members of the nation's security forces in connection with last year's execution-style slayings of three U.S. Catholic nuns and a social worker, an action praised by Archbishop Damas as evidence that justice is possible in El Salvador.

In sum, although many people have reserved judgment on the government, the increasing terrorism perpetrated by the far right and the far left appears to have convinced the vast majority of the people that these extremes offer no valid alternatives for the future of El Salvador.

WHAT IS TO BE DONE?

Can the United States afford to stand idly by in the face of the largest gun-running operation in the history of the western hemisphere with the prospect of El Salvador becoming yet another Soviet client state in the business of exporting Marxist-Leninist revolutions throughout the rest of Central and South America? We already face that prospect in Nicaragua. As the respected author and journalist, Cord Meyer, pointed out in an editorial (May 9, The Washington Star): "The American media are overlooking more significant developments in Nicaragua that could transform that country into Castro's first armed beachhead on the mainland of the hemisphere. Contrary to the expectations of Jimmy Carter's more naive advisers, the Sandinista regime is turning out to be dominated by ideologically committed Communists. Castro's man in Managua, Sandinista Defense Minister Humberto Ortega, has boasted that he is reorganizing the ill-trained Sandinista guerrillas into a regular army of 50,000 backed up by an armed militia of 200,000 to make it by far the largest force in Central America."

Mr. Meyer goes on to note (construction I've seen beginning with my own eyes): "More ominously, two Nicaraguan airfields are being extended to accommodate MIG 23s and Nicaraguan pilots are being trained in Bulgaria * * * The Soviet-assisted Cuban strategy for Central America should now be apparent to anyone prepared to put the various pieces of the puzzle together. While keeping the guerrilla resistance in El Salvador alive by clandestine arms deliveries and the continuous infiltration of new recruits trained in Cuba, Castro's main objective is to consolidate his foothold in Nicaragua until the Sandinistas are sufficiently organized to eliminate their domestic opposition. Once the Nicaraguan base has been secured by the establishment of a one-party police state on the Cuban model, there will be time enough for a massive infusion of 'volunteers' to turn the tide of the Salvadoran civil war and to open the way for a final guerrilla offensive into Guatemala * * * I would like to emphasize, once again, that El Salvador, as well as Guatemala, are within easy striking distance of the critically important oil fields of Mexico, Should the Soviets deny us oil from Mexico as well as the Persian Gulf, we would be effectively Finlandized."

On January 17, 1981, for the first time since 1977, the United States began to ship military items to El Salvador, including arms and munitions, C-rations, uniforms, and six leased "Huey" helicopters to increase the mobility of Salvadoran troops. Our January 17 emergency increase in FY 1981 military assistance (equipment and training) from $5.4 million to $10.4 million was not sufficient to permit the government to meet the threat of the foreign-supplied leftist guerrillas. We are now in the process of increasing the amount by $25 million to provide additional helicopters, to equip new quick-reaction forces, and to increase mobility and communications as well as provide needed spares and ammunition. The current fiscal year 1981 $63 million for economic assistance will also require substantial upward adjustment. At that level, economic assistance would be more than three times larger than our military assistance.

Currently, there are 54 U.S. military personnel on temporary duty to help train the Salvadoran Air Force, Army and Navy. I think I am safe in saying that I am the only member of our Congress who has spoken with these U.S. military instructors down there. I met with six of the Army people and an equal number of our Air Force personnel. We have only one Navy officer down there at present trying to figure out how to overhaul the 30 year old battered boats that are supposed to control not only the Gulf of Fonseca but the whole southern coastline of El Salvador. Let me emphasize: these military personnel are instructors, not advisors. This is not an euphemism but rather a very real distinction. In the military lexicon the word "advisor" took on a specific meaning in Indochina. It meant that when you went out with your Vietnamese Marine Unit, your Vietnamese paratroopers or other ARVN unit, you fired your weapon alongside them in hot combat. Every single military person down in El Salvador, however, has orders that he is not to engage in any fire fight or any other type of combat situation. No pulling lanyards on artillery, no hot pursuit on fast boats. All of our instructor personnel for the loaned "Huey" helicopters, the instructor pilots and the maintenance trainers, will stay at the air bases training people. Moreover, all of our people (and this is a wise requirement where we really fell apart in Vietnam) are required to be bilingual. Most do not just speak Spanish. They are literally bilingual and have Latin surnames. But one thing that all of our military instructors in El Salvador are agreed upon is that the El Salvadoran centrists can defeat the Marxist guerrillas if the Duarte armed forces are adequately supplied with arms and ammunition to counteract the massive influx of weapons from Cuba, Vietnam, and other Soviet client states (Cuba announced the morning that I was meeting with Duarte, April 20, that Castro expected the Soviet Union to double their Cuban aid from $9 million to $18 or $20 million a day). Estimates of the number of guerrillas in El Salvador are around 4,000 with approximately 5,000 irregulars. The regular Salvadoran armed forces—the recipients of our security assistance—total about 9,000. Various police or constabulary forces have a similar combined strength. It is absolutely imperative that we assist the Duarte government in raising that ratio of troops to guerrillas as high as possible.

EL SALVADOR IS NOT GOING TO BE ANOTHER VIETNAM

We are not going to send the Marines in here so that we can be excoriated worldwide by Communist propaganda. Our objectives are limited: (1) to help the government with its problems of training, equipment repair and maintenance mobility, and resupply so that they can adequately meet the Soviet-backed Cuban threat; (2) to assist the Duarte government eradicate the chronic social and economic ills that have fostered unrest. We agree with President Duarte that his government is not a permanent repository of power in El Salvador but simply an interim arrangement until electoral reforms and popular elections can be implemented. We believe that the future of El Salvador should be determined at the ballot box, not out of the barrel of a gun.

The United States has a solemn obligation to help its North American brothers in El Salvador in their time of need. The Spanish heritage has had a deep influence upon our own culture, enriching it immeasurably. Both of the continents in our western hemisphere share the name "America." The bonds of inter-American friendship can, and must, remain close. In the face of a militant, imperialistic, totalitarian ideology, which is hell-bent on crushing the people of El Salvador with the nightmare of yet another Gulag police state, the United States dare not retreat into a fortress-America mentality, holding our breath like ancient Troy, wondering how long we can survive and hold out as the last free country on earth. El Salvador is, after all, only two countries away from my own state of California (only Guatemala and Mexico separate us). We know that Guatemala has already been targeted for subversion by the Soviet Union and Cuba and we also know that the present Mexican government has played a very dangerous game with Fidel Castro. Unless we act now and unless we act decisively, there will be only one domino left standing in the western hemisphere—ourselves.

The last week in May of 1981, Deane R. Hinton, Ambassador to El Salvador, began his service in one of the most difficult assignments in the U.S. Foreign Service. He deserves the support of the Congress of the United States.

COMMUNIST INTERFERENCE IN EL SALVADOR

(Special Report by U.S. Department of State, Bureau of Public Affairs, February 23, 1981)

SUMMARY

This special report presents definitive evidence of the clandestine military support given by the Soviet Union, Cuba, and their Communist allies to Marxist-Leninist guerrillas now fighting to overthrow the established Government of El Salvador. The evidence, drawn from captured guerrilla documents and war materiel and corroborated by intelligence reports, underscores the central role played by Cuba and other Communist countries beginning in 1979 in the political unification, military direction, and arming of insurgent forces in El Salvador.

From the documents it is possible to reconstruct chronologically the key stages in the growth of the Communist involvement:

The direct tutelary role played by Fidel Castro and the Cuban Government in late

1979 and early 1980 in bringing the diverse Salvadoran guerrilla factions into a unified front.

The assistance and advice given the guerrillas in planning their military operations;

The series of contacts between Salvadoran Communist leaders and key officials of several Communist states that resulted in commitments to supply the insurgents nearly 800 tons of the most modern weapons and equipment;

The covert delivery to El Salvador of nearly 200 tons of those arms, mostly through Cuba and Nicaragua, in preparation for the guerrillas' failed "general offensive" of January 1981;

The major Communist effort to "cover" their involvement by providing mostly arms of Western manufacture.

It is clear that over the past year the insurgency in El Salvador has been progressively transformed into another case of indirect armed aggression against a small Third World country by Communist powers acting through Cuba.

The United States considers it of great importance that the American people and the world community be aware of the gravity of the actions of Cuba, the Soviet Union, and other Communist states who are carrying out what is clearly shown to be a well-coordinated, covert effort to bring about the overthrow of El Salvador's established government and to impose in its place a Communist regime with no popular support.

I. A CASE OF COMMUNIST MILITARY INVOLVEMENT IN THE THIRD WORLD

The situation in El Salvador presents a strikingly familiar case of Soviet, Cuban, and other Communist military involvement in a politically troubled Third World country. By providing arms, training, and direction to a local insurgency and by supporting it with a global propaganda campaign, the Communists have intensified and widened the conflict, greatly increased the suffering of the Salvadoran people, and deceived much of the world about the true nature of the revolution. Their objective in El Salvador as elsewhere is to bring about—at little cost to themselves—the overthrow of the established government and the imposition of a Communist regime in defiance of the will of the Salvadoran people.

The Guerrillas: Their tactics and propaganda. El Salvador's extreme left, which includes the long-established Communist Party of El Salvador (PCES) and several armed groups of more recent origin, has become increasingly committed since 1976 to a military solution. A campaign of terrorism—bombings, assassinations, kidnapings, and seizures of embassies—has disrupted national life and claimed the lives of many innocent people.

During 1980, previously fragmented factions of the extreme left agreed to coordinate their actions in support of a joint military battle plan developed with Cuban assistance. As a precondition for large-scale Cuban aid, Salvadoran guerrilla leaders, meeting in Havana in May, formed first the United Revolutionary Directorate (DRU) as their central executive arm for political and military planning and, in late 1980, the Farabundo Marti People's Liberation Front (FMLN), as the coordinating body of the guerrilla organizations. A front organization, the Revolutionary Democratic Front (FDR), was also created to disseminate propaganda abroad. For appearances sake, three small non-Marxist-Leninist political parties were brought into the front, though they have no representation in the DRU.

The Salvadoran guerrillas, speaking through the FDR, have managed to deceive many about what is happening in El Salvador. They have been aided by Nicaragua and by the worldwide propaganda networks of Cuba, the Soviet Union, and other Communist countries.

The guerrillas' propaganda aims at legitimizing their violence and concealing the Communist aid that makes it possible. Other key aims are to discredit the Salvadoran Government, to misrepresent U.S. policies and actions, and to foster the impression of overwhelming popular support for the revolutionary movement.

Examples of the more extreme claims of their propaganda apparatus—echoed by Cuban, Soviet, and Nicaraguan media—are:

That the United States has military bases and several hundred troops in El Salvador (in fact, the United States has no bases and fewer than 50 military personnel there);

That the government's security forces were responsible for most of the 10,000 killings that occurred in 1980 (in their own reports in 1980, the guerrillas themselves claimed the killings of nearly 6,000 persons, including noncombatant "informers" as well as government authorities and military).

In addition to media propaganda, Cuba and the Soviet Union promote the insurgent cause at international forums, with individual governments, and among foreign opinion leaders. Cuba has an efficient network for introducing and promoting representatives of the Salvadoran left all over the world. Havana and Moscow also bring indirect pressure on some governments to support the Salvadoran revolutionaries by mobilizing local Communist groups.

II. COMMUNIST MILITARY INTERVENTION: A CHRONOLOGY

Before September 1980 the diverse guerrilla groups in El Salvador were ill-coordinated and ill-equipped, armed with pistols and a varied assortment of hunting rifles and shotguns. At that time the insurgents acquired weapons predominantly through purchases on the international market and from dealers who participated in the supply of arms to the Sandinistas in Nicaragua.

By January 1981 when the guerrillas launched their "general offensive," they had acquired an impressive array of modern weapons and supporting equipment never before used in El Salvador by either the insurgents or the military. Belgian FAL rifles, German G-3 rifles, U.S. M-1, M-16, and AR-15 semiautomatic and automatic rifles, and the Israeli UZI submachinegun and Galil assault rifle have all been confirmed in the guerrilla inventory. In addition, they are known to possess .30 to .50 caliber machineguns, the U.S. M-60 machinegun, U.S. and Russian hand grenades, the U.S. M-79 and Chinese RPG grenade launchers, and the U.S. M-72 light antitank weapon and 81mm mortars. Captured ammunition indicates the guerrillas probably possess 60mm and 82mm mortars and 57mm and 75mm recoilless rifles.

Recently acquired evidence has enabled us to reconstruct the central role played by Cuba, other Communist countries, and several radical states in the political unification and military direction of insurgent forces in El Salvador and in equipping them in less than 6 months with a panoply of modern weapons that enabled the guerrillas to launch a well-armed offensive.

This information, which we consider incontrovertible, has been acquired over the past year. Many key details, however, have fallen into place as the result of the guerrillas' own records. Two particularly important document caches were recovered from the Communist Party of El Salvador in November 1980 and from the Peoples' Revolutionary Army (ERP) in January 1981. This mass of captured documents includes battle plans, letters, and reports of meetings and travels, some written in cryptic language and using code words.

VIETNAM PROMISES WEAPONS

Quantity and type:
192—9mm pistols.
1,620—AR-15 (M-16) semiautomatic rifles.
162—30-caliber machineguns.
36—7.62mm M-60 machineguns.
12—12.7-caliber M-50 antiair machineguns.
36—62mm mortars.
12—81mm mortars.
12—DKZ-57 antitank rocket launchers.
15,000—9mm rounds.
1,500,000—AR-15 rounds (5.56mm).
240,000—7.62mm M-60 rounds.
240,000—30-caliber rounds.
130,000—12.7-caliber M-50 rounds.
9,000—62mm mortar rounds.
4,000—81mm mortar rounds.
1,500—DKZ-57 antitank rocket grenades.

MODERN WEAPONS NOW IN GUERRILLA INVENTORY

Belgian FAL semiautomatic rifle
German G-3 rifle
U.S. M-1, M-16, and AR-15 semiautomatic and automatic rifles
Israeli UZI submachinegun and Galil assault rifle
30 and 50 caliber machineguns
U.S. M-60 machinegun
U.S. and Soviet hand grenades
U.S. and Chinese grenade launchers
U.S. M-72 light antitank weapon
U.S. 81mm mortars

When deciphered and verified against evidence from other intelligence sources, the documents bring to light the chain of events leading to the guerrillas' January 1981 offensive. What emerges is a highly disturbing pattern of parallel and coordinated action by a number of Communist and some radical countries bent on imposing a military solution.

The Cuban and Communist role in preparing for and helping to organize the abortive "general offensive" early this year is spelled out in the following chronology based on the contents of captured documents and other sources.

Initial steps. The chronology of external support begins at the end of 1979. With salutations of "brotherly and revolutionary greetings" on December 16, 1979, members of the Communist Party of El Salvador (PCES), National Resistance (FARN), and Popular Liberation Forces (FPL) thank Fidel Castro in a letter for his help and "the help of your party comrades . . . by signing an agreement which establishes very solid bases upon which we begin building coordination and unity of our organizations." The letter, written in Havana, was signed by leaders of these three revolutionary organizations.

At an April 1980 meeting at the Hungarian Embassy in Mexico City, guerrilla leaders made certain "requests" (possibly for arms). Present at this meeting were representatives of the German Democratic Republic, Bulgaria, Poland, Vietnam, Hungary, Cuba, and the Soviet Union.

In notes taken during an April 28, 1980 meeting of the Salvadoran Communist Party, party leader Shafik Handal mentions the need to "speed up reorganization and

put the Party on a war footing." He added, "I'm in agreement with taking advantage of the possibilities of assistance from the socialist camp. I think that their attitude is magnificent. We are not yet taking advantage of it." In reference to a unification of the armed movement, he asserts that "the idea of involving everyone in the area has already been suggested to Fidel himself." Handal alludes to the concept of unification and notes, "Fidel thought well of the idea."

GUERRILLA CONTACTS IN HAVANA

From May 5 to June 8, 1980, Salvadoran guerrilla leaders report on meetings in Honduras, Guatemala, Costa Rica, and Nicaragua. They proceed to Havana and meet several times with Fidel Castro; the documents also note in interview with the German Democratic Republic (G.D.R.) Chairman Erich Honecker in Havana. During the Havana portion of their travels, the Salvadoran guerrilla leadership meets twice with the Cuban Directorate of Special Operations (DOE, the clandestine operations/special forces unit of the Cuban Ministry of Interior) to discuss guerrilla military plans. In addition, they meet with the Cuban "Chief of Communications."

During this period (late May 1980), the Popular Revolutionary Army (ERP) is admitted into the guerrilla coalition after negotiations in Havana. The coalition then assumes the name of the Unified Revolutionary Directorate (DRU) and meets with Fidel Castro on three occasions.

After the Havana meetings, Shafik Handal leaves Havana on May 30, 1980 for Moscow. The other Salvadoran guerrilla leaders in Havana leave for Managua. During the visit of early June, the DRU leaders meet with Nicaraguan revolutionary leaders (Sandinistas) and discuss: (1) a headquarters with "all measures of security"; (2) an "international field of operations, which they (Sandinistas) control"; and (3) the willingness of the Sandinistas to "contribute in material terms" and to adopt "the cause of El Salvador as its own." The meeting culminated with "dinner at Humberto's house" (presumably Sandinista leader Humberto Ortega).

Salvadoran Communist Party Leader's Travels in the East. From June 2 to July 22, 1980, Shafik Handael visits the U.S.S.R., Vietnam, the German Democratic Republic, Czechoslovakia, Bulgaria, Hungary, and Ethiopia to procure arms and seek support for the movement.

On June 2, 1980, Handal meets in Moscow with Mikhail Kudachkin, Deputy Chief of the Latin American Section of the Foreign Relations Department of the CPSU Central Committee. Kudachkin suggests that Handal travel to Vietnam to seek arms and offers to pay for Handal's trip.

Continuing his travels between June 9 and 15, Handal visits Vietnam where he is received by Le Duan, Secretary General of the Vietnamese Communist Party; Xuan Thuy, member of the Communist Party Central Committee Secretariat; and Vice Minister of National Defense Tran Van Quang. The Vietnamese, as a "first contribution," agree to provide 60 tons of arms. Handal adds that "the comrade requested air transport from the USSR."

From June 19 to June 24, 1980, Handal visits the German Democratic Republic (G.D.R.), where he is received by Hermann Axen, member of the G.D.R. Politburo. Axen states that the G.D.R. has already sent 1.9 tons of supplies to Managua. On July 21, G.D.R. leader Honecker writes the G.D.R. Embassy in Moscow that additional supplies will be sent and that the German Democratic Republic will provide military training, particularly in clandestine operations. The G.D.R. telegram adds that although Berlin possesses no Western-manufactured weapons—which the Salvadoran guerrillas are seeking—efforts will be undertaken to find a "solution to this problem." (NOTE: The emphasis on Western arms reflects the desire to maintain plausible denial.)

From June 24–27, 1980, Handal visits Czechoslovakia where he is received by Vasil Bilak, Second Secretary of the Czech Communist Party. Bilak says that some Czech arms circulating in the world market will be provided so that these arms will not be traced back to Czechoslovakia as the donor country. Transportation will be coordinated with the German Democratic Republic.

Handal proceeds to Bulgaria from June 27 to June 30, 1980. He is received by Dimitir Stanichev, member of the Central Committee Secretariat. The Bulgarians agree to supply German-origin weapons and other supplies, again in an apparent effort to conceal their sources.

In Hungary, from June 30 to July 3, 1980, Handal is received by Communist Party General Secretary Janos Kadar and "Guesel" (probably Central Committee Secretary for Foreign Affairs Andras Gyenes). The latter offers radios and other supplies and indicates Hungarian willingness to trade arms with Ethiopia or Angola in order to obtain Western-origin arms for the Salvadoran guerrillas. "Guesel" promises to resolve the trade with the Ethiopians and Angolans himself, "since we want to be a part of providing this aid." Additionally, Handal secures the promise of 10,000 uniforms to be made by the Hungarians according to Handal's specifications.

Handal then travels to Ethiopia, July 3 to July 6. He meets Chairman Mengistu and receives "a warm reception." Mengistu offers "several thousand weapons," including: 150 Thompson submachineguns with 300 cartridge clips, 1,500 M-1 rifles, 1,000 M-14 rifles, and ammunition for these weapons. In addition, the Ethiopians agree to supply all necessary spare parts for these arms.

Handal returns to Moscow on July 22, 1980 and is received again by Mikhail Kudachkin. The Soviet official asks if 30 Communist youth currently studying in the U.S.S.R. could take part in the war in El Salvador. Before leaving Moscow, Handal receives assurances that the Soviets agree in principle to transport the Vietnamese arms.

Further Contacts in Nicaragua. On July 13, representatives of the DRU arrive in Managua amidst preparations for the first anniversary celebration of Somoza's overthrow. The DRU leaders wait until July 23 to meet with "Comrade Bayardo" (presumably Bayardo Arce, member of the Sandinista Directorate). They complain that the Sandinistas appear to be restricting their access to visiting world dignitaries and demanding that all contacts be cleared through them. During the meeting, Arce promises ammunition to the guerrillas and arranges a meeting for them with the Sandinista "Military Commission." Arce indicates that, since the guerrillas will receive some arms manufactured by the Communist countries, the Sandinista Army (EPS) will consider absorbing some of these weapons and providing to the Salvadorans Western-manufactured arms held by the EPS in exchange. (In January 1981 the Popular Sandinista Army indeed switched from using U.S.-made weapons to those of Soviet and East European origin.)

The DRU representatives also meet with visiting Palestine Liberation Organization (PLO) leader Yasir Arafat in Managua on July 22, 1980. Arafat promises military equipment, including arms and aircraft. (A Salvadoran guerrilla leader met with FATAH leaders in Beirut in August and November, and the PLO has trained selected Salvadorans in the Near East and in Nicaragua.)

On July 27, the guerrilla General Staff delegation departs from Managua for Havana, where Cuban "specialists" add final touches to the military plans formulated during the May meetings in Havana.

Arms Deliveries Begin. In mid-August 1980, Shafik Handal's arms-shopping expedition begins to bear fruit. On August 15, 1980, Ethiopian arms depart for Cuba. Three weeks later the 60 tons of captured U.S. arms sent from Vietnam are scheduled to arrive in Cuba.

As a result of a Salvadoran delegation's trip to Iraq earlier in the year, the guerrillas receive a $500,000 logistics donation. The funds are distributed to the Sandinistas in Nicaragua and within El Salvador.

By mid-September, substantial quantities of the arms promised to Handal are well on the way to Cuba and Nicaragua. The guerrilla logistics coordinator in Nicaragua informs his Joint General Staff on September 26 that 130 tons of arms and other military material supplied by the Communist countries have arrived in Nicaragua for shipment to El Salvador. According to the captured documents, this represents one-sixth of the commitments to the guerrillas by the Communist countries. (NOTE: To get an idea of the magnitude of this commitment, the Vietnamese offer of only 60 tons included 2 million rifle and machinegun bullets, 14,500 mortar shells, 1,620 rifles, 210 machineguns, 48 mortars, 12 rocket launchers, and 192 pistols.)

In September and October, the number of flights to Nicaragua from Cuba increased sharply. These flights had the capacity to transport several hundred tons of cargo.

At the end of September, despite appeals from the guerrillas, the Sandinistas suspend their weapons deliveries to El Salvador for 1 month, after the U.S. Government lodges a protest to Nicaragua on the arms trafficking.

When the shipments resume in October, as much as 120 tons of weapons and materiel are still in Nicaragua and some 300–400 tons are in Cuba. Because of the difficulty of moving such large quantities overland, Nicaragua—with Cuban support—begins airlifting arms from Nicaragua into El Salvador. In November, about 2.5 tons of arms are delivered by air before accidents force a brief halt in the airlift.

In December, Salvadoran guerrillas, encouraged by Cuba, begin plans for a general offensive in early 1981. To provide the increased support necessary, the Sandinistas revive the airlift into El Salvador. Salvadoran insurgents protest that they cannot absorb the increased flow of arms, but guerrilla liaison members in Managua urge them to increase their efforts as several East European nations are providing unprecedented assistance.

A revolutionary radio station—Radio Liberacion—operating in Nicaragua begins broadcasting to El Salvador on December 15, 1980. It exhorts the populace to mount a massive insurrection against the govern-

ment. (References to the Sandinistas sharing the expenses of a revolutionary radio station appear in the captured documents.)

On January 24, 1981, a Cessna from Nicaragua crashes on takeoff in El Salvador after unloading passengers and possibly weapons. A second plane is strafed by the Salvadoran Air Force, and the pilot and numerous weapons are captured. The pilot admits to being an employee of the Nicaraguan national airline and concedes that the flight originated from Sandino International Airport in Managua. He further admits to flying two earlier arms deliveries.

Air supply is playing a key role, but infiltration by land and sea also continues. Small launches operating out of several Nicaraguan Pacific ports traverse the Gulf of Fonseca at night, carrying arms, ammunition, and personnel. During the general offensive on January 13, several dozen well-armed guerrillas landed on El Salvador's southeastern coast on the Gulf of Fonseca, adjacent to Nicaragua.

Overland arms shipments also continue through Honduras from Nicaragua and Costa Rica. In late January, Honduran security forces uncover an arms unfiltration operation run by Salvadorans working through Nicaragua and directed by Cubans. In this operation, a trailer truck is discovered carrying weapons and ammunition destined for Savadoran guerrillas. Weapons include 100 U.S. M-16 rifles and 81mm mortar ammunition. These arms are a portion of the Vietnamese shipment: A trace of the M-16s reveals that several of them were shipped to U.S. units in Vietnam where they were captured or left behind. Using this network, perhaps five truckloads of arms may have reached the Salvadoran guerrillas.

The availability of weapons and materiel significantly increases the miltary capabilities of the Salvadoran insurgents. While attacks raged throughout the country during the "general offensive" that began on January 10, it soon became clear that the DRU could not sustain the level of violence without suffering costly losses in personnel. By the end of January, DRU leaders apparently decided to avoid direct confrontation with government forces and reverted to sporadic guerrilla terrorist tactics that would reduce the possibility of suffering heavy casualties.

III. THE GOVERNMENT: THE SEARCH FOR ORDER AND DEMOCRACY

Central America's smallest and most densely populated country is El Salvador. Since its independence in 1838, the country has experienced chronic political instability and repression, widespread poverty, and concentration of wealth and power in the hands of a few families. Although considerable economic progress took place in the 1960s, the political system remained in the hands of a traditional economic elite backed by the military. During the 1970s, both the legitimate grievances of the poor and landless and the growing aspirations of the expanding middle classes met increasingly with repression. El Salvador has long been a violent country with political, economic, and personal disputes often resulting in murders.

The present government. Aware of the need for change and alarmed by the prospect of Nicaragua-like chaos, progressive Salvadoran military officers and civilians overthrew the authoritarian regime of General Carlos Humberto Romero in October 1979 and ousted nearly 100 conservative senior officers.

After an initial period of instability, the new government stabilized around a coalition that includes military participants in the October 1979 coup, the Christian Democratic Party, and independent civilians. Since March 1980, this coalition has begun broad social changes: conversion of large estates into peasant cooperatives, distribution of land to tenant farmers, and nationalization of foreign trade and banking.

Four Marxist-Leninist guerrilla groups are using violence and terrorism against the Salvadoran Government and its reforms. Three small non-Marxist-Leninist political parties—including a Social Democratic Party—work with guerrilla organizations and their political fronts through the Democratic Revolutionary Front (FDR), most of whose activities take place outside El Salvador.

The Government of El Salvador—headed since last December by Jose Napleon Duarte, the respected Christian Democrat denied office by the military in the Presidential elections of 1972—faces armed opposition from the extreme right as well as from the left. Exploiting their traditional ties to the security forces and the tendency of some members of the security forces to abuse their authority, some wealthy Salvadorans affected by the Duarte government's reforms have sponsored terrorist activities against supporters of the agrarian and banking reforms and against the government itself.

A symbiotic relationship has developed between the terrorism practiced by extremists of both left and right. Thousands have died without regard to class, creed, nationality, or politics. Brutal and still unexplained murders in December of four American churchwomen—and in January of two American trade unionists—added U.S. citizens to the toll of this tragic violence. The United States has made clear its interest in a complete investigation of these killings and the punishment of those responsible.

Despite bitter resistance from right and left, the Duarte government has stuck to its reform programs and has adopted emergency measures to ease the lot of the poor through public works, housing projects, and aid to marginal communities. On the political front, it has offered amnesty to its opponents, scheduled elections for a constituent assembly in 1982, and pledged to hand power over to a popularly elected government no later than mid-1983.

The government's pursuit of progress with order has been further hampered by the virtual breakdown of the law enforcement and judicial system and by the lack of an effective civil service.

The introduction of the reforms—some of which are now clearly irreversible—has reduced popular support for those who argue that change can only come about through violence. Few Salvadorans participate in antigovernment demonstrations. Repeated calls by the guerrillas for general strikes in mid- and late-1980 went unheeded. The Duarte government, moreover, has made clear its willingness to negotiate the terms of future political processes with democratic members of all opposition forces—most notably, by accepting the offer of El Salvador's Council of Bishops to mediate between the government and the Democratic Revolutionary Front.

In sum, the Duarte government is working hard and with some success to deal with the serious political, social, and economic problems that most concern the people of El Salvador.

U.S. Support. In its commitment to reform and democracy, the Government of El Salvador has had the political support of the United States ever since the October 1979 revolution. Because we give primary emphasis to helping the people of El Salvador, most of our assistance has been economic. In 1980, the United States provided nearly $56 million in aid, aimed at easing the conditions that underlie unrest and extremism. This assistance has helped create jobs, feed the hungry, improve health and housing and education, and support the reforms that are opening and modernizing El Salvador's economy. The United States will continue to work with the Salvadoran Government toward economic betterment, social justice and peace.

Because the solution in El Salvador should be of the Salvadorans' own making and nonviolent, the United States has carefully limited its military support. In January, mounting evidence of Communist involvement compelled President Carter to authorize a resupply of weapons and ammunition to El Salvador—the first provision of lethal items since 1977.

IV. SOME CONCLUSIONS

The foregoing record leaves little doubt that the Salvadoran insurgency has become the object of a large-scale commitment by Communist states outside Latin America.

The political direction, organization, and arming of the insurgency is coordinated and heavily influenced by Cuba—with active support of the Soviet Union, East Germany, Vietnam, and other Communist states.

The massing and delivery of arms to the Salvadoran guerrillas by those states must be judged against the fact that from 1977 until January 1981 the United States provided no weapons or ammunition to the Salvadoran Armed Forces.

A major effort has been made to provide "cover" for this operation by supplying arms of Western manufacture and by supporting a front organization known as the Democratic Revolutionary Front to seek non-Communist political support through propaganda.

Although some non-Communist states have also provided material support, the organization and delivery of this assistance, like the overwhelming mass of arms, are in the hands of Communist-controlled networks.

In short, over the past year, the insurgency in El Salvador has been progressively transformed into a textbook case of indirect armed aggression by Communist powers through Cuba.

HUMAN RIGHTS: NO TIME FOR BACKING OFF

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 30 minutes.

Mr. FASCELL. Mr. Speaker, nothing is closer to the soul of the American character than its concern for human rights and freedom.

In our Declaration of Independence, we stated first our belief in the individual's unalienable right to life, liberty, and the pursuit of happiness, and then our conviction that the purpose for which governments are established is to secure those rights.

During the course of two centuries, we Americans have struggled constant-

ly to achieve the high ideals of human conduct that we set for ourselves in our founding documents. And, in the process of this struggle, sometimes bloody, often litigious, and always continuing, America has come to be seen by generations of people at home and abroad as a bulwark of human rights and freedom.

During the past 8 years, the Congress has initiated and seen to the implementation of a body of legislation that has gone far to enhance that image. By weaving the expression of our concern for human rights into the fabric of our international activity, we have moved to insure that our action in the community of nations is reflective of the ideals we have set for ourselves as a people. The last administration, cooperating with the Congress, attracted widespread support for the cause of human rights internationally by making it a prominent feature of its foreign policy.

Important elements of machinery were put in place in our Government to insure that promotion of respect for human rights and fundamental freedoms would be taken into account in the formulation and execution of foreign policy. Each Ambassador was made responsible for reporting to the Secretary of State, and, in his turn, the Secretary to the Congress, the record of each country with which we maintain relations, in regard to its protection of human rights and freedom. And it was made clear that the record would play a consequential role in determining the nature of our relations with such governments. At the same time, important new initiatives were undertaken in the United Nations, with international financial institutions, and in other international fora to engender more effective multilateral activity on behalf of human rights.

The construction of this policy, as many of our colleagues will recall, was not easy, and it entailed a great deal of effort by many people, not only in the Congress and the executive branch, but in the private sector as well. Indeed, the aegis for this policy came, as is natural for those major directions of government which express most fundamentally the national character, from the electorate itself.

Recently, we have been in a time of transition as a new administration has taken office and begun to establish its positions. During the past few months, we have watched and listened to determine what this administration's program for implementation of the country's human rights policy would be. Although its early words and actions indicated clearly that the new administration would not follow certain patterns established by its predecessor, we have waited to learn what it is that the administration will do.

It is now 4 months into the new administration, and we are still waiting. To date, the single definitive on-the-record statement by an administration spokesman is that of the State Department's Mr. William Dyess who said on March 11, in essence, that the new policy is to make friends first and raise human rights questions later, and then only in private. While this declaration does tell us something important about the new administration's style, it still says nothing about substance. And as recently as May 1, when testifying before the Senate Appropriations Committee, the Secretary of State, while assuring his questioners that human rights is not ignored in our international dealings, declined to state publicly what is being done or to give a public accounting of results.

Meantime, around the world a troublesome impression is building not only that the United States has abandoned its leadership in promotion of human rights, but that it is ready to welcome the most oppressive regimes into partnership if they but meet the test of opposition to Soviet expansionism. We do not have to look far for examples of the complications that can arise from letting such an impression develop. Only weeks after the administration lifted economic sanctions against Chile and invited it to resume military cooperation with us, the Chilean Government has become the first member of the Organization of American States to sever ties with that body's Inter-American Human Rights Commission.

In international politics, as elsewhere, perceptions are often as important as reality. The risk the administration is running by failing to offer evidence to counter this impression is that the United States will become reidentified with international racism, colonialism, and imperialism precisely at a time when we have done so much to set our own house in order and when our chief adversary, the Soviet Union, is in fact identifiable with all of the above. And, regrettably, we cannot close our eyes to another risk involved in the administration's failure to act—and that is the danger that the perception will become the reality.

The Secretary of State referred the members of the Appropriations Committee to his remarks given in an off-the-record session to the Trilateral Commission meeting in Washington on March 31, in which he outlined what he described as the administration's position on human rights. For those who might have expected that here, surely, they would find described the administration's action program, there was again disappointment and perhaps worse.

One searches the Secretary's remarks in vain for any commitments to action—any mention of specific means by which it intends to promote respect for human rights other than "to hold forth ourselves as a model worthy of imitation." One even fails to find—as a counterbalance to disquieting signals already sent—any explicit assurance that the administration intends to implement existing human rights legislation. Instead, one sees such gratuitous rebuttals of unstated premises as "we have neither the power nor the desire to remake the world in our own image," and "It does little good to remedy the grievances of a few if that brings down worse oppression on the many," and a discouraging series of "yes, buts." "Foreign policy * * * expounds a nation's ideals. But * * *;" "America is the friend of liberty everywhere, but * * *;" "We wish that every people could enjoy the blessings of liberty as we enjoy them, but * * *;" "The United States opposes the violation of human rights by ally or adversary, friend or foe * * * but * * *".

When the buts are over, there is little left but a collection of caveats and cautions, adding up to the apparent conclusion that the United States is for human rights, and will always defend them, but will do little, if anything, to extend them. It appears to be, if anything, a program of inaction.

The Secretary's statements, regrettably, only reinforce the impression already reflected by the world's press of a national government abandoning the high ground won by its previous initiatives and now in retreat from its recently shouldered international responsibilities.

The most disturbing aspect of the administration's position is its overall tone of defensiveness. It is a strange posture, indeed, for a country which has in recent years demonstrated so much capacity to effect major improvement in the protection of human rights both at home and abroad.

Throughout the Secretary's discussion, human rights policy is subsumed into the framework of resistance to Soviet aggression. "Our resistance to this aggression and our assistance to its victims"—unspecified—"constitutes a defense of human rights," he notes. And in summing up his remarks, he begins and ends on a note of defense:

"We have great principles to defend * * *;" "Human rights remains a major focus of our foreign policy, especially when we are beset * * * by the overriding issue of how to stem the advance of the enemies of human rights." And lastly, "We can advance human rights more effectively through * * * defense of our positions."

It is here that the administration is most precisely wrong. Resistance to Soviet military or economic aggression at its most is defensive containment. At its least, it means the United States refuses to use a potent and persuasive "idea weapon." Human rights is a concept more penetrating than a bomber

and eagerly embraced by millions of people in the East and throughout the world. It is fundamental. It is instinctive.

It is not the United States which should be taking the defensive where human rights are concerned. It is the Soviet Union and all other governments which practice terrorism against their own people, be they "totalitarian" or "authoritarian." The open advocacy of human rights as an important factor of U.S. foreign policy goes far beyond U.S. confrontration with the Soviet Union. It is vital in U.S. dialog and action with the Third World. To believe that a strong stance for human rights will upset the applecart in the struggle with the Soviet Union is to miss the point of how intimately the issue of human rights is bound up in the overall conflict between East and West.

There was, indeed, a time for caution, as we found when we first joined ideological battle with the Soviet Union in the cold war contests of the late 1940's and the 1950's. In the 1950's, Americans who were engaged in argumentation with the Soviet Union's trained polemicists before Third World audiences were greatly disadvantaged by the Soviets' ability to cite the human rights abuses still largely unaddressed in the United States.

In the intervening years, the United States, through the dynamics of its own democratic framework, has gone through an evolutionary process which has seen the virtual eradication of governmentally condoned human rights abuses and their replacement by a multitude of vigorous government actions at Federal, State, and local levels to secure the rights of all citizens.

During this same period, the Soviet Union has remainded a closed, oppressive and fearful regime, bullying its neighbors and afraid to allow elementary freedoms to its own citizens. It is so afraid of the issue of human rights that it generally refuses not only to discuss the subject in international fora, but even to acknowledge that it exists. The Soviet Union is so out of ammunition on this issue that, in the instances in which it tries to distract attention from its own sorry record by pointing at problems in the United States, it comes up with "Chicago gangsterism" and crime in Central Park. The Soviets' basic contention is that the U.S. human rights policy is hypocritical. For the new administration to pull back on human rights and begin once again to prop up anti-Communist dictators would be to throw the Kremlin's propagandists a lifeline when they are going down for the third time.

Somehow, the administration seems to have perceived neither how times and circumstances have changed nor how our relative position in the ideological contest with the Soviets has been strengthened. Perhaps the military aspects of the struggle loom so large that the administration's vision is obscured, but when we are talking about winning and keeping allies in a global ideological struggle, we must consider how that struggle is perceived by others.

It was put most succinctly by Wall Street lawyer and international business man Orville Schell, speaking for the Lawyers' Committee on International Human Rights, in his recent testimony before a joint session of the House Foreign Affairs Subcommittees on Human Rights and International Organizations and on Inter-American Affairs. Mr. Schell said an idea had been growing on him, particularly since attending the current Madrid Conference to review compliance—East and West—with the Helsinki accords, that:

"The real difference between the West and communism is our ideology about human rights * * *. The real operating principle in the world today, I think, is the ideological difference between the West with its human rights and the East and certain other countries * * * who do not practice those human rights." Mr. Schell described the United States focus on human rights as a "hardheaded, practical, vital element of security" and as the "best weapon" of a cold warrior. But, he admonished, it has to be applied to regimes of both the left and the right with equal fervor. He warned that it must not be seen merely as a propaganda weapon to be brandished against our enemies.

In beginning his remarks to the Trilateral Commission, the Secretary of State answered his self-posed question of whether concern for human rights is compatible with the pursuit of America's national interest by saying, "My answer to that is a resounding yes." On that we can agree. He failed in the remainder of his remarks to offer any administration program that translates that concern into action.

Congress, through foreign policy legislation, has recognized human rights advocacy as an expression of the American character. Consequently, American initiative in fostering respect for human rights has caught the imagination of the world, and, more importantly, has enlisted a great proliferation of allies, both governmental and private, in many parts of Asia, Africa, Latin America, and Europe in establishing institutions to secure and protect these rights.

This is a tide running strongly in favor of all persons and societies who would be free, and we have helped create it. We must not let that tide run out while debating whether we still have the courage to ride it.

ARSON BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 10 minutes.

● Mrs. HECKLER. Mr. Speaker, I am introducing a bill today that is aimed at reducing one of America's most brutal and expensive crimes, arson. There is no more senseless and ugly death and no more painful and lasting an injury than that caused by fire. And there are few crimes that are costing Americans as much as the crime of arson.

Almost 1,000 people died and 3,000 were injured as a result of arson in 1979 including dozens of brave firefighters. Over 600,000 fires were set intentionally in the same year, about one-third of them in buildings and other structures. It has been said that in the United States, one can assume that one out of every four fires is the result of arson. The sounds of sirens can be heard in every city; arson has become an epidemic.

The average consumer must pay for all of these fires even if he or she never sees one. One out of every three dollars Americans pay for insurance is due to arson. This is one crime where all Americans pay. One of the factors fueling inflation is fire itself, and the flames touch us all.

In the last several years we have witnessed many arson incidents in hotels around the country. These fires affect not only foreign and local travelers, but all Americans who may have occasion to use a hotel facility.

To my surprise, I have recently learned that there are certain instances where arson in hotels and other places of public accommodation may not come under Federal jurisdiction and therefore would not involve the needed expertise of Federal agencies like the FBI and the U.S. Fire Administration.

Federal authorities become involved in arson-related fires only when there is a profit motive involved or an explosive device is used. Arson-for-profit schemes account for only 14 percent of all arson-related fires, so there are a great many instances where the arsonist is unhindered by Federal statute.

The bill I am introducing today would make the act of arson involving places of public accommodation a Federal crime. If no one is injured, the penalty could range from a $5,000 fine to 20 years in prison, or both. If someone is injured or killed, the penalty ranges from $50,000 to life in prison, or both.

The bill asks the existing Federal Arson Prevention and Control Task Force to report to the Congress on its activities and provide the hotel industry with preventive measures to be used against this crime.

The bill also establishes certain tax incentives for the hotel industry to invest in new and updated fire prevention and detection equipment.

This bill will play a vital role in the many areas now being pursued to stem the growing tide of arson. I would urge all of my colleagues to support this action. The bill follows:

H.R. 3795

A bill to amend title 18 of the United States Code to make arson involving public accommodations affecting interstate or foreign commerce an offense, to require a report to Congress from the Federal Arson Prevention Control Task Force, and to amend the Internal Revenue Code of 1954 to provide an investment tax credit for the installation of certain fire prevention equipment

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Arson Prevention Act of 1981".

ARSON INVOLVING PUBLIC ACCOMMODATIONS

SEC. 2. (a) Chapter 5 of title 18 of the United States Code is amended by adding at the end the following:

"§ 82. Arson involving public accommodations

"(a) Whoever willfully and maliciously sets fire to or burns, or attempts to set fire to or burn any building or structure that contains a place of public accommodation that is in or affects interstate or foreign commerce shall be fined not more than $5,000 or imprisoned not more than 20 years, or both, but if any person is placed in jeopardy of personal injury or death by the offense, the person convicted under this section of that offense shall be fined not more than $50,000, or imprisoned for life or any term of years, or both.

"(b) As used in this section, the term 'place of public accommodation' means any hotel, motel, or similar lodging that regularly accommodates short-term travellers or other temporary guests for a consideration and has more than ten rooms for the purpose of such accommodation.".

(b) The table of sections at the beginning of chapter 5 of title 18 of the United States Code is amended by adding at the end the following new item:

"82. Arson involving public accommodations.".

FEDERAL ARSON PREVENTION AND CONTROL TASK FORCE REPORT

SEC. 3. The Federal Arson Prevention Control Task Force shall report to the Congress, not later than 180 days after the date of the enactment of this Act, on the activities of such Task Force. Such report shall include—

(1) profiles on arsonists and a description of a method by which place of public accommodation can utilize such profiles to assist in arson prevention; and

(2) a description of model investigation methods and procedures that could be used by local police and fire fighting authorities to standardize investigation methodology with respect to suspicious fires at places of public accommodation.

INVESTMENT CREDIT FOR FIRE PREVENTION EQUIPMENT

SEC. 4. (a) Subparagraph (A) of section 46(a)(2) of the Internal Revenue Code of 1954 (relating to amount of investment credit) is amended by striking out "and" at the end of clause (ii), by striking out the period at the end of clause (iii) and inserting in lieu thereof ", and", and by adding at the end thereof the following new clause:

"(iv) in the cases of qualified fire prevention property, the fire prevention percentage."

(b) Paragraph (2) of section 46(a) of such Code is amended by adding at the end thereof the following new subparagraph:

"(F) FIRE PREVENTION PERCENTAGE.

"(i) IN GENERAL.—For purposes of this paragraph, the fire prevention percentage is—

"(I) 20 percent in the case of qualified fire prevention property which is an automatic sprinkler system, and

"(II) 10 percent in the case of qualified fire prevention property which is not an automatic sprinkler system.

"(ii) SPECIAL RULE FOR CERTAIN QUALIFIED FIRE PREVENTION PROPERTY.—For purposes of this paragraph, the regular percentage shall not apply to any qualified fire prevention property which is—

"(I) an automatic sprinkler system, or

"(II) property which, but for section 48(q)(1), would not be section 38 property."

(c) Section 48 of such Code (defining section 38 property) is amended by redesignating subsection (q) as subsection (r) and by inserting after subsection (p) the following new subsection:

"(q) QUALIFIED FIRE PREVENTION PROPERTY.—For purposes of this subpart—

"(1) TREATMENT AS SECTION 38 PROPERTY.—In the case of qualified fire prevention property.—

"(A) such property shall be treated as meeting the requirements of paragraph (1) of subsection (a), and

"(B) paragraph (3) of subsection (a) shall not apply to such property.

"(2) QUALIFIED FIRE PREVENTION PROPERTY DEFINED.—The term 'qualified fire prevention property' means property—

"(A) which is fire prevention property,

"(B) which is certified by the State or local agency with jurisdiction over the installation of such property as meeting the applicable State or local standards for such property (or if no State or local standards, standards promulgated by the National Fire Protection Association),

"(C)(i) the construction, reconstruction, or erection of which is completed by the taxpayer after December 31, 1980, or

"(ii) which is acquired after December 31, 1980, if the original use of the property commences with the taxpayer and commences after such date, and

"(D) with respect to which depreciation (or amortization in lieu of depreciation) is allowable, and which has a useful life (determined as of the time the property is placed in service) of 3 years or more.

"(3) FIRE PREVENTION PROPERTY.—The term 'fire prevention property' means—

"(A) an automatic sprinkler system;

"(B) a fire detection system, including a smoke detector;

"(C) a fire alarm system, including a remote alarm system;

"(D) a parapeted fire separation and division wall;

"(E) a fire door or window;

"(F) a fire door jamb and hardware;

"(G) a fire standpipe system;

"(H) a fire protection system installed in connection with any restaurant, including hoods, vents, and protected ventilator shafts;

"(I) a fire pump;

"(J) fire stairs with ventilated vestibules;

"(K) a fireproof vault for the protection of essential records;

"(L) a fire-protected computer-room installation;

"(M) equipment for the programming of elevators, with standby power to assure operation and access for firemen during a fire; and

"(N) a fire-ready room or closet containing firefighting tools and supplies."

(d) The amendments made by this section shall apply to periods—

(1) after December 31, 1980, and before January 1, 1986, under rules similar to the rules under section 48(m) of the Internal Revenue Code of 1954, and

(2) in taxable years ending after December 31, 1980.●

ESC ELECTS NEW EXECUTIVE COMMITTEE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS) is recognized for 5 minutes.

● Mr. JEFFORDS. Mr. Speaker, I have the honor to call attention to the elections of an excellent House leadership team for the Environmental Study Conference for the 97th Congress.

PETE MCCLOSKEY was elected to a full term as House chairman by a unanimous vote of the executive committee May 13.

HOWARD WOLPE was elected House vice chairman by unanimous vote.

Serving with them on the conference's governing body for the 97th Congress are: TONY BEILENSON, GEORGE BROWN, DICK CHENEY, BILL CLINGER, TOM CORCORAN, BOB EDGAR, TOM EVANS, HAM FISH, DAN GLICKMAN, JOHN PAUL HAMMERSCHMIDT, CEC HEFTEL, JACK HIGHTOWER, CAP HOLLENBECK, DALE KILDEE, ELLIOTT LEVITAS, BOB LIVINGSTON, DICK OTTINGER, JIM SANTINI, CLAUDINE SCHNEIDER, JOHN SEIBERLING, TED WEISS and RON WYDEN. I will also be serving again on the executive committee.

This group is dedicated to the conference's goal of providing its Members with the best objective, reliable legislative research and constituent support on environmental, energy and natural resources issues. They will serve the conference well.●

BINGHAM OPPOSES SOCIAL SECURITY CUTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 20 minutes.

● Mr. BINGHAM. Mr. Speaker, the administration's proposed cuts in social security benefits have alarmed millions of Americans, and understandably so. I am receiving many letters from my constituents in the Bronx and the message is loud and clear: Oppose President Reagan's cuts.

I share the concerns of my constituents.

Apparently the public outcry against these proposals is so great that the administration is slowly backing away from them. Certainly the 96–0 vote in the Senate against the cuts and the unanimous vote of the House Democratic caucus against them should convince the administration to abandon its intolerable proposals which run counter to President Reagan's campaign pledges. These cuts must not become law. I shall do what I can to see that they do not.

Certain groups would be hit especially hard by the cuts. There would be a one-third cut for the totally disabled and a 40-percent cut for those forced to retire before age 62. These cuts which would save $82 billion over the next 5 years are far greater than is necessary to insure the stability of the social security system. President Reagan and Budget director David Stockman are not attempting to protect the social security system. Their intent is to balance the budget—and on the backs of senior citizens, their dependents, and the disabled.

These proposals would break faith with millions and millions of workers who have contributed to the social security system. Let us not forget that social security represents a compact between a worker, his employer, and the Federal Government. The Reagan proposals, if enacted, would tear that compact asunder. Benefits are a right—an earned right—and any attempt to cut these benefits would be a statement that the U.S. Government is not as good as its word.

The Reagan administration has claimed that only one of its proposals—the delay in the effective date of the cost-of-living adjustment—would affect current retirees. Unfortunately this is not the case. The administration has proposed eliminating the minimum $122 social security benefit for 3 million people now receiving it. Such persons would see their benefits calculated to reflect their actual earnings. Many of them would not lose money. Spouses' benefits and SSI payments would make up for any loss. But there are some 1.5 million people who would see their income reduced. Tragically, these would be our most needy senior citizens. In fact, tens of thousands of Americans above the age of 90 would be hit hard if this proposal became law.

President Reagan would also cut benefits for 800,000 students who are survivors and dependents of workers. These students would have their benefits cut 25 percent the first year; 50 percent the second year; 75 percent the third year, and then eliminated in the fourth year. This would badly hurt thousands of middle- and low-income students, many of whom would be forced to end their education.

Current recipients would also be hurt by the proposals to delay the cost-of-living adjustment (COLA) from July to October and to base the COLA on a cost-of-living comparison over a full year rather than two calendar quarters as is now done. The cost-of-living adjustment must be protected. There are those who argue that the present COLA is too high because it is based on the increase in prices rather than on wages. I disagree. It is perhaps true that the Consumer Price Index, on which we base the COLA, overstates the impact of increases in housing costs. But in three other areas—food, fuel costs, and medical expenses—the CPI does not reflect the special needs of the elderly. In these areas the elderly suffer from higher costs more than the average middle-aged person.

The administration's proposal to drastically cut benefits for future early retirees is especially brutal. Most people who take the age 62 retirement option do so because they are sick or because they were forced out of their jobs. Now the administration announces that it will cut benefits for early retirees by some 40 percent and that this cut will go into effect in just 7 months. This is terribly unfair. Today workers retiring at 62 receive 80 percent of their full entitlement. Each year that ratio goes up so that those retiring at 65 receive the full 100 percent entitlement. But the administration would reduce that 80 percent entitlement to 55 percent. Over his expected lifetime, the average person would lose 31 percent of their benefits by retiring early. This is no social security reform. It is a travesty and, if enacted, would undermine and tend to destroy public faith in the social security system. Fortunately, this proposal has very little chance of passage.

The administration has also proposed changing the benefit computation formula for all future retirees by 1987. This change would permanently reduce monthly benefits by approximately 10 percent. This will result from the reduction in the so-called replacement rate. Today a retiree receives an average of 42 percent of his or her 30-year average earnings. President Reagan would reduce that "replacement" rate to 38 percent. This will especially hurt low- and medium-income workers who, in most cases, will have no other income besides social security benefits after retirement.

The President's proposal would also cut disability benefits by severely tightening eligibility requirements. Today disability is determined by looking at a number of variables. In addition to medical factors, the determination takes into account experience, age, and training. Obviously a condition that would disable a 60-year-old bricklayer might not disable a secretary or a clerk. The Reagan proposal would not permit examiners to look at the whole person. The only criterion considered would be medical condition. The administration would also require applicants for disability insurance to have worked 7½ years out of the last 10 and also 1½ years out of the last 3 years. This will badly hurt those suffering from degenerative diseases who may not have been incapacitated at a single moment in time but over the course of years. Such people are often employed only intermittently before meeting the definition of totally disabled. Under the Reagan proposal a person suffering from a disease like multiple sclerosis might not be disabled enough to qualify for disability insurance but might suffer enough from the condition to be rendered basically unemployable. By the time this person became totally disabled, he might be rendered ineligible for benefits because of the test of recent earnings.

These proposals are as unnecessary as they are unfair. The administration argues that these proposals will save the social security system from bankruptcy. If forsees an $11 billion deficit in the trust funds by 1986. But the cuts proposed to eliminate this deficit would not save $11 million. They would save more than $82 billion by 1986. Clearly these cuts are part of an administration strategy to balance the budget while at the same time increasing defense expenditures and cutting taxes. At one time it was charged that such a feat could only be accomplished with mirrors. We now know that it is possible to achieve these goals without mirrors—by taking billions of dollars out of the social security system. I am confident that the Congress will not permit this to happen.

There is a short-term social security financing problem. But it can be resolved by allowing the three social security funds to borrow from each other. We can also permit the trust funds to borrow from the Treasury, particularly during times of high unemployment when contributions to the system dwindle. The long-range financing problem, if it ever develops, must be addressed through partial general revenue funding of social security. This was forseen by social security's original sponsors in the 1930's. It may be inevitable and it is certainly preferable to cutting benefits. I have always favored this approach. After all, the well-being of our senior citizens is certainly worthy of funding by the Treasury. These general revenue dollars are tax dollars which come out of the pockets of each and every one of us. Here we have an administration which is willing to spend billions and billions on the Pentagon—with no concern for cost—but which shrinks in horror at the thought of using our tax

revenues to pay social security benefits.

Mr. Speaker, I trust that the Congress will not be bamboozled into enacting these ill-considered and punitive proposals by the administration's talk about averting the bankruptcy of the social security system. That system cannot, and will not be allowed to go bankrupt. The administration must understand that cutting benefits does not solve the problem of social security financing. On the contrary, cuts in benefits are the very disasters we must work to avoid. I will fight these proposals and will do what I can to see that the social security system remains on a sound footing without unfair and regressive cuts. A balanced budget is a desirable goal but a budget that is balanced on the backs of senior citizens is a travesty. The Reagan cuts in social security benefits must be rejected.●

EXPLANATION OF MISSED VOTE ON H.R. 3499

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 5 minutes.

● Mr. KASTENMEIER. Mr. Speaker, I was addressing the members of the First Amendment Congress at the Decatur House when the rollcall on H.R. 3499, the Veterans' Health Care Act of 1981, began. I left for the Capitol, and when I returned to the House Chamber, I learned, much to my chagrin, that the vote had just been completed. Had I been present, I would have voted "yea."

This legislation is extremely important to Vietnam-era veterans exposed to agent orange who may be suffering health problems as a result of such exposure. It would provide medical care to veterans who served in Vietnam if a physician employed by the Veterans' Administration determines that medical care is necessary for the treatment of a condition that may be associated with exposure to agent orange. I want to commend the House Committee on Veterans' Affairs for bringing this bill to the House floor.●

MKU INTRODUCTORY STATEMENT NUCLEAR POLICY BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 10 minutes.

● Mr. UDALL Mr. Speaker, today, I am introducing a national nuclear policy bill that addresses fundamental issues associated with the regulation and safety of commercial nuclear power. The bill is derived in large measure from similar legislation that I sponsored last year (H.R. 6390).

The policies in this new bill are well reasoned and firmly supported by the record compiled by the Interior Committee during its 4½ years of legislative jurisdiction over the nuclear regulatory process and the NRC. By and large, the provisions in this bill are substantially similar to previous proposals that have been extensively aired in committee hearings and House floor debate. The underlying concepts are sound, and the legislative language, in many cases, has been refined and perfected by the committees of jurisdiction and the House.

This new bill addresses key issues that are ripe; unlike last year when I introduced H.R. 6390 primarily to focus debate, the new bill is one that I believe the Congress can act upon before the end of this session. It addresses issues that I believe the Nation wants and deserves answers to from the Congress. The Congress owes the American people a decision on these critical nuclear policy questions. I believe my bill is comprehensive, balanced, and fair in this regard. It contains provisions that will enable nuclear to fulfill its proper role in our society without infringing upon the rights of the general public to participate in defining what that appropriate role will be.

This bill will not cure the problems faced by nuclear proponents or nuclear opponents. I do not pretend that this bill will restore nuclear utilities to good financial health. As a practical matter, I believe the Congress is limited in its ability to determine the fate of commercial nuclear power. What my bill does is address those matters where the Congress can have an impact by redirecting or clarifying national policy and then providing a push in that direction.

Let me once again share with you my view of the role of Congress in this difficult area. We can and should legislate procedures and requirements which determine the way the technology is managed. We can and should conduct vigorous oversight to insure that our mandates are carried out. On the other hand, we have little ability to make informed judgments on the seeming infinity of complex technical matters which must be addressed. The NRC has been set up to make such judgments, and through oversight we can help to make sure the NRC does its job.

Accordingly, as I said at the time I introduced H.R. 6390, I believe that we must rely on the Commission to determine whether the currently operating power reactors pose an undue risk to the public health and safety. We must insist, however, that the Commission be exceedingly conservative in its safety assessments and that it must be prepared when necessary to require costly modifications.

ORIGINS OF THE BILL

As I have said, the new bill is based upon several years of Interior Committee work on nuclear regulatory matters.

In June of 1977 the Subcommittee on Energy and the Environment held 3 days of hearings that marked the beginning of the subcommittee's effort to confront the difficult task of thoroughly reviewing the nuclear facility licensing process with an eye toward recommending legislative reforms to the Congress. At that time, several bills relating to the NRC licensing process had been referred to the Interior Committee. The proposed legislation covered a broad spectrum of reform options ranging from a 5-year moratorium on all new licensing—as provided for in H.R. 882—all the way to a comprehensive bill intended to streamline the nuclear plant licensing leadtime (H.R. 18). The subcommittee also had under consideration so-called nuclear States rights bills that I had introduced.

The testimony received at these hearings made clear to me and my subcommittee colleagues that general agreement existed among all parties—NRC, electric utilities, nuclear industry, and concerned citizens—that the existing licensing process was inefficient, sometimes illogical, and in need of reform. There was no consensus, however, about what specific changes ought to be made. In many cases, what one group regarded as licensing inefficiency and unnecessary delay, another group saw as an opportunity for access and participation in the decisionmaking process. This general theme, the product of strongly held and deeply divided public views, has pervaded the committee's subsequent efforts to frame a national nuclear policy bill that can enjoy broad based support.

On March 17, 1978, as a key element in President Carter's energy program, Secretary of Energy Schlesinger transmitted to Congress the proposed Nuclear Siting and Licensing Act of 1978. This administration bill (H.R. 11704) sought to improve the nuclear facility siting and licensing process in five major ways:

First, to improve the nature of public participation in the licensing process by providing early notice of an opportunity for participation in actions relating to the siting, construction, and operation of nuclear facilities;

Second, to promote the early identification and resolution of issues with respect to potential sites and designs for nuclear facilities;

Third, to expedite the licensing process by providing for the issuance of a combined construction permit and operating license;

Fourth, to preclude the litigation of certain issues in licensing proceedings if there had been a prior opportunity for such issue to be raised; and,

Fifth, to define and clearly establish State responsibilites in the nuclear siting and licensing process.

The Subcommittee on Energy and the Environment held 9 days of hearings on H.R. 11704 during the spring and summer of 1978. The bill raised a large number of thorny issues. In an effort to have the subcommittee develop a consensus resolution to the problems pointed out by the hearings, I developed an issues paper as a vehicle for a concept markup. Unfortunately, this effort withered as the subcommittee members remained largely polarized in their views, and a middle ground proved difficult to find.

Then, on October 25, 1978, I sent a letter to the Carter administration transmitting recommendations for a new bill. The proposed changes were developed by Congressman BINGHAM and myself based upon the extensive hearing record compiled on H.R. 11704. We asked that the Carter administration draft a new bill incorporating our suggestions and submit it for consideration in the 1st session of the 96th Congress. My intention was to give any such proposal high priority on the Interior Committee agenda.

Before the Carter administration was able to resubmit proposed nuclear siting and licensing legislation, the situation was suddently and profoundly changed on March 28, 1979, by the accident at Three Mile Island (TMI).

In the weeks immediately following the accident, I together with Representative DON CLAUSEN—who was then banking minority member of the Interior Committee—charted a course for a sweeping inquiry by the committee into national nuclear policy matters in light of TMI. The immediate and important message TMI conveyed to me was that there should be a national debate to help us decide where we should go with nuclear. In my mind, the basic question was whether we should stop nuclear development with what we have. Or should we do what was necessary to fix the faults and then proceed with whatever expansion might be dictated by the economics of nuclear technology versus that of the alternatives.

The Subcommittee on Energy and the Environment subsequently held an extensive series of oversight hearings on a broad range of issues including: the accident at Three Mile Island; the nuclear regulatory process; security in the domestic nuclear industry; nuclear waste facility siting; liability for nuclear accidents; nuclear economics; the agreement states program; regional power needs; proliferation issues; and, the nuclear industry's response to TMI.

Following these oversight hearings an effort was made to write a consensus subcommittee nuclear policy bill. This effort stalled, and in its place I drafted a bill (H.R. 6390) that was introduced on January 31, 1980. My intent in drafting this bill was to give Congress an opportunity to state clearly the direction and scope of the Nation's nuclear policy.

In general, the provisions included in H.R. 6390 sought to reduce the risk of nuclear accidents; they were intended to provide local communities a greater voice in nuclear facility siting decisions; and they would have established a firm plan for dealing with the nuclear waste problem.

During 1980, the Subcommittee on Energy and the Environment conducted 4 days of hearings on H.R. 6390 as well as 5 days of markup. Then, on September 16, 1980, the Interior Committee voted to report two of the bill's four titles, and did so in Report No. 96-1382, part II.

The Interior Committee reported those titles that provided for management of high-level and low-level nuclear wastes and for creation of a new independent agency to investigate events related to nuclear safety. This committee action was taken without prejudice against those provisions in H.R. 6390 which were not reported. I supported the committee action because the bill as reported provided a useful vehicle for House consideration of important nuclear waste management legislation prior to the end of the 96th Congress.

While H.R. 6390 as reported did not speak to a number of significant nuclear policy issues that were addressed in the bill as introduced, I regarded the promising opportunity that the House had at that time last fall to act on nuclear waste legislation to have been on overarching priority. The remaining issues were set aside only temporarily, and in modified form have been incorporated as key elements of the bill I introduce today.

CONTENTS OF THE NEW BILL

Keeping in mind the current attitudes toward power needs and nuclear in particular, the bill I introduce today has been put together to facilitate consideration and prompt reporting of the entire package by the Interior Committee. With this objective in mind, the bill has been based upon the record that the committee has compiled on these matters during the past several years. In this way, my new legislative proposal contains familiar language derived from and supported by our previous work. Also, I have deleted some unripe provisions from last year's bill, H.R. 6390; and, with the exception of two sections—which I will explain shortly—I am introducing no new language.

The new bill drops certain of the licensing reform amendments previously contained in H.R. 6390 that were directed toward the so-called delay problem in the licensing of new reactors. The concepts of early site permits and eliminating unnecessary duplication in Federal and State regulation—which have been before the Congress in one form or another for at least 6 years—have been deleted because they are seen by industry and environmental groups alike as addressing licensing issues associated with the next generation of reactors. Primarily because the utility industry overpredicted its power needs in the coming years, we are presently in a de facto moratorium on nuclear expansion so the Congress * * *.

Let me now describe the specific provisions in the new bill which includes three separate titles: Title I—Nuclear Waste; Title II—Price Anderson; and Title III—Licensing and Safety Amendments.

TITLE I—NUCLEAR WASTE

Title I of the bill sets out my proposal for a program for the development of permanent repositories for nuclear wastes. Subtitle A of the title was passed by the House during the 96th Congress as H.R. 8378. It represents the agreement reached in that Congress between the Interior Committee and the Committee on Interstate and Foreign Commerce—now the Committee on Energy and Commerce—on high-level nuclear waste management. The bill last year was supported by environmental groups and by the nuclear industry. I think we made tremendous progress on the legislation last year, and that this will be a good place to start in this Congress.

The high-level waste management program in my bill is founded on three basic principles: First, the Congress must provide for the States a statutorily guaranteed process for participating in decisions regarding siting of permanent waste repositories; second, the program must be consistent with the requirements of the National Environmental Policy Act and with the Nuclear Regulatory Commission's licensing and regulatory requirements; and, third, the Congress must set deadlines and guidelines for progress in the resolution of technical and institutional problems affecting nuclear waste management. My experience with this proposal last year leads me to believe that these principles are almost universally accepted by professionals and others closely involved in nuclear waste management issues.

One aspect of the waste management system which has yet to be brought to a general consensus of thought regards the proper scope of testing activites at potential nuclear waste repository sites. The bill passed by the House last year, and the one I am introducing today, limit the amount of radioactive material which can be emplaced at an unlicensed repository site for testing purposes to an amount representing the curie equivalent of 10 metric tons of spent nuclear fuel. Other proposals from my col-

leagues and from the new administration recommend that up to several hundred tons of spent fuel curie equivalent be emplaced in an unlicensed test and evaluation—T. & E.—facility at at least one potential repository site. It is my intention to address this issue to find a balance between the cost and possible negative impacts of a large T. & E. facility, and the necessity to proceed expeditiously, fairly, and safely to get a repository through the licensing process.

My bill provides a step-by-step process for finding potential host sites, evaluation sites, and bringing the States, the public, and the Congress into very clearly defined decisionmaking roles. It is consistent in most respects with the program recommended in 1979-80 by the Interagency Review Group on Nuclear Waste Management, and with the program continuing under the new administration. I believe it is the best way to assure that the technical issues still remaining to be resolved in the nuclear waste management field will be put to rest quickly.

Subtitle B of title I of the bill sets out standards for the regulation of low-level nuclear waste disposal facilities by the Nuclear Regulatory Commission and by States authorized to license such facilities under the Commission's agreement States program. The standards are consistent with the Commission's current effort to control development of low-level waste burial sites so that when they are closed down they will not present a hazard to future generations. My bill requires that bonds or other surety be provided by operators of these facilities so that in case of bankruptcy or other problems sites can still be decommissioned properly.

The statutory clarification of low-level waste burial standards is particularly important since the passage by the 96th Congress of the Low-Level Radioactive Waste Policy Act—Public Law 96-573. Under that act, each State is responsible for assuring that disposal capacity is available for low-level wastes generated within the State. The act makes possible and encourages the development of regional disposal facilities by the States. The States are now engaged in planning these facilities. Their development will be improved by passage of subtitle B of my nuclear waste management program.

Title II amends the Price-Anderson Act which establishes statutory limits of liability for damages resulting from nuclear accidents. the present Price-Anderson Act, enacted in 1957, sets a limit of $560 million per accident. At the time the original Price-Anderson was passed, the possibility of a nuclear accident resulting in greater liability was thought to be so remote that this sum was considered to provide adequate coverage for the public.

In 20 years we have discovered that the probability of an accident causing damage in excess of $560 million is not as remote as we once thought.

In view of these developments, I feel that Congress has an obligation to reexamine its policy on limited nuclear liability to provide more adequate financial protection for the public.

The present act limits liability for off-site damages to $560 million. This insurance fund is provided from three sources, or layers: first, the private insurance industry insures nuclear reactors for the maximum amount their participants will cover, at present this is $160 million. Second, the nuclear industry has a retrospective premium pool to meet damage claims above $160 million. The individual utilities can be assessed a premium of from $2 to $5 million per accident. Assuming 70 currently active reactors, this layer would contribute $350,000,000. Finally, the amount by which the sum of the first two layers falls short of the $560 million ceiling is contributed by the Federal Government.

My bill increases the limit on liability for reactors that have already been granted construction permits and removes the limit for reactors that have not obtained a construction permit by date of enactment.

The limit for old reactors is raised from $560 million to $5 billion per accident. Both the industry's financial obligation and the Federal indemnity component are increased to create these new funds: The retrospective premium is raised to a maximum of $20 million, and, the Federal indemnity increases to pay damages up to $5 billion.

New reactors would have unlimited liability. Again, layers one and two would create a fund to pay damages but damages in excess of that amount would be the responsibility of the individual reactor involved in the incident.

TITLE III—AMENDMENTS RELATED TO REACTOR LICENSING AND SAFETY

The new title III that I propose, to a greater extent than did last year's bill, focuses on the licensing and safety of operating plants and those in the pipeline rather than on long-term regulatory fixes. In my view, the provisions in this title are necessary but not sufficient to make the regulatory process function more satisfactorily for all participants.

Section 301 of the bill requires the Commission itself to issue new reactor licenses, and prohibits the delegation of this authority to NRC staff. I included a similar provision in H.R. 6390 last year.

Section 302 would amend the Atomic Energy Act for the purpose of clarifying the relative roles of NRC and the Federal Emergency Management Agency (FEMA) in reviewing and approving emergency response plans around nuclear facilities. One effect of this provision would be to minimize uncertainty about licensing decisions that now can result from ambiguity associated with the overlapping jurisdictions of the two agencies. A similar provision was incorporated last year in H.R. 6390.

Section 303 directs the Commission to develop alternative reactor safety objectives. Under this section, the Congress would then choose that alternative best suited to be the objective of the Nation's nuclear regulatory process. This provision would set in motion a process to produce a policy answer to the question "How safe is safe enough?", a nagging question that the nuclear industry has told us time and time again undermines the regulatory process by leaving it open-ended vis-a-vis the level of risk acceptable to society.

Section 304 would make the remote siting requirements approved by the Congress in section 108 of Public Law 96-295, the NRC Authorization Act for fiscal year 1980, a permanent part of the Atomic Energy Act. The Commission has underway an effort to respond to the requirement in the Authorization Act, and this provision would reiterate the importance of this matter in the eyes of the Congress. Section 108 of Public Law 96-295 was substantially drawn from section 111 of H.R. 6390.

Section 305, derived from a similar provision in H.R. 6390, would limit the relitigation of certain construction permit issues during operating license proceedings, absent significant new information or substantially changed circumstance. The specific issues covered by this section include site suitability, need for power, alternate energy sources, and utility financial qualifications. As a practical matter, the Commission probably has sufficient existing authority to limit by rule the relitigation of such issues. For example, on May 19, 1981, I received from the NRC a final rule to be published in the Federal Register that will preclude the consideration of alternative sites in Commission operating license reviews in the context of NEPA. In forwarding this final rule, the agency also informed me that:

> It has been the Commission's experience that, in contrast to construction permit proceedings, the issue of alternative sites is not raised by parties to operating license proceedings.

Section 306 provides limited authority to the Commission to fund intervenors in the agency's rulemaking proceedings. The authority would not extend to the funding of intervenors in licensing proceedings for individual facilities. While it is true that the Congress several times in recent years has rejected efforts to provide funds

for public participants in NRC proceedings, I continue to believe that such a program would lead to better, and possibly more timely, regulatory decisions. Based upon a similar provision in H.R. 6390, the new provision would not delay the licensing of plants in the pipeline, and it would not be available to those whose only interest is in frustrating the regulatory process by introducing delay for delay's sake. It seems to me a matter of fundamental fairness to include in a bill with other provisions to eliminate inefficiencies from the licensing process a measure of support for those who seek to raise in rulemaking proceedings legitimate concerns regarding nuclear safety.

Section 307, which is extracted from H.R. 6390, is intended to ease the burden currently imposed on the Advisory Committee on Reactor Safeguards—ACRS—by the Atomic Energy Act requirement that every facility license application be thoroughly reviewed. This provision in my bill would give the ACRS discretion to choose which license applications required detailed review. The effect of this amendment would be to enable ACRS to focus on those issues most in need of technical peer group scrutiny, and to lessen the chance that the ACRS review might become a pacing item in plant licensing.

Section 308 is a new provision rooted in Congressman BINGHAM's amendment to the fiscal year 1980 NRC Authorization Act—section 110 of Public Law 96-295—which directed the Commission to develop a comprehensive plan for a systematic safety evaluation of currently operating reactors. The Bingham amendment was derived directly from a recommendation of the Kemeny Commission investigation of Three Mile Island. On February 27, 1981, my Subcommittee on Energy and the Environment held a hearing on the implementation of this provision and learned that NRC is launching an 8-year multimillion dollar program. This revelation prompted me, together with the Committee's ranking minority member, Congressman LUJAN, to write to the Commission to request that a much simpler review be tried on a pilot program basis. Section 308 would make this request, which the Commission appears to have chosen to ignore, a statutory requirement. This section will either provide the Congress and the public with a snapshot of the extent to which currently operating reactors measure up to important safety regulations, or it will demonstrate more clearly in lay terms why the NRC is unable to provide a relatively simple answer to this seemingly straightforward question.

Section 309 is a new section that would create a temporary advisory panel to NRC to make recommendations about long-term fixes for the licensing process. A similar provision recently has been added without controversy to the Senate Committee on Environment and Public Works' version of the NRC authorization bill for fiscal year 1982 and 1983—section 303 of S. 1207. While I am not enamored with the prospects of yet another study of the licensing process, it may be the case in light of the de facto moratorium on nuclear expansion that a rethinking of old regulatory reform laws is now appropriate.

ISSUES NOT ADDRESSED

Let me make a few comments about several issues I have chosen not to address in this bill, and why.

Unlike H.R. 6390, the new legislation does not include an amendment to the Atomic Energy Act requiring that no new construction permits beyond those now being processed be issued until the Commission certifies fulfillment of certain conditions, or for 3 years, whichever comes first. Last year, when I put this provision in H.R. 6390, I did so because I thought there should be a pause before new construction is allowed to begin on plants where no construction permit application has yet been filed. My rationale was that if further expansion of the nuclear industry beyond this is to occur, the NRC should first review its regulations from the ground up, and get a firmer grasp on the conditions at currently operating plants. I was diasppointed last year during our hearings when this provision was construed as merely another garden variety antinuclear moratorium, rather than as providing an opportunity, during a period when new plant orders were not in prospect, for the NRC and the industry to get their houses in order to inspire greater public confidence in nuclear technology. I still believe that the underlying concept is sound. Nevertheless, I do not perceive sufficient support among my colleagues to justify raising this issue again at this time, and thereby running the risk of impeding congressional action on other issues such as waste management and Price-Anderson. Consequently, I have dropped this provision from the new bill.

Similarly, I have decided to drop the provisions of H.R. 6390 calling for creation of a Nuclear Safety Board that would have inquired into accidents at nuclear power plants. The Board's mission would have been to determine whether events that were the subject of its inquiries had generic significance indicative of a serious safety hazard at other nuclear powerplants. I was and continue to be in substantial agreement with the intent of this proposal which was offered by our colleague, MICKEY EDWARDS, who believed that such an organization should be set up as an entity independent of the NRC. Since the proposal was introduced, however, we have received comments that have convinced me that establishment of such an organization would, in effect, be creating a new bureaucracy which would have responsibilities which overlapped substantially with those currently held by the Office of Evaluation and Analysis of Operational Data—OEAOD—that was established at the NRC in the wake of the accident at TMI. I believe these comments make sense and I believe, therefore, that we should defer consideration of the Nuclear Safety Board until we have had an opportunity to determine whether the OEAOD fulfills the role Mr. EDWARDS had in mind when he made his commendable proposal.

The interim spent fuel storage program proposed during the last Congress in H.R. 6390 is not included in this legislation. I have made a commitment to address the interim spent fuel storage issue, and I continue to believe that there must be a Federal role in determining how this part of the nuclear waste management program will be carried out. We are going to have to take a fresh look at this issue this year in light of the new administration's policies. Secretary of Energy James Edwards has testified before the Interior Committee and in other hearings that the administration does not support Federal construction of centralized away-from-reactor—AFR—interim spent fuel storage facilities. The administration policy is to promote the initiation of spent fuel reprocessing by the private sector, which would render centralized spent fuel storage unnecessary.

I do not believe that the initiation of private sector fuel reprocessing is imminent, however, and the national inventory of spent nuclear fuel continues to increase. We must attempt to develop innovative ways in which the Federal Government and the utilities can resolve the problem of how and where to store spent nuclear fuel recognizing that the future of reprocessing in this country remains highly uncertain. I hope that we can resolve some of the technical and procedural problems which seem to be affecting temporary storage of spent fuel at reactor sites.

The bill I am introducing today does not address the issue of who should pay for the billion dollar cleanup of Three Mile Island Unit 2. This is not to say that the issue is of secondary importance, but rather, that the need for a legislative response to this problem has not, as yet, been adequately demonstrated. On May 4 and 5, 1981, my Subcommittee on Energy and the Environment held hearings on the financial implications of the accident at TMI. Among the proposals on the table were Congressman ERTEL's Nuclear Powerplant Property Damage Insurance Act of 1981 (H.R. 2512), and

Congressman HUGHES' bill amending the Atomic Energy Act for the purpose of distributing replacement power costs from an unplanned nuclear plant shutdown. I commend my colleagues for developing these thoughtful proposals which have helped to focus congressional debate of this difficult issue.

In the course of the May 4 and 5 hearings the subcommittee received testimony from the Edison Electric Institute and the private nuclear insurance pools that contained some hopeful signs that the private sector is willing and may be able to come up with some answers to TMI's financial problems. I was also impressed by the creativity with which a consortium of commercial banks is seeking to assist the financially troubled General Public Utilities Corp.

The situation is still critical, and I intend to monitor it closely. I believe, however, that before the Congress rushes to legislate in this area additional time should be given the private sector and the State ratemakers to fashion a plan to fund the cleanup of TMI Unit 2.

THE BOTTOM LINE

I would like to say that in introducing this bill, I do not in any way intend to suggest that I believe reactors are sufficiently safe, or that the obstacle to timely licensing lies primarily in inefficiencies at the NRC that can be eliminated by legislation and administrative fiat. While it may in fact be the case that the NRC's procedures are not as efficient as they should be, the main problem, as I see it, is that the regulators have, as a consequence of the accident at Three Mile Island, begun to deal with a host of problems that had hitherto been considered either inconsequential or had simply been unrecognized.

The reviews undertaken in the wake of TMI have led to imposition of many new requirements intended to correct these newly recognized problems and deficiencies. Unfortunately, as laymen, we cannot know whether these requirements insure an adequate level of safety; this is a matter that must be decided by the Commission. But, the requirements are in place, and partly as a result of their sheer numbers and partly because of the large amount of manpower required to satisfy them, the Commission has been faced with having to decide whether reactors should be licensed to operate even though significant numbers of these requirements have not been met. The Commission has determined in the only cases to come before it for full power licenses—that is, North Anna 2, Sequoyah 1, and Salem 2—that the reactors should be allowed to operate; yet in each instance the Commission has allowed operation to begin while numerous of its requirements have not been met. The rationale is that the operation can be safely conducted while the requirements are satisfied at a later date. I am in no position to contest the Commission decision which is necessarily based on subjective judgment. I do note, however, that these requirements are extensive and some of them appear to be of a kind that should have been satisfied already. Other requirements, with regard to which implementation has been delayed, are of a kind to suggest that there is insufficient understanding of important aspects of those reactors.

What this says to me is that reactors are not as safe as we might have thought prior to TMI. What we need then, is a recognition that the Commission is allowing reactors to operate even though the NRC's requirements have not been met. We should recognize that the Commission with the tacit concurrence and in some ways active encouragement by Congress has made a tradeoff between economics and safety, and that hopefully we will not regret having done so.

As I watch the Commission arrive at these licensing decisions in an increasingly incomprehensible fashion, I cannot help but be reminded of one of the most fundamental findings of the Kemeny Commission:

> The NRC is so preoccupied with the licensing of plants that it has not given primary consideration to overall safety issues. (President's Commission on Accident at TMI, page 51.)

As TMI fades into the past, the old regulatory attitudes existing prior to the accident seem to be reappearing as a consequence of pressure to take steps to expedite the licensing process. Apparently underlying these pressures is the belief in some quarters that a good deal of the NRC's licensing requirements are superfluous and can be eliminated without causing a significant diminution in safety. As I have indicated, I do not share the view that the safety situation is in a condition such that it is appropriate for the Commission to have assigned so high a priority to licensing vis-a-vis analysis of safety issues.

While I agree that the Commission should make every effort to eliminate inefficiencies in its proceedings, my concern is that the emphasis on licensing will result in reactors prone to disabling accidents. I fear that a climate at the NRC is developing wherein the staff will be discouraged from pointing out problems which are costly to correct, particularly when the matter in question is sufficiently complex and uncertain that it can be argued that the alleged defect was so unlikely to result in an accident, that it could be safely ignored. Should the product of this climate be an accident as or more serious than that which occurred at Three Mile Island, the nuclear technology will have suffered a setback from which it is likely not to recover.

I believe there are signs that the Commission has indeed relaxed its regulatory requirements in order that licensing might be expedited. I have already noted what seems to me to be an unduly long list of items to be resolved after rather than prior to beginning of operations of the only plants to be issued full power operating licenses since TMI. I also infer the character of the Commission's allocation of priorities between licensing on the one hand and resolving recognized problems on the other by comparing the zeal with which it has developed proposals for more rapid licensing with the failure to respond in a forthright and candid manner to fundamental questions about reactor safety raised by the Interior Committee.

In closing, I would like to make clear my belief the fundamental responsibility for safety rests with the utilities licensed to operated nuclear reactors. It is the job of the NRC to make sure that these utilities do in fact adhere to the Commission's regulations. The Congress can conduct oversight to determine whether the present system of handling the technology is able to provide the requisite level of safety. If the Congress does not like what it finds, changes can be made but these will necessarily be crude, and might or might not bring about the intended objective. The legislation that I am proposing today will address the important issues of nuclear waste, Price-Anderson reform, improved regulation of the next generation of powerplants as well as taking care of some loose ends in the current regulatory process. I am aware that some of my colleagues will propose amendments having the effect of making nuclear regulation less stringent; I believe such proposals to be unwise.

If it should turn out that additional steps are necessary to protect the public health and safety, I think that instead of proceeding along the seemingly fruitless track of past proposals for regulatory reform, we should undertake a fundamental reappraisal and give consideration, for example, to the manner in which the technology is handled in France where there is one utility, one reactor manufacturer, and one architect engineer. This system has allowed the French to achieve a high degree of standardization in design and in operating practices. While we clearly are not going to move in the direction of one utility in the United States, we should perhaps consider the merits of establishing one or more organizations, organized along the lines of Comsat, for the purpose of owning and operating nuclear generating stations. We should also consider establishing a mechanism through which we would achieve a much higher degree of standardization among nuclear reactors than now

exists or is likely to exist in the future in the absence of a legislative requirement. These are matters that we should keep in mind as we consider the bill I am introducing today.

I am offering this legislation with the hope that we will act wisely, avoiding the temptation to close our eyes to the real dangers and to send a message which says: Full speed ahead. Rather I would hope we will achieve some good by adopting these modest licensing proposals and making clear to the industry and NRC that they will have our support as long as they are able to assure us that safety is their No. 1 priority.●

STATUS OF THE CONGRESSIONAL BUDGET FOR FISCAL YEAR 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. JONES) is recognized for 5 minutes.

● Mr. JONES of Oklahoma. Mr. Speaker, the House Budget Committee today is notifying the Speaker of the House on the status of the 1981 congressional budget. This report compares current levels of congressional action on the budget to the spending ceilings and revenue floors established by the revised second budget resolution for fiscal year 1981. In order to keep Congress advised of the effect of its spending and revenue actions compared to the overall totals set in the most recently adopted budget resolution, periodic reports are required by section 308(b) of the Budget Act. Under the Budget Act a point of order lies against any measure that would cause the spending ceiling or revenue floor established by a concurrent resolution to be breached.

The report being submitted today for fiscal year 1981 is tabulated as of close of business June 1, 1981, and is comprised of estimates of budget authority and outlays based on action Congress has taken to date, using the economic assumptions specified in the conference report on the first resolution (H. Con. Res. 115). The revenue estimates are the estimates included in the conference report.

Action to date as compared to the revised second budget resolution ceilings is as follows:

First. Budget authority—$702,363—$15,137 million under the resolution ceiling.

Second. Outlays—$647,667—$13,683 million under the resolution ceiling.

Third. Revenues—$611,900—$8,600 million over the revenue floor.

These aggregate levels advise the House of congressional status until June 5, 1981, when the continuing resolution expires, The Committee of the Budget met and ratified these estimates of current level on June 3, 1981.

Conference action on the supplemental appropriations and rescission bill for fiscal year 1981 (H.R. 3512) was completed on Tuesday, June 2, 1981. This conference report is now being considered. Based on estimates made by the Congressional Budget Office, the conference report on the supplemental appropriations and rescission bill is within the revised second budget resolution ceilings for fiscal year 1981. A CBO advisory letter shows that passage of the conference report would revise the current level estimates as compared to the budget resolution ceiling as follows:

First. Budget authority—$715,200—$2,300 million under the resolution ceiling.

Second. Outlays—$661,100—$250 million under the resolution ceiling.

Third. Revenues—$611,900—$8,600 million over the revenue floor.

A copy of my letter to the Speaker, the committee's report, and the CBO advisory letter are attached.

COMMITTEE ON THE BUDGET,
Washington, D.C., June 2, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: On January 30, 1976, the Committee on the Budget outlined the procedure which it had adopted in connection with its responsibilities under Section 311 of the Congressional Budget Act of 1974 to provide estimates of the current level of revenues and spending. I am herewith transmitting the status report under H. Con. Res. 115, the Revised Second Budget Resolution for Fiscal Year 1981. This report reflects the resolution of May 20, 1981, and estimates of budget authority, outlays, and revenues based on all completed action on spending and revenue measures as of the close of legislative business June 1, 1981.

With best wishes,
Sincerely,

JAMES R. JONES,
Chairman.

REPORT TO THE SPEAKER OF THE U.S. HOUSE OF REPRESENTATIVES FROM THE COMMITTEE ON THE BUDGET ON THE STATUS OF THE FISCAL YEAR 1981 CONGRESSIONAL BUDGET ADOPTED IN H. CON. RES. 115 (REFLECTING COMPLETED ACTION AS OF JUNE 2, 1981)

[In millions of dollars]

	Budget authority	Outlays	Revenues
Appropriate level	717,500	661,350	603,300
Current level	702,363	647,667	611,900
Amount over resolution			8,600
Amount under resolution	15,137	13,683	

BUDGET AUTHORITY

Any measure providing budget or entitlement authority which is not included in the current level estimate and that exceeds $15,137 million for fiscal year 1981, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in H. Con. Res. 115 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate and that exceeds $13,683 million in outlays for fiscal year 1981, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in H. Con. Res. 115 to be exceeded.

REVENUES

Any measure that would result in a revenue loss exceeding $8,600 million for fiscal year 1981, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in H. Con. Res. 115.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., June 3, 1981.

Hon. JAMES R. JONES,
Chairman, Committee on the Budget,
House of Represenatives, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your request, this is to advise you that enactment of the conference agreement on the Supplemental Appropriation and Rescission Bill, 1981 (H.R. 3512), would result in estimated current level of 1981 budget authority and outlays of $715.2 billion and $661.1 billion, respectively.

The revised budget resolution for 1981, H. Con. Res. 115, approved by the Congress on May 21, 1981, provides budget authority of $717.5 billion and outlays of $661.35 billion. Thus, the current level assuming enactment of the conference agreement on H.R. 3512 is within the revised budget resolution.

Sincerely,

RAYMOND C. SCHEPPACH
(For Alice M. Rivlin, Director).●

CONCERN OVER THE PROPOSED SALE OF ARMS TO SAUDI ARABIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. WOLPE) is recognized for 5 minutes.

● Mr. WOLPE. Mr. Speaker, I rise today to reiterate my deep concern over the proposed arms sale to Saudi Arabia. My feelings are shared with U.S. citizens throughout the country. I was an initiator of an earlier congressionally circulated letter expressing strong opposition to this sale which threatens both Israel's security and America's long-standing relationship with Israel. U.S. foreign policy is best served by a strong and secure Israel, not by an Israel whose security is jeopardized by a militarily threatening Saudi Arabia. The proposed arms package includes equipment with which Saudi Arabia would be able to monitor all of Israel's internal military activities. This sale, by escalating the Middle East arms race, would serve only to increase the potential for regional conflict, and to undermine America's own security interests.

I therefore state once again my intention to work with my colleagues to take any action necessary to prevent this sale from ever taking place.●

AMBASSADOR MORTON ABRAMOWITZ

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 5 minutes.

● Mr. MOAKLEY. Mr. Speaker, one of the most commendable diplomatic decisions of the new administration has been the retention of career diplomat Morton I. Abramowitz as U.S. Ambassador to Thailand.

Ambassador Abramowitz will conclude his third year in this sensitive post next month. In any circumstances the Bangkok post requires significant diplomatic skills and high professional standards because of Thailand's great economic and strategic importance to our Nation.

But, throughout his tenure as our Ambassador there, he has borne the enormous additional burden of dealing with the waves of humanity fleeing there from tyranny, oppression, and even genocide in Cambodia, Laos, and Vietnam. The Ambassador has handled this matter with enormous compassion and his personal involvement in the plight of refugees has saved thousands of lives and brought relief from hunger and illness for scores of thousands more. At the same time he has dealt on a level of fairness and responsibility toward the legitimate concerns of Thailand that has won dramatic cooperation from the Royal Government.

Ambassador Abramowitz received the 1980 President's Award for Distinguished Federal Civilian Service in recognition of his work in the Foreign Service:

CITATION

Presented to Ambassador Morton Abramowitz for his outstanding contributions to the Indochina relief effort and to the search for peace and stability in Southeast Asia.

In the face of an accelerating crisis where today's solutions were frequently relevant only to yesterday's problems, Ambassador Abramowitz' imagination, courage and unmatched energy were directly responsible for saving thousands of Cambodian lives. His analytical insight and policy formulation provided invaluable guidance to Washington decision makers. Inspired by the highest humanitarian and political ideals, his work fully merits the special recognition this award confers.

The Ambassador also received the John C. Wilson Award in 1980 for his contributions to Cambodian relief efforts.

I know Ambassador Abramowitz would feel I had done him a disservice if, in praising his work, I neglect to also point out the tremendous effort exerted by the entire Embassy staff. In their efforts to assist in the support and relocation of Indochina refugees, the entire Embassy staff, and especially the Khymer section under the direction of refugee coordinator Lionel Rosenblatt, work tirelessly and with compassion at a tough and often heartbreaking task.

Mr. Speaker, it is with great pride that I take this opportunity to call the attention of the House to a distinguished public servant.●

WE NEED TO INSURE AN ADEQUATE STRATEGIC PETROLEUM RESERVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. SHARP) is recognized for 5 minutes.

Mr. SHARP. Mr. Speaker, filling the strategic petroleum reserve is critical to our economy and national security, and the time to do it is now. Financially, the best way to do it is with direct on-budget appropriations. However, in order to comply with the budget resolution, I have today introduced a bill to take strategic petroleum reserve oil purchases off the Federal budget starting in 1982. I truly do not believe this bill provides the best method to finance the SPR; but given that SPR purchases must be off budget, this bill provides a workable concept with sufficient congressional oversight, coupled with the flexibility that the Department of Energy needs to respond to changes in oil market conditions.

All the testimony received by the Fossil and Synthetic Fuels Subcommittee clearly indicates that the best, most straightforward, and least expensive method is to pay for SPR oil directly on budget as a conventional Government obligation.

All witnesses repeatedly warned against a so-called unique or creative financing basis. No one was in favor of off-budget financing. The administration clearly wanted SPR oil purchases on budget. Both the Carter and Reagan budget submissions requested direct authorizations and appropriations of the oil purchase funds. Only in early May did OMB, Treasury, and DOE acknowledge that they would reluctantly agree to off-budget financing.

The oil industry unanimously agrees that purchases should be on budget.

The financial community, which could stand to make a profit from the secondary sale of off-budget SPR certificates, also stood firm and said the best method is on budget. I, and perhaps a majority of my colleagues, feel SPR oil purchases should be on budget.

Nonetheless, because of the adoption of the budget resolution, the Energy and Commerce Committee is now considering methods to remove the SPR from the Federal budget. The bill I have introduced is an attempt to do this without jeopardizing the filling of the SPR.

The true concern should be to insure an adequate strategic petroleum reserve. This entire debate over financing detracts from the importance of the reserve.●

EXPLANATION AS TO VOTE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 5 minutes.

● Mr. DANIELSON. Mr. Speaker, I was unable to be present on the floor of the House of Representatives on May 28, 1981, when the House voted on rollcall No. 52, and voted to approve the Journal of Wednesday, May 27, 1981, and on rollcall No. 53, to suspend the rules and pass H.R. 3520, to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization. Had I been present, I would have voted "aye" on rollcall No. 52 and "aye" on rollcall No. 53.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. NELLIGAN) to revise and extend their remarks and include extraneous material:)

Ms. FIEDLER, for 60 minutes, June 10.
Mr. KEMP, for 60 minutes, today.
Mrs. HECKLER, for 10 minutes, today.
Mr. JEFFORDS, for 5 minutes, today.

(The following Members (at the request of Mr. HOYER) to revise and extend their remarks and to include extraneous matter:)

Mr. NELSON, for 5 minutes, today.
Mr. BINGHAM, for 20 minutes, today.
Mr. KASTENMEIER, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. UDALL, for 10 minutes, today.
Mr. JONES of Oklahoma, for 5 minutes, today.
Mr. WOLPE, for 5 minutes, today.
Mr. MOAKLEY, for 5 minutes, today.
Mr. SHARP, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BOLAND, and to include extraneous matter, following the remarks of Mr. CONTE on the conference report on H.R. 3512 today.

(The following Members (at the request of Mr. NELLIGAN) and to include extraneous matter:)

Mr. GILMAN.
Mr. FINDLEY.
Mr. FORSYTHE.
Mr. NELLIGAN.
Mr. KEMP in three instances.
Mr. RUDD in two instances.
Mr. DERWINSKI.
Mr. GRADISON.
Mr. HAGEDORN.
Mr. WEBER of Minnesota.
Mr. HOLLENBECK.
Mr. REGULA.
Mr. MCCLORY in two instances.

Mr. DAUB.
Mr. MOORE.
Mr. EDWARDS of Oklahoma in two instances.
Mr. PHILIP M. CRANE.
Mr. RAILSBACK.
Mr. GREEN.
Mr. COLLINS of Texas in two instances.
Mr. BADHAM.
Mr. MCGRATH.
Mr. WOLF.
Mr. PORTER.

(The following Members (at the request of Mr. HOYER) and to include extraneous matter:)

Mr. COELHO.
Mr. FAUNTROY.
Mr. BOLLING.
Mr. MILLER of California in five instances.
Mr. YATRON.
Mr. BARNES in two instances.
Mr. ROE.
Mr. HARKIN.
Mr. CORRADA.
Mr. SKELTON in two instances.
Ms. FERRARO.
Mr. GEJDENSON.
Mr. ERTEL.
Mr. AKAKA.
Mr. EDWARDS of California in two instances.
Mr. NOWAK in two instances.
Mr. ECKART.
Mr. FORD of Michigan in two instances.
Mr. MCDONALD.
Mrs. BOGGS.
Mr. MATTOX.
Ms. OAKAR.
Mr. FOGLIETTA.
Mr. BENJAMIN.
Mr. LANTOS.
Mr. MARKEY.
Mr. MOAKLEY.
Mr. VENTO.
Mr. MITCHELL of Maryland.
Mr. FITHIAN in five instances.
Mr. WEAVER.
Mr. FRANK.
Mr. MOFFETT.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1070. An act to extend the authorization for youth employment and demonstration programs, and for other purposes.

ADJOURNMENT

Mr. FASCELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 30 minutes p.m.), under its previous order, the House adjourned until Monday, June 8, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXVI, executive communications were taken from the Speaker's table and referred as follows:

1508. A letter from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting a report on the value of property, supplies and commodities provided by the Berlin Magistrate, and under the German Offset Agreement for the quarter ended March 31, 1981, pursuant to section 720 of Public Law 96-527; to the Committee on Appropriations.

1509. A letter from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting notice of the proposed obligation of $15.1 million in the Navy Stock Fund for war reserve stocks, pursuant to section 734 of Public Law 96-527; to the Committee on Appropriations.

1510. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend the Department of Defense Appropriation Authorization Act, 1978 (Public Law 95-79, 91 Stat. 323) concerning a congressionally mandated reduction of numbers of civilian employees within the Department of Defense; to the Committee on Armed Services.

1511. A letter from the Secretary of the Air Force, transmitting notice of the proposed withdrawal of Air Force support activities at Hancock Field, N.Y., during calendar year 1983, pursuant to 10 U.S.C. 2687; to the Committee on Armed Services.

1512. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the Naval and Marine Corps Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

1513. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting a report on the financial condition and operating results of Working Capital Funds of the Department of Defense for fiscal year 1980, pursuant to section 405(c) of the National Security Act of 1947, as amended; to the Committee on Armed Services.

1514. A letter from the Secretary of the Treasury, transmitting his annual report on the economic viability of depository institutions, pursuant to section 206 of the Depository Institutions Deregulation and Monetary Control Act of 1980; to the Committee on Banking, Finance and Urban Affairs.

1515. A letter from the Secretary of Housing and Urban Development, transmitting a report on the study of the impacts of excluding pension cost-of-living increases from rent charges in HUD-assisted rental housing programs, required by the conference report on the Housing and Community Development Act of 1980; to the Committee on Banking, Finance and Urban Affairs.

1516. A letter from the Secretary of Labor, transmitting a draft of proposed legislation to amend the Federal Employees' Compensation Act, as Amended (FECA) and related programs; to the Committee on Education and Labor.

1517. A letter from the Secretary of Health and Human Services, transmitting notice of a further delay in submission of the report on the study of State laws, practices and systems relating to death investigation and their impact on sudden and unexplained infant deaths, required by section 1121(c)(2) of the Public Health Service Act; to the Committee on Energy and Commerce.

1518. A letter from the Director, Office of Personnel Management, transmitting a draft of proposed legislation to repeal statutory minimum grade levels for certain Federal positions; to the Committee on Energy and Commerce.

1519. A letter from the Acting General Counsel, Department of Energy, transmitting a draft of proposed legislation to reduce regulatory burdens and authorize the waiver of licensing requirements with respect to certain non-Federal hydroelectric power projects; to the Committee on Energy and Commerce.

1520. A letter from the Secretary of State, transmitting the first annual report on the professional development programs of the State Department, the Agency for International Development, the International Communication Agency, the Foreign Agricultural Service, and the Foreign Commercial Service, pursuant to section 703 of Public Law 96-465; to the Committee on Foreign Affairs.

1521. A letter from the Acting Inspector General, Department of Health and Human Services, transmitting the quarterly report of his office for the period ended March 31, 1981, pursuant to section 204(b) of Public Law 94-505; to the Committee on Government Operations.

1522. A letter from the Secretary of Commerce, transmitting the semiannual report of the Inspector General of the Department of Commerce for the period ended March 31, 1981, pursuant to section 5(b) of Public Law 95-452; to the Committee on Government Operations.

1523. A letter from the Secretary of Labor, transmitting the semiannual report of the Inspector General of the Department of Labor for the period ended March 31, 1981, pursuant to section 5(b) of Public Law 95-452; to the Committee on Government Operations.

1524. A letter from the Secretary of Transportation, transmitting the semiannual report of the Inspector General of the Department of Transportation for the period ended March 31, 1981, pursuant to section 5(b) of Public Law 95-452; to the Committee on Government Operations.

1525. A letter from the Administrator of General Services, transmitting the second report, covering fiscal year 1980, on the general causes and purposes of travel in agencies spending more than $5 million annually on the transportation of people, certain cost data, and inefficient travel practices, pursuant to section 3 of Public Law 96-346; to the Committee on Government Operations.

1526. A letter from the Executive Director, Advisory Commission on Intergovernmental Relations, transmitting a copy of the study on State and local roles in the federal system, and the Federal influence on State and local roles in the federal system, pursuant to section 145(a)(2) of Public Law 94-488; to the Committee on Government Operations.

1527. A letter from the Assistant Secretary of the Interior for Indian Affairs, transmitting a proposed plan for the use and distribution of the judgment funds awarded to the Confederated Tribes of the Colville Reservation of Washington by the U.S. Court of Claims in dockets Nos. 181-C, 342-70 and 343-70, pursuant to sections 2(a) and 4 of Public Law 93-134; to the Committee on Interior and Insular Affairs.

1528. A letter from the Clerk, U.S. Court of Claims, transmitting a copy of the court's judgment order in docket No. 350-G, *The Three Affiliated Tribes of the Fort Berthold Reservation* v. *The United States;* to the Committee on Interior and Insular Affairs.

1529. A letter from the Director, Administrative Office of the United States Courts; transmitting his annual report for fiscal year 1980, pursuant to 28 U.S.C. 604(a)(4), together with the reports of the sessions of the Judicial Conference of the United States held in 1980; to the Committee on the Judiciary.

1530. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

1531. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act; to the Committee on the Judiciary.

1532. A letter from the Secretary of Defense, transmitting a draft of proposed legislation to amend titles 10 and 5, United States Code, to increase the number of Assistant Secretaries in the Department of Defense and for other purposes; jointly, to the Committees on Armed Services and Post Office and Civil Service.

1533. A letter from the Comptroller General of the United States, transmitting a report on changes in natural gas prices and supplies since passage of the Natural Gas Policy Act of 1978 (EMD-81-73, June 4, 1981); jointly, to the Committees on Government Operations and Energy and Commerce.

1534. A letter from the Secretary of the Interior, transmitting the Outer Continental Shelf oil and gas leasing and production annual report for fiscal year 1980, pursuant to sections 15(l) and 22(g) of Public Law 95-372; jointly, to the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ZEFERETTI: Committee on Rules. House Resolution 147. Resolution providing for the consideration of H.R. 3462. A bill to authorize appropriations to carry out the activities of the Department of Justice for fiscal year 1982, and for other purposes (Rept. No. 97-125). Referred to the House Calendar.

Mr. FROST: Committee on Rules. House Resolution 148. Resolution providing for the consideration of H.R. 3480. A bill to amend the Legal Services Corporation Act to provide authorization of appropriations for additional fiscal years, and for other purposes (Rept. No. 97-126). Referred to the House Calendar.

Mr. BONIOR: Committee on Rules. House Resolution 149. Resolution providing for the consideration of H.R. 3238. A bill to amend the Communications Act of 1934, to extend certain authorizations of appropriations contained in such Act relating to public broadcasting, and for other purposes (Rept. No. 97-127).

SUBSEQUENT ACTION ON A BILL SEQUENTIALLY REFERRED UNDER TIME LIMITATION

Under clause 5 of rule X the following action was taken by the Speaker:

The Committee on Energy and Commerce consideration of the bill (H.R. 2330) extended for an additional period ending not later than June 9, 1981.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEREUTER:

H.R. 3783. A bill to amend the Internal Revenue Code to reform estate and gift taxes; to the Committee on Ways and Means.

H.R. 3784. A bill to amend the Internal Revenue Code of 1954 to promote equity of taxation; to the Committee on Ways and Means.

H.R. 3785. A bill to amend the Internal Revenue Code of 1954 to promote individual savings; to the Committee on Ways and Means.

By Mr. BREAUX (for himself, Mr. KEMP, Mr. FORSYTHE, Mr. JONES of North Carolina, Mr. BONKER, Mr. FUQUA, Mr. PEPPER, Mr. BAFALIS, Mr. DOUGHERTY, Mr. MARTIN of North Carolina, Mr. MOORE, Mr. WHITEHURST, Mr. ADDABBO, Mr. HUBBARD, Mr. YOUNG of Alaska, Mr. FIELDS, Mr. DAVIS, Mr. TAUZIN, Mr. DYSON, Mr. HOWARD, Mr. TRIBLE, Mr. DE LA GARZA, Mr. LEBOUTILLIER, Mrs. HOLT, Mr. LENT, Mr. CROCKETT, Mr. LAGOMARSINO, Mr. MORRISON, Mr. BAILEY of Pennsylvania, Mr. WILSON, and Mr. LOTT):

H.R. 3786. A bill to amend the Internal Revenue Code of 1954 to allow the deduction for depreciation to be computed using a useful life of 1 or more years in the case of vessels constructed in, and documented under the laws of, the United States and 5 or more years in the case of other vessels documented under the laws of the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. BROOMFIELD:

H.R. 3787. A bill to amend sections 10 and 11 of the act of October 21, 1970 (Public Law 91-479; 16 U.S.C. 460X), entitled "An Act To Establish in the State of Michigan the Sleeping Bear Dunes National Lakeshore, and for other purposes"; to the Committee on Interior and Insular Affairs.

By Mr. CHAPPIE:

H.R. 3788. A bill to rename a reservoir and dam in the Central Valley project, California, as the "Trinity Lake" and the "Clair Engle Dam"; to the Committee on Interior and Insular Affairs.

By Mr. COLEMAN (for himself, Mr. ASHBROOK, Mr. DENARDIS, Mr. ERLENBORN, and Mr. ERDAHL):

H.R. 3790. A bill to amend the Higher Education Act of 1965 to effect reduction in the cost of certain programs under that act, and for other purposes; to the Committee on Education and Labor.

By Mr. DOWNEY (for himself and Mr. FORD of Tennessee):

H.R. 3791. A bill to amend the Internal Revenue Code of 1954 to extend the targeted jobs credit through 1984 and to restrict the applicability of retroactive certifications of individuals as members of targeted groups for purposes of such credit; to the Committee on Ways and Means.

By Mr. DUNCAN:

H.R. 3792. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for contributions for the construction or maintenance of buildings housing fraternal organizations; to the Committee on Ways and Means.

By Mr. FITHIAN (for himself, Mr. SHARP, Mr. WEAVER, Mr. MOFFETT, Mr. DAN DANIEL, Mr. WORTLEY, Mrs. BYRON, Mr. EDGAR, Mr. DANIEL B. CRANE, Mr. SIMON, Mr. SOLARZ, and Mr. MILLER of Ohio):

H.R. 3793. A bill to deauthorize 19 navigation, flood control, and other water projects; to the Committee on Public Works and Transportation.

By Mr. GIBBONS (for himself and Mr. FRENZEL):

H.R. 3794. A bill to amend the Internal Revenue Code of 1954 to provide incentives for Employee Stock Ownership Plans; to the Committee on Ways and Means.

By Mrs. HECKLER:

H.R. 3795. A bill to amend title 18 of the United States Code to make arson involving public accommodations affecting interstate or foreign commerce an offense, to require a report to Congress from the Federal Arson Prevention Control Task Force, and to amend the Internal Revenue Code of 1954 to provide an investment tax credit for the installation of certain fire prevention equipment; jointly to the Committees on the Judiciary and Ways and Means.

By Mr. JACOBS:

H.R. 3796. A bill to provide that parties which prevail against the United States in certain administrative and judicial proceedings may be awarded attorney fees and other costs, and that the amount of such fees and costs may be assessed against any Federal officer or employee who is found to have taken a clearly arbitrary or capricious action which was the subject of the proceedings; to the Committee on the Judiciary.

H.R. 3797. A bill to amend Public Law 85-745 to provide that a former President may receive monetary allowances under that law only after waiving any rights to receive any other annuity or pension to which the former President would otherwise be entitled under any other Federal law; to the Committee on Post Office and Civil Service.

H.R. 3798. A bill to amend title 5, United States Code, to eliminate the existing Federal employee bonus and incentive award programs and establish a program for incentive awards for Federal employees only for suggestions, inventions, or other personal efforts which cause a demonstrable monetary savings to the Government; to the Committee on Post Office and Civil Service.

By Mr. KASTENMEIER (for himself and Mr. MONTGOMERY):

H.R. 3799. A bill to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes; jointly, to the Committees on the Judiciary and Armed Services.

By Mr. LENT:

H.R. 3800. A bill to permit the ocean dumping of sewage sludge under certain limited conditions; to the Committee on Merchant Marine and Fisheries.

H.R. 3801. A bill to provide for an expedited and coordinated process for decisions on proposed nonnuclear energy facilities, and for other purposes; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

By Mr. McCLORY:

H.R. 3802. A bill to authorize the President to direct agencies to take certain actions with respect to rules that are of major significance to the national interest and which conflict with other statutory goals; to the Committee on the Judiciary.

By Mr. MADIGAN:

H.R. 3803. A bill to amend the Internal Revenue Code of 1954 to make certain changes with respect to estate and gift taxes; to the Committee on Ways and Means.

By Mr. MILLER of Ohio:

H.R. 3804. A bill to direct the Secretary of the Army to conduct an inspection of the Buckeye Lake Dam and levee, Buckeye Lake, Ohio, to determine its structural stability; to the Committee on Public Works and Transportation.

By Mr. MOTTL:

H.R. 3805. A bill to amend title 28 of the United States Code to provide investigative authority to the Federal Bureau of Investigation in cases of police killings upon written request from the local law enforcement agency; to the Committee on the Judiciary.

H.R. 3806. A bill to amend title XVIII of the Social Security Act to provide that the part A deductible under medicare may not be increased unless approved by both Houses of the Congress; to the Committee on Ways and Means.

By Mr. NICHOLS (for himself and Mr. MITCHELL of New York):

H.R. 3807. A bill to make technical corrections in the Defense Officer Personnel Management Act; to the Committee on Armed Services.

By Mr. SHARP:

H.R. 3808. A bill to amend the Energy Policy and Conservation Act to improve the financing of the Strategic Petroleum Reserve; to the Committee on Energy and Commerce.

By Mr. UDALL:

H.R. 3809. A bill to provide for repositories for the disposal of high-level radioactive waste, transuranic waste, and spent nuclear fuel, to amend provisions of the Atomic Energy Act of 1954 relating to low-level waste, to modify the Price-Anderson provisions of the Atomic Energy Act of 1954 and certain other provisions pertaining to facility licensing and safety, and for other purposes; jointly, to the Committees on Energy and Commerce, Interior and Insular Affairs, and Rules.

By Mr. VANDER JAGT (for himself and Mr. BRODHEAD):

H.R. 3810. A bill to amend the Internal Revnue Code of 1954 to provide that a fire or rescue vehicle and a chassis sold for conversion into a fire or rescue vehicle, an ambulance, hearse or combination ambulance-hearse will be exempt from the excise tax on trucks; to the Committee on Ways and Means.

By Mr. WAXMAN:

H.R. 3811. A bill to amend the Developmental Disabilities Assistance and Bill of Rights Act to extend the programs under that Act, and for other purposes; to the Committee on Energy and Commerce.

H.R. 3812. A bill to amend the Public Health Service Act to extend the programs of assistance for family planning and programs relating to genetic diseases; to the Committee on Energy and Commerce.

H.R. 3813. A bill to amend the Comprehensive Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 and the Drug Abuse Prevention, Treatment, and Rehabilitation Act to revise and extend the programs of assistance under such acts, and for other purposes; to the Committee on Energy and Commerce.

By Mr. WAXMAN (for himself and Mr. LELAND):

H.R. 3814. A bill to consolidate Federal assistance to States for maternal and child health and related services, to provide greater flexibility to States in administering programs providing these services, and for other purposes; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. WEAVER:

H.R. 3815. A bill to authorize the President to establish a National Security Oil and Gas Reserve, consisting of undeveloped public lands owned or controlled by the United States, to insure that the Nation has adequate oil and natural gas resources available for long term national security; to the Committee on Interior and Insular Affairs.

By Mr. BREAUX (for himself, Mr. FORSYTHE, Mr. TAUZIN, Mr. CLAUSEN, and Mr. JONES of North Carolina):

H.R. 3816. A bill to improve the operation of the Fishermen's Contingency Fund established to compensate commercial fishermen for damages resulting from oil and gas exploration, development, and production in areas of the Outer Continental Shelf; to the Committee on Merchant Marine and Fisheries.

By Mr. BROWN of California (for himself and Mr. DYMALLY):

H.R. 3817. A bill to establish the National Professions Foundation; to the Committee on Education and Labor.

By Mrs. BYRON:

H.R. 3818. A bill to amend the Internal Revenue Code of 1954 to provide a basic $7,500 exemption from income tax for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

H.R. 3819. A bill to amend the Internal Revenue Code of 1954 to allow a deduction of not more than $1,500 for amounts paid or incurred for maintaining a household a member of which is a dependent of the taxpayer who has attained the age of 65; to the Committee on Ways and Means.

By Mr. PHILIP M. CRANE (for himself and Mr. DANIEL B. CRANE):

H.R. 3820. A bill to amend the Internal Revenue Code of 1954 to exclude fringe benefits from the definition of gross income; to the Committee on Ways and Means.

By Mr. DAVIS:

H.R. 3821. A bill to amend Public Law 94-565, relating to payments in lieu of taxes, to provide that the amount of the Federal payment to units of local government within a State for certain Federal property located within their jurisdiction shall not be less than the amount which such unit would be eligible to receive from the State as a State payment in lieu of taxes with respect to such property if the property were owned by the State rather than by the United States; to the Committee on Interior and Insular Affairs.

H.R. 3822. A bill to require the Secretary of Commerce to propose a program to compensate persons and States and political subdivisions thereof for damages caused by shoreline erosion arising from the actions of the International Joint Commission with respect to the level of water on the Great Lakes; to the Committee on Public Works and Transportation.

By Mr. HAGEDORN:

H.R. 3823. A bill to amend the Federal Meat Inspection Act to authorize the Secretary of Agriculture to regulate the transportation in commerce of horses intended for slaughter, and for other purposes; to the Committee on Agriculture.

By Mr. KEMP (for himself, Mr. GARCIA, Mr. GRAY, Mr. HAWKINS, Mr. MICHEL, and Mr. LOTT):

H.R. 3824. A bill to amend the Internal Revenue Code of 1954 to provide certain community development, employment, and tax incentives for individuals and businesses in depressed areas; to the Committee on Ways and Means; and referred concurrently to the Committee on Banking, Finance and Urban Affairs only for consideration of such portions of section 102 of the bill as fall within that committee's jurisdiction under clause 1(d), rule X.

By Mr. PEPPER:

H.R. 3825. A bill to amend title XVIII of the Social Security Act to eliminate certain medicare coinsurance payments; to the Committee on Ways and Means.

H.R. 3826. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income certain medicare payments for physicians' services; to the Committee on Ways and Means.

H.R. 3827. A bill to amend title XVIII of the Social Security Act to provide a supplementary health care insurance program for dental services and certain other services and items; to the Committee on Ways and Means.

By Mr. SKELTON:

H.R. 3828. A bill to amend the Internal Revenue Code of 1954 to provide estate tax equity for family enterprises and other purposes; to the Committee on Ways and Means.

By Mrs. SMITH of Nebraska:

H.R. 3829. A bill entitled the "Saccharin Study and Labeling Act Amendment of 1981"; to the Committee on Energy and Commerce.

By Mr. WAXMAN:

H.R. 3830. A bill to amend the Public Health Service Act to extend the program of assistance for community health centers and migrant health centers, and for other purposes; to the Committee on Energy and Commerce.

By Mr. WAXMAN (for himself and Mr. PEPPER):

H.R. 3831. A bill to amend the Public Health Service Act to remove the age restrictions on appointments to the commissioned corps of the Public Health Service, and for other purposes; to the Committee on Energy and Commerce.

By Mr. DERRICK:

H.J. Res. 278. Joint resolution to provide for the designation of the third week of November of each year as "National Wild Turkey Week" and to provide for the designation of each Thanksgiving Day as "National Wild Turkey Day"; to the Committee on Post Office and Civil Service.

By Mr. EDWARDS of Oklahoma:

H.J. Res. 279. Joint resolution designating the week beginning June 14, 1981, as "National Softball Week"; to the Committee on Post Office and Civil Service.

By Mr. SMITH of Alabama:

H. Res. 150. Resolution expanding the limitation on authority of the Committee on House Administration to fix and adjust certain allowances for Members of the House; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

101. By the SPEAKER: A memorial of the Legislature of the Territory of Guam, relative to appointment of Brig. Gen. Robert H. Neitz as Adjutant General of the Guam National Guard; to the Committee on Armed Services.

102. Also, a memorial of the Legislature of the State of Indiana, relative to an external audit of the Federal Reserve; to the Committee on Banking, Finance and Urban Affairs.

103. Also, a memorial of the Legislature of the State of Colorado, relative to American servicemen missing in Southeast Asia; to the Committee on Foreign Affairs.

104. Also, a memorial of the Legislature of the State of Minnesota, relative to military involvement in El Salvador; to the Committee on Foreign Affairs.

105. Also, a memorial of the House of Representatives of the State of Oklahoma, relative to recognition of the Republic of China; to the Committee on Foreign Affairs.

106. Also, a memorial of the House of Representatives of the State of Louisiana, relative to the President's program for economic recovery; to the Committee on Government Operations.

107. Also, a memorial of the Legislature of the State of Maine, relative to funding for the Economic Development Administration; to the Committee on Public Works and Transportation.

108. Also, a memorial of the Legislature of the State of Alaska, relative to benefits for Vietnam war veterans; to the Committee on Veterans' Affairs.

109. Also, a memorial of the Legislature of the State of California, relative to toxic and hazardous substance management facilities; to the Committee on Ways and Means.

110. Also, a memorial of the Legislature of the Territory of Guam, relative to amending the Internal Revenue Code to provide a definition of wages applicable to Guam; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. MOORHEAD:

H.R. 3832. A bill for the relief of Floriano U. de Asis, Liwliwa Bello de Asis, and Mario de Asis; to the Committee on the Judiciary.

By Mr. ROYBAL:

H.R. 3833. A bill to compensate certain individuals from whom title to land was taken by the Federal Government pursuant to the American-Mexican Chamizal Convention Act of 1964 without just compensation; to the Committee on the Judiciary.

By Mr. SHAMANSKY:

H.R. 3834. A bill for the relief of certain present and former employees of the Defense Supply Agency at the Defense Construction Supply Center in Columbus, Ohio; to the Committee on the Judiciary.

By Mr. WORTLEY:

H.R. 3835. A bill for the relief of Rutherford K. Clarke and his wife Ida T. Clarke; to the Committee on the Judiciary.

H.R. 3836. A bill for the relief of Gerald Levine; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 556: Mr. GILMAN.

H.R. 768: Mr. AKAKA, Mr. ANDERSON, Mr. ANDREWS, Mr. ARCHER, Mr. ASPIN, Mr. BAFALIS, Mr. BAILEY of Pennsylvania, Mr. BARNARD, Mr. BARNES, Mr. BEDELL, Mr. BENEDICT, Mr. BEREUTER, Mr. BETHUNE, Mrs. BOGGS, Mr. BONKER, Mrs. BOUQUARD, Mr. BROWN of Ohio, Mr. BROWN of California, Mr. BUTLER, Mr. CARMAN, Mrs. CHISHOLM, Mr. CLINGER, Mr. COELHO, Mr. COLLINS of Texas, Mr. CORRADA, Mr. COTTER, Mr. COUGHLIN, Mr. COURTER, Mr. JAMES K. COYNE, Mr. DANIEL B. CRANE, Mr. CROCKETT, Mr. D'AMOURS, Mr. DANIELSON, Mr. DANNEMEYER, Mr. DASCHLE, Mr. DAUB, Mr. DE LUGO, Mr. DOUGHERTY, Mr. DUNCAN, Mr. DWYER, Mr. DYSON, Mr. EDGAR, Mr. EMERY, Mr. ERTEL, Mr. EVANS of Delaware, Mr. FAZIO, Mrs. FENWICK, Ms. FERRARO, Mr. FISH, Mr. FOGLIETTA, Mr. FORD of Tennessee, Mr. FORD of Michigan, Mr. FORSYTHE, Mr. FRANK, Mr. FRENZEL, Mr. FROST, Mr. GINGRICH, Mr. GINN, Mr. GLICKMAN, Mr. LUNGREN, Mr. GOLDWATER, Mr. GRAY, Mr. GUARINI, Mr. HANCE, Mr. HARTNETT, Mr. HATCHER, Mr. HAWKINS, Mr. HEFTEL, Mr. HILER, Mr. HOLLENBECK, Mrs. HOLT, Mr. HOWARD, Mr. HUGHES, Mr. HYDE, Mr. IRELAND, Mr. JACOBS, Mr. JOHNSTON, Mr. JONES of Oklahoma, Mr. KASTENMEIER, Mr. KILDEE, Mr. KINDNESS, Mr. KOGOVSEK, Mr. KRAMER, Mr. LAFALCE, Mr. LEBOUTILLIER, Mr. LEE, Mr. LEHMAN, Mr. LOTT, Mr. LOWERY of California, Mr. LUNDINE, Mr. MCCLORY, Mr. MCDADE, Mr. MCGRATH, Mr. MCHUGH, Mr. MCKINNEY, Mr. MADIGAN, Mr. MARKS, Mr. MARTIN of North Carolina, Mrs. MARTIN of Illinois, Mr. MAZZOLI, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MOLLOHAN, Mr. MOTTL, Mr. MURPHY, Mr. NATCHER, Mr. NELLIGAN, Mr. OBERSTAR, Mr. OTTINGER, Mr. PANETTA, Mr. PARRIS, Mr. PATTERSON, Mr. PEPPER, Mr. PORTER, Mr. PRITCHARD, Mr. RAHALL, Mr. REGULA, Mr. RICHMOND, Mr. RITTER, Mr. ROBERTS of South Dakota, Mr. ROE, Mr. ROUSSELOT, Mr. RUSSO, Mr. SANTINI, Mr. SCHEUER, Mrs. SCHNEIDER, Mrs. SCHROEDER, Mr. SCHUMER, Mr. SEIBERLING, Mr. SENSENBRENNER, Mr. SHARP, Mr. SHUMWAY, Mr. SMITH of Alabama, Mr. SOLOMON, Mr. STOKES, Mr. TAUKE, Mr. TRAXLER, Mr. TRIBLE, Mr. UDALL, Mr. VENTO, Mr. WAMPLER, Mr. WAXMAN, Mr. WEAVER, Mr. WEISS, Mr. WHITEHURST, Mr. WHITTAKER, Mr. WILLIAMS of Ohio, Mr. WOLF, Mr. WOLPE, Mr. WON PAT, Mr. YATES, Mr. YATRON, Mr. YOUNG of Florida, and Mr. ZEFERETTI.

H.R. 837: Mr. ROTH.

H.R. 911: Mr. O'BRIEN.

H.R. 917: Mr. PAUL, Mr. DAN DANIEL, Mr. ERLENBORN, Mr. SAWYER, Mr. BLILEY, Mr. KRAMER, Mr. HAGEDORN, Mr. HOPKINS, Mrs. HOLT, Mr. WALGREN, Mr. MOTTL, Mr. NAPIER, Mr. PRITCHARD, Mr. PETRI, Mrs. COLLINS of Illinois, Mrs. SCHROEDER, Mrs. BOGGS, Mr. EMERY, Mr. MCCLORY, Mr. EMERSON, Mr. MYERS, Ms. MIKULSKI, Mr. KINDNESS, Mr. WHITEHURST, Mr. GINGRICH, Mr. LAGOMARSINO, Mr. BUTLER, and Mr. WILSON.

H.R. 1005: Mr. WOLF.

H.R. 1290: Mr. HILER and Mr. KEMP.

H.R. 1300: Mr. NAPIER.

H.R. 1309: Mr. EDWARDS of Oklahoma and Mr. HUCKABY.

H.R. 1330: Mr. NAPIER.

H.R. 1337: Mr. DORNAN of California.

H.R. 1400: Mr. FAZIO, Mr. LENT, Mr. HOWARD, Mr. ALBOSTA, and Mr. DWYER.

H.R. 1432: Mr. NAPIER.

H.R. 1513: Mr. LAFALCE, Mr. PRITCHARD, Mr. PEPPER, Mr. KASTENMEIER, Mr. EDWARDS of California, Mr. RODINO, Mrs. SCHROEDER, Mr. OBERSTAR, Mr. DELLUMS, Mrs. CHISHOLM, Mr. PEASE, Mr. ROSENTHAL, Mr. MATSUI, Mr. CONYERS, Mr. LEHMAN, Mr. MITCHELL of Maryland, Mr. SIMON, Mr. FOGLIETTA, Mr. BEDELL, Mr. FAZIO, Mr. MOTTL, Mr. LOWRY of Washington, Mr. DIXON, Mr. WOLPE, Mr. DAVIS, Ms. FERRARO, and Mr. HARKIN.

H.R. 1514: Mr. LAFALCE, Mr. PEPPER, Mr. KASTENMEIER, Mr. EDWARDS of California, Mr. RODINO, Mrs. SCHROEDER, Mr. OBERSTAR, Mr. DELLUMS, Mrs. CHISHOLM, Mr. PEASE, Mr. ROSENTHAL, Mr. MATSUI, Mr. CONYERS, Mr. LEHMAN, Mr. MITCHELL of Maryland, Mr. FOGLIETTA, Mr. FAZIO, Mr. MOTTL, Mr. LOWRY of Washington, Mr. DIXON, Mr. WOLPE, Mr. DAVIS, Ms. FERRARO, and Mr. HARKIN.

H.R. 1515: Mr. LAFALCE, Mr. PRITCHARD, Mr. PEPPER, Mr. KASTENMEIER, Mr. EDWARDS of California, Mr. RODINO, Mrs. SCHROEDER, Mr. OBERSTAR, Mr. DELLUMS, Mrs. CHISHOLM, Mr. PEASE, Mr. ROSENTHAL, Mr. MATSUI, Mr. CONYERS, Mr. LEHMAN, Mr. MITCHELL of Maryland, Mr. FOGLIETTA, Mr. FAZIO, Mr. MOTTL, Mr. LOWRY of Washington, Mr. DIXON, Mr. WOLPE, Mr. DAVIS, Ms. FERRARO, and Mr. HARKIN.

H.R. 1516: Mr. LAFALCE, Mr. PEPPER, Mr. KASTENMEIER, Mr. EDWARDS of California, Mr. RODINO, Mrs. SCHROEDER, Mr. OBERSTAR, Mr. DELLUMS, Mrs. CHISHOLM, Mr. PEASE, Mr. ROSENTHAL, Mr. MATSUI, Mr. CONYERS, Mr. LEHMAN, Mr. MITCHELL of Maryland, Mr. FOGLIETTA, Mr. FAZIO, Mr. MOTTL, Mr. STOKES, Mr. DENARDIS, Mr. LOWRY of Washington, Mr. DIXON, Mr. WOLPE, Mr. DAVIS, Ms. FERRARO, and Mr. HARKIN.

H.R. 1517: Mr. LAFALCE, Mr. PEPPER, Mr. KASTENMEIER, Mr. EDWARDS of California, Mr. RODINO, Mrs. SCHROEDER, Mr. OBERSTAR, Mr. DELLUMS, Mrs. CHISHOLM, Mr. PEASE, Mr. ROSENTHAL, Mr. MATSUI, Mr. CONYERS, Mr. LEHMAN, Mr. MITCHELL of Maryland, Mr. FOGLIETTA, Mr. FAZIO, Mr. MOTTL, Mr. STOKES, Mr. LOWRY of Washington, Mr. DIXON, Mr. WOLPE, Mr. DAVIS, Ms. FERRARO, and Mr. HARKIN.

H.R. 1541: Mr. HOWARD.

H.R. 1571: Mr. MURTHA.

H.R. 1918: Mr. PRITCHARD.

H.R. 1964: Mr. JENKINS, Mr. DOWNEY, Mr. RAILSBACK, Mr. FRENZEL, and Mr. BAFALIS.

H.R. 2034: Mr. BAFALIS, Mr. BAILEY of Pennsylvania, Mr. BARNARD, Mr. COLLINS of Texas, Mr. JAMES K. COYNE, Mr. EMERSON, Mr. FLORIO, Mr. LAFALCE, Mr. NAPIER, Mr. TAUZIN, and Mr. WYDEN.

H.R. 2083: Mr. COLLINS of Texas, Mr. DUNCAN, Mr. WILSON, Mr. KINDNESS, Mr. HOLLAND, Mr. MURPHY, Mr. BURGENER, Mr. SOLOMON, Mr. BROWN of Ohio, Mr. MORRISON, Mr. BADHAM, and Mrs. BOUQUARD.

H.R. 2121: Mr. CONYERS.

H.R. 2208: Mr. KILDEE.

H.R. 2238: Mr. DUNCAN, Mr. JOHNSTON, Mr. SCHEUER, Mr. WYLIE, Mr. FORSYTHE, Mr. LAGOMARSINO, Mr. TAUKE, Mr. LOWERY of California, Mr. CORCORAN, Mr. PANETTA, Mr. BEDELL, Mr. PORTER, Mr. LUNGREN, Mr. DORNAN of California, Mr. HILER, Mr. NEAL, Mr. WIRTH, Mr. SENSENBRENNER, Mr. GOODLING, Mr. PASHAYAN, Mrs. SCHNEIDER, Mr. WILLIAM J. COYNE, and Mr. EVANS of Iowa.

H.R. 2271 Mrs. COLLINS of Illinois.

H.R. 2319: Mr. DYSON, Mr. SAWYER, Mr. BARNARD, and Mr. HUTTO.

H.R. 2346: Mr. MCKINNEY and Mr. RATCHFORD.

H.R. 2396: Mr. JONES of North Carolina, Mr. WILSON, Mr. NAPIER, and Mr. WYDEN.

H.R. 2438: Mr. NEAL, Mr. LAFALCE, and Mr. WORTLEY.

H.R. 2509: Mr. SANTINI, Mr. GREGG, Mr. DORNAN of California, Mr. MILLER of Ohio, Mr. PHILIP M. CRANE, and Mr. LOWRY of Washington.

H.R. 2553: Mr. DERWINSKI, Mr. FORSYTHE, Mr. FOGLIETTA, Mr. MCKINNEY, Mr. BUTLER, Mr. UDALL, Mr. COLLINS of Texas, Mr. YATRON, Mr. BURGENER, Mr. TRAXLER, Mr. HORTON, and Mr. HARKIN.

H.R. 2562: Mrs. COLLINS of Illinois.

H.R. 2807: Mr. DELLUMS.

H.R. 2812: Mr. MOLLOHAN.

H.R. 2828: Mr. AKAKA, Mr. BONIOR of Michigan, Mr. BRODHEAD, Mr. BROWN of California, Mr. JOHN L. BURTON, Mr. COURTER, Mr. D'AMOURS, Mr. DASCHLE, Mr. DELLUMS, Mr. FOLEY, Mr. FOUNTAIN, Mr. GILMAN, Mr. GUARINI, Mr. HEFTEL, Mr. HOWARD, Mr. LELAND, Mr. LOWERY of California, Mr. MILLER of California, Mr. PASHAYAN, Mr. PEASE, Mr. PETRI, Mr. SMITH of Alabama, Mr. STARK, and Mr. TRIBLE.

H.R. 2968: Mr. LEWIS, Mr. PORTER, Mr. BARNARD, Mrs. BOUQUARD.

H.R. 3019: Mr. STOKES.

H.R. 3047: Mr. GINGRICH.

H.R. 3163: Mrs. CHISHOLM, Mr. SCHEUER, Mrs. FENWICK, Mr. BROWN of California, Mr. MITCHELL of Maryland, Mr. COELHO, Mr. PASHAYAN, Mr. CORRADA, Mr. MCCLOSKEY, Mr. CONYERS, Mr. HOWARD, Mr. CORCORAN, Mr. WIRTH, Mr. SIMON, Mr. OTTINGER, Mr. EVANS of Delaware, Mr. LEACH of Iowa, and Mr. MILLER of Ohio.

H.R. 3218: Mr. BLANCHARD, Mr. CONYERS, and Mr. FORD of Michigan.

H.R. 3227: Mr. DYSON, Mr. FOGLIETTA, Mr. GAYDOS, and Mr. DWYER.

H.R. 3244: Mr. RICHMOND.

H.R. 3269: Mr. WIRTH, Mr. YOUNG of Missouri, Mr. HARTNETT, Mr. BOWEN, Mr. EVANS of Georgia, Mr. STENHOLM, Mr. MONTGOMERY, Mr. BLILEY, Mr. FASCELL, Mr. LOTT, Mr. WRIGHT, Mr. LENT, Mr. HANCE, Mr. SPENCE, Mr. NEAL, Mr. ROBERT W. DANIEL, JR., Mr. PEPPER, and Mr. CONABLE.

H.R. 3306: Mr. MATSUI.

H.R. 3312: Mr. NAPIER.

H.R. 3427: Mr. FORSYTHE, Mr. LAGOMARSINO, Mr. JONES of North Carolina, Mr. KOGOVSEK, Mr. BEDELL, Mr. GINGRICH, and Mr. DASCHLE.

H.R. 3541: Mr. BURGENER, Mr. DERWINSKI, Mr. WILSON, Mr. BAFALIS, Mr. WHITEHURST, and Mr. BARNARD.

H.R. 3614: Mr. LOTT, Mr. GUARINI, Mr. FORSYTHE, Mr. WOLPE, Mr. HEFNER, Mr. SAM B. HALL, JR., Mr. SAWYER, Mr. GINGRICH, Mr. BETHUNE, and Mr. HAMMERSCHMIDT.

H.R. 3619: Mr. BAILEY of Pennsylvania, Mr. BENEDICT, Mr. ATKINSON, and Mr. MARKS.

H.R. 3666: Mr. LEATH of Texas.

H.R. 3688: Mrs. COLLINS of Illinois.

H.R. 3689: Mrs. COLLINS of Illinois.

H.R. 3690: Mrs. COLLINS of Illinois.

H.R. 3704: Mr. BAFALIS, Mr. BAILEY of Pennsylvania, Mr. HUTTO, Mr. LAGOMARSINO, Mr. LEHMAN, Mr. LENT, Mr. MURPHY, Mr. PEPPER, Mr. PORTER, Mr. SCHEUER, Mr. WINN, Mr. BENNETT, and Mr. CORRADA.

H.R. 3706: Mr. RAHALL and Mr. BENEDICT.

H.R. 3769: Mrs. SCHROEDER.

H.J. Res. 72: Mr. DERWINSKI, Mr. PEPPER, Mr. BINGHAM, Mr. OBERSTAR, Mr. WILSON, Mr. LUNGREN, Mr. LEACH of Iowa, Mr. DE LA GARZA, Mr. MURPHY, Mr. DYSON, Mr. LAGOMARSINO, Mr. MCEWEN, Mr. CAMPBELL, and Mr. MOLINARI.

H.J. Res. 235: Mr. RICHMOND.

H. Con. Res. 139: Mr. HORTON, Ms. MIKULSKI, Mr. FOGLIETTA, Mr. GRAY, Mr. MOLINARI, Mr. GINN, Mrs. HOLT, and Mr. FORD of Michigan.

H. Res. 29: Mrs. BOUQUARD, Mr. DREIER, Mr. HANSEN of Idaho, and Mr. SMITH of Alabama.

H. Res. 48: Mr. MILLER of Ohio, Mr. MOORHEAD, and Mr. ROBINSON.

H. Res. 112: Mr. GRAY, Mr. STOKES, Mr. DELLUMS, and Mr. CONTE.

H. Res. 124: Mr. ALBOSTA, Mr. BROWN of California, Mr. CLINGER, Mrs. FENWICK, Ms. FIEDLER, Mr. FORSYTHE, Mr. LUNGREN, Mr. PETRI, Mr. PORTER, Mr. REGULA, Mr. ROTH, Mr. RITTER, Mr. SMITH of New Jersey, Mr. VENTO, and Mr. WORTLEY.

H. Res. 145: Mr. BAFALIS, Mr. CLINGER, Mr. COTTER, Mr. COURTER, Mr. DORNAN of California, Mr. DYSON, Ms. FIEDLER, Mr. FLORIO, Mr. HUTTO, Mr. LENT, Mr. MADIGAN, Mr. MCCLORY, Mr. MINISH, Mr. MITCHELL of New York, Mr. RUSSO, Mrs. FENWICK, Mrs. HECKLER, Mr. PANETTA, Mr. FRENZEL, and Mr. YATRON.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

106. By the SPEAKER: Petition of Iris K. Holland, Boston, Mass., relative to the promotion of infant formula around the world; to the Committee on Foreign Affairs.

107. Also, petition of the city council, Holtville, Calif., relative to a proposed amendment to the Constitution of the United States adopting the English language as the official language of the United States; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3455

By Mr. HARTNETT:

—Page 59, following line 11, add the following new section:

SEC. 906. The Secretary of the Army will maintain District Offices of the U.S. Army Corps of Engineers in any coastal area of the Continental United States having a major military installation or facility located within 25 miles of a major defense port. For the purpose of this section, a major military installation is defined to be any one of the following:

1. Major U.S. Navy Shipyard.

2. Home port for major Naval Forces.

3. Major supply and embarkation port for elements of the Armed Forces.

EXTENSIONS OF REMARKS

PEACEMAKING IN THE MIDDLE EAST: THE NEXT STEP

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. FINDLEY. Mr. Speaker, "Peacemaking in the Middle East: The Next Step," an article by Shai Feldman, appearing in the spring 1981 issue of Foreign Affairs, offers creative proposals for reaching peace in the Middle East. I strongly urge my colleagues to read this important article by Mr. Feldman who is a research associate at the Center for Strategic Studies of Tel Aviv University.

I have circulated a copy of the full text of this article to each member of the Committee on Foreign Affairs but have condensed it to reduce printing costs. I hope these excerpts will encourage my colleagues to obtain and read the article in its entirety.

PEACEMAKING IN THE MIDDLE EAST: THE NEXT STEP

(By Shai Feldman)

Three years into the Camp David process, it is time to question its continued usefulness. On the level of their bilateral relations, Egypt and Israel continue to fulfill their respective obligations under the 1978 Accords and the March 1979 Peace Treaty. Yet attempts to elaborate and expand upon these agreements in an effort to achieve a comprehensive Middle East peace have met enormous obstacles. Negotiations over the proposed "autonomy" for the West Bank and the Gaza Strip are nearing a dead end. At issue are the most fundamental national aspirations and interests of the parties involved. Their differences on these issues can no longer be papered over by ambiguous legal formulations. Efforts to overcome these various problems incrementally are unlikely to produce significant results.

In Israel, enthusiasm for the proposed West Bank autonomy has withered—a process that began almost as soon as the plan was conceived. Increasingly, Israelis conclude that "real autonomy" can lead only to an independent Palestinian state—a perception which is not shared by their Palestinian neighbors. The fundamental problem from Israel's perspective is whether it can afford to yield control over the West Bank. The area's proximity to the state's essential core makes this a critical issue. The establishment of a possibly radical Palestinian state so close to Israel's heart is a source of much Israeli concern. Fear that such a state would threaten Israel's very existence is widely shared.

With such fears, Israel's flexibility in the autonomy talks is necessarily limited. * * *

Other parties to the "autonomy" talks do not enjoy greater room for maneuver. At stake for Egypt is her ability to escape her present isolation within the Arab world. Having broken ranks with her former allies by signing a separate peace treaty with Israel, Egypt must now devote much effort to restoring her regional ties. To achieve this goal, Egypt needs to demonstrate that she continues to care for her Arab brothers. Her ability to establish her former position of leadership in the Arab world requires that she champion the Palestinian cause with no less enthusiasm than her chief competitors. Egypt must show that her political strategy will bring greater gains for the Palestinians than will the "military-confrontation" strategy of Syria and Iraq. Her ability to deliver Palestinian self-determination would provide conclusive evidence of the utility of her political approach.

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For the Palestinians, the ever-absent party to the "autonomy" triangle, the dilemma is no less cruel. The Camp David agreement calls for the participation of West Bank Palestinians in the autonomy negotiations. However, the latter refuse to join the talks until permission from the Palestine Liberation Organization is received. The PLO, in turn, faces three difficult choices. By refusing to sanction the participation of local Palestinians in the autonomy talks, it loses a clear opportunity to exert indirect influence over the negotiations' outcome. On the other hand, were the PLO to permit such participation, it would risk the possibility that the West Bank leaders would exploit the talks to establish independent power bases of their own. A third PLO option—joining the negotiation process directly—is likewise hazardous. Its advantage would be in providing the PLO, for the first time, with direct leverage on the negotiations' outcome. However, such a move would have to be made outside the Camp David framework, which recognizes no role for the PLO. In addition, it would require that the PLO meet America's preconditions for negotiation: recognition of Israel's right to exist, and acceptance of U.N. Resolutions 242 and 338, which evisage a peaceful settlement entailing Israeli withdrawal from occupied territories in return for Arab recognition of Israel's integrity as a sovereign state within secure and recognized boundaries.

* * * * *

The three regional partners to the proposed autonomy scheme are thus completely deadlocked. Substantial progress in these negotiations is extremely unlikely. As long as the issues involved are weighed in their present context, a regional settlement is unlikely to result. An alternative framework is urgently needed.

The proposed "Jordanian option" is unlikely to provide a viable alternative to the "autonomy" framework. This option calls for Israeli-Jordanian negotiations aimed at returning large portions of the West Bank to Jordan's control. However, whether King Hussein would agree to negotiate such a deal is still a question. At present, Israel will not—indeed, cannot—meet Hussein's minimal condition for such talks, namely an expressed Israeli willingness to withdraw from the entire West Bank, including East Jerusalem. Small wonder, then, that Jordan's king remains dubious about the entire exercise, emphasizing his acceptance of the PLO's role as the Palestinians' only legitimate representative.

* * * * *

Israel's moral fiber weakened after the 1967 War because the two principal sources which had sustained it up to that point no longer existed: a new reality threatened to compromise the preferred character of the Jewish state; and Israel's leaders refused to address the apparent dilemma, thus allowing the state's character to be eroded. Increasingly, Israelis raised fundamental questions about the purposes of their state and the nature of the road it was taking. Basic political and moral objections to Israel's foreign and defense policies were raised: many Israelis queried whether their leader's demand for absolute security would not lead to permanent war. Such objections found widespread expression during the 1969–70 War of Attrition, and later, as Israelis found that controlling the increasingly hostile Palestinians in the West Bank and the Gaza Strip was a rather unpleasant proposition. Thus, Israel's national consensus on the basic principles of its policy was significantly eroded.

Seen from this perspective, Israel has a fundamental interest in ridding itself of control over the West Bank. Numerically inferior to its adversaries, the state must rely on superior quality and high motivation among its citizens. To withstand their more numerous enemies, Israel's citizen-soldiers must be completely persuaded of the purposes of their state's policies. Once its national consensus is lost, Israel's very survival is in question. A return to lines approximating those held prior to the 1967 War implies both the return to the borders of a Jewish state and the reconstruction of its national consensus. It would constitute a reestablishment of the common denominator uniting all Israelis. Were they ever attacked again, they would at least enjoy a common purpose and common conviction that they had done everything possible to establish peace. Thus, the high motivation of Israel's soldiers will not be in doubt. This by itself is a major factor to be considered in weighing the security risks associated with giving up control over the West Bank.

Israel's withdrawal from the West Bank could be implemented only in the framework of a new national security package encompassing four elements: first, a new role for Israel in the Western alliance system; second, security arrangements in the West Bank for the post-withdrawal era; third, an international economic effort to maximize both West Bank economic development and its interdependence with the economies of Israel and the more pro-Western Arab States; fourth, an explicit nuclear deterrence posture. Within such a national security package, the significance of the West Bank would decline. This would allow Israel to recognize Arab sovereignty over the entire West Bank and to withdraw from almost all its territory.

The first element in Israel's proposed national security package is an enhanced role

in the Western alliance system. More precisely, Israel should be made an integral part of the alliance's efforts to secure Western interests in the Persian Gulf. This would increase Israel's deterrent profile: potential adversaries would be made aware that the Western alliance system has important stakes in Israel and that an attack on her could lead to a direct clash with the alliance.

* * * * *

By virtue of its geographic location, domestic stability, utter reliability, highly skilled manpower, and extremely potent air, naval, and ground forces, Israel has much to offer to the Western alliance.

Israel could make a number of contributions to the Western alliance. First, Israel's air bases, including the two new bases now being built in the Negev, could be adjusted to make them interoperable with the U.S. Air Force. This would allow their use for the staging of operations such as those envisaged above for the Rapid Reaction Force, and later for the Rapid Deployment Force. In addition, Israeli bases could be used for the staging of bombing operations. For example, if the Soviets were to begin an invasion of the Persian Gulf, operations could be staged from Israel to hit chokepoints in the Soviet advance. Second, munitions, fuel, food supplies, drinking water, communications equipment, and medical gear could all be pre-positioned in Israel. Such pre-positioning would have the advantage of proximity to critical areas where the deployment of the RRF and the RDF might be required. The critical importance of large quantities of drinking water became apparent during the latest exercise held by elements of the U.S. 101st Airborne Division in Egypt (Operation Bright Star). The pre-positioning of jet-engine fuel would allow for air-refueling operations by KC-135 tankers to be launched from Israeli bases, thus extending the ranges of such tactical aircraft as the FB-111.

Third, Israel could provide "real time" intelligence on domestic developments in the region. Such intelligence would be required for the timely employment of the Rapid Reaction Force. In addition, Israel could help in providing some air and naval cover for such a force. Fourth, should a military clash require the deployment of America's airpower in the farther corners of the region, Israel's land-based airpower could be employed to defend U.S. aircraft carriers. If these carriers were stationed in Israel's proximity, Israel's Navy could also be used for that purpose. Finally, in a grave crisis, Israel's air and naval forces could defend strategic chokepoints, such as the Straits of Bab el Mandeb.

In planning and preparing for such contingencies, Israel would be able to share with the Western alliance its rich combat experience in the region. Such sharing could take the form of employing Israeli advisers in desert warfare exercises held in the United States; the presence of U.S. training staffs in similar exercises held in Israel; joint planning for contingencies requiring U.S.-Israeli cooperation; and the joint conduct of war games.

Finally, Israel may have a number of contributions to make in the event that the alliance became involved in a prolonged, high-attrition military conflict in the Gulf. Israel could fulfill a wide variety of supportive and back-up roles for the combatting forces; for example, high-quality maintenance as well as excellent medical services could be provided. The surge capability of Israel's armament industry could play an important role as well, particularly since ammunition shortages are expected to be a critical problem in a battlefield characterized by the extensive use of modern armor and precision-guided munitions.

An enhanced role for Israel in the Western alliance system would differ markedly from past suggestions that Israel should trade its control of the West Bank for an American security guarantee. Whereas a guarantee would institutionalize dependence—with a debilitating effect on the nation's morale—the concept advanced here would establish interdependence. Israel would be dependent on the Western alliance, but the alliance would also become more dependent upon Israel. Thus, relations would be characterized by a far greater degree of symmetry than is the case with unilateral security guarantees, increasing the likelihood that the concept would be acceptable to Israel's body politic. In addition, since it would rest on enduring mutual interests, the commitment would enjoy far greater credibility.

The second component of the package involves security arrangements in the West Bank following Israel's withdrawal. These should include prohibiting the introduction of heavy armaments into the West Bank for Arab forces, and, conversely, permitting the stationing of Israeli early-warning systems, surface-to-air missiles, and pre-positioned stocks in very limited areas. The limited real estate required for these purposes should be leased, without prejudice to Arab sovereignty over the entire West Bank. Also emphasis should be placed on avoiding friction with the area's residents. Therefore, the large-scale stationing of Israeli ground forces in the West Bank should be strictly avoided.

* * * * *

Many fear that terrorism directed from the West Bank against Israel will grow once Israel withdraws from the area. * * *

A measured assessment of the risks of terrorism, however, must take account of the problem's relative importance. Yearly, Israel's casualties from terrorism amount to from one-tenth to one-fifth the number of casualties caused by traffic accidents. Terrorism has resulted in many personal tragedies, but for the nation it does not constitute a major strategic threat. In Israel's case, a national strategy which is otherwise sound should not be rejected simply because it does not provide an answer to terrorism. One may also argue that with Israel's withdrawal from the West Bank—allowing for a resolution of the Palestinian problem—the incentives for terrorism would diminish. In addition, the future Arab sovereign of the West Bank would have a strong vested interest in arresting terrorism.

* * * * *

A major potential threat for Israel is that following her withdrawal, the West Bank will drift toward radicalism and its new rulers will initiate either terrorist or more organized forms of violence. The third component of the proposed security package addresses this threat. Its basic premise is that the ability to deter terrorism should be augmented by a network of incentives barring the West Bank's possible radicalization. These incentives should include a dramatic development of the West Bank economy, as well as making it interdependent with the economies of Israel and pro-Western Arab states.

* * * * *

To be sure, economic interdependence by itself cannot provide peace and stability. If anything, the causal relationship between interdependence and peace tends to be in the reverse direction—without a strategic and political framework providing general stability, economic relations do not reach a level allowing the creation of interdependence. Clearly, there is a feedback relationship: once interdependence is established, the costs of dissociation increase, thereby enhancing stability and peace. However, an appreciation that interdependence can only cement the blocks arranged by a proper strategic and political framework is required, so that unwarranted expectations—and, later, unnecessary disappointments—could be avoided.

* * * * *

Israel's withdrawal from the West Bank and the Gaza Strip might well reduce the Arabs' motivation to wage war against Israel, but it would not eliminate this motivation entirely. Arab challenges to Israel's survival might yet recur. Since the aforementioned components of the proposed security package do not fully meet the dangers entailed in such recurring challenges, an additional deterrent is needed. Therefore, Israel should develop the capability and adopt an appropriate strategy and doctrine for overt nuclear deterrence. This comprises the fourth element in the proposed national security package.

In terms of capability, Israel should develop nuclear weapons in a quantity and of a yield sufficient to demolish salient targets in each of the Arab states. The suggested doctrine is countervalue—that is, threatening the destruction of cities and resources. It should consist of a simple but intentionally vague declaration that any attempt to cross Israel's borders by a significant military force would be countered with extremely high levels of punishment. The strategy's purpose would be to deter the Arab states from pursuing most forms of violence against Israel by letting them know that she possesses the means for devastating punishment.

The central thrust of this essay is the creation of a new Israeli national security package, providing a new strategic context in which the West Bank's current pivotal role in Israel's security is altered, thus allowing Israel's withdrawal from the area. The willingness to carry out such a withdrawal is a prerequisite to the implementation of either a "real autonomy" or the "Jordanian option." Given a willingness to withdraw, both are feasible avenues to a comprehensive Arab-Israeli accommodation. And, on balance, they involve a similar mix of risks and opportunities. Essentially, both constitute "Palestinian" options: the "real autonomy" would quickly lead to a "small" independent Palestinian state in the West Bank and the Gaza Strip; the Jordanian option would over time lead to a large Palestinian

state, encompassing the Gaza Strip and both banks of the Jordan River.

* * * * *

Only after Israel has gained the support of her staunchest ally, the United States * * * will she be able to initiate the difficult steps toward a comprehensive Middle East settlement.●

DEANO C. CERRI: A GREAT UNION MAN

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. MILLER of California. Mr. Speaker, I rise today to honor Deano C. Cerri, senior business representative of the United Brotherhood of Carpenters & Joiners Local 2046 in Martinez, Calif. who will be retiring on June 30 after 33 years as a member of the union.

Deano joined local 2046 in 1948, and has served as a business representative for 12 years, the last 4 as senior business representative. In addition, Deano has been active in the Bay Counties District Council of Carpenters, and as a member of the board of trustees of the carpenters apprenticeship and training fund for all of northern California.

Beyond his union activities, Deano has exemplified the best qualities of the union movement with his active role in community affairs. He has long been involved with the Boys Clubs of America, serving on its board of directors and as its president.

It is with some sadness that I wish Deano a fruitful and enjoyable retirement, for his contribution to local 2046 will surely be missed. His dedication to the betterment of his fellow workers is a tribute to the best that the labor movement has to offer, and I hope that we will continue to have such dedicated union members as Deano Cerri.●

USICA INTERVIEWS MIKE BARNES

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. GEJDENSON. Mr. Speaker, our colleague MIKE BARNES, chairman of the Subcommittee on Inter-American Affairs, on which I am privileged to serve, was interviewed in March by Judy Hurley, staff correspondent of the U.S. International Communications Agency. Ms. Hurley's article, which was sent to all USICA posts in Latin America, describes Chairman BARNES hopes and plans for the subcommittee during the 97th Congress, and sets forth some of his views on Latin American policy. Because of the interest we all have in Latin America, and the importance we attach to the work of the subcommittee, I wish to include the article in the RECORD at this point.

CONGRESSMAN PLANS TO HIGHLIGHT UNITED STATES-LATIN AMERICA POLICY

(By Judy Hurley)

WASHINGTON.—The crowd in the stately corridor of the Rayburn House Office Building of the U.S. House of Representatives grew as lobbyists, students, churchmen and women, government officials, and journalists waited for the doors of the Foreign Affairs Committee room to open. Not everyone was able to get into the room, but those left out and millions of other Americans across the United States did find out what transpired through news programs and newspapers. The subject of that hearing, March 11, and of two other equally crowded previous hearings was U.S. policy toward El Salvador.

Michael D. Barnes (D-Md.), Chairman of the Inter-American Affairs Subcommittee, was probably very pleased with what happened that afternoon. For just as the Reagan Administration has focused its primary foreign policy attention in its first two months in office on Latin America, so too has there been a renewed focus on the area in Congress. Rep. Barnes has revitalized the subcommittee, both legislatively and in the public eye, saying that for too long, except when there is a crisis, too little attention has been paid to Latin America.

"I hope that the subcommittee can be a forum responsible for a long-range look at Latin America and at how conditions in Latin America can be impoved," he said, during a recent interview. "With the change of administration and the change in the Senate, there is some feeling in the House that there ought to be a forum for responsible discussion of administration policy by supporters and critics, and in a responsible way the subcommittee can supply that kind of forum."

Not since the 1978 Panama Canal Treaty hearings on the other side of Capitol Hill in the Senate has there been such public interest in the U.S. policy toward its hemispheric neighbors. With the Reagan Administration emphasis on Latin America, especially events in El Salvador and Nicaragua and terrorism throughout the area, so too has the legislature become more concerned with the importance of activities in the hemisphere. The legislators are in a position to approve or reject President Reagan's requests for appropriations, and as in the case of Barnes' hearings, to force issues into public debate. Through meetings of his subcommittee, Barnes has presented to his colleagues in the House a variety of opinions and viewpoints providing background on Latin American affairs.

Barnes' role is especially important in the 97th Congress, because for the first time in 25 years, the Democratic-controlled House of Representatives finds itself confronted with a Republican-controlled Senate and a Republican administration.

But while Barnes and the Foreign Affairs subcommittee are focusing on the current problem in El Salvador, it is Barnes' intention to take a long-range look at relations and to also sort out U.S.-Latin American problems.

Except during a crisis, "far too little attention has been paid to Latin America," Barnes said. "We have also tended to see Latin America as one entity and . . . tried to package one policy for all of Latin America.

"There is such a divergence of cultures and nations that it takes a much more sophisticated approach, and I would hope that our subcommittee can contribute to that kind of sophistication," he said.

In the last month, Barnes has begun turning his ideas into action. The Committee has heard from scholars on Latin America and reviewed U.S. sanctions against Chile, in addition to carrying out the lengthy examination of the U.S. role in El Salvador.

"Economic deprivation and political repression" are the major concerns in the region that have to be addressed "pretty directly," Barnes said.

"Economic deprivation foments unrest and political repression foments unrest. People are not able to live with any kind of dignity if they are in fear of their own governments," he explained. "You will constantly have the danger of instability; so it is in the United States' interest and in the interest of the people of Latin America to have as rapid as possible economic development and increased political freedom and human rights.

"The desire of outsiders to take advantage of the economic and political problems—as clearly the Cubans will" is another reason for the United States to give economic help and to push for political reforms, Barnes said, pointing to the Reagan Administration's proof of outside intervention in El Salvador.

But Barnes also feels that the administration is putting too much emphasis on Soviet activities in the hemisphere. "Our policies with respect to Latin America," he said, "need to be sufficiently sophisticated to recognize that not everthing that happens is part of the East-West problem."

While economic, political, and human rights problems vary markedly from country to country throughout Central and South America and the Caribbean, Barnes feels "it is important that the people have the perception of the United States as a country that cares whether their lives are improving, and whether or not their freedoms are increasing."

While there has always been what he calls an "arrogance of power" in the way the United States has traditionally dealt with Latin America, Barnes said, the United States has been such a factor of life there that "we can't deny some ultimate responsibility for what is going on there . . . If we just sat back today, we will have changed our policy of the last 50 to 100 years . . . If we were to say it is not our role now, and not at least encourage reform, it seems to me we would be taking a pretty unrealistic approach."

One of the concerns some Members of Congress have now, he said, is that the Reagan Administration may be giving the perception that all the United States is concerned about is its own self-interest, particularly security interests.

It must be generally understood throughout the world, he said, that the United States cares about other things. "We are not worried about freedom of the press, for example, just for the people in the United States. We also care whether people in all of Latin America, including Cuba, and places like Poland, Afghanistan, and the Soviet Union have freedom of the press. It should not be a one-sided policy."

The United States needs to have a combination of continued public statements and private discussions to encourage human

rights, he said. "It is important that we, in a public way, on a regular basis, restate our commitment to basic human rights as an element of our relationship with other countries. If we don't stand for that, we don't stand for much of anything."

"I think there are instances where the public posture of the United States in respect to human rights is important," he explained. "I also think that there are many specific instances where more can be achieved by privately—quietly—making a case."

Immigration will be another major issue of the next few years, Barnes pointed out, adding that he would like to hold joint hearings on the question with the Judiciary's Subcommittee on Immigration, Refugees, and International Law.

Immigration, especially with respect to Mexican workers, could raise a "lot of interesting questions about how our economy works, how these people are being exploited, what the impact of an open door policy would have on our inflation rate . . . A lot of questions that are not simple to answer," he said.

Barnes also would like his subcommittee to investigate international narcotics control.

The biggest legislative responsibility of the subcommittee is determining appropriate military and economic assistance for countries in the Western Hemisphere. That is expected to take up a lot of the committee's time.

Barnes said that the committee will be looking at the Reagan Administration's request for aid and hopes "there will be some consultation with Members of Congress as that develops."

The 37-year-old Congressman represents a legislative district close to the nation's capital and comes to the chairmanship this year after only one term in Congress, but with several years of experience in American politics. A lawyer, Barnes did postgraduate work in international economics in Geneva. He was a special assistant to then-Senator Edmund Muskie during Muskie's 1970-1972 campaign for the presidency and was executive director of the National Democratic Platform Committee for the 1976 Democratic National Convention.●

HUMANE TRANSPORTATION OF HORSES INTENDED FOR SLAUGHTER ACT OF 1981

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. HAGEDORN. Mr. Speaker, I am today introducing a bill entitled "the Humane Transportation of Horses Intended for Slaughter Act of 1981." This bill is prompted by growing reports of serious shortcomings in the manner in which some horses are transported to slaughter. This legislation is intended to halt these abuses by filling in one of the few gaps in our laws governing the humane handling of animals.

The high cost of food, and particularly for meat, in Europe and Asia combined with the foreign taste for horsemeat has created a strong demand in America for slaughter horses. This demand has led to a dramatic increase in the price paid for horses as slaughter animals and a concomitant increase in the number of horses trucked to slaughter plants. These increases in the slaughter horse traffic have attracted some truckers who lack the knowledge or concern to handle these animals in a humane manner during shipment.

In these instances, horses are placed in overcrowded trucks, denied proper watering and food, not unloaded to relax cramped muscles, and handled callously. There are all too frequent reports of horses tied head and tail to the trucks, vehicles without enough headroom, with sharp protruding edges which cause serious wounds. Often young foals are mixed with adult horses resulting in the young animals being trampled to death.

In the last 10 years, the number of horses slaughtered at USDA-inspected plants has increased from fewer than 60,000 to more than 320,000. The prices paid for these horses has increased from 20 cents per pound to 50 or 60 cents per pound. The volume and dollars involved has resulted in an equal increase in cases of severe abuse of the animals.

A Federal solution is required to meet these problems for two reasons. First, the abuses take place in interstate commerce and fall within the traditional jurisdiction of Congress. Slaughter horses are generally shipped through several States, and some are destined for shipment directly to foreign nations. Unfortunately, there are no Federal laws governing the shipment of these animals. While a few States have enacted laws and regulations dealing specifically with horse transportation, these requirements apply only to the shipment while it is in that State. A Federal law is necessary because the abuse transcends State lines.

Second, the State laws dealing with humane treatment of animals, particularly slaughter horses, are rarely effective and lack uniformity in the few States which have enacted rules to govern these shipments. Most States do not even have rules governing slaughter horses, and rely on antiquated and inadequate cruelty statutes.

Another side effect of the growing horse meat trade has been an increase in the number of horse thefts. Slaughter plants provide a ready market for stolen horses since they are not interested in the breeding or confirmation of the animal involved. While this bill does not deal directly with the theft problem, I welcome suggestions from interested parties how this can be handled.

This legislation intends to provide for humane treatment of these horses. It directs the Secretary of Agriculture to establish regulations governing the humane handling, care, treatment, and transportation of slaughter horses. These standards must include minimum provisions for feeding, watering, loading, sanitation, ventilation, shelter from the weather, and vehicle specifications. The legislation authorizes the Secretary to investigate and inspect the vehicles and horses in transport as he deems necessary and provides civil and criminal penalties for violators.

We have Federal legislation regulating the ways animals are slaughtered once they arrive at the plant, yet these laws seem inconsequential if the horses are mistreated in shipment to be slaughtered. Many of the slaughter plants agree with the intent of this bill not only because they have no wish to see the horses suffer, but because horses transported in a humane manner have greater value for their business.

The time is long past for the protective legislation. We have an obligation to halt these unnecessary abuses and I hope my colleagues will join in cosponsoring and supporting this bill.●

CIVIL SERVICE RETIREMENT CREDIT

HON. BOB SHAMANSKY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. SHAMANSKY. Mr. Speaker, today I am introducing a private bill to secure civil service retirement credit for certain present and former employees of the Defense Construction Supply Center in Columbus, Ohio. This legislation, proposed by my predecessor, Mr. Sam Devine, in the 96th Congress—H.R. 8165—concerns 51 employees who, from the late 1940's until the mid-1960's, worked as supply catalogers, performing Federal cataloging services for private companies under contract with the Department of Defense. During this time, these individuals worked side by side with civil servants and their work was supervised and controlled by Federal civil service personnel. In the early 1960's, when the Government decided to undertake this cataloging function itself and established the Defense Construction Supply Center in Columbus, these employees were automatically assumed into the Federal civil service where they performed the same job duties previously performed as private employees at the same Government site.

The purpose of this private bill is to grant each of the 51 affected employees a measure of retirement security by increasing the number of years for which they would receive credit in the computation of their civil service retirement annuities. While inequities of

this sort are not often resolved via private legislation, precedent does exist for unique situations similar to that presented here, see, for example, Private Law 93-123. Further, in these times of fiscal restraint, it is important to note that this bill would not impose any direct costs on the Federal Treasury, since it provides for a transfer of retirement credit from the social security system, into which the employees have already contributed, to the civil service retirement system. By no means would the affected employees receive duplicative benefits.

I urge my colleagues to support this bill which would grant these 51 employees an equitable and fair measure of retirement security within the civil service retirement system, based upon their services which directly benefited the Federal Government. These individuals, now civil servants nearing retirement, deserve this credit for the period they worked in civil service-type jobs and were employees in the "private" sector in name only.●

U.S. FLAGSHIP FAIR COMPETITION TAX ACT

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. BREAUX. Mr. Speaker, today I have introduced legislation, cosponsored by my colleague, Congressman JACK KEMP and other Members who are all vitally concerned about the present state of the U.S. merchant vessel fleet. Our bill, similar to H.R. 2456 which was earlier introduced by Congressman KEMP and cosponsored by myself and several supporters of the new bill, attempts to put U.S. vessel owners on an equal tax footing with many of their foreign competitors.

Mr. Speaker, the sad plight of our merchant fleet is no surprise to those of us who have witnessed the erosion of U.S. superiority in merchant affairs. For example:

In 1950, our fleet ranked first in total capacity, with over 3,500 U.S.-flag oceangoing vessels. In 1980, that ranking had slipped to seventh and our fleet had declined to only 578 active vessels;

The number of seafaring jobs in U.S. oceangoing commercial vessels has dropped from a high of 54,000 as late as 1966 to just 19,385 in 1980;

The U.S. merchant fleet now carries less than 5 percent of our total import-export trade and less than 2 percent of our dry-bulk trade; and

As late as 1970, the number of U.S. liner companies totaled 19. In 1981, we only have nine such companies headquartered in the United States.

These are just a few of the sad statistics that readily demonstrate the depressed nature of both the U.S. merchant vessel fleet and the equally vital shipbuilding industry. The key question becomes why this state of affairs has come to exist and what can we in the Congress do about it?

Mr. Speaker, my colleagues and I who have cosponsored this legislation believe that the answer to these questions is evident from an examination and comparison of the vessel depreciation rules of our major foreign trading partners with those currently existing in the United States. In the United Kingdom, for example, the total first year's depreciation writeoff is 100 percent; in Japan, 59.3 percent; in Sweden and Denmark, 51 percent; and in West Germany, 45 percent. Several other nations allow over one-third of the vessel cost to be depreciated in the first year. By comparison, the United States allows only 13.8 percent of the vessel cost to be depreciated during the first year it is in service.

Our new legislation is intended to remedy this inequity and to provide clear incentives not only for the construction of U.S.-flag merchant vessels, but incentives for the construction of such vessels in U.S. shipyards as well. The principal features of the new legislation will:

First, allow a 1-year writeoff for American-built, U.S.-flag vessels and a 5-year writeoff for foreign-built, U.S.-flag vessels. Our original bill, H.R. 2456, did not provide a 1-year writeoff for American-built vessels. We felt that this did not provide adequate incentives to construct our vessels in U.S. shipyards;

Second, in a manner similar to the administration's H.R. 2400 and our H.R. 2456—provides flexibility as to the timing of the deduction. In recognition of the cyclical nature of the international maritime industry, the bill provides a more flexible method for the carryover of depreciation benefits to later years;

Third, permit the benefit of the new, competitive depreciation rules to take effect sooner than proposed by the administration in H.R. 2400. Without the phasein period, the new schedules would come into effect in 1981 and extend to the entire U.S.-flag fleet. Owners of existing vessels would not recompute taxes already paid, but could apply the new schedules to remaining basis and the value of additions to basis subsequent to the effective date of the provisions; and

Fourth, discourage the abuse of these provisions by imposing a recapture penalty on any taxpayer that transfers a U.S.-flag vessel that has used the new depreciation rules to a foreign registry.

Mr. Speaker, in conclusion I believe that this bill is necessary, effective and consistent with the new tax policies emerging from this Congress. I hope that many more of our colleagues will join us in sponsoring and working for the enactment of this legislation.●

U.S. FLAGSHIP FAIR COMPETITION ACT

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. KEMP. Mr. Speaker, today, I have joined with Congressman JOHN B. BREAUX and 28 of our colleagues to reintroduce the U.S. Flagship Fair Competition Act. Our bill is very similar to H.R. 2456—which I introduced earlier this year—but with some important differences. The new bill will provide an additional incentive for ship construction in the United States. Specifically, it will allow a 1-year writeoff for American-built, U.S. flagships and a 5-year writeoff for foreign-built, U.S. flagships. Our intent is still the same—to encourage the construction of U.S. flagships and to provide an impetus to build those ships in the United States.

Three decades ago, the United States was the most powerful nation in the history of the world. Today, the 500-odd oceangoing vessels flying our flag carry less than 5 percent of our commerce. That means 95 percent of U.S. trade is carried by ships of other countries, whose availability in time of crisis is uncertain at best.

Though many factors have contributed to this dangerous decline in our maritime industry, U.S. Federal tax policy certainly played a major role. The governments of most maritime nations provide substantial incentives for shipping, and one of the most effective they receive is rapidly accelerated depreciation. Great Britain allows a 1-year writeoff, Sweden allows a 5-year writeoff, and Germany allows its shipbuilders to write off almost half in the first year alone. But in the United States the current depreciation rate for U.S. ships is 14½ years. Without the capital to put into new ships, U.S. shipbuilding is caught in a severe slide.

This decline in U.S. shipbuilding capacity and in the number of U.S. flagships has cost us thousands of jobs as well as the security—both military and economic—that a sound merchant marine insures. Over one-half of the members of the International Longshcremen's Association in Buffalo today are either unemployed or working part time at jobs that are not maritime related. In New York State, 1962 was the last year the ILA accepted new union members. For 18 years, no new longshoremen jobs have been created in New York.

If the United States is to survive as a secure and prosperous nation, we must develop and underake a maritime

policy that will reestablish the U.S.-flag commercial fleet as an effective economic instrument capable of supporting U.S. interests abroad. A sound merchant marine is essential for world security, for our domestic economy, and for the future of thousands of American workers nationwide. The U.S. Flagship Fair Competition Act is an important step in our program of recovery for the U.S. shipping industry.●

BENEFITS OF PRIVATE EDUCATION

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. RUDD. Mr. Speaker, I have on previous occasions expressed my support for tuition tax credits for parents who choose to send their children to nonpublic schools. A related matter that is of increasing concern to me is the inability of our public educational institutions to provide the needed discipline and basic curriculum that is of paramount value in our society's desire to achieve optimum educational standards. Study after study have indicated that nonpublic schools are doing a far better job of accomplishing this goal than the public institutions, which received billions of dollars of our tax support.

The following article suggests ways in which the public school system can learn from the successes of the private institutions, which spend about $1,000 less per student than our tax-supported schools. The article, written by Phoenix Gazette columnist Marcia Sielaff, quotes data figures run by the National Center of Education Statistics on high school sophomores and seniors, and accomplished studies by James Coleman and Andrew Greeley. These two distinguished educators and authors both laud the success of the private schools' academic achievements.

I insert the May 19, 1981, editorial written by Marcia Sielaff at this point in the RECORD:

CATHOLIC SCHOOLS ADD TO SUPERIORITY OF PRIVATE EDUCATION

(By Marcia Sielaff)

Public school officials are unhappy about a study by James Coleman that shows the academic superiority of private and parochial high schools. They would be more unhappy if a study of Catholic High Schools were as widely publicized as the Coleman report.

Both reports analyzed data from a National Center of Education Statistics' study of high school sophomores and seniors. Andrew Greeley, author of "Minority Students in Catholic Secondary Schools," concentrated on identifying the factors that contribute to superior achievement among minority students.

Coleman was not as concerned with what makes some schools better than others as he was with finding ways to foster desegregation. Coleman believes that tuition tax credits and voucher plans will bring more minority students into private education. That private school students learn more was important to Coleman because it makes nonpublic education attractive to minority parents.

Coleman concludes that private schools are most successful with students of low socio-economic background, exactly the group that does so poorly in public schools. Among Coleman's other findings: Private schools have superior discipline; have higher academic standards, and require more homework.

He also notes that private schools accomplish their success with almost no federal funding and few special programs. Educators say the Coleman report is invalid because private schools enroll students of higher socio-economic status, can select their students and have fewer minorities.

Coleman verifies these differences though he points out that private school students come from a wide range of socio-economic groups. More public school students come from the lower end of the socio-economic scale while private schools have more students from higher income brackets.

He denies, however, that these differences fully account for the superior academic achievement of private school students. Greeley also concludes that differences in student background are not sufficient to explain the differences in academic achievement.

Minority students from the same socio-economic groups achieved significantly more in Catholic schools than in public schools. Most significant of all: Differences in academic performance between high and low socio-economic groups are virtually eliminated by the senior year of Catholic school. Greeley attributes this unusual research finding to superior academic instruction in Catholic high schools.

Greeley compared Catholic with public schools and concentrated on the achievement of minority students. He found that regardless of racial and ethnic differences all Catholic school students are expected to do the same amount of homework, write the same number of papers and complete the same course work.

Coleman compared both Catholic and other private schools with public schools. Both researchers verify that private and parochial school students take more academic course work and have fewer electives from which to choose.

Despite greater discipline in Catholic schools, more than three-quarters of Catholic school students said that disciplinary policies were excellent or good as compared to less than half the students in public schools. Non-public school students also indicated greater self-esteem and felt more in control of their lives. Coleman suggests that academic achievement fosters the growth of self-esteem and leadership qualities.

Greeley recommends more research into what kinds of teaching correlate with superior academic achievement. He has little hope that it will occur, suggesting that research that casts doubt on public education is unlikley to find favor with public school educators.

A study of elementary schools would appear to have even more merit than Greeley's recommendation for more research at the high school level. The similarity of elementary school curriculum would make it easier to compare teaching methods and instructional programs in public and private schools.

High school students come from both public and private elementary schools and their achievement is influenced by their elementary school experience. The variation in courses in high school also complicates comparisons.

Even Albert Shanker, president of the American Federation of Teachers and one of Coleman's most outspoken critics, admits that public schools should emulate private schools. Shanker said, "I believe that there are three major areas in which public schools need change, and if these changes were made, the attraction of private school education would be greatly diminished. The areas are: (1) safety and order in the school and in the classroom, (2) increased pressure for achievement and maintenance of high academic standards, and (3) the teaching of commonly held values."

Public school educators might discover that some expenditures don't contribute to improved educational outcomes. Public schools cost approximately $1,000 more per pupil than do Catholic schools but only about $200 of that can be attributed to the fact that Catholic school teachers (and other private school teachers) are paid less than public school teachers.

There are one and a half times as many students per staff member in Catholic schools than in public schools and Catholic school class sizes are larger. Catholic school teachers are also less likely to hold advanced degrees and they have an absentee rate of half that of public school teachers.

With all the millions of taxpayers' dollars spent on public schools it is perhaps embarrassing to admit that public education would be improved by studying the methods of other schools that do so well with so much less.

Embarrassing or not, if such research will help, public school officials should be the first to recommend it. Their present posture of defensive anger will do nothing to improve education.●

LAFALCE DISTRICT GROWS BY ONE

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. NOWAK. Mr. Speaker, a page 1 headline in the Buffalo Evening News in my hometown of Buffalo, N.Y., Wednesday, June 3, read: "LaFalce District Grows by 1."

The News' report stated:

Rep. John J. LaFalce's constituency increased by one early this morning and the Congressman couldn't be happier about it.

Patricia LaFalce gave birth to the couple's first child, a son, at Children's Hospital at 2:31 a.m. Martin John LaFalce measured in at 21 inches, weighed 7 pounds 15 ounces at birth and has curly dark hair. Both mother and son, the hospital says, are doing fine—and dad, according to his local staff, isn't feeling so badly either.

Mr. Speaker, it is a pleasure for me to bring such a good news item to the attention of my colleagues, who I am

sure join in congratulating the LaFalce family and extending our best wishes.●

SMALL BUSINESS BILL OF RIGHTS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. ANDERSON. Mr. Speaker, much has been said in this Chamber about what action needs to be taken to get our country back on sound economic footing. Much has been said about big labor and big business. And certainly a day does not go by when someone does not rise to speak to the evil of big government. The forgotten one in this wrangle has been the individual entrepreneur who is by far the most important element of our free enterprise system.

I commend to my colleagues Jack Anderson's column in the Washington Post of May 29, 1981:

NEEDED: A SMALL BUSINESS BILL OF RIGHTS

(By Jack Anderson)

Before the first asphalt went down on Wall Street, a love affair began to blossom between Big Government and Big Business. Yet the nation would be better served if the government would listen to the entreaties of a worthier suitor: the individual entrepreneur who has historically been the backbone of the free enterprise system.

In the best American tradition of worshiping financial success, many officials of the Reagan administration have made it their first priority to attend to the needs of the corporate giants.

The American small businessman, meanwhile, could become an endangered species. He is reeling from the after-blast of skyrocketing inflation and interest rates while being battered by abusive tax laws and government regulations.

What small businessmen need is a Bill of Rights that will give them a fighting chance to coexist with the big guys. Here, then, is my own suggestion for a Small Business Bill of Rights:

Right to Compete: Individual initiative and enterprise must be encouraged, not discouraged. Anti-trust laws may need to be tightened to keep the big boys from selling below cost to drive smaller competitors out of business. Given half a chance, the pioneer traits of risk-taking and Yankee ingenuity will rise again.

Right to Be Heard: There are 14 million small and independent businesses in the United States, which employ 58 percent of all private-sector jobs and support 100 million people. Yet their voices are a barely audible whisper in the halls of Congress, compared to the cacophony of Big Business and Big Labor lobbyists.

Right to Inherit: One of the strongest motivations for starting a business is the hope that it can be passed on from one generation to the next. But estate and gift taxes have reached a confiscatory level that threatens the survival of family businesses and promotes sellouts to conglomerates.

Right to Reasonable Regulation: Many a beleaguered small business man spends most of his time filling out government forms and complying with government regulations. The thousands of regulatory laws are written with Big Business in mind; it's unreasonable to expect General Motors and Mike's Garage to meet the same government standards and reporting requirements.

Right to Fair Taxation: The tax laws are full of loopholes that favor the big corporations. The small businessman who files as an individual or partnership is socked with double taxation of dividends and inadequate investment tax credits. If he manages to show a profit or break even in spite of these handicaps, inflation alone will push him into a higher tax bracket.

Right to Affordable Wage Scales: Though organized labor will raise howls of protest, it makes sense to give small businesses relief from minimum wage regulations. Workers will be better off if small firms are free to create new jobs.

Right to Equal Interest Rates: Discrimination against small business borrowers must stop. Bankers justify charging small businesses two or more points above the so-called prime rate, while giving big borrowers rates three or four points below the prime. The argument is that the little guys are bigger risks. But small businesses have no monopoly on failure—as Lockheed and Chrysler have demonstrated.

Right to Government Contracts: The record shows that small businesses are 24 times more efficient in creating new products and technologies. Yet only a paltry 3.4 percent of the federal government's contracts for research and development go to small companies. All told, they manage to get only about 20 percent of government contracts.

Small can be beautiful. But if America's small businesses aren't given a chance to survive, future generations may never be able to see just how beautiful they were.●

COMMEMORATION OF DANISH CONSTITUTION DAY, JUNE 5

HON. JAMES L. NELLIGAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. NELLIGAN. Mr. Speaker, I rise to commemorate one of the most important days in Danish political history, Constitution Day, which is celebrated each year on June 5.

For those who may not be familiar with Danish history, let me briefly recount what Constitution Day means to the Danish people. Until 1849, the Danish monarchy was autocratic in form. On June 5, 1849, the national assembly ratified the first national constitution which incorporated the principles of separation of powers, and representative government. The powers of the monarch were greatly reduced. Whereas previously all power had emanated from the King or Queen, under the June Constitution, all power rested in the Danish people.

June 5 has subsequently become an important symbolic date in Denmark. On June 5, 1915, the Constitution was amended to allow women and servants to vote, and to lower the voting age in Denmark to 25. Further constitutional amendments on June 5, 1953, extended the authority of the democratically elected Parliament.

In short, June 5 has come to symbolize the extension of democratic principles in Denmark. I salute the Danes, and their descendants in Pennsylvania's 11th District and across our Nation, on this, their national holiday.●

HANDGUN LEGISLATION

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. EDWARDS of California. Mr. Speaker, on May 29, 1981, the Washington Post published an editorial that advocated a movement toward compromise on the divisive issue of handgun legislation. It followed a statement by Mr. RODINO in the May 21, 1981, CONGRESSIONAL RECORD that expressed similar sentiments, and the editorial quoted quite extensively from that statement. The editorial "High Noon vs. Middle Ground," follows:

HIGH NOON VS. MIDDLE GROUND

Maybe—just maybe—reason and accommodation could creep into the debate over what, if anything, this country should do about the gunning down of its citizens. If legitimate gun owners could believe that this effort is not the start of total disarmament of every household in America, and if the larger number of people who support stronger legislative protections against handgun abuses could acknowledge the concerns of sportsmen, hunters and gun collectors, there is room for some reason—and for a moderate legislative attempt to curb criminal handgun violence.

Such movement toward compromise is not likely to begin with any of the groups whose high-noon showdowns tend to send politically jittery members of Congress ducking under the window sills and tables. But just in the last few days, some serious rethinking about the issue, and about possible compromise measures, has been coming from interesting corners. Bob Hope, longtime friend of President Reagan and hardly a gun control zealot, says the shooting of Mr. Reagan points up the desirability of some firearms registration that might assist in tracing weapons used in such shootings. Columnist James Kilpatrick also has suggested that some compromise legislation could be shaped and enacted this year.

Last week in the House, Rep. Peter W. Rodino Jr. (D-N.J.) also made a significant plea for a reasoned approach to make Americans safer on their streets and in their homes. Citing a moderate measure that he and 50 co-sponsors have introduced, Mr. Rodino noted that it would cost little in dollars "and nothing in terms of liberties." The legislation he seeks, like a companion bill introduced in the Senate by Edward M. Kennedy (D-Mass.), would not outlaw handguns; it would not even require registration or licensing; and it would not disarm citizens who "believe they have a right and a necessity to have a handgun for protection."

What the bill would do is "tell handgun owners that, if they commit a crime with a handgun, they will lose their freedom. And it would make it more difficult and expensive for a criminal to get a handgun." The bill would 1) provide mandatory minimum sentences for anyone using or carrying a gun in the commission of a felony; 2) totally ban Saturday night specials, those cheap, concealable guns that no serious hunters or collectors care for, and that account for about 10 percent of the 2 million handguns assembled in the United States each year; 3) require a 21-day waiting period before the purchase of any other kind of handgun; and 4) ban the sale of handguns by pawnbrokers, control multiple purchases and require better record-keeping of sales, thefts and losses.

Don't these steps make sense? As Mr. Rodino says, "I do not believe that sportsmen, hunters and gun collectors are unyielding foes of handgun legislation. They are good and reasonable citizens. I understand the culture and heritage that make their guns their most prized possessions. I would join in opposing any effort to separate them from their guns. But can any of us oppose a law that would make it harder for the criminal, the sick, the would-be assassin to get a handgun?"●

MARINE MAMMAL PROTECTION ACT AUTHORIZATION

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. FORSYTHE. Mr. Speaker, on May 13, 1981, the Committee on Merchant Marine and Fisheries ordered reported H.R. 2948 which extended the authorization for the Marine Mammal Protection Act for 1 year. Although the hearing record of April 7 established that there are several problems involving the implementation of the act which may necessitate substantive amendments, the existing authorization expires on September 31, 1981, and under the House rules, it is necessary to report all fiscal year 1982 authorization bills by May 15, 1981. Consequently, the committee did not have the time necessary to bring all the interested parties together to reach agreement as to what amendments to the act are necessary and appropriate.

Two of the many issues which need to be addressed concern tuna/porpoise conflicts and the cumbersome procedures by which marine mammal management is transferred to the States. As a result of informal meetings between the interested parties, a great deal of progress has been made on tuna-porpoise issues, but there is still nothing concrete. Unfortunately, less progress has been made on the issues involving the return of managment to the several interested States. This problem area needs resolution because of situations like that in Alaska where management of such species as walrus and polar bears is virtually ignored since neither the Federal Government nor the State is managing marine mammals. The additional pressure of a 1-year authorization should help to bring about an agreement between the parties which can be formalized through amendments to the act. When legislative language is agreed to, then would be the time to seek a longer authorization.

Erroneously, some individuals have contended that anyone who supports a 1-year versus a 3-year authorization of the Marine Mammal Protection Act is indicating their support for doing away with all protection for marine mammals. This is simply not true. I have been a longtime supporter of the Marine Mammal Protection Act and any measures which will insure healthy marine mammal populations. However, if the act designed to protect these populations cannot be implemented as Congress intended, then it is time to hold hearings to address these problems in a responsible manner and to attain agreement from all concerned parties.

I am committed to the continuation of the Marine Mammal Protection Act but believe that we should investigate proposals which may make the act a more effective means of conserving marine mammals.●

THANKSGIVING FOR THE PROVIDENCE OF GOD

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. YATRON. Mr. Speaker, I rise today to pay tribute to Msgr. John E. Boyle, who on Sunday, May 31, celebrated his 50th anniversary in the priesthood.

It is indeed fitting that Monsignor Boyle's achievements should be noted and honored in the U.S. Congress. I wish to echo the sentiments of all those from St. Patrick's Church in Pottsville, Pa., who joined together to pay tribute to this outstanding clergyman. I know that all my colleagues will join me in wishing Monsignor Boyle the very best success in the future. The Sixth District of Pennsylvania is indeed most fortunate to count Monsignor Boyle as one of its most distinguished spiritual leaders.

I offer the following article which appeared in the Pottsville Republican on May 30, 1981, for my colleagues' attention on the many achievements of Monsignor Boyle:

THANKSGIVING FOR THE PROVIDENCE OF GOD AS MONSIGNOR BOYLE MARKS "FASTER THAN FAST" 50 YEARS SERVING CHURCH

(By Stephanie Waite)

"Dominus Providebit," or, "The Lord Will Provide," is more than the theme of this weekend's jubilee at St. Patrick Church, celebrating Monsignor John E. Boyle's 50th year in the priesthood.

The motto also has a special meaning for Monsignor Boyle on his anniversary. "The Lord has done a beautiful job providing for me in these 50 years," he says. "The theme is thanksgiving for 50 years of the providence of God."

The 50 years have sped by "faster than fast," Monsignor Boyle says. "I can't believe it's actually happening."

Before coming pastor of St. Patrick, Monsignor Boyle worked in various positions within the church. He was an assistant pastor at St. Mary Parish, Saint Clair, and St. Margaret Parish, Narberth, and taught at the Roman Catholic High School, Philadephia, for four years.

From 1939-53, Monsignor Boyle served as archdiocesan director of the Society for the Propagation of the Faith, in Philadelphia. There, he raised funds for mission work traveling to different parishes to talk about missions.

In March 1953, he became pastor of St. Patrick. Of all his years in the priesthood, Monsignor Boyle says, "those 28 years (as pastor of St. Patrick) have been the reward."

He says he has been especially gratified by the cooperation he has received from people in the parish and in the community. "The cooperation we have had is physically evident here in Pottsville," he said, citing the renovation and remodeling of St. Patrick and the construction of Nativity BVM High School, both of which took place under his direction.

"The ecumenical spirit in the community as beautifully demonstrated when we had permission to use the former Presbyterian Church on Fifth Street while our church was being renovated," he says. The triple Gothic chair now at St. Patrick was donated by the Presbyterian Church. "I would pay very special tribute to the Rev. Elmer Davis, who encouraged the trustees of his church to give the chair to us."

He proudly remarks that his parish is the mother parish of Schuylkill and Carbon counties and ranks third, in order of foundation, among the Allentown Diocese churches. Founded in 1827, St. Patrick is preceded in that respect only by St. Peter's Church in Reading and Blessed Sacrament Church in Bally.

In his 28 years at St. Patrick, the biggest change Monsignor Boyle has seen is a decrease in the number of parishioners. "When I came in 1953, there were 1,800 families in our parish; now there are 1,625."

"It's been particularly noticeable in the past few years." He cites the death of older people and departure of young people to other areas of the country as reasons for the decline.

"The young people are sentimental, they come back to be married, but other than that they don't stay," he says.

In the Catholic Church as a whole, probably the biggest changes Monsignor Boyle has seen during his 50-year tenure were those wrought by the Second Vatican Council.

"This did not come easy, but it has been accepted," he says. "Even older people very set in their traditions have bowed to the will of the church. It's a tribute to the older people that they were obedient despite their traditions."

Among the changes were that Mass was no longer said in Latin, methods of administering rites were updated, and participation by the congregation in Mass was increased.

Looking at his church from before Vatican II to now, Monsignor Boyle says, "It doesn't seem like the same place."

Along with all the rewards of his 50 years, there have been "momentary disappointments," he says, "but they always seemed to be surmountable. You look at things and say, 'this is the way the Lord wants it, and I'm sure he'll bring the best out of it. We're doing the work of the Lord and have to work through him.'"

Looking towards the future, Monsignor Boyle says again that the Lord has provided for him. "The Lord has given me excellent health and I will go on as long as the bishop allows."

He adds, "I see a great future for the church (as a whole). We've reached what people might call a low ebb, but it's on its way back now, demonstrated by the return to faith by young people."

All in all, his 50 years in the priesthood "have given me a great deal of pleasure," Monsignor Boyle said. "I would be delighted to do it over again."●

WATER MANAGEMENT MEANS BETTER PROFITS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. MILLER of California. Mr. Speaker, I have introduced H.R. 2606, the Water Pricing Reform Act, which would increase the efficient use of Federal water resources by eliminating archaic price subsidies. Past studies have found that pricing based on the actual cost of delivery encourage conservation and more efficient water usage, while dramatically cutting billions of dollars in subsidies which are paid by taxpayers, utility users, and municipal and industrial water customers.

I want to bring to the attention of the House another study which concludes that the improved management which would result from water pricing reform would also produce higher profits for irrigators. This study, by Department of Agriculture economists Harry Ayer and Paul Hoyt, concluded that substantial amounts of water could be saved through better management, and that less water and a lower yield often means a higher profit.

The conclusions of this study should be of great interest to all members concerned about the adequacy of our water supplies, the future of agriculture, and the enormous and indefensible public subsidy enjoyed by a small number of irrigators at the expense of millions of taxpayers.

The article follows:

[From the Irrigation Age, March 1981]

WATER MANAGEMENT LEADS TO LARGER PROFITS

Many farmers in water-short areas may be able to make more money by pumping less water onto their crops.

The reason, said USDA economists Harry Ayer and Paul Hoyt, is that they're draining away potential profits along with groundwater supplies when they irrigate their crops to get the highest possible yield.

According to the researchers, less water and a lower yield often mean a higher profit. After a certain amount of water is applied to any crop, a point is reached where any additional water results in an increasingly smaller improvement in yield per acre. That's the law of diminishing returns.

To maximize profits, a producer should apply water only until the costs associated with adding the last increment of water match the value of the extra yield gained through the added water application. Any irrigation beyond that level starts cutting into profits, even though it may result in a further improvement in yield.

Of course, the amount of irrigation offering maximum profits varies for different crops, soil types, climates, lift depths and prices of water, energy and crops.

The traditional practice of applying enough water to ensure maximum plant growth and yield developed when the farm price of water was very low. Under those circumstances, profits were at or near their maximum when yields were at their highest.

The custom has been encouraged by both private and public irrigation management services. However, the rapid rise in energy prices in recent years and evidence that certain groundwater aquifers are being depleted are changing the basic economics of water management in parts of the West.

Arizona, where the economists conducted much of their research, illustrates the possibility of cutting water use per acre while increasing farm profits. Like several of its neighbors, the state is using groundwater much faster than the water tables are being replenished.

Agriculture consumes more than 85% of the total water used in Arizona, but growing competition from industrial and residential use is putting increasing pressure on water supplies.

About half of the state's cropland is irrigated with groundwater, and nearly 60% of this acreage is pump irrigated from depths of 300 feet or more. As energy rates rise, the water is becoming more and more expensive to pump.

Irrigation costs typically account for almost a third of all farm operating expenses in pump areas. Annual electricity bills runs $25,000 or more for medium size (500-acre) farms in many parts of the state.

In their study of several counties, Ayer and Hoyt found that at relatively low water prices of about 50 cents per acre inch (a typical cost for surface water), there was virtually no difference between the profit and yield maximizing levels of irrigation for Arizona cotton, wheat or sorghum. Much of Arizona farmland is irrigated with inexpensive surface water.

However, at water prices of $2.50 per acre inch (the estimated cost for water pumped from Arizona depths), the maximum profit for all three crops at 1979 crop prices was reached with at least 4 fewer acre inches of water than the maximum yield level. Profits were also improved—many cotton farmers, for example, could have reaped an additional $5 per acre.

At high water prices of $5 per acre inch (for water pumped from a 600-foot depth), water savings were 8 or more acre inches. Profits were higher, too. In general, the researchers concluded that wherever water prices were medium to high, water applications could frequently be cut 6 acre inches (one normal irrigation) or more on cotton, wheat and sorghum grown in a variety of soils under a wide range of crop prices.

The result: More than 144,000 acre feet of water a year could be saved in Arizona by reducing applications on the three crops to the maximum profit—rather than maximum yield—level. This represents only about 3% of total farm use of water in the state and it probably wouldn't be enough to avoid other conservation measures, but it's still a large amount relative to urban needs.

For example, that much water could satisfy all the municipal-industrial needs of Tucson—a city of nearly a half million—for about two years. At the same time, the 144,000 acre feet of water savings could add about 1 to 2% to producers' profits, even after accounting for about a 2% drop in crop yields.

The profit-maximizing approach to irrigation applies not only to Arizona, but also to other areas where farmers are drawing water from sources with high pump lifts (200 feet or more), where sprinkler systems rather than gravity flow systems are used to deliver water to the fields, or anywhere else where water costs are a major part of farm expenses. This includes parts of California, Texas, New Mexico, Idaho, Washington, Nevada, Colorado, Nebraska, Oklahoma and Kansas.

While the profit-maximizing approach alone can't meet all the needs for conservation, it has one big advantage: no major investment. Although greater management time and skill are necessary to adopt more efficient irrigation scheduling, it's one approach that doesn't require capital outlays—unlike lining irrigation canals or buying a more efficient irrigation system. So, why isn't this low-cost, profit-boosting approach to irrigation in wide use?

Along with resistance to change, a major reason is the risk associated with reducing water applications because so little is known about how crop yields respond when water is withheld at different stages of plant development in different areas. Ayer and Hoyt said.

Sometimes, farmers intentionally overirrigate in order to keep ahead of the plants' water requirements. This provides a margin of safety in case of an irrigation system breakdown or in case severe weather causes the crop to need more water than can be quickly provided. However, even with these risks, many farmers might be able to take advantage of the opportunity to both increase profits and conserve water if more information were available.

Most agronomic research has concentrated on the amount of water needed to obtain the highest yield. Ayer and Hoyt argue that the perspective should change from one of engineering efficiency where output is maximized to one of economic efficiency where profit is the priority.

They recommend that future experiments focus on how crop yields respond to stress so that public and private irrigation management specialists can advise producers on the levels and scheduling of irrigation that will provide the most profit.●

PERSONAL EXPLANATION

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. MOORE. Mr. Speaker, I was unavoidably absent earlier today when the gentleman from Massachusetts (Mr. CONTE) offered a motion to the conference report to accompany H.R. 3512 making supplemental appropriations for the current fiscal year. His motion would impose regular reduction in force standards upon the National Oceanic and Atmospheric Administration. At the time of this vote on rollcall No. 61 I had been called to the White House to confer with the President on the direction of ongoing tax cut actions within the House Committee on Ways and Means on which I serve. Had I been present for the vote on the gentleman's motion, I would have voted for it.●

THE U.S. ARMY RESERVE

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. SKELTON. Mr. Speaker, it is virtually impossible for this country to maintain a strong defense posture without a firm commitment to the precepts of the total force concept. This is particularly true in the case of the Army because, as you know, our total force concept places a very heavy reliance on the wholesale integration of combat and support elements of the U.S. Army Reserve into the Active Army. In fact, in a wartime environment, did you know that the U.S. Army Reserve would provide 24 percent of all combat engineer battalions; 33 percent of all special forces units, 44 percent of all medical units; 68 percent of all light equipment maintenance companies; 100 percent of all training divisions and brigades; and 54 percent of all conventional ammunition companies?

I have not listed all the contributions that the Army Reserve would make to our war fighting effort; however, the examples convincingly demonstrate how much the American people are dependent on the Army Reserve as both a strong and visible component of our peacetime defense force and as a powerful and responsive element of our wartime defense machinery.

Today the U.S. Army Reserve consists of over 400,000 troops, with over 200,000 being provided by the Selected Reserve, and approximately 200,000 provided by the Individual Ready Reserve (IRR). The Selected Reserve component consists of troop units such as infantry battalions, tank battalions, engineer bridge companies, artillery battalions, transportation battalions, maintenance battalions, and others. The IRR represents a pool of pretrained military manpower which could be utilized to fill out Active and Reserve units and as replacements for battlefield casualties.

In my judgment, reservists represent a clear reflection of the spirit and patriotism which are part of this great country's heritage. These young men and women are both citizens and soldiers, and they are frequently required to make personal sacrifices in order to support the difficult missions they have been assigned. In the words of Winston Churchill, the reservist is truly "twice the citizen."

In assessing the readiness of our U.S. Army Reserve, there are two pressing problems. The first of which is a critical shortage of about 250,000 personnel in the IRR. This shortage means that the required troops would not be available 90 days into a major conflict, and this fact calls into question the sustainability of our forces. In order to assist with this problem, last year the Congress authorized a $600 reenlistment bonus for the IRR, and the fiscal year 1982 defense authorization bill would extend this authority until 1985.

An almost equally pressing problem, however, is the lack of sufficient and modern equipment. In the U.S. Army Reserve, only about 37 percent of the wartime dollar value of equipment is on hand, and much of the equipment on hand is deteriorating or obsolete. A recent study concluded that most units could maintain acceptable levels of training with 70 percent of their authorized equipment; however, 37 percent is clearly inadequate. Readiness has suffered and will continue to suffer, as long as insufficient equipment is provided to Selected Reserve units for the purpose of training. In order to modernize the force in fiscal year 1981, the Congress authorized $25 million and this year the House Armed Services Committee is recommending authorizing additional funds to continue this much needed modernization program.

I strongly urge that the Congress support those Army Reserve requirements which are reflected in the fiscal year 1982 defense authorization bill; and I ask my colleagues to join me in supporting this important piece of legislation. Again, it has been an honor.●

PERSONAL EXPLANATION

HON. BILL NELSON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. NELSON. Mr. Speaker, I was absent on June 2 due to official business in my district and was not recorded on rollcalls 54 through 60. Had I been present I would have voted "yes" on each of these seven recorded votes.●

DEAF SEEK BETTER TV PROGRAMS

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. BARNES. Mr. Speaker, one of the most frustrating problems facing the deaf community in the United States today is a lack of access to television programing, despite recent advances which make TV more easily accessible to deaf viewers. During the recent coverage of the shooting of the President, for example, and in time of other major news events, the deaf are excluded from this vital form of communication.

Mr. Speaker, I include in the RECORD a recent Washington Star article by Boris Weintraub which provides insight into the problems facing the deaf population in their use of television.

[From the Washington Star, Apr. 4, 1981]

DEAF BATTLE TO "HEAR" TV, TOO

(By Boris Weintraub)

A few weeks ago, one of the highlights of the CBS prime-time television schedule was a recent movie called "Voices," which centered around the love story of a young deaf woman.

There was one problem with the film as it was shown on television: because the film was neither subtitled not "signed," its dialogue was unintelligible to deaf viewers.

When President Reagan was shot outside the Washington Hilton Hotel, deaf students at Gallaudet College gathered around their television sets in the same way as millions of hearing Americans did. But, until the college's TV studio was able to superimpose an inset of an interpreter signing the dispatches of TV reporters, the students were unable to understand what was going on.

Spokesmen for the deaf point to things like that as examples of their difficulties with TV. Since the medium has so much influence on modern American life, they say, they want a part in it. But, despite some exceptions and despite some technological innovations that can make TV more easily accessible to the deaf, the hearing-impaired population is largely excluded from using television.

But some of the deaf are speaking out, expressing their frustration with their inability to follow television as does the rest of American society. For their part, local TV stations point to the programming they do carry, either signed or captioned, and say that expansion of such programming is too expensive and unwarranted by the size of the deaf population.

"This is a point of real frustration," says Dr. Edward C. Merrill Jr., president of Gallaudet. "The deaf are told, on the one hand, that they should become part of the mainstream. But yet, they are denied access to

television, which would help put them there."

It is because of such attitudes that representatives of a number of organizations serving the deaf formed a new committee last month to work for better TV service for the hearing-impaired. The committee, called the Working Committee on TV Services, has become an official section of the National Association of the Deaf, said to be the nation's largest organization representing the deaf.

David Rosenbaum, a deaf television consultant at Gallaudet and one of the prime movers behind the new committee, has been politely battling with local stations for the last several months, attempting to get them to expand and improve their services to deaf viewers.

According to Rosenbaum, who conducted a nationwide survey, 22 stations in all parts of the nation offered some form of signed programming as of two months ago. But, he says, the situation changes rapidly; already, two of those stations have dropped their deaf-oriented programs.

Rosenbaum began his campaign last fall. At that time, WDVM-9 dropped its five-minute, early-morning "News Sign" program, eliminating a newscast in which Cynthia Saltzman, using the full screen, signed the news while an off-camera announcer read the same items for hearing viewers.

Meanwhile, WTTG-5, which previously included a five-minute midday "total communications news" segment on which deaf newsman Tim Medina spoke and signed the news simultaneously with the aid of slides and yellow captions, dropped that show. In its place, the station substituted a more typical newscast, placing Medina in an inset in the corner of the picture, which Rosenbaum contends is harder for deaf viewers to comprehend.

Rosenbaum and other deaf spokesmen complain that the new WTTG format is much more difficult for deaf viewers to follow, and that WDVM is not properly serving the deaf community now that it has canceled "News Sign."

Betty Endicott, news director at WDVM, says that her station now captions the last five minutes of its midday news, and also provides captions during a brief news update just before 10 a.m. She said that the station was providing its service for the deaf at a more convenient time than the earlier show, and that it had discussed its captioning efforts with representatives of the deaf community.

Rosenbaum and other deaf persons say that captioning is not as useful to the deaf as full signing because it uses conventional reading English, which, to the deaf, is a second language. Generally, they say, captions are written in a simple language that does not contain the complexities of signing. Endicott agrees that WDVM's captions are in simple language, and that this is because of the guidance from deaf consultants.

A WTTG spokesman points to the continuation of Medina's signing as an example of a "valuable service" his station was providing "We've gotten many expressions of gratitude," he says, but adds that the station has no plans to expand its services to its hour-long 10 p.m. news show.

Rosenbaum says that many of the programs that are designed to serve the deaf come at inconvenient hours. He notes that the captioned ABC Evening News, which appears on public TV stations, is shown at 11:30 p.m.

A spokesman for WRC-4, asked to provide examples of programs accessible to non-hearing viewers, came up with a list of several public affairs shows, almost all of which were scheduled to be shown at either 6 or 6:30 a.m. on Sundays. One exception is a program about health information, including information for the deaf, which is to be seen at 8:30 a.m. today.

Some special programs are made accessible to the deaf. Endicott says that WDVM provided a signed inset during Mayor Marion Barry's major address on the District's financial problems last year, for example.

The other Major commercial station in Washington, WJLA-7, carries no programs which are made available for deaf viewers. A spokesman quotes a station official as saying that TV is a medium designed for the mass audience, and that the time and cost needed to make programming accessible for this specialized audience is "prohibitive" for a local station.

Ironically, the complaints come at a time when technology, in the form of so-called closed captioning, has made it possible for more programs than ever to be enjoyed by the deaf—provided that the deaf viewer has the necessary equipment.

Closed captioning utilizes a normally unseen portion of the TV screen that viewers can see if they have a decoder marketed by Sears Roebuck and Co. The decoder sells for $250 separately, $100 when purchased as part of a TV set, and has been available for the last year. An estimated 32,000 decoders had been sold as of the beginning of 1981, a figure deaf spokesmen call disappointing.

Since the decoders sent on the market, the Northern Virginia-based National Captioning Institute has provided captions for 25 hours a week of programming shown on ABC, NBC and the Public Broadcasting Service. CBS programming is not captioned because that network believes that imminent technological breakthroughs in the delivery of textual information—teletext—will make the decoders obsolete.

Rosenbaum and others complain that CBS, which is developing its own teletext system, is waging a campaign against closed captioning. They wish that the network would, at the very least, stop fighting a technology which already is developed and valuable, following what Donna Chitwood, a Gallaudet College spokesman, calls "the bird-in-the-hand principle."

Other captioned programs have been provided for the last several years by the Captioning Center at public TV station WGBH in Boston, which has done the open captioning—visible on all sets—for the ABC Evening News and now is conducting closed-captioning experiments with a new public TV tennis instructional series hosted by Vic Braden.

But none of the captioning experiments has any bearing on news programs because captioning must be done well in advance of the broadcast. Nor do they have any bearing on the insensitivity involved on the part of television programmers who don't often take the needs of the deaf into account.

To those who don't understand the frustrations of deaf viewers, a TV technician at Gallaudet offers this two-pronged suggestion:

Turn down the sound on your television set.

Now try to follow what's going on.●

A TRIBUTE TO VERNE L. DAVIS

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. COELHO. Mr. Speaker, at this time, it gives me much pleasure to honor Mr. Verne L. Davis. Verne has served Merced County for 20 years and is being honored at a luncheon given by the Merced County Engineers.

In 1968 the Merced County Board of Supervisors created the Department of Public Works. Since its creation the Department has increased the efficiency and service to the people of Merced County tremendously. These accomplishments are a direct result of the leadership and guidance Verne has given as director of the department, a position he has held since its creation.

Verne has lived in California for over 50 years. He served in the Army in Alaska during World War II. Following the war he settled in Merced. He has worked his way up through many levels of service to the county. Employed first as a truckdriver, he moved to construction then to engineering where he was promoted rapidly to the position of road commissioner. This position he held until his selection as director of public works in 1968.

It is indeed a great pleasure to recognize my good friend and constituent, Verne Davis, for the outstanding leadership and service that he has given to the people of Merced County for the last 20 years.●

FATHER ROBERT J. CREGAN, S.J., A SUPER MAN, A SUPER JESUIT

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. KEMP. Mr. Speaker, I would like to call your attention to a piece written about a man whose love of God and dedication to helping young people have been an inspiration not only to the people of western New York, but to all those who meet this man.

For the past 7 years the reins of leadership at Canisius High School in Buffalo have been in the hands of Father Robert J. Cregan, S.J., as the rector-president of the school. During this time, through Father's many efforts and tireless work the school has had a renaissance of alumni involvement, a large growth in financial contributions, and a rise in student enrollment. Today, because of this rebirth and growth, Canisius is operating in

the black, and promising to continue providing western New Yorkers the opportunity to have their sons educated in the Jesuit tradition. In the 108-year history of Canisius High School, the role of rector-president has been filled by many outstanding men. Father Cregan would be the first to admit that following in the footsteps of past administrators like the late Father Vincent P. Mooney and others was quite an assignment. Yet, Father Cregan has done a spectacular job. Now, as he prepares to turn the reins of the rector-president over to his successor and move on to his new assignment, Father Cregan can be proud that, because of his work and leadership, the tradition of a Jesuit education at Canisius High School will be carried on in western New York.

It is indeed a fitting tribute to Father Cregan that the Canisius High School of today and tomorrow will serve as a living testament to the great gift of himself that Father has given to all of those who are a part of the Canisius family.

I therefore commend this article of May 10, 1981, to your attention.

[From the Buffalo News, May 10, 1981]

THE MAN BEHIND THE TURNAROUND AT CANISIUS HIGH

(By Dave Ernst)

With its muscular gray stone work and 100 years of venerable tradition, Canisius High School a decade ago looked indestructible. Inside, though, many wondered if one of the area's oldest Catholic high schools could survive even another year, to say nothing of another 100. Disillusionment drove a few to question if the school was even worth trying to save.

Faculty morale was deteriorating as fast as the physical plant. Deficits became a yearly feature of the school's financial report. Attempts to modernize school policies had alumni shaking their heads in exasperation. Enrollment plummeted from 926 in 1967 to 681 just seven years later.

It was hardly the most congenial situation for the new rector-president to step into.

First impressions of the Rev. Robert J. Cregan, SJ, were of an ascetic-looking man, quiet—almost shy. He had never headed his own school before, and he didn't seem the type who would invigorate a student body, galvanize the faculty and wring big bucks from skeptical alumni through sheer force of personality.

But the new man had a way about him. He kept a neatly lettered note on his desk listing the birth dates of all of faculty and staff, a reminder to send cards. The death or illness of a member of the Canisius family always brought a visit from him. Relatives couldn't remember anything in particular he said, just that his appearance and manner were a powerful consolation.

The students, coaches and players began to notice him, wearing his black beret, at practically every athletic event. The teachers became used to the doughnuts he brought to the faculty room each Monday morning. The door to his imposing, wood-paneled office was literally and figuratively kept always open to them. Whenever it came time for a teacher to sign a new contract, Father Cregan invited him in for a talk.

This Father Cregan had more than a pleasing style, though. He had ideas and a firm belief that while the lilies of the field might flourish unattended under the gaze of a protective God, institutions like Canisius needed substantial nurturing from men.

Under his leadership, Gambit, the annual dinner and auction, became a mainstay of the fund-raising effort. Father-son work parties tackled Saturday maintenance projects. The alumni became more active. The student recruitment effort was reorganized, and a student walkathon began to produce a dependable $25,000 annual addition to the school's income.

At the same time, external factors that had contributed to Canisius' plight a few years earlier were also changing. The social ferment that seemed to unsettle every institution faded. Some of the initiatives of Father Cregan's predecessors bore fruit. And the trend-setters in education decreed that rigorous disciplinary, academic and moral training were now in style.

Nonetheless, it's Father Cregan who's usually mentioned when friends of Canisius marvel at the school's turnaround in recent years. Father Cregan will leave Canisius next month after seven years as rector-president, one year longer than the usual term. The nearly unanimous judgment on his stewardship is that he is leaving the school immensely stronger than it was when he arrived.

Father Cregan had a good idea of what he was getting into when the Canisius trustees voted to bring him to Buffalo in 1974. He had been coordinator—a superintendent of sorts—of the eight Jesuit high schools in the New York Province for two years. He had a clear vision of what he wanted to do at Canisius. "I felt I had a talent for bringing people together, for making them feel appreciated and understood," he says.

"I saw the school as having suffered a lot from the tensions and alienations of the Vietnam War period. Financial problems were very much on people's minds. People were constantly wondering, 'Am I going to have a job?' or 'Do we want to send our kids here?'

"I wanted to create a sense of shared responsibility—that if everyone does his part, we could succeed. I wanted to be around, listen, be open—and if not solve people's problems, at least be sympathetic. I think a lot of these things have worked. By getting a financial foothold, a lot of tensions have been eased. A lot was demanded of the faculty, but they've helped out quite willingly. And I think that's good for the students to see."

And, after all, it's what the students see practiced, more than the theology texts they study or the sermons they hear, that will mold character. No one involved in Catholic education can afford to lose sight of that, Father Cregan believes. Education researchers have toiled mightily in recent years to reaffirm the obvious—that the climate and tone of a school are set by the leader. And it seems no one has a bad word to say about Canisius' leadership over the past seven years.

Students and colleagues sometimes grope for words of describe Father Cregan. A private person, he's like a finely polished steel ball, perfectly symmetrical, without the idiosyncrasies, rough edges or quirks of personality biographers depend on to "humanize" their subjects. He's of medium height and build with a gentle voice and a mild manner. His only distinguishing physical features are a high forehead and black, bushy eyebrows that contrast with his thinning white hair. Written testimonials gathered from the Canisius community by his secretary tend to read like excerpts from "Lives of the Saints." But while cynics may persist in believing they'll uncover a major personal flaw in anyone if only they look a little harder, Father Cregan's admirers are satisfied they've seen enough. One veteran teacher comments, "I don't know of any miracles he's performed, but I think he's as saintly as any Jesuit I've seen, and I've seen a lot of them."

A student's judgment is somewhat more mundane, but just as telling. "Come to think of it," he muses, "I guess Father Cregan's the only priest here we don't even have a nickname for."

Descriptions like "saintly" make Father Cregan understandably uncomfortable.

"I really don't see that as appropriate at all," he says. "If people like what you've done, they tend to overlook your failings. I have a short temper, for instance. I tend to blow up when things go wrong." But he admits he is very conscious of the image and example he and the other faculty members set for students. It was the example of one of Father Cregan's own teachers at the Jesuit high school he attended in his native New Jersey that made him decide to join the order.

"His name was York, and he taught us Latin and Greek. He was very funny, dynamic and loud—I'm certainly a different kind of person—but he dedicated himself to young people, and I wanted to be like him." After fifteen years of study and training, Father Cregan was ordained in 1967. He earned a master's degree in English at New York University to go along with his master's in divinity and then began teaching at Xavier High School in New York in 1969.

"I was drawn to work with high school-aged kids because of the experience I'd had," Father Cregan says. "And I think religious education is most important in the high-school years. There's a great deal of physical, mental and emotional growth going on. I think it's important then to have values against which kids can measure themselves. We can teach values, but it's the example we give that they remember.

"The big need boys have is to know they're respected, loved and cared for. When they lack respect and self confidence, that's when they get in trouble. But you can't just say it. You have to show it. I believe the way to keep people in the faith is through education. But you can't ram religion down people's throats. Here we try to create a situation in which kids see the faith in the best possible light, but the choice is their own."

Those were the goals Father Cregan brought to his new job, but necessity dictated that he give first priority to restoring Canisius to a sound financial position. Father Cregan believes closing Canisius was never seriously considered by the leadership of the Jesuit province. But the school's cumulative debt had topped a half-million dollars in 1974, and the spate of rumors about the school's future were debilitating by themselves.

He was inexperienced as a fund-raiser and somewhat ill-at-ease initially, friends recall. He would never be a glib salesman. But he came across as something better: a sincere and compelling apostle for the school and its mission, and a down-to-earth administrator who knew a school can't exist on novenas and old traditions.

Gambits I-VII have raised $450,000. Project '80s is well on its way to achieving its goal of $2.1 million. The tuition-aid fund for needy students was increased from $85,000 last year to $108,000 this year. In the school's own version of "workfare," each recipient now works on school maintenance or other projects one hour for every $10 of aid.

Faculty salaries have risen to the point where they now compare well with those of all but a few of the public and private schools in the area. Despite an operating budget that has swelled from $800,000 to $1.4 million in just six years, the school is consistently ending up in the black.

"Fund-raising was not my preference in work," Father Cregan says. "But believing as I do in the good things the school does, I don't feel ashamed or guilty asking for money. Besides, I've had a lot of support. Father [Ronald] Sams, the development director, does all the legwork.

"He comes across as a very good priest who is doing this because it is God's work. You have to show you're working for youth as a whole. The risk is when a priest identified with an institution loses sight of the dimension of his priesthood and becomes just an administrator. That, I think, is what turns people off."

So Father Cregan watches to ensure the daily demands of running a school don't rob him of all time for visiting the sick, consoling families of the dead and involving himself in improving the spiritual life of the student body.

To make sure he doesn't lose contact with the classroom, where the real action is in a school, he teaches a senior English class. He is a meticulous instructor, translating with the trace of a Jersey accent each word of "Macbeth" into teenage-ese. "'Hie thee hither,' we would say, 'Get yourself over here,' or other more vulgar terms." And of Lady Macbeth and her husband, he says, "She has guts. He doesn't. She's saying, 'Come to me, baby, and I'll give you all the strength you need.'" At the end of every other phrase, he murmurs an unconscious "All right?" or "OK?"

Back in his office after class, he sinks into his chair and rummages through a surprising amount of desk-top clutter for pipe and matches. Piles of reports and files are flanked by small framed pictures of a Jesuit friend assigned to a mission in India and another Jesuit faculty member who recently died. Every knickknack and memento he has ever received seems to be displayed. Among the volumes in his bookshelf are "Designs for Fund Raising," "Father Culligan—Selfless Shepherd" and de Chardin's "Phenomenon of Man." He likes to read the Elizabethan and Romantic poets, especially John Donne, Keats and Wordsworth, as well as Dylan Thomas. He judges his own attempts at poetry "too stiff," though. He finds time for occasional dinners with friends, a walking tour of Toronto or a summer camping trip.

In his desk drawer are the beginnings of a short story. In eight years, he has churned out five pages. Hardly an Isaac Asimov. "There's a lot of problems with a job like this. I just don't find the time to do things I like to do," he says. "I wish we could have improved the school's financial position more than we did. I also think there's more to be done in promoting the spiritual growth of the students, in making them more aware of Christian social values."

At least in his new assignment studying at the Jesuit School of Theology in Cambridge, Massachusetts, the demands on his time won't come from so many different directions. But he takes satisfaction in the results he sees from thousands of hours of raising money, recruiting students, counseling, pleading, explaining and listening. At a time when school enrollments generally are plunging, the Canisius freshman class—226 students—and the overall enrollment—713 students—are the largest in ten years.

"Catholic education is wanted and appreciated strongly in this area," Father Cregan says. "We try to hold up a torch that gives a light to people, shows them there's more to life than making money. So long as we do the job we claim we do and practice sound financial management, I think there is a real future for Catholic schools."●

INTERNATIONAL TERRORISM

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. PHILIP M. CRANE. Mr. Speaker, the subject of international terrorism is as much a tragic reality as it is a recent object of growing concern both here and abroad. The Reagan administration has taken some positive steps to identify and combat the source of this worldwide scourge. In this regard, I would like to share with you some informative reflections on this subject which were brought to my attention by our former colleague from Michigan, Jack McDonald.

It is interesting to note the links between the Soviet Union and various terrorist organizations around the world. The Armenian terrorist organizations have claimed responsibility for the murder of 17 Turkish diplomats. They have also claimed responsibility for various bombings in Europe. They have now spread their activities to the United States. On October 12, bombs were exploded at the Turkish diplomatic missions in New York and Los Angeles.

I quote some excerpts from the Los Angeles Times of January 25, 1981, which illustrate the Marxists connections of these organizations:

BEIRUT.—It is one of the world's newest terrorist movements, and it may be the most efficient. Its members have murdered at least a dozen diplomats, or relatives of diplomats, in the last 6 years, and none of the assassins has ever been captured.

It operates in a dozen countries, including the United States, but the location of its headquarters is unknown, as are the names of its leaders.

It is the Secret Army for the Liberation of Armenia.

Led by hardened Marxists, its troops are mostly well-brought-up children from middle-class Armenian families in Lebanon, France and the United States. Their goal, shared with three smaller terrorist groups, is to force Turkey to surrender the eastern fifth of its territory to the descendants of the Armenians who once lived there—or, failing that, to the Soviet Union. Their method is killing Turkish diplomats.

In December alone, Armenian gunmen assassinated Sarik Ariyak, the Turkish Consul General in Sydney, Australia, and his bodyguard, ambushed a Turkish diplomat in Rome who was saved by newly installed bulletproof glass in his car, and set off bombs in Madrid and Beirut.

Earlier this month, a Swiss court released Suzy Mahseredjian, 24, a Syrian-born Canoga Park woman accused of being affiliated with the Secret Army. She was arrested after an explosion in her Geneva hotel room last October. The Secret Army said Mahseredjian and a companion had been assembling a bomb, and it threatened to attack Swiss embassies around the world if the two were not set free.

There is an echo of the Palestinian terrorism of the early 1970's in the Armenians' methods and their rhetoric, and it is no coincidence. Palestinian and Armenian sources say the Secret Army has close relations with the Popular Front for the Liberation of Palestine, the Marxist group that pioneered the uses of international terror.

The PFLP trains them, supplies their guns and prints their posters', an Armenian scholar charges. The PFLP itself is bankrolled largely by Libya and the Soviet Union.

The Secret Army has borrowed more than its Soviet-model AK-47 rifles from the PFLP. "They have adopted the logic of Black September." The Palestinian terrorist offensive that culminated in the seizure and slaying of Israeli athletes at the Munich Olympics in 1972, said the scholar, who has met with Secret Army members several times.

Only once has the organization held a press conference, last year. Reporters were told to assemble in Beirut—and then were taken on a careening, circuitous ride to Sidon, 35 miles to the south. There, in a dank, nearly ruined building in the old city, they found five members of the Secret Army—all completely masked in black.

The organization has its critics in the Armenian community. Many Armenians have objected to its use of violence, but others admit they respect the terrorists for putting their beliefs in action. The Dashnak Party, recognizing that it is losing prestige and followers to the new leftists, has started its own terrorist group, the Justice Commandos of the Armenian Genocide, Armenian sources say. On occasion, in grisly competition, both have claimed responsibility for the same attack.

The Secret Army's pro-Soviet ideology also is controversial. The group regards Soviet Armenia as its legitimate homeland and favors enlarging the Soviet province with land "liberated" from Turkey.

The cases of terrorism mentioned in the Los Angeles Times article tend to put virtually all organized international terrorism under the same umbrella. International terrorism is an indivisible whole, drawing its resources from the Eastern bloc.●

TRIBUTE TO ELIZABETH MAY DAVY, OF BIRMINGHAM, ALA.

HON. ALBERT LEE SMITH, JR.

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. SMITH of Alabama. Mr. Speaker, "Be aristocratic of mind and demo-

cratic of heart." These words guided the life of one of Birmingham, Ala.'s most beloved women: Elizabeth May Davey. Miss May dedicated her mind and her talents, in fact her entire being, to helping her community.

Her whole life, up until her recent demise, was rich with achievements. She was a successful businesswoman, working with one of Alabama's largest department stores. She served as chairman or president of some of Alabama's most respected organizations. Her proudest achievement, however, was the founding of Spastic Aid of Alabama; later to become known as United Cerebral Palsy of Greater Birmingham, Inc.

Elizabeth May began her work as director of Spastic Aid of Alabama in 1948 aided by only one secretary and using borrowed office equipment. In subsequent years she worked to provide therapeutic and special educational services for handicapped children and adults. Through these classes and the establishment of the permanent Cerebral Palsy Center in 1951, Miss May created an inspired organization which still serves to meet the unmet needs of members of the Birmingham community.

Miss May's dedication to serving humanity has been recognized by many. She was the recipient of the National Humanitarian Award of the United Cerebral Palsy Association, she was named Birmingham's Woman of the Year, and the city dedicated a day in her honor in 1975. Her numerous awards and participation in many varied civic and volunteer organizations are evidence of Elizabeth May's immense love for mankind and her greatness as an individual. It is in this way that the memory of this fine woman will live in the memory of the citizens of Birmingham forever.●

TRIBUTE TO DALE McOMBER

HON. RALPH REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. REGULA. Mr. Speaker, no one can claim to have had real experience with the Federal budget without encountering Dale McOmber or his name. For 30 years, Dale McOmber not only toiled to put budgets together, he made significant and long-lasting improvements in the budget process of the executive branch. These, in turn, have spilled over to the congressional budget process. Dale McOmber understood that budgeting is synonymous with planning, hence, good budgeting and good planning cannot be separated.

As a member of the Budget and Appropriations Committees, it was my good fortune to be familiar with Mr. McOmber's dedicated public service. As a public servant, he set a standard of excellence that should be the goal of all Federal employees. As a tribute to his recent retirement, I am inserting the following article which appeared in the Wall Street Journal on Friday, May 22:

DALE McOMBER LOOKS BACKWARD AT THE BUDGET

(By Suzanne Garment)

"Dale McOmber? He's the George Smiley of domestic politics," said an official who had worked with him. "How nice," his wife laughed pleasantly on hearing such sentiments over the phone. "Right now he's a retired man out in his back yard planting petunias."

Mr. McOmber is indeed just retired after having spent 30 years making federal budgets, the last seven of those years as the Office of Management and Budget's highest civil servant. He reminisced in his suburban Virginia home this week about the history and prospects of the budget process, and did so with that knowledgeable, equable dispassion for which OMB professionals have become famous.

Mr. McOmber received his Ph.D. in history and political science. He began budgetmaking in the Navy Department in 1951 and in 1957 moved over to the then-Bureau of the Budget, as a technician in the budget review division. This budget review division that Mr. McOmber eventually came to head is the place where most of the OMB staff's marching orders are actually prepared as each annual budget cycle rolls around.

Not surprisingly, he emerged from his career knowing better than anyone else what is changeless about the budget process. Most changeless of all is "the business of deadlines" that forms not only the budget document but the nature of all government operations. Most surprisingly changeless are the tradition of neutrality and "the culture in support of the presidency" that the organization has been able to maintain in tandem.

And most fascinating are the semi-permanent quirks of the various parts of the budget organization. "The defense examiners," Mr. McOmber said, as he laid out the organizational map, "were often the most frustrated. They can produce lots of objective data to show that big battleships—or aircraft carriers or subs—aren't worth it strategically." But all this rational knowledge would simply run up against a "stone wall of politics."

With social programs, "the politics of the matter were not so crass" but caused almost as much grief because of "their utter complication." In, say, the Carter administration, "Carter was always torn between the two wings of the party," between the conservatism the President himself favored and a "Mondale or Eizenstat saying, 'you absolutely need those supporters.'" Examiners did not feel wholly ignored; they were just mired in the quicksand like everyone else.

Foreign policy analysts had another problem: They were up against the politics of perception. "You could say 'Israel isn't really going to be helped by more money from us.'" But the argument would come right back at you that any economies in these areas would be seen as slights and provocations. And "these people in the international area," Mr. McOmber remarked drily, "in order to survive, have long had to have techniques to get to the President."

Over the years Mr. McOmber also got used to another semipermanent feature of the process: periodic alterations in the budgeting technique, changes usually billed as revolutionary, from the "program budgeting" concept of the early 1950s to zero-base budgeting in the late 1970s. Most of those revolutionary techniques did not wreak all that much change. "After a while," he put it delicately, "you tend to get skeptical."

Some things, though, had in fact been changing: "I like to think we capture," from the succession of new techniques, "those things that are helpful." "On the whole," Mr. McOmber judged, "the process probably has become more rational."

The changes of the past year or so had been even more marked. Mr. McOmber was not one to take all the Reagan administration's budget declarations at face value: "They're not going to be able to balance the budget in '84," he predicted, "unless they not only cut back hard on the entitlement programs but cut back on their commitments to defense." But the Stockman regime was something new: "I don't remember an administration that came in with a particular agenda such as Mr. Stockman's." This newly explicit direction, Mr. McOmber thought, plus the new teeth Congress has put into its budget resolution process, meant that we might actually see some more centralized control.

To this prospect Mr. McOmber reacted like a true OMB neutral, "Why do you think 'control' is so good?" he asked. "The budget is a democratic document in the broadest sense. People vote in multiple ways; if the people want control, they'll get it. This time it looks as if they want it. But we get what we ask for," he said.

In fact—he only just alluded to it—there was a certain danger to the organization in this new business of being at the very center of things. It was a danger "not of politicization in the abstract but a danger to the quality of work in the time available. For the moment, Stockman is using OMB as a large legislative staff. But we have to have the time to build intellectual capital."

When I left his house Mr. McOmber was going upstairs to pack for a trip out West to visit his offspring. It was raining benignly on his flower garden. He had left behind a budget organization whose neutral competence remains one of the signal achievements of modern American government. But he also left behind him the thought that this moment of OMB's greatest power may also turn out to be the time of greatest threat to its existing character.●

SUGAR INDUSTRY'S IMPORTANCE TO HAWAII

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. AKAKA. Mr. Speaker, a recent New York Times editorial called into question the proposal to provide Government price supports for sugar and suggested that the industry would be able to get along very well without them.

The Honolulu Star Bulletin has responded in editorial form to these charges, and I would like to include

this editorial for the information of my colleagues in the House. The sugar industry has long been the victim of many misconceptions. Primary among these is the belief that the sugar industry enjoys a huge profit margin. The truth is that although sugar producers were enjoying a profit earlier this year, that profit has decreased now to the point where the price farmers are receiving is below the cost of production. In fact, profits from the last year and one-half have hardly served to erase the losses producers had to bear during the years 1977-79.

If there is one world that characterizes the sugar market, that word is "volatile." The wild price swings in this market since 1974 have caused great uncertainty both among producers and consumers. I know that the sugar producer of this Nation would much prefer a stable market, one that guarantees a fair return to producers and a consistent and fair price to consumers.

The 19.6 cents loan level in the farm bill merely provides a floor under the sugar industry. This level is not meant to assure a profit for these producers, only to assure that the industry will not fall to the levels of the late 1970's. I commend this article to my colleagues and ask unanimous consent that it be included in the RECORD at this point.

SUGAR INDUSTRY'S IMPORTANCE TO HAWAII

A New York Times editorial reprinted yesterday on this page opposed government price supports for sugar producers as a favor to "a select few."

In Hawaii, the sugar industry is not "a select few." It is about 7,000 workers in what is by far our largest agricultural industry, with about 220,000 acres under cultivation. Once the dominant factor in Hawaii's economy, sugar is still very important.

It is also important to the environment, because it provides an economically sustainable way to keep large areas in agricultural production. If the sugar industry should collapse, there are no alternative crops in sight to take its place and keep that land in cultivation. The pressure to take the land out of agricultural use to build houses or factories might become irresistible.

The Times' confidence that the sugar producers can get along very well without supports has a hollow ring in Hawaii, where we have seen a whole series of once-profitable plantations close their doors forever. No one can be sure that more will not follow. The sugar workers aren't.

The future of the sugar industry in Hawaii is understandably of little concern in New York. But to us the fate of Hawaii sugar makes a great deal of difference.●

TRIBUTE TO PRESTON LOVE

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. DAUB. Mr. Speaker, if there is one art form that is truly American, it is jazz, and if there is one American who is truly devoted to this art form, it is Preston Love.

From the time he played lead alto saxophone in Count Basie's band to his current efforts to bring an understanding of jazz to his readers and students, Preston Love had dedicated himself to this American art form.

It was a pleasure to recently join him in celebrating his 60th birthday, and I would like to take this opportunity to share with my colleagues the comments about this respected gentleman made by Stanley Dance, jazz historian and author of "The World of Duke Ellington":

LOVE SIXTY

It is hard to believe that Preston Love will be 60 in April. I certainly don't choose to believe that anyone so perennially young in spirit can be anywhere near that age. But then I have to reflect, in my capacity as a would-be jazz historian, that nearly forty years ago he was touring the country as lead alto saxophone in Count Basie's band. Never having been to Omaha, I do not know whether the air or water there possesses miraculous properties, but something evidently invigorates or rejuvenates saxophone players.

I am, however, not much concerned really with the fact that Love continues to be an astonishingly fine musician, as esteemed in Europe as in his own land, and one whose standards may be considered all to exacting. What constantly impresses and surprises me is how he retains his enthusiasm and his sense of outrage. The latter, as the years pass, tends to give way to weary cynicism in so many writers and critics. We all know that standards in art, manufactured goods, and old-fashioned morality have declined—and continue to decline—since World War II. Nowhere has this been more apparent than in the decadent world of jazz, where the name of the game is HYPE, in capitals.

Preston Love is one of those who sees through the hype and resents its effects. He is not a politician. He is not cunning or devious. His sense of outrage compels him to speak out in the frankest terms, as when recently he was critical of the hysteria following the murder of John Lennon. Tragic though that was, the media seized upon it as an event to be magnified out of all proportion, far beyond, for example, the murder of a world figure like Lord Mountbatten. Had the President been murdered, more newsprint and television and radio could scarcely have been devoted to the subject. Lennon's murder, of course, occurred very conveniently for a record industry worried about impending Christmas sales. Some of the entrepreneurial class seemed to undergo a spiritual reaction, even seeing visions of Lennon in the sky during the prayer meeting in New York's Central Park.

The irony in all this was particularly apparent to Preston Love, who had seen highly talented jazz musicians, whom he knew and admired, die without any recognition remotely comparable to Lennon's, and without leaving as many dollars as the singer left millions. This was not entirely a matter of black versus white, but hype means money and more of it is nearly always spent promoting white than black. As one watched the old newsclips on TV, it was surely impossible not to wonder who decided to pour out the gold in support of such a corny group as the Beatles always were.

Today, Preston Love is an educator both in his writing and on his saxophone. He tries to bring an understanding of the American art known as jazz to his readers and students. He doesn't play down to them, doesn't pander to adolescent tastes, but seeks to lift their musical appreciation to an adult level while maintaining a sense of humor and unswerving loyalty to first principles. A renaissance is always possible, and Preston Love is just the kind of man who can help bring it about in jazz.

PATRIOTIC SONGS

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. ERTEL. Mr. Speaker, the fifth and sixth graders of the Paxtang Elementary School in Harrisburg, Pa., have just completed a lesson on patriotism. The students learned the importance of patriotism to our country and its meaning to every citizen. In order to express their collective thoughts, the students have written the following words sung to the tune of "My Country Tis of Thee." I am pleased to share these words with you and point to the fact that patriotism is still alive within our youth:

PATRIOTIC SONGS

ROOM 201

Our country is so great,
That we should celebrate,
Our free country.
We hang our flag to thee,
We should sing liberty,
At last our 52 are free,
Let our flag fly free.

ROOM 202

Freedom and liberty,
Is what we want to see
In our country!
We fought to keep our land,
Now we will take our stand
That's why we sing of this,
This great country!

ROOM 203

Our flag flying so free,
This is our own country.
We fought for it.
Independent and free,
Quite a variety
It takes all kinds, like you and me,
To build our land.

ROOM 204

This land is liberty,
This land is good for me,
This land I love.
This land is beautiful,
This land is always free,
This land is kind to me,
This land I love.●

AMENDMENTS TO THE FISHERMEN'S CONTINGENCY FUND ESTABLISHED BY TITLE IV OF THE 1978 OCS LANDS ACT AMENDMENTS

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. BREAUX. Mr. Speaker, today I have reintroduced, with the cosponsorship of my good friend and colleague from Louisiana, Mr. TAUZIN, the ranking minority member of the Subcommittee on Fisheries and Wildlife Conservation and the Environment which I chair, Mr. FORSYTHE, and several other members dedicated to the promotion of the American fishing industry, amendments that I hope will insure the smooth operation of the existing Fishermen's Contingency Fund. While the legislation does not represent a new direction in congressional policy, it is a necessary bill, a bill intended to further the basic policy embodied in title IV of the 1978 Outer Continental Shelf Lands Act Amendments (OCSLA).

Mr. Speaker, in 1978 Congress considered and passed major amendments to the original OCSLA. One of the primary purposes of those amendments was to lay the groundwork for an aggressive, accelerated schedule of OCS leasing. I support that goal today as I did in 1978. At the same time, however, we recognized that the expansion of oil and gas activities would lead, inevitably, to conflicts between the offshore oil and gas industry and the commercial fishermen operating in various OCS regions. This is not to say that we expected insurmountable conflicts over the right of each industry to use coexistent shelf resources, but rather a realization that the relatively long-term presence of equipment necessary to the vital search for, and development of, OCS hydrocarbon resources could result in the damaging of fishing gear. We therefore created a general fund and several area accounts, fully established and funded by fees assessed against OCS oil and gas permits, right-of-way and lease holders. The moneys in such funds were to be available for the prompt payment of compensation to U.S. commercial fishermen for damage to fishing gear and associated economic losses resulting from an OCS related activity.

Unfortunately, Mr. Speaker, the scheme we established in 1978 has not performed as expected. Scores of claims have been filed, few reviewed, and even fewer actually paid. To date, many times the funds paid out have gone to pay administrative expenses incurred by the Department of Commerce in its implementation of the program. The process of filing a claim has been overly burdensome, duplicative and, in most cases, proves to be a disincentive to the commercial fishermen to file a claim in the first instance. For example, testimony received by the Fisheries Subcommittee last year revealed a case where a claim was filed, a year passed, a Federal Government claims inspector appeared and demanded the production of the very same evidence earlier submitted. Several more months passed and still no claim paid out. Finally, after testimony before the subcommittee, in the presence of administration witnesses, the fishermen received the compensation so long overdue. I should point out that commercial fishermen are not the only parties seeking relief from the law now on the books. Department of Commerce personnel testified as recently as this past March that corrective actions were needed to smooth claim's procedures.

Mr. Speaker, it is my hope that the bill introduced today will provide the necessary relief. It is especially important that we correct the current situation given this administration's determination to fully utilize the authority we have granted them to aggressively pursue the exploration, development, and production of our OCS resources. The principal purposes of the new legislation are to:

First, insure that sufficient funds are available in the Fund and its selected area accounts to cover fishing gear damage and related claims made by commercial fishermen; and

Second, streamline the administrative process by which the validity of claims made are determined.

To accomplish these objectives, the bill makes the following major changes to existing law:

First, raises the maximum amount of funds that may be maintained in the general fund from $1 million to $2 million and in each individual area account from $100,000 to $200,000;

Second, stipulates that sums maintained in the fund not currently needed for the payment of claims shall be invested in interest bearing accounts. To the extent such interest is able to maintain the level of the fund and each area account, assessments against OCS lease and right-of-way holders shall be reduced;

Third, establishes a two-tier procedure for determining the validity of claims received. For claims of less than $25,000, the Secretary of Commerce or his designee shall establish a simplified, informal claims review procedure. Secretarial decisions or claims must be made final not later than 120 days after they are filed.

For claims over $25,000, the validation procedure remains the same as current law; and

Fourth, replaces the current administratively unwieldy formula for determining consequential damages with a formula that parallels section 10 of the Fishermen's Protective Act (FPA, 22 U.S.C. 1980). That section provides gear compensation to U.S. fishermen for damages attributable to foreign fishing vessels operating in a fishery subject to U.S. jurisdiction under the FCMA. This provision has proven reliable and easy to administer. It also results in all U.S. fishermen being treated equally for the same type of harm.

Mr. Speaker, I believe this bill is both necessary and timely. I certainly believe that it will be noncontroversial. I plan to hold hearings on this legislation next week and mark it up soon thereafter. I hope that other colleagues in the House will cosponsor this legislation and help insure its speedy enactment.●

UNITED STATES DENIED SEAT ON UNITED NATIONS STATISTICAL COMMISSION

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. EDWARDS of Oklahoma. Mr. Speaker, recently the foreign operations subcommittee had the honor and privilege of welcoming the U.S. Ambassador to the United Nations, Dr. Jeane Kirkpatrick, for a discussion of U.S. participation in the United Nations. In the course of the discussion, a recent and disturbing event in the United Nations came to light. Ambassador Kirkpatrick confirmed that for the first time the United States was denied a seat on the United Nations Statistical Commission, a body which formulates guidelines for gathering statistical data used by other United Nations agencies.

By a longstanding tradition, permanent members of the Security Council are always represented on this Commission. In fact, the United States has always been routinely elected to all constituent bodies of the United Nations. But this year, by a secret vote in the Economic and Social Council, which was the voting body in this case, the United States was removed from membership on the Commission. As a result, the opportunity for the United States to contribute to and influence the work and policies of the Commission has been dramatically diminished.

Mr. Speaker, I am concerned that this may not be an isolated event, but may instead signify the beginning of a trend whereby some nations, which do not like our policies or share our democratic values, attempt to exclude the United States from other United Nations organizations. It should be noted that among the other commissions under the aegis of the Economic and Social Council is the Human Rights Commission.

In the course of expressing her own concern about this unprecedented event, Ambassador Kirkpatrick noted that the United States has become too inclined to defer automatically to the complaints and political-ideological agenda of other nations. In practice, such a tendency on the part of the United States results in our not calling sufficient attention to departures from traditionally accepted practices, breaches of rules, and unfounded attacks on America and its allies.

Ambassador Kirkpatrick has pledged vigilence in monitoring such behavior. She has stressed the need to articulate and vigorously defend this country's values in the United Nations. I am heartened by her energetic commitment to the promotion of American values and interests in the United Nations, but I also share Ambassador Kirkpatrick's concern about the episode with the Statistical Commission. I think it is important for my colleagues to be aware of this event and what it might portend. It is essential that the United States signal its awareness of the unprecendented nature of this event and its desire that it not be repeated.●

IT'S TIME FOR A SECRETARY OF INTERIOR FOR ALL THE PEOPLE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. BROWN of California. Mr. Speaker, it is time to speak out against the attitudes and actions of James G. Watt, the Secretary of Interior. For those who earnestly wanted to give him the benefit of the doubt in his new job as chief steward of the Nation's conservation ethic and natural resource treasures, the past few months come as a bitter disappointment. For those who warned of the incompatibility of this man with this job, there is no vindication, only sorrow. For all who truly care about the land, the air, the water, the wildlife, and the future—there is an obligation to fight the destructive and irresponsible proposals of Secretary Watt and his associates.

This is not a partisan issue, unless one considers himself a partisan of the Earth, or the laws of the land designed to protect our natural heritage. Nor is this unusually strong opposition, which I and others now express, a result of a particular policy difference, although there have been many of those as well. I, for one, have had bitter policy disputes on particular issues with many Interior Secretaries, including Steward Udall, Wally Hickel, Rogers C. B. Morton, and Cecil Andrus. The difference, in this case, is that I never doubted that these men supported the basic thrust of the body of laws they administered. Instead, our policy disputes were over interpretation of the law in particular instances, and where, although I knew my position to be unassailable, reasonable men differed.

The Los Angeles Times, truly a newspaper of the West, spoke out in an editorial this week for the removal of James Watt as Secretary of Interior. In describing his actions and motives, the Los Angeles Times admits there is some mystery, but added:

What emerges is a profile of a lawyer impatient with detail, having deep religious and economic convictions, who grew up among small-town Westerners who detest the decadent East and its control over so much of their land. There also emerges touches of the common hustler and high-prairies pirate.

Mr. Speaker, as one who has always considered the conservation ethic to be an important reason for this Nation's greatness, I have admired the Republican and Democratic leaders who have translated this ethic into effective legislation. Beginning with Theodore Roosevelt, the modern body of law has been created. It would be a travesty if, beginning with James Watt, 80 years of good work were destroyed.

I am encouraged that public support continues for these traditional values, and bipartisan support against the policies of James Watt is growing. As this necessary struggle continues, until a Secretary of Interior for all the people is appointed, we must not lose sight of our fundamental purpose—which is sound stewardship.

At this time, I insert the Los Angeles Times editorial:

[From the Los Angeles Times, June 3, 1981]

TOO MUCH WATTAGE

Interior Secretary James G. Watt runs his department as if there were no tomorrow. He is in the wrong place, The department's only missions are to manage public resources and protect fragile wilderness areas so that there will be some left for tomorrow's children.

Try as he may to force the locks on so much of America's protected lands, Watt is not likley to break the conservation ethic that put those areas under lock in the first place. But he could do a lot of damage and spoil vast reaches of the face of America in that time. He must be stopped.

Watt insists on leasing offshore oil tracts of dubious value. He tried recently to open the last 1.5 million acres of wilderness in the Rocky Mountain overthrust belt to oil companies that already have access to the other 10 million acres. Congress stopped that. Watt explains that he wants to look for oil and strategic minerals now so that the job can be done carefully and the West will not be trampled in a crisis. That is specious.

He has stopped buying new parkland, ignoring the prospect of a doubling of the U.S. population in 50 years and a predictable need for more space for recreation and leisure.

At the same time, he searches for ways to give away federal land and its minerals to states just for the asking—something that he wants to do but cannot because of a Supreme Court decision.

Why Watt acts as he does is a mystery. Some very good writers have tried recently to unravel the mystery, including Elizabeth Drew of the New Yorker magazine and Robert A. Jones of The Times.

What emerges is a profile of a lawyer impatient with detail, having deep religious and economic convictions, who grew up among small-town Westerners who detest the decadent East and its control over so much of their land. There also emerge touches of the common hustler and high-prairies pirate. Considering how little wilderness is left for tomorrow, the combination is devastating.

Before going to Washington, Watt directed the Mountain States Legal Foundation, a law firm supported by mining and energy companies, big ranchers and land speculators whose interest lay in challenging federal control over the exploitation of public lands.

Those clients are the backbone of the so-called Sagebrush Rebellion. they want federal lands in the West turned back to the states to decide whether wilderness should be sacrificed to development. Those are the clients whose cases Watt now pleads from inside the government rather than outside. They are the people he had in mind when he told a recent Washington roundtable that he is focusing on "freedom and liberty for the individual who has been handcuffed in recent years by economic conditions and political constraints." The description cannot be bent enough to fit the average park visitor.

Watt promised Congress that he would not campaign for changes in conservation law, and he has kept the promise. He goes around the law.

He opposed strip-mining controls. So he fired or transferred more than 200 employees of the office controlling strip-mining. There are barely enough left to count strip mines, let alone regulate them.

He moved 50 lawyers from the department's legal office whose primary job was monitoring reported violations of environmental law. In California, he called for bids from oil companies on 32 offshore tracts, despite objections from the state government that the area is environmentally fragile and that there is not enough oil in those tracts to warrant a risk of coastal damage.

Watt permitted himself a friendly gesture toward environmentalists on Tuesday by agreeing with an Administration decision not to lift a Wild River designation that his predecessor gave to five scenic Northern California rivers. But the gesture was not consistent with his basic agenda.

The Sagebrush Rebels obviously are pleased at the way Watt is forcing open the gates to public land for them, but he is not doing either the Rebels or the President any favors.

The United States lives with deep regional animosities and grievances, many of them justified. Some regions have ample water, and others go dry. Some fairly ooze oil, and others import energy at a scalper's price.

By indulging his fellow Westerners in their lust for the riches on public land, Watt not only breaks faith with the conservation ethic, he also fans the flames of regional grievance.

Watt should be sent back to his legal foundation to plead the case for his clients from the outside again, where he belongs.●

CONGRATULATIONS TO JOSEPH PARIS

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. NOWAK. Mr. Speaker, this week marks the 40th year of Federal service for Joseph Paris, the director of the Veterans' Administration medical center in Buffalo, N.Y. It is with understandable pride that the VA is honoring him with its meritorious service award, and I join with this distinguished institution—and the many persons whose lives Joe Paris has enriched—in congratulating a truly exceptional senior executive on his record of service and devotion to the care of others.

Joe began his four decades of Federal service in the U.S. Army during World War II, serving more than 4 years in the 4th and 7th Armored divisions, attaining the rank of first lieutenant. He was awarded two Purple Hearts with Oak Leaf Clusters and the Silver Star.

His association with the Veterans' Administration began in 1945 as a contact officer in Rochester, N.Y. He later served in the positions of administrative assistant, Assistant Director, and Director of VA medical centers. He currently serves in a dual capacity as Director of the VAMC in Buffalo and as the District Director of Veterans' Administration Medical District 2.

As a chief executive, he has been characterized by his peers as outstanding in his utilization of systems orientation. As a medical district director, he has piloted a diversified array of health care facilities, ranging from primary care site to specialty hospitals, as well as university-affiliated health care complexes offering the full spectrum of educational research and clinical services.

Based on my dealings on veterans' matters with him for more than 6 years, I can attest to Joe Paris' compassionate and responsive efforts to provide the best possible service to thousands of veterans and their dependents in western New York.

Joe Paris is a fellow of the American College of Hospital Administrators, member of the Western New York Hospital Association, and member of the American Military Surgeons of the United States. He was a member of the board of directors, Council of Teaching Hospitals of the Association of American Medical Colleges, and frequently requested to chair and participate in executive policy sessions. His input at that level is also sought out by the New York Statewide Health Coordinating Council of the State health planning commission. Similarly, he has participated in such executive policy planning activities for the National Forum on Hospitals and Health Affairs at Duke University.

In the entire health care system of the Veterans' Administration, only a few medical center directors have been recognized nationally for their accomplishment in the field of health care administration. Joe Paris was one of the first directors to achieve this recognition when he was awarded the status of fellow in the American College of Hospital Administrators.

Mr. Speaker, as his accomplishments clearly indicate, Joe Paris has demonstrated the highest quality of Government service, not only doing his job exceptionally well but serving as a tremendous source of inspiration for others.

I know I echo the sentiments of the citizens of western New York in commending Joe Paris for a job well done and wishing him well in his future endeavors.●

ADMINISTRATION PLAN ENCOURAGES SWEATSHOPS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. MILLER of California. Mr. Speaker, Secretary of Labor Ray Donovan, in an action overwhelmingly opposed by the business and labor communities, has inexlicably announced his intention to revoke the 40-year-old prohibition against industrial homework in the garment industry and several other regulated industries.

Business and labor agreed, at a hearing on this subject held by the Labor Standards Subcommittee of which I am chairman, that revocation of the rule will undermine legitimate, law-abiding businesses, stimulate the proliferation of sweatshops, make enforcement of the Fair Labor Standards Act—a stated goal of Secretary Donovan—a practical impossibility, and encourage the employment of illegal alien workers.

There is a virtually no support for this proposal, as described in a recent article in the New Republic which I want to share with my colleagues. The overwhelming opposition to the Secretary's unwise action, which is described in the article, has only become even more magnified in the intervening weeks. Secretary Donovan should acknowledge that his proposed abolition of the regulation is unnecessary and counterproductive, and instead proceed with his other, better developed plans for enforcing decent working conditions in the needle trades.

The article follows:

[From the Women's Wear Daily, May 16, 1981]

SUPPLY-SIDE SWEATSHOPS

(By Mark Hosenball)

The Reagan administration, groping for prosperity through deregulation, is well on its way to embracing some of the nastiest byproducts of laissez-faire economics. One of its latest enthusiasms is the sweatshop, that good old-fashioned dungeon where children and illegal aliens perforate their fingers with sewing needles for $40 a week and are kicked down the stairs if they complain. Such Dickensian establishments still inhabit the undergrowth of the American garment industry. Like weeds, they always shoot up again despite all efforts to eradicate them. Sweatshops contravene local building codes (not long ago a young girl was killed in a sweatshop building in New York's Chinatown when she fell down a shaft because the elevator was broken), state labor laws, and long-established federal laws. The most frequently flouted of the latter are the federal child labor, minimum wage, and 40-hour week laws—all of which can be evaded through "industrial homework," the practice by which employers send work home with their employees. Industrial homework is banned by certain federal (hated word) regulations. Last week—shortly after Secretary of Labor Raymond Donovan's well-publicized "raid" on a Chinatown sweatshop—the administration announced its intention to take those regulations off.

Some modern conservative economists have always had a love affair with the sweatshop. In his "Free to Choose" television series Milton Friedman stood outside a Chinatown garment factory, pointed out that the conditions inside probably were dreadful and violated several laws, and proceeded to recall wistfully that his immigrant parents got their start in such an establishment. Friedman thinks today's immigrants should get an equal opportunity to experience the Victorian age. He said of the sweatshops' current occupants: "A place like this gives them a chance to get started. . . . If it were closed down who would benefit? Certainly not the people here. Their life may seem pretty tough compared to our own. But that's only because our parents or grandparents went through that stage for us. We're able to start at a higher point."

If Friedman sounded apologetic, the accession of Reaganism to the White House may have emboldened some of his theoretical conferees. An editorial in the March 16 issue of Barrons National Business & Financial Weekly was headlined: "In Praise of Sweatshops: Everyone Should Have the Right to Work." Barrons acknowledges that sweatshops flout a dozen laws, and proposes a solution: "Repeal some of the laws thus flouted, notably the minimum wage act and the . . . anti-homework rule of the Department of Labor." To justify these recommendations, Barrons cites its favorite economic authority, Walter Block. The Young Americans for Freedom recently described this Vancouver, British Columbia, economist as Canada's answer to Professor Friedman. Barrons quotes from a Block treatise entitled Defending the Undefendable: "The liberals who oppose sweatshops understand the importance of activities between consenting adults in sex and drugs but not when it comes to commercial behavior. To me, a sweatshop is just that, a capitalist act between two consenting adults."

It was a well-intended but misdirected Carter administration move to enforce the anti-homework rules that made it possible for Reaganites to seize on them as early candidates for extermination. Sweatshops are most highly concentrated in such advanced communities as New York, Los Angeles, and San Francisco, and industrial homework abuses are most serious among sweatshop operators who sew women's clothing in inner-city areas. But in December 1979 the Carter Labor Department chose to throw the book at C. B. Sports of Burlington, Vermont. This small business employed housewives to knit ski hats at home in their spare time. The housewives didn't maintain proper time cards, which meant, prima facie, the company was breaking the homework regulations. On the other hand, the knitters claimed they average $200 per week for 35 hours and they couldn't work if they had to drive 40 miles from their farmhouse to a factory every day.

The Carter administration forged ahead anyway with a major lawsuit against C. B. Sports, charging gross exploitation of the home knitters. And much as Naderites used to swarm around a good product liability lawsuit against the auto industry, three right-wing legal groups soon signed up to represent the industrious rural seamstresses and small-business men against the unfeeling bureaucrats in Washington. An organization called the New England Legal Foundation of Boston became attorney for C. B. Sports. A Washington group, the Capital Legal Foundation, signed up to represent the proprietor of Stowe Woolens, another Vermont factory threatened with a Labor Department homework lawsuit. Dan Burt, the foundation's president, raised the company's case with a Reagan transition team before the inauguration. A Springfield, Virginia, union-baiting legal group, the Center on National Labor Policy, represented a group of Stowe Woolen knitters. Center attorney Michael Avakian claimed no special influence, but the center's board of advisers includes Jesse Helms and Orrin Hatch. The center's director, Baker Armstrong Smith, headed Reagan's transition team for the National Labor Relations Board. Within a month of taking office, the Reagan Labor Department held hearings, in Washington and Vermont, on whether the industrial homework regulations should be changed.

Before the hearings, representatives of two of the conservative legal groups—the Capital and New England Legal Foundations—told me they only wanted the homework regulations tinkered with so rural workers like the Vermont knitters might be exempted from time-card controls. They were content to see controls continue on city industry like ladies' apparel. Only the Center on National Labor Policy (which takes a strident "unions are thugs" line in its publications) adopted Barrons, position on the homework regulations. Attorney Avakian suggested that perhaps all homework rules, including those directed primarily at the inner city, should be eliminated. In the event, Donovan decided to do just that.

Not surprisingly, the needle trades unions produced strong arguments that the homework regulations should remain intact. Some state government officials—particularly a delegation from California, which has strong state laws against both sweatshops and homework—also testified at the Labor Department hearings in favor of even tighter homework and sweatshops enforcement. According to Labor Department spokeswoman Deborah Rubin, even employers' groups expressed support for the homework regulations. Representatives of various clothing manufacturers' organizations told the department that if the homework regulations were eliminated, sweatshop operators would be able to make garments at even lower costs, thus driving law-abiding manufacturers and those with union contracts out of the country or out of business. The largest and most powerful clothing manufacturers' trade association, the American Apparel Manufacturers Association, seems to have played no part in encouraging Donovan to eliminate the homework regulations. Indeed, the association recently condemned sweatshops and proposed an industry code of conduct. Donovan's move to eliminate all the homework regulations may spring as much from a conservative and anti-union economic fetish as from a conviction that the move will provide a deregulatory boon to US industry.

It was while this decision was in the works that Donovan chose to appear in New York's Chinatown as part of a carefully orchestrated media event. He was accompanied by a Labor Department "strike force" that proceeded to "raid" a couple of garment factories.

"In 25 minutes we found $15,000 in wage violations and three youth violations," Donovan reported afterward. They also found a 90-year-old woman working for one dollar an hour. Donovan told assembled reporters he would lobby Congress for an anti-sweatshop law "with more teeth" in it than the current law. "We're going to keep coming back until they offer people a decent wage," Donovan also promised. Time will tell whether the administration is genuinely schizophrenic on this issue or simply two-faced.●

HOUSE DEMOCRATIC LEADERSHIP'S POSITION ON TAXES

HON. JACK F. KEMP
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. KEMP. Mr. Speaker, for several weeks now, I have held my peace while efforts were made to achieve a consensus on tax policy. And there did seem to be progress, especially when the House majority leader agreed to a 25-percent cut in income tax rates. Now, however, it is clear that the leadership of the Democratic Party is abusing the patience of the American people, who elected us and the President to straighten out our Nation's mismanaged economy. Before we can cut tax rates for all working and saving Americans, we are obliged to cut through the baloney coming from the Democratic leadership.

There are three issues in the tax debate. The first is simple honesty. President Reagan's original 30-percent cut in marginal income tax rates would barely offset the tax increases which are expected over the next several years. The President has frankly declared this to the Nation. The Democratic leadership, on the other hand, has refused to admit that it is holding out for a $100 billion tax increase over the next 3 years, disguised as tax relief.

The second issue is fairness. When you cut all marginal tax rates by an equal percentage, the distribution of the tax burden does not change. For example, compared with a family earning $10,000, another family earning 5 times as much pays 25 times as much in taxes; a family earning 20 times as much pays 200 times as much tax. This is true both before and after cutting everyone's tax rates by the same percentage. All along, President Reagan has stood by this principle of treating all taxpayers alike and refusing to pit one class of taxpayers against another.

Congressman JIM WRIGHT and Speaker TIP O'NEILL say they want to "do more for the middle class," and that President Reagan's plan is somehow a "windfall for the rich." It is interesting to remember that cutting the tax rate on the wealthiest taxpayers from 70 percent to 50 percent was a Democratic proposal; it was President Reagan's to extend the same 30-percent cut to everyone's tax rates. And it does not take a genius to figure out that the Democratic leadership's paltry 15-percent tax cut, however distributed, does not do more for the middle class than a 25-percent or 30-percent cut for everyone. The Democratic leadership seems inveterately wedded to the principle of playing Americans off against each other instead of increasing the take-home pay and savings incentives of everyone.

Finally, there is the question of effectiveness. Only cutting marginal tax rates—the tax on additional income—can result in increased work, saving, investment, or the revenue which results. The historical evidence for this fact is overwhelming, and so far the Democratic leadership has made no attempt to refute it directly. The Democratic Party, liberal and conservative, now embraces the necessity of cutting the top rate from 70 percent to 50 percent. And in October 1978, both Houses of Congress approved a 25-percent cut in marginal tax rates over 4 years. It was cut in conference committee when President Carter threatened to veto the bill. The Democratic leadership's current posturing therefore is mere politics.

It will not work. Since the election, Americans have a simple criterion for judging the tax bill which emerges from Congress. If it is not the President's bill, it is a fraud and it undercuts his economic recovery plan.●

SOCIAL SECURITY: A NEW ALTERNATIVE

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. GRADISON. Mr. Speaker, the administration's recommendations have advanced the cause of putting social security on a sound basis by leveling with the public about the seriousness of the problem, and making it clear to all who will listen that there are no easy answers. The basic problem with them is the abruptness of the recommended changes—in minimum benefits, student benefits, and now early retirement. The Social Security Subcommittee and the full Ways and Means Committee have already acted on minimum benefits and student benefits, providing a gradual phase-in of the cuts, but saving far less money than the President's plan. I am convinced that the subcommittee and the full committee will not accept the sudden drop in benefits for early retirement.

This leaves three basic choices:

First, borrowing up to $100 billion over the next 5 years to maintain present social security benefits—this would, in my judgment, be devastating to the social security system and damaging to the economic recovery of the Nation as a whole. For social security it could well undermine the earned-right concept of benefits and remove restraint on benefit increases. For the economy it would mean higher interest rates, higher unemployment and higher inflation.

Second, increasing social security taxes above the levels provided in present law—I am convinced that we are reaching the limit of the public's willingness to pay taxes of all kinds—including social security taxes. We cannot balance our responsibilities to those who benefit from social security and those who pay for it by asking the taxpayers to carry the full burden.

Third, gradual, rather than abrupt, changes in the system, including a possible one-time-only reduction in the COLA. This is the course I suggest.

We must seek to provide, as the President's proposal does, adequate changes to deal with worst-case assumptions with respect to trust fund balances over the critical, short-run crisis period—1982-86. Furthermore, we must provide the the long-run alterations necessary to assure the survival of this system into the 21st century.

I believe the following elements of my proposal fit these specifications:

First, extend social security coverage to all Federal employees hired after January 1, 1982. This provision would also require mandatory coverage for Members of the U.S. House of Representatives and the U.S. Senate beginning on January 1, 1982;

Second, starting after 1986, gradually reduce age at which retirement test no longer applies to 68;

Third, eliminate the lump-sum death benefit;

Fourth, reduce dropout years to 3; add 3 for child care;

Fifth, cover sick pay in first 6 months;

Sixth, change computation points for average indexed monthly earnings from age 62 to 65;

Seventh, increase bend points in primary benefit formula by 50 percent—instead of 100 percent—of wage increases, 1982-87;

Eighth, eliminate benefits for children of retired workers aged 62 to 64;

Ninth, disability maximum family benefit applicable to survivor and retirement cases;

Tenth, eliminate windfall portion of benefits for persons with pensions from noncovered employment;

Eleventh, require medical-only determination of disability; that is, exclude vocational factors;

Twelfth, increase disability waiting period from 5 months to 6 months;

Thirteenth, require disability prognosis of 24-plus months duration, instead of 12-plus months;

Fourteenth, require 30 quarters covered out of last 40 quarters for disability benefits, instead of 20/40;

Fifteenth, move date for automatic benefit increase from June to September and use 12-month average;

Sixteenth, a megacap on disability benefits;

Seventeenth, elimination of trust fund rehabilitation program;

Eighteenth, improve the own-motion review program; and

Nineteenth, improve timing of State and local government social security tax deposits.

If the economy performs as we all hope, these 19 changes should suffice to bring the system safely through the critical 5-year period without abrupt benefit cuts, tax increases beyond present law, borrowing or change in the COLA.

If the worst case assumptions come to pass the systems' needs could be met with a one-time reduction in the COLA effective September 1983. This midcourse correction would reduce no one's benefits. For example, assuming a $500 monthly benefit, a 10-percent inflation rate, and an 80-percent one-time adjustment in the COLA, monthly benefits would increase from $500 to $540 instead of from $500 to $550 as under present law.

I hope that this specific alternative will be helpful in the committee's deliberations. I do not expect it to be universally acclaimed. I do urge those who disagree to come up as I have tried to do, with specific alternatives so that needed action can be taken—and taken promptly to save the social security system.

Cost Analysis—Short Range Effect, Calendar Years 1982–86

[In billions]

	Administration's budget assumptions	Worst case assumptions
Status of present system, deficit	−$11.0	−$110.8
Effect of administration's budget proposals	35.5	36.8
Status assuming enactment of administration's Mar. 10 budget proposals	+24.5	−74.0
Effect of administration's May 12 proposals	46.4	75.0
Status after administration's May 12 proposals	+70.9	+1.0
Modifications		
Status of present system, deficit	−11.0	−110.8
(1) Effect of Ways and Means fiscal year 1982 budget actions [1]	11.8	13.3
(2) Extend social security coverage to new Federal hires, January 1, 1982	8.3	8.7
(3) Eliminate lump-sum death benefit	1.8	1.8
(4) Reduce drop-out years to 3; add 3 for child care	1.3	1.3
(5) Social Security Subcommittee DI changes in H.R. 3207	1.1	1.1
(6) Section 304 of H.R. 3207, deposits of State and local government social security taxes	2.1	2.1
(7) 80 percent COLA effective September 1983	8.0	15.9
Effect of 1 to 7	34.4	44.2
Effect of administration's May 12 proposals absent items No. 4 (early retirement benefit reductions) and No. 13 (elimination of the retirement test)	[2] 41.7	[2] 67.8
Effect of modifications (1 to 7) plus revised May 12 proposal of the administration	76.1	112.0
Status after modifications plus revised May 12 proposal of the administration	+65.1	+1.2

[1] To avoid double counting, savings incurred from section 108 of H.R. 3207 as adopted by the full Ways and Means Committee in its budget actions are not included.

[2] Interacting effects have not been taken into account. ●

OCEAN MINING, AMERICA'S MARITIME CHALLENGE FOR THE 1980'S

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. BREAUX. Mr. Speaker, May 22 marked this year's celebration of National Maritime Day. I would hope that those Members who were unaware of this event will take a moment now to contemplate the important role the maritime industry performs in our Nation's economic and national security. Today, I wish to pay tribute to this vital industry and I urge my colleagues to join with me in making a serious commitment to restore America's leadership role on the high seas.

Only a short time ago, the United States stood No. 1 in both fleet size and carrying capacity. Somehow that lead has been allowed to dwindle so that today the United States ranks 11th in number among the world fleets and is 8th in capacity. The downward trend faced by this industry must be reversed now lest we find our sealanes dominated by potentially unfriendly nations on which we would be entirely dependent for the carriage of our trade. Surely a concerted effort on

the part of industry and Government could stymie the deterioration of this fundamental sector of our economy. As Members of the House of Representatives, we must do our best to establish imaginative Government policies providing proper incentives for a competitive merchant marine. These policies will serve as a first step in regaining our place as a strong maritime nation.

While we have lost our first place in number of ships and tonnage, we have never lost the lead in new ship design and other innovations that have led to shipping efficiency and cost effectiveness. From the development of the fast clipper ships in the 1800's to the emergence of the LNG vessel in the late 1970's, the United States has been responsible for initial construction and technical expertise. We are continuing this lead in two other areas. American companies are now in the incipient stage of designing and building floating plantships for the purpose of converting ocean thermal energy into practical electrical generating capacity. Equally important is U.S. participation in the development of ocean mining technology which the maritime industry sees as one means by which it can grow and contribute to the development of an independent source of strategic minerals.

As you know, Mr. Speaker, for some time, I have viewed the ocean mining industry as essential to our freedom from dependence on sometimes unreliable sources for such important minerals as cobalt, copper, manganese, and nickle. Today, I would like to point out that the successful development of this industry could also mean that our own merchant fleet, rather than ships of other nations, will carry our strategic minerals.

Statistics gathered by our maritime industry point out the fact that not only are we dependent on foreign sources for the supplies of strategic minerals, but 90 percent of those supplies are carried on foreign-flag vessels. A recent maritime industry newsletter also indicates that the United States has less than 20 dry bulk carriers even capable of transporting critical minerals. This fact merely underscores the need for a successful deep seabed mining industry which would foster the construction and participation of U.S.-manned and documented ships in the carriage and mining of minerals essential to both military and business.

The importance of an independent supply as well as an independent means of carriage cannot be overemphasized. The insecurity of foreign-flag carriage was brought home dramatically in 1973 during the so-called Yom Kippur war, when Liberia issued an edict forbidding any Liberian-registered vessel from entering the war zone. Short of military confrontation, there is little we could do to object to any action similar to that of Liberia: The country of registry has the right, in case of national emergency, to appropriate for its own purposes those ships registered under its flag.

It is my hope that an international environment conducive to profitable ocean mining can be established in a very short time. Otherwise, we could very possibly lose our technological and competitive edge. Indeed, some consortia have already slashed their budgets for ocean mining due to the uncertainty of the outcome of the Law of the Sea Treaty currently being negotiated.

Without elaborating on the specific details and problems of that treaty, let it, suffice to say, that unless the final draft recognizes that the mining industry is motivated by profit incentives—as are all successful industries—no ocean mining company will invest any more money into the business. If no investments are made, we will have lost the opportunity for independence in essential nonfuel minerals as well as the opportunity to enhance an industry desperate for new life.●

TWO FACES OF WAR

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. HARKIN. Mr. Speaker, yesterday the House of Representatives passed H.R. 3499, the Veterans' Health Care Act of 1981.

It is evident that the millions of veterans who returned from Vietnam fall into two distinct classes. They have all been to war; they all bear some scars from that war and they all survived that war. But while a few returned home heroes, many thousands returned home victims.

The provisions of the Veterans' Health Care Act of 1981 can go a long way in assisting those victims. It is possible that they would not go far enough, but at last we can say that we have begun to assume our societal resposibility to these veterans.

Mr. Speaker, I would like to take this opportunity to insert into the RECORD an article by Myra MacPherson entitled, "Two Faces of War: POW Power and the Agony of Agent Orange," from the Washington Post, May 26, 1981. Ms. MacPherson's article vividly illustrates the necessity for providing additional services to those who served in Vietnam and returned home victims.

[From the Washington Post, May 26, 1981]

TWO FACES OF WAR—POW POWER AND THE AGONY OF AGENT ORANGE

(By Myra MacPherson)

Cheers burst forth and seats clattered as a roomful of military men and their wives moved as one in a standing ovation. The cheers were louder than when the name of their adored president, Ronald Reagan was evoked. Richer even than the hosannas for "the man we all know and love—Richard Milhous Nixon" as their former commander in chief was described when his telegram greeting was read.

For here at the Shoreham last Sunday, in front of them, was H. Ross Perot the pintsize Texas millionaire and longtime friend of these men—250 former Vietnam POW's.

The world first heard of H. Ross Perot in 1970 when he loaded two jets with Christmas presents for the POW's and zapped around the world in vain, trying first to get Hanoi and then the Russians to let him in. There is a slight flush of anger as Perot—as tough as he is generous—recalls the press reaction at the time. "As far as the press was concerned I was just a funny little guy doing odd things. But the facts are that Henry Kissinger asked me to do it and Al Haig was my contact. We got millions of dollars worth of press and it was all carefully planned to embarrass the North Vietnamese into changing their treatment of the POW's. And they did."

The former POW's in starched white jackets filled with campaign ribbons, and their wives formed a long line as they filed by Perot paying their respects to the man who barely reached their shoulders. "I just wanted to tell my children I met the greatest American in our time," gushed one wife. One ex-Air Force pilot asked Perot if he knew anyone with a Texas airline, "I'm looking for a flying job." "Use my name," shoots back Perot. "I probably know 'em." A little laugh. "I hope I don't cost you the job."

There were lots of laughs. The former POWs and pilots are into "right stuff" talk these days. Jokes, macho, friendly congenial banter, "Hey, you ole sonofabitch, how are you?" One pilot to three women talking together. "Now there aren't enough pretty ladies to go around. This is no time for a hen party."

They were crowned heroes in a war that had few heroes. "Our psychological problems just drifted away," said Allen Stafford, commander, U.S. Navy, "Hell, we were professionals, I fly my plane and do what the boss says to do." He speaks of the men who fought the war on the ground. "I don't relate to their problems but I'm in sympathy with the poor guy that was on the ground. But our life just gets better. I just about had a coronary I was so glad Reagan got in. El Salvador? I'm not up to speed on that. But I have absolute faith the President will do what is right. I'd go again and fight it all the way. If he wants to send me in a cockpit, I'd go."

At American University this Memorial Day weekend, Stafford's gung-ho view was lost on another group of veterans—the drafted and enlisted men; the grunts and ground-pounders who slogged through the jungles of Vietnam. There were no White House parties for them as they returned from that same war. But the ex-POWs got a liberal discount on their Washington hotel rooms and eight airlines offered free rides to the Washington reunion. The 200 other vets and their families across town at the Agent Orange conference stayed in friends' houses, cheap hotels. They came from California and Boston and Florida. The Wisconsin group had bake sales to pay for their trip. And they had to sell T-shirts and fatigues at $5 and $7 to help meet expenses. They were doing a brisk business in shirts

with such slogans as "No Draft, No Way," and a T-shirt with the slogan "Dow Shalt Not Kill" (for Dow Chemical Company, manufacturers of the chemical Agent Orange).

For they were here for a National Vietnam Veterans Conference on Agent Orange. There were professors, scientists and lawyers in three-piece suits and veterans in faded fatigues as well as coats and ties. They tried in vain to get a representative of the government, of the Veterans Administration, to attend.

These are the men who were thankful they made it back whole but now feel they are victims of a sinister legacy—Agent Orange. The defoliant that rained on Vietnam for years contains dioxin, one of the world's most deadly chemicals. A single drop, if it could be divided equally among 1,000 people, would kill them all. It can topple a 150-foot hardwood tree in two days. The amount of Agent Orange sprayed in Vietnam totaled about 96 million pounds. The veterans are asking for testing, treatment and compensation for what they feel are Agent Orange-caused illnesses—everything from cancer to birth defects in their children.

"This is the first war that reached into our maternity wards," said Tom Vallely, a Boston state representative and Vietnam veteran who received the silver star for bravery. Eighteen months ago, his daughter was born with a serious birth defect. "The Vietnam experience does not belong to the past," Vallely said. The warfare we saw in Vietnam is the warfare of the future. Vietnam was a laboratory, our own men were the guinea pigs. Our men got caught in a crossfire of bullets and chemicals."

Their cause is not popular with the government or chemical companies who could have to pay billions in medical benefits and lawsuits if the list of diseases were ever linked to Agent Orange.

And so Ronald DeBoer, a tall, slim, handsome ex-veteran and director of Agent Orange Victims of New York, was speaking mostly to the converted as the keynote speaker.

Life was fine for DeBoer. He returned from Vietnam, went to college, started his own business. Then, he got cancer. "My wife read about Agent Orange—a herbicide that causes cancer in laboratory animals. I began to read and I still couldn't believe that my government would send me into an area that would be contaminated with what turns out to be the most toxic substance known to man." Laboriously, DeBoer began trying to find out "what happened to the other men in A Troop, Seventh Squadron, 17th Air Cav." He called Kevin, a New York City cop whose first child was born dead and his second deformed. He got him in touch with another from his troop who told DeBoer, "My first child was born with a deformed leg and my second child was born mentally retarded." Like many of the other veterans and wives with deformed children, the man had no history of genetic problems. Next was Alan, a California mailman. He had developed hypertension, severe headaches, skin problems and "never felt well a day since I returned." DeBoer contends that "five out of six of the troop that I contacted had hard-core Agent Orange problems." He is loaded with statistics: "A new study found 43 percent higher incidence of soft tissue carcinoma among people who have been exposed to dioxin," and was greeted with sustained applause when he shouted, "We don't have to hear about rabbits and mice and monkeys. We have the people—2.48 million who served their country. They should be compared in a controlled study with 2.4 million men who did not go to Vietnam but were in the Army."

DeBoer finished with, "This Memorial Day, thousands of Vietnam vets aren't going to home-town parades because they're in cancer wards, thousands of Vietnam veterans' wives are going to be at cemeteries putting flowers on the graves of those who survived the war. That is our Memorial Day. But who in the VA stands up and speaks for us? As the people in Washington and the war contractors sit around the pools and go to parties and dip their manicured fingers in the caviar, you can be sure they are not thinking of us."

At the Shoreham, H. Ross Perot finally ducks out of the endless stream of praise from the former POWs. Perot was hiring Vietnam veterans for his Electronic Data Systems Corp. back when "you were thought a militaristic lunatic to do that. We've hired'em by the thousands and not had a psychological problem with a one. I feel sorry for the ones who have trouble but it's a gross distortion to say they're the average Vietnam vet." He is, however, interested in Agent Orange. "You know that fella that shot up the VA hospital in California? His wife sent me a letter. So I called her and asked if there was something I could do. She said, 'Nothing. He's dead.' She's got a very famous coroner doing a detailed autopsy to see if anything can be linked to Agent Orange."

The former POWs glisten with prosperity, look so healthy that it is hard to imagine that most spent seven years in prison. Seven of them line up and a wife snaps a picture as all grin. There are occasional, brief clouds. Asked about his children, one stops smiling. "I lost them when I was over there. They don't know me. But I'm remarried . . ." and the smile is back.

Ron Bliss, now a Texas lawyer, looks at another former POW and says, "He was my first roommate." He was not referring to a military academy. They were together for nearly a year in the prison dubbed The Hanoi Hilton. "He was tortured so badly he couldn't move his arms for months." As Bliss drifts off, Jack Fellows says, "He saved my life. When I couldn't move my arms he fed me, bathed me, clothed me . . ."

Now, all these years later, Ross Perot has a thought on the way America treated veterans. "We've got ourselves in a strange box in this country. Making heroes out of hostages and prisoners and not the others. Think about it."

At the Agent Orange conference, no one was talking about wanting to be heroes. Many there were forged in the Vietnam Veterans Against the War (VVAW) movement. They were there, among the several hundreds of war heroes who pelted ribbons and medals at the Capitol terrace in 1971. They are leery of right-wing revisionism of Vietnam and feel the war was wrong.

Their concerns are personal. Margaret and Larry Driscoll wear their bright orange "Agent Orange Victims of New Jersey" T-shirts as their 4-year-old redhead, Erin, plays on the lawn outside the conference. Driscoll was a medic. He began getting severe headaches in Vietnam (one of the symptoms mentioned by alleged Agent Orange victims) and "they continue to this date. Nothing helps. All I can do is lie down and wait." He was in the computer field but took a laborer's job, unloading trucks, "just in case my headaches were caused by the mental stress of the job." In 1969, Margaret had a stillborn baby that was badly deformed. "A very rare defect. She was born with only half a brain. They couldn't give me any reason." Her husband's problems grew. Headaches, severe skin rash, "and now my joints kill me. I was on the swimming team before. Now I can't throw a ball 10 feet."

They held off on children and then, in 1977, Erin was born healthy. The next year, a baby was born with a cleft palate. "You look down at your newborn and you see this. She had only two chambers to her heart, a displaced spleen. She died three days later," says Margaret. Scientists refer to such personal information as "anecdotal data" that contain no hard-core facts. However, veterans and their families feel there are insidious and peculiar patterns to these stories. Margaret Driscoll was the third woman at the conference to mention that she had had amniocentesis; that no birth defects were detected and yet she gave birth to abnormal babies. "We went all through the genetics and the doctors still haven't given us an answer."

Today, they are still paying for the medical bills—"and the funeral bills."

The wives of former POWs are dressed in flowing chiffon and lace. They, like their husbands, are professionals. Little of those seven years of wondering, of raising children alone, shows on their faces today. "The children were all scarred," says Louise Mulligan, whose oldest of six was 15 and the youngest 3 when her husband was captured. "But most of us have found our children have come out very well." It was hard on teen-ageers, whose peers were vociferously anti-draft. "I told my oldest, when he went off to college, not to mention where his father was. He was having enough trouble without that."

Nearby sits a younger wife, Mary Jane McManus. She had been married four days when her husband left for Vietnam. He was captured June 14, 1967. She was in her early 20s. "I was in college in the nonviolent period." She and other POW wives tried to appeal to all political persuasions. "No matter how you felt about the war, they were political prisoners." Her pretty face grows hard when she remembers those in the peace movement "who wanted to try our husbands as political prisoners." They survived because, said McManus, "they followed a chain of command within the POW system."

McManus now has five children—ages 7, 5, 4, 3, 2—"and one coming."

There is talk of Agent Orange. "I don't know what we can do about that," she says. "My brother has had it, has had the acne and skin conditions for eight years." She is told of the women at the conference who feel that birth defects were caused by Agent Orange.

"Oh really," she said, sympathetically. "I didn't know about that." There is a moment's sigh.

At the Agent Orange conference, a lawyer says, more sadly than disparagingly, "The POWs are an accident of history—a bunch of right-wing officers turned into heroes."

Meanwhile, in the Shoreham banquet room, where every military man turned in precision as the color guard filed past, there is a heady feeling that their time is now. Approving nods as Reagan's emissary, Lyn Nofziger, assures that "no longer is the United States backing off in places like El Salvador."

And yet, even here, there is still an edge of ambivalence, a remembrance of bad times past.

McManus says softly, "Who would want to send a child or her husband to any war?"●

UNITED STATES SHOULD REDUCE ITS SUPPORT FOR INTERNATIONAL DEVELOPMENT ASSOCIATION

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. EDWARDS of Oklahoma. Mr. Speaker, although I recently supported passage of the supplemental appropriations bill for the 1981 fiscal year, I did so with some reservations, which I think must be put on record, concerning the committee's recommendation to grant the supplemental request of $540 million for the sixth replenishment of the International Development Association, the so-called soft loan window of the World Bank. I make these concerns public now in the hope that the administration will reconsider its support for IDA in future appropriations.

Mr. Speaker, I am concerned that at a time when we are cutting back on domestic programs, and asking those served by these programs to sacrifice for the good of the country, we are going forward with a commitment of half a billion dollars for foreign aid.

The argument is frequently made that extending these loans to the world's underdeveloped countries helps promote a Western orientation in the recipient countries. I would like to believe that this argument is sound. But I find it less than compelling when I note that in fiscal year 1980, India—which is certainly not noted for any pronounced pro-Western stance—ranked first in the amount of IDA loans, receiving 40 percent of the total, more than the next nine countries received combined. Countries such as Egypt, Kenya, and Pakistan, which have been cited as being important to the United States because of security and defense arrangements, received far less than did India. I seriously question whether this kind of lending truly supports U.S. security interests.

A second argument in support of the IDA VI replenishment is that failure to appropriate the full U.S. share would abrogate an internationally negotiated commitment which the United States must honor. However, as former Treasury Secretary Michael Blumenthal has stated clearly, in testimony before the foreign operations subcommittee, the United States made it known in the replenishment negotiations on IDA VI that U.S. acceptance of the agreement was to be understood as preliminary and provisional. To quote Secretary Blumenthal on this point:

When we indicate a particular level of support we make it clear to the institution that this is not a commitment and that it will not be forthcoming unless the funds are not only authorized but also approved through the appropriations process of the Congress.

Mr. Speaker, I am not arguing against continued U.S. participation in IDA. But I do believe very strongly that a reduction in the level of U.S. support is warranted, particularly when we are asking our fellow Americans to tighten their belts in the interest of restoring fiscal health to our economy.●

INDUSTRY DOUBTS ACCELERATION OF OCS LEASING

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. MILLER of California. Mr. Speaker, for several years I have been warning that merely accelerating the leasing of offshore lands will not assure expedited production of oil and gas reserves from the Outer Continental Shelf (OCS). During consideration of the OCS Lands Act Amendments of 1978, when I served as a member of the Ad Hoc Select Committee on the Outer Continental Shelf, I frequently warned that excessively rapid leasing would deprive taxpayers of a fair return from the sale of these publicly owned resources. Moreover, I noted at that time, the oil industry admitted that it lacked the capacity to explore or develop substantial new areas of the OCS.

Several provisions of the 1978 law attempted to require an orderly leasing schedule, developed in consultation with affected State and local representatives, which would assure safe development, a fair return to the Treasury, adequate competition among oil company bidders, and diligent production on leases already sold. These provisions, which are in the law, were developed in response to several studies which showed that the proposed 10 million acre lease sale under the Nixon-Ford administration would have serious economic ramifications, all negative.

A 1974 report of the House Banking Committee noted:

The Department of the Interior has been unable to properly manage the current OCS leasing program, and will undoubtedly commit even greater disservices to the public interest under the accelerated leasing schedule * * *. A glut on the market of lease offerings will reduce competition because of a limited amount of capital available for bidding purposes * * *. Offering more tracts will decrease the average number of bids per tract. A positive correlation exists between the number of bids per tract and the level of the winning bid.

A 1975 report of the national ocean policy study staff concluded that:

Evidence from 1973 and 1974 lease sales shows that competition has declined as acreage offered has increased and suggests that the proposed accelerated leasing program may lead to a significant reduction the public receives for its resources.

The General Accounting Office made similar observations in 1975 and 1977:

Increases in shelf sales size and frequency in 1974 have caused workload problems resulting in an abbreviated valuation program and which have also lessened the Government's ability to insure a fair market return on lease offers—

GAO reported in 1975.

Because of large lease offers, competition is weakened.

In commenting on proposed lease sale 40 in 1977, GAO noted:

Much of area that is considered for lease is not even examined and tracts are included in sales *despite their apparent low promise of resources. We believe this policy encourages speculation in bidding, can result in tying up limited industry capital in lands with little or no minimal resources, and bring into question the public's right to receive a fair market value.* [Emphasis added].

I want to note to the Congress that this situation—the leasing of vast amounts of unknown and low value lands, with the resultant loss of fair market value returns for taxpayers—is precisely the situation in the controversial California lease sale which was held earlier this week despite legal actions to prevent its occurrence. The Interior Department was either unaware of these past studies, and the long legislative history behind the 1978 OCS Act, or is simply choosing to ignore the facts. Either way, the taxpayers are going to be severely injured.

Perhaps Secretary Watt believes that these past studies were biased against industry. I suggest he allow industry to speak for itself in that case. In questioning before the Commerce Committee in 1974, the president of Gulf Global Exploration acknowledged that tying up industry capital in front end bonuses, as the Interior Department wants to do, could actually delay exploration and development:

It would be a drain on the financial capability of the oil industry to develop that many leases if we continue to put a lot of this money into lease bonuses * * *. *Most likely, the price of the leases will go down as more leases become available.* [Emphasis added].

We have heard industry again raise concerns about the unavailability of drilling equipment, capital, and manpower among exploration and production companies. The Reagan administration's proposed accelerated leasing program, which dwarfs that of Presi-

dent Nixon, is apparently causing more consternation than glee among some companies who recognize that the overextended sale of land will not expedite oil and gas production.

I would like to submit an article on this subject, "No Bonanza in Offshore Oil," which appeared in the June 8, 1981, edition of Business Week:

[From Business Week, June 8, 1981]

ENERGY—NO BONANZA IN OFFSHORE OIL

A major element of President Reagan's energy policy—a speedup in the leasing of federal offshore areas for oil and gas exploration—is running into opposition from an unlikely quarter. Some of the nation's largest oil companies are questioning whether they have the manpower, equipment, and money to cope with an accelerated pace of lease sales.

"Drastic changes [in leasing schedules] can upset the capital, equipment, and manpower planning efforts of many firms, including our own," says E. F. Livaudais, Washington representative for Atlantic Richfield Co. ARCO and a handful of other major oil companies have told the Administration that they are quite content with the old leasing schedule set out by the Carter Administration. "Our resources would be used more efficiently if the previous schedule were left intact," says Michael J. Savage, president of Sohio Petroleum Co., a subsidiary of Standard Oil Co. (Ohio), Alaska's No. 1 oil producer. "We may not have the manpower to cope," he adds.

The leases in question involve tracts on the Outer Continental Shelf (OCS), an area of some 900 million acres off the coasts of the U.S. (including Alaska) said by the U.S. Geological Survey to contain 17 billion to 44 billion bbl. of oil and 117 trillion to 231 trillion cu. ft. of natural gas. To date, 96 percent of all the oil and gas produced from the OCS has come from the Gulf of Mexico, a region the industry terms "mature," or unlikely to contain major new reservoirs. And for seven years, offshore oil production from federal lands has been falling.

Despite the doubts raised by these factors, oil and gas producers have been protesting bitterly for several years that so-called frontier areas, principally off the coast of Alaska, have been withheld from leasing for exploration and production. The producers have also been frustrated by frequent delays in lease sales in other areas through the 1970s, as environmentalists mounted challenge after challenge to government leasing plans.

FASTER SCHEDULE

This year, as in the past, the government will select OCS tracts, determine their fair market value, and then put them up for bids at auctions. In 1980 the process resulted in the sale of about 1.1 million acres of the 2.6 million acres offered. Now, Interior Secretary James G. Watt has proposed a five-year plan that, beginning in 1982, would allow producers themselves to evaluate and make bids on tracts selected from as much as 200 million acres annually.

Most significantly, the proposed Administration schedule includes six more offshore Alaska sales than were included in the 1980 schedule proposed by Carter's Interior Secretary, Cecil D. Andrus. Two Alaska sales, one each in the Bering and Beaufort seas, have been moved ahead a full year under Watt's plan in response to industry claims that the areas hold more potential for the discovery of large hydrocarbon deposits than do any other offshore regions.

Watt also is proposing a cut in the time set for lease-sale preparations, mainly by requiring basin-wide environmental studies, rather than the tract-by-tract evaluations that have been performed in the past. And oil executives generally applaud the presale changes, noting that sales outside the Gulf of Mexico in the 1970s were delayed an average of 12 to 15 months while environmental information was gathered. Says Douglas G. Garrott, operations manager for Exxon Co. USA's exploration department: "The sooner we know what's up there [in the frontier areas], the better off we are."

EXPERTISE IN SHORT SUPPLY

But the glee is not universal, and the oil companies that question the wisdom of the speedup are not the only ones concerned that Watt's leasing goals may be unattainable. Analysts predict a shortage of tubular steel products used in drilling could develop by the end of this year, even before the Reagan Administration's leasing program could begin. And all but the largest oil companies are faced with critical shortages of experienced geologists who determine where exploratory wells should be drilled. That expertise is crucial; drilling costs in the frontier areas of Alaska can run up to $25 million for a 15,000-ft.-deep well.

The oil industry already has paid $1.1 billion for the right to drill in the Baltimore Canyon off New Jersey, and has yet to fine enough oil or gas to warrant commercial development. Thus, it is no wonder that "there are those who are panic-stricken" by the prospect of an even faster drilling pace, says Henry A. Hill, Conoco Inc.'s marine region operations manager and an advocate of Watt's plan.

There also are those who say the oil industry has been slow to develop properties it has purchased. Energy Action, a consumer group based in Washington, claims the nation's top 20 oil companies increased their undeveloped land holdings by 48 million acres, or 43 percent, between 1976 and 1980, while the amount of developed lands they hold rose by only 682,000 acres, or 2.5 percent, in the period. "The findings clearly demonstrate that the major oil companies, not the federal government, have been locking up lands in order to cash in on higher oil and gas prices in the future," says Energy Action Director Edwin Rothschild. The oil companies, he adds, "simply can't handle the land they've got now." And he asks: "Should we expect more production from [the oil companies] simply because the federal government is willing to put up 200 million acres a year of offshore property for lease?"

But the complaints about accelerated leasing so far have carried little weight at the Interior Dept. Watt says he is committed to "using the market mechanism rather than arbitrary government decisions" to determine the number of sales and the amount of acreage put up for bids, and to further define the nation's offshore oil and gas resources. Observers say that that approach may preclude all but the six or seven largest oil companies from operating alone in the most costly offshore areas, principally the basins off Alaska. Watt himself has said he does not think "the best interests of the nation would be served" by allowing smaller producers to enter the offshore sweepstakes by using bidding methods other than the straight, up-front bonus system that traditionally has favored major companies.

"It's beyond my belief that anyone in the industry would argue against an acceleration after all the delays of the past five years," says R. H. Nanz, exploration vice-president in Shell Oil Co.'s western operations. Adds Exxon's Garrott: "If you can't compete, get off the track."

A LITTLE SIMPLISTIC

But some oil executives do concede privately that the Reagan Administration's statements that added oil and gas production may result from stepped-up leasing has caused them to worry. "Some of the 'production, production, production' talk is a little simplistic," says one executive. Indeed, despite a frantic drilling pace both on and offshore since 1973, reserves of domestic oil have been falling, dropping to 27.1 billion bbl. in 1979, the most recent year for which figures are available, from 35.3 billion bbl. in 1973.

In federal offshore tracts, production of oil fell to 389.4 million bbl. in 1979 from 589.6 million bbl. in 1973. U.S. Geological Survey spokesmen say 1980 figures now being compiled will show another drop. Industry representatives note that even if substantial deposits of hydrocarbons are found in promising offshore areas, production probably could not begin before the mid-1990s.

Other, more pessimistic, forecasters say opening more territory for drilling may only demonstrate the need to develop nonoil energy sources. Says one consultant: "The myth that we can produce our way out of the supply crunch by freeing federal lands will be destroyed." But others say drilling is necessary, if only to find out exactly what the OCS has to offer. Says Richard Nehring, an analyst at Rand Corp.: "It seems prudent from the nation's viewpoint to find out what the extent of our hydrocarbon base is as quickly as possible."

Mr. Speaker, if Secretary Watt's accelerated leasing of the OCS will not simultaneously accelerate the exploration of production of domestic oil and gas, and if it will result in less than fair market value for the taxpayers who own this oil and gas, we must ask why the Secretary insists on proceeding in such a capricious and counterproductive manner. Neither the industry nor the taxpayers will truly benefit from this unrealistic program. The reason, if there is a sound one, escapes not only me, but the experts in the industry.

The decision to proceed with the highly controversial sale off California this week illustrated another serious shortcoming in Mr. Watt's approach to management of the OCS. He chided Governor Brown for parochialism in opposing the lease sale.

Yet Mr. Watt failed to note that virtually every elected official in California, from both parties, in Federal and State office, opposed this lease sale. The legislature approved AJR 19, which memorialized the Secretary to follow Secretary Andrus' pledge with withhold leasing from the four environmentally sensitive tracts, and to focus attention upon those offshore areas with the highest reserve potential.

Mr. Watt's intransigence might be understandable if it were only a choice between the environment and energy

needs. But it is not. The California tracts will produce a miniscule amount of oil and gas.

Mr. Watt's intransigence might be supportable if we had run out of produceable lands already under lease. But we have not. In fact, only 6 percent of the already leased OCS lands are in production.

Mr. Watt's intransigence might be understandable if accelerated leasing would expedite offshore oil development. But given capital, manpower, and equipment limitations, most of the newly leased land will lay idle, like 96 percent of the currently leased land.

And let us not forget that the acres which are leased but not produced do have a significant financial impact on the taxpayer, because they drive down the peracre bid, and result in a tremendous loss to the Treasury and the taxpayer.

Mr. Watt's decisions are based on the fiction that more leasing means more oil; it does not. It means more concentration in the oil industry, losses to taxpayers, long years of litigation, and in general, irresponsible management of the Nation's resources. The Congress has spoken out forcefully on the appropriate way to manage offshore lands. The Secretary has the obligation to follow that mandate.●

POLETOWN MOVE SUPPORTED

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. FORD of Michigan. Mr. Speaker, on Monday, June 1 the Washington Post printed a front page story about General Motors' efforts to locate a new assembly plant in Detroit. Unfortunately, the story provided a badly distorted view of GM's social responsibility and sensitivity, the attitude of Detroiters toward the new plant, and the effect of the plant on the community in which it will be located.

The story portrays GM as an invader, heartlessly destroying a small ethnic community and driving families from their homes and churches. In fact, General Motors' decision to build its new plant in the heart of Detroit's inner city was eagerly sought after by the city of Detroit, was applauded by the Catholic Church and the UAW, and is supported by the vast majority of Detroit's citizens. Far from being an invader, General Motors has had its world headquarters here for decades, and its new plant will house operations currently performed at another Detroit plant. The area chosen for the plantsite was not a thriving community; city officials selected the area precisely because it was sparsely populated, economically distressed, and formerly supported Chrysler's Dodge main plant, the closing of which last year cost the city 5,000 jobs.

Most residents of Poletown have supported the city's actions: 90 percent of the affected property owners sold their properties voluntarily. As the Post story related, most Poletowners had been anxious to leave the area for some time and were delighted with the city's compensation packages, which have been quite generous. I sympathize with those few residents who have resisted relocation, but to focus on their situation to the exclusion of the enormous good the GM project will do for Detroit and its people does everyone a disservice.

Two hundred and sixty-seven thousand people in the Detroit metropolitan area are currently unemployed. The city has seen a steady erosion of its tax base for more than a decade as hundreds of manufacturing plants have shutdown or relocated to the suburbs, other cities and other States. The ripple effect of plant closing has been well-documented. Depending on the industry, each manufacturing job lost in a community leads to the loss of one to three jobs in the retail and service sectors. The effects of this outmigration on the city's finances and services—and ultimately, on the quality of life of all of its citizens—have been harsh and obvious.

General Motors' decision to locate its new plant in the city is, thus, an extremely important reversal of a disastrous trend. It is no exaggeration to say that the new plant, which will employ between 3,000 and 6,000 people, is the most positive economic development for Detroit in 30 years. Coming in the wake of the Dodge Main closing and the recent Uniroyal tire plant shutdown, the new GM plant could hardly be more welcome or more desperately needed.

I personally feel compelled to correct the Post story's misimpressions and its implicit criticism of General Motors because for many years I have criticized GM and other corporations for their irresponsibility in dealing with the problems of economic dislocation. All too often when faced with the prospect of replacing aging facilities, American corporations have cavalierly abandoned the communities and the workers that have contributed to the business' success and profits in favor of rural areas where land is cheap and unencumbered by the restrictions of an urban environment or in favor of lower wage, lower tax areas and union-free environments. As a result, cities such as Detroit, New York, Cleveland, Buffalo, and St. Louis have seen their manufacturing base bleed away as their major manufacturers have expanded elsewhere and have gradually phased out their urban operations. Nearly all of the transportation industry plant closings in the past decade have occurred in Northern cities, while nearly all of the plant openings and expansions have occurred in the South, predominantly in rural areas.

Faced with the prospect of squeezing a modern manufacturing facility onto the site of an ancient seven-story factory located in a blighted inner-city neighborhood in a city whose finances are shaky, and in a State whose business climate has been unfavorably rated by the self-appointed experts on such matters, GM might have been expected to follow Nissan Motors to Tennessee or to choose a great empty tract of land near Houston. Instead, GM's management factored in their corporate responsibility for the future of their headquarters city and its people and made a decision that should be lauded by the media and emulated by the rest of corporate America.●

THE HAMILTON-VINTON METHOD OF REAPPORTIONMENT

HON. FLOYD J. FITHIAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. FITHIAN. Mr. Speaker, I rise to speak to H.R. 1990, a bill to reform the equal proportion method of apportionment presently in use to the more impartial Hamilton-Vinton method. Of the several methods of apportionment, I favor the Hamilton-Vinton method because of its impartiality, simplicity, and equity.

The method of equal proportion has denied several larger States equal representation, has ignored the ideal of one man, one vote, and has proved to be unduly complicated. Of the several alternative methods, the Hamilton-Vinton system is the most desirable.

I am pleased to submit for your examination a report explaining the importance and virtues of the Hamilton-Vinton method and the resulting necessity of the passage of H.R. 1990. This well researched and analytical report is entitled "Changing the House of Representatives Apportionment Formula from the Method of Equal Proportions to the Method of Hamilton-Vinton: A Justification." The report explains the Hamilton-Vinton method, as well as comparing it to the alternative methods of equal proportions, major fractions, and harmonic mean.

I am pleased to bring this excellent report to the attention of my colleagues and reprint the study in the CONGRESSIONAL RECORD:

CHANGING THE HOUSE OF REPRESENTATIVES APPORTIONMENT FORMULA FROM THE METHOD OF EQUAL PROPORTIONS TO THE METHOD OF HAMILTON AND VINTON: A JUSTIFICATION

For nearly forty years the assumptions of "fairness" justifying the current method of apportioning the House of Representatives have not been seriously challenged. In 1980, however, two mathematicians, M. L. Balinski and H. P. Young wrote in a Washington Post article that the method of equal proportion has "cheated the larger States, given undue representation to the smaller ones, and violated both the Supreme Court's one-man, one vote rule and the intent of the founding fathers."[1]

In addition to the charges of Messrs. Balinski and Young, an additional charge has been made against the method of equal proportions. It is unnecessarily complicated. The Congress does not need a formula that assigns seats in Congress on the basis of the geometric means of successive numbers.[2]

H.R. 1990 proposes a method of apportionment that was first proposed by Alexander Hamilton and whose chief sponsor in Congress was Samual F. Vinton (Whig, Ohio). This method, known today as Hamilton-Vinton, was used in various forms from 1850 to 1900. It is a method that is intuitively understandable, honors the concept of "quota" better than any other, is neutral in its impact on any group of States, and as much as any other imperfect apportionment method, meets the goal of "one person, one vote." Hamilton-Vinton better meets the needs of the Congress than any of its more modern competitors.

THE METHOD OF HAMILTON AND VINTON IS INTUITIVELY UNDERSTANDABLE

Reapportionment by Hamilton-Vinton is based on simple long division. Specifically in 1981, the U.S. apportionment population (U.S. population minus the District of Columbia) is divided by 435. The resulting quotient, 519,234 persons, is the "ideal" size congressional district in 1981. States with fewer than 519,234 persons receive a seat because the Constitution requires each State to have at least one House seat. Each State's population is then divided by 519,234. In most cases this results in a whole number and a fraction (such as 2.628). Each State receives the whole number of seats to which it is entitled and those States with the longer fractions get seats until the fixed House size (435) is reached.

The method of Hamilton-Vinton could be described as the method of largest fractions because it does not, as some people believe, give only those States over one half an additional seat. For example, if every State in 1981 is given a seat for a fraction larger than one half, the House will have 438 Members. In order to adjust the House size downward, the States with the smallest fractions over one half will lose seats until 435 seats are assigned. In some apportionment fewer than 435 seats are assigned if only fractions above a half are given seats. In these cases, the States with the largest fractions below a half will get seats until 435 is reached.

THE METHOD OF HAMILTON AND VINTON HONORS "QUOTA" MORE THAN ANY OTHER

Quota is important because it is a measure of fairness that is generally accepted. Should the States of California and Indiana with "quotas" of 45.584 and 10.574 respectively, receive the lower number of 45 and 10 seats, when the States of New Mexico and Montana get the higher number of 3 and 2 seats with "quotas" of 2.504 and 1.516? Simple logic would say no, but this is what happened in 1981.

The proponents of the method of equal proportions believe that it is acceptable for States with smaller quotas to take seats from States with larger quotas if it can be shown that proportionally the States with the smaller absolute quotas will be underrepresented in relation to the States with the larger absolute quotas.

In 1981 it works in this way. If New Mexico gets three seats, the average size congressional district in the State will be 433,323. Indiana's average with 10 seats will be 549,018. Expressed as a proportion, Indiana's average size district is 27 percent larger than New Mexico's average district. If, however, New Mexico's third seat is given to Indiana to make the assignment 11 and 2, then New Mexico's average size district becomes 649,984 and Indiana's 499,107. New Mexico's average size district then would be 30 percent larger than Indiana's.

Based on this comparison, the method of equal porportions gives New Mexico 3 seats and Indiana 10 because the proportional difference is greater (30 percent v. 27 percent) than if New Mexico gets 2 and Indiana 11. A similar relationship can be shown between California and Montana.

Proponents of Hamilton-Vinton contend that honoring true quota is more important than proportional differences. No other method (including other methods such as the method of harmonic mean, greatest divisors, and smallest divisors) better honors the concept of quota than Hamilton-Vinton.

THE METHOD OF HAMILTON AND VINTON IS NEUTRAL IN IMPACT ON VARIOUS GROUPS OF STATES

Officials at the Census Bureau and H.P. Young agree the Hamilton-Vinton is neutral in its impact on various groups of States.

Balinkski and Young contend that equal proportions is biased in favor of small States at the expense of large States. On an average, they say, small States are favored at a rate of 3.4 percent over time. Their measure of bias for 1980 shows that small States were favored at a rate of 7 percent.[3]

Their conclusions contradict a study conducted by the National Academy of Sciences in 1929, that concluded that equal proportions "occupies mathematically a neutral position with respect to emphasis on larger or smaller States."[4]

A comparison between assignments of seats by the method of equal proportions and the method of Hamilton-Vinton for the years 1960, 1970, and 1980, shows that States receiving seats under Hamilton-Vinton apportionments are larger than the States receiving seats under apportionments using the method of equal proportions.

TABLE 1.—COMPARISON OF ASSIGNMENTS OF SEATS TO STATES USING APPORTIONMENT METHODS OF EQUAL PROPORTIONS AND HAMILTON-VINTON 1960–1981[1]

State	Assignment by method of—		State "quota" of Representatives
	Equal proportions	Hamilton-Vinton	
1960:			
Illinois	24	25	24.559
Pennsylvania	27	28	27.576
Hawaii	2	1	1.542
New Hampshire	2	1	1.470
1970:			
Connecticut	6	7	6.51
Oregon	4	5	4.501
Montana	2	1	1.496
South Dakota	2	1	1.44
1980:			
California	45	46	45.584
Indiana	10	11	10.574
Montana	2	1	1.516
New Mexico	3	2	2.504

[1] The table shows only the States where there was a difference in assignment between the two formulas. A prospective analysis, based on population projections prepared by the Census Bureau in 1978, shows that Michigan with a quota of 17.62 would lose a seat to Nevada with a quota of 1.44 in 1990, and Ohio with a quota of 18.54 would lose a seat to Arkansas with a quota of 4.51 in 2000. These Census Bureau projections, Illustrate Projections of State Populations by Age, Race, and Sex: 1975 to 2000, Current Population Reports Series P–25. No 796, series II-c, should be considered illustrative not "actual." Similar Census projections have proven inaccurate in the past.

AS MUCH AS ANY OTHER IMPERFECT APPORTIONMENT METHOD, THE METHOD OF HAMILTON AND VINTON MEETS THE SUPREME COURT GOAL OF ONE PERSON, ONE VOTE

Since the"reapportionment revolution" of the 1960's congressional districts have been nearly equal in population within States. If congressional district boundaries could cross State lines, there would be no apportionment problem. All districts would be approximately equal (519,234 persons in 1981). Since this solution is not possible under the Constitution, any apportionment method will result in unequal district populations among the States.

Recognizing the practical impossibility of equalizing districts among the States, which method best meets the "spirit" of one person, one vote?

Proponents of equal proportions argue that "proportional differences" in the average district sizes among the States should be the primary criteria for judgment.

It is argued that a smaller State is "hurt" much more by taking a seat and giving it to a larger State than the other way around. A greater proportion of that State's population will be underrepresented in the House than if the larger State loses a seat to the smaller one.

The method of Hamilton-Vinton compares the absolute number of people who are "missrepresented" rather than the proportion of a State's population "misrepresented." For example, in 1981, the total number of persons who would be "underrepresented" or "remainders" if the whole number is assigned and the fractions are rejected is

[1] Balinski, M. L. and H. P. Young. When House Seats Shift, Fractions Count. Washington Post, November 30, 1980. p. D5. Balinski and Young have also published articles in mathematical and political journals advocating a change in the apportionment formula.

[2] The method of equal proportions assigns seats in the House by the following comparison. "State A deserves an additional representative when its population divided by the geometric mean of its present assignment of representatives and of its next higher assignment, is greater than the population of any other State divided by the geometric mean of the assignment to such other State and its next higher assignment." Lawrence F. Schmeckebier. Congressional Apportionment. Washington, The Brookings Institution, 1941. p. 5.

[3] Described in a meeting with Congressional Staff by H.P. Young held at the Library of Congress January 9, 1981.

[4] U.S. Congress. Committee on Post Office and Civil Service. Subcommittee on Census and Statistics. The Decennial Population Census and Congressional Apportionment. Appendix C. Report of the National Academy of Sciences Committee on Apportionment. Report No. 91-1314., 91st Cong., 1st Sess., July 20, 1970. Washington, U.S. Govt. Print. Off., 1970. p. 21.

This study was conducted before modern computing machines were invented. The National Academy Committee apparently was unable to test its conclusions about "neutrality" of equal proportions apportionments.

shown in Table II for California, Indiana, Montana, and New Mexico.

TABLE II.—NUMBER OF PERSONS "UNDERREPRESENTED" OR "REMAINDERS" RESULTING FROM REJECTING THE "FRACTIONS" OF QUOTA AND ASSIGNING THE LOWER WHOLE NUMBER OF REPRESENTATIVES IN 1981

State	Quota	Persons included in the "fractions" or "remainders" if the fractions are rejected in the apportionment
California	45.584	If 45 seats are assigned 303,233 are in the "remainder."
Indiana	10.574	If 10 seats are assigned 298,040 are in the "remainder."
Montana	1.516	If 1 seat is assigned 267,925 are in the "remainder."
New Mexico	2.504	If 2 seats are assigned 261,694 are in the "remainder."

The absolute number of people who are underrepresented is reduced if the larger fractions are rounded up and the smaller fractions are rounded down.

As described above, rounding Montana's and New Mexico's fractions up and California and Indiana's down means a smaller proportion of those State's populations will be underrepresented than the reversal.

Members of Congress represent people, not proportions of State populations. The method of Hamilton-Vinton comes closer to the ideal of "one person, one vote," than equal proportions.[5]

THE METHOD OF HAMILTON AND VINTON BETTER MEETS THE NEEDS OF CONGRESS THAN ANY OF ITS MODERN COMPETITORS

The fundamental argument against the Hamilton-Vinton method of apportionment is that it is subject to the "Alabama" and "population" paradoxes.

The Alabama paradox was discovered in 1880 when Alabama lost a seat when the House was increased in size from 299 to 300. This paradox, in which a State may lose representation for no other reason than the House size is increased, is not an issue in 1980. The size of the House is not increasing.

In fact, the House size has remained fixed at 435 since 1911 (except for the years 1959 to 1962 when the House was temporarily increased in size to 437 to accommodate the admission of Alaska and Hawaii). As long as the House size remains fixed, there will be no Alabama paradox.

The "population paradox" has been variously described, but in its modern form (with a fixed size house) it works in this way: It is theoretically possible that if two States are gaining population from one census to the next, State "A" which is gaining population at a rate faster than State "B" may lose a seat to State "B." This paradox happens very rarely in actual apportionments, but data can be "cooked" by statisticians to demonstrate it.

The major apportionment formula alternatives to Hamilton-Vinton, equal proportions, major fractions, and harmonic mean, were developed to eliminate the possibility of the Alabama paradox. They also are not subject to the population paradox.

Each of the methods other than Hamilton-Vinton have flaws. Equal proportions and harmonic mean are unnecessarily difficult to understand. Equal proportions is biased toward small States. Harmonic mean and major fractions are biased toward small States, but to a lesser degree than equal proportions. All these "modern" methods violate "quota" more often than Hamilton-Vinton.

The major fairness argument against Hamilton-Vinton, the Alabama paradox, will never be an issue so long as the House size remains fixed. The population paradox will occur very rarely, and may never happen. The virtues of easy understandability, honoring quota, unbiased impact on groups of States, and meeting the goal of "one person, one vote," are compelling fairness arguments for changing the apportionment formula from equal proportions to the method Hamilton and Vinton.●

[5] Another method, the method of harmonic mean, equalizes the average size of congressional districts among the States. In 1981, there would be no difference in the apportionment between equal proportions and harmonic mean.

DAN ROSTENKOWSKI

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. MOAKLEY. Mr. Speaker, this morning's New York Times has an excellent article on DAN ROSTENKOWSKI's contributions to the tax legislation which I want to share with my colleagues. DANNY has been working feverishly to put together a tax package that can pass the House and which will bolster the economy. Those of us who feel that the Kemp-Roth plan will lead us down the road to ruin are waiting for an alternative which we can support. DANNY is one of the most skillful negotiators in this body and I am confident that the tax plan which is reported out of his committee will be the best package offered to us. As he says, "I never start a fight that I don't fight to win."

The article follows:

ROSTENKOWSKI: TAX PRAGMATIST

(By Hedrick Smith)

WASHINGTON.—Representative Dan Rostenkowski is a big, broad-shouldered, gregarious politician from the school of Chicago's late Mayor Richard J. Daley. In his youth, he had a chance to play big league baseball but chose politics instead. Like most athletes and politicians, he is often fired by the will to win, but never more than now.

With the special pride of a new chairman of the House Ways and Means Committee who has long had an eye on becoming Speaker of the House of Representatives and with Democrats still smarting from the humbling defeat they suffered on the 1982 budget, Mr. Rostenkowski has turned every effort to finding a formula for victory on tax legislation.

Characteristically direct, he told the Democrats on the Ways and Means Committee yesterday, "I never start a fight that I don't fight to win." Shrewdly, he has taken his time gauging friends and foes before putting his personal stake today on a composite two-year tax bill.

For weeks he has cast himself as the man in the middle on tax legislation, tugged one way by President Reagan and conservative Democrats, tugged the other way by his good friend, House Speaker Thomas P. O'Neill Jr. and the liberal Democrats. When Mr. O'Neill complained on Monday that the three-year, 25 percent individual income tax cut discussed by President Reagan was "a lemon" and "a windfall for the rich," Mr. Rostenkowski kept open the door to compromise with the Administration.

For his political predicament personifies the dilemma of the House Democrats today. How could he strike a deal with a popular conservative Republican President without going too far in giving up Democratic principles and the traditional Democratic constituency or, if no deal could be made, how could he fashion an alternative attractive enough to prevent such major defections to the President that the Democrats would look like a shattered party in their last major stronghold, the House of Representatives?

From the outset, the political arithmetic has been difficult for Mr. Rostenkowski and the House Democratic leadership. For more than two weeks, knowledgeable Democrats have said that if President Reagan could hold the 190 House Republicans in line for his original proposal for a 30 percent, three-year-cut—or for a 25 percent fallback plan put forward by conservative Democrats, the President could pick up 30 Democratic votes enough to win a tax vote.

"Danny's problem," said another senior House Democrat, "has been—do you want to join a winning combination with the President or is the price the Administration is asked too high and you'd rather offer a Democratic alternative that you probably don't have the votes to pass."

Some liberal Democrats like Mr. O'Neill, Representative Richard Bolling of Missouri, House Rules Committee chairman, and Representative Thomas J. Downey of Long Island, urged a Democratic alternative that drew a sharp distinction with President Reagan by sticking to a one-year tax cut aimed at stimulating business investment and tilted to favor low-to-middle-income brackets.

OPPOSED DEMOCRATIC ALAMO

But Mr. Rostenkowski's aides said he was opposed to staging "a Democratic Alamo" and suffering another shattering defeat. He preferred to mold a consensus package to lure back some of the conservative Democrats being so ardently wooed by the White House. As a veteran of 11 terms in the House, he met early yesterday with 11 members of the conservative Democratic faction before going to work with his committee and the whole House Democratic caucus today for a two-year bill.

"He wants a bill he can take from the committee and take to the floor and win," said one Rostenkowski aide.

"He's met the White House exactly halfway," commented Jim Wright of Texas, the House Majority leader. "Not a one-year bill or a three-year bill, but a two-year bill. The 15 percent rate cut he's announced is half of what the President originally wanted," he said, and it will save $60 or $70 billion in budget deficits by leaving off the third-year tax cut."

To some Democrats like Richard A. Gephardt of Missouri and James R. Jones of Oklahoma, the Democratic tax package helps Democrats advance a fresh political argument on economic policy, namely that they are no longer the party of big spending but the party of fiscal prudence intent on reducing Federal deficits, while Mr. Reagan's economic policies threaten big inflationary deficits.

Although Mr. Rostenkowski has occasionally touched on such themes, he seems to think more in terms of forging a winning

consensus with pragmatic appeals to all segments of the faction-splintered 242 House Democrats. "This is a pretty pragmatic piece of legislation," said a Rostenkowski aide. "There's less tax philosophy to it than political realism."

Winning and losing, or at least making a strong showing, has personal as well as party implications for Mr. Rostenkowski. Although he shies away from any discussion of long-term ambitions to become Speaker, other Democrats say privately that his handling of this tax bill is being watched by others and will undoubtedly have a bearing on any hopes for leadership positions.

Had he not had a tiff with former Speaker Carl B. Albert, at the Democratic convention in 1968, Mr. Rostenkowski might be Speaker today. Last December, he passed up a chance to become House whip, and put himself on the ladder to the Speaker's post, to take his current job as Ways and Means Committee chairman.

According to friends, he did that primarily at the urging of Mr. O'Neill and Mr. Wright. "He and Tip are two of a kind—experienced, Catholic, ethnic politicians from big cities," said an aide to Mr. O'Neill. "They play golf together. They vacation together with their wives. They're good friends."

REAGAN'S STYLE PRAISED

Ideologically, Mr. Rostenkowski is more conservative than Mr. O'Neill, an old-fashioned New Deal liberal. He has a reputation for liking and getting along with political adversaries like Barber B. Conable Jr., the upstate New York Republican, or Treasury Secretary Donald T. Regan. Publicly, he has praised President Reagan's style in the White House.

Pragmatism, realism and consensus are hallmarks of the 53-year-old Chicago veteran. A Democrat who has watched him closely calls him "an old wolf among the French poodles," meaning that he practices the give-and-take reward and punishment style of traditional big-city machine politics among the newer breed of young, independent and publicity minded suburban Democrats.

"Rosty's a behind-the-scenes guy," observed Representative Morris K. Udall, the Arizona liberal. "He's practical. He's not flashy publicly, but he'll work hard to find a way through the thicket. You don't see him on TV shows or making speeches. He's a worker."

"He's a very tactile politician," said another. "He moves in close, uses his hands—to gesture, to put a hand on a shoulder. He makes it very personal."

Others, across the spectrum, praise his patience in drawing them into consensus. "He gets everyone involved—in shirtsleeves," observed Mr. Gephardt. "He makes it very collegial. He's strong on saying, let's talk it out. Let's communicate and let's not have any surprises," he added. "He's very strong on keeping your word."●

FALLACIES OF THE SUPPLY-SIDE SOLUTION

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. BARNES. Mr. Speaker, President Reagan's tax proposals have started a national debate on what kind of tax cuts and savings incentives the country really needs. We need to work to insure public understanding of the choices which confront Congress and the administration, so that decisions can be made with public support that goes beyond simply requests to "support the President all the way."

One of my constituents, Dr. Roy Lindgren, of Rockville, Md., has made a constructive effort to contribute to debate on the tax cut issue. He has analyzed some of the arguments behind the drive for massive across-the-board tax cuts and pointed out quite clearly what the fallacies are.

I submit his excellent analysis, "Supply-Side Solution," for the information of my colleagues as we begin the difficult task of finding some intelligent consensus on tax legislation this year.

SUPPLY-SIDE SOLUTION

The supply siders don't seem to have turned many people into believers during the first round of discussions. Admittedly, the theory that upper and middle income taxpayers will channel their proposed tax savings into the kinds of investments which will create jobs and produce goods and services does seem to fly in the face of logic and reality.

For starters, most wealthy taxpayers have their incomes well shielded in the myriad of tax shelters established by a benevolent Congress over the years. I once suggested to a wealthy friend that he donate some land to carry out a worthy project since he could then take the donation as a tax deduction. He patiently explained to me that this would not be something he could really consider doing because he paid no income taxes at all. Just suppose, however, that this "taxpayer" did decide to invest his tax cut money in something other than some more tax shelters. When the prime rate was rising he would probably be into money market. When the prime topped out he would shift to T bill futures. Et cetera. It is possible, then, that he might pay more income taxes after the tax rate is cut but let's not automatically assume that his investments would be the kinds that create jobs or produce more goods.

It's all academic, in any event, because there aren't enough wealthy people in the country to prime the economy pump even if they were all inclined to pitch in and help. Our only hope is to somehow induce middle income taxpayers by the tens of millions to provide the billions in capital needed to put the economy into high gear and keep it there. But, again, a tax cut by itself will not make it happen. For example, take someone earning $40,000 a year and in the 37% tax bracket. Paid about $7800 in Federal income taxes last year. Gets a tax cut of $780 a year—fifteen dollars a week if this taxpayer is on a payroll deduction plan. Hardly enough to rush out and buy a new car and help put a laid-off autoworker back on the job. The only way this trickle of money from an individual taxpayer can ever help the economy is if it goes into a savings account where it can be pooled with the savings of others and then loaned to people who want to buy houses or cars and to entrepreneurs who create jobs and produce goods and services. And what are the chances of this happening? We already know the answer. Americans are just not oriented toward saving anymore. Why would it be otherwise when Congress has (1) hiked the inflation rate by decades of fiscal tomfoolery, (2) held down the interest rates on pass-book savings accounts, and then (3) taxed that interest as income. As a result of all this, the old faithful savings accounts of the 40's and 50's have become the "losing accounts" of the 70's and 80's. You deposit $1000 in a pass-book account for a year, collect the interest, pay taxes on the interest, and at the end of the year what you have left is worth maybe $930. Talk about inflation being caused by too many dollars chasing too few goods; if you are going to lose money by "saving" it, what else is there to do with your money except to go out and buy something—anything. This is not a form of inflation psychology as some economists would have you believe. It is simple, straightforward logic. Turn the situation around so it makes more sense to save than to spend and people will follow that logic.

The one tax change which would restore real incentives to our system and make supply side economics work would be to scrap the present counterproductive income tax laws and go to a simple gross income tax. Since this will be a long time coming, our best hope is to get from Congress right now a massive spending cut package, an accelerated depreciation package, and tax changes which will transform "losing accounts" back into savings accounts. Specifically, we need to eliminate all taxes on the first $2,000 in interest paid on pass-book savings accounts ($4,000 for married couples). Then, and only then, should any other tax cut even be considered.

We need to reestablish in this country a way to save that makes sense to the masses of people for whom certificates of deposit are either impractical or impossible. If we can get people by the tens of millions to start lining up at pass-book savings windows again, the results will be electrifying. Nothing could do more to stimulate the lagging auto and housing industries, which are stimulants, in turn, to so many other elements of the economy. Let's give it a try. We have nothing to lose but our stagflation.●

RESOLUTIONS OF THE AF ABN CONGRESS

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. GREEN. Mr. Speaker, I would like to submit for the RECORD the resolutions of the Congress of the American Friends of Anti-Bolshevik Bloc of Nations, Inc. (AF ABN).

The Congress was held at the Roosevelt Hotel in my district in New York City on May 2 and 3, 1981; 156 delegates from 23 national groups representing nations currently under Soviet domination participated. I was happy to attend a portion of this event last month, and hope my colleagues will find the AF ABN's thoughts on foreign policy objectives to be of interest.

AF ABN CONGRESS RESOLUTIONS

Whereas the Soviet Russian imperialism and colonialism—following in the footsteps and even exceeding tsarist Russia in brutality and ruthlessness—has subjugated a

whole range of countries—in Europe, Asia, Africa, and even in Latin America—and most recently—after Angola, Ethiopia, Southern Yemen, Mozambique, Vietnam, Cambodia, Laos—has invaded Afghanistan, thus demonstrating once again that it unchangeably strives for world domination:

Whereas the policy of co-existence, detente, and the NATO's efforts of keeping the balance of power in the world, have in fact been detrimental to the military balance and beneficial to the Bolshevist Russian empire and her further conquests in the Free World;

Whereas the continuation of detente policy would soon lead to the conquest of the oil-producting countries of the Near and Middle East and to the seizure of natural resources of Africa, thus denying them to the West and to the Far East, and thereby forcing the Free World to capitulate to the Bolshevik aggressors:

Whereas the military superiority in various aspects of the Communist Russian empire over NATO and the Free World seems to have been achieved, thus creating a real threat of thermonuclear annihilation;

Whereas the Communist Russian aggressors, taking advantage of this superiority, of new conquests, and the present geopolitical and strategic situation disadvantageous to the West, are brutally trying to destroy by Stalinist methods, the national liberation movements of the nations subjugated within the USSR, by mass arrests of patriots and human rights activists sentencing them to long and harsh terms of imprisonment in jails, concentration camps, phychiatric wards, and banishment to the Arctic regions, by pursuing a cruel policy of all-pervasive Russification, subversion, uprooting and destruction of national cultures of the subjugated nations, resorting also to murders of national liberation fighters and religious leaders;

Whereas the Russian Communist economic system after 60 years of harsh experimentation has proven to be a complete failure and produced man-made famine and starvation of the masses in the enslaved nations.

The Conference of the AF ABN resolves:

1. to appeal to the Governments of the USA and NATO member countries to end the unrealistic policy of detente and balance of power which has brought disastrous results for the interests of the West and the entire Free World, and instead to initiate a policy of liberation of the nations subjugated by Russian imperialism and Communism.

AF ABN expresses its firm conviction that the US Government under President Ronald Reagan will recognize the importance of the national liberation struggle of the nations subjugated by Russian imperialism and Communism for the survival of America and the Free World and will make every effort to implement the US Congress (86-90) Captive Nations Resolution of 1959, signed by President Eisenhower, and consequently will support the national liberation fight of Ukraine, Byelorussia, Lithuania, Latvia, Estonia, Georgia, Turkestan, Czechia, Slovakia, Albania, Armenia, Azerbaidjan, North Caucasus, Idel-Ural, Rumania, Hungary, Bulgaria, Croatia, Poland, Vietnam, Cambodia, Laos, Cuba and other nations subjugated by Russian imperialism and Communism for their national independence and human rights.

2. to appeal to the US Government to render every possible assistance to the heroic people of Afghanistan in their war of liberation against Moscow's aggression so as to bring about the expulsion of Russian occupation troops from Afghanistan, thus strengthening the national liberation struggle not only of the Islamic nations incarcerated in the USSR but also of all the nations subjugated by Bolshevism within the Soviet Union and in the so-called satellite countries who yearn for the downfall of the atheist Bolshevist empire and its dissolution into national independent democratic sovereign states, within their ethnographic boundaries.

3. AF ABN appeals for support to the forcefully divided nations, such as Germany and Korea, in their efforts at reunification in freedom and justice.

4. AF ABN supports the rightful demands of Japan to its territories seized by Russian imperialists in the aftermath of World War II.

5. AF ABN forcefully voices the opinion that the Helsinki Accords of 1975, being the only act passed after World War II recognizing the status quo of the Russian conquests, the integrity of the Russian empire and the inviolability of its frontiers, barring any intervention of the Free World on behalf of the nations subjugated by Russia, should be declared null and void, the more so as even the human rights provisions have not been honored by Moscow.

6. AF ABN commemorates the sad 40th anniversary of deportations of thousands of innocent people from the Baltic States and other territories occupied by Russia as a consequence of the Infamous Nazi-Soviet Pact.

7. AF ABN condemns the new Soviet Constitution which, under the terminology of a "sovereign Soviet people" posits the Russian nation as a super nation, where Russians are the masters who collectively support the chauvinist policies of unlimited Russian supremacy and pull down the subjugated nations to the level of slaves. AF ABN notes that the Soviet Constitution includes as a constitutional obligation, aggressive wars of the Russian empire under the mask of "an active all-round support of national liberation revolutionary movements and social revolutions" in the name of "proletarian internationalism."

8. AF ABN commemorates the 25th anniversary of the Hungarian Revolution and simultaneously condemns the bloody Russian suppression of the struggle for national independence of the Hungarian nation.

9. AF ABN condemns forced Russification and other forms of national oppression, which in effect amount to the destruction of the languages, cultures and traditions and finally to the genocide and annihilation of entire nations subjugated by Russia, carried out by the intermixing and resettling of national groups on a vast scale, forcible deportation of millions of people from their native countries, colonization by Russians of the territories of the enslaved nations; Russification is a crime against the universal culture of mankind, its barbarization because it is aimed at the destruction of the rich mosaic of national cultures which guarantees the progress and development of world culture.

10. AF ABN calls on the US government to demand the implementation of the UN resolution on decolonization, in view of the fact that the last remaining empire, the Russian empire under the form of the USSR, continue to maintain its imperio-colonial system trampling over the Resolution "on the granting of independence" to the nations subjugated by it.

11. AF ABN calls upon the US Government and all free nations to develop a wide psychological and political campaign in favor of the freedom and independence aspirations of the Captive Nations against Russian Bolshevist imperialism and Communist tyranny, to stop all economic and technical aid to the Communist states, and instead to support national liberation movements of the subjugated nations, potential allies of the West, who are trying to break up the Russian empire from within, thus presenting a possible alternative to the nuclear war.

12. The AF ABN appeals to the US Government and the Free World public opinion to exert a constant and concerted pressure on the Communist regimes for the liquidation of concentration camps and psychiatric prisons, for the release of national, political and religious prisoners of the subjugated nations and, in particular, for the discontinuance of the Communist Russian practice of murdering political, cultural and religious activists and particularly fighters for national and human rights. Among others, an action for the release of the Ukrainian patriot Yuriy Shukhevych, son of the late Commander-in-Chief of the Ukrainian Insurgent Army (UPA)—General Roman Shukhevych, and Victoras Petkus of Lithuania—is strongly urged.

13. AF ABN condemns Moscow's intrigues in Latin America, its attempts by the hands of its Cuban and other puppets to subvert this continent and expresses its support to the US Government policy in defense of the friendly government in El Salvador which is under a vicious attack of Marxist-Leninist bands supported by Moscow and its Cuban underlings.

14. AF ABN notes with satisfaction the present US Government's firm resolve to counter the unrelenting arms build-up and the spread of the military threat of Communist Moscow throughout the world by strengthening the military might of the USA and of the Western Alliance and by extending moral and material support to the non-Communist governments friendly to the West.

15. AF ABN expresses its support to the US Government's efforts to combat terrorist activities frequently encouraged, assisted and abetted by Moscow or its client States.

16. AF ABN greets the Ukrainian nation on its 40th anniversary of the proclamation of the re-establishment of Ukrainian sovereignty on June 30, 1941, which presented a challenge to the two biggest military powers of that time—Nazi Germany and Bolshevik Russia, thus initiating a prolonged two-front war of liberation against both imperialist totalitarian invaders, and also greets the Ukrainian national liberation movement with the Organization of Ukrainian Nationalists (OUN) at the head, which was the initiator and organizer of Ukraine's fight against Nazism and Bolshevism. With profound respect we greet Hon. Yaroslav Stetsko, the Prime Minister of Ukraine of 1941.

17. Considering the very tense situation in Poland which draws much attention of the international public, the AF ABN expresses its solidarity with the Polish people's aspirations for freedom and democracy.

18. AF ABN condemns the totalitarian regime in Rumania as Moscow's stooges who do not represent the striving for freedom and national independence of the Rumanian people.

19. AF ABN demands that the problem of Russian Communist colonialism be officially made a concern of the United Nations as were the problems of colonialism of the Western powers, and that the liberation or-

ganizations of the nations enslaved by Moscow be granted similar status as is enjoyed by the PLO.

20. Commemorating the 70th anniversary of the founding of the Republic of China as the first republic in Asia, we underline the urgent need for the new defense weapons system for the Republic of China in order to secure the safety of the Western Pacific. We should like to mention that the US Government is obliged to supply a new weapons system to the Republic of China in accordance with the Taiwan Relations Act passed by the US Congress.

21. AF ABN welcomes President Reagan's view that human rights belong on the agenda every time America negotiates and hopes that the Administration will fully support the cause of the nations under Communist oppression for human rights and national independence. In this context, the AF ABN is encouraged by the appointment of Secretary of State Gen. Alexander Haig and Assistant Secretary of State Dr. Ernest Lefever for Human Rights and Humanitarian Affairs.

22. AF ABN appeals to the American information media—the press, radio and television—not to ignore the struggle of the nations enslaved by Russian Bolshevist imperialism for their national and human rights, for freedom and independence. Also, it urges the mass media not to ignore the holocaust of oppressed nations for tens of millions have been murdered in Gulag Archipelago or starved to death through man-made famines, but continuously and conscientiously to inform and educate the public about these problems, considering also the fact that many millions of US citizens have close ties with countries of origin presently behind the Iron Curtain.●

ST. FRANCIS COMMUNITY HEALTH CENTER

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. GUARINI. Mr. Speaker, for anyone born in Jersey City, N.J., as I was, it is impossible to talk of health care and healing without thinking immediately of St. Francis Community Health Center. For more than a century this friendly, efficient hospital has touched the lives of the entire Jersey City community.

St. Francis Community Health Center of Jersey City will be dedicating a magnificent new wing to its medical care complex on Sunday, June 7, 1981. This is a very significant event in our community. Historically, because this modern 10-story structure will stand on the sight of the original hospital which began its full-time service to the community in 1889. Socially, it is important because this new wing continues the tradition of compassionate public service and dedicated health care that has become synonymous with the Franciscan Sisters of the Poor who began their service to our city in 1864 and who will be honored by having the new wing known as the Franciscan Pavilion.

Mr. Speaker, the dedicatory ceremonies for the Franciscan Pavilion will not only be a moment to honor the physical structure of this building—the glass and concrete and steel—but it will also be an opportunity to join in rejoicing with the people whose spirit and selflessness epitomize the community leadership this medical facility so admirably represents. Among the honored guests and dignitaries will be Bishop Jerome A. Pachillo, who will deliver the dedicatory address; Thomas A. Schember, president of the St. Francis Community Health Center; Sister Rose Margaret Delaney, the past president of the community service board; James F. Boylan, chairman of the board of trustees; Frank Rienzo, M.D., president of the hospital medical staff; Sister Marylin Fischer, president of the community service board; Hon. Paul Cuprowski, president of the city council who represents Jersey City Mayor Thomas F. X. Smith; and Kalman J. Fortoloczki, executive vice president of the St. Francis Community Health Center. The health center leadership have also extended to me the honor of participating in these ceremonies, an opportunity to which I look forward with the greatest of personal pleasure.

Mr. Speaker, for 117 years the Franciscan Sisters of the Poor and the St. Francis Community Health Center have meant hope and healing to the people of Jersey City. It has always been a place of deep emotion engraved in the memories of so many of us. It is a place where babies were born and loved ones have departed this life, a place where a young child in the emergency room received a warm smile along with a bandage and immediately began thinking of growing up to be a surgeon, a place where a whispered prayer in the chapel gave you the blessing of good news or the grace to accept bad news, a place where bodies were healed and spirits renewed.

Mr. Speaker, as it was in the past, so it is today.

St. Francis has always been a place of pride and progress. From its small beginning with 12 beds in a two-story frame house to its presence today as a modern five-building medical complex, St. Francis has always been vital to the neighborhood and to the overall economic growth of downtown Jersey City.

St. Francis was a cornerstone in the early development of our city. And 20 years ago when this area teetered on the brink of terminal urban blight, St. Francis—against all the odds—began construction of its new school of nursing and sparked the rebirth of the surrounding neighborhood. New housing soon followed—new industries moved in—and the downtown area is again on its way to becoming a great place to live and work and do business.

Mr. Speaker, the St. Francis Community Health Center is a good neighbor. This magnificent new wing has the very latest in equipment and services and yet it has been designed to blend beautifully into the historic district in which it stands thus preserving the character of the neighborhood.

St. Francis has been a good neighbor to the business community, too, bringing jobs into the area with a corresponding boost to local shopping and providing employee and executive health services to nearby business and industry.

In the future, with its modern facilities and progressive programs, St. Francis will undoubtedly continue to bring good health to the city and all its residents. The people of Jersey City admire and respect St. Francis—its sisters, trustees, administrators, doctors, nurses, and dedicated employees—and cherish all that they have meant to all of us over the years.

The dedication ceremonies for the new Franciscan pavilion of the St. Francis Community Medical Center will give all of Jersey City an opportunity to celebrate the continued vigor of a beloved part of our community, and an opportunity to say a public "thank you" for the years of faithful service.●

ENERGY CONSERVATION PAYS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. MILLER of California. Mr. Speaker, an article in the June 2, 1981, Washington Post has dramatically illustrated the present and future potential of energy conservation in the United States. For years, many of us in the Congress have argued that conservation is the fastest and least expensive way to reduce our consumption of foreign oil, and an important step in reducing the inflationary effect of oil prices on the economy. For years, we in the Congress have insisted that an investment in conservation would have a shorter payoff period than a traditional investment in large energy-generating facilities. Numerous studies from influential organizations have recommended conservation as an essential part of our national energy picture.

Despite our pleas for strong conservation action, most utilities across the Nation continued to insist that the demand for electricity was going to grow every year, and new nuclear or coal plants were the only way to meet that demand.

Now utilities are beginning to see the light, and are finding out that conservation can pay for them, and for their customers. A reduction in energy

use can prevent unnecessary costly investments in billion-dollar energy plants, and can slow down the growth in customers' energy bills. I am greatly encouraged by the aggressive actions of a few utilities in this area, particularly Pacific Gas & Electric Co., and hope that other utilities across the country will realize that a barrel of oil saved is as good, if not better, than a barrel of oil produced.

[From the Washington Post, June 2, 1981]

NEW POWER PLANTS POSTPONED OR CANCELED

A NEW ENERGY STRATEGY—CONSERVATION

(By Jay Mathews)

LOS ANGELES.—Sunset Ford's 13 acres of glistening automobiles used to gleam like a Hollywood movie premiere under arclights at midnight, a publicity and security device that helped make brightly lit car lots a symbol of Southern California.

In the last few months, however, Sunset Ford, with the encouragement of its local electric utility, has gone pitch dark at closing time. It has cut its use of electricity by 38 percent and installed radio-controlled switches on its showroom air conditioners, all symbolizing an unprecedented enthusiasm for conservation that is spreading to utilities and their customers all over the country.

Some West Coast utilities estimate that conservation has saved from 5 to 10 percent of their total electrical output. Others say they have been able to cancel or postpone plans to build new power plants because they were no longer considered essential—because of conservation.

West Coast utilities, hardest hit by oil price increases and new constraints on nuclear power, have been the quickest to embrace new ways of saving energy. Portland General Electric Co. in Oregon has insulated nearly 16,000 electrically heated homes in the last three years, charging the owners nothing until they eventually sell the houses.

Pacific Gas and Electric Co. in Northern California has arranged low interest insulation loans for more than 23,000 homes. Southern California Edison has adjusted pumps on 100,000 swimming pools to reduce their drain on the system during peak daylight hours, a crucial matter in the conservation movement.

Eastern utilities have also begun to experiment. The New England Electric system has produced a plan to reduce its use of foreign oil from 73 percent to 10 percent in 15 years. The company proposes to conserve energy through such measures as remote control, switch-offs on some consumers, burning trash to generate electricity and distributing 500,000 steel discs to cut hot water use in showers in half.

The Tennessee Valley Authority has eagerly offered no-interest loans for home insulation to its customers. The Dallas Power and Light Co. began last month to offer large electric bill credit to customers who replaced boken down air conditioners with more efficient models.

The New England system found the decline in demand so great it decided it could scrap plans to build a huge nuclear plant at Charlestown, R.I., where they had been stymied in acquiring land anyway.

Pacific Gas and Electric ceased attempts to reopen a small nuclear plant near Humboldt, Calif., when it saw how successful the conservation effort seemed to be. The company also delayed by five years plans for a huge coal-fired plant in Solano County that would have provided enough energy to serve a city of 1.5 million people.

Although it is difficult to estimate how much conservation measures have saved nationwide, companies with the most aggressive programs put the amount at about 5 to 10 percent of their total output.

Pacific Gas and Electric Co. said it utilized the equivalent of 14.6 million barrels of oil in what would have been wasted energy in 1980, enough to provide 49,000 homes with electricity for 10 years.

Well-organized environmental groups on the West Coast have something to do with the surge here towards conservation, but several utility executives and economists say the principal motive is money. While America's consumers have been turning off lights and adjusting thermostats because of rising electric and fuel bills, utilities have seen the potential profits from building new power plants evaporate because of high interest rates and new environmental restriction.

Conserving power, in many areas, has become cheaper them building new plants.

"The utilities look at it as dollars and cents," said Paul Greiner, a vice president of the Edison Electric Institute which represents investor-owned electric utilities. "If they can see a pay-back in one or two years, they'll do it."

Higher prices to consumers, said University of Wisconsin's economist Charles Cicchetti, have caused per capita use of natural gas to decline in recent years and per capita use of electric power to hold steady.

But in many areas, particularly California and the Pacific Northwest, Cicchetti said, "the utility cost is more than the price they can charge under regulations, so they are losing money on marginal sales, and conservation makes a lot of sense."

Some utility executives say the change has influenced what kinds of people seek jobs with them. Few top engineering graduates interested in construction work seek out utilities, because utilities can no longer afford to build new power plants. But applications from college and university graduates with interest and some training in conservation planning have multiplied rapidly. "We got 500 applications for one position," said Jim Mitchell, a spokesman for Southern California Edison.

Contractors are also adjusting rapidly to the changes. Prices have gone up for insulation in the Palm Springs area, where Southern California Edison has begun to offer no-interest loans.

The Tennessee Valley Authority had to alter its rules for no-interest insulation loans after home builders began to sell customers new houses at a discount without insulation and suggest new owners seek a TVA loan to finish the job.

In the Washington area, utilities say they have not been hit by an energy crunch quite as hard as on the West Coast and have not found the potential savings from conservation great enough yet to justify expenses such as subsidized loans for insulation.

The Virginia Electric and Power Co., however, has already reduced its projected peak demand for 1987 by 3,600 megawatts—the equivalent of four large generating plants that would have cost $7 billion.

Everard Munsey, a former Arlington County Board member now working for Vepco, said the company was encouraging conservation through higher rates in summertime, free inspections of homes to determine where insulation is necessary, guidance to builders on producing more energy-efficient housing and a program to encourage some industrial customers to generate their own power through use of steam and combustible by-products that are now wasted.

The company is also experimenting with remote-control water heaters, which could be turned off briefly during peak demand daylight hours by a radio signal or a signal sent over the electric power line itself.

Marcia Schnedler, a spokesman for Potomac Electric Power Co., said the utility does not plan to build a new power plant for at least 10 years. Pepco also is experimenting with radio-controlled water heaters and air conditioners and has begun to charge its largest customers a premium for power used in peak hours.

Cutting demand at peak hours reduces the need to build new plants at high interest rates, a principal stimulus for many of the utilities' conservation efforts.

"We're not as innovative as the West Coast utilities," Schnedler said, "but we are in a different position than they are." Pepco grew rapidly in the 1950s and 1960s; the growth in customers has slowed now. The company also initiated several conservation measures during the 1974 oil crunch that appear to have reduced the necessity for more conservation now.●

SUPPORT FOR THE PRESIDENT'S TAX CUTS

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. RAILSBACK. Mr. Speaker, while this country is currently focusing on the ongoing discussion between the administration and the members of the Ways and Means Committee regarding what kind of a tax cut Congress will offer the people of this country, I would like to take this opportunity to express my strong support for our President's tax cut proposal.

I have been convinced of the need for a substantial tax rate reduction to ease the tax burden on this Nation's people, and to reinvigorate the economy for a number of years now. Now a tax cut is needed more than ever, especially since it is a major component of the President's program for economic recovery.

Federal personal taxes on each family have nearly quadrupled over the past 15 years—growing from $1,500 for an average family in 1965 to $5,500 in 1980. This increase has been the result of the interaction of high inflation with our present tax system, which pushes individuals into higher and higher marginal tax rates.

The time has come for Congress to act to substantially reduce these tax burdens, and to try something different in our fight against inflation. I have heard from thousands of concerned constituents who support the President's program, and while they are pleased with Congress action on

the budget, they are stressing the need to also enact his tax reduction proposals.

Mr. Speaker, I commend the President for his efforts to bring down inflation and to revitalize the economy, and I urge the majority Members of the House to give his proposals a chance, and to join me in supporting his tax cut proposals.●

SUPPORT PUBLIC BROADCASTING

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. MARKEY. Mr. Speaker, shortly the House will vote on the public broadcasting authorization for fiscal years 1984 through 1986. I strongly feel that public broadcasting is one of America's most important and unduplicated cultural resources. I urge my colleagues to share in my commitment to public broadcasting by supporting H.R. 3238, offered by Mr. Wirth, when it reaches the floor. The following editorial which appeared in the Boston Globe on Sunday, May 31, articulately and convincingly explains why public broadcasting must be supported:

[From the Boston Globe, May 31, 1981]

PUBLIC TV'S PROMISE: I

Public television has been in a state of crisis since its inception as educational television 30 years ago. It has never had enough money. It has never had enough support. It has never had enough political clout. For years critics have damned it as an elitist institution that spends tax dollars frivolously on programming that fails its public.

Now prophets and doomsayers are predicting the beginning of the end. They maintain that public television can't survive the accountants in Ronald Reagan's Washington or the new technology—cable, cassettes and videodiscs—on the horizon.

The truth is public television is good at what it does. It is no more elitist than the public library. It has evolved and grown over the years, but it is hardly a medium still in search of its mission. For all its failings, for all its weaknesses, it comes close to E. B. White's prescription. "TV should be providing the visual counterpart of the literary essay, should arouse our dreams, satisfy our hunger for beauty, take us on journeys, enable us to participate in events, present great drama and music, explore the sea and the sky and the woods and the hills," White wrote in 1966. "It should be our Lyceum, our Chautauqua, our Minsky's and our Camelot. It should restate and clarify the social dilemma and the political pickle."

Commercial television, with its emphasis on ratings and lowest common denominator programming, occasionally fulfills its public responsibility, but more often fails with a nightly menu of the lascivious and the inane. In E. B. White's dispensation, commercial television presents a rare moment of Lyceum-like distinction amid hours upon hours of jiggling from Minsky's, with or without machinegun fire.

Public television has aroused our dreams. It has carried viewers to ancient Rome, showed them life behind the Iron Curtain, presented a stunning dramatization of "Pride and Prejudice," to name a few examples. It introduced some to the mores of Edwardian England, reintroduced others to Fred Astair's genius and enabled all to bear witness to worlds of Jacques Cousteau, Pablo Picasso and that brave young man who suffered the tragic effects of thalidomide poisoning.

Public television informs, entertains and enlightens. In keeping with its original name, it also educates. And irritates. It can be inefficient, uneven, stubborn, whimsical but it basically serves the country the same way public libraries do—by making its resources available to all Americans.

This week Boston's Channel 2, one of 286 stations that are part of the larger system, is holding its annual auction in our livingrooms. This ritual gives its viewers a chance to imagine what television would be like in this city without the relief provided by WGBH. This week is an appropriate time to make a national commitment to public television. The country can not afford to let it fail anymore than it can afford to watch libraries, schools and parks squandered by those who believe the private sector is the only source of America's inspiration and its amenities.

Channel 2 began as a modest offering of the Lowell Institute along with the area's museums and universities. These institutions have been generous and imaginative, but they too must face the distractions brought about by inflation and the changing demographics of their clientele. That is why WGBH as a Boston cultural landmark and public television as an American institution faces a chancy future in an age of rigid lais-sez-faire politics.

The strongest economic case against public television has been made by those who argue that the private sector in the form of cable television will kill it. The wake began last winter after one of the cable systems purchased the rights to all BBC programming. BBC programming has been important, even critical, to PBS's ability to attract audiences. BBC offerings represented quality and saved production costs, but they made up only three to four percent of public television's programming schedule. They were available free to any viewer who tuned in.

Many doubt that cable can deliver diversity and quality as promised. Radio was praised as the technical innovation that would bring Mozart to the masses. Then television was the technical innovation that would enrich lives and lift civilization. Lawrence Lichty, a communications professor at the University of Maryland, and others believe that the new technology will be dragged down by its commercial nature in the same way radio and television have been.

"The new video media, for their part, will be subject to the very same market forces that shaped radio and television broadcasting." Lichty wrote in the winter edition of the Wilson Quarterly. "While the audience may have more choices, the proportion of quality programming appearing on the home screen will not be much different than it is now."

If that's the case, the future looks grim.

In January the Reagan Administration recommended in a transition team report that the federal government withdraw all financial support from public television: "There is no more basis for the federal government to play a leading role (in supporting public television) than there is for the government to play a similar role in the publication of novels or textbooks or in theatrical productions."

That declaration brought public broadcasting's public out to fight. Since then, the Administration modified its position and called for budget cuts instead. Congress held off its efforts to rescind funding already appropriated for public television under the forward funding scheme that was initiated in 1975 after Nixon Administration attempts to dictate program content. Still, drastic slashes are proposed for the future.

There can be no doubt that public television is truly public. Its audience is not a monolithic, affluent, college-educated group that can afford $28 tickets for orchestra seats that many believe it to be. Voters in Rep. Brian Donnelly's nonelitist district in Dorchester, Brockton and Quincy opposed cutting public television's budget in a survey taken last winter. "Sesame Street" lives in every neighborhood.

According to a 1980 Nielsen report, more than 46 percent of all American households tune into public television once a week. Households with incomes of less than $10,000 and homes headed by individuals with less than high school education have increased by almost third in the past five years, and minority viewers are represented in numbers that parallel their percentage of the population.

Without public television, these viewers and others might not have had the chance this past week to see an anguished documentary about a Vietnam veteran who believes his life was ruined by the war, a balanchine ballet, Nova's exploration of the sense of touch, the Philadelphia Symphony, McNeil-Lehrer's unraveling of the Italian political situation and what is without doubt the best children's programming available.

Public television can not survive without some economic security. During this year's nationally coordinated fundraising campaign in March, viewers pledged nearly $27 million to participating stations, a 29 percent increase over 1980. Although viewer support is crucial, it can't make up the difference between what public television needs and what the government is currently willing to provide.

Right now PBS administrators, politicians, policy makers and regulators are investigating proposals that would streamline public television's structure and make it possible to raise revenues in new ways. They must succeed.

The 1979 Carnegie Commission declared that "public broadcasting tried to invent a truly radical idea, an instrument of mass communication that simultaneously respects the artistry of the individuals who create programs, the needs of the public that forms the audience and the forces of political power that supply the resources." That it has come close is an exceptional accomplishment that has served the country well.●

EXIMBANK CUTS ARE FALSE ECONOMY

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. BONKER. Mr. Speaker, as we wrestle with the choices that are the result of the administration's economic program, it is a good exercise to separate those parts of the program that will truly help the economy from those facets that are mere public relations.

I believe the cuts in the Eximbank fall into the latter category; if we are really concerned with economic recovery, we cannot ignore our export potential. As a country we are in an extremely competitive credit war with our foreign competitors who subsidize the export of goods, particularly the big ticket items. For us to slash Eximbank authority amounts to unilateral disarmament.

Mr. C. W. Borklund, the publisher of Government Executive magazine has an excellent commentary in the upcoming issue that separates some of the myths from the realities of Eximbank funding. I recommend it to the attention of my colleagues.

EXIMBANK: ADMINISTRATION ECHOES OF OLD IGNORANCE

The distinct impression was left, at least in this corner, that when a majority of the voters booted Jimmy Carter and a batch of left-leaning "Liberals" out of Government, one result was supposed to be a new Administration that wanted to work with U.S. industry to grow the economy. Indeed, it said as much when it moved into the White House.

However, on one subject—funding for the Export-Import Bank—the new leadership has demonstrated, to date, that it is at least as anti-Business, anti-export expansion as the "Carter Kids" were. And, just as they did, bragging about its ignorance in the bargain.

The central theme on which the Reagan Administration has based its recommendations for cuts in EximBank funding (cuts averaging about $1 billion per year over the next three years) is that the Bank "devotes too much of its direct-loan funds to assist just a few fat cats" of U.S. industry in making sales overseas. That thesis bleats out of the White House and is echoed by an array of alley cats on Capitol Hill.

Specifically named as the "fat cats" have been seven of the larger exporters for 1980, viz. Boeing Airplane Company, Westinghouse, McDonnell Douglas, Combustion Engineering, Lockheed, AT&T's Western Electric and General Electric. What is there in the mental makeup of these elected and appointed bureaucrats that inspires them seemingly always to want to penalize industrial, free-enterprise success and reward failures?

These Administration indictments of the "fat cats" are, in fact, simple minded. True, the seven named companies were leaders in export activity, that part of it which included EximBank loan and/or loan guarantee participation. True, also, that they signed their names to the contracts, assuming responsibility for making sure that what was bought by the overseas customer worked.

What is also true—and ignored by this Administration as it was by the last one—is that those seven companies are not just seven companies. When Boeing makes an airplane, for example, more than half the parts and components which go into that aircraft are bought by Boeing from a supplier/subcontractor network of 1,306 major and 2,247 small and minority business firms located in a total of 44 States.

Westinghouse used more than 1300 subcontractor-suppliers in furnishing components for a nuclear power project where it is prime contractor (and for all practical purposes, today it is the only U.S. contractor in that international market.) On a typical 500 megawatt, coal-fired boiler project, Combustion Engineering will use more than 3,000 subcontractor-suppliers.

Point is, while these large firms do make the commitment to a foreign buyer, about half the total sales really benefit not them but literally thousands of suppliers all over the country. Those, mostly small, firms would not be involved in exports at all if the "big boys" weren't willing to take the full risks, including pulling together the "big bucks" necessary to finance large capital-goods export items and/or projects.

Some other hard-nosed facts about the EximBank, per Bank Director Don Stingel:

"The concentration of EximBank use by a relatively few large exporters is consistent with the U.S. exporters, themselves. Only about 100 firms, roughly 1.5 percent of all U.S. exporters, account for 50 percent of all U.S. manufactured exports and only 10 percent of all exporter firms account for 75 percent of such exports."

"EximBank is not (his emphasis) a taxpayer-supported subsidy. It has made a profit in every year of its 47-year existence—has disbursed some $35 billion in direct loans during that time and written off only $8.3 million (.02 percent) in loan losses."

"In the past two years, through EximBank, the United States has provided only about 47 percent average officially-supported cover in aircraft-sales cases and 65 percent cover in non-aircraft cases; loaned at 9.25 percent and 8.75 percent respectively for the two categories."

By contrast, "Other OECD (Organization of Economic Cooperation and Development) nations typically offer 85 percent cover on export financing after a 15 percent cash payment with interest rates of 7.75 percent to developing countries, 8.5 percent to intermediates and 8.75 percent to so-called 'rich' countries."

Why don't Vice President George Bush's and Budget Director Dave Stockman's "fat cats" finance the sales, themselves? First off, because none of them are in the banking business. Secondly, as a part of that, if Dave Stockman has learned to add and subtract by now, he knows you can't borrow money at 18 percent and then loan it out to a customer at 8 percent without pretty quickly going bankrupt. (The Federal Government has been doing this routinely for years—and that's why Reagan was elected.)

Indeed, thanks to the frontal attack on EximBank by present Administration leaders—all the while claiming "it is the policy of this Administration to encourage domestic economic growth and expand exports"—some $1.069 billion in potential exports, 34 cases put on EximBank's credit docket just between mid-February and mid-May, are wiped out if the Administration's proposed "cut" in EximBank's budget is approved by Congress.

For that matter, the possible sales, in some cases, are already in jeopardy because the customers are getting tired of waiting for an EximBank answer. The sales potential ranges from aircraft to locomotives to power plants to electronic switching systems to teleprinters, even to tugboats.

The new Administration proposed this EximBank "expenditure" cut in order to help "sell" its other cuts to Capitol Hill. It was a dumb choice to support the thesis of, "See, Big Business is getting cut, too." It was dumb for lots of reasons, not the least of which is that money put into EximBank is an investment, not a cost.

The Administration ought to do what it said it was going to do, i.e. concentrate on helping U.S. industry regain it share of the capital-goods export market. As long as other countries, notably Japan, Germany and France, continue to subsidize their exports with loans at extremely favorable interest rates, terms and cover—and even blend aid and financing—we must have a strong, well-funded, stable, reliable Export-Import Bank if we're to compete.

Repeatedly, over the years, Congress has mandated that EximBank "aid in financing and facilitating exports" and "foster expansion of exports—thereby contributing to the promotion and maintenance of high levels of employment . . . and to the increased development of the productive resources of the United States."

The present White House occupants have echoed those sentiments—then acted the opposite. The destruction of the EximBank is nothing more than a public relations program designed to impress political novices.●

NEW CHALLENGES TO THE FINANCIAL INDUSTRY: COMMENTS OF ANTHONY M. SOLOMON, PRESIDENT, NEW YORK FEDERAL RESERVE BANK

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. FAUNTROY. Mr. Speaker, a few weeks ago, the president of the New York Federal Reserve Bank, Anthony M. Solomon, commented in a speech before the Investment Association of New York on the changes that are confronting the banking system and the difficulties that these changes portend for the central banking authority of the United States. I'd like to share those comments with my colleagues because I believe that they are among some of the most concise statements of the issues which are facing us in the economy today.

THE TIME HAS COME TO REEXAMINE GLASS-STEAGALL

My experience as an observer and participant in the formulation and execution of public policy suggests to me that a policy issue passes through four identifiable stages during its life cycle. These stages are logically distinct, although they tend to overlap in practice.

In the first stage some set of forces in the real world acts to upset the status quo. In

economic and financial matters these forces usually originate in the market, although technological, social, and political forces often play a part. These forces build to such an extent that some market participants have an incentive to act in a way which disturbs the status quo. When enough market participants have incentives to act in this way the very viability of the status quo is called into question.

This inaugurates the debate stage in the life cycle of a policy issue, in which various parties study the issue, advance possible courses of action, and discuss their ramifications. Gradually, some degree of consensus on a desirable or acceptable course of action emerges, and the issue moves on to the third stage, that of decision.

In the decision stage some accepted source of authority, for example, the Congress or the financial regulation agencies, adopts new rules which reflect the course of action developed in the debate. Finally, the issue reaches the stage of implementation, in which a new status quo is developed, which will remain in place until a new set of market or other forces sets the cycle in motion again by requiring changes in the new status quo.

I believe that there is persuasive evidence that with regard to the Glass-Steagall policy issues of the structure of the American financial system we are now substantially into the first stage. The status quo appears to have been disturbed, and we are entering the stage of debate.

The Glass-Steagall Act, now almost fifty years old, sought to create institutional barriers between specific classes of activities in U.S. financial markets. The Glass-Steagall legislation addressed the allegation that the combination of investment and commercial banking within a single firm led to unsound banking practices and contributed to the financial collapse of the Great Depression. In particular, it was argued that a bank may be tempted to underwrite long-term securities of a firm and foist them on an unsuspecting public in order to take itself out of a short-term lending relationship with that firm. Hence, the prohibition on commercial bank underwriting or distribution of most securities. Correspondingly, no firm principally engaged in these activities was permitted to accept deposits. Moreover, the two types of business—commercial and investment banking—could not be combined under the family umbrella of affiliated companies. Indeed, some of the most notable financial houses of the era were forced to split off their commercial and investment banking wings.

The Glass-Steagall Act created a status quo which endured relatively intact until fairly recently. Investment and commercial banking in the United States, separated by Glass-Steagall restraints, developed distinct product lines and modes and traditions of conducting business.

Economic, financial, and technological pressures in recent years have begun to combine as a force for change of that familiar status quo. Examples of investment bankers' incursions into activities traditionally associated with commercial banking abound, as do examples of commercial banks' engaging in activities traditionally the province of investment banking firms. Of course, each merger or acquisition or new undertaking has its individual motivations, related to businessmen's calculations of profit potential, stock market conditions, current regulatory attitudes, and other factors. But the number of examples suggests that they may also share some motivations in common.

Money market mutual funds are the most commented-upon examples of the erosion of traditional distinctions between commercial and investment banking. Money market funds originated largely because of the regulatory restraints on depository institutions, particularly the rate of interest they may pay on savings and transaction accounts, currently limited to 5¼ percent, for example, on NOW accounts. Since short-term assets currently yield substantially higher rates, depository institutions could, in principle, pay higher rates to their depositors than regulations currently permit. And those institutions such as money market funds which are not subject to deposit interest rate ceilings do currently offer substantially higher rates.

Brokerage houses are having phenomenal success offering this financial product, which provides the household with a market rate of return and a high degree of liquidity. From the customer's point of view, many of the services of the money market fund are perfectly substitutable for the services provided by a demand deposit at a commercial bank. Apparently the freedom from reserve requirements and deposit interest rate limitations which permits the high yields more than compensates many customers for the absence of FDIC deposit insurance and some of the flexibility of the traditional checking account. Money market fund assets currently stand at over $115 billion, up more than $60 billion in one year, and over $40 billion just since January. The largest money market fund, with $17 billion in assets, would rank among the 15 largest banks in the country if it were a commercial bank.

Several other instruments are also being developed in the marketplace which, from the consumer's point of view, are similar to those traditionally available only at commercial banks but which yield market rates of return. Merrill Lynch, for example, offers a cash management account which permits the household to write checks against a marginable brokerage account. In addition to checking access, the account holder is issued a VISA card which draws on the liquid assets in the account or the borrowing power of the securities in the account.

Merrill Lynch provides a wide range of financial services to its customers, including brokerage and real estate services. Thus, the firm is in a position to contact customers from one of several markets and use that relationship to introduce them to a wide variety of other services. It can service its 2.5 million customers' accounts through a worldwide network of over 750 offices.

The proposed acquisition of Bache by Prudential will permit the cross-selling of Prudential's insurance services and Bache's brokerage services, including money market funds. Prudential currently provides insurance services to many millions of people.

The proposed acquisition of Shearson Loeb Rhoades by American Express would provide the same kind of opportunity to permit customers to obtain a wide range of financial services from a single source. Press reports on the proposed merger indicate that Shearson and American Express share this vision of what the market will demand. And the potential is remarkable, considering that American Express as a travel and consumer credit company already has a network of 1,000 offices in 26 countries and 11.9 million cardholders worldwide while Shearson has 275 offices in the United States and 18 abroad. Together they will be able to offer financial services which are not limited by product or geography, as commercial banks are, to millions of existing and potential new customers.

In a further incursion of financial firms into the commercial banking business, the Fidelity Group is seeking a trust company in Boston which would offer cash and investment management, computerized record-keeping and internal control systems. To satisfy the legal technicalities of Glass-Steagall, it would not offer checking services or take deposits unrelated to its trust business. Shearson has also announced its interest in a trust company in Massachusetts.

There are advantages to both the customer and the brokerage house in providing all financial services through a single firm. The broker is able to demonstrate how his entire array of financial services can be useful to his customers, thus selling services of which the customer would not have been aware had he dealt with a single product firm. The customer, in turn, can avail himself of all his options while incurring minimal costs of searching out new service providers and maintaining multiple relationships.

Commercial banks, of course, have also been seeking to expand their product lines. The Supreme Court has recently upheld the Federal Reserve Board's determination that serving as an investment advisor to a registered open-end investment company is a permissible activity for a bank holding company. Commercial banks began pushing into the private placement market in the early 1970's and have been seeking Congressional authorization to expand their municipal bond underwriting powers to include revenue bonds. VISA is investigating the possibility of establishing a money market mutual fund using its relationship with the holders of 64 million VISA cards in this country to reduce the cost of its selling job. The VISA card could potentially be used to access funds from a customer's account.

It is enlightening to view this as an effort by a commercial bank-related organization to offer non-deposit liabilities to the household sector. These instruments would not be subject to reserve requirements, deposit interest rate limitations, or FDIC deposit insurance—factors which have been closely linked to the definition of deposits for many years.

The pressures we are experiencing on the boundaries between commercial and investment banking have arisen out of the stresses caused by the change in market environment from that which supported the status quo created by Glass-Steagall.

The fact that high inflation, high nominal interest rates, and variability in both played havoc with the traditional regulatory structure in the 1970s is well known. Investors have come to perceive an incentive to act quickly upon their judgments that interest rates have reached temporary high or low points, and borrowers have learned to structure the type and maturity of their flotations to reflect market conditions. Consumers and businesses have learned that remaining liquid has strong advantages in this kind of market environment. As a result, there has been an increased demand for one-stop financial services on the part of both providers and users of funds to facilitate rapid switches in financial strategy.

In an environment in which there is a premium for proper timing, both households and firms are demanding integrated financial firms. This demand has the potential to

be satisfied because technology is now available to execute transactions nearly instantaneously. Improvements in computer and telecommunications technology have reduced the cost of supplying precisely the kind of flexibility customers are demanding.

The developments in the financial services sector and the forces which are impelling them have, I believe, profound implications for commercial banks, investment banking firms, and the regulatory authorities, including the Federal Reserve.

Inflation, inflation-consciousness, and technological changes have provided the impetus for the development of financial service conglomerates which appear to be meeting the market's test of efficiency in fulfilling household and business needs for a broad range of financial services. Experience and evidence indicate that households and businesses are not waiting for regulatory changes. They are developing institutions that meet their needs, cleverly circumventing regulatory impediments when they can, bypassing over-regulated industries when they must. But, Government regulation can mold and guide markets. Thus, the benefits of Government regulation can be preserved through regulatory flexibility and periodic overhaul of the regulatory apparatus to conform to over-riding market realities and the needs of the times. I believe the evidence warrants our contemplating the need for such an overhaul in the permissible powers of commercial and investment banking contained in statutes such as the Glass-Steagall Act.

If this assessment is correct, then what topics should be covered in the debate about possible changes in Glass-Steagall?

One topic that must surely be included in the debate is the potential for conflict of interest and abuse. As I mentioned, this feature weighed heavily in the original design of the Glass-Steagall restraints in the 1930s, and concerns along these lines must be dealt with in any reform measure today. Additionally, there is a concern that the multiproduct financial firm will be able to force customers into unfair tie-in sale arrangements.

It may be that these concerns remain sufficiently valid to reaffirm the separation of commercial and investment banking functions. Alternatively, it may be that developments in disclosure requirements and other aspects of securities laws since the early 1930s will be found to have allayed our concerns when we examine the matter.

A further concern is whether relaxation of the Glass-Steagall restraints would result in an offensive concentration of economic and financial power. The supermarket approach to financial services creates a mental image of a few large financial conglomerates dominating the financial markets. However, I believe that at the present time it is difficult to determine whether a relaxation of Glass-Steagall would increase the number of suppliers of financial services or increase market concentration. Relaxation would increase the number of potential entrants into both the banking and brokerage industries but whether all entrants or existing participants would survive is an open question. Experience with statewide banking and other innovations in recent years suggests that smaller well-managed banks that are truly involved in their communities can do very well even against direct competition from much larger organizations. The related questions of industry structure and the options of local customers constitute an important topic for consideration in the Glass-Steagall context.

In the complex society in which we live, the very size and breadth of a universal financial services firm may be a source of some concern. If such an institution experienced financial distress it might be necessary to provide public sector support to avoid significant risks to financial market stability. If so, there may be merit in giving explicit consideration to what support mechanisms are warranted, under what circumstances they should be invoked, and how they should relate to traditional mechanisms such as deposit insurance, the provision of liquidity through the Federal Reserve discount window, and so forth.

At the very least, the debate about reform of Glass-Steagall will have to consider appropriate antitrust standards. Competitive analysis of commercial banking markets has for many years concentrated on bank deposits. In a world in which nonbank competitors and even banks themselves offer increasing amounts of the functional equivalents of deposits, new measures and new doctrines will be needed.

It is important to recognize that the pressures I have been describing on the Glass-Steagall prohibitions need to be related to our attitudes toward the geographic restrictions placed on commercial banking by various state laws, the McFadden Act, and the Douglas Amendment to the Bank Holding Company Act. Without reducing the need to consider liberalization on the geographic front, I think we must consider to what extent the viability and prosperity of commercial banks depends upon their ability to compete across a wider range of financial products.

Another topic which must be covered in the debate about Glass-Steagall is the assessment of economic costs and benefits of financial market integration. The evidence is quite strong that market participants see cost savings in one-stop financial shopping. Surely the basis for this perception is that information is expensive, and the investor who can reduce this cost is in a better position to deal with the uncertainty of the economic environment. However, we have not yet quantified the benefit that society would obtain in the form of lower capital costs from any relaxation of Glass-Steagall. Careful analysis needs to be undertaken of the relationship of the financial structure to economic growth; savings, investment, and productivity; and the ability to start and expand new businesses. Additionally, to make intelligent choices we should refine our sense of the potential costs in terms of institutional transition, increasing financial risk, and possible conflicts of interest and other abuses.

In the course of the debate, studies on these matters need to be conducted to facilitate intelligent choices. We have seen the beginnings of such analyses, related primarily to municipal revenue bond underwriting, but much more remains to be done. It is important to recognize that there are likely to be many qualitative dimensions which will need to be factored into the analyses to refine the conclusions which may be drawn from the more quantifiable elements.

The debate about Glass-Steagall will also have to consider the question of how to assure prudential supervision of universal financial product firms. In the case of commercial banks, those investment banking activities deemed unsuitable have historically been prohibited. Thus prudential supervision of the banking system could focus on the traditional problems in commercial banking—credit and liquidity risk. If banks' powers were extended, we would have to develop methods of detecting conflicts of interest and other imprudent practices which might be associated with relaxation of the Glass-Steagall prohibitions. I am confident that examination procedures could be revised and extended to meet these demands.

The more difficult matter, I believe, would be devising and applying level playing field concepts of supervision to bank and nonbank participants in the financial services sector. Such an exercise appears necessary to prevent disparities in requirements from arbitrarily affecting the competitive balance among firms and industries. But it would not be easy. The attempt to bring all firms which offer third-party payment services, for example, under a common set of rules would probably stir up analytical and political battles even more heated than the ones we have just been through in trying to level the playing field among member and nonmember commercial banks and thrift institutions. Yet our concern for the integrity of the financial system requires that we address this matter.

This effort would be made even more difficult because the Glass-Steagall separation between investment and commercial banking has been paralleled by structural separation between the relevant federal financial agencies, including the SEC and the bank regulators. As the powers and activities of investment and commercial banking organizations overlap, the need for harmonization of the approaches of the different government agencies grows. Such harmonization can be difficult to achieve, but it is not impossible, as the record of the Federal Financial Institutions Examination Council shows. Some attention should be given in a debate on Glass-Steagall as to how best to organize the financial regulatory agencies to provide equitable and effective prudential supervision of financial service providers.

Finally, I believe it is essential that the analysis of Glass-Steagall reform include discussion of the implications for the efficient and successful pursuit of monetary policy goals. The policy priority on inflation control is, properly, so great in the current environment that the Federal Reserve and others must consider carefully the implications of the development of new financial instruments and organizational forms. The monetary policy techniques in use in the United States are tailored to a specific institutional structure. Rapid changes in this structure could compound the problems of implementing monetary policy. In a review of Glass-Steagall, therefore, prudence requires that we consider what effect possible further changes in financial institutions would have on our ability to monitor and control the relevant monetary quantities in the effort to assure a stable and prosperous financial and economic climate. The discussion should also consider whether possible modifications in monetary policy techniques might be necessary to assure our continued ability to do our job if the financial structure is to be significantly changed.

The marketplace is proceeding to restructure itself, so the commencement of our efforts to study what actions government should take should not be long delayed. I am not trying to prejudice the outcome of the debate about Glass-Steagall, nor do I have a specific decision or plan of implementation to recommend at this time. I do, however, believe that it would be desirable to commence a comprehensive, dispassionate review of this issue expeditiously. I believe this would benefit the various compo-

nents of the financial sector and the public they serve. Otherwise, a new financial structure may develop which does not satisfy our goals with regard to avoiding conflicts of interest and undue concentration of economic power and achieving maximum economic efficiency, prudential supervision, and effective conduct of monetary policy.●

NASHVILLE'S POSITIVE RESPONSE TO ATTEMPTED DESTRUCTIVE ACT

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1981

● Mr. BONER of Tennessee. Mr. Speaker, the attempted bombing of the Temple, a Jewish house of worship in Nashville, Tenn., and the WSM television tower on May 25 shocks the sensibilities of all decent people in the society. When the criminal element of a community is allowed to prevail the rights and freedoms of all its citizens are endangered. I wish my colleagues to know that the residents of Nashville will not accept racial bigotry and religious discrimination. The actions of the agents of the Treasury Department and the work of the Nashville media prevented what would have been a disaster of great magnitude.

Our Nation is based on the principle of freedom of religion. This basic first amendment right must be protected at all costs. We must make the society safe from factions which seek to undermine this freedom. Morris Werthan II, president of the Jewish Federation of Nashville & Middle Tennessee, and Ernest Freudenthal, vice chairman of the community relations committee of the Jewish Federation, eloquently expressed the outrage at this assault on their personal freedoms and beliefs.

I herewith submit this statement and urge my colleagues to take a moment to review this commentary on the events that transpired and the swift reaction and response by the Nashville community to this travesty.

We find the threat of violence against any citizens of our community deplorable. The attempted attack on a Jewish house of worship is contrary to all traditions of our country. The manufacture, transport, and placement of an explosive device posed a threat not only to the temple, but to the safety of all Nashvillians. The Jewish Federation appreciates the actions of law enforcement officials and is fully behind their continued efforts to find and prosecute any who may be involved in these acts of hatred and violence. The rapid and effective response of Federal agents and Metro and Belle Meade police demonstrates that a climate exists in Nashville which condemns hate groups and their lawless activities. The public statements, particularly of Gov. Lamar Alexander, Mayor Richard Fulton, Police Chief Joe Casey, and the editorial policy of the Nashville Tennessean, have served to help shape this climate. The concern public officials have shown for the safety of all Nashville citizens is to be commended. The attempted bombing of the temple was not planned to be a single act, which is reprehensible in itself, but a prelude to a concerted attack which subverts every principle of American democracy. It is a criminal act which threatens all people. It is ironic that the attempted bombing was planned for Memorial Day, a day dedicated to the memory of those who died to protect America's freedom.●

MEDICARE REFORM PACKAGE

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. PEPPER. Mr. Speaker, I introduce for appropriate reference four bills to amend, reform, improve, and extend certain aspects of the health insurance program for older Americans, popularly known as medicare. These bills carry out the recommendations of the House Select Committee on Aging in its Report No. 96-245 released on November 17 of last year entitled "Medicare After 15 Years: Has It Become a Broken Promise to the Elderly?"

The first bill that I am introducing would delete the so-called part A hospital coinsurance payment which requires senior citizens, who are hospitalized consecutively for 60 days to begin paying $51 a day toward their hospital stay beginning with the 61st day of such stay.

The second bill would amend the Internal Revenue Code to create a tax deduction for physicians who agree to accept assignment of claims from medicare on behalf of each and every senior citizen they treat in their offices.

The third bill would create a new part C of medicare which would cover eye care, hearing care, dental care, out-of-hospital prescription drugs, and routine physical checkups every 2 years. This program would be voluntary and essentially self-financing.

The fourth bill would provide a financial incentive in the form of an income tax deduction to help preserve the extended family concept and encourage families to care for their elderly relatives in their own homes.

Our report, upon which these four legislative measures are based, is the result of numerous hearings held by our committee on the subject of health care needs of the elderly since it became operational in 1975. The report was an attempt on our part to analyze medicare; to learn what were its successes and what were its failures and what we might do to improve the program. One major component of the report is the summary of a hearing by the committee on July 30, 1980, the 15th anniversary of the enactment of the medicare program. Among those testifying on that date were former HEW Secretary Wilbur Cohen and former House Ways and Means Committee chairman, Wilbur Mills. These two men were among the principal architects of the medicare program.

In addition to analyzing hearing testimony, our report reflects excerpts from correspondence which our committee received concerning medicare from senior citizens in virtually every part of the Nation. Our committee asked all congressional offices to save their complaints about medicare and forward them to us for a period of 1 month. We solicited the views of experts in the academic community and sent thousands of questionnaires to hospitals, nursing homes and other health care providers. Our report reached a number of conclusions as enumerated below.

First, the overwhelming conclusion of our report is that medicare has been a great success. Senior citizens are comfortable with the program and grateful for its benefits. They are comfortable with the notion of paying taxes in their younger years so that they might benefit in their old age when they need it most. Another strong contributing factor to the program's success is the fact that its benefits are universally available to all—it is not a means-tested program available only to the poor. It is this notion of vested interest—the right to health care coverage and universal entitlement—which are medicare's strongest points. The committee could find no support for the idea that medicare has been a dismal failure and no one could be found who advocated that the program be abolished.

Second, the overwhelming acceptance of the medicare program by the elderly has been eroded somewhat by the perception that medicare's benefits have been rapidly shrinking. The committee evaluated this question and found that there is some misunderstanding among senior citizens who mistakenly assume that medicare will pay for 80 percent of their health care costs. This misconception aside, medicare is paying for less of the average senior citizen's bill then it did a few years ago. Medicare had been paying about 50 percent of the per capita health care cost of the elderly shortly after enactment whereas it is paying for about 40 percent of their bills today. In looking at the data our committee concluded that much of these cutbacks involved shifting costs to the medicaid program and thus to the

shoulders of the States. Our committee found that medicaid, the Federal-State grant-in-aid program suffers from a negative image among older Americans who look at it as a handout for indigents rather than a program of entitlement.

What this really means is that every year it costs the elderly more and more to participate in the medicare program through increased premiums, deductibles and coinsurance, while medicare pays less and less of their medical bills. While their medicare coverage decreases, health costs have continued to skyrocket. Caught between these twin buzz saws, elderly persons are finding that their golden years have become years of anxiety. They live in desperate fear of getting sick, of going broke, of going into a nursing home, going on welfare or becoming dependent on their loved ones. All of us have received letters from older Americans who have asked us for some redress to this problem.

Third, our committee was able to pinpoint the principal problems with medicare. Senior citizens reported being fairly satisfied with part A of medicare which pays for the expenses of a stay in a hospital. Part A is available to all seniors and is funded by a payroll tax paid by employers and employees. Senior citizens reported a significant number of problems with part B of medicare. Part B is a voluntary program. The elderly elect whether they want to participate in it or not. The program pays for 80 percent of the reasonable charges for services rendered by physicians. Some 97 percent of the aged who are covered under medicare part A also sign up for part B. To do so, they must agree to pay a monthly premium of $9.60 a month—$11 as of July 1, 1981. The principal problem with part B relates to whether physicians agree to "accept assignment" due to medicare's less than generous fee structure.

The law gives physicians the option, under part B, to either: (1) not accept assignment, and thus place the burden of filling out medicare's claim forms and seeking indemnification from medicare to the elderly beneficiary; or (2) accept assignment. In essence, by accepting assignment, the physician agrees to accept whatever medicare is willing to pay as complete payment for medical services. Accepting assignment puts the physician to the trouble of doing the paperwork and trying to collect payment from medicare. There is a complicated formula for determining what medicare will pay which has also caused confusion. The law says medicare will pay 80 percent of the reasonable charges. Reasonable charges have been defined in legislation as the lowest of the following: (a) what your doctor charges; (b) his customary charges; that is, his median charge in the previous years, and (c) the prevailing charge in the doctor's area; that is, the charges of all doctors are averaged and the 75th percentile becomes the prevailing rate in the area.

Perhaps it is understandable that the number of physicians who are willing to accept assignment has dwindled tremendously. Whereas two out of three were willing to do so in 1966, slightly less than one out of two will do so today. From the point of view of the elderly, the physician's failure to accept assignment means not only that they will have to (a) find the money to make payments to the doctor "up front," and (b) that they must go to the trouble of filling out claim forms and collecting from medicare, but also that (c) they may wind up paying a greater percentage of the total bill out of their own pockets. In short, the No. 1 problem with respect to medicare is the need to find some way to encourage physicians to accept assignment.

From the point of view of the Congress, part B presents problems of a different kind. Unlike part A, which relies on a payroll tax for it's funding, part B is funded 30 percent by the premiums paid by the elderly which increase each year in line with increased costs, and the remaining 70 percent comes from general revenues, thus requiring an ever-increasing appropriation by the Congress each year. There have been a number of proposals in the Congress to change the funding base of part B. In fairness, it should be pointed out that there are those who have suggested that part A, with its reliance on increasing payroll taxes creates more of a burden and that part A should be funded through general revenues generated by what is thought as the more progressive Federal income tax.

Fourth, aside from the need to increase the number of physicians who accept assignment, senior citizens listed as their greatest concern the fact that medicare provides no coverage for important areas of health care. For example, it does not cover eyeglasses, dental care, out-of-hospital prescription drugs, hearing aids, or any kind of preventive medical care. Literally thousands of senior citizens have written to the Members of the House each month asking that we provide some coverage in those areas through medicare.

Fifth, senior citizens have asked us to do something about helping them with the burden of long-term care. Long-term care includes nursing home and home health care and present the most troublesome aspect of the entire health care problem. In the first place, medicare has provided only marginal coverage in both areas although we were successful in the last Congress in enacting an amendment which broadened the scope of home health care benefits available under medicare. Nursing home benefits remain very tightly restricted under medicare despite our report's finding that we are retaining senior citizens in the hospitals of this country longer than necessary at a cost of perhaps $1.5 billion a year because of the unavailability of medicare nursing home coverage. On the other hand, it is true that the greatest portion of the medicaid program—some 40 percent—goes to provide nursing home care and many States have reported struggling with this burden.

In evaluating this data, the committee learned that to make up for the perceived large and growing gaps in medicare, senior citizens are turning more and more to private health insurance coverage. Our committee learned that there were significant abuses in the sale of the so-called medigap policies to the elderly. Oftentimes, these policies are sold with the representation that they will pay for all that medicare will not pay for. In truth, there is no policy that we could find that will provide this kind or comprehensive protection. At an average cost of $200 or more, these so-called medigap policies basically provide coverage for the first $204 of a senior citizen's hospital bill and the first $60 of his doctor's bill—the so-called deductibles in medicare. They also provide coverage for coinsurance payments which the elderly must assume beginning with their 61st day in a hospital. Rarely do these policies pay for what is not covered by medicare such as dental care, out-of-hospital prescription drugs, eyeglasses, hearing aids, or physical exams. What we learned to our chagrin is that senior citizens are being sold multiple policies which individually, or taken together, do not provide them with the comprehensive protection that they desire or anticipate. We found that 2 out of 3 senior citizens has at least one of these policies and in the extreme some seniors have purchased 30 or more policies. The sad part is that these policies often contain a clause which says that in case of duplication, only one policy will pay.

As a result of our investigation, the Congress enacted legislation which makes it illegal for agents to sell this kind of duplicate and therefore worthless insurance and provides senior citizens with some guidance as to what is and is not an acceptable policy by means of a Federal seal of approval which will be given to companies and policies which meet certain Federal minimum standards.

From our insurance investigation we learned that the elderly are apparently willing to spend $200, $500 or more each year in addition to their part B medicare premiums if they are guaranteed comprehensive coverage. In discussing this point with the General

Accounting Office personnel, the committee was led to the recommendations in its Noverber 1980 report and to this bill that I am introducing today.

REFORMS

The General Accounting Office (GAO) has suggested that a great source of confusion and unnecessary administrative costs in part A are the hospital coinsurance payments. The GAO pointed out that far less than 1 percent of the elderly are ever hospitalized 61 days consecutively which is the date they must begin to contribute $51 a day toward their hospital bill. The GAO said that many insurance companies use the hospital coinsurance payment as a means of suggesting to the elderly that their medicare coverage is far from complete, necessitating the purchase of a medigap policy. Once purchased, the policy does little but make money for the company since its liability under this provision is extremely remote. For this reason, we have concurred in the GAO's recommendation to repeal the part A hospital deductible, and I am hereby introducing legislation to accomplish that objective.

With respect to part B, the committee analyzed all of the means advanced to encourage physicians to "accept assignment" under medicare. Each legislative approach had advantages and disadvantages. Each fell into the category of "carrot" or "stick." One approach involved advising physicians that they would have a choice of participating in the medicare program or not. If they chose to do so, they then would be required to "accept medicare assignment." It is my feeling that this would simply encourage physicians to desert the program in droves. The committee decided that we must do the opposite. We must provide incentives to encourage physicians to participate in medicare and to accept assignment. The proposal which was recommended in the committee's report, and which I am introducing as the second bill in today's package, would amend the Internal Revenue Code to allow physicians who agree to accept assignment from all of their patients and who have received at least $10,000 from medicare in assignment claims, to deduct from their taxes such sums as they receive from medicare thereafter up to a total of $25,000 in any single year. I believe this kind of a tax incentive idea is absolutely essential to the continuing success of the program. For those who think there is no justification for such a bill, I would suggest comparing the fees we are paying to physicians under medicare not with rates which doctors charge their paying customers but with payments made by Blue Cross/Blue Shield and other private insurance carriers. The rates are low and the payment is slow. Many physicians have severe cash flow problems as a consequence. Something must be done and the idea of a tax break for participating doctors is, I think, much preferable to a general increase in medicare fees paid to physicians. The last time we raised such fees 5 percent was early in 1978, it cost the taxpayers $1.5 billion, and it hardly made a dent in the problem.

The third bill that I am introducing as part of this package would create a new part C of medicare. Part C would be voluntary like part B. Seniors could elect whether or not they wish to participate in part C as they now do with part B. Part C would carry a premium which would be equal to the part B premium and it would increase at the same rate as the part B premium. Part C would offer senior citizens appropriate coverage for out-of-hospital prescription drugs, dental care and dentures, eye exams and eyeglasses, hearing exams and aids, and biannual physical examinations. Like part B, part C will carry a $60 initial deductible. However, unlike part B, part C will not require the 20-percent coinsurance payment—100 percent of the reasonable costs will be reimbursable under this new part.

As I noted earlier, if seniors are willing to spend several hundred dollars a year on insurance policies which purportedly close the gaps in medicare, might they not be willing to pay a portion of this amount for expansion of the medicare program which will actually provide them with more comprehensive coverage? The answer among the senior citizens that we have talked to is a resounding yes. I am sure virtually all my colleagues in this Chamber would like to see us doing more for older Americans. I think all of us are sensitive to the fact that we are dealing in a time of tight budgets and high inflation. Some say that this should be a time of retrenchment and that we have no alternative but to accept cuts across the board in all programs and that the senior citizens of this Nation must accept their share of the burden of these cuts. My view is a different one. During these times of high inflation it is the elderly who are living on fixed incomes who are being hurt the most. Many of our seniors have severe health care problems which require prompt medical attention. Retrenchment and cutbacks can actually be counterproductive in the sense that if seniors do not get the limited services they need on a timely basis, medical problems may be exacerbated to the point where major surgery is indicated resulting in higher costs overall to the Government.

Since it is obvious that the new premium cannot support the entire cost of these new proposed benefits, the question is: Where will the remainder of the money come from? Our committee chose to borrow an idea from members of the Senate Finance Committee who in the debate on catastrophic national health insurance last Congress suggested an excise tax on alcohol and tobacco might provide the means for generating new sources of funding for such additional benefits. I think that this might well be an excellent means of financing part C. We have learned that for a few pennies tax on distilled spirits and cigarettes, we could fund part C in perpetuity. The combination of the premium which will rise with health cost and the excise tax will make part C essentially self-financing.

My assumption is that the consumption of alcohol and tobacco will continue to increase in the future and that the revenues and associated excise taxes will increase as well. In short, the financing for the health care program would increase just as we can anticipate that health care costs will continue to increase. Moreover, it makes a certain amount of sense to me that people who are greater health risks should pay a greater share of health care costs. Those who smoke and drink must already pay greater health insurance premiums in order to obtain private health insurance. I am simply suggesting the application of this principle to Government insurance.

All of us in Congress are concerned with the potential for fraud and abuse in the delivery and administration of our health care services. I know the administration shares our concern. For this reason, we have incorporated in this new part C proposal, mechanisms designed to avoid possible opportunities for fraud and abuse. We have also proposed methods for the provision of medical appliances under this new part in a manner which assures cost control as well as quality of care.

I think this bill is a needed and important step which we must take to improve the quality of health care for older Americans. Since the program will not involve tremendous outlays from the Federal Treasury and essentially is self-financing, I hold out a reasonable hope that we can persuade others in the Congress beyond our committee that this bill must receive the appropriate consideration and be enacted immediately.

The fourth bill would permit families to allow as a deduction from their Federal income tax the cost of providing home health care or nursing home care for their relatives irrespective of whether such individuals meet the tests of dependency in the current Internal Revenue Code. The idea incorporated in this bill is that we should encourage families to take care of their own rather than to place them on medicaid and in nursing homes where they become in essence long-term wards of the Government. It should be pointed out that it is per-

missible under present law to deduct the costs of providing health care to a relative provided that the person meets the test of dependency. This generally means the relative must prove they provide at least 50 percent of the support and the parent must not receive more than $1,000 in income before any tax deductions can be realized. Our bill would allow the deduction irrespective of whether the relative met this test of dependency. I believe that if this proposal were enacted, that there would be tremendous offsetting savings to the medicaid program which now pays for about 40 percent of the Nation's entire $20 billion nursing home bill annually. I think it makes more sense to keep people at home with their loved ones than to place them in institutions.

Mr. Speaker, I would like to acknowledge that Congresswoman MARY ROSE OAKAR, a valuable member of our committee has been a moving force behind this legislation. I am pleased to acknowledge her support and to list her as a prime cosponsor.

I would also commend the Members of the House to our report and to our earlier July 30, 1980, hearing in which Wilbur Mills and Wilbur Cohen both endorsed the concept of part C of medicare as described above and suggested ways of encouraging physicians to accept assignment. Wilbur Mills noted that the greatest mistake the Congress made with medicare was to essentially limit its coverage to hospital care. He suggested this has created an overutilization of this most expensive element in the health care spectrum and that the Congress should be looking more to preventive medicine and making greater use of outpatient care. "I commend you for the thought you have advanced in part C of medicare," he said. Wilbur Cohen said, in part, "I would like to see a medicare program which eventually covered practically all the medical costs of older people and the disabled. I approve your idea of developing some kind of part C in which a person can get almost complete coverage for the major items that we have been talking about."

Mr. Speaker, I believe this package of bills that I am introducing today is an important and responsible package. It contains the financing necessary to make it work. I think that the volume of mail that all of us have been receiving tells us that senior citizens continue to have very serious health care problems. Because of inflation, many senior citizens neglect to obtain the health care they need. I think that this Congress has a unique opportunity to recognize those needs and to enact the first major expansion of the medicare program since it was enacted in 1965. I expect that my proposal will be refined and developed as it moves through the legislative process. I welcome thoughts and suggestions from all interested parties. I hope we can enact this reform package during this Congress.

Thank you.●

KENNEDY RESPITE CENTER

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. FORD of Michigan. Mr. Speaker, the State of Michigan has distinguished itself in its interest, commitment and support of programs for the handicapped. I am now proud to acknowledge one of my local school districts—the Wayne-Westland Community Schools—for its outstanding leadership in providing a very special service and facility for its handicapped citizens. I am speaking of the Rose Fitzgerald Kennedy Respite Center, which was dedicated on May 17 in Westland, Mich.

The school districts in Wayne County have offered exemplary programs for the handicapped since the early 1970's, and have established a cost-efficient, cooperative system of programing. I was extremely pleased to participate in the opening of the Kennedy Respite Center. What we have here is an innovative and much-needed facility for our handicapped citizens and their families. The center offers temporary residential placement for developmentally disabled persons for up to 30 days in times of emergency, vacation, stress, and needed physical and/or emotional relief.

It is particularly appropriate that such a facility would be named in honor of one of our most outstanding American women, Rose Fitzgerald Kennedy. I can think of no better way to honor a person who has been so dedicated as a wife, public-spirited citizen, and mother of a handicapped child. I wanted to share with you the dedication remarks of Marjorie Mitchell, the respite care supervisor:

I would like to express our pleasure at being associated with the name of Rose Fitzgerald Kennedy. The candor with which the Kennedy family, in the early 1960's discussed the issues and problems related to having a developmentally-disabled family member and the energy with which the entire family dedicated their efforts to solving these issues and problems, has contributed greatly to the volume and quality of special education and mental health legislation. We trust the Kennedy family is equally pleased to be associated with such a unique, inter-agency service as the Respite Center.

Like many of the other very worthwhile programs serving special populations, the respite center might not have come into being without the influx of Federal funds. Clearly today the planning and fruition of the Rose Fitzgerald Kennedy Respite Center would not be possible. Construction funds of $997,063 were provided through the Federal local public works program, and currently operating program funds are available through the Detroit-Wayne County Mental Health Board and a combination of local, State, and Federal education funds. Those of us who have worked so hard to put together the construction and operating funds for the center sincerely hope it will continue to receive sufficient support to operate.●

QUESTIONS ABOUT THE POPULATION EXPLOSION?

HON. VIN WEBER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. WEBER of Minnesota. Mr. Speaker, I would like to bring to my colleagues' attention an article which appeared in the Washington Post, written by Mr. Ben Wattenberg, a senior fellow at the American Enterprise Institute. He has highlighted some statistical trends in world population, arguing that, contrary to popular belief, world population is not "exploding."

Mr. Wattenberg, in my opinion, has justly criticized the inaccurate analysis which is contained within the Global 2000 Report. The so-called population explosion need not, and probably will not, become a self-fulfilling prophecy.

[From the Washington Post, May 18, 1981]

WHAT "POPULATION EXPLOSION"?

(By Ben Wattenberg)

All around the world, birthrates have gone down. The so-called "population explosion" is receding—and quite rapidly in most places.

Now, this does not mean that our planet won't ultimately house more people than its population today. Even a lower growth rate still yields some growth until and unless it reaches zero. But what is also apparent is that those nightmare scenarios of ever more nonstop billions of starving people packed like sardines will not come to pass.

A brief look at data from the 20 most populous countries—containing 75 percent of the world's population—provides a flavor of what's going on. (The numbers were compiled by the U.S. Census Bureau's International Demographic Data Center.)

Seven of the 20 biggest nations are categorized by the United Nations as "more developed." They are the United States, the Soviet Union, Japan, Great Britain, West Germany, France and Italy. In six of these seven nations, fertility levels have already sunk so low that, if continued, such rates would lead to actual declines in population in years to come. The Soviets are only a smidgen away from such a rate.

But the biggest demographic question marks in recent years have concerned the major nations of the "less developed" world. A quick tour of these poor nations shows de-

clines in birthrates everywhere, although at very different speeds.

Begin at mainland China. In the early 1950s, the mainland Chinese had an annual birthrate of 40 children per thousand people. By the late 1970s, just a quarter of a century later, that rate had fallen to 22.

India is No. 2 in the world in population. It has been thought of as a demographic basket case. India has had a much more moderate drop in birthrate than has China. In the late 1950s, India recorded 43 births per thousand; today the rate is about 35. But that drop is more significant than it may seem. A nation only has to achieve rates in the mid-teens to get to population stability over time. That means that in the past 20 years India got about a third of the way to rates that will produce zero population growth.

Even greater declines in birthrates are apparent in the two next-largest poor countries, Indonesia and Brazil. Indonesia's birthrate was 46; now it's about 36. Brazil's was 44; today it's about 30.

On the other hand, Bangladesh, Pakistan and Nigeria have all shown much smaller declines. Each had birthrates of around 50 in the 1950s and are only down to the mid-to-upper 40s today.

The remaining six big nations in the less developed world break down this way: the birthrates of Thailand, Turkey and Mexico have dropped about 10 per thousand; that's a bigger decline than India's, but not as sharp as China's. The Philippines and Egypt have lost about five per thousand. Data for Vietnam do not exist. (For good measure, South Korea, the world's 21st largest nation, has seen a stunning drop in its birthrate, from 45 to 22, in only the past 20 years.)

The leverage of these sorts of declining rates is incredible. Thus, the often-bizarre "Global 2000 Study" cites a harum-scarum projection dealing with a world population of almost 30 billion in the next 120 years. But today, looking at the most recent birthrates, mainstream projections come in at about 10 billion to 12 billion, while the low-ball demographers are talking about a maximum of 8 billion before we level off and perhaps go to a global decline.

Lessons. First is this: there are no immutable projections. When some big out-of-town jasper with a pocket calculator comes up to you and says, "If present trends continue . . ."—hold onto your wallet.

"Present trends" involving people typically don't continue, particularly if the trends are unfavorable. They change—because, unlike pocket calculators, people have some control of their own destiny.

Second, what is seen as bad news drives out what is seen as good news. The alleged "population explosion" dominated our consciousness for a quarter of a century. Its recessional march now attracts little attention.

Third, what's seen as bad news may not be. The "population explosion" was regarded as "bad news" because the fellow with the calculator said that if you split a pie among more people, each person has less. That's an argument that may never be settled. A famous demographer has noted that every baby comes equipped not only with a mouth but also with hands. People not only consume but also produce. That makes the pie grow. Isn't it odd that just about every nation in the world raised its standard of living while the "population explosion" was going on?

Finally, science and statistics have become ideological handmaidens. Thus, the (distorted) perception of the population explosion yields corollaries: we're running out of resources, it's an era of limits, the rich are unfair to the poor, we need a new world economic order. Not surprisingly, the fellows with the hot calculators will also be happy to tell you how to fix things. All you have to do is follow a handy little 17-point government program that happens to be already typeset and at the printers.

What we see, then, is a pattern that is observable elsewhere in our society: we trumpet and politicize bad trends that may not be bad and may not be trends.

That's bad. As for me, a political man, I trumpet only the idea that the projections of doom will not survive. Certainly not if present trends continue.●

U.S. VOTE ON INFANT FORMULA CODE DESERVES A SECOND LOOK

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. FRANK. Mr. Speaker, when Dr. Stephen Joseph and Mr. Eugene N Babb resigned their posts at the Agency for International Development last month, they did so because of their conviction that the U.S. vote at the World Health Organization meeting on infant formula was unconscionable. In fact, Dr. Joseph and Mr. Babb estimate that roughly 1,000 children's lives are lost each year as a direct result of the misuse of infant formula in less developed countries. For the United States to vote against a voluntary code to set standards for use of infant formula in member nations is an abrogation of the principle of corporate responsibility and signals the world that we are more concerned with corporate profits than human lives.

The resignations of Dr. Joseph and Mr. Babb stand out as a refreshing example of the conviction of Government employees who have examined the impact of our actions on poor children in poor nations. I commend these gentlemen for their stand. Their resignations serve as a symbol to all of us of our responsibility to examine the ramifications of our decisions on the people they are intended to affect.

I would hope that in the coming months, prior to the next opportunity for the United States to vote on this issue at the World Health Organization, the administration will reconsider its position on an infant formula code.

I recently received a copy of a resolution adopted by the Massachusetts House of Representatives from Iris K. Holland, chairperson of the Massachusetts Caucus of Women Legislators and assistant Republican house leader on the infant formula issue. The resolution is a firm expression of support for the WHO infant formula code. The resolution follows:

RESOLUTIONS MEMORIALIZING THE PRESIDENT AND CONGRESS OF THE UNITED STATES TO DIRECT THE UNITED STATES REPRESENTATIVE TO THE UNITED NATIONS WORLD HEALTH ASSEMBLY TO VOTE IN SUPPORT OF THE RESOLUTION THAT WOULD OUTLAW THE PROMOTION OF INFANT FORMULA AROUND THE WORLD

Whereas, ten million infants and young children annually suffer from sometimes fatal malnutrition and other diseases associated with inadequate breast-feeding and the use of milk substitutes; and

Whereas, breast-feeding is free and nutritionally superior as compared to infant formulas that can be and often are contaminated by bad water, dilution and lack of refrigeration which is common in undeveloped countries, and

Whereas, said resolution would prohibit consumer advertising, free samples, premiums and commissions on the sale of infant formula and would prevent manufacturer's agents from selling to mothers directly and ban labels that present infant formula as a healthful alternative: Therefore be it

Resolved, that the Massachusetts House of Representatives hereby urges the President and Congress of the United States to direct the United States Representative to the United Nations World Health Assembly to support the resolution outlawing the promotion of infant formula around the world; and be it further

Resolved, that a copy of these resolutions be forwarded by the Clerk of the House of Representatives, to the President of the United States and to the Presiding Officer of each branch of the Congress and the Members thereof from this Commonwealth.●

IRRELEVANT WEEK

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. BADHAM. Mr. Speaker, each year at this time it is my pleasure to call to the attention of this honorable body an event in the 40th Congressional District of California which is fast becoming one of national interest.

It is known as Irrelevant Week, during which a number of citizens of the district which I represent bring to Newport Beach, Calif., the last man drafted each year by the National Football League to be honored as one who is symbolic of everything that is great in the United States of America.

This year the honor has befallen Phil Nelson, a little-known underplayed tight end at the University of Delaware, whom the Super Bowl champion Oakland Raiders thought had sufficient potential to draft 332d in this year's player lottery.

Phil Nelson joins five previous NFL draftees to be so honored and while I am not in a position to declare that being the Irrelevant Week honoree is a kiss of death for an aspiring pro football player, I am able to say that the record clearly speaks for itself.

Since Paul Salata and his zany friends in Newport Beach initiated Irrelevant Week in 1976, there has been a parade of players from Dayton, Colorado, Montana State, Northwest Louisiana, and Arkansas who have been honored as the final draftee in their senior year and so far none has made it out of summer training camp.

One player, a wide receiver, was inserted into two preseason games by the Pittsburgh Steelers in 1979 but, fortunately, he didn't catch a pass—because none was thrown to him—and he was soon released to join the other Irrelevant Week honorees in pro football oblivion.

Now comes Phil Nelson of the University of Delaware. This lad, who was schooled in Washington, D.C., virtually under the shadow of the U.S. Capitol, has had a rather undistinguished career in Delaware. Though 6 feet, 6 inches and a beefy 238 pounds, Phil caught only 14 passes in his 3 varsity seasons at the university.

But the pro scouts from a number of NFL teams came around several times to view game films, the best way to see Phil Nelson because he was academically ineligible for 7 games of his senior year, when he caught 7 of those 14 passes.

Yet the scouts liked what they saw. Phil has potential they decided. At least enough to be drafted 332d out of 332. And so now he will be off to summer camp with the Oakland Raiders, bidding for a seat on the bench along with the other 44 final members of the team squad.

After all, however, Phil Nelson did catch those seven passes last year in the four games he played. One of them was for a touchdown. In his junior year he caught six passes, one of which was for a touchdown as Delaware defeated Youngstown State 38-21 for the NCAA division II championship. In all there were four touchdown receptions in 1979.

The jump from division II play with the Delaware Blue Hens to the Oakland Raiders may be more than can be expected of 22-year-old Phil Nelson but the NFL is stocked with star players who made similar jumps. However, if Nelson does make the grade he will be the first Irrelevant Week player to have done so.

Which brings me to the point of this message to my colleagues and to all America.

The world is peopled with those who are drafted last, if at all, and it really isn't relevant whether or not they make it to the top, starting from the bottom, as it were.

What is relevant is that Phil Nelson and the other Phil Nelsons of the world gave it their best shot, which is all that any of us can ask of our fellow citizen.●

FORT CARSON ARMY PROJECT

HON. RAY KOGOVSEK

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. KOGOVSEK. Mr. Speaker, I am entering the testimony I made regarding the Fort Carson Army project.

Mr. Chairman, I would like to thank you and members of the committee for allowing me to testify today. The topic is the expansion of Fort Carson—a project the Army has labeled its number one acquisition priority, and a project which is the number one concern of my constituents in southeastern Colorado.

You will hear testimony this afternoon from various Coloradans who will tell you their organizations wholeheartedly support the Army's proposed acquisition of 244,000 acres in my congressional district. I want you to know that my opposition to the expansion represents the views of the majority in southeastern Colorado who will be directly and adversely impacted by this land grab.

I do not oppose the expansion because I disagree that Fort Carson needs more training area. They do. Fort Carson troops need to be trained at battalion levels in order to upgrade the readiness of this nation, according to the Army. I accept their description of need, and that is not the question. The question is where we train Fort Carson's troops.

While the Army argues the criticality of this project in terms of readiness, they often forget to explain that troops will not be able to train on the Pinon Canyon parcel until 1986. The Army does not appear to be in any great haste to meet the training needs when they discourage each and every alternative site or method which would allow the troops to begin maneuvers within one or two years. The Army has its heart set on the Pinon Canyon parcel.

I believe the reason for this is explained in documents I will submit for the record. These documents provided to me by the former chief of the Fort Carson land acquisition team indicate the Army has considered training more than just the 4th Mechanized Division on its newly acquired land. By its own admission, the Fort Carson maneuvers will only require 82,000 acres. Yet, the Army's proposal asks Congress to pay millions more for three times as much land as Fort Carson needs. The Army lists environmental concerns as its reason for such a request. I believe the true reason is future ability to train more than just the 4th Mechanized Division.

But let me address the environmental concerns, because I share them with the Army—although I don't feel the Army is concerned enough. The Pinon Canyon parcel is fragile. The area receives a scant 9 to 12 inches of rain a year. The ground has very little vegetative cover—in fact it takes 50 acres to graze one animal unit.

I would like the members of this committee to see the frail land the Army wants to roll hundreds of tanks on. Between the training of three battalions per year, reserve training and a biennial division level maneuver, I am convinced we in southern Colorado will have a dust bowl on our hands and 244,000 acres of scarred prairie—land where old wagon trails are still visible after decades.

The environmental question is two pronged . . . it goes beyond my concern for the looks of the land. It goes to the economic future of my district.

Once the training activity begins, dust will blow into communities which have long been striving for economic development. Pueblo, Colorado, the metropolitan area nearest the proposed training site, already has non-attainment status from the EPA which has prevented it from attracting new industry. But the Army says the dust won't blow into Pueblo, almost 100 miles removed from the training site. So let's talk about the rural communities adjacent to the parcel—Walsenburg, Trinidad, La Junta, Lamar, Rocky Ford. These are towns whose past economy has been based solely on agriculture. The residents have felt the impact of a sagging agricultural economy and so they search for new industry to provide jobs and an economic boost. Lamar was recently chosen as the site for two new manufacturing plants. The potential for attracting any more industry will decline dramatically in Lamar and Trinidad and La Junta when—not if—dust pollution increases because of training.

In addition to the potential for air pollution is the certainty of increased salinity in the Arkansas River. The Purgatoire River runs right through the Pinon Canyon parcel and feeds into the Arkansas—a river with the nation's highest salinity level now. Erosion caused by tank maneuvers will increase the salinity drastically, causing problems for Colorado users as well as those downstream who depend on the Arkansas water for agricultural production.

The Army has not totally ignored these potential environmental impacts. Within their estimated cost of operating the new training site is a less than adequate $5 per acre cost for mitigation. And remember, the Army is taking three times the land it actually needs in order to minimize environmental problems. They will rotate training activity from site to site to "rest" certain areas for a two-year period. The Army believes two years is enough time for the fragile land to revegetate.

Mr. Chairman, rotating the training of hundreds of tracked vehicles will not mitigate the impacts. The Bureau of Land Management says so. The State Department of Agriculture says so. The EPA says so and the U.S. Forest Service does too. The Soil Conservation District says the Army plan is unsupportable. I say it is irresponsible. The Army will not be able to achieve in a two-year rest period what the Soil Conservation District has been unable to achieve on the neighboring Comanche National Grasslands with a 40-year rest and the expenditure of thousands of dollars per acre.

Let me move from the environmental issues to the fiscal ones, since your job is to determine proper expenditures of federal dollars. The mood of the country makes arguing against an item on the military wish list difficult. The people—including my constituents in southeastern Colorado—believe we must improve our national strength. The Army would have you believe that this $30 million expenditure for the Pinon Canyon parcel is the sole way of doing so.

But the mood of the country is also one calling for careful expenditure of taxpayers' dollars. I submit to you that the purchase of a quarter of a million acres of private land is not the most fiscally responsible alternative available to you.

I do not come to you in opposition of the expansion proposal to be an obstructionist. I

have proposed several alternatives to the Army, and they have chosen to discount all of them. They have used the excuses Lt. General Arthur S. Collins Jr. said they would in his book "Common Sense Training." "A common excuse is the training area is inadequate. The training areas are either too small, too far away, too wooded, too open or too something," Collins said. He could have been quoting any number of Army officials I have talked with about alternatives.

The Army has looked at other sites before setting its eyes on the Pinon Canyon parcel. In 1978, the Army looked at land to the west of the existing Fort Carson reservation, to the south of it, east of it and in Wyoming. Several of these sites were acceptable to the Army then, but are not now. Only the Pinon Canyon parcel seems to meet the Army's needs.

I would suggest that we look further into these sites and determine if they are feasible and why they were abandoned from further consideration.

But the most preferable alternative to me—a member of Congress who represents a state where more than one third of the land is owned by the federal government—is to train Fort Carson's troops on an existing military reservation.

We are presently establishing the National Training Center at Fort Irwin in California. Why can't the 4th Mechanized Division train there? It is too flat and transportation costs are too high. Fort Bliss in El Paso, Texas has 1.1 million acres, 300,000 of which is specifically labeled maneuver land. Why can't Fort Carson's troops train there? It is too flat, transportation costs are too high and scheduling will be impossible once three new weapons systems are assigned there.

The Army has an argument against every alternative to the Pinon Canyon site. As one general testified before the Armed Services Subcommittee on Installations and Facilities—"we want that land."

Mr. Chairman, I question the Army's contention that travel costs to Fort Bliss or Fort Irwin are not responsible spending when the cost of the Army's speculation at the Pinon Canyon site will be upwards of $100 million, and that is a conservative estimate. The Army has not adequately considered the costs of their mitigation efforts, like a scheme to build holding ponds in order to combat the salinity problem. In addition, by 1986, when troops will finally train on the site, the cost will be higher. A recent Congressional Budget Office report said the administration's five-year defense plan will cost $136 billion more than estimated because the predicted annual inflation rate was lower than is realistic.

Mr Chairman, I am certain we all agree on the criticality of the need for better training of our troops. But is is also critical that we look at the real expense of the Army's plan and determine whether purchase of the Pinon Canyon site is sound or if it is a boondoggle.

Because the Army does not feel it is necessary to fulfill this number one priority need until 1986, I think we should take a little more time to examine the alternatives. I would like to request that this committee call for an independent investigation of the alternatives—particularly the use of existing military training land.

Certainly if the Army believes this is its number one priority in terms of readiness, they would welcome an investigation of training sites which would allow training to begin within one or two years and not five years down the road.

And just as certainly, the taxpayers will welcome the saving of $30 million or more because we were frugal enough to use what land we have to the fullest extent, rather than buying more and more and more.

I most sincerely urge you not to confuse the criticality of the Army's requirements with the real criticality of the necessity to meet those requirements in only the exact manner which the Army has proposed.

Thank you, Mr. Chairman and members of the Committee, for hearing my testimony on an issue which is far more than just consequential to southeastern Colorado.●

ALEXANDER YAKOVLEVICH LERNER—REFUSENIK

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. WOLF. Mr. Speaker, I would like to bring to the attention of my colleagues the plight of Alexander Yakovlevich Lerner, a refusenik in the Soviet Union. A refusenik is a Soviet Jew who has been denied an exit visa and is many times the subject of harassment and may suffer the loss of his/her job or imprisonment. Recognition of the refusenik's independent commitment to freedom should be part of our country's support of human rights.

Alexander Lerner was once among the most respected and honored scientists in the Soviet Union. Alexander Lerner is now reduced to arranging furtive meetings with other Jewish refuseniks, in his small apartment, where they exchange scientific views and dream of their future work in Israel.

Alexander Lerner was born in the Ukraine, in Vinnitsa. When the Germans occupied Vinnitsa, Lerner and his wife Judith saw their two daughters, aged 3 and 5, murdered by the Nazis. The Lerners began life anew in Moscow where their children Vladimir and Sonia were born. In 1939, Lerner was awarded the academic degree of Candidate; in 1954, that of Doctor of Science; and in 1955, the academic title of Professor. He became a member of the prestigious Academy of Sciences of the U.S.S.R., and was the author of 168 scientific works, 12 books among them, many of which have been translated into several languages.

Professor Lerner held a prominent position in Soviet society until 1971—the year he applied for an exit visa. After submitting a petition concerning his decision to leave for Israel, Professor Lerner was dismissed from all his duties. His daughter was discharged from her position as mathematics researcher, and his son, an engineer in systems analysis, was fired and has been forced to work at odd, unskilled jobs.

In a statement transmitted from Moscow on March 30, 1976, Professor Lerner emphasizes that there is no basis to the "knowing State secrets" as a reason for refusing him a visa. Any participation in projects of a confidential nature have long been discontinued and made public in the West. Lerner had also been allowed to travel abroad—a privilege denied to those privy to State secrets. Lerner concludes:

> And so the pretext of secrecy on which is based the refusal to release me is patently absurd. Even more absurd is this excuse for detaining my son who in his entire life has not had the slightest glimpse of secret documents or participation in secret activities.

Justice demands that Mr. Lerner be released from the Soviet Union so that he may fulfill his dreams and complete his work in Israel.●

LOUIS RANDOM HONORED FOR SERVICE

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. HOLLENBECK. Mr. Speaker, on June 12, the community of Dumont, N.J., and the Dumont Education Association are paying tribute to the accomplishments of a very special educator. Mr. Louis Random has taught Dumont High School students U.S. history and government for 33 years. He has instilled in thousands of young men and women a sound understanding and firm appreciation of our government and our heritage during these more than three decades in public education.

Upon his retirement, Mr. Random is recognized by his colleagues and his community, not only for the longevity of his service, but for his steadfast dedication to quality education for our youth. I am proud to offer Mr. Random my congratulations on the honors bestowed upon him, my commendation for his fine career in education, and my very best wishes for happiness and good health in his retirement.●

EQUAL EMPLOYMENT OPPORTUNITY AT GRUMMAN AEROSPACE CORP.

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. MITCHELL of Maryland. Mr. Speaker, many of my colleagues oppose affirmative action in employment, housing, and minority business. They mistakenly assume that our society is free from racism, prejudice, and

discrimination—how badly mistaken they are.

I have often stated that if indeed the private sector really tried to implement affirmative action programs on its own, there would be no need for Federal efforts. Very few corporations in America really push affirmative action hard, and that is bad. A few exceptions can be noted. Grumman Aerospace Corp., with whom I have worked since I came to the Congress, has, in my opinion, attempted to implement equal opportunity initiatives.

It should prove interesting to review a 10-year record of progress at Grumman. During the decade of the seventies the following increases were achieved:

Increase in total population, women from 10.0 to 12.9 percent, minorities from 5.8 to 8.3 percent; white-collar positions, women from 13.5 to 15.3 percent, minorities from 3.1 to 5.9 percent; officials and managers and professionals, women from 1.7 to 7.1 percent, minorities from 2.2 to 5.1 percent; technicians and craftsworkers, women from 3.2 to 4.6 percent, minorities from 6.6 to 9.1 percent; and blue-collar positions, women from 4.4 to 7.4 percent, minorities from 10.2 to 13.5 percent.

TYPES OF OFFICIALS AND MANAGERS JOBS HELD BY WOMEN AND MINORITIES

Women: assistant to corporate officer, 2; assistant to director, 3; manager, 6; assistant manager, 9; section head and group head, 7; supervisors and assistant supervisors, 11; and foreperson and assistant foreperson, 3.

Minorities: assistant to corporation officer and board member, 1; director, 4; deputy director, 1; deputy general manager, 1; manager, 13; assistant manager, 4; section head and group head, 5; supervisor and assistant supervisor, 18; and foreperson and assistant foreperson, 20.

PROFESSIONAL JOBS

Women: administrative assistant, staff assistant, administrator, analyst, engineer—84, auditor, attorney, buyer, chemist, and editor.

Minorities: staff assistant, accountant, analyst, administrative assistant, engineer—156, buyer, chemist, and field representative.

Over $5,820,000 was paid to minority subcontractors during 1979, and a total of 160 minority firms are on our seller's list.●

THE SUGARMAN CASE—A CLEAR EXAMPLE OF BUREAUCRATIC EXCESS

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. PORTER. Mr. Speaker, last fall, I came before this body to protest the excessive burden placed upon a small businessman from my district by the Federal Trade Commission.

That regulatory body had imposed an excessive fine upon Joe Sugarman of J.S. & A. Corp. for a delay in responding to orders placed during the great Chicago blizzard of January 1979. The company's problem in meeting its orders was confounded by computer difficulties, but Mr. Sugarman worked gamely to fill those orders as best he could. The staff gave willingly of its time to try to get its products out in accordance with both good business practices and the FTC rule requiring 30-day shipment.

Despite the good faith efforts of the corporation to fulfill its commitments to its customers, the FTC saw fit to impose a $100,000 fine upon it for its technical violation of the 30-day rule.

This House has never sanctioned such a 30-day rule with the force of law, nor would it ever do so without requiring clear due process of law which took into account mitigating circumstances. Yet, the FTC has seen fit to confound its first outrageous act with two more: it subsequently raised the fine to $275,000 and then "magnanimously" reduced it to $75,000.

Enough is enough. Last fall, the people of this Nation spoke with one will to say that Government harassment is excessive. Surely this is a clear case of bureaucratic excess which is designed to prove the agency "right" and the businessman "wrong" without the least attempt to achieve justice.

This Nation is founded upon a rule of law created through a complex set of checks and balances. The establishment of regulatory agencies with power to act as prosecutor, judge, and jury with the accused's only recourse to extremely costly court procedures is a clear threat to the will of law if the agency acts capriciously and without due regard to mitigating circumstances.

Clearly, the J.S. & A. matter appears to be one of bureaucratic harassment, with the intent to leave Mr. Sugarman the only option of spending $500,000 to avoid the $75,000 fine. If the case does go to court and Mr. Sugarman is exonerated, this may be a classic case for the court to assess costs and legal fees against the FTC in accordance with the law passed by the Congress last year, Public Law 96-481, which I strongly supported and on the conference committee for which I served.●

AN ABUSE OF FRANKING

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. RUDD. Mr. Speaker, one of my constituents has brought to my attention a matter that disturbs me very much and ought to disturb every Member of this House.

I am speaking about what I consider to be an abuse of the franking privilege. We all have encountered similar situations, I am sure, and too often we ignore them. But I do not think we can ignore them, if we are truly here to transact the people's business.

The facts here are clear. The Congressional Arts caucus made an appeal to the arts and humanities constituency, trying to mobilize opposition to President Reagan's budget cut plans. That appeal was sent through the mail on letterhead stationery captioned Congress of the United States, House of Representatives, Congressional Arts Caucus, Washington, D.C. 20515; signed by the chairman of the caucus, and mailed in the chairman's franked envelope.

Mr. Speaker, I feel that is wrong, anyone can express opposition to anything they want, but they ought not to ask the taxpayers to pay for such a propaganda effort. And that is exactly what happens when such a letter is sent out under the frank of a Member of the House.

I ask unanimous consent to place in the RECORD the letter, the franked envelope, and the response I received from my constituent, Mr. George Getz of Phoenix, Ariz., who received the letter, and my letter to the chairman of the Congressional Arts Caucus.

HALL OF FLAME,
ANTIQUE FIRE ENGINE MUSEUM,
Phoenix, Ariz., May 8, 1981.

CONGRESSMAN FRED RICHMOND,
Chairman, House Congressional Arts Caucus, Washington, D.C.

DEAR CONGRESSMAN RICHMOND: I have your letter of March 30th reference to writing President Reagan regarding cutting back on funds for various Arts and Humanities programs in line with his trying to balance the budget and eliminate various unnecessary government operations.

I am in the museum field, but have never received a penny of federal help in the form of subsidies, grants, etc. I am a firm believer in living within ones budget, which our Federal Government does not seem to be in favor of, nor have they practiced it for many years. No business could exist if it is run the way our Federal Government is run. When ones income does not keep up with outgo, you have to readjust your thinking and priorities. President Reagan is a firm believer in this philosophy and I support him 100%. He is not singling out any one individual project or projects, he is going across the board with cutbacks affecting everyone. I think that we should all stand up like men and accept our proportionate share of these cutbacks.

Sure, it is going to hurt, but everyone is going to be hurt to some extent. If this country expects to carry on as it has being a leader in international affairs, it must be strong and no country can be strong with the deficits we have been running up. Therefore, it is time we all cutback and adjusted to a lesser degree of depending upon government to do things for us. We need to

get out and find our own way of making our pet projects operate. Washington should not be expected to subsidize projects for us. We should be able to stand on our own feet.

I am not in favor of your proposal as outlined in your letter of March 30th and I believe that there are too many self-interests groups trying to say "don't cut me, cut the other fellow." Everyone has to take their share of the cuts!

Very sincerely,

GEORGE F. GETZ, JR.,
President.

HOUSE OF REPRESENTATIVES,
CONGRESSIONAL ARTS CAUCUS,
Washington, D.C., March 30, 1981.

DEAR FRIEND: If you are concerned about the federal government's continued support of the arts, then we need your help now.

President Reagan has recommended eliminating the Institute for Museum Services and the subsidies for non-profit bulk mail. In addition, the Administration has asked for a 50 percent reduction in the appropriation to both the National Endowment for the Arts and National Endowment for the Humanities and a 25 percent reduction in the appropriation to the Corporation for Public Broadcasting.

Few, if any arts organizations, large or small, will be unaffected if these cuts are approved by Congress. The Congressional Arts Caucus already has 135 Members of Congress, representing 34 states and five territories, who are most supportive of the arts community.

Your assistance is urgently needed to insure the continued existence of federal arts agencies. I suggest that you explain the potential financial crisis to your Board members and urge them to launch a massive letter writing campaign.

I hope every member of your Board, your organization and your patrons will write their Representative in Congress urging him or her to join our Arts Caucus. Your letter should also state your views concerning the need for continued funding for the Corporation for Public Broadcasting, the National Endowment for the Arts, the National Endowment for the Humanities, the Institute for Museum Services, and the National Trust for Historic Preservation.

Form letters and petitions won't be effective. We need personalized, individual letters from constituents to their own Member of Congress. If you need any assistance in mounting this most critical campaign, please do not hesitate to contact me.

We cannot win this fight alone but together we will be successful.

Yours sincerely,

FRED RICHMOND,
Chairman.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., June 4, 1981.

HON. FRED RICHMOND,
U.S. House of Representatives,
Washington, D.C.

DEAR FRED: Per our conversation yesterday, I am sending to you the March 30 letter on Congress of the United States, House of Representatives, Congressional Arts Caucus stationery, mailed to one of my constituents, Mr. George Getz, over your signature in one of your Franked envelopes.

I do not regard this as a proper use of the Frank, Fred. Anyone has the right, of course, to try to organize public opinion in favor of an issue, such as the arts and the humanities. However, to use taxpayers money in such a propaganda effort as your Arts Caucus undertook is wrong, in my opinion.

I feel very strongly about this, and I intend to extend my remarks on the subject.

With best personal regards,

Sincerely,

ELDON RUDD,
Member of Congress.

Enclosure.●

TEXAS OPPOSES SPLIT-BASING OF MX

HON. JIM MATTOX

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. MATTOX. Mr. Speaker, as you know, the Townes Committee, which is studying the possible basing modes for the MX missile system, is to complete its review by the end of this month. Several of my colleagues have indicated that they would reserve judgment on this controverisal issue until the committee makes its report.

I would urge them to recall, whatever the committee recommends, that this House is on record in support of basing the MX "on the least productive land available that is suitable for such purpose." If the decision comes down to a choice between the full-basing (Nevada/Utah) mode, which the Air Force prefers, and the split-basing (Nevada/Utah/Texas/New Mexico) mode, also under study, we clearly should not adopt the latter. Basing the MX shelters in the Texas Panhandle would remove from agricultural production many acres of rich farmland. We cannot be consistent with our "sense of the Congress" amendment to the fiscal year 1979 Defense Department authorization if we allow this.

Furthermore, the Air Force estimates that the split-basing mode would cost almost $3.5 billion more than the full-basing mode initially, and that the cost of the additional operations and support requirements would be about $19 million per year.

These issues have recently been addressed by the Texas Legislature, which adopted Senate Concurrent Resolution No. 53. I respectfully request that a copy of that resolution be entered in the CONGRESSIONAL RECORD.

SENATE CONCURRENT RESOLUTION

Whereas, United States Air Force plans call for a sheltered road-mobile basing system for the M-X missile system, and currently under consideration are plans for either full basing in Nevada/Utah or a split basing in Nevada/Utah and Texas/New Mexico; and

Whereas, A decision to adopt the split-basing mode would require the relocation of approximately 500 families and would required United States Air Force acquisition of many acres of highly productive land in Texas which would be unlikely to be reclaimed for agricultural purposes; and

Whereas, an amendment to the Department of Defense Supplemental Appropriations Act, Section 2.02(b), June 27, 1979, states that it is the sense of Congress that the basing mode for the M-X missile should be restricted to location on the least productive land available that is suitable for such purpose; and

Whereas, the January 19, 1981, Department of Defense M-X Split Basing Report to Congress states that there exists a relative balance in the environmental impact between the two alternatives, while also stating that the split-basing mode would require the additional expenditure of $3.475 billion over the cost of the full-basing mode; now, therefore, be it

Resolved by the Senate of the State of Texas, the House of Representatives concurring, That the 67th Legislative respectfully request that the Congress do not adopt the split-basing mode for the deployment of the M-X missile system; and, be it further

Resolved, That the Secretary of State forward copies of this resolution to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, Senator Lloyd Bentsen, Senator John Tower, and all members of the Texas delegation of the United States House of Representatives with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.●

ARE AMERICA'S FARMERS EXPORTING THEIR TOPSOIL

HON. JAMES WEAVER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. WEAVER. Mr. Speaker, I would like to bring up one of the most serious issues facing our Nation today—that is the conservation of our soils. America's fertile soils are the source of our power. As long as we can feed our people, good years and bad, our Nation will have a unique source of strength in this hungry world.

Unfortunately, we are pushing to the technological and ecological limits of production on our farms. We try to squeeze out every last kernel of corn and wheat, regardless of the devastating effect on our soils. Our crops can be grown year by year; but the soil is a precious geologic resource, like oil, which can and is being depleted.

We are 30 years down the road in a long push to promote American agricultural exports. This drive has gone on regardless of the cost to the natural productivity of our land, regardless of the impact on struggling Third World farmers, regardless of the prices received by our own producers.

One good way to slow this shortsighted raid on posterity is to find a way to increase farmers' incomes from exports without causing further pushes onto marginal soils and into artificially high yields. I think that my National Export Grain Bank bill is one

good solution. It would allow us to set a minimum price on our grain exports. The difference between the export and the domestic price would be collected, stored in the bank, and returned to the growers. The bank funds could also be used to support other programs under the Department of Agriculture if Congress appropriated them.

We are the most powerful agricultural nation on Earth. We should use that power for the benefit of both our people and our land. To make empty blandishments about "letting the market take its course" is to assent to a loss of our heritage. It is an action reminiscent of the ostrich burying his head in the sand—and sand may be all we have left of our soils if we do not act now.

This fine article from the Christian Science Monitor of Wednesday, June 3, 1981, shows the extreme danger in which our drive for exports has placed our soils. I hope that those who read it will be shocked by the seriousness of the predicament. I hope that they will consider supporting H.R. 2901, the National Export Grain Bank, which is my effort to stop exporting our topsoil.

The text of Mr. Lauren Soth's article follows:

[From the Christian Science Monitor, June 3, 1981]

ARE AMERICA'S FARMERS "EXPORTING" THEIR TOP SOIL?

(By Lauren Soth)

"I am sorry to say that I see this ravishment of the soil continuing at a faster and faster pace in the past 25 years throughout the Midwest, because of the cheap food policy and extensive exportation of our farm products that are being advocated by our national leaders."—Jim Sage, Iowa farmer, in testimony before the soil conservation subcommittee of the U.S. Senate Committee on Agriculture, Aug. 15, 1980.

"What many people do not realize is that the bumper crops are coming at the expense of the soil. I am increasingly concerned that the President and Congress do not fully appreciate that Iowa is really "paying" for our reliance on foreign oil, as Iowa farmers help with the balance-of-payments problem through our tremendous exports."—Robert Lounsberry, Iowa secretary of agriculture, in the same Senate hearings.

United States exports of grain are breaking the record again. Allowing for some overstatement by conservationist farmers of the case attributing soil losses to exports, there is such a case. It deserves public attention. This is a good time for it.

John Block, the new U.S. Secretary of Agriculture, helped start a state soil-conservation program in Illinois where he was director of the Department of Agriculture. But his enthusiasm for free markets and exports appears to override his concern about soil losses. As a state official, he pushed for export expansion of corn and soybeans, which he raises on his own farm. When he was named to the Reagan Cabinet, he said he favored lifting "immediately" the partial embargo on grain exports to the Soviet Union. "Expansion of exports," he said, "is a key to a market-oriented agricultural policy." At the American Farm Bureau's annual meeting in New Orleans on Jan. 12, 1981, he let himself go, declaring that "given the incentive, farmers will respond, and people won't believe how we can produce so much." He said he would oppose any budget cuts in agricultural research or in promotion of exports.

Agricultural exports aren't exactly slumping, as one might think from Mr. Block's tone. In the current fiscal year (ending in September) grain exports will increase over the previous year's all-time high from 111 to 119 million tons (7 percent), according to US Department of Agriculture projections.

In all, agricultural exports are projected to reach 170 million tons compared with 164 million in 1979–80. The dollar value will be about $47 billion, a rise of 16 percent and an enormous credit for the US balance of payments. This gain is occurring despite the world economic slowdown, short corn and soybean crops in 1980, and the partial embargo on sales to the Soviet Union. Clearly, the embargo, while it may have handicapped the Soviet Union in its grain import plans and cost it extra foreign exchange, did not slow the American farm-export boom. . . .

Exports of grain and soybeans have been growing rampantly in the last 30 years. . . . In 1950, we exported only 15 million tons of grain, as compared with 119 million this year. The biggest growth has come in corn and soybeans (including processed soybean meal), the ingredients of meat, poultry, egg, and milk production. Rising incomes in developing as well as developed countries have lifted demand for the high-protein foods derived from livestock. Soybean exports more than tripled in the 1960s and 1970s. Feed-grain exports (mostly corn) increased sevenfold!

We now export more than 60 percent of our wheat; more than half of our soybeans, cotton, and rice; nearly a third of our corn. "In terms of competition for land," writes Philip M. Raup, a University of Minnesota economist, "we have reached a degree of agricultural export dependency for which parallels can be found only in the Antebellum cotton South or in our Colonial era. . . ."

The export expansion has called forth an expansion of land devoted to the export crops. All of the 50–60 million acres held out of production under government reward and penalty programs in the 1960s have been brought back into cultivation. In addition, other meadows and pastures have been plowed and planted with grains and soybeans. In 1950, American farmers exported crops grown on 50 million acres, 14.5 percent of the cropland harvested. By 1975, crop acres used for export had doubled to 100 million, and by 1978 had climbed to 133 million. That was a third of crop acres harvested. Since then farmers have further increased grain and soybean plantings. This year the USDA projects an increase of 14.6 million acres of wheat over the 1978 figure. Total feed-grain acreage will be down slightly, because of a switch from grain sorghum to wheat in the Great Plains, but corn plantings are expected to increase by 3.4 million acres over 1978. Soybean plantings are projected to increase by 5.9 million acres.

Part of the increase in grain and soybean land comes from continuous grain crops or, in the Corn Belt, from rotating fields only between corn and soybeans—instead of the old practice of including two years of oats and clover or alfalfa in every five- or six-year rotation. Chemical herbicides and insecticides make feasible these practices by controlling weeds and insects which otherwise would flourish in year-after-year plantings of corn and beans. However, this heavy cropping, especially in the case of intertilled crops such as corn and soybeans, greatly steps up the rate of erosion.

Soil erosion is a far more important problem in maintaining agricultural resources than the loss of land to agriculture for nonagricultural uses, an issue that has aroused popular alarm in recent years. The conversion of farmland to shopping centers, housing developments, highways, and factories stirs the emotions of people worried about the world food shortage.

The government's recent National Agricultural Lands Study found that 3 million acres of farmland are lost to urban development each year. But only about 1 million of the 3 million acres are cropland. . . . Now that the land retired under crop-control programs has been brought back into cultivation, the nation's total area of cropland is about the same as in the 1920s and 1930s, around 400 million acres.

Vast additional areas could be brought into crop production by clearing, drainage and irrigation, but at high cost—and much of the land would be fragile, with thin soil especially vulnerable to water and wind erosion. It would be sounder national investment policy to protect our most productive cropland against deterioration.

Undoubtedly, the nation could continue to expand grain and soybean production, given favorable weather, by developing new cropland, applying better erosion control on all cropland, and by adding more fertilizer and pesticides—though probably not as robustly as Secretary Block suggested in the full exuberance of a freshman Cabinet officer at the Farm Bureau meeting. After all, the new cropland brought in would be much less productive than what farmers are planting now, and nearly all of the most productive land is already being farmed with the latest technology (except for erosion control).

The crux of the food-agriculture problem facing America is soil resource maintenance vs. unrestrained grain exports. At the rate exports are increasing, the danger of overexploitation of the land with permanent damage to productivity is becoming imminent. Yet exports have been the lifeblood of American agriculture, the most productive in the world, and are vital to farm prosperity.

II

Exports of agricultural products have always been important to America—from Colonial tobacco and indigo to cotton; later to wheat, rice, pork, and lard; and then to corn and soybeans.

But the most recent rise in exports of agricultural products is truly phenomenal, even in American history.

Agricultural exports began to expand in the Eisenhower administration, and much of this expansion was initially accomplished through subsidies under Food for Peace. Wheat exports under P.L. 480 averaged 12 million tons a year from 1960–61 to 1965–66, then fell to around 5 million tons in the early 1970s and were surpassed by commercial sales. Feed-grain exports under P.L. 480 have always been small and soybean exports negligible. The increase in exports of these feedstuffs has been almost entirely a commercial proposition, fueled by world prosperity and active promotion by feed-grain and soybean sales organizations.

With technological advance specialization, further increasing export-crop production. The case of corn in instructive. Post-World War II hybrids could use larger amounts of fertilizer effectively, withstand dry weather, and yield more. The availability of cheap chemical fertilizer to replenish nitrogen made it possible to eliminate legume rotations and to cut the hard work of speading manure. Continuous corn became feasible throughout the corn belt, especially on flat land, Fertilizer from factories replaced nutrients (at least all that seemed essential), and chemical insecticides handled the bugs which otherwise thrived in continuous cornfields. Larger machinery permitted planting, cultivating, and harvesting bigger fields with less human work time. Moreover, chemical herbicides enabled farmers to greatly reduce cultivation for weed control. . . .

Specialization increased the vulnerability of large-scale producers to the economic vicissitudes of one commodity or two. . . .

The petroleum crisis also stimulated the drive to expand farm exports in the 1970s. The country's unfavorable balance of payments encouraged the government to push for larger dollar earnings from the sale of farm products overseas. Government spokesmen have often elucidated the value of increasing farm exports at a time of rising oil-import costs, though the main cause of larger grain exports, of course, has been rising income per person abroad.

Two new economic forces could have restraining effects of farm specialization and farm size in the future.

One of these is the energy problem—rising costs of, and dependence on, foreign oil. Big farming and agribusiness no doubt will continue to be able to obtain favorable allocations of scarce energy resources for agricultural power, pesticides, and fertilizer. Nevertheless, farmers may shift to more crop rotations, use of organic fertilizers, and biological controls of pests if oil prices continue to mount, as they certainly will.

The second restraint on farm enlargement and exports may come from the deteriorating condition of farmland, caused by overcropping and excessive use of chemicals.

III

The rapid growth of export demand for American foodstuffs and the inexorable progression of population in the third world have led to Malthusian alarms. America and other developed countries should economize on the use of grain in livestock feeding, it is said, saving more for direct consumption by less developed countries. In addition, America should not allow Japan, Europe, the Soviet Union, and other high-income countries to buy our grain for feeding livestock and enriching their already adequate diets. We should reserve more of our supply for needy countries.

Experience in the 1970s showed the usefulness of large grain reserves in softening the shocks of variations in world production. The United States has made efforts to establish a cooperative grain reserve program with other countries, as proposed by directors general of the UN Food and Agriculture Organization and several national and international food study groups. But that has not panned out; the other rich countries appear to be unwilling to help pay for a reserve program with the United States dominating such a massive share (two-thirds this year) of the world grain trade. But the stake of the United States itself in a more stable grain market could well justify a bigger national reserve program than we have been carrying. Moreover, the United States has always recognized a responsibility to provide relief for famine and emergency food shortages in poor countries. Building an adequate reserve of grain should be high on the new administration's agenda.

President Reagan and his food-policy advisers will have to make farm production and export decisions with such considerations in mind. Much as it goes against the free-trade, free-enterprise doctrines of the new administration, a government policy on the disposition of grain exports will be necessary in the future—sooner rather than later if the world should run into a series of dry years in the major grain-growing areas of North America, India, the Soviet Union, and China at the same time.

The earth's finite supply of petroleum and natural gas, plus the cartel pricing policies of leading world producers outside North America and the Soviet Union, have caused Americans to turn to what are called "renewable" resources for producing energy. Of these, organic materials including crop wastes, garbage, wood, sugar cane (used extensively in Brazil for alcohol fuel), sugar beets, and grain are being studied as sources of alcohol, primarily for transport-vehicle fuel. In the United States, corn has been seen as the principal source, mainly because of the abundant supply. The Carter administration started a large-scale corn-ethanol program, with loans and grants to encourage development of fermentation and distilling factories.

Conceivably, the gasohol market could take as much as a billion bushels of corn (25.4 million tons) a year by the end of the decade, assuming the government subsidies increase with inflation.

The claims of the "feed the world" idealists, the commercial grain exporters, and the gasohol promoters cannot all be met without strain on domestic food consumers; that is, everybody. Choices must be made. These claims all stem, fundamentally, from the long history of American agricultural surpluses, bountiful production, world-leading agricultural research, and the tradition of big exports. The idea of scarcity of food production has never entered the head of the typical American farmer—or the city-dweller once removed from the farm, for that matter.

But the bigger claim, if one looks beyond the near decades, is to consider the state of the nation's agricultural resources. Long-range planning has not been a notable characteristic of this democracy. But our oil is clearly running out, and so is the most precious of our resources—topsoil.

IV

Soil productivity has sometimes been viewed as a renewable resource: You can replace the depleted nutrients with chemical fertilzers. Shortly after World War II, when new fertilzation and weed- and insect-control methods were being adopted rapidly, the soil conservation movements which had bloomed in the 1930s began to fade. I remember a frontrunning farmer telling me in the early 1950s that it was foolish to worry about losing topsoil. He advocated growing corn and soybeans on the hills, saying he could restore the natural soil productivity with chemicals; he scorned growing clover and alfalfa as money losers.

In less extreme form, many farmers followed this policy, and so did the agricultural scientists and educators at the Land Grant agricultural colleges. . . .

Soil scientists who expressed alarm about losses of topsoil didn't get much of a hearing until recently. The chronic tendency to overproduction of farm products and the deliberate removal from production by government policy of 50-60 million acres of cropland made concern over soil resources seem absurd. But the return to full farm production in the 1970s and more evidence of big soil losses have forced a new look.

The National Resources Inventories conducted by the USDA three years ago showed that erosion is taking place on much of the nation's best cropland at a faster rate than the soil can be replaced. Topsoil lost by erosion is slowly rebuilt through weathering of the less productive subsoil, and the process can be speeded to some extent by cultivation and large additions of nutrients and organic matter.

The USDA has assigned soil-loss tolerances for most cultivated lands. These "T-values" never exceed five tons per acre per year (equivalent to about a half-inch in 15 years). For thin soils the tolerable level of soil loss is less than five tons. Losses beyond the T-values signify a deterioration of the resource and a long-term decline in productivity. That is the topsoil is not replacing itself. The T-values are in some dispute among soil scientists, but they give us a rough measure of the state of soil resources. . . . The UDSA inventories indicated that 97 million acres of cropland are eroding at rates exceeding five tons per acre per year. . . . That's about a quarter of the nation's cropland.

In critical areas, soil losses are much greater. Nearly a third of the land in row crops in the Southeast, and in the corn belt about a fifth of the row-crop land, is eroding at the rate of 10 tons per acre per year. "Iowa, " its secretary of agriculture said, "has the dubious honor of having the highest average soil loss of any state in the nation." Western Tennessee is another area with heavy soil losses from water erosion. Heavy cropping of corn and soybeans is the reason in both places.

As export and other demand for food increases, the pressure rises on land susceptible to erosion. Even the relatively flat lands of Iowa are eroding badly, from both water and wind. What is worse, though, is the washing of hilly land brought into row-crop cultivation in response to high prices for corn and beans.

John Timmons and D. C. Cory, of Iowa State University, have estimated that under a "high export scenario" through 1985 soil erosion losses for the corn belt would increase by 72 percent—and their scenario was considerably below the actual exports of 1979-80 and 1980-81. . . .

Nobody knows for sure how long present soil losses can be experienced without a decline in national food-producing capacity. Erosion may not be the only cause of deterioration of soil resources from heavy grain cropping. Compaction of the soil from big machinery on large-scale, one- and two-crop farms already is a problem in some places. Bigger machines with more power may solve this problem for a while, but there must be limits. The relations between soil productivity and rates of erosion and soil compaction are not precisely known. It is evident, however, that there is an analogy between overuse of cropland and the extraction of petroleum or coal. As John Timmons has pointed out, both soil and petroleum are formed by geological processes. Through excessive erosion, soil becomes an exhaustible resource—essentially nonrenewable. Petroleum is des-

tined to have a short lifespan on Earth, but topsoil can be used and reused indefinitely if properly cared for.

In sum, evidence is accumulating that our use of agricultural resources is verging on the reckless, that the soil is being mined to the detriment of productivity for the long run. Agricultural production and foreign trade policies up to now have ignored the long-range resource maintenance factor. It is time for a change.

V

America's food-producing capacity is a powerful asset to the domestic economy and to this country's conduct of world affairs. Despite the wonders of modern agricultural technology, this capacity rests heavily on the nation's primeval soil and water resources. Agricultural and foreign trade policies which result in overexploitation of soil resources and a loss of sustainable capacity to produce would endanger the nation's future.

How then can we preserve the resources that make our food-producing capacity possible? The answer must be threefold: setting priorities among major claimants on agricultural production; a natural resource conservation policy, including both protection for farmers and incentives for their participation; and, finally, intensified technical assistance to developing countries for their food production.

Considering the ominous reports on soil losses from the nation's most competent soil scientists, one possible source of strain on the land could be eliminated with minimum pain—gasohol. Despite the wild projections of some biomass alcohol promoters, the hard fact is that a significant amount of transport fuel from grain would be very costly in terms of food supplies and soil depletion. . . .

It would be disastrous to try to run our cars by using food resources for the job.

The farmer has a legitimate claim to protection against a policy of conserving resources that would limit his markets and lower his prices—even if the land being conserved is his private property. The fact is that soil conservation—including investment in terraces, contour farming, and the withholding of land from cash-crop production—is too costly for most farmers to do on their own. The average farmer does not have a long enough planning horizon to justify the investment. He cannot expect the land to improve enough to pay off for him in the 25 or 30 years he expects to be farming.

So any national agricultural resource conservation policy that will work must include means of paying the farmer to cover his extra costs. The acreage set-aside system provided in the 1977 Agricultural Act is one device for reducing production and holding it more or less in line with a reduced export volume, thus offsetting the effect of lower exports on prices. The act expires this year. It could be modified to assure the adoption of more conservation practices, but that would cost more money, which President Reagan does not want to spend.

After all those 40-odd years of crop acreage limitations, a really fair and effective plan has yet to be devised. Paying farmers subsidies for withholding land and for preventing erosion probably would be fairer and more effective, however, than paying subsidies based on number of pounds or bushels produced. The latter method simply rewards efforts to conserve less and produce more on the eligible land.

If the United States is to maintain its food-producing capacity, it will have to take action to prevent deterioration of the soil base. That very likely means in the next two decades the withholding of production of grain and soybeans to some extent, depending on the ability of new agricultural research and technology to increase output per acre without soil losses. This will be extremely difficult to accomplish politically at a time when world demand from both developed and underdeveloped countries is certain to increase, because of population growth and income improvement.

But America cannot "feed the world"—that is, meet foreseeable food deficits—under any conceivable circumstances, even with all-out production now—to say nothing of the needs in the 21st century, soon to be upon us. Concern over the world's hungry and malnourished must be turned toward development of their local food-producing power. Allowing them to become dependent on the United States for steady supplies of grain, and serving as a ready reserve granary as well, is no service to the hungry—because we can't keep it up.

Plowing money, fertilizer, seed, technical assistance, and, above all, applied research into the agriculture of the developing countries would pay off far better than exhausting the soil productivity of America in order to supply the mounting world demand.●

MAKING PBS INDEPENDENT

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. COLLINS of Texas. Mr. Speaker, soon the Corporation of Public Broadcasting authorization bill will come to the House floor for a final vote. I would like to bring to my colleagues' attention selections of a lucid commentary by R. Emmett Tyrell, Jr., in the June 1 Washington Post. Mr. Tyrell clearly points out the need for reduced taxpayer spending for PBS.

I propose the funding figures be brought in line with the Reagan budget to $110 million for fiscal year 1984, $100 million for fiscal year 1985, and $100 million for fiscal year 1986.

We must keep public broadcasting in proper perspective when budgeting a reduced amount of Federal tax dollars.

The following from the Washington Post is Mr. Emmett Tyrell's sound reasoning in support of moderate budget reductions for PBS.

The mulcting of the middle class for the benefit of the poor and the rich is luminously manifest in the activity of the Public Broadcasting Service. Established as an alternative to commercial television, PBS's special audiences were the poor and the rich. The poor were to get educational programming and local access. The rich were to get culture. In these endeavors PBS has been tolerably successful. It has been particularly successful in cultural programming. Four nights a week it brings splendid productions of the performing arts to the tube.

Unfortunately, it has also been expensive. Federal aid to non-commercial television has swollen from a few million dollars in the late 1960s to more than $200 million in 1980. The Reagan administration wants to decrease this sum over the years ahead until the taxpayers' bill comes to only $100 million. I say this will still be highway robbery.

There are in Washington and elsewhere in the land a growing number of Reagan supporters who judge the Reagan administration's budget cuts moderate. They believe that the growth of government over the past 15 years has been extravagant to the point of seriously debilitating our productive power, and they believe many of the programs that have accumulated ought not to be pruned but rather abolished.

Lewis Lehrman, chairman of the Rite Aid Corporation, says "the Reagan administration's present budget cuts are necessary but not sufficient. The budget program heads in the right direction but only a budget balanced at the current level of tax receipts will restore financial order. Thus the cuts should be deeper." In the case of PBS, the cuts can go $100 million deeper.

But PBS is about to be rendered thoroughly obsolete. Its funding will be merely a waste. Why not phase it out totally?

Advances in television technology are about to give the highbrows their cultural broadcasting and the poor their local access without costing the taxpayers anything at all. Very soon every home will be able to have as many as 60 channels linked to its television. Discs and cassettes are available. Now a half-dozen new commercial programmers are laying their traps for the PBS audience. Already one of these commercial programmers has lured the British Broadcasting Corporation away from PBS. In time, all that will be left will be PBS's 250 local stations and its costly bureaucracy.

ABC and CBS believe that they will be able to lure away PBS's highbrow audience and are making elaborate plans for their own cable networks. Apparently, many at PBS suspect these commercial ventures will succeed. Some are exiting PBS to form their own production companies. Others are letting up a howl. There really is no reason for howls. Rather, let us have some applause. PBS under Lawrence Grossman has shown that there is an audience, admittedly scarcely 5 percent of the whole television audience, eager for cultural fare. Working with such public stations as WNET in New York and WGBH in Boston, Grossman has created many useful programs. But now it is time to get PBS off the taxpayers' backs—and at a savings of $100 million.●

JAMIE WHITTEN: LIVES AND TIMES

HON. LINDY (MRS. HALE) BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mrs. BOGGS. Mr. Speaker, a couple of weeks ago my hometown newspaper, the New Orleans Times-Picayune, published an article that provides a very fine profile of our dean and the chairman of the Appropriations Committee, JAMIE WHITTEN. It is rare that we see such a sensitive and thorough treatment of a public figure in a relatively short column.

I would like to share this article with my colleagues. It appeared in Edgar Poe's "Washington Panorama" column of May 16.

JAMIE WHITTEN: LIVES AND TIMES

(By Edgar Poe, Washington Bureau)

WASHINGTON.—The tiny town of Cascilla in Tallahatchie County, Miss., erected a historical marker years ago. It noted that the site was formed in 1833 after the Choctaw Indian cession.

Furthermore, it proudly proclaimed that the community of some 300 people (more or less) was the home of two distinguished sons. Mississippi Attorney General Greek L. Rice, now deceased, and Congressman Jamie L. Whitten.

Jamie Lloyd Whitten, elected to the House of Representatives 21 times, the first in November 1971, is the senior in length of service in the 435-member U.S. House of Representatives. By coincidence, second in tenure in the 97th Congress is a fellow Mississippian, Sen. John C. Stennis.

Chairman of the powerful 54-member House Appropriations Committee, he has never been busier during his 40 years in Congress, as a result of the Reagan administration's far-reaching budget and tax-cutting legislation. As a House Democratic leader, he has been cooperating with the Republican White House in connection with President Reagan's program.

As evidence of this he has been invited to the White House for conferences with President Reagan. He has a color photo of the president, Vice President George Bush and himself hanging in his office in the Rayburn House Office Building. He served in the House with Bush. Other fellow House members included Lyndon B. Johnson, Richard M. Nixon and Gerald R. Ford.

Whitten, after attending the University of Mississippi and the Ole Miss Law School, was principal of the Cowart Consolidated School in Tallahatchie County at the age of 20, long before the Harper Valley PTA and the Tallahatchie River became famous in movie lore.

He has served in Congress under eight presidents. When the 97th Congress convened in January, as dean of the House he administered the oath of office to House Speaker Thomas P. O'Neill Jr., D-Mass.

His long career of public service began when he was elected to the Mississippi House of Representatives when he was 21. His first vote was cast for himself. It was during the depth of the Great Depression of the early 1930s.

As the Mississippi First District congressman, he currently represents 20 of the state's 82 counties. He married the former Rebecca Thompson of Saltillo, Miss. Their children are Jamie L. Whitten, Jr., Washington, D.C. attorney, and Beverly Merritt of Washington.

Martin Sennet "Mike" Conner, one of the foremost governors in the history of the Magnolia State, was a brave man. The state government of Mississippi could not pay its teachers or its telephone bills. There was not enough money in the treasury to buy postage. Gov. Conner, to save the state from bankruptcy, called for a sales tax on everything from the cradle to the grave. Gov. Conner had his life threatened more than once.

Jamie Whitten, a member of the Mississippi House Ways and Means Committee, voted for the sales tax in committee and worked for its passage on the floor. This was perhaps the first blanket-type statewide sales tax in this country's history. The tax changed the history of Mississippi by shifting the tax base. Many other states and municipalities subsequently patterned tax measures after the Mississippi impost.

On March 3, 1932, the Mississippi Sun at Charleston, county seat of Tallahatchie, in a dateline dispatch from Jackson, said Whitten had taken the bar examination in the Capital City, and "out of a group of 39 applicants led the list."

At the age of 22 he became a partner in the Charleston law firm of Denman, Breland and Whitten. When he was 23 he was elected district attorney of a circuit covering Tallahatchie, Yalobusha, Panola, Tate and DeSoto counties.

Rep. Whitten, now 70, was elected to Congress at 31. The seat became vacant when U.S. Sen. Pat. Harrison of Gulfport, chairman of the Senate Finance Committee, died U.S. Rep. Wall Doxey resigned from the House to run for the Senate in the special election and was elected. Whitten ran for the seat vacated by Doxey and was elected.

After 14 months in Congress, Whitten was elected to the House Appropriations Committee and became its chairman in 1979. Thus Mississippi became the 15th state to have a member as chairman of the Appropriations Committee. As a member of that committee he has been a continuous supporter of river and harbor projects and a staunch supporter of the farmer. Twenty-nine times he has spearheaded opposition to efforts of presidents to abolish the soil conservation programs.

Whitten made the successful motion to override President Eisenhower's veto of a public works bill involving the now important Pascagoula, Miss., harbor, legislation that helped make it one of the leading shipbuilding points. It marked the only time an Eisenhower veto was overridden.

The Mississippian said in an interview a few days ago that he had a role in the House Appropriations Committee in getting the Tennessee-Tombigbee Waterway project "off the drawing board and under construction." This $2 billion barge waterway, now about half completed, will link the two rivers, via Columbus, Demopolis and Mobile, with the eastern Gulf of Mexico.

Although a lawmaker in Washington for four decades, Whitten still regards himself by temperament as an attorney. Said he, "I enjoy being right and proving it." As chairman of the Appropriations Committee, he is a member of all appropriations subcommittees. Since coming to Washington, he believes the congressional workload has increased 100 times for members and their staffs.

New that Cascilla's native son is the dean of the 97th Congress, perhaps it is time for the little town, four miles removed from the edge of the eastern border of the Delta, to erect a new marker. Mississippi Gov. William F. Winter, and the mother of Mississippi Lt. Gov. Brad Dye, are also natives of the Cascilla area.●

PRESIDENTIAL AUTHORITY AND RESPONSIBILITY COVERED IN INDEPENDENT AGENCIES' REGULATORY REFORM MEASURE

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. McCLORY. Mr. Speaker, I am today introducing a bill to give the President authority to exercise the same kind of review over proposed regulations by independent agencies that he exercises over executive branch agencies. Senator ROTH is introducing companion legislation in the Senate.

The language of the bill is straightforward and its intent simple. By written directive, the President may require an agency to, one, transmit to the President or his designee any notice of proposed rulemaking and any document relating to such notice at least 60 days prior to publication in the Federal Register; two, delay or refrain from publishing such notice; three, consider, reconsider, or make a decision concerning the adoption of a proposed rule; or, four, take any final action with respect to a proposed rule that is (A) consistent with the enabling statute and other applicable law from which the rule derives; (B) supported or justified by any record of documentation of the rulemaking proceeding, and (C) in the judgment of the President, necessary or appropriate to minimize conflict or interference with the achievement of significant statutory objectives.

Mr. Speaker, the Code of Federal Regulations today is contained in 165 volumes. In 1936, the first issue of the Federal Register was 16 pages long. Today's average daily Federal Register has grown to 200 pages. In 1970, the yearly number of pages was around 20,000; in 1980, the yearly number of pages had increased to something on the order of 74,000, nearly a quadrupling in a single decade. Clearly, the time has come to do everything we can to begin to cut back the regulatory maze by eliminating unnecessary and duplicative rules.

The legislation Senator ROTH and I are introducing simply enables the President to conduct a review of independent agency rules similar to that which he conducts of regular executive branch agencies. Because there has been some question as to the President's role in connection with these independent agency regulations, we have drafted legislation clarifying the President's authority. This should bring consistency and organization to the overall process of reviewing proposed rules, and of course the hope is that we will be able to achieve greater coherence in the total body of our regulatory language and perhaps some reduction in the weight of this burden and long overdue relief to the American public and American business.●

EASING THE INHERITANCE TAX FOR MENTALLY AND PHYSICALLY DISABLED CITIZENS

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. EDGAR. Mr. Speaker, last week I introduced H.R. 3709, a bill designed to ease the tax burden on the approximately 42 million physically and mentally disabled people in the United States. The current Tax Code makes no allowance for their special condition and imposes the same rates on them as on other citizens. H.R. 3709 would change that.

One of the cruelest taxes on the disabled or mentally retarded is the inheritance tax. Under current law, a 32-percent tax is levied on any estate over $175,000. This amount comprises such things as savings, home and property value, and any insurance benefits. This tax may be fair to the ordinary citizen who is able to work to support himself/herself, but to mentally and physically disabled people it eliminates a sizable chunk of the money they need to support themselves for the rest of their lives.

There are proposals to ease some of the economic pressures on the disabled and the retarded. In particular, I have cosponsored legislation introduced by Representative TOM DOWNEY which calls for the creation of an I.R.A.-like account which parents can use for the benefit of their disabled child. However, due to limitations on the yearly amount that can be deposited in the accounts, they offer little relief to elderly parents who saved all their lives to provide for their disabled children.

H.R. 3709 would give the disabled or retarded person a $250,000 exemption from the inheritance tax. This exemption is modeled after one for the same amount now extended to estates left to a surviving spouse. In effect, HR. 3709 would simply expand this "spousal exemption" to estates left to disabled or mentally retarded children. To insure against abuse the bill provides that the recipient must be a child of the decedent either by blood or legal adoption and defines "disabled" in the terms already used in other IRS exemptions.

In practical terms, H.R. 3709 will enable the mentally and physically disabled to be self-sufficient. In these days of less government I think it makes sense to help people live on their own rather than rely on government programs. Most importantly, I think H.R. 3709 will give the physically amd mentally disabled a measure of dignity and hope. The text of the bill is as follows:

H.R. 3709

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ESTATE TAX DEDUCTION FOR PROPERTY PASSING TO A DISABLED INDIVIDUAL WHO IS A CHILD OF THE DECEDENT.

(a) IN GENERAL.—Part IV of subchapter A of chapter 11 of the Internal Revenue Code of 1954 (relating to taxable estates) is amended by adding at the end thereof the following new section:

"SEC. 2058. BEQUESTS, ETC., TO DISABLED INDIVIDUALS WHO ARE CHILDREN OF THE DECEDENT.

"(a) ALLOWANCE OF DEDUCTION.—For purposes of the tax imposed by section 2001, if—

"(1) the decedent does not have a surviving spouse, and

"(2) the decedent is survived by a disabled child who, immediately after the death of the decedent, has no known parent,

then the value of the taxable estate shall be determined by deducting from the value of the gross estate an amount equal to the value of any interest in property which passes or has passed from the decedent to such child, but only to the extent that such interest is included in determining the value of the gross estate.

"(b) LIMITATION.—The aggregate amount of the deductions allowed under this section (computed without regard to this subsection) with respect to interests in property passing from the decedent to any disabled child shall not exceed $250,000.

"(c) DISABLED CHILD DEFINED.—For purposes of this section, the term 'disabled child' means an individual who—

"(1) is a child of the decedent by blood or legal adoption, and

"(2) is physically or mentally incapable of caring for himself (within the meaning of section 44A(c)(1)(B)).

"(d) LIMITATION IN CASE OF LIFE ESTATE OR OTHER TERMINABLE INTEREST.—A deduction shall be allowed under this section with respect to any interest in property passing to a disabled child only to the extent that a deduction would have been allowable under section 2056(b) if such interest had passed to a surviving spouse of the decedent.

"(e) IDENTIFICATION OF PROPERTY PASSING FROM THE DECEDENT.—The determination of whether an interest in property passes from the decedent to any person shall be made in accordance with section 2056(d).

"(f) APPLICATION WITH SECTION 2057.—A deduction under this section shall be in addition to any deduction for which a disabled child may qualify under section 2057."

(b) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter A of chapter 11 of such Code is amended by adding at the end thereof the following new item:

"Sec. 2058. Bequests, etc., to disabled individuals who are children of the decedent."

SEC. 2. EFFECTIVE DATE.

The amendments made by the first section of this Act shall apply to the estates of decedents dying after December 31, 1981.●

SUPPORTING VETERANS' LEGISLATION OF JUNE 1, 1981

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. FOGLIETTA. Mr. Speaker, I commend the gentleman from Mississippi, Mr. MONTGOMERY and his Veterans' Affairs Committee for their fine work, and I also applaud my colleagues in this body for their passage of H.R. 2156, H.R. 3499, H.R. 1714, H.R. 1100, H.R. 3423, and H.R. 2039. I have long been concerned about the plight of our veterans, particularly of the Vietnam era, and I believe that this legislation represents important programs for these brave Americans.

The effects of these resolutions cover a broad range of veterans' issues. For instance, individuals who believe that contact with the chemical defoliant, agent orange, is responsible for their current health problems are now eligible for VA hospital care. This benefit, which becomes available after a VA doctor identifies agent orange as a possible cause of the illness, will ease the burden inflicted by this toxic substance. Also, the scope of the current agent orange study will be expanded to include other chemicals utilized during the Southeast Asian conflict.

Another grave medical problem confronting the Vietnam veteran is the battle trauma many still experience even after having been out of combat for several years. Tuesday's action addresses these difficulties. Previously, the VA's psychological readjustment counseling program had been scheduled to expire at the end of fiscal year 1981. However, because of the Veterans' Health Care Act, this important, highly successful program received an extension to the end of fiscal year 1984. Despite the opposition of the Reagan administration, this body passed a compassionate piece of legislation to ease the suffering of our courageous vets.

Our veterans' financial, as well as physical and emotional, well-being was also greatly improved on Tuesday. The Veterans' Training and Business Loan Act attempts to rectify the unemployment problem rampant among these former soldiers. I believe that the 2-year extension for on-the-job training and vocational education provides for the development of marketable skills. With the veterans' business loan program, $25 million is earmarked for small business loans to help vets create and nurture entrepreneurial activities.

Such diverse groups as the American Legion and the National Association of Home Builders have declared their support for veterans' home loan guarantees. I also strongly endorse this

bill, as it authorizes the VA to insure home mortgage loans which have provisions for graduated payments plans. With prohibitively high interest rates showing no sign of subsiding, this program is essential for veterans to continue in the great American tradition of private homeownership.

For veterans in Philadelphia and elsewhere, I again heartily cheer these instances of compassionate legislation.●

CONGRESSIONAL SALUTE TO THE HONORABLE AGNES BROOKS

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. ROE. Mr. Speaker, on Tuesday June 9, the residents of my congressional district and the State of New Jersey will join with the officers and members of the Lenni-Lenape Girl Scout Council of New Jersey in honor of a most distinguished citizen, community leader, and good friend, the Honorable Agnes Brooks, whose 60 years of outstanding service and exemplary achievements in girl scouting of national and international significance, has truly enriched our community, State, and Nation.

Mr. Speaker, we are all aware of the meaningful investment in the enrichment of the quality of our way of life that girl scouting has made here in America and in testimony to the leadership endeavors and sincerity of purpose that Miss Agnes Brooks has made, generously and unselfishly extending her time and personal efforts over the past three decades to the youth who participate in scouting. I would like to insert at this point in our historic journal of Congress a profile of Miss Agnes dedicated to the girl scout program—the meaning of the promise and laws, service to others, troop management by the girls themselves, citizenship, international friendship, health, and safety—as follows:

MISS AGNES BROOKS

Miss Agnes Brooks, recipient of the prestigious Juliette Low World Friendship Medal, celebrates her sixtieth active year in Girl Scouting this year.

Miss Brooks began Girl Scouting in Paterson in July of 1921, in what was then Troop No. 1. The troop leader was Miss Eva Veneman, a charter member of the original Troop No. 1 which was started in 1917.

In 1924 Miss Brooks joined a newly organized troop at the Lakeview Presbyterian Church, rising in rank from Second to First Lieutenant, and four years later to Captain. The Troop was known as Lakeview No. 2 until 1934, when with the changing of troop numbers by the Council, it became Troop No. 33. (It remains an active troop.) Continuing as a leader through the years, Miss Brooks has seen more than a thousand girls share in the Girl Scout Program. At present Miss Brooks is a registered Girl Scout Adult assisting the Council in promoting international scouting and the Juliette Low World Friendship Fund.

She resigned the chairmanship of the Paterson Neighborhood in June, 1977 and continues to assist her community in promoting international Girl Scouting and Girl Guiding events and programs.

Miss Agnes, as she is fondly called, has a special interest in the International Program. She has visited Our Chalet four times: in 1956, 1959, 1964 and 1967. She stayed at Olave House five times, and a very special memory is having tea with Lady Baden-Powell at Hampton Court in 1956. Miss Brooks tells of five trips to Our Cabana; the warm hospitality of the Hostel Buitenzorg in the Netherlands; and the charm of La Nef, the French Girl Guide Hotel near the Louvre in Paris. Miss Agnes says, "I have many wonderful memories; Girl Scouting is giving and getting a great deal."

With each visit Miss Agnes brought back pictures, brochures, crafts, souvenirs, skills; all of which she shared with troops, leaders and other neighborhoods. She is especially proud to have worked on a community service project with Mexican children while at the Cabana.

Miss Brooks continues her correspondence with Scouts and Guides throughout the world. Each year Miss Agnes sends each a Council calendar and when she receives Girl Scout/Guide material from others, she shares it with girls and leaders. (Example: "Matilda" from Australia).

Miss Brooks, as a leader and community chairman, annually planned international dinners with her troops, having each girl bring a food representing her heritage. She also organized an annual international food day for Leader's meetings.

Miss Brooks, a "Council Fire" subscriber, distributes all copies to interested leaders. She encourages girls to work in the World Trefoil Badge—First! Her other activities include troop tours of ethnic neighborhoods, the United Nations building, and sharing the UNICEF game "Lingo" in three languages available for her troops.

Miss Brooks was a national staff member for 35 years. She was secretary to the fiction editor of American Girl magazine and secretary to the editor of Girl Scout Leader. Miss Brooks retired from G.S.U.S.A. in January 1972 when she was with the membership development unit.

We salute Miss Brooks, who currently resides at Dey Street, Paterson, and congratulate her on 60 years of Girl Scouting, 60 years of love, warmth, understanding and service.

Mr. Speaker, I appreciate the opportunity to seek this national recognition of Miss Agnes Brooks and all of her good deeds on behalf of the youth of America. Her direction, personal commitment, and substantive contribution to our young people throughout her 60 years of active membership in the Lenni-Lenape Council of New Jersey extended in the tradition of the Girl Scouts of America have truly helped to work toward the highest standards of excellence in the quality of life for all people in our Nation and throughout the world. We do indeed salute a great lady, beloved Girl Scout leader and outstanding American—the Honorable Agnes Brooks.●

MEMBERS COMMENDED—H.R. 1714

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. AKAKA. Mr. Speaker. I want to commend the chairman, Mr. MONTGOMERY, and the members of the committee for taking such quick action on H.R. 1714, a bill to provide memorial headstones or markers for those veterans who chose to donate their bodies to science, were cremated, and whose ashes were scattered without internment, or who were buried at sea.

Once this omission in the law was discovered, the committee was quick to see the need to provide this service historically available to all veterans to the few that had been inadvertantly left out. I am certain that the relatives of veterans and veterans themselves will not fail to be grateful for the committee's work. I am proud to add my support for this measure which was initiated from Hawaii.●

NOW IS THE TIME TO CRACK THE OPEC CARTEL

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. LANTOS. Mr. Speaker, the extortionist international oil monopoly is crumbling, and if we move now—and fast—we have a historic opportunity to crack the OPEC cartel. World oil prices are collapsing in the face of huge inventories and declining demand. If our great Nation acts at once—with decisiveness, intelligence, and courage—we can break the stranglehold of the petroleum colossus.

Although some of his suggestions will undoubtedly be controversial, William Safire, in this morning's New York Times, has presented a thought-provoking agenda which I am inserting into the RECORD to stimulate public discussion and decisive action at this critical moment.

[From the New York Times, June 4, 1981]

ESSAY—GLUTS TO THE GLUTTONS

(By William Safire)

WASHINGTON.—The time is ripe to crack the OPEC cartel.

For nearly a decade, oil producers have combined to force the rest of the world to pay all that the traffic would bear. An international monopoly has helped inflict a raging inflation on the world, stunted the growth of the poorest nations and brushed off all criticism of its price fixing with a cool "business is business."

Now all that is changing. High prices reduced demand for oil more sharply than anyone predicted, and enabled competing sources of energy to grow. Three years ago a "glut" appeared but was quickly absorbed by the economic collapse of Iran; last year another oil glut threatened but was postponed again by the Iran-Iraq war, which took another giant out of production.

Today the world is awash in oil. ("Awash in oil" is a mandatory phrase in all writing on this subject.) Refineries are refusing shipments; twice as much oil as normal is floating in tankers and storage; this week Mexico, not an OPEC member but tied to its pricing, lowered the price of crude oil by $4 a barrel; Britain and Norway are likely to follow. Nigeria, an oil-rich but cash-poor member of OPEC, is under pressure to lower its price.

Why the turnabout from shortage to oversupply? Not, as State Department Arabists fondly believe, because Saudi Arabia is producing 10 million barrels a day instead of its usual 8 million; that "favor" picks up less than one quarter of the production lost by the disappearance from the market of Iran and Iraq. Within a year, some Iraqi production may be back and the Saudis would cut production without sopping up the glut.

The reason for glutsmanship is plain: The high price is being artificially maintained by the monopolists; in a normal market, the unfixed price would drop. Thus the moment is propitious to smash the cartel. Not to weaken it, or induce it to be more reasonable, but to break it once and for all. Nothing personal, not for revenge; simply in our own economic self-interest.

The United States is the world's largest oil importer. Here is how we, acting alone, could bring the cartel to its knees:

1. Impose a $5-per-barrel import fee. What? Raise prices about a dime a gallon of gas? Are you crazy? Like a fox: the present high price of oil has reduced demand, encouraged conservation and brought in new sources of energy. A higher price would make oil even less attractive, ultimately forcing the producer's price downward. Meanwhile, the top $5 will stop flowing out to the sheiks and start flowing into the U.S. Treasury to the tune of $10 billion a year.

This idea was hooted at when proposed, in an extreme form, by John Anderson last year. But if repackaged as part of the plan to flex American economic muscle—with the proceeds to be refunded via tax credits used to lower income taxes—it ceases to be laughable.

2. Set import quotas for oil. This is a device to get monopolists fighting among themselves. Require oil companies to buy tickets, at auction, from the U.S. Government for the right to import oil. (Such allocations were given away in the 1950's; in the future, they should be sold.)

The companies would then go to foreign suppliers and pass on the cost of the tickets. Because oil is in oversupply and we are the biggest buyer, some oil producers would secretly go along—effectively discounting their prices without losing face. Whatever the posted monopoly price, the fluctuating deduction of the ticket price would enforce a true market price.

3. Play favorites among producers. Exempt Mexico from all oil import fees in return for a long-term, below-market contract for oil to fill our strategic reserve. Exempt Venezuela if it will resign from OPEC and join an all-American production alliance. Switch half our Libyan purchases to Nigeria, and the remainder if this does not affect Colonel Qaddafi's support of terrorism.

4. Put on the commercial squeeze. Tell the companies to slow down acceptance of foreign oil; run 15-knot tankers at 8 knots; stall on payments and go to court on contracts. Let the vulnerable suppliers feel a cash pinch, miss a few payrolls, endure a few strikes. Replace the arrogance of the seller with the arrogance of the buyer.

This is not ordinary business practice. But in kowtowing to a monopoly, or in seeking to break it, long-term business relationships mean nothing. To a cartel, only economic power counts.

Only if we force the monopolists to undercut each other will we discover if the Saudis are really the moderates they claim to be. Only when we take the lead will the other major importers, Japan and West Germany, see their self-interest in following.

The glut is a black-golden opportunity; with daring and imagination, we can seize this moment to turn back the assault on the American economy.●

DEFENSE PRIORITIES MUST BE REVIEWED

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. VENTO. Mr. Speaker, in considering the supplemental appropriations bill as it relates to the Department of Defense, I am most concerned that the conference committee did not adequately address pressing needs while being overly generous with a program, the F/A-18 naval aircraft, which has serious cost and technical problems.

The Navy has documented a need for crucial spare parts, particularly naval missiles. However, instead of using our limited Federal dollars to meet these immediate needs, Congress has chosen to sink another $95.5 million into the F/A-18. This policy is unsound. Originally promoted as the low-cost, high-performance aircraft of the future, the F/A-18 is now the most costly program we have. The functions of this aircraft have been reduced to Navy light attack and Marine fighter roles. The Marine light attack function has been transferred to the AV-8B and the Navy fighter force is to be equipped totally with F-14's.

The Navy's initial operational test and evaluation of the F/A-18 found the aircraft unsuitable for this attack mission. Even if these difficulties were solved, the F/A-18 would still be a disaster for the Navy attack mission. The A-7, which the F/A-18 is supposed to replace, can carry the same bomb load twice as far while the A-6 can quadruple the F/A-18's bomb load over the same range as the A-7. Defenders of the F/A-18 note its supersonic capability but it cannot attain supersonic speed until after it has dropped its weapons and then only at a great reduction of range.

With regards to the Marine Corps fighter function, the question centers around the need to commit billions of taxpayers' dollars for this limited function. The F-14 has been shown in Navy comparisons with the F/A-18 to be three times as effective a fighter and twice as effective as an escort of strike aircraft. A second alternative would be the AV-8B. The Marine Corps has praised this aircraft's dogfighting capability and the addition of enhanced fighter avionics would provide the AV-8B with a logistics advantage.

In this time of a limited Federal budget, we must reorder our priorities. We cannot squander millions and billions in an inefficient program while facing severe material shortages in the field. For example, during the recent Lebanese crisis, five of our Harpoon-equipped ships in the Mediterranean had no missiles. I believe that Congress must reassess our defense priorities with a view to maximizing our defense capabilities.●

WILLIAM RASPBERRY COMMENTS ON CONGRESSMAN HYDE'S VOTING RIGHTS PROPOSAL

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. McCLORY. Mr. Speaker, the Voting Rights Act of 1964, which expires next year, is the subject of proposed extension or modification before the Civil and Constitutional Rights Subcommittee of the House Judiciary Committee. My colleague from Illinois (Mr. HYDE) is proposing a modification or substitute measure which has aroused substantial comment.

A most illuminating column in the Wednesday edition of the Washington Post by the distinguished black columnist, William Raspberry, discusses provisions of the Hyde proposal and Mr. HYDE's explanation of it in a manner which seems to me to be objective, fair, and enlightening.

Mr. Speaker, without further comment, I would like to include herewith Mr. Raspberry's column, entitled: "New Ways in the Old South," as follows:

[From the Washington Post, June 3, 1981]

NEW WAYS IN THE OLD SOUTH

(By William Raspberry)

"Some members of Congress," I wrote in a recent column, "have proposed to junk the 'pre-clearance' provision [of the Voting Rights Act] altogether. Rep. Henry Hyde (R-Ill.) argued last week that the states of the Old Confederacy affected by the act 'have been in the penalty box for nearly 17 years. They have improved their record.'"

The quote, Hyde now tells me, is accurate enough. The implication that be is among those members of Congress who would

"junk the 'pre-clearance' provision" is not, he says.

What his compromise proposal would do, he told me, is to remove the burden of proof from jurisdictions seeking to change their voting rules and place it on the complaining parties.

Hyde admits that his proposal would make it tougher for minorities to prove discrimination. "I'm not offering an eight-course banquet, but this is no cold cheese sandwich, either," he insists. His only interest, he says, is to come up with a piece of legislation that is passable. Otherwise, the crucial provisions of the act will die next year.

Under the present provisions of the act, which will expire in August 1982, unless extended by Congress, governments in the Old South cannot change their voting or election rules without first checking with the Justice Department to be sure that the proposed changes do not discriminate against black and Hispanic minorities. The requirement was based on the notion that state and local officials who had conspired to deny the vote to their black, and brown constituents could be expected to enact changes to circumvent the Voting Rights Act.

Under the Hyde "compromise," the jurisdictions would no longer have to prove that the proposed changes were not discriminatory; the complaining parties would have to prove that they were. "This is admittedly a significant change from the existing practice, and one on which reasonable men can differ," Hyde says of his proposal. "It is, though, my considered opinion that such an alteration may satisfy the many members of Congress who philosophically dislike administrative procedures, generally. These same members find them particularly distasteful when they are used to enforce civil rights laws and are therefore subject to political manipulation. I need only cite last year's congressional debate on the Fair Housing Act as an example of the problem an administrative remedy can cause when it is used to adjudicate civil rights issues."

As Hyde points out, the bulk of the 1965 Voting Rights Act remains intact. The crucial problem is "pre-clearance," whose "special requirements, not applied to other sovereign states, carries with it a stigma; furthermore, many members of Congress believe the inability to escape coverage regardless of performance generates resentment and serves as an incentive for improvement."

That is an interesting point, legally and psychologically. What Hyde is arguing for is some method by which a state in the Old Confederacy could demonstrate that it has joined the Union, that is no longer practices—or wishes to practice—voter discrimination. That could be a strong incentive to change.

He would offer a carrot. If a state could demonstrate that it has changed its pattern and practice—by showing that it has not had more than one objection to voting rule changes sustained against it for a certain period of years—the state would be exempted from the "pre-clearance" provisions of the Voting Rights Act. On the other hand, if any state—north or south—had two or more objections sustained against it, it would automatically be subjected to "pre-clearance."

The important point—philosophically in terms of fairness, and politically in terms of getting the act extended—is to remove the automatic and odious distinctions between sections of the country, Hyde contends.

He is aware of the fears among blacks that "pre-clearance" might go by the boards, but he insists the fears are not well founded. In addition, he says, his proposal would permit reimbursement of lawyers' fees for successful plaintiffs north and south.

Hyde says he is doing his "level best to fashion a compromise proposal which will, contrary to the claim you made in your article, mandate retention of the traditional pre-clearance remedy which many believe has helped achieve much of the success which minorities have had under the act. I also suggest that southern attitudes have changed, are changing and will continue to change in a constructive way."

In addition to burden-shift proposal, Hyde says he is also working on a bail-out provision by which states could escape the provisions of the act and that he would be willing to have the courts retain jurisdiction after bail-out "so that anyone who fears a return to 'business as usual' has a forum for immediate relief."

He insists that he is sincere in his effort to work out an acceptable compromise and "would appreciate it if I were not automatically lumped into a category with those, on either side, who are inflexible and unwilling to even consider some sort of middle position."●

NATIONAL WILD TURKEY WEEK AND DAY

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. DERRICK. Mr. Speaker, I am today introducing legislation, which would establish the American wild turkey, our only native big game bird, as an integral part of our country's heritage. By joint resolution, Mr. Speaker, I am requesting the President to proclaim the third week of November of each year as National Wild Turkey Week with the National Wild Turkey Day to fall on Thanksgiving Day.

Mr. Speaker, in colonial time, the wild turkey was an abundant source of food and saved many struggling settlers from starvation. It is traditionally thought that turkey was served at the first Thanksgiving. Benjamin Franklin believed the wild turkey was so important to the economy that he asked the Continental Congress to make it our national game bird. Though it was rejected in favor of the bald eagle, the wild turkey continue to be a valuable natural wildlife resource.

Most people take our wildlife for granted. However, the wild turkey and other wildlife can only be preserved through the cooperation of conservationists, sportsman, wildlife managers, environmentalists, and every American citizen using our outdoor resources.

Originally the wild turkey existed in untold millions in the Eastern two-thirds of the United States. Little thought was given to the perpetuation of the wild turkey, as our natural resources were thought to be limitless. As a result, wild turkey populations have declined rapidly. The turkey disappeared from Connecticut in 1813, Massachusetts by 1851, Indiana by 1900, and by 1920, it no longer existed in 18 of the 36 states in which it was native.

During the 1920–45 period, most observers were pessimistic about the bird's future. Meanwhile, forests that had been rendered unsuitable for the wild turkey by widespread logging and wildfire began to mature into suitable habitat, setting the stage for the wild turkey's recovery.

Highly trained biologists entered wildlife management in the 1940's and 1950's. Sophisticated techniques in live-trapping and transplanting of wild native stock rapidly evolved. Over 20,000 live-trapped, native turkeys have been transplanted in the last three decades.

The annual wild turkey harvest increased nearly threefold in the United States during the 1952–58 period. Today, wild turkeys have been reintroduced into eight States in the East and two States west of the Mississippi from which they were extirpated.

Despite recent successes, the turkey's future is not necessarily bright. Economic progress in the form of industrial and housing developments, construction of highways and dams, increasing human populations and unfavorable forestry practices such as large-scale clear cutting and conversion to monocultural systems, is destroying habitat on a tremendous scale.

I am pleased to note, Mr. Speaker, that there is an organization dedicated to restoring and managing rather than exploiting, the wild turkey and other valuable wildlife resources. The National Wild Turkey Federation, founded in 1973, is dedicated to the wise conservation and management of the American wild turkey and to strengthen the spirit of cooperation between landowners and users. And I am also pleased to note, Mr. Speaker, that presently under construction in my district and home county is the Wild Turkey Research Center.

Mr. Speaker, I am confident that the efforts alluded to above will be greatly facilitated by the passage of this measure, and I solicit my colleague's cosponsorship and support for this legislation.

INTEREST RATES—THE U.S. ECONOMY FOR THE NEXT FEW YEARS—THE EASTERN ESTABLISHMENT

HON. LARRY McDONALD
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. McDONALD. Mr. Speaker, in this time of conflicting economic signals and promised solutions, it is most fitting to read what Prof. Antony Sutton perceives is our Nation's true course and direction. In an interview by Neland D. Noble, published in a June advisory letter by North American Coin & Currency., Ltd., Professor Sutton untangles many of the confusing signals we are receiving. I commend it to the attention of my colleagues.

SPECIAL INTERVIEW

With a new administration in Washington, it is appropriate to once again interview Professor Antony Sutton the author of such books as National Suicide, The War On Gold, Wall Street and the Bolshevik Revolution, Wall Street and the Rise of Hitler, Wall Street and FDR, and Western Technology and Soviet Development, 1917-1930. Professor Sutton was born in London, but became a U.S. citizen in 1962. He has been a professor of economics at California State University and a research fellow at the Hoover Institution on War, Revolution and Peace at Stanford University. Neland D. Nobel conducted the following interview on May 13th.

NAC. The theme of several of your books traces the operation of a non-elected elite in this country that has had great influence in both government and industry. For the benefit of our readers, could you briefly explain this elite's origins and how they've operated in this country?

SUTTON. First of all, there is most definitely an establishment elite. This is very difficult for many Americans to appreciate because of the Constitutional tradition of the U.S.; it's much easier for Europeans to understand it. In effect, it dominates foreign and (to a great extent) domestic policy. It's origin is within from what we might call international banking circles. This is rather an elusive phrase, because it certainly doesn't include all banks. What we are talking about is a very few multi-nationals. And the people who run these banks consider themselves to be international citizens rather than just American citizens. So, we're not talking about the average American banker around the corner. We're talking about a few gentlemen who view the world in global terms and who have in effect abandoned their U.S. citizenship.

NAC. Could you give us some examples where you find this elite in operation?

SUTTON. Yes. The most important by far was founded in 1919 and called the Council on Foreign Relations. It sprung out of some meetings in Paris just after WW-I and links back to the Royal Institute for International Affairs. The CFR has been dominant in US foreign policy since the 1930's, but reached its peak in the 1950's. In the 1960's, however, it was becoming too large with over 2,000 members, and so in 1973 the Trilateral Commission was founded by David Rockefeller of Chase Manhattan Bank. Zbigniew Brzezinski was the first National Director. The Carter administration had about 20 CFR/TC members in high government positions. That should give you some idea.

NAC. In your two volumes, Trilaterals Over Washington you demonstrate the linkage between members of the Carter administration and industry groups and how they work together. How does the Reagan administration stack up in terms of this international elite?

SUTTON. First, let's get back to the elections and the powers behind the scenes. The Carter administration was dominated by the Trilateral Commission. But almost unknown to most people was that the John Anderson campaign was also a Trilateral front. I looked at the financing of Anderson in the Federal Election Commission reports, and I found out that the CFR had heavily financed Anderson. Getting to Reagan, who is himself NOT a Trilateralist, I honestly believe that he represents traditional American values and that's why he got elected. But the Trilaterals needed such a man at that point because, over the last decade or two, a vast underground has developed in the US—through the newsletters, through the gold and silver markets and even the anti-establishment culture of the left, etc. So, what was needed at the time of the election was a Presidential candidate who would reflect "grass roots" values, and Reagan was the ideal man, so the Trilaterals got behind Reagan.

The makeup of his administration is very interesting. You can superficially only spy a few Trilaterals—Caspar Weinberger, George Bush—but that's not all. For example, William Casey (CIA), Malcolm Baldridge and General Haig are CFR and Regan indirectly reflects the elite through his Wall Street background. At the moment what you've got is a struggle within the administration (regarding the making of appointments) between two groups. On one side you've got the grass roots people, and on the other side you've got those international globalist thinkers who want to take us into a new world order.

NAC. What is the elite's attitude toward money?

SUTTON. If you want to, you can go all the way back to the Constitutional debates between the Jeffersonians and the Hamiltonians. Basically, to control society politically, you've got to have a fiat money. You see this today in the Federal Reserve System, which is a private company—not government—established in 1913 with the power of the banks behind it. Essentially the FED is a control mechanism for this elite, so they must have a fiat money system. The last thing they want is gold and silver, because they give citizens individual sovereignty. You can't just create gold and silver at will as the FED can fiat paper money. In other words, there's no way to control the monetary system if you have gold or silver in the system. This is the basis of their monetary ideas and they fully understand it and use it to their advantage.

NAC. Edwin Meese made a statement recently that the administration had no intention of bringing back the gold standard. Do you think gold's chances are doomed?

SUTTON. I think conservatives have been much too optimistic about what's going to come out of the Reagan administration. In my view, you can dismiss any idea that we're going to back to the gold standard. First, the elite is currently both panicky and insecure. It knows that it is under attack, where the attack is coming from, and they're afraid of those behind it. Second, the elite has tremendous resources and they are going to start to bring these resources to bear. So, in the long run the only way we're going to get back to a gold standard is through Congress and the electoral process.

NAC. Can the Reagan administration manage a controlled deflation of the U.S. economy?

SUTTON. Very definitely not. There are very few signs, when you look at the numbers, that we're heading into a controlled deflation. And even if we were, it's a process that is extremely hard to control. Mass psychology plays an important part, so, if we get into a deflationary spiral there's no telling where it will stop. I think Franklin Roosevelt found this our in 1933-34 when he tried to inflate the economy and saw how difficult its was. And of course the FED finds out how hard it is today on a daily basis. It's very difficult to control with any degree of fine-tuning what happens in either a financial or economic system.

NAC. If not a controlled deflation, what's Reagan going to bring us? And what about his budget cut rhetoric?

SUTTON. I'm glad you said "rhetoric", because Reagan's cuts are not cuts at all. Let me give you the numbers from America's New Beginning—A Program for Economic Recovery. First of all, Reagan's proposed cuts are only reductions in what Carter proposed. In other words, we aren't cutting at all, but just reducing the increase. Carter's proposed expenditures for 1981 is $657 billion. Reagan proposed 1986 budget is $912 billion. It is obvious that we are not talking about real budget cuts, but rather a 50 percent increase over the next five years. So, like you said, we're getting rhetoric.

You see, the elite needed a man like Reagan, because the whole financial situation was getting out of control, yet, even the elite saw the need for re-armament. If they were to impose re-armament PLUS the Carter budget, the situation would have gotten out of control very quickly. So, what they needed was the rhetoric Reagan was preaching which was supposed to dampen inflation. But you have got to look beyond the rhetoric to the numbers, and you find that what the Reagan camp is doing is making minor adjustments, on top of which they will put re-armament costs. So, we are going to get a 50 percent increase, not a reduction.

NAC. In your book, National Suicide, and in your three volumes on the transfer of U.S. technology to the USSR, you documented massive transfers of military technology to the Soviets which was financed in fact by this elite. Why do you think the elite is suddenly interested in re-armament? Isn't this a contradiction to their previous policy?

SUTTON. No. Because you make money out of conflict. Over $400 billion in contracts came out of the Vietnamese War. That's one aspect. Another aspect is that even the elite, which frankly is far more stupid than is generally believed, can see the massive expansion of the USSR—Angola, Mozambique, Central America, Cambodia, Iran, Afghanistan and South Africa—even the elite has finally had its eyes opened. The USSR means what they say; they are going to expand. And this is why I said earlier that the elite has become panicky and why they have to have re-armament.

NAC. When it becomes clear that Reagan's cuts are NOT cuts, what will be the re-

sults in the financial markets by the mid-1980's?

SUTTON. You know, 5 years ago, I predicted 20 percent interest rates and I hit it right on the nose. I think you're going to see in the mid-1980's interest rates which have been unknown in this country since probably the mid-nineteenth century—you are going to see them at about 30 percent. And you're going to see rates of inflation of the same order. It's just a matter of time once the current "deflationary bubble" is burst. And events over the next eighteen months will slowly impress this upon people. But you cannot time it exactly. Gradually, inflationary expectations will re-emerge, and of course, when the majority begins to expect inflation and we get a resumption of anticipatory spending—then you are going to see inflation like you've never seen it before. I see no way it can be avoided.

NAC. The elite's past connection to gold is evidenced by Rhodes Trust's underwriting of the CFR in 1919. But what is this connection today?

SUTTON. I'm speculating here. But if you were to look at the Rothschild Investment Trust in Paris and London, I bet you'd find they've got about 30 percent in gold assets. In other words, there are two elites at least. The elite based on the Rothschild empire has a somewhat different view—more European and African—than the elite in the U.S.

NAC. Is there a connection between the gold mining industry today and the operation of these elites? Is the attack on gold from the IMF and the U.S. Treasury simply a cover for them to accumulate gold assets?

SUTTON. It may be, but I've no proof of that. I think what you've got is one of the elites in the world, based in Europe, has always been gold oriented. They of course are the ones who control Anglo America. I think this European elite is heavily tied to gold and has different objectives than the American elite. Interestingly enough, you've got representatives sitting in with the Trilaterals. So, while they may compete on one level, they are cooperating on others.

Whether the Rockefeller elite owns gold, I do not know. It obviously can get more political power by manipulating a fiat money system.

NAC. We've had statements from Reagan that he'd like to see gold at $250, and Volcker has said the same thing. And of course Volcker made his public attack on Mr. Hunt during the time of negotiations for the special loans to Hunt.

SUTTON. You've made a very important point there. That attack on Bunker Hunt was obviously a concerted and deliberate effort—but who gained? The man who gained the most—a $100 million profit according to his own statement—was Armand Hammer of Occidental Petroleum, the son of Julius Hammer, Secretary General of the Communist Party, U.S.A., and whose brother is still a Soviet citizen.

Hammer has always maintained close ties with the U.S.S.R. Another interesting fact is that when Reagan lifted the grain embargo, he also lifted the phosphate fertilizer embargo. Occidental Petroleum is one of the largest phosphate fertilizer producers in the U.S. and clearly stood to gain from the lifting of the grain embargo. And this under the Reagan administration.

NAC. It doesn't appear that much has changed.

SUTTON. I don't think they've changed. I think that in two or three years when you look back, you'll see it was just another facade. I don't think Reagan is part of it—I think he's an honestly conservative American—but he is dealing with powers beyond his control.

NAC. Would you like to make a summary statement about the topic we've covered here?

SUTTON. Yes. Recently, there was a dinner given in honor of Robert McNamara. The host and main speaker, David Rockefeller, had intended the meeting to be a closed one and the speeches confidential, but it appears as if there were significant leaks.

I heard of it through my European contacts. Although there were two versions which differed slightly due to translation, they essentially told the same tale. I found it extraordinary how Rockefeller admits that they have in fact built a new world order. And he also mentions a conflict within the elite between the old and the new which involves more than just budget cuts. I quote: ". . . because it's going to endanger the new world order which we have based on an alliance between Wall Street and Washington." In other words David is now coming out and saying exactly what I've been saying in my books. Another quote: "Now radical conservatives are attempting to destroy all that and seeking first and foremost to serve the national interests of the U.S." In other words, David is now admitting that he is no longer an American, but an international.

NAC. Thank you Professor Sutton.●

SENATE—*Monday, June 8, 1981*

(Legislative day of Monday, June 1, 1981)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., offered the following prayer:

Let us pray.

O give thanks to the Lord, for He is good, for His steadfast love endures forever.

O give thanks to the God of gods, for His steadfast love endures forever.—Psalms 136 : 1, 2.

Almighty God, sovereign Lord of the universe, limitless, timeless, in whom resides all wisdom and all power. We worship Thee. We praise Thee for Thy justice, that Thou art impartial in Thy love, long suffering in Thy mercy, enduring in Thy grace, and infinite in Thy faithfulness. Great God our Father, we thank Thee for Thy matchless favor, Thy gracious love that enfolds, secures, and sustains us. We thank Thee for Thy infinite grace which covers all our transgressions, forgives and cleanses us from all our sins. We praise Thee. We adore Thee. We worship Thee.

"Our God, our Help in ages past,
Our Hope for years to come,
Our Shelter from the stormy blast,
And our eternal Home.

"Before the hills in order stood,
Or Earth received her frame,
From everlasting, Thou art God,
To endless years the same."
—ISAAC WATTS, 1719.

Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. BAKER. Mr. President, I thank the Chair.

I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE ON NOMINATIONS

Mr. BAKER. Mr. President, I believe there is an order to proceed to the consideration of certain nominations on the Executive Calendar beginning at 12:30 p.m. today, including the nomination of Charles Z. Wick on which there is a time limitation of 1 hour to be equally divided.

It is my expectation that we will dispose of the Wick nomination today, unless a rollcall vote is ordered, and in that event, according to the final provision of the order that was agreed to on this past Thursday, the vote, if it is ordered, will be postponed until 2 o'clock on Tuesday.

There is also an order to proceed to the consideration of the nomination of Chester A. Crocker and Myer Rashish. There is no time limitation on those two nominations. I will try to have a further report to the Senate later.

ORDER FOR ROUTINE MORNING BUSINESS TODAY

Mr. BAKER. Is there a special order for the recognition of any Senator today?

The PRESIDENT pro tempore. There are none.

Mr. BAKER. I thank the Chair.

After the expiration of time allocated to the two leaders under the standing order, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond the hour of 12:30 p.m. in which Senators may speak for not more than 5 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

TENTATIVE LEGISLATIVE PROGRAM

Mr. BAKER. Mr. President, the situation for the remainder of this week I will try to report on a little later in the day. It had been hoped we would be in position to proceed to the food stamp bill tomorrow, but I understand the report to accompany that bill was not filed in time to comply with the 3-day rule to bring up that bill on Tuesday.

I observe the distinguished minority leader is in the Chamber, and although he may not be in a position to answer me at this moment, I hope that, notwithstanding it would require 1 day to be waived on the 3-day rule, we might still go to the food stamp bill on Tuesday if we can. That would be very helpful. If we cannot, then, of course, we will take it up as soon as possible, which will be on Wednesday.

I also hope we will be able to proceed to the consideration of the Federal Election Commission authorization bill on Tuesday. That may or may not be possible, but that I will also discuss with the minority leader.

The Fur Seal Treaty I had announced might be disposed of on Tuesday, but I am advised now that certain Senators who are involved deeply in that controversy may not be available to participate in the debate on Tuesday, so it may be necessary for the leadership to reschedule that.

I will say to those who are listening that it is the intention of the leadership to proceed to the consideration of the Fur Seal Treaty as soon as possible, in any event sometime this week. It has been on the calendar for a long time, and we have gone to great lengths to accommodate the convenience of a number of Senators more than once and, frankly, I would like to see it disposed of. So sometime this week I hope we can agree on the time. If we cannot agree on the time, it may be necessary to move to go into executive session for the purpose of considering that item.

Mr. President, there may be other items we may be able to deal with this week and, of course, the main one is the reconciliation package. It is the hope of the leadership that all of the reconciliation bills can be reported from the several jurisdictional committees to the Budget Committee not later than the 10th of June, which is the day after tomorrow, and that by the 12th of June, the statutory date for receiving those reports, the Budget Committee will be in position to package those reconciliation bills in several bills they have received, and have them ready to report to the floor for consideration during the following week, that is, during the week of the 15th of June.

We simply must do those bills as promptly as possible, and I expect by the middle of that week, say, by the 17th of June, that we should be in position to move to their consideration.

There is, of course, a 20-hour time limitation by statute, which can be reduced on a nondebatable motion. I would not plan to move to reduce the time unless that became actually necessary, but all Members should be on notice that the reconciliation bill as packaged and presented by the Budget Committee will have priority over virtually everything else we may consider.

Mr. President, after that somewhat rambling and more lengthy prognostication than planned, I renew my request of the minority leader as to whether or not we might be able to waive 1 day from the 3-day rule on the food stamp bill in order to permit us to take it up on Tuesday.

Mr. ROBERT C. BYRD. Mr. President, speaking personally I would have no objection. But I understand there is an

objection or objections on this side to proceeding before the 3-day rule has elapsed on this particular bill.

Mr. BAKER. Mr. President, I thank the Senator. I wonder if there is any possibility of reexamining that question? I do not wish to press unduly, but the minority leader knows better than anybody else in this Chamber the urgency of trying to move the schedule of the Senate as promptly as possible.

Mr. ROBERT C. BYRD. I will be glad to review the prospects.

Mr. BAKER. I thank the minority leader.

Mr. President, I have no further requirement for my time under the standing order, and I will be glad to yield now a minute of that time to the distinguished President pro tempore, the Senator from South Carolina.

(Mr. SIMPSON assumed the chair.)

ORDER FOR STAR PRINT ON S. 1297

Mr. THURMOND. Mr. President, I wish to thank the distinguished majority leader.

Mr. President, I ask unanimous consent that a star print be made of S. 1297 to correct its title. This correction will indicate that S. 1297 will amend title 38, United States Code, and not title 18, United States Code, as originally printed.

I send to the desk a corrected copy of S. 1297 and ask unanimous consent that the Clerk make the necessary correction.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, if there is no request by any other Senator for time under the standing order, I would be happy to yield that time remaining to the distinguished minority leader if he has any need for it.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader. I have no need for the time. As a matter of fact, I am prepared to yield my own time back, also.

Mr. BAKER. Mr. President, I yield back the time remaining allocated to me under the standing order.

Mr. ROBERT C. BYRD. Mr. President, I yield back the time on this side.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 12:30, during which time Senators may speak for not to exceed 5 minutes each.

ORDER FOR RECOGNITION OF SENATOR NUNN ON THURSDAY, JUNE 11, 1981

Mr. BAKER. Mr. President, is there a special order for the recognition of the Senator from Georgia (Mr. NUNN) on Tuesday, June 9?

The PRESIDING OFFICER. The Senator is correct; there is.

Mr. BAKER. I thank the Chair.

Mr. President, I ask unanimous consent that that order be vitiated and that, instead, the special order for the recognition of the distinguished Senator from Georgia be entered on the same basis for Thursday, June 11, 1981.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR HARRY F. BYRD, JR., ON WEDNESDAY, JUNE 10, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that there be a special order for the recognition of the distinguished senior Senator from Virginia (Mr. HARRY F. BYRD, JR.) for a period not to exceed 15 minutes after the period for the recognition of the two leaders under the standing order on Wednesday, June 10.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECEIPT OF THE SIXTH ANNUAL REPORT OF THE NATIONAL COMMISSION FOR EMPLOYMENT POLICY

Mr. THURMOND. Mr. President, as the President pro tempore of this body, I have received the sixth annual report of the National Commission for Employment Policy for the calendar year 1980. This report is available for review by my colleagues in my office.

NOMINATIONS OF CHESTER A. CROCKER AND MYER RASHISH

Mr. BAKER. Mr. President, I observe that the distinguished Senator from North Carolina is on the floor. In view of the fact that we do not have time agreements on the Crocker and Rashish nominations, and I know of his considerable interest in these matters, I wonder if he would give us any further idea on how we might proceed on those nominations?

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank the distinguished majority leader. I want to assure him now, as I have assured him in the past, that I have no wish to hold up any nominations beyond the constraints, perhaps self-imposed, that I find in the Constitution, the advice and consent requirement of Senators.

I frequently said that I have nothing personal against any of these nominees but have questions, as I have had and as I still do, for a couple of them. I know that the majority leader understands that I wish to pursue what I perceive to be my responsibility.

Let us first address Mr. Rashish's nomination. I am today sending a letter to the distinguished chairman of the Foreign Relations Committee, Mr. PERCY. For the record, I might as well read it in its entirety. It is not all that long.

DEAR MR. CHAIRMAN: You have been most gracious to members of the Committee on Foreign Relations, be they Republican or Democratic members, in their requests that nominees be called back before the Committee for further questioning where such additional inquiry is requested.

I need point only to the case of Dr. Lefever as one example of this. And, certainly, you were most accommodating to minority members of the Committee in the cases of Messrs. Pauken and Malone.

It is in this spirit of cooperation that I request that the Committee on Foreign Relations ask Mr. Myer Rashish, nominated for Undersecretary of State for Economic Affairs, be called again before the Committee, so that Senators might question him concerning his recommendation that 100 Caterpillar pipelayers be sold to the Soviet Union.

Then I continue in my letter to Senator PERCY:

While you and I both wish that U.S. industry prosper in its sales to foreign nations, this proposed sale is highly inappropriate, given the continuing Soviet aggression in many parts of the world, directly challenging U S. interests on a broad front. I need only note continued Soviet military action in Afghanistan, and Soviet threats in Poland.

I am particularly concerned that these pipelayers might have military application. For example, I am told that they might be used to further Soviet military action in Afghanistan, building a pipeline there to supply the Soviet military with badly-needed petroleum products. More ominous is their potential use in constructing an underground command, control and communications network for the Soviets. Such a network could render ineffective our satellite and other intercepts of Soviet military communications and thereby make more unstable the already delicate ability of the United States to monitor and verify Soviet military activities.

Therefore, I urge that the Committee on Foreign Relations recall the Rashish nomination, and that hearings on the pipelayer matter and Mr. Rashish's role in it be held at the earliest possible date.

I think the public, the American people, Mr. President, deserve to have some answers on that.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a letter dated May 20, 1981, addressed to the President and signed by me which deals with the proposed sale of some 100 pipelayers to the Soviet Union. I am still awaiting a reply.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., May 20, 1981.

The PRESIDENT,
The White House
Washington, D.C.

DEAR MR. PRESIDENT: I urge that the proposed sale of some 100 pipelayers to the Soviet Union not be approved by your Administration. I have learned that the Department of State is in the process of recommending such a sale, which could have serious national security implications.

While all of us desire that U.S. industry prosper in its sales to foreign nations, this sale is inappropriate, given the continuing Soviet aggression in many parts of the world, directly challenging U.S. and Western interests on a broad front; and because of national security considerations.

I have an especial concern that these pipelayers—made, I am told, by the Caterpillar Company—may be used by the Soviets to build additional pipelines into Afghanistan in support of the Soviet invasion of that country; or, more ominously, to construct an underground command, control and communications network for Soviet military use. Such a network could render ineffective our satellite and other intercepts of Soviet military communications, and thus make more unstable the already delicate ability of the United States to monitor and verify Soviet military activities.

I urge your personal consideration of this matter and its obvious implications.

Sincerely,

JESSE HELMS.

Mr. HELMS. Mr. President, this is exactly the sort of issue I had in mind when I questioned whether establishment holdovers would be able to come up with new directives in foreign policy.

Mr. President, now with reference to the Crocker nomination, Mr. President, there was a little bit of confusion here on Thursday. I mentioned to a very capable and dedicated member of the Senate staff that I hoped it would be possible to lift my hold on the nomination of Mr. Crocker and perhaps approve it that afternoon. But the conversation that I had with Mr. Crocker left some questions unanswered and I decided that it would not be possible to lift the hold. Later on it was cleared up, but by that time the majority leader, as I understand it, had been informed that I had in fact lifted the hold and I had not.

But I say to my friend from Tennessee that, reluctantly, it is my desire to retain the hold, on behalf of myself and a number of other Senators, on Mr. Crocker pending the investigation of some leaks which have occurred in his area of the State Department and which may well have been the work, in the judgment of press reports, of Mr. Crocker himself. It is my understanding that the Secretary of State is actively investigating this problem.

There was a quite revealing report this past Thursday, June 4, in the Wall Street Journal about the leaks emanating from the State Department. It is headlined "Haig Is Probing News Leaks From Office of Nominee for U.S. African Affairs Post." I ask unanimous consent that that article from the Wall Street Journal be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HAIG IS PROBING NEWS LEAKS FROM OFFICE OF NOMINEE FOR U.S. AFRICAN AFFAIRS POST

(By Karen Elliott House)

Chester Crocker's confirmation as Assistant Secretary of State for African Affairs now faces trouble in the State Department as well as in the Senate.

Secretary of State Alexander Haig has started investigating recent leaks of confidential documents from Mr. Crocker's bureau to newspapers, and high-level State Department officials are making it clear that they hold Mr. Crocker responsible. Mr. Crocker has been running the bureau since January, although he hasn't been confirmed by the Senate.

"Let me suggest that the leaks are atrocious and appalling to me," Mr. Haig told newspaper editors and broadcasters at a State Department forum.

Whether Mr. Crocker's nomination will be withdrawn won't be clear until the investigation is completed, probably late this week or early next week. But State Department officials say that is possible.

If the nomination is withdrawn, it will be a blow to national security adviser Richard Allen, who pushed Mr. Crocker for the job. And it will be a victory for Sen. Jesse Helms (R., N.C.) who long has opposed Mr. Crocker as too close to the Carter administration in his policy ideas. Mr. Helms has said that the Carter administration put close ties with black Africa ahead of friendly relations with white-dominated South Africa and that this administration mustn't follow that line.

State Department officials insist that they aren't bowing to Sen. Helms and using the leaks as a rationale for dropping a nominee who has become too controversial. Spokesman Dean Fischer went out of his way yesterday to say Mr. Haig hasn't made any personnel deals with Sen. Helms to win his cooperation. Sen. Helms has offered to drop his opposition to Mr. Crocker if the Secretary names Clifford A. Kiracofe, Jr., a 32-year-old researcher at the Fletcher School of Law and Diplomacy in Medford, Mass., to Mr. Crocker's staff with responsibility for southern Africa policy.

Mr. Crocker says that he is willing to consider Mr. Kiracofe along with anyone else who applies for a job but that Secretary Haig doesn't want Sen. Helms selecting the State Department staff. Mr. Crocker adds that he hasn't been told that the administration may be reconsidering his nomination.

Regardless, Mr. Crocker, an African expert who served in the Nixon administration, suddenly has few defenders. The White House now says the State Department must push his confirmation in the Senate. And State Department officials, noting he was Mr. Allen's choice rather than Mr. Haig's, says the White House must fight the battle with Mr. Helms for Senate confirmation. Mr. Helms has blocked a full Senate vote on Mr. Crocker's confirmation since the Senate Foreign Relations Committee recommended approval by a 16-to-0 vote last month.

At a minimum, Mr. Crocker appears in danger of becoming an example of this administration's determination to stop news leaks. Publication by The Washington Post and The New York Times of documents Mr. Crocker drafted to outline administration African policy has compounded his troubles. "We don't know who did it, but as head of the bureau he must bear responsibility," says a State Department official.

Just last week, John Shaw, a consultant on personnel to Richard Kennedy, Under Secretary of State for Management, was dismissed, State Department officials say. The reason, they say, is that he disclosed to the press that the administration is considering nominating Joseph Reed, an aide to Chase Manhattan Bank's former chairman, David Rockefeller, as Ambassador to Morocco.

As for Mr. Crocker, State Department officials now say that Mr. Haig has long had doubts about the nominee's managerial abilities. And they suggest that Mr. Crocker's African trip earlier this year when South Africa's leaders refused to meet with him was "ill-timed." Explains one official, "Our concerns aren't ideological but managerial."

But Mr. Crocker's problems appear to have taken a turn for the worse after a meeting late last month between Secretary Haig and Sen. Helms, whose concerns are ideological.

Mr. Crocker, who has written extensively on Africa, has said publicly that he favors strong ties with South Africa but that he believes it is possible for the U.S. to remain friends with important black African states as well.

Mr. HELMS. Mr. President, in order that it may become obvious to my colleagues of the extent and nature of the leaks from Mr. Crocker's office, I ask unanimous consent that the article "U.S. Details Terms for Closer South African Ties," from the Washington Post of May 29, 1981, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. DETAILS TERMS FOR CLOSER SOUTH AFRICAN TIES

(By Joe Ritchie)

The United States has indicated to South Africa in clear terms that it is willing to "open a new chapter" in bilateral ties in exchange for cooperation on combating Soviet influence in southern Africa and on attaining an "internationally acceptable" solution in Namibia, according to State Department working papers.

U.S. officials confirmed basic information contained in several of the briefing papers which were drafted by high-level U.S. officials in preparation for the recent visit by South African Foreign Minister Roelof (Pik) Botha. The documents were made available to the Washington Post by Randall Robinson, the executive director of TransAfrica, a black-oriented lobbying group on African affairs that consistently has opposed South African racial policies.

One of the papers suggested that if the South Africans cooperate on an "internationally acceptable settlement" of the problem of Namibian independence, the United States can "work to end South Africa's polecat status in the world and seek to restore its place at a legitimate and important regional actor with whom we can cooperate pragmatically."

Secretary of State Alexander M. Haig, Jr., was advised by his top aid on Africa that the administration should respond to South African cooperation on Namibia—a territory South Africa continues to control under an expired League of Nations mandate—with "small but concrete steps such as the normalization of our military attache relationship."

The two countries have greatly reduced their military representations—to one attache each—since Pretoria accused three American attaches of taking aerial photographs of secret installations in April 1979.

A recurring theme in the documents is the role South Africa can play in helping the

United States counter Soviet influence in such places as Namibia and Angola. The new chance for improved relations, as one of Haig's advisers put it, "represents an opportunity to counter the Soviet threat in Africa."

State Department officials reflected awareness that their talks with the South Africans had potential pitfalls. Assistant Secretary of State-designate for African Affairs Chester A. Crocker advised Haig that "South African truculence (which can be coated with great charm) is compounded with the fact that, as an international pariah, the country has 'had no meaningful, balanced bilateral relations in recent memory.' "

"Thus," Crocker continued "the South Africans deeply resent being treated as an embarrassment and are not used to the give-and-take of pragmatic relations. If the South Africans still want to vent their frustrations, I fear you will be subjected to Pik's rhetoric. Thus, it is in your interests to take control of the meeting from the beginning."

Although there have been broad hints of a shift in the Reagan administration's public posture toward South Africa—particularly compared with the Carter administration's approach of cooperating more with black Africa and confronting South Africa on its racial policies—the background papers provide some of the clearest documentation to date of how far the United States is willing to go to help the internationally isolated Pretoria government attain some degree of respectability in the world.

In a background briefing for reporters on May 16 after Botha's talks here, the Reagan administration announced that it was pursuing a policy of "constructive engagement" with the South Africans, rather than the previous policy of "confrontation."

Reporters were not given details of impending changes in the U.S.-South African relationship.

By aligning itself, however marginally, with South Africa, the United States is taking a calculated risk that it will not completely alienate many Third World countries, particularly in black Africa, where Pretoria is viewed as a pariah because of its official policy of apartheid, or institutionalized separation of the races.

Nigerian President Shehu Shagari, on a recent state visit to Britain, warned the United States against tilting its policy on Africa toward Pretoria or helping the South Africans back the rebel forces of Jonas Savimbi in Angola. Shagari said it would be "very unwise" for Washington to back rebels in a sovereign African nation. Nigeria is the second-largest supplier of foreign oil to the United States, supplying 1.2 million barrels per day.

An American shift toward South Africa also confronts head-on key issues such as Namibia, military cooperation and exports of strategic minerals, such as enriched uranium.

The State Department papers reflected the thinking of senior officials on the U.S.-South African relationship, officials said. Robinson said he obtained the papers from a State Department employe, and U.S. officials confirmed their authenticity. Robinson would not reveal his source.

Robinson said he passed on the documents because he felt that the United States is "moving into a de facto alliance with South Africa in exchange for no clear commitments on South Africa's part" and that there should be a wider public debate on the issue.

The U.S. view of the new developing relationship is that it is a more pragmatic approach to dealing with the South Africans, that the United States will be in a better position to pressure the South Africans for change if it shows willingness to support positive movement for change.

According to the paper prepared by Crocker for Haig's talks with Botha, the United States sees its new relationship as being "based upon our shared hopes for the future prosperity, security and stability of southern Africa, constructive changes within South Africa and our shared perception of the role of the Soviet Union and its surrogates in thwarting those goals."

The U.S. position was that although Washington and Pretoria "may continue to differ on apartheid," the U.S. "can cooperate with a society undergoing constructive change."

African diplomats interviewed here stressed that as long as South Africa continues its policies of apartheid, they cannot cooperate with Pretoria, and they said they were watching closely the formulation of the new administration's policy on southern Africa. The Africans are also concerned that the United States would abandon its support of U.N. Security Council Resolution 435, which it and the Africans currently accept as the basis for Namibian independence.

According to the May 16 briefing, the United States and South Africa did not fully achieve a meeting of minds on Namibia.

Nevertheless, at a news conference upon his return to South Africa, Botha hailed what he called a new American realism on the Namibian question.

"All around I found a much greater grasp and understanding, the ability to look at South Africa in a different light, to see the importance of the Cape [of Good Hope] route in a clear way, our strategic minerals and other things."

Another document left behind by the South Africans said they would be prepared to secure U.S. access to critical minerals and naval facilities, and generally protect U.S. financial and trade interests in the region, if Washington recognized that there are "no shortcut solutions to the question of the exercise of political power in South Africa."

In another paper, a secret South African summary of the sticky nuclear relationship between the two countries, Pretoria asked Washington to review its policy, established under the Carter administration, of forbidding export licenses for enriched nuclear fuel to South Africa as long as South Africa does not adhere to the Nuclear international safeguards at its research facilities.

State Department officials said the United States has not changed its position, although discussions are continuing on the problem. There has been a four-year impasse over U.S. refusal to ship fuel under terms of a South African contract with the Department of Energy.

Overall, U.S. officials emphasized that the South Africans did not obtain all that they thought they might from the U.S. side during Botha's visit, but, as one source put it, "They haven't gotten beaten over the head repeatedly with posturing, either."

Mr. HELMS. Mr. President, just yesterday, the Johannesburg Sunday newspapers were busily publishing further information which has all the appearances in the world that it too came from Mr. Crocker's office. Indeed could it have come from Mr. Crocker himself.

Moreover, whoever leaked this material attempts to deflect the blame for the leaks by implying that it may have come from the office of Senator HELMS of North Carolina.

Well, the interesting part of that, Mr. President, is that the Senator from North Carolina never had the information that was leaked. And I do not want to appear to be in the state of high dudgeon about this thing, but Mr. Crocker had better sweep around his own door instead of referring to this Senator or any other Senator, particularly when this Senator has never had in his possession nor has any member of my staff had in his possession the information that was leaked.

I wish to say very emphatically that neither this Senator nor anybody associated with me was responsible in any way for leaking the material in question.

This material appeared in the Sunday Times and the Sunday Express in Johannesburg. They are both sister newspapers of the same publisher. And I think the Senators reading these stories, when they become available, will agree that they were published in an obvious attempt to boost Mr. Crocker's reputation in South Africa immediately previous to his planned visit there this week.

Now both of these newspapers, it needs to be said, Mr. President, have been very, very close to Mr. Crocker. They praise him fairly constantly and very highly, which is their right. They have published many of Mr. Crocker's own articles under his byline. At the time of the visit of South African Foreign Minister Pik Botha to this country, these newspapers published intimate and confidential details of that visit.

Mr. President, I, of course, do not yet have yeterday's newspapers from Johannesburg, but the articles in question have been read to me over the telephone and I ask unanimous consent that excerpts from one of them be printed at this point in the RECORD.

There being no obection, the excerpts were ordered to be printed in the RECORD, as follows:

[From the Johannesburg Sunday Express, June 7, 1981]

THE BIG DAY FOR CROCKER

Meanwhile the U.S. State Department and according to some sources, the CIA, are conducting a witch hunt to discover who leaked confidential American government documents to Transafrica. . . . There has been speculation that the documents were leaked by a source close to Senator Helms to help block Dr. Crocker's appointment. But Transafrica director Randall Robinson vehemently denies this.

* * * * *

The right wing Helms disagrees violently with what he perceives as Dr. Crocker's softness regarding closer ties with South Africa. The vote was put on hold at the request of Senator Jesse Helms who has been attempting to block the appointment. However, Senator Howard Baker told Senator Helms this week that the vote could not be delayed any longer. Senator Helms has apparently admitted to Senator Baker that he is unable to rustle up enough Senate votes to defeat Dr. Crocker's appointment.

Mr. HELMS. Mr. President, now where did the newspapers get this information? I think Alexander Haig knows where the newspapers got that information. And that is the reason I am continuing a hold on Mr. Crocker.

But the newspapers said "based upon State Department sources." Now I think that the State Department had better get its act straight in terms of this leaking business.

I intend to have more information than I now have, Mr. President, before I will consent to the consideration of the Crocker nomination.

Mr. President, I went into this at some length because I wanted my distinguished majority leader and other Senators to know that this is not a frivolous thing on my part. I take the advise and consent responsibility seriously. I can assure the majority leader and other Senators that until I can reach the conclusion that I have fulfilled my obligation under that constitutional requirement I will gladly and quickly resist the nomination to confirm. I do hope the majority leader understands my position.

Mr. BAKER. Mr. President, I thank the Senator from North Carolina. It leaves us however, with a major dilemma. I have not the slightest doubt that what the Senator from North Carolina says is correct. He knows that. But by the same token when I was informed on Thursday that the holds had been lifted, I proceeded to seek to obtain unanimous consent to proceed to the consideration of these two nominations today. As I pointed out earlier, there is no time limit for debate on these two nominations, unlike the Wick nomination on which there is an hour to be equally divided. I was not aware that the Senator from North Carolina wished to interpose his objections to these nominations again until this morning.

I would make this proposal, Mr. President: I think that under the order just entered we are going to be out of morning business not later than 12:30. At 12:30, we are to go to the consideration of the Wick nomination. I propose to leave that effective.

By the way, I do not know of any particular reason to have a rollcall vote on Mr. Wick. I would hope we might be able to confirm him this afternoon by voice vote. If a rollcall is ordered, it will go over until tomorrow.

On the Rashish and Crocker nominations, which are to follow under the order just entered, I ask unanimous consent, Mr. President, that we postpone consideration for 1 hour while the Senator from North Carolina and I have the opportunity to discuss this matter further.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, as I understand the distinguished majority leader he is not seeking to waive the order which has already been entered in any way, but he merely seeks to postpone the operation of that order for 1 hour with respect to the nominations of Mr. Rashish and Mr. Crocker.

Mr. BAKER. The minority leader is correct, Mr. President. The reason for that is obvious. The way the order stands now as soon as we finish the Wick nomination, we would be on the Rashish and Crocker nominations. I have not had the opportunity to discuss this thoroughly with the Senator from North Carolina. I believe an hour would give us an opportunity to do that.

Mr. EXON. Mr. President, reserving the right to object and I will not object, I want to pay tribute to my distinguished colleague from North Carolina. I have watched him operate in the Senate for a long, long time. Certainly, I think that the advise and consent procedure of the U.S. Senate should not be taken lightly. I was interested in his comments this morning. I do hope, though, that we can move along on some of these nominations.

I could not help but think during the discussion of the almost innumerable members who are supposed to be at work now in the new administration who are not working because, for a variety of reasons, which some of us do not understand, there have been great delays in sending over nominees for Under Secretary posts and a whole series of areas that I happen to be involved in because of my committee assignments. I would like to plead once again with the majority that communication be made to the White House to please move along their appointees much more rapidly so that we can carry out the advise and consent procedures that have been referred to this morning by the Senator from North Carolina.

It seems to me that here we are in June, and certainly this has been the slowest administration on record for getting the nominees over here to us so that we can work our constitutional responsibilities that have been ably described by the Senator from North Carolina.

I would just like to insert these comments at this time with the hope that the Reagan administration can get on track a little faster than they have thus far, and criticize, if I might, the rather slow procedure in getting key people in key jobs, with the idea of making this administration a success.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, I renew my request.

The PRESIDING OFFICER. Is there objection?

Mr. HELMS. Will the Senator restate the request?

ONE-HOUR POSTPONEMENT OF RASHISH AND CROCKER NOMINATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that we modify the existing unanimous-consent order so that instead of proceeding immediately to the consideration of the Rashish and Crocker nomination after we dispose of the Wick nomination, that the consideration of the Rashish and Crocker nominations be postponed for the period of time of 1 hour to give us the opportunity to consult.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, nobody is trying to take advantage of anybody. I know the Senator from North Carolina well and I know his concerns are genuinely well founded. I do not doubt for one moment the statements and representations that he has made. It leaves us, though, with a dilemma. That is the reason for the 1 hour, so that we can confer and see if we can find a way out of this problem. At 12:30, 3 minutes from now, we will go to the Wick nomination.

May I say one final word on the comments of the distinguished Senator from Nebraska about the slowness of the administration in submitting nominations. That is true. If he thinks he should complain about it, he should sit in on some of the meetings I have with Republican Members of the Senate. It would make his concern pale into insignificance because there are so many concerns.

Mr. President, there are some problems that should be taken account of to at least explain if not justify the problem.

One is we have a whole array of new statutes, rules and requirements for disclosure, for background checks, for the statutes and laws that have been put into force in the last few years which make it more difficult, first, to obtain good men and women to serve in Government, and, two, to comply with all the requirements that we in most cases have enacted. That is not a justification but it is at least, in part, an explanation.

I have used the same argument that I used with my colleagues on the Republican side of the aisle. Judging by the look of amusement of my two friends on the other side of the aisle, I do not think I have had any more luck in convincing them than I have the Members on this side.

Mrs. KASSEBAUM. Mr. President——

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. As chairman of the African Affairs Committee, Mr. President, I have greatly respected the interests and concerns of the Senator from North Carolina in the appointment of the Assistant Secretary for African Affairs. It is a very important appointment. I have been very impressed with the background that Dr. Crocker brings in consideration of this appointment.

Given the sensitivity of the area and the great interest in the formulation of our African policy, I think it is important, and we all recognize that, that we move along and get an Assistant Secretary in place so that there can be someone to look to for guidance in explaining the formulation of this policy.

I would certainly like to be prepared, as Senator HELMS has been, to move forward together so that we might be able to resolve this question. Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. I ask unanimous consent that I may be permitted to proceed for not more than 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I appreciate the comments of the distinguished Senator from Kansas.

Mr. President, let me point out that it is my wish to expedite all appointments whenever possible. This very af-

ternoon I am presiding over hearings on two State Department nominees, and I intend to expedite these nominations because I think these nominees are good men. The two nominations in question are those of Ambassador Thomas O. Enders to be Assistant Secretary of State for Inter-American Affairs and of Ambassador J. William Middendorf II, to be Ambassador to the Organization of American States.

I just want the record to be clear that there has been no untoward holdup of any nomination with which I have been associated.

I do think that the Senate has the duty to examine all nominees, particularly those in regard to the tenuous state of our foreign policy and our foreign relations.

Mr. President, I thank the distinguished majority leader. I must say that I did not know an agreement had been reached earlier this morning with respect to these nominations, but he and I can discuss that privately.

EXECUTIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now go into executive session to proceed to the consideration of the nomination of Charles Z. Wick, of California, to be a Director of the International Communications Agency. The clerk will state the nomination.

INTERNATIONAL COMMUNICATIONS AGENCY

The assistant legislative clerk read the nomination of Charles Z. Wick, of California, to be Director.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. Mr. President, is the control under the order allocated to the majority and minority leaders?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. I yield myself 1 minute.

Mr. President, I am advised that we have no requests for time to speak on this nomination and no requirement for a rollcall vote on this side. The nomination has been reported and we have no further requirement, I believe, for debate, since it came out of the Committee on Foreign Relations and has been on the calendar for a while. I am prepared to go now to a voice vote if that is desirable.

Mr. EXON. Mr. President, likewise, on this side, we have no known requests for speeches for or against this nomination that has been reported out of the Committee on Foreign Relations. We are prepared to cooperate with the majority leader to the extent of yielding back any time that we have remaining and would agree to a voice vote of approval.

Mr. BAKER. Mr. President, I thank the distinguished acting minority leader. I yield back my time remaining under the standing order.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. EXON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME AGREEMENT ON FUR SEALS TREATY

Mr. BAKER. Mr. President, I ask unanimous consent that, on Thursday, June 11, no later than 10 a.m., the Senate go into executive session to consider Executive Calendar No. 2, "1980 Protocol Amending the Interim Convention on Conservation of North Pacific Fur Seals," and that the treaty be taken through all its parliamentary stages up to and including the resolution of ratification and that the resolution be under the following time agreement:

Two hours on the resolution of ratification under the control of the chairman of the Committee on Foreign Relations (Mr. PERCY);

Two hours on the resolution of ratification under the control of the Senator from Michigan (Mr. LEVIN);

Four hours equally divided between Senators PERCY and LEVIN on a Levin reservation;

One hour equally divided between Senators PERCY and LEVIN on a second Levin reservation;

And that no other reservations, amendments, understandings, points of order, declarations, and statements to the treaty be in order.

Mr. President, I believe this has been cleared on the other side of the aisle. I inquire of the distinguished acting minority leader if that is his understanding as well.

Mr. EXON. Mr. President, the majority leader is correct. The outline of the agreement that he has just made is accurate and we concur on this side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, I thank all Senators.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, we are still in executive session, are we not?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Mr. President, under the order previously entered, the time for the consideration of the Crocker and Rashish nominations is held in abeyance for 1 hour. Is that correct?

The PRESIDING OFFICER. That is correct.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. BAKER. I ask unanimous consent that, during that period, there be a period for the transaction of routine morning business not to extend beyond 1 hour from this moment, in which Senators may speak for not more than 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 1 P.M.

Mr. BAKER. Mr. President, I am told by our respective staffs that there are no requests to speak between now and 1 o'clock. In order to spare the legislative clerk the responsibility of calling the roll to establish the absence of a quorum, I ask unanimous consent that the Senate stand in recess from now until 1 p.m. today.

There being no objection, the Senate, at 12:39 p.m., recessed until 1 p.m.; whereupon, the Senate reconvened when called to order by the Presiding Officer (Mr. GORTON).

A REPLACEMENT MANNED BOMBER FOR THE B-52

Mr. HEFLIN. Mr. President, the issue on which I shall speak today is not a new one; indeed, many Senators, far more eloquent than I, have spoken out passionately on this very floor on the same subject. This familiarity, however, does not diminish the urgent need for my forthcoming remarks. The issue, of course, is America's dire need for an effective manned strategic aircraft system to modernize and round out the "air-breathing" leg of our military triad. The Senate defense authorization bill provides $2.1 billion for procurement and $302 million for research, development, testing and evaluation for a long-range combat aircraft (LRCA). I strongly concur in the committee's finding that a new manned strategic bomber is needed not only to replace the aging B-52 bomber as penetrating bomber for the strategic triad, but also in conventional roles. I hope that when this measure goes to conference this money will be retained and I will urge my colleagues on the House side to help in this effort.

Based on previous announcements by the Department of Defense of a major breakthrough in radar deception technology—that is, the so-called stealth technology—it would appear that the action by the Senate is both timely and appropriate.

Mr. President, please grant me one small concession before I continue with my comments on this matter. We need to take one short moment to reflect upon this situation in the proper perspective. We—all of us—are here in Washington for a purpose. We have been elected to safeguard, to the best of our ability, the composite interests of over 200 million human beings. This primarily entails the charge upon this body to maintain and refine the freedom which our citizens can proudly display to all the peoples of the world. Many threats incessantly gnaw at the foundations of our freedom, some more effectively than others. We must actively defend against these incursions by maintaining the strength to keep them at bay.

One of the most ominous and ubiquitous forces at work against us is the vast Soviet machine. While the United States thrives on the freedom which is its lifeblood, the Soviet Union daily grows stronger by virtue of its burgeoning military strength.

Let us not deceive ourselves, my friends, by believing that we can teach the Soviets peace by disarming ourselves and providing this gesture as an example for them to follow. The powers in the Kremlin only watched with a growing mixture of boldness and relief as we allowed our defenses to wither and decay over the last 10 to 15 years.

In my judgment, their goal is not peace. It is not freedom. The ultimate goal of the Soviet ideology is world domination. Already the Soviet empire spans more territory than the Roman Empire did at its peak. Areas such as the Persian Gulf might soon follow Afghanistan and become subservient satellites without the strong support of a formidable ally, and thus further augment the expanding Soviet stronghold.

America has always been a leader. We have suffered the ingratitude of the people of the world (as well as their thanks) for our efforts as peacemaker. Many, many people have followed us in good faith—resisting the threats of communism and struggling to imitate our democracy so that they too could one day enjoy the freedom taken for granted within the bounds of our great land. Shall we let them, and ourselves, down by acquiescing to the domination-minded Soviets? I believe that we must regain and maintain military superiority over the Soviet Union and any other nation which might challenge us in the difficult years ahead. Only through a position of unassailable strength can we nurture the peace and freedom which sustains us and our ideals.

In 1977, when, for various reasons, President Carter mistakenly stopped the production of the B–1 bomber, America may have been at a position of rough equality with the Soviets. There is no doubt but that we would be in a more secure position today if the decision had been to go ahead with the production of the B–1. Since that fateful date, however, we have slipped at an alarming rate into a position of subordinance to the Soviet war force. By both underestimating the Soviet ability and technology and overestimating our own capabilities, we have allowed ourselves to be backed into the very tight and very foreboding corner which is currently our position. It is now up to the Congress to recognize the warning signals and make this Nation strong enough once again to reassume our position as guardian of peace.

This can be accomplished only by making the results of war absolutely devastating for the Soviets.

Each day brings news of fresh Soviet boldness. Yet not only the Soviets grow bold. The Iranian tragedy, the growing impunity of the Castro regime, with its crucial bond with the Soviets, and the general loss of respect for American property and individual safety all over the world are vivid examples of this. We must rebuild our forces and show, through quiet might, that the muscles of the free world have not begun to atrophy and grow lax and ineffective.

Mr. President, I could quote facts and figures, which I am sure you all have heard before, such as:

Each month, over three new Soviet Tupelov 26, "Backfire," bombers are being produced. By the end of the 1980's, the Soviets will have acquired and perfected the "look-down, shoot-down" radar capability which will make penetration missions all the more difficult. The B–52 is a product of 1940's technology, and no matter how we modify and update it, by the end of the 1980's, it will be useless except as a standoff launcher for air-launched cruise missiles.

Even now, its subsonic speed and aging frame make it too big, too "dumb," too slow, and too unreliable by our modern standards. The B–52 was designed to fly high above the radar systems of its day; yet, unfortunately, the need today is for an aircraft which can fly low—as low as 200-feet above the surface—and subsequently below the modern radar systems. I ask you, which one of you would like to pilot this grand old lady of flight with a full nuclear payload, close to maximum speed at such an altitude under hostile conditions. Indeed, the idea is absurd. By complementing our cruise missile systems with an aircraft system which can effectively penetrate, we force the Soviets to strain their defenses and not concentrate on a single system. Thus, both the cruise missile and the bomber are more apt to be successful. By the 1990's, the technological limits now imposed upon our aircraft will be pushed further back, thus opening up new and currently unimaginable avenues for improvement.

At such a time when the know-how for a more advanced manned aircraft is reality, the system which we call for now could be quickly and easily converted to fit whatever void will be created by the ultimate retirement of the B–52's to the Smithsonian—which I might add is where many of them belong now. This would prevent another time lapse like the one we are presently experiencing, during which we have no modern, effective long-range heavy aircraft capability.

I could quote men who have dedicated their lives and energies—indeed their hearts and souls—to the defense of our country, like Gen. Richard Ellis, Commander in Chief of the Strategic Air Command (SAC), who states that—

> SAC believes the procurement of a new advanced strategic manned bomber should rank toward the top of our national priorities;

Or Lt. Gen. Kelley H. Burke, Deputy Chief of Staff for Research, Development and Acquisition, who contends that—

> It's incredible at a time when global interests have never been more demanding that we should abandon the development of a long-range combat aircraft. If we do, we would be the only super-power to do so.

We cannot allow that wonderful phrase "superpower" to become a nostalgic reminder of days gone by.

The need is imperative for an aircraft which functions as a manned, penetrating weapon system which could effectively and consistently in a wartime atmosphere enter hostile airspace, be it the Soviet Union, Eastern Europe, or the Near East, debilitate its target, and return safely. To borrow again from Lt. General Burke—

> The penetration mission requires an aircraft that can fly long distances; that can carry large, diversified payloads; that can provide self-contained target acquisition and weapons delivery; that can defend itself reasonably well against sophisticated air defenses; that can be reused; and most importantly, that can provide on-scene human judgment throughout the mission.

Our options are basically threefold, and I am not today advocating a specific aircraft, as do some of my colleagues. The Armed Services Committee in the committee report accompanying this bill makes it clear that the President should make the decision, and that his decision should be given close scrutiny by the Congress.

I know my distinguished and knowledgeable colleagues of the Armed Services Committee will make a wise recommendation when all of the pertinent information is forthcoming from the Defense Department and the Reagan administration. Perhaps the "stretched" FB–111, the FB–111 B/C, or a version of the B–1, a so-called "son of B–1," would be appropriate. The possibility of the emergence of an "advanced technology" aircraft which incorporates many systems still in their planning stages is very real. Each of these aircraft has its relative merits.

Programs which endeavor to enhance the capabilities of whatever aircraft system does indeed finally go into production have already come up with bold advances. The strategic bomber enhancement program was working to perfect radar absorbing materials to reduce radar cross sections, thus improving survivability against both surface-to-air missiles and look-down, shoot-down interceptors until it was killed by funding shortages. The innovative strategic aircraft design study (ISADS) was modified after the B–1 cancellation to study near-term technology which might be applied to a B–52 successor and has recently submitted reports of its findings.

From the information released so far, it appears that a major technological advance of great military significance has been made with respect to the ability to conceal our aircraft from enemy radar. According to some source, this technology—the so-called stealth technology—could be applied to any military vehicle which can be attacked by radar-directed fire. Moreover, former Secretary Harold Brown stated in a news conference last summer that we are in the process of vigorously applying this technology to develop a number of military aircraft, and these programs are showing great promise. Whether or not this new technology can be applied to existing aircraft or whether it would only be applicable to a "advanced technology" aircraft, is not yet clear from the nonclassified information that is available.

Nevertheless, I am greatly excited by the prospects of these developments, and I certainly hope that any reluctance of the administration or the Department of Defense to go forward with a new aircraft development will be largely overcome by this technological breakthrough.

Proponents of the FB–111 in SAC state that by 1985, the FB–111, or an improved stretched version of the bomber will be the only aircraft capable of penetrating Soviet air defenses to attack targets there in response to an attack on the United States. The program to modify the FB–111 would take approximately 70 months from production approval to delivery of the last aircraft. This would place the availability of the FB–111 B/C much sooner than a B–1 derivative. Furthermore, as pointed out by General Ellis, "The FB–111 B/C can become the night/all-weather aircraft for force projection, contingency and tactical nuclear forces. The added contribution that aircraft could offer would be as significant in the 1990's as it would be today."

Yet, Mr. President, we must not rule out the possibility of reviving the B–1 program which, had it been continued on its planned schedule 3 years ago, would soon be taking its place in our defense arsenal. As I mentioned earlier, it was a tremendous mistake not to go forward with the program to develop the B–1 bomber. The B–1 bomber was designed to carry 40 percent of the U.S. nuclear weapons warhead megatonnage against targets in the U.S.S.R. It was designed to carry cruise missiles, short-range attack missiles, as well as conventional armament. The B–1 or a more advanced version of the one cancelled 3 years ago would probably be the most effective aircraft available at this time. General Ellis himself has stated that he would prefer the B–1 over the "stretched" FB–111 because of its superior qualities, but for certain cost and time constraints. Thus, Mr. President, I hope the planners at the Department of Defense and the members of the Senate Armed Services Committee will review very carefully the possibilities of revising and accelerating the B–1 program before settling on a final choice. When all the data is in and all the facts weighed, the B–1 may still be the plane which will be the most effective on a dollar basis.

In conclusion, Mr. President, besides nuclear capability, our new aircraft must be able to perform the conventional tasks which hopefully would allow us to avoid a nuclear confrontation. It must be able to cover expansive distances in abbreviated times in order to reach theater conflicts. It must be able to utilize airstrips the world over, unlike the albatross B–52 which requires a 300-foot wide runway. Most importantly, it must be an aircraft that we, the Members of Congress, the spokesmen ultimately responsible for the lives of all Americans in a wartime environment, can confidently and proudly send our own sons to battle in. I advocate action. We must replace the B–52 in its current role with an aircraft system worthy of its job—the defense of the United States of America, its people, and its institutions. We must, my friends, do it—before it is too late; I sincerely hope that it is not too late already.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 1:30 P.M.

Mr. BAKER. Mr. President, there are other matters that must be attended to away from the Chamber which will require the attendance of a number of Senators. I therefore ask unanimous consent that the Senate stand in recess until the hour of 1:30 p.m.

There being no objection, the Senate, at 1:04 p.m. recessed until 1:30; whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. McCLURE).

RECESS UNTIL 2 P.M.

Mr. McCLURE. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 2 p.m. today.

There being no objection, the Senate, at 1:36 p.m., recessed until 2 p.m.; whereupon, it reconvened when called to order by the Presiding Officer (Mrs. KASSEBAUM).

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

UNANIMOUS-CONSENT AGREEMENT—NOMINATION OF CHESTER A. CROCKER

Mr. BAKER. Madam President, I ask unanimous consent that the order with respect to the consideration of certain matters in executive session be amended in the following manner, but before I state the request may I say I have discussed this with the distinguished minority leader, with the distinguished Senator from North Carolina, and other Senators as well.

Madam President, I ask unanimous consent that following on after the action of the Senate on the request I am about to make that the order of consideration of the Rashish and Crocker nominations be reversed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Madam President, before I make the unanimous-consent request let me offer this explanation.

Madam President, on Thursday in the closing moments of the session the distinguished minority leader and I were conducting a colloquy about the desirability of clearing the calendars, both the calendar of general orders and Executive Calendar, and the minority leader put the question to me of when we could expect to have clearance on the three nominations, that is to say, Rashish, Crocker, and Wick, which have been on the calendar for some time.

I was in position to advise the minority leader at that moment that we could clear, and indeed if it was possible for his side to clear, the Wick nomination for consideration today, I hoped we would be able to clear the other two soon, and I indicated to the minority leader that at some point it was my intention to move the consideration of those items because they had been on the calendar for a long time, and I understood his concern, but that I had had expressed to me a great concern by certain Senators, more than one Senator I might add, and that I would continue to work on that with the expectation that we would have an answer for him on that question very soon.

At that moment, Madam President, one of our staff members handed me a note indicating, as I thought, that the holds on the Rashish and Crocker nominations had been lifted, and I proceeded then to ask for and the Senate gave unanimous consent to add the consideration of Rashish and Crocker to the list of nominees to be considered in executive session today.

Madam President, as it turns out, there was a misunderstanding on at least one of those and, perhaps, both of those nominations. It is not hard to understand why that would be so. We deal in literally hundreds of requests on calendar items, and it may be more remarkable that more misunderstandings do not occur than actually do.

In any event, those have been worked out now, and I have just stated one-half of the request, that is to say, that we proceed this afternoon to the consideration of the Crocker nomination, which we will do shortly. By the way, there is no requirement for a rollcall vote on this side of the aisle on the Crocker nomination, and I hope it might be possible for us to conclude the consideration of that nomination promptly and, perhaps, dispose of it by voice vote this afternoon.

If a vote is ordered, if a rollcall vote is ordered, on the Crocker nomination, then, in accordance with the terms of the order previously entered, it would go over until tomorrow.

UNANIMOUS-CONSENT AGREEMENT—NOMINATION OF MYER RASHISH

Mr. BAKER. In the case of the Rashish nomination, Madam President, I have a different proposal to make.

I now ask unanimous consent that consideration of the Rashish nomination be postponed until a time to be determined as follows: Not more than 2 days after the conclusion of a hearing to be conducted by the Committee on Foreign Relations on the questions put in the letter by the Senator from North Carolina today, that the Rashish nomination be made the pending business in executive session before the Senate; that there

be a time limitation of 1½ hours to be equally divided on that nomination.

Madam President, the distinguished chairman of the Committee on Foreign Relations is not present. I have cleared this with the ranking Democratic member, Senator PELL, and I am the next ranking member, and we have jointly agreed that such a request by the Senator from North Carolina is in order and, therefore, I make the request I have just stated.

Madam President, the distinguished minority leader has requested that I forbear making that request in a formal manner for the moment and, therefore, for the time being I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GRASSLEY). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, could the distinguished majority leader indicate when or how soon he would expect the committee to conduct a hearing?

Mr. BAKER. Yes. It would be my expectation, Mr. President, that the committee would have a hearing on the questions at hand, that is, the questions put by the Senator from North Carolina, within the next day or two. Unfortunately, the chairman of the committee is not in the city at the moment, and it is not possible to give a more precise answer of the question, but I fully expect it would be held during the middle of this week, and we should be able to proceed within the 2 days provided for in the order if the order is granted to the consideration of the nomination of Rashish this week.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, does the order provide for the consideration of the Crocker nomination at this point?

The PRESIDING OFFICER. It does.

NOMINATION OF CHESTER A. CROCKER TO BE AN ASSISTANT SECRETARY OF STATE

The PRESIDING OFFICER. The clerk will report the nomination.

The assistant legislative clerk read the nomination of Chester A. Crocker, of the District of Columbia, to be an Assistant Secretary of State.

The PRESIDING OFFICER. The question is on the nomination.

The Senate proceeded to consider the nomination.

Mrs. KASSEBAUM. Mr. President, Chester Crocker brings to the office of Assistant Secretary of State for African Affairs an impressive background and the personal skills that will enable him to successfully meet the challenges of our new Africa policy. Africa is a region of increasing importance to the United States, as we have become more aware of our geographic, economic, military, and political interests on the continent.

President Reagan is to be congratulated on his nomination of Dr. Crocker to this position. He has nominated a man who is professionally trained in African affairs and who has almost 20 years' experience in the field. I believe the President's nomination of Dr. Crocker reflects his understanding of the importance of Africa to America's national interests and his desire to place African policy in the hands of a true professional in the field.

Over the past two decades, Dr. Crocker has been professionally involved in all regions of the continent. As a young man, he was a journalist covering Francophone Africa, and later was a news editor covering all the states and territories of Africa. As a staff member of the National Security Council and as a professor of political science at Georgetown University, Dr. Crocker specialized in African and Indian Ocean matters, and in the role of military power in foreign policy.

This combination of an understanding of the internal and regional complexities of Africa and an understanding of the strategic issues surrounding Africa has been reflected in the policy recommendations Dr. Crocker has successfully made to the new administration. He is committed to addressing the legitimate security concerns of those states threatened by Soviet and Cuban military involvement on the continent and by the expansionist aspirations of Colonel Qadhafi. At the same time, he is fully committed to increasing America's role in the economic development of the continent, both through the private and public sectors.

Most importantly perhaps, Dr. Crocker brings to this position a solid understanding of the most intractable challenge facing American policy in Africa—South Africa. His excellent article in Foreign Affairs magazine has received praise from black and white, liberal and conservative, American and non-American experts. America has important interests in South Africa and needs to dedicate itself to effective action that will protect those interests through the development of a truly democratic government that provides for effective political participation by all South Africans. I am confident that Dr. Crocker will work diligently and effectively to promote the evolution of South Africa toward a true democracy with which we can have close economic and political relationships.

Mr. President, I urge the Senate to confirm this nomination.

(At the request of Mr. BAKER, the following statement was ordered to be printed in the RECORD:)

● Mr. PERCY. Mr. President, I urge the Senate to confirm the nomination of Chester A. Crocker to be Assistant Secretary of State for African Affairs.

Dr. Crocker is one of the most well-qualified nominees to come before the Foreign Relations Committee this year. Having served most recently as the director of African studies at Georgetown University's Center for Strategic and International Studies, his extensive background in African affairs spans the fields of academia, journalism, and government policymaking.

His teaching specialties have included the role of military power in foreign policy, international security affairs, African politics, and international relations of Africa.

He has been a prolific writer on Africa and has numerous published articles, books and monographs to his credit. He has testified several times before Congress as an expert witness on African affairs.

He has served as a consultant to the Department of State, the Central Intelligence Agency, the Army War College, and the Republican National Committee. He chaired the Reagan Presidential campaign's Africa Working Group. From July 1970 to June 1972 he served as a staff officer on the National Security Council.

Dr. Crocker testified twice before the Foreign Relations Committee in connection with his nomination. In his opening statement, he endorsed the three principles for our foreign policy advocated by Secretary of State Haig: Consistency in the pursuit of U.S. interests, reliability as a force for peace and stability, and balance in our approach to individual issues and in the orchestration of policy. He further pledged:

> If confirmed I want to assure this committee that I will consult both Houses of Congress in the development and implementation of our policy toward Africa. Together, I believe we can make considerable progress in projecting to the people of the United States and the people of Africa a foreign policy that is clear, comprehensible, and consistent.

Under thorough questioning, he impressed committee members with his knowledge and ability.

During the first session of his hearing, on April 6, Dr. Crocker was questioned extensively by several Senators on a variety of issues and questions of policy. While some Members expressed differing views about the best course for our Africa policy, none questioned his qualifications.

Immediately after the April 6 session, at the President's request, Dr. Crocker led a mission to Africa and Europe to consult with key leaders on southern African issues as part of the administration's policy formulation process. I believe the trip showed the good-faith desire of this administration to listen to the concerns of African nations. Furthermore, the trip also served to lay to rest some of the unjustified concerns of foreign leaders about the direction this administration's policies might take.

On April 27, following his trip, Dr. Crocker again appeared before the committee. Because a concern had been expressed by one committee member that Dr. Crocker's mission had produced unfavorable results, I questioned him about this. I asked whether he had received any indication from high-level officials at the State Department, or from members of the White House staff, or from the Vice President, or from the President himself, of disappointment in the results

of his trip or in his performance on the trip. Dr. Crocker's reply was "None whatsoever."

On April 28, the committee recommended by a vote of 16 to zero that Dr. Crocker's nomination be confirmed. To quote from the committee report:

The position of Assistant Secretary for African Affairs requires a sound knowledge of the internal, regional and global forces at work in the region, which will enable him to assist the President in influencing those forces so as to protect American and Western interests. The desire of the United States to maintain effective working relationships with all countries in the region, including those who view themselves as adversaries of other nations in the region, will challenge the personal skills and political judgment of the Assistant Secretary to the utmost.

It is the Committee's judgment that Dr. Crocker brings to this office the background and personal skills that will enable him to meet the challenges of this position successfully.

Mr. President, Dr. Crocker enjoys President Reagan's complete confidence as he plays a key role in the development of the administration's Africa policy. I commend President Reagan for making such an excellent choice and I urge my colleagues to support his nominee.●

Mr. MELCHER. Mr. President, I ask for the yeas and nays on the nomination.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, under the order previously entered, is it not so that this vote as just ordered will go over until 2 o'clock tomorrow?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. I thank the Chair.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business of not to exceed 5 minutes in length in which Senators may speak for not more than 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSPORTATION AND SUPPORT SERVICES TO THE HANDICAPPED

Mr. THURMOND. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution that was passed by the New York State Legislature that memorializes Congress to approve a program of developing alternate sources of transportation and support services to the handicapped.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

LEGISLATIVE RESOLUTION

Whereas, A safe and efficient transportation system is crucial to the proper functioning of our society; and

Whereas, The needs of handicapped people for specialized services can only be met if such services are readily available to them; and

Whereas, The transportation needs of the handicapped are at once critical and unique; and

Whereas, The cost of providing such transportation to handicapped persons is alarmingly high due to the practice of modifying existing services to meet their needs; now, therefore, be it

Resolved, That this Legislative Body memorializes the Congress of the United States to approve a program of developing alternate sources of transportation and support services to the handicapped; and be it further

Resolved, That the cost of providing such services be borne by the federal government; and be it further

Resolved, That copies of this resolution be transmitted to each member of the Congress elected from the State of New York, the Temporary President of the Senate and the Speaker of the House of Representatives.

CONGRESS URGED TO ORDER EXTERNAL AUDIT OF FEDERAL RESERVE

Mr. THURMOND. Mr. President, I ask unanimous consent to have printed in the RECORD a concurrent resolution adopted by the Indiana State Legislature, which memorializes Congress to order an external audit of the Federal Reserve.

There being no objection, the concurrent resolution was ordered to be printed in the RECORD, as follows:

HOUSE CONCURRENT RESOLUTION No. 148

Whereas, The Federal Reserve System has a pervasive effect on our national economy through its manipulation of interest rates and the money supply; and

Whereas, The Federal Reserve System operates without any supervision or direct responsibility to the citizens of this nation; and

Whereas, The Federal Reserve System has never undergone an external audit of its function; Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:

Section 1. The General Assembly memorializes the Congress of the United States to authorize and implement an external audit of the Federal Reserve.

Section 2. The Principal Clerk of the House of Representatives shall forward a copy of this resolution to the President of the United States, to the Speaker of the House of Representatives, the President of the Senate in Washington, D.C., and to each member of Congress elected from the State of Indiana.

BLOOD QUANTUM REQUIREMENTS FOR LESSEES OF HAWAIIAN HOMELANDS

Mr. THURMOND. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution which was adopted by the Hawaii State Legislature concerning changes in the blood quantum requirement for lessees of Hawaiian homelands.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

HOUSE RESOLUTION No. 377

Whereas, section 4 of the Admission Act of the State of Hawaii (Act of March 18, 1959, Pub. L. 863, 73 Stat. 4) provides that the qualifications of lessees of Hawaiian home land shall not be changed except with the consent of the United States; and

Whereas, sections 207 to 209 of the Hawaiian Homes Commission Act limit leases under section 207 of the Hawaiian Homes Commission Act to "native Hawaiians" who are defined by section 201 of the Hawaiian Homes Commission Act as "any descendent of not less than one-half part of the blood of the races inhabiting the Hawaiian Islands previous to 1778"; and

Whereas, section 209 of the Hawaiian Homes Commission Act in most cases limits the transfer of Hawaiian homes leases upon the death of the lessee to relatives of the lessee who are "native Hawaiians"; and

Whereas, Article XII, sections 1 and 2, of the Constitution of the State of Hawaii provides:

HAWAIIAN AFFAIRS

HAWAIIAN HOMES COMMISSION ACT

Section 1. Anything in this constitution to the contrary notwithstanding, the Hawaiian Homes Commission Act, 1920, enacted by the Congress, as the same has been or may be amended prior to the admission of the State, is hereby adopted as a law of the State, subject to amendment or repeal by the legislature; provided that if and to the extent that the United States shall so require, such law shall be subject to amendment or repeal only with the consent of the United States and in no other manner; provided further that if the United States shall have been provided or shall provide that particular provisions or types of provisions of such Act may be amended in the manner required for ordinary state legislation, such provisions or types of provisions may be so amended. The proceeds and income from Hawaiian home lands shall be used only in accordance with the terms and spirit of such Act. The legislature shall make sufficient sums available for the following purposes: (1) development of home, agriculture, farm and ranch lots; (2) home, agriculture, aquaculture, farm and ranch loans; (3) rehabilitation projects to include, but not limited to, educational, economic, political, social and cultural processes by which the general welfare and conditions of native Hawaiians are thereby improved; (4) the administration and operating budget of the department of Hawaiian home lands; in furtherance of (1), (2), (3) and (4) herein, by appropriating the same in the manner provided by law.

Thirty percent of the state receipts derived from the leasing of cultivated sugarcane lands under any provision of law or from water licenses shall be transferred to the native Hawaiian rehabilitation fund, section 213 of the Hawaiian Homes Commission Act, 1920, for the purposes enumerated in that section. Thirty percent of the state receipts derived from the leasing of lands cultivated as sugarcane lands on the effective date of this section shall continue to be so transferred to the native Hawaiian rehabilitation fund whenever such lands are sold, developed, leased, utilized, transferred, set aside or otherwise disposed of for purposes other than the cultivation of sugarcane. There shall be no ceiling established for the aggregate amount transferred into the native Hawaiian rehabilitation fund.

ACCEPTANCE OF COMPACT

Section 2. The State and its people do hereby accept, as a compact with the United States, or as conditions or trust provisions

imposed by the United States, relating to the management and disposition of the Hawaiian home lands, the requirement that section 1 hereof be included in this constitution, in whole or in part, it being intended that the Act or acts of the Congress pertaining thereto shall be definitive of the extent and nature of such compact, conditions or trust provisions, as the case may be. The State and its people do further agree and declare that the spirit of the Hawaiian Homes Commission Act looking to the continuance of the Hawaiian homes projects for the further rehabilitation of the Hawaiian race shall be faithfully carried out; and

Whereas, the Legislature of the State of Hawaii is deeply concerned with, and in close proximity to the problems and needs of the native Hawaiians and seeks to be able to respond effectively to these problems and needs; now, therefore,

Be it resolved by the House of Representatives of the Eleventh Legislature of the State of Hawaii, Regular Session of 1981, that the House of Representatives and the Senate of the United States are requested to delegate to the Legislature of the State of Hawaii the power to alter the blood quantum requirement for one to be a "native Hawaiian" for the purposes of the Hawaiian Homes Commission Act; and

Be it further resolved That certified copies of this Resolution be transmitted to the Speaker of the House of Representatives of the United States, the President Pro Tempore of the Senate of the United States, and the members of Hawaii's Congressional Delegation.

CONGRESS URGED TO EXEMPT HAWAII'S PREPAID HEALTH CARE ACT FROM THE PREEMPTION PROVISION OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

Mr. THURMOND. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution which was passed by the Hawaii State Legislature requesting the Congress to exempt Hawaii's Prepaid Health Care Act from the preemption provision of the Employee Retirement Income Security Act of 1974.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

HOUSE RESOLUTION No. 616

Whereas, the Hawaii Prepaid Health Care Act (Chapter 393, Hawaii Revised Statutes), enacted in 1974, requires all employees in the State working at least twenty hours per week to be covered by a comprehensive prepaid health care plan provided through their employers; and

Whereas, the Legislature found that the spiraling cost of comprehensive medical care "may consume all or an excessive part of a person's resources" (Section 393–2, Hawaii Revised Statutes), especially when the person is unable to earn his regular wages; and

Whereas, the Legislature enacted this comprehensive Hawaii Act to insure against all nonoccupational illness and injury in the same manner as the Worker's Compensation law insures against work-related illness and injury; and

Whereas, Hawaii's employees are guaranteed health care protection by the State of Hawaii through its enforcement of the law and its maintenance of a special premium supplementation fund established in the treasury of the State, separate and apart from all public moneys or funds of the State, to pay the required one-half of premium costs for employees whose employers have neglected to do so (Section 393–45, Hawaii Revised Statutes and Regulation XLIII Relating to the Hawaii Prepaid Health Care Act, Section 73); and

Whereas, as the result of the Prepaid Health Care Act, Hawaii enjoys an estimated 98.2 percent group health insurance coverage of its civilian population as of the end of 1977 at a cost which experience has shown to be affordable for both employees and employers and which involves only minimal administrative costs on the part of government. (see "Evaluation of Impact of Hawaii's Mandatory Health Insurance Law: A Report of the Hawaii Prepaid Health Care Act," U.S. Department of Health, Education, and Welfare (by Martin E. Segal Co. October 1978)); and

Whereas, the Hawaii Prepaid Health Care Act "shall terminate upon the effective date of federal legislation that provides for voluntary prepaid health care for the people of Hawaii in a manner at least as favorable as the health care provided by said Hawaii Act, or upon the effective date of federal legislation that provides for mandatory prepaid health care for the people of Hawaii" (Section 393–51, Hawaii Revised Statutes); and

Whereas, the Employee Retirement Income Security Act of 1974 (ERISA—29 U.S.C. 1001 et seq.), primarily a pension reform Act, was enacted to protect employees who elected to participate in a benefit plan, from potential abuses and mismanagement of funds through disclosure, reporting and fiduciary requirements; and

Whereas, the Employee Retirement Income Security Act of 1974 (ERISA—29 U.S.C. 1001 et seq.), does not mandate health care coverage to all regular employees; and

Whereas, an exemption for Hawaii's Prepaid Health Care Act from ERISA's preemption provision is not breaking new ground since said federal Act exempted all known governmental insurance programs, that is, Worker's Compensation, Unemployment insurance and Disability insurance laws, at the time of its enactment in 1974; and

Whereas, despite the exemplary and highly regarded nature of the Hawaii Act and the comprehensive health care coverage it provides, the Hawaii Prepaid Health Care Act has been held by the federal courts, in essence to be preempted by the federal Employee Retirement Income Security Act of 1974 (ERISA—29 U.S.C. 1001 et seq.), which regulates the administration of private employee benefit and pension plans and which provides in pertinent part that ERISA supersedes "any and all State laws insofar as they may now or hereafter relate to any employee benefit plan" (See *Standard Oil Company of California* v. *Joshua C. Agsalud*, 442 F. Supp. 695 (N.D. Cal. 1977), affirmed, 633 F. 2d 760 (9th cir. 1980)); and however, the decision of the Ninth Circuit Court of Appeals will be appealed to the United States Supreme Courts and

Whereas, the above federal court decision was rendered with reluctance, the Court stating: "It troubles the Court, as it troubles defendants, that Congress preempted state health insurance laws apparently without specific discussion of the need for such a step. The workers whom ERISA was primarily intended to protect may be better off with state health insurance laws than without them, and the efforts of states like Hawaii to ensure that their citizens have low-cost comprehensive health insurance may be significantly impaired by ERISA's preemption of health insurance laws. Federal Legislation should heed the admonition that Justice Brandeis addressed to the federal courts:

" 'To stay experimentation in things social and economic is a grave responsibility. Denial of the right to experiment may be fraught with serious consequences to the nation. It is one of the happy incidents of the federal system that a single courageous State may, if its citizens choose, serve as a laboratory; and try novel social and economic experiments without risk to the rest of the country.' *New State Ice Co.* v. *Liebmann*, 285 U.S. 262, 311 (1932) (Brandeis, J., dissenting)."

Whereas, the Hawaii Prepaid Health Care Act has been held up as a model for a national health insurance plan which the federal government should study (see "Evaluation of Impact of Hawaii's Mandatory Health Insurance Law: A Report of the Hawaii Prepaid Health Care Act," U.S. Department of Health, Education and Welfare (by Martin E. Segal Co.), October 1978); and

Whereas, it would indeed be a bitter irony if ERISA, a landmark in the struggle to protect the continued well-being and security of millions of employees and their dependents," were to be used to blunt another milestone in the same struggle; and

Be it resolved by the House of Representatives of the Eleventh Legislature of the State of Hawaii, Regular Session of 1981, that the U.S. Congress is requested to exempt Hawaii's Prepaid Health Care Act from the preemption provision of the Employee Retirement Income Security Act of 1974; and

Be it further resolved, that the Hawaii Congressional delegation be commended for and requested to continue their efforts in obtaining the exemption; and

Be it further resolved, that duly certified copies of this Resolution be transmitted to the President pro tem of the U.S. Senate, the Speaker of the U.S. House of Representatives and to members of the Hawaii Congressional delegation.

REQUEST FOR CONTINUATION OF THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT (CETA) YOUTH PROGRAMS

Mr. THURMOND. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution which was adopted by the Hawaiian State Legislature requesting the continuation of the Comprehensive Employment and Training Act youth programs.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

HOUSE RESOLUTION No. 646

Whereas, unemployment is a barrier to social and economic improvement for individuals as well as for the community as a whole, affecting the standard of living of many people and underlying many social and economic problems; and

Whereas, the Comprehensive Employment and Training Act (CETA) enacted in 1973 seeks to provide job training and employment opportunities for economically disadvantaged, unemployed, or underemployed persons and transitional public service employment and temporary public service employment; and

Whereas, in addition, CETA also provides employment and training opportunities for youth under Title IV (Youth Programs) and Title VIII (Young Adult Conservation Corps); and

Whereas, the purpose of the Title VIII program is to establish a Youth Conservation Corps to provide employment and other benefits to youths through a period of service during which they engage in useful conservation work and assist in completing other projects of a public nature on federal and non-federal public lands and water; and

Whereas, the purpose of the Title IV youth programs is to provide a broad range of coordinated employment and training programs for eligible youths in order to provide effectively for comprehensive employment and training services to improve their employability and to explore and experiment with alternate methods for accomplishing such an effort; and

Whereas, the Title IV programs currently being provided to Hawaii youths include the Youth Employment and Demonstration Program (YEDPA), the Youth Employment and Training Program (YETP), Job Corps Program, and the Summer Youth Programs; and

Whereas, in view of Hawaii's limited job market for youths and Hawaii's high overall unemployment rates in recent years, the CETA youth programs have been effective and instrumental in providing productive employment to many of the State's younger citizens; and

Whereas, in addition to employment opportunities, the CETA youth program participants have also received invaluable work experience, skill training, and other values to assist them to become more responsible, employable, and productive citizens; and

Whereas, in recent months, however, the federal government has announced its intention to phase out the funding for the CETA youth program by September 30, 1981; and

Whereas, the curtailment of the program will affect almost 6,000 youths throughout the State of Hawaii; and

Whereas, with the likelihood of a recession in late 1981, the already tight job market here in Hawaii, and the expected first time entry of a large number of young people into the labor force, the local youths will have a difficult time finding jobs in the coming years; and

Whereas, by continuing the CETA youth programs, thousands of youths who are quite willing to work but are unable to find jobs can be provided with gainful employment and be contributing members of society; now, therefore,

Be it resolved by the House of Representatives of the Eleventh Legislature of the State of Hawaii, Regular Session of 1981, that the President of the United States and the United States Congress are respectfully requested to reconsider the decision to phase out the CETA youth programs and to support the extension of the programs; and

Be it further resolved, That certified copies of this Resolution be transmitted to the President of the United States, the President Pro Tempore of the United States Senate, the Speaker of the United States House of Representatives, and to each member of the Hawaii Delegation to the United States Congress.

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE RECESS

Under the authority of the order of the Senate of June 4, 1981, the Secretary of the Senate, on June 5, 1981, received messages from the President of the United States submitting sundry nominations; which were referred to the appropriate committees.

(The nominations received on June 5, 1981, are printed at the end of the Senate proceedings.)

CALENDAR YEAR 1976 REPORT ON OCCUPATIONAL SAFETY AND HEALTH ACTIVITIES—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 58

Under the authority of the order of the Senate of June 4, 1981, the Secretary of the Senate, on June 5, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with Section 26 of the Occupational Safety and Health Act of 1970, I am transmitting today the 1976 calendar year annual report on occupational safety and health activities as prepared by the Secretary of Labor of the previous administration.

RONALD REAGAN.

THE WHITE HOUSE, *June 5, 1981.*

MESSAGE FROM THE HOUSE

At 12:31 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3455. An act to authorize certain construction at military installations for fiscal year 1982, and for other purposes.

HOUSE BILL REFERRED

The following bill was read the first and second time by unanimous consent, and referred as indicated:

H.R. 3455. An act to authorize certain construction at military installations for fiscal year 1982, and for other purposes; to the Committee on Armed Services.

REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

Under the authority of the order of the Senate of June 4, 1981, the following reports of committees were submitted on June 5, 1981, during the recess of the Senate:

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Res. 136. Resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 508.

S. Res. 149. Resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1007.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BAKER (for Mr. ROTH), from the Committee on Governmental Affairs, with amendments:

S. 893. A bill to extend and amend the authority of the President to reorganize the executive branch of Government under chapter 9 of title 5, United States Code (with additional views) (Rept. No. 97-132).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. BAKER (for Mr. ROTH), from the Committee on Governmental Affairs:

Fred Joseph Villella, of California, to be Associate Director of the Federal Emergency Management Agency.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. McCLURE:

S. 1338. A bill to amend the Strategic and Critical Materials Stock Piling Revision Act of 1979 in order to prescribe the method for determining the quantity of any material to be stockpiled under such Act, and for other purposes; to the Committee on Armed Services.

By Mr. HEFLIN:

S. 1339. A bill to amend title 18 of the United States Code to prohibit the robbery of a controlled substance from a pharmacy; to the Committee on the Judiciary.

By Mr. GORTON (for himself and Mr. JACKSON) (by request):

S. 1340. A bill to provide for the use and distribution of Callam judgment funds in Docket No. 134 before the Indian Claims Commission, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. STENNIS:

S. 1341. A bill to make applicable to the Tennessee-Tombigbee Waterway certain provisions of law relating to taxation on fuel used in commercial transportation on inland waterways; to the Committee on Finance.

By Mr. MELCHER:

S. 1342. A bill to define the circumstances under which construction workers may deduct travel and transportation expenses in computing their taxable incomes for purposes of the Federal income tax; to the Committee on Finance.

By Mr. DOMENICI:

S. 1343. A bill to amend the Energy Policy and Conservation Act to modify the oil acquisition program of the Strategic Petroleum Reserve in order to decrease the cost of acquisition to the Government for oil to be stored in the Reserve, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BENTSEN:

S. 1344. A bill to amend the Federal Aviation Act of 1958 to establish additional criminal penalties applicable to persons who pilot aircraft in connection with drug smuggling operations, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HEINZ:

S. 1345. A bill entitled, the "Veterans' Health Care Act of 1981"; to the Committee on Veterans' Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. McCLURE:

S. 1338. A bill to amend the Strategic and Critical Materials Stock Piling Revision Act of 1979 in order to prescribe the method for determining the quantity of any material to be stockpiled under such Act, and for other purposes; to the Committee on Armed Services.

STRATEGIC AND CRITICAL MATERIALS STOCK PILING REVISION ACT OF 1981

● Mr. McCLURE. Mr. President, today I am introducing legislation to prescribe a new method for determining the quantity of any material to be stockpiled under the Strategic and Critical Materials Stock Piling Act. It is vital to our national security that a stockpile realistically and adequately provide us with the proper amount of resources needed in times of national emergency.

Since the inception of the Strategic and Critical Materials Stock Piling Act,

the quantity of resources (known as stockpile goals), needed in times of emergencies has fluctuated. Previous Administrations have established zero stockpile goals for numerous commodities, only later to reappraise defense requirements and set new goals for these same commodities. Those types of frequent and violent shifts in stockpile goals are costly to the American taxpayer and extremely disruptive to industry where planning for expansion has been frequently deferred when the stockpile became an active seller. Over the years, the fluctuations have been inexcusable. Neither our country's need nor our foreign dependence for these commodities have been truly considered. Notable critical commodities which have been put on this roller coaster are aluminum, copper, lead, nickel and zinc. All holdings of aluminum, copper, and nickel, most of the zinc, and about half of the lead held by the government were sold during the period 1963–1975.

Documenting the up and down goals of these commodities exhibits the dramatic trends of the roller coaster the Strategic and Critical Materials Stock Piling Act is on. To dramatize this trend I am providing two tables presenting the stockpile goals from 1944 to 1976 for nickel and copper. Both of these tables represent frequent and violent shifts in stockpile goals and I would like to point out, that these are representations of only two commodities out of 93 covered by the Critical and Strategic Materials Stock Piling Act.

TABLE 1.—STOCKPILE GOALS FOR NICKEL FROM 1944 TO 1976

[In thousands of short tons]

1944	1950	1954	1955	1958	1963	1967	1969	1971	1976
118	290	450	337.5	161.5	50	20	55	0	204

TABLE 2.—STOCKPILE GOALS FOR COPPER FROM 1944 TO 1976

[In thousands of short tons]

1944	1950	1952	1954	1958	1959	1963	1973	1976
1,250	2,100	1,100	3,500	1,900	1,000	775	0	1,299

Many of my colleagues will recall these trends and also, congressional efforts in the late 1970's to put an end to them. After years of debate and the introduction of numerous bills, the Congress amended the Strategic and Critical Materials Stock Piling Act in 1979. I participated in this endeavor and the legislation I am introducing today is a modified version of legislation I introduced in 1977. Portions of the 1977 legislation were incorporated in the final 1979 amendments, but it is still necessary for additional congressional action on this issue.

We have not solved the problem of violent fluctuations and this is evident in the 1976 stockpile goals and 1981 stockpile disposal legislation introduced. I refer specifically to the zero stockpile goal for silver identified in the 1980 stockpile report to the Congress by the Federal Emergency Management Agency. This report also shows huge deficiencies in the inventories of aluminum, copper, nickel, zinc and lead, the commodities which I noted have been a part of the violent fluctuation trends in the past. Before Congress accepts a zero stockpile goal for silver it must carefully consider whether the experience in other commodities may not be repeated with silver.

The National Stockpile was originally established by the Strategic Materials Stock Piling Act of June 7, 1939, as subsequently amended by the Act of July 23, 1946, (50 U.S.C. 98–98h). Following World War II the stockpile policy was to provide sufficient strategic and critical materials to sustain the Nation through a 5-year emergency.

This requirement was reduced to a 3-year emergency during the 1960s. In 1973 the administration reduced the stockpile requirement to a 1-year emergency basis and sought legislation to dispose of large quantities of excess materials to balance the budget. However, much of this legislation was not passed by Congress. In 1976, the stockpile planning basis was returned to the first three years of an emergency of indefinite duration. A minimum planning base of a 3-year emergency has now been established legislatively in the Strategic and Critical Materials Stock Piling Revision Act of 1979.

Other important provisions of the Strategic and Critical Materials Stock Piling Revision Act of 1979 include:

First, clarification that the purpose of the stockpile is to provide for national defense and not for economic or budgetary purposes;

Second, authorizing the President to determine stockpile requirements and providing, for the first time congressional guidance as to how these determinations are to be made; and

Third, creation of a National Defense Stockpile Transaction Fund, as a separate entity within the Treasury, to handle all funds generated by the disposal of stockpiled materials, and from which funding of purchases for the stockpile can be obtained.

These amendments are not enough. The congressional guidance has not affected the continuing, and somewhat questionable subjective nature of developing stockpile goals. Presently, the Federal Emergency Management Agency periodically reviews the goals and takes into consideration the recomendations of the Departments of Defense, Commerce, Interior, State, Treasury, and the Central Intelligence Agency.

There is no simple formula used to set criteria and no consistency. It is still possible to use the National Stockpile for economic or budgetary purposes with this type of subjective development. The proposed silver stockpile goal of zero leads me to conclude that the National Stockpile is still being used for the purpose of generating revenue. It should not be used to provide each administration with a slush fund of valuable minerals and materials. It must be used for its true purpose, to provide this country with the strategic and critical materials needed in a national emergency.

Mr. President, my bill today will take us one step closer in achieving this purpose. It will bring a more direct involvement of Congress in the setting of stockpile goals and to more closely tie these goals to our import dependence. The bill provides that the executive branch should continue to designate the materials that are needed for the stockpile. But, the bill recognizes that an order of priority exists with respect to the quantity of each material stockpiled and that fundamental to that priority is the dependency this Nation has on imports to meet raw material needs.

The United States is obviously most vulnerable to supply difficulties with respect to commodities which it does not produce in any significant quantities. In the bill these materials are designated as class A. Those commodities which represent materials of which the United States has some production but is unlikely to achieve self-sufficiency even with severe rationing or substitution, are designated as Class B. Finally, those commodities which the United States produces in substantial quantities but for which it has some import dependence are designated as class C.

The importance of these designations is that the goals would rely on our foreign dependency. For commodities in class A, the goal would be equal to a 3-year supply of a 5-year average of net imports. For class B, the goal would be a 2-year supply and for class C, the goal would be a 1-year supply.

The executive branch is authorized to designate the classification of the individual commodities under the terms of the bill and in so doing will be expected to calculate average annual U.S. net imports of each. These calculations will be based on the 5 calendar years immediately preceding and the calculations will be made at least once in each Presidential term.

When stockpile acquisitions are taking place, imports will tend to rise and subsequently, when stockpile liquidations are taking place, imports will tend to fall. Therefore, in calculating net imports, the bill requires that stockpile acquisitions be deducted and that stockpile liquidations be added to arrive at figures not influenced by stockpile activities.

The bill further recognizes that in some special cases the formula outlined may not yield a result in line with the 1979 amendment requiring the stockpiling of sufficient quantities to sustain the United States for a period of not less than 3 years in the event of a national emergency.

It is not the intention of this bill to change the not less than 3-year requirement in event of a national emergency. There is a provision in the bill which allows the executive branch to propose a different goal. However, the administration must come to the Congress and explain the proposed departure. Congress would have 90 days to consider the administration's reasons, and would therefore, become more directly involved in the setting of the stockpile goals. Due to the subjective nature of determining the needs in a national emergency and thus, stockpile goals, explanations will help to eliminate the use of the national stockpile for budgetary purposes.

The following tabulation compares the quantities for certain key materials which are involved in the stockpile program under two alternatives. The first alternative is the program announced in 1980 by the Federal Emergency Management Agency (FEMA) and the second alternative is embodied in the legislative proposal I am introducing today.

To explain the rights of the executive branch previously mentioned I would like to concentrate for a moment on the commodity, cobalt. Under the 1980 FEMA alternative the stockpile goal for cobalt is 85,400,000 pounds. Under my alternative, the goal is 54 million pounds. If the executive branch determines that the 54 million pounds is not a sufficient quantity for the United States in a national emergency it must justify its reasons to Congress. It would be the responsibility of the administration to present its reasons for why the goal derived from the import formula does not yield a proper result. It will then be the responsibility of the Congress to review the goal and the administration's reasons for proposing a change.

STRATEGIC STOCKPILES—PRESENT STOCKPILE GOALS, HOLDINGS, AND McCLURE ACT OBJECTIVES

[Figures in thousands]

Commodity	Class	FEMA 1980 goal	Sept. 30, 1980, holdings	McClure Act 1981 goal	McClure Act deficiency or surplus
Alumina and bauxite (long dry tons)	A	27,600	14,158	19,720	−5,562
Aluminum (short tons)	C	700	2	265	−263
Antimony (short tons)	B	36	41	37	+4
Cobalt (pounds)	A	85,400	40,802	54,000	−13,198
Copper (short tons)	C	1,000	29	263	−234
Lead (short tons)	C	1,100	601	66	+525
Nickel (short tons)	B	200	0	360	−360
Palladium (troy ounces)	A	3,000	1,255	2,688	−1,433
Platinum (troy ounces)	A	1,310	453	2,976	−2,523
Silver (troy ounces)	B	0	139,500	81,520	+57,980
Tin (long dry tons)	A	42	200	150	+50
Zinc (short tons)	B	1,425	376	1,396	−1,020

In 1977, when I first introduced the concept of relating stockpile goals to import dependence, I believed this simple procedure would provide stability to the stockpile goals and provide the Nation with the means to realistically and adequately meet the demands required in the times of emergencies. This is essential. In a time of war we must be able to meet our demands. We are a nation dangerously and expensively dependent on foreign nations for raw materials. Presently, of the 32 mineralsa nd materials identified as strategic and critical to the United States in terms of national security we are dependent on foreign sources in excess of 50 percent for 25 of these minerals.

We simply cannot afford to overlook this and expect the current stockpile to realistically meet our needs. What will we do? Will we turn to our allies who have no stockpiles to speak of? Will we depend on continued imports across the sea lanes which would be subject to unsafe passage? Will we depend on imports from countries close by whose own demands may infringe upon the quantity of exports it will allow? Excessive dependence is dangerous.

In 1973, during the Arab oil embargo, the Canadian National Energy Board realized its oil supplies were limited. In 1974, the Canadian National Energy Board declared that Canadian oil supplies would not be adequate to serve traditional Canadian markets. The Canadian Government therefore imposed export restriction, with the goal of reducing exports to zero by 1983. In addition, an export tax was levied on oil shipments to the United States. The U.S. Senate passed Senate Resolution 249 on January 24, 1974, condemning Canada, along with Venezuela and the Arab oil producing countries for actions which raised the price of oil.

In subsequent months, however, most American observers came to accept the fact that Canada's energy supplies were not limitless, and that Canada was within its rights to exercise reasonable prudence in their exploitation. Mineral supplies are also not limitless and we must look at the possibility of such an activity occurring again in the area of mineral import-exports with Canada as well as with other friendly countries. These are issues and questions we must address now—not in a time of national emergency.

In a time of war, our own national economy and foreign relations are a very different proposition than in a peacetime. In war, all countries turn their efforts to military needs and what once might have been exported will remain within existing borders. A country cuts back sharply on the production of automobiles, household goods, residential construction, and may even prohibit entirely the output of certain items. All of this for the sake of meeting one's own demands.

Mr. President, I believe this bill will assist the Nation in being able to meet its own demands in time of a national emergency and I ask that each of my colleagues join me in making sure this will occur.

I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1338

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Strategic and Critical Materials Stock Piling Revision Act of 1981".

SEC. 2. (a) Section 2(a) of the Strategic and Critical Materials Stock Piling Revision Act of 1979 (50 U.S.C. 98a(a)) is amended by adding at the end thereof the following:

"To effectuate this policy determinations shall be made from time to time, as provided in this section, regarding which materials are strategic and critical to the United States and the quantities of such materials that should be stockpiled under this Act."

(b) Section 2 of such Act is further amended by redesignating subsection (b) as subsection (c) and adding after subsection (a), as amended by subsection (a) of this section, a new subsection (b) to read as follows:

"(b)(1) The President shal appoint an interagency advisory committee composed of representatives from appropriate departments and agencies of the Government to determine which materials are to be acquired under this Act and what classification such materials shall be assigned under paragraph (2).

"(2) Materials selected to be stockpiled under this Act shall be classified by the interagency advisory committee provided for in paragraph (1) as being one of the three classes prescribed below, as appropriate:

"(A) Class A materials are those materials not produced in the United States or produced in the United States in limited quantities, that are necessary for the security of the United States, are essential to the economy of the United States, and are primarily obtained from foreign sources.

"(B) Class B materials are those materials produced in the United States but are not available in sufficient quantities in the United States to offer the potential for meeting total domestic needs, are necessary to the security of the United States, are essential to the economy of the United States, and are obtained to a substantial extent from foreign sources.

"(C) Class C materials are those materials produced in substantial quantities in the United States, are available in sufficient quantities to meet total domestic requirements, are necessary to the security of the United States, are essential to the economy of the United States, and are obtained to a lesser extent from foreign sources.

"(3) The quantity of any material to be acquired under this Act (stockpile goal) shall be determined as follows:

"(A) The stockpile goal for any material designated as a class A material shall be a quantity equal to three years' domestic net imports of such material.

"(B) The stockpile goal for any material designated as a class B material shall be a quantity equal to two years' domestic net imports of such material.

"(C) The stockpile goal for any material designated as a class C material shall be a quantity equal to one year's net import of such material.

"(4) Subject to appropriate adjustments under paragraph (5), a year's domestic net imports of any material for purposes of clause (A), (B), or (C) of paragraph (3) shall be a quantity of the material equal to the average annual imports of such material during the five calendar years immediately preceding the calendar year in which the determination for the stockpile goal is being made (base period), plus the average annual sales or minus the average annual purchases of such material made from the stockpile during such five-year base period, reduced by the average annual exports of such material during such five-year base period.

"(5) In determining the quantity under paragraph (4) of any material to be acquired for the stockpile appropriate adjustment shall be made in the computations made under such paragraph in the case of any material which is acquired in both its crude form and in its refined or processed form so as to avoid duplicate calculations with respect to the same material.

"(6) The stockpile goal for any material acquired for the stock pile under this Act shall be reviewed once every four years by the interagency advisory committee referred to in paragraph (1). A revised objective for such material shall be established only if the average annual quantity of imports of such material during the five calendar years immediately preceding the current calendar year increased or decreased by more than 10 per centum of the average annual quantity of such material at the time of the preceding mandatory review under this paragraph.

"(7) Nothing in paragraph (6) shall be construed to prohibit the head of the agency and the interagency advisory committee referred to in paragraph (2) from conducting a review of the stockpile goal for any material at any time other than that prescribed by paragraph (6); but in any case in which such committee determines that the stockpile goal for any material should be computed in a manner other than that prescribed in paragraph (3), the head of the agency shall notify the Congress in writting of that determination and set forth the proposed new formula for computing the stockpile goal for such material. The new formula shall become effective with respect to such material unless within a period of ninety days after the day on which the Congress was notified by the head of the agency, either House of the Congress agrees to a resolution disapproving such formula.".●

By Mr. HEFLIN:

S. 1339. A bill to amend title 18 of the United States Code to prohibit the robbery of a controlled substance from a pharmacy; to the Committee on the Judiciary.

ROBBERY OF A CONTROLLED SUBSTANCE FROM A PHARMACY

Mr. HEFLIN. Mr. President, today I would like to introduce legislation I believe will help arm our law enforcement officials in their continuing war on crime in America. This bill will amend title 18 of the United States Code to make the robbery of controlled substances from drug stores a Federal crime.

For many years now, our Federal agents from the Drug Enforcement Administration and the Federal Bureau of Investigation have waged an increasingly effective campaign to halt the flow of illegal drugs in our Nation's cities and suburbs.

However, because our Federal agents have made such progress in disrupting the illegal drug trade on our streets, the drug pushers have now begun to turn to our local retail drug stores to fill their supplies. These drug traffickers have found an outpost to continue their illegal dealings where our Federal agents are not legally authorized to tread.

And, the endangered victims of this new assault are the men and women who own, manage and work in our Nation's pharmacies. The drug-related robbery of a pharmacist is neither an isolated nor a unique crime in our country today—it is, rather, a serious, widespread and ever-growing phenomenon.

Without our action on this bill, I fear this phenomenon will flourish, and the cost to our society will not only be in the continued marketing of illegal drugs, but also in the death and injury of our Nation's pharmacists.

Our pharmacists, their employees and their customers need the able protection of our Federal crime fighters. It is up to us in Congress to see that these increasingly victimized citizens receive that protection.

This measure is not the first attempt at passing legislation to extend Federal jurisdiction to this area; but efforts in previous Congresses have been bogged down in our legislative process.

Nor is my bill the only such measure introduced in this, the 97th Congress. Several of my distinguished colleagues have introduced legislation that would also make the drugstore thefts of controlled substances a Federal crime.

The bill I am introducing today differs in that my legislation establishes Federal jurisdiction when the value of the drugs stolen exceeds $100. I believe the strict standards of my bill will more clearly warn the drugpushers that we fully intend to pursue and prosecute them for their criminal activities.

For the sake of our pharmacists who literally live in daily fear of these "drug merchants" roaming our streets, I believe it is imperative that we move this bill through as quickly as possible.

Fellow Senators, on November 20 of last year, I called on Congress to declare an all-out war on crime in this country. If you will permit me, today I would like to reiterate a portion of that November 20 statement.

Recent surveys indicate that fear of crime is causing a majority of Americans to drastically alter their lifestyle. This research reveals that four out of ten Americans are highly fearful of becoming victims of a violent crime such as murder, rape, robbery and assault. One person in four has stopped going places he or she used to go at night because of fear of becoming a victim of a violent crime.

Mr. President, I believe it is time that Congress declare an all-out war on crime in this country. Everyone agrees that something must be done about crime, but too many times it has been treated as a secondary issue by the Federal Government. Strong talk and wishful thinking will do nothing toward reducing crime. It is incumbent upon Congress to act forcefully and deal dramatically with this crisis that now confronts us.

I urge each of you to study this measure. This bill will make the theft from a pharmacy of any substance listed in schedules I through IV of the Controlled Substance Act a Federal crime subject to a prison term of 10 years, a fine of $5,000, or both.

Federal jurisdiction would be established when the value of the goods robbed exceeds $100, or when an individual robbery is part of a pattern of robberies. It will close the weak point in our battle against drug crimes, and it will help save the lives of our Nation's retail druggists.

I think all of us in this body are concerned about the high crime rate in this country. It is paramount that we act now to return our streets and neighborhoods to the decent, hardworking people of this Nation. I believe this bill is an important step in that direction.

Mr. President, I ask unanimous consent that the text of the bill and an article entitled the "NARD Crime Bill" from the National Association of Retail Druggist Journal of April 1981, be printed in the RECORD at the conclusion of my remarks.

Fellow Senators, I ask each of you to take a look at this legislation, and to examine the alarming trend of drug thefts from our Nation's pharmacies. I hope that many of you will join in cosponsoring this measure, and that all of you will add your support to this crime-fighting legislation.

Thank you, Mr. President.

There being no objection, the bill and article were ordered to be printed in the RECORD, as follows:

S. 1339

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 103 of title 18, United States Code, is amended by adding immediately after section 2117 the following new section:

"§ 2118. Robbery of a pharmacy.

"(a) Any person who takes property of another from a licensed pharmacy regularly engaged in the retail dispensing in interstate commerce of prescription drugs or devices, by force and violence, or by intimidation, and such robbery is part of a pattern of such robberies in the locality, shall be fined not more than $5,000, or imprisoned not more than ten years, or both.

"(b) For purposes of this section, the term 'property' means a controlled substance consisting of a narcotic, amphetamine, or barbiturate that is listed in Schedule I, II, III or IV established by section 202 of the Controlled Substances Act (21 U.S.C. 812), the value of which is in excess of $100.".

(b) The table of sections for chapter 103 of title 18, United States Code, is amended by adding at the end thereof the following:

"2118. Robbery of a pharmacy.".

[From NARD Journal, Apr. 1981]

NARD CRIME BILL

In the summer of 1969 President Richard Nixon called upon the nation to aggressively combat the national problems of illicit drug traffic, the diversion of legitimate drugs and drug abuse. He said in part:

"Within the past decade, the abuse of drugs has gone from essentially a local police problem into a serious national threat, to . . . millions of Americans . . . A new urgency and concentrated national policy is needed at the Federal level to begin to cope with this growing menace to the general welfare of the United States."

NARD enthusiastically supported the President on all points, especially before Congress. This was twelve years ago.

While other pharmacy organizations stood silent, William E. Woods, NARD Executive Vice President, cited the growing incidence of pharmacy crime by criminals seeking dangerous drugs: "Too many retail pharma-

cists have been murdered, blinded or assaulted as a result."

Woods then cautioned Congress that with the enactment of the new legislation, and the predicted reduction in illicit drug traffic, the pharmacies of America would become the favored target of squeezed traffickers. The NARD Chief Executive told the Senate Judiciary Committee, in its opening series of hearings, September 1969: "We are concerned, however, that the robberies, assaults and senseless murders in retail pharmacies may increase."

In forum after forum NARD raised these concerns. In the following spring, before the Subcommittee on Public Health and Welfare (today the Waxman Health Subcommittee), Woods reiterated NARD's concern to then Chairman Paul Rogers (D-Florida):

"Many retail pharmacies have been robbed or burglarized by criminals searching for narcotics and dangerous drugs. It is our feeling that such criminal acts would be lessened if the Justice Department could take a greater interest in pursuing such cases. The deterrent would be accelerated. If only local authorities pursue these cases, the impact may not be great enough. Since the reason for the proposed legislation is the great national interest and social harm involved, the NARD recommends that consideration be given to ways for the Justice Department to become involved in cases where robberies of retail pharmacies are aimed at drugs and products which are the subject of these bills."

Later in 1970 Woods, armed with the first of many NARD crimes-against-pharmacy surveys, presented the NARD case to the prestigious Ways and Means Committee. He concluded:

"The NARD urges, therefore, that the Department of Justice be authorized to enter any case of theft of narcotics or dangerous drugs from registrants under this Bill, cooperating with local law enforcement officials. FBI jurisdiction would have greater deterrent effect on criminals than the current law enforcement system dependent on local authorities, who are often underequipped and under-trained for this work. Moreover, combating this national problem requires a coordinated effort."

The campaign for a law in which the robbery of a federally controlled substance would become a Federal crime had been born.

The 91st Congress did act in 1970. It enacted, in fact, the single most important statute relating to drug law enforcement since the passage of the Harrison Act. It was entitled the comprehensive Drug Abuse Prevention and Control Act of 1970 (Title II is the Controlled Substances Act). The legislature had responded to the Presidentially declared "war on drugs".

Pharmacists, their staff and customers, however, were left unprotected. They would have to wait. It appeared that Congress wanted or needed a pharmacist body-count similar to that of narcotic overdose deaths which had stimulated their action on the 1970 Act.

During the next several years, NARD-supported bills were introduced in both Houses of Congress. Sen. Frank Church, with a bipartisan group of co-sponsors, including Humphrey, Bayh, Hollings, Taft, Fannin and Schweiker, carried the banner in the Senate. In the House, Robert Nix lead the NARD charge with a diverse list of co-sponsors, exceeding 50 in number.

From the outset, however, the very agency within the Department of Justice which had been given responsibility for the 1970 law—the BNDD (now DEA)—adamantly opposed the NARD legislation.

In April, 1970, NARD had sought the support of BNDD Counsel Sonenreich, who, along with John Dean, had designed the Nixon drug law. NARD 'expressed great fear that, after enactment of the pending legislation, the crimes against the pharmacy profession will be accelerated because many present sources of illicit drugs will be dried up." Again, after the NARD legislation was introduced, NARD appealed to DEA head Bartels to support the law making pharmacy robbery a crime.

Woods stressed: "This is no panacea, we recognize, but there is a parallel here with bank robberies, where the federal "rap" is a considerably greater deterrent than is the penalty for larceny, robbery, or burglary under local state laws. Furthermore, the knowledge that federal agents are better equipped and more experienced investigators of such crime adds a further deterrent to those who would obtain drugs unlawfully from retail pharmacies. Even without extensive use, federal jurisdiction is well known for its curtailment of criminal activity. We would emphasize that our members throughout the United States are being murdered, assaulted, robbed and burglarized because they are dispensing drugs, controlled by a federal enactment, and these pharmacies are licensed under this federal act."

These and other NARD appeals to DEA went unheeded. In fact, DEA opposition to the legislation became the single most important obstacle to passage of the pharmacy crime bill. Friend and foe alike cited DEA's expressed opposition as the major stumbling block to progress.

Unrelentingly, NARD took its case again to Congress in 1974. During Senate Judiciary oversight hearings on the Controlled Substances Act we testified:

"NARD and its members are greatly concerned over the increased risk of crimes of violence in pharmacies. Crimes of violence in pharmacies related to controlled substances are increasing at an alarming pace. We have provided the committee with many, many new stories concerning similar crimes throughout the country.

Beginning with the hearings on the proposals which became the Controlled Substances Act, NARD has consistently urged that Congress provide Federal jurisdiction to enforce crime related to controlled substances in pharmacies. Not uncharacteristically, DEA has opposed our pleas for relief and assistance.

As the CSA is effectively implemented to dry up the illicit source of controlled substances for pushers and users, there is a correspondingly increased pressure and threat upon legitimate outlets possessing quantities of these substances. Pharmacies are a primary target for those in need of drugs for a number of reasons, not the least of which is that pharmacies are open and accessible to just about every segment of the population and are found in inner city areas when most other businesses have fled.

We do not suggest that ordinary crimes in pharmacies, like robbery and burglary, be blanketed into Federal jurisdiction. However, we do request that crimes of violence—assault, robbery, burglary, murder and the like—involving controlled substances be subject to Federal jurisdiction. If a pharmacy were robbed and only money taken, that crime would rightly be a matter of local jurisprudence. However, if the felons clearly were motivated by the presence of, or a need to obtain, controlled drugs, evidenced by drugs being part of the booty, then we believe that Federal jurisdiction and prosecution ought to be authorized.

Congress has specifically provided that a person who manufactures, distributes, dispenses or possesses a controlled substance, with intent to distribute, is subject to Federal criminal prosecution and penalties. Similarly, if a person knowingly or intentionally acquires or obtains possession of a controlled substance by misrepresentation, fraud, forgery, deception or subterfuge, Federal jurisdiction and penalties are available. However, if the person obtains the drugs by violence in a pharmacy, the act implies that this is of no Federal concern.

The increased threat of violence and crimes in pharmacies is a direct result of the stringent controls imposed by the CSA. It is only fitting that the resources and facilities of the Federal Government be made available to protect pharmacies and apprehend those bent on circumventing the controls of the law.

Federal criminal jurisdiction over crimes of violence and other unlawful conduct relating to controlled substances would provide for more uniform law enforcement action and punishment of violators. As it is now, punishment of drug-related crimes in pharmacies rests upon the varying provisions of State criminal laws. A Federal law could provide a sanction universally applicable in this country that would be more readily understood and heeded and more uniformly applied.

Our members are health care professionals, not policemen. Nor are they experts in the art of self-defense. Through no fault of their own, pharmacists have been placed in a situation where their lives and property are continually at risk.

NARD believes that pharmacists ought to be supported as they make the sacrifices which necessarily accompany this national push to reduce drug misuse and abuse.

Unless some method is devised assuring pharmacists both greater protection from this type of crime and deeper involvement of Federal law enforcement machinery and personnel, NARD believes that pharmacists will begin to refuse to stock or handle controlled substances altogether. Such action would have serious detrimental effects on health care which none of us would welcome. But there is a limit which society, just in humanistic terms, cannot expect pharmacists to exceed.

The overwhelming percentage of pharmacists in this country practice independent community pharmacy. Too often our members feel that their needs, suggestions and requests are ignored or viewed with hostility by those administering the law. The Federal Government has shown little sensitivity to, or understanding of, the very real problems or risks our members face. The Federal effort is apparently paying good dividends in the area of illicit and clandestine operations involving criminal elements, but appears ill-equipped to deal with law-abiding citizens.

While DEA did not change its obstructive tactics, it was somewhat encouraging that, five years after NARD's initial demand for federal pharmacy crime legislation, several other pharmacy organizations began to echo the call.

Each subsequent year NARD legislation was introduced, with predictable DEA opposition. For example, in 1975, at NARD's request, pharmacy crime became a title of the Violent Crime and Repeat Offender Act introduced by Birch Bayh in the Senate. Each year, as NARD confronted the Congress and the DEA—through its Legislative Conference, testimony, lobbying, letters and other actions—some progress was made.

By 1977, the reform of the criminal code had become a dominant factor in the debate. Church and others who had originally supported the NARD bill now added it as an amendment to the Code bill, which passed the Senate in 1978. DEA still claimed that the provision had unrealistic limitations as to value of drugs stolen and the number of incidents involved. Nevertheless, after nearly ten years it had progressed from an NARD proposal to actual passage in the U.S. Senate.

The House of Representatives, however, was denied the opportunity to vote on this measure. Despite the tremendous efforts by NARD and a small but growing group of enthusiasts, the chairman of the key House Judiciary Code Subcommittee, citing DEA objections to passage, killed the pharmacy crime amendment in both 1978 and 1980 Congresses.

NARD continued to build a legislative record before the Congress. While stifled for the moment with the House Judiciary Committee, NARD worked closely with the Senate Small Business Committee and its hearings on Crime and its Impact on Small Business.

The Chairman of NARD's Legislative and Government Affairs Committee, Charles West of Arkansas, stressed the urgency of the situation: "Pharmacists, as owners of small businesses, are in a unique position—robbers want the merchandise in the store, not the money." NARD's pleas for help tersely pinpointed the dilemma: "The choice is not pleasant. Either carry the narcotics to serve your patients and be subjected to robbers who want the drugs or don't carry them, thereby protecting your life. But then you deny help to customers, lose their patronage and possibly your entire business."

NARD's 1969 prediction—that as illicit drug supplies were cut off, retail pharmacists would become targets for an increasing number of criminals seeking other sources of drugs—has regrettably become a reality. And the plague is spreading. Daytime robberies for Controlled Substances Act drugs are now victimizing hospital pharmacies, too.

In cautioning that the failure to act in 1970 would return to haunt in the future, NARD accurately forecasted the grim, growing epidemic of terror and violence which today is engulfing our nation's retail pharmacies, from owners and staff to families, patients and customers.

In fact, since 1973, when NARD legislation was first introduced, armed robberies to obtain Federally-controlled drugs from pharmacies have mushroomed by 150 percent (far in excess of the national robbery rate), including an increase of 33 percent for 1979, the most recent year for which statistics are available. This, of course, is but an increase of those reported—only the tip of the iceberg. The street value of the drugs stolen by these robberies is estimated in the hundreds of millions of dollars. Yet monetary value is only one element of the havoc caused by pharmacy robbery. One in five robberies results in death or some injury to victims. Merchandise can be replaced, but what value do we ring up for human carnage and terror?

This terrorism (no other description is quite strong enough, if even this is) of an entire class of health care professionals—retail pharmacies—continues unabated. As William W. Woods, NARD Executive Vice President, has tirelessly stressed for more than a decade, "They are sitting ducks".

Understandably, independent retail pharmacists are concerned about all robberies. But we are especially sensitive to those involving controlled substances. Robberies with a unique Federal character have been a top priority on each of our legislative agendas since Congress considered and enacted the Controlled Substances Act of 1970. As NARD predicted in 1970, in testimony before the House Interstate and Foreign Commerce Committee, robberies to obtain Federally-regulated, controlled drugs have increased dramatically in the last decade.

Unlike the robberies of gasoline stations or liquor stores, we are concerned about crimes where the objective is to obtain the Federally-regulated substance: controlled drugs. In fact, enforcement of provisions of the 1970 Federal Act designed to reduce forms of division other than robbery have increased both the street value of the drugs sought and the likelihood of robbery as a preferred method for obtaining the drugs. Yet such crimes are not subject to prosecution by the Federal government.

It is a serious violation of Federal law, though, if identical Federally-controlled drugs are diverted from a pharmacy by fraud, by improper prescribing or dispensing, or by outright diversion by registrant employees. In such cases the extensive investigative resources of the U.S. Department of Justice are brought to bear.

These cases are pursued in hundreds of Drug Enforcement Administration and U.S. Attorneys' offices throughout the United States. The statutory authority in such matters is not limited by the value of the controlled drugs involved, by whether violence has accompanied the crime or by other criteria.

The reality is that pharmacists are on the front line in this effort to prevent diversion and abuse of legitimate drugs.

It has been this cooperative effort which has yielded success since 1970. Pharmacists don't seek combat pay (to which they are arguably entitled) for participating in this risky joint venture as the key health providers of these highly dangerous, Federally-controlled substances. What we want is an amount of Federal involvement in the protection of pharmacists, their families, employees and customers comparable to the contribution we make.

The 96th Congress gave us reason for encouragement with the movement in both House and Senate. Now, in the 97th Congress, we have more reason than ever to expect a victory.

The new year and the 97th Congress hold great promise for passage of pharmacy crime legislation. The enthusiastic response to the new comprehensive NARD pharmacy crime bill (See p. 4, Feb. NARD Journal) is very encouraging. The NARD bill has been reviewed by the Legislative Counsels of both Houses of Congress and is available to any member of Congress who wishes to introduce it. Already the key aspects of NARD's Pharmacy Protection and Violent Offender Act of 1981 have been introduced. These include:

Mandatory minimum penalties for the robbery of pharmacies to obtain Federally-controlled substances;

Additional mandatory penalties for repeat offenders;

Mandatory penalties for those who conspire to commit such robberies;

Denial of probation and suspended sentences to those convicted of such robberies; and

A requirement that the FBI include pharmacy crime, including robberies, in its annual Uniform Crime Report.

The NARD pharmacy crime bill has the added and vital support of the Joint Commission of Pharmacy Practitioners, comprised of: American College of Apothecaries, American Society of Consultant Pharmacists, American Society of Hospital Pharmacists, National Association of Chain Drug Stores and the National Association of Retail Druggists. Also supporting this NARD legislative effort is the National Drug Trade Conference, comprised of: American Association of Colleges of Pharmacy, Drug Wholesalers Association, Inc., National Association of Chain Drug Stores, Inc., National Wholesale Druggists Association, Pharmaceutical Manufacturers Association, the Proprietary Association, and the National Association of Retail Druggists.

We recognize that enactment of the NARD bill would be no panacea; pharmacy crime is unlikely to magically disappear. It would, however, establish Federal law enforcement as an essential aspect of any comprehensive pharmacy crime prevention effort.

The change in Executive Branch leadership, the now apparent willingness of the DEA to support national scope pharmacy crime legislation, and the development of a new agenda for the 97th Congress present an ideal opportunity to achieve this long-denied NARD objective.

NARD expects that hearings on pharmacy crime legislation will be held by the House Judiciary Committee and Health Subcommittee as well as in the Senate. With the thaw in DEA opposition to national pharmacy crime legislation and the welcome activity of other pharmacy associations and pharmaceutical opinion molders who have now joined the fight, NARD's twelfth year pursuing this vital issue may finally produce a victory.

By Mr. GORTON (for himself and Mr. JACKSON) (by request):

S. 1340. A bill to provide for the use and distribution of Clallam judgment funds in Docket No. 134 before the Indian Claims Commission, and for other purposes; to the Select Committee on Indian Affairs.

USE AND DISTRIBUTION OF CERTAIN JUDGMENT FUNDS

Mr. GORTON. Mr. President, today I am introducing legislation, at the request of the Department of the Interior to provide for the use and distribution of judgment funds awarded to the Clallam Tribe of Indians by the Indian Claims Commission in 1976. I ask unanimous consent that the Department's letter of transmittal and the text of the bill be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 1340

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, the funds appropriated by the Act of May 4, 1977 (91 Stat. 61) in satisfaction of a judgment awarded in favor of the Clallam Tribe of Indians of the State of Washington in Indian Claims Commission Docket No. 134, less attorney fees and litigation expenses, and including all interest and investment income accrued, shall be divided by the Secretary of the Interior (hereinafter referred to as the "Secretary"), in shares of one-third to each, as agreed to by the adoption of tribal resolutions cited in sections 2, 3, and 4 of this Act, among the Port Gamble Indian Community, the Lower Elwha Tribal Community, and the Jamestown Band of Clallam Indians.

SEC. 2. The share of the funds apportioned to the Port Gamble Indian Community under the first section of this Act shall be used as provided by Tribal Resolution No. 79–A1, dated January 9, 1979, requiring that 80 percent of such share be used in an investment program and 20 percent in a revenue supplement fund for community projects.

SEC. 3. The share of the funds apportioned to the Lower Elwha Tribal Community under the first section of this Act shall be used as provided by Tribal Resolution No. 8B–78, dated August 27, 1978, requiring that 80 percent of such share be used in a land acquisition program that includes the payment of an outstanding loan on land purchased by the community and 20 percent in economic development projects for the benefit of all tribal members.

SEC. 4. The share of the funds apportioned to the Jamestown Band of Clallam Indians under the first section of this Act shall be used as provided by Resolution No. 78–1, dated October 1, 1978, requiring that 50 percent of such share be used in a land acquisition program and 50 percent in a business development program.

SEC. 5. The shares of the funds apportioned under the first section of this Act shall be credited to the respective groups, shall be placed in separate program accounts in the percentages set forth in sections 2, 3, and 4 of this Act, and shall be held and invested by the Secretary under section 1 of the Act of June 24, 1938 (52 Stat. 1037; 25 U.S.C. 162a) until, in the case of each group, specific plans and tribal budgets for the use of its share have been approved by the Secretary and, in the case of the Jamestown Band, a formal organization has been approved by the Secretary. Upon such approval, the share involved, including the interest and investment income accrued, shall be advanced to the respective tribal governing body to administer.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., May 22, 1981.

Hon. GEORGE BUSH,
President of the U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is enclosed a draft bill, "To provide for the use and distribution of Clallam judgment funds in Docket No. 134 before the Indian Claims Commission, and for other purposes."

We recommend that the draft bill be introduced and referred to the appropriate committee, and that it be enacted.

The draft bill would provide for the use and distribution of judgment funds awarded to the S'Klallam, now known as the Calallam, Tribe of Indians in Docket No. 134 by the Indian Claims Commission. The judgment funds would be equally divided among three Federally recognized Clallam bands—the Port Gamble Band of Clallam Indians, the Lower Elwha Tribal Community, and the Jamestown Band of Clallam Indians. Finally, the draft bill would require the funds to be used in accordance with specified tribal resolutions.

On November 5, 1976, the Indian Claims Commission issued a final award in Docket No. 134 in the net sum of $385,820 in favor of the Clallam Tribe of Indians of the State of Washington. Funds to cover the award were appropriated by the Act of May 4, 1977 (91 Stat. 61).

The award represents additional compensation for 438,430 acres of land ceded by the Clallam Tribe to the United States by the Treaty of Point-No-Point of January 25, 1855 (12 Stat. 933). The fair market value of the land was $440,000 as of March 8, 1859, the effective date of the treaty. The Commission determined that $39,180 in treaty payments had been made to the Clallam Tribe. This determination was based, in the absence of a treaty apportionment, on the approximate tribal population of the four tribes participating in the 1855 treaty. The Commission also allowed an offset of $15,000 for the purchase of the Port Gamble tract, which was outside the ceded area.

Under section 2 of the Indian Judgment Funds Act of October 19, 1973 (87 Stat. 466; 25 U.S.C. 1401 et seq.), the Secretary of the Interior is required to submit a proposed plan for the distribution of a judgment fund award within a specified period after the date on which the funds to pay the award are appropriated (180 days, plus an extension not to exceed 90 days). On July 9, 1979, the U.S. District Court for the District of Columbia ruled, in *Seminole Indian Tribe of Florida* v. *Andrus*, Civil No. 78-994, that plans submitted to the Congress after the statutory deadline cannot take effect under the 1973 Act.

In accordance with the 1973 Act, proposals for the use of the Clallam judgment funds have been developed and hearings of record held. However, a plan respecting the funds was not submitted to the Congress within the prescribed period after the May 1977 appropriation of the funds for the award. Therefore, the use and distribution of the funds can now be accomplished only through legislation such as the draft bill.

The Clallam bands prepared draft overall and individual tribal proposals for the use of the funds and the proposals were, on October 1, 1977, referred to the leadership of the bands for consideration. The bands agreed to a one-third division of the funds among themselves, and this allocation is reflected in tribal resolutions respecting the use of the funds. We have no objection to the tribal proposals and have therefore incorporated them in the draft bill.

The Port Gamble Indian Community is organized on a band basis under the Indian Reorganization Act of 1934 (IRA) (48 Stat. 984), with a constitution and bylaws approved on September 7, 1939. By Resolution No. 79-A1, dated January 8, 1979, the Port Gamble Business Committee affirmed that, based on the results of a voting survey of tribal members, the band proposes to use 80 percent of its share of the judgment funds in an investment program and 20 percent as a revenue supplement for community projects.

Following the establishment of a reservation in 1968, the Lower Elwha Tribal Community organized on a residence basis under the IRA, with a constitution and bylaws approved on April 29, 1968. By Resolution No. 8B-78, dated August 27, 1978, the Community Council proposes to use 80 percent of the band's share of the funds in a land acquisition program that includes the payment of an outstanding loan on land purchased by the band and 20 percent in economic development projects for the benefit of all members.

The Jamestown Band, federally acknowledged as an Indian tribe as of February 10, 1981, is expected to adopt a formal organization. The adoption of such an organization will be subject to Secretarial approval. Under the draft bill, the band's share of the funds would be advanced only to such an approved organization. The Jamestown Band, by Resolution No. 78-1, dated October 1, 1978, proposes to use 50 percent of its share of the funds in a land acquisition program and 50 percent in a business development program.

Under the draft bill, the judgment funds would be credited to the appropriate bands and invested by the Secretary under section 1 of the Act of June 24, 1938 (52 Stat. 1037; 25 U.S.C. 162a) until the bands prepare, and the Secretary approves, specific program plans and tribal budgets for the use of the funds in accordance with the tribal resolutions discussed above. Investments made under the 1938 Act are limited to those in which both principal and interest are guaranteed by the United States and the investments are made to obtain the highest rate of interest available, subject to the requirements of the Act. Interest or investment earnings on the principal fund, which retains its trust status, are nontaxable.

Upon Secretarial approval of the bands' plans and budgets for the use of the funds, and in the case of the Jamestown Band, upon Secretarial approval of its formal organization, the full amount of the judgment funds would be paid to the respective tribal governing bodies. As in all cases in which funds are paid out to tribes, the funds would cease to be trust funds and their expenditure under the plans and budgets would be a tribal responsibility.

The Office of Management and Budget has advised that there is no objection to the submission of this proposed legislation from the standpoint of the Administration's program.

Sincerely,

DONALD PAUL HODEL,
Under Secretary.

Mr. STENNIS:

S. 1341. A bill to make applicable to the Tennessee-Tombigbee Waterway certain provisions of law relating to taxation on fuel used in commercial transportation on inland waterways; to the Committee on Finance.

TAX ON FUEL USED IN COMMERCIAL TRANSPORTATION ON INLAND WATERWAYS

Mr. STENNIS. Mr. President, I send to the desk a bill and ask for its appropriate referral. The purpose of this bill is to amend section 206 of the Inland Waterways Revenue Act of 1978 to make the user tax established by that act applicable to the Tennessee-Tombigbee Waterway.

The application of the users tax to the Tennessee-Tombigbee was discussed during the hearings conducted last year by my good friend and distinguished colleague from New York (Mr. MOYNIHAN). At that time, I knew nothing about it being exempt, but said at the hearing that it was certainly my position that the waterway should be included as a waterway subject to user charges, as are all other waterways, when it goes into real operation. The law levying user taxes listed only the waterways that were in operation at the time the user tax was enacted. At that time, the Tennessee-Tombigbee Waterway was not one that was in operation and was not listed solely for that reason.

My statement before the Subcommittee on Water Resources on July 25, 1980, was as follows:

As one of the delegation, one of the Senators from Mississippi, I know nothing about it being exempt. I made no effort to get it such. It will have to ride with the law, whatever it is.

But as I recall, the law listed the ones that were subject to the tax, and at that time the Tennessee-Tombigbee was not one that was in operation. So it is not named.

But it is certainly my position that it shall be included when it goes into real operation, yes.

The Inland Waterways Revenue Act of 1978 established a tax on fuel used in commercial transportation on inland waterways. The tax is 4 cents a gallon until October 1 of this year, and then it increases to 6 cents a gallon to October 1, 1983, and from that date to October 1, 1985, it is increased to 8 cents a gallon, and finally, after September 30, 1985, to 10 cents a gallon. This tax is to be applied to the fuel used by any commercial vessel on the inland or intracoastal waterways of the United States which have been designated in the act.

The proceeds of this tax are deposited in the Treasury of the United States in a trust fund for inland waterways. This fund, which was named the "Inland Waterways Trust Fund," is available for appropriation by the Congress for construction and improvements to the inland and intracoastal waterways of the United States as described in section 206 of the act.

Mr. President, these are simple statements of existing law, and I put these in the RECORD because there was some misunderstanding about the original action of this law. But there is really no basis because it just pertained to a waterway

and the Tennessee-Tombigbee as such was not in being and not in operation, I really thought that there was a provision there saying that all waterways, when they came into being, would automatically become subject to the tax. That is a provision that I would have approved of, even though I did not approve of the bill as a whole.

When the Inland Waterways Revenue Act of 1978 was passed, the Tennessee-Tombigbee Waterway project was under construction and was not open to commercial navigation. That is the real and the only reason it was not named in the act. Since that time, the Tennessee-Tombigbee Waterway has been partially open, for a limited mileage, to commercial traffic from the mouth of the Luxapalila River just south of Columbus, Miss., to Demopolis, Ala., a distance of 115 miles. It is, of course, only proper that the same user tax applied to other waterways be applied to the Tennessee-Tombigbee Waterway. Therefore, I offer this bill to amend section 206 of the Inland Waterways Revenue Act by adding a new subsection (27) as follows:

(27) Tennessee-Tombigbee Waterway: From the Pickwick Pool on the Tennessee River at RM 215 to Demopolis on the Tombigbee River at RM 215.4.

The effect of this amendment will be to apply the presently applicable user tax from the date of enactment of this legislation to the portion of the Tennessee-Tombigbee Waterway now open to commercial traffic and to the remainder of the waterway when it opens to traffic, as I have just described. By offering this amendment, I am merely acting to insure equality in application of the waterway user's tax.

This does not constitute an endorsement of the waterway user tax, which I opposed when it was considered by the Senate in 1978.

I reserve judgment, of course, Mr. President, as to my position in the future as to any proposed increase in the present user tax.

I ask unanimous consent that for the information of the membership, this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1341

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 206 of the Inland Waterways Revenue Act of 1978 is amended by adding at the end thereof the following:

"(27) Tennessee-Tombigbee Waterway: From the Pickwick Pool on the Tennessee River at RM 215 to Demopolis, Alabama, on the Tombigbee River at RM 215.4.".

By Mr. MELCHER:

S. 1342. A bill to define the circumstances under which construction workers may deduct travel and transportation expenses in computing their taxable incomes for purposes of the Federal income tax; to the Committee on Finance.

TRAVEL AND TRANSPORTATION EXPENSES OF CONSTRUCTION WORKERS

● Mr. MELCHER. Mr. President, today I am introducing legislation to amend the Internal Revenue Code of 1954 to clarify the tax law concerning deductibility of travel expenses at temporary job sites.

Section 162 of the Internal Revenue Code authorizes taxpayers to deduct the ordinary and necessary expenses they incur in carrying on a trade or business, including their "traveling expenses—while away from home in the pursuit of a trade or business."

At the same time, a taxpayer normally may not deduct the costs he incurs going to or from work, since those costs normally result from the taxpayer's decision to live away from his job for reasons of personal convenience, not business necessity. For example, a taxpayer who has a job in an office in Washington, D.C., can choose to live in the District of Columbia, in the nearby suburbs, or in the distant suburbs. Since his choice to live in the distant suburbs reflects his personal preference, not the requirement of his trade, any additional travel costs he incurs are not deductible.

From the beginning of the tax laws, however, the courts and the Commissioner of Internal Revenue have allowed the deduction of travel and transportation expenses—including meals and lodging if the taxpayer is away from home overnight—in situations where the travel results from business necessity rather than personal choice. This exception has come to be known as the temporary job rule.

The Internal Revenue Service has applied these principles—and particularly the temporary job rule—in ways that have imposed substantial and unjustified burdens on construction workers.

To take a typical example: A construction worker has lived and worked in a particular community for many years. He has a home in that community; his children go to school there; he and his wife vote and pay taxes there. Solely because of the nature of the construction industry, construction work becomes temporarily unavailable in the local area. The worker has two choices—he can look for work at distant jobs until work becomes available closer to home, or he can remain unemployed. If he takes work at a distant job, he must either move his family to that job or he can drive to the job each day—often 50 or 60 miles each way—or he can rent a room near the job.

The first option—moving his family to the job—is simply not a realistic option. In many cases the job is in a remote area where housing is simply not available—or the job is on a Government defense project where no one is permitted to live near the job. In any event, the job is of such a nature that the worker may be laid off at any time. In those circumstances, the worker has only two choices: remain unemployed or incur travel costs.

Accordingly, the travel expenses are clearly necessary to the conduct of the taxpayer's business—since the worker must incur those expenses if he is to practice his trade. Nevertheless, the IRS has been automatically disallowing these expenses as deductions. The IRS has, in fact, been conducting mass audits of workers at large construction projects for the purpose of automatically disallowing their travel expenses.

The Service has been disallowing these expenses on the basis of the so-called "one-year rule," which was adopted by administrative fiat. Under that "rule," a job which has lasted for more than 1 year automatically is not temporary. This "hindsight" test simply ignores the crucial fact that throughout the year the worker could have been laid off at any time and may be laid off at any time in the future. The 1-year rule has been expressly rejected by the U.S. Court of Appeals for the Eighth Circuit in the case of Frederick against United States, decided in 1979. The IRS, however, has chosen simply to ignore the Frederick decision.

The Service has also disallowed travel deductions on the grounds that a construction worker's job is indefinite, not "temporary," since he is unable to predict exactly when it will end. This argument, though, supports deductibility, since it is the worker's uncertainty over the length of the distant job that makes it necessary for him to incur travel expenses.

My proposed bill eliminates both of these arbitrary tests, and substitutes an easily-administered rule which will eliminate the need for litigation in the vast majority of cases. Construction workers will be deemed to be temporarily away from home for their first 2 years of employment at any job site more than 15 miles from their home. Thereafter, the deductibility of their travel expenses will be determined, case by case, on the basis of whether the expenses were incurred because of business necessity rather than personal convenience. In making that determination, the Internal Revenue Service and the courts will be prohibited from using either the 1-year rule or the "indefinite employment" rationale.

Mr. President, this is not a new proposal. It has been before the Senate in the past, and the time has come to act on it.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1342

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENT OF INTERNAL REVENUE CODE OF 1954.

(a) TRAVEL AND TRANSPORTATION EXPENSES OF CONSTRUCTION WORKERS.—Section 162 of the Internal Revenue Code of 1954 (relating to deductions for ordinary and necessary business expenses) is amended by inserting therein the following new subsection:

"(h) SPECIAL RULE FOR CONSTRUCTION WORKERS—

"(1) DEFINITION OF TEMPORARY JOB SITE.—For purposes of applying subsections (a)(1) and (a)(2) to travel and transportation expenses incurred by construction workers, a job at a site located more than fifteen miles from a construction worker's principal place of residence—

(A) shall be deemed to be temporary for the first two years that the worker is employed at that job, and

(B) shall be determined to be temporary or not temporary with respect to periods following the first two years of employment based on an examination of all the facts and circumstances, subject to the rules set forth in subparagraphs (2), (3), and (4).

"(2) EFFECT OF FIRST TWO YEARS ON SUBSEQUENT DETERMINATION.—In determining whether or not a job is temporary under subparagraph (1)(B), the worker's employment at the job during the period specified in subparagraph (1)(A) shall not be taken into account.

"(3) INDEFINITE EMPLOYMENT.—No deduction shall be disallowed, by reason of section 262 or any other provision of law, solely because of a construction worker's employment at a job site is of indefinite duration.

"(4) PROHIBITION ON APPLICATION OF ONE-YEAR RULE.—In making the determination specified in subparagraph (1)(B), no length of time shall be deemed, either automatically or presumptively, to make the job other than temporary. The 'one-year' rule set forth is Revenue Ruling 59-371, or in any similar ruling or regulation, is expressly disapproved as a grounds for disallowing deductions.

"(5) DEFINITION.—For purposes of this subsection, the term 'construction worker' means any individual employed, whether as a skilled, semi-skilled, or unskilled laborer, in the building or construction industry, but does not include clerical or management employees."

(b) TECHNICAL AMENDMENT.—Subsection 162(h) of the Internal Revenue Code of 1954 is amended by striking out "(h)" and inserting therefor "(j)".

SEC. 3. EFFECTIVE DATE.

This section shall apply to all judicial or administrative determinations that are made subsequent to Dececmber 31, 1980, with respect to the deductibility of travel or transportation expenses.●

By Mr. DOMENICI:

S. 1343. A bill to amend the Energy Policy and Conservation Act to modify the oil acquisition program of the strategic petroleum reserve in order to decrease the cost of acquisition to the Government for oil to be stored in the reserve, and for other purposes; to the Committee on Energy and Natural Resources.

STRATEGIC PETROLEUM RESERVE SUPPLEMENTARY PRIVATE FINANCING ACT OF 1981

● Mr. DOMENICI. Mr. President, in the reconciliation proposal debated and voted on by the Senate in March, the Senate expressed the view that $3 billion should be cut from the budget for filling the strategic petroleum reserve (SPR); and at the same time, an alternative financing mechanism should be found that would provide for a fill rate equal to the level proposed by the President.

I have drafted a bill which I am introducing today, that I believe meets the intent of the Senate. This bill provides for the sale of strategic petroleum reserve fixed maturity certificates, that would be auctioned by the Secretary of the Treasury, would be freely transferable, and would be redeemed at maturity at the average weighted price of crude oil imported into the United States 1 month preceding the date of redemption.

Transitional money would be appropriated, and would be used as long as the number of certificates sold were not sufficient to maintain a fill rate of at least 230,000 barrels per day.

It is my firm belief, that enough certificates will be sold by the second year following implementation of this program to completely fund filling the reserve.

I have asked the Committee on Energy and Natural Resources to schedule hearings at the earliest possible date, to begin consideration of this bill.●

By Mr. BENTSEN:

S. 1344. A bill to amend the Federal Aviation Act of 1958 to establish additional criminal penalties applicable to persons who pilot aircraft in connection with drug smuggling operations, and for other purposes; to the Committee on Commerce, Science, and Transportation.

AVIATION DRUG SMUGGLING DETERRENT ACT OF 1981

● Mr. BENTSEN. Mr. President, the United States continues to be inundated with waves of illicit drugs coming across our borders by land, sea, and air. I am today introducing a measure which would put a stop to the ever-increasing flow by putting some teeth into the Federal law that covers smuggling by air.

We all know that drug smuggling is big business and involves millions of dollars a year, if not millions of dollars per transaction. Under current law, a person who pilots an aircraft involved in drug smuggling can only be fined a maximum of $1,000 and have his pilots license suspended for no more than 1 year. There is absolutely no provisions for a jail sentence in the FAA regulations. Since we are dealing with people who stand to make thousands or hundreds of thousands of dollars with a plane load of illegal drugs, and who would not even go to jail, this penalty is little or no deterrent to the professional criminal.

Is it any wonder that we face this ever-increasing onslaught of drugs from across our border? Is it any wonder that these pilots return again and again into the air to carry load after load of drugs into America? Is it any wonder that with these kinds of penalties we cannot stop the ever-increasing menace of illegal narcotics? I propose that we do something and do something now to put some real bite into our FAA regulations.

The bill which I am today introducing and which has been introduced by Mr. BENNETT of Florida and 39 cosponsors in the House as H.R. 3485, will multiply the current fine by a factor of 25 by raising the $1,000 maximum to $25,000. In addition this bill will allow the FAA to immediately suspend the license of a pilot indicted for drug smuggling by aircraft. In the past the pilot could get right back into the air without missing his next illegal rendezvous and without much worry about stronger penalties. We cannot let that continue.

Upon conviction the pilots license is permanently revoked. This bill also establishes, for the first time, a prison term of up to 5 years upon conviction. This should deter a professional criminal as well as give second thoughts to the more casual criminal who otherwise makes a legitimate living as a pilot. Further, if a person does choose to take to the air to smuggle more drugs after having been convicted and having his license revoked under this act, he will face a double sentence. The doubling will include a fine of up to $50,000 as well as an increased prison term of 10 years. The original $25,000 fine and 5-year prison term will also apply to the owner of any aircraft who knowingly allows their plane to be used for this type of criminal activity.

The Drug Enforcement Administration estimates that more than 3,000 airplanes are involved in illegal drug trafficking each year. The pilots of these aircraft, however, need not fear the force of the law so much as the possibility that their often overloaded planes will crash before they can reach some isolated airstrip in west Texas or in Florida. If each of those planes carried a thousand pounds of illegal drugs that would equal 3-million pounds of illegal drugs imported into the country by air every year. If we can get these drug-smuggling pilots out of the air and into our jails we will be making some real headway in our efforts to combat this enormous problem.

The bill I am introducing today will make some badly needed changes in our FAA regulations and will accomplish that objective. I am hopeful that the committee will be able to give quick review to this proposal.●

By Mr. HEINZ:

S. 1345. A bill entitled "Veterans' Health Care Act of 1981"; to the Committee on Veterans' Affairs.

VETERANS' HEALTH CARE ACT OF 1981

● Mr. HEINZ. Mr. President, I am pleased to introduce in the Senate today legislation whose primary purpose is to assure that our Vietnam veterans are able to receive prompt and adequate attention for their claims with respect to the harmful effects of agent orange on their health.

This legislation, which in key respects tracks legislation, H.R. 3499, recently approved by the House by a 388 to 0 vote, provides authority for hospital care for Vietnam veterans who served in the Republic of Vietnam if a physician employed by the Veterans' Administration, or a physician carrying out such functions on a contract or fee basis arrangement in area where a VA physician is not available, determines that such care is necessary for the treatment of a condition that may be associated with exposure to phenoxy herbicides and chemicals used as defoliants, including the herbicide commonly known as agent orange.

Mr. President, this legislation addresses one of the most serious problems still confronting Vietnam veterans and their families—the apparent toxic effects of the herbicide agent orange. In the past few years, over 10,000 veterans have gone to the VA to seek treatment of agent orange-related problems ranging

from skin and nervous disorders to malfunctions of internal organs and cancer. Unfortunately, the problem may not be restricted to veterans themselves. Many veterans exposed to agent orange have become concerned that agent orange may be related to birth defects in their children.

Mr. President, it has already been 13 years since agent orange was identified as a hazard to humans, and considerable scientific evidence exists indicating its harmful effects. Yet of the 5,025 claims which the VA had received as of November 30, 1980, for in-service exposure to herbicides, only 23 claims have been allowed. It is understandable, therefore, when many Vietnam veterans express frustration and hostility toward the efforts of their Government to respond to their pleas for help.

In light of the length of time which has gone by, I do not find it at all unreasonable to require, as this legislation would do, that, until the scientific community has been able to make a determination as to the possible cause and effect relationship between the toxic herbicides and the problems of our veterans, the VA should do everything possible to provide the appropriate care to such veterans.

Given the strong circumstantial evidence amassed thus far, it is my belief that where any doubt exists, that doubt should be resolved in favor of the veteran. Thus, I stress that the intent of this legislation is that whenever a veteran presents himself to a VA hospital with a complaint relating to the possible adverse health effects of the herbicides used in Vietnam, and when a VA physician determines that such a veteran needs inpatient care and treatment, he must receive such care and treatment. Further, should it appear that other medical attention would eliminate the need for hospital care, such attention shall be given by the VA medical system.

Mr. President, I think this is a necessary and reasonable approach at this time. It does not in any way prejudge the outcome of the studies currently mandated by law about the effects of agent orange which resulted from legislation which I and others sponsored. Rather, it provides an interim period of attention for our veterans until such studies are completed, at which time the Congress should and will review the entire matter in detail.

I should note briefly that this bill also has other provisions relating to Vietnam veterans. First, it would extend the Vietnam-era veterans' readjustment counseling programs until 1984. I believe this program has proven to be very effective and cost-effective, and its retention is, therefore, fully justified.

Second, the legislation would expand the scope of the agent orange studies, which I mentioned earlier, that have already been underway in response to congressional direction. Basically, this provision would merely reemphasize to the VA the extreme importance of studying all relevant sources of information which could assist in the development of a complete understanding of the adverse effects of herbicides on members of our Armed Forces who were exposed to such herbicides used to defoliate vegetation and destroy food crops in Vietnam.

Mr. President, I am heartened by a growing awareness, both by the American public and in the Congress of the need to as last give full recognition to the sacrifices made by those who served in Vietnam. The public comments of the President are one indication of this; the proposed Vietnam veterans memorial is another. I suggest that this legislation is perhaps the most tangible way in which we can acknowledge the service and sacrifice of those Vietnam veterans who are still paying the price for their service. I therefore, submit this legislation with the hope that it will be acted upon promptly and favorably.●

ADDITIONAL COSPONSORS

S. 46

At the request of Mr. THURMOND, the Senator from Alabama (Mr. HEFLIN) was added as a cosponsor of S. 46, a bill to amend title 5 of the United States Code to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits.

S. 141

At the request of Mr. BENTSEN, the Senator from Idaho (Mr. SYMMS) was added as a cosponsor of S. 141, a bill relating to tax treatment of qualified dividend reinvestment plans.

S. 170

At the request of Mr. MOYNIHAN, the Senator from Indiana (Mr. QUAYLE), the Senator from Florida (Mr. CHILES), and the Senator from New Hampshire (Mr. HUMPHREY) were added as cosponsors of S. 170, a bill to amend the Internal Revenue code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions.

S. 398

At the request of Mr. ARMSTRONG, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 398, a bill to amend the Walsh-Healey Act and the Contract Work Hours Standards Act to permit certain employees to work a 10-hour day in the case of a 4-day workweek, and for other purposes.

S. 638

At the request of Mr. BENTSEN, the Senator from Iowa (Mr. GRASSLEY) was added as a cosponsor of S. 638, a bill to amend the Internal Revenue Code of 1954 to allow individuals to compute the amount of the deduction for payments into retirement savings on the basis of the compensation of their spouses, and for other purposes.

S. 862

At the request of Mr. ARMSTRONG, the Senator from Maine (Mr. COHEN) was added as a cosponsor of S. 862, a bill to amend the Potato Research and Promotion Act.

S. 894

At the request of Mr. CANNON, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 894, a bill to exempt rural electrical cooperatives from fees under the Federal Land Policy and Management Act of 1976.

S. 1030

At the request of Mr. ROBERT C. BYRD, his name was added as a cosponsor of S. 1030, a bill to protect firearms owners' constitutional rights, civil liberties, and rights to privacy.

S. 1043

At the request of Mr. PRYOR, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 1043, a bill to prohibit the drugging or numbing of racehorses and related practices, and to amend title 18, United States Code, to prohibit certain activities conducted in interstate or foreign commerce relating to such practices.

S. 1096

At the request of Mr. BAKER, the Senator from North Carolina (Mr. EAST) was added as a cosponsor of S. 1096, a bill to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes.

S. 1131

At the request of Mr. DANFORTH, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 1131, a bill to require the Federal Government to pay interest on overdue payments and to take early payment discounts only when payment is timely made, and for other purposes.

S. 1175

At the request of Mr. BOSCHWITZ, the Senator from Oklahoma (Mr. NICKLES) was added as a cosponsor of S. 1175, a bill to amend the Internal Revenue Code of 1954 to exclude fringe benefits from the definition of gross income.

S. 1214

At the request of Mr. BOSCHWITZ, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 1214, a bill to amend the Internal Revenue Code of 1954 to eliminate the limitation on the interest deduction for interest paid or accrued on investment indebtedness.

S. 1229

At the request of Mr. MOYNIHAN, the Senator from Alabama (Mr. HEFLIN), and the Senator from Georgia (Mr. NUNN) were added as cosponsors of S. 1229, a bill to continue through December 31, 1982, the existing prohibition on the issuance of fringe benefit resolutions.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Monday, June 8, to hold nomination hearings on Thomas Enders to be Assistant Secretary of State for Inter-American Affairs and J. William Middendorf to be U.S. Representative to OAS.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Monday, June 8, to hold hearings with Secretary Watt on Water Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

SUPPLEMENTAL AND RESCISSION BILL—H.R. 3512

● Mr. GARN. Mr. President, on page 54 of the conference report which accompanied the supplemental and rescission bill passed by Congress last Thursday, there appears language with respect to funding cuts for the EPA wastewater treatment construction grant program. During the House-Senate conference on this legislation, the Senator from Wisconsin (Mr. KASTEN) offered an amendment to include in the conference report the Senate language on EPA construction grants, and his amendment was accepted without dissent. This Senate language states, in part, that:

> The highest priority in the use of remaining construction grant funding is given to communities that are faced with court orders.

When the report was written, however, it stated that priority should be given to projects under Federal court order. I ask that the record correctly reflect the intention of the conferees that the Senate language on EPA construction grants should apply, and that all projects under court order should be given priority when EPA funding decisions are made.

I assume, Mr. President, that the final record will include this statement as legislative history.●

CONGRESS URGED TO REJECT SPLIT BASING MODE FOR DEPLOYMENT OF MX MISSILE

● Mr. BENTSEN. Mr. President, I have long been a supporter of a national defense which is second to none and that provides us with the capability to preserve, protect, and defend the freedoms that make America great. I recognize that freedom does not come cheap and that each of us, in our own way, must be prepared to sacrifice to protect our democracy. Mr. President, I said sacrifice, not waste. In reviewing the draft environmental impact statement on the split basing of the MX missile, I note that it is projected to cost some $3½ billion more than the consolidated approach. I do not believe that we can afford to spend extra billions in wasted effort.

I have recently received a copy of a Texas Senate resolution which likewise urges Congress to reject the split basing mode for the deployment of the MX missile.

Mr. President, I request that a copy of the resolution be printed in the RECORD.

The resolution follows:

TEXAS SENATE CONCURRENT RESOLUTION No. 53

Whereas, United States Air Force plans call for a sheltered road-mobile basing system for the MX missile system, and currently under consideration are plans for either full basing in Nevada/Utah or a split basing in Nevada/Utah and Texas/New Mexico; and

Whereas, A decision to adopt the split-basing mode would require the relocation of approximately 500 families and would require United States Air Force acquisition of many acres of highly productive land in Texas which would be unlikely to be reclaimed for agricultural purposes; and

Whereas, An amendment to the Department of Defense Supplemental Appropriations Act, Section 2.02(b), June 27, 1979, states that it is the sense of Congress that the basing mode for the MX missile should be restricted to location on the least productive land available that is suitable for such purposes; and

Whereas, The January 19, 1981 Department of Defense MX Split Basing Report to Congress states that there exists a relative balance in the environmental impact between the two alternatives, while also stating that the split-basing mode would require the additional expenditure of $3.475 billion over the cost of the full-basing mode; now, therefore, be it

Resolved by the Senate of the State of Texas, the House of Representatives concurring, That the 67th Legislature respectfully request that the Congress do not adopt the split-basing mode for the deployment of the MX missile system; and, be it further

Resolved, That the Secretary of State forward copies of this resolution to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, Senator Lloyd Bentsen, Senator John Tower, and all members of the Texas delegation of the United States House of Representatives with the request that this resolution be officially entered in the CONGRESSIONAL RECORD as a memorial to the Congress of the United States of America.●

RECLAMATION DAMS

● Mr. DECONCINI. Mr. President, 5 years ago Friday, this Nation's magnificent bicentennial celebration was marred by an event of catastrophic proportion. For on the morning of June 5, 1976, the Teton Dam, located in a steep-walled canyon some 40 minutes northeast of Idaho Falls, Idaho, failed.

News accounts at the time riveted national attention on the resulting destruction of thousands of homes and farms, damages in the hundreds of millions of dollars, and the tragic loss of nine lives.

No amount of aid or comment can truly compensate for the devastation that occurred in southwestern Idaho then. But from the many lessons learned from that disaster emerged the basis for enactment of the Reclamation Safety of Dams Act of 1978.

Among other things, Public Law 95–578 provided a major mandate to the Secretary of the Interior to review and revise procedures for the construction, restoration, operation and maintenance of Federal reclamation dams.

Public Law 95–578 authorized for appropriation $100 million to facilitate new and needed repairs at a number of such structures. The Department of the Interior, particularly the Bureau of Reclamation, should be commended for the expeditious manner in which that mandate is being met.

To date, no less than 29 reclamation dams have been identified as in need of modification due to changes in the state-of-the-art of dam safety. Two are in Arizona, Theodore Roosevelt Dam and Stewart Fountain Dam, both located in the Salt River just upstream from the Metropolitan Phoenix area.

Appended to this statement is a summary of the location, modification and projected costs, which presently exceed $430 million.

On April 9, 1981, I along with my colleagues Senator GOLDWATER, Senator WALLOP, and Senator CRANSTON introduced legislation (S. 956) to increase Federal funding for reclamation dam safety purposes from the present ceiling of $100 million to $450 million.

Mr. President, the Teton Dam disaster set into motion an accelerated process for protecting against the occurrence of similar situations. It is our hope that this process will soon be scrutinized through public hearings on the legislation and advanced even further by providing the necessary funding.

At a time when much of the West is bone dry and the fear of flood forgotten, it may indeed be difficult to focus national attention on reclamation dam safety.

But, even though fiscal austerity may be the watchword in these Chambers, the reality of the past nonetheless exists, in Idaho and in the several States in which these 29 Federal reclamation dams are located.●

PROTECTING WORKERS FROM HAZARDOUS AND TOXIC MATERIALS

● Mr. PELL. Mr. President, I take this opportunity to discuss the Federal Government's role in protecting workers' safety and health on the job. This is a pressing concern in the State of Rhode Island where manufacturing constitutes a major portion of employment and thousands of workers are engaged in shipbuilding, jewelry, textiles, and metal-working trades.

Since its creation more than 10 years ago, the Occupational Safety and Health Administration (OSHA) has been the subject of controversy. It has been accused by workers of being too lenient and accused by industry of being too heavy-handed. During recent years, however, this agency has come a long way. Small business has received special assistance in meeting OSHA standards and paperwork requirements have been reduced. OSHA has stepped up its efforts to target enforcement on the highest hazard industries and approximately 1,000 regulations, determined to be "less significant" in preventing work place injury, were dropped. In addition, the agency has increased the amount of training and technical assistance available to assist both workers and employers in complying with OSHA standards.

I consider these developments a good faith internal effort to respond to criti-

cism by making the agency more effective and reducing the excessive burdens on business. In recent months, however, I have heard from many of my constituents who have expressed concern about the direction that OSHA appears to be taking under its new leadership.

Within the past several months many standards developed with great effort and expense have been targeted for administrative review. Included in this list are basic measures designed to protect workers who are exposed to dangerous substances on the job. On February 10, the preliminary standard for chemical labeling and hazard notification, issued in January, was withdrawn. The publication of this standard was the result of years of work by OSHA officials, workers, and independent professionals. The withdrawal of this proposal means that the public hearings scheduled to follow the issuance of this standard will not take place.

Mr. President, in my view workers who handle hazardous substances have the right to know the risks they face. In creating the Occupational Safety and Health Administration, Congress directed the Secretary to prescribe the use of labels or other appropriate forms of warning to insure that employees are apprised of all hazards to which they are exposed. The reasoning behind such a provision is clear. Literally millions of workers handle toxic chemicals every day.

In many cases, neither they nor their employers know the immediate or long-term effect that this exposure will have on their health. We do know, however, that there is a strong correlation between exposure to certain chemicals and the incidence of occupational disease. In fact a report prepared jointly by the National Cancer Institute and the National Institute for Environmental Health Sciences in 1978 estimated that between 20 and 38 percent of all cancer deaths in the United States are related to job exposure to toxic substances.

The total cost of workplace exposure to hazardous chemicals is impossible to determine. In terms of lost income alone, the Labor Department estimates that the expense exceeds $10 billion annually. This, of course, does not include medical treatment, loss of productivity or the pain and suffering experienced by disabled workers and their families.

The Occupational Safety and Health Administration was established to assure every worker, to the greatest extent possible, a safe and healthful work environment. And early on it was judged impossible to compare the cost of compliance to the benefit of worker health. For example, we still do not know the true extent of occupational disease and, therefore, cannot predict the true benefit of workplace standards nor can we assign a price tag to reduced pain and suffering. OSHA has been working for 7 years to develop a standard for the proper labeling of workplace chemicals. I am disappointed at the precipitous withdrawal of this proposal and I am concerned that this action will indefinitely postpone the public discussion of the merits of the labeling proposal and the issuance of a final regulation.

In view of the seriousness of the risk associated with exposure to toxic chemicals, Mr. President, our workers deserve an open debate on this issue. I hope that the administration will reconsider its action and reissue the preliminary standard on chemical labeling and hazard notification that was withdrawn on February 10.●

THE FORD FOUNDATION

● Mr. MOYNIHAN. Mr. President, the Ford Foundation is the Nation's largest private foundation. It was founded in 1936 and for many years gave money mainly to hospitals, schools and other institutions in Michigan.

Edsel and Henry Ford died during the 1940's. In 1950, after their estates had been settled, the foundation began to branch out and to support activities across the United States and in foreign countries.

It has distributed $5.5 billion in grants since 1936. In recent years, its efforts have been directed primarily at helping to lift the urban poor out of poverty, at promoting human and civil rights, and at supporting higher education. The foundation has also paid for research into plant strains and crop yields, with the hope that this might help the rural poor in developing countries.

On June 1, 1979, a new man took over as chief operating officer, replacing McGeorge Bundy. That new man is Franklin A. Thomas.

Mr. Thomas is a distinguished lawyer. He has been an assistant U.S. attorney, a deputy police commissioner and, for 10 years during the 1960's and 1970's, head of the Bedford-Stuyvesant Restoration Corp., a community development agency in Brooklyn.

Mr. Thomas spoke recently to the editorial board at U.S. News & World Report. A summary of that conversation was printed in the magazine in March. I think it is well worth reading. I ask that it be printed at this point in the RECORD.

The material follows:

CONVERSATION WITH FRANKLIN A. THOMAS: THE NEEDY WANT "LESS RHETORIC," MORE ACTION

"A GREAT VISION" MUST BE VIABLE

There is a terrible fear in the foundation world—and in society—of admitting that most change is incremental. Somehow you gain your greatest credibility when you talk in terms of a great vision. You get quoted more often; you're more likely to be respected; you're less likely to be found wrong, and your mistakes are more easily explained away.

Certainly it is important for foundations to have a vision. In my view, that vision ought to include better opportunity for more people to realize their potential—and less conflict that's destructive. But while keeping that vision alive, foundations have to deal with the reality as people perceive and experience it—not simply as we would like it to be.

TAKING THE LONG VIEW

The role of a foundation is different from that of both government and business. We should have a longer view than government, which has a tendency to play it safe and focus on short-term efforts because of its frequent accountability to the public through the election process. We should have a different standard of accountability than business, whose measurement of success is profit before taxes.

Our goal is to take a longer perspective than government on important issues and to keep social purposes as our primary objective—while utilizing the best of business methods in trying to achieve these purposes. We need to make this role clear in the public mind so we don't get gun-shy because we make a few grants that get us into trouble.

AS AN APPEAL, GUILT IS PASSÉ

The more conservative mood of the society means that it is necessary to make a different kind of case than used to be required to get public support for social needs.

It is no longer enough to simply state that there is a particular need: the time when part of the system's response was based largely on guilt has passed. Today, a greater level of understanding of a problem and ways of addressing it are required, along with greater sophistication in presenting it, so that you end up being inclusive of more of the values and interests in society.

Another change: Those who have problems are less interested in rhetoric than in action. They are interested in performance, not the grand phrase or the great idea put forth without the apparent capacity to implement it. Foundations have begun to perceive this and respond to it.

CONNECTIVE ROLE IN SOCIETY

There is a growing need for foundations to play a connective role in society—to link private sector resources with the energies of people in a community who are trying to address problems, whether these people are in community groups or social agencies that work for the public's benefit.

Foundations are making explicit efforts to link these sectors and to focus attention on particular social issues. To achieve this, more than good will and intelligence are needed; you have to bring dollar resources with you. The more you have, the greater your ability to act as a catalyst.●

IDA NUDEL—GUARDIAN ANGEL

Mr. DECONCINI. Mr. President, no amount of Soviet Government double talk or phony judicial processes can justify the imprisoning of any individual for expressing his or her religious or political beliefs. And yet, like so many other Soviet citizens, Ida Nudel lives behind bars for her purely humanitarian actions.

Ida's plight began when she first applied for an emigration visa in May 1971, along with her sister, Elena Fridman, and Elena's family. In 1972, Elena and her family were allowed to leave the Soviet Union, but Ida's exist visa was refused. Since that time, her deep-rooted desire to live in her cultural homeland, Israel, has been consistently denied for no legitimate reason.

As a result of this experience, Ida became increasingly aware of the injustices evident in the totalitarian Soviet society. She soon became known as the Guardian Angel of Soviet Jewish prisoners of conscience for her selfless devotion to helping those who were in even more difficult situations than her own. Nevertheless, as she became more outspoken about the inequitable treatment endured by many of her fellow citizens, Soviet authorities responded with irrational and

severe pressure—eventually leading to her arrest in 1978. Ida was allegedly charged with "malicious hooliganism" for displaying a banner on the balcony of her Moscow apartment which read, "KGB Give Me My Visa." At her trial, Ida delivered the following statement which gives eloquent testimony to the ordeal she had endured for so many years:

I am standing trial for all the past 7 years during which I have learned to walk proudly with my head held high as a human being and as a Jewish woman, and every time I was able to help another victim my heart filled with an extraordinary feeling unlike any other. Perhaps the closest such feeling is that which a woman feels when giving new life. If the remaining years of my life will be grey and monotonous, these 7 years will warm my heart with the knowledge that my life was not without purpose. Not one of you, my judges, is capable of finding a punishment that will take revenge and deny the victory and triumph of these 7 years.

Despite Ida's assertion of innocence to the obviously trumped up charge, she was sentenced to 4 years of exile in Siberia where she remains today. Her health is rapidly deteriorating; yet, she has not given up hope. She knows that many throughout the world have kept her cause alive. I am proud to read the following short note that Ida received from one of my constituents, Ellen Adelstein, while in exile:

Dear Ida: Don't give up hope. Like the Roadrunner which is an extremely persistent bird, you will be returned to those you love. The Roadrunner keeps moving along until it reaches its goal. Good luck.

This simple message touched Ida so deeply that she adopted the Roadrunner as the symbol of her own struggle. Ida's willingness to fight for social justice must not be ignored. Her message to the world rings loud and clear. We must never lose sight of our principles and beliefs about the dignity and supremacy of the free individual. Until all women and men in the Soviet Union and the world have been granted their basic human rights our consciences cannot rest.

Ida's deep compassion for the suffering of others is exemplified by a letter she wrote from exile:

Through our suffering we have been able to push the gates of the U.S.S.R. just slightly ajar. Through the tiny opening we have made in the Iron Curtain, Jews manage to get out of the U.S.S.R. This in fact is our one solace through our ordeal. But the opening is small and vulnerable, and we implore all of you in the free world to keep a close watch on the opening and not allow the gates to be slammed shut again.

We must fight as all free peoples must fight, to keep that door open—to open it irrevocably and forever to the whole world.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, may I inquire of the distinguished acting minority leader if his side might be in a position to consider one more item on the Executive Calendar? I am referring to Calendar No. 205, the nomination of Frederick Morris Bush to be Assistant Secretary of Commerce for Tourism.

Mr. FORD. Mr. President, I am pleased to inform the majority leader that the minority is ready to accept this nomination and has no objection to it.

Mr. BAKER. Mr. President, I thank the acting minority leader.

In view of that, Mr. President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering the nomination of Frederick Morris Bush of Texas.

There being no objection. the Senate proceeded to the consideration of executive business.

DEPARTMENT OF COMMERCE

The PRESIDING OFFICER. The clerk will state the nomination.

The assistant legislative clerk read the nomination of Frederick Morris Bush, of Texas, to be Assistant Secretary of Commerce for Tourism.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. I move to reconsider the vote by which the nomination was confirmed.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 11 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECORD TO REMAIN OPEN UNTIL 4 P.M. TODAY

Mr. BAKER. Mr. President, I ask unanimous consent that the RECORD remain open until 4 p.m. today for the introduction of bills, resolutions, and statements.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 11 a.m. tomorrow.

There being no objection, the Senate, at 2:31 p.m., recessed until tomorrow, Tuesday, June 9, 1981, at 11 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate June 5, 1981, under authority of the order of the Senate of June 4, 1981:

DEPARTMENT OF THE TREASURY

Donna Pope, of Ohio, to be Director of the Mint for a term of 5 years, vice Stella B. Hackel.

DEPARTMENT OF EDUCATION

Thomas Patrick Melady, of Connecticut, to be Assistant Secretary for Postsecondary Education, Department of Education, vice Albert H. Bowker.

John H. Rodriguez, of Virginia, to be Deputy Under Secretary for Intergovernmental and Interagency Affairs, Department of Education, vice Elizabeth S. Carpenter, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 8, 1981:

DEPARTMENT OF COMMERCE

Frederick Morris Bush, of Texas, to be Assistant Secretary of Commerce for Tourism, vice Fabian Chavez, Jr., resigned.

INTERNATIONAL COMMUNICATION AGENCY

Charles Z. Wick, of California, to be Director of the International Communication Agency, vice John E. Reinhardt, resigned.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Monday, June 8, 1981*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. WRIGHT).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker.

WASHINGTON, D.C.,
June 5, 1981.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Monday, June 8, 1981.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Help us to be aware, O God, that all occupations and tasks have the potential for righteousness and for usefulness and for being called honorable in the sight of all. As individuals may we know the dignity of our vocations and whether we work with ideas or words or with our hands, we may see more clearly that we are all part of the human family and dependent one upon the other. May we dedicate our abilities and talents that they be used in willing service to others and thus serve the common good and the glory of Your holy name. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill and a joint resolution of the House of the following titles:

H.R. 1100. An act to amend title 38, United States Code, to expand eligibility of former prisoners of war for certain benefits and health-care services provided by the Veterans' Administration, and for other purposes; and

H.J. Res. 238. Joint resolution to approve a constitution for the U.S. Virgin Islands.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 640. An act to amend the District of Columbia Self-Government and Governmental Reorganization Act with respect to the borrowing authority of the District of Columbia; and

S. 1197. An act to amend and extend certain Federal laws relating to housing, community, and economic development, and related programs, to provide an improved and expedited multifamily mortgage foreclosure procedure, and for other purposes.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker signed the following enrolled bills on Friday, June 5, 1981:

H.R. 2156. An act to amend title 38, United States Code, to extend by 12 months the period during which funds appropriated for grants by the Veterans' Administration for the establishment and support of new State medical schools may be expended; and

H.R. 3512. An act making supplemental and further continuing appropriations for the fiscal year ending September 30, 1981, rescinding certain budget authority, and for other purposes.

SOCIAL SECURITY NEEDS SOME CHANGES, BUT NOT WHAT THE PRESIDENT HAS PROPOSED

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, we all realize that there is a rather urgent need to make some changes in the social security system so the trust funds do not go broke, but what the President has proposed is unacceptable as it was relayed to us. The major proposal by the President, to penalize those who decide to retire early by cutting their benefits to 55 percent of what they would otherwise be, goes much too far, particularly when you consider that working to age 62 amounts to working well over 90 percent of the typical work life. The fact that the President has proposed that changes be implemented without any kind of phase-in is also a terrible mistake. People plan their retirements for years, and that planning is based on an expected level of benefits. To think that people approaching retirement age can revamp their plans overnight is very naive. Any major changes in the social security retirement and survivors programs will need to be carefully and sensibly phased in.

The fact that the social security system needs some changes is no secret to any of us. We knew when we enacted the most recent Social Security Amendments in 1977 that that legislation would only serve as a stop-gap answer, and I am glad to say that the House Social Security Subcommittee has been working on coming up with some possible solutions to this problem over the last several months. I want to see us get together and come up with a plan that will realistically respond to the problems which the social security system is facing without breaking faith with those who have contributed into the system in good faith for years. It can be done in a much fairer way than the administration has proposed.

METRIC SHADOW HANGS HEAVY

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, metric measurement casts a shadow across this land, intruding daily into our lives.

My bill, H.R. 1660, will repeal the Metric Conversion Act of 1975, and thus assure that any conversion to metric would be voluntary. I have introduced this bill each year since I have been in Congress and many have given me indication of their support.

I myself had an experience recently that indicates the frustration level that people reach when they are faced with this monster metric.

I pulled into a gas station, the price was posted per gallon, however, the pump was clicking off the amount in liters. Wanting to know how many miles per gallon I was getting, I asked the attendant how many gallons I had purchased. He replied that he didn't know and had now way to find out and a price was presented to me. I had to dust off my mathematics skills to transpose gallons into liters and the total into a price-per-gallon and finally to the amount due for the purchase.

Millions of Americans unfortunately face the same problem.

There is absolutely no reason—either in law or logic—that a Government agency should cram down the throats of a free people the metric system, which creates confusion, resentment and contributes nothing to the advancement of our Nation's economy or welfare, but does add to the

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growth of government, bureaucracy, taxes and Government spending.

I welcome support for H.R. 1660.

LET US NOT GET PERSONAL, MR. SPEAKER

(Mr. BLILEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLILEY. Mr. Speaker, In an appearance on ABC's "Issues and Answers" yesterday, the Speaker stated that President Ronald Reagan "doesn't understand the working class of middle America, what it's all about, what they go through, because of the fact he doesn't associate himself with those types of people."

Although the Speaker quickly stated that he did not mean to suggest the President is "Callous," his words certainly had that effect.

The Speaker obviously has no better argument than personal—and untrue—remarks about the most popular President this country has seen in years.

I understand the Speaker's position. He is a spokesman for a failed philosophy of Government. He knows that President Reagan has the trust and the admiration of working Americans. It must be frustrating for him to know that the vast majority of the American people trust and believe in President Reagan.

But this does not excuse the personal attack; as a colleague, may I suggest to the Speaker that instead of making unfounded attacks on the President's character he sticks to the issues? We Republicans will provide the answers.

LEGISLATION INTRODUCED TO ENSURE THAT A U.S. NAVY COMMODORE WILL BE A U.S. NAVY COMMODORE

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, We all know that the U.S. Navy has a great tradition and that a bill we passed last year can change part of its tradition and cause our Navy to be the object of ridicule by members of the military throughout the world. This was done when we created the one-star flag rank and named it with a new and unprecedented term: Commodore-admiral. This flies in the face of the tradition of great one star flag officers of our U.S. Navy who have, in years past, been known by their proper rank, commodore. The last time a one-star flag officer was allowed the Navy, I was known as commodore, as per the naval orientation, June 1945, Bureau of Naval Personnel book. The new name of commodore-admiral not only flies in the face of tradition and has no historical precedence, I feel it is an affront to all great naval leaders who had such rank, including Commodore Perry of the Battle of Lake Erie fame. Mr. Speaker, we all know that a rose by any other name is still a rose, and, it follows that a commodore by any other name is still a commodore. We should corret this mistake before the first naval promotions are made to the one-star flag rank. This week, I am introducing legislation to correct the wording of the law so that a commodore in our great U.S. Navy will be just that—a commodore.

RESIGNATION AS MEMBER OF COMMITTEE ON POST OFFICE AND CIVIL SERVICE

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on Post Office and Civil Service:

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 5, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, Capitol Building, Washington, D.C.

DEAR MR. SPEAKER: I hereby resign my position on the House Post Office and Civil Service Committee.

Sincerely,

PETER A. PEYSER,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

ELECTION OF HON. STENY H. HOYER AS MEMBER OF COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS AND COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. ALEXANDER. Mr. Speaker, as acting chairman of the Democratic Caucus and at the direction of that caucus, I offer a privileged resolution (H. Res. 151) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 151

Resolved, That Steny H. Hoyer of Maryland be, and he is hereby, elected to the following standing committees of the House of Representatives: Committee on Banking, Finance and Urban Affairs; and Committee on Post Office and Civil Service, to rank twelfth thereon.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ISRAELI BOMBING OF NUCLEAR REACTOR IN BAGHDAD

(Mr. ZABLOCKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ZABLOCKI. Mr. Speaker, as a friend and supporter of assistance to Israel, I was alarmed and concerned upon hearing of the Israeli bombing of a nuclear reactor in Iraq. Apparently, planes obtained from the United States were employed. This appears to be in violation of U.S. statutes. Early reports indicate that there were no foreign casualties.

Nevertheless, this highly irresponsible act certainly does not enhance the development of peace and stability in the area. At the very least, it will almost assuredly eliminate any chance of finding a peaceful settlement to the missile crisis in Lebanon, and make the job of special envoy Philip Habib even more difficult.

Mr. Speaker, at this time I submit that all peaceful nations must redouble their efforts in reducing tensions and bringing about a settlement, a negotiated settlement, in order that we may have peace and stability in that area.

□ 1215

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore (Mr. ALEXANDER) laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
June 8, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House of Representatives, I have the honor to transmit a sealed envelope from The White House, received in the Clerk's Office at 4:35 p.m. on Friday, June 5, 1981 and said to contain a message from the President whereby he transmits the 1976 calendar year annual report on occupational safety and health activities as prepared by the Secretary of Labor.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

THE 1976 CALENDAR YEAR ANNUAL REPORT ON OCCUPATIONAL SAFETY AND HEALTH ACTIVITIES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor:

To the Congress of the United States:

In accordance with Section 26 of the Occupational Safety and Health Act of 1970, I am transmitting today the 1976 calendar year annual report on occupational safety and health activi-

ties as prepared by the Secretary of Labor of the previous administration.

RONALD REAGAN.

THE WHITE HOUSE, *June 5, 1981.*

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, shall be taken on Tuesday, June 9, 1981.

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION AUTHORIZATION

Mr. WIRTH. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3240) to authorize appropriations for fiscal year 1982 for the administration of the National Telecommunications and Information Administration.

The Clerk read as follows:

H.R. 3240

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is authorized to be appropriated for the administration of the National Telecommunications and Information Administration $16,467,000, together with such sums as may be necessary for increases resulting from adjustments in salary, pay, retirement, other employee benefits required by law, and other nondiscretionary costs, for fiscal year 1982.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Colorado (Mr. WIRTH) will be recognized for 20 minutes, and the gentleman from Texas (Mr. COLLINS) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from Colorado (Mr. WIRTH).

Mr. WIRTH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3240 authorizes $16.467 million in fiscal year 1982 for the National Telecommunications and Information Administration. NTIA is an agency within the Department of Commerce responsible for such matters as authorizing Federal radio frequencies; analyzing and assisting in the formulation of domestic telecommunications and information policy; conducting technical research in telecommunications; and working with other executive agencies on international telecommunications and information policy.

H.R. 3240 was unanimously reported by the Committee on Energy and Commerce, and provides the level of funding for NTIA recommended by the administration.

NTIA is not currently subject to periodic authorizations, or to the regular congressional oversight that attends the authorization process. By establishing the precedent of a determinate authorization for NTIA, H.R. 3240 vastly improves the likelihood that Congress will systematically scrutinize agency performance. Such oversight is essential to sound management and policymaking, and will better enable us to review and determine agency priorities.

Mr. COLLINS of Texas. Mr. Speaker, I join with the chairman of our subcommittee, the gentleman from Colorado (Mr. WIRTH) in fully supporting H.R. 3240 which authorizes the budget for the National Telecommunication and Information Agency. It is in keeping with the figure recommended by the administration and can be fairly characterized as no frills. For fiscal year 1982 NTIA is authorized a modest $16.5 million. It was voted unanimously from subcommittee and full committee.

Even at this trim level of funding, I believe that NTIA can fulfill its statutory mandate. Briefly, NTIA is charged with formulating policies to support development and growth of the telecommunications and information industries. Support is also given to a host of other industries that have sprung from telecommunications and information technologies. This is one of the few agencies that does not take an adversarial approach toward business, but actually provides assistance.

NTIA is vital to our technological future, and is a necessary part of maintaining America's leadership in the highly competitive communications field. Throughout the world our competitors have strong backing from their governments, enabling their home industries to make great gains on the United States. NTIA performs this function for U.S. industry in the information and telecommunications field. It is for this reason that I look so favorably on NTIA and urge my colleagues to vote for the bill.

Mr. Speaker, I would like to add one or two important facts about NTIA. It was established in 1978, when the White House Office of Telecommunications Policy was abolished and most of its functions were consolidated with those of the Commerce Department's Office of Telecommunications. NTIA has performed many valuable, essential functions. One of them has been coordinating in the field of facilities.

I was most interested to learn that the Congressional Budget Office has estimated that although it now asks for a budget figure of $16.5 million, year by year in the future they are looking for a decrease. In 1983 they are hoping that this agency will be down to a $3 million budget and in 1984 down to a $1.7 million budget. In other words, they are anticipating that they can cut this agency by 83 percent.

We have made another strong improvement in the manner that we now have an annual review, and as we move forward in the Reagan administration toward budget reductions and reduced costs and Government spending, this will be a material and a constructive move for the entire country.

Mr. Speaker, I reserve the balance of my time.

Mr. Speaker, I have no further requests for time.

Mr. WIRTH. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Colorado (Mr. WIRTH) that the House suspend the rules and pass the bill, H.R. 3240.

The question was taken.

Mr. COLLINS of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

FEDERAL COMMUNICATIONS COMMISSION AUTHORIZATION ACT OF 1981

Mr. WIRTH. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3239) to amend the Communications Act of 1934 to authorize appropriations for the administration of such Act, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3239

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Communications Commission Authorization Act of 1981".

AUTHORIZATION OF APPROPRIATIONS

SEC. 2. (a) The Communications Act of 1934 (47 U.S.C. 151 et seq.) is amended by inserting after section 5 the following new section:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 6. There is authorized to be appropriated for the administration of this Act by the Commission $77,351,000, together with such sums as may be necessary for increases resulting from adjustments in salary, pay, retirement, other employee benefits required by law, and other nondiscretionary costs, for fiscal year 1982.".

(b) Section 4(g) of the Communications Act of 1934 (47 U.S.C. 154(g)) is amended by striking out "from time to time may be appropriated for by Congress" and inserting in lieu thereof "may be appropriated for by the Congress in accordance with the author-

izations of appropriations established in section 6".

IMPOSITION OF FEES

SEC. 3. Title IV of the Communications Act of 1934 (47 U.S.C. 401 et seq.) is amended by adding at the end thereof the following new section:

"IMPOSITION OF FEES

"SEC. 417. (a)(1) The Commission shall impose a fee upon any person regulated by the Commission under this Act. Such fee shall be based upon—

"(A) in the case of a license application, any costs incurred by the Commission in connection with processing such application;

"(B) in the case of a tariff filed by a common carrier, any costs incurred by the Commission as a result of such filing;

"(C) in the case of any application for a construction permit, for an equipment approval or authorization, or for any certification issued by the Commission, and in the case of any petition for the waiver of any rule or for other relief, any costs incurred by the Commission as a result of any such application or petition; and

"(D) any costs incurred by the Commission which are directly or indirectly attributable to the regulation of such person, including the cost of providing any service necessarily rendered by the Commission to a licensed applicant as a result of such application.

"(2) No portion of the fee specified in paragraph (1) may be based upon—

"(A) the value to the person involved of any license issued to such person by the Commission or any service performed for such person by the Commission;

"(B) any public policy assessment made by the Commission with respect to the regulation of such person; or

"(C) any estimate by the Commission of the value to the general public which results from the regulation of such person.

"(3) The total amount of funds which the Commission may receive through the imposition of fees under this subsection for any fiscal year may not exceed 50 percent of the amount appropriated by the Congress under section 6 for such fiscal year.

"(b) The Commission may waive the fee specified in subsection (a), in the case of governmental entities, public telecommunications entities, and noncommercial users of the electromagnetic spectrum, if the Commission determines that any such waiver is in the public interest. The Commission also may waive any such fee which is less than $100.

"(c) The Commission shall develop appropriate fee schedules not later than 90 days after the date of the enactment of the Federal Communications Commission Authorization Act of 1981. The Commission shall use such schedules in assessing fees under subsection (a).

"(d) The Commission may prescribe by regulation an additional charge which may be assessed as a penalty for late payment of any fee assessed under subsection (a). Such penalty shall not exceed 25 percent of the fee involved.

"(e) Moneys received by the Commission as a result of the assessment of fees under subsection (a) shall be deposited by the Commission in the general fund of the Treasury of the United States as reimbursement to the United States for amounts appropriated for use by the Commission in carrying out the provisions of this Act.".

UNIFORM SYSTEM OF ACCOUNTS

SEC. 4. (a)(1) The Federal Communications Commission (hereinafter in this section referred to as the "Commission") shall complete the rulemaking proceeding relating to the revision of the uniform system of accounts used by telephone companies (Common Carrier Docket 78-196; notice of proposed rulemaking adopted June 28, 1978, 43 Federal Register 33560) as soon as practicable after the date of the enactment of this Act.

(2) Such uniform system shall require that each common carrier shall maintain a system of accounting methods, procedures, and techniques (including accounts and supporting records and memoranda) which shall ensure a proper allocation of all costs to and among telecommunications services, facilities, and products (and to and among classes of such services, facilities, and products) which are developed, manufactured, or offered by such common carrier.

(b) The Commission shall submit a report to each House of the Congress not later than one year after the date of the enactment of this Act. Such report shall include a summary of actions taken by the Commission in connection with the rulemaking proceeding specified in subsection (a), together with such other information as the Commission considers appropriate.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Colorado (Mr. WIRTH) will be recognized for 20 minutes, and the gentleman from Texas (Mr. COLLINS) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from Colorado (Mr. WIRTH).

Mr. WIRTH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3239 authorizes $77,351 million in fiscal year 1982 for the Federal Communications Commission. The bill was unanimously reported by the Committee on Energy and Commerce as was the previous bill, and provides the level of funding for the FCC recommended by the Reagan administration.

Since its creation in 1934, the FCC has had a permanent or continuing authorization. H.R. 3239 amends the Communications Act of 1934 to replace the FCC's permanent authorization with a periodic authorization. By establishing the precedent of a determinate authorization for the FCC, H.R. 3239, as does the previous legislation, vastly improves the likelihood that agency performance will be subject to regular congressional scrutiny and oversight.

FCC oversight is especially important today—given the telecommunications industry's rapidly developing technology, and the attendant expansion of its products, services, and markets. As chairman of the Subcommittee on Telecommunications, Consumer Protection, and Finance, I have pledged quarterly hearings to review FCC activities and priorities, and in that we have received extraordinarily strong cooperation from the new Chairman of the FCC and his staff.

H.R. 3239 also requires the FCC to recover administrative expenses by imposing fees on those parties it regulates under the Communications Act of 1934. The Congressional Budget Office estimates that the fees will generate $31 million in receipts in fiscal year 1982—a small but firm step toward our concern shared by the gentleman from Texas (Mr. COLLINS) for fiscal responsibility.

The Commission's authority to collect fees is not unlimited, however. Total funds received by the FCC as the result of the imposition of fees may not exceed 50 percent of the FCC's appropriations in any fiscal year. As the result of an amendment to the bill unanimously adopted in the subcommittee, the FCC is directed to waive fees for Government entities, public telecommunications entities, and noncommercial users of the spectrum. The Committee on Energy and Commerce believes that when appropriate the Federal Government should be reimbursed for services rendered.

The fees proposed in H.R. 3239 are nothing more then user fees based upon the costs incurred by the FCC in connection with such activities as processing license applications or tariff filings. H.R. 3239 specifically provides that no portion of any fee imposed under this legislation may be based upon a license's value to a particular user of the spectrum. That is a very important provision, Mr. Speaker.

Finally, H.R. 3239 directs the FCC to complete its rulemaking proceedings to revise the uniform system of accounts used by telephone companies. The committee believes the Commission must give priority to implementing a revised system of accounts—an effort that has been pending at the FCC for almost 5 years. As the telecommunications industry becomes more competitive, it is essential that common carriers maintain an accounting system that properly allocates costs to and among the various services, facilities, and products they offer. Such accounting, Mr. Speaker, is essential as we move into a rewrite of the Communications Act of 1934 and try to understand the flow of funds within the industry.

Mr. Speaker, H.R. 3239 enjoys the full support of the Committee on Energy and Commerce. In bringing this bill from subcommittee, through committee, and now to the floor, I have worked closely with the distinguished ranking minority member of the Subcommittee on Telecommunications, the gentleman from Texas (Mr. COLLINS). I appreciate his valuable assistance and support, as well as that of the gentleman from Ohio (Mr. BROWN) and that of the gentleman from North Carolina (Mr. BROYHILL).

Mr. Speaker, I reserve the remainder of my time.

Mr. COLLINS of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join with the chairman of the subcommittee, the gentleman from Colorado (Mr. WIRTH), in recommending and commending this Authorization Act.

The budget figures contained in H.R. 3239 are in keeping with the recommendations made by the President. More specifically, the FCC will achieve a $4.8 million reduction from the estimates of the previous administration.

I would like to repeat that. We are going to provide a $5 million cut on the previous administration's original budget. Government economy is first in the minds of the voters, and the independent agencies will have to learn to live with less money. I am proud that the Committee on Energy and Commerce and the Subcommittee on Telecommunications are setting the pace for the other branches of Government here in Washington.

This bill, however, is more than a straight reauthorization. For good reasons, several fundamental changes in FCC operations have been made, and I would like to talk about them for a moment.

First, and most important, no longer will the FCC have a permanent or a continuing reauthorization. So much has changed in the telecommunications field and its companion industries that FCC policies and priorities are in need of a regular and annual review. Unprecedented expansion of the telecommunication industries, new markets, services and products, vigorous competition, and daily scientific breakthroughs make periodic committee surveillance of FCC activities imperative. Our subcommittee hearings disclosed that the FCC needs direction, needs guidance, needs legislation, and needs leadership from us in helping to establish program priorities. Regular oversight through the reauthorization process, as all of us know in Congress, is necessary, and nothing brings everybody's attention to spending more forthrightly than when we go through the reauthorization process. Markup will serve as a catalyst in this respect.

Another important improvement has to do with the establishment of a fee structure. It is designed so that the FCC can recover regulatory expenses by the imposition of fees. Such fees will be deposited in the general funds of the Treasury, and that will thereby contribute to a reduction in the Federal deficit.

Furthermore, we are compelled to take the legislative route in the formulation of the fee structure because the FCC tried and failed to do so several times under its inherent regulatory authority.

I would like to say that this fee matter goes back to the year 1963 or sometime in the 1960's, but finally in 1976 the Supreme Court ruled that FCC could not assess fees; that they did not have the authority. This is something that has come up for congressional attention and something we commend because it is a step forward. Each time fees have been challenged in court, the FCC lost, and it has been a tremendous waste of the taxpayers' dollars going through all this court litigation. Wisely the FCC has now sought to establish the fee structure through legislation.

□ 1230

In closing, I would like to urge to suspend the rules and vote for this bill. It is something that was passed unanimously out of our subcommittee. It was passed unanimously out of the full committee. It solves several problems. It solves them for the FCC, that can be translated into greater Government efficiency and a reduced cost to taxpayers.

I would like to emphasize two things that are in this bill. The first one, instead of having a permanent authorization, we are having an annual authorization, which means every year Congress will have the responsibility of completely reviewing the FCC operation.

The second thing, which has very definite merit, is to bring in the subject of fees as an administrative expense.

Now, very wisely, these fees have been limited to 50 percent of the FCC expense structure. In other words, we know that about 50 percent, about half of their FCC time, is spent on this type of operation, so it is not to overburden industry, because what this is, this is reimbursement for review. This is not a tax. I want to repeat that with emphasis. This is not a tax, this is not a tax. This is a fee to provide for reimbursement for services that the Government provides at the time that they review the different applications.

It states in here, what we require for a license application in the way of processing costs and no portion of any fee may be based on extraneous material.

This is very important. We are calling on the FCC within 90 days to establish a sound structure, to come up with fair and equitable arrangements for what will be the fee arrangement.

The bill requires that fees be based upon:

For a license application, processing cost;

For a tariff filed by a common carrier, costs incurred as a result of the filing;

For a construction permit, equipment approval or authorization, certification, or any petition for relief, costs incurred as a result of the requested action; and

Any costs incurred by the FCC that are attributable to regulation, including the cost of any services rendered to a license applicant.

No portion of any fee may be based upon:

The value to the person involved of any license issued or any service performed by the FCC;

Any public policy assessment made by the FCC; or

Any estimate by the FCC of the value to the general public which results from the commission's regulation.

I commend this bill. I think it is an excellent piece of legislation.

Mr. WIRTH. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. DE LA GARZA). The question is on the motion offered by the gentleman from Colorado (Mr. WIRTH) that the House suspended the rules and pass the bill, H.R. 3239, as amended.

The question was taken.

Mr. COLLINS of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. WIRTH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 3239 and H.R. 3240.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

EXPORT ADMINISTRATION AMENDMENTS ACT OF 1981

Mr. BINGHAM. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3567) to authorize appropriations for the fiscal years 1982 and 1983 to carry out the purposes of the Export Administration Act of 1979, and for other purposes.

The Clerk read as follows:

H.R. 3567

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Export Administration Amendments Act of 1981".

SEC. 2. (a) Section 18(b)(1) of the Export Administration Act of 1979 (50 U.S.C. App. 2417(b)(1)) is amended to read as follows:

"(1) $9,659,000 for each of the fiscal years 1982 and 1983; and".

(b) The amendment made by subsection (a) shall take effect on October 1, 1981.

SEC. 3. Section 12(c) of the Export Administration Act of 1979 (50 U.S.C. App.

2411(c)) is amended by adding at the end thereof the following:

"(3) Notwithstanding any other provision of law, no department or agency may withhold confidential information from any other department or agency with enforcement responsibilities under this Act which requests that information in any case in which the information is considered by the department or agency requesting the information to be necessary for the enforcement of this Act. Any such department or agency requesting such confidential information shall be subject to the same statutory restrictions on disclosing the information to other persons as is the department or agency from which the information is requested. The provisions of this paragraph shall not apply to information subject to the restrictions set forth in section 9 of title 13, United States Code.".

SEC. 4. (a) Section 11(b)(1) of the Export Administration Act of 1979 (50 U.S.C. App. 2410(b)(1)) is amended by striking out "purposes," and all that follows through the period at the end thereof and inserting in lieu thereof the following: "purposes—

"(A) except in the case of an individual, shall be fined not more than five times the value of the exports involved or $1,000,000, whichever is greater; and

"(B) in the case of an individual, shall be fined not more than $250,000, or imprisoned not more than 10 years, or both.".

(b) Section 11(b)(2) of that Act (50 U.S.C. App. 2410(b)(2)) is amended by striking out "Defense," and all that follows through the period at the end of the first sentence and inserting in lieu thereof the following: "Defense—

"(A) except in the case of an individual, shall be fined not more than five times the value of the exports involved or $1,000,000, whichever is greater; and

"(B) in the case of an individual, shall be fined not more than $250,000, or imprisoned not more than 5 years, or both.".

(c) Section 11(c)(1) of that Act (50 U.S.C. App. 2410(c)(1)) is amended—

(1) by striking out "not to exceed $10,000"; and

(2) by adding at the end thereof the following new sentence: "The civil penalty for each such violation may not exceed $10,000 in the case of an individual and may not exceed $100,000 in the case of any person other than an individual.".

(d) The amendments made by this section apply with respect to violations occurring after the date of the enactment of this Act.

SEC. 5. Section 6(f) of the Export Administration Act of 1979 (50 U.S.C. 2405(f)) is amended—

(1) in the subsection caption by inserting "AND FOR CERTAIN FOOD EXPORTS" immediately after "SUPPLIES";

(2) by inserting the following immediately after the first sentence: "Before export controls on food are imposed, expanded, or extended under this section, the Secretary shall notify the Secretary of State in the case of export controls applicable with respect to any developed country and shall notify the Director of the United States International Development Cooperation Agency in the case of export controls applicable with respect to any developing country. The Secretary of State with respect to developed countries, and the Director with respect to developing countries, shall determine whether the proposed export controls on food would cause measurable malnutrition and shall inform the Secretary of that determination. If the Secretary is informed that the proposed export controls on food would cause measurable malnutrition, then those controls may not be imposed, expanded, or extended, as the case may be, unless the President determines that those controls are necessary to protect the national security interests of the United States, or unless the President determines that arrangements are insufficient to ensure that the food will reach those most in need. Each such determination by the Secretary of State or the Director of the United States International Development Cooperation Agency, and any such determination by the President, shall be reported to the Congress, together with a statement of the reasons for that determination.";

(3) in the next to the last sentence by striking out "supplies," and inserting in lieu thereof "supplies or of food"; and

(4) in the last sentence by inserting immediately before the period "or to any export control on food which is in effect on the date of the enactment of the Export Administration Amendments Act of 1981".

SEC. 6. (a) Section 9 of the International Investment Survey Act of 1976 (22 U.S.C. 3108) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 9. There are authorized to be appropriated to carry out this Act $3,842,000 for each of the fiscal years 1982 and 1983.".

(b) The amendment made by subsection (a) shall take effect on October 1, 1981.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from New York (Mr. BINGHAM) will be recognized for 20 minutes, and the gentleman from California (Mr. LAGOMARSINO) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, the purpose of H.R. 3567 is to authorize funding of $9,659,000 for each of the fiscal years 1982 and 1983 to carry out the Export Administration Act of 1979, which is the basic authority for restricting exports from the United States for reasons of national security, foreign policy, or short domestic supply.

The bill also contains two provisions to strengthen enforcement of the act. The Subcommittee on International Economic Policy and Trade, which I have the honor to chair, has reviewed extensively the problem of diversion of controlled technology to the Soviet Union and Eastern European countries. In order to assure that the penalties under the act constitute a sufficient deterrent to violations, criminal and civil penalties are increased. The bill also provides for improved sharing of information among Government agencies with respect to enforcement efforts.

H.R. 3567 also restricts the President's authority to impose embargoes on food for foreign policy purposes, where the result of the embargo would be malnutrition. The amendment does not apply to food embargoes for national security reasons or food embargoes pursuant to the International Emergency Economic Powers Act; also, it would not apply in situations where the President determines that the food would not reach hungry people.

This bill also authorizes funding of $3,842,000 for each of the fiscal years 1982 and 1983 to carry out the International Investment Survey Act of 1976, which authorizes collection by the Commerce and Treasury Departments of data on foreign investment.

Mr. Speaker, this legislation makes no substantive changes in policies or procedures for restricting exports for national security and foreign policy reasons. The Members of the House will recall that we had very extensive reexamination of our export control policy and procedures in 1979, and we substantially revised the Export Administration Act at that time. So the legislation now before the House is, I believe, noncontroversial. It simply provides funding authority to carry out our export controls for the 2 years remaining before the Export Administration Act itself expires and will require review and renewal. I urge the House to adopt H.R. 3567.

Mr. Speaker, I yield such time as he may require to the chairman of the full committee, the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I thank the gentleman for yielding.

I rise in support of H.R. 3567.

This bill is a simple authorization of funds for the Export Administration Act and for the International Investment Survey Act. In addition, it raises the penalties for violation of the Export Administration Act and facilitates the sharing of information among Government agencies.

The Export Administration Act is the principal source of authority for the imposition of export controls for purposes of national security, foreign policy, and short supply. It therefore is an important source of Executive power in dealing with international and domestic economic problems.

The International Investment Survey Act authorizes and funds the collection and analysis of data on foreign investment in the United States and of U.S. investment overseas. It is the principal source of maintaining current data on these investments and therefore of keeping abreast of developments in this area.

I commend the gentleman from New York (Mr. BINGHAM) for the responsible manner in which his subcommittee has exercised its jurisdiction over these two areas, and also wish to commend the ranking member of the subcommittee, the gentleman from California, Congressman ROBERT LAGOMARSINO for his contribution. I urge the bill be passed.

Mr. LAGOMARSINO. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, I rise in support of H.R. 3567, the Export Administration Amendments Act of 1981.

When we took up the Export Administration Act of 1979, it took us 4 days of lengthy and thorough deliberation to reach final passage of the act. That we are now able to consider this same act under suspension of the rules is a tribute, I believe, to the validity of our action 2 years ago. We had to reach some difficult compromises on a number of policies. From our subcommittee's review this year of those issues, I believe the administration and those of us in Congress are satisfied that both for strengthened national security controls and for easing unnecessary export restrictions, we have accomplished our goals. Those two competing policies are not easy to balance, but I am gratified that we have been as successful as we have.

In the bill before us today, we make no changes in the basic authority contained in the Export Administration Act. The changes that are made by this legislation are intended to improve both the administration's ability to enforce this act and its deterrent effect by increasing penalties for violations of the national security controls.

Chairman BINGHAM will clarify the effect of the increased civil penalties in this act.

There are some reservations which the administration has about certain provisions of H.R. 3567, which I believe must be stated for the record.

The adminstration opposes the authorization for fiscal year 1983 above its requested figure. The budget for the Office of Export Administration for fiscal year 1982 required an increase for three specific projects: First, the introduction of a full-scale and systematic capability to assess foreign availability of high technology; second, the comprehensive rewrite of the export administration regulations; and third, the implementation of procedures and improved computer processing of export license applications within statutory deadlines. The administration states it does not intend to abandon or substantially cut back these activities in fiscal year 1983, but it also states that the funding above its request is not needed for carrying out these activities during the second year.

Regarding the increase in civil penalties, the administration believes the existing amounts are adequate and serve as a significant deterrent. It also believes that many small- and medium-sized companies are involved in exporting and a civil penalty of up to $10,000 can be a strong deterrent for a company this size. I do believe, however, that in the case of circumvention of national security controls, the increased civil penalties are appropriate. As the administration acknowledges, additional sanctions under the act also serve as effective deterrents, particularly the denial of export privileges, which can be more costly than any monetary penalty.

With these reservations in mind, I am pleased to support H.R. 3567 and urge my colleagues to join me in voting for this bill.

Mr. Speaker, while we are considering H.R. 3567 I want to bring to the attention of Chairman BINGHAM and my colleagues a serious problem which affects the refining industry in the State of California. This problem is directly related to the procedures followed by the International Trade Administration of the Commerce Department in the issuance of export licenses.

Many refineries in California, especially those owned by independent operators, are suffering financially due to their inability to export freely residual fuel oil. I want to point out that this problem has been growing over the past 2 years as west coast refineries use greater amounts of heavy, sour California crude oil and Alaska North Slope crude oil, with many of the same properties as California crudes, in their refinery operations. These crude feedstocks produce large amounts of residual fuel oil. The residual fuel oil market on the west coast is depressed because the bunker fuel, utility, and industrial markets for this product are saturated and large quantities of residual fuel oil are being sold at a severe loss imperiling the financial viability of the independent refining industry. I should add that this product cannot be economically transported to the east coast because of the prohibitive cost involved in doing so.

There are markets for the west coast's excess residual fuel oil and these exist primarily in Japan, Hong Kong, South Korea, Taiwan, Malaysia, Indonesia, Singapore, and Sri Lanka. All of these nations are important trading partners of the United States and are good friends of our country. Under current Commerce Department regulations, it is possible to obtain an export license for residual fuel oil. But obtaining a validated export license is a lengthy, burdensome process which is not compatible with business requirements related to export markets nor is it in keeping with the President's regulatory reform objectives.

The time, expense, and uncertainly involved with obtaining an export license for residual fuel oil serves no valid public policy rationale since this particular product is not in short supply or in danger of becoming a scarce commodity. As a result, many independent refiners which need to export residual fuel oil since it cannot be marketed on the west coast are prevented from doing so by Government regulations which serve no valid purpose. As a result of this situation, these businesses are threatened. If California's independent refineries are closed, customers of refined petroleum products on the west coast will have to depend only on a limited number of large refineries to supply them with products for agriculture, industry, and general transportation purposes. In addition, if independent refineries go out of business, many producers of California crude oil will be forced to shut in their production. These consequences would adversely affect the energy situation on the west coast.

Mr. Speaker, I believe a solution to this problem can be found within the letter and spirit of the Export Administration Act of 1979. I am confident the Commerce Department can revise its export license procedures for residual fuel oil in order to give more expeditious consideration of applications for such exports.

I have met with Commerce and Energy Department officials to discuss this issue and I understand that they are reviewing the procedures. Secretary of Commerce Baldrige has informed me of the review that the Commerce Department is undertaking to consider the problems of excess supplies of residual fuel oil, and I urge the Department to take prompt action for an improved export policy for residual fuel oil. Such a policy would relieve the damage being done to a significant sector of our domestic economy and would, in no way, harm the energy security of our Nation.

Mr. BINGHAM. Mr. Speaker, will the gentleman yield to me?

Mr. LAGOMARSINO. I yield to the distinguished gentleman.

Mr. BINGHAM. Mr. Speaker, I would like to express my agreement with what the gentleman has been saying about the need for expeditious handling of these applications for licenses for export of residual fuel oil which is in surplus on the west coast and cannot economically be transported to the east coast. I would suggest that this might be a very good case for the use of the qualified general license procedure which we incorporated in the Export Administration Act of 1979. I would emphasize, however, that in doing so the 30-day notification to Congress under the amendment authored by our colleague from Massachusetts (Mr. MOAKLEY) should continue to be observed, and I know that is the intention of the gentleman from California.

Whereas a validated license must be issued for each specific export transaction, a qualified general license could be issued for more than one export over a specified period of time to a specified destination or destinations. If short supply conditions should arise at any time with respect to residual fuel, the license could be immediately terminated. This would expedite the licensing process for surplus residual fuel, keep the Congress informed of

residual fuel exports under the Moakley amendment, and maintain strong controls in case of short supply.

Finally, I would agree with the gentleman from California that the need to restrict exports of oil and refined products was not intended and should not have the result of putting small refineries out of business—refineries that we will badly need should there be another oil crisis. To the extent that small refiners must export residual oil in order to recover their costs and make a reasonable profit in the course of producing refined products that are needed and in short supply, I think it is in our interest to allow them to do so under the expedited controls that we have mentioned.

Mr. LAGOMARSINO. Mr. Speaker, I would like to ask another question, if I might. I understand that nothing in section 3 of the bill is intended to override the national security information classification system established by Executive Order 12065 or the statutory responsibility under 50 U.S.C. 403(d)(3) of the Director of Central Intelligence to protect intelligence sources and methods. Is my understanding correct?

Mr. BINGHAM. Yes; unofficial concern has been expressed by the intelligence agencies—both foreign and domestic—that section 3 of this bill could be construed to override the statutory protections on disclosing their sources and methods. The purpose of section 3 is to facilitate sharing among agencies with a role in enforcing the act information needed for effective enforcement, but not information on the sources and methods used to acquire that information.

Mr. LAGOMARSINO. Is my understanding correct that the increase in civil penalties is intended to apply specifically to circumvention of national security and foreign policy controls under sections 5 and 6 of this act?

Mr. BINGHAM. That is correct. As the committee report states—

These increased penalties are intended by the committee principally to constitute a further deterrent to violations of the national security controls—

To give the administration flexibility and the opportunity to impose higher penalties and thus better deter violations. With respect to other kinds of violations, to which these increased penalties would also apply, such as antiboycott violations, the administration can at its discretion adjust the amount of civil penalties to reflect the seriousness of the violation, and the committee would not expect the administration to impose the maximum civil penalties for minor inadvertent violations

Mr. LAGOMARSINO. Then the increased penalties are not intended to apply to paperwork errors occurring under these or other sections of this act?

Mr. BINGHAM. That is correct.

Mr. LAGOMARSINO. I thank the gentleman for yielding and clarifying this matter to me.

□ 1245

Mr. BINGHAM. Mr. Speaker, I yield 5 minutes to my colleague, the gentleman from New York (Mr. McHUGH).

Mr. GLICKMAN. Mr. Speaker, will the gentleman yield?

Mr. McHUGH. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Speaker, I rise today to call attention to a situation which would seem to run contrary to the intent of section 5 of the bill before us. On May 1, the Commerce Department, in conjunction with the State Department, denied an export license request from the Mennonite Central Committee, the national relief and assistance agency of the Mennonite Church with regional headquarters in my district, to allow them to donate 250 metric tons of wheat flour to Vietnam in order to relieve the starvation plaguing the population there. The Departments issued this rejection, an action unprecedented since the end of the Vietnam war, on the grounds that the Vietnamese Government had within its power the ability to alleviate its peoples' hunger by diverting resources from military activities to economic development. But to deny the Mennonite Central Committee's export license request ignores the magnitude of the starvation in Vietnam due to adverse weather last fall, as well as this country's tradition to providing humanitarian aid to nations of all political persuasions. Lastly, it overlooks the Mennonite Central Committee's exemplary record of serving such causes around the world, including several efforts in Vietnam during the last several years.

A food and agricultural organization delegation which visited Vietnam last fall estimated that the country faced a food deficit of 2 million tons this year. The most critical shortages are expected this month before new crops are harvested. Given the urgency of the need, I hope the Commerce and State Departments will reconsider their action and allow this compassionate effort by the Mennonites to proceed without delay.

Mr. McHUGH. Mr. Speaker, I rise in support of the bill. I am especially pleased with section 5 of this legislation which prohibits the imposition of export controls on food if those controls would result in measurable malnutrition, unless the President determines that such controls are necessary to protect U.S. national security or finds that the food in question would not reach those most in need.

The gentleman from New York (Mr. BINGHAM) and his colleagues are to be commended for incorporating this provision into the bill. As they know, the United States has tried for many years now to avoid any suggestion that we are prepared to use food as a weapon. I believe that is a sound policy. The United States should not be in the business of refusing to sell or to donate its surplus food to starving and malnourished people simply because we dislike the policies of their governments.

Unfortunately, Mr. Speaker, it would appear that the Reagan administration is rather ambivalent about whether the United States should use food as a weapon in our relations with other nations. As my colleagues will recall, Agriculture Secretary John Block disavowed his earlier support for this position at his confirmation hearings in January. Nonetheless, there have been a number of instances in recent months where it appears that our Government has indeed used food as a weapon.

Most recently, for example, the Department of Commerce has provided strong indications that it will turn down an export licensing request from the Mennonite Central Committee to send 250 tons of wheat flour worth approximately $75,000 to Vietnam. Although Mennonite farmers in Kansas would like to contribute this food to those people most seriously affected by floods and torrential rains that have devastated that country's agriculture and destroyed much of its food production over the last year, the Commerce Department apparently believes that this humanitarian gesture would reinforce the Vietnamese occupation of Cambodia.

Recognizing that normal commercial relations between the United States and Vietnam are prohibited under section 385.1 of the Export Administration regulations, it is my understanding that noncommercial shipments to meet emergency needs are not prohibited. It is also my understanding that the U.S. Government has never denied any private religious organization a license to ship humanitarian food aid to Vietnam since the end of the war, and thus I am concerned that a denial in this case would establish a new policy and set a precedent for using even privately donated humanitarian food aid as a political weapon.

In a letter to the Mennonite Central Committee, dated May 1, 1981, the Commerce Department justified its position as follows:

Although we recognize the severe economic hardships of the Vietnamese people, we believe that the Vietnamese government has within its power the ability to alleviate this hardship by ending its diversion of resources from economic development to military conquest. Although an argument could be made that 250 tons of wheat flour would qualify under humanitarian grounds, the rejection of this application for license underlines the United States Government's view that the Vietnamese government has within

its power the ability to alleviate the severe hardship its policies have brought about.

While I share the administration's opposition to the continued Vietnamese occupation of Cambodia, we should recognize that we are not talking about official U.S. food assistance. What we are talking about is a small amount of privately donated food that is being made because of deeply held religious beliefs.

I find it especially ironic that the administration would expect such an argument to be seriously entertained coming within days of its decision to lift the suspension of grain sales to the Soviet Union. As my colleagues know, that suspension was originally imposed in response to the Soviet occupation of Afghanistan and has since been lifted in spite of the fact that the Soviets continue to occupy that nation. A final decision not to grant a license to the Mennonites would almost inevitably have to be interpreted to mean that the United States is prepared to deny humanitarian food aid to Vietnam sponsored by a private religious organization that has no profit motive, but will forsake the same principle in the case of the U.S.S.R. because a profit stands to be made.

It is also important to recognize that factors other than the Vietnamese occupation of Cambodia are involved in the present food crisis being experienced by its people. Vietnam suffered a serious drought late in 1979, and six major typhoons and floods devastated its central and northern provinces in the latter half of 1980. The U.N. Food and Agriculture Organization has estimated that Vietnam faces a potential food shortage of 2 million tons this year, and has recommended an immediate delivery of 384,000 tons of food. Unfortunately, few of the traditional food donor countries have responded to this international appeal, and thus I find it especially disturbing that our Government would deny a license to ship privately donated wheat flour to Vietnam.

In short, a final negative decision in this case would be inexplicable in terms of related decisions recently taken by the Reagan administration, and would seriously damage a long humanitarian tradition fostered by the Mennonites and other religious organizations. In my judgment, any effort by our Government to undermine this tradition for short-term political advantages will only ultimately damage our standing in the Third World.

Mr. BINGHAM. Mr. Speaker, will the gentleman yield?

Mr. McHUGH. I am happy to yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

I would like to associate myself with the gentleman's remarks. I think granting this license would certainly not in any way affect the conflict in Kampuchea or the Vietnamese military activity there. It would be a humanitarian act and I hope the eventual decision will be the granting of the license.

Mr. Speaker, I yield 5 minutes to my colleague, the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. I thank the chairman of the committee (Mr. BINGHAM) for yielding me this time.

I really want to take this time to touch on one of the issues incorporated, but really that was not incorporated in this bill, and that was the reinstatement of the grain embargo. The gentleman from New York handling the bill on the floor (Mr. BINGHAM) had offered an amendment in the committee that was defeated that would have reimposed the grain embargo on the Soviet Union. It seems really incomprehensible to much of the American public that the administration, for all of its toughness on the Soviet Union, somehow saw fit, in spite of the Soviet Union still occupying Afghanistan—the reason the grain embargo was put forth—to lift the grain embargo because a campaign pledge had been made. I think that our international affairs and our foreign relations cannot be built on campaign promises.

It is interesting to note that the administration said at the time it lifted this embargo that this was in some way a recognition of the fact that the Soviet Union had not invaded Poland. What the invasion of Poland has to do with the Soviet Union invading and occupying Afghanistan I do not know. But as a reward for not invading Poland we are lifting the grain embargo. I wonder if next year the Soviet Union does not invade West Berlin what we will give them, because it seems to me that this kind of giveaway and giving in to the Soviet Union is not in harmony with what the administration and the President had said on "We must stand committed to fight communism and to fight the aggressiveness that has been demonstrated by the Soviet Union."

So while I am disappointed that the amendment offered by the gentleman from New York (Mr. BINGHAM) in the committee did not pass, I do appreciate the fact that several of the leading Republican members did support him in this effort. I believe that we have to establish in our operation of foreign policy when we make commitments that we stand by them.

Mr. ROTH. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Wisconsin (Mr. ROTH).

Mr. ROTH. I thank the gentleman for yielding. I see the point the gentleman from New York (Mr. PEYSER) is making, but he brings up the word "incomprehensible." Does he not think it would be really incomprehensible now to our allies if we reverted back to the grain embargo after the President has lifted it?

We have to have some consistency in our foreign policy, and I think that is what the President is trying to establish. I know the gentleman's viewpoint, and I think many of the points are well taken.

I think with the consistency of a foreign policy that our allies can understand and can rely upon that we had to vote against the gentleman's amendment.

Mr. PEYSER. I understand the gentleman's point of view and I guess my concern was where the foreign policy gets to be very confusing for our allies was when we lifted the embargo because they could not quite understand on what basis. I talked to a good many of them, particularly in a recent meeting in Europe, and they were quite surprised. They did not understand why this was being done other than it had been stated in a campaign.

Nevertheless, it is done. I understand the gentleman's problem. I regret we have lifted it. I hope, as I say, in the future we will show more consistency in our foreign policy.

I yield back the balance of my time.

Mr. BINGHAM. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. WEAVER).

Mr. WEAVER. Mr. Speaker, I thank, the distinguished gentleman from New York, the chairman (Mr. BINGHAM) for yielding 2 minutes to me.

I want to comment on the remarks of my good friend from New York (Mr. PEYSER) on the grain embargo.

Whether or not we have a grain embargo, whether or not it has been taken out or put back on, we are selling now to the Soviet Union grain at below the cost of our farmers to produce it. In other words, we are subsidizing the Soviet Union with these massive shipments of grain. It is costing our Government, our people, and our farmers actually money out of their pockets to sell this grain to the Soviet Union.

Corn is falling in price. Wheat is falling in price. Soybeans are falling in price. And the Soviet Union will come in and scoop it up and use the profits to expand its military capacity. I say this is one of the gravest foreign policy issues we could face today because we are talking about not just millions of dollars but billions of dollars worth of subsidies to the Soviet Union.

I have long promoted in this Congress and to this administration a bill which would allow us to get a fair price for our grain. The Grain Export Bank would allow the Secretary of Agriculture to set minimum prices of our grain for sale to foreign countries such as the Soviet Union and the richest

countries in the world who buy our grain, and this administration has refused to do it. It has condemned the farmers to sell below cost of production and has condemned the American taxpayer to subsidize the Soviet Union. So if we cannot have the embargo, then certainly we should begin selling our grain at the actual cost of production or greater. How long can we tolerate this subsidy to the Soviet Union of our cheap grain that allows them to expand their military potential?

● Mr. DERWINSKI. Mr. Speaker, I support this bill in general, my main objection being to the committee's rejection of an amendment calling for reimposition of the American grain embargo against the Soviet Union.

To date, I have basically agreed with the administration's foreign policy. The decision to lift the grain embargo, however, I believe was a mistake made because of unsound advice the President received from the Agriculture Department.

Sending signals is characteristic of modern diplomacy. The message of the embargo was to register condemnation of the Soviet Union's ruthless invasion of Afghanistan. The United States, setting aside domestic political considerations, demonstrated that as the leader of the free world, it would sacrifice economic gain to protest Soviet imperialism.

The embargo could have been better planned and implemented. Nevertheless, there is no doubt that it seriously hurt the U.S.S.R.'s fragile economy. Two consecutive years of poor harvests, coupled with the embargo, forced the Soviets to spend an extra $1 billion in scarce foreign currencies to satisfy their grain needs. Moreover, it caused them to slaughter much of their livestock because of a lack of feed grains. Leonid Brezhnev himself noted that the country was having grave trouble "supplying the cities and industrial centers with such foodstuffs as milk and meat." The U.S. grain embargo forced the Soviet Union to pay premium prices to make up the grain deficit by purchases in other, often more distant, parts of the world.

Lifting the embargo sends the wrong signals to our allies, particularly in Western Europe. How can we expect the West Germans, for example, to take a tougher stance vis-a-vis the Soviets and refrain from getting more deeply involved with them economically, when we ourselves appear to be putting domestic economic, rather than national security, considerations first? I believe that the embargo was one concrete action that told the Soviets more about U.S. interests and intentions than a spate of anti-Communist rhetoric.

In any case, the fundamental issue is not how effective the embargo was but whether the United States wishes to continue to punish the Soviets for their continuing slaughter of Afghans. Thanks to the counsel of shortsighted agriculture interests, the credibility of our foreign policy with respect to the U.S.S.R. is now being seriously questioned. We saw how credibility problems undermined the effectiveness of the previous administration's foreign policy. We do not want to see this happen again.

The White House Press Office has laboriously explained, lately, that the grain embargo would be reimposed if the U.S.S.R. should invade Poland. Since that would suggest linkage is still a key element in our foreign policy, are the Soviets to assume that Afghanistan is now a fait accompli? I would welcome an answer.●

Mr. LAGOMARSINO. Mr. Speaker, I yield back the balance of my time.

Mr. BINGHAM. Mr. Speaker, I have no further requests fo time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. BINGHAM) that the House suspend the rules and pass the bill, H.R. 3567.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BINGHAM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

□ 1300

ARMS CONTROL AND DISARMAMENT AMENDMENTS ACT OF 1981

Mr. ZABLOCKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3467) to authorize appropriations under the Arms Control and Disarmament Act, and for other purposes.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Arms Control and Disarmament Amendments Act of 1981".

SEC. 2. (a) Section 49(a) of the Arms Control and Disarmament Act (22 U.S.C. 2589(a)) is amended to read as follows:

"SEC. 49. (a) To carry out the proposes of this Act, there are authorized to be appropriated—

"(1) for the fiscal year 1982, $18,268,000 and such additional amounts as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, and other nondiscretionary costs, and to offset adverse fluctuations in foreign currency exchange rates, and

"(2) for the fiscal year 1983, $19,893,852.

Amounts appropriated under this subsection are authorized to remain available until expended.".

(b) The amendment made by subsection (a) shall take effect on October 1, 1981.

SEC. 3. Section 45(a) of the Arms Control and Disarmament Act (22 U.S.C. 2582(a)) is amended by inserting the following new sentence after the second sentence thereof: "In the case of persons detailed from other Government agencies, the Director may accept the results of full-field background security and loyalty investigations conducted by the Department of Defense or the Department of State as the basis for the determination required by this subsection that the person is not a security risk or doubtful loyalty.".

SEC. 4. (a) Section 3(c) of the Arms Control and Disarmament Act is amended by striking out "and Disarmament".

(b) Section 21 of that Act is amended by adding at the end thereof the following new sentence: "Effective on the date of enactment of the Arms Control and Disarmament Amendments Act of 1981, the United States Arms Control and Disarmament Agency shall be known as the United States Arms Control Agency.".

(c) Any reference to the United States Arms Control and Disarmament Agency in any statute, reorganization plan, Executive order, regulation, or other official document or proceeding shall be deemed to refer to the United States Arms Control Agency.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Wisconsin (Mr. ZABLOCKI) will be recognized for 20 minutes, and the gentleman from Michigan (Mr. BROOMFIELD) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3467, a bill to authorize appropriations for the Arms Control and Disarmament Agency for fiscal years 1982 and 1983.

H.R. 3467 was reported unanimously by voice vote from the Committee on Foreign Affairs on May 12, 1981. It is a modest bill. It provides for a 2-year authorization. It facilitates security clearances of personnel detailed from other Government agencies. It changes the name of the Agency to the Arms Control Agency.

For fiscal year 1982, the committee recommends an authorization of $18,268,000. This figure represents a $1.5 million increase over the administration's request. In authorizing the $1.5 million over the administration's request for fiscal year 1982, the committee intends that the additional funds should be spent in preparation for anticipated resumed arms control negotiations on TNF and SALT, in support of the Agency's verification and monitoring activities, in support

of external research in verification and nuclear nonproliferation areas, and in maintenance of the current personnel ceiling of 175 staff. All of these important activities would be severely restricted without these additional moneys. The House Foreign Affairs Committee believes that adequate funding should be provided to the Agency to continue these vital efforts.

H.R. 3467 also provides an authorization level for fiscal year 1983 of $19,893,852. The committee concluded that the most responsible way to provide for a 2-year authorization for the Agency was to apply the House Budget Committee's inflation estimate of 8.9 percent to the fiscal year 1982 authorization for the second year authorization. This action enabled the subcommittee to grant the 2-year authorization requested by the administration while keeping the second year under proper budgetary control rather than the open-ended authorization requested by the administration.

Section 3 of the bill facilitates security clearances of personnel detailed from other Government agencies to the Arms Control Agency. The amendment enables the Director of the Agency to use the results of security investigations conducted by the Departments of Defense and State. This practice is comparable to that of other national security agencies and should therefore increase the efficient conduct of the Agency while saving the American taxpayer several thousand dollars a year in unnecessary expenditures.

Section 4 of the bill changes the name of the Agency to the Arms Control Agency. The committee concluded that the inclusion of the word "disarmament" in the name of the Agency has led to the inaccurate and unfounded perception that the Agency was in some way involved in unilateral disarmament at the expense of U.S. national security. Such, of course, was never the case. In addition, Members should recall that the original House position in 1961 was to designate it as the "Arms Control Agency." Changing the name of the Agency does not in any way reduce the U.S. commitment to article 6 of the Treaty on the Non-Proliferation of Nuclear Weapons which deals with nuclear disarmament.

Mr. Speaker, the ACDA authorization for fiscal years 1982 and 1983 is a modest amount. It provides authorization for a small agency employing less than 200 people. Its responsibilities, however, are great and include such areas as: arms control negotiations; research; monitoring and verification programs; analyzing arms transfers worldwide; implementing U.S. nuclear nonproliferation policy; and providing both the Congress and the public with valuable arms control information.

As my colleagues will note, the total fiscal year 1982 authorization contained in H.R. 3467, $18,268,000 million, if fully appropriated, would only amount to 0.002 percent of the President's revised 1981 budget authority request. Since the authorizations contained in this and other legislation reported by the Committee on Foreign Affairs would be well below the President's request, the enactment of this legislation would contribute to the total effort to reduce the deficit and the present rate of inflation.

Mr. Speaker, each Member should carefully consider the ACDA authorization in the context of the current environment of heightened international tensions. Over the next 6 fiscal years, this Congress and future Congresses will be considering an unprecedented budget of $1.6 trillion in military spending. Now is the time to reinforce the role and mission of the Arms Control Agency. The bill before us, H.R. 3467, will, if enacted, enable the Arms Control Agency to carry out its responsibilities over the next 2 years in a fiscally responsible and effective manner.

In conclusion, Mr. Speaker, I would like to reemphasize that this bill is indeed a noncontroversial bill. It has enjoyed complete bipartisan support, and was reported out of the House Committee on Foreign Affairs unanimously with the full support of the minority members of the committee.

I would like to also pay tribute to the ranking member of the committee, my colleague and very good personal friend, the gentleman from Michigan (Mr. BROOMFIELD), and would like to express my appreciation to him for his support of this measure.

I urge the adoption of H.R. 3467.

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to express my appreciation to the chairman on the way he has handled this legislation through the subcommittee and the full committee. It was unanimously approved by our committee.

Mr. Speaker, as the chairman has mentioned, the Legislation we have before us today provides the Arms Control Agency with an authorization of appropriations which will allow the Agency to improve nuclear safeguard programs, support verification and monitoring activities, provide research in nuclear nonproliferation and verifiction, as well as sustain certain arms control negotiations while preparing for potential talks on the problems of Theater Nuclear Force (TNF) modernization and strategic arms control.

In particular, the legislation changes the name of the Arms Control and Disarmament Agency to the Arms Control Agency and authorizes $18,268,000 in fiscal year 1982 and $19,893,852 in fiscal year 1983 for the Agency.

The legislation also permits the Director of the Arms Control Agency, in the case of persons detailed to the Agency from other Government agencies, to use the results of security investigations conducted by the Departments of Defense and State as the basis for the Determination that the person is not a security risk. This provision allows for minor budgetary savings and expedites security investigations on personnel detailed to the Agency, since the Arms Control and Disarmament Act presently requires the Director of the Agency to arrange for full background investigations for those persons being detailed to the Agency from other Government agencies.

In conclusion, I believe that the bill contributes to our national and international security, especially in the aras of nuclear nonproliferation and arms control verification, and I urge my colleagues to support the legislation.

● Mr. DERWINSKI. Mr. Speaker, a matter of great concern to me for years has been the ability of the United States to verify Soviet compliance of the arms limitation agreements it negotiated with the Soviet Union. It was this concern over verifiability which caused me in 1977 to seek amendment of the Arms Control and Disarmament Act and firmly establish the principle of verification in our arms limitation agreements.

That amendment passed overwhelmingly and requires, among other things, that the Director of the Arms Control and Disarmament Agency (ACDA), now simply renamed in this bill the Arms Control Agency, to report on a timely basis, or upon a request by an appropriate committee of the Congress, on the number of professional Government personnel assigned on a full-time basis to arms control verification. He is also required by the amendment to report on the amount and percentage of research funds expended by ACDA for the purpose of analyzing issues relating to arms control verification.

Most importantly, the amendment also requires the Director to determine whether arms control proposals can be verified as well as whether there has been any decrease in U.S. capacity to verify an existing arms control agreement or treaty.

The Subcommittee on International Security and Scientific Affairs has thus received from ACDA periodic reports on the numbers of professional Government personnel assigned to arms control verification and the amounts and percentage of research funds spent by ACDA to analyze issues relating to verification.

Meetings with ACDA, CIA and the Department of State concerning strategic arms limitations talks, and in

particular, verification of the SALT II treaty, were also held. One of these was an executive session meeting concerning, in particular, the loss of the KH-11 reconnaisance satellite manual to the Soviets and the impact of that loss upon our ability to verify Soviet activities.

Mr. Speaker, I am pleased to report that this administration realizes the need to focus on the question of the Soviet Union's compliance with strategic arms agreements. In the past, I fear there has been a tendency to give the Soviets the benefit of the doubt or explain away Soviet actions that violated both the spirit and the letter of the SALT accords. Given what is at stake, that is a policy we cannot afford to continue.

One of the reasons I cosponsor H.R. 3467 is its provision that would increase our research on verification. I strongly favor improvement of our means to verify arms control agreements. No arms control agreement with the Soviets would be worth anything without adequate verification. Improved research in the area of verification may, among other things worthwhile, in addition to enhancing our understanding of verification, narrow the meaning of "adequate." It is important that we agree on what adequate verification is.

I support the action of the Committee on Foreign Affairs in changing the name of ACDA to the Arms Control Agency, a name more appropriate to the strategic goals of the United States. I also endorse the committee's authorization to increase the Agency's small budget to permit the possible start of Theater Nuclear Force (TNF) arms talks and SALT negotiations as well as research in the area of nuclear nonproliferation.

I am especially pleased to back the bill's provisions which enhance our efforts at verification.

● Mr. MOFFETT. Mr. Speaker, I would like to lend my strong, unequivocal support to the reauthorization of the Arms Control and Disarmament Amendments Act. The Arms Control and Disarmament Agency, established by this act in 1961, coordinates U.S. arms control policy, negotiates arms control agreements with other nations, and conducts and disseminates research related to arms control and disarmament. As one who loves peace, this simple reauthorization is a first step toward what many of us hope will be a mutual arms reduction with the Soviet Union.

The reauthorization of this act, however, has raised some questions about the administration's intention concerning arms control and national security as no funds were requested by the administration for SALT (Strategic Arms Limitation Talks) or TNF (Theatre Nuclear Forces). Furthermore, the administration requested a $1.6 million reduction for external research programs in nuclear testing and strategic arms areas and a reduction of professional personnel. In the absence of any public discussion of or proclamation on arms control and national security, are we to surmise that these budget changes represent the administration's policy on arms control? If so, I would urge that the Congress take measures so that we can obtain a better understanding of the administration's position on such a crucial matter.●

Mr. BROOMFIELD. I have no further requests for time, and yield back the balance of my time.

Mr. ZABLOCKI. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI) that the House suspend the rules and pass the bill, H.R. 3467.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed, H.R. 3467.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

CAN CONGRESS, BY LAW, ESTABLISH WHEN LIFE BEGINS?

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, a few days ago I received a petition in writing signed by several hundred scientists and supporting a resolution passed on April 28, 1981, by the National Academy of Scientists. The petition opposes and denies the concept that—

Present-day scientific evidence indicates a significant likelihood that actual human life exists from conception.

The petition goes on to say—

Defining the time at which the developing embryo becomes a "person" must remain a matter of moral or religious values.

The petition was signed by scientists from Harvard University, Brandeis University, Tufts University, and the Massachusetts Institute of Technology. I have not taken the time to count the number of scientists who signed the petition, but it is a modest statement to say that they were in the hundreds. A vast majority of them were in the fields of biology and related fields. A number of them were Nobel laureates. The petitions are in my office if anyone wishes to inspect them.

All of the petitions are identical except for the designation of the university with which the signatories are affiliated. I am setting forth only one; namely, the face sheet of the petition from Harvard University.

We, the undersigned scientists at Harvard University, support the resolution passed on April 28, 1981, by the National Academy of Sciences, which states:

"It is the view of the National Academy of Sciences that the statement in Chapter 101, section 1, of U.S. Senate Bill S158, 1981, cannot stand up to the scrutiny of science. This section reads 'the Congress finds that present-day scientific evidence indicates a significant likelihood that actual human life exists from conception'. This statement purports to derive its conclusions from science, but it deals with a question to which science can provide no answer. The proposal in S158 that the term 'person' shall include 'all human life' has no basis within our scientific understanding. Defining the time at which the developing embryo becomes a 'person' must remain a matter of moral or religious values."

As biologists, we agree that science cannot define the moment at which "actual human life" begins and consider that the attempt to reach a scientific resolution of this question represents a misuse and misunderstanding of science. As individuals, we feel that the reproductive rights of women guaranteed by the Supreme Court should be preserved and we deplore the current efforts of Congress to undermine these rights.

Konrad Bloch, Higgins Professor of Biochemistry, Professor of Science (Public Health), Nobel laureate; Walter Gilbert, American Cancer Society, Professor of Moleculear Biology and Chemistry, Nobel laureate; William N. Lipscomb, Abbott and James Lawrence Professor of Chemistry, Nobel laureate; Professor George Wald, Nobel laureate, Biological Laboratories, Harvard University; Mark Ptashne, Professor of Biochemistry and Molecular Biology, Department Chairman.

By coincidence I have noted that this morning's Washington Post, Monday June 8, 1981, carries a report of a Washington Post-ABC News poll reflecting that the American public, by a wide majority, supports legalized abortion and that more than two out of three Americans oppose any law that would make abortion murder. According to the poll, 40 percent approve of abortion on demand and an additional 34 percent approve of abortion in most circumstances, making a total of 74 percent.

As a further coincidence, this morning's newspaper carries a story that the American Medical Association is sending two spokesmen to oppose pending legislation through which Congress would by law establish that human life begins at conception.

ACROSS-THE-BOARD TAX CUT WILL HAVE BENEFICIAL EFFECT ON SMALL BUSINESS

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LAGOMARSINO. Mr. Speaker, a frequently overlooked aspect of the President's proposal for a 25-percent across-the-board cut in individual tax rates is the effect it will have on small business.

As pointed out in an editorial in the Carpinteria Herald, published in my district, millions of small businesses in America pay their taxes not as corporations but as individual taxpayers. In fact, the U.S. Chamber of Commerce reports that almost 90 percent of U.S. businesses paid taxes at individual rates in 1977, and thus would be directly benefited by the President's plan.

As you know, small businesses employ almost half of our work force, and are the major well-spring of innovation and new jobs in our economy. Can anyone doubt that a reduction in the taxes paid by these firms would result in a burst of new jobs, increased productivity and economic prosperity?

We must not delay any longer. America's workers, businessmen—and individual taxpayers—all need the President's tax cuts. They will spend the money a lot more wisely and productively than the Government will.

Mr. Speaker, the editorial follows:

[From the Carpinteria Herald]

DOES SMALL BUSINESS COUNT?

In the intensifying debate in Washington over President Reagan's antiinflation program, embracing both spending and tax reductions, critics of the tax plan overlook its favorable impact on small business. To these critics, millions of U.S. business proprietors and entrepreneurs are neither fish nor fowl.

To them the question is not whether the tax plan helps the economy but simply another replay of the favorite old Washington political game of using the tax system to redistribute income. All they want to debate is whether the rich will get more than the poor.

Of course, the poor pay little or no taxes under our system of graduated—or progressively higher—income tax rates. But that is beside the point, to those critics, as is the fact that fully three percent of all those interviewed in a scientific nationwide survey, when asked whether they would save or spend most of any tax savings, replied they paid no taxes at all.

Those who claim they would like to tilt tax savings toward the poor also are not interested in the fact that lower-income groups comprising the bottom 46 percent of U.S. taxpayers pay less than four percent of all income taxes.

The reductions—totaling 30 percent in individual income tax rates over three years—are designed to distribute the savings in approximately the same pattern or proportion, as people pay their personal income taxes.

Thus income groups paying the bulk of the tax will receive the largest share of the tax reductions. In turn, their savings will enable them, along with business, to save and invest in the creation of new jobs and improving productivity.

But perhaps more importantly, the poor versus rich diversion ignores the fact that millions of U.S. small businesses, the greatest source of new jobs in our economy, do not pay income taxes as corporations but pay their income taxes as individual taxpayers, and thus will be directly benefitted by the Reagan plan.

This point has been emphasized by the U.S. Chamber of Commerce, which represents more than 112,000 businesses—85 percent of them employing fewer than 100 persons.

The chamber has officially endorsed the full Reagan package, which in many respects is similar to "Let's Rebuild, America," an economic recovery program unveiled by the chamber a year ago.

Dr. Richard L. Lesher, president of the U.S. Chamber, believes that the tax reduction slated for small businesses that pay taxes as individuals, is "one of the compelling arguments" in favor of the Reagan plan for across-the-board cuts in tax rates—"and one that is totally ignored." He adds:

"The overwhelming majority of 14 million firms in America are unincorporated small businesses which are exposed to steeply graduated personal rates.

"Even many incorporated small businesses—more than 350,000—are exposed to these same rates, because they elect to pay taxes through individual shareholders."

He points out that approximately 600,000 small firms failed last year, and that the economic well-being of small enterprises is essential to a national recovery.

"We must allow entrepreneurs to retain a greater share of their earnings to recycle back into their enterprises," he said.

In testimony before the House Ways and Means Committee, Edwin S. Cohen, chairman of the chamber's taxation committee, explained that almost 90 percent of U.S. businesses taxable in 1977 paid taxes at individual rates, and thus should benefit directly from the proposed reduction in rates.

Is there any doubt that small business—particularly those struggling to grow and prosper—would use their extra money left by a cut in tax rates to expand and create jobs? History says they would. According to the House Committee on Small Business, small businesses supply half of the U.S.'s goods and services and an overwhelming majority of all newly created jobs.

THE CONDOMINIUM-COOPERATIVE CONVERSION CRISIS

(Mr. ROSENTHAL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROSENTHAL. Mr. Speaker, today I am introducing two bills that would address the growing American problem of condominium-cooperative housing conversions. Hundreds of thousands of Americans have been displaced from their homes by this process. Scarce mortgage dollars are consumed by middlemen and diverted away from new housing construction. Rental housing in our urban centers is fast disappearing.

I encourage my colleagues to study this legislative package.

THE CONDOMINIUM-COOPERATIVE CONVERSION CRISIS

The United States is experiencing a severe housing crisis. Affordable rental housing is fast disappearing. Home prices have escalated beyond the means of the average buyer. Interest rates are at record highs.

A leading cause of the housing crisis is the widespread and rapidly growing practice of converting rental housing to condominiums or cooperatives. The most immediate consequence of this practice is the forced displacement of thousands of elderly, low and moderate-income families from their apartments. Because conversions have severely reduced the supply of rental housing in many metropolitan areas, rents have been pushed to new highs. Housing inflation has been fueled by the prices middlemen-developers are willing to pay to purchase and convert rental buildings and the prices speculators are willing to pay to buy individual units or blocks of units. Scarce mortgage resources are being funneled into conversions instead of new housing.

Federal tax laws encourage owners of rental properties to sell to condominium and cooperative converters. At the same time, the tax laws discourage rental landlords from selling directly to tenants. These laws have the effect of increasing speculation and higher housing prices for consumers.

Legislation is needed to stem the tide of conversions, to remove the speculative fever from the conversion marketplace, to prevent the forced displacement of thousands of tenants, to decrease the loss of rental housing and to limit inflationary increases in housing prices. These goals can be achieved by first imposing a national moratorium on the involuntary conversion of rental properties to condo or co-op status and by amending the tax laws to slow down excessive speculation in rental housing and by using tax incentives to reduce the profits of middlemen converters.

CONVERSION TRENDS

The condominium and cooperative form of ownership is not a new phenomenon, but the recent trend toward conversion (i.e., taking units off the rental market for purposes of sale) shows a startling increase. Since 1970, about 366,000 units have been converted, with 71 percent of the conversions taking place since 1977. In 1970 there were only 85,000 condo units in the entire United States. Today, Chicago and its suburbs alone contain 85,000 condo units. Reliable estimates place the number of conversions in 1980 at 160,000, 10 percent higher than the 145,000 that took place in 1979. The Department of Housing and Urban Development estimates 1.1 million more rental units will be converted by 1985. Conversion filings doubled in 1980 in California, Florida, Michigan, New Jersey, and New York.

In New York City and its suburbs yearly conversions went from 13,000 to 24,000 and are projected to increase at least another 50 percent in 1981. According to HUD projections, half the population will live in condos by the end of the century. Nationwide statistics, however, mask the extent and impact of conversion in specific cities. According to testimony presented to the Commerce, Consumer, and Monetary Affairs Subcommittee, "condomania" is gobbling up

close to 50 percent of the housing market in areas of Southern California, Chicago, Boston, Philadelphia, New York and Washington, D.C. The conversion trend is broadening and becoming significant in new markets. Small towns and suburbs which previously reported virtually no conversion activity have suddenly experienced a dramatic rise in conversions. The following table lists estimates of the number of apartments converted in 18 U.S. cities from 1977 to 1981.

Estimated conversions by city, 1977–81

	Units
Atlanta	5,000
Boston and suburbs	16,000
Chicago	69,000
Dallas-Fort Worth	9,500
Denver	14,800
Detroit	5,500
Houston	24,000
Los Angeles-Orange County	34,500
Miami-Fort Lauderdale	25,000
Minneapolis-St. Paul	9,800
New York-Long Island	103,000
Philadelphia and suburbs	11,500
Phoenix	4,700
San Diego	11,000
San Francisco-Oakland	16,900
Seattle	11,000
Tampa-St. Petersburg	18,000
Washington, D.C. and suburbs	41,500

Sources: U.S. Housing Markets, April 24, 1981. Forbes magazine, Nov. 13, 1978.

According to the June 1980 HUD study, "The Conversion of Rental Housing to Condominiums and Cooperatives," conversions have been most numerous in metropolitan areas characterized by strong and growing market demand for homeownership. Conversions are not, as some believe, associated with distressed rental markets. There is no evidence that conversions are concentrated in metropolitan areas with higher than average rental vacancy rates or depressed rent levels. Furthermore, HUD found that legislated rent controls are not necessary conditions for or leading causes of conversions. Chicago, for example, which never had rent controls, leads the nation in conversion activity.

At present, conversions generally occur in luxury buildings which show a profit as rental properties. However, the trend also shows increasing conversions of moderate- and even low-income buildings and a move away from the large central city to smaller cities and suburbs. As the cream of luxury buildings disappear from the rental market, the condo converters increasingly look to the next level of building to convert.

CONSEQUENCES OF CONVERSION

Most renters simply cannot afford to follow the trend. One-half to three-quarters of tenants are unable to buy their converted apartments. Those who are forced out usually find inferior housing and higher prices awaiting them elsewhere. And once they resettle, there is no guarantee that their new apartments will not be converted out from under them again.

In spite of demonstrated hardships to tenants and growing organized opposition to conversions, developers' profits remain extraordinarily large. It is not uncommon for a converter to purchase a building for $50 million and to put the apartments on the market for $100 million after making only cosmetic improvements. The profits are so large and so immediate that federally regulated banks are eager to finance conversions, often at rates higher than the prime rate. Thrift institutions are also eager to provide financing for individual unit purchases after developers pay large fees to the thrifts for loan commitments. These fees are passed along in the form of higher prices. Large blocks of scarce mortgage resources are utilized for pure speculation. And all this, without creating a single new housing unit.

The immediate effect of a condominium conversion is the displacement of tenants who cannot afford or do not wish to purchase their unit. Many renters, especially the elderly, cannot afford to pay for apartments that often cost the original purchaser more than two to three times their monthly rent. In its 1980 study, HUD found that the monthly cost of owning a condominium unit (including mortgage interest, property tax payments, and maintenance fees) was higher by 36 percent over the previous monthly rent. The median increase, according to HUD, in monthly housing costs for buyers coming from other housing is 62 percent. Other studies in specific communities have found increases of over 50 percent. These cost increases impact most severely on the fixed-income, elderly and on those with low or moderate incomes.

The inflationary impact of condominium and cooperative conversion on housing costs can be readily seen by comparing the rental costs of a unit with the post-conversion cost of the same unit in two converted buildings studied by the Commerce, Consumer, and Monetary Affairs Subcommittee:

"(i) A two bedroom apartment in Plaza 400 (a 628-unit, 40-story luxury building at First Avenue and 56th Street in Manhattan), which rented for $938 per month before conversion, costs $1,657 after the conversion, before tax benefits are calculated.

"(ii) Differences in costs between renting and owning at the Promenade Apartments in Bethesda, Maryland indicate even greater differentials. The building was purchased by American Invsco for approximately $49 million and the projected sellout has been estimated between $95 and $100 million. Prior to conversion, a typical two-bedroom apartment at the Promenade rented for $610 per month. The total monthly cost of owning this same apartment after conversion to cooperative status would be $1,773 on a pre-tax basis, assuming an 85 percent 30-year mortgage at a sale price of $127,000 at current market rates."

The higher costs of converted units adversely affect thousands of Americans who do not wish to or who cannot afford to purchase their apartments and who do not need the tax shelter that condominium ownership brings.

The magnitude of the displacement problem is enormous. HUD found that about two-thirds of prior tenants move out following a conversion. According to HUD:

"Some conversions require people with low or moderate incomes to move because they cannot afford to buy their apartments. About 42 percent of those who moved out of converted buildings had incomes which, according to generally accepted criteria, were too low to have permitted them to buy their converted units; 47 percent of all former residents say they did not purchase because they believed they could not afford to do so."

Statistics, however, do not begin to tell of the stark human tragedy facing elderly people forced into moving by a conversion. The Subcommittee on Commerce, Consumer, and Monetary Affairs heard dramatic and poignant testimony of case after case of physical and psychological trauma, even suicide, brought about by the forced relocation caused by a conversion. One man said it was the worst experience in his life since he was forced from his home by Nazi Germany.

A University of Miami study reported in the New York Times of May 31, 1981, found that elderly residents of rental apartments suffer serious emotional and physical disturbance when their apartment buildings are converted to condos. These findings are similar to a study by the National Council of Senior Citizens of elderly, low- and moderate-income tenants in Washington, D.C. which found that the bulk of the displaced tenants found it harder to see their families, go to church, and visit their doctors after moving. Close to half of the respondents experienced ill health including depression, mental distress, and great anxiety. Perhaps most important, displaced tenants often find it difficult to find new housing, and the apartments they do find usually charge higher rents. HUD found that half of all former residents had difficulty in finding new housing.

The second major consequence of condominium conversion is the depletion of rental housing stock and subsequent rent increases in remaining apartments. Most conversions occur in areas with already low rates of rental vacancy. The national rental vacancy rate is 4.8 percent, but in some areas it is substantially lower. For example, in New York City it is 0.5 percent; in Minneapolis-St. Paul it is 3.9 percent; in Los Angeles-Orange County it is 2.1 percent; in Seattle it is 3.5 percent; in Washington, D.C. it is 2 percent; in Denver it is 2 to 3 percent; in San Francisco it is 2 to 3 percent; and, in Atlanta it is 2.7 percent. These low vacancy rates mean that comparable rental apartments are virtually unobtainable for those forced from their homes by conversions.

Because conversions decrease the supply of rental units without decreasing the demand for them, rents in continuing rental buildings tend to rise. At the same time, today's reduced rate of home building and continued high prices for housing have forced more people into the rental market. The result is that condominium conversions force rental vacancy rates down to critically low levels. Condominium conversions clearly create a vicious cycle in the rental housing market of a city. They occur where a shortage of adequate rental units already exists, thus panicking many people into buying converted units. This reduces the availability of rental housing even further, and drives up the rents in remaining apartments. The combination of lower vacancy rates and higher rents then prompts another round of "condomania." In short, the demand for many converted condominiums is partially artificial—created by shortages that have been created by developers.

FEDERAL CONCERN

In October of 1980, Congress enacted Title VI of the Housing and Community Development Act which expressed the,

"Sense of Congress that lending by federal insured lending institutions for the conversion of rental housing to condominium and cooperative housing should be discouraged where there are adverse impacts on housing opportunities of the low and moderate income and elderly and handicapped tenants involved."

Section 602 of the Act states that:

"There is a federal involvement with the cooperative and condominium housing markets through the operations of federal tax . . . laws, through the operation of fed-

erally chartered and insured financial institutions and through other federal activities; that the creation of many condominiums and cooperatives is undertaken by entities operating on an interstate basis."

During floor debate on the legislation, Congressman Henry Reuss of Wisconsin, then Chairman of the House Banking Committee stated that:

"The Nation's scarce pool of credit for new capital investment, small business, farmers, and particularly new housing, is sufficiently strained so that it makes no sense to encourage its use for the purpose of evicting unwilling tenants, further lowering the Nation's short supply of rental housing, and raising housing costs in the building involved and throughout the area. The federal regulatory agencies . . . aware of the congressional expression, should present that point of view on the same basis that they all discourage and encourage various undesirable and desirable loans in many other areas today."

The Internal Revenue Code also has a remarkable impact in determining the types and availability of housing in this country. In the postwar period, the array of deductions and deferrals favoring housing gave the middle class effective incentives to become homeowners and helped to stimulate the construction of new, moderately priced homes. Today, the tax treatment of housing operates as a hidden regressive subsidy, one that aggravates the displacement of apartment dwellers, often enriching well-to-do converters, landlords and speculators.

Federal tax laws have created a new class of housing middlemen by encouraging owners of rental buildings to sell their properties to condominium and cooperative converters. The profits from such a sale are taxed at relatively low capital gains rates. On the other hand, the profits from maintaining the building as a rental property or from selling the building to tenants, are taxed at a much higher ordinary income rate.

As opposed to the many intractable aspects of the nation's current housing difficulties, counter-productive tax deductions are one problem that Congress can readily redress. A simple remedy for the destructive interaction of current tax deductions with our urban predicament is to alter the circumstances under which mortgage interest and real estate taxes can be deducted and thereby provide disincentives for inflationary conversions.

SPECULATION AND INFLATION

The staff of the Subcommittee on Commerce, Consumer, and Monetary Affairs has conducted an extensive examination of the impact of federal laws and federal agency programs on the conversion trend. Some of its investigative findings concerning speculation and inflation include:

(1) Large numbers of condominium and cooperative units in converted buildings are purchased by investor-speculators at the time of conversion.

The Department of Housing and Urban Development in its condominium study found that a total of 37 percent of all condominium and cooperative units are not owner-occupied with 19 percent in the hands of outside investors and 18 percent in the hands of the converting corporation. Other studies have estimated investor-speculator ownership at 20 to 30 percent in Chicago and at 50 percent in areas such as Florida.

(2) There is substantial evidence that speculator-purchases of condominium housing units (a) contribute materially to housing inflation; (b) undermine the public policy purpose of the Federal Home Loan Bank System, which is designed to finance economical homeownership; and (c) conflict with Section 603 of the Housing and Community Development Act of 1980, which seeks to discourage conversions that raise housing costs to and displace moderate- and low-income families and other tenants.

Speculator purchases of condominium units are a major contributor to inflation because (i) the large pool of speculator dollars available to purchase condominiums upon conversion, creates a demand for units that would otherwise not be available; (ii) the accelerated turnover rate of condos owned by speculators and motivated by a desire for quick profits, bids up the cost of these units; and (iii) speculator loans are made at higher interest rates, often involve fees or points to obtain such financing, and consequently raise the costs of units.

(3) Regulations and Policies of the Federal Home Loan Bank Board, the agencies operating the secondary mortgage markets and the private mortgage insurance companies designed to restrain speculation in the condominium marketplace and assure truthfulness on mortgage loan applications, have been systematically violated in the case of mortgage loan applications for units in many converted buildings.

False statements of intention to occupy a premise and limits on speculator-owned apartments also violate some state laws, the lending policies of many savings and loan associations and the practices of private mortgage insurance companies.

(4) Speculative purchases of converted condominium and cooperative units undermine the public policy purposes of the federal and state thrift banking system by absorbing large amounts of mortgage money during periods of high interest rates and limited mortgage credit.

The basic purpose of the federal and state thrift system (savings and loan associations and similar financial institutions) is to finance the purchase of housing to be used as a principal place of residence for the purchaser. It was not designed to provide mortgage debt for speculator-investors.

LEGISLATION NEEDED

If the nation's housing crisis is to be eased, one of the first steps must be to halt the loss of affordable rental housing resulting from condo and co-op conversion. The Federal Government can take steps to prevent the forced displacement of thousands of tenants, halt the destruction of the rental market, slow down speculation in housing and reduce inflationary increases in housing prices. Legislation is necessary.

A number of cities and states have taken steps to deal locally and temporarily with the problems caused by condominium conversion. Legislation to assure the quality of conversions and protect condominium purchasers from fraud and other abuses has been passed in several states. A few localities have attempted to restrict conversions. In New York City and San Francisco conversions are permitted only when 35 percent or more of the tenants in a project agree to purchase their units. Other localities restrict conversions when the rental vacancy rate falls below a specified percentage. New York State prohibits the eviction of elderly and handicapped tenants who decline to purchase their converted unit if they meet certain eligibility requirements. The building is allowed to convert, but the elderly tenants are allowed to stay on as renters. Other areas also protect elderly tenants from eviction. But even non-eviction plans fail to protect the next generation of renters.

Yet these local regulations are the exception rather than the rule. Although they do provide some protection to tenants and some restrictions on conversions, very few of them adequately deal with the crisis at hand. Vacancy rates for rentals continue to decline, rents continue to soar, and conversions continue unabated. Even though "condomania" is spreading across the country few areas have laws adequate to deal with it. By the time our cities and states are prepared to act, thousands more units will have been converted and thousands of tenants displaced. Once an apartment goes condo it is effectively lost to the rental market forever.

The Federal Government has a responsibility to deal with the conversion crisis because federal laws and practice determine the economics of the housing marketplace. Moreover, our national housing policy commits the Government to insuring a decent home and suitable living environment for every American family. Federal leadership in regulating the conversion process in order to preserve and create new rental opportunities clearly has ample policy precedent. Since local and state action has been minimal and inadequate, national legislation must be passed now to halt displacement and prevent the demise of the rental housing industry.

Two legislative approaches are needed—a national moratorium on conversions and amendments to the tax laws to slow down excessive speculation:

1. The Residential Rental Unit Conversion Moratorium Act of 1981

The 1981 Residential Rental Unit Conversion Moratorium Act of 1981 is an essential first step in protecting displaced tenants and preserving rental housing. The bill, if enacted, would cost the government virtually nothing, yet it would go a long way toward alleviating the conversion crisis:

Title I of the legislation would effectively prohibit forced condominium and cooperative conversion for a 2-year period. By placing restrictions on loans from federally chartered institutions or made with federally insured funds and through other means, this bill would provide the nation with the time necessary to study the crisis in rental housing while preserving the existing rental stock. Without a moratorium, conversions will continue at such a pace that in many communities there will be few, if any, rental buildings to protect. It may already be too late for cities like Chicago and Washington, D.C. Without a moratorium, developers would be encouraged to convert quickly before the administration and Congress could act. (In the months prior to enactment of condominium conversion legislation, many units are normally converted to condominiums).

A moratorium is not without precedent. Over 15 cities including Washington, D.C., Philadelphia, San Francisco, Seattle, Palo Alto, Skokie, and San Jose—have enacted moratoria on conversions while they considered legislation. The moratorium would include cooperative housing—currently popular in a few cities—because restrictions on condominiums alone might cause developers to convert to co-op instead. The construction of new condominiums and cooperatives will in no way be affected by the 2-year ban. Nor would the sale and conversion of a

rental property to a bona fide tenants organization. This exception allows for self-help co-oping, where tenants convert the building and no middlemen are involved.

Title II of the bill establishes a Presidential Commission on Problems Relating to Condominium-Cooperative Conversions. The Commission will have 1 year to study the issue and report its findings and recommendations to the Congress. Congress and the President would then be in a position in which to pass regulations and legislation.

The need for an independent commission becomes apparent when one examines HUD's efforts (or lack thereof) with regard to conversions. Although the 1980 HUD study made clear that serious problems exist, it made no recommendations for remedying them. Clearly, the situation must be studied by an independent group of experts who are prepared to offer remedies for the problems disclosed.

2. The Condominium-Cooperative Conversion Tax Adjustment Act of 1981

This bill would reverse the tax incentives which now encourage landlords to sell their rental buildings to middlemen developers for the purposes of conversion. It would also reverse the present provisions of the tax code which discourage direct sales to tenant co-ops or to individual tenants. If conversions must proceed, there is every reason to eliminate steep increases in price necessarily associated with middlemen. It has been shown that given the appropriate tax incentives, conversions need not be synonymous with steep increases in prices.

Under current law, if the owner of a rental building sells individual units in his building to his tenants, the profits are taxed at ordinary income rates. A sale of the building to others (including converters and developers) is taxed at capital gains rates. Accordingly, the current tax code encourages landlords to sell to middleman converters rather than to tenants directly. Sales to such middlemen converters inevitably increase costs of apartments substantially above the prices of direct sales to tenants.

The "Condominium-Cooperative Conversion Tax Adjustment Act of 1981" would discourage the sale of rental properties to middlemen coverters by changing the law so that the gain from such a sale would be taxed as ordinary income if the building was converted anytime during a 3-year period after the sale. The bill would also tax at ordinary income rates the profits from sales of individual units in buildings which were so converted.

Conversely, this section would reverse current law by providing favorable capital gains rates for sales by a rental landlord to a tenant cooperative or directly to tenants living in the building. At present, landlords normally have to pay ordinary income rates if they convert the property to condo or co-op and sell units to tenants directly.

Because of the present tax law, it is most common for landlords to sell conversion property to a converter, rather than convert it themselves. The landlord often believes he is forced to sell to a converter in order to have his profit taxed as a capital gain, when he would prefer to sell directly to tenants at lower prices and over a longer period of time. For this reason, the tax laws have the practical effect of imposing a middleman—the converter—in the conversion process and thereby further increasing the price of condominium properties.

The Condominium-Cooperative Conversion Tax Adjustment Act of 1981 would also cut down on speculation in converted condo and co-op units by denying individual owners of three or more condo or co-op units the right to take federal tax deductions in excess of income on the units.

The purpose of this part of the bill is to increase revenue and to cut down on speculation in converted condo and co-op units. By denying deductions in excess of gross income for an individual's third or fourth apartment, the tax benefit motives activating many housing speculators would be obviated. This will result in cooling the housing market in converted units and lower prices to make housing more affordable.

The bill contains several other provisions designed to halt speculation in converted apartments. Housing should not be treated as a speculative commodity for persons seeking tax shelters.

The legislation to be introduced will not alone solve the nation's housing crisis. But it is an important first step in that direction.

THE DEFENSE BUDGET: WHAT IS THE OBJECTIVE? IS IT BLOATED OR NOT?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. GLICKMAN) is recognized for 60 minutes.

GENERAL LEAVE

Mr. GLICKMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. GLICKMAN. Mr. Speaker, I take the floor today in a special order to discuss the defense budget of the United States in a general manner. I am one Member who has voted for all the defense authorization and appropriation bills. I am not on any defense committee, and I, as well as most Members of this House, are generally perceived as people who want a strong defense, who want an effective defense, and who also have been concerned that some very important parts of our defense system have deteriorated that should have been improved over the last several years.

But we are also concerned that increases in defense outlays, while they are long overdue, must be accompanied by an explicit strategy along with these expenditures. We are also concerned that for the American people, since we do not have any effective or waste-free military force structure, the consensus of many for that structure will erode very rapidly.

The budget which we adopted earlier this year calls for a dramatic increase in defense spending. The budget resolution approved by the House calls for $226.3 billion in budget authority and $188 billion in outlays for fiscal year 1982 in the defense function. That compares with about $180 billion in budget authority and $162 billion in outlays during this fiscal year.

While every other function in the Federal budget is being funded less in real terms in 1982 than fiscal 1981, the defense budget will increase by over 10 percent this year in terms of budget authority and over 6 percent in terms of outlays. From fiscal 1980 to fiscal 1982, authority will have increased by 50 percent and outlays by nearly 40 percent.

As our Committee on the Budget noted in its report on the first concurrent budget resolution, this amounts to the most rapid peacetime increase in the defense budget in our history.

Mr. Speaker, I would first yield to the chairman of the House Committee on the Budget, our distinguished colleague from Oklahoma (Mr. JONES).

Mr. JONES of Oklahoma. I thank the gentleman from Kansas (Mr. GLICKMAN) for yielding. At the outset I want to commend the gentleman from Kansas (Mr. GLICKMAN) for taking this special order to bring this very important issue to the American people.

Mr. Speaker, true military strength is as difficult to define as it is essential to maintain. That is the issue we are discussing here today. All of us involved in this debate are dedicated to a U.S. defense force second to none.

But there is an unfortunate tendency to confuse military strength with military spending. We must spend large amounts of money on our military. There is no debate about that.

But money alone is not enough. High quality, well-trained officers, noncommissioned officers, and enlisted men are absolutely essential. Without good men and women with solid morale and motivation, the best of weapons will not be good enough.

History is full of examples of paper strength. Perhaps the French Army of World War II is the best recent example. Military experts confidently predicted that the French, with their impregnable Maginot Line, would be more than a match for the Germans.

But the French were ready for the wrong war and after the initial shock of defeat, officers and men, en masse, simply quit.

Our military must be strong, not fat. It must be innovative, not dependent on infusions of money.

If our military fails to use the record setting increases in defense spending efficiently and effectively, two dangerous developments will follow.

First, we will have the wrong weapons in the hands of the wrong troops with the wrong motivation. We will have an army of clerks, not an army of fighters.

Second, the public and the Congress will rise in anger and cut back spending to levels which are not adequate.

To prevent such disasters, all of us have a duty to do all we can to make sure this money is well spent. We

should listen to one of the finest experts on the elimination of waste, fraud, and abuse the U.S. Government has ever been fortunate enough to have serve. Elmer B. Staats, then Comptroller General, on January 21, 1981, cited to the Secretary of Defense 15 areas in which he estimated that $13 billion could be saved.

Here is Mr. Staats' list of recommendations:

Consolidation of military base support activities.—Almost 550,000 personnel are assigned to the large variety of essential house-keeping and support tasks needed to keep Department of Defense installations in daily operating condition. These services cost an estimated $12 billion in fiscal year 1978. Through consolidation of some of the support activities for those installations in the same geographic area GAO estimated several hundred million dollars could be saved.

Consolidation of supply activities.—By further consolidating supply activities under the Defense Supply Agency, annual savings of up to $100 million could be realized.

Single management of aircraft report maintenance.—The Department of Defense has 15 in-house depots for aircraft maintenance. GAO study showed gross in-house capacity exceeds needs by as much as 130 percent. If through consolidation 10 percent of current costs could be reduced, savings would exceed $200 million annually.

Single manager concept to transportation activities.—Economies could be realized through further consolidation of the three existing transportation agencies into a Unified Traffic Management Command under the Joints Chiefs of Staff.

More effective use of wholesale and retail inventories.—By establishing visibility and interchangeability of stocks held under both wholesale and retail activities better use could be made of costs, and inventories reduced.

Early consideration of life cycle logistics and backup equipment requirements in the weapon planning cycle.—Through early consideration of logistical and backup requirements GAO estimates hundreds of millions of dollars could be saved.

Weapon system funding should be consistent and better managed.—Savings of from 10-30 percent in unit costs could result through better management and consistent funding patterns.

Multiyear contracting.—Through the use of multiyear contracting procedures, savings of over a billion dollars could be saved on six systems.

Lower cost alternatives should be examined prior to approval of new systems.—Significant savings would be possible if the Department of Defense would look at less sophisticated and less costly systems.

Elimination of impediments to reducing costs of weapon system.—Major effects on costs of weapon system have resulted from: low rate of production; absence of price competition; lack of contractor motivation to reduce costs; impact of socioeconomic programs, red tape, and Government controls; reduced research; and lessening productivity.

Military pay reforms.—Implementing military pay reforms would result in more efficient pay, reduced turnover, and improved military morale, and have significant cost impacts.

Military retirement system.—Changes are needed in the military retirement system as concerns actuarial methods and funding provisions that reflect the full cost of accruing retirement benefits, and the 20 year retirement.

Evaluation of the Enlisted Military Force Corporation for the future.—Through evaluation of future enlisted needs, the DOD could avoid the current "band-aid" solutions to long-term problems.

Use of more civilians in morale, welfare and recreation activities and reduction in costs of military exchange system.—Through efforts to use more civilians in lieu of full time military, and to eliminate the exchanges helping to fund other activities savings could be realized.

Reserve Forces Manpower Management.—Savings could be realized by DOD planning more emphasis on obtaining qualified personnel for the reserves and improving reserve training.

Lest this be seen as a partisan issue, I would like also to submit for the RECORD a summary of a special report published by the Republican Study Committee on August 22, 1980, which cited a potential savings of $17 billion in waste in the Defense Department.

REPUBLICAN STUDY COMMITTEE

The Special Report published by the Republican Study Committee on August 22, 1980 cited 107 GAO findings and recommendations that identified $34.5 billion in unnecessary expenditures government-wide.

Those areas applicable to the Department of Defense are:

Savings from Air Force field components repair services: $44,000,000. Source: GAO, "Centralizing Air Force Aircraft Component Repair in the Field Can Provide Significant Savings," March 28, 1979, No. LCD-79-409.

CHAMPUS claims, erroneously paid (FY 1976): $12,000,000. Source: GAO, "Letter to Harold Brown, Secretary of Defense," March 16, 1979. HRD-79-58.

Savings on Department of Defense foreign military sales (reduction in the FY 1978 arms sales ceiling had the correct sales figure been known): $420,000,000. Source: GAO, "The Defense Department's Systems of Accounting for the Value of Foreign Military Sales Need Improvement," March 16, 1979, No. FGMSD-79-21.

Government interest reductions as a result of better management of DOD cash holdings overseas: $1,000,000 annually. Source: GAO, "Weaknesses Persist in Defense Overseas Cash Management Program." January 10, 1979, No. FGMSD-79-6.

Savings in direct labor hours that could be realized by using serviceable long supply or excess available parts in lieu of repairing parts in two Army depots: $18,000,000. Source: GAO, "The Army Should Use Available Serviceable Parts To Avoid Repairs," January 31, 1979, No. LCD-39-205.

Savings through reductions in flying hour programs—flying for training and transportation—of the Army, Navy, and Air Force (accomplished by substituting in-flight simulators in lieu of airtime, etc.): $124,000,000. Source; GAO, "The Services Can Further Refine Management of Flying Hour Programs," March 27, 1979, No. LCD-79-401.

Savings by instituting the GAO alternative to the present method of paying clothing allowances to military personnel: $10,000,000. Source: GAO, "The Department of Defense Should Adopt New Clothing Allowances," April 10, 1979, No. FPCD-79-12.

Increased costs due to the Army's retaining funded personnel spaces after support functions employing them were transferred to other services, which gained new personnel spaces for the increased workloads, in the Pacific: $25,000,000. Source: GAO, "Evaluation of Defense's Comments on a Critical Report: Were Transfers of Army Pacific Support Functions Mismanaged?" April 23, 1979, No. FPCD-79-50.

Savings from the two major service exchange organizations, the Army and Air Force Exchange Services, through consideration of the two systems: $1,488,000 annually. Source: GAO, "Letter to Rep. Jamie L. Whitten," May 22, 1979, No. FPCD-99-60.

Savings from operation of the storage and distribution of bulk petroleum products by the Defense Logistics Agency through better transportation practices with respect to Luke Air Force Base, Castle Air Force Base, and Lemoore Naval Air Station: $202,000. Source: GAO, "Letter to Harold Brown, Secretary of Defense," June 14, 1979, No. LCD-79-218.

Costs to the U.S. Government not recovered, while required by law to be recovered, because the cost of using government-owned assets on sales from inventory has not been assessed for foreign countries: $10,000,000. Source: GAO, "Efforts to Charge for Using Government-Owned Assets for Foreign Military Sales: Marked Improvements But Additional Action Needed," June 1, 1979, No. FGMSD-79-36.

Erroneous payments to reservists and guardsmen for drills they did not attend: $744,000. Source: GAO, "Army Guard and Reserve Pay and Personnel Systems Are Unreliable and Susceptible to Waste and Abuse," January 28, 1980, No. FGMSD-80-6.

Savings from consolidation of undergraduate helicopter pilot training (Army and Navy): $63,000,000. Source: GAO, "Letter Report to the Honorable Bill Chappell, U.S. House of Representatives," January 31, 1980, No. FPCD-80-37.

Additional costs to the taxpayers from guaranteed minimum annuities for disabled Air Force civilian retirees: $54,000,000. Source: GAO, "Minimum Benefit Provision of the Civil Service Disability Retirement Program Should Be Changed," November 30, 1979, No. FPCD-80-26.

Savings that could be realized through the use of housing costs in the United States as a basis for setting station allowances abroad. These allowances often exceed the amount that would actually be due since they are related to rank rather than market price: $150,000,000. Source: GAO, "Military Overseas Housing Allowances Should Be More Realistic," March 5, 1980, NO. FPCD-80-33.

Underused Navy intermediate missile maintenance capacity at Concord Naval Weapons Station and Seal Beach Naval Weapons Station in California: $1,700,000. Source: GAO, "Navy Missile Maintenance Can Be Done Cheaper By Improving Productivity," April 9, 1980, No. LCD-80-43.

Savings that could be realized from the consolidation of the Cincinnati and Dayton Defense Contract Administration Services Management Areas: $2,400,000. source: GAO, "Letter Report to Congressman Gradison," April 14, 1980, No. LCD 80-50.

Additional costs due to delays in definitizing letter contracts by the Army and Navy: $3,210,000. Source: GAO, "Letter Report to Secretary Harold Brown, Department of Defense," November 16, 1979, No. PSAD-80-10.

Savings that could be realized through improving the logistics factor in modernizing

U.S. Air Reserve forces: $278,700,000. Source: GAO, "Modernizing the Air Reserve Forces—More Emphasis on Logistics Support Needed," November 6, 1979, No. LCD-80-11.

Savings that could be realized if the Air Force installed one, rather than two, computer systems at about 105 bases to perform administrative and operating functions: $1,000,000,000. Source: GAO, "The Air Force Should Cancel Plans to Acquire Two Computer Systems at Most Bases," October 26, 1979, No. FGMSD-80-15.

Savings from the discontinuance of a test-related basic allowance for subsistence payments to three military installations since the tests have been completed: $800,000 (annually). Source: GAO, "Letter Report to Secretary Harold Brown, Department of Defense, December 5, 1979, No. FPCD-80-18.

Elimination of unneeded material handling equipment, establishment of reasonable equipment allowances and efficient use of needed equipment by the Navy: $5,300,000. Source: GAO, "Navy Material Handling Equipment Costs Can Be Reduced," January 30, 1980, No. LCD-80-31.

Savings that could be realized through standardization of military aircraft ground service equipment: $300,000,000. Source: GAO, "Increased Standardization Would Reduce Costs of Ground Support Equipment for Military Aircraft," February 7, 1980, No. LCD-80-30.

Monies that have been determined that could have been saved through improved management of Navy shipbuilding contracts (three shipbuilding contracts) cost of constructive changes: $774,000,000. Source: GAO, "Better Navy Management of Shipbuilding Contracts Could Save Millions of Dollars," January 10, 1980, No. PSAD-80-18.

Reduction in strategic airlift crews if only active duty personnel were reduced: $105,000,000 annually. Source: GAO, "The Air Force Can Reduce Its Stated Requirements for Strategic Airlift Crews," September 19, 1979, No. LCD-79-411.

Savings that could be realized through better inventory management at two Air Force air logistics centers: $50,300,000. Source: GAO, "DOD Can Save Millions of Dollars by Improving the Management of Air Force Inventories," October 25, 1979, No. LCD-80-6.

Increased costs of government due to DOD awarding questionable split award contracts and questionable survivor awards in several cases: $2,800,000. Source: GAO, "Letter Report to Secretary Harold Brown, Department of Defense," August 2, 1979, No. PSAD-79-96.

Savings that could be realized through the consolidation of the Finance and Accounting Centers of the Military Traffic Management Command: $322,970 annually. Source: GAO, "Letter Report to Honorable Ron Dellums," August 30, 1979, No. LCD-79-331.

Additional cost to the federal government due to the overstatement of a production contract on the F-15 and TE-15 aircraft: $2,700,000. Source: GAO, "Letter Report to Secretary of Defense Harold Brown," October 24, 1979, No. PSAD-80-4.

Potential savings by streamlining Grumman's computer operations supporting Navy contracts: $335,000 annually. Source: GAO, "Letter Report to Secretary of the Navy," October 5, 1979, No. PSAD-79-111.

Possible cost reductions in the Navy's contract for patrol combatant hydrofoil missile ships: $960,815. Source: GAO, "Letter Report to Secretary of Defense Harold Brown," October 18, 1979, No. PSAD-80-3.

Savings the Army could realize by removing certain limitations on the application of serviceable material returns to past demands: at least $10,000,000. Source: GAO, "Letter Report to Secretary of Defense Harold Brown," May 15, 1980, No. LCD-80-64.

Potential savings in the acquisition of major Air Force weapons systems through increased implementation of the Air Force's Military Standard 1567 work measurement to enhance contractors' productivity and cost control: $1,000,000,000. Source: GAO, "Military Standard on Work Measurement—A Way to Control Cost and Increase Productivity," June 3, 1980, No. PSAD-80-46.

Reduction of the Army's fiscal year 1981 ammunition budget request due to premature procurement (materials not fully tested and refined): $87,500,000. Source: GAO, "Adjustments Recommended in Army's Ammunition Procurement and Modernization Programs," June 12, 1980, No. LCD-80-62.

Savings if military exchange systems did not have to generate profits for morale, welfare and recreation activities other than providing goods and services to military personnel (fiscal year 1978): $33,100,000. Source: GAO, "Military Exchange Systems: How They Can Provide More Benefits for Military Personnel," July 18, 1980, No. FPCD-80-50.

Potential savings that could be realized through faster processing of military discharges for adverse reasons: $41,500,000. Source: GAO, "Letter Report to Secretary of Defense Harold Brown," July 3, 1980, No. FPCD-80-57.

Savings that could be realized through the limitation of the number of noncombat aircraft to those that can be adequately justified: $6,863,000,000. Source: GAO, "The Congress Should Require Better Justifications of Aircraft for Noncombat Missions," July 22, 1980, No. LCD-80-83.

Savings through the standardization of Department of Defense software computer systems: $12,870,000. Source: GAO, "DOD Automated Materials Handling Systems—Need to Standardize and Follow GSA ADPE Approval Process," April 24, 1980, No. LCD-80-49.

Increased government costs due to fraud, inadequate accounting and procedural control in the Army's Military District of Washington's Finance and Accounting Office: $531,258,000. Source: GAO, "Major Deficiencies in Army's Washington, D.C., Finance and Accounting Operation," June 5, 1980, No. FGMSD-80-53.

Army material that could not be accounted for in a review of 118 company sized units: $29,500,000, Source: GAO, "Controls Over Property in Custody of Military Units Can Be Improved," June 6, 1980, No. LCD-80-66.

Savings that could be realized through reductions in overlap of Marine Corps logistics functions and greater reliance on other defense integrated logistics managers: $7,500,000. Source: GAO, "Eliminating Marine Corps Logistics Overlap Saves Millions; Futher Savings Possible," June 30, 1980, No. LCD-80-74.

Savings that could have been realized in the first quarter of fiscal year 1979 through improved inventory management of the Defense Logistics Agency's medical supply system: $10,000,000. Source: GAO, "Better Controls and Data Needed to Distribute Defense Medical Supplies," June 15, 1980, No. LCD-80-77.

Potential savings in the Navy's F/A-18 operational and support costs through the use of multiport avionics test equipment, consolidation of avionics repair facilities, buying of intitial spares concurrently with aircraft installed units, making more effective use of pilot simulators, consolidation of F/A-18 squadrons into larger size units, use of the reliability centered maintenance concept to determine the need for depot maintenance and pipeline aircraft, and elimination of unneeded facilities improvements: $4,050,000,000+. Source: GAO, "Operational and Support Costs of the Navy's F/A-18 Can Be Substantially Reduced," June 6, 1980, LCD-80-65.

Possible reductions in the Navy's ship overhaul costs: $5,700,000+. Source: GAO, "Navy Has Opportunities to Reduce Ship Overhaul Costs," June 17, 1980, No. LCD-80-70.

Savings through subtituting civilians for military personnel assigned to morale, welfare, and recreational activities in the armed services: $57,000,000. Source: GAO, "Military Personnel Cuts Have Not Impaired Most Morale, Welfare and Recreation Activities," July 11, 1979, No. FPCD-79-54.

In closing, let me say that what we seek is not to cut national defense. What we seek to do is to insure that our military is fit, not bloated; firm not flabby; that it be ready to carry out combat missions, not just parade ground displays.

Our military must have the support of Americans, and it must have the caring attention of America.

That is what we seek.

Mr. GLICKMAN. I appreciate my colleague's comments.

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Mr. SKELTON. Mr. Speaker, will the gentleman yield?

Mr. GLICKMAN. I yield now to my distinguished colleague, the gentleman from Missouri, and a member of the Armed Services Committee.

Mr. SKELTON. Mr. Speaker, I want to thank my colleague the gentleman from Kansas, for this opportunity to address this subject.

In the next few years, Congress has a golden opportunity to make up for past years of neglect and to take steps that will truly strengthen our national defense. There exists today a broad national bipartisan consensus for a program that will give us an effective national defense. However, this consensus is a fragile one. We in Congress risk seeing it eroded if we adopt a massive defense spending program which fails to significantly improve our Nation's security.

It is true that we must spend more money on defense, but we must spend those additional funds wisely. We need a defense program that can be sustained and supported both economically and politically. A dramatic defense spending binge, without eliminating waste, inefficiency and those items not necessary for legitimate national defense needs, will inevitably lead to a backlash against all defense spending

and ultimately leave us militarily weaker.

To avoid this backlash, we in Congress who support a strong national defense must work with the administration to root out waste and inefficiency in defense programs. We must conduct vigorous oversight of programs with cost overruns, particularly those with a past history of exceeding budgetary estimates. Moreover, we must base our future defense planning on realistic budgetary and inflation estimates so that we can avoid automatic cost overruns and production cutbacks. We must accept the fact that inflation in the defense sector will continue to be high in the immediate future, regardless of what happens to the economy as a whole. Reduced inventories, the shortage of skilled labor and the lack of specialized defense subcontractors are unique inflationary forces which influence the defense sector and are more than a few years away from solution.

We can all cite stories about specific instances of Pentagon waste and inefficiency. I do not have anything new to add to this list. I would like my colleagues to ponder the following list. It comes from Leonard Sullivan, Jr., former Assistant Secretary of Defense for Program Analysis and Evaluation. He calls it 20 easy ways that have been used before to help kill a consensus in favor of increased defense spending. The details of this list can be debated, but those of us who support a national defense program which is sensible and sustainable and which adds to our security would do well to keep them in mind.

Demand only sophisticated weapons (like $3.5-billion carriers and $1.5-billion cruisers) instead of increasing numbers of operational weapons and units as well.

Procure only the latest immature glamour weapons instead of continuing product improvement and life extension of more reliable, operationally mature systems for active and reserve inventories.

Focus on our active forces and neglect our disintegrating reserve structure and industrial mobilization capabilities.

Perpetuate the farce that we can solve warfighting shortfalls with technological magic and mythical force multipliers.

Continue to seek a disproportionate share of the NATO and Northeast Asia security burdens.

Continue to prevent closure of inefficient bases, while artificially propping up civilian Wage Board pay scales.

Keep overruling the Executive Branch by supporting procurements judged unnecessary by Pentagon management.

Continue usurping executive responsibilities by micro-managing Defense programs through outmoded reprograming thresholds and termination clauses; by denying management reserves, and by annually revising previous decisions.

Proliferate impractical and costly procurement and accounting practices unrelated to professional management, while discouraging multiyear procurements and stable outyear planning projections.

Continue to avoid making procurements abroad to protect non-competitive U.S. industries, while also continuing to legislate against essential industrial capital investment.

Start bidding up wages and material costs so that much of the increase in appropriations is consumed in sectoral inflation.

Claim that all those learning curves and unit costs made worse by low production rates do not improve with increased production rates.

Continue to neglect opportunities to utilize commercial technology, components and end-items by fostering needless and unreliable military specialization.

Fail to accept the major responsibility for inadequate reliability and maintainability of most military equipment.

Delay delivery of, and make exorbitant profits on, non-competitive procurements of essential spares, repairables and ground support equipment.

Fail to encourage multiyear procurements or "deregulation" of Defense procurement and reporting practices, while condoning contract "overruns" as acceptable business practices.

Continue to scramble for foreign sales that might better strengthen allied defense industries, while peddling products our less-sophisticated friends cannot operate by themselves.

Fail to plow back new-found profits into plant modernization and productivity improvements.

Fail to initiate needed training programs to provide a new generation of skilled defense industry workers, both blue and white collar.

Ignore community needs to mitigate impact of federal cuts in local social, educational, medical and cultural programs.

I commend the gentleman for bringing this to our attention.

Mr. GLICKMAN. Mr. Speaker, I appreciate the fact that my colleague, the gentleman from Missouri (Mr. SKELTON), came down here to take the time. The gentleman is known throughout this House not only as an expert in defense issues and one who has a keen interest, but also as a man who recognizes the fact that dollars are important, but dollars per se do not necessarily mean we are No. 1 in the world. An effective, quality-oriented defense is one that I believe may mean augmented expenditures but must mean wisely spent expenditures, and I will be talking about a few of these items, raising more questions than anything else, and I appreciate the gentleman's being here today.

Mr. Speaker, we need a strong defense and, quite frankly, I am convinced that we have let some very important parts of our defense system deteriorate that should not have been allowed. I have supported every defense authorization and appropriation that has come before this House since I was first elected, and I do not regret that. I do not regret the fact that I supported the spending levels included in the first budget resolution. But as is the case with spending funds for every single activity in which the Government is involved, we need to be careful; we need to be frugal; we need to remember that these are taxpayers' hard-earned dollars we are spending. They should be spent in a purposeful, effective manner. To do otherwise only weakens our defense capability and wastes scarce financial resources.

First, if we want to see that funds are wisely spent, we need to come to grips with questions which I am convinced have been ignored except for occasional rhetoric. What is our defense objective? What standard are we aiming for? What do we expect from our Defense Department?

Is our goal to maintain strategic equivalence with or superiority vis-a-vis the Soviet Union?

Is our goal to spend more in real dollar terms than do our adversaries on defense?

Is our goal to maintain impenetrable borders?

Is our goal to revitalize the Monroe Doctrine and maintain an exclusive sphere of influence in this hemisphere, or should that sphere include Western Europe, the Mideast, and the Pacific?

Is our goal to be able to independently protect ourselves and our allies, or is it to be able to cooperate with our allies in joint defensive efforts?

Is our goal to have the capability to respond effectively and rapidly to developments which threaten our access to critically important raw materials and locations of strategic geographic importance?

Before we know how to effectively utilize the funds we allocate to meet our defense needs, we need to grapple with just what our defense objectives are. I realize that we will not reach a decision on that today, but I hope we will start the discussion and get people thinking in those terms. Once we have a goal or even several goals, I am convinced that we can achieve them. But we should not be haphazard about this. It makes no sense whatsoever to simply throw money at the problem. That has not worked in addressing the whole range of other problems, and there is no logical reason to assume it will give us the kind of defense capabilities which we need.

In the meantime, there are changes that can be made in operations of the Defense Department—just as can be made elsewhere in the Federal bureaucracy—that will effect savings without waiting. Many of us have seen the report which former Comptroller General Staats issued back in January outlining management improvements which could and should be made within the Pentagon to achieve considerable budgetary economies. That report submitted to Defense Secretary Weinberger was based on a series of reports made by the General Accounting Office over the years that had not been acted upon by the Pentagon. The recommendations covered a whole

range of matters: consolidation of military base support activities, further consolidation of supply activities, elimination of Marine Corps logistics overlap with other services, centralization of ammunition management, consolidation of maintenance activities, improved utilization of parts inventories, planning life-cyle logistics and parts backup in early stages of weapons planning, improved weapon system management, shift to multiyear contracting, the others covering the gamut of DOD functions. In response, Secretary Weinberger assured Comptroller Staats that—

I share your concern about the sound management of available resources and have placed a high priority on the identification and review of potential cost reductions in existing Defense programs.

He went on to promise that the Department would take "a vigorous look" at the recommendations. We in Congress should do the same, and we should not hesitate to prod the Department to make the recommended changes or to tell us clearly why they have decided not to do so.

And while I am talking about what we in Congress can do about unnecessary expenditures that can be trimmed from our defense budget, I think we have to face up to the fact that the Congress itself is responsible for its fair share of the problem. It is not unusual for the Congress to fund weapons systems that the defense experts in the Defense Department do not think are cost effective. And, some of the procedural changes that the GAO has recommended will need congressional action. First, the GAO estimates savings of billions of dollars by converting to multiyear contracting. We will have to give them the authority to do so if we want to see that savings. Second, it has been traditional for weapons procurement to be spread over a number of years. That results in lower annual expenditures, but "stretching out" these weapon systems over a number of years adds 10 to 30 percent to the costs of the systems due to inflation.

In addition to these management changes, there are some highly visible examples of extravagance and waste in Pentagon operations which, though they are admittedly not big ticket items, should be brought into line. I will just mention two examples which come immediately to mind: the $89.7 million in the defense budget for military music programs—an increase of 18 percent over last year's authorization—and the costs associated with plush Pentagon officer's dining rooms.

I think that having a quality military band from each of the services is not a bad idea, but I wonder why they need nearly 20 percent more than they had last year. When these items come to light, particularly at a time when we are cutting back on a whole range of programs from food stamps to legal services to Export-Import Bank credit programs, it cannot help but raise questions about where money is going elsewhere in our defense budget.

And there is another example of some loose accounting procedures which came to light in hearings before the Appropriations Committee as the supplemental appropriations bill for fiscal 1981 was being developed just recently: Fuel mismangement was uncovered involving thousands of gallons of fuel over a very short time. That kind of problem becomes more and more costly as fuel prices escalate. Let me cite just one example that was revealed during those hearings: Part of the reason for the supplemental funding request for fuel was to cover the costs that were incurred when 1,028 gallons of heating fuel were supposedly delivered to two military buildings which had been demolished in 1975. Who knows where else our defense fuel might have gone? Again, reports of that kind of sloppy management cannot help but raise questions, and legitimately so, at a time when we are boosting our military budget so significantly.

Just recently the House overwhelmingly adopted legislation to establish an Office of Inspector General within the Defense Department. Now I hear that there is a lobbying effort to block movement of that legislation in the Senate and that there is talk of giving the Secretary of Defense the authority to veto sending an Inspector General's report to the Congress. When these kinds of mismanagement or fraud exist and when we are making such a dramatic commitment to increased military readiness, it is hard to believe that such a discussion is even necessary. Offices of Inspector General, if that legislation is enacted, will exist in every Fedeal agency. Especially as the percentage of the Federal budget dedicated to the defense sector increases over the next few years, it makes no sense to exclude that sector from the regularized scrutiny which should take place once an Inspector General is in place.

Now, there are many other items in the defense budget which I would bring to my colleagues' attention. Perhaps the best synopsis that I have seen lately, however, is in the June 8, 1981, issue of Newsweek magazine, which contains an analysis in a generalized way of a broad range of spending programs, from compensation to aircraft to ships to tanks to other activities which need our review.

In that article, there are a couple of items which I think need to be brought to the attention of my colleagues today. The M-1 tank, which is ready made for Europe, which I think is going to be an extraordinary quality item, but only one will fit in our C-5A, which is our biggest Air Force plane. So shipping them to a hotspot like the Persian Gulf is almost impossible unless we build several hundred C-5A's, which is not economically feasible. That is a worry. We build a great tank, but we cannot get it anywhere.

I assume that the strategists in the Defense Department have a way out of that problem, but it is the kind of issue which I think needs to be involved in the planning about what is the future, what is the rationale for our defense expenditures.

Another question relates to our big-deck aircraft carriers. I happen to have had spent some time on the U.S.S. *Saratoga* last year. But many experts argue that even the F-14 jet fighter, designed to defend them, will not meet that task.

The gold plating of weapons systems, the tendency for arms companies to want to constantly improve on systems to the point where they are no longer feasible or useful at all and even after they have been outmoded.

And then, of course, we have the problem of whether or not our Military Establishment can meet the demand.

It is at issue, after years of relatively keyed down activities, whether they will be able physically to meet the enormously increasing demand that we are asking to do at this time.

I gather that part of the concern rests with a worry that an Inspector General would become involved in military policy. That just is not what is intended, nor what we in the Congress want. I recall that during World War II Senator Truman of Missouri headed a select committee in the Senate investigating the operation of World War II. That's an example we might want to emulate. That committee was successful in scrutinizing the management of the war and the way tax dollars were spent. Questions of military policy remained with the military departments, of course, in consultation with the Congress. Still, the committee found ways to save millions of dollars by straightening out some spending policies. At this time when we are embarking on a buildup of our defense programs of similar magnitude to what occurred in World War II, I submit that it might be prudent of us to reestablish just such a committee that will responsibly watch to see that tax dollars boost our defense and that they do not improperly line the pockets of contractors.

Mr. PEYSER. Mr. Speaker, will the gentleman yield?

Mr. GLICKMAN. I yield to my colleague, the gentleman from New York.

Mr. PEYSER. I thank the gentleman for yielding, and I wish to congratulate the gentleman for starting the discussion on the defense spending and what we will be doing over the next several months on this issue, be-

cause I think it is obviously an issue of great concern to the American people. I think it will be of a greater concern in the next month or two when the American people begin to have an opportunity of seeing the overall impact of budget cuts in other areas of the programs, the domestic programs, areas such as education and the elderly and the handicapped; so that I think it becomes of particular importance that we look very carefully at defense spending and defense programs to know exactly what is happening.

Like the gentleman in the well, I, too, have supported all of the previous defense legislation, the Defense Department programs, but I, too, feel that we now must look very carefully, we must be assured that the money that is going into defense is truly serving that purpose, and that waste and unreasonable overruns have got to be curtailed and that we should look carefully.

As the gentleman will recall, just a few weeks ago, when the budget question was being discussed on the floor, the Democratic Party's alternative was to curtail a limited amount of money, no more than $4 billion, and yet there was a great outcry at that time that we would be weakening our defense posture.

Well, I do not really think that was the case; but, nevertheless, that battle is over and now I think we have to follow along the road that the gentleman is suggesting and look very carefully at where defense dollars are going and that they are being utilized for the best defense of this country.

Mr. GLICKMAN. I thank my colleague for his remarks, and I think it fits in very interestingly with the poll that was published in Newsweek on arms policy. A very large number of people, 64 percent to 29 percent, substantially support the Reagan administration's increase in defense spending. I think that is reflected here on this House floor. I think most of us feel that there did need to be some increases in defense spending. But at the same time, when it comes to defense spending versus adverse effects, that poll disclosed the following:

If we would be less able to balance the budget with defense spending increases, would you still support the defense spending? By a margin of 48 to 41, the public said yes.

If there would be a smaller reduction in income taxes in the future, would you favor increased defense spending? By a very large margin the public said yes. That is, I think, in an unselfish way, the public saying that even if it meant a smaller tax cut, they would want to have higher defense spending.

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But the question is would you favor increased defense spending if it meant inflation would remain at the current level or go higher? The answer was 31 percent "yes." Sixty percent said "no." So there is some concern by the public. The American people want the strongest defense in the world but they do not want a knee-jerk defense that in fact perhaps does not create more effective relations with the Russians and may cause further problems at home.

And the American people, according to the same poll, are worried that indiscriminate defense spending not carefully watched may be harmful to the economy.

The bottom line is we need to ferret out what is wasteful wherever we can, and waste is waste wherever it is found. We cannot afford to ignore it just because it happens to be in the defense budget. If several thousand gallons of fuel had disappeared under one of our emergency fuel assistance programs for the poor, it would have been a scandal; the fact that it happened in the Army should not be conveniently overlooked. If money were being wasted because spare parts were not being properly used in keeping National Park Service vehicles in place, taxpayers would be outraged; the fact that it happens in the military should be no less disturbing. When it comes to waste, the same rules should apply to every agency, military or civilian. And we need to remember that throwing money at a problem will do absolutely no good if it ends up being wasted. More money in the defense budget will not make us one bit more secure if it is not wisely spent. That takes sound management, careful planning and a goals orientation.

It is my hope that our Secretary of Defense, who has publicly indicated his support in trying to root out this problem, will be supported in his efforts, will be serious in his efforts to try to insure to us, the taxpayers of this country, that the defense spending is being done in the most prudent way possible.

● Mr. WINN. Mr. Speaker, I would like to commend my colleague from Kansas for providing this timely opportunity to discuss waste in the Defense Department. This is a time, as we are all aware, for fiscal restraint. The Defense Department is not exempt from this effort. There are numerous ways for DOD to reduce expenses without limiting military muscle. While I have continually fought in Congress for defense appropriations which would secure our Nation as the world leader in military strength without jeopardizing other necessary programs, I strongly believe that we can improve cost effectiveness throughout our armed services. I would like to share the following letter which I, together with 60 Members of the House, sent to Secretary Caspar Weinberger on May 7, calling for a search for savings in our defense expenditures.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 7, 1981.

Hon. CASPAR W. WEINBERGER,
Secretary of Defense,
Washington, D.C.

DEAR MR. SECRETARY: At home and abroad, our nation is faced with many serious challenges. While our adversaries around the globe have pushed forward in their efforts to expand their power and influence, we have fallen further behind. At the same time, our economic lifeline has come under serious attack by inflation, over-spending and world economic trends beyond our control. The question we now face is not merely a choice of more guns or butter, but how we can address and balance both of these critical interests.

The American people have demonstrated an understanding of our nation's problems and a willingness to share the burden of our necessary reform efforts. It is vital, therefore, that as they make the needed economic sacrifices, we demonstrate a sense of shared responsibility and accountability across the board, including the Department of Defense.

For this reason, we urge you to vigorously pursue all efforts and programs designed to eliminate waste and to improve cost effectiveness throughout our Armed Services. Furthermore, we believe that more public information is needed to demonstrate your commitment to this effort and to help build a consensus that all sectors of our government are full participants in the Administration's economic recovery plan. We also believe that an economic analysis of major programs by an independent body, outside of the Department, would lend credence to such an economization effort.

In your search for ways to bring about savings in our defense expenditures, we call your attention to the recent report by the House Republican Research Committee's Task Force on Defense, entitled "Can The Pentagon Save Money," dated April 7, 1981, which concluded:

". . . there are many ways for the Pentagon to reduce unnecessary disbursements. Limiting these expenses is not an easy matter, but with the utilization of a carefully considered plan, reductions can take place, without affecting military readiness or capabilities. An overall strategy should be developed which considers programmatic reductions; waste, fraud and abuse; and a restructuring of the procurement process. In addition, cooperation with and from the Congress and Administration is necessary for developing a comprehensive spending reduction strategy. If such an effort is successful, the ensuing monetary savings, as much as $25 billion, will benefit the Pentagon and further the Administration's fiscal austerity plan as well."

We share the views of the President concerning the challenges that our Nation faces and the need to increase our defensive capability to address those challenges. We are certain that you also recognize the economic burdens we are asking the American people to share in order to meet these challenges and that these concerns are linked together. A weak economy only increases our vulnerability abroad and decreases our

ability at home to provide for the common defense.●

● Mr. DAN DANIEL. Mr. Speaker, first, let me commend our colleague, the distinguished gentleman from Kansas, DAN GLICKMAN, for taking this special order today.

As one who has long been a foot soldier in the war on Federal Government waste and mismanagement, I feel a special obligation insofar as the military area is concerned. Candor requires that the statement be made; in a budget of this size, and with the multiplicity of spending categories, there will be enormous opportunity for waste and mismanagement. In recent months, the General Accounting Office has performed a valuable service in pointing out areas where savings can be made, although I must confess I do not agree 100 percent with their findings. But today I would like to talk about a somewhat different cure for the problem.

The question before us is: What kind of waste is there in the Defense budget and what can be done to ferret it out?

In my judgment, one of the most persistent areas of waste and one which is most amenable to congressional initiative is that of contracting for major weapons systems. Over the next 4 years, the Department of Defense will obligate billions of dollars for the planes and ships, tanks and guns, and all the other pieces of hardware needed to defend our freedom.

Last year, Chairman MEL PRICE established a special panel to examine our defense industrial base. The panel's findings were not encouraging. However, if there was one constant in the testimony of the witnesses that appeared before that panel, Government and private sector alike, it was that real dollar savings could be made by multiyear procurement. Time and again we were told of the excess costs and unnecessary delay built into our present single-year system.

Now this was not based on ifs and maybes. One witness came before us with supportable data and I offer some of it now for your consideration.

Gen. Alton D. Slay, Commander, Air Force Systems Command, has estimated that selective use of multiyear contracting can result in savings of up to 10 percent per year. Expanded use with controlled scheduling can increase the savings to 20 percent. In just six systems alone, a saving for the Air Force would approach 20 percent or $1.5 billion.

Let me cite several examples. On ammunition for the A-10 aircraft, single year cost is $360 million. Multiyear contracting would result in a cost of $330 million for a saving of 9.3 percent.

Now let us take the case of F-16 aircraft. Assuming the purchase of eight aircraft per month under nine single-year contracts, the total cost would amount to $10.5 billion. Now assume the purchase of the same number of planes—783—over a 9-year period with one 5-year contract and one 4-year contract, and the total cost becomes $9.7 billion or a saving of over 8 percent. This alone would be sufficient saving to make the contracting method attractive. But let us carry this one more step and assume the same number of aircraft will be purchased only at the rate of 10 aircraft per month for 7 years. The total cost then becomes $8.6 billion, a saving of 19 percent or almost $2 billion.

There are, of course, other examples I might use, but these should suffice. Honesty compels me to add as well that this system will not apply across the board and to all contracts. It is enough to say that the system will work and will save money for the American taxpayers.

Somebody—a lot of somebodies—worked hard for the dollars we will be spending on defense, and they deserve to know they are receiving the best possible return on their investment. The overburdened taxpayer will demand the highest possible level of accountability—and they should.

We are not recipients of their bounty—we are instead stewards of their treasure.●

● Mr. RAILSBACK. Mr. Speaker, I support a strong defense system. I believe we must maintain nuclear parity with the Soviet Union and that our conventional force must be built up to equal that of the Soviet Union. Our military personnel should be adequately compensated so that volunteers, especially skilled personnel, cannot be lured into private industry so that quality people will be attracted to the military.

Because quite a bit of money is needed to meet these goals, a large defense budget must be appropriated. However, I am extremely concerned about the way the money will be spent. I think that with careful planning and better monitoring of contracts, we can develop a strong military. The administration has proposed to increase defense outlays so that by 1986, 7 percent of our gross national product (GNP)—up from 5.6 percent in fiscal year 1981—will be spent on defense. The increase will undoubtedly have a profound impact on our economy. I am not an expert on defense. But I am concerned that the money may be used inefficiently without adequate planning.

Several articles and studies on the subject of defense spending have been published recently. Examples include articles in the Washington Post and Newsweek, a General Accounting Office (GAO) report on acquiring weapon systems, a National Conservative Foundation (NCF) plan, and a letter from Senators GOLDWATER and METZENBAUM to Defense Secretary Weinberger. The two articles make the point that an overall strategy is only now being developed. Friction exists between the branches so that a unified effort to develop and at the same time streamline adequate weapon systems is impossible to achieve. The defense industry may not be capable of handling a sudden increase in demand. Some projects may prove obsolete by the time they are complete. The GAO, NCF, and Senators GOLDWATER and METZENBAUM make recommendations geared toward improving efficiency and less waste in defense spending.

I sincerely hope the Department of Defense seriously considers these comments and recommendations. Procurement reform and more effective administration, as recommended by Senators GOLDWATER and METZENBAUM, are especially important since contractor cost overrides and inefficiency often occur and add unnecessarily to the defense budget.

I would like to reiterate that I support a strong defense, and I will vote for the funds necessary to develop it. However, more money is not enough. Careful planning and monitoring is needed if a truly capable military is to be developed at the least cost to taxpayers.●

● Mr. WALGREN. Mr. Speaker, I welcome this opportunity to address the issue of waste, fraud, and abuse in the military budget. Mr. GLICKMAN deserves special credit for arranging this special order to address one of the largest problems we face as a nation—the proper management of military spending.

I believe we should be supportive of those programs that make sense, particularly the effort to improve our overall manpower needs. But the Congress should not be stampeded into expensive, unproven programs that simply add no strength to our country in modern times.

While we all agree that it is most important to maintain a strong national defense, throwing money at the military makes no more sense than throwing money at our social problems. We must apply the same budgetary discipline to the military that we are applying to all other areas of Government spending.

I find it hard to believe that no one is seriously questioning the $226 billion military budget for next year, an increase of $53.5 billion over last year. This is more than twice the amount that all other NATO nations combined spend for military purposes, and more than 10 times the amount the entire developed world spent on foreign aid last year. No one denies that we need to adequately provide for our defenses, but the sheer magnitude of these numbers demands that we carefully

examine just what these dollars buy for us.

This increase also has tremendous economic implications. Many economists now realize, that it was President Johnson's refusal to raise taxes to pay for the Vietnam war which started us on our present inflationary spiral. And the military increase alone proposed by President Reagan will cost us more than three times the price of the Vietnam war.

The great fallacy behind "Reaganomics" is that, despite all the billions we may cut in social programs, the deficit will still be the same size. It's not hard to see that, over the next 3 years, a $138 billion cut in social expenditures will not cover either the administration's $181 billion increase in defense spending or its $196 billion tax cut. We are still left with an incredible inflation-causing 3-year deficit of $239 billion.

I am also concerned about the regional economic impact of this increase, especially on the depressed Northeast and Midwest. This year, California will receive more in military construction funds than the entire Northeast-Midwest region. This imbalance will be increased by the fact that most of the base closings have been in the Northeast. Only 13 percent of the military's personnel are stationed in the Northeast compared to 51 percent in the South and 36 percent in the West. Clearly, massive increases in military spending with this geographic distribution contribute to recessive in the Frost Belt and economic growth in the Sun Belt.

If we are to carry out the dramatic spending increase called for by the Reagan administration, we must go about it efficiently and effectively. According to the Republican Study Committee, there are at least $16 billion in defense that can be categorized as "waste, fraud, and abuse." Even the National Tax Limitation Committee, in a report forwarded by David Stockman, stressed the fact that billions in defense spending could be saved this year and even more in the years ahead. The General Accounting Office and other agencies have issued similar reports.

Some recommendations made by these studies are: Holding the line on civilian employment at the Defense Department; reducing the additional 5.3-percent pay increase for military personnel in 1982 in view of the 24.3-percent increase already scheduled this year; slashing over $1 billion for renovation of the World War II battleships *Oriskany, New Jersey,* and *Iowa*—these ships will only be usable for the next 5 to 7 years and the total cost for renovation and manpower may very well outweigh the benefits—and consolidating military bases which could save billions over the next decade.

The list goes on and on. These few examples show that we have a lot of work to do in this area, and I encourage all my colleagues and the President to carefully study these proposals.●

● Mr. STOKES. Mr. Speaker, I would like to thank the gentleman from Kansas, Mr. GLICKMAN, for sponsoring this special order so that we can discuss this important issue—our military budget.

Mr. Speaker, it is my position that the United States should be strong militarily. However, I do not subscribe to the notion that increased military spending equals increased military strength. The vastly increased military spending that we are about to pursue is based on this notion and as a result, our military budget is one that bears no rational relationship to our country's security needs.

Billions of dollars in Defense fat have been identified in separate reports by the U.S. General Accounting Office, by House and Senate Appropriations Committees, the National Conservative Foundation, and the Center for Defense Information. Even the Republican Study Committee has identified $16 billion in Defense Department fat. Yet, this administration can only identify fat in domestic spending programs and has neglected to address the issue of fat in the Defense Department.

There is no reason for the military budget to be a sacred cow. As with all budget items, tough questions should be asked and answered before military expenditures are approved; for example, has waste and fat been eliminated? Is a given weapon, plane, or ship really necessary; is it too expensive?

Mr. Speaker, rather than being a sacred cow, evidence suggests that our military budget should be strictly and closely scrutinized. Incidences of cost overruns and excess profits by themselves give rise to a need to more closely scrutinize our military budget. For example, Mr. Speaker, Murray Weidenbaum, who is presently Chairman of the Administration's Council of Economic Advisers, in testimony before the Joint Economic Committee in 1968, pointed out that his research showed that profits of defense companies were 75 percent higher than profits by nondefense companies. Today, the situation is unchanged, in fact Mr. Speaker, within the defense industry, contractors are able to make 50 to 75 percent more profit than they make on their nondefense business.

In the case of cost overrun, our decision to build the Trident submarines is a case in point. Nine Tridents have already been authorized, the first of which was to go into service no later than April 1970. Today, June 1981, the first Trident, the *Ohio,* has still not been delivered. As work has fallen behind schedule, the cost of the submarines also has soared. When Electric Boat submitted bids for the first Trident, it estimated that construction would require 14.6 million man-hours. Since then its estimate has risen to 23 million man-hours, an increase of 60 percent. The end result is that the cost of the first vessel rose from $14.7 billion to $2.053 billion and is expected to escalate even more.

These are the kind of excesses that prompted Senators GOLDWATER and METZENBAUM to state in a joint memorandum, "Runaway costs characterize our entire defense procurement program." "These vast expenses," they pointed out, "have nothing to do with maintaining the strength of our military forces, they are pure and simple, the result of a system that permits Department of Defense officials to operate as though the public purse has no limits. It is a system that can and must be changed."

Mr. Speaker, I submit that it is the height of irrationality when irrespective of the existing fat and waste in the Defense Department, the administration now proposes to embark on a military spending spree of over $1.5 trillion in the next 5 years. The irrationality of this increase is underlined when we realize that no military rationale was offered to support the increase and no proof given that war would be better deterred or more easily won by vastly increased spending.

The most explicit rationale for increased U.S. military spending is the need to respond to increased Soviet military spending. On February 18, President Reagan said "Since 1970 the Soviet Union has invested $300 billion more in its military forces, than we have." However, analysis by the respected Stockholm International Peace Research Institute indicates that U.S. spending is more than Soviet spending. Moreover, even granting the accuracy of the President's figures, the large increase in our military budget cannot be justified on the premise of increased Soviet military spending when we consider the following:

The Department of Defense admits that when spending by United States and Soviet allies are included, NATO exceeds the Warsaw pact countries by some $207 billion in the same period the President refers to.

Much of the Soviet spending is oriented toward its long contested border with China and toward security in Eastern Europe, not toward the United States.

Increased military spending will not increase our national security, instead it is likely to decrease real national security by fomenting domestic unrest by making a limited nuclear war more likely and by increasing the likelihood of U.S. military intervention in various

parts of the world. Furthermore, it will increase inflation, damage our economy, and encourage inefficiencies and waste in the defense industry.

Therefore, Mr. Speaker, I call on my colleagues in the House and the Senate and on the administration to put an end to this military madness by eliminating waste in the Defense Department, by requiring detailed justification for military expenditures and by recognizing that meeting the needs of the poor and elderly has as much to do with our national security as anything else.●

TRIBUTE TO THE LATE PRIMATE OF POLAND STEFAN CARDINAL WYSZYNSKI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 60 minutes.

Mr. DERWINSKI. Mr. Speaker, I have reserved time this afternoon to pay a special tribute to a man who has been a crusader for faith and freedom for more than three decades, the late primate of Poland, Stefan Cardinal Wyszynski. Cardinal Wyszynski symbolized Poland's determination to be Polish, Catholic, and free.

Foremost among Catholic leaders of Eastern Europe, Cardinal Wyszynski managed to forge a church that is stronger in 1981 than it was before the Communists dropped the Iron Curtain. The son of a village schoolteacher, Cardinal Wyszynski became a priest at the age of 23 and helped to lead the anti-Nazi underground during World War II. In 1949, Pope Pius XII named him archbishop of Gniezno and Warsaw; at the same time, the Moscow-dominated regime of Bohuslaw Bierut launched its postwar crusade to wipe out Catholicism as the sustaining faith of Polish nationalism. Elevated to cardinal in 1952, he won enormous popular respect as a result of his unbending refusal to be intimidated by the repressive power of a totalitarian state.

Like most of his countrymen, the primate regarded the forced Communist rule on his country as fundamentally alien to Polish feelings and traditions. However, he accepted the responsibility to work within the framework of this new civil order to effectively sustain the special role of the Catholic Church as custodian of Poland's national spirit. This made him the central figure in his church's and people's struggle against the regime for the past 32 years. As Communist leaders came and went, the primate remained in office—a tower of strength of his country's quest for freedom and independence.

After years of battling the Communist regime, the cardinal used his influence over recent months to urge moderation on his fellow countrymen. He acted as a trusted intermediary between the authorities and the independent Solidarity trade union. This was his last, and perhaps most crucial, service to the nation he loved so much.

A generation of Poles, the vast majority of whom are Roman Catholic, have looked to Cardinal Wyszynski as the embodiment of Poland's sovereignty. For many years, particularly during the Stalinist period of the early 1950's, the Roman Catholic Church was the only institution in Poland to preserve its independence and historical traditions, Cardinal Wyszynski paid for his defiance with a 3-year period of forced isolation in a monastery. But in 1956, Poland's new Communist First Secretary, Wladyslaw Gomulka, freed the Cardinal and sought his aid in calming anti-Russian sentiment. In return, Wyszynski won a measure of freedom from Communist persecution for Polish Catholics.

As testimony to Cardinal Wyszynski's stature, the Government of Poland declared a period of national mourning. Millions of Poles mourned the death of a man who kept alive the dream of freedom and the flame of Christian faith in a Communist state. His loss is a grievous one for his country. But he leaves, too, in the institution of his church, a sturdy instrument to continue his work and a noble legacy for his countrymen to follow.

In closing, I wish to insert an editorial tribute to this great churchman and national leader, which appeared in the June 5 edition of the Chicago Catholic, the official newspaper of the Catholic Archdiocese of Chicago. A. E. P. Wall, the editor of that publication, properly speaks of the primate of Poland's political as well as important spiritual role for his country and for the world:

[From the Chicago Catholic, June 5, 1981]

KARDYNAT WYSZYNSKI

Hundreds of millions of Catholics throughout the world have a commitment to Jesus Christ, a commitment to work toward personal sanctity.

The route toward sanctity often turns into a maze. There are dead ends, circles, potholes and one-way streets all along the route to Christian fulfillment.

Nobody knows how many millions make it all the way, how many keep trying despite obstacles and false starts, how many give up or how many make progress for themselves and help others along the way.

Innumerable dedicated women, men and children do their best to follow the Gospel messages. These unheralded exemplars of the Christian way may drive a bus, deliver the mail, feed the baby, give a homily, nurse the sick, teach, preside over a board meeting or write a book.

They inspire others, much of the time, although the world doesn't lack citizens who are turned off by sanctity, who feel threatened by the love of Christ.

Who inspires the spiritually gifted? Who holds up the example of courage, strength and sacrifice to the rest of us?

One who does so is Stefan Cardinal Wyszynski, who in death continues to encourage the best in his Church, in his country and in his people. His life was so remarkable that its message almost coexists with the life of Poland.

Cardinal Wyszynski was a man whose strength was a match for the power of the Soviet Union. His spiritual sense, intellect, personal sacrifices, determination, affection and loyalty made him a heroic figure at home and an admired leader wherever his name was spoken.

He had many friends in Chicagoland. John Cardinal Cody, Bishop Alfred L. Abramowicz and others expressed their respect and friendship by flying at once to Poland for the great Cardinal's funeral.

Here in Chicagoland there were services and prayers, all recalling a man who had borne imprisonment rather than yield to tyranny.

His leadership, ranging from gentle to tough, was based always upon his confidence in the correctness of his cause. That was the cause of Christ and the Church of Christ. His rugged and tenacious strength was rooted in the piety of one who knows where to look for the source of all strength.

It will not be the same without Stefan Cardinal Wyszynski. But the world will be more hopeful because he has played such a vigorous part in it. In Cardinal Wyszynski the world has an authentic hero to admire and emulate.

● Mr. FARY. Mr. Speaker, on Friday May 29, the world lost one of its most respected and dedicated religious leaders. Cardinal Stefan Wyszynski was the keystone of the Polish Church. Subject to constant intimidation by the Communist Party, Cardinal Wyszynski remained steadfast in his commitment to the spiritual history and traditions of the Roman Catholic Church and the sovereignty of the Polish State.

While committed to his spiritual and religious role, it is difficult to separate Cardinal Wyszynski's achievements as a great churchman from his achievements as a national leader. Despite the separation of church from state, the political importance of his office held great prominence during the decades of Communist rule since the end of World War II. From his years of forced isolation during the Stalin era to his role during the recent Solidarity Labor Movement, the cardinal was a political and spiritual inspiration to his countrymen. Communist leaders soon came to understand that they must reach an understanding with the cardinal in order to win any degree of social support.

Although adamantly opposed to "forced atheization" and other embodiments of Marxist-Leninism, the cardinal was a force of moderation during the recent Solidarity movement tensions. He was constantly there to defuse tension between the government and Solidarity. Solidarity leader Lech Walesa said that he would never go against the cardinal's wishes:

He is a great man, his wisdom is immense and his help has been enormous. . . . Without his intervention, I would not have been able to call an end to those strikes.

I join those throughout the world in hoping and praying that Solidarity and the Polish and Soviet Governments can continue to peacefully coexist despite the loss of this charismatic leader.●

● Mr. BOLAND. Mr. Speaker, the death of Stefan Cardinal Wyszynski was a tremendous loss, not only for the people of Poland, but for people throughout the world who seek peace and freedom.

For over three decades, Cardinal Wyszynski was the spiritual leader of Poland's Roman Catholic population. His tenure as head of the nation's church hierarchy coincided with a period of intense political struggle within Poland. He became the primate of Poland shortly after Communist rule was forced on his nation, and the remainder of his life was spent in an attempt to preserve his church, and the Polish spirit, in the face of the government's drive to reduce social and political rights.

'Cardinal Wyszynski's efforts to seek a middle ground between violence and confrontation gave him unparalleled influence among all factions in Poland. He was a voice of reason whose personal intercession may well have prevented Soviet intervention in Poland not only in the autumn of 1980, but also after the 1976 food riots. While freedom for Poland was always his goal, he never favored precipitous actions which would negate the gains he had so carefully accumulated. He was a true Polish patriot and a true shepherd to his people.

Mr. Speaker, Cardinal Wyszynski's moderating influence will be sorely missed in the days ahead. Fortunately he has left a religious institution stronger than any in Europe, and a legacy of achievement for his successor to follow. His success in preserving the traditional love of freedom and deep Christian faith of the Polish people is one of the most significant achievements of the 20th century.●

● Mr. CONTE. Mr. Speaker, the entire world was saddened by the death of the primate of Poland, Stefan Cardinal Wyszynski, on May 8. His passing away especially disturbs me, as a Roman Catholic, yet it should mean something to all of us. This man proved himself to be a consistent champion and defender of human rights in his country, and by his example, throughout the world. He was a mentor to Pope John Paul II, and together they worked that all might attain the fundamental rights of life, liberty, and freedom of worship.

During the Nazi occupation of Poland in World War II, Cardinal Wyszynski led the Catholic people in that country, never abandoning his beliefs in a time when his church and its people were subject to constant persecution. He maintained these same standards when the Soviet Army imposed Communist rule on the nation after World War II.

The cardinal accepted the responsibility of working within the Communist regime to insure that his people could worship as they chose; today, Poland is the only totalitarian nation in the world where freedom of worship is allowed, albeit grudgingly accepted. Throughout the past 32 years, Cardinal Wyszynski has stood as a beacon for upholding the fundamental rights of all people in this world. His death serves as a reminder to all of us how crucial that struggle is, and as an impetus to achieve our goal in spite of the many obstacles that face us. We dare not forget this man, nor must we ever forget that our Nation was founded on the very same beliefs to which Cardinal Wyszynski dedicated his life.●

● Mr. MINISH. Mr. Speaker, it is appropriate for us to pause in tribute to a great man, Stefan Cardinal Wyszynski, primate of Poland. The true leader of the Polish people died at a particularly traumatic time for his nation, after so many months of internal political turmoil—turmoil which he personally prevented from having disastrous results—and just days after the shocking assassination attempt on his revered countryman, Pope John Paul II. In this context, the passing of this wise and holy man leaves a void which will demand all the energy and talents of that great nation to fill.

Many obituaries on Cardinal Wyszynski have naturally emphasized his critical role in managing the crises of recent months, when his leadership may have made all the difference in a dangerous situation. Still, we must not forget his long-term contributions to Poland over the years. The brutal efforts of the Stalinists after World War II to crush Polish religion and national identity, the causes which Cardinal Wyszynski embodied, might have beaten a lesser man. Coming to leadership in that grim time, the primate taught his people to survive and prevail over the campaigns of harassment, threats, and imprisonment. If the pressures of more recent years have been more subtle, they have been no less dangerous, and the Poles continued to look to the cardinal for the strength and judgment which they needed.

To the Polish people, I convey the condolences and prayers of their friends in New Jersey. May Cardinal Wyszynski's prudence, wisdom, and courage continue to guide you in the days ahead.●

● Mr. BROOMFIELD. Mr. Speaker, a nation is indeed fortunate when in times of crises a leader emerges with the capacity to cope effectively with the many crosscurrents that accompany national emergencies. Poland was so blessed in the person of Cardinal Stefan Wyszynski, a courageous, prudent, farseeing and temperate spiritual leader, who adroitly headed the Polish Catholic Church of some 30 million souls for more than a generation.

The reach of this amazing prelate's influence extended well beyond Poland with the advent of the papacy of John Paul II who, at his inauguration, indicated that it was because of his mentor, Wyszynski, that the Roman Catholic Church has its first Polish Pontiff.

Cardinal Wyszynski spent much of his priestly life under the harsh, anticlerical tyrannies of nazism and communism. Yet, thanks to his brilliant leadership, the Polish Catholic Church today is far stronger than it was when he became primate of Poland in 1949. In fact, I believe it is fair to say that of the various current power centers in Poland, only the Catholic Church speaks for the vast majority of the Polish people.

Given what has transpired in post-World War II Poland, that is a remarkable turn of events. On a number of occasions during this period, Poland was rocked by domestic political troubles. In each instance, Cardinal Wyszynzki played a pivotal role in the resolution of those problems, primarily because he possessed the uncanny ability of knowing just when and how much to resist totalitarian rule and when to compromise without repudiating his principles. Adhering to those principles, I might add, cost him time in prison. Throughout that ordeal, his paramount concern was that the church would never reject the will of its people.

For the better part of the last year, the world's attention has been riveted upon Poland. As we all know, there have been moments when it appears Soviet intervention was imminent. Miraculously, that has been avoided to date, and much of the credit for that must go to Cardinal Wyszynski. Always able to keep things in perspective, he skillfully served as a bridge between labor and government in a manner that inspired the confidence and trust of both parties.

Mr. Speaker, I had the distinct honor and privilege of cochairing with our colleague, CLEM ZABLOCKI, the President's delegation to the funeral of Cardinal Wyszynski. The other members of the delegation were His Eminence, John Cardinal Krol, Archbishop of Philadelphia, Aloysius Mazewski, president, Polish-American Congress, the Honorable Francis J. Meehan, Ambassador to Poland, the Honorable William Wilson, the President's personal envoy to the Holy See, and Peter S. Bridges, Director, Eastern European Affairs, Department of State. Also participating in the ceremony, and of special meaning to me, was the delegation from the Archdio-

cese of Detroit, headed by His Excellency, Edmund Szoka, Archbishop of Detroit, who was accompanied by the Reverend Stanley Milewski, chancellor of Orchard Lake Schools, Orchard Lake, Mich., Mrs. Helen Zielinska, president of the Polish Women's Alliance, and Mr. Joseph Drobot, president of the Polish Roman Catholic Union of America.

The outpouring of sympathy we witnessed for this towering religious figure has left me with poignant and lasting memories. It also has caused me to realize what a legacy he leaves behind. The Poland we see today in many ways is the result of his efforts. Therefore, while saluting his memory, I pray that whoever is chosen as the next primate of Poland will be able to build upon the Wyszynski legacy and, in so doing, move Poland toward a permanent solution to its most difficult internal problems.●

● Mr. HORTON. Mr. Speaker, with the death of Stefan Cardinal Wyszynski on May 29, the people of Poland and freedom-loving people throughout Eastern Europe lost one of the most inspiring and towering figures of this century. For more than 30 years, Cardinal Wyszynski guided his spiritual flock through often turbulent and always politically dangerous waters. His ability to work within the framework of a Communist-ruled nation was unmatched anywhere else.

Throughout his life, Cardinal Wyszynski never drew away from confrontation or controversy. Challenged at virtually every turn by a succession of Soviet-dominated Polish political leaders and their instruments of oppression, the primate of Poland stood fast by the long tradition of Roman Catholicism and the principles of justice and morality. His tenacity ultimately won him the begrudging respect of the Polish Communists and the love and respect of the Polish people.

In Poland, as in many countries throughout Europe, religion stands as the common denominator, the unifying force, and transcending influence that determines the shape of things to come. Cardinal Wyszynski brought new meaning to the faith of most Poles who have traditionally seen the church as the historic symbol of Polish nationalism. During his life, his contributions to peace and unity enriched the lives of his countrymen and those beyond Poland's borders. He leaves a legacy that may well prevent Poland from succumbing to increasing pressure from the Soviet Union.●

● Mr. KEMP. Mr. Speaker, the free world has lost one of its most dedicated, uncompromising leaders with the death of Cardinal Stefan Wyszynski, primate of Poland. As a religious leader in a Communist bloc country, Cardinal Wyszynski staunchly resisted all totalitarilan forms of repression: during World War II, he worked in the underground movement against the Nazis; after the war, he fought to maintain the Catholic Church's independence, and spent 3 years in forced exile as a result of his efforts; and in labor strikes and other disputes between Communist authorities and the working class, both parties depended on him to mediate a workable solution.

Cardinal Wyszynski drew his strength from Poland's 1,000-year foundation of Catholicism; this religious tradition blended with his fervent national pride in Poland's cultural heritage and united Poles in their struggle against Communist rule.

Two notable Poles attribute their success to Cardinal Wyszynski's careful guidance: Pope John Paul II and Lech Walesa. Pope John Paul referred to the cardinal as his "spiritual mentor," for Wyszynski's religious conviction proved an unsurmountable force against the Communist government. Without the moderating influence of the cardinal, Lech Walesa said that he could not have settled the labor disputes which erupted in August 1980.

Cardinal Wyszynski's lifetime dedication to establishing religious independence in a Communist country and mobilizing national spirit to resist an authoritarian government will never be forgotten in his homeland, or by other people and nations who struggle against all forms of repression.

I would like to insert in the RECORD, "Wyszynski Fortified Church Under Communist Rule" from the New York Times, Friday, May 29, 1981:

WYSZYNSKI FORTIFIED CHURCH UNDER COMMUNIST RULE

(By Wolfgang Saxon)

Stefan Cardinal Wyszynski, Archbishop of Gniezno and Warsaw and Roman Catholic Primate of Poland, spent three decades in a struggle with secular authority and left the Polish church far more powerful than before.

Treading a thin line between resistance and compromise, he prevailed—through Stalinist incarceration and the persecution of the faithful, through the harassment that followed, through Communist efforts to legislate the church into submission, through the downfall of a succession of discredited party and Government chiefs. In the end, an officially atheist regime had to turn to him and his bishops for rescue from a citizenry enraged by economic hardships as well as by official corruption and ineptitude.

In the labor unrest starting last year, Cardinal Wyszynski became the arbitrator between the leaders of the independent labor movement and the Communist Party leadership.

RIGHT TO BE A CATHOLIC NATION

"After 10 centuries of Catholicism," he had reminded Poland's political leaders long before, in 1966, "we have the right to be a Catholic nation, and we do not resign that right." Responding to cheers from hundreds of thousands of pilgrims in Upper Silesia, he used that show of support to plead for coexistence between the Church and "the authority of Caesar."

He confronted a Government campaign to keep the young out of church in mid-1963, declaring: "If a citizen does not demand his rights, he is no longer a citizen. He becomes a slave." Parents, he said, should insist on the constitutional guarantee of free worship.

His role was bolstered by the faith of most Poles, who saw the church as the historic symbol of Polish nationalism, and by the fears all around of intervention by the Soviet Union. A large majority of Poles continued to identify with Roman Catholicism as a bulwark against Soviet power and the doctrinaire Marxism-Leninism that Moscow's leaders practiced to their own national advantage.

STRENGTHENED BY POPE'S ELECTION

The hand of the Polish church was further strengthened by the election of Karol Cardinal Wojtyla, Archbishop of Cracow, to become Pope John Paul II in 1978 and by his subsequent visit to Poland.

Cardinal Wyszynski's influence and the credibility of his church among the people were strong enough to restrain militants pushing the union leader, Lech Walesa, in one direction and ideological hard-liners pulling the Communist Party leader, Stanislaw Kania, in the other, while Moscow grappled with the problem of what to do about the tumult.

When the economic woes and the workers' dissatisfaction erupted in unrest in 1980, the state found itself unable to cope with them. Thus the astonishing spectacle in the spring of 1981, when Mr. Kania and Mr. Walesa and their aides went to the Cardinal's palace in Warsaw for discussions. And the Cardinal's representatives, the bishops of Poland, openly mediated local disputes over labor grievances or police excesses.

WARNED OF NATIONAL DISASTER

Cautious in his dealings with the state, Cardinal Wyszynski did not leap into the fray when strikes swept Poland to paralyze an ailing economy. Instead, he first told the workers to recognize the dangers of national disaster and outside intervention by going back to work and negotiating. That advice and the Government's unprecedented broadcast of his speech on television in that strike-ridden August of 1980 rankled many workers and Catholic intellectuals.

But Cardinal Wyszynski then followed his longstanding admonition to the church never to go against the will of the people. He met with Mr. Walesa the following month and eventually gave full support to the independent union and its struggling sister group, the farm union. But he also reminded them of the danger to the nation if they pushed the Government too far instead of holding it to hard-won promises.

WAS ORDAINED IN 1924

Stephan Wyszynski, the son of a village teacher and church organist, was born Aug. 3, 1901, near Lomza in the northeastern Poland, then part of the Russian Empire. He was ordained in 1924 and posted as vicar to Wloclawek, where he edited a Catholic daily newspaper and a scientific monthly.

He earned a doctorate in sociology and canon law at the Catholic University in Lublin in 1929 and also studied in Italy, France and Belgium. During nine years as professor at the Higher Seminary of Wloclawek, he became known as a "labor priest" close to the working people, for whom, in 1935, he founded and directed the Catholic Workers University.

The author of several books on labor topics, the priest upset conservative members of the church hierarchy. He was playing a role as counsel in labor disputes when the Germans invaded Poland in 1939.

The Nazis imprisoned much of the Polish clergy, but Father Wyszynski was spared and became a resistance leader and organizer of clandestine church meetings. He was consecrated Bishop of Lublin in 1946.

NAMED ARCHBISHOP BY POPE PIUS

Two years later, on the death of Augustus Cardinal Hlond, Pope Pius XII named him Archbishop of Gniezno and Warsaw and Primate of Poland. By then, the Communists had taken full control of the country under Soviet tutelage and set out to reduce the church to impotence.

Archbishop Wyszynski signed an agreement in 1950 by which the church promised not to meddle in politics and the state promised to respect freedom of worship and to let the church print its publications and give religious instruction to schoolchildren.

That first compromise for the sake of survival did not sit well with many Poles, who saw the regime chipping away at the historical role of their church. In any case, the pact did not withstand the repressions that followed. Priests were jailed, the Catholic press was stilled, and Archbishop Wyszynski had to use all his skill at diplomacy, his courage and sheer stubborness in the ensuing decades to win back the relative freedom the 1950 agreement had granted.

RAISED TO RANK OF CARDINAL IN 1952

Pope Pius announced the Archbishop's elevation to the rank of Cardinal in 1952. But fearful of not being allowed back into Poland, Cardinal Wyszynski kept away from the consistory in Rome the following January. When he refused to denounce a bishop jailed on espionage charges in 1953, he was himself arrested and confined at a monastery for three years.

In one of the ironies that marked Cardinal Wyszynski's life, Wladislaw Gomulka, the Communist leader in the early postwar period, had also been purged and jailed by the Stalinist under Boleslaw Bierut. When Mr. Gomulka returned to power in 1956, he had Cardinal Wyszynski returned to his palace.

Mr. Gomulka's return marked a lessening of Soviet domination. By freeing the Cardinal, he was seeking to gain popular support for his rule. And over the years that followed, both sides continued to grope for a modus vivendi of mostly uneasy coexistence.

The Cardinal often denounced what amounted to repression by the Government and to castigate Mr. Gomulka's assertion that no such thing existed. Railing against Poland's "caesars," he cited 20 organizations trying to turn Poles into a nation of atheists and obstructing their right to worship freely.

SHEEP DRAWN CLOSER TOGETHER

Temporal power could not overcome the Church in Poland, he frequently said.

"Strike the shepherd and the sheep will disperse," he exclaimed in a fiery sermon at Poland's holiest shrine, in Czestochowa, in January 1966 after the regime had denied him a passport for a visit to Rome. "Often this has been tried and proved true. But whenever it was done in Poland, it served only to draw the sheep closer together."

Even in recent years, he spoke out against bureaucrats and policemen interfering with religious observations and processions, and he was constantly attacking measures that curbed the construction of churches, demanded their financial records or hamstrung their publications and ability to teach.

Still, with the comparative peace attained under the Gomulka regime, Cardinal Wyszynski began to travel outside Poland. He met Pope Pius XII in 1957 and returned in 1958 for the election of Pope John XXIII and for Pope John's funeral and the election of Pope Paul VI in 1963.

Leading the church in an intensely nationalistic country, Cardinal Wyszynski had his own quarrels with the Holy See, particularly with Pope Paul, whom he visited repeatedly for discussions.

The chief irritant then was the Vatican's slowness in honoring Poland's sovereignty over the western provinces seized from Germany at the end of World War II. By 1970 Mr. Gomulka and Chancellor Willy Brandt of West Germany had signed an agreement by which Bonn formally accepted the postwar borders.

Cardinal Wyszynski, not wanting to lose the people's trust to the Communists. pressed the Vatican to follow suit. He was annoyed when the Vatican chose to take a legalistic attitude by waiting for formal ratification of the treaty, which was held up for a time by the issue of Germans still in the region who wanted to go west.

In 1970 riots broke out on the Baltic coast of Poland over higher food prices, and Cardinal Wyszynski voiced the country's shock over the severity with which the disturbances were quelled.

A new leadership was installed with Edward Gierek as party chief. He and the new Prime Minister, Piotr Jaroszewicz, promptly made overtures to the Cardinal, who coaxed concessions from them. In return he provided them with a voice of moderation when the gathering storm overtook the nation in 1980 and a discredited leadership again fell.●

● Mr. CORRADA. Mr. Speaker, I am pleased to join my colleagues this afternoon to pay tribute to the late primate of Poland, Stefan Cardinal Wyszynski.

Cardinal Wyszynski, in my opinion, ranks among the giants of this century and as a patriot and a man dedicated to the preservation of his land's historical and cultural heritage is unsurpassed by no one.

The people of Poland, and indeed the free world, owe a debt of gratitude to this great man who, almost single handedly, and using the force of his personality and his convictions, stood up to the Soviet Communist machine when the awesome power of this machine was dedicated to dismantling the civil, social, and economic institution of Poland.

Through his efforts many of the historical institutions of Poland, particularly the Catholic Church, were preserved. The spirit and the legacy of Cardinal Wyszynski will live on and in that sense he will be part of the Polish people forever.●

● Ms. FERRARO. Mr. Speaker, Stefan Cardinal Wyszynski, Archbishop of Gniezno and Warsaw and Roman Catholic Primate of Poland died on May 28. The death of this great churchman and national leader of the Polish people is a loss to all the world.

Cardinal Wyszynski led the people of Poland against the forces of tyranny, nazism, and communism. Cardinal Wyszynski was a man of freedom. His courage to speak against repression by the Government in Poland became a guiding light for all the Polish people to follow.

Cardinal Wyszynski provided for the spiritual needs of the Polish people. He was determined not to let an atheist regime destroy 10 centuries of Catholicism. Cardinal Wyszynski always insisted that the Polish people have the constitutional right of free worship.

Stefan Cardinal Wyszynski was a man of courage, a man of peace, and a man devoted to the love of people and God. I, therefore, join my colleagues in mourning the loss of this noble and great man.●

● Ms. OAKAR. Mr. Speaker, it is with sincere remorse that the world community pays final tribute to Cardinal Stefan Wyszynski, the church of Poland's primate for better than 20 years standing.

Cardinal Wyszynski's voice of reason and strength preserved not only the independence of the Polish Catholic Church from the oppressive grip of communism, but also gave rebirth to a national pride. Cardinal Wyszynski was both the spiritual leader and the cornerstone of stability for the Church of Poland, her people, and in great measure the world. His tutelage was not only confined to spiritual matters. As recently as 1979, the cardinal played an equally significant social-political role in hedging a violent outbreak between strikers and the Government. Cardinal Wyszynski developed and nurtured an unequaled triangle of respect from the Vatican, the Polish citizenry and the Government—a respect that grounded both a delicate peace and built a firm foundation for the potential victory of freedom. The cardinal's brilliant leadership and well-seasoned art of diplomacy has time and again mediated a peace for Poland. While moderation and prudence were the cardinal's tools of negotiation, never did he capitulate on driving home the uncompromising objective of democracy for the Polish society.

Cardinal Wyszynski's clarity of purpose, determination of will and sincerity of spirit distinguish not only his character, but also mirror the resiliency of the Polish nation. He is a 20th century hero of the first rank.

While Cardinal Wyszynski's death silences a voice that preserved a nation, his message is indelibly embedded in the hearts and the minds of the Polish people and his counsel shall endure.

Pope John Paul II has a serious and difficult task before him as he begins the task of choosing a successor for the beloved and capable Cardinal Wyszynski. Our confidence and our prayers are with His Holiness in this endeavor.●

● Mr. ALBOSTA. Mr. Speaker, it is with great sadness that the world notes the passing of Stefan Cardinal Wyszynski of Poland. He was a great man, a true man of God, and a highly respected and beloved leader of his people.

As a Roman Catholic of Polish ancestry, I have had a particular fondness for Cardinal Wyszynski and his heroic efforts on behalf of his people and the church. During his lifetime, Poland has undergone tumultuous times. Cardinal Wyszynski has been a leader and counselor to literally thousands of Poles as they seek in their own consciences to deal with the differences between church teachings and the policies of the government.

Cardinal Wyszynski has, time and again, been an ardent foe of communism whose views were always well known. At the same time, he had the training and intelligence to use his talents and beliefs wisely to assure change in a calm and productive manner. The people of the world can learn many lessons from this skillful and considerate man.

Cardinal Wyszynski is perhaps best known internationally, and perhaps at home also, for his use of the church as a repository and focus for Polish nationalism and pride. It has served as a bright light in dark and bleak times.

His influence on the world will continue to be felt for many years, most specifically through his friend, compatriot, and student, Pope John Paul II. We will miss his presence among us. We can best serve his memory by studying his methods and following his lead. I join with my colleagues in honoring this great Polish churchman.●

● Mr. MARTIN of New York. Mr. Speaker, today we honor a leader whose statesmanship and moral authority, in the face of enormous adversity, were of truly universal dimensions.

Stefan Cardinal Wyszynski was a man who chose to light a candle rather than curse the darkness. His steadfast defense of the right to worship, as a prominent figure in his nation's resistance to the Nazis, through three decades of repressive secular authority in Poland following World War II and, indeed, through 3 years of his own incarceration, served to nurture the flame of the Roman Catholic Church in his homeland. This, in turn, kept alive centuries-old national traditions that fortified the Polish people in their resistance to any domination by the Soviet Union.

One of the political ironies of our time and a sure measure of Cardinal Wyszynski's success was evident only recently when the secular authorities against whom he had struggled for so long turned to him in their hour of crisis, explicitly recognizing his stature and the strength of his church in Poland.

Today, Mr. Speaker, the flame preserved by this great son of Poland burns more brightly than ever in the hearts of his own spiritual sons and daughters.●

● Mr. DWYER. Mr. Speaker, as the world mourns the passing of one of the most courageous religious heroes of our time, Stefan Cardinal Wyszynski, it is most fitting that we in the Congress humbly pay tribute to this very special man.

His quiet fortitude and fearless leadership have left a mark on church and human rights policies not just in Poland, but worldwide. He was moderate but firm in his approach to the religious and social upheaval in his homeland, fair but diligent in his appeals for needed change.

He effected that change through his profound commitment to peace and reason that won for him universal respect. In New Jersey's 15th District, where so many of his compatriots live, work, and now grieve at his passing, that respect is most deeply felt.

Forthright and tireless in his pursuit of religious and human justice, Cardinal Wyszynski will be sorely missed, yet his legacy will be with us always.●

● Mr. WEBER of Ohio. Mr. Speaker, in the past year, the eyes of the world have repeatedly turned to Poland as important events have unfolded. We have been inspired by the solidarity of Polish workers as they work with great diligence and courage to secure basic rights in the face of Communist oppression. We have seen the love and pride of the Polish for one of their sons as Pope John Paul II has spread his message of love and peace throughout the world.

All of the world is now saddened by the news from Poland of the passing of one of her other sons, the primate of Poland, Stefan Cardinal Wyszynski.

Since the Communist takeover of Poland, following World War II, Cardinal Wyszynski represented strength, inspiration, and continuity to the people as the leader of the Polish Catholic Church. Cardinal Wyszynski's enlightened leadership kept alive the faith and spirit of the Polish in spite of a regime which would make every effort to crush such feelings; a rarity indeed among the world's oppressed nations.

The people of the world should mourn the passing of this great leader, but should find inspiration in the belief that the unique spirit he is responsible for will live on in Poland.●

● Mr. DAUB. Mr. Speaker, with the passing of Cardinal Stefan Wyszynski, both Poland and the world have lost a great spiritual leader.

Throughout his battles for a free and independent Poland, the cardinal demonstrated that it is the longer view of history which prevails over political expedience. It was this historical perspective which enabled the primate of Poland to retain his influence while successive Communist leaders rose and fell.

The same perspective prevailed also in 1956 when the cardinal's guidance in a large way prevented a Russian invasion which afflicted Hungary that same year.

Central to his philosophy were powerful, and I think correct, views of man's relationship to God and state. He felt strongly that man ought to be in the service of God but not a slave of the state.

The right of people to self-determine their own destiny was perhaps his most closely held political conviction. His revulsion at the Soviet imposition of a Communist government on the people of Poland was only equaled by his revulsion at the possibility of yet another Soviet violation of Poland's national integrity.

The cardinal was regarded as a living reminder of his homeland's age-old quest for freedom and independence. His death impedes this quest, but the memory of him insures its ultimate success.●

● Mr. GRADISON. Mr. Speaker, I join with my colleagues and freedom-loving people around the world in tribute to the late Stefan Cardinal Wyszynski, archbishop of Gniezno and Warsaw and primate of Poland. His death on May 28 removes not only a great spiritual leader for millions of Catholic Poles but also a courageous and spirited advocate for human rights.

Spared from imprisonment by the Nazis during their occupation of Poland in World War II, then-Father Wyszynski became a resistance leader and organizer of clandestine church meetings. His elevation to primate coincided with the assumption of complete power in Poland by the Communist Party in 1948. Despite an agreement signed in 1950 between church and state in which the church promised not to meddle in politics and the state promised to respect the freedom to worship and propagate the faith, the Communists set out to undermine the church as a force in the lives of the Polish people.

During the 1950's, priests were jailed and the Catholic press was stilled. Cardinal Wyszynski worked tirelessly and skillfully to moderate between church and state. He himself was jailed on espionage charges in 1953 for 3 years. Tension between church and state

lessened during the latter 1950's and the 1960's, but this remarkable man remained vigilant to the intrusions of the government on the church's prerogatives.

His critical role in the recent labor disputes has been well documented. During 9 years as a professor at the Higher Seminary of Wloclawek, he became known as a labor priest, close to the needs and feelings of Poland's working people. In 1935, he founded and directed the Catholic Workers University.

After the strikes of last July and August, Cardinal Wyszynski met with both Stanislaw Kania, Poland's Communist Party leader, and Lech Walesa, the leader of the Solidarity Labor Union, urging both sides to moderate their positions. As a result, Poland averted a serious showdown and almost certain intervention by the Soviet Union.

Pope John Paul II, a protege of the late cardinal and a personal friend through years of service, eulogized Wyszynski as "for more than 30 years * * * the keystone of the unity of the church in Poland." This accomplished leader deserves the honor and respect of all Americans, regardless of religious beliefs.●

GENERAL LEAVE

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

ITALIAN-AMERICAN HERITAGE WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, I was glad to join my colleagues in cosponsoring House Resolution 145, which was introduced by my good friend from New Jersey, the Honorable MATTHEW J. RINALDO, expressing the sense of the House of Representatives that the week commencing June 7, 1981, be designated as "National Italian-American Heritage Week."

I am also delighted to join my colleagues in the House in paying tribute to the great contributions that Italo-Americans have made, not only to the discovery of America, but since the discovery of America, to the development of the United States.

In all walks of our country's life, Americans of Italian heritage have made innumerable and lasting contributions. Italians helped to explore the new land and begin new settlements. William Paca was a signer of the Declaration of Independence, and Italians fought heroically in all of America's wars to preserve our freedom. In music, art, business, science, sports, education, politics, and architecture, Italian immigrants rank among America's finest throughout our Nation's history.

The designation of Italian-American Heritage Week is a tribute to the role of Italian immigrants in making our country strong and free, and Americans of Italian descent continue to carry forward the New World tradition of determination, hard work, and courage begun by Christopher Columbus.

A copy of House Resolution 145 follows, which passed in the House of Representatives by voice vote on June 4, 1981:

H. RES. 145

Whereas the House of Representatives full recognizes that it is essential for the people of the United States of America to understand and respect the rich heritage of all American ethnic groups if we are to maintain and foster national unity;

Whereas the many great contributions of Italian-Americans to our country must be recognized and the deep Western roots of Italian-American culture, history, and traditions must be appreciated; and

Whereas Italian-Americans, like Columbus, the famous Italian geographer-navigator-explorer, have had to rise by using individual initiative, imagination, and resourcefulness—traits that have distinguished the American character and made us a Nation of individuals who time after time have pressed forward to victory in situations that seemed to promise certain defeat: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the week commencing on June 7, 1981, should be designated as "National Italian-American Heritage Week" and that the people of the United States should observe such week with appropriate ceremonies and activities.●

EXPORT-IMPORT BANK FINANCING NOTIFICATION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

● Mr. NEAL. Mr. Speaker, I am notifying the House today of a U.S. Export-Import Bank proposal to help finance the sale of $142 million worth of nuclear power generating equipment manufactured by the General Electric Co. to the Government of Romania.

The Eximbank is prepared to authorize a direct credit of $120,742,500 to make possible the sale of two 700-megawatt nuclear steam turbine generators and related spare parts and services for use in Romania's Cernavoda Nuclear Power Station.

General Electric is facing stiff competition for this sale from European manufacturers, particularly the French, whose government export credit agency is prepared to finance the sale on highly favorable terms. If Eximbank support enables General Electric to make the sale, the company will have an opportunity to sell additional equipment for another 12 to 14 nuclear power units planned by Romania.

Because of slack demand in the United States, the export market has become important to the survival of the large steam turbine generator industry in this country.

This Eximbank financing notification was referred to me as chairman of the Banking Committee's Subcommittee on International Trade, Investment and Monetary Policy. Section 2(b)(3)(iii) of the Export-Import Bank Act of 1945, as amended, requires that the Eximbank notify Congress of proposed loans or guarantees involving the export of nuclear technology or equipment. Unless Congress determines otherwise, the Eximbank may give final approval to the transaction after 25 days of continuous session of the Congress after notification.

I am submitting for the RECORD the Eximbank notification, which gives details about the proposed transaction with Romania. I would welcome any comments or questions my colleagues might have on this financing proposal.

The Eximbank material follows:

EXPORT-IMPORT BANK OF THE UNITED STATES,
Washington, D.C., May 26, 1981.

Hon. STEPHEN L. NEAL,
Chairman, Subcommittee on International Trade, Investment and Monetary Policy, House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Eximbank has submitted a statement to the Speaker of the House of Representatives and the President of the Senate in accordance with the provisions of Section 2(b)(3)(iii) of the Export-Import Bank Act of 1945. I am taking the liberty of providing you with a copy of this statement.

Sincerely,

NANCY S. PIGMAN,
Congressional Relations Officer.

EXPORT-IMPORT BANK OF THE UNITED STATES,
Washington, D.C., May 26, 1981.

The Speaker, House of Representatives, U.S. Capitol, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Sections 2(b)(3) (i) and (iii) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the House of Representatives with respect to the following transaction involving U.S. exports to the Socialist Republic of Romania ("Romania").

A. DESCRIPTION OF TRANSACTION

1. Purpose

Eximbank is prepared to authorize a credit of $120,742,500 to the Government of Romania ("Government") to facilitate the purchase in the United States of two 700 MW nuclear steam turbine generators and related spare parts and services for use in the Cernavoda Nuclear Power Station. The

Government has selected the General Electric Company ("GE") to provide the goods and services. The total U.S. export value of this transaction is $142,050,000.

2. Identity of the parties

Romenergo, a Romanian Foreign Trade Organization responsible for overall implementation of the Government's power projects and related imports, is the borrower. Eximbank has made one prior loan to this organization, and it is current on all its obligations to the Bank.

The Romanian Bank for Foreign Trade, a government-owned bank, will unconditionally guarantee repayment of the Eximbank Credit. The guarantee constitutes a general obligation of Romania for which its full faith and credit is pledged. Eximbank has received the guarantee of the Romanian Bank for Foreign Trade on all loans extended to Romania.

3. Nature and use of goods and services

The goods and services to be exported from the United States consist of two 700 MW nuclear steam turbine generators, spare parts and related services to be used in Unit Nos. 1 and 2 of the Cernavoda Nuclear Power Station. The nuclear portion of the plant is being supplied by Atomic Energy Canada Limited utilizing CANDU technology, and the balance of the plant is being supplied by an Italian Company, Ansaldo Meccanico Nucleare, in association with GE.

4. Presidential determination and executive branch review

Pursuant to Section 2(b)(2) of the Export-Import Bank Act of 1945, as amended, the President on May 20, 1981, determined that it is in the U.S. national interest for Eximbank to extend a loan to Romania for this transaction. The Secretary of State is transmitting this determination to the Congress, and a copy of it is attached to this letter.

In addition, in accordance with established procedures, the Department of Energy, the Department of State and the National Advisory Council on International Monetary and Financial Policies have advised that they have no objection to Eximbank's proceeding with the transaction.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons

GE faced intense competition from European suppliers whose bids included financing proposals for 85% of the contract price and were supported by their respective official export credit agencies. In the final stages of negotiations, Alsthom of France emerged as GE's strongest competitor providing financing at a fixed interest rate of 7¾% per annum supported by Compagnie Francaise d'Assurance pour le Commerce Exterieur ("COFACE") France's export credit agency.

The exports financed by Eximbank will have favorable impact on income and employment in the geographic areas where GE facilities are located. Specifically, GE states that the sale will result in a total of two million hours of employment in GE facilities in Schenectady, New York; Charleston, South Carolina; Portland, Maine; and Merrimack, New Hampshire. In addition, GE indicates that approximately 2,000 sub-suppliers in various states, including Indiana, Massachusetts, New Jersey, New York, Ohio, Pennsylvania, South Carolina, Vermont and Wisconsin will participate in this transaction.

Because of slack domestic demand, the export market has become important to the survival of the large steam turbine generator industry. Also, this first sale should result in follow-on sales of GE components for the other 12 to 14 units currently planned in the Romanian nuclear power program.

2. The financing plan

The financing plan for the total U.S. procurement for the turbine generators, spare parts and services supported by the Eximbank Credit is as follows:

	Percent of U.S. costs	Amount
Cash payment	15	$21,307,500
Eximbank direct credit	85	120,742,500
Total	100	142,050,000

(a) Eximbank Charges

The Eximbank Credit will bear interest at the rate of 8 percent per annum, payable semiannually. The interest rate to Romania is 7¾ percent per annum with GE paying the difference of ¼ of 1 percent per annum. Eximbank will charge a commitment fee of ½ of 1 percent per annum on the undisbursed amounts of the Eximbank Credit.

(b) Repayment Terms

Aggregate disbursements under the Eximbank Credit will be repaid by Romania in 20 semiannual installments beginning July 5, 1989, six months after the estimated start-up date of the second turbine generator.

3. Countertrade

GE has entered into a countertrade agreement with the Romanians as a condition of award of this sale because all of the other foreign competitors also offered to accept countertrade arrangements. The countertrade agreement calls for GE to purchase over an eleven year period goods equal to the value of GE exports to Romania. It is expected that a large portion of the Romanian goods will be purchased for sale to third country markets, but some imports into the U.S. will occur. Eximbank has examined the countertrade agreement and has concluded that the agreement is not likely to have a significant adverse impact on the U.S. economy.

In summary, Eximbank believes that the entire transaction should be favorable to the United States.

Also attached is additional information on Eximbank activity in and economic data on the country of Romania.

Sincerely,

MARGARET W. KAHLIFF,
Director.

THE WHITE HOUSE,
Washington, May 20, 1981.

Presidential Determination No. 81-7.

Memorandum for the Secretary of State.

Subject: Determination under Section 2(b)(2) of the Export-Import Bank Act of 1945, as amended—Socialist Republic of Romania.

Pursuant to Section 2(b)(2) of the Export-Import Bank Act of 1945, as amended, I determine that it is in the national interest for the Export-Import Bank of the United States to extend a credit in the amount of $120,742,500 to the Socialist Republic of Romania in connection with its purchase of two nuclear steam turbine generators and related services and spare parts.

On my behalf, please transmit this determination to the Speaker of the House and the President of the Senate.

This determination shall be published in the Federal Register.

RONALD REAGAN.

ROMANIA

Area: 237.5 thousand square kilometers.

Population: 22.1 million (1979).

Population Density: 93.2 per square kilometers.

Population growth rate: 0.8 percent.

Sources and Application of National Income (1979):

Sources:	*Percent*
Industry	58.5
Agriculture and forestry	15.2
Construction	9.6
Transportation and telecommunications	5.8
Trade	7.4
Other	3.5
Total	100.0
Application:	
Consumption	61.8
Gross investment	34.5
Changes in stocks	5.0
Net exports	−1.4
Total	100.0

[Dollars in billions]

	1976	1977	1978	1979
GNP data:				
Constant 1979	$68.8	$71.3	$75.5	$78.9
Real GNP growth (percent)	12.9	3.5	5.9	4.5
GNP per capita, 1979	$3,200	$3,290	$3,455	$3,570
Price data: Consumer price increases (percent)	0.5	1.0	2.0	1.8
Labor data:				
Wage increases (percent)	5.7	7.2	11.2	4.9
Employment increases (percent)	3.8	4.0	2.7	3.9
Balance-of-payments data (hard currency):				
Exports	$3.4	$3.7	$4.1	$5.3
Imports	−3.3	−3.8	−4.6	−6.5
Trade balance	+0.1	+0.1	−0.6	−1.2
Current balance	−0.1	−0.3	−0.8	−1.7
Capital flows	−0.1	+0.3	+0.9	+2.0
Overall balance	−0.1	.....	+0.1	+0.3
External debt and data:				
Hard currency debt	$3.1	$3.6	$4.9	$7.4
Debt service ratio, medium- and long-term (percent)	16.8	18.1	17.3	20.5
Reserves data:				
Reserves including gold	$0.2	$0.3	$0.3	$0.6
Cover for months of imports	0.8	0.8	0.8	1.2

EXIMBANK EXPOSURE IN ROMANIA AS OF MARCH 31, 1981

	Outstanding	Undisbursed
Direct loans	$85,849,000	$26,923,000
CFF loans	7,733,000	3,532,000
Financial guarantees	.....	.....
Bank guarantees and other	.....	4,548,000
Insurance:	.....	.....
Medium-term	.....	10,000,000
Short-term	459,000	.....
Total	94,041,000	45,003,000
Total exposure		139,044,000

REPAYMENT EXPERIENCE

Payment of principal, interest and fees due on Eximbank loans to Romanian borrowers have generally been prompt. Since Eximbank began lending activity in Romania in 1972 there have been no defaults or reschedulings.●

EXPLANATION AS TO VOTE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 5 minutes.

● Mr. DANIELSON. Mr. Speaker, I was unable to be present on the floor of the House of Representatives on May 28, 1981, when the House voted on rollcall No. 52, and voted to approve the Journal of Wednesday, May 27, 1981, and on rollcall No. 53, to suspend the rule and pass H.R. 3520, to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization. Had I been present, I would have voted "aye" on rollcall No. 52 and "aye" on rollcall No. 53.●

RIO GRANDE CONFERENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, I certainly wish to allay any fears, I certainly do not intend to take all 15 minutes this afternoon. However, impulsed as I am by the need to go on the record, I wish to report that this past Saturday it was my honor and privilege, and personal satisfaction, to address the annual Rio Grande United Methodist Church Conference which is an historical one, perhaps the most historical of all the meetings in that particular church or Christian denomination in the Southwestern United States.

To give my colleagues an idea of its historicity, all of the transactions in the official proceedings of the conference are in Spanish because there are Spanish-speaking delegates from both the States of New Mexico, as well as Texas, and even some delegates from northeastern Mexico.

The meeting is evocative of a history of the United States that has yet to be written, that particular developmental history in the southwest border country, and particularly the 20-year period known as the Mexican revolutionary period stretching from about 1910 to 1930. This conference is really unique. As a matter of fact, it is a separate and apart annual conference from the main southwest conference of the Methodist Church which was celebrated in my district in San Antonio, Tex., the heart of the city, in fact at a place adjacent to the Alamo, just a few days prior to the Rio Grande conference last Saturday. But, it is nevertheless an integral part of methodism.

The Rio Grande conference took place at Georgetown, Tex., at another historical site, the Southwestern University, which has been in existence 141 years and is a substantial educational institution with a tremendous background of service to methodism and in imparting education to the people of Texas. It is a beautiful campus. It has grown tremendously, just in the last 20 years, since I served in the Texas State Senate and had occasion last to go to the campus.

In any event, I feel it was a real privilege to attend this particular conference last Saturday. The Methodist bishop for the region, Bishop Ernest Dixon, was there. The vice president of the university, William B. Jones, was also there and there were more than 1,000 persons present at this great conference. The discussion that I was asked to develop was the developing eighties, the decade of the eighties, and the role of the ethnic minorities.

Mr. Speaker, I will insert in the RECORD at this point the substance of the address that I gave in pursuance of that request:

I am grateful to have the opportunity to be here with you, and spend a few minutes reflecting on the eternal dilemma: Where do we go from here? There are never any easy answers or sure road signs to guide us in life's conflicts, no matter how great or small those might be. We travel with certainty only when we move on the basis of firm faith; it is so in daily life, it is so in academic life, it is so in political life. Therefore, when you ask me to talk about the role of minorities in the eighties, you are asking me to describe a map that does not really exist, except in faith—the faith that we can, even in the resurgent spirit of a new know-nothing age of politics, still find ways to improve the lot of people who are all too often left behind, left out, and left hurt in the great swirl and hubbub of our society.

We know at the outset, in the words of Herman Melville, that "there is no steady unretracing progress in this life; we do not progress through fixed gradations * * *." There is no way that we can with certainty say what this decade will bring, or what we will be like at the end of it. All we can know is that we have to strive for the best that is within ourselves, and seek to commit this country to do the best that it can for all of its people.

There is in any country, any society, the temptation to be complacent, to shut out the afflictions and problems of the unfortunate. This is no less true of our great country than of any other—but still there is a redeeming optimism that prevails in our country. Most of us believe that there are very few problems of any kind that can't be licked. That is why Americans didn't let the prairie be the end of the westward movement. There might have been less water and little wood in the West—but Americans discovered that you did not have to have wood or stone to build fences, you could use wire. And you did not have to have water in streams, you could drill deep wells and bring the water from the earth by using the power of the wind. And just as we have tended to be inventive and practical, so have we realized that social problems can be licked, too. Sometimes our efforts to help our fellow man have been terrible failures—prohibition was a disaster—but far more often we have found that there are ways and means of helping our fellow human beings overcome the viscissitudes of life. So we have been optimists.

I like to think that our general optimism has also made us idealists. Justice Brandeis, who himself sprang from a class who were subjected to the most odious kind of discrimination, found it in his heart to say this:

"There is in most Americans some spark of idealism, which can be fanned into flame. It takes sometimes a divining rod to find out what it is; but when found * * * the results are extraordinary."

We know from history and the events of our own lives that idealism is a real and present thing in our society. Where else but in America would anyone dream up an idea as outlandish, and as outlandishly successful, as the Peace Corps? Where else but in America would we find a President inviting, as Franklin Roosevelt did, the Daughters of the American Revolution to think of themselves as immigrants? Where else but in America could there have been the great civil rights movement, that mighty and cresting wave of equality and dignity, that expressed itself in words of idealism and faith that no one could ever forget:

"We shall overcome, we shall overcome, I do believe,

"We shall overcome some day."

Nowhere but in America could you find that kind of movement, born in faith, nourished by optimism, and fueled by pure idealism, crystallized in those words.

And now here we stand, the fight for simple access won. Here we stand, knowing that the real fight is only now beginning. For it means nothing if we have the right to walk into the hamburger joint if we lack the money to buy the burger. It means nothing to have the right to apply for a job if we don't have decent schools to equip us for that job. It means nothing to have the right to buy or rent a home if there are no homes to buy or rent.

The fight of the civil rights movement was a fight for access. The fight today is much harder than that: it is the fight for the mainstream, the fight for economic opportunity.

And this is the key: It is not a fight only for the minority people of this country; it is a fight for all the people of this country.

In the State of Texas about a third of the population could be considered a member of one minority or another. About one Texan in five as Hispanic. About one Texan in eight is a black. It is true that when you talk about unemployment, when you talk about low income, and when you talk about poor education, and when you talk about poor nutrition, those are problems that fall first and hardest and most often on the minority population of this state.

But when you talk about absolute numbers, there are twice as many poor Anglos in Texas as there are poor Hispanics. There are four times more poor Anglos in Texas than there are poor blacks.

Therefore, when we talk about the fight for economic opportunity, we are not merely talking about a fight of, by, and for blacks and hispanics. We are talking about a fight for all poor people.

When we talk about how Republican budget cuts hurt poor people, we too often forget that the greatest number of the poor are not minorities at all, but Anglos.

For all poor people, the fight in this decade is to reach the mainstream, the point where most Americans live: a decent job, a decent education, a decent home, and a decent meal on the table.

Because so many in the minority population are poor, this effort to reach the main-

stream is too easily seen as simply a minority struggle. Such an image is wrong—for the problems of all poor and struggling people are different only in degree. And there is no degree of difference in the pain of poverty; a hungry stomach does not differentiate between races.

In the civil rights struggle, the key was to awaken the realization that civil rights was not just a concern of black people; it was a concern of all people.

I remember vividly that when I filibustered against the infamous segregation bills of the fifties, I did not merely arouse the hatred of rednecks and the suspicions of the FBI. My own friends said they were disappointed in me; that I was trying to reduce my own hispanic brothers down to the level of blacks. But what was any different about laws that tried to exclude me from certain housing, right along with blacks? What was any different about me being excluded from a public park, right along with blacks? What harmed blacks, harmed me. And what offended any human being offended all human beings.

There are many keys to the economic mainstream. It takes more to reach that mainstream than to have an opportunity for a job; it is necessary to be equipped for that job. And so for many, the main thing is to stay in school to gain skills.

We have done well in that task in the last decade, and the progress for minorities has been encouraging. And yet even today among adult Hispanics in Texas, only a third have finished high school. Blacks by contrast can count half their adult number as being high school graduates. Meanwhile, two-thirds of the Anglos have completed a high school education.

Therefore, for a third of the Anglo population, half the black population and two-thirds of the Hispanic population, education remains a supreme priority. Without education, and without skill, the door to opportunity may be open but the threshold remains too high to cross.

What that educational attainment means is this: a third of the Anglo population of this state lives on an income of less than $6,000 a year. Close to 60 percent of Hispanics and blacks on that kind of income—$500 a month.

Here in Texas, if you have less than four years of education, it doesn't make much difference what your ethnic background is: black, white, or brown, anybody with less than a fourth grade education is, two-thirds of the time, working at a low wage blue collar job of one kind or another.

There is nothing dishonorable about honorable work—but what I am saying is that staying in school is the first prerequisite to entering America's true mainstream, and that is the upwardly mobile population, the population that moves up the ladder, rather than being forced to stay on the same level, unable to move ahead.

If we have to be concerned about education, we have to doubly concerned about the forces that are threatening our schools today. All across Texas, there is resentment about property tax levels. Our state's teachers are inadequately paid, and they get nothing like the respect their jobs entitle them to. But most alarming of all is the fact that at the same time the Reagan budget programs intends to cut Federal aid to schools by 25 percent. What this means for disadvantaged people is that it will be next to impossible for schools to provide the kind of remedial and special education in the eighties that they did in the seventies—this, at a time when test scores are confirming that those programs have worked and worked well—this, at a time when we know that the investment in human potential has truly paid off. Just this week, the House Education and Labor Committee, driven by the fantastic budget cuts imposed by the Republican budget, voted to kill future funding for the impacted areas assistance program. This can, if the decision sticks, have disastrous effects on schools in San Antonio that have no conceivable way to relay on local taxes to make up the difference.

And we are seeing moves to dismantle Federal aid to the handicapped. Here in Texas, the clients of the Texas Rehabilitation Commission last year reported a total income of $19 million, before rehabilitation training. After that training, their income went up to $120 million. The cost? About $25 million. Vocational rehabilitation produced, in other words, an increase in income of four dollars for every single dollar that was invested in that training.

Yet that program stands in clear danger today.

I think that if we but had the instruments to measure it, we would see that education of every kind produces the same kind or return on investment. For the poor and disadvantaged, there is absolutely no doubt that the chances of getting a job increases with each additional year of school, and the quality and income from that job likewise increase with each additional year spent in school.

And for that reason, I think that ethnic minorities need first to be concerned about maintaining educational opportunities in the eighties—and this is a concern of every citizen, rich or poor, black or white.

I have said much about education, and I underscore the importance of education as the key to economic opportunity.

But I do not want to leave the impression that the struggle ends there.

If there is no job to be had, qualifications and skills make no difference. If there is no food in the house, it does not matter how great the schools are; hunger and learning aren't compatible. If there is no roof to live under, no clothing to wear, it does not matter if the schools are outstanding.

We have to be concerned with overall economic program. We have to be concerned with programs that make it possible to realize human potential.

When an administration creates deliberately an economic program that forces high interest rates upon us—we have to understand that those interest rates force a general economic slowdown, a general rise in unemployment, a general rise in small business bankruptcies. Those are the things that fall hardest on those who have the least to begin with—and most particularly on minority groups. Does the building industry have trouble? Then we have to realize that the small builders and the small subcontractors—a great many of whom are minority persons struggling for a breakthrough—are hit first, hardest and longest of all. Does the auto industry have trouble? It is the assembly-line worker, the car salesman, the mechanics who suffer the first blows, the hardest knocks, and the greatest struggle. Do the banks cut off loans? We have to understand that it is the corner grocer, the neighborhood dry cleaner, the independent merchant, who really suffers the consequences.

In each and every case, it is not just the minority who suffer—it is every struggling person in this country who suffers.

What we have to look for them, is ways and means to make common cause with everyone who shares the concerns and burdens of proverty, or handicaps of one kind or another.

It was making that common cause that allowed the great civil rights breakthrough. Now that we are looking for economic opportunity, the fight is far more complex, far more subtle, far more difficult—but it can only be won in the same way: by making common cause with all who are poor, all who are oppressed, all who need help, and all who care about human decency.

What we cannot afford is to become locked in some sterile self-isolation.

Not long after the Civil War, Walt Whitman wrote a great essay, "Democratic Vistas." We have to understand that Whitman loved this country as few others could; he saw its greatness torn assunder; he worked in military hospitals around Washington, and witnessed the terrible tragedy of war; and he had mourned the death of Lincoln. And yet, despite all that, he looked to the future and saw a nation, which he said, would eventually have "forty or fifty great States." And he saw in America a place where every individual could realize the best in himself. He saw equality for women. He saw the building of a unique, ideal society. And he saw the dangers of injustice and isolation: he might have been thinking of today's demands for blind conformity when he wrote:

"The great word Solidarity has risen. Of all dangers to a nation, as things exist in our day, there can be no greater one than having certain portions of the people set off by a line drawn—they not privileged as others, but degraded, humiliated, made of no account."

What he was saying was this: We can neither allow ourselves to be cast into ethnic stereotypes, nor can we put ourselves into such a mold. Just as we would not have society put us into an isolated box, neither should we, in our own pride, impose rigid conformity on ourselves. In Whitman's vision of America, every man and woman would be unique, would honor their own roots, but be free to reach out in all directions to other people, other citizens. He saw American individualism as "Not that half only * * * which isolates. There is another half, which is adhesiveness or love, that fuses, ties, and aggregates, making the races comrades, and fraternizing all."

Whitman lived and wrote at a time of great national disillusionment. "The din of disputation rages around me," he wrote. "Acrid the temper of the parties; the President sends his message, reconstruction is in abeyance; the nomination and the contest for the twenty-first Presidential draw close, with loudest threat and bustle." But he did not despair:

"Of these, and all the like of these, the eventuations I know not; but well I know that behind them, and whatever their eventuations, the vital things remain safe and certain, and all the needed work goes on."

So are we in an age of disillusionment. The industrial world sees slow growth, and no way to cope with the insidious effects of inflation—and so the rich intend to build their walls higher and surround their wealth with moats, fearing that they might lose everything.

The politics of the Administration today is a new period of Know-Nothing—something that Whitman knew very well. The Administration puts its civil rights litigation on hold; it spends all its energies disman-

tling education, housing, and employment programs, saying that when the economy is right, everyone will be all right. But they ignore and forget the experience of our own past. It was only in the sixties that we had ideal economic conditions like those Stockman promises. Yes, in the sixties we had low unemployment, we had low inflation and we had rapid growth. But we also had millions who were left out of the general prosperity, millions who has no way to latch onto the promise of America—the promise that they too could become the kind of individuals we all want to be—the promise that every man and woman could realize their full potential. We discovered then that general prosperity and stability does not bring with it automatic success for everyone. There are those for whom the door may be open, but the threshold too high to step over. There are those who struggle for food, for the bare necessities of life, for any kind of hope at all.

That is why we had riots: in the midst of plenty, there was despair.

And that is why the new Know-Nothing age is so dangerous. It ignores the reality that even when there is plenty, even when there is economic stability, there are those who need help to survive and to realize their share of the dream.

For us, then, for those of us who are ethnic minorities, and for those who care about people who are in need, this is the task of the eighties:

We must first and foremost defend the basic civil rights that have been so hard won. After all, as Melville warns, the gradations of progress aren't automatic, and retracing our steps is a possibility. It would be tragic to forget that vigilance is not only prudent, but absolutely necessary in an age where the President aims to tear down the structures that protect civil rights from affirmative action right down to the elemental human rights of prisoners.

Secondly, we must concentrate our energies and resources on the fight for economic opportunity—for it means little or nothing to have the right to ride the bus if we can't scrape up the money to buy the ticket, or to enter school where there are no books.

And third, we must make common cause with others. When the civil rights of some are threatened, the civil rights of all are threatened. When poverty afflicts minorities, it also afflicts those who are not in our number.

We cannot let ourselves be isolated, or work in ways that isolate ourselves.

The great strength of this country, as Whitman observed, is in its diversity. He saw in us a great, rolling mass—individual and yet united. No matter how great the concern, how far the vision, "sooner or later we come down to one single, solitary soul."

And so it is with us.

We have to concern ourselves with the greatest good for the greatest number. And yet we can never forget that for people of faith and people of good will, we can never forget the individual dignity and worth of each "single, solitary soul."

That is what our country is about, it is what our faith is about, and it is what our task is about. If we maintain civil rights, if we achieve economic opportunity, we can only do it as part of a great nation that remains dedicated to the achievement of individual potential, a nation that prizes most of all, its own people.

That is why the song reads:

We shall overcome * * * black and white together,

We shall overcome, I do believe.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GLICKMAN) to revise and extend their remarks and to include extraneous matter:)

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. WEAVER, for 60 minutes, on June 9.

Mr. NEAL, for 5 minutes, today.

Mr. DANIELSON, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. ROBERTS of Kansas) and to include extraneous matter:)

Mr. RITTER in two instances.

Mr. WILLIAMS of Ohio.

Mr. CORCORAN.

Mr. DORNAN of California.

Mr. GRADISON.

Mr. PORTER.

Mr. FIELDS in two instances.

Mr. CLAUSEN.

Mr. COURTER.

(The following Members (at the request of Mr. GLICKMAN) and to include extraneous matter:)

Mr. LEVITAS.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. REUSS.

Mr. FOLEY.

Mr. SKELTON.

Mr. RAHALL.

Mr. NATCHER.

Mr. MAZZOLI.

Mr. HUGHES.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table, and under the rule, referred as follows:

S. 1197. An act to amend and extend certain Federal laws relating to housing, community, and economic development, and related programs, to provide an improved and expedited multifamily mortgage foreclosure procedure, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

ENROLLED BILLS SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee has examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2156. An act to amend title 38, United States Code, to extend by 12 months the period during which funds appropriated for grants by the Veterans' Administration for the establishment and support of new State medical schools may be expended; and

H.R. 3512. An act making supplemental and further continuing appropriations for the fiscal year ending September 30, 1981, rescinding certain budget authority, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAWKINS, from the Committee on House Administration, reported that that committee did on June 5, 1981, present to the President, for his approval, bills of the House of the following title:

H.R. 2156. An act to amend title 38, United States Code, to extend by 12 months the period during which funds appropriated for grants by the Veterans' Administration for the establishment and support of new State medical schools may be expended; and

H.R. 3512. An act making supplemental and further continuing appropriations for the fiscal year ending September 30, 1981, rescinding certain budget authority, and for other purposes.

ADJOURNMENT

Mr. GLICKMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 40 minutes p.m.), the House adjourned until tomorrow, Tuesday, June 9, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1535. A letter from the Deputy Secretary of Defense, transmitting six reports of violations of the Anti-Deficiency Act, pursuant to section 3679(i)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

1536. A letter from the Secretary of Agriculture, and the Under Secretary of Interior, transmitting a preliminary report on the Youth Conservation Corps for 1980, pursuant to section 5 of Public Law 93-408; to the Committee on Education and Labor.

1537. A letter from the Secretary of Defense, transmitting the semiannual report on the activities of the audit, inspection and investigative units of the Department of Defense, covering the period ended March 31, 1981, pursuant to section 8(a)(1) of Public Law 95-452; to the Committee on Government Operations.

1538. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting a report of a new record system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1539. A letter from the Acting Administrator, General Services Administration, trans-

mitting the annual report for fiscal year 1980 on personal property furnished to non-Federal recipients, pursuant to section 202(e) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

1540. A letter from the General Counsel, U.S. Arms Control and Disarmament Agency, transmitting reports on political contributions by Ambassador-designate Edward L. Rowny, and members of his family, pursuant to section 304(b)(2) of Public Law 96-465; to the Committee on Foreign Affairs.

1541. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice that the Department of Defense has provided various items of emergency military equipment and certain assistance to El Salvador pursuant to section 506(b)(2) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

1542. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

1543. A letter from the Secretary of the Interior, transmitting the second annual report on public lands management, as of October 31, 1980, pursuant to section 311 of the Federal Land Policy and Management Act of 1976; to the Committee on Interior and Insular Affairs.

1544. A letter from the Secretary of Energy, transmitting a report on results of an investigation of the allegations against Mr. James B. Hammet, administrator, Southwestern Power Administration, Tulsa, Okla., pursuant to 5 U.S.C. 1206(b)(5)(a); to the Committee on Post Office and Civil Service.

1545. A letter from the Vice President for Administration, U.S. Synthetic Fuels Corporation, transmitting the financial report of the Corporation for the quarter ended March 31, 1981, pursuant to section 177(c) of Public Law 96-294; jointly, to the Committees on Banking, Finance and Urban Affairs, and Energy and Commerce.

1546. A letter from the Comptroller General of the United States, transmitting a report on work measurement programs in Department of Defense maintenance depots (PLRD-81-20, June 8, 1981); jointly, to the Committees on Government Operations and Armed Services.

1547. A letter from the Comptroller General of the United States, transmitting a report on the minerals management policymaking process of the Department of the Interior (EMD-81-53, June 5, 1981); jointly, to the Committees on Government Operations and Interior and Insular Affairs.

1548. A letter from the Comptroller General of the United States, transmitting a report on the Department of Energy's procedures for awarding a contract to operate the Argonne National Laboratory and other related matters (EMD-81-66, June 8, 1981); jointly, to the Committees on Government Operations and Science and Technology.

1549. A letter from the Comptroller General of the United States, transmitting a report on changes needed in the Federal assistance system to encourage productivity improvement in State and local governments administering Federal assistance programs (AFMD-81-51, June 5, 1981); jointly, to the Committees on Government Operations, Agriculture, and Ways and Means.

1550. A letter from the Comptroller General of the United States, transmitting a report on assessing the impact of Federal and State taxes on the domestic minerals industry (EMD-81-13, June 8, 1981); jointly, to the Committees on Government Operations, Interior and Insular Affairs, and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAWKINS: Committee on House Administration. Report on allocation of budget totals by program (Rept. No. 97-128). Referred to the Committee of the Whole House on the State of the Union.

SUBSEQUENT ACTION ON BILLS INITIALLY REFERRED UNDER TIME LIMITATIONS

Under clause 5 of rule X, the following actions were taken by the Speaker:

The Committee on Science and Technology discharged from further consideration of the bill (H.R. 2330) on June 5, 1981.

The bill (H.R. 3603) referred for a period ending not later than June 19, 1981, to the Committee on Banking, Finance and Urban Affairs only for consideration of subsection 1506(b) of the bill, and to the Committee on Ways and Means only for consideration of subsection 1506(b) and paragraph 2 of section 502 of the bill.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

[*Omitted from the Record of Thursday, June 4, 1981*]

By Mr. DANIEL B. CRANE (for himself and Mr. PAUL):

H.R. 3789. A bill to provide for the minting of U.S. gold coins; to the Committee on Banking, Finance and Urban Affairs.

[*Submitted Monday, June 8, 1981*]

By Mr. DANIELSON (for himself and Mr. MOORHEAD):

H.R. 3837. A bill to recognize the organization known as Former Members of Congress; to the Committee on the Judiciary.

By Mr. DE LA GARZA (for himself, Mr. FOLEY, Mr. BEDELL, Mr. BOWEN, Mr. COELHO, Mr. ROSE, Mr. HARKIN, Mr. HATCHER, Mr. JEFFORDS, Mr. JONES of Tennessee, Mr. JONES of North Carolina, Mr. RICHMOND, and Mr. WEAVER):

H.R. 3838. A bill to provide changes in legislation to meet reconciliation requirements of the first congressional budget resolution—fiscal year 1982—for the House Committee on Agriculture; to the Committee on Agriculture.

By Mr. DYMALLY (for himself and Mr. BROWN of California):

H.R. 3839. A bill to establish a U.S. design council within the Department of Commerce; jointly, to the Committees on Energy and Commerce and Science and Technology.

By Mr. ROSENTHAL:

H.R. 3840. A bill to prohibit for 2 years the conversion of residential rental units to residential units which are to be offered for sale, and to establish a Presidential Commission on Problems Relating to the Conversion of Residential Rental Units; to the Committee on Banking, Finance and Urban Affairs.

H.R. 3841. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of condominiums and cooperative housing corporations; to the Committee on Ways and Means.

By Mr. FIELDS:

H.R. 3842. A bill to amend the Internal Revenue Code of 1954 to allow the credit for production of natural gas from certain nonconventional sources only if such natural gas was sold at a lawful price without regard to section 107 and subtitle B of title I of the Natural Gas Policy Act of 1978; to the Committee on Ways and Means.

By Mr. FORD of Michigan:

H.R. 3843. A bill to amend title 5 of the United States Code to extend from 2 days to 4 days the number of days per 30-calendar days during which crews of vessels may be granted leaves of absence and to remove the restriction that such leaves of absence be applicable only to service on extended voyages; to the Committee on Post Office and Civil Service.

By Mr. FRANK:

H.R. 3844. A bill to amend the copyright law respecting the limitations on exclusive rights to secondary transmission; to amend the Communications Act of 1934 respecting retransmission of programs originated by broadcast stations; and for other purposes; jointly to the Committees on the Judiciary and Energy and Commerce.

By Mr. NEAL:

H.R. 3845. A bill to amend the Internal Revenue Code of 1954 to exempt from the excise tax on fireams small manufacturers and producers; to the Committee on Ways and Means.

Mr. PEPPER:

H.R. 3846. A bill to amend the Internal Revenue Code to allow the deduction of home health care and nursing home expenses paid by families on behalf of their relatives; to the Committee on Ways and Means.

H.R. 3847. A bill to amend titles II, VII, XI, XVI, XVIII and XIX of the Social Security Act to provide for the improved administration of the old-age, survivors, and disability insurance program, the supplemental security income program, and the medicare program by a newly established independent Social Security Administration, to separate social security trust fund items from the general Federal budget, to prohibit the mailing of certain notices with social security and supplemental security income benefit checks, and for other purposes; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. STARK:

H.R. 3848. A bill to establish a service industries development program in the Department of Commerce; jointly, to the Committees on Banking, Finance and Urban Affairs, Foreign Affairs, Energy and Commerce, the Judiciary, and Ways and Means.

By Mr. DERWINSKI:

H. Con. Res. 142. Concurrent resolution expressing the sense of Congress with respect to the complexity of Federal income tax forms; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

111. By Mr. ARCHER: A memorial of the Legislature of the State of Texas, relative to M-X missile system; to the Committee on Armed Services.

112. By the SPEAKER: A memorial of the Legislature of the State of Texas, relative to M-X missile system; to the Committee on Armed Services.

113. Also, a memorial of the Legislature of the Territory of the Virgin Islands, relative to social programs; to the Committee on Education and Labor.

114. Also, a memorial of the House of Representatives of the State of Missouri, relative to America's Vietnam POW's and MIA's; to the Committee on Foreign Affairs.

115. Also, a memorial of the Legislature of the State of Colorado, relative to water resources; to the Committee on Interior and Insular Affairs.

116. Also, a memorial of the Legislature of the Territory of the Virgin Islands, relative to the Virgin Islands Nonimmigrant Alien Act of 1981; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1400: Mrs. SCHROEDER and Mr. BEARD.

H.R. 1765: Mr. SAM B. HALL, JR., of Texas and Mr. ROYBAL.

H.R. 2103: Mr. LOTT, Mr. NAPIER, Mr. NEAL, Mr. EDWARDS of Oklahoma, and Mr. DASCHLE.

H.R. 2104: Mr. BARNARD.

H.R. 2234: Mr. MCCURDY, Mr. OTTINGER, Mr. AKAKA, Mr. SWIFT, Mr. LANTOS, and Mr. MARTIN of New York.

H.R. 2235: Mr. MCCURDY, Mr. OTTINGER, Mr. AKAKA, Mr. SWIFT, Mr. LANTOS, and Mr. MARTIN of New York.

H.R. 2788: Mr. GILMAN, Mr. HILER, Mr. NAPIER, and Ms. FERRARO.

H.R. 2794: Mr. MCCURDY, Mr. OTTINGER, Mr. AKAKA, Mr. LANTOS, and Mr. MARTIN of New York.

H.R. 3262: Mr. MAZZOLI, and Mr. MORRISON.

H.R. 3412: Mr. OTTINGER, Mr. ROSENTHAL, Mr. FAUNTROY, Mr. MITCHELL of Maryland, Mr. CROCKETT, Mr. FOLGIETTA, Mr. HARKIN, Mr. WYDEN, Mr. VENTO, Mrs. CHISHOLM, Mr. RANGEL, and Mr. FORD of Tennessee.

H.R. 3465: Mr. WILLIAMS of Ohio, Mr. GIBBONS, Mr. MOTTL, Mr. ROE, Mr. BROWN of Ohio, Mr. FORD of Tennessee, Mr. MOLLOHAN, Mr. FRANK, Mr. SHELBY, Mr. MCHUGH, Mr. WHITEHURST, Mr. BEDELL, Mr. MAVROULES, Mr. LEHMAN, Mr. JONES of Tennessee, Mr. BAFALIS, Mr. BOWEN, Mrs. HECKLER, and Mr. CAMPBELL.

H. Con. Res. 112: Mr. FINDLEY.

H. Res. 93: Mrs. ROUKEMA, Mr. MCCURDY, Mr. AKAKA, and Mr. LANTOS.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

108. By the SPEAKER: Petition of Gold Card Club, International Federation of Professional and Technical Engineers, Merchantville, N.J., relative to Federal Deposit Insurance; to the Committee on Banking, Finance and Urban Affairs.

109. Also, petition of Upper Northeast Coordinating Council, Washington, D.C., relative to Home Rule Charter; to the Committee on the District of Columbia.

110. Also, petition of the Community Services Department, San Bernardino, Calif., relative to support of the reauthorization of the Economic Opportunity Act; to the Committee on Education and Labor.

111. Also, petition of U.S.P.H.S. Outpatient Clinic in Honolulu, Hawaii relative to health care; to the Committee on Energy and Commerce.

EXTENSIONS OF REMARKS

DRINAN DELIVERS GONZAGA ADDRESS

HON. THOMAS S. FOLEY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1981

● Mr. FOLEY. Mr. Speaker, I would like to take this opportunity to share with my colleagues in the House the commencement address given recently by a friend and former colleague, the Reverend Robert F. Drinan, S.J., to the graduating class of the Gonzaga University School of Law in Spokane, Wash.

As Members of this body are well aware, throughout his distinguished and multifaceted career as priest, legislator, lawyer, and teacher of the law, Father Drinan has been deeply involved in the problems of the criminal justice system in this country and in the promotion of human rights internationally.

It is with the greatest of pleasure that I share with you our former colleague's thought-provoking speech which not only outlines the challenges facing the legal profession in the decade ahead but serves as an inspiring charge to those of us in the lawmaking profession as well.

CHALLENGES TO THE LEGAL PROFESSION IN THE 1980'S

(By Robert F. Drinan, S.J.)

It is an exciting time to become a member of the bar. There is everywhere a new ferment about professional responsibility and a new awareness of the role and the responsibilities of the legal profession in America.

Law schools have become more vibrant and questioning than ever before. Your own distinguished law school has trained you in an excellent and exemplary way with respect to all of the challenges which are before you as you are, in the lovely English phrase, "called to the bar."

Law students, furthermore, are now better educated than ever before; they are more diversified, and they are looking for new horizons.

It may not be fanciful to think that a new golden age is about to arrive for the legal profession in America. We recall with pride that it was the bar in America from about 1780 to about 1840 that were the moral leaders of America and the individuals who fashioned our most basic institutions.

Several years ago Professor James Willard Hurst wrote a book on American legal history where he stated that after 1890 the bar became the defender of the status quo and the spokesman of the rich and the powerful. That conclusion of Professor Hurst might have been accurate at some time in the past, but now the bar and the legal profession as never before desire to bring complete justice and total equality to the people of America.

I want to discuss with you three challenges that are confronting the legal profession at this time: (1) the preservation of the Legal Services Corporation, (2) the hope that the bar in America can apply the genius of our law to the resolution of world hunger and the arms race and (3) the contribution which the legal profession must make to the struggle for human rights around the world.

THE LEGAL SERVICES CORPORATION MUST SURVIVE

In New Orleans in 1965 at the mid-year meeting of the American Bar Association, then President of the ABA, Lewis Powell, now a member of the United States Supreme Court, led the ABA into a leadership role with regard to the formation of the Legal Services Corporation. That entity now has a budget of $320 million, resolves 1½ million cases each year, and employs 6,000 attorneys throughout the nation.

The very existence of the Legal Services Corporation has been challenged in Washington. The President of the American Bar Association, Mr. William Reece Smith, has stated that the Legal Services Corporation is an ideal example of cooperation between the government and the local bar associations. Mr. Smith, in a strong endorsement for the continued funding at the present level of the Legal Services Corporation, employed these words:

"We enjoy in this country one of the oldest surviving democracies. One thing that has made it work is the belief of our citizenry that wrongs will be redressed and rights protected for all our citizens . . . the Pledge of Allegiance reads 'with liberty and justice for all'."

During the first few months of your life as an attorney a monumental struggle will be going on between the organized bar and those forces within our government which state that the Legal Services Corporation has no right to exist. The outcome of this struggle will say a good deal about the determination of attorneys in this country to protect the most successful program in the history of America to make legal services available to the needy. All of us must remember—especially new attorneys—what Solon, the ancient Athenian lawmaker, said 2500 years ago: "Justice will not come until those who are not hurt feel just as indignant as those who are hurt."

THE LEGAL PROFESSION, WORLD HUNGER AND THE ARMS RACE

Lawyers in America have always come forward as the country confronts new crises. Lawyers wrote the ringing phrases of the Declaration of Independence. Lawyers formulated the Constitution and hammered out the Bill of Rights. It was lawyers also that created that marvelous—almost miraculous—thing which we call the separation of powers. Lawyers crafted the 13th, 14th, and 15th Amendments after the Civil War. Lawyers in the 1930s fashioned the legal institutions of the Securities and Exchange Commission (SEC), the National Labor Relations Board (NLRB), and all those other regulatory agencies which have helped to bring economic prosperity to America by arranging a balancing of the competing interests which exist in this country.

Lawyers devised the structures of the United Nations in 1945, directed the Marshall Plan that saved Europe from collapse, and invented the World Bank and the International Monetary Fund.

America has always relied upon its lawyers to be moral architects and to bring the genius and the greatness of our unique jurisprudence to the agonies of mankind.

Now there is a newly recognized agony—global hunger. Eight hundred million people are chronically malnourished. Of the 80 million infants who will be born in the Third World in 1981, 25 million will die before they are 5 years of age.

There are now 16 million refugees—the largest number since the end of World War II.

Underlining this awful problem is the greatest drain on the resources of mankind—the spending of almost $500 billion each year on arms and armaments.

Lawyers are uniquely equipped to negotiate arms reduction. Now is the time for the legal profession to take a new and intense interest in the effective functioning of the Arms Control and Disarmament Agency. This is particularly important in view of the fact that the very existence of the ACDA seems to be in jeopardy.

One has to state that the escalation in arms and the urgent necessity for arms control constitutes the number one problem afflicting mankind. Lawyers as the servants of justice simply have to be working on the resolution of this terror-producing situation.

AMERICA'S ATTORNEYS AND INTERNATIONAL HUMAN RIGHTS

At the end of World War II mankind looked at the genocide and the holocaust and determined as never before to make a war on war. The Charter of the United Nations was drafted—largely with American help. That charter made the observance of human rights one of the 4 principal objectives of the United Nations. In Articles 55 and 56 the United States, along with all of the other signatories, made a "pledge" to "promote" human rights. Unfortunately, this nation has faltered and failed during the 35 years of the cold war. Unfortunately, the United States has ratified only the 5 least controversial of the 19 legally binding covenants that have emerged from the United Nations.

The U.S. Senate has not even ratified the covenant on genocide now approved by 81 countries. Neither has the Senate ratified the covenant against racial discrimination—a treaty which has been agreed to by over 100 nations of the earth.

The years 1974 to 1980 constituted a golden age in the observance of human rights by the Congress and by the Federal government. During that period the Congress withheld aid from several nations which engaged in the systematic and gross violation of internationally guaranteed human rights. The Congress and the previous Administration brought it about that thousands of political prisoners were released, many countries held elections, new hope sprung up in Africa and Latin America, and the United States appeared to millions everywhere as a nation that truly believed in human rights and their enforcement.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

During that period the United States advanced both its interests and its ideals. Despite some inconsistencies, ambiguities and failures, that period of emphasizing human rights will go down in American history as one of the finest hours in the implementation of America's and the world's ideals.

It is heartening to note that the American Bar Association through its Section on Individual Rights and Responsibilities was one of the architects and the defenders of that program of human rights.

It is distressing, however, to note that the entire program by which America has sought to fulfill its "pledge" to "promote" human rights has now been challenged. Again the legal profession more than any other group in the United States is being challenged to come forward and defend America's policy of insisting that those human rights guaranteed by the United Nations and by international law must be observed in those nations with whom we have friendly relations and to whom we give economic or military assistance.

OTHER CHALLENGES TO AMERICA'S ATTORNEYS

We as lawyers are a profession that is deeply embedded in morality. The canons of professional ethics of the American Bar Association state, for example, that "if a client persists in wrongdoing the lawyer should terminate their relationship." We are expected to represent unpopular causes. It is our right—yes, our duty—to seek to moderate the misguided passions of the moment.

In the 1980s the legal profession will be confronted with more moral dilemmas and more social problems than ever before in our history. We simply have to do something about the constant increase in violent crime. America now has 307,000 persons in prison—a new all-time high for the United States. This nation now has more persons in prison and for longer periods of time than any other nation of the earth. Clearly lawyers have to address their best attention and their finest talents to the resolution of the plague of crime in America. Surely—some form of gun control deserves our support. The presence of 60 million handguns in America represents a phenomenon totally unknown in Japan, England, Canada or any other nation. All of these countries long ago eliminated the easily available handgun.

Clearly also the continuing presence of sex discrimination in our society calls for diligent efforts by members of the legal profession. Similarly, the urgent necessity of bringing real equality to the children in our urban schools and regeneration to the ghettos in our cities merit the top attention of the legally trained people in America.

We have to recognize who we are and the noble calling that we have followed. We as attorneys are ministers of justice, servants to the courts. We are the heirs and trustees of eight centuries of Anglo-American law, a masterpiece of human wisdom. Forty generations of lawyers have preceeded us in the role of striving to bring about a more just and a more compassionate society.

Lawyers are less than one-half of one percent of the population of America, but our moral influence is immensely disproportionate.

We are in the eye of the storm that seems to be challenging America with respect to its role in the universe. We must recognize that the United States constitutes only 5 percent of the total population of mankind, although the United States consumes some 40 percent of mankind's resources. We must also look to the enormous challenges that will come to humanity by reason of the additional 2 billion more human beings who will be among us when the year 2000 arrives.

Lawyers have helped to make America great. Attorneys have fashioned our magnificent legal institutions. They have mediated our differences, have transformed ancient writs into contemporary remedies and have been the people who have fashioned a nation unique in the history of mankind. It is a nation based on a delicate distillation of Judaism, Christianity and humanisms. It is a nation which perhaps more than any other country in the history of mankind looks to law as its unifying element. America is a nation that we love and that we want the whole world to love. We believe in our legal and moral institutions and as lawyers we are proud and honored to be their trustees.

Is this world vision too idealistic? Too utopian? Too much of a dream?

Archibald MacLeish, the poet and the Librarian of Congress, gave a magnificent answer to these questions:

"There are those who will say that the liberation of humanity, the freedom of man and mind, is nothing but a dream. They are right. It is a dream. It is the American dream."●

REDONDO BEACH CHAMBER OF COMMERCE HONORS OUTGOING PRESIDENT WENDY UVANEY

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1981

● Mr. DORNAN of California. Mr. Speaker, on Thursday, June 11, the Redondo Beach Chamber of Commerce will hold their 60th annual installation and awards banquet at Beachbum Burt's Restaurant to honor chamber president Wendy Uvaney and incoming president Ray Slaney.

During Wendy's term, the chamber has initiated monthly breakfast meetings. She has also overseen the creation of a "master community calendar" which highlights local functions and events.

Wendy supervised important new community service projects initiated by the chamber, including a graffiti watch program, and the distribution of emergency information sheets to local residents.

She also aided in sponsoring "Frontier Day" at Riviera Village, as well as a special benefit premiere of the film "Cannonball," shot in Redondo Beach, aiding the city's historical commission.

In addition, Wendy oversaw a wide range of projects and activities conducted by the chamber, including the annual international surf festival, the Easter sunrise observance, and the Medal of Valor luncheon for outstanding police officers and firefighters.

As you can see, Wendy has had a busy term. She has been an exemplary president of the chamber, just as he is an exemplary citizen and businesswoman.

Wendy attended Mira Costa High School and Los Angeles Harbor College, where she was on the dean's list for 4 years. She worked for Security Pacific National Bank before opening her own retail clothing store, Hall's Fashions, in Redondo Beach.

Wendy is a member of the American Institute of Banking and the National Federation of Independent Business.

She has been active in the Redondo Beach Roundtable, and the Redondo Beach Coordinating Council. She served as treasurer of the Riviera Village Association from 1977 to 1979. From 1979 to 1980, she was president of the Redondo-Marina Business and Professional Women's Club. Wendy and her husband Steve now live in San Pedro.

Mr. Speaker, it is men and women like Wendy Uvaney who are the backbone of our free enterprise system. Proprietors of small businesses, they serve as sources of employment and growth for their communities. Their dedication to civic affairs is admirable, in that these busy individuals give freely their valuable time and intellect as a service to their neighbors and customers. May we as a nation continue to be blessed with good citizens like Wendy Uvaney.●

LET'S NOT BE FOOLED

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1981

● Mr. RAHALL. Mr. Speaker, recently the American people were told that they could breathe a collective sigh of relief, because the OPEC ministers were not going to raise the price of oil. But such news should not please us. We should not be lulled into a false sense of security. We should not let ourselves be fooled.

We should take OPEC's decision as a signal—a signal that the time is now for the United States to move toward energy independence.

Our's is still a petroleum based economy, and until we take steps to change the present situation, we are just as vulnerable as were to the 1973 oil embargo.

Over the past few months, Americans have been made to believe that Government is the only cause of our economic ills. That once Government spending has been reduced and important social programs eliminated, all will again be prosperous and inflation will magically disappear.

Now we are hearing that the foundation of voodoo economics, the Reagan-Kemp-Roth tax plan will put more money in the pockets of the American people, evidently so they can spend more of it on gasoline and heating oil.

Mr. Speaker, I repeat, let us not be fooled.

This administration has been unwilling to tackle the true cause of inflation—imported energy. They evidently believe that the American people do not have to be told the truth. The Carter administration informed Americans of the situation, and tried to act, but it is obvious that the present one is not only unwilling, but incapable of biting the bullet. It probably has something to do with popularity ratings.

Mr. Speaker, the truth is simple.

The United States is decades behind other nations of the world in the development of synthetic fuels, and likewise, we are wasting our most abundant energy source, coal. We have the know-how and we have the resources, what we lack is the commitment to use both in an effective and efficient manner.

There has not been one single word in any of the administration's economic programs about energy. It is like the word does not even exist. The administration ignores the energy issue just like it ignores the concept of compromise. But two of this Nation's major newspapers, the New York Times and the Wall Street Journal, recently talked about energy, and they talked about coal.

Both papers discussed the efforts of New England electric utilities to convert their oil-burning facilities to coal. These conversions have proven to be environmentally sound and financially beneficial.

I would urge my colleagues to review both of these statements, because they are informative and factual, and mostly because as Mr. Lincoln said: "You can't fool all the people all the time."

[From the Wall Street Journal, May 27, 1981]

CONVERTING TO COAL SENSIBLY

New England Electric System has succeeded, where others have failed, in gaining a sensible agreement with the Environmental Protection Agency for the conversion of oil-burning power plants to coal. After four years of bureaucratic haggling, the utility is proving that coal conversion can be accomplished with an improvement in air quality but without the costly pollution-control equipment that EPA officials relish. It is a lesson that should be remembered during this year's congressional debate on the Clean Air Act.

The utility's four power generators at Brayton Point, Mass., the largest plant in New England, have alternately burned coal and oil since they started up in the early 1960s. In June 1975, EPA officials ordered the plant to convert back to oil on environmental grounds. For the next four years, New England Electric officials asserted that they could meet the air quality standards for coal using less expensive equipment than mandated by the Clean Air Act's rule for the Best Available Control Technology (BACT). Last year, the EPA approved the utility's scaled-down plans. The first burner fired up a month ago and the others will resume operation using coal by the year's end.

The plant is burning "washed" coal from Pennsylvania, Virginia and West Virginia, which contains a lower average sulphur content than previously used foreign oil. As a result, sulphur dioxide emissions are about 21% less than before—and well within EPA standards—even though the scrubbing equipment that the EPA originally sought was never installed.

Similarly, for particulate emissions, the plant is producing less pollution now than it was when it burned oil. Under the agreement, the EPA tightened the particulate standard for coal burning to 0.8 lbs. per million British Thermal Units for 0.12 lbs. per million BTUs for oil. Nonetheless, using electrostatic precipitators to remove ash from the plant's smoke, a New England Electric official says it is meeting the more stringent EPA rules with "a huge margin to spare."

The Brayton Point conversion project, including the new pollution control equipment, cost $180 million (which says much about inflation because the whole plant only cost $160 million to build in the 1960s). Utility officials estimated that the use of BACT and other expensive technology would have added another $300 million to $500 million to the cost of the conversion project, even if the additional equipment could be physically incorporated within the plant's limited space. Moreover, officials calculate that the utility is saving about $169 million per annum by burning lower cost coal than foreign oil.

New England Electric has been both skillful and a bit lucky in achieving a compromise with EPA officials, whose penchant has been to demand the most advanced and costly pollution control equipment regardless of its marginal benefits for the environment. Several bills have already been introduced in Congress to make the EPA's application of the Clean Air Act less stringent for coal conversions. Any legislator who doubts the efficacy of such changes needs only look at New England Electric's example.

[From the New York Times, June 3, 1981]

A SHORT CUT TO COAL POWER

By converting its Salem Harbor, Mass., generating plant to coal, New England Power could save both money and imported oil. But like many other electric utilities, the company is hard pressed to raise the needed capital. Now, thanks to an innovative financing plan, one that could be applied to dozens of other plant conversions, New England Power may get its wish.

Conversion to coal is highly desirable. Not only is domestic coal abundant; it is also considerably cheaper than oil or natural gas, even including the cost of cleaning up the effluent.

But converting a power plant requires a major investment. And with few exceptions, utilities are finding it unprofitable or just plain impossible to finance the change. Last year Congress declined to subsidize the process. More conventional avenues of raising funds are hardly more promising.

The collapse of the bond market has made it difficult for utilities to increase their long-term debt. And Wall Street takes such a dim view of the industry's prospects that new shares usually must be offered below their true value, lowering the return to existing stockholders.

The economics of converting Salem Harbor are typical for oil-burning plants that were originally designed to burn coal. An investment of $100 million would in the first year reduce oil imports by 2 million barrels a year, cutting fuel costs by $36 million. When the conversion is completed, the annual saving would rise to $54 million.

But New England Power's plan for financing the project is not typical at all. The company does not propose new long-term borrowing or stock sales that would put pressure on customers' rates. Rather, it would earmark two-thirds of the savings for paying off the cost of the conversion and one-third for consumer rate relief. That would wipe out the conversion expense in about four years, yet allow customers to enjoy some savings from day one.

New England Power has had no difficulty in getting its plan approved. The Federal Energy Regulatory Commission, which sets the company's rates, sees it as a way of saving oil imports while pleasing both the utility and ratepayers. But the commission has jurisdiction in this case only because New England Power sells its electricity wholesale to local distribution systems. Nationwide, only about 10 percent of electricity demand is met by private wholesalers.

That leaves the future of the so-called "Massachussetts Plan" in the hands of state commissions. Even the most obdurate, one hopes, will find it hard to resist this chance to save everyone money.●

ISRAEL'S 33D ANNIVERSARY

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1981

● Mr. MAZZOLI. Mr. Speaker, I am honored to join my colleagues in taking note of the 33d anniversary of the State of Israel.

Israel is an example for all the world. In the face of tremendous and continuing odds, Israel has been able to establish its independence. It enjoys a democratically elected government, an independent judiciary, and a free press.

Mr. Speaker, the United States allegiance to Israel is steadfast. This is as it should be.

Finally, Mr. Speaker, I wish to take this opportunity to reaffirm our national commitment to this free and democratic ally.●

JAPAN AND UNITED STATES SECURITY INTERESTS ABROAD

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1981

● Mr. PORTER. Mr. Speaker, the popular U.S. Ambassador to Japan, ex-Senator Mike Mansfield, watches over United States-Japanese foreign relations for the Reagan administration. Ambassador Mansfield has had long experience in Asia and certainly knows the U.S. Congress as well as anyone. He recently gave an extensive interview in Tokyo to Takashi Oka of the

Christian Science Monitor summarizing and underscoring the importance to the United States of improved relations with the Japanese. For the Members' information I enclose the interview's highlights in today's RECORD.

[From the Christian Science Monitor, June 1, 1981]

U.S.-JAPAN TIE "MOST IMPORTANT IN WORLD"

(By Takashi Oka)

Friendship between the United States and Japan is "the most important bilateral relationship in the world—bar none," Ambassador Mike Mansfield said emphatically.

In a wide-ranging interview, the tall, craggy-faced former senator from Montana made the following points:

1. The United States and Japan "share a joint responsibility for the Pacific Basin and the nations along its rim," in which Japan's role "is more economic—not so much defense."

2. On defense, "I think they (the Japanese) can and should do more, but not through pressure, demands, or the like. . . . In their own way, in their own time and in line with their own resources they will do, I think, what we want them to do, on their own responsibility."

3. In the Iranian and Afghan situations, the Japanese "have been our best allies and partners, and the only ones who paid a price in the process." Mr. Mansfield cited Iran's cutoff of oil amounting to 13 percent of Japan's imports and Japan's loss of lucrative Soviet pipeline contracts to France and West Germany as examples.

4. On trade, Japan has almost always "made efforts to accommodate itself to our needs, to our criticisms and complaints" through a long succession of disputes from textiles through color television to steel and most recently, automobiles.

Japan's agreement to reduce car exports to the United States from 1.82 million cars last year to 1.68 million cars this year has "prevented a very possible enactment of protectionist legislation beneficial to no one and harmful to all," Mr. Mansfield observed.

Japan is "far and away our No. 1 customer" for agricultural products, the ambassador continued. Last year, Japan imported close to $6.1 billion of grain and other agricultural products from the United States.

Referring to criticism that Japan's security treaty with the United States is one-sided, in that it obligates the United States to defend Japan in case of attack, but not Japan to defend the United States, Mr. Mansfield asked:

"Is it one-sided? We have the use of bases and airfields out here, at no cost to us. We have the Japanese appropriating $1 billion per year for the upkeep of United States forces, cost-sharing, housing, and the like. We have the Japanese willing to increase that figure.

"If we didn't have the security arrangement with Japan, where would our forward bases in our own defense be located? Guam. Hawaii. We're out here to stay!"

Mr. Mansfield would like Americans to view the current furor in Japan over whether American warships visiting their country do or do not carry nuclear weapons against the background of all these factors. Former Ambassador Edwin O. Reischauer precipitated the controversy by stating that for 20 years American warships had entered Japanese ports without divesting themselves of their nuclear weapons, as the Tokyo government claimed they were doing.

The return of the aircraft carrier Midway to Yokosuka, its home port, June 5 will be a major test of Japanese feelings on the nuclear issue. Many Japanese suspect the Midway of carrying nuclear weapons, and opposition parties from the Socialists to the Communists have been trying to whip up demonstrations and other protests against the Midway's return.

Mr. Mansfield refused to be drawn into the nuclear controversy, beyond repeating Washington's longstanding policy of neither confirming nor denying the presence or absence of nuclear weapons anywhere in the world. But he is clearly concerned about the effect this controversy will have on Japanese-American relations as a whole.

It comes on top of a series of unrelated incidents that followed each other in quick succession—a collision between an American nuclear submarine and a Japanese freighter (the freighter sank), domestic controversy over the meaning of the word "alliance" used in a communique after Prime Minister Zenko Suzuki's very successful visit with President Reagan in Washington at the beginning of May, and the cutting of Japanese fishing vessels' nets by American (or perhaps Soviet) warships during a recent exercise in the Sea of Japan.

What lesson is to be drawn from these incidents, the cumulative effect of which could be to cause a dangerous rise in emotional tensions betwen the people of Japan and the United States?

Mr. Mansfield, sitting upright in his office armchair, paused long.

"We'll have to understand each other better," he said softly, then paused again.

"We'll have to quite finding fault with one another. We'll have to act as true equals. We'll have to recognize we share a joint responsibility for the Pacific Basin and the nations along its rim—more economic, not so much defense.

"My one aim, insofar as I can do it, and insofar as this embassy can do it, is to strengthen the bonds of friendship and partnership between our two countries to the point where they become unbreakable."

Mr. Mansfield, who as Democratic majority leader was for many years one of the most powerful figures in the United States Senate, was appointed ambassador to Japan by President Carter in 1977 and asked to stay on by President Reagan early this year.

"We were halfway through our packing," the ambassador recalled, when Mr. Reagan, then still President-elect, called to ask the Mansfields to stay on. "I was delighted to say yes, because there's a job still here to be done."

Mr. and Mrs. Mansfield have been one of the most popular and effective ambassadorial couples to have served in Japan. Analysts of Japanese-American relations are almost unanimous in their opinion that, whatever the ups and downs between the two countries have been during the past four years, tensions would have been far more severe without Mr. Mansfield's firm but nonblustering and fairminded approach, without the influence he has been able to exert behind the scenes, both in Tokyo and in the labyrinthine political corridors of Washington●

CORRECTION IN APRIL 2 ECONOMIC PROJECTIONS

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1981

● Mr. REUSS. Mr. Speaker, I include the text of my letter of May 26, 1981, to the gentleman from New Mexico, Senator DOMENICI:

CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
Washington, D.C., May 26, 1981.

Hon. PETE V. DOMENICI,
Chairman, Senate Budget Committee,
U.S. Senate, Washington, D.C.

DEAR PETE: In support of my testimony before the Senate Budget Committee on April 2, I offered projections through 1984 of the effects of the Administration's Economic Recovery Program on growth, employment, inflation, interest rates, and the Federal deficit. Data Resources, Inc., which did the computer analysis underlying the projections, has now informed my staff that those projections were subject to a computer programming error on DRI's part which rendered them invalid.

After repeated efforts by our contractor, I must report that I am unable to offer corrected estimates in which I can place full confidence. It appears, however, that a correctly performed simulation would have shown slightly lower growth, higher inflation and unemployment, slightly lower interest rates and a substantially lower budget deficit in 1984 than I had reported. The reason is that the original projections inadvertently failed to take full account of the spending reductions incorporated in the President's budget.

The corrected figures appear to change the detail but not the fundamental point of my basic conclusion before the Committee: that the Administration's program was based on excessively optimistic economic projections, primarily because the full consequences of the restrictive monetary policy which the Administration advocated had not been taken into account. Nevertheless, since some use was made of the budget deficit estimate for 1984 which turns out to have been in error, I am anxious to set the record straight.

Sincerely,

HENRY S. REUSS,
Chairman.●

A SHORT CUT TO COAL POWER

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1981

● Mr. MARKEY. Mr. Speaker, I would like to bring to my colleagues' attention the lead editorial that appeared in the June 3, 1981, New York Times, "A Short Cut to Coal Power."

New England Electric Systems, the utility cited in the editorial, has launched aggressively into coal conversion and conservation. It is anticipated that New England Electric's fuel supply in 1982 will be comprised of 46

percent coal and only 27 percent oil. This compares with 78 percent oil in 1979.

New England has come a long way in a few short years, and our energy future is looking better every day.

[From the New York Times, June 3, 1981]

A SHORT CUT TO COAL POWER

By converting its Salem Harbor, Mass., generating plant to coal, New England Power could save both money and imported oil. But like many other electric utilities, the company is hard pressed to raise the needed capital. Now, thanks to an innovative financing plan, one that could be applied to dozens of other plant conversions, New England Power may get its wish.

Conversion to coal is highly desirable. Not only is domestic coal abundant; it is also considerably cheaper than oil or natural gas, even including the cost of cleaning up the effluent.

But converting a power plant requires a major investment. And with few exceptions, utilities are finding it unprofitable or just plain impossible to finance the change. Last year Congress declined to subsidize the process. More conventional avenues of raising funds are hardly more promising.

The collapse of the bond market has made it difficult for utilities to increase their long-term debt. And Wall Street takes such a dim view of the industry's prospects that new shares usually must be offered below their true value, lowering the return to existing stockholders.

The economics of converting Salem Harbor are typical for oil-burning plants that were originally designed to burn coal. An investment of $100 million would in the first year reduce oil imports by 2 million barrels a year, cutting fuel costs by $36 million. When the conversion is completed, the annual saving would rise to $54 million.

But New England Power's plan for financing the project is not typical at all. The company does not propose new long-term borrowing or stock sales that would put pressure on customers' rates. Rather, it would earmark two-thirds of the savings for paying off the cost of the conversion and one-third for consumer rate relief. That would wipe out the conversion expense in about four years, yet allow customers to enjoy some savings from day one.

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That leaves the future of the so-called "Massachusetts Plan" in the hands of state commissions. Even the most obdurate, one hopes, will find it hard to resist this chance to save everyone money.●

VIGIL FOR FREEDOM—THE IGOR GUBERMAN FAMILY

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1981

● Mr. GRADISON. Mr. Speaker, I am pleased to join in the "Vigil for Freedom" sponsored by the Union of Councils for Soviet Jewry on behalf of Soviet Jewish families and individuals who are being detained in the U.S.S.R. as a result of the Soviet Government's repressive emigration policies.

Despite its signature of the Helsinki Accords of 1975, in which the 35 signatory nations committed themselves to pursue policies consistent with basic principles of human rights, the Soviet Government has repeatedly disregarded these principles, including the reunification of divided families whose members live in different countries, religious freedom, minority rights, and free travel between countries.

Today, I bring to my colleagues' attention the plight of Igor Guberman and his family. In December 1978, the Gubermans applied for an exit visa to Israel. On August 13, 1979, Soviet authorities arrested Guberman, a writer, poet, and journalist, on suspicion of involvement in the theft of icons from a church in Dmitrov, outside Moscow. Many Americans believe, however, that Mr. Guberman is being harrassed for his failure to act as an informer in an investigation of an underground journal, "Jews in the U.S.S.R.," being conducted by the KGB.

While Mr. Guberman was in a prison camp, his wife, Tatyana, and his two small children, Tanya and Emil, were left to fend for themselves and to survive only with the assistance of friends. Furthermore, their exit visa applications have been held up indefinitely.

I understand that Mr. Guberman has recently been released from prison camp and is serving the rest of his sentence in internal exile in Siberia. Certainly, this situation is an improvement from that of the prison camp. Yet, we must realize that, the exile as in prison camp, the Guberman's have no human rights.

Clearly, the basic human rights of this family have been violated. It is my hope that another vigil for freedom will not be necessary before Igor Guberman is released and his family is permitted to emigrate to Israel. This would be an appropriate demonstration by the U.S.S.R. that its Government respects the provisions of the 1975 Helsinki Accords.●

OVERSIGHT HEARINGS ON CRIME IN AMERICA

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1981

● Mr. HUGHES. Mr. Speaker, Mr. Hughes, I wish to announce that the Subcommittee on Crime, which I chair, of the House Committee on the Judiciary, will hold a series of hearings on the crime problem in America. The first two such hearings will be held on June 10 and 11, beginning at 9:30 a.m. each day in the Rayburn House Office Building. The hearing on the 10th will be in room 2237 and the one on the 11th will be in room 2141. Witnesses will include representatives of the Department of Justice, the U.S. Conference of Mayors, and prominent scholars and researchers in the field of criminal justice.

The third of this series of hearings, to begin at 9:30 a.m., in room 2237, Rayburn House Office Building, will focus on the problem of drug-related crime. Witnesses will include authors of recent studies examining the linkage between drug abuse and crime patterns, the New York State Commissioner for the division of criminal justice services and the State's director of the division of substance abuse services, and the former head of the President's Special Action Office on Drug Abuse and Prevention.

Persons wishing to submit statements for the record should contact the Subcommittee on Crime, House Committee on the Judiciary, 207 Cannon House Office Building, Washington, D.C. 20515, or telephone (202) 225-1695.●

ASSAULTS ON TURKISH DIPLOMATS

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1981

● Mr. RITTER. Mr. Speaker, international terrorism claims many victims in Europe.

Even His Holiness, Pope John Paul II, has been the target of an assassination attempt.

At this time I would like to dicuss another terrorist campaign that has been ongoing for over 8 years, every time against Turkish diplomats and their families. These are the terrorist assassinations by the so-called Secret Liberation Army of Armenia. To date the campaign of terror has claimed 17 lives and a number of other victims have been severely wounded. The last incidents occurred in Paris on March 4, 1981, and again in Copenhagen in April which resulted in severely wounding two individuals.

In addition to the assassination attempts, a number of bombings have also occurred often injuring innocent bystanders. For example, bombings took place most recently in New York and Los Angeles in October 1980 and each time the Secret Liberation Army of Armenia claimed credit for the bombings.

Who constitutes this Secret Liberation Army of Armenia and what is their aim and purpose? A clue might be gained from the press conference

the group held in Beirut, Lebanon, in April 1980 which was reported by the reputable American Armenian paper, the Armenian Observer. According to the report the group described itself as anti-imperialist, Marxist in ideology and highly critical of the West for not denouncing Turkey for the atrocities against the Armenians during World War I. They also praised the Soviet Union for "having provided a homeland for the Armenians in the U.S.S.R." According to the February 28, 1980, New York Times they are being trained by the PLO.

While the information is sketchy, it shows that we are facing an international terrorist group aiming at the destabilization of our staunch NATO ally, Turkey which guards the straits between the Soviet-dominated Black Sea and the Mediterranean Sea. Certainly, it would be in the interest of the Soviet Union to create the above conditions.

It is interesting that despite the fact that the group is violating for 8 years the most elementary rules of international law, the sanctity of the diplomats, none of their members were caught either by the FBI (two of the murders were committed in Los Angeles) or by the police in Western Europe and Australia. Perhaps the attempt on the Pope's life will induce the police in Western Europe to take more seriously the political terrorist groups attacking Turkish diplomats in their territory.

Condemnation of the killings came from many sources, including U.N. Secretary Waldheim, the State Department and the leaders of the Armenian Catholic Church.

Several of my colleagues have already condemned this violence and terrorism and I am joining them today in denouncing this branch of international terrorism which cannot be justified and which stands condemned by the hard-working and loyal American Armenian community as well.●

A TRIBUTE TO IRENE WARD

HON. LYLE WILLIAMS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1981

● Mr. WILLIAMS of Ohio. Mr. Speaker, I rise to pay my respects for a woman who has done much to further the cause of education in Youngstown, Ohio, and who will be honored later this week on the occasion of her retirement.

The woman is Miss Irene Ward who has served the field of education for 38 years. A graduate of Chaney High School, where she was valedictorian, Miss Ward earned her bachelor's degree from Ohio University. She earned her master's degree from Westminister College.

Beginning her career as a teacher, Miss Ward later became an administrator and retired as director of personnel for the Youngstown city school system.

Not content to be successful in only her career, Miss Ward was also active in community affairs including the Quota Club, the Youngstown Playhouse, and Delta Kappa Gamma Greek letter society.

Miss Ward has certainly led a full and varied life. I wish her good luck and Godspeed as she begins her richly deserved respite of retirement. The Youngstown school system may soon miss her—but it will not soon forget her.●

THE DELAYING OF MILITARY EQUIPMENT TO SAUDI ARABIA

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1981

● Mr. COURTER. Mr. Speaker, while the administration's proposed sale of arms and military equipment to Saudi Arabia has not been fully retracted, I am pleased to note that the submission of the formal proposal to Congress has been delayed pending further review of the issues involved. The decision to delay this proposed sale was, in my view, a wise response to the many doubts that were voiced in Congress regarding some potentially harmful ramifications of the sale. As a cosponsor of the resolution which formally disapproves of the sale, I would like to take this opportunity to review some of the issues involved in this arms sale.

First of all, and most importantly, is the question of whether this sale serves America's national interest. I think it does not. Too many people tend to believe that what is good for Saudi Arabian security is automatically good for the United States. To be sure, Saudi oil is very important to us, as is Saudi influence in the Muslim and Arab worlds. However, this proposed sale, which includes a number of highly sophisticated E-3 airborne warning and control system aircraft (AWACS) will not, in my opinion, enhance Saudi security. The United States currently has four AWACS aircraft in Saudi Arabia under our control. It stands to reason that a potential aggressor to Saudi Arabia would be less likely to attack Saudi airfields if American aircraft were parked there. A strong American presence in Saudi Arabia would be a far better deterrent than merely selling these ultrasophisticated aircraft to Saudi Arabia for their maintenance and protection. These aircraft should and must remain under our control.

This leads me to my second point. I am not at all convinced that the security of the aircraft and its vital technical data and electronic systems could be adequately guaranteed by the Saudis.

In late 1979, as many of us remember, the Saudi Armed Forces had a very difficult time putting down a local revolt by insurgents in the holy city of Mecca. Saudi Arabia is a fragile society, with internal weaknesses which could manifest themselves in the compromise or destruction of modern American weapons systems. This threat is real and should be well taken into account.

A third point I would like to raise is that we are not really obtaining a true quid pro quo from the Saudis with regard to several key issues. Saudi Arabia still denies us access to military bases and facilities on its soil as part of our evolving Persian Gulf policy, refuses to back the Camp David peace process, and continues to finance the terrorist PLO. For their part, the Saudis, through Petroleum Minister Sheik Yamani, have proclaimed that Israel, not the Soviet Union, is their principal enemy. If this is the way they truly feel, then it becomes somewhat obvious that the items in this proposed package, which includes advanced sidewinder missiles, long-range fuel tanks for their previously ordered F-15's and KC-135 jet tankers for in-flight refueling, will be targeted against Israel. It certainly makes no sense to arm the Saudis so that they, with other Arab States, can attack Israel. If the Saudis are truly interested in avoiding a confrontation with Israel or attack by external forces, it is in Saudi Arabia's best interest to permit the United States a greater role in protecting the Persian Gulf. Only the United States has the power to keep the Soviets out of the Persian Gulf and protect the Saudi royal kingdom. It is a strong American presence in that area, rather than mere weapons, that is the Saudis best bet for survival. We have and will continue to supply the Saudis with certain conventional armaments that we feel are necessary for their defense.

Mr. Speaker, our strongest and staunchest ally in the Middle East is Israel. Unlike the Saudis, the Israelis seem to have a better understanding and strategic view of Western interests in the Middle East. Their friendship with us is based on strong values. Israel is the one nation I know we can count on if there was a threat to American interests in the Middle East. Therefore, I feel that based on recent Saudi calls for a jihad, or holy war on Israel, we would be aiding and abetting such an action by agreeing to this proposed arms sale. By arming Arab States to wage war on Israel, we are "shooting ourselves in the foot." A threat to Israel's security is a threat to

our security, and therefore, this proposed sale should be withdrawn.

Mr. Speaker, one day, hopefully, the major pro-Western states of the Middle East—Israel, Egypt, Jordan, and Saudi Arabia—could all act in concert as a regional defense force to counter Soviet expansionism and terrorism. Until that day comes, our Nation must continue to bring peace to that troubled region—a peace that guarantees Israel security through defensible borders, and a peace for the Arab nations that gives them dignity, and will turn their efforts to economic and social problems, not war.

Thank you, Mr. Speaker.●

AMID ULSTER'S MADNESS, HUME STICKS TO SANITY

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1981

● Mr. BINGHAM. Mr. Speaker, a true hero in the midst of the tragic lunacy that besets Northern Ireland is John Hume, the head of the Social Democratic Labor Party there.

In the Washington Star on June 4, Mary McGrory, with her usual clearheaded good sense, writes about John Hume, as follows:

AMID ULSTER'S MADNESS, HUME STICKS TO SANITY

LONDONDERRY.—On the day of the fourth IRA funeral—the last, at least, of the current series—John Hume, leader of Ulster's reasonable Catholics, sat in the lounge of a local hotel taking about "a breathing space for the government."

It would be, he said, about 50 days before the coffins would be coming out of Long Kesh again and he, for one, intended to use the interval for something other than the escalation of violence and invective which almost everyone else seems to have in mind. Hume had no success convincing Margaret Thatcher in a stormy late-night session at 10 Downing Street on May 13 that nothing but rage and riots would ensue. He had, however, more success in persuading his countrymen to keep their heads in the murderous impasse.

The returns from local elections hard on the heels of the funeral of Bobby Sands, had, to be sure, doubled the vote of Rev. Ian Paisley, the Protestant demagogue, and had sent the brother of Francis Hughes, the second hunger striker to die, to a district commission. But Hume's Socialist Democratic Labor Party had held its own, which, under the circumstances, was something of a triumph—or at least an indication that there are pockets of sanity in Ulster's mad, polarized precincts.

"While they were going to the IRA funerals, they were voting for me," said Hume, who is the most modern of Northern Ireland's public figures, and one of the few who discusses the present—and the future—rather than the past.

Hume, a black-haired, heavy-set 44-year-old who escaped from the despair of life in the Bogside—where he still lives with his wife and five children—via the education route (Maynooth, briefly, and then the University College of Dublin), could be pretty down by now. Ten years of struggling to isolate the IRA, of turning off sentimental and financial support in the United States, of coaxing his countrymen into the ways of a political solution—all seem to be foundering on the rock of Thatcher's intransigence.

But Hume fights on. He is not waiting, as some are, for the elections in the Republic to be resolved, for the Anglo-Irish talks to be resumed. He is not counting on the offchance that an American president, proud of his Irish heritage, might attempt to sweet-talk his fellow-ideologue in London into seeing the hunger-strike crisis for what it is—not a chapter in the continuing struggle against international terrorism, but a nasty, parochial situation that is a reflection of the larger divisions and deeper grievances which are unique to England's last colony.

Hume is a member of the European Parliament—as, of course, is the Rev. Paisley—and he proposes to take before it on June 18 a scheme or a joint European-British plan for industrializing the wretched province.

Unless you count hating as a full-time occupation, Ulster has a staggering unemployment rate; in 'Derry, 24 per cent; in Newry, 25 per cent; in West Belfast, Bobby Sands country, 40 per cent.

"That is why," says Hume, "there are plenty of willing hands to throw stones and petrol bombs."

The rational approach to an ancient problem sets Hume apart from his fellow-politicians, who have been brutally instructed in the perils of moderation. Poor Paddy Devlin, a Belfast city counsellor and former member of the SDLP, was lately driven from his home by thugs who tied his sons to lampposts and urinated on them and drove his retarded daughter into a mental hospital. He had not been "green" enough to suit the IRA bullies who ran the street defense committees in his neighborhood.

Devlin, in anguish, tried to warn Mrs. Thatcher of the "1916 syndrome" which has begun to work among a Catholic population that does not endorse the IRA but is racked by the sight of young men dying for a cause.

"Patsy O'Hara," said an old man who attended his funeral, "was a nice, wee young man who wasn't asking for a terrible lot."

Against that powerful pity, Mrs. Thatcher's nanny-like repetition that "a crime is a crime is a crime"—she went to Belfast on a surprise visit last week to say it again—is no antidote.

Hume is hoping that the idea of a European Human Rights Commission investigation, which was tried late in the day of Bobby Sands' fatal fast and rejected by him, will be used as a face-saving device by Mrs. Thatcher.

But Mrs. Thatcher is not wanting to be saved. She is in deep economic difficulties. She is glorying in her image as an "Iron Woman," standing tall against terrorists—actually working-class desperadoes whose stature she has increased throughout the world.

She told Hume at their futile meeting that she resents being called "inflexible" about the prisoners—which only tells you that cement-headedness is not a quality peculiar to Ulster, even though it has often seemed that way.●

THE ENCOURAGEMENT OF HIGH-COST NATURAL GAS PRODUCTION

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1981

● Mr. FIELDS. Mr. Speaker, as Chairman of the Energy and Natural Resource Task Force, I am today introducing legislation to spur the development of high-cost natural gas production. This bill will correct an unintended technical problem resulting from the interaction of a tax credit provision of the Crude Oil Windfall Profit Tax Act of 1980 (COWPTA) and the filing requirement restrictions of the Natural Gas Policy Act of 1978 (NGPA). As a result of this unforeseen effect, many producers of high-cost natural gas are unable to take advantage of the economic incentives which Congress clearly intended for them.

With the enactment of COWPTA, Congress provided a tax credit for certain high-cost gas production, such as geopressured brine, coal seams, tight sands formation, and Devonian shale. In addition, in the NGPA, Congress deregulated the price of gas derived from Devonian shale, geopressured brine, and coal seams, and directed the Federal Energy Regulatory Commission (FERC) to set a special incentive price for tight sands formation gas. The enactment of COWPTA triggered a restriction in the filing requirements of the NGPA, designed to bar any producer from taking advantage of both the special incentive or deregulated price and the tax credit, simultaneously. Under this restriction, any producer wishing to receive the incentive or deregulated price is required to file with FERC on or before May 2, 1980, the 30th day after enactment of COWPTA or the date which the surface drilling of a well began. Hence, those producers who did not file in a timely manner for the incentive or deregulated price are automatically relegated the tax credit under COWPTA.

The tax credit contained within COWPTA, however, has already been phased out for geopressured brine, coal seams, and tight sands formation gas in accord with the original formula. Specifically, this credit is linked to the price of a barrel of oil on the world market and is phased out when the average price reaches $32.14 per barrel. At present, the average price of a barrel of deregulated oil exceeds $34 per barrel. So it is highly unlikely this credit will ever be of any value to these natural gas producers.

Even though this credit is now, for all intents and purposes, worthless, it still triggers the NGPA filing requirements. Many producers did not file an appropriate election to satisfy this re-

quirement and as a consequence, cannot receive either the special price or collect the tax credit.

Mr. Speaker, surely Congress did not intend for these producers to be excluded from both the incentive or deregulated price and the tax credit. In fact, the very enactment of COWPTA and NGPA indicates the commitment of Congress to provide incentives for drillers of high-cost natural gas. Congress indeed acknowledged the added risks and extra costs of this type of production, and clearly intended adequate compensation to these drillers. However, Congress did not anticipate the adverse mechanical interaction of these two statutes, which precludes many producers either the credit or the incentive or deregulated price.

Therefore, today I am introducing legislation which will correct this technical oversight. My bill provides that a producer of high-cost gas will now automatically qualify for the incentive or deregulated price. Furthermore, my bill would enable any producer who is eligible for a tax credit to collect this credit instead of the special deregulated price. The original prohibition of doubledipping from both the tax credit and the incentive or deregulated price is also preserved. More significantly, this legislation will eliminate the unnecessary filing requirements for producers in order to qualify for the incentive or deregulated price. And finally, Mr. Speaker, this bill will maintain the credit option still in existence for Devonian shale natural gas.

Under the tax credit provisions of COWPTA, Congress did not link the credit for Devonian shale to the price of a barrel of oil, as is the case for other high-cost natural gas, until 1983. For 1980, 1981, and 1982, this credit will not start to phase out until the price of Devonian shale reaches $4.05 per MMBtu and will not entirely expire until the average price tops $5.08 per MMBtu. Presently, the price of Devonian shale is less than $3.00 per MMBtu, and is not expected to increase significantly in the next couple of years. My bill would preserve this credit for Devonian shale drillers while qualifying them for the special deregulated price in 1983, following the phaseout of their credit.

Mr. Speaker, this election problem represents a major impediment to small and independent producers of high-cost natural gas. This industry which is already overburdened with high production and drilling costs should not be further penalized by unnecessary filing requirements. My legislation would enact a more workable filing procedure, thereby enabling these drillers and producers to take advantage of the incentive Congress originally intended for them. Due to the importance of domestic natural gas development as a means to diminish our dependence on foreign sources of energy, I urge my colleagues to act expeditiously on this legislation. We must take positive steps to encourage the continued development of high-cost natural gas and not further deter these producers from the intended incentives of production.●

TRUMAN SCHOLARSHIP AWARDS CEREMONY

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1981

● Mr. SKELTON. Mr. Speaker, the Truman scholarship awards ceremony was held at the Truman Library in Independence, Mo., last month. A friend of President Truman's, Charles S. Murphy, spoke to the recipients of the scholarship who are seeking careers in public service. After working in both the private business and government sectors, Mr. Murphy feels that public service offers great opportunities to make the world a better place in which to live. He also provides encouraging words to those who are dedicated to serve their country. I would like to share his address with my colleagues:

REMARKS OF CHARLES S. MURPHY AT THE ANNUAL TRUMAN SCHOLARSHIP AWARDS CEREMONY

It is a great pleasure to welcome you young men and women into the company of people whose lives have been especially blessed by the life of Harry S. Truman.

You have before you this afternoon several most devoted members of that company.

First, you have Chairman John Snyder, who has been presiding over this ceremony with such wit and grace. Chairman Snyder and President Truman were personal friends for years before Mr. Truman became President. Both of them had served in the Army in World War I, though not in the same unit. After the war, they served together as officers in the Army Reserves.

By the time Mr. Truman became President in 1945, Mr. Snyder had acquired a lot of experience in a number of financial positions in the Government, as well as in the field of private banking. The new President quickly brought Mr. Snyder into his Administration, and soon appointed him Secretary of the Treasury, where he served with great distinction for about seven years.

He turned out to be a great Secretary of the Treasury. I've worked in Washington for almost fifty years now, and I've seen Secretaries of the Treasury come and go. During that period of time, Secretary Snyder has been the best. If you doubt what I'm telling you, go and study the record. I think you'll come to the same conclusion.

Then, you have here the new President of the Truman Scholarship Foundation, Elmer Staats. When Mr. Truman became President, Mr. Staats was a young Ph.D. working his way up through the various echelons in the Bureau of the Budget. He kept on climbing; and before the end of President Truman's term, he had become Deputy Director of the Bureau. Later, he served as Deputy Director under three more Presidents—Eisenhower, Kennedy, and Johnson. That is a record that has never been approached by anyone else. He might have extended it, except for the fact that in 1966 President Johnson appointed him to an even bigger job—Comptroller General of the United States—where he continued to serve until about two months ago.

You might wonder what is the difference between the Bureau of the Budget of former years and the present Office of Management and Budget. I have had it explained to me this way. The Bureau of the Budget did not have the word "management" in its title, but it did in fact manage the Government. OMB, on the other hand, does have the word "management" in its title, but in fact it does not manage the Government.

As Comptroller General, Mr. Staats was head of the General Accounting Office. The General Accounting Office is an arm of the Congress. Its principal function is to monitor the performance of the Federal Government, and report to Congress on how it is doing. Having spent some forty years in top positions in the Bureau of the Budget and the General Accounting Office, I think it is fair to say that Mr. Staats probably knows more about the United States Government than any other person in the world.

Then, you also have here Senator Stuart Symington, who had a long and very distinguished career in the United States Senate. But before that he was a key man in the Truman Administration, serving in several top positions, including Secretary of the Air Force. He also gave up a highly successful career in private industry to answer the call to public service.

The next person you have here who benefited so greatly from knowing Harry Truman is me. I knew him during the ten years he was in the United States Senate, where I was a young legislative draftsman in those days. Then, I worked for him for six years in the White House after he became President. It was a tremendously exciting, and rewarding experience. We had to work very hard, but it was worth it.

President Truman was an extremely nice man and very considerate of his staff.

The list of people whose lives have been made better because of Harry Truman is by no means limited to those who worked with him—or even to those knew him personally. The more you think about it, the more remarkable it becomes to think how many people were affected by the life of this one man. He made some great decisions, you know—decisions that determined the shape of the world in the era following World War II, and that have had a great deal to do with the course of history up until this day.

Most of the rest of the world was in a shambles at the end of World War II, and President Truman made the basic decision that the United States should help put the rest of the world back on its feet. Considering the way a lot of other nations act these days, I sometimes wonder if they are showing a proper sense of gratitude—or if we really should have helped them quite so much. But if he were here, he would tell me I should be ashamed of having such thoughts—and to forget it.

The only time he ever gave me a really stern lecture, by the way, was when I asked him if he didn't think it would have been a good thing if the South had won the Civil War. I thought that would get a rise out of him, but I got more than I bargained for.

The real point I want to make here today is that public service offers great opportunities to make the world a better place to live

in. I suppose I am preaching to the already converted, since the reason you are here is because you have already indicated your intention to seek careers in public service. I just want to make you feel good about what you are doing and encourage you to stay on the right track.

I am frequently asked by young people what I think of Government service as a career, compared with private business. I tell them this: If you work for the Government, you won't make as much money, but you'll have a lot more fun. I've tried it both ways, and I know.

I'll tell you the same thing. The private law practice I have these days is interesting. My clients are nice people. I enjoy working with them, and they pay me very well. But it is not near as much fun as I had working for the Government. It's true that I had some extraordinary opportunities in Government service. Very few people can hope to be so lucky. But you can reasonably expect to find a place where you can do a lot of good and enjoy doing it.

Fortunately, public servants are somewhat better paid these days than they used to be. It's still not the road to great wealth, but you can hope to be paid enough to live decently, and support a family in modest comfort.

Frankly, if your chief aim in life is to make money, public service is not the road to travel. If you go the public service route, you are going to have to take a large part of your reward in what I call "psychic income." That's great stuff, even though it won't get you much at the grocery store.

It is hardly necessary for me to tell this group that you need not be apologetic about having public service as your goal. That is true whether you take the route of a career civil servant, or whether you take to the hustings and seek elective office.

President Truman was always proud of being a politician. He had some strong beliefs on the subject, which he put down in writing. Let me tell you some of what he said.

Politics, he said, is "the science and art of government. Under our Constitution the 'art of government' is the art of understanding and working for the interest of the people."

He went on, ". . . A stateman must be an honorable man and he must be a good politician in order to become a statesman under our form of government. If you will study the history of our country—he said—you'll find that our greatest presidents and Congressional leaders have been the ones who have been vilified worst by the current press. But history justifies the honorable politician when he works for the welfare of the country."

President Truman went on to say, "I would risk my reputation and my fortune with a professional politician sooner than I would with the banker or the businessman or the publisher of the daily paper! More young men and young women—he said—should fit themselves for politics and government."[1]

You can tell from that, that President Truman would approve heartily of the direction in which your group is headed.

In fact, I think he would be very proud of this group. You have a lot to be proud of yourselves, so long as you don't let it go to your heads. You were chosen for these scholarships through a pretty rigorous selection process. I guess you know that as well as I do. You had to stand well in your colleges and universities to be nominated. Then you were screened once, then screened again. And you had to get past that personal interview.

All this was done on the basis of merit and without regard to personal influence or partisan politics. President Truman would like that nonpartisan part. He would think that Republicans as well as Democrats ought to be educated. In fact, he might think Republicans need it more.

He would be greatly interested in the goals you have set for yourselves. He would be especially pleased about those who plan to go into state and local governments. He would also tell you to be active in your local political party—to learn how to work a precinct. So far as he was concerned, that is where democracy begins—that's democracy with a small "d".

He was just as proud of being the presiding judge of the Jackson County court as he was of being President of the United States.

There's something else he would tell you. This might sound a little naive, but it's what he would say. He would tell you the best politics is to do the right thing and do the best job you can. Can you imagine Harry Truman taking a public opinion poll to decide what to do? Anyone who ever worked with him would laugh aloud at the idea.

He did not think much of the polls. When he was reelected in 1948, one of the things that really put the frosting on the cake for him was the fact that the polls were so badly wrong. One of the big ones stopped sampling public opinion weeks before the election because they were so sure Truman was going to lose, that it was a waste of time.

So, he would say: Forget about the polls and do the right thing.

That man was so honest, you would not believe it. He was what I think people of your generation might call "squeaky clean."

I expect that many of you have been concerned about the wrongdoing in public office we have seen in recent years, some of it in high places. You should be concerned. But I want to give you some measure of reassurance.

There are some wicked people in Government service, but there are a lot more good people. I worked for the Government a long time, and I know a lot of people. I have known hundreds of United States Senators and hundreds of Congressmen. I have known hundreds of staff people—on Capitol Hill and in the Executive Branch and in the independent agencies. In all these places, I found the average to be pretty high so far as ethical standards were concerned, higher than in the outside business world. I do not mean to be casting aspersions at the outside business world either, because I think the average is pretty high there also.

I must confess that the average in the Government seems to have slipped a little since I left it 12 years ago—not just because of my departure, you understand, but coincidentally.

Still, I am confident that our Government is basically honest. We can deplore the wrongdoing, but part of your mission ought to be to see that your entry into public service raises the ethical standards by that much.

Finally, I urge you to keep on dreaming and planning about what you are going to do with your lives. Not all of you can be Presidents of the United States—although three or four of you might make it if you time it just right.

All of you can be good public servants, and find much pleasure and satisfaction in the process. You will find some frustrations and heartaches, also. But that goes with the job.

For most of you, life will not develop just as you expect it to. Things might be better than you expect, or they might be worse; but they are pretty sure to be different. That is no reason not to plan. Perhaps your plans should have some flexibility. But without a plan, you are likely not to get anywhere. You are likely not to be ready when the opportunities come.

So, I want to leave with you this message from President Truman. This is what he said:

"Keep working on a plan. Make no little plans. Make the biggest one you can think of, and spend the rest of your life carrying it out."[2]

In closing, there is one more quotation from Harry Truman that I would like for you to think about as you spend the rest of your life carrying out that plan. In 1954, when he was looking back at his career, he wrote these words:

"I would much rather be an honorable public servant and known as such than to be the richest man in the world."[3]

Thank you very much.●

[1] "The Autobiography of Harry S Truman," pp. 115, 116.

[2] "The Autobiography of Harry S Truman," p. 120.

[3] "Off the Record," p. 309.

TRIBUTE TO WILLIAM BOWMAN SPANN, JR.

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1981

● Mr. LEVITAS. Mr. Speaker, I would like to take this opportunity to pay tribute to a friend and distinguished attorney.

William Bowman Spann, Jr., had a long and distinguished career before he died at age 68 in Atlanta, Ga., on Sunday May 17.

Mr. Spann was president of the American Bar Association in 1977–78 and chairman of its House of Delegates in 1970–72. As chairman of the Association's Special Committee to Study Federal Law Enforcement Agencies, he was largely instrumental in the enactment of the Ethics in Government Act of 1978. In the course of his illustrious career, Bill Spann was, among other things, president of the Lawyers Club of Atlanta, a director of the Legal Aid Society, a fellow of the American Bar Foundation, a trustee of the Lawyers Committee for Civil Rights Under Law, a member of the American College of Trial Lawyers, and a member of the National Conference of Commissioners on Uniform State Laws. At the time of his death, Bill was serving as executive director of the State Bar of Georgia. The community—professional and lay—will sorely miss him.

The Reverend Robert E. Lee, pastor emeritus of the Lutheran Church of the Redeemer, captured the spirit of this man in the homily read at his funeral service. I ask that it be reprinted here for all to see:

HOMILY FOR WILLIAM BOWMAN SPANN

Let us pray!

O God, by Whose Word we know both Justice and Mercy—look upon us, thy servants, in this hour of thanksgiving for our loved one and friend, William Bowman Spann. Grant us, we beseech Thee—steadfast faith and courage—that we too may come, at last, into Thy Eternal Presence—through Christ, our Lord. Amen.

The text that compellingly commands our attention—as we come to this hour of thanksgiving for William Spann—is written in the 6th chapter of the prophecy of Micah—the 8th verse.

Somehow, it seems to describe the character—and the focus of William Spann's life.

Listen to the words of Micah—

"He hath showed thee, O Man, what is good; and what doth the Lord require of thee but to do justly—to love mercy and to walk humbly with thy God?"

There is instinctive desire in a moment such as this to enumerate the notable achievements of one who has had, across the years, the respect and confidence of his peers in the legal profession, by whom he has been accorded eminent recognition.

William Spann would demur from such a "Brief," such a recital of achievement. But, for us, there is something that must be understood as he so clearly understood it that the ultimate Truth to be served in life is the Truth of God from whom comes both the Law and the Gospel.

Because he understood that essential fact of the Christian Faith, that God is Our Righteous Judge and our Merciful Saviour, he understood the meaning of justice and the meaning of mercy.

To him it was a "given" that we should do justly and love mercy.

The one inherent in the other!

Thus he set for himself—for his profession—high standards and noble ideals!

And they leave their mark—
On each of us;
On family;
On friends; and
On colleagues.

The reason they leave their mark on us is that he lived by that third requirement of which the prophet, Micah, spoke!

Micah said that it is required of us that we walk humbly with God!

When we translate that into life today—it's very simple.

To walk humbly with God is to see one's own worth and to acknowledge one's own frailties.

It is to pursue our sense of purpose with quiet determination and dignity.

It is to use one's intellect to its farthest capacity.

It is to strive to love even as you are loved.

It is to honor the faith of our fathers.

It is to strive to minister to others—not to be ministered unto.

It is to serve without counting the cost.

It is to live in the bold and confident expectation of life eternal through the saving merits of Jesus Christ.

Good and great men are like that. William Bowman Spann walked that way!

And today we honor his memory because we are greatful for the compelling witness of his faith and character, loving husband and father, wise counselor, loyal colleague and friend, a man of justice, a man of human compassion, and a man of unassuming faith in the Just and Merciful God!●

THE PLIGHT OF SOVIET JEWS, PART II

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1981

● Mr. CORCORAN. Mr. Speaker, following up on a statement I submitted to you last October, when I first learned of the plight of "refusenik" Karl Grinberg, I am now pleased to report that after 5 years of pursuit, Karl Grinberg has finally received permission to emigrate from Moscow. In June 1976, 5 years ago, Mr. Grinberg applied for permission for him and his family to emigrate to Israel. As a result, both he and is wife lost their jobs and the Grinbergs suffered a divorce in order that Mrs. Grinberg and their two sons could apply independently. She and the children did receive visas and emigrated to Israel 2 years later. In a letter dated October 1, 1980, to U.S.S.R. Secretary Brezhnev and Ambassador Dobrynin, I expressed my deep concern about this case; thus I was especially pleased to learn that Karl Grinberg is now a free man.

On March 16, 1981, Mr. Grinberg received official permission to leave Moscow. With his departure Grinberg was reunited with his wife and two children.

Mr. Speaker, the apparent successful conclusion of the Grinberg case has been most gratifying to me. Hopefully, with the continued diligence of such groups as the Chicago Action for Soviet Jewry, which brought this matter to my attention, others like Mr. Grinberg will be allowed to emigrate.

For the benefit of my colleagues, I would like to insert in the RECORD an excerpt from a letter I received from Karl Grinberg last week, written from his new home in Israel. The letter follows:

Dear Mr. Tom Corcoran,

Now it is known, that due to your fine efforts on my behalf I have beautiful possibility to see my family. Take, please, my thanks. I'll be thankful to you all my life.

Best wishes.

KARL.

He ends his letter with a postscript which asks for my help to a friend still in Russia, a vivid reminder that though Karl's emigration is a huge victory, we must all continue to work for the release of thousands of Soviet Jews who are now refused the freedom to emigrate.●

BILL TO ESTABLISH THE NATIONAL PROFESSIONS FOUNDATION

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1981

● Mr. BROWN of California. Mr. Speaker, I am introducing with Representative MERV DYMALLY, the National Professions Foundation Act, a bill to establish a National Professions Foundation which shall develop coordinated efforts among public professions for the solution of national problems. I have introduced this bill in past Congresses. I am reintroducing it with the intent of stimulating discussion of the problems addressed by the bill and the solution proposed.

In the sense of the bill a "profession" means a body of persons engaged in a calling which requires specialized knowledge and extensive educational preparation, which has a significant relationship with public affairs and the allocation of societal resources, which is accountable to constituencies and to the public, and which includes accounting, architecture, dentistry, education, engineering, journalism, law, management, medicine, nursing, pharmacy, public administration and legislation, public health, social welfare, and urban planning.

The need for this bill is based on three observations:

First, every major domestic issue is intrinsically a professional matter.

Second, essentially all resource allocation and environmental decisionmaking of a modern nation is undertaken by men and women acting in a recognized professional capacity.

Third, the national life quality is a direct function of the effectiveness of the Nation's professions.

The bill establishes a National Professions Foundation as an independent foundation in the executive branch of the Federal Government. The Foundation would have a Director and a 24-member Board consisting of members of the professions. Modest funding authorization is provided by the bill for fiscal year 1982 through 1986.

The functions of the Foundation would be:

First, to develop and encourage the pursuit of broadly conceived public professions policy which supports the national interest.

Second, to develop and maintain suitable social indicators in cooperation with other agencies and the public professions to measure the quality of national life as a composite function of the public environments; that is, the physical, civil, health, education, business, legal, social and so forth. environments.

Third, to establish a coordinated multiprofessional effort by the public professions that would: Develop methods to define and assess national problems and needs, conduct ongoing studies to determine approaches, resources, and priorities to meet such problems and needs, and encourage and facilitate cooperative government, industry, university, and professions programs to resolve important national problems and needs.

Fourth, to assess existing and proposed public professions programs and policies with a view toward: Predicting the impact of such programs and policies upon the national quality of life and suggesting, whenever necessary, alternative programs, policies and resources.

Fifth, to study and evaluate the operation of the public professions including their delivery of services and societal effectiveness.

Sixth, to conduct studies designed to evaluate and improve the public professions curriculums of educational institutions.

Mr. Speaker, this bill provides an approach to the problems of society that is as broad in scope as the problems are. It is not clear that a legislative approach is the best means to accomplish this purpose. Nor is it clear that this legislation should stand alone, rather than be merged with other legislation, such as the National Technology Foundation Act, which I recently introduced. All these matters deserve review.●

FREE VLADIMIR AND MARIA SLEPAK

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1981

● Mr. RITTER. Mr. Speaker, today I join with many of my colleagues in urging the Soviet Union to grant visas to Vladimir Slepak and his wife. The continued repression and denial of emigration visas to this family is yet another example of the Soviets' disregard for basic human rights and nonadherence to the Helsinki accords.

The Slepak family is but one example of the social injustice committed by the Soviet leadership against citizens whose only desire is to leave the U.S.S.R. After filing for an emigration visa in April 1970, the Slepak's existence has become a living nightmare. Vilified by the press and labeled a traitor by Soviet leaders, the Slepaks were arrested in June 1978 on charges of "hooliganism" for hanging a banner from their apartment proclaiming "Let us go to our son in Israel." Following a closed courtroom trial, the Slepaks were sentenced to 5 years in exile. Today they share an unheated shack in Mongolia but continue to remain optimistic that someday they will live in freedom.

As a nation that holds freedom sacred, we cannot turn our backs on those who are denied basic rights by repressive governments. As Members of Congress, we must continue to remind the Soviets to live up to the agreements they signed at Helsinki in 1975. Jews in the Soviet Union who wish to emigrate must be permitted to do so.

The leadership of the Soviet Union has proven that it is not immune to world opinion. During the height of the Polish crisis, Western pressure may have played an important role in keeping the Soviet Army from militarily intervening in Poland. I believe that continued pressure by all nations will encourage the Soviets to find a less violent solution to their Afghanistan debacle and end their unlawful occupation of that country. But just as important, we must continue to draw attention to the Soviet Government's own domestic repression on the Jews and other nationality groups.

Mr. Speaker, millions of voices within the Soviet Union and Eastern block nations cry out for greater liberty. We cannot and will not forsake brave individuals like the Slepaks, the Shcharanskys, and the Vinniks whose only desire is for freedom and to be reunited with families and loved ones.●

EULOGY TO ELMER KISH

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1981

● Mr. CLAUSEN. Mr. Speaker, one of northern California's most extraordinary citizens recently passed away. Elmer Kish was a man who was not only a special friend to me and my family, but more important a friend to his family—totally dedicated to his wife, Heidi, and their five children. He was also a valuable contributor to the timber and aviation industries which are so vital to that portion of our State. I would like to insert for the RECORD Elmer's funeral eulogy delivered by his close friend and colleague, Don Curry. I ask my fellow Members to join me today in recognizing this truly outstanding individual and also to record his life's experiences permanently in the CONGRESSIONAL RECORD.

ELMER KISH

Who was Elmer Kish? Elmer Kish was many things to many people. Builder of dreams, family man, pilot extraordinare, friend, teacher, and to some a challenge. And yet he enjoyed a common ground with every man.

Elmer's early youth was typical of most families raised in the Northern part of California. He had a very close relationship with his mother and father. Elmer and his dad were real pals and worked on many projects together. One of their great hobbies was gold mining. As early as eight years of age, Elmer was out there looking for that big gold nugget.

While in his teens and living in Crescent City, Elmer's father took a job in Red Bluff. Elmer elected to stay in Crescent City to finish High School and with his folks' approval he moved in with the Clausen family.

Don Clausen is currently the Congressman representing the North Coast of California in Washington, D.C. Don had a very important role in Elmer's development. Through Don Clausen, Elmer learned to fly, and this gave a great deal of direction to his life.

Elmer pursued his interest as a pilot into a career—and as he did everything else he became the best. Flying with Elmer was like flying with a bird. It was as if he were a part of the aircraft.

He became a commercial pilot and worked for a number of companies and individuals who were involved in the timber business. With his perception and intelligence he added a new dimension to his career.

The new dimension did not become a reality until his path crossed Jack Erickson's and a bond was struck which collectively led to the development of many new and innovative uses for heavy lift helicopters. Besides his role as an industry revolutionary he fulfilled the more basic role of father and family.

Elmer has 5 children and in spite of the business pressures and extensive traveling time required by his work, he was very proud of them and was very interested in their lives and futures—they in turn must feel very proud of his accomplishments. As they mature they will continue to gain more knowledge and insight from his teachings.

And Elmer was a teacher. Elmer Kish was the man who was Always Right. What memories that statement must bring to everyone here today. Yes he challenged us all individually with his direct approach to life and pushed us into being better people.

To be "Always Right" one must have great inner strength, determination, and a knowledge of many things. Elmer had all of these qualities. He analyzed a situation, made a decision and went ahead—right or wrong—and never looked back.

It was these same qualities that carried him through his illness. His doctors told him early on that his form of cancer was virtually incurable and that there was No Hope. Those words were completely unacceptable to Elmer. He fought back with all his strength and knowledge in a classic battle. And although he lost the battle—it was a close one—and, that some how with his determination to live and the treatments that he tried, he came very close to winning.

But even more important during this period, was the way he conducted his life. He would not allow this devastating illness to interfere with his Love to create and build new ventures. He accomplished more between operations and treatments than the average man does in a lifetime. As Elmer used to say anything can be done in 20 minutes.

To sum up Elmer Kish—He was a positive person—always looking forward—never back, and he pushed hard for what he considered the right way.

And finally; Congressman Don Clausen is flying a flag over the United States Capitol today—in honor of the special relationship between himself and Elmer and as a final

tribute he will send the flag to be presented to Mrs. Heidi Kish and the family.

Goodby Elmer and Good Flying.●

WILLIAM SAFIRE ON REAGAN'S WRONG MOVES

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1981

● Mr. OTTINGER. Mr. Speaker, I usually find William Safire's writing so blatantly biased and partisan that I discount most of what he says. It is therefore particularly significant that he should blast the Reagan administration for its really outrageous disregard for law and morality in the conduct of its affairs. He is well justified in his criticisms of Reagan for attempting to hold his administration above the law, or alter existing law in the four instances he sites:

First. Disregarding his son Michael's influence-peddling in seeking to gain Government contracts;

Second. Seeking to change the law requiring special prosecutors to be used to investigate allegations of administration wrongdoing;

Third. Seeking to relax our laws against foreign bribery; and

Fourth. Seeking to gut the Freedom of Information Act.

Mr. Safire is correct on all counts, and I trust the appropriate committees will assure that efforts to emasculate or evade these important laws will not be tolerated.

What Mr. Safire criticizes is symptomatic of even larger defects in the Reagan administration—a willingness to tolerate on a broad scale corporate abuses of civil rights and the health and safety of our populace. Equally disturbing is the willingness of the administration to tolerate even the grossest abuses of racial persecution and violations of human rights abroad.

Indeed, as Mr. Safire points out, it is doubtful that those who voted for President Reagan were endorsing such worrisome transgressions of fundamental responsibilities and alteration of laws protecting our liberties. If these attitudes are not changed, I believe they will spell the downfall of the Reagan administration and seriously impair the strength and respect of the United States.

I strongly commend Mr. Safire's article to my colleagues.

ESSAY—REAGAN'S WRONG MOVES

(By William Safire)

WASHINGTON.—Many conservatives voted for Ronald Reagan to cut out the sleazy conflicts of interest of the Carter days, to guard against the power abuses of the 60's and early 70's, to give investors confidence that corporate bribery was not concealed in public statements, and to reverse the Big Government intrusion into private lives that began in the New Deal. Mr. Reagan has shown his first signs of failing on those four counts.

(1) *Conflict of Interest.* Despite last year's revulsion at the lust exhibited by Carter relatives and cronies for trading on the Presidential name, the incumbent President's son, Michael Reagan, saw nothing wrong with taking a job soon after the election selling missile parts to the Government. He remined procurement officers, in solicitation letters, how "my father's leadership" was important to them.

The incredibly blind White House reaction was to deny any impropriety, to echo Jody Powell about family members having to make a living, and—belatedly—to assign a lawyer to advise family members how to stay clean. This left it to Mr. Reagan resentful son to quote his father as suggesting he not write any more letters—as if the only lapse had been to put influence-peddling in writing. The Reagan White House problem is not "media hounding," but its own insensitivity to the same appearance of blatant impropriety about which Reagan supporters joined the media in rightly hounding Carter.

(2) *Abuse of Power.* We have seen how Attorneys General—especially those who consider themselves supremely incorruptible—cannot be trusted to investigate vigorously accusations of wrongdoing by their bosses or colleagues.

William French Smith, the long-time Reagan personal lawyer who now serves as Attorney General, wants to gut that part of the Ethics in Government Act that requires the appointment of special prosecutors in charges against high Federal officials. He thinks the normal Justice Department criminal process is enough.

Certainly the act needs amending to raise the threshold from a misdemeanor to a felony charge, and to enable officials singled out by this act to be able to choose a Special Defender to help fight back without going broke.

But the principle embodied in the act is sound: no Administration should be the prosecutor in its own case. The natural instinct is to cover up; only the fact of, or threat of, independent prosecutors appointed by the court insures influence-free investigation and prosecution.

(3) *Bribery Overseas.* Bill Brock, the Reagan special trade representative, wants the Foreign Corrupt Practices Act relaxed to help U.S. businessmen compete in foreign markets. He suggests that the reporting by accountants to the Securities and Exchange Commission on this matter be narrowed, and that policing be left to the less experienced Justice Department.

Such amendments would have the effect of saying to business: Forget competition on the basis of price, product and service—compete instead on the size of payoffs to corrupt foreign princes or power brokers. That approach is bad business in the long run, and encourages businessmen to conceal payoffs in their reports to the S.E.C. and to stockholders. The only senator actively resisting this is William Proxmire, who is turning out to be the most principled conservative in the Senate.

(4) *Snooping Into Private Lives.* The other day, I received a call from the F.B.I., which was properly and routinely checking into the loyalty of Ambassador-designate Arthur Burns, an esteemed former colleague. At the end of my encomium, the agent said that under the Freedom of Information Act, my comments would be available to the person being checked; the agent asked if I wished to claim anonymity.

Civil liberties were not always so well protected. The Freedom of Information Act is a blessing for those who value a check on Government snooping. Individuals can now find out what the F.B.I. file says about them. Even better, individuals can force the Federal bureaucracy to disgorge rulings made without public scrutiny, and documents more politically embarrassing than secret.

Mr. Reagan's Attorney General evidently finds the Freedom of Information Act an annoyance. He has reversed the policy supporting F.O.I.A. followed by Carter Attorney General Griffin Bell, and now the Justice Department intends to help bureaucrats who wish to hide their dealings from taxpayers. (Mr. Bell is looking better every day.)

Conservatives in office can persuade themselves that they are immune to conflicts and abuses, that being pro-bribery is being pro-business and that stopping access to Government files is in the interests of efficiency. But in so doing, they betray some of the principles that persuaded many of the voters to put them in power.●

MORE ON JACOBO TIMERMAN, "QUIET DIPLOMACY" AND ANTISEMITISM

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1981

● Mr. BONKER. Mr. Speaker, Jacobo Timerman is the author of the acclaimed book "Prisoner Without a Name, Cell Without a Number." He was arrested in 1977, imprisoned and tortured by the Argentine authorities. The book is an account of his imprisonment.

Before his arrest, Mr. Timerman was the editor and publisher of a leading Buenos Aires daily newspaper, La Opinion.

Mr. Timerman has been in the United States for the past several weeks and perhaps more than anyone else he has forced us to pay attention and understand the real meaning and value of our human rights policy.

In the Washington Star of last Thursday, Judy Bachrach wrote a column entitled "Cheap Shots at Timerman." She reported:

Timerman believes he was tortured in large measure because he was a Zionist. In an interview with another journalist he reported an encounter he had after one particular torture session: "I would be taken from the torture machine into another room, and there would be a man * * * a man just like you or me who would carefully explain that he was not a torturer.

Then he would say: We know Brzezinski is a Jew. We know President Carter is a Jew, he changed his name from Braunsweig. We know Brzezinski has a plan to take over Brazil and Argentina and Chile. You must tell us about the details.

She further reports Timerman said:

A quiet diplomacy is a silent diplomacy, nations maintained a silent diplomacy with Hitler, and you see what happened. * * *

What do Alexander Haig and Jean Kirkpatrick do? They do nothing. They don't worry about human rights. For them everything is only communist and allies. They are looking for a war. No matter that the allies may be torturers and Nazis.

I commend the entire article to the attention of my distinguished colleagues.

CHEAP SHOTS AT TIMERMAN

(By Judy Bachrach)

The reaction was inevitable. Only its ferocity comes as a surprise. Amid a lot of publicity the journalist Jacobo Timerman came to this country, after having been arrested, jailed and tortured in Argentina, an experience he recorded in his book, "Prisoner Without a Name, Cell Without a Number."

Timerman believes he was tortured in large measure because he was a Zionist. In an interview with another journalist he reported an encounter he had after one particular torture session: "I would be taken from the torture machine into another room, and there would be a man . . . a man just like you or me who would carefully explain that he was not a torturer.

"Then he would say: "We know Brzezinski is a Jew. We know President Carter is a Jew, he changed his name from Braunsweig. We know Brzezinski has a plan to take over Brazil and Argentina and Chile. You must tell us about the details."

For a brief while Timerman and his story received a sympathetic response in this country. Then the man began addressing something more controversial, something closer to home than Argentinian cruelty. He began discussing human rights.

Well there is no filthier phrase right now in the current administration than human rights. Ronald Reagan and George Bush both during their respective campaigns argued that Jimmy Carter had made far too much of the issue, especially in his dealings with those regimes whose barbarism they dismissed with the interesting suggestion that non-Communist governments were worthy allies of the United States; and worthy allies should not be questioned too closely on internal matters.

In his testimony before a horrified Senate Foreign Relations Committee, Ernest Lefever who is pining to take care of human rights at the State Department by presiding over their dissolution, repeated the Reagan party line on this matter most forcefully. In return for such loyalty Reagan and his men are pushing Lefever's nomination down a hundred gagging throats—or were until yesterday, anyway, when two of Lefever's brothers said Ernie had expressed racist views.

That most members of the Senate committee seem to have been disgusted by the clumsy and insensitive exposition of the witness indicates only they weren't listening very hard when Reagan expounded the same sentiments with a good deal more eloquence: If the Soviet Union persecutes its own citizens, the United States should howl its displeasure. If our allies do the same, we should engage in an extraordinarily ambiguous but very promising ritual called quiet diplomacy.

"A quiet diplomacy is a silent diplomacy," Timerman told a reporter after watching Lefever testify. Reagan's fellow ideologues couldn't have liked that much. They liked the rest of his statements even less:

"What do Alexander Haig and Jeane Kirkpatrick do? They do nothing. They don't worry about human rights. For them everything is only communists and allies. They are looking for a war. No matter that the allies may be torturers and Nazis."

Was this a courteous thing for a visitor to this country to say? Probably not. Noting that Timerman had attended a dinner in his honor organized by none other than U.S. Ambassador Jeane Kirkpatrick, conservative columnist William F. Buckley makes this very point, scolding the journalist for his deplorable lack of manners. But Jacobo Timerman is not a graduate of an exclusive Argentine finishing school. His education in that country was finished in quite another institution.

It took Irving Kristol, writing in the Wall Street Journal, to point out in some detail just what a dreadful character this man Timerman is. Kristol started hesitantly, discussing "Mr. Timerman's reputation for inflated self-centeredness." One has heard this failing remarked upon in other quarters; fortunately there aren't any other journalists around who share it.

Then the writer goes on to allege that Timerman's longtime Argentine partner and friend, David Graiver, "a wheeler-dealer on an international scale, a con man . . . had been, among other things, the money manager for the Montoneros, the left-wing urban terrorists . . ." He writes: "It was after these allegations were made public that Jacobo Timerman was arrested, along with members of the Graiver family."

Heavy stuff, one thinks. For about five seconds. Until one hits the paragraph where Kristol is forced to conclude: "There is no evidence that Mr. Timmerman knew what Mr. Graiver was up to—which makes his silence on the Graiver affair all the more inexplicable." Now that is what is known in the business as a cheap shot. And so the question is: Why the rush on the Saturday night specials?

The fault lies of course with Timerman. Timerman overstepped the bounds of propriety in citicizing our new human rights policy. Timerman, that self-centered fathead, forgot his place. Louder than all the screams of the tortured is this wonderful quiet diplomacy, wiping out terror, repression, and false arrest with its whispers.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, June 9, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 10

9:30 a.m.

Appropriations

*Defense Subcommittee

To resume closed hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment receiving testimony on special programs of the Air Force.

S-406, Capitol

Banking, Housing and Urban Affairs

To hold hearings on the nomination of John J. Knapp, of New York, to be General Counsel of the Department of Housing and Urban Development.

5302 Dirksen Building

Labor and Human Resources

Business meeting, to continue consideration of proposed reconciliations in relation to proposals which fall within the committee's jurisdiction.

4232 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation

Business meeting, to consider recommendations which it will make to the Budget Committee on changes in law to achieve cost savings required by the committee's reconciliation instructions pursuant to House Concurrent Resolution 115, the first congressional budget resolution.

235 Russell Building

Environment and Public Works

Environmental Pollution Subcommittee

To resume oversight hearings on the implementation of the municipal wastewater treatement construction grants program of the Clean Water Act, and to hold hearings on S. 975, revising and extending for one year certain provisions of the Federal Water Pollution Control Act, and on other related proposals.

4200 Dirksen Building

Finance

Business meeting, to consider the administration's tax reduction program.

2221 Dirksen Building

Foreign Relations

To hold hearings on international terrorism tactics, and on the proposed Convention on the Physical Protection of Nuclear Material (Exec. H, 96th Cong., 2nd Sess.), and the proposed International Convention Against the Taking of Hostages (Exec. N, 96th Cong., 2nd sess.).

4221 Dirksen Building

Governmental Affairs

To hold hearings on the nomination of Donald E. Sowle, of Virginia, to be Administrator for Federal Procurement Policy, Office of Management and Budget.

3302 Dirksen Building

Judiciary

To hold hearings on monopolization and competition in the telecommunications industry, and on related proposals.

2228 Dirksen Building

Judiciary
Separation of Powers Subcommittee
To resume hearings on S. 158, establishing a congressional finding and declaration that human life begins at conception.
6226 Dirksen Building

Select on Indian Affairs
To hold hearings on the substance of S. 1088, authorizing funds for fiscal years 1982 and 1983 to promote the goal of economic and social self-sufficiency for American Indians, and Hawaiian and Alaskan Natives (pending on Senate calendar).
1318 Dirksen Building

2:00 p.m.
Environment and Public Works
Transportation Subcommittee
To resume hearings on S. 841 and S. 1024, bills authorizing funds through fiscal year 1986 for the construction and safety of Federal highways.
4200 Dirksen Building

JUNE 11

9:00 a.m.
Appropriations
*Defense Subcommittee
To continue closed hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on command, control, and communication programs and intelligence-related activities of the Department of Defense.
S-406, Capitol

Labor and Human Resources
Employment and Productivity Subcommittee
To hold hearings on employment and training programs in the United States, focusing on objectives of employment and training policy and the relationship between Federal, State, and local governments in the funding, design, and administration of employment and training programs.
4232 Dirksen Building

*Veterans' Affairs
To hold hearings on S. 917, increasing the rates of disability compensation for disabled veterans, and the rates of dependency and indemnity compensation for their survivors; S. 911, authorizing the payment of a special pension to the survivor of persons awarded the Medal of Honor; S. 779 and S. 112, bills providing for memorials to honor the memory of certain deceased members of the Armed Forces, S. 415 and S. 416, bills increasing the maximum amount of specially adaptive equipment assistance to certain service-connected disabled veterans, and on other related proposals.
412 Russell Building

9:15 a.m.
Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on the recent GAO report relating to the community development block grant program.
3302 Dirksen Building

9:30 a.m.
*Commerce, Science, and Transportation
To resume hearings on S. 898, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

Finance
To hear and consider the nominations of Ann Dore McLaughlin, of the District of Columbia, to be an Assistant Secretary of the Treasury, and Peter J. Wallison, of New York, to be General Counsel for the Department of the Treasury.
2221 Dirksen Building

Judiciary
Constitution Subcommittee
To hold hearings on Senate Joint Resolution 41, proposing an amendment to the Constitution of the United States relating to affirmative action.
6226 Dirksen Building

Judiciary
Security and Terrorism Subcommittee
To resume hearings to explore the origin, direction and support tactics of terrorism, focusing on alleged past Soviet involvement in international terrorism.
2228 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

Armed Services
To hold hearings on the nominations of Herman E. Roser, of New Mexico, to be an Assistant Secretary of Energy for Defense Programs, and Russell D. Hale, of Virginia, to be an Assistant Secretary of the Air Force for Financial Management.
212 Russell Building

Budget
Business meeting, to review reconciliation proposals of standing Senate committees as required by House Concurrent Resolution 115, the first congressional budget resolution.
6202 Dirksen Building

10:30 a.m.
Environment and Public Works
To resume oversight hearings on the implementation of the Clean Air Act.
4200 Dirksen Building

2:00 p.m.
*Labor and Human Resources
To hold hearings on the nominations of Vincent E. Reed, of the District of Columbia, to be Assistant Secretary for Elementary and Secondary Education, Department of Education; William C. Clohan, Jr., of West Virginia, to be Under Secretary of Education; Kent Lloyd, of California, to be Deputy Under Secretary of Education for Management; Robert M. Worthington, of Utah, to be Assistant Secretary for Vocational and Adult Education, Department of Education; Winifred A. Pizzano, of Virginia, to be Deputy Director of the ACTION Agency; and Lawrence F. Davenport, of California, to be an Associate Director of the ACTION Agency.
4232 Dirksen Building

2:30 p.m.
Appropriations
District of Columbia Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

JUNE 12

9:00 a.m.
*Office of Technology Assessment
The Board, to hold a business meeting on pending business matters.
EF-100, Capitol

9:30 a.m.
Finance
Taxation and Debt Management Subcommittee and Energy and Agricultural Taxation Subcommittee
To hold joint hearings on the taxation of commodity straddle transactions, and on S. 626, proposed Commodity Straddles Tax Act.
2221 Dirksen Building

Judiciary
Security and Terrorism Subcommittee
To continue hearings to explore the origin, direction, and support tactics of terrorism, focusing on alleged past Soviet involvement in international terrorism.
2228 Dirksen Building

10:00 a.m.
Environment and Public Works
Water Resources Subcommittee
To hold hearings on proposals to provide for the development of ports and harbors and inland waterways in the United States, including S. 809, S. 68, S. 202, S. 576, S. 828, and S. 1094.
4200 Dirksen Building

Judiciary
Separation of Powers Subcommittee
To resume hearings on S. 158, establishing a congressional finding and declaration that human life begins at conception.
6226 Dirksen Building

Joint Economic
Monetary and Fiscal Policy Subcommittee
To hold hearings on U.S. monetary and fiscal policy.
5110 Dirksen Building

1:30 p.m.
Select on Intelligence
To hold a closed briefing on intelligence matters.
Room S-407, Capitol

2:00 p.m.
Environment and Public Works
Water Resources Subcommittee
To continue hearings on proposals to provide for the development of ports and harbors and inland waterways in the United States, including S. 809, S. 68, S. 202, S. 576, S. 828, and S. 1094.
4200 Dirksen Building

JUNE 15

9:00 a.m.
Appropriations
*Defense Subcommittee
To resume closed hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on defense intelligence programs.
S-406, Capitol

Labor and Human Resources
*Employment and Productivity Subcommittee
To continue hearings on employment and training programs in the United States, focusing on objectives of employment and training policy and the relationship between Federal, State and local governments in the funding, design and administration of employment and training programs.
4232 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
To resume hearings on S. 898, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

10:00 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To resume oversight hearings on the implementation of the municipal wastewater treatment construction grants program of the Clean Water Act, and to hold hearings on S. 975, revising and extending for 1 year certain provisions of the Federal Water Pollution Control Act, and on other related proposals.
4200 Dirksen Building

Judiciary
To resume hearings on monopolization and competition in the telecommunications industry, and on related proposals.
2228 Dirksen Building

1:00 p.m.
Judiciary
Separation of Powers Subcommittee
To resume hearings on S. 158, establishing a congressional finding and declaration that human life begins at conception.
2228 Dirksen Building

4:00 p.m.
Conferees
On section 303 of Senate amendment No. 10, permitting the nomination of a Surgeon General who may be more than 64 years of age, of H.R. 31, proposed Cash Discounts Act.
Room to be announced

JUNE 16

9:00 a.m.
Governmental Affairs
*Civil Services, Post Office, and General Services Subcommittee
To hold hearings on S. 1224, strengthening and clarifying the congressional franking law.
3302 Dirksen Building

9:30 a.m.
Banking, Housing, and Urban Affairs
International Finance and Monetary Policy, and Securities Subcommittees
To resume joint hearings on S. 708, clarifying the intent and modifying certain provisions of the Foreign Corrupt Practices Act of 1977.
5302 Dirksen Building

Commerce, Science, and Transportation
To continue hearings on S. 898, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 1182, improving the administration of the Longshoremen's and Harbor Workers' Compensation Act by removing certain inequities, reducing incentives for fraud and abuse, and assuring immediate compensation benefits and competent medical treatment for injured employees.
3110 Dirksen Building

10:00 a.m.
Environment and Public Works
Water Resources Subcommittee
To hold hearings on S. 810, proposed Inland Waterway User Fee Act.
4200 Dirksen Building

Labor and Human Resources
Education Subcommittee
To resume hearings on S. 1103, authorizing funds through fiscal year 1986 for elementary and secondary education programs and providing educational support at the State and local level.
4232 Dirksen Building

2:00 p.m.
Environment and Public Works
*Nuclear Regulation Subcommittee
To hold oversight hearings on the implementation of the Uranium Mill Tailings Act.
410 Russell Building

2:30 p.m.
Special on Aging
To hold oversight hearings to review short-term financing issues of the social security system.
5302 Dirksen Building

JUNE 17

8:30 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Alan Green, Jr. of Oregon, to be a Federal Maritime Commissioner.
235 Russell Building

9:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony from public witnesses.
1223 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on the substance of S. 1100, authorizing funds for fiscal year 1982 to improve rail service in the Northeast region of the United States (pending on Senate Calendar).
5110 Dirksen Building

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To continue hearings on S. 1182, improving the administration of the Longshoremen's and Harbor Workers' Compensation Act by removing certain inequities, reducing incentives for fraud and abuse, and assuring immediate compensation benefits and competent medical treatment for injured employees.
1318 Dirksen Building

Labor and Human Resources
*Education, Arts and Humanities Subcommittee
To continue hearings on S. 1103, authorizing funds through fiscal year 1986 for elementary and secondary education programs, and providing educational support at the State and local level.
4232 Dirksen Building

Veterans' Affairs
To hold hearings on the substance of S. 266, implementing procedures and guidelines for the interagency sharing of health resources between the Department of Defense and the Veterans' Administration.
412 Russell Building

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of James M. Beggs, of Missouri, to be Administrator of the National Aeronautics and Space Administration.
235 Russell Building

Environment and Public works
Environmental Pollution Subcommittee
To resume oversight hearings on the implementation of the municipal wastewater treatment construction grants program of the Clean Water Act, and to hold hearings on S. 975, revising and extending for one year certain provisions of the Federal Water Pollution Control Act, and on other related proposals.
4200 Dirksen Building

Governmental Affairs
To hold hearings on S. 1249, providing tools and incentives to the Federal Government in its efforts to collect debts owed the United States.
3302 Dirksen Building

2:00 p.m.
Environment and Public Works
To hold hearings on the prospective nomination of Nunzio J. Palladino, of Pennsylvania, to be Chairman of the Nuclear Regulatory Commission.
4200 Dirksen Building

JUNE 18

9:00 a.m.
Commerce, Science, and Transportation
To hold oversight hearings on the implementation of the Motor Carrier Act (Public Law 96-296).
235 Russell Building

Labor and Human Resources
Employment and Productivity Subcommittee
To resume hearings on employment and training programs in the United States, focusing on objectives of employment and training policy and the relationship between Federal, State and local governments in the funding, design and administration of employment and training programs.
4232 Dirksen Building

9:30 a.m.
Labor and Human Resources
Education, Arts and Humanities Subcommittee
To continue hearings on S. 1103, authorizing funds through fiscal year 1986 for elementary and secondary education programs, and providing educational support at the State and local level.
5110 Dirksen Building

10:00 a.m.
Environmental Public Works
Water Resources Subcommittee
To resume hearings on S. 621, authorizing funds for the development of certain water resources projects, and to review existing water resources policy and water problems.
4200 Dirksen Building

Governmental Affairs
To hold hearings on proposed legislation expanding the Inspectors General Act of 1978 to include certain departments and agencies within the Federal Government.
3302 Dirksen Building

Judiciary
Separation of Powers Subcommittee
To resume hearings on S. 158, establishing a congressional finding and declaration that human life begins at conception.
6226 Dirksen Building

2:00 p.m.
Environment and Public Works
Water Resources Subcommittee
To continue hearings on S. 621, authorizing funds for the development of certain water resources projects, and to review existing water resources policy and water problems.
4200 Dirksen Building

JUNE 19

9:00 a.m.
Commerce, Science, and Transportation
To resume hearings on S. 898, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

Labor and Human Resources
Employment and Productivity Subcommittee
To continue hearings on employment and training programs in the United States, focusing on objectives of employment and training policy and the relationship between Federal, State and local governments in the funding, design and administration of employment and training programs.
4232 Dirksen Building

Select on Intelligence
To hold a closed briefing on intelligence matters.
Room S-407, Capitol

9:30 a.m.
*Commerce, Science, and Transportation
To hold hearings on S. 49, S. 879, and S. 1151, bills extending the period of daylight savings time.
6226 Dirksen Building

10:00 a.m.
Environment and Public Works
Transportation Subcommittee
To resume hearings on S. 841 and S. 1024, bills authorizing funds through fiscal year 1986 for the construction and safety of Federal highways.
4200 Dirksen Building

JUNE 22

10:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold oversight hearings on the role of the rural telecommunications system in America.
235 Russell Building

Environment and Public Works
To resume oversight hearings on the implementation of the Clean Air Act.
4200 Dirksen Building

2:00 p.m.
Environment and Public Works
Environmental Pollution Subcommittee
To resume oversight hearings on the implementation of the municipal wastewater treatment construction grants program of the Clean Water Act, and to hold hearings on S. 975, revising and extending for one year certain provisions of the Federal Water Pollution Control Act, and on other related proposals.
4200 Dirksen Building

JUNE 23

9:30 a.m.
Commerce, Science, and Transportation
*Aviation Subcommittee
To hold hearings on proposed legislation to provide for early phase out of the Civil Aeronautics Board.
235 Russell Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold oversight hearings on the role of the Federal Government in family planning programs of title X of the Public Health Services Act.
6226 Dirksen Building

Labor Human Resources
Labor Subcommittee
To resume hearings on S. 1182, improving the administration of the Longshoremen's and Harbor Workers' Compensation Act by removing certain inequities, reducing incentives for fraud and abuse, and assuring immediate compensation benefits and competent medical treatment for injured employees.
4232 Dirksen Building

10:00 a.m.
Environment and Public Works
To continue oversight hearings on the implementation of the Clean Air Act.
4200 Dirksen Building

Governmental Affairs
To resume hearings on S. 1080, improving and modifying the Federal regulatory process, and other related measures.
3302 Dirksen Building

2:00 p.m.
Environment and Public Works
To hold hearings on the nomination of A. Alan Hill, of California, to be a Member of the Council on Environmental Quality.
4200 Dirksen Building

JUNE 24

9:00 a.m.
Select on Intelligence
To hold a closed briefing on intelligence matters.
Room S-407, Capitol

9:30 a.m.
Commerce, Science, and Transportation
*Aviation Subcommittee
To continue hearings on proposed legislation to provide for an early phaseout of the Civil Aeronautics Board.
357 Russell Building

10:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on the progress and directions of American consumerism in the 1980's.
1318 Dirksen Building

Environmental and Public Works
Environmental Pollution Subcommittee
To resume oversight hearings on the implementation of the municipal wastewater treatment construction grants program of the Clean Water Act, and to hold hearings on S. 975, revising and extending for one year certain provisions of the Federal Water Pollution Control Act, and on other related measures.
4200 Dirksen Building

Governmental Affairs
To hold oversight hearings on the Federal Government's film making procedures.
3302 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation, and Government Processes Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the Nuclear Non-Proliferation Act.
Room to be announced

Labor and Human Resources
Education, Arts and the Humanities Subcommittee
To resume hearings on S. 1103, authorizing funds through fiscal year 1986 for elementary and secondary education programs, and providing educational support at the State and local level.
4232 Dirksen Building

2:00 p.m.
Environmental and Public Works
To resume oversight hearings on the implementation of the Clean Air Act.
4200 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on S. 1042, abolishing the Intergovernmental Personnel Act grant program.
3302 Dirksen Building

JUNE 25

9:00 a.m.
*Veterans' Affairs
Business meeting, to mark up S. 917, increasing the rates of disability compensation for disabled veterans, and the rates of dependency and indemnity compensation for their survivors, S. 911, authorizing the payment of a special pension to the survivors of persons awarded the Medal of Honor, and S. 915, S. 779, and S. 112, bills providing for memorials to honor the memory of certain deceased members of the Armed Forces, and the substance of S. 266, implementing procedures and guidelines for the interagency sharing of health resources between the Department of Defense and the Veterans' Administration.
412 Russell Building

9:30 a.m.
Labor and Human Resources
*Labor Subcommittee
Business meeting, to mark up S. 398, permitting certain employees to work a 10-hour day in the case of a 4-day workweek.
4232 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings in conjunction with the National Ocean Policy Study on the substance of Senate Resolution 147, calling for a moratorium of indefinite duration on the commercial killing of whales.
235 Russell Building

Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on proposed legislation to provide for an early phaseout of the Civil Aeronautics Board.
224 Russell Building

Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on the progress and direction of American consumerism in the 1980's.
1318 Dirksen Building

Environment and Public Works
To resume oversight hearings on the implementation of the Clean Air Act.
4200 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation, and Government Processes Subcommittee
To continue hearings on proposed legislation authorizing funds for programs of the Nuclear Non-Proliferation Act.
Room to be announced

11:00 a.m.
Governmental Affairs
Business meeting, to mark up S. 10, providing for creation of a Commission to design a blueprint for improving governmental performance at the Federal level and throughout the intergovernmental system.
3302 Dirksen Building

2:00 p.m.
Environment and Public Works
Business meeting, to consider pending nominations.
4200 Dirksen Building

JULY 7

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee.
To hold hearings on the primary intervention in addressing societal problems.
4232 Dirksen Building

JULY 8

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To hold joint oversight hearings with Finance's Subcommittee on International Trade on U.S. trade policy.
2221 Dirksen Building
Finance
International Trade Subcommittee
To hold joint oversight hearings with Banking, Housing, and Urban Affairs' Subcommittee on International Finance and Monetary Policy on U.S. trade policy.
2221 Dirksen Building

JULY 9

9:00 a.m.
*Veterans' Affairs
To hold hearings on the prospective nomination of Robert P. Nimmo, of California, to be Administrator of the Veterans' Administration.
412 Russell Building

JULY 15

9:30 a.m.
*Veterans' Affairs
To hold oversight hearings on procedures for the adjudication of certain claims, and to hold hearings on S. 349, providing for limited judicial review of the administrative action of the Veterans' Administration, and for reasonable fees to attorneys representing legal counsel for veterans.
412 Russell Building

10:00 a.m.
Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To hold hearings on S. 1166, to provide grants to States for low-income weatherization assistance programs.
3110 Dirksen Building

JULY 16

9:30 a.m.
*Veterans' Affairs
To continue oversight hearings on procedures for the adjudication of certain claims, and to hold hearings on S. 349, providing for limited judicial review of the administrative action of the Veterans' Administration, and for reasonable fees to attorneys representing legal counsel for veterans.
412 Russell Building

JULY 22

9:30 a.m.
Veterans' Affairs
To hold hearings on S. 5, S. 7, S. 25, S. 26, S. 48, S. 105, S. 248, S. 417, and S. 742, bills providing educational assistance to members of the Armed Forces.
412 Russell Building

10:00 a.m.
Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To hold hearings on S. 506, reinstating and validating certain numbered U.S. oil and gas leases.
3110 Dirksen Building

JULY 23

9:30 a.m.
*Veterans' Affairs
To continue hearings on S. 5, S. 7, S. 25, S. 26, S. 48, S. 105, S. 248, S. 417, and S. 742, bills providing educational assistance to members of the Armed Forces.
412 Russell Building

JULY 28

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on adoption services in the United States.
4232 Dirksen Building

JULY 29

9:30 a.m.
*Veterans' Affairs
Business meeting, to mark up S. 349, providing for limited judicial review of the administrative action of the Veterans' Administration, and for reasonable fees to attorneys representing legal counsel for veterans.
412 Russell Building

SEPTEMBER 16

9:30 a.m.
Veterans' Affairs
Business meeting to mark up S. 5, S. 7, S. 25, S. 26, S. 48, S. 105, S. 248, S. 417, and S. 742, bills providing educational assistance to members of the Armed Forces.
412 Russell Building

CANCELLATIONS

JUNE 9

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold oversight hearings on the implementation of family planning programs.
5110 Dirksen Building
Labor and Human Resources
*Labor Subcommittee
To hold oversight hearings on the implementation of the Longshoremen and Harbor Workers Compensation Act.
4232 Dirksen Building

JUNE 10

9:30 a.m.
Labor and Human Resources
*Labor Subcommittee
To continue oversight hearings on the implementation of the Longshoremen and Harbor Workers Compensation Act.
4232 Dirksen Building

SENATE—*Tuesday, June 9, 1981*

(Legislative day of Monday, June 1, 1981)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Gracious Father in heaven, to whom all thoughts are revealed, all desires known, we pray for this large Senate family where there are secret needs known only to Thee. Thou knowest those who are hurting among us: The one who is discouraged or frustrated; the one who struggles against a temptation or a habit which is enervating and exhausting—emotionally and physically. Thou knowest the family who has stopped loving, where there is brokenness because of selfishness or misunderstanding or where youth are rebellious. Thou knowest where there is a stubborn sickness that does not respond to medication or treatment. Thou knowest where debilitating guilt is corroding a soul. Thou knowest those who feel they are at the end of the line with nowhere to turn.

Father, we commend to Thee all who need the love and healing, the grace and renewal which Thou alone canst give.

In the name of Him who loved and healed all who came to Him. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

Mr. BAKER. I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SCHEDULE

Mr. BAKER. Mr. President, there will be caucuses on both sides of the aisle, of Republican and Democratic Senators, around noon, which in our case—I understand that perhaps this is so on the other side as well—will run until about 2 p.m. I am sure that in both cases, the question of the legislative schedule for the remainder of this week will be discussed.

As I indicated yesterday on the floor to the distinguished minority leader, I hope that as a result of those caucuses, it may be possible to proceed to the consideration of the food stamp bill this afternoon, notwithstanding that that would require the waiver of 1 day of the 3-day rule.

Assuming that that is the case, Mr. President, it would be the intention of the leadership on this side to ask the Senate to proceed to the consideration of the food stamp bill this afternoon, after the Senate has disposed of the vote ordered on yesterday on the Crocker nomination, and to proceed with debate and consideration of that measure, the food stamp bill, and any amendments thereto, for the remainder of this day and perhaps tomorrow as well.

I have not discussed this with the minority leader—I will do so after we have had an opportunity, in a few minutes—but after disposition of the food stamp bill, I hope we might be able to proceed on Wednesday, during the course of the day, or on Thursday if necessary, to the State Department authorization bill, which is here and has qualified.

On Thursday, according to the order previously entered, we will proceed to the consideration of the Fur Seal Treaty, on a unanimous-consent agreement that is printed on the front of today's Executive Calendar.

It is my hope, as well, that on Wednesday or Thursday the Senate can proceed to the debate on the Rashish nomination, which will be limited to 1½ hours, equally divided.

I point out, by the way, that the order entered provides that the Rashish nomination be presented to the Senate, in executive session, not more than 2 days after the Foreign Relations Committee has held a hearing on one particular subject. The Foreign Relations Committee is scheduled to meet for that purpose at 9 o'clock tomorrow.

So, on either Wednesday or Thursday—perhaps on Friday, but preferably on Wednesday or Thursday—I intend to ask the Senate to dispose of the Rashish nomination as well.

Mr. President, if we can do the items I have just listed—that is to say, the food stamp bill, the State Department authorization bill, the Fur Seal Treaty, the Crocker vote, and consideration and confirmation of the nomination of Mr. Rashish, the Senate will be on schedule, at least as I visualize the schedule, and there is a real possibility that we will not be in session on Friday of this week. That is a matter we will address later and more especially after the caucuses of the two sides, to be held around noon today.

ORDER FOR RECESS UNTIL 2 P.M. TODAY

Mr. BAKER. Mr. President, are there any special orders for the recognition of Senators today?

The PRESIDENT pro tempore. There are no special orders.

Mr. BAKER. Mr. President, I ask unanimous consent that after the execution of the time allocated to the two leaders under the standing order and after a period for the transaction of routine morning business, which I shall provide for shortly, the Senate stand in recess until 2 p.m.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that after the discharge of the time allocated to the two leaders under the standing order, there be a period for the transaction of routine morning business, to extend from that point not beyond 12:30 p.m., in which Senators may speak for not more than 10 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. I have no further need for my time under the standing order, and I am prepared to yield it to any Senator or to the minority leader.

Mr. ROBERT C. BYRD. I would be happy if the Senator would yield that time to me.

Mr. BAKER. Mr. President, I yield any time remaining to me under the standing order to the distinguished minority leader.

Mr. ROBERT C. BYRD. Mr. President, how much time do I now control?

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The minority leader is recognized for 15 minutes and 10 seconds.

Mr. ROBERT C. BYRD. I thank the distinguished President pro tempore.

Mr. President, I say to the distinguished majority leader that progress is being made with respect to lifting the 3-day rule on the food stamp bill for today, but I still have a little distance to cover; and once we have conducted our conference for the day, I will be back in touch.

Mr. BAKER. I thank the minority leader.

Mr. ROBERT C. BYRD. Mr. President, I yield my time to the distinguished ma-

jority whip. I understand that the distinguished Senator from Wisconsin (Mr. PROXMIRE) would like about 3 minutes. But I yield to the distinguished majority whip all the time I have under my order and that time which was yielded to me, and he can dispose of it as he wishes.

Mr. CRANSTON. Mr. President, how much time is that?

The PRESIDING OFFICER. (Mr. D'AMATO). Fourteen minutes and 20 seconds.

Mr. CRANSTON. I thank my leader very much.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. CRANSTON. Mr. President, I am prepared to yield 3 minutes to the Senator from Wisconsin so he will not have to stay in the Chamber if there are other things he prefers to do providing it is only 3 minutes.

Mr. PROXMIRE. I thank the distinguished Senator from California.

TAMARA JAFFE WALL

Mr. PROXMIRE. Mr. President, on June 1, 1981, the Washington Post began to run a series of articles telling the story of Tamara Jaffe Wall, a young woman of Jewish descent who lived through Hitler's purges. Of all her experiences, it is her childhood that seems the most tragic. After persecution by the Gestapo, her father was forced to flee Germany, carrying with him only a photo album as a reminder of his family. He was never to see them again.

Victims of a government determined to rid itself of Jews and foreigners, Tamara and her remaining family soon heard the Gestapo knocking at their door at dawn. They were deported: First to Turkey, then, as homeless refugees, to a village in Siberia where Tamara's mother and a brother died of exposure and malnutrition before they could be rescued.

It is possible that the family might not have been spared this misery even if the Genocide Convention had existed in the 1930's. Perhaps the Convention would have made no difference, and perhaps the consensus of international opinion which it would have focused would not have made Nazi Germany observe even superficial proprieties. Perhaps.

On the other hand, Germany did make efforts throughout the war to live up to the terms of the Geneva Convention, an agreement enacted with little more enforcement apparatus. Nevertheless, critics have continued to charge that the Genocide Convention is toothless, representing merely ineffectual symbolism that could never play a positive role in world events.

Mr. President, I must disagree. The Geneva Convention could be considered equally toothless, yet over the years it has dramatically improved the living conditions of prisoners of war. The slavery and refugee conventions are precisely that—conventions, enacted without apparent means of enforcement—but they have helped to lay down the formal foundations of an international code of human rights.

Such a code represents a working consensus of mankind, asserting a basic agreement on principles that imbue those principles with the special moral authority of international law. It is to such principles and to such conventions that domestic critics within any country can rally and appeal as a source of legitimacy before their own people and before the world community.

The ratification of the Genocide Convention by the United States would not only mark its acknowledgment as law by every major world power, but might well spur renewed international interest in the treaty—motivating still more countries to ratify, and prompting closer scrutiny of any possible violation of its tenets in the future. Finally, it would reaffirm the agreement's standing as universally accepted international law, with all the moral sanction that that designation provides. It is from this status that the treaty draws its intrinsic authority and its hope of preventing any future campaigns of genocide like that one which brought so much misery to Tamara Wall and her family.

With such hopes in view, I respectfully recommend to my colleagues their prompt approval of the Genocide Convention.

I thank the distinguished Senator from California.

ISRAEL'S STRIKE AGAINST IRAQ'S NUCLEAR PROGRAM

Mr. CRANSTON. Mr. President, I stood on the Senate floor on March 17, 1981, and made a speech warning that the Government of Iraq had launched a Manhattan project-type program to become a nuclear power and had at least the theoretical possibility of fabricating at least one nuclear weapon this year.

I said in the course of that speech:

> I have been informed by more than one authoritative executive branch official that in the absence of any associated power program a weapons capability is clearly the option that the Iraqis are pursuing. According to these authoritative assessments the Iraqis are embarked on "a Manhattan project-type approach." They are pursuing all avenues which could provide them with a capability to produce nuclear explosives.

I said much more in that speech about my concern that nations which employ terrorism could be developing a nuclear weapons capability and about the need for a firm and effective American policy against nuclear proliferation.

Today's New York Times, in an article datelined Paris, June 8, states:

> The latest expression of concern came last month when the London-based International Institute for Strategic Studies called Iraq's nuclear program "worrisome" in its annual survey of military developments in the world. The institute pointed out that Iraq recently signed a nuclear cooperation agreement with Brazil, which is not a party to the Nuclear Non-Proliferation Treaty, and that the Iraqis at first refused to allow international inspectors to check Osirak and its fuel after the outbreak of the Iraqi-Iranian war last year. . . .
>
> France showed signs of wearying of the international protests that its Osirak sale had aroused, and tried to persuade Iraq to accept a different type of reactor that would burn low-enriched uranium fuel unsuitable for use in weapons.
>
> However, the French yielded after the Iraqi President, Saddam Hussein, refused to accept the change. Last summer, France delivered a first consignment of highly enriched uranium, despite protests by the United States and Israel.

Mr. President, in considering what has occurred and the consequences to American security and the cause of peace, it seems to me that we should consider very carefully the many factors involved in the Israeli decision to undertake this action.

Israel's very small size and very great vulnerability has led her historically to look upon the preemptive first strike as essential to her security and survival.

This was well known to our Government. It was well known to others.

It seems to me, therefore, that the Israeli strike against the Iraqi nuclear facilities should not have come as any big surprise.

I believe it was quite likely, perhaps inevitable, that such an action would occur as long as Iraq pursued a nuclear weapons capability and so long as the U.S. Government was unable to persuade France, Italy, and others to halt their transfer of highly sensitive nuclear technology and materials to Iraq.

This is only the latest, though perhaps the most dramatic, and ominous, sign of the dangers that uncontrolled nuclear proliferation present to U.S. security and to world peace.

Another unstable dictatorship, Pakistan, is in the process of developing a nuclear weapon. Pakistan, another Moslem nation hostile to Israel, is in fact preparing a nuclear bomb test site. Libya is reportedly, although these reports are not confirmed, providing aid to Pakistan in their development of a nuclear capability.

Libya, an unstable nation which is perhaps the most terroristic nation of any on the face of the Earth, has made its own efforts to develop a nuclear capacity. These efforts have thus far, fortunately, been unsuccessful.

The invasion by Libya of Chad, where there are very large uranium deposits, may be a part of Libya's nuclear strategy.

June 7th was not the first time that a nation which felt threatened by the Iraqi drive to achieve a nuclear weapons capability undertook an air strike against the Iraqi nuclear facilities.

On September 30, 1980, planes believed to be Iranian attacked the Iraqi reactor, but their bombs missed it.

Some have questioned, nonetheless, the basis for Israel's conclusion that Iraq was on a determined drive toward attaining a nuclear weapons capability. From my discussions with executive branch and

intelligence community officials—and I refer to discussions over the past months and over the past 24 hours—it is absolutely clear to me that Iraq has been embarked on a Manhattan project-type crash drive to attain a nuclear weapons capability. This is also the conclusion of key executive branch and intelligence community officials, as I noted in my March 17 speech on the Senate floor, and I have learned nothing in the past 24 hours to alter my view on that subject.

I was particularly struck by the comment made to me some weeks ago during my research on the Iraqi nuclear program by a senior State Department official that the continued provision of sophisticated nuclear hardware to Iraq by France and Italy was insane. Iraq has no parallel power production program. And it is clearly intent upon developing only the most sensitive weapons-usable facilities. Without a parallel power production program, what other than a weapons capacity could be Iraq's purpose? Thus it is absurd to suggest that their program deserves legitimacy; it is a weapons development program advanced by a radical nation which routinely employs international terrorism as an instrument of statecraft, a nation which has maintained a state of war with Israel since the day Israel was founded and which has been pledged and remains pledged, to Israel's destruction.

The question has arisen in the Arab world and elsewhere, was the United States told in a advance by Israel that it planned this action? I have heard this question addressed to administration officials in the past 24 hours. The administration officials say our Government was not informed, and I believe them. I do not believe that we were warned in advance.

Why would the Israelis not warn us or advise us in advance? First, they would have expected that we would have demanded that they not proceed with their plan. If they then proceeded that would have aggravated even more than with their action the relations between our two countries.

And second, I believe they would have feared a leak of their plans, whether for noble or ignoble reasons, that could have jeopardized the success of the mission and the lives of those Israelis undertaking it.

It has been embarrassing to President Sadat that he met with Prime Minister Begin just 2 days before this strike was launched against Iraq. I would assume, however, that for the same reasons that he did not inform the United States, Prime Minister Begin did not inform President Sadat of the plans for the air strike against the Iraqi reactor.

When I spoke on the Senate floor and in other places of my concerns about nuclear proliferation, I urged that we reexamine our policy and seek a stronger, more effective policy because I have believed that present international nonproliferation efforts are not working. We have seen evidence of them not working in the developments in Iraq, in Pakistan, and in the action by Israel.

Some time has now been added which affords us the opportunity to reassess our policy and to work with key nuclear suppliers to develop a new tougher policy. The Iraq program has been set back from 2 to 5 years. They will not develop a weapons capability this year, and I urge that our country, working with all other countries, think anew on this subject, and seek a more effective, stringent policy to combat nuclear proliferation. Otherwise the human race will face grave dangers.

I believe that without a firm, sound antiproliferation policy it will be very difficult for our country to achieve any other substantive gains in arms control and in efforts to reduce the dangers of nuclear and conventional conflict.

For example, the discussions soon to be undertaken in Europe on theater nuclear force controls will be very difficult to carry forward effectively in the absence of a new strategic arms limitation effort between the United States and the Soviet Union.

The all-important matter is to succeed in discussions between ourselves and the Soviets to contain, reduce and, hopefully, one day to eliminate our nuclear stockpiles. If we are unwilling or unable even to discuss that topic with the Soviet Union, how can we expect others to forgo their opportunity to develop their own nuclear weapons capabilities? So I urge a new and major effort on strategic arms limitations with the Soviet Union and on nonproliferation generally.

I will neither condemn nor condone the action taken by Israel. I am not convinced that it is in violation of any agreement between ourselves and the Israelis. I believe a case can be made that the preemptive strike by the Israelis was defensive not offensive. If that is the case, it would not be ruled out under the present law or under the Export-Import Control Act, section 4.

What about past practice on the subject? When Israel has undertaken preemptive strikes against PLO forces in Lebanon, the Carter administration reported that these "may have been in violation of Arms Export Control Act," and left it at that; no followup action has been taken.

The executive branch of the Reagan administration, while condemning the action by Israel, is presently taking the position that it may be a violation. The administration has not formally stated that it is a violation. Of course, we await a report from the administration to Congress, which probably will come later this week.

In considering the action taken by Israel, I think it is relevant to consider what we contemplated when our own security was threatened in a situation that was in many ways analogous. I refer to the Cuban missile crisis of 1962.

Yesterday I recalled my own presumptions that one of our options during the 1962 crisis had been a surgical strike to take out the Russian missiles planted in Cuba if the blockade failed. I asked a member of my staff, Gerald Warburg, to see if he could verify that that was indeed the case at that time.

Mr. Warburg talked yesterday to Dean Rusk, who was the Secretary of State at that time, and Rusk verified that a surgical strike was an option that we had under consideration, and that we would have resorted to had the blockade and negotiations with the Russians failed to cause the missiles to be withdrawn from Cuba.

Last night and this morning I went to another source "Thirteen Days, a Memoir of the Cuban Missile Crisis," written by Robert F. Kennedy, who participated in all of the U.S. deliberations concerning the missiles in Cuba. He states in the course of his book that Secretary of Defense McNamara was against a surgical strike, a takeout of the missiles, but thought it was, perhaps, inevitable.

At the first meeting held by the President with his top advisers, most felt that a surgical preemptive strike was necessary.

Dean Acheson, former Secretary of State, favored a strike. The Joint Chiefs of Staff favored a strike. Senator Richard Russell and Senator William Fulbright advocated firmer military action than merely a blockade, although Robert Kennedy's book does not specify exactly what they had in mind.

President John F. Kennedy stated that one reason for his reluctance to proceed to a surgical strike was that the missiles were nearly in place and that the response to an attack by us could be a nuclear missile barrage against the United States in which many millions of Americans would be killed.

Much later in the book, Robert Kennedy reports, that in his view had ongoing negotiations failed and if the U.S.S.R. persisted in keeping the missiles in Cuba, "military force would be the only alternative," open to the United States.

Throughout the discussion in the book there is implicit the point that if the blockade did not work, we would strike. The considerations of taking that action were complicated by the fact that a surprise air strike against the missiles, a surgical air strike, would, in the view of the Joint Chiefs, have to include all military installations in Cuba, eventually leading to an invasion.

Contemplating that prospect, John F. Kennedy ordered a crash program on civil government in Cuba to be ready after any invasion and occupation of that country. Fortunately, the superpower negotiations worked and the Russians withdrew the missiles.

Robert Kennedy stated, on page 124 of his book:

> The final lesson of the Cuban missile crisis is the importance of placing ourselves in the other country's shoes.

I suggest that as we consider the wisdom or the folly of Israel's recent action, we place ourselves in their shoes and consider, in the light of what we considered under somewhat analogous circumstances, the factors that they took into account in taking the action they took.

More importantly, I believe we should look forward not backward and seek to develop a sound nonproliferation policy for our country. We should call upon the greatest wisdom at our command in this country and elsewhere to develop a policy that will reduce the danger that further events like this will occur. We need new nonproliferation efforts. We need new theater nuclear force arms control efforts. And we need new strategic arms control initiatives with the Soviet Union if we are to reduce the threat of nuclear holocaust which overhangs the human race.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond 12:30 p.m., during which time Senators may speak for 10 minutes each.

THE SUPPLEMENTAL APPROPRIATIONS BILL

Mr. BAKER. Mr. President, this past Thursday the Senate agreed to the conference report on H.R. 3512, the supplemental appropriations bill for the balance of fiscal 1981.

As my colleagues know, this $6.648 billion supplemental appropriation is the largest such measure ever enacted by the Congress and it fell upon the Congress at a most difficult time—as we have been attempting to reduce the level of Federal spending increases, to implement those reductions, and in general, to set a new economic course for this Government and this Nation.

Certainly, legislation of this magnitude, on this particular matter, and at this particular moment, is bound to contain numerous areas of controversy and substantial disagreement. Indeed, as the conference committee of the House and Senate convened on this bill, there were more than 400 individual variances in the original bills as initially adopted by the House and Senate. There were instances of minor variance and instances of major and substantive disagreement between the two Houses. Easily, the conference committee could have bogged down on numerous points and the necessary functions and services of the Government could have been interrupted indefinitely.

Of course, such did not take place and the fact that the conference committee could reach agreement in the thoughtful, yet expeditious, manner in which it did reflect enormous credit on each and all of the conferees from both the House and Senate, and particularly on the chairman of the Appropriations Committee, my most distinguished friend from Oregon, Senator HATFIELD, and the equally distinguished ranking Democratic member of the Appropriations Committee, my friend from Wisconsin, Senator PROXMIRE.

As the majority and Republican leader of the Senate, I am personally enormously grateful and proud of the yeoman service Senator HATFIELD rendered in this regard. Many feared and speculated that, because our majority status in the Senate was so new to us, the business of the Federal Government would be slowed and encumbered during these first days of the new Congress.

However, just as other Republican committee chairmen have already proven, Senator HATFIELD again demonstrated in most conclusive fashion that we can indeed reshape the role of the Federal Government and yet do so in a manner as to not jeopardize, but rather enhance and improve, the necessary day-to-day functioning of the Government.

All of us in the Senate and all of us in this Nation owe Senator HATFIELD a debt of enormous gratitude for his most intelligent, tireless, and dedicated stewardship of this supplemental appropriations legislation. I extend to him, and to Senator PROXMIRE and the other conference committee members my congratulations and my appreciation for a work product so skillfully prepared and managed.

NATIONAL SOFTBALL WEEK

Mr. BOREN. Mr. President, I am introducing today a joint resolution which will provide for the celebration of the week commencing June 14, 1981, as "National Softball Week." I am pleased to be joined in this effort by my colleague from Oklahoma, Senator NICKLES, and also 33 other Senators.

Softball has taken the Nation by storm and is participated in by more than 30 million Americans, both young and old, male and female. Organized softball has done much for the physical well-being of many Americans. Its wide support is evidence of its popularity and the need for this joint resolution setting aside a week for appropriate ceremonies commemorating one of America's great pastimes.

Mr. President, I ask unanimous consent that the names of the 33 Senators be added, in addition to Senator NICKLES and myself, as cosponsors of the joint resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the list of names was ordered to be printed in the RECORD, as follows:

Senators Abdnor, Andrews, Baucus, Boschwitz, Bradley, Bumpers, Burdick, Cannon, Chiles, Cranston, DeConcini, Denton, Dixon, Dodd, Durenberger, Eagleton, Ford, Garn, Heflin, Heinz, Inouye, Johnston, Kennedy, Laxalt, Levin, Long, Lugar, Matsunaga, Leahy, Pryor, Riegle, Sarbanes, Stennis, Thurmond, Williams.

Mr. BAKER. Mr. President, does the Senator wish to proceed to the immediate consideration of his resolution?

Mr. BOREN. That would be my desire.

Mr. BAKER. Mr. President, I would advise my friend and colleague from Oklahoma that there is no objection to the immediate consideration of this joint resolution on this side.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 88) designating the week commencing June 14, 1981, as "National Softball Week."

Mr. BOREN. Mr. President, I would state also that I am informed by the minority staff that the resolution has also been cleared on this side of the aisle. I move the adoption of the resolution.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration and, without objection, the joint resolution will be considered to have been read the second time at length.

The joint resolution (S.J. Res. 88) was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

S.J. RES. 88

Whereas the sport of softball is a vital means of keeping Americans of all ages in good physical condition, while advancing good sportsmanship as well as family participation; and

Whereas over thirty million Americans of all ages, male and female, participate in playing softball each year: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week commencing June 14, 1981, is designated as "National Softball Week" and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

Mr. BOREN. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. COCHRAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BOREN. Mr. President, I thank the Chair and I thank the majority leader.

S. 782, AMENDING SECTION 3104, TITLE 38, OF THE INTERNAL REVENUE CODE

Mr. COCHRAN. Mr. President, I recently reintroduced legislation which provides additional incentives for enlistment and retention in the National Guard and Reserve components of our Armed Forces.

My bill provides an exemption from Federal taxation of the first $5,000 earned by members of the National Guard and Reserve forces when such pay is derived from their military service. I first introduced this bill as a Member of the other body in 1976, and I have reintroduced it in each succeeding Congress.

Mr. President, the incentives provided in this bill can help turn around the personnel shortages we are currently experiencing in our National Guard and Reserves. The Organization of the Joint Chiefs of Staff in its publication, "United States Military Posture for FY 1982," notes the correlation between compensation incentives and recruiting and retention for the military:

Under the All-Volunteer Force policy, the ability of the Services to attract and retain sufficient numbers of qualified people critically depends on measures to maintain and enhance the quality of military life. Goals which must be emphasized are compensation comparable to that in the civil sector, retention of current benefits, and other programs to make Service life more attractive.

Under our total force policy, the National Guard and Reserve play a vital role in our national security effort. They are critical components of our defense system. The National Guard and Reserve Forces will be used for primary and initial augmentation of our Active Forces in the event of mobilization; in many cases, our Active Forces would be unable to accomplish their mission without Reserve assistance.

Today the National Guard and Reserves are expected to provide nearly one-half of the total Army's combat capability and two-thirds of its support capability. For example, 65 percent of the Army medical units are in the Guard and Reserve.

Although our active services have been within 1½ percent of authorized strength each year since 1973, the Reserve Forces are suffering from great shortages. Even with the large increases in Selected Reserve strength this year and with those projected for fiscal year 1982, the Selected Reserve alone remains approximately 100,000 short of required strength. And we cannot overlook the current 200,000 to 600,000 shortfall of trained personnel in the Individual Ready Reserve (IRR). The Department of Defense indicates the IRR shortage will still be in excess of 100,000 5 years from now.

The actual strength of our National Guard and Reserve components on January 1 of this year was 872,000. Even the recommended strength for fiscal year 1982, 941,000, falls short of our wartime requirement of 1,062,100. With these shortages in our Reserves, considering their crucial role in our Defense Establishment, I have serious misgivings about the ability of our All-Volunteer Force to be fully responsive in the event of war.

Our need for well-trained, experienced personnel in the military is great, Mr. President, and it is increasing. As the military-age proportion of the population declines in the next few years, recruiting successes will be even more important than in the past. I believe that the incentives provided in my bill for members of the National Guard and Reserves will help in those recruiting and retention efforts. And I believe that we must provide such incentives now.

I urge my colleagues to join me in supporting the initiative in this legislation.

ST. MARY'S COUNTY URGES SUPPORT FOR COASTAL ZONE MANAGEMENT PROGRAM

Mr. MATHIAS. Mr. President, St. Mary's County is the oldest county in Maryland and one of the oldest settlements in the United States. It was Maryland's colonial capital in the earliest years of the colony and it continues to be a center of historic and cultural interest.

It is also one of the most beautiful areas along the entire Atlantic coast. The broad sweeps of the Chesapeake Bay and the estuary of the Potomac River provide unequaled water vistas.

Many creeks and harbors provide access to the sea for sportsmen, for commercial fishermen, and oystermen, who are famous throughout the world.

It is natural, therefore, that the Board of County Commissioners of St. Mary's County should be concerned about the continued activity of the coastal zone management program. It is entirely proper that the board of county commissioners should have taken formal action by the adoption of a resolution petitioning for the continued Federal support of the coastal zone management program.

I believe, Mr. President, that this expression of the official concern of this important group of local officers is so significant and is so representative of communities up and down the Atlantic seaboard that it should appear in the CONGRESSIONAL RECORD.

Mr. President, I ask unanimous consent that the resolution be printed in the RECORD at this point.

There being no objection. the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas, St. Mary's County is bordered by the Potomac River to the south, the Patuxent River to the north; and the great Bay of the Chesapeake to the east; and

Whereas, St. Mary's County is at the mercy of the water quality affected by the inter-State and intra-State development policies proferred by public jurisdictions and private institutions outside the control of local powers; and

Whereas, the Coastal Zone Management Program provides an effective forum through which environmental issues can be addressed and resolved across the State and throughout the nation; and

Whereas, because of St. Mary's County's historical dependency on its surrounding watershed for both economic vitality and for environmental attributes; and

Whereas, the Coastal Zone Management Program in St. Mary's County has provided for the awareness and protection of coastal areas through the growth of economic and residential development; and

Whereas, without funding for the Coastal Zone Management Program, St. Mary's County would suffer the loss of the public education program and the development review process which has been implemented for the Coastal Zone Management Program environment;

Now, therefore, be it resolved, That the Board of County Commissioners of St. Mary's County, Maryland, requests Congress to zealously strive for continued Federal support for the Coastal Zone Management Program for the benefit of St. Mary's County, the State of Maryland, and for the people of these United States.

THE POW/MIA TRAGEDY

Mr. THURMOND. Mr. President, several times in the past year, I have expressed my grave concern to my distinguished colleagues concerning the intransigence of the Communist countries of Southeast Asia in cooperating with America in accounting for POW's and MIA's still held, dead or alive, by these countries. I have urged that our Nation take stronger action in resolving this tragedy. Our effort must be relentless in achieving this goal.

Many recent articles and reports reveal that American prisoners of war are still being held in Vietnam and Laos. A recent article entitled "Our Men Still Being Held by Vietnam," in the Washington Post Parade magazine reports that convincing evidence shows that dozens of Americans are being held by these Communist countries.

Mr. President, I ask unanimous consent that the article in the Parade magazine of the Washington Post, dated May 31, 1981, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OUR MEN STILL HELD BY VIETNAM—THEY'RE ALIVE AND WE WANT THEM BACK

(By Michael Satchell)

Dozens of American prisoners of war are still being held in Vietnam and Laos, and the U.S. is determined to get them back. That is the conclusion reached by Parade after an exhaustive survey of the POW-MIA (Missing in Action) problem resulting from the Vietnam war, which ended in 1973.

Despite assurance from Hanoi that no more prisoners remain in Indochina, U.S. authorities have turned up convincing evidence that several dozen POWs are in Vietnamese and Laotian hands, with Vietnam also harboring a number of defectors.

When the war ended 566 prisoners returned home from the torture and privation of camps like the "Hanoi Hilton" and "The Zoo." But an additional 113 men, also known to have been held captive in Laos and Vietnam, were not released during "Operation Homecoming." The fate of 1237 men listed as MIAs—some of whom certainly survived—was also unexplained. A further 1178 men were known dead, but their bodies were unrecoverable. Ever since, the fate of these 2528 "Missing Men"—alive and dead—has been largely forgotten.

Now, following intensive study over the past 18 months by the Defense Intelligence Agency (DIA), the U.S. appears ready to try to engineer the release of the men believed held capitive.

Limited diplomatic and military options include:

Demand their release, if we can get indisputable proof of POWs being held.

Stage a military rescue attempt.

Do nothing. The men might be considered expendable, the risks of trying to free them too great.

For months, the DIA has been studying eyewitness reports from Indochinese refugees and boat people that American prisoners have been seen in Laos and Vietnam. More than 300 firsthand sightings of apparent POWs have been analyzed, along with some 200 secondhand reports. Several of the refugees have passed lie detector tests.

In mid-1980, President Carter authorized a stepped-up intelligence gathering operation to obtain independent verification of the refugee reports. The search for new eyewitnesses was pressed around the world. A spy satellite capable of photographing objects as small as a car license plate was maneuvered into orbit over Indochina. Other highly classified, methods were utilized.

Last November, hard information began to trickle in confirming that Caucasian prisoners were being held at various locations. There had been a steady pattern of moving them south and away from the Chinese border—a possible haven in an escape.

The men were working at highway and bridge construction, woodcutting and agriculture—always under guard. They were skinny but not emaciated, healthy enough to work but probably in no shape to try to escape.

They were being held under very tight security. In Vietnam, they were housed in stockade-type facilities; one camp might contain as many as two dozen men. In Laos, it appeared that the men were kept in under-ground bunkers, probably left over from the war.

Whatever timetable of action unfolds, a complete accounting of the fate of the 2528 Missing Men is impossible. Still, Vietnam knows a lot more than it has so far told us. To date, 74 sets of remains have been returned, a few at a time, carried by successive Congressional delegations that have visited Hanoi to seek an accounting.

When the last planeload of POWs returned from Hanoi in March 1973, President Nixon assured the nation that all our fighting men were out of Indochina. That wasn't true, and he had good reason to know it. The Pentagon brass knew it but said nothing. Protests by embittered relatives of the Missing Men fell on deaf ears.

At the time of Operation Home-coming, Hanoi denied having any more live POWs, any knowledge of the 1237 MIAs and any bodies of dead Americans. That, too, was a lie, as events subsequently proved. But the U.S., eager to purge the Vietnam experience from the national psyche, accepted Hanoi's assurances. Until last year, critics charge, our government's record in this affair included a web of lies and deceit toward families of the Missing Men and only token attempts at pressing Hanoi for the truth.

Says Rep. Robert Dornan (R. Cal.), Capitol Hill's most vociferous advocate for pressing the issue: "The U.S. government has failed miserably in pursuing the truth about POWs and MIAs. Nixon screwed up. Ford was a caretaker. And Carter allowed his Administration to systematically slough it off in favor of trying to get normalized relations with Vietnam."

Ann Griffiths, executive director of the National League of Families of American Prisoners and Missing in Southeast Asia, worries that time is running out. "We can wait for the bones," she says. "But there are live Americans being held over there. Some may have been held prisoner for 15 years in God knows what conditions. The danger is, how much will is left when you've been waiting for your government to get you out for all this time? Every day counts now."

The options open to President Reagan are few, and some are fraught with danger. Those close to the issue see these main alternatives:

Armed with incontrovertible proof that Vietnam and Laos are holding prisoners—as opposed to harboring defectors—Washington could approach Hanoi privately and demand the quick return of the men. Various forms of aid might be offered as an inducement. If they still refuse to budge. Washington could display the evidence to the world and hope to embarrass Hanoi and Vientiane sufficiently to secure the men's release.

Economic sanctions, unfortunately, aren't an option. The U.S. hasn't sent Vietnam so much as a Band-Aid or a bowl of rice since the war ended, and there is little trade between Indochina and our allies.

Another alternative is military action. A lightning rescue attempt might force the issue, but it runs a terrible risk. Any remaining POWs might be executed to avoid further potential embarrassment for their captors, leaving them free to declare honestly that no more live Americans are being held against their will.

"Against their will" has been a key phrase in Hanoi's persistent denial. There are strong indications that several American defectors remain, men like Marine Pvt. Robert Garwood, who returned to the U.S. in 1979 after living as a defector in Vietnam. Groups have been spotted in the Cholon section of Ho Chi Minh City—formerly Saigon—and deep in the Mekong Delta.

For political reasons, any raid must succeed. A botched attempt would lay us open to charges of aggression against a peaceful sovereign nation and cost us dearly in international prestige. A successful rescue would stifle any protests.

A large number of Russian military and civilian advisers work in Vietnam, and the country bristles with sophisticated defensive weapons, Laos, by comparison, has limited military capability. A total of 560 U.S. airmen went down in Laos during the war. Apart from nine prisoners sent to Hanoi and later repatriated, no live Americans have ever come out of that country, and the Laotians have only given us two sets of remains.

The President could also decide to keep the issue on the back burner for a while in favor of quiet diplomatic negotiations. But that approach hasn't worked for eight years. Given President Reagan's public statements that Vietnam veterans fought for an honorable cause, inaction isn't likely.

For the families of the Missing Men, the past eight years have been a twilight zone of uncertainty—particularly for the wives of the 113 men known to have been captured alive. Some wives have remarried, but others wait, clinging to hope.

Janis Dodge of San Diego is typical. On May 19, 1967, her husband, Navy Cmdr. Ron Dodge, was part of a planned air attack on the Dao My highway bridge in Quang Binh province, North Vietnam. Before reaching the target, his F-8E suffered mechanical trouble or was hit by flak, and Dodge bailed out and landed safely.

Later that day, Radio Hanoi broadcast news of Dodge's capture. The next day, Hanoi's Nhan Dan newspaper trumpeted the incident with the usual banner headlines. And four months after that, on Sept. 9, 1967, Paris Match magazine printed a photograph of Dodge moments after his capture. An East German propaganda film later featured footage of Dodge being taken into custody by Vietnamese militia.

"Obviously, he was alive," says Dodge's wife. "But when North Vietnam released its list of prisoners, his name wasn't on it. I was very discouraged. I flew to Paris in May 1970 and confronted the Vietnamese delegate to the Paris peace conference. I showed him the picture from Paris Match. He looked flabbergasted but said that if my husband wasn't on the list, they didn't have him. I know one thing. They either have him or his body. And I want to know."

Air Force pilot Charles Shelton was captured by Pathet Lao forces on April 29, 1965, after his plane was shot down on a reconnaissance mission over the Ho Chi Minh Trail in Laos. The Laotian operations were top secret because the U.S. was violating the air space of a supposedly neutral country. Shelton's wife Marian was given only the barest details and told to keep them to herself.

Like Janis Dodge, she and her five children were cruelly disappointed when the official POW lists were released. In 1973, she flew to Indochina to seek clues to her husband's fate.

In Vientiane, the Laotian capital, she met with Soth Petrasy, the Pathet Lao representative. Petrasy listened patiently to her pleas for information. Then he told her. "Mrs. Shelton, the men were probably all eaten by wild beasts and tigers."

In fact, U.S. intelligence knew that Shelton was being held captive with other Americans in the Sam Neua caves in northern Laos. After three years as a prisoner, he was moved perhaps to Hanoi or to China.

Marian Shelton, however, wasn't officially informed of this until 1976—11 years after her husband was shot down. To protect the fiction of noninvolvement in Laos, other wives and families were allowed to believe their men were dead when, in fact, there was good intelligence evidence that they might be alive. They learned the truth only after filing Freedom of Information Act requests.

The years since war's end have been difficult and frustrating for the League of Families. Its persistent campaign for government action when Washington wanted the issue buried resulted in an official smear campaign to discredit the League. High Pentagon officials publicly described League members as "rumormongers, charlatans and profiteers." When families fought against their men being declared dead, they were accused of trying to maintain the POW or MIA status in order to collect their pay.

A series of Congressional missions to Southeast Asia beginning in 1975 all concluded essentially that there was virtually no chance of live prisoners remaining and little chance of many bodies being held.

Critics picked these conclusions apart. They felt the probes were superficial, too eager to accept Vietnam's false assurances and really designed to quiet the League and pave the way for a resumption of relations with Vietnam.

Leading most of these missions has been Rep. Gillespie "Sonny" Montgomery (D., Miss.), chairman of the House Select Committee on Missing Persons. Formed in 1975, it was the first Congressional group to visit Vietnam.

After trips to Indochina and a year's study, the committee concluded there were no American prisoners and little chance of re-

covering many bodies, although several members disagreed and filed a more optimistic, minority report.

Critics felt the committee did a cursory job; it spent, for example, only half of its meager $350,000 budget. Montgomery, it was felt, accepted Vietnam's assurances without fighting hard enough for a full accounting.

Montgomery returned to Southeast Asia in March 1977—with a commission headed by Leonard Woodcock, president of the United Auto Workers—and again in August 1978. His conclusions back then, and today, remain the same: Any live Americans left in Vietnam are defectors.

He repeated his assertion as recently as Jan. 27, in a letter, and March 19, in a speech to the House. And on Feb. 10, he cornered President Reagan at a Kennedy Center dance performance and repeated his beliefs to the Chief Executive, who had never had a thorough briefing on the issue.

"I'm convinced there are no prisoners left alive," Montgomery told PARADE. "I don't want to get these families' hopes up too high. I hope I'm wrong, but I don't think I am.

Montgomery's negative stance infuriates the League of Families. "Nobody deserves more discredit than Sonny for the long delay in solving this problem" is one of the more charitable assessments from Ann Griffiths.

Says Representative Dornan: "The 1978 mission, I was told by a military officer on the trip, was a disgrace. One Congressman fell asleep at the conference table with the Vietnamese. Another went groveling around making abject apologies for our role in the war and collecting autographs and souvenirs."

Dornan described the 1977 Woodcock trip, ordered by President Carter, as "an unmitigated disaster." The group took with it 150 folders, printed in both English and Vietnamese, containing detailed information of locations where missing fliers had crashed. This material would aid Hanoi immeasurably in locating remains but, inexplicably, only a single folder was ever presented to the Vietnamese.

Montgomery dismisses these allegations as "Dornan's crap." He admits, however, that he erred in refusing Dornan's request to accompany him on the 1978 mission.

The raft of reports from refugees that gave new impetus to the Missing Men issue came only after the League of Families took the initiative and advertised for information in Vietnamese- and Laotian-language publications around the world. Since mid-1979, when the reports began flowing in, the DIA has been plagued with false information. Much is known to have been deliberately planted by Vietnamese agents hoping to complicate the search for the truth. Some has come from refugees concoting stories in the hope of receiving U.S. visas or favored treatment—telling us, in other words, what we want to hear.

Excerpts from known reliable reports offer tantalizing clues. "I saw five Caucasian prisoners held in a cave. I was told they were American pilots" is the affidavit of a Laotian who escaped from a detention camp. "They wore light green uniforms . . . with pieces of car tire tied to their feet. All five were quite skinny, however, they appeared to be uninjured."

Last August, a Vietnamese source reported seeing two railroad cars containing American prisoners when the train passed through Da Nang heading south from Hanoi to Ham Tan.

Last June, an ethnic Chinese expelled from Vietnam told of processing the remains of 426 American bodies as late as 1979 in a Hanoi mortuary. He also claims to have seen three live Americans. Skeptical probers put him through a stiff lie detector test, which he passed easily.

If Vietnam and Laos are holding American prisoners and large numbers of remains, what is their motive? There are no clear answers, but there are some strong indications.

After the French withdrew from Indochina in 1954 following their disastrous defeat at Dienbienphu, captives from that war were repatriated for almost two decades. Since 1954, French authorities and citizens have been literally buying back the remains of their dead. Just last March, PARADE learned, the sum of $50,000 was paid for one set of bones.

Is money the motive for Vietnam's intransigence? If so, live prisoners and the remains of our dead may be viewed by Hanoi as a future bargaining chip.

During the Paris peace negotiations that ended the war, President Nixon told Vietnam in a letter that the U.S. would be willing to pay $3.25 billion in aid over five years. Vietnam didn't receive a dime, however, because it broke the terms of the peace accords on hundreds of occasions. Those close to this issue believe Hanoi has kept us twisting slowly on the hook with our POWs and MIAs in the hope of collecting the promised aid or—to use a less polite term—ransom.

THE ONLY POW TO ESCAPE FROM NORTH VIETNAM SAYS . . . "DON'T BREAK FAITH WITH US"

On Oct. 29, 1963, Lt. James Nicholas Rowe was captured by the Viet Cong, who held him prisoner in Vietnam for more than five years before he escaped on Dec. 31, 1968—the only American captive ever to do so. Subsequently, he served in military intelligence and the Army's POW/MIA program. In 1974, this much-decorated officer resigned his commission to write several books. Since preparing this article, he has resumed military duty as lieutenant colonel and chief of SERE (Survival, Evasion, Resistance and Escape) Division, U.S. Army Institute for Military Assistance, Ft. Bragg, N.C.

For five years and two months, I fought to stay alive, and to keep my friends alive, in Viet Cong prison camps deep in the Mekong Delta of South Vietnam. I never gave up hope that one day I would again be free. My parents waited through the long years, relying on their faith in God and their "heart knowledge" that I would return.

During the first four years of my captivity, the only information about my status was pieced together from intelligence reports and sightings of American POWs by Vietnamese civilians. Some of the reports were accurate; others ran the gamut from announcing my execution to stating that I was held in camps from Cambodia to the northern provinces of South Vietnam.

Nothing about me, nor about any of the other Americans in my camp, was reported by my captors. For the Viet Cong, the cloak of anonymity best served their purposes. If a prisoner died, as many did, he would become another statistic among the missing in action. They would shoulder no blame for the death of a man they never admitted holding, nor would there be any challenges to their "lenient and humane policy" toward captured Americans. For those men who simply disappeared, there was never an accounting.

In the fall of 1967, three men were released from my camp. Their confirmation that I was still alive was the first solid evidence that I had survived. After four years, my parents knew that, at least when the three left the camp, I was alive and determined to get home. Fourteen months later, in December 1968, my fourth escape attempt was successful.

I can't recall the faces of the interrogators and political officers who worked on me for those five long years of captivity. I've blocked some of them out because of the pain that remembering would bring, and time has simply eroded the others.

There is a memory that refuses to die, however—one of a single overpowering fear. It wasn't the fear of death. A quick death, at times, was almost welcome, a tantalizing alternative to the constant struggle to remain alive. It wasn't fear of pain, for pain and torment simply became factors in a world measured in those very terms. They were as inevitable as disease, hunger and loneliness. They were my daily companions.

The fear that nagged my every conscious thought, remorseless and unanswerable, was that I would be forgotten, abandoned in that steaming green hell, with slow death my only escape. To exist without hope of returning to those I loved—never again to see my home, read my books or listen to the music I loved—that was what I feared the most.

I suppose I realized that, at some point, considerations of national policies and goals would of necessity take precedence over the lives of prisoners of war. In essence, we were no less expendable as POW's than we were on the battlefield. That was part of the contract when we put on the uniform. Nevertheless, it was difficult to accept the fact that the price required by our Communist captors for our freedom might be too high to pay.

We were faced with several alternatives. We could be released by our captors under their terms and to their advantage; we could be repatriated as part of an agreement negotiated by our government; or we could escape. The remaining choices were to die or to remain in limbo. Since the Communists refused to recognize the provisions of the Geneva Conventions on prisoners of war, we had no hope of an internationally sponsored means of repatriation. Thus, it was realistic to view the last two choices as distinct possibilities.

In late 1967, I was forced to sit through a lecture by an elderly representative of the "National Front for the Liberation of South Vietnam." I was in a swamp camp we had dubbed "No-K Corral," a cluster of huts and POW cages in the infamous U Minh Forest. His tirade covered my "bad attitude" toward the guards and cadre, my "unwillingness to learn the 'truth' of the situation in South Vietnam," and a laundry list of other denunciations. I accepted his remarks with normal trepidation, wondering how much more misery could be inflicted because of my unacceptable behavior. His final admonition, however, struck home.

With absolute calm and assurance, he stared down at me as I sat on the pole floor of the hut. "Do not think," he said, "that merely because the war ends you will go home." He paused as if for emphasis, then added."If your attitude is not correct, you may rest here after the war."

No matter how the political cadre responsible for our indoctrination might distort the truth to create their version of right and wrong, I never knew them to exaggerate about the control they exerted over our fate. The chief interrogator—a determinded, vindictive fellow we nicknamed "Mafia"—said in his first speech to us: "I can kill you; I can torture you; I can do as I wish with you." Initially, we weren't certain about the validity of those threats. Within a week, I was isolated in a punishment camp. Within a year, Capt. Rocky Versace, who had been captured with me, was executed.

The remark about POWs remaining after

the war ended was not an idle threat. It was a statement of fact, of policy, made with full confidence by the Communist political leadership in their ultimate triumph and ability to control the destiny of those in their power.

I was fortunate that I escaped. Nevertheless, while I was imprisoned, I knew that the military and my fellow Green Berets were making every effort to rescue me. With the American presence in South Vietnam, there was always the hope that they would succeed.

Today, however, there is a group of Americans who are "resting in Vietnam after the war." There is no American presence to give them hope, and the natural impatience and forgetfulness in our society has relegated their plight to a bothersome holdover from an unpopular war. Recent reports by refugees from Laos, Cambodia and Vietnam indicate that varying numbers of Americans are still alive there. The "heart knowledge" of the wives and families who have waited these long, torturous years has been rekindled. I only hope that the price for the ultimate freedom of the survivors of the POW camps is not too high for our country to pay.

Perhaps the most appropriate message was given to me by another POW shortly before he died of starvation and disease. "Nick," he said, "when you get back, tell them at home that we didn't break faith with them . . . and ask them, please, please, don't break faith with us."

RESERVE COMPONENTS

Mr. THURMOND. Mr. President, I would like to point out to my colleagues that contained in the budget proposal passed by both the House and the Senate is a provision which potentially could have a disastrous effect on the manning of our Guard and Reserve programs.

This provision would change the current incentive for Federal employees who are members of the Guard and Reserve that allows them to receive both their military and their civil service paychecks when they perform their annual 2 weeks of active duty training each year. The change would essentially permit them to receive only the greater of the two salaries, but not both salaries. Last year the Congress rejected a similar proposal. An editorial in the June issue of the Reserve Officers Association (ROA) magazine, the Officer, clearly points out that the proposal leads in the wrong direction.

Mr. President, such a change would hit especially hard on the many thousands of enlisted Reserve members who find this compensation an important incentive for participating in our Guard and Reserve programs. Further, making the change would be perceived by many guardsmen and reservists as evidence of weakened support by the Federal Government for Reserve service.

It is widely believed by military experts, including those in the Defense Department, that if the proposed policy change is enacted, we will lose many dedicated people from the program. These losses would occur at a time when the Reserves are already facing serious manpower shortages, particularly in the Army Guard and Reserve.

Mr. President, I ask unanimous consent that the editorial in the June issue of the ROA magazine be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows: .

THE WRONG DIRECTION

Last year the Congress wisely defeated an attempt to change the military leave pay policy for Reservists employed by the federal government. These individuals, and many others employed by state and local governments and the private sector, receive their civilian paycheck as well as their military paycheck during their two week active training duty each year. The Defense Department has again introduced a proposal to change the current policy so that these civil servants would receive only the greater of the two salaries, but not both.

While ROA fully recognizes and fervently supports the need to make appropriate budget cuts throughout federal programs, this proposal leads in the wrong direction. Making the proposed change might save money initially, but in so doing, it would seriously hurt our defense readiness. Unfortunately, the Defense Department recognizes that there will be losses caused by its proposed policy shift, but no one in DoD seems to have any idea how serious the losses might be. Furthermore, no one knows exactly how many people would be affected.

It is widely believed by military experts that if this proposal is enacted, we would lose many Reservists from the program. We cannot afford any losses of this kind, especially at a time when the Reserves are already facing serious manpower shortages. It is unconscionable that cutting incentives would even be considered at a time when our Guard and Reserve forces are experiencing serious shortages.

How does the estimated $30 or $40 million savings balance against potentially crippling losses that could result from the proposed change? The readiness cost of an inadequately manned Reserve Force should clearly outweigh the immediate monetary savings that are hoped for. So should the financial costs of finding and training replacements for the many personnel who will leave the Guard and Reserve programs if the proposed policy change is made.

At a time when we are trying to strengthen defense and improve Reserve manning, how can we take steps that would very likely produce immediate and disastrous manpower losses inhibit recruiting of qualified personnel and provoke resentment in those who decide to "stick it out" until they are eligible for retirement? Clearly, the federal government should be promoting legislation and policies that will strengthen and encourage affiliation with Reserve Forces—not legislation to discourage Reserve participation. This proposal leads in the wrong direction.

CONCLUSION OF MORNING BUSINESS

Mr. BAKER. Mr. President, I had previously asked the Senate to enter an order, which it did by unanimous consent, to provide that the Senate would stand in recess from 12:30 until 2 p.m. today. Of course, I asked the Senate to provide time for the transaction of routine morning business, not to extend beyond 12:20. It would appear to me there is no further morning business to transact. I would ask the Chair to put the query if there is further morning business.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RECESS UNTIL 2 P.M.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate stand in recess until 2 p.m. this afternoon.

There being no objection, the Senate, at 11:29 a.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ABDNOR).

EXECUTIVE SESSION

NOMINATION OF CHESTER A. CROCKER, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT SECRETARY OF STATE

The PRESIDING OFFICER. Under the previous order, the Senate will now go into executive session to resume consideration of the nomination of Chester A. Crocker, of the District of Columbia, to be an Assistant Secretary of State.

Mr. BAKER. Mr. President, have the yeas and nays been ordered on this nomination?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. HELMS. Mr. President, I am obliged to vote against the nomination of Chester Crocker as Assistant Secretary of State for African Affairs. My views have been set forth in detail in the committee report on Mr. Crocker, and, for the sake of the RECORD. Mr. President, I ask unanimous consent that those additional views be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Briefly, Mr. President, the problem with Mr. Crocker is that he represents the establishmentarian approach to foreign policy, an approach that prefers to deal with elitist planners, whether representing socialists or international finance. This is the kind of arrangement that leaves the interests of the American people and the people of the foreign country in question out in the cold.

Last Thursday, I met with Mr. Crocker to discuss whether he would sincerely attempt to implement the Reagan policies toward Africa, and I received his assurances that he would do so. Indeed, I had sent word to the distinguished majority leader that I thought it might be possible to vote on Mr. Crocker on that day, Thursday, if I received certain assurances in my conversation with him.

Unfortunately, through a misunderstanding, the majority leader, in all good faith, thought that I was releasing the hold immediately, and entered into a unanimous-consent agreement to proceed to bring up the Crocker nomination yesterday, Monday. I suggest that all interested colleagues refer to the colloquy which took place on the floor yesterday **in the RECORD on pages 11690–11696.**

Unfortunately, the question of the leaks from Mr. Crocker's office has not yet been resolved. There has been a pattern of leaks of confidential information, some of it extremely sensitive, to the press both in the United States and in Africa. The thrust of these leaks has been to justify Mr. Crocker's policies, and to attempt to enhance his reputation.

Frankly, Mr. President, I do not see how a policy can be conducted in the glare of publicity. I would like to have seen this matter resolved, but under the circumstances, there is no time. Therefore, I intend to cast my vote against confirmation of Mr. Crocker's nomination.

EXHIBIT 1

ADDITIONAL VIEWS OF SENATOR JESSE HELMS ON THE NOMINATION OF CHESTER A. CROCKER

The nomination of Chester A. Crocker to be Assistant Secretary of State for African Affairs is one of those nominations that raises the question of whether the American people will get the new foreign policy they expected to get on November 4, 1980. Mr. Crocker has impeccable credentials with establishment scholars, and a known track record for his opinions on Africa. Those two circumstances make it doubtful that he will articulate the views on Africa which President Reagan has espoused over the past few years.

Of course, the President is now in the position of having to defend as his own an appointment that was thrown up to him by the impersonal churnings of the nomination process. Yet the views of Mr. Crocker on Africa are barely indistinguishable from those of his predecessor, Mr. Richard Moose, marked only, perhaps, by a greater preference for prudence in attaining the ends which Mr. Moose sought. It is highly significant that Mr. Crocker has chosen to retain as his deputy, and to defend strongly, Mr. Lannon Walker, a career Foreign Service Officer who was principal deputy to Mr. Moose. Those who expected a housecleaning in the Africa bureau will be sorely disappointed.

Briefly, Mr. Crocker's views may be summarized as follows: (1) Unqualified support for the Marxist redistributionist programs of Mr. Robert Mugabe, who came to power in Zimbabwe through terrorism; (2) A coalition government—euphemistically called "a government of national unity"—to bring together the MPLA and Mr. Jonas Savimbi in Angola; (3) the imposition of a SWAPO government on Namibia, after the gimmick of a written "constitution" to protect the rights of the minorities; (4) the implementation of a "strategy of change" in South Africa by working with the "dynamic elites" in South Africa to bring about acquiescence to so-called majority rule.

The common denominator in all of these policies is the classic doctrine of crisis management that disputes are best handled by getting all parties to accept the logic of a dialectical process of change, while at the same time giving up any advantages of power that they might possess. The apparent "reasonableness" of such a process is hard for Western liberals to resist, for whom no principles are, in the long run, worth fighting for. For Marxists, the imposition of dialectical change is merely the implementation of their own philosophy of history; and with the addition of Lenin's doctrines, they feel no compunction about taking advantage of the neutralization of Western interests in the dispute to nudge history in their direction.

The insidiousness of this doctrine is that it convinces the West that it should stop supporting the friends of the West, and support, equally, our friends and enemies. Thus not only is our own leadership neutralized with regard to the outcome, but it actually turns our strength against our friends, forcing them to surrender to the demands of the enemy for the sake of an illusory peace. The Communist and Marxist forces never fall into this trap; for when the United States and the West applies pressure on the friends of the West to surrender, they step up assistance to their own side.

The justification for such a policy is that the United States should remain indifferent to the outcome, so long as the process eliminates the ability of one side or the other to continue the dispute, thus bringing about peace. Wisdom and justice, by this interpretation, lie in the process, rather than the outcome, so long as stability is achieved. Thus we hear much about free and fair elections, democracy, majority rule, and putting an end to racism. If the end result is a one-party, Marxist totalitarian state which is antagonistic to Western interests and unable to feed its people, then we must simply blame the conduct of the colonial powers over the past century, and withdraw from the scene.

The corollary of such a policy is that the ultimate arbiters of the free and fairness of elections, of the quality of the democracy, of the effectiveness of majority rule, and of the extent to which racism has been eliminated are the so-called Front Line States. namely, Tanzania, Mozambique, Botswana, Zambia, and now Zimbabwe, along with Nigeria. None of these states has had the slightest experience with democracy, at least as practiced in the developed nations of the West, and none of them has been able to develop a strong economy capable of supporting its people, much less fulfilling their material aspirations.

In order to impose further failure on their African neighbors, these nations have arrogated to themselves a veto power over the future arrangements chosen by the inhabitants of the territories in question. This is expressed in the formula that the territories must have "international recognition." Not only will the socialist countries withhold diplomatic recognition—even though recognition by other countries is not a pre-requisite under international law for the establishment of independence—but they threaten to continue to play host to guerrilla bases on their own territory for the overthrow of any government of which they do not approve.

Mr. Crocker concedes this right implicity, as did his predecessors. If there is any difference in Mr. Crocker's policy, it is to concede more generously certain undefined rights to the opponents of Marxist terrorism. Mr. Crocker apparently conceives that his duty ends when he has negotiated terms of surrender that permit them to retain their lives, and perhaps their property, but not their power or their culture.

Indeed, Mr. Crocker appears to be insensitive to the nature of the forces which he blandly describes as nationalists and democrats. The Salisbury (Zimbabwe) Herald for April 14, 1981, reported on Mr. Crocker's visit to that country as follows:

The United States draws "an important distinction" between a nationalist party which uses Marxist-Leninist terminology and the Soviet Union and its allies, Assistant Secretary of State-designate for African Affairs, Dr. Chester Crocker, said in Salisbury yesterday.

He was speaking about SWAPO, the Namibian liberation movement, and elaborating on a statement he made that his country had no interest in seeing the expansion of Soviet power anywhere in the world.

Dr. Crocker underscored that policy but explained at a news conference that in pursuing it the United States studies its approach "case-by-case."

In relation to Namibia, he said: "There is no question that SWAPO is supported by the Soviets and their friends at present, but I think it would be an over-simplification to think that that by itself accounts for what SWAPO does or what SWAPO would do if it were to win an election."

Among the questions submitted to Mr. Crocker by the Senator from North Carolina was the following: "Do you consider SWAPO to be a terrorist movement?" Mr. Crocker's response was:

It is clear that SWAPO and South Africa are engaged in a conflict in which the civilian population is often caught in the cross-fire. The Administration does not condone or endorse the tactics of either party, and we cannot favor the escalation of violence.

Mr. Crocker evidently cannot distinguish between the use of terror, the use of violence, and the use of force. Terrorism is the purposeful destruction of innocent life for the purpose of disrupting the stability of a community, often accompanied by atrocities and torture. Its object is to induce fear in the remaining populace, and to secure their acquiescence with the aims of the terrorist organization. It is an inhuman act which is condemned by all civilized communities. The use of violence is the unleashing of purposeless anarchy, as in a riot, with the aim of weakening the ability of the state to govern. Such tactics are also universally condemned. But the use of force by the state in a disciplined manner to respond to guerrilla attacks, to terrorism, or to mob violence is regarded as the legitimate responsibility of government.

To describe the victims of SWAPO terrorism as "the civilian population . . . caught in the cross-fire," is to ignore the purposeful direction of SWAPO's activities against a defenseless population, rather than against military, strategic, or civil-works targets. There is no evidence that the South African forces in Namibia are engaged in random murder and assassination of Namibians. Mr. Crocker falls into the trap of promoting even-handedness against the illegitimate and the legitimate alike.

When President Reagan was putting himself on public record before the election, he fell into one of these traps. He was, for example, a strong supporter of Prime Minister Muzorewa's government in Zimbabwe, accurately characterized Mr. Mugabe as a terrorist, and called for diplomatic recognition. In Angola, he called for U.S. support of Mr. Savimbi, characterizing him as a freedom fighter for his people against Marxist regime propped up by Cuban troops. And, unlike Mr. Crocker, he did not equivocate on the issue of whether or not SWAPO was a terrorist organization. The following excerpts from Mr. Reagan's statements make his position clear:

RONALD REAGAN

Reprint of a Radio Program entitled "Nambia I"

Our government and the United Nations among others are very upset because the terrorist forces of Joshua Nkomo and Robert Mugabe were not allowed to impose their rule on Rhodesia by force of arms. The Rhodesians by free and open election chose another leader and another more democratic course.

Now we find a sequel in another emerging country, South West Africa known as Namibia. This had been a German colony until World War I after which the League of Nations turned it over to South Africa.

In 1978 South Africa accepted a plan drawn up by our country, Britain, France, Canada and West Germany by which Namibia would become an independent nation. This plan was put in effect through the U.N. but, shades of Rhodesia, no sooner had South Africa given in than the U.N. began changing the plan to which South Africa had consented.

Last year the U.N. Security Council by a 15 to 0 vote declared that Walvis Bay must be integrated into Namibia. This was in direct contravention to the agreement with South Africa. The bay is one of South Africa's major sea ports but what is more significant it has been part of South Africa since 1884, Namibia was only mandated to South Africa in 1920.

It now appears that the U.N. and the five western powers changed their minds on Walvis Bay in an effort to persuade Sam Mujoma, leader of a Marxist terrorist band to accept the U.N. plan.

In a situation not unlike Rhodesia's, Namibia has a terrorist force headed by Nujoma who does not want an election to establish a majority rule government in Namibia. His group calls itself the Southwest Africa Peoples Organization, "SWAPO" for short.

As the U.N. sputtered around, unilaterally changing the contract it had signed and postponing an election in Namibia, Nujoma's SWAPO forces—like the bandits of Nkomo and Mugabe in Rhodesia—were busily murdering and pillaging. The government of South Africa decided the only way to settle once and for all who spoke for the people of Namibia would be to hear from the people by way of a free and open election.

SWAPO was enraged, the killing increased and one of the leading black moderates who could have won a free election was murdered. Documents were found proving not only that SWAPO was responsible for the murder but that other leaders were on a "hit" list.

Our government sent observers to Namibia but their bias was showing—they only met SWAPO leaders.

One U.S. Congressman (who, incidentally, has been convicted recently of 29 felony counts) wanted the DTA, the moderate party, to turn the government over to SWAPO—apparently without an election. The U.N. has declared SWAPO is somehow the only legitimate spokesman for the country. Three U.N. bodies, the U.N. Commission for Namibia, the U.N. Council for Namibia and the U.N. Fund for Namibia channel millions of dollars in aid directly to Nujoma, the SWAPO leader. UNICEF and UNESCO do likewise.

Chapter two on the effort to impose a Marxist government without an election on the people of Namibia will follow next broadcast.

RONALD REAGAN

Reprint of a radio program entitled "Namibia II"

Last broadcast I was talking about the newest emerging country in Africa—Namibia—once under mandate to South Africa and soon to become an independent nation.

South Africa agreed to terms submitted by the United States and the U.N. but immediately thereafter the U.N. began unilaterally changing these terms. It is funneling millions of dollars to a terrorist leader Sam Nujoma and wants to recognize his terrorist band called SWAPO as the government of Namibia without benefit of a vote by the people. Our government is going along with this in spite of Nujoma's declaration that he is a revolutionary and that he isn't fighting for majority rule, but is fighting to seize power.

It isn't red-baiting to call Nujoma a Marxist. He has gone to East Germany where he signed a compact of cooperation. He visited Moscow where he was promised sophisticated weapons and journeyed to Cuba where he received promises of "unshakable support."

Violence has increased in Namibia. In May all of the people of that country were incensed by the bayoneting of a grandmother and her two young grandchildren. The U.N. made no comment about that but vehemently protested South Africa's attempt to capture and punish the murderers.

The interim government of Namibia has removed more than 95 percent of apartheid and has worked hard to achieve a non-racial government and complete majority rule.

South Africa attempted in the U.N. to present its side of the story. It was their first appearance in the U.N. in five years. The General Assembly voted 93 to 19 to not accept their ambassador's credentials. Even so, South Africa continues to say it will stand by the U.N. proposal it signed in good faith.

It boggles the mind to think that our government believes it is in our best interest to turn Namibia over to a pro-Communist government when it is obvious that the people of that country prefer a government favorable to the west and certainly non-Communist.

Namibia is rich in minerals and has great room for expansion with a population of less than two inhabitants per square mile. A former mayor of its capital city says, "We believe that the United States has lost sight of what is really happening here. Its support of terrorism is not the policy you would expect from a great power."

No, it isn't. And it's hard to understand our agreeing with a demand that Nujoma's murderous force be allowed to openly establish bases within Namibia. Possibly we think it is inconvenient for them to have to cross the border from their hideouts in Angola whenever they feel a murder coming on.

The Democratic Turnhalle Alliance, a multi-racial political party, representing the 11 black, brown and white population groups of Namibia, continues to strive for free elections, no thanks to the U.N. or the U.S.

ZIMBABWE

By contrast, Mr. Crocker now refuses to say whether or not he would have recommended the recognition of the Muzorewa government, and his position on the Mugabe government is identical with that of the Carter Administration. He strongly recommends support of the Mugabe development plan, praises the Mugabe government as democratic, and is confident that the prospects for Zimbabwe are so good that Zimbabwe is a model for transition in Namibia and perhaps South Africa.

Mr. Crocker has recommended that the U.S. government provide $225 million of the taxpayers' money to support Mr. Mugabe's development plan. The only difference between Mr. Crocker's recommendation and the Carter Administration recommendation is that the Carter Administration proposed $275 million for the same period. This assistance is "justified" by an FY 83 Country Development Strategy Statement prepared by the AID mission in Zimbabwe. In response to my question as to whether or not this 89-page assessment was done before or after January 20, 1981, Mr. Crocker replied that it was "completed in February, 1981."

This document is evidence that Mr. Crocker's recommendations for Zimbabwe are the recommendations of the Carter Administration, and a continuation of the Carter policy. The document is blatantly Marxist in tone and implications, echoing the propaganda statements of the Mugabe/Nkomo Patriotic Front made while conducting its campaign of terrorism. It speaks of redressing "the inequities of the past," noting that "The Mugabe government is dedicated to a restructuring of the economy, to a redistribution of land, to an increase in the opportunities and government services available to the black majority." And while it notes that Mugabe has decided to use the capitalist "sector" as a means of achieving its ends, it in reality lays out a program of support directed exclusively to the socialist sector and to Mugabe's redistributionist schemes. Much of the proposed U.S. assistance would go to restoring the agricultural, health, and educational facilities which were destroyed by Mugabe's terrorists. The aid proposals, therefore, are a subsidy for terrorism.

Moreover, the documents provided by Zimbabwe at the March pledging session for international donors revealed that Mugabe's redistribution and welfare schemes will consume 50% of Zimbabwe's GNP. Even Mr. Crocker's estimates are that this year's deficit will approach $900 million, or 37% of total expenditures.

Despite the optimistic picture of the Zimbabwean economy presented by Mr. Crocker, other factors suggest that Zimbabwe is still riding on the momentum of pre-Mugabe dynamics. Despite the relatively good harvests this year, the crops are over-priced due to price-supports and cannot compete with South African prices in the transport network, both rail and highways, because of the lack of capital to replace equipment worn out with seven years of war, and the rapid erosion of trained management personnel. The deterioration of road beds means that shipments are delayed and undependable. Since Zimbabwe is a communications center connecting Zambia, Zaire, Tanzania, Mozambique, and South Africa, the consequences are serious for the entire southern continent.

Mr. Crocker was also less than forthcoming when questioned about the future of the skilled and professional classes in Zimbabwe. He replied: "We have seen some emigration, but it is not increasing and I do not believe at this point it is as high as it was a year or so ago." When pressed to back up this statement, Mr. Crocker presented figures on *net* emigration, in which the skilled and professional emigration was balanced off against the entry of untrained and unskilled remnants of the guerrilla armies. This showed an emigration of 17,240 for 1980 as compared with 12,951 for 1979, or an increase of nearly 50%.

This figure was higher than at any time during the war. The figures for January and February of this year also produced new records, and were almost twice as high as for the same period last year.

However, a telegram from the U.S. Embassy in Salisbury painted an even grimmer story:

Figures produced by the central statistical office also show that vital skills are being lost through emigration. For the year 1980, Zimbabwe lost 6,445 skilled people and gained 3,017. Administrative, clerical, teaching, and engineering staff are leaving the country . . . Zimbabwe had a net loss of 69 engineers in 1980. Departures of accountants and auditors left a deficit of 70, while production supervisors and general foremen left a gap of 35 in industry. More than 1,500 clerical workers and 431 administrative and managerial staff left the country while 480 new clerks and 279 managers arrived.

These losses have been felt not only in private industry, but in the once-efficient government bureaucracy as well. The Rhodesian/Zimbabwean bureaucracy was once the most efficient in Africa, but now has been flooded with political patronage at the same time that it is losing its experienced managerial talent. This makes even more ominous the recommendation of the Carter/Crocker AID document that "USAID's strategy is to rely heavily on GOZ capabilities for planning and implementation of their own development program."

Mr. Crocker's policy recommendations for Zimbabwe are merely implementations of the policy of his predecessor, Mr. Moose, and the Carter Administration. Indeed, as the AID document summed it up:

The Mugabe government and the people of Zimbabwe believe that the West (especially the U.S. and U.K.) entered certain commitments at Lancaster House, and there will likely be a very strong sense of reneging on promises and betrayal if fairly large levels of assistance are not promised and provided.

In actual fact, the United States was not a participant in the Lancaster House talks, and there was no way that U.S. officials could make commitments to the man Ronald Reagan was characterizing as a terrorist. In any case, since that time the American people voted a new mandate for a change in the

direction of U.S. foreign policy. Yet Mr. Crocker still seems bound by the constraints of the previous Administration's policy.

ANGOLA AND NAMIBIA

The issues of Angola and Namibia are very closely tied together because SWAPO could not conduct its terrorist activities in Namibia without its bases across the border in Angola. Thus the 20,000 Cuban troops in Angola are not only propping up the Marxist MPLA government in Luanda, but they are also propping up the SWAPO challenge to the people of Namibia. The evidence that SWAPO represents a significant portion of the Namibian people is scanty. Its leadership is based upon the Ovambo people, who, in turn make up 46 percent of the Namibian population. Yet when the Ovambos are protected from the terrorist depredations of SWAPO, the evidence is that the Ovambos prefer to participate in the democratic kind of elections that led to the creation of the Democratic Turnhalle government in Windhoek. SWAPO, which declined to forego the use of violence, declined to participate; but 96 percent of the Namibian people participated in the elections.

Nevertheless, SWAPO is the chosen vehicle of the United Nations and the front line states. The U.N. General Assembly has declared that SWAPO is the sole authentic representative of the Namibian people, although it has no evidence to support this claim. The U.N. Security Council voted to listen only to SWAPO in the proposed Namibian debate, and not to the Democratic Turnhalle Alliance, the broadly based, multiracial party representing the government of Namibia. Despite this, the UN feels that it is an impartial body with respect to Namibia, and wants to oversee elections guaranteed by a UN peacekeeping force, according to the provisions of Resolution 435.

Mr. Crocker supports Resolution 435, with the addition of a new proviso for a written constitution before the elections take place, so as to guarantee the rights of the minorities. This plan is based upon the model of Zimbabwe, and the constitution forced upon Prime Minister Muzorewa by the British, a constitution which induced him to renege on the agreement by which he had received the transfer of power from the Ian Smith government. Given the expressed bias of the UN (and the strong financial support which the UN gives to SWAPO), there can be little hope that Mr. Crocker's plan, which is merely an updating of the Carter plan for Zimbabwe, will have a happy result.

The solution to the Namibian impasse lies not in Namibia, but in Angola, where, as President Reagan has pointed out, Mr. Savimbi controls half of that nation's territory. If Mr. Savimbi had control of the government in Luanda, there is little doubt that the SWAPO guerrilla camps would be immediately eliminated. This would eliminate the terrorist and Marxist threat to Namibia, and allow free and fair elections to be conducted in Namibia under the supervision of experienced and functioning major democracies, such as the United States, Canada, France, or Japan.

Although the Luanda government has received wide recognition, its legitimacy rests, at bottom, on the presence of the Cuban troops which keep it in power. It has no claim to democracy, and functions only in the cities, towns, and coastal areas. Mr. Savimbi is an authentic freedom fighter, who has the uncoerced support of the Angolan people, and he has received some assistance not only from South Africa, but from France and Israel too. In every way he deserves the unconditional support of the United States, and indeed, of the Western nations generally. President Reagan has long advocated support for Mr. Savimbi.

The Marxist MPLA government in Luanda has promised that the Cuban troops will leave if a UN election takes place in Namibia. Such a promise anticipates a SWAPO victory under UN supervision, and the isolation of Mr. Savimbi. It is far better that the Cuban troops should leave before there is any Namibian settlement.

If Mr. Crocker had devised a new policy for Angola and Namibia, there are a range of ways to encourage the Cuban troops to leave. Although the Clark amendment presently prevents the provision of military assistance to Mr. Savimbi, it does not prevent other nations from providing the necessary support, nor does it prevent an open and friendly relationship with Mr. Savimbi, and our blessing for his support by other interested nations. Proper support to Mr. Savimbi could isolate the Cuban troops in their garrisons, and destroy their morale.

Instead of taking such a step, Mr. Crocker, in February, dispatched his deputy, Mr. Lannon Walker (formerly the deputy to Mr. Carter's Assistant Secretary, Mr. Moose), to perform a task similar to tasks performed in the Carter administration. Mr. Walker's job was to convince Mr. Savimbi to abandon a proposed trip to the United States, where he would meet with the press, with members of the Senate and the House, with financial backers, and other interested parties. Mr. Savimbi doubtless had even hoped to meet with the President of the United States, who had praised him so highly.

Mr. Crocker declined to testify on what Mr. Walker told Mr. Savimbi at his orders. He did, however, say the following:

Senator, it is my understanding that President Savimbi himself recognized that the active information or disinformation current in the past few months, as we have been reviewing our southern African policies, would have created the kind of climate which, in his own interest, he had no interest in being a part of.

So, after his chat with Mr. Walker, Mr. Savimbi decided, on his own, that he should not come to the United States. This incident is a continuation of the State Department *modus operandi* of preventing anti-Marxist African personalities from having a forum in the United States, particularly with a Congress that might foreclose State's options. Mr. Savimbi is a man of strength and charisma, and his appearance in the United States would have created an overwhelming wave of sympathy that Mr. Crocker could not have overcome.

Instead, now the plan is to force Mr. Savimbi into negotiations with the Marxists. We must be prepared to see Mr. Crocker offer a little aid to Mr. Savimbi, but only enough to increase his bargaining strength with the MPLA, not enough to win. He would then be pushed into a coalition with the Marxists, doubtless in a subordinate position, and without the power to eliminate the SWAPO guerrilla camps.

If Mr. Crocker had wished to change the direction of the Carter policy, he would have given unqualified support to Mr. Savimbi within the purview of U.S. law. At the same time, he would have recognized that the main support of the Luanda government is provided from the earnings of the Cabinda oil fields, under contracts with the Gulf Oil Corporation. Ironically, it is U.S. money that is providing the main support of the Castro troops in Angola.

A policy of change would declare that U.S. paramount interests are affected by the presence of the Cuban troops in Angola, and immediately establish an economic boycott unilaterally. We need have no fear that the oil would go to another country; the oil loading installations in Cabinda are extremely vulnerable to sabotage, and doubtless Mr. Savimbi could see to it that no shipments were made. He has been very effective in bringing the railroads in Angola to a halt.

Such a combined economic and military squeeze could be sufficient to bring Mr. Savimbi to Luanda, send the Cuba troops home, and destroy SWAPO without any U.S. direct involvement at all. This would call the hand of the Front Line states, and challenge the doctrine that U.S. foreign policy for Africa must be approved in Lagos. Moreover, it would guarantee that the U.S. would get a warm welcome in Luanda.

It would, however, also challenge the doctrine that Mr. Carter's Africa policy was essentially correct, and that Mr. Crocker's only job is to do a little fine tuning.

SOUTH AFRICA

Mr. Crocker's policy for South Africa is entitled "Strategy for Change," in an article which he published in the Winter, 1980/81 Foreign Affairs, the publication of the Council on Foreign Relations. It is in this article that he becomes most explicit in his program for managing the transition from the present South Africa to one he euphemistically describes as "a society with which the United States can pursue its varied interests in full and friendly relationship, without constraint, embarrassment or political damage."

President Reagan felt no such constraint, embarrassment, or political damage when he stated a few weeks ago on his Walter Cronkite interview:

"Can we abandon a country that has stood beside us in every war we've ever fought, a country that strategically is essential to the free world in its production of minerals we all must have, and so forth?"

No, we cannot abandon South Africa, nor can we turn it over to the kind of future that has overtaken much of sub-Saharan Africa.

Mr. Crocker is an example of that common paradox, the elitist who feels he knows just what kind of egalitarianism to impose upon his victims. Indeed, despite his pretension to the encouragement of a non-racial society, his prescription of a unitary political structure is, under the circumstances in South Africa, profoundly racist in its implications. It is a prescription which ignores the national structure of the peoples of South Africa, and is, in its way, far more fundamentally flawed than the crippling system of apartheid which now reigns. It is a system under which the black nations of South Africa would suffer more than they now do under the contradictions of apartheid.

The essentially racist concept of Mr. Crocker's thinking is evident in his responses to my questions. In his *Foreign Affairs* article, Mr. Crocker wrote glibly of what he called "the African majority." Yet to make the assumption that "all blacks look alike," is to make one of the most common gaffes of racist thinking. I proposed to him an extensive line of questioning which would have required him to respond to the various political structures and concerns of the indigenous African nations, and their relationship with white national groups. Mr. Crocker refused to respond to these questions, falling back upon South African official statistics of whites, blacks, and coloreds. But in fact there is no African majority.

His insistence upon a racial analysis of the population groups was contrary to the purpose and intent of my questions, and brings into question his understanding of the delicate relationships in a volatile situation. Apparently Mr. Crocker fails to understand the difference between the concept of nations which dwell in a territory and a territory which is arbitrarily defined across the national boundaries. Mr. Crocker's idea of national citizenship is rooted in the simplistic approaches of 19th century rationalism, drawing upon the political and moral philosophy of the so-called Enlightenment. That philosophy reduces all cultural, national, ethical, religious, and political differences to

an artificial common denominator ruled by arithmetical calculation. It is a philosophy which is inherently revolutionary, and which eats away at the foundations of traditional societies.

It is now evident that the concept of apartheid is one which is inadequate to the needs of full economic development, and inequitable in the restrictions that it has placed upon non-white groups in South Africa. But it would be just as wrong to assume that the doctrine of apartheid was conceived in bad faith, or rooted in racial hatred. The history of the Afrikaners, the bitter struggle with British rule (26,000, including women and children, died in British concentration camps), and the deeply religious nature of the Afrikaner spirit, which was untainted by modernist philosophy, brought an approach which was fundamentally in opposition to Anglo-Saxon institutions and concepts of political organization. To condemn apartheid as an inequitable practical failure is one thing, but to demand "purposeful, evolutionary change towards a nonracial system," as Mr. Crocker does is to impose secular values that would destabilize both white communities and the contending black nations.

But what is more disturbing is that Mr. Crocker would rashly push for change by going over the heads of the ordinary people, and seducing the "elites." "Elite" is a favorite word with Mr. Crocker, and appears almost a dozen times in his article. The following is a typical example:

The most accomplished Afrikaners (in business, the professions, higher education, or the public service) have seldom played major roles in a party apparatus based largely on small-town lawyers, failed businessmen, schoolteachers, farmers, clergy, and professional politicians. South Africa's dynamic and competent white elites need to be drawn into the policy process.

The intellectual snobbery inherent in Mr. Crocker's thinking is quite evident in the dichotomy he draws between "small-town lawyers, failed businessmen etc.," and "the most accomplished Afrikaners," who are evidently the "dynamic and competent white elites." Most Afrikaners are fully aware that these dynamic and creative elites control at least three-quarters of their economy, and are fundamentally out of sympathy with their national aspirations. Indeed, the funding of Communist subversion, liberal opposition, and academic research into "change" has come from many of these same dynamic sources who now have the backing of Mr. Crocker. If they trust Mr. Crocker's judgment, they will doubtless find themselves in the same position as the followers in Zimbabwe of Bishop Muzorewa and Mr. Ian Smith.

There is no reason for assuming that the moral and cultural imperatives of special economic interests represented by these dynamic elites are any more to be preferred than the deeply-rooted culture of small-town lawyers, failed businessmen, and farmers. The dynamic elites have the wherewithal to escape the consequences of their actions, but the grass-roots does not.

Mr. Crocker's preference for an elitist policy in Africa is not surprising in view of the fact that African policy has always been determined in that manner since the time of Cecil Rhodes. Although Rhodes was essentially a freebooter, and has retained that image to this day, he was actually a confirmed socialist at heart, having come under the spell of the eccentric John Ruskin at Oxford. Rhodes worked with a small group of fellow Ruskinites—Lord Milner, Sir Ab Bailey, Lord Grey, Lord Rothschild, William Stead, and others—which developed the concept of the British commonwealth as a trust to be turned over to native populations.

Rhodes' fortune went to establish the Rhodes Fellowships to educate native elite in the socialism being taught in England and his own elite group, known as The Round Table, worked on after his death to fulfill those goals. The members of this group controlled administration in South Africa, the Colonial Office in London, the Times of London, the Morgan Bank, and other key spots of influence. Although the members of this group thought of themselves as a private society, it is probably more accurate to describe them as a nexus of powerful decisionmakers with common goals and motivations.

It is ironic that the obstacle to Rhodes' plans were the British and other European settlers who developed South Africa and Rhodesia—an obstacle which has remained down to this day. Not sharing the elitist class pretensions of the Rhodes group, the developers of Africa were interested in hard work and creative development of their own society. The British Foreign Office finally removed the obstacle in Rhodesia last year; now Mr. Crocker is going to work on the obstacle in South Africa.

It is not surprising that the chief organ for the continuation of these policies has been the Round Table and its offshoot, the Institute of Strategic Studies. When the Morgan Bank moved to New York, a similar institute was set up in the United States, funded by the Morgans, Carnegies, Rockefellers, and others interested in international business operations. That institute is known as the Council on Foreign Relations.

Although the Council does not take stands on foreign policy, it is noteworthy that it has been closely identified with U.S. foreign policy for the past 60 years. Twelve out of sixteen Secretaries of State since the time of Charles Evans Hughes have been selected from the Council's membership rolls. The only exceptions have been Cordell Hull, James F. Byrnes, George C. Marshall, and Edmund Muskie. Although the Council disclaims that it sets policy, the fact remains that not only the Secretaries of State, but many lower echelon State Department officials, as well as key financiers and businessmen, have been members. For this reason, the Council has become an object of legitimate public debate when the foreign policy failures of the past few decades are at issue.

Mr. Crocker, of course, is a member of the Council on Foreign Relations. His important article, which is the model for his African policy, was published in the Council's journal. There is every reason to believe, therefore, that the African policies articulated by Mr. Crocker will not be the new policies that the people thought they were getting when they elected President Reagan, but the same old foreign policy run for the benefit of businessmen and socialists. Indeed, when Mr. Crocker was asked whether he would resign from the Council on Foreign Relations as a symbolic gesture of a new beginning, he declined to do so.

I must oppose the nomination of Mr. Crocker. His elevation to the policy-making hierarchy will not mean necessarily that the President will fall into the same trap as our past Presidents. I have confidence in the President's wisdom, and I think that it is obvious that the President, in nominating Mr. Crocker, is giving a pro-forma endorsement. It will mean, however, that Mr. Crocker's actions and policy statements will need to be monitored very, very carefully.

QUESTIONS FOR CHESTER CROCKER FROM SENATOR HELMS

1. The roster of the Council on Foreign Relations lists you as a member of this organization. Are you currently a member?

Yes.

2. How long have you been a member of the CFR?

Since March 4, 1980.

3. What is your understanding of the purposes and goals of the CFR?

As stated in their own annual report, the purposes and goals of the CFR are as follows: "To break new ground in considering international issues; to help shape American foreign policy in a constructive, non-partisan manner and to provide continuing leadership for the conduct of our foreign relations; to inform and stimulate the Council's own membership."

4. In what way does the CFR assist you in your professional career?

It allows access to professional publications and the opportunity to meet and discuss foreign policy matters with persons of differing points of view in the field of foreign relations.

5. Is it fair to say that members of the CFR have played a dominant role in U.S. foreign policy decisions for the past 50 or 60 years?

CFR members have played a prominent role in U.S. foreign policy decisions, but not necessarily because they are members.

6. Despite the fact that the CFR does not officially take positions on issues, does it represent a consistent attitude of professionalism and methodology?

It is my understanding that the Council consists of members representing a wide variety of professional and institutional backgrounds and points of view, and that it makes an effort to do so.

7. How many Secretaries of State have been, or were drawn from, members of the CFR?

Twelve: Charles Evans Hughes, Frank Kellogg, Henry Stimson, E. R. Stettinius, Dean Acheson, John Foster Dulles, Christian Herter, Dean Rusk, William P. Rogers, Henry Kissinger, Cyrus Vance and Alexander Haig.

8. Many citizens of this country feel that the CFR is identified with the failed policies of the past few decades because of the intimate connection of members of that organization with those policies. Do you accept this criticism?

Policies of the U.S. Government are a reflection of the Administration in office, not of any non-governmental organization. Not all of the policies of the past few decades have failed.

9. The CFR, and similar groups, became the object of political controversy during the Reagan campaign. Do you think that the CFR is a proper object of political debate?

I do not believe it is appropriate for me to comment on this question.

10. A key criticism of the CFR is that it perpetuates elitism in policy-making circles, thereby excluding the general interested populace from participating effectively in policy decisions. Do you think that the CFR serves elitist interests, rather than the national interest?

It is not my impression that the Council seeks to serve elitist interests but rather that it seeks to stimulate discussion of various interpretations of how to serve the national interest in foreign policy.

11. Another criticism of the CFR is that its methodology encourages pragmatism in decision-making, thereby undercutting moral consistency, loyalty to allies, and effective intervention on behalf of traditional national interests. Do you see merit in this criticism?

I am not aware of any single methodology in the Council's program or its activities. It is my view that success in politics depends upon a blend of adherence to fundamental principles and pragmatism in their application as best serves the national interest.

12. When the CFR became an object of controversy during the presidential primaries, Vice President Bush promptly resigned as a gesture towards public sentiment. Do you think that the Vice President acted properly?

It is my understanding that the Vice President resigned from the CFR in approximately April 1978, not during the presidential primaries.

13. You have been nominated to a position which requires the advice and consent of the Senate. Do you think that this is an indication that this position requires a special responsiveness to public opinion?

All members of the Administration have a responsibility to the President and his Cabinet at whose pleasure they serve. I believe that they should also be responsive to public opinion in the context of the mandate which the electorate has given them to carry out.

14. President Reagan campaigned on the grounds, among others, that he would pursue a new direction in foreign policy. Do you think that if, like Vice President Bush, you resigned from the CFR, you would be able to project better the image of a new direction?

I think I am fully qualified and able to project the image of the Reagan Administration without severing my previous membership in any non-governmental organization of this kind.

15. Will you resign from the CFR?

No.

QUESTIONS OF SENATOR JESSE HELMS FOR MR. CHESTER CROCKER

The Salisbury Herald for April 14, 1981 reports on your visit to that capital as follows:

The United States draws "an important distinction" between a nationalist party which uses Marxist-Leninist terminology and the Soviet Union and its allies, Assistant Secretary of State-designate for African Affairs, Dr. Chester Crocker, said in Salisbury yesterday.

He was speaking about SWAPO, the Namibian liberation movement, and elaborating on a statement he made that his country had no interest in seeing the expansion of Soviet power anywhere in the world.

Dr. Crocker underscored that policy but explained at a news conference that in pursuing it the United States studied its approach "case-by-case."

In relation to Namibia, he said: "There is no question that SWAPO is supported by the Soviets and their friends at present, but I think it would be an over-simplification to think that that by itself accounts for what SWAPO does or what SWAPO would do if it were to win an election."

Is it your opinion that the only element disqualifying SWAPO from US recognition and diplomatic support is the fact of Soviet support?

Answer. It is not our policy to provide "recognition and diplomatic support" to SWAPO. We recognize SWAPO only in the strictly limited sense as a participant in the negotiations for a Namibia settlement and as a potential participant in free and fair elections in Namibia. We believe that all political parties who will be participating in Namibian elections should be treated equally.

2. Do you consider SWAPO to be a terrorist movement?

Answer. It is clear that SWAPO and South Africa are engaged in a conflict in which the civilian population is often caught in the crossfire. The Administration does not condone or endorse the tactics of either party, and we cannot favor the escalation of violence.

3. If SWAPO dropped its Marxist-Leninist terminology, but not its policies, would SWAPO become acceptable to you?

Answer. One of our major concerns about any eventual government in Namibia, including one with SWAPO participation, would be the policies that it would pursue. As we have seen in Zimbabwe, the idiom of a government is only one aspect of its policies. We are seeking to bring Namibia to genuine independence under conditions that would assure that an eventual independent government would be democratically elected, recognized internationally, and operating within a framework that guaranteed the rights of Namibians of all races and political persuasions. Within such a framework it is up to the people of Namibia to decide on the political parties of their choice.

4. Do you consider SWAPO to be a nationalist movement?

Answer. SWAPO has considerable support among black Namibians and certainly has many nationalist elements in it. I also consider that the Democratic Turnhalle Alliance (DTA), which also has considerable support with Namibians, is a nationalist movement.

5. Is SWAPO primarily an Ovambo-based movement, or does it also represent Hereros, Hottentots, and other national groups in Namibia?

Answer. SWAPO probably has some support among all ethnic groups in Namibia. However, it is generally thought to have its greatest support among the Ovambo people who comprise approximately 46 percent of the population.

6. Is there any evidence that SWAPO represents even the Ovambo?

Answer. Most observers of the Namibian scene would agree that SWAPO has widespread, though not necessarily exclusive, support among the Ovambo.

7. In a one-man-one-vote election, is it fair for one black nation to rule over another black nation simply because the first has the largest number of members?

Answer. If a one-man-one-vote election were to lead to the imposition of an authoritarian regime in Namibia, I would not consider that a fair outcome. It is this potential outcome which the drafters of Namibia's constitution must grapple with in their deliberations.

8. Is the Turnhalle government a legitimate government? Can you provide the election statistics relevant to its election, including the over-all number of eligible voters? In your judgment, was it a free and fair election?

Answer. Neither the United States nor any other country recognizes the "Turnhalle Government". South Africa organized elections in December 1978 which were boycotted by SWAPO and several other political parties representing black Namibians. In those elections the DTA won 80% of the vote. South Africa at one point stated that 412,000 people or 93% of those eligible, voted but others have estimated from 69–70%. There were conflicting views on the freeness and fairness of the elections. I am not in a position to make a judgment on that point.

9. Why should the Front Line States, or others, such as Nigeria, have anything to say about the internal decisions of the Namibian people? Is it fair to characterize their threats to continue to support guerrilla movements blackmail?

Answer. While it is undeniably true that most African governments have supported SWAPO, it is equally important to recognize that they have also attempted to resolve the conflict through negotiations. It is our purpose to reinforce and strengthen the chances of a negotiated settlement which would protect and enhance the right of all Namibians to make their own decisions. That right would not be advanced by the continuation of the current conflict.

10. Can the UN be considered an impartial overseer of elections when the General Assembly has declared SWAPO in advance to be the sole and authentic representative of the Namibian people? Is the UN Security Council impartial when it refuses to allow the Turnhalle government to participate in the debate over its future?

Answer. Neither we nor the other members of the Contact Group accept the UN General Assembly's position that SWAPO is "the sole and authentic representative of the Namibian people." The U.S., U.K., France, Japan, Ireland, and Spain supported the DTA's unsuccessful request to speak in the recent Security Council debate on Namibia. We believe that the Security Council's vote not to hear the DTA was unwise and unfair. Such actions cast doubt on the impartiality of the UN itself and could play into the hands of those who seek to prolong rather than resolve the conflict. At the same time, we continue to believe that a strengthened UN Plan, enhanced by measures aimed at giving greater confidence to all of the parties, can serve as a basis for a transition to independence in Namibia.

11. Do you support the claim of South Africa to Walvis Bay as an enclave distinct from Namibia? Why or why not?

Answer. The United States believes that the question of Walvis Bay might best be addressed after a Namibia settlement by the parties directly concerned.

12. Do you support UN Resolution 435? Why or why not?

Answer. SCR 435 provides a basis for the transition to independence in Namibia, but we believe that it will be necessary to strengthen its provisions in order to reach a settlement. We are committed to the goal of internationally recognized independence for Namibia and we recognize that this goal can only be realized when all parties have the necessary confidence to move forward to implement a settlement.

13. Do you think that a free and fair election can be held in the presence of UN troops?

Answer. In the context of the settlement plan we seek to develop, we believe that the UN is capable of monitoring free and fair elections.

14. Do you think that a Lancaster House-type constitution is a prerequisite to an election?

Answer. We believe that a settlement can be facilitated if all of the parties have greater confidence in the future of Namibia once independence is achieved. We are presently engaged in consultations with our allies and other interested parties on how this objective might best be attained. The Lancaster House model is one possibility but it is not the only way of obtaining a democratic constitutional outcome.

15. Do you think that steps should be taken to prevent the United Nations from providing financial and diplomatic assistance to SWAPO?

Answer. I do not believe that UN General Assembly's financial and diplomatic support to SWAPO advances the negotiating process. I believe that this is one of the points which will need to be addressed as we move toward a settlement.

SOUTH AFRICA

1. In your article in *Foreign Affairs*, you write: "More attention must be focused on those South Africans—the Afrikaners and the African majority—who are shaping and challenging the current order." Who is the African majority?

Answer. The question you have raised goes to the heart of my discussion of South African politics. The term "African majority" used in my article refers to all people of in-

digenous African ethnic origin living in South Africa. South African official data indicate that indigenous Africans account for some 71.8% of the total population. It is by no means clear that Africans in South Africa think of themselves as a cohesive "majority" or a single community. Nor is it clear whether, if given an opportunity to express their political preferences, African voters would in fact coalesce around a single leader, party or platform. In the absence of such an opportunity, each observer is free to draw his own conclusions.

It is not the task of Americans or the U.S. Government to tell South Africans what kinds of political institutions are appropriate to their circumstances or how they should be established. We cannot avoid noting, however, that at present the majority of South Africans are not considered to be citizens of South Africa and are not offered an opportunity to participate in national political institutions through representatives of their choice. Instead, Africans are recognized as citizens of nine ethnically-defined black nations. White, Coloureds (mixed race), and Asians are not similarly broken down into their respective linguistic, religious and cultural components. In these circumstances, it is perhaps natural that Africans perceive themselves increasingly as "the majority" since government policy treats all African groups—whatever their ethnic origin—on a differential basis compared to whites, Coloureds, and Asians.

Questions 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11.

Answers. I do not subscribe to the view that the ethnic origin of any individual in South Africa abridges that individual's right to South African citizenship should that be the decision of a majority of South Africans. That there are recognizably distinct ethnic groups in South Africa is widely recognized. The same is true in the United States. That these should constitute separate sovereign nations in a political sense is the basis and objective of the policy of apartheid, a policy which President Reagan has stated is abhorrent to American principles and values. I fully share the President's views on apartheid.

An attachment provides data on the ethnic composition of the South African population.

CENSUS FIGURES—REPUBLIC OF SOUTH AFRICA

The official Republic of South Africa-wide survey produced the following figures (excluding Bophuthatswana, Transkei, and Venda):

	1980 census	Percent growth from 1970 census
White	4,453,273	18
Black	15,970,019	31
Colored	2,554,039	25
Asian	794,639	26

The so-called independent homelands also conducted censuses to coincide with the SAG effort, but neither the Transkei nor Venda has revealed their results. However, if 1978 extrapolations of resident populations (from the semi-official BENSO) are accepted—2,483,700 for the Transkei and 357,600 for Venda—and added to Bophuthatswana's 1980 census result of 1,310,722, the total population of South Africa rises to approximately 27.9 million of which 15.9% (4,453,273) is white, 9.1% (2,554,039) colored, 2.8% (794,639) Asian, and 72.0% (21,122,041) black. Between the 1970 and 1980 censuses, the groups showed differing growth rates. The average annual growth rate for whites was 1.7%; for coloreds 2.2%; for Asians 2.4%; and for blacks 2.7%. These rates have declined over the last two decades.

POPULATION PROJECTIONS

Group	1990		2000		2020	
	Number	Percent average annual increase	Number	Percent average annual increase	Number	Percent average annual increase
White	5,013,500	1.36	5,631,200	1.17	6,841,800	0.90
Percent of total	(13.8)		(12.1)		(10.0)	
Colored	3,612,800	2.86	4,698,700	2.67	7,299,800	2.09
Percent of total	(9.9)		(10.1)		(10.4)	
Asian	1,045,500	2.35	1,270,100	1.96	1,725,000	1.39
Percent of total	(2.9)		(2.7)		(2.4)	
Black	26,776,400	2.78	34,747,500	2.64	54,589,900	2.14
Percent of total	(73.5)		(75.0)		(77.5)	
Total	36,448,200	2.56	46,347,500	2.44	70,456,000	2.10

ECONOMICALLY ACTIVE POPULATION

Group	1990			2000		
	Number	Percent of total	Percent of race group	Number	Percent of total	Percent of race group
White	2,249,700	16.4	44.9	2,700,900	15.2	47.9
Colored	1,318,800	9.6	36.5	1,728,900	9.7	36.8
Asian	309,600	2.3	29.6	382,200	2.1	30.1
Black	9,842,900	71.7	36.8	12,968,400	72.9	37.3
Total	13,721,000	100.0		17,780,400	100.0	

Question 12. What is the ethnic base of Nelson Mandela and the Committee of Ten? Can they be said to represent the interests of other black nations, the Zulu, for example? What is the ethnic base of Bishop Tutu? Is he accepted by, say, the Zulus and the Swazis?

Answer. The Committee of Ten is led by black South Africans. Nelson Mandela is not associated with the Committee of Ten. Both Nelson Mandela and the Committee of Ten are widely seen by black and white South Africans alike as expressing the views of a significant number of black South Africans. Bishop Tutu, likewise is a black South African and the head of the South African Council of Churches, an interdenominational religious organization. It is not for the U.S. to say whether and to what extent these individuals "represent" various black communities in South Africa. In the absence of an open test of opinion, we have little basis to do so beyond the reports we receive from South Africans themselves.

Question 13. What is the political orientation of the Inkatha? What would its role be versus the ANC? What would be its legitimacy under a one-man-one-vote constitution?

Answer. Inkatha is a cultural organization led by Kwazulu Chief Minister Gatsha Buthelezi. Inkatha officials have had discussions over a period of time with members of the African National Congress. Inkatha represents the views of its members in attempting to bring about a dialogue among South Africans leading to a non-violent resolution of the issues that divide South Africans today. The question of Inkatha's position under a constitution such as you describe would be determined by Inkatha's platform and the response to it of South African voters.

Question 14. What is the relationship of the Zulus with the Afrikaaners? With the English, with the Indians of Natal?

Answer. The Government of South Africa, in accordance with its policy of apartheid, prescribes separate living areas for Africans, whites and Indians in Natal as in other Provinces. The Zulu population is assigned citizenship in the KwaZulu homeland (in Natal) whose leaders have not accepted the offer of independence granted by the central government. Zulus living outside KwaZulu (in Natal and elsewhere) are subject to the same legal requirements under the Group Areas Act as are all other black South Africans of African origin. That Act and others assign rights and duties on the basis of race not ethnic (e.g., Zulu) origin.

Question 15. Is it realistic, or desirable that the rich and varied historical, political, and cultural interests of the black nations be subsumed under a catch-all phrase such as "the African majority"?

Answer. See answer to Question 1.

Question 16. In your article in *Foreign Affairs*, you advise that we should work with certain "elites." For example, you say: "The most accomplished Afrikaaners (in business, the professions, higher education, or the public service) have seldom played major roles in a party apparatus based largely on small-town lawyers, failed businessmen, schoolteachers, farmers, clergy, and professional politicians. South Africa's dynamic and competent white elites need to be drawn into the policy process." By its very nature, the group which you praise ("dynamic and competent") is a minority, while the group which you deprecate as failures is the apparent majority. Why should we assume that the culture and moral purpose of the majority group—the group which we would call the grass roots in our own country—is any less worthy of support and encouragement than that of privileged minorities representing special economic interests at variance with the interests of the majority? Should our policies be based on inner-circle elitism?

Answer. No. The leading role of various interest groups in South Africa has been recognized and strengthened by Prime Minister Botha. For example, in 1979 he addressed the English-speaking community in an effort to assure closer business-government relations in the search for policies responsive to South Africa's need. I do not believe, as the question suggests, that the Prime Minister's ac-

tions are at variance with what he perceives to be "the interests of the majority."

Question 17. In your article, you state: "nor can we operate on the basis of a Marxist/non-Marxist litmus test in the choice of regional partners because there could be a widening gap between performance and rhetoric." Is not the crucial issue in Africa whether or not African governments can provide an environment where their people can prosper—as opposed to ideologues who insist that race is the prime issue? And if we support, or appear to support, governments based on socialist or Marxist rhetoric, does not that undermine our efforts to support freedom and economic independence? Unless our support is tied to concrete steps to dismantle Marxism in word or deed, are we not working against both our interests and African interests?

Answer. I share your condemnation of those ideologies who insist that race is the price issue. The South African Government's policy of apartheid plays into the hands of the Marxists and such ideologues of race by alienating a majority of the South African population. I fully agree that the question in Africa and elsewhere is the benefits which accrue to the general populace from government policy. In Africa and elsewhere Marxism and socialist policies have failed to provide such benefits. It is important in this connection that the US and our Western allies make every effort to demonstrate the efficacy of free market principles. We intend to do so in our relations with the states of southern Africa, and to urge South Africa—the largest capitalist economy in the region—to extend the benefits of capitalism to all its citizens.

Question 18. In your article, you state: "Adherence to the UN arms embargo and the U.S. refusal to use South African defense facilities are symbolically important ingredients of policy; they should be continued in the absence of major political change, barring a dramatic deterioration in the geopolitical situation facing the West in adjacent, areas." Isn't it playing a dangerous game to refuse reasonable military cooperation with South Africa, while confidently expecting South Africa to cooperate with us when our vital interests are suddenly threatened? Isn't such a strategy likely to drive South Africa towards the much-rumored accommodation with the Soviet Union? Is the present government of South Africa, a legitimate government? As such, doesn't it have the right to provide for its own defense? Shouldn't its allies have the right to assist in that defense to mutual benefit?

Answer. The present government of South Africa is a legitimate government and is recognized as such by the international community including the states of Africa. The government has the right and duty to provide for its own defense. At the same time South Africa's friends including the U.S. have a right and duty to determine the extent of their defense relationship with South Africa, if any, on the basis of their own national interests. We will do so bearing in mind the full range of those interests, our international obligations and our responsibilities as a global power and leader of the West.

Question 19. The British news media have recently reported that the South African mining firm, Anglo-American, has held discussions with Boris Sergea, deputy head of the Soviet platinum and diamond marketing organization, on cooperation with the Soviet Union and strategic minerals issues. Is such a policy in the best interests of South Africa? Is this an example of the pragmatism and flexibility which you admire in the white elites of South Africa?

Answer. Questions with regard to the business practices of Anglo-American might best be addressed to that company and to the government of South Africa under whose laws it operates. The Department of State has no direct information on the matter you raise, but would suggest that the United States has no legal basis to intercede in the discussions referred to.

Question 20. Anglo-American has reportedly moved its base and case reserves to the Bahamas. Can you supply details?

Answer. It is my understanding that Anglo-American, already a major foreign investor in the United States, has made additional investments in this country. We have no information concerning investment in the Bahamas.

1. Unfortunately, since you had to catch a plane on April 6, I was not able to finish my line of questioning about emigration from Zimbabwe. You stated that you did not think that emigration was increasing. However, competent source in Zimbabwe, with access to official data, inform me that emigration is at least 50 percent higher than it ever was during the war, when it never went over 2000 per month at the highest. Can you furnish emigration data on a month-by-month basis since independence?

Immigration data from the Central Statistical Office of the Government of Zimbabwe is attached. As it indicates, net migration for 1980 was 10,833 compared to 9,304 for 1979 and 11,817 for 1978. The highest monthly net migration was 2,407 in December 1978.

TABLE 1.—RECORDED MIGRATION THROUGH OFFICIAL PORTS[1]

Period	Immigrants	Emigrants	Net migration
1964	7,130	13,638	−6,508
1965	11,306	6,837	4,469
1966	6,549	7,561	−1,012
1967	9,819	5,594	4,225
1968	12,013	5,063	6,950
1969	11,075	5,232	5,843
1970	12,345	5,238	7,107
1971	14,881	4,713	10,168
1972	14,085	4,562	9,523
1973	9,511	6,846	2,665
1974	9,764	7,982	1,782
1975	12,552	9,242	3,310
1976	7,941	13,013	−5,072
1977	5,914	14,556	−8,642
1978	4,650	[2] 16,467	−11,817
1979	3,647	12,951	−9,304
1980	6,407	17,240	−10,833
1978:			
January	561	1,137	−576
February	489	729	−240
March	498	826	−328
April	431	[2] 964	[2]−533
May	553	1,098	−545
June	421	1,015	−594
July	254	1,190	−936
August	435	1,503	−1,608
September	306	1,83[illegible]	−1,529
October	287	1,705	−1,418
November	226	1,869	−1,643
December	189	2,595	−2,407
1979:			
January	36	1,313	−944
February	322	853	−531
March	329	1,466	−1,137
April	246	1,690	−1,444
May	292	1,191	−899
June	238	953	−715
July	237	912	−675
August	382	926	−544
September	288	1,511	−1,223
October	365	628	−263
November	307	610	−303
December	272	898	−626
1980:			
January	[3] 453	1,075	[3]−622
February	407	872	−465
March	393	997	−604
April	332	1,278	−946
May	464	1,558	−1,094
June	519	1,238	−719
July	542	1,644	−1,102
August	550	1,931	−1,381
September	948	2,004	−1,056
October	733	1,432	−699
November	503	1,470	−967
December	563	1,741	−1,178
January-December:			
1979	3,647	12,951	−9,304
1980	6,407	17,240	−10,833

[1] This table is known to be an incomplete record of all mirgation. In the main this is because of: (a) the omission of cross border movements at points other than the official ports, and (b) evidence that some residents who declare they are leaving for less than 12 months in fact stay away permanently or rather longer than a year.

[2] Records of African emigration through official ports started in April 1978.

[3] Records of African immigration through official ports started in January 1980.

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1. The Zimbabwe Central Statistical Office has released official emigration figures through the end of February, 1981. Figures for March not yet available. The statistics show that 2193 people emigrated in January and 1526 in February this year, compared with 1947 over the same period in 1980. However, the number of immigrants more than doubled over the two month period from 860 in 1980 to 1747 in 1981. The net migration figure of 794 in February was the lowest since the beginning of 1980.

2. Migration figures are not published on a racial basis, but most of the emigrants are believed to be white while a signicant number of immigrants are returning black Zimbabweans.

3. Figures produced by the central statistical office also show that vital skills are being lost through emigration. For the year 1980 Zimbabwe lost 6445 skilled people and gained 3017. Administrative, clerical, teaching and engineering staff are leaving the country while medical and scientific workers are coming in. Zimbabwe had a net loss of 69 engineers in 1980. Departures of accountants and auditors left a deficit of 70, while production supervisors and general foremen left a gap of 35 in industry. More than 1500 clerical workers and 431 administrative and managerial staff left the country while 480 clerks and 279 managers arrived. There was a net gain of 29 doctors in 1980, but the country lost 164 nurses and midwives.

4. The breakdown of economically active immigrants and emigrants during 1980 follows:

Occupations	Immigrants	Emigrants
Professional technical and related workers:		
Physical scientists and related workers	35	32
Engineers	127	169
Draughtsmen	37	43
Engineering technicians	23	58
Physicians and surgeons	75	46
Accountants and auditors	85	155
Teachers	11	98
Religious workers	114	93
Other	W10	251
Total professional, technical and related workers	896	1,002
Administrative and managerial workers	268	410
Clerical and related workers	211	580
Sales workers	130	244
Service workers	106	350
Agricultural and related workers	94	239
Production and related workers:		
Production supervisors and general foreman	49	94
Miners, quarrymen and related workers	14	48
Mechanical engineering workers	181	372
Aircraft workers	9	47
Motor mechanics and related workers	64	169
Electricians and related workers	126	176
Construction workers	31	70
Printers and related workers	27	54
Other	116	295
Total production and related workers	617	1,335
Occupations not adequately described	58	463
Total males	2,390	4,623
Females:		
Professional technical and related workers:		
Nurses and midwives	77	239
Teachers	56	136
Religious workers	32	33
Other	97	192
Total professional, technical and related workers	262	600

Occupations	Immigrants	Emigrants
Administrative and managerial workers:		
Clerical and related workers	211	580
Sales workers	20	59
Service workers	32	79
Agricultural and related workers	2	4
Production and related workers	10	18
Occupations not adequately described	21	58
Total females	627	1,822
Grand total	3,017	6,445

2. I am further informed that the official figures do not reflect the unofficial emigration, which consists of thousands of people who have simply left Zimbabwe without declaring that they are leaving. Can you estimate how many Zimbabweans are now living and working in other countries because they feel the situation is too uncertain?

We have heard reports which we are unable to verify that some white Zimbabweans have left the country as "tourists" with no intention of returning. We are not aware of a reliable estimate of their number.

3. How much capital are emigrants allowed to take with them when they leave Zimbabwe?

A family leaving Zimbabwe is allowed to take out of the country movable personal possessions and to convert Zimbabwe dollars 1000 (approximately US $1500) into foreign exchange. A single person may leave with personal possessions and Zimbabwe dollars 500 (approximately $750).

4. Do you think that these restrictions are a deterrent to emigration?

Yes.

5. What would happen if the restrictions were lifted?

If these restrictions were lifted, we would logically assume that emigration would increase to some extent.

6. Zimbabwe is now seeking foreign investment. Can you supply a list of major projects in Zimbabwe which have actually been funded since independence, with the principal investors?

It is difficult to obtain data on foreign investment in Zimbabwe. It is our impression that American businessmen have been particularly interested in Zimbabwe since the June 1980 US Chamber of Commerce trade mission but they have been cautious about following through on that interest. We estimate total investment at $50 million since independence.

7. What restrictions are there on the withdrawal of foreign capital and of earnings on that investment?

Zimbabwe Government policy on foreign investment is presently being formulated. The guidelines which are being used are contained in the February 1981 White Paper "Growth with Equity". The relevant section of that statement is attached.

2. The National Development Fund

106. Fully consistent with national self-reliance and the need to demonstrate to Zimbabwe's friends abroad the seriousness with which Government views the development task, Government intends to establish a National Development Fund for the purpose of mobilizing, or accounting for, domestic and external resources intended exclusively for development.

3. Money and Finance

107. Until now the private sector has dominated the financial and commercial banking sector. Much of this sector is foreign-owned and controlled. While private (domestic and foreign) institutions have been brought under control of the Reserve Bank of Zimbabwe and while, on the whole, the monetary and financial sectors have served the modern industrial and commercial sectors effectively, past monetary and financial policies have generally ignored or discriminated against black agriculture and the small business sector which is largely black.

108. In future, Government monetary and financial policy will employ a wider range of instruments, including—

(i) more use of bank rate and open market operations to support policy objectives and ensure that the cost of money and credit properly reflects scarcity value;

(ii) firmer influence on credit allocation to ensure equitable distribution of credit to priority areas of economic and social development;

(iii) promotion of greater domestic participation and control in banking and financial institutions in order to ensure the effective implementation of monetary policy; and

(iv) examination, through a Commission, of the whole monetary and financial sector with a view to establishing a suitable policy framework which will assist in the achievement of economic and social objectives.

4. Fiscal Policies

109. The tax structure in Zimbabwe is substantially regressive because of its reliance on indirect taxes for more than a third of tax revenues. In the past, Government expenditures were designed to ensure minimum spillover of benefits to one racial group of tax revenues from another racial group. Because of the wide disparities in incomes between racial groups this made the total fiscal system highly regressive. The level of subsidies and their implications for equity and efficiency are a source of concern to Government.

110. Government views the entire fiscal system as a major instrument for achieving its objectives of growth, equity and full employment. To this end, Government will carry out a fundamental examination of the entire fiscal system, including the system of subsidies, the tax system and the distribution of benefits. Government will consider establishing a Tax Commission to assist in this process.

111. It will be a priority task, in this examination, to identify any ineffective and inequitable features in the fiscal system and to devise effective early measures to remedy such deficiencies.

5. Investment

112. Government policy is to develop to the full the potential of the agricultural, mining and industrial sectors of the economy. To this end, Government will encourage and welcome the participation of private enterprise in productive activities which create employment opportunities for Zimbabweans and which make a net contribution to the economy.

113. The Government regards investment in the rural areas as an absolute priority and a key-point of economic policy. Although it accepts that investment in these areas in the formative year may well yield lower returns to an entrepreneur than are available from the highly developed urban complexes, Government urges investors to take the longer term national view and look to future rewards.

114. Government recognizes the vital role which foreign investment can play in the development of industry, in the very broad sense of the term, and desires the maximum possible Zimbabwean participation in all spheres of economic activity carried on within the country.

115. Government welcomes participation in joint venture projects and stands ready to negotiate appropriate agreements with investors.

116. Government also looks forward to undertaking industrial cooperative agreements as supplementary to joint ventures which could involve supply and leasing of plants, co-production, co-marketing, etc., between Zimbabwean State enterprises and the relevant foreign or domestic enterprises.

117. Government recognizes the need for fair returns from investment having regard to its price control policy and taxation regime.

118. General policy on taxation of income is not to discriminate between the domestic and foreign investor except in relation to withholding taxes on dividends and branch profits.

119. General policy is to encourage domestic participation in productive enterprises within the country. Foreign investors will be expected to provide for domestic equity participation within a reasonable period of time.

120. Foreign investment will be welcomed especially in—

(i) new enterprises in rural areas where socio-economic benefits may be expected to occur;

(ii) new enterprises, particularly those requiring specific technology available to the foreign investor, which will make an additional net contribution to the economy, including the training of Zimbabweans;

(iii) new enterprise on a joint venture basis, where the investor specifically wishes to have either an immediate domestic participation or a State equity participation, and which will make an additional net contribution to the economy;

(iv) existing enterprises where an injection of additional foreign capital or technology will mean an increase in productivity and an improvement in the end product. As a general rule, the absolute amount of existing domestic participation in domestic enterprise should not be diluted, in future, by sale to foreign interests; nor must an existing domestic control level of equity holding be allowed to pass to foreign investors. But there is no objection to new foreign investment being introduced into existing enterprises to improve efficiency, technology, etc.;

(v) undertakings in which more intensive use of local raw materials and processed inputs is promoted;

(vi) areas in which labour-intensive technology and, in addition, technology that is appropriate and easily adaptable is promoted;

(vii) activities in which generation of exports within a reasonable period is possible.

121. No special or preferential taxation, exchange control or import control benefits will be granted as a condition of State participation in any enterprise.

122. Government is fully aware of the need for, and willing to facilitate, profit and capital repatriation, but this will be subject to constraints in the balance-of-payments situation and the country's interest in promoting re-investment of profits. Having regard to the need for a planned and co-ordinated industrial development, Government will institute various measures, including a system of licensing, to ensure that private domestic and foreign investments of a given minimum size are consistent with the Government's industrial development plan. Government will accordingly review present project approval arrangements with a view to determining their adequacy.

123. While Government encourages foreign investment, it is anxious to minimize those practices of the transnational corporations which are inimical to a country's development. In this regard, as in the case of technology, Government will ensure that they comply with the relevant international codes of conduct.

124. In general, Government will seek to participate in strategic industries. However, the level and rate of Government participation will be examined on a case by case basis through mutual agreement and in the light of national objectives and priorities.

6. Institutional Developments

125. It is an unfortunate historical fact of our country that the establishment of institutions has been along racial lines. This not only meant inevitable duplication but also a limitation of their jurisdictional scope.

With the new socio-economic order and the objectives which the nation has set for itself, it will be necessary to carry out an urgent review of all the existing public sector economic institutions with a view to determining their effectiveness, the extent to which their jurisdictions and mandates meet the requirements of the new order, and the extent to which rationalization is necessary and desirable to ensure that these institutions will be able to meet the needs of the economy.

126. In order to sustain and accelerate the pace of economic growth and development within the national objectives outlined in this Statement, Government will establish the following institutions:—

1. The Zimbabwe Development Bank

127. The Zimbabwe Development Bank will help in the mobilization of domestic and external financial resources in order to finance investment projects of high national priority. The Bank will lend to the State and its agencies, to joint-venture projects, whether between the State and foreign investors or between local nationals or enterprises, and to foreign investors. It will be free to lend to the re-organized State financial institutions and rationalized parastatal organizations such as the Agricultural Finance Corporation (A.F.C.) and the Industrial Development Corporation, (I.D.C.).

2. The Zimbabwe Development Corporation

128. This will be a State holding company and a development arm of the nation operating in all sectors of the economy and serving particularly as the Government's channel of participation in the economy either on its own initiative or in collaboration with domestic private or foreign public/private investors. It will also be free to act through any existing development institutions in the public sector.

3. The Mining Development Corporation

129. The Mining Development Corporation, which will be a subsidiary of the Zimbabwe Development Corporation, will be responsible for Government's participation in the mining sector.

4. The Zimbabwe National Tourism Corporation

130. There is a need to develop the natural tourist resources of this country to their full potential, as they represent an invaluable economic asset. The accent on such development must be on conservation, preservation and proper management with proper consideration for the environment, future generations and the Zimbabwe culture, customs and traditions.

131. The Zimbabwe National Tourist Corporation will, *inter alia*, have the overall responsibility for co-ordinating, and undertaking other appropriate activities.

8. Do you think that such restrictions encourage or discourage investment?

The investment policy of the GOZ appears to be reasonably flexible and forthcoming toward foreign investors. We believe that like those of other developing countries, Zimbabwe's leaders are increasingly aware of the advantages of free market investment policies and we make our preference for such policies known to them.

9. What is the current rate of inflation in Zimbabwe?

In the neighborhood of 10% in 1980 according to various estimates. The lowest estimate is 7%, the highest 12–15%.

10. What is the current deficit?

We recognize that the Government of Zimbabwe is at the present time spending well beyond its means. Swollen in previous years by the cost of financing the war, the budget deficit is now due to rise 16% to over US $1.0 billion. Unless the strong economy generates higher revenues than originally forecast or more international aid is forthcoming, borrowing requirements could approach nearly US $900 million, 37% of total expenditures.

Many observers regard the budget deficit and the measures taken to finance it as the single most serious threat to the recovery. The government's financial policies rely very heavily on domestic borrowing and only slightly on international capital markets. On the one hand, the sharp increase in the money supply fed by a reliance on domestic capital sources is expected to generate severe inflationary pressures. Demands by the public sector on domestic credit could starve private investors of the capital needed to finance industrial expansion. On the other, the reluctance to turn to international borrowing when the debt ratio is running at less than 3% could also deny the industry the means of purchasing the capital equipment it needs to meet domestic demand and generate the export earnings required to sustain the recovery.

11. Has the Mugabe government received any foreign assistance or foreign loans? Give details.

The Mugabe government has been the recipient of substantial foreign assistance, practically all of it coming from Western countries. A list of the main contributors is attached.

From American Embassy, Salisbury.
To Secretary of State, Washington, D.C., Immediate 2634.
Information American Embassy, Brussels; American Embassy, Dar Es Salaam; American Embassy, Gaborone; U.S. Mission, Geneva; American Consul, Johannesburg; American Embassy, Lagos; American Embassy, Lilongwe; American Embassy, London; American Embassy, Lusaka; American Embassy, Maputo; American Embassy, Maseru; American Embassy, Mbabane; American Embassy, Nairobi; American Embassy, Paris; American Embassy, Pretoria; American Embassy, Rome; U.S. DoC., Washington, D.C.; U.S. Mission USUN, New York.
Unclas. Section 82 of 82, Salisbury 1416. USEEC.

London for Lanpher, Nairobi Pass Redso, Rome for Rodag, Paris for Murphy.

4. Goz March 26 summary of AID pledges to date (including past and prospective):

[In millions]

Donor	GOZ figure, Zimbabwe dollars	United States dollars equivalent
African Development Bank	39.8	61.3
Australia	14.6	22.5
Arab Bank for Economic Development in Africa	31.3	48.2
Belgium	8.0	12.3
Canada	33.3	51.3
China (PRC)	17.5	27.0
Denmark	12.5	19.3
Egypt	1.3	2.0
EEC	120.0	184.8
Finland	5.2	8.0
France	71.4	110.0
Germany (FRG)	62.3	95.9
Ghana	0.063	0.1
Holy See (Catholic PVO's)	12.5	19.3
Italy	23.1	35.6
Japan	3.1	4.7
Isle of Jersey	0.075	0.1
Kuwait	32.5	50.0
Iraq	1.9	2.9
Ireland	0.045	0.1
Luxembourg	1.9	2.9
Netherlands	16.2	24.9
New Zealand	0.2	0.3
Nigeria	12.4	19.2
Norway	11.3	17.4
OPEC	6.3	10.0
Saudi Arabia	3.1	5.8
Sierra Leone	0.056	0.01
Sweden	55.4	85.3
Switzerland	66.3	102.1
United Kingdom	177.0	272.6
United Nations	26.4	40.7
United States	172.6	265.3
World Bank	287.5	442.7
Yugoslavia	2.8	4.3
Commomwealth	2.9	4.5

5. Comment: The Zimbabweans have chosen to put the rosiest interpretation on conferences pledges, lumping grants and loaned, tied credits and in-kind donations (e.g., Jersey Cattle semen from the Isle of Jersey). Liberties are taken with extrapolation, such as counting the U.S. conditional commitment to request "similar levels" in FY83 and FY84 as USDOLS 75 million for each of those years. Nevertheless, the conference produced a lot of money toward Zimbabwe's development programs, meeting the goal of ZDOLS 1.2 billion (U.S. 1.9 billion) and exceeding GOZ officials' private expectations. It will be some time before the implications of the aid and a fuller summary of restrictions are available. For instance, the large French and Swiss figure are predominantly lines of commercial credit, at soft loan rates, in some ways comparable to Exim direct loans (not included in U.S. total) or the near-market-rate HIG housing loan (which is included in U.S. total) than to other forms of economic aid. Other donors, including Greece, Romania, Bulgaria, Libya, Sudan, India, Pakistan and the International Fund for Agricultural Development pledged aid but did not announce any figures.

7. Ref. C (NOTAL) pointed out that depending on what it chose to count the GOZ already had pledges in hand for considerably more than the USDOLS 315 million in aid which Economic Planning Minister Bernard Chidzero calculated when he announced the ZIMCORD appeal. Indeed, Mswaka nearly doubled the pre-conference figure to U.S. 560 million in the 3/26 tally. (Subsequent telegram responding to AID/W request for data (Ref A) will shed additional light on GOZ's sums.)

Keeley.

12. What pledges for foreign assistance were received at the March pledging meeting?

A list of pledges at the March conference is attached with Question 11. It should be noted that the Soviet Union and its allies were invited to participate in the conference and declined to do so.

13. What was the basis for the U.S. pledge of $225 million?

The U.S. pledge was the $75 million in ESF in the FY 82 foreign aid program and a promise to ask Congress to provide "similar levels" in the following two years. This pledge was based upon our assessment that Zimbabwe has the potential to become a focus for stability and development in southern Africa.

14. Can you supply the justifications which were presented by Zimbabwe at the pledging session?

The conference documentation for ZIMCORD is attached.

15. Has the United States government made an independent assessment of Zimbabwe's needs? How extensive was this assessment? Was the staff work on this assessment done before or after January 20, 1981?

The latest U.S. Government assessment of Zimbabwe's needs was completed in February 1981 and is attached. We feel that an infusion of aid will permit Zimbabwe in the near future to launch self-sustaining economic growth, to buttress the private sector, and to retain critically important skills.

16. Is the proposed U.S. contribution intended to support specific economic development projects, or social development projects?

Details on U.S. projects in Zimbabwe are provided in the document responding to Question 15.

17. Should we use the taxpayers' money to provide assistance to foreign countries when the conditions for economic development are not adequate to justify such assistance?

Most informed observers believe that the prospects for economic development in Zimbabwe are quite good. The U.S. Chamber of Commerce believes that Zimbabwe along

with Nigeria is a primary area for investment in Sub-Saharan Africa. In that regard, the Chamber is sponsoring a joint investment advisory task force on Zimbabwe.

18. What specific projects would the U.S. contribution support?

See Question 15.

19. You have said that the constitution of Zimbabwe is a democratic one. Is it also a just one, when the Matabele majority is permanently locked into political submission to the Shona majority? Do the seats reserved for whites permit effective and influential participation in the affairs of the nation?

The justice of the treatment of the Ndebele minority by the Shona majority is a question which should be looked at in the light of the treatment of any minority by a majority in political systems around the world. In that context, the situation in Zimbabwe is not unusual. Ndebeles are represented in the National Assembly and in the Government, both as members of ZAPU and ZANU. Sindebele is a recognized national language taught in the schools and used in the media.

We believe that the 3% white minority in Zimbabwe has a number of avenues to influence and contribute to the affairs of the nation, of which the white reserved seats are but one.

20. Section 720 of the Foreign Aid Authorization passed last year states:

If Zimbabwe receives assistance from funds authorized to be appropriated by this Act, the President shall report to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives every sixty days after the obligation of such funds on the internal situation in Zimbabwe, particularly upon the implementation of the Declaration of Rights contained in Annex C of the agreement signed at Lancaster House, London, by the participants in the Constitutional Conference on Southern Rhodesia on December 22, 1979.

I have to presume that when the commitment was made, some thought was given as to what kind of a report would be made sixty days after the funds were actually obligated. Can you give us a preview now? There are 12 main criteria in the Declaration rights, which I put into the Congressional Record on June 17, 1980, if you don't have it. I suggest that when you make your report, you enumerate each of those 12 criteria and the status to date.

A copy of the first report dated March 30 is attached.

REPORT TO CONGRESS ON ZIMBABWE

There is considerable evidence to indicate that the transition to majority rule in Zimbabwe, which was consummated at Lancaster House and came into effect on April 18, 1980, is now gathering momentum both economically and politically.

Economically, Zimbabwe has made considerable progress in the eleven months since independence. Real growth for 1980 is estimated to have been 8–10 percent. Inflation averaged between 12 percent and 15 percent for the year. With the announcement of a high per-planting price and a good rainy season, Zimbabwe is expecting a million-ton maize surplus this harvest. The mining sector remains solidly prosperous despite some uncertainty about a possibly increased government rule.

In the July 1980 budget and the February 1981 economic policy statement "Growth with Equity," the government has committed itself to the maintenance of a mixed economy aimed at satisfying black aspirations and assuring white confidence by attracting foreign investment and aid to generate continued economic growth.

Zimbabwe's economic success is partly associated with the fact that more than 90% of the country's white population, about 200,000 people, have chosen to stay in Zimbabwe. We estimate that about 20,000 whites have left, 15,000 of them have gone to South Africa. Nevertheless, white emigration has led to some dislocations in areas of the economy dependent upon mechanical and technical expertise, e.g. railroad maintenance and telecommunications. The country's 5,000 white commercial farmers have almost all stayed in Zimbabwe.

Politically, the dire predictions which were heard at the time of independence have not come to pass. Black-white political conflict has been inconsequential. The expected Ndebele-Shona political conflict has materialized; however, despite two bloody clashes in Bulawayo, the tension has been contained by the existing political and military structures and senior leaders on both sides have responded to the problems which have arisen with a view toward the long-term best interests of the country. On the whole, the political scene has been marked by increasing stability and the enhancement of the authority of Prime Minister Robert Mugabe.

The process of military integration of ZIPRA and ZANLA continues to move forward slowly despite the collapse of three of the eleven integrated battalions in last month's difficulties. Most observers now believe that Zimbabwe will for at least the near term have a larger army than was initially anticipated, due to the fact that most of the remaining 25,000 guerrillas will probably be incorporated into the new national army.

As noted in detail in the 1981 "Country Reports on Human Rights Practices", independent Zimbabwe on the whole has a good record in living up to the guarantees on civil liberties contained in the Lancaster House accords, in particular those contained in Annex C. Zimbabwe continues to be a functioning, multi-party, parliamentary democracy in which the rights of the population as set forth in the constitution are respected.

The basic rights called for in the agreement such as the right to life, personal liberty, freedom from torture and inhuman treatment, freedom from deprivation of property, privacy and freedom of conscience, expression, and assembly are in effect. Thus, for example, at the time of this report, there are no persons under detention in Zimbabwe because of their political views. In order to end South African control of the press, the government purchased controlling interest from the Argus Group and invested it in a national press board which appears so far to operate independently. The electronic media are sometimes criticized for being overly enthusiastic about government policies.

The House of Assembly and the Senate which were set up pursuant to the Lancaster House agreement have proven to be active political bodies in which substantive and frank debate is the order of the day. Regularly scheduled elections continue to be held, most recently at the local level. Nevertheless, disturbances led to the postponement of local government elections in Bulawayo following clashes between partisans of competing political parties.

The court system recognized in the Lancaster House agreement functions as set forth in the agreement. Thus, for example, ZANU–PF Secretary General Edgar Tekere who was charged with the murder of a white farmer was freed by the court under a law passed by the former regime to protect government officials. While many Zimbabweans may have lamented Tekere's release, it was widely noted that, as promised, Prime Minister Mugabe's government did not interject itself in any way into the judicial process. The public service and the police also operate as set forth in the Lancaster House agreement.

21. What is the situation today in Zimbabwe for freedom of the press? Is the press censored? Who owns the major newspapers? What is the news policy of radio and television?

The current press situation in Zimbabwe is complex. The situation as of January 1981, as described in the Country Reports on Human Rights Practices, is noted below:

Sections 19, 20 and 21 of the constitution guarantee freedom of religion, assembly and association. The previous government's censorship of the print media was terminated, though foreign journalists are required to have temporary employment permits. Foreign books, films, and periodicals considered pornographic or excessively violent are prohibited. Grounds for banning or prohibition were narrowed in July 1980, to exclude political censorship.

Joshua Nkomo's ZAPU party has its own newspaper, which is frequently critical of the government. White opinion, often diametrically opposed to government actions, is given prominent coverage in the nation's two daily papers, and speeches or parliamentary statements by opposition politicians are printed regularly. The government radio and television report statements unfavorable to the government, mostly those made in parliamentary debate, but generally base programming on government press releases and official versions of events. The government has appointed officials to broadcast media who can be counted on to promote coverage favorable to its ideology and policy. ZAPU has complained about the predominance of coverage given ZANU–PF on radio and television.

Since that report, the government has purchased a controlling interest in a company known as Zimbabwe Newspapers 1980 Ltd. (formerly known as Rhodesian Printing and Publishing Company) from a South African firm, Argus Printing and Publishing Company Ltd. Authority over this company is now vested in a Zimbabwe Media Trust. It is not yet clear in practice how this system will work; however, in the face of criticism of its action, the government has appointed a distinguished cross section of Zimbabweans to the Media Trust. Zimbabwe Newspapers 1980 Ltd. was the publisher of the major daily newspapers in the country; however it is important to note that other newspapers continue to publish outside the control of the Media Trust.

RESPONSES TO QUESTIONS POSED BY SENATOR JESSE HELMS TO MR. CHESTER A. CROCKER ON MOROCCO AND AFRICA NORTH OF THE SAHARA ON APRIL 27, 1981

1. Morocco has been described as one of the most important allies of the United States in Africa. Would you agree with that characterization? Please elaborate.

Answer. Relations between the United States and Morocco are close and well established.[1] By virtue of the existence of American installations prior to 1978 on Moroccan soil, Morocco's juxtaposition as guardian of the Straits of Gilbraltar an intermediary point between North America and the Middle East, King Hassan's moderate views on the Arab-Israeli problem, and Morocco's steadfast opposition to the expansion of Soviet power in the third world, U.S.-Moroccan relations have frequently proved complementary and mutually supportive. Morocco has therefore rightfully been described as a traditional ally of the United States, and in a continent where U.S. relations to most African countries are less intimate, it is proper to describe Morocco as one of the most important allies of the United States in Africa. Recent evidence that Libya, assisted by the Soviet Union, seeks to undermine the stability of several countries in Africa, further

[1] Responsibility for United States policy toward Morocco is assigned to the Bureau of Near Eastern and South Asian Affairs in the Department of State.

underscores the importance of ties between Morocco and the United States.

2. Morocco has made claims to the former Spanish Sahara, in what appear to be irredentist demands for the return of former property belonging to earlier Moroccan governments. Do you feel that Morocco's claims to the territory are valid? (a) If so, please elaborate. Please give a detailed history of the region and the basis for Morocco's claims. (b) If not, why not? Please elaborate, with supporting detail.

Answer. Morocco's claims to the former Spanish Sahara are based upon two historical factors: economic relationships between the settled urban populations north of the Atlas Mountains and the nomadic peoples of the Sahara, for which Moroccan cities played the role of entrepot; and religious ties which bound the Western Saharan region to Morocco. The spread of Islam from Morocco southward along the coast cast Islam in Morocco as religious leader of Islamic communities to the south. The military superiority and larger population of Morocco also allowed Morocco to extend its governmental control southward after 1450, when the loss of Islamic control in Iberia encouraged Morocco to seek new territories in Africa to compensate for losses in Europe. Military expeditions, such as the celebrated capture of Timbuctu on the Niger in 1591, established Morocco's claims to control south of the Atlas Mountains.

Despite this, Morocco proved unable to maintain control for long periods, and the advent of colonialism in northern Africa at the end of the nineteenth century found the government of the ruling dynasty weakened and distracted. Morocco maintains that Spain and France exploited this weakness to establish control over northwest Africa, in effect dividing one ancient country into two European administrative jurisdictions. France relinquished its protectorate over Morocco in 1956. In the eyes of Morocco, the decision made by Spain in 1975 to withdraw from the Western Sahara signalled the emancipation of the remainder of the ancient Moroccan entity, and not the emergence of a new and separate state.

The legal validity of Morocco's claims, based as they are on one interpretation of history, are open to debate. However, the International Court of Justice, in an advisory option, has held that the evidence did "not establish any tie of territorial sovereignty between the terrority of West Sahara and the Kingdom of Morocco." The Court found no ties "as might affect the application of . . . the principle of self-determination." In the view of the United States a referendum or some other device which would permit the indigenous inhabitants of the region to express their preference for allegiance to Morocco or some other alternative is required. Morocco's claims cannot be declared "valid" in the absence of some such exercise. However, the U.S. Government accepts that Morocco possesses *de facto* administrative control over most of the territory.

3. What is the nature of the Polisario?

Answer. The Polisario is an insurgent movement founded as an anti-colonialist effort to oust Spain from the Western Sahara. After Spain removed itself from the region in 1976 the Polisario, which had received assistance from Morocco, began a movement to resist Morocco's claims, as well as those of Mauritania, with which Morocco divided the former Spanish colony in 1976.

The Polisario receives economic and military assistance from Algeria and to a lesser but still significant extent from Libya.

The extent of direct Soviet bloc assistance is not clear, although weapons provided by the Soviet Union to Libya and Algeria enter the Polisario pipeline. There are Marxist and non-Marxist elements in the Polisario; as in the case of most contemporary independence movements, plans for political independence are closely identified with promises of economic and social equality, a mobilization of national resources under the leadership of a strong central government, and the identification of the movement's friends and enemies on the basis of assistance received and the degrees of recognition granted.

The Western Sahara population is largely nomadic, and thus the cultural characteristics are rich and varied. No single language serves the entire population: Spanish is the language of administration; Arabic, which expanded as Islam expanded, serves as the medium of intellectual and religious needs, and is growing in popularity, as is French.

There are reports that many of the Polisario are drawn not from the indigenous Western Sahara population (which Morocco claims numbered less than 100,000 in the census of 1974) but are recruited from Mauritania, Mali, Algeria and even Niger. These reports are difficult to verify, for the nomadic life style of the Western Sahara is also found in a broad band stretching east to Sudan and no census has been permitted in the Polisario refugee camps in Tindouf, Algeria. The prospect of pay, food, clothing, and adventure may attract recruits from other Saharan countries, which share a strong martial tradition and which, like the Western Sahara, are also desperately poor. On the other hand, Morocco has not provided evidence that the Polisario are not originally from the contested region. Some of the Polisario have received training abroad, in Algeria, Libya, the Soviet Union, Spain and France.

The political orientation of the Polisario also remains a point of debate. Some observers have detected a "pro-Libyan" and a "pro-Algerian" faction within the movement. Algeria appears to be the predominant influence as the Polisario are based on Algerian soil and most arms shipments must transit Algeria to reach the Polisario.

Mauritania proclaimed its neutrality in the war in the Western Sahara in 1978. The government of Mauritania continues to maintain that it is prepared to take every step within its power to reinforce this position of neutrality. In fact, however, a long poorly defined, lightly inhabited, and inadequately patrolled border region between Mauritania and the Western Sahara makes it difficult to monitor the movement of Polisario forces in Mauritania's interior far north, and along the southern border of the Western Sahara. There is no evidence that the Government of Mauritania has given sanctuary to the Polisario, although it is probable that Polisario units have traversed Mauritanian territory and members of the Polisario military have entered Mauritania in a private capacity to visit family and friends now inhabiting portions of Mauritania.

4. Morocco has received military assistance in the past from the U.S. Do you plan to recommend that the United States continue that assistance? If so, at what level?

Answer. The United States should continue providing military assistance to Morocco at a level sufficient to meet Morocco's legitimate defense requirements. Military assistance includes M60 Main Battle Tanks, OV-16s, training, and materiel. The limited sale of tanks and other military items to Morocco in no way poses any threat to neighboring Algeria. Assistance at levels proposed in major arms sales in recent years appears appropriate to assist Morocco with its five-year modernization program. (This question was addressed in some detail in testimony given by Deputy Assistant Secretary for Near Eastern and South Asian Affairs Morris Draper before the African and International Security Affairs Subcommittee of the House Foreign Affairs Committee on March 25, 1981.)

5. Has the King of Morocco requested to visit the United States? If so, when? If he has (or does so in the near future), is it your recommendation that his request for a visit be given a favorable response?

Answer. The King has not transmitted a formal request to visit the United States; however, we would not rule out a future request especially since King Hassan as President of the Jerusalem Committee was authorized at the last Islamic Conference to explain the Conference's resolutions to the European countries and to the American administration. Such a visit would reflect the excellent bilateral relations which exist between our countries. I favor such a visit at an appropriate time.

6. Libya has called for war against Morocco. If Libya were to participate openly in military action against Morocco, would you recommend U.S. military intervention on behalf of Morocco? If so, at what level? If not, what alternative U.S. action would you recommend?

Answer. The United States would regard any attack against Morocco's territorial integrity as a provocative act. The U.S. would act decisively in repelling such aggression, working in concert with other countries in the region and with the OAU. Morocco is a traditional and important ally of the United States.

7. Should the United States put diplomatic and other pressures on Algeria, urging Algeria to cease assisting the Polisario?

Answer. The United States has consistently urged all parties to the conflict in the Western Sahara to participate in negotiations leading to a compromise settlement. The United States does not believe that either side can settle the conflict by force of arms, and that protraction of the conflict adds to regional instability. Algeria has great influence in international forums. It wields influence far beyond what its wealth, its population and its political power ordinarily would warrant because it is consistently well prepared to make its mark on North-South issues. It makes effective use of its revolutionary credentials, and it steers a course which avoids becoming beholden to any single state.

It is important that we nurture an improved relationship with the increasingly pragmatic Algerian leadership. Their policies are in an interesting and evolving stage. It would be shortsighted for the United States not to try to expand the improving and mutually beneficial relationships which have been developing between our two countries in the recent past.

QUESTIONS FOR DR. CHESTER CROCKER: MR. LANNON WALKER

1. Dr. Crocker, in your testimony of April 6, you stated that you did not agree with a statement made late last year by your principal deputy, Mr. Lannon Walker, concerning the role of Cuban troops in Angola. Is that correct?

Answer. Yes. As I said during the hearing before the Senate Foreign Relations Committee on April 6, 1981, it is my belief that the Cuban forces in Angola provide an additional element that helps the MPLA Government in Luanda retain power, pursue its internal conflict with the forces of UNITA, and train the armed forces of the MPLA Government in Luanda. At that time I also indicated that I did not think their primary mission was to serve as a deterrent to the threat of a large-scale South African invasion.

2. Mr. Walker stated that the primary reason why Cuban troops are in Angola is to "fill a deterrent role against the threat of a large-scale South African invasion" and you stated that such is not your understanding of the principal role of Cubans in Angola.

(a) Did this statement made by Mr. Walker to the House Foreign Affairs Committee on September 18, 1980, reflect Mr. Walker's per-

sonal assessment of the principal role of the Cubans in Angola?

Answer. The written statement referred to in this question represented the formal, cleared position of the Carter Administration on this issue. Therefore, Mr. Walker or any other representative of the Carter Administration was delivering the Administration's—and not his or her personal—position.

(b) What is Mr. Walker's current understanding of the role of Cuban troops in Angola?

Answer. Mr. Walker works for and represents the Reagan Administration whose position on this issue is. I believe, accurately reflected in my own answer (see No. 1 above) to your question.

(c) Mr. Walker did not actually deliver the testimony of September 18 to the House Foreign Affairs Committee. His boss, at that time Assistant Secretary Moose, later did give testimony to the same Committee. What did Mr. Moose say about the principal role of the Cubans in Angola?

Answer. To clarify the sequence of events, Mr. Moose was first scheduled to deliver the testimony mentioned; however, because of illness, Mr. Walker was then scheduled to deliver the same testimony. Upon postponement by the Subcommittee of the hearing, the testimony was later actually delivered by Mr. Moose. I believe the section you referred to reads as follows:

We believe that the presence of Cubans in substantial numbers in Angola primarily fills a deterrent role against the threat of a large-scale South African invasion such as that of 1975, which was designed to bring about or contribute to the fall of the MPLA government.

(d) How did what Mr. Moose said contrast with what Mr. Walker submitted to the Committee as his testimony of September 17?

Answer. It was the same, but delivered by Mr. Moose. The transcript of the hearing is a matter of public record.

3. Are there individuals whom you know to reflect the Reagan foreign policy on Africa more accurately than does Mr. Lannon Walker?

Answer. No. Mr. Walker is a whole-hearted and enthusiastic advocate of the Reagan Administration's Africa policies, which he has played an active role in formulating. I have complete confidence in his abilities and commitment to carrying out this Administration's policies.

(a) Who are they?

Answer. Not applicable.

(b) Are any of these individuals now working for you at the Africa Bureau?

Answer. Not applicable.

(c) In your mind, is Mr. Walker the best qualified man for the post that he occupies?

Answer. Yes.

(d) In your view, does Mr. Walker reflect accurately the Reagan view of U.S. policy toward Africa? If so, does he reflect the Reagan view out of personal conviction, or because he has been told to do so?

Answer. Mr. Walker accurately reflects the Reagan view of U.S. policy toward Africa.

(e) Is Mr. Walker's position a policy-making position?

Answer. Like all other officers at his level, Mr. Walker participates in the formulation of policy.

(f) Will Mr. Walker be placed in a position to assist in making U.S. policy toward Africa?

Answer. Yes, like other officers at his level.

(g) Are there other positions where Mr. Walker could serve the U.S. in a nonpolicy-making capacity?

Answer. Mr. Walker is a career foreign service officer and serves anywhere in the world in any position at the pleasure of the President of the United States.

CONSULTATIONS WITH CONGRESS

1. Mr. Crocker, in your testimony of April 6, you state that the Department of State had undertaken a policy review, "the first phase of a policy review" is the way you stated it.

You further stated that this had been going on for about two months inside the Administration and in addition, there were—you put it this way—"some consultations with our allies in Europe."

You went on to say that "We are now anxious to broaden the range of people to whom we are speaking, including South Africa and the African states most directly concerned."

(a) Why were you not anxious to broaden the range of people to whom you were speaking to include the Congress?

There has been a discussion of the basic principles of our policies with a range of people in the Congress during the last three months.

(b) Why were "our allies in Europe" given the benefit of "consultation" prior to the U.S. Congress?

(c) Why were South Africa and other African states given consultation before the U.S. Congress?

Several of my colleagues have had an opportunity to testify before Members of Congress, but prior to my Senate confirmation, I have not been able to do so. However, I have held informal meetings with Members of both the House and the Senate over the last several months. These informal consultations took place prior to and simultaneously with the consultations with our allies in Europe and with South Africa and other African states.

(d) What sort of consultation do you contemplate wtih the Congress? As a member of the African Affairs Subcommittee. I would like to know in detail what the Administration has decided in its "first phase of policy review" of U.S. policy toward Africa.

No foreign policy can survive without the understanding and cooperation of the Congress and the American public. As I said in my statement before the Senate Foreign Relations Committee on April 6, 1981, "if confirmed I want to assure this Committee that I will consult with both Houses of Congress in the development and implementation of our policy toward Africa." I look forward to extensive consultations with Members of Congress and stand ready to meet with any and all of them and the relevant Congressional committees to discuss our evolving Africa policy. The broad outlines of this policy are contained in my statement referred to above (attached).

(e) What policies toward the conflict in Southern Africa have you recommended to the Secretary of State? Please list in detail.

As noted above, we are still engaged in the review of our policies and I believe it would be inappropriate for me to discuss my recommendations to the Secretary of State.

(f) Please provide the Committee with final policy positions of the Administration. Please provide this in unclassified form.

While many aspects of our policy toward Africa are still under review, the broad outlines are contained in my statement of April 6 referred to in (d) above. I stand ready, however, to consult at any time with individual Members of Congress on policy matters.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Chester A. Crocker, of the District of Columbia, to be an Assistant Secretary of State? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from New Mexico (Mr. DOMENICI), the Senator from California (Mr. HAYAKAWA), the Senator from Nevada (Mr. LAXALT), the Senator from Illinois (Mr. PERCY), and the Senator from New Mexico (Mr. SCHMITT) are necessarily absent.

The Senator from Arizona (Mr. GOLDWATER) is absent on official business.

I further announce that, if present and voting, the Senator from Illinois (Mr. PERCY) would vote "yea."

Mr. CRANSTON. I announce that the Senator from Rhode Island (Mr. PELL), the Senator from Maine (Mr. MITCHELL), and the Senator from Delaware (Mr. BIDEN) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 84, nays 7, as follows:

[Rollcall Vote No. 139 Ex.]

YEAS—84

Abdnor	Ford	Murkowski
Andrews	Garn	Nickles
Armstrong	Glenn	Nunn
Baker	Gorton	Packwood
Baucus	Grassley	Pressler
Bentsen	Hart	Proxmire
Boren	Hatfield	Pryor
Boschwitz	Hawkins	Quayle
Bradley	Heflin	Randolph
Bumpers	Heinz	Riegle
Burdick	Hollings	Roth
Byrd, Harry F., Jr.	Huddleston	Rudman
Byrd, Robert C.	Inouye	Sarbanes
Cannon	Jackson	Sasser
Chafee	Jepsen	Simpson
Chiles	Johnston	Specter
Cochran	Kassebaum	Stafford
Cohen	Kasten	Stennis
Cranston	Kennedy	Stevens
D'Amato	Leahy	Thurmond
Danforth	Levin	Tower
DeConcini	Long	Tsongas
Dixon	Lugar	Wallop
Dodd	Mathias	Warner
Dole	Matsunaga	Weicker
Durenberger	Mattingly	Williams
Eagleton	Melcher	Zorinsky
Exon	Metzenbaum	
	Moynihan	

NAYS—7

Denton	Helms	Symms
East	Humphrey	
Hatch	McClure	

NOT VOTING—9

Biden	Hayakawa	Pell
Domenici	Laxalt	Percy
Goldwater	Mitchell	Schmitt

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BUMPERS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, we are not quite ready to propound the agreement on food stamps yet. I know there is at least one Senator on the floor who wishes to speak.

Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business not to extend beyond 10 minutes in length in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEATH OF JUDGE WALTER P. GEWIN

Mr. HEFLIN. Mr. President, it is with deep sorrow that I note the death of Walter P. Gewin, senior circuit judge of the U.S. Court of Appeals for the Fifth Circuit, and one of Alabama's most distinguished sons. His passing came in his home in Tuscaloosa, Ala., on Friday, May 15. He was 72 years old.

A native of Nanafalia, Judge Gewin received his A.B. degree cum laude from Birmingham-Southern College in 1930, a bachelor of library science degree from Emory University in 1932, and a law degree from the University of Alabama in 1935. He served as a member of the Alabama House of Representatives from 1939 to 1943 and was a member of the codification commission which prepared the Alabama Code of 1940. He practiced law in Greensboro, Birmingham, and Tuscaloosa and was a U.S. Referee in Bankruptcy when he was appointed to the the Fifth Circuit Court of Appeals by President John F. Kennedy in 1961. In 1976, he became a senior circuit judge and in 1977 he was appointed by Chief Justice Warren Burger to serve on the Temporary Emergency Court of Appeals of the United States.

Judge Gewin was honored during his lifetime by being elected president of the Alabama Bar Association. He was awarded honorary doctor of laws degrees by his alma maters, Birmingham-Southern College and the University of Alabama. In addition, Birmingham-Southern College honored him with its Distinguished Alumnus Award, while the University of Alabama Law School honored him with its Dean's Award.

Walter P. Gewin was a judge's judge: Learned, compassionate, courageous. His legal scholarship reached its apex during his service on the bench. Judge Gewin's imprint is found on many of the landmark civil rights decisions of the sixties, one of which was his order directing the desegregation of the University of Mississippi. Dispassionate in spirit, thorough in detail, his life was the epitome of the proper judicial temperament.

Judge Gewin leaves behind his widow, Anna S. Gewin, of Tuscaloosa; two sons, a daughter, four sisters, and a half-brother. But most of all he leaves behind a rich legacy of justice applied and a void which will be difficult to fill.

ISRAELI ATTACK ON IRAQI NUCLEAR REACTOR

Mr. HATFIELD. Mr. President, there is an enormous and dangerous arrogance which surrounds the unilateral Israeli decision to use U.S.-made weapons to attack an Iraqi nuclear reactor on Sunday, an arrogance which has resulted in one of the most provocative, ill-timed, and internationally illegal actions taken in that nation's history.

The arrogance stems from the fact that the Begin government apparently believes that Israel, and Israel alone among nations, has the inherent right to breach U.S. laws prohibiting the use of our weaponry for offensive purposes. The apparent use of U.S.-supplied F-16 and F-4F Phantom bombers in the preemptive attack against the nuclear reactor is a clear and unambiguous violation of the Foreign Military Sales Act which bars American weapons supplied to other countries for "purposes other than national or regional self-defense."

Mr. President, I ask unanimous consent that certain sections of the Foreign Military Sales Act be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SEC. 3(c)(1)(A) No credits (including participations in credits) may be issued and no guaranties may be extended for any foreign country under this Act as hereinafter provided, if such country uses defense articles or defense services furnished under this Act, or any predecessor Act, in substantial violation (either in terms of quantities or in terms of the gravity of the consequences regardless of the quantities involved) of any agreement entered into pursuant to any such Act (i) by using such articles or services for a purpose not authorized under section 4 or, if such agreement provides that such articles or services may only be used for purposes more limited than those authorized under section 4 for a purpose not authorized under such agreement; (ii) by transferring such articles or services to, or permitting any use of such articles or services by, anyone not an officer, employee, or agent of the recipient country without the consent of the President; or (iii) by failing to maintain the security of such articles or services.

(B) No cash sales or deliveries pursuant to previous sales may be made with respect to any foreign country under this Act as hereinafter provided, if such country uses defense articles or defense services furnished under this Act, or any predecessor Act, in substantial violation (either in terms of quantity or in terms of the gravity of the consequences regardless of the quantities involved) of any agreement entered into pursuant to any such Act by using such articles or services for a purpose not authorized under section 4 or, if such agreement provides that such articles or services may only be used for purposes more limited than those authorized under section 4, for a purpose not authorized under such agreement.

(2) The President shall report to the Congress promptly upon the recipt of information that a violation described in paragraph (1) of this subsection may have occurred.

(3)(A) A country shall be deemed to be ineligible under subparagraph (A) of paragraph (1) of this subsection, or both subparagraphs (A) and (B) of such paragraph in the case of a violation described in both such paragraphs, if the President so determines and so reports in writing to the Congress, or if the Congress so determines by joint resolution.

(B) Notwithstanding a determination by the President of ineligibility under subparagraph (B) of paragraph (1) of this subsection, cash sales and deliveries pursuant to previous sales may be made if the President certifies in writing to the Congress that a termination thereof would have significant adverse impact on United States security, unless the Congress adopts or has adopted a joint resolution pursuant to subparagraph (A) of this paragraph with respect to such ineligibility.

(4) A country shall remain ineligible in accordance with paragraph (1) of this subsection until such time as—

(A) the President determines that the violation has ceased; and

(B) the country concerned has given assurances satisfactory to the President that such violation will not recur.

SEC. 4. PURPOSES FOR WHICH MILITARY SALES BY THE UNITED STATES ARE AUTHORIZED.—Defense articles and defense services shall be sold by the United States Government under this Act to friendly countries solely for internal security, for legitimate self-defense, to permit the recipient country to participate in regional or collective arrangements or measures consistent with the Charter of the United Nations, or otherwise to permit the recipient country to participate in collective measures requested by the United Nations for the purpose of maintaining or restoring international peace and security, or for the purpose of enabling foreign military forces in less developed friendly countries to construct public works and to engage in other activities helpful to the economic and social development of such friendly countries. It is the sense of the Congress that such foreign military forces should not be maintained or established solely for civic action activities and that such civic action activities not significantly detract from the capability of the military forces to perform their military missions and be coordinated with and form part of the total economic and social development effort: *Provided*, That none of the funds contained in this authorization shall be used to guarantee, or extend credit, or participate in an extension of credit in connection with any sale of sophisticated weapons systems, such as missile systems and jet aircraft for military purposes, to any underdeveloped country other than Greece, Turkey, Iran, Israel, the Republic of China, the Philippines, and Korea unless the President determines that such financing is important to the national security of the United States and reports within thirty days each such determination to the Congress.

Mr. HATFIELD. Nor is this the first time that the act has been casually disregarded by the Begin government. Hundreds of Lebanese civilians have died and hundreds of thousands have been made homeless in recent years by the Israeli use of American fighters to attack civilian population centers in southern Lebanon suspected of harboring Palestinian terrorists. The indiscriminate violence of these raids made a mockery of the intent of the act to try and control the enormous destructive power of U.S. weapons sent abroad.

I would remind my colleagues that it is precisely this same Foreign Military Sales Act which was invoked by an apparently outraged Congress against the Government of Turkey for its offensive use of military forces on the island of Cyprus. As a result of their disregard of the act, the Turkish Government was forced to endure an arms embargo from the United States which extended throughout the middle of the last decade.

What price will now be asked of the Begin government for its own violation of United States and international law?

To call this unprovoked military attack

solely defensive in nature is to make a mockery of the fundamentals of international law which insists first on the territorial integrity of each nation. One most certainly does not have to embrace the prospects of a nuclear weapon in the hands of an unstable Iraqi Government—if indeed conflicting reports of the purpose of the Baghdad reactor can be sorted out—to understand that, under the Begin government's definition of a defensive attack, virtually no military action on the part of Israel would fall within the confines of United States or international law.

Nor is Israel the only nation to be confronted with the mortal threat of nuclear annihilation. The United States, the Soviet Union, and indeed all of civilized life has been living for three decades under the shadow of full-scale nuclear war. Indeed, at various moments in the history of the nuclear arms race, the United States has had the theoretical capability of destroying Soviet nuclear forces in a pre-emptive attack. I do not believe anyone in this Chamber needs to be further reminded of the Soviets' stated intention to destroy all vestiges of capitalism.

And yet despite possessing the capability for eliminating Soviet nuclear capability in the early stages of its development, and notwithstanding Soviet threats to overwhelm the United States and its system of government, we chose not to undertake the course of preemptive attack because we understood—as the Begin government apparently does not—that no matter how many times you destroy that nuclear capability, it will be rebuilt.

And that, with each attack across international boundaries, you solidify the anger and the vengeance of your enemy and his allies, and you open yourself to the condemnation of the world community.

Ultimately, as we have come to understand, the elimination of nuclear weapons cannot ever effectively occur through the use of acts of international violence, but through the process of international law.

Through its actions Sunday, Israel has succeeded in eliminating an immediate source of possible danger, but it has done so in blatant disregard of United States and international law and has almost certainly insured that it will be threatened with retaliatory violence of equal measure from its reunited enemies.

TIMING

Serious and troubling questions have also been raised, Mr. President, about the timing of the Israeli attack. It seems somewhat more than curious that the raid itself happened to be carried out over 3 weeks before the national elections if Israel has—according to its own government—suspected for months that the nuclear facility near Baghdad was designed to produce an atomic weapon.

The timing of the attack will no doubt prove in the short run to be a substantial political victory for Mr. Begin.

It will, however, prove enormously destructive to the U.S. efforts to negotiate a settlement of the crisis over Syrian missiles in Lebanon, to the fragile bond between Egypt and Israel which has been established under the Camp David agreement, to the personal standing and stability of President Sadat who was meeting with Mr. Begin even as the plans for this raid were apparently being finalized, and to the successes that have been achieved in recent weeks in the U.S. effort to involve other more moderate Arab governments in Middle East negotiations.

It is difficult to imagine a worse time to initiate such an attack. Any short-term political benefit which may accrue to the Begin government will, I am afraid, be swamped in the storm of reactions which is now emerging from countries in the Middle East and throughout the world.

Mr. President, it is also absolutely vital to understand that Iraq has signed the Nuclear Non-Proliferation Treaty. The plant that was destroyed by the Israeli attack was subject to international safeguards and inspections aimed at insuring that the facility would not be used to build a nuclear weapon. Israel has consistently refused to sign the Non-Proliferation Treaty.

These facts cannot help but lead one to the unhappy conclusion that the Begin government is loath to accept the constraints placed on other nations of the world through international law, but will willingly and unilaterally usurp international and U.S. law through the use of force if Israel alone determines that such laws do not serve its national interests.

Mr. President, this arrogant abuse of U.S.-supplied armed might by Israel will prove deeply injurious to the U.S. goal of achieving a just and lasting peace in that volatile region of the globe. It represents a clear and premeditated violation of U.S. and international law which simply cannot be ignored by this country without fundamentally damaging the integrity of our laws and the prospects for peace in the Middle East.

I urge the Senate to undertake a fundamental review of applicable U.S. law to determine whether U.S. military support for Israel should continue unaffected in the wake of this damaging and regrettable abuse of the historic relationship between our two nations.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NICKLES). Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—S. 1007

Mr. BAKER. Mr. President, I had announced earlier on the floor that I had hoped we might proceed today to the consideration of the food stamp bill, S. 1007, Calendar No. 152.

I see that the distinguished minority leader is in the Chamber, and I inquire of him if the minority might be ready at this time to waive 1 day of the 3-day rule, to proceed immediately to the consideration of that bill, and to consider a time agreement which I will outline now. I do not now make the request, but I will describe it to the minority leader.

I propose that we consider the food stamp bill on a 6-hour time limitation, to be equally divided; that there be a 1-hour time limitation on any amendments in the first degree, to be equally divided; that there be 20 minutes on any amendments in the second degree or points of order, if the same are submitted, or any appeal; that the agreement be in the usual form, and that paragraph 4 of rule XII be waived.

That is the request I would propose to put, if it generally agrees with the wishes of the minority leader.

I would also propose, Mr. President, that any rollcall votes that are ordered on this bill or any amendments thereto, or any measure in respect thereto, be postponed until tomorrow, beginning at 3 p.m.; that there be an interval of 10 minutes for debate, equally divided, between votes that may be stacked today, and that the vote on final passage of this bill occur not later than 6 p.m. tomorrow.

Mr. President, I also include in the motion I have just described that the 20-minute time limitation include debatable motions, as well as appeals and points of order.

Mr. ROBERT C. BYRD. Mr. President, as I understand the distinguished majority leader, he is not now propounding the request. That request has been cleared on this side of the aisle.

I suggest to the distinguished majority leader, if I may do so, that before the minority agrees to waive the rule, the request be put and acceded to, after which, if it is agreed to, the minority will waive the rule.

Mr. BAKER. I thank the distinguished minority leader.

Mr. President, in view of that, I now ask unanimous consent that the Senate next proceed to the consideration of Calendar No. 160, the budget waiver underlying the food stamp bill, and, assuming that the budget waiver is adopted by the Senate, that we proceed immediately to the consideration of the food stamp bill, S. 1007, Calendar No. 152; that there be a time limitation on the bill of 6 hours, to be equally divided; that there be a time limitation of 1 hour on any amendments in the first degree, to be equally divided; that there be a time limitation of 20 minutes on any amendments in the second degree or any points of order, if the same are submitted, as well as debatable motions or appeals; that the agreement be in the usual form; that paragraph 4 of rule XII be waived; that any votes that are ordered today be deferred and stacked, to begin at 3 p.m. tomorrow; that any votes that are stacked be interrupted and interspersed with a 10-minute period for debate, to be equally divided, and that final passage of the bill occur not later than 6 p.m. tomorrow.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object.

Mr. BAKER. Mr. President, I amend the request in the following way.

I also ask unanimous consent that there be a 40-minute time limitation on an amendment to be offered by the distinguished Senator from Oklahoma (Mr. BOREN) dealing with the elderly to be equally divided, and a 20-minute limitation on another amendment to be offered by the Senator from Oklahoma (Mr. BOREN) on a pilot project on categorical eligibility. I add that to the request.

Mr. ROBERT C. BYRD. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the agreement be in the usual form and that the Senator from North Carolina be designated to manage the bill on behalf of the majority and the Senator from Vermont (Mr. LEAHY) on behalf of the minority.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator modify his request to make the final vote not later than 7 p.m. on tomorrow rather than 6 p.m. with the assurance on my part that I will do everything I can to subsequently—by "subsequently" I mean subsequent to this moment—attempt to get the final vote put back to 6 p.m.?

Mr. BAKER. Mr. President, I will.

I had hoped that we could finish by 6 p.m. I know that a number of Senators have commitments beginning at approximately 7 p.m. tomorrow evening. But I think that with the assurances just given by the minority leader we best go ahead and get the agreement with the hope that we can improve on the time for final passage tomorrow.

So I amend the request for final passage not later than 7 p.m. and so ask unanimous consent.

Mr. ROBERT C. BYRD. I thank the majority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement follows:

UNANIMOUS CONSENT AGREEMENT

Ordered, That when the Senate proceeds to the consideration of S. 1007 (Order No. 152), to amend the Food Stamp Act of 1977, debate on any amendment in the first degree, except 2 amendments to be offered by the Senator from Oklahoma (Mr. Boren), on which there shall be 40 minutes on one dealing with the elderly and 20 minutes on one dealing with categorical eligibility pilot projects, shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill; debate on any amendment in the second degree shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 6 hours, to be equally divided and controlled, respectively, by the Senator from North Carolina (Mr. Helms) and the Senator from Vermont (Mr. Leahy): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

Ordered further, That any rollcall votes that are ordered on this bill or any amendments thereto, or any measure in respect thereto, be postponed until tomorrow, beginning at 3 p.m.; that there be an interval of 10 minutes for debate, equally divided, between votes that may be stacked today, and that the vote on final passage of this bill occur not later than 7 p.m. tomorrow.

Mr. BAKER. Mr. President, does the order contemplate that the budget waiver will next be laid before the Senate?

The PRESIDING OFFICER. The Senator is correct.

WAIVING CONGRESSIONAL BUDGET ACT

The resolution (S. Res. 149) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1007, was considered and agreed to, as follows:

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 1007, the Food Stamp and Commodity Distribution Amendments of 1981. Such waiver is necessary to permit consideration of an additional fiscal year 1981 authorization of appropriations for the food stamp program which was not reported on or before May 15, 1980, as required by section 402(a) of the Congressional Budget Act of 1974. Increases in program costs have resulted in the need for additional authorization authority to permit a fiscal year 1981 supplemental appropriation in excess of the amounts already authorized to be appropriated for fiscal year 1981.

Such waiver is also necessary to permit consideration of authorization of appropriations for the food stamp program and the commodity distribution programs for fiscal year 1982 which was not reported on or before May 15, 1981, as required by section 402(a) of the Congressional Budget Act of 1974. Specifically, S. 1007 would extend authorizations of appropriations for these programs for fiscal years 1982 through 1985 and make significant reforms in the food stamp program to restrain food stamp program spending, focus benefits toward the most needy, increase the flexibility of States in administering the program, provide for improved administration, and reduce fraud and abuse. The delay in reporting S. 1007 was occasioned by a number of factors including consideration at the same time of separate legislation to extend the authorities for almost all of the Nation's major farm commodity programs and by a determined effort on the part of the Committee on Agriculture, Nutrition, and Forestry to report legislation meeting the budgetary restraints of the First Concurrent Resolution on the Budget for fiscal year 1982.

FOOD STAMP AND COMMODITY DISTRIBUTION AMENDMENTS OF 1981

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 1007, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 1007) to amend the Food Stamp Act of 1977 to restrain food stamp program spending, to increase State agency flexibility, to focus benefits toward the most needy, to extend appropriations authority, to amend the Agriculture and Consumer Protection Act of 1973, and to extend and improve the commodity distribution programs, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Agriculture, Nutrition, and Forestry with an amendment to strike out all after the enacting clause, and insert the following:

That this Act may be cited as the "Food Stamp Commodity Distribution Amendments of 1981".

TITLE I—MAJOR FOOD STAMP REVISIONS

ADJUSTMENT OF THE THRIFTY FOOD PLAN

SEC. 101. Section 3(o) of the Food Stamp Act of 1977 is amended by striking "and" before clause (6) and all that follows down through the end of clause (6), and inserting in lieu thereof the following: "(6) on April 1, 1982, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the fifteen months ending the preceding December 31, (7) on July 1, 1983, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the fifteen months ending the preceding March 31, (8) on October 1, 1984, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the fifteen months ending the preceding June 30, and (9) on October 1, 1985, and each October 1 thereafter, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the twelve months ending the preceding June 30.".

GROSS INCOME ELIGIBILITY STANDARD

SEC. 102. (a) Section 5 of the Food Stamp Act of 1977 is amended by—

(1) striking out "subsections (c) and (e)" in subsection (b) and inserting in lieu thereof "subsection (c)";

(2) inserting in subsection (c) "130 per centum of" after "standards of eligibility shall be"; and

(3) striking out from the first sentence of subsection (e) "In" and inserting in lieu thereof "Further, in", and inserting "for purposes of determining the household's benefit level only," after "household income,".

(b) Section 8(a) of the Food Stamp Act of 1977 is amended by inserting "(d) and (e)" after "section 5" in the first sentence.

ADJUSTMENTS OF DEDUCTIONS

SEC. 103. Section 5(e) of the Food Stamp Act of 1977 is amended by—

(1) striking out in the first sentence everything that follows "the Secretary shall allow a standard deduction of" and inserting in lieu thereof the following: "$85 a month for each household, except that households in Alaska, Hawaii, Guam, Puerto Rico, and the Virgin Islands of the United States shall be allowed a standard deduction of $145, $120, $170, $50, and $75, respectively.";

(2) striking out the second sentence and inserting in lieu thereof the following: "Such standard deductions shall be adjusted (1) on July 1, 1983, to the nearest $5 increment to reflect changes in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics, for items other than food and the homeownership component of shelter costs, as appropriately adjusted by the Bureau of Labor Statistics after consultation with the Secretary, for the fifteen months ending the preceding March 31,

(2) on October 1, 1984, to the nearest $5 increment to reflect such changes for the fifteen months ending the preceding June 30, and (3) on October 1, 1985, and each October 1 thereafter, to the nearest $5 increment to reflect such changes for the twelve months ending the preceding June 30.";

(3) striking out the proviso in clause (2) of the fourth sentence and inserting in lieu thereof the following: "*Provided*, That the amount of such excess shelter expense deduction shall not exceed $115 a month in the forty-eight contiguous States and the District of Columbia, and shall not exceed, in Alaska, Hawaii, Guam, Puerto Rico, and the Virgin Islands of the United States $200, $165, $140, $40, and $85, respectively, adjusted (1) on July 1, 1983, to the nearest $5 increment to reflect changes in the shelter (exclusive of homeownership costs), fuel, and utilities components of housing costs in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics, as appropriately adjusted by the Bureau of Labor Statistics after consultation with the Secretary, for the fifteen months ending the preceding March 31, (2) on October 1, 1984, to the nearest $5 increment to reflect such changes for the fifteen months ending the preceding June 30, and (3) on October 1, 1985, and each October 1 thereafter, to the nearest $5 increment to reflect such changes for the twelve months ending the preceding June 30,".

EARNED INCOME DEDUCTION

SEC. 104. Section 5(e) of the Food Stamp Act of 1977 is amended by striking "20 per centum" in the third sentence and inserting in lieu thereof "15 per centum".

RETROSPECTIVE ACCOUNTING

SEC. 105. (a) Section 5(f) of the Food Stamp Act of 1977 is amended to read:

"(f)(1)(A) Household income for those households that, by contract for other than an hourly or piecework basis or by self-employment, derive their annual income in a period of time shorter than one year, shall be calculated by averaging such income over a twelve-month period.

"(B) Household income for those households that received nonexcluded income of the type described in subsection (d)(3) of this section, shall be calculated by averaging such income over the period of which it is received.

"(2)(A) Household income for migrant farmworker households shall be calculated on a prospective basis, as provided in paragraph (3)(A).

"(B) Household income for all other households shall be calculated either on a prospective basis as provided in paragraph (3)(A) or on a retrospective basis as provided in paragraph (3)(B), as elected by the State agency under regulations prescribed by the Secretary."

"(3)(A) Calculation of household income on a prospective basis is the calculation of income on the basis of the income reasonably anticipated to be received by the household during the period for which eligibility or benefits are being determined. Such calculation shall be made in accordance with regulations prescribed by the Secretary which shall provide for taking into account both the income reasonably anticipated to be received by the household during the period for which eligibility or benefits are being determined and the income received by the household during the preceding thirty days.

"(B) Calculation of household income on a retrospective basis is the calculation of income for the period for which eligibility or benefits are being determined on the basis of income received in a previous period. Such calculation shall be made in accordance with regulations prescribed by the Secretary which may provide for the determination of eligibility on a prospective basis in some or all cases in which benefits are calculated under this paragraph. Such regulations shall provide for supplementing the initial allotments of newly applying households in those cases in which the determination of income under this paragraph causes serious hardship.

"(4) In promulgating regulations under this subsection, the Secretary shall consult with the Secretary of Health and Human Services in order to assure that, to the extent feasible and consistent with the purposes of this Act and the Social Security Act, the income of households receiving benefits under this Act and title IV-A of the Social Security Act, is calculated on a comparable basis under the two Acts. The Secretary is authorized, upon the request of a State agency, to waive any of the provisions of this subsection to the extent necessary to permit the State agency to calculate income for purposes of this Act on the same basis that income is calculated under title IV-A of the Social Security Act in that State.".

(b) Effective October 1, 1983, paragraph (2)(B) of section 5(f) of the Food Stamp Act of 1977, as amended by subsection (a), is amended to read:

"(B) Household income for all other households shall be calculated on a retrospective basis as provided in paragraph (3)(B).".

(c) Section 5(d) of the Food Stamp Act of 1977 is amended by striking "5(f)(2)" and inserting "5(f)" in lieu thereof.

PERIODIC REPORTING

SEC. 106. (a) Section 3(c) of the Food Stamp Act of 1977 is amended by inserting before the period at the end of the second sentence "except that the limit of twelve months may be waived by the Secretary to improve the administration of the program".

(b) Section 6(c) of the Food Stamp Act of 1977 is amended by—

(1) inserting after "households" in the first sentence of paragraph (1) ", including all households with earned income, except migrant farmworker households, all households with potential earners, including individuals receiving unemployment compensation benefits and individuals required by section 6(d) of this Act to register for work, and all households required to file a similar report under title IV-A of the Social Security Act, but not including households that have no earned income and in which all members are sixty years of age or over or receive supplemental security income benefits under title XVI of the Social Security Act or disability and blindness payments under titles I, II, X, XIV, and XVI of the Social Security Act,";

(2) striking "5(f)(2)" in paragraph (1) and inserting "5(f)" in lieu thereof; and

(3) inserting after paragraph (3) the following new paragraph:

"(4) Any household that fails to submit periodic reports required by paragraph (1) shall not receive an allotment for the payment period to which the unsubmitted report applies until such report is submitted.".

(c) Effective October 1, 1983, section 6(c)(1) of the Food Stamp Act of 1977 is further amended by—

(1) striking the first sentence "that elect to use a system of retrospective accounting in accordance with section 5(f) of this Act"; and

(2) striking the second sentence.

REPEAL OF INCREASES IN DEPENDENT CARE DEDUCTIONS FOR WORKING ADULTS AND MEDICAL DEDUCTIONS FOR THE ELDERLY AND DISABLED

SEC. 107. Sections 104 and 105 of the Food Stamp Act Amendments of 1980 (Public Law 96-249) are repealed.

TITLE II—OTHER FOOD STAMP PROGRAM COST REDUCTIONS

FAMILY UNIT REQUIREMENT

SEC. 201. Section 3(i) of the Food Stamp Act of 1977 is amended by—

(1) inserting before the period at the end of the first sentence "; except that parents and children who live together shall be treated as a group of individuals who customarily purchase and prepare meals together for home consumption even if they do not do so, unless one of the parents is sixty years of age or older"; and

(2) striking "neither" in the second sentence and inserting "no" in lieu thereof.

BOARDERS

SEC. 202. Section 3(i) of the Food Stamp Act of 1977 is amended by—

(1) striking in clause (1) of the first sentence "or else pays compensation to the others for such meals,";

(2) striking in clause (2) of the first sentence "or else live with others and pay compensation to the others for such meals"; and

(3) adding before the period at the end of the second sentence ", or else live with others and pay compensation to the others for meals".

DRUG ADDICTION AND ALCOHOLIC TREATMENT PROGRAMS

SEC. 203. (a) Section 3 of the Food Stamp Act of 1977 is amended by—

(1) striking subsection (f), the definition for "Drug addiction and alcoholic treatment and rehabilitation program";

(2) in subsection (g)(1), striking "(5), (7), and (8)" and inserting in lieu thereof "(6), and (7)";

(3) in subsection (g), striking clause (5), and redesignating clauses (6), (7), and (8) as clauses (5), (6), and (7);

(4) in the third sentence of subsection (1), inserting "and" before "temporary residents", and striking out ", and narcotics addicts or alchoholics who live under the supervision of a private nonprofit institution for the purpose of regular participation in a drug or alcoholic treatment program";

(5) in subsection (k)(2), striking "(5), (7), and (8)" and inserting in lieu thereof "(6), and (7)";

(6) in subsection (k)(3), striking "(g)(6)" and inserting in lieu thereof "(g)(5)".

(b) Section 6(d)(2) of the Food Stamp Act of 1977 is amended by—

(1) striking clause (E); and

(2) redesignating clause (F) as clause (E).

(c) Section 10 of the Food Stamp Act of 1977 is amended by striking "private nonprofit organizations or institutions which serve meals to narcotics addicts or alcoholics in drug addiction or alcoholic treatment and rehabilitation programs," and striking the comma after "children".

EXCLUDED PAYMENTS FROM OTHER PROGRAMS; ENERGY ASSISTANCE PAYMENTS

SEC. 204. Section 5(d) of the Food Stamp Act of 1977 is amended by striking "(10)" and everything that follows through the end of such subsection and inserting in lieu thereof "(10) any income that any other Federal law specifically excludes from consideration as income for purposes of determining eligibility for the food stamp program, and (11) any payments or allowances specifically designated for energy assistance by Federal law.".

SPONSORED ALIENS

SEC. 205. Section 5 of the Food Stamp Act of 1977 is amended by adding a new subsection (i) to read:

"(i)(1) For purposes of determining eligi-

bility for and the amount of benefits under this Act for an individual who is an alien as described in subsection 6(f)(2)(B) of this Act, the income and resources of any person who as a sponsor of such individual's entry into the United States executed an affidavit of support or similar agreement with respect to such individual, and the income and resources of the sponsor's spouse if such spouse is living with the sponsor, shall be deemed to be the income and resources of such individual for a period of three years after the individual's entry into the United States. Any such income deemed to be income of such individual shall be treated as unearned income of such individual.

"(2)(A) The amount of income of a sponsor, and the sponsor's spouse if living with the sponsor, which shall be deemed to be the unearned income of an alien for any year shall be determined as follows:

"(i) The total yearly rate of earned and unearned income of such sponsor, and such sponsor's spouse if such spouse is living with the sponsor, shall be determined for such year under rules prescribed by the Secretary.

"(ii) The amount determined under clause (1) of this subparagraph shall be reduced by an amount equal to the income eligibility standard as determined under section 5(c) of this Act for a household equal in size to the sponsor, the sponsor's spouse if living with the sponsor, and any persons dependent upon or receiving support from the sponsor or the sponsor's spouse if the spouse is living with the sponsor.

"(iii) The monthly income attributable to such alien shall be one-twelfth of the amount calculated under clause (ii) of this subparagraph.

"(B) The amount of resources of a sponsor, and the sponsor's spouse if living with the sponsor, which shall be deemed to be the resources of an alien for any year shall be determined as follows:

"(i) The total amount of the resources of such sponsor and such sponsor's spouse if such spouse is living with the sponsor shall be determined under rules prescribed by the Secretary.

"(ii) The amount determined under clause (i) of this subparagraph shall be reduced by $1,500.

"(iii) The resources determined under clause (ii) of this subparagraph shall be deemed to be resources of such alien in addition to any resources of such alien.

"(C)(i) Any individual who is an alien shall, during the period of three years after entry into the United States, in order to be an eligible individual or eligible spouse for purposes of this Act, be required to provide to the State agency such information and documentation with respect to his sponsor and sponsor's spouse as may be necessary in order for the State agency to make any determination required under this section, and to obtain any cooperation from such sponsor necessary for any such determination. Such alien shall also be required to provide such information and documentation which such alien or the sponsor provided in support of such alien's immigration application as the State agency may request.

"(ii) The Secretary shall enter into agreements with the Secretary of State and the Attorney General whereby any information available to such persons and required in order to make any determination under this section will be provided by such persons to the Secretary, and whereby such persons shall inform any sponsor of an alien, at the time such sponsor executes an affidavit of support or similar agreement, of the requirements imposed by this section.

"(D) Any sponsor of an alien, and such alien, shall be jointly and severably liable for an amount equal to any overpayment made to such alien during the period of three years after such alien's entry into the United States, on account of such sponsor's failure to provide correct information under the provisions of this section, except where such sponsor was without fault, or where good cause for such failure existed. Any such overpayment which is not repaid shall be recovered in accordance with the provisions of section 13(b)(2) of this Act.

"(E) The provisions of this subsection shall not apply with respect to any alien who is a member of the sponsor's household, as defined in section 3(i) of this Act.".

ELIGIBILITY OF STRIKERS

SEC. 206. (a) Section 6(d)(4) of the Food Stamp Act of 1977 is amended by—

(1) inserting before the colon at the end of the first proviso the following: ", however, such household shall not receive an increased allotment as the result of a decrease in the income of the striking member or members of the household";

(2) inserting a period in lieu of the colon at the end of the second proviso; and

(3) striking the third proviso.

(b) Section 6(i) of the Food Stamp Act of 1977 is repealed.

WORK REQUIREMENTS

SEC. 207. Section 6(d) of the Food Stamp Act of 1977 is amended by—

(1) striking "six" and inserting in lieu thereof "twelve" in clause (i) of paragraph (1);

(2) striking ", unless the household was certified for benefits under this Act immediately prior to such unemployment" in clause (iii) of paragraph (1);

(3) striking "sixty days" and inserting "ninety days" in the proviso in clause (iii) of paragraph (1);

(4) inserting before the semicolon at the end of clause (A) of paragraph (2) ", in which case, failure by such person to comply with any work requirement to which such person is subject that is comparable to a requirement of paragraph (1) shall be the same as failure to comply with that requirement of paragraph (1); and

(5) striking "twelve" and inserting in lieu thereof "six" in clause (B) of paragraph (2).

WORKFARE PROGRAMS

SEC. 208. (a) Section 6(d) of the Food Stamp Act of 1977 is amended by adding at the end thereof the following new paragraph:

"(5) Unless otherwise exempted by the provisions of this paragraph, no individual shall be eligible for assistance under this Act if he or she is a physically and mentally fit person between the ages of eighteen and sixty who refuses without good cause to accept an offer of employment, under a workfare program established under section 11(e)(20) of this Act, made by a State, a political subdivision of a State, a prime sponsor pursuant to the Comprehensive Employment and Training Act of 1973, or any other public employer, the compensation for which employment is provided in the form of the allotment to which the household is otherwise entitled under section 8(a) of this Act. A person who otherwise would be required to comply with the requirements of this paragraph shall be exempt from such requirements if such person is a person described in clause (B), (C), or (E) of paragraph (2) of this subsection, or is within another category of persons designated by the State agency as exempt from such requirements.".

(b) Section 11(e) of the Food Stamp Act of 1977 is amended by—

(1) striking the word "and" at the end of paragraph (18);

(2) striking the period at the end of paragraph (19) and inserting in lieu thereof a semicolon; and

(3) adding at the end thereof the following new paragraph:

"(20) that the State agency may establish and carry out a workfare program, in accordance with the provisions of subsection (m) of this section and regulations issued by the Secretary under such subsection, to provide employment to enable households to satisfy the requirements of section 6(d)(5) of this Act; and".

(c) Section 11 of the Food Stamp Act of 1977 is further amended by adding at the end thereof the following new subsection:

"(m)(1) Not later than sixty days after enactment of this subsection, the Secretary shall issue regulations regarding the establishment and operation by State and local agencies of a workfare program which makes available public employment described in section 6(d)(5).

"(2) Such regulations shall provide that compensation for employment described in section 6(d)(5) shall consist of the allotment to which the household is entitled pursuant to section 8(a) of this Act, with each hour of such employment entitling the household to which such person belongs to a portion of its allotment equal in value to 100 per centum of the higher of the applicable State minimum wage or the Federal hourly rate under the Fair Labor Standards Act of 1938.

"(3) Regulations issued by the Secretary under this subsection—

"(A) shall allow for the provision of job counseling to ensure that such members are matched with the most suitable employment available, taking into consideration the experience, training, and capabilities of such members;

"(B) shall allow for the provision of assistance to such members to obtain suitable employment outside such program;

"(C) shall not require any such member participating in any such workfare program for any week to work any hours during such week which when added to any other hours worked by such member for compensation in cash or in kind in any other capacity during such week exceed forty hours; and

"(D) shall require that employment described in section 6(d)(5) not be used by any employer to fill a job vacancy created by the action of such employer in laying off or terminating the employment of any regular employee not participating in any such workfare program in anticipation of filling the vacancy so created by hiring any employee participating in any such workfare program.

"(4) Any person who is subject to the workfare requirements of section 6(d)(5) of this Act shall be ineligible to participate in the food stamp program as a member of any household for a period of six months after such person refuses to accept an offer of employment under such program or fails to work the number of hours required under paragraph (2) of this subsection.

"(5) During the period of ineligibility imposed under paragraph (4) of this subsection, no household shall receive increased benefits under this Act as the result of a member of such household having been disqualified under paragraph (4).

"(6)(A) The Secretary shall, to the maximum extent practicable, make it possible for States and political subdivisions to design and operate workfare programs for food stamp recipients that are compatible with similar workfare programs operated by such States and political subdivisions.

"(B) The Secretary shall allow States and political subdivisions to require that food stamp recipients subject to section 6(d)(5) of this Act comply with provisions of workfare programs requiring work or training operated under title IV of the Social Security Act. In such cases, compliance with a workfare program operated under title IV shall be

treated as compliance with food stamp workfare requirements.

"(C) The Secretary may also allow States and political subdivisions to require that food stamp recipients subject to section 6(d)(5) of this Act comply with provisions of workfare programs (other than those operated under title IV of the Social Security Act) operated by States or politicial subdivisions, if the Secretary determines that such other workfare program meets the provisions and protections provided under this Act. In such cases, compliance with another workfare program shall be treated as compliance with food stamp workfare requirements.".

(d) Section 16 of such Act is amended by adding at the end thereof the following new subsection:

"(j) The Secretary shall pay 50 per centum of all administrative costs involved in operating a workfare program established under section 11(e)(20) of this Act.".

(e) Section 17(c) of such Act is amended—

(1) by striking "and" before "the program's relative fairness"; and

(2) by striking the period at the end thereof and inserting in lieu thereof a comma and the following: "and the operation of a workfare program established under this Act, with particular emphasis upon the extent to which such workfare program reduces the need for food stamp benefits and helps to achieve the purposes of this Act.".

PRORATING FIRST MONTH BENEFITS

SEC. 209. Section 8 of the Food Stamp Act of 1977 is amended by adding at the end thereof the following new subsection:

"(c) The value of the allotment issued to any eligible household for the initial month or other initial period for which an allotment is issued shall have a value which bears the same ratio to the value of the allotment for a full month or other initial period for which the allotment is issued as the number of days (from the date of application) remaining in the month or other initial period for which the allotment is issued bears to the total number of days in the month or other initial period for which the allotment is issued. As used in this subsection, the term 'initial month' means (1) the first month for which an allotment is issued to a household, and (2) the first month for which an allotment is issued to a household following any period of more than thirty days during which such household was not participating in the food stamp program under this Act after previous participation in such program.".

OUTREACH; BILINGUAL REQUIREMENTS

SEC. 210. (a) Section 11(e)(1) of the Food Stamp Act of 1977 is amended by striking clauses (A), (B), and (C) and inserting in lieu thereof "not conduct food stamp outreach activities with funds provided under this Act;".

(b) Section 16(a) of that Act is amended by—

(1) striking clause (1); and

(2) redesignating clauses (2), (3), (4), and (5) as clauses (1), (2), (3), and (4), respectively.

EXPEDITED BENEFITS

SEC. 211. Section 11(e)(9) of the Food Stamp Act of 1977 is amended to read:

"(9) that any household in immediate need be cause such household—

"(A) has gross income, as defined in section 5(d) of this Act, which is less than $85 per month or is a destitute migrant or seasonal farmworker household; and

"(B) has liquid assets, as defined under section 5(g) of this Act, which do not exceed $100;

shall receive an allotment on an expedited basis if, to the extent practicable, the State agency verifies the income and cash resources of such household.".

WAIVING AND OFFSETTING CLAIMS; IMPROVED RECOVERY OF OVERPAYMENTS

SEC. 212. (a) Section 13 of the Food Stamp Act of 1977 is amended by—

(1) inserting "(a)" immediately after the section designation;

(2) inserting before the period at the end of the first sentence ", including the power to waive claims if the Secretary determines that to do so would serve the purposes of this Act";

(3) adding the following new sentence at the end thereof: "The Secretary shall have the power to reduce amounts otherwise due to a State agency under section 16 of this Act to collect unpaid claims assessed against the State agency if the State agency has declined or exhausted its appeal rights under section 14 of this Act."; and

(4) adding the following new subsection at the end thereof:

"(b)(1) In the case of any ineligibility determination under section 6(b) of this Act, the household of which such ineligible individual is a member is required to agree to a reduction in the allotment of the household of which such individual is a member, or payment in cash, in accordance with a schedule determined by the Secretary, that will be sufficient to reimburse the Federal Government for double the value of any overissuance of coupons resulting from the activity that was the basis of the ineligibility determination. If a household refuses to make an election, or elects to make a payment in cash under the provisions of the preceding sentence and fails to do so, the household shall be subject to an allotment reduction.

"(2) State agencies shall collect any claim against a household arising from the overissuance of coupons, other than claims the collection of which is provided for in paragraph (1) of this subsection and claims arising from an error of the State agency, by reducing the monthly allotments of the household. These collection shall be limited by 10 per centum of the monthly allotment (or $10 per month, whenever that would result in a faster collection rate).".

(b) The heading of section 13 of the Food Stamp Act of 1977 is amended to read "COLLECTION AND DISPOSITION OF CLAIMS".

STATES' SHARE OF COLLECTED CLAIMS

SEC. 213. Section 16(a) of the Food Stamp Act of 1977 is amended by—

(1) striking in the first sentence "through prosecutions" and all that follows down through the end of the sentence and inserting in lieu thereof "pursuant to section 13(b)(1) of this Act and 25 per centum of the value of all funds or allotments recovered or collected pursuant to section 13(b)(2) of this Act."; and

(2) striking in the second sentence, "fraud" and inserting in lieu thereof "ineligibility".

TITLE III—STRENGTHENING PENALTIES FOR FRAUD AND ABUSE; IMPROVING ADMINISTRATIVE PROCEDURES

ELIGIBLE STORES

SEC. 301. Section 3(k) of the Food Stamp Act of 1977 is amended by inserting the following new sentence at the end thereof: "Notwithstanding the preceding sentence, the term 'retail food store' shall not include any establishment that sells alcoholic beverages for consumption on the premises, other than an establishment referred to in subections (g)(3) and (k)(3) of this section."

ALASKA'S THRIFTY FOOD PLAN

SEC. 302. Section 3(o) of the Food Stamp Act of 1977 is amended by revising clause (2) to read: "(2) make cost adjustments in the thrifty food plan for Hawaii and the urban and rural parts of Alaska to reflect the cost of food in Hawaii and urban and rural Alaska,".

DISALLOWANCE OF DEDUCTIONS FOR EXPENSES PAID BY THIRD PARTIES

SEC. 303. Section 5(e) of the Food Stamp Act of 1977 is amended by adding in the fourth and fifth sentences after "entitled" the following: ", with respect to expenses other than expenses paid on behalf of the household by a third party,".

RESOURCE LIMITATIONS

SEC. 304. Section 5(g) of the Food Stamp Act of 1977 is amended by striking in the second sentence ", in prescribing inclusions in, and exclusions from, financial resources, follow regulations in force as of June 1, 1977, and shall, in addition, (1)".

DISQUALIFICATION PENALTIES FOR FRAUD AND MISREPRESENTATION

SEC. 305. Section 6(b) of the Food Stamp Act of 1977 is amended to read:

"(b)(1) Any person who has been found by any State or Federal court or administrative agency to have intentionally (A) made a false or misleading statement, or misrepresented, concealed or withheld facts, or (B) committed any act that constitutes a violation of this Act, the regulations issued thereunder, or any State statute, for the purpose of using, presenting, transferring, acquiring, receiving, or possessing coupons or authorization cards shall, immediately upon the rendition of such determination become ineligible for further participation in the program—

"(i) for a period of six months upon the first occasion of any such determination;

"(ii) for a period of one year upon the second occasion of any such determination;

"(iii) permanently, upon the third occasion of any such determination.

During the period of such ineligibility, no household shall received increased benefits under this Act as the result of a member of such household having been disqualified under this subsection.

"(2) Each State agency shall proceed against an individual alleged to have engaged in such activity either by way of administrative hearings or by referring such matters to appropriate authorities for civil or criminal action in a court of law.

"(3) Such periods of ineligibility as are provided for in paragraph (1) of this subsection shall remain in effect, without possibility of administrative stay, unless and until the finding upon which the ineligibility is based is subsequently reversed by a court of appropriate jurisdiction, but in no event shall the period of ineligibility be subject to review.

"(4) The Secretary shall prescribe such regulations as the Secretary may deem appropriate to ensure that information concerning any such determination with respect to a specific individual is forwarded to the Office of the Secretary by any appropriate State or Federal entity for the use of the Secretary in administering the provisions of this section. No State shall withhold such information from the Secretary or the Secretary's designee for any reason whatsoever.".

ELIMINATION OF CASH CHANGE

SEC. 306. Section 7(b) of the Food Stamp Act of 1977 is amended by striking the colon at the end of the first proviso and all that follows down through the word "issued".

LIABILITY FOR LOSSES; MAIL ISSUANCE LIMITATIONS

SEC. 307. Section 7(f) of the Food Stamp Act of 1977 is amended to read:

"(f) Notwithstanding any other provision of this Act, the State agency shall be strictly liable to the Secretary for any financial losses involved in the acceptance, storage, and issuance of coupons, except that in the case of losses resulting from the replacement of coupons lost in the mail, the State agency

shall be liable to the Secretary to the extent that such losses exceed 1 per centum of the value of allotments issued by mail during any six-month period in any State or part of a State that issues a significant volume of coupons by mail. In the case of losses resulting from the replacement of authorizations for coupons, the State agency shall be liable to the Secretary to the extent prescribed in the regulations promulgated by the Secretary. The Secretary is authorized to restrict the use of mail coupon issuance in any State or part of a State where the Secretary determines that it jeopardizes program integrity or is not cost effective.".

COUNTING THE VALUE OF ALLOTMENTS AS INCOME OR RESOURCES; REDUCING OTHER PROGRAM BENEFITS

SEC. 308. Section 8(b) of the Food Stamp Act of 1977 is amended to read:

"(b) The value of the allotment provided any eligible household shall not be considered income or resources for the purposes of any Federal, State, or local laws relating to taxation.".

REPORTING OF ABUSES BY THE PUBLIC; NOTICE OF VERIFICATION

SEC. 309. (a) Section 9 of the Food Stamp Act of 1977 is amended by adding at the end thereof a new subsection (e) to read:

"(e) Approved retail food stores shall display a sign providing information on how persons may report abuses they have observed in the operation of the food stamp program.".

(b) Section 11(e)(2) of the Food Stamp Act of 1977 is amended by inserting after the second period the following new sentence: "Each application form shall also contain in understandable terms and in prominent and boldface lettering a statement that the information provided by the applicant in connection with the application for a coupon allotment will be subject to verification by Federal, State, and local officials to determine if such information is factual and that if any part of such information is incorrect, food stamps may be denied to the applicant, and that the applicant may be subjected to criminal prosecution for knowingly providing incorrect information.".

SIXTY-DAY TRANSFER OF CERTIFICATION

SEC. 310. Section 11 of the Food Stamp Act of 1977 is amended by striking subsection (b).

RESTRICTIONS ON REPLACEMENT OF COUPONS

SEC. 311. Section 11 of the Food Stamp Act of 1977 is amended by adding the following new subsection:

"(b) The Secretary shall limit replacements for coupons destroyed after receipt by a household to one month's replacement for any household in any six-month period, and no replacement shall be provided for coupons lost or misplaced after receipt by a household.".

NOTICE OF RECERTIFICATION

SEC. 312. Section 11(e)(4) of the Food Stamp Act of 1977 is amended by striking "immediately".

DISCLOSURE OF INFORMATION ON RECIPIENTS

SEC. 313. Section 11(e)(8) of the Food Stamp Act of 1977 is amended by striking the semicolon at the end and inserting in lieu thereof a comma and the following: "except that, notwithstanding any other provision of law, all information obtained under this Act from an applicant household shall be made available, upon request, to local, State, or Federal law enforcement officials for the purpose of investigating a possible or alleged violation of this Act or any regulation issued under this Act;".

PROMPT ACTION TO REDUCE OR TERMINATE BENEFITS

SEC. 314. Section 11(e)(10) of the Food Stamp Act of 1977 is amended by changing the semicolon at the end thereof to a colon and inserting immediately after the colon the following: "Provided further, That in the event the State agency receives a clear written statement from the household that contains information that, in its totality, requires reduction or termination of that household's benefits, the State agency may act immediately to reduce or terminate the household's benefits and may provide such individual notice of agency action to the household as late as the date on which the action becomes effective;".

LIMITATIONS ON RESTORATION OF LOST BENEFITS

SEC. 315. (a) Section 11(e)(11) of the Food Stamp Act of 1977 is amended to read:

"(11) upon receipt of a request from a household, for the prompt restoration in in the form of coupons to a household of any allotment or portion thereof which has been wrongfully denied or terminated, except that allotments for any period of time more than one year prior to the date such request is received by the State agency, or the date the State agency is notified or otherwise discovers the possible loss to a household, shall not be restored;".

(b) Section 15 of the Food Stamp Act of 1977 is amended by adding a new subsection at the end thereof to read:

"(h) In any judicial action arising under this Act any food stamp allotments found to have been wrongfully withheld shall be restored only for periods of not more than one year prior to the date of the commencement of such action, or in the case of an action seeking review of a final State agency determination, not more than one year prior to the date of the filing of a request with the State for the restoration of such allotments, or, in either case, not more than one year prior to the date the State agency is notified or otherwise discovers the possible loss to a household.".

USE AND AVAILABILITY OF UNEMPLOYMENT AND SOCIAL SECURITY INFORMATION

SEC. 316. (a) Section 11(e) of the Food Stamp Act of 1977 is amended by adding at the end thereof the following new paragraph:

"(21) that information available from the Social Security Administration under the provisions of section 6103(l)(7) of the Internal Revenue Code of 1954, and information available from agencies administering State unemployment compensation laws under the provisions of section 303(d) of the Social Security Act, shall be requested and utilized by the State agency (described in section 3(n)(1) of this Act) to the extent permitted under the provisions of such sections, except that the State agency shall not be required to request such information from the Social Security Administration if such information is available from the agency administering the State unemployment compensation laws.".

(b) Section 127(b)(3) of the Food Stamp Act Amendments of 1980 is amended by striking "1983" and inserting in lieu thereof "1982".

NUTRITION EDUCATION PROGRAM

SEC. 317. Section 11(f) of the Food Stamp Act of 1977 is amended to read:

"(f) To encourage the purchase of nutritious foods, the Secretary is authorized to extend food and nutrition education to reach food stamp program participants, using the methods and techniques developed in the expanded food and nutrition education and other programs.".

MINIMUM MANDATORY COURT SENTENCE FOR CRIMINAL OFFENSES; WORK RESTITUTION PROGRAM; ADDITIONAL PENALTIES

SEC. 318. Subsections (b) and (c) of section 15 of the Food Stamp Act of 1977 are amended to read:

"(b)(1) Subject to the provisions of paragraph (2) of this subsection, whoever knowingly uses, transfers, acquires, alters, or possesses coupons or authorization cards in any manner not authorized by this Act or the regulations issued pursuant to this Act shall, if such coupons or authorization cards are of a value of $100 or more, be guilty of a felony and shall, upon the first conviction thereof, be fined not more than $10,000 or imprisoned for not more than five years, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not less than six months nor more than five years and may also be fined not more than $10,000 or, if such coupons or authorization cards are of a value of less than $100, shall be guilty of a misdemeanor, and, upon the first conviction thereof, shall be fined not more than $1,000 or imprisoned for not more than one year, or both, and upon the second and any subsequent conviction thereof, shall be imprisoned for not more than one year and may also be fined not more than $1,000. In addition to such penalties, any person convicted of a felony or misdemeanor violation under this subsection may be suspended by the court from participation in the food stamp program for an additional period of up to eighteen months consecutive to that period of suspension mandated by section 6(b)(1) of this Act.

"(2) In the case of any individual convicted of an offense under paragraph (1) of this subsection, the court may permit such individual to perform work approved by the court for the purpose of providing restitution for losses incurred by the United States and the agency as a result of the offense for which such individual was convicted. If the court permits such individual to perform such work and such individual agrees thereto, the court shall withhold the imposition of the sentence on the condition that such individual perform the assigned work. Upon the successful completion of the assigned work the court may suspend such sentence.

"(c) Whoever presents, or causes to be presented, coupons for payment or redemption of the value of $100 or more, knowing the same to have been received, transferred, or used in any manner in violation of the provisions of this Act or the regulations issued pursuant to this Act, shall be guilty of a felony and, upon the first conviction thereof, shall be fined not more than $10,000 or imprisoned for not more than five years, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not less than one year nor more than five years and may also be fined not more than $10,000, or, if such coupons are of a value of less than $100, shall be guilty of a misdemeanor and, upon the first conviction thereof, shall be fined not more than $1,000 or imprisoned for not more than one year, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not more than one year and may also be fined not more than $1,000. In addition to such penalties, any person convicted of a felony or misdemeanor violation under this subsection may be suspended by the court from participation in the food stamp program for an additional period of up to eighteen months consecutive to that period of suspension mandated by section 6(b)(1) of this Act.".

STAFFING STANDARDS

SEC. 319. Section 16(b)(1) of the Food Stamp Act of 1977 is amended by striking ", including, but not limited to, staffing standards such as caseload per certification worker limitations,".

CORRECTIVE ACTION PLANS

SEC. 320. Section 16 of the Food Stamp Act of 1977 is amended by—

(1) inserting before the period at the end of the first sentence of subsection (c) the following ", and, effective October 1, 1981, which also meets the standard contained in paragraph (1)(B) of this subsection"; and

(2) in subsection (d), striking "October 1, 1978" and inserting in lieu thereof "October 1, 1981", and by inserting "(2)" after "subsection (c)".

SOCIAL SECURITY ACCOUNT NUMBERS

SEC. 321. The first sentence of section 16(f) of the Food Stamp Act of 1977 is amended by striking "may" and inserting in lieu thereof "shall".

AFDC AND SSI CASH-OUT PILOT PROJECTS

SEC. 322. Section 17(b)(1) of the Food Stamp Act of 1977 is amended by—

(1) inserting "the payment of the value of allotments in the form of cash to eligible households all of whose members are recipients of aid to families with dependent children under part A of title IV of the Social Security Act: *Provided*, That such cash payments shall be in standard monthly amounts varied to reflect the average allotment received by households of similar size, income, and expense characteristics," after "Social Security Act,";

(2) inserting ", other than a project involving the payment of standard monthly allotments to recipients of aid to families with dependent children authorized under this subsection," after "no project"; and

(3) changing the last sentence to read: "Any pilot or experimental project implemented under this paragraph involving the payment of the value of allotments in the form of cash to eligible households all of whose members are either age sixty-five or over or entitled to supplemental security income benefits under title XVI of the Social Security Act shall be continued until October 1, 1985, if the State so requests.".

VARIABLE ALLOTMENT STUDY; REPORTS

SEC. 323. (a) The Secretary is directed to evaluate the feasibility, benefits, and disadvantages of adjusting household allotments with respect to the age and sex of household members, including an evaluation of the individualized allotment issues and conclusions in the General Accounting Office report of June 13, 1978 (Federal Domestic Food Assistance Programs—A Time for Assessment and Change), and submit the results of that study to Congress no later than July 1, 1982.

(b)(1) Section 5(g) of the Food Stamp Act of 1977 is amended by striking everything after "exceeds $4,500" and inserting a period in lieu thereof.

(2) Section 8(a) of that Act is amended by striking the last sentence.

(3) Section 17 of that Act is amended by striking subsections (d) and (e).

TITLE IV—AUTHORIZATION FOR APPROPRIATIONS; APPROPRIATION ACCOUNTS; EFFECTIVE DATES

SEC. 401. The first sentence of section 18(a)(1) of the Food Stamp Act of 1977 is amended by—

(1) striking "and" after "September 30, 1980;";

(2) striking "$9,739,276,000" and inserting in lieu thereof "$11,480,000,000"; and

(3) inserting before the period at the end thereof the following: "; not in excess of $10,870,000,000 for the fiscal year ending September 30, 1982; not in excess of $11,290,000,000 for the fiscal year ending September 30, 1983; not in excess of $11,325,000,000 for the fiscal year ending September 30, 1984; and not in excess of $11,840,000,000 for the fiscal year ending September 30, 1985.".

APPROPRIATION ACCOUNTS

SEC. 402. Section 18 of the Food Stamp Act of 1977 is amended by adding a new subsection (e) to read:

"(e) Funds collected from claims against households or State agencies, including claims collected pursuant to sections 7(f), 11(h), and 16(g) of this Act, claims resulting from resolution of audit findings, and claims collected from households receiving overissuances, shall be credited to the food stamp program appropriation account for this fiscal year in which the collection occurs. Funds provided to State agencies under section 16(c) of this Act shall be paid from the appropriation account for this fiscal year in which the funds are provided.".

EFFECTIVE DATES

SEC. 403. Except as otherwise specifically provided, the amendments made by this Act shall be effective and implemented upon such dates as the Secretary may prescribe, taking into account the need for orderly implementation. The amendments made by section 401 of this Act shall be effective upon enactment.

TITLE V—COMMODITY DISTRIBUTION PROGRAMS

EXTENSION OF AUTHORITIES, PENALTIES FOR FRAUD, AND MISCELLANEOUS PROVISIONS

SEC. 501. (a) Effective October 1, 1981, section 4 of the Agriculture and Consumer Protection Act of 1973 is amended by—

(1) striking "1978, 1979, 1980, and 1981", in the first sentence of subsection (a) and inserting in lieu thereof: "1982, 1983, 1984, and 1985"; and

(2) adding a new subsection (c) to read:

"(c) Whoever embezzles, willfully misapplies, steals or obtains by fraud any agricultural commodity or its products (or any funds, assets, or property deriving from donation of such commodities) provided under this section, or under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431), section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), or section 709 of the Food and Agriculture Act of 1965 (7 U.S.C. 1446a–1), whether received directly or indirectly from the United States Department of Agriculture, or whoever receives, conceals, or retains such commodities, products, funds, assets, or property for personal use or gain, knowing such commodities, products, funds, assets, or property have been embezzled, willfully misapplied, stolen, or obtained by fraud shall, if such commodities, products, funds, assets, or property are of a value of $100 or more, be fined not more than $10,000 or imprisoned not more than five years, or both, or if such commodities, products, funds, assets, or property are of value of less than $100, shall be fined not more than $1,000 or imprisoned for not more than one year, or both.".

(b) Effective October 1, 1981, section 5(a) of that Act is amended to read:

"(a) In carrying out the supplemental feeding program (hereinafter referred to as the "commodity supplementary food program") to which reference is made in section 4 of this Act, the Secretary of Agriculture shall provide to State agencies administering the program, for each of the fiscal years 1982 through 1985, funds appropriated from the general fund of the Treasury in amounts equal to the administrative costs of State and local agencies in operating the program, except that the funds provided to State agencies each fiscal year may not exceed 15 per centum of the amount appropriated for the provision of commodities to State agencies.".

TITLE VI—FOOD STAMP CASH-OUT OF SSI RECIPIENTS

MODIFICATION OF CASH-OUT STATUS

SEC. 601. Effective July 1, 1981, section 8(d) of Public Law 93–233 is amended to read:

"(d) Upon the request of a State, the Secretary shall find, for purposes of the provisions specified in subsection (c), that the level of such State's supplementary payments of the type described in 1616(a) of the Social Security Act has been specifically increased for any month after June 1976 so as to include the bonus value of food stamps if: (1) the Secretary has found that such State's supplementary payments in June 1976 were increased to include the bonus value of food stamps; and (2) such State continues to meet the requirements of section 1618 of such Act for each month after June 1976 and up to and including the month for which the Secretary is making the determination.".

TITLE VII—PUERTO RICO

REDUCTION OF PUERTO RICO INCOME LIMITS

SEC. 701. Effective October 1, 1981, the proviso in section 5(c) of the Food Stamp Act of 1977 is amended to read: "*Provided*, That in no event shall the standards of eligibility for the Virgin Islands of the United States or Guam exceed those in the forty-eight contiguous States, and such standards for Puerto Rico shall be 55 percent of those in the forty-eight contiguous States."

BLOCK GRANT

SEC. 702. (a) Effective April 1, 1982, the Food Stamp Act of 1977 is amended by—

(A) striking "Puerto Rico," in section 3(m), clause (3) of section 3(o), section 5(b), wherever it appears in section 5(c) before the proviso, and wherever it appears in section 5(e) and striking "$50," and "$40," in section 5(e); and

(B) striking everything in section 5(c) after the first "forty-eight contiguous States" and inserting a period in lieu thereof.

(b) Effective April 1, 1982, that Act is further amended by adding at the end thereof the following new section:

"BLOCK GRANT

"SEC. 19. (a)(1)(A) From the sums appropriated under this Act the Secretary shall, subject to the provisions of this subsection and subsection (b), pay to the Commonwealth of Puerto Rico not to exceed $825,000,000 for each fiscal year to finance 100 per centum of the expenditures for food assistance provided to needy persons, and 50 per centum of the administrative expenses related to the provision of such assistance.

"(B) The payments to the Commonwealth for any fiscal year shall not exceed the expenditures by that jurisdiction during that year for the provision of the assistance the provision of which is included in the plan of the Commonwealth approved under subsection (b) and 50 per centum of the related administrative expenses.

"(2) The Secretary shall, subject to the provisions of subsection (b), pay to the Commonwealth for the applicable fiscal year, at such times and in such manner as the Secretary may determine, the amount estimated by the Commonwealth pursuant to subsection (b)(1)(A)(iv), reduced or increased to the extent of any prior overpayment or current underpayment which the Secretary determines has been made under this section and with respect to which adjustment has not already been made under this subsection.

"(b)(1)(A) In order to receive payments under this Act for any fiscal year, the Commonwealth shall have a plan for that fiscal year approved by the Secretary under this section. By July 1 of each year, if the Commonwealth wishes to receive payments, it shall submit a plan for the provision of the assistance described in subsection (a)(1)(A) for the following fiscal year which—

"(i) designates a single agency which shall be responsible for the administration, or supervision of the administration, of the program for the provision of such assistance;

"(ii) assesses the food and nutrition needs of needy persons residing in the Commonwealth;

"(iii) describes the program for the provision of such assistance, including the assistance to be provided and the persons to

whom such assistance will be provided, and any agencies designated to provide such assistance, which program must meet such requirements as the Secretary may by regulation prescribe for the purpose of assuring that assistance is provided to the most needy persons in the jurisdiction;

"(iv) estimates the amount of expenditures necessary for the provision of the assistance described in the program and related administrative expenses, up to the amount provided for payment by subsection (a)(1)(A); and

"(v) includes such other information as the Secretary may require.

"(B)(i) The Secretary shall approve or disapprove any plan submitted pursuant to subparagraph (A) no later than August 1 of the year in which it is submitted. The Secretary shall approve any plan which complies with the requirements of subparagraph (A). If a plan is disapproved because it does not comply with any of the requirements of that paragraph the Secretary shall, except as provided in subparagraph (B)(ii), notify the appropriate agency in the Commonwealth that payments will not be made to it under subsection (a) for the fiscal year to which the plan applies until the Secretary is satisfied that there is no longer any such failure to comply, and until the Secretary is so satisfied, the Secretary will make no payments.

"(ii) The Secretary may suspend the denial of payments under subparagraph (B)(i) for such period as the Secretary determines appropriate and instead withhold payments provided for under subsection (a), in whole or in part, for the fiscal year to which the plan applies, until the Secretary is satisfied that there is no longer any failure to comply with the requirements of subparagraph (A), at which time such withheld payments shall be paid.

"(2)(A) The Commonwealth shall provide for a biennial audit of expenditures under its program for the provision of the assistance described in subsection (a)(1)(A), and within one hundred and twenty days of the end of each fiscal year in which the audit is made, shall report to the Secretary the findings of such audit.

"(B) Within one hundred and twenty days of the end of each fiscal year, the Commonwealth shall provide the Secretary with a statement as to whether the payments received under subsection (a) for that fiscal year exceeded the expenditures by it during that year for which payment is authorized under this section, and if so, by how much, and such other information as the Secretary may require.

"(C)(i) If the Secretary finds that there is a substantial failure by the Commonwealth to comply with any of the requirements of subparagraphs (A) and (B), or to comply with the requirements of subsection (b)(1)(A) in the administration of a plan approved under subsection (b)(1)(B), the Secretary shall, except as provided in subparagraph (C)(ii), notify the appropriate agency in the Commonwealth that further payments will not be made to it under subsection (a) until the Secretary is satisfied that there will no longer be any such failure to comply, and until the Secretary is so satisfied, the Secretary shall make no further payments.

"(ii) The Secretary may suspend the termination of payments under subparagraph (C)(i) for such period as the Secretary determines appropriate, and instead withhold payments provided for under subsection (a), in whole or in part, until the Secretary is satisfied that there will no longer be any failure to comply with the requirements of subparagraphs (A) and (B) and subsection (b)(1)(A), at which time such withheld payments shall be paid.

"(iii) Upon a finding under subparagraph (C)(i) of a substantial failure to comply with any of the requirements of subparagraphs (A) and (B) and subsection (b)(1)(A), the Secretary may in addition to or in lieu of any action taken under subparagraphs (C)(i) and (C)(ii), refer the matter to the Attorney General with a request that injunctive relief be sought to require compliance by the Commonwealth of Puerto Rico, and upon suit by the Attorney General in an appropriate district court of the United States and a showing that noncompliance has occurred, appropriate injunctive relief shall issue.

"(c)(1) The Secretary shall provide for the review of the programs for the provision of the assistance described in subsection (a)(1)(A) for which payments are made under this Act.

"(2) The Secretary is authorized as the Secretary deems practicable to provide technical assistance with respect to the programs for the provision of the assistance described in subsection (a)(1)(A).

"(d) Whoever knowingly and willfully embezzles, misapplies, steals, or obtains by fraud, false statement, or forgery, any funds, assets, or property provided or financed under this section shall be fined not more than $10,000 or imprisoned for not more than five years, or both, but if the value of the funds, assets or property involved is not over $200, the penalty shall be a fine of not more than $1,000 or imprisonment for not more than one year, or both.".

(c) Notwithstanding the provisions of section 19 of the Food Stamp Act of 1977, as added by this section, the amount payable to Puerto Rico under section 19 for fiscal year 1982 shall be $413,000,000, and the Secretary is authorized to grant such waivers of the requirements imposed by that section with respect to that fiscal year as the Secretary determines appropriate to carry out the purposes of that section.

Mr. LEAHY. Mr. President, I ask unanimous consent that Janet Breslin of my staff and Rob Fersh of the Agriculture Committee staff be accorded the privilege of the floor throughout the debate and votes on S. 1007, the Food Stamp Amendments of 1981.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Carolina is recognized.

Mr. HELMS. I thank the Chair.

Mr. President, I suppose I should say I am pleased to report to the Senate today legislation reported from the Committee on Agriculture, Nutrition, and Forestry that would reform significantly the existing food stamp program. However, after hearing the time agreement I am somewhat less than pleased because I hope we can handle it, I say to my distinguished majority leader, in less time than that.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. HELMS. Mr. President, I am delighted to yield.

Mr. BAKER. I hope so also.

As a matter of fact, I hope we can get to third reading of the bill this afternoon even though we stack votes until tomorrow at 3 p.m.

I thank the Senator for yielding

Mr. HELMS. Mr. President, it should be evident to all those who concern themselves with this program that it is in substantial need of major revision, and that probably is the nearest thing to an understatement that I am going to make today, because if there has ever been a Federal program that cried out for reform, it is this program. Untold millions of Americans who have personally witnessed the waste and abuse involved in this program will testify to that.

The annual cost of the food stamp program is now $11.3 billion; without reform, the Congressional Budget Office estimates the cost will skyrocket to over $12.3 billion next year.

Of course, this cost represents a doubling during the past 3 years; that is a 100-percent increase in the cost of the food stamp program during the past 3 years. Emergency supplemental authorizations and appropriations for this program have become annual occurrences. They always run out of money.

The food stamp program is now the second largest needs-based Federal assistance program in existence. It provides monthly benefits to 23 million Americans. Monthly participation in the food stamp program has soared into the stratosphere, especially since this Congress unwisely, in the judgment of this Senator, voted in 1977 to eliminate the requirement that food stamp recipients pay any portion of the cost. The Congressional Budget Office estimates that 70 to 80 percent of the increase since 1979 is directly attributable to the removal of the purchase requirement in the food stamp program.

Probably more than any other Federal program, the food stamp program has been the object of citizen outrage because of perceived waste, abuse, and mismanagement.

I wish Senators could have heard the testimony of the many people who appeared before our committee, including those who have investigated this program—the corruption, the waste, and the abuse of it. I wish that Senators could examine the files of correspondence that we have received from citizens all across this land, who almost always begin by saying, "We do not begrudge one penny to the truly needy, but we do resent the waste of our tax money," and then they go ahead and describe various episodes which they themselves have seen in terms of waste and abuse.

The committee has gone a fairly long way in responding to the public concern about the food stamp program. We can do more, and I hope by the amendment process during the debate on this bill that we will do more.

Numerous proposals recommended by the administration have been incorporated into the bill which is now before the Senate. Additionally, a number of provisions advanced by members of the Agriculture Committee are included. Several provisions to strengthen significantly the penalties for fraud and abuse in the program are included in this bill.

During hearings on the bill the committee took testimony from numerous expert witnesses who outlined major areas of fraud and abuse within the program which so sorely need correcting.

Mr. President, let me outline the major provisions of the legislation as reported by the Committee on Agriculture, Nutrition, and Forestry.

MAJOR PROVISIONS

Gross income eligibility.—A single set of gross income eligibility limits would be required, as opposed to the present system of income limits that vary according to the type of household income (earned vs. unearned) and whether a household has special (shelter, dependent-care, or medical) expenses. The Committee bill would establish the gross income eligibility limits in all cases at 130 percent of the applicable Federal "poverty level."

Inflation indexing.—The various provisions indexing food stamp benefits for inflation would be revised to delay future benefit increases. Inflation adjustments to food stamp monthly allotment levels, governed by the cost of the Department of Agriculture's thrifty food plan, are now scheduled for January of each year; the Committee bill would delay them until April of 1982, July of 1983, and October of each year thereafter. Food stamp deduction levels, which limit the amount of household income that is disregarded in setting benefits, would be frozen at their 1981 amounts until July 1983; they are now scheduled for inflation adjustments each January. Indexing would occur again in July 1983 and in October each year thereafter, using a version of the Consumer Price Index that does not include a factor for homeownership costs.

Earned income deduction.—Under present law, households with earned income have 20 percent of any earnings deducted from their income before benefits are calculated, enabling them to receive larger benefits. The Committee bill would reduce this earned income deduction to 15 percent of earnings, thereby counting more income and reducing benefits.

Retrospective accounting and periodic reporting.—States now have the option of using future or prior month's income in determining eligibility and benefits for all or part of their food stamp caseload. The Committee bill would continue this option to choose between prospective and retrospective accounting until October 1983, at which time retrospective accounting would become mandatory. Requiring food stamp recipients to regularly report their circumstances (e.g., income, household size) is now optional with the States. The Committee bill would continue this option until October 1983, at which time periodic reports on household circumstances would be required. In both the retrospective accounting and periodic reporting provisions, exceptions and waivers are allowed for categories of households where serious hardship would result or there is a need to conform to the AFDC program's accounting and reporting system.

Medical and dependent-care deductions.—The Committee bill would repeal liberalizations (scheduled to be implemented in fiscal year 1982) of the limits on how much a household may deduct from its income for food stamp purposes if it has medical or dependent-care expenses. Present law requirements would be retained: (1) medical expenses of the elderly and disabled would continue to be deducted to the extent they exceed $35 per month; and (2) dependent-care expenses related to employment would continue to be deducted up to a limit of $115 per month (adjusted for inflation beginning in July 1983) whether claimed separately or in combination with any shelter expense deduction.

Strikers.—Households with members on strike would be denied eligibility for food stamps. However, if eligible prior to the strike, a household would retain its eligibility, but its benefits could not increase as a result of income lost because of the strike.

Work requirements.—Household disqualification, if the primary wage earner has voluntarily quit a job without good cause, would be extended to include those already receiving food stamps (only applicants are now disqualified under this rule) and the period of disqualification for voluntarily quitting a job would be lengthened from 60 to 90 days. Household members not otherwise exempt from work registration would be required to register for work after the youngest child they are caring for reaches age 6; present law allows caretakers to delay registration until the child is age 12. Households in which a member is exempt from food stamp work registration because the member is subject to another program's work registration requirements would automatically lose food stamp eligibility if the member fails to fulfill the alternate work registration rules.

Workfare programs.—States and localities would be allowed to establish workfare programs under which food stamp work registrants could be required to perform public service work arranged by the State or locality in order to retain food stamp eligibility. The number of hours of work required would be calculated by dividing a household's monthly benefit by the minimum wage rate.

Pro rating first month benefits.—An applicant household's first month's benefits would be pro rated according to when in the month the household applied. At present, applicant households are given a full first month's allotment without regard to the date of application.

Expedited benefits.—Rules governing expedited issuance of benefits to very poor applicants would be tightened so as to ensure that households given expedited service actually have few, if any, resources to call on.

Collection of overpayments.—The collection of overissued benefits, whether the result of fraud, misrepresentation, or other causes, would be improved. In cases of fraud or misrepresentation, the household would have to repay double the value obtained as the result of a violation. State agencies would be required to collect other types of overpayments, although limits would be placed on the rate at which collection can occur. Further, States would share 25 percent of nonfraud collections, in addition to the present 50 percent share of collections in cases of fraud or misrepresentation.

Penalties.—The penalty of disqualification would be extended to include, not only cases of fraud and violation of Federal law and regulations, but cases of misrepresentation and violation of State law. Disqualification periods would be lengthened to 6 months for the first offense, 1 year for the second offense, and permanent disqualification for the third offense. Household benefits would not be allowed to increase because a household member was disqualified. Mandatory minimum prison sentences would be required after the first conviction for a criminal offense under the Act, but work restitution would be allowed. Courts would be allowed to add up to 18 months to any regular disqualification period when a criminal offense was found.

Use of unemployment insurance and social security information.—The Committee bill would require that, in verifying food stamp eligibility and benefits, States ask for and use available information collected by unemployment insurance agencies or the Social Security Administration. The date by which unemployment insurance agency information should be available to State food stamp agencies would be moved up to January 1982 from January 1983. Social Security account numbers would be required for all household members, not just adults and those with earnings as under present regulations.

Appropriations authorized.—The Committee bill would authorize appropriations under the Food Stamp Act of 1977 up to the amounts set out below:

	Present law	Committee bill
Fiscal year:		
1981	$9,739,276,000	$11,480,000,000
1982	0	10,870,000,000
1983	0	11,290,000,000
1984	0	11,325,000,000
1985	0	11,840,000,000

The amounts authorized by the Committee bill include appropriations necessary to fund a food assistance block grant in Puerto Rico, as required by title VII of the Commitee bill.

OTHER SIGNIFICANT PROVISIONS

Household consolidation.—The committee bill would change certain provisions of present law that allow some households to split artificially into several "food stamp households." Nonelderly parents and their children would be required to apply as one household; "informal" boarders would not be eligible as separate households.

Drug addicts and alcoholics.—Drug addicts and alcoholics residing in treatment programs would no longer be eligible for food stamp allotments.

Sponsored aliens.—For 3 years after entry, legally resident aliens who entered the country with an affidavit of support from a sponsor would have a proportion of the sponsor's income and assets attributed to them in determining food stamp eligibility and benefits.

Outreach and bilingual requirements.—Federal funding of food stamp "outreach" activities designed to encourage participation would be prohibited. States would no longer be required to provide bilingual staff and materials, but could do so at their own option.

Excluded income and resources.—The Committee bill would make clear that only a Federal law can exclude income of resources from food stamp eligibility and benefit calculations. Energy assistance payments would be excluded if identified as energy assistance by Federal law.

Eligible stores.—Food stores where alcoholic beverages are served for consumption on the premises would no longer be authorized to accept food stamps.

Cash change.—The committee bill would remove the requirement in present law that cash change be given in food stamp purchases.

Mail issuance.—States would be held liable for losses from the mail issuance of food stamps, to the extent losses exceed 1 percent. The Department of Agriculture would be given authority to set liability standards for mail issuance of authorization to participate documents and could bar mail issuance of food stamps where it jeopardizes program integrity, or is not cost effective.

Alaskan benefits.—A special higher benefit level would be authorized for rural areas of Alaska.

Counting food stamp benefits.—The Food Stamp Act prohibitions against counting food stamp benefits as income in other programs or adjusting benefits in other programs because of the receipt of food stamps would be removed by the Committee bill.

Notices.—Food stores approved to accept food stamps would be required to post notices giving information on how to report observed cases of food stamp abuse. All food stamp applications would have to contain a notice that the information provided will be subject to verification by Federal, State, and local agencies.

Change of residence.—The Committee bill would remove the requirement that eligibility for food stamps be continued for 60 days when a household moves to another political jurisdiction.

Restoring improperly denied benefits.—No more than 1-year's worth of food stamps could be restored upon finding an improper denial of benefits.

Replacing food stamp allotments.—Restrictions would be placed on replacing lost, destroyed, or misplaced food stamp allotments.

Adjusting benefits.—The Committee bill would allow State agencies to promptly reduce or terminate benefits, without meeting advance notice requirements, if a recipient household has provided, in writing, information that clearly requires such an action.

Recertification notices.—The requirement that State agencies notify recipients as to when their eligibility certification will expire immediately before the last month of certification would be removed.

Disclosure of information.—The Committee bill would require that information provided by food stamp recipients be made available to law enforcement officials investigating food stamp violations.

"Cash-out" pilot projects.—Existing pilot projects involving the payment of food stamp benefits in cash to elderly households and households composed of recipients of Supplemental Security Income (SSI) assistance would be authorized to continue through fiscal year 1985. New authority would be added to operate pilot projects involving the payment of food stamp benefits in cash to households where all members are recipients of Aid to Families with Dependent Children (AFDC).

Title V

Title V of the Committee bill would extend authority to operate commodity distribution programs—including the Commodity Supplemental Food Program and programs for Indian reservations, outlying territories, elderly nutrition projects, institutions, summer camps, and disaster relief—through fiscal year 1985. Criminal penalties would be stipulated for misuse of federally donated commodities.

Title VI

Title VI of the Committee bill would ease existing rules allowing certain States to "cash out" food stamp benefits for SSI recipients, in order to permit the continued availability of this option.

Title VII

Title VII of the Committee bill would lower food stamp income eligibility limits in Puerto Rico to 55 percent of those used for the continental United States from October 1, 1981, through March 31, 1982, and beginning in April 1982, convert the food stamp program in Puerto Rico into an $825 million per year block grant for food assistance.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE addressed the Chair.

Mr. HELMS. Mr. President, I yield as much time to the distinguished Senator from Kansas as he may require.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. I thank the distinguished chairman for yielding.

I wish to touch on just a few highlights in a general way, and then as we get into the different amendments I will be participating in the debate on some of those amendments.

I wish to express my support for the legislation now before us, as is, without any additional changes, and I know there are changes that are probably going to be coming from different directions.

Mr. President, as chairman of the Subcommittee on Nutrition, I would like to express my overall support for S. 1007, as reported from the Agriculture Committee. This legislation represents a strong consensus of committee support for changes in the food stamp program that will simultaneously target benefits to truly needy Americans, while achieving major reductions in program expenditures. The committee has acted responsibly in endorsing a bill that goes beyond the President's request in cuts for fiscal year 1982 by close to $400 million. Over the next 4 years, the changes incorporated into this legislation will achieve savings of about $8.6 billion for this program. This total will exceed the President's budget request, as well as the assumptions contained in the Senate-passed first concurrent resolution for fiscal year 1982.

In its deliberations, the committee not only fulfilled a major responsibility to the American taxpayer, but it is important to emphasize that this legislation has also fulfilled a major responsibility to needy low-income Americans. S. 1007 has been carefully designed to minimize the impact of the President's budget cuts on the poor people of this country. The Senator from Kansas had supported most of the administration's original proposals, with the exception of the school lunch offset provision which would have decreased a family's food stamp allotment if the children received a free school lunch. Such a proposal would primarily have hurt low-income families with several children.

At the outset, I think we should lay to rest the notion that somehow this program is designed to help those not in need of assistance.

Of all the households affected by this proposal, about 87 percent, or 2.15 million families, have gross incomes below the poverty line. USDA statistics indicate that about 43 percent of food stamp households with gross incomes below 50 percent of poverty would have suffered a benefit loss of about $12 per school child per month.

I might add that this particular amendment which was supported and proposed by the administration was overwhelmingly defeated in the committee by a vote of 14 to 3.

RESTORATION OF DIGNITY AND INTEGRITY TO PROGRAM

Mr. President, S. 1007 constitutes a strong effort on the part of the committee to restore an image of dignity and integrity to the food stamp program. The Senator from Kansas is pleased that nearly all of the provisions from S. 997, S. 1016, and a later package of amendments to the administration's bill were accepted by the committee.

The legislation before us has incorporated almost all of the provisions of S. 1016, introduced by the Senator from Kansas, along with a majority of provisions of the chairman's bill, S. 1006. All the major problem areas cited in testimony by witnesses before the committee have been addressed by this legislation in an effort to tighten up on potential loopholes in the program.

Some of the provisions intended to tighten up on fraud and abuse include tougher penalties for fraud and misrepresentation; limitations on mail issuance in areas where high losses have been prevalent; limiting the restoration of wrongfully denied benefits; improved recovery techniques for collecting overpayments; restrictions on expedited services; limitations on the replacement of destroyed coupons; a tightening of the definition of "household" to avoid payment of unnecessary benefits; mandatory matching of food stamp records with those of other programs; and improved access of law enforcement officials to program records.

We had a lot of testimony that these were areas that needed addressing; they were addressed by the chairman's proposal and by the bill introduced by this Senator and a number of Senators on both sides of the aisle.

In addition to major initiatives enacted in 1979 and 1980, these provisions give USDA and State agencies the necessary tools to strengthen program management and integrity, along with already existing authority in the law.

It has always been difficult to be poor, and I would suggest, having heard the statements about how much the cost of this program has increased—and the Senator from Kansas was here at the inception of the program, and it was the idea of the late and beloved distinguished Senator from Minnesota, Senator Humphrey—that there have been problems with the program. These problems have been addressed. There have been abuses in the program, and we have attempted to address these.

But I would say, as I have indicated from time to time in the committee deliberations, that I consider the food stamp program to be more or less of an economic barometer. In good times, when inflation rates are low and interest rates are low and people are working, the program costs are much less. But in times such as the times right now, when the economy is uncertain and unemployment is high and inflation is high, the program costs are higher.

I would suggest to those people—and there is certainly room to find fault with any program administered by the Federal Government, and the food stamp program is no exception—that there are still some who abuse it, and there will continue to be some who abuse it after we tighten up the program. But I suggest there are some in every walk of life who abuse something, some program, or whatever.

So we can talk about slashing and cutting the food stamp program maybe another $1 billion, another $2 billion, another $3 billion, or another $4 billion, but we must consider the impact on the people the program may benefit.

I recognize that most of the audiences that we address as we travel around our States or in political rallies could care less about the food stamp program. Not many recipients of the food stamp program show up for fund-raisers for political candidates, so it is a good place to attack the food stamp program and to indicate what a waste it is. But I suggest there are millions of Americans who, without the food stamp program, would be in deep difficulty, as would their families.

So we have done what we were asked to do. We have looked at the program, we have taken strong initiatives in our com-

mittee—and many times with the unanimous support of the committee, sometimes without—to save as much money as the President requested, and more. I just hope we do not get into some contest on the floor, without regard to the beneficiaries of this program, to see who can cut the most—or who can cut back another $500 million or $1 billion in the food stamp program.

It has always been difficult to be poor, but rapidly deteriorating economic conditions have made poverty circumstances extremely difficult to cope with in recent years.

It seems to me, if we have the program, we have an obligation to make certain it works. We have an obligation to eliminate waste and fraud and abuse wherever we can. But I think we have made the decision long before the food stamp program, in the so-called commodity program, to somehow address the nutritional needs of low-income Americans.

So I just suggest that we are going to continue oversight of the food stamp program. There is no doubt in this Senator's mind that next year and the year following there will be other areas we will find that should be tightened up. There have been unnecessary, in some cases, wholesale abuses of the program. These abuses should not be tolerated.

But, at the same time, I think we must focus on those who do not abuse the program, those who have a need for the program, and those who would suffer without the program. They are in the great majority, and we can cite the horror stories in some cases, but it seems to me our responsibility as a Congress is clear.

President Reagan has said a number of times we have this "safety net" to protect the truly needy. I hope in our cuts, which were rather extensive in the Senate Committee on Agriculture—as I have indicated, more than $8 billion over the next 4 years—we will do what the President wants to do—to reduce Federal spending where possible without impacting, without affecting, the truly needy. I believe we have accomplished this in the Senate Committee on Agriculture.

I would just conclude my opening statement by indicating my support for S. 1007. In my view the bill represents a commendable effort on the part of the Committee on Agriculture to agree, as we did, to make constructive changes in the program. This bill will target food stamp benefits to the neediest individuals within our society by setting new eligibility requirements and making significant improvements in the management and administration of the program.

There will be amendments offered—and I do not quarrel with anybody who wants to offer an amendment—to make further reductions in benefits to low-income Americans. It seems to me that some of those may be offered in a way to get at fraud and abuse and waste in the program. But I think the best way to do that is to address the areas of fraud and abuse—not a wholesale cutting of benefits to some who may be in the truly needy category.

So, in my view, it seems to me our obligation is still pretty much the same.

There are a lot of misconceptions about the food stamp program. There are a lot of myths about the food stamp program. It is suggested by some that those of us from farm States support the food stamp program for merely political reasons for the farmers' benefit, and, if they benefit, we just march right down the line and vote for anything that may benefit America's farmers.

That is a myth. I cannot recall very many farmers asking me to support the food stamp program.

I do, however, think that it is a very worthwhile program. By and large over the years, it has worked well. We have had changes made by different administrations in the program in an effort to tighten up the program. These efforts have been bipartisan in nature, and I hope that will continue. I am certain it will continue under the chairmanship of the distinguished Senator from North Carolina.

But we have our differences, and we hope to debate those differences on the Senate floor. Then we hope to have a record vote, if one is necessary, to indicate whether we are going to reinstate the purchase requirement, to indicate whether we are going to require an offset of some poor child who receives a free lunch—if we are going to deduct that from their food stamp benefits—and perhaps other amendments.

But in the final analysis, whether there is any change or not on the Senate floor, we have accomplished the mandate of the President. We have exceeded the mandate of the President and the Office of Management and Budget, and I believe we have done a good job in our committee.

I hope the amendments to further reduce benefits will not be approved—that we can go about the business of seeing that the program is properly administered, and then, if we find it necessary to do further tightening in the outyears, we can do this in committee.

I thank the chairman again for yielding, and I yield back the remainder of my time.

Mr. HELMS. I thank the Senator.

Mr. HUDDLESTON. Mr. President, will the Senator yield me time?

Mr. HELMS. I will be glad to yield on my time.

Mr. HUDDLESTON. Mr. President, today we consider S. 1007, the Food Stamp and Commodity Distribution Amendments of 1981. On the whole, I believe this bill is a responsible approach to reforming the food stamp program, although I do have some reservations about the severity of benefit reductions in several areas.

Through this bill, the Committee on Agriculture, Nutrition, and Forestry would achieve food stamp savings far in excess of those proposed by the President and assumed under the budget reconciliation procedure. In the next 3 years, this bill would achieve $700 million more savings than required by reconciliation. Over the 4-year life of the bill, it would reduce overall food stamp expenditures by $8.6 billion, compared to current law.

In addition, S. 1007 comprehensively addresses problems of fraud and abuse in the food stamp program. New tools are provided to Federal, State, and local administrators to manage the program more efficiently and close several costly loopholes which now exist.

With this bill and the major accountability reforms enacted in 1979 and 1980, Congress has done its job in tightening the administration of this program. The challenge now is for program administrators to aggressively implement the changes we have made.

By and large, I believe the committee has designed the benefit reductions in such a way that needed assistance would be continued to poor Americans.

However, it would be impossible to design savings that satisfy the targets in the budget resolution without hurting some people. Under this bill, every food stamp recipient, including the elderly and disabled, would suffer some loss in benefits. About 1 million persons would be eliminated from the program.

Provisions in S. 1007 that reduce the earned income deduction from 20 to 15 percent cause me concern. I also have reservations about our decisions to delay cost of living increases in each of the next 3 years and to freeze deductions for 2½ years. These proposals will undoubtedly lower the purchasing power of many persons who are hard pressed to make ends meet now. However, I believe these proposals are preferable to others which were before the committee.

I am pleased that the committee rejected proposals to restore the purchase requirement, count school lunches and energy assistance against food stamps, raise the benefit reduction rate, lower the income eligibility limits below 130 percent of poverty, and freeze deductions permanently.

I do not believe these proposals represent sound policy, and I intend to oppose these and any other floor amendments that would reduce benefits below the levels proposed in S. 1007.

The committee has been diligent, thorough, and responsible in its work on food stamps. I intend to support the committee bill.

I ask unanimous consent that a summary of S. 1007 be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF MAJOR PROVISIONS OF S. 1007—FOOD STAMP AND COMMODITY DISTRIBUTION AMENDMENTS OF 1981

S. 1007, as amended by the Committee, would extend and amend the Food Stamp Act of 1977. Federal budget savings are expected to total $1.855 billion in fiscal year 1982, rising to over $2 billion annually in later years.

Titles I through III would—

(1) limit food stamp eligibility to households with gross monthly incomes of 130 percent of the nonfarm income poverty guidelines prescribed by the Office of Management and Budget;

(2) delay the inflation adjustments for food stamp monthly allotment levels until April 1982, July 1983, and October of each year thereafter;

(3) freeze food stamp deduction levels at their 1981 amounts until July 1983 (with indexing to occur again in July 1983 and in October of each year thereafter);

(4) reduce the amount of household earnings deducted from income in establishing benefits from 20 to 15 percent;

(5) require States, beginning in October 1983, to base eligibility and benefits on households' prior month's income (retrospective accounting);

(6) require food stamp recipients to regularly report on their household circumstances (such as income and household size) in order to receive benefits;

(7) repeal liberalizations of the limits on how much a household may deduct from its income for food stamp purposes if it has medical or dependent-care expenses;

(8) deny households with members on strike from being eligible for food stamps unless the household was eligible prior to the strike;

(9) extend household disqualification (if the primary wage earner has voluntarily quit a job without good cause) to include those already receiving food stamps, lengthen the period of disqualification for voluntarily quitting a job from 60 to 90 days, and require household members not otherwise exempt from work registration to register for work after the youngest child they are caring for reaches age six rather than age twelve;

(10) allow States and localities to establish workfare programs under which food stamp work registrants could be required to perform public service work arranged by the State or locality in order to retain food stamp eligibility;

(11) prorate first-month benefits according to when the household applies;

(12) tighten rules governing expedited issuance of benefits to very poor applicants;

(13) require households to repay double the value of benefits received fraudulently or through misrepresentation, and require State agencies to collect other types of overpayments;

(14) extend the penalty of disqualification to include fraud, violation of Federal or State laws and regulations, and misrepresentation, and lengthen disqualification periods to six months for the first offense, one year for the second offense, and permanent disqualification for the third offense; and

(15) make administrative improvements to tighten program operations by improving verification techniques, tightening eligibility for boarders and family units, making drug addicts and alcoholics residing in treatment programs ineligible, restricting benefits to aliens, eliminating Federal funding for outreach, removing the requirement for cash change in food stamp transactions, and lifting the prohibition on counting food stamp benefits in other programs.

Title IV would authorize appropriations of $11,480,000,000 for fiscal year 1981, $10,870,000,000 for fiscal year 1982, $11,290,000,000 for fiscal year 1983, $11,325,000,000 for fiscal year 1984, and $11,840,000,000 for fiscal year 1985.

Title V would extend authority to operate commodity distribution programs through fiscal year 1985 and stipulate penalties for misusing federally donated commodities.

Title VI would ease existing rules allowing certain States, primarily California, to cash out stamp benefits for SSI recipients by paying higher SSI cash benefits.

Title VII would lower food stamp income eligibility limits in Puerto Rico, to 55 percent of those used for the continental United States from October 1, 1981, through March 31, 1982, and, beginning in April 1982, convert the Puerto Rico food stamp program into an $825 million per year block grant for food assistance.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. I appreciate the comments and the opening statements. I would like to refer to a matter mentioned by the distinguished Senator from Kansas, the chairman of the Nutrition Subcommittee, in which he referred to the bipartisan nature of efforts on food stamps.

That has marked the progress of the food stamp legislation throughout the years. A number of distinguished Senators in the past, Senator Humphrey, who was mentioned here this afternoon, Senator Aiken, my predecessor from Vermont, Senator DOLE, Senator McGovern, and others have worked so hard on this legislation.

And it has not been an ideological, monolithic combination of Senators. It has gone across the whole ideological spectrum. It has gone across geographic boundaries in this country. They have worked together on a program, which seems to be the first one to be subjected to political rhetoric when that season comes upon us, a season which now I guess is like the Christmas shopping season and lasts around the year. And it is unfortunate sometimes in listening to the political rhetoric because it obscures the facts. The facts are, in the richest, most powerful Nation in the world, we have hunger, and we have malnutrition. And that, Mr. President, is something that this country cannot look at with pride.

We can talk about safety nets or great societies or new frontiers or fair deal and new deal and anything else, but the fact remains in the richest, most powerful Nation in the world, hunger and malnourishment exist.

I am willing to bet that any one of us could go into virtually any community or any little town in this country with within 20 or 30 minutes find some very severe and shocking examples of hunger and malnourishment. I know we could walk 15 or 20 minutes from right where we are, here in the Nation's Capital, in one of the wealthiest areas of the world and certainly of this country, and find hunger and malnourishment.

I hate to admit it, but we could do it in my own State and in States represented by all 100 of us.

What is the food stamp program? The food stamp program, like some of the other programs, whether they are WIC or school lunch programs or others, are steps taken by a nation with some social conscience in trying to eradicate hunger and malnourishment. And the Nation, Mr. President, quite frankly, is finally beginning to show some success. In the WIC program, certainly the percentage of healthy babies, and healthy mothers has gone up; in the school lunch program, we see where it has made it possible not only for youngsters to learn but also to be healthy while learning.

And I know in my own State, a State where we have very, very proud people, and probably one of the strongest work ethics in the country, a very conservative State—at the risk of sounding partisan, a very Republican State—I talk to an awful lot of people every week when I am back home who are on food stamps, who are working, who are trying to make ends meet, but say that the only way that their children or their parents or members of their family could eat or the only way that they could skip a smaller number of meals each week was because of the food stamp program.

These are the elderly, these are the handicapped, these are the working poor. These are not the people we hear about who drive up in the Cadillac to buy the $300 worth of steaks on food stamps.

In fact, I have had so many references, both as a member of the Nutrition Subcommittee and now as ranking member of the Nutrition Subcommittee, so many people have talked and written to me about the food stamp recipients who drive up in the Cadillacs to receive food stamps all around the country that we started keeping track of them. We figured that there are about 30 percent more Cadillacs than General Motors has ever built now being used by food stamp recipients.

My feeling in that case is that if there are abuses, fine, report these people to the proper authorities.

But, let us talk about who is really receiving them. Seventy-eight percent of the recipients are either children, elderly, disabled persons, or single-parent, heads of households. Eleven percent of them work full time at low-paying jobs. Thirty-four percent of the households contain one or more persons receiving SSI or social security and all recipients of SSI and social security are elderly, blind, or disabled.

Now, over half of all food stamp households have gross incomes of less than $300 a month, $3,600 a year. Over 70 percent have gross incomes below $4,800 a year. Eighty-seven percent have gross incomes below the poverty line.

These are certain points that we ought to look at in this body, a body made up of 100 men and women, representative of our country and containing not a single person who ever goes hungry, except by choice. This is a body made up of people who have never gone hungry, except by choice. So let us stop and think very carefully what we are talking about when we talk about hungry people.

And when we talk about the wealthy on food stamps, let us keep in mind that less than 3 percent of food stamp recipients have gross incomes above $750 a month and almost all of those are households with four or more members. In fact, 93 percent have liquid assets of less than $500, and over half do not even own a car or any other vehicles.

We speak of the generosity of the food stamp benefits, but the average food stamp benefit is now 44 cents per person per meal. Even in the subsidized restaurants of the U.S. Senate, subsidized restaurants used by Senators, members of the press and others who are fortunate enough to get into them, you do not get very far on 44 cents per person per meal.

So I would remind my colleagues that hunger in America is real and hunger in America can and should be removed, should be eradicated. I remind my col-

leagues that this has been a bipartisan effort.

I have the highest praise for the distinguished chairman of the Nutrition Subcommittee (Mr. DOLE). Not only this year, but in years in the past, we have worked together. In fact, I commented on one occasion—I think of it as I sit here and look at my Ronald Reagan tie clip—that I was in the anomalous situation of fighting for President Reagan's budget figures before the Agriculture Committee, fighting to stave off cuts and trying to make sure that the President was able to preserve the safety net that he so eloquently has spoken of and was able to stave off amendments that came from his own party in efforts to cut into his safety net.

Mr. President, we put together not only a bipartisan package, but a package that came in slightly under the President's budget. It is a package which, together with the package passed by the Senate last year, is one that removes those areas of fraud and abuse that we had seen in the past food stamp legislation.

We made a half-billion dollar cut in the food stamp program by removing any possible areas of duplication, of waste, of fraud. We have tightened every single area where there was any possibility of waste or fraud. We have urged OMB, GAO, various other committees, private citizens, and State agencies to come forward if they know of areas where there might be waste or fraud and we would prepare whatever legislation was necessary to cut those out. And we have done that.

If enacted, S. 1007 will result in substantial reductions in food stamp benefits for millions of poor Americans. We have to be aware of that. Every food stamp recipient, including the elderly and disabled, will suffer benefit losses. About 5 percent of current recipients will be eliminated from the program.

We recognize the economic facts of life. Cuts are being made in programs. all of them in the social area, and this is just one of them. Before anybody talks about this being some kind of a runaway, giveaway cornucopia of benefits being thrown from the taxpayers' pockets into the hands of the undeserving, keep in mind that this bill results in substantial cuts.

In fiscal year 1982, this bill would cut benefits by $1.86 billion, an amount which exceeds the President's proposals and the assumptions in the first concurrent budget resolution for fiscal year 1982 by $400 million. In the next 4 years, benefits would be cut over $8.5 billion compared to current law.

It is clear to me that millions of persons who can ill afford any loss of purchasing power would be hurt by this bill. And while I find this thought upsetting, I take some comfort in the thought that things could have been much worse.

Senator DOLE and I were successful in gaining committee acceptance of a package of amendments which redesigned several of the President's proposals, but still achieved the level of savings required in the congressional budget. In addition, we were able to defeat various other proposals which would have had a terribly adverse effect on most participants, especially the elderly and mothers with young children.

Because S. 1007 does cut benefits so substantially and far in excess of what is required in the congressional budget, I intend to oppose all amendments which would make any further benefit reductions. I hope my colleagues will, too. The committee has already reduced benefits more than necessary. Many of these food stamp recipients face major additional reductions in their incomes due to proposed cuts in other programs, such as aid to families with dependent children, medicaid, low income energy assistance, social services, and others.

The combined effect of all of these cuts on the poor could be severe. To reduce food stamp benefits any further would make them bear a disproportionate share of the burden of reducing overall Federal expenditures. It would be contrary to the President's contention that his budget is a balanced package which spreads the burden of benefit reductions fairly among different segments of American society.

PROBLEMS WITH S. 1007—THE CAP

Given the budget guidelines adopted by Congress, I believe the committee did about as good a job as possible in designing program savings so that needed assistance to America's poorest citizens could continue. However, there are problems with this bill.

Perhaps the foremost problem with this bill is that it sets wholly unrealistic spending caps on the program for the next 4 years. If enacted, these caps will result in across the board benefits reductions for all program participants, including the elderly and disabled.

I want to emphasize that it is already clear that the caps requested by the administration and adopted by the committee are inadequate. Contentions by the administration or anyone else that these caps leave room for full benefits to be paid in fiscal year 1982 and afterward are misguided. Based on information available at this very moment, I can tell you that we are programing across the board benefit reductions to begin in fiscal year 1982.

I can already foresee the administration announcing these reductions early next year. Some spokesman will point out that despite the fact that Congress just recently established reasonable spending caps, it is now clear that food stamp expenditures are "running out of control again," and unfortunately, the only way to get them under control is to reduce benefits immediately, nothing could be further from the truth.

Mr. President, I think we ought to have in the RECORD right now that nothing can be further from the truth.

The caps for fiscal year 1982 to fiscal year 1985 are based upon administration cost estimates that were prepared several months ago. These estimates are inadequate for three important reasons.

First, they are obsolete. The administration recently revised its fiscal year 1981 estimate of costs upward by over $500 million based on newly available data on program participation and benefit levels since January 1, 1981. This revised estimate for fiscal year 1981 was utilized by the committee to set the cap for fiscal year 1981. However, when the administration revised its fiscal year 1981 estimate, it did not adjust its estimates for fiscal year 1982 to fiscal year 1985. The result is that the committee's caps for fiscal year 1982 to fiscal year 1985 are inconsistent with its cap for fiscal year 1981. Based on cost data already available, the caps for fiscal year 1982 to fiscal year 1985 should be raised at least several hundred million dollars in each year. I expect that these adjustments will be reflected in the reestimates which ordinarily are sent to Congress in July.

Second, the administration's cost estimates make no explicit allowance for offsetting food stamp costs due to expected cuts in other income security programs. The administration did include a general 2.5 percent margin for error in the caps it proposed and the committee adopted. However, CBO estimates that the cuts proposed by the President—and likely to be enacted by Congress—in programs like AFDC, unemployment insurance, CETA, and others would result in new food stamp costs far in excess of the 2.5-percent margin proposed by the administration.

Third, the administration estimates are based upon the President's economic assumptions, which, by anyone's definition, are optimistic.

Mr. President, there are those of us who think that those economic assumptions, cutting the rate of inflation, cutting the rate of unemployment, are somewhat optimistic.

The food stamp program is so sensitive to economic conditions that even if the President's economic assumptions are only slightly off—and I, for one, like all Americans, hope that they are right, though I do not think they will be—the food stamp costs could be significantly higher than the administration predicts. That is an area where I hope, on the floor, at least, we make some changes.

If, for instance, CBO's more moderate economic assumptions are utilized, food stamp costs would be about $600 million more than the administration predicts in fiscal year 1982, and over $1 billion higher in fiscal year 1983. The "caps" included in S. 107 leave no flexibility whatsoever to deal with the unpredictability of the economy.

Thus, I believe the most important change that must be made in S. 1007 is a revision of its proposed spending ceilings. Without such a change, major benefit reductions will occur in the next year.

OTHER PROBLEMS WITH S. 1007—ENERGY ASSISTANCE, FREEZING DEDUCTIONS, GROSS INCOME LIMITS

I have reservations about several other provisions in the bill, especially because of their effect on Vermonters.

I refer to those in the small world of Northern States.

Mr. President, at the risk of sounding somewhat parochial, let me talk about a problem that is going to face all of us in Northern States, the so-called snow belt.

The committee voted to count all State and local energy assistance payments and

income against food stamp allotments. It did wisely reject an effort to count Federal energy assistance against food stamps.

I do not believe that any payments which are truly for energy costs should be counted against food stamp benefits since they do not provide additional resources for food. Especially this year, when a 25-percent reduction in Federal energy assistance payments is anticipated, State and local governments may have to provide additional funding to fill the gap. It would be unfortunate if our proposed change would force families into the difficult choice of "heat or eat."

In a State like mine, where you can have a week with the temperature never going above 40 degrees below zero, it is a very interesting choice to have to make. Do you starve to death or freeze to death? I think at other times, in other lands, Jonathan Swift would have an interesting discussion on the possibilities available to you there.

At least by continuing to exclude Federal energy assistance payments from income, the committee has not diminished the intended effectiveness of that program. I think it is clear from the committee's explicit rejection of this proposal that it expects that the exclusion would continue to apply even if the Federal energy assistance program is combined with other programs into a block grant to the States. Any energy assistance payments stemming from such a block grant would continue to be excluded.

Related to the discussion of energy assistance is the committee action to freeze the deduction for excess shelter costs until July 1, 1983. In Vermont, this means that most nonelderly and nondisabled food stamp households, since they already receive the maximum shelter deduction, will experience a relative loss in benefits. The deduction freeze means that food stamp allotments would reflect even less accurately the true cost of living in Vermont. The only thing positive I can say about this temporary deduction freeze is that it is preferable to the permanent freeze on deductions proposed by the administration and the chairman.

In addition to freezing the shelter and standard deductions for 2½ years, S. 1007 also modifies the index that would be used in adjusting deductions starting on July 1, 1983. The current index includes homeownership costs. The homeownership component of the Consumer Price Index has been rising far more quickly than the CPI, and appears to distort the overall index. Particularly since no food stamp recipients purchase homes while on food stamps, there is no reason to include the homeownership component of the CPI. S. 1007 provides that the homeownership component be deleted from the indexes used to adjust food stamp deductions starting on July 1, 1983, and that the indexes be appropriately reweighted by the Bureau of Labor Statistics. The reweighting procedures should be similar to those used by the Bureau of Labor Statistics in the alternative CPI, known as CPI–XI, since this alternate CPI also removes homeownership costs.

Another committee proposal which will likely affect Vermont more harshly than other parts of the country is the gross income limit of 130 percent of poverty for most participants. Again, living costs are a critical factor. With the high living costs in Vermont, an income of 130 percent of poverty does not go as far in Vermont as it does in other States with more moderate climates. If a household head is working full time at a low wage job, a gross income of 130 percent of poverty could leave a real disposable income well below poverty once work related expenses, child care costs, and fuel bills are factored in. Similarly, an elderly person could have a gross income over 130 percent of poverty, but have little left once medical and shelter costs are paid. For these reasons, I believe the eligibility threshold of 130 percent of poverty is too low.

RETROSPECTIVE ACCOUNTING

S. 1007 mandates that States use retrospective accounting by October 1, 1983. This requires that eligibility and benefits generally be based on past income.

Retrospective accounting may prove useful in improving the accuracy of benefit determinations, but must be designed carefully to assure that hardships do not result for needy families. S. 1007 does require the supplementation of initial allotments in those cases in which pure retrospective accounting causes serious hardship. This is necessary. A worker may recently have been laid off, or other circumstances may arise in which a sudden income loss has occurred. Since eligibility and benefits would otherwise be based on income received in the 30 days immediately prior to application, a household suffering a sudden income loss might have to wait up to 30 days to receive food stamps if supplementation were not provided. This would be needed, for example, in most cases qualifying for expedited service.

Supplementation would, in some circumstances, be needed for the initial months that a household receives food stamps in order to assure that a household's benefits are not based on income that was terminated or reduced before the household applied for food stamps.

Care must also be taken, in designing retrospective accounting, to assure that after initial application (when benefits are based on income over the preceding 30 days), the lag time between the budget month and the issuance month is not too great. Section 6(c) of the act requires that a household that has timely filed a complete report receive its benefits within 30 days of the end of the month covered in the report, unless the Secretary determines a longer period of time is necessary for administrative reasons. Current rules in AFDC allow a maximum time lag of 45 days, and a similar maximum should be seriously considered for food stamps. A delay of more than 45 days would both work hardship on recipients and compromise the integrity of the retrospective accounting system by lengthening the period of time for which households continue to receive benefits after their income rises.

While prior income would be used in determining benefits, current circumstances could be used for other eligibility and benefit factors. For example, if a baby had been born shortly before a household applied for food stamps, it would be appropriate to count the baby as a part of the household from the time of the application.

PROVISIONS ON NOTICES AND PERIODIC REPORTING

One of the tightening provisions offered by Senator DOLE and me permits States to act immediately to reduce or terminate benefits when this action is based entirely on written information provided by the household, itself. Currently, the State would have to provide the household a notice of adverse action and wait 10 days before it could act to reduce or terminate benefits. In the meantime, an additional month's food stamps could have been sent. Under the new provision, a notice would still have to be provided, but it could be provided as late as the time that benefits would normally be received—and action to reduce or terminate benefits would not be delayed.

This provision does not violate basic rights of due process. It applies only where the adverse action is based entirely on written information provided by the household itself, and does not apply to information provided by a third party. Moreover, under section 11(e)(10) of the Food Stamp Act of 1977, the household would retain its right to request a fair hearing to contest the action to reduce or terminate benefits. If the household's request was timely (for example, within 10 days of the notice) the household would have its benefits reinstated to the old level pending the hearing.

This provision fits in very nicely with the provisions of S. 1007 that mandate retrospective accounting and periodic reporting. Under a periodic reporting system, States will receive many written reports from households that lead to benefit reductions or terminations. If the State had to delay such actions in each circumstance while using a prior notice of adverse action, a substantial amount of savings could be lost.

This provision enables States to act promptly on the information in the periodic report, and to send a notice explaining any adverse action that is based entirely on the report, as late as the date that benefits would normally have been issued. If the household requested a fair hearing in 10 days, benefits would be restored to their prior levels.

In relation to periodic reporting, section 6(c) of the act would continue to require that a household "be afforded prompt notice on failure to file any report timely, or completely, and given a reasonable opportunity to cure that failure (with any applicable time requirements extended accordingly) and to exercise its rights under section 11(e)(10) of this act". If a household failed to file a required periodic report, or filed an incomplete report, the State would notify the household immediately and provide time for the report to be filed and completed. Households would retain their basic hearing rights, so that, for example, if a household filed a report that the State misplaced and the household lost

benefits as a result, the household could seek a hearing to authorize issuance of the lost benefits.

FRAUD DISQUALIFICATION

S. 1007 tightens procedures relating to disqualification for fraud or intentional misrepresentation. Currently, if a person is found by an administrative fraud hearing or a court to have committed fraud, he or she is disqualified from the program and must pay back all benefits improperly received. S. 1007 provides for these procedures to be used for intentional misrepresentation as well as fraud, lengthens the disqualification periods, and requires the household to repay double the amount fraudulently received. As is the case now, the standards for proving fraud or misrepresentation should be the same for both administrative and court procedures. These changes should encourage States to conduct more administrative fraud hearings and to prosecute more violators. Since an alleged perpetrator of fraud must be found guilty at an administrative fraud hearing or in court for these stringent penalties to be imposed, the provisions of S. 1007 that encourage more aggressive State activities in these areas are most welcome.

EXPEDITED SERVICE

S. 1007 substantially tightens eligibility for expedited service. Currently, any household that has zero net income, or any household that is destitute under USDA regulations, must receive food stamps within 2 or 3 days. Under S. 1007, eligibility for expedited service would be limited to those households that have income of no more than $85 in the month of application and that also have less than $100 in available liquid resources. One exception is made—for destitute migrant and seasonal farmworker households. The destitute household rule in current regulations (which defines circumstances in which destitute households qualify for expedited service and prescribes special procedures for computing their benefits) would be retained for migrants and seasonal farmworkers due to the special hardships that these households encounter when they move to a new area with the migrant stream or when they are between jobs.

S. 1007 thus limits the number of households that will qualify for expedited service. With these restrictions on the numbers of households eligible for expedited service, the Secretary will be better able both to serve those remaining eligible for expedited service in the 2- to 3-day period and to provide better service to other households—while also reducing errors.

The Secretary will need to look carefully at how to integrate the expedited service requirements with the requirement to prorate the first month's benefits. If a penniless household applied on the 26th of a month and was eligible for expedited service, it would make little sense to provide it immediately with only 4 days of food stamps and then make the household wait up to 30 days for any further stamps. The sort of severe hunger situation that could result is exactly what the Food Stamp Act and the expedited service provisions are designed to prevent. The Secretary needs to establish procedures whereby households who are eligible for expedited service (and continue to remain eligible for food stamps after the month of application) can receive sufficient food stamps so that they do not experience periods of hardship during which their families have no food.

BOARDERS

The committee closed a loophole in current law by eliminating boarders from the food stamp program. If persons pay room and board for their meals, they do not need food stamps since they already receive meals. These persons would not be able to apply for stamps themselves. In addition, under current law a member of an eligible household could try to declare himself a boarder and apply separately in order to receive additional benefits. S. 1007 eliminates persons who pay compensation in return for being served meals. These persons would not be able to apply either by themselves or as part of another household. They, and their income and resources, would be entirely separate and would not affect the eligibility or benefit levels of others who may reside in the household but are not boarders.

VOLUNTARY QUIT

The committee made two changes to add more teeth to the provisions that disqualify households containing a member who has voluntarily quit a job. First, the disqualification would extend to persons receiving food stamps at the time they quit a job, as well as those that quit a job and then apply for stamps. Second, the disqualification period would be extended from 60 to 90 days. Any person quitting a job without good cause will make his entire household ineligible for 90 days, unless he becomes exempt from the work requirements or takes another full-time job before the 90 days is up. This will serve as a strict penalty, assuring that those who can work, do work.

WORKFARE

Workfare projects will become a feature of the food stamp program for those States or political subdivisions within a State desiring to operate them. Food stamp recipients will be required to accept work offered by a State or local jurisdiction in order to participate in the program.

Our bill provides for five exemptions from workfare participation. States are given authority to exempt other categories of persons. An individual who may not be exempt under our criteria could be exempt under the State's standards. For example, a person may be physically fit for employment in general and thus not exempt from workfare, but due to a back injury cannot work at any job involving standing for long periods of time or lifting. The workfare project may involve outdoor work in the county park. This individual should not be required to participate in the project at risk to his or her health. Thus a State's exemption criteria could include a definition of incapacity to perform a particular job.

The disqualification period for failing to comply with workfare requirements without good cause has been increased from 1 to 6 months. Before the disqualification is imposed, however, the agency would be required to review the circumstances surrounding the individual's failure to comply with any aspect of the workfare program. There may be justifiable reasons for the individual's failure to comply, making it unfair to impose such a severe penalty in such situations. The individual's illness, the illness of another household member, a household emergency, the unavailability of public or private transportation, or inability to pay for it, are just a few of the valid reasons for an individual's failure to comply with workfare requirements.

Of course, if the individual became exempt from workfare participation, his or her obligation to participate in workfare immediately ceases. Also, an individual disqualified from the program for failure to comply with a workfare assignment could cure that disqualification by returning to the workfare site to work off his or her workfare obligation.

Once the individual has been disqualified, the remaining household members will not be allowed to receive increased food stamp benefits. This provision is similar to the effect on household benefits when a member has been found guilty of fraud. We recognize that the remaining household members, often children, the elderly, or a spouse, have no control over the behavior of the disqualified member. Yet they may suffer because of the individual's disqualification, though of course they should not benefit either. The Secretary in implementing this provision should provide that the remaining household members receive some food stamp benefits. They should not become ineligible for benefits because of the individual's disqualification. The Secretary should devise a middle ground between prorating the disqualified member's income, which may result in an increase in household benefits, and applying all of the disqualified member's income to the household when the member may not in fact be contributng any income to the household at all.

ALIENS

Another area where the committee tightened the program is in its treatment of sponsored aliens. For 3 years after entry, legally resident aliens who entered the country with an affidavit of support from a sponsor would have a portion of the sponsor's income and assets attributed to them in determining food stamp eligibility and benefits. The sponsor's income that would be deemed available would be income, as defined in section 5(d) of this act, that exceeds 130 percent of the poverty line—in other words, income over the new food stamp gross income limits. Assets deemed available would be those assets, as defined in section 5(g) of this act and the regulations issued pursuant to that section, that exceed $1,500—or in other words, assets that exceed the food stamp assets limit for nonelderly households.

EFFECTIVE DATE OF THESE AMENDMENTS

Except for the funding authorizations for the food stamp program, which take effect immediately upon enactment, we hope the Secretary will act quickly to

implement these amendments to benefit from the cost saving features, as well as the added controls on fraud, waste, and abuse. However, as was the case concerning our treatment of any claims arising under the food stamp act of 1964 and still pending at the time of passage of the Food Stamp Act of 1977, we intend a similar treatment of claims now pending. That is, pending proceedings under the Food Stamp Act of 1977, as amended through 1980, should be disposed of pursuant to the applicable provisions of the law in effect prior to the enactment of these 1981 amendments. The liabilities of any household now participating in the program should be resolved under present regulations.

CONCLUSION

There are various other provisions of the bill, such as the elimination of strikers, which I have fully addressed in my additional views on S. 1007 in Senate Report No. 97–128. I believe that it will be important for the Congress to carefully reexamine this year's work on food stamps before too long. Particularly with the major benefit reductions we are approving, we need to be especially sensitive to the potential hardship to the poor.

Mr. HELMS. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, just for the record, there are a few arithmetical assumptions in the food stamp program that need to be understood. First of all, we are contemplating something in the neighborhood of $12 billion for the food stamp program for the ensuing year. That is a pretty expensive neighborhood, particularly when we consider that all of the farm programs combined cost $3.5 billion.

The Senator from North Carolina hears frequent comment about how expensive the farm bill is. I read in the media that the farmers of America are getting a free ride from the taxpayers, but I seldom, if ever, hear or see in the media any breakdown of the farm bill itself stated in terms of costs. That is one of the reasons that I did all I could to insist that the food stamp section be stripped off of the farm bill so that, hopefully, it can stand on its own feet and be assessed as a program and not obfuscate the cost of the farm program.

I listened with interest to the eloquent comments of my friend from Kansas. One of the statements that he made—and certainly, he made all statements in good faith—was that unemployment is a prime ingredient in the increased participation in the food stamp program. I think the record ought to show that unemployment is not, in fact, the primary reason. The elimination of the purchase requirement is the primary reason for the increase in participation in the food stamp program. The Congressional Budget Office indicates that 70 to 80 percent of the increased participation in the food stamp program has been due to the elimination of the purchase requirement.

I have a chart which, momentarily, I shall ask to have printed in the RECORD, a chart indicating the unemployment rates and the corresponding food stamp participation increases since the elimination of the purchase requirement. This chart shows that while unemployment has gone up and down, the food stamp participation has known only one course, and that has been upward.

Mr. President, there is going to be an amendment to restore the purchase requirement, excluding the elderly and the disabled, because this Senator and others feel that it is only fair to the working taxpayers of this country, who have to pay a percentage of their income, whatever it is, for their food, that this legislation similarly require that those who receive food stamps pay a percentage of their income.

If that income is zero, then, obviously, they will pay nothing. If the income is up in the $11,000 bracket, which is the maximum, as I understand it, for a family of four, then, obviously, simple fair play would dictate that a percentage of that $11,000 which the food stamp family receives should be used to pay for the food stamps.

I do not think we ought to dismiss what some call horror stories in terms of the abuse of the food stamp program, and I am not prepared to put a precise figure on the cost of fraud and waste and mismanagement. But I rather imagine that it far exceeds the figures that the most avid proponents of the food stamp program acknowledge it to be.

However, whatever it is, Mr. President, this Senator feels that all waste and abuse and mismanagement should be eliminated. Surely, we owe this to the taxpayers of this country, and it is not hardhearted to say that the food stamp program should not be allowed to function as a second currency in America, which it is today in many areas of the country. It should not be allowed that there be excess "free food stamps" for people to buy automobiles, television sets, and a hundred other things that are not food by any means, using food stamps.

As to this business of unemployment being the primary cause of the increase in participation of the food stamp program, the pay requirement was eliminated in 1977, effective December 1978 and January 1979. At that time, the unemployment rate, seasonally adjusted was 5.9 percent. Participation in the food stamp program was 15.8 million. The following December 1979, the unemployment rate, seasonally adjusted, was still 5.9 percent; and—what do you know?—the participation in the food stamp program had shot up to 20,100,000 participants.

As Senators will note if they look at this table, in March 1981, the unemployment rate was 7.3 percent, and the participants in the food stamp program numbered 23 million. That figure is subject to adjustment, but the reliability factor is plus or minus 1½ percentage points.

I ask unanimous consent to have the table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Percent [1]	Percent [2]
1978:		
December	5.9	15.8
1979:		
January	5.8	17.3
February	5.7	17.9
March	5.7	18.5
April	5.8	18.5
May	5.8	18.4
June	5.7	18.2
July	5.7	18.4
August	5.9	19.0
September	5.8	19.2
October	5.9	19.4
November	5.8	19.7
December	5.9	20.1
1980:		
January	6.2	20.4
February	6.0	21.2
March	6.3	21.5
April	6.9	21.6
May	7.6	21.5
June	7.5	21.7
July	7.6	21.9
August	7.6	22.1
September	7.4	22.0
October	7.6	*22.2
November	7.5	*21.9
December	7.4	*22.2
1981:		
January	7.4	*22.5
February	7.3	*22.9
March	7.3	*23.0

[1] Unemployment rate, seasonally adjusted.
[2] Participation in food stamp program.

*Reliability factor plus or minus 1½ percent.

Source: U.S. Department of Agriculture.

Mr. HELMS. Mr. President, I invite the attention of Senators who may read the RECORD in connection with this discussion to take a look at page 16 of the committee report. I believe it is important for Senators to look at the figures of what we are not doing with this bill in terms of the outyears.

It is true enough that the savings achieved by the bill do meet the reconciliation requirements for fiscal years 1982 through 1984, as assumed in the first concurrent budget resolution, Senate Concurrent Resolution 19.

Having said that, I am greatly concerned about the outyears beyond 1984, because we do not begin to meet the target for savings, and what we are doing is delaying the agony if we do not tighten up the outyears in terms of spending on this program. We are talking about a shortfall of $385 million for fiscal 1985 and $478 million for 1986.

My own study of the bill reveals to me that the primary cause of these tapered savings is that several of the bill's major cost saving provisions expire during fiscal years 1983 and 1984 and that, of course, causes the increased spending in the outyears to which I have referred—fiscal year 1985 and fiscal year 1986.

Thus, the savings we are talking about are only temporary, running over the next 3 fiscal years; and we may sincerely regret, 2 or 3 years from now, that we did not go ahead and bite the bullet and set up the kind of policies with this legislation that we should have.

If Senators will refer to page 166 of the committee report, they will see that I endeavored to outline this situation there.

The provisions that the committee made on a temporary basis which concern me most are those which originally had provided for a freeze on the standard deduction, which is presently $85 per month, and the excess shelter/dependent-care deduction, which is presently $115 per month.

The Reagan administration had recommended that these deduction levels be made permanent. However, the committee voted to keep these constant only until July 1, 1983, at which time indexing would be resumed, with consequent increased costs.

I know it is boring to look at figures and look at projections, but one of the many mistakes that have been made in Washington, D.C., is that we have put a band-aid on something one day, but did not treat the wound. We found out a year or two later that it had festered and was in an aggravated state. I say to you, Mr. President, that one of the major fiscal problems of Federal Government is this business of indexing.

It is all very comfortable to sit or stand here on this floor and say we are going to index this so no one will get hurt. The problem with that is that we are hurting the country, we are hurting the poor most of all, and we have endangered the very economic stability of this country by such foolishness as that.

So I say that indexing is far and away the most dangerous political exercise in which this Congress has engaged certainly during the time that I have been here in terms of fiscal responsibility. It is not fiscal responsibility. It is fiscal irresponsibility. Frankly we have snookered many millions of Americans by using that band-aid approach and taking the view of "sufficient unto the day is the evil thereof."

We have just about run out the string, Mr. President, because in this Government if we do not—by whatever mechanism we choose to adopt in terms of taxes and in spending—restore fiscal responsibility, we will not restore fiscal stability, because you cannot spend more, you cannot commit more, than your income as an individual or as a family or as a Government and survive very long.

I was discussing a moment ago the temporary freeze on the standard deduction and for excess shelter/dependent care, and so forth. The cost associated with these deductions when they are resumed will be $396 million in fiscal year 1985, for example.

Just one little flick of the pen and we have spent $396 million in fiscal year 1985, and we have hidden it. We have put it behind us, and we say we do not have to worry about it any more, so forget it. But the poor guys and ladies who are in this Senate and in the House of Representatives when that appropriations bill comes up several years hence will rue the day that we so cavalierly made that commitment.

I firmly believe that one of the greatest weaknesses of the legislative process is well-intentioned shortsightedness. It is not that anyone is evil who engages in this kind of budgetary legerdemain; it is just a matter of being shortsighted and wanting to do what Davy Crockett said we could do, spend somebody else's money for what we perceive to be the impassioned purpose.

That is a long way of saying that this Senator sees no reason for us to decide now that we should resume indexing of these deductions to which I referred in July 1983. I think we should make the freeze permanent and then face up to the question at that time as to what additional relief if any this Senate and the House of Representatives respectively wish to vote. If a future Congress decides to adjust the deduction levels, so be it. But these automatic increases, Mr. President, are dragging this Nation down in terms of fiscal stability.

I do not criticize my committee which is composed of some of the finest Senators who ever sat in this body, and I am devoted to them and have great affection for them, but I must confess that the committee reported a bill that simply postpones the day of reckoning, and one of the recommendations that I am going to make on this floor is that the deductions be frozen permanently as recommended by the administration.

Mr. President, I ask unanimous consent that a table be printed in the RECORD at this point showing the baseline, the amount proposed for reconciliation, the amount reconciled in S. 1007, and the difference.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[By fiscal years, in millions of dollars]

	1982	1983	1984	1985	1986
Baseline:[1]					
Estimated authorization levels	12,304	12,599	12,947	13,262	13,414
Estimated outlays	12,298	12,598	12,946	13,261	13,413
Amount proposed for reconciliation:[1]					
Budget authority	−1,458	−1,971	−2,327	−2,507	−2,690
Budget outlays	−1,458	−1,971	−2,327	−2,507	−2,690
Amount reconciled in S. 1007:[2]					
Budget authority	−1,855	−2,153	−2,450	−2,149	−2,212
Budget outlays	−1,855	−2,153	−2,450	−2,149	−2,212
Difference:					
Budget authority	+397	+183	+123	−358	−478
Budget outlays	+397	+183	+123	−358	−478

[1] Figures from Rept. No. 97-28, to accompany S. Con. Res. 9, Second Concurrent Budget Resolution, fiscal year 1981.

[2] Estimates by Congressional Budget Office.

Mr. HELMS. Mr. President, I reserve the remainder of my time, and I thank the Chair.

Mr. LEAHY. Mr. President, did the Senator from Arkansas seek recognition?

Mr. PRYOR. Yes.

Mr. LEAHY. I yield such time to the Senator from Arkansas as he needs.

Mr. PRYOR. I appreciate my distinguished friend from Vermont yielding to me.

Mr. President, I rise this afternoon to discuss for a few moments this bill which is before the Senate at this time, because I think it represents what I call a historic change in the direction of the food stamp program. I do not think ever in this program's history has the Committee on Agriculture, of which I am a member, made more of an effort to make reductions in spending or to curtail error, waste, fraud, and abuse in this program.

I am not here this afternoon, Mr. President, to say that this bill is perfect. We have worked long and hard on this piece of legislation, and I have stood with many on the committee seeking further reductions in the food stamp program, but I think we have made enough cuts and hope that no additional cuts will be made by this body.

This bill reduces food stamp expenditures by over $8.5 billion during the next 4 years. The administration has stated that it expects to save an additional $180 million a year through administrative action. Total reductions would, therefore, exceed some $9 billion.

In the recently adopted budget resolution, the Committee on Agriculture, Nutrition, and Forestry was directed to achieve food stamp savings of $1.5 billion in fiscal year 1982, $2 billion in fiscal year 1983, and $2.3 billion in fiscal year 1984.

Mr. President, S. 1007 actually exceeds these totals. It goes a step further by saving an additional $400 million in fiscal year 1982, an additional $180 million in fiscal year 1983, and an additional $130 million in fiscal year 1984.

Mr. President, I supported, as I have stated, many of the cuts that have been fashioned by the committee. I believe them to be justified. But I question the wisdom of making additional cuts. My fear is that, in further pruning the branches, we might endanger the tree itself.

(Mr. MURKOWSKI assumed the chair.)

Mr. PRYOR. S. 1007 already contains a battery of provisions to restrict eligibility and reduce the costs of this program. I would like to discuss just a few of these provisions and will give a brief description of each.

First, all households with gross incomes over 130 percent of the poverty line would be eliminated. Thus a million persons would be dropped from food stamp rolls.

Second, in Puerto Rico, income limits would be cut so that they are 65 percent of the income limits in the United States. All households over this level would be terminated. Then, on April 1, 1982, the Puerto Rico food stamp program would be converted into a block grant funded at 75 percent of current levels.

This, Mr. President, was my amendment in the committee. It is going to save us over a quarter of a billion dollars alone.

Third, cost-of-living adjustments would be provided every 15 months for the next 3 years instead of every 12 months.

Fourth, all households with a member on strike would be eliminated unless the household was receiving food stamps before its member went on strike.

Fifth, households with earned income would have 15 percent of their earnings disregarded—to compensate for taxes and work expenses—instead of 20 percent, as currently provided. Since more income would be counted, benefit levels would be reduced and costs would decline.

Sixth, households would have benefits based on income during a prior month, thereby improving the accuracy of benefit computations and reducing losses through errors.

Seventh, households would no longer receive a full month's benefits for the month in which they apply. Instead, benefits would be provided only from the date of application through the end of the month.

Eighth, States will now have the option, Mr. President—and I think this is a key feature and it is one that was discussed at great length by the members of the Senate Committee on Agriculture—of establishing workfare programs in which food stamp recipients would be required to work in return for their food stamp benefits.

Ninth, for 3 years after entering the country, legal aliens who entered the country with an affidavit of support from a sponsor would be ineligible for food stamps if the sponsor had sufficient income or resources to support them.

Tenth, food stamp deductions, now adjusted annually in accordance with the Consumer Price Index, would be frozen at their current levels for 2½ years. After that time, homeownership costs—the most rapidly rising part of the index—would be excluded from future adjustments so that deductions would rise at a slower rate.

Eleventh, all benefit liberalizations scheduled to take effect in fiscal year 1982 would be repealed, including a repeal of provisions to expand the child care deduction and the medical deduction.

Twelfth, if a person voluntarily quit a job at any point, his or her household would lose food stamps for 90 days.

Thirteenth, program costs are capped for fiscal year 1981 and for each of the next 4 fiscal years.

Mr. President, in addition to these deletions, S. 1007 also tightens up substantially on error and fraud.

First, households that receive illegitimate benefits, whether through error or fraud, would have to pay them back. This would be enforced by deducting overpayments from future benefits.

Second, penalties for fraud would be stiffened and extended to cases of misrepresentation as well as fraud. Mandatory prison sentences would be required for any second offense.

Third, social security numbers would be collected from all recipients, and States would be required to detect unreported income sources.

Fourth, States would also be held liable for excessive losses due to issuance of food stamps through the mail.

Mr. President, these provisions result in substantial reductions in food stamp costs and tighten program operation. The committee bill not only reflects every provision offered by the administration to reduce error and fraud, but also contains a number of additional provisions offered by members of the committee.

As it now stands, the bill more than meets the requirements of the budget resolution. It meets the wishes of the American public for a more efficient and less costly food stamp program.

We need to be careful not to go overboard in our determination to cut this program. The truly needy, the elderly, and the poor—those who get an adequate diet only because of the food stamp program—must be protected against excessive or arbitrary reductions. And we must avoid losing this crucial sense of equity by making further benefit reductions at this particular time.

I yield back the remainder of my time, Mr. President, to the Senator from Vermont.

Mr. LEAHY. I thank the Senator from Arkansas for his, as always, extremely good, extremely comprehensive, statement. He has touched on so many points that I will not repeat them all, but certainly he has emphasized, and emphasized very well, the fact that we worked extremely hard in the committee to make cuts.

We are really faced with two things in this, Mr. President, or two choices in this program. We can either have a program or not have a program. It is that simple. We can go and make massive other cuts in the program and, having done that, we would so decimate the program that we would be far more honest if we said that we were going to get rid of it, and are not going to abolish malnourishment and hunger in this country; that we are not going to take a very positive step to get rid of hunger and malnourishment in this country. Or we can say we acknowledge hunger and malnourishment in this country, and the food stamp program is one of the steps that could be taken to eradicate it and we will do everything posible to make it as good a step as possible, a step that reflects our concern, a concern shared by Republicans and Democrats, that the taxpayers' money must be spent wisely. After all, each one of us is also a taxpayer as are our families.

The distinguished chairman of our Senate Committee on Agriculture, my dear colleague from North Carolina, has said that maybe we should have bitten the bullet and set up better procedures.

I submit to him that that is exactly what we have been doing for the last year and a half. We have been working very, very hard on this. I was here as part of the debate, as were Senator DOLE and others, Senator HUDDLESTON and others, last year when we went through a very lengthy exercise in cutting out substantial amounts of money from the food stamp program and substantially tightening procedures.

We have talked about what this program might cost if we pass S. 1007 as it is here today in the outyears. Well, let us just take a look at that. Certainly nobody on this Hill, Republican or Democrat, has accused President Reagan of runaway generosity in social programs. Nobody has assumed that OMB Director Stockman has opened the barn door and let the financial horses loose on social programs. So let us just take a look at the program that President Reagan and Mr. Stockman proposed in food stamps, and let us take a look at what we have done with it.

I submit indeed we did bite the bullet. In fact, by the time reauthorization rolls around before this body, with the projections we have here, we will have saved $350 million more than the amounts recommended by President Reagan and by his OMB Director.

So I submit we started with the barebones budget, as described by President Reagan, a safety-net budget as described by President Reagan, a carefully honed budget as described by President Reagan, and we actually cut it further.

A couple of other things we should talk about. One is the elimination of the purchase requirement. Certainly, that has brought about increased participation. But a large part of that increase was debated on the floor of this Senate and debated on the floor of the other body and it was intended. It was anticipated and it was intended and one of the things that a majority of the Members of both bodies, the House and the Senate, Republican and Democrat, voted for was that increased participation. It was to be paid for by other changes in the law—raising the benefit reduction rate, lowering eligibility requirements. These things paid for the increased participation.

Mr. President, I would point out something that should be of note to each one of us who has any significant rural areas within our constituency, that the increase in participation has been greatest in rural areas. Elimination of the purchase requirement has brought rural areas into a participation rate far greater than it had been before. An argument could be made that putting the purchase requirement back on would hurt rural areas far more than anywhere else.

The fact that in rural areas the increase was five times as great as in most urban areas, accounts overall for most of the increase.

I realize the rural areas do not have the political clout that the urban areas do, but, as a Senator from a very rural

State, I intend to fight for them on that question.

We should also point out that there have been a number of economic changes since the elimination of the purchase requirement was implemented. Two are obvious to every person in this country—higher inflation and higher unemployment.

Food prices and inflation alone has caused over half the increase in food stamp costs in the past few years.

I would point out, on the question of fraud and abuse, that when we held hearings just a few years ago on the question of elimination of the purchase requirement, the testimony at that time was that one of the greatest areas of fraud, one of the greatest areas of abuse in the food stamp program, was being done by a number of large banks that took the money from the food stamp purchase requirement and, instead of turning it over immediately to the Government, as they were supposed to as depositories, they would use it for several days as a constant float of money and would end up getting enormous sums of taxpayers' money interest free that they could loan out to their own customers. The millions of dollars involved there was one of the most significant areas of fraud in the food stamp program. That was eliminated when we eliminated the purchase requirement, that and, of course, the elimination of substantial administrative costs.

There are a number of other areas that we could talk about, but I suspect most of them have been debated back and forth in the committee. A number of them are referred to in my own statement, the distinguished chairman's statement, the statement of the distinguished Senator from Kansas, the statement of the distinguished Senator from Arkansas, and there will be others.

I know that our distinguished chairman (Mr. HELMS) has suggested that it is perhaps time to move to some amendments. I tend to agree with him on that.

I yield to the distinguished Senator from North Carolina.

Mr. HELMS. Mr. President, I thank my friend from Vermont. I yield to the distinguished Senator from Idaho (Mr. SYMMS).

Mr. SYMMS. I thank the Senator for yielding.

UP AMENDMENT NO. 139

(Subsequently Numbered Amendment No. 63)

(Purpose: To reinstate the purchase requirement for food stamps)

Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Idaho (Mr. SYMMS) proposes an unprinted amendment numbered 139.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 39, between lines 17 and 18, insert the following new section:

PURCHASE REQUIREMENT

SEC. 108. (a) Section 3(b) of the Food Stamp Act of 1977 is amended by inserting before the period at the end thereof "and any amount to be paid by such household for such allotment".

(b) Section 7(b) of the Food Stamp Act of 1977 is amended by striking out the third and fourth sentences.

(c)(1) Section 8 of the Food Stamp Act of 1977 is amended by adding at the end thereof the following new subsections:

"(d) Notwithstanding any other provision of law, households, other than households containing a member who is sixty years of age or over or who receives supplemental security income benefits under title XVI of the Social Security Act or disability payments under title II of the Social Security Act, shall be charged" for the allotments issued to them, and the amount of such charge shall represent a reasonable investment on the part of the household, but in no event more than 30 per centum of the household's income, except that—

"(1) allotments may be issued without charge to households with an income of less than $30 per month for a family of four under standards of eligibility prescribed by the Secretary; and

"(2) the Secretary shall provide a reasonable opportunity for any eligible household to elect to be issued an allotment less than the allotment authorized to be issued to such household under subsection (a) of this section.

The charge to be paid by any eligible household electing to exercise the option described in clause (2) of the preceding sentence shall be an amount which bears the same ratio to the amount which would have been payable under this subsection for an allotment issued to such household under subsection (a) as the allotment actually issued to such household bears to the allotment that would have been issued to such household under such subsection.

"(e)(1) Funds derived from the charges made for allotments shall be promptly deposited, in a manner prescribed in the regulations issued pursuant to this Act, in a separate account maintained in the Treasury of the United States for such purpose. Such deposits shall be available, without limitation to fiscal years, for the redemption of coupons.

"(2)(A) The Secretary shall by regulation prescribe the manner in which funds derived from the distribution of coupons (charges made for allotments) shall be deposited by coupon issuers. Such regulations shall contain provisions requiring that coupon issuers promptly deposit such funds in the manner prescribed by the Secretary, except that such regulations shall, at a minimum, require that (i) such deposits be made at least weekly, and (ii) upon the accumulation of a balance on hand of $1,000 or more, such deposits be made within two banking days following the accumulation of such amount.

"(B) Any coupon issuer, or any officer, employee, or agent thereof, convicted of violating the regulations issued under subparagraph (A) of this paragraph shall be fined not more than $3,000, or imprisoned not more than one year, or both.

"(3)(A) Coupon issuers receiving funds derived from the distribution of coupons (charges made for allotments) shall be deemed to be receiving such funds as fiduciaries of the Federal Government, and such coupon issuers shall immediately set aside all such funds as funds of the Federal Government. Funds derived from the distribution of coupons (charges made for allotments) shall not be used, before the deposit of such funds in the manner prescribed by the Secretary, for the benefit of any person, partnership, corporation, association, organization, or entity other than the Federal Government.

"(B) Any coupon issuer, or any officer, employee, or agent thereof, convicted of violating subparagraph (A) of this paragraph shall be fined not more than $10,000 or a sum equal to the amount of funds involved in the violation, whichever is the greater, or imprisoned not more than ten years, or both, except if the amount of such funds is less than $1,000, then such issuer shall be fined not more than $3,000, or imprisoned not more than one year, or both.

"(4)(A) The Secretary shall by regulation require that upon the deposit, in the manner prescribed by the Secretary, of funds derived from the distribution of coupons (charges made for allotments), coupon issuers shall immediately send a written notice to the State agency, accompanied by an appropriate voucher, confirming such deposit. In addition to such other information deemed by the Secretary to be appropriate, such regulations shall require that such notice contain—

"(i) the name and address of the coupon issuer;

"(ii) the total receipts of such coupon issuer derived from the distribution of coupons (charges made for allotments) during the deposit period;

"(iii) the amount of the deposit;

"(iv) the name and address of the depository; and

"(v) an oath or affirmation signed by the coupon issuer or, in the case of a corporation or other entity not a natural person, by an appropriate official of the coupon issuer, certifying that the information contained in such notice is true and correct to the best of such person's knowledge and belief.

"(B) Any coupon issuer, or any officer, employee, or agent thereof, convicted of failing to provide the notice required under subparagraph (A) of this paragraph shall be fined not more than $3,000, or imprisoned not more than one year, or both.

"(C) Any coupon issuer, or any officer, employee, or agent thereof, who knowingly provides false information in any notice required under subparagraph (A) of this paragraph shall be fined not more than $10,000, or imprisoned not more than ten years, or both.

"(5)(A) The Secretary shall by regulation require each coupon issuer at intervals prescribed by the Secretary, but not less often than monthly, to send to the Secretary, or his designee, a written report of the issuer's operations during such period under the food stamp program. In addition to such other information deemed by the Secretary to be appropriate, the regulations shall require that the report contain—

"(i) the name and address of the coupon issuer;

"(ii) the total receipts of the coupon issuer derived from the distribution of coupons (charges made for allotments) during the report period;

"(iii) the total amount of deposits made by the issuer of funds derived from the distribution of coupons (charges made for allotments) during such period;

"(iv) the name and address of each depository receiving such funds from such issuer; and

"(v) an oath or affirmation, signed by the coupon issuer, or in the case of a corporation or other entity not a natural person, by an appropriate official of the coupon issuer, certifying that the information contained in the report is true and correct to the best of such person's knowledge and belief.

"(B) Any coupon issuer, or any officer, employee, or agent thereof, convicted of failing to provide any report required under subparagaph (A) of this paragraph shall be fined not more than $3,000, or imprisoned not more than one year, or both.

"(C) Any coupon issuer, or any officer, employee, or agent thereof, who knowingly provides false information in any report required under subparagraph (A) of this paragraph shall be fined not more than $10,000, or imprisoned not more than ten years, or both.

"(6) The Secretary may by regulation require State agencies to provide periodic reports to the Secretary, or his designee, containing a consolidation of the respective coupon issuer's notices to such State agencies at such intervals as the Secretary in his discretion deems appropriate.

"(7) The Secretary and the United States Postal Service shall jointly arrange for the prompt deposit of funds collected by the United States Postal Service on behalf of a State from charges made for coupon allotments.".

(2) The heading for section 8 of such Act (7 U.S.C 2017) is amended to read as follows:

"VALUE OF COUPON ALLOTMENT AND CHARGES TO BE MADE".

(d) Section 15(a) of such Act is amended by inserting "purchase by and" before "issuance".

(e)(1) Section 18(a)(1) of such Act is amended by inserting after the second sentence the following new sentence: "Such portion of any such appropriation as may be required to pay for the value of the coupon allotments issued to eligible households which is in excess of the charges paid by such households for such allotments shall be transferred to and made a part of the separate account created under section 8 (d)(1) of this Act.".

(2) Section 18(b) of such Act is amended—

(A) by striking out the first sentence and inserting in lieu thereof the following: "In any fiscal year the Secretary shall limit the value of coupons issued which is in excess of the value of coupons for which households are charged, to an amount which is not in excess of the portion of the appropriation for such fiscal year which is transferred in accordance with subsection (a) of this section to the separate account referred to in such subsection."; and

(B) by adding at the end thereof the following new sentence: "If the Secretary determines that any of the funds in such separate account are no longer required to carry out the provisions of this Act, such portion of such funds shall be paid into the miscellaneous receipts of the Treasury.".

(f) The amendments made by this section shall become effective on January 1, 1983.

On page 52, line 9, insert ", as amended by section 108," after "1977".

On page 52, line 12, strike out "(c)" and insert in lieu thereof "(e)".

Mr. SYMMS. Mr. President, with passage of the food stamp amendments in 1977 to the food stamp program, with that overall package came the elimination of the so-called purchase requirement. The purchase requirement was the requirement which required food stamp recipients to purchase a portion of their monthly food needs in order to receive food stamps.

As a Member of the other body at the time, I fought the idea of what we called then "free" food stamps. We thought that the "free" food stamps would end up costing the taxpayers billions and billions of dollars in not having the program carry out its original intention, which was intended by the food stamp program in the inception to be a program that was based upon the fact that it was going to provide an adequate, nutritious diet for the recipients of the program.

Now, at the time, and in the debate in the other body, there was a great furor about it. Some of the predictions that I made, saying that this program will cost $5 or $6 billion within 2 years, were called erroneous.

Well, Mr. President, I was wrong all right, because I was wrong on the conservative side. It did not cost $6 billion. It is up to $11 or $12 billion that the program is costing.

I would say that the number of people have gone up astronomically. I am going to get into this in just a few moments.

Consequently, as a result of that little bit of history, I would like to place before this body an amendment to S. 1007 to reinstate the purchase requirement to the food stamp program.

If one studies the history of this program and goes clear back to when it first started as a trial program, the original intention of the food stamp program, Mr. President, was to have the States share in the costs. Before it ever got through the House of Representatives and the Senate the first time, the Congress had, in its wisdom, decided the States should not share in the cost of the program. That would have provided a great deal of discipline to the program. The second part of the discipline was that the recipient would share in the cost of the program.

Then, in 1977, that was removed from the program and, hence, the lid has been taken off the program, so to speak, and it is an open invitation to the public to come in and get the free food stamps and the program has gotten out of hand.

Now, what my amendment will essentially do is return the program to the pre-1977 guidelines, with one very important distinction, and that is that the elderly, blind, or disabled recipient will not be required to purchase their food stamps. They and the most truly needy recipients with the lowest incomes would continue to receive food stamps without having to meet the purchase requirement.

Now, in 1977, Mr. President, we predicted that the elimination of the purchase requirement would not only increase participation in the program, but that it would most benefit those eligibles who had the highest income, and those who had to pay the most for their food stamps. The poorest recipients did not then, nor will they now under my amendment, have to purchase a share of their food stamps. This prediction, unfortunately, Mr. President, was frighteningly accurate. Participation at that time in 1977 was 15 million people; a mere 2½ years later, it is nearing 23 million people.

We also predicted that the elimination of the purchase requirement would transform the program from a nutrition program into a general income supplement by freeing up the money that households would otherwise spend for food. It is now clear that that prediction has also come true. Quoting the Congressional Budget Office:

> Rapid price increases have resulted in low and lower-income families choosing to reallocate their limited incomes so as to select those commodities which are subsidized and thereby continue to maintain their real purchasing power in the non-subsidized goods. Since the elimination of the purchase requirement, the food stamp program has become more of a direct income transfer program, directly substitutable for non-food purchases.

I know that the day that passed on the floor of the House of Representatives it was reported on the national news that night. People were interviewed and they as much as said that. They said now they would be able to spend more of their income on other things that they would choose to spend it on and less on food because they no longer had to come up with that commitment to the family budget to purchase food as was the intention of this program back in the late 1960's when it started.

The CBO also noted that:

> Re-establishing the purchase requirement would decrease substitution, and increase the effectiveness of the transfer in increasing food purchases. It still remains unclear if increased food purchases, however, means improved nutritional status.

The General Accounting Office has also assessed the impact of Congress' elimination of the purchase requirement:

> The program effect was that the food stamp program no longer served to require households to set aside sufficient resources to be able to obtain nutritious diets. It became an effort to supplement family income in the hope that households would wisely use enough non-food coupons resources for food.
>
> It also was partially responsible for the large influx of households into the program and the resulting steep escalation of program costs.
>
> In addition to emphasizing the food stamp program as a nutrition program rather than an income supplement program, reinstatement of the purchase requirement could be expected to help control and possibly reduce program costs to the extent that households would drop out of the program or would be discouraged from participating.

They told us in 1977 that elimination of the purchase requirement would curb illegal abuse of the program, which had some factual basis in that food stamp vendors were eliminated.

But it is also likely that the perceived value of food stamps by participating households would decrease, since they would pay nothing for them, and that the potential for trafficking and other illegal activity would increase.

Although quality control was disbanded during implementation of the new program, and as such we do not really have any quality control data to quote, the USDA's Office of the Inspector General has revealed several illegal trafficking schemes in the program that was to reduce abuse.

The most recent, and largest example of such fraud came forth only last year, when the IG revealed details of "Arabscam," the biggest illegal trafficking scheme in the history of the program.

In short, our greatest fears over the elimination of the purchase requirement have come true.

What are those fears? The fact that there is going to be more abuse; that the program is running rampant; that

instead of 1.5 million people on the program we have 23 million people on the program; we have 1 out of every 10 Americans receiving them, and the program in place would allow a number much greater than that to get on. They are advertising it and making the word known.

Not only that, but we lost the discipline of the program. We lost the adequate, nutritious diet, Mr. President, that this program used to have, which was one of the virtues of the program, that the people who received the stamps were guaranteed an adequate, nutritious diet. That is no longer the case.

Just go back and study the CONGRESSIONAL RECORD and the legislative history on this, Mr. President. You will note that in the House at that time, once the purchase requirement passed the other body the then chairman of the House Committee on Agriculture amended the bill to remove the words and the language from the legislation that made any reference to adequate, nutritious diet.

There could be no misconception about this program, that it was to become an income transfer program and no longer a program aimed at guaranteeing Americans who receive the benefits of this program an adequate, nutritious diet.

It is simply not good policy to allow this program to burgeon at the levels that it has over the past few years since the elimination of the purchase requirement. The Carter administration admitted that at least 3.5 million new participants in the program came about as a result of this action, and the CBO has attributed fully 70 to 80 percent of the growth in the program to the elimination of the purchase requirement.

As I mentioned earlier, my amendment would not apply to the blind, elderly, or the disabled. It would also not apply to the lowest income participants, which represent 20 percent of the current food stamp caseload.

They would be exempt because their incomes are below the lowest income scale used to determine the amount of the recipient's purchase contribution.

Thus the amendment would reinstate the purchase requirement for some 55 percent of current recipients. These households are all households with income, and they should be required to allot some of their disposable income to the purchase of food as a condition of receiving their food stamps.

That point has been raised by Republicans and Democrats alike, and I think no one said it any more eloquently than Representative Leonor Sullivan, who was an acknowledged author of the food stamp program. She said:

> No one—no one—should receive food stamps free, no matter how small their income. That was another mistake made in 1970. They should be required to pay something for the food stamps—whatever they can afford to spend for food out of their limited income, even if it is only 50 cents or $1 for a month's food.
>
> Otherwise, and this is now the case in some situations—the stamps are considered a kind of "funny money" which are merely handed over as a gift from some mysterious source and do not have to be regarded as something you work for and buy. Anything handed over free in that fashion, whether it be food stamps or anything else, invites cheating and abuse.
>
> I am proud to be known as the author of the Food Stamp Acts of 1959, 1964, 1967, and 1968. The 1970 act was a mistake which needs repair. This Congress has failed since 1970 to follow through in removing the faults in the program, because of great controversy over what those faults are.
>
> I hope that the next Congress can look at the legislation with less passion and more care and reasonableness and put the program back on the track, so that only those clearly in need of this food assistance may receive it and all those who do need it can qualify for it. No more and no less.

Mr. President, I urge the adoption of my amendment, and note that it is not opposed by the administration although it is not a part of their recommendations. In closing, I would like the administration's comments on the issue to become a part of this record. I am quoting Deputy Assistant Secretary of Agriculture John Bode:

> Had the present administration been in office in 1977 when the purchase requirement was eliminated, we would not have supported that proposal. The purchase requirement greatly improves the nutritional character of the program and has a stabilizing effect on the program costs.
>
> However, because of some administrative concerns we did not include implementation of the purchase requirement in our legislative package.
>
> The administration feels the administrative costs associated with reimplementation are negligible relative to the budgetary savings that would follow establishment of the purchase requirements, but the administration takes no position.

Mr. President, I ask my colleagues to support this amendment, which I think is worthy of the support of this body.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the distinguished Senator from Idaho for his amendment.

Mr. President, I ask the Senator from Idaho if he would be willing to agree to a certain technical modification of his amendment, correcting an error made in the drafting process. We have already discussed this with the Senator and he understands the modification. It is in numbering the paragraphs.

Mr. SYMMS. Mr. President, I am happy to accept the modification.

The PRESIDING OFFICER. The amendment is so modified.

The modification reads as follows:

> On page 1, line 13 strike "(d)" and insert "(C)".
>
> On page 2, line 19, strike "(e)" and insert "(d)".

Mr. HELMS. Mr. President, as the Senator from Idaho (Mr. SYMMS) has stated, his amendment involves the partial reinstatement of the purchase requirement offered by the chairman of the Committee on Agriculture, Nutrition and Forestry, a proposal that was defeated in the committee by a vote of 10 to 7.

Mr. President, I think it should be emphasized again that this amendment excepts the elderly, the blind, and the disabled. They are exempted from the requirement which would be reinstated January 1, 1983, under the gentleman's amendment.

More than perhaps any other reform which was before the committee, the purchase requirement promises the best hope for achieving long-term program stability which is so imperative in this program which has grown astronomically since the elimination of the purchase requirement in 1979.

The amendment which the chairman offered in committee would reinstitute the purchase requirement exactly as it was in effect before its elimination with the Food Stamp Act Amendments of 1977 (effective January, 1979) with one exception: the elderly, blind, and disabled would not be required to purchase their food stamps; they would continue to receive food stamps without being required to pay a purchase requirement."

The introduction of "free food stamps" into the program beginning in 1979 is the single greatest cause for the tremendous growth in participation.

Mr. President, I ask unanimous consent that a table showing the steady climb in participation since the elimination of the purchase requirement be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Monthly food stamp participation

January 1979	17,292,943
February 1979	17,9[illegible],457
March 1979	18,456,986
April 1979	18,530,748
May 1979	18,343,842
June 1979	18,213,315
July 1979	18,396,987
August 1979	19,013,408
September 1979	19,308,801
October 1979	19,371,107
November 1979	19,660,970
December 1979	20,068,500
January 1980	20,373,892
February 1980	21,161,561
March 1980	21,478,656
April 1980	21,559,552
May 1980	21,527,178
June 1980	21,640,264
July 1980	21,853,641
August 1980	22,055,173
September 1980	21,989,686
October 1980	22,169,469
November 1980	[1] 21,843,864
December 1980	[1] 22,148,850
January 1981	[1] 22,416,051
February 1981	[1] 22,814,880

[1] Subject to revision.
Source: U.S. Department of Agriculture.

Mr. HELMS. Opponents of the purchase requirement have frequently contended that the rapid growth in program participation is not primarily due to the elimination of the purchase requirement. They have sought to justify program participation by pointing to higher than usual unemployment since January, 1979.

While it is true that unemployment has been somewhat higher since January 1979, the increase in unemployment does not adequately explain the rapid increase in program participation.

However, the monthly growth in food stamp participation, from 15.9 million in December of 1978 to 23 million in 1981—a growth of 7.1 million participants, or

over 3 million households in a little over 2 years.

During the same period of time, the number of people unemployed rose by only 1.4 million.

Thus it should appear obvious that the elimination of the purchase requirement is the primary factor in this Mount Everest-like increase.

The Department of Agriculture during the Carter administration admitted that elimination of the purchase requirement was responsible for the addition of at least 3.5 million new participants. The Congressional Budget Office estimates that 70–80 percent of the growth since 1979 can be attributed to the elimination of the purchase requirement.

The Department has noted that the average income levels of participating households remained nearly the same before and after the elimination of the purchase requirement. This would indicate that there were few differences in the economic status of the households before or after elimination of the purchase requirement. It demonstrates that simply making the food stamps available "free" made them more attractive to households who had previously decided not to participate.

The Congressional Budget Office noted last year that increased food stamp participation seemed to have occurred because during inflationary times:

> Low- and lower-middle income families choose to reallocate their limited incomes so as to select those commodities which are subsidized and thereby continue to maintain their real purchasing power in the non-subsidized goods. Since the elimination of the purchase requirement, the food stamp program has become more of a direct income transfer program, directly substitutable for non-food purchases. Hence, the propensity to participate in the program increases with relatively high rates of inflation in non-food, but still basic items.

The elimination of the purchase requirement has been cited by many as removing the nutritional focus of the program.

The Congressional Budget Office has made the following appraisal of reinstating the purchase requirement on nutritional impact:

> It is not possible to accurately assess the impact of reinstating the purchase requirement on the nutritional status of food stamp households. It is generally agreed, however, that a food stamp program containing a purchase requirement is likely to be more effective in increasing food purchases per dollar distributed among participants than one without such a requirement.
>
> Re-establishing the purchase requirement would decrease substitution, and increase the effectiveness of the transfer in increasing food purchases. It still remains unclear if increased food purchases, however, means improved nutritional status.

The General Accounting Office also substantiated the impact of eliminating the purchase requirement:

> The program effect was that the Food Stamp Program no longer served to require households to set aside sufficient resources to be able to obtain nutritious diets. It became an effort to supplement family income in the hope that households would wisely use enough non-food coupons resources for food. It also was partially responsible for the large influx of households into the program and the resulting steep escalation of program costs.
>
> In addition to emphasizing the Food Stamp Program as a nutrition program rather than an income supplement program, reinstatement of the purchase requirement could be expected to help control and possibly reduce program costs to the extent that households would drop out of the program or would be discouraged from participating.

American taxpayers simply cannot afford providing "free food stamps".

The restoration of the purchase requirement which the chairman offered in committee and which the gentleman from Idaho (Mr. SYMMS) now offers would exempt the elderly, blind, and disabled. The Congress has expressed special concern in 1977, and subsequently, that these groups may have had lower participation rates than other groups of participants.

Additionally, I agree with the Senator that these groups constitute the "truly needy" which we have been especially concerned with protecting. Excluding such households would exempt approximately one quarter of the current food stamp households.

It should also be stressed that those at the lowest income scale would also be exempt from the purchase requirement. Those whose net incomes are below $115 per month would be totally exempt. Depending on the total level of deductions that a household might claim it is possible that some households with net incomes up to $230 per month would also be exempt.

The Department of Agriculture and the Congressional Budget Office estimate that these lowest income participants represent 20 percent of all current participating households and would be exempt from the purchase requirement.

Thus we are speaking of reinstating the purchase requirement for approximately 55 percent of the current food stamp caseload. These are households with income, and they should return to the system of putting up part of that income to purchase their food stamps.

The Congressional Budget Office has indicated that households subject to reinstatement of the purchase requirement are likely to be larger (3.4 members compared to an overall average of 2.8 members) and have larger benefit levels, and a greater proportion receives AFDC or general assistance benefits (70 percent compared to 40 percent for the whole caseload).

While the purchase requirement did present some opportunities for abuse, its elimination has simply increased such opportunities. We have exchanged the possibility of abuse among several thousand eligibility workers and banks handling purchase requirement money for the possibility of abuse among 23 million recipients many of whom see the benefits as involving no investment of their own and are more willing to traffick in food stamps—using them to buy major nonfood items. Indeed, the Acting Inspector-General Robert Magee told the committee it was his observation that trafficking in food stamps has been on the increase since the elimination of the purchase requirement.

It should be noted that the proposed amendment contains the antifraud safeguards which the Congress had enacted before the elimination of the purchase requirement to improve program accountability.

The administrative paperwork did not decrease noticeably as had been expected after the elimination of the purchase requirement, because the increased caseload resulting from elimination of the purchase requirement totally offset any anticipated administrative savings. The General Accounting Office has stated about reinstatement:

> Additional administrative costs would result, but in all probability they would be offset by the slower growth in overall program costs.

It has been suggested that the food stamp program may be a likely candidate for a future block grant. The reestablishment of a purchase requirement would present the States with a stabilized program in the event of a block grant some years hence.

It was noted, especially by opponents, that the administration had not proposed reinstatement of the purchase requirement. However, the administration's position was stated by Deputy Assistant Secretary John Bode:

> Had the present Administration been in office in 1977 when the purchase requirement was eliminated, we would not have supported that proposal. The purchase requirement greatly improves the nutritional character of the program and has a stabilizing effect on the program costs. However, because of some administrative concerns we did not include reimplementation of the purchase requirement in our legislative package.
>
> The Administration feels the administrative costs associated with reimplementation are negligible relative to the budgetary savings that would follow establishment of the purchase requirements, but the Administration takes no position.

Deputy Secretary Richard Lvng had stated the same point earlier in his testimony before the committee.

It seems fairly clear that the main reason reinstatement was not recommended was because it would take some "lead time" to implement while the Office of Management and Budget was primarily interested in initiating immediate reductions. However, this reform holds great promise for long-term savings.

Mr. President, it is eminently reasonable to expect some food stamp recipients to put forward a percentage of their incomes to purchase the food stamp coupons which they have received free in the past 2 years, and I commend the gentleman for his amendment.

Mr. HELMS. Mr. President, I reserve the remainder of my time.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. Mr. President, I yield to the Senator from Kansas such time as he requires.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. HELMS. Will the Senator yield?

Mr. DOLE. I yield.

Mr. HELMS. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I thank the Senator from Kansas for yielding.

Mr. DOLE. Mr. President, it has been correctly stated that this amendment was discussed in the Agriculture Committee. The vote was relatively close. The vote was 10 to 7.

I have listened with interest to the distinguished Senator from Idaho (Mr. SYMMS). I find myself here supporting the administration in opposition to restoring the purchase requirement.

Deputy Secretary Lyng, in his testimony before the committee, stated the administration did not favor restoration of the purchase requirement because such a move would unquestionably raise administrative costs and complicate administration, thereby increasing error rates.

I assume that is still the position of the administration.

Mr. SYMMS. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. SYMMS. I thank the Senator.

I might point out to my distinguished chairman of the Finance Committee that Assistant Secretary Mary Jarratt at that time was a staff employee of the House Agriculture Committee and wrote all the arguments for the then minority leader of the Subcommittee on Agriculture that handled the legislation.

I cannot imagine that Ms. Jarrat's position has changed, and the administration's position. She certainly is the spokesman for the administration on this issue. I should be very surprised if her position had changed on that.

(Mr. CHAFEE assumed the chair.)

Mr. DOLE. I shall be happy to have her views. I guess if the administration now has a different view, I should be happy to have those. We cannot seem to get any views out of the administration, very honestly.

In fact, I think it would be very helpful to a Republican Senate if, in fact, we had the administration's position on the bill before us. It is my understanding that they do not oppose it. I hope that, by the time we vote tomorrow, the Secretary of Agriculture will indicate his support for the bill as it is before us at this time or, if not, to point out areas where he believes that the Senate should make some changes. If anybody happens to be around from the administration in this area, it would be helpful to us, as we discuss this proposal, to know their position.

I understand that they are under some pressure not to get involved in this debate, but, as far as this Senator is concerned, the administration does not wish to restore the purchase requirement. If, in fact, they have another view, that view should have been expressed at the hearing. If not, it should be expressed at this time.

Mr. SYMMS. If the Senator from Kansas will yield further, in all fairness to the Senator from Kansas, I have not had any contact with the administration on this subject. I only know that the Assistant Secretary of Agriculture, Mary Jarratt, has been very helpful to this Senator, when he was a Member of the other body, on this subject. I have not discussed it with them recently, so I do not want to leave the wrong impression on the floor at this time.

Mr. DOLE. I understand that, Mr. President. I have no quarrel with Ms. Jarratt. I do not think she was confirmed at the time we were discussing this in public, and she did not participate in the debate. If she has a view now and would care to share it with us, it would be helpful.

In spite of that, Mr. President, this is an argument that certainly has two sides. My own efforts in this area began, I guess, in 1975 or 1976. (As I recall, I might add that I voted against the first food stamp program.) However, we did eliminate the purchase requirement in 1977. I believe the result has been the reduction of administrative costs and paperwork. We have had an effort, as I have indicated, to restore the purchase requirement except for the elderly and disabled. I think there is some question in the administration of the program as to whether, if we have a partial restoration of the purchase requirement, we would have, in effect, a dual program. This is strongly opposed by State and local food stamp administrators.

Mr. President, it should be made clear again that the Committee on Agriculture did comply with the President's request. We made sufficient cuts in the food stamp program—not only to meet the President's request, but we exceeded the President's request. It has been suggested here that we are going after "high income food stamp recipients." But if we adopt this proposal, the Congressional Budget Office estimates that nearly 3 million low-income persons would no longer participate because they could not afford to buy their food stamps. After all, this was the intent of the amendment to eliminate the purchase requirement in the first place.

These 3 million people are poor and meet all the food stamp eligibility requirements. These are the people that the President has indicated he wants to protect with the so-called safety net, the "truly needy." Again, as far as this Senator knows, the President has not indicated that we ought to restore the purchase requirement. No one in the Department of Agriculture has indicated that we ought to restore the purchase requirement. That does not mean we cannot offer the amendment. The amendment was offered in the committee, and the amendment was defeated.

Mr. President, we are going to cut the costs of this program by over $8 billion in the next 4 years. The bill tightens the eligibility requirements for food stamps. If the purchase requirement is restored, poor families that meet the new standards, who are now clearly in need, will be forced out of the program. About 90 percent of those forced out will be families with gross incomes below the poverty line. That line is not $11,000. That line is $8,450 for a family of four. I do not think there are many who may be reading the RECORD or who may be listening to this debate in their offices would think that $8,450 for a family of four is a great deal of money.

It seems to me we ought to make certain which group we are aiming at when we talk about the restoration of the purchase requirement. I happen to live in a rural State. Kansas does not participate to much of an extent in the food stamp program, but there was a 61-percent increase, as I recall, because we have many rural areas in my State—a 61-percent increase in participation because we eliminated the purchase requirement.

Mr. President, I am going to have printed in the RECORD a table showing the State, the number of people, and the percentage of participation between November 1978 and November 1979. That includes the 50 States and the District of Columbia. This chart will reflect that, in rural States, by and large, the increase was rather dramatic. I shall cite just a few examples:

In the State of Indiana, an increase of 74 percent; in the State of New Mexico, an increase of 59 percent; in the State of Louisiana, an increase of 46 percent; in the State of Missouri, 54 percent; Montana, 55 percent; Nebraska, 52 percent; North Dakota, 62 percent; South Dakota, 78 percent; Wyoming, 72 percent; Idaho, 53.8 percent.

I cite these States, Mr. President, because, by and large, they are known as rural States. Many of the truly needy live in rural America. They were, in effect, bypassed by the program because of the purchase requirement. They did not have the upfront money to participate in the program.

Participation in the most rural areas, according to estimates by USDA, increased 42 percent. Participation in the largest, most urban areas increased only 8 percent. So the elimination of the requirement clearly benefited those in rural areas. In absolute numbers, rural areas outstripped urban areas. Nearly half the new entrants were from the smallest, most rural States, while only about one-fifth were from the largest most urban States. In the Southeast, there was the greatest increase in participation—nearly 32 percent; Mountain Plains, almost 32 percent; Southwest, almost 31 percent. The smallest increase was in New England—about 7 percent.

As I understand the amendment, it would exempt the elderly and disabled. The majority of households that participated once we eliminated the purchase requirement had gross incomes of less than $300 monthly, or $3,600 on an annual basis. That is gross income. If you pay any bills at all out of that gross income, you are going to have very little left. The majority of the recipients are the elderly, the disabled, and the children of one-parent families. I hope, Mr. President, that before we indicate that, for some reason, we need to restore the purchase requirement, we fully understand whom it may impact upon.

The purchase requirement would be a greater barrier to participation by poor families now than it was prior to the 1977 Food Stamp Act.

If the purchase requirement is restored, administrative costs and complexities would increase substantially. We would have to make arrangements with thousands of private issuance agents across the country to accept, account for, and transmit billions of dollars a year in cash accepted from recipients in return for food stamps. States would incur further costs, because they would have to operate dual issuance systems—one for the elderly and disabled, and another for all other households.

Both the National Governors Association and the National Council of State Public Welfare Administrators oppose this amendment.

I believe there is also a good indication that fraud would increase. The single largest area of fraud in the food stamp program prior to the elimination of the purchase requirement was the mishandling of millions of dollars of cash by private food stamp issuance agents. This caused a major scandal in 1976. Some issuance agents failed to transmit cash collected from recipients. Other agents held the cash for a period and used it to make money for themselves, before transmitting it. This abuse ended when the purchase requirement was eliminated.

Critics of eliminating the purchase requirement argued in 1977 that if a household that previously had to spend $40 to buy $100 in food stamps now simply received $60 in food stamps instead, it would not spend the full $100 on food.

That argument was made, and there was concern as to whether or not that was accurate. They were indicating by this that we, in effect, would defeat the nutritional purpose of the program or would undermine that purpose.

This was a theory, which has now been proven to be incorrect by actual experience. The U.S. Department of Agriculture conducted major nationwide food consumption surveys before and after the elimination of the purchase requirement. The data from the surveys conclusively shows that after the elimination of the purchase requirement, food stamp households were still spending more on food than the maximum food stamp allotment they would have received if the purchase requirement had been retained.

The contention that the elimination of the purchase requirement has undermined the nutritional purposes of the program is factually wrong. In fact, it appears that eliminating the purchase requirement has strengthened the nutritional impact of the program because it has enabled several million low-income persons who were always eligible and in need of food stamps—but never before able to participate—to enter the program and increase their food consumption.

We can argue from now until the end of the week on what we are going to do to save money under this program. We spent a great deal of time in the Senate Agriculture Committee trying to decide where we would save money. We voted on elimination of the purchase requirement, and it was defeated. Now we are back on the Senate floor with another amendment which would do pretty much the same thing.

I have no quarrel with those who want to reduce the cost of the program. We have done that. We have carried out the President's mandate. But I suggest that before we strike, we should know who the target is. In this program, the target group will be the poorest of the poor—3 million Americans, the truly needy, the ones for whom President Reagan indicated he would provide a safety net.

The President of the United States may not be aware of the amendment, but if he were, I hope he would indicate that he does not support the amendment. He has made a commitment to the American people. There are some who already have indicated that that commitment has been broken, so far as social security and medicaid and other areas are concerned, in which it was found necessary to consider reducing benefits because of spending reductions.

On the other hand, the President wants to get a handle on the budget. We want to reduce Federal spending, and he proposed certain cuts in the food stamp program. We have met our goal on those cuts; we have exceeded those cuts.

Those who want to restore the purchase requirement, in my view, are as concerned as this Senator about the food stamp program and about the poor, but I believe there may be some misinformation around. If we want to eliminate 3 million of the poorest of the poor in the food stamp program, this is not the way to do it.

Perhaps it is hard for us to understand. We live a fairly comfortable life in the Senate of the United States, and everybody who works for the Federal Government lives a fairly comfortable life. It may be hard to understand that some people do not have enough money, if we have the purchase requirement, to receive the benefits, but that was the case time after time. That is the judgment we are asking the Senate to make.

In consideration of our efforts to meet the President's objectives to tighten up the program as it should be tightened up, to spare no program, I suggest that adopting the amendment of the Senator from Idaho, however well intentioned the amendment is, would be a move in the wrong direction.

Mr. President, I ask unanimous consent to have printed in the RECORD material showing what effect reinstitution of the purchase requirement would have on rural areas, the administrative problems it would cause, and the table I referred to earlier indicating how participation increased in rural States, such as Idaho, Nebraska, Wyoming, and States in the Midwest and Southeast.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REINSTATING THE PURCHASE REQUIREMENT
EFFECT ON RURAL AREAS

Although we do not have data specifically on the effect of reinstating the purchase requirement, it is reasonable to assume that such a reinstatement would have the effect of undoing many of the positive impacts of the elimination of the purchase requirement. EPR led to a number of changes in food stamp participation, especially in rural areas.

Participation in the Food Stamp Program has historically been low in rural areas. After the implementation of EPR a significant number of the new participants came from rural areas.

In the year following EPR, food stamp participation in the smallest, most rural project areas increased nearly 55 percent, compared to only 11 percent in the largest, most urban project areas.

Of the nationwide increase in participation following EPR, 42 percent occurred in the most rural areas while 20 percent occurred in the most urban areas.

The greatest participation increases took place in the Southeast, Southwest and Mountain Plains regions, all of which contain predominantly rural States.

States with predominantly rural populations experienced the greatest growth in participation following EPR. Alabama, Indiana, South Dakota, Virginia, and Wyoming all had increases in excess of 70 percent. Arizona, Delaware, Kansas, Nevada, North Dakota and South Carolina experienced increases of between 60 and 70 percent.

A list of the increases in food stamp participation in the year following EPR, by State, is attached.

ADMINISTRATIVE ISSUES IN THE RESTORATION OF THE PURCHASE REQUIREMENT

Even a partial restoration of the purchase requirement could not be implemented before January 1983. Restoration would require the mobilization of an entire accountability superstructure that has been dismantled on the Federal and State level.

The over one dozen accountability forms would have to be redesigned and reissued.

New staff would have to be hired on the State and local level to monitor cash flows.

States would be required to totally redesign their issuance systems.

States which have installed mail issuance systems would probably have to dismantle them and return to local issuance offices.

States would have to enter into negotiations with issuance agents for the collection of the purchase requirements and the distribution of stamps.

Issuance costs would rise substantially because of the need for extra accounting and additional safeguards for cash.

State computer systems would have to be extensively reprogrammed to allow for purchase requirements, including variable purchase requirements. In addition, a separate system would need to be created for the elderly and disabled, who would not be subject to a purchase requirement.

Even with a monitoring system, it is expected that cash losses and error would increase seriously. For example, in the last year of the purchase requirement, the government lost several millions of dollars in the State of Illinois alone.

If the purchase requirement is restored only for those participants who are not elderly or disabled, States and the Federal government would face the problem of running what will be essentially two separate food stamp programs.

Separate issuance records, computer programs, and files would have to be maintained.

Separate reporting systems would have to be installed for each type of client.

Change in food stamp program participation and benefits received between November 1978 and November 1979, 50 States and the District of Columbia

[Region, State, people, and percent]

NEW ENGLAND		
Connecticut	11,696	7.68
Maine	23,374	28.84
Massachusetts	−64,893	−13.25
New Hampshire	9,178	25.68
Rhode Island	11,946	16.98
Vermont	6,094	16.87

Change in food stamp program—Continued

MID-ATLANTIC		
Delaware	18,970	65.81
District of Columbia	11,613	12.75
Maryland	72,356	30.89
New Jersey	116,011	25.41
New York	240,575	16.36
Pennsylvania	133,452	16.76
Virginia	145,527	75.27
West Virginia	9,525	5.28
SOUTHEAST		
Alabama	232,250	77.13
Florida	202,934	30.88
Georgia	189,243	48.62
Kentucky	94,913	29.62
Mississippi	157,057	52.55
North Carolina	172,576	47.01
South Carolina	148,223	60.71
Tennessee	174,330	44.95
MIDWEST		
Illinois	53,208	6.57
Indiana	124,093	74.12
Michigan	169,560	30.73
Minnesota	31,882	27.73
Ohio	139,698	21.53
Wisconsin	41,532	29.39
SOUTHWEST		
Arkansas	92,978	49.02
Louisiana	169,578	46.14
New Mexico	62,413	59.71
Oklahoma	58,124	43.08
Texas	337,790	44.09
MOUNTAIN PLAINS		
Colorado	29,335	25.29
Iowa	23,897	24.18
Kansas	29,841	61.11
Missouri	104,368	54.99
Montana	12,835	55.61
Nebraska	19,705	52.49
North Dakota	7,924	62.59
South Dakota	16,750	78.52
Utah	13,518	42.79
Wyoming	4,724	72.70
WESTERN		
Alaska	75	.56
Arizona	66,292	68.43
California	153,114	12.46
Hawaii	9,654	10.85
Idaho	16,197	53.84
Nevada	10,703	61.71
Oregon	24,892	17.45
Washington	33,689	18.37

Source: Program records, Food and Nutrition Service, USDA.

Mr. DOLE. Mr. President, I thank the Senator from Vermont for yielding time.

Mr. LEAHY. Mr. President, in keeping with the efforts I have made to support the Reagan administration throughout this matter, I will adopt once more the position of the Reagan administration, which is, of course, in opposition to the amendment by the distinguished Senator from Idaho.

I will quote a little from the statements of the administration when asked about reinstituting the purchase requirement. To put everything in perspective, the amendment of the distinguished Senator from Idaho would reinstate the purchase requirement.

This question was asked of the administration during hearings on the appropriations bill:

Question: I assume one of the options considered by the Reagan administration was reinstitution of the purchase requirements. What would be the impact of such a proposal, both on recipient and in dollar terms, and why was it rejected as an option.

The administration, in expressing their opposition to reinstituting the purchase requirement—in effect, in opposition to the amendment before the Senate—said:

The administration is not proposing to reinstate the purchase requirement because it would be an expensive burden on State agencies. Without a purchase requirement, only one issuance transaction per household per month is needed. With a purchase requirement, since many households are unable to pay the total at one time, multiple issuances would be needed. Issuance agents' fees are based on the number of transactions and so with a purchase requirement, State agencies' issuance costs would be substantially higher.

They go on to say:

Cash requires more careful security since cash on hand makes issuance offices more prone to thefts. Also contributing to increased security costs would be the substantial increase in the volume and value of coupons . . .

They said:

In addition to these costs, State agencies would incur increased accountability and reporting requirements.

They also said:

Finally, with a purchase requirement, the low cost and convenience for States and recipients of direct mail issuance is lost.

They went on to say:

For these reasons and because it would cause hardship to some households, the administration believes that the purchase price for food stamps should not be reinstituted.

Mr. President, at a time when we are doing our best to cut down the cost of State and local government, at a time when we are doing our best to get the Federal Government off the backs of State and local governments, at a time when we are trying to cut down bureaucracy and red tape, and so forth, this amendment, in one significant area, would put the Federal Government back on the backs of the State and local governments, increase bureaucracy, increase the administrative costs, increase areas of abuse, increase possible thefts.

If, indeed, we are concerned that food stamp coupons may become a second currency in this country—and I, for one, hope that will not happen—if we reinstitute the purchase requirement, by definition, we substantially increase the number of food stamp coupons in the country because every household of the same size ends up with the same number of food stamp coupons. They just pay different amounts for them. Ergo, more food stamp coupons in circulation.

Prior to elimination of the purchase requirement there was widespread fraud among vendors who collected cash from recipients' unused food stamps. The GAO investigation found large numbers of these vendors either failing to transmit some of the costs to the Federal Government or, as I said earlier, holding the cash for a while and using it to earn money before sending it to the Federal Government.

In fact, the problem reached the proportion of a national scandal in 1976 when irregularities involving millions of dollars in cash purchase requirements were uncovered.

The difficulties of dealing with this problem were immense. Can you imagine, Mr. President, when we eliminated the purchase requirements we eliminated 14,000 separate issuance points, many of them in private homes, collecting money from recipients in return for food stamps?

The distinguished Senator from Kansas has also so well stated a point that is of utmost importance certainly to me, to my constituents in Vermont and to any other rural area, and that is rural participation became a reality only with the elimination of the purchase requirement.

There are two significant areas where we see the increases: rural areas and the elderly. Are we going to cut them back off?

I, for one, agree with the administration in this regard.

We can eliminate paperwork, cut down bureaucracy, decrease fraud, eliminate waste, cut down costs, and we can do all of that by rejecting the amendment before us. I hope that we do.

Mr. President, how much time do I have remaining on this amendment?

The PRESIDING OFFICER. The Senator has 5 minutes and 52 seconds remaining.

Mr. LEAHY. Mr. President, how much time is remaining to the proponents of the amendment?

The PRESIDING OFFICER. Seventeen minutes and 57 seconds.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum and I ask unanimous consent that the time be equally divided similar to what we have already done several times this afternoon.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I am prepared to yield back the remainder of my time on this amendment.

Mr. HELMS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the amendment will be put off until 3 p.m. tomorrow.

The Senator from North Carolina is recognized.

Mr. LEAHY. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. HELMS. I yield.

Mr. LEAHY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LEAHY. Mr. President, am I correct in understanding, although we yield back our time on this amendment, that under the unanimous-consent agreement there is before each vote that is stacked tomorrow 10 minutes equally divided?

The PRESIDING OFFICER. Not the first vote.

Mr. LEAHY. I see.

The PRESIDING OFFICER. Only the succeeding votes.

Mr. LEAHY. I thank the Chair. I appreciate that.

Mr. HELMS. Mr. President, I will assure the Senator if he needs time before the first vote we can arrange that.

UP AMENDMENT NO. 140

(Subsequently Numbered Amendment No. 64)

(Purpose: To eliminate the requirement to periodically adjust the amount of the standard deduction and the excess shelter deduction)

Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 140.

Mr. HELMS. Mr. President, I ask unanimous consent that a reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 33, beginning with line 17, strike out all down through line 7 on page 34 and insert in lieu thereof the following:

"(2) striking out the second sentence; and"

On page 34, line 16, beginning with "adjusted", strike out all down through "June 30," in line 4 on page 35.

Mr. HELMS. Mr. President, I shall not be long in discussing this amendment because I have already alluded to it earlier in the debate.

This amendment would eliminate the automatic indexing of deductions.

Mr. President, the committee bill, S. 1007, suspended the annual indexing of the deductions until July 1, 1983, at which time indexing will be resumed using a version of the CPI that does not include homeownership costs. Deductions will remain frozen at present levels until that time, $85 per month for the standard deduction and $115 deduction for excess shelter/dependent care costs.

The administration had recommended that automatic indexing of deductions be eliminated entirely. This amendment would simply implement the administration's view.

Mr. President, I might say for the record in that general connection that the distinguished Senator from Kansas and I believe the distinguished Senator from Vermont as well emphasized that the administration did not request restoration of the pay requirement.

I say for the record that the administration has assured me that they will be delighted if further savings can be achieved in this bill.

But back to the indexing question which this amendment addresses. The resumption of indexing in July 1983, which of course will be in fiscal year 1983, even with a version of the CPI excluding homeownership costs, will result in resumed spending in the outyears covered by the bill in rather substantial amounts.

Let me state them.

Mr. President, I ask unanimous consent that the table be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[By fiscal years, in millions of dollars]

	1982	1983	1984	1985
Standard deduction		58	112	332
Excess shelter/dependent care deduction		18	32	64
Both		76	144	396

Mr. HELMS. I thank the Chair.

Furthermore, the Congressional Budget Office indicates that using the CPI excluding homeownership costs will not result in any savings. "No change in cost is attributed to the change in the indexes that would be used to make adjustments. It is very unlikely under current economic assumptions that removing the homeownership component from the indexes will cause them to increase at rates lower than those indexes currently used." That was the CBO Cost Estimate, May 28, 1981.

Because other savings items in the bill expire over the course of the bill, permanent changes to achieve savings should be made wherever possible to insure long-term savings.

Automatic indexing has proven exorbitantly expensive in numerous Federal programs. Congress always has the option to consider increasing these amounts in the future, but automatic indexing of deductions should be eliminated.

Benefit levels are already indexed under the committee bill, so benefits will be increased. Indexing deductions only multiplies the increase in benefits to recipients.

Since the standard deduction does not actually represent any specific costs which would increase with inflation, there is no logical reason for indexing it automatically or by specific statute.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I thank the Chair.

I reserve the remainder of my time.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I also have to oppose this amendment, as I did when similar discussions were held in the Senate Committee on Agriculture.

If we could assume a zero rate of inflation starting today, no adverse change in the economic picture in this country, no increase in costs of basic necessities, I would be perfectly willing to accept this amendment. But those are assumptions we cannot make or will not make.

Freezing the standard deduction and the excess shelter deduction at today's levels would institute a decline in the assistance food stamp recipients actually receive as their costs of living rise. Utility costs, for example—included in the excess shelter deduction—are not frozen. In fact, they are anything but. Anybody in this Chamber has only to compare their utility bills of today with their utility bills this time next year; whether it is at a cost of kilowatt hours used, the cost of the fuel burned, whatever it is, wood, oil, gas, electricity; it has gone up.

I mentioned earlier this afternoon, Mr. President, that I come from a State where you sometimes have 40-degrees-below-zero weather, and it will stay like that for days on end. Someone once joked that in Vermont we have 10 months of winter and 2 months of poor sledding. That is not so. It is only 1 month of poor sledding. But it is cold, and it is in North Dakota and it is in Oregon, and it is in Washington State. It is in upstate New York, as it is in a lot of other States.

When you look at the terrible killer heat waves we had last year, you have the opposite end of the thermometer reading, again resulting in the raising of shelter and energy costs.

As these necessary expenditures increase, believe me, when it is 20 below, 40 below, 10 below zero, energy costs are a necessary expenditure. They are not luxuries at all. As such necessary expenditures increase, food stamp recipients would find themselves having fewer of their own dollars to spend for food. Freezing deductions would only make worse the declining situation of food stamp recipients, who have already lost considerable ground to inflation. And they are being cut substantially in this legislation.

Food stamp households are currently allowed a monthly standard deduction of $85 per household. They are also allowed a deduction for the amount by which their shelter costs exceed 50 percent of their net incomes, up to a maximum of $115 a month. The standard deduction and the $115 maximum on the shelter deduction are currently adjusted once a year to keep pace with inflation.

The committee bill freezes these deductions for 2½ years (until July 1, 1983). It also changes the index used to adjust these deductions after the freeze ends (by removing homeownership costs from the index) so that the deductions rise at a slower rate. We put the brakes on, we put them on considerably. We are cutting back at a much faster rate than inflation is going up. This would mean that if a poor family's heating costs rose sharply in future years and left the family with less money for food, there would be no adjustment in the household's food stamp benefits, despite the loss in disposable income.

According to administration figures, the amendment would hurt nearly all food stamp households in all parts of the country, including the poorest.

Mr. President, as I said, I will oppose this amendment.

I am happy to yield to my distinguished colleague from Kansas, the chairman of the Subcommittee on Nutrition.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I will be very brief. I want to thank the chairman for his efforts to move along with

the amendments. It seems to me we are making progress.

These are issues that have been debated—and this is one that was debated—in the committee. We finally worked out a compromise in an effort to save enough money to meet the requirements set out. I think both Senators more or less explained the amendment. It just happens that some of us are on one side and some are on the other.

Food stamp households are currently allowed a monthly standard deduction of $85 per household. They are also allowed a deduction for excess shelter costs. The shelter deduction equals the amount by which shelter costs (including utilities) exceed 50 percent of the household's net income, up to a maximum of $115 per month. The standard deduction, and the $115 maximum on the shelter deduction, are now adjusted once a year to keep pace with inflation.

The committee bill freezes the food stamp standard deduction and the maximum allowable shelter deduction at the current levels for 2½ years. After that time, homeownership costs (the most rapidly rising part of the CPI) would be excluded from the index for future adjustments, so that the deductions would rise at a slower rate. That change is permanent.

These changes save about $900 million over the next 4 years. The amendment to freeze the deductions permanently goes much further, and would adversely affect nearly all food stamp households, including the elderly and disabled.

USDA's figures show that 86 percent of all food stamp households—about 6 million households—would be adversely affected. The large majority of those affected have gross incomes below the poverty line. Again the poverty line is $8,450 for a family of four. It is not $11,000. It is a much lower figure. Substantial numbers of households in all regions of the country would be adversely affected.

A permanent freeze on deductions is not justified. Heating costs and the costs of other necessities borne by low-income families are expected to rise in coming years. If the deductions are frozen permanently, then households on fixed incomes who face increased fuel bills—and have decreased funds available for buying food—would be allowed no increase in deductions and no adjustments in food stamp benefits to reflect their loss of disposable income.

The committee bill freezes both the standard deduction and the shelter/dependent care deduction for 2½ years, or until July 1, 1983. Both deductions are currently indexed for inflation once a year.

The proposal would freeze these deductions permanently. This would mean that if family's heating costs rose sharply in future years and left the family with less money for food, there would be no adjustment in the household's food stamp benefits, despite the loss in disposable income.

Department of Energy and census reports indicate that the percentage of income spent by low-income households on energy rose from 25 percent to 32 percent from 1978 to 1980. DOE reports also indicate that less than one-third of the increase in energy costs incurred by low-income households over the past 3 years has been offset by the low-income energy assistance program. A failure to adjust the shelter deduction for inflation would thus result in a significant loss in food purchasing power for many low-income families.

The 1977 act provided for the standard deduction to replace a variety of itemized deductions that were allowed under the prior law. If it is frozen, food stamp allotments will not reflect the fact that increases in a variety of expenses are decreasing the disposable incomes that participants have left for food.

Under current law, the standard deduction of $85 per month and the upper limit on the shelter deduction of $115 per month are indexed for inflation once a year. It is estimated that they would rise to $90 and $125, respectively, in fiscal year 1982.

So we have had some discussion of heating costs and costs of other necessities. If, in fact, the President's economic program works—as I believe it will—if in fact the spending cuts and the tax reductions, fewer regulations, and a better monetary policy all have an impact by 1983, this may not be a factor. I hope that the rate of inflation will be slowed to the point that indexing would be eased, because I share the general views expressed by the distinguished chairman that we are in great difficulty because so many Federal programs are indexed. I suggest that this is one reason why the President must succeed in his efforts to turn this country around economically.

But, having said that, it seems to me that Congress is going to meet every year, so far as I know, and we have the opportunity to change anything in the food stamp program. This Senator certainly believes there should be a constant review of the food stamp program, and, as chairman of the Nutrition Subcommittee—and, hopefully, chairman at that time or prior to that time—I would certainly be prepared to take another look at the entire program before the expiration of the 4-year program.

So I will oppose the amendment. As far as this Senator knows, there was not any committee vote on this amendment. It was part of a package of amendments offered. In an effort to satisfy the budget requirements, in my view, we were able to accommodate those requirements, as indicated a number of times, and I think we took responsible action. Maybe some would disagree, but I hope the amendment will not be affected.

I thank the distinguished Senator for yielding.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, this amendment would save $76 million in fiscal year 1983, $144 million in fiscal year 1984, and $396 million in fiscal year 1985.

I agree with the Senator from Kansas that unless things change markedly around this place, the Congress will be in session in each of the years during which the budgets will be considered for fiscal years 1983, 1984, and 1985, which is precisely the reason the amendment ought to be adopted.

If we leave the bill as it is, nothing will be done probably, to change the automatic indexing but at least this amendment will require the Senate and the House to take a look at this business of indexing.

Now, I am not going to repeat my earlier remarks about indexing and the catastrophic effect it has had on the fiscal situation in this Government and, therefore, in this country. But if for no other reason, Mr. President, we need the fiscal discipline of this amendment to require, first, the Committee on Agriculture, Nutrition, and Forestry to look at this question in each of those fiscal years and to take whatever action may be deemed appropriate at that time.

If we do not do it, we are going to pass up the opportunity to save the $76 million in fiscal year 1983, the $144 million in fiscal year 1984, and the $396 million in fiscal year 1985.

Mr. President, I cannot stand here this afternoon and tell you what the inflation rate is going to be tomorrow or next month or next year; nor can I say to the Senator from Kansas that it will or will not be necessary to take a look at this indexing business. I think it will be absolutely essential and imperative that we do. But surely Senators must agree that we owe it to the taxpayers to discipline ourselves. We should not fail to address this issue and thus let the money flow out across the country like Tennyson's brook.

Now we are talking about fiscal years 1983, 1984, and 1985. We have already had it frozen now through July 1, 1983. What on Earth is wrong with saying to curselves, "We are going to take a look at this thing, and we are going to do what is right at the time when it is necessary to do something."

Now I say again I know how this place operates. What we do not have to do we do not do, particularly in terms of saving the taxpayers' money. Yet this is a commonsense amendment.

Mr. President, I join Senator LEAHY and Senator DOLE in being pleased that we have at least done a little bit toward reducing the cost of this food stamp program. The perspectives vary. They think it is a very great deal; I think it is a modest amount. And I think the arithmetic is on my side when you look at the enormous cost of this program.

I wrote down several years ago and have carried around in my wallet the progressive increase in the cost of the food stamp program. When it began in 1964, it was more or less a pilot program, and it had 386,255 participants, costing $30,478,640; $30½ million, roughly.

By 1975, there were 18,614,956 participants, costing $4,300,000,000. And that just happened to be an increase as of 1975 of 14,000 percent.

In 1964, 1 citizen in 552 received food stamps; in 1975, 1 in 13; in 1981, 1 out of every 10.

Now, Mr. President, I am doing the arithmetic in my head, but the increase in the cost of programs since 1964, as of now, is something like 31,000 percent. And if we do not do something about it,

it is going to go the Lord knows how high.

So, I say again that I am grateful for small favors in terms of what the committee sent to the floor, but we did not do enough.

And I do not care whether the administration recommended this or recommended that. The question is: What do we recommend? How much money are we willing to save? How much work are we willing to do to tighten up this program? How fair are we willing to be with the working taxpayers of this country, who, after all, are footing the bill? We are not doing it.

You can talk about generous Senators and generous Members of the House of Representatives, but it is not our money that we are spending; it is the money of the taxpayers of this country. They have got a right to expect us to be as frugal and fair with them as we are with anybody else.

But this food stamp program, in terms of cost, is unprecedented in terms of welfare programs. I genuinely and sincerely believe that the changes that the committee has recommended, helpful as they may be, are nonetheless insufficient to meet the gravity of the situation that confronts us.

One of the chief flaws of the bill as reported from the committee, as I have mentioned before, is that the savings to be achieved diminish after the next few years, such that in fiscal year 1985 the committee bill will save $358 million less than anticipated under the President's recommendations. So let us not go too far in saying that the committee conformed with what the President wanted or what the administration recommended. We are talking about $385 million less, over the period covered by this bill, than the administration sought to achieve in savings.

One of the greatest weaknesses, I say again, in this Congress is the tendency to focus on the immediate situation to the exclusion of long-term implications of legislative decisions and to achieve savings by pushing costs of programs off into future years.

We are in precisely that position, Mr. President, with the social security program. Oh, it was so easy in this Chamber to come in and vote aye to increase the benefits and increase the number of participants in the social security program, all great sport, particularly before an election.

Franklin Roosevelt was never regarded, I suppose, as a hardcore conservative, but he gave us a bit of advice about social security at the time he signed the bill into law. He said, in effect, we must never allow this program to become a political football.

That is precisely what Congress did. The Congress played politics with social security every election year, and any Senator who is honest with himself will admit it. We are doing the same thing with the food stamp program. We must not require anyone to pay anything. We must index. We must just shovel it out. Otherwise, the Washington Post may call you a hardhearted old Senator tomorrow morning.

But you know what I think a hardhearted Senator is, Mr. President? I think he is a fellow who, with reckless abandon, votes aye to increase benefits, to delay the agony of making the hard decisions in those outyears, and to seek to be portrayed in the media as a kind, generous, and compassionate Member of Congress.

The only thing wrong with that, Mr. President, is that it is not our money. It is the money that we extract from that hard-working taxpayer who goes to work every morning to produce.

As for this particular amendment, the changes adopted by the committee do save what we say is the requisite amount of money in fiscal years 1982 through 1984. But several of the major reforms adopted by the committee essentially expire during fiscal years 1983 and 1984.

I say again, this results in increased spending in the outyears. It may very well be that in those outyears we, as a Senate, will want to adjust it, but I think we ought to impose upon ourselves, Mr. President, the discipline of having confronted the question. Otherwise, it will roll through without a murmur, without a question, mainly because nobody is looking.

So this indexing business is deceptive. It is so simple, it takes care of everything, and sufficient to the day is the evil thereof. Let us not worry about the outyears.

It is a dangerous game we play with the stability of the country. It is not a worthy game that we play in terms of our responsibility as Senators.

The freeze on deductions adopted by the committee terminates on July 1, 1983, at which time indexing will be resumed, albeit with a minor revision excluding the homeownership component of the Consumer Price Index.

The administration had urged, as I said earlier, that these deductions be frozen permanently.

There would be minimal adverse effects on food stamp households by mandating that the standard deduction remain at $85 and the excess shelter/dependent care deduction remain constant at $115 beyond July 1, 1983. Households would receive about $2 per month less for each $5 indexed increase which would have occurred. Deductions no longer impact on eligibility because a gross rather than a net income test has been adopted by the committee. Even though the standard deduction and the excess shelter/dependent care deduction would be stable under the administration's recommendation, benefits would continue to change in accordance with the inflation rate since the thrifty food plan will continue to be indexed.

Indeed, indexation of the standard deduction has been especially questionable from its inception in the Food Stamp Act of 1977 and has been made more questionable by the addition of new deductions. The standard deduction was originally recommended to replace numerous specialized deductions and exemptions that existed prior to the 1977 reforms. These included a work allowance, mandatory work expenses such as Federal, State, or local income taxes, social security taxes, mandatory retirement payments, mandatory union dues, medical expenses, child care, tuition, and mandatory fees, support and alimony payments, shelter costs and unusual expenses connected with a disaster or casualty.

However, Mr. President, Congress, rather than implementing a straight standard deduction, as the administration had proposed, instead, reduced its amount somewhat and added several special deductions. These deductions represented expenses for some of the very items which the standard deduction was supposed to replace. A $75-per-month deduction for combined expenses resulting from excess shelter costs and dependent care expenses was established; it has since been indexed to the present level of $115. A 20-percent earned income deduction was also added. And most tuition costs were designated as "exclusions," with the same effect as a deduction.

Since 1977, even more deductions have been added on top of the standard deduction, including: the exclusion of low-income energy assistance payments and a medical deduction for the elderly, blind, and disabled. With the establishment of these other deductions, there is no real basis for continuing to index the standard deduction, in particular.

Automatic indexing of what is now an $85 (originally $60) standard deduction might make sense if it really were a replacement for former "itemized" deductions. The deductible expenses it replaced would have increased with inflation, and automatically indexing the standard deduction to the Consumer Price Index would have represented increased expenses (due to inflation). However, because the standard deduction does not replace former itemized expense deductions, it only serves as a device to increase benefit levels and should not be indexed. Continued automatic indexing of the $115 ceiling on shelters and dependent/care expense deductions is also questionable; it simply increases the food stamp programs subsidization of nonfood costs.

For these reasons, it seems to me reasonable to maintain all deductions at their present levels as the administration had recommended. Automatic increases through indexing of deductions should be eliminated. Congress can reevaluate each deduction level on a case-by-case basis in future years if it finds that the Federal budget can afford increased subsidies.

Savings from another provision also end with fiscal year 1984. During fiscal years 1982, 1983, and 1984, there is a 3-month lag in updating the thrifty food plan so that by 1984, indexing will be done in October each year, rather than January, to correspond to indexing in other major Federal programs such as social security.

While the 3-year/3-month delay is an acceptable cost-savings reform, as far as it goes, the savings from the provision will expire at the end of fiscal year 1984. This will result in the resumption of $250 million in spending annually.

As a result, Mr. President, I feel that

additional permanent changes in the food stamp program are needed to effect long-term savings and stability in the program. The real key to the budget control that the President has recommended is that long-lasting savings be accomplished. In addition to the need for a permanent freeze on the deductions mentioned above, I believe that other, permanent changes need to be made in the program, such as the elimination of automatic indexing.

Mr. President, I reserve the remainder of my time.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. HELMS. I will yield to the Senator. If we do not have enough time on the amendment, I will yield time from the bill.

Mr. DOLE. Mr. President, I have listened with interest to the distinguished Senator from North Carolina. I do not quarrel with a thing he said, except that the one group that does not have any lobbyists around the Capitol are the people for the most part in the food stamp category. This Senator has been in the Congress over 20 years and I can understand. Certainly, every group has the right to have someone represent them in the Halls of Congress, in committee hearings and deliberations.

Poor people are very easy targets, because nobody is going to be around to object. No one is going to rush in here to protect the poor people. Maybe there will be an editorial or two in the paper after it is over. It is a very difficult judgment to make.

Some people in this country have problems that others do not have. Some have disabilities, some have less income, and some have other special problems.

It just seems to me that we have an extraordinary obligation to make certain that we do not spend a nickel more than necessary in any of these so-called, as some would call them, giveaway programs.

We consider many other programs. I will not get into every program, but we will have a number of them before the Senate before the year is over. In the Senate Finance Committee, we have just considered a whole host of cuts in AFDC and medicaid benefits and other benefits that affect people on welfare. This Senator is not afraid to stand up and suggest we ought to make cuts that would restore some semblance of responsibility in the Federal Government.

Mr. President, it is particularly difficult when we are dealing with low-income Americans. I would hope we just do not march in and have somebody say "Well, it is a food stamp bill, and I will cut the food stamp program anytime." There are some who would cut the food stamp program anytime—cut it in half, cut it in quarters, repeal it altogether.

If that is done, then, of course, we are going to have more costs in the welfare program, and I am not certain what the final savings would be.

It seems to me, Mr. President, that when we freeze deductions, we hurt the poorest food stamp households the most. Freezing deduction levels means that every household in the program loses the same $5 or $10 increase in deductions that would have occurred without the freeze. That $5 or $10, as I have indicated before, may not mean much to so-called higher-income food stamp households—if you can classify anybody properly in the program as a higher-income food stamp household—but it means a lot to food stamp recipients whose total income may be only $150 or $200 a month. In effect, freezing the deduction levels imposes a type of regressive tax on food stamp households, hurting the poorest the most, since everyone loses the same absolute dollar amount.

There is nothing fair about it at all, Mr. President. That was why, in our package, we agreed to do it part of the way to make up the savings. We did not have any easy choices. I just suggest that we are dealing with people who are not represented very well in the Halls of Congress. They may not be represented at all. We have a number of alternatives: one, we can keep cutting and cutting, as we may have to do in the outyears; we can act responsibly, as we have done in the committee; we can meet the President's requirement, as we have done in the committee. We have exceeded the requirement of the Budget Committee; we have exceeded the President's request. We are doing what we can to protect the so-called truly needy—the safety net that the President outlined a number of weeks ago.

If, in fact, we find that we did not go far enough in the food stamp reductions; if, in fact, we find there is still more fraud or more abuse or more waste; or if, in fact, we find that there are people in the food stamp program—and there will always be some—but if, in fact, there are a great number who might be classified as greedy rather than needy, this is one Senator who will pledge to my colleagues on both sides of the aisle that we shall take whatever action is appropriate.

But let us keep our eye on the target, as the Senator from Kansas said before. The target in this case is the poorest people in the program. Maybe those are the ones we ought to attack, because they cannot do anything to us, anyway. The Senator from Kansas disagrees. They are not going to vote. They are not going to contribute. They are not going to be in our offices. They do not have anyone to talk with except people at the local level. Those at the local level have indicated to us that some of the changes being proposed would not be in the interest of the people they serve.

Mr. President, there is no one who has any corner on hardheartedness around here. If, in fact, indexing is a problem, as the Senator from North Carolina has pointed out, we are in trouble, because about 74 percent of Federal programs are indexed. In the Finance Committee we are in the process of taking a look at all programs that are indexed, and someday, we are going to take action. But I hope we are going to take it all at once.

On the other hand, I have enough confidence in President Reagan's program that I hope this indexing will not be the problem that it has been in the past 10 to 12 years. The Senator from North Carolina correctly stated that we are facing near bankruptcy in social security because of indexing, and because of the formula itself—because it overindexes. That is the problem. Indexing itself, I think we could subscribe to. Overindexing we could not. So we changed the formula, in 1983 in this case, to exclude housing, because that would overindex the system. However, we do have some serious problems, and we are going to be dealing with social security changes in the Finance Committee.

I guess—well, I am not going to guess at this point, because that is a rather explosive issue—we are looking at indexing, even though the President made a campaign promise. That is because one thing we want to preserve is the integrity of the social security system, and we are going to do that on a bipartisan basis in the House and the Senate.

Mr. President, I do not have any other expression on this particular amendment. I am happy to yield the floor.

Mr. LEAHY. Mr. President, I am perfectly willing—have the yeas and nays been ordered on this amendment?

The PRESIDING OFFICER (Mr. HAYAKAWA). The yeas and nays have been ordered.

Mr. LEAHY. I thank the Chair.

Mr. President, I am perfectly willing to yield back my time.

Mr. HELMS. I yield back my time, Mr. President.

The PRESIDING OFFICER. The votes on amendments will occur tomorrow.

Mr. BAKER. Mr. President, it is 6 o'clock or a little after. It is clear we are not going to be able to finish this bill today. In a few moments, I should like to propose a period for the transaction of routine morning business and go out until the morning at about 10 and go back on this bill at about 10:30. I wonder if that is generally agreeable to the managers.

Mr. LEAHY. It is certainly agreeable to the minority.

Mr. HELMS. Mr. President, I say to my distinguished majority leader that I am confident that the Foreign Relations Committee hearing tomorrow morning will be finished by 10:30 or shortly thereafter. I assure the majority leader that I shall be here as quickly as I can following that.

Mr. BAKER. I thank the Senator.

Would it be possible to lay down an amendment tonight?

Mr. LEAHY. I know of none on this side, Mr. President, I might have mentioned to the majority leader that, if it will help things tomorrow, I suspect that on most of the amendments coming up, I shall not be using the time allotted to me. I also suspect that it will not be necessary to use all the time that I have on the bill. So I shall be making every effort on this side to be yielding back as much time as possible to keep us on track.

Mr. BAKER. Mr. President, I thank the Senator. That is characteristic of his good cooperation and I am personally grateful for it, as I am sure all Members of the Senate are.

We have a problem of sorts—if you will

pardon the expression, it is a high-class problem—that we have a time certain to vote on passage not later than 7 p.m. So if we are going to accommodate the amendments and still extend the time available for debate, we shall be hard put. But I appreciate the statement of the Senator from Vermont.

Mr. HELMS. If the majority leader will yield, it is my hope and, to a somewhat lesser degree, my anticipation that we shall be able to substantially cut down on the time required for this. I hope we could vote at maybe about 5 o'clock. I shall work to that end with the Senator.

Mr. BAKER. Mr. President, I appreciate that. The Senator from North Carolina is very generous, and as always, very cooperative.

If we have an amendment we can lay down now, we can be prepared for that tomorrow, then I am prepared to make arrangements to go out.

Mr. HELMS. If the Senator will yield, I am advised that the distinguished Senator from Idaho (Mr. McCLURE) has an amendment which he, as I understand it, would like to have as the first order of business. Would it be almost the same if unanimous consent were obtained for his amendment to be submitted early tomorrow morning?

Mr. BAKER. Fine.

Mr. LEAHY. Reserving the right to object, Mr. President, and I shall not object, which amendment is that, so I can be prepared to speak on it?

Mr. HELMS. It relates to energy assistance.

Mr. LEAHY. I have no objection, Mr. President.

Mr. BAKER. Mr. President, if I understand the arrangement, then it is agreeable that an amendment to be offered by the Senator from Idaho (Mr. McCLURE), dealing with counting Federal energy assistance as income, would be the pending amendment in the morning. Since the Senator from Idaho is not here, but I am assured by the manager of the bill that that is satisfactory to him, I now ask unanimous consent that when the Senate returns to consideration of this bill tomorrow, the McClure amendment I have just described be the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, not to extend longer than 15 minutes, in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATION OF CHARLES Z. WICK

Mr. HAYAKAWA. Mr. President, Mr. Charles Z. Wick, a fellow Californian, was confirmed yesterday, June 8, to be Director of the U.S. International Communication Agency. I would like to take this opportunity to express my pleasure in his confirmation.

Mr. Wick has served the people of California for over 30 years, and was honored during the recent Los Angeles bicentennial celebration as one of the outstanding "Men of Achievement."

He holds a degree in music, as well as a Ph. D. in law, and has served as president and chief executive officer of Wick Financial Corp., and of Mapleton Enterprises. He has been a member of the board of trustees of the John Thomas Dye School in Los Angeles; cochairman of the advisory committee to the School of Performing Arts of the University of Southern California; and a member of the support group board of directors for the Harvard Preparatory School of Los Angeles. He was a director of the National Council on Aging, a member of the Los Angeles County Mental Health Association's board of governors, and chairman of the Los Angeles County mental health campaigns in 1965.

Mr. President, Charles Wick is an energetic, committed, dedicated, and able individual. He will bring these qualities to his new assignment. I wish him well.

Thank you, Mr. President.

A FATHER'S STORY

Mr. PACKWOOD. Mr. President, a little over a week ago, I watched this Senate pass the most restrictive abortion legislation ever to be agreed upon by Congress.

Despite numerous protests, a bill was passed to cut off abortion funding for all poor women unless their life is endangered.

No exception for rape. No exception for incest. No exception when a fetus is known to be severely deformed.

No exceptions.

Abortion is not an easy subject to talk about. I know of no woman who is comfortable with the thought of having an abortion.

But the fact remains, a woman chooses to have an abortion because there is a compelling reason to do so.

Mr. President, Friday's Washington Post contained an article which, I think, says it all. "A Father and Sen. Helms" is a tragic, personal, poignant story of one family's personal experience with abortion.

I offer this article to all my colleagues who think abortions should be outlawed in this country. I ask unanimous consent that this article be printed in the RECORD immediately following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A FATHER AND SENATOR HELMS

(By Tom Braden)

I have been wondering whether to tell you a personal story that seems to me to have general implications. This is one of those sad family stories that normally you don't find fathers talking about in public, or even very much with close friends.

But I picked up the newspaper the other day to read that a Senate committee had voted to abolish payments for abortions for the poor, even when the pregnancies are the result of rape.

Now this was not a question of cutting the budget. Abortion costs for poor women who are raped do not amount to a large sum. Rather it was a question of morality. Republican Sen. Jesse Helms of North Carolina, and the Moral Majority, which follows him around, are convinced that abortion is wrong even when the woman who wants one wants it because she had been raped.

So I don't think it will be very long before Jesse and his friends are going to come after the unpoor.

In this instance, I am not very comfortable about being unpoor. I object to what the Senate committee did. But I have the human instinct to object even more strenuously when I reason that, by the same standard with which the senators dealt with the poor, they will shortly deal with me.

So let me tell you my story.

A few years ago one of my daughters attended an enormous Fourth of July celebration at the Washington Monument. It was a free show with fireworks and flags and entertainment, and, according to the newspaper account, the large crowd behaved well.

But as my daughter strolled alone off the Monument grounds and entered a side street, a car rolled up next to the sidewalk. Three men emerged from it, seized her roughly and, before she could do more than utter a half-stifled cry, put her into the back seat where two more men held her to the floor.

She was tied, gagged and taken to a house, the location of which she cannot now identify. She was kept in the house for the rest of the night during which time she was repeatedly beaten and raped.

The next morning she was blindfolded, driven back to the Monument grounds and shoved out of the car. Eventually sometime about midday, she made her way home.

During the time she was gone, there was, of course, a great deal of worry and anxiety at that home. And I must confess, anger.

Her arrival was followed by various interviews with policemen who tried to be helpful to a hysterical girl. But couldn't be. Because the hysterical girl could only estimate the time she had been in the car, describe the inside of a house and sob out some meaningless first names.

That's really the end of the story. Except, of course, that within a very short time, my daughter knew that she was pregnant.

Now I would like to ask Sen. Helms what he would do if he had been the father of the girl. I know what I did. And I can promise the senator and the Moral Majority and all the shrill voices of the Right to Life Movement, that no matter what law they may pass and how stringent the penalty, I would do it again.

OUTER CONTINENTAL SHELF

Mr. HAYAKAWA. Mr. President, the act which granted the Governors of coastal States a voice in OCS leasing decisions of the Department of the Interior was an important step in developing a balanced approach to our OCS leasing policy. However, I do not believe this law was intended to grant such Governors a tool to halt all attempts to produce oil and gas in our coastal waters. We have been subjected to numerous drilling delays in California in the name of States rights—some quite necessary, but many taken to the extreme, as in the case of the Hondo field in the Santa Barbara Channel. The need to balance State and national interest is crucial, and I would like to recommend the following article to my colleagues in an effort to reemphasize this need.

I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STATES' RIGHTS AND SEA OTTERS

Fights over offshore leasing have a new twist these days—states' rights. California Governor Jerry Brown used that argument successfully last week to block a portion of the Reagan administration's first major lease sale. We're bound to hear a lot more of it from environmentalist state and local officials who are losing their allies in the federal administration.

This emphasis is something to be welcomed by those of us who take the federal system seriously. We're always glad to find a new constituency for a states' rights doctrine, which has serious merit once separated from the tar baby of race and segregation. The states are by nature more concerned than a Washington bureaucrat about the local impact of drilling and can add important details in weighing the national interest. So California's lawyers persuaded a federal district court that the Interior Department was wrong in dismissing the state's recommendations on the lease sale, recommendations that would have excluded some tracts to protect the Southern sea otter, the gray whale and the "well-being of citizens of California."

This line of attack actually revives an issue that has historically gone hand in hand with offshore oil development. The second greatest "states' rights" fight of the '40s and early '50s was the "submerged lands" controversy, over control of the newly accessible underwater oil and gas reserves. A 1953 settlement gave the states everything to a three-mile limit, and the feds took the rest of the continental margin, in the area now called the Outer Continental Shelf (OCS). As the Atlantic coast became a drilling target, some Northeast states went to the trenches against leasing, and a 1978 legislative compromise gave coastal governors the right to a say in the Interior Department's OCS decisions. It's this act that Governor Brown is invoking.

But this is the kind of states' rights debate in which the states are trying to influence national policy, not vice versa, so the rest of the country has a right to ask just how well California speaks for the national interest. What most of us want from the lease sale is more oil and gas production. This would increase the nation's wealth, reduce reliance on OPEC and so forth. Since most of us don't live on the California coast, we're admittedly not sensitive to the environmental cost. Yet the last 12 years of anti-drilling agitation on the West Coast have consistently been marked by hysterical exaggeration and disingenuous bureaucratic obstruction.

The anti-leasing movement (and some say the current ecology movement) traces to the famous 1969 blowout in the Santa Barbara Channel, just south of the current lease sale. Ruptures in the channel floor released a total of 33,000 barrels of crude oil, which messed up the beaches and fatally gooed some 3,600 seabirds. Groups across the nation charged the oil companies were permanently destroying the environment. Yet the Santa Barbara Channel started recovering within a year. Today there is no permanent after effect.

What really upsets Santa Barbarans, one learns on visiting this resort town for the very rich, is the view. The channel is a beautiful sight, cradled by coastal mountains with the channel islands looming in the distant haze, until one comes to the line of squat oil platforms. At night they light up like an offshore Vegas strip.

The reaction to the spill forced President Nixon's Interior Secretary to impose a moratorium on production and leasing in the Santa Barbara Channel, but we suspect it was the aesthetic anger which made it so hard to lift the moratorium a full decade later, long after the safety problem was solved. (Ironically, the platform which caused the blowout was allowed to keep pumping all this time, to relieve subterranean pressure.)

Furthermore, state harassment of other nearby development reached ridiculous proportions, often on specious grounds. After a nine-year series of delays recounted below, the Exxon Corporation only this spring brought its OCS Hondo Platform on line, contributing over 30,000 barrels a day to the national supply. But faced with impossible demands from the California Coastal Commission, the company could do this only by abandoning plans for facilities within state jurisdiction. It invested $140 million in developing a totally new Offshore Storage and Treating vessel, so that it could process the oil and gas and load Texas-bound tankers entirely in federal waters.

We're perfectly willing to concede the states a role in federal leasing. We would even welcome compromises that protect legitimate local interests without frustrating access to oil. But the state litigants also ought to show they can think in terms of the broader national interest, and California's recent record is not particularly reassuring.

THE HONDO CHRONICLES

The Hondo field in California's northern Santa Barbara Channel holds an estimated 200 million barrels of oil and is expected to sustain production of 40,000 barrels a day. It was discovered in 1969. A super-sophisticated platform has been in place since 1976. Yet after a $340 million investment, Exxon pumped its first barrel of oil from Hondo only this spring, nine years behind schedule. A brief resume of the delays, based on Exxon sources gives some idea how much the U.S. and California governments have contributed to the domestic energy crisis.

July 13, 1969—Exxon discovers Hondo field.

January 1, 1970—President Nixon signs National Environmental Policy Act, passed in part because of Santa Barbara oil spill. It requires Environmental Impact Statements.

May 3, 1974—Final EIS for Hondo issued by U.S. Geological Survey. It includes onshore and offshore alternatives for treating oil.

May 27, 1975—In referendum, Santa Barbara County voters approve onshore facility to treat Hondo oil.

March 3, 1976—California State Coastal Zone Commission rejects onshore plan, even though beach in question is already site of existing pipeline and marine terminal. It calls for third alternative, a 140-mile pipeline to Los Angeles. Exxon drops onshore plan.

January, 1977—State of California and Santa Barbara County ask Interior Secretary Andrus to revoke approval of offshore plan. After 8-month delay, Secretary Andrus refuses.

September 23, 1977—Environmental Protection Agency tries to bring Offshore Storage and Treatment vessel (OS&T) under Clean Air Act, its first attempt to assert jurisdiction over the OCS.

November 18, 1977—EPA asks Santa Barbara Air Pollution Control District to set requirements for OS&T as if located within Santa Barbara jurisdiction.

February-March, 1978—EPA issues water discharge permit for OS&T. California Air Resources Board challenges it.

May, 1978—Exxon sues EPA over air permits.

June 28, 1978—California sues to require state air permits.

February 21, 1979—U.S. Geologic Survey approves additional exploration wells but demands 90-day completion. Exxon calls time schedule impossible.

July 26 1979—Secretary of Interior Cecil Andrus expresses "extreme displeasure at the pace of exploration to be pursued by Exxon Company, U.S.A. in looking for oil and gas in the Santa Ynez unit," adjacent to Hondo.

August 21, 1979—Federal court rules that Interior, not the EPA, has jurisdiction over the OCS, upholding Exxon.

PROJECTING OUTCOMES TOO SOON

Mr. HAYAKAWA. Mr. President, over 7 months have passed since the national election, when early media projections declared the race for the Presidency over as western voters stood in line to cast their ballots. The biggest loser on that election day was not any single cause or candidate, but the integrity of the American political system.

Fortunately, the cries of outrage have not died down. Concerned Americans from every region of the Nation demand that a solution be found so that every qualified citizen will have the right to cast a meaningful ballot on election day.

A recent article in the Washington Post by Ruth J. Hinerfeld, the president of the League of Women Voters, addresses this concern. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 7, 1981]

PROJECTING OUTCOMES TOO SOON

(By Ruth J. Hinerfeld)

On Nov. 5, 1980, the day after 53.9 percent of all voting-age Americans cast their vote in the presidential election, a steady stream of mail and calls began to flow into the national office of the League of Women Voters. Most of the writers and callers complained that the media's projections of winners more than two and a half hours before polls closed on the West Coast distorted the political process and ran the risk of directly affecting—rather than merely reporting—the outcome.

Early projections on election night are not a new development. The Senate has twice passed legislation to make projections more difficult. The first measure, passed in 1972, provided for an Election Day of 12 hours with all polls closing simultaneously at 11 p.m. EST. The second measure, passed in 1974, prohibited disclosure of presidential election results prior to midnight EST. Both of these measures failed to pass the House.

Neither of these two proposals—or proposals for Sunday elections, with or without 24-hour voting—would fully eliminate the possibility of early projections. One of the techniques used to project elections—exit polling—has become so sophisticated that it is possible for projections of national election results to be based on early morning interviews of a few thousand exiting voters in sample precincts. Using exit polls, projections can be made, regardless of when the polls close, which day the election is held or whether or not election officials are required to withhold the results of an election.

Recently, the League, the Committee for the Study of the American Electorate and 30 other national organizations wrote to all major networks, wire services and broadcast groups asking them to refrain voluntarily from projecting winners in any given election before all polls are closed in the appropriate area. By this we mean that we do not object to the projecting of results in statewide races when polls are closed in that state; this practice can do no harm. We do object however, to the practice of projecting statewide results if polls are still open in that state. Further, on presidential election night, the media should report the official results in the presidential race in each state and should not project presidential results when polls are still open.

Our request for voluntary restraint is based on our abiding belief in the freedom of the press and its role as a cornerstone of American democracy. We do not believe that any news agency should refrain from full and fair reporting of actual and final counts when they become available. But projections, no matter how they are derived, are not the same as actual results and can have the effect of influencing those results.

A commonly used argument against voluntary restraint is that we cannot isolate projections of victory from other Election Day 1980 happenings and prove conclusively that projections had an adverse impact on voter turnout. President Carter's concession speech at 6:45 p.m. PST certainly didn't encourage people to vote in the presidential race. But it is possible that Mr. Carter would not have conceded the election when he did had the networks not begun to project the Reagan victory so early.

The burden of proof should be on those who say early projections have no effect on election outcome or voter turnout. Indeed, it is difficult to argue persuasively that projections didn't have an impact on several 1980 contests that were decided by margins ranging from 25 to 800 votes.

To date, the response to our request for voluntary restraint has not been favorable. If the media do not agree to refrain voluntarily from projecting results, it may become necessary for Congress to weigh the value of votes lost due to disillusionment with the system against the costs of legislative solutions that attempt to address the problem.

Our call for voluntary restraint in no way diminishes our zeal for increased registration and facilitation of the elections process. We not only have to get people to register, we also must have them believe their vote counts.

NOMINATION OF CHESTER CROCKER

Mr. HAYAKAWA. Mr. President, I would like to express my gratitude to my colleagues for overwhelmingly approving the nomination of Chester Crocker to be Assistant Secretary of State for African Affairs. Unfortunately I missed the vote earlier this afternoon because I was at the White House luncheon for President Lopez Portillo of Mexico.

Dr. Crocker first came to my attention when Ian Smith was attempting to reach an internal settlement in Rhodesia and I was impressed with his views on the subject. Since that time we have had opportunities to discuss many of the issues facing Africa.

In his article, "African Policy in the 1980s," which appeared in the Washington Quarterly, Dr. Crocker defines the great challenges and opportunities for this new administration. He does not oversimplify the problems yet he proposes concrete solutions.

Mr. President, I am convinced that President Reagan has selected the right individual for this job, and I am looking forward to hearing Dr. Crocker's report on the prospects for a Namibian settlement when he and Judge Clark return from southern Africa.

Thank you, Mr. President.

TENTH SPECIAL MESSAGE OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 59

Under the authority of section 1014(a) of the Congressional Budget Act of 1974, the Secretary of the Senate on June 8, 1981, during the recess of the Senate, received the following message from the President of the United States, together with accompanying documents; which, pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Environment and Public Works, and the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report four proposals to rescind a total of $114.1 million in budget authority previously provided by the Congress. The rescission proposals affect programs in the Environmental Protection Agency and the National Endowment for the Arts and Humanities. These proposals are a part of my continuing effort to help reduce government spending.

The details of the rescission proposals are contained in the attached reports.

RONALD REAGAN.

THE WHITE HOUSE, *June 8, 1981.*

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE RECEIVED DURING THE RECESS

ENROLLED BILLS SIGNED

Under the authority of the order of the Senate of June 4, 1981, a message from the House of Representatives was received on June 5, 1981, stating that the Speaker has signed the following enrolled bills:

H.R. 2156. An act to amend title 38, United States Code, to extend by 12 months the period during which funds appropriated for grants by the Veterans' Administration for the establishment and support of new State medical schools may be expended; and

H.R. 3512. An act making supplemental and further continuing appropriations for the fiscal year ending September 30, 1981, rescinding certain budget authority, and for other purposes.

Under the authority of the order of the Senate of June 4, 1981, the enrolled bills were signed by the President pro tempore (Mr. THURMOND), on June 5, 1981, during the recess of the Senate.

MESSAGE FROM THE HOUSE

At 2:29 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3467. An act to authorize appropriations under the Arms Control and Disarmament Act, and for other purposes; and

H.R. 3567. An act to authorize appropriations for the fiscal years 1982 and 1983 to carry out the purposes of the Export Administration Act of 1979, and for other purposes.

HOUSE BILLS PLACED ON THE CALENDAR

The following bills were read twice by unanimous consent, and ordered placed on the calendar:

H.R. 3467. An act to authorize appropriations under the Arms Control and Disarmament Act, and for other purposes.

H.R. 3567. An act to authorize appropriations for the fiscal years 1982 and 1983 to carry out the purposes of the Export Administration Act of 1979, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1338. A communication from the Acting Secretary of Agriculture, transmitting, pursuant to the request of the Senate, a study of certain school nutrition programs administered by the Department; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1339. A communication from the Clerk of the U.S. Court of Claims, transmitting, pursuant to law, a copy of the court's judgment order for the plaintiffs in the case of the three affiliated tribes of the Fort Berthold Reservation v. The United States; to the Committee on Appropriations.

EC–1340. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, a study relative to exclusion of pension cost-of-living increases from rent charges in HUD-assisted rental housing programs; to the Committee on Banking, Housing, and Urban Affairs.

EC–1341. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a report entitled "The Economic Viability of Depository Institutions"; to the Committee on Banking, Housing, and Urban Affairs.

EC–1342. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Changes in Natural Gas Prices and Supplies Since Passage of the Natural Gas Policy Act of 1978"; to the Committee on Energy and Natural Resources.

EC–1343. A communication from the Secretary of Agriculture and the Secretary of the Interior, transmitting, pursuant to law, a report on certain activities under the Youth Conservation Corps Act; to the Committee on Energy and Natural Resources.

EC–1344. A communication from the Executive Director of the Advisory Commission on Intergovernmental Relations, transmitting, pursuant to law, a copy of a completed study of certain federal, state, and local government role relationships; to the Committee on Finance.

EC–1345. A communication from the Secretary of State, transmitting, pursuant to law, a report on the professional development programs under the personnel system of the Foreign Service Act; to the Committee on Foreign Relations.

EC–1346. A communication from the Assistant Legal Adviser for Treaty Affairs, transmitting, pursuant to law, copies of international agreements, other than treaties, entered into by the United States within the

previous sixty days; to the Committee on Foreign Relations.

EC–1347. A communication from the Director of the United States Office of Personnel Management, transmitting a copy of proposed legislation to remove statutory pay grade levels for certain Federal employees; to the Committee on Governmental Affairs.

EC–1348. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a report on certain Federal agency travel practices and expenses; to the Committee on Governmental Affairs.

EC–1349. A communication from the Acting Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the provision of emergency assistance of $5 million to El Salvador and the provision of emergency military assistance of $20 million to El Salvador; to the Committee on Foreign Relations.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–169. A concurrent resolution adopted by the Legislature of the State of Texas; to the Committee on Armed Services:

"SENATE CONCURRENT RESOLUTION

"Whereas, United States Air Force plans call for a sheltered road-mobile basing system for the M–X missile system, and currently under consideration are plans for either full basing in Nevada/Utah or a split basing in Nevada/Utah and Texas/New Mexico; and

"Whereas, A decision to adopt the split-basing mode would require the relocation of approximately 500 families and would require United States Air Force acquisition of many acres of hghly productive land in Texas which would be unlikely to be reclaimed for agricultural purposes; and

"Whereas, An amendment to the Department of Defense Supplemental Appropriations Act, Section 2.02(b), June 27, 1979, states that it is the sense of Congress that the basing mode for the M–X missile should be restricted to location on the least productive land available that is suitable for such purpose; and

"Whereas, The January 19, 1981, Department of Defense M–X Split Basing Report to Congress states that there exists a relative balance in the environmental impact between the two alternatives, while also stating that the split-basing mode would require the additional expenditure of $3.475 billion over the cost of the full-basing mode; now, therefore, be it

"Resolved by the Senate of the State of Texas, the House of Representatives concurring, That the 67th Legislature respectfully request that the Congress do not adopt the split-basing mode for the deployment of the M–X missile system; and, be it further

"Resolved, That the Secretary of State forward copies of this resolution to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, Senator Lloyd Bentsen, Senator John Tower, and all members of the Texas delegation of the United States House of Representatives with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America."

POM—170. A concurrent resolution adopted by the Legislature of the State of New Hampshire; to the Committee on Commerce, Science, and Transportation:

"A RESOLUTION

Whereas, the United States Federal Energy Regulatory Commission now regulates the cost of purchase power in intrastate sales of electricity among New Hampshire generating and distributing utilities and holds its hearings in Washington, D.C.; and

Whereas, the New Hampshire public utilities commission now regulates all other components of the rates charged by New Hampshire generating utilities to New Hampshire distributing utilities in intrastate sales of electricity; and

Whereas, the public utilities commission is the regulatory agency which should regulate all components of electric rates because the public utilities commission is a geographically more convenient forum for all potential participants at a hearing regarding local utility rates, including New Hampshire consumers who may wish to present their views at such a hearing; and

"Whereas, the complexity of variable local conditions, including the financial condition of in-state utilities and local environmental and economic conditions make local regulation more appropriate; now, therefore, be it

"Resolved by the House of Representatives, the Senate Concurring: That the Congress of the United States is hereby urged to pass legislation that permits state, rather than federal, regulatory agencies to determine the utility rates in intrastate sales when the generating, transmitting and distributing utilities are totally located in the state, and

"That copies of this resolution be forwarded to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives and the Administrator of General Services of the United States."

POM–171. A resolution adopted by the Oregon Guides and Packers, Incorporated, opposing the use of the competitive bid and prospectus method of issuing outfitter permits in any form for land or river use; to the Committee on Energy and Natural Resources.

POM–172. A resolution adopted by the City Council of Grover City, California, in support of H.R. 1765 to amend the Powerplant and Industrial Fuel Use Act of 1978; to the Committee on Energy and Natural Resources.

POM–173. A joint resolution adopted by the Legislature of the State of Colorado; to the Committee on Foreign Relations:

"HOUSE JOINT RESOLUTION NO. 1024

"Whereas, Approximately six hundred American prisoners of war returned home from the Vietnam War in 1973; and

"Whereas, There are two thousand five hundred American servicemen still unaccounted for; and

"Whereas, Reports have been received from a number of other countries and throughout the world which show evidence that many of the missing American servicemen are alive and are being held prisoner; and

"Whereas, Following the end of the French Indo-Chinese War, French prisoners were held for many years by the North Vietnamese following the end of hostilities; and

"Whereas, Because of the presence of several military establishments in Colorado, including the United States Air Force Academy, Fort Carson, Lowry Air Force Base, Peterson Air Force Base, and the North American Air Defense Command (NORAD), many of these missing servicemen may be residents of or otherwise have strong ties to the State of Colorado; now, therefore, be it

"Resolved by the House of Representatives of the Fifty-third General Assembly of the State of Colorado, the Senate concurring herein:

"That these men not be forgotten and that the Congress of the United States is hereby respectfully petitioned to initiate immediate action to identify and seek release of these prisoners by the use of both private and public agencies, be it through national or international auspices.

"Be it further resolved, That copies of this Resolution be transmitted to the presiding officers of each state legislature in the United States, to each member of Congress from the State of Colorado, to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and to the President of the United States."

POM–174. A joint resolution adopted by the Legislature of the State of Colorado; to the Committee on Environment and Public Works:

"HOUSE JOINT RESOLUTION NO. 1013

"Whereas, the Governor and the Fifty-third General Assembly of the State of Colorado recognize that this state has an abundance of energy and mineral resources but not enough water to support their development; and

"Whereas, the United States government, prior to the time Colorado became a state, provided by acts of Congress for the disposition of waters in the area which is now Colorado according to the local customs, laws, and decisions of the courts; and

"Whereas, by the local customs, laws, and decisions of the courts, the waters of the natural streams of Colorado were disposed of pursuant to the doctrine of appropriation without any reservation or exception, and this method of disposition was incorporated in the Constitution of the State of Colorado and approved by the act enabling Colorado to become a State of the Union; and

"Whereas, the federal government has laid claim to thousands of acre feet of water and has claimed thousands more acre feet which are still to be quantified, all of which are waters of the State of Colorado; and

"Whereas, the stability of the economy, the property values, and the continued peace, prosperity, and development of much of the United States is dependent on a continued recognition of the supremacy of state water laws and the property rights which have been derived and settled thereunder; and

"Whereas, the acts of some departments of the executive branch of the federal government claiming special rights to water on behalf of the federal government outside the established laws of the State of Colorado have created doubt about the sanctity of the appropriation doctrine as it has existed continuously even prior to Colorado's statehood and have thus jeopardized property and human rights protected by such appropriation doctrine; now, therefore, be it

"Resolved by the House of Representatives of the Fifty-third General Assembly of the State of Colorado, the Senate concurring herein, That this Fifty-third General Assembly urge the Congress of the United States to enact legislation so clear and unambiguous as to be incapable of evasion by either executive order or judicial interpretation which would require every agency, permittee, licensee, and employee of the federal government, as a condition precedent to the taking or use of any water, to acquire a right to the use thereof in conformity with the substantive law of the State of Colorado or of the state involved and with its procedures relating to the control, appropriation, use, or distribution of such water and to define water affected by such legislation to include all water originating on federally owned or controlled lands which contribute to flowing or moving surface or ground waters.

"Be It Further Resolved, That copies of this Resolution be sent to the President of the United States, the Secretary of the De-

partment of Agriculture, the Secretary of the Department of Defense, the Secretary of the Department of the Interior, the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each member of the congressional delegation from the State of Colorado.

POM-175. A resolution adopted by the Upper Northeast Coordinating Council of Washington, D.C.; supporting the enhancement and not the circumvention of the Home Rule Charter; to the Committee on Governmental Affairs.

POM-176. A petition from a citizen of New York, New York, requesting full debate by the Senate of the United States before any funds for a nuclear arms race are authorized, appropriated, or expended from the U.S. Treasury; ordered to lie on the table.

POM-177. A petition from a citizen of Balstrop, La., urging support for efforts to deregulate health care and to vote for repeal of PSRO and UR programs; to the Committee on Finance.

POM-178. A petition from a citizen of Balstrop, La., congratulating the House Subcommittee on Health of the Ways and Means Committee for their recommendation to repeal PSRO by the end of fiscal year 1983; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STAFFORD, from the Committee on Environment and Public Works, with amendments:

S. 63. A bill to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization (Rept. No. 97-133).

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs:

Special Report entitled "First Monetary Policy Report for 1981" (Rept. No. 97-134).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary:

Robert A. McConnell, of Arizona, to be an Assistant Attorney General.

David L. Russell, of Oklahoma, to be U.S. Attorney General for the Western District of Oklahoma, for the term of 4 years.

Francis Anthony Keating II, of Oklahoma, to be U.S. District Attorney for the Northern District of Oklahoma for the term of 4 years.

By Mr. PERCY, from the Committee on Foreign Relations:

Carleton S. Coon, Jr., of New Hampshire, a Foreign Service Officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Kingdom of Nepal.

CARLETON S. COON, JR.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Carleton S. Coon, Jr.

Post: Ambassador to Nepal.

Contributions, amount, date, donee.

1. Self, none.

2. Spouse, Jane A. Coon, none.

3. Children and spouses names: William, Howard, Katharine, Elizabeth, Ellen, Richard, none.

4. Parents names, Carleton S. Coon, Lisa D. Coon, Mary G. Salmeir, none.

5. Grandparents names, none.

6. Brothers and spouses names, Charles A. Coon, none.

7. Sisters and spouses names, none.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

CARLETON S. COON.

Ronald Dewayne Palmer, of Maryland, a Foreign Service officer of Class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States to Malaysia.

RONALD D. PALMER

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Ronald D. Palmer.

Post: Malaysia.

Contributions, amount, date, donee:

1. Self, Ronald D. Palmer, none.

2. Spouse, Euna S. Palmer, none.

3. Children and spouses names, Derek Palmer, none; Alyson Palmer, none.

4. Parents names, Ethel Roberts Palmer Sims, none.

5. Grandparents names, deceased.

6. Brothers and spouses names, none.

7. Sisters and spouses names, none.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Craig A. Nalen, of Florida, to be President of the Overseas Private Investment Corporation.

(The above nominations, reported from the Committee on Foreign Relations with the recommendation that they be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. PERCY. Mr. President, from the Committee on Foreign Relations, I also report favorably a Foreign Service nomination list which appeared in the RECORD and was received on May 20, 1981, and ask unanimous consent, to save the expense of reprinting them on the Executive Calendar, that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry:

Richard E. Lyng, of Virginia, to be a Member of the Board of Directors of the Commodity Credit Corporation.

Frank W. Naylor, Jr., of California, to be a Member of the Board of Directors of the Commodity Credit Corporation.

Mary Claiborne Jarratt, of Virginia, to be a Member of the Board of Directors of the Commodity Credit Corporation.

(The above nominations, reported from the Committee on Agriculture, Nutrition, and Forestry with the recommendation that they be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation:

John V. Byrne, of Oregon, to be Administrator of the National Oceanic and Atmospheric Administration.

Bernard J. Wunder, Jr., of Virginia, to be Assistant Secretary of Commerce for Communications and Information.

(The above nominations, reported from the Committee on Commerce, Science, and Transportation with the recommendation that they be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

ORDER FOR FURTHER REFERRAL OF NOMINATION OF K. WILLIAM O'CONNOR

Mr. BAKER. Mr. President, I ask unanimous consent that if and when the Committee on Labor and Human Resources reports the nomination of K. William O'Connor to be Inspector General of the Community Services Administration, it then be referred to the Committee on Governmental Affairs for not to exceed 20 calendar days.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR BILLS (S. 1337) TO BE FURTHER HELD AT DESK

Mr. BAKER. Mr. President, I ask unanimous consent that S. 1337, a bill to provide for the temporary exclusion of foreign fishing support vessels from the internal waters of Alaska, presently being held at the desk, be held at the desk until the close of business tomorrow, pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MATHIAS (by request):

S. 1346. A bill to amend the Coastal Zone Management Act of 1972: to the Committee on Governmental Affairs.

By Mr. HEINZ (for himself, Mr. DOLE, Mr. LONG, Mr. DURENBERGER, Mr. BENTSEN, Mr. BAUCUS, Mr. SCHMITT, Mr. LUGAR, and Mr. HATFIELD):

S. 1347. A bill to amend the Internal Revenue Code of 1954 to extend for 1 year the credit against tax for employment of members of targeted groups; to the Committee on Finance.

By Mr. SASSER (for himself, Mr. BAKER, Mr. BUMPERS, Mr. PRYOR, Mr. PELL, and Mr. PACKWOOD):

S. 1348. A bill to amend the Internal Revenue Code of 1954 to clarify certain requirements which apply to mortgage subsidy bonds; to the Committee on Finance.

By Mr. MATHIAS:

S.J. Res. 87. Joint resolution to authorize and request the President to designate September 13, 1981, as "Commodore John Barry Day"; to the Committee on the Judiciary.

By Mr. BOREN (for himself, Mr. NICKLES, Mr. ABDNOR, Mr. ANDREWS, Mr. BAUCUS, Mr. BOSCHWITZ, Mr. BRADLEY, Mr. BUMPERS, Mr. BURDICK, Mr. CANNON, Mr. CHILES, Mr. CRANSTON, Mr. DECONCINI, Mr. DENTON, Mr. DIXON, Mr. DODD, Mr. DURENBERGER, Mr. EAGLETON, Mr. FORD, Mr. GARN, Mr. HEFLIN, Mr. HEINZ, Mr. INOUYE, Mr. JOHNSTON, Mr. KENNEDY, Mr. LAXALT, Mr. LEVIN, Mr. LONG, Mr. LUGAR, Mr. MATSUNAGA, Mr. LEAHY, Mr. PRYOR, Mr. RIEGLE, Mr. SARBANES, Mr. STENNIS, Mr. THURMOND, and Mr. WILLIAMS):

S.J. Res. 88. Joint resolution designating the week commencing June 14, 1981, as "National Softball Week"; considered and passed.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MATHIAS (by request):

S. 1346. A bill to amend the Coastal Zone Management Act of 1972; to the Committee on Governmental Affairs.

ADDITION OF THE DISTRICT OF COLUMBIA AS A COASTAL STATE TO THE COASTAL ZONE MANAGEMENT ACT

● Mr. MATHIAS. Mr. President, at the request of the District of Columbia government, I am introducing legislation which would include the District among the States eligible to participate in the Coastal Zone Management Act.

The Mayor of the District, in his letter to the President of the Senate, points out the city's goal of revitalizing its waterways and waterfront properties. Participation in the CZM program by the District would aid in this effort.

I ask unanimous consent that the bill and a letter from District of Columbia Mayor Marion Barry to Vice President BUSH to be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 1346

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 304 of the Coastal Zone Management Act of 1972 (Public Law 92-503; 86 Stat. 1280) is amended in the last sentence by striking out "and" and inserting after "American Samoa" the following: ", and the District of Columbia".

THE DISTRICT OF COLUMBIA,
Washington, D.C., May 13, 1981.

Hon. GEORGE BUSH,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I have the honor of submitting for the consideration of the 97th Congress a draft bill, "To amend the Coastal Zone Management Act of 1972 to include the District of Columbia within the definition of a coastal state".

The Coastal Zone Management Act of 1972 sec. 304(3) defines "coastal state" to mean a state of the United States in, or bordering on, the Atlantic, Pacific, or Arctic Ocean, the Gulf of Mexico, Long Island Sound, or one or more of the Great Lakes. For the purposes of this title, the term also includes Puerto Rico, the Virgin Islands, Guam, and American Samoa. The enclosed draft bill would amend section 304(3) to include the District of Columbia within the definition of coastal state.

Originally, it was not contemplated that coastal areas would include other than states bordering the Ocean. However, since that time the definition has been expanded to include other than salt water coastlines such as the Great Lakes. Vermont has been interpreted to be a coastal state. Additionally, Guam and American Samoa have been included in the definition of "coastal state", which indicates expanded acceptance by The Office of Coastal Zone Management that these areas have legitimate coastal concerns of their own.

The Coastal Zone Management Act established a program of Federal grants to assist states in the development and implementation of programs aimed at more rational management of the Nation's coastal resources. The inclusion of the District in the definition of coastal state would result in the District applying the policies and procedures of an approved state coastal management program.

The policies are four-fold:

Increased protection of valuable, natural coastal resources;

Better management of development in coastal areas in order to avoid or mitigate losses to life and property, and to give priority to water-dependent uses;

Enhanced access to and enjoyment of the amenities of the coastal zone; and

Better coordination of governmental activities at all levels in order to make government more responsive to the public, and more efficient and effective in its delivery of services.

I am committed to revitalizing the District's waterways and waterfront properties. The District has the potential to become a significant recreational and commercial port. Inclusion in the Coastal Zone Management Act would provide the District the needed assistance to revitalize the waterfront areas of the city.

I urge the Congress to take prompt and favorable action on the enclosed draft bill.

Sincerely,

MARION S. BARRY, JR.,
Mayor.●

By Mr. HEINZ (for himself, Mr. DOLE, Mr. LONG, Mr. DURENBERGER, Mr. BENTSEN, Mr. BAUCUS, Mr. SCHMITT, Mr. LUGAR, and Mr. HATFIELD):

S. 1347. A bill to amend the Internal Revenue Code of 1954 to extend for 1 year the credit against tax for employment of members of targeted groups; to the Committee on Finance.

REAUTHORIZATION OF TARGETED JOBS TAX CREDIT

● Mr. HEINZ. Mr. President, today I am introducing legislation, cosponsored by Senators DOLE, LONG, DURENBERGER, BENTSEN, BAUCUS, SCHMITT, LUGAR, and HATFIELD, to reauthorize the targeted jobs tax credit for 1 additional year. Without congressional action, this program which helps many disadvantaged individuals secure permanent private sector jobs will expire at the end of this calendar year.

I believe a 1-year reauthorization is warranted, based on the oversight hearing on this tax credit I chaired on April 3, as chairman of the Senate Finance Subcommitee on Economic Growth, Employment, and Revenue Sharing. I submit this legislation with the support of the National Urban League, the U.S. Chamber of Commerce, and the National Alliance of Businessmen, plus over 65 inner-city teenagers who have written my office, asking for extension of the act.

HOW THE PROGRAM WORKS

Beginning in 1978, members of seven groups with substantially higher unemployment than the national average were made eligible to benefit from a special employer tax credit program. This is how the credit works. Under the program, three economically disadvantaged groups—youths between the ages of 18 and 24, Vietnam veterans under the age of 35, and ex-convicts—along with general assistance recipients, SSI recipients, the handicapped who have been vocationally rehabilitated, and cooperative education students between the ages of 16 and 18, receive vouchers from local Federal Government offices, jointly determined by the Treasury and Labor Departments. During the interviewing process, these vouchers are presented to prospective employers to indicate that those who hire these workers will qualify for a tax credit. Since the tax credit lowers the cost of employing these individuals, it provides employers with financial incentive to hire them.

The credit equals 50 percent of the first $6,000 in wages paid in the first year of employment and 25 percent of the first $6,000 paid in the second year. However, creditable wages may not be simultaneously deducted in determining taxable income. For large corporations, therefore, the maximum credits of $3,000 and $1,500 must be reduced by 46 percent to reflect this offset provision, leaving a net reduction in labor costs of $1,620 and $810 for the first and second years of employment.

Of course, knowing the dollar amounts alone is not significant. What is significant is the percentage reduction in after-tax wage rates an employer pays to hire a targeted individual. For corporate employers, this usually turns out to be 21 percent in the first year, 10 percent in the second year, and nothing in the third.

As table 1 makes clear, most targeted jobs tax credit workers have low-skill entry-level jobs.

TABLE 1.—TARGETED JOBS TAX CREDIT PROGRAM CERTIFICATIONS ISSUED

[Regional totals as of Sept. 30, 1980]

	Distribution by wage			
	Less than $4	$4 to $4.99	$5 to $5.99	$6 and over
National	129,362	20,335	7,998	8,096
Region I	5,041	1,968	533	465
Region II	13,759	1,022	828	573
Region III	9,977	1,681	661	721
Region IV	55,852	5,210	1,328	1,088
Region V	12,805	2,798	1,324	2,265
Region VI	11,520	1,716	496	295
Region VII	5,835	1,065	504	376
Region VIII	3,248	851	404	357
Region IX	7,438	2,097	886	824
Region X	3,887	1,927	1,034	1,132
Percent of total	78.0	12.3	4.8	4.9

Note: Wages under minimum wage are not provided due to reporting problems. Instead, the total under $4 is provided.

Source: USES Office of Program Review, Department of Labor.

Mr. HEINZ. Seventy-eight percent of targeted employees earned less than $4 an hour. While the Labor Department data does not break out specifically those who earned the minimum wage of $3.35 an hour, it is reasonable to assume that a percentage not significantly lower than 78 percent did receive that wage.

This conclusion is buttressed by another table which I ask to insert at this time, documenting that 83 percent of those certified under the targeted jobs tax credit program come from only two categories of youths, those economically disadvantaged between the ages of 18 to 24 and those between 16 and 18 years of age enrolled in a cooperative education program at their high school.

TABLE 2.—TARGETED JOBS TAX CREDIT PROGRAM CERTIFICATIONS ISSUED

[Regional totals as of Sept. 30, 1980]

	Economically disadvantaged							
	Youth	Viet vets	Ex convicts	Handicapped	Coop youth	General assistance welfare	SSI recipients	Total
Rational	113,683	13,735	15,045	17,298	138,917	6,292	773	305,743
Region I	4,955	918	552	869	5,944	632	81	13,951
Region II	11,010	1,417	845	1,105	11,710	2,646	159	28,892
Region III	6,877	1,009	1,606	2,111	24,763	1,334	94	37,794
Region IV	47,923	4,431	6,535	4,323	22,886	93	173	86,364
Region V	11,908	1,484	1,626	3,221	29,837	858	95	49,029
Region VI	10,883	792	986	1,326	24,126	23	17	38,153
Region VII	4,974	755	863	1,065	6,733	109	14	14,51¢
Region VIII	3,131	571	317	762	5,953	42	37	10,813
Region IX	7,508	1,221	890	1,354	2,659	214	58	13,904
Region X	4,514	1,137	825	1,162	4,306	341	45	12,330
Percent of total	37.2	4.5	4.9	5.7	45.3	2.1	0.3	100

Source: USES Office of Program Review, Department of Labor.

WHY THE CONCEPT IS SOUND

The question naturally arises: Does it make sense to pay corporations a 21-percent and a 10-percent subsidy to hire disadvantaged and unskilled youth at the minimum wage for 2 years? The answer, I believe, is yes.

For an annual cost of $300,000,000 the TJTC offers greater employment opportunities to those workers who have the most difficulty finding a job. Since over 200,000 workers are certified now, the subsidy comes to $1.500 per worker. This is a far lower cost than alternative Federal programs, such as CETA. And unlike many other programs it generates private sector work experiences. Since four out of five jobs are in the private sector this is the type of training that can provide both secure employment and long-term career advancement.

Another reason for doing so is simply a matter of equity. Government policy is now making it difficult for youths without experience to find work. Although the minimum wage is $3.35 an hour, it costs at least 12 percent more than this, or $3.75, to employ an individual at the minimum wage, due to social security, unemployment, and workers' compensation payroll taxes. Many young people who are looking for their first job cannot convince an employer that they are worth $3.75 an hour. In these cases, the Government is crowding out their jobs by stacking new costs on top of a minimum wage hurdle that in itself can be difficult to overcome. The effect of the tax credit is to temporarily lower these barriers while the young worker acquires the skills to become productive enough on his own to justify a total wage cost of $3.75. This equity argument takes on additional meaning in view of the shocking unemployment rate of economically disadvantaged youth.

Another reason Congress should extend its life is for a financial reason: It helps lower the deficit. High unemployment among youths who are from economically disadvantaged families cost the Treasury money by driving up spending under income security programs. On the other hand, employed youths no longer draw payments from the Treasury, but contribute to it by paying taxes. This joint financial benefit continues years after the tax credit no longer applies; there is more than a little anecdotal evidence suggesting that youths who cannot find their first job eventually stop trying, and permanently enter the underground economy. Their earnings through adulthood go unreported, and untaxed as well.

A thoughtful analysis would surely show that over time the Treasury receives more than its $300 million back, in the form of lower social safety net spending and enlarged tax receipts.

The best reason, however, for extending the targeted jobs tax credit program is to provide a way for the economically disadvantaged to put their foot on the first rung of the economic ladder by providing job opportunities that otherwise would not exist. For targeted individuals, the program means the chance to establish self sufficiency, independence, and self-esteem that follows from acquiring and holding a permanent private sector job. This is the sort of calculation that defies a dollar-and-cents analysis. Rather, it asks what sort of Government and society we want. Are there times when we should try to create ways for people to escape from poverty and join the economic mainstream of the country? Unequivocally, I say there are.

NEEDED IMPROVEMENTS IN TJTC AND CONCLUSION

At the April 3 hearing, I learned of three problems that should be resolved to make this desirable program run even better.

First, the failure of the Treasury Department to issue final regulations is lowering employer response. Without fi-

nal regulations, a witness from the Labor Department told me, businessmen fear raising their chances for an IRS audit. Two years have elapsed since the credit was authorized. The Treasury, now that it is aware of this concern, has no valid reason for allowing it to continue.

Second, program performance can be improved by changing local funding formulas for local State employment offices that often administer the program. Presently, employment offices have many tasks and objectives that compete for staff time. Achieving these objectives favorably affects the amount of funds the Department of Labor provides, but securing placements under the targeted jobs tax credit program does not. This has naturally dulled the enthusiasm of local administrators. Better incentives must be created, and I am sure the Labor Department can provide them.

Third, when the credit was placed into effect in 1978, it contained one provision that has generated controversy—the issue of retroactive certifications. Right now, employers may claim the credit for employees they have hired without knowledge of their eligibility status. They may even do so for employees that have been terminated years ago, but it is clearly abusive, and the Congress should consider steps to end it. One way would be to limit the time for filing for the credit to 30 or 60 days after the first day of employment. My colleagues on the Senate Finance Committee and I have discussed these needed improvements, and we will address them when we actually get down to markup, together with the need to make eligible CETA workers who have recently lost their jobs because of Federal funding reductions in the CETA program.

As President John F. Kennedy said, "a rising tide lifts all boats." That is only true for the people who have the boats. But when it comes to marketable skills, too many people are left to sink or swim because they don't have the skills. The targeted jobs tax credit gives these people the chance to get on board.

To conclude, Mr. President, I believe the Congress should proceed with due dispatch to approve an extension of the targeted jobs tax credit program while addressing itself to ways that it can be made even better. For equitable, financial, and humanitarian reasons, this credit should continue as part of our Nation's laws.●

● Mr. DOLE. Mr. President, I am cosponsoring the legislation introduced today by Senator HEINZ which would renew the targeted jobs tax credit for 1 year. The present credit expires on December 31 of this year. Congress originally chose to sunset this program in order to review its effectiveness after a fair trial.

The Reagan administration has indicated that it opposes renewal of the present targeted jobs credit, because it has not been proven to be an effective incentive for employment. I agree with that. But I also believe that the concept merits further consideration, and time is short in this legislative session, conconfront this year. Accordingly, I have sidering the major issues Congress must agreed to cosponsor this renewal legislation to indicate my belief that the program deserves attention and ought to be reworked, if at all possible, before the expiration date.

Mr. President, Congress has experimented with the idea of tax incentives for employment for some years. Prior to 1978, we had the new jobs cerdit, which was supposed to increase employment during an economic downturn. By most accounts that particular tax credit was not a success. In 1978, we approved the targeted jobs credit, which is designed to increase hiring of certain groups that have particular employment problems: The economically disadvantaged, the handicapped, and others. Now preliminary reports indicate that this program has not been as efficient or as effective as we had hoped.

A major part of the problem is the ability of employers to take advantage of the tax credit for people they already hired—this is an issue that must be addressed if we are to continue the program. In addition, there is some question whether the groups that benefit from the credit have been well chosen, and whether the program has been properly administered. Addressing these concerns should be a precondition for any continuation of the program.

It may be that, after thorough examination, we will conclude that the targeted jobs credit is not workable. Thanks to the efforts of Senator HEINZ, we are beginning to focus on the problems. But the basic concept of providing employment in the private sector through tax incentives is a worthwhile one, and it should be given an opportunity to be reworked before it is summarily abandoned. In June reports are due to the tax-writing committees from the Labor Department and the Treasury Department concerning their experience with the targeted jobs credit. I hope that the Reagan administration will contribute to the debate over employment incentives, and I hope that we can work out an effective proposal that will help direct the hardcore unemployed to meaningful jobs in the private sector. I think we will agree that releasing private initiative is the best way to stimulate employment. Our job is to find the best way to go about it, and this program deserves another look.●

By Mr. SASSER (for himself, Mr. BAKER, Mr. BUMPERS, Mr. PRYOR, Mr. PELL, and Mr. PACKWOOD):

S. 1348. A bill to amend the Internal Revenue Code of 1954 to clarify certain requirements which apply to mortgage subsidy bonds; to the Committee on Finance.

MORTGAGE SUBSIDY BONDS

● Mr. SASSER. Mr. President, I am today introducing S. 1348, a bill to amend the Internal Revenue Code of 1954 in order to promote much-needed changes in the Mortgage Subsidy Bond Tax Act of 1980.

In the 96th Congress, I offered legislation, S. 2917, that would have provided for sensible limitations on the issuance of mortgage revenue bonds but which also would have let State and local governments set the terms for issuance of these mortgage bonds. By the terms of my previous legislation, 10 percent of all existing mortgages could have been in the form of mortgage revenue bonds. This would have prevented a massive shift away from savings and loan institutions in the issuing of mortgages, but at the same time would have permitted States and localities with sound mortgage bond programs to issue such instruments.

My own State of Tennessee has been a progressive leader in the issuance of mortgage bonds. The Tennessee Housing Development Agency (THDA) since its inception has issued some $460 million in tax-exempt bonds. These bonds have helped with the construction of almost 15,000 homes throughout the State, all mortgages which have been financed through local financial institutions.

Tennessee local governments also have pressed forward with this program as well. Shelby County, Tenn., has marketed some $200 million in bonds, resulting in the construction of nearly 4,000 dwellings. And presently some 13 Tennessee counties are prepared to issue several hundred millions in mortgage bonds.

Mr. President, the reason for the popularity of the mortgage revenue bond program is obvious. It helps reduce the high interest rates which are choking the life out of the Nation's housing market.

As a recent editorial in the Nashville Banner noted—statewide housing starts in Tennessee have dropped by about 16,000 units annually since 1978, and most of this decrease has been due to high interst rates.

One way of putting more credit into a slumping housing market, Mr. President, is through a sound mortgage bond program. Before the adoption of the Mortgage Subsidy Bond Act of 1980, State and local governments nationwide issued some $13.6 billion in mortgage revenue bonds. But with the adoption of these amendments, the mortgage revenue bond market has all but dried up. Mortgage revenue bond issues are down 55 percent during the first quarter of 1981, and they threaten to go even lower unless we make suitable amendments to the Mortgage Subsidy Bond Tax Act of 1980.

Mr. President, when the Congress passed that legislation last year, it did not intend to shut down the mortgage bond program completely. S. 1348 provides for a number of technical amendments to the Mortgage Subsidy Bond Tax Act of 1980 that will not change the intent of the act. S. 1348 will remove various technical problems with the act and thereby let State and local governments begin to issue qualified mortgage bonds, without undue fear that such bonds will lose their tax-exempt status.

Mr. President, I urge the finance Committee to hold hearings on S. 1348 so that the Congress can remove current impediments to the orderly functioning of the mortgage bond market in Tennessee and elsewhere in the country.

Mr. President, I ask unanimous consent that the text of S. 1348 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1348

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REQUIREMENTS FOR MORTGAGE SUBSIDY BONDS.

(a) GOOD FAITH.—Subparagraph (B) of section 103A(c)(2) of the Internal Revenue Code of 1954 (relating to mortgage eligibility requirements) is amended to read as follows:

"(B) GOOD FAITH EFFORT TO COMPLY WITH MORTGAGE ELIGIBILITY REQUIREMENTS.—An issue which fails to meet one or more of the requirements of subsections (d), (e), and (f) and paragraphs (2) and (3) of subsection (j) shall be treated as meeting such requirements if—

"(i) the issuer in good faith attempted to meet all such requirements before the mortgages were executed, and

"(ii) any failure to meet the requirements of such subsection and paragraphs is corrected within a reasonable period after such failure is first discovered."

(b) RELIANCE ON COVENANT.—Paragraph (2) of section 103A(c) of such Code is amended by adding at the end thereof the following new subparagraph:

"(D) COVENANT AS TO COMPLIANCE.—For purposes of this subsection, unless the Secretary has published notice of an issuer's failure to comply prior to the sale of a qualified mortgage issue, a covenant by an issuer as to its good faith compliance with the requirement of subsections (d), (e), (f), (g), (h), (i), (j), (k), and (l) subsequent to the date of issuance may be relied on by the holder of any obligation which is a part of any issue which was a qualified mortgage issue as of its issue date."

(c) OWNERSHIP INTEREST.—Paragraph (1) of section 103A(e) of such Code (relating to prior residency requirements for mortgagors) is amended to read as follows:

"(1) IN GENERAL.—An issue meets the requirements of this subsection only if each mortgagor to whom financing is provided under the issue certifies as to the fact that such mortgagor either (A) had an ownership interest in a prior residence which an appropriate State or local official has certified does not meet the minimum property standards established for the areas by the State or local government with respect to sanitation, heating, major structural deficiencies or overcrowding, (B) had an ownership interest in a prior residence which can no longer continue to be occupied on a permanent basis due to natural disaster or governmental action, or (C) had a present ownership interest in a principal residence of such mortgagor at no time during the 3-year period ending on the date the mortgage is executed. For purposes of the preceding sentence, the mortgagor's interest in the residence with respect to which the financing is being provided shall not be taken into account."

(d) PURCHASE PRICE REQUIREMENTS.—Paragraphs (2) and (3) of section 103A(f) of such Code (relating to purchase price requirements for residences financed with proceeds of a qualified mortgage issue) are amended to read as follows:

"(2) AVERAGE AREA PURCHASE PRICE.—For purposes of paragraph (1), the term 'average area purchase price' means, with respect to any residence, the average purchase price of single family residences (in the statistical area in which the residence is located) which were purchased during the most recent 12-month period for which sufficient statistical information is available. The determination under the preceding sentence shall be made as of the date on which the commitment to provide the financing is made (or, if earlier, the date of the purchase of the residence). An issuer shall not be required to compute such average area purchase price more than twice during any 12-month period.

"(3) SEPARATE APPLICATION TO NEW RESIDENCES AND OLD RESIDENCES.—For purposes of this subsection, the determination of average area purchase price need not include residences which are not typically financed through a normal real estate mortgage loan (such as a residence to be located on land occupied under a lease having a term less than 15 years or a residence which is normally financed as personal property) and may be made separately with respect to—

"(A) residences which have not been previously occupied, and

"(B) residences which have been previously occupied."

(e) EFFECTIVE MORTGAGE RATE.—Subparagraph (A) of section 103A(i)(2) of such Code (relating to the effective rate of interest on mortgages made from the proceeds of a qualified mortgage issue) is amended to read as follows:

"(A) IN GENERAL.—An issue shall be treated as meeting the requirements of this paragraph only if the excess of—

"(i) the effective rate of interest on the mortgages provided under the issue, over

"(ii) the yield on the issue,

is not greater than 1½ percentage points."

(f) YIELD COMPUTATIONS.—

(1) Clause (iv) of section 103A(i)(2)(B) of such Code (relating to the effective rate of mortgage interest) is amended to read as follows:

"(iv) PREPAYMENT ASSUMPTION.—In determining the effective rate of interest, it shall be assumed that the mortgage prepayment rate will be the rate set forth in the most recent mortgage maturity experience table published by the Federal Housing Administration for the State (or, if available, the area within the State) in which the residences are located."

(2) Subparagraph (C) of section 103A(i)(2) of such Code is amended to read as follows:

"(C) YIELD ON THE ISSUE.—For purposes of this subsection, the yield on the issue shall be determined on the basis of—

"(i) the issue price (within the meaning of section 1232(b)(2)), and

"(ii) expected maturities for the bonds which are consistent with the assumption required under subparagraph (B)(iv) and the expected use of such funds to pay or redeem bonds or finance additional mortgages."

(g) RESERVE INVESTMENTS.—Paragraph (3) of section 103A(i) of such Code (relating to nonmortgage investments) is amended—

(1) by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) EXCEPTION FOR TEMPORARY PERIODS.—Subparagraph (A) shall not apply to—

"(i) proceeds of the issue invested for a temporary period until such proceeds are needed for mortgages, and

"(ii) temporary investment periods related to debt service.", and

(2) by adding at the end thereof the following new subparagraph:

"(D) LOSS NOT REQUIRED.—Nothing in this paragraph shall require the disposition of any investment in such manner or at such time as will result in a loss which is in excess of the amount which would otherwise be available at such time to be paid or credited to mortgagors as provided in paragraph (4)(A)."

(h) PROGRAM COMPLIANCE.—Subsection (i) of section 103A of such Code (relating to arbitrage requirements of qualified mortgage issues) is amended by adding at the end thereof the following new paragraph:

"(6) PROGRAM COMPLIANCE.—

"(A) ISSUES COMBINED.—Two or more qualified mortgage issues of a single issuer may be treated as a single issue for purposes of determining compliance with this subsection. In such event the yield on the included issues and on the related mortgage and nonmortgage investments shall be computed on a joint basis.

"(B) RESERVES AGAINST LOSSES.—In determining the amount of earnings or income derived from nonmortgage investments, the cost of funding and maintaining a reasonable reserve against losses on investments may be taken into account. A modified cash or accrual basis of accounting may be adopted for such purposes as to both mortgage and nonmortgage investments.

"(C) CREDITS.—An issuer may, in its discretion, allocate such credits or payments between persons eligible therefor with respect to any qualified mortgage issue at the time such amounts were received or at the time of distribution and change the basis for any such allocation from time to time."

(i) MORTGAGE ASSUMPTIONS.—Paragraph (3) of section 103(A)(j) of such Code (relating to restrictions on assumptions of mortgages financed with the proceeds of a qualified mortgage issue) is amended to read as follows:

"(3) CERTAIN REQUIREMENTS MUST BE MET WHERE MORTGAGE IS ASSUMED.—An issue meets the requirements of this subsection only if a mortgage with respect to which owner-financing has been provided under such issue may be assumed only if the requirements of subsections (d), (e), and (f), are met with respect to such assumption. The requirements of such subsections need not be met, however, in connection with the assumption of any mortgage which is insured by the Federal Housing Administration or guaranteed by the Veterans' Administration."

(j) ENERGY IMPACTED AREAS.—Paragraph (1) of section 103A(k) of such Code (relating to targeted area residences) is amended by striking out "or" at the end of subparagraph (A), by striking out the period at the end of subparagraph (B) and inserting in lieu thereof ", or", and by adding at the end thereof the following new subparagraph:

"(C) an area designated as impacted by increased production of coal, uranium, oil, gas, or other energy-related materials which meets the criteria set forth in section 601(a) of the Powerplant and Industrial Fuel Use Act of 1978 with respect to areas impacted by increased coal or uranium production."

(k) TARGETED AREAS.—Paragraph (3) of section 103A(k) of such Code is amended to read as follows:

"(3) AREA OF CHRONIC ECONOMIC DISTRESS.—For purposes of paragraph (1), the term 'area of chronic economic distress' means an area of chronic economic distress designated by the State as meeting the standards established by the State for purposes of this subsection, provided that areas of chronic economic distress may not exceed 25 percent of the geographic area within the State."

(l) STATISTICAL AREAS.—Paragraph (4) of section 103A(l) of such Code (defining statistical area) is amended by adding at the end thereof the following new subparagraph:

"(E) COMBINED AREAS.—To the extent applied consistently with respect to a qualified mortgage issue, the term 'statistical area' may mean two or more other statistical areas treated on a combined basis."

(m) REPEAL OF REGISTRATION REQUIREMENTS.—

(1) AMENDMENT OF SECTION 103A.—

(A) Paragraph (1) of section 103A(j) of such Code is hereby repealed.

(B) Subparagraph (C) of section 103A(c)(2) of such Code is amended by striking out ", and paragraph (1) of subsection (j)".

(2) AMENDMENT OF SECTION 103(b).—Subparagraph (A) of section 103(b)( ) of such Code is amended by striking out "if each obligation issued pursuant to the issue is in registered form and".

SEC. 2. EFFECTIVE DATE.

The amendments made by this Act shall take effect as if included in the amendments

made by the Mortgage Subsidy Bond Tax Act of 1980.●

● Mr. BUMPERS. Mr. President, I am pleased to join as a cosponsor of S. 1348, which will amend the Mortgage Subsidy Bond Tax Act of 1980.

Mortgage subsidy bonds, also called mortgage revenue bonds and mortgage bonds, are State and local bond issues, the interest on which is exempt from Federal taxation, and the proceeds from which are used to finance single-family home mortgages.

The issuing authority does not back the bonds in any way; payment to bondholders is provided by repayment of the mortgages, mortgage insurance, and reserve funds set up with a portion of the bond proceeds. The bonds have thus become quite popular with localities; they began issuing mortgage subsidy bonds in 1978 and their use has grown rapidly since then. Through December 1980, tax-exempt housing bonds have been issued in 49 States, Puerto Rico, and the District of Columbia. Only the State of Washington did not sell a mortgage bond issue, because the State constitution prohibits it.

The increased use of the relatively new mortgage finance instrument, particularly by local governments, was accompanied by concerns over the potential revenue losses to the U.S. Treasury, and generated the fear that mortgage subsidy bonds would become the predominant form of single-family mortgage finance, drive up the interest rate on other tax-exempt bonds, have a negative impact on mortgage lenders who do not participate in the programs, and create inequities between assisted home buyers and lower income renters who have traditionally been the beneficiaries of tax-exempt housing finance.

As a result, 13 bills were introduced in the 96th Congress that attempted to address some or all of these concerns by denying tax exemption to bond issues that did not meet the requirements of the respective bills.

On March 26, 1980, the House passed H.R. 5741, the Mortgage Subsidy Bond Tax Act of 1979. Though seven related bills were introduced in the Senate, no action was taken by the Senate on either H.R. 5741 or the Senate bills.

In an effort to force a resolution of the mortgage bond issue the House Ways and Means Committee inserted the provisions of H.R. 5741 into the reconciliation bill, H.R. 7765, as a measure to raise revenues.

The details of the mortgage bond bill were finalized during meetings of conferees from the House Ways and Means Committee and the Senate Finance Committee, inserted in title XI, subtitle A, of the omnibus reconciliation bill, cited as the Mortgage Subsidy Bond Tax Act of 1980, and signed into law on December 5, 1980.

The Mortgage Subsidy Bond Tax Act of 1980 amends section 103 of the Internal Revenue Code of 1954 to deny a tax exclusion of the interest earned on mortgage subsidy bonds issued after April 24, 1979, except qualified mortgage bonds and qualified veterans' mortgage bonds. Qualified mortgage bonds are tax-exempt if they are issued before January 1, 1984.

After that time, all new issues of mortgage revenue bonds will be taxable, except issues of qualified veterans' mortgage bonds.

To be a "qualified mortgage bond," a bond must be part of an issue issued before January 1, 1984. The bond issue must meet specific requirements in the following areas: First, financing must be limited to acquisition of principal residences; second, financing can only be provided to new homeowners; third, the purchase prices of the homes financed cannot exceed specific limits; fourth, the total amount of bonds issued cannot exceed certain limits; fifth, a specified portion of the financing must be for residences in targeted areas; sixth, certain arbitrage restrictions must be met; seventh, only new mortgages may be financed; and eighth, assumptions of subsidized mortgages must meet certain requirements.

When Congress placed these limitations on State and local mortgage subsidy bond programs last year, it virtually shut down the mortgage subsidy bond market.

Mr. President, I have no quarrel with many of the changes that were imposed. Abuses existed in the program and changes needed to be made.

Mr. President, I do not believe Congress intended to prevent States and local governments from being able to issue bonds for single-family housing. Our Nation's housing industry is in a crisis caused by unprecedented high interest rates that show no signs of abatement.

Given the critical contribution the homebuilding industry makes to the economy, it is imperative to alleviate this present situation. The consequences for the American home buyer are simply that almost no person will be able to purchase their own home.

Since 1979, when the Federal Reserve Board further tightened controls on credit, housing prices and interest rates have hit record levels. Those too young to join the housing boom of the early seventies—or who chose to wait—have suddenly found they can no longer afford the price of admission.

How much has the cost of home ownership gone up compared with other prices? From 1977 through 1979, the overall Consumer Price Index rose by a combined annual total of 31.9 percent. Costs of homeownership—home purchase price, mortgage interest costs, property insurance and taxes, maintenance and repair—in the same period rose 47.1 percent.

The housing-price spiral did slow slightly in 1980, but by that time the history of price increases had made downpayments a formidable obstacle. A standard 29-percent downpayment on a $90,000 house, for example, came to $18,000 last year.

The baby-boom generation which hit the housing market just as the economy faltered led to a decline in construction startups on new housing. This in turn drove up the cost of homes.

All of this has occurred at a time when the demand for housing on the part of the baby-boom generation is still rising. The Harvard-Massachusetts Institute of Technology Joint Center for Urban Studies predicts that this demand will not peak until 1985, when a million new households are expected to enter the homebuying market. The combination of high demand for housing and uncertainty over interest-rate trends has convinced most housing-market observers that the era of cheap housing for young families is past.

Without a successful mortgage subsidy bond program, there are virtually no alternatives in place to provide relief for the key housing problem of the 1980's—affordability for the first-time buyer.

The use of these bonds enables thousands of people to purchase their own homes, create jobs in the construction industry, and expand the local economy. The mortgage subsidy bond program is less costly to the Federal Government than any other similar type of direct Federal housing relief.

Without the mortgage bond program in Arkansas, the housing industry would have been at a standstill. The Arkansas Housing Development Agency has issued $300 million in tax-exempt bonds since April 1978. These bonds have provided mortgage loans for 7,311 residences throughout the State.

In Arkansas 25 local governments have issued $619,100,000 in bonds which have provided mortgage loans for 14,710 residences.

Without the mortgage bond program, there would not have been any housing construction in Arkansas. The high interest rate policy of the Federal Reserve combined with our constitutional usury limit virtually made housing money unavailable. The provision of the omnibus banking bill that exempts residential mortgage loans from the State usury limit has not had a positive effect on the availability of housing because of the sustained high interest rates on mortgages.

Mr. President, I requested the Arkansas Housing Development Agency to survey the mortgage lenders in Arkansas. The survey revealed that mortgage lending has sharply declined.

I also requested the latest available statistics about housing starts in Arkansas. According to a survey of 68 selected building permitting areas in the State, housing starts in 1980 were 21 percent below those in 1979. The projected figures for 1981 indicate that housing construction will be 39 percent below 1980 and 52 percent below 1979.

A sound mortgage subsidy program is essential for a strong housing industry. Since the enactment of the Mortgage Subsidy Bond Act, no bonds have been issued under the new act despite the efforts of several States to comply with the new requirements. It appears the procedures for qualification of the bonds are not workable.

S. 1348 provides for a number of technical amendments to the Mortgage Subsidy Bond Tax Act of 1980 that will not change the intent of the act.

The amendments are as follows:

TECHNICAL AMENDMENTS PROVIDED BY S. 1348

COMPLIANCE TEST

Under Section 103A(c)(s)(B) of the Code, a mortgage bond issue that qualifies for tax-exempt status must meet a compliance test requiring, among other things, that at least 95 percent of the proceeds of the issue went into mortgages satisfying all of the requirements of the Act. This test poses a substantial risk to bondholders that events occurring long after the issuance of the bonds could result in loss of tax exemption. Moreover, the events in question could even be outside the control of the issuer. For example, if too many subsidized mortgages were improperly assumed by subsequent homebuyers (an area difficult to police), the tax exemption of the bonds might be impaired years after issuance.

Sections 1(a) and 1(b) of this bill remedy this problem by allowing bondholders to rely upon the issuer's good faith covenant to allow all of the requirements, accompanied by a correction of any discovered non-complying loans within a reasonable period.

NEW HOMEOWNER REQUIREMENT

Section 103A(e)(1) requires that mortgages be made only to homebuyers who have not owned a home during the preceding three years. This absolute requirement does not take into account the needs of individuals presently in substandard housing, or who have lost their homes involuntarily.

Section 1(c) of this bill remedies this problem by including, along with new homebuyers, persons who are residing in substandard housing or who have lost homes because of natural disasters or governmental action.

PURCHASE PRICE REQUIREMENT

Section 103(f)(1) requires that the purchase price of a residence financed from a qualified mortgage bond issue may not exceed 90 percent of the "average area purchase price," which is defined as the average purchase price of single-family residences in the area during the most recent 12-month period for which information is available.

Section 1(d) of this bill retains this requirement but clarifies two points about its application. First, the issuer is not required to compute the average area purchase price more often than twice in any 12-month period. This eliminates the potentially burdensome problem of recomputing the average every time new data is published, which could be monthly or more often. Second, Section 103A(f)(3) is amended to remove mobile homes from the data base for the purchase price calculation. The inclusion of mobile homes otherwise would skew the average purchase price substantially in comparison to traditional single-family housing.

ARBITRAGE LIMITATION

Section 103A(i)(2) requires that the effective interest rate on the mortgages may not exceed the yield on the bonds by more than 1 percent, and specifies the manner in which "effective interest rate" and "yield" are to be calculated in addition, investment of reserve funds is restricted, and the issuer is required to rebate to mortgagors (or pay to the federal government) any net profit from investments derived from the bond issue.

Sections (1)(f) and (1)(g) of this bill permit the spread on interest rates between the bonds and the mortgage loans to be no more than 1.5 percent, which was the rate permitted by the Treasury regulations in effect prior to passage of the Act. In addition, these sections would clarify the manner in which "yield" and "effective interest rate" are to be calculated by defining those terms more precisely. Finally, a new Section 103A(i)(2)(D) would be added, which would assure that issuers would not be required to liquidate reserves and realize net investment losses to satisfy the abritrage restrictions.

Section 1(h) of this bill would further add a new Section 103(A)(i)(6), which would permit issuers with ongoing housing programs to comply with the arbitrage restrictions by combining two or more qualified bond issues. This would enable issuers to respond more flexibly to differing financial markets at the time the respective issues were marketed. This section would also permit issuers to maintain a reasonable reserve against investment losses that may result from the periodic liquidation of reserve funds, and would give the issuer discretion to determine the manner in which rebates are to be made to mortgagors.

MORTGAGE ASSUMPTION RESTRICTIONS

Section 103A(j)(3) requires that mortgages may be assumed only if the new homeowner requirement, the principal residence requirement, and the purchase price requirements are met by the party assuming the loan. This provision conflicts with existing FHA and VA policy regarding FHA insured and VA guaranteed loans, because such restrictions on assumptions are not permitted.

Section 1(i) of this bill removes this conflict by providing that the assumptions restrictions do not have to be met in the case of FHA and VA loans.

TARGETED AREAS

In the case of residences located in "targeted areas," the new homeowner test is not applicable and the maximum purchase price is 110 percent of the average area purchase price rather than 90 percent. In addition, at least 20 percent of bond proceeds must be made available to finance homes in targeted areas for at least one year, subject to limitations. "Targeted area" is defined in Section 103A(k)(1) as a qualified census tract or an area of chronic economic distress. The latter term is further defined as an area of chronic economic distress meeting State standards and approved by the Secretaries of Treasury and HUD.

Sections 1(j) and 1(k) of this bill amend these provisions by adding areas impacted by energy production to the targeted area definition, and by removing the requirement of Cabinet approval of distressed areas. To prevent abuse, no more than 25 percent of the State may be designated as a chronically distressed area.

DEFINITION OF STATISTICAL AREA

Section 103A(1)(4) defines the term "statistical area," which is used throughout the Act. Section 1(l) of this bill permits issuers to combine statistical areas when done on a consistent basis.

REGISTRATION REQUIREMENT

Section 103(j)(1) now requires that all qualified mortgage subsidy bonds must be issued in registered form on and after January 1, 1982. Section 1(m) of this bill repeals this requirement, which conflicts with the traditional marketing practices for municipal debt.

Mr. President, delaying the adoption of these amendments will prolong a critical situation for the housing industry in this country. I urge the Senate Finance Committee to hold hearings as soon as possible on this legislation and report it favorably to the Senate.

Mr. President, I ask unanimous consent that the survey conducted by Arkansas Housing Development Agency surveying mortgage lenders in Arkansas and a survey of 68 selected building permitting areas in the State be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SURVEY OF MORTGAGE LENDERS IN ARKANSAS CONDUCTED BY ARKANSAS HOUSING DEVELOPMENT AGENCY

First National Mortgage Company: One of the leading FHA/VA lenders in the state has closed 3 of its 5 branch offices. It has laid off at least 10 employees. Its production is down at least 80 percent from last year (the first 5 months of the year). It normally processes and closes 150 to 200 loans per month and they are down to 25 per month at present.

Charles F. Curry Company: Its volume has decreased by 83 percent over last year. It has laid off 2 of its 5 employees since this time last year.

Commercial National Mortgage: The number of loans are down 70.2 percent from last year. The dollar amount of loans is down 72.7 percent from last year. It is presently looking at its offices and work load for reductions wherever possible.

Worthen First Mortgage Company: There has been a 75-percent reduction in originations and closings of loans since May 1980. It has not laid anyone off, but unless rates drop dramatically, it does foresee a reduction in work force.

Lomas & Nettleton: Its volume is down 50 percent to 75 percent from the first 5 months of last year compared to the first 5 months of this year. It normally has at least $4 million of market rate loans in process. It now has a million dollars of market rate loans in process. Two of its five employees have been laid off since January 1, 1981.

Boyle Mortgage Company: It has laid off ⅓ of its employees in the Arkansas office. There has been an 80-percent decrease in mortgage loans compared to the same 5 months last year.

Block Mortgage Company: There has been a 50-percent reduction in loans closed over the same period last year (first 5 months of year). It expects a reduction in its work force in the near future.

VA: In 1980 the volume of loans closed through VA was down 50 percent from 1979 in Arkansas. The Arkansas VA office is placing present employees in other busier areas but there has been no reduction in employment in the VA office.

FHA: From January to May of 1980 FHA processed 1,133 loans. From January to May of 1981 they processed 1,060 loans. This is not a large reduction because 435 of the 1981 loans were the FHA-235 loans. Also at least 400 of the 1981 loans were bond issue loans. If it were not for the FHA-235 loans and the bond issue loans, there would have been a 95-percent reduction from the same period last year.

A SUMMARY OF 68 SELECTED BUILDING PERMITTING AREAS FOR THE PERIODS 1979 AND 1980 (TOTALS) AND THE 1ST 2 MO OF 1981

[Prepared by the Arkansas Home Builders Association, April 1981]

Permitting jurisdiction—County: City	1979	1980	January and February 1981
Arkansas: Stuttgart	93	118	2
Ashley: Crossett	16	16	4
Baxter: Mountain Home	101	112	10
Benton:			
Bentonville	125	96	6
Rogers	164	103	13
Siloam Springs	53	11	0
Boone:			
Harrison	77	66	2
Unincorporated area	(1)	141	10
Calhoun: Hampton	16	1	2
Carroll:			
Berryville	8	7	1
Eureka Springs	13	8	0
Clark:			
Arkadelphia	47	35	2
Gurdon	2	15	0
Cleburne: Heber Springs	41	36	4

A SUMMARY OF 68 SELECTED BUILDING PERMITTING AREAS FOR THE PERIODS 1979 AND 1980 (TOTALS) AND THE 1ST 2 MO OF 1981

[Prepared by the Arkansas Home Builders Association, April 1981]

Permitting jurisdiction—County: City	1979	1980	January and February 1981
Conway: Morrilton	14	17	1
Craighead: Jonesboro	182	116	19
Crawford: Van Buren	82	110	21
Crittenden:			
Earle	22	3	0
Marion	24	21	1
West Memphis	111	76	12
Cross: Wynne	41	39	2
Dallas:			
Fordyce	25	13	2
Sparkman	1	3	0
Desha: McGehee	10	25	5
Drew: Monticello	35	37	4
Faulkner: Conway	100	97	14
Garland: Hot Springs	106	57	8
Grant: Sheridan	18	9	2
Greene:			
Marmaduke	4	3	0
Paragould	128	101	5
Hempstead: Hope	28	33	1
Independence:			
Batesville	107	85	9
Newark	11	4	0
Jackson:			
Newport	29	14	2
Tuckerman	12	2	4
Jefferson: Pine Bluff	150	110	11
Lawrence: Hoxie	16	21	0
Lincoln: Gould	2	4	0
Lonoke: Cabot	92	111	2
Marion: Unincorporated area	93	95	4
Miller: Texarkana	62	122	7
Mississippi:			
Blytheville	55	20	8
Osceola	46	(1)	2
Perry: Perryville	7	6	0
Phillips:			
Helena	11	9	1
West Helena	23	23	2
Poinsett:			
Harrisburg	4	6	(1)
Marked Tree	10	11	0
Trumann	17	15	0
Pope:			
Atkins	8	14	3
Russellville	71	96	5
Pulaski:			
Jacksonville	199	120	8
Little Rock	722	418	55
North Little Rock	286	171	9
Sherwood	172	100	4
Randolph: Pocahontas	48	34	7
St. Francis: Forrest City	38	53	5
Saline:			
Benton	96	73	3
Bryant	58	20	1
Sebastian:			
Fort Smith	316	228	63
Greenwood	42	24	5
Union: El Dorado	55	82	3
Washington:			
Fayetteville	170	133	14
Springdale	181	94	3
White:			
Bald Knob	8	3	0
Beebe	41	35	2
Searcy	71	75	6
Yell: Danville	7	3	1
Total[2]	5,023	3,970	399

[1] Not available.
[2] Adjusted 1981 total: 2,394.

Note: 1980 compared to 1979: —21 percent; adjusted 1981 compared to 1979: —52 percent; adjusted 1981 compared to 1980: —39 percent. This summary covered political subdivisions in 44 of the 75 counties in Arkansas, or 59 percent of all counties of the State. ●

● Mr. PRYOR. Mr. President, with the development of housing bonds as a tool for financing single-family homes came widespread abuses, which the 96th Congress quite properly corrected with the restrictions included in last year's budget reconciliation bill.

Unfortunately, those restrictions went a bit too far. Meant to tighten up eligibility requirements and limit the overall level of such issues, the restrictions have instead put a complete stop to the housing bond program across the country.

With interest rates at record levels, the homebuilding industry is languishing, and we need to act immediately to get this program producing again before the building season is behind us.

The legislation which Senator SASSER is offering today is the bare minimum necessary to get this program off dead center. It does not relax eligibility requirements or increase the revenue loss to the Treasury. It merely removes several technical requirements which have proved to be unrealistic and obstructive.

I urge my colleagues to support this bill and to take action on it at the earliest possible moment. We cannot afford to prolong the current crisis in the homebuilding industry, which is so important to the overall health of our national economy. Early passage of this legislation would be a helpful step toward the recovery of that industry.●

ADDITIONAL COSPONSORS

S. 243

At the request of Mr. CHAFEE, the Senator from Georgia (Mr. NUNN), the Senator from Michigan (Mr. RIEGLE), the Senator from Indiana (Mr. LUGAR), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Oklahoma (Mr. NICKLES), and the Senator from Massachusetts (Mr. TSONGAS) were added as cosponsors of S. 243, a bill to amend the Internal Revenue Code of 1954 to increase the allowable contributions to individual retirement plans and to allow employees a deduction for savings contributions to employer retirement plans or to individual retirement accounts.

S. 408

At the request of Mr. CHAFEE, the Senator from Illinois (Mr. PERCY), the Senator from Maine (Mr. MITCHELL), the Senator from Oklahoma (Mr. NICKLES), and the Senator from Minnesota (Mr. DURENBERGER) were added as cosponsors of S. 408, a bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of earned income of citizens or residents of the United States earned abroad, and for other purposes.

S. 550

At the request of Mr. PACKWOOD, the Senator from Iowa (Mr. GRASSLEY) was added as a cosponsor of S. 550, a bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition.

S. 808

At the request of Mr. MATHIAS, the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 808, a bill to amend title 5, United States Code to promote public safety by encouraging the employment of highly qualified air traffic controllers by establishing a salary classification system providing compensation commensurate with responsibility, by establishing a reasonable maximum number of weekly work hours, and by establishing a special retirement plan, and for other purposes.

S. 811

At the request of Mr. DOLE, the Senator from Indiana (Mr. QUAYLE), the Senator from Utah (Mr. GARN), the Senator from Colorado (Mr. ARMSTRONG), and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S. 811, a bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to permit local distribution companies to continue natural gas service to residential customers for outdoor lighting fixtures for which natural gas was provided on the date of enactment of such act, and for other purposes.

S. 814

At the request of Mr. NUNN, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 814, a bill to improve the administration of criminal justice with respect to organized crime and the use of violence.

S. 861

At the request of Mr. PACKWOOD, the Senator from Minnesota (Mr. DURENBERGER) was added as a cosponsor of S. 861, a bill to amend the Social Security Act to provide for a 6-year demonstration program of comprehensive community-based noninstitutional acute and long-term care services for the elderly and disabled.

S. 862

At the request of Mr. ARMSTRONG, the Senator from Maine (Mr. MITCHELL) was added as a cosponsor of S. 862, a bill to amend the Potato Research and Promotion Act.

S. 888

At the request of Mr. PACKWOOD, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 888, a bill to provide effective programs to assure equality of economic opportunities for women and men, and for other purposes.

S. 895

At the request of Mr. MATHIAS, the Senator from Ohio (Mr. GLENN), the Senator from Maryland (Mr. SARBANES), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Colorado (Mr. HART) were added as cosponsors of S. 895, a bill to amend the Voting Rights Act of 1965 to extend certain provisions for an additional 10 years, to extend certain other provisions for an additional 7 years, and for other purposes.

S. 905

At the request of Mr. PRESSLER, the Senator from Florida (Mr. CHILES) was added as a cosponsor of S. 905, a bill to require the inspection of imported meat and meat food products, to require the grading of meat and meat food products, to require the Secretary of Agriculture to establish a labeling system for meat and meat food products, and for other purposes.

S. 922

At the request of Mr. BOREN, the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from Kansas (Mr. DOLE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Kansas (Mrs. KASSEBAUM), the Senator from Wisconsin (Mr. KASTEN), the Senator from Louisiana (Mr. LONG), the Senator from Georgia (Mr. MATTINGLY), the Senator from Oklahoma (Mr. NICKLES), the Senator from Arkansas (Mr. PRYOR), the Senator from Mississippi (Mr. STENNIS), the Senator from Idaho (Mr. SYMMS), the Senator from Virginia (Mr. WARNER), the Senator from North Caro-

lina (Mr. EAST), and the Senator from South Dakota (Mr. ABDNOR) were added as cosponsors of S. 922, a bill to amend the Farm Labor Contractor Registration Act of 1963, as amended, and for other purposes.

S. 1030

At the request of Mr. MCCLURE, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 1030, a bill to protect firearms owners' constitutional rights, civil liberties, and rights to privacy.

S. 1120

At the request of Mr. KASTEN, the Senator from Alabama (Mr. HEFLIN) was added as a cosponsor of S. 1120, a bill to reduce the amount of funds available to an agency unless the agency has reduced the waste, fraud, and abuse to the maximum extent feasible or demonstrates that no waste, fraud, or abuse exists in the administration of programs, and for other purposes.

S. 1131

At the request of Mr. DANFORTH, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 1131, a bill to require the Federal Government to pay interest on overdue payments and to take early payment discounts only when payment is timely made, and for other purposes.

S. 1215

At the request of Mr. PROXMIRE, the Senator from Nevada (Mr. CANNON) was added as a cosponsor of S. 1215, a bill to clarify the circumstances under which territorial provisions in licenses to distribute and sell trademarked malt beverage products are lawful under the antitrust laws.

S. 1230

At the request of Mr. CRANSTON, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 1230, a bill to provide for the minting of commemorative coins to support the 1984 Los Angeles Olympic games.

S. 1235

At the request of Mr. D'AMATO, the Senator from South Carolina (Mr. THURMOND) and the Senator from Iowa (Mr. JEPSEN) were added as cosponsors of S. 1235, a bill to exempt certain matters relating to the Central Intelligence Agency from the disclosure requirements of title 5, United States Code.

S. 1310

At the request of Mr. CHAFEE, the Senator from Iowa (Mr. GRASSLEY) was added as a cosponsor of S. 1310, a bill to amend the Internal Revenue Code of 1954 to provide certain community development, employment, and tax incentives for individuals and businesses in depressed areas.

S. 1328

At the request of Mr. MOYNIHAN, the Senator from New Jersey (Mr. BRADLEY) was added as a cosponsor of S. 1328, a bill to amend the Federal Water Pollution Control Act to delete the limitation on the use of public treatment works grants for treating, storing, or conveying the flow of industrial users into treatment works.

SENATE JOINT RESOLUTION 10

At the request of Mr. HUDDLESTON, the Senator from Missouri (Mr. DANFORTH) and the Senator from New Mexico (Mr. SCHMITT) were added as cosponsors of Senate Joint Resolution 10, a joint resolution to establish a Commission on Presidential Nominations.

SENATE JOINT RESOLUTION 62

At the request of Mr. DOLE, the Senator from Pennsylvania (Mr. SPECTER), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of Senate Joint Resolution 62, a joint resolution to authorize and request the President to designate the week of September 20 through 26, 1981, as "National Cystic Fibrosis Week."

SENATE JOINT RESOLUTION 74

At the request of Mr. MATHIAS, the Senator from South Dakota (Mr. ABDNOR), the Senator from New Jersey (Mr. BRADLEY), the Senator from Colorado (Mr. ARMSTRONG), and the Senator from Ohio (Mr. GLENN) were added as cosponsors of Senate Joint Resolution 74, a joint resolution designating the week of October 4 through October 10, 1981, as "National Diabetes Week."

SENATE RESOLUTION 134

At the request of Mr. PRESSLER, the Senator from Florida (Mr. CHILES), the Senator from Oklahoma (Mr. NICKLES), the Senator from Maryland (Mr. SARBANES), the Senator from South Carolina (Mr. THURMOND), and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of Senate Resolution 134, a resolution expressing the sense of the Senate with respect to continued access of the Rural Electrification Administration to the Federal Financing Bank.

SENATE RESOLUTION 144

At the request of Mr. KENNEDY, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of Senate Resolution 144, a resolution to offer strong support for diplomatic efforts to resolve the current crisis in Lebanon, and to protect the right of Lebanese Christian and other communities to live in freedom and security.

AMENDMENT NO. 58

At the request of Mr. CRANSTON, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of amendment No. 58 intended to be proposed to S. 921, a bill to amend title 38, United States Code, to extend authority to provide contract hospital care and medical services in Puerto Rico and the Virgin Islands, and for other purposes.

AMENDMENT NO. 59

At the request of Mr. CRANSTON, the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Maryland (Mr. SARBANES), the Senator from Vermont (Mr. LEAHY), and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of amendment No. 59 intended to be proposed to S. 921, a bill to amend title 38, United States Code, to extend authority to provide hospital care and medical service.

AMENDMENT NO. 60

At the request of Mr. MOYNIHAN, the Senator from New Jersey (Mr. BRADLEY) was added as a cosponsor of amendment No. 60 intended to be proposed to S. 1274, a bill to amend title II of the Clean Water Act, and for other purposes.

SENATE RESOLUTION 150—RESOLUTION OPPOSING EFFORTS BY THE UNITED NATIONS EDUCATIONAL, SCIENTIFIC, AND CULTURAL ORGANIZATION TO ATTEMPT TO REGULATE NEWS CONTENT AND FORMULATE RULES AND REGULATIONS FOR THE OPERATION OF THE WORLD PRESS

Mr. QUAYLE (for himself, Mr. HEFLIN, Mr. LUGAR, Mr. MOYNIHAN, Mr. ARMSTRONG, and Mr. HUDDLESTON) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 150

Whereas the First Amendment to the Constitution of the United States upholds the principle of freedom of the press;

Whereas Article 19 of the Universal Declaration of Human Rights states that "everyone has the right to freedom of opinion and expression; this right includes the freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media regardless of frontiers";

Whereas the signatories to the Final Act of the Conference on Security and Cooperation in Europe concluded in 1975 in Helsinki, Finland, pledged themselves to foster "freer flow and wider dissemination of information of all kinds", and to support "the improvement of the circulation of, access to, and exchange of information";

Whereas the Constitution of the United Nations Educational, Scientific, and Cultural Organization itself is committed to "promote the free flow of ideas by word and image"; and

Whereas a free press is vital to the function of free governments: Now, therefore, be it

Resolved, That (a) the Senate of the United States of America strongly opposes efforts by the United Nations Educational, Scientific, and Cultural Organization to attempt to regulate news content and to formulate rules and regulations for the operation of the world press.

(b) The Senate also opposes efforts by some countries to further control access to and dissemination of news.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the Secretary General of the United Nations and to the Director General of the United Nations Educational, Scientific, and Cultural Organization.

Mr. QUAYLE. Mr. President, today I am submitting a resolution for myself, Mr. HEFLIN, Mr. LUGAR, Mr. MOYNIHAN, Mr. ARMSTRONG, and Mr. HUDDLESTON.

Basically, this resolution opposes efforts by UNESCO to attempt to regulate news content and formulate rules and regulations for the operation of world press.

Mr. President, for the past decade the United Nations has gone from an international forum for the discussion of ideas, and the peaceful airing of differences, to a massive public relations operation for the so-called Third World nations and Soviet bloc mischiefmakers.

The most recent example of this is the attempt by the United Nations Educational, Scientific, and Cultural Organization (UNESCO) to establish a system which would "license and protect" journalists.

The words and phrases which are being used in this blatant attempt to legitimize the suppression of the news are representative of an Orwellian nightmare of paranoid proportions.

UNESCO wants a "New World Information Order," to offset the damage done by Western media as they have "dominated and victimized" the Third World.

Mr. President, I would ask what would be a new world information order? Does everybody have to check with UNESCO and those licenses to decide whether the information he wants to disseminate fits their purviews of what should be in the interest of the people?

UNESCO would "correct" this so-called imbalance by defining "appropriate criteria to govern truly objective news selection."

It is censorship at the least. It is not yet "1984," Mr. President, but it is close. In this age of tight budgets, and severe cutbacks in domestic programs, our contribution to UNESCO might easily be declared unnecessary.

In 1980, the United States donated $49 million to UNESCO. If a portion of that contributed to the establishment of a "New World Information Order," then it was not money well spent.

Of all the rights provided for in our Constitution, none has had a more profound effect than the first amendment which provides for freedom of the press.

It is highly probable, Mr. President, that without the first amendment, none of the other individual freedom amendments would ever have been adopted.

In our "enlightened age" it would appear that, if anything, UNESCO should be protecting the rights of a free press to present the facts and analyses of events wherever they occur in our shrinking world.

Neither UNESCO nor any other organ of the United Nations should be, in any way, involved in activities which would restrict the freedom of the press.

Mr. HEFLIN. Mr. President, I rise to offer my unqualified support for this sense of the Senate resolution condemning the United Nations Educational, Scientific, and Cultural organization's (UNESCO) "New World Information Order" and I am honored to be among the original cosponsors of this resolution.

The New World Information Order advocated by UNESCO, which calls for the licensing of journalists and the drafting of a "code of conduct" to govern news reporting in Third World nations falls nothing short of a shabby and totally unacceptable attempt to place the shroud of censorship on international journalism.

Further, attempt by an international organization to control the free flow of information very possibly could be part of an insidious plot by the Soviet Union to insure that their actions in the Third World do not come under international scrutiny.

Mr. President, I wholeheartedly support this resolution to condemn this UNESCO plan. Further, I endorse assistant Secretary of State for International Organization Affairs Elliot Abrams' "implied threat" that the United States—which is by far the major contributor to UNESCO—may resign from the organization if this proposal to invoke censorship of journalism is adopted.

One of the fundamental freedoms enjoyed by the American people is the freedom of the press. I believe the need for such a freedom cannot be questioned. In my opinion, Thomas Jefferson summed it up best when he told newly elected President George Washington in 1792 that—and I quote:

> No government should be without censors—and where the press is free, no one will.

While our military might has protected this Nation from attack, it has been the freedom of the press that has kept the United States a democracy and a great Nation made up of free people.

This UNESCO proposal becomes of paramount importance when you consider that many of the Third World nations involved do not share our principle of freedom of the press. These nations—as well as the Soviet Union—do not have a free press to serve as the nation's watchdog or censor.

If this UNESCO proposal goes into effect, the interests of the free world will suffer while the interests of the Soviet Union and others who are dedicated to the denial of freedoms will be greatly served.

By imposing a code of conduct or restrictions on newsreporting from the mineral- and oil-rich Third World, UNESCO will be aiding and abetting the Soviet Union in its expansionist activities. If the shroud of official government censorship is lowered over international journalism, the Soviet Union's actions will never be scrutinized by the international community.

Mr. President, this attempt to deny Western journalists access to information inside developing nations would lead to a cloak of secrecy within the Third World that would be against the best interests of the people of the United States or the free people from around the world.

SENATE RESOLUTION 151—RESOLUTION RELATING TO TAX CUT FOR SMALL AND INDEPENDENT BUSINESSES

Mr. KENNEDY (for himself, Mr. NUNN, Mr. BUMPERS, Mr. GLENN, Mr. FORD, Mr. SARBANES, Mr. RANDOLPH, Mr. DODD, Mr. DIXON, Mr. BURDICK, and Mr. HUDDLESTON) submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 151

Whereas the President and the Congress must act together to address the serious economic problems before the Nation;

Whereas small and independent businesses have contributed substantially in the past to America's economic prosperity;

Whereas such businesses are an important national resource for innovation in the economy; and

Whereas Congress is likely to enact substantial tax reductions for the business sector this year: Now, therefore, be it

Resolved, That it is the sense of the Senate that at least 15 percent of any business tax cut enacted by this Congress should be specially designed for small and independent businesses.

SMALL BUSINESS PROVISIONS IN THE BUSINESS TAX CUT

Mr. KENNEDY, Mr. President, I rise to submit along with Senators NUNN, BUMPERS, GLENN, FORD, SARBANES, RANDOLPH, DODD, BURDICK, HUDDLESTON, and DIXON a Senate resolution stating that at least 15 percent of the business tax cut this year should be specially designed for small business.

Our chief legislative priority in this session of Congress is to deal effectively with the Nation's serious economic problems. We must work to bring inflation, unemployment, and high interest rates down, and to encourage investment and productivity by the business sector. At long last, we must restore prosperity to our economy and make the United States, once again, the strongest and most productive economy in the world.

In this effort, it is essential to secure the full participation of the small and independent businesses of the Nation. In recent years small businesses have accounted for nearly half of our total output, they have produced almost half of the innovation and they have created the vast majority of new jobs.

This record demonstrates the substantial contribution small business can make in our economic recovery effort. With the proper encouragement, small business can assist in increasing our productivity, in putting Americans back to work, and in winning the fight against inflation.

Unfortunately, small business has been handicapped in its ability to wage the war for economic recovery. For the critical problems facing the economy—inflation and high interest rates—are particularly stifling to the small business sector.

In my own State of Massachusetts and across the Nation, small businesses are faced with rising costs of energy, labor and materials, and the inability to secure the necessary capital resources to meet their needs.

This year, Congress will enact substantial tax incentives for business. I believe that small business must be fairly included in any such incentives. If not, we will risk losing the considerable contribution small business can make in our economic recovery.

Over the last several years, the tax committees in Congress have devoted increasing attention to the problems of small business. And they have recognized that the tax code must be amended to account for the particular problems of the small business sector.

Last year, these efforts culminated in the Tax Reduction Act of 1980, which included a number of provisions specially designed for small business, representing a 13 percent share of the busi-

ness tax cut in 1982. These provisions enjoyed strong bipartisan support in Congress and broad support in the small business community. I believe that this year we must build on the precedent set by the Finance Committee and we must once again incorporate provisions that are specifically designed to assist small businesses.

Mr. President, we are at the critical stages of the debate on the business tax bill. Unfortunately, as of yet, there has been virtually no recognition of the importance of small business in either of the two administration tax proposals. Not one of the small business provisions included in the Finance Committee bill last year was included in either of the Administration bills.

There is still time to give small business its proper place in the enactment of tax incentives. And, I believe we must do so or we will forsake the assistance of the most vital sector of our economy in the economic recovery efforts we have undertaken.

I urge my colleagues to support this resolution, stating that at least 15 percent of any business tax cut enacted by this Congress should be specially designed for small and independent business. This will help insure that small business is given the tools it needs to put this Nation on the road to economic recovery.

● Mr. NUNN. Mr. President, I am pleased to join in introducing this resolution speaking to the need for small business to receive a fair share of this year's tax bill.

Small business, which provides over 80 percent of the new jobs in the economy, needs to have specific capital formation and retention tax provisions targeted to its needs so that it can fully participate in the economic recovery. The two-edged sword of inflation and high interest rates is having a devastating effect on small business. Soaring interest rates in particular are undermining the ability of small firms to survive and are forcing an increasing number of independent enterprises toward bankruptcy. Targeted tax cuts are necessary to provide relief from these twin evils. Such cuts are essential for these concerns to effectively compete and contribute to our Nation's economic growth.

Earlier this year, I joined in introducing S. 360, the Omnibus Small Business Capital Formation Act, a comprehensive measure which would assist small firms with their capital retention and formation efforts, and with improved business continuity. Its provisions would provide small business with an equitable share of the tax bill. The Finance Committee recognized the importance of several of these provisions and included them in the tax bill reported last year. Three of the key provisions provide for a corporate tax rate reduction, accelerated and simplified depreciation, and estate tax relief.

Reducing corporate taxes was the top recommendation of the White House Conference on Small Business and a high priority of the witnesses testifying before the Small Business Committee. It is the fairest, most direct means of permitting small business to retain the internally generated capital necessary for productive investment in new plant and equipment. Reducing corporate taxes and further graduating those taxes by broadening and increasing the number of brackets is an important step in providing small concerns with targeted tax relief.

Accelerated depreciation and faster cost recovery would do more than anything else as a general revitalizer of the business community.

Estate tax relief would compensate for the inflation which is artificially distorting the value of estates by making them appear more and more valuable while taxes in turn are taxing away a bigger and bigger piece of the estate. The estate tax law of today seriously imperils the transfer of family businesses and farms from one generation to the next and needs to be reformed to insure the integrity of family-owned farms and businesses.

Other provisions in the bill to promote productivity growth and fight inflation include an increase in the used qualified property tax credit ceiling, an increase in the accumulated earnings credit, capital gains rollover, cash accounting and an incentive stock option.

Since 1975, Congress has enacted $2 billion of small business tax cuts and the nation has reaped tremendous benefits. Since then, small business has created more than 12½ million new jobs.

I hope that the Finance Committee, when weighing what needs to be included in this year's tax bill, gives serious consideration to the provisions on the Omnibus Small Business Capital Formation Act and other provisions targeted to aid small business. I am confident that if the committee does and small business receives a fair share of this year's tax bill, it will continue to make a strong contribution to our nation's economic recovery.●

AMENDMENTS SUBMITTED FOR PRINTING

CONTRACT HOSPITAL AND MEDICAL CARE IN PUERTO RICO AND THE VIRGIN ISLANDS

AMENDMENT NO. 61

(Ordered to be printed and to lie on the table.)

Mr. CHAFEE (for himself, Mr. CRANSTON, Mr. DANFORTH, Mr. DOLE, Mr. HEINZ, Mr. ANDREWS, Mr. BIDEN, Mr. BOSCHWITZ, Mr. CHILES, Mr. DECONCINI, Mr. DODD, Mr. DURENBERGER, Mr. EXON, Mr. GOLDWATER, Mr. HART, Mr. HATFIELD, Mr. HUDDLESTON, Mr. KENNEDY, Mr. LEAHY, Mr. MATSUNAGA, Mr. MELCHER, Mr. MITCHELL, Mr. MOYNIHAN, Mr. PELL, Mr. PRYOR, Mr. RANDOLPH, Mr. RIEGLE, Mr. SARBANES, Mr. SASSER, Mr. SCHMITT, Mr. TSONGAS, and Mr. WILLIAMS) submitted an amendment intended to be proposed by them to the bill (S. 921) to amend title 38, United States Code, to extend authority to provide contract hospital care and medical services in Puerto Rico and the Virgin Islands, and for other purposes.

VIETNAM-ERA VETERANS' READJUSTMENT COUNSELING PROGRAM

● Mr. CHAFEE. Mr. President, today, I am submitting an amendment to the proposed Veterans' Programs Extension and Improvement Act of 1981 (S. 921), which is expected to reach the floor of the Senate later this week.

The purpose of this amendment is simple. It provides for a 3-year extension—through September 30, 1984—of eligibility for the Vietnam-era veterans readjustment counseling program, also known as Operation Outreach.

This program provides readjustment counseling to Vietnam-era veterans suffering from various readjustment problems, and operates 91 Vet Centers across the Nation.

I am pleased to be joined in this effort by Senator CRANSTON, ranking minority member of the Senate Veterans' Affairs Committee, and by over 30 distinguished colleagues from both sides of the aisle. Our proposal is identical to the provision which passed in the House on June 2d by a vote of 388 to 0.

Mr. President, available data strongly supports such a 3-year extension. A major recent independent study, testimony from mental health professionals in the VA and outside, and testimony from veterans' organizations at the April 30 hearing of the Senate Veterans' Affairs Committee, all suggest that a 3-year extension would be optimal.

Perhaps most notable are the findings of the congressionally mandated study on Vietnam-era veterans, "Legacies of Vietnam: Comparative Adjustment of Veterans and Their Peers," prepared by the Center for Policy Research, Inc., for the VA pursuant to section 304(b) of the GI Bill Improvement Act of 1977 (Public Law 95-202) and submitted to the Congress on March 20, 1981. The study findings substantiate that the continuing readjustment problems of Vietnam-era veterans are more complex, more long-lasting (delayed stress may become symptomatic 10 or more years after the end of a combat tour), and more widespread than many may have previously believed. More time will thus be necessary to provide assistance in connection with the readjustment problems of veterans who served during the long and very divisive Vietnam conflict.

I believe there are a number of other compelling reasons why a 3-year extension should be provided:

Although the VA's authority to provide readjustment counseling became effective on October 1, 1979, many of the Vet Centers have been in operation for less than 1 year, and have not yet been able to provide their unique service to troubled Vietnam-era veterans due to initial start-up problems, a Government-wide personnel freeze, lack of adequate resources, and insufficient time to establish credibility with clients and working relationships with other community organizations.

Dr. Arthur Arnold, the chief of psychiatry at the Bay Pines VA Medical Center in Tampa, Fla., Dr. Steven M. Sonnenberg, chairman of the Committee on Federal Government Health Services of the American Psychiatric Association,

and John R. Smith of the Department of Psychology at Duke University, all stated that a 3-year extension of the application period would provide a more effective time frame with respect to the availability of the readjustment counseling program for Vietnam-era veterans.

The Veterans of Foreign Wars, the Disabled American Veterans, and the Vietnam Veterans of America recommended during the April 30 hearing that a 3-year extension, such as our amendment provides, would be optimal from the standpoint of giving the program the stability it needs to operate efficiently and effectively.

Dr. Jack Ewalt, the VA's Director of Mental Health and Behavioral Sciences, testified that nothing had changed his view, expressed during the committee's January 25, 1979, hearing on the original enabling legislation, that a 5-year eligibility period was needed.

Extending the application period 1 year longer than the Veterans' Affairs Committee has recommended is estimated by CBO to cost only $26.9 million in fiscal year 1984, a very modest sum in comparison to the benefits that this program provides and the strong message of caring and support that we can send to Vietnam veterans across the Nation by putting the Congress squarely behind a 3-year extension.

In my judgment, the readjustment counseling program has been well-received by both Vietnam-era veterans and the communities in which Vet Centers are located. The program is a visible and meaningful symbol of our determination to provide assistance to those Vietnam-era veterans who still need help. At a time when the military is plagued with manpower problems, and the All-Volunteer Force is facing increasing challenges in recruiting adequate numbers of qualified personnel, we must meet our obligations to the veterans of the last war.

I urge my colleagues to support this amendment when it comes to the floor.

Mr. President, I ask unanimous consent that the text of the amendment be printed in the RECORD. I also ask unanimous consent that a news article from the Stars & Stripes, and from the Newport (R.I.) Daily News be printed in the RECORD.

There being no objection, the amendment and articles were ordered to be printed in the RECORD, as follows:

On page 3, strike out lines 6 through line 8 and insert in lieu thereof the following:

(1) by striking out "or two years after the effective date of this section" and inserting in lieu thereof "or by September 30, 1984"; and

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[From the Stars and Stripes, June 4, 1981]

HOUSE PASSES VIETNAM VETERANS LEGISLATION

The House of Representatives unanimously voted 388 to 0 Wednesday and passed a comprehensive legislative package addressing many Vietnam veterans' needs.

The legislation would authorize VA hospitals to give priority medical treatment to Vietnam veterans whose condition is determined by VA physicians to be associated with exposure to Agent Orange.

The Bill also expands the scope of the VA's Agent Orange studies to include other health care detriments that may be affecting Vietnam veterans such as herbicides known as blue, white and pink, as well as the results of the controversial experiments conducted with the antimalarial drug Dapsome.

The legislation would also provide for a three-year extension of Operation Outreach, the VA's psychological readjustment program operating out of 91 storefront centers across the country. In a May 28 letter, Dr. Donald Custis, Acting Administrator of the VA, assured concerned veterans of the President's support for the Outreach program's funding "with a proposed budget of $26 million for FY 1982 as opposed to only $12 million expended in FY 1981."

Custis further emphasized that "The President wants you to know that he is specifically committed to keeping the Outreach Centers funded and open when Congress authorizes and appropriates funds for this program." (See Guest Editorial).

Included in the legislative package is a provision for a two year delimiting date extension for VA OJT programs and secondary education training for veterans with less than a high school education. This initiative, however, will have little impact on many of the most needy and deserving combat veterans who have high school educations but were displaced from good jobs they had held such as auto workers, and steelworkers, and now have no hope for new jobs commensurate with their abilities, aspirations, and the financial needs of their families.

The legislation also establishes a $25 million program within the VA to provide direct or guaranteed business loans for veterans, allowing graduated payments starting with low monthly amounts and increasing over the years commensurate with a person's earning capacity.

An extension of the Veterans Readjustment Civil Service Hiring Authority Program which allows a veteran to be hired noncompetitively up to a GS–7 position was also included. A recent independent study for the VA confirms that as many as 500,000 Vietnam veterans are in need of the type assistance provided by the Outreach Centers.

"It has been a long battle, and it is not yet over," said Rep. Tom Daschle (D-SD). "Pending the outcome of Air Force, VA and Center for Disease Control studies, the issue of compensation must also be addressed."

The Democratically controlled House vote becomes a key test for President Reagan and the Republicans when it reaches conference with the Senate. The Senate Veterans' Affairs Committee, acting under the President's direction, has already rejected the provision providing an OJT delimiting date extension and priority treatment for Agent Orange victims in VA facilities.

President Reagan and the new VA Administrator nominee Robert Nimmo should have several weeks to study the House action and an opportuntiy to re-evaluate their positions on the Agent Orange dilemma and the employment issues affecting Vietnam veterans; a chance to clearly demonstrate the President's concern, commitment and willingness to address the substantive needs of this group of U.S. veterans.

[From the Newport Daily News, Mar. 23, 1981]

COUNSELOR HELPS VIETNAM VET LEARN TO SHED LAST VESTIGES OF WAR

(By R. E. Reimer)

When the telephone rang at 4 a.m., Wayne Smith awoke with fear. The caller was a Vietnam veteran threatening suicide.

More than 10 years after serving in Vietnam, the terrified vet was still reliving the horrors of combat. Flashbacks of the time he shot a 14-year-old Vietcong in self defense haunted him. Fortunately, through Smith's efforts, the man was admitted to a Veterans Administration hospital.

Smith receives many such calls. He's a psychological counselor for the Vet Center in Pawtucket, and it's his job to provide readjustment counseling for troubled Vietnam veterans.

After 18 years of involvement, the United States officially withdrew from Vietnam in 1975. Nationwide there are nearly 3 million people who served in the Asian conflict.

Unlike any war in U.S. history, the Vietnam war was highly unpopular, controversial and long. Unlike its previous "conventional" wars, the U.S. was faced with an enemy that used guerrilla warfare tactics. And unlike the warriors of World War I and II, fighters in Vietnam returned home defeated and few were greeted with a hero's welcome.

"We're taught while growing up not to kill," Smith said. "Normally in war killing is sanctioned by the country to legitimize death." But that sanction never came because protest against the war severely divided this nation, he said.

"Most of the Vietnam veterans volunteered to fight and believed in the war's purpose. But now they feel that the American society never supported their efforts."

While America tries to forget Vietnam, Smith said it's estimated that almost 50 percent of Vietnam vets are still experiencing "post traumatic stress disorder."

Smith said research on Vietnam veterans shows that one in four are clinically depressed, 70 percent still have nightmares of the war and 40 percent were divorced within six months of their return. Almost half of the vets are unemployed.

"It's estimated that 66,000 Vietnam vets have died since the war, mostly from single car accidents or suicide," Smith said.

"Many vets still actively relive their experiences in the war. They haven't gotten past the phenomenon of delayed stress. What's needed is for them to understand the Vietnam experience, come to terms with it and then proceed with the future."

Smith criticized the image television and the media has created of the Vietnam vet. It's typical to see a drug-crazed vet wielding a gun while the police hunt him down "before he destroys all of Los Angeles," he said.

Smith wants to change that image through his work with the Vietnam Era Veterans Readjustment Counseling program. The statewide program offers counseling for the 17,000 Vietnam veterans in Rhode Island.

On April 2, Smith will conduct a seminar at the Newport Training Institute on post traumatic stress disorder for the Vietnam veteran. The Training Institute at 174 Bellevue Ave. is the educational branch of the Newport County Community Mental Health Center.

The seminar is open to Vietnam veterans, their families and professionals. Because seating is limited, the Training Institute will accept registrations by telephone.●

RECOVERY OF CERTAIN HEALTH COSTS, PROGRAM OF ASSISTANCE TO STATE MEDICAL SCHOOLS, AND STUDY OF VETERANS EXPOSED TO AGENT ORANGE

AMENDMENT NO. 62

(Ordered to be printed and referred to the Committee on Veterans' Affairs.)

Mr. CRANSTON submitted an amendment intended to be proposed by him to the bill (S. 636) to clarify the Veterans' Administration's authority to recover certain health-care costs, to extend the period of availability of funds committed under the Veterans' Administration program of assistance to new State medical schools, to authorize expansion of the scope of an epidemiological study

regarding veterans exposed to agent orange, and for other purposes.

VETERANS' ADMINISTRATION/DEPARTMENT OF DEFENSE SHARING OF MEDICAL FACILITIES

Mr. CRANSTON. Mr. President, I am today submitting, for appropriate reference, an amendment to S. 636, a VA health-care measure pending in the Veterans' Affairs Committee. The legislation in the amendment would be cited as the "Veterans' Administration and Department of Defense Medical Sharing Act."

This measure, which is substantively identical to a measure reported by the House Committee on Veterans' Affairs on May 19, 1981, addresses two distinct but interrelated issues involving the health-care resources of the Veterans' Administration and the Department of Defense: First, the potential for greater sharing of these resources during peacetime so as to yield increased efficiency in the Federal health-care sector, while continuing to recognize and respect the separate missions of the two agencies; and, second, the appropriate role for the VA's health-care system as a back-up to the medical resources of the Department of Defense in the event of armed conflict when U.S. military casualties might overwhelm DOD's ability to provide the needed care.

Mr. President, the Committee on Veterans' Affairs has a hearing scheduled for June 17 on the issues addressed by this measure, and a bill, S. 266, that was introduced by my good friend, the Senator from Illinois (Mr. PERCY), and deals with the first of the two issues I mentioned above—the sharing of resources during peacetime—will be before the committee at that time. I also understand that another measure, dealing with the appropriate wartime relationship between VA and DOD may be introduced shortly for committee consideration at that hearing.

I am submitting this measure today because, unlike S. 266 and what I understand of the other measure that may be introduced shortly, it proposed changes to title 38 of the United States Code, the codified U.S. statutes dealing with veterans' benefits and the VA. I believe that this is the appropriate place to locate the type of changes contemplated by the various measures, and I therefore want the committee to have a full opportunity to consider this approach and the proposals in the House-reported bill at its upcoming hearing, and at the markup meeting scheduled for June 25.

Mr. President, I want to note that, in submitting this measure today, I am not taking a position on any of the many questions related to the two VA–DOD sharing issues, including the most fundamental issue of whether there is even a need for further legislation in these areas or whether, alternatively, what is needed here is greater flexibility on the part of the two agencies in their dealing with one another. I intend to consider very carefully the views of all witnesses at the June 17 hearing, as well as those of any other interested parties, on these issues.

Mr. President, I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

Add at the end of the bill the following new section.

SEC. 5. (a) This section may be cited as the "Veterans' Administration and Department of Defense Medical Sharing Act".

(b) Section 5011 of title 38, United States Code, is amended—

(1) by inserting "(a)" before "The Administrator";

(2) by striking out "or for the transfer" and all that follows through "care for veterans,";

(3) by striking out "and domiciliary beds below the number established or approved on June 22, 1944" and inserting in lieu thereof ", domiciliary, and nursing home beds below the number established or approved under section 5010 of this title"; and

(4) by adding at the end the following:

"(b)(1) It is the sense of the Congress that there are opportunities for greater sharing and coordination of the medical resources of the Veterans' Administration and the Department of Defense which, if achieved, would be beneficial to both veterans and to members of the Armed Forces on active duty and which could result in reduced costs to the Government. Accordingly, the Administrator and the Secretary of Defense shall direct that the Chief Medical Director of the Veterans' Administration and the Assistant Secretary of Defense for Health Affairs, respectively, form an interagency committee to maintain oversight of opportunities for sharing of medical resources of the Veterans' Administration and the Department of Defense and to make recommendations to the heads of their respective agencies with respect to the sharing of those medical resources.

"(2) In addition to such other duties as may be assigned to them in order to carry out this subsection, the Chief Medical Director and the Assistant Secretary of Defense for Health Affairs (hereinafter in this section referred to as the 'Assistant Secretary') shall regularly—

"(A) assess the opportunities for sharing of existing medical resources between the Veterans' Administration and the Department of Defense;

"(B) keep the other apprised of plans for any additional medical facilities planned by their respective agencies (including the location of new facilities and the acquisition of major new medical equipment) with regard to the impact of such plans on opportunities for interagency shading;

"(C) review the existing capabilities of the Veterans' Administration and of the Department of Defense with respect to direct health care (including support and administrative services) in order to identify opportunities for sharing that will not adversely affect the quality of, or the established priority of, care provided by either the Veterans' Administration or the Department of Defense; and

"(D) recommend to the Administrator and the Secretary of Defense policies and procedures designed to maximize the sharing of the medical resources of the Veterans Administration and the Department of Defense.

"(3) In carrying out the duties prescribed by this subsection, the Assistant Secretary shall consult regularly with the Surgeons General of the Army, Navy, and Air Force.

"(4) The Chief Medical Director and the Assistant Secretary may each carry out their respective functions under this subsection through any other official designated for such purpose.

"(c) Not later than one year after the date of the enactment of this subsection, and after considering the recommendations of the Chief Medical Director and the Assistant Secretary submitted under subsection (b) of this section, the Administrator of Veterans' Affairs and the Secretary of Defense shall jointly establish guidelines for the sharing of medical resources by health care facilities of the Veterans' Administration and the Department of Defense. Such guidelines shall include provisions for the following:

"(1) The director, in the case of a health care facility of the Veterans' Administration, or the medical or dental officer in charge, or the contract surgeon in charge, in the case of a health care facility under the jurisdiction of the Department of Defense may enter into cooperative sharing agreements with health care facilities of the other agency. Under any such agreement, an individual entitled to direct health care in a facility of one agency may be provided medical care at the facility of the other agency.

"(2) Each agreement entered into pursuant to paragraph (1) of this subsection between the head of a facility of the Veterans Administration and the head of a facility of the Department of Defense shall explicitly define the health care to be provided pursuant to such agreement. Services to be shared may include any medical resource, but the resources to be shared shall be negotiated and agreed upon by the heads of the facilities entering into the agreement.

"(3) Each such agreement shall ensure that the availability of direct health care to individuals who are not primary beneficiaries of the providing agency shall be on a referral basis and shall not, as determined by the directors or commanding officers participating in such arrangements, adversely affect the range of services, quality of care, or priority access for services of the primary beneficiaries of the providing agency.

"(d)(1) Whenever a beneficiary receives medical services from a providing agency other than the providing agency for which such beneficiary is a primary beneficiary, the providing agency shall be reimbursed for the cost of the services provided based on any costing methodology agreed upon by the Administrator and the Secretary of Defense that is based on the cost of the services provided.

"(2) Any reimbursement under paragraph (1) of this subsection shall be credited to the appropriation and to the facility that provided the services.

"(e) The Administrator and the Secretary of Defense shall submit an annual joint report to Congress, to be submitted at the time the President' Budget for the next fiscal year is transmitted, with regard to—

"(1) the guidelines prescribed pursuant to subsection (c) of this section;

"(2) the opportunities for interagency sharing determined under subsection (b)(2) of this section;

"(3) the interagency sharing agreements entered into by health care facilities of the Veterans' Administration and the Department of Defense;

"(4) the activities of the Veterans' Administration and the Department of Defense under such interagency sharing agreements;

"(5) other interagency activities directed toward maximizing the efficient use of Federal health resources during the preceding fiscal year;

"(6) the progress of Federal interagency medical resource sharing during the preceding fiscal year;

"(7) the interagency coordination of Federal health resources planning;

"(8) other major Federal activities to increase interagency sharing of Federal medical resources; and

"(9) such legislative recommendations as they consider appropriate to facilitate interagency sharing of health care resources.

"(f) For the purposes of this section:

"(1) The term 'direct health care' means health care provided to a beneficiary in a facility operated by the United States Government.

"(2) The term 'beneficiary' means a veteran

who is entitled under this title to health care in Veterans' Administration facilities or a member or former member of the Army, Navy, Air Force, or Marine Corps who is entitled to medical and dental care under section 1074 of title 10.

"(3) The term 'providing agency' means the Veterans' Administration or the Department of Defense.

(4) The term primary beneficiary', with respect to the Veterans' Administration, means a veteran who is entitled under this title to health care in Veterans' Administration facilities, and, with respect to the Department of Defense, means a member or former member of the Army, Navy, Air Force, or Marine Corps who is entitled to medical and dental care under section 1074 of title 10.

"(5) The term 'medical resource' means medical care resources and medical care support resources.

"(g)(1) Notwithstanding any other provision of this title, during a period of war, or a period of national emergency declared by the President or the Congress which involves the use of the Armed Forces of the United States in armed conflict, the Administrator, when authorized to do so by the President, may give a higher priority to the furnishing of hospital care, nursing home care, and medical services under chapter 17 of this title to members of the Armed Forces on active duty, as authorized by this section, than to any other group of persons eligible for such care and services with the exception of veterans with service-connected disabilities.

"(2)(A) The Administrator may contract with private facilities for the provision by such facilities of hospital care and medical service described in subparagraph (B) of this paragraph during a period described in paragraph (1) of this subsection in which the President has authorized the Veterans' Administration to furnish priority medical care and services to members of the Armed Forces on active duty.

"(B) Hospital care and medical services referred to in subparagraph (A) of this paragraph are—

"(i) hospital care needed to treat a condition for which a veteran is receiving medical services under subsection (f) or (g) of section 612 of this title, in any case in which delay in furnishing such hospital care would, in the judgment of the Administrator, be likely to result in deterioration of that condition; and

"(ii) hospital care or medical services for the treatment of a medical emergency which poses a serious threat to the life or health of a veteran eligible for such care or services under chapter 17 of this title, if Veterans' Administration facilities are not capable of furnishing the care or services required because of the furnishing of care and services to members of the Armed Forces under paragraph (1) of this subsection.

"(C) The Administrator shall prescribe regulations to govern contracting under this paragraph.

"(D) The authority of the Administrator to enter into contracts under this paragraph is subject to the availability of appropriations for that purpose.

"(3) The cost of any care or service provided by the Veterans' Administration under paragraph (1) of this subsection shall be reimbursed to the Veterans' Administration by the Department of Defense at such rates as may be agreed upon by the Administrator and the Secretary of Defense and are based on the cost of the care or service provided. Amounts received under this paragraph shall be credited to appropriations available to the Veterans' Administration facility which provided the care or service.

"(4) The Administrator and the Secretary of Defense may, without further review of such requests within the executive branch, submit requests to Congress (A) for relief from applicable personnel ceilings or other administrative restrictions, when such relief is needed in order to carry out this subsection, or (B) for appropriations to carry out this subsection.

"(5) Within 30 days after an authorization by the President under paragraph (1) of this subsection for the Veterans' Administration to provide priority hospital care and services to members of the Armed Forces on active duty (or as soon after the end of such thirty-day period as is reasonably practicable), the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report of the Administrator's plan for the allocation of facilities and personnel in order to provide such care and services.

"(6) During a period of war or national emergency described in paragraph (1) of this subsection, the Secretary of the military department concerned, upon the recommendation of the Administrator, may relieve any officer or employee of the Veterans' Administration whose duties concern the furnishing of care and services under chapter 17 of this title from any obligation to perform active military service which such officer or employee would otherwise be required to perform.".

(c)(1) The heading of such section is amended to read as follows:

"§ 5011. Sharing of Veterans' Administration and Armed Forces facilities".

(2) The item relating to such section in the table of sections at the beginning of chapter 81 is amended to read as follows:

"5011. Sharing of Veterans' Administration and Armed Forces facilities.".

(d) The Administrator of Veterans' Affairs shall enter into an agreement with the Secretary of Defense not later than one hundred and eighty days after the date of the enactment of this Act under which the Administrator and the Secretary shall agree to pursue planning activities and to establish procedures and guidelines under which subsection (g) of section 5011 of title 38, United States Code, as added by subsection (b), may be carried out.

FOOD STAMP ACT OF 1981

AMENDMENT NO. 63

(Ordered to be printed.)

Mr. SYMMS proposed an amendment to the bill (S. 1007) to amend the Food Stamp Act of 1977 to restrain food stamp program spending, to increase State agency flexibility, to focus benefits toward the most needy, to extend appropriations authority, to amend the Agriculture and Consumer Protection Act of 1973, and to extend and improve the commodity distribution programs, and for other purposes.

AMENDMENT NO. 64

(Ordered to be printed.)

Mr. HELMS proposed an amendment to the bill S. 1007, supra.

NOTICES OF HEARING

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, I wish to announce that the Committee on Rules and Administration will hold a business meeting to consider various legislative and administrative items on Friday, June 12, 1981. The meeting will take place in room 301, Russell Senate Office Building at 10:30 a.m.

COMMITTEE ON THE BUDGET

Mr. DOMENICI. Mr. President, the Senate Budget Committee will meet on Friday, June 12, 1981, at 11 a.m. in room 6202 of the Dirksen Senate Office Building to compile and report an omnibus reconciliation bill.

SUBCOMMITTEE ON RURAL DEVELOPMENT, OVERSIGHT AND INVESTIGATIONS

Mr. ANDREWS. Mr. President, as chairman of the Senate Agriculture Subcommittee on Rural Development, Oversight, and Investigations, I wish to announce that hearings have been scheduled to review what the energy needs of agriculture, rural America, and the food and fiber processing industry would be in times of energy shortages. Currently, the Emergency Petroleum Allocation Act which expires in September contains provisions for agricultural priorities, and these oversight hearings will aid in determining what new authorities should be enacted to insure that the energy needs of agribusiness are met.

The hearings will be held on Tuesday, June 16, and Thursday, June 18, beginning at 9:30 a.m. in room 324, Russell Building. Officials of the U.S. Department of Agriculture and the U.S. Department of Energy have been invited to testify on June 16. Representatives of farm organizations, cooperatives, and the food processing industry have also been invited to testify.

Anyone wishing further information should contact Denise Alexander of the Agriculture Committee staff at 224–0014.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Committee on Energy and Natural Resources.

On Tuesday, June 16, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building, the committee will hold a hearing to consider the following nominations: Daniel N. Miller, Jr., of Wyoming, to be an Assistant Secretary of the Interior for Energy and Minerals; Richard Mulberry, of Texas, to be Inspector General, Department of the Interior; Shelby T. Brewer, of Maryland, to be an Assistant Secretary of Energy for Nuclear Energy; and J. Erich Evered, of Nevada, to be Administrator, Energy Information Administration.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding this hearing, you may wish to contact Mr. Charles Trabandt of the committee staff at 224–7141.

SUBCOMMITTEE ON PUBLIC LANDS AND RESERVED WATER

Mr. WALLOP. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of public hearings before the Subcommittee on Public Lands and Reserved Water.

On Wednesday, June 17, beginning at 10 a.m., the subcommittee will hold a

hearing on S. 842, the RARE II Review Act. Testimony will be received from the Honorable GARY HART, of Colorado; Max Peterson, Chief, U.S. Forest Service; John B. Crowell, Assistant Secretary for Natural Resources and Environment, Department of Agriculture; and representatives of the American Forestry Association, the Society of American Foresters, the National Audubon Society, the Sierra Club, the Wilderness Society, the National Forest Products Association, the American Recreation Coalition, the Independent Petroleum Association of America, and the National Cattleman's Association.

On Wednesday, June 24, beginning at 10 a.m., the subcommittee will hold a hearing on S. 146, S. 187, S. 188, S. 512, S. 634, S. 656, S. 763, S. 764, and S. 794, bills which include miscellaneous land conveyances, studies, boundary changes, and exchanges.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Subcommittee on Public Lands and Reserved Water, Committee on Energy and Natural Resources, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

The subcommittee will hold workshops on the issue of public land acquisition and alternatives on Thursday, July 9 and Friday, July 10, beginning at 10 a.m.

All of the above-mentioned meetings will be held in room 3110 of the Dirksen Senate Office Building.

For further information regarding these meetings, you may wish to contact Mr. Tony Bevinetto of the subcommittee staff at 224–5161.

SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES

Mr. WARNER. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of public hearings before the Subcommittee on Energy and Mineral Resources.

On Friday, June 12, beginning at 2 p.m. in room 6226 of the Dirksen Senate Office Building, the subcommittee will hold a hearing on S. 1343, a bill to amend the Energy Policy and Conservation Act to modify the oil acquisition program of the strategic petroleum reserve in order to decrease the cost of acquisition to the Government for oil to be stored in the reserve, and for other purposes.

On Thursday, June 25, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building, the subcommittee will hold a hearing on S. 859, to amend the mineral leasing laws of the United States to provide for uniform treatment of certain receipts under such laws, and for other purposes.

On Wednesday, July 8, beginning at 9:30 a.m. in room 3110 of the Dirksen Senate Office Building, the subcommittee will hold a hearing on S. 1073, to amend section 21 of the Mineral Leasing Act of 1920.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Subcommittee on Energy and Mineral Resources, Committee on Energy and Natural Resources, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding these hearings, you may wish to contact Mr. Roger Sindelar of the subcommittee staff at 224–4236.

AUTHORITY FOR COMMITTEES TO MEET

SELECT COMMITTEE ON INTELLIGENCE

Mr. BAKER. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, June 9, to receive a briefing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, June 11, to receive a briefing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate today at 2 p.m. to consider the Clean Air Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Tuesday, June 9, to mark up the budget reconciliation legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Wednesday, June 10, to hold hearings on Federal aid to highways legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Tuesday, June 9, to consider S. 1120, the Waste Fraud, and Reduction Act of 1981.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. BAKER. Mr. President, I ask unanimous consent for the Committee on the Judiciary to meet in executive session during the session of the Senate today to consider budget reconciliation matters with respect to S. 951. Department of Justice authorization.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Judiciary Committee be authorized to meet during the session of the Senate on Tuesday, June 9, at 3 p.m., to consider death penalty legislation and committee nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON WATER RESOURCES

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Water Resources of the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Friday, June 12 at 2 p.m., to consider national water resources policy.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON TRANSPORTATION

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Transportation of the Committee on Environment and Public Works be authorized to meet on Wednesday, June 10 at 2 p.m., to consider highway legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

CONGRATULATIONS TO MARILYN COURTOT ON APPOINTMENT AS ASSISTANT SECRETARY OF THE SENATE

● Mr. PACKWOOD. Mr. President, I rise today to congratulate Marilyn Courtot on her appointment as the Assistant Secretary of the Senate. Bill Hildenbrand is to be commended for his promotion of this recognized professional, who is widely known and respected throughout the Senate for her innovative efforts to modernize the operations of the Office of the Secretary, particularly by appropriate use of the technologies of automation and micrographics.

Marilyn comes to this position thoroughly prepared. While trained initially as a librarian, she entered the field of computer technology early in her career. She worked for a number of years at IBM as a computer programmer and later as a systems analyst. She was able to combine these backgrounds when she joined the staff of the Library of Congress in 1971. Soon she was detailed to the Senate Committee on Rules and Administration where she participated in the formation of the newly established Office of Public Records, assisted in the early development of the Senate's Micrographics Center, and designed a prototype records management system for Senate committees.

As a result of her efforts on these projects, Marilyn joined the staff of the Secretary of the Senate as Administrative Director in 1973 and in this capacity has continued her work to make the varied activities of this Office more efficient and responsive to the needs of the Senate. Her appointment as Assistant Secretary is based on this outstanding record of accomplishment.

In professional organizations Marilyn has also been quite active, earning particular recognition for her work in the field

of micrographics. A member of the National Micrographics Association since 1972, she currently serves on the board of directors and as treasurer for this association. She also has represented the Senate on several technical committees and at conferences both here and abroad and has received numerous awards.

In addition, she has helped to organize a number of conferences to promote greater appreciation and utilization of modern information technology; among such conferences have been those of the National Micrographics Association, the White House Conference on Libraries and Information Services, and the Federal Office Automation Conference. Marilyn also serves on a task force of the National Commission on Libraries and Information Sciences, as an editorial board member for the publication "Law and Computer Technology," and represents the U.S. Senate at meetings of the American National Standards Institute.

I personally am very pleased with this appointment and am confident that Marilyn Courtot's wide experience, dedicated service, and record of achievement will continue to benefit the Senate during her tenure as Assistant Secretary of the Senate.●

HIGH INTEREST RATES HURTING OUR ATTEMPT TO BALANCE THE BUDGET

● Mr. SASSER. Mr. President, rising interest rates are posing a serious problem for the American economy and our efforts to balance the Federal budget by 1984.

As the table attached to my statement indicates, we are consistently underestimating the interest rate outlays of the Federal budget.

The administration's March 1981 budget submission states that interest rate outlays in the 1981 budget will be $64.5 billion. In 1982, such outlays are estimated at $77.2 billion and they are estimated to rise to $82.5 billion by 1983.

These interest rate outlays are on the low side, Mr. President, due to the administration's unrealistic interest rate assumptions which have been rejected by the House and Senate Budget Committees. In the conference report on the first concurrent budget resolution, interest rate outlays are estimated to about $80 billion in 1981, nearly $86 billion in 1982, and about $90 billion in 1983.

And if we used interest rate projections offered by Senator HOLLINGS in the Senate Budget Committee markup on the first budget resolution, interest rate outlays could reach $100 billion by 1983. These projections were based on nonpartisan Congressional Budget Office economic assumptions.

The differences in these interest rate projections should cause us grave concern.

If interest rates do not drop as projected by the administration, interest rate outlays will be underestimated by as much as $45 billion between now and 1983.

This fact alone should draw the attention of the Congress to the need to get interest rates down as soon as possible.

The high level of interest rates prompted by the Federal Reserve Board's current monetary policies are having a major budgetary impact on our efforts to keep the budget under control. So in the months ahead let us carefully consider the impact of high interest rates, not only on the economy as a whole, but also on our efforts to bring in a balanced budget at the earliest possible date.

I submit for the RECORD a table reflecting "Comparative Interest Rate Outlay Projections for 1980–83."

COMPARATIVE INTEREST RATE OUTLAY PROJECTIONS, 1981–83

[Dollar amounts in billions]

Source of estimate	Fiscal year interest, 1981	Rate outlay estimate, 1982	1983
President Reagan's budget submission for March 1981	$64.5	$77.2	$82.5
House Budget Committee, First Concurrent Budget Resolution	79.0	81.8	83.6
Senate Budget Committee, First Concurrent Budget Resolution	79.5	89.5	93.7
Conference report on First Concurrent Budget Resolution	79.5	85.7	90.2
Senator Hollings' reestimates based on Economic Assumptions	79.1	92.1	99.1
Difference between administration estimate and the Hollings interest rate estimates based on CBO economic assumptions	[1] −14.6	[1] −14.9	[1] −16.6

[1] Underestimate. ●

LEFTIST TERRORISM IN EL SALVADOR

● Mr. JEPSEN. Mr. President during the period October 1979 to the present, the five guerrilla groups which now comprise the Farabundo Marti National Liberation Front (FMLN), whose actions are coordinated by an executive board called the United Revolutionary Directorate (DRU), have been responsible for thousands of violent deaths in El Salvador. Not only have they killed members of El Salvador's army and security forces, but they have carried out "executions" of peasants who cooperate with the government in land reform or who refuse to collaborate with the guerrillas. They have killed bus drivers, businessmen, civilian government officials, and foreign diplomats. Juan Chacon, a leader of one of the five guerrilla groups, announced in a public statement in Managua on July 19, 1930, that his group alone had inflicted over 2,000 casualties on the government side since January 1, 1980. Each week the guerrillas carry out bombings, occupations of farms, villages and buildings, kidnapings and assassinations, as well as coordinated attacks on military outposts and patrols. Since the failure of their "final offensive" in January 1981 they have sought to destroy the country's infrastructure by bombing electrical installations, bridges, and communications facilities.

The following list is a compilation of specifically attributable violent acts carried out by the left primarily against the noncombatant civilian population. It is illustrative, rather than comprehensive, but it clearly is representative of the violence that characterizes leftist subversion in El Salvador today.

1979

October 16 (one day after the coup)—Leftist members of ERP took over with machine guns the suburb of Mejicano, encouraging people to armed insurrection.

November 30—San Francisco, Morazan—Justice of the Peace assassinated.

November 30—San Esteban, Catarina—Citizen shot during occupation of village.

December 6—Entre Rios—Crop dusting airport attacked. Planes destroyed, watchman killed.

December 14—Nejapa—fifty guerrillas seize town, take hostages. Mayor assassinated.

December 14—San Salvador—Businessman assassinated.

1980

January 10—Chalatenango—guerrillas take village on or about December 26, 1979—assassinating seven.

March 26—San Salvador and other locations—40 bombs planted around country in banks and other buildings—three killed.

March 30—San Salvador—leftists disrupt funeral of Archbishop Romero by firing into crowd—27 killed.

April 8—El Carmen, Cuscatlan—seven members of four families shot for not cooperating in subversive activities.

April 18—San Salvador—left violence associated with agrarian reform: 125 peasants killed in two weeks. Other attacks: two assassinations of agrarian reform administrators, four bombings of property, and an attack on security forces guarding one farm.

April 22—San Salvador—Guatemalan Ambassador wounded in assassination attempt.

May 15—San Salvador—Responsibility claimed for 23 violent acts, including assassinations, from April 26 to May 5.

June 11—San Salvador—Nine Christian Democrats assassinated during one week.

June 20—San Salvador—Assassination of two prominent Salvadoran businessmen.

June 24—San Salvador—FARN issued a list of 215 persons which it plans to kill. List includes present and former government officials as well as private citizens.

June 25—San Francisco, Morazan—ANTEL (National Telephone Company) bombed—two killed.

June 26—San Salvador—Two-day general strike. Thirty-five killed, work slowed because of intimidation.

July 2—Llano del Espino, Usulatan—two teachers assassinated.

July 11—San Salvador—100 people occupy Costa Rican Embassy—guard killed.

August 7—Some 1,000 people have fled their homes in Usulatan Department due to guerrilla actions. The FMLN forces have killed some 15 members of the canton patrols.

August 13—A dynamite blast destroyed the office of the mayor in Antiguo Cuscatlan 6 km. southwest of San Salvador.

August 13—Some 160 men in Chalatenango Department stopped buses and kidnapped two relatives of former President Romero.

August 17—Archbishop Rivera criticizes the FPL for the murder of Eduardo Guirola, an industrialist who was kidnapped by the FPL, when his family could not pay the ransom.

August 30—ERP claims 167 operations from August 8 to 15.

September 9—60 peasants executed in San Pedro Perulapan "when they were shot by guerrillas who had held summary trials after charging the peasants with being collaborators of the government."

September 9—30 killed in cantons of Tecoluca, La Esperanza, El Rodeo, and San Francisco, in San Pedro Perulapan Department. The victims were members of the canton patrols.

September 16—ERP claims it conducted the rocket attack on the U.S. Embassy.

September 18—FDR occupies OAS office in San Salvador, holds 12 hostage.

September 20—Extremists were reported to have tried to take over the town of Jutiapa (Cabanas) leaving twelve of the invaders and three townspeople dead.

September 23—Guerrillas entered the town of Guazapa and attacked a restaurant where they killed the owner and stole 4,000 Colones; four guerrillas, one policeman, one watchman, one Treasury Police Inspector, and the restaurant owner were reported killed.

September 23—News reports indicated that workers on coffee farms near Santiago de Maria (Usulutan) have been intimidated by members of guerrilla groups who have threatened the workers with death if they continue working.

September 29—In Chalchuapa (San Miguel) a group of armed individuals sought to take over the central market to divert attention from a second group that was robbing a bank; four people died in the incident.

October 2—Armed men entered Canton Ajilico, set fire to twelve houses and killed one townsman.

October 4—A thirteen-year-old girl was killed in Canton Carolina, Jutiapa (Cabanas) during an attack by guerrillas on the houses of the Cantonal Commander and of a member of the local militia.

October 9—FPL takes credit for the kidnapping and execution of South African Ambassador Archibald Dunn.

October 10—FPL claims the right not to release Ambassador Dunn's body.

October 10—Elements who identified themselves as members of the FPL assassinated Melvin Rigoberto Orellana, secretary of the Executive Committee of the Salvadoran Christian Democratic Party (PDC).

October 14—A group dressed in olive drab and with their faces covered assaulted a bus near Canton Cuchillas, Santiago and Texacuangos (San Salvador) and killed both the driver and the fare collector.

October 14—A group of guerrillas killed a resident of Canton La Herradura (La Paz) in addition to pillaging and vandalizing the town.

October 15—A guerrilla group ambushed a bus near Sonconate setting it afire after forcing the passengers off the bus and robbing them.

October 16—Guerrillas killed three people and injured five others during a raid against the Hacienda La Canoa near Jiquilisco (Usulutan).

October 19—FARN claims responsibility for bombs that rocked the city during the previous night.

October 19—Guerrillas invaded Canton El Paraiso (San Vicente), killing one resident and damaging several houses.

October 20—The Police Chief of Ahuachapan was killed by a group that attacked his car on the road between Santa Ana and San Salvador.

October 21—FMLN claims credit for sabotage against electrical transmission lines, attacks on military posts and other terrorist activities.

October 21—In San Miguel a group reported to be guerrillas entered the house of a miller, forced him and his family outside, set fire to their house and then killed the miller.

October 21—Near Armenia (Sonsonate) three men were found dead with notices claiming they were executed for treason to the FPL (Popular Forces of Liberation).

October 22—The Mayor of San Isidro (Chalatenango) was found dead; he had been kidnapped four days earlier by a heavily armed group.

October 26—Guerrillas machine-gunned a bus in Chalatenango, causing the deaths of two people and injuring seven others.

October 28—The army has reported that fifty persons, relatives of members of the rural military patrol, have been killed in the past few hours in the rural areas of the country.

October 28—A group of about fifteen guerrillas took over Canton Sitio Viejo near Ilobasco (Cabanas) and killed sixteen residents, many of them members of the town's civilian militia.

October 30—Heavily armed men stopped a train in El Cedral, robbed the passengers, and set fire to engine, and one car.

October 31—FMLN announces that guerrilla forces will be sabotaging all public transportation vehicles circulating in San Salvador and in the rest of the country.

October 31—A group of nine road workers and watchmen were killed by guerrillas near Las Viboras on the road to Suchitoto (Cuscatlan).

November 3—The manager of the International Fair, Manual Rivas Rodriguez, was assassinated in San Salvador by a group which included two women. Rivas' wife died later from wounds suffered in the incident. The Popular Liberation Forces (FPL) claimed responsibility for the assassinations.

November 4—FMLN claims credit for the attack which killed Manuel Rivas Rodriguez, manager of the Ninth International Fair, his wife, and an unnamed manager of the Nacional Financiera Bank.

November 6—The owner of Muebles Imperio, Gerardo Castro Linares, was assassinated and two relatives injured as the three drove along a San Salvador street. The assassination of Castro as well as the destruction of his business were carried out because of his refusal to end his participation in the International Fair.

November 7—75 leftists launched the latest attack in Santa Ana in which eight persons died including one nine-year-old boy and two adults who were killed by a rocket that hit their house.

November 7—Dr. Efrain Jovel, the Legal Advisor to the Green Cross and a former Juvenile Court Judge, was assassinated in his car in San Salvador. A sign accusing Jovel of being an enemy of the working class and signed by the FPL (Popular Liberation Forces) was reported to have been found at the scene.

November 11—FPL members entered the offices of the Mayor of Sacacoyo (La Libertad) and, on not finding the Mayor, opted to kidnap his eighteen-year-old assistant.

November 14—According to Monsignor Rivera y Damas, a group of guerrillas entered the town of San Esteban Catarina (San Vicente), kidnapped a group of farmers and killed them.

November 16—One woman was killed and two children injured when a truck carrying members of the Civil Defense Committee for San Cayetano Istepeque (San Vicente) was attacked.

November 16—Colonel Carlos Choto, his wife and two children were burned to death inside their house in San Salvador suburb after a group of about twenty guerrillas, among them several women, attacked their house with weapons and fire and incendiary bombs.

November 18—Guerrillas fired and hurled bombs at a bus travelling near Sensuntepeque (Cabanas) killing one passenger and injuring two others.

December 1—A bus travelling from San Salvador to Suchitoto was assaulted by guerrillas who robbed the driver and then shot him. The guerrillas left pamphlets claiming that there would be other acts in vengeance for the killings of the FDR leaders on November 27.

December 9—In San Salvador Dr. Victor Manuel Moreno, ex-President of INPEP, was abducted by a group of armed men while leaving his house. The newspaper Diario del Mundo received a telephone call attributing the action to the Central Guerrilla Command.

December 12—In San Salvador two British citizens were attacked by unknown gunmen on the street. One of the British subjects was wounded.

1981

January 12—South African reporter Ian Mates was killed and two Americans were wounded when their car struck a leftist land mine near Aguilares, north of the capital.

January 31—A bomb was rolled down a corridor of the Apopa (San Salvador) City Hall; the subsequent explosion injured three municipal police and damaged the building.

February 20—A group of terrorists fleeing from a failed attempt to destroy an electrical installation entered the Tinetti Market, killed one vendor and injured several others.

February 27—At least five people were killed when a bomb exploded at the Ministry of Labor in San Salvador.

March 1—A truck carrying water to Suchitoto (Cuscatlan) was attacked by guerrillas; the driver of the truck was killed in the incident.

March 15—FMLN members reportedly took over the Ana Guerra de Jesus neighborhood in San Vicente and held a meeting during which they warned residents that they would be executed if they did not participate in a takeover of San Vicente planned for the end of the month.

March 17—Guerrillas machinegunned a small truck near Tecapan (Usulutan), killing the driver.

March 23—Guerrillas dressed in olive drab were engaged in stopping buses near San Lorenzo and San Esteban Catarina (San Vicente). They exacted "voluntary contributions" from the passengers and kidnapped a National Guardsman who was on board one bus.

March 25—Six people were injured when a bomb exploded in a Santa Ana roller skating rink.

March 25—Guerrillas attacked a group of peasants working near Canton Coyolito (Cuscatlan). One soldier defending the peasants was injured.

March 26—A car containing bombs and arms in addition to three people exploded on a San Salvador street, killing the three plus a fourth man who was riding past on a motorcycle.

March 27—A powerful car bomb exploded in the San Benito section of San Salvador killing two women who were waiting for a bus and injuring several others. Reportedly the bomb was intended to kill JRG President Duarte, whose car was soon to pass that point.

March 28—Guerrillas dressed in olive drab were engaged in stopping and robbing the occupants of vehicles on the coast ("Litoral") highway near Tepecoyo (La Paz).

March 30—Guerrillas exploded a bomb on a road near Sensuntepeque (Cabanas) and then machinegunned a truck, killing one fourteen year old.

March 30—Guerrillas entered the town of Nuevo Eden de San Juan (San Miguel) and shot the postmaster.

April 6—A bomb exploded at the home of a Justice of the Supreme Court, Rafael Rodriguez.

April 8—Guerrillas killed the owner and injured the driver of a fuel tanker truck near La Riena (Chalatenango).

April 11—Two people were injured when terrorist blew up the Astor Theater.

April 12—Guerrillas took Caserio Guarnesia near Texistepeque (Santa Ana) and shot one resident who refused to cooperate in giving them food and funds.

April 12—Guerrillas reportedly attacked a civil defense patrol in Canton El Chile, San Juan Nonualco (La Paz) and killed five patrol members.

April 12—Guerrillas reportedly killed two members of the civil defense group in Canton La Esperanza (San Vicente).

April 27—The clandestine Popular Liberation Forces (FPL) today claimed responsibility for the deaths of nine civilian patrol members, the destruction of the communications office and the garrison and the occupation of the Village of Nuevo Eden de San Juan, east of San Salvador.

April 28—Guerrillas invaded Canton Potrero Batres, San Isidro (Cabanas) killed three inhabitants and injured three others.

April 28—Guerrillas assassinate Dr. Carlos Alberto Hidalgo, President of National Lottery and labor leader. Guerrillas stopped his car and shot him four times in the chest.

April 29—Carlos Hidalgo Cuellar, the President of the National Lottery, was assassinated in Mejicanos (San Salvador). The FPL claimed responsibility for the crime, justifying it on the basis that Hidalgo was a dissident Marxist.

April 29—Machine gun toting assailants stole a taxi from its driver near the San Salvador Civic Center. The driver called for assistance from nearby colleagues; their pursuit ended when the assailant machine gunned them, killing one.

April 29—Guerrillas engaged stopping and robbing motorist on the road to Verapaz (San Vicente), shot and killed one victim who refused to cooperate.

April 30—Assailants set fire to the Prensa Grafica newspaper distributorship in Santa Ana. Two people (including one arsonist) suffered gasoline burns and one man was shot by the departing visitors.

April 30—A San Salvador supermarket was bombed.

April 30—One member of the Civil Defense Committee in Canton El Chile, Zacatecoluca was killed by a group of guerrilla attackers.

May 1—Seven people were killed and four injured by a terrorist bomb explosion on the road linking Cinquera (Cuscatlan) and Suchitoto (Cabanas). The dead and injured were part of a group which had refused to join the guerrillas.

May 3—Jose Ernesto Medrano, son of retired General Jose Medrano, was gunned down by leftist terrorist as he was entering a Baptist Church in San Salvador.

May 3—Two people were killed when guerrillas attacked a group of farm workers on the Guajoyo Hacienda in San Vicente.

May 5—A 73-year old lawyer, Jose Valentin Jaimes, was shot to death by hooded men in his office in San Salvador. He was a former judge and legal adviser of the security forces.

May 5—Antonio Fausto Nativi, Justice of the Peace of San Jorge, was shot to death while at home with his family. A group comprised of about 15 or 20 hooded and heavily armed men arrived in his house demanding that Nativi give them his weapons and cash.

May 6—One bomb exploded inside a car near the University of El Salvador and killed three people, two of which have been identified.

May 6—Three people were wounded in a shootout and a bomb explosion on Independence Avenue in Sal Salvador.

May 7—Individuals in a taxi shot to death Hector Manuel Tovar Duque, a 36-year old bus driver, in front of the San Salvador maternity hospital.

May 7—In Santa Ana, 24-year old businesswomen Maria Luisa Quintana was shot to death while alone at home.

May 7—Guerrillas assassinated two peasants and injured three others in Canton El Paraiso near Jiquilisco (Usulutan).

May 8—Carlos Roberto Martinez Guerra was shot to death near Santa Elena after being taken off a bus on the road to Jacuapa by several unidentified men.

May 8—Five individuals who identified themselves as members of a subversive organization killed Ignacio Fuentes, Mayor of Dulce Nombre de Maria, in Chalatenango.

May 10—FMLN guerrillas occupied San Emilio Canton in Tecoluca and held a meeting to ask the townspeople to join their ranks. Afterwards, they kidnapped two members of the town's Civil Defense Force from their homes.

May 11—The body of Carlos Barrientos, a well-known Santa Ana businessman, was found 8 days after his kidnapping.

May 11—Several youths were hanged by terrorists in San Jose, Las Flores, Chalatenango.

May 12—Guerrillas stopped a bus near San Sebastian (San Vicente), robbed the passengers, and kidnapped one lady bus rider.

May 13—In a Villa Victoria town, a group of civilian patrolmen who were patrolling the area clashed with guerrillas from nearby camps. In the clash, one women who assisted the patrolmen was seriously wounded and four patrolmen were killed.

May 13—In Verapaz, San Vicente, the Civil Defense Headquarters was attacked by the guerrillas and two patrolmen were killed.

May 14—Elvira Guadalupe Campos Guerra, a social worker, was kidnapped by unidentified persons who forcibly removed her from her place of work in the Atlacatl neighborhood. The victim is the sister of Col. Napoleon Armando Guerra, who is Salvadoran Ambassador to Israel.●

REPEAL OF THE INDUSTRIAL COST EXCLUSION PROVISION OF THE CLEAN WATER ACT

● Mr. MOYNIHAN. Mr. President, last Thursday, I introduced with Senators D'AMATO and WILLIAMS a bill to repeal a provision of the Clean Water Act known as industrial cost exclusion. This provision was added to the act last year to replace industrial cost recovery, the first and wholly unsuccessful attempt by Congress to place industrial users of public treatment works in a different category from commercial and residential users of such treatment works.

The short history of industrial cost exclusion, or ICE, suggests that unanticipated consequences will negate any savings that might have accrued from the exclusion of industry's share of the costs of a public treatment plant. In public works, a delay in construction during times of high inflation can have a devastating effect on the viability of the plant. Furthermore, the patronage by industry of many of these municipal plants permitted smaller communities in particular to achieve economies of scale which would benefit their residential users. As EPA estimated, the average non-Federal share in an affected community will increase by 60 percent as a consequence of ICE.

Although some industrial waste may contain toxics or other hazardous substances, the bulk of industrial waste can be safely and effectively treated by public facilities. Some pretreatment will still be necessary in particular cases.

While the entire construction grant program is being cut back, it is understandable that some may view industrial cost exclusion as a means to reduce the Federal Government's exposure to future costs. But if the administration's goal is improved water quality, then ICE is an arbitrary means to subvert that goal by delaying the implementation of many treatment facilities throughout the country, particularly those in smaller communities who depend on their industrial users to pay their share of local costs through taxes and user fees.

Had the thrust of the construction grant program not been to centralize treatment facilities and encourage industrial participation in such facilities, my view of the Federal subsidy for industry's water pollution control may have been different. But we are not at the beginning of the program. Indeed, I would hope that we are no less than the middle of it. Now is not the time to inject but a new and potentially costly element to a Federal program I am sure most States and localities wish they would have never seen.

Support for repeal of ICE is broad and includes: The National League of Cities, the National Association of Counties, the Association of Metropolitan Sewerage Agencies, the Water Pollution Control Federation, and the U.S. Chamber of Commerce.

We have introduced the repeal of ICE in two forms: A separate bill S. 1328 as passed by the House of Representatives on May 28, 1981; and an amendment to S. 1274, a bill to amend the entire title II program introduced by Senator JOHN CHAFEE. I would be satisfied if the repeal were to pass in either form by the Senate. Following the Environmental Pollution Subcommittee's hearing on industrial cost exclusion on June 24, 1981, I would hope that consideration of the repeal would follow soon after.●

REGIONAL DISPARITIES ON THE BUDGET

● Mr. RIEGLE. Mr. President, while I have supported the overall restraint in Federal spending being proposed, I have expressed that these restraints should be fair and equitable across regions of our country and sections of our economy. A recent study by the University of Michigan indicates that the budget that is before the Congress could have an adverse impact on the Midwest and is not neutral as is being contended by OMB Director David Stockman. This study by the University of Michigan is graphic evidence of the imbalance, and I submit for printing in the RECORD a news release describing the major findings of the report.

The news release is as follows:

TAX CUT STUDY BY THE UNIVERSITY OF MICHIGAN

ANN ARBOR.—President Reagan's budget reductions will be twice as severe for states with declining economies as for the most rapidly-growing states, a University of Michigan study indicates.

"Because slow growth or declining states tend to be concentrated in the Northeast-Midwest area, there is a clear and severe regional bias to President Reagan's budgetary proposals," the U-M researchers conclude.

They indicate that the administration's budget proposals will have the biggest impact on the states least able to cope with them.

The analysis was conducted by the Center

for Political Studies in the U–M Institute for Social Research. Project director Thomas J. Anton was assisted by James Fossett, Kathryn Jones, Kevin Kramer and John Oppenheim.

The study reveals that although defense spending will increase in low-growth regions, the largest increases in defense expenditures will occur in high-growth areas such as the Pacific or South Atlantic states.

Furthermore, in low-growth states substantial increments in defense spending will be more than offset by very large reductions in spending for commerce and housing credit; education and training, and income security activities, the U–M researchers add.

"In comparison to President Carter's proposals," Prof. Anton explains, "the net loss will be very substantial for states suffering from low growth and high unemployment. Michigan will lose more than $2 billion. New York's loss will exceed $5 billion."

He estimates that "losses to low-growth states in capital infrastructure and social service programs will be proportionately more severe than total losses suffered by these states.

"The study of administration budget proposals for fiscal 1981 and 1982 indicates that in states composing the American Ruhr—New York, New Jersey, Pennsylvania, Ohio, Michigan, Indiana and Illinois—where population and job losses in recent years have created serious economic hardship, the reductions proposed by President Reagan will be particularly severe.

"To some extent the severity of Reagan's reductions in these states arises from proposed cuts in programs for which the location of expenditures is an important policy consideration—that is, grants to state and local governments for the provision of services or the construction and maintenance of capital infrastructure such as streets and sewers. Reductions in such programs, together with reductions in programs that are regionally neutral in intent but biased in impact, concentrate President Reagan's reductions in a few states rather than spreading those cuts evenly across the country.

"This clear imbalance in the distribution of budget reductions is likely to be accentuated by the inability of governments in slower-growing states to continue or replace the activities currently financed with federal funds.

"Governments in growing states, by contrast, are less likely to be affected by these reductions, both because they now receive fewer dollars from these programs and because they generally are under less financial pressure than governments in slower-growing states. Their potential loss is smaller and their ability to replace loss is greater.

"In short, the Reagan budget proposals will have their most substantial impacts on those states which are least able to cope with them. It is a program of focused inequity."

The U–M study, which focuses on changes in the amount of funds available for expenditure rather than actual levels of spending or outlays, details the regional impact this way:

In the Middle Atlantic and East North Central regions, which contain the slowest-growing states with the most severely-pressed governments (Michigan, New York, Pennsylvania, Indiana; Ohio, New Jersey and Illinois), "of the $53.6 billion in 1981–82 reductions in obligations or commitments, approximately $19.7 billion, or over 36 percent, will translate into reduced spending or lending in these two regions.

"By contrast, the Mountain and Pacific states (California, Arizona, Idaho, Utah, Montana and Washington) account for only 18.5 per cent of the proposed reductions. The three Southern regions (states of the old Confederacy, excluding the District of Columbia) are affected by approximately 34 per cent of the administration's proposed reductions for 1981 and 1982.

"In short, while the regional consequences of the administration's reductions are not as pronounced as some have argued, the impact of these proposed changes will be most severely felt in those regions that have experienced the most persistent economic decline and whose governments have experienced the most substantial difficulties in balancing their budgets."

The U–M study suggests that proposed reductions in (1) support for construction or maintenance of infrastructure and economic and community development and (2) support for social services "seem likely to widen the disparities in the relative levels of services and taxes between growing and declining states, since the slower-growing states are already levying taxes at higher rates than faster-growing states and have less taxable capacity than do more prosperous areas."

The report concludes: "Reductions in grant programs thus seem likely to exacerbate existing disparities between rich and poor states in the level of services they provide citizens relative to the taxes they levy. Much prior research has noted that major new investments in infrastructure such as sewers, roads, or bridges are required in declining states, and that governments in these states are responsible for providing education and other social services to relatively high concentrations of disadvantaged groups.

"By reducing levels of support for capital sepnding and social services most substantially in those states which have the least ability to replace these funds from their own resources, the administration's budget seems likely to exacerbate these disparities."●

SUPPORT URGED FOR DUARTE GOVERNMENT IN EL SALVADOR

● Mr. JEPSEN. Mr. President, lately there have been people in the street protesting the aid President Reagan has sent to the Government of El Salvador. The protesters do not believe that we should support a government that has committed some indefensible human rights violations.

I can understand why Americans would want to protest such human rights violations. But I have difficulty understanding why Americans do not protest with equal vigor the worse human rights violations and brutal terrorism committed by El Salvador's Communist led rebels.

The rebels have actually claimed credit for many of these acts. For instance on September 9, 1981. 60 peasants in San Pedro, Perulapan, El Salvador, were murdered by guerrillas who charged that the peasants were collaborating with the government. On May 1, 1981, seven people were killed and four injured by a terrorist bomb explosion on the road linking Cinquera and Suchitoto. The dead and injured had committed the great sin of refusing to join the guerrillas. Perhaps the most outrageous act occurred in December of 1979 when approximately 10,000 Salvadoran women participated in a peace march on the capital. They were demanding an end to terrorism. The rebels firebombed the peace marchers and at least seven were killed.

Mr. President, there have been hundreds of such incidents in El Salvador since the 1979 coup. The State Department has documented many of them. I would like this list inserted into the RECORD at the conclusion of my remarks. It is something that everyone who is helping make American policy in El Salvador should read.

Then they will be in a better position to contrast the bragging the rebels have done about their brutal crimes with the behavior of the Duarte government. Former U.S. Ambassador Robert White addressed this point in his New York Times interview of March 8, 1981:

> No leader of the leftist forces, whether it be (Dr.) Ungo or (Roman) Mayorga or (Hector) Oquili, has ever—and I have asked that they do so publicly—made any effort to stop the leftists from murdering, kidnapping (or) assassinating. The government of Napoleon Duarte (El Salvador's President), on the other hand, and many moderate military officers, have explicitly condemned the excesses of the security forces. They have tried and thrown out a large number of enlisted people and have transferred a number of officers out of the line of command.

Some people have argued that the killings perpetrated by the left and right in El Salvador are the inevitable consequence of a civil war in a society conditioned to violent political acts. These people also argue that if the Communist rebels win, conditions would improve. Human rights would be respected and the peasants would have land. That idealistic picture is absurd. As the Catholic Bishop of Salvador said in his homily of March 8, 1981, the rebels have "maximized their adherence to Marxism"—(Leninism). The Communist societies the rebels idolize (Russia or Cuba) have always shown blatant lack of concern for human rights. Their citizens continually abandon their friends, relatives and possessions in an effort to escape Communist rule. If El Salvador's Communist rebels came to power, could we rationally expect them to set up a government that differed dramatically from the governments of Russia or Cuba?

The answer is, of course, no. This is why the Communist rebels' promise of land for the peasants should not fool us. Such cries are nothing new in Communist revolutions. The Communist revolution in Russia, for example, was built around the slogan "Bread, Peace, Land." The word "land" meant that the Bolsheviks would give land to the peasants. They did this briefly but when the Communists had consolidated their power, then they began to confiscate farmland. In the process millions of Russian farmers were either murdered or forced to relocate in other parts of the Soviet Union.

This is not an irrelevant historical fact. A quick look at the Soviet and Cuban farm systems substantiates that point. Very little land in those countries is owned by those who farm it. We should not delude ourselves into thinking that farmers under an El Salvadoran Communist government would be treated any differently.

From a human rights perspective, the present Government of El Salvador offers the greatest hope for that country today. It is one of the reasons why we should support President Reagan's aid to that Government.

But the support of the Duarte government is important for other reasons as well. Countries all over the world are watching what the United States will do in El Salvador. If we do not fully support the Duarte government, the world will begin to doubt the value of American friendship. Other countries will reason that if we cannot help a centerist government in our own backyard, then we will not be able to protect our friends or our interests in other parts of the world either.

If that determination is ever made, we will lose our friends and our enemies will be tempted to move against American interests everywhere. We should not let our actions in El Salvador give them this encouragement.●

S. 1345—VETERANS' HEALTH CARE ACT OF 1981

● Mr. HEINZ. Mr. President, yesterday, as shown on page 11708 of the RECORD, I introduced the Veterans' Health Care Act of 1981. The text of the bill, which was not printed in yesterday's RECORD, is as follows:

S. 1345

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; AMENDMENTS TO TITLE 38, UNITED STATES CODE

SECTION 1. (a) This Act may be cited as the "Veterans' Health Care Act of 1981".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

MEDICAL CARE FOR VETERANS EXPOSED TO AGENT ORANGE

SEC. 2. Section 610(a) is amended—

(1) by striking out "and" at the end of clause (3);

(2) by redesignating clause (4) as clause (5); and

(3) by inserting after clause (3) the following new clause (4):

"(4) any veteran who served in the Republic of Vietnam during the Vietnam era if a physician employed by the Veteran's Administration (or, in areas where no such physician is available, by a physician carrying out such function under a contract or fee arrangement) determines that such hospital care is necessary for the treatment of a condition that may be associated with exposure while serving in the Republic of Vietnam to phenoxy herbicides and chemicals used as defoliants (including the defoliant commonly known as 'Agent Orange'); and".

EXTENSION OF VIETNAM-ERA VETERANS' READJUSTMENT COUNSELING PROGRAM

SEC. 3. Section 612A(a) is amended by striking out "or two years after the effective date of this section" and inserting in lieu thereof "or by September 30, 1984".

EXPANSION OF SCOPE OF AGENT ORANGE STUDY

SEC. 4. Paragraph (1) of section 307(a) of the Veterans Health Programs Extension and Improvement Act of 1979 (Public Law 96–151; 93 Stat. 1097) is amended to read as follows:

"(1)(A) The Administrator of Veterans' Affairs shall design a protocol for and conduct an epidemiological study of the long-term adverse health effects in humans of service in the Armed Forces of the United States in the Republic of Vietnam during the period of the Vietnam conflict as such health effects may result from exposure to phenoxy herbicides (including the herbicide known as Agent Orange) and the class of chemicals known as the dioxins produced during the manufacture of such herbicides. In conducting such study, the Administrator may include an evaluation of the adverse health effects in humans of such service as such health effects may result from other factors involved in such service, including exposure to other herbicides, chemicals, medications, or environmental hazards or conditions.

"(B) The Administrator shall also conduct a comprehensive review and scientific analysis of the literature covering other studies relating to whether there may be long-term adverse health effects in humans from exposure to phenoxy herbicides (including the herbicide known as Agent Orange) and the class of chemicals known as the dioxins produced during the manufacture of such herbicides. In conducting such review and analysis, the Administrator may include a review and analysis of the literature covering other studies relating to whether there may be long-term adverse health effects in humans from other factors involved in service in the Armed Forces of the United States in the Republic of Vietnam during the Vietnam conflict or in other comparable situations involving one or more of the factors described in the second sentence of subparagraph (A).".

EFFECTIVE DATES

SEC. 5. (a) The amendments made by sections 2 and 3, shall take effect on October 1, 1981.

(b) The amendment made by section 7(a) shall apply with respect to care and services furnished under chapter 17 of title 38, United States Code, on or after the date of the enactment of this Act.●

THE YAMAL NATURAL GAS PIPELINE PROJECT

● Mr. GARN. Mr. President, as my colleagues know, I have been involved for some time in the issue of high technology exports to the Soviet Union and its allies. I have expressed my concern that these exports have been detrimental to the security interests of the West. We and our allies have exported technology to the Soviets which have, in the final analysis, made a direct contribution to the military prowess and interventionist policies of the U.S.S.R.

At this time, the United States and its allies are facing a very serious policy question with respect to the proposed construction of the Soviet's Yamal natural gas pipeline. In this regard, I have received an advanced copy of a forthcoming article, "Soviet Enemy and the Future of the West," to be published in the journal, Policy Review, by the Heritage Foundation. The authors of this article, Messrs. Steven C. Goldman and Wayne A. Schroeder, have succeeded in articulating in a clear and forceful manner the critical security interests at stake in this matter, as well as some potential alternative to Western energy security.

Mr. President, I commend to my colleagues this inciteful analysis, and I ask that the article by Messrs. Goldman and Schroeder be printed in the RECORD.

The article is as follows:

SOVIET ENERGY AND THE FUTURE OF THE WEST [1]

(By Steven C. Goldman and Wayne A. Schroeder)

The United States and the Soviet Union are the two largest energy-producing and -consuming countries in the world. During the last decade, the U.S. witnessed a sharp decline in its relative energy position and became dangerously reliant upon foreign imports. This reliance has had profound political and economic implications and has made us thing of energy in strategic terms. During the 1970s, the Soviets did not experience severe domestic energy problems and remained major exporters of hydrocarbons.

In the upcoming decade, it appears that America's position will remain extremely precarious. But the U.S.S.R. will also begin to experience rapid deterioration of its energy position and it too will be confronted with severe strategic dilemmas. What are the dimensions of this Soviet energy crunch and what are its implications for the future of the West?

In April 1977, the CIA published a major report indicating that the U.S.S.R. was on the verge of a severe oil production crisis and that Soviet petroleum output will peak no later than the early 1980s.[2] Furthermore, the report projected that Soviet oil production would decline from a high of about 12 million barrels/day (MMB/D to 8–10 MMB/D by 1985.[3] Currently, the Soviet Union is the world's largest oil-producing country and has been able to maintain its goal of energy self-sufficiency while exporting to both Council of Mutual Economic Assistance (CMEA) partners and hard currency markets. The Soviet ability to accomplish these objectives would be severely constrained if worst-case projections regarding their petroleum industry were to hold true. A major oil production crisis in the U.S.S.R. would have the most profound consequences, because their coal industry is stagnant, their nuclear program is behind schedule, their renewables program (solar, geothermal, wind) is almost nil, and their only prospective bright spot is the gas industry.

It has been argued that the United States should be alarmed by this prospect for the following reasons:

(7) Soviet politico-military pressures on the Persian Gulf.—An energy-deficient U.S.S.R. might seek to solve its oil shortfall problems by applying increased pressure on the key producing countries in the Gulf, which could lead to direct Soviet military intervention.

(2) World oil market considerations.—Even assuming that Moscow refrains from using military force to obtain oil on concessionary terms, its entry into the world oil market would lead to general supply constraints and upward price pressures.

(3) Allied dependence on Soviet energy.—Our NATO allies are dependent upon Soviet oil and gas imports. In order to promote "strategic supply diversification" outside the Persian Gulf, they are seeking to expand greatly their energy relationship with the U.S.S.R. through the Yamal gas pipeline that will link the major gas fields of Northwest Siberia to Western Europe. Since the U.S. has no well articulated or reasonable energy alternatives to offer our allies, and since we support the concept of "strategic supply diversification," the prospect of a Soviet energy crunch is not comforting. Furthermore, it can be argued that the U.S.S.R. is a more reliable supplier than the Arab oil-producing countries because they have refrained from using the price/supply lever in a political context and have treated energy trade as a largely commercial exchange.

Accordingly, many Western experts have argued that the U.S. should sell energy production equipment and technology to the U.S.S.R. in order to help them develop their energy resources.[4] During the 1970s, Moscow imported large quantities of Western oil and gas production equipment, particularly during the latter half of the decade (see Table 1).[5]

Footnotes at end of article.

TABLE 1.—SOVIET IMPORTS OF WESTERN OIL AND GAS EXPLORATION AND EXTRACTION EQUIPMENT

[In millions of dollars]

	Purchases from the United States	Total purchases from the West
1972	4.6	19.4
1973	4.3	23.5
1974	.5	9.0
1975	49.5	150.1
1976	40.6	226.5
1977	29.3	121.0

Note: These figures do not include turnkey manufacturing equipment.

Source: Office of Technology Assessment, Technology and East/West Trade, p. 239.

There is no doubt that Western equipment and technology plays a key role in the Soviet energy sector. The U.S.S.R. is in need of Western assistance not only to search for new oil but also to maintain current production levels. Most U.S. oil and gas transfers were sales of priority equipment to be used primarily at mature producing fields.[6] Perhaps the most conspicuous energy technology transfer to the U.S.S.R. occurred in 1978 when the Carter administration approved the sale of a Dresser Industries turnkey drill bit factory. Once completed, this sophisticated factory will produce drill bits in sufficient quantity to insulate the U.S.S.R. from the necessity of making further drill bit purchases in Western markets.[7] More recently, the Carter administration signalled its support for the Soviet/West European gas pipeline by approving the sale of Caterpillar pipelayers to the U.S.S.R. for use on this project.[8] Despite the other competitive aspects of U.S./U.S.S.R. relations, it has been U.S policy to support energy development in the Soviet Union in the interest of preserving world peace and maintaining world energy security.

In implementing a liberal export control policy toward the U.S.S.R., American decision-makers uncritically accepted the notion that an energy-abundant Soviet Union is in our best interest. The U.S. has adopted this stance in large measure because American leaders underestimated the broad strategic and security problems associated with the growth of a Soviet energy giant. Unless a potential technology transfer had a direct input into the Soviet military machine, it was not considered as a strategic item. The following written exchange between Senator John Heinz (R-Pa) and former Under Secretary of Defense William Perry pursuant to the 1979 Senate Banking Committee Hearing illustrate this point vividly:

Senator HEINZ. In your view, would it be in the national interest of the United States to provide the technology necessary to facilitate the development of the energy resources of the Soviet Union, insofar as such technology would not have applicability to the military sphere. . . .

Under Secretary PERRY. . . . Strategically . . . , the debate is of limited importance. Substantial additions to Soviet oil production would not necessarily increase Soviet military capabilities directly . . . .[9]

The time has come for us to reconsider this interpretation of a critical issue and to subject the conventional wisdom to closer scrutiny. A multifaceted and compelling case can be made in favor of adopting a restrictive U.S. energy export control policy, and promoting different energy options for our European allies.

In the past, arguments made in favor of restricting U.S. energy exports to the U.S.S.R. have been articulated predominantly in terms of those exports' military utility to Moscow. While this argument indeed has substantial merit, it should be tied in with a series of corollary, supporting arguments concerning the credibility of the Western security guarantee for the Persian Gulf, the negative implications of having U.S. allies dependent upon Moscow for a major portion of their energy supplies, and possibilities for increasing U.S./West European energy cooperation. A macro-political/economic analysis of the strategic implications of energy technology transfer to the Soviet Union will demonstrate that it is in the national security interest of the United States and the West to constrain Soviet energy development during the coming decade while developing an alternative energy security program.

Footnotes at end of article.

HOW IMPORTANT IS SOVIET ENERGY?

Proponents of a liberal export policy maintain that the energy issue is of limited military/strategic importance because the Soviets will always give their defense industry top priority regardless of other considerations. There is no doubt that the Soviet Union considers military priorities before the needs of other sectors, and that the Kremlin has been willing to demand sacrifices from its consumers in order to satisfy the military's almost insatiable demands. However, there is no reason why the U.S. should make the Soviet resource allocation debate easier by selling equipment and technology that the U.S.S.R. has chosen not to develop.

Currently, the U.S.S.R. Defense Minister is in an excellent bureaucratic position to argue in favor of priority allocations of resources and personnel on the grounds that military hardware cannot be purchased in the West—oil/gas production and exploration equipment, on the other hand, is available to the Soviet Union in Western markets. Therefore, given the fact that there are more limited incentives for the Soviets to reallocate resources away from their military sector and into their energy sector, it can be expected that current trends will prevail.

The Soviets have historically been unwilling to reform their economic system to provide for indigenous technological innovation in the civilian sector. While Soviet basic science is quite good, the Soviet economic system, based upon overcentralization and the inefficient principles of socialist planning, has stifled technological innovation at the design and manufacturing stages. The U.S.S.R. has not devoted its limited quality controlled resources to peaceful purposes. They have instead sought out technology and equipment transfers from the West as "quick fixes" which can allow them to maintain current economic priorities and continue their military build-up.[10]

The release of Soviet resources for use in the military sector which otherwise could be tied up in civilian-oriented research and development is a profound consequence of past U.S. technology transfer policies in both the energy and industrial areas. As William T. Lee wrote in Soviet Defense Expenditures in an Era of SALT: Seldom, if ever, has a country been able as the Soviet Union has to persuade the countries against which most of its military build-up is directed to finance so much of it.[11]

U.S. export control policy should be reformulated to make the costs to Moscow for continuing this military build-up increasingly prohibitive. This is not to say that the military will not continue to have first call on Soviet economic resources. Rather, it is meant to force the Kremlin into making difficult judgments as to its long-term priorities. Diversion of Soviet resources toward indigenous energy research and development and away from military expenditure is the first element in this process. Restrictions on badly needed infusions of Western energy equipment and technology will have an impact on Soviet industrial development and overall economic growth. No prudent Soviet economic planner could afford to ignore the political consequences that static or negative economic growth would have on his own position within the Soviet bureaucratic hierarchy. While the Soviet military will continue to be the first priority in Soviet economic planning, it need not have so large or prominent a share. It is in the national security interests of the U.S. to retard the growth rate in Soviet military expenditure by the reasonable means that are available to us.

THE LURE OF THE PERSIAN GULF

The Soviet Union has had a traditional geopolitical interest in the Persian Gulf which transcends the current world energy crisis. Ever since the days of Peter the Great, Russia has sought access to warm water ports in that crossroads region. Given the growing importance of this area to Western economies in recent times, its strategic value to the Soviet Union has certainly increased. Indeed, the political and economic leverage that would be available to Moscow if they could control or "Finlandize" a key portion of the oil producing Near East could be substantial. U.S.S.R. dominance in that region would enable them to tear apart the Western alliance by having the U.S. and its allies compete for Soviet manipulated oil supplies. In short, the Soviets need no domestic energy crisis to be profoundly interested in this area. Although a domestic oil crunch may make the region marginally more attractive, the key issue regarding security of the Gulf must be seen in the context of the credibility of the Western deterrent and not in terms of energy equipment sales.

The Soviet Union has consistently sought to expand its power and influence in areas where Western resistance is perceived to be low and indigenous opposition to be relatively weak. Soviet penetration of the Near East and adjacent areas has been successful where the U.S./Western security network was insufficient. Recent examples include Angola, Afghanistan, Ethiopia, and South Yemen. However, Moscow has traditionally avoided a direct confrontation course with the U.S. or its allies in areas it knows we consider essential to our security—the areas they are fully persuaded we will defend.

Misunderstandings regarding our intentions have yielded sorry results in the past. The most noteworthy example is in the case of Korea when Secretary Acheson noted that the country was outside the U.S. defense perimeter. It did not take long for the Soviets to pick up on this mistake and ask their North Korean puppets to attack the South. Once the Soviets discovered that the U.S. was prepared to defend South Korea, they disassociated themselves from the conflict as quickly as possible and left Kim Il Sung and the Communist Chinese with the task of fighting the United States. On the other hand, incidences of firm U.S. resolve to prevent Soviet or proxy intervention have often been successful. The clearest recent example was in the 1973 October Middle East war when former President Nixon put U.S. military forces on worldwide alert given the prospect of a Soviet intervention. The purpose of the alert was served and the Soviets did not enter into the foray.

Given the strategic importance of the Near East, it is absolutely imperative that the U.S.S.R. does not get the false impression that the oil producing states are soft spots, ripe for probing. Selling the U.S.S.R. energy technology and equipment, with the hope that this may keep it stated, could actually give the Soviets the impression that we are unwilling or unable to defend our vital interests by other means.

U.S. efforts to extract a quid pro quo from Moscow in return for expanded trade and technology transfers have been unsuccessful. This approach has not served to promote East-West interdependence nor has it served to moderate Soviet geopolitical behavior. Instead, we have witnessed a relentless Soviet

arms build-up, Soviet strategic penetration of the Near East and Africa as well as the invasion of Afghanistan. A U.S. decision to retain past export policies will only serve to convince the Kremlin that America is not serious about defending its position in the world when its security interests are threatened. Conversely, a change in our export policies would constitute a firm display of U.S. resolve. The Soviets have limped along under very unfavorable conditions in the past and can face an oil crisis at home if they are persuaded that the costs of imperialist policies in the Persian Gulf are higher than the costs of enduring an energy squeeze which many countries are facing.

APPROACHES TO OPEC

The U.S. should not mislead itself into believing that the oil producing states of the Persian Gulf have any affinity for us. However, rather than meekly accepting a subservient role and earning their contempt as so many Western leaders have done, it should be possible to deal with them on the basis of mutual self-interest: "the enemy of my enemy is my friend." For too long, Western leaders in general, and U.S. officials in particular, have adopted the attitude that the oil producers hold all the trump cards and that the West must passively accept its subordinate position, unable to influence circumstances or events. This attitude must change. It is imperative that the oil-consuming states of the West persuade the oil producing states of the Persian Gulf that cooperation is essential to withstand the common threat. In order to succeed in this diplomacy, we must adopt an activist posture.

First, we should emphasize to the oil producing states that the Soviet Union (whom many of them consider to be a loathsome "godless" regime) represents the chief threat to their security. Western nations have never interfered with their religious practices and have been paying fantastic oil bills without threats or coercion.

Second, we should emphasize that the U.S.S.R. has a strong interest in expanding its power in the region and is already taking advantage of every opening available. Unless the Western countries are able to increase their military deterrent in the region, the day may soon come when the Soviets will feel bold enough to attempt a direct intervention. As Soviet energy problems become more severe, the oil producing Persian Gulf will become an even more attractive target than it currently is. Once under Soviet domination, it will be virtually impossible for anyone to dislodge them. The Afghanistan experience should indeed be sobering.

Third, the Persian Gulf states cannot defend themselves against the U.S.S.R., regardless of the amount of military hardware the West may provide them. The Soviets would easily win any battle against Gulf oil-producing states fighting alone. The only way to deter the Soviet Union is to make it obvious that a confrontation in the Persian Gulf would involve the West.

Fourth, since the oil producing states need the West as much as we need them, it does not make sense for them to adopt pricing policies designed to bankrupt those who are protecting the area from Soviet intervention. If Western economies are in dire conditions, they will not be able to increase military budgets to the extent necessary to deter the looming Soviet threat. Therefore, pricing policies which will undermine Western economies do not serve the long term interests of the oil producing countries. Indeed, it is the health of the Western economies and our ability to pay that gives OPEC oil the value it currently commands.

WILL SOVIET SHORTAGES AFFECT WORLD MARKETS?

The impact of the coming Soviet oil production decline upon the world market should not be dismissed, but neither should it be overstated. The U.S.S.R.'s ability to make substantial oil purchases on the world market will be severely circumscribed because of hard currency shortages and limited quality products for barter. The Soviets will be compelled to cope with their oil problems by reducing their consumption growth and/or reducing exports to their CMEA clients. (By 1985, it can be expected that Soviet oil sales to hard currency markets will be severely curtailed or perhaps eliminated regardless of Western technology transfer policy. Therefore, the direct impact of a Soviet oil shortage on our allies who currently purchase U.S.S.R. petroleum should not be a consideration. Their dependence on Soviet oil will be minimal at that time.[12]

Almost half of Soviet hard currency earnings are currently generated by oil sales. In 1978, the U.S.S.R. sold 1.2 MMB/D for hard currency and received $5.7 billion of total earnings of $13.2 billion. In 1979, the U.S.S.R. reduced its oil sales for hard currency to under 1 MMB/D but increased its earnings to about $9 billion of a total of $19.5 billion receipts.[13] The U.S.S.R. was a price taker rather than a price setter and able to increase its profits due to OPEC price increases. Without this hard currency flow, Moscow's financial position would be severely strained. As they continue to experience problems in their oil industry, the Soviets will be forced to make very difficult allocation choices between domestic consumption, concessionary exports to CMEA partners and exports for hard currency. Under almost any reasonable U.S.S.R. oil production/consumption scenario for the coming decade, it seems clear that the U.S.S.R. will be compelled to phase out oil exports to the West because their domestic requirements and the minimum needs of their CMEA clients will have to come first. Without this hard currency flow, the U.S.S.R. will not be in a favorable position to purchase large quantities of OPEC oil at market prices. Although the Soviets profit from OPEC price increases today, the day will soon come when this will not be the case.

During the 1970s, the Soviet Union increased its oil consumption from 5.15 MMB/D to about 8.6 MMB/D and not once during this period did their annual consumption decline (see Table 2).[14] Since the Soviets do not have a significant private transportation sector (as we do in the United States), their discretionary use of oil is more limited, as is their potential for conservation. Indeed, oil has been primarily used to fuel the Soviet industrial base and provide for the almost theological principle of economic growth. During the 1980s, thes U.S.S.R. will not be able to continue the oil consumption trend established in the previous decade. (If they did, they would consume almost 11 MMB/D by 1985.) Given the limited oil output that they will have available domestically, coupled with their constrained hard currency position, it is quite possible that Soviet oil consumption will not increase at all during the 1980s. Such a scenario will help create substantial economic and social difficulties for the U.S.S.R., a prospect that is not inimical to Western interests.

SOVIET OIL PROSPECTS

The Five Year Plan for 1981–1985, which has recently been released, projects that U.S.S.R. oil production will increase from the present level of about 12.0 MMB/D to 12.4–12.8 MMB/D by 1985.[15] This projection indicates that the U.S.S.R. is expecting a significant deceleration of its oil production growth. (During the 1976–80 period, Soviet oil production increased from 10.39 MMB/D to the 1980 level of about 12 MMB/D.)[16] However, it should be pointed out that the Soviets have not had a good record in recent times of fulfilling their official oil targets. The 1980 target was originally pegged at 12.8 MMB/D but was revised downward to 12.1 MMB/D.[17]

During the next five years, many Western analysts believe that Soviet oil production will peak and possibly decline unless they quicky discover new fields near existing infrastructure. (Inexpensive and easily accessible sources West of the Urals are being rapidly depleted and the Soviets must now look to West Siberia to compensate for the declining output of other regions and provide additional increments to increase overall national production.)[18]

Although the U.S.S.R. may indeed have substantial additional oil resources in West Siberia and elsewhere, it seems likely that major new discoveries will be in permafrost regions and offshore areas. The Soviets have at times referred to Siberia as a "raft floating upon a sea of oil." However, even if this is the case, massive investments and huge front-end capital outlays will be required to exploit this elusive oil treasure chest. The long-term prospects for Soviet oil are uncertain. The prospects for the early and mid-1980s are not good.

TABLE 2

U.S.S.R. oil consumption

	Million b/d
1970	5.15
1971	5.46
1972	5.92
1973	6.33
1974	6.79
1975	7.20
1976	7.55
1977	7.9
1978	8.3
1979	8.6
1980 [a]	9.0

[a] Preliminary.

Source: CIA International Energy Statistical Review, March 31, 1981, p. 25.

If we assume that the upper range of the 1977 CIA oil estimate for the U.S.S.R. is accurate (10 MMB/D in 1985) and that the Soviets are able to hold oil consumption at 1980 levels (about 9 MMB/D), this would leave them with an export capacity of about 1 MMB/D. Given the high priority that the Kremlin places on the political reliability of its CMEA partners, most, if not all, of this excess would probably go to them. And this would represent a significant decline in level of oil deliveries the CMEA countries are currently obtaining from the U.S.S.R.[19] As former CIA Director Stansfield Turner noted, "There will be strong pressure to force Europe to share the oil shortage . . ."[20] Other plausible scenarios could be devised in which consumption/production patterns are marginally altered. But in any event, the Soviet oil picture is not bright. The prospects for Eastern Europe are even dimmer, because they are already oil importers.

As noted previously, we do not wish to completely dismiss the impact of the Soviet oil crisis upon the world market. Surely, the Soviets will seek to use their available financial resources to purchase petroleum if the crunch becomes extreme. They will no doubt seek to expand gold and arms sales. However, given the prospect of evaporating oil revenues, it is difficult to envision a scenario in which they will be major competitors with the West for OPEC oil on market terms.

HOW WILL EUROPE COPE?

The six East European CMEA countries (Poland, Bulgaria, Hungary, East Germany,

Footnotes at end of article.

Czechoslovakia, and Romania) are all facing severe energy problems in the 1980s, and the Soviet oil shortage will serve to exacerbate an already critical situation. Eastern Europe has a very limited indigenous energy resource base and, unlike the U.S.S.R., cannot even hope to produce its way out of the current shortage by increasing investments in the energy area. Every East European CMEA country is a net oil importer including even Romania, which currently produces about 80 percent of East European oil.[21]

Although the Soviets will consider concessionary oil exports to Eastern Europe as a high priority, there are limits to the U.S.S.R.'s export capacity. Indeed, if the worst-case projections regarding Soviet oil production are realized, the U.S.S.R. will have no oil for export at all. A decline in Soviet oil deliveries to Europe will create major problems within the U.S.S.R.'s Empire because the rising aspirations of the East European people will not be fulfilled. Tension within the Bloc is clearly in the interest of the United States; we have no desire to see the Eastern European countries remain slavishly dependent upon Moscow; problems in the Empire will keep the Soviets bogged down on "in house" matters, thereby making it less likely that they will have resources to invest in adventurism outside their current sphere of influence.

The West Europeans have to date demonstrated no desire to restrict the growth of energy production in the Soviet Union. Indeed, they are pursuing a course which will greatly increase their dependence upon Soviet natural gas. Currently, the Europeans are negotiating the largest East/West trade deal in history, as they seek to cooperate with the U.S.S.R. in the building of a 6,000 km natural gas pipeline from Northwest Siberia to Western Europe.[22] The total cost of the pipeline may exceed 11 billion dollars and eventually bring at least an additional 40–45 billion cubic meters (bcm) per year of Soviet natural gas into European markets.[23]

The Europeans are anxious to consummate this project because of the business it will create for their energy equipment manufacturing companies and because they are in need of additional energy supplies. The Soviets are naturally anxious to conclude this deal because it will assist them in developing their energy resources and help them earn hard currency from the West, an important consideration especially if oil sales will be declining. But despite these obvious mutual benefits, there are significant dangers inherent in this project sufficient for the U.S. to oppose its completion.

Once the Yamal Pipeline project is consummated, the Soviets will have a major weapon that can and probably will be used to disrupt the NATO alliance. In the near term, it would not be surprising if the U.S.S.R. refrained from using energy for political blackmail; they need European cooperation for the Yamal project. However, long term Soviet reliability is more questionable.

Once our allies become addicted to Soviet gas, the U.S.S.R. can become a price setter rather than merely a price taker. The Soviets will be in a position to demand their price for natural gas because they will have such a large share of the market. Although the West Europeans are surely aware of the dangers implicit in energy dealings with the U.S.S.R., they are forging ahead with this project because they consider energy alternatives to be so limited. Negotiations have at times stalled and the terms are still very much in question; but it is prudent to assume that deal will likely be concluded.[24]

In addition to the possibility of price gouging, the Soviets will be in a position to threaten the West Europeans with strategic supply interruptions (for example, in January and February). Short disruptions of this sort would not seriously damage their hard currency flow. In so doing, the Soviets could persuade West Europeans that policies designed to prevent Soviet adventurism in the Persian Gulf would be unwise. Can we really afford to have our allies "Finlandized" to the extent that they are afraid to cooperate with us in defense of our vital interests? Surely, a policy designed to promote West European dependence upon Soviet gas is reckless in the extreme. Indeed, one could argue that it is more in our interest for the Europeans to be dependent upon Middle East energy; it will give them a stake in defending this vital area against Soviet imperialism.

Unilateral U.S. efforts to constrain Soviet energy development would surely be less successful than a concerted allied effort. Therefore, we must persuade our allies that it is in their best long-term interest to follow the U.S. lead. But the United States cannot persuade the Europeans to reconsider its policy of growing dependence upon Soviet gas unless we can suggest creative and realistic alternatives. Contrary to conventional thinking, these options do exist.

REDUCING EUROPEAN DEPENDENCE

The West European countries involved in the current Soviet natural gas negotiations are as a group heavily reliant upon energy imports—they do not have the requisite resource bases to produce their way out of this dependence. Consequently, they have been willing to accept virtually any potential source which meets the criteria of price competitiveness and supply security. Currently, they believe that Soviet energy meets these criteria and the United States has done almost nothing to persuade them otherwise. But other less vulnerable options do exist if the United States is prepared to reorient its international and domestic energy policies. What follows is a comprehensive plan to reduce European energy reliance upon the U.S.S.R., increase U.S./European energy and economic cooperation, and contribute to the strategic security of the United States.

1. The United States has a coal resource base of approximately 438 billion tons or about 2 trillion barrels of oil equivalent.[25] These reserves are so large that neither production nor exports will be restricted by availability. Currently, the United States is exporting coal to Europe, and the political decisions necessary to expand this trend must be made. If our European allies are to plan their energy futures based upon greatly expanded coal deliveries from the United States, we must make certain that the adequate supplies will be forthcoming.

The federal government, in cooperation with state governments and the private industrial sector, must take the necessary steps to: (a) expand rail infrastructure, (b) improve port facilities, and (c) trim regulations that discourage domestic production. In order to be effective, such a program cannot be pursued on a piecemeal basis or in a half-hearted manner. These efforts must be highly coordinated because they are interdependent. Indeed, if production is increased, there must be assurance that the rail facilities are available to bring the coal to ports which can accommodate the flow of transport vessels.

In addition to decreasing European dependence upon Soviet energy, a major U.S. coal export program will have a positive impact upon our trade balance and help stimulate growth in our economy. The following option would have a similar beneficial impact upon our limping economy.

2. The U.S. synthetic fuel industry is in its infancy and will require massive investments in order to develop. The natural resources necessary for the development of a major U.S. synfuel industry do exist. As in the case of coal, reserves are not a factor constraining development of the industry. We must encourage our European allies to invest in our long term energy resources rather than tie their future to the Kremlin. Such investments will accelerate the development of the industry in the U.S. and provide greater supply security for our allies. We should, therefore, embark upon a campaign to attract European investment in American synfuel plants and guarantee them a share of the liquid product for their markets.

The American and Soviet energy situations are, in many respects, similar: We both have huge resource bases; we both are exhausting our easily accessible and inexpensive supplies; we both must make huge investments to exploit remaining substantial resources. Our allies should help us promote the development of these resources and should think twice before making heavy investments in the U.S.S.R.

The U.S., Japan, and West Germany have a history of multilateral cooperation in the area of synthetic fuel technology development. As it becomes increasingly apparent that the Free World will need synthetic fuels as a part of its energy balance, opportunities for investments in the U.S. industry will increase. These foreign investments should be encouraged, not only because they will assist U.S. energy development but also because they will promote greater strategic security for the West.

3. North Sea—particularly Norwegian—natural gas reserves represent a potential major source of energy for Western Europe in the late 1980s to early 1990s. While current Norwegian policy continues to stress conservation of domestic resources, a concerted effort by NATO members might be persuasive in shifting Norwegian government views. Norway is not likely to invest the capital in developing some of its North Sea gas resources on an urgent basis unless the financial incentives are excellent. The United States should, therefore, urge that NATO as an institution invest in the development of the requisite infrastructure to accelerate North Sea gas production and treat the entire matter as an alliance security issue. Given the potential dangers implicit in the Soviet gas pipeline, the development of alternative supplies is just as much a strategic security investment as military procurement. Such a program would not only benefit Norway by greatly reducing the costs of North Sea gas development but would also have a major psychological impact upon NATO and the Soviets. We would be redefining the way we think about the relationship between energy and security.

4. The advent of the Carter administration ushered in a phase of American withdrawal from the international nuclear electric power community. Although this withdrawal was intended to contribute to non-proliferation of nuclear weapons, all that was accomplished was reduced American influence in a field of growing importance. Indeed, only a country that plays an active role in the international nuclear community can have a meaningful impact upon the developments in the field.

The U.S. must seek to re-enter nuclear export markets in an aggressive manner. The Administration should lend political support to U.S. nuclear industries seeking to market reactors in Western Europe. Furthermore, we should take the necessary steps to provide reliable enrichment services to our customers and seek to reduce European dependence upon Soviet enrichment.

5. Can the United States help Europe improve its access to natural gas sources outside the U.S.S.R.? Options are available that would improve both our own position and that of our allies. A fundamental change in U.S. domestic and international gas policy is long overdue. Currently, we are discourag-

Footnotes at end of article.

ing domestic gas production through price controls and encouraging gas imports by allowing other countries to charge more than our own producers are allowed to receive. Accelerated gas price decontrol should help stimulate domestic production and enable the U.S. to decrease its dependence upon gas imports.

To the extent that the U.S. will still need imported gas supplies, we should emphasize regional trade relations rather than long haul liquefied natural gas (LNG) from Africa and elsewhere. Indeed it makes good political and economic sense to maintain close relations with our Canadian and Mexican neighbors and possibly seek to develop an LNG relationship with Trinidad. By emphasizing proximate trade relations rather than long haul LNG deals, the transportation costs of moving gas would be greatly reduced. Furthermore, if we agree to pay high prices for African LNG, it can be expected that Canada and Mexico will seek to obtain equivalent revenues for the gas they sell us.

African gas is more proximate to our European allies than it is to us and can be an incremental alternative to Soviet imports. There are substantial gas resources in Algeria, Nigeria, and the Cameroon which we should encourage our European allies to purchase. These gas supplies would be less expensive for Europeans to buy than for the United States. Furthermore, by refraining from bidding on African gas, we would both reduce the bargaining leverage of these producers by limiting their potential markets to the European theatre and help to create monopsonistic markets.

In spite of the above, the U.S. government has sought to salvage America's faltering LNG relations with Algeria. (The Algerians stopped deliveries in April 1980 under the El Paso project when the company refused a 200 percent price increase.) The U.S. also has an option to compete against our European allies by seeking to purchase LNG from Nigeria. It makes no sense to compete against our allies for gas which we do not need and cannot afford at a time when those allies need supplies outside the U.S.S.R. and can purchase African LNG at more reasonable rates than we can. In assessing this problem, the Comptroller General of the U.S. issued a major report on December 16, 1980 which stated that:

GAO does not believe importing large amounts of LNG from OPEC countries is in the national interest. LNG imports generally trade oil dependence for gas dependence. It makes little sense to increase U.S. dependence on gas at a time when extraordinary steps are being taken to reduce dependence on oil.

We do not mean to suggest that any one of the above options can replace prespective Soviet energy deliveries to Western Europe. But the Yamal line could not be completed before 1985 at the earliest, and we have sufficient time to take steps that will at least mitigate the political/economic impact of this line should it be completed. It is time for us to propose to our allies that they seek to tie their energy future to our resource base by investing in U.S. coal, synthetic fuel, and nuclear technology and services. We must also demonstrate that we are prepared to reorder our international energy trade patterns to provide more gas to their markets from non-Soviet proximate sources. Taken together as a package, these measures could greatly reduce the dangers implicit in European dependence upon Soviet energy.

Given the critical importance of Soviet energy developments to Western security, the United States cannot afford to adopt a passive or reactive posture. Neither can we be insensitive to the energy needs of our allies by suggesting only negative policies—policies designed to restrict Soviet energy development without any positive supply alternatives. The approach we have suggested is both positive and realistic. If adopted, our program can help revitalize NATO, develop closer ties with the oil-producing countries, accelerate U.S. energy proliferation, develop alternatives to increased European dependence on Soviet gas, and meet the security challenges of the 1980s.

FOOTNOTES

[1] The views expressed in this article are the authors' and do not necessarily represent the views of the U.S. Government or any of its departments or the Senate Defense Appropriations Subcommittee, its Chairman, or any of its members.

[2] *Prospects for Soviet Oil Production*, CIA, ER77–10270, April 1977, p. 9.

[3] *Ibid.*, p. 1. See also *Wall Street Journal*, "CIA Alters Its Soviet Oil Forecast," May 1981.

[4] See interview with Professor Marshall I. Goldman in *Harvard International Review*, February 1981, pp. 6–7, 30–31.

[5] *Technology and East-West Trade*, Office of Technology Assessment, Washington, D.C., 1979, p. 239. The report notes that "It can be said with certainty that since 1976, the volume of Soviet orders for Western oil and gas equipment has risen significantly. . . . The USSR clearly realizes that it must import this equipment and technology to increase production of oil and natural gas at rates that meet domestic needs and allow it to sell surpluses to Eastern Europe and to the West, thereby earning hard currency."

[6] *Preliminary Analysis of U.S. Oil and Gas Equipment Exports to the Soviet Union*, Office of International Security Affairs, Department of Energy, October 1978, p. 15.

[7] William J. Perry. *The Department of Defense Statement on the Export of Technology*. Before the Subcommittee on Investigations of the Committee on Governmental Affairs of the United States Senate, 95h Congress, Second Session, 3 October 1978, pp. 6–11, "DOD Involvement in the Dresser Industry Export License Application Case." The Defense Science Board report opposing the Dresser sale concluded that the deep-well drilling technology used to manufacture drill bits for petroleum exploration "is wholly concentrated in the United States." The Dresser factory will have the capacity to produce 100,000 rock drill bits annually, thus clearly giving the Soviets an indigenous drill bit manufacturing capability sufficient to insulate them from Western markets.

[8] "Soviets Plan Pipeline From Siberia to Europe," *Washington Star*, November 19, 1980, p. 15.

[9] U.S. Congress. Senate. *U.S. Export Control Policy and Extension of the Export Administration Act—Part I*, March 5 and 6, 1979. Hearings Before the Subcommittee on International Finance of the Banking, Housing and Urban Affairs Committee. (Washington, D.C.; Government Printing Office, 1979) p. 148.

[10] For extended discussions of these issues, *see* Wayne A. Schroeder, *Soviet/American Technology Transfer and United States National Security*, Ph. D. dissertation, University of Southern California, January 1981; Mark Miller, "The Role of Western Technology in Soviet Strategy," *Orbis*, Fall 1978; and Wolfgang Leonhard, "The Domestic Politics of the New Soviet Foreign Policy," *Foreign Affairs*, October 1973.

[11] William T. Lee. *Soviet Defense Expenditures in an Era of SALT*. USSI-Report 79–1 (Washington, D.C.: United States Strategic Institute, 1979) p. 16.

[12] Soviet oil deliveries to the West have been declining and it can be expected that this trend will continue. The Soviet Foreign Trade Ministry informed the Italian Embassy in Moscow that, due to "technical difficulties," USSR oil exports to the West would be reduced 20–25 percent in 1981. *Financial Times*, March 10, 1981, p. 1.

[13] *The Soviet Economy in 1978–79 and Prospects for 1980*, CIA ER80–10328, June 1980, p. 17.

[14] *International Energy Statistical Review*, C.A, ERIESR, 81–003, March 31, 1981, pp. 24–27.

[15] *Energy in Countries with Planned Economies*, Volume 4, Number 12, December 1980, pp. 4–5.

[16] *International Energy Statistical Review, op. cit.*, pp. 24–27.

[17] *Energy in Countries with Planned Economies, Op. cit.*, pp. 4–5.

[18] *International Energy Statistical Review, op. cit.*, pp. 24–27; also see *Platt's Oilgram News*, December 5, 1980, p. 2.

[19] At the CMEA Executive Committee Meeting in Prague, June 1980, former Prime Minister Kosygin announced, "despite difficulties connected with the worsening conditions for crude extraction, annual oil supplies (to USSR's CMEA partners) for the 1981–1985 period will be kept at the high level attained in 1980, and will total close to 400 million tons." Quoted in *Energy in Countries with Planned Economies*, July 1980, p. 11.

[20] U.S. Congress, Joint Economic Committee. *Allocation of Resources in the Soviet Union and China—1978*. Hearings Before the Subcommittee on Priorities and Economy in Government, Part IV-Soviet Union. June 26 and July 14, 1978. (Washington, D.C.: Government Printing Office, 1978) p. 48.

[21] *International Energy Statistical Review, op. cit.*, pp. 26–27.

[22] For an in-depth discussion of the Yamal pipeline project, *see* Miles Costick and Marc Dean Millot "The Soviet Gas Deal and Its Threat to the West," *Current Analysis*, Institute on Strategic Trade, December 31, 1980.

[23] "Soviet Slip Up," *Wall Street Journal*, January 23, 1981, p. 1, 13.

[24] *Ibid.*

[25] *Coal Exports Study*, U.S. Department of Energy, December 1979, p. 5, 27–30. This study highlights various options for increasing U.S. steam coal exports.●

THE 41ST ANNIVERSARY OF THE BALTIC OCCUPATION

● Mr. RIEGLE. Mr. President, June 15 marks the 41st anniversary of the brutal occupation by the Soviet Union of the three Baltic nations. This action was characterized by—to that date unknown—violence, inhumanity, and the following year the forcible deportation of thousands of men and women to Siberia.

These deportations took place under incredibly difficult conditions. Many of the deportees perished from exhaustion, hunger, winter cold, and beatings. We are unable to compile an accurate record or accounting of these events, and can only speculate on the true nature of these crimes against humanity.

Mr. President, the subjugation of the Baltic nations—Estonia, Latvia, and Lithuania—has continued to this day. The Soviet Union remains in political and military control of these nations, and every spark of rebellion or disagreement is promptly extinguished by the Soviet police. As recently as 1979, the 45 signers of the Baltic Memorandum, which called for the abrogation of the Molotov-Ribbentrop Pact, have seen their lives disrupted. Six were arrested, two were committed to psychiatric institutions, two died, another was forcibly resettled, and one escaped to the West. The other

33 wait in fear that each day will bring new arrests.

I strongly believe that the United States should bring the continuing oppression in the Baltic nations to the attention of the world. The Soviet Union has not shown any signs that it will abide by the terms of the Helsinki Agreements, and in fact, the war of attrition that continues in Afghanistan serves to remind us that domination is the primary tool of that government.

June 15 should be a day of recollection for us all; to remember that the blessings of liberty are not guaranteed to all peoples of the world. The Baltic nations have kept their hopes of independence alive through the efforts of their communities in the United States and around the world. I am proud to represent one of the largest Baltic communities in the United States, and know firsthand the contributions that these hard-working and talented people have made to our country.

I share their hopes that their countries will one day be truly independent, and that their families will be able to begin each day free from the shadow of oppression which covers the entire Baltic region.●

COMMENDING THE EFFORTS BY DAIRYMEN, INC. IN INITIATING A PROGRAM TO REDUCE THE SUPPLY OF MILK AND GOVERNMENT OUTLAYS

● Mr. HUDDLESTON. Mr. President while much has been said about current stocks of milk products held by the Commodity Credit Corporation, efforts by milk producers to reduce the flow of milk and thereby reduce Government outlays have been totally ignored.

I would like, therefore, to call to the attention of my colleagues a producer-initiated project to help solve the problems of mounting surpluses by members of Dairymen, Inc., headquartered in Louisville, Ky. I submit for the RECORD the results of their "cull cow" program as an excellent example of what can be done by dairymen working together to bring into balance their shared and common problem of oversupply:

Dairymen, Inc., a milk marketing cooperative, with dairy farmer members in fourteen southeastern states and whose headquarters is located in Louisville, Kentucky, had a problem of too much milk production this spring.

Instead of asking for government assistance, they initiated an innovative, short-range marketing program called the "management efficiency" program designed to cull low-producing cows. As an incentive to encourage each member to cull their herd from March 5 through 31, they offered to pay $100 for each cow their members sold for slaughter after a minimum number was reached.

The results were outstanding. Of the 6,838 members 4,319 or 68.16 percent participated in the program. They culled 22,483 cows which resulted in 3.24 percent of the production taken off the market. The 16.9 million pounds of milk per month represented over 380 tankers of milk that did not have to be moved out of the market area. Instead of paying for hauling with a high energy loss and loss in their milk check, the money flowed back to the dairy farmer owner.

This indeed was a self-help program. It is one of the finest examples of what cooperatives can do to meet a marketing and supply situation. I commend Dairymen, Inc. for their "management efficiency" program.●

U.S. POPULATION

● Mr. PACKWOOD. Mr. President, according to the latest U.S. Census Bureau approximations, the total population of the United States on June 1, 1931, was 229,101,969. This represents an increase of 215,236 since May 1, 1981. During the past month we have added enough people to our population to more than fill the city of Corpus Christi, Tex.

The final count of the 1980 census was 5 million more than what was anticipated. This has made any comparison between 1981 figures and 1980 figures meaningless at this time. I should be able to resume the yearly comparison in October or November.●

SUPPLY SIDE ECONOMICS AND RURAL PEOPLE

● Mr. PRESSLER. Mr. President, along with a number of my colleagues, I am very concerned about a proposal by the Office of Management and Budget to target the Rural Electrification Administration financing system for radical changes. Over 40 Senators have joined in a letter to the President regarding these cuts. I have also recently introduced a resolution, Senate Resolution 134, expressing the sense of the Senate to assure continued access of the REA to the Federal financing bank. An excellent editorial by Bob Feregan recently appeared in the Madison (South Dakota) Leader on the effects of these proposed budget cuts. Mr. Feregan is a very knowledgeable person concerning REA. He is a former Administrator of the Rural Electrification Administration and is now the manager of the administrative services division of the East River Power Cooperative in Madison, S. Dak. For the benefit of my colleagues who wish to acquaint themselves further with this subject, I ask that the text of the article be printed in the RECORD.

The article follows:

SUPPLY SIDE ECONOMICS AND RURAL PEOPLE

In our anxiety about the national economy, we Americans reach out for new economic faith from time to time on which to hang our hopes for a better tomorrow. The current best seller in the popular economic press is Professor Milton Friedman's The Right to Choose, principles of which are being invoked by the administration's "supply side" economists. As their theories are molded in policies and programs, every area of our lives will be affected, whether or not we are interested in economics.

Rural Americans should have special concern today for the effects upon agriculture and related programs as the new theory is applied to them. One example of grand economic theory leading to inconsistent and discriminatory policy is to be seen in the administration's proposals for the Rural Electrification Administration loan programs. The Office of Management and Budget (OMB) under general administration guidelines for reduced spending, has targeted REA loan programs for drastic change. OMB Director David Stockman wants to greatly reduce revolving loan fund levels for distribution systems and to deny entirely power supply cooperatives the access they now have to Federal Financing Bank funding of REA guarantees. The truth is that neither program affects the budget. Both are off budget and require no appropriations by Congress.

At the same time it is proposed that rural electric cooperatives have their basic financing programs radically dislocated, the same supply side economists are asking Congress for more liberalized tax laws and accelerated depreciation for industry, including private utilities. Aside from the question of whether such tax incentives will produce the stimulated plant investment sought (Wall Street has expressed doubt), OMB's narrow interpretation of what constitutes legitimate government action in the market place will reduce the costs of the well-to-do segment of the electric utility industry while greatly increasing the costs of the rural segment serving sparsely settled areas.

In eastern South Dakota, if OMB is successful, rural people will pay a conservatively estimated $278 million in increased electric rates over the next twenty years because of increased interest rates alone. That is an average of about $19 million annually. That is inflationary. That will affect main-street business negatively.

We are pleased that the entire South Dakota congressional delegation has spoken out in favor of retaining the REA loan programs, seeing the reality of the situation through the smoke and clatter of the supply side economic battle going on in Washington. Rural South Dakota and rural Americans will profit from their clear sight.●

METHANOL AS TRANSPORTATION FUEL WOULD SUBSTANTIALLY ELIMINATE NEED FOR U.S. OIL IMPORTS

● Mr. RANDOLPH. Mr. President, I have often stated that the role of synthetic fuels should and will grow as oil prices make them economically competitive. Because synthetics, however, are more expensive than petroleum or petroleum products, the synthetic fuels industry will not emerge or grow on its own. We must now continue to support the strategy developed last year to assure synthetic fuels production is stimulated—thus replacing oil in all manner of existing applications.

One element of that synthetic fuels strategy is the contribution that methanol fuels can make in meeting the energy needs in the private transportation sector. If high-quality, clean-burning fuel made from coal would be commercialized on a large scale, benefits to the Nation would be very great. Cars would be burning fuel derived from domestic resources, manufactured by American workers, and distributed entirely by a national network.

These potential benefits were discussed in an editorial on June 8 in the Washington Post editorial "The Coal-Burning Car." I ask that this editorial and my response to it be printed as part of these remarks.

I would like to bring to the attention of my colleagues the final report of the U.S. National Alcohol Fuels Commission, "Fuel Alcohol and Energy Alternatives for the 80's." This report discusses the benefit of both methanol and ethanol as transportation fuel and details how we

might move toward committing significant segments of our transportation sector to run on both methanol and also ethanol blends.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 8, 1981]

THE COAL-BURNING CAR

An automobile that runs on coal? It exists, and it opens interesting possibilities for further reductions in this country's needs for foreign oil. General Motors has developed experimental cars that burn finely powdered coal in turbine engines. But a solid fuel raises a long string of difficulties—not least of them the pollution inherent in coal. It's a lot simpler to use the coal in liquid form, as methanol, in engines very similar to the present gasoline engines.

Ford and General Motors have both done a lot of work on methanol engines. Ford in particular has carried out repeated demonstrations—in one case driving methanol-powered cars across the country—to persuade people that the idea can actually work. In Brazil, both companies are making cars that run on a closely related fuel, ethanol. The difference between the two alcohols is that ethanol must be made from plant matter while methanol, manufactured from coal, is not a competitor with the food supply.

Methanol is superior, in several respects, to gasoline. Its high octane permits high compression engines and high operating efficiency. It burns clean. It's safer to handle. Racing cars have used it for years. Gasoline became the standard highway fuel simply because, until the 1970s, crude oil was extremely cheap. It's time to reconsider the assumption that cars have to run on gasoline, and only gasoline.

But public policy will strongly influence any transition to another fuel. Methanol now is probably competitive in price with gasoline—if it can be manufactured efficiently. That requires large plants, and, at current interest rates, the nature of the financing will be crucial. The Reagan administration has been ambivalent about the new U.S. Synthetic Fuels Corporation. But this is precisely the kind of undertaking for which the corporation was designed.

A new fuel always runs into the chicken-and-egg question, as the engineers gloomily call it. The oil and chemical companies won't put methanol into service stations until there are cars on the road that use it, and the automobile companies can't sell methanol cars until the fuel is widely available. Diesel passenger cars are on the market only because the heavy trucks created a diesel fuel network, and unleaded fuel is at the pump only because federal law required it.

To say that the market will take care of the transition to a new fuel is merely fatuous. Like unleaded gasoline, the next fuel—whether methanol or another—will probably require a push from the government. With its enormous reserves of coal and its inadequate oil, this country cannot ignore the opportunity to begin shifting American automobiles on to coal-based fuel. It can't be done quickly. But, after two worldwide oil crises and the gasoline lines that they brought, it's hard to think that many Americans would favor a national policy of standing by, hands in pockets, to wait for a third oil crisis, and a fourth.

U.S. SENATE,
Washington, D.C., June 8, 1981.

MS. MEG GREENFIELD,
Editorial Page Editor,
The Washington Post,
Washington, D.C.

DEAR MS. GREENFIELD: The editorial, "The Coal Burning Car," in The Washington Post of June 8, is a constructive appraisal. Your premise that coal must relieve our immediate dependence on foreign-based energy, by replacing oil in existing applications, is valid. We have been justly proud of our mass production and distribution of automobiles for the mobility of people and products.

We have known for many years, however, that mineral resources such as oil are not supplied to any geographical area in unlimited amounts. Today the United States, with its high level of oil imports, is facing the reality that it is one of the "have not" nations where oil is concerned. I recognized this fact as sponsor of the "Synthetic Liquid Fuels Act of 1944" which became law during the Franklin Roosevelt Administration.

During discussion of that legislation I urged that when we are required to turn to coal and oil shale as the chief source of motor fuels in the United States, we should have the process for immediate application. We certainly do not want to panic in emptying our natural petroleum reserves while waiting for satisfactory coal liquefaction methods to be developed.

In 1943, at our hearings, Harold Ickes, Secretary of Interior, demonstrated a motor which operated equally well on regular petroleum gasoline made from coal. The gasoline from coal (methanol) was processed by the Bureau of Mines in a small pilot plant in Pittsburgh, Pennsylvania. Automobiles ran on products produced from this plant on the streets there. Scientists, at that time, tested 15 different domestic coals. They found that each of them could be used to make methanol and other products.

This example serves to illustrate that our automobile manufacturers have, for many years, had the opportunity to develop and use synthetic coal-based liquid technology. It also emphasizes the central point which you have made that transition to another transportation fuel other than gasoline will require participation by the Federal government.

Passage of the Energy Security Act of 1980 sent the message of OPEC that we, again, are encouraging the construction of synthetic fuel plants, not only through subsidy support where needed to assure early commercialization, but through protection against unwarranted regulation and inflationary impacts. It also signals to domestic energy industries that we expect immediate action on synthetic fuels. The President should initiate necessary activities to reach this goal under the Defense Production Act of 1950 as the Synthetic Fuels Corporation is being organized.

It is important now that we do not step backward in our national commitment to synthetic fuels. The President should appoint the final two members of the Corporation Board and provide his personal leadership in the activities of the organization to guarantee its vitality.

A coordinated, balanced syntheic fuels program to produce transportation fuel will serve our Nation well. It will give us the opportunity to use our highest sulfur coal, often unsuitable for direct utilization, to not only produce methanol for personal vehicular transportation, but diesel fuel for our trucking industry, fuel oil for industrial boilers, and chemicals for plastics. Government participation in such projects is not subsidies but represents investment for the security of our future generations.

We need to assure that American industry continues to receive strong signals from Government to begin preparation now, so that methanol and the vehicles to use it will be available when more severe oil import interruptions occur.

Very truly,

JENNINGS RANDOLPH.

INNOVATIVE CHILD ADOPTION PROGRAM IN MICHIGAN

● Mr. RIEGLE. Mr. President, there is no human need more basic than a secure and loving family. Children who are homeless not only suffer, but become vulnerable to psychological stress and problems in adjustment. While we all recognize the importance of finding adoptive parents for homeless children, unfortunately, some children in our country have more difficulty being adopted.

Happily, I am able to report today that an innovative agency in Detroit has been unusually successful during the last 10 years in helping to meet this challenge. The Homes for Black Children agency has explored new directions in placing black children into adoptive families. The excellent work of this organization was recently noted in an article by the Children's Defense Fund Report. I would like to enter that article in the RECORD both to applaud the efforts of this Michigan agency, as well as to bring added focus to the importance of this problem.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DETROIT GROUP BREAKS THROUGH FINDING FAMILIES FOR BLACK CHILDREN

Nationally, black children are far less likely than white children to be adopted. But an innovative agency in Detroit has begun to turn this situation around. In 11 years Homes for Black Children has found adoptive families for 800 black children, all but shattering the myth that "black children are unadoptable." It has placed black children as old as 15 and as many as six siblings together.

In 1969, when Homes for Black Children opened its doors, there were 300 black children in the Detroit area legally free and waiting to be adopted. Today the organization has 153 black families waiting to adopt and only 100 black children on the waiting list. Eleven years ago most of the 300 children who waited were healthy, normal and young—infants or preschoolers. Today "to my knowledge, there are no healthy, normal, young children waiting," says executive director Jacquelynn Moffett. The 100 or so black children on waiting lists now are eight years or older or handicapped or siblings. Before, they might have been written off as unadoptable and relegated to a life without a permanent home.

BREAKING DOWN BARRIERS

Many agencies that write off black children as unadoptable fail to reach out into the black community to find adoptive families. They assume that black families are not interested in adopting and will not respond to an agency's appeals. Further, they impose home ownership, age, fertility, income, and other eligibility requirements that, as Moffett puts it, "don't have a whole lot to do with being a good parent." Homes for Black Children has worked hard to overcome these barriers to black adoptions as well as what agency president Sydney Duncan calls "the minority psychology"—the feeling among black families that social institutions are there to serve others, not them.

Some of the agency's most successful matches have been with families "who are not your middle-class model." One woman who stands out in Moffett's mind is single and illiterate. A traditional agency would have sent her an application and missed her completely. She may not read or write, Moffett says, "but in getting to know her, we learned she had all the pluses," including a Horatio Alger-like

drive and an unusual conscientiousness about her work as a presser for a cleaning business. Her first adoption worked out so well that the agency placed a second, problem child with her—an eight-year-old girl who had been "bounced around" from one temporary home to another. At first, Moffett remembers, "the child just flipped out in the placement," setting fires and fighting with other children. But within a year she has responded to the mother's discipline and love, stopping her bizarre behavior, and the adoption was finalized.

AN AGENCY'S AGENCY

Other private agencies in Detroit have learned from Homes for Black Children's example and found their own adoptive families for black youth. Further, since the 1973 Supreme Court decision more women—black and white—are having abortions or deciding to keep their babies. The result: Homes for Black Children arranges fewer adoptions now than it once did—43 in 1980 as compared with 135 the first year.

Most of its referrals come from other parts of Michigan and from the Wayne County Department of Social Services, which refers children to the private agencies on a rotating basis.

It has become, Duncan says, an "agency's agency" and begun a national effort, funded by the Department of Health and Human Services (HHS), to help other cities launch comparable programs. Most of the HHS money will go directly to agencies in seven or eight cities to help place 100 black children a year with permanent families. Homes for Black Children will select the cities, share with them everything they can bring to bear that will help them reach out to black families, and ensure that the agencies in each city actually identify and plan for individual children before the funding begins, in January 1982. Thus far, five cities are slated to participate: Washington, D.C.; Kansas City, Mo.; Philadelphia; Chicago; and Miami.

THE DREAM: A "TOTAL CARE AGENCY"

Moffett dreams the agency will become a "total care agency"—one that offers the full range of services, from finding adoptive homes for children to helping black families stay together. Today Homes for Black Children devotes three-quarters of its budget and staff to a Black Family Preservation Program for parents who have abused or neglected their children. The Department of Social Services refers some of the parents who participate; others are self-referrals. Most suffer from an "inordinately low amount of self-esteem," Moffett says, adding, "we do whatever works."

For example: For a year a woman in her early 30s with several children seemed barely to respond to counseling. She was hostile to the staff. She lived in inadequate housing but had no desire to move. The turning point came when the staff sponsored a one-day glamor clinic for her and others in the program. The experience made this mother's counseling real to her and transformed her physically and emotionally. "I didn't know that other person was hidden in there," she told Moffett. Within a year, she had moved to new housing, was functioning well, and was able to care for her children without counseling.

There have been other successes as well. Not long ago, Homes for Black Children conducted a pilot program for parents considering putting their children up for adoption. When the pilot program ended, only one of the 10 parents "followed through" with her plan. The agency helps parents find child care, homemakers help, and similar services by "coaching people to advocate for themselves," Moffett says.

Moffett sees fewer and fewer black children growing up in foster homes, group homes, and institutions. In Michigan, Moffett says, the Department of Social Services has begun to take an interest in planning permanent homes for children. Yet nationally, Duncan believes, two problems stand in the way of getting permanent families—their own or adoptive—for black children. The first is the threat of a social services block grant proposed by the Reagan Administration. The block grant would repeal the Adoption Assistance and Child Welfare Act of 1980 (P.L. 96-272), which provides federal money to assist states with adoption subsidies for children with special needs; all families are eligible for the subsidies, regardless of income. "If that gets knocked out of the way," Duncan says, "it would be a step backwards." The law also requires that states provide services to prevent families from breaking up, reunify families, and find adoptive families for children in order to qualify for federal funds. Duncan sees a real movement on the part of states to prepare to qualify and respond to the new law. If it is repealed, the states could revert to business as usual.

The other barrier to permanence: social workers and child welfare officials do not like to make hard decisions about children. They fail to recognize that almost any decision is better than no decision. No decision means the agencies become the parent and the child remains in limbo. Undesirable as that is, Duncan notes, it is often easier than facing a psychotic mother who very much wants to keep her two children and telling her that "she just simply doesn't have it in her insides to care for them." It is easier than finding an alternative for the two children.

Homes for Black Children is funded by the United Way and has a purchase of service agreement with the state of Michigan. For more information, write: Homes for Black Children, 2340 Calvert, Detroit, MI 48206.●

FEDERAL GOVERNMENT CONSULTANT SERVICES

● Mr. PRYOR. Mr. President, over the last 2 years, I have called to the attention of my colleagues the wasteful and unnecessary spending of taxpayer funds on Federal Government consultant services. These activities now cost several billion dollars a year and controls over these expenditures are woefully inadequate. Because of this situation, I have proposed reductions in such expenditures and have introduced with 17 cosponsors, S. 719, the Consultant Reform and Disclosure Act of 1981.

In yesterday's New York Times, Mr. Frank J. Popper discussed the subject of consulting services for the Federal Government in an article entitled "True Tales of Consulting for the Feds." While I may disagree with some of his conclusions, I believe he has presented some very interesting and useful insights into this activity. I therefore ask unanimous consent that this article be printed in the RECORD for the benefit of my colleagues.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY THERE'S WASTE AND ABUSE—TRUE TALES OF CONSULTING FOR THE FEDS

(By Frank J. Popper)

In its first hours in office, the Reagan Administration ordered Federal agencies to cut their expenditures for outside consultants by 5 percent. The order was in part a reaction to charges, many of them substantiated, of widespread waste and abuse in Federal consulting.

The basic difficulty is that the Federal consulting market contains incentives unlikely to induce good work. Most consulting firms are small, thinly capitalized, often evanescent businesses scrambling to survive in a buyer's market. In any one field, there are many consulting firms and few Federal agencies to hire them. In such a situation the firms inevitably tend to exaggerate their abilities and to promise more than they can deliver.

The agencies are poor at preventing projects from going awry. The contract officers are slow to react to draft products of projects, especially in ways that will allow timely adjustments in the consultants' work. The agencies also lack specific devices to abort projects where the consultant performs inadequately, events outrun the project, or the concept behind the project turns out to be misguided for reasons that are nobody's fault. In early 1973 I was part of a large team examining the environmental and economic impacts of second-home developments in rural areas. But by 1974 the oil embargo and the recession had nearly destroyed the market for distant leisure homes. In 1976 our study was published anyway, and almost no one noticed.

In addition, the Federal paperwork requirements compel consultants to submit frequent, lengthy, often meaningless progress and financial reports whose production and review will interfere with the real work of the projects. The paperwork also slows payments for completed work; at the moment several agencies owe me money for work I finished over three months ago—a tardiness I have rarely experienced with private clients. The slow payments sometimes force hardpressed consultants to dun agencies for payment for past work on a project in order to finance doing the rest of it—an unhappy situation that will not encourage quality work.

The Federal agencies disconcert the consulting firms, too. After a project is awarded, an agency will sometimes alter its subject so drastically as to undo the competitive bidding that was supposed to justify the award in the first place. Recently I was part of a group that received an Environmental Protection Agency contract to analyze the siting of regionally needed but locally objectionable activities such as nuclear-waste and toxic-chemical disposal facilities. After an obscure struggle between two E.P.A. branches, the agency decided that our main assignment would be to do estimates of the future production of toxic chemicals—a very different task, for which another group might have been more qualified.

In another case a black-owned firm received a contract from the Energy Department under a program to encourage minority businesses to enter the energy field. The firm had no energy people on its staff, but its proposal stated that it would hire a former Interior Department subcabinet official to run the project and would engage several subcontractors, including myself. The Energy Department then rescinded the contract. The department, which was having a complex turf fight with the Interior Department over precisely the subjects of our study, said that the black firm lacked energy experience—which the department had known all along, to the point of agreeing to our arrangements to make up for the deficiency.

The consultants must compete ferociously. Perhaps 30 firms will write proposals to do a given project, and 29 will have to absorb the costs of writing the proposal. All the firms have to overbid on projects to cover proposals and other costs of getting business. They also have to provide for unpredictable periods when many employees have no paying work.

The turbulence of the firms' market affects their internal life. The prized employee is not the one who conceives, carries out or supervises publicly useful projects. Instead, it is the one who gets new business—work whose actual performance is often left to others. Another valued employee is the one who routinizes the work by selling what is

essentially the same project to a whole series of agencies.

These deformations do not create good morale in the firms. Turnover is high. Staffers are hired and dismissed with great alacrity as projects come and go and specialties bloom and fade. Almost no one has time, inclination, or reason to acquire deep expertise in their fields. Job security is minimal; one is only as good as one's latest project. Few good livings can be made year after year in Federal consulting.

With a few exceptions such as the Department of Housing and Urban Development, Federal agencies rarely assign their best people to manage consulting contracts. The contract officers often know little about the subject matter of their projects. They tend to issue vague specifications that provoke vague or unfeasible proposals from consultants, who simply cannot tell what the contract officer has in mind.

The contract officers are also enmeshed in paper. In particular, the Federal rules for competitive bidding seem to require endless reviews, concurrences and signatures that will often delay the starting date for even a short, simple project until many months after the specifications said it would begin. When the contract finally does come through, the people in the firm best suited to perform it are often unavailable or overcommitted.

The consulting firms and Federal agencies continually surprise each other in ways that do not exactly advance the public interest. The agencies never understand that the firms value employees who get contracts more highly than those who do them. The contract officers enjoy the intensity with which firms compete, but never grasp its wasteful side.

It doesn't bother them, for instance, if the vagueness of project specifications persuades dozen of firms to submit proposals for a project for which only a few are genuinely qualified. Nor does it bother contract officers that even apparently successful projects can be wasteful. In one peculiarly ill-managed firm we spent over three months writing a proposal for a project that barely lasted six.

It does bother contract officers, however, that after the project is awarded the lucky firm almost seems to lose interest in doing it. Contract officers are often shocked that the credentialed, experienced people the proposal promised never work much on the project. The people who do show up are distinctly second-line. The real job of the first-liners is to get another project.

How can operations of the Federal consulting market be improved? Here's what I would suggest:

When in doubt, have civil servants rather than consultants do projects. This approach may be cheaper and will give the projects' results more long-run influence in the agencies.

Put financial incentives into consulting contracts that will reward rapid, high-quality consulting work and agency review and punish inadequate performance by either party.

Assign more knowledgeable contract officers to projects and tie the officers' advancement to the success of the projects they manage. Also reward them if they can minimize paperwork, move projects expeditiously, and pay consultants on time.

Be willing on occasion to limit competitive bidding. Sometimes it is clear that only a few firms are qualified to bid on a project.

Create ways to abort projects that are obviously not working out.

Consider budgeting a greater portion of agency consulting money for unsolicited proposals, ones that do not respond to agency specifications but nonetheless deal creatively with agency concerns. This policy will tap the firms' inventiveness, which is what they have to offer the Government.●

ORDER OF BUSINESS

Mr. BAKER. Mr. President, there are two items, one on the Executive Calendar and one on the Calendar of General Orders, which are available for passage on this side. I wonder whether the minority leader can advise if they are cleared on his side as well. I refer to Calendar No. 155, S. 1033, on the Calendar of General Orders, and Calendar No. 206, the nomination of Fred J. Villella, of California, to be an Associate Director of the Federal Emergency Management Agency.

Mr. ROBERT C. BYRD. Mr. President, I am authorized to state that clearance has been given on this side with respect to both items.

Mr. BAKER. I thank the minority leader.

CONSENT OF CONGRESS TO AGREEMENT BETWEEN NORTH CAROLINA AND SOUTH CAROLINA ESTABLISHING THEIR LATERAL SEAWARD BOUNDARY

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 155, S. 1033.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1033) granting the consent of Congress to the agreement between the States of North Carolina and South Carolina establishing their seaward boundary.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. THURMOND. Mr. President, I urge the passage of S. 1033. This bill gives the consent of the Congress to an agreement between the States of North Carolina and South Carolina as to their lateral seaward boundary.

The boundary commission of those two States worked long and hard to reach this agreement, and it was subsequently adopted by the legislatures of both States to their mutual satisfaction. The appropriate agencies of the Commerce Department think this is a good bill and have urged its passage.

Mr. President, the affected States have reached an agreement; the necessary inquiries have been made, and the Committee on the Judiciary has unanimously reported the measure out. Accordingly, I ask that, pursuant to the authority vested in the Congress by article I, section 10 of the Constitution concerning interstate agreements, this measure be acted on affirmatively for the interest of these two States.

The bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1033

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress consents to the agreement between the States of North Carolina and South Carolina establishing their mutual seaward boundary, which agreement was proposed by the joint resolution of the boundary commissions for North Carolina and South Carolina regarding the delimitation of the lateral seaward boundary between the two States, executed January 20, 1978, and was adopted by the States of North Carolina and South Carolina, and which agreement is substantially as follows:

"The lateral seaward boundary between North Carolina and South Carolina from the low-water mark of the Atlantic Ocean shall be and is hereby designated as a continuation of the North Carolina-South Carolina boundary line as described by monuments located at latitude 33 degrees, 51 minutes, 50.7214 seconds north, longitude 78 degrees, 33 minutes, 22.9448 seconds west, at latitude 33 degrees, 51 minutes, 36.4626 seconds north, longitude 78 degrees, 33 minutes, 06.1937 seconds west, and at latitude 33 degrees, 51 minutes, 07.8792 seconds north, longitude 78 degrees, 32 minutes, 32.6210 seconds west, in a straight line projection of said line to the seaward limits of the States' territorial jurisdiction, such line to be extended on the same bearing insofar as a need for further delimitation may arise.".

SEC. 2. Nothing contained in the agreement described in the first section of this Act shall be construed as impairing or in any manner affecting any right or jurisdiction of the United States in and over the region which forms the subject of the agreement.

SEC. 3. The right to alter, amend, or repeal this Act is expressly reserved.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Fred J. Villella, of California, to be an Associate Director of the Federal Emergency Management Agency.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

FEDERAL EMERGENCY MANAGEMENT AGENCY

The assistant legislative clerk read the nomination of Fred J. Villella, of California, to be an Associate Director of the Federal Emergency Management Agency.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to legislative session.

There being no objection, the Senate resumed the consideration of legislative business.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RESUMPTION TOMORROW OF FOOD STAMP AND COMMODITY DISTRIBUTION AMENDMENTS OF 1981

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate resume consideration of the pending bill, the Food Stamp and Commodity Distribution Amendments of 1981, and the amendment just provided for, at 10:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR BRADLEY ON THURSDAY

Mr. BAKER. Mr. President, I ask unanimous consent that on Thursday, June 11, the Senator from New Jersey (Mr. BRADLEY) be recognized, under a special order, not to exceed 15 minutes, after the recognition of the two leaders under the standing order and the recognition of Senator NUNN under a special order entered earlier.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10 A.M. TOMORROW

Mr. BAKER. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 10 a.m. tomorrow.

The motion was agreed to; and at 6:16 p.m. the Senate recessed until tomorrow, June 10, 1981, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate June 9, 1981:

DEPARTMENT OF STATE

Dean E. Fischer, of Virginia, to be an Assistant Secretary of State.

Vernon A. Walters, of Florida, to be Ambassador at Large.

H. Monroe Browne, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to New Zealand, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to Western Samoa.

DEPARTMENT OF DEFENSE

Edward J. Philbin, of California, to be Deputy Assistant Secretary of Defense for Reserve Affairs, vice Harold W. Chase, resigned.

George A. Sawyer, of New Jersey, to be an Assistant Secretary of the Navy, vice George A. Peapples, resigned.

DEPARTMENT OF AGRICULTURE

John V. Graziano, of Virginia, to be Inspector General, Department of Agriculture, vice Thomas F. McBride.

NEW COMMUNITY DEVELOPMENT CORPORATION

Warren T. Lindquist, of New York, to be a Member of the Board of Directors of the New Community Development Corporation, vice A. Russell Marane.

DEPARTMENT OF ENERGY

James R. Richards, of Virginia, to be Inspector General of the Department of Energy, vice John Kenneth Mansfield.

COMMUNITY SERVICES ADMINISTRATION

K. William O'Connor, of Virginia, to be Inspector General, Community Services Administration, vice Frankie Muse Freeman.

EXPORT-IMPORT BANK OF THE UNITED STATES

William H. Draper III, of California, to be President of the Export-Import Bank of the United States, vice John Lovell Moore, Jr.

PANAMA CANAL COMMISSION

William R. Gianelli, an Assistant Secretary of the Army, to be a Member of Board of the Panama Canal Commission, vice Michael Blumenfeld.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code. section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Sinclair Lewis Melner, [redacted] U.S. Army.

IN THE AIR FORCE

The following officers for appointment in the Regular Air Force, in grades indicated, under the provisions of section 8284, title 10, United States Code, with a view of designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force.

DENTAL CORPS

To be lieutenant colonel

Freedman, Irving, [redacted].

To be captain

Fairbourn, Dennis R. [redacted].
Stelton, Dennis E. [redacted].

MEDICAL CORPS

To be lieutenant colonel

Fry, Harold H., [redacted].

To be major

Restituto, Norberto R. [redacted].

CHAPLAIN CORPS

To be major

Deimeke, Louis E., [redacted].

The following officer for appointment in the Regular Air Force, in the grade indicated, under the provisions of section 8284, title 10, United States Code, with date of rank to be determined by the Secretary of the Air Force:

LINE OF THE AIR FORCE

To be first lieutenant

Witzel, Robert A., [redacted].

The following persons for appointment as Reserve of the Air Force, in grades indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Asuncion, Hector P. C., [redacted].
Barnes, Robert D., [redacted].
Chapman, Daniel D., [redacted].
Delp, Glenn R., [redacted].
Donovan, William N., Jr., [redacted].
Floyd, John L., Jr., [redacted].
Fox, Charles R., [redacted].
Gage, Thomas P., [redacted].
Gens, John B., Jr., [redacted].
Grande, Donald J., [redacted].
Grant, Lee B., [redacted].
Halvorson, Harold C., [redacted].
Jordan, Henry S., [redacted].
Keller, Harrison B., [redacted].
Kuntz, Daniel J., [redacted].
Montgomery, Michael A., [redacted].
Oshea, John W., [redacted].
Pasto, George N., [redacted].
Roper, Daniel L., [redacted].
Rubinoff, Malcolm, [redacted].
Stonecipher, William C., [redacted].
St. Ville, Joseph M., [redacted].
Torkelson, Leif O., [redacted].
Vizcarra, Catalino C., Jr., [redacted].
Voakes, Verne G., [redacted].
Yockey, Charles C., [redacted].

DENTAL CORPS

To be lieutenant colonel

Hughes, Thomas H., [redacted].
Olive, Kenneth A., [redacted].
Wright, Richard L., [redacted].

The following persons for appointment as Reserve of the Air Force (ANGUS) in the grade indicated, under the provisions of sections 593 and 8351, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Bell, Richard B., [redacted].
Boben, William R. A., [redacted].
Bullington, Walter G. [redacted].
Dugan, Michael J., [redacted].
Evans, Clifford E., [redacted].
Kwasman, Bertram G. [redacted].
McFarland, James A. [redacted].
Moreland, Robert H., Jr. [redacted].

DENTAL CORPS

To be lieutenant colonel

Rainey, Joseph F., [redacted].

The following officers for promotion in the Air Force Reserve, under the provisions of sections 593 and 8376, title 10, United States Code.

MEDICAL CORPS

Lieutenant colonel to colonel

Alandydy, Manuel S., Jr. [redacted].
Moore, Allen M., Jr., [redacted].
Pumarejo, Ramon A. [redacted].
Rissier, Herbert L., [redacted].
Seth, Suman, [redacted].
Uhrman, Richard A., [redacted].

LINE OF THE AIR FORCE

Major to lieutenant colonel

Burwell, Jack G. [redacted].
Deluca, Robert, [redacted].
Harrington, Gary L. [redacted].
Messersmith, Robert P. [redacted].
Orsini, Joseph A., [redacted].
Smith, Charles E. [redacted].

MEDICAL CORPS

Basinger, Harold P., [redacted].
Bottene, Carlos A. D., [redacted].
Josselson, Arnod R., [redacted].
Joyner, Ira T., Jr. [redacted].
Oliveros, Rene A., [redacted].
Quebral, Merle G., [redacted].
Pangilinan, Arturo P. [redacted].
Roberts, Bertram W. [redacted].

NURSE CORPS

Allen, Ann M., [redacted].
Davis, Dian J., [redacted].
Geiselman, Vivian J. [redacted].
Payne, Margaret L., [redacted].

The following-named officers for promotion in the Regular Air Force, under appropriate provisions of chapter 835, title 10, United States Code, as amended. Officers are subject to physical examination required by law.

LINE OF THE AIR FORCE

Captain to major

Dungan, Donald R., [redacted].

Second lieutenant to first lieutenant

Owens, Bruce E., [redacted].

The following-named Air Force officer for reappointment to the active list of the Regular Air Force in the grade of colonel, Regular

Air Force, under the provisions of sections 1210 and 1211, title 10, United States Code, with active duty grade of colonel, in accordance with sections 8442 and 8447, title 10, United States Code.

LINE OF THE AIR FORCE

Marsh, Paul F. xxx-xx-xxxx.

The following-named Air Force officer for reappointment to the active list of the Regular Air Force, in the grade of lieutenant colonel, Regular Air Force, under the provisions of sections 1210 and 1211, title 10, United States Code, with active duty grade of colonel, in accordance with sections 8442 and 8447, title 10, United States Code.

LINE OF THE AIR FORCE

Fischer, James W. xxx-xx-xxxx.

IN THE AIR FORCE

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of section 593(a) title 10 of the United States Code, as amended:

LINE OF THE AIR FORCE

To be lieutenant colonel

Maj. David C. Billow, xxx-xx-xxxx.
Maj. Richard R. Browning, III xxx-xx-xxxx.
Maj. Deloris A. Bumpers xxx-xx-xxxx.
Maj. Daryll C. Cameron xxx-xx-xxxx.
Maj. John C. Chester xxx-xx-xxxx.
Maj. Marcus Covington, Jr. xxx-xx-xxxx.
Maj. Patrick L. Dale xxx-xx-xxxx.
Maj. Michael A. Divittorio xxx-xx-xxxx.
Maj. Loren J. English xxx-xx-xxxx.
Maj. Walter R. Ernst, II xxx-xx-xxxx.
Maj. William D. Ferriel xxx-xx-xxxx.
Maj. Ralph E. Fowble, Jr. xxx-xx-xxxx.
Maj. Norman J. Goldstein xxx-xx-xxxx.
Maj. Therman W. Hodge xxx-xx-xxxx.
Maj. David C. Hurlbut xxx-xx-xxxx.
Maj. David W. Keller xxx-xx-xxxx.
Maj. Keith H. Keppen xxx-xx-xxxx.
Maj. Frederick G. Kuhn xxx-xx-xxxx.
Maj. John A. McCormick, xxx-xx-xxxx.
Maj. Joseph P. McGrady xxx-xx-xxxx.
Maj. Ronald H. Morgan xxx-xx-xxxx.
Maj. John E. Perez xxx-xx-xxxx.
Maj. Alan T. Reid, xxx-xx-xxxx.
Maj. Frank D. Rezac, xxx-xx-xxxx.
Maj. Richard W. Serfass, xxx-xx-xxxx.
Maj. Rudolph L. Shipeky xxx-xx-xxxx.
Maj. Willis J. Thayer xxx-xx-xxxx.
Maj. Elton G. Thompson xxx-xx-xxxx.
Maj. Lowell V. Ueland, xxx-xx-xxxx.
Maj. Ronald B. Wetterau xxx-xx-xxxx.
Maj. Lester R. Williams xxx-xx-xxxx.
Maj. Ronald T. Zimmer xxx-xx-xxxx.

JUDGE ADVOCATE

Maj. Stuart A. Brody xxx-xx-xxxx.
Maj. Parker A. Denaco, xxx-xx-xxxx.
Maj. Patrick J. Sampson xxx-xx-xxxx.

MEDICAL CORPS

Maj. Dennis A. Higdon, xxx-xx-xxxx.
Maj. Frederic W. Stearns xxx-xx-xxxx.
Maj. Byron B. Timberlake, xxx-xx-xxxx.

NURSE CORPS

Maj Wilma A. Engstrom, xxx-xx-xxxx.
Maj. Calvin M. Ichinose, xxx-xx-xxxx.

IN THE NAVY

The following-named lieutenant commanders of the U.S. Navy for temporary promotion to the grade of commander in the line, pursuant to title 10, United States Code, sections 5769 and 5791, subject to qualifications therefor as provided by law:

Abler, Ronald J.
Affeld, Richard L.
Airlie, Jack G., Jr.
Aldrich, James H., Jr.
Anderson, Jon E.
Aranyos, John R.
Arey, Sheldon C.
Armitage, Charles E.
Armstrong, Richard C.
Arnold, James L.
Aunchman, Leman J., Jr.
Baker, William D.
Baldy, Mark B.
Balling, Chris M.
Bankert, Harlan R., Jr.
Barker, Joseph H., III
Barry, Robert F.
Bastad, David D.
Batcheller, Peter L.
Bates, John C., Jr.
Bates, Kenneth S., Jr.
Bartholomew, Glenn S.
Baughman, John D.
Beard, Irvin E., Jr.
Beck, Brent W.
Bedinger, Henry J.
Beinbrink, Jeffrey R.
Belden, William E., Jr.
Bellamy, David B.
Bentson, David A.
Bentz, John R.
Bernard, Paul L.
Bettinger, Robert G.
Birchmier, Charles O.
Blankinship, Leslie S.
Bloyer, Stanley F.
Bodenweber, William K., Jr.
Bodie, Jeffrey G.
Bostian, Richard M.
Bowler, Roland T. E., III
Boyd, Robert M.
Boyer, Robert F.
Bradley, Richard J., Jr.
Brandenburger, Robert B.
Branum Richard C.
Breglio, Robert A., Jr.
Brennan, Lawrence M Jr.
Brich, Robert J.
Britton, Max E.
Broadhurst, William T.
Broderick, Donald J.
Brown, Duane L.
Brown, Gerald A.
Bruner, Michael G.
Bryant, Gary W.
Brydges, Richard R.
Bubeck, Richard B.
Buchanan, Charles C., Jr.
Buck, Robert M. Jr.
Buckley, Gerard F.
Bulkeley, Peter W.
Bullock, James W.
Bunch, Gerald D.
Burch, John C.
Burchell, Charles R.
Burgess, Kenneth C.
Burggren, Peter C.
Burns, Joseph M.
Burns, Joseph D.
Burns, William R., Jr.
Burrow, Barry V.
Butterworth, Robert M.
Buttinger, James D.
Calderella, Rocco J.
Caldwell, Ellis A.
Calhoun, William M.
Calnan, Gary S.
Cameron, Robert B., Jr.
Campbell, Jay. A.
Campbell, Robert B.
Campbell, William H.
Candler, David W.
Carbone, Nicholas D
Carroll, Charles L., II
Caruso, Michael J.
Case, Gary R.
Cassat, Gary I.
Chamberlain, Martin L.
Champe, John E.
Charest, Jerry R.
Chicoine, Rene J.
Christensen, Paul E.
Christopher, Angelus D.
Church, David E.
Clark, Bartlett L.
Cleal, Stephen R.
Cochran, Deford E.
Collins, Martin K.
Colucci, Robert J.
Colvert, Robert G.
Combs, Robert M.
Comer, Joseph S.
Connell, Hugh D., II
Cook, James B., II
Cook, Jon L.
Corry, Vincent H.
Coughlin, James W.
Council, George S., Jr.
Cover, Martin L., III
Crahan, Gary M.
Craighill, John S.
Craine, John W., Jr.
Criss, Nicholas R., III
Crosby, Dennis A.
Cunningham, Randall H.
Currie, Michael P.
Curtis, James A.
Cushman, Charles W., Jr.
Dabbieri, Peter V., Jr.
Dadson, James B.
Dahlinger, Frank W.
Dail, James A.
Dailey, Donald C.
Dale, Louis B., Jr.
Daughtry, Joseph S., Jr.
Davis, David W., III
Davison, John W.
Dawson, Gerald H.
Decker, Thomas R.
Degruy, Charles M.
Delear, Denis W.
Demarino, Thomas V., Jr.
Dengler, Frank G.
Derocher, Paul J., Jr.
Dewar, Dorel J., Jr.
Diamond, Emil R., Jr.
Dilks, Robert W.
Dinkel, Robert E., Jr.
Dodds, Victor E.
Donat, Winfield, III
Donnelly, William M.
Doran, Walter F.
Doroshenk, Theodore
Douglas, Charles O.
Downing, Donald A.
Doyle, Hugh J.
Drake, John O., Jr.
Dries, David I.
Driscoll, Joseph E., Jr.
Dufresne, William F.
Dullaghan, William E.,
Duncan, John H.
Dunn, Ivan M.
Durgin, Harlan M.
Dutton, Hubert L., Jr.
Eckart, James E.
Eckler, Joseph F.
Eklund, Gary J.
Ellis, James O., Jr.
Ellis, Michael A.
English, Robert H.
Erskine, John R.
Evans, William A., IV
Evert, Richard D.
Eysenbach, Karl
Faber, Douglas E.
Faddis, Walter H.
Faison, Charles C.
Fallon, William J.
Fantauzzo, Richard A.
Farlow, Michael J.
Farver, Richard K.
Ferriter, Nicholas M.
Fielding, Harvey G.
Fifer, Richard M.
Figueras, Raymond J., III
Finch, David C.
Fini, Wallace P.
Finley, Thomas F., Jr.
Finney, David H.
Fitzpatrick, John L.
Fletcher, Bennie L., III
Floyd, Anthony III
Ford, Thomas J.
Fowler, Ormond C., Jr.
Fralm, Thomas S.
Franklin, Ronald E.
Franson, William E., Jr.
Fraser, Donald R.
Frederick, Georgie R.
Freman, Floyd E.
French, Timothy A.
Fritsch, Curtis P., III
Fritz, Gerald W.
Gabriel, Charles A.
Gabrielson, Dale E.
Gaffney, Wiliam A.
Gagne, Gregory M.
Gates, Christopher G.
Geismar, Donald D., Jr.
Gerhardt, Robert R.
Gertz, Wayne H.
Giardina, Thomas J., II
Gilbert, Arthur J.
Giles, Donald A.
Givens, Todd W.
Glanzman, Denman P.
Glerum, Michael D.
Glover, James R., Jr.
Gordon, John H.
Gorman, Joseph D.
Gottschalk, Glenn F.
Gracie, David L.
Graham, Edward, 1V
Gravatt, Brent L.
Gray, Stephen V.
Green, Jon N.
Green, Thomas F.
Griffin, Henry N.
Guilfoil, Thomas P.
Gumbert, Ronald D., Jr.
Gurick, Gerald A.
Gwinn, William H.
Habel, Paul G.
Hack, Theodore W.
Hackathorn, Dennis G.
Haley, Mark C.
Hammond, Rayford E.
Halley, Elmer J., Jr.
Hanley, Paul W.
Hansell, Paul J.
Hanson, J. Patrick
Hanson, Robert M.
Hart, Joseph E., Jr.
Hartnett, James T.
Hartsell, Harry W.
Hatcher, Douglas C.
Hawkins, Robert B.
Hawthorne, Robert E., Jr.
Hearn, Robert V.
Heaton, Joel B.
Hedderson, Thomas M.
Hedger, Bernard J.
Hefkin, Donald C.
Heidner, James C.
Heilig, William W., Jr.
Heinemann, Alfred G., III
Heisig, Alan L.
Hendrickson, Dean M., Jr.
Hendrix, Royal F., III
Hensley, James M.
Hewitt, Leslie W., Jr.
Hiatt, Douglas G.
Hickok, John H.
Highfill, Harry M.
Hills, Norman A.
Hinkle, James B.
Hinman, Thomas T.
Hodson, Paul R.
Hofer, Eric L.
Holl, Stephen T.
Holt, James S.
Honeycutt, Anthony O.
Horne, Robert J.
Howitt, Leslie A.
Hubbs, Phillip M.
Hudson, Gerald P.
Hulsey, William J.
Humphreys, Alvin N.
Hunter, Gerald F., Jr.
Hurst, Errol R.
Hutcheson, Thomas M., Jr.
Idsinga, William
Inman, John P.
Irelan, Dennis W.
Isert, Eugene S.
Jacobs, Frederick T.
Jacobs, Gerald K.
Jacobs, James C.
Jaeger, Richard J., III
Jankovic, Oleg
Johns, Raymond S.
Johnson, Donald H., Jr.
Johnson, Edward R.
Johnson, Jerry L.
Johnston, Richard H., III
Johnston, Thomas D.
Jonas, Michael P.
Jones, Albert D.
Jones, Edward M.
Joy, Ernest H., II
Joyce, James E.
Julihn, Lawrence S.
Junek, John F.
Jurcheck, John C.
Kainer, Edward L.
Kaiser, Larry L.
Kane, John E.
Kanive, Paul E.
Keef, Mark B.
Keefer, Richard L.
Keegan, Lawrence T.
Keller, William C.
Kelley, Michael B.
Kelly, Lawrence M.
Kelly, Robert B., Jr.
Kent, Melton, T.
Kent, Thomas, R.
Kerr, Peter, J.
Kieley, John J., III
King W. O., Jr.
Kinney, James C.
Kish, Robert A.
Kline, Edward M., Jr.
Knowles, Robert T.
Koch, Patrick P.
Koopman, Theodore
Kowalchik, Sergei M.
Kozuch, Bernard S.
Kramer, Steven B.
Kreft, Robert J.
Krol, Joseph J., Jr.
Krubsack, Robert L.
Lakari, Robert E.
Lamon, Thomas I.
Lang, Robert E.
Lang, Ronald J.
Langbehn, Craig A.
Lareau, Jerome P.
Larson, Keith H.
Larson, Robin C.
Law, Charles E.
Lawson, Peter G., II
Lear, George B., Jr.
Leddy, William R.
Lee, Gary L.
Lee, Robert E.
Lehman, Brian L.
Leo, Charles R., III
Leonard, Robert E.
Lesley, Ronnie J.
Leslie, John C., Jr.
Lindfors, Bo G.
Loeffler, Stephen R.
Lohden, Frederick C.
Long, Peter A. C.
Love, Jimmy R.
Loy, Marvel H., Jr.
Ludwig, Frederick G., Jr.
Lundahl, David C.
Lutes, Thomas E.
Lynch, Lynn M.
Lyons, John J.
MacDonald, Douglas M.
Mach, Raymond J., Jr.
MacNeill, Kent V. L.
Macomber, Jonathan D.

Madden, Lewis D.
Madden, Thomas F.
Mahew, William E., Jr
Markley, Daniel C.
Marks, Norman A.
Maroon, Jerry W.
Marshall, Gregory S.
Martin, Jack E.
Martin, Michael D.
Martin, William C.
Marvel, Dennis C.
Marzetta, Dante R., II
Mattioda, Ronald L.
Mayo, Richard W.
Mazza, Joseph D.
McCallister, Michael A.
McCarthy, William J., IV
McComas, Jon P.
McCracken, William L
McCraith, Laurence P.
McCrary, Michael S.
McCulloch, Edward A.
McCullough, Van L.
McDaniel, Garold S.
McGinnis, Stephen J.
McHatton, James T.
McKinnon, Clark D.
McLean, Michael A.
McManamon, Vincent M.
McQuiston, Michael K.
Meade, Richard J.
Merickel, Michael R.
Merkel, Sherman J., Jr.
Mero, Kenneth
Migrala, Walter M., Jr
Millard, Warren J.
Miller, Bruce M.
Miller, Gary W.
Mitchell, Anthony E.
Mitchell, Theodore A.
Mitschang, George W.
Moffat, Michael E.
Moldenhauer, Ernest W., Jr.
Monaco, Anthony V.
Monk, Carl W., Jr.
Monroe, Jerry M.
Montgomery, Richard L.
Moore, Richard W.
Moore, Thomas W.
Moore, Timothy B.
Morris, Raymond J., Jr.
Morris, William D.
Mueller, Frank A., Jr.
Munger, Edmund C.
Murphy, Arthur V.
Murphy, James L., III
Murphy, Patrick
Murray, Richard S.
Murrell, Douglas M.
Myers, Roger E.
Myslivy, Guy E.
Nanos, George P., Jr.
Neal, Basil E., Jr.
Neiman, Arthur D.
Nekomoto, David S.
Nelson, Dwayne H.
Neville, Thomas J.
Noble, Russell L.
Nordean, David L.
Norman, Ronald W.
Norris, William L.
Norris, William L., Jr.
Nosal, Leonard J.
Nosco, Robert G.
O'Connell, Donald D.
Ogle, John L., Jr.
Ohnemus, Donald P.
Oliver, James H.
Olsen, Wayne L.
Oltraver, Dennis A.
Osburn, Vernon R.
Oser, Eric L.
Osiecki, Arthur E.
Osteen, Michael D.
Ostertag, Marc A., II
Overton, John C.
Owens, Gregg O.
Parker, Jimmy W.
Parker, Joseph W., Jr.
Parrish, John M.
Parsons, Dennis I.
Paschall, Jack, III
Patten, Leo G.
Payne, John S.
Pear, Willard F.
Peck, Jeffrey A.
Penfold, Robert R.
Penque, Charles W., Jr
Perkins, Thomas W.
Perrin Clifford S.
Peter, Leo E., Jr.
Peterson, Arne M.
Peterson, John W.
Pfeiffer, John F.
Phoebus, Ronald W.
Pierce, Paul G.
Pierpont, Peter S.
Pigoski, Thomas M.
Pisz, Robert J.
Piwowar, Thomas M.
Place, Cameron B.
Polk, Albret S., III
Pollard, Don P.
Pomberg, John A.
Poniatowski, Tadeusz S.
Pope, David L.
Porter, Gary R.
Porter, Joel A.
Porter, John C.
Potter, John E., II
Prestero, Mark G.
Pribula, Stephen M.
Prisaznick, David L.
Proctor, Kenneth A.
Purhonen, Steven C.
Putnam, William L.
Pyetzki, Charles M.
Quigley, Stephen T., Jr.
Ralston, Michael G.
Ramsay, Robert L., III
Rankin, Charles R.
Reed, Maynard M.
Rice, Marvin R.
Richards, Jesse M., III
Richardson, Arthur F.
Richardson, Murriel L., Jr.
Richey, Daniel O.
Ries, Kenneth L.
Riley, Charles W.
Robb, Warren A.
Robbins, Thomas F.
Robertson, Terry G.
Robison, Thomas S.
Rollen, Claude T.
Romanski, Paul A.
Roser, James H., Jr.
Ross, Paul D., Jr.
Rossing, Bruce W.
Rouse, Francis C., Jr.
Rowland, Charles B.
Rud, Gilman E.
Russell, Bayard W.
Ruys, Ronald E.
Ryan, Jerry R.
Ryan, John R.
Ryan, Norbert R., Jr.
Ryon, Roger L.
Sabatini, Joseph F.
Sadauskas, Leonard
Safley, Gordon W.
Samuels, Michael W.
Sanders, Thompson E.
Santoro, David J.
Sargent, David P., Jr.
Savage, Wayne F.
Scalzo, John C.
Schaeffer, Robert C.
Schantz, Curtiss W., Jr
Scheber, Thomas K.
Scheu, David R.
Schiller, Frederick C.
Schimmel, Carl W., III
Schmidt, William W.
Schmitt, Jackie M.
Schoch, William L.
Schuhl, James C.
Schwikert, Frank D.
Scott, Richard T., Jr.
Seider, Michael S.
Sell, John C.
Senft, Milton L.
Seward, Theodore C., Jr.
Shaw, Robert E.
Shedd, Stephen T.
Sheffield, Terry Randolph
Sheldon, John T.
Sheldrick, Ralph C.
Shepard, Peter A.
Shick, John C.
Shields, Joseph C.
Shive, Clifford L., Jr.
Simoneaux, Donald C.
Slattery, Michael G.
Smiley, Michael C.
Smith, Connor L.
Smith, Harry L., Jr.
Smith, James L.
Smith, Michael J.
Smith, Raymond C., Jr.
Smith, Robert W.
Snyder, Luther W., Jr.
Soares, Paul L.
Sollenberger, Robert T.
Sommers, Thomas A.
Sorce, Anthony M.
Southgate, Gregg V.
Spahr, Otto W., III
Spears, Oliver K., III
Speed, Danny L.
Spengel, Michael F.
Stanley, David I.
Statskey, Paul R.
Street, Ernest L.
Stuits, James D.
Sullivan, James D.
Sullivan, Timothy J.
Surdyk, Michael G.
Sutton, Mahlon R., II
Svendsen, Michael R.
Swaggart, Kenneth W.
Taylor, Malcolm P., Jr.
Thomas Mack Allen, Jr.
Thompson, Jerry A.
Thormeyer, Carl D.
Tilson, Paul E., Jr.
Tilton, Ronald W.
Tinkel, Terrence L.
Toone, James J.
Trautman, Kurt M.
Treis, Robert E.
Trotter, Richard L.
Trumbower, Glen C.
Tucker, Gerald D.
Tulloch, Allan W.
Turner, Horatio W., IV
Uhrin, John J., III
Uplinger, Leon J.
Upton, Thomas G.
Urbanek, Keith A.
Vanderwest, James R.
Vansickle, Garth A.
Vivian, William C.
Volland, Karl F., Jr.
Waddell, Ronald D.
Wagner, Lynn T.
Ward, Chester D.
Ward, Paul C.
Warner, Carl D.
Wasowski, Walter M.
Wasson, Gary C.
Watts, James A.
Weeks, Robert A.
Wehry, Allen C.
Weinberg, Kenneth P.
Westbygibson, Peter B.
Westmoreland, Michael N.
Whatley, James W.
White, Craig C. L.
White, Sidney R., III
Wikstrom, Raymond M.
Williams, Jack B., Jr.
Williamson, Robert C. J.
Wilson, Wayne B.
Wire, Keith R.
Wise, Cletus F.
Witt, Theodore C. W.
Woerner, James P., Jr.
Wood, Kenneth A., Jr.
Woodall, Stephen R.
Wooldridge, Francis R.
Wrynn, John P.
Yockey, James W.
York, Gerald L.
York, Russell C.
Ziller, Gay M., Jr.
Zuch, Ronald C.

The following-named women lieutenant commanders of the U.S. Navy for permanent promotion to the grade of commander in the line, pursuant to title 10, United States Code, sections 5771 and 5791, subject to qualifications therefor as provided by law:

Beckhart, Sherry D. S.
Brisbois, Willine C.
Coker, Barbara K.
Franzia, Mary L.
Hayes, Maryanne
Hill, Karen D.
Mullen, Virginia C.
Pironti, La Vonne D.
Sheridan, Anna L.
Wallis, Mabel L.

IN THE NAVY

Bruce R. Dailey, Naval Reserve Officers Training Corps candidate to be appointed permanent ensign in the line or staff corps of the U.S. Navy, subject to qualification therefor as provided by law.

Harry G. Kennedy, U.S. Naval Reserve, to be appointed permanent commander and temporary captain in the Medical Corps of the U.S. Navy, subject to qualification therefor as provided by law.

The following-named Naval Reserve officers to be appointed permanent commander in the Medical Corps of the U.S. Navy, subject to qualification therefor as provided by law:

Noll, John B.
Reyes, Antonio F.

The following-named Naval Reserve officers to be appointed permanent lieutenant commander in the Medical Corps of the U.S. Navy, subject to qualification therefor as provided by law:

Carlson, Bruce E.
Praba, Sudha M.
Prentice, Peter S.
Rodriguez, Jesus
Rosario, Roberto B.
Tinana, Andres M.

The following-named Naval Reserve officers to be appointed permanent lieutenant commander and temporary commander in the Medical Corps of the U.S. Navy, subject to qualification therefore as provided by law:

Banka, Robert P.
Bearss, Rollin W.
Dresser, Thomas P.
Hargrove, Charles B.
Lunetti, Thomas L.

Dan R. White, U.S. Naval Reserve, to be appointed permanent lieutenant commander and temporary commander in the Dental Corps of the U.S. Navy, subject to qualification therefor as provided by law:

The following-named enlisted candidates to be appointed permanent ensign in the Medical Service Corps of the U.S. Navy, subject to qualification therefor as provided by law:

Alexander, William A.
Barron, Danny M.
Benton, Earnest E.
Carpenter, Jerry L.
Davis, David R.
Earley, Jerry D.
Forsha, Joseph D.
Foss, Geoffrey W.
Hansen, Christian W., III
Hines, William E.
Hood, Barry F.
Jenkins, Samuel P., Jr.
Kollasch, Douglas J.
Lawson, Frank G.
Lazzaro, Gregory W.
Mavridoglou, Theodoros A.
Molnar, Dennis J.
Nichols, Steven M.
Randall, Arthur E.
Sparks, Johnny R.
Stoops, Dennis E.
Webb, Benjamin F.

Lt. Robert Mendez, U.S. Navy, retired, to be reappointed a permanent lieutenant, from the Temporary Disability Retired List, subject to qualification therefor as provided by law.

Arthur B. Kliefoth III, U.S. Navy, to be appointed a permanent commander in the Medical Corps of the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

John E. Wimmer, U.S. Navy, to be appointed a temporary commander in the Medical Corps of the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

Martin T. Tyler, U.S. Navy, to be appointed a temporary commander in the Dental Corps of the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

Robert T. Dufort, ex-U.S. Navy officer, to be appointed a temporary commander in the Medical Corps of the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 9, 1981:

DEPARTMENT OF STATE

Chester A. Crocker, of the District of Columbia, to be an Assistant Secretary of State, vice Richard M. Moose, resigned.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Fred Joseph Villella, of California, to be an Associate Director of the Federal Emergency Management Agency, vice Frank A. Camm, resigned.

HOUSE OF REPRESENTATIVES—*Tuesday, June 9, 1981*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

The Lord is my light and my salvation; whom shall I fear? The Lord is the strength of my life; of whom shall I be afraid.—Psalms 27: 1.

Lord, we acknowledge that only a foolish person admits no fears as the paths of life are walked, and we praise Your name that in spite of all that would overwhelm, You are yet our hope and source of daily strength. Help us to develop a desire for reconciliation among peoples and nations that Your perfect love will cast one fear and distrust and we will learn to look to others not with hatred or the desire for advantage, but knowing that by a righteous faith, we may see light and walk in peace. In Your name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. HARTNETT. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. HARTNETT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 344, nays 7, present 1, not voting 79, as follows:

[Roll No. 65]

YEAS—344

Addabbo	Barnes	Boland
Akaka	Beard	Bolling
Alexander	Bedell	Boner
Anderson	Beilenson	Bonior
Andrews	Benedict	Bowen
Annunzio	Benjamin	Breaux
Anthony	Bennett	Brinkley
Archer	Bereuter	Brodhead
Aspin	Bethune	Brooks
Atkinson	Bevill	Broomfield
AuCoin	Biaggi	Brown (CA)
Bailey (MO)	Bingham	Brown (CO)
Bailey (PA)	Bliley	Broyhill
Barnard	Boggs	Burton, John
Burton, Phillip	Gray	Mica
Butler	Green	Mikulski
Campbell	Gregg	Miller (CA)
Cheney	Guarini	Miller (OH)
Clausen	Gunderson	Mineta
Clinger	Hagedorn	Minish
Coats	Hall (OH)	Mitchell (NY)
Coelho	Hall, Ralph	Moakley
Coleman	Hall, Sam	Moffett
Collins (TX)	Hamilton	Molinari
Conable	Hammerschmidt	Montgomery
Conyers	Hance	Moore
Corcoran	Hansen (ID)	Moorhead
Coughlin	Hansen (UT)	Morrison
Coyne, William	Hartnett	Mottl
Crane, Daniel	Hatcher	Murphy
Crane, Philip	Hawkins	Murtha
Crockett	Hefner	Myers
D'Amours	Heftel	Napier
Daniel, Dan	Hendon	Natcher
Daniel, R. W.	Hertel	Neal
Danielson	Hightower	Nelligan
Dannemeyer	Hiler	Nelson
Daschle	Holland	Nichols
Daub	Hollenbeck	Nowak
Davis	Holt	O'Brien
Deckard	Hopkins	Oakar
DeNardis	Horton	Oberstar
Derrick	Hoyer	Obey
Derwinski	Hubbard	Panetta
Dicks	Huckaby	Parris
Dingell	Hughes	Pashayan
Dixon	Hutto	Patman
Donnelly	Hyde	Patterson
Dorgan	Ireland	Paul
Dornan	Jeffords	Pease
Downey	Jeffries	Perkins
Dreier	Jenkins	Peyser
Duncan	Johnston	Porter
Dunn	Jones (TN)	Pritchard
Dwyer	Kastenmeier	Rahall
Early	Kazen	Rangel
Eckart	Kildee	Ratchford
Edgar	Kindness	Regula
Edwards (AL)	Kogovsek	Reuss
Edwards (CA)	Kramer	Rhodes
Edwards (OK)	LaFalce	Richmond
Emerson	Lagomarsino	Rinaldo
Emery	Lantos	Ritter
English	Latta	Roberts (KS)
Erdahl	Leach	Roberts (SD)
Erlenborn	Leath	Robinson
Ertel	LeBoutillier	Rodino
Evans (DE)	Lehman	Roemer
Evans (GA)	Leland	Rogers
Evans (IN)	Lent	Rosenthal
Fascell	Levitas	Rostenkowski
Fazio	Lewis	Roth
Fenwick	Livingston	Roukema
Fiedler	Loeffler	Roybal
Fields	Long (MD)	Rudd
Findley	Lowry	Russo
Fish	Lujan	Savage
Fithian	Luken	Sawyer
Foley	Lundine	Scheuer
Ford (MI)	Lungren	Schumer
Ford (TN)	Markey	Sensenbrenner
Fountain	Marks	Shamansky
Fowler	Marlenee	Shannon
Frank	Marriott	Sharp
Frenzel	Martin (NC)	Shaw
Frost	Martin (NY)	Shelby
Garcia	Matsui	Shumway
Gaydos	Mattox	Shuster
Gejdenson	Mavroules	Siljander
Gephardt	Mazzoli	Simon
Gibbons	McClory	Skeen
Gilman	McCloskey	Skelton
Gingrich	McCollum	Smith (AL)
Ginn	McCurdy	Smith (IA)
Glickman	McDade	Smith (NJ)
Gonzalez	McDonald	Smith (OR)
Gore	McEwen	Snowe
Gradison	McGrath	Snyder
Gramm	McHugh	Solarz
Solomon	Vander Jagt	Wilson
Spence	Vento	Winn
St Germain	Volkmer	Wirth
Stangeland	Walgren	Wolf
Stanton	Wampler	Wolpe
Stark	Watkins	Wortley
Staton	Waxman	Wright
Stokes	Weber (MN)	Wyden
Studds	Weber (OH)	Wylie
Swift	Weiss	Yates
Synar	Whitehurst	Yatron
Tauke	Whitley	Young (AK)
Tauzin	Whittaker	Young (FL)
Taylor	Whitten	Young (MO)
Thomas	Williams (MT)	Zablocki
Traxler	Williams (OH)	

NAYS—7

Evans (IA)	Jones (OK)	Schroeder
Goodling	Mitchell (MD)	
Jacobs	Sabo	

PRESENT—1

Ottinger

NOT VOTING—79

Albosta	Dymally	Pepper
Applegate	Dyson	Petri
Ashbrook	Fary	Pickle
Badham	Ferraro	Price
Bafalis	Flippo	Pursell
Blanchard	Florio	Quillen
Bonker	Foglietta	Railsback
Bouquard	Forsythe	Roe
Brown (OH)	Fuqua	Rose
Burgener	Goldwater	Rousselot
Byron	Grisham	Santini
Carman	Harkin	Schneider
Carney	Heckler	Schulze
Chappell	Hillis	Seiberling
Chappie	Howard	Smith (NE)
Chisholm	Hunter	Stenholm
Clay	Jones (NC)	Stratton
Collins (IL)	Kemp	Stump
Conte	Lee	Trible
Cotter	Long (LA)	Udall
Courter	Lott	Walker
Coyne, James	Lowery	Washington
Craig	Madigan	Weaver
de la Garza	Martin (IL)	White
Dellums	McKinney	Zeferetti
Dickinson	Michel	
Dougherty	Mollohan	

□ 1215

So the Journal was approved.

The result of the vote was announced as above recorded.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore (Mr. RANGEL) laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
June 9, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House of Representatives, I have the honor to transmit a sealed envelope from The White House, received in the Clerk's Office at 3:45 p.m. on Monday, June 8, 1981 and said to contain a message from the President wherein he transmits the tenth special mes-

sage for fiscal year 1981 under the Impoundment Control Act of 1974.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

FOUR PROPOSALS TO RESCIND THE BUDGET AUTHORITY AMOUNTS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-58)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report four proposals to rescind a total of $114.1 million in budget authority previously provided by the Congress. The rescission proposals affect programs in the Environmental Protection Agency and the National Endowments for the Arts and Humanities. These proposals are a part of my continuing effort to help reduce government spending.

The details of the rescission proposals are contained in the attached reports.

RONALD REAGAN.

THE WHITE HOUSE, *June 8, 1981.*

CUTS THAT HURT

(Mr. DOWNEY asked and was given permission to address the House for 1 minute.)

Mr. DOWNEY. Mr. Speaker, I must say I am enjoying watching the hubbub over at Treasury between Secretary Regan and his former 10-5-3 lieutenants on the business roundtable.

If we had a dollar for each corporate jet bringing in executives to help get the administration back on track for their tax cuts, the Federal budget would be in surplus. You see, the 10-5-3 plan originated in corporate board rooms, Mr. Reagan bought it lock, stock and barrel, and naturally, it upsets these gentlemen when the President alters their plan without consultation.

I am enjoying watching because it shows how little understanding of the legislative process business continues to have, how shocked the community was that their man, Ronald Reagan, would dare rein them in, and finally, it gives we opponents of 10-5-3 a chance to emphasize its real effect. Simply, it eliminates corporate taxes for some industries and takes other industries down to levels significantly below that of the average family.

I recognize that my views on taxes may seem somewhat old fashioned to many of you born again supply siders, but I just feel somehow that Exxon and A.T. & T.'s tax rate should not be too much lower than that of the average working man; 10-5-3 not only insures lower rates for corporations than for people, it eliminates taxes for a good many industries.

As I look out over the country and see so many people affected by budget cuts—school lunches, student loans, and so forth, it makes me feel good to see that these guys from business can understand too. It hurts to find out that you are going to get a quarter trillion dollars less in tax breaks than you thought you were going to get. Times are hard for all of us.

TERRORIST LEADERS IN WASHINGTON

(Mr. McDONALD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McDONALD. Mr. Speaker, yesterday I was shocked to receive a press release (Information Note No. 3581, June 5, 1981) from the United Nations Center Against Apartheid, announcing a conference on the United States and South Africa held at Howard University and which listed the speakers as including B. Akporode Clark, chairman of the U.N. Special Committee on Apartheid; Oliver R. Tambo, president, African National Congress (ANC); Moses Garoeb, administrative secretary of the South West Africa People's Organization (SWAPO); Representative WILLIAM GRAY, vice-chairman, Congressional Black Caucus; Dr. Robert Cummings, Department of African Studies, Howard University; Canon Robert C. S. Powell, director, African Office, National Council of Churches; and Randall Robinson, director of Transafrica.

It is shocking that two high-level leaders of Soviet-dominated terrorist groups, the African National Congress and South West Africa People's Organization, were permitted to enter the United States and travel without restriction.

While in Washington, Tambo met with some Members of the House and Senate in an effort to lend an aura of credibility to his brutal terrorist organization.

I understand that this Marxist terrorist today plans to visit Atlanta, and lunch with its mayor, Maynard Jackson. That Mr. Jackson, properly occupied with directing a manhunt for the killers of innocent children in his city, should meet with a man who directs the murder of innocent people in South Africa—both black and white—is an affront to decent people.

REPRESENTATIVE BEDELL APPLAUDS REPRESENTATIVE BEREUTER ON O'NEILL MOVE

(Mr. BEDELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEDELL. Mr. Speaker, I am extremely pleased that Congressman BEREUTER has decided to actively involve himself in stopping the O'Neill irrigation project in Nebraska—a waste of taxpayers' money which I have been trying to stop for several years. His help will be very much appreciated in our attempt to provide for cost-effective expenditure of taxpayers' hard-earned money rather than voting for funding of a pork barrel water project.

I have been involved in this fight for several years and it appears that we may finally win the battle. If so it will prove that it pays never to give up.

If O'Neill were completed, the taxpayers would foot the bill to the tune of over $4,000 per acre for irrigation of farmland that would realize benefits of only $400 per acre.

With our national effort to eliminate wasteful and unnecessary Government spending, this project is a prime candidate to be halted. We have a great and easy opportunity to save over a third of a billion dollars by scrapping O'Neill, which is less than 2 percent complete. I welcome Congressman BEREUTER's assistance in this effort.

WHO WANTS TO DESTROY ISRAEL?

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SCHUMER. Mr. Speaker, I rise today because so much of a storm has evolved about the Israeli raid on the Iraqi nuclear powerplant. I thought the Members of this body would be enlightened by a couple of quotations. One is from Sadam Hussein on the Bagdad Voice of the People on August 20, 1980. He stated:

> When we reject the Zionist entity's decision to take Jerusalem as its capital, we do not mean that we recognize Tel Aviv as its capital. We consider it a usurper of the territory of Palestine and of other Arab territories. * * * Some people may ask if this decision is the best that can be taken. No, a better decision would be to destroy Tel Aviv with bombs, but we have to use the weapons available until it is actually possible to respond to the enemy with bombs.

That is a quotation from the President of Iraq.

A leading Iraqi paper, Al Tawrah, on October 4, 1980, stated:

> The Iranian people should not fear the Iraqi nuclear which is not intended to be used against Iran but against the Zionist enemy.

I ask you, ladies and gentlemen of this House, to pose an analogous situation. Let us imagine that Mexico were building a nuclear reactor. Let us also imagine that Mexico were a hostile power to the United States, and that its President and leading newspapers had threatened to use their military means to destroy us. Let us imagine that we had tried for a year through diplomatic means to reduce this threat to our very existence, and were unsuccessful. Given that situation, what would the United States do?

I ask the ladies and gentlemen of this House to contemplate this analogy before condemning Israel for its action against Iraq.

CONGRESSMAN GARCIA INTRODUCES COMPANION LEGISLATION TO H.R. 2121, THE SURPLUS SCHOOL CONVERSION ACT

(Mr. GARCIA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GARCIA. Mr. Speaker, today I am introducing companion legislation to H.R. 2121, the Surplus School Conversion Act, which I introduced earlier this session. H.R. 2121 provides funds to local educational agencies for the renovation of underutilized school buildings. The companion legislation I am introducing today is a result of a recent General Accounting Office report recommending a Federal policy requiring Federal agencies with grant construction programs to consider the use of vacant schools in lieu of new construction.

In this era of twin and sometimes conflicting concerns of economy and environment, I believe this measure makes sense. According to the Catalog of Federal and Domestic Assistance, 24 Federal grant programs in fiscal year 1979 were authorized to provide funding for brick-and-mortar construction projects. Funding authorizations for these programs totaled over $5.8 billion. Many of these programs provide funds for a wide range of construction projects, including social service, health centers, libraries, low-rent housing, police stations, vocational education training schools, recreation facilities, small infirmaries, nursing care homes, and day care facilities.

However, the Federal agencies responsible for administering the programs do not require State and local jurisdictions that request funding for new construction to routinely consider the feasibility of renovating available vacant or underutilized schools to meet their needs. Such a requirement could increase the opportunities for making effective use of vacant schools and result in significant savings to the Federal Government.

Because there may be opportunities for substantial cost savings by using more vacant schools in lieu of new construction, the GAO believes, and I concur, that an evaluation of the feasibility of using such schools should be required before construction funds are awarded to grantees. Also, since the opportunity spans many Federal programs, I believe there should be a Federal policy requiring Federal agencies with grant construction programs to consider the use of vacant schools in lieu of new construction.

BIAGGI REACTION TO ISRAEL ACTION AGAINST IRAQ

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, the administration's condemnation of Israel was unfortunately too hasty when one considers the real and present danger posed to Israel by the Iraq atomic reactor. Our own intelligence reports indicated that the reactor could have been operational within a matter of weeks and could produce offensive weaponry. The Israeli action was more in self defense than an offensive attack which would not be in violation of U.S. law. It is important to consider the fact that Iraq has been at war with Israel and the President of Iraq has threatened to use the nuclear bomb against Israel. A strong and sovereign Israel is critical to a stable Middle East which in turn is vital to our national security. Considering traditional Arab hostility to the very existence of Israel—I maintain that their action was necessary for their own internal security.

REAL ISSUE IN ISRAELI RAID IS PROLIFERATION OF ATOMIC WEAPONS MATERIAL

(Mr. MARKEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARKEY. Mr. Speaker, the real issue is not whether we should condemn or praise Israel for Sunday's attack on the Iraqi nuclear reactor. The real issue is the proliferation of atomic weapons material caused by the export of sophisticated nuclear technology by the United States and Western European countries.

Why should we blame Israel when the real culprits are the French and the Italians who supplied Iraq a country with enough oil to build an oil-fired electricity plant on every oasis in this country with a nuclear research reactor which uses highly enriched uranium which can be converted easily and directly into an atomic bomb?

Before we judge Israel too quickly, Mr. Speaker, we should remember that they are in a state of war with Iraq because Iraq has never agreed to sign the Middle East cease-fire. In addition the President of Iraq has stated publicly that the nuclear reactor and its bomb-grade fuel would be used against Israel. In sum, Israel had its back against the wall, and from their point of view had no alternative but to destroy the Iraqi reactor.

I am introducing today, Mr. Speaker, a sense-of-the-Congress resolution calling on President Reagan to seize this opportunity to completely reexamine U.S. nonproliferation policy and the controls that we required for the export of nuclear powerplants. I hope that all my colleagues will join with me in cosponsoring this resolution and that the failure of the current international nonproliferation policy will be ended and that tighter restrictions and prohibitions on any nuclear exports will be our policy in the future.

THE ONLY QUESTION: ARE THE SOVIET UNION AND CUBA BEHIND WHAT IS HAPPENING IN EL SALVADOR?

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, news stories the last 2 days about the situation in El Salvador raise questions about last February's white paper issued by our State Department.

I am concerned, not by what is in or is not in the newsstories and the white paper, but the effect this might have in diverting our attention from the central issue of what is happening in that Central American nation.

One question can be asked about El Salvador—and only one question need be asked. That is, does anyone seriously doubt that the Soviet Union and its client-ally Cuba are behind what is happening there?

Accuracy is important in anything we do, and I deplore as much as anyone any misstatements or misrepresentations that pop up in any report—whether a State Department white paper, or a newspaper's so-called exposé story that turns out later to be a fraud.

But in reading through the accounts of alleged inaccuracies in the El Salvador white paper, I see nothing to dispute the State Department comment of yesterday afternoon: "We stand by the conclusions of the white paper."

Mr. Speaker, let us not be drawn off the main point by a campaign of nitpicking, and that is: Are the Soviet Union and Cuba behind the effort to expand international communism in El Salvador or not? Of course they are.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair will now put the question on each motion on which further proceedings were postponed in the order in which that motion was entertained.

Votes will be taken in the following order:

H.R. 3240 by the yeas and nays; and H.R. 3239, by the yeas and nays.

The Chair will reduce to 5 minutes the time for the second electronic vote.

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION AUTHORIZATION

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 3240.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Colorado (Mr. WIRTH) that the House suspend the rules and pass the bill, H.R. 3240, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 369, nays 12, not voting 50, as follows:

[Roll No. 66]

YEAS—369

Addabbo	Campbell	Edgar
Akaka	Chappie	Edwards (AL)
Alexander	Cheney	Edwards (CA)
Anderson	Chisholm	Emerson
Andrews	Clausen	Emery
Annunzio	Clay	English
Anthony	Clinger	Erdahl
Applegate	Coats	Erlenborn
Archer	Coelho	Ertel
Aspin	Coleman	Evans (DE)
Atkinson	Collins (TX)	Evans (IA)
AuCoin	Conable	Fazio
Bailey (MO)	Conyers	Fenwick
Bailey (PA)	Corcoran	Fiedler
Barnard	Coughlin	Fields
Barnes	Coyne, James	Findley
Beard	Coyne, William	Fish
Bedell	Craig	Fithian
Beilenson	Crockett	Foley
Benedict	D'Amours	Ford (MI)
Benjamin	Daniel, Dan	Ford (TN)
Bennett	Daniel, R. W.	Fountain
Bereuter	Danielson	Fowler
Bethune	Dannemeyer	Frank
Bevill	Daschle	Frenzel
Biaggi	Daub	Frost
Bingham	Davis	Garcia
Blanchard	Deckard	Gaydos
Bliley	Derrick	Gejdenson
Boggs	Derwinski	Gephardt
Boland	Dicks	Gibbons
Bolling	Dingell	Gilman
Boner	Dixon	Gingrich
Bonior	Donnelly	Ginn
Bonker	Dorgan	Glickman
Bowen	Dornan	Gonzalez
Breaux	Dougherty	Goodling
Brinkley	Downey	Gore
Brooks	Dreier	Gradison
Broomfield	Duncan	Gramm
Brown (CA)	Dunn	Gray
Brown (CO)	Dwyer	Green
Broyhill	Dymally	Gregg
Burton, John	Dyson	Guarini
Burton, Phillip	Early	Gunderson
Butler	Eckart	Hagedorn
Hall (OH)	McCloskey	Sawyer
Hall, Ralph	McCollum	Scheuer
Hall, Sam	McCurdy	Schneider
Hamilton	McDade	Schroeder
Hammerschmidt	McEwen	Schumer
Hance	McGrath	Seiberling
Hansen (UT)	McHugh	Sensenbrenner
Hartnett	McKinney	Shamansky
Hatcher	Mica	Shannon
Hawkins	Mikulski	Sharp
Heckler	Miller (CA)	Shaw
Hefner	Miller (OH)	Shelby
Heftel	Mineta	Shumway
Hendon	Minish	Shuster
Hertel	Mitchell (MD)	Siljander
Hightower	Mitchell (NY)	Simon
Hiler	Moakley	Skeen
Holland	Moffett	Skelton
Hollenbeck	Molinari	Smith (AL)
Holt	Montgomery	Smith (IA)
Hopkins	Moore	Smith (NE)
Horton	Moorhead	Smith (NJ)
Hoyer	Morrison	Smith (OR)
Hubbard	Mottl	Snowe
Huckaby	Murphy	Snyder
Hughes	Murtha	Solarz
Hunter	Myers	Spence
Hutto	Napier	St Germain
Hyde	Natcher	Stangeland
Ireland	Neal	Stanton
Jacobs	Nelligan	Stark
Jeffords	Nelson	Staton
Jeffries	Nichols	Stenholm
Johnston	Nowak	Stokes
Jones (NC)	O'Brien	Studds
Jones (OK)	Oakar	Stump
Jones (TN)	Oberstar	Swift
Kastenmeier	Obey	Synar
Kazen	Ottinger	Tauke
Kildee	Panetta	Tauzin
Kindness	Parris	Taylor
Kogovsek	Patman	Thomas
Kramer	Patterson	Trible
LaFalce	Pease	Vander Jagt
Lagomarsino	Pepper	Vento
Lantos	Perkins	Volkmer
Latta	Peyser	Walgren
Leach	Pickle	Wampler
Leath	Porter	Washington
LeBoutillier	Pritchard	Watkins
Lee	Pursell	Waxman
Lehman	Rahall	Weaver
Leland	Rangel	Weber (MN)
Lent	Ratchford	Weber (OH)
Levitas	Regula	Weiss
Lewis	Reuss	Whitehurst
Livingston	Rhodes	Whitley
Long (LA)	Richmond	Whittaker
Long (MD)	Rinaldo	Whitten
Lowery	Ritter	Williams (MT)
Lowry	Roberts (KS)	Williams (OH)
Lujan	Roberts (SD)	Wilson
Luken	Robinson	Winn
Lundine	Rodino	Wirth
Lungren	Roemer	Wolf
Markey	Rogers	Wolpe
Marks	Rose	Wortley
Marlenee	Rosenthal	Wright
Marriott	Rostenkowski	Wyden
Martin (IL)	Roth	Wylie
Martin (NC)	Roukema	Yates
Martin (NY)	Roybal	Yatron
Matsui	Rudd	Young (AK)
Mattox	Russo	Young (FL)
Mavroules	Sabo	Young (MO)
Mazzoli	Santini	Zablocki
McClory	Savage	Zeferetti

NAYS—12

Brodhead	Evans (IN)	McDonald
Crane, Daniel	Fascell	Pashayan
Crane, Philip	Hansen (ID)	Paul
Evans (GA)	Jenkins	Solomon

NOT VOTING—50

Albosta	Chappell	Fary
Ashbrook	Collins (IL)	Ferraro
Badham	Conte	Flippo
Bafalis	Cotter	Florio
Bouquard	Courter	Foglietta
Brown (OH)	de la Garza	Forsythe
Burgener	Dellums	Fuqua
Byron	DeNardis	Goldwater
Carman	Dickinson	Grisham
Carney	Edwards (OK)	Harkin
Hillis	Mollohan	Schulze
Howard	Petri	Stratton
Kemp	Price	Traxler
Loeffler	Quillen	Udall
Lott	Railsback	Walker
Madigan	Roe	White
Michel	Rousselot	

□ 1300

The Clerk announced the following pairs:

Mr. Mollohan with Mr. Ashbrook.
Mr. Fary with Mr. Lott.
Mr. Chappell with Mr. Madigan.
Mrs. Bouquard with Mr. Railsback.
Mr. Fuqua with Mr. Michel.
Mrs. Collins of Illinois with Mr. Walker.
Mr. Price with Mr. Schulze.
Mr. Traxler with Mr. Rousselot.
Mr. Roe with Mr. Quillen.
Mr. Stratton with Mr. Petri.
Mr. Udall with Mr. Conte.
Mr. White with Mr. Badham.
Mr. Dellums with Mr. Brown of Ohio.
Ms. Ferraro with Mr. Goldwater.
Mr. Foglietta with Mr. Hillis.
Mr. Harkin with Mr. Kemp.
Mr. Howard with Mr. Loeffler.
Mr. Flippo with Mr. Courter.
Mr. Albosta with Mr. Bafalis.
Mr. Florio with Mr. Burgener.
Mrs. Byron with Mr. Carman.
Mr. de la Garza with Mr. Edwards of Oklahoma.
Mr. Carney with Mr. Dickinson.
Mr. Grisham with Mr. Forsythe.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FEDERAL COMMUNICATIONS COMMISSION AUTHORIZATION ACT OF 1981

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 3239, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Colorado (Mr. WIRTH) that the House suspend the rules and pass the bill, H.R. 3239, as amended, on which the yeas and nays are ordered,

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 360, nays 21, not voting 50, as follows:

[Roll No. 67]

YEAS—360

Addabbo	Barnard	Boggs
Akaka	Barnes	Boland
Alexander	Beard	Bolling
Anderson	Bedell	Boner
Andrews	Beilenson	Bonior
Annunzio	Benedict	Bonker
Anthony	Benjamin	Bowen
Applegate	Bennett	Breaux
Archer	Bereuter	Brinkley
Ashbrook	Bethune	Brodhead
Aspin	Bevill	Brooks
Atkinson	Biaggi	Broomfield
AuCoin	Bingham	Brown (CA)
Bailey (MO)	Blanchard	Brown (CO)
Bailey (PA)	Bliley	Broyhill

Burton, John	Hance	Myers
Burton, Phillip	Hansen (UT)	Napier
Butler	Hartnett	Natcher
Campbell	Hatcher	Neal
Carman	Hawkins	Nelligan
Chappie	Heckler	Nelson
Cheney	Hefner	Nichols
Chisholm	Heftel	Nowak
Clausen	Hendon	O'Brien
Clay	Hertel	Oakar
Clinger	Hightower	Oberstar
Coats	Hiler	Obey
Coelho	Holland	Ottinger
Collins (TX)	Hollenbeck	Panetta
Conable	Holt	Parris
Corcoran	Hopkins	Pashayan
Coughlin	Horton	Patman
Coyne, James	Hoyer	Patterson
Coyne, William	Hubbard	Pease
Crockett	Huckaby	Pepper
D'Amours	Hughes	Perkins
Daniel, Dan	Hunter	Peyser
Daniel, R. W.	Hutto	Pickle
Danielson	Hyde	Porter
Dannemeyer	Ireland	Pritchard
Daschle	Jacobs	Pursell
Daub	Jeffords	Rahall
Davis	Jeffries	Rangel
Deckard	Jenkins	Ratchford
Derrick	Jones (NC)	Regula
Derwinski	Jones (OK)	Reuss
Dicks	Jones (TN)	Rhodes
Dingell	Kastenmeier	Richmond
Dixon	Kazen	Rinaldo
Donnelly	Kildee	Roberts (SD)
Dorgan	Kindness	Robinson
Dornan	Kogovsek	Rodino
Dougherty	Kramer	Rogers
Downey	LaFalce	Rose
Dreier	Lagomarsino	Rosenthal
Duncan	Lantos	Rostenkowski
Dunn	Latta	Roth
Dwyer	Leach	Roukema
Dymally	Leath	Roybal
Dyson	LeBoutillier	Rudd
Early	Lee	Russo
Eckart	Lehman	Sabo
Edgar	Leland	Santini
Edwards (AL)	Lent	Savage
Edwards (CA)	Levitas	Sawyer
Emery	Lewis	Scheuer
English	Livingston	Schneider
Erdahl	Long (LA)	Schroeder
Erlenborn	Long (MD)	Schumer
Ertel	Lowery	Seiberling
Evans (DE)	Lowry	Sensenbrenner
Evans (IA)	Lujan	Shamansky
Fazio	Luken	Shannon
Fenwick	Lundine	Sharp
Fiedler	Lungren	Shaw
Fields	Markey	Shelby
Findley	Marks	Shumway
Fish	Marlenee	Shuster
Fithian	Marriott	Siljander
Foley	Martin (IL)	Simon
Ford (MI)	Martin (NC)	Skeen
Ford (TN)	Martin (NY)	Skelton
Fountain	Matsui	Smith (AL)
Fowler	Mattox	Smith (IA)
Frank	Mavroules	Smith (NE)
Frenzel	Mazzoli	Smith (NJ)
Frost	McClory	Snowe
Garcia	McCloskey	Snyder
Gaydos	McCollum	Solarz
Gejdenson	McCurdy	Spence
Gephardt	McDade	St Germain
Gibbons	McEwen	Stanton
Gilman	McGrath	Stark
Gingrich	McHugh	Staton
Ginn	Mica	Stenholm
Glickman	Mikulski	Stokes
Gonzalez	Miller (CA)	Studds
Goodling	Miller (OH)	Swift
Gore	Mineta	Synar
Gradison	Minish	Tauke
Gramm	Mitchell (MD)	Tauzin
Gray	Mitchell (NY)	Taylor
Green	Moakley	Thomas
Gregg	Moffett	Trible
Guarini	Molinari	Vander Jagt
Gunderson	Montgomery	Vento
Hagedorn	Moore	Volkmer
Hall (OH)	Moorhead	Walgren
Hall, Sam	Morrison	Wampler
Hamilton	Murphy	Washington
Hammerschmidt	Murtha	Watkins
Waxman	Williams (MT)	Wyden
Weaver	Williams (OH)	Wylie
Weber (MN)	Wilson	Yates
Weber (OH)	Winn	Yatron
Weiss	Wirth	Young (AK)
Whitehurst	Wolf	Young (FL)
Whitley	Wolpe	Young (MO)
Whittaker	Wortley	Zablocki
Whitten	Wright	Zeferetti

NAYS—21

Coleman	Evans (IN)	Paul
Conyers	Fascell	Ritter
Craig	Hansen (ID)	Roemer
Crane, Daniel	Johnston	Smith (OR)
Crane, Philip	McDonald	Solomon
Emerson	McKinney	Stangeland
Evans (GA)	Mottl	Stump

NOT VOTING—50

Albosta	Edwards (OK)	Madigan
Badham	Fary	Michel
Bafalis	Ferraro	Mollohan
Bouquard	Flippo	Petri
Brown (OH)	Florio	Price
Burgener	Foglietta	Quillen
Byron	Forsythe	Railsback
Carney	Fuqua	Roberts (KS)
Chappell	Goldwater	Roe
Collins (IL)	Grisham	Rousselot
Conte	Hall, Ralph	Schulze
Cotter	Harkin	Stratton
Courter	Hillis	Traxler
de la Garza	Howard	Udall
Dellums	Kemp	Walker
DeNardis	Loeffler	White
Dickinson	Lott	

The Clerk announced the following pairs:

Mr. Mollohan with Mr. Goldwater.
Mr. Price with Mr. Kemp.
Mr. Fary with Mr. Bafalis.
Mr. Udall with Mr. Lott.
Mrs. Collins of Illinois with Mr. Ralph M. Hall.
Mr. Chappell with Mr. Loeffler.
Mrs. Bouquard with Mr. Rousselot.
Mr. Traxler with Mr. Madigan.
Mr. White with Mr. Railsback.
Mr. Roe with Mr. Michel.
Mr. Stratton with Mr. Quillen.
Ms. Ferraro with Mr. Petri.
Mr. Dellums with Mr. Roberts of Kansas.
Mr. de la Garza with Mr. Schulze.
Mr. Albosta with Mr. Dickinson.
Mr. Florio with Mr. Grisham.
Mr. Fuqua with Mr. Hillis.
Mr. Flippo with Mr. Edwards of Oklahoma.
Mr. Harkin with Mr. Walker.
Mr. Howard with Mr. Forsythe.
Mr. Foglietta with Mr. Courter.
Mr. Burgener with Mr. Badham.
Mrs. Byron with Mr. Carney.
Mr. Brown of Ohio with Mr. Conte.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON ENERGY AND COMMERCE TO FILE REPORT ON H.R. 2330, NUCLEAR REGULATORY COMMISSION AUTHORIZATION FOR FISCAL YEARS 1982 AND 1983

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that the Committee on Energy and Commerce may have until midnight tonight to file a report on H.R. 2330, the Nuclear Regulatory Commission authorization for fiscal years 1982 and 1983.

Mr. Speaker, this unanimous-consent request has been cleared with the minority.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

DEPARTMENT OF JUSTICE APPROPRIATION AUTHORIZATION ACT, FISCAL YEAR 1982

Mr. ZEFERETTI. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 147 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 147

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3462) to authorize appropriations to carry out the activities of the Department of Justice for fiscal year 1982, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on the Judiciary now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and all points of order against said substitute for failure to comply with the provisions of clause 5, rule XXI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from New York (Mr. ZEFERETTI) is recognized for 1 hour.

Mr. ZEFERETTI. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Arizona (Mr. RHODES), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 147 provides for the consideration of H.R. 3462, the Department of Justice Appropriation Authorization Act for fiscal year 1982. The Rules Committee has granted an open rule, allowing 1 hour of general debate to be equally divided and controlled by the chair-

man and ranking minority member of the Committee on the Judiciary.

The rule makes in order a committee amendment in the nature of a substitute recommended by the Judiciary Committee as an original bill for purposes of amendment. Further, House Resolution 147 waives clause 5, of rule XXI, appropriations in a legislative bill, against this substitute.

At the conclusion of the amendment process the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

H.R. 3462 authorizes $2,326,553,000 for the purpose of carrying out most activities of the Department of Justice for fiscal year 1982. In addition to funding various divisions of the Justice Department, H.R. 3462 provides moneys for the Drug Enforcement Administration, the Immigration and Naturalization Service, the Federal prison system, and the FBI.

I am particularly pleased with the Judiciary Committee's decision to restore funds for DEA. Last Friday Congressmen RANGEL and SHAW, cochairmen of the Task Force on Law Enforcement of the Select Committee on Narcotics Abuse and Control, held hearings to examine the problems faced by State and local law enforcement agencies in combating the war on drugs.

Testimony was heard from numerous State and local law enforcement officers. They all stressed the need for the continuance of State and local DEA programs and in particular the DEA task forces. The Judiciary Committee should be applauded for showing the wisdom to restore funds for the local task forces and other vital DEA programs that will assist State and local drug enforcement officials.

As chairman of the Select Committee on Narcotics Abuse and Control, I have become acutely aware of the illicit drug market in our country and the Herculean task DEA has before it. Only through the constant vigilance by agencies such as DEA can we hope to stem the tide of illegal drugs that is presently flooding into the United States.

I urge the adoption of House Resolution 147, so we may proceed to the Justice Department Appropriation Authorization Act for fiscal year 1982.

□ 1315

Mr. RHODES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 147 provides for the consideration of H.R. 3462, which authorizes appropriations for the Justice Department for fiscal year 1982.

House Resolution 147 grants an open rule, providing 1 hour of general debate to be divided between the chairman and ranking minority member of the Judiciary Committee.

The resolution provides for consideration of the amendment in the nature of a substitute, recommended by the Judiciary Committee, now printed in the bill as an original bill for purposes of amendment. All points of order against the substitute for failure to comply with the provisions of clause 5, rule XXI are waived. This waiver would allow the FBI to utilize the proceeds from certain undercover operations to offset "expenses incurred in such operation without * * *" additional appropriation by Congress.

A motion to recommit with or without instructions is in order.

As reported by a voice vote from the Judiciary Committee, H.R. 3462 authorizes $2.3 billion for the Justice Department for fiscal year 1982. Concern has been expressed because this authorization is $38.8 million more than the administration's request. These additional funds have been authorized for the Drug Enforcement Administration, the Immigration and Naturalization Service, and U.S. marshals, attorneys, and trustees.

As the rule requested will provide us with the utmost freedom in considering this bill, I urge adoption of this resolution so we may proceed to the consideration of H.R. 3462.

Therefore, Mr. Speaker, having no opposition and no requests for time, I reserve the balance of my time.

Mr. ZEFERETTI. Mr. Speaker, I have no requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. RODINO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3462) to authorize appropriations to carry out the activities of the Department of Justice for fiscal year 1982, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. RODINO).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SOLOMON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 357, nays 1, not voting 73, as follows:

[Roll No. 68]

YEAS—357

Addabbo	Erlenborn	Livingston
Akaka	Ertel	Long (LA)
Alexander	Evans (DE)	Long (MD)
Anderson	Evans (GA)	Lowry
Andrews	Evans (IA)	Lujan
Annunzio	Evans (IN)	Luken
Anthony	Fascell	Lungren
Ashbrook	Fazio	Markey
Aspin	Fenwick	Marks
Atkinson	Fiedler	Marlenee
AuCoin	Fields	Marriott
Bailey (MO)	Findley	Martin (IL)
Bailey (PA)	Fish	Martin (NC)
Barnard	Fithian	Martin (NY)
Barnes	Foley	Matsui
Bedell	Ford (MI)	Mattox
Beilenson	Ford (TN)	Mazzoli
Benedict	Fowler	McClory
Benjamin	Frank	McCloskey
Bennett	Frenzel	McCollum
Bereuter	Frost	McCurdy
Bethune	Garcia	McDade
Bevill	Gaydos	McDonald
Biaggi	Gejdenson	McEwen
Blanchard	Gephardt	McGrath
Bliley	Gibbons	McHugh
Boggs	Gilman	Mica
Boland	Gingrich	Mikulski
Boner	Ginn	Miller (CA)
Bonior	Glickman	Miller (OH)
Bonker	Gonzalez	Mineta
Bowen	Goodling	Minish
Breaux	Gore	Mitchell (MD)
Brinkley	Gradison	Mitchell (NY)
Brodhead	Gramm	Moakley
Brooks	Green	Moffett
Broomfield	Gregg	Molinari
Brown (CA)	Guarini	Moore
Brown (CO)	Gunderson	Moorhead
Broyhill	Hagedorn	Morrison
Burton, John	Hall, Sam	Mottl
Burton, Phillip	Hamilton	Murphy
Butler	Hammerschmidt	Murtha
Campbell	Hance	Myers
Carman	Hansen (ID)	Napier
Cheney	Hansen (UT)	Natcher
Chisholm	Hartnett	Neal
Clausen	Hatcher	Nelligan
Clay	Hawkins	Nelson
Clinger	Heckler	Nichols
Coats	Hefner	Nowak
Coelho	Heftel	O'Brien
Coleman	Hendon	Oakar
Collins (TX)	Hertel	Oberstar
Conable	Hightower	Obey
Conyers	Hiler	Ottinger
Corcoran	Holland	Panetta
Coyne, James	Hollenbeck	Parris
Coyne, William	Holt	Pashayan
Craig	Hopkins	Patman
Crane, Daniel	Hoyer	Patterson
Crane, Philip	Hubbard	Paul
Crockett	Huckaby	Pease
D'Amours	Hughes	Pepper
Daniel, Dan	Hunter	Perkins
Daniel, R. W.	Hutto	Petri
Danielson	Hyde	Peyser
Dannemeyer	Jacobs	Pickle
Daub	Jeffords	Porter
Davis	Jeffries	Pritchard
DeNardis	Jenkins	Pursell
Derrick	Johnston	Rahall
Derwinski	Jones (NC)	Rangel
Dingell	Jones (OK)	Ratchford
Dixon	Jones (TN)	Regula
Dorgan	Kastenmeier	Reuss
Dornan	Kazen	Rhodes
Downey	Kildee	Richmond
Dreier	Kindness	Rinaldo
Duncan	Kogovsek	Ritter
Dunn	Kramer	Roberts (KS)
Dwyer	LaFalce	Roberts (SD)
Dymally	Lagomarsino	Robinson
Dyson	Lantos	Rodino
Early	Latta	Roemer
Eckart	Leach	Rogers
Edgar	Leath	Rose
Edwards (AL)	LeBoutillier	Rosenthal
Edwards (CA)	Lee	Rostenkowski
Emerson	Lehman	Roth
Emery	Lent	Roukema
English	Levitas	Roybal
Erdahl	Lewis	Rudd

Russo	Snowe	Waxman
Sabo	Snyder	Weaver
Santini	Solarz	Weber (MN)
Savage	Spence	Weber (OH)
Sawyer	St Germain	Weiss
Scheuer	Stangeland	Whitehurst
Schneider	Stanton	Whitley
Schroeder	Staton	Whittaker
Seiberling	Stenholm	Whitten
Sensenbrenner	Stokes	Williams (OH)
Shamansky	Studds	Wilson
Shannon	Stump	Winn
Sharp	Swift	Wirth
Shaw	Synar	Wolf
Shelby	Tauke	Wolpe
Shumway	Tauzin	Wortley
Shuster	Taylor	Wright
Siljander	Thomas	Wyden
Simon	Traxler	Wylie
Skeen	Trible	Yates
Skelton	Vento	Yatron
Smith (AL)	Volkmer	Young (AK)
Smith (IA)	Walgren	Young (FL)
Smith (NE)	Wampler	Young (MO)
Smith (NJ)	Washington	Zablocki
Smith (OR)	Watkins	Zeferetti

NAYS—1

Solomon

NOT VOTING—73

Albosta	Dicks	Lott
Applegate	Donnelly	Lowery
Archer	Dougherty	Lundine
Badham	Edwards (OK)	Madigan
Bafalis	Fary	Mavroules
Beard	Ferraro	McKinney
Bingham	Flippo	Michel
Bolling	Florio	Mollohan
Bouquard	Foglietta	Montgomery
Brown (OH)	Forsythe	Price
Burgener	Fountain	Quillen
Byron	Fuqua	Railsback
Carney	Goldwater	Roe
Chappell	Gray	Rousselot
Chappie	Grisham	Schulze
Collins (IL)	Hall (OH)	Schumer
Conte	Hall, Ralph	Stark
Cotter	Harkin	Stratton
Coughlin	Hillis	Udall
Courter	Horton	Vander Jagt
Daschle	Howard	Walker
de la Garza	Ireland	White
Deckard	Kemp	Williams (MT)
Dellums	Leland	
Dickinson	Loeffler	

□ 1330

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3462, with Mr. SWIFT in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill will be dispensed with.

Under the rule, the gentleman from New Jersey (Mr. RODINO) will be recognized for 30 minutes, and the gentleman from Illinois (Mr. MCCLORY) will be recognized for 30 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Chairman, the bill, H.R. 3462, provides authorization for appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1982. The bill provides authorization for appropriations for $2.326 billion, approximately $39 million more than the administration requested.

In the process of reviewing the authorization request, each of the subcommittees of the Committee on the Judiciary which has jurisdiction over the various units within the Department of Justice held oversight and authorization hearings. The committee had the benefit of all of these subcommittee recommendations when marking up the bill.

The full committee agreed to authorize each of the units within the Department at the administration's requested levels except for the Immigration and Naturalization Service, the Drug Enforcement Administration and the U.S. Attorneys, Marshals, and Trustees.

The INS authorization level is approximately $25.2 million higher than the administration request. This additional authorization is provided for sorely needed inspection, border patrol, and investigation positions. Because of the tremendous influx of immigrants into the United States, the committee determined this level of authorization to be the absolute minimum necessary to perform adequately the functions assigned to it under the Immigration and Nationality Act. The committee is convinced that the adoption of the cuts proposed by the administration would have a detrimental effect on the enforcement and public service capabilities of the INS. It also feels that the INS is experiencing great difficulties in meeting its current responsibilities. Any personnel or funding reductions would make it even harder for the Service to handle its current tasks and almost impossible to face up to its future responsibilities.

The committee added $3.255 million to the authorization level requested by the administration for the Drug Enforcement Administration. These funds are intended to restore positions in the State and local task forces program which is a key part of the strategy to disrupt the market in illegal drugs by focusing on middle and lower level drug traffickers. This funding will also offer much needed training to local and State police officers in handling drug enforcement cases. The additional funding will also restore cuts in DEA's Office of Compliance and Regulatory Affairs, which is responsible for combating the diversion of legal drugs to the black market.

I would like to point out that while the administration's budget submission proposed elimination of the U.S. Trustees program, the Committee on the Judiciary has determined to maintain the program at its current level of funding. The U.S. Trustee system is a pilot program for which Congress established 10 districts in the system encompassing 18 of the 94 judicial districts. The pilot program will sunset in April 1984 unless renewed, expanded or modified by Congress.

It is the feeling of the committee that, in the absence of the repeal of the statutory obligations of the Attorney General to appoint, supervise and coordinate the U.S. Trustees and because of the short life of the program as enacted, the funding for this program should be continued. This will enable the congressional intent to be carried out and will permit Congress to make the policy decisions related to the expansion, modification, or renewal as contemplated in the Bankruptcy Reform Act of 1978.

Mr. Chairman, I urge the adoption of the bill, which is consistent with our obligations to provide for the administration of justice within the constraints of the current fiscal policy.

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Mr. MCCLORY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first of all, I want to say how delighted I am that we have this measure before us today. This is the first time in recent years that we have had the Department of Justice authorization bill on the floor of the House before the appropriation bill. Thus, it is a landmark piece of legislation that we are considering here today. We are setting an extremely important precedent that I hope will be followed in subsequent years.

I would also like to point out, especially for the Members on my side of the aisle, that the measure that came before the full Judiciary Committee was approximately $70 million above the budget recommendation originally made by the administration.

In the full committee meeting, I offered an amendment to reduce the authorization by $35 million. It is almost unprecedented for a Republican to offer an amendment to reduce the authorization by $35 million and then have it supported unanimously on both sides of the aisle by a voice vote.

Mr. Chairman, I want the Members to know that what we are bringing here is in my view a "barebones" authorization—a Spartan budget—which is something that I think our committee always brings before this body.

The Committee on the Judiciary devoted a substantial amount of time and effort to produce the bill which we are considering today. First, individual subcommittees considered and made recommendations on matters within their respective jurisdictions. The Monopolies and Commercial Law Subcommittee marked up the original version of the bill based on those recommendations.

When the full committee considered this bill, we made every effort to cut authorized appropriations to an acceptable minimum. This was a particu-

larly difficult task because the committee in the past has not authorized appropriations for the Department at luxury levels.

The committee adopted by amendment, which included the administration's figures, except in a few areas experiencing pressing needs. Thus, we added some modest amounts for the Immigration and Naturalization Service, to which the chairman has made appropriate reference. We added $3 million for the U.S. Marshals for service of civil process in which I believe the administration concurs. Finally, we restored funds for Bankruptcy Trustees, which is consistent with the bankruptcy reform law that we passed in 1978.

Another amendment, offered by the chairman of the Subcommittee on Crime, with the support of the ranking minority member, the gentleman from Michigan (Mr. SAWYER), made a slight increase in authorized funds for the Drug Enforcement Administration. Let me emphasize that these were all increases which received substantial bipartisan support.

Mr. Chairman, most of the increases over the administration's figures contained in my amendment relate to the Immigration and Naturalization Service. That is about $25 million. As a member of the Select Commission on Immigration, which recently submitted its final report to the President and to the Congress, I am profoundly aware of the substantial problems that exist in this area.

Our committee will soon undertake the important task of revising the immigration laws in this country to deal with these difficult problems that the President himself has identified on more than one occasion. Indeed I believe the President's announcement, which will come to us in just a few days, will be consistent with the action that the Judiciary Committee has taken in recommending the figure that we have in the Department of Justice authorization bill.

But, legislative changes are not sufficient. We must also adequately staff the Immigration and Naturalization Service, which bears the substantial burden of enforcing our immigration laws, if we are to have any impact. This is particularly true with respect to the crucial role played by the Border Patrol, for which we are authorizing the restoration of positions that were not filled by the last administration.

One amendment adopted by the committee makes a modest increase in authorized appropriations for DEA. As we are all aware, drugs constitute an inextricable part of the overall problem of violent crime in this country. The amendment which our committee adopted would provide funds primarily in the areas of coordination with State and local law enforcement agencies. Such cooperation is vital if we are to effectively combat the drug problem, and I support this increase.

Mr. Chairman, again I believe that our committee has produced an authorization bill for the Department which achieves an appropriate balance between effective law enforcement and spending reductions. Our bill authorizes a small increase over the recommendations of the administration relating to the areas where Members on both sides of the aisle agreed that additional funding was imperative.

I might say that I have sent a detailed communication relating to this bill to the Office of Management and Budget. I have also sent copies to the chairman and the ranking members of the Budget Committee. In that letter, I observed that the increase included in our committee's bill is modest, but its significance, great. I am hopeful that our figures can be reconciled with the administration's budget.

Mr. Chairman, I hope that the vote in support of this legislation will be overwhelming.

Mr. RODINO. Mr. Chairman, I yield 4 minutes to the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. KASTENMEIER. Mr. Chairman, I am pleased to rise in support of the Department of Justice authorization for fiscal year 1982. As chairman of the Subcommittee on Courts, Civil Liberties and the Administration of Justice—which has oversight responsibility over the Federal prison system, the U.S. Parole Commission, the Office of Legal Policy, the U.S. Marshals, and the Office of U.S. attorneys—I am convinced that each of these entities will be able to satisfy its statutory and policy mandates.

There are two particular issues that I would like to clarify for the record.

In reference to the discussion in the report relating to alternative uses for the Alderson, W. Va., institution, I would like to add a few comments.

The committee has reviewed the study of the Bureau of Prisons Alderson Task Force, and supports one of three components of option 1: That is the use of Danbury, Conn., Satellite Camp as a minimum security camp for women. Presently there are no camps which house women, although several house men. Danbury is also accessible to public transportation and to work and training opportunities. However, the other two components of the option 1 raise serious problems and deserve more careful analysis before any efforts are made to implement them. One would be to convert Alderson to a cocorrectional facility. The committee questions the wisdom of maintaining an institution as remote as Alderson whether as a cocorrectional or single sex institution.

Population pressures and trends, as well as classification levels, should be carefully reviewed before this option is undertaken. Considering the present decline in inmate population, continued use of Alderson may not be necessary. The third component—developing a-150-bed-secure facility for women adjacent to FCI Lexington, Ky., raises the most serious questions. There is no documentation supporting the need for such a facility, and the Bureau of Prisons should carefully review the population trends and the relevant classification characteristics prior to pursuing this component.

It is expected that the Bureau of Prisons will keep this committee informed as it moves to implement any aspect of option 1.

With regard to section 11 of H.R. 3462—which mandates that the Attorney General develop a procedure to insure that no person under the age of eighteen shall be held as a material witness in a Bureau of Prisons or a State or local correctional facility, the primary purpose of which is to provide for the custody of adult offenders—I am pleased to announce that the Department of Justice already has moved forward to enunciate a policy. In a recent letter to me, Deputy Attorney General Edward C. Schmults stated:

Recently, you expressed concern about the conditions of confinement of alien material witnesses who are detained in the San Diego, California, area. You were apparently troubled by reports of overcrowding at the Metropolitan Correctional Center in San Diego and of incarceration of female and juvenile material witnesses at that institution.

As you may be aware, the U.S. Court of Appeals for the Ninth Circuit has ruled that the Sixth Amendment rights of a person charged with alien smuggling are violated if the Government deports any of the material witnesses before the defense counsel has had a reasonable opportunity to interview them. *United States* v. *Mendez-Rodriguez*, 450 F.2d (9th Cir. 1971). Further, experience has taught that many alien witnesses will flee if not incarcerated pending deportation. Thus, the Government is faced with a dilemma in the handling of these witnesses.

I have examined information compiled by my staff that addresses your concerns. I am convinced that the Department has responsibly endeavored to satisfy human rights and legal requirements in the detention of aliens.

The U.S. Attorney's office in San Diego has obtained court approval of a procedure under which detention of each alien material witness is limited to 10 days unless the prosecution or defense specifies within that period that the witness is needed to testify at trial. As a result, most alien witnesses are released to the Immigration and Naturalization Service for deportation within 10 days of the time they were initially apprehended.

With rare exceptions, female and juvenile material witnesses are not incarcerated. After apprehension, such witnesses are transported to the Metropolitan Correctional Center for processing, ordinarily within a matter of hours. Thereafter, they are immediately placed into one of two social service programs contracted for by the U.S. Marshals Service.

Women and young children (generally age 12 and under) are placed at the Salvation Army's "Door of Hope" facility in San Diego. It is a modern structure with private rooms, a dining hall, and recreational equipment. Witnesses lodged at the "Door of Hope" are not under any physical restraint but are asked to provide their personal assurance that they will not flee.

The Salvation Army facility was selected for this program by virtue of the fact that it is the only one in the San Diego area of sufficient size to accommodate all of the female and younger juvenile witnesses. The arrangement between the Marshals Service and the Salvation Army precludes the proselytizing of witnesses. The program was begun on July 9, 1979. From that date through February 1981, a total of 453 women and 255 children have been housed at the "Door of Hope." The average length of stay of these material witnesses has been approximately 12 days.

Older juvenile witnesses are placed in foster homes pursuant to a program developed with Catholic Family Services, San Diego. This program was begun on November 30, 1979. From that time through February 1981, a total of 517 juveniles have received shelter in foster homes. The average stay of these juveniles has been approximately three and one-half days. This is influenced by the fact that a substantial portion of these juveniles were, at the time of their apprehension, unaccompanied by an adult relative and that many defense counsel are willing to stipulate promptly to the release of unaccompanied juveniles.

The only female or juvenile material witnesses who are incarcerated are those who state that they will flee if not confined. Since November 30, 1979, less than 15 persons have been confined on this basis. Two were women and the remainder were older juveniles.

Due to the risk of flight, virtually all alien material witnesses who are adult males are incarcerated. During fiscal year 1979, approximately 3,800 such witnesses were incarcerated in the San Diego area, while in fiscal year 1980 the figure was approximately 2,000. The average length of incarceration per witness was approximately 16 days.

Most of these alien material witnesses are housed in the Metropolitan Correctional Center in San Diego, a modern facility operated by the U.S. Bureau of Prisons. They are segregated from the general population of the institution. While the alien material witness problem has taxed the facilities of the Metropolitan Correctional Center, unreasonable overcrowding is avoided through the transfer of excess witnesses to the INS Detention Center in El Centro, California. Additionally, the Marshals Service is presently negotiating to obtain space in a county detention facility. Finally, a pilot project has been started with the Salvation Army whereby a limited number of adult males, adjudged to be particularly good risks not to flee, are being placed in the "Door of Hope" facility. As of the end of February 1981, 10 male witnesses have participated in this program.

The Department's efforts to ensure the humane treatment of alien material witnesses parallel successful efforts to obtain judicial rulings narrowing the application of the *Mendez-Rodriguez* decision, thereby reducing the number of material witnesses who must be detained. The Government can now proceed immediately with deportation of aliens where the defendant has executed a waiver of his right to call the aliens as witnesses (*United States* v. *Lujan-Castro*, 602 F.2d 877 (9th Cir. 1979)) or where the aliens could not reasonably be deemed to be material to the case (*United States* v. *Gonzales*, 617 F.2d 1358 (9th Cir. 1980)).

I believe that the Department has exhibited sensitivity to the liberties of alien witnesses and their families in discharging its legal obligations to the accused and in the enforcement of the immigration laws. Please advise me if you desire further assistance in this matter.

I might add that I do not consider the world "held" in the bill to encompass the expeditious processing of material witnesses in a correctional facility. Nor does it include brief housing overnight or over a weekend while suitable alternatives are sought. In addition, the amendment does not preclude the use of juvenile facilities to detain juveniles who threaten to flee if not confined.

In conclusion, I urge an "aye" vote on H.R. 3492.

Mr. Chairman, there is only one other question that was raised last year and this year, and I would like to address it, if I may, to the chairman of the committee. That question goes to the matter of Marshals' Service of Process. The question I would like to address to my chairman is this:

Is funding provided in H.R. 3462 for the serving of private process by U.S. Marshals?

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. KASTENMEIER. I yield to the committee chairman.

Mr. RODINO. Yes. In the original 1982 budget request, for the second year in a row, the Department of Justice asked for no funds to perform this activity even though the Department is expressly required by statute to do so. According to the Department, service of process by marshals is a low priority and not sustainable in a tight budget period.

At this time, however, it is clear that many district courts do not have any alternatives. This factor, combined with the fact that taking the Justice Department out of the business of serving civil process requires substantive amendments to title 28, United States Code, caused the committee to reject the Department's proposal. Funding of $3,000,000 was included in H.R. 3462 so that Marshals might continue to service private process where, either for legal or other reasons, no other alternatives are available.

It is the feeling of the committee and my feeling that separate legislation should be introduced to amend the authority to allow the service of private process only where no other alternatives are available. Further, the Attorney General should be granted authority to raise the fees for the service of process. This hopefully will encourage private businesses to provide services in those districts where alternatives presently are not available. This already has been done in the form of H.R. 3580.

Chief Justice Warren E. Burger, on behalf of the Judicial Conference of the United States, has expressed wholehearted support for the committee's position not only because it conforms with the views of the judicial branch but also because it serves the needs of the people.

Mr. KASTENMEIER. Mr. Chairman, I thank my committee chairman, and may I say to the gentleman that I urge an aye vote on this bill.

Mr. RODINO. Mr. Chairman, I yield 3 minutes to the gentleman from Kentucky (Mr. MAZZOLI).

Mr. MAZZOLI. Mr. Chairman, I thank the gentleman very much for yielding this time to me.

Mr. Chairman, I rise in strong support of this bill. I would like to extend congratulations to our chairman and to the ranking minority member, the gentleman from Illinois (Mr. MCCLORY), for having shepherded this bill to this point in a very nonpartisan and bipartisan fashion.

Mr. Chairman, the bill before us today, H.R. 3462, the Department of Justice authorization bill for fiscal year 1982, provides $388,602,000 and 10,504 positions for the Immigration and Naturalization Service.

These levels were agreed upon unanimously by the Subcommittee on Immigration, Refugees, and International Law, which I chair, the Subcommittee on Monopolies and Commercial Law, and the full Committee on the Judiciary.

The funding level in the bill before the House today restores 973 positions of the 1,355 proposed to be cut by the administration. The bill increases the administration recommended funding level by $25,226,000.

The bill restores 160 border patrol positions, all of which the administration proposed to cut. It provides additional funding for the border patrol to operate all of the helicopters now available to it and to purchase additional necessary equipment.

My subcommittee recently visited the border area in southern California and was impressed with the competence and professionalism of the border patrol. Yet, the border patrol needs the personnel and funding provided by the bill before us today if it is to patrol our borders adequately.

The bill would also restore several other personnel cuts proposed by the administration: 200 positions in the INS inspections section. Inspectors staff all ports of entry into this country.

Four hundred and three INS investigators are restored. Investigators conduct investigations leading to the apprehension of illegal aliens when they have managed to penetrate the border.

Two hundred adjudicator positions have been restored. Adjudicators handle the more than 30 types of petitions by which individuals seek certain benefits or rights under the Immigration and Nationality Act.

Finally, 10 foreign service posts were restored. These persons are important in the effort to screen refugee admissions properly.

The funding provided in the bill also includes $1 million to continue the design and implementation of a nonimmigrant arrival/departure system for the INS. The INS needs an effective and efficient control over the comings and goings of people who enter this country on a temporary basis. This system is being developed pursuant to authority the Judiciary Committee included in the fiscal year 1980 Department of Justice authorization bill.

A full explanation of the committee actions with regard to INS is found in the committee report on pages 11-21. A table showing the budget and personnel levels can be found on pages 12-13.

Having recently assumed the chairmanship of this subcommittee, I want to thank the other six members who have been active and supportive participants in our work. Developing the committee recommendations for INS was possible only with their diligent work.

I also want to thank Chairman RODINO and Mr. MCCLORY, the ranking member of the full committee for their support.

In conclusion, Mr. Chairman, while my subcommittee and the full committee recognize the need for fiscal austerity in government, each member of the committee—on both sides of the aisle—believes that the funding and personnel levels in H.R. 3462, which were recommended by my subcommittee, are necessary for the proper enforcement of our Nation's immigration laws.

Mr. Chairman, I would again make reference to the trip that our subcommittee took and I would again like to extend to all subcommittee members my appreciation for their very hard work and for the attentiveness they gave to the subject matter.

Our trip illustrated the very great depth of the immigration and refugee problems that we have in America. This bill will help solve some of these problems.

Mr. SAM B. HALL, JR. Mr. Chairman, will the gentleman yield?

Mr. MAZZOLI. I yield to the gentleman from Texas.

Mr. SAM B. HALL, JR. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Kentucky (Mr. MAZZOLI). I was with him on the trip to California a few weeks ago, and I think it would be a tragic mistake if we did not pass this measure.

There is a great need for the additional people that the gentleman mentioned in the areas that we visited, and I certainly congratulate the gentleman on the position he has taken.

Mr. MAZZOLI. Mr. Chairman, I thank the gentleman from Texas (Mr. SAM B. HALL, JR.).

The gentleman is a very able member of our subcommittee. He is our ranking Democrat, and he was very active on our trip to southern California.

Mr. FISH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I urge support of H.R. 3462 and wish to comment specifically on the authorization for the Immigration and Naturalization Service. H.R. 3462 modifies some administration proposed cuts in the Immigration Service's budget. These modifications, which add $25,226,000 and restore 973 positions, are essential to permit the Service to meet its responsibilities. The Committee on the Judiciary, although firmly committed to the reduction in Federal spending, concluded that the acute problems of immigration law enforcement could not be addressed within the strictures of the administration's budget.

The Select Commission on Immigration and Refugee Policy, after conducting hearings across the United States, overwhelmingly recommended enhanced enforcement efforts. The Commission supported increasing INS resources not only along the borders and at ports of entry, but also in the interior. Recent INS oversight hearings, conducted by the Subcommittee on Immigration, Refugees and International Law of the House Committee on the Judiciary, confirm that the Immigration and Naturalization Service has suffered from a long period of neglect. The major thrust of H.R. 3462 is not to provide newly authorized positions for the Immigration Service, but rather to restore already authorized and often unfilled positions that the administration proposal would delete.

The restoration of 200 inspector positions is critical to permit the efficient inspection of persons attempting to enter the United States. An estimated 340,000,000 inspections will need to be conducted in fiscal year 1982. The loss of 200 authorized positions would cause inordinate delays at land borders, airports, and seaports; and seriously compromise the capacity of the Immigration Service to uncover fraud.

The restoration of 160 border patrol positions is needed to maintain a credible deterrent to the entry of undocumented aliens. It actually brings authorized strength up to fiscal year 1981 levels. The Immigration Service faces an immeasurably more difficult task in attempting to discover and deport undocumented persons once they reach the interior of the United States. There is no substitute for an adequately staffed border patrol if this Nation hopes to bring its immigration policy under control.

H.R. 3462 also restores 403 investigative and 200 adjudicative positions. A drastic cut in investigative positions would cripple efforts to detect fraud and other violations of our immigration laws and would increase conferrals of immigration benefits based on fraudulent petitions. The restoration of 200 adjudicative positions is necessary to prevent inordinate delays in the dispensation of immigration benefits—delays that can cause severe hardships. Finally, the Judiciary Committee has restored 10 positions to the overseas program to permit adequate screening of refugees in countries of first asylum.

Congress, in the months ahead, will be examining a broad range of proposed reforms in our immigration laws. The Immigration Service during this period of intense congressional study, must have minimally adequate resources. H.R. 3462, by authorizing positions that are essential, commands broad bipartisan support in the Committee on the Judiciary. I encourage the Members of the House to support the enactment of H.R. 3462.

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Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. FISH. I would be happy to yield to my chairman.

Mr. MAZZOLI. I thank the gentleman for yielding.

I want to just congratulate the gentleman, who is the ranking member of our subcommittee, for his diligence, not just since I have had the privilege of being chairman, but over the years. His observations and his questions and his hard work during our trip to southern California and during these last 6 months have been very helpful to the committee. I think the gentleman would agree with me that a subcommittee has made a good start on this very difficult and mettlesome subject matter.

I would again like to thank the gentleman for his leadership and his assistance.

Mr. FISH. I thank the gentleman from Kentucky very much.

Mr. Chairman, I yield 2 minutes to a member of the committee, the gentleman from Michigan (Mr. SAWYER).

Mr. SAWYER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I just want to comment particularly on the immigration additions to the authorization, because that is where $25 million out of approximately $36 million that is still up in the air lies.

In my opinion, to fail to spend this $25 million in bolstering our ability to

keep illegal aliens out of the country or remove those that are here is totally counterproductive and will cost us far more money, in my opinion, in welfare and various other aids and assistance that we will be required to render. To refuse to restore these positions in that enforcement area will actually be penny wise and pound foolish.

The rest of the additions are small, approximately $3 million added to the Drug Enforcement Administration. I am sure we are all aware of the burgeoning drug problem in the country. It is now estimated to be a $64 billion traffic in itself. Not to have restored this $3 million would have cut down in particular on the ability of DEA to monitor manufacturers of legal hypnotic drugs and various other types of drugs sought for those purposes from getting out into illegal markets and adding to the huge volume of narcotics coming into the country.

So I urge very strongly support for the bill.

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. SAWYER. Surely.

Mr. MAZZOLI. I thank the gentleman for his statements and particularly the part about the Immigration and Naturalization Service.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. FISH. Mr. Chairman, I yield 1 additional minute to the gentleman from Michigan.

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield further?

Mr. SAWYER. I would be happy to yield.

Mr. MAZZOLI. I thank the gentleman. I just would say that I appreciate what the gentleman from Michigan (Mr. SAWYER) has done, because he has been one of the voices on the Judiciary Committee for the last 2 or 3 years who has been very strong in behalf of the proposition that something must be done with respect to INS. You cannot ask INS to do a job without giving it the wherewithal and the facilities and support.

I hope the House will agree with the committee that today we are making a step in the direction which will enable the INS to do the kind of work which the gentleman very accurately characterizes to be very cost-effective work. It is much less expensive for us to spend this money now than to spend all the other money that must be spent when the people are here wrongfully or overstay their welcome.

Mr. FISH. Mr. Chairman, I have no further requests for time, and I reserve the balance of my time.

Mr. RODINO. Mr. Chairman, I yield 4 minutes to the gentleman from New Jersey (Mr. HUGHES).

Mr. HUGHES. Mr. Chairman, I am not going to repeat much of what has been said about immigration and naturalization. I just want to echo what has been said by my predecessors and tell my colleague, the gentleman from Kentucky, that I feel very secure that immigration and naturalization is in his able hands. I know we will begin to address the myriad of problems that we will be facing in that important area.

I want to direct my few minutes, if I might, to the jurisdiction of the Drug Enforcement Administration, which is part of my responsibility as chairman of the Subcommittee on Crime.

Let me just acknowledge my ranking minority member, the gentleman from Michigan, Mr. HAL SAWYER, who really has offered me the kind of bipartisan support that I think has enabled us to really get some valuable insight into an important area of our Government in a short period of time—that is our work against the illicit traffic in drugs.

Let me just for a minute share with you what is happening to us in this whole area of drug enforcement. It really is disturbing. I did not realize it myself when I first started hearings. I asked the Congressional Budget Office to take a look at the inflation rate over the last few years—in fact since 1978—so I could compare what we have been giving the Drug Enforcement Administration each year since 1978 to do their job. Let me share with you just what has occurred since 1978.

In 1978, we gave the Drug Enforcement Administration $188 million. Using 1978 as a base year, I looked at the 1979 budget for DEA and found the approximate equivalent for 1979 was $178 million.

In 1980, giving effect to inflation, the DEA budget dropped to $165 million in real terms.

In 1981, giving effect to inflation over the years since 1978, the DEA budget dropped to $156 million in real terms.

In 1982, it is projected that they will have, in terms of 1978 dollars, $151 million.

At a time when we have bumper crops coming in from Southwest Asia, we are unable to interdict drugs at the source. We have more licit drugs going into the illicit drug market today than ever. Yet if you take a look at the DEA budget request, we are not really giving them the resources to do their job. The administration's proposed budget cuts in three areas in particular really give us great concern. In the area of State and local task forces it is proposed by the administration that we cut 94 of 208 positions. This is the area that has been the most effective in trying to ferret out the midlevel dealers. This is the area where we work together with the county and the State and the local law enforcement agencies in leveraging their manpower to try to get the midlevel dealers, and where we get a great deal of intelligence information. We are cutting back 94 positions if we accept the budget proposal.

In the area of compliance and regulatory affairs, it is proposed that we cut 47 of 408 positions. We do not have enough manpower right now to do a decent job in trying to stem the flow of licit drugs into the illicit market.

Finally, at a time when we are sending more programs back to the States, we are going to cut the State and local training programs, 9 of 49 positions—almost 20 percent. We should be training more local law enforcement agencies to do a better job in ferreting out drug abuse—not less.

So it was our committee's recommendation to the full committee that we restore a very, very modest $3.2 million in areas where we cannot take cuts. To cut in these particular areas—and the ranking minority member agrees—we are going to really hurt our drug-enforcement efforts in this country.

We are still not giving the Drug Enforcement Administration enough money with the budget approved by the Judiciary Committee to do the job many of us would like to see them do. If we cut these three areas, as proposed by the administration, we are going to make it virtually impossible for the Drug Enforcement Administration to do the job that they are mandated to do.

Mr. Chairman, I just hope that my colleagues will support the Justice Department authorization, H.R. 3462.

As the ranking minority member of the full committee said, we have it down to barebones and it deserves your support.

● Mr. AKAKA. Mr. Chairman, I rise in support of H.R. 3462, the Justice Department authorization bill for fiscal year 1982. I want to commend Chairman RODINO and the members of the Judiciary Committee for their work. I am particularly pleased to support the authorization for the Drug Enforcement Administration which is a full 10 percent of the total Justice Department's budget. The restoration of funds for State and local task force programs is critically important in the fight to crush the illegal drug market in this country.

The 21 task forces now operating have been remarkably successful. These task forces have provided the important link between Federal enforcement and local and State enforcement. Most importantly, the program has provided "buy money" which allows police and prosecutors to build cases against drug dealers. This "buy money" is critical for the continued successful prosecution of major drug dealers.

It is essential that we support that DEA authorization as reported by the committee. Efforts to cut back DEA funding are false savings. The dollars

saved are not worth the misery that we would be condoning. It is no secret that there is a link between drugs and crime. Studies on this link abound. The most recent report released found that 243 Baltimore heroin addicts were responsible for committing almost 500,000 street crimes in 11 years. In Miami, 356 active heroin users committed 118,134 crimes in 1 year. Ninety percent of the Miami heroin users relied on criminal activity as a means of income—only 1 of every 413 crimes they committed resulted in an arrest.

If we are serious about fighting the No. 1 citizen concern in this country, we cannot afford to cut back funding of Federal drug enforcement efforts. Far from cutting back, we should be increasing funding in this area.

A $70 billion illicit drug industry exists in the United States; we should be fighting this with at least the $231.8 million authorized by the committee.●

Mr. RODINO. Mr. Chairman, I merely want to state that the Committee on the Judiciary, by a unanimous vote of Republicans and Democrats, a record vote of 25 to nothing, thought that this bill was a necessary bill—a necessary authorization. I urge the adoption of this measure.

Mr. Chairman, I yield back the balance of my time. I have no further requests for time.

Mr. FISH. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All sides having yielded back the time, the time for general debate has expired.

Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute recommended by the Committee on the Judiciary now printed in the reported bill as an orginal bill for the purpose of amendment.

The Clerk read as follows:

H.R. 3462

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Justice Appropriation Authorization Act, Fiscal Year 1982".

SEC. 2. There are authorized to be appropriated for fiscal year 1982, to carry out the activities of the Department of Justice (including any bureau, office, board, division, commission, or subdivision thereof) the following sums:

(1) For general administration, including—

(A) the hire of passenger motor vehicles, and

(B) miscellaneous and emergency expenses authorized or approved by the Attorney General, the Deputy Attorney General, the Associate Attorney General, or the Assistant Attorney General for Administration:

$37,653,000.

(2) For the United States Parole Commission for its activities, including the hire of passenger motor vehicles: $6,461,000.

(3) For general legal activities, including—

(A) the hire of passenger motor vehicles,

(B) miscellaneous and emergency expenses authorized or approved by the Attorney General, the Deputy General, the Associate Attorney General, or the Assistant Attorney General for Administration,

(C) not to exceed $20,000 for expenses of collecting evidence, to be expended under the direction of the Attorney General and accounted for solely on the certificate of the Attorney General,

(D) advance of public moneys under section 3648 of the Revised Statutes (31 U.S.C. 529),

(E) pay for necessary accommodations in the District of Columbia for conferences and training activities, and

(F) not to exceed $3,000,000 of which $2,600,000 shall be made available for the investigation and prosecution of denaturalization and deportation cases involving alleged Nazi war criminals:

$127,136,000.

(4) For the Antitrust Division for its activities: $49,566,000.

(5) For the Foreign Claims Settlement Commission for its activities, including—

(A) services as authorized by section 3109 of title 5, United States Code,

(B) expenses of packing, shipping, and storing personal effects of personnel assigned abroad,

(C) rental or lease, for such periods as may be necessary, of office space and living quarters for personnel assigned abroad,

(D) maintenance, improvement, and repair of properties rented or leased abroad, and furnishing fuel, water, and utilities for such properties,

(E) advances of funds abroad,

(F) advances or reimbursements to other Government agencies for use of their facilities and services in carrying out the functions of the Commission,

(G) the hire of motor vehicles for field use only, and

(H) the employment of aliens:

$705,000.

(6) For United States attorneys, marshals, and trustees, including—

(A) purchase of firearms and ammunition,

(B) lease and acquisition of law enforcement and passenger motor vehicles without regard to the general purchase price limitation for the current fiscal year,

(C) supervision of United States prisoners in non-Federal institutions,

(D) bringing to the United States from foreign countries persons charged with crime, and

(E) acquisition, lease, maintenance, and operation of aircraft:

$301,520,000.

(7) For support of United States prisoners in non-Federal institutions, including—

(A) necessary clothing and medical aid, payment of rewards, and reimbursements to Saint Elizabeths Hospital for the care and treatment of United States prisoners, at per diem rates as authorized by section 2 of the Act entitled "An Act to authorize certain expenditures from the appropriations of Saint Elizabeths Hospital, and for other purposes", approved August 4, 1947 (24 U.S.C. 168a), and

(B) entering into contracts or cooperative agreements for only the reasonable and actual cost to assist the government of any State, territory, or political subdivison thereof, for the necessary physical renovation, and the acquisition of equipment, supplies, or materials required to improve conditions of confinement and services, of any facility which confines Federal detainees, in accordance with regulations to be issued by the Attorney General and which are comparable to the regulations issued under section 4006 of title 18, United States Code:

$25,600,000.

(8) For fees and expenses of witnesses, including expenses, mileage, compensation, and per diem of witnesses in lieu of subsistence, as authorized by law, including advances of public moneys: $29,421,000. No sums authorized to be appropriated by this Act shall be used to pay any witness more than one attendance fee for any one calendar day.

(9) For the Community Relations Service for its activities, including the hire of passenger motor vehicles: $5,313,000.

(10) For the Federal Bureau of Investigation for its activities, including—

(A) expenses necessary for the detection and prosecution of crimes against the United States,

(B) protection of the person of the President of the United States and the person of the Attorney General,

(C) acquisition, collection, classification, and preservation of identification and other records and their exchange with, and for the official use of, duly authorized officials of the Federal Government, of States, of cities, and of other institutions, such exchange to be subject to cancellation if dissemination is made outside the receiving departments or related agencies,

(D) such other investigations regarding official matters under the control of the Department of Justice and the Department of State as may be directed by the Attorney General,

(E) purchase for police-type use, without regard to the general purchase price limitation for the current fiscal year, and hire of passenger motor vehicles,

(F) acquisition, lease, maintenance, and operation of aircraft,

(G) purchase of firearms and ammunition,

(H) payment of rewards,

(I) not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General and to be accounted for solely on the certificate of the Attorney General, and

(J) classification of arson as a part I crime in its uniform crime reports:

$739,013,000. None of the sums authorized to be appropriated by this Act for the Federal Bureau of Investigation shall be used to pay the compensation of any employee in the competitive service.

(11) For the Immigration and Naturalization Service, for expenses necessary for the administration and enforcement of laws relating to immigration, naturalization, and alien registration, including—

(A) advance of cash to aliens for meals and lodging while en route,

(B) payment of allowances to aliens, while held in custody under the immigration laws, for work performed,

(C) payment of expenses and allowances incurred in tracking lost persons as required by public exigencies in aid of State or local law enforcement agencies,

(D) payment of rewards,

(E) not to exceed $50,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General and accounted for solely on the certificate of the Attorney General,

(F) purchase for police-type use, without regard to the general purchase price limita-

tion for the current fiscal year, and hire of passenger motor vehicles,

(G) acquisition, lease, maintenance, and operation of aircraft,

(H) payment for firearms and ammunition, and for attendance at firearms matches,

(I) operations, maintenance, remodeling, and repair of buildings and purchase of equipment incident thereto,

(J) refunds of maintenance bills, immigration fines, and other items properly returnable except deposits of aliens who become public charges and deposits to secure payment of fines and passage money,

(K) payment of interpreters and translators who are not citizens of the United States and distribution of citizenship textbooks to aliens without cost to such aliens,

(L) acquisition of land as sites for enforcement fences, and construction and maintenance incident to such fences,

(M) research related to immigration enforcement, to remain available until expended, and

(N) payment of expenses relating to the hiring of privately owned horses for official use:

$388,602,000 of which not to exceed $100,000 may be used for the emergency replacement of aircraft upon the certificate of the Attorney General.

(12) For the Drug Enforcement Administration for its activities, including—

(A) hire and acquisition of law enforcement and passenger motor vehicles, without regard to the general purchase price limitation for the current fiscal year,

(B) payment in advance for special tests and studies by contract,

(C) payment in advance for expenses arising out of contractual and reimbursable agreements with State and local law enforcement and regulatory agencies while engaged in cooperative enforcement and regulatory activities in accordance with section 503(a)(2) of the Controlled Substances Act (21 U.S.C. 873(a)(2)),

(D) payment of expenses not to exceed $70,000 to meet unforeseen emergencies of a confidential character to be expended under the direction of the Attorney General and to be accounted for solely on the certificate of the Attorney General,

(E) payment of rewards,

(F) payment for publication of technical and information material in professional and trade journals, and purchase of chemicals, apparatus, and scientific equipment,

(G) payment for necessary accommodations in the District of Columbia for conferences and training activities,

(H) acquisition, lease, maintenance, and operation of aircraft,

(I) research related to enforcement and drug control, to remain available until expended,

(J) contracting with individuals for personal services abroad, and such individuals shall not be regarded as employees of the United States Government for the purpose of any law administered by the Office of Personnel Management,

(K) payment for firearms and ammunition, and for attendance at firearms matches, and

(L) payment for tort claims against the United States when such claims arise in foreign countries in connection with Drug Enforcement Administration operations abroad:

$231,779,000. For the purpose of section 709(b) of the Controlled Substances Act (21 U.S.C. 904(b)), such sum shall be deemed to be authorized by section 709(a) of such Act, for the fiscal year ending September 30, 1982. Of sums authorized to be appropriated for fiscal year 1982 and made available for the purchase of evidence and payment for information (PE/PI), an amount not to exceed $1,700,000 shall remain available for expenditure until October 1, 1983.

(13) For the Federal Prison System for its activities, including—

(A) for the administration, operation, and maintenance of Federal penal and correctional institutions, including supervision and support of United States prisoners in non-Federal institutions, and not to exceed $100,000 for inmate legal services within the system,

(B) purchase and hire of law enforcement and passenger motor vehicles,

(C) compilation of statistics relating to prisoners in Federal penal and correctional institutions,

(D) assistance to State and local governments to improve their correctional systems,

(E) purchase of firearms and ammunition, and medals and other awards,

(F) payment of rewards,

(G) purchase and exchange of farm products and livestock.

(H) construction of buildings at prison camps and acquisition of land as authorized by section 4010 of title 18, United States Code,

(I) transfer to the Health Services Administration of such amounts as may be necessary, in the discretion of the Attorney General, for the direct expenditures by that Administration for medical relief for inmates of Federal penal and correctional institutions.

(J) for Federal Prison Industries, Incorporated, to make such expenditures, within the limits of funds and borrowing authority, and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as may be necessary to carry out the program set forth in the budget for the current fiscal year for such corporation, including purchase and hire of passenger motor vehicles,

(K) for planning, acquisition of sites and construction of new facilities, and constructing, remodeling, and equipping necessary buildings and facilities at existing penal and correctional institutions, including all necessary expenses incident thereto, by contract of force account, to remain available until expended, and the labor of United States prisoners may be used for work performed with sums authorized to be appropriated by this subparagraph, and

(L) for carrying out the provisions of sections 4351, 4352, and 4353 of title 18, United States Code, relating to a National Institute of Corrections, to remain available until expended:

$383,784,000.

SEC. 3. Sums authorized to be appropriated by this Act may be used for—

(1) the travel expenses of members of the family accompanying, preceding, or following an officer or employee if, while he is en route to or from a post of assignment, he is ordered temporarily for orientation and training or is given other temporary duty, and

(2) benefits authorized under paragraphs (5), (6)(A), (8), and (9) of section 901 and under section 904 of the Foreign Service Act of 1980 (22 U.S.C. 4081(5) et seq.),

under regulations issued by the Secretary of State.

SEC. 4. (a) Sums authorized to be appropriated by this Act which are available for expenses of attendance at meetings shall be expended for such purposes in accordance with regulations issued by the Attorney General.

(b) Sums authorized to be appropriated by this Act may be used for the purchase of insurance for motor vehicles and aircraft operated in official Government business in foreign countries.

(c) Sums authorized to be appropriated by this Act for salaries and expenses shall be available for services as authorized by section 3109 of title 5, United States Code.

(d) Sums authorized to be appropriated by this Act to the Department of Justice may be used, in an amount not to exceed $35,000, for official reception and representation expenses in accordance with distributions, procedures, and regulations issued by the Attorney General.

(e) Sums authorized to be appropriated for "Salaries and expenses, General Administration", "Salaries and expenses, United States Attorneys and Marshals", "Salaries and expenses, Federal Bureau of Investigation", "Salaries and expenses, Immigration and Naturalization Service", and "Salaries and expenses, Bureau of Prisons" may be used for uniforms and allowances as authorized by sections 5901 and 5902 of title 5, United States Code.

SEC. 5. There are authorized to be appropriated for fiscal year 1982 such sums as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law, and for other nondiscretionary costs.

SEC. 6. Sums authorized to be appropriated by this Act for the salaries and expenses of the Federal Bureau of Investigation may be used in fiscal year 1982 for the purposes described in the second undesignated paragraph under the heading "Federal Bureau of Investigation", relating to the salaries and expenses, of the Department of Justice Appropriation Act, 1973 (86 Stat. 1115; Public Law 92-544).

SEC. 7. (a) With respect to any undercover investigative operation of the Federal Bureau of Investigation which is necessary for the detection and prosecution of crimes against the United States or for the collection of foreign intelligence or counterintelligence—

(1) sums authorized to be appropriated for the Federal Bureau of Investigation by this Act may be used for leasing space within the United States, the District of Columbia, and the territories and possessions of the United States without regard to section 3679(a) of the Revised Statutes (31 U.S.C. 665(a)), section 3732(a) of the Revised Statutes (41 U.S.C. 11(a)), section 305 of the Act of June 30, 1949 (63 Stat. 396; 41 U.S.C. 255), the third undesignated paragraph under the heading of "Miscellaneous" of the Act of March 3, 1877 (19 Stat. 370; 40 U.S.C. 34), section 3648 of the Revised Statutes (31 U.S.C. 529), section 3741 of the Revised Statutes (41 U.S.C. 22), and subsections (a) and (c) of section 304 of the Federal Property and Administrative Services Act of 1949 (63 Stat. 395; 41 U.S.C. 254 (a) and (c)).

(2) sums authorized to be appropriated for the Federal Bureau of Investigation by this Act may be used to establish or to acquire proprietary corporations or business entities as part of an undercover operation, and to operate such corporations or business entities on a commercial basis, without regard to the provisions of section 304 of the Government Corporation Control Act (31 U.S.C. 869),

(3) sums authorized to be appropriated for the Federal Bureau of Investigation by this Act, and the proceeds from such undercover operation, may be deposited in banks or other financial institutions without regard to the provisions of section 648 of title 18, United States Code, and section 3639 of the Revised Statutes (31 U.S.C. 521), and

(4) the proceeds from such undercover operation may be used to offset necessary and reasonable expenses incurred in such operation without regard to the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484),

only upon the written certification of the Director of the Federal Bureau of Investigation (or, if designated by the Director, an Executive Assistant Director) and the Attorney General (or, if designated by the Attorney General, the Deputy Attorney General) that any action authorized by paragraph (1), (2), (3), or (4) of this subsection is necessary for the conduct of such undercover operation.

(b) As soon as the proceeds from an undercover investigative operation with respect to which an action is authorized and carried out under paragraphs (3) and (4) of subsection (a) are no longer necessary for the conduct of such operation, such proceeds or the balance of such proceeds remaining at the time shall be deposited in the Treasury of the United States as miscellaneous receipts.

(c) If a corporation or business entity established or acquired as part of an undercover operation under paragraph (2) of subsection (a) with a net value of over $50,000 is to be liquidated, sold, or otherwise disposed of, the Federal Bureau of Investigation, as much in advance as the Director or his designee determines is practicable, shall report the circumstances to the Attorney General and the Comptroller General. The proceeds of the liquidation, sale, or other disposition, after obligations are met, shall be deposited in the Treasury of the United States as miscellaneous receipts.

(d)(1) The Federal Bureau of Investigation shall conduct detailed financial audits of undercover operations closed on or after October 1, 1981, and—

(A) report the results of each audit in writing to the Attorney General, and

(B) report annually to the Congress concerning such audits.

(2) For the purposes of paragraph (1), "undercover operation" means any undercover operation of the Federal Bureau of Investigation, other than a foreign counterintelligence undercover operation—

(A) in which the gross receipts exceed $50,000, and

(B) which is exempted from section 3617 of the Revised Statutes (31 U.S.C. 484) or section 304(a) of the Government Corporation Control Act (31 U.S.C. 869(a)).

SEC. 8. Section 709(b) of the Controlled Substances Act (21 U.S.C. 904(b)) is amended by inserting ", or deemed by any statute of the United States to be authorized," after "authorized".

SEC. 9. (a) The Attorney General shall perform—

(1) periodic evaluations of the overall efficiency and effectiveness of the Department of Justice programs and any supporting activities funded by appropriations authorized by this Act, and

(2) annual specific program evaluations of selected subordinate organizations' programs,

as determined by the priorities set either by the Congress or the Attorney General.

(b) Subordinate Department of Justice organizations and their officials shall provide all the necessary assistance and cooperation in the conduct of evaluations described in subsection (a), including full access to all information, documentation, and cognizant personnel, as required for such evaluations.

(c) Completed evaluations performed under subsection (a) shall be made available to the Committee on the Judiciary of the Senate, the Committee on the Judiciary of the House of Representatives, and to other appropriate committees.

SEC. 10. During the fiscal year for which appropriations are authorized by this Act, each organization of the Department of Justice, through the appropriate office within the Department of Justice, shall notify in writing the Committee on the Judiciary of the Senate, the Committee on the Judiciary of the House of Representatives, other appropriate committees, and the ranking minority members thereof, not less than fifteen days before—

(1) reprograming of funds in excess of $250,000 or 10 per centum, whichever is less, between the programs within the offices, divisions, and boards as defined in the Department of Justice's program structure submitted to the Committees on the Judiciary of the Senate and House of Representatives,

(2) reprograming of funds in excess of $500,000 or 10 per centum, whichever is less, between programs within the Bureaus as defined in the Department of Justice's program structure submitted to the Committees on the Judiciary of the Senate and the House of Representatives,

(3) any reprograming action which involves less than the amounts specified in paragraphs (1) and (2) if such action would have the effect of making significant program changes and committing substantive program funding requirements in future years,

(4) increasing personnel or funds by any means for any project or program for which funds or other resources have been restricted,

(5) creation of new programs or significant augmentation of existing programs,

(6) reorganization of offices or programs, and

(7) significant relocation of offices or employees.

SEC. 11. The Attorney General shall, by September 30, 1982, develop a procedure to insure that no person under the age of eighteen shall be held as a material witness in a Bureau of Prisons facility or a State or local correctional facility, the primary purpose of which is to provide for the custody of adult offenders.

Mr. RODINO (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

AMENDMENT OFFERED BY MR. LEVITAS

Mr. LEVITAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEVITAS: Page 22, after line 7, insert the following new section:

SEC. 12. (a) The Attorney General shall, during the fiscal year for which appropriations are authorized by this Act, transmit a report to each House of the Congress in any case in which the Attorney General—

(1) establishes a policy to refrain from the enforcement of any provision of law enacted by the Congress, the enforcement of which is the responsibility of the Department of Justice, because of the position of the Department of Justice that such provision of law is not constitutional, or

(2) determines that the Department of Justice will contest, or will refrain from defending, any provision of law enacted by the Congress in any proceeding before any court of the United States, or in any administrative or other proceeding, because of the position of the Department of Justice that such provision of law is not constitutional.

(b) Any report required in subsection (a) shall be transmitted not later than thirty days after the Attorney General establishes the policy specified in subsection (a)(1) or makes the determination specified in subsection (a)(2). Each such report shall—

(1) specify the provision of law involved,

(2) include a detailed statement of the reasons for the position of the Department of Justice that such provision of law is not constitutional, and

(3) in the case of a determination specified in subsection (a)(2), indicate the nature of the judicial, administrative, or other proceeding involved.

(c) If, during the fiscal year for which appropriations are authorized by this Act, the Attorney General determines that the Department of Justice will contest, or will refrain from defending, any provision of law enacted by the Congress in any proceeding before any court of the United States, or in any administrative or other proceeding because of the position of the Department of Justice that such provision of law is not constitutional, then the representative of the Department of Justice participating in such proceeding shall make a declaration in such proceeding that such position of the Department of Justice regarding the constitutionality of the provision of law involved constitutes the position of the executive branch of the United States with respect to such matter.

Mr. LEVITAS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LEVITAS. Mr. Chairman, while I believe this amendment is noncontroversial, I think it is, nevertheless, important. Let me explain briefly what it does.

There are occasions in which the Justice Department declines to defend the constitutionality of a U.S. statute in litigation. Even though the Justice Department is initially designated as representing the United States, and Congress has passed a statute, and the President has signed it into law, the Justice Department will, on occasion, go into court and declare that the statute is unconstitutional.

I have great problems with that practice to begin with. The Justice Department should faithfully execute

the laws, not undermine them. But, at the very least, two things should occur when the Justice Department decides that it is not going to defend a statute of the United States. First, they must notify the Congress of the United States so that the Congress can provide counsel to defend the U.S. laws. That is the first thing this amendment would do. It would require notification in the event the Justice Department declines to defend a statute of the United States.

The second thing it does is to require that when the Justice Department decides it will not defend a statute of the United States, it can no longer continue in that proceeding to represent the United States as such, but thereafter the Justice Department will merely represent the position of the executive department, which is all that they will be doing, rather than the position of the United States.

I think it is important that this amendment and this procedure be again written into the law. It was made a part of the authorization legislation during the last two authorizations. I suggest that it be made part of the legislation on this occasion as well.

Mr. Chairman, the amendment I have offered has been contained in the last two authorization bills for the Department of Justice. It provides simply that where the Justice Department determines that it believes a statute is unconstitutional or some other provision of law is unconstitutional and, therefore, either concedes the unconstitutionality of it or refuses to defend the constitutionality of that particular provision, they are required to notify the House of Representatives and the Senate so that the two bodies can then retain counsel and intervene in the proceedings if they so desire to defend the statutes of the United States. In those proceedings, after that notification is made to them, it is then incumbent upon the Justice Department to make clear that their position is simply the position of the Justice Department and the executive branch and is not the position of the United States in those proceedings.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I would be happy to yield to the gentleman from New Jersey.

Mr. RODINO. The amendment which the gentleman is offering is the same amendment that we have considered before, which we have accepted. There are no changes, as I understand. It presently has been considered as a practice.

I have no objection to it. I support the gentleman.

Mr. LEVITAS. I thank the gentleman.

Mr. FISH. Mr. Chairman, will the gentleman yield to me?

Mr. LEVITAS. I would be happy to yield.

Mr. FISH. The minority has no objection to this amendment.

Mr. LEVITAS. I thank the gentleman.

I simply would like to add this point. This procedure seems to have been working well over the last 3 or 4 years. I would urge that the Judiciary Committee give consideration to enacting the bill which is now in the Judiciary Committee that would make this procedure part of the basic law, so that we do not have to add it to the authorization from time to time. I think it would receive unanimous support both in the committee and on the floor and we could avoid this annual practice of amending the bill.

I simply suggest that it might be a good candidate for a suspension of the rules bill early in the session.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. LEVITAS).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. COLLINS OF TEXAS

Mr. COLLINS of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLLINS of Texas: Page 22, after line 7, add the following new section:

SEC. 13. No part of any sum authorized to be appropriated by this Act shall be used by the Department of Justice to bring any sort of action to require directly or indirectly the transportation of any student to a school other than the school which is nearest the student's home, except for a student requiring special education as a result of being mentally or physically handicapped.

Mr. COLLINS of Texas. Mr. Chairman, the support for neighborhood schools, through an end to forced schoolbusing, has been accelerating since passage last session of the Collins amendment to the Justice appropriations bill. Despite the Carter veto of the bill, the American people are demanding an end to forced schoolbusing. We must heed the American people's outcries, and once and for all end this negative, costly and counterproductive forced schoolbusing, and instead direct our efforts toward quality education for all students. That is why I am introducing the following amendment:

No part of any sum authorized to be appropriated by this Act shall be used by the Department of Justice to bring any sort of action to require directly or indirectly the transportation of any student to a school other than the school which is nearest the student's home, except for a student requiring special education as a result of being mentally or physically handicapped.

On November 18, 1981, President Reagan stated that "busing has been a failure." Recent polls show that the American public agrees. Take for example, a Gallup poll, published in February 1981, showing that on a national level, 72 percent oppose busing. Mr. Gallup noted that:

Clearly, much opposition can be explained in terms of objections to the distance children have to be bused and to other factors.

In a poll done by Gallup for Newsweek, results show that 50 percent of the black populations in America believes that forced schoolbusing has caused more difficulties than it is worth.

From year to year the statistics show the negative results of forced schoolbusing. In my hometown, the superintendent of the Dallas Independent School District—under a current forced schoolbusing plan involving 14,000 students in grades 4-8—Linus Wright has termed mandatory busing "the No. 1 thing that disrupts the school systems," and one of the "most detrimental forces in urban school systems." Nineteen eighty-one statistics show that in the DISD, only 29.53 percent of the population is Anglo. Yet, we have extensive busing orders to distribute that 29.53 percent of the population in order to bring about racial balance. According to Wright, "You could distribute every Anglo student in the district (through busing) and still not reach the 75-percent ratio," which is prescribed by the courts. Forced schoolbusing has illustrated the well-documented phenomena of white flight. In school districts across the Nation we see increasing minority populations in the public schools, and white flight, to the point where busing for racial balance is actually causing segregation.

SAT scores have been consistently and dramatically declining since 1964. For the 1979-80 academic year, the average SAT score was 890, compared to 973 in 1964. Overall statistics are equally alarming. For instance, from 1972 to 1980, the number of students scoring over 650 out of a possible 800 points on the verbal section of the SAT dropped 46 percent, with last year's average score being 424. In addition, there has been a 22-percent decline in high marks in the mathematics section of the test, with the average score last year being 466.

Busing was designed to integrate and balance the schools. Yet just the opposite has happened, as Dallas schools have increased in minority students from 38.8 percent in 1968 to 70.5 percent minority in 1980.

Since 1964, when the Supreme Court ruling went into effect, the Court has been involved in more than 500 school desegregation cases. Yet, the language in the 1964 Civil Rights Act states in section 401 that desegregation, "shall not mean the assignment of students to public school in order to overcome racial imbalance." Section 407 further provides that:

Nothing herein shall empower any official or court of the United States to issue any

order seeking to achieve a racial balance in any school by requiring the transportation of pupils or students from one school to another or one school district to another in order to achieve a racial balance.

Yet, counter to this 1964 act and the spirit of the Brown decision in 1954 which ruled wisely and justly that every child in America can and shall be entitled to and must go to their neighborhood schools, we are promoting forced schoolbusing, away from neighborhood schools, to achieve desegregation. The Brown decision also said that no child shall be sent to any school because of race, yet that is exactly the premise upon which forced schoolbusing is based today.

It is clearly time for Congress to act to restore the neighborhood school and the dream of quality education for all our students.

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Mr. RODINO. Mr. Chairman, I rise in opposition to the amendment by the gentleman from Texas (Mr. COLLINS).

The Department of Justice is the only executive branch agency which can go to Federal court and, having secured a determination that school officials have engaged in unconstitutional discrimination, seek implementation of a plan to correct such violation. In this manner, the Department seeks to assure that important Federal rights are protected.

This proposed amendment would interfere with the Department's ability to exercise this responsibility, which has been specifically conferred upon it by the Congress (most notably in title IV of the 1964 Civil Rights Act and in the Equal Education Opportunities Act).

It is important to note that the Department has no authority to require busing or any other means of correcting unconstitutional segregation, contrary to the implication of this amendment. The Department's responsibility and authority is limited to presenting relevant facts to Federal courts and, on occasion, suggesting appropriate remedies to a court.

The determination as to whether the facts show a constitutional violation and, if so what remedy is appropriate is made solely by the Federal courts.

The prospect that the Constitution could be violated by recipients of Federal funds and there would be no means for the Federal Government to address such violations raises serious constitutional and policy considerations.

Seventeen years after the passage of the Civil Rights Act of 1964 and a quarter of a century after Brown against Board of Education, unlawfully segregated schools still exist in this country.

The adoption of this amendment would—even if its constitutionality were upheld—seriously interfere with the Justice Department's ability to seek appropriate remedies in those worthy cases where it seeks to insure that the Constitution is upheld.

Mr. Chairman, I strongly urge my colleagues to reject this amendment.

Mr. EDWARDS of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to this amendment.

I want my colleagues to know that if we adopt this amendment, we will be setting back the cause of desegregation in this country by 25 years. This amendment has nothing to do with whether busing can be ordered in a particular district through judicial means. Rather, this amendment strikes at the ability of the Department of Justice to bring a case of discrimination in the first place—an issue quite apart from what type of remedy may be sought.

We must keep in mind that court ordered busing is not ordered by the Department of Justice. The Department's sole responsibility and authority is to present relevant facts to Federal courts and, in some instances, to suggest appropriate remedies. It is the courts then who decide what remedy is appropriate in a given situation. This amendment would not prohibit court ordered busing.

Some mechanism must exist through which the Federal Government can assure that Federal funds will not be used to continue segregation in our schools. The Collins amendment, by precluding judicial relief, would raise serious constitutional problems. At the same time, it would seriously interfere with the Department's ability to seek—not order—appropriate remedies in particularly important cases. Mr. Chairman, I urge my colleagues to oppose this amendment.

Ms. FIEDLER. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentlewoman from California.

Ms. FIEDLER. I thank the gentleman for yielding.

Did I understand the gentleman to say that the Department of Justice does not pursue a particular kind of remedy but instead simply pursues the desegregation case itself and the court determines the remedy? Is that correct?

Mr. EDWARDS of California. The Department of Justice is obliged to bring lawsuits to eliminate segregation in our Nation's schools, but it is up to the court to decide what the appropriate remedy might be.

Ms. FIEDLER. I would like to respectfully disagree with the gentleman. The Department of Justice in the pursuit of its cases definitely takes a position on appropriate remedies and participates in what they consider to be appropriate remedies. This particular amendment, which I personally support, would not limit them from pursuing a course of action to protect constitutional rights but, indeed, would limit the remedy for desegregation to not include mandatory busing.

Mr. EDWARDS of California. I certainly disagree strongly with the gentlewoman from California. The Department of Justice is charged with enforcing the laws of the United States and in supporting the Constitution, and where there is a constitutional right involved, and where there are Federal laws involved, and where Federal funds are being used in an illegal way, then the Department of Justice must discharge its responsibilities.

Ms. FIEDLER. Then the gentleman is going back to his original position that he believes that they are involved in the remedy, even though he indicated initially that it was not them; it was the courts. In fact, they are involved in the remedies, and under this particular amendment, it is my understanding it would not affect their right to pursue the case itself, but instead would affect their right to work to implement mandatory busing as the appropriate remedy.

Mr. EDWARDS of California. I point out again to the gentlewoman from California that it is the Federal court that makes the decision as to what the remedy shall be.

Mr. Chairman, I yield back the remainder of my time.

Mr. JOHNSTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this morning's paper reported that the legal profession's share of the gross national product was $27 billion in 1977. If present projections hold out, this year the legal profession's share will exceed that of the steel industry. Nowhere in the legal profession is there a greater number of zealots than those that exist in the Department of Justice of the United States. Their ideas and the idea of the American people are frequently at odds. Survey after survey has shown that the American people strongly oppose the concept of forced busing, strongly oppose the idea that our children are taken from their homes, put on a bus for a trip that can take from 15 minutes to an hour and for 2 more hours each day they are confined, not because their parents did not purchase homes close to the schools, not because the schools are not conveniently located, but because the Federal judiciary, insulated from reality by their lifetime appointments and invested with the arrogance of those nine men to my east, are allowed to put the American people on notice that they will require them to do in the name of constitutionality that which they do not wish to do, and to

force their children to undergo this, be they black or white, in the name of social experimentation.

□ 1430

Let us face it. All the studies show forced busing has not worked. But a group of people protected from the real world by the civil service law down in the Justice Department continue to bring lawsuits seeking forced busing as a remedy to our educational problems.

No one is in favor of segregation, but reasonable solutions are in order, reasonable solutions that take into consideration the fact that this world is critically short of energy; and to waste it carrying people up and down the roads for hours on end is a poor use of resources and time on the part of the American people.

Why not restrict the hands of those legislative zealots that believe that the answer to all our problems in this country rests in the hands of the Federal judiciary and use our resources in accordance with the wishes of the American people, in accordance with the long term best interests of our children and not continue an experiment that has failed miserably and will continue to fail.

Mr. Chairman, I yield back the balance of my time.

Mr. MOTTL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would first of all like to commend the gentleman from Texas (Mr. COLLINS) for offering this very important amendment and would urge my colleagues to strongly support the same.

I would also commend the gentleman from North Carolina (Mr. JOHNSTON) and the gentlewoman from California (Ms. FIEDLER) for their two fine speeches on behalf of the amendment, and I would have to respectfully disagree with the gentleman from California (Mr. EDWARDS) that the Justice Department does not interfere with the court-ordered remedy or impose the remedy of court-ordered busing.

They certainly do advocate in many instances, and I would like to cite the example of my hometown of Cleveland, Ohio. The lawsuit to desegregate the Cleveland school system was brought by the NAACP, but the Justice Department intervened as a friend of the court, filing a brief amicus curiae. When they did so, they advocated at that time that the proper remedy in the Cleveland case would be court-ordered busing. The case then went to the Sixth Circuit Court of Appeals in Cincinnati, and again they were a friend of the court and they advocated court-ordered busing.

What has court-ordered busing done to my hometown of Cleveland, Ohio? It has devastated that school system. Once it was one of the finest school systems in America, and it is now one of the worst school systems in America.

We have seen a great amount of white flight and black flight from the central city to the suburbs. A school district that 4 years ago had an enrollment of approximately 115,000 has approximately 68,000 in enrollment. We have seen the huge sum of money expenditure of $41 million to date spent on court-ordered busing when those sums could have been better spent for more schoolteachers, quality school teachers, better textbooks, and more educational facilities.

Again, they are proposing in this year's budget another $40 million to carry out court-ordered busing. We have seen on the energy side that a schoolbus gets approximately 5 miles to a gallon of gasoline. There are approximately 55,000 gallons of gasoline each day wasted on court-ordered busing in the United States to carry out this remedy.

We all advocate desegregation of our school systems, but let us use the proper remedy of the magnet schools or let anybody in their neighborhood who is dissatisfied with their neighborhood school go to any school in the metropolitan area, which Prof. James Coleman of the University of Chicago—the noted sociologist—now advocates rather than his original remedy of court-ordered busing. He examined 100 desegregation cases from Boston to Los Angeles and found it had not worked.

The minority student has not gotten a better education as a result of court-ordered busing but, on the contrary, all the minuses that I alluded to before as a result of court-ordered busing.

Let us get the Justice Department out of the business of ordering or advocating court-ordered busing to our Federal court.

I strongly support the amendment offered by the gentleman from Texas (Mr. COLLINS).

Mr. EMERSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the amendment of the gentleman from Texas (Mr. COLLINS). The gentleman has performed a great public service in offering this amendment and he has given us a great opportunity to take yet another step toward the end of stopping this foolish proposition of forced busing.

I would prefer to get directly to the heart of the matter and have a constitutional amendment that will deal with the subject once and for all. We can theorize until kingdom come, although I understand the theorists who invented this silly idea have backed away from it. I will tell you this: The people want this issue dealt with and they are frustrated that our processes are so slow.

Until we can deal with this issue through a constitutional amendment, the gentleman's amendment is the next best step.

I yield back the balance of my time.

Ms. FIEDLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, for the last 5 years I have spent a good deal of my time dealing with the issue of mandatory busing in the city of Los Angeles. Over that period of time, I have had a variety of experiences that have led me to the personal conclusion that, unfortunately, the debate over mandatory busing and the continuation of it has, instead of solving the problems of unequal education, permitted unequal education to continue in an onerous way. It is preventing children deserving of a decent public education from getting it.

Busing is very, very big business. A lot of people make a lot of money off of it. A lot of people make a lot of political hay out of it. A lot of people keep it going over a long period of time holding out the hope that children will be better educated as a result of simply taking a school bus ride from one side of the city to another; and unfortunately, it is not that easy.

It does not solve the problems that quickly, putting children side by side simply because they fill a certain racial quota system. It is my opinion that there have been hundreds and hundreds of millions of dollars wasted on this particular kind of solution to unequal education, and that over the last 20 years, as we tried to solve the problems of unequal achievement, that this particular course of action has deterred us from that goal.

There are many children in communities all across the country who are deserving of a decent public education who will receive that public education when the time comes that we put our energies and efforts into improving the quality of teaching talent, improving the physical facilities, to make certain that those children receive a full day's education; but instead, when you take a city like Los Angeles and spend between $150 and $200 million a year on desegregation instead of providing a good, solid public education, the children are losing the basic resources that it takes to really help them become independent citizens.

I urge my colleagues strongly to support this amendment. I would also like to say that I recently received a copy of a speech given by our current Attorney General, William French Smith, where he, too, has indicated that he opposes the use of mandatory busing; and while I support this amendment, I also feel a certain measure of confidence in this administration and its representatives in the Department of Justice that they will not, in fact,

pursue mandatory busing as a course to solve the unequal educational achievement of the children of our country.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. COLLINS).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. COLLINS of Texas. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1445

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Texas (Mr. COLLINS) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 265, noes 122, not voting 44, as follows:

[Roll No. 69]

AYES—265

Akaka	Broyhill	Dougherty
Alexander	Burgener	Downey
Anderson	Butler	Dreier
Andrews	Campbell	Duncan
Annunzio	Carman	Dunn
Anthony	Chappie	Dwyer
Applegate	Cheney	Dyson
Archer	Clausen	Early
Ashbrook	Clinger	Eckart
Atkinson	Coats	Edwards (AL)
Bailey (MO)	Coelho	Edwards (OK)
Bailey (PA)	Coleman	Emerson
Barnard	Collins (TX)	English
Beard	Corcoran	Ertel
Benedict	Coughlin	Evans (DE)
Benjamin	Coyne, James	Evans (GA)
Bennett	Craig	Evans (IA)
Bethune	Crane, Daniel	Evans (IN)
Bevill	Crane, Philip	Fary
Biaggi	D'Amours	Fiedler
Blanchard	Daniel, Dan	Fields
Bliley	Daniel, R. W.	Fithian
Boggs	Dannemeyer	Florio
Boner	Daub	Foglietta
Bonior	Davis	Ford (MI)
Bonker	de la Garza	Fountain
Bowen	Deckard	Fowler
Breaux	Derwinski	Frost
Brinkley	Dicks	Gaydos
Brodhead	Dingell	Gephardt
Brooks	Donnelly	Gibbons
Brown (CO)	Dornan	Gingrich
Ginn	Luken	Roth
Glickman	Lungren	Roukema
Goodling	Madigan	Rudd
Gradison	Markey	Russo
Gramm	Marks	Santini
Gregg	Marlenee	Sawyer
Gunderson	Marriott	Schulze
Hall (OH)	Martin (NY)	Sensenbrenner
Hall, Ralph	Mattox	Sharp
Hall, Sam	McCollum	Shaw
Hamilton	McCurdy	Shelby
Hammerschmidt	McDade	Shumway
Hance	McDonald	Shuster
Hansen (ID)	McEwen	Siljander
Hansen (UT)	McGrath	Skeen
Hartnett	Mica	Skelton
Hatcher	Miller (OH)	Smith (AL)
Heckler	Minish	Smith (NE)
Hefner	Mitchell (NY)	Smith (NJ)
Heftel	Moakley	Smith (OR)
Hendon	Molinari	Snyder
Hertel	Mollohan	Solomon
Hiler	Montgomery	Spence
Holland	Moore	Stangeland
Holt	Moorhead	Stanton
Hopkins	Morrison	Staton
Hubbard	Mottl	Stenholm
Huckaby	Murphy	Stump
Hughes	Murtha	Tauzin
Hunter	Myers	Taylor
Hutto	Napier	Thomas
Hyde	Natcher	Traxler
Ireland	Neal	Trible
Jeffries	Nelligan	Vander Jagt
Jenkins	Nelson	Volkmer
Johnston	Nichols	Walgren
Jones (NC)	O'Brien	Wampler
Jones (OK)	Oakar	Watkins
Jones (TN)	Parris	Waxman
Kazen	Pashayan	Weber (MN)
Kindness	Patman	Weber (OH)
Kramer	Paul	Whitehurst
Lagomarsino	Perkins	Whitley
Lantos	Peyser	Whittaker
Latta	Pickle	Williams (OH)
Leach	Porter	Wilson
Leath	Pritchard	Winn
LeBoutillier	Pursell	Wolf
Lee	Rahall	Wortley
Lent	Regula	Wylie
Levitas	Rinaldo	Yatron
Livingston	Ritter	Young (AK)
Loeffler	Roberts (KS)	Young (FL)
Long (LA)	Roberts (SD)	Young (MO)
Lott	Robinson	Zeferetti
Lowery	Roemer	
Lujan	Rogers	

NOES—122

Addabbo	Frank	Mineta
Aspin	Frenzel	Mitchell (MD)
AuCoin	Garcia	Moffett
Barnes	Gejdenson	Nowak
Bedell	Gilman	Oberstar
Beilenson	Gonzalez	Obey
Bereuter	Gore	Ottinger
Bingham	Gray	Panetta
Boland	Green	Patterson
Brown (CA)	Guarini	Pease
Burton, John	Hawkins	Pepper
Burton, Phillip	Hollenbeck	Petri
Chisholm	Horton	Rangel
Clay	Hoyer	Ratchford
Conable	Jacobs	Reuss
Conyers	Jeffords	Richmond
Coyne, William	Kastenmeier	Rodino
Crockett	Kildee	Rose
Danielson	Kogovsek	Rosenthal
Daschle	LaFalce	Rostenkowski
DeNardis	Lehman	Roybal
Derrick	Leland	Sabo
Dixon	Lewis	Savage
Dorgan	Long (MD)	Scheuer
Dymally	Lowry	Schneider
Edgar	Lundine	Schroeder
Edwards (CA)	Martin (IL)	Schumer
Emery	Matsui	Seiberling
Erdahl	Mavroules	Shamansky
Erlenborn	Mazzoli	Shannon
Fascell	McClory	Simon
Fazio	McCloskey	Smith (IA)
Fenwick	McHugh	Snowe
Findley	McKinney	Solarz
Fish	Mikulski	St Germain
Ford (TN)	Miller (CA)	Stark
Stokes	Tauke	Wirth
Stratton	Vento	Wolpe
Studds	Washington	Wyden
Swift	Weiss	Yates
Synar	Williams (MT)	

NOT VOTING—44

Albosta	Dickinson	Michel
Badham	Ferraro	Price
Bafalis	Flippo	Quillen
Bolling	Foley	Railsback
Bouquard	Forsythe	Rhodes
Broomfield	Fuqua	Roe
Brown (OH)	Goldwater	Rousselot
Byron	Grisham	Udall
Carney	Hagedorn	Walker
Chappell	Harkin	Weaver
Collins (IL)	Hightower	White
Conte	Hillis	Whitten
Cotter	Howard	Wright
Courter	Kemp	Zablocki
Dellums	Martin (NC)	

□ 1500

The Clerk announced the following pairs:

On this vote:

Mr. Chappell for, with Mr. Dellums against.

Mr. Rhodes for, with Mrs. Collins of Illinois against.

Mr. DAVIS and Mr. WAXMAN changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MS. OAKAR

Ms. OAKAR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. OAKAR: Page 22, after line 7, insert the following new section:

SEC. 14. (a) Not later than September 30, 1982, the Attorney General shall submit to the Congress and to the President a report—

(1) evaluating citizen involvement in community efforts undertaken to augment official urban crime prevention measures in the fiscal year for which sums are authorized to be appropriated by this Act, and

(2) recommending measures to enhance community cooperation in preventing urban crime.

(b) For purposes of preparing the report described in subsection (a), the Attorney General shall—

(1) consider the recommendations of Federal commissions which have studied urban crime prevention, and

(2) consult with persons involved in analyzing and preventing violent crime, including judges, sociologists, social workers, clergy, psychologists, law enforcement officials, and private citizens, and with the victims of violent crime.

Ms. OAKAR (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

□ 1515

Ms. OAKAR. Mr. Chairman, I am very concerned about the alarming increase of crime in our country, par-

ticularly in our neighborhoods. It is really a devastating phenomenon. This is especially true of certain urban areas, and it is becoming ever more true in rural areas.

Simply and without elaborating on a definition of my amendment, I want to state that all it would do is mandate the Attorney General to consider the role of citizens and what they can do in their neighborhoods to constructively support and assist law enforcement officials in combating crime.

In the wake of the alarming news that reaches us everyday about theft, robbery, murder, rape, assault, and so on, citizens have already begun to form their own associations and groups to try to do something about the problem. Rather than having these vigilante groups formed, it seems to me that we ought to have the Justice Department look into the situation and form some guidelines as to how citizens can constructively assist local officials in finding solutions for the crime problem.

Mr. Chairman, I am aware that the Attorney General has a task force on violent crime, but I am concerned that there may not be citizen input. So I would hope that my colleagues would agree to the amendment, and that we would involve citizens in the study of crime so we can achieve some solutions.

Mr. RODINO. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I am happy to yield to the chairman of the committee.

Mr. RODINO. Mr. Chairman, I thank the gentlewoman for yielding.

I would like to say that while I recognize the legitimate concern of the gentlewoman and the emphasis she places on the need for citizen involvement, the gentlewoman does know that the Attorney General has a task force, and that it is due to report.

I would hope that the gentlewoman would not pursue this amendment. I would assure the gentlewoman as chairman of the committee—and I know there are many others on the committee who feel pretty much the same way—that we could articulate the need for this kind of citizen involvement, and I would join in a letter to the Attorney General expressing this kind of concern. I am sure that it would be given not only serious consideration, but I am sure that the Attorney General—and I have found him to be an individual who wants to cooperate—would appreciate having this called to his attention, and I am sure some action would then be taken.

But, Mr. Chairman, I would urge that the gentlewoman not pursue this amendment.

Mr. McCLORY. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I am happy to yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Chairman, I want to concur in the statement made by the chairman of the committee and concur in the sentiment of the amendment being offered by the gentlewoman from Ohio (Ms. OAKAR).

I would state that I have testified myself before the Subcommittee on Crime, with the expectation and the hope that the Federal Government would assume some leadership role with regard to the national problem of crime in our cities and, as the gentlewoman says, in the rural areas as well.

I would hope, by importuning the Attorney General and his task force to act on this subject, that something tangible may be done, not in this way but in a way consistent with the sense of the amendment.

Mr. Chairman, I applaud the gentlewoman for her effort, and I thank her for yielding.

Ms. OAKAR. Mr. Chairman, I want to thank both the committee chairman and the ranking minority member for their statements. In view of that response, I will withdraw my amendment.

I would like to state, however, for the record that the task force that was set up under the auspices of the Attorney General is due to expire in August. If they have not involved citizen participation, perhaps in our letter we could ask them to extend the task force by a month or two or whatever time is necessary so that citizens can really have an opportunity to say something about what the crime problems are in their neighborhoods, because I am convinced that they know where the solution rests and to what extent it is possible.

The CHAIRMAN. The time of the gentlewoman from Ohio (Ms. OAKAR) has expired.

(On request of Mr. HUGHES, and by unanimous consent, Ms. OAKAR was allowed to proceed for 2 additional minutes.)

Mr. HUGHES. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, I just want to say to the gentlewoman from Ohio (Ms. OAKAR) that the Subcommittee on Crime is going to begin oversight hearings tomorrow as a matter of fact, and we have other hearings scheduled on Thursday which bear on the same subject.

I commend the gentlewoman from Ohio for her concern and would invite her to appear before the Subcommittee on Crime and testify on this subject in this most important area. We are going to proceed with an assessment and find out where we stand on crime problems. Are we winning? Are we losing? What are we doing, what can we do, and what are we doing that is wrong? How are we going to get people involved in the crime problem and try to correct the problem without having to put a policeman behind every tree?

The problem needs community support and community assistance, and I would recommend that the gentlewoman testify in support of our endeavors.

I would also say that we are now developing a Justice Improvement Act which hopefully would augment some of the efforts of the LEAA and the Justice Department and craft a very modest program that we can fund this year and share with local law enforcement officials in those areas where they have the responsibility for law enforcement.

Ms. OAKAR. Mr. Chairman, I certainly want to commend the gentleman from New Jersey (Mr. HUGHES) for his efforts. I think it makes tremendous commonsense for us to use his leadership with respect to the subcommittee in holding these hearings. I want to thank the gentleman for his gracious invitation, and I will tell him right now that I will accept it.

The CHAIRMAN. The Chair will inquire, is it the understanding of the Chair that the gentlewoman from Ohio (Ms. OAKAR) asks unanimous consent to withdraw her amendment?

Ms. OAKAR. Yes, Mr. Chairman. In view of the commitment I have had on the floor and knowing the chairman to be such a respected Member and a man of his word, I certainly will withdraw the amendment, and I ask unanimous consent that I may be permitted to do so.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

AMENDMENT OFFERED BY MR. GILMAN

Mr. GILMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GILMAN: Page 22, after line 7, add the following new section:

SEC. 12. Sums authorized to be appropriated by this Act may not be used by the Attorney General to promulgate, administer, or enforce any regulation, or enforce any policy, to the extent that such regulation or policy designates, determines, or fixes the maximum limit of age within which an original appointment may be made to a position as a law enforcement officer (as defined by section 8331(20) of title 5, United States Code) in the Federal Prison System at any age lower than 45 years.

Mr. GILMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILMAN. Mr. Chairman, the amendment I am offering will restrict

the ability of the Federal prison system to enforce regulations which have the effect of barring people over age 35 from employment in a position in any capacity in a Federal prison.

This problem was brought to my attention for the first time when the newly constructed Federal correctional institution in Otisville, N.Y., in my congressional district, was staffing up. Many of my constituents who were highly qualified for positions within the prison were barred simply because of their age.

The law which permits this policy to be enforced is an anachronism in this day, when we have recognized that chronological age is very nearly meaningless as an indication of a person's ability. We have passed the Age Discrimination Act, which would probably bar a State from enforcing an age bar to appointment as rigid as the one we have permitted the Attorney General to prescribe by regulation.

Current law permits the Justice Department to fix a maximum age for original appointment as a "law enforcement officer." The Federal prison system has used—I think, abused—that authority by fixing that age limit for any position within any Federal prison at age 35.

At present, all workers in Federal prisons—guards, secretaries, and other administrative personnel, and service workers—are classified as law enforcement officers, along with FBI and DEA agents, U.S. marshals, et cetera.

This amendment forbids the use of funds authorized to be expended by H.R. 3462 to enforce the regulations against hiring, for prison employment, those over a specific age unless the age specified is 45 or older.

The prison system's current policy is one of unabashed "ageism." In an effort to procure a suitably vigorous work force, the prison system bars from possible appointment just about all 36-year-olds—no matter how experienced, talented, or physically fit they may be.

The regulations also tend to undermine the Government's efforts to provide preference in hiring to veterans of the Armed Forces.

This amendment would not affect in the slightest the prison system's ability to bar for employment persons with physical, emotional, or other impairments to the effective performance of the admittedly demanding work performed behind prison walls. But it makes no sense to flatly bar individuals who happen to have reached a certain age from careers in Federal corrections.

I might also add that the concept of increasing the age for original appointment has the backing of at least some members of the clergy, who are concerned with the fact that many clergymen do not complete their training or seek appointments until after age 35, and are thus barred from service by the prison system's policies.

For instance, I have received a letter from Rabbi Allan Kaplan, the executive officer of the Jewish Correctional Chaplains Association, which has 90 members, expressing their support for an increase in the allowable age for original appointment.

Mr. Chairman, we will hear several arguments against this amendment. You will hear that there is an administrative need for this regulation because of the needs of the pension system, or that this regulation makes it easier to recruit minorities or college graduates, but these arguments have been rejected time and time again by the courts and by this House with respect to private employment.

Accordingly, Mr. Chairman, I ask my colleagues to support this amendment.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, I want to commend the gentleman from New York (Mr. GILMAN) for what I think is an excellent amendment.

As a member of the Committee on Veterans' Affairs, I would state that we have been looking into many of the existing statutes and regulations that might discriminate against veterans. This points up one of the real discrepancies that we have in our laws today.

Most of the young men who enlist today as career servicemen go in between the ages of 17 and 20, which means that they retire at the age of about 38, 39, or 40, and many of those people are in excellent physical condition. They are seeking jobs as prison guards, and, of course, they are prohibited under this law.

Mr. Chairman, I think this is an excellent amendment. I think every Member of this House ought to support it unanimously.

Mr. GILMAN. Mr. Chairman, I thank the gentleman from New York (Mr. SOLOMON) for expressing his views. He certainly is right on the mark when he expresses his concern with regard to the veterans who are seeking employment.

This is partially the reason I brought this amendment to the floor, because there are veterans in my own area who sought employment in the new prison facility and who were barred because of the age problem.

Mr. SAWYER. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from Michigan.

Mr. SAWYER. Mr. Chairman, I thank the gentleman for yielding.

As a member of both the Committee on the Judiciary and the Committee on Veterans' Affairs, I share the view of the gentleman from New York (Mr. SOLOMON).

The CHAIRMAN. The time of the gentleman from New York (Mr. GILMAN) has expired.

(On request of Mr. SAWYER, and by unanimous consent, Mr. GILMAN was allowed to proceed for 2 additional minutes.

Mr. GILMAN. Mr. Chairman, I am pleased to yield further to the gentleman from Michigan (Mr. SAWYER).

Mr. SAWYER. Mr. Chairman, I thank the gentleman for yielding.

The veterans as a group are rapidly getting past these age brackets, and despite the doctrine of veterans' preference, they would be excluded from this employment. It might have made more sense if they had limited it to the guards or something like that, but when they limit it to the people who work in the messhall and the secretaries in the offices, and so forth, I think that points up the absolute lack of necessity for this prohibition. They have no different requirements in those jobs than other people in Government, and they have not found it necessary to put those limitations in anywhere else.

Mr. Chairman, I congratulate the gentleman from New York (Mr. GILMAN) for offering this amendment.

Mr. GILMAN. Mr. Chairman, I thank the gentleman from Michigan (Mr. SAWYER) for his supporting statement and for his concern about our veteran employment force.

Mr. KASTENMEIER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I realize that the gentleman from New York (Mr. GILMAN) offers this amendment in good faith. While I have not been aware of the amendment itself until today, I am apprised that he had raised the issue somewhat earlier.

□ 1530

I think the answer he offers the Committee is not the correct one. I strongly urge that the amendment be rejected.

Now, the gentleman arbitrarily inserts the age of 45, rather than 35 years. Who is to say that 40 or 45 or any other age is a correct age?

It is true that the Justice Department, for purposes of law enforcement, including the Bureau of Prisons, presently has an employment policy of 35 years or younger; but the gentleman from New York would separate out the Bureau of Prisons only, not all Federal law enforcement personnel, because Otisville, N.Y.—because a prison has been put in his district, and because this is where the issue affects him.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. KASTENMEIER. Yes, I yield to my colleague.

Mr. GILMAN. I have also heard from my colleagues in other areas. The gentleman from Tennessee for example, told me about a problem there. In upstate New York, the gentleman from New York has told me that they have a problem. There are problems in other areas wherever there are Federal prisons located and they are located throughout our country in at least 20 different locations.

Mr. KASTENMEIER. Presumably, furthermore, I would say that if there are problems, they would reach the question of Federal law enforcement generally, not just the Bureau of Prisons, if this is a problem.

Maybe the gentleman from Florida (Mr. PEPPER) and others who are concerned about employment of older people would raise the general question.

What I urge today is that the Committee reject this particular formulation of 45 years for the Bureau of Prisons only.

Let us generally look at the question of employment practices by age in the Department of Justice with reference to law enforcement personnel.

Let us have hearings on it and let us determine what the correct age is, if any—whether the need for such a policy, discriminatory on the face of it, is justified.

I do not know the answer, and I am sure others in this Chamber do not. We do not know whether 40, and I understood the gentleman originally was going to offer 40 years, or 45 or, indeed, all law enforcement personnel in the Federal system ought to be subject to such a limitation.

It is said that for purposes of attracting young personnel, for purposes of recruiting well-educated women and minorities, this program was invoked.

Now, whether or not that is justified on that ground—and I offer this to the Committee of the Whole because you should know that this was arrived at, not by the Congress, but by the Justice Department over the years for very special reasons.

I do think we have not had hearings on this question. I understand there is legislation, and for my part I would assure the House that there surely will be hearings on the question as it relates to the Bureau of Prisons and on the larger question as it relates to law enforcement personnel and age discrimination practices, whether justified or not. That is the way I believe we ought to resolve it, I say, Mr. Chairman, not by willy-nilly accepting an amendment on an authorization bill of general proportions where there have been no hearings, no documentation, no record created whatsoever.

Mr. Chairman, I hope the Committee will reject this particular amendment.

Mr. PEPPER. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, I am very much aware of the sincerity of the view expressed by the able gentleman who just concluded. I realize it is always not an easy matter to decide between one age and another; but this House has a fine record of opening up the doors of opportunity for work to older people. When we started the legislation that originated in this House, even in the Federal Government, where there was a mandatory period when you could mandatorily require anybody to quit work on account of age. We have eliminated that for the Federal Government, except in specific instances.

At the time in private industry you could mandatorily retire anybody at 65. We raised that to 70.

Not long ago there was an instance of the Foreign Service. A lot of the Foreign Service personnel complained that they were being required to give up their employment for certain professions which they had given a lifetime of effort at 60 years of age. This House finally originated a change in the law that moved it to 65, so that now in the Foreign Service you may continue to work, that is, you cannot be mandatorily retired for age alone below 65 years of age.

We have a statute on the law books of our Government that forbids discrimination on account of age. I realize there may be instances where there should be exceptions, but it does seem to me that this House should push forward the boundaries of opportunity for older people. To say that a man absolutely cannot be fit to work in a prison if he is 35½ years old is wrong. He could be a champion prize fighter, he could be a champion baseball player, he could have whatever mental and physical excellence a man might possess, and yet the fixed age, fixed by the Attorney General pursuant to the law of this Congress, says that you cannot work if you are over 35 years of age in a Federal prison.

Mr. KASTENMEIER. Mr. Chairman, would the gentleman yield on that?

Mr. PEPPER. Yes; I would

Mr. KASTENMEIER. This is for hiring purposes at the original point of hiring. The average age of people who work in the Federal prison system is very elevated, indeed. I suppose it averages well over 50. This does not prohibit somebody from continuing employment. This is a program of recruiting only.

Mr. PEPPER. Does the gentleman mean hiring?

Mr. KASTENMEIER. Just hiring purposes only; it does not limit a person from continuing employment in the prison system at age 55 or 60 or any other age.

Mr. PEPPER. But if my friend will allow me, more and more older people are having difficulty finding employment. Every time you shut a door from their being employed, you have just that much retarded their opportunity to make a living.

Mr. McCLORY. Mr. Chairman, would the gentleman from Florida yield to me?

Mr. PEPPER. Yes; I yield.

Mr. McCLORY. I thank the gentleman for yielding. I think also the Bureau of Prisons are having difficulty finding people to serve as custodians and prison guards. I think this would provide more opportunity, more latitude with regard to getting qualified personnel. Without this amendment, it seems to me that we deprive them of that opportunity; so I think that there is a valid case that can be made against pursuing age discrimination, especially in this category where we have such a dire need to keep the peace within the prison walls.

I thank the gentleman for yielding.

Mr. PEPPER. I thank the gentleman.

I hope to see the day when a man, as Bobby Burns said, will be a man for all that. It will not make any difference how old he is. It is what he is. What can he do? What has his age got to do with it if he can do a credible job?

We have come to that stage, but this House has been pushing back the borders of discrimination for years here and there.

I do not see this amendment would do any harm. It would open doors of opportunity for employment to people who pass the examination. Surely, you cannot get a job in a Federal prison without passing an examination. If he can pass the examination, why not give him the job, if he is otherwise competent? Here is another opportunity where we may move that border a little bit forward in the face of increased opportunity for the older people of the country to get a job.

I hope the amendment will be adopted.

Mr. SOLOMON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to wholeheartedly support the amendment offered by the gentleman from Florida and to take exception to some of the remarks made by the gentleman from Wisconsin when he says that the 45-year age was arbitrarily set.

I spoke with the gentleman from New York (Mr. GILMAN) and explained some of the things we were doing in the Veterans' Affairs Committee and pointed out that many of these men and women who have devoted 20 years of their lives were being retired from the armed services at the age of 38, 39, 40, 41, and 42, and were unable to find jobs today after devoting all that time

to their country. When you can pick up any newspaper in this country and see the unrest and the overcrowdedness within our prisons, I think it would be deplorable for us to fail to enact this amendment today to let people over 45 years of age obtain these jobs.

There is nothing mandatory in the amendment. It simply says to the Justice Department that if you can take advantage of the abilities of these men and women who are now retired and cannot find jobs, then perhaps you should put them to work to restore peace in the prison facilities throughout this country.

I wholeheartedly support the remarks and the amendment offered by the gentleman from Florida.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. GILMAN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. NELSON

Mr. NELSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NELSON: Page 22, after line 7, add the following new section:

SEC. . Sums authorized to be appropriated by this Act for the Immigration and Naturalization Service which are available for the administration of field offices shall be expended in such manner and such amounts as will ensure that the number of personnel assigned to each field office bears the same ratio to the aggregate number of personnel assigned to all field offices as the estimated number of applications under the laws relating to immigration, naturalization, and alien registration received at such field office in fiscal year 1982 bears to the estimated aggregate number of applications under such laws received at all such field offices in such fiscal year.

Mr. NELSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. NELSON. Mr. Chairman, I first want to congratulate the gentleman from New Jersey, the chairman, and the gentleman from Kentucky, the chairman of the subcommittee, for what I think is an excellent bill. I certainly intend to support it.

The intention of this amendment, which I will ask unanimous consent to withdraw after a statement of position, is to point out that probably the worst problem we have in all the casework we do in my district is with the Immigration and Naturalization Service. It is an acute problem in all their offices, but especially in the Miami field office. In Miami, they have only 3.2 percent of all the INS personnel outside Washington and yet they are processing 4.7 percent of the nationwide applications for changes in status and they are processing 6 percent of applications for naturalization.

This amendment as offered would correct that imbalance; so although I intend to support the chairman's bill, the committee's bill, on the much needed restoration of these positions that are targeted for destruction, these positions that were targeted for elimination, I would hope that through this statement on this amendment that INS will understand that the priorities need to be rearranged and some additional personnel are needed to address the problems of just being swamped with applications in Miami.

It is not uncommon for it to take 6 weeks for them merely to respond when a Congressman in Florida inquires about an immigration problem.

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. NELSON. I certainly yield.

Mr. MAZZOLI. I thank the gentleman for yielding.

I congratulate the gentleman for having by way of his amendment, which as I understand will be withdrawn, opened up the debate on this topic, the topic being, of course, the perpetual lack of resources on the part of the INS to do the job that they want to do and I think the gentleman would agree that these people who are in the employ of INS do indeed want to do the job, is through no lack of talent or energy on their part. It is through simply being overwhelmed with the paperwork and not having at their disposal the kinds of machinery and equipment that would enable them to provide prompt answers.

As the gentleman has already cited, and I appreciate his mentioning it, of course, the bill before this House today, which I hope is approved overwhelmingly, would restore 973 positions of the 1,355 which the administration proposed to cut and in that case some 200 adjudicators who do a great deal of the kind of work the gentleman cites.

I would certainly believe that the subcommittee which I am privileged to chair would be in the position to assist the gentleman from Florida in securing information from the Immigration Service as to its general disposition of how it intends to array these additional resources.

Now, obviously, the bill that is before the House today is in a form that we would agree to. It has to go through the other body. It has to survive quite a bit of legislative process; but assuming that this bill before the House becomes the law of the land, I would certainly offer the gentleman all the resources of our subcommittee in his effort, and I think a very commendable one at that, to be sure that his State and the city in particular that has so much work receives a fair share of these resources, personnel and financial resources.

□ 1545

Mr. NELSON. I thank the gentleman from Kentucky.

Mr. PEPPER. Mr. Chairman, will the gentleman yield?

Mr. NELSON. I yield to my colleague from Florida.

Mr. PEPPER. I thank the gentleman for yielding. I would just like to join my distinguished colleague from Florida in commending the committee on behalf of our people. We have 500 Haitians a week coming into Miami. One hundred came in yesterday morning. Besides that, we had 125,000 come in from Cuba since April of last year. These people need relief down there. We appreciate what the gentleman is doing to help those people to do the job they need to do for the country as well as for Dade County.

Mr. NELSON. I thank my colleague for his statement.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. DE LA GARZA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to bring up a matter which has been discussed before, and the same problem arises today due to the wording which appears in the bill. It relates to the Immigration and Naturalization Service. On page 9 of the bill, line 17, section (L) provides for "acquisition of land as sites for enforcement fences, and construction and maintenance incident to such fences."

Living on the United States-Mexico border as I do, this has always presented a problem.

Today I have just come from a luncheon where the President of the United States had as his guest the President of Mexico. All of the visit was on the friendship which exists not only personally between our two Presidents but between our two peoples. Coming from there to here at this point in time, I know that this is not the intent of the chairman or the committee, but nonetheless the words appear in the bill and I would like to ask, if I might, the distinguished gentleman from New Jersey, or the distinguished gentleman from Kentucky if they would again reassure us that this is not the intent of the legislation.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from New Jersey.

Mr. RODINO. I thank the gentleman for yielding. As the gentleman knows, in the past the gentleman has very justly shown concern about some

of these items, and the gentleman from New Jersey has reassured him in the past. As the gentleman recalls, we addressed a letter to the Immigration Service in order to insure that none of the moneys that are in here as a lump sum would be used for other than the purposes that they are now being used, and that is for no further acquisition of land, no further new construction of these fences that the gentleman is concerned with.

I wholeheartedly agree that this is a valid, legitimate concern. But I want to tell him once again that he has my wholehearted cooperation, and if it is necessary, although we do know that the sums are delineated for reasons other than the gentleman has concern about, I would again address that kind of a communication which we did in the past in order to put his mind at ease.

Mr. DE LA GARZA. We always appreciate the distinguished gentleman's cooperation. I wish he would just change the wording in the original authorization. If it does not mean that, why have it there?

Nonetheless, I had prepared an amendment, but I do not think I will offer it, Mr. Chairman, that under no circumstances should barbed wire be used, at any place. I wonder if the gentleman would agree with me, as a matter of legislative history.

Mr. RODINO. If the gentleman will yield, I want him to know that it is as repulsive and repugnant to me as it is to the gentleman to use any kind of wire of that sort in fences. I again tell him that that is categorical, and I am sure that all of the committee joins me in that statement.

Mr. DE LA GARZA. The distinguished chairman is a great humanitarian, and I appreciate his interest. My concern is that I have spoken throughout the world and used us as an example, the United States and Mexico, and I say there are no machineguns; there are no tanks; there is no barbed wire like they have in West Berlin, for example. Then you go to the border and see this serpentine barbed wire on top of the fence, and it is repulsive and obnoxious, because in my area of Texas we use barbed wire to keep cattle out or in, not people.

I know we have a problem with illegal aliens. I know we have a problem at the border that has to be addressed. It was addressed by the two Presidents, but that is another issue.

To have a fence with barbed wire on top of it to me is obnoxious and repugnant. It is against human nature to do that, and I know the distinguished gentleman from New Jersey agrees with me so I will not offer my amendment. I appreciate again his cooperation. I wish the staff or INS, or whoever prepares this document, if they do not want it to mean what it says here, that they will just use the words, it shall not be used for land acquisition; shall not be used to build new fences; shall only be used to repair or to do whatever is necessary under the circumstances as we now have them.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. DE LA GARZA was allowed to proceed for 1 additional minute.)

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to my colleague from Texas.

Mr. KAZEN. I thank the gentleman for yielding. We went over this at the last session and the session before, and the gentleman from New Jersey (Mr. RODINO) has been very fair with us. He has talked to the Immigration authorities downtown. We have not had any more problems since the Bamboo Curtain incident of a few years ago. I would certainly associate myself with the remarks of my colleague, the gentleman from Texas (Mr. DE LA GARZA), and add not only barbed wire, but spiked wire or any other kind of wire that would go into the building of a fence between our two friendly countries.

Mr. DE LA GARZA. I thank the gentleman for his contribution. I thank very sincerely the distinguished chairman of the committee, the gentleman from New Jersey (Mr. RODINO) and am much appreciative of his cooperation.

The CHAIRMAN. Are there any further amendments? If not, the question is on the committee amendment in the nature of a substitute, as amended. The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. DANIELSON) having assumed the chair, Mr. SWIFT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3462) to authorize appropriations to carry out the activities of the Department of Justice for fiscal year 1982, and for other purposes, pursuant to House Resolution 147, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MAZZOLI. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 353, nays 42, not voting 36, as follows:

[Roll No. 70]

YEAS—353

Addabbo	Daub	Green
Akaka	Davis	Guarini
Anderson	de la Garza	Gunderson
Andrews	Deckard	Hagedorn
Annunzio	DeNardis	Hall (OH)
Anthony	Derrick	Hall, Ralph
Applegate	Derwinski	Hall, Sam
Archer	Dickinson	Hamilton
Aspin	Dicks	Hammerschmidt
Atkinson	Dingell	Hance
AuCoin	Dixon	Hansen (UT)
Bafalis	Donnelly	Hartnett
Bailey (MO)	Dorgan	Hatcher
Bailey (PA)	Dornan	Hawkins
Barnard	Dougherty	Heckler
Barnes	Downey	Hefner
Beard	Duncan	Heftel
Bedell	Dunn	Hendon
Beilenson	Dwyer	Hertel
Benjamin	Dyson	Hiler
Bennett	Early	Hillis
Bethune	Eckart	Holland
Bevill	Edgar	Holt
Biaggi	Edwards (AL)	Hopkins
Bingham	Edwards (CA)	Horton
Blanchard	Edwards (OK)	Hoyer
Bliley	Emerson	Huckaby
Boggs	Emery	Hughes
Boland	English	Hunter
Bolling	Erdahl	Hutto
Boner	Erlenborn	Hyde
Bonior	Ertel	Ireland
Bonker	Evans (DE)	Jacobs
Bowen	Evans (IA)	Jeffords
Breaux	Fary	Jenkins
Brinkley	Fascell	Jones (NC)
Brodhead	Fazio	Jones (OK)
Brooks	Fenwick	Jones (TN)
Broomfield	Fiedler	Kastenmeier
Brown (CA)	Fields	Kazen
Burgener	Findley	Kildee
Burton, John	Fish	Kindness
Burton, Phillip	Fithian	Kogovsek
Butler	Florio	Kramer
Campbell	Foglietta	LaFalce
Carman	Foley	Lagomarsino
Chappie	Ford (MI)	Lantos
Chisholm	Ford (TN)	Leach
Clausen	Fountain	Leath
Clay	Fowler	LeBoutillier
Clinger	Frank	Lee
Coats	Frenzel	Lehman
Coelho	Frost	Lent
Coleman	Garcia	Levitas
Collins (TX)	Gaydos	Lewis
Conable	Gejdenson	Livingston
Conyers	Gephardt	Loeffler
Corcoran	Gibbons	Long (LA)
Coughlin	Gilman	Long (MD)
Coyne, James	Gingrich	Lowery
Coyne, William	Ginn	Lujan
D'Amours	Glickman	Luken
Daniel, Dan	Gonzalez	Lundine
Daniel, R. W.	Goodling	Lungren
Danielson	Gradison	Madigan
Dannemeyer	Gramm	Markey
Daschle	Gray	Marks

Marlenee	Peyser	Solarz
Marriott	Pickle	Spence
Martin (IL)	Porter	St Germain
Matsui	Pritchard	Stanton
Mattox	Pursell	Stark
Mavroules	Rahall	Staton
McClory	Rangel	Stenholm
McCloskey	Ratchford	Stokes
McCollum	Regula	Stratton
McCurdy	Reuss	Studds
McDade	Rhodes	Stump
McEwen	Richmond	Swift
McGrath	Rinaldo	Synar
McHugh	Roberts (KS)	Tauke
McKinney	Roberts (SD)	Tauzin
Mica	Robinson	Taylor
Mikulski	Rodino	Thomas
Miller (OH)	Roemer	Traxler
Mineta	Rogers	Trible
Minish	Rose	Vander Jagt
Mitchell (MD)	Rosenthal	Vento
Mitchell (NY)	Rostenkowski	Volkmer
Moakley	Roth	Walgren
Moffett	Roybal	Wampler
Molinari	Rudd	Washington
Mollohan	Russo	Watkins
Montgomery	Sabo	Waxman
Moore	Santini	Weber (MN)
Morrison	Sawyer	Weber (OH)
Murtha	Scheuer	White
Myers	Schneider	Whitehurst
Napier	Schroeder	Whitley
Natcher	Schulze	Whittaker
Neal	Schumer	Whitten
Nelligan	Seiberling	Williams (MT)
Nelson	Shamansky	Williams (OH)
Nichols	Shannon	Wilson
Nowak	Sharp	Winn
O'Brien	Shaw	Wirth
Oakar	Shelby	Wolf
Oberstar	Shuster	Wortley
Obey	Siljander	Wright
Ottinger	Simon	Wylie
Panetta	Skeen	Yates
Parris	Skelton	Yatron
Patman	Smith (IA)	Young (AK)
Patterson	Smith (NE)	Young (FL)
Pease	Smith (NJ)	Young (MO)
Pepper	Smith (OR)	Zablocki
Perkins	Snowe	Zeferetti
Petri	Snyder	

NAYS—42

Ashbrook	Hansen (ID)	Pashayan
Benedict	Hubbard	Paul
Bereuter	Jeffries	Ritter
Brown (CO)	Johnston	Roukema
Broyhill	Latta	Savage
Craig	Leland	Sensenbrenner
Crane, Daniel	Lott	Shumway
Crane, Philip	Lowry	Smith (AL)
Crockett	Martin (NC)	Solomon
Dreier	Martin (NY)	Stangeland
Dymally	McDonald	Weaver
Evans (IN)	Miller (CA)	Weiss
Gore	Moorhead	Wolpe
Gregg	Murphy	Wyden

NOT VOTING—36

Alexander	Courter	Howard
Ashbrook	Dellums	Kemp
Badham	Evans (GA)	Mazzoli
Bouquard	Ferraro	Michel
Brown (OH)	Flippo	Mottl
Byron	Forsythe	Price
Carney	Fuqua	Quillen
Chappell	Goldwater	Railsback
Cheney	Grisham	Roe
Collins (IL)	Harkin	Rousselot
Conte	Hightower	Udall
Cotter	Hollenbeck	Walker

□ 1600

The Clerk announced the following pairs:

On this vote:

Mr. Chappell for, with Mr. Mottl against.

Until further notice:

Ms. Ferraro with Mr. Ashbrook.
Mr. Price with Mr. Hollenbeck.
Mr. Mazzoli with Mr. Walker.
Mr. Howard with Mr. Rousselot.
Mr. Fuqua with Mr. Carney.
Mr. Flippo with Mr. Badham.
Mr. Dellums with Mr. Brown of Ohio.
Mr. Hightower with Mr. Conte.
Mr. Udall with Mr. Railsback.
Mr. Evans of Georgia with Mr. Goldwater.
Mrs. Collins of Illinois with Mr. Kemp.
Mrs. Byron with Mr. Courter.
Mrs. Bouquard with Mr. Michel.
Mr. Albosta with Mr. Quillen.
Mr. Harkin with Mr. Forsythe.
Mr. Roe with Mr. Grisham.

Messrs. WYDEN, CRAIG, BEREUTER, MARTIN of North Carolina, BENEDICT, MOORHEAD, and STANGELAND changed their votes from "yea" to "nay."

Mr. EDGAR changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. RODINO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

U.S. AIR FORCE RESERVE AND AIR NATIONAL GUARD

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, the Air Reserve Forces have a critical role in the effective implementation of our total-force concept. The total-force concept requires Air Reserve Forces to provide trained individuals and units to augment and support the Active Air Force during periods of national emergency or wartime. The Air Reserve Forces which include the Air National Guard and the Air Force Reserve, just as Reserve components in the other services, donate many hours to supporting a difficult Reserve mission.

From the beginning in 1946, when over 400,000 veterans accepted appointments or enlistments in the Air Force Reserve, the Air Reserve Forces have contributed to this country's war fighting and peacekeeping efforts.

This Nation called upon the Air Reserve Forces during the Korean war and Vietnam war, as well as during periods of increased tension such as the Berlin crisis in 1961, the Cuban crisis in 1962, and the Middle East crisis of 1973, to name a few. Each time these forces were called upon, they more than met the challenge.

Today, we continue to be faced with global challenges, and now perhaps more than ever, we must stand prepared to meet these challenges anywhere in the world. Since Air National Guard and Air Force Reserve units represent approximately 34 percent of our total tactical fighter capability, 61 percent of our tactical airlift capability, 49 percent of our strategic airlift capability, 65 percent of our strategic defensive interception capability, and 57 percent of our tactical reconnaissance capability, it is imperative that the Air Reserve Forces be maintained at a high state of readiness.

The Department of Defense reports that 98 percent of Air Guard flying units and 100 percent of Air Force Reserve flying units are combat ready—that is, they have sufficient personnel and equipment to accomplish their respective combat missions. Further, both the Air National Guard and the Air Force Reserve met their authorized manning level during fiscal year 1981.

This year the Air Reserve Forces are requesting a modest increase in personnel—approximately 4,000 for the Air Reserve, and 4,000 for the Air National Guard. These additional authorizations will enable this extremely valuable Reserve component to continue to train and provide operational support to the Active Forces. The Air Force Reserve has also asked for additional authorizations in fiscal year 1982 to continue its equipment modernization program.

Although both the National Guard and the Air Force Reserve have not experienced any difficulties meeting their manpower strength requirements, they are experiencing some problems in recruiting and retaining certain critical skills. The Department reports that the Reserve incentive programs have been helpful, and we on the Armed Services Committee are recommending extending the bonus authority for several programs until fiscal year 1985.

Clearly, the Air National Guard and the Air Force Reserve are making significant contributions to military readiness. They, do, however, need the continued support of the Congress to meet the many challenges that this decade will most certainly present.

I, therefore, urge your strong support for the defense authorization bill for fiscal year 1982 which our committee, under the superior leadership of our chairman, Mr. PRICE, has reported.

THE LEGIS FELLOWS PROGRAM

(Mr. HARTNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARTNETT. Mr. Speaker, since February 1980, over 60 Government personnel from various executive branches of our Government have participated in the LEGIS fellows pro-

gram headed by the Office of Personnel Management. LEGIS fellows are selected to participate in the program from Senior Executive Service members and candidates, or other personnel designated for Government executive development. The primary objective of the LEGIS fellows program is to give executive branch personnel a firsthand opportunity of how the legislative branch process operates. These Government executives have served with many Members and committees in both Houses. I believe the Members of Congress who have been fortunate enough to have a LEGIS fellow on their staff have all found this program to be helpful. The amount of executive branch experience and familiarity that these Government LEGIS fellows can contribute in helping to solve and answer many of the day-to-day issues that come before Congress is of tremendous value. Having been fortunate enough to have had a LEGIS fellow on my personnel staff since January, I have experienced firsthand the benefit and value of this program.

Mr. Speaker, I would like to express my sincere appreciation, and the appreciation of my entire staff, to Phillip Edward Rogers, my recent LEGIS fellow. He is from the Department of Defense, the Defense Contract Audit Agency. Mr. Rogers served as my legislative assistant for defense and armed services related activities. He assisted me as a member on the House Armed Services Committee and the Subcommittee on Seapower and Strategic and Critical Materials, and the Subcommittee on Military Personnel and Compensation.

Mr. Rogers also assisted me on a number of other areas such as the Vinson-Trammel Act, preparing testimony before the Subcommittee on Military Installations and Facilities, the Trident submarine issues, the proposed arms sale to Saudi Arabia, the Navy's medium-depth mine warfare program, cosponsoring of Congressman MONTGOMERY's new GI bill legislation, and other defense areas.

Mr. Speaker, Mr. Rogers has performed a very valuable service for me and for our country. The Defense Contract Audit Agency should be proud of Mr. Rogers' dedication and the professional image he has projected. Again, I want to extend my appreciation for his service and urge other Members to make use of the LEGIS fellows program headed by the Office of Personnel Management.

ISRAELI ATTACK ON IRAQ

(Mr. BINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BINGHAM. Mr. Speaker, Israel's attack on an Iraqi nuclear reactor is without question a serious development and presents dangers. At the same time, it may have prevented a far more dangerous situation: a nuclear-armed Iraq. Accordingly, I do not join in the chorus of condemnation of Israel's action. I urge my colleagues to carefully consider the facts before passing judgment on Israel's action.

First, it has been clear for some time that the Iraqis were actively seeking to develop a nuclear weapons capability. The United States has been attempting to prevent this, through diplomatic approaches to France and Italy, but to no avail.

Second, for the Israelis the idea of Iraq having a nuclear bomb capability is intolerable. Because of its small size geographically, Israel could be virtually destroyed by one or two nuclear weapons.

Third, Iraq has been at war with Israel since 1948. Iraq did not participate in the 1949 armistice agreement with Israel; nor did it accept the cease-fire of 1973.

Fourth, according to the official Israeli statement on the attack, Iraq's President Saddam Hussein has stated publicly that the facility was being built to be used against Israel. On August 19, 1980 President Hussein said that his goal is "to destroy Tel Aviv with bombs."

Fifth, under these circumstances, Israel's action may well be viewed as a matter of legitimate self-defense.

In order to maintain a proper perspective on the Israeli action, it is useful to remind ourselves how we felt about the Soviets moving missiles into Cuba. At that time many American leaders were arguing that the appropriate response for the United States was to take out the missile sites, even though there was no immediate threat that the missiles would be fired.

Mr. Speaker, the world may well be a safer place because of Israel's action on Sunday. The menace of a nuclear Iraq is, at the very least, forestalled. But we cannot allow a repetition of this event. The international community—and especially the United States—must redouble its nonproliferation efforts. We must prevail upon our allies to abandon their policies of selling nuclear technology to whichever nation has the cash. If we sit back and do nothing, we can be certain that Israel's action will not be the last of its kind.

ADMINISTRATION SOCIAL SECURITY PROPOSAL A SHAM

(Mr. AuCOIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AuCOIN. Mr. Speaker, 4 weeks ago, generations of Americans were shocked when the administration proposed a drastic reduction in retirement benefits under the social security system.

The outcry has been so strong that it is now clear the administration is willing to negotiate and cooperate with Congress on each and every point of its package. This is good news about a proposal that is nothing but bad news for the elderly.

In fact, the administration's plan is so seriously flawed that I am going to spend as many days as I have to at the beginning of each day we meet, to remind the President that his plan to allegedly restore public trust and confidence in the system is a sham. I will focus on the impact of a 30- to 40-percent cut for early retirees, a 30-percent cut in disability, and the special effects these cuts will have on women—90 percent of whose sole source of income is social security.

When added to previous rounds of the administration's budget cuts—$2.3 billion in food stamps, $8.7 billion in housing assistance, $450 million in low-income energy assistance, $347 million in legal services—this proposal puts the United States on a different road to security than the one envisioned by, I believe, the vast majority of Americans.

The President wants us to approve a massive spending spree for armaments—his budget calls for the largest, most expensive military spending plan in history—$226.3 billion next year, and $1.5 trillion over the next 5 years. And it expects us to get there, in part, by taking benefit dollars from the pockets of early retirees and the long-term disabled. It would rather reduce benefits by $70 billion in this period than forgo the $60 billion MX-missile boondoggle.

Inflation's power to tear apart the very fabric of society, necessitates that we take corrective economic action now to provide a solvent social security system—one that can be depended on. Certainly a nation that can afford to throw billions of hard-earned tax dollars at the Pentagon for an insane nuclear arms buildup can afford to provide for the health and welfare of its elderly.

NTIA FACILITIES PROGRAM

(Mr. SWIFT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SWIFT. Mr. Speaker, this House last week approved the 1981 rescission bill. An important provision of that bill retained $19 million in funding for the NTIA facilities program. Shortly, we will consider legislation to reauthorize the program for 1982 through 1984 at reduced but still adequate levels. Although the administration wanted to terminate this program im-

mediately, we did not. That was a wise decision.

This small but vital program has produced many benefits. In fiscal year 1980, some $14 million in local funding was added to the $20 million in Federal funds. The program provides largely invisible support for public broadcasting—towers, antennas, studios, equipment, and transmitters. But without it, the best television programs in the world would have no audience.

NTIA facilities' dollars go for three important functions: Extending service to those areas that are unserved; replacing wornout equipment and improving the quality of present equipment to give better service.

In my own State of Washington, we are 1 of the 12 Western States where large areas are still unserved by public radio and television. My own hometown, Bellingham, Wash., for example, cannot receive public television except in those homes that receive cable-TV which carries the Seattle station. I have been working with public broadcasters in my State for a long time now to correct that problem. But without funding, there is little chance a station will ever go on the air that will serve the northwest corner of my State.

Just as serious is the problem faced by people in another part of the State, represented by my good friend from Washington (Mr. DICKS). Public radio and television coverage in his district was seriously diminished when a storm destroyed the broadcast tower of KTPS-TV and KTOY radio. Although the stations are back on the air with limited service, they can no longer reach more than 1 million people they previously served, a major loss for the people of Washington State. I understand the gentleman intends to insert a news article in the RECORD that further outlines the serious nature of this problem. I commend it to my colleagues attention.

Presently, there are more than 550 grant applications on file with NTIA. They total more than $110 million. Had this year's facilities program been eliminated, it would probably have been impossible to restore service in the area served by my colleague. Because we have been able to preserve funding, the people of Tacoma, Olympia, and Centralia, will at least have a 1- in 5-chance of receiving the help they will need. If the House approves funding, contained in H.R. 3238, for years 1984, 1985, and 1986, the people in my own hometown could be equally fortunate.

ISRAELI ATTACK A VIOLATION OF INTERNATIONAL LAW AND U.S. LAW

(Mr. BOWEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOWEN. Mr. Speaker, I know that most, if not all, of the Members of this body were shocked and disturbed by the aerial assault by the State of Israel on the Republic of Iraq.

This attack, resulting in the loss of life of innocent civilians and heavy destruction, clearly appears to be a violation of international law and of U.S. law as well. Public Law 90-629, passed in 1968, states explicitly that—

Defense articles and defense services shall be sold by the U.S. Government under this chapter to friendly countries solely for internal security, for legitimate self-defense, to permit the recipient country to participate in regional or collective arrangements or measures consistent with the charter of the United Nations, or otherwise to permit the recipient country to participate in collective measures requested by the United Nations for the purpose of maintaining or restoring international peace and security.

Peace and security will not only not be served by this air raid, but they will be gravely jeopardized. The fact that Israel has overwhelming military superiority in the Middle East and also possesses its own nuclear weaponry, which Prime Minister Begin suspects the Iraqis might also try to develop, does not appear to color Mr. Begin's thinking, which seems to be more heavily influenced by the upcoming election in his country.

In contrast, President Sadat, who met with Prime Minister Begin only 1 week ago, must feel stabbed in the back, and we Americans should feel gravely embarrassed, since it is our weaponry and our technology, financed by our foreign aid, which has made this raid possible.

We all await the recommendation of our administration to the Congress under Public Law 90-629, and I believe we can see readily that defensive measures such as AWACS for Saudi Arabia, whose air space, among others, was violated by the Israeli raiders, is now far more clearly justified than before. We can only hope that this attack will not be used as the precedent for others like it around the world, to be described presumably as "preemptive self-defense."

Since Iraq is a signatory of the Nuclear Nonproliferation Treaty and has accepted regular inspections by the International Atomic Energy Agency, even if they should determine later this year to use their enriched uranium for nonpeaceful purposes—which has in no way been established—almost a decade would have to elapse before weapons could be produced by Iraq.

This lengthy process would easily be detected by any number of sources and give Israel a wide range of options, up to and including military force, at a much later date, thereby doing far less to preclude a peaceful solution to the problems of the region.

Sunday, June 7 was a sad day for peace in the Middle East and for American foreign policy.

Thank you, Mr. Speaker.

ADJUSTABLE MORTGAGE LOANS: NECESSARY CREDIT DEVICE

(Mr. O'BRIEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. O'BRIEN. Mr. Speaker, the plight of savings and loan associations is severe. According to the National Savings and Loan League, between 90 and 95 percent of the Nation's savings and loans are losing money today. On a net basis, losses in the first quarter of 1981 totaled more than $700,000,000. Savings outflows for the January through April period came to $5,500 million. At the same time, they are under obligation to pay out interest in some instances at 15 percent, while they are taking interest in on loans made years ago at 6 to 9 percent. I think it is fair to say that the savings and loan associations of the United States are facing the greatest threat to their existence in their history.

It is therefore fitting to bring to the attention of my colleagues the thinking of Mr. James G. Schneider, president of the Kankakee Federal Savings and Loan Association. Mr. Schneider, a longtime friend, discusses the adjustable mortgage loan and how it can help stop the slide to insolvency of many savings and loan associations.

APRIL 1981.

WHERE IS IT WRITTEN?

After listening to "professional consumerists" of the Ralph Nader school scream about the newly authorized "Adjustable Mortgage Loan" (AML) and decry how it may throw innocent homebuyers into bankruptcy, we want to know: "Where is it written that savings and loan associations must forever protect homebuyers from the ravages of inflation?"

We don't recall that Moses brought that down from the Mount, nor have we been able to find it in other biblical writings or in the constitution or the statutes of the United States. We cannot even find it carved in granite on the courthouse lawn. So where have the professional do-gooders gotten that idea?

Do the AFL-CIO's plumbers, carpenters and electricians promise the homebuyers to make all their home repairs for the next twenty-five years at today's wage rates? Will the United Auto Workers build their cars for the same labor costs for the next quarter of a century? Will the U.S. Postal Service supply their postal needs for the next two and one-half decades at today's prices? Are Congressmen and Senators (and state legislators) ready to promise a moratorium on tax increases in that period? Indeed, will those same public servants swear not to raise their own salaries during that time? Will that bastion of consumer defense, the daily press, hold off demanding "a fair return for the small saver" long enough to

guarantee the home owners a twenty-five year subscription—payable a month at a time—to their newspapers at today's prices?

The answer to all of those questions is an obvious and ringing "NO". Yet, they all expect, as a matter of right, that the savings and loans will provide that kind of twenty-five year protection whenever a citizen buys a home. Which leads us to ask again, "Where is it written?".

We suppose they have assumed that some immutable law of nature provided for it because that's exactly what the savings and loan associations have been doing up until now—insulating the homebuyers from the Congressionally-induced inflation. The savings and loan business didn't cause inflation in this country. The do-gooders in and out of Congress have done it by saddling onto the free enterprise system a huge dollar amount of non-productive costs and by burdening the citizens with huge federal deficits over the past quarter of a century.

Those of us who know anything about financial institutions understand that nearly every savings and loan in the nation is now operating at a loss. About 70 percent of the Illinois associations showed a net loss for 1980 (Kankakee Federal was one of the 30 percent which finished in the black). But the relentless escalation of money costs has now thrown virtually every Illinois association into the red. The only one we know of still showing a monthly net income is a $25 million association located downstate. It explains that it stopped making mortgage loans about three years ago, and has kept its ever-increasing liquidity invested only in federal funds and treasury securities.

Were it not for the newly authorized "Adjustable Mortgage Loan", many associations which have continued to make mortgage loans day-in-and-day-out might soon have started to understand the wisdom of that downstate association. Then there would be very little mortgage money available, no matter what the rate.

Future protection of associations from the ravages of inflation is absolutely necessary if they are to continue in their major lending role. The homeowner will somehow have to shoulder his own burden instead of being protected by an innocent party which has not caused and has no power to stop or even diminish the scourge of inflation.

We hope readers active in the housing business will understand that an adequate supply of mortgage money in the 1980s can be assured only if the "AML" comes into general use in the S&L business. We trust they will helpfully explain that fact of life to prospective homebuyers. (Remember to point out that interest rates are required to go down when interest levels decline. The AML is definitely a two-way street.)

Although a few fixed-rate mortgages are apparently still being written, their day is over. In fact, their day really ended on June 1, 1978, when money market certificates came into being, thereby placing the cost of funds for S&Ls at the tender mercy of the money market. Any lending officer who continues to grant long-term, fixed-rate mortgage loans obviously doesn't understand the facts of life. In fact, I'd say he deserves to be called a "damn fool", and you may quote me on that.

JAMES G. SCHNEIDER,
President, Kankakee Federal Savings and Loan Association.

□ 1245

RECONCILIATION UPDATE

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter.)

Mr. PANETTA. Mr. Speaker, I am inserting into the RECORD today a copy of a Dear Colleague letter which the gentleman from Ohio, Mr. REGULA, who is ranking member of the Reconciliation Task Force and I as chairman have sent out, updating Members on the status of reconciliation, including therein guidelines that have been agreed upon by both the House and the Senate as to how reconciliation will be implemented.

For the information of the Members, as of today, three committees, the Committee on Agriculture, the Committee on Ways and Means, and the Committee on Post Office and Civil Service, have reported out bills meeting their targets. Ten others are in the process of developing, hopefully, bipartisan approaches to doing that. Two are presently in markup.

I would remind all committees that the deadline for reporting on reconciliation is June 12, which is this Friday.

The "Dear Colleague" letter and reconciliation update are as follows:

RECONCILIATION UPDATE

DEAR COLLEAGUE: The fifteen House Committees affected by reconciliation instructions contained in the first budget resolution continue to work on legislation to reduce spending in programs under their jurisdiction. Attached is a further update on what action committees have taken thus far.

Also attached is a set of reconciliation questions and answers developed jointly by the House and Senate Budget Committees.

Sincerely,

LEON E. PANETTA,
Chairman, Reconciliation Task Force.
RALPH REGULA,
Ranking Republican, Reconciliation Task Force.

RECONCILIATION UPDATE—REDUCTIONS DIRECTED UNDER RECONCILIATION FISCAL YEAR 1982 [1]

[In millions of dollars]

House committee	BA	O	Committee action
Agriculture	2,208	2,521	The Agriculture Committee met June 2 and 3 and will meet again to consider reconciliation savings. The Committee has approved a cap on the food stamp program that would achieve savings of $1,458 million in budget authority and outlays.
Armed Services	966	966	Hearings were held June 2 and are scheduled for June 4.
Banking, Finance and Urban Affairs.	13,177	640	A preliminary list of reconciliation options has been developed as a basis for Committee markup on Monday, June 8.
District of Columbia	39	40	The District of Columbia Committee is planning a markup session on June 10.
Education and Labor	12,099	10,084	The Education and Labor Committee staff is preparing options for the Committee. The full Committee will mark up during the week of June 9.
Energy and Commerce	5,385	5,184	Subcommittee on Health and Environment is scheduled to complete markup of Public Health Service legislation on June 4. Hearings on medicaid scheduled for June 5. Other subcommittees involved in reconciliation are developing options but have not formally marked up.
Foreign Affairs	250	130	Options for achieving the reconciliation targets have been prepared by the staff and will be considered by the full Committee during the week of June 8.
Interior and Insular Affairs	755	309	Reconciliation options being discussed informally by Members and staff.
Merchant Marine and Fisheries.	339	207	The Committee will review the issues and options in a Committee meeting, Wednesday, June 10.
Post Office and Civil Service	4,737	5,163	The Committee is currently developing options at the staff level. The Committee expects to mark up June 9 and June 10.
Public Works and Transportation.	6,346	1,218	The Committee is presently reviewing its options.
Science and Technology	78	39	Reconciliation options have been developed by staff.
Small Business	529	390	The Committee will mark up reconciliation provisions on June 9.
Veterans' Affairs	110	110	The Committee plans to include in the reconciliation bill the entitlement savings recommended in its March 30 report to the Budget Committee.
Ways and Means	4,677	9,241	On June 2, 1981, the Committee ordered reported a reconciliation package which would achieve outlay savings in fiscal year 1982 of $9,390 million.

RECONCILIATION UPDATE—REDUCTIONS DIRECTED UNDER RECONCILIATION FISCAL YEAR 1982 [1]—Continued

[In millions of dollars]

[1] Reductions are also required in fiscal years 1983 and 1984.

GENERAL ISSUES

I. Direct Spending

Question. How are savings in direct spending achieved?

Answer. Direct spending occurs without the discretionary action of the Appropriations Committee. Savings can be achieved by changes in laws which created these programs.

Question. If a direct spending program expires at the end of fiscal year 1981, how can savings be achieved for fiscal year 1982 and beyond?

Answer. Under the procedures for reconciliation scorekeeping purposes, program levels in a given year are projected forward into the next year, even when the existing authorization for the programs is scheduled to expire. This scorekeeping convention is not applied to programs that are clearly temporary. If a program is reauthorized for fiscal year 1982 at a level below the projected level (below the current policy baseline), savings will be credited.

II. Discretionary Spending

Question. How can discretionary spending savings be achieved for programs which expire at the end of fiscal year 1981?

Answer. As with direct spending programs under the procedures used by the Congress for scorekeeping purposes, program levels in a given year are projected forward into the next year, even when the existing authorization for the program is scheduled to expire. This scorekeeping convention is not applied to programs that are clearly temporary. If a program is reauthorized for fiscal year 1982 at a level below the projected level (below the current policy baseline), savings will be credited.

Question. What methods can be used to achieve savings in discretionary spending?

Answer. It is possible to achieve savings in these areas by at least one of two methods. First, the authorized level of spending for the year or years covered by the existing authorization may be reduced to a level that will achieve the savings intended. Second, regardless of the authorization level, a "cap" for the year or years involved may be placed on the programs in which savings are to be achieved sufficient to assure that the savings will be realized.

Question. If a discretionary program authorization expires at the end of fiscal year 1981 how may a committee be credited for savings if the committee chooses not to reauthorize the program?

Answer. In the committee report accompanying the reconciliation bill, a committee should include a statement of intent as to programs for which no reauthorization will be considered. To the extent that a committee includes such language, it will be credited with the savings accordingly.

Question. Are committees required to follow the program reduction assumptions underlying the first resolution?

Answer. No; the assumptions should be viewed as nothing more than options for consideration by the committees. The standing committees could consider these options or others that they may wish to devise.

Question. In cases where program requirements have been reestimated or spendout rates have been adjusted since passage of the reconciliation resolution, will these be used in scoring a Committee's reconciliation actions or will they be scored the same way they were at the time the House and Senate Budget Committees considered the reconciliation instructions? In sum, what baseline are the Budget Committees scoring the savings against and what methodologies are being used to determine the amount of savings?

Answer. The baseline against which legislation will be measured is the current policy baseline developed by CBO and agreed to in conference.

Question. If a committee approves a different mix of savings than that assumed by the Budget Committee in arriving at the reconciliation instructions meeting the budget authority instructions but not its outlay instructions (because of different spendout rates) will the committee have met its reconciliation instructions?

Answer. No; committees must satisfy their instructions as to both budget authority and outlays.

Question. If a committee normally reports an annual authorization for a program, must it now report a two or three-year authorization in a case where still greater savings are assumed in fiscal years 1983 and 1984?

Answer. To satisfy the reconciliation instructions, legislation must demonstrate that it will have the effect of reducing spending in the indicated years. A mere statment of intention that a committee will, one or two years from now, propose an authorization for the second or third year which will reduce spending in that year is not adequate to satisfy the reconciliation instructions. However, if a committee proposes policies in the first year that—if continued in subsequent authorizations to be proposed later—will yield the required savings in the outyears, the Budget Committee will credit the committee with the outyear savings even if the committee submits only a one- year authorization at this time.

Question. Can a committee receive credit for satisfying reconciliation instructions by submitting legislation which would, by statute, require what the Administration can currently do by administrative action?

Answer. The pivotal question is always whether the legislation achieves the savings required. Where the savings are achievable by administrative action, legislation is superfluous. However, if a committee were to submit legislation which simultaneously eliminates administrative discretion in a particular program or activity, the committee would be credited for the amount of such savings.

Question. Can a committee receive credit for satisfying reconciliation instructions by submitting legislation which increases revenues?

Answer. No, revenue increases may not be used to satisfy reconciliation instructions.

Question. Can a committee receive credit for satisfying reconciliation instructions by submitting legislation which results in savings in certain programs but may also result in increased costs in other programs?

Answer. The standard of savings is net savings to the government. Therefore, the savings of the proposed legislation would be netted against any increased costs and the committee will receive credit accordingly.

HOUSE PROCEDURAL ISSUES

Question. What is the timetable for reconciliation action?

Answer. House committees are to submit legislative proposals sufficient to comply with their reconciliation instructions to the House Budget Committee by June 12, 1981. The legislation will be assembled into an omnibus bill and reported out of committee by June 15, 1981. The bill should be considered by the House during the week of June 22, 1981.

Question. What procedures should be followed by committees in making their required reductions?

Answer. The schedule requires committees to submit recommendations for specific changes in laws to the House Budget Committee by June 12. The Budget Committee will assemble and report them to the House as one omnibus reconciliation bill. The changes should be submitted to the Budget Committee in legislative draft form. To facilitate preparation of the report on the reconciliation bill, committees should include report language as well as any matter necessary to conform to the Rules of the House (e.g. CBO cost estimates, inflation impact statements, Ramseyer).

It is possible that committees will wish to combine their reconciliation legislation with other legislation which will together move along a separate legislative track. The Budget Committee has no objection to moving a legislative proposal along more than one track. But to count towards reconciliation, provisions will have to be in the reconciliation bill regardless of whatever other bills contain these provisions. If, however, provisions in the other bill are enacted before the reconciliation bill is, they will be incorporated by reference into the reconciliation bill. Second, if a bill is enacted prior to June 12, a committee may count that bill towards their reconciliation goal, but only if all their legislation enacted before June 12 is counted as part of reconciliation.

Question. Will reestimates of the cost of existing laws or of Current Policy affect the reconciliation savings target of a committee? How about reestimates of the cost/savings of the actual reconciliation provisions?

Answer. Reestimates to existing law or Current Policy will have no effect on the scorekeeping of the reconciliation bill. For example, if the current policy estimate of a program such as Medicaid increases, the authorizing committee will not be required to achieve additional savings to offset that increase. Likewise, if the current policy estimate of a program decreases, the authorizing committee will not be relieved of its responsibility to achieve the reductions specified in the reconciliation directive.

An exception to this last statement is the "hold harmless" rule in which reconciliation legislation that exactly matches the program reduction assumptions underlying the first budget resolution are given the same credit as assumed in the resolution.

Question. What if a committee fails to make the dollar goal contained in the reconciliation directive?

Answer. The Budget Committee retains the option of going to the Rules Committee to implement appropriate savings.

□ 1415

GRAIN EXPORT BANK

Mr. WEAVER. Mr. Speaker, I take this time on the House floor to address the issue of our foreign grain sales. Presently our Government representatives, the U.S. Department of Agriculture, are negotiating with the Russians in London on a possible new long-term grain agreement.

At the present time in the Congress we are negotiating on vastly expanded budgets for our military. So, on one hand we are subsidizing the Russians with cheap grain, allowing them to expand their military potential, while on the other hand, we are spending billions of taxpayers' dollars increasing our military in order to defend ourselves against the Soviet Union. This makes no sense at all.

Our selling to the Russians of extremely cheap grain, of grain at prices below the cost that it takes our farmers to produce it, subsidized by the taxpayers and sold at a loss by the farmers to the Soviet Union is to my mind the most grave and severe export problem we have in this country.

It is food stamps for the Russians while at the same time I sit in the Agriculture Committee and see us cut food stamps for the American people, food stamps for the elderly, food stamps for those people in this country who now cannot afford adequate diets and see us subsidize the Soviet Union, in effect, giving the Soviet

Union food stamps by selling them cheap grain is beyond my ken.

That is why I have introduced and pushed for 6 years a bill creating a Grain Export Bank. This bank simply would allow the Secretary of Agriculture to set minimum prices on American grain sold to overseas customers where it would not affect the domestic market. It would allow the domestic grain market to be free. It would establish the market values for the various grains that are grown in this country. But it would, to foreign buyers, say, we no longer are going to give our grain away. Ten years ago wheat sold on the international market at $2 a bushel. Oil sold 10 years ago on the international market for $2 a barrel. That is why I coined 5 years ago on the House floor the phrase "barrel for bushel," because at one time and for many years a barrel and a bushel were equal in price.

Today oil is $40 a barrel and wheat $4 a bushel. How much longer can we go on buying oil for $40 a barrel to produce our grain that we sell for $4 a bushel? It is sheer madness and it results in deficits in our exports of billions and billions of dollars and makes us laughing stocks throughout the world.

Now many people say, "Oh my goodness, we should sell our grain cheap in the world because the poor starving people of the Third World nations could not pay a high price for our grain. We should sell it cheap."

Let met tell my colleagues that the poor starving nations of this world do not buy our grain. The nations who buy 90 percent of our grain are the wealthiest nations in the world. Japan now holds tens of billions of dollars of American money because they have sold us Toyotas, Sonys, and many other manufactured goods at prices, I can assure my colleagues, that were not below the cost of production. They were sold at a profit.

Yet, we sell our grain to Japan for less than it costs us to produce. Now when Japan buys our wheat at $4 a bushel, the Government puts on a $9 charge on that wheat before it turns it over to its own millers. In other words, the Government of Japan says that they can get $13 a bushel for wheat from their millers, but that $9 is pocketed by the Government of Japan and used actually to subsidize their own agriculture. Surely, we should be getting that $9 or at least a hefty part of it to help us with the subsidies that our agriculture receives. Why on earth should we sell our grain and allow the Government of Japan to make a 300-percent market profit on it. I cannot imagine why.

What are the other purchasers of our grain? The OPEC nations, the wealthiest nations per capita in the world, purchase 25 percent of our grain exports. That is easy. If they can raise the price of our oil that they sell to us, then most certainly we should be raising the price of the grain we sell to them. The other nations that purchase our grain, Germany, again one of the wealthiest nations of the world, England, South Africa, and on.

Then of course the People's Republic of China who hold more oil reserves perhaps than we do, and the Soviet Union has become one of the major buyers of our grain and will again now that the embargo is off. The only way we can raise the price to the Soviet Union or to OPEC or to Japan or anyone else is simply to say we are going to set a minimum price on our grain.

Now, if we set this minimum price on our grain, will the nations who buy grain simply go elsewhere and buy grain? That is a question that the administration and previous administrations have raised. They say, "Oh my goodness me, if we raise the price of our grain, why, these other countries will just buy it from somebody else." I answer that by saying this: When OPEC raised the price of oil, did we say, "Oh goodness, OPEC, we will just go some place else and buy our oil." No; we did not do that. We did not do that for a very good reason and that is because nobody else had the oil we wanted to buy. The same goes for grain. If a nation such as Japan wants to go and get more soybeans—and they have done that, they have invested, actually, in soybean farms in Brazil and they are growing some soybeans in Brazil and exporting them. Nevertheless, over 80 percent of the world's soybeans in the international markets are furnished by the United States.

So, if a country has bought 20 percent of its soybeans and wants its full share of the soybeans it needs, it is going to have to come to the United States. Corn, we export 70 percent of the corn moving in world markets. Wheat, we export over 50 percent of the wheat moving in world markets. We are OPEC, in effect, in grain. We are in grain, Saudi Arabia, Kuwait, Abu Dhabi, Algeria, Libya, Nigeria, Iraq, and Iran combined. If somebody wants vast quantities of grain in the world markets, they must come to us.

I have received letters from the Australian Wheat Board, the competitor we have in world markets, the country that produces wheat and in which many of our administration spokesmen say, why, they will just go to Australia and buy wheat if they cannot buy it from us at the price they want. I have a letter from the Australian Wheat Board that says, please, America, raise the price of your grain. Your grain in surplus is a drug on world markets. Your grain drags down the prices for all the rest of us. We are going broke, please raise your price so we can make a living.

But no, we continue to allow our grain to be a drug on world markets, a slight surplus dragging the price down as much as 50 percent. So we have established that the wealthiest nations in the world are the buyers of our grain, that they have no place else to go for the grain in the quantities they need it, that they can pay more for the grain and will do so vis-a-vis Japan adding $9 to a bushel of wheat if they buy from us.

So why do we not get more for our grain? Well, I will tell my colleagues why, I will tell my colleagues very simply why, because there are five large international grain companies that like it that way. There are five large international grain companies, four of whom are privately owned and therefore do not disclose anything about their operations or their profits or whom they buy or sell to, and they want to keep it that way. They want to deal in secret.

The American farmer, producing our greatest single product in the world, the greatest export product that we have, must sell his grain without knowing who is buying it and without knowing what prices are paid for his grain when it is sold to foreign countries. But the big grain companies like it that way. They do not want to be bothered. But what about America? What about the taxpayers and the people of America and the farmers themselves?

They do not like it that way, so why must we be subservient to five large grain companies? Why must we prostrate ourselves before five companies because they want to make profits, they want to deal in secret. Why must we give away our richest, most precious resource, our food production, and give it away is what we do, to the wealthiest nations in the world.

Am I in my Grain Export Bank disrupting the regular operations of our grain? Is that what they are concerned about? No. My Grain Export Bank bill simply allows the Secretary to set a minimum price. The grain companies actually can continue to buy on the domestic market, can store it, ship it, sell it overseas, they are completely free to run their operations as they do now, with one exception: They have to get a better price for it for the farmer. They have to get a better price for it for our balance of trade. They have to get a better price for it for the American taxpayers—that is all. And they have to reveal who they are selling it to and at what price. But I think that is fair for us to know, how much we sell our grain for and to whom. I think it is fair America should know that. I think it is fair the farmers should know who they are selling to and at what price. I think it is fair that the American taxpayer who subsidizes our

agriculture should know. That is all we are asking.

But think now for a moment of those negotiations going on in London. We are looking at signing a new agreement with the Soviet Union. Is that not nice? Is that not interesting? Here we are in the Congress appropriating hundreds of billions of dollars in weapons to defend ourselves against the adversary and at the same time our Government is negotiating in London for a grain agreement, a long-term grain agreement assuring the Soviet Union of a grain supply at costs below the price of production?

Now does that make any sense? Well let me tell you something else. I will tell my colleagues how the Soviet Union buys our grain, how they pay for it. They pay for it by selling gold. They have a lot of gold and they sell the gold in the world market and they take the dollars and they buy out grain with those dollars.

Now the price of gold 10 years ago was $35 an ounce. That is at the time that wheat was $2 a bushel. Since that time gold has risen almost twenty-fold. It has fallen a little recently—sorry about that, Mr. Brezhnev—but it has. But nevertheless, the price of gold has increased almost twenty-fold while the price of wheat has increased twice to $4 a bushel.

□ 1630

So, the Soviet Union now needs only one-tenth the amount of gold to buy our grain. Remember, if they were paying for it in dollars, they would still be buying it at below the cost of production; paying for it with hard cash, they would still be buying it below the cost of production. But, they are paying for it with gold that has increased twenty-fold, so they are paying for our grain what I would say amounts to roughly 40 or 50 cents a bushel. That is what we are doing to the Soviet Union when we could be getting twice that under the Grain Export Bank bill.

I see my dear friend from South Dakota, who in my estimation is one of the finest people I have ever seen serve in this Congress, and I want to bring him into this dialog in just a second, but I want to make this one point: My Grain Export Bank bill would simply allow the Secretary of Agriculture to raise the price gradually, maybe 10 cents a bushel, maybe 20 cents a bushel, just keep going up until we see what the market will bear. I have a suspicion that we could get at least $2 or $3 more a bushel without ever increasing the production in the world. I think there is that much gap right now, but let us find out.

Can one imagine this country's great business acumen, and we are letting ourselves be taken to the cleaners by this? I cannot believe it.

Mr. DASCHLE. Mr. Speaker, will the gentleman yield?

Mr. WEAVER. I yield to my good friend from South Dakota, Mr. DASCHLE, who to my mind is one of the finest young leaders that this Congress has seen, certainly in the years that I have been here.

Mr. DASCHLE. Mr. Speaker, I only rise to commend the gentleman from Oregon for his statement and for his legislation. I am proud to be a cosponsor of the bill. I think, as has been proven in past years, the gentleman from Oregon has a vision about the future of agriculture and the things we have to do to show the kind of strength that this country can show with regard to maintaining a strong agricultural economy.

I think the people in this country will one day recognize the value of the idea expressed today in this legislation, and will one day, as they have in the past, come to accept as reality the need for some new marketing device internationally. There is no question in my mind that as we progress, as we develop ways in which we can bolster international trade, international commerce, especially in the agricultural sector, we are going to have to use new mechanisms. The proposal made by the gentleman from Oregon to allow the Secretary to set that level of trade over at least the cost of production makes eminent good sense.

I was alarmed—in fact, shocked—when the members of this administration recently came before our committee in the Department of Agriculture and told us that: "Yes indeed, we are marketing our grain abroad at less than the cost of production." What greater crisis can our farmers face? Certainly not natural crises. Certainly not the disasters they find in hail and wind and drought. If our own Government cannot assist them in a more positive vein than to market our grain on the international market at less than cost of production, it is a very reasonable approach, and I think provides a reasonable yield in their profits, in their return for the tremendous costs and investment our farmers face today.

I think another couple of years will bring this Congress and bring this country around to the realization that we are the leaders in international marketing. We do need a new mechanism, an already recognized mechanism in Canada, in Argentina, in Australia, those other grain marketing countries that recognize our leadership. They also recognize our failure to exercise that kind of leadership at a time when we need it the most.

So, I again reiterate my praise for the Member from Oregon and for his leadership in showing a new way for this country to go forward, knowing that we need that leadership right now in the agricultural sector.

Mr. WEAVER. Mr. Speaker, I want to thank my friend from South Dakota, who represents a State in which I was born, and which is one of the great farm States of our Nation. I think the gentleman from South Dakota knows that what we are proposing here is not the Canadian Wheat Board, which goes in and gives quotas to farmers and allotment payments, a bureaucratic morass. There is no bureaucracy required at all. We just set minimum prices for the grain sales overseas.

But it does have, as the gentleman from South Dakota knows, a Farmer Advisory Board, a majority of which must be composed of active farmers, and I hope that one of them will be from South Dakota. They will advise the Secretary on what they think wise in terms of how to price our grain.

I think the gentleman from South Dakota also knows that this is not an embargo. A lot of people go out and say, "Weaver's bill is some sort of embargo." It is just the opposite. We want to sell as much grain as we possibly can, but we want to get a fair price for it.

We know the administration has the authority now under law to impose an embargo. They do not need any legislation. What they do need is the authority to raise the prices for our farmers.

Mr. DASCHLE. Mr. Speaker, if the gentleman would yield further, I would reiterate, of course, as the gentleman from Oregon well knows, that I am cognizant of the value as the gentleman has described it just now. The problem is that the rest of the country does not know that. The Congress is not fully cognizant of the fact that we are not trying to repeat the Canadian experience, not trying to devise a way in which Government will get more and more in the pockets and minds of American farmers. All we are doing is proposing a new mechanism that allows the grain companies the ability to market freely, but as we have already accepted the concept of minimum wage and minimum standards, accountability in trade and commerce and safety, all we are trying to propose is a minimum concept of return on investment for American farmers. That is all we are proposing. I hope the Congress as a body will one day recognize that this is no different, and that if we favor continuity in policy, certainly we must favor a minimum acceptable return on investment for American farmers.

Mr. WEAVER. I again thank the gentleman from South Dakota. I was interviewed today by the Associated Press on this bill, and the woman who interviewed me said, "What would the starving people of the world do if we raised our grain prices? Oh my good-

ness, aren't you going to hurt the starving peoples of the world?"

They do not buy our grain. The richest, wealthiest nations in the world buy our grain. The countries who can afford to pay for it buy our grain.

In conclusion, let me make one point, because this is not food as a weapon. As a matter of fact, the more we get for our grain sales, the more we can afford to put in Public Law 480; the more we can afford to put into famine relief. Then we will have the money to do that, and we can help Third World countries if we get a decent return from grain sales to countries such as Japan and the Soviet Union.

But, let me make one point, and I think this is where some of our farmers in the country miss, because they are afraid of Government interference, and rightfully so. I am always afraid when Government has to get involved, but nevertheless the point is, they are afraid somehow or other that they will get less money for their grain. When was it in this decade or any decade, for that matter, when foreign countries scrambled over themselves, fought with themselves, to buy our grain? Was it when the prices were the lowest? Was it when the prices were rock bottom, down at the lowest point? No. No; the time when the countries of the world just sent agents into this country to buy all the grain they could from us was at the time when the price was the highest, the time when prices were rising. That is when they were anxious to buy our grain.

That should be a lesson to us, because right now with our vast, huge crops growing, with our bins bursting with surpluses, right now the buyers of the world are saying, sitting back and yawning and saying, "We do not need to build up our inventory; there is all that grain in the United States and we can buy it anytime. As a matter of fact, harvest time might be better, when farmers have to put it out on sidings because they cannot even find places to store it, and we will come in."

The Soviet Union, that is when they like to buy. The Soviet Union will come in and buy it at even cheaper prices, but you put in a Grain Export Bank and the Secretary of Agriculture is talking about raising the price a little bit, what is that going to do? It is going to make those buyers a little nervous. It is going to make those buyers in Japan and the Soviet Union a little nervous and say, "How high is the Secretary going to raise the price? Maybe we better get in and buy it now before the Secretary raises prices much higher," and if they do the prices will go up, and as the price goes up and other countries see the price going up they will come in and start buying. So, instead of the buyers of our products sitting back and waiting for the price to fall, they will start coming in and buying and making the price go up. We will make a profit for a change. That is an interesting concept for America—a profit. Gosh, gee whiz, how long is this country going to go on subsidizing the wealthiest nations in the world and selling our grain at a loss?

So, I conclude with a small story; 4 years ago, in 1977, I offered in the Agriculture Committee an amendment to the farm bill at that time for a farmer-held grain reserve, and oh my goodness, it just was awful. It would be the worst thing in the world to have a grain reserve, even though it was farmer-held. It would just be awful. The big grain companies thought it would be terrible, that it would take away their secret rights to handle all the grain, and it might affect prices, and the Chicago Board of Trade thought it might hurt the speculators. It was just terrible. I only got, I think, six or seven votes in the Agriculture Committee when I offered it to the committee. It was just a terrible idea.

The Secretary, when we brought the farm bill to the floor of the House of Representatives and I notified the Members that I was going to offer the farmer-held grain reserve on the floor as an amendment to the farm bill, the Secretary of Agriculture stood right at that door of the House as we were voting on the Weaver grain reserve amendment and asked Members as they came in not to vote for the Weaver amendment.

He said, "Oh, it is a bad idea. Don't vote for it."

That is the same Secretary that said that the Grain Export Bank was such a bad idea. All those Secretaries, it does not matter who they are or what party they are, they have all said the same thing. But this House of Representatives passed that Weaver amendment, and we were able to keep it in the conference committee and it was enacted into law. Do the Members know what they say about that? They say it is the greatest farm program in the last 50 years. They will say the same thing about the Grain Export Bank, but somehow or other we have got to drag them screaming and hollering into commonsense.

Mr. Speaker, I see another dear friend of mine to whom I would like to yield at this time, the gentleman from North Dakota (Mr. DORGAN).

Mr. DORGAN of North Dakota. Mr. Speaker, I appreciate the gentleman yielding. I want to associate myself with his remarks and commend the gentleman for his leadership on this issue.

We have an energy problem in this world, and there are lots of forms of energy. Food is one of them. This country produces a lot of food for the export market, and I come from a region of the country that is one of the most efficient food producers in the world.

However, in the marketing of that food around the world we do not do a very good job. It seems to me that when we talk about agriculture and investment in agriculture and how important that investment is, we have to understand that we are talking about an export commodity that returns over $30 billion in a year. That is a tremendous contribution to the balance of trade in this country, and so it is an important part of our economy. It is an important part of the energy question in this country.

I think it is time that we treat the food commodity that we have, which translates itself into energy, in a logical way in export markets. The gentleman from Oregon, I think, has attempted this over the years prior to my being here. I know he has championed this for a better export price for our agricultural products. This year, I think more attention than ever has been given to the ideas of the gentleman from Oregon.

Mr. WEAVER. Would the gentleman from North Dakota think that it would be wrong to charge OPEC nations for our grain?

Mr. DORGAN of North Dakota. No; our country, our reputation is based on being smart Yankee traders. I wonder where the smart Yankee trading ethic went when we are sending American food to the OPEC countries at less than the cost of production. It does not make sense at all.

Mr. WEAVER. But does the gentleman not feel sorry for the Saudi Arabians having to pay maybe as much as 50 cents or a dollar a bushel more for grain?

Mr. DORGAN of North Dakota. We used to be able to buy one barrel of oil for every bushel of grain we sent them, and the gentleman knows what has happened to that parity price. The fact is that that situation has changed dramatically over the years. Those who say that a bushel for a barrel philosophy is trite, they are dead wrong. The fact is there ought to be a parity price between the price of energy and the price of grain.

□ 1645

Mr. WEAVER. Mr. Speaker, I will say this: We know that the Arabs have raised the price of their oil time and time again, and they may have gotten it too high now. Forty dollars may be too high, and the price of oil may be coming down. But does the gentleman not think that certainly we should start seeing how high we can get our grain and test the market?

Mr. DORGAN of North Dakota. Exactly. I am not a person who believes in the custom of price gouging, nor is the gentleman from Oregon, but it

seems to me that again a smart trader in the international trade is the trader who gets what the product is worth. It does not make any sense to me for America to be trading abroad its very precious resources, including food resources, at a price that is less than the full cost of production.

It seems to me that we have to go even a step further. We have to be getting involved in the process by which we engage in international transactions on the sale of agricultural commodities.

I would commend to people who are interested in this subject and to all the Members of this House the book by Dan Morgan entitled "Merchants of Grain." I think it is time that we began to examine the process by which we market and export our agricultural products in this country. It is a process that, I think, is throttled by the very large grain exporting companies, those that are international grain operators and that often operate in a manner that is not in the best interests of family-sized farm producers in this country.

So I think that we ought to take a look at our trade relationships with the Soviets, with the Japanese, with the Chinese, and with the OPEC countries and say to ourselves, "Look, it is time for us to start getting the price for this commodity we are selling, for these products we are producing and exporting today, that represents a fair price." And a fair price is always the price that is equivalent to the full cost of production and a fair profit or return to the producer.

Mr. WEAVER. Mr. Speaker, I thank my friend, the gentleman from North Dakota (Mr. DORGAN), and I thank him specifically for pointing out Mr. Morgan's book. I recommend it.

I thank the gentleman also for making another extremely important point, and I am glad he did because I would not want this dialog to end without getting this point brought out in the RECORD here. That is as to what is a fair price. We know that we are actually selling below the cost of the farmer's production, but are we not also—and I am sure this is true in North Dakota and South Dakota—are we not also exporting a little of our topsoil every time we send a bushel of grain overseas?

I point that out because of the loss of topsoil it takes to grow that bushel of grain. So we are sending that topsoil and we are not charging for that. That is an irrevocable loss. And we are losing the subsidies we pay for the shipments on the Mississippi and the locks that are required there. We are losing on the subsidies for water in some areas of our Nation, and also for cheap electricity and all these things.

Of course, I want the farmers to have them, and I do not want anyone to misunderstand me. I think they are extremely important, and I have fought for those things all my political life.

My point is that I ask, who is benefiting from this? The one who is benefiting from this is not the farmer. Those who are benefiting from this are the Soviet Union, Japan, and the OPEC nations. When we subsidize REA electricity, who gets the benefit but the communes in the Soviet Union? Who gets the benefit but the sheiks in Saudi Arabia? They are the ones who get the benefit.

It is time that the American farmer got the benefit and the American taxpayer got the benefit, and that we stop sending our soil overseas without getting any just compensation for it.

So with that, Mr. Speaker, I conclude my remarks, if my friends in the House have no further remarks. I want to thank those Members who participated here. We will be offering the Grain Export Bank bill to the farm bill this year on the floor of the House of Representatives, and we certainly hope that we can have as much success then as we did with the grain reserve 4 years ago.

Mr. Speaker, I yield back the balance of my time.

CALL TO CONSCIENCE VIGIL FOR DR. SEMYON GLUZMAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GREEN) is recognized for 5 minutes.

● Mr. GREEN. Mr. Speaker, I rise to speak out for the release of Dr. Semyon Gluzman, a psychiatrist imprisoned in the Soviet Union for 9 years for choosing to adhere to his personal and professional code of ethics. I am proud to again participate in the "Call to Conscience" Congressional Vigil for Soviet Jewry, and pleased at yet another opportunity to speak on Dr. Gluzman's behalf.

It is perhaps difficult for many of us to imagine living in an environment where morality and professionalism bring harsh punishments. Such has been the life of Semyon Gluzman. In 1968 he graduated from the Kiev Medical Institute, and practices psychiatry for several years. Dr. Gluzman repeatedly refused to help the KGB in its insidious practice of branding dissidents as psychotics, saying, "Psychiatry is a branch of medicine and not of penal law." He turned down a good position in the Dnepropetrovsk Special Psychiatric Hospital because he knew political prisoners there received treatment as a form of punishment. He also refuted the official diagnosis of a leading dissident, Gen. Pyotr Grigorenko, as insane.

For his ethical crimes, which also included several samizdat—underground—articles about the Soviet authorities psychiatric abuses, Gluzman was arrested in May 1972, tried in an empty classroom, and sentenced on October 12, 1972, to 7 years in prison and 3 years in internal exile.

While in prison, Gluzman maintained his commitment to the cause of all dissidents. He strictly refused to recant, and staged several hunger strikes to protest prison treatment and conditions. In addition, he coauthored a book for dissents advising them how to avoid classification as psychotic.

Gluzman, now in his third year of internal exile, lives and works on a Siberian farming collective in the Temenskaya Oblast. Address: Do Vostrebovania, Posiolok Nizhnaya Tavda, Tyumenskaya Oblast 620620, RSFSR, USSR. He depends to great extent on packages from the outside, which, according to several reports, he has had difficulty receiving in recent months. Because of what he had endured both in prison and in exile, his health is failing and several times in recent years he has almost died.

In less than a year Semyon Gluzman's sentence will have expired. I fervently hope that he will be freed and allowed to emigrate to Israel. Certainly, this hope has been the focus of the efforts of groups around the world who have taken up his case. As in past years, I introduced in this Congress a resolution (H.J. Res. 230) calling for Dr. Gluzman's release and permission for him to emigrate to Israel. The number of cosponsors to the resolution has increased every year—to a total of 81 this year—and I am proud to be able to play this part in working toward Dr. Gluzman's freedom. The recent release of Iosef Mendelevich makes me hopeful that our efforts in the U.S. Congress can have tangible results. The Soviet Union must hear our voices.

In closing, I would like to share with my colleagues excerpts of a letter Dr. Gluzman wrote to his parents in the fall of 1974. In the face of his imprisonment in Perm, Dr. Gluzman expresses moral and physical courage that are evidence of one of the human spirit's finer moments. Dr. Gluzman has achieved the near impossible: "Demonstrating our human dignity to all the thugs around us." Mr. Speaker, I hope that in next year's Call to Conscience, I can speak of Semyon Gluzman as a hero whose dignity is demonstrated in freedom, not in prison.

You write that I should reconsider my values. Daily and hourly, my physical being and personality are being killed. The watchdog outside the fence gets better food, with more calories, than I do. It is not fed rotten cabbage and stinking fish. Right now I am wearing a thin cotton tunic of the same infamous cut that Stalin wore, with a name tag on my chest. My head is shaved. I am always hungry, and I freeze on the cement floor of the punishment cells. . . .

Do you realize that when we are marched from one place to another, stopping or taking one step to the side is considered an

attempt to escape? (I know this from personal experience.) Or that when the temperature was −58° F, I was forced to lie down in the snow at night, guarded by a German shepherd straining at the leash, 'just in case'? This is the basis of my values; I can have no others. Therefore, there will be no compromise.

Would you really have approved such a recantation? You—conscientious and honest people, and doctors? No, you would not have. Because then I would really have become a criminal. . . .

I am not strong enough to violate my own conscience. And not weak enough. Here in this concentration camp I am leading an authentic spiritual life. I am happy, despite everything I have to endure. I say this even though declaring a hunger-strike is the only means available to me and my comrades in happiness (this is no slip of the pen: I am really happy) for demonstrating our human dignity to all the thugs around us. Even though refusing to help build the camp prison is one of the few ways I can affirm the morality of my convictions and my civic creed.●

INTRODUCTION OF LEGISLATION TO ABOLISH THE POSTAL RATE COMMISSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 5 minutes.

● Mr. DERWINSKI. Mr. Speaker, during the past 10 years I have bravely accepted my role in achieving enactment of the Postal Reorganization Act. The decade of the seventies, with that law in place, has seen a vast improvement in the operation of the U.S. Postal Service, stabilization of its finances including a reduced burden on the American taxpayer, and enhancement of postal pay and benefits, and a general improvement in service.

However, I must admit one flaw in the Reorganization Act which I hope to correct with the legislation I am today introducing.

Having carefully followed the activities of the Postal Rate Commission since its inception under the act, and in particular, its inept and thoughtless handling of the current rate case, I have come to the conclusion that the Commission has not served its intended purpose.

The legislation I introduce would abolish the Commission and establish a ratemaking procedure within the purview of the Board of Governors of the Postal Service.

Enactment of this legislation would immediately save some $3,645,000 in outlays, which is the present budget of the Rate Commission. But, more important, it would allow the Postal Service to better fulfill its mandate of providing efficient service to the American public.

There would be established within the Postal Service a rate panel comprised of three administrative law judges, which upon request of the Board of Governors, would submit recommended decisions on changes in postal rates. The customary safeguards of the Administrative Procedure Act would continue, but such an arrangement would eliminate the second guessing on postal policy that has characterized the existing Rate Commission.

The panel would operate under the same time frame as presently exists, that is, they would have 10 months to report back with a recommended decision. The authority of the Board of Governors to establish temporary rates is continued, if the panel fails to meet its deadline.

Under my bill, the Board of Governors may accept or reject a recommended decision, or may modify it by a unanimous vote. The main thrust of the bill, therefore, is to streamline the ratemaking procedure without denying due process.

Unlike other Federal regulatory bodies, the Postal Rate Commission is unique in that it has only one business to regulate—postal service. When it was given that assignment under postal reorganization, it was with the hope and expectation it would usher in an era of enlightened postal ratesetting procedures which would be finely tuned to meeting the needs of the Postal Service and its nationwide constituency. Regrettably, the Postal Rate Commission has chosen to become a unrelenting adversary more interested in trying to usurp the management and policy prerogatives of the U.S. Postal Service.●

POSTSECONDARY STUDENT ASSISTANCE AMENDMENTS OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. COLEMAN) is recognized for 10 minutes.

● Mr. COLEMAN. Mr. Speaker, I have introduced the Postsecondary Student Assistance Amendments of 1981. This legislation is designed to make significant reductions in the costs of the two principal Federal student assistance programs: The guaranteed student loan program and the Pell grant program.

The future of Federal financial assistance for postsecondary students has been a major concern of the higher education community throughout the current budget crisis. The budget resolution enacted by Congress last month directs the Committee on Education and Labor to make substantial savings for fiscal years 1982, 1983, and 1984 in the Pell grant and guaranteed student loan programs.

Just a few days ago, I introduced, by request, the administration's proposal for reducing the costs of these two programs. Today I am offering my own bill as an alternative to the administration's bill. In drafting this legislation I sought to build upon the administration's proposals to the maximum extent feasible.

The goals of the two bills—savings of $504 million in the GSL program and of $711 in the Pell grant program for fiscal year 1982—are the same. However, the means to achieve that goal are different.

It has not been an easy task to write this bill. It has involved many hours spent talking with students from my home State of Missouri and elsewhere in the country, and it has involved many discussions with presidents and financial aid officers of colleges and universities from around the country that represent all types of institutions, small, large, public, and private. The bill I am introducing today is a workable and reasonable solution to the budget crisis facing these two programs.

What the bill does, Mr. Speaker, is to require that any loan made to a student under the GSL program be based on that student's remaining need, after the expected family contribution and other types of assistance—scholarships, grants—have been subtracted from the cost of attendance at the institution. In this way, a student who can show need can obtain a guaranteed loan to meet that need. My bill also retains the in-school interest subsidy and the special allowance payments. But to meet the required savings, I am proposing a loan origination fee of 3 percent to be paid by the student on the loan principal at the time the loan is made to the bank. This loan origination fee is solely for the purposes of offsetting the special allowances—the difference between 9 percent and market rates—paid by the Government to the bank. Through this mechanism, budget outlays for the GSL program will be significantly reduced.

The bill also will raise the interest rate on parent loans from 9 percent to 14 percent, eliminate the higher independent student loan limits, eliminate the second grace period following deferments, and eliminate some existing deferments. The present deferment for military service is retained in my bill. The needs analysis used to determine need for the GSL program will be the existing system already in use for Pell grants.

Savings in the Pell grant program will be made through amendments to the section 482 needs analysis to include all of social security and veterans benefits to be included as student aid for the purpose of calculating a student's need; allow the Secretary of Education to set an assessment rate on parental discretionary income to determine expected family contribution; allow the Secretary of Education to limit the allowable cost of attendance at an institution; and the change the

treatment of family assets to provide for a flat deduction of $25,000 from net assets in determining expected family contribution and of $100,000 if net assets include a farm or business.

In addition, my bill includes several amendments concerning the Student Loan Marketing Association (Sallie Mae), which allow Sallie Mae to deal in noninsured student loans and to act as a guarantor under the loan consolidation plan.

The overall effective date for these amendments is October 1, 1981. The collection of the loan origination fee, however, will begin upon enactment in order to effectuate some fiscal year 1981 savings.

Mr. Speaker, it is not an easy or popular job to cut educational programs, particularly those assisting college students. But if we do not return these Federal student assistance programs to their original intent—that of aiding the student who shows need—we may be jeopardizing the entire program. My approach to meet the total savings—as mandated by the budget resolution—of $1.215 billion is as fair and equitable as can be drawn. This bill may signal the end of loans of convenience to students, but it will keep the GSL program viable for students who need the money for one of the most serious and valuable purchases they will ever make—their education.●

TV STATIONS BLOWN OFF THE AIR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. DICKS) is recognized for 5 minutes.

● Mr. DICKS. Mr. Speaker, I am pleased that the House Committee on Energy and Commerce has recommended reauthorization of the NTIA telecommunications facilities program.

In my own district, continuation of this program is essential. On February 19, 220 feet of the 300-foot tower of KTPS television and KTOY radio was blown down in 100-mile-an-hour winds. A service reaching 1.3 million Washingtonians suddenly provided coverage to a mere 170,000 people. The equipment replacement cost to the station is $95,000; the insurance policy of the station is $100,000 deductible. In addition, funding for the Tacoma School District, from which these stations receive 40 percent of their total budget, was reduced by $6 million, resulting in a 20-percent loss in revenue for these stations.

Continued funding of this small but vital program provides a chance for the restoration of public radio and television to over 1 million Washington State residents.

Mr. Speaker, I insert at this point in the RECORD a portion of a February 19, 1981, Tacoma News Tribune article which describes the damage to this transmission tower:

SCHOOLS' RADIO, TV STATIONS BLOWN OFF THE AIR

(By Betty Anderson)

Tacoma School District's public television and radio stations will be off the air for at least the rest of the week because transmitting antennas were destroyed by high winds early this morning.

The top two-thirds of a 300-foot tower situated on the roof of L. H. Bates Vocational-Technical Institute snapped off during the storm.

Both KTPS-TV (Channel 62) and KTOY-FM used the tower for program transmission. Station managers arriving at work today found more than half the tower hanging over the roof and down the side of the building on South 11th Street.

Areas leading to the station have been cordoned off, but classes at Bates were being held today.

Robert Slingland, KTPS manager, said the broken tower left a gaping hole above offices adjacent to the station's master control unit.

Heavy rains poured through the roof before equipment could be covered, he said.

The equipment is being dried out to prevent electrical shock to station staff.

Slingland said he was still assessing the damage.

Lee Perkins, KTOY manager, said the radio station lost both its full and auxiliary power antennas.

"They were smashed beyond use," Perkins said.

The loss of the antennas and tower will affect the expanded coverage that had been under way at the TV station and will affect the training programs held at both stations, but the managers said they didn't know to what extent.●

EUROPEAN THEATER NUCLEAR FORCES RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WEISS) is recognized for 5 minutes.

● Mr. WEISS. Mr. Speaker, President Reagan has set our Nation on a course of massive military buildup that will markedly increase our nuclear stockpile. At the same time, he has shown strong resistance to efforts to reduce and eliminate nuclear weapons worldwide. Clearly, we are moving down the road to social, economic, and global disaster. The world will become an increasingly dangerous place until we are able to turn around the nuclear arms race.

I am thus concerned that the administration will not follow through on its announcement in early May that it plans to pursue negotiations with the Soviet Union to limit the deployment of European theater nuclear forces. The House of Representatives should support completion of these negotiations in a way that clearly expresses our commitment to nuclear disarmament and to avoiding nuclear war. For this reason, I am introducing today a resolution which encourages efforts to reach agreement on controlling the spread of nuclear weapons in the European theater, as well as around the world.

The announced U.S. commitment to negotiations is in accord with the 1979 NATO agreement which originally authorized placement of U.S.-provided nuclear forces in Europe. This agreement clearly linked such deployment to initiation of negotiations for controls on these weapons. Several European nations opposed placing U.S.-made weapons in Europe at the time of the agreement.

To proceed with deployment is to increase the possibility of a devastating nuclear conflict with the Soviet Union. Already the United States maintains a strategic nuclear advantage over the Soviet Union, as do NATO countries over Warsaw pact nations. Making Europe the battleground only increases the frightening prospect of nuclear war.

The continued buildup of nuclear weapons cannot be allowed to go on without making the world a more dangerous place. Unrestrained development and deployment of nuclear weapons greatly increases the likelihood that the weapons will be used and greatly increases the risks involved in all future conflicts, no matter how small. Arms control measures and disarmament are the only sure way of preventing a nuclear holocaust.

This resolution would state the sense of the House on four main points.

First, that the negotiations on European theater nuclear forces should be pursued vigorously;

Second, that the United States should make a firm commitment to a clearly defined timetable for completing these negotiations, so as to prevent them from dragging on indefinitely;

Third, that further development of the plan to place U.S.-provided nuclear weapons in Europe be suspended until negotiations are concluded;

Fourth, that these negotiations be planned and carried out as part of a comprehensive international effort to limit and halt the development and deployment of nuclear weapons.

This resolution is a clear statement of support for the control and eventual elimination of nuclear weapons. World peace and real national security can be achieved only by freezing nuclear weapons stockpiling and reversing the arms race. I urge my colleagues to join me in supporting this legislation.

A copy of the resolution follows:

H. RES. 153

A resolution expressing the sense of the House of Representatives that negotiations pursuant to the 1979 NATO decision concerning the deployment of nuclear weapons in Europe should be vigorously pursued by the United States and that the United States should commit itself to a clearly defined timetable for completing such negotiations, and for other purposes

Whereas the decision to deploy tactical nuclear weapons provided by the United States in Europe, which was made in 1979 by the North Atlantic Treaty Organization (hereinafter referred to as "NATO") in response to the presence of Soviet nuclear weapons in Europe, was linked to the initiation of negotiations for limitations on such deployments;

Whereas the United States has announced it will pursue negotiations in accordance with the 1979 NATO decision;

Whereas the deployment of nuclear weapons provided by the United States in Europe may strain international relations within the NATO alliance and actually weaken the security of all the countries which are members of NATO;

Whereas the deployment of nuclear weapons in Europe will increase significantly the possibility of a so-called "limited" nuclear war with potentially devastating impact on the people and economies of Europe, if not the whole world;

Whereas the United States currently has approximately 3,200 more strategic nuclear weapons than the Soviet Union has and the member states of NATO together have approximately 7,000 more nuclear weapons than the Soviet Union has;

Whereas the unrestrained development and deployment of nuclear weapons greatly increases the likelihood that such weapons will be used, greatly increases the risks involved in all future conflicts no matter how small, and greatly increases the possibility of a military confrontation between the United States and the Soviet Union; and

Whereas arms limitation and disarmament agreements and negotiations historically have both slowed and limited the expansion of the nuclear weapons capability of both the Soviet Union and the United States and have helped maintain a strategic balance between the two nations; Now, therefore, be it

Resolved, That it is the sense of the House of Representatives—

(1) that negotiations pursuant to the 1979 NATO decision should be pursued vigorously by the United States;

(2) that the United States should commit itself to a clearly defined timetable for completing such negotiations;

(3) that both the development of the nuclear weapons intended for deployment in Europe and the actual deployment of such weapons should be deferred until these negotiations are concluded and ratified; and

(4) that these negotiations should be planned and carried out as a part of a comprehensive international effort to limit and halt the development and deployment of nuclear weapons.●

EXPORT TRADING COMPANY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 10 minutes.

● Mr. LAFALCE. Mr. Speaker, there is growing awareness that this country needs a comprehensive national export policy, in order to address the problem of chronic trade deficits, which has developed in recent years. The Foreign Corrupt Practices Act must be reformed and improved; the onerous and counterproductive level of taxation of Americans working abroad must be reduced; and the problem of export subsidy wars must be addressed in the context of international negotiations.

However, at the center of that national export policy must stand U.S. export trading companies. Therefore, I have introduced H.R. 1648, the Export Trading Company Act of 1981. The companion bill in the Senate, S. 734, passed the Senate by a remarkable margin of 93 to 0. H.R. 1648 has attracted the broad and bipartisan cosponsorship of more than 80 Members. The Reagan administration has enthusiastically endorsed the bill, and Secretary Baldrige has testifed twice in strong support of H.R. 1648.

The Export Trading Company Act has two key features. First, it would permit bank participation and ownership of export trading companies under strictly regulated conditions. Second, it extends an existing antitrust exemption for export trading associations to export trading companies under the supervision of the Departments of Justice and Commerce.

Export trading companies have a proven track record in various European and Asian countries, where they have helped produce healthy export performances. U.S. export trading companies would be particularly useful for small- and medium-sized companies which lack export experience and the necessary capital to export their goods and services. The Department of Commerce has estimated that there are at least 20,000 small- and medium-sized companies which could competitively export their goods and services but which do not because of those factors. U.S. export trading companies could help fill that void with marketing, financial, technical, and informational assistance.

H.R. 1648 recently won the strong endorsement from the Security Pacific National Bank which is bank with a great deal of experience in foreign markets and which has provided various forms of assistance to California manufacturers and companies. I want to share that position with all of my colleagues, because it contains a very cogent and persuasive set of arguments in favor of H.R. 1648; and I hope that all of my colleagues will join me in cosponsoring this important, bipartisan export initiative.

The statement follows:

SECURITY PACIFIC NATIONAL BANK POSITION ON EXPORT TRADING COMPANY LEGISLATION, JUNE 1, 1981

The management of Security Pacific Bank has for many years had a special interest in assisting California firms to become involved in exporting. This interest has resulted from an awareness of California's role as the principal gateway to the markets of the Pacific Rim; from continued analysis of the diversified economy of California; and from a long-standing concern for the imbalance in our nation's trading relationship with the rest of the world.

It is from this position that we wish to encourage support of legislation which is now before the House (H.R. 1648) to create Export Trading Companies. The remarks which follow we hope will provide insight into the need for new approaches to the problem of motivating domestic firms to aggressively seek foreign markets. We believe allowing banks to establish export trading companies will significantly enhance the chances for success in this country's continuing efforts to expand its international trade.

In the course of assisting numerous California firms to expand their markets beyond the borders of the U.S., we have undertaken several unique activities which have given us an unusual perspective of the problems faced by our government officials as they seek to encourage the smaller and so-called "middle market" firms to become more actively involved in international trade.

We have conducted market surveys to find ways to encourage local manufacturers to expand their sales efforts in international markets.

To help local marketing executives find overseas markets for their products we have created computer programs in order that we might make maximum use of the extensive export trade data available from the Department of Commerce. From this data we extract detailed information identifying specific markets for products currently manufactured by individual California firms. Furthermore, we identify foreign firms with special capabilities to be engaged as marketing representatives.

To further encourage exporting we publish a variety of reports weekly, monthly and annually documenting the trends in international trade and important developments of which California firms should be aware. Such frequent publication of information leads to numerous requests for further information and assistance which in turn gives us further insight into the export marketplace.

These efforts are in addition to the more normal pursuits of a major commercial bank with more than 600 California branches seeking to aggressively expand its own market by building a network of branches in 30 foreign countries, and with an Edge Act subsidiary in New York operating branches in major metropolitan areas of the U.S.

From this base of activity and the vantage point it provides, it is clear to us that the U.S. is falling far short of its potential in the international marketplace. We feel the nation's failure to reach its international goals is due in large measure to the artificial separation of our marketing and financial systems. The result is that our manufacturers all too often wait for foreign buyers to come to them. The usually protracted nature of export transactions resulting from distances involved, documentation, currency exchange, and language differences strain the managerial as well as financial resources of small and medium sized manufacturers and export management companies.

These weaknesses are clearly pointed out in the Bank prepared study which makes

the observation at one point that ". . . exporters are faced with something of a dilemma. That is, a firm's major motivation for exporting is to expand the market for its product; yet locating and developing that foreign market is reported to be one of the major difficulties facing the exporter. In addition, once the firm locates the foreign market, management feels that the transaction is hindered by excessive paper work and slow processing. Finally, once the goods are shipped, the firms feel that they have to wait too long for payment."

The creation of export trading companies which could be owned and operated by domestic banks is well suited to bridge the gap between the domestic firm without foreign marketing capability and the international consumer. Commercial banks, with their prominent place in the fabric of nearly every community in the country (particularly in those states with large branch chains); with their knowledge of the practices of international trade and finance; and, in many instances, with already existing networks of overseas branches and "rep-offices;" are potentially too important as facilitators in the international marketplace to be prohibited from assuming this role any longer.

As indicated in the opening paragraphs, we have tried a number of innovative ways to assist our customers to take the necessary steps to expand into world markets. It has been hard work and yet not nearly as successful as it should have been considering the great opportunities which exist.

Even the firms who commence to sell outside the U.S. too often lack the ability to maintain the sustained marketing efforts necessary to achieve significant presence in the market. Too narrow a product line and relatively heavy marketing burdens deter many firms from the efforts necessary to reach the volume to justify the decision to expand overseas sales.

Bank-operated export trading companies, by being able to represent several manufacturers with complementary product lines, and with established networks of domestic and overseas offices are in an excellent position to overcome several of the major obstacles to exporting which discourage other domestic firms. Combined with their already-existing expertise in trade documentation and financing, such export trading companies offer a potentially winning combination of capabilities which we feel can make a significant contribution to enhancing this country's international trade volume as well as freeing banking to compete in a field where its foreign counterparts have long been active and successful.●

SECRETARY OF INTERIOR WATT—PROFILE IN PERFIDY

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. OTTINGER. Mr. Speaker, I would like to insert in the RECORD the following profile of Secretary of Interior James Watt, written by Elizabeth Drew, which appeared in the May 4, 1981, issue of the New Yorker magazine.

The article is remarkably well written and contains an excellent evaluation of the dangerous potential of the current Secretary of the Interior. I urge my colleagues to take the time to read Ms. Drew's superb profile:

SECRETARY WATT

The Department of the Interior has jurisdiction over roughly one-fifth of all the land in the United States—more than four hundred million acres, most of it in the West and in Alaska. It is charged with both the preservation and the development of publicly held land—a charter that has historically led to conflict over its mission. It recommends which areas are to be used for parks, wilderness, wildlife refuges, and other recreation areas, and for grazing of livestock and for exploration for oil and other minerals. It also administers mining and mineral leasing on an additional three hundred and seventy million acres lying under other federally and privately owned land, plus another roughly one billion acres on the outer continental shelf. It manages the National Park System, which consists of some three hundred parks, covering more than eighty million acres; it is in charge of the Bureau of Reclamation, which promotes development of water resources, particularly in the West; and it runs the Fish and Wildlife Service, which is in charge of conserving migratory birds, endangered species, and other wildlife, and supervises some four hundred wildlife refuges. It has jurisdiction over strip-mining policy. It runs services involving outdoor recreation and national landmarks. It influences policies involving the production, consumption, import, export, and stockpiling of minerals. And it administers the Bureau of Indian Affairs. All these activities make Interior one of the most controversial and sensitive departments in the government, affecting as it does so many conflicting interests. And a Secretary of the Interior has wide discretionary authority. Secretaries of the Interior have ruined Presidents, and one (Albert B. Fall) went to jail. Great stakes are involved in the department's decisions, and many of the results of its actions are, of course, irreversible.

In recent years, for a variety of reasons, the department has become more controversial than ever in the West. The controversy has been embodied in the Sagebrush Rebellion—a political movement that helped Ronald Reagan carry every Western state, and that now has one of its avowed partisans, James Watt, as Secretary of the Interior. ("I am a part of the Sagebrush Rebellion.") Through actions he has already taken or is planning, Watt intends to try to reverse federal policy across the spectrum of functions performed by his department: to put less emphasis on preserving federal lands for wilderness areas and more on leasing them for drilling and mining; to accelerate the distribution of federal lands on which states have existing claims and of parcels of land they would like to obtain; to speed up offshore drilling; to promote mineral exploration (Watt was instrumental in the Administration's recent decision to interrupt and reassess the United States' participation in negotiating a Law of the Sea Treaty); to halt the acquisition of national parks and turn more of the management of existing ones over to private enterprise; to relax regulations on strip-mining; to reduce the requirements for assessing the environmental impact of drilling for geothermal energy; and to allow more killing of wild horses and burros and also of predators, and put less emphasis on the protection of endangered species. The Sagebrush Rebellion, in its ultimate form of protest, calls for federal lands to be turned over to the states. Watt has said that this demand is a way of bringing pressure for changes in federal policies. In his confirmation hearings, he was somewhat ambiguous: "I do not see the need at this time for a massive transfer of public lands to state or local control or private interests. If we do not shape up the management processes of these public lands, then there probably ought to be a massive transfer. I think some good management will handle those problems."

Watt has also been influencing environmental, energy, and even international policy beyond the boundaries of his department. According to White House aides, Watt was a lively and enthusiastic participant in the early Cabinet meetings and offered opinions on a variety of questions. The President, they said, was quite pleased with him. Watt recommended greater budget cuts for his own department than had been suggested by the Office of Management and Budget. And he was placed in charge of the interagency Cabinet Council on Natural Resources and Environment, which includes representatives of the Department of Energy, the Department of Agriculture, and other departments and agencies. The council will shape the Administration's position on the forthcoming revision of the air-pollution law, which must be reauthorized, this year, and on water policy. Watt is effectively in charge of important energy policy decisions, such as the pending one on whether to deregulate the price of natural gas. (He supported the deregulation of natural gas prices during previous government service.) Recently, the President appointed him to head the Advisory Commission on Intergovernmental Relations, which was established in 1959 to examine relations among federal, state, and local governments, and has done distinguished work in that field.

Watt's early actions have stirred up a storm, but the few dispassionate observers one can find tend to agree at least in part with some of the things he seeks to do; the question is how far he intends to go. In this, as in other areas of government, those who supported various programs in the past did not attend to how they were being administered, and are now on the defensive. Even some environmentalists agree that there is good reason to try to develop less cumbersome ways of administering some of the laws on the books. One can find dispassionate observers who agree that procedures for granting leases for mineral exploration can and should be speeded up. Moreover, it is the role of the environmental groups to sound the alarm, to give the worst-case analysis of what anyone who differs with them is trying to do, and to take the most adamant positions. And many of the actions initiated by Watt are only in their beginning stages: more are to come after some of his appointees have been confirmed by Congress. Several people who are worried are prepared to give him more time. But it is clear that a number of the actions already initiated or being contemplated by the Department of the Interior, as well as by related agencies, could amount to a radical change in land, conservation, and environmental policies—many of which have had an essentially bipartisan consensus behind them for many years. Some of the actions could upset delicate balances that have been painstakingly reached; some could result in the transfer of substantial amounts of land and resources now deemed to be the domain of all of the people to a much smaller group; some could result in very big gains for certain private interests.

Watt's personal style, as well as his professional background, has added to the controversy surrounding his appointment and his management of the department thus far. He comes across as smart, certain of his views,

intense, combative, and suspicious to an unusual degree of those who do not agree with him and also of the career bureaucracy, which includes many dedicated public servants. There have been wholesale firings at the Interior Department, and the career civil servants, many of them experts, have been cut out of decision-making. "We are not to become a part of the bureaucracy," Watt said in an interview in Public Opinion, which is published by the American Enterprise Institute, a couple of months ago. He went on to say, "Frequent Cabinet meetings keep us isolated and in unity. There's comfort in that. When I go against my bureaucracy, the issues are often against me. But when I come back to the fold, I'm nurtured." In March, addressing a group of people who run concessions in national parks, he said, "The President was brought to power by a restlessness of the people because they needed change and he represents change, and those old-time liberals that don't want change are going to frustrate [us] conservatives who want change every chance they can, and we've got to change forty, fifty years of bad government. To accomplish that, we fired every person in the Department of the Interior that was a Presidential appointee. I mean, we cleaned every one of them out and then we started appointing good people." Forty or fifty years of bad government covers a lot of ground, including several Republican Administrations.

Watt, who grew up in Wyoming, is forty-three years old, tall, and bald; he wears thick glasses; and he is polite and contained. One of his friends, Senator Alan Simpson, Republican of Wyoming, who is a most agreeable person, insists that Watt is a warm and sensitive man who has been treated unfairly by the environmentalists and in the press. In the early nineteen-sixties, Watt worked for Simpson's father, Milward Simpson, who was also a senator from Wyoming, and who served on the Senate Interior Committee. Then, in 1966, Watt became a lobbyist for the Chamber of Commerce, where he opposed the first national laws dealing with water and air pollution. During the Nixon and Ford Administrations, Watt served in the Interior Department and then on the Federal Power Commission. In both jobs, his actions were controversial, and led to a reputation, justified or not, for being pro-development, uninterested in preservation, and quick to remove subordinates who did not agree with him.

There is, of course, nothing wrong, in and of itself, in being pro-development. Obviously, some resources have to be developed. The real argument is over manner and degree: over how quickly resources should be developed, and how much attention should be paid to other considerations, such as preserving resources for the future, preserving the land around development areas, setting aside land for recreation, and protecting renewable resources like forests and rangelands. In a rush to gain access to current resources, future productivity can be damaged. And if the emphasis is on developing oil and other minerals now, will America be more secure in the future? These are issues that call for careful, reasoned judgments. Everyone involved in these controversies, it seems uses the word "balance." Everyone says that he is for balance, and everyone feels qualified to define it. If one drew a chart of the philosophies of Secretaries of the Interior, Watt's would be way off to one side.

Following his government service, Watt was hired by Joseph Coors, the president of the Adolph Coors Company and a right-wing activist (also an important backer of Ronald Reagan and ultimately a member of his kitchen cabinet), to head the Mountain States Legal Foundation, which is in Denver, and which Coors founded in 1977. The purpose of the foundation, which is nonprofit and tax-exempt, was, Watt said in 1977, to "fight in the courts those bureaucrats and no-growth advocates who create a challenge to individual liberty and economic freedoms." In a much quoted speech he gave during his tenure at the Mountain States Foundation, he said, "What is the real motive of the extreme environmentalists, who appear to be determined to accomplish their objectives at whatever cost to society? Is it to simply protect the environment? Is it to delay and deny energy development? Is it to weaken America?"

Watt's argument, which he made many times, was that the West held virtually all the nation's energy resources, and that "because of the actions being taken by extremists to delay or stop the orderly development of energy resources, the nation is likely to suffer energy shortages and thus severe economic hardship." His thesis was that "when this happens, the politicians in Washington will seize on the crisis and take whatever action is needed to extract energy from the Western States, in order to light and heat the East and to maintain jobs in the Midwest and on the East Coast." He continued, "I fear for our ecology in the West and for our life style. When the economic pressures start strangling the Eastern States, due to short supplies of energy, their political leadership will come after our resources." One person who knows Watt says, "He sincerely believes that he is standing between this country and disaster. His beliefs are close to those of corporate America's, because he believes that America would be better off if the companies were unshackled to do what they want."

This made him just right for the Mountain States Legal Foundation. The foundation is an offspring of the National Legal Center for the Public Interest, to which Coors has contributed and on whose board he serves as vice-chairman. The National Legal Center organized and initially funded several regional legal centers, of which Mountain States was one. The legal centers remain associated. The first chariman of the National Legal Center was J. Robert Fluor, the chairman of the Fluor Corporation, which is an international engineering and construction company. The Fluor Corporation is also in the coal business, provides drilling services, and has been attempting to acquire other mineral companies. The current chairman of the National Legal Center is Charles Barber, chairman of ASARCO, Inc., formerly the American Smelting and Refining Company, and one of the nation's largest mining concerns. The Coors Company not only makes beer but has invested in coal, oil, and natural-gas leases. Its mining affiliate has strip-mining plans pending at the Interior Department. Joseph Coors was also one of the founders of the Heritage Foundation, a highly conservative, policy-oriented organization based in Washington. Several of Watt's early actions at Interior are in accord with recommendations made in a report, "Mandate for Leadership," that was published by the Heritage Foundation shortly before the Reagan Administration took office.

The Mountain States Foundation will not give out the names of its contributors, but its financial backers are known to have included large firms involved in energy development, construction, and agribusiness, and also banks, public utilities, and casino companies. Its executive committee has included officials of such corporations as Amax, one of the nation's largest mining and coal companies; Conoco; and the Amoco Production Company. Watt, too, refused to disclose the names of its contributors during his confirmation hearings. Stephen Shipley, who served as the foundation's vice-president and was in charge of contributions, has gone to the Interior Department as Watt's executive assistant. Among the cases that the Mountain States Legal Foundation brought—several of them against the Interior Department—were ones challenging government policies on leasing for oil and gas exploration, air pollution, allotments for grazing on federal lands, strip-mining, water-management policy, and sovereignty for American Indians. It brought a suit challenging a requirement that public utilities in Colorado provide lower rates for the poor, the elderly, and the disabled. It filed a friend-of-the-court brief on behalf of a casino at Lake Tahoe that, along with other casinos, was seeking to hook up to a sewage-treament plant in an area that the Environmental Protection Agency said had already been too densely developed (a position shared by California, which, like Nevada, borders the lake). At his confirmation hearings, Watt told the Senate committee that he would avoid sitting in on any aspect of cases that the Mountain States Foundation was involved in—but would not refrain from getting involved in policy questions that might be related to the cases.

Watt himself, as attorney for the foundation, had filed a brief challenging the constitutionality of the present strip-mining law, which Interior administers. And when he was with the foundation he appeared before the Interior Department to protest new rules designed to bring about tighter enforcement of law that provided low-cost irrigation water in Western states. In February, Watt told the House Interior Committee that he intended to delay new department regulations indefinitely. They had been drawn up by the Carter Administration, under court order, to stop the practice of providing water to corporations and farms whose holdings exceeded the one-hundred-and-sixty-acre limit set by the reclamation law. An official order to delay the new regulations has been issued over the signature of one of Watt's deputies, but the department announced the action as Watt's.

Watt himself is a man of modest means, and in religion he is a devout fundamentalist. (He was "born again" in the mid-sixties and became a Charismatic Christian.) He spelled out his basic philosophy in Public Opinion (Watt declined to be interviewed for this article) as follows:

I come to Washington with a western states perspective. We feel that our individual freedoms have been reduced considerably by the power of Washington to set values. Market forces and the individual properly set values. We feel the pressure of reduced freedom in terms of access to the resource base. We have grown up with the land. The wealth of the nation comes from its resource base and its people. So we have had access to economic enhancement for personal gratification. In the last ten years, we have seen the government redetermine these values by limiting our access to these lands for market use or personal pleasure . . . . I believe strongly in market forces. The President's decision to dereg-

ulate crude oil was symbolic and important. I pushed very hard for that decision. Economically, it's not that big a deal. But the symbolism is important. Will Reagan allow market forces to set values or are we going to continue to let artificial forces coming out of Washington, D.C., set them?

In the same interview, he said, "In this country, we're going through a reassessment of our values. It's back to fundamentals—fundamental economics, fundamental social structures, fundamental religion, fundamental basic concepts."

Watt applies his fundamentalist religious beliefs to his job. In early March, he was quoted in the Washington Post as saying, "I believe there is a life hereafter, and we are to be here to follow the teachings of Jesus Christ. One of the charges He's given us is to occupy the land until He returns. We don't know when He is coming, so we have a stewardship responsibility . . . to see that people are provided for until He does come and a new order is put in place." This quotation ricocheted about Washington and has been interpreted—unfairly—by some as suggesting that Jesus wanted us to use up our resources. But Watt also said "So we cannot waste or despoil that which we've been given in the earth because we don't know our tenure here." He is usually careful to use such terms as "balance" and "controlled development." However, some people who work at Interior, and others who have dealt with him, say that he has a moral certainty about what he does—a conviction that he is doing what God intended. And one of Watt's friends said recently, "Jim has taken up the most anthropocentric intrepretation of Christianity—he feels that whatever human beings need is O.K." This man continued, "And he does have a religious sense of being a chosen person."

At Interior, Watt works with a coterie he brought in with him, and has largely shut others out. One department employee says, "There are people here who feel we can develop faster without sacrificing the environment, and believe that many of the directions he wants to go in are right, but we're not being tapped. He says that the career people are important, but everything he does gives us a feeling of a deep-seated contempt for everyone who has chosen to work for the government. There's very much an us-versus-them mentality developing, and it's very sad." Watt is essentially a loner, who works hard and spends what spare time he has with his family. He conducts his business briskly and likes to make decisions quickly. Says one Interior official, "He's smart but not particularly analytical. A lot of people are impressed by him because he talks rapidly and comes across decisively." In the course of the meeting with park concessionaires, he stressed that he would make decisions without hesitation. ("I'm out to make decisions and I will make them quickly. . . . I make lots of decisions.") He also said, "If we need to change personnel to accomplish a more aggressive concessioners program, we will change the people. We mean business, and when you read the press you're going to find that I can be cold and calculating, and indeed I can. But we are determined, and we are going to get ahold of this thing fast. . . . If a personality is giving you a problem, we're going to get rid of the problem or the personality, whichever is faster." He recently told a writer for the Denver Post that he had hired his personal secretary "because she is as abrupt as I am."

No one has much question that Watt reflects the Reagan Administration's outlook, but other Cabinet Secretaries also represent the President's views, in a different manner. A White House aide who works on energy, environment, and natural-resources issues recently told some environmentalists that the attitude of this Administration is that the 1980 election was about "privatization" versus "publicization," and that "we won." Watt told Public Opinion, "No other Secretary of the Interior, in recent times at least, has had a President who understands my department like Ronald Reagan does. He's a Westerner. Fifty per cent of his state is owned and managed by the federal government. When I said, 'I want to do this, I want to do that,' he replied 'Sic 'em.' "

Watt was chosen Secretary of the Interior after Clifford Hansen—a Republican who has been both governor of and senator from Wyoming—dropped out of consideration because he did not want to sell his family's valuable permits to graze cattle on federal lands in order to comply with conflict-of-interest regulations. When Hansen's appointment fell through, Watt was proposed by a group of Western senators who knew him from his earlier work, and was interviewed by Senator Paul Laxalt, of Nevada, the President's close friend. According to people working on the transition, it was understood that when it came to selections for the Interior Department Laxalt's word was it. Laxalt tells me that he had known Watt only by reputation, but that after he interviewed him "I almost single-shotted him—I phoned the President and said, 'He's our man.'" At that point, Laxalt had the enthusiastic concurrence of Coors, who, along with other wealthy Reagan supporters, was helping the President select his Cabinet. Laxalt says that Coors had been backing another man—that apparently Watt had not occurred to him. Laxalt told me, "As soon as I called Joe about Jim, he agreed immediately, and enthusiastically backed his appointment."

Reagan, who did not know Watt, then met with him for about twenty minutes and selected him. Alan Simpson said to me, "When we were talking about who should have the job, someone said, 'If you've got a bear of a job to do, why not hire a grizzly?' They got a grizzly when they hired Jim." When I asked Laxalt what Watt's mission was, he said simply, "To pacify the West." This gets to why the West is so angry, and what the Sagebrush Rebellion—of which Laxalt is a leader, and with which Reagan identified himself during the campaign ("Count me in as a rebel")—is all about.

Not all of the West is angry, of course, nor does the Sagebrush Rebellion represent all of the West. It is concentrated in the Rocky Mountain States, and represents a combination of forces: oil and mining interests that want more access to the minerals and other resources they believe to be on federally owned Western lands; interests that want federally owned land for commercial development; livestock interests that want more land, and ranchers who want to be freer of restrictions on grazing on federal lands; cowboys and farmers, who are traditionally suspicious of the federal government; and commercial interests that seek to overturn a number of federal policies. And in recent years these forces have been fed by the New Right political movement. A Western senator says that the Sagebrush Rebellion represents "the old cowboy who's not angry so much as independent and suspicious; plus a new force, fed by the New Right; and raw commercialism—the old land-grab issues of the nineteenth century reemerging." One Interior Department official describes it as "an attempt on the part of some opportunistic politicians to grab some land, capitalizing on some very legitimate complaints and frustrations on the part of local people." It has some roots in resentment of the East—a feeling that the East is the center of the environmentalists, and that Easterners think that Westerners, if left to their own devices, would strip-mine Grand Teton. (The environmental movement is strong in the West, of course.) Simpson says, "The toughest thing to handle is the paternalism from other areas which think that we really don't know what a jewel of a place we have, and that they are going to help us preserve that jewel." The Sagebrush Rebellion has some roots in resentment—some of it apparently justified—of a bureaucracy that is felt to be unresponsive to the ranchers with whom it deals in administering the federal lands. And it has some roots in commercial interests that have recently come to see value in certain of those lands.

The argument is over the disposition and management of the public lands currently managed by the Bureau of Land Management, in the Department of the Interior. This agency manages almost seventy per cent of all the land in Nevada, forty-two per cent of the land in Utah, roughly a quarter of the land in Wyoming, Oregon, and Idaho. These are the lands that were long considered the least valuable or attractive public lands and have not been set aside as national parks or reserved for forest preserves by the Forest Service or given away or sold off over the years. Homesteaders didn't want them. Until about a decade ago, the federal policy was essentially to dispose of these lands. Then a variety of people began to realize that they contained a number of important resources: ecological and environmental resources; renewable resources, such as timber and forage land; water resources; recreational opportunities; and valuable minerals. The lands are estimated to contain mineral assets worth hundreds of billions of dollars; eighty per cent of the nation's oil shale and forty per cent of its coal reserves; large deposits of oil, natural gas, and uranium ore; tar sands and geothermal heat. At the same time that commercial groups were taking a greater interest in these lands, the nation's population was increasing and the demand for recreational areas was growing—and all this coincided with a heightening of the environmental movement. (The first Earth Day was in 1970.) A move developed in Congress to establish a more comprehensive policy toward the disposition and management of those federal lands, and in 1976 the Federal Land Policy and Management Act was passed. This law said, for the first time, that it was in the public interest for the federal government to retain and manage the lands, instead of disposing of them, and it established procedures for deciding which lands should be set aside for wilderness areas and which should be released for other uses. The decisions are made by Congress, on the basis of recommendations by the department. Even those lands which are set aside for wilderness areas can be drilled for oil and gas and other minerals, with certain stipulations as to how the land around drilling sites is to be treated. Land that is awaiting designation as suitable or unsuitable for a wilderness area can be explored for oil and minerals, with certain restrictions that are designed to prevent the land from being made unsuitable for wilderness. Of the almost hundred and seventy-five million

acres that the Bureau of Land Management has studied to see if they should be released as unsuitable for wilderness, all but about twenty-five million have been released, but Watt and the mining companies say that the restrictions still go too far, and Watt has acted to loosen them. It is not quite accurate to say, as Watt and other critics of federal land policy do, that federal land has been "locked up" for a "single purpose"—by which they mean wilderness—and that exploration for resources is prohibited on it. One career official at Interior says, "They are reacting to impressions rather than facts."

It stands to reason that people who had become accustomed to the old system would resent the new one. Before the 1976 act, grazers and miners had relatively free access to these lands; some parts of them were being over-grazed and ruined for future use. It also stands to reason that various interests that wanted to possess or exploit these lands would be upset. (A permit to graze on federal lands is a very good deal, since the federal government generally charges cattlemen less per acre than private landholders do. Previous Administrations have tried to raise the price of grazing fees, but the Reagan Administration, despite its emphasis on cutting the budget and its nod in the direction of charging users' fees, has made no such effort. The politics of such a decision are fairly obvious. The rental cost of an oil or gas lease is also an attractive arrangement—a dollar an acre per year. If oil or gas is produced on federal lands, the federal government receives a royalty.) Reductions of grazing allotments and of access to public lands for drilling for oil and gas were among the subjects of suits Watt brought when he was at the Mountain States Legal Foundation.

The complaints about the Bureau of Land Management's overseeing of lands include homey stories about a rancher who was not allowed to put a fence up; about a miner who was penalized for building a road three feet in the wrong direction; about a rancher who opened his land to hunters, who were then forbidden to hunt on adjacent public land. Simpson points out that some Westerners are also disturbed because when federal rulings are challenged in the federal courts the appeals end up in the federal circuit court of appeals in Washington rather than in a court in Cheyenne, Wyoming. Most of the complaints, however, have to do with restrictions on grazing and with delays in or restrictions on getting access to minerals.

Laxalt said to me recently, "Westerners should be more involved in the decision-making. That was essentially the situation we had before the 1976 law was passed. Implicit in the old system was the idea that the allocation of grazing lands would be left to Westerners. The 1976 law had the decisions taken over by the activist-type managers in the Interior Department. They made decisions about where there would be grazing, about predator control, about wild horses. Essentially, the same thing is true of mining: by virtue of tremendous withdrawals of land, primarily for wilderness, a great deal of valuable property was being denied for use. The hostility just grew and grew, into the Sagebrush Rebellion. It wasn't just administrative turmoil, it was political. If there was one thing that burned Jimmy Carter in the West, it was this."

In 1979, the Nevada state legislature passed a bill, supported largely by miners and stockmen, that called for the turning over of federally owned lands to the states, and in the following year similar legislation was adopted in Utah, Arizona, Wyoming, and New Mexico. Bills to this effect have also been introduced in Congress. Sponsors of such legislation argue that these lands belonged to the states in the first place. Others argue that people who say this have their history wrong—that these lands were originally owned by the federal government or were given to it as part of the arrangements for achieving statehood. The idea of turning the lands over to the states horrifies many people, of course; they argue that there is a national interest in the way these lands are utilized, and assume that the lands would be yielded to the strongest economic interests within a given state. Richard Lamm, the governor of Colorado, and a Democrat, has said, "The West went into the Union with its eyes open, knowing well these lands were reserved. In the enabling acts that made us states, we waived any rights to these lands. We didn't want the burden of administering them. But now, finding valuable minerals in the ground, everybody is starting to get interested." Bruce Babbitt, the governor of Arizona, and a Democrat, has said that the instigators of the Sagebrush Rebellion are "ranchers, mining companies, and timber folk—the same old special-interest crowd that has been grabbing for Western land [since] the days of Teddy Roosevelt." Mike O'Callaghan, a former Democratic governor of Nevada, has said, "The term 'Sagebrush Rebellion' sounds Western, horsy, outdoorsy, and something any red-blooded, Levi's-wearing Westerner can identify with in good conscience. It is really the opposite. . . . What started out as a series of legitimate complaints against the federal landholders has now resulted in an attempted land grab by mining companies, large ranchers, and land speculators and oil companies."

Some career people in the Bureau of Land Management recognize that some of the complaints are valid, and are struggling to make the agency more responsive. They say that the process of deciding whether an area should be set aside as wilderness should be speeded up, and that the backlog of applications for exploration or drilling for minerals should be dealt with more rapidly. But, they say, they need more people to handle these things. Watt, however, cut the agency's budget for management of the lands. He has frequently referred to the Bureau of Land Management as "arrogant." And he has proceeded in a way that undermines the morale of the very people he needs in order to deal with the complaints of the Westerners. (A theory is held by some in the agency—and they concede that it may result from paranoia—that Watt is setting them up for failure, so that he can accept the more radical proposals of the Sagebrush Rebels.) Watt has said that "the Sagebrush Rebellion helps create the attention on those basic problems which Congress needs to address," and that "it will be my objective to manage these lands as a good neighbor to eliminate that friction and let the Sagebrush Rebellion die because of friendly relations." When he was asked during his confirmation hearings what his inclination would be if he was asked to testify on legislation providing for the transfer of federally owned lands to the states or private entities, Watt replied, "My present inclination would be that that would be a premature piece of legislation that would be a divisive force in Congress, unlikely of being passed." He also said, "If I failed in my mission, pressures would be so great on you senators to do that, that you would have no other alternative."

Some of the anecdotes about the Bureau of Land Management's recalcitrance are not altogether true. Watt had one that he particularly liked to tell—about how long it supposedly took a school to be able to build an athletic field on federal land—and he continued to tell it after his office had been informed that the facts were otherwise. When a congressman asked bureau officials about it in a hearing and was told the facts, he suggested that Watt get another example, and the Interior Department headquarters sent a request to a meeting of state directors of the bureau in Phoenix to provide one. Many of the examples of the bureau's unwillingness to allow a fence or a road to be built are true, and this unwillingness and many of the bureau's restrictions on mining in potential or actual wilderness areas have existed because of what bureau officials and previous other Interior officials believed to be the requirements of the law. The majority of the people who work for the bureau in the West are Westerners, but most of them are trained as foresters, range managers, archeologists, wildlife biologists, and the like, and have not had training in dealing with people. The bureau has now instituted training in "conflict resolution." There are often a number of parties fighting over the use of a given piece of federal land: backpackers want it left alone; hunters want to shoot on it and don't want the forage taken by grazing animals; grazers don't want energy development that might interfere with the grazing; wildlife biologists don't want either hunting or grazing on it; timber companies want to cut trees, which could foreclose hunting, grazing, and wildlife preservation; geologists want to study and preserve rock formations; oil and mineral companies want to drill and dig on it and, like timber companies, build access roads through it. It is the role of the bureau to resolve these conflicts—a process that can take time. Shortly after Watt assumed office, he held a series of large meetings with department employees and told them, among other things, that any of them who were committed to a "single-purpose" use of land should seek work elsewhere. But it is the funciton of the wildlife biologists and the geologists on the staff to say that if drilling, for example, is permitted in a certain place, an endangered species or a geological formation might be destroyed—to be advocates in a process in which a decision is made further up the line. Now some of these people are fearful of doing their job. Shortly after Watt came in, he fired fifty-one staff members of the Solicitor's Office—the office that gives opinions on how the laws are to be interpreted and helps the department build the cases that are then brought by the Justice Department against violators. He explained his action by saying that the Carter Administration had exceeded hiring levels; Carter Administration officials say that the levels were exceeded in terms of numbers but not in terms of the budget, and that the firings were political. If the office was too large, some have suggested, it could have been reduced by attrition. The Solicitor's Office, of course, decided on the regulations that Watt challenged in court when he was with the Mountain States Legal Foundation, and that annoy so many ranchers and mining companies. After Watt took office as Secretary, he asked some Interior employees why they did something in a certain way, and was told

that they acted in accordance with an opinion issued by the Solicitor's Office in 1979. Watt replied that the solution to that was easy—they would just get a new opinion. He added that one thing he would insist on was that the solicitors not sit around deliberately misinterpreting the law.

Watt has said that he will seek to release more land for exploration and development. The department has already taken steps—by getting a new solicitor's opinion reinterpreting the law—to relax the environmental constraints on oil drilling and mineral exploration on some of the public lands. These constraints were the subject of a suit the Mountain States Legal Foundation brought against the Interior Department. Douglas Baldwin, Watt's spokesman and longtime friend, told me that "the new regulations will permit exploration even though there will be some degradation of the environment." The department also has under consideration a process by which Congress would be asked to release lands unsuitable for wilderness while potential wilderness areas were still being studied. But some members of Congress want to continue the practice of considering the two types of areas at the same time, so as not to find that they had foreclosed the possibility of saving wilderness lands in certain areas. The real question is what sort of "balance" Watt will want to strike. Though Congress acts on Interior's suggestions as to which areas should be set aside for wilderness and which should not, the shape of the proposals it receives from Interior can affect its decisions. And there have been reports that Watt will recommend no further setting aside of land for wilderness areas at all. Baldwin told me that that "would be consistent with his philosophy—that this country has enough recreation areas, and there is no need for more." Baldwin continued, "He has said many times that public lands suitable for such development should be developed for multipurposes. The Secretary has taken personal charge of regulatory revision. We'll say not only what regulatory actions are wrong but what solicitor's opinions are wrong."

Watt has expressed concern that the United States is not sufficiently aggressive in developing its strategic mineral resources, and has become dangerously dependent on foreign suppliers. He has told Congress, "I plan to end unnecessary and burdensome regulations now frustrating America's mineral-development programs." He has called for a minerals policy that "involves not simply the establishment of emergency government action in the face of a non-fuel-minerals crisis such as war, market disruption, or price manipulation but the adoption of policies that protect American jobs and investments, improve our balance of trade, revitalize the nation's economy, and provide for the security of foreign-mineral imports." He has told a congressional subcommittee that the Department of the Interior must be the "'Amicus' for the minerals industry in the court of federal policymaking—not as a representative of private mining interests per se but as a spokesman for the very real public interest involved in the protection and preservation of a strong minerals sector." Again, the goal of developing minerals is in itself unexceptionable, up to a point. But the question remains of whether it will be done without undue damage, with a fair return to the government, and with consideration of what would be involved in getting at the minerals. There is also the question of whether it makes sense to go all out to extract strategic minerals now—as the mineral companies would like—or is it more in the national interest to identify mineral deposits and leave them in the ground until it becomes clear that they are needed. Watt objected to going ahead with the Law of the Sea Treaty because he felt that it represented too great a concession to the Third World; moreover, the Administration was under strong pressures from large mining companies to renegotiate the treaty. The new Administration made its position known on the eve of what was expected to be the final session on the treaty at the United Nations, and fired the entire negotiating team. The negotiations had been going on, under bipartisan auspices, since 1973. Elliot Richardson, who played a variety of roles in former Republican Administrations, had been the chief United States negotiator. It is widely agreed that the mining companies need a treaty in order to go forward with deep-seabed mining, because of the enormous costs and the risks of competing claims. The question before the Administration, which now has the treaty under review, is whether the companies can get what they want and also get a treaty.

Watt has considerable discretionary authority in leasing certain lands for exploration and development of oil and gas. He has taken steps to speed up the process of granting leases for exploration of the outer continental shelf. And in early February he proposed making four areas off the Northern California coast available for oil drilling. The four were among five California areas that had been under consideration for some time, and last year Cecil Andrus, the Secretary of the Interior in the Carter Administration, proposed making just one of them available—an area to the south of the others. Exploration of the others would involve drilling in waters off such areas as Big Sur, Point Reyes, and Mendocino. The agencies under Andrus had recommended that these areas also be drilled, but estimated that most of the potential oil and gas were contained in the one area Andrus proposed. Andrus decided that the expected yield in the four other areas did not justify the environmental hazards—the danger of oil spills, the threat to sea life and birds. Watt's proposal was protested not only by environmental groups but also by Governor Jerry Brown and by a majority of California's congressional delegation—including such conservative Republicans as Senator S. I. Hayakawa and Representative Barry Goldwater, Jr. Recently, a decision on these new areas was deferred. Watt's aides say that Andrus's decision was made for political reasons.

Watt also has discretionary authority to dispose of certain federal lands, and in this area, as in other areas, he moved quickly. The Interior Department may sell off to state and local governments parcels of federally owned land that is near privately owned land, for parks, municipal facilities, or community expansion. In his second week on the job, Watt wrote to Western governors inviting them "to identify parcels of federally owned land needed to meet community needs—such as land for community expansion and for schools, hospitals, and parks." If these needs could not be met under existing authority, Watt wrote, "I am prepared to pursue vigorously legislative and regulatory changes, if necessary, to meet your needs." The offer is unprecedented, and does not indicate whether Watt intends Interior to take into account the possibility that some of the parcels of land may be of great value, and to follow existing law and regulations governing what the states might have to pay for the property. Speedy action on all requests could result in the transfer at low cost of some valuable public land. The responses that have come in to Interior thus far indicate that some governors and local communities have interpreted the invitation broadly. New Mexico has asked for land, at no charge, that communities plan to turn around and sell to developers; one community in California is proposing to acquire land free that it has said it might then sell off to a developer.

Watt has also begun proceedings that could result in the transfer of a very large amount of valuable land to the State of Utah—a transaction that could set a precedent for similar action in other states. The transaction arises in part from the fact that the federal government still owes some states some land on the basis of arrangements that were made when they acquired statehood. When Western states entered the union, the federal government gave them specific sections of land in each township, primarily for the purpose of building schools. If the designated lands were already committed for other uses—had been set aside for national forests or parks or Indian reservations, or had been given to the railroads—the states involved were entitled to select other lands instead. Some states, such as Nevada, simply sold off the lands they were given. Some claims for land in lieu of the lands originally designated are still pending, in part because it has taken the states a long time to decide which land they wanted, or whether they wanted any, and in part because such exchanges are studied for the value of the lands involved, and hearings are conducted for all parties that might be affected. Eight states still have a total of slightly over six hundred thousand acres due them—ranging from small amounts (Wyoming and South Dakota are owed just over a thousand acres each) to quite substantial ones. The largest claim is that of Utah: two hundred and twenty-seven thousand acres. And Utah has decided that it wants some other land as well. States may seek to exchange some of their land for federal land—for example, to consolidate each of the two kinds of holdings. But there is a very large question of what consideration is to be given to the value of the federal lands those states are seeking. A few years ago, Utah tried to claim over two hundred thousand acres of federal lands containing highly valuable oil-shale deposits as the lands due it in lieu of its original federal grants. The Interior Department rejected the claim, and Utah sued, arguing that the Secretary should have no discretion to determine which federal lands could be claimed. The issue reached the Supreme Court, which ruled last year (in Utah v. Andrus) that the settlement could not simply be on an acre-for-acre basis but must be on the basis of "roughly equivalent value." Now Governor Scott Matheson of Utah is engaged in discussions with Watt about ideas that Utah has for overcoming the Supreme Court decision and arranging not only for a transfer of the lands in lieu of the original grants but also for a trade of a substantial amount of federal lands for lands owned by the state. Matheson, a Democrat, supported Watt enthusiastically during his confirmation hearings. On February 18th, Matheson wrote to Watt enclosing a memorandum, written by the assistant attorney general of Utah, that he described as "concerning the statewide land-exchange

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program which we discussed in your office on February 10." Matheson said in his letter that he was in general agreement with the memorandum, and concluded, "I think we both view this subject as an historic opportunity for the public-lands states, as well as the United States, to solve many of their land-management problems and to create vastly improved relationships that should endure for decades to come." The memorandum proposes that Utah identify as lands to be acquired from the public domain "lands and minerals having a sufficient value so that we could actually do something with them and derive some substantial income from them." It goes on to say that "value is not a vital federal interest" and "there should be no reason why federal lands of high value would not be suitable for state acquisition simply because of such high value." It suggests that the state offer in return school lands "that we own but do not want or cannot use" and a number of what it considers unliquidated claims. Among these claims are lands that Utah argues it would have received if the 1976 Federal Land Policy and Management Act had not been passed. It argues that at the time Utah became a state and up until the passage of the 1976 law the federal policy was to dispose of unreserved public lands, and that Utah was therefore economically damaged by the new law. The memorandum asserts that because of these claims "we are justly entitled to values substantially in excess of the current net value that we will offer in exchange for the selection rights that we will agree to release." The memorandum goes on to suggest that there be "no effort to make exhaustive and detailed appraisals" of the land to be exchanged, because such appraisals would be time-consuming and also "partially irrelevant in that we will ask Congress to agree to the proposed over-all statewide plan or proposals." In other words, Congress is to be asked to approve, post facto, an elaborate plan that will have been worked out between Utah and the Interior Department, and not bother with the details. The states' memorandum suggests developing a number of proposals, each with a different ratio of benefits for Utah as opposed to those for the federal government, starting with five-to-one; it warns against making a proposal "where the values were equal or roughly equal, because it might be too tempting for Congress to opt for the latter alternative." The memorandum suggests that a legal brief be written, to be used "as a lobbying tool to justify the value discrepancy we would seek." It says that this brief "will be a subjective document prepared by one advocating a particular cause, drafted to persuade and convince members of Congress." The memorandum suggests that the state "proceed independent and apart from federal regulations and procedures," reasoning that since Congress would have approved the state's proposals, "there would be no violation of any law or regulation."

The career staff, worried about the implications of this proposal, warned Watt's office, and drafted a response for him saying that the department would have to give the proposal further study. Before the letter was signed by Watt, a second one arrived from Utah.

On March 19th, Matheson wrote to Watt referring to "our telephone discussion last week." He went on to say, "I am very pleased that you have agreed to proceed with my proposal to 'block up' state-owned lands in Utah"—that is, to consolidate them—"through a comprehensive exchange with the Department of the Interior." He proposed a speedy schedule for action, and said, "I assure you that we are committed to making this a successful endeavor and a model for other public-lands states." He also said, "It is important to remember during the process that the question of value is secondary. Our responsibility is to provide the Congress with a rationale for the final package, not an accounting of dollars or acres. If we proceed as though this is a 'business-as-usual' exchange on a massive scale, the project is doomed."

On February 25th, Watt met with the governors of eleven Western states and held a press conference afterward. Governor Robert List of Nevada told the press conference, "In all candor, I can't recall a single instance in which the governors raised issues . . . that the Secretary did not agree."

Watt stirred up a major storm by halting the expenditure of funds for the acquisition of land for national parks—including parks whose purchase Congress had authorized. The Carter Administration had recommended that three hundred and thirty-five million dollars be spent on acquiring parks this year. Watt reduced the sum to forty-five million dollars, to be used in special cases. His action not only would halt the acquisition of new parks but would leave some existing ones, such as the Cape Cod National Seashore and the Redwood National Park, incomplete. (It was when Reagan was running for governor of California that he made the remark "A hundred thousand acres of redwood trees are an awful lot of trees to look at. If you've seen one, you've seen them all.") Watt's position is that the government "must learn to manage what it owns before it seeks to acquire more land." However, his decision to acquire no more parks may be a permanent policy: Baldwin told me that Watt believes that "we have already protected most of the truly unique lands." Watt has also proposed to halt funding for the acquisition of parks in urban areas. His position is that these are "playgrounds," unsuitable for consideration as national parks.

This is another area in which some dispassionate people feel that Watt has something of a point but also that he is carrying things much too far and has come up with a simplistic and short-sighted solution. These people, who include conservation-minded Democrats, maintain that Congress had got in the habit in recent years of authorizing the purchase of parks that could not be described as "national jewels"—that a bit of pork-barrelling was going on. Traditionally, the Interior Department was supposed to recommend twelve national parks to Congress each year, and Congress added to the list. If some state or local areas desire more parks, these people say, they should pay for them. Some of them say that there are less expensive ways of allocating areas for recreation—that is, by designating them wilderness areas. However, Watt may not want any more wilderness areas, either. Baldwin says that Watt's general view is that we have enough of each type of ecological system already set aside. (Watt also plans to close down the Youth Conservation Corps, which has offered maintenance jobs in national parks and wilderness areas to poor young people.) The people who agree that Congress has gone too fast say, however, that it is one thing to slow down the acquistion of park land, another to stop it altogether. And if land is to be acquired in the future—assuming it is still available—it will cost all the more. Others argue that the population is growing, that we are running out of land suitable for parks, and that state and local governments are not likely to buy the land. They point out that Watt complains that some parks are overcrowded and yet refuses to add to the inventory. They say there is a national interest in having more parks available. They cite Theodore Roosevelt, who was the first President to champion the establishment of national parks, and point out that the parks have been called "the lungs of the land." Former Senator Gaylord Nelson, now the chairman of the Wilderness Society, says, "If you stop the acquisition of park lands now, where will you be in fifty years, when the population of the country has doubled?" They point out that the acquisition of parks was maintained through the Nixon and Ford Administrations, and that Watt's action reverses a long-standing tradition. And some are inclined to suspect that his action stems from concerns other than good management. Some environmentalists say they suspect that Watt's intention is to diminish the size of national parks that contain timber or oil resources. Baldwin says that even though there are a lot of mineral resources in some national parks, Watt "would never allow them to be opened for exploration or development." Baldwin also says, "There's probably a treasure trove in Yellowstone Park, but Watt would never allow it to be gone after—and Congress wouldn't allow it." There may, of course, be valuable land adjacent to existing national parks—land that under the new policy would not be acquired for park expansion. Watt has said that he might consider the transfer of some national parks to state and local governments—which may or may not have the funds, or may decide they don't want to use their funds, to maintain the parks.

A stir has also occurred over some remarks that Watt made in early March to the Conference of National Park Concessioners. Watt told the private concessionaires, "We are going to ask you to be involved in areas that you haven't been allowed to be involved in before." Even those who say that Watt may have a point concerning the purchase of more land for national parks are appalled at the idea of turning over more management of the existing national parks to private concessionaires, whose motivation is not the same as that of the National Park Service. Fans of the Park Service, who believe that it may represent the government at its best, argue that it is crucial to preserve the tradition of the trained Park Service ranger, in his Smokey the Bear hat, greeting people as they arrive at the parks and giving them information. They are aghast at the idea—which is being considered by Interior—of having this role taken over by representatives of private companies who are running concessions within the parks. They envision the national parks being turned into commercial operations. For example, the Music Corporation of America, which runs concessions in Yosemite National Park, has proposed that it take over the functions of greeting visitors and orienting them to the park. A few years ago, a great furor was caused when MCA, which was filming the television series "Sierra" in Yosemite, painted some of the rocks; during the Nixon administration, MCA wanted to put an aerial tramway into Yosemite, but the suggestion was turned down by the Interior Department.

Watt told the concessionaires, "I will err on the side of public use versus preserva-

tion," and he also said, "We will use the budget system to be the excuse to make major policy decisions."

Watt has already taken a number of actions involving the treatment of wild animals and rare species, and has thus managed to get a great many people upset. There are more actions in the works that could cause even more of a furor. One issue has to do with wild horses and burros that graze on federal land and can ruin it both for cattle grazing and for the wildlife that hunters want to go after. Watt has suggested that the way to deal with the wild horses and burros is to allow them to be killed. Currently, there are laws on the books controlling the killing of wild horses and burros. Those that may not be killed (old ones, sick ones, and lame ones may be) are put up for adoption. But it is costly to round them up—over five hundred dollars a head. Watt is considering a proposal to charge a sizable adoption fee; the result would be that fewer would be adopted and more could be killed off on the range. Shortly after he came on the job, Watt suggested to a group of Interior employees that perhaps wild horses and burros should be "harvested," just as elk are. (If elk or deer are overrunning an area, hunters are allowed to kill more than the usual number.) The Mountain States Legal Foundation sued the Interior Department during the Carter Administration, arguing that it was unlawfully permitting wild horses to graze on private lands. Changes are also in the works concerning predator control. Watt is considering a proposal to permit the "denning" of coyotes: going into the dens and clubbing the pups to death—a practice that Cecil Andrus has stopped.

The Interior Department has shifted its emphasis away from the listing of more endangered species; once a species is listed, government agencies must do what they can to protect it, which can hold up construction projects. The department says that the new emphasis is to be on "recovery plans" for those already listed. The new Administration dismissed the environmentally oriented members of a delegation preparing to attend an international convention on endangered species in late February in New Delhi, and replaced them with people more interested in hunting and in the commercial uses of animals. The United States ended up changing its previous positions on the protection of certain species of whales and all parrots—opposing most of the other nations represented. The Interior Department is also moving to take certain African leopards off the endangered list, thus permitting them to be hunted for sport. And it is moving to lift a ban, in effect since 1974, on the importation of kangaroo hides. The United States used to be a major importer of kangaroo hides, which are used for jogging shoes.

The initial actions that Watt has taken to enforce the law resolving the disposition of public lands in Alaska—enacted last year, after five years of attempts to strike a compromise between development and preservation—suggest to some that the balance may be changed in the direction of development. Watt is also being watched to see how far he will go in relaxing regulations to enforce the strip-mining legislation—something he has said he intends to do. The strip-mining legislation was passed in 1977, after ten years of effort to strike a compromise between environmentalists and mining companies. Even some environmentalists think that a certain amount of easing is in order, but a number of people are concerned that the department will go too far. Watt has already reduced funding for the agency that oversees the enforcement of the strip-mining law. A few weeks ago, he told a congressional committee that some people in the agency "feel they have been gutted," and he added, "We have trimmed fat out of the operation, and if that's gutting, I'm proud of it."

In March, Andy Pasztor, of the Wall Street Journal, reported that the man whom Watt had chosen as head of the department's Office of Surface Mining—James R. Harris, a former Indiana state senator—had received reclaimed strip-mined lands at bargain prices from two of the nation's largest coal producers. While Harris was in the State Senate, he had backed a resolution that led Indiana to join a Supreme Court case challenging the constitutionality of the strip-mining law. Watt, as head of the Mountain States Legal Foundation, had filed a friend-of-the-court brief in support of Indiana's position.

In fact, the appointments that have been made throughout the agencies in Watt's domain, in and beyond the Interior Department, represent a fairly consistent point of view—and set of interests. Two of Watt's allies from his Colorado days hold key jobs. Robert Burford, a rancher and former Speaker of the State House of Representatives, and a leader of an effort to get Sagebrush Rebellion legislation through the state legislature, has been named to head the Bureau of Land Management. According to Laxalt, Burford was the man whom Coors had been backing for Secretary before Watt's name came up. Burford has held a permit to graze livestock on bureau lands; Watt has said that the permit will be transferred to Burford's son to avoid a conflict of interest. Anne Gorsuch, a former Colorado legislator and attorney for the Mountain Bell Telephone Company, and an old friend of Watt's and Burford's, who was also supported by Coors, has been named to head the Environmental Protection Agency. The E.P.A. has jurisdiction over the air- and water-quality acts, as well as other environmental responsibilities. Watt has said that the National Environmental Policy Act "must be changed." The entire professional staff of the Council on Environmental Quality, whose function is to see that federal agencies carry out the requirements of the National Environmental Policy Act, has been fired, and the council's budget has been reduced. The council was established in 1970, during the Nixon Administration, to help carry out the National Environmental Policy Act, and Republicans were among those fired.

The new solicitor of the Interior Department is to be William Coldiron, the former general counsel of the Montana Power Company. Daniel Miller, a former geologist for several oil and gas companies, has been named Assistant Secretary of the Interior for Energy and Minerals. The under-secretary of the department is Donald Hodel, an energy consultant who served as deputy administrator of the Bonneville Power Administration. The Forest Service, which is in the Agriculture Department and is the largest public-land manager outside the Interior Department, is to be headed by John Crowell, a timber lobbyist who was previously general counsel for the Louisiana-Pacific Corporation, which is an offshoot of the Georgia-Pacific Corporation and is one of the country's largest cutters of timber in national forests. The role of the Forest Service is to administer the national forests so that some of the land is used for wilderness and recreation and some for timber cutting, and to insure that the timber cutting is done in a way that preserves the land for future use. Louisiana-Pacific has been at odds with the Forest Service and the Environmental Protection Agency over a number of policies, and some of the disputes have resulted in decisions against the company. Crowell has advocated an increase in the cutting of timber in national forests by lumber companies, and has been a critic of the Forest Service. He has denounced the idea of setting aside some of the forest land for wilderness areas as a concept that "originated with a surprisingly small band of devotees who over the years preached their cause with articulate persuasiveness and with unremitting fervor and zeal."

Even some Republicans—and they include lawyers representing corporate clients—who seek changes in the way laws in these areas have been administered are concerned about some of these appointments. They are concerned that things will be carried so far as to cause a reaction that would make what they see as legitimate change impossible. Certain federal officials—such as members of the Joint Chiefs of Staff or the head of a consumer-protection agency—are meant to perform advocacy rules; but most federal positions require administrators who will weigh and balance interests. The pattern that has appeared in the sphere of resources and the evironment is that positions that require judiciousness and a sensitive balancing of interests have been filled with dedicated advocates—advocates at one end of the spectrum, and advocates whose former clients stand to gain a great deal from their decisions.

A number of conservative Republicans who could have been named Secretary of the Interior would not have drawn the electricity that Reagan's choice has. Some true conservatives suggest that what Watt may be setting out to do is not truly conservative—that a true conservative would be more concerned with preserving our heritage. There is more of a consensus, even within his own department, for changes in direction and emphasis than Watt may think. But if he goes at his job with hostility toward real and imagined opponents, operates in isolation, is driven by ideological fervor, and is hellbent on taking action for the sheer sake of taking action, he is headed for trouble. Some people in Interior and outside, including environmentalists, haven't given up on Watt yet. Some even hold out the hope that he will be able to make sensible changes in policy and calm the West down without giving away the national store, and will thereby do some real good. But he may lack the temperament or the flexibility to do this—and, in any case, intentionally or not, he is the instrument of forces that are bigger than he is. In this area, as in others, there is a danger to the Reagan Administration and its allies in overinterpreting its mandate. The large interests that are propelling Watt's policies may find, as Watt may, that they can lose a great deal if they push too far. The changes over the last decade or so in national policies having to do with the management of resources and the environment would not have occurred if there had not been a substantial constituency behind them; they were not just the product of a few zealous lobbyists in Washington; they did not arise out of transient values. The America that some of the large interests seem to long for has ceased to exist. The days of everyone

for himself, with little thought for the future, are over. But while the issues are being fought out, a great deal of irreparable damage can be done.—Elizabeth Drew.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CHAPPELL (at the request of Mr. BENNETT), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BEREUTER) to revise and extend their remarks and include extraneous material:)

Mr. DOUGHERTY, for 60 minutes, on June 16.

Mr. GREEN, for 5 minutes, today.

Mr. DERWINSKI, for 5 minutes, today.

Mr. COLEMAN, for 10 minutes, today.

(The following Members (at the request of Mr. HATCHER) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. DICKS, for 5 minutes, today.

Mr. WEISS, for 5 minutes, today.

Mr. LAFALCE, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. OTTINGER, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $3,360.

(The following Members (at the request of Mr. BEREUTER) and to include extraneous matter:)

Mr. DAN DANIEL.

Mr. COUGHLIN.

Mr. YOUNG of Alaska.

Mrs. SCHNEIDER.

Mr. DANIEL B. CRANE.

Mr. DENARDIS.

Mr. MCCLORY.

Mr. RUDD in three instances.

Mr. COLLINS of Texas.

Mr. DERWINSKI.

Mr. BROYHILL.

Mr. LEBOUTILLIER.

Mr. SOLOMON.

Mr. CONABLE.

Mr. KEMP.

Mr. LAGOMARSINO.

(The following Members (at the request of Mr. HATCHER) and to include extraneous matter:)

Mr. TAUZIN.

Mr. BENJAMIN.

Mr. SOLARZ.

Mr. MCDONALD.

Mr. FRANK.

Mr. GEPHARDT.

Mr. DIXON.

Mr. FORD of Tennessee in three instances.

Mr. HAMILTON in two instances.

Mr. SHARP.

Mr. WEISS in two instances.

Mr. RAHALL.

Mr. MOFFETT.

Mr. LONG of Maryland.

Mr. ROSE.

Mr. RODINO.

Mr. D'AMOURS.

Mr. LANTOS.

Mrs. SCHROEDER.

Mr. LAFALCE in two instances.

Mr. BEILENSON.

Mr. BIAGGI in three instances.

Mr. FARY.

Mr. LUKEN.

ADJOURNMENT

Mr. DASCHLE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 50 minutes p.m.), the House adjourned until tomorrow, Wednesday, June 10, 1981, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1551. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the Air National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

1552. A letter from the Deputy Assistant Secretary of Defense (Military Personnel Policy), transmitting a revised annual report for calendar year 1980 on special pay for duty subject to hostile fire, pursuant to 37 U.S.C. 310(d); to the Committee on Armed Services.

1553. A letter from the Secretary of Commerce, transmitting notice of the President's recognition of the Louisiana World Exposition, and the registration of the exposition by the Bureau of International Expositions in Paris, pursuant to section 2(c) of Public Law 91-269; to the Committee on Foreign Affairs.

1554. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Germany (Transmittal No. 81-50), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1555. A letter from the Secretary of Education, transmitting the annual report on the Department's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1556. A letter from the Acting Deputy Assistant Secretary for Administration, Department of Housing and Urban Development, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1557. A letter from the Acting Deputy Assistant Secretary for Administration, Department of Housing and Urban Development, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1558. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

1559. A letter from the Acting Comptroller General of the United States, transmitting a report on salary levels, pay adjustments, and pay interrelationships of top Federal officials; to the Committee on Post Office and Civil Service.

1560. A letter from the Deputy Assistant Secretary of the Army (Civil Works), transmitting the sixth annual report recommending deauthorization of various water resources projects, pursuant to section 12 of the Water Resources Development Act of 1974, as amended (H. Doc. No. 97-59); to the Committee on Public Works and Transportation and ordered to be printed.

1561. A letter from the Fiscal Assistant Secretary of the Treasury, transmitting the annual report on the state of the finances of the U.S. Government for fiscal year 1980, pursuant to section 257 (First) of the Revised Statutes; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DINGELL: Committee on Energy and Commerce. H.R. 2330. A bill to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes; with amendment (Rept. No. 97-22, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FISH: Committee on the Judiciary. H.R. 1681. A bill for the relief of Andre Bartholo Eubanks; with amendment (Rept. No. 97-129). Referred to the Committee of the Whole House.

Mr. FRANK: Committee on the Judiciary. H.R. 1785. A bill for the relief of Gladys Belleville Schultz (Rept. No. 97-130). Referred to the Committee of the Whole House.

Mr. MAZZOLI: Committee on the Judiciary. H.R. 2010. A bill for the relief of Kai-

Mee-Chen (Rept. No. 97-131). Referred to the Committee of the Whole House.

Mr. LUNGREN: Committee on the Judiciary. H.R. 2573. A bill for the relief of Moses Bank; with amendment (Rept. No. 97-132). Referred to the Committee of the Whole House.

Mr. SAM B. HALL, JR.: Committee on the Judiciary. H.R. 2975. A bill for the relief of Yuk Lee Li; with amendment (Rept. No. 97-133). Referred to the Committee of the Whole House.

SUBSEQUENT ACTION ON BILLS INITIALLY REFERRED UNDER TIME LIMITATIONS

Under clause 5 of rule X, the following actions were taken by the Speaker:

The Committee on the District of Columbia consideration of the bill (H.R. 3518) extended for an additional period not later than June 12, 1981.

The Committee on Government Operations and the Committee on the Judiciary consideration of the bill (H.R. 3519) extended for an additional period ending not later than June 12, 1981.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CONABLE (for himself and Mr. HANCE) (by request):

H.R. 3849. A bill to amend the Internal Revenue Code of 1954 to encourage economic growth through reduction of the tax rates for individual taxpayers and acceleration of capital cost recovery of investment in plant, equipment, and real property; to the Committee on Ways and Means.

By Mr. ROSTENKOWSKI (for himself and Mr. CONABLE):

H.R. 3850. A bill to make expenditure reductions in accordance with the budget reconciliation process; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. PHILLIP BURTON:

H.R. 3851. A bill to provide benefits under part B of the medicare program with respect to acupuncture treatment in States which license or certify individuals who furnish such treatment; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. DERWINSKI:

H.R. 3852. A bill to amend title 39, United States Code, to abolish the Postal Rate Commission, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DUNCAN:

H.R. 3853. A bill to amend the Internal Revenue Code of 1954 to provide that interest on certain mortgages sold by savings and loan institutions will be exempt from Federal income tax; to the Committee on Ways and Means.

By Mr. EDWARDS of Alabama:

H.R. 3854. A bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of incentive stock options; to the Committee on Ways and Means.

By Mr. FOLEY:

H.R. 3855. A bill to amend the Saccharin Study and Labeling Act to extend to June 30, 1983, the ban on actions by the Secretary of Health and Human Services respecting saccharin; to the Committee on Energy and Commerce.

By Mr. GARCIA (for himself, Mr. CORRADA, Mr. ST GERMAIN, Mr. BROWN of California, Mr. COELHO, Mrs. SCHROEDER, Mr. VENTO, Mr. CLAY, Mr. DWYER, Mr. WEISS, Mr. BINGHAM, Mr. BENJAMIN, Mr. MILLER of California, Mr. NOWAK, Mr. FORD of Michigan, Ms. MIKULSKI, Mr. BIAGGI, Mr. STARK, Mr. PATTERSON, Mr. ADDABBO, Mr. WEAVER, Mr. DOWNEY, Mr. STOKES, Mr. DELLUMS, Mr. GOODLING, Mr. KILDEE, Mrs. CHISHOLM, Mr. FORD of Tennessee, and Mr. CONYERS):

H.R. 3856. A bill to require each Federal grant applicant proposing to construct a new building to consider using a vacant school, in lieu of constructing such building, in order to carry out the purposes of the grant; to the Committee on Government Operations.

By Mr. GIBBONS:

H.R. 3857. A bill to provide that the tax treatment by certain lessors of automobiles and trucks as depreciable property shall not be disturbed without legislative action; to the Committee on Ways and Means.

By Mr. LAFALCE:

H.R. 3858. A bill to amend the Federal Water Pollution Control Act relating to the construction and operation of certain treatment works which are subject to regulation under international treaties; to the Committee on Public Works and Transportation.

H.R. 3859. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for sewer taxes, rents, and other similar sewer charges; to the Committee on Ways and Means.

By Mr. LEBOUTILLIER:

H.R. 3860. A bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition; to the Committee on Ways and Means.

By Mr. McDONALD:

H.R. 3861. A bill to terminate all participation by the United States in the United Nations, and to remove all privileges, exemptions, and immunities of the United Nations; to the Committee on Foreign Affairs.

By Mr. McKINNEY (for himself, and Mr. BLILEY):

H.R. 3862. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to allow the Mayor and the Council of the District of Columbia to specify the purposes for which funds may be expended, and the amount of funds which may be expended, for each of the various programs of the Board of Education of the District of Columbia; to the Committee on the District of Columbia.

By Mr. MARLENEE:

H.R. 3863. A bill to amend the Poultry Products Inspection Act to increase the number of turkeys which may be slaughtered and processed without inspection under such act, and for other purposes; to the Committee on Agriculture.

By Mr. OTTINGER:

H.R. 3864. A bill to amend the Internal Revenue Code of 1954 to increase the amount of interest income exempt from tax, to allow taxpayers to receive a refundable credit in lieu of the partial exclusion of interest income, and to provide for a special partial exclusion of interest income in the case of elderly taxpayers; to the Committee on Ways and Means.

By Mr. PICKLE:

H.R. 3865. A bill to establish a Social Security Court under article I of the Constitution to serve as the initial reviewing court with respect to all decisions rendered under the old-age, survivors, and disability insurance program and final determination made under the supplemental security income program, and to make other improvements in the appeals process under those programs; jointly, to the Committees on Ways and Means, and the Judiciary.

By Mr. SKELTON:

H.R. 3866. A bill to change the title of the new permanent flag grade for the Navy from commodore admiral to commodore; to the Committee on Armed Services.

By Mr. YOUNG of Alaska:

H.R. 3867. A bill to control processing by certain foreign vessels operating in the internal waters of Alaska during 1981; to the Committee on Merchant Marine and Fisheries.

By Mr. GREEN:

H.J. Res. 280. Joint resolution to provide for the designation of the 40th anniversary of the renewal of Ukrainian independence, June 30, 1981, as "Ukrainian Independence Day"; to the Committee on Post Office and Civil Service.

By Mr. WEBER of Minnesota:

H.J. Res. 281. Joint resolution to designate August 1, 1981, as "Accessibility for Disabled Persons Day"; to the Committee on Post Office and Civil Service.

By Mr. DONNELLY:

H. Con. Res. 143. Concurrent resolution to offer strong support for diplomatic efforts to resolve the current crisis in Lebanon, and to protect the right of Lebanese Christian and other communities to live in freedom and security; to the Committee on Foreign Affairs.

H. Con. Res. 144. Concurrent resolution authorizing and requesting the President to establish May 29 as a day of remembrance of John F. Kennedy; to the Committee on Post Office and Civil Service.

By Mr. MARLENEE:

H. Con. Res. 145. Concurrent resolution expressing the sense of the Congress that Amtrak should continue service on certain rail lines; to the Committee on Energy and Commerce.

By Mr. ROE:

H. Con. Res. 146. Concurrent resolution concerning the rights of the people of Ireland; to the Committee on Foreign Affairs.

By Mr. RINALDO:

H. Res. 152. Resolution to urge the President to continue to express the opposition of the United States to the imprisonment of Anatoly Shcharansky by the Soviet Union; to the Committee on Foreign Affairs.

By Mr. WEISS:

H. Res. 153. Resolution expressing the sense of the House of Representatives that negotiations pursuant to the 1979 NATO decision concerning the deployment of nuclear weapons in Europe should be vigorously pursued by the United States and that the United States should commit itself to a clearly defined timetable for completing such negotiations, and for other purposes; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

117. By Mr. KAZEN: A memorial of the Legislature of the State of Texas, relative to the basing mode for deployment of the MX missile system; to the Committee on Armed Services.

118. By the SPEAKER: A memorial of the Legislature of the State of New Hamsphire, relative to reimbursement for federally mandated State expenditures for special education; to the Committee on Education and Labor.

119. Also, a memorial of the Legislature of the State of Texas, relative to restrictions on the use of natural gas; to the Committee on Energy and Commerce.

120. Also, a memorial of the Legislature of the State of Colorado, relative to oil shale recovery activities on Federal lands; to the Committee on Interior and Insular Affairs.

121. Also, a memorial of the Legislature of the Territory of Guam, relative to public hearings in Guam on proposed legislation to waive visa requirements for certain alien visitors to Guam; to the Committee on the Judiciary.

122. Also, a memorial of the Senate of the State of Colorado, relative to regulation of wetlands by the Army Corps of Engineers; to the Committee on Public Works and Transportation.

123. Also, a memorial of the Legislature of the Territory of Guam, relative to extending the supplemental security income program for the aged, blind, and disabled to Guam; to the Committee on Ways and Means.

124. Also, a memorial of the House of the Representatives of the State of Missouri, relative to block grants; jointly, to the Committees on Education and Labor, Energy and Commerce, and Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. DERWINSKI introduced a bill (H.R. 3868), for the relief of Richard B. Port, which was referred to the Committee on Armed Services.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 501: Mrs. BOGGS, Mr. ECKART, Mr. MARKEY, Mr. PATTERSON, Mr. FOUNTAIN, Mr. BOWEN, Mr. RALPH M. HALL, Mr. MATSUI, Mr. EVANS of Indiana, Mr. LEACH of Iowa, Mr. CHAPPELL, Mr. COELHO, Mr. COLLINS of Texas, Mr. BEDELL, Mr. DASCHLE, Mr. HARKIN, Mr. HORTON, Mr. MICA, Mr. MONTGOMERY, Mr. BADHAM, Mr. ANDREWS, Mr. DELLUMS, Mr. MINISH, Mr. HOWARD, Mr. ST GERMAIN, Mr. HUTTO, Mr. RICHMOND, Mrs. BYRON, Mr. YOUNG of Alaska, and Mr. WYLIE.

H.R. 654: Mr. GUARINI.

H.R. 741: Mr. BROWN of Ohio, Mr. QUILLEN, Mr. DWYER, Mr. DASCHLE, Mr. WEBER of Minnesota, Mr. FROST, and Mr. HILER.

H.R. 894: Mr. O'BRIEN, Mr. PRITCHARD, Mr. BROWN of Colorado, Mr. CHAPPIE, Mr. STUMP, and Mr. FITHIAN.

H.R. 911: Mr. BOWEN.

H.R. 1005: Mr. HOPKINS.

H.R. 1297: Mr. WILSON.

H.R. 1298: Mr. WILSON.

H.R. 1300: Mr. GORE.

H.R. 1313: Mr. GARCIA, Mr. BLANCHARD, and Mr. CLAY.

H.R. 1353: Mr. DYMALLY, Mr. NAPIER, and Mr. MITCHELL of New York.

H.R. 1400: Mr. EVANS of Georgia.

H.R. 1447: Mr. EMERSON.

H.R. 1490: Mr. WYDEN, Mr. BEREUTER, and Mr. BEDELL.

H.R. 1539: Mr. MCCOLLUM, Mr. DAUB, Mr. HANCE, Mr. GUNDERSON, Mr. BAILEY of Pennsylvania, and Mr. FAZIO.

H.R. 1603: Mr. HENDON, Mr. ROBERTS of Kansas, Mr. WHITTAKER, Mr. PURSELL, Mr. HARTNETT, Mr. EDWARDS of Oklahoma, and Mr. CAMPBELL.

H.R. 1765: Mr. ALEXANDER and Mr. HAMMERSCHMIDT.

H.R. 1918: Mr. ROBERTS of South Dakota.

H.R. 1937: Mr. SAM B. HALL, JR., Mr. EVANS of Georgia, Mr. SYNAR, Mr. ROSE, Mr. MCCLORY, Mr. LAFALCE, Mr. FLORIO, Mr. FISH, Mr. HILER, Mr. WOLPE, Mr. DWYER, Mr. HUGHES, Mr. NOWAK, Mr. MADIGAN, Mr. SANTINI, Mr. ADDABBO, Mr. JENKINS, Mr. LUKEN, Mr. HILLIS, Mr. GLICKMAN, Mr. SCHEUER, Mr. JOHNSTON, Mr. GRAMM, Mr. GUARINI, Mrs. ROUKEMA, Mr. PEYSER, and Mr. MOLLOHAN.

H.R. 2146: Mr. HOLLENBECK, Mr. RINALDO, Mr. SMITH of Alabama.

H.R. 2389: Mr. SMITH of Alabama, Mr. DREIER, and Mr. AUCOIN.

H.R. 2631: Mr. FINDLEY.

H.R. 2640: Mr. WATKINS.

H.R. 2646: Mr. ANNUNZIO, Mr. BEDELL, Mrs. BOUQUARD, Mr. BARNARD, and Mr. RAILSBACK.

H.R. 2793: Mr. AKAKA, Mr. ALBOSTA, Mr. ASPIN, Mr. AUCOIN, Mr. BARNES, Mr. BEDELL, Mr. BEILENSON, Mr. BONIOR of Michigan, Mrs. BOUQUARD, Mr. BRODHEAD, Mr. BROWN of California, Mr. CLAY, Mr. CLINGER, Mrs. COLLINS of Illinois, Mr. DASCHLE, Mr. DIXON, Mr. DORGAN of North Dakota, Mr. DOWNEY, Mr. DYMALLY, Mr. EDWARDS of California, Mr. ERDAHL, Mr. ERTEL, Mr. FASCELL, Mr. FARY, Mr. FAZIO, Mr. FINDLEY, Mr. FOGLIETTA, Mr. FORSYTHE, Mr. FRANK, Mr. FRENZEL, Mr. GORE, Mr. GREEN, Mr. HEFTEL, Mr. HOLLENBECK, Mr. HOWARD, Mr. HUGHES, Mr. JACOBS, Mr. JEFFORDS, Mr. KASTENMEIER, Mr. KILDEE, Mr. LAFALCE, Mr. LEHMAN, Mr. LUNDINE, Mr. MCCLOSKEY, Mr. MCHUGH, Mr. MAZZOLI, Mr. MITCHELL of Maryland, Mr. MITCHELL of New York, Mr. MOLINARI, Mr. NOWAK, Ms. OAKAR, Mr. OBERSTAR, Mr. OTTINGER, Mr. PANETTA, Mr. PEPPER, Mr. PEYSER, Mr. RAHALL, Mr. RANGEL, Mr. RICHMOND, Mr. ROSENTHAL, Mr. ROYBAL, Mr. SABO, Mrs. SCHROEDER, Mr. SEIBERLING, Mr. SIMON, Mr. STARK, Mr. STUDDS, Mr. WEAVER, Mr. WIRTH, Mr. WOLPE, and Mr. YATRON.

H.R. 2835: Mr. CROCKETT and Mr. WAXMAN.

H.R. 2982: Mr. EMERSON.

H.R. 3075: Mr. LANTOS.

H.R. 3136: Mr. ROBERTS of South Dakota and Mr. MCKINNEY.

H.R. 3181: Mr. ANTHONY, Mr. DASCHLE, Mr. MOFFETT, and Mr. SUNIA.

H.R. 3269: Mr. KOGOVSEK, Mr. FAZIO, Mr. LOEFFLER, and Mr. SAM B. HALL, JR.

H.R. 3436: Ms. FERRARO.

H.R. 3456: Mr. BAILEY of Pennsylvania, Mr. FORD of Tennessee, Mr. MATSUI, Mrs. BOUQUARD, Mr. BOWEN, Mr. BROYHILL, Mr. CAMPBELL, Mr. DICKS, Ms. FIEDLER, Mr. FOUNTAIN, Mr. HAMILTON, Mr. JOHNSTON, Mr. QUILLEN, Mr. ROBERTS of Kansas, Mr. WHITEHURST, Mr. WINN, and Mr. WORTLEY.

H.R. 3764; Mr. FIELDS.

H.R. 3769: Mr. BROWN of California, Mr. LAGOMARSINO, Mr. DE LA GARZA, Mr. FORSYTHE, and Mr. MURPHY.

H.J. Res. 72: Mr. GINGRICH, Mr. CLINGER, Ms. OAKAR, Mr. GINN, Mr. WEBER of Ohio, Mr. SANTINI, Mr. RAHALL, Mr. AUCOIN, Mr. BIAGGI, Mr. CORRADA, Mr. DOUGHERTY, Mr. FISH, Mrs. HOLT, Mr. BARNES, and Mr. THOMAS.

H.J. Res. 197: Mr. HORTON.

H.J. Res. 211: Mr. DAN DANIEL, Mr. ROUSSELOT, Mrs. HOLT, Mr. RUDD, and Mr. MARLENEE.

H.J. Res. 259: Mr. VANDER JAGT, Mr. MITCHELL of Maryland, Mr. DORNAN of California, Mr. OTTINGER, Mr. WYLIE, Mr. CORCORAN, Mr. WEBER of Minnesota, Mr. DASCHLE, Mr. WOLF, Mr. HARKIN, Mr. BARNARD, Mr. SEIBERLING, Mr. PEPPER, Mr. LAFALCE, Mr. MCGRATH, Mr. DAUB, Mr. BENEDICT, Mr. MATSUI, Mr. GUNDERSON, Mr. CLAY, Mr. MCHUGH, Mr. RINALDO, Mr. SOLARZ, Mr. SCHEUER, Mr. LENT, Mr. DWYER, Mr. NOWAK, Mr. LEBOUTILLIER, Mr. KASTENMEIER, Mr. PARRIS, Mr. PURSELL, Mr. STUDDS, Mr. GINGRICH, Mr. DENARDIS, Mrs. CHISHOLM, Mr. FOGLIETTA, Mr. ROSENTHAL, Mr. LEACH of Iowa, Ms. MIKULSKI, Mr. MURPHY, Mr. ROBERTS of Kansas, Mr. ROBERTS of South Dakota, Mr. CROCKETT, Mr. DAVIS, Mr. COUGHLIN, Mr. STARK, Mr. PASHAYAN, Mr. FOWLER, Mr. RAILSBACK, Mr. MCKINNEY, Mr. ALBOSTA, Mr. CONYERS, Mr. MCEWEN, Mr. SAWYER, Mr. BEDELL, Mr. FORD of Tennessee, Mr. D'AMOURS, Mrs. COLLINS of Illinois, Mr. LANTOS, Mr. KOGOVSEK, Mr. EMERSON, Mr. PRITCHARD, Mr. ROE, Mr. FLORIO, Mr. LUJAN, Mr. SABO, Mr. SUNIA, Mr. MOLLOHAN, Mr. HOLLENBECK, Mr. SMITH of New Jersey, Mr. DORGAN of North Dakota, Mr. ST GERMAIN, Mr. AUCOIN, Mr. TAUKE, Mr. ADDABBO, Mr. WORTLEY, Mr. BOWEN, Mr. GREEN, and Mr. FRANK.

H.J. Res. 268: Mr. BROOMFIELD, Mr. WINN, Mr. DERWINSKI, Mr. LEBOUTILLIER, Mr. ALBOSTA, Mr. BAILEY of Pennsylvania, Mr. BENJAMIN, Mr. BLANCHARD, Mr. BONIOR of Michigan, Mr. CLAUSEN, Mr. CONYERS, Mr. PHILIP M. CRANE, Mr. DWYER, Mr. FAUNTROY, Mr. FOGLIETTA, Mr. FORSYTHE, Mr. FRENZEL, Mr. FROST, Mr. GREGG, Mrs. HOLT, Mr. HORTON, Mr. LAFALCE, Mr. LEHMAN, Mr. LUNGREN, Mr. MCDONALD, Mr. MOLINARI, Mr. MURPHY, Mr. OBERSTAR, Mr. PANETTA, Mr. ROE, Mr. SCHEUER, Mr. SMITH of New Jersey, Mr. SUNIA, Mr. VENTO, Mr. WORTLEY, Mr. YOUNG of Florida, Mr. YOUNG of Missouri, and Mr. ROBINSON.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

112. By Mr. KAZEN: Petition of Thomas C. Wakefield and Elsie W. Choate, Uvalde, Tex., relative to the first amendment to the Constitution; to the Committee on the Judiciary.

113. By the SPEAKER: Petition of the city council, New York, N.Y., relative to home health services; jointly, to the Committees on Energy and Commerce and Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3480

By Mr. SENSENBRENNER:

—Page 13, insert the following section after line 2 and redesignate succeeding sections accordingly:

AUDITS

SEC. 13. Section 1009 of the Legal Services Corporation Act (42 U.S.C. 2996h) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection:

"(d) The Comptroller General and the General Accounting Office shall have the same authorities with respect to conducting audits of the Corporation as the Comptroller General and the General Accounting Office have with respect to conducting audits of all departments and agencies of the United States, including the authority to settle and adjust the accounts of the Corporation.".

—Page 11, line 25, strike out ", except that" and all that follows through "sponsibilities" on page 12, line 3.

H.R. 3481

By Mr. SAWYER:

—On page 7, strike out lines 20 through 24 and insert the following:

SEC. 6. The table of sections for chapter 207 of title 18, United States Code, is amended—

(1) by striking out the item relating to section 3147 and all that follows through the item relating to section 3150 and inserting in lieu thereof the following:

"3146A. Detention prior to trial.
"3146B. Detention of addict.
"3147. Appeal from conditions of release or order of detention.
"3148. Release in capital cases or after conviction.
"3149. Release of material witnesses.
"3150. Penalties for failure to appear.
"3150A. Penalties for offenses committed during release.
"3150B. Penalties for violation of conditions of release.

(2) by striking out the item relating to section 3152 and all that follows through the item relating to section 3155 and inserting in lieu thereof the following:

On page 8, insert the following after line 20:

SEC. 9. Section 3146 of title 18, United States Code, is amended—

(1) by inserting in subsection (a) "or the safety of any other person or the community" (A) after "as required" in the first sentence, and (B) after "for trial" in the second sentence;

(2) by amending paragraph (5) of subsection (a) to read as follows:

"(5) impose any other condition, including a condition requiring that the person return to custody after specified hours of release for employment or other limited purposes.";

(3) by adding the following sentence at the end of subsection (a): "No financial condition may be imposed to assure the safety of any other person or the community.";

(4) by inserting in subsection (b)—

(A) ", if any," after "conditions of release";

(B) "or the safety of any other person or the community" after "assure appearance";

(C) "such factors as" after "take into account"; and

(D) "past conduct," after "mental condition,";

(5) in subsection (c)—

(A) by striking out "and" after "of his release and inserting in lieu thereof a comma; and

(B) by adding the following before the period at the end thereof: "and shall warn such person of the penalties provided in section 3150A of this title"; and (6) by adding the following subsection (h):

"(h) The following shall be applicable to any person detained pursuant to this subchapter:

"(1) The person shall be confined, to the extent practicable, in facilities separate from convicted persons awaiting or serving sentences or being held in custody pending appeal.

"(2) The person shall be afforded reasonable opportunity for private consultation with counsel and, for good cause shown, shall be released upon order of the judicial officer in the custody of the United States Marshal or other appropriate person for limited periods of time to prepare defenses or for other proper reasons.".

SEC. 10. Chapter 207 of title 18, United States Code, is amended by adding the following new sections 3146A and 3146B after section 3146:

"3146A. Detention prior to trial

"(a) Subject to the provisions of this section, a judicial officer may order pretrial detention of—

"(1) a person charged with a dangerous crime, as defined in section 3156(a)(3) of this title, if the Government certifies by motion that based on such person's pattern of behavior consisting of this past and present conduct, and on the other factors set out in section 3146(b) of this title, there is no condition or combination of conditions which will reasonably assure the safety of the community;

"(2) a person charged with a crime of violence, as defined in section 3156(a)(4) of this title, if (A) the person has been convicted of a crime of violence within the ten-year period immediately preceding the alleged crime of violence for which he is presently charged; or (B) the crime of violence was allegedly committed while the person was, with respect to another crime of violence, on bail or other release or on probation, parole, or mandatory release pending completion of a sentence; or

"(3) a person charged with any offense if such person, for the purpose of obstructing or attempting to obstruct justice, threatens, injures, intimidates, or attempts to threaten, injure, or intimidate any prospective witness or juror.

"(b) No person described in subsection (a) of this section shall be ordered detained unless the judicial officer—

"(1) holds a pretrial detention hearing in accordance with the provisions of subsection (c) of this section;

"(2) finds—

"(A) that there is clear and convincing evidence that the person is a person described in paragraph (1), (2), or (3) of subsection (a) of this section;

"(B) that—

"(i) in the case of a person described only in paragraph (1) of subsection (a), based on such person's pattern of behavior consisting of his past and present conduct, and on the other factors set out in section 3146(b) of this title, or

"(ii) in the case of a person described in paragraph (2) or (3) of such subsection, based on the factors set out in section 3146 (b) of this title,

there is no condition or combination of conditions of release which will reasonably assure the safety of any other person or the community; and

"(C) that, except with respect to a person described in paragraph (3) of subsection (a) of this section, on the basis of information presented by proffer or otherwise to the judicial officer there is substantial probability that the person committed the offense for which he is present before the judicial officer; and

"(3) issues an order of detention accompanied by written findings of fact and the reasons for its entry.

"(c) The following procedures shall apply to pretrial detention hearings held pursuant to this section:

"(1) Whenever the person is before a judicial officer, the hearing may be initiated on oral motion of the United States attorney.

"(2) Whenever the person has been released pursuant to section 3146 of this title and it subsequently appears that such person may be subject to pretrial detention, the United States attorney may initiate a pretrial detention hearing by ex parte written motion. Upon such motion the judicial officer may issue a warrant for the arrest of the person and if such person is outside of the district in which the warrant for this arrest was issued, he shall be brought before a judicial officer in the district where he is arrested and shall then be transferred to the district in which the warrant for his arrest was issued for proceedings in accordance with this section.

"(3) The pretrial detention hearing shall be held immediately upon the person being brought before the judicial officer for such hearing unless the person or the United States attorney moves for a continuance. A continuance granted on motion of the person shall not exceed five calendar days, unless there are extenuating circumstances. A continuance on motion of the United States attorney shall be granted upon good cause shown and shall not exceed three calendar days. The person may be detained pending the hearing.

"(4) the person shall be entitled to representation by counsel and shall be entitled to present information by proffer or otherwise, to testify, and to present witnesses in his own behalf.

"(5) Information stated in, or offered in connection with, any order entered pursuant to this section need not conform to the rules pertaining to the admissibility of evidence in a court of law.

"(6) Testimony of the person given during the hearing shall not be admissible on the issue of guilt in any other judicial proceeding but such testimony shall be admissible in proceedings under section 3150, 3150A, and 3150B, of this title, in perjury proceedings, and for the purposes of impeachment in any subsequent proceedings.

"(7) Appeals from orders of detention may be taken pursuant to section 3147 of this title.

"(d) The following shall be applicable to persons detained pursuant to this section:

"(1) The case of such person shall be placed on an expedited calendar and, consistent with the sound administration of justice, his trial shall be given priority.

"(2) Such person shall be treated in accordance with section 3146 of this title—

"(A) upon the expiration of sixty calendar days, unless the trial is in progress or the trial has been delayed at the request of the person other than by the filing of timely motions (excluding motions for continuances); or

"(B) Whenever a judicial officer finds that a subsequent event has eliminated the basis for such detention.

"(3) The person shall be deemed detained pursuant to section 3148 of this title if he is convicted.

"(e) The judicial officer may detain for a period not to exceed five calendar days a person who comes before him for a bail determination charged with any offense, if it appears that such person is presently on probation, parole, or mandatory release pending completion of sentence for any offense under State or Federal law and that

such person may flee or pose a danger to any other person or the community if released. During the five-day period, the United States attorney shall notify the appropriate State or Federal probation or parole officials. If such officials fail or decline to take the person into custody during such period, the person shall be treated in accordance with section 3146 of this title, unless he is subject to detention under this section. If the person is subsequently convicted of the offense charged, he shall receive credit toward service of sentence for the time he was detained pursuant to this subsection.

"3146B. Detention of addict

"(a) Whenever it appears that a person charged with a crime of violence, as defined in section 3156(a)(4), may be an addict, as defined in section 3156(a)(5), the judicial officer may, upon motion of the United States attorney, order such person detained in custody for a period not to exceed three calendar days, under medical supervision, to determine whether the person is an addict.

"(b) Upon or before the expiration of three calendar days, the person shall be brought before a judicial officer and the results of the determination shall be presented to such judicial officer. The judicial officer thereupon (1) shall treat the person in accordance with section 3146, or (2) upon motion of the United States attorney, may (A) hold a hearing pursuant to section 3146A, or (B) hold a hearing pursuant to subsection (c) of this section.

"(c) A person who is an addict may be ordered detained in custody under medical supervision if the judicial officer—

"(1) holds a pretrial detention hearing in accordance with subsection (c) of section 3146A;

"(2) finds that—

"(A) there is clear and convincing evidence that the person is an addict;

"(B) based on the factors set out in subsection (b) of section 3146, there is no condition or combination of conditions of release which will reasonably assure the safety of any other person or the community; and

"(C) on the basis of information presented to the judicial officer by proffer or otherwise, there is a substantial probability that the person committed the offense for which he is present before the judicial officer; and

"(3) issues an order of detention accompanied by written findings of fact and the reason for its entry.

"(d) The provisions of subsection (d) of section 3146A shall apply to this section."

SEC. 11. Section 3147 of title 18, United States Code, is amended—

(1) by striking "or" after "conditions of release," in clause (1) of subsection (b);

(2) by inserting after "the offense charged" in subsection (b) "or (3) he is ordered detained or an order for his detention has been permitted to stand by a judge of the court having original jurisdiction over the offense charged,"; and

(3) by inserting after subsection (b) the following new subsections:

"(c) In any case in which a judicial officer other than a judge of the court having original jurisdiction over the offense with which a person is charged orders his release with or without setting terms or conditions of release, or denies a motion for the pretrial detention of a person, the United States attorney may move the court having original jurisdiction over the offense to amend or revoke the order. Such motion shall be considered promptly.

"(d) In any case in which—

"(1) a person is released, with or without the setting of terms or conditions of release, or a motion for the pretrial detention of a person is denied, by a judge of the court having original jurisdiction over the offense with which the person is charged, or

"(2) a judge of a court having such original jurisdiction does not grant the motion of the United States attorney filed pursuant to subsection (c),

the United States attorney may appeal to the court having appellate jurisdiction over such court. Any order so appealed shall be affirmed if it is supported by the proceedings below. If the order is not so supported, the court may (A) remand the case for a further hearing, (B) with or without additional evidence, change the terms or conditions of release, or (C) in cases in which the United States attorney requested pretrial detention pursuant to sections 3146A and 3146B, order such detention."

SEC. 12. Section 3148 of title 18, United States Code, is amended to read as follows:

"§ 3148. Released in capital cases or after conviction

"(a) A person who is charged with an offense punishable by death shall be treated in accordance with the provisions of section 3146 unless the judicial officer has reason to believe that no one or more conditions of release will reasonably assure that the person will not flee or pose a danger to any other person or to the community. If such a risk of flight or danger is believed to exist, the person may be ordered detained.

"(b) A person who has been convicted of an offense and is awaiting sentence shall be detained unless the judicial officer finds by clear and convincing evidence that he is not likely to flee or pose a danger to any other person or to the property of others. Upon such finding, the judicial officer shall treat the person in accordance with the provisions of section 3146 of this title.

"(c) A person who has been convicted of an offense and sentenced to a term of confinement or imprisonment and has filed an appeal or a petition for a writ of certiorari shall be detained unless the judicial officer finds by clear and convincing evidence that (1) the person is not likely to flee or pose a danger to any other person or to the property of others; and (2) the appeal or petition for a writ of certiorari raises a substantial question of law or fact likely to result in a reversal or an order for new trial. Upon such findings, the judicial officer shall treat the person in accordance with the provisions of section 3146 of this title.

"(d) The provisions of section 3147 of this title shall apply to persons detained in accordance with this section, except that a finding of the judicial officer that the appeal or petition for writ of certiorari does not raise by clear and convincing evidence a substantial question of law or fact likely to result in a reversal or order for new trial shall receive de novo consideration in the court in which review is sought."

SEC. 13. Section 3150 of title 18, United States Code, is amended by inserting "(a)" before "Whoever" at the beginning thereof, and by adding the following at the end thereof:

"(b) Any failure to appear after notice of the appearance date shall be prima facie evidence that such failure to appear is willful. Whether the person was warned when released of the penalties for failure to appear shall be a factor in determining whether such failure to appear was willful, but the giving of such warning shall not be a prerequisite to conviction under this section.

"(c) The trier of facts may convict under this section even if the defendant has not received actual notice of the appearance date if (1) reasonable efforts to notify the defendant have been made, and (2) the defendant, by his own actions, has frustrated the receipt of actual notice.

"(d) Any term of imprisonment imposed pursuant to this section shall be consecutive to any other sentence of imprisonment."

SEC. 14. Chapter 207 of title 18, United States Code, is amended by adding after section 3150 the following new sections:

"§ 3150A. Penalties for offenses committed during release

"(a) Any person convicted of an offense committed while released pursuant to section 3146 shall be subject to the following penalties in addition to any other applicable penalties:

"(1) A term of imprisonment of not less than one year and not more than five years if convicted of committing a felony while so released; and

"(2) A term of imprisonment of not less than ninety days and not more than one year if convicted of committing a misdemeanor while so released.

"(b) The giving of a warning to the person when released of the penalties imposed by this section shall not be a prerequisite to the application of this section.

"(c) Any term of imprisonment imposed pursuant to this section shall be consecutive to any other sentence of imprisonment.

"§ 3150B. Penalties for violation of conditions of release

"(a) A person who has been conditionally released pursuant to section 3146 and who has violated a condition of release shall be subject to revocation of release, an order of detention, and to prosecution for contempt of court.

"(b) Proceedings for revocation of release may be initiated on motion of the United States attorney. A warrant for the arrest of a person charged with violating a condition of release may be issued by a judicial officer and if such person is outside of the district in which the warrant for his arrest was issued, shall be brought before a judicial officer in the district where he is arrested and shall then be transferred to the district in which the warrant for his arrest was issued for proceedings in accordance with this section. No order of revocation and detention shall be entered unless, after a hearing, the judicial officer finds that—

"(1) there is clear and convincing evidence that such person has violated a condition of his release; and

"(2) based on the factors set out in subsection (b) of section 3146, there is no condition or combination of conditions of release which will reasonably assure that such person will not flee or pose a danger to any other person or the community. The provisions of subsections (c) and (d) of section 3146A shall apply to this subsection.

"(c) Contempt sanctions may be imposed if, upon a hearing and in accordance with principles applicable to proceedings for criminal contempt, it is established that the person has intentionally violated a condition of his release. Such contempt proceedings shall be expedited and heard by the court without a jury. A person found guilty of criminal contempt for violation of a condition of release shall be imprisoned for not more than six months, or fined not more than $1,000, or both.

"(d) Any warrant issued by a judicial officer for violation of release conditions or for contempt of court, for failure to appear as required, or pursuant to subsection (c)(2) of section 3146A of this title, may be executed at any place within the jurisdiction of the United States. Such warrants shall be executed by a United States marshal or by any other officer authorized by law.

SEC. 15. Section 3156(a) of title 18, United States Code, is amended by (1) striking "3150" and inserting "3150B"; and by adding the following paragraphs at the end thereof:

"(3) The term 'dangerous crime' means (A) taking or attempting to take property from another by force or threat of force, (B) unlawfully entering or attempting to enter any premises adapted for overnight accommodation of persons or for carrying on business with the intent to commit an offense therein, (C) arson or attempted arson of any premises adaptable for overnight accommodation of persons or for carrying on business, (D) forcible rape, or assault with intent to commit forcible rape, or (E) unlawful sale or distribution of a narcotic or depressant or stimulant drug (as defined by any Act of Congress) if the offense is punishable by imprisonment for more than one year.

"(4) The term 'crime of violence' means murder, forcible rape, carnal knowledge of a female under the age of sixteen, taking or attempting to take immoral, improper, or indecent liberties with a child under the age of sixteen years, mayhem, kidnaping, robbery, burglary, voluntary manslaughter, extortion or blackmail accompanied by threats of violence, arson, assault with intent to commit any offense, assault with a dangerous weapon, or an attempt or conspiracy to commit any of the foregoing offenses as defined by any act of Congress or any State law, if the offense is punishable by imprisonment for more than one year.

"(5) The term 'addict' means any individual who habitually uses any narcotic drug as defined by section 102 of the Controlled Substances Act (21 U.S.C. 802) so as to endanger the public morals, health, safety or welfare."'

EXTENSIONS OF REMARKS

BILL TARGETS FUNDS TO 1890 LAND-GRANT INSTITUTIONS

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. FORD of Tennessee. Mr. Speaker, recently I submitted testimony on H.R. 1309 before the Subcommittee on Department Operations, Research and Foreign Agriculture. This bill calls for the Department of Agriculture to allocate $10 million per year for the next 5 years to the 16 1890 land-grant institutions and Tuskegee Institute.

These moneys are catchup funds for years of neglect by the Federal Government as well as the States in which these institutions are located. The funds will be used to purchase equipment and land, and in the planning, construction, alteration and/or renovation of buildings to strengthen their capacity for research in the food and agricultural sciences.

The 1890 institutions are all historically black institutions created by States during the second Morrill Act. They were created because, rather than educate black students at the existing 1862 land-grant institutions started through the first Morrill Act, the States opted to build, in exchange for Federal land, separate institutions for black students.

The 1890 institutions, throughout their nearly 100 year history, were never funded to par as the 1862 institutions were. They were charged with the responsibility of providing instruction, public service, and research, but not provided funds to establish a research environment.

H.R. 1309 does not correct all the problems that have resulted through 100 years of neglect toward the 1890 institutions. It does, at least, recognize the initial need to adequately fund these institutions in order for them to have greater participation in solving the various food and agriculture related problems of the world.

Following is a copy of my testimony submitted at the Agriculture Subcommittee on Department Operations, Research, and Foreign Agriculture's recent hearing.

TESTIMONY OF CONGRESSMAN HAROLD FORD OF TENNESSEE ON ADDITIONAL FUNDING FOR 1890 LAND-GRANT COLLEGES AND UNIVERSITIES, INCLUDING TUSKEGEE INSTITUTE (H.R. 1309)

Mr. Chairman and distinguished members of the Subcommittee on Department Operations, Research and Foreign Agriculture. It is my honor to present testimony on H.R. 1309 before my colleagues today. The purpose of this bill is to provide $10,000,000 for each of fiscal years 1981 through 1985 to the sixteen 1890 public land-grant colleges, and Tuskegee Institute, a private college that has had a historical role in agriculture instruction and research.

The funds are to be used for assisting these colleges and universities in the purchase of equipment and land, and the planning, construction, alteration, or renovation of buildings to strengthen their capacity for research in the food and agricultural sciences.

These seventeen 1890 institutions in our nation. They are Alabama A & M University (1875); University of Arkansas at Pine Bluff (1873); Delaware State College (1891); Florida A & M University (1873); Fort Valley State College, Georgia (1895); Kentucky State University (1886); Southern University, Louisiana (1880); University of Maryland-Eastern Shore (1886); Alcorn State University, Mississippi (1871); Lincoln University, Missouri (1866); North Carolina A & T State University (1891); Langston State University, Oklahoma (1897); South Carolina State College (1897); Tennessee State University (1912); Prairie View A & M University, Texas (1876); Virginia State University (1882); Tuskegee Institute, Alabama (1881).

I stand before you today as a proud alumnus of one of these 1890 institutions—Tennessee State University—and I have 11 other brothers and sisters who also attended that fine institution in Nashville.

Now, let us first remember why we have 1890 institutions, all which are historically black colleges and universities generally located in the Southern region of the United States.

These colleges and universities are called 1890 land-grant institutions because of the second Morrill Act of 1890 as opposed to the first Morrill Act of 1862. These two acts, often called the land-grants acts, established the public land-grant institutions.

We must also remember that in the 1800's the States in which these institutions are located were told that they had to provide education to their black citizens at the existing segregated 1862 land-grant institutions.

Instead of integrating the public institutions established under the Morrill Act of 1862, they opted to establish segregated institutions for blacks which were funded through the Morrill Act of 1890. Thus, each of these States today still has two land-grant institutions—one established under the 1862 land-grant act and the other under the 1890 act.

However, the 1890 institutions were never adequately funded the way they should have been by the various States. With assistance from the various States and the Federal Government, the 1862 institutions were permitted to thrive and expand, while the 1890 institutions received meager funding from both their respective State and the Federal Government.

Yet, these institutions, in addition to the nation's 85 other historically black colleges and universities, have done a magnificent job under difficult circumstances. Today, forty percent (176,000) of all black students still attend historically black institutions. Yet, over 60 percent of the degrees awarded to black students last year were awarded at the historically black institutions. Furthermore, the majority of our black doctors, lawyers, dentists, and other professionals are graduates of the historically black colleges.

As you know, the primary mission of any institution of higher education is instruction, research, and public service. The 1890 institutions have done an outstanding job in instruction and public service, but they have never received adequate funding in order to conduct research or to create an environment conducive to conducting research. Most do not receive funds from their respective States to conduct research, especially in the area of agriculture, despite their land-grant mission.

Furthermore, the 1890 institutions were not eligible to participate in the facilities programs provided in the late 1960's and early 1970's by the Federal Government. Under the Research Facilities Act of 1963, only the 1862 land-grant institutions were permitted to participate in this program. Not until 1967 did the Federal Government start to provide research funds to the 1890 programs. As you know, these funds were for research projects, and not for constructing research facilities.

Without adequate research facilities, the 1890 institutions have had to perform miracles in order to conduct research.

Currently, many of the 1890 institutions are using classrooms as make-shift research facilities. How can one conduct research without adequate facilities for research?

They have been forced to limit agriculture research programs as the result of inadequate funding for this purpose. It not only shortchanges the faculty at the 1890 land-grant institutions who are capable of agriculture-related research and the students who could gain first-hand knowledge and experience from participating in research, but the country and the entire world as a whole is also shortchanged.

I should also note that, despite this handicap, the 1890 institutions still have managed to contribute to the state of the art regarding agricultural research.

Furthermore, at a time when many institutions have been accused of catering to the big agri-businesses, the Fortune 500 of agriculture, the 1890 institutions have concentrated on conducting research that benefits the small farmer who still comprises the majority of all farmers in this country and the world.

So now we have an interesting situation. Seventeen colleges charged by their States and the Federal Government with the responsibility of research, as one of their prime missions, and, yet, not getting research money from the State or the government. At the same time, not being provided the funds to construct facilities in which to conduct research.

I wholeheartedly endorse H.R. 1309 and its purpose. However, I only wish that more could be done. These funds are considered "catch-up" funds for years of past neglect. The funds are also in recognition of the role that the 1890 land-grant institutions must play in helping to resolve food and nutrition

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

problems, not only in this country, but internationally as well. We must remember that almost one-fourth of the world still goes to bed hungry at night.

However, it should be noted that even if H.R. 1309 is approved, and we disregard the proposed formula and simply divide the annual $10,000,000 by the seventeen 1890 land-grant institutions, each one will get approximately $588,000. Remember now, most of the 1890 institutions are 100 years old and have been through their history neglected by their respective State and the Federal Government.

Will the average of $588,000 annually for the next five years make up for nearly 100 years of neglect in the areas of agricultural research that the 1890 land-grants have experienced?

Nevertheless, I think that Rep. DE LA GARZA in introducing H.R. 1309 and my colleagues who are members of this Subcommittee in considering the bill, are to be commended for recognizing H.R. 1309 as a step in the right direction.

It is a step which says that we realize the past neglects of the 1890 land-grant colleges and universities as compared to the royal treatment regarding agriculture-related research funds and facilities that the 1862 land-grant institutions have received, not only from their States, but the Federal Government as well.

H.R. 1309 also says that we recognize the important role that the 1890 institutions have played in the past in the education of hundreds of thousands of students who because of the color of their skin could not attend any other state college or university, despite the fact that their parents, too, paid State and Federal taxes.

H.R. 1309 has been endorsed by the Department of Agriculture and the Administration. It is my hope that other agencies which provide research and public service to various colleges and universities will also recognize the importance of the 1890 institutions.

H.R. 1309 will ensure that the 1890 land-grant institutions will be able to enhance their research environments in order to strengthen their capacity for agricultural research. In this way, they will expand their opportunities to have a greater role in assisting the country and the world, particularly the third world nations, diminish and eliminate our food problems and the devastating effects of hunger and starvation.

Thank you for permitting me to testify before you today.●

UNESCO AND FREEDOM OF THE PRESS

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. McCLORY. Mr. Speaker, I was heartened to read the other day that Elliot Abrams, the Assistant Secretary of State for International Organization Affairs, has warned UNESCO (the United Nations Educational, Scientific, and Cultural Organization) that the United States may quit that body if it proceeds with plans to regulate journalists in the performance of their professional duties. The so-called New World Information Order which many members of UNESCO are proposing is nothing but a transparent attempt to stifle freedom of the press in the interest of protecting governments which fear the free flow of information.

Mr. Speaker, an excellent editorial on this subject appeared in the Chicago Tribune of Tuesday, June 2, 1981, which I offer here for my colleagues' attention.

UNESCO AND FREEDOM OF THE PRESS

For a number of years, the United Nations Educational, Scientific, and Cultural Organization (UNESCO) has served as the stage upon which assorted communist and Third World governments are trying to bring about new laws "to protect journalists." This is a euphemistic way of saying that they want laws to protect themselves from prying journalists.

Until recently, the battle against UNESCO and its latter-day George Lommens (see the preceding editorial) has been fought by a handful of Western diplomats and newspapermen—including George Beebe of the Miami Herald, as chairman of the World Press Freedom Committee and president of the Inter American Press Association, and Clayton Kirkpatrick, then editor of The Tribune, who is retiring (today, too, by coincidence) as its chairman.

The assault has been slowed but not stopped. As soon as one proposal seems to have been laid to rest, a new version arises to take its place. There have even been sneak plays which could only have been designed to prevent the participation of the Western press: one recent meeting, for example, for which notices went to communist and Third World delegates but not to American delegates.

The proposals have included licenses for journalists, local government controls over them and their movement, and most recently a program of "education" presumably designed to teach them proper respect for government authorities. What the Communists and Third Worlders want, quite clearly, is a press which will spread only the news that the governments want spread. It is the kind of press that already exists in totalitarian countries and is spreading, through the mechanism of "licensing," in parts of the Third World, including Latin America.

As in the case of Near v. Minnesota, more and more of the free world's press is awakening to the threat that the news appearing in the rest of the world—and even the news emanating from much of it—may be controlled by governments who do not wish to be subject to any check and regard the free press as "a public nuisance."

Two weeks ago in Talloires, France, representatives of the free world press, including representatives from a number of Third World countries, listened to Amadou Mahtar M'Bow, director general of UNESCO, try to soothe them while at the same time citing the importance of the press as "the key to power," and declaring his determination to push ahead with UNESCO's "New World Information Order."

The next day, the conference replied with the Declaration of Talloires, an unprecedented international "bill of rights" for the free press. In effect, it was a challenge to UNESCO. But here there is no orderly process by which a Supreme Court can issue an order to which communist and Third World governments and their courts will listen. Guarantees of freedom of speech in the constitution of the Soviet Union and its satellites mean nothing. The battle will have to be fought in and by the free press itself, especially the free press in those parts of the world where it still exists and is threatened.●

COWBOY ECONOMICS—A CRITIQUE OF SUPPLY-SIDE ECONOMICS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. BROWN of California. Mr. Speaker, I recently came upon an interesting essay about the economic theories of the Reagan administration. I commend this essay, written by Dr. Kenneth Boulding, a distinguished economist and former president of the American Association for the Advancement of Science, to my colleagues.

The essay follows:

[From the Technology Review, May/June 1981]

COWBOY ECONOMICS

[By Kenneth Boulding]

As one contemplates the political scene nowadays, it is hard not to get the feeling that one is sitting through a very long and rather bad cowboy movie. The world is divided into good guys and bad guys in the international scene, with the United States, of course, clearly wearing the white hat. In the domestic scene, the private sector is wearing white and the public sector black. To people raised on cowboy movies, this scenario has a certain nostalgic charm. However, one has grave doubts about whether the plot is adequate to deal with international and domestic complexities. It may be that the world's a stage, but the play is by no means simple. In the age of space travel, it is ironic that we have landed ourselves in what future historians may well call the "first cowboy administration."

HORSE POWER AND COW SUPPLY

I cannot recall ever seeing a treatise on cowboy economics. In the movies, at least, it appears to involve horses, cows, and shootouts. Historically, horses have created chevaliers and caballeros, that is, knights. In most societies, there was not enough hay for everybody to have a horse, so that whoever owned one was in a superior position to anyone who did not. Horses, therefore, tended to produce feudal systems. The brief American cowboy era may have been an exception: because of the low density of the human population, there was enough hay for everybody to have a horse. But even then horses tended to produce bellicosity. Perhaps when males look at the world from an unnatural ten feet up in the air, they get delusions of macho grandeur. It is also hard to be very productive on a horse; we do most of our work on two feet as pedestrians, or in the old days, as peasants. Not surprisingly, then, cowboy economics concentrates heavily on threat systems, threat-counterthreat, being quick on the draw, and thievery when you can get away with it.

Cowboy economics, of course, also depends on cows, curious creatures that have some tendency to become sacred. Cows, especially on the open range, are the perfect,

and perhaps the only, example of supply-side economics. All one has to do is leave them alone while they breed and feed themselves, corral them, and drive them to market when the time is ripe. The student of an economist friend of mine once responded to an examination question on marginal productivity: "You have a cow and it has a calf; that's marginal productivity!" It is not surprising that cowboy economics believes in the magic of unleashing supply.

Another characteristic of the cowboy economy is that it does not have very much in the way of grants, or one-way transfers, except maybe in the gambling saloon or thievery. Public transfers, certainly, are never heard of. There are remarkably few children, old or indigent people, or women in cowboy movies; apart from the occasional "mush," there didn't even seem to be any sex. Cowboys are obviously cloned straight from the mind of the moviemaker. All is exchange—the tinkle of coins at the bar, bluff transactions at the cattle market.

Another thing lacking in the cowboy economy is conservation. Conservation may be all right for the crowded rice fields, but who needs it in great open spaces? The world is a great ripe fruit waiting to be picked, and never mind who planted it or whether we need to plant another. No cowboy ever felt an urge to recycle the manure, and why should he? It recycles itself.

THE LAST SHOOT-OUT

Any resemblance between this fantasy and the present administration may not be wholly accidental. The cowboy is our national hero and the country is in a cowboy mood. Unfortunately, cowboy eras always seem to contain the seeds of their own destruction. The great hunters that invaded North America across the Bering land bridge some 11,000 years ago took a few hundred or maybe a couple of thousand years to kill off all the big game. They ate all the horses without learning how to ride them. There must have been a phenomenal unrecorded collapse between 10,000 and 9,000 B.C.: Mongols on horseback ravaged nearly all of Eurasia for space. Now Mongolia is a minor buffer state, and now barbed wire has closed many of our great open spaces.

Therefore, it could be catastrophic that at the precise moment in history when the cowboy era has reached its end and the cowboy economy has become almost grotesquely inappropriate, we have a cowboy government. The philosophy of the shoot-out threatens to destroy our whole society in a nuclear war, the chances of which have increased quite perceptibly in the last few months. We live in a world in which the management of conflict has become a major problem, simply because the costs of unmanaged conflict have skyrocketed almost to infinity. Yet we have retreated into a philosophy of winning fights, which is a wholly different skill from managing conflict.

A RIDERLESS HORSE

We also have retreated into extraordinary illusions about supply economics, as if all we had to do was let the bulls in with the cows. Instead, we face an infinitely painstaking and tedious learning process from which productivity might be reborn. If we think our whole trouble is having the government on our backs, then our ideal is a riderless horse. Are we looking for the bucking bronco that throws its rider off? We have some pretty poor riders, but the solution of no rider at all seems unrealistic. The farmer triumphs over the cowboy in the long run because a governed ecosystem, a farm, is far more productive than an ungoverned one, a cattle range. The moral would seem to be that a well-governed society is more productive than a not-governed society.

Undoubtedly, the most dangerous aspect of the present situation is the almost universal belief in the capacity of our national defense. The truth is that traditional unilateral national defense can only assure our destruction. The more we put into our defense, the less secure we become and the more we hinder our productivity. The relationship between the proportion of GNP that goes into national defense and the failure of productivity is very clear. National defense is a cancer that eats out the health of the rest of the body politic and virtually guarantees our eventual extinction in nuclear war. Fortunately, there is a substitute: multinational defense based on a positive policy for stable peace. This is a long way from the cowboy economy. One only hopes we will reach it in time.●

TEXAS CONCURRENT RESOLUTION 53

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. COLLINS of Texas. Mr. Speaker, George W. Strake, secretary of the State of Texas, sent me a copy of the senate concurrent resolution number 53 which was passed by the 67th Legislature of Texas and signed by Gov. Bill Clements on May 26, 1981.

This issue of the MX missile system is very important in Texas and the Members will be interested in seeing the views of our Texas State Legislature.

S.C.R. No. 53

Whereas, United States Air force plans call for a sheltered road-mobile basing system for the M-X missile system, and currently under consideration are plans for either full basing in Nevada/Utah or a split basing in Nevada/Utah and Texas/New Mexico; and

Whereas, A decision to adopt the split-basing mode would require the relocation of approximately 500 families and would require United States Air Force acquisition of many acres of highly productive land in Texas which would be unlikely to be reclaimed for agricultural purposes; and

Whereas, An amendment to the Department of Defense Supplemental Appropriations Act, Section 2.02(b), June 27, 1979, states that it is the sense of Congress that the basing mode for the M-X missile should be restricted to location on the least productive land available that is suitable for such purpose; and

Whereas, The January 19, 1981, Department of Defense M-X Split Basing Report to Congress states that there exists a relative balance in the environmental impact between the two alternatives, while also stating that the split-basing mode would require the additional expenditure of $3.475 billion over the cost of the full-basing mode; now, therefore, be it

Resolved by the Senate of the State of Texas, the House of Representatives concurring, That the 67th Legislature respectfully request that the congress do not adopt the split-basing mode for the deployment of the M-X missile system.●

TIME HAS COME FOR A NEW EFFORT TO CAP STRATEGIC ARMS RACE

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. FRANK. Mr. Speaker, former U.S. Ambassador to the Soviet Union, Thomas J. Watson, Jr., recently delivered one of the most elucidating and compelling defenses of the need for arms control agreements that I have heard in a long time. Mr. Watson spoke before Harvard's 330th commencement ceremony.

In his remarks, Mr. Watson makes the case that the United States needs a cap on the strategic arms race. Drawing on his years of experience in the Soviet capital, Watson is intimately familiar with Soviet perceptions of effective nuclear deterrence and the myths many Americans hold about the current defense debate.

The simplistic approach adopted by advocates of huge increases in defense spending is tempered by Watson's careful analysis of the true meaning of an adequate strategic balance. Watson calls for nuclear sufficiency, not superiority; he does so with a clear understanding of the current strategic balance between the superpowers and the need for a deescalation of the strategic arms race.

Mr. Watson's remarks, which appeared in the Boston Globe, June 6, 1981, follow:

"TIME HAS COME FOR A NEW EFFORT TO CAP STRATEGIC ARMS RACE"

Thomas J. Watson Jr., former US ambassador to the Soviet Union, delivered the keynote address at Harvard's 330th commencement Thursday. Following are excerpts from his address.

Let me start out by speaking to today's graduates and those of you who are young.

Throughout the past half century, young people have played many heroic roles. You went to World War II and brought down fascism. You fought and died in the mountains of Korea. You fought heroically in Vietnam. And you worked courageously within the system, joined it in large numbers, became a potent political force, influenced public opinion, and helped bring that tragic war to an end.

We need this kind of courage and conviction. And especially we need today the courage and conviction of youth to face up realistically to a change of course as a nation—our course on stratetic arms control and our whole handling of the nuclear equation.

The hour is late. The imperative of realism and reason is urgent. And we confront many illusions.

First is the illusion of victory: the illusion that one side or the other can start a nuclear war and win it.

WHAT'S WRONG WITH THIS PICTURE?

Common sense analysis will tell anyone that this is impossible. Consider this illusion in its most popular package:

The Soviets launch a surgical first strike and destroy most of our Minutemen and Titan missiles in their underground silos. Thus they leave us few weapons capable of retaliation in kind—of wiping out their remaining underground missiles. And thus they force us to a choice: attack Soviet cities with our submarine missiles and bombers, thereby provoking a counterattack on American cities from Boston to Seattle; or surrender.

What's wrong with this picture? Lots of things. It assumes, against all common sense, that the Soviet leaders, notoriously cautious about security, would bet their total nation on at least four fool-hardy all-or-nothing gambles:

The gamble, against all technological likelihood, that their first strike would be essentially perfect—that it would leave few, if any Minutemen or Titans to retaliate in kind;

The gamble that we would not use some of our remaining underwater and airborne weapons, nearly three fourths of our total warheads, to attack the thousands of vulnerable military targets in the Soviet Union other than missile silos;

The gamble that when our President learned the Soviet missiles were flying our way he would freeze and do nothing—that he would not send those targeted Minutemen and Titans flying toward Russia's remaining silos before the enemy missiles landed;

And the ultimate gamble: That in desperate retaliation we would not rain down total destruction on Soviet cities, even though that might mean our own destruction as well.

Make no mistake: That scenario would be the most risky and ultimately costly gamble in history. By overwhelming odds, the result of any use of nuclear weapons would not be victory. It would be all out war and total destruction. And in the words of President Kennedy, "The living would envy the dead."

The illusion of Soviet preemptive victory has a corollary: the illusion of achieveable American superiority—the illusion that like the Red Queen in Through the Looking Glass we can outrace the danger by going "faster, faster;" outproducing the Soviets in nuclear arms; playing a multibillion-dollar shell game in the desert; hoping that somehow with exotic weapons we can erect a protective umbrella over our country.

So-called nuclear superiority assures no safety—not for the Soviet Union; not for us; because what counts is not superiority but sufficiency, the guaranteed power to destroy the other side under all circumstances. And we both have it.

Think of it this way: Would you, if you sat in the Kremlin, attack the United States, even knowing that you could knock out 95 percent of our weapons, but realizing that the remaining five percent could destroy literally the whole Soviet Union?

Would you, sitting in Washington, attack even a small country which had only a thousand warheads knowing that if you missed only 10 percent they could wipe out 100 American cities?

You know the answer: There is no safety in numbers. The war planning process of the past has become totally obsolete. Attack is now suicide.

Yet the pursuit of the mirage of superiority persists. And over the years the two superpowers have piled weapon on useless weapon.

SOVIET UNION CLOSED THE GAP

In 1945, when we exploded our first atomic bomb at Hiroshima, we had a four-year lead over the Russians. In 1952, when we exploded our first H-bomb, we had a 10-month lead. The Soviet Union closed the gap despite having a country severely torn by the ravages of a war of a ferocity never visited on our country. And it has kept up in the race, despite the burden of a hopelessly inefficient economy, by ruthlessly channeling its resources, and by calling upon the Soviet people for an endless acceptance of sacrifices.

Between us, our two countries now have explosive power equal to a million Hiroshima A-bombs. We have between us some 15 thousand "city killing" weapons—one bomb, one city. Bigger stockpiles do not mean more security. Enough is enough. And we are far beyond that point now.

There is a third illusion, rooted in the belief that nuclear victory is possible and strategic superiority attainable. It is the illusion of nuclear omnipotence, that if we just have more weapons we can use nuclear threats to deter Soviet misbehavior anywhere in the world.

I can think of no quicker prescription for disaster. Our nuclear weapons are useless except for their mission of preventing direct attack on us.

Fourth is the illusion of futility: the illusion that we cannot sign treaties with the Russians because they systematically violate them.

Let us be clear about this: there are major differences between our two countries. Soviet values are diametrically opposed to ours. Contention between us on a global scale is a fact of life. Suspicion is the keynote of our relations.

But having said that, let me add this: On the evidence, the Soviets do keep agreements provided each side has an interest in the other's keeping the agreement; and provided each side can verify compliance for itself.

Look for example at the 1972 Anti-Ballistic Missile Treaty and the Interim Agreement: the two parts of SALT I. The Soviet Union has violated neither. For these treaties do not depend on trust or good will. They depend on cold self-interest and unilateral verifiability.

Fifth is the illusion of benign neglect—the idea that if we just muddle along, in the phrase of Dickens' Mr. Micawber, "something will turn up;" that the current aging Soviet leadership, for example, will soon be replaced by enlightened and reasonable men; that the Soviet system will crumble from within; or that we can indefinitely stall on serious negotiations, let the Soviets cool their heels waiting, and use the intervening time for our own advantage to arm up.

Let us not delude ourselves. We can take no comfort from all these kinds of wishful thinking.

To be sure, the average Soviet Politburo member today is 69 years old. But I have met many of the possible successors, and I can tell you: I foresee no real change. I do not see the Soviet Union becoming more pro-American. I do not see a revolution around the corner. I do not foresee the demise of the rigid system or the rigid thinking that runs it. And I see no chance that the Soviet leaders will be hoodwinked by protracted negotiations while we try to jump ahead in strategic arms.

"ARM UP AND STAND FIRM" FORMULA

Finally, we confront the illusion of softheadedness; that anyone who favors an end to the arms race must be soft on U.S. defense or even soft on Communism. And we confront its corollary: the simplistic formula "arm up and stand firm," though war would mean losses of 50 to 75 percent on each side.

The illusion of softheadedness is thermonuclear McCarthyism. Because the search for a way out of this morass—the search for an avenue of negotiation and survival instead of confrontation and weaponry—has a long and honorable heritage.

That heritage includes Republicans and Democrats; military and non-military leaders, among them some of the greatest and most tough-minded of our time.

It began in 1946 under President Harry Truman with the proposal of a hardheaded financier, Bernard Baruch, for international UN control of atomic energy.

It continued with President Dwight Eisenhower, who in his first major foreign policy address denounced the tragic waste of armaments, and in his farewell message warned against the power of a military-industrial complex.

It embraces the last legacy of President Kennedy, the nuclear test ban treaty of 1963; the SALT I accords under President Nixon; and the SALT II treaty initiated by President Nixon, continued by President Ford, and completed by President Carter.

Thermonuclear McCarthyism is a slander against the wisdom of many great Americans.

Against all these illusions, what is the reality? The reality is that thermonuclear war in any form is suicide.

Our imperative is to change our course—to take the only road which offers a viable hope for the future: not a road to unilateral action of any kind, but a road toward the joint continuation of the SALT process; a road to a long series of mutually verifiable treaties.

I know from experience how maddening protracted negotiations with the Russians can be. I know what these negotiations will demand of us: in the words of St. Francis of Sales, "A cup of science, a barrel of wisdom, and an ocean of patience." But we have no choice.

The time for action is at hand. And that action must begin in Washington, D.C.—begin with the same urgency and effectiveness the Administration has shown in confronting our serious economic difficulties: the same urgency and courage the President has shown in already beginning a major buildup in our conventional forces.

The time has come for all of us to reject the scenarios of the theoreticians mesmerized by computer projections into thinking that the leaders of the Soviet Union would bet their homeland on a lottery chance at victory.

The time has come to realize that our nuclear deterrent is robust under any possible contingency. Let our politicians and arms technicians stop poor-mouthing it.

TIME TO REJECT SCENARIOS

Above all, the time has come for a new effort to cap the strategic arms race—cap it through a verifiable treaty which gives both sides the security they require.

SALT II offers a good framework. Minor changes could be made at the negotiating table if necessary. But there is little time before technology and pressures on both sides push us into a new and unmanageable spiral.

We cannot wait for improved Soviet behavior around the world, or for better US-Soviet relations. Control of strategic arms is not a concession to the Soviets. It must not be linked to irrelevant issues. Those who urge delay take an awesome responsibility on their shoulders.●

CARDINAL WYSZYNSKI

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1981

● Mr. COUGHLIN. Mr. Speaker, I would like to pay tribute to the late Cardinal Wyszynski, primate of the Roman Catholic Church in Poland. As Poland's spiritual leader for more than three decades, Cardinal Wyszynski was responsible for his nation's pursuit of freedom and independence. He represented social and political stability to his followers as he would not give in to the demands of the Communist regime. For a long time, the Roman Catholic Church, under the cardinal's leadership, was the only organization in Poland to maintain its independence despite the repressive power of a totalitarian state.

Although Cardinal Wyszynski was an outspoken opponent of Marxist ideas, he was a political realist and knew he would have to work with his political adversaries in order to insure the integrity of the Polish nation and the spiritual restoration of its people. Communist Party leader, Stanislaw Kania, recently praised the late cardinal for his ability to promote an understanding between church and state. The cardinal believed that Poland's longtime Christian tradition would outlive its current domination by communism.

Cardinal Wyszynski paved the way for the independent Solidarity trade union. Such a reform movement would not have been possible without the determined stand taken by the Polish Catholic Church under Cardinal Wyszynski's guidance during the Stalinist persecutions. Solidarity leader Lech Walesa said of the cardinal:

He is a great man, his wisdom is immense and his help has been enormous. * * * All the time and in every way. People don't know it was Cardinal Wyszynski who arranged our meetings with Gierek and Kania and even during the labor unrest earlier this year, I had to ask him to give me a hand. Without his intervention, I would not have been able to call an end to those strikes.

Cardinal Wyszynski also acted as an intermediary between the Communists and Solidarity when Polish authorities beat union activists in the town of Bydgoszcz. At this time, he preached to government officials of the need to serve society and respect human rights while he preached to Solidarity members of the need for time and patience in obtaining social and economic demand. Additionally, the cardinal argued the case for farmers to be able to establish a union and, after many legal and political battles, Rural Solidarity came into existence.

Before Solidarity, Cardinal Wyszynski assisted in the organization of Christian trade unions in the 1930's believing that these groups should focus their energies on social problems and work safety rather than becoming involved in politics. During World War II, the cardinal lent his support to the Warsaw and Lublin underground resitance movements against the Nazis.

Cardinal Wyszynski's accomplishments are many and great, and I join the people of Poland in mourning the death of this most faithful and effective leader. His compassion for and his devotion to a free and independent Poland will long be remembered. He truly loved his church and his nation and I pray that his vision of a free Poland will come to pass in the 20th century.●

WHEN LIFE BEGINS

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. FORD of Tennessee. Mr. Speaker, a constituent of mine has brought to my attention some serious consequences of the deliberations undertaken by the distinguished Members of the Senate. As a member of the House tax writing committee, I thought I would share with my colleagues just how far the considerations of legislating "when life begins?" extend. There is an old saying, "* * * the only things certain about life are death and taxes." I think that this gentleman's questions show just how far reaching the problems could become if Congress tries to legislate a definition of life.

MEMPHIS, TENN., *May 21, 1981.*

Representative HAROLD FORD,

U.S. House of Representatives, Longworth House Office Building, Washington, D.C.

DEAR REPRESENTATIVE HAROLD FORD: As I was playing handball the other day I had some thoughts on Congress' deliberations on a bill to circumvent the Supreme Court's decisions concerning abortion, and I thought I might share these thoughts with you and possibly through you with your colleagues.

First, if a person exists shortly after ejaculation, then any spontaneous miscarriage (one out of every five pregnancy's) would be deemed a birth and death therefore and due an income tax deduction, as a dependent child, for that year. Furthermore if that nebulous individual existed in November and aborted in January there would be a deduction for 2 years.

Secondly, any pregnancy that extended past January 1 and resulted in a live birth would be due a deduction for the previous year as well as the year of birth.

Following this rather absurd logic, individuals could go back and revise their tax liability, even those who had had legal therapeutic abortions.

Having done primarily infertility work for the past 20 years, of course, I welcomed the decision of the Supreme Court which declared abortions legal for the past 200 years, because I saw so much permanent infertility following so-called illegal abortions performed by untrained individuals.

Sincerely,

ALBERT M. ALEXANDER, M.D., P.C.●

BILL TO TEMPORARILY EXCLUDE FOREIGN PROCESSING VESSELS FROM THE INTERNAL WATERS OF ALASKA

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. YOUNG of Alaska. Mr. Speaker, I am introducing today a bill which will temporarily exclude foreign fish processing vessels from the internal waters of Alaska, subject to certain overrides by the Governor of Alaska and the U.S. Department of Commerce. This is a companion measure to a bill introduced by my Alaskan colleagues in the Senate (Mr. STEVENS and Mr. MURKOWSKI).

The need for this legislation has been suggested by certain segments of the commercial fishing industry and the State of Alaska. Prior to this year, Alaska State law prohibited the entrance of foreign processing vessels into the internal waters of Alaska unless otherwise approved by the Governor and the Alaska Board of Fisheries. However, recent court action has suggested that this law may violate the commerce clause of the U.S. Constitution. It also appears that other existing Federal law, including the Magnuson Fishery Conservation and Management Act, does not prohibit the operation of foreign fish processing vessels in the internal waters of any State. U.S. fish processors are of course concerned that foreign vessels may enter at any time and undercut the operation of U.S. facilities without having to comply with those laws and regulations that are normally applicable to onshore fish processors.

At present, it appears that no emergency exists in terms of the imminent arrival of foreign processing vessels in Alaskan waters. Thus, both fishermen and the State of Alaska have suggested that it may be appropriate to hold hearings on this measure before asking the House to rush it through. I agree completely. However, in the event that an emergency does become apparent, I will ask the chairman of the House Merchant Marine and Fisheries Committee to expedite passage of this measure. Further, I hope that hearings can be held as soon as possible.

I want to stress that this is a temporary measure designed to correct a particular problem in a particular area during one fishing season. I do not view it as a long-term solution nor do I feel that passage of this bill should preclude the concerned interests throughout the country from developing a comprehensive approach to closing what appears to be a loophole in existing law. The approach used in this bill may serve as a model for future action. However, it should not be viewed as necessarily the best means to accomplish what we seek. Any long-term approach should only be developed with the full participation of all interested parties, including fishermen, processors, affected coastal States, and the Federal Government.●

DANIEL L. SCHLAFLY—"MR. BOARD OF EDUCATION"

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. GEPHARDT. Mr. Speaker, I want to take this opportunity to salute Daniel L. Schlafly, who is retiring this month after 28 years of service on the St. Louis Board of Education. During that period he has served responsibly, wisely, and well; and every person who has attended school in St. Louis since 1953 owes him a vote of thanks.

Our schools have changed a lot during the past 28 years. The problems they face today are different from those of the early 1950's. The methods used by Daniel L. Schlafly remain relevant, though. In fact, his efforts to reform and remold the board have made it the effective agency it is today in dealing with our city's schools.

He has worked hard in this part-time position. He has contributed more to our schools than some who devote a lifetime of service to them. He is called Mr. Board of Education with good reason.

He has served us well and we are grateful. It will be hard, if not impossible, to replace him.●

BARRINGER TO RETIRE

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. JONES of Tennessee. Mr. Speaker, I want to take this opportunity to note the retirement of my good friend, Mr. Lew Barringer, president of the L. T. Barringer & Co., a cotton firm in Memphis, Tenn. Mr. Lew, as he is known by many, has decided to step down effective August 1 as president of the company. He has served as president of that company since it was founded in 1930 as a subsidiary of Cannon Mills.

Mr. Lew has been throughout his life, very active in politics and public policy, especially in legislative proposals that affected cotton. He has been an unofficial adviser to many Members of Congress and was an agricultural adviser to President Harry Truman. Whenever there were important policy decisions to be made regarding cotton, Mr. Lew Barringer was always there offering his knowledge and his insight into the needs of the cotton industry.

It is reassuring to know that Mr. Lew, at the age of 80, is not going to go into complete retirement. He will keep his offices at L. T. Barringer & Co., and will continue to serve as a consultant to the company. Nonetheless, I wanted to share with my colleagues in this body his decision to retire and include in the RECORD a copy of a recent story in the Memphis Commercial Appeal noting his retirement.

BARRINGER TO RETIRE AS COMPANY HEAD

(By Emmett Maum)

L. T. 'Lou' Barringer, 80, considered one of the most valuable men in helping to achieve cotton legislation, will step down Aug. 1 as president of L. T. Barringer & Co., cotton subsidiary of Cannon Mills Co.

Barringer, an agricultural confidant of President Harry Truman, will retire after 63 years in the cotton business.

But, Barringer said, "The next day, I will be back at my desk, doing what I've been doing for so many years."

No successor has been named, "and I have no idea who will become president," Barringer said. At the same time, Hugh J. Toumey, board chairman and chief executive officer of Cannon Mills, Inc., sales subsidiary of Cannon Mills Co., will retire.

Barringer is in his office from 9 a.m. to 6 p.m. weekdays and usually 9 a.m. to 1 p.m. Saturdays and Sundays. The only difference is that he will be serving as consultant rather than president, a position he has held at the company at 1195 Union since it was organized in 1930.

Otto G. Stoltz, board chairman and president of Cannon Mills Co., based in Kannapolis, N.C., said, "Lou Barringer has made a long and valuable contribution to Cannon and the cotton industry. We are very proud to have been associated with him."

While Truman was a U.S. senator from Missouri, he and Barringer met on one of Truman's visits to the Bootheel. Thereafter they often discussed agricultural matters, especially cotton. Barringer helped Truman learn a great deal about cotton and said that as senator and later as President, Truman was a big help in agricultural legislation, including cotton programs.

During the Truman administration, Barringer frequently visited the White House, often for meetings with the President concerning agriculture, but sometimes on efforts related to the then-developing space program and other Truman programs, he recalled.

"Once I visited Truman six straight days in the White House," he said.

Barringer spent so much time in Washington that he kept a room at all times at the Mayflower Hotel. Even today, he has a White House pass given him by Truman.

"In those days, synthetic fibers were just getting going, and we had to work to ward off their efforts to take over our cotton markets," he said.

Through the years in which he was a factor in agricultural and cotton legislation, Barringer worked behind the scenes. He never accepted an official position, but was close to numerous U.S. senators and representatives and high government officials.

Truman was "knowledgeable and fair about agriculture, including cotton," said Barringer. In fact, the former President worked on a farm his parents owned near Independence, MO., as a youngster. "Truman was agriculture all the way," said Barringer.

In the 1940s, Barringer said, he was able to swing one the biggest advance bookings of cotton in history. Anderson, Clayton & Co., which no longer is in the cotton business, was financing some California cotton producers' crops. A-C planned to buy the cotton as it was ginned. Barringer asked how many bales would be involved and was told 70,000 to 80,000 bales.

"I told them we would buy all of it," he said, "and it turned out to be a total of 78,000 bales. We paid the current market price each day when the farmers were ready to sell the cotton.

Barringer's presence in agricultural policy efforts hs continued throughout his career. His collection of Washington memorabilia includes large signed photographs of Truman, key Truman aides with whom he worked and former President Lyndon B. Johnson, as well as invitations to gatherings like the "housewarming" former Vice President Nelson Rockefeller held for his new quarters in 1975.

During the Carter administration, when cotton exports were lagging, Barringer recalled, "The Export-Import Bank head was resisting a $75-million loan to Japan for the purchase of cotton." Barringer said he and some Southern senators worked closely, and the senators finally persuaded former President Carter to push for the loan.

"If Japan hadn't received it and bought the cotton, prices for cotton probably would have dropped quite a bit, and our exports would have been down sharply. That didn't cost the taxpayers a penny, because Japan pays its obligations."

Barringer in 1918 started his cotton career with Cannon Mills as a "squidge," or clerk, in Concord, N.C. Later he moved to the firm's cotton department in Atlanta. Finally, in 1930, Charles A. Cannon, who was board chairman and president, decided the company was using so much cotton it should open its own cotton firm. So L. T. Barringer & Co. was founded here. Today, John W. Barringer, a son who is a Collierville farmer, serves as assistant to the president of the cotton company. The younger Barringer has been a prime mover in the group organizing the Mid-South Agricenter, Inc., for Memphis.

In 1976, Barringer was honored with a surprise dinner at the Mayflower. Many speakers lauded the Memphian, including Truman's daughter, Margaret Truman Daniel; Rep. Ed Jones (D-Tenn.), former Sen. James O. Eastland (D-Miss.), former Sen. William Fulbright (D-Ark.), and former Secretary of Agriculture Orville Freeman. He was praised for working in the thick of congressional battles over cotton legislation for more than 35 years.

Mrs. Daniel recalled that Barringer had campaigned for Truman in 1938, 1944 and 1948. "I don't have much to say except I love you," she said. "To this day, he is a close family friend."●

IS OUR NATIONAL POLICY ONE OF RENEGING ON INTERNATIONAL AGREEMENTS?

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. RAHALL. Mr. Speaker, it appears the Reagan administration's national energy policy has become one of reneging on international agreements with our European allies. As a nation blessed with abundant reserves of fossil fuels, including the largest recoverable coal reserves in the world, the United States has been a leader in the move away from high dependency on OPEC oil and toward a greater reliance on coal; both domestically and abroad through the export of steam coal.

However, the Reagan administration through the Department of Energy has made it a policy to renege on international cooperative efforts dealing with coal utilization. It has proposed pulling Federal funds from the SRC-II synethic fuels demonstration project in Morgantown, W. Va., leaving our German and Japanese partners in the cold. And now, the Energy Department has announced the withdrawal of its participation from the Grimethorpe pressurized fluidized bed combustion project in the United Kingdom. This experimental project is a cooperative effort between the United States, Germany, and the United Kingdom to develop a data base for fluidized bed combustion technology which could then be used in commercial application. This process is perhaps the most promising method of burning high-sulfur coal in a sound environmental manner.

Besides the international ramifications of the administration's apparent disregard for energy research and development agreements, the most appalling aspect of this country's withdrawal from the Grimethorpe project is that while we have already invested $25 million, we will not be entitled to reap the benefits of the experimental results. In other words, the United States will lose access to any information dealing with this project due to its withdrawal.

This says one thing about the Reagan administration's concept of energy research and development. It is shortsighted, to say the least.

According to Energy Department personnel involved with the Grimethorpe project and with the agency's fluidized bed program in general, the loss of data from the international project will have a grave impact on our domestic program in this area. The experimental data from Grimethorpe would hasten the development of this technology in the United States and thus, save money in the agency's research and development program. Without this data, domestic projects will suffer a setback which will effectively prolong the development of fluidized bed combustion technology for commercial uses.

From what I have been told, for an additional $12 million the United States could complete its commitment to the Grimethorpe project, and to our German and British partners, and gain the benefits associated with the data being produced.

While I realize the need for controlling our Nation's budget, I believe to sacrifice critical data on high-sulfur coal combustion while losing a $25 million investment seems inconsistent with the administration's desire for accountability and efficiency. Furthermore, it concerns me that this country is recklessly reneging on international energy commitments forged with an element of mutual trust and cooperation with our European allies. With the type of energy policy being advanced by the Reagan administration, this Nation may continue to languish within the weakening grip of foreign oil dependence. We are not only turning our backs on our European allies by backtracking on international projects, we are also undercutting our own national interests.●

SOCIAL SECURITY COURT

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. PICKLE. Mr. Speaker, I today introduce legislation which would establish a social security court and provide specific statutory authority for the current appeals council which would be reconstituted as the review board. This legislation is designed to focus attention on the social security appeals process which we expect to explore in depth later this Congress.

Mr. Speaker, I introduce this legislation as a vehicle for discussion of the appeals process which is playing an ever more important role in the disability program. I have an open mind on this legislation and welcome the views of the administration and other interested parties.

While I recognize this may not be an approach many may want to take, it is an approach that has been recommended by the National Commission on Social Security and earlier by the Center for Administrative Justice, and it addresses clearly many of the issues and problems now apparent in the social security appeals process. It is in that spirit that I hope we can use this bill as a forum to improve that process.

The appeals process continues to play a greater role in social security decisionmaking. In 1964 under 3 percent of disability allowances were made at the Federal appeals level—the ALJ's and the courts. In 1980 this figure stood at 21 percent. Over the years it has become clear that there are unacceptable variances in how cases are decided at the State agency level and the ALJ and court level. Last year the Congress took some remedial action in requiring the Secretary of Health and Human Services to institute a program of own-motion review so that ALJ allowances would not go unreviewed as they have for the last 5 years. We also closed the record after the ALJ hearing and foreclosed the authority of the Secretary to pull cases back to the administrative process just because he could not defend them in court. The conferees on the 1980 disability amendments in rejecting an administration proposal to change the "susbstantial evidence rule" instructed the National Commission on Social Security to "examine the disability adjudication and appeals process generally and deal specifically with such elements as the administration proposals for judicial review in addition to alternative approaches such as a disability court."

The National Commission reported back in March of this year advocating as the center piece of its section on the appeals process the creation of a specialized administrative court under article I of the Constitution. The Commission report states:

> This new court could make significant improvements in the appeals process. Because they reviewed only Social Security cases, judges of the court would acquire an expertise in the area that judges in Federal District Courts usually lack. By creating a uniform body of precedential material, the court's decisions would have a significant effect on the earlier stages of the adjudicative process as well. With all appeals going to a single court, it could no longer be argued, as it is now, that the need for uniform nationwide decisions precludes using the sometimes conflicting decisions of the several circuit courts as binding precedents.

In reaching its recommendations the Commission was greatly influenced by the earlier report of the Center for Administrative Justice which had also been requested by our committee. The Center report noted the lack of a precedent-setting mechanism which would provide guidance at all levels of adjudication. They pointed out that the State agency ignored court cases within their jurisdiction while ALJ's might or might not follow them. The social security court would provide case-law precedent which would be binding on all levels of adjudication

and where its policy determination were at odds with those of the claimant community or the Social Security Administration these differences could be submitted to the Congress for resolution.

The second major argument for the court cited by the Commission was that it "would help lessen the congestion in the Federal courts." Last year approximately 8,000 social security and SSI cases were filed in Federal district court and the pending backlog of cases stands at about 18,000. Hopefully the social security court could more expeditiously deal with the high volume of cases. Presumably the district court system would be reduced as a result of this legislation, or not enlarged as has been done periodically in past years.

The bill I introduce today would follow quite closely the National Commission recommendation. It also follows the structure of the bill introduced by my predecessor, Hon. James Burke, in the 95th Congress. It would be structured on the pattern of the Tax Court. Its 20 judges would be appointed by the President for a term of 10 years, and the President would designate a chief judge to administer the system. Commissioners could be appointed by the chief judge as in the Tax Court who could carry out "magistrate" functions in dealing with the caseload. There would be divisions of the court so that cases could be heard throughout the United States, and a review mechanism would be established so that decisions having policy implication would be reviewed by the court en banc or by panels of judges. Appeals from decisions of the social security court could be made to the U.S. Circuit Court of Appeals for the District of Columbia on the basis of constitutionality or statutory interpretation.

This legislation differs from that introduced by Congressman Burke in that it would create a social security rather than a disability court. This was done to prevent a cumbersome mechanism whereby disability issues would have gone to the new court while the nondisability issues would go to the district courts. Thus, a case with both insured status and disability issues would have to have been split. Although over 90 percent of the caseload will be disability, the social security court should have no trouble dealing with the other types of social security litigation. Similarly the idea of offering the claimant two alternative appeals mechanism as in the tax area seems inappropriate for social security.

The bill introduced today departs from the National Commission recommendation in that it retains an administrative appeals body after the ALJ level. I am aware of the very valid criticism which is made of this body as presently constituted. This is undoubtedly true. The elimination of the appeal court own-motion review function, the periodic transfer of its program analyst to the field to expedite cases, and the deemphasis of its medical staff have all added substance to charges that it was merely a bureaucratic layer rather than an entity carrying out a legitimate function. Some ALJ suggest elimination of Appeals Council and substitution of direct appeal to the court or some peer review mechanism. The National Commission suggests that the social security court should "take over the appellate functions now in the hands of the Appeals Council and the Federal district courts." However, if there was no Appeals Council or review board, the social security court would have to handle a much greater workload than contemplated.

Fifty-two percent of the ALJ affirmances of denials of benefits were appealed in 1980 and although 87 percent of these were upheld by the Appeals Council only 20 percent of these denials were subsequently appealed to the district courts. It is probably valid to assume that not as many ALJ decisions would be appealed to the social security court as would be appealed to the Appeals Council, but the workload increase to the court for direct appeal from the ALJ decision would be significant. Moreover, this does not take into account the additional appeal of ALJ allowances by the Government under an own-motion review mechanism. This too could be a very significant workload addition to the court. These were some of the aspects cited by the Center for Administrative Justice report in recommending retention of the Appeals Council structure. Direct appeal of ALJ decision also puts the Government in the anomolous situation of having to appeal its own decision.

This legislation, thus, rests on the assumption that the Appeals Council Review Board serves a legitimate function in both funneling appeals and in formulating a uniform governmental position that can be presented to the social security court. It would establish a statutory base for a review board which would generally carry out the existing functions of the Appeals Council in a more effective manner. It would differ from the existing Council in that the board would be composed of persons who have served as ALJ's adjudicating social security cases. The review board shall take requests for review of decisions by claimants and by the Social Security Administration. The board may affirm, reverse, or modify the ALJ decision or remand the case for further proceeding to the ALJ. The board may consider new evidence in any case only where it is material to the issue to be decided and there was good cause for failure to incorporate it into the record previously. And, of course, the decision of the review board would constitute the final decision of the Secretary and be subject to court review.●

BASEBALL TITLES FOR ARIZONA STATE UNIVERSITY AND GRAND CANYON COLLEGE

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. RUDD. Mr. Speaker, sports news from Arizona might not always receive top billing here in Washington, but two great institutions within my State do deserve special mention for their baseball victories last night. The Arizona State University Sun Devils beat Oklahoma State, 7 to 4, to win their fifth National Collegiate Athletic Association baseball title and second under head coach Jim Brock.

A smaller, but no less deserving school, Grand Canyon College, won its championship game yesterday in the National Association of Intercollegiate Athletics tournament with an 11 to 4 win over Winthrop College of Rock Hill, S.C. The Antelopes' NAIA title was their second in a row and first under new coach Gil Stafford.

Both of these teams have a history of success on the diamond and Monday's victories should be an additional boost of pride for those associated with the two schools and all residents of Arizona. I share in the celebration of both Arizona State University and Grand Canyon College.●

BIG BUSINESS PLACES AIDES IN CONGRESS

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. FORD of Tennessee. Mr. Speaker, a recent article written in a Memphis newspaper revealed that since 1976, 25 of the country's major corporations have paid the salaries, expenses, and fringe benefits of 54 young executives to work with key House and Senate subcommittees.

The program is operated by the Conference Board, a 60-year-old nonprofit organization which includes among its membership 4,000 corporations, labor unions, and universities.

The program raises potential questions of conflict of interest, and I have submitted the following article in order that readers themselves can make their judgments regarding the program:

CORPORATE AIDES FILL KEY CONGRESSIONAL ROLES

(By John Bennett)

WASHINGTON.—Some of the largest corporations in America pay the salaries of key staff assistants in Congress.

These corporate interns have played and continue to play major roles in drafting legislation, and some are given credit as chief movers behind the enactment of federal laws.

Records show that some corporate interns are being assigned to key committees in Congress that enact legislation directly affecting their companies.

Few Americans are aware that, since 1976, 25 of the country's blue-ribbon corporate giants have paid the salaries, expenses and fringe benefits of 54 promising young middle-management executives to join the government world in Washington.

The interns have set aside a year's climb up the executive ladder to accept assignment as staffers to major House and Senate subcommittees where they gain intimate access to government information affecting private enterprise.

These midcareer transplants to Congress owe their Washington plunge to The Conference Board, a 60-year-old nonprofit organization whose board members include 4,000 corporations, labor unions and universities. The corporations pay their Washington-based employees through the board.

This year, 10 corporate executives—6 in the House and 4 in the Senate—are busily at work on major subcommittees analyzing everything from income tax reductions to synthetic fuel project financing.

Despite safeguards, it is an assignment fraught with potential for conflict of interest.

Sen. Dale Bumpers (D-Ark.) seriously questions the propriety of the program.

"It at least raises the question of serious conflicts of interest," Bumpers said. "I can see how an argument might be made for the program, but I see that it also raises serious problems. I certainly would not want someone from Common Cause on my staff, and I wouldn't want anyone whose salary is paid for by private enterprise on my staff, either.

"I'm not saying any of these people would do anything improper, but it raises that question," Bumpers added. "It just isn't worth it."

New York officals of The Conference Board claim they scrupulously avoid any possibility of a conflict of interest in their Congressional assistant program.

"The overall aim of the program is to contribute to better understanding and communication between the United States Congress and the private sector," a board publication states. "The experience offered these men and women is to learn about the legislative decision-making process while working with the staff of a congressional committee during one legislative session of Congress.

"The responsibilities proposed for a congressional assistant are carefully reviewed by The Conference Board, the sponsoring corporation and the congressional committee to anticipate and avoid any real or apparent conflict of interest between their assignment and their corporation."

But 1981 assignments show several potential conflicts. Several executives are assigned to committees or subcommittees that study legislation directly affecting the companies.

Under the program, the corporation-paid staffer is assigned to a specific subcommittee and is under the direct supervision of the chairman of that subcommittee.

Staffers are assigned to legislative work that supposedly would not benefit the home office, although safeguards can hardly prevent all benefits gained through contacts in Congress.

At the very least, in a general way, many of the corporations have reaped benefits of federal legislation their employes helped get through Congress.

An example is passage of the 1979 Paper Reduction Act. A General Motors Corp. production executive organized field hearings to take testimony and made key recommendations on the law's content to Sen. Lawton Chiles (D-Fla.), chairman of the subcommittee that drafted the legislation.

The law set up a process for eliminating a duplication of paperwork, including paperwork that falls on corporations.

General Motors has sent five of its top executives to Washington under the program.

"We consider the program a valuable and unique resource, enabling some few of our promising young executives to participate actively in the Washington scene for a period of time long enough to provide significant experience," said Thomas A. Murphy, chairman of the board of General Motors.

"Each of those who have taken part benefitted personally," he said. "On their return, we gained from their increased knowledge and understanding. And we have firsthand reports that they brought to their assigned sector of the Congress a sense of the business world that was otherwise lacking."

C. R. Blundell, vice president of personnel for General Foods Corp., said, "There is no possible way currently we could provide the internal experience which offers the exposure to the working of our federal system of government that one gets through the Congressional Assistant Program."

In 1977, Allan Cors, vice president and director of government affairs for Corning Glass Works, commented about one of the company's executives sent to Washington under the program.

"The program has been very good for him and Corning Glass Works," Cors said. "Joe's experience has definitely made him a much more valuable resource to the company. His better understanding of the governmental process has given him a substantially enhanced ability to make decisions now, as well as the future."

The praise doesn't all come from the private sector.

Chiles, chairman of the Senate Federal Spending Practices and Open Government Subcommittee, praised Stephen Cole, a General Foods executive assigned to his supervision.

"Steve turned out to be a real tiger," Chiles said.

Another assistant assigned to Chiles' subcommittee was Richard R. Grosse of General Motors who arranged field hearings on the 1979 Paperwork Reduction Act.

"He virtually drafted the legislation," said a subcommittee staffer who worked with Grosse. "He briefed the senator on what he recommended him to do."

Some assignments raise immediate questions:

Richard E. Storat, chief project engineer for Bethlehem Steel Corporation, has been assigned this year to the House Committee on Energy and Commerce Subcommittee on Fossil and Synthetic Fuels.

Bethlehem Steel is involved with Westinghouse in a proposed methanol plant at Johnstown, Pa., and the project is pending for approval before the new U.S. Synthetic Fuels Corporation.

Storat's subcommittee is responsible for initial drafting of legislation affecting synthetic fuel projects.

U.S. Steel Corp. assigned a $36,000-a-year environmental engineer to the Senate Committee on Energy and Natural Resources.

That committee has major responsibility over legislation dealing with the nation's natural resources, such as coal used in the production of steel. The committee recently drafted legislation that would give steel companies extensions on meeting clean air deadlines.

Denis W. Ray, a mill superintendent with Aluminum Company of America, is assigned to a House subcommittee on mines and mining.

A. Lyell Rushton III, an advisor on international public affairs with Mobil Oil Corporation, is assigned to the Senate Banking Subcommittee on International Finance and Monetary Policy.

Michael J. Prendergast, a tax assistant with U.S. Steel, is assigned to the House Committee on the Budget.●

NATIONAL ITALIAN AMERICAN HERITAGE WEEK

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mrs. SCHNEIDER. Mr. Speaker, I would like to take this opportunity to acknowledge the importance of Italian Americans and the cultural richness which they have brought to our societal community in the United States, by cosponsoring House Resolution 145, requesting the President to declare the week of June 7 to 13 as National Italian American Heritage Week. As the Representative of the largest concentration of Italo-Americans of any congressional district, I would like to pay tribute to this rich cultural group, which has not only influenced the state of Rhode Island, but also has played a substantial role in shaping the essence of a country we take great pride in calling the land of opportunity, diversity, chance for acceptance, growth and progress.

Two bronze plaques in the Italian-ethnic area of Providence, Federal Hill, are dedicated to the men of the Muratori and Garafalo families whose fruit stands were located on that site for 40 years. These men came to this country, worked their way through the depression and successfully supported their families as fruit vendors. The Italian Americans, many of whom are the descendents of early immigrants, have contributed to the arts, medicine, education, construction trades, business, the list goes on.

In 1950, John O. Pastore of Rhode Island, became the first Italian American to be elected to the U.S. Senate. In years to come, Senator Pastore was followed by many distinguished Ital-

ian Americans who later joined the House and the Senate. Senator Pastore is only one example of the Italian Americans who, to this day, are the cultural and economic backbone of my State.

The declaration of a National Italian American Heritage Week, like the bronze plaques, signifies the contributions of generations of a people who have had a significant impact on our nation. More importantly, it reminds us that our country is still that place where we as Americans can pull together during hard times and experience successful triumph.●

CAN WE AVOID AN ARMS RACE IN SPACE?

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. BROWN of California. Mr. Speaker, whatever one's views on the value of an aggressive civilian space program, or on the negotiation of a strategic arms treaty with the Soviet Union, he should be concerned about the militarization of space. In fact, an arms race in space will undermine both the efforts to exploit the peaceful uses of space, and the efforts to achieve some sort of military balance between the two superpowers.

I am one who believes the beneficial uses of space are far greater than we yet imagine, and the development of space technologies offers benefits to all the people of the Earth. It also seems evident that extending the arms race into space, in whatever form, is destabilizing and counterproductive. Yet, the United States is cutting back on civilian space programs, dramatically increasing military programs, and dedicating a larger share of the Space Shuttle payloads to military and intelligence uses. These budgetary decisions are de facto space policy decisions, although the policy we are making is generally unknown and unrecognized in the Congress. Former Air Force Secretary, and now Deputy Administrator of the National Aeronautics and Space Administration, Dr. Hans Mark, made this point when he recently noted:

> NASA is in fact a minor user and not the driver (of the Space Shuttle). That's something the NASA folks don't like to hear, but it is true.

Mr. Speaker, there is time to avoid an arms race in space. Dr. George B. Kistiakowsky, former science advisor to President Eisenhower, discussed this subject in a recent article which I commend to my colleagues.

The article follows:

[From the Los Angeles Times, June 4, 1981]

ARMS RACE IN SPACE?—BIG PUSH FOR ANTISATELLITE WEAPONS SHOULD BE AVOIDED

(By George B. Kistiakowsky and Kosta Tsipis)

The successful maiden flight of the space shuttle Columbia has reawakened keen interest in the uses of outer space, including the role that military forces should play there.

Quite early in the Space Age, the U.S. military was mostly interested in the uses of outer space for manned warfare, and funded such science-fiction studies as "The Strategic Defense of Cis-Lunar Space." But, as the recognition grew of the military advantages offered by the panoramic view of Earth from atmospheric heights, the military became involved in a variety of unmanned missions designed to increase the effectiveness of the armed forces that are deployed on Earth.

The military space budget reached $5.3 billion in fiscal 1979, rose to $7.4 billion in fiscal 1981 and, judging by the plans of the Reagan Administration, will be double that by fiscal 1985. Compared with these figures, the National Aeronautics and Space Administration's fiscal 1981 budget is $5.1 billion, a substantial fraction of which is allocated for the space shuttle, which will serve military as well as civilian projects.

The United States and, to a lesser extent, the Soviet Union have become increasingly dependent on outer space for the smooth operation of their armed forces. For example, most long-terms, strategic intelligence-gathering is conducted by satellites that fly over the nations of the world and photograph military, industrial and agricultural activities and installations, providing timely and reliable information.

Since the early 1960s, satellites have also been used to monitor compliance with arms-limitation agreements as they came into force. It is quite doubtful that agreements such as SALT I would have been concluded without the capability of satellites to monitor compliance. In time of war, satellites could track battlefield activities and the deployment of the combatants, as was done by the United States and the Soviet Union during the last Arab-Israeli war. The cameras of modern satellites can scan large areas of land and also zoom in to transmit detailed information.

Synchronous satellites whose rate of travel enables them to remain over the same point on the earth's surface, positioned about 21,000 miles above the Equator, stare continuously at the Soviet Union and provide almost instantaneous warnings of Soviet missile launchings. Such early-warning satellites can detect both intercontinental ballistic missiles and submarine-based ballistic missiles, and in seconds warn our military commands if the numbers launched suggest the start of an attack, rather than routine testing.

One of the satellites' most important military functions is carrying the bulk of communications among our forces based around the world. Any developments that would make military communication satellites vulnerable in time of war would seriously threaten the combat capabilities of our forces.

The United States makes much more extensive use of outer space for these activities than does the Soviet Union. Although the United States has fewer but perhaps more elaborate and sophisticated systems in space, it has grown more reliant on space for its daily military operations and derives greater advantages from space. The Soviet Union does not appear to be experimenting with the more sophisticated uses of space, probably because our open society offers the Soviets easier ways to acquire the information that they desire about us. Thus any military developments that would restrict the usefulness of outer space are most likely to work against the security interests of the United States.

Outer space so far has remained free of weapons of any kind. An international treaty to which the United States and the Soviet Union adhere forbids the deployment in space of "weapons of mass destruction"—that is primarily, nuclear warheads.

Stimulated probably by intelligence leaks that the Soviet Union is working on anti-satellite weapons, there has been recent speculation in our press that it is possible, and even desirable, to place weapons systems in space that could either damage satellites or electronically impede their functions. There has even appeared journalistic hyperbole to the effect that it would be possible, within the next decade or so, to deploy "death-ray" weapons in outer space that could protect the United States from a missile attack. Such claims are totally unsupported by technological reality, and are science fiction best left to Hollywood. They seem to reflect the shortsighted desire of some military planners to extend the arms race into outer space.

Regrettably, both superpowers have already taken the first steps in this direction. In the last decade, the Soviet Union has conducted unmanned satellite rendezvous in space that could be interpreted as anti-satellite weapons testing. Eleven of these might have been successful in the sense that one satellite passed within a half-mile of the other. The potential to damage U.S. satellites is presently limited to those in low orbits, but it has been cited as the reason the United States is now developing its own anti-satellite system.

The space shuttle was begun as a civilian project by NASA, but military planners soon recognized its potential for placing heavy payloads in space. It has continued as a joint venture, still under NASA management but with the shuttle somewhat redesigned to accommodate military needs.

In the last few years, partly because of large budget overruns in the shuttle project, NASA has postponed scientific missions in space that were planned to utilize the shuttle as the launch vehicle. The current drastic restrictions in civilian budgets proposed by the Reagan Administration will result in even less money for scientific objectives.

The shuttle will most probably be used for placing in space commercial satellites that are now revolutionizing long-distance civilian communications, as well as transmission of commercial data and television programs. Nonetheless, one might expect that the majority of shuttle payloads will turn out to be of interest to the armed forces, which are being promised rapidly rising budgets. Undoubtedly their payloads will include still larger and more advanced satellites intended for synchronous orbits, for which the satellites must be equipped with powerful rocket-propulsion systems to lift them from the low orbits of the shuttle to 21,000 miles.

The shuttle payloads can, of course, include anti-satellite systems, but interference with the opponent's intelligence satellites is contrary to the commitments made by the United States and the Soviet Union in SALT I and the unratified SALT II. Even the development of systems for this purpose

will threaten the benefits that we gain from the application of superior technology to outer space. Hence it is to our advantage to reach an agreement with the Soviet Union to stop the incipient anti-satellite projects under way. To engage, instead, in an anti-satellite arms race would be folly.●

THE LOEBE JULIE CASE: AN EXAMPLE OF WASTE IN DEFENSE SPENDING

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1981

● Mr. WEISS. Mr. Speaker, waste in Government programs is the concern of every citizen. Yet an administration that professes to seek elimination of wasteful and excessive spending has ignored the largest source of waste in the Federal Government: the national defense budget.

Some examples of waste in defense spending are well known. Pentagon interest in state-of-the-art equipment leads to gold plating, where millions are spent on technical improvements that provide no real military advantages. Unnecessary bases are kept open. Redundant weapons systems are purchased.

Other examples are not well publicized. But when added up, they yield estimates such as that made by former Comptroller General Elmer Staats of up to $10 billion a year in defense waste.

One example is the case of my constituent, Loebe Julie. Mr. Julie is an inventor and manufacturer of calibrations equipment which is used to keep our weapons in the highest possible state of readiness. If incorrectly calibrated, weapons guidance systems will send missiles off course, to use a crude example.

According to many experts and the Army itself, Mr. Julie manufactures an exceptionally accurate and reliable calibrations set. The Army has refused to purchase his equipment for field use, however, insisting that it is both too expensive and too sophisticated.

Mr. Julie has argued that purchase and deployment of his equipment would save the Army about $600 million over its 20-year span of operation. Indeed, he has pointed out that the Army has likely wasted about $70 million over the past decade by purchasing equipment that either proved to be inadequate or was obsolete.

A General Accounting Office study of this situation, requested by myself and Congressman JOSEPH P. ADDABBO, concluded that the Army "has not adequately considered" the Julie equipment. In fact, Army evaluations of Mr. Julie's product "appear to be based on some questionable conclusions and assumptions, and largely ignore favorable impressions by Army representatives who saw the equipment in operation," according to the GAO report.

The Army had questioned Mr. Julie's assumptions made in developing projected cost savings for the use of his equipment. But the GAO noted that the Army had either failed to develop accurate data of its own, or had simply not furnished it to GAO.

The Secretary of the Army has ordered his Department's Inspector General to investigate the situation, and I am hopeful that the waste involved can be identified and corrected.

But I must point out that there are strong indications that further investigation of the calibrations area is needed. GAO has suggested, for example, that such an investigation be made of the Army Metrology Calibration Center—AMCC—Redstone Arsenal, Ala., which has recently gained administrative control over much of Army purchasing and policy in this area.

In addition, reports filtering back to the United States from Europe indicate that our system of calibrations deployment in that theater is plagued by mismanagement, inefficiency, and inadequate support. Highly trained, irreplaceable technicians are leaving the Army because conditions are inimical to quality calibrations.

The United States cannot afford a weak or inadquately maintained calibrations system. Mr. Julie has done all of us a service in calling attention to this previously unheralded but critical area of military readiness.

I am certain that there are hundreds of other men and women in the Department of Defense, the armed services, and civilian industry who can testify to the waste that is countenanced each day by our Defense Establishment. We must continue our efforts to see that this waste is identified and eliminated. This cause is important not only to the small businessman such as Mr. Julie, but to every citizen with an interest in both effective use of Government funds and a strong national defense.●

CYPRUS 1981: ONLY THE PAST IS CERTAIN

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. SHARP. Mr. Speaker, I would like to bring to the attention of my colleagues the following essay on current elections in Cyprus and Turkey by Prof. John T. A. Koumoulides. The holding of democratic elections on the island is especially noteworthy in light of the history of international conflict and tension in this area, and I believe Professor Koumoulides provides interesting insights into this endeavor:

On Sunday 24 May the Greek inhabitants of Cyprus will be called to the polls to elect the next President of the Republic of Cyprus and thirty-five members of the Vouli (parliament). One month later the Turkish inhabitants of the island will go to the polls to elect their leaders. Western observers consider this to be the most important election since the birth of the Republic of Cyprus in August of 1960. It is the first election without the impressive presence of the late President of the Republic, Archbishop Makarios. An election of great importance to the future of the Republic, therefore an election which now more than ever before demands unity, wisdom and political and social discipline on the part of all the people of Cyprus. The future leaders of the two (Greek and Turkish) ethnic communities of Cyprus will be faced with the major responsibility of helping to find just and lasting solutions to the chronic problems of the island. The bitter truth is that the real victims, or I should say tragic victims, of the tragedy of Cyprus are the Greek and Turkish inhabitants of the island. All others, whether Greeks, Turks, British, Americans, Russians, Arabs etc., are not but casual observers and outside "sympathizers" of the drama being played on that lovely but tragic island. The stakes in Cyprus are so high and the tension so great that the coming elections in the Greek and Turkish communities are being closely observed by the international community. Cyprus is of great strategic importance to the west being regarded as "vital" to its "national security". The complex issues in this tiny, rich history, scenically beautiful country carry the seeds of danger for the Greco-Turkish conflict and through Greece and Turkey NATO itself and the western alliance.

On the Greek cypriot side seven political parties are contesting the May 24 elections. They are the 'Democratic Party' of current President Speros Kyprianou; the 'Democratic Rally' of Mr. Glafkos Klerides; the communist party (AKEL) of Mr. Ezekias Papaioannou; the socialist party (EDEK) of Dr. Vassos Lyssarides; the 'Union of the Centre' of Mr. Tassos Papadopoulos; the 'New Democratic party' of Mr. Alekos Michaelides; and the 'Pancyprian party' of Mr. Chrysostomos Sofianos. On the Turkish side two major parties are contesting the June election. They are led by Dr. Kutchuk, ex-Vice President of the Republic of Cyprus and the current Turkish-cypriot leader Mr. R. Denktash.

The intercommunal talks which first took place under the auspices of the U.N. Secretary-General Dr. Kurt Waldheim first between the late President, Archbishop Makarios and Mr. R. Denktash (27 January and 12 February 1977), and again on 18 and 19 May 1979 between President Speros Kyprianou and Mr. R. Denktash continued in 1980. However, because of the coming elections on both sides Mr. Hugo J. Gobbi, special representative of the U.N., Secretary-General proposed a new time table for the intercommunal talks. 15 April 1981 constitutional aspects; 29 April, Territorial aspects; 6 May, Resettlement of Varosha; 3 June, Initial practical measures; 8 July, constitutional aspects; and 15 July 1981, Territorial aspects. Thereafter the talks will revert to the normal weekly pace. However, other than the comfort of knowing that the two sides are at least talking to each other across the diplomatic table, no real progress has taken place in the intercommunal talks. Yet the problem of Cyprus continues to be

extremely critical and potentially dangerous. Europe and the western world in general needs an independent, strong, united and peaceful Cyprus. Today American 'efforts' to bring a just solution to the problem have had an extremely limited success. It is therefore time for a new, fresh approach to the problem. A new initiative to be vigorously undertaken by the European Community. England with a constitutional obligation should lead the new peace initiative assisted by Greece, Turkey and other European states.

The pre-1974 situation of Cyprus is now historical. A de-facto partition of the island is extremely dangerous, unrealistic and unthinkable. What is possible is to maintain the unity and independence of Cyprus on a different arrangement. An arrangement which should include a bizonal constitution, with a strong federal government responsible for the conduct of national defense, foreign policy, and the economic affairs of the Republic of Cyprus.

Only through serious and effective intercommunal negotiations a viable and just solution to the tragic situation in Cyprus can be found. The two ethnic communities of Cyprus have capable and wise leaders who should be encouraged to meet, discuss, and solve their problems and find effective and lasting solutions to their difficulties and misunderstandings. An atmosphere of trust, confidence and justice must be created on Cyprus where Greeks and Turks might live and work together—with respect for each other's religious, social and political rights—for social and economic progress. Greece and Turkey, so close geographically, must also attempt to put aside their antagonisms, polemics and general hostilities which endanger the security of both—they should stop being prisoners of the past. Rather these two nations must realistically and diligently work to solve their problems and differences in Cyprus and the Aegean and help establish between themselves and with their Balkan neighbours an atmosphere of cultural, diplomatic, social and economic cooperation for peace, justice and prosperity in the area.●

MORE OPPOSITION TO METRIC

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. RUDD. Mr. Speaker, I have introduced H.R. 1660, a bill to repeal the Metric Conversion Act of 1975. Since that time I have received literally hundreds upon hundreds of letters from people all over this Nation supporting that bill and expressing the hope that Congress will act favorably upon it soon.

I think, Mr. Speaker, the time has come for a brief reminder of the need for my bill, of the necessity to repeal the Metric Conversion Act and abolish the Metric Board.

There is a great misconception abroad in the land that United States conversion to the metric system is national policy and that the Metric Board exists to implement that policy.

The facts are that conversion to metric is not a matter of U.S. policy, and the mission of the Metric Board should have been to encourage voluntary adoption of the metric system—not using propaganda methods to scare the public into believing that they ought to accept metric because the law dictates it.

Furthermore, there is nothing new about voluntary use of metric measurement in this country. Such use has been authorized since 1966—115 years ago. There has been no success during these years because the American people do not favor conversion.

Other facts we all should be aware of, Mr. Speaker, include the information that Great Britain and Canada both regret their statutory acceptance of metric, and efforts are underway in both nations to return to the pre-metric status quo.

Conversion to metric would unfavorably affect all aspects of our lives and subject Americans to a financial burden of billions of dollars in this conversion of weights and measures.

I recently read through some of the materials used for National Metric Week, May 10 to 16. Included was a true-false quiz testing a person's knowledge of metric, a metric cross word puzzle and other propagandistic items that attempted to ridicule legitimate opposition to metric. There is a devious effort to convince the Nation that metric conversion is mandatory. This is false.

The forces that wish to impose the metric system on the people of our country should draft legislation to do so legally for consideration of the Congress. The people deserve honesty.●

JAMES RIORDAN

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. FARY. Mr. Speaker, all of us in this body have been shocked recently by the attempts on the lives of President Reagan and His Holiness, Pope John Paul II. We all are blessed by their recovery and their near-miraculous return to sound health.

I regret that such good fortune was not the case for the citizens of the city of Chicago this week. I just received the tragic news that the first deputy superintendent of the Chicago Police Department, James J. Riordan, died last weekend from gunshot wounds received in the line of duty. Although off-duty at the time, Deputy Superintendent Riordan attempted to quell a minor disturbance in a downtown restaurant. The fact that the second-ranking officer in the department has fallen victim under such seemingly innocuous circumstances numbs my senses.

James Riordan was a "policeman's policeman" who enjoyed the widespread respect and friendship of the entire police force. After joining the department in 1947, he rose quickly through the ranks, as sergeant, lieutenant, and captain. He held eight command positions during his career, and in 1965 was named "outstanding district commander of the year" by the highly respected Chicago Crime Commission. It is reported that at one point, J. J. was offered the superintendent's position. However, his skills and intelligence as an administrator, and his savvy as a streetcop, convinced him to forgo the opportunity, retaining his reputation as a "policeman's policeman."

The ultimate irony was struck when it was discovered that the accused assailant was a former Davenport, Iowa, policeman himself.

We seem to be a battered people of late. To say that James Riordan cannot be replaced is a gross understatement. I offer my prayers and condolences to his wife, Loretto, and his seven children.●

TERRORIST LEADERS IN WASHINGTON

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. McDONALD. Mr. Speaker, yesterday I was shocked to receive a press release—Information Note No. 3581, June 5, 1981—from the United Nations Centre Against Apartheid announcing a conference on the United States and South Africa held at Howard University and which listed the speakers as including B. Akporode Clark, chairman of the U.N. Special Committee on Apartheid; Oliver R. Tambo, president, African National Congress (ANC); Moses Garoeb, administrative secretary of the South West African People's Organization (SWAPO); Representative WILLIAM GRAY, vice-chairman, Congressional Black Caucus; Dr. Robert Cummings, Department of African Studies, Howard University; Canon Robert C. S. Powell, director, African Office, National Council of Churches; and Randall Robinson, director of Transafrica.

It is shocking that two high-level leaders of Soviet-dominated terrorist groups, the African National Congress and South West Africa People's Organization, were permitted to enter the United States and travel without restriction.

While in Washington, Tambo met with some Members of the House and Senate in an effort to lend an aura of credibility to his brutal terrorist organization.

I understand that this Marxist terrorist today plans to visit Atlanta, and lunch with its mayor, Maynard Jack-

son. That Mr. Jackson, properly occupied with directing a manhunt for the killers of innocent children in his city, should meet with a man who directs the murder of innocent people in South Africa—both black and white—is an affront to decent people.

It is also the height of illogic for Atlanta's mayor to meet with a terrorist boss whose henchmen have maimed and killed innocent civilians—both black and white—in South Africa, while at the same time refusing to meet with the South African Ambassador to the United States, or indeed any official of the South African Government.

It is my understanding that the State Department in response to questions by John Rees, Washington bureau chief of the Review of the News, admitted that Tambo received his visa in error from the U.S. Embassy in Lusaka, Zambia, and stated that the State Department recognizes that elements of the African National Congress directed by Tambo are terrorists. The State Department also said that Tambo had been brought to this country in 1961 by the American Committee on Africa (ACOA), the major U.S. support arm for revolutionary African terrorists. Subsequently Tambo has been in our country at the United Nations in New York which provides his Moscow-dominated terrorist group with observer status.

The President of the United States and his Secretary of State quite properly have criticized the support provided to revolutionary terrorist movements by the Soviet Union, its satellites and client-states.

Western intelligence and counterterrorist specialists and even some journalists have known that the Soviet Union, directly and through its satellites like Cuba, East Germany, North Korea, Czechoslovakia and Bulgaria, and through client states like Algeria, Angola, Libya, Mozambique and South Yemen provide training, logistical support and political guidance for terrorist groups.

The terrorist recipients of Soviet support include the Basque ETA in Spain, Red Brigades in Italy, Irish Republican Army, Polisario, the Palestine Liberation Organization (PLO), and the African National Congress (ANC) and South West Africa People's Organization (SWAPO). Several previous administrations declined to make a public issue of Soviet support for terrorism because they placed their priority on an illusory and false policy of détente with the U.S.S.R.

But President Reagan and his Secretary of State have been forthright in condemning Soviet aid to terrorists, which makes inexplicable how and why Tambo and Garoeb were permitted to come to Washington.

Terrorists addressing the United Nations has become a commonplace. We have seen addressing a body purportedly dedicated to peace the pistol-packing PLO chief Yasir Arafat and Fidel Castro who gives terrorist training on a wholesale basis to revolutionaries from all over the world, as well as the representatives of terrorist so-called national liberation movements and diplomats from regimes whose rise to power was accompanied by terrorism such as Vietnam, Zimbabwe, Algeria, Angola and Mozambique.

Is it surprising that the United Nations has been unable even to define terrorism, let alone condemn it, when so many of the U.N.'s member states use terrorism as a means for destabilizing their neighbors?

Of course the terrorists and their supporters try to camouflage their terrorism with rhetoric. They try to confuse the issue by calling terrorists freedom fighters and terrorist organizations national liberation movements. However, those who adhere to the values of civilized free societies I believe agree with the definition of terrorism I first offered in July 1976:

Terrorism: A violent attack on a noncombatant segment of the community for the purpose of intimidation to achieve a political or military objective.

This definition exposes the terrorists' favorite propaganda line that one man's terrorist is another's freedom fighter for national liberation.

To return to the appearances in Washington of leaders of the African National Congress and South West Africa People's Organization, the public record of their terrorist activities and Soviet backing is ample which makes the granting of visas to ANC and SWAPO leaders by the State Department under Secretary Haig all the more bizarre.

A history of the African National Congress was provided in the staff study, "'Terrorism," published in 1974 by the House Committee on Internal Security. ANC was formed in South Africa in 1912, and was the target for rhetorical criticisms by the South African Communist Party until the early 1940's when the SACP began infiltrating ANC with younger activists who rose to leadership. By the late 1940's, ANC was controlled by the white-dominated Communist Party. Some of the better known SACP activists working in ANC included Moses Kotane, simultaneously SACP general secretary and ANC treasurer; Walter Sisulu, the ANC general secretary; J. B. Marks; Bram Fischer; Michael Harmel and Joe Slovo.

After preliminary organizing work in protests against identity cards, as the HCIS staff study reported:

In 1961, the Communist Party decided to lead the African National Congress into a campaign of terrorism. An official of the African National Congress, Nelson Mandela, was placed in charge of the terrorist organization called Umkonto We Sizwe (Spear of the Nation).

The official history of the South African Communist Party, written pseudonominously by Michael Harmel and printed in East Germany in 1971, admits that the leaders of the African National Congress and the Communist Party set themselves to recruit and train fighting cadres which entered the field of action on December 16, 1961, with the opening of a campaign of planned sabotage throughout the country. Harmel, alias A. Lerumo—Zulu for teacher—wrote:

Numbers of young militants were recruited and sent abroad for combat training as guerrillas of Umkonto We Sizwe. Following the examples of Nelson Mandela, a number of leaders of the Party and the Congress organizations were directed to leave their homes and assume new identities and disguises. Secret headquarters were set up at a farm in Rivonia, near Johannesburg, and elsewhere.

The House Committee on Internal Security staff study continued:

Subsequently, Abram Fischer, a white Communist Party member * * * of a prominent Afrikaans family, was captured. He admitted during his trial in 1966 that the leaders of the terrorist movement had given assurances to the Communist Party that no action would be taken without prior consultation with the party. * * * As Fischer said, "The Congress and the Communist Party did not wish to have their membership held liable for every act of sabotage."

This meant that ANC's Umkonto We Sizwe terrorist arm would consult with the SACP regarding overall strategy and policy, but were at liberty to select particular individual targets. In other words, once the policy was set that planting bombs in public places would be a good tactic, they did not have to ask whether the Communist Party would prefer a particular bomb be planted in a train station as opposed to a department store or post office.

Regarding Nelson Mandela, I would like to point out that when three terrorists armed with Soviet AK-47 assault rifles and hand grenades from ANC's Umkonto We Sizwe raided a bank branch in suburban Pretoria on January 25, 1980, and took 25 people hostage, they demanded the release from prison of revolutionaries. Mandela headed their list.

The brutality exhibited by ANC's bank raiders was similar to the savagery of the mixed Palestinian and West German group led by Soviet-trained assassin Ilich Ramirez Sanchez (Carlos the Jackel) that raided the Vienna OPEC ministers meeting. According to official statements, the ANC terrorists murdered a young woman teller in cold blood to demonstrate they meant business. That killing resulted in a police counterattack during which the terrorists threw hand grenades into the group of hostages, wounding 16 and killing another woman.

The ANC terrorists had demanded the release of James Daniel Mange, the leader of a 12-man ANC terrorist unit that had been trained in Cuba, has smuggled Soviet weapons into South Africa from Mozambique, and were preparing terrorist attacks when apprehended.

In reporting the bank raid, many U.S. newspapers relied on an Associated Press dispatch which termed ANC's terrorists "black nationalists," and which called Nelson Mandela a 61-year-old lawyer who is long regarded as the most probable head of a black government if one is ever established in South Africa. That dispatch is typical of the U.S. media blackout regarding the Communist control and Marxist ideology of the ANC and SWAPO.

The South African Communist Party is not so reticent. The SACP quarterly, the African Communist, for the third quarter of 1964 carried a long account of the trial of Nelson Mandela and six other leaders of ANC, the SACP and Umkonto We Sizwe. Part of the evidence at the trial stemmed from ANC and SACP archives seized in the police raid at Rivonia. The African Communist article reported the police found many confidential documents, including operation mayibuye, the Umkonto We Sizwe draft plan for guerrilla warfare.

A tenant of the Rivonia farm who was a Communist Party member was arrested. The African Communist noted he had had documents in his handwriting indicating that he had been sent abroad on a mission to find whether arms could be obtained for the Umkonto soldiers.

> The Communists always try to present terrorism as guerrilla warfare and terrorists as soldiers. But legitimate warfare, regular or irregular, attacks military targets, not civilians.

The article continue with an account of Mandela:

> Among the documents discovered at Rivonia were manuscripts in the handwriting of Nelson Mandela, who had found refuge at the farm at one stage of his underground leadership.

* * * * *

> * * * The leaders in the dock * * * disdained to repudiate * * * or to deny the part that some of them had played in Umkonto. * * * "I admit immediately," said Mandela, "that I was one of the persons who helped to form Umkonto We Sizwe, and that I played a prominent role in its affairs until I was arrested in August 1962.

* * * * *

> "I do no deny that I planned sabotage," said Mandela. "I did not plan it in a spirit of recklessness, nor because I have any love of violence. I planned it as a result of a calm and sober assessment of the political situation that had arisen * * *."

Mandela was taking pains to explain on the record that he held the correct and classical Marxist-Leninist position regarding terrorist armed struggle. This is that violence should be used only after a cold-blooded assessment of its consequences and a political determination by the party leadership as to whether or not it will advance their aims.

In the 1960's, ANC cadre received their terrorist training principally at camps in Algeria and Cuba. Libya, Mozambique, Tanzania and Angola have also provided ANC with facilities, with some of the most promising potential leaders going to the Soviet Union and East Germany.

The principal front group controlled by the South African Communist Party and ANC is the South African Congress of Trade Unions (SACTU). SACTU's official history published last year, "Organize or Starve," emphasizes that ANC and SACTU campaigns were never regarded as separate from one another, and members of both organizations committed equal energies to all congress work. In its official publication, Sechaba (printed in East Germany as one of the many services provided by the GDR regime to ANC and the SACP), ANC wrote that in the SACTU official history:

> The relationship between the trade unions and the national liberation movement, the African National Congress, is clearly drawn—one built on many years of work amongst the masses in very difficult conditions.

The Communist Party has boasted of its clandestine work with ANC in organizing strikes by black labor organizations. For example, the SACP magazine Inkululeko, second quarter, 1973, said:

> Strikes are a potent force because they begin to instill fear into the capitalists; because they help to educate the workers about the true nature of the capitalist state. * * * The white ruling class will not surrender its control of the State without a violent struggle, therefore the continuation of the preparation for such a struggle is essential for victory.

Terrorist activities by the African National Congress were renewed, starting in 1979. Militant organizing of groups such as the South African Students Organization (SASO) and the Black Consciousness Movement headed by the late Steve Biko who said his goal was forging unity among the younger militants and ANC had brought continuing agitation after the 1976 Soweto riots. Biko's death in police custody 3 years ago removed the only major independent leadership outside the Communist Party and ANC. The Communists promptly took advantage of this by arranging for new cadres to receive terrorist training in Cuba and Tanzania.

Captured ANC members from Umkonto We Sizwe have boasted that their main infiltration route is from bases in Tanzania through Mozambique then into South Africa through the Kruger National Park.

During 1979, ANC's attacks generally were aimed at small police posts located near black townships like Soweto. In his recent monograph, Soviet Support for International Terrorism, published by the Foundation for Democratic Education, Inc., Herbert Romerstein, a professional staff member of the House Intelligence Committee, cited a biography in ANC's official publication, Sechaba, of an ANC terrorist captured in June 1977 after machinegunning a number of unarmed civilians working in a garage, which admitted he had left South Africa in October 1976 to receive training abroad.

Following the Pretoria bank raid in which all three ANC terrorists were killed, the next major attack was on June 1, 1980, when coordinated attacks were carried out on three facilities of the South African Coal Oil and Gas Corp. (SASOL), causing $7 million in damages.

Oliver R. Tambo from ANC's base in Tanzania, said that the attacks were carried out by ANC's Umkonto We Sizwe cadre. Tambo boasted, "We have attacked these installations because of their key strategic position in the whole economy of South Africa." He explained that to destroy the country's efforts for energy self-sufficiency would facilitate efforts for an oil boycott to collapse the economy. A London ANC spokesman, Francis Meli, also confirmed that the SASOL sabotage is part and parcel of the general offensive of our movement.

South African newspapers reported that the sabotage campaign has been masterminded by Joe Slovo, 55, a member of the Communist Party Central Committee who was born in Lithuania and is Tambo's chief adviser. Slovo, formerly a lawyer in Johannesburg, and his wife Ruth first fled from South Africa to avoid arrest in the late 1950's. They have operated from London, East Berlin and more recently from Maputo. Joe Slovo is a frequent contributor to the African Communist, with an article in the issue for the second quarter of 1978 in support of the applicability of protracted armed struggle, that is, terrorism, to revolution in South Africa.

It should be pointed out that after the SASOL bombings, the South African Minister of Police, Louis LeGrange outlined Slovo's central role in ANC terrorist planning and charged also that the Russian Ambassador in Lusaka, Mr. (Vasily) Solodovnikov, played an important role in the planning of ANC and Communist strategy. Vasily Solodovnikov is named in John Barron's book, KGB, as a senior KGB official active in key African countries for more than a decade.

Slovo's wife, Ruth First Slovo, also a Communist Party functionary, has taken a leadership role in anti-South

Africa organizing in Western Europe carried out by the Washington-based Marxist think-tank, the Institute for Policy Studies and its Transnational Institute project (IPS/TNI).

We often hear the argument that Communists cannot be involved in terrorism because Communists oppose individual terrorism. Lenin supported terrorism as a tactic carried out under the political control and supervision of the Communist Party. In other words, Communists supported terrorism controlled or directed by their party, or when the party agrees that terrorist violence and disruptions will be useful in achieving the Communists goals such as undermining confidence in a government, disrupting democratic political systems and destabilizing society.

A classic example is an article that appeared in the African Communist for the third quarter of 1980 called armed struggle in South Africa: The immediate task of our movement. The article states:

> In this period of struggle the urgent task of our movement is to inject the masses of our people a feeling of confidence in their own potential to overthrow the racists, by means of vigorous revolutionary action, the main content of which must be effective and sustained guerrilla operations including a nation-wide sabotage campaign reminiscent of the early sixties.
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> * * * * *
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> The experience of other countries like Algeria, Cuba, (and) Angola * * * shows that guerrilla struggle can bring about a revolutionary situation. Nowadays this is more so because the liberation forces have at their disposal an advantage (which the Russian revolutionaries never had), that is, the existence of a socialist community which is committed to the principles of proletarian internationalism.

The article concludes that there is no other path to liberation than that of armed struggle. To think otherwise would be to engage in a lifeless theoretical discussion lacking all practical significance.

Oliver Tambo's extremism was demonstrated in a speech he delivered at an International Conference in Solidarity with the Struggle of the Namibian People, sponsored by the World Peace Council in Paris last September. Tambo said:

> Speaking as the leader of a liberation movement, I would like to assure our comrades-in-arms in the liberation struggles POLISARIO, FRETELIN, the PLO, the fighters in the Canary Islands, that by definition their struggle is ours. Every victory they win advances our cause against the forces of imperialism and racism. We fight in our countries to advance their struggle. As far as the PLO is concerned our fight is carried on in the knowledge of the degree of intimacy and political, military and economic alliance that has developed between racism and zionism.

Terming the role of the five Western powers in seeking a solution to independence for South-West Africa sinister in the extreme, Tambo called for a four-point program to give massive support to its sister terrorists in SWAPO, to rally international defense to support Angola which provides SWAPO with terrorist training bases and refuges, to deal with the Western powers as comprising the greatest source of misery and suffering in Namibia, and fourth, to deal with the transnational corporations * * * these heartless vultures which feed on the sweat and blood of enslaved millions.

SWAPO's public record is as closely alined with the Soviet Union as is ANC's.

The South-West Africa People's Organization (SWAPO) was founded in the late 1950's by Sam Nujoma, its president, in pursuit of an independent South-West Africa (Namibia). But SWAPO was picked up by the Soviet Union to use as an instrument through which Soviet policies for control of Africa's resources can be expressed. As Soviet influence, political support and indoctrination of SWAPO recruits increased during the 1960's and 1970's, SWAPO dropped its early Pan-Africanist ideology and replaced it with ever closer ties with Moscow and Marxism-Leninism.

Soviet support for the SWAPO terrorists escalated sharply after 1974, when the Portuguese leftist military junta handed over control of Angola and Mozambique to the Soviet-backed Marxist-Leninist terrorist organizations, MPLA and FRELIMO, respectively, which the Portuguese army once fought. Both the Angolan MPLA and the Mozambican FRELIMO were long backed by the U.S.S.R. with arms, training and indoctrination, as well as political assistance internationally. The leaders of MPLA and FRELIMO, like those of ANC and SWAPO, were appointed to the presidential committee of the World Peace Council. Bases were set up for training SWAPO terrorists in southern Angola.

It should be pointed out that SWAPO's favorite method of recruitment of new terrorists is to surround a small village and kidnaping at gunpoint the young men and women.

Once in the terrorist training camps, a quarter of the time of SWAPO's new terrorists is taken up with ideological indoctrination at the hands of Cubans and East Germans.

The fact of Soviet backing for the southern African terrorist movements has been a matter of public record for nearly two decades. One early sign of Soviet intentions to use terrorist movements to gain control in that area was the appointment of the ANC and SWAPO leaders to the presidential committee of the Soviet-controlled World Peace Council (WPC). This sadly misnamed organization has two main functions: manipulating public opinion in non-Communist countries and providing logistical support to Soviet-backed terrorist national liberation movements.

But my colleagues in this House I presume are aware of the nature of the World Peace Council since the Intelligence Committee in 1978 published a Central Intelligence Agency study of KGB media operations which called the WPC the Soviet Union's single most important international front organization.

To return to the southern African terrorist groups, SWAPO has a long record of violence against civilians. It has a consistent policy of murdering black political leaders opposed to Nujoma; SWAPO attacks rural villages and brutally executes those it suspects of opposition; and its armed struggle consists primarily of planting mines on roadways along public bus routes and has killed and wounded scores of innocent civilians. These actions demonstrate that SWAPO is a vicious terrorist group, not a legitimate guerrilla group or national liberation movement. Rhetoric does not change the facts.

While accepting political assistance from the Soviet camp in the U.N. and the Soviet-controlled international front groups, SWAPO leaders, like their comrades in ANC, say that armed struggle will be the principal tactic for taking control of South-West Africa.

A typical example was provided by SWAPO's spokesman at the United Nations, Theo-Ben Gurirab, on March 20 of this year, who maintained that SWAPO would leave no stone unturned as it intensifies the armed liberation struggle in Namibia. Gurirab also pledged SWAPO's mutual support for the Soviet-backed terrorist movement in South Africa, the African National Congress.

I would like to emphasize that Soviet backing of terrorist groups is not a secret. Terrorists frequently boast of their backing from the Kremlin because they feel it gives them some sort of dubious prestige in the eyes of some Third World countries to be seen to have the backing of a superpower.

Let me give a recent example. In March, SWAPO boss Nujoma attended the 26th Congress of the Communist Party of the Soviet Union (CPSU) in Moscow. He made a speech to the CPSU Congress directly acknowledging Soviet assistance to SWAPO. He said:

> Without the support of the Soviet Union, we would not have been able to achieve those results that we have achieved today. * * * we address ourselves to the Soviet Union which is giving comprehensive support to the people of Namibia * * *.

Mr. Speaker, if this Nation is to win the fight against international terrorism, a tactic directed against our free

world allies by the Soviet Union, we must at least block terrorist leaders from holding meetings on our own soil at which they can plan lobbying and pressure campaigns against us.

In order to maintain the credibility of the administration's campaign against international terrorism, the State Department should explain on the record how Tambo and Garoeb came to receive U.S. visas and which consular officials were involved. It should also consider transferring those officials to more appropriate posts in which their evident lack of judgment will do less harm.

I would also suggest that the administration direct the State Department to immediately review its classifications of terrorist groupings so as to end the present nonsense in which they say only some elements of the PLO and ANC are involved in terrorism when the entire organizations exist to plan and carry out terrorist attacks.●

LOCAL INITIATIVE OF GERALD, MO., SAVES FEDERAL TAX DOLLARS

HON. WENDELL BAILEY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. BAILEY of Missouri. Mr. Speaker, local initiative and community self-help are alive and well in the city of Gerald, Mo., and saving our tax dollars. Like many of our communities, Gerald needed to improve its sewer system. The city fathers received an engineer's estimate of $95,000 for their needed sewer extension and were encouraged to seek half of the moneys in the form of a Federal grant. The Gerald Board of Aldermen, however, felt the cost of $5,000 per family to be served was excessive and also did not want to wait the several years it would take to receive a Federal matching grant. They resolved they would just undertake the sewer construction themselves.

The city passed a bond issue, subsequently constructed a superior quality sewerline, and all for the total cost of $25,364, less than one-fourth the overall estimated cost and about one-half of what the Federal contribution alone would have been. Encouraged by this success, the city is currently constructing a 200,000-gallon water tower, again, without any help from the Feds.

Now, I will have to admit that Missouri is a State chock full of good old commonsense and community spirit. But the city of Gerald's experience just goes to show what can be accomplished with a little sweat and a lot of creative thinking at the local level. President Reagan wants to return more decisionmaking and initiative to our local governments. The citizens of Gerald think that is where it should be and so do I.

Here is the city of Gerald's story:

CITY OF GERALD,
Gerald, Mo., April 20, 1981.

Hon. WENDELL BAILEY,
Cannon House Office Building,
Washington, D.C.

DEAR MR. BAILEY: Mayor Dave Weatherford of Gerald told me that he was talking to you at the Franklin County Municipal League Dinner meeting in Gerald on April 15 on the subject of getting Federal and State government off the back of local government and how local government can do a job better and cheaper if the local government is allowed to do so.

As an example Weatherford cited the experience of our own City in constructing a sewerage line extension on our own without any government largess. You asked if he would put all this down on paper as an example of what local government can do without federal support. The following is the experience of the City of Gerald.

About eight years ago the Board of Aldermen decided that sewerage lines were necessary in an annexed area of the City that was not served by the existing sewerage system. The City hired E. T. Archer Engineering Company to draw up plans which would serve 18 widely scattered homes that were without sanitary sewers.

The Company came up with a cost estimate of $105,000, with the probability of an overrun due to rock, but assured the Board they could get a "grant" from the government for half the cost. The Board figured this would cost nearly $6,000 per home served, which was higher than they wanted to spend, so the matter was dropped at that time.

A few years later the smell from septic tanks and the mosquitos they produced hadn't abated a bit and since the City had hired Kleberger & Associates as engineers for the City, Mr. Kleberger was asked to make some plans. Kleberger came up with an estimate of $95,000 as his guess, but he too said federal help was available for half the costs—maybe in two or three years.

This would have made the cost over $5,000 for each family served, which the Board again considered too much. Finally, Mr. Kleberger was asked what the cost would be if we did the job ourselves without any government help or expensive contractor. We have an air compressor, 2 backhoes, every other piece of equipment needed and our own employees have the ability to do the job.

Mr. Kleberger stated, "Well, now that's a whole new ball game I will have to refigure." At the next meeting he came up with a figure of $50,000 if we bought everything ourselves and did the work with present employees. That sounded good to the Aldermen as the smell and mosquitos hadn't improved and we didn't want to wait several more years, so we promptly passed a bond issue for $50,000 by an 87 percent vote and got on.

Of course, the $50,000 was put on short term interest until the money was needed and the City made $1,753 in interest, so we had a total of $51,753. The total cost of the project came to $25,364 (this included $2,000 paid to the bonding company, $1,016 paid to the engineer, salaries for city employees and all material used).

If the City had gone the government "grant" route, with a contractor doing the job, and the $95,000 estimate held up which was unlikely as we did encounter rock and that ups the price quickly, the project would have cost the City $47,500. By doing it ourselves the City saved $22,136 and the taxpayers of the country saved $47,500.

The material used was of a better quality than used in the original sewerage lines and the work was superior as smoke tests showed absolutely no leaks while the original lines had many leaks when tested with smoke.

This is just one example where if local governments are allowed to use their abilities and apply good old "Missouri thinking" we can do a job better and much cheaper than if the Federal government gets involved. This is the point I believe Mayor Weatherford wanted to get across to you. I hope the information will be useful to you as an example of what people can do on their own without government largess and I believe it is how President Reagan wants to run the country.

Sincerely,

R. B. GARLOCK,
City Clerk.

P.S.—At present the City is constructing a 200,000 gallon water tower also without the assistance of a grant and the Board of Aldermen believe we will get by for less than if we had the grant.●

ASSISTANCE FOR SAVINGS AND LOANS

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. LUKEN. Mr. Speaker, I am cosponsoring the All Savers Act, H.R. 3456, which will allow financial institutions to issue tax-exempt certificates of deposit. An investor would be able to exclude from income $1,000, and couples $2,000, of interest on the certificates. This legislation would help to arrest the spiral of dissavings and higher interest rates, and would channel savings back into financial institutions. The All Savers Act, combined with other measures I am cosponsoring, will allow savings and loans to draw on a long-term and secure source of capital for investment into local communities.

One of the other bills I am cosponsoring would provide for exclusion from taxation, interest earned on savings which are used by financial institutions for residential mortgage lending. I am convinced that this bill would create an incentive for people to make greater use of their neighborhood savings and loans. For too long we have taxed savings accounts and in these times of high interest rates, forced people to invest money in other areas. No one can deny the importance that savings and loans play in local community development.

Both the President and the Ways and Means Committee chairman, Dan Rostenkowski, have announced that they will accept as part of their tax

cut packages another proposal that I am cosponsoring to increase the tax exempt contribution into IRA's from $1,500 per year to $2,000 per year. This would provide for long term savings and therefore would provide savings and loan with a secure source of capital to invest.

I hope that we can convince the President, and other Members of Congress, that it is equally important to add All Savers Act to the tax package. Our high interest rates have forced savers to look for a "quick fix" with their investment dollars. This in turn has severely impacted on all savings and loans that have historically used long term investments such as mortgages, in communities across the country. While we must pursue other paths to bring down our crippling inflation rate, we cannot allow the savings and loans and the homebuilding industry to languish.

Representatives of the S. & L.'s have been very active here in Washington. If we have not been successful as yet, it is not because we have not tried.

The "American Dream" of homeownership must be preserved at all costs.

We owe it to the elderly to keep rents at a cost they can afford to enable them to survive. We also owe to our children the opportunity to become owners of homes and thus good American citizens.●

THE HOUSING INDUSTRY IN CRISIS

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. BROYHILL. Mr. Speaker, all of us are painfully aware of the economic problems faced by the housing industry. Recently I had the opportunity to listen to W. Travis Porter, a very distinguished attorney from Durham, N.C., as he addressed a gathering of North Carolina Congressmen and Senators, congressional aides, and more than 100 Tar Heel housing industry members who came to Washington for the meeting.

Because of the excellent manner in which Mr. Porter outlined the problem and the solutions, I am inserting the speech into the RECORD. I commend it to your attention:

THE HOUSING INDUSTRY IN CRISIS

(By W. Travis Porter)

In light of the shortness of time I will attempt to emulate Jack Webb in Dragnet and give you the facts, just the facts as we ask for your help in the latest depression in housing.

First the Economic Facts:

The Savings and Loan Industry is the primary source of mortgage money.

The S & L Industry is in deep trouble.

The Congress is "de-regulating" the industry, i.e., making S & L's just like banks. Thus the S & L's will become banks or go bankrupt. No more mortgages.

The Wall Street Journal of March 20, 1981 states: Money Market Funds (Brokerage Houses) gain 3.7 Billion Dollars in one week.

At the end of 1977 the funds had: 3.9 Billion.

March 1981: 104.9 Billion.

3 Billion per week is going into Money Market Funds.

At least 2 Billion has been taken out of N.C.—to Euro Dollars, Foreign investments and U.S. megalopolises.

The Federal S & L Insurance Corp. lost more money in 1980 than in the previous 50 years for assisted mergers of sick S & L's. The Federal Home Loan Bank Board has a current list of 132 problem Associations. No report on how many are in N.C.

Time Magazine, March 23, 1981 quoting S & L League "Money market funds are undermining the mortgage lending and banking systems."

There is a bill in the N. C. Senate asking the Congress to deal with the problem.

Secretary Regan stated there is a problem.

Wall Street Journal—"Regulators fear that a loss of public confidence could spark a run that would drain institutions of their cash reserves and sink them."

Savings inflow in February 1981 was the worst February in history.

Newhouse News Service, Washington, D.C. March 29, 1981:

"The solvency of hundreds of S & L's hangs in the balance."

"The money market funds which operate virtually free of * * * regulations * * * have been attracting savers money * * * straight from the savings institutions."

The Ullman Bill or Mortgage Subsidy Bond Tax Act of 1980 is a bad bill in the first place and in the second place it is putting the N. C. Housing Finance Agency and other State Agencies out of business because:

(1) The Treasury has issued no regulations and thus there can be no bond issues. If no regs are forthcoming this month the N. C. Agency stands to lose a 2 Million Dollar State appropriation and a 100 Million Dollar Bond Issue. The members of the N. C. Legislature are all aware of this.

(2) The Act says there will be no mortgage assumptions. Other Federal legislation says there must be free assumption to qualify for FHA-VA insurance.

A dilemma.

Housing starts will be at about 1,000,000 this year. Down 800,00 from the good years.

Second, The Political Facts as we see them:

Some prominent U.S. Senators have been quoted to the effect that with de-regulation, interstate banking and other trends in the Congress there will only be 5 Banks in the U.S. in 1986.

What effect will it have on us and on you when there are no N.C. based banks?

There will be 42 million new families needing housing in the 1980's.

95 percent of the families of America are currently frozen out of the housing market.

In May 1980 we presented letters from industry members saying that they were going to vote for a change in November. Apparently they were serious.

When the N.C. industry has employment there are 160,000 people who work directly in building.

What do people do when they cannot obtain the necessities of life such as shelter? What have they done in other countries?

What will be the effect on you and on us as the N.C. Savings and Loans start to fail across the State?

Please ask the S & L people in your home areas if this is an overstatement of the gravity of the problem.

Our Proposed Solutions:

We sincerely implore your help.

Ultimately your work in our behalf is the only solution.

As you know there are 103 bills before the Congress now giving incentives to savers but as far as we know no real action has been taken.

We urge your support of Senate Bill 701—Senator Bentsen's bill—excluding all interest earned on savings deposits from taxation.

This bill would create sufficient federal revenues and net savings of about 12 billion to offset the revenue loss from the exemption.

It would create 600,000 additional housing units and 860,000 man years of work.

It would revive the S & L industry.

We need this Bill.

We also ask that you urge the Treasury Department to get the regulations out on the Ullman Bill by the end of this month; that you amend the Ullman Bill permitting assumptions and bring Federal law in the area into logical form; and finally we ask that you exempt the State Agencies—who were never offenders—from the Ullman Bill entirely.

It would give our leaders great pleasure to report to the 160,000 members of our industry that every current member of our N.C. Congressional Delegation was taking action to make affordable mortgage money available, to save the faltering S & L industry, to make homes available.

How long can our nation survive economically with its two largest industries, housing and automobiles, in very ill health, with its thrift industry in disarray with no incentive for savers or capital formation? A saver who earns 12% on his investment winds up after taxes and inflation with about 8% less money than he had at the beginning of the year.

In conclusion I quote President Reagan in his most recent public message to the Congress when he quoted a former President, Theodore Roosevelt, as follows:

"The American people are slow to wrath, but when their wrath is once kindled, it becomes like a consuming flame."●

HAROLD F. DEMMER IS NEW PRESIDENT OF THE AMERICAN OPTOMETRIC ASSOCIATION

HON. W. J. (BILLY) TAUZIN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. TAUZIN. Mr. Speaker, on June 27, 1981, Harold F. Demmer, O.D., of Houma, La., will be installed as president of the American Optometric Association. Dr. Demmer is exceptionally well qualified for this office. He has been an outstanding member in his field for 27 years and has done much to enhance his profession. Dr.

Demmer has held many offices in optometric associations, including president of the Gulf Zone Optometric Society and the Louisiana State Association of Optometrists. He has served in a long list of offices with the American Optometric Association and was vice president of that organization from 1979-80.

In addition to his professional activities, Dr. Demmer has devoted much of his time to community, civic, and church work. Some of the organizations he has given his time and talents to have been the Houma Lions Club, Chamber of Commerce, Southern Eye Bank, Terrebonne Parish and Bayou-River Area Health Planning Commissions, Boy and Girl Scouts, PTA, the American Legion, and the VFW. Dr. Demmer was instrumental in initiating and securing an eye/vision care program in the Louisiana State penitentiary system; initiating and revising the state optometric Association's accounting system; initiating an optometric grant-in-aid program; and writing a manual on standards for optometric utilization and review.

Dr. Demmer's professional excellence and community service have been recognized by several awards, among them the Bourg Lions Community Service Award, Louisiana Lions Eye Foundation Service Award, and being named Louisiana Doctor of Optometry every year from 1969 through 1978.

I join with the members of the American Optometric Association in congratulating Dr. Demmer on assuming the presidency of that fine organization. I know he will bring to the office the dedication and professional excellence for which he is so well known.●

THE CIGARETTE SAFETY ACT

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. MOAKLEY. Mr. Speaker, recently the Oregon State Senate passed legislation which enables the State fire marshal to prescribe standards to reduce the capacity of cigarettes to ignite smoldering upholstered furniture and mattress fires.

As sponsor of parallel Federal legislation (H.R. 1854), I would like to share with my colleagues materials relating to the Oregon legislation.

The text of materials follows:

[Oregon Legislative Assembly—1981 Regular Session]

SENATE BILL 738

Requires State Fire Marshal regulation of cigarettes and little cigars to reduce fire hazard. Prohibits sale of nonconforming product on and after January 1, 19—.

A BILL FOR AN ACT

Relating to fire protection.

Be It Enacted by the People of the State of Oregon:

Section 1. Sections 2 and 3 of this Act are added to and made a part of ORS chapter 476.

Section 2. As used in this 1981 Act:

(1) "Cigarette" means:

(a) Any roll of tobacco wrapped in paper or in any substance not containing tobacco; or

(b) Any roll of tobacco wrapped in any substance containing tobacco which, because of its appearance, the type of tobacco used in the filter, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette as described in paragraph (a) of this subsection.

(2) "Little cigar" means any roll of tobacco wrapped in leaf tobacco or any substance containing tobacco other than a cigarette, of which 1,000 units weigh no more than three pounds.

Section 3. The State Fire Marshal shall prescribe by rule standards for cigarettes and little cigars sold in this state that insure that such cigarettes and little cigars, if ignited, will stop burning within a time period specified by the standards if the cigarettes or little cigars are not smoked during that period. The State Fire Marshal may also prescribe other standards to insure that cigarettes and little cigars have a minimum capacity to ignite smoldering upholstered furniture and mattress fires.

Section 4. On and after July 1, 1985, cigarettes and little cigars that do not meet the standards prescribed by the State Fire Marshal under section 3 of this Act shall not be sold in this state.

OREGON FIRE EDUCATION ASSOCIATION,
Tualatin, Oreg.

I am Roger Neal, President of Oregon Fire Education Association. Our organization is comprised of individuals from all over Oregon, and many other states who are dedicated to the prevention of fires and burn injuries.

"According to figures developed by the United States Fire Administration's National Fire Data Center, cigarettes and the careless use of smoking materials is the number one national cause of both injuries and fire deaths in residential occupancies" said former administrator Gordon Vickery recently. There are more than 2,300 deaths each year in the United States caused by carelessly discarded cigarettes. Along with an additional 5,800 burn injuries, cigarettes cause an estimated $210 million in property damage annually. In Oregon alone, 40 percent of the residential fire deaths last year were a result of fires caused by cigarettes.

Studies done at the National Bureau of Standards and at the California State Bureau of Home Furnishings have shown two things. First, furniture will begin smoldering in five or more minutes after a cigarette is placed on the piece of furniture. Second, there are a few American made cigarettes that do not, under most conditions, start a smoldering fire and, thus, are fire safe. Sherman and More cigarettes tend to self-extinguish when placed on furniture and do not start a fire. And Carltons do not self-extinguish. As yet unexplained, the Carlton continues to burn but does not produce enough heat to cause a fire. In short, the tobacco companies have inadvertently produced fire safe cigarettes.

Why do cigarettes continue to burn long enough to cause furniture to catch on fire? Chemicals are added to the cigarette paper to promote burning. Once a cigarette is lit, it will burn automatically whether it is puffed on or not. This artificially induced long burning time of the cigarette (up to 45 minutes) is the primary reason that cigarettes cause fires.

At least 19 patents exist for self-extinguishing cigarettes. The technology readily exists to mass produce self-extinguishing cigarettes.

This fire safety effort has the support of the National Fire Protection Association, The International Association of Fire Fighters, The United States Fire Administration, The International Association of Fire Chiefs, The American Burn Association, and many other organizations. Last session, the Oregon Senate passed Senate Memorial 4, supporting the concept of self-extinguishing cigarettes. The Oregon Fire Standards and Accreditation Board has issued a proclamation endorsing self-extinguishing cigarettes. A copy of the proclamation is included for you.

The enclosed copy of a newspaper clipping shows a picture in the lower left hand corner of two small children. I was part of the team that rescued those two children from a burning house. We did C.P.R. on those two kids all the way to the hospital and in the emergency room. The little girl died a day or two later. Her 2½ year old brother remained in a coma and died a couple of years later. The fire was caused by a cigarette accidently dropped in a piece of furniture. If you have ever held a lifeless child in your arms that you have just rescued from a burning house, you will know why I support this legislation. If that had been a self-extinguishing cigarette that dropped on the furniture that night, those two children probably would be alive today.

Thank you.

Facts about cigarette fires and deaths in Oregon

[Dollars in thousands]

1977:	
Residential fire deaths	65
Deaths due to cigarettes (33 percent of residential deaths)	21
Number of cigarette fires	1,928
Estimated loss	$2,500
1978:	
Residential fire deaths	53
Deaths due to cigarettes (38 percent of residential deaths)	20
Number of cigarette fires	1,697
Estimated loss	$5,000
1979:	
Residential fire deaths	52
Deaths due to cigarettes (33 percent of residential deaths)	17
Number of cigarette fires	2,191
Estimated loss	$8,000
1980:	
Residential fire deaths	47
Deaths due to cigarettes (40 percent of residential deaths)	19
Number of cigarette fires	1,523
Estimated loss	$3,600

Data source: Oregon Fire Incident Reporting System.

[From the Eugene Register-Guard, May 23, 1981]

AN INTRIGUING BILL TO SAVE LIVES

EUGENE, OREG.—An interesting proposal that just could turn out to be the 1981 version of Oregon's bottle bill or antifluorocarbon spray bill was approved Thursday by the Senate Business and Consumer Affairs Committee.

Senate Bill 738 would require any cigarette sold in Oregon after July 1, 1985 to be self-extinguishing—that is, it would have to go out in a few minutes if not puffed.

It was introduced by Sen. George Wingard, R-Eugene, at the request of Joyce Owen of the Lane County Chapter of the Association for Non-smokers' Rights. But this is not an anti-smoking bill, merely a safe-smoking one.

Most cigarettes will burn for 20 to 45 minutes if left unattended. And within 10 to 20 minutes a dropped cigarette can ignite upholstery, a rug or bedding.

Last year in Oregon, smoldering cigarettes started fires that killed 28 people, more than half the state fire deaths for the year. Nationwide, 2,000 to 3,000 people die annually from cigarette-started fires, thousands more are terribly burned and millions of dollars worth of property is destroyed.

It's obviously a national problem. Yet nothing's been done about it nationally—other than attempts by the Consumer Product Safety Commission to force fabric and furniture manufacturers to spend millions to fireproof their products.

That's a little like requiring everybody to wear bulletproof vests because some people are careless with guns. The root of the problem is obviously the cigarette—and careless smokers.

And the problem is solvable. Cigarettes continue to burn when they're laid down because the manufacturers want them to. Said an R. J. Reynolds Tobacco Co. spokesman to the Wall Street Journal: "Have you ever tasted a cigarette that's been relit? It's pretty bad."

The suspicion is that chemicals are added to the tobacco and/or paper of most cigarettes to keep them burning—although the suspicion can't be confirmed because cigarette manufacturers aren't required to reveal their contents.

But material can be added to keep cigarettes from burning if left unattended, without affecting quality. The technology is there and the cost is said to be low.

The tobacco industry's clout in Washington is such, however, that no bill to require self-extinguishing cigarettes has ever gotten anywhere in Congress. The industry should have no such clout in the Oregon Legislature.

But, aren't there practical problems in trying to apply rules here that don't apply elsewhere to a nationally distributed product? Answer: Remember the bottle bill and anti-fluorocarbon spray container bills.

The same argument was made against both. Both were passed, nonetheless, and the manufacturers adapted.

They substituted returnable bottles for non-returnable bottles in Oregon and they substituted nonfluorocarbon sprays for the fluorocarbons. In both cases, action here triggered similar action elsewhere.

So if cigarette manufacturers find that they are about to lose their market in even one state, wanna bet they won't find a way to make their products self-extinguishing?

The 1985 effective date was put in to give the manufacturers time to find a way. Unfortunately, it would also give them two more legislative sessions to try to get the measure repealed. But if common sense prevails, this Legislature will pass the bill and future ones will resist repeal efforts.

The stakes in the bottle and spray bills were environmental. The stakes in the self-extinguishing cigarette bill are higher. It offers Oregon a chance to again be a national leader, this time in saving lives and property.●

INTERNATIONAL PAPER MILL IN CORINTH, N.Y., ACHIEVES LAUDABLE SAFETY RECORD

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. SOLOMON. Mr. Speaker, at 4 a.m. on Friday, May 29, the employees of the International Paper mill in Corinth, N.Y., posted a remarkable safety record which I think deserves notice by Members of Congress and all Americans. At that time, the mill posted its 2 millionth consecutive safe man-hour. That is 2 million man-hours, 20 months, and 600 days of operation without an on-the-job injury.

The Corinth mill is the oldest of International Paper's original mills, and great achievements, when it comes to safety, are nothing new to its 560 employees. Just last year, the mill won the IP Chairman's Safety Award as the safest of all of the company's 14 primary installations.

Mr. Speaker, I am so proud of the efforts of all the employees of IP in Corinth—workers and management. Together, they have created and maintained a safe, productive working environment which stands as a shining example for all to follow.●

NEW YORKERS GO ON RECORD AGAINST REAGAN EARLY RETIREMENT PENALTY PROPOSAL

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr, BIAGGI. Mr. Speaker, on May 12, President Reagan unveiled his social security reform proposals aimed at averting what he considers the imminent bankruptcy of the social security system. From the outset, I have stated my opposition to a number of his proposals including the deferral of the 1982 cost-of-living increase for 3 months.

Yet, without question, the most cruel of all the proposals would slash early retirement benefits for persons retiring at age 62 by 25 percent. This would take effect in January of 1982. In practical terms, this would mean that a person who has contributed to social security for 30 and 40 years is told just months shy of retirement that he will have to do with less. This is a breach of a covenant.

The New York Daily News published the results of a poll yesterday on the administration's social security proposals. Specifically the sample group of 400 were asked if they supported cutting early retirement benefits. An overwhelming 72 percent said no.

Another 77 percent of those surveyed expressed their sentiments that some changes in the system are necessary to keep it from going broke. I agree but feel it can be accomplished without cutting benefits to current recipients. I have cosponsored legislation to provide for interfund borrowing. I also support limited general revenue financing of social security. These comprise short- and long-term solutions which can keep the system alive and functioning without causing older people the hardship of cutbacks.

At this point in the RECORD, I insert the article from the Daily News entitled "Most Oppose Reagan Social Security Plan."

[From the New York Daily News, June 8, 1981]

MOST OPPOSE REAGAN SOCIAL SECURITY PLAN

(By Joan Nassivera)

Nearly three quarters of metropolitan-area residents are against the Reagan administration's proposal to lower Social Security benefits for those who elect to retire early, according to a Daily News Opinion Poll.

The administration has proposed that people who retire early—at age 62 rather than the more traditional age of 65—receive only 55 percent of retirement benefits rather than the 80 percent now provided early retirees.

Despite their widespread opposition to the proposal, nearly eight of 10 poll respondents agreed that some changes are necessary to rescue the financially strapped Social Security system from the threat of insolvency.

Another administration plan—to gradually remove the limit on how much money a retiree may earn without losing Social Security benefits—was favored by nearly six out 10 respondents. Under current law, which President Reagan wants to abolish, beneficiaries under the age of 72 have their Social Security benefits reduced by $1 for every $2 they earn over $5,500.

The poll, a telephone survey of 400 adults, was conducted May 18 and 19 in consultation with Richard F. Link & Associates.

The first question asked was: "Do you favor or oppose the proposal to reduce Social Security benefits for those who retire early at 62 instead of 65?" Respondents replied:

	Percent
Favor	21
Oppose	72
Don't know	7

The next question was: "Do you favor or oppose the proposal to gradually remove the limitation on the amount of money a retired worker may earn without losing Social Security benefits?":

	Percent
Favor	56
Oppose	33
Don't know	11

The final question was: "Do you think some changes in the Social Security law are necessary to keep the system from going broke?":

	Percent
Yes	77
No	14
Don't know	9
	●

SEWER CHARGES SHOULD BE TAX DEDUCTIBLE

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. LaFALCE. Mr. Speaker, we have heard a lot this year about how our Tax Code needs reform and simplification. I could not agree more, and I have discovered a problem in it that warrants attention as we pursue that worthwhile goal.

Thanks to differing provisions of the Tax Code and of other Federal laws relating to water pollution, some Federal taxpayers are able to deduct payments made to help support the operation of local wastewater treatment programs on their Federal income taxes while other taxpayers living in different communities cannot make such deductions.

The reason for this situation is primarily semantic. In localities where the charges for sewer treatment are called taxes they are treated as local taxes under the Tax Code and are, therefore, deductible. Yet where these charges have a different name—"sewer fees" or "sewer rents," for example—they are not deductible, even though they are otherwise the same and are used for exactly the same purpose. Surely a Tax Code that seeks to treat all taxpayers alike should not result in situations like this.

Therefore, Mr. Speaker, I have introduced a bill to amend the Internal Revenue Code by providing that all charges relating to local wastewater systems, no matter what they are called, may be deducted on a taxpayer's Federal income tax return. This will eliminate an inequity in the Tax Code and provide some much-needed relief to families which are being asked to defray the higher and higher costs of insuring that the Nation's waterways are cleaned up and kept free from pollution.

I hope that the Ways and Means Committee will give this proposal serious consideration as it reviews the many recommended changes in our tax laws this year. At this point, Mr. Speaker, I would like to submit the text of my bill for inclusion in the RECORD. Thank you.

Text of bill follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Subsection (b) of section 164 of the Internal Revenue Code of 1954 (relating to definitions and special rules for deduction of taxes) is amended by adding at the end thereof the following new paragraph:

"(6) SEWER TAXES, RENTS, AND OTHER SIMILAR SEWER CHARGES.—The term 'real property taxes' shall include sewer taxes, rents, or similar sewer charges, regardless whether same are computed per capita, or on the basis of real property valuation or usage.".

SEC. 2. Paragraph (1) of subsection (c) of section 164 of the Internal Revenue Code of 1954 (relating to the denial of deduction in the case of certain taxes) is amended to read as follows:

"(1) Taxes assessed against local benefits (other than sewer taxes, rents, or other similar sewer charges) of a kind tending to increase the value of the property assessed; but this paragraph shall not prevent the deduction of so much of such taxes as is properly allocable to maintenance or interest charges.".

SEC. 3. The amendments made by this Act shall apply to taxable years beginning after the date of the enactment of this Act.●

NUCLEAR PROLIFERATION THREATENS THE MIDDLE EAST

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. LANTOS. Mr. Speaker, 2½ months ago from this very spot I called attention to the growing menace of Iraq's irresponsible and reckless dictatorship moving inexorably toward the completion of its nuclear arsenal. The Iraqi regime is in the midst of a war of aggression against its Moslem neighbor; it has openly defied worldwide consensus concerning nuclear nonproliferation, and has repeatedly threatened the annihilation of Israel.

The Israeli Air Force with a preventative and limited strike has obstructed the completion of Iraq's weapon of mass destruction. Those who now criticize Israel's decision to protect its very existence would be the first to call for the obliteration of any nuclear facilities constructed in Cuba, so near our own borders.

Many were silent as Iraq threatened to defy the terms of the Nuclear Nonproliferation Treaty. Many were silent as several European powers supplied the Iraqi dictatorship with lethal nuclear technology. Will they continue to remain silent as even now Libya's Qadhafi installs his nuclear weapons arsenal? Will they act or will they choose to submit to nuclear blackmail and quietly hope that the Israelis will again take care of the problem?●

SOCIAL SECURITY FUNDING MUST BE STABILIZED

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. RUDD. Mr. Speaker, more than 36 million Americans depend on social security benefits, and the reports they hear daily on the news about the shaky financial condition of the system are reason for great alarm.

Because of this, I believe the President's proposal addressing the root causes of social security's recurrent funding problems is good news. It shows that this administration recognizes that the funding crisis is real, and will not disappear unless steps are taken to assure the long-term solvency of the program.

Without immediate action, the social security fund will run dry as early as fall of 1982. In the past, Congress has propped up the program with exorbitant tax increases and cosmetic changes which have only exacerbated the problems and postponed the imminent reckoning day. We must not evade this issue any longer. If we are to honor the commitment this Government has made to the millions of Americans participating in good faith in the social security program, we must act to stabilize its funding.

The administration's proposal recommends changes which will first, and foremost, guarantee the solvency of the system. These reforms would insure that those receiving retirement benefits will continue to receive them, including cost-of-living allowances. The proposals do not remove from the rolls or cut benefits for any current recipients of social security. Retirees who are dependent on monthly checks should not feel threatened by the administration's facing up to the funding crisis. Any suggestion that this effort will victimize retirees is simply a political scare tactic meant to divert attention from the bad mistakes which have been made in the past with regard to social security funding.

What the administration has proposed is a list of changes which will redirect social security toward its original purpose as a sound base around which Americans can plan for their retirement years. These changes will assure current recipients and future generations that the social security system is dependable.

With this goal in mind, we can afford to be flexible and review a number of proposals. But we must not back away from this task. In order to provide a stable system, social security must be self-sustaining without imposing an unreasonable burden on those who participate. To these ends, I concur with the administration that we should not consider funding the program out of general revenue or raising social security payroll taxes, as these would only aggravate the economic crisis we face.

The proposals which have been recommended by the administration encourage work until the traditional retirement age of 65. This does not mean any change in the full benefit retirement age. Those who elect early retirement would receive a lower percentage of benefits than the 80 percent they receive currently. However, this reduction would be scaled so that each month spent in the work force

past age 62 would increase the level of a person's benefits. At age 63 and 8 months a person would be eligible for 80 percent of full social security benefits, and at 64 and 6 months could retire with 90-percent benefits.

Another element of the President's proposal would relate disability insurance more closely to medical factors. Workers can now qualify for disability benefits on such factors as age, education, and work experience. This change would insure that disability benefits would go only to those who are determined medically disabled. Since social security was never meant to be an insurance program, I believe we should begin to channel these peripheral programs which have been added on to social security into the mainstream objective of the program. Many of my constituents have expressed the desire to return to the original concept of social security, and I believe that this recommendation seeks to do just that by eliminating some of the welfare aspects of the program.

The proposal to eliminate so-called double dippers would correct the current inequity which allows Federal retirees who enter social security-covered employment for only a few years to receive higher benefits than low-wage earners who contribute to the system for a lifetime. Addressing this situation is not an attempt to deprive anyone of an earned benefit, but simply to face the real inequities of the current benefits structure and answer them directly, rationally, and fairly.

If we act to secure the system now, we will all be the benefactors: Social security recipients can breathe a sigh of relief knowing that their checks can be counted on and are good at the bank; those paying into the program now can do so with the confidence that the plan will be around to serve them in years to come, and future generations will be relieved of the overbearing tax burden they will have to pick up if the system is not stabilized now.

If we do nothing, we will all suffer the consequences. The President's recommendations acknowledge the severity of the situation we face and propose realistic steps to rectify it. I urge my colleagues to meet this challenge head on, so that soon we may report the good news that the social security program is on firm ground to the American people.●

PLIGHT OF STANISLAV ZUBKO

HON. LAWRENCE J. DeNARDIS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. DeNARDIS. Mr. Speaker, recent events in the city of Kiev are cause for concern by the many who cherish basic human rights and freedoms. A stepped-up campaign by Kiev authorities to suppress the activities of refuseniks and hamper the emigration in the Ukrainian capital is evidenced by a disturbing wave of arrests, incarcerations, prohibitions against emigration and movement, and separations from families.

Mr. Speaker, Soviet treatment of Jews has clearly deteriorated.

Today, I wish to direct the attention of my colleagues to the plight of Stanislav Zubko, a long-time Kiev refusenik. On the pretense of investigating a robbery next door, the Kiev KGB entered Zubko's apartment and allegedly confiscated hashish and a firearm. The authorities did take a Hebrew book. Charges lodged against Zubko carry a prison term of up to 12 years.

Zubko has long been active in the collective protests of Kiev refuseniks. Most notably, the protestors sent a telegram to the 26th International Communist Party Congress, while convened in Moscow, to express concern about the local situation. In connection with this act, Zubko was arrested and charged with "contemptuous behavior and use of improper language in a public place." He was originally sentenced to 15 days imprisonment, and within 2 weeks, 15 days were added.

Stanislav Zubko joins the ranks of other prominent Kiev refuseniks who have either been arrested under highly questionable circumstances or who have been handed prison sentences as a means to control the fledgling movement. But let there be no doubt, Mr. Speaker, these voices of freedom will not be silenced.

I am happy to participate along with my colleagues in the "Call to Conscience," congressional vigil for Soviet Jewry, and will continue to press for recognition of human rights and social justice wherever it may be found wanting.●

TRIBUTE TO RAY DeGREEFF

HON. WENDELL BAILEY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. BAILEY of Missouri. Mr. Speaker, I rise today to pay tribute to one of Missouri's outstanding coaches who recently passed away at the age of 63.

Ray DeGreeff coached basketball at St. Francis Borgia High School, Washington, Mo., for 27 seasons, longer than any other man. During those 27 years, Borgia was one of the most consistent high school basketball teams in the State, averaging nearly 20 wins a season against 8.8 losses. Under Ray, Borgia took the State district championships six times.

Last season would have been Ray DeGreeff's 28th at St. Francis Borgia, but 1 year ago he was diagnosed as having cancer. After seven games this year, he resigned in favor of assistant Steve Reuther, who had been coaching in his absence. Borgia dedicated the season to DeGreeff.

Ray DeGreeff lived long enough to see his team finish the regular season, win the State district championship—for the seventh time in 28 years—and win its first game in the sectionals. Then, the morning of the last game of sectionals, Ray DeGreeff passed away. That night, Borgia won the sectionals.

Borgia won the game for Ray DeGreeff. The game went into six overtimes. By the beginning of the third of these, the entire Borgia starting squad with the exception of one man had fouled out. Borgia finished the game with five substitutes, some of whom had not seen as much playing time the rest of the season combined. But still, Borgia won. And Borgia ended up taking second in State.

Ray DeGreeff spent 10 years coaching elsewhere before coming to St. Francis Borgia. His career basketball coaching record was 703 wins and 349 defeats. At St. Francis Borgia, over the course of his 27 years, he at one time coached every sport at the school, both boys' and girls'. His impact on thousands of kids was immeasurable.

Ray DeGreeff's contributions to sports and youth were recognized with these awards: Outstanding Service Award from the American Legion; Khoury League Man of the Year Award; Jaycee Outstanding Service Award; Hall of Fame, Quincy College; Medal of Recognition, Culver-Stockton College; and Missouri Basketball Hall of Fame.

Ray DeGreeff will be missed.●

THE ABORTION ISSUE

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. WEISS. Mr. Speaker, the abortion issue continues to haunt us despite the very clear prochoice views expressed by a majority of Americans. The most recent survey data collected by the Washington Post/ABC news and released this week indicated that people from all over the country and from varying ideological and economic backgrounds oppose current attempts in the Congress to ban abortion and to make criminals of the women and doctors involved in this safe medical procedure.

Among those surveyed, 88 percent favored legal abortions when the woman's life is endangered; 82 percent in cases of rape and incest; 84 percent when the woman might suffer severe

health damage; 70 percent when there is a chance the baby would be born deformed; and 73 percent when the woman's mental health is endangered. When questioned, "Would you favor or oppose a law that would make abortions murder?", only 29 percent favored such a law and 67 percent opposed it.

I believe these figures show that most Americans recognize the difficult circumstances confronting women regarding an abortion and a respect for the right of the individual to make this personal decision. Banning abortion by any approach would necessarily make criminals of those seeking an abortion for any reason. Clearly, this is not the will of the vast majority of Americans, but it is the intent of the vocal crusaders for the so-called pro-life movement.

Members of the House and the Senate have heard again and again from those who support legislation which would define life as beginning at conception. Yet little has been said of the horrendous personal implications of this statutory maneuver and no satisfactory answers have been given to the serious legal and social dilemmas raised. Would such a bill precipitate a constitutional crisis by directly challenging the Supreme Court's role as final arbiter of the Constitution and jeopardize the Federal system of checks and balances? Would a human life statute threaten constitutional safeguards on religious freedom and rights to privacy? Further, would a congressional redefinition of the 14th amendment set a dangerous precedent for issues beyond the abortion controversy? How would such legislation affect State court jurisdiction on abortion cases as well as the innumerable existing laws concerning inheritance, torts, distribution of social services, and criminal activities? Would such an action also mandate a ban on many widely used forms of birth control?

During consideration of these difficult questions, I urge my colleagues to heed the opinions of those who rightfully guide us in our decisions and to place in perspective the expressions of a small and unrepresentative minority.

In conclusion, I would like to share a very eloquent letter I recently received from one of my constituents which illustrates the emotions that statistics alone cannot convey. This letter should remind us once more of the anguish and blow to human dignity Congress would inflict by outlawing abortion.

DEAR SIR/MADAM: Last week my friend was raped. A beautiful, sweet, loving human being brutally assaulted and raped by two men. Or are they animals? And will she ever be the same? Can she walk tall knowing that she has been violated more than any man could ever know?

And of course, what if she becomes pregnant? Our new lawmakers seem to have this all figured out. I'd like to see the President's lovely wife lie mutilated on a dirty street corner in Brooklyn, naked in the cold air; helpless, beaten, close to murdered. I don't think Mrs. Reagan would care for this sort of entertainment. How would her husband feel?

Right To Life: I defy any man to suffer this agony and then bring its product into the world as a new member of society. Would this baby be loved? Could he grow up to be President?

I appeal to you who read this—if you truly believe that this is a healthy way to live, that this woman should not want revenge, that such a child should be brought into the world; if you truly believe that if your wives or loved ones were raped and that you would still condone the possible legislation against birth control, abortion, and "suspicious" miscarriages—if you truly believe this, then condemn me as an American who cares more for life than the filth and degradation your laws and lack of action are helping to make it become.●

TRIBUTE TO CARDINAL WYSZYNSKI, PRIMATE OF POLAND

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1981

● Mr. FOGLIETTA. Mr. Speaker, I would like to express my deep regret and sorrow over Cardinal Wyszynski's recent death. Not only Roman Catholics, but indeed the entire world, have suffered a great loss.

Cardinal Wyszynski's career was one of service and dedication to both the Catholic Church and the Polish people. As Primate of Poland, Wyszynski led the Catholics in saving their church from obliteration by Communist forces. Wyszynski was severely persecuted when he was held under house arrest from 1953 to 1956. He was a man who exemplified the strength of the church in the face of Stalinist persecution in the 1950's and who became a symbol of his country's quest for freedom.

At the same time, in his role as statesman, Wyszynski symbolized the triumphs and tribulations of his people and embodied the quest for sovereignty of the Polish people. By restraining his vocal countrymen from excesses in their fight for independence, Wyszynski took a leading role in helping to save the Polish people. He was so admired and respected by his countrymen that the atheistic Government of Poland eventually had to turn to him to calm the enraged citizenry. Always appealing to moderation and speaking with the voice of reason, Wyszynski attempted a balanced approach, helping to mediate disputes over labor grievances and advising workers of the dangers of intervention that could result from a strike.

Wyszynski's death is particularly disheartening in light of the current troubles of the Polish people. Were he still alive, Cardinal Wyszynski could continue to help lead his nation through its difficulties. We hope that Wyszynski's death can remind the Polish people of the importance of resolving conflicts peacefully, for above all, Cardinal Wyszynski was a peacemaker. I reiterate the words of Pope John Paul II in saying, "It is a painful thing that the time has come that words have to be said in the past tense."●

IN MEMORY OF DR. ENGLISH JONES, FORMER CHANCELLOR OF PEMBROKE STATE UNIVERSITY

HON. CHARLES ROSE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. ROSE. Mr. Speaker, my district recently suffered the loss of an outstanding educator and a great man, Dr. English Jones, retired chancellor of Pembroke State University in Pembroke, N.C.

For 17 years, Dr. Jones guided this institution in its growth from a small college to part of the North Carolina university system. Along the way, he managed to keep tuition costs down and harmony among students of three races.

Dr. Jones gave unselfishly of his talents and time to carve out a fine university in southeastern North Carolina. Many people owe him a great debt of gratitude for being instrumental in creating a place of learning that they could afford to attend in an atmosphere conducive to its purpose.

The following is an editorial about Dr. Jones which appeared in the Robesonian in Lumberton, N.C. I would like to share it with you:

[From the Robesonian, May 20, 1981]

DISTINGUISHED CAREER

The career of Dr. English Jones has ended. The institution he headed for 17 years lives on, greater in size and influence and service because of the work of this remarkable man.

Dr. Jones was the first Indian to become president of Pembroke State College, and the first chancellor of the university. He was uniquely qualified to administer the affairs of a small institution requiring economy in operation, and to capitalize on opportunities for expansion.

With a steady hand to keep the institution on course, Dr. Jones guided it through troubled times. During the war in Vietnam, it was virtually free of disruption by protest demonstrations. Racial integration became an accomplished fact there while other institutions still were being prodded to achieve it. Amid social changes, Pembroke State maintained stability of purpose as an educational institution serving the needs of the people in its area.

The confidence of state legislators was won by effective use of funds allocated to the institution. Buildings were constructed

at a cost which showed how much could be done for how little an expenditure. Getting extraordinary results with modest investment by the state, Dr Jones was entrusted with increasing appropriations to carry out well-defined plans.

Along with other state-supported colleges, Pembroke State became a university. It remained affordable. Students throughout this region and beyond, could still get a higher education at minimum cost. Expanding educational opportunities were kept within reach.

With a background of experience as a student, a World War II veteran, an agricultural extension agent, a teacher, a dean and an administrative assistant, Dr. Jones brought to the presidency of Pembroke State a combination of talents and a record of personal achievement. He had the knack of getting things done, and making tough decisions when necessary. He recognized ability, and engaged capable people—faculty members, coaches, department heads and other personnel to develop academic and athletic programs and carry on the multiple activities of an expanding university.

Dr. Jones seized opportunities for the university as though time were short. For him it was. In retirement, resting from his labors, he had much to look back upon and little ahead but declining health. His work was done. He had run the course with all the vigor he could summon and had won a monumental prize—the realization of his dream for the university. It is a dream which developed along with the man and survives in the brick and mortar of the institution he helped to build, for continuing service to his people and all the people in this area where he lived.●

A HISTORICAL PERSPECTIVE: GREEK-TURKISH DISPUTE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. BIAGGI. Mr. Speaker, I would like to bring to the attention of my colleagues a letter which was written by a professor of history at Yale University, Dr. Deno J. Geanakoplos, regarding the historical dimension of the relationship between Greece and Turkey. This letter was written in order to more fully explain the concerns of the Greek community on Cyprus, an isle which had been illegally invaded by Turkey in 1974 with United States arms.

Mine was one of the first voices in Congress which raised the illegal and immoral nature of the Turkish occupation of Cyprus, which was followed by an arms sale embargo imposed by Congress. While this embargo has been lifted, we remain deeply concerned over the fact that Turkey has yet to account for the nearly 2,000 Greek Cypriots missing since the 1974 invasion.

This letter provides a scholarly and critical explanation of the ongoing tragedy of Cyprus and I commend it to the attention of my colleagues.

YALE UNIVERSITY,
DEPARTMENT OF HISTORY,
New Haven, Conn., March 3, 1981.

TO THE EDITOR OF THE NEW YORK TIMES EDITORIAL PAGE:

The article of your correspondent, published on Feb. 24 (and flippantly entitled "To Turks, Feud With Greeks is Pesky, Not Perilous"), seems to reflect an irenic spirit on the part of certain Turkish diplomats toward Greece, which, if true, is certainly laudable. Nevertheless, the article gave an overly one-sided presentation which can only mislead American readers who know too little about the historical background to the relations of the two nations, aside from the fact that they seem to be irreconcilable enemies. Thus, your correspondent reported responsible Turks as proudly saying that "we can't forget that we ruled Greece for nearly 400 years." True enough, but to balance that statement it should have been pointed out that no Turks whatever (neither Seljuks nor the present-day Ottomans) had even entered Anatolia (modern Turkey) until as late as the last quarter of the 11th century, and that for at least 800 years prior to the fall of Byzantine Constantinople to the Turks in 1453, Asia Minor had constituted the heartland of the Byzantine Empire, a great state "Roman" in government but essentially Greek in language and culture, and Greek Orthodox in religion.

The article was, moreover, simplistic in seeming to single out as the most serious block to peaceful relations the contested issue over the continental shelf and corresponding rights over the Aegean Sea. Despite the Turkish view that the Cyprus question should be excluded from present Turco-Greek negotiations, many Greeks cannot forget (what your correspondent did not say) that there are still 200,000 Greek-Cypriot refugees as a result of the Turkish invasion and occupation in 1974 of 40 percent of Cyprus by 80,000 Turkish troops (most of which are still there). Only one-fifth of the island's population is Turkish, the other four-fifths being Greek. Despite Turkey's alleged peaceful intentions—to quote the article "there is no evidence in Turkey of the kind of obsession found in Greece over a 'threat' from Ankara"—and, admittedly, preoccupation with serious internal problems—which we all hope she can soon solve—the correspondent neglected to mention the precarious plight of the Greek Orthodox Patriarch and his now rapidly diminishing flock in Istanbul. In violation of the Treaty of Lausanne (1922), guaranteeing protection to the Greek Patriarch in Istanbul, and to which Turkey was a signatory, the (single) theological school of the patriarchate has been closed as such by the Turkish authorities and the patriarchate constantly subjected to severe pressures and harassment. This is a matter of deep concern not only to the people of Greece but, more particularly, to the Greeks of America whose church is under patriarchal jurisdiction. Unless effective attention is directed to alleviate this problem by the World Council of Churches, the Vatican, and especially the UN Commission on Human Rights—for this is basically a question of human rights—the days of the Greek Orthodox Patriarchate in Istanbul, the home for over a millennium and a half of one of the world's oldest churches, may soon be ended.

In my view the Greek and Turkish peoples have much more in common, strategically, politically, and even culturally, than appears on the surface. But no genuine headway can be made, at least toward a better understanding on the part of the American public of the apparent intractability of the two countries, unless all aspects—and at both sides—are fully exposed. It is the duty of the media to its readers, and especially of such a distinguished news organ as the New York Times, to provide as balanced a presentation as possible of the difficult Greco-Turkish dispute, which in no small measure concerns the interests of the United States as well as its allies.

DENO J. GEANAKOPLOS,
Professor of Byzantine and Renaissance history.●

INDIAN RIDGE CELEBRATION IN HOBART, IND.

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. BENJAMIN. Mr. Speaker, Indian Ridge Pioneer Days, a 2-day event commemorating the 150 men and women who claimed land in Hobart, Ind., in the 1830's and 1840's, will be held Saturday and Sunday at the Indian Ridge Country Club, south of that northwest Indiana city.

One hundred and fifty years ago, before par four holes and sand traps were ever envisioned, the Indian Ridge golf course was home to the Pottawatomie Indians.

The Pottawatomie village was situated on a rise of land—Indian Ridge above Deep River. The site was also a battleground where the Pottawatomie and their bitter rivals, the Sac Indians, struggled for control of the hunting and fishing rights of the then bountiful region.

Their tribal wars were apparently frequent and furious. Collectors and amateur archeologists have found baskets of arrowheads on the ground around the village.

In 1832, the Indians signed the Treaty of Tippecanoe, giving away the remainder of their claims in Indiana, with a few exceptions. Twelve Indians chose to live in Lake County but pioneers later persuaded them to sell their land.

In 1833, George Sykes, one of the region's first white settlers and whose descendants still live in northwest Indiana, began clearing a parcel of land in Hobart Township.

In 1852, President Millard Fillmore granted the Indian Ridge property to U.S. Army Private Orrin Rose as a bounty for service in the War of 1812.

Sykes' son purchased the land in 1883 and cleared the area for farming. The Hobart area had then become populated with farmers. Timber and bricks were also major area businesses.

Fifteen years later, John Dorman, a Chicago businessman, purchased the land for a summer retreat and moved there. Dorman had the present Indian Ridge golf course constructed.

In 1931, Dorman and other residents put together a list of 150 names representing the heads of families who claimed land in the area around 1830. Dorman sent out invitations to over 500 persons to gather at the Indian Ridge site for the dedication of a marker—a 5-foot granite boulder with an attached bronze plaque—commemorating the struggle and success of those early pioneers.

Eight hundred attended the ceremony on June 18, 1931. The Hobart Memorial Post of the American Legion, under the direction of Vice Commander Floyd Harrigan, provided the color guard and the Ladies Aid Society of the Hobart Methodist Church served a picnic lunch.

Celebrants, many of whom recalled when life in the Hobart area was a struggle against nature, were entertained by patriotic and historical speeches, and by music provided by Dr. William Revelli and his national champion Hobart High School Band. Featured guests were Angie Glazien, of Merrillville, who recalled riding into Lake County on the back of her parents' covered wagon, and "Bronco John" Sullivan, of Valparaiso, a former Indian scout.

A time capsule containing the list of 150 pioneer families was placed beneath the marker. A wreath of flowers was placed at the foot of the stone in memory of the pioneers who devoted their lives to the development of the Hobart area.

The granite marker will be moved and rededicated on Sunday. The contents of the time capsule will be shown and new items of historical interest will be added and buried.

Indiana Ridge Pioneer Days—1981—is chaired by A. F. "Pete" Harrigan, a Hobart realtor who owns the Indian Ridge Country Club.

Jarvis Roper, son of Owen J. Roper, Hobart mayor in 1931 and chairman of the first pioneer day ceremony, will serve as honorary chairman.

Dr. Revelli, now in his eighties and recently inducted into the National Hall of Fame of Distinguished Band Conductors, plans to return and participate in the Hobart July 4th Celebration.

The activities include displays of antique automobiles, Indian relics from the Hobart Historical Society, and artwork of 12 artists from the Hobart Arts League.

The Family YMCA Indian guides and maidens will serve Indian fry bread and sell Indian craft items. The Hobart Heritage Club will display Indian face painting. There will be a barn dance, barbecue, candlemaking, and other activities.

The Lake George Improvement Association and the Hobart Republican Organization will operate refreshment booths.

The Lake County Sheriff's Tactical Unit will provide a firing squad.

The Lake Station senior swingers led by director Lola Andrews and Carla Walter Voight will perform a square dance.

The beauty queen selected on Saturday will join City Judge Anthony Cefali in reading the names of the 150 pioneers. The Boy Scouts, led by former Boy Scout Don Robinson who helped raise the flag at the original Pioneer Day, will unveil the monument. Hobart Mayor Calvin Green will place a wreath at the marker.

I will join the pioneer activities and present a flag which has flown over the Capitol. We will be joined by many city and area dignitaries to make this pioneer celebration a day to remember.

Mr. Speaker, I ask my colleagues to join all of the citizens of Hobart, Ind., its surrounding area, and myself, in recognizing and honoring these Americans who represent the very history of Hobart. The rededicated monument is a reflection of the hard work and achievement of its citizens.

The Hobart Gazette of June 25, 1931, reported that the original pioneer day of 1931 was a fitting ceremony to hallow the ground on which the Indians fought, pioneers struggled, and the real American was born, loving his country under the stern rule of freedom-loving pioneer parents of the middle western country where civilization was just beginning to dawn.

On Sunday, when Rev. Robert Bickel, of the First United Methodist Church leads the assemblage in prayer, it will be another awakening to another dawn because the residents of Hobart today are just as American, just as freedom-loving and just as rugged as the old Pioneers. And when the time capsule is opened again, the Americans then present will appreciate and respect their country and civilization—In Memory of the old Pioneers and today's Pioneers.●

LOS ANGELES CITY COUNCIL ENDORSES MANDATORY SENTENCING

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. ANDERSON. Mr. Speaker, as you know, I have introduced legislation, H.R. 27, which imposes a mandatory, minimum 5-year prison sentence upon those convicted of committing a Federal felony involving the use of a firearm. Currently, H.R. 27, cosponsored by over 170 of our colleagues, is pending hearings in the Judiciary Subcommittee on Crime.

Earlier this year, the Los Angeles City Council adopted a motion, offered by council members Ernani Bernardi and Hal Bernson, which endorses H.R. 27 and is included in the city's 1980–81 Federal legislative program. This action by the Los Angeles City Council is a positive step and recognizes the need at the local level to begin to get tough with those criminals who seriously misuse firearms. I urge those who have not cosponsored H.R. 27 to do so, so an atmosphere can be created whereby criminals know that if they use a firearm in the commission of a Federal crime, they will not be granted parole, probation, or a suspended sentence—but, instead will go to jail.

The city council's motion to endorse H.R. 27 is as follows:

Whereas in recent months Los Angeles has been plagued by a sharp increase in violent crimes involving the use of handguns; and

Whereas the City of Los Angeles experienced 1,043 homicides during 1980, an increase of 26.3 percent over 1979; and

Whereas this rash of senseless killings has included, in significant number, deaths resulting from handguns used in robberies and burglaries; and

Whereas under the present legal structure, some felons are able to maneuver their way back to the streets before their victims are released from medical treatment; and

Whereas H.R. 27 (Glenn Anderson), introduced in the House of Representatives on January 5, 1981, would amend Chapter 44 of Title 18 of the United States Code to extend and strengthen the mandatory penalty feature of the prohibition against the use of firearms in Federal felonies and for other purposes; and

Whereas H.R. 27 provides that whoever uses a firearm to commit a felony or carries a firearm during the commission of any such felony, if an element of such felony is the use of violence or threat of imminent violence, shall, in addition to the punishment provided for the commission of the felony, be sentenced to a term of imprisonment for not less than five years, nor more than 10 years for a first offense; and

Whereas H.R. 27 further provides that for a second such offense, imprisonment would be for not less than 10 years or to life imprisonment; and

Whereas H.R. 27 states that notwithstanding any other provision of the law, the court shall not suspend the sentence, there shall be no eligibility for probation, and the term shall not run concurrently with the imprisonment imposed for the commission of such felony and further, any person convicted under this law shall not be eligible for parole during the first five years of imprisonment in the case of a first conviction and the first ten years in the case of a second or subsequent conviction.

I therefore move that the City's 1980–81 Federal Legislative Program include support of H.R. 27 which would extend and strengthen the mandatory penalty feature of the prohibition against the use of firearms in Federal felonies.●

U.S. POLICY TOWARD THE PERSIAN GULF—I

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues information provided by the Department of State on our strategy toward the Persian Gulf and Southwest Asian region.

The information sets forth a fairly explicit definition of what our objectives are in the Persian Gulf and what our capabilities are to meet those objectives. Of particular note are descriptions of the status of our Rapid Deployment Force efforts and of the nature and impact of a U.S. military presence in the region.

These State Department answers are replies to questions I submitted to Mr. Richard Burt, Director of Politico-Military Affairs, subsequent to his appearance before the House Foreign Affairs Committee, Subcommittee on International Security and Scientific Affairs, on March 23, 1981. Because of the length of this exchange, the second half of it will appear in a subsequent record.

The answers of the first part of the exchange follow:

1. In testimony before the Committee on Foreign Affairs on March 18, 1981, Secretary Haig indicated that changes in the status quo in the Middle East/Persian Gulf region would be "a matter of vital concern . . . that would have to be dealt with with the full range of the power and assets available to us." He appeared to be endorsing the concept of the Carter Doctrine and the Rapid Deployment Force.

Question. To what extent do you subscribe to the principles outlined in the Carter Doctrine?

Answer. To the extent that the Carter Doctrine recognizes that the vital interests of the West are at stake in the region, that one of the major threats to those interests is the strategic Soviet threat, and that we need to be able to protect those interests—by force if necessary—I agree with it.

Question. How does U.S. policy towards the Persian Gulf differ from that of the previous administration?

Answer. Although the development of our policy for the region is not yet complete, our approach differs from that of the previous Administration at least in the following ways:

It is more comprehensive. We recognize that our policy cannot be directed just toward the Persian Gulf, or even something called Southwest Asia. Our interests are affected and threatened by events in the entire region which stretches from Turkey to Somalia, from Egypt to Pakistan. We need an integrated strategy for dealing with the region's closely interrelated political and military problems, including the Arab/Israeli conflict. But we also recognize that none of the political problems in the area can be resolved unless we move to restore the regional balance of power and secure local countries against Soviet/radical coercion.

We recognize that we need to go beyond the doctrine developed in the final years of the Carter Administration. There is much more that can and must be done to provide an effective presence, enhance our ability to deploy and sustain forces in the region, and increase our cooperation with our friends. We are prepared to do that extra work.

We will be a better and more reliable partner. We recognize that the cooperation of our friends is essential and that we cannot simply impose our policy desires on them. We are consulting with them extensively, and are formulating our policy deliberately. Although some adjustments may be necessary to meet changing circumstances, we will avoid the frequent changes in direction which, under the previous administration, so dismayed our friends.

Question. What steps are being taken to implement U.S. policy towards the Persian Gulf?

Answer. We are not awaiting the completion of our policy development before taking certain steps which will be necessary regardless of the policy we choose. First, we have entered into extensive consultation with our friends inside and outside of the region. Secretary Haig's Mideast trip was part of this process, as have been his meetings here and abroad with Western leaders. We have also moved to insure that the security assistance for certain critical states is adequate. This has required an increase in the fiscal year 1982 Security Assistance budget. Further we have requested increases in the funding during fiscal year 1981/82 for numerous projects required to improve our capability to deploy U.S. forces to the region rapidly and sustain them once there.

Question. What is the status of Rapid Deployment Force (RDF)?

Answer. Since its activation one year ago, the Headquarters, Rapid Deployment Joint Task Force has made considerable progress. Planning for contingency operations in Southwest Asia is underway, as are parallel planning efforts by the Service components which comprise the RDJTF. Steps to improve the RDJTF command structure were recently announced by Secretary of Defense Weinberger. The first change directed in the RDJTF's organization will be the assignment of XVIII Airborne Corps.

Headquarters, RDJTF and its Service components have planned and conducted exercises both in the United States and in the Persian Gulf area. Lessons learned from these exercises are being incorporated into operational plans and standard operating procedures. Finally, support requirements such as the upgrading of Reserve units, prepositioning and facilities access needs are being identified and pursued.

Question. What steps have been taken by the Administration to speed up and/or improve the deployment of the RDF?

Answer. The Administration has recommended significant increases in the fiscal year 1981 and 1982 defense budgets. Added requests for the RDF are $329 million in fiscal year 1981 and $2.1 billion in fiscal year 1982. Together with funds already programmed, these added resources will make improvements possible in several areas, including mobility, pre-positioning, materiel and equipment, and support facilities.

"Stretching" of the C-141 airlifter fleet will be completed and the entire fleet will be made capable of in-flight refueling. The wings of all C-5 Galaxy aircraft will be replaced, giving those aircraft, which can carry the largest items of military equipment, greaty extended service lives. A number of fast and modern cargo ships will be procured. Facility improvements necessary to support our peactime presence will be undertaken at Diego Garcia and in Oman, Kenya, and Somalia. These facilities would also be available in times of crisis. Prepositioning of materiel and equipment aboard ships in the Indian Ocean in support of Marine forces will be expanded and modernized through the procurement of new ships. Approval of the increases to make these improvements possible will significantly enhance our capability to deploy and sustain our forces in Southwest Asia.

Question. What is our current capability to project power into the region?

Answer. Upon completion of certain predeployment enhancement activities, the United States could currently deploy to Southwest Asia, within 30 days of warning, a corps-sized force with supporting air and sea power.

Mobility and logistics considerations—which are prime determinants of our reaction capability—are dominated by the great distances to and within that region, harsh geographic and climatic conditions, the relative paucity of logistic infrastructure, and limited U.S. access to regional facilities.

Question. How long will it take for the United States to have the capability to deploy forces in the Persian Gulf region to meet the most-likely-to-occur contingencies there?

Answer. There is a range of possible threats to our vital interests in the Persian Gulf region against which we might need to deploy military forces. Prudent military planning requires the capability and flexibility to deploy, employ, and sustain a variety of forces to meet those threats. At present, the United States can deploy on a timely basis the necessary forces to meet many threat scenarios.

The United States already has sizable forces in the area in the form of Navy carrier battle groups and Marine air and ground elements. Other air elements can deploy to the area within hours and CONUS-based ground forces can begin their deployment soon after notification.

However, improvements in airlift, sealift, and pre-positioning capabilities are required to meet the larger threats to U.S. national security interests in the region. Achieving a full capability to respond directly and adequately in the most difficult situations depends on implementation of program recommendations made by this Administration, including many pertaining to the RDJFT and our ability to deploy forces to SWA made in the Congressionally-mandated Mobility Study.

Question. What is our capability today in terms of the number of divisions and amount of material that we can deploy within a week's time, a month's time, two months' time?

Answer. The amount of warning time is one of the crucial determinants of our ability to deploy forces in a contingency. With ample warning, we would be able to establish efficiently the logistical infrastructure necessary for optimum sea and air lift. With reduced warning time, we might have to begin actual force deployments before establishing this infrastructure. That would make our efforts less efficient.

Within two weeks after a decision to deploy, we could have about a division-size ground force and supporting land and sea-based air power available in the Gulf region. Within one month, we might have placed an

additional division, more or less, on the ground, with commensurate increases in tactical airpower. Within two months' time, we could add an additional division or more, with air and logistical support, to our forces in the Gulf region.

Question. What are our objectives with regard to increasing the number of forces that can be deployed and shortening the deployment time?

Answer. Our goal is to respond effectively to any outside threat to the security of the Gulf region. That includes the capability of thwarting any attempt to present us with a fait accompli.

Long-term goals (fiscal year 1983-1987) are to improve the speed with which we can deploy a multi-division force to Southwest Asia and to upgrade the capabilities and sustainability of that force. The specific force mix, deployment schedule and build-up rates must remain classified.

Question. What is your timetable for full implementation of the RDF?

Answer. The RDJTF is operational today. A number of initiatives to improve the capabilities are proceeding. These include mobility, force, and facility improvements. These initiatives will permit significant expansion of the RDJTF's capabilities in phases throughout the decade. By 1987, if programs proceed on schedule, we shall have roughly doubled our capability to deploy and sustain forces in Southwest Asia.

2. Practically all of the countries in the Persian Gulf region are dependent upon external actors for arms, training, manpower; and technical know-how. These factors, coupled with continued Western dependence on Persian Gulf oil and increased Soviet military activity in the area have led the United States to greater military power projection into the Persian Gulf. Various components of the U.S. power projection include the RDF, facilities access agreements and possibly a permanent U.S. military presence in the region.

Question. What does the Reagan Administration perceive the role of the Rapid Deployment Force (RDF) to be in meeting the threats—Soviet, regional, and indigenous—to U.S. interests in the Gulf and Horn of Africa?

Answer. The Reagan Administration is developing an integrated strategy for meeting the threats to our interests in the region. Although that process is not complete, it is likely that we will conclude that some kind of rapid deployment or reinforcement capability is necessary to meet the threat which the regional states alone cannot meet—that posed by the Soviets.

Question. To what extent do the access arrangements initiated by the Carter Administration meet the needs of the RDF?

Answer. The final size and composition of the RDJTF for various contingencies has not been determined, so we cannot characterize the access we now have as adequate or inadequate.

Question. What are the views of the countries in the region to even this limited expansion of the U.S. military presence?

Answer. The views of the countries of the region to a U.S. presence are generally well known—they want us near but over the horizon. We have their political imperatives well in mind as we develop our strategy. We must still convince them that given our track record of the last few years, they have more to gain than to lose by associating with us.

3. Both former Secretary of State Kissinger and Secretary of Defense Weinberger have gone on record in support of permanent military bases in the region.

Question. What countries in the region—other than Somalia, Oman, and Kenya—have indicated a willingness to provide the United States with facilities access?

Answer. As you have seen in the press, Presidents Sadat and Nimeiri have indicated a willingness to allow temporary use of facilities in Egypt and Sudan in certain situations. In neither case, though, are we discussing "permanent military bases."

Question. Has any country offered to provide the United States with permanent bases?

Answer. We are not surprised that no country in the region wants a permanent foreign base on its soil. This does not mean that we cannot work out satisfactory arrangements which will serve our mutual interests while meeting the requirements of both sides.

4. Secretary of Defense Weinberger has stated that the United States needs "enough of a presence to lead the Soviets to conclude that it would be an unsuccessful risk for them to try the sort of thing they are doing in Afghanistan."

Question. How much of a military presence in the region is enough to convince the Soviets that "interference would carry unacceptable risks?"

Answer. An effective U.S. security strategy for Southwest Asia requires the capability to deter Soviet threats to regional security and to respond effectively to Soviet attacks if deterrence fails. A strong military presence helps us achieve both of these objectives.

Our peacetime military deployments enhance deterrence by confronting the Soviets with the increased risk that U.S. forces would become involved in any Soviet attack, thereby adding to Soviet uncertainty about their ability to predict the outcome of an attack. U.S. involvement also raises the risk that a Soviet attack in Southwest Asia would trigger a wider conflict.

At the same time, having forces immediately available for conflict—and exercising their capability in peacetime—improves our ability to perform military missions during the initial stages of a Southwest Asian conflict.

Our naval and amphibious forces in the Indian Ocean, including two carrier battle groups, provide us with a significant continuous military presence. In addition, we have made and will continue to make temporary deployments, such as the AWACS presence in Saudi Arabia, and conduct various training exercises. Given the forces the Soviets can bring to bear in the region, we intend at least to maintain this level of peacetime presence for the foreseeable future.

5. *Question.* How do the Soviets view U.S. efforts to increase its presence in the Persian Gulf-Horn of Africa region?

Answer. Publicly, the Soviets have said that U.S. efforts to increase our presence in the Persian Gulf-Horn of Africa region have nothing to do with the Soviet Union. Instead, they maintain, the growing U.S. presence in the area is designed to cow the oil-producing states into submission and to extend U.S. "hegemonism" to the area. The Soviets deny that there is any linkage between Soviet moves in Afghanistan and the U.S. buildup.

Question. What are the prospects of Persian Gulf-Indian Ocean arms control initiatives?

Answer. In the present atmosphere, prospects for Persian Gulf-Indian Ocean arms control initiatives are dismal. On the superpower level, Soviet arms control initiatives apply only to naval forces. This would do a good job of limiting U.S. military presence in the region—since the preponderance of our forces are naval—while leaving the massive Soviet land presence, Afghanistan, and Soviet military involvement in and assistance to regional states completely out of the picture.

We believe that U.S. efforts to suggest arms control measures for the region would be inappropriate in the present political and security atmosphere. The Indian Ocean talks with the Soviets were suspended by the United States in 1978 because of Soviet bad faith—while engaged in negotiations with us, the Soviets simultaneously conducted an unprecedented naval buildup in connection with their military involvement in the Horn of Africa conflict. Subsequent events, particularly the Soviet invasion and occupation of Afghanistan, clearly demonstrate that for the foreseeable future the Soviets are not prepared to negotiate arms control measures for the Indian Ocean area in good faith.

Multilateral efforts at Indian Ocean arms control, such as those being undertaken in the U.N. by the ad hoc committee on the Indian Ocean, stand even less chance of succeeding. In multilateral fora, superpower differences are piled on top of regional disagreements about what should be limited and by whom. Some regional States want to exclude the superpowers; others want to ensure that their stronger regional neighbors are never in a position to dominate them. Meanwhile, the superpowers themselves continue to disagree on bilateral arms control concepts, as well as on what arms control would mean for regional and extra regional powers. In the interest of maintaining good relations with regional sponsors of the U.N. effort, the United States has continued to work with committee members in an attempt to define a set of principles for the Indian Ocean region on which all can agree. However, in light of the record of the past few years, even this goal may be too lofty. We will continue, nevertheless, to give our best effort to the committee's work.●

MRS. MARY ROSENSTEIN

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. GRISHAM. Mr. Speaker, I would like to bring to the attention of the House the accomplishments of Mrs. Mary Rosenstein on the occasion of her retirement from the Family Service Association of the Rio Hondo area in my home State of California.

Mary Rosenstein is an outstanding example of all that one American can accomplish when she sets her mind to helping her community. In the vital area of mental health, Mary's contributions will long be remembered by those who benefited from her services and those who had the pleasure of working with her.

Mary was part of the original steering committee responsible for the organization of the Rio Hondo Family

Service Association, and has served with that agency since 1954. She began as a part-time caseworker, served for a time as acting executive director, and has been a full-time staff counselor for the past 15 years.

Outside of her work, Mary dedicated herself to community and civic activities, serving as president of her local PTA, and with the United Nations Association, the League of Women Voters mental health study committee and the regional mental health liaison committee. In addition to her many activities she found time to play the cello in the Rio Hondo Symphony Orchestra and raise a fine family.

In recognition of her work and activities, Mary was a recipient of the Las Distinguidas Award of the AAUW in 1978. Her career has truly been an outstanding example of dedication to work, family, community, and self-fulfillment. She stands as an example to us all.●

FRIENDS OF FREE CHINA

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. DANIEL B. CRANE. Mr. Speaker, a tragedy involving millions of innocent people is taking place on a daily basis. Ideas, beliefs, and valuable thoughts are being hidden behind the cloak of communism. This is especially true in the People's Republic of China, better known as Red China. There, over 900 million people have had their inalienable right to free speech silenced by an unyielding Red curtain.

Communist China not only poses a major threat to freedom in Asia and the United States, but also to world security. There is hope, however, that the world may someday be relieved of the burden of international communism. Friends of Free China (FOFC), with the able assistance of Dr. Ku Cheng-kang, the honorary chairman of the World Anti-Communist League, is an organization dedicated to the promotion of world freedom and the defeat of communism.

Dr. Ku Cheng-kang, in an excellent speech to the Friends of Free China in Phoenix, Ariz., on April 28, 1981, pointed out that although the United States has given Red China much help of late, it is of utmost importance to remember that they still regard the United States as their major enemy. One should always be aware that Red China's interest is, at the core, in direct conflict with that of the United States, and the entire free world.

Because our own prosperity, well-being, and safety are always uncertain as long as we face the daily threat of the terror of communism, we must do whatever we can to aid and assist those who are willing to stand up for freedom. Since the future security of the world rests with free societies, and Dr. Ku Cheng-kang has made some excellent points as what needs to be done to preserve world freedom, I highly recommend his perceptive speech to you:

UNITED STATES-REPUBLIC OF CHINA RELATIONS AND CHINA'S FUTURE

Mr. Chopiwskyj, Ladies and Gentlemen, my last visit to this beautiful Arizona city was in 1969. Back here again now, I have been very much impressed by the development and prosperity achieved by Phoenix. Even more overwhelming are the deep concern and sincere friendship shown by you for the Republic of China, this time as well as the last. You have indeed touched me to the heart. I am truly happy this evening being with you, new friends and old friends. My hearty appreciation goes to each of you for your thoughtfulness and hospitality.

This is a gathering of Friends of Free China (FOFC) and you know that I am from the Republic of China. Because you all are very much concerned about Chinese issues, I would like to make an honest appraisal of the pertinent present situation, the trend, and the influence thereof on the United States and the world.

I. ISSUE OF CHINA TODAY

China's present issue is the unprecedented catastrophe in human history resulting from the Chinese Communist insurrection and occupation of the Chinese mainland. In a void of freedom are 900 million people. Properties have been taken away. More than 60 million innocent lives have been lost.

Basically the issue is one of confrontation and struggle between two diametrically different sets of ideologies, social systems and ways of life, one representing freedom and democracy and the other characterized by slavery and autocracy.

In the core of the issue is the Red Chinese persistence in their "four fundamental principles"—socialist road, dictatorship of the proletariat, Communist Party leadership, and Marxism-Leninism-Mao Tse-tung thought—even as they face the revolutionary anti-Communist surge of Chinese at home and abroad who insist that China's reunification must be in freedom with democracy.

Also involved are contradictory views about what Peiping (or "Peking") will or will not do about Taiwan. The regime has repeatedly stated that it will "liberate Taiwan," by force if necessary. The goal is to put an end to the Republic of China that hundreds of million Chinese regard as the source of hope as they fight against Communism and for freedom. On the other hand, many international sources have been misled by Peiping's peace talk united front maneuvers and entertain the mistaken idea that peaceful settlement is possible through negotiation. These sources are thus lending a helping hand to Peiping's ambitious attempt to keep the 900 million Chinese long in chains.

The issue thus revolves around the Red Chinese drive for aggression and expansion against the free world. With a quarter of the world's manpower resources under it, the regime wants to grow into another Soviet-like Red power.

The China issue being such, peaceful settlement through negotiation is quite out of the question. The Chinese Reds speak about peace talks, but their goal is to destroy the Republic of China, bring Taiwan, Penghu, Kinmen and Matsu under their control, and turn the Chinese in the presently free area into objects of enslavement and oppression just like the masses of Chinese mainland people. Peiping regards peace conference as a form of war to weaken the anti-Communist determination of free nations and destroy the free world unity.

II. GLOBAL INFLUENCE OF CHINA ISSUE

How the China issue develops has important bearings on the entire world.

If the 900 million people remain under Peiping's control as tools of "world revolution," serious threats to Asian-Pacific security and world peace will continue.

If, on the other hand, those people are given freedom, they will be a tremendous plus to the free world, because they can then start contributing to the region's security and to global peace.

Peiping has been and still is militant and bellicose. This is clear from the regime's race with Moscow for hegemony. Threatened by Peiping's international united front operation are not just Asia, African and Latin American free nations. All other free nations similarly face crises of war.

A China united in freedom and democracy will certainly play a positive role in checking Red advances against the free world.

The roaring campaign of 900 million Chinese mainland people for freedom and democracy will stimulate the anti-Red endeavor of other captive peoples and bring down the Iron Curtain everywhere.

III. DIRECTION OF CHINA ISSUE

The course of China issue hereafter will be characterized by widespread campaigns of Chinese mainland people for freedom of thinking, political democracy and life of well being. This will be an anti-Communist revolution to topple tyranny from under it and demolish the Iron Curtain from within.

The development as a matter of course will see stepped-up free Chinese effort everywhere to bring freedom to their captive compatriots. The desire of our people to have China's reunification in freedom and democracy will grow into an irresistible bulwark of national consciousness for anti-Communism.

China's reunification is inevitable but cannot be in manners contrary to majority Chinese wishes. The process has to be and will be on the foundation of freedom, democracy, peace and prosperity.

For a true solution of the China issue, totalitarian Red tyranny must be removed from the Chinese mainland and all of China built anew under a government of the people, by the people and for the people. This is what the Chinese in general want. This also meets the long-range interest of all democratic nations and the free world.

IV. CHINA'S FUTURE AND U.S.-ROC TIES

The China issue, no matter how you view it, has inseparably to do with the course of U.S.-ROC relations.

Because of ideological, social and life pattern differences, a China of totalitarian Communism will, as Peiping has all along done, regard the United States as the stronghold of capitalism that must be buried. The United States has over the years made a special effort to win Peiping over as a helping hand against the Soviets, but the Chinese Reds still regard America as their major enemy.

From geostrategic viewpoints, a China free and democratic will not only assure security in the Western Pacific but also work closely with the United States to safeguard human freedom and world peace.

From the standpoint of Sino-American common security, U.S. sale of sophisticated weapons to the Republic of China will enhance the ROC's defense capabilities and promote the two nations' common security. Sale of weapons to the Chinese Reds will add fuel to their militant flames. This should not be done if the security of the Taiwan Straits is to be assured and peace in the Western Pacific promoted.

In the free domocratic camp's grand strategy against the Red bloc, any attempt to ally with the Chinese Reds is fundamentally wrong, because the resulting blurring of the line between enemy and friend can only damage the free world formation.

Take a long-range view of China's future. China will become unified as all the upright Chinese strive on for freedom and democracy. Public disposition, not military might, is the factor of final China issue settlement. The United States, known for her stand for human freedom and respect for political democracy, should fully support the Chinese endeavor for free democratic reunification. I therefore sincerely hope that the United States will further strengthen her ties with the Republic of China and move toward normalization, which is the correct path to China issue solution and also the correct way to promote Sino-American relations in line with the long-range interest of our two nations.

Ladies and Gentlemen: People throughout the world respect the United States mainly because of America's stand for freedom and human dignity, not because of the American wealth and strength. America has successfully accomplished man's first space shuttle run. Mankind has been elevated to a new high realm of science and technology. Very regrettable, however, is that people still are being enslaved and trampled on by Red tyrants in wide areas of earth. We must unite all those behind and outside the Iron Curtain who stand for freedom. We must eliminate Red forces and build a lasting brilliant era of freedom, democracy, peace and prosperity for all mankind.

Let our endeavor for human freedom be crowned with a sweeping victory.●

NEW AMERICAN CITIZENS

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. LONG of Maryland. Mr. Speaker, it is with particular pleasure that I congratulate 18 residents of Maryland's Second Congressional District who have chosen to become American citizens, accepting all of the responsibilities that freedom and citizenship entail. I hope that my colleagues will join me in welcoming these new Americans and extending to them our wishes for a happy and prosperous life in the land we love.

They are Andrei Codrescu, Francisco de Vera, Wai Cheung, Kirpal Singh, Hwa Song, Irena Galka, Boris Sluzki, Shih Chen, Mary Isaac, Mr. and Mrs. Richard Lawrence in behalf of Rachael E. Lawrence, Jolanta Peretz, Cristina Laszlo, Chun Chu, Rekha Prasad, Marlene A. Gorriceta, Annamma Tharakan, Arun Virginkar, Pedro Lizardo.●

WOMEN BIGGEST LOSERS IN SOCIAL SECURITY CHANGES

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. BROWN of California. Mr. Speaker, President Reagan has helped recently to intensify the debate over social security reform by recommending a number of changes in the program. No doubt remains that something must be done and soon to remedy a program which is in serious financial trouble. But before concurring with the administration's rhetoric about social security, I implore my colleagues to carefully scrutinize the effect of these changes.

As with the budget cuts, President Reagan is making recommendations which would adversely affect those who can least afford it. A task force, set up by the House Select Committee on Aging, recently held hearings on these proposed changes and determined that elderly women would be disproportionately vulnerable to the cutbacks suggested.

Still, many people today argue that we simply cannot afford to continue these programs to the elderly; that some people, unfortunately, will have to be hurt for the betterment of all. Yet elderly women are already currently the fastest growing poverty group in America. Are not they suffering enough? Shall we further undercut their economic well-being? Can we, one of the richest nations in the world, afford to ignore the economic needs of our elderly women? Of America's mothers and grandmothers?

I commend the following article to my colleagues for review:

[From the AFL-CIO News, June 6, 1981]

WOMEN BIGGEST LOSERS IN SOCIAL SECURITY SLASH

America's women would be the biggest losers if Congress agreed to the Reagan Administration's social security proposals, a House task force discovered.

The task force, set up by the House Select Committee on Aging, found that women are already clustered at the bottom of the social security benefit structure and are disproportionately vulnerable to the cutbacks the Administration has sought.

Rep. Mary Rose Oakar (D-Ohio), who heads the task force and presided at its hearings, said the Administration plan would have a catastrophic impact on older women especially.

Witnesses at the hearings included former Social Security Commissioner Robert M. Ball, who testified for the Save Our Security coalition that is fighting the Reagan cuts.

He was on a panel with two other former heads of the Social Security Administration, William Driver and Stanford G. Ross.

Ball cited as an example the effect of the Administration's proposal to eliminate the minimum social security benefit—the floor under benefits that now goes to some 3 million persons. Three-fourths of them are women, Ball pointed out.

He challenged the Administration's claim that the "truly needy" wouldn't be hurt because they could apply for SSI payments—the Supplemental Security Income available to the aged poor.

But SSI is available only to persons over 65, Ball said, and many of the women affected have had to retire at age 62 "because they had no alternative." Further, SSI is available only to those with less than $1,500 in personal assets, and many older people "just do not want to apply for welfare with its test of income and assets."

Cuts in disability benefits and tougher qualification standards would apply to men and women alike. But Ball said the stricter test of recent employment proposed by the Administration would disqualify proportionately more women than men because women workers are more likely to have had gaps in their working years, "particularly because of child rearing."

Ball reminded the panel that disability protection was substantially cut back last year, that 70 percent of all applications for disability insurance are disallowed, and that "this part of the social security system does not have a financing problem."

Another task force witness, President Eleanor C. Smeal of the National Organization for Women, testified that curtailment of age 62 early retirement benefits would be especially harmful to women.

Because of the earnings gap between men and women, she noted, women are already at the lower benefit levels. The Administration plan would drop the age 62 retirement benefit from the present level of 80 percent of age 65 payments to 55 percent.

But "a higher proportion of women than men retire before age 65, primarily due to ill health and loss of jobs," Smeal testified. Minority women, she said, will be especially penalized.

Other witnesses cited the high portion of elderly, single women dependent on social security payments as their chief income.

Oakar noted that Congress has already taken a step to reducing social security benefits by setting budget ceilings that almost compel adoption of some of the Administration cutbacks.

"Those of us in Congress who have been working to make social security more equitable and adequate for women were shocked, dismayed and deeply disturbed by the Administration's proposals," she said. "They will undermine the very concept of social security as a social insurance program for our nation's workers and their families."

An administration witness, Deputy Social Security Commissioner Robert J. Myers, argued that the proposed cuts "apply equally to men and women."

Myers acknowledged the point that women might come out worse than men under the Administration proposal. But this reflects "discrimination in the work-place and cultural differences between the lifestyles of men and women," he insisted, and these "are not problems which social security can solve."●

UKRAINIAN INDEPENDENCE DAY

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. GREEN. Mr. Speaker, I would like to introduce a resolution designating June 30, 1981, as Ukrainian Independence Day. This date is the 40th anniversary of the renewal of Ukrainian independence by proclaimation in Lviv, the capital of western Ukraine.

On June 30, 1981, the Ukrainians proclaimed their resistance to the Soviet aggressors who had previously annexed the Ukraine, and denounced the Nazi Germans who had also attempted to conquer the region. Although independence was shortlived, this renewal of independence has become the symbol of the continuous struggle of the Ukrainian people for freedom. It is significant to Americans of Ukrainian origins, and also to all other Americans who treasure their own freedom and respect the desire for freedom among others.

I believe this is a very appropriate holiday for the U.S. Congress to designate, and I am pleased to have the opportunity to introduce this resolution. I hope my colleagues will join me in reaffirming our commitment to freedom by supporting Ukrainian Independence Day.

H.J. RES. 280

To provide for the designation of the 40th anniversary of the renewal of Ukrainian independence, June 30, 1981, as Ukrainian Independence Day

Whereas the American people's deep commitment to freedom and independence has instilled within us a great respect for the aspirations for freedom of other people and nations throughout the world;

Whereas this year marks the 40th anniversary of the renewal of Ukrainian independence which occurred on June 30, 1941, and which, although short-lived, has become the symbol of the Ukrainian people's ongoing struggle for freedom;

Whereas the Ukrainian people look to the people of the United States, whose country is the world's citadel of freedom, for assistance and inspiration in their struggle for the recovery of their freedom and independence; and

Whereas it is appropriate that we, the people of the United States, demonstrate to the Ukrainian people that we, who benefit daily from our freedom, share their aspirations for freedom and independence, and that, being free, we are not indifferent to the cause of freedom elsewhere: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the 40th anniversary of the renewal of Ukrainian independence, June 30, 1981, is designated as "Ukrainian Independence Day" and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe that day with appropriate ceremonies and activities.●

TOWARD A RATIONAL PRESIDENTIAL NOMINATION SYSTEM

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. DIXON. Mr. Speaker, I recently had the privilege of addressing a symposium sponsored by the 43d and 44th Assembly District Democratic Councils in Los Angeles on the subject "Nominating a Presidential Candidate—Is There a Better Way?" In addition to myself, participants included a number of local legislators, party officials, journalists, and political scholars.

The panel produced an extensive white paper outlining recommended changes in the primary and delegate selection system designed to bring a sense of order and rationality to what has become a cumbersome, exhausting process which has utterly failed to serve the interests of the American people. The recommendations adopted by the panel seek to shorten the primary system, make the nominating convention a truly deliberative body, and give elected officials and party activists an appropriate role in the selection of the party nominees. I found these discussions and recommendations thoughtful and intriguing, and commend them to my colleagues:

NOMINATING A PRESIDENTIAL CANDIDATE—A BETTER WAY

On Saturday, March 7, 1981, one hundred fifty people gathered in Los Angeles at a symposium entitled "Nominating a Presidential Candidate—is there a better way?" Having just survived a disastrous election, the people at this symposium were not there to despair, but to look for the lessons that could be learned. Their purpose was to develop modifications to the Presidential nominating process.

The first half of the day was devoted to a panel discussion by representatives of the various segments of the process: Party leaders, reporters, elected officials and academic observers. The panelists were: State Senator Alan Sieroty, moderator, State Senator Diane Watson, Southern California Democratic Chair Peter Kelly, Senate Democratic Leadership Circle Exec. Dir. Conway Collis, Former Democratic National Committeeman Paul Ziffren, LA Times Correspondent Bill Boyarsky, KNXT Commentator Bill Stout, Professor Herbert Alexander, and Professor Leonard Freedman.

Other speakers included Congressman Julian Dixon, State Democratic Party Chair Nancy Pelosi, and Milton G. Gordon, the Chairman of the Day.

The afternoon was given over to group discussions among all participants at the symposium. This White Paper is primarily a synthesis of those discussions. We feel that the collective wisdom of these activists and Party veterans represents a view that the Party should consider.

Much that was said that day is not in this White Paper because of the limitations of space. For instance, we all recognized that issues are as significant as the process in electing a good President. Many well conceived alternatives were brought forth but are not included in this paper. Most of these ideas will have to be confronted at another time, either in other symposia, conventions, or debates. We do not claim these to be the ultimate answers; they are simply the beginning.

PREMISES

The current process for nominating presidential candidates is unacceptable. The reforms enacted by the Democratic Party over the past twelve years have greatly reduced the ability of the Party organization to play an active role in the selection of its standardbearer. By opening the process to broader participation, the democratic reforms have, ironically, made the process more vulnerable to control by narrowly focused groups. By bringing the process "to the people", the Democratic Party has lost its leadership, collective vision, and ties to its past.

The pendulum of power has swung from the National Convention to the marathon season of primaries, caucuses and straw polls. Today the Convention has no vital role to play. It is simply a remnant of tradition—a rubber stamp on the choice of the primaries. We believe this must be changed. A new process must be enacted in which the primary election campaigns, although important, will be secondary to the actual Convention. The Convention must be made a deliberative body again, not just a ceremonial media event.

What follows are our proposals for adjustments to the process of nominating presidential candidates. They are proposals that will tend to restore a proper balance between the voices of elected officials and Party leaders and the wishes of the Party's electorate. In presenting our proposals we have included a summary of the current process and the various alternatives for reform. This is followed by what we believe to be the most effective solutions.

BINDING OF DELEGATES

At the 1980 Democratic National Convention all but a few of the 3,000 delegates were, by the rules of the Party, bound to cast their vote for a specific candidate on the first ballot. Regardless of the changing scene at home and in the world, the Convention could do nothing to alter the selections of the primary election process—selections which may have been made six or seven months prior to the Convention.

The current nomination process, by showing great respect to the sentiments of the primary election voter, tends to ignore the views of Party leaders and workers, elected officials and the effects of unexpected world events. However, the obvious alternative—freeing all Convention delegates to vote their personal preference—would be a slap in the face to the democratic reforms of the past twelve years. Such a change would reduce the primaries to "beauty contests".

We propose that one-third of the Convention delegates be bound to vote for the candidate that they represent on the first ballot and that the remaining delegates be uncommitted. This leaves a majority of the delegates to make their decisions based upon the events of the primary campaigns, current changes in the political climate and their own personal preferences.

We believe that this proposal will restore a deliberative nature to the Convention. It will be impossible for a candidate to lock up a Convention before it begins. Moreover, the candidate who receives the nomination

of such a Convention will be more likely to have the qualities of electability: broad support, political testing and Party legitimacy.

SELECTION OF DELEGATES

Today, all but a few delegates are selected through the caucus or primary election method. The remaining delegates are added through conventions at the state level. Nearly all the delegates are pledged to a specific candidate at least on the first ballot.

The state delegations selected by these methods are required to be split equally between men and women. They must also reflect the Party's affirmative action program, with alternates and add-on delegates used to achieve the necessary ethnic balance.

The current process has affected the level of discussion at the Convention. By aiding the political novice and hampering the Party veteran, the present system has rendered the Convention more vulnerable to manipulation. Many of the delegates are dazzled by the celebrity status of the candidates and their entourages. Changes are needed to allow for more participation by the experienced and influential members of Party organization.

We believe that the solution comes from a varied approach. Delegates should be selected in three categories. The first third of a state's delegates would be selected at the local level through the caucus or primary method. This category would be comprised of grassroots activists and newcomers. These delegates would be committed to a specific candidate. Caucus voters would not be required to adhere to ethnic quotas, although the values and ideals of the Party's affirmative action programs should be strongly encouraged throughout the delegate selection process.

A second third of each state's delegation would be appointed or elected by the state's Democratic Central Committee. This category could include Party activists, fund raisers and officials.

The final category would be made up of elected Democratic officeholders. Beginning with the Governor, the highest ranking elected officeholders would serve as Convention delegates until that number reaches one third of the entire delegation. The specifics for selecting this third shall be determined by the state Central Committee.

Under this proposal, the delegates selected by the Central Committees and the elected officials would come to the Convention unbound. The dynamics of the Convention would center around the gravitation of these delegates toward the major candidates represented by the popularly elected delegates. However, if no candidate makes a significant showing during the primary elections, the majority of the delegates are free to rally around a "darkhorse".

Under our proposal the state delegations will tend to achieve effective representation of all elements within the Party. The grassroots caucus elections provide equal opportunity to all interested Democrats. The state Central Committees will be able to balance their portion of the delegates, simply through the nature of the political process. The diverse elements of the Central Committees will demand and receive consideration in the makeup of the delegation.

TIMING OF PRIMARIES

The current process for nominating presidential candidates is too long. The primary season lasts more than six months—from the Iowa caucuses to Big Tuesday. The campaign is an exhausting ordeal for the candidates, the media and the voters. We propose that all the primaries and caucuses be held during April, May and June. This plan would ameliorate the "marathon" quality of the presidential campaign as it exists today, enabling the voters to focus on a distinct campaign period. We recognize that candidates may begin to run long before April, but this will shorten the most costly and exhausting phase.

GROUPING OF PRIMARIES

Today the state legislatures determine the dates for each caucus or primary. In 1980, nearly forty states held primaries or caucuses and their scheduling had more to do with tradition and self-interest than with order and convenience. No attention is paid to the rigors of campaigning cross-country, not to mention costs.

Congressman Bennett (D-Fla.) has introduced legislation that would group all the primaries according to regions. The states of each region would hold their primaries on a single date. We believe that this proposal would introduce sectionalism into the process. Candidates would be more likely to identify with specific regions and their self-interests, thus making it more difficult to nominate a "national" candidate.

Congressman Smith (D-Iowa) has introduced legislation that would establish one National Primary. We believe that this plan would create, in effect, another general election, with its preoccupation with television, exorbitant costs, and lack of meaningful discussion of the issues.

We propose that the Democratic National Committee establish four primary or caucus dates during April, May, and June. Any or all states would be free to hold a primary or caucus election on any of these four dates. This proposal would eliminate the undue importance which the New Hampshire primary and Iowa caucus enjoy today. States that choose to hold their contest on the last day would gain a sense of importance, for no candidate would be able to secure the nomination before the end of the primaries. In fact, no candidate will be able to win the nomination solely by his performance in the primaries.

SUMMARY

We propose that one-third of the Convention delegates be bound to vote for the candidate which they represent on the first ballot and that the remaining delegates be uncommitted.

We propose that delegates should be selected in three categories, one-third (committed to specific candidates) at the local level through the caucus or primary method, one-third by the state Democratic Central Committee, and one-third consisting of ranking Democratic officeholders.

We propose that all the primaries and caucuses be held during April, May, and June.

We propose that the Democratic National Committee establish four primary or caucus dates during April, May, and June.

CONCLUSION

We present this White Paper in hopes of creating a focus for action. It is not a cure-all for the problems of the Democratic Party. However, we believe that under the system that we propose, the candidate who wins the nomination will be representative of the entire Party, not just the grassroots activists nor just the Party bosses. We believe our proposal will raise the level of discussion and deliberation during the Convention. Although it may be harder to reach consensus on a candidate, it may be easier to build a successful elective coalition. No group can claim that the Party's candidate was selected without due representation.

We believe that our proposal will streamline the nomination process. The campaign will be shortened. The number of primary and caucus dates will be reduced to four. The cost and exhaustion levels may be reduced.

We believe that our proposal will strike a balance between the enthusiasm and innovation of grassroots participants and the savvy and wisdom of elected and Party leaders. Our proposed changes will produce a Convention which will represent all levels of the Party.

We believe that our proposals, in which only one third of the delegates are bound, will make the Convention a truly deliberative body. The delegates will have the power to influence and choose the nominee, rather than simply acknowledge a predetermined nominee.

A better method is needed to nominate the Democratic Party's presidential candidate. We believe this is such a method. We urge its immediate enactment.●

ACCOMPLISHMENTS OF AGNES HICKEY

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. GRISHAM. Mr. Speaker, I would like to bring to the attention of the House the accomplishments of Agnes Hickey, from Cerritos, Calif., on the occasion of her retirement as Cerritos city clerk after 25 years of dedicated service.

When Agnes began working for Cerritos, the town was known as "Dairy Valley," and its affairs were run out of a one-room office in the city hall of the city of Artesia. In November 1958, the residents of Dairy Valley voted to become a charter city. The original city staff consisted of one person who served as clerk and city manager—Agnes Hickey.

In 1967, Dairy Valley became known as Cerritos, and Agnes Hickey still ran the city clerk's office. By 1971, Cerritos was the fastest growing city in the State of California. As the city grew, so did Agnes' job and responsibilities.

Today, Cerritos has a population of over 52,000. At its center is a new solar-equipped city hall, and in that city hall is Agnes Hickey, still serving the people of Cerritos. She is custodian of the city's official records and administers Cerritos management program. Agnes attends each city council meeting and records the proceedings.

Agnes has been a witness to history and a participant in the growth of an American city. She is an example to her fellow citizens.

I am sure that Agnes' husband Rex, her children Michael, Charles, and Terry, and her three grandchildren Michelle, Nicole, and Beth, join this

House in wishing her well in her retirement years.●

ARMS CONTROL AND CHEMICAL WARFARE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. LAGOMARSINO. Mr. Speaker, arms control and negotiations to achieve strategic arms agreement with the Soviets are noble and worthwhile goals. But they must be undertaken realistically and objectively. Past experience shows clearly that the only way to achieve a meaningful arms agreement with the Soviets is through firmness and consistency. This is precisely the point made in a recent editorial appearing in the Oxnard Press-Courier, a respected newspaper in my district.

I would like to share with my colleagues the comments of the Press-Courier both on arms control and chemical warfare which so directly affect our relations with the Soviet Union.

[From the Oxnard (Calif.) Press-Courier]

STRENGTH BEST HOPE

The Reagan administration is still formulating its grand strategy on the subject of strategic arms negotiations with the Soviet Union. But if administration appointments already made to crucial arms control policy posts are any indication, Reagan plans to take a tough stance indeed in any future bargaining with the Soviets.

If so, President Reagan and his senior advisers have learned the overriding lesson of the last decade of SALT negotiations with Moscow: Namely, that firmness offers the only hope of obtaining equitable, verifiable arms control agreements that, in fact, enhance American security.

The President's nominee for director of the key Arms Control and Disarmament Agency is Eugene V. Rostow, a Democrat and former State Department official during the Johnson administration.

But Eugene Rostow is no mere token Democrat in a Republican administration. He is superbly equipped to serve as ACDA director. Rostow has devoted much of his considerable energy and ability during the last five years to a potent pro-defense lobby group known as The Committee on the Present Danger.

As its name implies, the committee's abundantly documented view is that the failure of successive administrations—most especially that of President Jimmy Carter—to respond adequately to the Soviet military buildup has placed the United States in imminent danger.

Rostow's impressive grasp of both political and military considerations central to the challenge of negotiating successful arms control agreements with the Soviet Union ensures a firm hand at the helm of the Arms Control and Disarmament Agency.

Complementing the Rostow appointment is Reagan's selection of retired Army Gen. Edward L. Rowny as the administration's chief SALT negotiator.

Gen. Rowny, like Rostow, opposed the patently inequitable SALT II treaty negotiated by the Carter administration. Indeed, Gen. Rowny resigned as the Joint Chiefs of Staff representative on the arms negotiating team and requested early retirement from the Army so that he could be free to oppose the treaty in testimony before Senate committees.

No negotiating team headed by Gen. Rowny is likely to be steamrollered, or hoodwinked, by its Soviet counterpart.

The Reagen administration's tenure in office is almost certain to coincide with a Soviet-American showdown on SALT. If the Soviets are truly interested in good-faith bargaining leading to equitable, verifiable agreements, a new and better SALT treaty is possible. If not, the administration, the Congress and the American people will be better off for recognizing this sooner rather than later.

Officials like Eugene Rostow and Gen. Rowny are precisely those most likely to help shape a SALT strategy capable of smoking out Moscow's real intentions.

CHEMICAL WARFARE THREAT

Chemical warfare is the kind of subject most people would prefer not to think about. But ignoring the repugnant is a luxury the Reagan administration, Congress, and the Pentagon, can ill afford.

Former President Nixon unilaterally halted all production of U.S. chemical weapons—chiefly artillery shells containing nerve gas—11 years ago. The ban was continued by Presidents Ford and Carter.

Unfortunately, this self-imposed restraint, and four years of fruitless Soviet-American discussions on a prospective chemical warfare treaty, has had no apparent effect on Moscow. The Soviets have continued to add to their stockpiles of lethal chemical agents, including nerve gases, phosgene and hydrogen cyanide.

Soviet military manuals include extensive instruction of both offensive and defensive chemical warfare. Most Soviet artillery and surface-to-surface rockets are equipped to fire chemical munitions.

Virtually every Soviet division includes specialized decontamination units. And all Soviet armored vehicles manufactured during the last decade feature elaborate seals and air-filtration systems that permit operations in chemically contaminated environments.

As though all this were not sufficient evidence that Moscow takes chemical warfare seriously, there is compelling evidence that Soviet forces in Afghanistan and their Vietnamese allies in Laos and Cambodia have used lethal gases against guerrilla opponents and civilians alike.

Clearly, the United States no longer can neglect its own chemical arsenal, or assume that the Soviets would decline to use chemical weapons in some future conflict.

The Reagan administration has asked Congress for $20 million to purchase production machinery needed to manufacture the new "binary" nerve-gas artillery round. These would replace the deteriorating, Korean War-vintage shells that now constitute the bulk of U.S. chemical weapons stocks.

The $20 million item, approved by the House and by the Senate, is likely to be followed shortly by a second request for actual production funds. This too ought to be approved.

Volume production of binary shells coupled with the Reagan administration's plans to equip Army units with more and better protective gear against chemical attack is the minimally acceptable counter to Soviet capabilities.

Nazi Germany was deterred from using poison gas against the allies during World War II by the sure knowledge that its opponents were prepared to respond in kind. Absent the measures the Reagan administration advocates, no comparable deterrrent would exist to restrain the Soviets.●

JACK ANDERSON CALLS FOR A SMALL BUSINESS BILL OF RIGHTS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. KEMP. Mr. Speaker, the individual entrepreneur has, as Jack Anderson explained in a recent Washington Post column, historically been the backbone of the free enterprise system. Small businesses supply two-thirds of the new jobs in this country—and even more of the new jobs filled by teenage, minority, and other disadvantaged workers. Small businesses generate all of the net new jobs in my own region of the Northeast, where for every big business job created by growth there is another lost through decline. And a disproportionately high percentage of all innovations—the engine of economic growth—come from small business. If we choke the life out of small business we will choke the life out of our economy.

What we need is a new environment for small business: an environment which nurtures and encourages entrepreneurs by increasing the rewards for, and reducing the barriers to, creativity, investment, and risk-taking.

Above all we need a tax and regulatory environment that will encourage, rather than actively discourage, savings, investment, production, employment, and individual initiative. In an excellent article which appeared in the Washington Post on May 29, Jack Anderson outlines a plan for creating this entrepreneurial environment. "Needed: A Small Business Bill of Rights" calls for free market competition, reduced estate and gift taxes, regulatory reform, lower taxes on small business, and a fair treatment from the Government. I commend his article, and his program, to my colleagues.

The article follows:

NEEDED: A SMALL BUSINESS BILL OF RIGHTS

(By Jack Anderson)

Before the first asphalt went down on Wall Street, a love affair began to blossom between Big Government and Big Business. Yet the nation would be better served if the government would listen to the entreaties of a worthier suitor: the individual entrepreneur who has historically been the backbone of the free enterprise system.

In the best American tradition of worshiping financial success, many officials of the

Reagan administration have made it their first priority to attend to the needs of the corporate giants.

The American small businessman, meanwhile, could become an endangered species. He is reeling from the after-blast of skyrocketing inflation and interest rates while being battered by abusive tax laws and government regulations.

What small businessmen need is a Bill of Rights that will give them a fighting chance to coexist with the big guys. Here, then, is my own suggestion for a Small Business Bill of Rights:

Right to Compete: Individual initiative and enterprise must be encouraged, not discouraged. Anti-trust laws may need to be tightened to keep the big boys from selling below cost to drive smaller competitors out of business. Given half a chance, the pioneer traits of risk-taking and Yankee ingenuity will rise again.

Right to Be Heard: There are 14 million small and independent businesses in the United States, which employ 58 percent of all private-sector jobs and support 100 million people. Yet their voices are a barely audible whisper in the halls of Congress, compared to the cacophony of Big Business and Big Labor lobbyists.

Right to Inherit: One of the strongest motivations for starting a business is the hope that it can be passed on from one generation to the next. But estate and gift taxes have reached a confiscatory level that threatens the survival of family businesses and promotes sellouts to conglomerates.

Right to Reasonable Regulation: Many a beleaguered small businessman spends most of his time filling out government forms and complying with government regulations. The thousands of regulatory laws are written with Big Business in mind; it's unreasonable to expect General Motors and Mike's Garage to meet the same government standards and reporting requirements.

Right to Fair Taxation: The tax laws are full of loopholes that favor the big corporations. The small businessman who files as an individual or partnership is socked with double taxation of dividends and inadequate investment tax credits. If he manages to show a profit or break even in spite of these handicaps, inflation alone will push him into a higher tax bracket.

Right to Affordable Wage Scales: Though organized labor will raise howls of protest, it makes sense to give small businesses relief from minimum wage regulations. Workers will be better off if small firms are free to create new jobs.

Right to Equal Interest Rates: Discrimination against small business borrowers must stop. Bankers justify charging small businesses two or more points above the so-called prime rate, while giving big borrowers rates three or four points below the prime. The argument is that the little guys are bigger risks. But small businesses have no monopoly on failure—as Lockheed and Chrysler have demonstrated.

Right to Government Contracts: The record shows that small businesses are 24 times more efficient in creating new products and technologies. Yet only a paltry 3.4 percent of the Federal government's contracts for research and development go to small companies. All told, they manage to get only about 20 percent of government contracts.

Small can be beautiful. But if America's small businesses aren't given a chance to survive, future generations may never be able to see just how beautiful they were.●

STANDARDS OF LIVING ARE FALLING

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. McDONALD. Mr. Speaker, Dr. Hans Sennholz could well be considered the premier hard money Austrian school economist today. His writing and analysis have been a major contribution to this field of endeavor, offering sanity and clear direction for bankrupt notions. The following article is just such an example. I commend it to the attention of my colleagues:

STANDARDS OF LIVING ARE FALLING

(By Hans F. Sennholz)

(Dr. Sennholz heads the Department of Economics at Grove City College in Pennsylvania and is a noted writer and lecturer on monetary and economic affairs. His latest book, "Age of Inflation," describes our dilemma and offers recommendations for restoring a sound monetary system.)

It is a sad fact that most Americans have become poorer during the 1970s. They can no longer afford the amenities and luxuries to which they had grown accustomed. Many consumer goods are getting smaller or cheaper in quality although their prices continue to soar. We are urged to "conserve" and make do with less. Our new economic motto is "more conservation," which is a euphemistic term for "more poverty." Other industrial countries in Europe are experiencing similar difficulties. Their economies are stagnating or lingering in recession. Inflation is raging and unemployment is rising.

To most Americans the deterioration of living conditions is all the more incredible as their inborn optimism is calling for an ever brighter future. Surely, our history textbooks tell us of hard times during the major wars in American history or during the Great Depression. But they are not yet comparing our present situation with similar calamities in the past. And yet, some similarities are beginning to emerge.

The Great Depression was accompanied by a disintegration of the world economy. Economic nationalism ran rampant, cutting off channels of trade and commerce and impairing the world division of labor. According to most economic historians, this disintegration was an important cause that aggravated and prolonged the Great Depression. After World War II the trade barriers erected during the 1930s were gradually dismantled, which led to a phenomenal improvement in world economic conditions. For a quarter of a century it provided us with ever more materials and supplies. Total output of goods and services rose rapidly and our standards of living improved steadily. During the 1970s unfortunately, governments the world over turned back the clock as they gave new life to economic nationalism, especially in the developing countries, and brought radical changes of which most Americans are not yet aware.

TRANSFER TO OPEC

In 1973–74 an Arab oil embargo and a doubling of oil prices thereafter dealt a devastating blow to all industrial countries. Since then sizable increases in the price of OPEC oil added new uncertainties to an already cloudy outlook.

The net effect was a massive shift of income and wealth from the industrial countries to oil-producing countries. OPEC revenues rose sharply, as did production costs in industrial countries. The oil price increases not only dampened economic expansion in such countries as Japan and West Germany, but even brought it to a sudden halt in many others. The effect of this shift of income and wealth was alleviated somewhat since much of OPEC unspendable income was recycled into investments in both government securities and private banks in the United States and Europe. While OPEC countries were growing richer and the industrial countries becoming poorer relative to the world, the day of truth was postponed through rising indebtedness of the latter. In fact, OPEC lending not only obscured the shifting, but even helped to finance massive U.S. Government deficits for health, education, and welfare that consumed capital en masse. In short, it helped to finance the American decline.

Government spokesmen always blame the sharp increase in petroleum prices for the rampant inflation that has engulfed the U.S. But economists are pointing out again and again that the ultimate impact of the oil price increase depends on the reaction of individual governments. In countries that refrain from deficit spending and monetary expansion, there is little or no inflationary impact at all. Increased spending by consumers on petroleum products necessarily leads, because of limited incomes, to reduced spending on other goods and to lower prices. Surely, the people in Japan and Switzerland suffered losses in income and wealth as a result of rising petroleum prices. But many other prices fell as other spending declined.

In the U.S. all prices rose at various rates because massive federal deficits were monetized, that is, the federal debt was used to increase currency in circulation. This was carried out essentially by the purchase of Treasury obligations by the Federal Reserve System, thus releasing Federal Reserve notes into circulation or creating bank reserves that permitted commercial banks to expand their credit even further. Obviously, the federal government alone conducted the inflation and orchestrated the credit expansion. But it is extremely eager to point the finger of blame at someone else.

In fact, the federal government greatly aggravated the situation and accelerated the wealth transfer by shackling and crippling the domestic industry so that the U.S. became ever more dependent on oil imports. In 1972, before OPEC intervened, we were importing some 6 to 7 percent of our needs. Today we are importing nearly 50 percent. No policy sinisterly designed to promote the transfer of income and wealth to OPEC could have been more effective than that conducted by the U.S. Government.

On August 15, 1971, the Nixon Administration imposed comprehensive price controls that were generating the first energy shortage. The Ford and Carter Administrations perpetuated the controls and made matters worse with complex systems of allocation and distribution. In 1977 the Carter Administration created a new U.S. Department of Energy merging the Energy Research and Development Administration, the Federal Energy Administration and the Federal Power Commission. It introduced a comprehensive national energy plan that emphasized conservation rather than production, and imposed the biggest single tax in U.S. history, the Windfall Profits Tax. It

is surprising indeed that domestic production, reeling under such heavy blows, continues to meet one-half of our petroleum needs.

FROM PRODUCERS TO ALMSMEN

Almost without exception governments are tempted to treat the symptoms while they eagerly ignore or even foster the causes. To fight the symptoms is always rewarding politically. It may even alleviate the problems in the short run although it does not solve them. It merely postpones the hour of reckoning.

The economic expansion during the 1950s and 1960s permitted interventionist governments to develop massive transfer systems that favored some people at the expense of others. The federal government became a giant transfer agency that extracted ever more revenue from the economic activities of the working people and bestowed its largess to a growing army of almsmen. From 1946 to 1980 nondefense spending rose from just $15.2 billion a year to an estimated $433.2 billion. (The Budget of the United States Government, Fiscal Year 1981, p. 613)

Despite the staggering burdens of government the American economy proved to be surprisingly resilient as long as some capital could be formed and economic activity be expanded. But it was a fatal mistake to conclude that the economy could withstand any and all burdens which government chose to place on it.

A tax burden which is heavy during periods of expansion becomes destructive during stagnation and decline. When OPEC began to raise our costs of production, the load of federal levies became increasingly painful. To counteract or even offset the detrimental effects of OPEC machinations, instant tax relief would have been in order. But lo and behold, the federal government was not to be outdone by foreign extractions. It raised its own from $208.6 billion in 1972 to an estimated $523.8 billion in 1980. Its annual extractions now exceed the oil import expenses by one thousand percent.

The effects of this double-barrelled attack on economic activity could be readily seen. The returns of capital investments, that is, business profits, fell to scanty levels. Many enterprises suffered losses which mostly were hidden by the thick veil of inflation. Surely, some business profits stated in shrinking dollars continued to rise, permitting governments to extract ever higher levies. But in terms of purchasing power and real wealth many businesses merely struggled along or even deteriorated. They formed no new capital for expansion or modernization, built no new facilities and created no jobs.

The dearth of genuine profits forced business to cut back its expenditures on research and development. Again jobs were lost or fewer were created. When an industry thus falls behind technologically, it may encounter the fierce competition of foreign industries. It may be out-produced and undersold and therefore may shrink even further, causing heavy unemployment of capital and labor. To correct such a dilemma is extremely difficult and painful.

The situation becomes all the more tragic if it involves important industries that are employing hundreds of thousands of workers. For political reasons the government cannot afford to let such industries collapse or wither away. It is expected to come to their rescue. Our steel and automotive industries are examples in case.

The most popular rescue action consists of a dose of economic nationalism. The steel industry in distress demands higher tariff barriers, which would curtail the steel supply and permit it to raise its prices. The automobile industry suffering losses clamors for import restrictions, which would force the American people to buy more domestic cars at higher prices. Foreign trade is to be curtailed, international relations to be severed, and living conditions to be lowered so that the beleaguered industry may be permitted to continue its antiquated operations.

If no tariff protection can be granted because it would violate international treaties, the industrial captains and labor leaders may clamor for financial aid and support. The taxpayers are called upon to support with tax extractions what they do not patronize with their consumption dollars. Of course, the subsidies cannot restore the strength and viability of such industries. They tend to become a permanent burden to society which is impoverished not only by the subsidy but also by its loss of foreign products. In the end, the healthy industries that must carry the burden of support may be infected by the same dilemma, and the subsidized industries in search of ever more reliable support may beg to be taken over by the government. In any case, the people will pay the price in the form of ever lower living standards.

CLEANER BUT POORER

During the 1970s national governments throughout the world pledged a commitment to a cleaner environment. In the United States the administration of Jimmy Carter was especially sympathetic to the pleas of environmentalists. It sent wide-ranging environmental policy statements to Congress and made concrete legislative proposals to impose more air and water pollution controls, and regulate strip-mining, wilderness preservation, and energy.

At this place we need not dwell on the ideological causes that gave rise to the policy. But we must observe that in nearly all cases of environmental concern, the blame was laid on business concerns and the individual enterprise system. And governments always felt called upon to correct the situation through massive expenditures and severe production restrictions. (Cf. "Controlling Pollution," *The Freeman*, Feb. 1973, pp. 67-77)

The federal Environmental Protection Agency (EPA) is demonstrating great perseverance against American industry. It not only is issuing countless guidelines but also setting rigid effluence limitations for many classes of enterprises. The Agency's persistence received support and encouragement by a number of favorable court decisions that made U.S. corporations install many millions of dollars worth of wastewater recycling equipment and other antipollution devices. In nearly every case the U.S. district courts and the U.S. Supreme Court ruled in favor of EPA and strengthened its hand in dealing with industrial pollution.

It is difficult to estimate the total financial burden placed on American industry in order to secure a cleaner environment. Direct costs up to now probably exceed half a trillion dollars. Indirect costs consisting of time and effort spent on cleaning operations, of factories not built and jobs not created because business capital was spent on environmental devices, may amount to a trillion dollars. And this amount may double or triple again if we include all the production that was cancelled or not even attempted because the environmental costs made it unprofitable. Surely, the American people paid a high price for any improvement in their environment.

Environmental costs are business costs like any other costs that limit economic undertakings. Governments imposing new costs are limiting economic production, eliminating jobs and reducing incomes. It is dishonest to ignore the costs and deny the consequences.

THE PEOPLE MUST CHOOSE

A representative government like ours tends to reflect the choices of the people. During the 1970s the American people charted a course of policies that led to economic stagnation and gradual impoverishment. The facts are undeniable and indisputable. But most Americans probably acted and voted in utter ignorance of the costs and consequences of their choices, which affords us new hope for the future.

The surprising results of the recent election seem to indicate that many Americans are awakening to the challenge of the future. They are rejecting the road of the 1970s and instead are opting for a new beginning. If this means that they are choosing prosperity rather than stagnation, employment rather than doles, the road into the future is very clear. The federal energy policies must be reversed completely and the wealth transfer to OPEC be discontinued immediately. We must overcome and restrain the public hostility toward investment returns and business profits that are building plants and factories, creating jobs and raising wages. The countless restraints and restrictions on business activity and creative energy must be rescinded without delay. And finally, environmental improvements must be weighed against all costs, direct and indirect. If the costs exceed the benefits they must be reduced or removed. The federal bureaucracy which has been sitting in judgment of such matters has failed conspicuously. It must be disbanded promptly, and all environmental issues returned to the courts of law.

It is difficult to reverse public policies that are deeply rooted in popular ideas and beliefs. But it is possible through honest information and education.●

THE VOTING RIGHTS ACT

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. SEIBERLING. Mr. Speaker, the Voting Rights Act, perhaps the most significant civil rights legislation ever passed, will expire on August 6, 1982. Failure to renew it could jeopardize the ability of blacks, Hispanics and other minorities to fully exercise the most fundamental right of citizenship—the right to vote.

An article appeared in the Akron Beacon Journal recently on the Voting Rights Act. The article, written by Bill Rose of Knight-Ridder Newspapers, focuses on the gains made by black voters in Claiborne County, Miss., in the last 15 years because of the Voting Rights Act. But it also illustrates that

despite these gains, there remains a need for continued applicability of the VRA in Claiborne County and other communities like it in the South.

The VRA has been an effective and critical device for bringing all segments of society into the electoral process on an equal basis. But in many areas, that work has just begun. The Voting Rights Act should be extended, without substantial change, to insure that this process is continued.

The text of the article follows these remarks.

BATTLEGROUND

VOTING RIGHTS ACT EXTENSION MEANS MUCH IN THIS MISSISSIPPI COUNTY

(By Bill Rose)

PORT GIBSON, MISS.—Old South and New South do battle daily in the shady streets of this Mississippi River town that Yankee Gen. U.S. Grant called "too beautiful to burn."

At one end of Port Gibson is a crumbling courthouse with a statue of a Confederate soldier in front. At the other end, surrounded by big oaks dripping Spanish moss, is City Hall, housed in what looks more like a stately old mansion.

In the courthouse, repository of the Claiborne County government, all the public officials are black. In City Hall, they're all white.

Claiborne County is a microcosm of what has happened in the Deep South since passage of the federal Voting Rights Act of 1965: Where there are substantial numbers of black voters, black public officials have been elected.

In 1968, there were 276 black elected public officials in the 11 states of the Confederacy. In 1980, there were nearly 10 times that many, or 2,457 elected blacks.

But the Voting Rights Act is due to expire in August 1982, and black officials in the South were alarmed when one-time segregationist Strom Thurmond, R-S.C., became chairman of the Senate Judiciary Committee and announced this opposition to an extension.

Thurmond said the act is discriminatory because most of the states affected by its provisions are in the South.

He has support in Port Gibson.

"Whatever you do," said Mrs. G. T. Crisler Sr., elderly mother of the editor of The Port Gibson Reveille, the local weekly, "get us out from under that Voting Rights Act."

The black county tax assessor, Evan Doss, 33, wants Congress to extend the measure, as it did in 1970 and 1975.

"Without the Voting Rights Act," he said, "I and others like me wouldn't be in office."

The act bans literacy tests, poll taxes and other measures used in the South to disenfranchise blacks since the late 1800s. It also requires local governments to get federal permission for any change affecting voting patterns, no matter how minor. Indeed, moving a polling place to the store next door requires federal approval.

Since its passage, millions of blacks in the South have registered to vote, with the resulting dramatic increase in the number of black elected officials.

Nowhere is the change more evident than in Mississippi, characterized as the "closed society" as recently as 1964 but now a state with 387 black elected officials—more than any other Southern state.

In 1964, according to Claiborne County's black voting registrar, Julia Jones, only "three or four" blacks were registered to vote in the county. Now, more than 6,000 of the county's 9,000 voters are black.

Before 1965, Claiborne had no black elected officials. But after the act was passed, blacks gradually took command of the county government. Last year, with the election of a black sheriff, former high school football coach Frank Davis, 34, the change was complete.

But Evan Doss, in his 10th year as assessor, said that blacks continue to need the Voting Rights Act because many Claiborne County whites haven't shed their racism, just their tactics.

"The (white) power structure here is right now trying to see that whites regain control of the county," he said. "I'm their prime target."

After his election, Doss sought a countywide reappraisal of property, most of it white-owned. When the board of supervisors balked, Doss used black voter strength to push through a referendum.

"Some uncultivated land in this county was assessed at just $7 an acre when I got here," he said. "The majority of the farm land was assessed at $12 an acre and the highest was $15."

From the start, Doss was resented by white officials. Not long after his election, on a day when people waiting to buy auto tags were lined up out the front door of the courthouse, a white supervisor bustled into Doss' office demanding to buy his tag.

White residents claim Doss was spoiling for a fight with the supervisors over car tags and the publicity it would bring.

As Doss tells it, "I told him to go the end of the line and wait his turn. He left, then came back with a deputy and had me arrested."

Within 24 hours, a white circuit judge had convicted Doss on a charge of refusing to sell an auto tag. He was sentenced to 90 days in jail and a $1,000 fine. The Mississippi Supreme Court threw out the conviction, but not before Doss spent three days in jail.

As proof of a need for the act, Doss points to the all-white elected officialdom of the town of Port Gibson, which has a sizable black minority.

The city conducts at-large elections instead of by districts, which might give blacks a better shot at seats on the board of aldermen.

"And they put the right people on the polls to scare away black voters," Doss said. "If you go to the polls and there's your banker and you can't read or write and you owe $300, who are you going to vote for when the banker asks if you want to vote for the white candidate or the black candidate? Illiteracy is still a big problem."

Port Gibson Mayor W. P. Gordon, weary of the publicity the town has received since a bitter boycott of white-owned stores in the 1960s, refers reporters to Port Gibson Reveille editor Edgar Crisler, who concedes that "for better or worse," the Voting Rights Act "corrected the previous exclusion of black voters."

But Crisler contends that the black county government has abused the act by padding voter rolls with college students who aren't residents, arranging corrupt deals with cronies and rigging petitions for special elections.

"We've had some very capable (black) people in office and we've had some skunks," he said.

"The act was conceived in a mindset that blacks can do no wrong. Because of that, abuses have been ignored and glossed over."

The Reveille has consistently accused county officials of wrongdoing, even to the point of printing evidence that school officials awarded a contract to a company with a fictitious address.

Recently, when the school board presented county officials with a petition for a bond issue, Crisler checked it. One page bore the names of Ronald Reagan, Jimmy Carter, Bill Cosby and Sidney Poitier.

The most onerous part of the act, white officials generally agree, is a requirement that any law affecting voting be approved by the Justice Department or federal courts.

"We'd like to purge the county's voting rolls of the dead and the non-residents, but we would have to go to considerable expense of getting Justice Department approval first," a heavy burden for a small town, Crisler said.

The editor advocates strong literacy and residency tests, including a ban on college students voting unless they prove residency.

"That's exactly what we're afraid of," said Charles Evers, 58, mayor of nearby Fayette.

"Mississippi is not ready to come out from under the Voting Rights Act yet," said Evers, first black mayor of a biracial Mississippi town. "The Legislature is 90 percent white . . . The same rascals who ran things 15 years ago are still here and their opinions haven't changed that much."

Evers said that Mississippi has battled federal officials for years to enact an "open primary" law for state elections. Because blacks make up only one-third of the state population, that would lessen a black's chances of winning statewide office. (In an open primary, all candidates, regardless of party, run together. The top two meet in a runoff.)

"After they throw that open primary at us," Evers said, "then they'll pass a law that takes everybody who doesn't vote in two years off the rolls. Then they'll order a lot of re-registrations. Then they'll put on a law that says you can't vote if you can't read.

"The most important thing about doing away with the Voting Rights Act is that it sends a signal. It tells the white folks it's all right to be mean again.

"It's like when I first tried to register to vote."

He told how, in 1946, a white registrar said he could vote if he first passed a simple literacy test.

The "test" amounted to a single question: How many bubbles in a bar of soap?

"I didn't laugh then," Evers said. "And I'm not laughing now."●

FOREIGN TRADE ANTITRUST IMPROVEMENTS ACT OF 1981

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. RODINO. Mr. Speaker, on March 4, I introduced H.R. 2326, the Foreign Trade Antitrust Improvements Act of 1981. This bill will remove needless antitrust uncertainty regarding the international application of U.S. antitrust laws and thereby eliminate one perceived barrier to export trade by small and medium sized American firms. There are now

38 cosponsors in the House, and a companion bill, S. 795, has been introduced in the other body by Chairman Thurmond of the Senate Judiciary Committee. The Committee on Legislation of the Antitrust Section, New York Bar Association, has recently compared H.R. 2326 with the antitrust provisions of S. 735, the Export Trading Company Act, and reported its conclusions.

I insert the report in the RECORD:

REPORT OF FOREIGN TRADE ANTITRUST PROPOSALS

S. 734 and H.R. 2326, 97th Cong., 1st Sess. (1981) are designed to enable U.S. firms to compete in international markets with no greater antitrust restraints than those faced by their competitors.

Title II of S. 734 seeks this end by providing for Export Trade Associations which may obtain exemptions certificates for export trade activities. The Attorney General and the Federal Trade Commission may object to or seek to invalidate a certificate. Guidelines for operation are to be issued concerning Association activities. Private suits challenging such activities as not meeting eligibility requirements would be prohibited.

H.R. 2326 merely adds to the Sherman Act: "This Act shall not apply to conduct involving trade or commerce with any foreign nation unless such conduct has a direct and substantial effect on trade or commerce within the United States or has the effect of excluding a domestic person from trade or commerce with such foreign nation."

It adds to Clayton Act § 7: "This section shall not apply to joint ventures limited solely to export trading, in goods or services, from the United States to a foreign nation."

The objectives of these bills are important and desirable to avoid difficulties for U.S. competitors in worldwide markets.

We believe the approach of H.R. 2326 is preferable to that of S. 734, in that it:

(1) involves no additional bureaucratic procedures;

(2) involves no administrative delay;

(3) creates no potential for charges of favoritism;

(4) is self-effectuating;

(5) is readily understandable;

(6) involves less risk of unintentional exemption of illegal domestic activities as "methods of operation" which would become immune from private suit under S. 734;

(7) is more likely as a side benefit, to be seen as removing irritants to U.S. foreign relations.

We do not, however, take a position at this time on issues raised by the specific wording of these bills. Rather, our view is that, assuming action is believed necessary, the simple approach taken in H.R. 2326 is the preferable one.

Respectfully submitted.●

AN UNFAIR PENALTY IN CLEANING UP THE GREAT LAKES

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. LAFALCE. Mr. Speaker, several years ago the United States and Canada entered into an international agreement setting up standards that should apply to both nations in a mutual effort to clean up the Great Lakes and to keep the lakes free from pollution in the future.

As a Representative from a district bordering the Niagara River and Lake Ontario, I strongly support this agreement and the goals toward which it was aimed. I agree that the United States has a national interest in working with Canada to preserve and protect these great continental resources.

But the key here is that this agreement, as with any international agreement, spells out national priorities and concerns. Yet one result of the United States-Canada agreement in this instance has been that localities in border areas have had to absorb much of the cost of meeting the terms negotiated between the Federal Government and the Government of Canada.

This is because the antipollution standards set forth in the agreement are even more stringent than those applying elsewhere in the United States under the Clean Water Act. And as a result, cities and towns located within the Great Lakes basin must provide a higher degree of treatment of municipal wastes than has to be provided in wastewater treatment plants located in other parts of the country. This higher level of purification is costly to achieve and these costs must, of course, be passed along to the homeowners, renters and businesses that use these sewer systems.

The costs in question are not insignificant. One community in my congressional district has estimated that the extra costs attributable to the agreement with Canada come to about 20 percent of its total operating budget.

As I noted before, Mr. Speaker, I think it was in the national interest to enter into this agreement with Canada and I support implementation of it to clean up the Great Lakes. But just as the Nation benefits from this arrangement, so too the Nation as a whole ought to bear the costs. I fail to see why local taxpayers should pay a premium of 20 percent or more to help carry out an agreement over which they had no say and which was, in fact, imposed upon them by the Federal Government. Accordingly, I have introduced a bill amending the Federal Water Pollution Control Act to provide for reimbursement of these extra costs by the Federal Government to local entities that now must pay them.

I am hopeful that this proposal will receive serious consideration as the Congress reviews our Nation's water pollution programs.

At this point, Mr. Speaker, I would ask that the text of my bill be printed in the RECORD. Thank you.

H.R. 3858

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title II of the Federal Water Pollution Control Act is amended by adding at the end thereof the following new section:

"CONSTRUCTION AND OPERATION OF TREATMENT WORKS TO COMPLY WITH INTERNATIONAL TREATIES

"SEC. 218. (a)(1) The Administrator shall pay to any State, municipality, or intermunicipal or interstate agency which constructs any publicly owned treatment works so much of the cost of such construction which the Administrator determines, after consultation with such State, municipality, or agency, is attributable to the increased costs necessary to construct such treatment works to meet any standard or limitation respecting discharges of pollutants or control or abatement of pollution required by any international treaty or agreement, above the costs of construction necessary to meet the effluent limitation, or other limitation, effluent standard, prohibition, pretreatment standard, or standard of performance which would otherwise be applicable under this Act.

"(2) The Administrator shall pay to any State, municipality, or intermunicipal or interstate agency which operates any publicly owned treatment works so much of the cost of operation which the Administrator determines, after consultation with such State, municipality, or agency, is attributable to the increased costs necessary to operate such treatment works to meet any standard or limitation respecting discharges of pollutants or control or abatement of pollution required by any international treaty or agreement, above the costs of operation necessary to meet the effluent limitation, or other limitation, effluent standard, prohibition, pretreatment standard, or standard of performance which would otherwise be applicable under this Act.

"(b) Payments under this section shall be in addition to any other Federal assistance which a State, municipality, or intermunicipal or interstate agency may be eligible to receive under this Act.

"(c) There is authorized to be appropriated such sums as may be necessary to carry out this section for fiscal years beginning after September 30, 1981.".

SEC. 2. (a) Section 207 of the Federal Water Pollution Control Act is amended by striking out "and 209" and inserting in lieu thereof ", 209, and 218".

(b) Section 517 of such Act is amended by inserting "218," after "209,".

SEC. 3. The amendments made by this Act shall take effect October 1, 1981.●

AMBASSADOR YONG SHIK KIM

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. DERWINSKI. Mr. Speaker, I would like to insert into the RECORD an address by His Excellency Yong Shik Kim, Ambassador of the Republic of Korea, before the annual spring meeting of the Greater Washington Council of the United Board for Christian Higher Education in Asia.

Ambassador Kim is an outstanding diplomat, who has represented his country at the United Nations as well

as serving as its Ambassador to London.

His remarks on March 29 of this year, express the historic ties and the close friendship that exists between our two countries. His address follows:

MOTT OF WASHINGTON
& ASSOCIATES,
Washington, D.C., April 8, 1981.

His Exellency YONG SHIK KIM,
Ambassador of the Republic of Korea, 2320 Massachusetts Avenue NW., Washington, D.C.

GREETINGS: On this beautiful spring day, with the cherry trees in bloom here and in Korea and with Palm Sunday approaching, it seems a particularly suitable time to express to you my own appreciation, and that of everyone who was with us on Sunday, March 29th at Meridian House, for the balanced and appropriate presentation you gave us that afternoon.

Your remarks made us realize the extent of Christian influence on the Korea of yesterday, today, and tomorrow; and also it underlined to your audience the 5000 years of Korean homogeneous continuity. I was again reminded of the rugged quality of Korean individuality and steadfastness which is second to none in Asia—and is indeed rare in all the world.

We of the Greater Washington Council who were present shall long remember our happy and productive day. Thank you and Mrs. Kim for being with us.

Whenever appropriate please convey to your President my highest esteem and good wishes. All heads of state have difficult roads to travel these days. They need to be courageous and they should have the moral support of all men of good will and good sense.

I have ordered prints of some of the polaroid photographs taken during the afternoon by our mutual friend, the Chargé d'Affaires of the Representative of ROC, who was among the guests, as you remember.

With personal esteem and highest regard, I am always

Cordially yours,

GEORGE FOX MOTT.

EDUCATION FOR LEADERSHIP IN KOREA—ADDRESS BY HIS EXCELLENCY YONG SHIK KIM

It may come as a considerable surprise to many of you, but an important anniversary in the history of relations between the United States and Korea is now at hand. It is the beginning of the second century of friendship and diplomatic relations between our two countries.

I would like to trace briefly, if I may, the first century of our relationship; how it began and how it developed.

It all began officially on May 22, 1882, when an American naval officer of the U.S. Asiatic Squadron, Commodore Robert Schufeldt, carrying a letter from President Chester A. Arthur to King Kojong of Korea, signed a treaty of friendship, navigation and commerce with the Korean representatives assembled at the port city of Chemulpo. This was the result of many years of American effort to open Korea.

The date of that treaty is significant in that it was a time when the last of the far eastern countries had been opened to the treaty system by the western powers, and more especially by the United States of America. Admiral Matthew C. Perry had already appeared off Edo Bay in 1853, and had entered into treaty relations with the Japanese the following year. Commissioner Caleb Cushing, representing President John Tyler, had signed the Treaty of Wang Hia with the Chinese in 1844, in the wake of the Anglo-Chinese Nanking Treaty signed in 1842.

Thus the latter part of the nineteenth century began a new chapter in American relations with Asia and marked the great period in history when the East truly met the West. To the United States with a history of two centuries, one hundred years of friendship is hardly a short period.

Koreans generally have felt a close affinity with the Americans in Korea, especially with the missionaries and educators who often shared the sorrow and joy of a nation struggling to remain secure and independent. Nineteenth century Americans called Korea "a shrimp among whales" because of the unpropitious geopolitics which put Korea in the midst of powerful neighbors and intense international rivalries. To Americans and Europeans Korea was considered the diplomatic "hot spot." Then followed the long years of Japanese imperialism in which Americans were often suspected of aiding the Korean nationalists and the Independence Movement, in spite of official U.S. policy of neutrality.

The role of the Americans in Korea is significant in various ways; historically, we Koreans remember you as the first to bring certain things to Korea: For example, electricity was first introduced to our land by Americans, when the first U.S. Minister to Korea, Lucius Foote, wrote to the State Department requesting that the famous inventor Thomas Edison send the required facilities for the illumination of the Palace, in 1887. Steam generators and engineers arrived from the United States. The first streetcar was financed by an American named Gilborn in 1899. The first railroad was built by an American named Morse in 1896, linking Seoul to Inchon. The first automobile to arrive in Korea, in 1911, was an American Ford. The first white child born in Korea was the daughter of American Methodist Reverend Appenzeller. More importantly, the first modern educational insitutions for the young men and women of Korea were begun by American missionaries and educators as early as 1885.

Ewha Haktang, the first of the schools for young women, which is now the largest women's university in Korea, was established by Methodist missionaries in 1886. Four years later the Presbyterian Board opened a second girls' school, called Chong Sin. Also opened at the same time by the American Missionary Society was the Paejae school for boys.

And the first modern hospitals were American hospitals. Missionary Dr. Horace Allen, who often served as the Korean Court's physician, opened the first hospital, called Chai Chung Won or the House of Civilized Virtue, on April 9, 1885. The Presbyterian successor to this first hospital was the Louis H. Severance Union Medical College and Hospital, which was erected in 1905 and remains today as one of the best.

Who were these American missionaries who helped shape Korean history? They were the Allens, the Herons, the Scrantons, the Appenzellers, the Underwoods; Hulbert, Gilmore, Bunker; Miss Ellers, Miss Lillian Horton—all in their twenties when they came to Korea to proselyte. For most of them, their motto was "Preach and take the consequences," as said the Apostle Peter (Acts 4: 19-20).

The opera Madame Butterfly is a somewhat romantic, but nevertheless poignant and fairly accurate example of what can happen to individual human beings when nations begin to interact with one another, and young people from different cultures fall in love and find their personal lives influenced by the "clash of cultures." But good things can happen too, and in the case of my country, many good things happened.

The Americans brought to our shores western philosophical concepts and political ideas and encouraged Korean nationalism and desire to remain free from her powerful neighbors. Self-strengthening and modernization and a general transformation of the ancient Yi Dynasty Korea into the modern world were called for; but for many years the foreign and domestic circumstances were most unfavorable.

For fifty and more years after the Schufeldt Treaty, we Koreans remained the pawn in a great power struggle among China, Japan, and Russia. Korea, strategically speaking, is a land bridge to Asia—to Russian Far East and China. It is also a bridge pointed to Japan from the Asian mainland. Korea is a part of the sea approaches to both the Japanese Islands and the Asian land mass. It was for centuries a historic invasion route of various armies from neighboring lands. Thus, the Korean Peninsula was and is of tremendous strategic and political and geographical importance to any nation wishing to dominate Asia.

We Koreans have not in the past been a warlike nation. We were, in fact, the very opposite of an imperialist country. We were inward-looking and isolationist. We wanted to be left alone. For centuries we were known as the "Hermit Kingdom."

But history, geography, and especially vicious power politics among nations would not leave us alone and, as I have noted, Japan, Russia and China struggled for many years to maintain domination over us, with overt war in 1895 and 1896 between China and Japan, and in 1904-1905, between Russia and Japan.

While this protracted struggle for foreign domination of Korea was going on, there was another internal struggle in progress within Korea itself. Factionalism, especially between the conservatives and the progressives, was rampant, causing social unrest. Nation-wide turmoil occurred, such as the Tonghak Rebellion, spurred on by the new nationalism and revolt against the oppressive old feudalism. All the while, the central authority, the Royal Court, was plagued by intrigues and external pressures, rendering it ineffective and weak.

Yet in those very years, the early American Protestant missionaries helped light the spark of hope for a better and stronger Korea and assisted an awakening of the spirit of national independence that was to sustain us in our struggle for our land until the end of World War II.

Americans—and American missionaries—made many other contributions to the spirit of enlightenment and the eventual drive toward national independence. Americans assisted Korean in the founding Korean newspapers. It was an American-educated patriot, Philip Jason, who started one of the first three newspapers in Korea. It was printed in both Korean and English and was called The Independent.

Many of you know of the long years spent in America by the first President of the Republic of Korea, Dr. Syngman Rhee, who was originally educated at a missionary school. As a nationalist, as were most of the mission-educated Koreans, he worked end-

lessly to keep world attention focused on Korea's struggle to free itself from Japanese colonial rule. He has been called a Wilsonian democrat, since he took his doctorate under Woodrow Wilson at Princeton, but he was above all a Korean patriot.

Many of the Americans who assisted Philip Jason, Syngman Rhee, and other Korean advocates of independence were Americans with firm missionary roots in Korea. Their contribution to Korean independence cannot be underestimated. However, Protestantism fell on hard times later when the colonial Japanese rulers recognized clearly the threat represented by the teachings of Protestant churches and made a concerted effort to suppress them. Yet, the American Protestant influence on Korea has been far from a passing phase.

With the Liberation of 1945, various religious bodies in Korea rebuilt their organizations and expanded their influence. However, a number of new sects and religions also sprang up and the religious picture was uncertain and confused. The number of Christians grew rapidly after the establishment of the Republic of Korea in 1948.

One of the constant features of all Korean constitutions since the founding of the First Republic in 1948 has been the protection given to freedom of religious expression. The result has been something close to a religious explosion in Korea, especially during the sixties and seventies. And the growth of Protestantism has been most rapid.

In 1950, the number of Korean Protestants was at 1.3 million. By 1960 it had increased to over 3 million, more than double. It now stands at over 5 million. In 1950, there were only six thousand Protestant churches in Korea. By 1960, there were twelve thousand . . . again a doubling. By 1980, the number of churches had risen to almost twenty-two thousand.

These statistics are truly astonishing and stand as testimony not only to the firm religious faith of the Korean people, but also to the strength of Korean churches and their evangelizing spirit.

Most students of religion in Korea see several trends for the future. Already visible now is the tendency for like-minded Korean religious groupings to consolidate. There is also a pronounced trend toward ecumenism in Korea. Religious groups of whatever denominations and persuasions are tending more and more to cooperate and work together, especially in the fields of education, care of mothers and children, and social welfare.

On the whole, the picture seems to point to the eventual domination of the Christian faiths over those of Confucianism, in Korea's religious life. There is also growth of a new spirit which is being fostered by Korean Christian groups, a turning away from materialism and a re-affirmation of the higher aims of Christian spiritual life. The effects of this new spirit will be profound and long-lasting.

Many, many times in the past, the Christian has asked the question, "What hath God wrought? What has he done? What has he brought about? We Koreans ask, "What has the Korean religious experience done to Korea itself?"

I think the answer may be simple.

The first western impulse to reach Asia often resulted in an almost irresistable drive by Asians toward modernization. Modernization was regarded by many Asians as a means of ridding their countries of the three misfortunes which had beset them for centuries . . . poverty, disease and ignorance. And the Christian ethic is vitally concerned with all three. Modern techniques and methods held out the hope that these three menaces to the betterment and well-being of Asians could be successfully combated at last.

I think that you can see the effects of this great impulse in Korea. In thirty short years, after a devastating war, we have risen from a nation in ruins to one of the leading newly industrialized nations of the world. This could not have been accompanied without the positive attitude and ability for hard work which has been shown by my country men and women. But it also results from the tremendous adaptability of the Korean character. It used to be said that it would be impossible for the Koreans to build a modern industrial state. Well, we have shown that to be false. We have learned very well the lessons of what it takes to modernize. We also know that if any nation is to succeed in this modern world, it must be its own master. And we have learned that we must continue to be free if we are to remain in command of our own destiny. That is why you find Korea proudly allied with the United States as the guardians of the free world security system in Asia. We are still a strategically important country. We know that if we remain free, the world itself will have a better chance to remain free.

And we know that we have a duty and an obligation to remain free. A duty and obligation not only to ourselves but to the rest of the free world. That is the reason we are determined to stay on guard, with the United States, on the outposts of freedom in Asia.

We also know that we need to cherish peace. What we have accomplished in the past thirty years would not have been possible except in the absence of hostilities on the Korean peninsula. But the absence of hostilities alone is not true peace. The peace in Korea is fragile owing to the constant threat from the North. That is the reason why we are so dedicated to searching for a way to settle those issues that divide the two Koreas into opposing camps. The tension and the uncertainty across the demilitarized zone are all too real.

Last January, in an attempt to help solve the deadlocked unification issue of the two Koreas, President Chun Doo Hwan invited North Korea's Kim Il Sung to visit our country, without any preconditions. President Chun has also offered to go to North Korea for a visit on similar terms, if he was invited. During his visit to Washington this past February, President Chun promised President Reagan that he would persevere in his efforts to bring peace to the Korean peninsula. Whether there is peace or war on the Korean peninsula may very well dictate whether there is peace or war in the rest of East Asia and in other parts of the world. It is as simple as that.

I honestly believe that the historical friendship between Koreans and Americans, which began when the Americans came to Korea in their steamships a century ago, was figuratively the seed of a tree that was sowed to eternally bear fruit.

We Koreans will continue to cherish and protect this friendship which you brought to our shores so many years ago and which has since been forged anew through times of peace and war.●

HUMAN RIGHTS—SENATE REJECTS LEFEVER'S NOMINATION

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. BONKER. Mr. Speaker, last Friday the Senate Foreign Relations Committee voted to reject the nomination of Ernest Lefever for Assistant Secretary of State for Human Rights and Humanitarian Affairs. Subsequently Mr. Lefever withdrew his name from consideration.

I commend to the attention of my distinguished colleagues two statements concerning that nomination. The first is by Senator CHARLES PERCY, the chairman of the Senate Foreign Relations Committee and the second is my testimony before Senator Percy's committee:

[The statements follow:]

STATEMENT BY SENATOR CHARLES H. PERCY

Concern for human rights is not just a policy of the United States; it is an underlying principle of our political system and a fundamental factor in the appeal of democracy to people throughout the world. Likewise, our concern for human rights in other countries is not simply a moralistic crusade to remake the world in our own image. Rather it is based on a realistic recognition that the way governments treat their citizens has a direct effect upon their own stability, their reliability as allies, and their danger as adversaries. We cannot credibly stand up in the world as the defenders of freedom and democracy if we condone the violation of basic human rights and fail to speak out when serious violations occur—wherever they occur. As the Wall St. Journal put it in criticizing Dr. Lefever's earlier testimony before this Committee: "we are not so weak that such silence is necessary" even where our friends are concerned.

All of us in the Senate are profoundly concerned about the systematic and widespread human rights abuses in the totalitarian communist states. Nonetheless, we have also been deeply concerned about abuses in friendly states, primarily because of the inherent immorality of abuses wherever they occur, but also because we recognize that a selective policy of speaking out against abuses only in communist countries cannot be effective. To be effective, the United States must speak out for human rights across the board. As a spokesman for the Soviet dissident movement expressed it: "The United States has achieved respectability and credibility in speaking out publicly and forcefully against human rights violations around the world. A continuation of this universal policy is essential to the human rights movement in the Soviet Union."

It was in this spirit and with this concern that the Congress of the United States enacted into law certain standards and criteria for the consideration of human rights abuses in our relations with other countries. Congress also created by statute the office of Assistant Secretary of State for Human Rights and Humanitarian Affairs and charged its director with the responsibility for assuring that human rights received adequate attention as a component in for-

eign policymaking. These actions received widespread public support from all across the political spectrum.

In recent months we have heard from President Reagan, Vice President Bush, and Secretary of State Haig on the Administration's policy toward human rights. I have no difficulty in expressing my unqualified support for the tone and direction of the Administration's approach. I strongly support the view that quiet diplomacy, when carried out with skill and sensitivity, and when backed by the selective use of public criticism and even sanctions, is the best policy to pursue. I think most members of the full Senate are prepared to give such an approach a try. But the credibility of the Administration's concern and the effectiveness of its policy will depend to a crucial degree upon the person designated as Assistant Secretary for Human Rights in the State Department.

I do not think Dr. Lefever is a suitable candidate for that role.

For years Dr. Lefever has been a vocal critic of the suggestion that human rights considerations have any place in our foreign policy. In his testimony before Congress just three years ago Dr. Lefever argued:

(1) That the United States had no right and no responsibility to express its concern—either publicly or privately—for the human rights of people in other countries.

(2) That efforts by the United States Government to influence the behavior of other governments—whether totalitarian or authoritarian—toward their own citizens were violations of the national sovereignty of other countries and therefore inconsistent with international law.

(3) That all laws of the United States relating to foreign affairs which contain a human rights standard of any kind should be repealed.

None of these arguments, I would emphasize, reflect the known views of President Reagan or Secretary of State Haig on the issue of human rights and foreign policy.

So what does Dr. Lefever say about these views now that he has been nominated to be the chief U.S. spokesman on human rights? In effect, he says he has changed his mind. On the question of repealing all laws which prescribe a human rights standard, for example, Dr. Lefever told the Foreign Relations Committee that he simply "goofed." His statement, he said, was too broad, he no longer stands by it. At the same time, he indicated that he would be suggesting certain changes or repeals of law but could not tell the Committee which ones or for what reasons. In fact, he displayed very little familiarity with the provisions themselves.

Dr. Lefever's testimony on this subject was typical of his entire testimony to the Committee—a series of broad generalizations without a willingness to discuss specific issues. Though he has changed his mind and is prepared to support a human rights policy of some kind, he is very vague about what this policy would be and how it could be executed successfully. That uncertainty was just as evident yesterday afternoon as it was in his testimony several weeks ago.

I simply do not think that is a sufficient basis for approving this nominee. On the basis of his long-held and firmly-expressed views on human rights and foreign policy, Dr. Lefever's confirmation would be an unfortunate symbol and signal to the rest of the world. Whatever he may now say, he is associated with a strident and vocal "hands-off" policy. His confirmation would be especially unfortunate if his intention, as the State Department's chief advocate of human rights, is to pursue quiet diplomacy as his general strategy. For he not only fails to display the personal empathy and diplomatic qualities necessary to make such a strategy work, he is publicly on the record with such statements as the following: "Beyond serving as a good example and maintaining our security commitments, there is little the U.S. government can or should do to advance human rights, other than using quiet diplomatic channels at appropriate times and places."

I do not think such a man can be a credible champion of human rights and for that reason I regretfully vote against his nomination.

STATEMENT OF HON. DON BONKER

I appear today in opposition to the nomination of Ernest Lefever as Assistant Secretary of State for Human Rights and Humanitarian Affairs. I do this with some hesitation since every President should have the right to appoint the individuals he wants to serve in his administration. But, after much study, and, as the Chairman of the only subcommittee of the House that has oversight jurisdiction for human rights, I must respectfully ask the Senate to reject Mr. Lefever's nomination.

I make my request based on several factors.

First, the person who is to occupy the Office of Assistant Secretary for Human Rights and Humanitarian Affairs must not only be the guardian of the laws, but must also be an advocate for making sure that the intent of the laws are fulfilled. During the past seven years, the Congress very explicitly made military and economic assistance subject to human rights performance. To assist itself, the Congress has required the preparation of annual human rights reports on recipients of aid and on all other nations. This underlines the historical concern of the Congress and the American people for basic, universal human rights as defined in international human rights agreements.

On July 12, 1979, Mr. Lefever testified before my subcommittee that the "United States should remove from the statute books all clauses that establish a human rights standard or condition that must be met by another sovereign government before our government transacts business with it . . ." Although Mr. Lefever now states that he regrets making that statement, we must ask ourselves what kind of an advocate he will make once confirmed. What are we to believe are his real beliefs?

It should be recognized that Congress, not any specific administration, originally insisted on making human rights standards an element of U.S. foreign policy. It was also due to Congressional initiatives that human rights provisions were passed into law. It is now up to the Congress to protect the implementation of these laws.

Second, the person who occupies the Office of Assistant Secretary for Human Rights and Humanitarian Affairs must possess a unique sensitivity and understanding of the human rights laws. By taking the lead on human rights, Congress felt that the American people wished to affirm their commitment to human rights, their desire to help improve the condition of human rights around the world and their determination to disassociate and distance themselves from governments that perpetuate consistent and gross violations of universally-recognized human rights. Studying Mr. Lefever's own written and spoken words, it is clear that he lacks the sensitivity and the commitment.

Third, the person who is to occupy the Office of Assistant Secretary for Human Rights and Humanitarian Affairs should have concern for the protection of human rights on a universal rather than a selective basis. Unfortunately, the Administration's designee in his written and oral statements has clearly emphasized that what should concern us is where human rights violations have taken place. Thus, human rights violations that occur in Communist countries merit our attention more than equally outrageous violations in other countries. This selective view surely will undermine the credibility of U.S. actions on behalf of human rights. It is unacceptable.

Fourth, how the Senate acts on this confirmation will most certainly send a clear signal around the world as to our future policies on human rights.

The Senate can show that despite the conflicting voices heard on human rights concerns, the United States has not weakened its commitment nor is it going to abandon human rights as an aspect of foreign policy.

The Senate can indicate to repressive regimes of the right or left that the Congress will now allow them to repress their people, violate personal integrity, deny basic economic needs or stifle political expression unchallenged.

The Senate can signal the policymakers, diplomats and career officers alike, that there should be continued attention to and adherence of human rights concerns. The human rights standards have served to educate and raise the consciousness of our officials to human rights conditions internationally. That can be undermined if the officials concerned perceive a lack of concern.

The Senate can indicate that the Congress continues to serve as the voice of conscience of the American people. Concern for human rights has been of immeasurable help in our relations with Africa and the Third World in general. Our human rights policies have saved lives; given encouragement to indigenous human rights movements in such diverse countries as Korea, China, Soviet Union and Argentina; contributed to a climate that promotes a solidarity movement in Poland; contributed to peaceful and democratic development where otherwise extremist forces might have prevailed; and, our human rights policy emphasizes the importance of the fact that human rights have given us an important weapon in our ideological struggle with the Soviet Union.

Human rights concerns have been part of a growing international consensus, e.g., the Universal Declaration of Human Rights; the International Covenant on Economic, Social and Cultural Rights; the International Covenant on Civil and Political Rights, etc. The U.N., OAS and the European Commission of Human Rights actively promote universal principles of human rights. Our support for human rights enhances U.S. influence in important international forums and with world public opinion.

Furthermore, human rights serves our long-term national interest because countries that respect human rights make stronger allies and closer friends.

The wrong signal, however, harms the individuals and groups concerned, leads to increased abuses and ultimately to unstable conditions.

In a world where arrest without warrant; detention without trial; "disappearance;"

genocidal acts; torture, summary executions and internal exile are becoming more and more the rule rather than the exception, you must act forcefully. You must not allow human rights to be trivialized and set aside by this appointment. You must not allow the human rights aspirations of people the world over to be misrepresented and demeaned. Again, I respectfully urge you to vote against this nomination.●

ISRAEL'S ATTACK ON IRAQ NUCLEAR REACTOR

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. MARKEY. Mr. Speaker, I am introducing today a concurrent resolution on the Israeli attack against the Iraqi nuclear reactor. Violence in any form is deplorable. However, we should not rush to condemn Israel too quickly. The real issue is the spread of atomic weapons capability caused by the export of sophisticated nuclear technology from the United States and Western European nations to countries such as Iraq, Libya, Pakistan, Taiwan, South Korea, Argentina, and others. Many of these countries value nuclear technology more for its bombmaking aspect than any legitimate energy or research purpose. The Israeli bombing of the Iraqui reactor is only the tip of a global problem with the most serious consequences for the national security of the United States. I am introducing the attached resolution in the House today, Mr. Speaker, that addresses in part the huge difficulty of U.S. nonproliferation policy. I encourage my colleagues to cosponsor this concurrent resolution by calling my office at 225-2836.

HOUSE CONCURRENT RESOLUTION —

Whereas Israel is a key national security ally of the United States;

Whereas Iraq, despite huge oil reserves, purchased a 70 megawatt nuclear reactor from France which uses substantial amounts of highly enriched uranium as fuel;

Whereas Iraq purchased from Italy highly sensitive plutonium separation technology;

Whereas both highly enriched uranium and plutonium can be used directly to manufacture atomic weapons;

Whereas the President of Iraq has made public statements implying that atomic weapons could be used against Israel; and

Whereas nuclear proliferation is one of the most serious dangers threatening mankind: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) the President should urge the governments of France and Italy not to sell sensitive nuclear technology or material to Iraq to replace the reactor and equipment destroyed by Israel's action of Sunday, June 7, 1981; and

(2) the President should reexamine the nuclear non-proliferation policy of the United States and should establish prohibitions on the export of nuclear material or technology which can be used to make atomic weapons.

(3) the President should determine the adequacy of the international system of safeguards to give timely warning in the event of a diversion of nuclear material to military purposes.●

THOMAS J. WATSON, JR.: A CALL TO END THE NUCLEAR ARMS RACE

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. BEILENSON. Mr. Speaker, while at Cambridge last Thursday for our son's college graduation, I had the opportunity to hear the magnificent Harvard commencement address by Thomas J. Watson, Jr.

Mr. Watson, our former Ambassador to the Soviet Union and former president of IBM, called for "a new effort to cap the strategic arms race * * * through a verifiable treaty which gives both sides the security they require." He spoke of "the illusion of soft-headedness: That anyone who favors an end to the arms race must be soft on U.S. defense or even soft on communism." But he said that "the illusion of softheadedness is thermonuclear McCarthyism, because the search for a way out of this morass—the search for an avenue of negotiation and survival instead of confrontation and weaponry—has a long and honorable heritage" including Presidents Harry Truman, Dwight Eisenhower, John Kennedy, and Gen. Omar Bradley, as well as, more recently, Presidents Nixon, Ford, and Carter.

I strongly commend Mr. Watson's address to my colleagues.

HARVARD COMMENCEMENT SPEECH BY THOMAS J. WATSON, JR., JUNE 4, 1981

What future lies ahead?

There are many things to be optimistic about. The view from the Kremlin is bleak, with nearly everyone on the Soviet borders hostile. The view from Washington sees mostly friends, admirers, or neutrals. The overwhelming vote in the U.N. on Afghanistan should encourage all of us.

On the other hand, an anthropologist writing the history of the past forty years since the first atomic explosion might well conclude that we human beings have been preparing for our own demise.

Like many extinct species, we have had a massive change in our environment. We have finally invented the ultimate weapon and in a mad technological race have connected thousands of them to two buttons—one in Washington and one in Moscow. And with two very slight pressures we can literally do away with the world's two most powerful nations, and leave much of the rest of our planet unfit for human habitation.

Is that our future? The answer hinges on many things. But it hinges above all on us: on the United States' policy on nuclear weapons—on what we and our leaders do about that policy in the days and months immediately ahead. And that is what I want to talk about today.

Let me start out by speaking to today's graduates and those of you who are young.

Throughout the past half century, young people have played many heroic roles. You went to World War II and brought down fascism. You fought and died in the mountains of Korea. Spurred by the challenge of the Russian Sputnik, you made brilliant contributions to American science and engineering, keeping America in the forefront of technology.

You fought heroically in Vietnam. And you worked courageously within the system, joined it in large numbers, became a potent political force, influenced public opinion, and helped bring that tragic war to an end.

We need—and shall always need—this kind of courage and conviction. And especially we need today the courage and conviction of youth to face up realistically to a change of course as a nation—our course on strategic arms control and our whole handling of the nuclear equation.

The hour is late. The imperative of realism and reason is urgent. And we confront many illusions.

First is the illusion of victory—the illusion that one side or the other can start a nuclear war and win it.

Sober commonsense analysis will tell anyone that this is impossible. Consider this illusion in its most popular package:

The Soviets launch a surgical first strike and destroy most of our Minutemen and Titan missiles in their underground silos. Thus they leave us few weapons capable of retaliation in kind—of wiping out their remaining underground missiles. And thus they force us to a choice: attack Soviet cities with our submarine missiles and bombers, thereby provoking a counterattack on American cities from Boston to Seattle; or surrender.

What's wrong with this picture? Lots of things. It assumes—against all commonsense—that the Soviet leaders, notoriously cautious about security, would bet their total nation on at least four foolhardy all-or-nothing gambles:

"The gamble—against all technological likelihood—that their first strike would be essentially perfect—that it would leave few if any Minutemen or Titans to retaliate in kind;

"The gamble that we would not use some of our remaining underwater and airborne weapons, nearly three fourths of our total warheads, to attack the thousands of vulnerable military targets in the Soviet Union other than missile silos;

"The gamble that when our President learned the Soviet misssiles were flying our way he would freeze and do nothing—that he would not send those targeted Minutemen and Titans flying towards Russia's remaining silos before the enemy missiles landed;

"And the ultimate gamble: That in desperate retaliation we would not rain down total destruction on Soviet cities, even though that might mean or own destruction as well."

Make no mistake: That scenario defies all sober analysis. It would be the most risky and ultimately costly gamble in history. By overwhelming odds, the result of any use of nuclear weapons would not be victory. It would be all-out war and total destruction. And in the words of President Kennedy, "The living would envy the dead."

The illusion of Soviet preemptive victory has a corollary: the illusion of achievable American superiority—the illusion that like the Red Queen in "Through the Looking

Glass" we can outrace the danger by going "faster, faster;" outproducing the Soviets in nuclear arms; playing a multibillion-dollar shell game in the desert; hoping that somehow with exotic weapons we can erect a protective umbrella over our country.

So-called nuclear superiority assures no safety—not for the Soviet Union; not for us; because what counts is not superiority but sufficiency—the guaranteed power to destroy the other side under all circumstances. And we both have it.

A quarter century ago, Donald Quarles, then Secretary of the Air Force, and a wise scientist in a Republican Administration, put it succinctly: "Beyond a certain point, the prospect is not the result of relative strengths of the two opposing forces. It is the absolute power in the hands of each . . ."

Think of it this way: Would you, if you sat in the Kremlin, attack the United States, even knowing that you could knock out 95 percent of our weapons, but realizing that the remaining five percent could destroy literally the whole Soviet Union?

Would you, sitting in Washington, attack even a smaller country which had only a thousand warheads knowing that if you missed only ten percent they could wipe out a hundred American cities?

You know the answer: There is no safety in numbers. The war planning process of the past has become totally obsolete. Attack is now suicide.

Yet the pursuit of the mirage of superiority persists. And over the years the two superpowers have piled weapon on useless weapon.

In 1945, when we exploded our first atomic bomb at Hiroshima, we had a four-year lead over the Russians. In 1952, when we exploded our first H-bomb, we had a ten-month lead. The Soviet Union closed the gap despite having a country severely torn by the ravages of a war of a ferocity never visited on our country. And it has kept up in the race, despite the burden of a hopelessly inefficient economy, by ruthlessly channeling its resources, and by calling upon the Soviet people for an endless acceptance of sacrifice.

Between us, our two countries now have explosive power equal to a million Hiroshima A-bombs. We have between us some 15,000 "city killing" weapons—one bomb, one city. Bigger stockpiles do not mean more security. Enough is enough. And we are far beyond that point now.

There is a third illusion, rooted in the belief that nuclear victory is possible and strategic superiority attainable. It is the illusion of nuclear omnipotence—that if we just have more weapons we can use nuclear threats to deter Soviet misbehavior anywhere in the world.

I can think of no quicker prescription for disaster. Our nuclear weapons are useless except for their mission of preventing direct attack on us.

Fourth is the illusion of futility: the illusion that we cannot sign treaties with the Russians because they systematically violate them.

Let us be clear about this: there are major differences between our two countries. Soviet values are diametrically opposed to ours. Contention between us on a global scale is a fact of life. Suspicion is the keynote of our relations.

But having said that, let me add this: on the evidence, the Soviets do keep agreements provided each side has an interest in the other's keeping the agreement; and provided each side can verify compliance for itself.

Look for example at the 1972 Anti-Ballistic Missile Treaty and the Interim Agreement—the two parts of SALT I. The Soviet Union has violated neither. For these treaties do not depend on trust or goodwill. They depend on cold self-interest and unilateral verifiability.

Fifth is the illusion of benign neglect, the idea that if we just muddle along, in the phrase of Dickens' Mr. Micawber, "something will turn up;" that the current aging Soviet leadership, for example, will soon be replaced by enlightened and reasonable men; that the Soviet system will crumble from within; or that we can indefinitely stall on serious negotiations, let the Soviets cool their heels waiting, and use the intervening time for our own advantage—to arm up.

Let us not delude ourselves. We can take no comfort from all these kinds of wishful thinking.

To be sure, the average Soviet Politburo member today is sixty-nine years old. But I have met many of the possible successors, and I can tell you: I foresee no real change. I do not see the Soviet Union becoming more pro-American. I do not see a revolution around the corner. I do not foresee the demise of the rigid system or the rigid thinking that runs it. And I see no chance that the Soviet leaders will be hoodwinked by protracted negotiations while we try to jump ahead in strategic arms.

Finally, we confront the illusion of softheadedness; that anyone who favors an end to the arms race must be soft on U.S. defense or even soft on communism. And we confront its corollary: the simplistic formula "arm up and stand firm," though war would mean losses of 50 to 75 percent on each side.

The illusion of softheadedness is thermonuclear McCarthyism. Because the search for a way out of this morass—the search for an avenue of negotiation and survival instead of confrontation and weaponry—has a long and honorable heritage.

That heritage includes Republicans and Democrats; military and non-military leaders, among them some of the greatest and most tough-minded of our time.

It began in 1946 under President Harry Truman with the proposal of a hardheaded financier, Bernard Baruch, for international UN control of atomic energy.

It continued with President Dwight Eisenhower, who, in his first major foreign policy address, denounced the tragic waste of armaments, and in his farewell message warned against the power of a military-industrial complex.

It includes another great five-star general, Omar Bradley, who nearly a quarter century ago called for the country to turn away from "the search for peace through the accumulation of peril."

That heritage embraces the last legacy of President Kennedy, the nuclear test ban treaty of 1963; the SALT I accords under President Nixon; and the SALT II treaty initiated by President Nixon, continued by President Ford, and completed by President Carter.

SALT II was guided to completion in large part by former Secretary of State Cyrus Vance, who sits on this platform with me today, and for whom I was proud to serve in Moscow. Though the U.S. Senate has not ratified the treaty, it was endorsed by former Secretary of Defense Harold Brown, one of the world's brightest authorities on modern armaments; by Gen. David Jones, head of the joint chiefs of staff; and countless others.

Thermonuclear McCarthyism is a slander against the wisdom of many great Americans.

Against all these illusions, what is the reality? The reality is that thermonuclear war in any form is suicide.

Our imperative is to change our course—to take the only road which offers a viable hope for the future: not a road to unilateral action of any kind, but a road toward the joint continuation of the SALT process; a road to a long series of mutually verifiable treaties.

I know from experience how maddening protracted negotiations with the Russians can be. I know what these negotiations will demand of us: in the words of St. Francis of Sales, "A cup of science, a barrel of wisdom, and an ocean of patience." But we have no choice. Because the longer we drift on without firmly capping the arms race, the graver the dangers we create:

"The danger that a suspected violation, some unforeseen new technology or a sudden quantitative surge will trigger a desperate response;

"The danger that we may further split ourselves from Western allies who fear we lack seriousness about negotiation, whether on SALT or on European Theater Nuclear Forces;

"The danger that each new warhead we or the Russians build inevitably increases the possibility of a thermonuclear accident;

"The danger that a growing dependence on nuclear weapons to defend our interests major and minor all over the globe will someday trap us in a choice between Armageddon and surrender;

"The danger that if we don't act now, we shall lose forever the chance to limit future new devices of unimaginable complexity."

The time for action is at hand. And that action must begin in Washington, D.C.—begin with the same urgency and effectiveness the Administration has shown in confronting our serious economic difficulties; the same urgency and courage the President has shown in already beginning a major buildup in our conventional forces.

President Reagan has pledged to "negotiate as long as necessary to reduce the numbers of nuclear weapons to a point where neither side threatens the survival of the other." Those negotiations have not yet started, and dangers escalate. Each week's delay makes the problem greater.

In response to George Kennan's recent drastic yet creative disarmament proposal, the designated head of the Administration's Arms Control Agency, Eugene Rostow, said not only that the Administration was "taking a serious look" at this proposal but added that "the whole miserable business is mad. We must find a way out."

President Reagan is riding a deserved high tide of popularity. I urge that he seize the moment to find that way out.

The time has come for all of us, under his leadership, to listen to the honored Americans—beginning with Truman, Baruch, Eisenhower, and Bradley—who have called for an end to the insanity of the arms race.

The time has come for all of us to reject the scenarios of the theoreticians mesmerized by computer projections into thinking that the leaders of the Soviet Union would bet their homeland on a lottery chance at victory.

The time has come to realize that our nuclear deterrent is robust under any possible

contingency. Let our politicians and arms technicians stop poor-mouthing it.

Above all, the time has come for a new effort to cap the strategic arms race—cap it through a verifiable treaty which gives both sides the security they require.

SALT II offers a good framework. Minor changes could be made at the negotiating table if necessary. But there is little time before technology and pressures on both sides push us into a new and unmanageable spiral.

We cannot wait for improved Soviet behavior around the world, or for better United States-Soviet relations. Control of strategic arms is not a concession to the Soviets. It must not be linked to irrelevant issues. Those who urge delay take an awesome responsibility on their shoulders.

Twenty-eight years ago in Sanders Theater across the street, a great American journalist, Elmer Davis, delivered the annual Phi Beta Kappa oration. It was a time of darkness and witch hunts and false accusations. And in calling upon friends of freedom to stand up and fight, he quoted the first book of Samuel, which tells of the fear of the Philistines as they faced a formidable foe.

"Woe unto us!" they said. "Who shall deliver us out of the hands of these mighty gods?" But when they looked around and saw that no one else was going to deliver them, they said to one another: "Be strong, and quit yourselves like men; and fight." And they did, and they saved themselves.

The title of that Phi Beta Kappa oration was: "Are We Worth Saving? And If So, Why?" The title of my remarks today might be: "Can We Be Saved? And If So, How?"

I have tried to suggest some answers. And despite the somberness of my theme, I remain an optimist.

I regard the first atomic explosion in 1945 as an arrival—a culmination of mankind's long advance to ever greater mastery over the forces of nature.

I regard that explosion also as a watershed; because it signaled man's capability for the first time to destroy himself and the earth he lives on.

But I do not regard that explosion of 1945 as a beginning of the end.

The time has come for all human beings to realize that we must live together or die together.

I believe we have the reason and the realism and the common sense to choose life.●

TRIBUTE TO DR. EDGAR PALAREA

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. ANDERSON. Mr. Speaker, on June 13, 1981, the Long Beach Medical Association will conduct its officers' installation ceremony dinner at the Long Beach Elks' Club. Foremost on the agenda of that dinner will be the honoring of outgoing president, Dr. Edgar Palarea.

Ed is a man who has become accustomed to excelling in the face of challenges which have confronted him since he moved from Guatemala to the United States as a small boy. He gained academic excellence at Forrest High School, then went on to Bowling Green University and the Tulane University Medical School. After obtaining his medical doctor degree in 1958, he interned at Seaside Memorial Center and Los Angeles Good Samaritan Hospital, then served his 3 year residency in internal medicine at Long Beach Memorial Hospital.

In between these commitments, Ed found time to serve his country as a member of the U.S. Air Force, where he attained the rank of captain. His medical expertise was effectively utilized as officer in charge of laboratories, electrocardiography, minor surgery, mass casualty, and a member of other military health and safety programs.

With a full-time medical career, most physicians would be unable to handle additional burden of civil involvement. But, Mr. Speaker, Ed has met the challenge of civic responsibility with as much energy as he has devoted to his medical responsibilities. He belongs to a long list of organizations, which includes the California Medical Association, the Long Beach Symphony Association, the American Cancer Society, and the Long Beach Police Officers' Association. Additionally, his lifelong love of botany led him to full participation in the American Horticultural Society.

Mr. Speaker, this list of accomplishments is but an excerpt of a résumé which spans over 31 pages. I know that the Long Beach Medical Association is grateful to have Dr. Palarea as its president, and we all remain in his debt for the contribution his work has made to our well-being.

My wife, Lee, joins me in wishing years of continued success for Dr. Edgar Palarea, his wife, the former Marilyn Jacobs, and their children, Victoria Diane, Melissa Allison, Richard Duvall, and Russell Edson.●

U.S. POLICY TOWARD THE PERSIAN GULF—II

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues additional information on United States-Persian Gulf strategy, which was provided to me by the Department of State earlier this year.

These State Department answers are replies to questions I submitted to Mr. Richard Burt, Director of Politico-Military Affairs, subsequent to his appearance before the House Foreign Affairs Committee Subcommittee on International Security and Scientific Affairs on March 23, 1981.

These particular replies focus on the impact of our security assistance in the region, assessments of the Soviet threat to the area, and the sources of instability in the region. The first part of this exchange appeared in a previous RECORD.

The information follows:

1. Over 60 percent of the Administration's proposed fiscal year 1982 security assistance goes to countries in the Middle East-Persian Gulf region. This represents an increase of almost 30 percent over the Carter Administration fiscal year 1981 request.

In commenting on the role of U.S. security assistance and arms sales in the area, a House Foreign Affairs Committee staff report observed:

In some instances additional arms may not significantly enhance the military capabilities of these states to deter the threats they face. Their limited manpower and other deficiences make it difficult for many of them to absorb and utilize effectively some of the military equipment they purchase

Question. How do you reconcile this observation with the Administration's request for significant increases in U.S. security assistance to the region?

Answer. While it is difficult for many of the states in the region to absorb some the military equipment they purchase, we recognize this fact and devote considerable effort to providing training—in many cases through civilian contractors—and scheduling transfers in such a way as to enable the recipients to use the equipment effectively. Our record of success in this regard is good.

Question. What are the risks for the United States as well as for security assistance recipients in this volatile region of increased arms purchases?

Answer. We recognize that there are risks associated with increased arms purchases, including the possibilities of diversion of funds from other useful projects, regional arms races, large American presences, and compromise of U.S. technology. We do what we can to manage the risks and believe that the benefits which result from security assistance far outweigh the risk that remains. On balance, we believe that our security assistance efforts are necessary for safe guarding our national security interests.

Question. If increased levels of security assistance "buy" the United States influence in the region, what can we expect that "influence" to achieve?

Answer. We are not seeking to "buy influence." We are seeking to help regional states to contribute to their own security and the security of the region. It is in our interest as well as theirs that they be able to do so.

Question. How do security assistance and arms sales to key countries like Saudi Arabia, Israel, Egypt, the Yemen Arab Republic and Jordan, in the region impact on the regional balance?

Answer. Since it is a fact of life that not all of our friends in the region are friends of each other, we must be careful not to upset the balance between them. In general we want to help all of our friends improve their capability to deal with Soviet proxy or client threats, and to enhance our mutual capability for dealing with more direct Soviet threats.

Question. How will increased levels of security assistance deter external aggression against countries in the region?

Answer. Security Assistance will help deter external aggression in two ways. First it will give regional states an improved capa-

bility to counter and defeat external aggression, thus raising the price which an aggressor might have to pay. Second, this increased capability will be translated into an increased willingness to resist intimidation.

2. The Committee staff report also observes: While there is among Persian Gulf leaders vastly increased awareness of the Soviet threat to the region, most leaders feel the Soviet threat is essentially a matter for the United States to deal with and this can be accomplished without involving them directly.

Question. Could you please comment?

Answer. Soviet power could be used in many ways and at many levels of violence in Southwest Asia. Soviet options include full-scale invasion, limited direct attacks, efforts to subvert or intervene in internal difficulties, attempts to coerce regional states with threats, and attempts to gain influence through manipulation of intra-regional disputes.

The cooperation and participation of regional states would be necessary to deal effectively with any of these threats. For example, even through the regional states would have little direct independent military effect against a massive Soviet invasion, US forces would need to rely on regional state military and naval facilities, logistics, and other forms of support. Strengthened regional military forces could deter indirect Soviet aggression, and region political stability could prevent the success of Soviet-sponsored subversion.

Question. In what ways does the Soviet Union threaten US interests in the Persian Gulf and Horn of Africa?

Answer. The US has vital interests in the Southwest Asia region:

We and our allies are dependent on the region for much of our oil.

The region is a strategic bridge between Europe, Africa, and Asia. As a trading and industrial power, we are interested in keeping that bridge open.

Our broad interest in regional and global order is at stake. If loosed, the existing tensions in that part of the world could spill over into global conflict.

Control of the Persian Gulf by the Soviet Union would permit the Soviets to manipulate the flow of oil and gas for political and economic objectives inimical to our own.

Even without a direct military intervention, the Soviets could exacerbate regional tensions by exercising political coercion based on unchecked military preponderance.

Question. Is this perception of the Soviet threat shared by our NATO allies?

Answer. The perception of Southwest Asia as an area of paramount interest to the international community and the security of the West is fully shared by our Atlantic and Pacific Allies. In both June and December 1980, the North Atlantic Council meeting at the ministerial level called attention to the implications for the entire Southwest Asian region of the Soviet invasion of Afghanistan. In their communique of December 12, 1980, the NATO Ministers declared that, "Members of the Alliance are prepared to work for the reduction of tension in the area and, individually, to contribute to peace and stability for the region, while protecting their vital economic and strategic interests."

Question. By the countries in the region?

Answer. Since the mid-1970s the Egyptians and the Saudis have warned of Soviet efforts to encircle them. In 1977 the Soviet involvement in the Ethiopian-Somalia war, these and other Arab countries pleaded with the Carter Administration to take the Soviet threat to them more seriously. Afghanistan did bring us to focus on the Soviet threat to the region more clearly, but our slowness to react to the perceived Soviet threat in the region heightened local concerns about our reliability.

Though local states are sensitive to threats other than purely Soviet ones (i.e., the threats posed by the continuation of the Arab-Israeli conflict) they recognize the full range of threats the Soviet pose to them.

The extent to which the regional states and the U.S. share common threat perceptions is reflected in the increasing degree of defense cooperation which we enjoy with regional states. We have signed facilities access agreements with Oman, Kenya, and Somalia. Egypt has agreed in principle to use of Egyptian facilities by U.S. forces in a contingency. At the request of the Saudi government, U.S. AWACS aircraft and crews are on station in the Gulf region.

3. *Question.* In the Administration's view how do regional sources of instability, such as the conflict between Ethiopia and Somalia over the Ogaden, and Iran-Iraq war, threaten U.S. security and economic interests in the region?

Answer. Regional conflicts, such as those between Ethiopia and Somalia or between Iran and Iraq, threaten our interests, among other ways, by increasing the probability of wider regional conflicts, by providing opportunities for Soviet interference in internal and regional affairs, by threatening the security of our friends, and by jeopardizing of access to vital raw materials. In addition, regional conflicts divert the attention of governments from the urgent tasks of economic development and dealing with the strains caused by modernization.

4. *Question.* Will a more visible U.S. military presence in the region retard or contribute to the resolution of these regional problems?

Will a more visible presence help or prevent the United States trying to play a role in resolving these conflicts?

Answer. The evidence of the Iran/Iraq war suggests that although U.S. presence may be of limited use in preventing or resolving a regional conflict, our deployment of AWACs and the presence of Western naval forces served to reassure our friends around the Gulf and thus played an important role in limiting the scope of the conflict and in preventing its spill-over into other areas.

5. *Question.* To what extent do the following indigenous sources of instability threaten US interests in the Middle East, Persian Gulf, and Horn of Africa?

Poverty, malnutrition, underdevelopment;

Unequal distribution of wealth;

Cultural and religious factors; and

Lack of access by the people to the political decision making process.

How will over $2.5 billion in security assistance to this part of the world mitigate these sources of instability and unrest?

Is it not the purpose of economic assistance programs to address many of these indigenous problems?

If so, why isn't the Administration proposing an increase in the fiscal year 1982 economic assistance program commensurate with the proposed increase in security assistance?

Answer. As the list above suggests, there are a number of possible sources of instability in the Middle East, Persian Gulf, and the Horn of Africa. Viewed in isolation, however, it is difficult to state with precision the potential threat that they might pose to US interests in the region.

Until now at least, and with the notable exception of Iran, most of the governments in the region have been able to make progress toward alleviating these problems and to retain a fairly high level of popular support. However, I think it is also clear that in recent years the Soviet Union has increasingly sought to take advantage of the underlying causes of tension present in many key regions in order to foster instability. This course of action has serious implications for US interests. We seek to create a secure environment so local states can address their internal problems.

Moreover, to the degree that we can employ our development and security assistance to alleviate the causes of unrest you have cited, we will be serving our own foreign policy and security objectives as well as helping recipient nations to better their social and economic conditions. With respect to the role which our security assistance programs play in this regard, I would note that a large part of the major Economic Support Fund programs we are requesting for countries in the region is specifically designed to combat the developmental and social problems you have noted.

Although budgetary constraints necessarily have had their impact on our fiscal year 1982 request for development programs, I would point out that the levels we are proposing constitute a 14 percent increase over those available in fiscal year 1981.●

STATEMENT ON INTRODUCTION OF H.R. 3857

HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. GIBBONS. Mr. Speaker, today I am introducing legislation to reassure lessors of automobiles and trucks of their continued entitlement under the tax law to investment credits, depreciation deductions, and other capital cost recovery tax allowances. I intend to work to secure action by the Committee on Ways and Means approving the substance of this bill as a part of the capital cost recovery provisions of the tax bill which that committee soon will be at work developing.

The need for this clarifying legislation arises from release by the IRS national office in May 1980 of a "technical advice memorandum." The technical advice took the position that presence in a motor vehicle lease of a "terminal rental adjustment clause" of a kind traditionally used for more than 30 years by the fleet vehicle leasing industry should cause the lease negotiated by the parties for their business purposes not to be treated as that for tax law purposes. The position taken by the Service in the May 1980 technical memorandum was a reversal of the one it had generally followed on audit in the past. The change of position reflected in the technical memorandum was made without benefit of any prior

notice to the public or to Congress and without the holding of any public hearings to allow interested persons to state their views on the issues of economic and tax policy connected with the change. In spite of a U.S. Tax Court ruling in April of this year that the new position was wrong, the IRS is continuing to apply its new position in the audit of selected car and truck lessors.

My bill solves the problems created by the technical advice memorandum for future as well as past years. It does so in a way that does not prevent—but also does not require—the Treasury Department and Internal Revenue Service from making a careful study of the policy and technical issues that would be involved in not treating a business lease as such for tax purposes. The amendment would, however, require any proposals for change growing out of the study to be implemented only through submission to Congress for legislative enactment. Thus, motor vehicle lessors planning to invest billions of dollars in fleets of automobiles or trucks will have in the tax law the assurance they need actually to invest those billions in the way intended to be induced by our capital cost recovery tax program.

In accordance with the theory and result of the recent Tax Court decision in the Swift Dodge case, the bill should be viewed as declaratory of existing law.●

SOVIET ENERGY AND THE FUTURE OF THE WEST

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1981

● Mr. LeBOUTILLIER. Mr. Speaker, recently I received an advance copy of a forthcoming article soon to appear in Policy Review, a quarterly journal published by The Heritage Foundation. Entitled "Soviet Energy and the Future of the West", authors Steven C. Goldman and Wayne A. Schroeder underscore the critical importance of Soviet energy developments to Western security and set forth a positive realistic approach to Western energy needs.

Last November, the Carter administration approved major U.S. participation in the Soviet Union's Yamal natural gas pipeline project. To be built and funded with Western financial, material, and technological resources, this project—if given final approval—involves the construction of a 3,600 mile pipeline from Northwestern Siberia to West Germany. Once completed, Western Europe expects to benefit from a promised delivery of approximately 1,500 billion cubic feet (bcf) per year of natural gas to help alleviate its dependence upon Middle East sources.

Western European countries are anxious to begin work on this project. At four times the size of the Alaskan pipeline, the Yamal project would create considerable business for those European energy equipment manufacturers presently in need of contracts. In addition, it would satisfy the need for the diversification of enegy supplies necessary to lessen European dependence on OPEC.

There are, however, inherently significant dangers in furthering Western European economic dependence upon the Soviet bloc. To an increasing extent, Western Europe has become vulnerable to economic blackmail. The Yamal pipeline deal—expected to supply 30 percent of West German natural gas imports—would dramatically increase this vulnerability and possibly undermine NATO.

To persuade the Europeans to reconsider their policy of growing dependence upon Soviet natural gas, it is necessary to convince them it is in their own long-term interest to do so. This requires a creative and realistic alternative program.

Authors Goldman and Schroeder present such a comprehensive program. Designed to reduce European energy reliance upon the U.S.S.R., increase United States-European energy and economic cooperation, and contribute to the strategic security of the United States, this plan would include the following:

First. An expanded U.S. coal export program which would contribute to U.S. employment and balance of payments objectives;

Second. An expanded European participation in the development of the U.S. coal export infrastructure and our synthetic fuel industry, thereby providing the economic boost these sectors of our economy require to meet their full potential;

Third. An aggressive U.S. re-entry into the nuclear reactor services market in Western Europe;

Fourth. The encouragement of increased North American energy relationships, in order to free up more OPEC energy for our NATO Allies;

Fifth. The accelerated development of Norwegian hydrocarbon supplies, financed by the alliance; and

Sixth. The encouragement of our NATO allies to purchase African liquefied natural gas (LNG).

Should this effort be undertaken, the gains for the United States and Western Europe would be tremendous. The security of all Western Nations would be strengthened. Western Europe would be assured of reliable energy supplies. Americans would be put back to work. The economy would receive a much-needed input. The bonds between the United States and its allies would be enhanced. And America would regain her proper role as the leader of the free world.

I commend this article to my colleagues. Part I is as follows. Parts II and III will be published tomorrow and the day after.

SOVIET ENERGY AND THE FUTURE OF THE WEST

(By Steven C. Goldman and Wayne A. Schroeder)

The United States and the Soviet Union are the two largest energy-producing and consuming countries in the world. During the last decade, the U.S. witnessed a sharp decline in its relative energy position and became dangerously reliant upon foreign imports. This reliance has had profound political and economic implications and had made us think of energy in strategic terms. During the 1970s, the Soviets did not experience severe domestic energy problems and remained major exporters of hydrocarbons.

In the upcoming decade, it appears that America's position will remain extremely precarious. But the U.S.S.R. will also begin to experience rapid deterioration of its energy position and it too will be confronted with severe strategic dilemmas. What are the dimensions of this Soviet energy crunch and what are its implications for the future of the West?

In April 1977 the CIA published a major report indicating that the U.S.S.R. was on the verge of a severe oil production crisis and that Soviet petroleum output will peak no later than the early 1980s. Furthermore, the report projected that Soviet oil production would decline from a high of about 12 million barrels/day (MMB/D) to 8-10 MMB/D by 1985. Currently, the Soviet Union is the world's largest oil-producing country and has been able to maintain its goal energy self-sufficiency while exporting to both Council of Mutual Economic Assistance (CMEA) partners and hard currency markets. The Soviet ability to accomplish these objectives would be severely constrained if worst-case projections regarding their petroleum industry were to hold true. A major oil production crisis in the U.S.S.R. would have the most profound consequences, because their coal industry is stagnant, their nuclear program is behind schedule, their renewables program (solar, geothermal, wind) is almost nil, and their only prospective bright spot is the gas industry.

It has been argued that the United States should be alarmed by this prospect for the following reasons:

1. *Soviet politico-military pressures on the Persian Gulf.* An energy-deficient U.S.S.R. might seek to solve its oil shortfall problems by applying increased pressure on the key producing countries in the Gulf, which could lead to direct Soviet military intervention.

2. *World oil market considerations.* Even assuming that Moscow refrains from using military force to obtain oil on concessionary terms, its entry into the world oil market would lead to general supply constraints and upward price pressures.

3. *Allied dependence on Soviet energy.* Our NATO allies are dependent upon Soviet oil and gas imports. In order to promote "strategic supply diversification" outside the Persian Gulf, they are seeking to expand greatly their energy relationship with the U.S.S.R. through the Yamal gas pipeline that will link the major gas fields of Northwest Siberia to Western Europe. Since the U.S. has no well articulated or reasonable

energy alternatives to offer our allies, and since we support the concept of "strategic supply diversification," the prospect of a Soviet energy crunch is not comforting. Furthermore, it can be argued that the U.S.S.R. is a more reliable supplier than the Arab oil-producing countries because they have refrained from using the price/supply lever in a political context and have treated energy trade as a largely commercial exchange.

Accordingly, many Western experts have argued that the U.S. should sell energy production equipment and technology to the U.S.S.R. in order to help them develop their energy resources. During the 1970s, Moscow imported large quantities of Western oil and gas production equipment, particularly during the latter half of the decade (see Table 1).

TABLE 1. SOVIET IMPORTS OF WESTERN OIL AND GAS EXPLORATION AND EXTRACTION EQUIPMENT

[In millions]

	Purchases from United States	Total purchases from the West
1972	$4.6	$19.4
1973	4.3	23.5
1974	.5	9.0
1975	49.5	150.1
1976	40.6	226.5
1977	29.3	121.0

Note: These figures do not include turn-key manufacturing equipment.
Source: Office of Technology Assessment, Technology and East/West Trade, p. 239.

There is no doubt that Western equipment and technology plays a key role in the Soviet energy sector. The U.S.S.R. is in need of Western assistance not only to search for new oil but also to maintain current production levels. Most U.S. oil and gas transfers were sales of priority equipment to be used primarily at mature producing fields. Perhaps the most conspicuous energy technology transfer to the U.S.S.R. occurred in 1978 when the Carter administration approved the sale of a Dresser Industries turnkey drill bit factory. Once completed, this sophisticated factory will produce drill bits in sufficient quantity to insulate the U.S.S.R. from the necessity of making further drill bit purchases in Western markets. More recently, the Carter administration signalled its support for the Soviet/West European gas pipeline by approving the sale of Caterpillar pipelayers to the U.S.S.R. for use on this project. Despite the other competitive aspects of U.S./U.S.S.R. relations, it has been U.S. policy to support energy development in the Soviet Union in the interest of preserving world peace and maintaining world energy security.

In implementing a liberal export control policy toward the U.S.S.R., American decision-makers uncritically accepted the notion that an energy-abundant Soviet Union is in our best interest. The U.S. has adopted this stance in large measure because American leaders underestimated the broad strategic and security problems associated with the growth of a Soviet energy giant. Unless a potential technology transfer had a direct input into the Soviet military machine, it was not considered as a strategic item. The following written exchange between Senator John Heinz (R-Pa) and former Under Secretary of Defense William Perry pursuant to the 1979 Senate Banking Committee Hearing illustrates this point vividly:

Senator HEINZ. In your view, would it be in the national interest of the United States to provide the technology necessary to facilitate the development of the energy resources of the Soviet Union, insofar as such technology would not have applicability to the military sphere. . . .

Under Secretary PERRY. . . . Strategically . . ., the debate is of limited importance. Substantial additions to Soviet oil production would not necessarily increase Soviet military capabilities directly. . . .

The time has come for us to reconsider this interpretation of a critical issue and to subject the conventional wisdom to closer scrutiny. A multifaceted and compelling case can be made in favor of adopting a restrictive U.S. energy export control policy, and promoting different energy options for our European allies.

In the past, arguments made in favor of restricting U.S. energy exports to the U.S.S.R. have been articulated predominantly in terms of those exports' military utility to Moscow. While this argument indeed has substantial merit, it should be tied in with a series of corollary, supporting arguments concerning the credibility of the Western security guarantee for the Persian Gulf, the negative implications of having U.S. allies dependent upon Moscow for a major portion of their energy supplies, and possibilities for increasing U.S./West European energy cooperation. A macro-political/economic analysis of the strategic implications of energy technology transfer to the Soviet Union will demonstrate that it is in the national security interests of the United States and the West to constrain Soviet energy development during the coming decade while developing an alternative energy security program.

HOW IMPORTANT IS SOVIET ENERGY?

Proponents of a liberal export policy maintain that the energy issue is of limited military/strategic importance because the Soviets will always give their defense industry top priority regardless of other considerations. There is no doubt that the Soviet Union considers military priorities before the needs of other sectors, and that the Kremlin has been willing to demand sacrifices from its consumers in order to satisfy the military's almost insatiable demands. However, there is no reason why the U.S. should make the Soviet resource allocation debate easier by selling equipment and technology that the U.S.S.R has chosen not to develop.

Currently, the U.S.S.R. Defense Minister is in an excellent bureaucratic position to argue in favor of priority allocations of resources and personnel on the grounds that military hardware cannot be purchased in the West—oil/gas production and exploration equipment, on the other hand, is available to the Soviet Union in Western markets. Therefore, given the fact that there are more limited incentives for the Soviets to reallocate resources away from their military sector and into their energy sector, it can be expected that current trends will prevail.

The Soviets have historically been unwilling to reform their economic system to provide the economic incentives needed for indigenous technological innovation in the civilian sector. While Soviet basic science is quite good, the Soviet economic system, based upon overcentralization and the inefficient principles of socialist planning, has stifled technological innovation at the design and manufacturing stages. The U.S.S.R. has not devoted its limited quality controlled resources to peaceful purposes. They have instead sought out technology and equipment transfers from the West as "quick fixes" which can allow them to maintain current economic priorities and continue their military build-up.

The release of Soviet resources for use in the military sector which otherwise could be tied up in civilian-oriented research and development is a profound consequence of past U.S. technology transfer policies in both the energy and industrial areas. As William T. Lee wrote in *Soviet Defense Expenditures in an Era of SALT:* "Seldom, if ever, has a country been able as the Soviet Union has to persuade the countries against which most of its military build-up is directed to finance so much of it."

U.S. export control policy should be reformulated to make the costs to Moscow for continuing this military build-up increasingly prohibitive. This is not to say that the military will not continue to have first call on Soviet economic resources. Rather, it is meant to force the Kremlin into making difficult judgments as to its long-term priorities. Diversion of Soviet resources toward indigenous energy research and development and away from military expenditure is the first element in this process. Restrictions on badly needed infusions of Western energy equipment and technology will have an impact on Soviet industrial development and overall economic growth. No prudent Soviet economic planner could afford to ignore the political consequences that static or negative economic growth would have on his own position with the Soviet bureaucratic hierarchy. While the Soviet military will continue to be the first priority in Soviet economic planning, it need not have so large or prominent a share. It is in the national security interests of the U.S. to retard the growth rate in Soviet military expenditure by the reasonable means that are available to us.●

HOUSE OF REPRESENTATIVES—*Wednesday, June 10, 1981*

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. FOLEY).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C., *June 10, 1981.*

I hereby designate the Honorable THOMAS S. FOLEY to act as Speaker pro tempore on today.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We come before You this day, O God, in thanksgiving for Your promise to be with us always, even to the end of the age. But as we exult in the blessings of life and liberty, we are too aware of those in whom this day brings uncertainty and fear. In spite of the woes and anxieties of our times, grant us the refreshing quality of new hope that Your word allows, that we may go forth with the faith that Congress doubt and the love that overcomes evil. In Your name we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 88. Joint resolution designating the week commencing June 14, 1981, as "National Softball Week."

THE LESSON OF BAGHDAD

(Mr. LANTOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANTOS. Mr. Speaker, 19 years ago all Americans supported and applauded President Kennedy's grim determination to take any action necessary to remove from Cuba offensive missiles aimed at the United States. Today there is not a Member of Congress who would not support President Reagan were we confronted with hostile nuclear capabilities by Castro's Cuba. The American people would indeed rejoice if the U.S. Air Force in a brilliant, preemptive strike destroyed Cuba's nuclear facilities. We would proudly and rightly call it an essential exercise of legitimate self-defense.

Well, Mr. Speaker, last Sunday the surrounded and beleaguered Israelis did exactly what we would do in our part of the world should the occasion arise. Instead of filling the air with holier-than-thou pontificating, we should learn the real lessons of Baghdad: First, that we and our allies must put the goal of nuclear nonproliferation at the top of our national security agenda; and, second, that democratic and free societies should be admired and applauded when they demonstrate their determination and ability to fight for their own survival.

THOSE WHO LIVE BY THE SWORD DIE BY THE SWORD

(Mr. ROSE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROSE. Mr. Speaker, I realize that I am just a slow southerner, but it is just beginning to dawn on me that the chief ingredient of Israel's foreign policy is hutzspah.

As one Member of this body who has voted in the past for all sorts of aid to Israel, I have strong reservations about the vision of its leaders after the recent attack on Iraq. Israel needs a savior to lead it as never before, but one that understands the Biblical wisdom that, "Those who live by the sword die by the sword."

I am not sure the voters of Israel have much to look to in the upcoming elections, but I am sure of one thing; that is, an ever-increasing number of Congressmen in this body have voted them swords for the last time.

NEW BUDGET STUDY COMMENDED TO THE HOUSE

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, it has come to my attention that in the appearance of the distinguished Speaker on the ABC-TV program "Issues and Answers" over the weekend, the gentleman from Massachusetts expressed concern over the impact of President Reagan's bipartisan tax package on the budget deficit. The gentleman seemed to suggest that he was concerned about the effect that this deficit would have on the rate of inflation in our economy.

As one who has long believed that deficit spending is the principal engine of inflation, I am pleased to learn of the distinguished Speaker's comments in this regard. I would add, however, that budget cuts, tax cuts, and a balanced budget are not all mutually exclusive. Due to concern over budget deficits, however, I wish to bring to the attention of the gentleman from Massachusetts a budget study draft I am circulating which contains 272 specific, additional cuts in fiscal year 1982 spending which total some $52.3 billion. These added reductions would help ease the budget deficit in the coming and future years. It would also make it possible to provide the tax relief for all Americans which is so desperately needed.

In the spirit of bipartisanship, I commend this budget study to the attention of the House. On the Sunday television program, the issue of budget deficits was raised and today I believe I am helping to point us toward the answer.

MILITARY LEADERS MUST PROVIDE ADEQUATE, COST-EFFECTIVE PROTECTION

(Mr. DAUB asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAUB. Mr. Speaker, there is no doubt that the most essential role of the Federal Government is to provide for the national defense. Above all other responsibilities we undertake, our first concern must be to defend this Nation against external foes.

Until recent years, the resources we expended for domestic purposes were limited enough that our military expenditures did not have to compete for dollars. However, once the Federal Government embarked on a massive spending campaign to eradicate poverty, the balance between the two priorities meant that defense spending would often take a back seat to the politically popular programs of domestic assistance.

It is of course unfortunate that larger amounts of our productive capacity and our wealth must be committed each year to weapons of war. However, in the recent past we have dwelt too much on this aspect. We have often ignored in our discussion of these issues the simple fact that our spending is a response to much greater spending that is undertaken with the explicit goal of world subjugation. This country is a reluctant participant in the arms race but a participant, nonetheless, that stands between the free world and those who would destroy it.

I firmly believe that there is waste, fraud, and abuse in the military. Any bureaucracy of that size carries with it a certain amount of excess baggage. I do not doubt that we have undertaken projects that have resulted in unwise and unexpected expenditures. But we cannot rectify these mistakes at the risk of damaging our ability to defend ourselves. That is the real difference between military and nonmilitary spending: One provides us with an additional degree of comfort in a society that is rich in opportunity and accomplishment while the other stands between the very preservation of that society and ruin.

It is the spirit of times that often dictates whether what we are spending is appropriate. During President Kennedy's tenure we spent a larger percentage of the GNP on defense than we will under President Reagan and that establishment was referred to as the arsenal of democracy as opposed to pejorative military-industrial complex.

I believe that today, in this new era of enlightenment concerning military needs we can in fact go after waste, fraud, and abuse in the armed services as we will in other areas of Government. During my campaign, I was often asked why conservatives did not battle waste in the military with the same ferocity it was battled in welfare programs. My reply was that because defense was so often under attack by those whose aim was not so much to make it cost-effective but to make it less effective, it was necessary to remain silent about the fat in order to protect the muscle. A theory I did not necessarily agree with, but which I understood.

Under President Reagan and with more persons understanding the precarious nature of our deterrent I am confident that our defenses can be strengthened not only by increasing the dollars we spend but by making better use of those dollars. If this spending is accompanied by solid cost consciousness, a reduction in waste and mismanagement, and possibly a restructuring of the procurement process, then we shall witness an even greater enhancement of our strategic and conventional capability.

The whole idea is to make best use of the future budget increases by enhancing the cost effectiveness of presently funded programs. This can be done by identifying programs and practices in need of revision.

The Defense Department's procurement process is a gigantic, complex procedure which is badly in need of revision. Substantial savings can be realized by the implementation of incentives for both DOD and its contractors. These incentives should take the form of a carrot and stick which can spur capital investment, better planning, and more efficient production.

Secretary Weinberger has directed Deputy Secretary Carlucci to review the military's acquisition process in order to examine and apply some of the fantastic economics which are possible in procurement. A number of suggestions are already being put into effect by the Reagan administration, including some multiyear contracting and accelerated delivery time goals for hardware and civilian services.

The military departments have estimated that "upward of $15 billion can be saved over the next 5 years by multiyear procurement" and other efficiency oriented measures. These estimates give some idea of the enormous potential for savings which lie in an overhaul of procurement practices.

I have been recently selected as a member of the House Republican Defense Task Force. This task force has as its single goal, the improvement of this Nation's ability to defend itself. We have recently completed a report which drew upon some 500 pages of past congressional testimony. We found that many things could be done to improve the way we procure weapons. Some specific examples include:

First, allowing multiyear contractual arrangements, as well as some full funding for established programs, where cost effective.

Second, implementation of a 2-year budget cycle instead of the present 1-year cycle; this would encourage longer range contractual planning and arrangement.

Third, reduce regulation and complexity of contracts. This would yield a reduced amount of paperwork and increase the level of competition for contracts by attracting additional bidders.

Fourth, make attempts, wherever feasible, to expand contract bidding competition. Presently 45 percent of DOD contracts are not bid on by more than one contractor. This causes auditors concern about the possibility of excessive profits and reduced efficiency. Competition should be introduced for development as well as production. Introduction of competition often reduces procurement costs by 25 percent.

Fifth, finally, insure that experienced managers are in charge of weapons development and procurement—give them latitude to operate. Giving managers room to move is vitally important as it enables them to identify and select the most cost-effective alternatives.

The pervasive thrust of all the studies I have seen is that strong leadership and guidance in every branch of the Government and within the military can reduce wasted spending and enhance the use of budgeted funds.

The establishment of program discipline—and the discipline is the key to effective use of funds and reduction of waste—is fundamentally a leadership challenge. A challenge which must be met with a cooperative effort from both the military and Congress.

Congress must also do its share or the military's efforts will be wasted. Congress should put the Nation's interests ahead of political considerations. For example, the DOD in the last 5 years has suggested 634 base closings or reductions which would have resulted in a savings of $443 million. To date, Congress has not acted on these suggestions.

Strong leadership from both sectors and cooperation with, and from the Congress, and the administration, is necessary for developing a comprehensive spending reduction strategy. If such an effort is successful, we can significantly improve our military posture. The ensuing monetary savings—as much as $25 billion in the next few years, will benefit the Pentagon and further the administration's fiscal austerity plan as well.

While responsible spending of the taxpayer's dollars must be for any governmental department, an end in itself, this truism takes on added significance for the military.

We now have an administration which fully appreciates the critical importance of an effective and well-prepared defense. Among most of my colleagues on Capitol Hill, this is the prevailing consensus, and among the broadest portion of the American people, the realization exists that the best way to prevent war is to be prepared for it.

How long this consensus will last I cannot say. I do know, however, that the life and intensity of this consensus resides ultimately with the civilian and military leadership. I strongly believe that public confidence in the military will only last as long as the perception that our civilian and military leaders are providing adequate protection, which is above all, cost effective.

PERMISSION FOR COMMITTEE ON RULES TO FILE REPORTS ON SUNDRY BILLS

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent that the Committee on Rules have until midnight to-

night to file reports on the following bills:

H.R. 2614, Department of Defense supplemental authorizations, 1981;

H.R. 3413, Department of Energy, National Security and Military Applications of Nuclear Energy Authorization Act of 1982;

H.R. 3023, Naval Petroleum Reserves authorization for fiscal year 1982; and

H.R. 3481, Pretrial Services Act of 1981.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

GENERAL LEAVE

Mr. EVANS of Georgia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks with respect to the special order honoring and paying tribute to the Honorable Carl Vinson.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

A TRIBUTE TO A GREAT GEORGIAN AND A TRUE AMERICAN, THE HONORABLE CARL VINSON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. EVANS) is recognized for 60 minutes.

Mr. EVANS of Georgia. Mr. Speaker, I have the distinct honor and privilege of asking unanimous consent for special orders to pay tribute to the Honorable Carl Vinson.

Last week at the age of 97, former Congressman Carl Vinson of Milledgeville, Ga., passed away. We are not here today to mourn his death but rather to celebrate the life of this most remarkable man and to preserve his accomplshments for all time.

Carl Vinson, having received a law degree from Mercer University in Macon, practiced law in his hometown of Milledgeville. He served as county solicitor, State representative in the Georgia House of Representatives, and as county judge.

It was in the year 1914 that Georgians of the Sixth District elected Carl Vinson, a man who would soon become "the champion of peace through strength" and "guardian of this Nation's security." It was here that the remarkable Mr. Vinson, elected as the youngest Member of Congress at the age of 30, was to remain for over 50 years of devoted service on behalf of the people of Georgia.

He was elected upon the outbreak of World War I in Europe. Mr. Vinson soon won a seat on the House Naval Affairs Committee where he began his dedication to military forces and a strong national defense. From 1931 to 1947 he served as chairman of this committee until the Republicans became the majority party in the House. In 1949, the Georgia Congressman became chairman of the House Armed Services Committee which he retained until his retirement at age 81.

As chairman of this powerful House Committee, Mr. Vinson exercised great legislative power for almost half of a century. The most important laws that we have on the books today, relating to defense, are products of the Vinson committee.

During his tenure, if there was ever one that could be termed an "iron fist in a kid glove" it was chairman Vinson, around whom admirals and top Pentagon officials quivered yet a man whom they deeply respected. He was as casual with these famous Government officials and heroes as he was with his constituents from his rural Georgia home. The chairman has been termed the "backstage boss of the Pentagon." Carl Vinson, the father of the U.S. Air Force, never liked to fly. He turned down Secretary of Defense yet 9 Presidents and 18 Secretaries of War attended the Vinson School of National Defense. Once when under consideration for Secretary of the Navy, the Armed Services Chairman said, "I've got all I can say grace over right here." Later when considered for Secretary of Defense he reaffirmed, "Shucks, I'd rather run the Pentagon from up here."

The profound respect he enjoyed from his colleagues never once affected his outlook. He, in fact, discouraged his colleagues on two separate occasions from holding floor tributes on his behalf. His sense of humility and humor were enjoyed by all. Once, when told of his vast influence he quipped, "I disclaim the influence attributed to me, but I trust that others will accept it as gospel truth!" According to a 1971 article in Reader's Digest:

> His power is evident in numerous Presidential communiques. President Roosevelt, writing to Uncle Carl about a prospective Navy law, ended his letter by penning an appeal in longhand: "Do please come talk over this personnel problem."

The popular magazine referred to him as "Uncle Carl" as did everyone with great affection. "Uncle Carl," "Mr. Defense," "Mr. Pentagon," and the "Swamp Fox"—all terms for the same man, the dean of the House of Representatives and the Georgia delegation. The name Swamp Fox was given because of his similarity to the original swamp fox, Francis Marion, the South Carolina planter who became a general and master strategist in the Revolutionary War. Carl Vinson was a master strategist of modern times.

Mr. Vinson served in Congress with eight Presidents and outlived them all. He had close working relationships with those from Woodrow Wilson to Lyndon B. Johnson. President Johnson once referred to the prominent Representative as "one of the great Americans of the 20th century." He lived through the horse and buggy days to nuclear development.

Former President Richard Nixon pointed out that the United States had just begun to develop nuclear carriers. The first one was named the *Nimitz* after an admiral, the second was named the *Eisenhower* after a President, and the third the *Carl Vinson* after a legislator. The dedication of the mightiest warship ever constructed, the U.S.S. *Carl Vinson*, was on March 15, 1980, at Newport News, Va., witnessed by the most impressive gathering of opinionmakers in many years. The $2 billion ship marked the first time a U.S. ship had been named for a living American, an American who was present at her dedication. This landmark to a magnificent man bears the quote, "No person representing the American people should ever place the defense of this Nation below any other priority—Carl Vinson."

As his great nephew, Senator SAM NUNN states it, "Carl Vinson's service began with a Springfield rifle and ended with the ballistic missile." Carl Vinson's dedication to a strong national defense was deeply rooted in his belief in peace as expressed in 1916 in one of his first major speeches to Congress, "I devoutly hope the casting of every gun and the building of every ship will be done with a prayer for peace."

A bulwark in the area of national defense, a legend in his own time, and a devoted companion to his friends has passed away; but his accomplishments will not be overlooked in the pages of American history. This country owes him a great debt. We, as Americans, are thankful to Carl Vinson for a secure nation, a strong military, and for over 50 years of service. I am in awe of his unsurpassed dedication to Georgia, the Congress, and the people of this Nation. I challenge all of my colleagues, in his name, to carry out his original mission with the same fervor of the remarkable Mr. Carl Vinson.

Thank you.

□ 1015

Mr. BRINKLEY. Mr. Speaker, will the gentleman yield?

Mr. EVANS of Georgia. I would be happy to yield to my colleague from the Third District of Georgia.

Mr. BRINKLEY. Mr. Speaker, I thank the gentleman for yielding.

First, Mr. Speaker, I would like to commend the gentleman from Georgia, the gentleman from the Eighth District of Georgia, for arranging this

special order today on one of Georgia's most distinguished sons, Mr. Vinson.

Mr. Speaker, we are meeting today to honor the memory of former Representative Carl Vinson of the State of Georgia, who died last week at the age of 97. We all know he was a great man, but, sadly, many of those who could describe him best are themselves no longer Members of this body.

For instance, among our State delegation, I have been here longest—and, on special days, like last Thursday when I stood here for many hours debating the merits of the Mil-Con Authorization Act, feel like I spent a full lifetime here myself. Yet, neither I nor any other Member of the House or Senate from Georgia now serving was privileged to serve even 1 day with Carl Vinson.

Another reason it is difficult to put his service into perspective is because of its length. Some comparisons come to mind as I examine the record of other Members who have served the Republic from my district, the third, since the War Between the States.

Charles Crisp of Americus, who served as Speaker of the 52d and 53d Congresses, was here for 14 years; his son, Judge Crisp, was here for 22; Mr. Pace and Mr. Forrester, like Speaker Crisp, served for 14 years. My own service is entering its 15th year. Yet, Carl Vinson had been a Congressman for 16 years when I was born, and, incredibly, his service here spanned a time period for as long as I have been alive.

So you see, Mr. Speaker, we are dealing with a true exception in the annals of Congress, and his service was so unique that we, admittedly, have trouble comprehending it.

Still, Mr. Speaker, if we lack the benefit of having witnessed much of his career, we do not lack an understanding of the benefits his career bestowed on our Nation.

Mr. Vinson served in good times, as well as bad—during two world wars and the Korean war; and during the Great Depression. But men like him with continuity and seniority were the glue that held the country together. He minded the store while at the same time being mindful of the people back home to whom he was responsible and accountable.

And, Mr. Speaker, we know that in recounting the scope of his service and the significance of his accomplishments, we have not really looked at the man, just at his footprints. For, in truth, the source of Carl Vinson's greatness, like that of all who fit into that most select category, lies not in the length he served or the ends to which he served but in the way he served.

That was the magic of the man we are honoring.

Mr. BARNARD. Mr. Speaker, will the gentleman yield?

Mr. EVANS of Georgia. I yield to my colleague from the 10th District of Georgia.

Mr. BARNARD. Mr. Speaker, it is an honor for me to join with my colleagues today to pay tribute to the man who served in the House of Representatives longer than anyone else in history, Carl Vinson of Milledgeville, Ga. Carl Vinson's record of more than 50 years of service in the Congress is extraordinary indeed, but the record of his accomplishments during that half century is equally unsurpassed.

In resolutions presented to the House of Representatives upon the passing of George Washington in 1799, Henry Lee described the great General Washington as "first in war, first in peace, and first in the hearts of his countrymen." Nearly two centuries later, these words are a fitting epitaph for Carl Vinson.

First elected to Congress in 1914, Carl Vinson quickly established himself as a leading spokesman for a strong America. Throughout the uneasy peace of the 1930's, his often lonely voice urged preparation for a war he did not want, but feared was coming. From 1930 to 1946 he chaired the House Naval Affairs Committee and in that capacity became the primary force behind the development of a two-ocean Navy. Had he not fought tirelessly during those years, and prevailed, in his quest for a Navy, second to none, America's task in World War II would have been infinitely more difficult, and the cost of victory much greater.

In the years following World War II, Carl Vinson—now chairman of the House Armed Services Committee—maintained his firm belief in preparedness as the key to peace. Mr. Vinson summed up his philosophy on the occasion of a celebration honoring his 90th birthday:

> In two thousand three hundred years of recorded history there have been only two hundred and seventy years of peace. The lesson is plain: We must always be prepared for war, for only in this way can we avoid war.

Always a man of peace, Carl Vinson knew that peace and freedom could only be maintained through strength.

No American in the 20th century has contributed more toward that goal than Carl Vinson. Many of our greatest leaders—Presidents, Cabinet officials, and legislators—took their lessons in national security from this man. As a monument to his legacy, our country's third nuclear aircraft carrier was, in 1980, christened the U.S.S. *Carl Vinson* on its keel a plaque bearing Mr. Vinson's own words:

> No person representing the American people should ever place the defense of this Nation below any other priority.

It is appropriate that the former Congressman from Georgia thus became the only living American to have a Navy ship named after him.

In the hearts of Georgians, Uncle Carl Vinson will be remembered as a devoted friend, a compassionate human being, and a loyal public servant. All Americans will remember him as a distinguished statesman whose dedication to his country was absolute, and whose wisdom and foresight made him a giant among legislators of the 20th century.

Mr. GINN. Mr. Speaker, will the gentleman yield?

Mr. BRINKLEY. I yield to my distinguished colleague from the First District of Georgia.

Mr. GINN. Mr. Speaker, I desire also to commend my colleague from the Eighth District of Georgia (Mr. EVANS) for arranging this special order today.

Mr. Speaker, I rise today to join my colleagues in recognition of the achievements of one of the greatest American legislators in the history of our Nation, the late Carl Vinson of Georgia.

I shall not attempt to recite Mr. Vinson's list of achievements as a Member of this body because they are already a legend in the Congress, and they will forever be a part of our history and our heritage.

I come instead to say that, in a sense, this is a day on which I believe the ordinary roles are reversed. We do not come now to honor the memory of Carl Vinson. We come in recognition of the fact that Carl Vinson was a man who brought honor to all of us, and to the institution of the Congress.

The House of Representatives and the Congress is no better or no worse than the men and women who serve in it. The Congress is not this great and beautiful Capitol Building or this majestic Chamber. Rather, the Congress is the people who are elected to serve in it, and the Congress is measured by the strengths and weaknesses of those people.

That is why Carl Vinson is a legend in these Halls. It is not because he served in the Congress for 50 years, longer than anyone in history. Nor is it because he was for 30 years a committee chairman.

Carl Vinson is a legend here because he was the best of the special human qualities which make our country great.

He was a man of great power who declined the trappings of power. He preferred the quiet beauty of his beloved Georgia and his farm.

He was a man who shaped the destiny of our Nation by fathering the modern Navy which subsequently preserved our freedom in World War II. But he was a man who, in retirement, would decline to take credit for most of his achievements.

He was a man who knew that victories are earned by hard work and knowledge, not by press releases and self-promotion. He was fond of saying that man is made to wear out, not rust out, and that is the way he lived his life.

He was a man who was proud of his heritage and who respected the past, but he was a man who pushed and shoved his colleagues into the reality of the future. He recalled that he began service in the era of the Springfield rifle, and he ended his service in the era of the Polaris submarine and the intercontinental ballistic missile.

Quite simply, Carl Vinson was a man whose roots were founded in his native Georgia, and whose vision was fixed upon the future.

He was one of those rare individuals who could see beyond the immediate to read the challenges and perils which lay over the horizon. That is why he fought to establish the modern Navy, and why he went on to foster the development of our great military air power.

Through it all, he turned aside personal honor and personal riches. He figured that his fellow Georgians had elected him to do his job as it should be done, and it never occurred to him to do any less.

Mr. Speaker, Carl Vinson was a man who came off the farm, earned an education, and was elected to public office through hard work and personal integrity. He honored that office by becoming a national leader, and he will honor the Congress forever by the record of achievement that he left behind.

I am proud to have known him. I am proud that he was a Georgian. But most of all, I am proud of what he did for his country.

There are no words we can speak or monuments we can build which would be a greater testament to him than the achievements which he himself attained.

Thank you.

□ 1030

Mr. LEVITAS. Mr. Speaker, will the gentleman yield?

Mr. EVANS of Georgia. I yield to my colleague from the Fourth District of Georgia (Mr. LEVITAS).

Mr. LEVITAS. Mr. Speaker, I rise to join my colleagues in paying tribute to Carl Vinson, the distinguished former Congressman from my State who died on June 1 at the age of 97. Carl Vinson served in this body for over 50 years, longer than any Member in the history of the House. But we are not here merely to honor longevity or endurance, for Vinson was an outstanding legislator, with a unique sense of duty and love of country, a firm appreciation for the necessity of civilian control of the military, and a keen idea of the role of a representative in our Government. Carl Vinson was a towering giant in the Congress and truly one of the great figures of American political history.

When Carl Vinson came to Congress in 1915, Woodrow Wilson was in the White House, World War I was just beginning, and America was only then embarking on the dramatic development which would transform it from a somewhat provincial and isolated hemispheric force into the world's preeminent military and economic power. Congressman Vinson played a crucial role in that transformation, as this country's foremost authority on defense matters.

Born in Baldwin County, Ga., on November 18, 1883, he was educated at Georgia Military College and Mercer University Law School. After serving as Baldwin County prosecutor, State representative, and Baldwin County judge, he was elected Representative to the 63d Congress in 1914, and reelected to 25 successive terms before his voluntary retirement in 1964.

Vinson soon became an expert in military affairs, rising to the chairmanship of the Naval Affairs Committee in 1931. During the dark days of the 1930's, while an isolationist America slept, he was an unstinting advocate of military preparedness. Described as the "long, loud, and lonely advocate of a big Navy," he pressed for enlargement of the Navy as America's major deterrent against aggression and laid the foundation for the two-ocean Navy. He pushed through further naval expansion in 1938, 1939, and 1940, improvements which allowed the Navy to rebound from the disaster at Pearl Harbor and become a vital factor in winning World War II. Carl Vinson knew that there can be no lasting peace without strength.

After the unification of the armed services and the concurrent congressional reorganization in the late 1940's, Vinson became chairman of the new Armed Services Committee, where he continued his support for a strong national defense. In 1949 he introduced and pushed through legislation calling for a 70-group Air Force. Mr. Vinson's firm grip on his committee, his unequaled mastery of defense information, and the respect of his colleagues allowed him to carefully steer military bills through the Congress. Speaker Rayburn often referred to him as "the best legislative technician in the House."

I would like to take a moment to relate to this body a personal memory about Mr. Vinson, which illustrates his ability to differentiate between narrow and national interests. While at the 1964 Democratic Convention in Atlantic City, I, and another Georgian, then a State legislator, met with Congressman Vinson. The State legislator was at that time contemplating a race for Congress, and was seeking advice and counsel. After a long political conversation, he finally asked Mr. Vinson whether a Congressman should represent the interests of his district or of the country as a whole? Mr. Vinson without hesitation shot back—

If you don't represent the Nation as a whole and have your horizons beyond the limits of your Congressional district, we don't need you in Congress.

He then quickly added—

By the same token, if you're not representing your district you won't be in Congress long enough to make a difference.

Carl Vinson represented both his district and this Nation, and made a difference that free Americans feel every day.

Mr. EVANS of Georgia. I thank my colleague.

● Mr. ROSTENKOWSKI. Mr. Speaker, it is with a sense of great loss and sorrow that I now pay tribute to the late Carl Vinson, the former chairman of the Committee on Armed Services.

It seems virtually impossible to overstate the accomplishments of a man who not only served in this Chamber for 50 years, but who was for an entire generation the dominant force in the formulation of our Nation's defense policy.

As the late Speaker McCormack said in reference to Chairman Vinson:

Pages of American history will carry the great record made by this great American and outstanding legislator.

There is no man who has done more for our national defense.

Having had the honor of serving with Chairman Vinson, I always admired his no-nonsense style and ability to expedite complicated legislation. To refer to him as anything other than a master of the legislative process simply would fail to do justice to his skills. Chairman Vinson's appetite for hard work, his diligence, his genuinely keen desire to be professional can only be viewed as the endeavors of a man who truly possessed stature.

Chairman Carl Vinson—a dedicated public servant, a man of unquestioned integrity, a credit to this institution—will long be missed by this Member of Congress.●

● Mr. BOLAND. Mr. Speaker, I appreciate this opportunity to pay tribute to the late Honorable Carl Vinson, who passed away on Monday, June 1, 1981, at the age of 97.

Chairman Vinson's 50-year career in the House is the longest in the history of the Congress. Even more remarkable than the length of Congressman Vinson's career is his monumental record of accomplishment. From his election in 1914 until his retirement in 1964, he served the people of Georgia and the entire Nation with dedication, diligence, and distinction.

As chairman of the House Armed Services Committee, Carl Vinson worked tirelessly to increase America's

ability to defend herself. No individual has left such a significant mark on our Nation's defense programs. It is unfortunate that Mr. Vinson was unable to see the nuclear carrier U.S.S. *Carl Vinson* become fully operational. This magnificent craft, our fourth nuclear-powered aircraft carrier, was launched in 1980 and is now being fitted out. Once fully operational, the U.S.S. *Carl Vinson* will be a fitting memorial to one of the greatest figures to inhabit the Halls of Congress.

I join the Members of the House in saluting Carl Vinson and expressing our sympathy to his family. He was a great lawmaker, a respected leader, and a distinguished patriot. He has left an impression on the Congress and the Nation which will never be erased.●

● Mr. BENNETT. Mr. Speaker, it is a distinct honor for me to speak in tribute to my former colleague and dear personal friend Congressman Carl Vinson. It was through his intervention that I was placed on the House Armed Services Committee, and I served with sincere pleasure under his great leadership for many years. He was a close personal friend and an inspiration to me as he strove to prevent war by seeing to it that if war should come our country would win it. "Peace through strength" was his motto. The message is as true today as it ever was.

It is rare for any of us in our lifetime to have known a legend, rarer still to have had the privilege of working with one. I treasure the opportunity I had of serving with Carl Vinson in the Congress for nearly two decades. When he passed away last week at the age of 97, I lost an old and true friend, and America lost a true statesman.

Carl Vinson served the good people of Georgia in the Congress for over a half-century. He has been gone from these halls for over 16 years now, but his belief in a bold national defense still serves as a beacon to all of us who believe in a strong America. Each day as I walk to that grand old committee room which bears his name, I am reminded not only of his commitment to strength, but to peace. His words of 60 years ago still echo here: "I devoutly hope the casting of every gun and the building of every ship will be done with a prayer for peace."

Carl Vinson was first elected to the House at the outbreak of World War I. He became chairman of the Armed Services Committee the year I came to Congress and served there until his retirement at the age of 81. And what a record he achieved.

He was the father of the Air Force and the founder of the Vinson School of National Defense. It is said he ran the Pentagon from his office on Capitol Hill. He served under eight Presidents and outlived them all.

Carl Vinson is gone now. No longer will he walk the red clay hills of Georgia or the marble Halls of Congress. Yet his memory and his dream will continue to serve as an inspiration to all of his countrymen as America stands ready, thanks to him, to meet the challenges of a new era.●

● Mr. DERWINSKI. Mr. Speaker, I join my colleagues in paying this special tribute to a man whom I had the great privilege of serving with in the House during the last three terms of his historic tenure in office. Carl Vinson, one of the most powerful political figures in Washington from 1914 to 1965, served in this body longer than any other person in the history of Congress. He left an indelible mark through his many contributions to the leadership of this country.

"Mr. Defense," as he was called as a result of his effectiveness in building a powerful military, Carl Vinson was a driving force behind the Navy's growth during World War II, and he was responsible for the launching of the two-ocean Navy. As longtime chairman of the House Naval Affairs Committee, Vinson was instrumental in pushing through appropriations to build up the Navy to its formidable proportions by World War II. The U.S.S. *Carl Vinson*, a nuclear carrier, was the first major Navy ship named after a person still living, which was a great tribute to his many contributions to the Navy.

Serving as chairman of the Naval Affairs Committee from 1931 until 1947, and then chairman of the Armed Services Committee from 1949 until his retirement, Carl Vinson's distinguished career represents a lifetime of governmental achievement. He was a man of power and influence, who held fast to his convictions and followed the course in which his judgment and good sense directed him.

The strength of his personality and his skill as a leader, a statesman, his dramatic career, and numerous achievements made him a striking, unique figure of our time.

The people of America have lost a dedicated public servant who undertook many tasks asked of him with boundless energy, enthusiasm, and effectiveness. Once Carl Vinson was determined to do something, he was relentless in his tireless efforts to achieve his goals. His long and distinctive leadership has made a lasting impact not only in the Congress but also on the entire country.

Carl Vinson was a man who was truly dedicated to being a most effective spokesman for our country, its institutions, and its people. His is a legacy all Amercians can be proud of.●

● Mr. ADDABBO. Mr. Speaker, in the history of this great country some men, men with very special qualities and goals, have risen above all others to strive to make our Nation great. They have been individuals of vision, character, sacrifice, and dedication. They have been Americans who have faced the challenges of our times squarely and with firm resolve, never ceasing their push forward until they had succeeded. They were loyal, honest, and oftentimes daring, although never reckless.

Mr. Speaker, last Tuesday, one such man passed away at the age of 97. His name was Carl Vinson, a name that will forever remain synonymous with military preparedness. I am sure I speak for many of us here today when I say our Nation has lost one of the finest Americans and public servants it has ever produced and that the House of Representatives has lost a man whose ideals and lessons will live forever in these Halls.

I had the distinct privilege of serving with Mr. Vinson before he retired from Congress. Never have I met a man more dedicated to keeping this Nation safe and strong, ready and moving forward. When he retired in 1965 after an unprecedented length of stay in Congress of 50 years, I lost a trusted friend and colleague, a man who loved his work and his country as no man before him.

From 1931 until 1947 he was chairman of the House Naval Affairs Committee and except for 1953 and 1954, when the House was in the hands of the Republicans, was chairman of the House Armed Services Committee from 1949 until his retirement. It was in those two capacities he devoted his energies into making our national defenses strong, mobile, and widespread. He was a man who fought hard for the U.S. Navy to have a two-ocean fleet, a fleet which today protects our vital interests around the world. He was a man of great initiative who perceived correctly the strategic importance of developing a formidable air force. There is virtually no area of our Armed Forces that do not bear the imprint of his years of service in Congress, including the U.S.S. *Carl Vinson*, a nuclear-powered aircraft carrier named in his honor while he was alive. No finer honor could have ever been bestowed upon a man more concerned with keeping our Armed Forces ready to defend our country.

Our Nation has lost a man who will never be replaced and I have lost a friend I shall miss very much. I am pleased that Carl Vinson died secure in the knowledge that he did his very best and that his country will long be greatful that he did.●

● Mr. FOWLER. Mr. Speaker, last week Carl Vinson died, but this occasion today should not be so much one of mourning for his passing as of celebrating his very full 97 years of life.

For the legacies of Mr. Carl's career are all around us and will continue to keep his memory alive long after we have departed the Congress:

The modern U.S. Navy, which in large part he created as chairman of first the House Naval Affairs Committee and later the House Armed Services Committee;

An unswerving commitment to military preparedness, but also to the principle of civilian control of the armed services;

A firm respect for and mastery of parliamentary procedures, including the seemingly out-of-fashion trait of courtesy; and

A living demonstration that government can meet legitimate national needs when directed by competent and dedicated public servants.

We are all in his debt, but those of us from Georgia feel a special pride for this man who, though a confidant of Presidents and a keeper of the mighty arsenal of American democracy, always remained a citizen of Baldwin County.●

● Mr. JENKINS. Mr. Speaker, on June 1, my State lost a great Georgian and our country lost a great American.

Carl Vinson lived to be 97 years old; he served in the U.S. House of Representatives longer than any other Member. His remarkable career, which encompassed the administrations of eight Presidents, spanned a period of unparalleled change and advancement in the area of defense weapons alone, from the crude and almost primitive to the most sophisticated.

Before retiring at the age of 81 years, Mr. Vinson chaired the powerful House Armed Services Committee for 14 years. The defense of our country was a first priority with him. His dedication to this principle earned him the name of "Mr. Defense." He acquired the name of "Swamp Fox" as a tribute to his canny flair for House strategy.

It was this understanding of the Congress and mastery of its workings, combined with his determination to make the United States a military power second to none, that led Fleet Adm. Chester W. Nimitz to say:

I do not know where this country would have been after December 7, 1941, if it had not had the ships and the know-how to build more ships fast, for which one Vinson bill after another was responsible.

For his unequaled contributions to defense, Mr. Vinson during his lifetime received every tribute. The House Armed Services Committee Room bears his name. He received the Medal of Freedom, the highest civilian award in our Nation. When the U.S.S. *Carl Vinson* was launched last year, it marked the first time in our history that a Navy ship was named for a living American.

For all his power, accomplishment, and honor, Carl Vinson remained a man of simple tastes and basic beliefs. For all the widely reported colorful eccentricities of his personality, Carl Vinson remained a man of feeling and character. He was a gentleman in the best sense of the word. He lived and conducted his work with honesty and great dignity. Herein lies the true secret of his greatness. Carl Vinson was an unpretentious model of personal integrity and energetic commitment to the national interest always.

The life of Carl Vinson was long; it was good; and it was productive. The life of Carl Vinson should be studied, lauded, and emulated. I did not have the privilege of knowing Carl Vinson very well personally, but I take pride in the fact that I share with him the common heritage of State and Nation.●

● Mr. McCLORY. Mr. Speaker, it was my privilege when I came to the Congress in 1963 to become acquainted with the late former Representative Carl Vinson, whose memory we extol today.

Mr. Speaker, the privilege of this association, the opportunity to observe Carl Vinson in action on the floor of this Chamber in behalf of measures promoting our national security, are among the most treasured experiences of my entire career of service in this body.

Carl Vinson was a decent, honorable, completely forthright and candid individual who earned a large part of his reputation by reason of the faith and confidence which other Members of this body were able to repose in him. His judgment was as infallible as human judgments are capable of being. His knowledge of our defense needs and potential exceeded that of any of his colleagues and equaled that of many who served professionally in the armed services of our Nation.

Mr. Speaker, this exceptional quality of leadership and representation in this great legislative body merits the praise and respect of all of our citizens. Indeed, Carl Vinson is honored even beyond our national borders by political and military leaders from around the world. We mark with sadness and deepest gratitude today the passing from the scene of a truly outstanding American.●

● Mr. NATCHER. Mr. Speaker, I join with my colleagues in the Congress today, in paying tribute to Carl Vinson, who was one of our distinguished leaders in the House of Representatives for many years. An able, dedicated Member of the House of Representatives and holder of the all-time record for service in this body, with over 50 years service.

He was a dedicated public servant who was familiar in every detail with the rules he helped to establish. As chairman of the Armed Services Committee for many years, he always succeeded in passing his bills, giving full answers to all questions that were propounded by any of the Members concerning any part of the legislation. His concept of public trust was without parallel and never did he hesitate to speak out against any proposal which he felt was not sound and not in the best interest of our people. Words are inadequate to fully appraise Carl Vinson's tremendous capacity for loyalty and love of his country. In every position he held, either private or public, he achieved distinction, and his service in all of his assignments was marked by a high sense of conscience and duty.

Carl Vinson will have a high place in the history of this country and in the hearts of his countrymen. His character, his achievements, and his faithful service will be an inspiration to generations yet to come.

Mr. Speaker, I extend my deepeest sympathy to the members of his family.●

● Mr. GINGRICH. Mr. Speaker, on Monday, June 1, we not only lost a great Georgian—we lost a great American.

To fellow Members of the House of Representatives Carl Vinson was a legend—as Mr. Defense and as a man who could win reelection 25 times.

But back home in Milledgeville, Ga., he was Uncle Carl. A real "Georgia boy," he was born in 1883 in Milledgeville, attended Middle Georgia Academy and Agricultural College—now the Georgia Military Academy—and received his law degree from Mercer University in Macon.

Mr. Vinson started his congressional career in 1914 and served until his retirement in 1965—longer than anyone in history. And that was just the beginning. Except for 1953 and 1954, when the Republicans controlled Congress, he was the chairman of the House Armed Services Committee from 1949 until his retirement.

Carl Vinson was a mighty figure in public life. In 1950, when mentioned as a possible Secretary of Defense, the House rose to give him an ovation. Mr. Vinson dismissed all suggestions that he take the post saying, "Shucks, I'd rather go on running the Pentagon from up here."

Carl Vinson was also a man who could look to the future when thinking about our country's defense. He was an early and strong supporter of airpower. And during World War II, Fleet Adm. Ernest J. King, Chief of Naval Operations, had such respect for the Georgia Democrat that he relied on him to put through programs that lacked support elsewhere in Government.

Our Nation's fourth nuclear carrier is named the U.S.S. *Carl Vinson.* But it is hard to imagine how many areas involving our present day Navy and armed services bear the mark of Carl Vinson and his years in Congress.

Carl Vinson was a good politician and he knew his own power, but he was more concerned that the military

remember that it served under the direction of a government elected by civilians.

I could go on and on talking about Carl Vinson the man, his achievements, and his career. But one of the best things we can say about Carl Vinson is that he led a full and rich life knowing that he could return to Milledgeville confident he had done his life's work well.

If you have never been to Milledgeville, Ga., it is a beautiful town nestled almost right in the middle of our great State. It is a good ways from Washington and not very close to the ocean. It is a high tribute to an outstanding leader that he could be such an important part of events and activities so far away, but still come home to Milledgeville, Ga., as "Uncle Carl."●

● Mr. DE LA GARZA. Mr. Speaker, having come to the Congress in 1965, the 89th Congress, I missed the opportunity of knowing and working with Congressman Carl Vinson—a man I greatly admired.

It is nothing less than fitting and proper that we today honor him because I feel no one will ever again match the record of service this dedicated gentleman made to his country. His tenure of 50-plus years is a record.

When I first came to Congress and was in the Cannon Building there were still those who had served with him in that building where he kept his office for so long before being one of the first tenants to move into the Rayburn Building where the House Armed Services Committee room is fittingly dedicated to him.

But despite all this I felt as though I knew him. In fact, my predecessor, Joe Kilgore, served under Chairman Vinson on the House Armed Services Committee. When he would come home he regularly mentioned this great American in his speeches. I feel as though he is a part of my heritage.●

● Mr. FORD of Michigan. Mr. Speaker, I am honored to have the opportunity to speak today in memory of a great man who has done much for the betterment of America, Carl Vinson. The former Member of the House of Representatives died last week after giving over half a century of service in the Congress.

Mr. Vinson was dedicated to maintaining a strong national defense for the protection of this country throughout his congressional career. From the time he was first appointed to the Naval Affairs Committee in 1914, until he retired as chairman of the House Armed Services Committee, Mr. Vinson remained steadfast in his conviction for guaranteeing that America would be "safe for democracy."

In 1965, as a freshman Congressman, I soon realized that the legacy of Carl Vinson and his role as a benefactor to this Nation was fresh in the minds of my colleagues. His hard work and perseverance, which helped prepare America for her dealings with the foes of the free world prompted the Georgian statesman to declare:

I don't go along with the prophets of doom. We are the world's leading nation. We will continue to be the world's leading nation.

Let us hope that the ideals and aspirations of this honorable man have not passed with him, but rather that the idea of a strong and free America will take root as an everlasting tribute to this great public servant, Carl Vinson.●

● Mr. HATCHER. Mr. Speaker, I wish to join with the other members of the Georgia delegation and the 97th Congress in paying tribute to former Representative Carl Vinson of Georgia who died last week at the age of 97. As a congressional leader, Georgia statesman, and Christian gentleman, Carl Vinson made a lasting contribution to this great Nation. His 50 years of service in the U.S. Congress serve as an inspiration to us all.

First elected to the Congress in 1914, Carl Vinson served with nine American Presidents ranging from Woodrow Wilson to Lyndon Johnson. As chairman of the House Naval Affairs Committee for 16 years and as chairman of the House Armed Services Committee, Vinson became the Nation's foremost proponent of a strong national defense and was the father of the United States modern Navy. Through this strength and leadership he helped to forge America into the premier world power of the 20th century.

Throughout his career, Vinson served his people with dignity and honor. He was indeed a model Congressman whose dedication and loyalty to his constituents was matched by a great love for his State and his Nation. He was a man of great humility, integrity, and conviction. He represented the very best that American Government has to offer.

In his first speech to Congress, Vinson established a strong foundation for his tenure in office by stressing the importance of a strong and stable America at peace. "I devoutly hope that the casting of every gun and the building of every ship will be done with a prayer for the peace of America," he stated. "I have at heart no sectional nor political interest but only the Republic's safety."

Today, let us remember these words as we remember the contributions of this great man. And let us recommit ourselves to the high ideals of American government for which he stood.

Carl Vinson truly served us well.●

● Mr. McDONALD. Mr. Speaker, a legend has departed this land. Carl Vinson was "Mr. Navy" to generations of navymen. Strong salty admirals had their knees turn to jelly it is said upon being informed they were to testify before Carl Vinson. We need more of his kind today. But for his work it might have taken a lot longer for our Navy to regain control of the seas during World War II. However, his interest was also in the broader range of defending our country and he was also known as Mr. Defense to some.

His service to his country, the Congress and his home State of Georgia was exceedingly long and honorable. He was the prosecuting attorney of Baldwin County from 1906 to 1909. He was a member of the Georgia State House from 1909 to 1912 where he served as speaker pro tempore in 1911. He served as a judge in the county court in Baldwin County from 1912 to 1914. Following this he served 50 years in the House of Representatives from 1914 till 1965. While in the House he was also called the Swamp Fox for his grasp of parliamentary procedures and strategies in guiding his bills through to passage.

It is indeed fitting that there is a nuclear aircraft carrier being fitted out called the U.S.S. *Carl Vinson.* This will be a really fine tribute to the man who contributed so much to our two-ocean Navy in the past. Hopefully, the U.S.S. *Carl Vinson* will sail proudly with a new two-ocean Navy, and the Honorable Carl Vinson can rest easily knowing his country is well defended.●

● Mr. MONTGOMERY. Mr. Speaker, I appreciate the gentleman from Georgia arranging for this special order this afternoon in order that we might pay tribute to the late Carl Vinson.

It was not my privilege to serve with Chairman Vinson, but as a member of the House Armed Services Committee I am very much aware of the tremendous contributions he made to America's national defense during his long and distinguished career in the U.S. House of Representatives. The spirit and philosophy of Carl Vinson for a strong Armed Forces as a means of preserving world peace is still very much evident in our committee.

Mr. Speaker, one of the most important legacies Carl Vinson left to his fellow Americans was his successful effort to build a strong U.S. Navy. He long ago recognized the need for the United States to be able to assure that the sealanes of the world remain open to free and open trade between all countries. And more importantly that the United States have access to critical raw materials that we do not have within our own borders. Today we do have a strong and capable Navy and I believe it is thanks mainly to Chairman Vinson.

There will never be but one Carl Vinson and we can be thankful that he dedicated his life to public service in the Congress. We who follow in Chairman Vinson's footsteps will never be able to fill his shoes, but by

trying to do so we will be committing ourselves to maintaining a strong and free America.●

● Mr. ZABLOCKI. Mr. Speaker, few if any have ever matched the achievements of Carl Vinson both in Congress, and as promoter and defender of the vital defense interests of this country. He was of the rare breed who is a master of legislative processes, and at the same time clearly sees the national policy needs and goals.

As a small town lawyer and politician from Milledgeville, Ga., he never lost his touch with the common folk back home during his record 50 years service in the House. Yet in Washington, he justly deserved the sobriquet "Swamp Fox" for his legislative skills in the National Capital.

Carl Vinson probably will be remembered most for his efforts over the years in behalf of our Armed Forces, starting with the pre-World War II years when too many Americans were infected with pacifism, isolationism, and antimilitarism. As chairman of the House Naval Affairs Committee before Pearl Harbor, he along with other distinguished Americans, President Franklin Delano Roosevelt and Speaker Sam Rayburn, labored hard to raise U.S. defense preparedness at least part way toward the strength they knew would be necessary in the years to come.

When I came to Congress as a freshman 32 years ago, "Admiral" Vinson was already long established as a power in the House of Representatives as chairman of the Armed Services Committee and as a leading guardian of the Defense Establishment. It was an honor for me to have been associated with him as a legislative colleague over the following years until his retirement in 1964. He still stands today as one whose example we should follow in terms of devotion to our country.●

● Mrs. HOLT. Mr. Speaker, I never had the privilege of knowing the late Carl Vinson, but I have felt his presence strongly in the 8½ years I have served on the House Armed Services Committee.

It is evident that Carl Vinson was a leader of immense vision and total commitment to our national security. He earned the deep respect of his countrymen and world leaders abroad.

The soft-spoken but awe-inspiring gentleman from Milledgeville, Ga., was a legendary figure who was instrumental in enacting monumental legislation to prepare the United States for World War II. He correctly foresaw the need for a great and modern U.S. Navy.

Mr. Speaker, all Americans are deeply indebted to this great person. He is gone. But his sense of commitment to a viable national defense capability will not be forgotten.●

● Mr. GIBBONS. Mr. Speaker, I had great admiration for Carl Vinson. He was, as everyone knows, a great American who loved his country and thought it should be second to none.

Carl Vinson had another side to his personality—and that was that he was a warm, considerate person. I had many delightful conversations with him, and I will long remember his advice and counsel.

All of us are proud of Carl Vinson, and the mark he made on history will be long remembered.●

● Mr. MAZZOLI. Mr. Speaker, I would like to join my colleagues in the House of Representatives in paying tribute to former Congressman Carl Vinson, who passed away recently.

Even though "Uncle Carl" had completed his celebrated 50-some years of service to the House, the people of Georgia, and the Nation. When I was elected in 1970, his name was still echoing in the Halls and Chambers of the Congress then—as now.

His work—especially in the area of national defense—deserves the accolades of all freedom-loving Americans who, in many ways, owe the safeguarding of these cherished freedoms through many of the turbulent years of the mid-20th century to this man. His powerful leadership of the House Armed Services Committee produced excellence in our military services as well as worldwide military superiority.

I extend to his family and loved ones my sincerest condolences.●

● Mr. CORRADA. Mr. Speaker, I join my colleagues today in paying tribute to Carl Vinson who passed away last week at the age of 97.

Although I did not have the pleasure of serving with him in the House of Representatives, his legacy, after 50 years of service, is felt by every Member of this body.

His service to our country and his dedication to maintaining a strong national defense is well known to all of us. For this we owe him a debt of gratitude and I am sure he will not be soon forgotten.●

● Mr. HARTNETT. Mr. Speaker, it is with great honor that I join my colleagues in a tribute to former Congressman Carl Vinson. Known as Mr. Defense, Congressman Vinson served in the House of Representatives longer than anyone in history, from 1914 to 1965. His dedication and commitment to our country's national defense was unsurpassed.

Following in the footsteps of Mr. Vinson, was Mendel Rivers, the former South Carolina Congressman who represented the district which I now serve. Both men were chairman of the House Armed Services Committee and are widely known for their great accomplishments toward preserving our national security and making America a superpower among the world.

Although a soft-spoken man, Mr. Vinson possessed a wealth of knowledge and understanding that will surely be missed.●

Mr. EVANS of Georgia. Mr. Speaker, I would like to announce at this point that I will be introducing a resolution to have the remarks of my colleagues in tribute to Congressman Vinson bound and would urge their cosponsorship of this resolution.

Mr. Speaker, I yield back the balance of my time.

PERSONAL EXPLANATION

(Mr. EVANS of Iowa asked and was given permission to address the House for 1 minute.)

Mr. EVANS of Iowa. Mr. Speaker, during the week of June 1, 1981, I was absent due to official business as a member of the Committee on Agriculture. During that time, I missed rollcall votes Nos. 54–64. Had I been present, I would have voted as follows:

Rollcall No. 54, on suspending the rules and passing H.R. 3499, the Veterans' Health Care Act of 1981, I would have voted "aye";

Rollcall No. 55, on suspending the rules and passing H.R. 2136, the construction and acquisition of national cemeteries, I would have voted "aye";

Rollcall No. 56, on suspending the rules and passing H.R. 3337, the Youth Employment Demonstration Amendments of 1981, I would have voted "aye";

Rollcall No. 57, on suspending the rules and passing H.R. 1100, the Prisoner-of-War Benefits and Health-Care Services Act of 1981, I would have voted "aye";

Rollcall No. 58, on suspending the rules and passing H.R. 3423, the Veterans Training and Business Loan Act of 1981, I would have voted "aye";

Rollcall No. 59, on suspending the rules and passing H.R. 2039, the veterans' home loan guarantees, I would have voted "aye";

Rollcall No. 60, on suspending the rules and agreeing to House Concurrent Resolution 76, expressing the sense of Congress for the Secretary of the Army to place a plaque in Arlington Cemetery for Armed Forces members who died in the Iranian hostage rescue attempt, I would have voted "aye";

Rollcall No. 61, on the preferential motion by Mr. CONTE to concur in Senate amendment No. 17 to the conference report on H.R. 3512, supplemental appropriations for fiscal year 1981, I would have voted "aye";

Rollcall No. 62, on the amendment by Mr. KOGOVSEK to deauthorize the Department of the Army from acquiring 244,000 acres of land in Colorado to be used for training purposes by Fort Carson, I would have voted "no";

Rollcall No. 63, on the amendment by Mr. BONIOR of Michigan to deauthorize the construction of the Pine Bluff, Ark., binary chemical weapons facility, I would have voted "no"; and

Rollcall No. 64, on final passage of H.R. 3455, military construction authorizations for fiscal year 1982, I would have voted "aye."

ENFORCE SPENDING CUTS

(Mr. SMITH of Alabama asked and was given permission to address the House for 1 minute.)

Mr. SMITH of Alabama. Mr. Speaker, I urge my fellow colleagues to take whatever action is necessary to hold outlays near the fiscal year 1981 target of $695.45 billion earlier set by Congress.

Any attempts to exceed the budget outlay target should be viewed as a deliberate sabotage of the expressed will of Congress and the American people.

The leadership is headed for a collision with the people's party if it tries to restore the $35 billion Congress asked the House and Senate committees to cut in the blueprint we adopted last month.

It is insincere—little more than a charade—to ask committees to meet their targets for program cuts while at the same time encouraging committee members to propose amendments that would restore money for social programs and exceed those targets.

The House leadership is mistaken when it says that the President does not understand the working class in America. It is the House leadership that is out of touch with the working people in this country. It is still singing the same old tune of higher taxes, higher spending, and confused priorities while three out of five Americans support the President's proposals to cut Federal spending and reduce taxes.

If the House leadership understood working America, there would be no need to compromise on whether or not taxes should be reduced. It would know that 7 out of 10 Americans, 69 percent, feel spending 2 hours and 49 minutes each day on the job from January 1 until May 10 just to meet tax obligations is beyond their call of duty.

What the administration is trying to do is simple. It is trying to avert economic assistance, bring under control a Federal deficit that was rolling along at nearly $60 billion a year when I took office, reduce the role of the Federal Government in our lives, and restore State and local responsibilities to State and local governments. The administration is trying to return commonsense, sanity if you will, to the problems that confront us.

The American people cleaned house last November and they have every right to topple the house the leadership built if Congress does not get its house in order and put to rest its wornout tax-and-spend approach to meet our every need.

UNITED STATES SHOULD NOT CONDEMN ISRAEL NOR SHUT OFF AID

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 60 minutes.

Mr. KEMP. Mr. Speaker, before everyone rushes to judgment about Israel and its recent air strike on the nuclear reactor near Baghdad, and before the administration makes a decision on whether or not it should meet a planned delivery of F-16's to Israel, which I understand is imminent, I would like to share my prespective on this issue. I have just returned from Israel; I flew all night to be here for this session of Congress. I recognize that there are not many Members of Congress in the Chambers today because of this pro forma session, but I consider this issue so very important, and I want to answer some of the hysteria that surrounds this Israeli strike on Iraq's nuclear reactor.

I wanted to take this time therefore to bring the perspective of someone who has been on the scene for the last 5 days in Israel.

I was in Israel at the invitation of the Israel-United States Chamber of Commerce, and gave a speech Sunday in Tel Aviv to that prestigious group of Israeli business leaders. I met with Prime Minister Begin, Sunday morning and with the Finance Minister, Mr. Yoram Aridor a good friend of mine. I also had the pleasure of visiting with the shadow cabinet of Shimon Peres on Sunday, and was planning to leave for the United States Monday night when news came that the Israel Air Force had taken out what is called Tammuz I reactor, the Iraqi nuclear facility, which was to become operational, that is, active, in July or August, according to Israeli intelligence and other informed sources.

I canceled my trip back, decided to ask for a meeting with Prime Minister Begin—which he graciously granted. Tuesday morning, before his emergency Cabinet meeting at the Knesset, I met with Mr. Begin, General Sharon, and the Chief of Intelligence, General Sagi. I also had meetings with Ambassador Samuel Lewis and the Army attaché at the American Embassy in Israel, before flying to Matulla, a small town near the Golan Heights just south of the Lebanese border. There I met with Saad Haddad—Major Haddad is the leader of the Free Lebanese Army—and Christian Lebanese who are working with the Moslems and Druzer in Lebanon to free their country from the threat of takeover by Syria and the PLO.

Let me say, parenthetically, that I am going to make further remarks on the subject of Lebanon and the Lebanese crisis at a later time. But I would say that anyone in this Chamber or in this country who does not recognize that Lebanon, once a peaceful country, which would have been a signatory to the Camp David accords but for the pressure of Soviet interference and Syrian and PLO domination, has become a tragically war-torn and beleaguered country. It almost brings tears to one's eyes to talk about what is happening in Lebanon to Christians and Moslems alike who are trying to free Lebanon of outside trespassers.

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Let me say further that Syria right now controls 45 percent of Lebanon, and the PLO controls 20 percent, so two-thirds of Lebanon is dominated by Syria and the PLO, clients of the Soviet Union.

We all pray and hope that Philip Habib's mission is a success. It is very important to this country, to Israel, and to people in the Middle East.

But I did want at least to say that behind the Syrian move into Lebanon is not only the irredentist view of "Greater Syria," which has been held by Syria for many years, but also the heavy hand of the Soviet Union. One always needs to take Soviet designs into account when viewing the Middle East from a perspective of reality.

I would like to summarize, Mr. Speaker, my views on the Israeli air strike on the reactor in Iraq, which has caused such consternation in many circles and on many newspaper editorial pages.

I hope my colleagues will not rush to judge Israel. I am disappointed, Mr. Speaker, that the State Department condemned Israel before all of the facts were in. But let me say that I am particularly concerned and disturbed, frankly, that there has been no condemnation of Iraq for its attempt to develop a nuclear arms threat, nor of France and Italy for encouraging Iraq.

I am sure that in many Arab countries right now, in their heart of hearts, people are glad that Israel took out that nuclear reactor. They will not say it. But clearly Iraq's incipient nuclear capability was a threat not only to Israel, but to its Arab neighbors as well, and a threat to the stability of the Middle East. Particularly in view of the rather extreme statements that have been made in the last few years by Saddam Hussein, the Iraqi leader, it seems to me that one should be very careful before making a judgment about Israel's attempt to, in Menachim Begin's words, prevent a holocaust in the Middle East. Newspapers today quoted him as saying, "There will never be another

holocaust in the history of the Jewish people. Never again, never again!"

One cannot help but admire a nation and a leadership that sees so clearly its self-defense and its needs for survival. That does not mean that one should endorse every act or every statement of Israel or its foreign policy. But as someone who has followed this issue for quite some time and has met personally with many of the Israeli leaders, both in the Labor and Likud Parties, I want to make this point here today: After exhaustive diplomatic efforts, not only by Israel, but by the United States, to get Paris and Rome to stop the transfer of nuclear technology and enriched uranium that would give Iraq the ability to develop nuclear weapons, and to dissuade the Iraqis from developing this type of capability, it is my belief, Mr. Speaker, that Israel's action was not only inevitable, but justified, in terms of its self-interest and self-defense. As time goes on, I believe that Israel's action will be proven justified in the eyes of the free world as well.

Mr. LEVITAS. Mr. Speaker, will the gentleman yield?

Mr. KEMP. I would be glad to yield to my friend, the gentleman from Georgia.

Mr. LEVITAS. I thank my colleague, the gentleman from New York, for yielding. I want to compliment him both for taking the time to address this issue at a time when it needs to be addressed and also for the words that he has spoken. He is to be commended for the plea he has made to those of us in this body and to the administration to reserve judgment and to look at the facts surrounding this very critical event in the Middle East, the Israeli attack on the Iraqi nuclear reactor.

I think some of the points the gentleman has already made bear out a feeling that I have had since I heard the startling news, that is that the Israelis knew that their very survival was at stake. It was not a question of an aggressive, preemptive strike against a peace-loving neighbor with no hostile intent. It was a defensive measure, vital to the very survival of a small nation. It was not an aggressive act. It was self-defense. You do not have to wait until you have been hit to defend yourself. It may be too late then.

One has only to look at the geography of that part of the world. Israel is a tiny nation. The dropping of one or two or, at the most, three atomic weapons in that small area could totally destroy the State of Israel.

And is that farfetched? Indeed it is not, because of the very words of the President of Iraq over the past several years—that his purpose was the destruction of Israel.

We should recall that during the Kennedy administration's Cuban missile crisis, we were willing to confront the Soviet Union with a risk of war because of the threat posed to the United States by the presence of Russian missiles in Cuba.

Mr. KEMP. Let me take my time back for a few minutes to say that the gentleman is right on target with regard to the intent behind the drive to develop weapons. When Iran in September attacked Iraq's nuclear reactor, Saddam Hussein said to the Iranians, "Why do you worry? Our nuclear project is not aimed at you; it is aimed at Israel."

And the Iraqi Foreign Minster Hammadi recently said that he cannot tell the world, or the United States, that its purpose is not to develop nuclear weapons. And for an 86-month period, Iraq refused to allow the International Atomic Energy Agency to inspect the site of this reactor. At a time when Iraq is buying weapons-grade enriched uranium and seeking advice on how to build a nuclear weapons program, there should be a clear perception of the threat that the gentleman mentions. An Iraqi nuclear weapons capability poses a threat not only to Israel but to other Arab nations whose interests diverge from Iraq's anti-American posture.

I again yield to my friend, the gentleman from Georgia.

Mr LEVITAS. I thank my colleague for yielding, and I think the point he makes and the information he brings to bear on this underscores the point I was making.

There is another point I think has failed to receive adequate attention in this whole discussion, and again it relates to the relationship between the State of Israel and Iraq.

Iraq alone, of all of the nations involved in the 1948 war between the Arabs and Israel, did not sign the 1949 armistice agreement. Israel and Iraq are still in a state of war. How can an enemy in war protest the acts of its adversary?

Mr. KEMP. The gentleman is absolutely correct. Most of the nations surrounding Israel signed the armistice. Iraq is one of the few that technically is still at war with Israel, as the gentleman points out.

Mr. LEVITAS. And that is the point, I think, that must be made. Israel and Iraq are still in a state of war because Iraq failed to sign the armistice in 1949 and rejected the cease-fire at the end of the 1973 war.

So, therefore, Israel and Iraq are at war. It is only because the nations are not geographically contiguous that there is not ongoing hostility; that is coupled with the fact that Iraq has made its intentions toward Israel known.

The purpose of developing this atomic reactor in a nation as oil-rich as Iraq was certainly not to supply energy needs for that nation. It was quite clear. And I must say that there are many occasions when I wish and hope that our country exercises the same skill, the same will, and the same determination to protect our vital interests as the leaders of the State of Israel have done to protect theirs.

No one likes war. No one wants to see death and destruction. The death of any one person is tragic. Peace and stability in the Middle East is our goal. The most common word that you hear in Israel, is shalom, peace. Peace is more important to the State of Israel because of its location, because of its economy, because of its size, than almost any other country in the world. But the Israelis know that you cannot have peace unilaterally and you cannot have peace by being pushed around and waiting for your avowed enemies to destroy you. The Israelis have the will and the skill to protect their interests when they are threatened. In this instance, truly, the survival of the State of Israel was at stake, and the action taken was totally consistent with Israel's defense needs against a hostile enemy with whom they are still at war. In the last analysis this action may make a long-term contribution to peace, for peace comes through strength.

Mr. KEMP. Mr. Speaker, I commend the gentleman on his position in this matter.

The gentleman talked quite eloquently on behalf of Israel about the chances for peace in the Middle East. And I know the gentleman would also agree with me that, as the Soviet Union encroaches on the Middle East, with an eye to securing the oilfields, and a corridor to the Indian Ocean, and as the Soviets further trespass upon Africa, both north and south, it is of paramount interest to this country to be very careful not to view the actions of its allies from a one-dimensional perspective.

I was upset the other day at a letter released from the State Department which implied that Israel's attack on the PLO camp in Lebanon was somehow damaging the chances for the success of the Habib mission. Well, it is interesting that the Habib mission is still going on. Ambassador Habib is in Beirut today. He is going to go on to Damascus. He will end up this week with Mr. Begin in Jerusalem.

What threatens the success of Habib's efforts is not Israeli airstrikes, but the intransigence of a Syrian-PLO-Soviet coalition that exercises absolute control over two-thirds of Lebanon. Yet many of our opinionmakers in the United States seem to think that this external intervention is just an abstract concept. But the reality is harsh. There are 12 Soviet rifle divisions on the north border of Iran and Iraq, 20 divisions in Afghanistan, and the capability to activate another 30

divisions on the southern part of Soviet Russia. There is also the Soviet Navy in the Indian Ocean, in the Pacific Ocean, and in the Atlantic Ocean. Yet somehow our opinionmakers consider these issues to be just abstractions. They are not. And it takes a trip, sometimes, to a foreign country, maybe India, Israel, or Lebanon, to understand the real world and the very real problems confronting our Nation and our allies.

I want to make it clear, as I wind down my remarks, that I plan to introduce some further evidence into the RECORD at this point.

First a series of press statements revealing Iraq's intentions with regard to atomic weapons:

BAGHDAD, October 4, 1980 (Al Tawrah).—"The Iranian people should not fear the Iraqi nuclear reactor which is not intended to be used against Iran but against the 'Zionist enemy'." (Al Tawrah is the official organ of the Iraqi Revolutionary Command Council).

BAGHDAD, August 19, 1980 (Iraqi News Agency).—"President Saddam Hussein has stressed that a decision better than boycotting the states that move their embassies to Arab Jerusalem is to destroy Tel Aviv with bombs. He added that until the possibility of responding to the enemy with bombs becomes available, all available weapons must be used with the help of the Arab brothers. . . . The president concluded his speech by stressing that when the time comes for Iraq to vent its anger on the Zionist entity, it will do so."

LONDON, July 22, 1980 (The Times).—In a report on Saddam Hussein's meeting with journalists on July 21, 1980: "President Hussein implied several times that Arab nations would be able to use atomic weapons, adding after his denial of any intention to make a bomb—that enemy to be totally different in the very near future."

June 27, 1980 (The International Herald Tribune).—"Naim Haddad, senior member of Iraq's ruling revolutionary command council stated at a meeting of the Arab League in 1977: 'The Arabs must get an atom bomb. The Arab countries should possess whatever is necessary to defend themselves.'"

PARIS, January 31, 1980 (Al Watan al Arabi).—Saddam Hussein in an interview to the newspaper: "Any state which wants to use the atom for military purposes should reach a special scientific and technological level in all fields, not only in the nuclear field."

September 29, 1979 (Speech by Mr. Haidar).—Iraqi ambassador to Brazil on the occasion of the signing of a nuclear cooperation agreement: "If our enemy Israel is close to building an atomic bomb, or already has one, what prevents us from developing the same capacity?"

KUWAIT, November 30, 1976 (Al Kabas).—"Iraqi oil minister, Tayeh Abd el Karim, in a speech to OPEC ministers council on November 23, 1976 refused to comment on reports that 'Iraq will be the first Arab country to have the atomic bomb. However, he said, Iraq intends to use nuclear energy for peaceful purposes. The production of the atomic bomb should be a project which all Arab states should participate.'"

LEBANON, September 8, 1975 (Al Usbu Al Aradi).—"Saddam Hussein was reported to have declared that the acquisition of nuclear technology 'was the first Arab attempt towards nuclear arming although the officially declared purpose for the construction of a reactor was not nuclear weapons.'"

And second, Mr. Speaker, I read with interest the editorial in today's Wall Street Journal concerning Israel's strike in Iraq. In contrast to so many commentaries in this country and elsewhere that have condemned without bothering to understand, the Journal's analysis proceeds from a realistic assessment of the threat and the limited options available to Israel's leadership. I commend the Journal's insights to my colleagues' consideration.

The article follows:

MOURNING THE BOMB

An atom bomb for Iraq, we have learned in the last 24 hours, has become the latest great cause celebre of world opiniondom. Various governments, including our own, and a lot of pundits have been busily condemning Israel's raid on Iraq's nuclear reactor. Our own reaction is that it's nice to know that in Israel we have at least one nation left that still lives in the world of reality.

What is going on here: Iraq, awash in cheap crude oil, wants a big nuclear reactor. It rebuffs French suggestions to give up the original design and substitute one that does not need weapons-grade uranium, which is not suitable for use in reactors, but dandy if you want to use the reactor to breed plutonium for weapons. Faced with this evidence, the conclusion of world opinion has been—everything's OK, Iraq has signed the nuclear non-proliferation treaty.

This kind of silliness has a mysterious power to blind most who man foreign ministries, think tanks and editorial sanctums. Of course Iraq was building a bomb. Of course its intended target was Israel. Of course, given the Iraqi reputation for political nuttiness reaffirmed again in its starting a war with Iran, its atom bomb would also have been a danger to all its neighbors. We all ought to get together and send the Israelis a vote of thanks.

Israel, which is assumed to have its own atom bomb but not to have conducted a test explosion, was not acting out of some abstract concern with non-proliferation. It was pursuing its own national interest, and in its timing also no doubt Prime Minister Begin's political interest in the impending elections. Its pre-emptive strike was strong medicine.

This would not have been necessary, though, if the reality that marked the Israeli decision had been present in the United States' non-proliferation policy this last decade or so. These efforts more or less went out the window when the U.S. refused to take sanctions against India's "peaceful nuclear device," exploded in violation of an agreement with the U.S. After this show of irresolution, the U.S. could hardly expect to persuade, say, the French to pass up sales to Iraq. Soon the whole non-proliferation question was lost in the fog of international negotiation.

To give the worriers about Israel their due, there is always reason to be concerned that any military act could prove to be the spark in the tinderbox of the Middle East. But we have been under the impression that the Middle East wasn't a very peaceful place even before last Sunday. People were being blown up on the beaches of Beirut and in the redoubts of western Iran. To judge the extent of the silliness, notice that among the governments objecting is Iran, locked in war with Iraq. Is there any reason to doubt that there were sighs of relief in the Saudi palaces on learning that Iraq won't have a bomb soon.

Being concerned about the peace of the Middle East does not make it necessary to be easily deceived about the necessary components for peace. Without a doubt, the ability of Israel and Egypt to come to terms has contributed mightily to that end, and President Carter's role in aiding that agreement was a major foreign policy achievement. But Lebanon has become a madhouse and the Soviet Union, through its surrogate, Syria, seems intent on keeping it that way to keep the Middle East pot boiling.

In such a situation, it is not entirely implausible for the United States to send a shuttle diplomat to try to damp down the passions and seek out possibilities for a modus vivendi. But the best chances for peace, to the extent they exist, depend far more heavily on balance of power perceptions in the area itself.

The Israelis are not infallible, but their security for 33 years now has depended on making careful power judgments. They know that their best chances for avoiding bloodshed lie in frequently reminding their neighbors that they are strong and that their wishes are not to be taken lightly.

The Israeli approach to non-proliferation is limited and direct. But their outlook on the world and on what it takes to earn the world's respect offers a few lessons we ourselves could profitably learn.

Mr. LEVITAS. If the gentleman will yield further, I just want to make one other observation, because I think the gentleman was absolutely right in including two points: No. 1, the strategic interests and the interests of the United States that we have in this area and that are being served by some of the actions which our friends and allies, the Israelis, have taken in recent years, but, also No. 2, the problem of Lebanon. Sad, poor Lebanon. A troubled, tortured land. It does in fact bring tears to your eyes to see the rest of the world, almost without opening their mouths, without uttering a protest, stand by to see aggression against the poor people of Lebanon that is being foisted by the Soviet Union through their satellites and through their clients, the Syrians and the PLO.

Mr. KEMP. It is unbelievable.

Mr. LEVITAS. I have spoken for years about the need for this country to be concerned about the oppression and the attempted liquidation of the Christian community in Lebanon. And indeed they would have been liquidated had it not been for the actions of Israel in supporting and defending the Christian community of that nation. The rest of the world stood by almost silently while this tragedy of bleeding Lebanon unfolded. Perhaps now that the nations of the area and the Soviet Union realize Israel's determination, a real opportunity for peace in that troubled land may occur. Our prayers are with the troubled people of Lebanon and our prayers are for the suc-

cess of Philip Habib's peace mission so that peace and security can come to Christian and Moslem alike in Lebanon.

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Mr. KEMP. The gentleman makes a very important point. There is not a Christian in Lebanon who does not recognize that he or she lives today because Israel is willing to support them and give them the assistance that they cannot get from any other nation, Jewish or Christian, anywhere in the world. I want to make just one other point, Mr. Speaker—that any action by this Congress to cut off assistance to Israel would be a mistake not only in terms of Israel's self defense needs, but would be contrary to the national interest of the United States.

It is not in our interest to shut off assistance, shut off aid, to slow down or to drag out or to cut off the sale of equipment to Israel, notwithstanding the need to hold out a hand of accommodation, friendship, negotiation, and diplomacy to Arab countries whenever they may be willing to grasp it.

I was in Israel shortly after Mr. Begin and Mr. Sadat met at Ophira. I think Mr. Sadat has taken a very courageous stand in speaking out on behalf of Camp David at a time when some, more timid, were suggesting that somehow Israel, in pursuing its own defense requirements, was threatening the success of that mission.

Mr. Sadat, at Ophira just a few days ago, suggested that Camp David was going to continue. I was pleased to be in Israel while both of those leaders were recommitting themselves to Camp David. It is a shame that Lebanon was not able to conclude an arrangement whereby it, too, might endorse Camp David. The Lebanese would be a part of the peace process were it not for the fact that Syria has had its eyes on Lebanon for so many years.

In conclusion, Mr. Speaker, Iraq's nuclear design was not an atoms for peace program. If it were, there might be a different reaction. There certainly would be a different reaction from me. But as has been pointed out by the gentleman from Georgia (Mr. LEVITAS), as well as by myself, and I am sure by others in the days ahead—if you look at the threat of Hiroshima-sized atomic bombs or a plutonium bomb in Baghdad; at the statements of Hussein and Hammadi, the Foreign Minister of Iraq; at the fact that the United States for 2 or 3 years has been trying to get France and Italy to stop selling enriched uranium to Iraq because of our great concern over the potential consequences. It seems to me that the judgment rendered against Israel and the condemnation of Israel, without regard for the facts, absent concern for what was going on in Iraq, absent denunciation of Iraqi leaders for their declarations of "holy war" against Israel, are serious mistakes.

I strongly urge the President to carry out the delivery of F-16's to Israel on schedule, and I further exacerbate this issue by isolating Israel in the free world community.

As I said, Mr. Speaker, I will be speaking about Syria and the attempts to work out an accord over Lebanon in coming days, but for now I wanted at least to speak out on this issue of such great moment.

ECONOMIC RECOVERY TAX ACT OF 1981

Mr. CONABLE. Mr. Speaker, today I am introducing, by request, for myself and Mr. HANCE of Texas, the President's tax reduction bill, designed to turn around the Nation's economy and move it in the right direction again.

Specifically, the bill provides for substantial reduction of rates for individual taxpayers; for accelerated capital cost recovery of investment in plant, equipment and real property; and for other significant improvements in tax law.

The legislation was drafted expeditiously, in order to have it introduced today, before the Committee on Ways and Means begins its tax markup. There may, therefore, be a need for technical adjustments to the measure in the days ahead.

Fundamentally, however, the bill remains, and will remain, exactly as it has been portrayed by the President. Its overriding aim is to chart a new and upward course for an economy burdened by failed concepts and too long on the downswing.

Following is a general explanation of the bill:

TITLE I—INDIVIDUAL TAX RATE REDUCTIONS

Sec. 101—25 Percent Phased Rate Reduction

Under each of the four present law tax rate schedules—married filing jointly, single, married filing separately, and head of household—individuals pay tax at marginal rates ranging from 14 to 70 percent. For earned income, there is a separate provision in the law that provides for a "maximum tax" rate of 50 percent.

Section 101 of the bill would reduce marginal tax rates for individuals across-the-board by 25 percent. This would lower marginal tax rates from a range of 14 percent to 70 percent under present law to a range of 11 percent to 50 percent. The new top marginal tax rate of 50 percent represents a reduction slightly more than 25 percent. Without the slight additional reduction in this top rate, however, the complexities associated with computing the maximum tax on earned income could not be eliminated.

The provision would phase in the 25 percent rate reduction by 5 percent on October 1, 1981, by an additional 10 percent on July 1, 1982, and by a final 10 percent on July 1, 1983. The top marginal tax rate would be reduced to 50 percent on January 1, 1982, in order to achieve simplification associated with the maximum tax on earned income as soon as practicable. Moreover, any delay could induce taxpayers with marginal tax rates currently greater than 50 percent to put off realizing income and making new productive investments until later years.

TITLE II—INCENTIVES FOR PLANT, EQUIPMENT, AND REAL PROPERTY

Accelerated Cost Recovery System

The Accelerated Cost Recovery System will provide for faster write-off of capital expenditures by means of simplified and standardized rules. The system will replace the present complex provisions for determination of depreciation allowances. It substitutes easily identified classes, each with a standard schedule of deductions to be taken over a fixed recovery period. The proposed legislation assigns machinery and equipment used in business and depreciable real estate to classes with recovery periods of 3, 5, 10, or 15 years and provides accelerated recovery over those periods.

Classes. Brief descriptions of the classes summarize the essentials of the system.

3-year property. This class consists of autos, light trucks, machinery and equipment used in research and development activities, and assets (such as special tools) with a guideline life under ADR of four years or less. Expenditures for these assets will be written-off in three years according to an accelerated schedule. An investment credit of 6 percent will also apply to this class, an increase of 2⅔ percentage points over the present law for property written-off in three years.

5-year property. All other outlays for machinery and equipment, including public utility property with present guidelines lives of 18 years or less, are assigned to a 5-year class. Additions to this class will be written-off according to an accelerated 5-year schedule. The full 10 percent investment credit will be allowed for this class.

10-year property. Public utility property for which present guidelines exceed 18 years and real estate covered by the ADR system with a lower limit of 10 years or less will be written-off on an accelerated basis over 10 years. As under present law, the 10 percent investment credit applies to public utility property in this class, but is not generally available for real property.

15-year property. Depreciable real estate (which is not 10-year property) will be assigned an audit-proof life of 15 years and will be written off on a composite basis according to an accelerated schedule. As under present law, no investment credit is allowed for property in this class.

Rates. The recovery percentages for 3, 5 and 10-year property will be based on use of the 150 percent declining balance method for the early years and the straight-line method for the remainder of the recovery period. The recovery for 15-year (real) property will be based on use of the 200 percent declining balance method (switching to straight line). The applicable rates are as follows:

ACCELERATED COST RECOVERY

[In percent]

Ownership year	Class of Investment			
	3-year	5-year	10-year	15-year
1	25	15	8	7
2	38	22	14	12
3	37	21	12	11
4		21	10	9
5		21	10	8
6			10	7
7			9	6
8			9	5

ACCELERATED COST RECOVERY—Continued

[In percent]

Ownership year	Class of Investment			
	3-year	5-year	10-year	15-year
9			9	5
10			9	5
11				5
12				5
13				5
14				5
15				5
Total	100	100	100	100

Accounting rules. Unlike present law, all of the cost recovery rules apply alike to new and used property, and no estimate of salvage value is added to the "vintage" account for its class and is kept in that account until fully written-off or retired. A "half-year convention" for the year of acquisition is built-in to the recovery schedule.

Flexibility. Taxpayers may use, instead of the prescribed rates, rates based on use of the straight-line method over either the otherwise applicable recovery period or the longer period used for earnings and profits purposes. In addition, the net operating loss and investment credit carryover periods are extended from 7 to 10 years.

Dispositions. Gain or loss is generally recognized on disposition of an asset. Gains on property in the 3, 5, and 10-year classes will be recognized as ordinary income to the extent of prior allowances (section 1245). Similarly, for property in the 15-year class (unless a straight-line recovery is elected) other than residential real estate and low income housing, section 1245 recapture will apply. For these latter types of property, section 1250 recapture will apply.

Special Rules

Earnings and profits. Cost recovery for earnings and profits purposes will be, for property in the 3, 5, 10, and 15-year classes, based on periods of 5, 12, 25, and 35 years respectively. Additionally, the straight-line method will be used.

Foreign assets. The recovery period for foreign assets will be the ADR guideline period as of January 1, 1981. The rate of recovery will be based on use of the 200 percent declining balance method in the early years and the straight line method in the later years of the recovery period. For foreign real property, recovery will be over 35 years under the 150 percent declining balance method (switching to straight line). Flexibility similar to that provided for domestic assets is provided with respect to foreign property.

Minimum tax. For noncorporate lessors of machinery and equipment in the 3, 5, and 10-year classes the excess of the recovery deduction over the deduction based on use of the straight-line method over 5, 8, and 15 years, respectively will be a preference item for purposes of the minimum tax. For real estate, the excess of the recovery deduction over the deduction based on a 15-year straight-line recovery will be a preference item.

Leasing. A safe harbor is provided for leasing transactions involving new personal recovery property for corporate lessors. In general, these transactions will not be denied treatment as a lease merely because the tax benefits of ownership are taken into account as part of the economic substance of the transaction or if the minimum investment is not greater than 10 percent of the cost of the property.

Investment Tax Credit

Recapture. Taxpayers must pay back, or "recapture," a portion of the investment credit in the case of early retirements up to the fifth year that an asset is held. In these cases, the taxpayer may keep a credit of 2 percent for each full year the property is held, up to the amount of credit originally claimed.

At risk. The proposal extends the at risk rules to the investment credit allowed under ACRS. However, an exception is provided for amounts borrowed from third party banks, savings and loan associations and insurance companies.

Effective Date

The Accelerated Cost Recovery System will be effective for property acquired or placed in service after December 31, 1980. However, for machinery and equipment, ACRS does not apply to property in use before January 1, 1981, unless acquired after December 31, 1980, in a transaction in which both the owner and user change. For real property, ACRS does not apply to property in use before 1981 transferred in a transaction in which the owner does not change, or to property acquired for pre-1981 property in certain substituted basis transactions.

Increase in Recovery Rates After 1984

The recovery percentages for 3, 5 and 10-year property will be increased for property placed in service after 1984. For property placed in service in 1985 the percentages will be based on the use of 175 percent declining balance method for the first year and switching to the sum-of-the-years digits method for the remaining years. For property placed in service after 1985, the rates will be based on the use of 200 percent declining balance method for the first year and switching to sum-of-the-years digits method for the remaining years.

TITLE III—MISCELLANEOUS TAX PROVISIONS

Subtitle A—Incentives for research and experimentation

Under section 301 of the bill, a nonrefundable income tax credit would be allowed for research and experimental wage expenditures paid or incurred by a taxpayer during the taxable year in carrying on a trade or business of the taxpayer, but only to the extent such expenditures exceed the average amount of the taxpayer's research wage expenditures in a base period.

The rate of the credit would be 25 percent of the incremental research wage expenditures for the year. Eligible wages would be those paid or incurred for services performed in conducting research and experimentation. In computing the credit, only wage expenditures for research conducted within the United States would be taken into account. Research funded by government and research in the social sciences or humanities would not qualify.

The provision adopts the definition of research and experimentation now used for purposes of deduction of research expenditures under Code section 174. However, it is intended that the Internal Revenue Service may, over time, provide further guidance as to the definition, consistent with the existing approach.

In the case of contract research, the person on whose behalf the research is done would be entitled to the credit. Accordingly, wages paid or incurred by the person doing the work would be attributable to the person making reimbursement therefor.

For individuals, the credit could only offset tax attributable to income from the trade or business with respect to which the research and experimental wage expenditure was incurred.

For the taxpayer's first taxable year to which the credit applies, the base period would be the first preceding taxable year. For the second credit year, the base period would be the preceding two taxable years. For the third credit year and thereafter, the base period would consist of the three preceding taxable years.

The provision would be effective for wages paid or incurred after June 30, 1981, in taxable years ending after such date.

Subtitle B—Investment tax credit for qualified rehabilitation expenditures

Under section 311 of the bill, the current law 10 percent investment credit for rehabilitation expenditures incurred in connection with existing nonresidential commercial and industrial buildings would be replaced by a three-tier credit. A credit of 15 percent would be available in the case of rehabilitation expenditures incurred for buildings that have been in use at least 30 years and a credit of 20 percent would be available with respect to the rehabilitation of buildings that are at least 40 years old. In addition, a 25-percent credit would be provided for certified rehabilitation expenditures incurred in connection with certified historic buildings. The 25-percent credit would be available with respect to all income-producing certified historic buildings, including those used for residential purposes; the 15- and 20-percent credit would be limited, like the credit under current law, to nonresidential buildings.

In order to qualify for the credit, expenditures must be incurred after December 31, 1981. In addition, they must be expenditures of the type that must be capitalized and they must be for property (or additions or improvements to property) which have a recovery period of 15 years under the new ACRS system.

The provision would simplify the requirement of current law that a credit may be taken only once every 20 years with respect to a building, or a major portion of a building, by requiring only that a rehabilitation be substantial. To qualify as a substantial rehabilitation, rehabilitation expenditures must exceed the greater of the taxpayer's adjusted basis in the building before the rehabilitation or $5,000.

Lessees would be eligible for the credit with respect to rehabilitation expenditures incurred by the lessee, provided that, on the date of completion of the rehabilitation, the remaining term of the lease is at least 15 years.

Rehabilitation expenditures incurred in connection with a certified historic building or a building in a registered historic district would not qualify for the credit, unless the rehabilitation is certified by the Secretary of Interior as being consistent with the historic character of the building or the district in which such building is located. This rule would not apply to a building in a registered historic district, if the building is not a certified historic building and the Secretary of Interior certifies that the building is not of historic significance to the district.

Expenditures for property eligible for the rehabilitation investment credit would not be eligible for the regular 10 percent investment credit. In addition the energy credit would not be allowed with respect to property which is eligible for the rehabilitation credit. Finally a taxpayer would not be per-

mitted to use accelerated methods of depreciation in conjunction with the credit.

Subtitle C—Marriage penalty deduction

Present law generally imposes a greater tax on a two-earner married couple than would be imposed if each spouse were single. Section 321 of the bill would reduce the current discrimination against two-earner families by providing a marriage penalty deduction equal to a specified percent of the lower earning spouse's earnings up to $30,000. The specified percentage would be 5 percent in 1982 and 10 percent in subsequent years. This deduction would be allowable whether or not the taxpayer itemizes deductions.

The marriage penalty deduction would not increase taxes paid by single persons and one-earner couples. Thus, it would not change the amount of tax savings achieved by a single worker who marries a non-employed spouse.

Subtitle D—Savings provisions

Individual Retirement Accounts

Under present law, an individual generally is entitled to deduct the amount contributed to an individual retirement account, annuity or bond (referred to collectively as "IRAs"). The limitation on the deduction for a year is generally the lesser of 15 percent of compensation for the year or $1,500. The $1,500 contribution limit is increased to $1,750 for a year if (1) the contribution is equally divided between an employee and the spouse of the employee and (2) the spouse has no compensation for the year. However, no IRA deduction is allowed for a taxable year to an individual who is an active participant during any part of the year in a qualified plan, a tax-sheltered annuity, or a governmental plan.

Section 331 of the bill would both increase the deductible limits of IRAs and extend their availability.

In the case of an employee who is not an active participant in a qualified plan (i.e., one who is currently eligible to make IRA contributions), the current limit would be raised to $2,000, and the percentage limitation would be 100 percent of compensation.

In the case of an employee who *is* an active participant in an employer-sponsored plan (*i.e.*, one who is not currently eligible for an IRA), a deduction would be allowed for contributions by the employee to an IRA. The annual deduction by an active participant would be limited to the smaller of $1,000 or 100 percent of the participant's compensation.

The current spousal IRA provisions would be deleted but the IRA limits would be increased to a total of $2,250 ($1,125 in the case of an active participant) where an IRA is established for a non-employee spouse.

Examples

An employee with $10,000 of compensation for a year who does not participate in an employer-sponsored plan could, under current law, contribute and deduct up to $1,500 to an IRA. Under the proposal, this employee would be entitled to a deduction for IRA contributions up to $2,000.

An employee with $10,000 of compensation for a year who is an active participant in an employer-sponsored plan is not allowed to make any deductible contributions to an IRA under current law. The proposal would allow this employee to contribute and deduct up to $1,000 to an IRA.

Retirement Savings for the Self-Employed

Under present law, a qualified retirement plan generally must be established by an employer for the benefit of employees and their beneficiaries. For plan qualification purposes, a sole proprietor is considered both an employee and his or her own employer, and a partnership is considered the employer of each partner. Thus, a sole proprietorship or a partnership may adopt a tax-favored retirement plan, referred to as an H.R. 10 plan or Keogh plan, for both common law employees and for the proprietor or partners.

The maximum deductible contribution to an H.R. 10 plan on behalf of a self-employed individual is the lesser of $7,500 or 15 percent of the individual's net earnings from self employment.

Although sole proprietors and partners with more than a 10-percent interest in the capital or profits of a partnership are prohibited from borrowing from an H.R. 10 plan, common law employees and partners with less than a 10-percent interest may borrow from the plan if certain loan conditions are met.

Section 332 of the bill would both increase the H.R. 10 plan deduction limits and change the rules regarding loans from the plan to certain participants.

The maximum deductible contribution to an H.R. 10 plan would be increased to $15,000. The percentage limit (15 percent of net earnings from self employment) would be retained. However, if the proposals to expand the availability of deductible employee contributions to an IRA are adopted, the effective maximum deductible contribution to an H.R. 10 plan would be increased to $16,000, with no antidiscrimination or percentage limits applied to the additional $1,000.

The prohibition against borrowing by sole proprietors and more than 10 percent partners would be expanded to all partners.

Permanent Exclusion of a Portion of Dividends and Interest

Under present law, individuals may exclude from gross income up to $200 ($400 on a joint return) of dividends and interest income received from domestic sources. However, the provision is effective only for taxable years beginning after December 31, 1980, and before January 1, 1983 (generally 1981 and 1982 calendar years).

Section 333 of the bill would make the partial exclusion of dividends and interest by individuals permanent.

Subtitle E—Exclusions of foreign earned income and foreign housing costs

Section 341 of the bill would provide simpler and more generous tax relief for foreign earned income to facilitate the employment of Americans abroad. Under the provision, individuals who satisfy either a foreign residence or foreign presence test could exclude the first $50,000 of foreign earned income per year plus 50 percent of the next $50,000. In addition, the provision would exclude from income expenses incurred for reasonable housing in excess of a base amount. The base amount would be 16 percent of the salary of a U.S. Government employee at civil service grade GS–14, step 1. These amounts would be pro-rated on a daily basis for individuals eligible during only part of a tax year.

Deductions attributable to excluded income would not be allowed and foreign taxes paid on the excluded income could not be claimed as a foreign tax credit.

The exclusions provided would be elective. Qualifying individuals could choose to be taxable on their full foreign earnings and claim the ordinary foreign tax credit.

The provision would also shorten the required period of physical presence in a foreign country to 11 out 12 months rather than 17 out of 18 months. It would retain the present rules allowing pro rata benefits in certain cases where civil unrest or similar adverse conditions required an individual to leave the foreign country before meeting the time requirements.

The benefits of the exclusions would be extended to include individuals whose foreign earned income is paid by the U.S. Government but who do not qualify for the benefits provided under section 912 of the Internal Revenue Code.

The provision would clarify the conditions under which a camp located in a foreign country qualifies as part of the employer's business premises for purposes of the exclusion provided under section 119.

The provision would take effect as of January 1, 1982. It would replace the exclusion allowed under section 911 and the deductions allowed under section 913 of present law.

Subtitle F—Estate and gift provisions

Increase in the Unified Credit

Section 351 of the bill would increase the unified credit from $47,000 to $192,800 over a 4-year period. The amount of the credit would be $70,800 in 1982, $96,300 in 1983, $121,800 in 1984, and $192,800 in 1985. These levels of the unified credit are equivalent to exemption levels of $250,000, $325,000, $400,000 and $600,000, respectively.

This provision would also change the estate tax filing requirements to conform to the increase in the unified credit in terms of an exemption equivalent. When fully phased-in in 1985, an estate tax return would be required only if the decedent's gross estate exceeds $600,000, rather than $175,000 as provided by current law. During the phase-in period, the filing requirements would be $250,000 in 1982, $325,000 in 1983, $400,000 in 1984 and $600,000 in 1985.

Finally, this section provides a special rule for property received by a decedent by gift within three years of the date of his death. In such a case the gift would not receive a stepped-up basis. This rule is necessary to prevent individuals from giving property in contemplation of the donee's death merely to obtain a tax-free step-up in basis.

Unlimited Marital Deduction

Section 352 of the bill provides an unlimited marital deduction for both estate and gift tax purposes. This would permit an individual to make lifetime and deathtime transfers to his spouse, no matter how large, without the imposition of a transfer tax. It would not change present law with respect to transfers of terminable interests: these interests would not qualify for the marital deduction. Gifts of community property, however, would qualify for the deduction.

Increase in the Annual Gift Tax Exclusion

Section 353 of the bill would increase the annual gift tax exclusion from $3,000 to $10,000 per donee. This would permit a husband and wife to transfer jointly $20,000 per donee each year without being subject to the gift tax.

These amendments would apply to gifts made, and decedents dying after December 31, 1981.

Subtitle G—Extension of and increase in credit against crude oil windfall profit tax for royalty owners

Under current law royalty owners receive a credit (or refund) of up to $1,000 against the windfall profit tax imposed on the removal of their royalty oil during calendar year 1980. The credit is available only to individuals, estates and family farm corporations and not to other corporations or trusts. The credit may be claimed in 1981 either as a credit against income tax or as a refund of excise tax.

Section 361 of the bill would provide royalty owners with a credit (or refund) against the windfall profit tax imposed on the removal of their royalty oil during each calendar year. The credit would not exceed $2,500. The proposal generally would retain the present law rules relating to eligibility for the credit and would make adjustments to accommodate the increase in the credit.

Under present law, both percentage depletion and the special windfall profit tax rates for independent producers generally are denied in case of properties transferred from one person to another. The current law credit does not contain a provision denying the credit in cases of the transfer of royalty interests in proven properties. This is because the Congress believed that no transfer limitation was required since the loss of percentage depletion on transferred properties will generally outweigh the benefits of a one year credit. However, since the proposal extends and increases the amount of credit there will be a significant incentive for royalty owners to transfer interests which do not qualify for the applicable credit. Accordingly, in order to prevent evasion of the credit limit and preclude proliferation of the credit, the provision contains a rule that denies the credit to royalty interests in proven properties transferred after June 9, 1981.

The royalty owner credit would apply to oil produced in calendar years beginning after December 31, 1980, in taxable years ending after such date.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. PARRIS) to revise and extend his remarks and include extraneous material:)

Mr. KEMP, for 60 minutes, today.

(The following Members (at the request of Mr. EVANS of Georgia) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. CONABLE, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,560.

(The following Member (at the request of Mr. PARRIS) and to include extraneous matter:)

Mr. LEBOUTILLIER.

(The following Members (at the request of Mr. EVANS of Georgia) and to include extraneous matter:)

Mr. STUDDS.

Ms. MIKULSKI.

Mr. AUCOIN.

Mr. GIBBONS.

Mr. HOWARD.

Mr. WYDEN.

Mr. OTTINGER.

Mr. SOLARZ in two instances.

Mr. LEHMAN in two instances.

Mr. HAMILTON.

Mr. MATSUI.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 88. Joint resolution designating the week commencing June 14, 1981, as "National Softball Week"; to the Committee on Post Office and Civil Service.

ADJOURNMENT

Mr. HATCHER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 5 minutes a.m.), the House adjourned until tomorrow, Thursday, June 11, 1981, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1562. A letter from the Acting Under Secretary of Energy, transmitting the third semiannual report on alternative fuels production, pursuant to title II of Public Law 96-126; to the Committee on Appropriations.

1563. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 4-35, "To order the closing of a public alley abutting lots 819, 820, and 832 in square 43, bounded by 24th Street NW., G Street NW., 23d Street NW., and F Street NW. (S. O. 80-93) (Ward 2)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1564. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 4-36, "To order the closing of a portion of an east-west public alley abutting lots 98, 99, 100, 101, 102, 170, 105, 106, and 847 in square 628, bounded by E Street NW., F Street NW., North Capitol Street NW., and New Jersey Avenue NW. (S. O. 80-3) (Ward 2)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1565. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 4-37, "To order the closing of a portion of D Street NW., abutting lots 805, 804, 822, 823, 802, 2, 801, and 800 in square 348, between 10th Street, NW., 11th Street NW., and Pennsylvania Avenue NW. (S. O. 79-263) (Ward 2)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1566. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 4-38, "To order the closing of a portion of Massachusetts Avenue SE., abutting lots 30 and parcel 201/162 in square 5367, between Alabama Avenue SE., and Southern Avenue SE. (S. O. 80-154) (Ward 7)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1567. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 4-39, "To order the closing of an east-west public alley abutting lots 39, 40, 43, and 834 in square 75, bounded by Pennsylvania Avenue NW., 21st Street NW., 22d Street NW., and I Street NW. (S. O. 80-143) (Ward 2)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1568. A letter from the Acting Administrator, Energy Information Administration, Department of Energy, transmitting the third annual report based on the administration's financial reporting system for major energy producers, pursuant to section 205(h) of Public Law 95-91; to the Committee on Energy and Commerce.

1569. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on the transfer by the Goverment of Saudi Arabia of certain U.S.-origin military equipment to the Sudan, pursuant to section 3 of the Arms Export Control Act; to the Committee on Foreign Affairs.

1570. A letter from the Executive Director, Marine Mammal Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d) to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FROST: Committee on Rules. House Resolution 154. Resolution providing for the consideration of H.R. 2614. A bill to authorize supplemental appropriations for fiscal year 1981 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles and for research, development, test, and evaluation for the Armed Forces and to increase the authorized personnel end strengths for military and civilian personnel of the Department of Defense for fiscal year 1981 (Rept. No. 97-134). Referred to the House Calendar.

Mr. DERRICK: Committee on Rules. House Resolution 155. Resolution providing for the consideration of H.R. 3413. A bill to authorize appropriations for the Department of Energy for national security programs for fiscal year 1982, and for other purposes (Rept. No. 97-135). Referred to the House Calendar.

Mr. HALL of Ohio: Committee on Rules. House Resolution 156. Resolution providing for the consideration of H.R. 3023. A bill to

authorize appropriations to the Department of Energy for fiscal year 1982 for conservation, exploration, development, production, sale, and use of the naval petroleum reserves and naval oil shale reserves (Rept. No. 97-136). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARCHER:

H.R. 3869. A bill to amend the Internal Revenue Code of 1954 to allow the credit for production of natural gas from certain nonconventional sources only if such natural gas was sold at a lawful price without regard to section 107 and subtitle B of title I of the Natural Gas Policy Act of 1978; to the Committee on Ways and Means.

By Mr. AUCOIN (for himself, Mr. MURPHY, Mr. WYDEN, Mr. GINGRICH, Mr. COELHO, Mr. LEHMAN, Mr. KILDEE, Mr. AKAKA, and Mr. WEAVER):

H.R. 3870. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax for contributions of certain crops by farmers to certain tax-exempt organizations; to the Committee on Ways and Means.

By Mrs. BOUQUARD:

H.R. 3871. A bill to prohibit permanently the issuance of regulations on the taxation of fringe benefits; to the Committee on Ways and Means.

By Mr. BURGENER (for himself, Mr. ADDABBO, Mr. OTTINGER, Mr. MITCHELL of Maryland, Mr. BEILENSON, Mr. LAGOMARSINO, Mr. BINGHAM, Mr. MILLER of California, Mr. FOGLIETTA, Mr. MOTTL, Mr. FORSYTHE, Mr. KILDEE, Mr. LAFALCE, Mr. ROE, Mrs. CHISHOLM, Mr. PASHAYAN, Mr. SCHEUER, Mr. MOLINARI, Mr. WEBER of Minnesota, Mr. SOLARZ, Mr. RICHMOND, Mr. FRANK, Mr. DOUGHERTY, Mr. WOLF, Mr. CONYERS, Mr. LEHMAN, Mr. CORRADA, Mr. SIMON, Mr. VENTO, Mr. FAZIO, Mr. DIXON, Mr. MINETA, Mr. MCKINNEY, Mr. TAUKE, Mr. LOWERY of California, Mrs. BOUQUARD, Mr. DELLUMS, Mr. DWYER, and Ms. FERRARO):

H.R. 3872. A bill to provide for a national program of screening of newborn infants for metabolic disorders that could retard brain development and cause other seriously disabling diseases; to the Committee on Energy and Commerce.

By Mr. CONABLE:

H.R. 3873. A bill to amend the Internal Revenue Code of 1954 with respect to the time for payment of gift taxes; to the Committee on Ways and Means.

H.R. 3874. A bill to exempt from duty certain aircraft components and materials installed in aircraft previously exported from the United States where the aircraft is returned without having been advanced in value or improved in condition while abroad; to the Committee on Ways and Means.

By Mr. EMERSON:

H.R. 3875. A bill to extend from 5 to 10 years (until November 30, 1987) the period during which spouses and surviving spouses who are eligible for Government pensions may qualify for an exemption from the pension offset provisions in title II of the Social Security Act; to the Committee on Ways and Means.

By Mr. SMITH of Alabama:

H.R. 3876. A bill to eliminate the position of elevator operator in the congressional office buildings; to the Committee on House Administration.

By Mr. SWIFT (for himself, Mr. DINGELL, Mr. OTTINGER, Mr. CORCORAN, and Mr. MOTTL):

H.R. 3877. A bill to amend the Energy Policy and Conservation Act to provide for adequate supplies of helium for future energy efficiency and conservation purposes, and for other purposes; jointly, to the Committees on Energy and Commerce, Interior and Insular Affairs, and Science and Technology.

By Mr. RAHALL:

H. Con. Res. 147. Concurrent resolution expressing the sense of the Congress that Philip Habib, special envoy to the Middle East, should be commended for his tireless efforts to maintain the peace between Syria and Israel; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. MITCHELL of New York introduced a bill (H.R. 3878), for the relief of Dietrich H. Kohlrusch, Sigrid Kohlrusch, and Denise Kohlrusch, which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 704: Mr. NAPIER and Mr. FITHIAN.
H.R. 706: Mr. NAPIER.
H.R. 907: Mr. PHILLIP BURTON.
H.R. 2451: Mr. SILJANDER, Mr. SHELBY, Mr. AUCOIN, Mr. GINN, Mr. EVANS of Iowa, Mr. COATS, and Mr. WYLIE.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3023

By Mr. WEAVER:

—Change lines 2 and 6 to read as follows: Line 2, after "development," insert "study,".

Line 6, strike "$225,903,000" and insert "$224,903,000".

And add additional paragraphs, beginning on line 10, to read as follows:

"(3) $1,000,000 shall be available for the study of existing or new naval petroleum reserves to determine the adequacy of naval petroleum reserves for the long-term national security; in particular "Department of Interior California Lease Numbered 53" shall be studied for inclusion in such naval petroleum reserves, and no sale or lease of such potential reserve shall be made during the time in which the study is undertaken.

"(4) The study shall be completed and the Secretary shall report his findings to the Congress one year from the date of passage of this Act."

H.R. 3480

By Mr. GILMAN:

—On page 13, after line 8, insert the following:

SEC. . The Legal Services Corporation Act (42 U.S.C. 2996 et seq.) is amended by redesignating sections 1013 and 1014 as sections 1014 and 1015, respectively, and by inserting after section 1012 the following new section:

"CIVIL ACTIONS

"SEC. 1013. (a) The Corporation may bring an action in the appropriate district court of the United States to compel the specific performance of any agreement between the Corporation and any recipient for the provision of legal services under this title.

"(b) The Corporation, the United States, or any State acting through its Attorney General or other chief law enforcement officer may bring an action in the appropriate district court of the United States for a temporary or permanent injunction or other appropriate relief for purposes of compelling compliance by a recipient with the provisions of this title or with any rule, regulation, or guideline promulgated pursuant to this title. A State may bring an action under this subsection only against a recipient located in such State.

"(c) A judgment or order in an action brought under this section shall not require the interruption of the provision of legal services to any eligible client by a recipient in any action pending on the date of such decision or order, unless the court explicitly so states in such decision or order. If the court does explicitly so state, it shall attempt to make equitable arrangements for the provision of legal services to any eligible client affected thereby."

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"(c) A judgment or order in an action brought under this section shall not require the interruption of the provision of legal services to any eligible client in any action pending on the date of such decision or order, unless the court explicitly so states in such decision or order. If the court does explicitly so state, it shall attempt to make equitable arrangements for the provision of legal services to any eligible client affected thereby."

SENATE — Wednesday, June 10, 1981

(Legislative day of Monday, June 1, 1981)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us pray.

Our fathers' God to Thee, author of liberty, to Thee we pray. Long may our land be bright, with freedom's holy light. Protect us by Thy might, great God our King.

How easily we forget Thy gracious providence that brought our forebears to these shores, that sustained them through bitter adversity. How easily we forget, and assume that our might, our wisdom, our ingenuity alone produced this great Nation. What will it take, O God, to make us know that we cannot do it alone? What calamity must fall before we humble ourselves and acknowledge our dependence upon Thee?

We make thousands of laws to help us keep the Ten Commandments, and then invent ways to violate them and make it legal. In our pride, we suffer the illusion that we are solving our problems while violence, crime, alcoholism, drug abuse, divorce, and venereal disease grow to epidemic proportions. We overconsume while millions never have enough. We reduce inalienable human rights into I-can-do-as-I-please or I-have-got-it-coming-to-me or privilege without responsibility. We talk peace and prepare for war.

Lord God help us. Quicken our minds to seek Thy wisdom, our hearts to repent, our wills to obey Thee. Return us to the noble dependence upon Thee by which our forefathers persevered against incredible odds to give us our grand national legacy.

In Jesus' name. Amen.

RECOGNITION OF THE ASSISTANT MAJORITY LEADER

The PRESIDENT pro tempore. The assistant majority leader is recognized.

THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. STEVENS. Mr. President, what is the order for this morning?

The PRESIDENT pro tempore. After the two leaders have been recognized there is an order for a 15-minute speech by the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.), followed by consideration of the food stamp bill.

Mr. STEVENS. Mr. President, there is no request for time on our side. I reserve the leadership time on this side.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, I yield as much of my time as the distinguished Senator from Virginia may need in addition to his order which has been entered.

Mr. HARRY F. BYRD, JR. I thank the Senator.

RECOGNITION OF SENATOR HARRY F. BYRD, JR.

The PRESIDENT pro tempore. The Senator from Virginia is recognized.

SEAPOWER CHALLENGE

Mr. HARRY F. BYRD, JR. Mr. President, I take this opportunity to discuss a matter of considerable importance to our Nation—our naval forces, in particular conventional naval forces.

I do this at this time because of my personal past affiliation with the Navy, my longtime belief that adequate naval forces are essential to the survival of this country, my assignment to the Seapower and Force Projection Subcommittee, and because of the President's major emphasis on sea forces.

The U.S. Navy is in danger of losing its preeminent role in the world's oceans. In fact, if present trends continue, the Navy's traditional role as an effective instrument of national strategy in times of peace as well as war will be in serious doubt.

Sea forces played a major role in the establishment of our Nation. Indeed, many of the Founding Fathers came to this country by sea, so they had a personal involvement.

Historically, our colonial forefathers were apprehensive—and I hasten to add with good reason—when it came to military leaders. History was replete with military leaders rising to power and then taking over governments. Oliver Cromwell was a recent reminder to them of a very popular military leader who rose to a position of great power, and after this rise to power, his reign became a reign of persecution. Desiring an instrument of national policy, these colonial leaders sought to utilize the flexibility of naval forces without creating the risk of a military dictatorship. These early actions began our national naval strategy.

In the Articles of Confederation these colonists inserted: "When land-forces are raised. . . ." The Constitution states that Congress has the power to "raise and support armies . . ." with limitations of time on appropriated funds. With respect to the sea service the Constitution states that Congress will "provide and maintain a navy."

Accordingly, from the earliest of our history, Congress has been constitutionally required to "provide and maintain a navy." The Constitution does not prescribe an adequate navy, but obviously, our Navy should be adequate.

We may define adequate in this instance as "being able to pursue our national objectives to a successful conclusion."

Navies are instruments of power to support foreign policy objectives for the common good of nations. The need for naval strengths depends to a large extent on geography and on international commerce and trade in which a country must engage for its own common welfare. The needs for these instruments of power have never been constant. As threats to nations wax and wane, needs must be responsive.

We as a nation have not always maintained adequate naval forces, yet we have been able to build to adequacy. In the past, primarily because of our geography and our allies, we have been able to buy the time necessary for building up naval forces.

In 1939 we had 396 ships. It was not an adequate force considering the threat. The hour was late, but American ingenuity was able to meet the test. By the end of World War II, we had over 8,000 ships in the naval service. Our posture was one of overwhelming superiority. And the enemies were swept from the seas.

Our unchallenged naval superiority was to last for about 30 years.

Often an all-powerful nation tends to forget to think and plan and work as it should. Such was, I believe, our total military situation following World War II.

In the 1950's and 1960's it did not necessarily matter what we brought into our naval and military arsenals. We could buy tanks or ships or aircraft or rockets or whatever weapons systems we wanted. All of these just added to our overall superiority—for awhile.

Perhaps we were rich and fat and slipped away from realistic, intelligent planning and development of the best

strategy for the defense and preservation of America.

By the mid-1970's there was a clear challenge to our naval superiority. Challenge for naval supremacy is not a modern phenomenon.

At the outbreak of the Punic Wars in 264 B.C., Rome through the use of her legions had mastered all of her land enemies. But her new enemy was across the Mediterranean Sea—Carthage.

The Carthaginians, descendants of the seafaring Phoenicians, were skillful sailors and at home on the water. They stopped Roman sea communication and trade, raided Roman cities and towns, and even boasted that the Romans were not safe in bathing on their own beaches.

Rome suffered but did not despair. Rather, she copied the design of enemy ships that had washed up on her shores, and indeed improved upon the design.

Rome added a new idea—a secret weapon. The secret weapon was a "grappling iron" or grappling hook.

In a short period of time she had 100 galleys with five banks of oars and 20 smaller triremes.

When this Roman force put to sea, the Carthaginians—confident of the outcome—eagerly sailed to engage them.

The Roman ships went directly toward the enemy vessels, and when close abroad, they cast their grappling hooks on the ships of Carthage. With ships securely fastened, the legionnaires who had been riding the Roman ships swarmed on the decks of the enemy and overwhelmed them. Roman success was immediate.

The Mediterranean eventually became a Roman lake. With control of the sea, Rome in time transported her legions across the Mediterranean and destroyed Carthage. The Carthaginians were unable to recognize the threat in time to save themselves from extinction.

The history of Russia to a considerable extent has been one of staying within its own borders—wanting to expand but never quite able to do so.

But the Khrushchev regime brought about changes. The decision or perhaps series of decisions, originating with Lenin, was to move Soviet influence outward from the motherland. In so doing, it would outflank historical enemies—particularly China—and it would link with Third World countries.

The link with selective Third World countries would place the Soviets in a position to control or influence countries in strategic locations around the world.

This Soviet adventurism has resulted in moves to key areas—areas of major mineral deposits, access to key water passages, political voids where the Communists could capitalize.

To accomplish this, the Soviets had to turn to the sea. They have done that very well. For years Soviet merchant ships have frequented Third World seaports, spearheading foreign policy in countries targeted to be "satellited."

For some 25 years the U.S.S.R. has stayed on course. There is not one indication that Moscow plans to deviate from this strategy of using the sea to gain her objectives.

Rather every indication is that this policy will continue. So, I believe that in the late forties or early fifties major new successes in national policy objectives began to take place in the U.S S.R., and Soviet leaders have used well their military and naval forces as an instrument to fulfill their national policy.

The implementation of this policy not only meant the construction of naval vessels, but it meant the construction of a merchant fleet, not to compete with Western merchant marine forces but to develop trade and other relationships with Third World countries. It also meant the establishment of a fishing fleet and a special electronic intelligence-gathering sea force. In many respects these are the world's largest and best, and they are employed to maximize support of Soviet objectives.

There are some who trace the beginning of the Soviet challenge to a superior American naval force to the Cuban missile crisis of 1962. I submit that the decision was made before that event.

Shortly after the missile crisis, the world saw two classes of Soviet ships which should have alerted us to what was to come. The Soviets completed the first modern missile-cruiser which we call *Kynda*. This was the first modern major surface combat ship to carry both antiship and antiaircraft missiles. As such, this was the most powerful Soviet ship to sail the seas. At about the same time the Soviets completed a new missile-destroyer which we call *Kashin*. She was propelled by all-gas turbine engines, making her the fastest warship at sea. She carried antiaircraft missiles.

These were new grappling hooks.

Sea warfare was undergoing another change just as past developments have advanced the art of sea fighting.

These magnificent new ships probably took some 3 years to build. The planning period was perhaps another 4 or 5 years. Therefore, the idea of the Soviets to challenge sea superiority must be traced to the mid-1950's.

This timing coincides with July of 1955 when Adm. S. G. Gorshkov was ordered from his position as Commander of the Black Sea Fleet to Moscow. The following year this 46-year-old officer took command of Soviet naval forces. He is still there today, 26 years later.

At the time of Gorshkov's promotion major naval changes took place. Plans for the construction of aircraft carriers and battle cruisers were scrapped. The design of the Soviet Navy—submarines, ships, and aircraft—was such that these vessels would not copy the existing conventional sea forces to overcome America's lead at sea. Superior technological advances would be used so that the Soviet Navy would be able to destroy other ships at sea, both navy and merchant.

The Soviet leadership was not following a new naval doctrine. The doctrine of sea control is ancient. It has been used many times, including the final victory of our own revolution. The French fleet under Admiral Grasse made victory possible at Yorktown. When it denied the Royal Navy replenishment of besieged British forces, General Cornwallis was forced to surrender.

Gen. George Washington said:

> In any operation, and under all circumstances, a decisive naval superiority is to be considered as a fundamental principle; and the basis upon which every hope of success must ultimately depend.

Washington's statement is as true today as it was two centuries ago. I heartily endorse it.

This means that we must be able to destroy the enemy at sea, but in today's environment the Navy must be able to do more than that.

It must be able to project American power wherever that power is needed to support our national objectives.

The Soviet doctrine of controlling rich mineral and energy sources and key waterway bottlenecks threatens the very existence of Western civilization as we know it because of our dependence on overseas resources.

Responsibility for carrying the torch of freedom in the free world is in our hands. Allowing this flame to die would mean a return to the Dark Ages where the meaning of freedom would be lost.

The United States has throughout its history used military and naval forces as an instrument of national strategy in times of peace as well as times of war. It is the appropriate and timely application or threat of application of force that reduces the chances of a shooting war.

I would like to quote some figures from a book published by the Brookings Institution, "Force Without War." There are other authorities, but I shall quote figures from this publication.

It covers the period from World War II to 1975, and it analyzes the application or threat of application of American military and naval force short of war.

These authorities identify 215 incidents during this period when military and naval force was applied.

Naval forces were utilized in 177 of those 215 incidents, more than 80 percent of the time.

These incidents took place throughout many areas of the world. We are prone to forget that almost one-third of them were in the Western Hemisphere. The others were scattered over Europe, Asia, and Africa with a considerable number of incidents in the Mideast area.

Many of these were highly successful, and they prevented the spread or explosion of unrest and turmoil.

I might add that the Soviet Union has equally committed its forces in such incidents.

The application or threat of the application of force has and will continue to be a way to deter hostile foreign behavior.

Without becoming the world's policeman for every situation, we must have the will and the capability to apply appropriate force when it is in the best interest of our national objectives. The application of this power must also be timely and positive.

There are those who say we are better than or inferior to or even with the So-

viet Navy. Whether such statements are basic to the situation is questionable. Our Navy must carry out our objectives just as the Soviet Navy is carrying out Soviet objectives.

To attempt to visualize these naval forces engaging one another until one or the other could be judged the victor or the survivor, would be attempting to determine the undeterminable.

In the year 31 B.C. the fleet of Octavian, later the first Roman Emperor Augustus, faced the combined fleets of Marc Antony and Cleopatra at Actium. The winner of this historical battle would be the undisputed ruler of Rome and the world. That day has passed from us, and in our day and age we must be able to apply force not only against fleets, but where force is needed.

I might at this point refer to naval forces which are deployed to the Persian Gulf area. Naval forces are the only conventional force that could be successfully deployed to that area.

I might also state here that I think it most unfortunate for individuals to attempt to play U.S. seapower against U.S. land power. This is now and always has been an artificial argument, and I am hopeful that we have passed over this threshold to a more realistic decision-making process.

The President has once again turned our attention to seapower after many years of neglect. I congratulate him, and I support him. And I urge all of you to do the same.

During the past 20 years we have decreased our active naval fleet from 1,000 to 460 ships. Some of the 460 are old and delimited in capability. The aircraft carriers, *Coral Sea* and *Midway*, were launched over 35 years ago and are still regularly deployed. These two carriers are older than the youngest member of the Senate.

This 20-year period of neglect will prove costly to us, but it is a cost that we must bear.

The President and the Secretary of Defense advise that the objective is a Navy of 600 ships—battle groups built around 15 aircraft carriers. I support the concept of the aircraft carrier battle groups, for I believe that our strategic interests dictate the need for these forces. I, of course, reserve the right to be selective in the composition of the supporting elements of these battle groups.

The aircraft carrier is the centerpiece of our conventional naval strategy. It is the most mobile, flexible and politically-independent system available to the United States.

To those who say that the carrier is vulnerable, I say, every potential target is vulnerable.

However, the carrier with its ability to travel at high rates of speed presents a more difficult target for the enemy to pinpoint than other targets such as: airfields, military and naval installations, cities, and so forth. The carrier at sea is one of the least vulnerable targets.

The aircraft carrier is highly survivable. With active and passive self-defense systems and great mobility, it is deployable in hostile environments. The *Nimitz* class carrier, with 2,700 watertight compartments, is the safest of vessels at sea.

With the availability of today's advanced communications and transport, low-threat areas can change rapidly, in days or even hours, to high-threat areas. The Soviet military and naval forces and surrogate forces are widespread geographically, and we must be sure that our carrier forces can sustain themselves as they perform their role in national policy.

While we must regain superiority, I want to make it crystal clear that our efforts must be wise and prudent. We can ill afford to spend money unless we are sure beyond reasonable doubt that the weapons and weapons systems we buy are absolutely necessary for the support of national objectives of the United States.

The Defense Department cannot allow cost overruns, duplication, service and service union rivalry, mismanagement, or anything else to deter us from making every cent of every dollar count to the maximum extent. The new Navy must be efficient and effective, nothing less. As long as the administration fulfills this very necessary requirement, I shall strive to assist in the resurgence of our sea forces.

The Soviet Union is a formidable adversary. The intentions of the Soviet leadership are obvious. The momentum of Soviet aggression continues.

Those actions are loud and clear. The expanding influence in the Third World provides veto power over access and transport of minerals and energy needed by Western nations. Wherever possible to accomplish objectives, the Soviets support and encourage unrestrained terror which they call liberation.

A nuclear-powered battle cruiser, the largest warship built by any nation except for the carrier since World War II, has recently joined the Soviet Navy. Every indication is that in the not too distant future, the Soviets will complete their first nuclear-powered aircraft carrier. It should be clear enough that her ability to interdict the sealanes will in this decade be joined by a desire to project power at sea. As the Soviets expand their means of implementing their strategies, the tasks of the American Navy grows.

The Soviet Union may well hope to gain its objective without firing a bullet.

In closing let me say that we are in a struggle for our own survival and the survival of the free world—through economic strangulation as well as formal war.

To those who would stand by for further naval decline and to those who would change our naval forces to a defensive role, I say we cannot do that. Great navies of history have been offensive navies.

Times are very different today from the days of the struggle between Rome and Carthage, but the struggle for survival is similar. The principles of the sea have not changed.

Our forefathers realized that when they set up the field piece in the village square that they preordained that the battle would be fought there.

Patrick Henry said:

> I have but one lamp by which my feet are guided, and that is the lamp of experience. I know of no way of judging the future but by the past.

Now is the hour for us to use the lessons of the past and our resources wisely in order to restore the naval balance of power in our favor.

Mr. THURMOND. Mr. President, I ask unanimous consent that I may be recognized for 2 minutes.

The PRESIDING OFFICER (Mr. SYMMS). Does the Senator wish to put aside the 10:30 order?

Mr. THURMOND. Yes.

The PRESIDING OFFICER. Without objection, the Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I just want to take this opportunity to commend the able Senator from Virginia for making what I consider the finest speech on seapower that I have heard in my 27 years in the Senate.

The Senator from Virginia is an able member of the Senate Armed Services Committee and one of the most valuable members there. His father was a member of the Senate Armed Services Committee when he was here preceding the present HARRY F. BYRD, JR.

The Byrd family has been a great asset to this country. Father and son have been two of the greatest Senators with whom I have served.

This speech this morning that he has delivered on the floor of the Senate should be read by every Member of this body and by the public generally. The Senator from Virginia has the vision to understand that the goal of the Soviets is to spread their aggression throughout the world; their goal is to dominate the world. He realizes the importance of preparing this country. This morning he has given us a very fine address on the subject of seapower which is so vital to the maintenance of freedom of this country and the free world.

Mr. HARRY F. BYRD, JR. Mr. President, I am very grateful indeed for the generous comments of my good friend from South Carolina, Senator THURMOND. I am very grateful to him. I look forward to continuing to work closely with the distinguished and able senior Senator from South Carolina on these vital matters of national defense which are so important to our Nation and on which the Senator from South Carolina has taken such an important leadership role for so many years.

Mr. HELMS. Mr. President, I join the distinguished Senator from South Carolina in the tribute he made to the distinguished and able Senator from Virginia. HARRY BYRD and I have been close, personal friends since the day I arrived in the Senate. I knew his father before him, when I was a staff member in the Senate back in the early 1950's.

I know of no Senators who have more ideally stood for the principles of this country than Harry Byrd, Sr., and HARRY BYRD, JR.

I commend him on his address and on his tenure in the Senate, which I am sure will continue on and on. I am very proud of him.

Mr. HARRY F. BYRD, JR. If the Senator will yield, I wish to express my appreciation to the Senator from North Carolina for his very generous remarks.

Mr. HELMS. I thank the Senator.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. SYMMS). The Chair, on behalf of the Vice President, appoints to the Mexico-United States Interparliamentary Conference, Manzanillo, Colima, Mexico, June 11–15, 1981, in accordance with Public Law 86–420. the following: CHARLES H. PERCY, chairman; CHRISTOPHER J. DODD, vice chairman, and STROM THURMOND.

FOOD STAMP AND COMMODITY DISTRIBUTION AMENDMENTS OF 1981

The PRESIDING OFFICER. Under the previous order, the Senate will now resume the consideration of S. 1007, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (S. 1007) to amend the Food Stamp Act of 1977 to restrain food stamp program spending, to increase State agency flexibility, to focus benefits toward the most needy, to extend appropriations authority, to amend the Agriculture and Consumer Protection Act of 1973, and to extend and improve the commodity distribution programs, and for other purposes.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, is the Senator from North Carolina correct in his understanding that the McClure amendment will be pending as soon as the Senator from Idaho arrives and in fact calls it up?

The PRESIDING OFFICER. The Senator from North Carolina is correct.

Mr. HELMS. I thank the Chair.

Mr. President, I note the distinguished manager of the bill on the other side is on his way. I suggest the absence of a quorum with the time to be equally charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senator from Idaho is recognized to call up an amendment.

UP AMENDMENT NO. 141

(Purpose: To count as income for purposes of the Food Stamp Act any payments or allowances made to a household for the purpose of providing energy assistance)

Mr. McCLURE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Idaho (Mr. McCLURE) proposes an unprinted amendment numbered 141.

Mr. McCLURE. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 42, line 6, strike out "(10) any income" and insert in lieu thereof "and (10) any income (other than a payment or allowance made under any Federal, State, or local law for the purpose of providing energy assistance)".

On page 42, beginning with the comma after "program" in line 8, strike out all down through "law" in line 10.

Mr. McCLURE. Mr. President, today I am offering an amendment to the Food Stamp and Commodity Distribution Amendments of 1981 that will make the reporting of income more accurate.

First, I commend the Senate Agriculture Committee and its able chairman (Mr. HELMS) for putting together a bill that goes a long way in curing some of the abuses that have taken place in the food stamp program.

I say "some" because I think there are some that remain.

This bill provides a good start in getting the program under control. Again, I want to emphasize "a good start," because I do not think the job is done.

Mr. President, no one objects to helping people who are poor because of circumstance and who have no choice but to depend on the Federal Government for assistance for themselves and their families. But it has become painfully clear that the food stamp program is a perfect example of a government program gone berserk. Instead of limiting the program to people who cannot do without the assistance, we have allowed this program to grow to the point where 1 out of 10 people is receiving food stamps, and where 1 out of 7 is eligible. The entire food stamp system is full of abuse and the loopholes that now exist in the legislation must be closed if we are ever to get this $10-billion program under control.

Ten billion dollars, Mr. President, for a program that started out just a few short years ago at $30 million a year. Ten billion dollars now and growing. This bill goes a long way toward reversing the nature of that growth, but not totally eliminating that growth. There is no reason, absolutely no reason, why the American taxpayer, the working men and women of this country, should be funding a program that wastes as much as 20 percent of its budget. This legislation is essential to the well-being of our economy as a whole, and to the people who depend on food stamps. By tightening up on the program, we can only be helping those recipients who truly need the assistance.

As I said, Mr. President, I believe the committee has done an admirable job in closing many loopholes. There is one area that still concerns me, however, and I am offering an amendment today to further tighten up the bill.

My amendment will require that energy assistance payments be included in the income level for food stamp eligibility. The payment of low-income energy assistance benefits under existing law serves to improve the financial condition of the recipient family. That is what it is designed to do; that is what it does.

One of the key reforms of the 1977 Food Stamp Act was the inclusion of other public assistance payments as "income" and Congress should not continue to exclude energy assistance. The inclusion of these benefits in the definition of income would save as much as $50 million annually in the food stamp program because household income would have to be reported accurately as being slightly higher, thus scaling down benefits. Again this can only be of help to the poor, because households with higher incomes would be pushed above the cut-off point. I believe an accurate definition of income is essential to the credibility of the food stamp program. The exemption of energy assistance benefits allows higher and higher income households to qualify for food stamps and I urge my colleagues to vote in favor of my amendment.

Mr. President, this is just one of a long series of efforts on the part of Members of the Senate to get the income statistic stated correctly as a matter of qualification. Certainly, if it made any sense at all for us to adopt the provisions a few years ago that required the public assistance payments to be included as income, then, there is no reason to exclude the energy assistance benefit as a part of the income in the computation of income for the qualification for benefits. I hope the committee will accept the amendment, because I think it is consistent with the philosophy that we have already expressed in the Senate on direct votes with respect to public assistance payments.

Mr. HELMS. Will the Senator yield?

Mr. McCLURE. I am happy to yield to the Senator from North Carolina.

Mr. HELMS. I commend the Senator on his amendment. The administration favors this amendment and certainly, I do. But I rather imagine that our distinguished friend from Vermont will not make that unanimous. I want the Senator to know that the administration does approve it and I approve it. I would be willing to accept it. If Senator LEAHY will accept it, we are in business.

Mr. McCLURE. Let me say to the Senator from North Carolina, Mr. President, that I want to express my appreciation for his statement. I do not wish to presume that the Senator from Vermont will not accept it, because it is certainly absolutely consistent with what we have done before in the computation of income to include public assistance benefit payments.

Mr. HELMS. Of course, it is consistent, and I again commend the Senator for offering the amendment.

Mr. McCLURE. I thank the Senator. Again, I hope that the committee might accept the amendment and we can go on from there.

Mr. President, I reserve the remainder of my time.

Mr. LEAHY. Mr. President, as the distinguished Senator from Idaho is probably not aware, I have been one of the two people who have fought hardest in the Committee on Agriculture to keep within the budget figures that the President had in his food stamp bill. In fact, I found myself, on numerous occasions in the committee, being a sort of lonely voice arguing for the administration's figures. They, in fact, came in under the administration's figures.

I forgot this morning to wear what I was wearing yesterday, feeling that I thought it was appropriate because of my work in trying to help the administration. I had my Ronald Reagan tie clasp on.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. LEAHY. Certainly, Mr. President.

Mr. McCLURE. Did Ronald Reagan give the Senator that tie clasp?

Mr. LEAHY. I do not want to disclose. It was given to me by the White House.

Mr. McCLURE. I wanted that knowledge, because you see, Mr. President, I have not gotten one yet.

Mr. LEAHY. I never got one from President Carter. Maybe the Senator got one there.

Mr. McCLURE. I never saw President Carter. [Laughter.]

Mr. LEAHY. He is a nice looking man. The Senator will probably recognize him from his photographs, anyway. The Senator should have come to the joint sessions. He would have recognized him there.

Mr. McCLURE. I saw him at a distance.

Mr. LEAHY. He looks just like his photographs.

Mr. HELMS. Mr. President, if the Senator will yield, perhaps we can get off the subject of how Presidents appear.

Senator LEAHY is exactly right, I say to the Senator from Idaho. He supported President Reagan every time the administration's proposals to spend money on food stamps were higher than the proposal in the committee. Se he was absolutely consistent on that.

Mr. LEAHY. That is not quite accurate, because the package that Senator DOLE and I proposed, which is basically the package finally accepted by the committee, came in under President Reagan's figures and had fairly considerable savings beyond that.

With respect to this particular amendment, Mr. President, a similar amendment was proposed in the committee. It was debated at great length, and it was voted down. One reason it was voted down was that this would substantially reduce assistance to households receiving energy assistance payments. It is a provision that would be especially harsh on the elderly.

In fact, one of the reasons we voted this proposal down in committee was that many elderly persons would have their food stamp benefits completely terminated during some winter months. Quite frankly, this is of concern primarily in those States—half the States in the Nation—that have severe winters.

What you are going to have is a situation which will be particularly cruel to the elderly, to that class of our citizens who justifiably worry the most about the basic necessities and maintaining their lives. They would know that with a provision such as this, a significant number of the elderly in this country would be faced with the possibility during the winter of whether they would heat or eat—whether they would heat or eat.

Furthermore, the Dole-Leahy bill on food stamp fraud and accountability cut very substantially into the areas of potential fraud or abuse in the food stamp program.

I believe that if the distinguished chairman will look at the figures presented by the Reagan administration and the figures Senator DOLE and I came up with, we ended up with considerable savings, even beyond those of the President.

I realize that we are probably getting off the track with some fairly facetious comments about President's tie clasps and appearances and whatnot.

I want the record to note that the Senator from Vermont, together with the Senator from Kansas, worked out a proposal, a series of proposals, on the food stamp program that actually came to a lower figure than that of the President—not, as I think inadvertently suggested by the distinguished chairman of the Agriculture Committee, looking for higher figures.

As I mentioned yesterday in the debate, when you have a State such as mine, where the temperatures reach 30 or 40 below zero and stay there for days on end, it is not a very comforting choice to have.

After all, the elderly comprise up to 45 percent of all the energy assistance participants. When the energy assistance program was initiated, the fact that many potential recipients receiving food stamps were considered in setting funding levels in energy assistance was specifically excluded from income for food stamp purposes.

The President has already proposed a 25-percent reduction in energy assistance in fiscal year 1982. I believe that what we are faced with here is the fact that the fuel assistance program is being proposed to be reduced anyway by 25 percent; and if we reduce it even more, so that for every $11 received in energy assistance there would be something like a $3 reduction in food stamps, the impact on the elderly will be most severe. Low-income energy assistance does not provide extra money for food purchases.

What we have is the basic question that will have to come in any discussion of food stamps, and it is this: Do we have before us a program, a nutrition program, a program to help eradicate hunger and malnourishment in this country, or not? If we feel that it does not do that, if we feel that it is not set up as a hunger program, if we feel that it is not one of the programs designed to really remove what is a shame in the most powerful and wealthiest country in the world—the shame of hunger and malnourishment—then do away with the whole program.

Do not kill it by selective cuts. Do away with the whole program and say that we are not going to make this effort to eradicate hunger and eradicate malnourishment. But if we are going to keep the program in being, at a time when the President speaks of safety nets and his dedication to safety nets, at a time when one of those safety nets, the fuel assistance program, is being proposed to be cut by the administration, then let us not cut it further by somehow saying that a program designed for food assistance is now going to have to be equated with fuel. They are separate programs. Do away with one or the other, but do not try to link the two.

So I would oppose it in that regard.

Mr. President, there is an editorial in the Washington Post this morning, a good editorial, entitled "Food Stamp Follies." It speaks of the cap on food stamps. As Senators may know, I, with others, tried to put that cap into a more realistic setting in this food stamp program.

We have had the anomaly of the administration opposing removing the spending cap, but at the same time saying that they are going to have inflation and unemployment so under control that the actual costs of the food stamps would go down. But just in case they were wrong, they were not about to encourage removal of the cap.

Mr. President, I ask unanimous consent that the editorial from the Washington Post be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FOOD STAMP FOLLIES

A preview of the coming attractions of next week's budget reconciliation floor debate will be provided in the next day or two when the Food Stamp Bill is expected to find its way to the Senate floor. While the bill will also meet the requirements of the budget resolution, food stamps will come up first for a separate debate because the legislation is due to expire.

The bill that has emerged from the Senate Agriculture Committee would cut food stamp benefits by almost $1.9 billion next year, $400 million more than the administration requested. If the bill passes as is, millions of poor people will suffer significant losses in purchasing power, most of them elderly, disabled or in families with children. This is not a happy prospect—but it could have been a lot worse. The committee did not adopt the administration's proposal to cut benefits to families with children receiving free school lunches, a plan particularly harmful to some of the nation's very poorest families. Instead it spread the losses more evenly by delaying cost-of-living increases, adding more administrative restrictions and reducing benefits to the working poor.

Having lost in his earlier attempts to achieve yet more massive reductions, Senate Agriculture Committee Chairman Jesse Helms is expected to be pushing some of his pet proposals on the floor. These include restoring the requirement that people buy their stamps—formerly a major source of administrative abuse and a barrier to participation among the elderly and rural poor—further reducing income limits and cutting benefits across the board. The full Senate should reject these proposals, as did the Agriculture Committee.

Perhaps that is all that can be expected in the present climate. There is, however, one other matter that the Senate should address. That is ending once and for all the silly game now played once a year or more over the spending cap added to the Food

Stamp Law in 1977. Each round of the game starts with a guess as to what the program is going to cost over the next few years. The guess is always lower than anyone really believes is necessary to serve all eligible people. Liberals go along with the underestimate in order to get agreement on the money needed immediately to run the program. Conservatives insist on the underestimate so as to have another chance to rail about a "runaway program" and offer restrictive amendment when, again, as the result of rising inflation or unemployment, program costs bump up against the ceiling.

The Agriculture Committee bill keeps this game going. The cap for this year has been raised at administration request by $500 million above the amount originally requested so that it is realistic in terms of the certainties of the near future. The limits for the next fiscal year and beyond remain at the roseate levels set earlier. Not only are these based on a highly optimistic forecast, but they make no allowance for the increase in food stamp costs—estimated at more than $500 million by the CBO—that will be caused by cutbacks in welfare, CETA, unemployment and trade adjustment assistance and other programs.

Whatever the attraction of familiar amusements, this is one game that Congress should decline to play anymore. If there is any safety-net program in this country, it is surely food stamps, the only program that serves all the poor and provides access to the most basic of all market commodities—food.

Mr. LEAHY. Mr. President, I commend this editorial to my colleagues. I could not agree with it more.

I hope we will be able to obtain a consensus during the day, on both sides of the aisle, to take more realistic steps on the cap, preferably to remove it, but at the very least, to put in a flexible cap, one that should be supported by the administration, if indeed they believe their own economic forecasts.

Mr. President, I reserve the remainder of my time.

Mr. McCLURE. Mr. President, I did not get exactly what the Senator said about whether or not he would accept the amendment, but I gather from the gist of what he said that he finds the amendment to be objectionable.

Mr. LEAHY. The reason I said I would oppose the amendment is that I will oppose the amendment—if that answers the Senator's question.

Mr. McCLURE. Somewhere in that welter of words I lost that statement.

Mr. LEAHY. I said it a couple times and I repeat it again. I do oppose this amendment.

Mr. McCLURE. I understand, but I got the gist of that anyhow even if the Senator had not used those words.

Mr. President, it seems to me to be folly to the point of being near ridiculousness to do what the committee has done in cutting out energy assistance payments by State and local governments or by including them in income tests for qualification for food stamps and at the same time exempting Federal energy assistance. The committee did just exactly that, and the distinguished Senator from Vermont now argues for the continuation of that illogical dichotomy.

Logic never is very persuasive in this Chamber perhaps, but I hope that we can at least be consistent. If, as a matter of fact, we do not want energy assistance payments counted as income let us not count State and local energy assistance payments as income and indicate that. As a matter of fact, some people might be excluded or find their food stamps reduced as a result of this amendment. Of course, they would. But to pretend that they are the truly disadvantaged is totally inaccurate because they are the ones who then, because of the combinations of incomes that they have from various sources, find themselves reduced in the amount of their food stamp payments or disqualified because their income meets the income test.

Is an energy assistance payment from the Federal Government different than other kinds of welfare assistance to the recipients? Is it different than other kinds of income? Or does it simply aggregate into the total amount of income available to a family and therefore logically have to be considered as a part of their income in determining how much they should receive in food stamp assistance?

To say "either heat or eat" is a beautifully demagog statement. It appeals to the unthinking, and perhaps the Senator from Vermont believes that the majority of the people in this country are unthinking, that they have not the capacity to see through the words and detect what is actually being done.

When 1 out of 10 Americans can qualify for food stamp assistance there is something crazy with that program. When the working men and women of this country have to contribute their taxes in order that 1 out of 10 of their neighbors can receive assistance then there is something gone wrong with the welfare system in this country, and to enclose the mantle as he attempted to do by saying that it will hurt the elderly, well there are some elderly who do not get food stamps. There are some elderly who pay taxes. There are some who receive food stamps who are not elderly but who do receive low-income energy assistance payments from the Federal Government.

Somehow, sometime we have to confront the fact that the food stamp program has become a monstrosity, not because it was aimed or intended or designed to be but because in its administration the program no longer is designed simply to provide that necessary level of assistance to recipients that we all want for those who are truly needy who because of circumstances beyond their control find the necessity of looking to their friends and neighbors for their support. None of us begrudge the payments that are necessary to sustain a reasonable standard of living and both heat and food for those who truly need the help.

But there are millions of working Americans who are tired of paying the bills for those who could but will not do for themselves and for us in the guise of that kind of humanitarian intention argue that we should exclude from their income something which is clearly a part of their income in order that we pay more money out to more people is simply symptomatic of the reason that we are in the trouble that we are in, that a program that started at $30 million a year is now $10 billion a year, that the national debt has grown to the point where we pay interest on it at the rate of $100 billion a year, that before the end of this year is out our national debt will be $1 trillion, a great legacy for our young people for the next generations that come along as they pay the interest on the debt and continue to try to cope with the programs that we have created.

We can at least try to bring some control to a program that has too largely run out of control.

This amendment, Mr. President, is a very modest addition to that effort in order to try to get some control and put some reasonable limits on the expenditures of the taxpayers funds through this program.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. McCLURE. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. MATTINGLY). The Senator from Vermont is recognized.

Mr. LEAHY. Mr. President, I simply wish to correct a couple things.

I realize that the food stamp program started out smaller than it is now, and it is conceivable that has happened in other programs.

This did not, of course, start out as a pilot program. And again if we had full employment in this country and no inflation, we would probably not need it at all.

I am thus counting on the current predictions made by the White House that we will have significant savings, and it is simply because they will get unemployment down very considerably and inflation practically to nothing. Those two things of themselves, if they are correct, will lower the cost far more than the amendment of the distinguished Senator from Idaho or anyone else.

It is an interesting thing, though, on how sometimes programs can blossom a bit.

I recall looking back over the defense budget. I believe the MX missile system started out at the first year ever that I think it was only $3 million or $4 million. Now we hear that there will be a ballpark figure of somewhere from $60 billion to $150 billion. That is an interesting ballpark when one thinks about it. Those are little more exact figures, $60 billion to $150 billion. Actually they want to leave a little bit of fudge factor in there. I assume that takes into consideration the fact that they sort of gobble up Utah, Nevada, and a few other States, and most of our ability to produce agriculture water there, and so forth.

I mention this just so that the people reading this record will not assume that the food stamp program is the only program that has ever grown. I mention the MX and the matter that is probably of great interest to people in Utah, Nevada, and the West as it is to the rest of the country as another program that might have grown a wee bit.

The other thing that was mentioned,

though, by the distinguished Senator from Idaho, is the exclusion of State and local energy payments. Of course, the administration proposed exclusion of State and local energy payments because some States were abusing the exclusion of energy assistance by calling part of AFDC energy assistance.

But we should also look at the history of the energy assistance program itself. We set up the program a couple of years ago and we set the funding levels explicitly then to augment the food stamp and welfare assistance already available, and I can see what is going to happen on this.

We take these programs up one by one, and we pick one and say, "Well, you know, you have all this stuff coming from another program," so we have to chop back here and then we go to the other programs and say, "Gosh, you have money coming from the first program," so we have to chop the second program and take each one of them in a vacuum.

If they were all here as an overall package we might be able to look at this a little bit better.

But the arguments that are being made in each one of the programs play each one off against the other. When the President proposed already a 25-percent reduction in energy assistance, to count it here as income would be a double penalty, and I happen to feel that contrary to the suggestion made by the Senator from Idaho that I feel that the people in this country do not think, I feel that they think very, very much and certainly the people of my own State do, a State that I visit virtually every week just to see how they feel.

I am sure the Senator from Idaho also visits his State every week, as I do my State, to see how the people feel. The people can count in my State, and they can read thermometers, and when I say the issue has been raised as to whether you are going to heat or eat, this is not my expression. This is the expression that I have heard from good, rock-ribbed, Conservative Republican Vermonters who are elderly and are concerned about amendments of this nature.

Mr. President, if the Senator from Idaho is willing to yield back his time in conjunction with the agreement, the informal agreement, that Senator HELMS and I have entered into, I am ready to yield back my time.

Mr. McCLURE. Mr. President, winters in Vermont are no different from those in Idaho. We have cold weather, and we have older people, and we have food stamp recipients. But it is not argued by most Idahoans, to my knowledge, that they ought to have a free payment from the Federal Government that is excluded from their income calculation so they can benefit by the receipt of food stamps.

Income is income, and the committee has seen fit to see that energy assistance income from the State and local level is income, but energy assistance from the Federal Government is not income. Certainly the amount of assistance, the amount of money, that is available to a family ought not to be varied because of the source of the income. A payment for one purpose would be included as income but a payment for another purpose is excluded from income. Why? Because some magic word says it is a Federal benefit. A Federal benefit does not cost anything, is not worth anything, should not count as income.

Try that on your taxpayers when on April 15 they fill out their income tax forms. Try that on your young people when they look at the size of the national debt that we have aggregated. Some people say it does not count, hardly worth talking about. It is only $100 million a year, $50 million a year. I have heard it argued on this floor by others that, "Well, it is less than $50 million, that rounds off, so it does not even count. We should not even talk about it."

Well, we should talk about it, and we should be talking about a program that certainly everyone recognizes as having grown. I said $20 million. That is what it was when it started a decade and a half ago. But let us look at the first 10 years of the program, when it grew to a total of a little over $4 billion. That is after 10 years. What has it done in the last 5? It has almost tripled. That is what we are talking about, and that is why it is necessary, Mr. President, to take some realistic moves to put some equity and some fairness into a program that begins to sap the vitality of this country.

Certainly those who live on public assistance do not live—many of them—at a very high standard of living, and those who do not live at a high standard of living would not be affected by this amendment one bit. If with this energy assistance payment their income remains low, they will still get food stamps. If, however, they have with the addition of this income, income from all other sources, and they get at the margins of income that begin to reduce their food stamp allotments or disqualify them from receiving food stamps, if their total income including this payment is enough that they would not be qualified to receive food stamps, why should they expect their friends and neighbors to give them money if, as a matter of fact, they have that amount of income, including this amount of energy assistance?

Yes, it gets cold in Vermont; it gets cold in Idaho. People have to eat and they have to heat, and we have made payments available to people from State and local levels to give them those minimum levels of income where they cannot do for themselves. Whether they are young and disabled, middle aged and sick, elderly and incapable of work, then they are entitled to the benefits of a generous and unstinting relief program. But when their income rises to the point where they would be disqualified because of the level of their income, why do we artificially say in order to give them more we will not count it as a part of their income?

Mr. HELMS. Mr. President, will the Senator yield?

Mr. McCLURE. I am happy to yield to the Senator from North Carolina.

Mr. HELMS. Mr. President, the Senator from Idaho is absolutely correct. I have been intrigued during the years I have been in the Senate at how easy it is to be generous with other people's money.

The major news media of this country sort of have a dividing line of Members of Congress, those who vote to appropriate greater and greater sums of money who are the compassionate ones; and those of us who do not are flinty, ultra-conservative, hardhearted reactionaries.

But I suggest, Mr. President, that the best thing we can do in this Congress for the American people of all ages and all economic levels is to get the economy in shape, to restore stability, stop inflation, so that people will have some idea of what their money is going to be worth.

You know, Mr. President, the people who are the hardest hit by inflation are the poor. Yet we continue to overfund these programs, to put in this little patchwork and that little patchwork, and they say, "Oh, wait, this is just a little bit, just $100 million here," or "$50 million there," or "$200 million there," and, as a result, we are confronting a national debt of $1 trillion, the interest on which costs as much as operating the entire Federal Government cost a decade and a half ago.

From time to time, Mr. President, I have had a little experiment on this floor to see how much compassion there really is. I remember some years ago when the question of bringing the Vietnamese refugees to America was before this body, and I heard all grades of protestation that we must do this and we must do that, and I agree.

I belong to the Baptist Church, and I think we all ought to have personal compassion. So when the appropriation proposal was submitted to this floor I went to the telephone and I called a distinguished North Carolinian, who has been a friend of mine for a long time. His name is Billy Graham. I said, "Billy, we have this problem of the Vietnamese refugees coming to this country and we all want to look after them." He said. "We certainly do."

I said, "Would you be willing to head up a private movement to raise the funds; extend love and care to these people and set up in general a project likely to involve, on a genuine humanitarian basis, millions of Americans?" He said:

I will certainly undertake it and I don't think there will be any problem about it. I appreciate your bringing it to my attention.

I came on this floor, Mr. President, and I sent an amendment to the desk and the clerk read it. And attached to that amendment was my personal check for $1,000. And I was going to have to go to the bank and borrow the $1,000, but I sent the check forward in good faith. I told the Senate that the way to do this is from our hearts. And if each Senator will contribute $1,000 of his money, and if each Member of the House will do the same—and I would mention, Mr. President, that our salaries are not inconsiderable in terms of the average income in this country. But if all Members of Congress were to show their good faith, demonstrating that they were willing to spend some of their own money on this business of compassion, that we would have $535,000, obviously, for seed

money for this private project to be headed by Billy Graham.

I wish you could have seen the tempers that erupted. "The very idea," Senators said, "proposing that we spend some of our own money." I think I got seven votes on the amendment. And I did not expect any more than that, but I wanted to make a point.

Now a lot of folks do not know that Davy Crockett served in the Congress. He was quite a distinguished Member of the House. One day, a private relief bill came up to give the widow of a naval officer a special pension. All of the glowing accolades were offered eloquently about what fine service had been rendered by this Navy officer and it was a we all got to pitch in and help that widow.

Old Davy sat over there in the corner of the Chamber and he thought a little while and he got up and he said:

Now, Mr. Speaker, there is no Member of this body with less money than I. The question is not whether we are sympathetic with the widow, but whether we have the constitutional right to do this.

He said:

Where in the Constitution does it say that we can do this?

He said:

I will make this proposition to my brethren in the House of Representatives: That I, poor as I am, will join in and raise the funds for the widow.

And Davy Crockett had the same reaction that I had on this Senate floor: "This guy must be crazy," they said, in effect. "What do you mean we are supposed to spend our money?" And of course Davy was hooted down, just as the Senator from North Carolina and the Senator from Idaho and others have been hooted down.

But I say to you, Mr. President, for so long as we continue on this road of having the Federal Government in charge of compassion, we are going to continue to have the very same problems that we are having right now.

Now I am fairly active in a couple of churches, one here and one in my hometown of Raleigh. I have told both of my preachers that you fellows are missing the boat. Our churches too often and to too great an extent have come to regard compassion as a function of the Government. You find too many of our preachers involved in politics.

My friend, the evangelist Jim Roberts down in Texas, said to a group of 20,000 one night, "When have you gotten your hands dirty, getting out there in the trenches?"

Oh, yes, I would like to be able to vote to give everybody everything. But the truth is you cannot do it. And we have a program that is exploding in cost here.

Senators can trot in here and talk about the elderly. That is fine. I am getting there myself. But the point is that we are working against the elderly and we are working against the poor when we continue to elevate this Federal spending, this Federal debt.

I have been amazed at some of the media attacks on Ronald Reagan for budgetary slashes, cutting to the bone, when the fact is that Ronald Reagan has not proposed to reduce Federal spending. All he has done is to propose to reduce the rate of growth of Federal spending.

And I am not sure a lot of people understand that. But I hope that they will understand that the greatest compassion that we can show to the people of this country—old, young, sick, poor—is to bring order and stability to the economy and to move far more rapidly than we are likely to move in terms of balancing the budget, because then and then only will we be doing something for the people of this country.

And the amendment of the Senator from Idaho is exactly right. How can you make the preposterous proposition that income from the Federal Government is not really income? Any schoolboy could tell you that income from whatever source is income. And if we are going to be intellectually honest on this bill or any other bill, we at least ought to acknowledge that.

Now if you want to do something more for the elderly, do it up front, but do not try to paper it over with a suggestion that income from the Federal Government, a welfare payment from the Federal Government, is not income in terms of calculating the eligibility for food stamps.

I have said all that I have said with the utmost respect and affection for my colleagues. I recognize that there is this tendency to say, "Well, this Federal spending, this Federal budget, this appropriation, all of these are in the abstract." But they are not in the abstract. They are a reality and the bottom line of that reality, Mr. President, is the $1 trillion Federal debt that we are facing.

Again I commend the Senator from Idaho on his amendment. I am perfectly willing to accept it. If there is a rollcall vote on it, I will vote for it.

Mr. LEAHY. Mr. President, I was sorry to hear the distinguished Senator from North Carolina say that he was hooted at, hollered at, by Members of the Senate and that they had suggested that he had taken leave of his senses. I had not realized that that was over the issue of him offering to give money to a church, to a relief fund. I certainly would not be one to suggest that he had lost any of his senses on that issue.

The distinguished Senator from Idaho has urged us not to let this debate break down into either rhetoric or demagoguery. With that suggestion coming from a more senior Member, I will not respond to a debate with a David Crockett, Billy Graham, the national debt, or anything else, because I think it is good advice coming from the other side not to get into rhetoric or demagoguery.

I will simply say that Senator DOLE, myself, and the Senate Agriculture Committee oppose this amendment, it having been raised before the committee, early debated, and voted down by a wide partisan coalition.

In yielding back my time, I would say that at the time the vote on the amendment comes up, the committee, Senator DOLE, I hope a majority of the Senate, and myself will oppose it, I yield back the remainder of my time.

Mr. McCLURE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. Under the previous order, the vote on this amendment will follow in sequence behind the two votes that have already been scheduled.

Mr. LEAHY. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. LEAHY. I understand in yielding back our time that on all votes after the first one at 3 o'clock there is still reserved to Senator HELMS and myself 10 minutes equally divided should we choose to use it.

The PRESIDING OFFICER. The Senator is correct.

Who yields time?

Mr. LEAHY. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time for the quorum call be equally charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. HELMS. Mr. President, I suggest the absence of a quorum, with the time to be equally charged.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 142

(Purpose: To authorize the Secretary of Agriculture to conduct pilot projects for the purpose of simplifying the processing of food stamp applications for certain AFDC and SSI recipients)

Mr. BOREN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Oklahoma (Mr. BOREN) proposes an unprinted amendment numbered 142.

Mr. BOREN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 69, between lines 17 and 18 insert a new section as follows:

"PILOT PROJECTS TO SIMPLIFY THE PROCESSING OF APPLICATIONS FOR CERTAIN AFDC AND SSI RECIPIENTS

"SEC. 324. Section 17 of the Food Stamp Act of 1977 is amended by inserting a new subsection as follows:

"(d) The Secretary is authorized to conduct two pilot projects in which households that consist entirely of recipients of aid to families with dependent children under part A of title IV of the Social Security Act, and

households that consist entirely of recipients of supplemental security income under title XVI of the Social Security Act, whose gross income does not exceed 130 percent of the nonfarm income poverty guidelines prescribed by the Office of Management and Budget, shall be deemed to satisfy the application requirements prescribed under section 5(a) of this Act and the income and resource requirements prescribed under sections 5(c) through (g) of this Act. Allotments provided pursuant to section 8(a) of this Act shall be based upon household size and the benefits paid to such household under part A of title IV, and title XVI, of the Social Security Act, respectively: *Provided*, That the Secretary shall also make such modifications in the value of such allotments as may be necessary to assure that in each pilot project area, average food stamp benefits by household size for households receiving aid to families with dependent children and participating in the pilot project, and for households receiving supplemental security income and participating in the pilot project, are not reduced below what such average benefits would be under this Act for each such category of households, respectively, in each such pilot project area, for the period or periods the pilot project is in operation. The Secretary may conduct such projects on a statewide basis in two States, or in political subdivisions within such States, and shall evaluate the impact on recipient households, administrative costs, and error rates.".

Mr. BOREN. I yield myself 4 minutes on the time allotted to the amendment.

Mr. President, today I offer an amendment to the Food Stamp Act which would provide authorization for two State pilot projects which would substantially reduce paperwork and result in a savings in administrative costs in operating the program.

In my own State of Oklahoma, officials in the Department of Human Services estimate that my amendment, by allowing pilot projects, would save approximately $1 million in State administrative expenses and $1 million in federally funded administrative expenses out of a total administrative expense budget of $10 million for the food stamp program in Oklahoma.

That would approximate something in the area of a 20-percent administrative saving.

The reason for this saving is that approximately 40 percent of the food stamp caseload in States like Oklahoma are also receiving supplemental security income, or SSI and aid to families with dependent children, AFDC.

At present, SSI and AFDC recipients must fill out a separate application, giving the same information to authorities, in order to qualify for food stamp benefits. My amendment would simplify procedures by allowing those participants in SSI and AFDC who are involved in the pilot project and meet the income requirements of food stamps to automatically be qualified for food stamp benefits. This would alleviate the unnecessary burden of filling out numerous applications, which must be printed and reviewed by the staff, giving exactly the same information as recipients have previously filed under the other Government program. State administrators of the food stamp program feel that the pilot projects would greatly assist them in reducing paperwork and cutting needless costs.

Everywhere that we can find ways to cut administrative costs we should do so. It would bring us closer to the goal of reaching a balanced budget without having to reduce benefits for those who truly need them.

Mr. President, I have reviewed this matter with those on our side of the aisle and I think that the amendment is fully acceptable to the managers of the bill on this side of the aisle. I ask the distinguished chairman, the Senator from North Carolina, for his reaction to it and express the hope that it might also be acceptable to that side of the aisle.

The PRESIDING OFFICER (Mr. GRASSLEY). The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I regard the Senator's amendment as a good one. It certainly is worth trying. It will not cost anything, which is novel around this place. I commend the Senator on it and I am prepared to accept the amendment.

Mr. BOREN. I thank my colleague from North Carolina very much and I say to him not only will it not cost anything but I hope that it will result in savings and those of my State feel that they can demonstrate savings there. If that pilot project works, perhaps it is procedure that we can extend to all 50 States and make substantial savings.

Mr. HELMS. Mr. President, if the Senator will yield, I think it was the Prince of Denmark who was once said to have remarked that that is a consummate about which we wish.

I wish him well with his amendment because if the amendment succeeds then the taxpayers will prosper to that extent.

Mr. BOREN. Mr. President, if there are no further comments I yield back the remainder of my time.

Mr. HELMS. I yield back the remainder of my time and move the adoption of the amendment.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Oklahoma.

The amendment (UP No. 142) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BOREN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be charged equally.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. The Senator from Oklahoma (Mr. BOREN) has an amendment.

The PRESIDING OFFICER. The Senator from Oklahoma.

UP AMENDMENT NO. 143

(Purpose: To exempt the elderly and disabled from the income standards of eligibility limitation set at 130 per centum of the poverty income guidelines)

Mr. BOREN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Oklahoma (Mr. BOREN) for himself and Senator PRYOR, Senator BENTSEN, and Senator CHILES, proposes an unprinted amendment numbered 143.

Mr. BOREN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 32, strike out lines 20 and 21 and insert in lieu thereof the following:

"(2) striking out in subsection (c) 'The income standards of eligibility shall be' and inserting in lieu thereof 'Except for households containtaining a member who is sixty years of age or over, or containing a member who receives supplemental security income benefits under title XVI of the Social Security Act or disability payments under title II of the Social Security Act, the income standards of eligibility shall be 130 per centum of'.".

Mr. BOREN. Mr. President, I yield myself 4 minutes of the time allotted on the amendment.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BOREN. Mr. President, I rise today to offer an amendment which would exempt the elderly and disabled from income eligibility guideline changes included in the Food Stamp and Commodity Distribution Amendments of 1981. If this exemption is not approved, approximately 67,000 U.S. households with elderly and disabled members will lose benefits because of the lowered income eligibility limits included in this legislation.

I am pleased that my colleagues, Senator PRYOR, of Arkansas, Senator BENTSEN, of Texas, and Senator CHILES, of Florida, are joining me as cosponsors of my amendment.

This amendment would result in a maximum cost of $35 million. The food stamp bill, passed by the Senate Agriculture Committee, saves approximately $370 million more in fiscal year 1982 than was requested by the President and the first concurrent budget resolution.

In addition, even with an exemption for the elderly and disabled, the Senate-passed food stamp bill would exceed savings assumed by reconciliation legislation in fiscal year 1982–84.

Since we have more than met our budget requirements, there should be no reason to oppose this amendment because of the cost. The cost has already been well compensated for.

I would add parenthetically, Mr. Presi-

dent, that as a member of the Senate Committee on Agriculture, Nutrition, and Forestry I voted consistently to make savings in the food stamp program that go beyond the savings which were mandated and required of us in the committee, and one of the reasons why I voted for additional savings was to make room for this exemption for the elderly and for the disabled.

While there is much fraud and abuse in many programs and while I feel strongly that able-bodied persons should work and that we should take such actions as cutting food stamps to Puerto Rico, where 58 percent of the entire population has previously been receiving food stamps, I do not believe that the citizens of my State or the citizens of this country want me or the entire Senate to pull the rug out from under the elderly and the disabled.

These persons cannot go out and get a job to make up for cuts in this program. The healthy, young, and able-bodied can bear these cuts and take care of themselves much more easily than can the elderly or disabled.

For this reason, and because of the minor cost of my amendment, I feel that we must exempt the elderly and disabled from the lowered eligibility limit of 130 percent of poverty included in the Senate Agriculture Committee's bill.

It is a matter of targeting the cuts and continuing to meet the needs of those who are most deserving, to meet the needs of those for whom the program was truly begun in the first place, and I would urge my colleagues to consider that we have already met our responsibility—we have more than met our responsibility—and it is my hope that this amendment will be agreed to.

At this time I am pleased to yield as much time as he requires to my colleague, the distinguished Senator from Arkansas (Mr. PRYOR) and a cosponsor of this amendment.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. PRYOR. Mr. President, I appreciate my friend from Oklahoma (Mr. BOREN) yielding to me at this time. I applaud him for offering this amendment and for bringing this matter to the attention of the Senate at this time.

Mr. President, today the Senate is considering S. 1007, the Food Stamp and Commodity Distribution Amendments of 1981. This legislation, over which the Senate Committee on Agriculture, Nutrition, and Forestry has spent long hours of deliberation, represents a major effort on the part of the committee to reduce program costs by more than $8.5 billion over the next 4 years, and makes major program changes in an effort to further reduce waste and fraud. I am proud to have played a part in this process.

In considering S. 1007, the committee established a gross income eligibility limit at 130 percent of the applicable Federal "poverty level." I supported this requirement during committee debate, and I continue to support it.

However, there is one aspect of the eligibility requirement with respect to the elderly and disabled which must be corrected. For this reason, I am joining with Senator BOREN in sponsoring an amendment which would exclude the elderly and disabled from this eligibility requirement. Instead, these individuals would be subject to the provisions of current law. This amendment would require minor additional outlays of $35 million. But I do think our colleagues should be on notice that even with the adoption of the Boren amendment the Committee on Agriculture's recommendation for the food stamp program will be still several million dollars under what our proposal was asked to do.

Mr. President, of the more than 22 million persons enrolled in the food stamp program, approximately 1.9 million, or 9.1 percent, are aged 60 and over. There is no question that this group is among those hardest hit by rapid rises in the cost of food, energy, and health care. Yet, this is also a group for whom an adequate diet is essential because of special nutritional requirements and medical needs.

Among those elderly and disabled who would be hardest hit by the eligibility requirement are those elderly couples who are dependent upon social security benefits for their retirement income. Presently, the average social security benefit for an elderly couple is only $563 per month. Under current law, assuming the 11.2-percent cost-of-living adjustment in July, the same elderly couple would receive approximately $626 per month. This couple would be well under the maximum gross income limitation of $844 per month and would maintain eligibility for food stamps.

However, should this couple be subject to the new income eligibility standards, they would no longer be eligible for food stamp benefits. The new gross income limit for a two-person household for receipt of food stamps is $616. This limit will place an unnecessary and, in most cases, insurmountable burden on the elderly and disabled living on fixed incomes.

It is expected that the new income eligibility standards will remove approximately 5 percent of all individuals from the food stamp roles. Our best estimates suggest that, with no exclusions, this 5 percent will include approximately 140,000 elderly and disabled individuals—the two groups most ill prepared to face such drastic benefit reductions. Mr. President, it is these two groups who have consistently been assured by President Reagan that they will not suffer benefit reductions through the budget-cutting process. I believe that it is imperative that we act now to restore food stamp benefits to this deserving population.

Mr. President, I plead with my colleagues to adapt the amendment offered by the distinguished Senator from Oklahoma.

I yield back my time to the Senator from Oklahoma.

Mr. BOREN. Mr. President, I yield myself such time as I may require.

Mr. President, I want to commend the Senator from Arkansas for his statement and to say once again that this amendment is a responsible one. It allows this bill reported out of the committee to stay not only within the limits of spending set by the President, not only to meet the mandated cuts of the Budget Reconciliation Act, but still to go far beyond those.

I think what the American people have asked us to do is to carefully sculpt and cut away the waste in programs.

All of us realize that many of the social welfare programs which have been designed in this country have missed the target. They have missed the mark. They have gone far beyond what they were supposed to do. Funds have been wasted. The people of this country are sick and tired of it.

But, at the same time, they expect this Congress to meet its responsibilities very carefully. And when people say to me, "We are sick and tired of the abuse in the food stamp program," what they are really saying is, "We are tired of seeing someone who is young and able bodied standing in front of us in the grocery store line buying food that we, ourselves, cannot afford to buy, expensive items, and paying for them with food stamps that we, the taxpayers, are paying for."

While the people have spoken loudly on that issue, while I have had literally thousands of my own constituents talk to me about that kind of abuse of the program, I have yet to have one person, one single person, come up to me and say, "We do not want the genuinely disabled, the people who cannot work, to be deprived of food stamps." I have not had one person advocate that policy to me.

I have not had one person say to me, "We want the elderly who are beyond working age, who cannot go out and get themselves a job and even if they wanted to would not find jobs available," I have yet to have one person say to me, "Be sure to go back to the Congress and cut the food stamps of the elderly."

All we are saying is, let us specifically exempt the elderly and disabled from the cuts which are being made in this program, cuts which I support, cuts which, in many respects, are long overdue. Many of us in this body have been arguing for them not only this year but in previous years; some of us for as long as the program has been in existence.

So I would just urge my colleagues to take a careful look at this amendment and to realize that it is fiscally responsible and it is offered in a spirit of budgetary conservatism, but it is what I would call compassionate conservatism. I think that is what the people of the country are calling for and that is what the hour calls for.

I urge the adoption of this amendment. I reserve the remainder of my time.

Mr. President, I suggest the absence of a quorum and ask unanimous consent that it be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NICKLES). Without objection, it is so ordered.

Mr. HELMS. Mr. President, I have been in consultation with other Senators who are interested in the Boren amendment. Needless to say, we are sympathetic to what the Senator wants to do, but the fact remains that this little amendment will cost $35 million a year over a period of 4 years, if my arithmetic is correct. So it is a $140 million question we are dealing with.

I have offered the Senator from Oklahoma and the Senator from Vermont a proposition which I hoped they could not refuse, though thus far they have.

In order to eliminate the budget impact of $35 million a year, I propose that we cut the eligibility from 130 percent of poverty to 128 percent of poverty. But as yet my dear friend from Oklahoma has not seen fit to accept that proposition.

I might say for the record, Mr. President, that there is substantial support in the Senate for going far below that 128 figure. Whether there is enough support for us to prevail, I do not know, frankly. I have not done a head count on it. But the proposals have gone as low, as I understand it, as 100 percent, and then to 115 percent. I offered this figure in the committee, excepting the elderly and the disabled. The 128, I will say to my good friend from Oklahoma, will have such minimal impact upon the average family. We are not talking about the elderly in terms of impact because they would be excepted. Is that right?

Mr. BOREN. That is correct.

Mr. HELMS. I am sorry I cannot keep all the figures in my head, but my understanding is that for a family of one, the level would be $5,516. For a family of two it would be about $7,250, I am informed.

I say again to my friend from Oklahoma that if, after consultation with his colleagues, he would drop that to 128, I will accept his amendment and we will not have to have a rollcall vote on it. I will renew my offer to the distinguished Senator from Oklahoma in that regard.

Mr. BOREN. Mr. President, I appreciate the offer which has been given by the Senator from North Carolina, our distinguished chairman. As he knows, I very often find myself in agreement. We are nearly always in agreement on proposals to try to end the fraud and abuse in the food stamp program and in other programs. But I have consulted with others who have joined with me on the amendment, others on this side of the aisle. There is concern about further reductions in the income eligibility at this time.

We are making some very substantial changes in the food stamp program. In the committee, we have reduced the figure below the request of the President and the administration more than $370 million. Those were proposals that I supported. They are very substantial changes, and, I might add, I think long overdue. The Senator from North Carolina has been one of those who has argued year in and year out for these changes to be made. I have sympathized with him and supported him in that effort.

However, I feel in this case we should simply proceed since we have made enough savings already to satisfy the budget. We can make further changes again next year when we will be able to better judge the impact of the cuts which we are making at the present time.

Because there are those who have joined with me and who are supporting me in this amendment who would be troubled by that kind of change, I will say to my good friend from North Carolina that I simply feel obligated to press ahead and offer the amendment as it is. I understand that he may feel obliged to suggest some changes in it. It would be my decision to attempt to go ahead. I do think we have substantial enough savings to meet our responsibilities.

I would also point out that as a committee we are still under the savings required by the reconciliation bill. I am told by the staff there have been some additional calculations made by both the majority and minority staff on the amendment which I offered in the committee on another bill recently in terms of reduction in staff of the Department of Agriculture. Those reductions also would more than offset the $35 million which is being discussed here.

So we will still be able as a committee to be well within the requirements of the administration and well within the requirements of the Reconciliation Act.

I simply do not want to in any way imperil the exemption which I feel should be granted to the elderly and disabled from the cuts in this program. I would say to the distinguished chairman that it is with regret, because we are much more often in agreement than we are in disagreement on these matters, that I wish to proceed with my amendment as I originally offered it.

Mr. HELMS. I hope the Senator will modify his remarks to emphasize that the elderly and disabled are not involved in this. They would be exempted notwithstanding. So we are talking about other than the elderly and the disabled.

Mr. President, I may or may not offer an amendment to the Senator's amendment. It is going to depend on whether we can persuade the Budget Committee to give us approval of the Senator's amendment, which I supported, in terms of the administrative costs in the department. If we can recoup those funds I probably will take a different view on the amendment.

As chairman of the committee, the Senator knows that I have the responsibility of keeping us within the reconciliation. If the Senator will look at fiscal year 1984, there are virtually no savings.

Perhaps we can work it out. Why not proceed and we shall yield back the time on this and if the Senator wants to get the yeas and nays now, fine; if he wants to wait, he will not be precluded from doing that later.

Mr. BOREN. I think what I shall do, Mr. President, is wait to see if this matter might be resolved before requesting the yeas and nays.

Mr. HELMS. I recommend that.

Mr. BOREN. If it can be that we shall not need a rollcall, we shall work on that.

I am very optimistic. I am told that we have been in communication with the Budget Committee staff on the staffing reductions that we have suggested on which the chairman certainly supported me—and I am certainly appreciative of that support. Staff reductions at the department, I think, will be sufficient to keep us in the committee's overall figures, within the limits. I know that is the responsibility we have and I know the chairman has the full weight of that responsibility.

I appreciate that, Mr. President, but I shall defer asking for the yeas and nays until we obtain the final result from the Budget Committee.

At this time, Mr. President, I yield back the remainder of my time.

Mr. HELMS. I yield back the remainder of my time.

Mr. President, I suggest the absence of a quorum, with the time to be equally charged.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I ask unanimous consent that the Boren amendment be laid aside temporarily.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I yield to the Senator from Iowa.

Mr. GRASSLEY. Mr. President, I thank the Senator from North Carolina for yielding.

As a member of the Committee on the Budget, I compliment the Committee on Agriculture for their reform of the food stamp program. They are cutting $1\frac{1}{10}$ billion from the program. I think they have met the responsibility of the Committee on the Budget very well. After the 7 years that I have been in Congress and each of the times that this issue has come up before, never believing that it could be done, seeing is believing. That is all the more reason to compliment the Senator from North Carolina for a job I did not think could be done, but has been successfully done.

Mr. President, I am in general support of S. 1007, the Food Stamp and Commodity Distribution Amendments of 1981. For too long, Congress has ignored the calls of the people of our country to rid curselves of food stamp abuses and waste. Instead, prior to the 97th Congress, the majority of my colleagues chose the easy path in response to this controversial issue by legislating minor alterations that did nothing to prevent the costs of food stamps from skyrocketing from $5.5 billion in fiscal year 1978 to an estimated $11.3 billion in fiscal year 1981.

Now, however, because of the courage

and foresight of the members of the Senate Agriculture Committee, this legislation has met the budget reconciliation limits through fiscal year 1984, thus saving our taxpayers an estimated $1.8 billion in fiscal year 1982 and over $2 billion annually during the following years. This leadership in such a controversial area helps set a positive precedent that other authorizing committees will be able to follow in bringing their programs within reconciliation requirements.

There are those who will argue that this bill goes too far, that the revisions are too severe, and that we are turning our backs to the needs of the poor. As a member of the Senate Budget Committee, I completely disagree. Although it has been long apparent to many of us, several of my colleagues have only recently begun to realize that the Federal Government's wild spending practices of the past have fueled our country's problems with spiraling inflation and with a deteriorating economy. Because of this past irresponsibility of the Federal Government, our taxpayers have become increasingly burdened, the ranks of our unemployed have grown, and our poor have grown more dependent upon Government assistance to survive. In short, our past policymakers have operated under the assumption that our poor and unemployed would rather have handouts than jobs, and that our taxpayers are more than willing and able to pay for this folly. It should be no surprise that these past policymakers have been tragically mistaken.

People from all sectors of our country have made their mandate to Congress and the administration clear. They want our budget brought under control. This mandate requires revision of many of our programs, including that for food stamp assistance. S. 1007 fills this mandate. It provides needed control, yet protects those who are truly in need of assistance.

Mr. President, I believe that the bill we are considering today represents a good start toward the development of an effective, well-focusd program. I say good start, not because I believe that significant progress has not been made, but because there may be some additional reforms that should be considered today that might improve our control over food stamps even further. Also, there will be need to continue to monitor this program closely during the coming months and years to watch for other problem areas that need alteration. Overall, however, I am very pleased and urge support of this legislation.

Mr. HELMS. Mr. President, I thank the distinguished Senator for his generous comments and I hope that, before the day is out, we can effect even more savings than those he has discussed.

Mr. HEINZ. Mr. President, today the Senate is considering the Food Stamp and Commodity Distribution Amendments of 1981. In my capacity as chairman of the Senate Special Committee on Aging, I have reviewed the bill's provisions and would like to offer some comments about the impact these provisions could have on the Nation's elderly citizens.

In recent years, several legislative changes have been made to the food stamp program that have increased eligibility, participation and benefit levels among our older Americans. The most significant of these changes has been the elimination of the purchase requirement in 1977 which has increased their participation in the program by 42 percent. It is currently estimated by the Department of Agriculture that of the Nation's 22.4 million food stamp recipients, 2.4 million are over 60 years of age.

Clearly, this program has been of enormous benefit in meeting the basic daily living needs of these individuals who have a limited control over their economic circumstances. Currently available statistics indicate that at least another 1 million elderly are eligible for program participation.

The Agriculture Committee has been faced with the difficult task of controlling the rapidly growing cost of the program in an equitable manner minimizing the impact of those cuts on the poorest and most vulnerable of our citizens. They have quite remarkably exceeded their mandate by saving $400 million more than the reconciliation instruction requires.

Mr. President, let me commend the committee for a number of important decisions that they made during markup. In particular, I am pleased that the committee voted against the partial restoration of the purchase requirement. Although the elderly would have been exempted, it would have established the groundwork for future action removing that exemption. Equally important, the committee maintained the general policy of targeting food stamp benefits to older Americans through the medical and shelter expense deduction mechanism.

While I am generally supportive of the provisions of S. 1007, let me also note that there are some items I am concerned about.

First, I am concerned about the committee's decision to use a gross rather than net income measure to determine program eligibility. Under current law, net income is used to determine eligibility for the elderly. Downward adjustments to gross income are made for such items as medical and excess shelter expenses. S. 1007 eliminates these adjustments establishing a single, absolute gross eligibility standard of 130 percent of poverty.

In testimony received by the committee in March, the Department of Agriculture estimated that approximately 4 percent of the elderly households, 67,000 older citizens, would be eliminated from the program under this provision. On the average, these 67,000 recipients receive slightly more than $40 a month. Certainly, I am concerned that these beneficiaries will no longer be able to participate in the program. However, I am most concerned about the inherent inequity of using a gross rather than net income measure to determine eligibility. Many elderly with gross incomes above 130 percent now qualify for food stamps because of their high medical or shelter expenses, or both. Thus, S. 1007 will make many elderly with lower spendable incomes than other elderly, after the payment of necessary medical, housing, and heating expenses, ineligible for food stamp benefits. As policymakers dealing with millions of recipients, the few thousand individuals affected in this way may seem insignificant.

But the effect will not be insignificant to those that will lose their needed benefits and have no other possible source of income to compensate for this loss. For this reason, I am supporting Senator BOREN'S amendment to exclude older citizens from the gross income eligibility test established by S. 1007 as reported by the Agriculture Committee. Through adoption of this amendment, the general policy of targeting food stamp benefits to older Americans would be applied in the determination of eligibility as well as benefit levels.

Second, I am concerned that freezing the standard deduction at $85 until July 1983 will have a proportionately greater effect on lower income food stamp households than higher income recipients.

Third, I am concerned that the $35 threshold for deducting medical expenses will not be lowered to $25 in 1982 as required by last year's food stamp legislation. It can be argued that this savings will not directly affect older beneficiaries because they are not yet receiving the benefit of last year's liberalization of the law. Yet, they deeply feel the impact of rising medical care costs. When compared to other Americans, they spend a far greater percentage of their incomes on these costs. Lowering the threshold is one mechanism used in adjusting benefit levels to respond to high health care expenses. Although benefits will not be reduced, the effects will be felt as income dollars are stretched further to meet basic daily living needs.

I know that many members of the Agriculture Committee and the Senate as a whole support revisions to the food stamp program that would result in even more stringent measures of eligibility and reduced levels of benefits for both the elderly and nonelderly. Some of these proposals will be debated on the Senate floor today. While I have reservations about S. 1007 as reported, because of its possible effects on older Americans, I believe it does represent a reasonable compromise between many individual Senators with vastly differing views on the food stamp program. As a compromise it is therefore a responsible piece of legislation worthy of the support of the Senate during these difficult times in which a priority must be placed on controlling Federal expenditures.

UP AMENDMENT NO. 143

Mr. BOREN. Mr. President, I yield myself as much time as necessary from the time on my amendment.

I ask unanimous consent that we resume consideration of my amendment which was temporarily laid aside.

The PRESIDING OFFICER (Mr. BOSCHWITZ). Without objection, it is so ordered.

Mr. BOREN. Mr. President, earlier in our discussion of this amendment, a dis-

cussion between myself and the distinguished chairman of the committee, we had a discussion of the necessity of the Committee on Agriculture staying within the limits set forth by the budget reconciliation process; not only must we stay within the limits required in savings under the food stamp program, but that we must also stay within the total amount of savings mandated to the committee and all programs under its jurisdiction.

In that discussion, I noted that it was my feeling that savings contained in the amendment which I offered in committee, which had been adopted by the committee on the budget reconciliation proposal reducing the number of authorized personnel positions in the department, would be more than adequate to take care of the cost of approximately $35 million of exempting the elderly and disabled from any cuts due to changes in income standards under the food stamp bill now under consideration.

A memo was given to me on June 6 by Carol Cox of the Budget Committee staff which indicates:

> The Agriculture Committee does have jurisdiction over personnel ceilings for positions in the Department of Agriculture; so the Agriculture Committee could effect savings in laws in its jurisdiction by reducing the number of authorized positions.

The amendment which I offered in committee would bring about a 9-percent reduction in authorized positions in the department with the exception of those positions related to direct service in the field to the public and to the agricultural community.

From the figures given in terms of present salary levels, which of course would not be as large as those projected out to 1983 and 1984 presuming cost-of-living increases, it is estimated that in the headquarters alone, using 1981 salary figures, just in the headquarters in Washington, almost $28 million in savings could be achieved. The 9-percent reduction across the board in the Department at 1981 figures would range as high as $221 million.

So those are the outer ranges of the estimates. If we include regional headquarters on top of the $27 million saved in Washington and if we consider that some other slots would not be directly related to service to the public and to the agricultural community, it would——

The PRESIDING OFFICER. All of the time on the amendment for the Senator from Oklahoma has expired.

Mr. LEAHY. I yield to the distinguished Senator from Oklahoma such time as he may need. I yield it off the bill.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BOREN. I thank my colleague.

It would be, therefore, clear, very conservatively, in excess of $35 million. That would be a very conservative side of the estimate. It could be much higher than that, several times that figure, that would be saved by this amendment. It would enable the committee to stay within its guidelines of the reconciliation bill and the programs under its jurisdiction.

And having found these statistics in terms of the savings of that amendment and in light of the Budget Committee staff statement that the committee could achieve savings by reduction in personnel ceilings, it would be my hope that the chairman might now find it possible to accept this amendment.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, the distinguished Senator from Oklahoma and I have conferred at some length. As he will recall, my concern about his amendment was the additional $35 million cost per year for 4 years, or $140 million total. But he and I both have supported a cutback in the bureaucracy, not only in the Agriculture Department, but across the board in this town and across the country.

And my problem with his amendment originally was in terms of the reconciliation, because I did not want the Honorable PETE DOMENICI to come storming in here and saying, "You are out of order." Senator DOMENICI made clear that the Budget Committee would look not only at our reconciliation, but the reconciliation of all committees as submitted to this floor.

But, originally, we were informed by the Budget Committee that the savings in personnel would not count. As the Senator will remember, we went up the road and down the road on that thing for a couple of days in the committee. Now we have a fairly secure assurance that indeed it will count, certainly to the extent of covering the additional cost that the Senator's amendment entails.

For that reason, Mr. President, I certainly have no objection to the intent of the amendment. And I am perfectly willing to accept the amendment.

Mr. LEAHY. Mr. President, has the Senator completed?

Mr. HELMS. Yes.

Mr. LEAHY. Mr. President, I also looked at this amendment. I think it is a good amendment and if my colleague is willing, I ask unanimous consent that I may be named as a cosponsor of the amendment with him.

Mr. BOREN. I make that request, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I think it reflects again what we have stated earlier, that within the overall package we are below the budget figures, we are below even the recommended figures of the administration. I think it is a good amendment. I think good legislative history has been worked out here. I have no objection to it. I suggest, if there is time left on the amendment, it be yielded back and we pass it by voice vote.

Mr. HELMS. I would offer only this caveat to my two friends: This presumes the savings of at least $35 million per year. And if that meets the approval and confirmation of the Budget Committee, fine.

I yield back the remainder of my time and ask for a vote on the amendment.

● Mr. LEVIN. Mr. President, I support the amendment offered by the Senator from Oklahoma.

The bill before us today establishes a gross income eligibility limit of 130 percent of the poverty line for all participants, including the elderly and disabled. Under current law, a household's net income must be at or below the poverty line to be eligible for food stamps. However, households with special expenses and earned income may qualify for enough deductions that they can receive benefits despite having gross incomes above 130 percent of the poverty line.

Mr. President, some experts have indicated that the proposed imposition of a maximum income eligibility test will have a large impact on the elderly. OMB has estimated that 400,000 households with gross incomes over the level of 130 percent of the poverty line would be removed from the program. Witnesses before the Senate Agriculture Committee projected that at least 125,000 of these participants may be senior citizens. Recent data shows that at present, most individuals with incomes over 130 percent of the poverty line who receive benefits are either social security recipients with high health care or shelter costs or working families with high shelter or child care costs. In the case of the social security recipients they have been provided with benefits because the law allowed them to deduct from their income any amount over $35 spent for health care and all shelter costs which exceed 50 percent of net income.

According to the American Association of Retired Persons, the gross income limit would place "a totally inflexible ceiling on eligibility; an older person with an income just a few dollars over 130 percent of poverty would be ineligible to receive benefits. The proposal thus ignores the fact that elderly persons spend a disproportionate amount of their income on such necessities as medical care and shelter costs. Those elderly persons who qualify for stamps now because the program takes these expenses into account will be ineligible as soon as this provision takes effect."

The amendment before us would maintain current law for elderly and disabled persons. Mr. President, adopting this amendment will result in a relatively modest cost when compared to the severe impact on the neediest elderly in this country.

I hope that my colleagues will join me in supporting the amendment offered by the Senator from Oklahoma.●

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma (Mr. BOREN).

The amendment (UP No. 143) was agreed to.

Mr. HELMS. I move to reconsider the vote by which the amendment was agreed to.

Mr. BOREN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS. Mr. President, I see no burning zeal on the part of any Senator to call up another amendment at the moment. That being the case, I suggest the absence of a quorum with the time to be charged equally.

The PRESIDING OFFICER. Is there objection? Without objection, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SPECTER). Without objection, it is so ordered.

Mr. BAKER. Mr. President I observe that it is 3 minutes after 2 p.m. and there is no amendment pending now, as I understand it.

We have an order that at 3 p.m. we will begin voting on those amendments on which votes have already been ordered with a 10-minute intervening debate equally divided.

So the Senate is headed toward a time when we are going to start voting on amendments. We are going to end up at a time for final passage at 7 p.m., and if there are amendments to be offered some Senators may find it very difficult to have any debate at all on those amendments.

So, I hope that those Senators who may be within the hearing of my voice, either in the Chamber or in their offices, will take account of the fact that time is running out. I am not encouraging them to offer amendments, but I am simply saying that as a practical matter when we get to 3 p.m. we are coming down the home stretch and there is not going to be much time remaining for debate after this time.

There is an order, is there not, that there will be a vote on final passage not later than 7 p.m. today?

The PRESIDING OFFICER. There is such an order.

Mr. BAKER. I thank the Chair.

Mr. President, once again I urge Senators who have amendments to be offered to this bill or have debate on the bill itself to appear on the floor and offer them because it is now 5 minutes after 2 p.m., approximately, and we are going to run out of time very shortly.

Mr. LEAHY. Mr. President, will the distinguished majority leader yield?

Mr. BAKER. I yield.

Mr. LEAHY. I add from this side of the aisle total concurrence with what the majority leader has said.

I also remind Senators again from this side of the aisle that it has been by practice on amendments when they have come up from here to urge that they be handled as expeditiously as possible and that it has been my practice as the manager for the minority to yield back time on amendments to try to cut them down. Notwithstanding that practice, the majority leader is absolutely correct. If anyone has substantive amendments to come in after 3 p.m. they are going to have a very difficult time getting any kind of an adequate hearing.

I stress that we are ready to proceed and consider any amendments that might be available.

Mr. BAKER. Mr. President, I thank the Senator from Vermont and commend him for his diligence in moving this bill as I do the distinguished manager of the bill and the chairman, the Senator from North Carolina (Mr. HELMS), and the chairman of the Finance Committee, who also serves on the Agriculture Committee, Senator DOLE, and other Senators as well. The purpose of my remarks was to underscore the urgings of the distinguished managers of the bill on both sides that Senators get on with the business of offering amendments if they are going to do so.

I have no ax to grind and I will reserve judgment on each amendment as it is offered as far as I am concerned as a Senator from Tennessee. But in my role as leader, I urge Members to come to the floor now and to offer their amendments because it is not my intention to agree to a unanimous-consent request to change the orders and times that have been put down to which Senators agreed previously.

With that statement, Mr. President, it is with reluctance but nevertheless necessity, I believe, to obscure no Senator on the floor who appears to be ready to offer an amendment. I then once more suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. HELMS. Mr. President, I ask unanimous consent, notwithstanding the time agreement and allocation of time for the consumption of time by the respective sides, that beginning at 2:50 p.m. the remaining 10 minutes before the rollcall vote be equally divided for discussion of the Symms amendment which will, as I understand it, be the first amendment to be voted on.

The PRESIDING OFFICER. The Senator is correct.

Mr. LEAHY. I join in the request of the distinguished Senator from North Carolina. I think considering the fact that we are going to have a rule similar to that in each of the other amendments, and considering the fact that this was debated yesterday and all time was yielded back on it yesterday, it would be good for the whole body to have that kind of debates. So I join in the request of the distinguished Senator from North Caroline.

Mr. HELMS. I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, with reference to the pending legislation, as the distinguished majority leader has indicated, I would hope that Senators who have amendments would bring their amendments to the floor. There will be votes starting at 3 o'clock and those are very important votes.

There has been some discussion of whether or not there might be some way to resolve the differences insofar as those amendments are concerned which might avoid the necessity of rollcall votes. But this Senator believes that the issues are such that they must be decided by the Senate.

The first issue to be decided is whether or not we should restore the purchase requirement. In the view of this Senator, that would be a grave mistake. It would exclude or could exclude up to 3 million Americans, the poorest of the poor, particularly those who reside in rural areas in every State in this Nation.

While I certainly appreciate the efforts of the distinguished chairman of the committee to try to resolve some of the differences, it is the opinion of this Senator that this matter was addressed in the committee and efforts to restore or partially restore the purchase requirement failed by a vote of 10 to 7. It was a close vote. This Senator has no idea what the vote will be on the Senate floor, but I would urge my colleagues to vote against the amendment.

The elimination of the purchase requirement did bring more people in the food stamp program. That is why it was offered in the first place. To stand here and suggest that somehow that was an irresponsible act and that the food stamp program costs too much money, I would also say, as I have indicated yesterday, that we reduced the cost of the program in excess of the President's request. We will save about $800 million over the next 4 years, through 1984, than requested by the President.

I believe the committee has done a good job. For the most part, there is total agreement on the committee. There was no disagreement. But in certain key areas we had different views and those views were expressed and votes were taken.

I would hope that we would abide by the decisions made by a majority of the committee members and that we can defeat the amendment now being proposed.

Senator MELCHER, I understand, has a couple of amendments that I cannot support. I am not certain, but I think Senator MOYNIHAN may have an amendment. I hope and urge those Senators to let us get along with the business here and perhaps wrap up this bill early this afternoon.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I yield myself such time from the bill as I may require.

Mr. President, I could not concur more with the remarks of the distinguished Senator from Kansas. I think that our colleagues should keep in mind some basic facts when we are talking about the food stamp legislation.

The food stamp legislation is not here on the basis of a popularity poll. I have never heard of anything that is more abused in the rhetoric and especially during campaign years—and campaign years now seem to go starting from the Wednesday after the Tuesday elections in November straight through to the following Tuesday elections 2 years later or 4 years later or 6 years later, as the case may be.

I mentioned yesterday that, as a member of the Senate Agriculture Committee, as a member of the Nutrition Subcommittee and now the ranking member of it, I have heard and received from all over the country the tales of the food stamp recipients that drive up in large Cadillacs and buy expensive pieces of beef and leave.

Well, after adding those up and having looked at the last sales reports from General Motors, I think General Motors would be delighted to think that they have actually sold the number of Cadillacs that are supposed to be driven right now by food stamp recipients. The Cadillac motor company is certainly not within the knowledge of that position that General Motors has ever made the number of Cadillacs to be used by the food stamp recipients around the country.

The fact remains that we have a program that is one of several programs instituted by our Government to try to relieve the problems of hunger and malnourishment in this country.

Let us stop for just one moment and consider why we have the food stamp program. As the wealthiest, most powerful nation in the world, it is and it has to be an area of constant shame to us as a society to have to admit that there is widespread hunger and malnourishment in this country.

Any one of us could leave this Chamber and within 20 minutes see areas around here in the Nation's Capital. We have some very real and some very serious hunger problems. I daresay that we could go into any one of the 50 States represented here and within 20 minutes or so find similar situations in every single State in the Union.

It is a distressing fact that hunger and malnourishment exist in the United States. It is not a fact that goes away because we wish it away.

I could not help but be amused, in perhaps a rueful way, while reading an article the other day about an organization in this country that has raised millions of dollars to eradicate hunger. How are they going to eradicate hunger? Because the members of that group will just say, "We shan't have hunger in our days. We wouldn't have hunger in our times. We will wish it away. We will just say that we are, as human beings, against hunger."

Well, who in Heaven's name, except for those who are pedaling some of the latest diet fads, who in Heaven's name is in favor of hunger?

I wonder if we do not, as a Government, sometimes make the same mistake as this particular, perhaps well-intentioned, organization in this country, thinking that hunger will go away simply because we have determined in our own souls and minds that we do not like hunger so, therefore, we just kind of wish it away by using people who belong to such organizations who have never gone hungry except by choice.

And that is something we have to remember as Members of this body, that not one of us, certainly since we have been a Member of this body, have even gone hungry, except by choice. Perhaps some of us, on occasions, should make that choice more often. But, be that as it may, it is only by choice.

The fact is that is not a choice open to a very, very large percentage of people, millions of people in this country. They can survive only because we have the WIC program, for example, a program that has come under attack in recent days because it helps pregnant women and it helps them both prior to birth and subsequent to birth and helps the child.

It is interesting, at a time when we will raise enormous debates on the question, for example, of abortion, we will, at the same time, try to cut funds in those kinds of programs and encourage women to have their children and help them to help their children.

But the WIC program is there because of a proven necessity in this country, a proven situation in which we know we have had lack of nourishment among pregnant women and their children.

On the school lunch program, again we know where it has existed and existed well, the ability to learn has improved, the health of the population has improved, and the dual advantage to our country in the improved health of young people and the improved learning ability has far, far overpaid the cost of the school lunch program.

And, again, we have the food stamp program. The people I have talked with in my State, in the State of Vermont, are not the stereotype of somebody driving up in an expensive car using food stamps. Rather, they are an elderly couple living in a third-floor walkup, a husband with limited resources. They are invalids, trying to work at a part-time job. They are mothers trying to support children. They are people who have worked to support themselves for years and have paid taxes doing it, who are temporarily out of a job but who still have family obligations to sustain. And they are people who will be hungry absent the food stamp program.

Mr. President, consider the fact in talking about WIC, for example, that here is a case where we have shown that every dollar spent in prenatal cost has saved about $3 in health care costs. Who knows what food stamps have saved in health and special education costs.

What are the responsibilities of a society as a society?

If we determine two things—one, that we do not have a responsibility to the hungry and malnourished of this country, or if we determine that the food stamp program is not a way of helping the hungry and malnourished in this country—then do away with it. Have an up or down vote on it. We will have that at the end in the final vote, at 7 o'clock, I believe. If we feel this is not a program that helps, then vote it down. Get rid of the program. Do not try to kill it by one move after another.

Quite frankly, a number of these amendments, especially the reinstatement of the purchase requirement, which I will be speaking to later on, will do precisely that.

I reserve the remainder of my time.

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

UP AMENDMENT NO. 144

(Purpose: To allow only those drug abuse or alcoholic rehabilitation centers to rereceive food stamps when their total funding is no more than 20 percent from Federal sources (private, nonprofit centers would be eligible if more than 80 percent of their funding was private or with State assistance)

Mr. MELCHER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER) proposes an unprinted amendment numbered 144:

On page 40, beginning with line 19, strike out everything down through line 22, on page 41, and insert in lieu thereof the following:

"SEC. 203. Section 3(i) of the Food Stamp Act of 1977 is amended by adding at the end thereof a new sentence as follows: 'Notwithstanding any other provision of this Act, narcotics addicts or alcoholics who live under the supervision of a private nonprofit institution for the purpose of regular participation in a drug or alcoholic treatment program shall be considered residents of institutions for purposes of this section if such private nonprofit institution receives more than 20 percent of its total funding from departments or agencies of the Federal Government, including Federal funds paid to such institutions by States or local agencies.' ".

Mr. MELCHER. Mr. President, I offer this amendment at this time with full knowledge that we cannot complete debate on it before we start voting. But I offer it at this time in order to get the attention of the Department of Agriculture and, specifically, of those people who come up here to the Hill both during the time when we are marking up a bill in the committee and when we have the bill on the floor. I want them to get their act in order and be able to tell the individual Senators and their staffs just what is meant by this amendment, where the objections are to this amendment, and what their recommendation is for this amendment.

By the way, Mr. President, I ask unanimous consent that I can reserve the remainder of my time on the amendment to be utilized after the votes that are stacked have been completed. Is there objection to that?

Mr. HELMS. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. When the administration offered their suggestions to amend the Food Stamp Act, as I recall, tinkering around with the centers for drug abuse and alcohol centers was not really of a high priority. It was not even part of their game plan. Anyway, the committee tinkered around with it.

There are two arguments that have been made. One argument was that food stamp recipients who were patients in a drug abuse center or alcohol treatment center were of a transient nature, so the center would be using the food stamps to help pay the grocery bill for everybody there, including those to whom the food

stamps actually belonged. But maybe the patient left and the food stamps kept coming to the center. Well, that is one argument. That concerns some sort of fraud and abuse. They want to close off that fraud and abuse by stamping out their eligibility.

Well, if you have a sore thumb, do you cut off your hand? If you have a sore thumb, do you even cut off the first joint? I do not know. I would not. But this is on the argument that there is some fraud and abuse opportunity and we are going to knock out the whole deal.

The second argument that was made to knock out the whole deal was that after all, these centers, which are nonprofit, are probably getting a lot of Federal dollars anyway, so they can pay the bill with the Federal funds they receive.

To answer that argument, my amendment simply says that if a center gets 20 percent of their total cost from any Federal source, no food stamps. So we answer that one.

I do not know how many of these centers ever get 20 percent of their total cost from any Federal source. I think very few of them.

Why do we have this in the present law right now, as we stand today?

In 1973, residents of drug and alcohol treatment centers who met all other food stamp eligibility requirements were allowed, under the food stamp amendments, to become eligible to receive food stamps. That was in 1973. The stamps are received by the treatment centers on behalf of the residents. The centers use the food stamps to prepare and serve meals. The food stamps are not put in the hands of the residents themselves. If they are eligible, the center actually gets the food stamps. This provision was added into the law in 1973 with the strong backing of former House Agriculture Committee Chairman W. R. Poage.

I served in the House committee at that time. Chairman Poage was not known as a flaming liberal. Chairman Poage was known as a very down-to-earth Texas conservative Democrat. Anything that got into the Food Stamp Act that he had a special touch to was placed here because he thought there was a real down-to-earth need.

He thought there was a real down-to-earth need in 1973 because he wanted to draw more drug addicts and alcoholics into rehabilitation centers and off the streets. The way the law was amended in 1973 and the way the law stands today in 1981—and if we follow my advice on this amendment, we shall keep it that way—we limit it to those centers that are licensed and certified by the State. In other words, they are not just anybody's idea of a drug abuse center or alcoholic treatment center; they are those centers that are licensed and certified by the State. The use of food stamps in these centers was very successful.

Mr. President, I said that I wanted to lay down the amendment, I wanted to start the debate on the amendment, knowing full well we could not complete it before it is time to go onto other things and vote on those votes that are stacked up; that I wanted the administration to get its act together. I wanted it to tell us exactly if they have any problems with policing this in these drug abuse centers and alcoholic rehabilitation centers.

I have called the Inspector General's office; I have talked to the attorney in the Inspector General's office that is in charge of it. He tells me that he knows of no real problem, but he will review to see whether or not there has been any significant investigation, any significant case during the past 2 years. We were not told that there was in the hearings on the bill. We were not told there was during markup of the bill. But I have heard today, in the halls out here, from an administration representative, that he thought there were ongoing investigations by the Inspector General in the Department of Agriculture of a serious consequence that related to these centers. If there are, I would like to know about them; if there are not, I would like to clarify that.

Mr. President, I think that is fair enough and I think it is fair enough for all of the rest of the Senators besides myself. I think it is fair for the public, too. I think it is a fair way of looking at what we are about to do in the treatment of drug abuse and alcohol rehabilitation centers and the people who are there taking that treatment, in regard to whether or not they should be eligible for food stamps.

Mr. President, I reserve the remainder of my time.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, so that I may be fair to Senator MELCHER, I would not want this rollcall time to be charged, to any degree, on his time. Therefore, from the time that Senator MELCHER completed his remarks, I ask unanimous consent that it be charged equally on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I thank the Chair.

I suggest the absence of a quorum equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SYMMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 63

Mr. LEAHY. Mr. President, a parliamentary inquiry. How much time does each side have at this point?

The PRESIDING OFFICER. Two and a half minutes.

Mr. SYMMS. I yield Senator DOLE 1 minute.

Mr. DOLE. That is all right. I will wait.

Mr. SYMMS. Mr. President, this amendment addresses the subject of the food stamp purchase requirements. The point was made yesterday, it has been fully debated, and it is a matter of record, but I should like to make a couple of closing comments.

I will quote a very distinguished Member of the other body, a lady who was one of the primary authors of the original food stamp program, Representative LEONOR SULLIVAN of Missouri. I had the privilege to know her in the other body, and she is a very outstanding American. She said:

> No one—no one—should receive food stamps free, no matter how small their income. That was another mistake made in 1970. They should be required to pay something for the food stamps—whatever they can afford to spend for food out of their limited income, even if it is only 50 cents or $1 for a month's food. Otherwise—and this is now the case in some situations—the stamps are considered a kind of "funny money" which are merely handed over as a gift from some mysterious source and do not have to be regarded as something you work for and buy. Anything handed over free in that fashion, whether it be food stamps or anything else, invites cheating and abuse.

I believe it is important to point that out.

This amendment will exclude the blind, the disabled, and those in the lower 20 percent of the income category who receive food stamps. If we are to get control of this program, it is imperative that we reinstate the purchase requirement; because since that purchase requirement was removed, commencing in early 1978—it was passed in 1977—the program has nearly doubled in a short length of time. There is no discipline remaining.

For example, the caseload increased from 15.3 million to 23 million people. CBO attributed fully 70 percent to 80 percent of that growth to the elimination of the purchase requirement.

CBO further noted that elimination of the purchase requirement has transformed the food stamp program from a nutrition program to a direct income transfer program.

Mr. President, I made the point yesterday, on the floor, that in the other body at the time the purchase requirement was removed, the then chairman of the House Committee on Agriculture——

The PRESIDING OFFICER. The time of the Senator has expired, and we must complete debate by 3 o'clock.

Mr. LEAHY. I will respond at this time, because it will be my only chance.

The reason we removed the purchase requirement, Mr. President, was why I would assume removal would receive the most support in this body. It removes administrative costs. It removes fraud. It removes waste.

One can look at today's Washington Star, on the front page—a whole list of the claims against food stamp vendors.

That is one of the areas where fraud remains in this program. The fraud was not the question that somebody may be spending a dollar one way or the other on food stamps. When we had the cash programs, the fraud was with vendors such as a church that owes $990,000. That is fraud.

It is not the fraud of someone buying an extra loaf of bread or not.

What we are trying to do is to remove these administrative costs and the problems of security of funds. I think that we have made a great step forward, one that not only cuts administrative costs, but benefits the elderly and rural areas.

I yield to the Senator from Kansas.

Mr. DOLE. Mr. President, I simply make the point that having been somewhat responsible for eliminating the purchase requirement I am not yet ready to surrender to those who say we made a mistake. I do not think that will ever happen.

I simply suggest we are talking about the truly needy, those that President Reagan talked about, the so-called safety net, the rural poor, and this amendment would impact mostly on the rural poor in Western States, Midwestern States, and Southern States. I think it would be a grave mistake now to restore even on a partial basis the purchase requirement. I hope we defeat the amendment.

The PRESIDING OFFICER (Mr. GORTON). All time has expired.

Mr. BAKER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAKER. On which amendment are we voting?

The PRESIDING OFFICER. Printed amendment No. 63 offered by the Senator from Idaho (Mr. SYMMS).

Mr. BAKER. Mr. President, what other amendments follow on after that according to the previous order?

The PRESIDING OFFICER. Printed amendment No. 64 offered by the Senator from North Carolina (Mr. HELMS); unprinted No. 141 offered by the Senator from Idaho (Mr. MCCLURE).

Mr. BAKER. Mr. President, I thank the Chair.

The PRESIDING OFFICER. That is followed by unprinted amendment No. 144 offered by the Senator from Montana (Mr. MELCHER).

Mr. LEAHY. Mr. President, we have 10 minutes between each vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho (Mr. SYMMS).

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arizona (Mr. DECONCINI) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 33, nays 66, as follows:

[Rollcall Vote No. 140 Leg.]

YEAS—33

Abdnor	Grassley	Nickles
Andrews	Hatch	Nunn
Armstrong	Hayakawa	Proxmire
Baker	Helms	Quayle
Biden	Humphrey	Roth
Boren	Jepsen	Stennis
Byrd, Harry F., Jr.	Kasten	Symms
	Laxalt	Thurmond
Denton	Long	Tower
East	Lugar	Warner
Garn	Mattingly	
Goldwater	McClure	

NAYS—66

Baucus	Ford	Moynihan
Bentsen	Glenn	Murkowski
Boschwitz	Gorton	Packwood
Bradley	Hart	Pell
Bumpers	Hatfield	Percy
Burdick	Hawkins	Pressler
Byrd, Robert C.	Heflin	Pryor
Cannon	Heinz	Randolph
Chafee	Hollings	Riegle
Chiles	Huddleston	Rudman
Cochran	Inouye	Sarbanes
Cohen	Jackson	Sasser
Cranston	Johnston	Schmitt
D'Amato	Kassebaum	Simpson
Danforth	Kennedy	Specter
Dixon	Leahy	Stafford
Dodd	Levin	Stevens
Dole	Mathias	Tsongas
Domenici	Matsunaga	Wallop
Durenberger	Melcher	Weicker
Eagleton	Metzenbaum	Williams
Exon	Mitchell	Zorinsky

NOT VOTING—1

DeConcini

So Mr. SYMMS' amendment (No. 63) was rejected.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 64

The PRESIDING OFFICER. The question recurs on amendment No. 64 offered by the Senator from North Carolina (Mr. HELMS). Under the previous order, there will be 10 minutes of debate evenly divided. Who yields time?

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I yield to the distinguished Senator from Vermont.

Mr. LEAHY. Mr. President, along with Senator DOLE——

Mr. HELMS. Mr. President, the Senator is entitled to be heard. May we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order. The Senate will be in order.

Mr. LEAHY. Mr. President, I understand the parliamentary procedure is that we are on the second of the three amendments which were stacked for 3 o'clock.

The PRESIDING OFFICER. The Senator is correct.

Mr. LEAHY. Mr. President, the amendment before us would freeze the standard deductions. It should be noted by my colleagues that the committee has already taken very substantial steps in freezing deductions, but freezing this way reduces benefits for nearly all households, about 86 percent. Quite frankly, the reason I cannot support it is that it does violate the safety net concept to protect the poorest of the poor from budget cuts.

The 1977 act provided for the standard deductions to replace a variety of itemized deductions that had been allowed under prior law. We took those itemized deductions out, Mr. President, and put in the standard deduction. If that is now frozen, food stamp allotments will not reflect increases in a variety of expenses and the decrease in disposable income participants have left for food.

In the Northeastern States a large percentage of households already claim the maximum shelter deduction. At a time when energy prices are rising rapidly, these households will become significantly worse off in comparison to other households if no deductions can be made in their standard deductions.

Mr. President, at this point I yield to the distinguished Senator from Kansas with whom I joined in committee in opposition to this amendment.

Mr. DOLE. Mr. President, I will just take 1 minute. I will again make the point I have before on this floor, that we have exceeded the savings requested by the President in this program. It is not that we have not cut the food stamp program—we have cut more than $1.8 billion. The savings have been made. We do freeze the deductions for 2½ years in the committee bill.

All this was thrashed out in committee, and this was the final product of the committee's work. Now we are trying to undo that work on the Senate floor.

I do not quarrel with that, except to say there should not be any illusion that we have not cut the food stamp program. We have cut it more than we have cut the Export-Import Bank and a few other things that affect big business.

I would make the point that the President talked about a safety net. The President has talked about the truly needy. This amendment would affect the truly needy. I would hope that we could defeat this amendment and go on to the next amendment, defeat that amendment, and then go on to the other amendments that may be pending.

We did our work in the committee. We saved in excess of the President's request. I would hope that those who are concerned about this program—even though it is not popular, and the people in the program probably do not vote, do not contribute, do not show up in your office—know that these people do have a need, and the President recognized that need. This was one of the categories he talked about when he talked about the truly needy.

I hope we might have support across the board. We will make further reductions if that is necessary in later years. The Congress is going to be here next year and the Congress will be here the year after that.

We are talking about indexing taxes. I would hope we would also index the deductions of the poor people.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. Mr. President, what is the time situation?

The PRESIDING OFFICER. Three minutes and 45 seconds remain to the Senator from North Carolina and 2 minutes remain to the Senator from Vermont.

Mr. HELMS. Mr. President, the Senate has already made one mistake this afternoon by not restoring the purchasing requirement. The Senator from Kansas——

Mr. LEAHY. Mr. President, may we have order? The Senator is entitled to be heard.

The PRESIDING OFFICER. May we have order in the Chamber?

Mr. HELMS. The Senator from Kansas and others are recommending that we make the second mistake, compounding the first.

What we are talking about in this amendment is indexing. I say again, as I said over and over again this morning, that indexing is ruining the economy of this country. We are now approaching a trillion dollar deficit.

Senators can do as they please, but I do not want them to go home and say "We did this" and "We did that."

By the way, I will say to those Senators who say they met all of the administration's requests, which is not true, that this amendment is an administration request.

Any Senator who votes against continuing the freeze on indexing on this program is making a mistake.

The indexing is frozen until July 1983 under the committee bill. If this amendment is approved and if the circumstances warrant in the future, the Senate can vote to increase the deductions then and make a judgment. But if we do not adopt this amendment, then, like Tennyson's Brook, we shall glide on, and we shall make no adjustment in the food stamp program. We are talking about a program that has doubled in cost in the last 3 years. It is costing, for this year, a little over $11.3 billion.

So, Mr. President, I hope Senators will be attendant to what they are doing. On their desks are copies of a fact sheet on this amendment.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. Mr. President, I shall say simply this: We have already frozen the deductions until mid-1983. If President Reagan is right in his economic assumptions, we do not need this amendment. If he is wrong in them, then we come back in 1983 and change it. Basically, if you believe the President's economic assumptions, you can safely vote against this amendment.

● Mr. LEVIN. Mr. President, I am opposed to the amendment offered by the Senator from North Carolina to reinstitute the purchase requirement for food stamps. In 1977, Congress eliminated the purchase requirement recognizing that it was a major obstacle to the participation of poor people the program was designed to serve. Previously, these individuals could not scrape together sufficient moneys to buy into the program. Mr. President reinstitution of the purchase requirement would exclude them from this much-needed program in alleviating hunger in America.

The amendment would have a severe impact in poor rural areas, and will restore a whole system of paperwork and administrative costs at a time when program simplification is a government objective.

Additionally, restoring the purchase requirement would lead to increased fraud and abuse in the program on the part of participants and vendors.

According to the USDA, elimination of the purchase requirement reduced paperwork considerably. It reduced Federal paperwork burdens by 58,000 work hours a year, and State paperwork burdens by 10 million work hours per year.

This amendment would have the most serious adverse effect in rural areas. The most dramatic participation increases due to elimination of the purchase requirement occurred in the more rural food stamp project areas. USDA data reveals that between November 1978 and May 1979, as a result of the elimination of the purchase requirement, participation in the most rural areas increased by 42 percent while participation in the largest, most urban areas increased only 8 percent by comparison.

A partial restoration of the purchase requirement is strongly opposed by State and local food stamp administrators, because it would require operation of a dual program—one for the elderly and disabled and one for all other participants. Further, Mr. President, in testimony before the Senate Committee on Agriculture, Nutrition, and Forestry, USDA Deputy Secretary Lyng indicated that the administration does not favor restoring the purchase requirement.

Mr. President, if this amendment succeeds, we will be turning away at least 3 million of the most needy persons in this country.

I urge my colleagues to vote against this ill-conceived and unworkable amendment.●

Mr. LEAHY. I yield back all my time.

Mr. HELMS. Mr. President, I yield back all of my time. I have said all that needs to be said.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to amendment No. 64 of the Senator from North Carolina. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arizona (Mr. DECONCINI) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 30, nays 69—as follows:

[Rollcall Vote No. 141 Leg.]

YEAS—30

Armstrong	Humphrey	Quayle
Byrd, Harry F., Jr.	Jepsen	Roth
Denton	Laxalt	Rudman
East	Long	Simpson
Garn	Lugar	Stennis
Grassley	Mattingly	Symms
Hatch	McClure	Thurmond
Hayakawa	Murkowski	Tower
Heflin	Nickles	Zorinsky
Helms	Packwood	
	Proxmire	

NAYS—69

Abdnor	Domenici	Matsunaga
Andrews	Durenberger	Melcher
Baker	Eagleton	Metzenbaum
Baucus	Exon	Mitchell
Bentsen	Ford	Moynihan
Biden	Glenn	Nunn
Boren	Goldwater	Pell
Boschwitz	Gorton	Percy
Bradley	Hart	Pressler
Bumpers	Hatfield	Pryor
Burdick	Hawkins	Randolph
Byrd, Robert C.	Heinz	Riegle
Cannon	Hollings	Sarbanes
Chafee	Huddleston	Sasser
Chiles	Inouye	Schmitt
Cochran	Jackson	Specter
Cohen	Johnston	Stafford
Cranston	Kassebaum	Stevens
D'Amato	Kasten	Tsongas
Danforth	Kennedy	Wallop
Dixon	Leahy	Warner
Dodd	Levin	Weicker
Dole	Mathias	Williams

NOT VOTING—1

DeConcini

So the amendment (No. 64) was rejected.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 141

The PRESIDING OFFICER. The question occurs on UP amendment No. 141, offered by the Senator from Idaho (Mr. McCLURE). Under the previous order, there will be 10 minutes of debate, evenly divided.

Who yields time?

Mr. McCLURE. Mr. President, I will be very brief. I think as the pattern develops it is obvious that the majority of the Senate is not really concerned about further constraining the growth of the food stamp program.

Mr. MOYNIHAN. Could we have order? The Senator is speaking and it is important.

The PRESIDING OFFICER. The point is well taken. The Senate will be in order so that the Members can hear the debate.

The Senate will be in order.

The Senator from Idaho.

Mr. McCLURE. Mr. President, this amendment is not the same as the last two amendments and I hope will be considered on its own merits and not simply be a knee-jerk reaction of voting yes or no in exactly the same pattern as we have on the last two amendments.

The first two amendments have dealt with rather fundamental questions with respect to the food stamp program. This amendment deals with a very small aspect of it, that is whether or not we are going to count all income for a family in determining whether or not they are eligible for food stamps. The committee wisely and correctly decided that the energy assistance payments made by a State or local government would be included in the income of the family in determining qualifications for and the level of food stamps to be received.

This Senate in 1977 voted that all other public assistance payments received by a family would be determined as a part of their income for the determination of the level of food stamp assistance to which that family was entitled.

My amendment simply seeks to say that the Federal energy assistance will be treated in exactly the same way as other welfare payments and other assistance payments and other energy assistance payments by the State and local governments.

If there is to be any consistency and any logic in the basis of the determination of income, we should adopt this kind of an amendment, and I hope the Senate will do so.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. HUDDLESTON. Mr. President, speaking on behalf of the committee majority on this matter and Senator

LEAHY, the floor manager from this side who is not present right now, let me say the illogical aspects of the approach that has been suggested by the Senator from Idaho. First of all, the fuel assistance program is designed to meet a specific need. There would be no fuel assistance adjustment available to the people if there were not increases in the cost of fuel designed to use this money. So it does not in any way provide the recipient with any additional money that he can use for food purchases. So it seems to me the two should not be tied together. If there is no need for fuel assistance, then that should be addresed in its own context and not addressed in connection with the food stamp program.

We urge the defeat of this amendment. It would take off the rolls without question a number of elderly people in the country. In most cases the fuel assistance comes in large or relatively large payments during 3 months of the year, during the heating season. So all of the income then would be lumped into those months and many persons may find themselves totally denied the food stamp assistance during that particular time.

So this is not, in my judgment, a reasonable approach. It would eliminate perhaps some $50 million of food stamps going out mostly to the elderly people of the country. I do not believe that is where we need to bear down on our additional cuts.

So I suggest that we, as we have done in the two previous amendments, recognize that the Agriculture Committee has done a good job of cutting back on this program, restraining its growth, but still trying to meet some of the basic needs of the people of the country.

Mr. McCLURE. Mr. President, the Senator from Kentucky indicates that it is illogical to say that we have granted a payment for a special purpose, that that should be included as income. I say to the Senator that is precisely and exactly what the committee did with respect to State fuel assistance payments. It is exactly and precisely what this Senate did in 1977 in voting by a majority of both this body and the other body to include public assistance payments, welfare payments of all kinds in the computation of income. The only people who will be affected are those whose income by virtue of these payments is elevated to the point that they would not otherwise qualify for food stamps. In other words, their income is high enough that they would not qualify. If what we want to do is preserve the opportunity to focus this to the poorest of the poor we will adopt the amendment. If what we want to do is spread more Federal money around without regard to what the need is, we will vote against the amendment.

Mr. HUDDLESTON. Mr. President, how much time remains on this side?

The PRESIDING OFFICER (Mr. WALLOP). The Senator from Kentucky has 2 minutes and 15 seconds; the Senator from Idaho has 1 minute and 30 seconds.

Mr. HUDDLESTON. I know of no other Senator on this side seeking time.

I respond that the reason the committee took the action it did in relation to the State funds was that there was indication that States were attempting to use this method for receiving additional Federal funds and some abuse was indicated as at least possible if not already taking place.

The approach to that problem was somewhat different than the approach to the Federal fuel assistance payments.

Mr. President, I yield back the remainder of our time.

Mr. CHAFEE. Mr. President, will the Senator yield?

Mr. McCLURE. I yield to the Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I rise today in strong opposition to the amendment to S. 1007 which proposes to count Federal energy assistance payments for low-income households in determining food stamp eligibility.

In 1979, Congress approved legislation which excluded all levels of low-income energy assistance as countable income for the purpose of determining food stamp eligibility. We realized that skyrocketing fuel costs were taking a tremendous bite out of a low-income household's budget, leaving little to spare for other basic necessities such as food, clothing, and medical costs. These very households, and more particularly those located in the Northern States, were having to face the cruel choice of whether to feed themselves or heat their homes—a choice which none of us in this Chamber have ever had to make or would ever want to make.

Energy assistance payments should not be construed as free cash. These payments are intended to make up just a small portion of the increased price of fuel due to the recent decontrol of oil prices. These payments do serve, however, to offset rising energy costs which continue to take a bigger chunk out of a poor household's disposable income.

Last year, 29,000 Rhode Islanders, determined to be in serious need, received Federal energy assistance. Of those 29,000, approximately 5,000 welfare recipients, receiving fuel shut-off notices, received a State assistance payment in order to ease their hardship. What do I mean by hardship? I refer to those households who, during the single coldest month in my State, will have to spend as much as $300 for energy, but they are only receiving the maximum SSI payment of $280. Clearly, Federal, State, and local energy assistance efforts are critical for the very survival of these people.

Let us be realistic, Mr. President, and let us be fair. We must not further debilitate those individuals and families who can barely make ends meet now. With unemployment on the rise, food costs high and the energy outlook uncertain, let us not further penalize our indigent citizens by taking food from their table.

In addition, in view of the administration's proposal to block grant the low-income energy assistance program and reduce funding by 25 percent, in view of the proposal contained in S. 1007 which temporarily freezes indexing of the standard and shelter care deductions, my State, as well as most of the Northern States plagued by long, cold winters, will surely suffer.

I am hopeful that this amendment will be soundly defeated and that the provision to count State and local energy assistance as well will also be put to rest in conference.

Mr. McCLURE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Idaho.

On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arizona (Mr. DECONCINI) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 25, nays 74, as follows:

[Rollcall Vote No. 142 Leg.]

YEAS—25

Abdnor	Hayakawa	Quayle
Armstrong	Helms	Roth
Byrd, Harry F., Jr.	Jepsen	Stevens
	Laxalt	Symms
Denton	Lugar	Thurmond
East	Mattingly	Tower
Garn	McClure	Wallop
Goldwater	Nickles	Zorinsky
Hatch	Proxmire	

NAYS—74

Andrews	Exon	Metzenbaum
Baker	Ford	Mitchell
Baucus	Glenn	Moynihan
Bentsen	Gorton	Murkowski
Biden	Grassley	Nunn
Boren	Hart	Packwood
Boschwitz	Hatfield	Pell
Bradley	Hawkins	Percy
Bumpers	Heflin	Pressler
Burdick	Heinz	Pryor
Byrd, Robert C.	Hollings	Randolph
Cannon	Huddleston	Riegle
Chafee	Humphrey	Rudman
Chiles	Inouye	Sarbanes
Cochran	Jackson	Sasser
Cohen	Johnston	Schmitt
Cranston	Kassebaum	Simpson
D'Amato	Kasten	Specter
Danforth	Kennedy	Stafford
Dixon	Leahy	Stennis
Dodd	Levin	Tsongas
Dole	Long	Warner
Domenici	Mathias	Weicker
Durenberger	Matsunaga	Williams
Eagleton	Melcher	

NOT VOTING—1

DeConcini

So Mr. McCLURE's amendment (UP No. 141) was rejected.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 144

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Montana (Mr. MELCHER). Twenty-three minutes remain under the control of the Senator from Montana. The Senator from North Carolina controls 30 minutes. Who yields time?

The Senator from Montana.

Mr. MELCHER. Mr. President, the amendment concerns the alcohol treatment centers and the drug abuse treatment centers.

The bill, as it is now, would eliminate

consideration of the patients as recipients of food stamps. The present law allows that. The provision was added into the law in 1973 with the strong backing of former House Agriculture Committee chairman W. R. Poage.

In addition, the 1973 amendments permit nonresident patients being treated at these centers to use food stamps to pay for meals at the food centers. This has also been successful, drawing more addicts and alcoholics into the treatment program.

Unfortunately, S. 1007 deletes these 1973 provisions. Residents in drug and alcohol treatment centers would become automatically ineligible for food stamps unless they moved out of the center.

The result would be that treatment centers would be able to serve less food and handle fewer patients. More alcoholics and drug addicts would be returned to the streets before they are rehabilitated.

In addition, nonresident patients would no longer pay for meals at the center with food stamps. As a result, many centers would no longer be able to serve meals to nonresidents. As a consequence, nonresident patients would spend less time at the treatment center and more time on the streets.

In fact, S. 1007 even removes a provision of current law that exempts an addict or alcoholic from the work registration requirement for the period of time that the addict or alcoholic is participating in the treatment program. This is simply shortsighted. An addict who does not reside at the treatment center but is a patient there would lose food stamps for himself and all of his family if he did not abandon his treatment program to comply with the work registration, job search or workfare requirement.

Society is better served by rehabilitating these persons and making them into useful, productive citizens. That is, allowing them to go ahead and complete their treatment. They are more likely to find permanent employment and become taxpaying citizens rather than persons dependent upon Government aid if they go through the rehabilitation treatment.

There is some claim that there is an overlap in benefits here because some institutions are eligible for donated commodities. However, the commodities provided are generally limited to those in the stocks of the Commodity Credit Corporation, which is principally nonfat dry milk, butter, and cheese. The Department provides institutions with less than $3 per person per month, or about 3 cents per meal, in these commodities.

This hardly constitutes an overlap and it cannot substitute for food stamps. My amendment takes care of that by making sure that if these nonprofit organizations that run these centers are receiving more than 20 percent from any source or any combination of sources which are Federal funds, the persons there would not be eligible for food stamps.

The Department has not found any significant abuse in alcohol or drug treatment centers. They have had a survey going for the past 2 years. They have made six or seven different comments to try to tighten up the auditing in those particular centers where they found inaccurate, incomplete, and irregular accounting. But to simply remove all these nonprofit centers and the patients therein from the eligibility for food stamps I do not think is warranted at all.

The Inspector General, after the survey, has never recommended this to the Congress, and I talked to the Inspector General's Office today in the Department of Agriculture. They continue not to recommend any steps such as envisioned in S. 1007 to be undertaken at this time to remove the patients in these alcohol and drug treatment centers as being eligible for food stamps.

During the period of recovery from alcoholism, good nutrition is particularly important. Public hearings held by the Department of Agriculture in 1977 had a number of witnesses who testified that the food stamp program was important to the success of alcohol treatment in the programs of institutions that rehabilitate alcoholics.

Mr. President, it is fair for me to point out that the savings envisioned by the administration by eliminating food stamps for the patients in these centers would save $9 million a year. In fact, if projected with inflation, it would mean $12 million in the fourth year.

I do not know how accurate that figure is, but to the extent that we are dealing with patients who are in nonprofit centers for either drug abuse or alcoholic treatment, I think the least we can do today is to continue this help for those patients who are eligible and who are receiving food stamps.

I am not sure that that comes to $9 million. I suspect, with the type of amendment I have offered, part of that $9 million in Federal outlay is eliminated. But whatever the outlay is per year, I think we ought to be willing to assist those patients to that extent. I think it would be a wise investment on the part of the Federal Government. Remember, we are dealing with patients who are in a nonprofit center for either drug abuse or alcoholic treatment. Those bills are paid by other people, the big bill for running those centers, not by the Federal Government.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. Mr. President, I yield to the Senator from Kansas such time as he may require.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, again this is an area that was addressed in our committee deliberations. I certainly have no real quarrel with the intent of the amendment, but, again, we acted on the basis of USDA comments. There were allegations there was a certain amount of fraud in this group which the Senator from Montana has been discussing.

In an effort to compromise part way with the Department and with others who had an interest, a number of groups, we did restore the food stamp benefits to residential homes for the blind, disabled, and shelters for battered women.

That is in the law. I guess the cost of that is somewhere around $4 million annually.

Of course, as I understand it, the groups referred to by the Senator from Montana would still be eligible for surplus agricultural commodities.

The administration indicated in their presentation to the committee that it is difficult to maintain a satisfactory audit. I know the Senator from Montana gave me a copy of information which purports to be documented cases of abuse and waste in the program. It may be that the Inspector General has not followed through. I have not had any contact with that office, as the Senator from Montana has. But in the example cited in the information provided by the Department, the California and Washington Audit Survey of Drug and Alcoholic Rehabilitation Centers conducted in 1979 by the OIG indicates that some centers continued to receive and use food stamps issued for recipients who had left the centers up to 5 months earlier. Some centers were not returning their required one-half month allotment of food stamps to recipients who departed the centers prior to the 26th day of the month.

Also, from a review in Massachusetts in 1979, several treatment centers were authorized by the FNS without having been properly licensed or certified by the appropriate State agency, resulting in issuance of stamps to ineligible individuals.

In Oregon, the State agency was not verifying presence of residents in treatment centers or requiring lists of participants from centers. Results were no means of verification of proper participation in centers during reviews or audits. There were also instances of centers not returning coupons to residents or State agency upon departure of residents.

In Idaho, the State agency was not requiring mandatory lists of center residents, resulting in no means to verify proper participation. Centers were using coupons to pay the centers outstanding debts to a wholesaler. Centers were charging resident food stamp recipients an amount of food stamps each day as a requirement of residence, thus treating the food stamps as income. Centers were continuing to receive food stamps for departed residents.

Mr. President, admittedly, this is not a big item.

Mr. MELCHER. Will the Senator yield at that point?

Mr. DOLE. I am happy to yield.

Mr. MELCHER. Mr. President, I think the Senator has correctly listed the findings of the survey that the Office of the Inspector General made.

Mr. DOLE. There are a couple of others I did not refer to.

Mr. MELCHER. I think there is a total of seven.

Mr. DOLE. Yes. there were a couple of others I did not refer to.

Mr. MELCHER. The total of those seven is the entire list of recommendations and observations that the Inspector General made on the survey of these centers, these nonprofit centers.

While I deplore the lack of correct auditing of those particular instances that have been read, I think it is worth noting that the Inspector General found no reason to make a criminal charge. That is number one.

Second, as stated, the Inspector General has stated that the problems that exist do not constitute criminal problems. I think it speaks for itself in that these nonprofit centers, after a very detailed survey by the Inspector General, came off quite well. I deplore the fact that they were not audited properly, but it is the Inspector General's observation as of today that they do not concur in the belief that the law should be changed.

Mr. DOLE. I thank my colleague from Montana. The other cases not referred to were the case of Fresno, Calif., where the center purchased 100 percent of food with food stamps, while only 37 percent of residents were certified to receive food stamps. The center was receiving $800 a month on behalf of 11 certified food stamp residents and using the $800 to purchase food for 30 residents.

In San Diego in November 1979, the center purchased 85 percent of its food with food stamps, while only one-half the residents were certified to receive food stamps.

Mr. President, I am not certain any indictments will come of this. I am not certain—probably the Senator is right. Nothing has been done. Maybe there have not been any criminal violations, but there are some taxpayers involved. This is the very thing that some of us have been indicating, that, rather than take across-the-board cuts in the program, we ought to look to areas of abuse and areas of waste, if not outright fraud. This is, in my view, an example of how we can stop some of that. I assume, in the process, some truly needy people will be impacted.

This, in a multibillion-dollar program, is not a great deal of money, but it seems to this Senator, as it did in our committee deliberations, that this is one area where we can probably sacrifice, in light of efforts to tighten up the practices and to stop some of the waste and abuse in the program.

Some of us who have our necks out a mile on the food stamp program are a little tender—whether anybody is going to be prosecuted or not—about some of these reports of abuses in the program. It is not in the interest of the program or those who administer the program, in my view. Even if there are only six cases—I do not know how many they checked. Maybe there are only six surveys, but we have asked for more information from the Department. I certainly hope that the amendment is defeated.

We have other amendments coming up, but this one I hope the Senate will reject—not because it is not offered in good faith; not because there are not some who would benefit in a proper way if the amendment were adopted. But based on what appears to be a rather gross abuse of the program, it seems to this Senator we ought to terminate that possibility. We still leave resident centers for disabled children and homes for battered wives and children. We can monitor those programs and see if they are properly administered. If not, I assume that, next year or the next year, those will be eliminated.

Mr. President, I yield the floor.

Mr. MELCHER. Mr. President, the distinguished Senator from Kansas mentioned that taxpayers are involved. I will say they are involved, whether it is food stamps or some of these other programs that come from the Federal Treasury and that the taxpayers pay for. But let us look at this in the broadest aspect. If these nonprofit drug abuse centers and alcoholic treatment centers are in existence, they are being paid for out of somebody's pocket. And we are not talking about Federal drug abuse centers or Federal alcohol treatment centers. We are talking about non-Federal ones that are not paid for with the Federal taxpayer's dollar; they are not paid for out of the Treasury.

Just to clear up that confusion that existed within the committee when we considered this, as if there were some overlapping, that somehow, these nonprofit centers were getting some Federal funds, that is the purpose of my amendment. When you say they even get up to 20 percent, that is the threshold. If they get up to 20 percent, their patients would not be eligible for food stamps. We clear that up in the amendment. So what we are talking about is, is it possible for those patients in those centers to get food stamps if they are otherwise eligible?

That is all we are talking about. So, to the extent that we would be allowing those people to get food stamps, we would be helping these programs.

We are talking about programs that involve costs throughout the country for drug abuse and alcoholic treatment of well over $100 million a year, total cost, perhaps several hundred million dollars, to be paid by other people—taxpayers in a State, taxpayers in a county, taxpayers in a city, or charity. It is good. This is just a small part of assisting in that.

Can we afford to do this? Well, we surely can afford to do it and stay within the Reagan budget. Even with what we added back in here, we are still cutting $600 million out of the food stamp program—$600 million more out of the food stamp program than was asked for by the Reagan budget. So I guess we can afford to do this, if it is the will of the Senate and we think it is in the public interest.

I say to my colleagues that it is in the public interest to assist in alcoholic treatment centers and drug abuse treatment centers.

The reason this provision was put in the law is that a good diet is essential to people trying to get rid of their dependence on alcohol and drugs.

The administration claims that there is a potential for abuse in the program because clients of these agencies come and go, while the rehabilitation centers hold the food stamps. That is what the Inspector General found. The fact is that poor accounting, sloppy accounting, should not be tolerated. But I do not believe it is fair to end the program because we have not kept track well enough of accounting for the food stamps.

The Inspector General's office tells me today that they do not recommend cutting out this help to drug abuse and alcohol centers. They recommend keeping the law as it is. That would be their recommendation, if they were allowed to make it.

They were asked whether they would agree to a policy to recommend taking them out, and they refused to do so, to make that part of their policy.

Back in 1977, Congress saw that some of the centers were cashing in the stamps at banks and using the money to buy equipment, so we changed the law and got rid of that abuse. The law now says that rehabilitation centers may only use the food stamps in grocery stores.

The administration also says that these private, nonprofit centers should get the food they need through other sources of funding.

I have talked about how these centers would be financed. They would be financed either out of State taxes, local taxes, county taxes, city taxes, or charity.

These are not federally financed centers. They are community-based, private, nonprofit centers that must rely for funding on their local areas.

Furthermore, what little indirect aid they may get from Federal welfare programs is minimal and may be cut by other committees of the Senate.

We should take note that some of these programs that would be helped are being cut by other actions, which will have some adverse impact on these centers.

We are talking about only $9 million a year for the first couple of years, and the outyears, I understand, will go up to $12 million. Yet, to the recipients of this food assistance, it very well could mean the difference between a successful recovery from being an alcoholic or from drug abuse or failure. If we turn them to normal, productive lives, I would say that the advantage as taxpayers is one of great value and would far exceed the small minimal amount we are putting in to help in food stamps.

I hope the Senate will approve the amendment.

Mr. President, I have no requests for time, and I am ready for a vote.

I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, I yield back all time on this side.

Mr. MELCHER. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Montana (UP No. 144). On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Arizona (Mr. DECONCINI) is necessarily absent.

The PRESIDING OFFICER (Mr. COHEN). Is there any Senator in the Chamber who has not yet voted?

The result was announced—yeas 24, nays 74, as follows:

[Rollcall Vote No. 143 Leg.]

YEAS—24

Baucus	Kennedy	Pell
Cannon	Leahy	Pryor
Chiles	Levin	Randolph
Cranston	Mathias	Riegle
Dodd	Matsunaga	Sarbanes
Hart	Melcher	Tsongas
Huddleston	Metzenbaum	Weicker
Inouye	Moynihan	Williams

NAYS—74

Abdnor	Exon	McClure
Andrews	Ford	Mitchell
Baker	Garn	Murkowski
Bentsen	Glenn	Nickles
Biden	Goldwater	Nunn
Boren	Gorton	Packwood
Boschwitz	Grassley	Percy
Bradley	Hatch	Pressler
Bumpers	Hatfield	Proxmire
Burdick	Hawkins	Quayle
Byrd, Harry F., Jr.	Hayakawa	Roth
	Heflin	Rudman
Byrd, Robert C.	Heinz	Sasser
Chafee	Helms	Schmitt
Cochran	Hollings	Simpson
Cohen	Humphrey	Specter
D'Amato	Jackson	Stafford
Danforth	Jepsen	Stennis
Denton	Johnston	Stevens
Dixon	Kassebaum	Symms
Dole	Kasten	Thurmond
Domenici	Laxalt	Tower
Durenberger	Long	Wallop
Eagleton	Lugar	Warner
East	Mattingly	Zorinsky

NOT VOTING—2

Armstrong	DeConcini

So Mr. MELCHER's amendment (UP No. 144) was rejected.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 145

(Purpose: To strike the block grant provision relating to Puerto Rico)

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New York (Mr. MOYNIHAN) proposes an unprinted amendment numbered 145:

On page 74, beginning with line 3, strike out all down through line 8 on page 80.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that my distinguished colleagues, Senator D'AMATO, Senator CRANSTON, Senator WILLIAMS, and Senator BRADLEY be added as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, this is a simple amendment about an immensely complex and important issue. The Committee on Agriculture, Nutrition, and Forestry has proposed a major change in the food stamp program.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate.

The PRESIDING OFFICER. The Senator from New York will suspend until we have established order.

The Senator from New York.

Mr. MOYNIHAN. I thank the Chair.

The committee proposes in the bill before us a major change in a major social program of the United States which sets one group of American citizens apart from all other American citizens, treats them differently and treats them not as well.

We have chosen, with the scantiest of hearings, no general debate, no genuine consideration of the implications, to say that the American citizens who are residents of Puerto Rico are not entitled to that level of food stamp assistance which all other citizens by right of citizenship are entitled to.

I would remind the Chair and this Chamber that at times of national emergency in this country, we have not exempted the residents of Puerto Rico. When a draft was in place in wartime, they were drafted at the same rate and were killed and wounded in war at a higher rate than any State in the Nation.

We have chosen in this measure to reduce the eligibility of American citizens who are also residents of the Commonwealth of Puerto Rico, from the 70-percent level that the committee chose to set for the country as a whole, a reduction of about 10 percent to 55 percent. Fifty-five percent is what you get if you are a resident of Puerto Rico in this program.

Mr. President, I know the mood of the Senate. I sense the mood of the Senate that this cannot now be changed. I hope and expect it will not be agreed to in conference, though I understand the dynamics that have led to that judgment.

But I cannot conceive what prompted the committee action—and I know it did so, if I may respectfully state, against the advice of the respected chairman of the Finance Committee and the Agriculture Committee's ranking member—to suddenly decide that not only will Puerto Ricans be treated differently as to their entitlements, but that an altogether new, untested, unplanned, and unprepared for regime will be established, whereby a block grant of $825 million is set for the Commonwealth of Puerto Rico on the 1st of April next. And an administrative task which would defy any State of this Union, and similarly and correspondingly the Commonwealth of Puerto Rico, will be imposed on that island. This $825 million level will extend to fiscal year 1985, through 5 fiscal years, such that by the end of this time the people of Puerto Rico would be down to approximately 45 percent of the entitlement of their fellow citizens.

Mr. President, I cannot imagine this body would wish to do this. I appeal to its sense of fairness to reject the measure.

I see my distinguished friend, the minority whip, is on the floor, whose cosponsorship of this amendment gives me confidence in it. I hope he will comment on this.

Mr. CRANSTON. I would like to very much.

Mr. President, I applaud the work of the distinguished Senator from New York, Mr. MOYNIHAN, in defending the interests of the people of Puerto Rico in this matter. He and I have discussed Puerto Rico's economic problems upon many occasions in respect not only to food stamps, but in respect to other aspects of the present budget and tax program.

I want to say that I strongly support the efforts of the Senator from New York and I am glad to join with him as a cosponsor to delete from the committee bill the provisions that would deprive residents of Puerto Rico of equal treatment with respect to the food stamp program.

The committee bill would convert the food stamp program for Puerto Rico into a block grant and to a 25-percent reduction in funding and much deeper cuts than will be imposed upon the rest of the Nation. That is very inequitable, very unfair.

Puerto Rico is the most impoverished community in American society. We show a total disregard for the needs of the impoverished people of Puerto Rico if we take this kind of purely discriminatory action in regard to them.

I strongly believe that we do a great disservice to our national security interests, also, in the Caribbean, Central America, and Latin America when we deal in this manner with Puerto Rico. What will be the reaction in the Caribbean to this act of discrimination against the island in the Caribbean that is closest to us?

The Senator from New York has repeatedly shown great sensitivity to the unique needs of Puerto Rico. I am very pleased to join him in supporting and cosponsoring this amendment to restore an even-handed approach to deal with the food stamp program in Puerto Rico. I strongly urge all Senators to join in supporting this amendment.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I believe I am correct in my recollection that this portion of the bill relating to Puerto Rico was the only rollcall taken in the committee which was unanimous. Now there were other voice votes which were unanimous, but I do not recall another rollcall vote in connection with this bill that was unanimous. If my recollection is correct, it was 16 to 0.

Now, let us examine a little bit of the arithmetic of this matter. Ten percent of the entire food stamp program is devoted to Puerto Rico, and 56.7 percent of Puerto Ricans are on food stamps as of March of this year.

I had some visitors from Puerto Rico in my office not long ago. They said that the growing of food by the Puerto Ricans is on a toboggan slide. They can get food through food stamps, so why bother to grow it?

Now this was a Puerto Rican speaking. And he made clear that the food stamp program, as now operated in Puerto Rico, is destroying incentive and escalating costs.

As for corruption, I do not think that it could be challenged that the level of

mismanagement, waste, and abuse in the food stamp program is greater in Puerto Rico by far than in any of the States. It has been plagued by reports of mismanagement and abuse, cited by both the General Accounting Office and the Department's Office of the Inspector General.

As a result of that, the committee, after due consideration, determined the necessity to place food assistance in Puerto Rico on a block grant footing, to enable creation of a program responsive to that Commonwealth's particular needs and to help control overall food stamp program costs.

As an interim step, the income eligibility standard in Puerto Rico would be lowered effective October 1, 1981, as Senator MOYNIHAN has said. Immediate implementation of a food assistance block grant would be disruptive. The new, lower income eligibility standard would, in effect, be set at 55 percent of the standard applicable to the 48 contiguous States and the District of Columbia. And this would be accomplished by setting the poverty levels for Puerto Rico at 55 percent of those on the mainland.

Block grants would be funded at a level equal to 75 percent of anticipated fiscal year 1982 food stamp program costs in Puerto Rico, or $825 million annually, $413 million of which would be for the last half of fiscal year 1982.

These provisions were a combination of proposals suggested by the distinguished Senator from Kansas (Mr. DOLE) and the distinguished Senator from Arkansas (Mr. PRYOR). I imagine that each of them, or perhaps both of them wish to address themselves to this amendment.

Mr. President, the adjustment of the spending practices of the Federal Government is never easy, but somehow we must get a handle on the rate of spending.

In the case of Puerto Rico, Senator DOLE, Senator PRYOR, and the rest of us took into consideration the per capita income and a lot of other figures. It was not a thoughtless or heartless action that was taken. It was a thoughtful action that was taken.

I hope the amendment of my friend from New York will not be agreed to. I yield to the distinguished Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, let me say to the distinguished Senator from New York, as I understand the amendment of the Senator from New York, it would just eliminate the block grant immediately.

Mr. MOYNIHAN. The Senator is correct.

Mr. DOLE. I think he probably read the sentiment that it would not prevail. My problem is that if, in fact, there should be a block grant, there should be time to institute a block grant. That is where, even though the vote was unanimous, there was some difference between this Senator and the Senator from Arkansas, because the original proposal was that there would be a block grant October 1, 1982. It is my understanding that the Department cannot even implement it that quickly.

But the distinguished chairman is correct. I think there was a feeling on the committee that, in this case, we had to make some reduction.

My view, and I think the best alternative, is to retain Puerto Rico's participation in the food stamp program and make reductions in the eligibility standards in Puerto Rico. That was the approach I originally sponsored. If at all possible, we should reduce that eligibility level in stages.

But if, in fact, and it is a fact, we now have a block grant proposal in the legislation, it would seem to me that it would be advisable to delay implementation until at least the fiscal year 1983, which is October 1, 1980. This would allow Congress to study the proposal.

The administration has recently announced the White House Task Force on Puerto Rico.

We could also consider other details in implementing any block grant mechanism.

We had a long discussion in the Senate Agriculture Committee. The Senator from Arkansas (Mr. PRYOR) has been working long and hard on this particular area and was very persuasive in the committee.

As the Senator from New York knows, there is a special problem in Puerto Rico. Many of the things he cited are exactly correct. On the other hand, operations of the food stamp program in Puerto Rico accounts for about 10 percent of national program costs. About 58 percent of the Puerto Rican population receive food stamp aid while the national average is only 10 percent. No State has a participation rate higher than 21 percent. That is the State of Mississippi. Food stamp pay now represents nearly 10 percent of the Commonwealth's personal income.

So there was a feeling, I must say, that there has been a great deal of abuse of the program in Puerto Rico, a great deal of waste in the program in Puerto Rico. The General Accounting Office has so indicated. There was mismanagement and abuse cited by the Inspector General as well as the General Accounting Office.

The committee felt that one way to get control of the program was to have a block grant program, and to give the State or Commonwealth officials the authority to more closely monitor the program.

That was the approach agreed upon in the committee. The Senator from Kansas may have preferred another approach. Having said that, it would seem to me—and I have not discussed this at all with the Senator from Arkansas who feels very strongly about it—that what we have done by making the date April 1 rather than October 1 is to make it almost impossible for the Department and Puerto Rican officials to properly implement a block grant program.

That was the objection the Senator from Kansas had, but, on the basis of making some improvement, the Senator from North Carolina is correct, we did vote unanimously in our committee.

This block grant is a problem—and it is a problem, frankly, as the Senator from New York indicated—that not too many are concerned with, but he is concerned with it and Senator D'AMATO is concerned with it. The rest of us should be concerned with it, too, because who knows what will happen if, in fact, we have gone too far. In the opinion of this Senator, that has not happened except that we do not allow enough time to implement a block grant if in fact that is what the administration finally proposes to do. As far as this Senator knows, the administration has not sent us a block grant proposal. There has been no discussion of a block grant proposal. It may be that in the final analysis, the administration will propose some other way to reach some of the problems in the Puerto Rican program.

I yield back any remaining time.

Mr. PRYOR. Mr. President——

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. I yield to the Senator from Arkansas such time as he may require.

The PRESIDING OFFICER. The Senator from Kansas has no time to yield.

Mr. DOLE. I have been delegated by the distinguished Senator from North Carolina in this case to yield time.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, it is with great reluctance that I oppose the amendment of my friend from New York, Mr. MOYNIHAN. He and his cosponsors are some of the most articulate members of this body, and, certainly, Senator MOYNIHAN is one of the most deeply compassionate men I have ever known.

Yesterday I spoke briefly on the Senate floor urging my colleagues not to make additional cuts in the food stamp program than those recommended by the Senate Committee on Agriculture. I did so because I felt that we had cut deeply enough into this program to achieve the cuts, the efficiencies, the economies, that we were out to achieve. Yet, if we cut further, I felt yesterday, as I do today, that we would be cutting the heart and soul out of the food stamp program.

Today I have to rise again, Mr. President, and urge that we stay with the committee's recommendation for the Puerto Rican food stamp program.

Mr. President, for a moment I would like to discuss the history of the food stamp program in Puerto Rico. Some of this is going to be repetitious, I am certain. The Senator from Kansas, the Senator from North Carolina, and others, have already made some of these points.

To put this program into perspective, it is necessary to look at the original purposes of this program, to look at its goals, and then to compare its purposes with what its actual effect is on life in Puerto Rico.

I am going to try to demonstrate in these few moments, Mr. President, what this program has done economically, what it has done politically, what it has done socially to the Commonwealth of Puerto Rico.

First, I would like to state that in my opinion we are doing Puerto Rico no favor by continuing a food stamp program that now claims over 57 percent of

the Commonwealth's population as recipients.

Second, I think that we should remind ourselves that residents of Puerto Rico currently pay no Federal income tax.

The Senator from New York talked about setting the Puerto Ricans apart from the other citizens of this country. One reason for that, I would say to my distinguished friend——

Mr. MOYNIHAN. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senator's point is well taken. The Senator will suspend until there is order in the Chamber.

Mr. PRYOR. One reason there is a distinction today between that individual living in Puerto Rico and that individual living in this country is that the Puerto Rican citizen pays absolutely no tax to the United States of America. Yet one-tenth, $1 out of every $10, that are spent for the food stamp program, is going to the Commonwealth of Puerto Rico; $1 billion out of a $10 billion program.

Furthermore, not only do Puerto Ricans not pay any Federal income tax, but most corporations in Puerto Rico are totally exempted from taxation. The revenue collected from the corporate income tax is almost nil in Puerto Rico.

The food stamp program was extended to Puerto Rico in 1975. Thus, the program has been in effect only 6 years. Yet, in that 6-year period we see that 10 percent of the personal income of the Commonwealth of Puerto Rico is derived from a new economy that we have created with the food stamp program.

Mr. President, the Reagan administration, early this year, proposed a block grant concept in Puerto Rico in fiscal year 1982. The Agriculture Committee took this concept, discussed it, dissected it, debated it, talked about every conceivable option and alternative that we have, and fashioned this particular proposal. I can say with all candor to my friend from New York that this is the best conceivable alternative that we can fashion under the circumstances that exist today.

Under this proposal, income eligibility would be set at 55 percent of the income eligibility of the continental United States. On April 1, 1982, the Puerto Rican food stamp program would be converted to a block-grant program which would be funded at a level of 75 percent of the anticipated fiscal year 1982 food stamp program costs in Puerto Rico, or 75 percent of $1.1 billion. This amount, $825 million, would be the cap for the Puerto Rican program for the next 4 fiscal years. It should be remembered that we are also putting a cap on the overall food stamp program. So to do it in Puerto Rico is not, I think, unfair or causing any injustice upon the people who live there.

Mr. President, this is not the only program that we have today in Puerto Rico. The Farms Home Administration made more farm home loans in the Commonwealth of Puerto Rico last year than it made in the State of Arkansas, for example.

The Commonwealth of Puerto Rico participates fully in the Small Business Administration programs. The record shows that the people of Puerto Rico participate in a variety of Federal assistance programs.

Finally, Mr. President, on March 16, 1981, one of the most articulate and most sincere witnesses that I have ever had the privilege of hearing testified before the Senate Agriculture Committee. His name is Dr. Richard Weisskoff, an associate professor of economics at Iowa State University in Ames, Iowa.

I shall read some of the testimony he gave before the committee. I know if Senator MOYNIHAN and others had had the opportunity to hear the testimony of Dr. Weisskoff with regard to the effect of the food stamp program on the economy in Puerto Rico, they would join us in attempting to fashion a new and, hopefully, a more constructive approach. I would like to share two or three of the thoughts which Dr. Weisskoff gave the committee on March 16. He said:

1. The extension of the Food Stamp Program to Puerto Rico in 1975 was inappropriate to the needs of the Island.

2. The extension of the Food Stamp Program to Puerto Rico was done hastily. The effect has been economic and moral disaster for Puerto Rico.

3. In the years since 1975, the official unemployment rate in Puerto Rico has risen from 12 percent to nearly 20 percent.

4. In Puerto Rico today, only 36 percent of all adults are working; nearly two-thirds of the adult population are not working either because they find no work—called "unemployed" in the statistics—or have stopped seeking work—called "not in the labor force" in the official statistics.

This, Mr. President, is since the inception of the program, only 6 years ago.

Dr. Weisskoff continues:

5. When food stamps were introduced into Puerto Rico, prices of food rose 18 percent, according to the Government's own statistics.

6. The U.S. Census of Agriculture for Puerto Rico indicates that between 1974 and 1978, land in farms fell 14 percent and cultivated cropland fell by 20 percent. The banana crop fell in physical terms by 78 percent, oranges by 57 percent, plantains by 54 percent, root crops—viandas—by an average of 27 percent and coffee by 21 percent.

In 1950, 82 percent of Puerto Rico's land was in farms and 40 percent of its work force labored in agriculture. By 1978, only 48 percent of its land remained in farms and only 5 percent of its labor force remained in agriculture.

Mr. President, let me say we have done our best in the Agriculture Committee to bring a constructive, meaningful approach to the food stamp chaos in Puerto Rico. Again, I repeat that I do not think we are doing Puerto Rico any favor by continuing the present program. I sincerely hope the Senate will not support the Moynihan amendment but support the committee bill.

Mr. MOYNIHAN. Mr. President, I yield 10 minutes to my colleague from New York.

Mr. D'AMATO. Mr. President, this amendment is aimed at, I believe, bringing about a sense of balance and fair play in a situation which, if allowed to continue as the bill proposes, will bring about economic havoc, social unrest, and will be perceived by many throughout the world, in the Spanish-speaking countries in particular—in Central America—as a deliberate slap in the face of Spanish-speaking people and the people of the island of Puerto Rico.

The administration has not proposed a block grant formula for any other place in the country or any other of its possessions. The administration has not asked for this bill. Indeed, the administration in this block grant program has called for an April 1 implementation date which is totally impossible. The government of Puerto Rico has indicated it will be impossible to administer.

What are we saying to people? Are we saying that Puerto Ricans have one law to be governed by and the other possessions and citizens of this Nation are to be governed by another?

What are we saying about unemployment? I heard the distinguished Senator from Arkansas raise the point about unemployment having gone from 12 to 20 percent. Is he suggesting that there is a correlation between food stamps and increasing unemployment? Or is there a correlation in the necessity for food stamps for those who are unemployed? I suggest that that would be more applicable.

What are we saying about the inoperability of the program? Our administration has taken hold in a bold, new attempt to bring fiscal restraint and fiscal responsibility, and the people expect that. Let us see that the program is administered carefully and prudently and that the Department of Agriculture does its job.

To obviate our responsibilities by calling for a block grant program that will be impossible to administer and to set up by April 1, I believe, is arbitrary and shortsighted, and there will be consequences that will go far beyond any minuscule savings that may be advanced as a cause for this kind of implementation.

I could not help be moved by the persuasiveness of my colleague from Kansas in suggesting that a possible implementation date of at least October be a fallback position, one in which at least we give the Island of Puerto Rico and its administrators the opportunity to be able to see to it that that block grant program can be administered fairly and effectively, notwithstanding the fact that it still will be interpreted as a move by this administration to do away with its responsibilities and its sensitivity to the unique position of the people of Puerto Rico.

I ask my distinguished colleague from North Carolina to reconsider his position in opposition to this amendment, particularly in light of the fact that it will be difficult to justify the implementation of a program that has everything going against it and little to speak for it.

Where is the precedent that we have seen in terms of a block grant program for food stamps in the United States? Is there an experimental program we can point to, as the administration calls for? What chance of success does this program have, given the date of implementation, April 1? How will it be perceived in terms of our Caribbean neighbors? We are attempting to turn about and revitalize a foreign policy that has been less than adequate.

What do we say to the truly needy and to the truly indigent of the Island of Puerto Rico? They are the victims of a new experimentation and there are those who have availed themselves of farmers' home loans to the extent they have? Should that work as a detriment to the poor and the truly needy?

So I suggest, No. 1, that my colleague from New York is right in saying that equal treatment is what the people of Puerto Rico are entitled to, and equal treatment is not a block grant formula that is designed solely for Puerto Rico and its people.

Second, at the very least, I hope we will be able to come up with a date that will make it possible for this program to be carried out logically, to be given a chance.

I say to my distinguished colleague from Arkansas that if he believes that the block grant method is one that can make savings, one that can see better that the local administration will distribute those funds to the truly needy, then let us give that administration the opportunity to draw up plans, to design a program and implement a program which will truly be effective, and let us not rely upon a politically expedient date that has absolutely no sense to it by saying April 1—a program that cannot be implemented and has no chance of success.

With this block grant program, if it is implemented April 1, this administration, this House, and Congress will do a great disservice not only to the Island of Puerto Rico and its people but also to the perception that people have, countless millions of this Nation, and its indication of its responsibility in so doing.

So I support wholeheartedly what my colleague from New York has said, and I ask my colleagues to rethink their position. This is not a position of wastefulness that my colleague from New York has advanced. It is a well-reasoned position. It is a well-balanced position. It is a well-justified position. It is a humane position.

Mr. MOYNIHAN. Mr. President, I thank my distinguished colleague from New York for what he has said. He is right, and this Chamber is going to be wrong if it does not listen and respond.

Mr. President, over how many courthouses in this land is there the inscription: "Equal Justice Under Law." Is that not an attribute of citizenship in this Republic, or are we changing it?

The Senator from Arkansas, my distinguished friend, has offered us the view that there is a Professor Weiskopf who thinks that food stamps have not been good for Puerto Rican society. The junior Senator from California and I can only welcome the invocation of a Ph. D. on this floor. It is not every day we hear it. But one would like to know more of this gentleman's views. I know some of those views, and I can assure my colleagues that his proposition about what would be good for Puerto Rico would not meet with much approval if it were applied to my State or any of the other States of this Nation.

That is the proposition—saying that the Puerto Ricans, somehow, do not tax themselves.

I offer it as my firm understanding that, according to the Mushkin tax model of tax effort, with which Alice Rivlin was associated in developing in 1963, Puerto Rico has the highest tax effort of any State government in the country, save New York and Massachusetts.

As to the proposition that there is fraud, waste, and abuse—that never failing source of anxiety in this Chamber—if it is the Department of Agriculture that is responsible, I have an understanding that they have an error rate of 9.2 percent. About average for the country, lower, I understand—I do not assert this and will amend the record if I am wrong—lower than the State of North Carolina.

Mr. President, I will read into the RECORD, because it should be recalled, the Democratic platform plank on Puerto Rico, of last year:

> We are also committed to respect the cultural heritage of the people of Puerto Rico and to the elimination of discriminatory or unfair treatment of Puerto Ricans as American citizens under federal programs.

The Republican platform says essentially the same thing, the Republican platform being even more open to the prospects of statehood for the Commonwealth.

I am not here to accuse anyone, but at a time when the President has said that the Caribbean has to be an area of renewed and powerful interest for our country, why should we choose this moment to take this act and do what the Government in Puerto Rico says it cannot administratively succeed in doing.

Mr. President, I am aware that there are not the votes in this Chamber to support even the modest proposal that I and my colleagues have made, and I am not especially happy that this moment should have come, but in view of the most urgent request put to me by Governor Romero Barcelo, who said he could not meet this deadline, I ask to withdraw my amendment.

The PRESIDING OFFICER. The Senator has the right to withdraw his amendment.

UP AMENDMENT NO. 146

(Purpose: To delay effective date of block grant for Puerto Rico from April 1, 1982, to October 1, 1982)

Mr. MOYNIHAN. I send another amendment to the desk, an unprinted amendment, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from New York (Mr. MOYNIHAN) proposes an unprinted amendment numbered 146:
>
> On page 74, line 4, strike out "April" and insert in lieu thereof "October".
>
> On page 74, line 14, strike out "April" and insert in lieu thereof "October".

Mr. MOYNIHAN. Mr. President, I ask unanimous consent presumptively, as I cannot be sure of this, that my original cosponsors be joined with me and that they be given the option if they do not wish to do so to withdraw their names later.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, this does one simple thing. It gives the Government of Puerto Rico at least time enough to do what we should not be ordering in the first instance for them to do anyway. Do not deny a judgment of a freely elected government on that island that it cannot do this arbitrary thing in the time allowed. This would simply give the full fiscal year ahead to plan what may have to be done if the House of Representatives should agree and in that event will be done. It will be done with good cheer and loyalty by the Government of Puerto Rico. But in the name of all that is democratic and equitable in our society do not force them to do what they say they cannot do in the time given. This at least allows a major change to take place within a 17-month period that surely it will require.

Mr. President, I yield the floor for the moment withholding such time as I have remaining.

The PRESIDING OFFICER. Who yields time?

Mr. BOREN. Mr. President, I wonder if whoever is managing time in opposition will yield to me 5 minutes.

Mr. DOLE. I yield on behalf of the Senator from North Carolina 4 minutes.

Mr. BOREN. I thank my colleague from Kansas.

Mr. President, as I understand the present amendment it will move the date from April 1 to October 1 and, therefore, it would also reduce the savings involved because the effective date of the reductions would be moved back 6 months. It would mean adding about $15 million back into the Puerto Rican food stamp program.

I have listened with respect to my colleagues from New York. I am sure they are absolutely sincere in the proposal that they are making, but I have also listened with disbelief at some of the arguments that have been made here in the Chamber this afternoon, absolute disbelief. Some of the greatest understatements in the history of American politics have been made here this afternoon, that there has been some waste, that there has been some abuse of the food stamp program in Puerto Rico. Some? There has not been some waste, there has not been some abuse. What we are dealing with here is an absolute national disgrace.

If the people of this country, the total population of this country could be informed about what is going on in terms of the food stamp program of Puerto Rico, they would absolutely rise up and march on this Capitol building to demand that something be done about it not on April 1 but on yesterday.

We have heard about equality of treatment. Let us talk about equality of treatment. Fifty-seven percent of the people of Puerto Rico are on food stamps, 57 percent. Let us not just cite

that statistic calmly. Let us think about it. That is almost 60 percent of the entire population. Not one State in this country can come close to even having half of that proportion of its citizens on food stamps, and we talk about equal treatment.

One-tenth of the entire food stamp budget of the United States, almost $1 billion, out of approximately a $10 billion program is going to Puerto Rico. And we have heard cries about equal treatment. We have cut back the food stamp benefits in this country in an effort to bring this budget into balance and to bring spending under control. We have asked the people of this country to make sacrifices. We have tried to end abuses and then we hear cries for equal treatment to Puerto Rico which gets a tenth of all the food stamp money in this country. We have heard these cuts described as Draconian—Draconian less than a 20-percent cut. Now listen to this. We are talking about only sending Puerto Rico a little over $800 million this year, $800 million, four or five times the proportion of any other State in this country. And that is a Draconian cut?

I think Mr. Webster would absolutely roll over in his grave to hear the term "Draconian" misused in that way.

We have heard the term disruption. We are liable to disrupt what is going on in Puerto Rico, disrupt 57 percent of the people being on food stamps, disrupt what it has done to the work ethic in Puerto Rico. If that is disruption, Mr. President, may we have disruption all around this country, may we begin to disrupt the kind of abuse of social programs that has gone on all too long in this country.

I have opposed many of the additional cuts that have been offered to the food stamp program. I myself offered an amendment today to make sure that we exempted the elderly and the disabled from food stamp cuts. Many of the things that are going on in this country today in terms of reaction against social programs are going on because programs that were valuable in the beginning, valuable in their purposes and set out to meet real human needs, have been abused to the point that many in our population are even saying we want to wipe them all away, even those that are doing good, even those that are meeting real human needs. They want to wipe them all away because they are so fed up with the kinds of excesses that we see exemplified in the food stamp program in Puerto Rico.

I think we are doing a service when we make these kinds of changes which the committee has recommended. We are doing a service to the preservation of the right kinds of social programs in this country when we reform the abuse, the waste, the mismanagement, and the overextension of social programs that are eating away at the very ethical, moral, and economic fiber of this country.

So I think the mandate that has been given to this Congress is to make these kinds of changes. They are not Draconian. Indeed they do not yet go far enough. We are told they do not have time to adjust. April 1 is too far off—11 months, 10 months, from this date. Certainly in 10 months we should be able to plan. We have been asked in this Congress to try to turn the whole thrust of the Federal budget around within a very few months by this administration.

We can take action on monumental changes in the budget implemented in the budget resolution on a tax cut package of a magnitude of the one we are now considering in 3 or 4 or 5 months. Surely in 10 months, the Government of Puerto Rico can come up with some kind of proposals to have a block grant program to get this thing under control.

We have not, I submit, Mr. President, had too many expressions of concern in this Chamber about what is fraud and abuse. We have had too little, and it is time that we act upon them.

The PRESIDING OFFICER (Mr. HUMPHREY). The time of the Senator has expired.

Who yields time?

Mr. MOYNIHAN. Mr. President, it would be possible to say things at this point in this Chamber that would be too strong for the subject at hand, and I do not propose to do that. But I hope I will be thought to be restrained in my remarks when I say that it is inconceivable to me that this legislation would be even under consideration if the Commonwealth of Puerto Rico were represented by two Senators in this body. We would not dream of doing this to a State of the Union and yet we do it to fellow citizens with whom we are united in a commonwealth relationship. I regret that this is so.

Mr. President, I am happy to yield such time as he may desire to my distinguished friend and colleage from New York.

Mr. D'AMATO. Mr. President, I have heard about waste, fraud, abuse, our efforts at attempting to deal with it, move into a block grant program as an effort to give local responsibility to local government, return it to local government. But to date I have not seen any of these block grant programs implemented or dates called for right here in the United States in our States.

I am for eliminating waste, abuse, abuse of the food stamp program. I campaigned against those kinds of things.

If this is such a wonderful program, though, why do we not have a block grant food stamp program for all of our States? Why just Puerto Rico? Why should we not have a block grant program for all 50 States and all of the Commonwealths so that the local Governors can see to it, and the State legislatures can see to it, that the program is administered fairly? Why do we single out Puerto Rico?

The nuances of this move are not going to be interpreted in a correct manner because I believe my colleagues who say we are spending too much, it is disproportionate, I suggest to you that we are going to take a rather naive view of world politics in terms of how this will be perceived internationally and its relationships, and the repercussions that will stem from this are going to be far beyond what some of my colleagues can possibly imagine. That is rather obvious.

Let me suggest that it is totally unreasonable to oppose a modest date for implementation. We just take these nice sounding words "block grant," and we know when we talk about other programs, the give and take, the tremendous concerns that our small cities have in terms of wondering what the legislature and what the Governor of that particular State are going to do with the block grant formulas in terms of what we talk about in community development, in terms of sewage aid and construction aid, in terms of all the programs this administration talks about vis-a-vis block grants.

Can we reasonably expect the Commonwealth of Puerto Rico to be able to implement a program of such magnitude within the next 10 months, design a block grant program for implementation, when we do not even know what we are talking about when we use the word "block grant?"

I would suggest as an aside we have not seen anything yet when we begin to get the flak and the fallout from those counties and from the State legislatures and cities that find there is a Governor who uses the so-called block grant program as he deems fit, but that is for another day and another time.

I do not believe anyone can really conceivably think that this program can be set up in a meaningful way, be administered correctly with the proper safeguards by April 1.

I would implore my colleagues that it is not enough to talk about doing away with waste and abuse. If we want to be fair to those principles we speak to, then let us make sure those local governments have the opportunity to set up a program, and 6 additional months are not something that will create havoc, but will make possible the implementation of a program that we can take some pride in and say that here is an example of what local government can do when given the proper time and framework, when it is said that the Congress of the United States is serious about it, that we want the implementation of a program, that "we give it to you, but we give it to you with a reasonable amount of time to move forward."

We have nothing to gain by opposing what I consider to be a modest amendment seeking additional time for the Commonwealth to implement this program, nothing to gain by opposing that. We have all to lose if we seek this date of April 1, it being unreasonable, by being classified as being uncaring, by setting back our foreign policy, and in terms of fiscal conservatism not saving a whit of what we stand to lose.

Mr. MOYNIHAN. Mr. President, I ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MOYNIHAN. Mr. President, if I may take 30 seconds to conclude, this is a reasonable request with respect to the administrative needs of the Commonwealth of Puerto Rico as communicated to us, and it is a minimum request.

Mr. President, if it becomes the judgment of the U.S. Senate that the American Government is not capable of administering its programs, then we have made a large decision about our future.

Lastly, Mr. President, I would like to call attention to the fact that it was a Republican President who set as a goal the elimination of hunger in the United States, a Republican President who did that, and I must say if on this side of the aisle we commence to depict such efforts as a national disgrace then I shall not be surprised if we are a minority for a good many more long years than the present Congress.

If it is a national disgrace to try to feed the hungry, let that be a judgment not of my party, not in my time in it, and I would like to honor the Republican commitment—and that of the Senator from Kansas who has indefatigably kept at it over the 1970's. I wonder what has become of our concern for one another.

Mr. President, it is my understanding that the distinguished managers of the legislation might wish to, as we say, stack this vote for a time certain.

Mr. LEAHY. I have been informed that there is objection on the side of the majority, not the distinguished chairman of the committee, but apparently an objection has been posed, and it would be impossible, so I am ready to vote.

Mr. MOYNIHAN. Mr. President, if we are willing to yield back the remainder of the time, I am willing to yield back the remainder of my time. I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from North Carolina yield back the remainder of his time?

Mr. HELMS. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG) and the Senator from Tennessee (Mr. BAKER) are necessarily absent.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Arizona (Mr. DECONCINI), the Senator from Connecticut (Mr. DODD), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Michigan (Mr. LEVIN), and the Senator from Michigan (Mr. RIEGLE) are necessarily absent.

I further announce that if present and voting, the Senator from California (Mr. CRANSTON), would vote "yea."

The PRESIDING OFFICER. Are there any other Senators wishing to vote?

The result was announced—yeas 36, nays 56, as follows:

[Rollcall Vote No. 144 Leg.]

YEAS—36

Baucus	Danforth	Heinz
Bentsen	Dole	Huddleston
Biden	Eagleton	Inouye
Bradley	Glenn	Jackson
Chafee	Gorton	Kennedy
Cochran	Hart	Leahy
Cohen	Hatch	Long
D'Amato	Hatfield	Mathias
Matsunaga	Pell	Stevens
Metzenbaum	Sarbanes	Tsongas
Mitchell	Sasser	Warner
Moynihan	Specter	Weicker

NAYS—56

Abdnor	Goldwater	Packwood
Andrews	Grassley	Percy
Boren	Hawkins	Pressler
Boschwitz	Hayakawa	Proxmire
Bumpers	Heflin	Pryor
Burdick	Helms	Quayle
Byrd, Harry F., Jr.	Hollings	Randolph
	Humphrey	Roth
Byrd, Robert C.	Jepsen	Rudman
Cannon	Kassebaum	Schmitt
Chiles	Kasten	Simpson
Denton	Laxalt	Stafford
Dixon	Lugar	Stennis
Domenici	Mattingly	Symms
Durenberger	McClure	Thurmond
East	Melcher	Tower
Exon	Murkowski	Wallop
Ford	Nickles	Williams
Garn	Nunn	Zorinsky

NOT VOTING—8

Armstrong	DeConcini	Levin
Baker	Dodd	Riegle
Cranston	Johnston	

So Mr. MOYNIHAN's amendment (UP No. 146) was rejected.

UP AMENDMENT NO. 147

Mr. LEAHY. Mr. President, I send an amendment to the desk on behalf of myself and Senator DOLE and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Vermont (Mr. LEAHY), for himself and Mr. DOLE, proposes an unprinted amendment numbered 147.

Mr. LEAHY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 70, strike out line 8 and insert in lieu thereof the following: "September 30, 1985, with the authorization ceiling for each such fiscal year to be adjusted upward or downward on each succeeding April 1 by (A) $150 million for each full percentage point or fraction thereof that the average Consumer Price Index for food at home for all urban consumers of the Bureau of Labor Statistics as projected for that fiscal year by the Office of Management and Budget as of April 1 of such fiscal year exceeds or is less, respectively, than such index for such fiscal year as projected as of June 1, 1981 by the Office of Management and Budget and (B) $650 million for each full percentage point or fraction thereof that the unemployment rate as projected for that fiscal year by the Office of Management and Budget as of April 1 of such fiscal year exceeds or is less, respectively, than the unemployment rate for such fiscal year as projected as of June 1, 1981 by the Office of Management and Budget.".

Mr. STEVENS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. STEVENS. Mr. President, will the Senator yield for 1 moment?

Mr. LEAHY. Certainly, without losing my right to the floor.

Mr. STEVENS. Mr. President, it is my understanding the order provides for the vote on final passage to occur not later than 7 p.m. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. STEVENS. It is my understanding that the Senator's amendment may take all of the time prior to that time, until 7 o'clock, if he wishes. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. Does the Senator intend to take that amount of time?

Mr. LEAHY. I assure the distinguished deputy majority leader if I could have about 5 minutes or so I think I could explain the whole thing and be ready to go.

I would ask if I might ask for the yeas and nays at this point.

Mr. STEVENS. That was to be my query. Does the Senator wish the yeas and nays?

Mr. LEAHY. Yes. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. Then whatever time the Senator takes and after the rollcall occurs, after that there will be no more debate permitted under the agreement; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. STEVENS. But it is possible another Senator might offer another amendment.

The PRESIDING OFFICER. That is correct.

Mr. STEVENS. Might I ask the Chair to inquire if there are other Senators who intend to offer an amendment following the amendment which is pending?

Mr. MELCHER. If the whip will yield, the answer to that is yes.

Mr. STEVENS. I thank the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, if I might have order in the Chamber——

The PRESIDING OFFICER. The Senate will be in order.

Mr. LEAHY. Mr. President, so everybody will understand, the amendment offered by Senator DOLE and myself does not eliminate the cap. It does not increase the caps contained in S. 1007. All that it does is to provide for the caps to be adjusted up or down on the basis of the food price inflation and unemployment.

Each Senator has a copy of an editorial from this morning's Post on their desk. One of the things it discusses is the up the hill and down the hill question of the caps every year that we go through, and that we sort of play games, depending upon whether you are coming from the left or the right on it. What we have tried to do is put a realistic and honest cap formula—not a liberal one, not a conservative one, not a Republican one, not a Democratic one, but a realistic one.

The caps in S. 1007 are based on the administration's economic assumptions for the next 4 years.

Mr. President, might I have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. LEAHY. Having been here since 10 o'clock this morning, no one is more

eager than I am to get out of here. Maybe we can speed things up a little bit.

It is difficult to predict food prices (which are influenced by factors such as weather, crop yields, et cetera) exactly for 4 years in advance. Similarly, unemployment is also difficult to predict exactly, and can be affected by such factors as OPEC oil prices, foreign currency fluctuations, et cetera. Since food stamp costs are very sensitive to even small changes in food prices and unemployment, it is important that these factors be taken into account in establishing food stamp authorization ceilings.

The Congressional Budget Office and the administration use a formula to calculate the impacts of food prices on the food stamp program. Each 1-percent increase in food prices adds $150 million in annual food stamp costs. Each 1 percent in unemployment (as would occur if the unemployment rate rose from 7 percent to 8 percent) adds $650 million in annual costs.

This amendment provides for the cap to go down, below the levels in S. 1007, if food prices and unemployment are lower in any of the next 4 fiscal years than OMB is now estimating. The cap would go up, if food prices and unemployment are higher than is currently estimated.

This does not in any way change the concept of the cap. There would continue to be a cap each year which would limit program expenditures. And if the economy performs as the administration expects, no adjustment in the cap will occur.

This does assure, however, that if food costs more than currently predicted, our response will not be to make 20 million poor Americans, including the elderly and disabled, eat less. Under S. 1007, as it now stands, this is what will occur if food prices rise above the predicted levels to any significant degree.

Similarly, it assures that if more Americans are out of work than are now expected, our response is not to make the poor, the elderly, and the disabled eat less.

If food stamp costs rise for any other reason, there would be no upward adjustment of the cap under this amendment. It makes modifications only in response to changes in food prices and unemployment.

Mr. President, this amendment does not represent indexing of the cap. In indexing, if prices rise 4 percent, wages or benefits also go up 4 percent. Under the provision, if food prices rise 4 percent, the cap will be lowered, because 4 percent is less than the food price inflation currently assumed by the administration.

And finally, simply because the cap could go up under this amendment, it does not automatically mean more money will be spent. The food stamp program is not an entitlement. Congress would still exercise review through the budget and appropriations processes.

Mr. President, this amendment is a necessity. As I pointed out in my opening statement, the "caps" in this bill are inadequate based on information already available. There is no margin for error in these caps whatsoever. The 2½-percent margin for error that the administration claims is in these caps, really is not there at all for the following reasons:

First, the estimates upon which these caps are based are obsolete. The administration recently revised its fiscal year 1981 estimate of costs upward by over $500 million based on newly available data on program participation and benefit levels since January 1, 1981. This revised estimate for fiscal year 1981 was utilized by the committee to set the "cap" for fiscal year 1981. However, when the administration revised its fiscal year 1981 estimate, it did not adjust estimates for fiscal year 1982–85. The result is that the committee's "caps" for fiscal year 1982–85 are inconsistent with its "cap" for fiscal year 1981. Based on cost data already available, the "caps" for fiscal year 1982–85 should be raised at least several hundred million dollars in each year. I expect that these adjustments will be reflected in the reestimates which ordinarily are sent to Congress in July.

Second, the administration's cost estimates make no explicit allowance for offsetting food stamp costs due to expected cuts in other income security programs. CBO estimates that the cuts proposed by the President (and likely to be enacted by Congress) in programs like AFDC, unemployment insurance, CETA, and others would result in new food stamp costs far in excess of the 2.5-percent margin for error proposed by the administration.

Third, the administration estimates are based upon the President's economic assumptions, which, by anyone's definition, are optimistic. The food stamp program is so sensitive to economic conditions that even if the President's economic assumptions are only slightly off, food stamp costs could be significantly higher than the administration predicts. If, for instance, CBO's more moderate economic assumptions are utilized, food stamp costs would be about $600 million more than the administration predicts in fiscal year 1982 and over $1 billion higher in fiscal year 1983. The "caps" included in S. 1007 leave no flexibility whatsoever to deal with the unpredictability of the economy.

Proponents of the "caps" in S. 1007 also argue that CBO's estimates of program costs in fiscal year 1982 reinforce the notion that the caps are adequate. This is not true. On submitting its estimate of bill costs, CBO was very careful to qualify its estimate by stating the following:

> Estimates of the cost of this bill shown above, which were made using economic assumptions adopted by the conference on the first concurrent resolution on the budget, are below the authorization ceilings specified in the bill. If the rate of unemployment and the rate of inflation do not decline as rapidly as reflected in the economic assumptions, the authorization ceilings may become insufficient to allow full funding and obligations would be limited to those levels specified in the bill. In addition, this estimate assumes current law for related income security programs. Enactment of the administration's proposals to reduce spending in programs that affect incomes of current or potential food stamp program participants may cause authorization ceilings to become binding.

CBO goes on to say:

> Program participation in the early months of calendar year 1981 has run somewhat higher than projected by CBO. Furthermore, increases in benefit payments occurring after the January 1981 cost-of-living adjustments exceeded increases projected by CBO. Based on this currently available information, an upward reestimate of future food stamp needs is likely when CBO undertakes its next comprehensive review of spending estimates.

Thus, what CBO is saying is that the caps in this bill really are not adequate. They are based on the President's economic assumptions and if the President is wrong about unemployment and inflation, they will be insufficient.

The caps in this bill assume current law for all related income security programs. If the Congress enacts (and it surely will) all of the cuts in AFDC, unemployment insurance, CETA, and other programs now pending, this factor alone would cause food stamps costs to rise above the caps in this bill.

And finally, CBO says that in just a few weeks they will be providing a new, official estimate of costs for fiscal years 1982 through 1985, which is higher than their current official estimate. Basically, they are telling us that they will be updating their estimates for those years to make them consistent with their recently updated fiscal year 1981 estimate.

Given all of these factors, I believe it is imperative that we enact this amendment so that, at a minimum, food stamp spending caps will be flexible enough to respond to economic conditions. Just this morning, the Washington Post editorialized about the folly of Congress setting unrealistic food stamp caps year after year. We must simply put an end to this year after year wrangling over the food stamp cap.

Mr. President, I would, however, like to state for the record that this amendment would not guarantee that the future food stamp spending caps will be adequate. As I have pointed out, there are problems with the caps in this bill which are unrelated to projections of unemployment and inflation. This amendment would only cure the problems with these caps which are due to inaccurate economic forecasting.

However, there is a good chance that this amendment will allow sufficient caps to be set. More importantly, it would establish the principle that ceilings on food stamp expenditures simply cannot and should not be set without looking at overall economic conditions.

I think that this amendment would make clear that the Secretary cannot institute across-the-board benefit reductions under section 18b of the Food Stamp Act unless, and until, he has taken economic conditions into account. No benefit reduction could be ordered before he has made the April 1 determination called for in this amendment. If on April 1, he finds that the new caps he establishes would be insufficient to support full benefits for the remainder of

the year, he could then move to reduce benefits.

Mr. President, this amendment does not mean that there will be a penny more in food stamp spending than under the bill as it currently stands. If the President's economic assumptions are correct, the caps would not be adjusted one bit.

Furthermore, even if the caps are adjusted, it does not mean that Congress must spend more money on food stamps. The food stamp program is no longer an entitlement. If the spending cap is lifted, Congress would still have to act to provide additional appropriations. If Congress believes in any year that additional expenditures are not warranted, it would be under no obligation to appropriate additional funds.

I urge my colleagues to support this very reasonable amendment.

Mr. HELMS. Mr. President.

The PRESIDING OFFICER. Has the Senator from Vermont relinquished the floor?

Mr. LEAHY. I yield to the distinguished Senator from Kansas, who is a cosponsor.

Mr. DOLE. Mr. President, I support the amendment introduced by the distinguished ranking minority member of the Nutrition Subcommittee, which will provide for a flexible spending cap for the food stamp program. This amendment entails no change in the spending cap figures now included in the food stamp bill. It will not eliminate the cap or raise the spending ceilings outlined in this legislation. However, it would allow those figures to be adjusted for inflation and unemployment in the years ahead.

I am confident, of course, that the administrator's economic assumptions on which the spending caps are based are accurate, and that readjustment of the caps will not be necessary. But even a brief look at the legislative history of the food stamp program gives cause for concern.

Under the economic assumptions of the Department of Agriculture in 1977, the cost of the food stamp program for fiscal year 1981, was projected to be $7.4 billion, but economic conditions that were worse than expected added an additional $3.9 billion in costs, bringing the 1981 budget figure to more than $11 billion. As we in Congress are acutely aware, the food stamp program is extremely sensitive to fluctuating conditions in the economy.

Mr. President, CBO has estimated that every 1-percent increase in food prices costs the food stamp program an additional $150 million, while every 1-percent rise in unemployment means an additional $650 million in program expenditures. This year's coal strike alone would have created another $90 million in food stamp outlays had it lasted through September.

We are all familiar with the variations on a theme that can occur on a daily basis in developing budget estimates. Given this unpredictable scenario, I think it would be acting responsibly to build in a little more flexibility than we currently have.

Had the previous caps not been raised and supplemental appropriations not been requested, such unpredictable economic factors could have meant the reduction or even the elimination of benefits for numerous food stamp recipients across-the-board. The introduction of a flexible spending cap would not only help us to avoid this possibility should the economy not perform as well as expected, but would allow us to adjust our expenditures downward if the administration's expectations are fulfilled.

Mr. President, the food stamp program has been the target of much criticism this year for waste and abuse and for its increasing cost. But it is important to remember that the program has also been an effective step in providing much-needed nutritional supplements to the Nation's poor. Today, we are offering this amendment to the food stamp bill to help insure that the spending caps approved by the Senate Agriculture Committee do not undermine that effectiveness in the years ahead.

Mr. President, I think the Senator from Vermont has explained it very well. It works both ways. If this approach is right, we will have no problem—it will even potentially reduce the cost of the program.

If, in fact, inflation increases and unemployment increases, the cost of food increases for poor people as well as for those of us in this Chamber. If, in fact, unemployment increases, there will be more people eligible for food stamps. This is a flexible cap that will work both ways in order to accommodate the economy.

Mr. SYMMS. Will the Senator yield?

Mr. HELMS. I yield to the Senator from Idaho.

Mr. SYMMS. Mr. President, I thank the Senator from North Carolina for yielding.

What this amendment does, so we can get it out so we all understand it, is make the food stamp program a full-blown entitlement program so we just pump the money in, because it really means there is no cap.

Under the present law, I point out to the Members of this body, the Lugar amendment that was offered in the 1978 authorization act, which is the same amendment that I offered in the other body, states that if the administration comes up against the cap, then they are supposed to start spending the food stamps on the neediest people and start restricting the outflow to those in the high end of the poor, if you will. I think that, if this amendment is passed, what we are doing is just opening up the door and making it a full-blown entitlement program. There is projection for the neediest, for the blind, for the incapacitated, the handicapped, for those people who are at the low end of it presently. If this amendment is in there, we might as well face reality: What we are doing is turning the whole program loose and saying the administration can just spend everything they have and if we run out of money, they can come back and we will put more in.

Is that not correct, I ask the Senator from North Carolina?

Mr. HELMS. It is even worse than that, Mr. President. If the Senate wants to make an entitlement program out of this, the pending amendment is the way to go. If we want to say, "Katie bar the door, let's go, have no restraints, no restrictions," this is the way to go.

The point, Mr. President, is that if this Congress acts prudently on the food stamp program, or even moderately prudently, there is a cushion in this bill ranging from $400 to $800 million below the caps that are already contemplated. So there is not any need for this amendment in the first place. In the second place, we are moving toward an entitlement.

I ask the distinguished chairman of the Committee on the Budget (Mr. DOMENICI) to comment on this amendment and see how he feels about it.

Mr. DOMENICI. Mr. President, I thank the Senator for yielding to me. I want to say to my good friend from Kansas that I think he knows that today, I have not said much about the budget aspects, because this bill and the reconciliation that will follow it are well within the budget. I commend the committee for that.

Second, I say to him, I had sort of gotten the feeling, based upon his actions here today, that he, too, was for the committee. I followed his lead and I voted against amendments that changed it either up or down, based upon his lead. I am sorry that, on this one, he is on the other side, because this is a substantial change. I wish I could follow him again.

Mr. President, I think this time we ought to follow the committee. Let me indicate clearly that if this were in reconciliation, it would obviously breach the budget. On the other hand, it is not. This is an authorization bill.

Second point: We are passing a multiyear bill based upon good information. We have excellent advice as to what this is going to cost in the outyears. We are trying to follow the administration's lead and, according to them and CBO, there is already an excellent cushion between $200 million and $400 million for extra caseload and other expenses of this program. If we want to control the budget, the one thing that is absolutely making it impossible is indexed programs and uncontrolled programs. We are now at 60 percent of the budget that is either entitlements or uncontrollables in the legal sense.

That is what we are doing here, Mr. President. We are just compounding that problem. We are building in the needs of this program based upon the best estimates that we have, based upon economic assumptions, how many people are going to be unemployed, how many people need it. That ought to be Congress prerogative. With a program such as this, we certainly ought not to add the Consumer Price Index to it.

I would favor adding more money to the bill, Mr. President, rather than this. If we think our estimates are wrong, put some more in. But do not turn it closer and closer to an entitlement program, build in indexation, throw away the best

estimates, and then wonder why the budget gets out of control, why we come down here from month to month, wondering where it is going to end up.

Mr. President, this is the kind of innocuous amendment that we could repeat history on. Somebody says it will only cost $100 million and we look 6 years later and it is $4 billion. They are rampant in the budget. I urge the Senate to let Congress control the cap, let Congress do as it has done before: If the cap needs to be broken, let Congress vote to break it, whether it is on CPI, needs of the program, or whatever it is. But do not add another automatic to the already burdensome automatics in the budget.

Mr. STEVENS. Mr. President, will the distinguished Senator yield to me?

Mr. DOMENICI. Yes, I yield.

Mr. STEVENS. Mr. President, I ask unanimous consent that the debate on this amendment terminate at 10 minutes to 7; that Senator MELCHER be given 10 minutes on his amendment when he lays it down; that the vote on the Leahy amendment occur at 7 p.m.; that there be a 10-minute rollcall vote on the Melcher amendment thereafter; and that the 10-minute rollcall be followed by the vote on passage.

Mr. President, I add to that that no other amendments be in order.

The PRESIDING OFFICER. Is there objection?

Mr. HELMS. Mr. President, reserving the right to object——

Mr. STEVENS. Other than technical amendments to be offered by the manager.

The PRESIDING OFFICER. Is there objection?

Mr. LEAHY. Mr. President, reserving the right to object, will the distinguished acting minority leader amend that to allow me 1 minute on my——

Mr. HELMS. Let him have the minute. It will take 1 minute for him to ask for it.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, with all due respect to the argument of my good friend the chairman of the Budget Committee, this amendment does not mean there will be one penny more in food stamps spending. If the President's economic assumptions are correct, spending will go down. Before there could be one more cent, Congress would have to appropriate the money. This is not an entitlement program.

I wish people would actually read this amendment. It does not make an entitlement.

I yield to the Senator from Mississippi.

Mr. COCHRAN. Mr. President, I support the amendment offered by the Senator from Vermont. This is not an effort to finance the food stamp program. The cap has been in place for 3 years, and as the chairman of the committee has stated, the costs of this program have doubled during those 3 years.

To restrict the amount of money going into the food stamp program, we redraw the eligibility standards to determine who gets the money and how much.

This amendment does not eliminate the cap. It does not increase the caps contained in S. 1007. All that it does is provide for the caps to be adjusted up or down on the basis of food price inflation and unemployment.

The caps written into S. 1007 are based on the administration's economic assumptions for the next 4 years. It is difficult to predict food prices—which are influenced by factors such as weather, crop yields, et cetera—exactly for 4 years in advance. Similarly, unemployment is also difficult to predict exactly, and can be affected by such factors as OPEC oil prices, foreign currency fluctuations, et cetera. Since food stamp costs are very sensitive to even small changes in food prices and unemployment, it is important that these factors be taken into account in establishing food stamp authorization ceilings.

The Congressional Budget Office and the administration use a formula to calculate the impacts of food prices on the food stamp program. Each 1-percent increase in food prices adds $150 million in annual food stamp costs. Each 1 percent in unemployment—as would occur if the unemployment rate rose from 7 percent to 8 percent—adds $650 million in annual costs.

This amendment provides for the cap to go down, below the levels in S. 1007, if food prices and unemployment are lower in any of the next 4 fiscal years than OMB is now estimating. The cap would go up if food prices and unemployment are higher than is currently estimated.

This does not in any way change the concept of the cap. There would continue to be a cap each year which would limit program expenditures. And if the economy performs as the administration expects, no adjustment in the cap will occur.

This does assure, however, that if food costs more than currently predicted, our response will not be to make 20 million poor Americans, including the elderly and disabled, eat less. Under S. 1007 as it now stands, this is what will occur if food prices rise above the predicted levels to any significant degree.

Similarly, it assures that if more Americans are out of work than are now expected, our response is not to make the poor, the elderly, and the disabled eat less.

If food stamp costs rise for any other reason, there would be no upward adjustment of the cap under this amendment. It makes modifications only in responses to changes in food prices and unemployment.

Finally, this amendment does not represent indexing of the cap. In indexing, if prices rise 4 percent, wages or benefits also go up 4 percent. Under the provision, if food prices rise 4 percent the cap will be lowered, because 4 percent is less than the food price inflation currently assumed by the administration.

UP AMENDMENT 148

(Purpose: To make technical corrections)

Mr. HELMS. Mr. President, I ask unanimous consent that it be in order that I send to the desk technical amendments agreed to on both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments will be stated.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes technical unprinted amendment numbered 148.

Mr. HELMS. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

On page 39, line 9, insert "in" after "striking";

On page 40, line 17, strike "AND" and insert "OR";

On page 40, line 22, strike the first "and" and insert "or";

On page 55, line 13, strike "collection" and insert "collections";

On page 57, line 22, strike "rendition" and insert "rendering";

On page 72, line 13, strike "supplementary" and insert "supplemental";

On page 73, line 9, insert "section" after "in";

On page 76, line 25, strike "paragraph" and insert "subparagraph";

On page 79, line 7, strike "occured" and insert "occurred";

On page 79, line 22, insert a comma after "assets".

The PRESIDING OFFICER. Without objection, the amendments are agreed to.

UP AMENDMENT NO. 149

(Purpose: To delete section 207(5) of the Committee substitute and keep present law on the work registration exemption provided to the mother, grandmother or caretaker of a child under the age of 12 rather than the exemption to apply only to the mother, grandmother or caretaker of a child under the age of 6)

Mr. MELCHER. Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER) proposes an unprinted amendment numbered 149.

Mr. MELCHER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 47, strike out the semicolon on line 1 and all that follows down through the end of line 4, and insert in lieu thereof a period.

On page 46, line 20, insert "and" immediately after semicolon.

Mr. MELCHER. Mr. President, this amendment has no cost figure connected with it. This is an amendment that is on this bill not at the behest of the administration but at the behest of some members of the committee who thought it would make it more uniform with other programs. There is no saving involved so far as the administration is concerned, so far as CBO is concerned.

I will explain what the amendment is about.

Until 1977, the Food Stamp Act provided that mothers with children under the age of 18 were exempt from the work

requirement. In other words, the law said they could stay home and care for their families.

In 1977, the law was changed to require that mothers seek work when their children reach age 12, if those families were to be eligible for food stamps. No saving of money was assured when this change was made; it was just a switch in policy.

Mr. President, the amendment I offer does not cost any money. We have been talking about money in this program all afternoon.

I should like the attention of the Senate on this matter, and I should like the Senate to understand what we are talking about.

We are talking about reducing the age requirement of children from 12 to 6 in order for the mother or the grandmother or the caretaker of those children to be able to have food stamps in the house, if they are otherwise eligible, and have to seek work.

There are 75,000 mothers or grandmothers or caretakers in households receiving food stamps, with children who are 7, 8, 9, 10, or 11.

Why did the committee say, "Let us reduce it to 6"? They thought they would like it to be uniform with the AFDC—Aid to Families With Dependent Children. That is a good point, but there is a difference.

In the welfare program, we spend about $300 million a year to help these mothers who are taking care of children and who are on AFDC. We do not have that in food stamps.

There is another difference: In the food stamp law, under current law, if you are the head of the household and you are a woman, you have to seek a job, actively seek a job, until you are 60 years of age. That is why I say this involves grandmothers. If the grandma is staying home to take care of these kids who are aged 7, 8, 9, 10, or 11, if we change this, she will have to go out and seek a job.

There is one other difference, too: It connects itself with AFDC. The AFDC social workers who are trying to help these mothers get a job, get job training, or get their children in a job center are there to be helpful. We do not have that in the Food Stamp Act and there is no one to sort this out.

The PRESIDING OFFICER. The time of the Senator from Montana has expired.

The Senator from North Carolina has the remaining time.

Mr. HELMS. I yield to the Senator from Kansas.

Mr. DOLE. Mr. President, I believe that the Senator from Montana has indicated correctly that the AFDC program requires work registration—under the WIN program—for parents with children under 6 years of age. There is a child care disregard of actual cost of care each month.

The food stamp program, as amended by the Agriculture Committee, would track this age requirement of 6 years. The food stamp program also provides a separate child care deduction each month. In agreeing to this change, the committee recognized the desirability of making the AFDC and food stamp programs "track" as much as possible since, frequently, the programs are administered by the same local welfare agency. In addition, the committee recognized the fact that by age 6, most children are enrolled in school, thereby reducing the need for fulltime child care.

Finally, the most recent Bureau of Labor Statistics figures show that labor force participation for mothers of children under 6 years of age is 47 percent. This compares with 14 percent in 1950. Increasingly, mothers of small children are entering or reentering the work force, most often by financial necessity. Recipients of food stamps should face the same work requirements as AFDC recipients and working taxpayers receiving no Federal assistance.

That, in essence, is the reason for the change.

I do not quarrel with some of the arguments made by the distinguished Senator from Montana; but I believe that, in view of the many changes we have made in this program, this is one we can do without. This is one on which I believe the committee acted properly.

I hope the amendment will be defeated.

Finally, Mr. President, since there has been some reference to the previous amendment, the so-called cap amendment, I ask unanimous consent that the amendment be printed in the RECORD; because, as indicated by the distinguished Senator from Mississippi, we are talking only about authorizations.

I yield back the remainder of my time.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

UP AMENDMENT NO. 147

On page 70, strike out line 8 and insert in lieu thereof the following:

"September 30, 1985, with the authorization ceiling for each such fiscal year to be adjusted upward or downward on each succeeding April 1 by (A) $150 million for each full percentage point or fraction thereof that the average Consumer Price Index for food at home for all urban consumers of the Bureau of Labor Statistics as projected for that fiscal year by the Office of Management and Budget as of April 1 of such fiscal year exceeds or is less, respectively, than such index for such fiscal year as projected as of June 1, 1981 by the Office of Management and Budget and (B) $650 million for each full percentage point or fraction thereof that the unemployment rate as projected for that fiscal year by the Office of Management and Budget as of April 1 of such fiscal year exceeds or is less, respectively, than the unemployment rate for such fiscal year as projected as of June 1, 1981 by the Office of Management and Budget.".

Mr. MELCHER. Mr. President, will the Senator yield 1 minute?

Mr. DOLE. I yield.

Mr. MELCHER. There is a great deal of difference between the aid to families with dependent children program and the food stamp program. They do not track the same. The age requirement for grandmothers who work until age 60 is different from the requirement under AFDC.

There are 75,000 households involved in what we are speaking about. There is no saving of money involved. They might live on small acreages and have no opportunity to find a job.

We are foisting on the bureaucracy some added work at no saving. This is unfair to women, to grandmothers, to administrators who try to enforce it, and it is unfair to the family life of the youngsters we are going to disrupt. Most important, it is unfair in the children's lives. I hope we can strike it out or agree to my amendment. There is no cost to the Treasury.

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER (Mr. D'AMATO). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. Mr. President, is this a 10-minute vote?

Mr. SYMMS. Mr. President, a parliamentary inquiry.

Mr. HELMS. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. Mr. President, is this a 10-minute vote?

The PRESIDING OFFICER. They are all 10-minute votes.

Mr. LEAHY. Mr. President, a parliamentary inquiry. Which one is first?

The PRESIDING OFFICER. The first question is on the amendment of the Senator from Vermont (Mr. LEAHY), UP No. 147.

Mr. LEAHY. Then, it will be the Leahy-Dole amendment for 10 minutes, and the yeas and nays have been requested?

UP AMENDMENT NO. 147

The PRESIDING OFFICER. The yeas and nays have been ordered.

The question is on agreeing to the amendment of the Senator from Vermont (UP No. 147). On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), is necessarily absent.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Arizona (Mr. DECONCINI), the Senator from Connecticut (Mr. DODD), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Michigan (Mr. RIEGLE), are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators wishing to vote?

The result was announced—yeas 41, nays 53, as follows:

[Rollcall Vote No. 145 Leg.]

YEAS—41

Andrews	Ford	Metzenbaum
Baucus	Hart	Mitchell
Bentsen	Hatfield	Moynihan
Bradley	Heinz	Murkowski
Bumpers	Hollings	Pell
Burdick	Huddleston	Pressler
Byrd, Robert C.	Inouye	Randolph
Chafee	Jackson	Sarbanes
Cochran	Kennedy	Specter
Cohen	Leahy	Stafford
Danforth	Levin	Tsongas
Dole	Mathias	Weicker
Durenberger	Matsunaga	Williams
Eagleton	Melcher	

NAYS—53

Abdnor	Gorton	Packwood
Baker	Grassley	Percy
Biden	Hatch	Proxmire
Boren	Hawkins	Pryor
Boschwitz	Hayakawa	Quayle
Byrd, Harry F., Jr.	Heflin	Roth
	Helms	Rudman
Cannon	Humphrey	Sasser
Chiles	Jepsen	Schmitt
D'Amato	Kassebaum	Simpson
Denton	Kasten	Stennis
Dixon	Laxalt	Stevens
Domenici	Long	Symms
East	Lugar	Thurmond
Exon	Mattingly	Tower
Garn	McClure	Wallop
Glenn	Nickles	Warner
Goldwater	Nunn	Zorinsky

NOT VOTING—6

Armstrong	DeConcini	Johnston
Cranston	Dodd	Riegle

So Mr. LEAHY's amendment (UP No. 147) was rejected.

UP AMENDMENT NO. 149

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG) is necessarily absent.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Arizona (Mr. DECONCINI), the Senator from Connecticut (Mr. DODD), the Senator from Michigan (Mr. RIEGLE), and the Senator from Arkansas (Mr. PRYOR) are necessarily absent.

The PRESIDING OFFICER. Are there any Senators in the Chamber wishing to vote?

The result was announced—yeas 30, nays 64, as follows:

[Rollcall Vote No. 146 Leg.]

YEAS—30

Baucus	Hatfield	Melcher
Biden	Heflin	Metzenbaum
Bradley	Heinz	Mitchell
Bumpers	Hollings	Moynihan
Burdick	Huddleston	Pell
Chiles	Inouye	Randolph
Dixon	Jackson	Sarbanes
Ford	Kennedy	Specter
Glenn	Leahy	Tsongas
Hart	Matsunaga	Williams

NAYS—64

Abdnor	Garn	Nunn
Andrews	Goldwater	Packwood
Baker	Gorton	Percy
Bentsen	Grassley	Pressler
Boren	Hatch	Proxmire
Boschwitz	Hawkins	Quayle
Byrd, Harry F., Jr.	Hayakawa	Roth
	Helms	Rudman
Byrd, Robert C.	Humphrey	Sasser
Cannon	Jepsen	Schmitt
Chafee	Johnston	Simpson
Cochran	Kassebaum	Stafford
Cohen	Kasten	Stennis
D'Amato	Laxalt	Stevens
Danforth	Levin	Symms
Denton	Long	Thurmond
Dole	Lugar	Tower
Domenici	Mathias	Wallop
Durenberger	Mattingly	Warner
Eagleton	McClure	Weicker
East	Murkowski	Zorinsky
Exon	Nickles	

NOT VOTING—6

Armstrong	DeConcini	Pryor
Cranston	Dodd	Riegle

So Mr. MELCHER's amendment (UP No. 149) was rejected.

Mr. BRADLEY. Mr. President, before the Senate votes for the reauthorization of the food stamp program, I must express my deep concern about the legislation before us. The bill reported by the Agriculture Committee makes deep cuts in food stamp benefits—some $8.5 billion over the next 4 years. Moreover, the bill achieves more in savings over these years than the budget reconciliation instructions require. I believe that the changes in the program which will yield these savings are unwise and unfair and create yet more holes in the "safety net" of programs intended to assure the health and welfare of elderly, disabled, and low-income Americans.

While the bill reported by the committee omits the most regressive changes proposed by the administration, most notably the reduction in a household's benefits by the value of the school lunches its children receive, the legislation still constitutes a major setback for those in need.

First, capping eligibility for food stamps at a gross income level of 130 percent of poverty, as the committee bill provides, will eliminate tens of thousands of lower income Americans from the program. In my State, some 7,200 households will become ineligible. Moreover, the rigid 130-percent cap creates a problem for those individuals and families who are just under the limit: For the working poor, pay increases and job promotions can become unattractive, in light of the total loss of benefits which may follow. To exceed the cap by $1 brings instant ineligibility. This is the so-called notch effect, which plagues several of our otherwise well-intentioned Federal programs.

A second feature of S. 1007 which reduces benefits for even the neediest recipients of food stamps is the 2-year freeze on the amount of the standard deduction and the deduction for shelter costs, both of which are adjusted under present law to recognize the ravages of inflation on the incomes of elderly, disabled, and low-income recipients. The provision which delays adjustments in the benefit level similarly takes its toll on all those receiving food stamps. Congress has already reduced inflation updates from twice a year to only once. The imposition of further delays deprives people who cannot reduce their food expenditures of inflation-related increases in their benefits.

Finally, I must object to the provision in the committee bill which would count State and local fuel assistance as income in determining food stamp benefits. I simply cannot understand the reasoning behind this change, which can only discourage State and local initiatives to provide aid to needy households. For New Jersey's elderly and disabled food stamp recipients who also receive a State lifeline utility credit, food stamps may be reduced by 30 cents for every dollar of energy assistance received. Energy costs are not going down, and Northeastern winters are not growing less severe. Next winter will not be a pleasant one for low-income families in the colder regions of our country.

Mr. President, I realize that there are some in this Chamber who favor even more painful changes in the food stamp program, even as I judge the legislation before us as far too severe. I know that this bill represents a compromise which no one is pleased with, but which may be the best we can achieve under present circumstances.

Therefore, it is only with grave reservations that I support passage of S. 1007, in order to continue the food stamp program which provides vital assistance for so many elderly, disabled, and low-income Americans.

Mr. ROBERT C. BYRD. Mr. President, I compliment the distinguished Senator from Vermont (Mr. LEAHY) for his efforts in connection with S. 1007, the Food Stamp and Community Distribution Amendments of 1981. As the ranking member of the Nutrition Subcommittee of the Agriculture, Nutrition, and Forestry Committee, Senator LEAHY has sought to improve the food stamp program so that it serves the needs of poor Americans. He has been skillful and patient in pursuit of this goal.

In addition, the ranking member of the full committee, the Senator from Kentucky (Mr. HUDDLESTON) has fully participated in the development of this important legislation and his contributions aided the Senate's consideration of this measure.

The chairman of the Agriculture Committee, Mr. HELMS, has shown his customary courtesy during consideration of this bill.

I commend Senator DOLE, the chairman of the Nutrition Subcommittee of the Agriculture, Nutrition, and Forestry Committee, for his dedicated and thorough work on this measure.

Congress is working under very tight budget constraints. That fact is evident in this bill. S. 1007 represents a significant reduction in the cost of the food stamp program over the next 4 years. The challenge facing the Senate is to insure that these reductions are as fair as possible. I believe that Senator LEAHY and Senator DOLE have worked to achieve that end. They are to be complimented for their efforts.

Mr. STENNIS. Mr. President, this is an important bill and covers a problem of the Federal Government that cannot be ignored, as it covers the Federal relief program and provides necessary food and shelter for countless thousands of people who are destitute and almost helpless through no fault of their own.

Even though the bill is far from what I would desire to support, many improvements in the program have been made through the efforts of many of our Members. We shall work for further reductions and shall support lower appropriations. The bill permits States to require work in exchange for food stamps. It should provide some assistance as to the costs of imposing this highly important requirement.

Definite steps to cut fraud and abuse have been provided in authority to impose stiffer penalties, as well as using information collected by unemployment insurance offices and the Social Security Administration to validate applications. Illegal recipients have to pay back double what they have received.

Cash is no longer given as change and receipts will be given instead. The bill provides for savings of $702 million more than the President requested, with an actual reduction in the cost of the program of over $600 million in 1982. For the next 4 years, the reductions in authorizations are $8.6 billion.

I regret that we failed to get adopted the amendment providing for a "purchasing requirement" of a portion of their income in order to be eligible to participate, an amendment I strongly, support as well as an amendment to permanently "freeze" the indexing of deduction levels.

The bill does freeze the "indexing" until July 1983.

The bill fails to provide adequate policing, and fails to provide identifications of actual ownership of the stamps.

The bill represents many material improvements in a field where we must have some program.

I am voting for the bill with full reservations as to what level of support I shall give to the appropriations under the bill; and shall work for improvements in enforcing the program in the future.

Mr. THURMOND. Mr. President, I rise today in support of S. 1007, the Food Stamp and Commodity Distribution Amendments of 1981. This legislation makes some much-needed and long overdue changes designed to bring the food stamp program under control.

Mr. President, the food stamp program is the second most costly social program funded by the Federal Government. It is a perfect example of a well-intentioned program that simply has been allowed to grow far beyond anything envisioned at the time of its creation. The tremendous growth and accompanying increases in the cost of the program make clear the need for cost-saving reforms such as those embodied in this legislation.

The cost of the food stamp program has doubled in the last 3 years alone. One out of every 10 Americans—22 million people—now participate in the program. Since 1977, Congress has established annual caps on funds appropriated for the food stamp program. Yet, virtually every year since that practice was initiated, unexpected growth in the program has resulted in the cap again being increased later in the fiscal year, under the threat of a possible interruption of benefits in the absence of such action. This trend should not be allowed to continue.

Mr. President, it is only through efforts to tighten eligibility requirements, eliminate fraud and abuse, and target assistance to those who need it most that we will be able to curb the spiraling growth in the cost of the food stamp program. This legislation represents a step in that direction. Over the next 4 years, the changes incorporated in S. 1007 will achieve savings of over $8 billion—exceeding the President's budget request and the assumptions contained in the Senate-passed first concurrent budget resolution for fiscal year 1982.

I am particularly pleased that S. 1007 contains language similar to that of two bills I have introduced in this Congress, S. 293 (prohibiting food stamps for strikers) and S. 495 (prohibiting household income-splitting). By prohibiting the issuance of food stamps to households containing one or more striking workers, and preventing the splitting of a household for the purpose of qualifying for food stamps as two or more households, the Senate will be eliminating two of the most blatant and unfair abuses currently existing in the program. On the other hand, Mr. President, I believe this legislation falls short of what should be accomplished in a number of areas. It is regrettable that the Senate did not adopt several amendments which would have substantially improved this bill. It is my hope that other needed reforms of the food stamp program can be achieved in the future.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass? The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), is necessarily absent.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Arizona (Mr. DECONCINI), the Senator from Connecticut (Mr. DODD), the Senator from Arkansas (Mr. PRYOR), and the Senator from Michigan (Mr. RIEGLE), are necessarily absent.

I further announce that if present and voting, the Senator from Michigan (Mr. RIEGLE), would vote "yea."

The PRESIDING OFFICER. Is there any other Senator in the Chamber who desires to vote?

The result was announced—yeas 77, nays 17, as follows:

[Rollcall Vote No. 147 Leg.]

YEAS—77

Abdnor	Glenn	Moynihan
Andrews	Gorton	Murkowski
Baker	Grassley	Nunn
Baucus	Hart	Packwood
Bentsen	Hatfield	Pell
Biden	Hawkins	Percy
Boren	Heflin	Pressler
Boschwitz	Heinz	Quayle
Bradley	Hollings	Randolph
Bumpers	Huddleston	Roth
Burdick	Inouye	Rudman
Byrd, Robert C.	Jackson	Sarbanes
Cannon	Jepsen	Sasser
Chafee	Johnston	Schmitt
Chiles	Kassebaum	Simpson
Cochran	Kasten	Specter
Cohen	Kennedy	Stafford
D'Amato	Leahy	Stennis
Danforth	Levin	Stevens
Dixon	Long	Thurmond
Dole	Mathias	Tsongas
Domenici	Matsunaga	Warner
Durenberger	Mattingly	Weicker
Eagleton	Melcher	Williams
Exon	Metzenbaum	Zorinsky
Ford	Mitchell	

NAYS—17

Byrd, Harry F., Jr.	Hatch	McClure
Denton	Hayakawa	Nickles
East	Helms	Proxmire
Garn	Humphrey	Symms
Goldwater	Laxalt	Tower
	Lugar	Wallop

NOT VOTING—6

Armstrong	DeConcini	Pryor
Cranston	Dodd	Riegle

So the bill (S. 1007), as amended, was passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food Stamp and Commodity Distribution Amendments of 1981".

TITLE I—MAJOR FOOD STAMP REVISIONS

ADJUSTMENT OF THE THRIFTY FOOD PLAN

SEC. 101. Section 3(o) of the Food Stamp Act of 1977 is amended by striking "and" before clause (6) and all that follows down through the end of clause (6), and inserting in lieu thereof the following: "(6) on April 1, 1982, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the fifteen months ending the preceding December 31, (7) on July 1, 1983, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the fifteen months ending the preceding March 31, (8) on October 1, 1984, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the fifteen months ending the preceding June 30, and (9) on October 1, 1985, and each October 1 thereafter, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the twelve months ending the preceding June 30.".

GROSS INCOME ELIGIBILITY STANDARD

SEC. 102. (a) Section 5 of the Food Stamp Act of 1977 is amended by—

(1) striking out "subsections (c) and (e)" in subsection (b) and inserting in lieu thereof "subsection (c)";

(2) striking out in subsection (c) "The income standards of eligibility shall be" and inserting in lieu thereof "Except for households containing a member who is sixty years of age or over, or containing a member who receives supplemental security income benefits under ttile XVI of the Social Security Act or disability payments under title II of the Social Security Act, the income standards of eligibility shall be 130 per centum of"; and

(3) striking out from the first sentence of subsection (e) "In" and inserting in lieu thereof "Further, in", and inserting "for purposes of determining the household's benefit level only," after "household income,".

(b) Section 8(a) of the Food Stamp Act of 1977 is amended by inserting "(d) and (e)" after "section 5" in the first sentence.

ADJUSTMENTS OF DEDUCTIONS

SEC. 103. Section 5(e) of the Food Stamp Act of 1977 is amended by—

(1) striking out in the first sentence everything that follows "the Secretary shall allow a standard deduction of" and inserting in lieu thereof the following: "$85 a month for each household, except that households in Alaska, Hawaii, Guam, Puerto Rico, and the Virgin Islands of the United States shall be allowed a standard deduction of $145, $120, $170, $50, and $75, respectively.";

(2) striking out the second sentence and inserting in lieu thereof the following: "Such standard deductions shall be adjusted (1) on July 1, 1983, to the nearest $5 increment to reflect changes in the Consumer Price In-

dex for all urban consumers published by the Bureau of Labor Statistics, for items other than food and the homeownership component of shelter costs, as appropriately adjusted by the Bureau of Labor Statistics after consultation with the Secretary, for the fifteen months ending the preceding March 31, (2) on October 1, 1984, to the nearest $5 increment to reflect such changes for the fifteen months ending the preceding June 30, and (3) on October 1, 1985, and each October 1 thereafter. to the nearest $5 increment to reflect such changes for the twelve months ending the preceding June 30.";

(3) striking out the proviso in clause (2) of the fourth sentence and inserting in lieu thereof the following: "*Provided*, That the amount of such excess shelter expense deduction shall not exceed $115 a month in the forty-eight contiguous States and the District of Columbia, and shall not exceed, in Alaska, Hawaii, Guam, Puerto Rico, and the Virgin Islands of the United States, $200, $165, $140, $40, and $85, respectively, adjusted (1) on July 1, 1983, to the nearest $5 increment to reflect changes in the shelter (exclusive of homeownership costs), fuel, and utilities components of housing costs in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics, as appropriately adjusted by the Bureau of Labor Statistics after consultation with the Secretary, for the fifteen months ending the preceding March 31, (2) on October 1, 1984, to the nearest $5 increment to reflect such changes for the fifteen months ending the preceding June 30, and (3) on October 1, 1985, and each October 1 thereafter, to the nearest $5 increment to reflect such changes for the twelve months ending the preceding June 30,".

EARNED INCOME DEDUCTION

SEC. 104. Section 5(e) of the Food Stamp Act of 1977 is amended by striking "20 per centum" in the third sentence and inserting in lieu thereof "15 per centum."

RETROSPECTIVE ACCOUNTING

SEC. 105. (a) Section 5(f) of the Food Stamp Act of 1977 is amended to read:

"(f)(1)(A) Household income for those households that, by contract for other than an hourly or piecework basis or by self-employment, derive their annual income in a period of time shorter than one year, shall be calculated by averaging such income over a twelve-month period.

"(B) Household income for those households that received nonexcluded income of the type described in subsection (d)(3) of this section, shall be calculated by averaging such income over the period for which it is received.

"(2)(A) Household income for migrant farmworker households shall be calculated on a prospective basis, as provided in paragraph (3)(A).

"(B) Household income for all other households shall be calculated either on a prospective basis as provided in paragraph (3)(A) or on a retrospective basis as provided in paragraph (3)(B), as elected by the State agency under regulations prescribed by the Secretary.

"(3)(A) Calculation of household income on a prospective basis is the calculation of income on the basis of the income reasonably anticipated to be received by the household during the period for which eligibility or benefits are being determined. Such calculation shall be made in accordance with regulations prescribed by the Secretary which shall provide for taking into account both the income reasonably anticipated to be received by the household during the period for which eligibility or benefits are being determined and the income received by the household during the preceding thirty days.

"(B) Calculation of household income on a retrospective basis is the calculation of income for the period for which eligibility or benefits are being determined on the basis of income received in a previous period. Such calculation shall be made in accordance with regulations prescribed by the Secretary which may provide for the determination of eligibility on a prospective basis in some or all cases in which benefits are calculated under this paragraph. Such regulations shall provide for supplementing the initial allotments of newly applying households in those cases in which the determination of income under this paragraph causes serious hardship.

"(4) In promulgating regulations under this subsection, the Secretary shall consult with the Secretary of Health and Human Services in order to assure that, to the extent feasible and consistent with the purposes of this Act and the Social Security Act, the income of households receiving benefits under this Act and title IV-A of the Social Security Act, is calculated on a comparable basis under the two Acts. The Secretary is authorized, upon the request of a State agency, to waive any of the provisions of this subsection to the extent necessary to permit the State agency to calculate income for purposes of this Act on the same basis that income is calculated under title IV-A of the Social Security Act in that State.".

(b) Effective October 1, 1983, paragraph (2)(B) of section 5(f) of the Food Stamp Act of 1977, as amended by subsection (a), is amended to read:

"(B) Household income for all other households shall be calculated on a retrospective basis as provided in paragraph (3)(B).".

(c) Section 5(d) of the Food Stamp Act of 1977 is amended by striking "5(f)(2)" and inserting "5(f)" in lieu thereof.

PERIODIC REPORTING

SEC. 106. (a) Section 3(c) of the Food Stamp Act of 1977 is amended by inserting before the period at the end of the second sentence "except that the limit of twelve months may be waived by the Secretary to improve the administration of the program".

(b) Section 6(c) of the Food Stamp Act of 1977 is amended by—

(1) inserting after "households" in the first sentence of paragraph (1) ", including all households with earned income, except migrant farmworker households, all households with potential earners, including individuals receiving unemployment compensation benefits and individuals required by section 6(d) of this Act to register for work, and all households required to file a similar report under title IV-A of the Social Security Act, but not including households that have no earned income and in which all members are sixty years of age or over or receive supplemental security income benefits under title XVI of the Social Security Act or disability and blindness payments under titles I, II, X, XIV, and XVI of the Social Security Act,";

(2) striking "5(f)(2)" in paragraph (1) and inserting "5(f)" in lieu thereof; and

(3) inserting after paragraph (3) the following new paragraph:

"(4) Any household that fails to submit periodic reports required by paragraph (1) shall not receive an allotment for the payment period to which the unsubmitted report applies until such report is submitted.".

(c) Effective October 1, 1983, section 6(c)(1) of the Food Stamp Act of 1977 is further amended by—

(1) striking in the first sentence "that elect to use a system of retrospective accounting in accordance with section 5(f) of this Act"; and

(2) striking the second sentence.

REPEAL OF INCREASES IN DEPENDENT CARE DEDUCTIONS FOR WORKING ADULTS AND MEDICAL DEDUCTIONS FOR THE ELDERLY AND DISABLED

SEC. 107. Sections 104 and 105 of the Food Stamp Act Amendments of 1980 (Public Law 96-249) are repealed.

TITLE II—OTHER FOOD STAMP PROGRAM COST REDUCTIONS

FAMILY UNIT REQUIREMENTS

SEC. 201. Section 3(i) of the Food Stamp Act of 1977 is amended by—

(1) inserting before the period at the end of the first sentence "; except that parents and children who live together shall be treated as a group of individuals who customarily purchase and prepare meals together for home consumption even if they do not do so, unless one of the parents is sixty years of age or older"; and

(2) striking "neither" in the second sentence and inserting "no" in lieu thereof.

BOARDERS

SEC. 202. Section 3(i) of the Food Stamp Act of 1977 is amended by—

(1) striking in clause (1) of the first sentence "or else pays compensation to the others for such meals,";

(2) striking in clause (2) of the first sentence "or else live with others and pay compensation to the others for such meals"; and

(3) adding before the period at the end of the second sentence ", or else live with others and pay compensation to the others for meals".

DRUG ADDICTION OR ALCOHOLIC TREATMENT PROGRAMS

SEC. 203. (a) Section 3 of the Food Stamp Act of 1977 is amended by—

(1) striking subsection (f), the definition for "Drug addiction or alcoholic treatment and rehabilitation program";

(2) in subsection (g)(1), striking "(5), (7), and (8)" and inserting in lieu thereof "(6), and (7)";

(3) in subsection (g), striking clause (5), and redesignating clauses (6), (7), and (8) as clauses (5), (6), and (7);

(4) in the third sentence of subsection (i), inserting "and" before "temporary residents", and striking out ", and narcotics addicts or alcoholics who live under the supervision of a private nonprofit institution for the purpose of regular participation in a drug or alcoholic treatment program";

(5) in subsection (k)(2), striking "(5), (7), and (8)" and inserting in lieu thereof "(6), and (7)";

(6) in subsection (k)(3), striking "(g)(6)" and inserting in lieu thereof "(g)(5)".

(b) Section 6(d)(2) of the Food Stamp Act of 1977 is amended by—

(1) striking clause (E); and

(2) redesignating clause (F) as clause (E).

(c) Section 10 of the Food Stamp Act of 1977 is amended by striking "private nonprofit organizations or institutions which serve meals to narcotics addicts or alcoholics in drug addiction or alcoholic treatment and rehabilitation programs," and striking the comma after "children".

EXCLUDED PAYMENTS FROM OTHER PROGRAMS; ENERGY ASSISTANCE PAYMENTS

SEC. 204. Section 5(d) of the Food Stamp Act of 1977 is amended by striking "(10)" and everything that follows through the end of such subsection and inserting in lieu thereof "(10) any income that any other Federal law specifically excludes from consideration as income for purposes of determining eligibility for the food stamp program, and (11) any payments or allowances specifically designated for energy assistance by Federal law.".

SPONSORED ALIENS

SEC. 205. Section 5 of the Food Stamp Act of 1977 is amended by adding a new subsection (i) to read:

"(i)(1) For purposes of determining eligibility for and the amount of benefits under this Act for an individual who is an alien as described in subsection 6(f)(2)(B) of this Act, the income and resources of any person who as a sponsor of such individual's entry into the United States executed an affiadvit of support or similar agreement with respect to such individual, and the income and resources of the sponsor's spouse if such spouse is living with the sponsor, shall be deemed to be the income and resources of such individual for a period of three years after the individual's entry into the United States. Any such income deemed to be income of such individual shall be treated as unearned income of such individual.

"(2)(A) The amount of income of a sponsor, and the sponsor's spouse if living with the sponsor, which shall be deemed to be the unearned income of an alien for any year shall be determined as follows:

"(i) The total yearly rate of earned and unearned income of such sponsor, and such sponsor's spouse if such spouse is living with the sponsor, shall be determined for such year under rules prescribed by the Secretary.

"(ii) The amount determined under clause (i) of this subparagraph shall be reduced by an amount equal to the income eligibility standard as determined under section 5(c) of this Act for a household equal in size to the sponsor, the sponsor's spouse if living with the sponsor, and any persons dependent upon or receiving support from the sponsor or the sponsor's spouse if the spouse is living with the sponsor.

"(iii) The monthly income attributable to such alien shall be one-twelfth of the amount calculated under clause (ii) of this subparagraph.

"(B) The amount of resources of a sponsor, and the sponsor's spouse if living with the sponsor, which shall be deemed to be the resources of an alien for any year shall be determined as follows:

"(i) The total amount of the resources of such sponsor and such sponsor's spouse if such spouse is living with the sponsor shall be determined under rules prescribed by the Secretary.

"(ii) The amount determined under clause (i) of this subparagraph shall be reduced by $1,500.

"(iii) The resources determined under clause (ii) of this subparagraph shall be deemed to be resources of such alien in addition to any resources of such alien.

"(C)(i) Any individual who is an alien shall, during the period of three years after entry into the United States in order to be an eligible individual or eligible spouse for purposes of this Act, be required to provide to the State agency such information and documentation with respect to his sponsor and sponsor's spouse as may be necessary in order for the State agency to make any determination required under this section, and to obtain any cooperation from such sponsor necessary for any such determination. Such alien shall also be required to provide such information and documentation which such alien or the sponsor provided in support of such alien's immigration application as the State agency may request.

"(ii) The Secretary shall enter into agreements with the Secretary of State and the Attorney General whereby any information available to such persons and required in order to make any determination under this section will be provided by such persons to the Secretary, and whereby such persons shall inform any sponsor of an alien, at the time such sponsor executes an affidavit of support or similar agreement, of the requirements imposed by this section.

"(D) Any sponsor of an alien, and such alien, shall be jointly and severally liable for an amount equal to any overpayment made to such alien during the period of three years after such alien's entry into the United States, on account of such sponsor's failure to provide correct information under the provisions of this section, except where such sponsor was without fault, or where good cause for such failure existed. Any such overpayment which is not repaid shall be recovered in accordance with the provisions of section 13(b)(2) of this Act.

"(E) The provisions of this subsection shall not apply with respect to any alien who is a member of the sponsor's household, as defined in section 3(i) of this Act.".

ELIGIBILITY OF STRIKERS

SEC. 206. (a) Section 6(d)(4) of the Food Stamp Act of 1977 is amended by—

(1) inserting before the colon at the end of the first proviso the following: ", however, such household shall not receive an increased allotment as the result of a decrease in the income of the striking member or members of the household";

(2) inserting a period in lieu of the colon at the end of the second proviso; and

(3) striking the third proviso.

(b) Section 6(i) of the Food Stamp Act of 1977 is repealed.

WORK REQUIREMENTS

SEC. 207. Section 6(d) of the Food Stamp Act of 1977 is amended by—

(1) striking "six" and inserting in lieu thereof "twelve" in clause (i) of paragraph (1);

(2) striking ", unless the household was certified for benefits under this Act immediately prior to such unemployment" in clause (iii) of paragraph (1);

(3) striking "sixty days" and inserting "ninety days" in the proviso in clause (iii) of paragraph (1);

(4) inserting before the semicolon at the end of clause (A) of paragraph (2) ", in which case, failure by such person to comply with any work requirement to which such person is subject that is comparable to a requirement of paragraph (1) shall be the same as failure to comply with that requirement of paragraph (1)"; and

(5) striking "twelve" and inserting in lieu thereof "six" in clause (B) of paragraph (2).

WORKFARE PROGRAMS

SEC. 208. (a) Section 6(d) of the Food Stamp Act of 1977 is amended by adding at the end thereof the following new paragraph:

"(5) Unless otherwise exempted by the provisions of this paragraph, no individual shall be eligible for assistance under this Act if he or she is a physically and mentally fit person between the ages of eighteen and sixty who refuses without good cause to accept an offer of employment, under a workfare program established under section 11(e)(20) of this Act, made by a State, a political subdivision of a State, a prime sponsor pursuant to the Comprehensive Employment and Training Act of 1973, or any other public employer, the compensation for which employment is provided in the form of the allotment to which the household is otherwise entitled under section 8(a) of this Act. A person who otherwise would be required to comply with the requirements of this paragraph shall be exempt from such requirements if such person is a person described in clause (B), (C), or (E) of paragraph (2) of this subsection, or is within another category of person designated by the State agency as exempt from such requirements.".

(b) Section 11(e) of the Food Stamp Act of 1977 is amended by—

(1) striking the word "and" at the end of paragraph (18);

(2) striking the period at the end of paragraph (19) and inserting in lieu thereof a semicolon; and

(3) adding at the end thereof the following new paragraph:

"(20) that the State agency may establish and carry out a workfare program, in accordance with the provisions of subsection (m) of this section and regulations issued by the Secretary under such subsection, to provide employment to enable households to satisfy the requirements of section 6(d)(5) of this Act; and".

(c) Section 11 of the Food Stamp Act of 1977 is further amended by adding at the end thereof the following new subsection:

(m)(1) Not later than sixty days after enactment of this subsection, the Secretary shall issue regulations regarding the establishment and operation by State and local agencies of a workfare program which makes available public employment described in section 6(d)(5).

"(2) Such regulations shall provide that compensation for employment described in section 6(d)(5) shall consist of the allotment to which the household is entitled pursuant to section 8(a) of this Act, with each hour of such employment entitling the household to which such person belongs to a portion of its allotment equal in value to 100 per centum of the higher of the applicable State minimum wage or the Federal hourly rate under the Fair Labor Standards Act of 1938.

"(3) Regulations issued by the Secretary under this subsection—

"(A) shall allow for the provision of job counseling to ensure that such members are matched with the most suitable employment available, taking into consideration the experience, training, and capabilities of such members;

"(B) shall allow for the provision of assistance to such members to obtain suitable employment outside such program;

"(C) shall not require any such member participating in any such workfare program for any week to work any hours during such week which when added to any other hours worked by such member for compensation in cash or in kind in any other capacity during such week exceed forty hours; and

"(D) shall require that employment described in section 6(d)(5) not be used by any employer to fill a job vacancy created by the action of such employer in laying off or terminating the employment of any regular employee not participating in any such workfare program in anticipation of filling the vacancy so created by hiring any employee participating in any such workfare program.

"(4) Any person who is subject to the workfare requirements of section 6(d)(5) of this Act shall be ineligible to participate in the food stamp program as a member of any household for a period of six months after such person refuses to accept an offer of employment under such program or fails to work the number of hours required under paragraph (2) of this subsection.

"(5) During the period of ineligibility imposed under paragraph (4) of this subsection, no household shall receive increased benefits under this Act as the result of a member of such household having been disqualified under paragraph (4).

"(6)(A) The Secretary shall, to the maximum extent practicable, make it possible for States and political subdivisions to design and operate workfare programs for food stamp recipients that are compatible with similar workfare programs operated by such States and political subdivisions.

"(B) The Secretary shall allow States and political subdivisions to require that food stamp recipients subject to section 6(d)(5) of this Act comply with provisions of workfare programs requiring work or training operated under title IV of the Social Security Act. In such cases, compliance with a workfare program operated under title IV

shall be treated as compliance with food stamp workfare requirements.

"(C) The Secretary may also allow States and political subdivisions to require that food stamp recipients subject to section 6(d)(5) of this Act comply with provisions of workfare programs (other than those operated under title IV of the Social Security Act) operated by States or political subdivisions, if the Secretary determines that such other workfare program meets the provisions and protections provided under this Act. In such cases, compliance with another workfare program shall be treated as compliance with food stamp workfare requirements.".

(d) Section 16 of such Act is amended by adding at the end thereof the following new subsection:

"(j) The Secretary shall pay 50 per centum of all administrative costs involved in operating a workfare program established under section 11(e)(20) of this Act.".

(e) Section 17(c) of such Act is amended—

(1) by striking "and" before "the program's relative fairness"; and

(2) by striking the period at the end thereof and inserting in lieu thereof a comma and the following: "and the operation of a workfare program established under this Act, with particular emphasis upon the extent to which such workfare program reduces the need for food stamp benefits and helps to achieve the purposes of this Act.".

PRORATING FIRST MONTH BENEFITS

SEC. 209. Section 8 of the Food Stamp Act of 1977 is amended by adding at the end thereof the following new subsection:

"(c) The value of the allotment issued to any eligible household for the initial month or other initial period for which an allotment is issued shall have a value which bears the same ratio to the value of the allotment for a full month or other initial period for which the allotment is issued as the number of days (from the date of application) remaining in the month or other initial period for which the allotment is issued bears to the total number of days in the month or other initial period for which the allotment is issued. As used in this subsection, the term 'initial month' means (1) the first month for which an allotment is issued to a household, and (2) the first month for which an allotment is issued to a household following any period of more than thirty days during which such household was not participating in the food stamp program under this Act after previous participation in such program.".

OUTREACH; BILINGUAL REQUIREMENTS

SEC. 210. (a) Section 11(e)(1) of the Food Stamp Act of 1977 is amended by striking clauses (A), (B), and (C) and inserting in lieu thereof "not conduct food stamp outreach activities with funds provided under this Act;".

(b) Section 16(a) of that Act is amended by—

(1) striking clause (1); and

(2) redesignating clauses (2), (3), (4), and (5) as clauses (1), (2), (3), and (4), respectively.

EXPEDITED BENEFITS

SEC. 211. Section 11(e)(9) of the Food Stamp Act of 1977 is amended to read:

"(9) that any household in immediate need because such household—

"(A) has gross income, as defined in section 5(d) of this Act, which is less than $85 per month or is a destitute migrant or seasonal farmworker household; and

"(A) has liquid assets, as defined under section 5(g) of this Act, which do not exceed $100;

shall receive an allotment on an expedited basis if, so to the extent practicable, the State agency verifies the income and cash resources of such household.".

WAIVING AND OFFSETTING CLAIMS; IMPROVED RECOVERY OF OVERPAYMENTS

SEC. 212. (a) Section 13 of the Food Stamp Act of 1977 is amended by—

(1) inserting "(a)" immediately after the section designation;

(2) inserting before the period at the end of the first sentence ", including the power to waive claims if the Secretary determines that to do so would serve the purposes of this Act";

(3) adding the following new sentence at the end thereof: "The Secretary shall have the power to reduce amounts otherwise due to a State agency under section 16 of this Act to collect unpaid claims assessed against the State agency if the State agency has declined or exhausted its appeal rights under section 14 of this Act."; and

(4) adding the following new subsection at the end thereof:

"(b)(1) In the case of any ineligibility determination under section 6(b) of this Act, the household of which such ineligible individual is a member is required to agree to a reduction in the allotment of the household of which such individual as a member, or payment in cash, in accordance with a schedule determined by the Secretary, that will be sufficient to reimburse the Federal Government for double the value of any overissuance of coupons resulting from the activity that was the basis of the ineligibility determination. If a household refuses to make an election, or elects to make a payment in cash under the provisions of the preceding sentence and fails to do so, the household shall be subject to an allotment reduction.

"(2) State agencies shall collect any claim against a household arising from the overissuance of coupons, other than claims the collection of which is provided for in paragraph (1) of this subsection and claims arising from an error of the State agency by reducing the monthly allotments of the household. These collections shall be limited to 10 per centum of the monthy allotment (or $10 per month whenver that would result in a faster collection rate).".

(b) The heading of section 13 of the Food Stamp Act of 1977 is amended to read "COLLECTION AND DISPOSITION OF CLAIMS".

STATES' SHARE OF COLLECTED CLAIMS

SEC. 213. Section 16(a) of the Food Stamp Act of 1977 is amended by—

(1) striking in the first sentence "through prosecutions" and all that follows down through the end of the sentence and inserting in lieu thereof "pursuant to section 13(b)(1) of this Act and 25 per centum of the value of all funds or allotments recovered or collected pursuant to section 13(b)(2) of this Act."; and

(2) striking in the second sentence, "fraud" and inserting in lieu thereof "ineligibility".

TITLE III—STRENGTHENING PENALTIES FOR FRAUD AND ABUSE; IMPROVING ADMINISTRATIVE PROCEDURES

ELIGIBLE STORES

SEC. 301. Section 3(k) of the Food Stamp Act of 1977 is amended by inserting the following new sentence at the end thereof: "Notwithstanding the preceding sentence, the term 'retail food store' shall not include any establishment that sells alcoholic beverages for consumption on the premises, other than an establishment referred to in subsections (g)(3) and (k)(3) of this section.".

ALASKA'S THRIFTY FOOD PLAN

SEC. 302. Section 3(o) of the Food Stamp Act of 1977 is amended by revising clause (2) to read: "(2) make cost adjustments in the thrifty food plan for Hawaii and the urban and rural parts of Alaska to reflect the cost of food in Hawaii and urban and rural Alaska,".

DISALLOWANCE OF DEDUCTIONS FOR EXPENSES PAID BY THIRD PARTIES

SEC. 303. Section 5(e) of the Food Stamp Act of 1977 is amended by adding in the fourth and fifth sentences after "entitled" the following: ", with respect to expenses other than expenses paid on behalf of the household by a third party,".

RESOURCE LIMITATIONS

SEC. 304. Section 5(g) of the Food Stamp Act of 1977 is amended by striking in the second sentence ", in prescribing inclusions in, and exclusions from, financial resources, follow regulations in force as of June 1, 1977, and shall, in addition, (1)".

DISQUALIFICATION PENALTIES FOR FRAUD AND MISREPRESENTATION

SEC. 305. Section 6(b) of the Food Stamp Act of 1977 is amended to read:

"(b)(1) Any person who has been found by any State or Federal court or administrative agency to have intentionally (A) made a false or misleading statement, or misrepresented, concealed or withheld facts, or (B) committed any act that constitutes a violation of this Act, the regulations issued thereunder, or any State statute, for the purpose of using, presenting, transferring, acquiring, receiving, or possessing coupons or authorization cards shall, immediately upon the rendering of such determination become ineligible for further participation in the program—

"(i) for a period of six months upon the first occasion of any such determination;

"(ii) for a period of one year upon the second occasion of any such determination;

"(iii) permanently, upon the third occasion of any such determination.

During the period of such eligibility, no household shall received increased benefits under this Act as the result of a member of such household having been disqualified under this subsection.

"(2) Each State agency shall proceed against an individual alleged to have engaged in such activity either by way of administrative hearings or by referring such matters to appropriate authorities for civil or criminal action in a court of law.

"(3) Such periods of ineligibility as are provided for in paragraph (1) of this subsection shall remain in effect, without possibility of administrative stay, unless and until the finding upon which the ineligibility is based is subsequently reversed by a court of appropriate jurisdiction, but in no event shall the period of ineligibility be subject to review.

"(4) The Secretary shall prescribe such regulations as the Secretary may deem appropriate to ensure that information concerning any such determination with respect to a specific individual is forwarded to the Office of the Secretary by any appropriate State or Federal entity for the use of the Secretary in administering the provisions of this section. No State shall withhold such information from the Secretary or the Secretary's designee for any reason whatsoever.".

ELIMINATION OF CASH CHANGE

SEC. 306. Section 7(b) of the Food Stamp Act of 1977 is amended by striking the colon at the end of the first proviso and all that follows down through the word "issued".

LIABILITY FOR LOSSES : MAIL ISSUANCE LIMITATIONS

SEC. 307. Section 7(j) of the Food Stamp Act of 1977 is amended to read:

"(f) Notwithstanding any other provision of this Act, the State agency shall be strictly liable to the Secretary for any financial losses involved in the acceptance, storage, and issuance of coupons, except that in the case of losses resulting from the replacement of coupons lost in the mail, the State agency shall be liable to the Secretary to the ex-

tent that such losses exceed 1 per centum of the value of allotments issued by mail during any six-month period in any State or part of a State that issues a significant volume of coupons by mail. In the case of losses resulting from the replacement of authorizations for coupons, the State agency shall be liable to the Secretary to the extent prescribed in the regulations promulgated by the Secretary. The Secretary is authorized to restrict the use of mail coupon issuance in any State or part of a State where the Secretary determines that it jeopardizes program integrity or is not cost effective.".

COUNTING THE VALUE OF ALLOTMENTS AS INCOME OR RESOURCES; REDUCING OTHER PROGRAM BENEFITS

SEC. 308. Section 8(b) of the Food Stamp Act of 1977 is amended to read:

"(b) The value of the allotment provided any eligible household shall not be considered income or resources for the purposes of any Federal, State, or local laws relating to taxation.".

REPORTING OF ABUSES BY THE PUBLIC; NOTICE OF VERIFICATION

SEC. 309. (a) Section 9 of the Food Stamp Act of 1977 is amended by adding at the end thereof a new subsection (e) to read:

"(e) Approved retail food stores shall display a sign providing information on how persons may report abuses they have observed in the operation of the food stamp program.".

(b) Section 11(e)(2) of the Food Stamp Act of 1977 is amended by inserting after the second period the following new sentence: "Each application form shall also contain in understandable terms and in prominent and boldface lettering a statement that the information provided by the applicant in connection with the application for a coupon allotment will be subject to verification by Federal, State, and local officials to determine if such information is factual and that if any part of such information is incorrect, food stamps may be denied to the applicant, and that the applicant may be subjected to criminal prosecution for knowingly providing incorrect information.".

SIXTY-DAY TRANSFER OF CERTIFICATION

SEC. 310. Section 11 of the Food Stamp Act of 1977 is amended by striking subsection (b).

RESTRICTIONS ON REPLACEMENT OF COUPONS

SEC. 311. Section of the Food Stamp Act of 1977 is amended by adding the following new subsection:

"(b) The Secretary shall limit replacements for coupons destroyed after receipt by a household to one month's replacement for any household in any six-month period, and no replacement shall be provided for coupons lost or misplaced after receipt by a household.".

NOTICE OF RECERTIFICATION

SEC. 312. Section 11(e)(4) of the Food Stamp Act of 1977 is amended by striking "immediately".

DISCLOSURE OF INFORMATION ON RECIPIENTS

SEC. 313. Section 11(e)(8) of the Food Stamp Act of 1977 is amended by striking the semicolon at the end and inserting in lieu thereof a comma and the following: "except that, notwithstanding any other provision of law, all information obtained under this Act from an applicant household shall be made available, upon request, to local, State, or Federal law enforcement officials for the purpose of investigating a possible or alleged violation of this Act or any regulation issued under this Act;"

PROMPT ACTION TO REDUCE OR TERMINATE BENEFITS

SEC. 314. Section 11(e)(10) of the Food Stamp Act of 1977 is amended by changing the semicolon at the end thereof to a colon and inserting immediately after the colon the following: "Provided further, That in the event the State agency receives a clear written statement from the household that contains information that, in its totality, requires reduction or termination of that household's benefits, the State agency may act immediately to reduce or terminate the household's benefits and may provide such individual notice of agency action to the household as late as the date on which the action becomes effective;".

LIMITATIONS ON RESTORATION OF LOST BENEFITS

SEC. 315. (a) Section 11(e)(11) of the Food Stamp Act of 1977 is amended to read:

"(11) upon receipt of a request from a household, for the prompt restoration in the form of coupons to a household of any allotment or portion thereof which has been wrongfully denied or terminated, except that allotments for any period of time more than one year prior to the date such request is received by the State agency, or the date the State agency is notified or otherwise discovers the possible loss to a household, shall not be restored;".

(b) Section 15 of the Food Stamp Act of 1977 is amended by adding a new subsection at the end thereof to read:

"(h) In any judicial action arising under this Act any food stamp allotments found to have been wrongfully withheld shall be restored only for periods of not more than one year prior to the date of the commencement of such action, or in the case of an action seeking review of a final State agency determination, not more than one year prior to the date of the filing of a request with the State for the restoration of such allotments, or, in either case, not more than one year prior to the date the State agency is notified or otherwise discovers the possible loss to a household.".

USE AND AVAILABILITY OF UNEMPLOYMENT AND SOCIAL SECURITY INFORMATION

SEC. 316. (a) Section 11(e) of the Food Stamp Act of 1977 is amended by adding at the end thereof the following new paragraph:

"(21) that information available from the Social Security Administration under the provisions of section 6103(l)(7) of the Internal Revenue Code of 1954, and information available from agencies administering State unemployment compensation laws under the provisions of section 303(d) of the Social Security Act, shall be requested and utilized by the State agency (described in section 3(n)(1) of this Act) to the extent permitted under the provisions of such sections, except that the State agency shall not be required to request such information from the Social Security Administration if such information is available from the agency administering the State unemployment compensation laws.".

(b) Section 127(b)(3) of the Food Stamp Act Amendments of 1980 is amended by striking "1983" and inserting in lieu thereof "1982".

NUTRITION EDUCATION PROGRAM

SEC. 317. Section 11(f) of the Food Stamp Act of 1977 is amended to read:

"(f) To encourage the purchase of nutritious foods, the Secretary is authorized to extend food and nutrition education to reach food stamp program participants, using the methods and techniques developed in the expanded food and nutrition education and other programs.".

MINIMUM MANDATORY COURT SENTENCE FOR CRIMINAL OFFENSES; WORK RESTITUTION PROGRAM; ADDITIONAL PENALTIES

SEC. 318. Subsections (b) and (c) of section 15 of the Food Stamp Act of 1977 are amended to read:

"(b)(1) Subject to the provisions of paragraph (2) of this subsection, whoever knowingly uses, transfers, acquires, alters, or possesses coupons or authorization cards in any manner not authorized by this Act or the regulations issued pursuant to this Act shall, if such coupons or authorization cards are of a value of $100 or more, be guilty of a felony and shall, upon the first conviction thereof, be fined not more than $10,000 or imprisoned for not more than five years, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not less than six months nor more than five years and may also be fined not more than $10,000 or, if such coupons or authorization cards are of a value of less than $100, shall be guilty of a misdemeanor, and, upon the first conviction thereof, shall be fined not more than $1,000 or imprisoned for not more than one year, or both, and upon the second and any subsequent conviction thereof, shall be imprisoned for not more than one year and may also be fined not more than $1,000. In addition to such penalties, any person convicted of a felony or misdemeanor violation under this subsection may be suspended by the court from participation in the food stamp program for an additional period of up to eighteen months consecutive to that period of suspension mandated by section 6(b)(1) of this Act.

"(2) In the case of any individual convicted of an offense under paragraph (1) of this subsection, the court may permit such individual to perform work approved by the court for the purpose of providing restitution for losses incurred by the United States and the agency as a result of the offense for which such individual was convicted. If the court permits such individual to perform such work and such individual agrees thereto, the court shall withhold the imposition of the sentence on the condition that such individual perform the assigned work. Upon the successful completion of the assigned work the court may suspend such sentence.

"(c) Whoever presents, or causes to be presented, coupons for payment or redemption of the value of $100 or more, knowing the same to have been received, transferred or used in any manner in violation of the provisions of this Act or the regulations issued pursuant to this Act, shall be guilty of a felony and, upon the first conviction thereof, shall be fined not more than $10,000 or imprisoned for not more than five years or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not less than one year nor more than five years and may also be fined not more than $10,000, or, if such coupons are of a value of less than $100, shall be guilty of a misdemeanor and, upon the first conviction thereof, shall be fined not more than $1,000 or imprisoned for not more than one year, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not more than one year and may also be fined not more than $1,000. In addition to such penalties, any person convicted of a felony or misdemeanor violation under this subsection may be suspended by the court from participation in the food stamp program for an additional period of up to eighteen months consecutive to that period of suspension mandated by section 6(b)(1) of this Act.".

STAFFING STANDARDS

SEC. 319. Section 16(b)(1) of the Food Stamp Act of 1977 is amended by striking ", including, but not limited to, staffing standards such as caseload per certification worker limitations,".

CORRECTIVE ACTION PLANS

SEC. 320. Section 16 of the Food Stamp Act of 1977 is amended by—

(1) inserting before the period at the end of the first sentence of subsection (c) the following ", and, effective October 1, 1981, which also meets the standard contained in paragraph (1)(B) of this subsection"; and

(2) in subsection (d), striking "October 1, 1978" and inserting in lieu thereof "October 1, 1981", and by inserting "(2)" after "subsection (c)".

SOCIAL SECURITY ACCOUNT NUMBERS

SEC. 321. The first sentence of section 16 (f) of the Food Stamp Act of 1977 is amended by striking "may" and inserting in lieu thereof "shall".

AFDC AND SSI CASH-OUT PILOT PROJECTS

SEC. 322. Section 17(b)(1) of the Food Stamp Act of 1977 is amended by—

(1) inserting "the payment of the value of allotments in the form of cash to eligible households all of whose members are recipients of aid to families with dependent children under part A of title IV of the Social Security Act: *Provided*, That such cash payments shall be in standard monthly amounts varied to reflect the average allotment received by households of similar size, income, and expense characteristics," after "Social Security Act,";

(2) inserting ", other than a project involving the payment of standard monthly allotments to recipients of aid to families with dependent children authorized under this subsection," after "no project"; and

(3) changing the last sentence to read: "Any pilot or experimental project implemented under this paragraph involving the payment of the value of allotments in the form of cash to eligible households all of whose members are either age sixty-five or over or entitled to supplemental security income benefits under title XVI of the Social Security Act shall be continued until October 1, 1985, if the State so requests.".

VARIABLE ALLOTMENT STUDY; REPORTS

SEC. 323. (a) The Secretary is directed to evaluate the feasibility, benefits, and disadvantages of adjusting household allotments with respect to the age and sex of household members, including an evaluation of the individualized allotment issues and conclusions in the General Accounting Office report of June 13, 1978 (Federal Domestic Food Assistance Programs—A Time for Assessment and Change), and submit the results of that study to Congress no later than July 1, 1982.

(b)(1) Section 5(g) of the Food Stamp Act of 1977 is amended by striking everything after "exceeds $4,500" and inserting a period in lieu thereof.

(2) Section 8(a) of that Act is amended by striking the last sentence.

(3) Section 17 of that Act is amended by striking subsections (d) and (e).

PILOT PROJECTS TO SIMPLIFY THE PROCESSING OF APPLICATIONS FOR CERTAIN AFDC AND SSI RECIPIENTS

SEC. 324. Section 17 of the Food Stamp Act of 1977 is amended by inserting a new subsection as follows:

"(d) The Secretary is authorized to conduct two pilot projects in which households that consist entirely of recipients of aid to families with dependent children under part A of title IV of the Social Security Act, and households that consist entirely of recipients of supplemental security income under title XVI of the Social Security Act, whose gross income does not exceed 130 per centum of the nonfarm income poverty guidelines prescribed by the Office of Management and Budget, shall be deemed to satisfy the application requirements prescribed under section 5(a) of this Act and the income and resource requirements prescribed under sections 5(c) through 5(g) of this Act. Allotments provided pursuant to section 8(a) of this Act shall be based upon household size and the benefits paid to such household under part A of title IV, and title XVI, of the Social Security Act, respectively: *Provided*, That the Secretary shall also make such modifications in the value of such allotments as may be necessary to assure that in each pilot project area, average food stamp benefits by household size for households receiving aid to families with dependent children and participating in the pilot project, and for households receiving supplemental security income and participating in the pilot project, are not reduced below what such average benefits would be under this Act for each such category of households, respectively, in each such pilot project area, for the period or periods the pilot project is in operation. The Secretary may conduct such projects on a statewide basis in two States, or in political subdivisions within such States, and shall evaluate the impact on recipient households, administrative costs, and error rates.".

TITLE IV—AUTHORIZATION FOR APPROPRIATIONS; APPROPRIATION ACCOUNTS; EFFECTIVE DATES

SEC. 401. The first sentence of section 18 (a)(1) of the Food Stamp Act of 1977 is amended by—

(1) striking "and" after "September 30, 1980;";

(2) striking "$9,739,276,000" and inserting in lieu thereof "$11,480,000,000"; and

(3) inserting before the period at the end thereof the following: "; not in excess of $10,870,000,000 for the fiscal year ending September 30, 1982; not in excess of $11,290,000,000 for the fiscal year ending September 30, 1983; not in excess of $11,325,000,000 for the fiscal year ending September 30, 1984; and not in excess of $11,840,000,000 for the fiscal year ending September 30, 1985.".

APPROPRIATION ACCOUNTS

SEC. 402. Section 18 of the Food Stamp Act of 1977 is amended by adding a new subsection (e) to read:

"(e) Funds collected from claims against households or State agencies, including claims collected pursuant to sections 7(f), 11(h), and 16(g) of this Act, claims resulting from resolution of audit findings, and claims collected from households receiving overissuances, shall be credited to the food stamp program appropriation account for the fiscal year in which the collection occurs. Funds provided to State agencies under section 16(c) of this Act shall be paid from the appropriation account for the fiscal year in which the funds are provided.".

EFFECTIVE DATES

SEC. 403. Except as otherwise specifically provided, the amendments made by this Act shall be effective and implemented upon such dates as the Secretary may prescribe, taking into account the need for orderly implementation. The amendments made by section 401 of this Act shall be effective upon enactment.

TITLE V—COMMODITY DISTRIBUTION PROGRAMS

EXTENSION OF AUTHORITIES, PENALTIES FOR FRAUD, AND MISCELLANEOUS PROVISIONS

SEC. 501. (a) Effective October 1, 1981, section 4 of the Agriculture and Consumer Protection Act of 1973 is amended by—

(1) striking "1978, 1979, 1980, and 1981", in the first sentence of subsection (a) and inserting in lieu thereof: "1982, 1983, 1984, and 1985"; and

(2) adding a new subsection (c) to read:

"(c) Whoever embezzles, willfully misapplies, steals or obtains by fraud any agricultural commodity or its products (or any funds, assets, or property deriving from donation of such commodities) provided under this section, or under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431), section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), or section 709 of the Food and Agriculture Act of 1965 (7 U.S.C. 1446a–1), whether received directly or indirectly from the United States Department of Agriculture, or whoever receives, conceals, or retains such commodities, products, funds, assets, or property for personal use or gain, knowing such commodities, products, funds, assets, or property have been embezzled, willfully misapplied, stolen, or obtained by fraud shall, if such commodities, products, funds, assets, or property are of a value of $100 or more, be fined not more than $10,000 or imprisoned not more than five years, or both, or if such commodities, products, funds, assets, or property are of value of less than $100, shall be fined not more than $1,000 or imprisoned for not more than one year, or both.".

(b) Effective October 1, 1981, section 5(a) of that Act is amended to read:

"(a) In carrying out the supplemental feeding program (hereinafter referred to as the 'commodity supplemental food program') to which reference is made in section 4 of this Act, the Secretary of Agriculture shall provide to State agencies administering the program, for each of the fiscal years 1982 through 1985, funds appropriated from the general fund of the Treasury in amounts equal to the administrative costs of State and local agencies in operating the program, except that the funds provided to State agencies each fiscal year may not exceed 15 per centum of the amount appropriated for the provision of commodities to State agencies.".

TITLE VI—FOOD STAMP CASH-OUT OF SSI RECIPIENTS

MODIFICATION OF CASH-OUT STATUS

SEC. 601. Effective July 1, 1981, section 8(d) of Public Law 93–233 is amended to read:

"(d) Upon the request of a State, the Secretary shall find, for purposes of the provisions specified in subsection (c), that the level of such State's supplementary payments of the type described in section 1616(a) of the Social Security Act has been specifically increased for any month after June 1976 so as to include the bonus value of food stamps if: (1) the Secretary has found that such State's supplementary payments in June 1976 were increased to include the bonus value of food stamps; and (2) such State continues to meet the requirements of section 1618 of such Act for each month after June 1976 and up to and including the month for which the Secretary is making the determination.".

TITLE VII—PUERTO RICO

REDUCTION OF PUERTO RICO INCOME LIMITS

SEC. 701. Effective October 1, 1981, the proviso in section 5(c) of the Food Stamp Act of 1977 is amended to read: "*Provided*, That in no event shall the standards of eligibility for the Virgin Islands of the United States or Guam exceed those in the forty-eight contiguous States, and such standards for Puerto Rico shall be 55 per centum of those in the forty-eight contiguous States".

BLOCK GRANT

SEC. 702. (a) Effective April 1, 1982, the Food Stamp Act of 1977 is amended by—

(A) striking "Puerto Rico," in section 3 (m), clause (3) of section 3(o), section 5 (b), wherever it appears in section 5(c) before the proviso, and wherever it appears in section 5(e) and striking "$50," and "$40," in section 5(e); and

(B) striking everything in section 5(c) after the first "forty-eight contiguous States" and inserting a period in lieu thereof.

(b) Effective April 1, 1982, that Act is further amended by adding at the end thereof the following new section:

"BLOCK GRANT

"SEC. 19. (a)(1)(A) From the sums appropriated under this Act the Secretary shall, subject to the provisions of this subsection and subsection (b), pay to the Commonwealth of Puerto Rico not to exceed $825,000,000 for each fiscal year to finance 100 per centum of the expenditures for food

assistance provided to needy persons, and 50 per centum of the administrative expenses related to the provision of such assistance.

"(B) The payments to the Commonwealth for any fiscal year shall not exceed the expenditures by that jurisdiction during that year for the provision of the assistance the provision of which is included in the plan of the Commonwealth approved under subsection (b) and 50 per centum of the related administrative expenses.

"(2) The Secretary shall, subject to the provisions of subsection (b), pay to the Commonwealth for the applicable fiscal year, at such times and in such manner as the Secretary may determine, the amount estimated by the Commonwealth pursuant to subsection (b)(1)(A)(iv), reduced or increased to the extent of any prior overpayment or current underpayment which the Secretary determines has been made under this section and with respect to which adjustment has not already been made under this subsection.

"(b)(1)(A) In order to receive payments under this Act for any fiscal year, the Commonwealth shall have a plan for that fiscal year approved by the Secretary under this section. By July 1 of each year, if the Commonwealth wishes to receive payments, it shall submit a plan for the provision of the assistance described in subsection (a)(1)(A) for the following fiscal year which—

"(i) designates a single agency which shall be responsible for the administration, or supervision of the administration, of the program for the provision of such assistance;

"(ii) assesses the food and nutrition needs of needy persons residing in the Commonwealth;

"(iii) describes the program for the provision of such assistance, including the assistance to be provided and the persons to whom such assistance will be provided, and any agencies designated to provide such assistance, which program must meet such requirements as the Secretary may by regulation prescribe for the purpose of assuring that assistance is provided to the most needy persons in the jurisdiction;

"(iv) estimates the amount of expenditures necessary for the provision of the assistance described in the program and related administrative expenses, up to the amount provided for payment by subsection (a)(1)(A); and

"(v) includes such other information as the Secretary may require.

"(B)(i) The Secretary shall approve or disapprove any plan submitted pursuant to subparagraph (A) no later than August 1 of the year in which it is submitted. The Secretary shall approve any plan which complies with the requirements of subparagraph (A). If a plan is disapproved because it does not comply with any of the requirements of that subparagraph the Secretary shall, except as provided in subparagraph (B)(ii), notify the appropriate agency in the Commonwealth that payments will not be made to it under subsection (a) for the fiscal year to which the plan applies until the Secretary is satisfied that there is no longer any such failure to comply, and until the Secretary is so satisfied, the Secretary will make no payments.

"(ii) The Secretary may suspend the denial of payments under subparagraph (B)(i) for such period as the Secretary determines appropriate and instead withhold payments provided for under subsection (a), in whole or in part, for the fiscal year to which the plan applies, until the Secretary is satisfied that there is no longer any failure to comply with the requirements of subparagraph (A), at which time such withheld payments shall be paid.

"(2)(A) The Commonwealth shall provide for a biennial audit of expenditures under its program for the provision of the assistance described in subsection (a)(1)(A), and within one hundred and twenty days of the end of each fiscal year in which the audit is made, shall report to the Secretary the findings of such audit.

"(B) Within one hundred and twenty days of the end of each fiscal year, the Commonwealth shall provide the Secretary with a statement as to whether the payments received under subsection (a) for that fiscal year exceeded the expenditures by it during that year for which payment is authorized under this section, and if so, by how much, and such other information as the Secretary may require.

"(C)(i) If the Secretary finds that there is a substantial failure by the Commonwealth to comply with any of the requirements of subparagraphs (A) and (B), or to comply with the requirements of subsection (b)(1)(A) in the administration of a plan approved under subsection (b)(1)(B), the Secretary shall, except as provided in subpargraph (C)(ii), notify the appropriate agency in the Commonwealth that further payments will not be made to it under subsection (a) until the Secretary is satisfied that there will no longer be any such failure to comply, and until the Secretary is so satisfied, the Secretary shall make no further payment.

"(ii) The Secretary may suspend the termination of payments under subparagraph (c)(i) for such period as the Secretary determines appropriate, and instead withhold payments provided for under subsection (a), in whole or in part, until the Secretary is satisfied that there will no longer be any failure to comply with the requirements of subparagraphs (A) and (B) and subsection (b)(1)(A), at which time such withheld payments shall be paid.

"(iii) Upon a finding under subpargraph (C)(i) of a substantial failure to comply with any of the requirements of subparagraphs (A) and (B) and subsection (b)(1)(A), the Secretary may in addition to or in lieu of any action taken under subpargraphs (C)(i) and (C)(ii), refer the matter to the Attorney General with a request that injunctive relief be sought to require compliance by the Commonwealth of Puerto Rico, and upon suit by the Attorney General in an appropriate district court of the United States and a showing that noncompliance has occurred, appropriate injunctive relief shall issue.

"(c)(1) The Secretary shall provide for the reivew of the programs for the provision of the assitance described in subsection (a)(1)(A) for which payments are made under this Act.

"(2) The Secretary is authorized as the Secretary deems practicable to provide technical assistance with respect to the programs for the provision of the assistance described in subsection (a)(1)(A).

"(d) Whoever knowingly and willfully embezzles, misapplies, steals, or obtains by fraud, false statement, or forgery, any funds, assets, or property provided or financed under this section shall be fined not more than $10,000 or imprisoned for not more than five years, or both, but if the value of the funds, assets, or property involved is not over $200, the penalty shall be a fine of not more than $1,000 or imprisonment for not more than one year, or both.".

(c) Notwithstanding the provisions of section 10 of the Food Stamp Act of 1977, as added by this section, the amount payable to Puerto Rico under section 19 for fiscal year 1982 shall be $413,000,000, and the Secretary is authorized to grant such waivers of the requirements imposed by that section with respect to that fiscal year as the Secretary determines appropriate to carry out the purposes of that section.

Mr. LEAHY. Mr. President, with that, I understand we complete action on this bill.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, that completes action on the food stamp bill. It has been a long and arduous and perhaps somewhat interesting educational thing for a lot of us in this body, myself included. I thank Senator DOLE for the bipartisan effort he made to work with me and others in forming a series of amendments that were included.

I thank the distinguished chairman of the committee (Mr. HELMS) for his unfailing courtesy and for giving us time to bring up the arguments and the amendments and the markup on the bill. Even though I expect there were occasions when he did not agree with the particular thrust of the amendment, there was never a time that any of us could have suggested for one moment that we did not have an adequate chance to be heard. If we had any question over a period of time, our rights were protected and respected.

I also thank very much Rob Fersh, Janet Breslin, and Ken Pierce of my staff, who worked with me on this. I rarely, if ever, have had a time when I have been so thoroughly and adequately briefed by staff. I do thank them.

Lastly, of course, Mr. President, I thank the distinguished ranking member of the Committee on Agriculture (Mr. HUDDLESTON), who helped so long and worked with our distinguished leader (Mr. ROBERT C. BYRD) to try to make sure that we kept our end of the package on track.

I yield the floor.

Mr. HELMS. Mr. President, the Senator from North Carolina was in the happy position of feeling obliged to vote against a bill emanating from the committee which he chairs. I thank Senator LEAHY for his kind comments, and I want him to know that I always enjoy working with him, no matter how much we may disagree. Of course, the same goes for the distinguished Senator from Kansas (Mr. DOLE).

As to this bill which was just passed, the Senate sent a message to the American people today, "Don't look for a balanced budget any time soon." Because, Mr. President, if we did not have the fortitude to reduce this bill further, I very much doubt that Congress is going to have the fortitude to make the necessary reductions in Federal spending that will be essential if we are to move toward the balanced budget which all of us go home and tell all our constituents that we favor from the bottom of our hearts. While we did do some cosmetic things and while we did do some real improvements, this bill still should have been about $1½ billion lower than it was. It is for that reason that I felt obliged to vote against it.

It is for the same reason that I voted in committee against reporting the bill. I think we must do more in terms of tightening up these extravagant welfare programs of all types—as a matter of

fact, all governmental programs across the spectrum—if we are to make good on our promise to the American people to achieve a balanced budget and stop inflation. I thank the Chair.

ROUTINE MORNING BUSINESS

Mr. STEVENS. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business in which Senators may speak for not to exceed 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

CHARLES W. YOST

Mr. PELL. Mr. President, Charles W. Yost combined two wonderful qualities. First, he was the most skilled, polished, and professional diplomat with whom I ever had the very good fortune to be associated. Second, he was a man who never permitted his Wilsonian idealism to be throttled by his profession or by his professionalism.

He combined both these qualities of consummate diplomatic ability and Wilsonian idealism throughout his life, starting as a young vice consul in Alexandria, and then working in and out of the Foreign Service and Government until he achieved the rank of Ambassador. As Ambassador, he was accredited to Laos, Syria, and Morocco, and subsequently he was appointed U.S. Ambassador to the United Nations. Moreover, he was one of only 22 people ever appointed to the rank of Career Ambassador in our Foreign Service.

Charles Yost combined these two threads of professional diplomacy and Wilsonian idealism with a singular competence in multilateral diplomacy. He acquired this skill through his work at the Dumbarton Oaks Conference and the San Francisco Conference that created the United Nations, by serving as Secretary of the U.S. delegation at the Potsdam Conference, and through his several tours of duty at the United Nations.

Charles Yost was a dear and close personal friend—he was godfather to my daughter as my wife is godmother to his daughter. We shared a house together while in the Foreign Service, and twice he played an important role in my Foreign Service career, making it possible for me to establish our Consulate General at Bratislava, Czechoslovakia, and later bringing me back to the State Department as his assistant.

A memorial service for Charles Yost was held at the Washington Cathedral on June 1. Mr. President, I ask unanimous consent that the program from that service and the reading and eulogies offered by his children and Arthur Schlesinger, Jr., be printed at this point in the RECORD. I also ask that Philip Geyelin's tribute to Charles Yost in June 6's Washington Post be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A MEMORIAL SERVICE FOR CHARLES W. YOST, 1907–1981

(Monday, June 1, 1981, 4:00 P.M., Washington Cathedral.)

Organ prelude: Toccata and Fugue in E; Johann Sebastian Bach.

Opening sentences: Standing, Reverend Michael P. Hamilton.

The scriptures: Seated, Donald Dunham, Micah 4:1–5 and Matthew 5:1–10.

Hymn: Standing and in unison, "St. Anne."

O God, our help in ages past,
Our hope for years to come,
Our shelter from the stormy blast,
And our eternal home:

Under the shadow of thy throne
Thy saints have dwelt secure;
Sufficient is thine arm alone,
And our defence is sure.

Before the hills in order stood,
Or earth received her frame,
From everlasting thou art God,
To endless years the same.

A thousand ages in thy sight
Are like an evening gone;
Short as the watch that ends the night
Before the rising sun.

Time, like an ever-rolling stream,
Bears all its sons away;
They fly, forgotten, as a dream
Dies at the opening day.

O God, our help in ages past,
Our hope for years to come,
Be thou our guide while life shall last,
And our eternal home. Amen.

(Isaac Watts, 1979; based on Psalm 90.)

Readings: Seated, Felicity O. Yost. Writings by Charles W. Yost.

Prayers: Kneel, Reverend Michael P. Hamilton.

Eulogies: Seated, Nicholas C. Yost, Casimir A. Yost, Arthur M. Schlesinger, Jr.

Prayers and blessing: Kneel, Reverend Michael P. Hamilton.

Recessional: Toccata, Adagio and Fugue in C, Johann Sebastian Bach.

EULOGY BY FELICITY D. YOST

So many times in my life I have called on my father and he has been there with the words I needed. But he is no longer here and I, being a painter, am without the words I need to share my thoughts with you. To talk to you of our friendship I would have to play for you a symphony of Mahler's. To visualize for you our love you would have to watch me paint several portraits of him—

For I see a portrait of a man who said, "Life is questions. When we stop asking them, whether at twenty or eighty, then we are old."

And so he shared with me his curiosity.

I see the portrait of a realist who said, "In these days of ever impending disaster we have no warrant for hope, but in these days of ever impending paradise we have no excuse for despair . . . I strongly incline to hope."

And so he shared with me his optimism.

I see the portrait of my father the poet who said,

"Some have a century to sing
Some have a blessed minute.
So children, scrub your pretty ears
And rinse your prying eyes,
No peeping Tom can ever see
Enough before he dies.
Don't fail to keep the grasses green
And all the waters bright,
Lest other children waking late
Should never see this sight."

And so he shared with me his passion for life.

I see the portrait of a humanist who said, "Every war ends in peace; the object, it seems to my simple mind, ought to be to bring about the peace without the war."

And so he shared with me his abhorrence of war.

I see the portrait of my father who said, "Art, architecture, music, literature often express more powerfully and more poignantly, at least for posterity the quintessences of an age and a civilization than do its politics and its philosophy."

And so he shared with me faith in my work.

And lastly I see a portrait I discovered only a few days after my father's death in a passage of Bertrand Russell's that he had underlined.

"Some old people are oppressed by the fear of death. In the young there is justification for this feeling . . . But in an old man who has known human joys and sorrows, and has achieved whatever work it was in him to do, the fear of death is somewhat abject and ignoble. The best way to overcome it . . . is to make your interests gradually wider and more impersonal, until bit by bit the walls of the ego recede, and your life becomes increasingly merged in the universal life . . . The man who, in old age, can see his life in this way, will not suffer from the fear of death, since the things he cares for will continue. And if, with the decay of vitality, weariness increases, the thought of rest will not be unwelcome. I should wish to die while still at work, knowing that others will carry on what I can no longer do, and content in the thought that what was possible has been done."

EULOGY BY NICHOLAS C. YOST

Thank you for being with Mom and my brother and sister and myself at Dad's memorial service.

Dad wanted to and did remain young until he died. Only a few months ago, knowing he had cancer, Dad quoted to me a letter from Dean Acheson to President Truman. "My seventy-fifth year opened without noticeable pain," wrote Acheson. "I am now getting accustomed to the idea, though it does run counter to an idea of myself which still hovers in my mind—that I am a promising lad and may get somewhere if I work hard and stay sober." Dad shared that outlook, and, as you know, lived his life to the full until the end giving speeches the week before his death and taking a swim the weekend before. He died peacefully, surrounded by his family.

In preparing to talk today about Dad, I wasn't sure where to begin—about Dad who gave Mom and the three of us children love and patience and a deliberately gentle sort of guidance; about Dad who was fascinated by all that people do—by science and the arts and philosophy and history, introducing us children to some of them, exposing us to others.

But I think Dad would have preferred before this gathering of colleagues and friends that I talk about the work he did and the work that is left undone.

Central to Dad's outlook was understanding—understanding and sympathizing with the other person. In a set of dialogues he wrote almost twenty years ago Dad ascribed words to a character which reflect his own views:

"Both waging and ending the cold war come down, in my way of thinking, to what actually is the 'ultimate weapon', that is, understanding and understanding sympathetically, the other man's point of view. That doesn't mean you have to agree with his point of view. On the contrary you may loathe it. But you have to make an effort, a painful effort, to understand why he feels and acts the way he does, why, given his background and circumstances, it's natural that he should feel and act that way, and even to admit to yourself that if you were in his shoes all the way up to your neck one might say, you'd very probably feel and act as he does."

Diplomacy to Dad was not only a craft but a tool—a tool to realize the purposes affirmed in the United Nations charter. You remember those goals, "to promote social progress" and, central to Dad's work, "to save succeeding generations from the scourge of war." He fully recognized the imperfections of the U.N.'s efforts but equally fully recognized the necessity of their success. "If the U.N. did not exist," he was fond of quoting Dag Hammerskjold, "we would have to invent it."

Dad's view was clear. In his words, "There will never be security for nations and people's until there exists some impartial and effective international authority, expressing man's best instincts and common interests, designed and empowered to keep the peace, restrain aggressive governments, control national armaments, negotiate and enforce peaceful settlements, facilitate peaceful change, and assist new states to develop and modernize."

That vision of what must be was always there, guiding Dad's actions. To quote the poet Tennyson:

"For I dipt into the future, far as human eye could see,
Saw the vision of the world, and all the wonder that would be;"

And the poet continues through commerce and through war, and concludes:

"Till the war-drum throbbed no longer, and the battle-flags were furled
In the parliament of man, the Federation of the World."

That day is yet to come, when the United Nations as a whole is stronger than any of its parts. But come it must and come it will. In Dad's words: "The passing of powers from old to new, from parochial to ecumenical, from states separating peoples to institutions uniting them, will not be accomplished quickly or easily. Still it seems high time to begin."

EULOGY BY CASIMIR A. YOST

I want to join my brother in thanking all of you for being with us today in remembering and honoring a man who had the great love of his family and the enormous respect of all who knew him.

My father closed one of his books with a passage which says much about his approach to life and to dying. "When he was over eighty and had retired to a farm in Lorraine, Marshal Lyautey instructed his gardener to set out some fruit trees. But they will not bear fruit for twenty years, protested the gardener. Then we must lose no time, said the Marshal, but plant them tomorrow."

My father lived his life fully to the end. He knew a year ago that he had terminal cancer. Few outside of his family were informed. In the intervening period he had one book published and completed the draft of another. He wrote regular articles, gave numerous speeches, participated in seminars and board meetings, and ran foot races down the halls of his apartment building with his grandchildren whom he loved and who loved him.

My brother, sister and I have each taken different professional routes and yet each of us was enriched through association with this marvelously broad, learned and loving man. My sister drew on his deep appreciation of the arts. My brother tapped his interest in nature and concern for a deteriorating environment.

I spoke with him of history and diplomacy, politics and personalities, of how nations behave and misbehave. His impact on my thinking has been profound. I have cherished, in particular, the opportunity to be together that we had these last few years here in Washington.

Charles Yost was a man steeped in history, who looked continually to the future. He frequently cited Adlai Stevenson's query posed just before his death, "The central question, as I see it, is whether the wonderfully diverse and gifted assemblage of human beings on this earth really knows how to run a civilization."

My father died without finally answering Stevenson's question, believing that man's fate remains uncertain.

"It is worth repeating again and again," he wrote in 1968, "because it has not yet been fully comprehended, not yet felt in our bones, that never before in human history has so much hung in balance. Never before has it been physically possible for men to achieve at least a material utopia in a few decades; never before has it been both physically and psychologically possible for men in a matter of months or days to come so close to destroying life on this planet, at least to setting back civilization a thousand years."

It was to put off this second possibility that he devoted the better part of his professional life—as a diplomat, as an author, lecturer, teacher, and father.

He believed intensely in the concept of service to his country and to mankind. He was proud to call himself a career foreign service officer and saddened only by the failure of successive U.S. presidents to adequately utilize the tremendous human resources of the Department of State.

In his life and work he defined national interest and national security broadly. Perhaps this is why it was easier for him than for many others to see the potential of the United Nations to be a positive factor in global politics.

He feared for our ability to meet the challenges of a world that had changed dramatically in his lifetime. But like the aged Marshal Lyautey he never doubted that we should plant fruit trees toward a better future.

His last book was dedicated, "To my grandchildren and to their generation." I like to think that they and their generation's prospects are better because of the contributions of their grandfather.

EULOGY BY ARTHUR SCHLESINGER, JR.

Quite apart from the profound shock and sorrow we all felt at Charles Yost's death, I think many of us were astonished to discover that he was in his 74th year. He did not look like a man of 73; he did not think like a man of 73; and he preserved to the end of his days a contemporaneity, an understanding of the modern, a sympathy with new generations, a perennial youthfulness of spirit, an unvanquished idealism, that kept him always in vital touch with an implacably turning world.

Yet in fact he entered the Foreign Service half a century ago—another world, another age. After graduating from Princeton in 1928, he had taken off, like many young Americans of the day (and some notable Princetonians), to Paris. This was the last year of the last light-hearted time of the 20th century. Charlie Yost lived in a shabby pension in the Latin Quarter, studied intermittently at the Ecole des Hautes Ecoles Internationales, spent evenings at the Dome and Rotonde, rubbed elbows with Scott Fitzgerald, frequented Sylvia Beach's bookstore, traveled around the continent and spent three memorable weeks in the Soviet Union. It was, as he wrote in the fragrant autobiographical passages of *History and Memory*, the "last untroubled" time "before the storms broke" (22).

History and Memory gives a vivid impression of this ardent, intelligent young man savoring the delights of a Europe that, as he later recalled, "seemed to have recovered from the debacle of World War I and to be resuming once more the triumphant progress it had so stupidly and unnecessarily interrupted by this wholesale fratricide" (19). Yet mankind was only a year away from the most shattering economic crash of modern times, only four years from Hitler's rise to power, only ten years from a new world war. Charles Yost spent much of his later life trying to comprehend what had happened to "the bright dawn of the new age" (23). His became a passionate search for dispassionate understanding. He read omnivorously—not only in politics and diplomacy, but in history, in psychology, in anthropology, in the revelations of poets and novelists. One was always amazed by the range of reference in his conversation and in his books.

Let me, I hope not too parochially, emphasize his concern for history, an area of inquiry considerably neglected by politicians and by diplomats. His own profession, he often felt, did not take "sufficient pains to gain a comprehensive view of the whole situation," looking instead at chosen parts through spectacles distorted by doctrine or by nostalgia (Insecurity of Nations, 4). He believed profoundly in the long view. He knew that the present is the creation of the past and saw every reason not only to remember history "but to reflect upon it most earnestly, to analyze it with the greatest possible objectivity in order to determine . . . where we and our fathers went wrong." True understanding of the past, he fervently hoped, might help our children "escape another revolution of the dreary wheel of human error, needless conflict, and man-made disaster (*H&M*, 11).

He was impressed especially by the acceleration in the rate of historical change. Time and space were contracting; and crises, once "cushioned by oceans and years, now explode in the briefest span of time and are at once echoed almost everywhere" (Conduct and Misconduct of Foreign Affairs, 195). The 20th century, he recognized, had witnessed "a shattering convergence of revolutions in faith, science, politics, and economics, [and] a failure to adjust to the consequences of these revolutions" (Insecurity, 5). The cumulative impact of modern science and technology, he came to believe, had imposed "a qualitative change in the character of human and international relations" (Conduct, 195).

His own experience promoted the quest for understanding. In 1930, the second year of the Hoover administration, he had begun what would be, with interruptions, a lifetime career in the Foreign Service. His first assignment was as vice-consul in Alexandria. In 1932 he was sent on to Warsaw. Bored by consular work, he decided to quit the Foreign Service and write a novel. On a weekend cruise to Stockholm, he saw a pretty Polish girl as she stepped out of a contiguous stateroom. Wasting no time, he asked her whether she spoke English. She said, "Yes." This turned out to be her only English word; but, from Charlie's viewpoint, what word could have been better?—and she learned more words later. He married his lovely Irene in Warsaw in 1934.

He wrote away on his novel in Greenwich Village. His memoirs remain mute about its fate. The excitements of New Deal Washington were evidently too compelling. He joined the march to Washington, worked for Harry Hopkins in the WPA and for Rexford Tugwell in the Resettlement Administration and remained a New Dealer the rest of his life. Then one of his Princeton professors, who had gone to the State Department, invited him to serve as his deputy in the new Office of Arms and Munitions Control. Returning to a diplomatic career, still under 30, he was thrust into the center of the problems raised for American policy by the neutrality legislation of the day—problems that compelled him to attend to wars from Ethiopia and Spain to China. By the end of the decade he was helping to administer the moral embargo against Japan.

Then came Pearl Harbor and the customary

tumult of war jobs. In retrospect, what affected him most were clearly his assignment in 1942 as secretary of the Subcommittee on Security Problems of the State Department's Advisory Committee on Post-War Foreign Policy and his subsequent assignment in 1944 as executive secretary of Cordell Hull's Policy Committee. This second job involved him deeply in the Dumbarton Oaks conference, where he served as secretary of the committee dealing with the security and enforcement powers of the projected United Nations. Here he helped draft the critical security sections, Chapters VI and VII, of the United Nations Charter. Subsequently he assisted in the birth of the UN in San Francisco as assistant to the Secretary of State.

Charles Yost's experience in American arms export policy in the 1930s and in international organization planning in the early 1940s gave him an unusual training in multilateral diplomacy. This came in a day when professional Foreign Service outlook and advancement still firmly resided in the traditional structure of bilateral relations. The tension between bilateral and multilateral approaches to international affairs has been—and remains—a pivotal issue in the conduct of American foreign policy. Among the professionals, Charlie was one of the first to see international relations in the new dimension.

After the war he returned to the bilateral life. But what he called in an engaging phrase "the eternally astonishing roulette of State Department assignments" (*H&M*, 231) sent him, after San Francisco, to Potsdam in 1946, to Vienna in 1947, to Athens in 1950, to Laos in 1954, to Paris in 1956, to Syria in 1958, and then to Morocco—a kaleidoscope of experience that confirmed his conviction that American diplomacy must come to terms with multiple responsibilities in the postwar world.

His quest for an understanding of the breakdown of the old order never stopped. The more he brooded over modern history, the more certain he became that the traditional conception of international affairs as a system effectively ordered by national interest and the balance of power was an illusion; that there had been in the 19th century "really no international system at all," but only "national systems of varying degrees of effectiveness" adding up to "international anarchy" (*H&M*, 29).

National security was indeed the obsession of nations. Charles Yost saw in this obsession the factor that above all obstructed man's capacity to manage the forces of historical change. "The pursuit of security," he wrote, ". . . multiplied and disseminated insecurity" (*Insecurity*, 104). Where others spoke of national security, he spoke of "the insecurity of nations"—the title of his book of 1968—saw that insecurity as chronic and inherent, and traced it to "the very attribute on which nations pride themselves most—their sovereign independence, their 'sacred egoism,' their insubordination to any interest higher or broader than their own" (*Insecurity*, 253). The nation-state, he believed, was becoming obsolescent as a means of international organization, and he wondered how long the human race could stand the exercise of its "fatal charisma" (*Insecurity*, 212).

The way to overcome international anarchy, he concluded, was through the development of international institutions. He did not deceive himself about the difficulty of this undertaking. If the nation-state system had become "too parochial, too clumsy, too competitive and too unscrupulous to serve us safely any longer," still most of mankind remained "subject to its myths," and it was "unlikely to be replaced quickly (*Conduct*, 211). The idea of a "rational organization of human society," he readily agreed, was utopian. But would it seem more utopian in the perspective of history than "the curious endeavors of most of our present leaders, inspired by a passionate and reckless nostalgia, to apply to emerging twenty-first-century circumstances the political, military and economic techniques of the nineteenth and early twentieth centuries"? (*Conduct*, 224). While man's knowledge had expanded, his conduct of international relations "remains almost as primitive, unsophisticated and irrational as it was at the end of the Middle Ages" (*Conduct*, xvii).

Yost's was, as he was never ashamed to confess, a Wilsonian vision of the future. There was, he wrote, "an element of heroic naivete" in that vision (*Conduct*, 75). But "the perils of unbridled nationalism required "international institutions commensurate with the global nature of the challenges we face" (*H&M*, 328). "Wilson," he wrote, "died a broken man; but he will probably be a hero to the twenty-first or twenty-second centuries—if civilization survives until then" (*H&M*, 44).

Possessed by this vision, he renounced in 1961 the normal course of professional advancement, turning down ambassadorships in Yugoslavia, Greece and Austria in order to serve as deputy ambassador to the United Nations. His two chiefs—Adlai Stevenson and Arthur Goldberg—were both men who, each in his own style, shared and pursued the Wilsonian hope. Charles Yost served them with incomparable efficiency and admiring devotion. In 1966 he retired to write a book; but in 1969, to his surprise, he himself became our ambassador to the United Nations, where he strove valiantly, in somewhat adverse circumstances, to keep the vision alive.

His mission in life was to combat what he called "the certifugal forces of chauvinism, parochialism, fanaticism, primitivism, and indifference" (*H&M*, 338) that shadowed the world with violence and war. In a planet consumed by ideological rages, by a nuclear arms race, by a population explosion, by the turbulence of new states, by the depletion of energy resources and by the accelerating velocity of history, he saw no alternative but to seek, frail as the hope might be, for the means of international collaboration. Even those wedded to the harsh truths of *Realpolitik* must acknowledge the desperate necessity of a counterbalancing conception of diplomatic possibility.

Charles Yost's life presents the gallant spectacle of a surpremely rational man trying to make sense of a supremely irrational age. He brought to his vision the tough skills of an exemplary professional diplomat, the stubborn hope of a man of reason and the wisdom of a thoroughly civilized human being. He was a man of gentle strength and of fidelity, humor and patriotism, self-effacing in manner, tenacious in conviction, *suaviter in modo, fortiter in re*. He was blessed by a marriage of singular felicity and children in whom he took the greatest pride. He died, as he lived, quietly and gracefully. He will be cherished by all who encountered him not only as a remarkable staunch and beguiling friend but as a brave pioneer in the hazardous enterprise of building a decent world.

Thinking of Charles Yost, one recalls the great lines of Walt Whitman:

Years of the modern! years of the unperform'd;
Your horizon rises, I see it parting away for more august dramas.
I see not America only, not only Liberty's nation but other nations preparing,
I see tremendous entrances and exits, new combinations, the solidarity of races,
I see that force advancing with irresistible power on the world's stage,
(Have the old forces, the old wars, played their parts? are the acts suitable to them closed?)...
What whispers are these O lands, running ahead of you, passing under the seas?
Are all nations communing? Is there going to be but one heart to the globe? . . .
Unborn deeds, things soon to be, project their shapes around me. . . .
The perform'd America and Europe grow dim, retiring in shadow behind me.
The unperform'd more gigantic than ever, advance, advance upon me.

[From the Washington Post, June 6, 1981]

CHARLES YOST, TROUBLED OPTIMIST

(By Philip Geyelin)

A memorial service was held here this week for Charles W. Yost, a remarkably unassuming hero in the trenches of American diplomacy for most of his 73 years.

He had the slim, wiry look of a long-distance runner, just right for a finely paced career that carried him from diplomatic posts in Austria, Thailand, Poland, Greece, and Paris to ambassadorships in Laos, Syria and Morocco, and finally to the post of U.S. representative to the United Nations. He also had the insatiable curiosity of a scientist, the well-stocked mind of a scholar, and the writing style of an avid reader of good writers.

You can discover all this in a book he published in the last year of his life, misleadingly entitled: "History and Memory: A Statesman's Perceptions of the Twentieth Century." True, it does look back on a long, diverse and distinguished record of service, beginning with Dumbarton Oaks, the San Francisco conference and Potsdam.

But it also looks forward, in a way you can't always expect of a diplomatic memoir. Yost did not just chronicle his experience. He drew on it richly in a final chapter ("The Next Twenty Years; What Is To Be Done?") that ought to be required reading for anybody caught up, one way or another, in the current debate over the proper future course of American foreign policy.

Charley Yost was not easy to summarize. None of the fashionable labels fit—not hawk or dove, Left or Right, conservative or liberal. A Democrat, he worked for Hubert Humphrey's election in 1968, after retiring from the Foreign Service; in 1969 he was summoned back to duty by Richard Nixon to be U.N. ambassador.

He was, in short, a professional. His balanced detachment forced him into that most treacherous of all positions, the center, where most of the world's hardest and most productive diplomatic work is done. It also left him with little use for the sort of single-minded ideology so much in evidence—and vogue—in high places these days.

"The current interdependence of nations means that any substantial action by one nation against essential interests of others rebounds sooner or later to its own disadvantage," he wrote in that summary chapter. The Soviet occupation of Eastern Europe, he cited by way of example, "has not enhanced but placed in constant jeopardy the security of the U.S.S.R."

Similarly, he argued, the vast security network of pacts and commitments that the United States "flung around the world during the Cold War" made it all the more vulnerable to upheavals in Korea, in Vietnam, in the Middle East, in Cuba. "Realism in international affairs today consists less in imposing limits on others than on oneself, less in containing communism or capitalism than containing one's own excessive ambitions and unwarranted fears," he wrote.

But realism, to Yost, also meant recognizing the "engrained and self-righteous disposition to territorial aggrandizement that makes [Russia] such a frightening and dangerous neighbor and that, if the world and the Soviet Union itself are to escape catastrophe, must be curbed either from within or without."

Without illusions, Yost examined the "five factors" that he believed make the human predicament today uniquely precarious: nuclear weapons; the population explosion;

"dangerously diminished" natural resources on which modern societies depend heavily; "a global juxtaposition of peoples . . . created by the revolution in communications" (airplanes, radio and television, satellites, computers); and, finally, "the drastic compression in time of the social strains and transformations that flow from the coincidence of the several revolutions of modern times."

What is to be done? A lot, or very little, was Yost not altogether settling conclusion. It depends on the degree to which mankind "can be persuaded that self-interest now demands much more sophisticated, forbearing, and harmonious accommodations with nature and with our fellow men of all colors and creeds than has been necessary in the past."

Painstakingly and with a clear eye, he explored and identified the pitfalls, limitations and potential of common efforts by allies and adversaries alike to establish some degree of control over nuclear arms, local conflicts, population growth, the ravaging of the environment, the waste of resources and the world economy in a way that might ease the incendiary disparity between rich and poor.

"There is nothing intrinsically insoluble about any of these problems," Yost, a deeply troubled optimist, wrote at the end. "The question is whether human societies as currently organized, nationally and internationally . . . will make the necessary psychological, political, and structural adaptations in time."

How we answer that question, he continued, will determine whether his wise warning leaves us in a mood "of hope or of despair." As for himself, Yost concluded, "I strongly incline to hope."

Mr. PELL. Mr. President, my wife and I join in sending our deepest sympathy and love to his widow, Irena, and to his three children.

A TONY FOR TRINITY

Mr. PELL. Mr. President, at the recent Tony award ceremonies in New York City, a special award for distinguished contribution to the American Theater was presented to Rhode Island's Trinity Square Repertory Co.

For 17 years, Trinity Square has offered professional theater of the very highest quality to the people of Rhode Island and our surrounding communities.

Over the years, Trinity Square's special talents have also been seen and admired by many theatergoers around the country through its visits to New York, Philadelphia, Phoenix, Boston, and Washington. It has developed into a company of national stature with a reputation for presenting the finest theatrical productions.

This distinguished honor, bestowed on Trinity Square by colleagues in the theater community, is an event that all of us who know the company are tremendously proud of.

I want to extend my warmest congratulations to the entire company with a special salute to its founder and continuing director, Adrian Hall, for this impressive and well-deserved award.

I ask unanimous consent that an article from the Providence Journal of June 9, 1981 about Trinity Square's special Tony award be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A TONY FOR TRINITY

Even with their assorted demurrals and sniffs at the commercialism of it all, most of the Trinity Square Repertory Company must have been quietly pleased. The special Tony award they received on Sunday gave added lustre to their growing reputation as a theater ensemble of the first rank. The honor is deserved, as thousands of New England Trinity-goers would attest, and the national attention won't hurt a bit.

There even are likely pluses, beyond the satisfaction of getting another enthusiastic national notice. The Tony's publicity may help at the box office, may bring new television appearances and even could help Trinity Rep withstand pressure for cuts in the grants it depends on from the National Endowment for the Arts. Being justly proud of the award is fine, but the practical benefits could prove of greater value.

Trinity's Tony also underscores the notable achievements of regional theater generally. As devoted playgoers and discerning critics have realized for years, New York has no monopoly on theater of quality. When a regional company such as Trinity Rep can offer brilliant theater in rich diversity, with virtually every production done with imagination and high professionalism, then the whole of the American theater gains. Rhode Island is remarkably fortunate to have such a company in residence, and we're proud to let the rest of the country know it.

MORTGAGE REVENUE BONDS: MAKING HOUSING MORE AFFORDABLE

Mr. PELL. Mr. President, I am pleased to join Senators SASSER, BAKER, BUMPERS, PRYOR, and PACKWOOD in sponsoring S. 1348, a bill to bring about much needed changes in the Mortgage Subsidy Bond Tax Act of 1980.

Homeownership is a much sought after goal for nearly all Americans. Today, however, prospective home buyers find themselves caught in a seemingly endless cycle of high interest rates. Most American families today, seeking to purchase their first homes, are simply priced right out of the market by interest rates, a situation which has had a devastating impact on the homebuilding and real estate industries.

Mortgage revenue bonds have worked well in the past in enabling lower and moderate income citizens to purchase their own homes. Last year, in the Mortgage Subsidy Bond Tax Act, the Congress attempted to place reasonable restrictions on the use of these bonds, to target the limited number of low interest mortgages to those most in need of the subsidy.

Several of the constraints contained in last year's legislation have proved to be unworkable from the standpoint of the State housing agencies which administer the mortgage revenue bond programs.

Consequently, bond issues have dropped dramatically, because of the financial and legal uncertainties created by last year's legislative action.

In enacting the Mortgage Subsidy Bond Tax Act, Congress did not intend to completely shut down this important housing program, although it appears that this could eventually happen unless we act to further clarify the status of these bonds. S. 1348 will remove various technical and legal problems which have prevented the State housing agencies from resuming a full scale mortgage revenue bond program, but this legislation will not undermine or alter the restrictions Congress wisely put on this program last year.

My own State of Rhode Island has been a national leader in the use of mortgage revenue bonds. Since its inception, the Rhode Island Housing and Mortgage Finance Agency has issued over $1.1 billion in bonds, assisting thousands of Rhode Islanders to own their own homes, where they otherwise would have been unable to achieve this goal because of high interest rates.

A sound mortgage revenue bond program is essential in Rhode Island, helping people to purchase their own homes, creating jobs in the construction industry, and expanding the local economy.

The demand for housing in Rhode Island is increasing at an unprecedented rate, as it is nationally, as new households enter the homebuying market each year.

One of the key problems in meeting this demand for new housing is affordability for the first time homebuyer. The modifications contained in S. 1348 will permit the mortgage revenue bond program to continue meeting this need, and I hope that the Finance Committee will schedule early action on this legislation.

WARREN CHRISTOPHER AND THE "LESSONS OF IRAN"

Mr. PELL. Mr. President, this Nation suffered through a terrible ordeal when 53 of our citizens were taken and held hostage in Iran. Such a tragedy must never be allowed to happen again—we must learn from that horrible experience in order to avoid its repetition elsewhere.

Warren Christopher, the former Deputy Secretary of State who negotiated the agreement that brought our people home safely, has recently made an important contribution to that learning process.

In an address to the Los Angeles County Bar Association on May 26, Mr. Christopher set forth very cogently what he believes are the "Lessons of Iran."

Among the lessons Mr. Christopher draws from the hostage crisis is the wisdom of seeking negotiated settlements for international disputes. He emphasizes that, as was the case in this instance, negotiations can sometimes lead to a peaceful resolution of the problem without entailing any concessions on the part of the United States.

Mr. President, I ask unanimous consent that Mr. Christopher's thoughtful and thought-provoking address be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LESSONS OF IRAN

(By Warren Christopher)

"Bad times have scientific value," Emerson wrote. "These are occasions a good learner would not miss."

All of us, especially the people directly affected, would have preferred to miss the hostage ordeal in Iran. But it is there, sitting squarely astride our collective memory. We had best learn from it what we can.

Perhaps we are now ready to begin that process. The hostages have been home for some four months. The national sense of relief is dispersing; the celebrations have ended. Possibly even our sense of outrage toward the Iranians is beginning to abate. We may be approaching the level of detachment necessary to comprehend the crisis more fully.

There are five broad areas in which I think the Iran crisis holds valuable lessons.

First, the Iran experience should encourage a sense of realism in our dealings with developing countries. For their internal politics are shaped almost wholly by internal forces, and very little by external pressures. A wise nation, however powerful, understands the peril it invites in confronting the will of another people. Outside powers have an affect, if any, only at the margins.

The reasons the late Shah's regime shattered so swiftly are complex and cumulative. While there were impressive economic achievements, deep inequities remained and corruption was rampant. Too little attention was paid to religion and tradition. Political rights were limited so rigidly for so long that people throughout the country—directly or through family or friends—had been personally touched by official repression the Shah was seen to have sponsored. And the gap between the governing group and those governed remained awesome.

Whatever the cause, by 1978 the Shah's collapse had become inexorable. By then there was probably nothing that he or we could do to prevent it.

Some argue that the hostage crisis would never have happened if we had, in the first place, "stood by our friend," the Shah. But there was no way to do that, short of shooting our way in and occupying the country with full military force.

Alternatively, there were suggestions that we should have encouraged repressive action by the Iranian military, in the context of a military coup against the Shah.

Either course would have caused widespread bloodshed. And neither would have worked. For such policies would have meant siding against most of the Iranian people, who then had the idyllic expectation, and not the subsequent reality, of Khomeini's rule.

We should be thankful President Carter had the wisdom to reject such options. They retain some adherents only because they were not selected and we were spared their consequences.

There is also a lesson here for our broader approach in the developing world. We must take care to recall that our relations are with countries, not just with leaders. We need to broaden our contacts, to make sure that all elements of the population understand our purposes. We must guard against the tendency to identify so narrowly with the personalities in power that we neglect cross-currents of opinion taking sway among the people they rule. Unfortunately, there are too many examples of that tendency in U.S. policy around the world today.

In a second broad area, the Iran crisis offers lessons for our international strategy, in similar conditions and also more generally.

I take sharp issue with those who claim our country lost face because we did not somehow "force" Iran to surrender the hostages. The most common formulation is that we should have issued an ultimatum: if the hostages were not released by a date certain, Iran would have been bombed or invaded.

But consider the probable effects:

The murder of the hostages;

Greater internal and international sympathy, even prestige, for Khomeini;

An end to the international condemnation of Iran, and perhaps a shift of international opinion in Iran's favor;

Disruption of petroleum exports from the Middle East;

And to crown all of these, a probable American entanglement in an Iranian civil war.

However satisfying it might have felt to follow our stormier impulses, I fail to see how such results would have served American interests.

Speaking more broadly, I have yet to see a coherent alternative plan or proposal that would have been likely to force the Iranians to release the hostages.

I also take issue with those who contend we should never negotiate over hostages.

It is a mistake to equate talking with making concessions. On the contrary, we can and should refuse, as we did in this case, to make concessions that imply any form of victory for the kidnappers. We must resolutely resist the kind of outcome that could invite similar acts in the future.

But a presentation that shows our resolve can produce an agreement that withholds concessions and still saves lives.

Circumstances will differ from case to case. Sometimes a bold and skillful strike can be successful, as at Entebbe. But there will be other less propitious times as well. We must be prepared to adapt our strategy to suit the circumstances. A rigid "never negotiate" posture limits the government's ability to find an acceptable outcome. Any predetermined strategy, slavishly followed, could draw us to nightmarish results.

I believe we should grasp, as a central lesson of the crisis, the wisdom in seeking negotiated settlements to international disputes.

That principle was sorely tested in Iran. Khomeini had called the United States the "Great Satan" and had forbidden any diplomatic contact with us. We had enormously complex and painful issues, and no one with whom to raise them.

Nevertheless, in the end it was not the force of our arms, but the force of our arguments—and our economic and diplomatic leverage—that ultimately prevailed.

I recall this not to credit any person, least of all myself, but to celebrate the importance of negotiation. To be sure, the Algerian willingness to mediate, the continuing internal turmoil in Iran, the political evolution there, the Iran-Iraq war—these and other factors had a bearing. But the policy of steady, methodical probing for a negotiated result is what brought this crisis to an end.

This is a fact worth recalling when we weigh our national budgets. Most diplomacy is conducted out of the public eye, and is neither glamorous nor sensational. As we build our defenses, we must also maintain the strength of the American Foreign Service where our national policies are designed and placed in effect. In a world where most things are done by persuasion, even the strongest arms cannot substitute for a clear, convincing voice.

Unfortunately, our budgets do not now reflect this truth. As the military threat grows, our defense budget rises accordingly. But as diplomatic challenges multiply, our professional Foreign Service remains the same or declines. In 1960, we had diplomatic relations with 81 countries; now we deal with 53 more—but with the same number of professional diplomats in the State Department that we had two decades ago. And they must deal not only with 53 more countries, but on a wider range of harder issues than ever before.

We also must take care to retain the people—the men and women of the Foreign Service—whose wisdom and experience have been at the heart of our foreign policy successes, including the resolution of the hostage issue. I have never worked with a more capable, devoted and imaginative group of professionals. Therefore, I am concerned by reports that some of our best career officers, who served prominently during the last Administration, have yet to be assigned to new posts commensurate with their abilities and stature. This trend may lead to the early retirement of many of the ablest professionals in the Foreign Service, depriving the country of incomparable experience and intellectual talent.

In short, it is foolish policy and false economy to fail to give strong support to this indispensable national asset.

Along with the worth of diplomacy, the Iran negotiations underscored the importance of persistence and steadiness in foreign policy—of being prepared to wait, if necessary, until an issue is ripe for resolution.

Over the early months of the crisis it became clear that the hostage timetable would depend, in large part, upon the march of events in Iran that were wholly beyond our control. The most important was the emergence of authoritative leaders who could speak for Iran. It was not until August 1980, 10 months after the hostages were seized, that Iran had a Parliament with power to act on the issue, and it was many weeks more before the lines of authority were clear enough for serious talks. During those long, painful months it was crucial not to be goaded by frustration into an unwise course of action.

There are a number of lessons here:

In a turbulent world, there will inevitably be other instances where problems urgently need solving but we can only see the faintest glimmer of how it might be done. It is right to be impatient over such things as human suffering, war, and injustice. But we need to develop a capacity for steadiness, not in the sense that we accept things as they are, but to bring a constancy to the effort to change them.

In difficult specific circumstances, like those in Iran, government should avoid building up expectations of early success—lest the pressure to act quickly, even if improvidently, become irresistible. We must not let the calendar be an ally of the opposite camp.

At the same time the press and public need to understand that a shortage of news does not necessarily signify an absence of progress. The economic and diplomatic sanctions we and others applied on Iran had a cumulative effect. They played a vital role in the growth of a consensus in Iran that a settlement would serve Iran's interests. So on that score we were making headway even when we appeared to be dead in the water.

A wider understanding of such a phenomenon could lead to greater national steadiness, and thus to more realistic and effective diplomacy.

In a third area, the Iran crisis reminded us of the perilous circumstances in which our diplomats often must perform. Are there better ways to protect them, to prevent takeovers like that in Iran?

Certainly there are ways to improve our posture:

Structural improvements and tightened procedures can make embassies more defensible, and a program of that kind is underway.

Marine guard contingents can be reinforced.

We can thin down embassy staffs, or evacuate, in times of crisis. In Iran, our official staff was cut from over 1400 personnel before the revolution to about 70 in November of 1979.

We can work through international institutions for rules that make sanctions automatic when governments either condone terrorism or engage in such conduct themselves.

But we cannot reduce the risks to zero. Under international law, the ultimate responsibility for the security of diplomatic

missions rests with the host country. That is the only practical course. Transforming our embassies into fortresses, or attempting to ring them with massive defenses of our own, would defeat much of their purpose.

So as we do what we can do to improve security, we should also pay special tribute to the gallantry of our Marine guards around the world. And we should recognize that it takes courage—as well as skill—to be a diplomat in today's world.

Fourth, the Iran hostage crisis also brought home—in a very tangible and immediate way—out stake in global institutions and in the structure of international law.

It has become the fashion to belittle the United Nations as a constructive force in world affairs. Indeed, the shortcomings of the UN system were all too apparent in the hostage ordeal. UN sanctions against Iran were thwarted by an opportunistic Soviet veto. There was no effective way to enforce the orders of the World Court that the hostages had been seized illegally and should be released immediately. Missions to Iran by Secretary General Waldheim and by a special five-member UN commission also proved futile.

Yet for all of these failings, the international community still played an indispensable role.

At the practical level, the solutions to complex aspects of the negotiations were found in established international practice, such as the rules of the UN Commission on International Trade Law. The existence of settled, neutral procedures was a great help in expediting the negotiations.

Even more fundamentally, the political influence of the United Nations was felt at crucial times. From the outset, the General Assembly and Security Council resolutions and the International Court of Justice rulings deprived Iran of any pretense that it was pursuing just claims in a legitimate way against the United States. The resulting isolation contributed to the pressure on the Iranian government.

By the same token, our pursuit of the issue through the United Nations legal machinery stirred international sympathy for our cause. Our course strengthened the inclination of scores of countries—some in public, some very quietly—to help us with diplomacy of their own. In addition, when we imposed sanctions in April of 1980, most countries treated those as legitimate steps. By pursuing all lawful means, we built increased respect both for the law and for ourselves.

The United Nations environment ultimately produced a crucial turning point. In mid-October, Prime Minister Rajai visited the United Nations and sought to focus world attention on Iran's grievances in its conflict with Iraq. But he played to a cold house at the UN. He was told repeatedly that Iran could expect no support from the world community as long as the American hostages remained in confinement. Impressed by the UN experience, he took back to Iran a new appreciation of Iran's isolation and its stake in ending the crisis.

These are events to keep in mind as we contemplate the worth of the United Nations and our participation in it. I do not suggest by any means that criticism ought to be silenced. But we also ought to see beyond the dreary sameness of General Assembly debates. We ought to recognize that the United Nations and its affiliated institutions do far more than vent the anger of the developing world. Indeed, they serve our interest in world stability, grounded on the rule of law.

Finally, I believe the crisis in Iran demonstrated the continuing role of our values in our relations with the rest of the world.

It was our system's inherent concern for human life that caused the government to undertake a massive effort in 1979 to evacuate tens of thousands of private Americans from Iran, and to reduce sharply the diplomatic contingent there.

From the beginning, our values at home also helped define the boundaries of the negotiations. For example, our government could not agree simply to seize any of the Shah's assets we could find and turn them over to Iran. On that issue our bottom line was due process of law. It was immovable.

Indeed, it was largely our respect for individual lives that made this a crisis.

Had we cared less about individual human lives, the holding of fifty-three hostages would not have held the entire nation's attention. Had we cared less, we might simply have written off the people and looked for ways to punish their captors. But our concern about the hostages made it unthinkable for us to deal with the crisis in a callous or cynical manner.

Our respect for human life also provides the essential context for any dealing with terrorists in the future.

We must never be overanxious. The hand of terrorists should not be strengthened. We must be prepared to wait for a settlement as long as it takes—making it clear all the while where the responsibility lies for the safety of people held captive.

But beyond that, I do not believe we can, or should, pretend complacency about the lives involved. For such a choice would trade a principle—and a sacred one—for a tactic.

This can be an excruciating issue. Our values make it harder to operate in situations where others are not so constrained, where the adversary is often cruel and inhumane.

But our values also define us. For our own sake, and also to foster the kind of understanding we want among the people of the world, I think we want to keep and protect our unique definition.

There are compensations as well as costs to a foreign policy built on ideals. In Southwest Asia, the world had been presented a striking contrast between our approach and that of the Soviet Union, whose forces continue still to spill the blood of nationalists in Afghanistan. While we have been restrained, the Soviets have inflicted their bloody preference in dictators on a nonaligned neighbor. Where we have abided by the rule of law, the Soviets have attempted to impose the rule of raw power on a weaker state.

That message has not been lost on other countries and peoples. The Soviet star in the Third World plummeted in the months following the invasion, and ours, correspondingly, has risen. Again, the message for us in this surely is not that we should copy the tactics and standards of our rivals, but that we should spotlight and celebrate the difference. From such a comparison, we can only emerge the stronger and more respected.

Using the sharpened vision of hindsight—and the cooling influence of time—I offer these few thoughts as a tentative assessment of the hostage crisis. What is their sum?

The crisis gave us the chance to grow wiser in our dealings with the developing world.

It underscored for us the importance of steady diplomacy in pursuit of our interests, in contrast to the impetuous resort to force where its use would damage our interests.

It drew our attention to the great contributions, and the legitimate needs, of our diplomatic service.

It brought back to us a tangible return from the international community we have supported.

And in more ways than one, for us and others, the hostage crisis displayed and tested American ideals—and they were found worthy.

As I have reflected on that last night in Algiers, remembering the relief and exhilaration as the hostages came down the ramp alive and remarkedly healthy, I have been reinforced in the conviction that the long, difficult, and often frustrating course we followed was the right course for America.

Now I hope we will examine that experience, honestly and carefully, neither to claim credit nor to cast blame. For it holds lessons that will make our society stronger and our foreign policy more successful.

That is the right course for America too. And there could be no better tribute to those who suffered long months of torment in the service of their country than to learn the lessons of Iran.

THE MURDER OF LIDICE

Mr. PROXMIRE. Mr. President, the Writers' War Board, in 1942, eloquently told us why we should stop genocide. Today is the 40th anniversary of the Lidice massacre, and here is what the Writers' War Board wrote in 1942:

On June 10th, 1941, the German Government proudly and formally announced to the world that its picked murderers had razed the tiny village of Lidice, Czechoslovakia, to the ground; destroyed every structure including the ancient Church of St. Margaret's; killed every man (including the priest) and fifty-two women; driven the surviving women off to "concentration-camps"; and herded the children into "educational institutions." Lidice, they proclaimed, was now forever erased from the map and the memory of the world. This deed they did because of an unproved suspicion that the village had transiently harbored the executioners of the Hangman, Heydrich.

The crime of Lidice is but one of a long and horrible list of crimes. In Jugoslavia, Poland, France, Norway, Belgium, Holland, Luxembourg, Greece, China, the Philippines, the Axis joyfully created ten thousand Lidices, murdered, brutalized, tortured, castrated innocent millions. These are not "atrocity stories." They are facts—facts the Axis governments themselves announced with formal pride. The murder of all the innocent Lidices of the world is their religion. It is what they believe in. It is their form of pleasure, as other men take pleasure in nature or play or love or family, life or art. They like murder.

Two days after the news of Lidice reached America, the Writers' War Board at its regular meeting resolved to do all in its power to make sure that Lidice, far from being destroyed, would never be forgotten. It has helped to do many things that this immortalizing of Lidice might be accomplished. One of them was to ask a great poet, Edna St. Vincent Millay, whether she would write a poem about Lidice. Miss Millay answered the call with this long and deeply moving dramatic verse-narrative. Many will think it is one of the finest pieces of true propaganda to come out of the war.

The radio version was given its successful premiere over the National Broadcasting Company network on the evening of October 19th, with a distinguished cast.

Mr. President, I read the first few lines of Edna St. Vincent Millay's poem:

Ye martyred peoples of this maddened planet,
This Earth, which like a moth about the sun
Today does whirl, as if it would itself
Its own destruction wreak, seeking to fall
In flame from out its orbit, and between
Its sister worlds be seen no more at all:
Human disaster on so vast a scale
The mind can not conceive;
Country by country, town by town,
Village by village, the hurt mind reads down
the painful page
In search of symbols—symbols of the proud,
the fearless
Resistance of free men to the tyrannic rage.

The ruthless act, the edict too inhuman, almost, to believe.
Unflinching Freedom, sane and tearless:
Let now your never to be numbered fact-by-fact prodigious glories
Shine forth in one fierce light against this guilty age . . .
And guide our groping children, born in darkness; be their bright
And hopeful heritage.

Mr. President, today, we in the Senate keep the world waiting by refusing to ratify the Genocide Convention. What are we waiting for? It is time we acted.

ISRAEL'S RAID ON IRAQ'S NUCLEAR INSTALLATION

Mr. SPECTER. Mr. President, within hours after Israel's action against Iraq's nuclear installation, many rushed to judgment criticizing Israel. In my opinion, the complicated considerations and counterconsiderations required much analysis before judgment is entered; and beyond that, the critical questions persist on the Middle East and how to deal with emerging nuclear capabilities in the hands of many nations.

Some of the background facts are worthy of special attention:

Iraq stated in its official government newspaper, Al Tawrah, that:

> The Iranian people should not fear the Iraqi nuclear reactor which is not intended to be used against Iran but against "the Zionist enemy."

Iraq has been developing a rapid and massive nuclear program without a concomitant commercial nuclear plan.

Israel had issued repeated warnings against the development of the Iraqi reactor.

U.S. opposition to the nuclear assistance offered to Iraq by France and Italy had gone unheeded.

As noted in yesterday's Washington Post editorial:

> Americans . . . were not prepared to fight the French on that (France's supplying Iraq with a nuclear reactor) and . . . no relief from the West was forthcoming.

As noted in today's Washington Star editorial:

> It constitutes the ultimate terrorism to menace another nation with nuclear attack.

Iraq has declared itself in a constant state of war with Israel since 1948.

Iraq has consistently refused to sign or negotiate any type of agreement with Israel.

Iraq persists in refusing to refer to Israel by name but rather as the "Zionist entity."

Iraq has repeatedly called for the destruction of the State of Israel.

Iraq continues to supply and finance terrorist organizations that act against Israel.

Iraq ignored international law several months ago by attacking Iran without provocation.

In the light of these facts, consider some questions raised by common law, legal doctrines which may be applicable or at least suggest principles of fairness in the international field:

First, did Israel act reasonably on the recognized international law principle of self-help in the face of the danger posed by Iraq's statement of intent to use nuclear force against Israel;

Second, are the law of self-defense, which is a complete defense to a charge of murder in our courts, and the doctrine of "reasonable force" applicable in the international field to this situation, considering the threats and the capability to carry them out;

Third, given Iraq's statement of intent that its nuclear force was designed for use against Israel and the imminent development of an atomic bomb capability, was there not the joinder of "opportunity and inclination" which justified Israel's conclusion that its very existence was jeopardized; and

Fourth, by analogy to its customary application in civil matters, does the established doctrine of "anticipatory breach" have application to this situation where the facts show compelling reason to conclude that devastating action was planned by Iraq, especially where inaction by Israel would be irreversible?

I do not pretend to have the answers to these questions; I am not sure that all are technically relevant; I do believe these questions and others should be raised and considered.

The judgment of world public opinion requires careful consideration of these and other issues including the acts of commission and omission by the world's leaders on the events which preceded Sunday's raid.

While Israel's conduct should not escape judgment, whether to condone or condemn, the future is more important than the past. In order to preclude each nation from making and executing its own judgments, stronger and more effective international accords must be fashioned by agreement among nations on the realization that nuclear holocaust mandates limitations of nuclear capabilities. India's concern for Pakistan's nuclear power and the Soviet Union's concern for China's nuclear power as well as United States-Union of Soviet Socialist Republics relations require appropriate limitations and control with effective inspection.

In the Middle East, it is essential that the security of all nations be guaranteed. It is intolerable that Iraq refers to Israel as the "Zionist entity" unwilling to recognize Israel's existence, let alone renounce the repeated declarations to destroy the State of Israel. The events of the past few days put us all on notice that there may not be too many days left to act effectively on these issues.

Therefore, I suggest the United States take the lead in seeking a summit meeting of all nations supplying nuclear technology to develop a joint plan for halting the spread of nuclear weapons. Agreement among these nuclear powers is needed forthwith. It should be followed soon by adoption of a new international treaty or action to close serious gaps in the existing agreements on nuclear nonproliferation which do not, in fact, fully cover situations in which nations may be developing nuclear weapons capabilities.

Only in this way can we be sure to keep the peace. Only in this way can we prevent the risk of preemptive strikes against nuclear facilities and prevent nuclear terror from being practiced by nations which show extreme hostility to a neighboring state.

COMMANDER MICHAEL K. HEINZ, U.S. NAVY

Mr. DOLE. Mr. President, tomorrow the U.S. Navy will dedicate the headquarters building of the joint services explosive ordnance program in Indian Head, Md., in memory of its former commanding officer, Michael K. Heinz.

Commander Heinz was born in Claflin, Kans., and Mrs. Heinz, Nancy Jane, now lives in Winfield, Kans.

Mr. President, I ask unanimous consent that my dedication remarks be printed in full.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR BOB DOLE—DEDICATION OF THE HEINZ BUILDING

In words that ring tragically true down through the centuries, Plato warned us, "only the dead have seen the end of war." Such words are elevated by the sacrifice and heroism that have been displaced by selfless men who defend their homes and protect the ideals that make life worth living.

Michael K. Heinz, of Claflin, Kansas, was such a man, and his loss is hard to take. America can hardly spare soldiers like Mike Heinz. He loved the Navy, and lavished on it all the ability and imagination that were his hallmarks. In the jungles of Vietnam, he bolstered a reputation for bravery. He won a host of medals and, even more important, he won the respect and affection of every man he dealt with.

Commander Heinz was still in the springtime of his life when named to command the facility whose headquarters hereafter will bear his name. This made his tragic death only a few months later all the harder to accept. Mike Heinz proved again the truth of the old adage that warns us: The good die young. But it is the quality of his life, and not the suddenness of his death, that remains with us, easing the pain and inspiring others who follow in his path. In an age sadly lacking in heroics, Commander Heinz was a genuine hero. At a time when many Americans wonder if we haven't become too self-absorbed to provide the world with the leadership it craves, Commander Heinz sacrificed supremely. He gave his life to the country he loved second only to Nancy Jane, and in doing so, he epitomized the noblest of traditions of America's citizen soldiers.

As a Kansan, I feel honored to have shared a home-land with such a man. As an American, I am stirred to great pride and confidence in the future by the knowledge that this is a land still capable of producing men like Michael Heinz. To those who knew and loved him, the years may seem lonely—but memories never die, and examples such as his only gain luster with time. If we remember and then practice the ideals of his life, then Michael Heinz will always be with us. If we emulate his courage and his devotion to duty, then he will have a monument even greater than the building that bears his name. He gave everything for us and we can do nothing less for his memory.

TARGETING PART OF THE BUSINESS TAX CUT TO SMALL AND INDEPENDENT BUSINESSES

Mr. FORD. Mr. President, I am pleased to join several of my colleagues

in introducing Senate Resolution 151 expressing the sense of the Senate that at least 15 percent of any business tax cut enacted this year be targeted to small and independent businesses.

There has been a lot of talk in recent months about the need to develop new policies in Government to create a healthier climate for business to encourage increased investment and greater growth in productivity.

We have a new President who has pledged to unleash this Nation's competitive forces and restore the economic incentives of capitalism that have made this country so prosperous. But what is the reason for the popularity behind these economic programs—what is the purpose behind these goals?

It is, more than anything else, in my opinion, to raise the general level of prosperity in this country by bringing inflation under control and creating new jobs.

Nobody can argue with these goals—everybody wants an end to inflation and unemployment. But the question is—how? What are the best policies to pursue?

We can look at certain figures and see where economic rejuvenation occurs and then target our tax policies in that direction. I can cite a page full of statistics indicating the major role small business plays in our economy, but one set of statistics is especially telling—the figures showing small business' impact upon job creation.

Somewhere between 80 and 85 percent of all new jobs are created by firms with less than 100 employees.

Around 55 percent of all new jobs are created by independent businesses with less than 20 employees. These figures indicate to me that small business must drive us down the road to economic recovery. If we are to bring inflation under control and end high unemployment through tax policy, that policy should be directed toward small business.

Every year thousands of new businesses are started across this country and every year thousands of small businesses fail. That is, of course, the nature of capitalism, where entrepreneurs assume risk and find economic rewards from those risks. But Government policy should not be a factor contributing to business failure.

Rather, we in Congress, should pursue tax policies that assist small businesses in creating the jobs and technology that will bring the Nation prosperity.

The 1980 White House Conference on Small Business identified capital formation as the single greatest problem confronting small business. Five of the conference's top 10 recommendations dealt with capital formation problems.

In its report of the President, the Commission stated:

> Inflation is also squeezing small companies' cash flows by pushing up costs, inflating the value of inventories, and expanding accounts receivable. Small companies' traditional recourse is to borrow, but current credit policy has pushed interest rates to historic highs that few small companies can afford.
>
> In short, small businesses are being ravaged both by the illness and by the putative cure: By inflation and by the Federal Reserve Board's measures to fight inflation. And small companies have neither the internal resources nor the access to national and international money markets that big companies have to fall back on.

The Tax Reduction Act of 1980, approved almost unanimously last fall by the Senate Finance Committee, attempted to treat these capital formation and retention problems. The bill would have eased cash flow problems by reducing and broadening the corporate tax rates and increasing the maximum accumulated earnings credit and the investment tax credit for used property.

In addition, needed capital would have been attracted to small businesses by provisions in the bill to reduce the capital gains tax, to increase the maximum number of subchapter S shareholders, and to liberalize the employee stock ownership plan tax credits.

The bill would have given small businesses a 13 percent share of the business tax cut in 1982 and that is exactly what must be a part of the tax reduction package Congress will be considering this summer.

The stability of the small business community is a key determinant of the economic health of our Nation. Study after study has documented the superior quality of the innovation, productivity and efficiency of the small business community. The self-reliant spirit of private enterprise has paid our Nation handsome dividends, both in material wealth and national character.

Despite these successes, the climate for new, small and independent businesses has deteriorated badly. The trend has been for the big to get bigger at the expense of the small. The problems small businessmen face in retaining capital are astonishing. The cash flow difficulties are leading increasingly to bankruptcies.

Mr. President, the small business community is the backbone of the free enterprise system as we know it in this country. Small business should be guaranteed a portion of the tax bill which we will soon consider. Not only does this sector need such relief, but small business will return great dividends in the economic growth of the country.

NO MONEY TO WASTE—EVEN IN DEFENSE

Mr. DOLE. Mr. President, yesterday every Senator was given a copy of a little green book. I just happen to have my little green book with me. It contains the familiar story of the little guy going up against the big guy—and as the American people all too commonly have come to expect, the big, bad guy is once again our own Federal Government. Through this booklet Julie Research Labs has attempted to call to the attention of those who have been given the responsibility to monitor our huge bureaucracy, this story of a miscarriage of justice.

Julie designed an advanced equipment calibration system for the Army Missile Command and submitted the lowest bid to a 1974 Army request for proposal soliciting bidders to supply such equipment.

Yet the Army rejected this bid even though the Julie system would be seven times more efficient and save the United States as much as $600 million—and it has apparently been trying to cover up this colossal blunder ever since by using every bureaucratic trick in the book, including drawn-out investigations, delayed response to congressional inquiries, and misrepresentations.

This green book represents a unique approach to try and get someone to listen to Julie and help them "buck city hall." It is written in a quick, lively style, punctuated throughout by humorous cartoons like a comic book. I am not sure whether this is evidence that, after all that has happened, Julie still has a sense of humor or that it is an indication of what they feel is the intellectual level of the people they are trying to deal with.

A GAO investigation was eventually launched that found that Julie's claims were essentially correct—it also reported that information the Army supplied to GAO, Congress, and Julie was inconsistent, dilatory in the extreme in being supplied, and less than candid. Meanwhile the Army's calibration level has allegedly fallen into the totally unacceptable 64 percent range.

We are prepared to launch a much-needed increase in defense spending, after many years of neglect. There have been many critics however who question if the Defense Department can efficiently spend the new money without wasting much of it. The Senator from Kansas has not been one of those critics.

There are desperate needs across the board in our military establishment for more nearly adequate funding of training, supplies, ammunition, compensation, habitation, and repair facilities, not to mention the big ticket items like new ships, aircraft, and advanced weapon systems. The mandate President Reagan received for upgrading our military will vanish if decisions such as the Army's on Julie's calibration equipment become the rule—a rule which in this case represents a loss to the taxpayer in the neighborhood of half a billion dollars.

COVER UP OR SAVE HALF A BILLION

The question here is not whether or not the Army is fallible and could make an incorrect procurement decision. No, the issue is that once having been shown how egregiously and stupidly they erred, the Army still refused to acknowledge the mistake or rectify it, in the process saving millions of dollars. So blatantly has the Pentagon tried to cover up or obscure this episode that it is almost more charitable to abscribe motives of cupidity rather than stupidity to their handling of this matter.

Mr. President, we are going through the process each day on the Senate floor and in our committees of trying to reduce Government spending, and we are finding it necessary to make huge cuts in some social programs, in fact the very one being debated today on this floor, the food stamp program, and others. I just hope while we are in the process of doing so, in an effort to restore the economy, that those who have the responsibility would completely investigate the matters contained in the allegations not only in this pamphlet but in

the GAO report, the media reports and the other allegations which I think are rather widespread.

Those at the top of the Army's structure responsible for oversight may be excused, for the time being, for failing to resolve this matter with the hundreds of great decisions facing them in the first months of a new administration.

It is natural to pass the review on this case down to the military bureaucracy most closely associated with the subject, and expect for it to be resolved there, for there are many able, dedicated civil servants who take their responsibilities seriously. In assigning the investigation of this case, however, it seems as though the bureaucracy has failed and has placed the foxes in charge of the henhouse.

The publicity this book by Julie has achieved now makes it impossible for the Army to claim ignorance at the higher levels. Those of us in the Congress who have been laboring to get the budget and the deficit under control, and who have had to trim many popular domestic programs, will now look to the Pentagon to hold up its end of the bargain, and not make our labors appear foolish or have them result in wasted or mismanaged expenditures.

I just suggest that the Secretary of the Army and others have a responsibility now to look into this matter more fully than has been done in the past at this level. I would suggest that there is probably a great deal of justification for the GAO reports and for the comments by Julie Research Lab notwithstanding the fact that, of course, they will expect to gain in the event this error is corrected.

NOMINATION OF FRED J. VILLELLA AS ASSOCIATE DIRECTOR OF THE FEDERAL EMERGENCY MANAGEMENT AGENCY

Mr. STEVENS. Mr. President, I am pleased to support the nomination of Fred J. Villella as Associate Director for Training and Education of the Federal Emergency Management Agency (FEMA).

FEMA's many training and advisory activities have been a valuable source of support and guidance to Alaskan's in their efforts to prepare themselves for a wide range of possible emergencies.

For example, the Agency has enabled us to undertake a study of the potential loss and damage which could accompany another earthquake in the Anchorage area and is now providing similar assistance in the development of an earthquake contingency plan.

The U.S. Fire Administration, and the National Fire Academy in particular, also play an important role in Alaska where their assistance has made possible the implementation of many fire programs. Their help will be even more important in years to come as State and local governments are called upon to shoulder more of the load of local services.

I am happy to say that Louis Giuffrida, the new Director of the Federal Emergency Management Agency, has assured me that the Fire Academy will preserve its identity and purpose, and that Mr. Villella's own statements show his appreciation of the Academy and its continuing significance.

Organizational changes instituted by President Reagan have greatly enlarged the role which training and education are to play in the mission of FEMA as a whole. The elevation of administrative responsibility in this area to the level of associate director and the selection of a man with Mr. Villella's extensive background in the educational side of Federal and State emergency management reflects this increased importance. I strongly recommend his confirmation.

THE REAL COSTS OF THE MX MISSILE

Mr. HATFIELD. Mr. President, there are few issues of greater importance to both the strategic nuclear policy and future economic vitality of this Nation than the final determination of Congress related to the MX missile controversy.

The vital strategic questions surrounding deployment of the MX missile address the missile's clear first-strike threat against an enormous percentage of the Soviet missile force. I believe that this threat will cause a fundamental destabilization of nuclear policy in times of crisis, and an increase in the risk of accidental or preemptive nuclear war initiated by an edgy Soviet leadership.

It is also critical that Congress consider the ultimate costs of the MX missile and its proposed basing system. The unprecedented commitment this Nation is now making to military expenditures is but a down payment on long-term defense costs.

Particularly in the area of new strategic systems, the out-year costs of the commitments we are now making to upgrade and expand every aspect of the Triad will place enormous strains on the capital available for long-term industrial investment and virtually destroy our efforts to balange the Federal budget.

Recently the Congressional Budget Office (CBO), at my request, completed a cost analysis of the Air Force's linear-grid/loading-dock design for basing the MX missile in the southwestern United States. The CBO indicated in this report that the ultimate constant dollar cost of the MX system could range between $40.7–$79 billion.

In the face of a serious Soviet military buildup the number of missiles might have to be doubled and the number of shelters tripled. The original 200 MX missiles and 4,600 shelters in the proposed system would have to be expanded by 1995 to 410 missiles and 13,510 shelters, or the United States would have to deploy a complex and expensive ABM system to defend the MX site.

Although CBO did not project inflation costs for the 1990's, it is clear that the ultimate cost of the MX, if adjusted for inflation and cost overrun, could easily exceed $100 billion.

It is also of more than passing interest that the Air Force submitted clearly faulty data to Congress on the costs of the system. There can be no excuse for the Air Force to submit such obviously transposed and fabricated data on the largest and most visible project in U.S. history.

I believe that it is vital for Congress to consider more efficient, faster, and less provocative solutions to the problem of our ICBM vulnerability. One solution that I have advocated for nearly 2 years is placing a percentage of our existing Minuteman III missile force on a fleet of new, non-nuclear submarines which could be deployed in 1 to 2 million square miles of the coastal waters of the United States. This alternative system of submarine deployment, the shallow underwater mobile (SUM) system, offers enormous positive features compared with any land-based, multiple aim point deployment of the MX missile. It is my expectation that Congress, and particularly the Senate Appropriations Committee, will review with extreme interest the budgetary and strategic impact of the proposed deployment of the MX missile in the months ahead.

I ask unanimous consent that the text of the letter I received from Alice Rivlin, Director of the CBO, as well as the text of the study on the MX system completed by the CBO be reprinted in full in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C.

Hon. MARK O. HATFIELD,
Chairman, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: At your request, we have assembled and reviewed estimates of the costs of the MX missile and basing system, both for the Air Force's baseline program and for larger systems that could be deployed in response to higher Soviet threats. The attached paper describes those estimates.

All the estimates assume deployment of the so-called "linear-grid/loading-dock" design proposed by the Carter Administration. Under this plan, each MX missile would be covertly shuttled among a cluster of 23 concrete shelters that resemble covered loading docks. The clusters of shelters would be laid out along a linear road. As you know, this design is under review by the new Administration. Depending on its decisions, the estimates of costs discussed here could change substantially.

COSTS OF THE AIR FORCE BASELINE PROGRAM

Constant Dollars:

The Air Force has proposed deploying 200 MX missiles in 4,600 shelters. The Air Force estimates, adjusted using CBO price indices, show that this system—which would be designed and deployed between now and 1989—would cost $40.7 billion in constant 1982 dollars. This estimate includes costs for development, procurement, and military construction.

CBO has not attempted any independent evaluations of the Air Force cost estimates. But independent checks have been made by such groups as the Defense Science Board and the Air Force's independent cost analysis group. These checks suggest that the estimated cost of the MX missile itself, which accounts for about 28 percent of the total, seems about right. Military construction costs, which account for about 31 percent of the total, are more likely to increase. One independent assessment suggested that increases of about 14 percent, or about $1.8 billion, might occur. The remainder of the

costs have been reviewed less thoroughly by these groups, in part because of the frequent changes in design that have been made in recent years.

Current Dollars:

Using CBO assumptions about inflation and likely rates of spending, the current-dollar cost of the Air Force baseline system would amount to $57.2 billion. It should be emphasized that this includes an estimate of anticipated inflation over the next decade and is therefore highly uncertain.

While assembling these estimates, CBO encountered several problems that influence current-dollar estimates. The Air Force costs, even when converted to current dollars using the data and methods employed by DoD, did not match the numbers supplied to the Congress in the Congressional Data Sheets. These data sheets apparently include costs associated with the linear-grid/loading-dock system only for fiscal years 1982 and 1983; estimates for 1984 through 1986 are based on the earlier "racetrack" design. Moreover, the outlay factors used by the Air Force to translate budget authority into outlays in the data sheets differ from official DoD outlay factors. The effect of these two anomalies is to shift about $1.5 billion in budget authority, plus additional outlays, from the 1982–1986 period to later years.

EFFECTS ON COSTS OF INCREASES IN THE SOVIET THREAT

The Air Force baseline program is designed to allow the MX missile system to survive and retaliate after a Soviet first strike, assuming that the Soviet threat is limited in accordance with the SALT II agreement. But the Soviet threat against MX could be increased, either before the system's planned 1989 completion date or afterward. A wide range of increases is, of course, possible. Using Air Force data and methods, CBO has estimated the costs of building larger MX systems to meet two examples of increased threat, and has also identified some major uncertainties in these estimates.

The total acquisition cost of meeting one possible 1990 Soviet threat envisaged by the Office of Technology Assessment (OTA) could range from $53 billion to $59 billion in constant 1982 dollars. This compares to total acquisition costs of $40.7 billion for the Air Force baseline program. The 1990 OTA threat would have the Soviets attacking MX with 7,000 warheads, substantially more than the number anticipated in designing the baseline program. The $53 billion to $59 billion figure would allow expansion of MX so that an average of 1,000 U.S. warheads could survive such an attack. The $53 billion estimate assumes that, in the face of Soviet expansion, the U.S. abrogates the existing ABM treaty and deploys an anti-ballistic missile defense system to protect MX. The higher $59 billion estimate assumes that it does not.

Costs could rise to $65 billion under a still greater threat that OTA suggests might be possible in 1995. In this case, the MX system could be attacked by 12,000 warheads. The $65 billion estimate assumes the building of an anti-ballistic missile defense, which seems plausible in the face of such a substantial Soviet expansion. Without such a defense, costs could total $79 billion.

These cost estimates are subject, of course, to great uncertainty. The threat estimates themselves at best represent informed speculation. Moreover, the model used in making the estimates is a rough planning model that, while judged reasonable by the Air Force, has not been updated for the latest MX design and may not fully reflect higher costs for labor and materials that such an expanded effort might entail. These problems greatly magnify the uncertainties discussed above in connection with the baseline program, particularly the cost estimates. Finally, a major expansion of the Soviet threat could require responses other than expanding MX, which could alter the results in this paper.

We hope this summary and the attached paper fully meet your needs. If you have questions, or if we can be of further help, please have your staff call Robert Hale (5–1962) or Pat Renehan (5–4844) of my staff.

Sincerely,

ALICE M. RIVLIN,
Director.

COSTS OF DEPLOYING THE MX WEAPON SYSTEM

At the request of the Chairman of the Senate Appropriations Committee, CBO has assembled the costs of deploying the MX weapon system. This paper documents those costs. First, the paper examines the constant-dollar costs of the baseline MX system as estimated by the Ballistic Missile Office (BMO), and briefly reviews two independent estimates that were used to check the BMO's cost figures. Next, the paper examines the current-dollar costs of the baseline MX system as presented in the Carter Administration's budget, and shows differences between these figures and those derived from the BMO's constant-dollar costs for the system. Finally, the paper addresses the implications for the size and cost of the MX system of potential future increases in the Soviet ICBM threat.

MX WEAPON SYSTEM ACQUISITION COSTS IN CONSTANT DOLLARS

The Air Force baseline for the MX weapon system consists of 200 MX missiles deployed in 4,600 horizontal shelters in a "linear-grid/loading-dock" configuration.[1] The baseline includes mass simulators to help disguise the locations of the missiles themselves, and a number of features (such as viewing ports in the shelters' roofs) to aid in SALT verification. This system design, ratified by former Secretary of Defense Brown and presented to the Congress in mid-1980, has not been officially revised. It is anticipated, however, that a new system design could be adopted this summer after the civilian panel appointed by Secretary Weinberger to study the MX basing system makes its report.

The Air Force estimates the cost of deploying the baseline MX missile system to be about $28.6 billion in constant fiscal year 1978 dollars. Using CBO inflation estimates, this would represent approximately $40.7 billion in constant fiscal year 1982 dollars. This estimate includes funding for development, procurement, and military construction; it does not, however, reflect any operating and support costs. The total also does not include the cost of military personnel involved in development and production, Department of Energy costs for production of the warheads, community impact assistance funding, or certain overhead costs traditionally not charged to weapons development and procurement programs.

Of this $40.7 billion in fiscal year 1982 dollars, development and procurement of the MX missile itself would account for about $11.4 billion, or 28 percent. Military construction costs would total approximately $12.6 billion, or 31 percent. The remaining $16.7 billion (41 percent) represents other basing-related costs, such as vehicles, support equipment, power, physical security, and command, control, and communications.

VALIDITY OF THE COST ESTIMATES

CBO has not attempted independent cost estimates of the MX weapon system, which would be beyond its resources. A few independent checks of the Air Force's constant-dollar cost figures have already been made, however. CBO's review of two of these studies, and of other Air Force documents, forms the basis of the following remarks.

A consensus appears to exist among both civilian and military analysts that estimates of development and procurement costs for the missile itself will prove to be reasonably accurate. Most of the technological and cost uncertainty in the program involves the basing system, including military construction.

THE ICA REVIEW

This consensus was reflected in the results of an "independent cost analysis" (ICA) of the MX weapon system conducted by the Air Force in late 1979 with the participation of the Army Corps of Engineers. The panel conducting the study was to examine the costs of the Air Force's system design; it was directed not to review the system's requirements or technical adequacy. The ICA panel examined the cost estimates for the MX system in the "racetrack" configuration, which was the preferred design at the time of the review.

The ICA panel produced a cost estimate for the development and procurement of the MX missile itself, and the Army Corps of Engineers developed a separate estimate for the military construction costs of the system. As noted above, these two areas represent approximately 59 percent of the total cost of deploying the current linear-grid/loading-dock system baseline. While the ICA panel did not generate independent estimates for the remainder of the system, consisting of basing-related items, it did review the Ballistic Missile Office's cost estimates in most of these areas for "sufficiency." The panel examined the costing methodology used by the Air Force and, where possible, ran independent spot checks on individual system components.

The ICA panel's estimate of the cost of developing and procuring the MX missile itself was about 5 percent lower than that derived by the BMO. The panel concluded that the BMO estimates of the MX missile costs might even be high, and that there was little risk that the costs associated with this aspect of the program would escalate substantially. In contrast, the Army Corps of Engineers' estimate of military construction costs for the MX weapon system totaled 14 percent higher than that of the BMO.[2] The Corps also expressed its opinion that the shelter construction schedule required by the dates set for initial and full operational capability was shorter than the schedule the Corps would have set. The Corps indicated that the accelerated construction rate required could lead to cost escalation in excess of its own baseline estimate.[3] A 14 percent increase in MX construction costs over those in the current linear-grid/loading-dock baseline could total approximately $1.8 billion in constant fiscal year 1982 dollars.

THE DSB REVIEW

Selected MX military construction costs were also examined as part of a Defense Science Board (DSB) review of the MX system in the spring of 1980. Like the ICA team, the DSB panel examined construction cost estimates for the then-preferred racetrack basing design, rather than for the present linear-grid/loading-dock configuration. The DSB team concluded that the road and shelter construction costs developed by the Ballistic Missile Office were reasonable. The DSB's estimate of shelter construction costs was approximately 10 percent higher than that of the BMO, however. This 10 percent factor refers only to shelter construction, whereas the Corps of Engineers' estimate was 14 percent higher for the total system construction cost.

Both the DSB and the ICA panels briefly reviewed the cost of the missile transporter vehicles, an area of potential cost uncertainty. For lack of historical experience in

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Footnotes at end of article.

building vehicles of this size, procurement cost estimates for the transporters were derived by applying a cost-per-pound factor to the system design. Neither panel produced an independent cost estimate for the transporters, although the DSB reviewer concluded that the BMO estimate of the transporter costs was credible. Both panels expressed the opinion that the development schedule for transporters was too short, leaving little time for full-scale testing.

Since no significant changes were made to the missile in moving from the racetrack configuration to the linear-grid/loading-dock basing design, the ICA's comments on missile costs presumably retain their validity. The transporter vehicles were redesigned, however, and their estimated costs increased sharply. The change in basing design resulted in a large decrease in military construction costs, primarily because the designated transportation railway network was deleted and because road and shelter door costs were reduced. The decrease in military construction costs was almost totally offset by the addition of mass simulators to the system baseline, and the increase in transporter costs. As a result, the total MX weapon system cost remained constant even though the basing configuration was changed.

Any further changes in the MX baseline design will affect the cost of the system. The addition of new requirements would increase system costs, but this might be offset, at least in part, by further revisions to the baseline. Indeed, the House Appropriations Committee has identified in a recent report a number of elements that might be reduced or eliminated from the MX system, resulting in considerable cost savings.[4]

CONCLUSION

In summary, the Air Force baseline system of 200 MX missiles in 4,600 shelters would cost about $40.7 billion in constant 1982 dollars for development, procurement, and military construction. Costs for the MX missile itself are unlikely to grow substantially, but there is more chance of escalation in the other costs, particularly the military construction costs.

MX acquisition costs in current dollars

CBO obtained the program cost for the linear-grid/loading-dock baseline in constant fiscal year 1978 dollars from the Air Force and converted these constant dollars into the current-year dollars that ultimately appear in budget documents. This conversion reflects both inflation estimates and outlay (or spend-out) rates.

This conversion shows that the total cost of the Air Force MX baseline in current dollars using CBO inflation and outlay assumptions is $57.2 billion. These funds would be spent over the next decade. This is only slightly higher than the $55.4 billion shown on the Congressional Data Sheets and the $55.6 billion if Air Force economic assumptions are used to convert the Air Force baseline into current dollars.

In doing this conversion, CBO found several anomalies:

The most recent Congressional Data Sheets for the MX program combine the costs associated with the linear-grid/loading-dock system for fiscal years 1982 and 1983 with the costs of the outdated racetrack system for fiscal years 1984 through 1986.

The hybrid schedule shifts $1.5 billion in budget authority from fiscal years 1984–1986 to 1987 and beyond.

The hybrid schedule shifts $0.9 billion among the accounts in fiscal years 1983–1986 in a way that would shift outlays from earlier to later years.

The Air Force uses outlay rates for the MX program that differ from those published officially by the Department of Defense (DoD), with the effect that outlays are shifted from the early years of the MX program to the later years.

These and other minor discrepancies made it difficult to reproduce the Congressional Data Sheets.

Calculation of MX costs from the Air Force cost baseline and comparison with the Congressional Data Sheets

In reviewing the DoD MX cost estimates, CBO examined the economic assumptions and methodology that DoD used to create the most recent official statement of MX investment costs—the Congressional Data Sheets published in support of the January 1982 Carter Administration budget.

The Air Force provided CBO with the Air Force cost baseline in 1978 dollars and a set of economic assumptions that the Air Force stated were used to create the Congressional Data Sheets from the constant-dollar baseline. Using these economic assumptions and the Air Force baseline, CBO computed the program by individual appropriation and compared its results with the Congressional Data Sheets. This is summarized in Table 1.

While the results for fiscal years 1982 and 1983 show good agreement, those for the 1984–1986 program do not. From this it appeared that the MX constant-dollar baseline had not been used to create the official DoD MX cost estimate for fiscal years 1984–1986.

CBO was subsequently informed by the Air Force that the costs for fiscal years 1984–1983 did not correspond to the current linear-grid/loading-dock baseline, but were drawn from the earlier racetrack system program. The Air Force representatives stated that the Air Force had attempted in October 1980 to secure from the Office of the Secretary of Defense (OSD) approval of action to incorporate the new (post-April 1980) linear-grid/loading-dock baseline in the Congressional Data Sheets material, and that OSD had approved changes only in the 1982 and 1983 numbers, thus leaving the outdated racetrack program costs for fiscal years 1984 through 1986.

Footnotes at end of article.

TABLE 1.—MX PROGRAM BY FISCAL YEAR, COMPARING AIR FORCE 1978 DOLLAR BASELINE WITH 1981 CONGRESSIONAL DATA SHEETS, BY APPROPRIATION

[In millions of current-year dollars]

Appropriation	1981 and before	1982	1983	1984	1985	1986	To completion	Total
Research, development, test, and evaluation, Air Force:								
Air Force baseline [1]	[2] 2,311.1	2,338.2	2,253.4	1,777.4	1,063.9	457.7	16.4	10,268.1
Congressional data sheets	2,311.1	2,408.7	2,278.8	1,707.7	1,000.9	558.9	333.7	10,599.8
Difference		−20.5	−25.4	+69.7	+63.0	−101.2	−317.2	−331.7
Aircraft procurement, Air Force:								
Air Force baseline [1]			76.6	160.1	141.6	117.0	95.4	590.7
Congressional data sheets [3]								
Difference			76.6	+160.1	+141.6	+117.0	+95.4	+590.7
Missile procurement, Air Force:								
Air Force baseline [1]			1,823.6	4,517.2	5,879.8	5,940.5	7,653.8	25,832.9
Congressional data sheets			1,776.2	4,033.8	5,052.9	5,342.0	9,494.6	25,699.5
Difference			+47.4	+483.4	+844.9	+598.5	−1,840.8	+133.4
Military construction, Air Force:								
Air Force baseline [1]	[2] 178.6	528.5	1,983.7	2,904.3	3,781.4	4,175.9	5,331.3	18,883.7
Congressional data sheets	178.6	521.3	1,983.7	2,715.3	4,450.7	4,615.7	4,632.2	19,097.5
Difference		+7.2		+189.0	−669.3	439.8	+699.1	−213.8
Total:								
Air Force baseline [1]	[2] 2,489.7	2,916.7	6,137.3	9,359.0	10,884.7	10,691.1	13,096.9	55,575.4
Congressional data sheets	2,489.7	2,930.0	6,038.7	8,456.8	10,504.5	10,516.6	14,460.5	55,396.8
Difference		−13.3	+98.6	+902.2	+380.2	+174.5	−1,363.6	+178.6

[1] Computed by CBO using Air Force economic assumptions.
[2] Spread not available; assumes Air Force data sheet is correct.
[3] Not included in congressional data sheets.

Effects of outlay assumptions on MX program costs

The outlay factors that the Air Force used to prepare its submission for the Congressional Data Sheets appear to differ from the official OSD factors that were published in the Financial Summary Tables of the Department of Defense, January 15, 1981, Tab O. In particular, if the Air Force assumptions for outlay rates for 1981 and beyond are used, the MX program would spend out more slowly over early years, and spending would be extended over a greater number of years than with either the OSD factors or the CBO factors (see Table 2). The net effect of using the Air Force's outlay assumptions, rather than the OSD factors, is to increase slightly the total reported costs in current dollars. This occurs because the slower spend-out means more money must be included to pay for future inflation.[5] Use of Air Force outlay assumptions also reduces the outlays attributable to the MX in the early years of the program.

TABLE 2.—PERCENTAGE OF BUDGET AUTHORITY SPENT IN 1ST 2 YRS

Appropriation	Using OSD factors	Using Air Force factors	Using CBO factors
Missile procurement, Air Force	63	43	68
Military construction, Air Force	50	45	43
Research, development, test and evaluation, Air Force	94	91	92
Aircraft procurement, Air Force	52	47	54

MX baseline costs using CBO economic assumptions

CBO converted the Air Force baseline into current dollars using its own economic assumptions (see Table 3). The CBO estimates are close to the Air Force estimates because much higher CBO inflation rates are partially offset by faster spending due to use of CBO outlay rates.

It should be noted that these estimates, which incorporate assumptions concerning outyear estimates of inflation, are subject to considerable uncertainty because of the difficulty in projecting future patterns of inflation. The most fruitful use that can be made of them is to compare the individual estimates with one another rather than viewing the totals as firm absolute costs.

TABLE 3.—INVESTMENT COST OF MX BY FISCAL YEAR

[In millions of current-year dollars]

	1981 and before	1982	1983	1984	1985	1986	To completion	Total
January 1981 congressional data sheets	2,490	2,930	6,039	8,457	10,504	10,517	14,460	55,39
Air Force baseline using Air Force economic assumptions	2,490	2,917	6,137	9,359	10,885	10,691	13,097	55,577
Air Force baseline using CBO economic assumptions	2,490	2,960	6,229	9,470	11,130	11,099	13,837	57,215

Effect of increases in anticipated Soviet threat on MX system deployment costs

As indicated in the first section, the baseline MX weapon system consists of 200 MX missiles deployed in a complex of 4,600 horizontal concrete shelters. It is designed so that approximately half (or 100) of the MX missiles might be expected to survive an attack by a Soviet intercontinental ballistic missile (ICBM) threat constrained by SALT II limitations.

The MX system is scheduled for full operational capability in 1989. In the absence of SALT constraints, however, the Soviet Union might possess enough accurate ICBM weapons by 1990 to target at least one on each MX shelter. If, in the face of an increased Soviet threat, the United States still wanted approximately 100 MX missiles to survive an attack, it would have to choose between increasing the number of shelters and missiles in the system, defending the system with a Low Altitude Defense System (LoADS), or both.[6] The United States would have to begin modifying the system in anticipation of the increased Soviet threat so that the expanded or defended MX system would be in place when the threat was deployed.

This section of the paper addresses the effect on MX system deployment costs of threat levels greater than those used in deciding upon the currently proposed system size. It assumes that at any given threat level the United States would plan to deploy a system such that 100 MX missiles would be expected to survive an attack. Deployment of the current baseline MX system configuration, described in the first section of the report, is also assumed. This basing mode is now under review, however, and a new (or modified) basing design could be adopted within a few months. In that case, system acquisition costs could change significantly. Moreover, costs in this section are subject to important uncertainties that are discussed more fully below.

Projection of future Soviet threat levels

Any projection of Soviet ICBM warhead levels 10 to 15 years in the future is necessarily highly speculative. Such a projection involves estimates of Soviet production capability and assumptions about Soviet intentions. It also requires making a critical assumption about the existence or absence of future SALT constraints; such constraints could severely limit the anticipated threat. For this reason, CBO has chosen to examine the general trends in system cost of a function of a range of threat levels. Particular attention is paid, though, to the threat levels projected by the Office of Technology Assessment (OTA).

In a March 10 briefing on MX missile basing options, OTA projected that the Soviet Union might possess enough "counterforce" ICBM warheads by 1990 to allocate about 7,000 against the MX system, even after setting aside two warheads for every Minuteman silo and a number of other unspecified U.S. targets.[7] OTA made a similar projection for the 1995 Soviet threat, indicating that by that time the Soviet Union might be expected to devote as many as 12,000 ICBM warheads to attacking the MX system alone.

Least-cost MX system configurations corresponding to increased Soviet threat levels

In performing this analysis, CBO has employed a methodology developed by the Air Force for determining the least costly mix between shelters and missiles for a particular threat level, using as a data base Air Force estimates for marginal shelter and missile costs.[8] CBO has also examined MX configurations that would include the Army's proposed LoADS ballistic missile defense system, recognizing that testing and deployment of a mobile LoADS system would require abrogation of the 1972 Anti-Ballistic Missile (ABM) Treaty.[9] Cost-estimating relationships used here for the LoADS system were developed by the Army, and have not been independently evaluated by CBO.

It should be noted that the model used to determine the least-cost solutions identifies rough cost levels for the MX system. It does not provide detailed breakdowns of categories of costs (research and development, procurement, etc.). In addition, the data base used by the model was derived from estimates of the previous racetrack system costs. The Air Force has informed CBO, however, that the cost estimates produced by the model are reasonable for use in comparing costs of alternative systems under the current linear-grid/loading-dock concept. Indeed, the estimates fell within 10 percent of the cost of the current version of the MX system on several test runs performed using the Air Force's more detailed model.

If the United States decided to expand the size of the MX system in anticipation of the 1990 OTA-projected threat (7,000 warheads allocated to the MX system), the least costly mix between missiles and shelters to provide 100 expected MX missile survivors would be about 325 missiles and 8,570 shelters. Development, procurement, and construction costs for a system this size could total approximately $59 billion in constant fiscal year 1982 dollars. This is higher than the $40.7 billion in constant 1982 dollars for the Air Force's baseline program of 200 MX missiles and 4,600 shelters.[10] (Costs of the expanded system could, of course, be significantly higher because system construction would have to be accelerated to meet the 1990 threat. The $59 billion estimate does not account for such an acceleration.)

If, on the other hand, the United States deployed LoADS to defend the MX system against the 1990 OTA-projected threat, deployment of 225 missiles and 5,370 shelters along with 225 defense units would represent the least-cost solution. Total acquisition costs for this system would amount to roughly $53 billion, or about 10 percent less than an undefended system for the same threat level.

Designing an undefended MX system in anticipation of the 1995 OTA-projected threat (12,000 warheads dedicated to destruction of the MX system) would require tripling the number of shelters in the baseline. This would result in a least-cost system of about 410 missiles and 13,510 shelters at a cost of $79 billion. It appears more likely, however, that the United States would decide to abrogate the ABM treaty if faced with the prospect of this very high threat level, and would deploy defense units.[11] Given this decision, the least-cost defended system would be 265 missiles and 8,150 shelters with 265 defense units. Such a system would cost approximately $65 billion to deploy, representing an 18 percent saving over the cost of an undefended system.

Figure 1 demonstrates the general relationship between possible threat levels and the price of least-cost MX system configurations for both defended and undefended systems.

Implications of ballistic missile defense deployment

As shown in the figure, deployment of ballistic missile defense units could greatly decrease the total cost of the MX system, especially at high threat levels. The 1972 Anti-Ballistic Missile Treaty specifically prohibits the development, testing, or deployment of

Footnotes at end of article.

ballistic missile defense systems of components that are mobile land-based, however. Testing of LoADS in a mobile mode would constitute a clear violation of the treaty.[12] At some point in the engineering development of LoADS, therefore, it would become necessary to abrogate, modify, or withdraw from the treaty.[13]

Departure from the ABM treaty could have an important impact on the structure of U.S. offensive strategic forces if the Soviet Union in turn decided to deploy ballistic missile defenses on a large scale. In that case, the United States might be faced with the unpleasant choice of either greatly increasing the number of missile warheads in the U.S. land- and sea-based forces—in the hope of "flooding" Soviet defenses with more warheads than they could destroy—or developing and deploying maneuvering warheads that could evade the Soviet defenses. Either path would prove costly.

Uncertainties in system costs and deployment timing

It should be stressed that a great deal of uncertainty surrounds the costs of greatly expanded or defended MX systems. The first section of this report identified areas of uncertainty that are considered to exist even in the costs of the current baseline MX system of 200 missiles and 4,600 shelters. These uncertainties could be magnified greatly in the case of substantial expansion of the size of the system or acceleration of the rate of system deployment, especially if scarcity of critical resources (such as labor, water, concrete, or other materials) resulted in increased construction costs.

It is possible, on the other hand, that longer production runs and economies of scale could tend to lower the costs of some items, but the net effect is likely to be an increase in costs not reflected in the costs in this report. The LoADS ballistic missile defense system is another source of cost uncertainty. Because the system has not entered full-scale engineering development and is quite far from a production decision, the cost of developing and deploying defense units is certainly subject to substantial revision.

The timing of system deployment would also be a critical consideration. In order to maintain the survivability of the MX system, expansion or defense of the system would have to be complete before an increased Soviet threat was in place. In the case of expanded systems, this could require a significant increase in shelter construction rates over that planned for the current baseline system. The current baseline system, for example, assumes construction of 4,600 shelters over a period of five years (1985 through 1989); expansion of the system to respond to the 1990 OTA-projected threat would entail completion of almost 8,600 shelters in just six years. Even if the required acceleration in shelter construction could be achieved, it might cause an increase in average shelter construction costs.

The relative timing of LoADS deployment would be critical as well. If the MX system depended upon LoADS for its survivability and if deployment of the defense units did not keep pace with shelter and missile deployment, the system would be vulnerable until LoADS reached full operational capability. It might then become necessary to field additional shelters and missiles until LoADS was ready. Delays in LoADS deployment relative to the rest of the system could thus erode the savings that would stem from deploying a defended system.

CONCLUSION

Anticipated increases in the Soviet ICBM threat clearly would require either expansion or defense of the MX system if the United States wished to maintain the survivability of the system. Either expansion or defense would significantly increase MX costs. It must be recognized, however, that a major buildup of warheads would also prove quite costly to the Soviet Union. Any such decision would have to be taken in the context of other Soviet military requirements and in view of their domestic economic constraints. Moreover, a major expansion of the Soviet threat would demand that the United States consider alternatives other than a simple expansion of MX, which could alter the results in this paper.

FOOTNOTES

[1] In this configuration, each cluster of 23 shelters would be laid out more or less along a straight-line road. The missile and its launcher would be separate from the transporter vehicle, which would not enter the shelter. This contrasts with the previously considered "racetrack" configuration, under which the shelter clusters would resemble closed loops. In the earlier concept, a transporter-erector-launcher vehicle (TEL) would reside in the shelter, and would travel inside an additional "shield vehicle" to disguise the location of the TEL.

[2] Because of a misunderstanding between the Corps of Engineers and the Air Force about the design of horizontal shelters and their closures and associated roads, the inital Corps of Engineers' estimate was 25 percent higher than the BMO's. This misunderstanding was subsequently reconciled, with a downward revision of the Corps' estimate.

[3] Land withdrawal proceedings might delay the initial operational capability date. Should this occur without revision of the 1989 completion date, further acceleration of the construction rate would be required. In its February 1981 report, the General Accounting Office (GAO) indicated that the anticipated date for land availability had been slipped by eight months to April 1982, and that the Air Force had not yet revised its previous date of January 1982 for beginning MX site preparation. GAO hence considered the July 1986 initial operational capability date as "questionable." General Accounting Office, *The MX Weapon System: Issues and Challenges*, MASAD-81-1 (February 17, 1981), p. 7.

[4] The report recommended deletion of improvements to the MK-12A reentry vehicle's fuse, reduction of the total number of missile transporters, and elimination of special barriers and viewing ports that had been included in the system to aid SALT verification. See *Procurement Practices of the Department of Defense*, Surveys, and Investigations Staff, House Appropriations Committee (March 17, 1981).

[5] More money is needed under the Air Force assumptions, both because the spend-out rate is lower in the early years and because the spend-out occurs over one or two years.

[6] If a *minimum* of 100 missiles is required to survive, a larger system deployment is needed than if the expected value of MX survivors is 100 (meaning that there is approximately an even chance that the actual number of survivors would fall either above or below 100). It is possible that, in the face of an increasing Soviet threat, the United States would be willing to accept far fewer than 100 surviving missiles. Indeed, some MX proponents argue that even if the expected number of survivors would be zero, the Soviet Union would be deterred from attacking the United States if it had to exhaust its entire ICBM arsenal in attacking U.S. land-based missiles. Others, however, argue that the United States might want more than 100 survivors with which to attack Soviet ICBM silos.

[7] These counterforce warheads are assessed to have a combined accuracy, yield, and reliability sufficient to produce an 85 percent chance of destroying a shelter with each warhead. The OTA briefing does not give any estimate of how many other Soviet ICBM warheads—presumably not as well suited for destroying hardened shelters—would be available for other missions.

[8] See the first section of this report for a discussion about uncertainty in the projected costs of the baseline MX missile system. CBO has not attempted an independent evaluation of these costs.

[9] The LoADS concept proposed by the Army would consist of one defense unit deployed near each MX missile. Like the missiles themselves, the defense units would be mobile, and would move among shelters once or twice a year (whenever the MX missiles were moved). The true locations of the defense units, like those of the missiles, would be hidden from the Soviet Union.

[10] This cost does not include any operating and support costs, nor does it comprise Department of Energy costs for warhead development and production. Unless otherwise noted, all costs in this report refer to acquisition costs (development, procurement, and military construction costs), in terms of constant fiscal year 1982 dollars.

[11] In his March 12, 1980, testimony before the Research and Development Subcommittee of the Senate Armed Services Committee, then Under Secretary of Defense William Perry stated that Soviet deployment of more than twice the number of ICBM warheads permitted under SALT II could drive the United States to defending the MX system.

[12] Deployment of LoADS would violate other provisions of the treaty as well. The first violation would come, though, when the developmental LoADS unit or any of its components became demonstrably mobile.

[13] The ABM treaty states that either the United States or the Soviet Union can withdraw from the treaty if "extraordinary events" jeopardize a country's supreme interests. Six months' prior notification is required, however, before withdrawal.

Mr. HATFIELD. Mr. President, given the vast dependency of the United States and the Western world on oil from the Persian Gulf, there are few areas of the world than that volatile region where the threat of war is more imminent. The possibility of a major war breaking out in that region should oil supplies be interrupted is an undeniably frightening fact of life in the modern age.

It is a paramount irony that those who claim to support this unprecedented buildup of conventional and strategic forces in large measure to protect this oil flow, are sacrificing opportunities to completely terminate our dependency on oil from the Persian Gulf.

As I have previously indicated, the CBO estimates that the proposed MX missile system would alone cost $40.7–$79 billion. What if these funds could be instead utilized in a concerted program to end our dependency on Persian Gulf oil?

I submit for the RECORD a study by the Council on Economic Priorities which analyzes what a shift of MX expenditures to energy efficiency and conservation could do to this country's dependency on foreign oil. This study was completed last year and is based on the very low, $34 billion Air Force estimate of the original MX missile costs.

I ask unanimous consent that the study be printed in the RECORD.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

SHIFTING MX EXPENDITURES TO ENERGY EFFICIENCY: MEMO ON THE NATIONAL SECURITY IMPLICATIONS OF ALTERNATIVE ENERGY DEVELOPMENT

(By Robert DeGrasse, Jr.)

How can we best plan for our future security? In this memo, we highlight the substantial security advantages of pursuing steps toward energy independence in comparison with developing a costly new missile system. While we have not done a complete cost-benefit analysis, we estimate the amount of energy saved by a ten year program transferring funds from development of the MX Missile to a major energy-efficiency program.

In 1979, the U.S. imported about 45 percent of all petroleum products consumed domestically; 31 percent—almost one-third—of those imports came from the Persian Gulf. America's total oil import bill in 1979 cost over $50 billion, about $32 billion more than the entire balance of payments deficit that year.[1]

Undoubtedly, these facts weighed heavily on President Carter when he announced during his State of the Union message that any attempts by the Soviet Union to control the Persian Gulf region would be regarded as "an assault on the vital interests of the United States," and would be "repelled by any means necessary, including military force." A spokeswoman for the Air Force went so far as to argue that the Afghanistan crisis shows the need for the MX Missile. However, threats of war have created concern among allies in Western Europe and Japan who would suffer economic chaos if superpower conflict destroyed Persian Gulf oil production (see Chart I). A desire for restraint underlies their unwillingness to strongly support U.S. response to what may amount to the Soviet Union's Vietnam.

The MX Missile cannot add to the energy supplies. To the contrary, it would consume substantial amounts of energy in construction and operation. The proposition that the MX will enhance U.S. ability to control events in the Persian Gulf is dubious, at best. However, the MX will require substantial capital resources that, if used for energy efficiency, could significantly contribute to U.S. energy supplies and overall economic health.

By transferring the proposed $34 billion expenditure (in 1980 dollars) for the MX to funding a ten-year program subsidizing investments in energy saving measures we estimate that the U.S. could cut oil imports by between 23 and 54 percent and provide over 115 thousand jobs. Such a program would also cut the U.S. balance of trade deficit by about 47 to 116 percent, thus stabilizing the U.S. dollar in foreign currency markets.[2] Results are expressed in a range to include a broad variety of efficiency measures and reflect the uncertainty of conservation pricing projections (see footnotes 3 and 4).

CHART I.—*Percent of oil imports purchased from Persian Gulf nations (1979)*

	Percent
United States	31
Western Europe	63
Japan	73
World-wide	63

Source: Testimony of Deputy Secretary of Energy John Sawhill, Senate Foreign Relations Committee, February 20, 1980.

UNITED STATES ENERGY DEMAND

During 1979, the U.S. consumed just over 78 "quads" (quadrillion British Thermal Units) of energy. There are 172 million barrels of oil in a quad. Energy production and use is displayed by sector in Chart II.

In 1979, the U.S. imported about 2.862 billion barrels of oil, producing 16.64 quads of energy, accounting for about 45 percent of total petroleum consumption and 21 percent of total energy use.

CHART II.—1979 U.S. DOMESTIC ENERGY PRODUCTION AND CONSUMPTION (QUADS)

Sector	Petroleum	Natural gas	Coal	Hydroelectric	Nuclear	Electricity distributed and lost	Total
Residential and commercial	6.9	7.9	0.2			14.5	29.5
Industrial	7.4	7.8	[1] 3.6	[2]		9.9	28.7
Transportation	19.2	.6				[2]	19.8
Electrical energy produced	3.5	3.6	11.3	3.2	2.8	[3] 24.4	
Total	37.0	19.9	15.1	3.2	2.8		78.0

[1] Includes coke.
[2] Less than 0.1 of a quad. Energy produced by wood, geothermal, and waste was also less than 0.1 quad.
[3] Total electricity. Electrical energy is tracked by how it is produced and where it is used. Figures for electricity distribution include over ⅔ portion lost through entropy.

Source: Department of Energy, Monthly Energy Review (March 1980).

If the U.S. Government were to pay for energy efficiency measures in oil using homes and factories instead of building the MX, we could save enough oil by 1990 to offset between 23 and 54 percent of U.S. petroleum imports (see Chart III). This energy efficiency program would offset a substantial portion of the 31 percent of our imports derived from the Persian Gulf.

CHART III.—MX FUNDED: ENERGY EFFICIENCY PROGRAM

[Dollar amounts in billions of 1980 dollars]

Sector	Investment	Investment required per quad saved	Total quads saved	Percent of imports offset
Residential and commercial	$17	$5–$10	1.7–3.4	10–20
Industrial	17	3– 8	2.1–5.6	13–34
Total	34		3.8–9.0	23–54

PROGRAM ASSUMPTIONS

We assume that one quad of energy saved by conservation measures could require between $5 and $10 billion of investment by residential users and between $3 and $8 billion by industrial users. These ranges capture the majority of energy efficiency measures according to researchers familiar with energy pricing.[3] Residential measures falling within this range include: insulating walls and ceilings, adding storm windows, caulking window frames, installing automatic thermostats and purchasing more efficient appliances. Industry could achieve greater energy efficiency by using co-generation, improving furnace, air-conditioning, and machinery efficiencies, and insulating facilities.

Footnotes at end of article.

For both residential and industrial conservers, the cost of saving energy will vary based on the state of existing equipment and facilities. For evample, if a home is already heavily insulated, each additional dollar spent on insulation will yield less energy savings.

For the purposes of this memo, we assume that the federal government would directly purchase any investment in energy efficiency which saved oil within the $5 to $10 billion per quad price range. This would be analogous to present targeted federal subsidy programs designed to induce utilities to shift from petroleum to coal. Some $3.4 billion would be expended each year for ten years equalling the MX's $34 billion. For the purposes of comparing this investment with the MX, we did not assume that subsidies could leverage private funds, even though most federal programs are based on the assumption that tax credits or grants will induce private sector investment substantially greater than the subsidy. Also, we simplified this analysis by not discussing a broader energy conservation program that would save natural gas and electricity in addition to petroleum. On average, if one quad of energy is saved in the residential/commercial or industrial sector, only about 30 percent of the savings will be petroleum unless the program is targeted.[4] A more inclusive energy efficiency program would have the same impact if it were coupled with an interfuel transfer program allowing easier trade-offs between natural gas or electricity and petroleum. We did assume that for each quad of petroleum saved, a quad of imports would be foregone through market pressures and proper public policy.

JOBS AND BALANCE OF TRADE

Roughly 117 to 135 thousand jobs could be provided for ten years in the energy efficiency industry (direct employment) and its suppliers (indirect) by this $34 billion program (1980 dollars). Additional jobs would be created by the multiplier effect of employees spending their wages within the economy. This estimate is based on Bureau of Labor Statistics figures for gross product and employment in the durable goods manufacturing and residential construction sectors.[5] This compares favorably with the approximately 105 to 115 thousand direct and indirect jobs that could be created by the MX Missile for the life of that project.[6]

Our balance of trade deficit in 1979 was $28 billion. If this conservation program had been in place in 1979, it would have trimmed $13.8 to $32.4 billion from U.S. net imports, cutting our balance of trade deficit to between a $14.2 billion deficit and a $4.4 billion surplus (a cut of 48 to 116 percent). We assume that these savings would be used to help pay off the initial investment in conservation and create jobs in the U.S. rather than exporting more dollars abroad and weakening our currency in the international marketplace. The percentage of our trade deficit that would be offset by such a program will at least remain constant since the cost of oil is much higher than the $20.96 average price per barrel in 1979. As the cost of oil goes up, the value of oil offset will increase correspondingly.

CONCLUSION

The most effective solution to the security crisis posed by U.S. dependence on oil from the Persian Gulf is the often discussed goal of energy self-sufficiency. Steps toward this goal would begin to defuse the possible super-power confrontation in the area. Such steps would also decrease the concern among oil producing nations like Saudi Arabia that the west is pressuring them to keep oil production high, depleting their most valuable

resource faster than may be economically optimal for them.

The program outlined in this memo indicates the magnitude of the benefits derived from such steps. The health of the economy and our relations with other nations would be greatly enhanced by re-directing the resources which will be poorly used in developing the MX Missile to improving the energy efficiency of the American economy. As Deputy Secretary of Energy Sawhill observed, "only strong additional conservation measures designed to substantially curb demand and an accelerated program of inter-fuel substitution can reduce free world dependence on Persian Gulf Oil."

I would like to thank Dr. Leonard Rodberg of the Public Resource Center, Alan Meier of Lawrence Berkeley Laboratory, Dr. Robert Williams of Princeton University, Charles Komanoff of Komanoff Energy Associates, and Meg Schachter of the Department of Energy for their assistance in developing the methodology for this project and reviewing drafts of the memo.

While this memo was prepared with the advice and assistance of many people, the author is responsible for the estimates made, views expressed, and any errors contained in this project.

FOOTNOTES

[1] Department of Energy, *Monthly Energy Review* (March 1980).

[2] Our analysis is based on the projection of 1979 figures for oil imports and balance of trade deficit to 1990. Deputy Secretary of Energy John Sawhill stated in his testimony to the Senate Foreign Relations Committee on February 20, 1980 that imports will, at best, remain stable through 1985. Inflation in oil prices will bias our numbers downward, making them understate the positive impact of such a program. As oil prices go up, conservation investments are more economical and the negative contribution of oil imports to the balance of trade increases.

[3] The price ranges for conservation energy were chosen to reflect the uncertainty about how much energy each dollar of investment could save in such an ambitious program. Alan Meier of Lawrence Berkeley Laboratory estimates that, at $5 billion a quad, about 28 percent of residential natural gas could be saved by currently cost-effective conservation measures in California. Our program, which seeks to offset a more expensive fuel, petroleum, is projected to save between 27 and 63 percent of residential/commercial and industrial oil use. The government could fully pay for these investments by reallocating the funds earmarked for the MX. Our price ranges for each quad of energy saved are high, underestimating the total import savings, considering the estimates Dr. Leonard Rodberg made in his study *Employment Impact of the Solar Transition* for the Congressional Joint Economic Committee (Washington, 1979). He found that it would cost about $3.8 billion per quad to save 34.7 quads of energy. We would expect that the marginal cost of saving a quad would increase as more conservation measures are employed. Rodberg's program also requires a correspondingly larger investment. Industrial efficiency was priced more cheaply, based on industry's better record in identifying possible savings (see *Energy Future*, Robert Stobaugh and Daniel Yergin, eds. [Random House: New York 1979] Chapter 7, "Conservation: The Key Energy Source," by Daniel Yergin.)

[4] Derived from *Monthly Energy Review* (March 1980) statistics on energy consumption by sector. Petroleum used for electricity production is factored in.

[5] U.S. Department of Labor, Bureau of Labor Statistics, "BLS 1977 Employment Requirements Table," Office of Economic Growth, December 1979. BLS figures indicate that 34.4 thousand employees are required to produce a billion dollars of output (adjusted for 1980 dollars) in household appliance manufacturing. The figure is 39.9 thousand jobs per billion for new residential construction. These sectors provide a range that simulates the energy efficiency industry. We assume that $3.4 billion output is produced every year during this ten year program.

[6] *Ibid*, BLS projections for complete guided missile production indicate that 31 thousand workers are required for a billion dollars of output (adjusted for 1980 dollars). In new highway construction, the figure is 33.8 thousand employees per billion. These industries should simulate the range of employment to develop the MX Missile and its basing mode. We assume, for simplicity, that MX expenditures will be $3.4 billion for ten years.

Mr. HATFIELD. After receiving the CBO estimates of MX missiles costs, I asked the Council to do a new analysis of what such a transfer of between $40 and $80 billion would mean if applied to a 10-year program of energy conservation in this country. The estimate of the Council is based on the following updated chart III which appeared in the 1980 study. The results are, by any analysis, remarkable.

I ask unanimous consent that this chart be printed in the RECORD.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

CHART III

Residential and commercial	$20–$40	$8	2.5– 5	15%–30%
Industrial	20– 40	$6	3.3– 6.6	20%–40%
Total	40– 80		5.8– 11.6	35%–70%

Note: Save between 35 percent and 70 percent of the 1979 $60 billion oil import bill. Save between $21 and $42 billion, or between 75 percent and 150 percent of our $28 billion 1979 balance of trade deficit. Create about 5,000 more jobs each year for each billion dollars spent on the MX.

Mr. HATFIELD. An investment of $40 to $80 billion would save between 35 and 70 percent of the 1979 $60 billion oil import bill to the United States. Since all imports from the Persian Gulf states constitute 31 percent of our oil import total, a $40 billion investment could completely end in 10 years our dependency on oil from that unstable region of the globe.

An $80 billion investment in conservation even given the conservative assumptions of this study, would save a massive 70 percent of our imported oil bill.

There would be remarkable additional benefits from a commitment of such funds to conservation, instead of a costly and deeply flawed strategic concept such as the MX. A $40 billion commitment, according to the council, would also save 75 percent, or $21 billion, of our $28 billion 1979 balance-of-trade deficit. An $80 billion commitment would save 150 percent of that same deficit and create a trade surplus of $14 billion.

The commitment of our resources in this manner would, therefore, remove a major source of potential world conflict. At the same time it would dramatically reduce our imported oil bill and heavy balance-of-trade deficits, both undeniable causes of severe inflationary spiral which is running rampant through the economies of the Western world. In addition, about 5,000 more jobs would be created each year for each billion spent on conservation in the place of the MX.

This is but a single example of what a shift in resources away from a wasteful weapons system and toward higher national priorities can mean in establishing a foundation for peace and stability in a vastly troubled world.

TRIBUTE TO DAN DREYFUS

Mr. JACKSON. Mr. President, it is with a mixture of pride and regret that I rise to inform the Senate that on Friday, June 12, Dr. Daniel Dreyfus, staff director for the minority of the Committee on Energy and Natural Resources, will end his long and distinguished service on the committee staff.

I deeply regret the fact that Dan is leaving, but I am proud of his accomplishments and our long association.

Dan Dreyfus is a remarkable person. He is a civil engineer who holds a doctorate in public administration. He has been involved on the ground in planning and construction of refineries and large projects for private industry and with the Corps of Engineers. He has planned and coordinated multiple purpose water projects for the Bureau of Reclamation. Since 1968 he has analyzed policy issues and prepared legislation for the Senate on a wide variety of energy and natural resources matters.

Among the dozens of legislative measures to which Dr. Dreyfus has contributed major staff work are the following:

National Environmental Policy Act of 1969.

Alaska Native Claims Settlement Act of 1971.

Measures to establish the first federal programs to assist the development of solar and geothermal energy in 1974.

Federal Non-Nuclear Energy Research and Development Act of 1974.

Reorganization Acts of 1974 establishing the Federal Energy Administration, the Nuclear Regulatory Commission, and the Energy Research and Development Administration.

Approval of the Covenant establishing the Commonwealth of the Northern Mariana Islands in 1976.

The Department of Energy Organization Act of 1977.

The National Energy Acts of 1978.

The Energy Security Act of 1980.

For the last 6 years, Dan Dreyfus also has had very significant supervisory responsibilities. In January 1975 Dr. Dreyfus was appointed deputy staff director for legislation, a position in which he supervised staff work on all legislative matters before the then Committee on Interior and Insular Affairs. In recognition of the expanded role of the Interior Committee in energy policy matters, it was redesignated the Committee on Energy and Natural Resources by the Senate reorganization of 1977. In January 1979 Dr. Dreyfus was appointed staff director. In January 1981, upon the Republican assumption of Senate leadership, he became the staff director for the minority of the committee.

Mr. President, this list of accomplishments does not, indeed cannot, ade-

quately describe the contribution Dan Dreyfus has made to the work of the Senate during the last 13 years. He brought to all his assignments a keen intellect, good humor, a willingness to work hard, objectivity, creativity, and a sharp, sometimes biting, wit. Dan is always ready to try something different. He is a licensed sailplane pilot, a certified scuba diver, and a sometime parachutist. Combined with his varied educational and work background, these traits put him outside the stereotype of the bureaucrat, political hack, or impractical academic.

Mr. President, in recent years it has been popular to denigrate Government service. All of us are, I am sure, painfully aware of the decline in respect for our governmental institutions and the men and women who try to make them work. I hope that we can restore the spirit which 20 years ago President John Kennedy reflected when he said:

Let the public service be a proud and lively career. And let every man and woman who works in any area of our national government, in any branch, at any level, be able to say with pride and honor in future years: "I served the United States Government that hour of our nation's need."

Mr. President, it is in that spirit that I salute Dan Dreyfus today. He has truly been a distinguished public servant. I wish him good luck and Godspeed.

Mr. McCLURE. Mr. President, I am delighted that I was in the Chamber at the time the Senator spoke regarding Mr. Dreyfus.

Mr. President, as chairman of the Senate Committee on Energy and Natural Resources, I, too, rise in deep respect and join the distinguished Senator from Washington and other Members of this Chamber in paying our highest compliments to Dan Dreyfus, minority staff director for the committee.

As a Member in the House, I had occasion to work with Dan when he was the professional staff member under the Water and Power Subcommittee of the Senate Committee on Interior and Insular Affairs. I learned then to value his advice and counsel. When I came to the Senate in 1972, it was my good fortune to become a member of the Senate Interior and Insular Affairs Committee and my association with Dan became even closer.

I know that as elections come and go, the makeup of the Senate may change but the institution continues. Dan Dreyfus, in his 13 years on the Senate staff, has epitomized that continuity. His superb impartial guidance, and I speak from personal experience, has been a steadying influence—first on the committee and then on the entire Senate. Dan is a professional, and his advice has been sought by Senators on both sides of the aisle. He earned the trust of all those who admire professionalism.

Many times over the years I have appreciated his candor and sought his counsel. Often his sharp humor and wit would cut through an atmosphere of impasse in mark up or conference committee. Many times he brought back from the end of the diving board Senators and Congressmen who had gotten off track.

His staff skills are too numerous to enumerate. The significant bills which bear the Dreyfus imprint would encompass virtually every major bill reported by the Senate Energy and Natural Resources Committee for the past 13 years.

Although Dr. Dreyfus is leaving his capacity as staff on June 12, his influence will long remain.

Dan, thank you for your service to me, the committee, the Senate, and the United States.

Mr. JACKSON. Mr. President, I thank the distinguished chairman of the Committee on Energy and Natural Resources for his generous comments.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Public Law 94-399, appoints the Senator from New York (Mr. D'AMATO) to the Temporary Commission on Financial Oversight of the District of Columbia, in lieu of the Senator from Vermont (Mr. LEAHY).

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PRESIDENTIAL APPROVALS

A message from the President of the United States reported that on May 22, 1981, he had approved and signed the following act:

S. 730. An act to insure necessary funds for the implementation of the Federal Crop Insurance Act of 1980.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MATHIAS, from the Committee on the Judiciary, without amendment:

S. 255. A bill to amend the patent law to restore the term of patent grant for the period of time that nonpatent regulatory requirements prevent the marketing of a patented product.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PERCY, from the Committee on Foreign Relations:

J. William Middendorf II, of Virginia, to be the Permanent Representative of the United States to the Organization of American States, with the rank of Ambassador.

Thomas O. Enders, of Connecticut, a Foreign Service officer of the class of Career Minister, to be an Assistant Secretary of State.

(The above nominations reported from the Committee on Foreign Relations with the recommendation that they be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs:

William A. Niskanen, Jr., of California, to be a member of the Council of Economic Advisors;

Stephen May, of New York, to be an Assistant Secretary of Housing and Urban Development;

Judith L. Tardy, of Virginia, to be an Assistant Secretary of Housing and Urban Development;

Stephen J. Bollinger, of Ohio, to be an Assistant Secretary of Housing and Urban Development;

Antonio Monroig, of Puerto Rico, to be an Assistant Secretary of Housing and Urban Development; and

Lawrence J. Brady, of New Hampshire, to be an Assistant Secretary of Commerce.

ORDER FOR SEQUENTIAL REFERRAL OF THE NOMINATION OF JUNE GIBBS BROWN

Mr. STEVENS. Mr. President, I ask unanimous consent that if and when the Committee on Commerce, Science, and Transportation reports the nomination of June Gibbs Brown, to be Inspector General of the National Aeronautics and Space Administration, it then be referred to the Committee on Governmental Affairs for not to exceed 20 calendar days.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, COMMITTEE ON FOREIGN RELATIONS, UNDER AUTHORITY OF SEC. 22, PUBLIC LAW 95-384—22 U.S.C. 1754(b), FOR THE PERIOD JAN. 1 TO MAR. 31, 1981

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Charles H. Percy: [1]									
Switzerland	Franc	972	600.00					972	600.00
Switzerland	Franc			1,604	998.13			1,604	998.13
United States	Dollar				1,211.00				1,211.00
United States	Dollar				497.00				497.00
United States	Dollar				1,228.00				1,228.00
Russia	Ruble	343.20	520.00	226.50	343.18			569.70	863.18
Belgium	Franc	6,406	208.00					6,406	208.00
Senator Claiborne Pell:									
Italy	Lira	81,700	89.00					81,700	89.00
Broadus Bailey:									
Korea	Won	197,702	295.51					197,702	295.51
Johannes Binnendijk:									
United States	Dollar				2,676.00				2,676.00
Egypt	Pound	210	300.00					210	300.00
Djibouti	Franc	7,920	45.00					7,920	45.00
Saudi Arabia	Riyal	966	300.00					966	300.00
Oman	R.O	76.94	225.00					76.94	225.00
Pakistan	Rupee	2,234.4	226.00					2,234.4	226.00
United Kingdom	Pound	102.28	248.00					102.28	248.00
Belgium	Franc	3,391	117.00					3,391	117.00
Israel	Pound		75.00						75.00
Geryld Christianson:									
Italy	Lira	80,850	88.65					80,850	88.6
Total			3,337.16		6,953.31				10,290.4
									5
									7

[1] Includes travel during quarter period Oct. 1 to Dec. 1, 1980.

Mar. 31, 1981.

CHARLES H. PERCY,
Chairman, Committee on Foreign Relations.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BUMPERS:

S. 1349. A bill to amend the act of October 9, 1965; to the Committee on Energy and Natural Resources.

By Mr. MATHIAS:

S. 1350. A bill to authorize the establishment of a Senior Cryptologic Executive Service and Merit Pay and Awards System within the National Security Agency and to make necessary amendments to title 5, United States Code; to the Committee on Governmental Affairs.

By Mr. SYMMS (for himself and Mr. MCCLURE):

S. 1351. A bill to amend section 164 of the Water Resources Development Act of 1976; to the Committee on Environment and Public Works.

By Mr. HATFIELD (for himself, Mr. MELCHER, Mr. STEVENS, Mr. LEVIN, Mr. DURENBERGER, Mr. CRANSTON, and Mr. BAUCUS):

S. 1352. A bill to amend the Internal Revenue Code of 1954 to allow a credit against tax for contributions of certain agricultural products to certain tax-exempt organizations; to the Committee on Finance.

By Mr. LONG:

S. 1353. A bill to amend the Internal Revenue Code of 1954 to allow that portion of the investment credit attributable to the employee plan percentage to be taken against 100 percent of the liability for tax; to the Committee on Finance.

By Mr. KENNEDY (for himself, Mr. MOYNIHAN, Mr. DODD, Mr. LEAHY, Mr. EAGLETON, Mr. LEVIN, Mr. CRANSTON, Mr. HART, Mr. INOUYE, Mr. PELL, Mr. TSONGAS, Mr. PROXMIRE, and Mr. WEICKER):

S.J. Res. 89. Joint resolution on the hunger strike in Northern Ireland; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BUMPERS.

S. 1349. A bill to amend the act of October 9, 1965; to the Committee on Energy and Natural Resources.

FRANCHISE FEES

● Mr. BUMPERS. Mr. President, one of the most serious problems currently facing the National Park Service is the deterioration of a number of the parks' physical facilities such as roads, bridges, lodgings, drinking water and sanitation systems, campgrounds, visitor facilities, and so forth. Both the Congress and the past administrations have too long neglected the maintenance and rehabilitation needs of many of the physical facilities in our national parks, monuments, and recreation areas; and it is time we started doing something about it.

To the credit of President Reagan, one of the priorities of the new administration in the area of natural resources has been an effort to address these needs and seek additional funding to correct these health and safety deficiencies.

Unfortunately, as proposed by the administration, this new program would derive its funds—$150 million in fiscal year 1982—from the Land and Water Conservation Fund. At present, the LWCF is the sole source of funding for the acquisition of park lands by Federal land managing agencies. Under the administration's plan, the fund would be opened up to permit the use of these LWFC moneys for park rehabilitation and restoration projects.

According to Secretary of the Interior James Watt, the reason for recommending this particular source of funding for the program is to make less money available for land acquisition by making the agencies choose between acquiring lands mandated for acquisition by the Congress or repairing a deteriorating physical plant. I have indicated on a number of occasions that I find such a choice unfair and not in the public interest; it is especially unfair to those who own property within park units, for many of those people do not know from one day to the next whether their property will be acquired. This transparent attempt to make less money available to Federal agencies for land acquisition under the guise of a "Park Protection Program" disturbs me, and I plan to vigorously oppose it. Nevertheless, I support the effort to make more funds available for the correction of health and safety deficiencies in our parks. Although I feel the funds should come through the normal appropriations accounts, I will support the $150 million increase in the National Park Service budget in fiscal year 1982 recommended by President Reagan.

In this context, Mr. President, I am introducing a bill today which is designed to make additional funds available to the Park Service for these projects. The legislation accomplishes this goal by earmarking franchise fees paid by concessioners operating in park units to be used for these purposes. Currently these fees, totaling some $4.7 million in 1980, are deposited in miscellaneous receipts in the Treasury. Under the legislation I am introducing today, these funds would be earmarked and made available to the Park Service, subject to appropriation, for the correction of health and safety deficiencies in our national parks.

This approach would serve two purposes. First, as I have said, it would make additional funds available for refurbishing our national parks. While the amount of money is not large, it is certainly significant and will contribute to reducing the backlog of rehabilitation and maintenance projects. Second, I would hope that this legislation would encourage the

Park Service to reassess the method by which franchise fees are calculated so that the Federal Government receives a fair return for the privilege of operating in a national park.

During oversight hearings in 1979 before the Subcommittee on Parks, Recreation, and Renewable Resources, it became apparent to me that the franchise fee formula which has been used by the National Park Service since the early 1960's needed to be changed. William J. Whalen, the Director of the National Park Service at the time, concurred in that assessment:

Franchise fees are now set by a formula which was developed in the early 1960's and based on the national industry profitability for each of the industries operating in our national parks. However, we believe this formula today may not be representative of "value of the service offered" as defined in the concession law. In 1978, the NPS completed, with the assistance of a consultant, a study which will enable us to equitably establish rates charged to the public by concessioners. One of the initial findings of the consultant was that because operations were so diverse throughout the park system, a formula approach to rates for services was not feasible. Based on that same kind of thinking we do not believe that the formula approach for franchise fees works well either.

One of the things that concerns me, Mr. President, is that the Park Service has been studying this matter for 10 years and there has been no change. Perhaps this legislation will give the Park Service some incentive to reform the franchise fee system to more accurately reflect the value of operating within a national park. In most cases, I am convinced that the fees the government receives are too low. Perhaps this legislation will help remedy that situation.

I ask unanimous consent that the bill and a listing of fees collected, be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 1349

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that Section 3 of the Act of October 9, 1965 (79 Stat. 969) is amended by adding the following new subsection:

"(e) Franchise fees collected pursuant to this Act shall be available for appropriation to the National Park Service, without prejudice to appropriation from other sources for the same purposes, for the restoration and improvement of units of the National Park System including construction and rehabilitation of physical facilities within such units.".

FRANCHISE FEES COLLECTED BY THE NATIONAL PARK SERVICE PURSUANT TO P.L. 89-249

[In millions]

Year	Fee collected
1970	$1,772
1971	1,809
1972	1,920
1973	2,166
1974	2,287
1975	2,787
1976	3,389
1977	3,654
1978	3,999
1979	4,889
1980	4,699

●

By Mr. MATHIAS:

S. 1350. A bill to authorize the establishment of a Senior Cryptologic Executive Service and Merit Pay and Awards System within the National Security Agency and to make necessary amendments to title 5, United States Code; to the Committee on Governmental Affairs.

SENIOR CRYPTOLOGIC EXECUTIVE SERVICE ACT OF 1981

● Mr. MATHIAS. Mr. President, I am today introducing the Senior Cryptologic Executive Service Act of 1981. This legislation would authorize the establishment of a Senior Cryptologic Executive Service and a Merit Pay and Awards System within the National Security Agency by making necessary amendments to title 5, United States Code. The bill that I introduce today is virtually identical to legislation which was favorably reported to the Senate during the 96th Congress by the Governmental Affairs Committee. That bill, S. 2116, could not be acted upon prior to adjournment sine die due to the press of business at the end of the 96th Congress.

When the Civil Service Reform Act of 1978 (P.L. 95-454) was passed, the National Security Agency, together with other intelligence agencies, was exempted from coverage until title IV, Senior Executive Service. NBA was exempted from title IV because of security considerations and problems inherent in the integration of personnel of an intelligence agency with those of other executive agencies. The effect of this exemption, however, has been to deprive the National Security Agency of the many advantages of a Senior Executive Service, a useful administrative tool for the staffing and effective management of senior executive positions.

My proposal would remedy this situation. By allowing NSA to establish its own Senior Cryptologic Executive Service, it will eliminate the adverse impact on the National Security Agency of having an executive personnel system at significant variance with the majority of the executive branch.

The Senior Cryptologic Executive Service Act would provide to the Secretary of Defense, or his or her designee for this purpose, the authority to establish, within necessary security constraints, a Senior Crytologic Executive Service and a Merit Pay and Awards System. Both would be comparable to the Senior Executive Service and merit pay and cash awards system established for other executive agencies by the Civil Service Reform Act of 1978. Such provisions are required to insure that treatment of executive personnel of the National Security Agency is equivalent to that of other executives within the executive branch having comparable responsibilities.

Implementation of this system within the National Security Agency would conform, within appropriate security constraints, to the provisions governing the Senior Executive Service in title 5 of the U.S. Code, including those provisions relating to basing compensation and retention on individual and organizational performance, establishing comparable performance awards and ranks, permitting the granting of sabbaticals, authorizing early retirement and removing the limitation on the accumulation of annual leave. The Agency would provide for an election period, similar to the period provided under section 413(c) of the Civil Service Reform Act, during which any employee serving in a position designated for the Service could decide whether to accept or decline conversion.

The Civil Service Reform Act recognized the benefits of rewarding excellence and discouraging lackluster performance through the use of a merit pay and cash awards system. This act would provide to the Secretary of Defense, or his or her designee for this purpose, the authority to establish a comparable system within the National Security Agency, providing NSA with this effective management tool.

Mr. President, this bill touches on important issues that affect the performance and effectiveness of the National Security Agency. In the weeks ahead, I hope that early hearings and considerations of this bill can be arranged.

Mr. President, I ask unanimous consent that the text of the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Senior Cryptologic Executive Service Act of 1981".

SEC. 2. (a) The Secretary of Defense (or his designee) may establish a Senior Cryptologic Executive Service within the National Security Agency comparable to the Senior Executive Service established under subchapter II of chapter 31 of title 5, United States Code. Under the authority of the Secretary of Defense, the Director, National Security Agency, is authorized to adopt administratively those provisions of title 5, United States Code, that the Director considers necessary to administer the Senior Cryptologic Executive Service and to appoint, without regard to the civil service laws, individuals to positions established within the Senior Cryptologic Executive Service.

(b) The Secretary of Defense or his designee may promulgate regulations establishing a Senior Cryptologic Executive Service which—

(1) meets the requirements set forth in section 3131 of title 5, United States Code, for the Senior Executive Service;

(2) provides that positions in the Senior Cryptologic Executive Service meet requirements which are consistent with those in section 3132(a)(2) of title 5, United States Code;

(3) notwithstanding any limitation on compensation set out in any other law, provides rates of pay for the Senior Cryptologic Executive Service which are not in excess of the maximum rate of less than the minimum rate of basic pay established for the Senior Executive Service under section 5382 of title 5, United States Code, and which are adjusted at the same time and to the same extent as rates of basic pay for the Senior Executive Service are adjusted;

(4) provides a performance appraisal system for the Senior Cryptologic Executive Service that is consistent with the principles of the provisions of subchapter II of chapter 43 of title 5, United States Code:

(5) provides for removal consistent with section 3592 of title 5, United States Code, and removal or suspension consistent with

subsections (a), (b), and (c) of section 7543 of such title 5; except that any hearing or appeal to which an employee is entitled shall be held or decided pursuant to procedures established by regulation of the Secretary of Defense or his designee;

(6) permits the Director, National Security Agency, to pay performance awards to members of the Senior Cryptologic Executive Service consistent with the provisions applicable to the heads of agencies under section 5384 of title 5, United States Code;

(7) provides that members of the Senior Cryptologic Executive Service may be granted sabbatical leave in accordance with the provisions of section 3396(c) of title 5, United States Code; and

(8) provides that annual leave of a member of the Senior Cryptologic Executive Service shall not be subject to the limitation on accumulations imposed by section 6304 of title 5, United States Code.

(c) The President, based on the recommendations of the Secretary of Defense, may award ranks to members of the Senior Cryptologic Executive Service in a manner consistent with the provisions of section 4507 of title 5, United States Code.

(d) Notwithstanding any other provision of this Act, the Director, National Security Agency, may detail or assign individuals appointed to the Senior Cryptologic Executive Service to serve in non-Senior Cryptologic Executive Service positions in which the appointee's expertise and experience may be of benefit to the National Security Agency or another Government agency and the appointee shall not lose thereby any of the entitlements or status associated with the appointment in the Senior Cryptologic Executive Service.

(e) The National Security Agency shall submit to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate, at the time the budget is submitted by the President to the Congress during each odd-numbered calendar year, a report on the Senior Cryptologic Executive Service. The report shall include—

(1) the percentage of senior executives at each pay rate employed at the end of the preceding fiscal year;

(2) the number, distribution, and amount of performance awards paid during the preceding fiscal year; and

(3) the number of individuals removed from the Senior Cryptologic Executive Service for less than fully successful performance.

SEC. 3. (a) (1) Section 8336 of title 5, United States Code, is amended by redesignating subsection (k) as subsection (l) and inserting immediately after subsection (j) the following new subsection:

"(k) A member of the Senior Cryptologic Executive Service who is removed from the Senior Cryptologic Executive Service for less than fully successful performance after completing twenty-five years of service or after becoming fifty years of age and completing twenty years of service is entitled to an annuity.".

(2) Section 8339(h) of title 5, United States Code, is amended by striking out "section 8336 (d), (h), or (j)" and inserting in lieu thereof "section 8336 (d), (h), (j), or (k)".

(b) Section 2108(3) of title 5, United States Code, is amended by inserting "or Senior Cryptologic Executive Service" after "Senior Executive Service;".

SEC. 4. The Director, National Security Agency, may promulgate regulations establishing a merit pay system for such employees of the National Security Agency as the Director considers appropriate. The merit pay system shall be designed to carry out purposes consistent with those set forth in section 5401(a) of title 5, United States Code.

SEC. 5. The amendments made by this Act shall take effect on the date of the enactment of this Act.●

By Mr. SYMMS (for himself and Mr. MCCLURE):

S. 1351. A bill to amend section 164 of the Water Resources Development Act of 1976; to the Committee on Environment and Public Works.

COMPLETION OF LEWISTON-CLARKSTON BRIDGE

● Mr. SYMMS. Mr. President, I am pleased to introduce legislation on behalf of myself and my senior colleague (Mr. MCCLURE) to assure the completion of a Corps of Engineers project constructing a bridge across the Snake River between Lewiston, Idaho, and Clarkston, Wash.

Due to delays and the impact of inflation, an additional $2.2 million is needed to complete the approach ramps to the bridge on the Idaho side. Passage of this bill will achieve that goal.

The need for this new Lewiston-Clarkston bridge is a result of the completion in the mid-1970's of the Columbia-Snake River waterway as far as Lewiston. Because the waterway project raised the level of the river and attracted new waterway traffic, the existing drawbridge link between Lewiston and Clarkston was no longer adequate to handle traffic between the two cities.

In order to remedy this problem the Congress in the 1976 omnibus water resources legislation included section 164 which authorized a new, high-level bridge a mile upriver from the existing drawbridge. The cost set in that bill was "not to exceed" $21,000,000.

The Corps went to contract on the bridge in January 1980. Because of inflation, however, the Corps was unable to obtain bids low enough to enable it to complete the bridge as had been envisioned by the Congress. In an effort to deal with this situation the Corps divided up the contract, leaving work on the Lewiston ramp to the future.

I am convinced that the change from the 1976 act, proposed by this bill, is necessary, and fully justified in view of the ongoing nature of the project and that earlier commitment by Congress to the people of the area. This bill does not call for the appropriation of additional funds by the Federal Government. It merely authorizes the Corps of Engineers to complete the project with already available funds and thus is consistent with President Reagan's budget objectives.

In addition, I believe this change needs to be achieved as soon as possible, so that the work can be accomplished in harmony with the existing construction, scheduled to be completed in September 1982.

Mr. President, I am particularly pleased that Senator MCCLURE has joined me in sponsoring this legislation. It was his initiative that led to the passage in the Senate of the original provision in 1976. I ask unanimous consent that a copy of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1351

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 164 of the Water Resources Development Act of 1976 (Public Law 94–587) is amended by deleting the figure "$21,000,000" and inserting in lieu thereof "$23,200,000".●

By Mr. HATFIELD (for himself, Mr. MELCHER, Mr. STEVENS, Mr. LEVIN, Mr. DURENBERGER, Mr. CRANSTON, and Mr. BAUCUS):

S. 1352. A bill to amend the Internal Revenue Code of 1954 to allow a credit against tax for contributions of certain agricultural products to certain tax-exempt organizations; to the Committee on Finance.

FARM TAX INCENTIVE FOR DONATED CHARITIES

● Mr. HATFIELD. Mr. President, today, Senators MELCHER, STEVENS, LEVIN, DURENBERGER, CRANSTON, BAUCUS, and I, are introducing legislation that will offer our Nation's farmers a tax incentive for contributions of surplus, unharvested, damaged or otherwise wasted food commodities to various nonprofit, charitable organizations for distribution to the poor and needy. The practice of gleaning dates back to biblical times when the Israelites were required by Mosaic law to open up their fields to the poor.

Our legislation restores a tax incentive that farmers had until 1969, and one that Congress restored for the corporations, but not for individuals, in 1976. Since most farmers are not incorporated, equity demands a similar tax incentive for those farmers who donate their crops to charitable organizations.

A national gleaning bill addresses the paradox of desperate nutritional needs in a land of plenty. GAO has estimated that 20 percent of all produce in the United States is wasted. The rationale behind the present charitable contribution deduction is in the value to society of the gift that is mutually beneficial to the giver and the receiver. A gift can more effectively channel our available resources to the needy without harming the incentives to work and produce that another Government redistribution scheme could create. The rationale behind a tax incentive is even greater when the crops would be abandoned and used by no one. In essence, a gleaning incentive is cost-effective per dollar of tax expenditure and it promotes a sense of self-worth and initiative that is so often lacking in our redistribution programs.

Mr. President, I am pleased that Representative LES AUCOIN of Oregon is introducing similar legislation in the House of Representatives. His efforts on behalf of gleaning programs over the last few years are to be commended and I intend to work closely with him toward achieving the enactment of this legislation in the 97th Congress.

To those of my colleagues unfamiliar with the term "gleaning," it is—strictly defined—the process of gathering grain or produce following a commercial harvest. In ancient societies, gleaning was usually a matter of course, and indeed,

in Biblical times, the Israelites were required by law to open up their land to the poor to enable them to glean. Gleaning is also quite common today in less-developed agrarian societies, and the practice has even been revived in many parts of our own country in recent years. Our bill, very simply, would build on this experience and encourage the further expansion of gleaning throughout the United States by offering our farmers a 10-percent tax credit based on the greater of the wholesale market value or the most recent sale price for the crops contributed to qualified charitable organizations.

An example of a present-day gleaning program is the Senior Gleaners of Sacramento, Calif. The gleaners pick up crops no one else wants, such as onions too big for a fast food company's hamburgers and cherries too small for a packing company's cans. In 1 year, 2,000 senior gleaners collected 700 tons of left-over fruits and vegetables for themselves and 25 other charitable organizations in northern California.

A typical project in Oregon involves a group of adult gleaners who adopt a senior citizen or handicapped individual and share with them the gathered produce that would otherwise go to waste. A statewide distribution center is being developed that involves common carriers, unions, food industries, National Guard, Salvation Army, Red Cross, United Way, Office of Elderly Affairs, local community action centers, the Oregon Department of Agriculture as well as participating farmers. Testimony before the Senate Finance Committee indicated that in its brief 7-year history, organized gleaning projects in Oregon have gleaned more than 1,755,340 pounds of fresh fruit, vegetables, and nuts, directly benefiting 17,000 individuals.

In no way will the gleaning bill be a panacea for our Nation's low-income people's nutritional problems. Instead it provides a self-help alternative to welfare programs and permits these individuals to stretch their buying power while adding fresh fruits and vegetables to their diets. The limitations of the food stamp program are well known and many of our elderly citizens and rural poor do not participate in the program.

The "national gleaning" bill approach to providing food assistance is an effort designed specifically to reach the poor through the private sector. Because of the severity and the dimensions of both the national and international human problem, Federal food assistance programs will necessarily be required if we are to be successful in meeting the challenge before us. Yet, it seems only prudent in these times of budget constraints and appeals for reduced Federal spending that alternatives to meeting the basic food requirements of our citizens—and millions of others in foreign lands—simply through more Government spending be found. The gleaning approach offers one such alternative.

In Oregon, the State legislature approved a few years ago legislation similar to the gleaning bill we are introducing today, including the 10-percent tax credit on State income tax. In 1977 alone, gleaning programs resulted in the distribution of over 125 tons of produce to more than 1,100 households at a revenue loss to the State treasury of $1,500—the estimate had been $5,000 annually over a 2-year period.

In 1978, almost 170 tons of food was donated to 1,600 households, valued at over $92,000, with a revenue loss of only $2,400. California has also provided a tax incentive to farmers to participate with local gleaning and food bank operations—a simple charitable deduction. Of course, gleaning programs do not exist only in States providing tax incentives, but from all available information, it is apparent that such incentives are important factors in gaining farmer participation and expanding ongoing gleaning programs. In spite of the fact that many of these programs are relatively new, the work that has been done in Oregon, California, and other States throughout the country offers profound evidence that relief efforts in the critical area of food sustenance can be accomplished at the local level, with minimal Federal Government involvement.

The need for this legislation is underscored by one of the major paradoxes of our time. On the one hand, millions of Americans in 1981 continue to suffer from the debilitating effects of hunger and malnutrition, and yet, on the other hand, the General Accounting Office estimated in 1977 that about 20 percent of all food produced in the United States is lost or wasted in 1 year—some 137 million tons, valued at $31 billion. Of this total, loss during harvesting—as opposed to such other categories as storage, transportation, processing, wholesale/retail and consumer, was approximately 60 million tons of food valued at $5 billion.

Based on the average daily caloric intake of a U.S. citizen, GAO estimated that the combined loss of U.S.-produced food grains, meat, sugar, oilseeds, vegetables, fruits, and nuts in 1974 could have had fed an estimated 49 million people. The dimensions of this problem are truly staggering, especially when one considers the responsibility we have as the wealthiest Nation on Earth with the capabilities to feed our own people and millions of others around the world.

Mr. President, before continuing on to other aspects of our gleaning legislation, I feel it necessary, and very timely, to point out an additional implication of the food wasted annually in the United States—energy loss. According to GAO, in crop year 1974, U.S. farmers planted 331 million acres of land to produce food. They used 45 million tons of fertilizer as well as a total of 2.3 billion equivalent barrels of oil, considerable amounts of water, and other inputs in the process. Relating all food loss to the farm resources allocated to producing food, the General Accounting Office estimated that 461 million equivalent barrels of oil were consumed on food ultimately lost. In addition, it is estimated that 66 million acres of land and 9 million tons of fertilizer were used to produce food that was ultimately lost. Proper stewardship of our national resources demands that we make every effort possible to eliminate food waste. We can begin at the harvest level by allowing our poor to glean or receive the benefits of food gleaned on their behalf.

As I mentioned earlier in my remarks, legislation is being introduced today in the House of Representatives by Congressman AuCoin, Democrat of Oregon, which provides a similar tax incentive to our Nation's farmers. Perhaps the major difference between our respective approaches to encouraging gleaning is that Congressman AuCoin's bill provides for purposes of the tax credit that food donated must be "uneconomical" for the farmer to harvest. In other words, only those crops which would otherwise be left in the fields following a commercial harvest would constitute a "qualified crop donation." While this is in a technical sense the true meaning of gleaning, and while it is this otherwise unharvested food we primarily seek to secure for the poor, I have chosen to remove the "uneconomical for harvest" provision from the bill so as not to prevent the envisioned tax benefits from accruing to the farmer who desired to contribute from his food stocks to meet a given need at a given time—the idea being that already-harvested food was at one time, anyway, "economical" to harvest.

Because, almost by definition, gleaned food consists of perishable commodities, the gleaning concept—in its strictest sense—could not be practical for the provision of food to the poor in other lands. However, in removing the "uneconomical for harvest" provision, we open up the opportunity for gleaned food to be used to meet the hunger needs of our fellow human beings in impoverished areas of the world because "stored" food is in most cases nonperishable—the major exception being frozen food—and able to be transported over long distances. As some of my colleagues may remember, just such an international relief effort was undertaken in 1978 when a shipload of wheat was sent by Church World Service to meet the needs of Vietnamese citizens who were dying from starvation. The food was in part donated by farmers who arose to meet the very specific need at the time. Whether or not one agrees with the particular merits of this individual relief operation, it does show that certain limited efforts can be accomplished in the private sector to assist in the alleviation of human suffering throughout the world.

Although most gleaning activities have been established only within the last 6 years, the question of the effect of tax policy on channeling food to the needy dates back to the Tax Reform Act of 1969 and beyond. Prior to the act, the general rule was that a taxpayer who contributed crops to charity was able to deduct the fair market value of the property at the time of the gift. Moreover, no tax was imposed on the appreciation. Thus, a farmer who made a charitable contribution of a portion of his crop not only got a deduction or fair market value,

but also escaped tax on the difference between his cost and the fair market value.

According to the congressional tax-writing committees that considered the 1969 Tax Reform Act, this situation created a serious inequity. The charitable deduction offered to some taxpayers in high marginal tax brackets an incentive to donate rather than to sell the crop. If the cost basis was not a substantial portion of the fair market value of the crop, a gift of the appreciated property would be more valuable than a sale of the crop and subsequent taxation of the profit. The Congress concluded that the charitable deduction was not meant to provide an after-tax benefit so close to or even greater than, the after-tax benefit that would be realized if the item were sold for a profit. With such a substantial tax benefit, the Congress concluded that the attractiveness of the tax savings, not charity, was the motive for the contribution.

The 1969 Tax Reform Act allowed the farmer to deduct only the costs incurred in producing the donated crop. The rule enacted in 1969 not only eliminated the abuses that we have mentioned but drastically reduced contributions of appreciated property to charitable organizations, especially those providing food, clothing, and medical products to the needy. The Senate Finance Committee concluded in 1976 that:

> It is desirable to provide a greater tax incentive than in present law for contributions of certain types of ordinary income property which the donee charity uses in the performance of its exempt purposes.

Thus, the Tax Reform Act of 1976 provided corporations more favorable treatment of contributions of inventory—such as food—to charitable organizations.

The act allowed a corporation deduction for up to half of the appreciation on certain types of ordinary income property contributed to a public charity or private operating foundation. The charitable deduction is generally for the sum of first, the taxpayer's basis in property, and second, one-half of the unrealized appreciation. In no event is the deduction allowed for an amount exceeding twice the basis of the property. Furthermore, no deduction is allowed for any part of the unrealized appreciation which would have been ordinary income—if the property had been sold—because of the application of the recapture provisions relating to depreciation. The associated revenue loss attributed to this change in the 1969 Tax Reform Act was given as $19 million in fiscal year 1969, $22 million in fiscal year 1978, and $24 million in fiscal year 1981 according to the Joint Committee on Taxation.

The 1976 Tax Reform Act thereby reinstituted a tax incentive for corporate donors but not for individual farmers who wish to contribute gleaned crops. It has been estimated that on 1.7 percent of all farms are incorporated and therefore significant numbers of farmers are unable to utilize the 1976 act. Since unpaid family farm workers and self-employed farmers constitute over 79 percent of all agricultural labor, it is highly unlikely that the individual farmer will have costs that are reported as an expense of doing business. Unlike his corporate counterparts who can fully deduct their costs and a significant portion of the appreciation in the crop, the individual farmer is left with no incentive to contribute gleaned crops.

Our legislation simply provides a nonincorporated farmer a tax incentive similar to that already provided his corporate counterpart for the donation of foodstuffs to a charitable organization. The Treasury Department has estimated that the revenue loss on a 10- to 20-percent credit would be a maximum of $5 million. The present charitable deduction allowed for corporate farmers would remain unaffected by this bill.

It is clear that this legislation must meet two essential conditions. First, the Congress has expressed concern that any subsidy provided should not make it financially more desirable for a taxpayer to contribute crops than to sell the produce on the market. Second, the legislation should provide a sufficient tax incentive to contribute crops rather than to abandon usable produce.

In a study by Yale Legislative Services at Yale Law School, Morgan Frankel concluded that as long as the tax credit was below 31 percent—with no cost deduction adjustment—we can be assured that all taxpayers will continue to profit more by selling than by charitable contribution. The Yale study also concluded that a 20-percent tax credit would generate rough equivalence with the corporate incentive presently available. A credit could safely be provided in the 10- to 20-percent range without risking the elimination of an incentive to donate agricultural products.

Since corporations are presently allowed a corporate deduction, my colleagues may be interested in why we chose to utilize a tax credit. Briefly, a tax credit seems desirable for the following reasons:

First, a tax credit is more equitable for all taxpayers since only 1.7 percent of all farms are incorporated and approximately 75 percent of all taxpayers do not itemize on their tax returns.

Furthermore, among itemizers, a deduction generates much greater tax benefits to wealthy donors than to middle-income taxpayers. Why should the tax code subsidize the high-income donor at 70 percent and another at 14 percent for the identical amount of donated crops by both individuals? By providing a tax credit, the tax benefit will be available to all taxpayers—rich or poor—equally, dollar for dollar, since the value of the credits does not fluctuate according to the tax bracket of the taxpayer. According to studies done by the Congressional Research Service and Yale Law School, a tax credit would be a more effective tax policy than a deduction in achieving the goal of encouraging gleaning of fields by charitable organizations.

Second, it would be extremely difficult to extend the current tax deduction for corporate crop contributions to individual farmers, The deduction under current law is calculated on a cost basis and most individuals, family and partnership farms rely much more heavily on nonwage labor than do corporate farms. Almost 79 percent of all agricultural laborers report income that does not show up as an expense of someone's doing business and, therefore, the noncorporate farmer does not include in their cost basis of crops the dominant input of labor. The task of designing a deduction for noncorporate taxpayers that would approximate effects of the current provisions for corporate farmers is difficult in light of the inherent disparities built into the duel level taxation of corporations.

In sum, the provision of a 10-percent tax credit substantially addresses the current advantages for the corporate farmer and is not overly generous so as to allow a return to the abuses of the pre-1969 era.

Mr. President, the national gleaning bill would not only provide an effective complement to our present food assistance programs, but also would encourage private initiative where previously some Government programs have led to passivity. The problem of poverty and hunger is everyone's, but many have lost a personal sense of commitment to the alleviation of such poverty and hunger because the Government has assumed the primary responsibility for carrying on the work. The responsibility for the relief of human suffering must originate at the grassroots level if our governmental efforts are to be successful and maintained over the long term.

The gleaning legislation will provide much-needed assistance to the farmer at a time when he is being asked to grow more for a hungry world, but can only do so at the risk of reducing the price he receives for his crops.

In addition, the gleaning bill will enable a number of eligible charitable organizations to be more responsive to the needs they seek to alleviate in this country and potentially around the world. At a time when millions are struggling to maintain an adequate diet, it behooves us to consider positive and innovative means of reconciling the needs of both the producer of food and those who are truly destitute. We believe strongly that the gleaning concept offers one such option.

I urge my colleagues to give this gleaning bill their careful attention and active support.●

By Mr. LONG:

S. 1353. A bill to amend the Internal Revenue Code of 1954 to allow that portion of the investment credit attributable to the employee plan percentage to be taken against 100 percent of the liability for tax; to the Committee on Finance.

LEGISLATION TO ENCOURAGE THE ADOPTION OF EMPLOYEE STOCK OWNERSHIP PLANS

Mr. LONG. Mr. President, the bill I am introducing today would encourage companies to adopt employee stock ownership plans (ESOP's) by permitting those companies to utilize the credit provided for such plans to offset 100 percent of their tax liability.

Under current law, the investment tax credit may generally be used to offset up to 80 percent of tax liability. That percentage will increase to 90 percent for

1982 and thereafter. In the case of certain energy property, the investment tax credit may be used to offset 100 percent of tax liability. This bill provides that the ESOP credit would receive the same treatment as that now provided for energy property.

Tax credit ESOP's—also known as "TRASOPs" due to their origin in the Tax Reduction Act of 1975—have proven to be particularly popular among capital-intensive industries. Pending legislation (S. 1162) would extend the attractiveness of such plans to labor-intensive companies by providing an ESOP credit based on payroll as an alternative to that now based on investment.

Present law has proven to be problematic for certain ESOP companies. Due to the inability to offset 100 percent of tax liability with the ESOP credit, sponsor companies are finding themselves with ESOP credits which may expire before the company can realize the tax benefit of the credit. This is unfair to employees who may be denied stock in the company due to the operation of current law on their employer. It is also inequitable to companies that embrace this idea but that happen to find themselves in an unfortunate tax posture. In addition, existing law frustrates congressional intent to encourage the widespread use of employee stock ownership plans.

By Mr. KENNEDY (for himself, Mr. MOYNIHAN, Mr. DODD, Mr. CRANSTON, Mr. EAGLETON, Mr. HART, Mr. INOUYE, Mr. LEAHY, Mr. LEVIN, Mr. PELL, Mr. PROXMIRE, Mr. TSONGAS, and Mr. WEICKER):

S.J. Res. 89. Joint resolution on the hunger strike in Northern Ireland; to the Committee on Foreign Relations.

HUNGER STRIKE IN NORTHERN IRELAND

Mr. KENNEDY. Mr. President, I send to the desk a joint resolution on the hunger strike in Northern Ireland in behalf of myself, Mr. MOYNIHAN, Mr. DODD, Mr. CRANSTON, Mr. EAGLETON, Mr. HART, Mr. INOUYE, Mr. LEAHY, Mr. LEVIN, Mr. PELL, Mr. PROXMIRE, Mr. TSONGAS, and Mr. WEICKER, and I ask for its appropriate referral.

The death of four hunger strikers in the Maze Prison in Belfast in recent weeks is a sad day for Ireland and for all who seek peace in Northern Ireland and an end to the violence that has claimed so many lives and scarred so many more in the past decade.

The announcement this week that more prisoners will join the hunger strike is a tragic new escalation of the crisis. Now, before additional deaths and bloodshed occur, it is essential for the parties to make an urgent effort to end this lethal stalemate and to achieve a fair and humanitarian resolution of the issues in the strike.

The joint resolution we are introducing today is designed to help the parties reach that goal. It contains five significant provisions:

First, it condemns the violence on all sides in Northern Ireland.

Second, it urges the parties to explore all possible steps to end the hunger strike.

Third, it urges the British Government, which has clear responsibility for prison administration in Northern Ireland, to exercise greater flexibility with respect to prison procedure. Surely it is possible to achieve a reasonable compromise on issues such as clothing, prison work requirements, and the association of the prisoners, without compromising in any way on the basic principle of opposition to violence. This provision of the resolution also calls on Britain to invite the European Commission on Human Rights or other appropriate independent parties to participate in the effort to settle the strike. In the past, Britain has implemented recommendations of the commission with respect to the modification of prison rules, and a similar initiative at this time by the commission could provide the breakthrough needed to end the current strike.

Fourth, the resolution urges political leaders in Britain, Ireland, and Northern Ireland to seek the earliest possible negotiated settlement of the larger conflict in Northern Ireland. That settlement must be achieved with the consent of all the parties. It must recognize the rights of both the Catholic and the Protestant community. And it must secure full respect for the human rights of all the people of Northern Ireland. The hunger strike is a symptom of a deeper crisis—a crisis that will go on and on in Northern Ireland, until all who truly seek an end to the violence care enough to speak and work for peace.

Fifth, the resolution requests the President to express to the Prime Minister of Great Britain the concern of the American people for an immediate end to the hunger strike and a lasting settlement of the conflict in Northern Ireland. The United States has an important role to play in the search for peace, and the administration should not hesitate to exercise it.

Before more hunger strikers die, before more lives are lost in violent demonstrations, before all the hopeful progress of past months toward a negotiated settlement is lost, it is time for Britain to act to break this endless spiral of death in Northern Ireland, so that leaders of good will may resume their effort to create a lasting peace.

Mr. President, I ask unanimous consent that the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 89

Whereas the continuing violence in Northern Ireland has taken the lives of more than two thousand men, women, and children in the past decade;

Whereas an end to the killing and the violence in Northern Ireland can be achieved only through a political settlement with the consent of all the parties;

Whereas Congress is deeply concerned over the hunger strike in Northern Ireland and the deaths resulting from the strike;

Resolved by the Senate and House of Representatives of the United States in Congress assembled, that—

(1) Congress condemns the violence on all sides in Northern Ireland;

(2) Congress urges the parties to explore all possible steps to avoid further deaths in the hunger strike and achieve an immediate and humanitarian resolution of the issues in the strike;

(3) Congress urges the Government of Great Britain, in order to facilitate the resolution of the issues in the hunger strike—

(a) to exercise greater flexibility in the administration of prison rules in Northern Ireland; and

(b) to invite the European Commission on Human Rights or other appropriate independent parties to participate in the effort to settle the strike;

(4) Congress urges the political leaders in Great Britain, Northern Ireland, and the Republic of Ireland to seek the earliest possible settlement of the larger conflict in Northern Ireland through a negotiated agreement that achieves a lasting peace, that has the consent of all the parties, that recognizes the rights of both the Catholic and the Protestant community in Northern Ireland, and that secures full respect for human rights of all the people of that land; and

(5) Congress requests the President of the United States to express to the Prime Minister of Great Britain the concern of the American people for an immediate settlement of the hunger strike and a lasting settlement of the conflict in Northern Ireland.

Mr. DODD. Mr. President, I am pleased to join Senators KENNEDY and MOYNIHAN today in introducing a joint resolution concerning the ongoing hunger strike in Northern Ireland.

The events of the past few months have dramatically demonstrated that the problems of Northern Ireland cannot be solved by further violence. Nor can the problems of Northern Ireland be solved if the Government of Great Britain adopts an inflexible attitude in dealing with the hunger strikers.

Over the past 10 years, more than 2,000 people have died in the sectarian violence in Northern Ireland. The vast majority of these people have been innocent of participating in any violence themselves; they have been the unfortunate victims of indiscriminate bombings and shootings. And although most of the people in both the Catholic and Protestant communities want nothing more than to live in peace and security with each other, the violence continues.

The current hunger strike by imprisoned members of the IRA has exacerbated the existing tensions in the north. The resolution we have introduced today calls on all parties to the conflict to explore every possible step to avoid further deaths in the hunger strike and to seek a quick, humanitarian resolution of the issues involved in the strike. Specifically, we call on the Congress to urge the Government of Great Britain to exercise greater flexibility in the administration of prison rules in Northern Ireland, and to invite responsible, independent parties to participate in an effort to end the hunger strike.

Recognizing that the hunger strike is just a symptom of a larger dispute, our resolution calls on the political leaders

of Great Britain, Northern Ireland, and the Republic of Ireland to pursue a negotiated settlement to the conflict aimed at achieving a lasting peace, and recognizing the rights of both communities in Northern Ireland while, at the same time, securing full respect for the human rights of all the people.

We in the Congress have a responsibility to speak out forcefully in support of a peaceful resolution, not only of the current hunger strike, but also to the entire conflict in Northern Ireland. If we fail to make our voices heard, our silence may be taken as acquiescence to the violence employed by extremists on both sides.

ADDITIONAL COSPONSORS

S. 98

At the request of Mr. DANFORTH, the Senator from Maine (Mr. MITCHELL) was added as a cosponsor of S. 98, a bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for certain research and experimental expenditures, and for other purposes.

S. 255

At the request of Mr. MATHIAS, the Senator from Massachusetts (Mr. TSONGAS) was added as a cosponsor of S. 255, a bill to amend the patent law to restore the term of the patent grant for the period of time that nonpatent regulatory requirements prevent the marketing of a patented product.

S. 293

At the request of Mr. THURMOND, the Senator from Georgia (Mr. MATTINGLY) was added as a cosponsor of S. 293, a bill to amend the Food Stamp Act of 1977 to prohibit any household from participating in the food stamp program if such household has one or more members on strike as a result of a labor dispute.

S. 395

At the request of Mr. WALLOP, the Senator from Oregon (Mr. PACKWOOD), and the Senator from North Carolina (Mr. EAST) were added as cosponsors of S. 395, a bill to amend the Internal Revenue Code of 1954 to provide estate and gift tax equity for family enterprises, and for other purposes.

S. 517

At the request of Mr. BENTSEN, the Senator from Utah (Mr. HATCH), and the Senator from North Dakota (Mr. ANDREWS) were added as cosponsors of S. 517, a bill to amend the Clean Air Act to provide for further assessment of the validity of the theory concerning depletion of ozone in the stratosphere by halocarbon compounds before proceeding with any further regulation of such compounds, to provide for periodic review of the status of the theory of ozone depletion, and for other purposes.

S. 603

At the request of Mr. ZORINSKY, the Senator from Florida (Mr. CHILES) was added as a cosponsor of S. 603, a bill to amend title 17 of the United States Code to exempt nonprofit veterans' organizations and nonprofit fraternal organizations from the requirement that certain performance royalties be paid to copyright holders.

S. 622

At the request of Mr. INOUYE, the Senator from Vermont (Mr. LEAHY) was added as a copsonsor of S. 622, a bill to control the export of hazardous wastes.

S. 635

At the request of Mr. HEINZ, the Senator from Missouri (Mr. DANFORTH), the Senator from Colorado (Mr. HART), the Senator from New York (Mr. MOYNIHAN), and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of S. 635, a bill to effect certain reorganization of the Federal Government to strengthen Federal programs and policies for combating international and domestic terrorism.

S. 725

At the request of Mr. WALLOP, the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 725, a bill to amend the Internal Revenue Code of 1954 with respect to the treatment of certain shale property for the purposes of the energy investment credit.

S. 777

At the request of Mr. TOWER, the Senator from Georgia (Mr. MATTINGLY), and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of S. 777, a bill to amend the Federal Water Pollution Control Act to restrict the jurisdiction of the United States over the discharge of dredged or fill material to those discharges which are into navigable waters, and for other purposes.

S. 829

At the request of Mr. BAUCUS, the Senator from Minnesota (Mr. DURENBERGER) was added as a cosponsor of S. 829, a bill to amend the Internal Revenue Code of 1954 to provide the cost-of-living adjustments in annuities for survivors of Tax Court judges.

S. 1072

At the request of Mr. PROXMIRE, his name was added as a cosponsor of S. 1072, a bill to amend the Internal Revenue Code of 1954 to provide an exclusion from gross income of interest earned on qualified housing savings certificates.

S. 1131

At the request of Mr. DANFORTH, the Senator from Colorado (Mr. HART) was added as a cosponsor of S. 1131, a bill to require the Federal Government to pay interest on overdue payments and to take early payment discounts only when payment is timely made, and for other purposes.

S. 1175

At the request of Mr. BOSCHWITZ, the Senator from Georgia (Mr. MATTINGLY) was added as a cosponsor of S. 1175, a bill to amend the Internal Revenue Code of 1954 to exclude fringe benefits from the definition of gross income.

S. 1214

At the request of Mr. BOSCHWITZ, the Senator from South Dakota (Mr. ABDNOR) was added as a cosponsor of S. 1214, a bill to amend the Internal Revenue Code of 1954 to eliminate the limitation on the interest deduction for interest paid or accrued on investment indebtedness.

S. 1218

At the request of Mr. WALLOP, the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1218, a bill to amend the Internal Revenue Code of 1954 to allow employees a deduction for savings contributions to employer retirement plans.

S. 1249

At the request of Mr. PERCY, the Senator from Oklahoma (Mr. NICKLES), the Senator from Montana (Mr. MELCHER), the Senator from Arizona (Mr. GOLDWATER), the Senator from Florida (Mr. CHILES), the Senator from Wisconsin (Mr. KASTEN), and the Senator from Iowa (Mr. GRASSLEY) were added as cosponsors of S. 1249, a bill to increase the efficiency of Government-wide efforts to collect debts owed the United States, to require the Office of Management and Budget to establish regulations for reporting on debts owed the United States, and to provide additional procedures for the collection of debts owed the United States.

S. 1279

At the request of Mr. DANFORTH, the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Arizona (Mr. DECONCINI), and the Senator from Maine (Mr. MITCHELL) were added as cosponsors of S. 1279, a bill to amend the Internal Revenue Code of 1954 to exclude from gross income a certain amount of interest earned on the All Savers Certificate offered only at savings institutions.

S. 1298

At the request of Mr. WALLOP, the Senator from North Dakota (Mr. BURDICK), and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S. 1298, a bill to amend the Internal Revenue Code of 1954 to extend certain tax provisions to Indian tribal governments on the same basis as such provisions apply to States.

S. 1337

At the request of Mr. STEVENS, the Senator from Oregon (Mr. PACKWOOD) was added as a cosponsor of S. 1337, a bill to provide for the temporary exclusion of foreign fishing support vessels from the internal waters of Alaska.

SENATE JOINT RESOLUTION 12

At the request of Mr. INOUYE, the Senator from West Virginia (Mr. RANDOLPH), the Senator from Montana (Mr. MELCHER), the Senator from Connecticut (Mr. WEICKER), the Senator from Maryland (Mr. SARBANES), the Senator from Vermont (Mr. LEAHY), the Senator from New York (Mr. MOYNIHAN), and the Senator from New Hampshire (Mr. RUDMAN) were added as cosponsors of Senate Joint Resolution 12, joint resolution to authorize and request the President to designate November 14 of each year as "Operating Room Nurses Day."

SENATE JOINT RESOLUTION 29

At the request of Mr. HEINZ, the Senator from Missouri (Mr. EAGLETON), the Senator from Arkansas (Mr. BUMPERS), the Senator from Alabama (Mr.

HEFLIN), and the Senator from Alaska (Mr. STEVENS) were added as cosponsors of Senate Joint Resolution 29, joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning with the first Sunday in June of each year as "National Garden Week".

SENATE RESOLUTION 139

At the request of Mr. ANDREWS, the Senator from Maine (Mr. MITCHELL) was added as a cosponsor of Senate Resolution 139, resolution to assure the access of farmer-owned refining businesses to crude oil at reasonable prices.

AMENDMENT NO. 58

At the request of Mr. CRANSTON, the Senator from Nevada (Mr. CANNON), and the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of amendment No. 58 intended to be proposed to S. 921, a bill to amend title 38, United States Code, to extend authority to provide contract hospital care and medical services in Puerto Rico and the Virgin Islands, and for other purposes.

AMENDMENT NO. 59

At the request of Mr. CRANSTON, the Senator from Nevada (Mr. CANNON), and the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of amendment No. 59 intended to be proposed to S. 921, a bill to amend title 38, United States Code, to extend authority to provide contract hospital care and medical services in Puerto Rico and the Virgin Islands, and for other purposes.

SENATE CONCURRENT RESOLUTION 21—CONCURRENT RESOLUTION RELATING TO THE BALTIC STATES QUESTION

Mr. THURMOND submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 21

Resolved by the Senate (the House of Representatives concurring), Whereas the United States since its inception has been committed to the principle of self-determination;

Whereas this essential moral principle is also affirmed in the Charter of the United Nations;

Whereas the Union of Soviet Socialist Republics is, according to its constitution, a voluntary federation of autonomous republics;

Whereas the three Baltic Republics (the Republic of Lithuania, the Republic of Latvia, and the Republic of Estonia) did not become member republics of the Union of Soviet Socialist Republics voluntarily but rather were occupied militarily by the Russian Armed Forces in the early days of World War II and subsequently incorporated by force into the Union of Soviet Socialist Republics and have since been governed by governments approved by, and subservient to, the Government of the Union of Soviet Socialist Republics;

Whereas the ethnic makeup of the Baltic peoples (the Lithuanians, Latvians, and Estonians), is distinctly foreign in language, culture, common traditions, and religion from that of the Russian people:

Whereas, by deportation and dispersion of the native populations of the Baltic States to Siberia and by a massive colonization effort in which Russian colonists replace the displaced native peoples, the Soviet Union threatens complete elimination of the Baltic peoples as a culturally, geographically, and politically distinct and ethnically homogeneous population;

Whereas, despite such treatment, the spirit of the citizens of the Baltic States is not broken and the desire of the citizens of the Baltic States for national independence remains unabated;

Whereas the United States has consistently refused to recognize the unlawful Soviet occupation of the Baltic States and has continued to maintain diplomatic relations with representatives of the independent Republics of Lithuania, Latvia, and Estonia; and

Whereas the United Nations and the United States delegation to the United Nations have consistently upheld the right of self-determination of the people of those countries in Asia and Africa that are, or have been, under foreign imperialist rule: Now, therefore, be it

Resolved by the Senate, That it is the sense of the Congress that—

(1) the President and the Secretary of State should take all necessary steps to bring the Baltic States question before the United Nations and to urge that the United Nations request the Soviet Union—

(A) to withdraw all Russian and other non-native troops, agents, colonists, and controls from the Republics of Lithuania, Latvia, and Estonia, and

(B) to return all Baltic exiles from Siberia and from prisons and labor camps in the Soviet Union;

(2) until the Baltic States become independent, the Secretary of State should, through such channels as the United States Information Agency and other information agencies of the United States Government, do his utmost to bring the matter of the Baltic States to the attention of all nations by means of special radio programs and publications;

(3) the United States should not agree to the recognition by any international conference, of the Soviet Union's unlawful annexation of Lithuania, Latvia, and Estonia, and it should remain the policy of the United States not to recognize in any way the annexation of the Baltic States by the Soviet Union;

(4) the President should require that all government map publishers, and should request that all private map publishers show, on all maps of Europe, the Republics of Lithuania, Latvia, and Estonia as independent states, with a footnote explaining that the military occupation and forced incorporation into the Soviet Union of Lithuania, Latvia, and Estonia has never been recognized by the United States;

(5) the right of self-determination should be returned to the peoples of Lithuania, Latvia, and Estonia through free elections conducted under the auspices of the United Nations after Soviet withdrawal from the Baltic States; and

(6) the right of self-determination should be made a prime political objective of the United Nations and should be accorded through free elections under the auspices of the United Nations to all peoples now involuntarily subjugated to Soviet communism.

THE BALTIC STATES QUESTION

Mr. THURMOND. Mr. President, I rise today to submit a concurrent resolution reaffirming our refusal as a free people to recognize the unlawful incorporation of the Baltic States of Lithuania, Latvia, and Estonia into the U.S.S.R. This resolution is identical to Senate Concurrent Resolution 116, submitted by me in the 96th Congress.

Mr. President, the Baltic Republics of Lithuania, Latvia, and Estonia have endured Soviet occupation for over 40 years. The ruthless manner and suddenness with which these once free and independent nations lost their right to self-determination is alarmingly similar to more recent acts of aggression on the part of the Soviet Union. The military occupation of the Baltic States serves as a Soviet blueprint for the subjugation and domination of a freedom-loving people.

Mr. President, just prior to the outbreak of World War II, all three Baltic States were forced—under the threat of invasion—to sign a mutual assistance treaty with the Soviet Union, under which Soviet military bases were established in strategic locations. The republics soon found themselves at the mercy of the occupying Soviet military forces.

The next step in the incorporation of these nations into the U.S.S.R. was the infiltration of Soviet spies and agents into their social and political institutions. At the demand of the Kremlin, elections were held in July 1940, for the purpose of forming a new government friendly to the Soviet Union. As is the rule in Soviet-occupied nations, the pro-Soviet candidates were declared elected. The newly elected representatives wasted no time in requesting incorporation of their respective countries into the U.S.S.R. Lithuania, Latvia, and Estonia then ceased to exist as independent, sovereign states.

Mr. President, it is clear to me that the Soviet Leadership has not abandoned its aggressive, expansionist policies. The unprovoked December 27, 1979 invasion of Afghanistan, as well as their recent display of readiness to intervene in the internal affairs of Poland, reaffirms my belief. Therefore, I feel it is imperative that we reaffirm to the world our commitment to the principle of true self determination.

Adoption of the concurrent resolution I am offering today will send a clear message to the Kremlin that we do not, and will not recognize, the subjugation of independent states by the Soviet Union. More importantly, it will reassure those brave peoples in nations under Communist domination, who, despite the efforts of the Soviet leaders, refuse to accept incorporation into the Soviet sphere, that we have not forgotten them.

AMENDMENTS SUBMITTED FOR PRINTING

CONTRACT HOSPITAL CARE AND MEDICAL SERVICES IN PUERTO RICO AND THE VIRGIN ISLANDS

AMENDMENT NO. 65

(Ordered to be printed and to lie on the table.)

Mr. PRESSLER submitted an amendment intended to be proposed by him to the bill (S. 921) to amend title 38, United States Code, to extend authority to provide contract hospital care and

medical services in Puerto Rico and the Virgin Islands, and for other purposes.

MEDICAL CARE FOR VETERANS EXPOSED TO AGENT ORANGE

● Mr. PRESSLER. Mr. President, I am today submitting an amendment to S. 921, the veterans health care bill, which seeks to provide treatment for Vietnam veterans who were exposed to certain toxic herbicides and chemical defoliants, including agent orange.

Specifically, my amendment would authorize the Veterans' Administration to provide medical treatment to Vietnam veterans—if VA physicians determine that such care is necessary—for the treatment of conditions that may be associated with exposure to agent orange. This step in addressing the agent orange problem parallels the provisions adopted by the House of Representatives earlier this week in H.R. 3499. The House's action is welcomed because the Senate last year approved legislation to deal with agent orange.

Between 1962 and 1970, well over 2 million veterans who served in Vietnam came in contact with agent orange and other herbicides that could have adverse health consequences. Although we have been aware for several years of the potential connection between such exposure and the development of serious ailments, little has been done to date to deal with the situation.

The VA is currently conducting research on the effects of agent orange. Other, more comprehensive legislation is currently pending in committee, including my bill S. 26 which also deals with other forms of toxic substances such as radiation and would further provide for benefits for offspring of those exposed who may have suffered genetic damage by such contact. I intend to push forward with such legislation during this session.

The present amendment which I am now submitting, however, is a much more limited proposal. Until the VA completes its current research and a consensus can be reached regarding comprehensive legislation to deal with the toxic substance problem, this amendment would provide an immediate form of relief for veterans experiencing ailments which may be related to the exposure to such substances.

Enactment of agent orange legislation would fulfill critical unmet needs and the commitments of the Nation to its veterans. As a Vietnam veteran myself, I am especially concerned about the effects of agent orange, which was widely used as a defoliant in Vietnam, and is believed to cause health problems for veterans exposed to it. Last year Senator HEINZ and I sponsored an amendment which was agreed to in the Senate to deal with this problem, but the House, regrettably, rejected the measure. Now, this year the House has taken action on such a measure, and the Senate must not be left behind.

The registration system used to draft our armed forces in the Vietnam period was unfair at best. When the war was over, Americans tried to remove all reminders of a conflict that had no resolution. The American public has recently become aware of the delayed ailments attributed to agent orange which are now appearing.

Even though the war ended for most veterans over 8 years ago, it is estimated that as many as 2 million veterans exposed to agent orange are now beginning to experience health problems which can be reasonably traced to this dangerous chemical.

Mr. President, I ask unanimous consent that this amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

Insert the following section between line 23, page 9 and line 1, page 10; and renumber subsequent sections accordingly:

MEDICAL CARE FOR VETERANS EXPOSED TO AGENT ORANGE

SEC. 9. Section 610(a) is amended—

(1) by striking out "and" at the end of clause (3);

(2) by redesignating clause (4) as clause (5); and

(3) by inserting after clause (3) the following new clause (4):

"(4) any veteran who served in the Republic of Vietnam during the Vietnam era if a physician employed by the Veterans' Administration (or, in areas where no such physician is available, by a physician carrying out such function under a contract or fee arrangement) determines that such hospital care is necessary for the treatment of a condition that may be associated with exposure while serving in the Republic of Vietnam to phenoxy herbicides and chemicals used as defoliants (including the defoliant commonly known as 'Agent Orange'); and".●

NOTICES OF HEARINGS

COMMITTEE ON THE BUDGET

Mr. DOMENICI. Mr. President, the Senate Budget Committee Business meeting originally scheduled for Friday, June 12, 1981 at 11 a.m. will convene at 10 a.m. on Tuesday, June 16, 1981, in 6202 of the Dirksen Senate Office Building. The committee will meet to compile and report an omnibus reconciliation bill.

SUBCOMMITTEE ON CRIMINAL LAW

Mr. MATHIAS. Mr. President, the Judiciary Subcommittee on Criminal Law will hold a hearing on Friday, June 19, at 10 a.m. in room 5110 of the Dirksen Senate Office Building, to hear testimony on S. 691, a bill to amend titles 18 and 17 of the United States Code to strengthen the laws against record, tape, and film piracy and counterfeiting.

For further information, contact Ralph Oman at 224–9491.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. ROTH. Mr. President, I would like to announce a hearing on the nominations of James A. Belson, Warren R. King, Richard S. Salzman, and Reggie B. Walton to the Superior Court of the District of Columbia, to be held before the Committee on Governmental Affairs on Wednesday, June 17, 1981, at 9:30 a.m. in room 1224 of the Dirksen Senate Office Building. For further information, please contact Chris Sarcone at 224–4161.

Mr. President, I would like to announce a hearing to be held before the Committee on Governmental Affairs on the Debt Collection Act of 1981, S. 1249, on Wednesday, June 17, 1981, at 10 a.m. in room 3302 of the Dirksen Senate Office Building. For further information, please contact Alan Mertz at 224–9515.

Mr. President, I would like to announce a hearing on Inspectors General legislation to be held before the Committee on Governmental Affairs on Thursday, June 18, 1981, at 10 a.m. in room 3302 of the Dirksen Senate Office Building. For further information, please contact Linda Townsend at 224–4751.

AUTHORITY FOR COMMITTEES TO MEET

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs be authorized to meet during the session of the Senate on Wednesday, June 10, to hold hearings on S. 1088, a bill to promote the goal of economic and self-sufficiency of American Indians, Hawaiian natives and Alaskan natives.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittee on Intergovernmental Relations of the Committee on Governmental Affairs be authorized to meet during the session of the Senate Thursday, June 11, to hold oversight hearings on Community Development Block Grants.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

A PREPOSTEROUS PROPOSAL

● Mr. BIDEN. Mr. President, the Senate Committee on the Judiciary has ordered reported a constitutional amendment which seeks to assure balanced Federal budgets in the future. The noted columnist James J. Kilpatrick has recently written about this proposal, labeling it "preposterous."

I agree with him. I fear that the amendment, if it became effective, would lead only to efforts to circumvent the amendment, efforts that would be easily successful. But the very efforts to circumvent it would make Federal fiscal policy even less controllable than it is now.

As Mr. Kilpatrick says in his column:

Almost no one questions the desirability, as a general proposition, of balanced budgets. John Randolph of Roanoke long ago proclaimed what he termed "the philosopher's stone" of sound fiscal management: "It is pay as you go, sir! Pay as you go!" But no parliamentary masters ever have devised a mechanism for making Randolph's rule enforceable.

The Senate committee's pending effort follows in this futile tradition.

A more workable approach to achieving fiscal responsibility is to strengthen the processes in Congress that help to control Federal spending. I have been working for some time to provide more effective fiscal tools for Congress. I have introduced sunset legislation calling for

periodic termination and review of Federal spending programs. I am the sponsor of legislation to require annual review of uncontrollable spending programs. I am also sponsoring legislation to bring about more effective review of our tax laws. These things are all part of a continuing effort to achieve true fiscal responsibility in the Federal Government.

I believe that Mr. Kilpatrick's analysis of the so-called "balance the budget" amendment to the Constitution is a good one. I ask that his column entitled "A Preposterous Proposal" be reprinted in the RECORD as it appeared in the Morning News of Wilmington, Del., on Wednesday, June 3, 1981.

The column follows:

A PREPOSTEROUS PROPOSAL

(By James J. Kilpatrick)

WASHINGTON.—The road to hell, the maxim reminds us, is paved with good intentions. The Senate Judiciary Committee has taken off down that road in a cloud of commendable motives. The committee has proposed a constitutional amendment to compel adoption of balanced federal budgets. The proposal is preposterous.

The committee's intention, to repeat, is altogether sound. If there is a prime cause of the inflation that afflicts our economy, it lies in the inability of successive Congresses to control federal spending. Only twice in the past 50 years has Congress achieved a small surplus. The accumulating deficits now approach $1 trillion. Money pours out of the Treasury at the rate of $2 billion a day, or $22,000 a second.

Almost no one questions the desirability, as a general proposition, of balanced budgets. John Randolph of Roanoke long ago proclaimed what he termed "the philosopher's stone" of sound fiscal management: "It is pay as you go, sir! Pay as you go!" But no parliamentary masters ever have devised a mechanism for making Randolph's rule enforceable.

The Senate committee's pending effort follows in this futile tradition. Section One of the proposed amendment directs Congress prior to each fiscal year to adopt "a statement of receipts and outlays for that year in which total outlays are no greater than total receipts." Any schoolboy with a tally stick could run up such a statement in a moment. All that is required is that one conjure up a list of revenues, $700 billion; and in a parallel column a list of outlays, $700 billion. So much for the statement.

The proposed amendment continues by saying that "the Congress may amend such statement." Precisely so. If an invitation to dishonest budgeting were engraved by Tiffany's, it could not convey a clearer meaning. In particular exigencies, by a three-fifths vote in each house, Congress could waive the limitation.

In its second section, the amendment would commend that total receipts for a given fiscal year "shall not increase by a rate greater than the rate of increase in national income in the last calendar year ending before such fiscal year." The provision is gauzier even than "privileges and immunities" or "due process of law." The "national income" is a work of statistical guesswork. The "rate of increase" in this fictional compilation is thus illusory. Whatever these conjectures might be, they would require that anticipated revenues for the fiscal year that ends Sept. 30, 1990, be linked to the "national income" in the calendar year 1988. This is nonsense.

The third section says that Congress may waive the whole idea of a balanced budget whenever a declaration of war is in effect.

Section Four boggles the mind: "The Congress may not require that the states engage in additional activities without compensation equal to the additional costs." What state activities are "additional" activities? And what does this have to do with a balanced federal budget?

A fifth section attempts to define "total receipts." A sixth section would make the amendment effective in the second fiscal year following ratification.

I do not mean to be overly critical, but a constitutional amendment without effective means of enforcement is a nullity. It carries no more weight than a resolution endorsing safe driving. Simply to declare that the budget shall be balanced is to echo Glendower's famous boast that he could summon spirits from the vasty deep. "Why, so can I," says Hotspur, "or so can any man, but will they come when you do call for them?"

Over the years I suppose I have scrutinized 50 versions of a balanced budget amendment. Politically speaking, the effective versions are not feasible, and the feasible versions are not effective. I am impelled to the conclusion that the only remedy of fiscal extravagance is to elect frugal people to the Congress. To paraphrase Justice Stone's famous observation on the Supreme Court, the only check upon the spending power is the members' own sense of self-restraint. That laudable characteristic is a rare and feeble quality in Congress, but it offers a better hope than the flawed proposal now heading for the Senate floor.●

AGRICULTURAL TRADE BARRIERS

● Mr. PRESSLER. Mr. President, recently I presented a paper on barriers to international agricultural trade at the spring 1981 meeting of the North Atlantic Assembly. Because of the interest which others may have in this issue, I ask that the text of that paper be printed in the RECORD.

The paper submitted for printing follows:

AGRICULTURAL TRADE BARRIERS

This Assembly provides us with a unique opportunity for a frank exchange of views on matters which could imperil the close economic cooperation which is an essential pillar of our alliance. I believe we have a collective responsibility to take the steps necessary to strengthen our economies by reducing government intervention in the marketplace and encouraging fair competition. Every country faces temptations to resort to subsidies and protectionist measures, and no country, including my own, has a perfect record of adherence to market principles.

Recognition of our common shortcomings must not obscure our common goal of more open economies. As a United States Senator from South Dakota, which is one of the major grain exporting states, I am particularly concerned about threats to free and fair trade in agricultural commodities and products. In the spirit of open communication between allies, and with the strongest hope that each issue can be resolved amicably in a way that reduces costly, dangerous resort to subsidies and trade protection, I wish to call to the attention of my European friends four matters of growing concern to American farmers and the United States Government. I refer to: (1) The European Community's grain export policy, (2) the Community's future policy toward imports of soybeans and vegetable fats and oils, (3) the Community's future policy toward imports of feed grain substitutes, especially corn gluten feed, and (4) the Community's adherence to the beef import quota granted to the United States.

American concerns are accentuated at this time because we recognize that the EC Commission is seeking ways to reform the Common Agricultural Policy (CAP) in order to reduce agricultural surpluses and increasing budgetary expenditures. EC officials have repeatedly emphasized that a restructuring of the CAP is necessary if the Community budget expenditures are not to exceed revenues. The additional price support expenditures which will be required after Spanish accession will heighten the necessity for overall reform.

We understand that the EC Council's deadline for submission of the Commission's proposals for budget and CAP reforms is June 30, 1981. However, the Commission has already indicated its thinking on ways to reform the CAP without jeopardizing the basic principles of Community preference, common prices and common financing. The "open-ended" use of the intervention system to support markets is cited as the main cause of CAP problems. The Commission considers direct income support policies, differential pricing, national financing and production quotas as being disruptive solutions.

As alternatives, the Commission recommends that the cost of surplus production in excess of certain basic levels be shared by the producers. It is suggested that this basic principle of producer co-responsibility be introduced in virtually all sectors and be applied either through direct levies, reduction of the market support price or reduction of direct production aids. The Commission is also considering a new approach to the Community's external agricultural trade policy on both the export and import sides. This could mean that the EC will rely more heavily on subsidized exports and on increased import protection to solve surplus problems.

EC POLICIES ON GRAIN EXPORTS

It appears, for example, that the EC has adopted an increasingly aggressive wheat export policy despite assurances to the U.S. that it would carefully monitor its exports and exercise restraint in exporting to markets sensitive to the United States, including the PRC and Latin America.

In December 1978, the wheat industry filed a Section 301 complaint against the EC for using export subsidies to gain "more than an equitable share of world export trade" in wheat in violation of GATT Article XVI. In June 1979, Director General Villain met with former Assistant U.S. Trade Representative Jim Starkey to discuss this issue.

Mr. Villain indicated that, to the maximum extent politically feasible, he would attempt to manage the EC's export policy on wheat in a manner so as to avoid disrupting sensitive U.S. markets. This was interpreted by U.S. officials as a clear signal that the EC would cooperate with the United States. During the next marketing year (1979/80), it appeared that the EC exercised restraint, and while EC wheat shipments increased from 8.0 to 9.8 metric tons, the Community's share of the world market only increased by 0.2 percentage points. This restraint was identified by U.S. officials as the appropriate justification for termination of the 301 complaint on wheat.

Almost simultaneous with the termination of the complaint, however, the EC wheat exports increased. In the 1980/81 marketing year, EC exports of wheat and flour are expected to reach 13.7 million metric tons, a dramatic increase of almost 4 million metric tons above shipments during the previous year. In addition, the EC is expected to expand its share of the world market from 11.3 percent to 14.7 percent (compared with a 6.8 percent share in 1978). U.S. officials have expressed concern to EC officials several times during this period and have been told repeatedly that they would attempt to manage the problem.

We terminated the 301 complaint on the basis of EC assurances of cooperation. In the meantime, the EC clearly has expanded its wheat export sales, in some cases into "sen-

sitive markets". The French negotiated a 3-year agreement with China to export 500,000–700,000 metric tons of wheat annually, despite earlier suggestions that such sales would not be made. Moreover, the EC authorized wheat exports to Latin America, a sensitive U.S. market, totaling nearly 200,000 metric tons this year.

In addition, the United States has had pending for five years a 301 complaint against the EC for its export subsidies on wheat flour. GATT Article XXII Consultations held in February 1977 and again in October 1980 were inconclusive. Subsequent bilateral consultations have yielded no progress in resolving the issue. The EC's commercial world market share in wheat flour has increased through the use of export subsidies over the past 20 years from an average of 29 percent to 75 percent while the U.S. share has fallen from 28 to 11 percent over the same period.

The United States terminated its Section 301 wheat complaint based on what we believed were good faith assurances. If a more moderate policy is not adopted by the Community, we will be forced to consider overriding previous understandings and possibly challenging the EC grain export subsidy program in its entirety.

The United States also places great importance on resolving the wheat flour issue. We hope to resolve the matter bilaterally to avoid further pursuit of the issue in GATT. I would welcome assurances that EC wheat flour export subsidies will not continue to be used in a manner to displace U.S. exports.

EC POLICIES TOWARD IMPORTS OF SOYBEANS AND VEGETABLE FATS AND OILS

During the Dillon Round of multilateral trade negotiations in 1962, the United States requested and received from the European Community a zero binding on soybeans and soybean products. Zero binding means that the European Community agreed to bind in the General Agreements on Tariff and Trade (GATT) that it would not impose any duty and/or quota on imported soybeans or soybean products. At the time of the duty binding, the European Community was buying less than $100 million of soybeans annually and thus placed very little value on granting the U.S. the zero binding. The U.S. was interested in acquiring the binding because it came at a time when the European Community was establishing the CAP which imposes a system of variable levies on imported agricultural products so as to raise the import price of such products up to the domestic price of similar European grown commodities.

Today the EC zero binding for soybeans and soybean products is extremely important to American agriculture. Total U.S. exports of soybeans and soybean products to the European Community in 1980 totaled almost $3.8 billion, about 45 percent of total U.S. soybean exports. Without the zero binding it is almost certain that U.S. soybean exports to the EC would have been much less. The Europeans have used soybeans both as a feed component and as a source of oil for producing margarine and shortening. Typically, the Europeans have imported soybean meal duty-free and mixed it with manioc (cassava) to produce a dairy and poultry feed equal or superior in feed value to that produced from European grown grains. However, because the soybeans and cassava are imported duty-free, the feed produced from them is much less expensive than the feed produced from European grown grains which are supported at high levels.

I am aware that some Europeans blame duty-free soybean and cassava imports for a surplus of EC grain. Such a surplus necessitates the EC subsidizing at a high cost the export of their grain in world markets. In addition, the soybean oil produced from processing these soybeans is used to produce margarine, shortening, and cooking oils which compete with EC-produced butter. The EC blames such competition for the large buildup of butter stocks within the EC. Also, dairy herds in Northern Europe (the Netherlands, Denmark, and West Germany) are fed using the soybean-cassava feed, and thus, can produce dairy products more efficiently and economically than they can with the higher priced European grains. I am told that the French feel that this higher production is a cause of the overproduction of butter.

Over the past two decades, the EC has considered taxing oil bearing materials. The most recent tax proposal surfaced in the fall of 1980 during the Community's discussions of measures which would be necessary in view of Spanish accession. France even proposed the imposition of a variable levy on oilseeds. The U.S. would retaliate should the EC impose a vegetable oil tax. Any actions which will impair the zero duty on soybeans and soybean products and impact on U.S. exports of oilseeds and products will lead to severe trade repercussions.

FEED GRAIN SUBSTITUTES

In the past five years, the U.S. export market for feed grain substitutes has taken an increasingly large share of U.S. production, from 15 percent in 1975 to over 30 percent in 1980. The EC is the major market for U.S. exports of feed grain substitutes (including corn gluten feed, citrus pulp, sugar beet pulp, distillers, dried grains and milling by-products). The value of these shipments to the EC totalled $500 million in 1979 and $600–700 million in 1980. The EC is concerned that imports of feed grain substitutes, particularly corn gluten feed, will continue to grow as the United States increases its production of high fructose corn sweetener and ethanol from corn. The technology of high fructose production is such that even with increased fructose output (which is highly unlikely given high sugar prices), corn gluten production will increase. Also, the Reagan Administration has given a low priority to gasohol production by significantly reducing funds and tax credits in this area.

Price disparities between corn gluten feed and domestic corn in the U.S. and in the EC are a major reason for increased U.S. exports to the community. Currently, corn gluten feed in the United States is priced roughly 25 percent above U.S. domestic corn prices, while the price of corn gluten feed in the EC is as much as 20 percent below EC corn prices. Consequently, European feed manufacturers have continued to import lower cost corn gluten. This has brought pressure in the Community to consider proposals for unbinding the duties on corn gluten feed and other feed grain substitutes to further protect their grain producers.

The duties on all of the feed grain substitutes, with the exception of the brans (milling by-products), are bound in the GATT between zero to six percent. The United States will not allow the GATT bindings on feed grain substitutes to be impaired. Such a course of action by the EC would require payment of compensation, based on historical trade levels; the larger the trade volume, the more compensation would be owed. Action by the Community affecting feed substitutes would be met with retaliatory action by the United States.

IMPLEMENTATION OF THE MTN HIGH-QUALITY BEEF QUOTA

During Multilateral Trade Negotiations (MTN) the EC granted the U.S. a levy-free quota for 10,000 metric tons of high quality beef. U.S. beef exports under the quota totalled 941 tons in 1980. Thus far, for 1981, import licenses have been issued to Member States for 1,015 metric tons. These relatively low volumes reflect the fact that U.S. high quality beef is still a relatively unknown product in the EC market, and to some extent are because of the EC license issuing process. U.S. market development programs have been underway to increase demand for U.S. beef within the Community.

Canada has continually sought access to this quota and recently won a GATT decision enjoining the EC to grant Canada access to its EC high quality beef market. The U.S. has received written and oral assurances from the EC that the 10,000 MT quota is reserved exclusively for the U.S. Despite these assurances, the EC beef management committee is reported to be considering a proposal which would grant Canada access to the U.S. quota.

The United States would view allocation of a portion of our quota to Canada as an impairment of the beef concession and as an unraveling of the package. The U.S. would of necessity need to redress the balance of the US/EC MTN package.

I wish to assure the Assembly that I understand the concerns of farmers, especially small farmers, in the European Community. I am a small farmer myself, by American standards: I own and operate a 60 acre farm in South Dakota. I know how hard it can be to cope with shifting market forces, but most farmers around the world share my belief that they are better off in the long run with less government intervention in agricultural markets.

My comments are intended to elicit a joint effort to resolve economic differences in ways which will contribute to mutual economic prosperity and a stronger alliance.

Let us commit ourselves to a renewed effort to liberalize our agriculture markets.●

A NEGOTIATED SETTLEMENT IN EL SALVADOR

● Mr. KENNEDY. Mr. President, it has been nearly 5 months since the United States resumed military assistance to the junta currently governing El Salvador, and 5 months since our former Ambassador, Robert White, first spoke out publicly against this tragic and mistaken policy of seeking a military solution to the crisis in that country. Today the violence continues unabated.

A military solution to the strife would not only increase the level of violence in El Salvador, but would increase the pressures for more American military advisers in that country. And yet neither the administration nor the Salvadoran Government has been willing to pursue what clearly are promising avenues to resolve the civil strife. Both have rejected the proposals for mediation and negotiation made by the Presidents of Mexico and Venezuela, the Secretary General of the OAS, and by the Socialist International—proposals which could bring an end to the thousands of killings and injuries being borne by so many innocent men, women, and children in this small, strifetorn country. Supported by the United States, the Salvadoran Government holds out a dim hope of elections in the future, while pursuing a chilling military solution in the present.

Ambassador White has continued to speak out for better policies toward El Salvador. He writes in yesterday's Washington Post that the failure to enter into negotiations poses the grave risk that the Christian Democratic elements still participating in the junta—elements which have demonstrated their commitment to serious social and economic reforms in El Salvador—will be forced to leave the government. No one wants to see this happen, and yet by refusing even to consider the possibility of talks with the

opposition—which includes moderate Christian and Social Democrats—the Salvadoran Government risks ending up a situation even worse than the present military deadlock.

It will not be for lack of eloquent and urgent voices from our allies and from the churches if this greater tragedy befalls us. While the present opportunities are available, I urge the Reagan administration to reconsider its adamant opposition to negotiations and explore—quietly or openly—every diplomatic avenue to ending hostilities in El Salvador now. Elections can still be an appropriate outcome of a process of dialog, and the present suffering can be ended.

Mr. President, I ask that Ambassador White's important and incisive article in the June 9 issue of the Washington Post on the pressing need for negotiations in El Salvador be printed at this point in the RECORD.

The article follows:

EL SALVADOR: WHY NOT NEGOTIATE?

(By Robert E. White)

The poverty of this administdation's policy toward El Salvador becomes clearer every day. The government of El Salvador is going nowhere. The violence continues. The reforms have stopped. The economy is foundering. The extremes are gathering strength. Yet the only response from this administration has been to discourage diplomatic initiatives from friendly governments, to spin tall tales about massive arms shipments from Nicaragua and to point the Salvadoran military toward search and destrov missions against campesino towns suspected of containing guerrillas.

To a government pleading for economic assistance to carry out its reform programs, we have provided unneeded armaments. To a people crying out for an end to the violence, we have furnished unwanted military advisers. To moderate civilian and military leaders trying desperately to contain the slaughter practiced by the security forces, we have given an abandonment of our human rights policy and a justification for government-sponsored terrorism. To friendly governments seeking to encourage a negotiated solution, we have trumpeted unsupportable charges of a "textbook case of indirect armed aggression by communist powers." And to world leaders who believed that the United States had finally learned that counterrevolution is not an adequate response to a people determined to transform their country, we have responded with Cold War rhetoric.

If U.S. policy toward El Salvador continues to exclude a political solution to that country's tragic civil war, the inexorable result will be to drive the moderate element—the Christian Democrats—from the government. This has long been the objective of the economic elites that regard the commitment of the Christian Democrats to profound reform as far more dangerous than the threat posed by the guerrillas of the far left.

The Reagan administration has thrown its weight behind a military solution to the Salvadoran tragedy. This has forced the Christian Democrats to equivocate regarding their long and strongly held position in favor of a negotiated solution to the conflict, and threatens their ability to govern. Two public examples that bear witness to the Christian Democrats' commitment to negotiation come to mind.

In October 1980, the bishop of San Salvador, Arturo Rivera y Damas, speaking in the name of the entire episcopate, offered to mediate between the government and the Democratic Revolutionary Front (FDR). While the FDR turned its back on the bishop's initiative, the government immediately accepted the mediation offer. A few weeks later, at a ceremony in the headquarters of the Organization of American States, Foreign Minister Fidel Chavez Mena stated unequivocally the government's willingness to "meet with all groups and sectors at the negotiating table."

It is important to be clear on this essential point. The Christian Democrats want to enter into negotiations with the FDR. It is the Salvadoran military that opposes any accommodation with the left, preferring instead to kill them with the assistance of our arms and our military advisers. Unless the United States uses its influence in favor of negotiation, the Christian Democrats have no choice but to temporize. They are not powerful enough to move the military toward a political solution without the solid backing of the United States. The Christian Democrats' only hope is that the nations of Western Europe and this hemisphere will persuade the United States to adopt a more responsible and humane course.

It is not only the Reagan administration that treats the Christian Democrats as expendable. Leaders of the FDR have persistently underestimated the importance of the Christian Democrats. FDR President Guillermo Ungo has spoken contemptuously of President Napoleón Duarte and other party leaders, describing them as nothing more than a facade for repression. This is both factually wrong and morally unfair. Men such as junta member José Antonio Morales Erhlich and Minister of Planning Atilio Vieytez, as well as Duarte and Chavez Mena are authentic democrats committed to a new deal for their country. More than the others, perhaps, Duarte may be tempted to use every device available to stay in office even after any real hope of transferring power from the military to the civilian institutions of the country has disappeared.

Ultimately, however, Duarte is a disciplined Christian Democrat. Should the party decide to leave the government, he will comply. And there is solid evidence of a sentiment building within Christian Democracy that the party can expect no support from the Reagan administration and would do well to leave the government in order to salvage what they can of its reputation. When Minister Atilio Vieytez said publicly that, while he did not dress in olive drab, he was as much a revolutionary as any guerrilla, he spoke for the great majority of the party.

The government of El Salvador contains worthy people, both uniformed and civilian. It also contains some of the most brutally repressive military in the world. Although the FDR counts many committed democrats in its ranks, it also contains armed guerrillas led by Marxist-Leninists who are guilty of unacceptable violence. It may be that any negotiation would both drive hard-line military elements into opposition to the government and induce some Marxist-led guerrilla groups to break away from the FDR. Both results should be welcomed. The repressive elements of the military, which regularly torture and kill, constitute a fatal weight around the neck of the government. The FDR must also decide which route it favors—negotiations, guarantees and elections, or a continuation of armed struggle. Each side must face the reality that it contains extremist elements which cannot be assimilated.

In a recent message to his conferees, the director general of the Jesuits, Pedro Arrupe, said, "Even when Christians recognize the legitimacy of certain struggles and do not exclude revolution in situations of extreme tryanny that have no other solution, they cannot accept that the privileged method for ending struggle is struggle itself. They will rather seek to promote other methods of social transformation calling for persuasion, witness, reconciliation."

Profound words. World leaders who profess Western values should indeed prefer negotiation over violence. It is therefore discouraging that the Reagan administration has set its face against a political solution for El Salvador. If it continues to follow this course it will alieniate not only the Western community of nations but also the crucial civilian component of the government of El Salvador. For the Christian Democrats are not only tough, pragmatic politicians, they are also idealists who have more in common with much of the FDR leadership than they do with those whom professor Thomas J. Farer eloquently and correctly condemned as "an alliance of corrupted soldiers, industrialists and landowners [who] would rather fight to the last worker, peasant, politician and priest than accept reform." ●

THE 75TH ANNIVERSARY OF THE FEDERAL MEAT INSPECTION ACT

● Mr. HUDDLESTON. Mr. President, June is the 75th anniversary of passage of the 1906 Federal Meat Inspection Act. I am pleased to bring the anniversary to the attention of my colleagues.

At the turn of the century, an overseas perception that the United States had a severe animal health problem was seriously interfering with exports of U.S. meat. Exports had only begun to be significant in the 1880's.

The 1906 Act required inspection before and after slaughter to detect signs of disease. This was a novel idea at the time, with unknown and far-reaching implications.

Veterinarians were able to detect animal diseases by closely examining animals before slaughter and by looking at the carcass and internal organs after slaughter. Thus, they were able to prevent meat from diseased animals from being sold to United States or European shoppers. But they also began to diagnose unrecognized diseases. Diagnosis is the first step towards prevention.

Inspection became an important tool in controlling or eradicating animal diseases. Animal health and inspection programs in the Department have always worked closely over the years. For neither program would achieve its major objective without the support of the other.

Producer education is also an important component of improving animal health and preventing diseased meat from reaching consumers.

Today, less than one-half of 1 percent of all animals inspected at slaughter must be condemned for disease or other unwholesomeness. I think that this statistic alone shows USDA's success in modifying the inspection program to meet the demands of the future, while staying true to the basic concept of inspection—preventing adulterated or mislabeled meat products from reaching consumers. I hope that my colleagues will join me in congratulating the Department on 75 years of solid service. ●

INTERNATIONAL ORDER OF ST. HUBERT

● Mr. HAYAKAWA. Mr. President, I take this opportunity to comment on the fine work being done worldwide in the fields or enlightened sportsmanship and game conservation by the ancient and

nonsectarian International Order of St. Hubert.

This order was founded as a society of hunters in 1692 by Count Franz Anton Sporck in what was at that time the Empire of Austro-Hungary. The order is named after Saint Hubert, born November 3, 670 A.D. in the Ardennes Forest which lies astride the Franco-Belgian border. His birthday is celebrated by sportsmen throughout the world, and the emblem of the order is a familiar sight all over Europe. At the end of World War II, the order was restituted by Dr. Albert Messany who became grand master of the international organization.

In early November of every second year, the officers and members of the order from Europe and North America gather in Grace Cathedral in San Francisco to honor their patronage and refresh their dedication to the principles of conservation and sportsmanship.

The first American grand master, George U. Wood of Orinda, Calif., passed away on the first day of 1980. His last wish on behalf of the order was that it be recognized in the official publication of the Congress of the United States.

The by-laws of the order provide that the seat of the order shall be where the grand master resides. The present grand master is Karl C. Weber, K.G.O. of San Francisco. He and other distinguished officers of the International Order have asked that George Wood's wish be carried out. It is my honor to inscribe these words in the CONGRESSIONAL RECORD, and to establish that California will again welcome the members from around the world at their meeting in San Francisco in November.●

MILITARY SOLUTIONS ARE NOT ALWAYS THE BEST SOLUTIONS

● Mr. BIDEN. Mr. President, while the shape of the new administration's foreign policy is by no means clear, that policy appears to include a tendency to favor military solutions over diplomatic ones, as in the case of El Salvador.

This course, we are told, is needed to correct impressions of American weakness around the world and accurately reflects the will of the American people, as it was expressed in last November's election.

A recent public opinion survey, however, strongly suggests that the American public is of a different mind.

The survey, conducted in March by the Roper Organization for the Committee for National Security, does indicate strong support for increased military spending.

But the survey also indicates that it is wrong to assume that this support for greater military spending can be translated into a mandate for a more bellicose foreign policy.

In the survey, which polled a nationwide sample of 2,000 persons in face-to-face interviews, respondents were asked the following question:

Do you think we should emphasize the military more and rely less on diplomacy and economic tools, or do you think we should maintain our current military strength and put greater stress on economic and diplomatic measures?

Forty-eight percent favored maintaining current military strength and putting more stress on economic and diplomatic measures. Only 41 percent favored the opposite approach.

Even among those who supported increased military spending, more than a third—38 percent—favored a greater stress on economic and diplomatic measures.

The administration would do well to take the views expressed in this survey into greater account.

None of us question the need for a strong defense to insure our national security. But, in an increasingly troubled and complex world it is wise to remember that military solutions are not always the best solutions, and that the American people, because of their good, plain commonsense, are often more mindful of that fact than some of their leaders.●

HUMAN RIGHTS

● Mr. HATFIELD. Mr. President, I wish to share with my colleagues two articles written by Congressman DON BONKER, chairman of the House Foreign Affairs Subcommittee on Human Rights and International Organizations. He demonstrates with powerful logic that a foreign policy which reflects genuine concern for the rights of individuals is not simply moralism, but rather an essential component of a coherent national security perspective.

It is becoming fashionable to assert that we cannot afford to place human rights at the forefront of foreign policy considerations. Congressman BONKER argues that we cannot afford to abandon them. Congressman BONKER recognizes the need for careful and thoughtful application of human rights standards in an effort to maximize effectiveness, rather than to score international debate points. I associate myself with the views espoused in these fine articles, and I submit them for the RECORD.

The articles follow:

[From the New York Times, Dec. 22, 1980]

SERVING HUMAN RIGHTS

(By DON BONKER)

WASHINGTON.—I hope that President-elect Ronald Reagan's statement that "all of us in this country are dedicated to the belief in human rights" and his warning to South Korea not to execute Kim Dae Jung, the opposition political leader, will signal authoritarian regimes everywhere that he will not tolerate their odious policies.

Yet speculation grows daily about the fate of human rights in the incoming Reagan administration. Many are counseling him publicly to undo the human-rights policy that was born of Congressional initiatives and that has been an integral part of foreign policy.

The peril of such advice is the possibility that it will be misinterpreted around the globe. Repressive regimes already are boasting that they will no longer be judged by the United States' standard of democracy and human decency. To abandon our human-rights policy would be a terrible blow to freedom everywhere. In a turbulent world, the forces of liberty are desperately struggling for survival. Dictatorial regimes, whether friend or foe, reject the concept of a free and open society. They uphold values that are as inimical to our country's long-term national interests as those of our avowed enemies.

Human-rights violators do not make reliable allies, as is evidenced by the Soviet Union's close relations with Argentina and Bolivia, both with hardline right-wing regimes. The era of simpler times, when brutal dictatorships were tolerated as long as they professed anti-Communism, has passed.

Our history has shown that we stand for more than expediency and strategic interests in pursuing our global objectives. By maintaining a strong human-rights policy, as President Carter has, we show ourselves responsive to the yearnings of human beings for dignity and freedom. Countries should be put on notice that if they expect our aid, they cannot engage in political executions, torture, and other monstrous practices.

It is in our self-interest to work for long-term stability in the third world if we are to achieve our political and economic goals. The alternative is to find ourselves at the mercy of dictators. Our recent experiences have demonstrated that we gain only the enmity of the people who are the victims of repression.

It has never been lack of weapons, but rather internal discord and disregard of basic rights that threaten repressive governments, and often our security interests. It was not our human-rights policy that brought about the downfall of Shah Mohammed Riza Pahlavi in Iran; nor did it precipitate the exit of Anastasio Somoza Debayle of Nicaragua and Emperior Haile Selassie of Ethiopia. Rather, it was the lack of even a minimal level of decency and justice in those nations and our uncritical support of such governments that has estranged us from successor regimes.

The advocacy of human rights is the moral imperative in our foreign policy that sets us apart from the Soviet Union. As the beacon of liberty around the world, our nation must pursue policies that help to shape a more decent world. Dare we do less?

Despite its shortcomings, supporters and critics agree that our human-rights policy has saved lives, brought about the release of political prisoners, reduced torture, and given hope to those who remain oppressed.

Still, much needs to be done. Summary executions continue. The number of disappeared and missing persons is close to 30,000 worldwide, and brutality in many countries is the norm rather than the exception.

We in the 96th Congress held numerous hearings on human-rights violations covering both Communist and non-Communist nations. Witness after witness testified that whenever the United States supported improvements in human rights, the situation changed for the better. With these hearings we promoted a human-rights policy that has integrity and that can be applied fairly.

Furthermore, the Congress stands especially proud of its human-rights efforts. Virtually all of the human-rights initiatives have come from the Congress, with broad bipartisan support—for example, by law we have established the human-rights bureau in the State Department, the annual State Department report on human-rights conditions in every country, and the cutoff of economic and military aid to repressive regimes.

As long as there is hunger, unemployment, disease, repression, and the absence of peaceful change, our ultimate goal of a true peace cannot be achieved. As the next President, Mr. Reagan is among the few in history privileged to promote justice through human rights, a goal that is strikingly reminiscent of what the Prophet Isaiah

admonished us to do 3,000 years ago: "Stop all wrongdoing. Remove all evil. Learn to do good. search for justice, help the oppressed."

[From the Christian Science Monitor, Feb. 25, 1981]

HUMAN RIGHTS: WILL REAGAN LEARN FROM CONGRESS?

(By DON BONKER)

WASHINGTON.—Any attempt to dismantle or ignore our traditional commitment to human rights will be met with firm resistance in the Congress. Judging from recent statements coming from the Reagan administration, it wants to demote human rights and concentrate instead on terrorism. Secreary of State Haig's public statements about international terrorism as an alternative to human rights make no sense. Terrorism is a human rights violation, be it a hijacked plane in West Germany. Red Brigade attacks in Italy, or state-sponsored torture in Latin America. He will have to define terrorism more carefully. For example, how does one distinguish between insurgencies that have a just cause, such as our own War of Independence, and the indiscriminate violence which plagues the world from time to time?

The new administration is obviously convinced that Jimmy Carter's alleged foreign policy failures were due, in part, to his commitment to human rights. These, however, are faulty assumptions, as Mr. Reagan and his advisers will soon discover.

A refresher course might be in order for those who are anxious to dismantle American human rights policies.

First, while the former President's clarion call raised the issue on the global scale, it was really Congress which laid the groundwork for our human rights policy.

As far back as 1973 Congress began limiting bilateral, and later multilateral, assistance to countries that persisted in a systematic pattern of gross violations of fundamental human rights. By amending the Foreign Assistance Act of 1961, the Congress mandated by law that all future administrations must enforce human rights policy. Also, specific legislation cut off aid to Chile, Argentina, Cuba, Uganda, Vietnam, Cambodia, and Zaire. In appropriations bills, Congress instructed our representatives to international financial institutions to vote against loans to countries which violated human rights unless such assistance was directed to serving the "basic needs of the impoverished majority."

It was Congress that required the State Department to publish annual country reports on human rights practices. Initially, the reports were only for countries receiving US military aid, but they were later extended to all 153 nations.

The position of assistant secretary for human and humanitarian affairs—the in-house advocate for human rights issues in the Carter administration—was also created by Congress.

In a variety of other ways, Congress has made explicit its concern for human rights, ranging from the so-called Jackson-Vanik amendment which linked freedom of emigration to East-West trade, to inclusion of a human rights curriculum in international military education and training programs.

Second, human rights is not an exclusively American issue. There now exists an international consensus that recognizes basic human rights and obligations owed by all governments to their citizens. We are signatories to the Universal Declaration of Human Rights; the International Covenant on Civil and Political Rights; the International Covenant on Economic, Social, and Cultural Rights; and other international and regional human rights agreements. The U.S. also helped to create and has actively participated in a number of organizations which promote and monitor adherence to international human rights standards, including the United Nations Commission on Human Rights and the implementation of the Helsinki Final Act, now in session in Madrid. Our persistence in freeing Russian dissidents and unifying families and our attention to the problem of disappearances have put all repressive regimes on the defensive. What will be our future role at these sessions under an administration that wants to deemphasize human rights?

Third, there is in this country, as well as abroad, growing support for human rights causes. Our allies look to us for leadership on human rights issues and in conjunction with us have started to develop their own policies.

Despite its shortcomings, supporters and critics agree that our human rights policy has saved lives, brought about the release of political prisoners, reduced torture, and given hope to those who remain oppressed.

The Reagan administration is well advised to carefully weigh public support for human rights, as well as our long-term best interests, before attempting to weaken the policy.

In the end, the administration will come to realize that our commitment to human rights is precisely what distinguishes us from the Soviet Union. Americans do care about individual liberty and freedom, and strongly believe in expanding these fundamental rights to all the people of the world.●

M. DWAYNE YOST RECEIVES WINTHROP ROCKEFELLER AWARD FOR DISTINGUISHED RURAL SERVICE

● Mr. HUDDLESTON. Mr. President, a young Kentuckian was recently honored for his outstanding contribution to the provision of quality and affordable housing for lower income families. On May 13, 1981, M. Dwayne Yost, of Manchester, Ky., was awarded one of two $10,000 Winthrop Rockefeller Awards for Distinguished Rural Service. As executive director of the Kentucky Mountain Housing Development Corp., Dwayne Yost has for nearly a decade struggled to improve the quality and availability of housing in rural Clay and Jackson Counties, Ky.

The awards, considered the most prestigious of their kind in the Nation, were presented by Vice President GEORGE BUSH, who praised Yost "for his leadership and vision as an entrepreneur, developing housing construction techniques and building suitable and affordable home for rural people in East Kentucky * * * and his commitment to rural people."

As a former pastor and mission director for the Church of the Brethren, Yost began building homes in 1973. Since 1978, Kentucky Mountain Housing has been the second largest producer of new homes in eastern Kentucky. In this coal-producing area, housing priced under $25,000 accounts for 75 percent of the demand. Under his leadership, Kentucky Mountain Housing has built affordable homes for 110 rural Kentucky families, most of whom earn $5,000 a year or less and live in an area marked by a shortage of housing.

In addition to new home construction, Yost has worked for major repairs—top to bottom reconstruction—on 85 homes and lesser repairs on more than 500 others. For the small-scale repairs, church volunteers do the work while skilled carpenters and semi-skilled trades trainees do the major jobs. The trades trainees are later assisted in finding other jobs in the community. Yost estimates that between 30 and 40 have been placed in local jobs outside Kentucky Mountain Housing.

Dwayne Yost has been a catalyst, drawing the bits and pieces—funding support, expertise, manpower—together so that local rural people can take the initiative in making that next step improving their own lives. This has been no easy task and does not promise to get any easier in the future.

For example, in 1975 Yost built a house for a family with four daughters. The small farm where the family lived brought in about $1,200 a year. The house was built using low-cost construction techniques, keeping monthly payments to a minimum at about $40, or roughly a third of the family income. But the house did not have enough furniture and the children needed better clothes, so the father began thinking about another source of income. By putting to use electronics training he had obtained during his military service, he started a radio and television repair service, building a workshop in the back of the house. Now, the family income is between $7,000 and $8,000.

Yost has also been a leader in developing building techniques suitable for rural areas and the income levels of a rural market. When one of his early experiments, a "stack-sack" method, had its insulation rejected by the Farmers Home Administration, Yost turned to the school of architecture at the University of Kentucky and other sources for advice on design, engineering, and construction efficiency in more traditional frame homes. A recent project emphasizing local building techniques and supplies produced a three-bedroom house that cost the family $10,000. Yost is continually looking for improved technology, such as a newly approved septic system, that would make previously unusable land buildable.

Funds for Yost's building program have come from a variety of church denominations in addition to his own, including Presbyterian and Methodist groups, the Commission on Religion in Appalachia, and the Christian Appalachian project, sponsored by the Roman Catholic Church. Other financial resources have included the Kentucky Housing Corp., a State construction financing agency with bonding authority. In addition, Kentucky Mountain Housing has received support from the Daniel Boone Development Council in Manchester; the Federation of Appalachian Housing and Human Economic Appalachian Development (HEAD) in Berea, Ky.; and the Appalachian Regional Commission and the Housing Assistance Council in Washington.

Financing for the homes came from the Farmers Home Administration (FmHA) subsidy loans where interest rates escalate as the family's income increases. Most eastern Kentucky families do not qualify for regular FmHA loans and many have incomes too low even for the subsidy program. But so far, not one family has defaulted on a loan for a house built by Kentucky Mountain Hous-

ing. A few have fallen behind briefly, but with financial counseling also provided by the corporation, all families have been able to catch up.

Yost has worked with a variety of local, State, and Federal agencies, frequently advocating more flexible rules to meet the unique requirements of housing development throughout Appalachia. For example, Federal guidelines on minimum construction standards, he contends, have been developed generally to protect urban and suburban consumers and have pushed construction prices beyond the means of many rural people, particularly those in eastern Kentucky.

Nonprofit housing corporations in other parts of eastern Kentucky have borrowed Yost's techniques as have groups in southwestern Virginia and eastern Tennessee. Adaptability to other rural areas and the potential for long-lasting impact are among factors considered by the independent panel of judges making the award selections. Innovation is also regarded as important. The nominees must have made at least one specific contribution through a project or program that affects a rural area or areas, in addition to responding to a national or regional problem.

I applaud the National Rural Center and the Winthrop Rockefeller Charitable Trust, sponsors of the grant program, for honoring and encouraging individual leadership in local communities and in the academic community. I know I speak for all Kentuckians in extending to Dwayne Yost both my congratulations for receiving this award and my gratitude for his efforts toward improving rural housing.●

MARY EASTWOOD, DEDICATED CIVIL SERVANT

Mr. STEVENS. Mr. President, I wish to take this opportunity to commend a truly dedicated and talented civil servant, Mary Eastwood. For the past 1½ years, Ms. Eastwood has served in the capacity of the acting Special Counsel to the Merit Systems Protection Board. This past Friday, a permanent Special Counsel was sworn into office. For the first time since its establishment in 1979, the Office of the Special Counsel will have a permanent head. Unfortunately, the Office has been plagued since its establishment with problems extraneous to itself. The Office has received a great deal of criticism. What has been overlooked, however, are the accomplishments of a non-political, dedicated civil servant who has headed an office frought with political problems. Ms. Eastwood took over the reins of the Office when the prior administration's nominee became subject to a Senate investigation. At that time, the Office was barely operating. Now it not only has a talented and aggressive Washington Office but it has opened field offices in 7 other cities.

The Office of the Special Counsel has a fairly large congressional mandate to root out prohibited personnel practices, protect whistleblowers, and prosecute reprisals. Under Ms. Eastwood's tutelage, the Office requested numerous stays of personnel actions in which most were granted and prosecuted a number of sensitive cases in which their were alleged political reprisals. Almost 2,000 cases of some kind were received by the Office in 1980. The Office was able to close over 1,500 of them.

Although I feel the Office will be able to function more smoothly with a permanent head, it is clear that Ms. Eastwood has done an outstanding job in her capacity as its temporary leader. It is not often that our career public servants are singled out for recognition. In this case, it is deserved.

COMMUNIST INTERFERENCE IN EL SALVADOR

● Mr. LEVIN. Mr. President, last February 23 the administration issued with much fanfare a State Department white paper titled Communist Interference in El Salvador.

The document was used by the administration to support its contention that the Soviet Union was actively engaged in a major effort in El Salvador that would be contrary to the best interests of the United States. The white paper also served as the justification for increased military and economic aid for El Salvador.

Administration officials visited several capitals in Western Europe, using copies of the white paper as evidence to gain support for the administration's policies.

Now, some 4 months after the white paper was issued with the full backing of this Government, serious questions have been raised about its accuracy in two lengthy analyses of the document appearing in the Wall Street Journal and the Washington Post.

In an interview quoted by the Wall Street Journal, the official responsible for the report, Mr. Jon D. Glassman, says portions of the report are "misleading," and "over-embellished," and that there are "mistakes" and "guessing" included in it.

According to the press, administration officials acknowledge that errors may have crept into the report, but insist its conclusions are sound. The State Department reportedly is preparing a rebuttal to the articles about the white paper.

Mr. President, I ask that the two articles to which I referred, "Apparent Errors Cloud U.S. 'White Paper' on Reds in El Salvador" from the Wall Street Journal of June 8 and, "White Paper on El Salvador Is Faulty" from the Washington Post of June 9, be placed in the RECORD at the conclusion of my remarks.

The articles follow:

[From the Wall Street Journal, June 8, 1981]

APPARENT ERRORS CLOUD U.S. WHITE PAPER ON REDS IN EL SALVADOR

(By Jonathon Kwitny)

WASHINGTON—The State Department's now-famous white paper "Communist Interference in El Salvador," which was issued on Feb. 23, has served the Reagan administration well as the launching pad for its anti-Soviet foreign policy.

The anonymous authors of the eight-page document displayed no false modesty in declaring in its preamble: "This special report presents definitive evidence of the clandestine military support given by the Soviet Union, Cuba and their Communist allies to Marxist-Leninist guerrillas now fighting to overthrow the established government of El Salvador."

Bearing copies of the report, State Department emissaries visited the principal capitals of Western Europe and elicited statements of support from most of them. Domestically, too, the white paper, said to be based on 19 captured guerrilla documents, was accepted as fact by most of the nation's press, and there were numerous follow-up stories quoting administration spokesmen on their plans for countering the allegedly growing military power of the Salvadoran guerrillas. Within days, the National Security Council announced it had approved plans to provide the tiny country with $25 million of additional military aid and $40 million of economic assistance.

ADMISSIONS OF "MISTAKES"

With this kind of track record for the white paper, it is surprising, therefore, to hear Jon D. Glassman, who is given the major credit for its existence, describe parts of it as possibly "misleading" and "over-embellished." In a three-hour interview in his new office just one floor below Secretary Alexander Haig's at State Department headquarters, policy planner Glassman freely acknowledges that there were "mistakes" and "guessing" by the government's intelligence analysts who translated and explained the guerrilla documents, which were written in Spanish with code names.

The white paper says that the 19 documents prove El Salvador is a "textbook case of indirect armed aggression by Communist powers." But a close examination of the documents the State Department has brought forward indicates that, if anything, Mr. Glassman may be understating the case in his concession that the white paper contains mistakes and guessing.

Several of the most important documents, it's obvious, were attributed to guerrilla leaders who didn't write them. And it's unknown who did. Statistics of armament shipments into El Salvador, supposedly drawn directly from the documents, were extrapolated, Mr. Glassman concedes. And in questionable ways, it seems. Much information in the white paper can't be found in the documents at all. This information now is attributed by the State Department to other, still-secret sources.

The shortcomings of the white paper don't necessarily invalidate the Reagan administration's policy of providing more support for El Salvador's ruling regime—a policy that apparently had been decided upon well before the white paper was issued. A close reading of the white paper indicates, instead, that its authors probably were making a determined effort to create a "selling" document, no matter how slim the background material.

A LOSS OF CREDIBILITY?

Few deny that Marxists are active in the El Salvador rebellion or that they have received at least some training and supplies from Communist countries overseas. But the month-by-month arms buildup, of almost blitzkrieg proportions, described in the white paper with such emphatic detail and precision, may lose credibility with Mr. Glassman's admissions that he doesn't know who wrote some of the allegedly captured documents on which the white paper is based.

In fact, the dire circumstances described in the white paper seem to have little bearing on what has subsequently happened in El Salvador this year. Far from being overwhelmed by the power of imported Soviet arms, the Salvadoran government put down a desperate rebel offensive in January; reporters on the scene say the guerrillas still are able to operate freely in large parts of the country, but that there haven't been successful large-scale attacks indicating big new arms supplies.

Mr. Glassman, then deputy chief of the political section of the American embassy in

Mexico City, was sent to El Salvador last January on a special mission to find and analyze guerrilla documents. He says he sent back to Washington some 80 pieces of material, comprising about 200 pages. Although only 19 of the documents were cited as background in the Feb. 23 white paper, the rest of the papers, plus other material, are expected to provide background for another State Department white paper, which officials say will be released shortly.

CONCLUSION DEFENDED

Mr. Glassman and other State Department officials strongly defend the conclusions that were reached in the original white paper. "We possibly never again will have such an intimate insight into the development of guerrilla movement and its gathering of financial and military support," Mr. Glassman says.

But the 37-year-old career diplomat, who was promoted after his success in finding the documents, concedes that problems arose almost immediately after the white paper and its documents had been distributed by the State Department. A message came from the El Salvador government, he says, declaring, in effect, "You guys have made some mistakes." Among them, he says, was the misidentification of an alleged guerrilla leader whose code name Mr. Glassman thought he had broken.

"We completely screwed it up," he now says, referring to the attribution of the document. A list of weapons and other equipment supposedly going to El Salvador from Vietnam, Ethiopia, Bulgaria, Czechoslovakia, Hungary and East Germany was compiled by alleged guerrilla leader Ana Guadalupe Martinez, the white paper analysis says. But apparently she had nothing to do with it. The document itself—the most prominently featured document in the white paper—bears the name "Ana Maria." The Salvadorans say the list was really drawn up by Ana Maria Gonzalez, who belongs to another group, according to Mr. Glassman. But he adds, "This was the Salvadorans guessing. They don't know either. I could be right."

The white paper was more certainly wrong, Mr. Glassman indicates, in attributing to Shafik Handal the authorship of an account of an arms-soliciting trip last summer to the Soviet Union and six other Communist countries. Mr. Handal is secretary general of the Salvadoran Communist Party and is also identified as the emissary who made the trip. (The trip report itself refers to the emissary simply as "the comrade.") Mr. Glassman acknowledges that the report couldn't have been written by Mr. Handal, because from the context the author clearly write from Cuba after Mr. Handal himself had left.

Mr. Glassman says that he doesn't know who wrote this report, which is central to the white paper. He concedes that the wording precludes authorship of the document by a known Salvadoran Communist representative in Cuba.

No such uncertainty was evident in a Feb. 6 story that ran at the top of page one of the New York Times, which quoted from the trip report as a first-hand account and said that the emissary was "believed to be" Mr. Handal. The leak, more than two weeks before the white paper was issued, didn't come from the State Department, Mr. Glassman says, but probably came from one of the friendly Latin American governments that had seen an advance copy. In fact, Mr. Glassman adds, the leak caused government officials to rewrite parts of the white paper "to make it different from Juan de Onis (the Times reporter who wrote the story). It caused the government a lot of hard work," he says.

WHO WROTE DOCUMENT C?

The white paper also says Mr. Handal wrote another document—two pages of handwritten notes called Document C. The notes don't contain Mr. Handal's name or any date or identification, but the white paper says that they are notes "taken during an April 28, 1980, meeting of the Salvadoran Communist Party." The notes, however, appear to be written in at least two different handwritings, making them difficult to ascribe to one author. Mr. Glassman says the handwriting looks different to him, too, and adds, "The change people writing on them. At a lot of the meeting things (notes of meetings), different people are writing it." Nevertheless, in four places the white paper quotes the words as Mr. Handal's own.

Also in question is the most widely publicized statistic in the white paper—the amount of arms that it said were proved to have been delivered to the insurgents. The second paragraph of the white paper says, "From the documents it is possible to reconstruct chronologically the key stages in the growth of the Communist involvement." It then lists as the fourth such stage "the covert delivery to El Salvador of nearly 200 tons of . . . arms, mostly through Cuba and Nicaragua." But nowhere in the documents is there any mention of 200 tons.

Mr. Glassman says, "That (200 tons) comes from intelligence based on the air traffic, based on the truck traffic. In other words, it doesn't come from the documents."

A BIT OF EXTRAPOLATION

He says that secret intelligence observation showed increased air traffic between Cuba and Nicaragua late last year. This was presumed to be arms shipments for El Salvador, he adds, because new arms cropped up in an unsuccessful rebel offensive in mid-January of 1981. He says that part of the estimate of the truck shipments into El Salvador was based on extrapolating the cargo-hauling potential of several trucks that were listed in "Document N," attached to the white paper. This document, an undated, unsigned and barely legible hand-scrawled sheet, lists four trucks, three of which apparently are still to be bought or built, along with the initials of four guerrilla groups and some purported tonnage numbers, totaling 21, under the headings "sea," "air" and "land."

Another frequently quoted statistic in the white paper is that "the series of contacts between Salvadoran Communist leaders and key officials of several Communist states . . . resulted in commitments to supply the insurgents nearly 800 tons of the most modern weapons and equipment."

The 800-ton figure also represents an extrapolation, Mr. Glassman says. He says he multiplied 130 (the tonnage of arms one document says are stored in Nicaragua) by six to arrive at "nearly 800."

EXPANDING ON ARAFAT

Oddly enough, "Document I," which provides the rationale for this extrapolation, seems largely given over to complaints by the unidentified author about the ineptitude of guerrilla leaders in even finding a meeting place, and the *slowness* of arms deliveries from outside El Salvador. The document purports to be the minutes of a meeting of three men, said to be the "Guerrilla Joint General Staff." The State Department translation of the minutes includes a date at the top, Sept. 26, 1980, which isn't on the document, and only the first page of an unknown number of pages was distributed. The key paragraph follows:

"It contradicts military reality to discuss percentages of arms when barely four tons of the 130 warehoused in Largos (believed to be a code word for Nicaragua) have been brought into the country. These four tons have been in intermittent supply and the material now in Lagos is only equivalent to one-sixth of all the material obtained that the DRU (the Unified Revolutionary Directorate, a group of leftist organizations) will have eventually concentrated in Lagos."

Other major assertions in the white paper seem questionable. One is that on July 22, 1980, Yasir Arafat, the Palestine Liberation Organization leader, met Salvadoran guerrilla leaders in Managua, Nicaragua, and gave "promises (of) military equipment, including arms and aircraft."

Mr. Glassman acknowledges that the only mention of Mr. Arafat in the documents is an aside in parentheses, which says. ". . . . on the 22nd there was a meeting with Arafat."

This reference is contained in an unsigned report, "Document G," in the context of much complaining that a delegation of Salvadoran leftists was cold-shouldered and otherwise insulted on a visit to Nicaragua for the anniversary celebration of that country's revolution. Mr. Glassman says that the white paper's report of Mr. Arafat's promises to the Salvadorans came from other, secret intelligence.

As another example, the white paper quotes a report allegedly prepared by Mr. Handal as saying, "In reference to a unification of the armed movement, he (Mr. Handal) asserts that 'the idea of involving everyone in the area has already been suggested to Fidel himself.'" An obvious reference to Cuban Premier Fidel Castro.

SOVIET AID: A PLANE TICKET

"I think that could be a misleading statement," Mr. Glassman concedes, noting that in the context of the document, the idea that had been suggested to "Fidel" was getting various Communist parties in Central America to cooperate. The discussion, however, appears to be about labor unions.

At another point, the white paper says that Salvadoran guerrilla leaders formed a unified front "as a precondition for large-scale Cuban aid," Mr. Glassman acknowledges that there is nothing to that effect in the documents, but he says, "This comes from the Nicaraguan situation where they (the Salvadorans) saw that the Cubans wanted that (a unified front)."

The only concrete instance of Soviet aid delivered to the Salvadoran rebels reported in the 19 documents was an airplane ticket from Moscow to Vietnam for one guerrilla, presumably Mr. Handal. Whoever was writing the documents complained frequently that various countries, particularly the Soviet Union, were footdragging in procuring and transporting arms.

Mr. Glassman, however, contends that recent captures of arms in El Salvador indicate that the Soviets made good on promises of deliveries. He says that American-made arms, found in an El Salvador-bound truck intercepted in Honduras in late January, have been traced by their serial numbers to a shipment delivered to Vietnam during the American presence there. He says that this was the first known appearance of such weapons outside Vietnam and that this proves that weapons, said to be promised in the documents, were actually delivered.

RAIDING AN ART GALLERY

"In my mind, the Russians cooperated fully," he says, and the guerrillas' complaints were "ill-founded."

How Mr. Glassman came upon the documents makes a tangled tale itself, with several versions extant. Mr. Glassman says that William Bowdler, then assistant secretary of state for Latin American affairs, called him on Jan. 14 from Washington and told him that because of the guerrilla offensive that had begun Jan. 10, the department thought that there might be some captured documents to account for where the arms were coming from. Some 15 or 20 documents had been discovered the previous November and had been turned over by the Salvadoran ministry of defense. Mr. Glassman was to be temporarily assigned from Mexico City to the job, according to the State Department, because then-Ambassador Robert White, in El Salvador, had said he was too shorthanded to handle the assignment.

The November documents were said to have been captured in a raid on an art gallery owned by Mr. Handal's brother. They had already been sent to Washington, analyzed and their contents reported to various U.S. embassies, including Mr. Glassman's in Mexico City, Mr. Glassman says. Among these documents was the report on the arms-soliciting trip believed to have been taken by Mr. Handal, and one other document of the 19 that were later released on Feb. 23, he says.

Mr. Glassman says he flew to El Salvador within a couple of days of getting Mr. Bowdler's instructions. He says that he went straight to the Salvadoran minister of defense but was told that the only documents available were the ones already delivered in November. Says Mr. Glassman, "I know from our own bureaucracy and other bureaucracies that what is found down below doesn't always get passed up the chain of command." So he says he went to several other agencies—the national guard, the treasury police and, finally, the national police, where he was shown a new pile of documents.

"Fortunately for us," Mr. Glassman says, "just a few days earlier, they had captured a Venezuelan correspondent, a journalist, who was bringing in money for ERP (a guerrilla group) and by following him were able to capture the ERP propaganda commission as a whole, meeting in a house." The owner of the house denied involvement but was persuaded to tell police of other locations mentioned by people on the propaganda commission, Mr. Glassman says.

One such location was a grocery store owned by a known leftist. There, police found a false wall, behind which were a mortar, some shells, and more documents in a plastic bag and a suitcase, according to what Mr. Glassman says the police told him. He says he thinks the documents were kept there because the guerrilla coalition consists of four groups, "none of which fully trusts the others," so that records must be maintained.

NEWS FOR AN AMBASSADOR

About 15 of the 19 documents released on Feb. 23 came from the grocery store, Mr. Glassman says. After receiving them, he says, he went to Col. Jaime Abdul Gutierrez, the vice president of El Salvador, and asked for a further search. Other documents were turned up, and two or three of them were included in the batch released on Feb. 23, he says.

Mr. White, the former U.S. ambassador to El Salvador, takes issue with Mr. Glassman on several points. He denies that he asked for outside aid from Washington to help with the documents. "Captured documents were not uppermost in my mind. We were dealing with a final offensive and a general strike situation," Mr. White says.

He expresses incredulity at Mr. Glassman's story of the discovery of the second batch of documents. "All of this is news to me," he says. "It strikes me as unlikely that I would not have heard this story before—this business about following a Venezuelan and finding this wall and breaking it down."

He also says that Mr. Glassman was pointed to the documents by Col. Eldon Cummings, American military group commander at the embassy, who already knew they existed and where, Col. Cummings, in a separate interview, agrees. Mr. Bowdler and Luigi Einaudi, the State Department official who supervised the analysis of the documents, also say they were aware of the new documents well before Mr. Glassman's trip.

Mr. White was removed as ambassador in late January after policy differences with the Reagan administration and has since become a senior fellow at the Carnegie Endownment for International Peace. So it is perhaps understandable that he has a poor opinion of the Feb. 23 white paper—"bizarre, tendentious, tries to prove more than the evidence warrants."

His feeling about the documents is almost equally harsh. "The only thing that ever made me think that these documents were genuine was that they proved so little," he says. He concedes that he is a great skeptic when it comes to captured documents, adding. "It was unthinkable that the documents on the Handal raid would have been sort of lying around the national police station for several weeks. It would have been normal procedure for the authorities of El Salvador to share with us any intelligence discovery that took place.

Nevertheless, Mr. White believes that it's possible, as the white paper says, that Mr. Handal did visit Moscow and other Communist capitals, that some "semi-outlaw governments," such as Vietman, Ethiopia and Libya gave support to the Salvadoran rebels, and that the leaders of Cuba and Nicaragua did "sit down with" the Salvadoran insurgents and "talk strategy and tactics."

Mr. Glassman says that once the documents were in his hands, one of the first things he did was to satisfy himself that they were genuine. There was the possibility that the Salvadoran military might have fabricated them or that they had been planted by the Central Intelligence Agency.

Says Mr. Glassman, "I submitted all of the documents to them (the CIA), and I asked, 'Did you fabricate any of the documents, or is there any indication they were fabricated by anyone else?' And the answer was no to both."

In defending the white paper's documentation, Mr. Glassman even expresses an opinion very close to that of Mr. White—that the shortcomings of the documents indicate that they are genuine "and dispove the fabrication argument."

[From the Washington Post, June 9, 1981]

WHITE PAPER ON EL SALVADOR IS FAULTY

(By Robert G. Kaiser)

The State Department's white paper on El Salvador, published in February, contains factual errors, misleading statements and unresolved ambiguities that raise questions about the administration's interpretation of participation by communist countries in the Salvadoran civil war.

The white paper was the first significant initiative from the Reagan administration in the field of foreign policy.

The document, and the supporting evidence described as "incontrovertible," were taken by administration emissaries to many countries of the world last winter.

When the white paper was published, the major news media tended to accept the document at face value, but it has subsequently been challenged in several analyses, primarily by individuals and journals critical of American policy in El Salvador. Yesterday, The Wall Street Journal added its reservations in a front-page story that said the white paper was flawed by errors and guesses.

The Journal's article prompted a statement from the State Department yesterday defending "the conclusions of the white paper," without replying to specific criticisms.

The Washington Post has been conducting its own inquiry into the white paper and the captured documents on which it was based. The inquiry was initiated to determine whether the evidence released by the State Department actually supported the department's sweeping conclusions.

This was a textual analysis, not an attempt to determine the extent of communist involvement in El Salvador, which cannot be determined from Washington.

The Post's inquiry indicates that on several major points, the documents do not support conclusions drawn from them by the administration. On other points the documents are much more ambiguous than the white paper suggested. Many of the documents contain no identifying markings whatsoever, though the State Department gives them concrete indentifications.

In one key document, the State Department dropped a sentence from its translation into English, which undermines the department's characterization of the document.

The documents released by the State Department were only a small portion of the total found in two "caches." Both were found by police in San Salvador, one in November behind an art gallery, the second in January behind a false wall in a grocery store. Other documents from the same sources made available to The Post by the State Department actually contradict or differ substantially from the picture of the Salvadoran insurgency that is painted in the white paper.

Some of the broad conclusions in the white paper were simply not supported by the documents released with it. For example, the white paper made a much-publicized accusation that nearly 200 tons of arms had been delivered covertly to El Salvador, mostly through Cuba and Nicaragua. There is no concrete evidence to support this claim in any of the documents released with the white paper.

Some critics have charged that the documents were forged, but their evidence is essentially circumstantial, and the documents carry such meager identification that it would be hard to say just what had been forged if they were made up. The inconsistencies between the documents and the white paper do not prove that the white paper's conclusions are wrong, but they do raise questions about those conclusions and how they were reached.

The most substantial of the documents published with the white paper was a partial account of a trip purportedly taken by Shafik Handal, secretary general of the small Salvadoran Communist Party, which is part of the front of opposition groups now backing the guerrillas in the civil war.

Last summer, according to the document, Handel visited Moscow, Hanoi, the major East European capitals, Addis Ababa and Havana. The purpose of his trip was to line up donations of arms and equipment for the Salvadoran rebels, according to the captured document.

In the book of documents the State Department released with its white paper, this one was described as an "excerpt of report on trip to the socialist countries . . ." by Handal. The document carries no identification of any kind, nor any signature, but its contents do describe a trip taken by an unnamed "comrade" who was apparently seeking military aid for the Salvadoran rebels.

The white paper, in summarizing this document, makes it appear that Handal wrote it. In the book of documents released with the white paper, this document is not attributed to any specific author. A quick reading might suggest that it was produced by someone close to Handal in the Salvadoran communist party. But the one sentence in the Spanish original (also released by State), which the department dropped in its English translation of the document, seems to confirm numerous other hints within the document that it was written by a Cuban.

The dropped sentence comes at the end of a paragraph describing what is purported to be Handal's visit to Ethiopia last July. The document says the Ethiopians promised to contribute arms to the Salvadoran rebels, listing types of weapons. The last sentence says that this cargo of arms "will leave in our ship the fifth of August."

Since the Salvadoran rebels have no Navy of their own, it is unlikely that this was written by Handal or one of his associates. The State Department indirectly acknowledges that the document in question was written in Havana by translating its many references to "here" as meaning Cuba.

If this was a Cuban report on Handal's

trip, why was it found in a cache of rebel documents in Salvador? This would seem to be a significant point, but the State Department ignored all questions about the origins of this untitled, unsigned document.

The white paper makes Handal's trip around the Soviet bloc, Vietnam and Ethiopia sound like an idyllic journey on which the traveler always got what he wanted (mostly arms, uniforms and equipment). Summarizing this document, the white paper recounts Handal's two visits to Moscow, one in early June and the other in late July. As the white paper notes, on the second visit Handal raised an issue that had come up earlier in his travels—whether the Soviets would provide aircraft to transport arms that Vietnam planned to donate to the Salvadoran rebels.

In the white paper's summary, this is how that is described: "Before leaving Moscow, Handal receives assurances that the Soviets agree in principle to transport the Vietnamese arms."

The document itself tells a different story. According to it, Handal was repeatedly frustrated in Moscow, and reported his frustration candidly to whomever wrote the document. A senior Soviet communist party official told Handal, the document says, that, "In principle, there is opinion in favor of transporting the Vietnamese weapons, but there has been no approval on the part of the leadership organs."

Handal, apparently angry, "made known through other channels his disagreement with the . . . lack of decision concerning the requests for assistance."

After two more weeks without a reply from Moscow, the document says, Handal began "expressing concern as to the effects that the lack of decision by the Soviets may have, not only regarding the assistance that they themselves can offer but also upon the inclination of the other parties of the European socialist camp to cooperate. . . ."

Neither this nor any other document released by the State Department indicates that the Soviets ever did provide the requested air transport. And this document is the only one that linked the Soviets directly to the Salvadoran civil war.

The white paper also suggests that the account in this document of Handal's visit to Hanoi (which, the document says, the Russians suggested and financed) plus the later capture of U.S. M16 rifles that could be traced back to Vietnam demonstrated conclusively that Vietnam was providing weapons to the Salvadoran guerrillas.

The evidence presented, however, does not confirm this. According to this document, Handal was promised a wide variety of arms in Vietnam, but the M16 assault rifle—the basic weapon used by American infantrymen in the Vietnam war—was not on the detailed list given in the document.

The M16s in question were found in a truck that was captured in Honduras en route to El Salvador, according to the State Department. "Approximately 100 M16 rifles, some of which were traceable to Vietnam," were found in the truck, the department said. Why only "some" could be traced to Vietnam was not explained.

On another point in this document, the white paper says: "The Soviet official [who dealt with Handal in Moscow] ask[ed] if 30 communist youth currently studying in the U.S.S.R. could take part in the war in El Salvador." In fact, the document says, it was Handal who asked the Soviets to give military training to 30 youths then studying in Moscow who wanted to fight in the war, a request the Soviets approved after repeated prodding.

Another document in the collection is described as a "trip report" recounting a visit by Salvadoran rebels to Managua, Nicaragua, last summer. The white paper draws on this document to describe a meeting between the Salvadorans and Yasser Arafat, leader of the Palestine Liberation Organization. "Arafat promises military equipment, including arms and aircraft," according to the white paper.

The document, however, includes only this parenthetical reference: ". . . On the 22nd there was a meeting with Arafat." There is not a single word in the document about Arafat promising arms and aircraft. Nor is there any information in the white paper about where the PLO might acquire aircraft to donate to the Salvadoran rebels.

One handwritten document in the batch is described by the State Department as notes on an April, 1980, meeting of the Salvadoran Communist Party written by the same Shafik Handal. On the face of it this is an implausible description; even to an amateur eye, it is obvious that the document is written in two distinctly different handwritings. The document contains no reference to Handal or to a meeting of the Communist Party, and is not dated.

According to the State Department's translation of this document, its author says it is necessary to "put the party on a war footing." In fact the author of this part of the document did not use the phrase for war footing ("estado de guerra") but refers instead to a state of struggle or dispute ("estado de pelea"). The translation quotes the author as saying that the attitude of the socialist camp "is magnificent." He adds: "We are not yet taking advantage of it." In fact, though, the word "yet" does not appear in the original Spanish.

Another questionable translation appears at the end of another unsigned. undated document headed "Logistical Concepts," which outlines plans for intensified rebel activity inside El Salvador (among other things). According to the State Department's translation, the document ends with this sentence: "This plan is based on there being an excellent supply source in Lagos (said to be a code name for Nicaragua)."

In fact, this document ends with this Spanish sentence: "Este plan partiria de que exista una real fuente de abastecimiento en Lagos." This is a conditional construction that should be translated: "This plan is based on the supposition that there exists a real source of supplies in Lagos," or "This would be the plan if there is a real source of supplies in Lagos." The State Department removed this conditional sense, and changed the word "real" to "excellent."

Besides the documents published with the original white paper. the State Department's El Salvador working group allowed two Washington Post reporters to leaf through a batch of other documents captured in the same caches, including full versions of documents that were excerpted for release earlier. Read together with the documents released originally, these others draw a picture that differs in significant ways from the one in the white paper. These documents portray a guerrilla movement that is chronically short of arms and scrounging for more of them.

For example, among the documents released by the State Department is one described as an excerpt from a report on a meeting of the Salvadoran Unified Revolutionary Directorate (DRU), the leading body of the guerrilla movement. In the book of released documents it is dated Sept. 30, 1980, though the original (made available by the State Department later) is dated Aug. 30. In the English translation of the excerpt provided by State, the date is Sept. 1.

Whatever the right date, the short excerpt released by State is a list of weapons that Salvadoran communist party's "secretary general" [Handal] reported had been shipped to them by Soviet-bloc countries, which are said to be arriving in Nicaragua on Sept. 5. This is an impressive list of military hardware and supplies, including the weapons purportedly promised to Handal in Vietnam, Ethiopia and Eastern Europe.

Curiously, the list of weapons coming from Vietnam seems to be describing the same shipment listed in the report on Handal's trip discussed abcve; most of the items listed are the same on both lists. But inexplicably, this one differs on many details. For example, the trip report list said Vietnam offered 15,000 7.62 mm. cartridges for M30 and M60 machine guns; this second document says 480,000 such cartridges are coming from Vietnam.

In any event, the State Department included this small excerpt from a much longer document in its book of documents released with the white paper. It is obviously a list of equipment that Handal says is coming to Nicaragua for the Salvadoran rebels.

The full version of this document includes another section about the difficulties the rebels are having getting arms out of Nicaragua. It paints a picture that contradicts flatly the impression left by this other list. (This section was not released publicly, though it was made available to reporters who asked to see more of the captured documents.) Here are some excerpts:

"With regard to bringing weapons from Lagos [described by State as the rebels' code name for Nicaragua]:

"(a) The E.R.P. [The Popular Revolutionary Army in Salvador] has made two serious attempts and the F.S.L.N. [the ruling Sandinista front in Nicaragua] has stood in its way for reasons which in the opinion of the E.R.P. are subjective and at times wrong.

"The E.R.P. has air, water and land resources and is ready to make two trips per week.

"One reason for not using the maritime route is that the F.S.L.N. [the Sandinistas] says that the E.R.P. should not touch its shores; the E.R.P. agreed to stay out at sea but even this did not work.

"The F.S.L.N. [Sandinistas] claimed that by land the weapons the E.R.P. would bring in would be too few (it was 200 rifles). It also said that it would no longer allow the F.P.L. [the Farabundo Marti Popular Liberation Forces, the largest rebel group in El Salvador] to bring weapons by the methods it has been using.

"(b) The P.C. [presumably the Communist Party] has reported that it cannot bring in large quantities but that it can bring in small quantities. . . ."

In other words, the State Department selected for public release a section of a document listing large quantities of arms due to arrive in Nicaragua, according to the report of the man alleged to have arranged for their shipment. Another section of the same document reporting on the actual troubles the rebels were having bringing arms into El Salvador was not selected for public release.

The contention of the white paper that the Salvadoran rebels were enjoying the benefits of "nearly 200 tons" of communist-supplied arms and materiel is not supported anywhere in these documents, and is implicitly refuted by many of them. In document after document there are reports of rebels short of arms, or looking for ways to buy arms, or exhorting comrades to produce home-made arms, or plotting to kidnap wealthy Salvadorans thought to have access to private arsenals.

Document number 48 in the State Department's files (not released with the white paper) is described as a war plan of the Farabundo Marti Peoples' Liberation Front, described by State as "the coordinating board" of the principal leftist guerrilla groups. The document anticipates a military campaign that would last from Nov. 25 to Dec. 10 of last year. The document says it should be possible to bring 30 tons of arms into the country during November to prepare for this, but that the campaign could go forward even with less.

This document, dated Nov. 18, listed these guerrilla needs as of that time: 1,000 automatic rifles, four 50-cal. machine guns, 16 30-cal. machine guns, six M79 grenade launchers—in other words, modest needs in-

deed compared to the huge numbers of weapons emphasized in the white paper.

Document 83 in the State Department's files, unsigned and undated, is a description of arms and equipment available to the guerrillas. The file copy includes this notation from a U.S. government official who read and evaluated it: "From this," the American wrote, "it would appear they had only 626 weapons for more than 9,000 men." This document was omitted from the collection released to the press with the white paper.

The heart of the white paper is the accusation that "over the past year, the insurgency in El Salvador has been progressively transformed into a textbook case of indirect armed aggression by communist powers through Cuba."

This is a characterization that the Salvadoran government does not accept; on a recent visit to Washington, the foreign minister, Fidel Chavez Mena, said the war in his country was first of all an internal conflict, and secondarily an arena for the East-West contest.

The idea that the war in El Salvador is an internal, factional struggle does not appear in the Reagan administration's white paper. The anti-government guerrillas are described as part of the Salvadoran "extreme left"; and the white paper ignores the moderate elements, including former government ministers who belonged to the Christian Democratic Party of President Jose Napolean Duarte, who have joined the guerrilla cause.

Instead of the civil struggle described by Salvador's own government, the white paper perceived "a textbook case of indirect armed aggression by communist powers through Cuba."

TAX CUTS: THE FULL 3 YEARS

Mr. SYMMS. Mr. President, there has been a lot of talk in recent weeks about the "Reagan Revolution." Although the President has really not done all that much as yet, his rate of success is phenomenal, and he has so clearly established a new course of public affairs that the epithet "Reagan Revolution" is fully justified.

The budget resolution adopted overwhelmingly by both Houses of Congress points the direction. And yet, Mr. President, unless the essential points of the Reagan program are maintained, all the balanced budget resolutions in the world will not save us. We desperately need to keep before us the two critical elements that really constitute the "Reagan Revolution."

And what are those two points? They are cuts in the marginal rates of taxation and the consolidation of categorical programs into block grants. Today I would like to say a word or two about the tax cuts.

President Reagan has proposed an across-the-board tax cut of 10 percent per year for the next 3 years. This is the classic Kemp-Roth, "supply-side" tax cut. Its function is to make savings and investing (which are two sides of the same coin to economists) more attractive, and thus revitalize the economy.

There is evidence that such a tax cut would in fact make saving more attractive, and thus make more money available to the entrepreneur, the individual at the cutting edge of economic progress. For instance, Dr. Charls Walker, writing in the Washington Post last Monday, cited a survey conducted by Gallup in August of 1980, in which 40 percent of those surveyed said they would save most of a 10-percent tax cut. It is true that 41 percent said they would spend the money, but since a good part of that "spending" would be for debt repayment, which is economically the same as saving, since it is not spending for consumption, the figures are somewhat misleading. Dr. Walker then cites a survey from March of this year in which 82 percent of those surveyed said they would use about half of the money obtained from a Kemp-Roth type tax cut for savings or debt repayment.

The point is, Mr. President, that cuts in marginal tax rates offer the only way out of a tax-and-spend economy such as our current one. We cannot tax our way to a healthy economy, and we cannot spend our way out of stagflation. We must restore incentives, and that is what the President's proposal is designed to do.

Over in the other body there is a lot of talk about 1-year tax cuts and 2-year tax cuts. In my opinion, Mr. President, that simply will not do. Investors, entrepreneurs, risk-takers have to have certainty. They need to be able to plan well into the future. A 1- or 2-year tax cut does not permit that kind of planning, and so should be unacceptable to us and to the President.

The President should stand firm for the full 3 years of across-the-board cuts in marginal tax rates. And we should stand with him. I ask that the article I referred to by Dr. Charls Walker be printed in the RECORD. I hope all my colleagues will take the opportunity to study his powerful case for the 3-year tax cuts.

The article follows:

WHY THE TAX CUT WILL MAKE US SAVE

(By Charls E. Walker)

When the House Ways and Means Committee meets to "mark up" the administration's tax cut bill, the central question relating to the proposal to cut individual tax rates by 30 percent over the next three years will be the impact on individual decisions to save. The press and many in the public seem to believe that since the rate reductions will affect individuals, and since individuals are consumers, most of the increase in disposable dollar income will be spent on consumption, thereby strongly increasing inflationary pressures. But supporters of the "10–10–10" tax cut maintain that individual savings will rise markedly and help provide for noninflationary financing of the federal deficit.

Both logic and experience support the administration view.

Just who will benefit most from the cut in tax rates? Middle-income taxpayers, defined not in the statistician's image of $20,000 per year in median family income, but in their own image of perhaps $15,000 to $50,000 a year. These families pay 59 percent of all federal individual income taxes and would receive 61 percent of the tax cut. These are families that save, with the amount of saving rising sharply as income levels rise. They are the people who have saved in the past and now hold hundreds of billions of dollars in savings in banks, savings and loan associations, credit unions, savings bonds, money market funds and other forms.

It is ridiculous to charge that these middle-income Americans are going to devote all or most of any tax reduction to spending on consumption. In fact, a recent survey by W. J. Fitzgerald, Inc., indicates that, on balance, families below the $15,000 income level are net dissavers, their consumption spending exceeds disposable income, with the shortfall made up by cashing in on past savings or going into debt. This means that at income levels above $15,000, net saving must be sufficient to offset the dissaving at lower income levels in order to result in a net saving rate for all consumers of 5 to 6 percent, the U.S. average of recent years. Since the tax cut is to affect mainly these higher income taxpayers, the amount of the tax cut that will be saved can be several times higher than indicated by the current saving rate.

How much higher? This depends on the marginal saving rate, or how much of each extra dollar of disposable income received is saved. Common sense tells us that marginal saving rates rise with income, but from what base and how steeply? Writing in 1971 on the basis of 1960–61 survey data, economist Ralph Husby estimated that the short-run marginal saving rate (i.e., the immediate response) was 67 percent among families with the lowest incomes, gradually increasing to 82 percent at the $41,500 level (the income levels are adjusted to reflect 1980 dollars). According to the Husby analysis, long-run marginal saving rates are lower than short-run rates, ranging from 16 percent in the lowest bracket to 55 percent in the highest. Still, the 16 percent bottom-bracket long-run marginal saving rate was more than twice the level of the average savings rate in the early 1960s, when the survey was conducted.

Personal saving out of the 1964–65 Kennedy-Johnson tax cut was fully consistent with the Husby conclusions. With a 30-percent cut in the lowest bracket rate, 15 to 18 percent for middle-income taxpayers and 23 percent for the highest income taxpayers, the Kennedy-Johnson tax reduction was weighted more toward low-rate savers and dissavers than is 10–10–10. Still, that tax cut had a very big impact on individual saving, with the average personal saving rate rising from 5.4 percent in 1963 to 6.7 percent in 1964 and 7.1 percent in 1965. Comparable results with the Reagan tax proposal would provide an increase of more than $25 billion in personal savings in 1982 and upward of $40 billion in 1983.

Critics maintain that today's expectations of high inflation have blunted incentives to save. This "spend now" philosophy, they argue, drove the individual saving rate to a low of 4.7 percent in the first quarter of 1981 and will surely prevent any repetition of the 1963–65 experience, when prices were rising at less than half the current rate.

The answer to this criticism is that fear of inflation, if indeed it does cause lower saving, is certainly not the only factor. Of at least equal—if not greater—importance is the increasing tax burden on middle-income Americans as they move up to higher tax brackets and are hit with steep marginal rates. To the extent that this tax burden is the culprit, 10–10–10 carries its own solution to the problem of the low saving rate. Middle-income taxpayers will have more disposable income from which to save and will also get a significantly higher after-tax return on each additional dollar that is saved.

Insight into current attitudes toward saving can be found in recent public opinion polls. In August 1980, the Gallup organization asked people what they would do with a 10 percent reduction in their income tax bills, spend it or save it? Forty-one percent said they would spend most of it; 40 percent said they would save most of it.

But, in fact, that question was poorly worded. Few individuals realize that the act of saving is really a negative act; it is the act of not spending on consumption. Debt repayment is saving. Opinion Research Corporation asked people in late March: "If your tax rates were reduced by 30 percent over three years, would you spend all of the money, or would you save some of it or use it to repay debt?" Fully 82 percent of the respondents said they would save some of the money or use it to repay debt, compared with only 15 percent who would spend it all. Those who

said they would save some of the money also said they would save (on the average) almost half of the proceeds of the tax cut.

This response is fully consistent with the range of short-run marginal saving rates as estimated by Husby. Moreover, to the extent the prospect for cutting the inflation rate is recognized by the public, higher saving rates can be expected. In addition, there are strong pressures in Congress to shape the tax bill even more toward stimulation of individual savings. Discussions between congressional leaders and administration officials point to retention of the multi-year approach but with perhaps a five-point cutback in the total size of the marginal rate reduction from 30 to 25 percent. As a trade-off, strongly pro-saving provisions might be added, including immediate reduction in the top individual rate from 70 to 50 percent on investment income, a further substantial cut in the capital gains rate, and some type of savings incentive especially attractive to middle-income taxpayers.

In this way, two important goals would be served. The pressing social and economic need to reduce the impact of "bracket creep" on tax-battered middle-income Americans would be met. At the same time, maximum stimulation of individual saving would be obtained, and the tax cut would in significant part "pay for itself" by helping to finance the federal deficit.

LT. GEN. JAMES D. HUGHES

● Mr. INOUYE. Mr. President, Lt. Gen. James D. Hughes, one of the U.S. Air Force's most experienced tactical commanders, is retiring after 35 years of active commissioned service. For the past 3 years, General Hughes has served at Hickam Air Force Base, Hawaii, as Commander in Chief of Pacific Air Forces.

In this position he has been the air component commander of the Pacific Command—the largest of the U.S. unified commands with an area of responsibility encompassing 2½ million square miles, 35 nations, and some 2 billion people.

General Hughes was born on July 27, 1922, in Balmville, N.Y., and was graduated from the U.S. Military Academy in 1946. He flew combat in fighter aircraft during the Korean war and again during two tours of duty in Southeast Asia. During his career, he has served in a wide variety of assignments: As a combat fighter pilot; commander of tactical flying units, including the Tactical Air Command's 9th and 12th Air Forces; as a staff officer at major command headquarters in Europe and the Pacific; and as a senior military adviser in the Nation's Capital at the White House and Pentagon.

He served as Armed Forces aide to the Vice President of the United States from 1957 to 1961 and as military assistant to President Richard M. Nixon from 1969 to 1972.

General Hughes is a graduate of the National War College and earned a masters degree in international affairs from the George Washington University in 1966. An Air Force command pilot who has flown more than 6,000 hours in a wide variety of aircraft, he has flown every type of modern jet fighter including the Air Force's newest fighter aircraft, the F–15 Eagle, the F–16 Fighting Falcon, and the A–10 Thunderbolt II.

During his 3½ decades of service, General Hughes has served four tours of duty in the Pacific theater. His most recent assignment as Commander in Chief of PACAF has been his first Pacific assignment during peacetime.

His decorations and awards include the Distinguished Service Medal with two oak-leaf clusters, Distinguished Flying Cross with one oak-leaf cluster, Bronze Star Medal, Air Medal with nine oak-leaf clusters, Air Force Commendation Medal with one oak-leaf cluster, Purple Heart, Distinguished Unit Citation emblem with two oak-leaf clusters, Air Force Outstanding Unit Award ribbon, Republic of Korea Presidential Unit Citation, Republic of Korea Order of National Security Merit Gugseon Medal, the Republic of Vietnam Gallantry Cross with palm, and the Most Noble Order of the Crown of Thailand (First Class-Knight Grant Cross). He is a recipient of the Order of the Sword, the highest honor that may be bestowed upon a commander by his noncommissioned officer corps.

On June 1, 1981, Hawaii Governor George R. Ariyoshi presented the State's highest award, the Hawaii National Guard Medal of Merit, to General Hughes for his personal role "in making the Hawaii Air National Guard comparable to units in the Pacific Air Forces and one of the best Air National Guard organizations in the Nation."

I am extremely proud to recognize the distinguished accomplishments of General Hughes, the Pacific Command's senior air component commander. Through 3½ decades of service to his nation, his leadership has left an indelible imprint on the readiness posture of our Nation's tactical air forces.●

ISRAEL HAD NO OTHER CHOICE

● Mr. D'AMATO. Mr. President, I rise to address the matter of the recent air strike against the Iraqi nuclear plant near Baghdad.

I do not believe Israel had any other choice but to destroy the Iraqi atomic reactor. This bomb factory would have produced an atomic bomb capable of the destructive force which leveled Hiroshima. It was not an atomic reactor to produce energy. It was the means for Iraq to threaten the sovereign State of Israel—a nation dedicated to the principles on which this nation was founded. Israel has sworn its allegiance to us. It is our only true ally in the Middle East; it is the friend in the Middle East we should support.

The Israeli raid on Iraq was an act of self-defense, nothing more. The Israeli Government showed restraint in attacking the plant before nuclear fuels were in the reactor, and at a time when most of the plant's workers were away from that area. It was an act to prevent even bloodier and more destructive aggression by the Iraqis.

The United States and the rest of the free world should be more understanding of Israeli's act of self-defense. Not only has it protected itself from possible annihilation, it has prevented the entire Middle East from moving into a war it might not survive.

I agree that the spread of nuclear arms in any area of the world is a vital security matter. The spread of nuclear technology in the Middle East is even more critical. While the United States and Russia balance their nuclear capabilities with the fear of each other's power, no such balance could be struck in the Middle East. If Iraq and then, possibly Libya, possessed nuclear weapons, we might witness the second holocaust.

The question is, how do we stop the spread of nuclear arms in the Middle East?

Ideally, these types of missions should not be necessary. Unfortunately, this is a less than ideal world. We must face cold, hard realities. We have allies in this world and we have enemies who would like to annihilate our allies.

Israel faced the facts. It knew that the Iraqi plant would soon be producing the elements that could cause Israel's destruction. Israel knew there were risks, but realized all that could be lost through inaction.

It is time now for the United States to face facts. When will we see the difference between friend and foe and act accordingly? We should no more consider cutting off arms supplies to Israel than we should sell AWACS aircraft to Saudi Arabia. The sooner we face facts, the sooner we will regain the respect of those nations who may be questioning the depth of America's commitment to its allies.

Mr. President, the Israeli air strike was done at a time that minimized the damage to civilians, in fact to the entire world community. It was an act of prevention, not aggression.●

SENATOR SPECTER ADDRESSES SHAKLEE DISTRIBUTORS

● Mr. SPECTER. Mr. President, on the afternoon of April 4, I had the great pleasure of addressing 10,000 Shaklee distributors in Philadelphia, the majority being from Pennsylvania.

One of the most striking things about these distributors is that they are largely made up of those groups who often have the greatest difficulties breaking into the American business system. They are women, family members, senior citizens, and minority citizens. They market nutritional, household, and personal care products from their homes.

Mr. President, never have I encountered such an enthusiastic and receptive audience of American small businesspeople. The experience reaffirmed my faith and confidence in American small business.●

U.S. MULTIFIBER ARRANGEMENT

● Mr. HEINZ. Mr. President, I bring to my colleagues' attention a recent statement by the AFL–CIO Executive Council concerning renewal of the U.S. Multifiber Arrangement (MFA). I have also

included a copy of my letter on the same topic to U.S. Trade Representative William E. Brock, which was signed by 21 of my colleagues.

Renewal of the MFA is one of the most important trade policy issues that Congress will face this year. Thousands of American jobs are now being lost due to increasing import levels. Immediate changes are needed in the MFA in order to reduce the current onslaught of foreign products and I support the recommendations made by the AFL–CIO in order to accomplish these objectives.

These concerns must be addressed now through a coherent, aggressive negotiating strategy. A strong, united position is required in order to achieve our goals, preserve American jobs, and resolve this important trade policy issue for American industry.

I ask that the statement by the AFL–CIO and my letter to Trade Representative Brock appear at this point in the RECORD.

The statements follow:

STATEMENT BY THE AFL–CIO EXECUTIVE COUNCIL

International trade in textiles and apparel continues to have a severe adverse impact on American workers. Thousands of jobs are lost as imports pour into the U.S., swamping the already depressed domestic industry.

Last year the U.S. deficit in textile and apparel trade was more than $4 billion. Imports of some apparel products now exceed American production of these products. The future does not bode well if import levels continue to climb 8 percent annually, while the U.S. market grows at only 1 to 2 percent annually. For 1978 alone, an estimated 614,000 job opportunities were lost domestically from both direct and indirect import effects—nearly one-quarter of the number of jobs in the fiber/textile/apparel industry.

Apparel and textile workers who lose their jobs are among the hardest of the unemployed to retrain and place in new occupations. Most are women or members or minority groups and first generation immigrant groups who have particular problems finding jobs under the best of circumstances. Further, the Reagan Administration has proposed substantial cuts in the already inadequate Trade Adjustment Assistance program.

The majority of jobs in the textile and apparel industry have been preserved by an international agreement which regulates trade in these products, the Multifiber Arrangement (MFA). The MFA was negotiated in 1973 and renewed in 1977, with 50 importing and exporting nations becoming party to the agreement.

U.S. workers had looked forward to some easing of the import problem when the MFA was renewed and the Carter Administration announced a new Textile/Apparel Policy. But the MFA and the bilateral quota agreements negotiated under it have not been successful in containing the relentless surge of imports. New suppliers are adding to the already high quotas of the major Asian exporting nations.

Changes must be made in the MFA to reflect the different situation American workers are experiencing today. Improvements must be made to reflect the cumulative effect of imports on domestic textile and apparel production.

The United States must do more than just maintain the existing Multifiber Arrangement if the textile and apparel industry is to survive. We specifically recommend the United States government adopt the following policies in its upcoming negotiations on a renewed MFA and bilateral agreements:

The renewed MFA should regulate imports in line with changes that occur in domestic production of the importing countries. The previous mandated growth rate of 6 percent annual increase in imports should be modified to reflect the 1 to 2 percent actual growth rate American industry is experiencing.

Imports of specific products should be controlled in their entirety, not on a piecemeal basis.

In order to meet the needs of truly developing countries, nations with fully industrialized textile/apparel production, which already have an overwhelming portion of the U.S. market, should be held to no growth in quota.

In order to curb the instability of year-to-year surges in imports, flexibility provisions in the MFA must be eliminated. Quotas should reflect actual trade levels rather than be provided automatic escalators.

The MFA should be expanded to cover all apparel products, not just those made of cotton, wool or synthetic fiber.

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, D.C., April 30, 1981.

Hon. WILLIAM E. BROCK,
U.S. Trade Representative,
Washington, D.C.

DEAR BILL: We believe the successful renewal of the Multifiber Arrangement (MFA) is one of the most important trade policy challenges we face this year. Over the long term hundreds of thousands of jobs in all regions of the country depend on our ability to negotiate an MFA and the bilaterals that follow it that provide for orderly and restrained entry of foreign products.

We are confident both you and the President share this goal, but we have a growing concern at the slow pace of development of our policy and our negotiating tactics. We note that a number of members of the Senate Finance Committee have also become increasingly concerned over the way our trade policy professionals approach negotiations and the extent to which they are outmaneuvered by their more experienced colleagues. (This issue was raised in some detail at the recent Finance Committee hearings on your budget.)

The MFA negotiations, soon to get underway, provide a challenge to our negotiating skills that we can't afford to ignore. It is absolutely essential that we make a serious effort to tie import growth more closely to the level of growth of the domestic industry, and that to the extent we show more flexibility with regard to imports, we show it to the genuine lesser developed countries and not Hong Kong, Korea, and Taiwan, which presently account for 62 percent of our apparel imports and cannot be considered developing countries by any standard.

It is also critical that we present a strong front against efforts by the European Community to restrain further our textile/apparel exports. These exports are a real opportunity for growth for our industry after sustained deficits with EC nations in the past.

Unquestionably a nation rarely fully achieves all its goals in an international negotiation as complex as this one, but that fact makes it even more critical that we enter the process with a coherent, aggressive, and united position based on extensive interagency discussion and close meaningful consultation with the private sector. Going into a negotiation with a modest objective, such as simple renewal of the existing agreement, is, we fear, the best way to achieve a less than modest result which will be unacceptable to the Congress and the industry and embarrassing to our negotiators.

We urge you and your staff to use the remaining time available before the negotiations get fully underway to develop a strong and coherent position that reflects the commitment of the Reagan Administration to insist on reciprocity in negotiations and to aggressively defend the interests of American industry.●

REMEMBERING BRAVE JURI

● Mr. HEINZ. Mr. President, I bring to my colleagues' attention a recent article from the Christian Science Monitor on the death in a Soviet labor camp of Estonian human rights activist Juri Kukk. This brave and courageous civil rights leader died at the age of 40, as the result of a 4-month hunger strike.

Kukk could no longer accept the Communist propaganda statements and died for his faith in freedom. His death has increased social and political tension in Estonia and offers a dramatic illustration of the serious problem we now face in the human rights area.

The public must be made aware of this official brutality and must join us in showing our strong and united criticism of such human rights violations. I believe this article helps to vividly demonstrate these atrocities and to raise public concern for this most important issue. Therefore, I ask that the article appear at this point in the RECORD.

The article follows:

REMEMBERING BRAVE JURI

(By David K. Willis)

LONDON.—At home I have a pair of gloves, thin, brown, ordinary. They are not mine. They belonged to a hero, one of the bravest men I have ever met.

Now I cannot return them. Their owner has just passed on, in a Soviet prison camp, in the Gulag Archipelago, in the frozen northern plain of Russia, in the region of Murmansk.

This article is written in his memory: a mild, slightly built, unassuming, intelligent, and honest man called Juri Kukk. He died because his eyes were opened to the kind of totalitarian control the KGB and the Communist Party exercise in the Soviet Union in his beloved homeland of Estonia.

For many years he worked quietly as an inorganic chemist in Estonia. For 12 years he was even a member of the Communist Party. But he spent a year studying at an institute just outside France (1975–76), and when he returned home, he was a different man.

I met him first in the depths of a dreary winter (1979–80) in an icy, deserted Moscow park. It was so cold we could hardly stand still. I invite him, and his colleague Mark Niklus, back to our apartment, gave him some tea, listened to his quiet determination and his courage.

He is not so well known as Andrei Sakharov or Anatoly Shcharansky. He won no Nobel prizes or world headlines. To me, he epitomized the unshakeable faith of an individual in freedom. Eventually, he died for that faith on March 27, 1981. He was 40.

His funeral, such as it was, was attended by his wife Silvi, five friends, and 25 KGB agents in the bleakness of Vologda, 400 kilometers east of Leningrad. His grave bears no name, just his prison number—23781. His widow has no photograph of it; KGB agents tore away the camera a friend used at the funeral, and exposed the film.

Juri told me he could no longer accept communist propaganda statements when he returned from France. The party said life in Estonia was wonderful: his own eyes told him it was the opposite. He felt he could no longer remain a member of the party. He wrote a brief note to local party headquarters, resigning. He thought it was a mere formality, and that he could live and work as before.

He was thunderstruck to come home one day and find Silvi had been visited by men

in plain clothes who bullied her by saying he would be put into a psychiatric ward unless he withdrew his resignation. Persecution increased. The more it did, the more unyielding he became. He lost his teaching job.

Eventually he joined forces with another dissident, Mark Niklus, who had been battling the authorities since graduating from the university.

Niklus, a square, burly, passionate man with darting eyes and nervous manner of one always watching for the KGB, was with Juri when we met in the park. Both spoke good English. Both described conditions in Estonia, nationalist rallies, and a statement Niklus had signed the previous year calling for Baltic independence.

Later they gave me copies of statements signed by Baltic dissidents opposing the Soviet invasion of Afghanistan and supporting a boycott of the Moscow Summer Olympics of 1980. They wanted me to quote them.

The last time I met Juri was when I drove him in my car along the Sadovoye ring road. Three minutes after leaving the car he was picked up by the KGB and held for three days without being charged.

Sent back to Tartu, he telephoned me from a public booth to say how astonished he had been at the sight of the KGB flouting normal rules of detention. He had been thrown in a cell with drunks. A statement attesting to his answers had been signed by two 'witnesses' whom he later discovered in the cell with him—prisoners plucked out of jail to sign a statement they knew nothing about.

He was deported from Moscow for staying in the city longer than three days (technically an offense) even though he would have been home in time if he had not been detained.

A month later he was arrested in Tartu. Silvi and his small son and daughter were distraught. The children were shouted at, victimized by schoolmates while teachers stood by, watching.

Eventually Juri was charged with disseminating fabrications defaming the Soviet system. Niklus was arrested on a more serious charge April 29.

For months the KGB tried to force Estonian doctors to certify Juri mentally deranged. They refused, The KBG incarcerated him in the notorious Serpsky psychiatric institute in Moscow. He went on a hunger strike. So did Niklus.

From Jan. 5 to 8 in Tallinn, capital of Estonia, both men were tried together. Both refused to speak. At the end, Juri bowed to Silvi and promised to continue his hunger strike, then in its 41st day.

He was sentenced to two years in a labor camp (Niklus, a second offender, received 10 years and five more of internal exile). On March 27 this year, Juri succumbed in the Gulag, still refusing food, still fighting for the ideals the Soviet states denies.●

THE PEANUT LORDS

● Mr. LUGAR. Mr. President, two excellent articles in the Atlanta Constitution reveal that our present peanut support system is a feudal system which benefits a restricted class of peanut "lords" who inherited the allotments which one must hold in order to produce peanuts. It does not protect the farmer because he must pay for the right to grow peanuts and because restraints on production take away the incentive to compete for growing world and domestic markets. It does not help the American consumers because it drives up domestic prices. And it does not help feed the hungry of the world because of the restraints on production and the lower price support for exports than for domestic production.

Peanut allotments were created by the Government in 1938. Today, the person who farms an acre of peanuts is usually not the person who holds the allotment. The Agriculture Department estimates that about 70 percent of peanut acreage is leased. Those who lease this land have to pay not just for the land that they need; they must also pay for the allotment. The articles give examples of the exorbitant prices that are often paid for allotment leases. A 1977 USDA study shows that about 90 percent of the value of a typical lease is for the allotment, not for the land. Leasing the allotment adds about 20 percent to the lessee's total cost of production.

The peanut support program also drives up the cost of peanuts to the consumer. This happens for three distinct reasons. First, the higher production costs due to the allotment system are reflected in higher prices to the consumer. Second, restrictions on production and high quota loan rates set the market price of peanuts higher than they would be under free competition. Third, artificially high domestic prices encourage the use of severe import restrictions which drive prices up even further. During the recent drought, imported peanuts were not available when they should have been to ease the pressure on domestic prices. Peanut butter is now a luxury item instead of a potential food for the world.

I will introduce an amendment to the farm bill to reform a system which benefits neither the farmer nor the consumer and which is counterproductive to the U.S. interest in world trade.

Mr. President, I submit for the RECORD the two articles to which I have made reference.

The articles follow:

[From the Atlanta Constitution, Apr. 2, 1981]

PEANUT "LORDS" GO TO THE BARRICADES

(By Henry Eason)

WASHINGTON.—For decades in the South, rural mothers have shrewdly advised their daughters to marry a man with a peanut allotment. "Like gold in the bank," the saying goes.

But the very system that created a special class of peanut farmers is under heavy attack by free market advocates in the Reagan administration, by peanut butter and candy manufacturers, and by small peanut farmers who pay dearly to rent from allotment owners.

The "allotment lords," as critics of the federally sheltered peanut-growing industry describe those who own the only land on which peanuts may be grown, have long walked tall in peanut-growing states like Georgia, Florida, the Carolinas, Texas, Virginia, and Oklahoma.

In years of favorable weather, peanuts have been one of the richest cash crops an American farmer can raise, with their proliferating use as a food supplement to meat and their expanding world market.

In response to the collapse of so many farms during the Depression, the federal government acted in many ways to bolster American agriculture. One of the major programs protected those who farmed certain crops by designating that those crops could be grown only on specifically allotted acres.

More than a million acres of land were earmarked as peanut-growing land. Those who owned the land were given acreage allotments—10 acres to this farmer, 100 acres to that one and so on.

But as the original allotment owners have died or quit farming since they were granted their allotments in the 1930s, increasingly peanuts have been grown by farmers who have had to lease allotment acreage from original peanut farmers.

Recent Agriculture Department estimates show that 70 percent of all peanut farmers are renting the land they use to raise peanuts at $300 to $400 an acre yearly. That is as much as four times more than it costs to rent an acre of land to grow other crops.

A substantial number of allotment holders also raise peanuts, and they reap much larger net profits than the unendowed peanut land renters, because they can deduct the hefty land rents from their overall cost of production.

It is a system described as "feudalistic" and "monopolistic," and in Congress this year, it will come under greater assault than ever before, with predictions that it will fare worse than in 1977, when the "peanut program" was reinstated by only a three-vote margin.

This week, Agriculture Secretary John Block angered members of Congress from peanut-raising states by proposing that the allotment system be abolished, beginning in January 1982.

"We would like to see the United States become more competitive in the production and export of peanuts," open-market booster Block said, he further expressed concern that the program actually worked against most peanut growers, and he described it as needlessly complicated.

Arguing the case of the peanut-allotment renter before a congressional peanut hearing several weeks ago, farmer Gene Miller, from Lumpkin, Ga., pleaded for the abolition of allotments, production quotas and government pricing and called for the "free float" of peanuts on the national and world market.

"The farmer who planted the seed, prayed for rain, labored beyond belief, paid the production costs (including the excessive annual rent for allotment acres) . . . fought the onslaught of insects as well as fungus and mold, sweated out multitudinous losses that can occur at harvesting and finally struggled to market with his crop, is the forgotten man in the peanut program," Miller said.

"In Georgia," Miller continued, "certain remnants of the feudal system remain in effect, wherein middlemen in the peanut business have gained control of many of the allotment acres in an area. They then dole out these allotments to the dirt farmer, charging him through the nose, and implying rather strongly that he better bring his harvested crop back to the dispenser of alloted acres.

"Of course, along with such feudal systems comes the sale of fertilizer and lime, farm supplies, seeds and other agri-supply items, all tied in to the allotment provider," Miller said.

"It is indeed a feudalistic land system. It has been referred to as a government-anointed monopoly," Peanut Butter and Nut Processors spokesman James Kalback recently testified before the Senate Agriculture Committee.

Critics maintain that the major peanut lobbies, whose testimony does not usually highlight the allotment-cost problem, are strongly influenced by allotment owners and do not represent those who must rent their land.

Emmett Reynolds, a leader in the National Peanut Growers Group, strongly defended the program before the Senate Agriculture Committee, but his testimony did not call attention to the inflationary aspects of the allotment rental system, a major concern of small landless farmers.

Arguing the case of the 70 percent of peanut farmers who must rent land, National Confectioners Association spokesman James Mack, whose group wants lower peanut prices, said the big peanut interests have intimidated the renting farmer.

"These actual farmers, in contrast to the

allotment owners, realize that if they should come to Congress and complain about the allotment system and that if (the system) were not repealed, it is likely that they would not be able to rent allotments next year," Mack contended.

Rep. Charles Hatcher, D-Ga., whose southwest Georgia district grows more peanuts than any other area in the nation, has vowed to fight abolition of the allotment system to the bitter end.

Hatcher acknowledged in an interview, "You may have trouble defending it (the allotment system) logically, but, as I say, this is based on experience—not necessarily logic."

Hatcher maintained that the protective allotment and poundage quota system has become so interwoven in the whole American method of raising peanuts that abolishing it would be severely disruptive.

Furthermore, he asserted, if the federal peanut program is scrapped, you're going to have large corporate farmers, large individual farmers replacing the thousands of small farmers who have an allotment."

Secretary Block argued that peanut farmers should be able to grow their crop on any land they wish, and indicated that the result would be far greater production at less cost, based on the free enterprise theory.

Hatcher countered, "I told (Block) it's a shame to disrupt—my parochial interest is southwest Georgia—it's a shame to disrupt the economy down there simply to meet some philosophical need he has.

Rep. Bo Ginn, D-Ga., whose brother and other relatives are allotment owners and raise, store and market peanuts, also indicated that he will fight to preserve the allotment system.

Ginn acknowledged that peanuts are "a protected crop," adding that there are "problems with it" and that, "there is some cost to the taxpayer." He also conceded that allotment owners have an advantage over renters.

But he predicted that the short-order abolition of the allotment system would mean a "calamity" for the peanut industry for the next several years, coming right on the heels of the horrendous 1980 drought that laid heavy debt burdens on the common farmer.

He acknowledged that "land rents have become exorbitant" but stressed "I'm just afraid that if we take all controls off and everybody grows peanuts that wants to grow them, there will be such a tremendous amount of growth so rapidly that it will be a calamitous situation."

ALLOTMENTS ARE COSTLY PART OF ANNUAL GAMBLE OF GEORGIA PEANUT FARMING

(By Robin Schatz)

DAMASCUS.—A farmer is always part gambler, betting his own sweat and money against the vagaries of the weather and the marketplace. And this year T. C. Hunt and his two sons are gambling big on their peanut crop.

By the second week in April—at least two weeks earlier than usual—Hunt and his sons, Terry and Gary, will start planting their 400 acres of peanuts, praying that a late cold spell won't hit the rich peanut belt of southwest Georgia and rot the seed peanuts in the ground. At $75 an acre for seed peanuts, the stakes are high.

But if Early County, the top peanut-producing county in Georgia, is favored with mild nighttime temperatures after planting and the men tote and lay irrigation pipes in marathon 18-hour days to combat the scorching summer heat, then the crop may survive the critical 50–100 day period. The Hunts just might be lucky and get their crop to market by Sept. 1, early enough to command the high prices that have resulted from last year's disastrous drought and subsequent peanut shortage.

The Hunts were fortunate last summer, having planted their crop late, and were able to contract their peanuts at $700 a ton, while many other farmers were committed to previous contracts at the government support price of $455 a ton.

Nevertheless, the Hunts only managed to break even last year, as has been the case for the past four years. Indeed the limited success has been enough to make 28-year old Gary Hunt, a graduate in agriculture from the University of Georgia, wonder if he made the right decision when he entered the family farming business.

The costs of fertilizer, diesel fuel, chemicals and land rental fees all keep going up, but the bank notes don't go away. In 1979, senior Hunt paid out $104,000 in loan interest payments and for land rental. A John Deere tractor he bought for $40,000 last year now sells for $52,900. The family uses about 700 pounds of fertilizer a day, and it's now running $212 a ton.

"We've got all kinds of insects here, but none that will go into the bank and eat up them notes," T. C. Hunt joked.

An old, sagging white farmhouse, which belonged to Hunt's grandfather and is reduced now to a storage building, stands across the street from Hunt's brick ranch house. The old building is a testament to the family's long farming tradition.

Hunt, 50, has always lived in the quiet farm community of Damascus, except during three years of service in the Korean War. His wife Roberta also grew up on a Damascus farm.

While Gary and Terry Hunt, who are both married to teachers, have joined their father on the farm, a third son chose to work for a telephone company. The couple also has two daughters, one who is married and working in Albany, and another who is a 10th-grader.

The Hunts, like most of the farmers in Early County, are leery of the government's plans to alter or abolish farm programs, particularly those pertaining to peanuts. The federal government provides price supports for peanuts and limits the amount of land on which they can be farmed.

Since the "allotment" system was established in 1938 by President Franklin D. Roosevelt, the right to grow peanuts has been controlled by those who hold the "allotments," but in many cases those allotments have passed on to a third generation—descendents who may no longer farm the land. Nationally, 70 percent of all peanut allotments are rented to farmers, usually at premium prices.

The Hunts own about 300 acres of land, including about 72 acres of peanut allotments, but they supplement that with about 700 acres they rent from other landowners in the area to grow corn, soybeans, wheat as well as peanuts. It's hard to find land for sale, particularly with a peanut allotment on it, and even when the land is available, most farmers can't afford the interest rates to buy it, Hunt said.

While the Hunts pay about $25 to $30 an acre to rent general cropland, peanut- allotment land commands as much as $200 or $250 an acre in Early County for non-irrigated property, and as much as $275 for irrigated land. Last year, Hunt had to negotiate rentals with 13 different landlords, and each year the competition for the land, and particularly, that with peanut allotments, is repeated. In recent years, farmers from neighboring counties have been coming into Early and bidding high prices for allotment land.

But peanut allotments are a sensitive topic in peanut country. Few farmers criticize the program, despite the fact they must pay top dollar to rent that land.

On a mild spring day, as clouds of fertilizer rise around the tractors in a cornfield which has already been seeded, Hunt and his two sons contemplate the future for peanut farming. An old cocker spaniel, looking the part of a faithful agricultural mascot with a faded blue bandana around its neck, stays close to the men.

Hunt's family has always farmed peanuts. But for the family to stay with peanuts, Hunt said, the government must raise its price support—now only $455 a ton, less than the cost to produce the peanuts. "We're, hoping to stay in the peanut business, provided they raise the price," said Hunt.

Despite the high costs of renting land, Hunt said the allotment program should not be abolished.

Hunt said he can't blame the landowners for charging so much for peanut allotments. "I probably would do the same thing," he said.

"We don't mind paying the rent if we can get a good price per ton. If the peanut program is turned loose everyone is going to be growing peanuts," he said.

Only a few miles from Hunt's farmhouse, Early County Commissioner Liston Radney has a flower shop he runs as a hobby. But he receives a major share of his income from renting out his 3,500 acres of farmland, including 400 acres of peanut allotments, some of which he inherited and the rest which he bought up over the years.

Radney had a sharecropping arrangement on his land for years, forming partnerships with farmers who worked the land for him and operating his own peanut dryers. But he started renting out the allotments about 11 years ago for $75 an acre. Now he receives $175 per acre or 25 percent of the gross income, whichever is more.

In Radney's opinion, the high price landowners charge for the peanut allotments is fair. "The landowner doesn't set the price. The farmer sets the price," Radney said. "If I'm offered $150 an acre, and somebody offers more, naturally I'm going to let the man have it who will pay me the most."

If the system is abolished, Radney said, "it will shoot the hell out of the economy of southwest Georgia."

But another peanut farmer, Fletcher Thompson, who also owns a Pontiac dealership in nearby Blakely, questions whether doing away with the allotment system would really hurt the peanut business.

"I think it would help as many as it would hurt," he said.

The small farmer, said Thompson can't produce enough peanuts on a small plot of land to break even, and therefore is compelled to rent more allotment land.

(NOTE: 400 acres x $175 per acre annual allotment rental equals $70,000 per year.) ●

TEMPORARY EXCLUSION OF FOREIGN FISHING SUPPORT VESSELS FROM INTERNAL WATERS OF ALASKA

Mr. STEVENS. Mr. President, at the desk is a bill I introduced last Thursday, which I asked be held. I ask unanimous consent that the Senate proceed to the consideration of the bill at this time.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1337) to provide for the temporary exclusion of foreign fishing support vessels from the internal waters of Alaska.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. STEVENS. Mr. President, this bill will relieve an emergency situation affecting the vast fishing resources in my home State of Alaska.

Alaska's processor preference statute

was declared unconstitutional in the Federal District Court of Anchorage several weeks ago. The court found exclusive State regulation of foreign processing vessels an overreach of State power in foreign commerce. Invalidation of the longstanding Alaska statute has left waters landward of the baseline free of any regulation for foreign processing vessels. While I would prefer to have regulation of Alaska's internal waters within the State's exclusive province, the recent court action requires that we act quickly to include limited Federal participation in the process.

The bill which I offer today provides a brief period of Federal involvement in this important State matter that will allow the State to continue its role as primary regulator of its internal waters. The bill keeps the decision within the office of the Governor of Alaska. That decision is then reviewed by the Secretary of Commerce to insure that no prejudicial regulation of foreign nations is effected by the Governor's decision.

We intend the Secretary's review to be limited to the question of equal treatment of foreign nations; and because of the need for a timely decision, for the Secretary to delegate his decision to the Alaska director's office of the National Marine Fisheries Service. We intend this approval process to fall under expedited review, and that it not be considered a formal rulemaking so that regulatory review proceedings are not triggered.

This bill follows enforcement provisions of the Magnuson Fishery Conservation and Management Act, but is not in any other manner connected with that act.

Mr. President, I have stated that I requested that this measure be held at the desk so that we may effect expedited review of it. The bill has been cleared by the distinguished chairman and ranking minority member of the Commerce Committee for floor consideration.

Mr. President, I ask unanimous consent that the name of the distinguished chairman of the Committee on Commerce, the Senator from Oregon (Mr. PACKWOOD), be added as a cosponsor of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I yield to my colleague from Alaska.

Mr. MURKOWSKI. Mr. President, today the Senate is considering S. 1337, a bill introduced by Senator STEVENS and myself to provide for the temporary exclusion of foreign fishing support vessels from the internal waters of Alaska. This legislation will provide temporary relief to a difficult situation occurring at this moment in my State of Alaska. I ask that the Senate act expeditiously on this measure given the urgency of the commercial fishing activity in Alaska, currently ongoing.

Mr. President, this legislation simply addresses the issue of processing capacity for Alaskan fishery resources. Currently in Alaska sufficient domestic processing capacity exists to handle the expected level of harvested fish. The need for foreign processing assistance is unnecessary for the year 1981. This bill is necessary to insure that the domestic processing industry is able to fully utilize the entire Alaskan fishery resources. In this manner jobs for Alaskans and the sound tax base provided by the industry will be preserved.

Mr. President, this legislation reinforces the Governor of Alaska's flexibility of controlling access to the State's internal waters. If, at some point, additional processing capacity is necessary, the Governor of Alaska, under this bill, will have the authority to invite foreign processors into Alaska. The Governor's office has used this flexibility wisely in the past and I see no reason to believe that it would not be used wisely in the future pursuant to this bill.

Mr. President, I emphasize that this bill in no way will affect the Magnuson Fishery Conservation and Management Act of 1976. The only similarity with that landmark legislation is the penalty section of S. 1337. I do not intend, in introducing this bill, to have the Department of Commerce's role in the Alaska seafood industry altered in any way. The Secretary of Commerce will be given the authority to approve the Governor of Alaska's decision, should the Governor deem it necessary for foreign intervention. This bill should not be interpreted as a fishery ruling alteration to the Department of Commerce or any other portion of the executive branch.

Mr. PACKWOOD. Mr. President, the legislation which we are introducing today addresses a situation which, if allowed to continue unchecked, could dramatically affect the U.S. seafood processing industry, and lead to severe reduction in employment, capital investment, and export benefits provided by that vital industry nationwide. While the specific geographical areas of concern at this moment are the inland waters of Alaska, there is no question that the issue at hand and the Federal response thereto will have an immediate and direct impact on the entire U.S. seafood industry from New England to the south Atlantic States, the Gulf of Mexico, and the entire west coast. We feel strongly, therefore, that a prompt but firm Federal response is warranted, particularly in view of the rapidly approaching salmon season.

A number of foreign vessels have recently been purchasing herring from fishermen in Alaskan inland waters and depriving American seafood processors of product which the U.S. processors clearly have the capacity to process. The legislation we are introducing today will prevent a reoccurrence of this situation during the upcoming salmon and crab seasons.

This situation is possible due to the fact that the Magnuson Fishery Conservation and Management Act of 1976, which was designed to assist both the U.S. harvesting and processing industries, has been interpreted in such a way that neither Federal or State control is recognized over fishing activities in inland waters. Until now, States have attempted to exercise control over these waters which lie inside the territorial sea.

In the case of Alaska, the State anticipated that a large herring run would exceed the domestic processing capacity. Thus the State allowed a group of fishermen to contract with a Japanese cooperative to deliver fish directly to Japanese vessels in the inland waters. This herring would simply be frozen on board, and transported back to Japan.

Several months later, as the herring season drew closer, the State reassessed the desirability of this proposal in view of increased American processor capacity and new biological data regarding the anticipated size of the herring run. Assured that the U.S. processors could handle the harvest, Alaska withdrew permission for the Japanese to enter inland waters to participate in this project. This action was challenged in court, where the right of the State to regulate foreign harvesting and processing in the inland waters was questioned.

The Federal District Court ruled that State regulation of foreign processing and other fishing support activities in the inland waters is in violation of the U.S. Constitution. As a result of that decision, and an informal opinion of the National Oceanic and Atmospheric Administration that the FCMA does not assert Federal authority over those inland waters, it now appears that those inland waters are not subject to any U.S. control with regards to processing and other fishing support activities. Neither State or Federal jurisdiction is recognized.

This is an absolutely unacceptable situation. It was certainly not congressional intent to create a "no-mans land" in these inland waters. I believe the NOAA opinion in question is contrary to the legislative intent of Congress when we enacted the Fishery Conservation and Management Act in 1976, and again when we amended the act in 1978 and 1980. Our intent has been and continues to be to create two legal regimes. First, the 197-mile U.S. fishery conservation zone in which foreign harvesters and processors are allowed to enter only if the U.S. industry does not have sufficient capacity to take advantage of specific resources. Foreign vessels must apply for and receive permits and agree to abide by U.S. quotas and other laws and regulations set by the regional fishery management councils and the Federal Government. The second regime exists in waters of State jurisdiction including the 3-mile territorial sea and inland water. In this area, foreign harvesting, processing, or fishing support activities at sea is prohibited.

The immediate impact of this legislation will be to assure that any harvesting, processing, and fishing support activities by foreign vessels in State waters, including those inside the base line, shall not take place without the consent of both the State of Alaska and the Secretary of Commerce.

However, further analysis of this situation is clearly warranted. It is our commitment to address the issue of flexibility in State or Federal regulation of foreign fishery activities in all waters within 200 miles of our shores. We will investigate factors which allow foreign ventures to offer substantially higher prices to American fishermen that the American shore-based processors can offer, as well as the dependability of those foreign markets for the U.S. fishermen.

In the meantime, it is imperative that both Congress and the administration send a strong message to foreign nations that any foreign fishing, harvesting, or

fishing support activities in our waters will be subject to U.S. fisheries jurisdiction and will be regulated in the best interests of the U.S. fishing industry. With the upcoming salmon season in mind, foreign nations should understand that processing and other fishing support activities by foreign nations will not be immune from State or Federal oversight.

At our request, the U.S. Coast Guard has stepped up its surveillance and enforcement of foreign processing and fishing activities. The Department of State has informed the Japanese and other governments of congressional concern. The Department of Commerce is reviewing its policy in this area at the highest levels, and with the introduction of this legislation it is our expectation that policies and opinions will be rapidly reassessed.

This initiative enjoys bipartisan support in the House and Senate. As evidence of this, I ask that unanimous consent for four letters expressing the need for prompt Federal action be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON COMMERCE,
SCIENCE AND TRANSPORTATION,
Washington, D.C., May 7, 1981.

Hon. MALCOLM BALDRIGE,
Secretary, Department of Commerce,
Washington, D.C.

DEAR MAC: Recently I have become aware of a highly objectionable situation which, if allowed to continue, could dramatically effect the U.S. seafood processing industry, and lead to severe reduction in employment, capital investment and export benefits provided by that vital industry.

A number of Japanese vessels have entered not only the U.S. 200-mile Zone, but the Territorial Sea and inland waters of the State of Alaska. They are currently purchasing fish from fishermen in those inland waters and depriving American seafood processors of product for which they easily have the capacity to process. As an original sponsor of the Fishery Conservation and Management Act of 1976, I can firmly assure you that this activity by foreign vessels is absolutely contrary to the legislative intent of Congress when we enacted the FCMA in 1976, and again when we amended the Act in 1978 and 1980. Our intent has been and continues to be to create two legal regimes. First, the 197-mile U.S. economic zone, in which foreign harvesters and processors are allowed to enter only if the U.S. industry does not have sufficient capacity to take advantage of specific resources. Foreign vessels must apply for and receive permits and agree to abide by U.S. quotas and other laws and regulations set by the Regional Fishery Management Councils and the Federal government. The second regime exists in the Territorial Sea and inland waters of the state. In this area, foreign harvesting and processing is absolutely prohibited. With regard to both regimes, it was our intention that the term "at sea" means *any* water, including any waters within the baseline, and internal waters.

I strongly urge you to move quickly to conform your policies and opinions to the FCMA and Congressional legislative intent as expressed in this letter. As Chairman of the Senate Committee on Commerce, Science and Transportation Committee, I will move very rapidly to introduce legislation to amend the FCMA to reaffirm our original legislative intent. I have been informed that similar initiatives are being prepared in the House of Representatives. I have requested the Coast Guard to exercise its surveillance and enforcement powers, and the Department of State to inform the Japanese government of Congressional concern. I congratulate you, Joe Wright and Sherman Unger, on your attention to this urgent matter and urge continued concerted action to apply which will result in the prompt departure of the offending vessels from U.S. waters. You have my firm support for such action.

Cordially,

BOB PACKWOOD.

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE,
AND TRANSPORTATION,
Washington, D.C., May 12, 1981.

Hon. MALCOLM BALDRIGE,
Secretary, Department of Commerce,
Washington, D.C.

DEAR MAC: Recently we became aware of a volatile situation regarding foreign ships purchasing herring directly from U.S. fishermen and thus depriving U.S. shore-based processors of product which they easily have the capacity to handle.

The impact of this situation is beginning to be felt around the country, as processors on all coasts are becoming wary of unforeseen and unregulated competition from foreign countries even within sight of the American on-shore processing plants. The need to protect our processors, however, must be balanced by the ability to retain flexibility to maximize American utilization of fish within the 200-mile fishery conservation zone. Because the Magnuson Fishery Conservation Management Act does not presently provide this flexibility, it will be necessary to give the Act careful legislative review.

We are agreed, however, that a strong message must be sent to all foreign countries, especially in regards to the salmon season. We do not want any competing foreign vessels in the inland waters, territorial seas, or fishery conservation zone during the upcoming salmon season and are requesting you to issue whatever opinions and policy statements are necessary to assure that those ships do not enter our waters for purposes of harvesting, processing or activities in support of fishing.

We think that a strong statement from your office to be delivered both by the Commerce and State Departments to all interested foreign nations will have the desired effect. We urge you to move quickly to provide notice to any and all foreign countries that unpermitted and unregulated boats will not be tolerated in U.S. waters.

Cordially,

BOB PACKWOOD,
TED STEVENS,
FRANK MURKOWSKI.

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON MERCHANT MARINE
AND FISHERIES,
Washington, D.C., May 13, 1981.

Hon. MALCOLM BALDRIGE,
Secretary, Department of Commerce,
Washington, D.C.

DEAR MR. SECRETARY: We recently learned of the presence of Japanese fishing vessels receiving United States harvested fish from United States vessels within waters of the State of Alaska. These vessels are then transporting the fish through the territorial sea and the U.S. Fishery Conservation Zone to foreign ports. We consider this activity contrary to the legislative intent of Congress under the FCMA. Congress enacted the FCMA with the clear intent of managing U.S. fish stocks in a manner that would promote the full development of the U.S. fish harvesting and processing industries. Thus, it was provided in section 307 of the FCMA that:

It is unlawful—

(2) for any vessel other than a vessel of the United States, and for the owner or operator of any vessel other than any vessel of the United States, to engage in fishing—

(A) Within the boundaries of any state; or

(B) Within the Fishery Conservation Zone, or for any anadromous species or Continental Shelf fishery resources beyond such zone, unless such fishing is authorized, and conducted in accordance with, a valid and applicable permit.

This commitment was reaffirmed with the passage, last year, of the American Fisheries Promotion Act. Clearly, we never contemplated that the FCMA would be applied in a manner that would leave an area extending from the coastline to the baseline of the territorial sea as one within which the FCMA prohibition on foreign fishing would not apply.

In addressing this issue, the first question is what constitutes fishing under the FCMA. Section 3(10) of the FCMA defines "fishing" as:

(A) The catching, taking, or harvesting of fish;

(B) The attempted catching, taking or harvesting of fish;

(C) Any other activity which can reasonably be expected to result in the catching, taking or harvesting of fish; or

(D) Any operations at sea in support of, or in preparation for, any activity described in subparagraphs (A) through (C).

The Secretary of Commerce has promulgated regulations defining "any operations at sea in support of" the activities described in paragraphs (A) through (C) to include the processing, including freezing, of fish or fish products and the transferring or transporting of fish or fish products.

There is no question that the foreign vessels receiving fish from U.S. vessels at sea are engaged in "fishing". The next logical question is what "at sea" includes. To interpret the language of the statute to preclude its application to internal waters landward of the baseline of the territorial sea is obviously inconsistent with the intent of Congress to foster the development of the U.S. fishing and processing industry. The prohibition on foreign fishing "within the boundaries of any state" clearly applies "seaward of the coastline of the United States" (H. Rep. 94–445, p. 72) to the outer boundary of the Fishery Conservation Zone. The internal waters of a state are "seaward of the coastline". Therefore, foreign fishing operations in internal waters are prohibited.

We believe it is essential that you conform the Department's policies to the intent of Congress in this matter and that you advise the Department of State and the Coast Guard of this policy at the earliest possible date.

Thank you for your attention to this matter.

Sincerely,

JOHN B. BREAUX,
Chairman, Subcommittee on Fisheries and Wildlife Conservation and the Environment.

EDWIN B. FORSYTHE,
Ranking Minority Member, Subcommittee on Fisheries and Wildlife Conservation and the Environment.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 15, 1981.

Hon. MALCOLM BALDRIGE,
Secretary of Commerce, U.S. Department of Commerce, Washington, D.C.

DEAR SECRETARY BALDRIGE: During the past two weeks you and your staff have been approached by representatives of the U.S. fishing industry regarding a rather unique situation that is occurring in the Alaskan herring fishery. I would appreciate your consideration of some of the problems involved and a possible solution.

As you know, the State of Alaska has maintained for some time the authority to selectively allow the entrance of foreign sea-

food processing vessels into the State's internal waters. This authority has been used when domestic seafood processors were unable or unwilling to process the fish harvested by U.S. fishermen in any particular season.

Prior to this year's herring season, a group of Alaskan fishermen petitioned the Alaska Board of Fisheries to allow the entrance of a number of Japanese vessels to receive gillnet harvested herring. Their reason for doing so was the failure of U.S. processors to provide a market for those fish in the 1980 season. The Board at first granted that request and then, at a subsequent meeting, reversed its decision. As a result, the fishermen asked for judicial relief which was granted when a Federal judge determined that the State had no power to allow selective entrance of foreign vessels for economic reasons.

The U.S. processors then suggested that Section 307 of the Magnuson Fisheries Conservation and Management Act prohibited the entrance of foreign processing vessels. However, Department of Commerce definitions of the term "fishing" only include processing when such operations are conducted "at sea," and this latter term did not include State internal waters.

You are now being asked to redefine the term "at sea" to indicate that it means "not on land." If this is done, further entrance of foreign processors will be disallowed pending future modifications of the MFCMA. While this would obviously benefit the U.S. processing industry, and as a result would be of some benefit to U.S. fishermen who rely on those processors, it would prevent the State of Alaska from exercising any flexibility in resource management and would cause fishermen to be locked in to one set of processors. Further, the Congress clearly included the term "at sea" in the definition section of the MFCMA and it should be left to the Congress to appropriately modify the law.

I would suggest instead that the following course of action be taken. It is my understanding that the Federal Government has sufficient power under existing law to expel foreign nationals if the need arises. Given that the herring fishery is nearly completed, I see no reason to use this power at this time. However, I do feel that the Department, along with the Department of State, should notify foreign nations indicating a desire to bring their vessels into internal waters that the law will be used to have their nationals expelled. This will provide a safety factor for U.S. processors and fishermen and will give the Congress sufficient time to find a permanent solution to the problem which will satisfy the various needs identified.

I would urge your consideration and adoption of this positive solution to a complex problem. Further, I can assure you that I will bring all of my efforts to bear on finding a permanent solution that takes into account the needs of processors, fishermen, and the State of Alaska.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1337

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

PROHIBITION

SECTION 1. During 1981, no vessel, other than a vessel of the United States, may engage in processing or fishing support activities in internal waters of the State of Alaska, unless—

(a) the Governor of Alaska determines the extent to which United States fish processors will not have adequate processing capacity or will not utilize such capacity, in specified internal waters of Alaska and determines the period of time during which United States processors lack such capacity; and

(b) the Secretary of Commerce concurs with the Governor's determination, and authorizes the transfer of fish to foreign vessels in the internal waters of the State of Alaska.

DEFINITIONS

SEC. 2. (a) The term "internal waters" means waters landward of the baseline from which the territorial sea is measured.

(b) The term "United States fish processors" means facilities located within the United States for, and vessels of the United States used or equipped for, the processing of fish for commercial use or consumption.

(c) The term "vessel of the United States" means any vessel documented under the laws of the United States or registered under the laws of any State.

PENALTIES

SEC. 3. Any foreign vessel, and any owner or operator of any foreign vessel, that engages in processing or fish support activities while such foreign vessel is in the internal waters of the State of Alaska, without authorization by the Secretary of Commerce pursuant to section 1, shall be subject to the following:

(a) A civil penalty, not to exceed $25,000 for each violation; and

(b) Forfeiture to the United States of any fishing vessel (including its fishing gear, furniture, appurtenances, stores, and cargo) used, and any fish taken or retained, in connection with such violation.

The procedures, presumptions, and jurisdictions specified in sections 1858 and 1860 of title 16, United States Code, shall apply to any civil penalties assessed or forfeitures carried out under this Act.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MURKOWSKI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TIME AGREEMENT—S. 921, VETERANS' HEALTH CARE

Mr. STEVENS. Mr. President, we have a time agreement on Calendar No. 113, S. 921, the veterans' health care bill.

I ask unanimous consent that on Monday, June 15, at 2 p.m., the Senate proceed to the consideration of Calendar No. 113, S. 921, the veterans' health care bill, under the following time agreement:

Two hours on the bill, equally divided between the chairman of the Veterans' Affairs Committee and the ranking minority member.

One hour, equally divided, on amendments in the first degree; 30 minutes, equally divided, on amendments in the second degree; 20 minutes, equally divided on any debatable motion, appeals, or points of order, if such are submitted to the Senate.

Also, that the agreement be in the usual form, with the following exceptions:

One and a half hours on the Cranston printed amendment No. 58, extending GI eligibility for certain Vietnam veterans, to be equally divided.

One and a half hours on the Cranston printed amendment No. 59, dealing with agent orange, to be equally divided.

Thirty minutes on the Proxmire printed amendment No. 53, dealing with GI life insurance.

Provided, that all amendments be called up and debated on Monday, June 15, with the exception of the Proxmire amendment identified above; that any rollcall votes ordered in connection with the veterans bill occur back to back, to begin at noon on Tuesday, June 16.

Provided, further, that the Proxmire amendment be debated on Tuesday, June 16, prior to the noon rollcall votes, if any are ordered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDER FOR STAR PRINT—REPORT NO. 97–94

Mr. STEVENS. Mr. President, I ask unanimous consent that there be a star print of report number 97–94 in order to correct Government Printing Office errors.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO PRINT "A SENATE VIEW: LATIN AMERICA AND THE REAGAN ADMINISTRATION" AS A SENATE DOCUMENT

Mr. STEVENS. Mr. President, during the period of February 7–15, 1981, Senator THAD COCHRAN led a delegation that included Senators PELL, PRESSLER, WILLIAMS, and BURDICK to Brazil, Argentina, Peru, and Panama. Senator COCHRAN and the other members of the delegation have written a report of the trip that reflects well the constructive purpose of their travel. I ask unanimous consent that the report entitled. "A Senate View: Latin America and the Reagan Administration," be printed as a Senate document.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar under "New Reports," including those nominations placed on the Secretary's desk.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

DEPARTMENT OF JUSTICE

The assistant legislative clerk read the nomination of Robert A. McConnell, of Arizona, to be an Assistant Attorney General.

Mr. THURMOND. Mr. President I am pleased today to recommend Mr. Robert A. McConnell for the position of Assist-

ant Attorney General for the Office of Legislative Affairs in the Department of Justice.

After earning his law degree at Arizona State University in 1970, Mr. McConnell served in Washington as Legislative Assistant for Congressman John J. Rhodes. Upon returning to Arizona in 1973, Mr. McConnell continued to prove himself to be a dedicated and accomplished lawyer. For 2 years he practiced law with the firm of Sparks, Siler, and McConnell. In 1975, he went into private practice and then in 1978 became a partner in the firm of Steiger, Helm, Kyle, and McConnell.

Mr. McConnell is well known as a man of integrity and courage and I am confident he will continue to use his abilities in a dedicated and skillful manner. I therefore urge my colleagues to support the nomination of Mr. Robert A. McConnell for the position of Assistant Attorney General for the Office of Legislative Affairs in the Department of Justice.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The assistant legislative clerk read the nomination of Francis Anthony Keating II, of Oklahoma, to be U.S. attorney for the northern district of Oklahoma.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The assistant legislative clerk read the nomination of David L. Russell, of Oklahoma, to be U.S. attorney for the western district of Oklahoma.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF STATE

The assistant legislative clerk read the nomination of Carleton S. Coon, Jr., of New Hampshire, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Nepal.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The assistant legislative clerk read the nomination of Ronald DeWayne Palmer, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Malaysia.

(By request of Mr. STEVENS, the following statement was ordered to be printed in the RECORD:)

● Mr. HAYAKAWA. Mr. President, I chaired the committee's hearing on the President's nomination of Mr. Palmer to be Ambassador to Malaysia on June 1.

I questioned Mr. Palmer extensively. His responses demonstrated his keen perception and profound knowledge of the issues confronting the Malaysian Government. He also demonstrated his broad grasp of U.S. interests not only in Malaysia but also in the Southeast Asian area as a whole.

Mr. Palmer has a distinguished record of service to our Government both in Washington and abroad.

He has served in our Embassies in Jakarta, Kuala Lumpur, and Manila, in addition to service in Copenhagen.

In Washington, he has served as an intelligence specialist; in the Executive Secretariat of the Department; as the Deputy Director for Philippine Affairs; and as the senior officer in charge of career development for the Foreign Service.

He performed in an outstanding fashion as our Ambassador to Togo for 2 years.

In addition, he is fluent in the Malaysian language.

The administration has asked informally that we expedite his confirmation in order that he may be on the scene by the time of Secretary Haig's visit with ASEAN ministers in Manila later this month. I urge a favorable vote on the confirmation of Ronald D. Palmer.●

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

OVERSEAS PRIVATE INVESTMENT CORPORATION

The assistant legislative clerk read the nomination of Craig A. Nalen, of Florida, to be president of the Overseas Private Investment Corporation.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

COMMODITY CREDIT CORPORATION

The assistant legislative clerk read the nominations of Richard E. Lyng of Virginia, Frank W. Naylor, Jr., of California, and Mary Claiborne Jarratt, of Virginia, to be members of the Board of Directors of the Commodity Credit Corporation.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

The assistant legislative clerk read the nomination of John V. Byrne, of Oregon, to be Administrator of the National Oceanic and Atmospheric Administration.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF COMMERCE

The assistant legislative clerk read the nomination of Bernard J. Wunder, Jr., of Virginia, to be Assistant Secretary of Commerce for Communications and Information.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The assistant legislative clerk proceeded to read sundry nominations in the Department of State placed on the Secretary's desk.

Mr. STEVENS. Mr. President, I ask unanimous consent that the nominations placed on the Secretary's desk be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. STEVENS. Mr. President, I ask unanimous consent that it be in order to reconsider the vote by which these nominations were confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which these nominations were confirmed en bloc.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEGISLATIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. STEVENS. Mr. President, it is my understanding there are two special orders in the morning.

The PRESIDING OFFICER. The Senator is correct, Senators NUNN and BRADLEY.

RECESS UNTIL 9:15 A.M. TOMORROW

Mr. STEVENS. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 9:15 a.m. tomorrow.

The motion was agreed to; and at 8:02 p.m., the Senate recessed until tomorrow, June 11, 1981, at 9:15 a.m.

NOMINATIONS

Executive nominations received by the Senate June 10, 1981:

COUNCIL ON ENVIRONMENTAL QUALITY

W. Ernst Minor, of Ohio, to be a Member of the Council on Environmental Quality, vice Robert H. Harris.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

June Gibbs Brown, of Virginia, to be Inspector General, National Aeronautics and Space Administration, vice Eldon D. Taylor, resigned.

IN THE AIR FORCE

Gen. Bryce Poe, II, U.S. Air Force, (age 56), for appointment to the grade of general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be general

Lt. Gen. James P. Mullins [redacted] FR, U.S. Air Force.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code,

on 3066, to be assigned to a position of ɔrtance and responsibility designated by ?resident under subsection (a) of section , in grade as follows:

To be lieutenant general

l. Gen. Nathaniel Ross Thompson, Jr., xxx-xx-... U.S. Army.

TERNATIONAL ATOMIC ENERGY AGENCY

chard T. Kennedy, of the District of mbia, to be the Representative of the ed States of America to the Internationtomic Energy Agency, with the rank of assador.

CONFIRMATIONS

xecutive nominations confirmed by Senate June 10, 1981:

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

ɔhn V. Byrne, of Oregon, to be Administɔr of the National Oceanic and Atmosɔic Administration, vice Richard Asher ık, resigned.

DEPARTMENT OF STATE

ɹrleton S. Coon, Jr., of New Hampshire, a ɔign Service officer of class 1, to be Ambassador Extraordinary and Plentipotentiary of the United States of America to the Kingdom of Nepal.

DEPARTMENT OF COMMERCE

Bernard J. Wunder, Jr., of Virginia, to be Assistant Secretary of Commerce for Communications and Information, vice Henry Geller, resigned.

COMMODITY CREDIT CORPORATION

Richard E. Lyng, of Virginia, to be a Member of the Board of Directors of the Commodity Credit Corporation, vice James H. Williams, resigned.

Frank W. Naylor, Jr., of California, to be a Member of the Board of Directors of the Commodity Credit Corporation, vice Malcolm Rupert Cutler.

Mary Claiborne Jarratt, of Virginia, to be a Member of the Board of Directors of the Commodity Credit Corporation, vice Carol Tucker Foreman.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

DEPARTMENT OF JUSTICE

Robert A. McConnell, of Arizona, to be an Assistant Attorney General, vice Alan A. Parker, resigned.

OVERSEAS PRIVATE INVESTMENT CORPORATION

Craig A. Nalen, of Florida, to be President of the Overseas Private Investment Corporation, vice J. Bruce Llewellyn, resigned.

DEPARTMENT OF JUSTICE

Francis Anthony Keating, II, of Oklahoma, to be U.S. Attorney for the Northern District of Oklahoma for the term of 4 years, vice Hubert H. Bryant, resigned.

David L. Russell, of Oklahoma, to be U.S. Attorney for the Western District of Oklahoma for the term of 4 years, vice Larry D. Patton, resigned.

DEPARTMENT OF STATE

Ronald DeWayne Palmer, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Malaysia.

DEPARTMENT OF STATE

Foreign Service nominations beginning Kenneth W. Plummer, to be a Foreign Service officer of class 2, a Consular Officer, and a Secretary in the Diplomatic Service of the United States of America, and ending James T. Kelley, of Virginia, to be a Secretary in the Diplomatic Service of the United States of America, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 20, 1981.

EXTENSIONS OF REMARKS

THE 36TH ANNUAL WORLD TRADE CONFERENCE IN CLEVELAND, OHIO

HON. DENNIS E. ECKART
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. ECKART. Mr. Speaker, I would like to draw my colleagues' attention to the provocative remarks of Mr. Lionel H. Olmer, Under Secretary for International Trade at the U.S. Department of Commerce, on the occasion of the 36th Annual World Trade Conference in Cleveland, Ohio, which I was also able to attend.

The 36th Annual World Trade Conference was very well attended and proved to be benefical for all participants and our community.

REMARKS BY LIONEL H. OLMER, UNDER SECRETARY FOR INTERNATIONAL TRADE, U.S. DEPARTMENT OF COMMERCE

I am very pleased to be here today as part of your 36th Annual World Trade Conference.

I commend the businesses of this great city and State for their dedication to the values of export development. Cleveland is the headquarters of some of the largest corporations in America and is the home of many internationally oriented businesses. You contribute to a rich flow of innovation and productivity which benefit the entire nation.

In the age of Christopher Columbus, mapmakers would label unknown lands with the warning, "Here there be dragons." For too long, many U.S. firms viewed trade opportunities in the same way: Here there be dragons . . . well if not dragons exactly, at least ferocious regulations, jungle business practices, and strange and exotic languages. Meanwhile, the American domestic market was comfortable, homey and well-explored.

Today, I want to talk about the imperatives for change and of new opportunities in foreign trade—opportunities perhaps as rich as those which Columbus faced, but with far less risk.

I want to share with you my thoughts on the nature of our problems in international trade, and how government and business can work together to improve our Nation's economy.

First on our trade agenda is to help improve the international competitiveness of U.S. industry out of recognition for the basic relationship between domestic policies and international performance.

Second, we believe that the world trading community must adopt and function according to rules of fair trade—those which have been established and some which need to be framed. Rules should extend to areas which have up to now been avoided, such as the services industries, within which I include banking, insurance, construction and investment.

We have sometimes pursued domestic goals which did not take into account the effect of our policies on your ability to compete overseas. And sometimes our policies sent confusing signals to our trading partners. The new Administration is committed to changing this.

You know, in the past 18 years there have been a half dozen major studies under White House sponsorship to develop new initiatives for export by identifying what the Government needed to do to encourage international trade. The first of these reports was submitted at a time when the United States enjoyed a favorable balance of trade and only two Government imposed disincentives to export could be found. Last year, in the latest study on the same subject, the President's Export Council submitted a list of 15 major disincentives and our trade balance was $32 billion in the red! There need be no greater testimonial to President Reagan's commitment to "get the Government off the backs of the people!" We need no more studies to turn around our international competitiveness.

Before I outline our action plan, here is the background against which we must work.

The international competitive position of the United States has steadily declined for more than two decades. In 1960, for example, the U.S. share of world trade in manufactured goods was 25 percent. In 1980, it was 18 percent. If it had remained close to 25 percent, our last year's oil bill of $80 billion would have been reduced by nearly a third and our trade deficit would virtually be eliminated.

The result of this decline is that over the past four years we have accumulated a trade deficit of $100 billion.

Yet there has been some recent improvement in our trade position. Exports, for instance, have grown by 20 percent in the last 2 years. Good news like this leads some people to believe we have turned the corner and that our international competitive position is in good shape.

I cannot agree with this optimistic view. The fact is that a great part of the recent trade improvement has stemmed from devaluation of the dollar, 2 years ago, which cheapened our export prices. And our sluggish economy reduced the demand for imported goods. Both of these are short-term developments, and can change quickly. For example, as recently as 1975, we enjoyed a trade surplus of $11 billion. This evaporated into a deficit of $6 billion just 1 year later. In other words, a $17 billion shift in the short span of 1 year. We can not let short-term appearances obscure recognition of our long-term decline in international competitiveness.

Moreover, when we look at our trade situation with Japan, this 20-percent improvement in exports provides small comfort. In the view of many, we've become a "developing nation." We send the Japanese agricultural products and raw materials and Japan sends the U.S. finished goods. Our total trade imbalance with Japan in 1980 was about $9 billion but in terms of manufactured products alone it was $21 billion!

The growth of U.S. productivity in manufacturing has lagged behind that of our competitors for at least 20 years. Recently, it has fallen even lower. From 1960 to 1973, it grew about half as fast as the average for our 10 major competitors. From 1973 to 1979 it averaged less than one-third that of our competitors. And in 1980 it was close to zero.

What makes this even more worrisome is that we predict slow growth in the world economy over the next decade. This means that many countries will want to expand exports—and will be reluctant to accept imports—in the years ahead. It means that international competition is going to get tougher than ever before. Not only is there less growth, there will be more nations struggling to pay for raw materials and energy through participation in export sales. We are beginning to face serious competition from newly industrialized countries in basic manufacturing and high technology as well. We will simply have to do better merely to keep up.

This interaction between the world economy and trade will require close international cooperation on both fronts. The challenge before us is to improve economic performance while managing a world trading system that is undergoing fundamental change.

The erosion of our competitive position is the result of years of inconsistent and contradictory policies pursued without regard for the fact that our domestic and international economies are mirror reflections of one another.

There is no merit in the Government's effort to tell U.S. business to raise its export consciousness while, at the same time, adopting regulatory and tax policies which stifle the very incentives necessary to pursue export opportunities. This Administration believes that trade is essential to our domestic economy and that a strong domestic economy will enhance our competitive position internationally.

President Reagan's Economic Recovery program consists of a number of mutually reinforcing proposals designed to turn our economy around and improve the ability of U.S. firms to compete internationally. These proposals rely on market forces and the inherent strengths in our economy. It is based on change in Government spending, taxation, monetary policy and regulation.

First, we have proposed, and the Congress has thus far cooperated in approving, significant cuts in Government expenditures.

Second, we have proposed reductions in personal taxes to provide an incentive for greater savings by consumers and to enable more productive business investment.

We also have proposed a new corporate tax strategy. Let me describe what others do in this area to dramatize how disadvantaged U.S. businessmen are relative to their foreign competition.

Japan leads the world in the application of robotics technology and in the number of industrial robots in use—10,000, compared to 3,500 in the United States. A major reason is that tax incentives, loan guarantees and leasing arrangements are provided by government for the development and application of this revolutionary innovation.

Another example is depreciation. The Japanese Government provides a first-year writeoff of 25 percent which, when combined with normal depreciation, allows com-

panies to write off as much as 45 percent of the cost of machinery and equipment in the first year of use.

Japan is not alone . . . Germany, France and Great Britain each have similar programs.

If we can get passage of President Reagan's tax program, and with your support we will, U.S. industry will benefit from an accelerated depreciation for capital investments and an investment tax credit. Under the provisions of the accelerated cost recovery system, for example, equipment purchased for research and development can be written off in three years rather than five. Overall, the Administration's proposals will grant U.S. firms the equivalent of a 40 percent writeoff in 1 year and over 70 percent in 2 years.

Third, investment will be stimulated by a stable and rational growth in the money supply and by minimizing government intervention.

The Reagan program also includes a commitment to eliminate unnecessary and excessive Government regulations. For example, we seek to change certain environmental and safety regulations, to ease product-labeling requirements, to speed up the decontrol of natural gas prices, and to streamline the licensing of nuclear powerplants.

In addition to burdensome regulations which inhibit productive enterprises, we are evaluating measures to improve our ability to export, such as by reducing the negative effects of a number of U.S. laws and regulations.

But before you surmise that I place too great an emphasis on the wonders which economists can create for us, let me tell you what transpired at a recent May Day parade in Moscow. Chairman Brezhnev, observing the rolling display of powerful weapons and the thousands of marching soldiers, noticed one platoon which stood out from all the others—uniforms of better material and fit, shining brass buttons, spiffy helmets. He didn't understand and he turned to his Defense Minister and said, "Marshal Ustinov, who are those people and why are they different from all others?" The Marshal replied, "Comrade Brezhnev, they are economists." And Brezhnev, with utter astonishment marking his voice, said, "What are economists doing in the midst of our combat troops?" The Defense Minister answered, "You would be surprised at the damage they can do!"

The international business community has long been troubled by the Foreign Corrupt Practices Act. Incidentally, note how artful the title of this act is, so as to imply that anyone who's against it, if for bribery; indeed, it passed Congress unanimously in 1977. The problem is that there is a lack of precision and clarity in the law. Thus, prospective exporters are scared off from even trying to enter world markets, and others avoid involvement because of uncertainties in the law. We are particularly concerned about the provision which makes it a crime to pay a commission to your agent in a foreign country if you had "reason to know" that any part of the commission would be passed on as a bribe.

For example, if a small businessman in Wichita hires an agent in Ouagadougou, and pays him a standard commission, our Kansan stands in jeopardy if that agent contributes any portion of his commission to a foreign political party or candidate, and if "reason to know" could be attributed to the U.S. businessman. We must clear this up—our friend can't afford to hire a $200,000 a year Wall Street lawyer to interpret the uncertainty for him . . . nor to defend him against a Justice Department criminal charge

A network of legal and regulatory roadblocks established for domestic purposes has for years stood in the way of establishing export trading companies in the United States. Other countries—most notably Japan, but also including West Germany, France and Hong Kong—have long since recognized the need to involve their medium and smaller size companies in foreign trade. Indeed, the sixth largest exporter in the United States is none other than Mitsui, one of Japan's largest trading companies. The Commerce Department has taken the lead in support of the export trading company legislation now before the Congress; it passed the Senate by 94 to 0 and is now being reviewed in the House of Representatives. When enacted, which I believe will happen this year, the legislation will modify banking regulations and provide antitrust exemption to companies which will be capable of providing a full range of export services to businesses of all sizes.

At the Commerce Department, we have undertaken a thorough review of all regulations affecting the business community and have established ourselves as the focal point in the government for your concerns. We are prepared to listen—and what's more important—to respond to your concerns. We believe that any regulation that turns American business away from the world marketplace, or that makes a U.S. manufacturer uncompetitive in international trade can't be all good—and we want to hear about it from you.

I said earlier that our trade policy should mirror our general economic philosophy. And that International business must be as free as possible of governmental restraints and policies which distort the operation of free enterprise. We will follow this approach at home and will cooperate with other governments to preserve the partnership and principles embodied in the treaty on tariffs and trade to which over 100 nations are signatory.

The U.S. maintains the freest, fairest, most open market in the world. In the vast majority of cases, foreign producers have access to our market on the same terms and conditions available to domestic firms. We expect similar treatment from our trading partners. I have no illusions that this will come overnight. However, I do know that perseverance and a working relationship between government and industry can produce results.

We will continue to support efforts to implement the Tokyo Round of Multilateral Trade Negotiations (MTN). The agreements are a significant step in the liberalization of international trade. Success will help to promote trade, and equally important, to prevent backsliding toward protectionism.

We must also address a number of subjects on which agreement was not reached during the Tokyo Round. For example, the trade distorting effects of subsidies, such as export credits at 3½ percent interest, must be remedied. We calculate that last year, roughly $3 billion was spent by governments to subsidize exports. (Incidentally, France accounted for about half of this total.) These subsidies represent wasted expenditures in economic terms. While we seek to negotiate these items fairly, we will bear in mind that our open market system should not be converted into a weapon used to disadvantage our domestic industries.

The international community must address the question of trade in services. In the past 30 years, this area of trade has increased at an extraordinary pace, reflecting the trend in the advanced economies of the world. However, the international rules and procedures developed since World War II do not, for the most part, apply. We anticipate that future growth in this area will be very substantial. It must not be hindered by artificial barriers. Our trading partners do not yet show much enthusiasm for this undertaking, but we will press on.

We must also address the relationship between trade and investment policies. Often, investment policies have a greater effect on trade than do tariffs or nontariff barriers. For example, subsidy programs, research and development assistance, and government outlays to promote regional development—are being used increasingly to our disadvantage.

We will work with our trading partners to prevent these policies from becoming permanent export subsidies or functioning as import protection devices.

Although we hope that we can deal with these issues within a multilateral framework, we recognize that there will be occasions when it is preferable to seek resolution bilaterally. The case of Mexico provides a good example. Total bilateral trade with Mexico has grown from $4.7 billion in 1972 to $27.6 billion in 1980—a growth rate of 25 percent per year. The size of this trade account is bound to create tensions which must be solved by the partners themselves out of an awareness that it is in the self interest of each to do so. Mexico has become our third largest trading partner, but is not yet a member of the international system of rules known as the GATT. We hope that Mexico will find the GATT system to its advantage, or at least will adopt these standards as it seeks to pursue rapid and efficient economic development. President Reagan is personally committed to strengthening our relationship with Mexico and we are prepared to do so by the most effective and practical means available.

I've described to you today an ambitious program for export development. Clearly, the greater burden for making it a success rests with the business community. But the Government needs your help to create the environment essential to progress.

One source of counsel available to the Government are the private sector advisory committees, composed of over 500 representatives of companies active in international trade. We have a Trade Advisory Center in the Commerce Department to manage these committees and respond to complaints about unfair trade practices of other governments. I encourage you to take advantage of this office.

I would like to close by reading a short paragraph from President Reagan's proclamation at the start of World Trade Week.

"Trade stimulates competition, stirs our creative energies, rewards individual initiative and increases national productivity. Among nations, it speeds the exchange of new ideas and technology."

"As products made in this country compete successfully in world markets, we contribute to the strength and stability of our dollar, the expansion of our industry and fuller employment of our labor force."

Thank you very much.●

ROSE SCHWARTZ REPORTS ON SENIOR CITIZEN INTERN PROGRAM

HON. WILLIAM LEHMAN
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. LEHMAN. Mr. Speaker, never has the congressional senior citizen intern program, held this year from May 11 through May 15, had more significance for our elderly. And, never have the issues of concern to our elderly been as deeply felt as they are now.

Hearing the questions put to our colleagues and Government officials by our elderly, one recognizes quickly that the days of friendly persuasion by the elderly segment of our populace are no longer with us. Rather, the tones are of grave concern and awareness, demanding to know what the issues are and how those issues affect their lives.

Our 1981 intern, Mrs. Rose Schwartz from Fairways South condominium in Hallandale, Fla., who was accompanied by her husband, Jack, forwarded to me a copy of the report she submitted to interested groups in our district on her findings with the program. The report is a fine example of how informative and enlightening the program is to our senior citizens. The program is significant not only for our constituents, but also for us legislators who have that 1 week in May to get such a good cross section of views on senior citizen issues.

For the benefit of the many congressional readers, I would like to share Mrs. Schwartz' report by having it inserted in the CONGRESSIONAL RECORD.

MRS. SCHWARTZ'S RETURN FROM WASHINGTON

Whereas Mr. Smith went to Washington, Rose Schwartz returned from Washington. And, in so doing, requests to tell you all about it. So, sit back and relax—because you can be assured that your Government is interested in you as a Senior Citizen.

As an introduction, I was appointed by our Congressman, Bill Lehman, to attend the 1981 Congressional Senior Citizen Intern Program in Washington, D.C., from May 11 to May 15.

From the very first day to the very last day, I became involved in every seminar, every meeting and every detail concerning and covering the entire program. Senators, Congressmen and other administrative directors spoke to us in detail in regard to legislation affecting the elderly . . . the Senior Citizen, if you will.

The program covered housing, government, transportation, health insurance, and long term care for the older American. Social Security, social security and more social security! There are counsels for retired teachers, retired federal employees, and etc. Not a single area has been overlooked.

We were addressed by Congressman Claude Pepper—81 years of age—as well as many other important government people in all age brackets. Claude Pepper sets a very good example for all senior citizens. He is highly regarded and respected. He is constantly displaying and awakening an awareness of the still good capabilities of the older American. And, for those who desire it, there should be employment available to us in many areas of industry. Efforts are being made to eliminate mandatory retirement or at least advance retirement to 68 years of age. Due to greater longevity, the senior citizen represents a large voting block and is being reckoned with. Today we represent 25 percent of the voting population in Florida. So, all our Representatives in Washington are taking special interest in our way of life. On that note, here is an interesting statistic: As of the year 1978, the population of persons 65 years of age and over in Florida was 1,520,000—third to New York State and California. It is no doubt much higher now in 1981.

Senator Chiles of Florida has a bill pending that would eliminate mandatory retirement because it is now illegal in the private sector to force workers to retire solely because they have reached age 70. He is also attempting to remove the earnings limitations for those over 65. Instead of the government collecting $1.00 for every $2.00 earned over the limit of $5,500, or whatever the figure might be increased to, this same bill is attempting to eliminate the payroll tax for those over 65. This would give the employer an incentive to hire and consider older workers.

There are innumerable more movements going on in Washington for the betterment of senior citizens. Again, I have to tell you that we should all be pleased to know that we have our legislators working in our behalf. As for our present generation of people—all of us here—we have really nothing to fear that will affect us in obtaining our little income every month—namely, social security. However, what we all can do is write, write, and continue to write to our Senators and Congressmen so that we can be heard. If you feel that you have something to say—write and tell your neighbors and friends to do the same. You would be amazed at how effective your voice in Washington is.

Interspersed between seminars, I was required to spend some time at Congressman Lehman's office. The purpose of this was to see government in action—from the inside. I was given assignments and actually became part of the staff. You would be amazed to know how much detail is required of each staffer, and all under the qualified eye and supervision of the Congressman. Hundreds of pieces of mail are received every day and they must be answered. The telephones are constantly ringing. Besides the daily duties of committee meetings, the Congressman has to speak to groups who invite him here in Florida, has to attend Congress, plus keep in touch with all the office details. It is unbelievable!

The point is, don't think your congressman or senator is not performing for you. Again I must impress upon you the importance of your vote. Your vote is extremely valued, but make it work for you.

I was very proud to be appointed to attend this conference, and I let them all know that I am a resident of Fairways South of Hallandale, Florida.●

INDIANA'S ECONOMY: PROBLEMS AND SOLUTIONS

HON. LEE H. HAMILTON
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, June 10, 1981, into the CONGRESSIONAL RECORD:

INDIANA'S ECONOMY: PROBLEMS AND SOLUTIONS

The economic problems of Indiana were explored in a Congressional hearing that I recently chaired in Indianapolis. Everyone recognizes that the health of the national economy will have a profound effect on the health of Indiana's economy, but Hoosiers should not sit back to see what happens at the national level. There are things to be done here at home, and the 13 witnesses who appeared at the hearing—representing state government, business, academia, labor, and agriculture—suggested a variety of options.

Although not all the witnesses agreed on all points, there was much unanimity in their testimony on the state's economic troubles. Several panelists said that the dependence of the Hoosier economy on steel and automobiles is at the heart of the state's woes. Also, the recovery of the steel and auto industries from recessions in recent years has been complicated by increased imports, aging plants, and the high costs of energy, labor, financing, and government regulation. These factors have worked to undermine the competitive position of Hoosier products.

Witnesses noted that efforts to widen the state's economic base have been hampered by a lack of industrial investment. Without such investment, it has been difficult for small, high-technology firms—those which have the brightest prospects for growth—to become established in Indiana. In addition, testimony confirmed that the limited links between researchers and entrepreneurs in the state have not been sufficient to promote the smooth transfer of new technologies from universities to business. Another problem is Indiana's insufficient interest in its public facilities, such as highways, sewers, water systems, and schools. Indiana ranks forty-seventh in the nation in total public expenditures per capita, a level of spending that may have kept Indiana's communities from attracting and supporting new industry.

Still other causes of Hoosier economic problems were discussed during the hearing. According to several witnesses, the federal government must take some of the blame on account of overly burdensome regulations and geographically biased initiatives. Other panelists emphasized Hoosier unemployment, which has resulted from increased imports and the loss of jobs to other states. Auto workers in particular are suffering great hardship, and young people in Indiana do not have enough jobs waiting for them when they graduate from secondary school.

Indiana's agricultural sector was the hearing's final focus. Witnesses testified that Hoosier farmers are caught in a tight squeeze because of inflation, which is also driving up the price of land and setting consumers against farmers. In addition, the witnesses said that federal regulation is direct-

ing farm research unnecessarily, and they spoke out against the grain embargo.

When discussion turned from problems to solutions, the witnesses again showed broad agreement with one another. They went well beyond general advice—restrain the growth of federal spending, reduce the burden of federal regulations, cut taxes for businesses and individuals, get interest rates down, and take steps to revitalize the country's basic manufacturing industries—to recommend very specific measures tailored to the needs of Indiana. Representatives of business and state government argued that Indiana should reduce its dependence on the steel and auto industries by diversifying into other areas. They described a state program to stimulate investment in small business, and they contended that the university and the private sector should undertake more joint research. Other suggestions for economic development included continued but restricted use of industrial revenue bonds and a major effort to improve programs of job training.

The economists at the hearing strongly endorsed the view that Indiana must be more serious about its public facilities. They underscored the fact that the state cannot be economically healthy if its roads, bridges, ports, and hospitals are ailing. With their analysis of the uneven effects of the revenue sharing program, the academic witnesses stressed the idea that the federal government must not discriminate against older states, like Indiana, whose populations are not growing rapidly. They were in agreement with others that Indiana should do more to get the full economic benefit of its fine universities.

Trade unionists and agricultural experts rounded out the hearing with their remedies for the labor and farm sectors of the state's economy. The trade unionists called for a curb on imports of automobiles and a "local content" law that would require foreign automakers to build plants in America. They also requested more assistance for workers who have lost jobs to imports and larger tax incentives for industries that need added investment. The farm experts saw four ways to assist agriculture: control the effect of inflation on the farmer's costs and returns, prohibit embargoes, hold down government regulation of the farm sector, and take steps to slow the loss of the state's prime farmland.

Developing an integrated approach to the economic development of Indiana is a complex task that requires a high degree of cooperation between the private sector and local, state, and federal officials. The economic future of the state depends on the success of the effort. On the basis of these recommendations, I am taking many specific steps to address Indiana's economic problems. I will describe those steps in another newsletter.●

"CALL TO CONSCIENCE" CONGRESSIONAL VIGIL

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. WYDEN. Mr. Speaker, we sit today under a dome of democracy. We are free to discuss and take action on any issue we deem important.

The people of the Soviet Union do not have a dome such as this. They are not free to discuss the issues which they desire. If they choose to discuss issues which are forbidden by the Soviet Government, they are subject to arrest—and worse.

On May 17, during a meeting of a history and Jewish culture seminar that he was leading, Eugeny Lein was arrested along with all those present. After a few hours all were released except for Mr. Lein.

On April 20, he was charged with article 190-1, circulating lies against the Soviet state. No trial date has been set.

Eugeny Lein was a top-ranking mathematician until he applied to emigrate to Israel in 1978. He was refused permission to emigrate on the grounds of secrecy and from that day until his arrest he had been forced to work as a watchman and a private tutor.

His wife was a prized chemist. Now she is jobless.

I stand here under this dome in order to bring attention to his case. But he is not alone. Hundreds of Soviet Jews await permission to emigrate. And hundreds of Soviet Jews are wasting away in Soviet prisons, detained for no legitimate reason.

The persecution of Soviet Jews must cease. Eugeny Lein must be released from prison and be allowed with his wife, Irina and their two young children to emigrate to Israel. The Jews of the Soviet Union have been persecuted for too long a time to allow this outrage to continue.●

SUPPORT NEEDED FOR THE GUARD AND RESERVES

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. MATSUI. Mr. Speaker, in our efforts to improve the status of our national security, and to do so in the most economical fashion possible, one area which I think merits special attention is the National Guard and Reserves. For years now, the Guard and Reserves have been treated like a poor relation by most of the services. There may be no more false economy in our approach to defense spending.

My friend Maj. Gen. Frank Schober, who commands the California National Guard, put the case very well in a recent column in the Sacramento Union. I insert General Schober's piece in the RECORD.

GUARD NEGLECTED

(Today's column is by Maj. Gen. Frank J. Schober, Jr., Commanding General, California National Guard.)

In the debate on the issues involved in our national defense policy, one factor stands out, unchanged, unchallenged and neglected in the swirl of controversy over programs, strategy and budgets. That factor is the status and future of America's National Guard and Reserves which represents the majority (55 percent) of our defense forces.

Concern over the readiness of the Guard and Reserves is relatively new for Americans. Up until the 1970's, the Guard with its state emergency role and the other military reserves were not taken very seriously by planners and policy makers and were funded penuriously by Congress. The Secretary of Defense Laird, faced with a declining budget and dwindling support for a large standing armed force adopted the policy for the Guard, Reserves and Actives to be thereafter considered a tri-partite equally treated, equally funded "total" force. By the clear terms of the Laird Memorandum the Guard and Reserves would no longer be treated as forces supplementary to a potential conflict, they would be considered essential complementary forces.

Those who call themselves developers in the Pentagon, the war planning staffs, took the Laird Memorandum seriously. By the mid 1970s none of the regular U.S. armed forces, save perhaps the Navy could go to war without the mobilization of the combat and combat support forces of the Guard and the Reserves. What followed the plans however was not action but inertia. To this date they have not been backed up by budgetary support.

As might be expected the various services fared differently under the Laird Memorandum. The Naval Reserve has been largely ignored by the Navy, with their planners viewing the Reserves as a resource competitor, if not a dangerous pariah. Their answer to the budget contraints of the Carter years was to cut Reserves back. The Air National Guard and Air Reserves, on the other hand, have fared relatively well under the Laird memorandum. Their equipment is sufficient if not the latest. Their logistics and administrative support by the regular Air Force make them capable of going to war.

The Army Guard has been given instead a remarkable "Catch 22" puzzle to work with. The Deputy Secretary of Defense for Manpower and Reserve Affairs admitted as much in 1978 when he told the Adjutants General of the 50 states in convention, "I realize its 'Catch 22' but what can we do? You won't get more equipment until your training readiness gets better and your training readiness won't get better until you get more equipment."

Until Congress makes the Laird Memorandum a reality by allocating America's Guard and Reserves more than five percent of the defense budget to support the 55 percent burden they now carry of the nation's defense mission, neither the Actives nor the Reserves will be properly prepared to defend out country.

Mr. Speaker, I believe that the upgrading of our Guard and Reserves is a necessary and efficient move at this time, and I am very pleased to see the extensive attention that the Armed Services Committee gave to this matter in the fiscal 1982 defense authorization bill whch they reported recently.●

DAVIS-BACON'S TIME HAS PASSED

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. HAGEDORN. Mr. Speaker, I am pleased to bring to my colleagues' attention the excellent Washington Post article of June 4 in which James T. McIntyre, Director of the Office of Management and Budget under President Carter, calls for the repeal of the Davis-Bacon Act.

Once again, here is a case of a former opponent of repeal, a Cabinet member of a Democratic administration, who has seen the light of reason and has followed it. As more and more people are becoming acquainted with the facts of the harmful effects of Davis-Bacon on construction costs and on the economy as a whole, it is no surprise that more and more support for repeal of this outdated law is the result.

Mr. McIntyre's realization that "administrative tinkering" is no solution to the negative effects of this act is a point which I hope will be well-taken by my colleagues who are resisting outright repeal. Short-term reform will not solve the inherent problems. The Davis-Bacon Act is an extremely inflationary law which adds billions of dollars unnecessarily to Federal construction spending each year, not to mention its broader economic impact, and the American taxpayers are picking up the tab. I believe that repeal of this economically disastrous law is long overdue, and in light of the serious efforts to reduce Federal spending and curb inflation, it should be obvious that we cannot afford to continue this waste and abuse. To do so is unreasonable, and I suggest irresponsible as well.

Therefore, I recommend the following article by Mr. McIntyre to you and I hope that you will agree that repeal of Davis-Bacon is a must.

DAVIS-BACON'S TIME HAS PASSED

(By James T. McIntyre)

The Post's editorial "A Leaner Davis-Bacon" [May 28] made the same mistake I did when I was director of the Office of Management and Budget.

Rather than face the politically harder, but wiser, choice of scrapping the law altogether, the editorial viewed the flaws of this 50-year-old statutory relic as capable of correction by administrative tinkering.

We tried and failed to move the bureaucracies to tighten the law. Surprisingly, this new bold President, who is attacking the budget with fervor only former directors of OMB can fully appreciate, seems to be headed in the same direction—toward merely cosmetic changes. This administration's position on Davis-Bacon undercuts any notion that it is serious about halting inflation's gallop.

Davis-Bacon, lest we forget, is that 1931 statute that requires contractors for federally-funded construction projects to pay the "prevailing wage." In fact, more often than not, Davis-Bacon means that workers on those many projects often are paid the *highest* wage paid anywhere in the region. And the amounts involved are not peanuts. The federal construction budget is approximately $32 billion this year.

A major thrust of The Post's editorial was the impact that repeal of Davis-Bacon could have on labor unions. But this is falling into that old familiar trap of seeing the issue only in the union versus non-union context.

Rather, Davis-Bacon should be considered in light of its economic effects as well as its objectives. Originally, the act was intended to discourage non-local contractors from successfully bidding on government-financed projects by hiring cheap labor from outside the project area, thus disrupting the prevailing local wage structure. At the time the act was passed, there were no minimum wage laws, no unemployment compensation provisions or other statutes, such as the National Labor Relations Act, which protect the compensation or terms and conditions of employment of construction workers. Since the Davis-Bacon Act was passed, Congress has enacted numerous laws, including a general minimum wage law, to protect the wages and working conditions of construction workers. In addition, Congress has subsequently enacted procurement laws protecting the government from "unreliable contractors."

Studies and estimates (by the General Accounting Office, the Congressional Budget Office and the president's Council of Economic Advisers) on the unnecessary costs of Davis-Bacon abound. There is little quarrel with the conclusion that Davis-Bacon results in unnecessary costs. The only disagreement concerns the extent of the waste.

The evidence is so compelling that for the first time in my memory The Wall Street Journal and The New York Times have editorially agreed on a major economic issue, and each has called recently for the repeal of Davis-Bacon.

The hills are full of horror stories. A recent GAO study concluded that application of Davis-Bacon unnecessarily increased the total construction cost of Washington's Metro system 6.8 percent, resulting in an added cost of about $149 million to the taxpayers. The GAO survey of Montgomery County, Md., found that the "prevailing wage" rates were higher than average rates paid on similar private construction in the same locality.

In recent oversight hearings before the Senate Labor subcommittee, one witness testified that in Hagerstown, Md., the going rate for plumbers is about $6.40 an hour. But plumbers on a federally funded sewage treatment project will make double that because the government has somehow determined that the "prevailing wage" in that area for plumbers is $12.86 an hour.

The GAO, which issued a comprehensive report on Davis-Bacon in 1979, and urged its repeal, concluded that the act is not susceptible to practical and effective administration. I agree. Consider the task assigned to the secretary of labor. He must be able to determine (and maintain current figures on) "prevailing wages" for more than 3,000 counties for at least 19 trades. That's 57,000 wage determinations. Multiply that figure by the four different types of construction (building, residential, heavy and highway) and the number of potential wage determinations geometrically increases to 228,000. There is simply no cosmetic change available that would allow administrators to do "a better job of determining actually prevailing local wages," as the editorial proposed.

I am not suggesting that construction workers should be penalized simply to save federal construction dollars. What I am suggesting is that taxpayers should not be penalized by a federal agency requiring that wage rates on federal construction projects be higher than the actual rates on similar private construction in the same locality. It is also obvious that the federal wage-floor artificially increases all construction wages. That is one major reason the full inflationary impact is so difficult to determine.

From a budgetary point of view, by repealing Davis-Bacon requirements, either the government can get more construction for the $32 billion it is planning to spend in fiscal year 1982 or it can get the planned amount of construction for less money.

This is one of those categories of waste and abuse that the American people clearly want to correct. Now is the time to give a decent burial to a statute that is not only unworkable and economically harmful but also whose time has passed.●

THE WAY THE SOVIETS LOOK BACK ON THE POGROM

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. SOLARZ. Mr. Speaker, I would like to call to the attention of my colleagues a disturbing problem facing Soviet Jews. Mr. William Korey, of B'nai B'rith International, in a moving article in the Wall Street Journal, eloquently recaptures the Polish pogroms of the 1880's and describes the present disappointing Soviet treatment of these traumatic incidents. The word "pogrom" which technically means "destruction" or "riot" became adopted as a definition which meant violence against Jews.

The Soviet Union has reinterpreted the history of the pogroms in officially sanctioned historical works, and has refused to refer to these major incidents of oppression and exploitation of the Polish-Jewish community with the importance and respect that is traditionally due.

This account serves to illustrate an additional dilemma facing Soviet Jewry today. Their continuing struggle and plight concerns not only the Jewish community but the civilized world as well.

Mr. Speaker, I insert the article in the RECORD.

[From the Wall Street Journal, May 27, 1981]

THE WAY THE SOVIETS LOOK BACK ON THE POGROM

(By William Korey)

It was almost exactly 100 years ago that the Russian word "pogrom" entered into the lexicon of international discourse. Technically meaning "destruction" or "riot," the term came to stand for violence against Jews. Peasantry in the Ukraine, encouraged

by emissaries from St. Petersburg aristocracy calling for the "people's wrath" to "be vented on the Jews," wrought what a contemporary Russian writer then called "unending torture" against that religious and ethnic minority.

Elizavetgrad, a town of 32,000, was the starting point for the pogrom on April 15, 1881. The wave of killings, rape and pillage spread quickly to hundreds of other towns, to the largest cities of Berdichev and Kiev and, by the end of the year, to Warsaw; 20,000 Jews were made homeless, 100,000 ruined and Jewish property valued at $80 million destroyed.

Of striking relevance is how this devastating trauma of bigotry, which at the time was condemned by civilized society in the West, is being treated now in official Soviet literature. The evidence is scarcely encouraging.

From the 1960s onwards, the landmark 1881 pogrom episode has all but been plunged down history's "memory hole," to borrow Orwell's terminology. References to it in Soviet history textbooks used in elementary and high schools is fleeting, if mentioned at all.

Neglect was followed in 1974 by the beginning of a radical re-interpretation. A prominent Minsk writer, Vladimir Ya. Begun, in a newly published work, "The Creeping Counterrevolution," widely endorsed in the Soviet media, offered a justification of the Czarist pogroms. He contended that anti-Semitic pogroms "can occur as the spontaneous reaction to the oppressed strata of the toiling population to their barbarous exploitation by the Jewish bourgeoisie."

An extraordinarily dismaying passage, if scarcely Marxist or Leninist, followed: "We do not grieve today if our fathers, grandfathers and great grandfathers, in their distress and want, treated their oppressors disrespectfully regardless of whether they were native or alien by blood."

Begun's views are highly regarded in various Kremlin circles. His more recent book, "Invasion Without Arms," a diatribe against Jews, was published in 1977 in an extraordinary edition of 150,000 copies with a second edition of 50,000 copies appearing in 1980. A key military indoctrination journal has urged the use of this work as part of the ideological training of recruits in the armed forces.

Even more authoritative is a new work by Lydia A. Modzhorian titled "Zionism as a Form of Racism and Racial Discrimination." She is a prominent legal scholar who has played a key role in internal debates of the prestigious Soviet Academy of Sciences which dealt with Zionism and World Jewry.

The officially authorized 240-page work, released in late 1979, refers to the pogroms as merely "so-called outbursts of anti-Semitism" which were "artifically exaggerated and widely used by Jewish entrepreneurs and rabbis. . . ." In her view, the "excesses" against Jews were not based upon religious or ethnic consideration but rather were "a reaction to the exploitation to which the broad masses were subjected in capitalist enterprises."

Modzhorian claims that it was the Jewish-dominated press of Czarist Russia who had dubbed the uprisings as "anti-Semitic pogroms," when the "bosses were Jews." When the "bosses" happened to be Christians or Moslems, the word used was merely "revolt."

The current Soviet interpretation of the 1881 pogroms echoes, to a remarkable degree, the official Czarist explanation of the time. Count Nikolai P. Ignatyev, the Minister of Interior, told Czar Alexander III, in a memorandum dated August 22, 1881, that the pogroms were caused by "the Jews' injurious activities" toward the peasants. That view was similar to one held by the Narodnaya Volya, the radical populist intellectual group which at the time praised the pogroms against the "kikes" who "rob" and "cheat" the peasant and who "drink his blood."

The 1881 pogrom triggered a Jewish emigration movement that ultimately took on vast proportions. One hundred years later, the anti-Semitism that prompted and justified the pogromist mentality has returned to press ever more urgently and insistently for emigration from the Soviet Union.●

TRIBUTE TO IRWIN MEMORIAL BLOOD BANK

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. JOHN L. BURTON. Mr. Speaker, my brother Phil Burton and I are privileged and pleased today, June 11, 1981, to salute the Irwin Memorial Blood Bank of the San Francisco Medical Society as it celebrates its 40th anniversary.

Irwin was founded in the spirit of "people helping people" by the San Francisco Medical Society on June 17, 1941. It was the first nonprofit, medically sponsored, community blood bank in the United States. Forty years of service, rendered in the spirit of assisting others, has resulted in volunteer blood donations of nearly 3 million pints of blood.

In the last 40 years Irwin's thriving services have expanded in response to a growing public need. True to its commitment to help others, Irwin meets all the blood needs of patients in San Francisco, Marin, Napa, Solano, Shasta, Siskiyou, Modoc, and Trinity Counties. The needs of this vast region are readily met by volunteers ranging in age from 17 to 66 and representing all walks of life.

Irwin should be commended for its quest for innovation. Irwin pioneered the first mobile blood collection, developed the concept of blood donor credit for people who give in advance of need and conducted some of the earliest studies on white cell antibodies, among other community activities.

To continue its pursuit to assist others, the Irwin Memorial Blood Bank provides numerous services, other than its primary function of blood provision. The Irwin's tissue typing service, investigative laboratory, and educational services to technologists and other professionals provide invaluable service to the community.

It is our belief that the Irwin Memorial Blood Bank of San Francisco has a 40-year record of distinguished service. Therefore, it is with great pleasure that we take this opportunity to recognize the achievements of the Irwin Memorial Blood Bank. Since 1941, Irwin has continued its pledge to promote "people helping people."●

CARDINAL'S DEATH MARKS END OF AN ERA

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1981

● Mr. NOWAK. Mr. Speaker, with the death of Stefan Cardinal Wyszynski, Poland and Eastern Europe have lost one of the their most stalwart voices for human rights and freedom. I am sure my colleagues join in paying tribute to the work of Cardinal Wyszynski in Poland and throughout the world for human rights.

In October of 1978, I had the opportunity and the distinct privilege of being a member of the official delegation to the investiture in Rome of Pope John Paul II. At that time I had the opportunity to meet with Cardinal Wyszynski, the Primate of Poland.

Cardinal Wyszynski has been a moving force in Polish affairs since 1924, when he was ordained to the priesthood. When the Nazis first invaded Poland in 1939, they imprisoned much of the clergy, but then-Father Wyszynski was spared and became a resistance leader and organized clandestine church meetings.

His role was bolstered by the faith of most Poles, who saw the church as a symbol of Polish nationalism, and by fear of intervention by the Soviet Union. This materialized in 1948 with the sweeping antireligious campaign marked by the confiscation of church property and arrest of clergymen including Cardinal Wyszynski, who was placed under house arrest. He declared publicly that he would oppose any attempt to interfere with the religious freedom of Poland.

In reference to these events, Pope John Paul II stated:

> It is a faith that always went forward and never wavered. You faced prison and hardships. Everything stood against you, but the good of the people always came first.

More recently, the cardinal met with Lech Walesa in September of 1980 and gave his full support to the independent union and its sister group, the farm union, but careful to remind them of the danger if they pushed the Government too far.

The cardinal was a firm believer in gradual change as the only possible means by which prosperity would be achieved. The rare combination of support for legitimate demands and stressing the need for Christian values helped strengthen the ties between

the Catholic Church and the Polish people.

Cardinal Wyszynski's influence and credibility in his church and among his people were strong enough to restrain militants as they tried to push Walesa and Communist Party leader Stanislaw Kania in opposing directions. Cardinal Wyszynski became arbiter between the independent labor movement and the Communist Party leaders.

The massive outpouring of support from his fellow Poles is a tribute to the spiritual strength of the Polish people, a vast majority of whom are practicing Catholics in an atheistic state.

Recently the Buffalo Evening News quoted PAP, the official Polish news agency, as saying of Cardinal Wyszynski:

The great Polish patriot whose beacon was the motto that to know how to unite and not break apart is the supreme wisdom, a man particularly sensitive to the moral needs of society who saw the needs for cooperation with the state in the name of the patriotic unity of the nation and its spiritual and material well being.

Stefan Cardinal Wyszynski has made a place for himself in the history of not only Poland but also of the world. While he is now a part of that history, his life and principles will continue to inspire and guide Poland and her people as they look to the future.

Mr. Speaker, at this point in the RECORD, I would like to insert the following editorial from the June 6, 1981, Am-Pol Eagle of Buffalo, N.Y., which capsulizes Cardinal Wyszynski's contribution to peace and stability in Poland.

CARDINAL'S DEATH MARKS END OF AN ERA

An era of determined leadership has come to an end in Poland. Stefan Cardinal Wyszynski, the man who led the Polish people if not the Polish nation, through three decades of turbulence died last week after a long illness. He was 79 years of age.

It has only been a few years since the world has become fully aware of the impact Cardinal Wyszynski had on the Polish nation. The elevation to the papacy of his close personal friend, Karol Cardinal Wojtyla, and the fight of the Polish people for human rights over the past year are the events which made Cardinal Wyszynski an internationally known figure. Yet, his contributions to peace and stability in Poland have spanned three decades and are clearly the most significant factors in the development of the Polish nation and the Catholic Church under Communist rule.

It was Cardinal Wyszynski who kept the Catholic Church flourishing in the face of strong Communist opposition, particularly during the Stalinist era of the early 1950's. It was also Cardinal Wyszynski who realized from the lessons of Hungary and Czechoslovakia that violent confrontation with the Communist regime would only result in the needless shedding of Polish blood and bring the intervention of the Soviet Union. The delicate balance he maintained as Primate of Poland, leading the deeply devout Polish people, is what shaped the Polish nation into what it is today.

There is little doubt that the victories won by Solidarity over the past year would not have been possible without the strength of the Catholic Church and the leadership of Cardinal Wyszynski. The Primate is now gone but his deeds will live on forever.●

IMPROVING UNITED STATES RELATIONS WITH MEXICO

HON. CLAIR W. BURGENER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. BURGENER. Mr. Speaker, the distinguished President of the United Mexican States, His Excellency Jose Lopez Portillo, left our Nation's Capital yesterday, June 9, after what appears to be lengthy and productive discussions with President Reagan and other high administration officals. All reports indicate we may well be entering a new, desperately needed, and dramatically improved relationship with our neighboring country to the south. As President Lopez Portillo stated so emphatically, genuine mutual respect is the only foundation upon which to build a solid and mutually advantageous relationship. I firmly believe that under President Reagan's leadership, we have begun to build such a foundation. One of the most serious problems between our two countries is illegal immigration. This problem has been virtually ignored by the Congress and previous administrations. This problem cries out for solution. I have introduced comprehensive legislation on this subject in this the 97th Congress, as well as in several Congresses past but have never even been given the privilege of a public hearing before the committee of jurisdiction in the House.

On Friday, June 5, 1981, one of California's leading daily newspapers, the San Diego Union, published a most timely and thought-provoking editorial on this subject entitled "Orderly Immigration." The editorial, in its entirety, follows my remarks and I commend it to all readers of the CONGRESSIONAL RECORD who seek an orderly and humane solution to this great problem.

[From the San Diego Union, June 5, 1981]

ORDERLY IMMIGRATION

After some years of drift and uncertainty, the United States appears finally to be ready to confront the immigration issue, a problem that is simultaneously one of the most pressing and perhaps the most neglected on the national agenda.

The Reagan administration's decision to push for immigration reform is supported by widespead concern in Congress and across the country. A Gallup Poll last November showed 91 percent of the public believes we should "make and all-out effort to stop" illegal immigration. And small wonder. An estimated 500,000 to 1 million entered illegally last year; illegal aliens in this country are estimated to number between 3 and 6 million. In addition, total legal admissions of immigrants in 1980 exceeded 800,000—almost double the annual average during the last decade.

Beyond the challenge of these unassimilated millions, as those of us who reside in borderlands know better than others, is the human tragedy of immigrants being preyed upon by thieves and smugglers and, in some cases, being exploited in U.S. sweatshops. The only way to minimize such suffering and extortion is to bring jobs and immigrants together within a legalized framework.

When President Carter's tentative immigration initiative was stymied by the combined opposition of hardliners on the one hand who demanded a closed door, and those on the other hand who opposed almost any reform, he appointed the fact-finding Select Commission on Immigration and Refugee Policy headed by the Rev. Dr. Theodore M. Hesburgh, president of the University of Notre Dame. After two years of work, the Commission issued its findings and recommendations last March.

The Reagan administration has wisely used the report as a foundation upon which to construct its own national immigration policy. The President's Task Force on Immigration and Refugee Policy, headed by Attorney General William French Smith, recently completed its assessment of the Select Commission's report and has just made its summary recommendations to President Reagan. Some of these changes are already incorporated in pending congressional legislation on immigration, which is entitled the Immigration and National Security Act.

Mr. Reagan has not announced which of these recommendations he intends to promulgate as U.S. immigtation policy. He is delaying out of deference to Mexican President Jose Lopez Portillo, who will meet with him in Washington next week. The immigration issue is certain to be a major subject of discussion.

Despite the absence of an official announcement at this time, reliable advance reports provide an outline of the administration's forming immigration policy. There are six broad proposals:

Strengthen the Border Patrol, which has only 2,100 agents stationed along the 2,000-mile border, and no more than 400 on duty at any one time. The long-neglected Immigration and Naturalization Service would also be provided with a complete computer system.

We have long favored this reinforcement about which there can scarcely be any debate.

Grant amnesty for undocumented aliens on a two-tiered basis: Those who have lived permanently in the United States for at least five years prior to January 1980 could remain as permanent aliens. Temporary-worker status would be granted those residing here for at least three years.

We believe aliens who elect to stay should take steps toward naturalization; the others would depart when their temporary status expires.

We are convinced there is no recourse to general amnesty for undocumented aliens who have settled here; few Americans could countenance the uprooting and deportation of millions of persons from this country.

Make workers responsible for proving their legal status. Those who use false documents could be punished. Counterfeit-resistant Social Security cards would be one of

the work-identifications for all workers. Such a card can be very effective.

Penalize employers of four or more employees who knowingly and willfully hire illegal aliens. They would be subject to civil fines of $500 to $1,000 for each illegal alien so employed. Moreover, the Department of Labor would more strictly enforce laws covering worker rights, including minimum wage and other benefits.

Although punishment for employers is one of the most controversial of these recommendations, it has solid support from the Select Commission and in Congress through pending legislation. The Task Force report states that without employer sanctions, there is no chance of illegal worker control short of sealing the U.S.-Mexican border, which alternative has no rational support.

Institute a pilot guest-worker program to admit 50,000 temporary workers annually for stays of up to nine months.

We favor this plan because it is at least a step in the right direction. But the suggested number appears to be unrealistic. Why not let the number of guest workers be flexible, subject to the jobs that need to be filled in this country?

Double the legal immigration from Mexico and Canada from 20,000 to 40,000 persons a year. But this expansion would be within an overall limit of 420,000 immigrants a year, plus a limit of 50,000 refugees unless Congress and the President agree to accommodate more because of an emergency.

We favor this proposal.

One part of the proposed quota reshuffling would eliminate the current visa preference for brothers and sisters of U.S. citizens; these visas would go instead to independent Mexican and Canadian citizens under their expanded quotas.

It seems to us this careful synthesis of immigration reform could be a basis for an orderly, humane approach that offers some semblance of legalized order over a currently uncontrolled immigration situation. At the same time, it is sufficiently generous and flexible in its amnesty provisions to avoid the coloration of repression. We believe these recommendations, therefore, conform with President Reagan's recent statement to Mexican editors that our "border should be a meeting place and not a line separating us."●

SOVIET ENERGY AND THE FUTURE OF THE WEST—PART II

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. LeBOUTILLIER. Mr. Speaker, on Tuesday, June 9, 1981, I inserted into the Congessional RECORD the first part of an advanced copy of a forthcoming article soon to appear in Policy Review, a quarterly journal published by the Heritage Foundation. Entitled "Soviet Energy and the Future of the West," authors Steven C. Goldman and Wayne A. Schroeder underscore the critical importance of Soviet energy developments to Western security and set forth a positive realistic approach to Western energy needs. Part II of that article follows:

THE LURE OF THE PERSIAN GULF

The Soviet Union has had a traditional geopolitical interest in the Persian Gulf which transcends the current world energy crisis. Ever since the days of Peter the Great, Russia has sought access to warm water ports in that crossroads region. Given the growing importance of this area to Western economies in recent times, its strategic value to the Soviet Union has certainly increased. Indeed, the political and economic leverage that would be available to Moscow if they could control or "Finlandize" a key portion of the oil producing Near East could be substantial. U.S.S.R. dominance in that region would enable them to tear apart the Western alliance by having the U.S. and its allies compete for Soviet manipulated oil supplies. In short, the Soviets need no domestic energy crisis to be profoundly interested in this area. Although a domestic oil crunch may make the region marginally more attractive, the key issue regarding security of the Gulf must be seen in the context of the credibility of the Western deterrent and not in terms of energy equipment sales.

The Soviet Union has consistently sought to expand its power and influence in areas where Western resistance is preceived to be low and indigenous opposition to be relatively weak. Soviet penetration of the Near East and adjacent areas has been successful where the U.S./Western security network was insufficient. Recent examples include Angola. Afghanistan, Ethiopia, and South Yemen. However, Moscow has traditionally avoided a direct confrontation course with the U.S. or its allies in areas it knows we consider essential to our security—the areas they are fully persuaded we will defend.

Misunderstandings regarding our intentions have yielded sorry results in the past. The most noteworthy example is in the case of Korea when Secretary Acheson noted that the country was outside the U.S. defense perimeter. It did not take long for the Soviets to pick up on this mistake and ask their North Korean puppets to attack the South. Once the Soviets discovered that the U.S. was prepared to defend South Korea, they disassociated themselves from the conflict as quickly as possible and left Kim Il-sung and the Communist Chinese with the task of fighting the United States. On the other hand, incidences of firm U.S. resolve to prevent Soviet or proxy intervention have often been successful. The clearest recent example was in the 1973 October Middle East war when former President Nixon put U.S. military forces on worldwide alert given the prospect of a Soviet intervention. The purpose of the alert was served and the Soviets did not enter into the foray.

Given the strategic importance of the Near East, it is absolutely imperative that the U.S.S.R. does not get the false impression that the oil producing states are soft spots, ripe for probing. Selling the U.S.S.R. energy technology and equipment, with the hope that this may keep it sated, could actually give the Soviets the impression that we are unwilling or unable to defend our vital interests by other means.

U.S. efforts to extract a quid pro quo from Moscow in return for expanded trade and technology transfers have been unsuccessful. This approach has not served to promote East-West interdependence nor has it served to moderate Soviet geopolitical behavior. Instead, we have witnessed a relentless Soviet arms build up, Soviet strategic penetration of the Near East and Africa as well as the invasion of Afghanistan. A U.S. decision to retain past export policies will only serve to convince the Kremlin that America is not serious about defending its position in the world when its security interests are threatened. Conversely, a change in our export policies would constitute a firm display of U.S. resolve. The Soviets have limped along under very unfavorable conditions in the past and can face an oil crisis at home if they are persuaded that the costs of imperialist policies in the Persian Gulf are higher than the costs of enduring an energy squeeze which many countries are facing.

APPROACHES TO OPEC

The U.S. should not mislead itself into believing that the oil producing states of the Persian Gulf have any affinity for us. However, rather than meekly accepting a subservient role and earning their contempt as so many Western leaders have done, it should be possible to deal with them on the basis of mutual self-interest: "the enemy of my enemy is my friend." For too long, Western leaders in general, and U.S. officials in particular, have adopted the attitude that the oil producers hold all the trump cards and that the West must passively accept its subordinate position, unable to influence circumstances or events. This attitude must change. It is imperative that the oil-consuming states of the West persuade the oil-producing states of the Persian Gulf that cooperation is essential to withstand the common threat. In order to succeed in this diplomacy, we must adopt an activist posture.

First, we should emphasize to the oil producing states that the Soviet Union (whom many of them consider to be a loathsome "godless" regime) represents the chief threat to their security. Western nations have never interfered with their religious practices and have been paying fantastic oil bills without threats or coercion.

Second, we should emphasize that the U.S.S.R. has a strong interest in expanding its power in the region and is already taking advantage of every opening available. Unless the Western countries are able to increase their military deterrent in the region, the day may soon come when the Soviets will feel bold enough to attempt a direct intervention. As Soviet energy problems become more severe, the oil producing Persian Gulf will become an even more attractive target than it currently is. Once under Soviet domination, it will be virtually impossible for anyone to dislodge them. The Afghanistan experience should indeed be sobering.

Third, the Persian Gulf states cannot defend themselves against the U.S.S.R., regardless of the amount of military hardware the West may provide them. The Soviets would easily win any battle against Gulf oil producing states fighting alone. The only way to deter the Soviet Union is to make it obvious that a confrontation in the Persian Gulf would involve the West.

Fourth, since the oil producing states need the West as much as we need them, it does not make sense for them to adopt pricing policies designed to bankrupt those who are protecting the area from Soviet intervention. If Western economies are in dire conditions, they will not be able to increase military budgets to the extent necessary to deter the looming Soviet threat. Therefore, pricing policies which will undermine Western economies do not serve the long term interests of the oil producing countries. Indeed, it is the health of the Western

economies and our ability to pay that gives OPEC oil the value it currently commands.

WILL SOVIET SHORTAGES AFFECT WORLD MARKETS?

The impact of the coming Soviet oil production decline upon the world market should not be dismissed, but neither should it be overstated. The U.S.S.R.'s ability to make substantial oil purchases on the world market will be severely circumscribed because of hard currency shortages and limited quality products for barter. The Soviets will be compelled to cope with their oil problems by reducing their consumption growth and/or reducing exports to their CMEA clients. (By 1985, it can be expected that Soviet oil sales to hard currency markets will be severely curtailed or perhaps eliminated regardless of Western technology transfer policy. Therefore, the direct impact of a Soviet oil shortage on our allies who currently purchase U.S.S.R. petroleum should not be a consideration. Their dependence on Soviet oil will be minimal at that time.)

Almost half of Soviet hard currency earnings are currently generated by oil sales. In 1978, the U.S.S.R. sold 1.2 MMB/D for hard currency and received $5.7 billion of total earnings of $13.2 billion. In 1979, the U.S.S.R. reduced its oil sales for hard currency to under 1 MMB/D but increased its earnings to about $9 billion of a total of $19.5 billion receipts. The U.S.S.R. was a price taker rather than a price setter and able to increase its profits due to OPEC price increases. Without this hard currency flow, Moscow's financial position would be severely strained. As they continue to experience problems in their oil industry, the Soviets will be forced to make very difficult allocation choices between domestic consumption, concessionary exports to CMEA partners and exports for hard currency. Under almost any reasonable U.S.S.R. oil production/consumption scenario for the coming decade, it seems clear that the U.S.S.R. will be compelled to phase out oil exports to the West because their domestic requirements and the minimum needs of their CMEA clients will have to come first. Without this hard currency flow, the U.S.S.R. will not be in a favorable position to purchase large quantities of OPEC oil at market prices. Although the Soviets profit from OPEC price increases today, the day will soon come when this will not be the case.

During the 1970s, the Soviet Union increased its oil consumption from 5.15 MMB/D to about 8.6 MMB/D and not once during this period did their annual consumption decline (see Table 2). Since the Soviets do not have a significant private transportation sector (as we do in the United States), their discretionary use of oil is more limited, as is their potential for conservation. Indeed, oil has been primarily used to fuel the Soviet industrial base and provide for the almost theological principle of economic growth. During the 1980s, the U.S.S.R. will not be able to continue the oil consumption trend established in the previous decade. (If they did, they would consume almost 11 MMB/D by 1985.) Given the limited oil output that they will have available domestically, coupled with their constrained hard currency position, it is quite possible that Soviet oil consumption will not increase at all during the 1980s. Such a scenario will help create substantial economic and social difficulties for the U.S.S.R., a prospect that is not inimical to Western interests.

SOVIET OIL PROSPECTS

The Five Year Plan for 1981-1985, which has recently been released, projects that U.S.S.R. oil production will increase from the present level of about 12.0 MMB/D to 12.4-12.8 MMB/D by 1985. This projection indicates that the U.S.S.R. is expecting a significant deceleration of its oil production growth. (During the 1976-80 period, Soviet oil production increased from 10.39 MMB/D to the 1980 level of about 12 MMB/D.) However, it should be pointed out that the Soviets have not had a good record in recent times of fulfilling their official oil targets. The 1980 target was originally pegged at 12.8 MMB/D but was revised downward to 12.1 MMB/D.

During the next five years, many Western analysts believe that Soviet oil production will peak and possibly decline unless they quickly discover new fields near existing infrastructure. (Inexpensive and easily accessible sources West of the Urals are being rapidly depleted and the Soviets must now look to West Siberia to compensate for the declining output of other regions and provide additional increments to increase overall national production.)

Although the U.S.S.R. may indeed have substantial additional oil resources in West Siberia and elsewhere, it seems likely that major new discoveries will be in permafrost regions and offshore areas. The Soviets have at times referred to Siberia as a "raft floating upon a sea of oil." However, even if this is the case, massive investments and huge front-end capital outlays will be required to exploit this elusive oil treasure chest. The long-term prospects for Soviet oil are uncertain. The prospects for the early and mid-1980s are not good.

Table 2.—U.S.S.R. oil consumption

	Million b/d
1970	5.15
1971	5.46
1972	5.92
1973	6.33
1974	6.79
1975	7.20
1976	7.55
1977	7.90
1978	8.30
1979	8.60
1980[1]	9.00

[1] Preliminary.

Source: CIA International Energy Statistical Review, March 31, 1981, p. 25.

If we assume that U.S.S.R. oil production in 1985 will be about 10 MMB/D and that the Soviets are able to hold oil consumption at 1980 levels (about 9 MMB/D), this would leave them with an export capacity of about 1 MMB/D. Given the high priority that the Kremlin places on the political reliability of its CMEA partners, most, if not all, of this excess would probably go to them. And this would represent a significant decline in level of oil deliveries the CMEA countries are currently obtaining from the U.S.S.R. As former CIA Director Stansfield Turner noted, "There will be strong pressure to force Europe to share the oil shortage . . ." Other plausible scenarios could be devised in which consumption/production patterns are marginally altered. But in any event, the Soviet oil picture is not bright. The prospects for Eastern Europe are even dimmer, because they are already oil importers.

As noted previously, we do not wish to completely dismiss the impact of the Soviet oil crisis upon the world market. Surely, the Soviets will seek to use their available financial resources to purchase petroleum if the crunch becomes extreme. They will no doubt seek to expand gold and arm sales. However, given the prospect of evaporating oil revenues, it is difficult to envision a scenario in which they will be major competitors with the West for OPEC oil on market terms.●

CONGRESSIONAL VIGIL FOR SOVIET JEWRY

HON. MARTIN O. SABO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. SABO. Mr. Speaker, it is an honor to participate in the congressional vigil for Soviet Jewry. The predicament of the Soviet Jews in Russia is one for which we, as Americans, have great compassion. The search for freedom is the cornerstone of our great Nation.

I call to your attention the plight of Abe Stolar, a retired translator from Moscow, his wife, Gita, and their son, Mikhail.

In May 1975, Abe Stolar and his family applied for and received exit visas. They sold their apartment and shipped all of their belongings to Israel. On their way to board the aircraft leaving the Soviet Union, they were stopped. Their visas were rescinded on the pretext that Gita Stolar had been doing secret work in her capacity as a chemical engineer. When they returned to Moscow the local housing authority put them in an unfurnished apartment belonging to someone else. They are now faced with the possibility of eviction. Only after continued fighting were their pensions returned 1 year later.

In the past 6 years Abe Stolar and his family have lived without proper clothing, beds or bedding, and the documents essential for life in the U.S.S.R. Stolar's rights as a disabled war veteran have been denied. The Soviets refuse to register his family as aliens with the right to live and work, and also refuse to make any statement as to why they are still denying the Stolars their visas, 7½ years after Gita Stolar stopped working.

In August 1980 Abe Stolar wrote:

Talk of my wife's "secrecy" as the reason for holding us is not valid, since she has already been retired seven and a half years; their advertised limit for keeping people of top secrecy is five years. The place where my wife worked confirmed that she had not been doing secret work. Without that confirmation we could not possibly have received exit visas. Moreover, we were officially told that my wife's secrecy would be lifted, so that we could leave, in June 1977. Even after that, we are held hostage.

The story of Abe Stolar is not uncommon. It is my hope that with our continued efforts the Stolar family may soon be allowed to emigrate to

Israel. I am committed to their endeavor and I urge my colleagues to join me in support of that goal.●

DEFER JUDGMENT ON MIDEAST SITUATION

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. PHILIP M. CRANE. Mr. Speaker, the situation in the Mideast has become considerably more tense as a result of events over the weekend. I rise to suggest that my colleagues defer any judgment of the actions taken by any of the participants in that lamentable and unsettled conflict. Surely, all reasonable men of good will pray for an early and satisfactory resolution of differences in that troubled part of the world.

As Americans, and in particular as Members of Congress, we have a responsibility to avoid precipitous judgments or actions as the result of Israel's attack on the Osirak nuclear reactor near Baghdad.

I, for one, am somewhat distressed at the instant analysis and offhand verdicts rendered by many armchair critics around the country. Of particular concern is the assertion that Israel was not justified in taking the actions which it did.

I join my friend and distinguished colleague from New York, Mr. KEMP, in suggesting that officials in the administration may not yet have sufficient information to reach such a conclusion.

Mr. Speaker, I would suggest that before we attempt to make any judgments, we stop to consider the circumstances which confront Israel, and reflect on what our decision may have been had we been faced with similar circumstances.

I note with considerable interest the remarks of Senator CRANSTON, of California, a member of the other body's Committee on Foreign Relations. Mr. CRANSTON stated in a news interview following announcement of the raid, that his committee had information which led them to believe the Iraqi facility in question was designed and built for the purpose of producing nuclear arms and, further, that it was expected that the Iraqis would be capable of producing such weapons before the end of the year. Such intelligence information, if correct, would be of vital concern to every nation which has an interest in avoiding the introduction of nuclear weapons into that part of the world. One would also expect it to be of immediate and vital concern to both Iran and Israel, the latter having been publically designated by Iraqi President Saddam Hussein as the target for that facility's product. In short, based on available evidence, there is little question about the capabilities of the Osirak reactor.

Moreover, Mr. Speaker, Iraq signed the Nuclear Nonproliferation Treaty, a solemn international agreement which she willfully violated when she committed herself to this course. In addition, therefore, to her rejection of negotiations in favor of armed force, when she aggressively invaded Iran without warning, she demonstrated an equally cavalier disregard for solemn treaty obligations among the community of civilized nations by seeking to develop a nuclear capability with the stated bellicose intention to use it against the State of Israel.

Mr. Speaker, in calling for all of us to maintain an open mind in assessing the Israeli action, I would only ask my colleagues to reflect back on the events of October 1962, when President Kennedy had obtained information about rapid progress in the construction of facilities for basing offensive nuclear missiles in Cuba. There is no dispute that those missiles were to be directed at the United States. After assessing available intelligence data, President Kennedy and his advisers made a decision to take decisive military action to remove that threat before the missiles became operational. The risk of confrontation with the Soviet Union, which could have led to a full nuclear retaliatory response by the United States, existed. Who would argue that this dangerous preventive step was not in the best interests of the United States?

Mr. Speaker, it is not my purpose to analyze in detail every facet of this situation. I am sure that over the next few weeks we will be subjected to all manner of analysis and argument over the purposes and consequences of this action. One would only hope that as this debate proceeds all of us will objectively evaluate the circumstances and the choices facing Israel, our most reliable ally in the Mideast. One should also keep in mind the history surrounding Israel's struggle for peaceful existence and legitimate recognition by its neighbors. In this way, all of us may gain a deeper understanding of, and make a constructive contribution to the resolution of, this crisis.●

THE 20TH ANNIVERSARY OF AMNESTY INTERNATIONAL

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. BONKER. Mr. Speaker, this month marks the 20th anniversary of Amnesty International. Those of us who believe that the human rights of all individuals, no matter where they live, is precious and must be protected and defended at all costs can feel great satisfaction in celebrating this anniversary.

Amnesty International is one organization that has succeeded in helping over 15,000 prisoners of conscience in the last 20 years. In a recent column for the Washington Post, Coleman McCarthy wrote:

* * * this is one group that can be counted to remain fiercely outspoken on the advocacy of human rights. Its fervor on behalf of political prisoners in jails in a list of countries from Albania to Zambia isn't likely to rise and fall into styles of boldness one year and "quiet diplomacy" the next * * * It is a tireless and invaluable friend of people who are jailed, abducted, tortured, or executed because their governments object to their way of thinking.

Amnesty International, which was awarded the Nobel Peace Prize in 1977, is one of the world's few organizations that brings people together to confront successfully tyrants, repressive regimes, and oppressors, no matter their stripe.

Next Monday evening at the Jefferson Memorial, Amnesty International U.S.A. plans to issue a "Declaration of Conscience and Commitment." This declaration is to remind all governments of their responsibility to protect persons from imprisonment for political and other beliefs. It is also intended to protect all persons from torture or other cruel, inhumane, or degrading treatment as long as these individuals have neither used nor advocated violence.

I commend to the attention of my distinguished colleagues Coleman McCarthy's column, "A 20-Year Vigil Against Terror," and the text of Amnesty International's Declaration of Conscience and Commitment.

A 20-YEAR VIGIL AGAINST TERROR

(By Colman McCarthy)

In 1968, when I was writing occasional articles for The New Republic, the magazine's editor, Gilbert Harrison, asked me for a piece on Amnesty International. He said he had only a general idea of its purposes but knew nothing of the specifics and that probably few of the magazine's readers knew either.

It was an accurate assessment. Amnesty, then only seven years old, was a tiny organization with little money, few staff workers and even less prominence. Its office in Washington was a chaotic cramming of secondhand file cabinets, piled-up mail and bookshelves sagging with dossiers sent from the organization's headquarters in London.

On the wall, amid the clutter, was a dangerous document, one that, if you were to call a crowd and read out loud on the main street corner of any of several dozen world capitals, might land you in prison: the United Nations' Universal Declaration of Human Rights.

Amnesty International is 20 years old this week, an anniversary worth celebrating because this is one group that can be counted on to remain fiercely outspoken on th advocacy of human rights. Its fervor on behalf of political prisoners in jails in a list of

countries from Albania to Zambia isn't likely to rise and fall into styles of boldness one year and "quiet diplomacy" the next. In the 13 years since I first visited an Amnesty office, nothing I have learned about this organization has changed my first impressions. It is a tireless and invaluable friend of people who are jailed, abducted, tortured or executed because their government objects to their way of thinking.

The founder of Amnesty was Peter Benenson, a British lawyer who wrote an article for the London Observer in 1961 calling for public support in the creation of a group that would write letters to governments that were holding prisoners of conscience. Today's Amnesty officials call that "an amazing ambition."

But the vision took. People joined. Money came in. In 1970, Amnesty's international budget was about $100,000. It employed 19 staff workers and was in 27 countries. By 1980, its budget had grown to $4 million, its staff to 150, and it was in 39 countries. The winning of the Nobel Peace Prize in 1977 was a boon for the group's visibility, but by then the group was well known by every government that depends on repression to keep itself in power.

In 20 years, Amnesty has become much more than a collection of mere letterwriters. Its 2,200 volunteer groups may come to the aid of political prisoners in any of a dozen ways: legal assistance to the prisoners, financial support to their families, monitoring trials, publicizing cases of torture, conducting vigils in front of embassies or prisons and sending reliable information to the London headquarters for the organization's annual report.

These reports are a library of horror. There are "corrective labor colonies" in the Soviet Union for political dissenters. Amnesty says it "still has not heard of a single case in which a Soviet court has acquitted anyone charged with political or religious offenses." In Uruguay, which has at least 1,500 political prisoners, "insulting behavior" is a crime. In 1978, Amnesty received reports of Uruguayan "prisoners having to pay up to three U.S. dollars to cover the cost of each day spent in prison." In South Africa, there is "a commitment to greater ruthlessness in dealing with real or perceived enemies of the state." Vietnam has many thousands held in "reeducation camps."

With the suffering so global and incalculable, Amnesty is almost forgetful about taking credit for its successes. In the 1980 report, it is only on the next to the last line of the last page that we learn that from May 1979 to April 1980, 1,729 prisoners who had been monitored by Amnesty groups were released.

In the United States, Amnesty is occasionally criticized for being selective: being tougher, say, on Botha of South Africa than on Castro of Cuba. The charges are unfounded. Amnesty's impartiality is impeccable. The group is esteemed because it has deftly avoided politics while at the same time defending and comforting the victims of politicians.

DECLARATION OF CONSCIENCE AND COMMITMENT

(Issued by Amnesty International U.S.A., at the Candlelight Gathering, Jefferson Memorial, June 15, 1981)

PREAMBLE

The thirty articles of the Universal Declaration of Human Rights provide that everyone has the right to life, liberty and security of person, to equality before the law without discrimination, to a fair and public trial, to be presumed innocent before proven guilty, to freedom of movement, to freedom of thought, conscience and religion, to freedom of opinion and expression, and to freedom of peaceful assembly. It declares that no one shall be held in slavery, no one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment and that no one shall be subjected to arbitrary arrest, detention or exile. The declaration also establishes that everyone has the right to a nationality, to marry, to own property, to take part in the government of his or her country, to work, to receive equal pay for equal work, to receive just and favorable remuneration, to enjoy rest and leisure, and to have an adequate standard of living and education. The declaration further stipulates that everyone has the right to form and join trade unions and the right to seek asylum from persecution.

Of particular concern to Amnesty International are the following four articles of the Universal Declaration of Human Rights:

Article 5. No one shall be subjected to torture or to cruel or degrading treatment or pusnishment.

Article 9. No one shall be subjected to arbitrary arrest, detention or exile.

Article 18. Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to change his religion or belief, and freedom, either alone or in community with others and in public or private, to manifest his religion or belief in teaching, practice, worship and observance.

Article 19. Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.

Although many nations have incorporated the different articles of the declaration into their national legislation, it is primarily a statement of principles with an appeal to "every individual and every social organization" to promote and guarantee respect for the freedom and rights it defines. It was never the intention that member states of the United Nations should formally ratify the Universal Declaration of Human Rights. Membership in the United Nations is, however, often considered to be an implicit acceptance of the principles of the declaration. Furthermore, one-third of the world's governments are now legally bound to respect and promote human rights through their ratification of the international human rights Covenants which are the elaboration of the declaration in treaty form. It should also be noted that under the Charter of the United Nations, member states are pledged to take joint and separate action to promote universal respect for, and observance of, human rights and fundamental freedoms. This is a legal obligation. The declaration is an authoritative statement of what those human rights and fundamental freedoms are.

In this twentieth anniversary year of Amnesty International, our members continue to participate as individuals within the structure of our worldwide movement working for individuals elsewhere in the world whose rights under Amnesty International's limited mandate have been violated.

We rededicate ourselves to the basic human rights found in the Universal Declaration of Human Rights and to the specific mandate of Amnesty International. Let us call on our friends and neighbors, our families and our professional colleagues; let us call on all citizens of the United States of America to join us in pledging agreement and action to protect and defend the human rights of every individual wherever they may be.

DECLARATION OF CONSCIENCE AND COMMITMENT

We call upon local, state, and national governmental officials to work for the release of colleagues—and all other persons—who are imprisoned for their political beliefs, provided they have neither used nor advocated violence;

We call upon religious leaders and members of their congregations to help in ending imprisonment or assassination of those of any faith because of their beliefs or their attempts to foster non-violent social change and equality;

We call upon professional associations and their members to speak out on behalf of their colleagues—and all other persons—who are arbitrarily detained in prison or mental institutions because of their professional activities, such as defending unpopular causes, protesting torture, or freely speaking and writing their opinions;

We call upon trade unionists to support workers—and all other persons—who are kidnapped, tortured or executed because of their efforts to organize for economic advancement and equality;

We call upon members of the business community to assist those engaged in commerce—and all other persons—who are being imprisoned on the basis of their political or economic opinions;

We call upon teachers and students at all educational levels to work on behalf of their colleagues—and all other persons—imprisoned for exercising their right of intellectual inquiry. We also call upon teachers and students to foster an awareness of human rights in schools and universities.

And we call upon every individual to undertake the commitment to work for the release of those imprisoned because of their political, religious, or other conscientiously held beliefs or by reason of their ethnic origin, sex, color, or language, provided they have neither used nor advocated violence; to advocate fair and early trials for all political prisoners; to seek the abolition of the death penalty; and to eliminate torture or other cruel, inhuman or degrading treatment or punishment in any circumstance.●

CARTER TYREE PARK

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. LEHMAN. Mr. Speaker, on June 6, a very special park was dedicated in North Miami Beach. The Carter Tyree Park is named after the son of Mr. and Mrs. William Carter Tyree. It is more than a memorial to a beloved son. It is a gift of beauty to the entire community.

After the North Miami Beach City Council agreed to name the park after his son, Bill Tyree and his family put in long hours of work to make the park as beautiful as possible. The following article from the Miami Herald describes this labor of love, and by in-

serting it into the CONGRESSIONAL RECORD, I hope to express my own gratitude and admiration for their work.

[From the Miami Herald]

JOKE BLOSSOMS INTO SPECIAL PARK

(By Pamela Noel)

William Carter Tyree and Hazel Fazzino had a standing joke.

"Mr. Tyree used to tease me about the little parks and things that I always wanted [to name after people]," said Fazzino, a North Miami Beach resident.

On Jan. 13, William Carter Tyree's 32-year-old son and namesake, died at home in his sleep of a heart attack.

Not long afterward, Fazzino went before the North Miami Beach City Council members, told them about the joke and Tyree's loss and asked that they name a park after him.

"I was really upset when his son passed away," said Fazzino, who has known the elder Tyree for 18 years. "I had thought this would be a great memorial that Bill could have and see and treasure."

The council agreed to name after Tyree a small piece of land that sits in front of First Baptist Church of North Miami Beach, 1490 NE 162nd St., where Tyree is a deacon.

But there was something else in Tyree's heart.

He asked that the park be named instead after his late son, William Carter Tyree Jr.

Everyone always called the elder Tyree Bill. The younger was known as Carter. "We were like two peas in a pod," said Tyree, who lives at 1332 NE 157th St.

Two weeks ago, a new redwood sign went up proclaiming the triangular-shaped land sandwiched between NE 15th Avenue, NE 162nd Street and Miami Drive, as Carter Tyree Park.

"I thought it was real nice for them to show that much respect for me," Tyree said of the council.

After the council gave him the park, Tyree made a promise.

"When I get through with this park," he told the council, "it's going to be the prettiest one in North Miami Beach."

Turning the park from a sand- and weed-filled lot into a blooming shrine in honor of his son, became a labor of love for Tyree, 62 and Florence, 59 his wife of 41 years.

Even Tyree's 10-year-old grandson, Johnny, and 80-year-old mother-in-law, Ruby Irene Mears, pitched in, hauling flowers and digging holes.

The city put new sod on the ground, paved a walkway through the small park and planted eight black olive trees for shade. But it was Tyree who toiled over a triangular-shaped garden of blooming dianthus plants, some of which are used to form the initials C. T. He planted the petunias, sea grape shrubs, croton, marigolds and periwinkles to thrive in the noonday sun.

Every day people stopped to ask what he was doing. On Saturdays especially, they stopped to watch and compliment. Some offered to help.

Now, four months and $500 later, Carter Tyree Park is nearly finished.

"It's too bad people can't get interested enough to have more things like this," said Tyree.

On June 6, the four remaining Tyree children, friends and other relatives, will gather at the park for dedication ceremonies.●

REMEMBERING BRAVE JURI

HON. JAMES J. HOWARD

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. HOWARD. Mr. Speaker, as you know, Juri Kukk, an Estonian dissident, died recently in the Soviet Union. Juri Kukk was an enlightened, courageous man, a credit to the nation of Estonia, and an inspiration to all who have ever struggled to uphold and protect basic human liberties. In recognition of Mr. Kukk, I believe it is appropriate to enter into the CONGRESSIONAL RECORD an article by Mr. David K. Willis that appeared in the May 6, 1981, issue of the Christian Science Monitor:

REMEMBERING BRAVE JURI

(By David K. Willis)

LONDON.—At home I have a pair of gloves, thin, brown, ordinary. They are not mine. They belonged to a hero, one of the bravest men I have ever met.

Now I cannot return them. Their owner has just passed on, in a Soviet prison camp, in the Gulag Archipelago, in the frozen northern plain of Russia, in the region of Murmansk.

This article is written in his memory: a mild, slightly built, unassuming, intelligent, and honest man called Juri Kukk. He died because his eyes were opened to the kind of totalitarian control the KGB and the Communist Party exercise in the Soviet Union and in his beloved homeland of Estonia.

For many years he worked quietly as an inorganic chemist in Estonia. For 12 years he was even a member of the Communist Party. But he spent a year studying at an institute just outside France (1975–76), and when he returned home, he was a different man.

I met him first in the depths of a dreary winter (1979–80) in an icy, deserted Moscow park. It was so cold we could hardly stand still. I invited him, and his colleague Mart Niklus, back to our apartment, gave him some tea, listened to his quiet determination and his courage.

He is not so well known as Andrei Sakharov or Anatoly Shcharansky. He won no Nobel prizes or world headlines. To me, he epitomized the unshakeable faith of an individual in freedom. Eventually, he died for that faith on March 27, 1981. He was 40.

His funeral, such as it was, was attended by his wife Silvi, five friends, and 25 KGB agents in the bleakness of Vologda, 400 kilometers east of Leningrad. His grave bears no name, just his prison number—23781. His widow has no photograph of it: KGB agents tore away the camera a friend used at the funeral, and exposed the film.

Juri told me he could no longer accept communist propaganda statements when he returned from France. The party said life in Estonia was wonderful: his own eyes told him it was the opposite. He felt he could no longer remain a member of the party. He wrote a brief note to local party headquarters, resigning. He thought it was a mere formality, and that he could live and work as before.

He was thunderstruck to come home one day and find Silvi had been visited by men in plain clothes who bullied her by saying he would be put into a psychiatric ward unless he withdrew his resignation. Persecution increased. The more it did, the more unyielding he became. He lost his teaching job.

Eventually he joined forces with another dissident, Mark Niklus, who had been battling the authorities since graduating from university.

Niklus, a square, burly, passionate man with darting eyes and the nervous manner of one always watching for the KGB, was with Juri when we met in the park. Both spoke good English. Both described conditions in Estonia, nationalist rallies, and a statement Niklus had signed the previous year calling for Baltic independence.

Later they gave me copies of statements signed by Baltic dissidents opposing the Soviet invasion of Afghanistan and supporting a boycott of the Moscow Summer Olympics of 1980. They wanted me to quote them.

The last time I met Juri was when I drove him in my car along the Sadovoye ring road. Three minutes after leaving the car he was picked up by the KGB and held for three days without being charged.

Sent back to Tartu, he telephoned me from a public booth to say how astonished he had been at the sight of the KGB flouting normal rules of detention. He had been thrown in a cell with drunks. A statement attesting to his answers had been signed by two "witnesses" whom he later discovered in the cell with him—prisoners plucked out of jail to sign a statement they knew nothing about.

He was deported from Moscow for staying in the city longer than three days (technically an offense) even though he would have been home in time if he had not been detained.

A month later he was arrested in Tartu. Silvi and his small son and daughter were distraught. The children were shouted at, victimized by schoolmates while teachers stood by, watching.

Eventually Juri was charged with disseminating fabrications defaming the Soviet system. Niklus was arrested on a more serious charge April 29.

For months the KGB tried to force Estonian doctors to certify Juri mentally deranged. They refused. The KGB incarcerated him in the notorious Serpsky psychiatric institute in Moscow. He went on a hunger strike. So did Niklus.

From Jan. 5 to 8 in Tallinn, capital of Estonia, both men were tried together. Both refused to speak. At the end, Juri bowed to Silvi and promised to continue his hunger strike, then in its 41st day.

He was sentenced to two years in a labor camp (Niklus, a second offender, received 10 years and five more of internal exile). On March 27 this year, Juri succumbed in the Gulag, still refusing food, still fighting for the ideals the Soviet state denies.●

REPLACE INTERIOR SECRETARY WATT

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. OTTINGER. Mr. Speaker, when one has been as intimately involved with the environmental movement, as I have been, the actions of

Secretary of the Interior Watt take on a special meaning. I find it hard to recall when our Nation's environment has had to face such a ruthless official foe.

I join with the Sierra Club's enumeration of the following assaults Mr. Watt has made upon the environment:

Gutted the Council on Environmental Quality—leaving it a mere shadow, with a staff of a half-dozen or so;

Rescinded Carter's order restricting the export of hazardous materials;

Stated his intent to allow oil and gas production on wildlife refuges and wilderness areas;

Advocated turning urban national recreation areas over to the states;

Applauded the administration's decision to virtually abolish the Land and Water Conservation Fund which is used to acquire park lands—Mr. Watt also opposes new national parks and wants Congress to redirect this fund into park management;

Approved directives to the Park Service to allow snowmobiles in Sequoia National Park, in violation of its own regulations;

Opened offshore areas to oil and gas leasing that had been excluded by the Carter Administration after lengthy public hearings;

Gathered around him in the Administration a group of top level appointees who exemplify his reckless disregard for the environment;

Told a group of park concessioners that if they had problems, he would get rid of the problem or the personality, whichever is quicker;

Ordered the Office of Endangered Species to suspend some proposed endangered species listings;

Advocated bypassing the legitimate lawmaking process, instead using the budget process. ("We will use the budget system to be the excuse to make major policy decisions," he said);

Urged the Administration to sabotage the Law of the Sea treaty;

Abolished the Heritage Recreation and Conservation Service;

Dropped negotiations with Canada over a treaty on migratory caribou;

Said he would change National Park Service policy regarding management of boating in the Grand Canyon and in virtually the same breath said, "There is no way you could get me on an oar-powered raft.";

Interfered with Bureau of Land Management (BLM) efforts to control overgrazing on the public lands;

Tried to take the congressional prerogative of deciding which of the BLM areas under consideration for wilderness should not be protected;

Weakened policy on protecting BLM areas under study for wilderness;

Postponed action on environmental provisions of the Alaska Lands Act while emphasizing accelerated development of oil and gas production provisions;

Said, "The Department of the Interior * * * must be * * * the Amicus for the minerals industry in the court of Federal policy making";

Fired about 30 Interior Department attorneys who were doing essential work on protecting federal lands and resources;

Pushed for funding cuts for the Fish and Wildlife Service, which will cripple its programs;

Suspended efforts to enforce the acreage limits on federal water project recipients;

Supported the acceleration of new water project construction in the West; and

Abolished the Tahoe Federal Coordinating Council.

Clearly, these offenses will have far-reaching ramifications for the ecological health of our Nation for generations. He has already done irreparable damage—he must be stopped. Secretary Watt has little regard for our precious environmental resources. He does not see the exploitation of our air, water, and land for monetary gain as an injustice.

If we are to protect our resources and our future, we must speak out against this man. It is for this reason, then, that I will be calling upon my colleagues in the House to join with me in a petition to President Reagan urging him to dismiss Mr. Watt and to resist moves that embody his policies.

Friends of the Earth, an organization with matchless credentials in working toward preserving our environment, has begun to circulate the petition printed below. I urge my colleagues to join me in endorsing this effort, as well as putting your name along with mine on the congressional petition to President Reagan.

DEFEND OUR RESOURCES—REPLACE INTERIOR SECRETARY WATT

A PETITION TO THE CONGRESS OF THE UNITED STATES

We petition you under the First Amendment of the Constitution to protect our nation's environment by seeking the dismissal of Secretary of the Interior James G. Watt. He is undermining conservation goals supported by a vast majority of the American people. He is seeking to ignore decades of legislation designed to protect natural resources. Our heritage of national parks, wilderness areas, refuges, rivers, wildlife, and desert lands is coming under systematic attack, and Secretary Watt is the Administration's principal advocate of these destructive policies.

We firmly support the policies this country has developed for managing the protection of our natural resources; they need to be strengthened, not weakened. We risk losing our natural heritage unless Mr. Watt is dismissed. Please make his removal your highest priority and resist legislation embodying his policies.●

GLEANED CROP CONTRIBUTIONS TO CHARITABLE ORGANIZATIONS

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. AuCOIN. Mr. Speaker, today I am introducing legislation which aids individuals who have a particularly hard time coping with high food prices—yet does so without creating a costly Federal bureaucracy. The bill makes a significant contribution to providing a healthy diet for the low income, elderly, and disabled by offering a tax advantage to farmers who donate gleaned crops to charitable organizations.

Individuals on fixed incomes do not have much money to spend on food. They are forced to keep within a tight budget.

Food prices rose 10 percent during 1980. Senior citizens spend more than 30 percent of their budget on food. A typical low-income family of four makes $14,000 but spends 31 percent of that on food. This is hardly enough to maintain a nutritious diet and pay other bills at the same time.

Where is assistance going to come from? Government aid is not always adequate. The food stamp program and other nutrition programs are facing severe budget reductions. Gleaning is one answer for help. Tax incentives encourage farmers to participate in gleaning to get the food to the truly needy.

This legislation amends the Internal Revenue Code to offer farmers a 10-percent tax credit against their income taxes for contributions of crops to charitable organizations.

Tax incentives currently are available for corporations but not for the small farmer. Farmers had this advantage until 1969 when Congress acted to limit the deduction to the costs that he incurred in the production of the crop. However, contributions of needed goods declined with the passage of the 1969 Tax Reform Act and Congress gave this advantage to corporations, but not individual farmers. It is now time to give farmers similar treatment.

Similar legislation has been adopted by Oregon and several other States. Its aim, and its result, has been the creation of gleaning and food redistribution programs throughout the country.

Gleaning is the process of hand harvesting crops left behind after mechanized harvest or which remain unharvested because of adverse marketing conditions. A large quantity of this food now rots in fields and orchards when it could be taken and distributed to needy, individuals. Crops which can be readily gleaned include all fruits, vegetables, berries, and nuts.

The success of gleaning programs has been tremendous. In Oregon, for example, over 1 million pounds of produce were gleaned in 1980 and distributed to more than 13,000 individuals. Not only were low-income people the recipients of this food but so were approximately 5,000 senior citizens and handicapped individuals.

This legislation has bipartisan support. Joining me as original cosponsors are my colleagues Congressmen AUSTIN MURPHY, RON WYDEN, NEWT GINGRICH, TONY COELHO, WILLIAM LEHMAN, DALE KILDEE, DANIEL AKAKA, and JIM WEAVER. In the other body,

Senator MARK HATFIELD is introducing a similar bill and we are working together to see that the House and Senate act during this Congress to encourage our Nation's farmers to donate gleaned crops to charitable organizations.

It also enjoys the backing of several hunger organizations. Bread for the World and the Second Harvest Food Bank is supporting my bill as well as the Oregon Gleaning Consortium, the Maryland Food Committee Inc., and the California Grey Bears. I am expecting to hear from other groups soon.

I urge my colleagues to support this tax incentive. It encourages farmers across the Nation to give food assistance to the needy. Not only will the hungry be helped but so will the farmers.●

PERSONAL EXPLANATION

HON. L. A. (SKIP) BAFALIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. BAFALIS. Mr. Speaker, I wish to take this opportunity to note that due to an illness in my family I was unable to be present for five recorded votes taken early Tuesday afternoon. Had I been present, I would have voted for the Chair's approval of the Journal; for the suspension of the rules and passage of both H.R. 3240, National Telecommunications and Information Administration authorization, and H.R. 3239, Federal Communications Commission authorization; for the House to resolve itself into the Committee of the Whole House for consideration of H.R. 3462, Department of Justice authorizations; and for the amendment to H.R. 3462, offered by the gentleman from Texas (Mr. COLLINS) which prohibits the use of agency funds authorized under this legislation to enforce school busing.●

TRIBUTE TO SOL AND TAMARA GOLDSTEIN

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. LANTOS. Mr. Speaker, today I wish to pay tribute to an outstanding American who over the years has exemplified the finest traditions of courage, hard work, and generosity of our national spirit.

Sol Goldstein made his way to freedom during World War II and led the dangerous life of an underground guerrilla fighter in the struggle against the Nazis.

He came to this great country in 1948. Imbued with the traditional virtues of hard work, ethical conduct, and community service, Sol succeeded in building a full life for himself and for his family; a model business enterprise which provided good jobs for hundreds; and an honored place in his community as a philanthropist of national stature.

His fighting spirit as a guerrilla is still very much part of his makeup. His outstanding leadership frustrated the plans of a new generation of Nazis in his beloved Skokie, Illinois—an act for which all freedom-loving men and women acknowledge a debt to him. It was appropriate that the President of the United States should honor Sol in the White House for his dedication to the principles of freedom and justice on this planet.●

EL SALVADOR: WHY NOT NEGOTIATE

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. STUDDS. Mr. Speaker, there is probably no more irresponsible aspect of the administration's policy toward El Salvador than its complicity with the Salvadoran military in resisting negotiations with the opposition. The shortcomings of this aspect of our policy were discussed eloquently by former Ambassador to El Salvador, Robert E. White, in an article in yesterday's Washington Post. I recommend it highly to my colleagues and ask that it be reprinted here.

[From the Washington Post, June 9, 1981]

EL SALVADOR: WHY NOT NEGOTIATE?

(By Robert E. White)

(The writer, former ambassador to El Salvador, is a senior associate at the Carnegie Endowment for International Peace.)

The poverty of this administration's policy toward El Salvador becomes clearer every day. The government of El Salvador is going nowhere. The violence continues. The reforms have stopped. The economy is foundering. The extremes are gathering strength. Yet the only response from this administration has been to discourage diplomatic initiatives from friendly governments, to spin tall tales about massive arms shipments from Nicaragua and to point the Salvadoran military toward search and destroy missions against campesino towns suspected of containing guerrillas.

To a government pleading for economic assistance to carry out its reform programs, we have provided unneeded armaments. To a people crying out for an end to the violence, we have furnished unwanted military advisers. To moderate civilian and military leaders trying desperately to contain the slaughter practiced by the security forces, we have given an abandonment of our human rights policy and a justification for government-sponsored terrorism. To friendly governments seeking to encourage a negotiated solution, we have trumpeted unsupportable charges of a "textbook case of indirect armed aggression by communist powers." And to world leaders who believed that the United States had finally learned that counterrevolution is not an adequate response to a people determined to transform their country, we have responded with Cold War rhetoric.

If U.S. policy toward El Salvador continues to exclude a political solution to that country's tragic civil war, the inexorable result will be to drive the moderate element—the Christian Democrats—from the government. This has long been the objective of the economic elites that regard the commitment of the Christian Democrats to profound reform as far more dangerous than the threat posed by the guerrillas of the far left.

The Reagan administration has thrown its weight behind a military solution to the Salvadoran tragedy. This has forced the Christian Democrats to equivocate regarding their long and strongly held position in favor of a negotiated solution to the conflict, and threatens their ability to govern. Two public examples that bear witness to the Christian Democrats' commitment to negotiation come to mind.

In October 1980, the bishop of San Salvador, Arturo Rivera y Damas, speaking in the name of the entire episcopate, offered to mediate between the government and the Democratic Revolutionary Front (FDR). While the FDR turned its back on the bishops' initiative, the government immediately accepted the mediation offer. A few weeks later, at a ceremony in the headquarters of the Organization of American States, Foreign Minister Fidel Chavez Mena stated unequivocally the government's willingness to "meet with all groups and sectors at the negotiating table."

It is important to be clear on this essential point. The Christian Democrats want to enter into negotiations with the FDR. It is the Salvadoran military that opposes any accommodation with the left, preferring instead to kill them with the assistance of our arms and our military advisers. Unless the United States uses its influence in favor of negotiation, the Christian Democrats have no choice but to temporize. They are not powerful enough to move the military toward a political solution without the solid backing of the United States. The Christian Democrats' only hope is that the nations of Western Europe, and this hemisphere will persuade the United States to adopt a more responsible and humane course.

It is not only the Reagan administration that treats the Christian Democrats as expendable. Leaders of the FDR have persistently underestimated the importance of the Christian Democrats. FDR President Guillermo Ungo has spoken contemptuously of President Napoleon Duarte and other party leaders, describing them as nothing more than a facade for repression. This is both factually wrong and morally unfair. Men such as junta member José Antonio Morales Erhlich and Minister of Planning Atilio Vieytez, as well as Duarte and Chavez Mena are authentic democrats committed to a new deal for their country. More than the others, perhaps, Duarte may be tempted to use every device available to stay in office even after any real hope of transferring power from the military to the civilian institutions of the country has disappeared.

Ultimately, however, Duarte is a disciplined Christian Democrat. Should the party decide to leave the government, he will comply. And there is solid evidence of a sentiment building within Christian Democracy that the party can expect no support

from the Reagan administration and would do well to leave the government in order to salvage what they can of its reputation. When Minister Atilio Vieytez said publicly that, while he did not dress in olive drab, he was as much a revolutionary as any guerrilla, he spoke for the great majority of the party.

The government of El Salvador contains worthy people, both uniformed and civilian. It also contains some of the most brutally repressive military in the world. Although the FDR counts many committed democrats in its ranks, it also contains armed guerrillas led by Marxist-Leninists who are guilty of unacceptable violence. It may be that any negotiation would both drive hard-line military elements into opposition to the government and induce some Marxist-led guerrilla groups to break away from the FDR. Both results should be welcomed. The repressive elements of the military, which regularly torture and kill, constitute a fatal weight around the neck of the government. The FDR must also decide which route it favors—negotiations, guarantees and elections, or a continuation of armed struggle. Each side must face the reality that it contains extremist elements which cannot be assimilated.

In a recent message to his confreres, the director general of the Jesuits, Pedro Arrupe, said, "Even when Christians recognize the legitimacy of certain struggles and do not exclude revolution in situations of extreme tyranny that have no other solution, they cannot accept that the privileged method for ending struggle is struggle itself. They will rather seek to promote other methods of social transformation calling for persuasion, witness, reconciliation."

Profound words. World leaders who profess Western values should indeed prefer negotiations over violence. It is therefore discouraging that the Reagan administration has set its face against a political solution for El Salvador. If it continues to follow this course it will alienate not only the Western community of nations but also the crucial civilian component of the government of El Salvador. For the Christian Democrats are not only tough, pragmatic politicians, they are also idealists who have more in common with much of the FDR leadership than they do with those whom professor Thomas J. Farer eloquently and correctly condemned as "an alliance of corrupted soldiers, industrialists and landowners [who] would rather fight to the last worker, peasant, politician and priest than accept reform."●

OPPOSED TO SALE OF AWACS TO SAUDI ARABIA

HON. BARBARA MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Ms. MIKULSKI. Mr. Speaker, I rise to express my strong opposition to the administration's proposed sale to Saudi Arabia of AWACS and various pieces of advanced equipment for the F-15 jet fighters.

First, I am very disturbed that this sale represents a breach of a solemn promise that our Government gave. In 1978, when the United States originally sold the F-15 jets to Saudi Arabia, our Government promised that no sale of offensive equipment to Saudi Arabia would ever be made. This promise was made not only to the State of Israel, but also to the Congress. In my view, a promise made is a promise kept. By breaching our commitment, we would be putting into doubt any other commitments our Government has given in the past or will make in the future.

In addition, I am very concerned about the threat this sale represents to the security of Israel. This equipment would, for example, be a vital new asset in any pan-Arab attack against Israel, giving the Arab nations far broader offensive capabilities. It is my sincere hope, Mr. Speaker, that the administration will reverse its decision on this vital issue.●

STATEMENT ON INTRODUCTION OF H.R. 3794—LEGISLATION TO AMEND THE INTERNAL REVENUE CODE OF 1954, TO PROVIDE INCENTIVES FOR EMPLOYEE STOCK OWNERSHIP PLANS

HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. GIBBONS. Mr. Speaker, on behalf of myself and Mr. FRENZEL, I have introduced a bill, H.R. 3794, titled the Expanded Ownership Act of 1981. This bill represents a bipartisan attempt to bring out the best in our free enterprise system.

Private property is the cornerstone of the American way of life, yet few Americans own an appreciable ownership stake in the productive might of the U.S. economy. The incentives in this bill are designed to strengthen our free enterprise system by making it possible for more Americans to own a personal stake in that system.

In a July 1974 speech to the Young Americans for Freedom, Ronald Reagan pointed to the historical precedent for a policy of expanded ownership and warmly endorsed the uniquely American opportunity that such a policy represents:

> Over one hundred years ago, Abraham Lincoln signed the Homestead Act. There was wide distribution of land and they didn't confiscate anyone's already owned land. They did not take from those who owned and give to others who did not own. It set the pattern for the American capitalist system. We need an Industrial Homestead Act . . . I know that plans have been suggested in the past and they all had one flaw. They were based on making present owners give up some their ownership to the nonowners. Now this isn't true of the ideas that are being talked about today. Very simply, these business leaders have come to the realization that it is time to formulate a plan to accelerate economic growth and production and at the same time broaden the ownership of productive capital. The American dream has always been to have a piece of the action.

A policy of expanded ownership can reinvigorate our free enterprise system by insuring that more Americans will experience the interest and the incentive of ownership. Tax incentives currently under study are designed to encourage increased productivity through increased investment. Those incentives are important. However, we should supplement those incentives with incentives for those who will build, operate and maintain those investments.

Not surprisingly, this policy has broad bipartisan support. For example, Hubert Humphrey explained his support of expanded ownership in a letter to the editor of the Washington Post not long before his death:

> Throughout my career as a public servant, I have viewed full employment as a top priority goal for this country. And I continue to do so. But I recognize that capital, and the question of who owns it and therefore reaps the benefit of its productiveness, is an extremely important issue that is complementary to the issue of full employment. I see these as twin pillars of our economy: Full employment of our labor resources and widespread ownership of our capital resources. Such twin pillars would go a long way in providing a firm underlying support for future economic growth that would be equitably shared.

In order to encourage American business to utilize ownership-broadening financial techniques, the Internal Revenue Code now contains incentives for the establishment of employee stock ownership plans—more popularly known as ESOP's.

After studying this ownership issue and examining various techniques for expanding ownership, the Joint Economic Committee concluded in its 1976 annual report:

> To provide a realistic opportunity for more U.S. Citizens to become owners of capital, and to provide and expanded source of equity financing for corporations, it should be made national policy to pursue the goal of broadened capital ownership.

With enactment of the Tax Reduction Act of 1976, Congress made clear its interest—

> • • • in encouraging employee stock ownership plans as a bold and innovative method of strengthening the free private enterprise system which will solve the dual problems of securing capital funds for necessary capital growth and of bringing about stock ownership by all corporate employees.

Several States have also shown an interest in expanded ownership by enacting legislation to encourage the use of ESOP financing. Maryland, Michigan, Minnesota, and New Jersey, now have laws favorable to ESOP's. Similar legislation was recently introduced in Delaware, Massachusetts, and Virginia.

California, Georgia, Indiana, Iowa, Maine, New Jersey, New York, and

Pennsylvania, have all provided financial and other assistance for ESOP buyouts of companies. In addition, Federal assistance to ESOP companies over the past 7 years has included loans and loan guarantees from a variety of Federal agencies.

More recently, the Small Business Development Act of 1980 encouraged the Small Business Administration to provide financing for ESOP companies. ESOP's were also made a condition of Federal financial assistance to Conrail, the Chrysler Corp., and others.

These State and Federal initiatives represent a return to incentive economics. In the case of economic development policy, the ESOP provides a way to get more bang for the buck from increasingly scarce development dollars. It also creates the circumstances in which an assisted company is more likely to survive.

In terms of motivation, the merit of an ESOP-targeted economic policy can be easily summarized: ownership counts. It summons up a common determination to succeed. It creates a climate wherein a unity of interest and incentive can emerge. If a company succeeds, its success is widely shared, and its eventual success or failure is placed in the hands of those upon whom its success or failure will largely depend.

This bill continues this Federal support of expanded ownership by providing additional incentives for companies to finance their growth and their transfers in ownership in such a way that employees will own a stake in the companies for which they work. Commonsense suggests that as we enact incentives for new productive investment we should simultaneously enact incentives designed to tap the productive energies of those who will be working with that new capital.

AN OWNERSHIP APPROACH TO PRODUCTIVITY

Although increased productivity has a generally positive ring to it, for the average hourly employee increased productivity suggests that the company—and its stockholders—will benefit at his or her expense—for example, through speedups or through job insecurity due to automation. Louis Harris conducted a nationwide poll several years ago for the National Commission on Productivity on the attitudes toward productivity among 1,578 American families. The key finding indicated that over 70 percent of hourly wage earners felt that management and stockholders benefited a great deal from increased productivity, while less than 20 percent felt that wage earners themselves benefited.

It will be difficult to create a climate conducive to productivity gains unless employees are rewarded and not penalized for increased productivity. The commonsense inference is clear: When employees themselves become stockholders, their attitudes toward productivity will change. Thus, if we are looking to get the highest return from incentives for new capital investment, those incentives should be coordinated with incentives for employees stock ownership.

Several recent surveys of companies with employee ownership have disclosed a consistent pattern of increased productivity. For example, a 1977 report on employee-owned companies by the Survey Research Center at the University of Michigan found that companies with a substantial degree of employee ownership are more profitable than comparable, conventionally owned firms. They also found that the more equity the employees own, the more profitable the company.

In a similar finding, a 1980 survey of 229 ESOP companies by the Journal of Corporation Law at the University of Iowa School of Law disclosed that the productivity of ESOP companies is higher than the national average. In addition, a study of employee-owned plywood cooperatives in the Pacific Northwest found that their average output exceeded industry productivity levels by more than 30 percent.

As the 97th Congress turns its legislative attention to productivity-oriented tax incentives, we should remember the close correlation between productivity and employee ownership. Just as the company with employee ownership will have an advantage over a conventionally owned competitor, so too should the U.S. economy enjoy a competitive advantage with a national policy of expanded capital ownership.

WHOSE PRODUCTIVITY?

The benefits of Government-stimulated economic growth have traditionally trickled down through higher wages, expansion in the number of jobs, and the availability of increased tax revenues to fund expanded social programs. Unfortunately, the long-term direct benefits of this growth accrue to a surprisingly small percentage of Americans.

For example, research by the Joint Economic Committee as part of its 1976 ownership study disclosed that 50 percent of the market value of individually owned corporate stock in the United States is held by just 1 percent of the U.S. population, and 6 percent own more than 80 percent.

Similarly, 1 percent of Americans receive 47 percent of all dividends. The committee also cited a 1972 study indicating that 55 percent of American households have a net worth of less than $10,000, and 12 percent—or 1 in every 8—have a net worth of $1,000 or less.

These findings are supported by a more recent study conducted by Martin Feldstein at the National Bureau of Economic Research. This study provides what is perhaps the most disturbing indictment of the current state of our private property economy. Dr. Feldstein and his colleagues found that for the majority of American families, their most important wealth is now their entitlements under our pay-as-you-go social security system.

U.S. tax policy should operate so as to be more supportive of our private property approach to economic matters. It is a shortsighted strategy for our private enterprise system to so structure its affairs that the most important wealth held by the bulk of Americans is a promise that their children will be taxed on their behalf. Our long-term tax strategy should not be one that leaves most Americans dependent for their subsistence on a system under which they give to each other under Government duress or take from each other with Government assistance.

The drift in the direction of ever-increasing Government transfer payments simply must be reversed. In 1960, these payments to individuals totaled 26.4 percent of total budget outlays; by 1980, they had skyrocketed to more than 50 percent; $27 billion were paid out in 1960; by 1980, these costs had risen to more than $284 billion.

During the past 20 years, our population has increased by only 23.3 percent. The Federal budget, however, has risen 528 percent. One of every six working Americans is currently employed at taxpayer expense, and the Labor Department reports that during 1979, one out of every three new jobs was created in the public sector. In 1960, the Federal Government's payroll was less than $13 billion; it is now $75 billion.

Reversing these trends will not be an easy task. As a modest first step, this bill suggests that the private sector be encouraged to finance its capital requirements in such a way as to promote the economic self-sufficiency of an everexpanding number of American households.

The best way to reduce Government spending over the long term is to reduce the need for Government spending. Thus, this bill suggests that as we enact incentives for expansion of the Nation's investment base, we should also enact incentives for expansion of the Nation's ownership base.

PRIVATE SECTOR SOLUTION

If we are to have a self-sustaining economic system and one in which Government plays only a minor role, the private sector must itself begin to play a greater role in promoting the economic independence of American households.

The American people need and deserve a chance to own a stake in the American economy—and economy of their own making. President Reagan's analogy to the Homestead Act is par-

ticularly apt. One hundred and twenty years ago, agricultural land was our most important form of productive capital and the Federal Government took steps to insure that a broad base of Americans had an opportunity to own a capital estate.

Those willing to work the land for a 5-year period could own it. The incentives in this bill parallel that precedent. For example, employees generally earn their vested interest in their stock in an ESOP by working with a company for a period of years.

The Homestead Act analogy is appropriate for another reason as well. The United States, more than any other Nation, recognizes the indisputable interplay between economic rights and political rights.

At present, pay is badly outpacing productivity. Nevertheless, this inflationary bias is understandable as most Americans are left in the untenable position of having only their increasingly depreciated labor as the capital with which they provide input into—and derive income from—the economy.

This bill has as a major goal the encouragement of a second source of income—an income from productive capital to supplement that from one's labor. The idea is to begin to provide an opportunity for more Americans to provide for themselves while also beginning to bring our outtake system more in synch with the realities of our input system.

SETTING AN EXAMPLE OF WORKABILITY

A tax policy supportive of expanded ownership could also have a positive effect on our relationship with other nations. Unfortunately, in many parts of the world capitalism is portrayed simply as an economic system in which a nation's productive wealth is concentrated in the hands of a privileged few.

We need a working model of just what we would propose for other nations. Capital ownership is a socially created opportunity. It is the institutions of society that determine who will be the owners of productive capital that has yet to be created. Such ownership, however, is an opportunity historically reserved for a relative few. That is due to the simple fact that new wealth is largely a function of existing wealth.

Current law encourages corporations to retain their earnings for reinvestment rather than pay them out to shareholders as dividends to be taxed at unearned income rates. Instead, shareholders generally hope to realize an increase in value of their stock on a later sale and be taxed at that time at more favorable capital gain rates. The corporation's retained earnings, in turn, are generally used to generate, or acquire, new capital—capital which, of course, will be owned by preexisting shareholders.

Similarly, the deductibility of interest encourages corporations to use either borrowed funds or various debt instruments for financing a substantial portion of the balance of their capital needs. As with the use of retained earnings, the previous owners become the new owners. The other principal source of corporate financing has been funds generated internally through the use of depreciation deductions, investment tax credits, and the like. For the most part, new capital is financed either with such internally generated cash flow or with borrowing repaid out of cash flow. From an ownership point of view, the result is the same.

New equity issues now play only a minor role in the financing of new capital. According to Federal Reserve Board figures, corporate equities accounted for only 0.89 percent of total funds raised in the United States by nonfinancial sectors during 1979. For the entire 1970's, equities represented a mere 3.7 percent of new capital.

For the most part, people cannot afford capital ownership. Most working Americans owe rather than own; they accumulate debts rather than wealth. Daily economic survival, not savings and investment, is their main concern; and the less our technologically advanced economy needs their labor, the less able they are to save their way to capital ownership. Inflation, of course, further penalizes their thrift.

A LEGISLATIVE PROGRAM OF EXPANDED OWNERSHIP

At present, the Internal Revenue Code encourages the use of employee stock ownership plans through the availability of tax credits and tax deductions. The tax credit-type ESOP permits corporations to claim an additional 1 percent—an 11th percent—investment tax credit provided the company uses its tax savings to invest in company stock for its employees through a specially defined ESOP. In addition, a sponsor company may claim up to an additional one-half percent credit to the extent employees contribute a matching amount of cash to the plan. This type of ESOP has proven to be particularly popular among major capital-intensive corporations.

ESOP's are also used more directly as a technique of corporate finance. Through the use of a tax-exempt trust, ESOP financing offers sponsor corporations certain tax incentives and cost reductions not available under traditional methods of finance. The ESOP also enables employees to acquire ownership of productive capital in a tax-free manner during their employment while incurring tax only on their ownership incomes—received in the form of dividends—and on their stock when removed from their ESOP trust accounts.

The ESOP traces its origins to the Revenue Act of 1921 which first granted tax-favored status to stock bonus and profit-sharing plans as a method for U.S. companies to attract and retain qualified employees. It is worth noting that it was not until 5 years later that Congress granted similar tax-exempt status to pension plans. Although the ESOP has many of the same legal characteristics as more traditional defined benefit-type pension plans, the ESOP's primary purpose is not to serve as a retirement vehicle but, rather, to serve as a means by which employees can earn an ownership stake in the company for which they work.

The ESOP is not simply another means for encouraging retirement savings. Instead, what Congress created with the ESOP is a socially improved technique of corporate finance that also serves as a new type of employee benefit. Thus, as a tax-qualified plan for providing employee benefits—in the form of employer stock, an ESOP must meet many of the basic requirements of the Employee Retirement Income Security Act of 1974—for example, nondiscriminatory participation, vesting within a reasonable period, reporting and disclosure, etc.

The term "technique of corporate finance" refers to the "leveraged ESOP", an ESOP that uses borrowed funds to purchase employer stock, with the employer—or a related party—guaranteeing repayment of the loan. In a 1953 revenue ruling, the Internal Revenue Service sanctioned this type of leveraging by a stock bonus plan, thus laying the legal groundwork for the leveraged ESOP.

The first known use of ESOP financing, pioneered by Louis Kelso, involved an employee buy-out of a chain of California newspapers that was threatened with a takeover by a major chain in 1956. But only in the last few years has the business world at large become aware of this innovation.

Suppose, for example, that corporation X wants to build a new plant costing $10 million. With traditional debt financing, the company would borrow the $10 million, provide adequate guarantee of repayment to satisfy the lender, use the borrowed funds to build the plant, and then apply the profits from the new plant to repay the loan.

The ESOP adds a third element to this transaction—an ESOP trust. The trust borrows the money; in addition, the corporation guarantees to the lender that it will make periodic payments to the ESOP trust sufficient to amortize the loan. It is this guarantee collateralizing the loan that puts the logic of corporate finance to work for a company's employees.

The ESOP trust then uses the borrowed funds to acquire newly issued

employer stock, and the corporation uses the funds to build the new plant. As the new plant generates profits, corporation X makes payments to the trust which are used to repay its obligation to the lender. If all goes well, the employees' stock will pay for itself—over the term of the loan—out of the earnings generated by the plant.

The payment schedule from the company to the ESOP trust may differ very little from the payment schedule that would have existed with the lender under conventional debt financing. Also, the corporate obligation is generally the same whether or not ESOP financing is used. There is one significant difference, however. With conventional debt financing, interest payments are deductible for tax purposes whereas amounts attributable to repayment of principal are not. Employer contributions to the ESOP trust, on the other hand, are fully deductible, including those applied by the trust to the repayment of loan principal.

Consequently, where corporation X uses the ESOP as its financing vehicle, it may—within limits—repay its indebtedness—both interest and principal—in pretax dollars. Assuming a 50 percent effective tax rate, corporation X would need to gross $20 million to repay the $10 million principal with conventional debt financing. With ESOP debt financing, however, the corporation need gross only $10 million to repay the principal with pretax dollars through its ESOP.

By enabling a company to expense its capital investment, the ESOP lowers the sponsor company's taxable income and increases its available working capital; and the same dollar that finances the company's capital requirements also finances an employee benefit in the form of employer stock.

After purchase, the stock is held in an escrow account for allocation to employees' ESOP trust accounts as the loan is repaid. In no sense is this a gift of productive capital to employees; rather, the capital is paid for out of the future flow of earnings that the new capital itself generates. As the already-rich know so well, the new capital's productiveness generally pays for itself. The ESOP participants, however, also earn their ownership interest in the company through the ESOP's vesting schedule—which generally allocates stock to employees' accounts based on a combination of length of service and relative compensation.

The ESOP can also be used—with or without leveraging—as an in-house market for the sale of stock held by the shareholders of a closely held company. For example, suppose the sole shareholder of corporation Y wants to begin to convert his shares to cash over a period of years in contemplation of retirement. The corporation could contribute cash each year to its ESOP and the ESOP could use the cash to purchase shares from the owner. Should the owner wish to sell out before the ESOP trust has adequate funds to pay him, the ESOP could borrow the money to pay the owner with the corporation guaranteeing the loan.

Similarly, an ESOP can be used to refinance existing debt, finance mergers or acquisitions, and accomplish divestitures or spinoffs. For example, at his confirmation hearing before the Senate Finance Committee, Treasury Secretary Regan explained how Merrill Lynch & Co. used an ESOP to divest itself of the Lionel-Edie Co. Rather than sell the company to someone else, the former chief executive explained:

> We used employee stock ownership, letting them buy it, and they have prospered as a result of that. I am definitely in favor of that.

THE ATTRACTIVENESS OF ESOP FINANCING

Under current law an employer has only a very limited incentive to utilize the leveraged ESOP. In large part, this is due to the fact that the interest expense of a leveraged ESOP is included in determining an employer's maximum deduction limitations under code section 404(a) and, equally importantly, in determining the amount that may annually be released from escrow and added to participants' ESOP accounts under code section 415.

The effect of these two limitations is to subject ESOP financing to an unintended limitation, and a limitation that has grown increasingly restrictive with today's high-interest rates. Thus, this bill removes these limitations as they apply to the interest expense incurred in connection with an ESOP's leveraged acquisition of employer stock.

An argument could be made that where an ESOP is used to finance an employer's capital growth the deduction limitation should be based solely on the company's capacity to service the debt. The result of such a change would be to rechannel corporate profits—that would otherwise have gone into the corporate income tax base—into productivity increases in the private sector while also broadening the base of private property ownership among productive workers.

The amendment recommended in this bill should prove to be beneficial for two important reasons. First, this change brings these ESOP-related Internal Revenue Code provisions more closely into alinement both with congressional intent and with the Reagan administration's announced purpose to encourage expanded ownership. Present law undermines this purpose.

Second, this change directly addresses a problem concerning the relationship of employee ownership to productivity and profitability. In most cases, ESOP's own only a small percentage of the sponsor company's stock. However, the Survey Research Center at the University of Michigan found in their 1977 study of employee ownership that the most important correlation between ownership and profitability is the percentage of company stock owned by employees—the more equity owned by the employees, the more profitable the company.

If these plans are to be effective motivators and significant contributors to productivity and profitability, we should encourage companies to permit employees, through the use of leveraged ESOP's to acquire substantial blocks of employer stock. If ever that is to be possible, however, these amendments must be enacted so as to make our tax laws more appropriate when applied to the use of ESOP's as a financing tool.

This bill also suggests an additional encouragement for employers to utilize ESOP financing. Under current law, an employer is permitted to contribute and deduct up to 15 percent of covered compensation to an ESOP each year. This 15-percent limitation is the same as applies to traditional stock bonus plans and profit-sharing plans—the basic building blocks of employee benefit law upon which the ESOP was modeled when first fully incorporated into the Internal Revenue Code in 1974.

When an ESOP consists of a combination stock bonus plan and money purchase pension plan, the 15-percent deduction limitation is increased to 25 percent. In order to utilize this 25-percent limit, however, an employer must include a pension element as part of the ESOP which, in turn, calls for ongoing contributions by the employer, even though such contributions may no longer be required to retire the ESOP's indebtedness.

This required combination of different types of plans serves as a substantial disincentive to employers who might otherwise be attracted to the ESOP as a financing vehicle. In addition, this requirement forces an employer to maintain two separate accounts for each employee and imposes additional reporting, bookkeeping, and other related administrative burdens.

To remedy this situation, this bill permits an ESOP company to contribute to the plan and to deduct an amount up to the 25-percent limitation—to repay an ESOP loan, but without the required inclusion of a money purchase pension plan.

In addition, this bill makes a related change in the treatment of stock that is forfeited by employees who leave before they are fully vested in their account balances in an ESOP. Under current law, the amount that may be contributed to a leveraged ESOP is di-

rectly limited by the percentage-of-pay limitations of code section 404. In addition, the contribution is indirectly limited by the operation of code section 415—which limits the amount that may annually be added to each employee's account under the plan.

The section 415 limitation—the lesser of 25 percent of pay or $41,500 adjusted for cost-of-living increases—roughly parallels the 25-percent-of-pay deduction limitation of section 404. Amounts that cannot be added to employees accounts—due to the limitation of section 415—cannot be contributed and qualify for a deduction under section 404. The problem results from the fact that the section 415 limitation includes both employer contributions and forfeitures. In the context of ESOP financing, this inclusion of forfeitures reduces the amount that a plan sponsor might otherwise be permitted to apply to the repayment of an ESOP loan on a tax-deductible basis.

The effect of current law is to introduce a great deal of uncertainty into the planning of ESOP financing transactions. This uncertainty discourages ESOP lending and otherwise frustrates congressional intent in encouraging the use of ESOP's as a technique of corporate finance. Thus, this bill provides that the allocation of forfeitures of stock acquired with the proceeds of a leveraged ESOP loan will not be subject to the section 415 limitations. As under current law, the allocation of such forfeitures must not discriminate in favor of employees who are officers, shareholders, or highly compensated.

This bill also provides an incentive for corporations to acquire their stock for employees on a nonleveraged basis. Under present law, a corporation can claim an annual deduction of up to 15 percent of pay for contributions to a stock bonus plan or a profit-sharing plan—or to any combination of such plans. Under this bill, an employer would be permitted to contribute up to 25 percent of pay to any combination of such plans, provided that the additional 10 percent is used to acquire employer stock.

PROMOTING AN OWNERSHIP INCOME

This bill also provides a tax deduction to corporations for the amount of cash dividends they distribute currently on stock held in employees accounts in an ESOP:

Or which are used to repay stock acquisition indebtedness of an ESOP. This provision converts taxable corporate income into either taxable dividend income for employees—to supplement their paychecks;

Or a more rapid rate of accumulation by employees of individual capital estates. Such dividends would qualify for the $200 partial exclusion from income of code section 116—$400 in the case of a joint return.

As mentioned earlier, studies indicate a strong correlation between employee ownership and employer profitability. This provision provides ESOP companies with a means by which such increased profitability can be made to reach the firm's employee-owners in the form of an ownership income. This payout of the fruits of corporate productivity will introduce a new dimension to employee compensation in the United States. As Ronald Reagan explained in advocating this approach in February 1975, "An ever-increasing number of citizens thus would have two sources of income—a paycheck and a share of the profits."

By making more working Americans dividend-receiving capitalists, this provision will foster a better appreciation of the function of productive property in our private enterprise system. That appreciation should, in turn, support a better understanding of the costs and the tradeoffs of Government programs.

This approach also helps to insure that the employees, on whose behalf the stock is being acquired, will receive a fuller payout of the earnings of the capital underlying their stock. This is particularly important during the period that the ESOP trust is paying for the stock.

Behind this approach lies a rationale suggesting that our tax system's bias against property and in favor of income redistribution should gradually be phased out. Under present law, the corporation income tax dilutes by approximately half the property incomes of present stockholders. When that income becomes available to stockholders in the form of dividends, the Federal Government then levies a second tax on the remainder.

In effect, Government is a partnership-in-profit with the private corporation—to the extent of the corporate income tax. The expanded ownership approach suggests that as more Americans become partners-in-profit with America's private sector, Government's stake in that profit—via the corporate income tax—should gradually be phased out and the tax instead levied only at the individual level. This provision achieves that result to the extent that a corporation is owned by its employees via an ESOP and either pays out its earnings on a current basis to its ESOP participants or applies those earnings to repay ESOP indebtedness.

This provision should also help companies to attract equity capital. Many small corporations do not pay dividends, or pay them only on an irregular basis. An ESOP generally must hold the best class of common stock issued by the corporation—including the best dividend rights. Thus, the deductibility of dividends on the stock held by the ESOP should be an inducement for the sponsor company to establish a policy of regularly declaring dividends. This policy should benefit not only existing stockholders—including those whose shares are held by the ESOP—but also should make such stock a more attractive investment to others.

This bill also defers taxation on the first $25,000 of any lump-sum distribution from an ESOP, provided the distributee has been a participant in the plan for at least 3 years. This provision is intended to recognize the fact that far too few working Americans are able to accumulate a capital estate of any size.

The effect of present law is illogical when applied to the taxation of ESOP's. Although our tax laws are intended to promote personal capital accumulation through the use of ESOP's, those same laws generally require that a portion of this accumulation then be sold to pay taxes due on the stock when distributed. The alternative is to roll over the stock—or the proceeds—into an individual retirement account—and be subjected to its complexities and restrictions. Thus, this modest deferral of tax on the first $25,000 of capital accumulated through an ESOP is meant to further promote the economic self-sufficiency that such plans are intended to bring about. The distributee would be subject to tax when the stock is later sold, and dividends distributed in the interim would also be taxable upon receipt.

STRENGTHENING THE TAX BASE

This bill also provides that a qualified employee stockownership plan and trust shall have the tax characteristics of a charitable organization for estate, gift, and income tax purposes. This is intended to encourage affluent taxpayers to make gifts to qualified ESOP trusts in order to reconnect the ownership of capital with a broader base of private individuals.

At present, a wealthy stockholder who has built a substantial estate is faced with a dilemma. If he tries to give it away or leave it by bequest, the Federal Government ends up with the bulk of it. Often, the only alternative is to make a donation to a public purpose foundation. Even though this stockholder may wish to leave a substantial portion of his or her wealth to the employees who helped to create that wealth, our current tax laws make such an event highly unlikely.

Consequently, at a time when American capitalism desperately needs more capitalists, we find enormous amounts of private wealth being socialized in such foundations. Clearly these foundations provide a valuable public service. However, we should question the logic of a private property system that has so arranged its incentives that a taxpayer wishing to leave his business to the employees who helped to make him wealthy is in-

stead forced by our tax laws to place the bulk of that great wealth either in Uncle Sam's coffers or in a public purpose foundation.

One of the best public purposes to which such wealth could be put is to connect more of our working population to productive, income-generating assets. At present, we provide a substantial tax incentive for disconnecting productive capital from private ownership—by placing it in foundations; we should give that same tax incentive for individuals willing to donate their wealth to connect capital to a broad group of private individuals.

This is not meant to suggest that foundations do not perform an important function. Quite the contrary; they play a crucial role and, in many cases, fill a void that might otherwise need to be filled at taxpayer expense. What it is meant to suggest is that the options now open to a wealthy person are too limited. If he or she wishes to leave personal wealth to such a foundation, that is as it should be. We should applaud that decision, and out tax laws should continue to offer an incentive to make such gifts and bequests.

But the fact that a person is not encouraged to leave a business to those who helped to build it is not as it should be. That we force the socialization of such wealth is not as it should be. That is a shortsighted strategy from a tax philosophy point of view, and one that serves to further sap the already waning strength of capitalism—the same capitalism that has enabled such foundations to prosper all these years.

As for this Nation's many fine public purpose foundations, which hopefully will enthusiastically support this provision, they would do well to recall the advice of Henry Ford II on his retirement from the Ford Foundation in 1976. At that time, he observed:

> The Foundation exists and thrives on the fruits of our economic system. The dividends of competitive enterprise make it all possible. A significant portion of the abundance created by U.S. business enables the Foundation and like institutions to carry on their work. In effect, the Foundation is a creature of capitalism—a statement that, I'm sure, would be shocking to many professional staff people in the field of philanthropy. * * * Perhaps it is time for the trustees and staff to examine the question of our obligations to our economic system and to consider how the Foundation, as one of the system's most prominent offspring, might act most wisely to strengthen and improve its progenitor.

Certainly there can be no more logical successors to ownership of a company than the employees who helped to build and develop it. They generally have the experience, the interest, and the commitment to carry on the operation. This provision would encourage that type of succession. The tax benefits would be denied, however, where any part of the contribution or bequest is allocated under the ESOP to the taxpayer, to members of his family, or to any person owning more than 25 percent of the company's stock. In addition, allocations could not discriminate in favor of employees who are officers, shareholders, or highly compensated.

This provision is also designed to strengthen the tax base. Government would lose no tax revenues since contributions to charitable organizations are already exempt from tax and profits from donated income-producing property are generally accumulated tax-free within such organizations. In addition, assets left to charity are forever lost to our tax system.

By permitting an individual to leave his property to an ESOP, we are moving not only to strengthen the connection of working Americans to productive capital but also to assure that these amounts will remain within the Federal tax system. Further, these amounts will be taxable to employees who receive a distribution from the ESOP. Thus, in an era when most tax legislation results in a revenue loss, this provision should result in a revenue gain.

AN ENCOURAGEMENT TO SMALL BUSINESS

This bill also provides that where the owner of a small business sells the company to his employees through either an ESOP or a worker-owned cooperative and, within 18 months, reinvests the proceeds of the sale of the stock in another small business, the tax on the proceeds would be deferred until the newly acquired stock is sold. This provision would have a very minor impact on Federal revenues but could have a very major impact on the ability of small businesses to continue as independent enterprises.

Current law provides a strong incentive for a business owner to transfer ownership of his company to a larger, more established company for a tax-free exchange of stock. On the other hand, where that owner sells or liquidates his business, he must pay capital gain tax on the proceeds.

The effect of present law is to encourage economic concentration and to divert funds from investment and innovation and into mergers and acquisitions. The Federal Trade Commission (FTC) has jurisdiction over proposed mergers or acquisitions which may be anticompetitive. It is encouraging to note that as the FTC staff analyzes assertions of the failing company defense, they are increasingly asking companies if they have considered selling their plants to employee groups instead of to competitors.

Another effect of present law is to encourage the disappearance of small and independent businesses, even though these firms have been shown to be the most innovative, growth-inducing, and job-creating sector of the economy. For example, a National Science Foundation study found that small companies are 24 times more innovative per research dollar than companies employing 10,000 or more employees. In a related finding, the U.S. Department of Commerce reports that innovation accounted for 45 percent of the Nation's economic growth from 1929 to 1969. In addition, a 1979 study from the Massachusetts Institute of Technology found that firms with under 500 employees generate 86.7 percent of all new jobs in the United States.

It would be to the Nation's advantage for our tax laws to encourage investment in small, innovative companies. The present trend toward concentration can only serve to further decrease the competitiveness of the U.S. economy, and thereby further erode its vitality and creativity. Thus, this provision provides a mechanism whereby a business owner can sell to his employees at no financial disadvantage when compared with a tax-free exchange of stock with another company. By creating this alternative, we can preserve the continuity of many small businesses.

While the incentive to sell to established firms is one cause of the decline of independent businesses, the lack of investment capital is another. This provision would open up a new source of funds for existing small businesses because a seller must reinvest the proceeds in another small business within 18 months in order to qualify for the tax benefits of this provision.

Moreover, this provision could prevent some small companies from closing simply for lack of a buyer. Many small, but profitable, companies are liquidated for just this reason—for example, to create estate liquidity.

This provision is designed to encourage the sale of companies to their employees through either ESOP's or worker-owned co-ops. To qualify, a worker-owned cooperative must be a nonprofit organization doing business on behalf of its members. In addition, it must meet the definition provided in section 105(a) of Public Law 95-351 and in the eligibility and priorities policy section of the National Consumer Cooperative Bank—that is, 70 percent of its shares owned on the basis of one share and one vote per member.

This bill also provides that the executor of an estate may transfer an estate's tax liability to an ESOP by transferring stock of the estate to an ESOP, provided that the sponsor company guarantees payment of the estate tax and agrees to pay that tax over a period of years.

Thus, this provision enables an ESOP to be used as a financing vehicle to acquire stock from an estate with the Treasury, in a sense, acting as the lender. Whereas the charitable organi-

zation status for ESOP's—discussed above—reduces the estate tax by reducing the size of the taxable estate, this provision reduces the estate tax liability by an amount equal to the value of stock transferred to the ESOP.

In order to make this assumption of liability both attractive and feasible, this provision adopts the approach of Internal Revenue Code sections 6166 and 6166A relating to the extension of time for payment of estate tax where an estate consists largely of an interest in a closely held business. These code provisions are designed primarily to make it possible to keep a business enterprise intact where the death of one of the owners of a business results in the imposition of a relatively heavy estate tax.

Without these provisions permitting the payment of estate tax on an installment basis, heirs might otherwise be forced to break up a business or sell it to some larger business enterprise in order to pay Federal estate tax. This problem is particularly burdensome for estates in which a substantial portion of the assets consist of stock in a closely held business or other illiquid assets.

Thus, although these two provisions of existing law do not remove any Federal estate tax liability, by spreading out the period over which the estate tax may be paid, it becomes possible for the estate in most cases to be paid for out of the earnings of the business—or at least provides the heirs with time to obtain funds to pay the estate tax without upsetting the operation of the business.

This bill adapts this approach to the concept of employee ownership via ESOP financing by relieving the estate of tax liability to the extent that stock is transferred to an ESOP and the employer guarantees payment of the estate tax. If the estate qualifies under code section 6166, there may be up to a 5-year deferral of principal payments, with up to 10 annual payments permitted after the deferral period. Interest on the deferred tax attributable to the first $1 million in valuation of the business is 4 percent. Interest on the balance is at the usual rate under code section 6621—approximately 90 percent of the prime rate. Allowing this reduced interest rate for a limited amount of tax is intended to reflect the problems that small businesses have in generating enough income and cash flow to pay interest at a normal rate and amortize the principal amount of the estate tax liability. If the estate qualifies under code section 6166A, interest is at the section 6621 rate and payments must be made in 10 annual installments, with the first payment payable at the time the return is filed.

In addition to providing a stimulus to employee ownership, this provision should be particularly helpful in enabling small businesses to continue in operation as independent enterprises. As the Committee on Ways and Means stated in their 1958 rationale for the original deferral of tax provision, "this provision is particularly important in preventing corporate mergers and in maintaining the free enterprise system."

OTHER ESOP AMENDMENTS

This bill also addresses a problem of great concern to financial institutions that desire to establish ESOP's. Under present law, in order for a company to utilize the leveraged ESOP, it must provide its plan participants with a put option on any shares distributed where such shares are not readily tradable. This requirement insures that plan participants will have a ready market for their shares upon distribution.

In most situations, this requirement presents no major problem. In the case of banks and similar financial institutions, however, both State and Federal law generally prohibit the redemption or purchase of their stock. Thus, application of the put option requirement to these potential ESOP companies serves as a substantial barrier to their adoption of ESOP's. This bill retains the put option requirement as it applies to stock distributions from ESOP companies. However, in order to make ESOP's attractive to banks—while also protecting employees' interest—this bill relieves banks and similar financial institutions of the put option requirement provided participants have the right to receive a cash distribution equal to the value of their shares.

This bill also provides that where a corporation—by its charter or by-laws—limits ownership of its outstanding securities to current employees, distributions from the plan may be made in cash—that is, without the necessity of providing the participant with the option of demanding stock as his or her form of distribution. This provision enables an employee-owned company to keep its stock owned solely by current employees, those whose efforts can have the most direct effect upon the economic success of the company. This provision also provides a source of stock that may be acquired on behalf of new employees.

In addition, this provision can protect an employee-owned company from inadvertently going public. Current law treats stock in an ESOP as held by a single shareholder. Each individual who receives a distribution of stock, however, is counted as an additional shareholder, and, should the number of shareholders reach 500 or more, the company may be required to file a registration statement and meet certain reporting requirements of the Securities and Exchange Act of 1934.

In addition, this bill makes the changes necessary to insure that an ESOP may be established by a subchapter S corporation. Under current law, such a corporation could not establish an ESOP—due to the general prohibition against the stock of such corporations being held in trust. This bill provides an exemption from that general prohibition in the case of ESOP trusts. In addition, in order to insure that such a corporation will not lose its subchapter S status due to distributions of stock to employees thereby increasing the number of shareholders beyond permissible limits, stock distributed by ESOP's sponsored by such corporations would be disregarded in determining the number of shareholders.

This bill also makes two other changes relating to the put option requirement as it applies both to ESOP's and to other types of plans. The first change corrects a technical error made in the Miscellaneous Revenue Act of 1980. That act was intended to permit a tax-qualified stock bonus plan to distribute cash to a participant entitled to a distribution, subject to the participant's right to demand that benefits be distributed in the form of employer stock.

In addition, if such a stock bonus plan provides for cash distributions and if stock which is distributed is not readily tradable on an established market, the participant was to have had the right to require the employer to repurchase the stock. Due to an erroneous cross-reference, the 1980 amendment incorporated the cash distribution option, but omitted the put option requirement. This bill corrects that error by incorporating the correct cross-reference and also provides that for purposes of this requirement, the definition of employer securities means any securities of the employer held by the plan—because the definition of qualifying securities for purposes of a stock bonus plan is not as restrictive as that for ESOP's.

The second change alters the nature of the put option requirement as it applies to both leveraged ESOP's and stock bonus plans maintained by employers whose stock is not readily tradable. Under current law, if such an employer distributes stock, or desires to distribute cash from one of these plans and the participant instead demands that the distribution be made in the form of stock, that participant must be given a put option requiring the employer to repurchase the stock at any time within the next 6 months. Alternatively, the ex-employee can elect to wait until that 6-month period lapses and, instead, exercise the put option at any time during a 3-month period in the next plan year—following notification of the next valuation of the stock.

The current requirements of this put option provision not only create a disincentive for the establishment of ESOP's, they also may inadvertently operate to the disadvantage of plan participants. This is because the length of the current put option requirement—6 months, plus a possible additional 3 months—creates grave uncertainties for employers as to their liquidity requirements needed to provide for the exercise of such options. Consequently, employers are required to commit sums of cash that might more productively be put to other purposes—thus detrimentally affecting the value of the participants' stock.

This bill modifies the put option requirements by shortening the put option period to an initial 60-day period followed by another 60-day period in the next plan year—following notification of the next valuation. Thus, the employee continues to get the benefit of choosing to await a second valuation, but the value of the stock will no longer be as adversely affected by requirements which force the employer to commit funds for as long a period—to provide for the repurchase liability.

Also, in operation the 6-month put option period of current law may inadvertently operate to the detriment of employees by lulling them into missing their opportunity to sell the stock and roll over the proceeds—or a portion thereof—into an individual retirement account (IRA) on a tax-free basis. In order to take advantage of the opportunity for a tax-free rollover, the rollover must be accomplished within 60 days of the distribution. By shortening the put option period to 60 days, this provision makes the put option operate in conjunction with—and in support of—the rollover period.

This provision also protects an employee's ability to control the tax consequences of his or her distribution of benefits. A participant receiving a lump-sum distribution of cash from one of these plans is generally entitled to 10-year averaging, provided he or she has 5 years of participation in the plan. Depending on the participant's tax circumstances, however, it may be advantageous to instead qualify the distribution for capital gain treatment, which requires a distribution in the form of employer stock. Thus, where the plan offers cash, the employee can take cash and qualify the proceeds for 10-year averaging. If capital gain treatment is preferred, the employee instead can insist on a distribution of stock, sell the stock back to the company and qualify the distribution for treatment as capital gain. With either form of distribution, the employee would have the option of delaying taxation with a tax-free rollover of the proceeds—or a portion thereof—into an IRA.

This bill also makes a needed change affecting the unique distribution requirements of tax credit employee stockownership plans—TRASOP's. When the TRASOP was created in the Tax Reduction Act of 1975, Congress adopted a policy that stock in the plan should not be distributed to a participant until 84 months following the date it was acquired. Exceptions were provided, however, in the case of separation from service, death, or disability. Unfortunately, in creating these exceptions we failed to take into consideration the constant acquisition and divestiture of subsidiaries and divisions which occur among major U.S. corporations—many of which have established such plans.

When a corporation disposes of a subsidiary, a division, or a division unit, it makes no sense to require the corporation's tax credit ESOP to continue to hold assets for these former employees. The employees now work for another employer, and continued ownership of their former employer's stock no longer carries with it the motivational benefits which arise from employee ownership. In addition, the tax credit ESOP, and the corporation which established it, must continue to incur needless recordkeeping and other administrative expenses for these former employees.

To resolve this problem, this provision would permit a tax credit ESOP participant's benefit to be distributed, irrespective of the 84-month requirement, if the subsidiary, division, or division unit by which the participant is employed is sold or transferred by the controlling corporation to another corporation which becomes his or her direct or indirect employer as a result of such transaction.●

CONCURRENT RESOLUTION ON IRAQI NUCLEAR REACTOR BOMBING

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. MARKEY. Mr. Speaker, I would like to insert in the RECORD two editorials from the Baltimore Sun and the Wall Street Journal which give us some thoughtful perspective on the bombing of the Iraqi nuclear reactor by Israel. Violence in any form is deplorable. However, worldwide condemnation of Israel's actions is premature. Iraq wanted a nuclear reactor to build a nuclear bomb. The intended target of that bomb was Israel. The safeguards of the Nonproliferation Treaty and the International Atomic Energy Agency would not have prevented Iraq from developing nuclear explosives. When France and Italy sold weapons-grade nuclear material and technology to Iraq, Israel was backed into a corner. The onus of responsibility must lie with the French who contracted to supply Iraq with a research reactor and 70 kilograms of 93 percent highly enriched uranium, a weapons grade material. I am introducing today a concurrent resolution, Mr. Speaker, which I am printing in the RECORD which calls on the President to:

First, urge France and Italy not to resupply Iraq with sensitive nuclear technology.

Second, impose no economic or military aid sanctions against Israel.

Third, examine and reasses U.S. nonproliferation policy.

Fourth, determine the adequacy of international safeguards.

If any Member wishes to cosponsor this resolution, I urge them to call my office at 5-2836 and speak to Nancy O'Malley.

[From the Wall Street Journal, June 10, 1981]

MOURNING THE BOMB

An atom bomb for Iraq, we have learned in the last 24 hours, has become the latest great cause celebre of world opiniondom. Various governments, including our own, and a lot of pundits have been busily condemning Israel's raid on Iraq's nuclear reactor. Our own reaction is that it's nice to know that in Israel we have at least one nation left that still lives in the world of reality.

What is going on here: Iraq, awash in cheap crude oil, wants a big nuclear reactor. It rebuffs French suggestions to give up the original design and substitute one that does not need weapons-grade uranium. It has been buying raw uranium, which is not suitable for use in reactors, but dandy if you want to use the reactor to breed plutonium for weapons. Faced with this evidence, the conclusion of world opinion has been—everything's OK, Iraq has signed the nuclear non-proliferation treaty.

This kind of silliness has a mysterious power to blind most who man foreign ministries, think tanks and editorial sanctums. Of course Iraq was building a bomb. Of course its intended target was Israel. Of course, given the Iraqi reputation for political nuttiness reaffirmed again in its starting a war with Iran, its atom bomb would also have been a danger to all its neighbors. We all ought to get together and send the Israelis a vote of thanks.

Israel, which is assumed to have its own atom bomb but not to have conducted a test explosion, was not acting out of some abstract concern with nonproliferation. It was pursuing its own national interest, and in its timing also no doubt Prime Minister Begin's political interest in the impending elections. Its pre-emptive strike was strong medicine.

This would not have been necessary, though, if the reality that marked the Israeli decision had been present in the United States' non-proliferation policy this last decade or so. These efforts more or less went out the window when the U.S. refused to take sanctions against India's "peaceful nuclear device," exploded in violation of an agreement with the U.S. After this show of irresolution, the U.S. could hardly expect to persuade, say, the French to pass up sales to Iraq. Soon the whole non-proliferation ques-

tion was lost in the fog of international negotiation.

To give the worriers about Israel their due, there is always reason to be concerned that any military act could prove to be the spark in the tinderbox of the Middle East. But we have been under the impression that the Middle East wasn't a very peaceful place even before last Sunday. People were being blown up on the beaches of Beirut and in the redoubts of western Iran. To judge the extent of the silliness, notice that among the governments objecting is Iran, locked in war with Iraq. Is there any reason to doubt that there were sighs of relief in the Saudi palaces on learning that Iraq won't have a bomb soon.

Being concerned about the peace of the Middle East does not make it necessary to be easily deceived about the necessary components for peace. Without a doubt, the ability of Israel and Egypt to come to terms has contributed mightily to that end, and President Carter's role in aiding that agreement was a major foreign policy achievement. But Lebanon has become a madhouse and the Soviet Union, through its surrogate, Syria, seems intent on keeping it that way to keep the Middle East pot boiling.

In such a situation, it is not entirely implausible for the United States to send a shuttle diplomat to try to damp down the passions and seek out possibilities for a modus vivendi. But the best chances for peace, to the extent they exist, depend far more heavily on balance of power perceptions in the area itself.

The Israelis are not infallible, but their security for 33 years now has depended on making careful power judgments. They know that their best chances for avoiding bloodshed lie in frequently reminding their neighbors that they are strong and that their wishes are not to be taken lightly.

The Israeli approach to non-proliferation is limited and direct. But their outlook on the world and on what it takes to earn the world's respect offers a few lessons we ourselves could profitably learn.

[From the Baltimore Sun, June 9, 1981]

MIDEAST'S NUCLEAR NIGHTMARE

Despite public denunciations of Israel for its attack on Iraq's nuclear research facility, many nations must be privately thankful that Baghdad has been set back in its bid for regional dominance. Iraq is a menace. It is a menace to Iran, having invaded that country a year ago. It is a menace to Saudi Arabia, which has clashed repeatedly with Baghdad over the use of oil power. It is a menace to Syria, its feud with Damascus only temporarily mended because of the situation in Lebanon. Above all, is it a menace to Israel—the stated target of Iraq's threatened nuclear capability.

Of course, the Middle East is too volatile a region for a military strike to be taken lightly. The United States is correct in condemning Israel's use of American-made jets despite restrictions on the use of such equipment in "offensive" operations. Washington has invested too much in the Camp David peace process, and it has too much at stake in insuring the flow of Persian Gulf oil, to acquiesce in this bellicose move by Israel. Prime Minister Menachem Begin may have seriously compromised U.S. senators who were prepared to oppose the Reagan administration's plan to supply AWACS surveillance aircraft to Saudi Arabia.

Yet justified as the U.S. criticism of Israel may be, France must bear the onus for its highly irresponsible course of suppling a 70-megawatt research reactor to Iraq. Under the Paris-Baghdad agreement, France was to supply 70 kilograms of 92-percent enriched uranium. This is weapons-grade material. When France, under U.S. pressure, tried to get Iraq to accept a new fuel enriched to only 10 percent, Baghdad dismissed the offer. And France, eager as ever to placate its Mideast oil suppliers, quickly went along.

Dean Fischer, the State Department spokesman, made much of the fact yesterday that Iraq had adhered to its commitments as a signatory of the Non-Proliferation Treaty and International Atomic Energy Agency safeguards. But this ignores the political leverage Iraq would gain if it became the first Arab nation with the potential to build nuclear weapons. And it ignores the warning in a Brookings Institution study last year that "nations can possess nuclear explosive materials without violating the NPT-IAEA safeguards."

With the Israeli strike at Iraq, the world has entered a new nuclear phase. This was the first time something nuclear had been directly involved in hostilities since American atomic bombs fell on Japan. The fact that the something nuclear was the target rather than the projectile is beside the point. Israel, one of the most beleaguered of nations, saw the Osirak reactor as the possible source of its destruction. Believing that, Israel took action to preclude the nightmare prospect of having to use its nuclear weapons to survive.

There are many lessons in this grave affair. One is that a country like Israel, with its very being at stake, will act when confronted with a nuclear threat. Another is that nuclear-supplier countries, such as France, should be more careful in the future about supplying nuclear facilities to a country that can provoke severe regional reactions. Still another lesson is that nuclear facilities are inviting targets not only to unfriendly governments but to terrorist groups, especially terrorist groups operating in unstable countries.

All nations should come out of this experience more determined than ever to strive for tighter controls over the spread of nuclear weapons. The initiative—and the example—must come from the superpowers. So long as the United States and the Soviet Union continue to pike up nuclear arsenals, smaller nations will be tempted to follow suit as they pursue regional ambitions.

House Concurrent Resolution —

Whereas Israel is a key national security ally of the United States;

Whereas Iraq, despite huge oil reserves, purchased a 70 megawatt nuclear reactor from France which uses substantial amounts of highly enriched uranium as fuel;

Whereas Iraq purchased from Italy highly sensitive plutonium separation technology;

Whereas both highly-enriched uranium and plutonium can be used directly to manufacture nuclear weapons;

Whereas the President of Iraq has made public statements implying that nuclear weapons could be used against Israel; and,

Whereas the crucial issue facing the United States is not whether Israel did or did not commit a technical violation of our arms sale agreement, but the real issue is the consequence of the spread of nuclear weapons technology throughout the world: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) the President should urge the governments of France and Italy not to sell sensitive nuclear technology or material to Iraq to replace the reactor and equipment destroyed by Israel's action of Sunday, June 7, 1981;

(2) the Congress should impose no economic or military aid sanctions against Israel in response to the June 7 action;

(3) the President should reexamine the nuclear non-proliferation policy of the United States and should establish prohibitions on the export of nuclear technology or material which can be used to make atomic weapons; and

(4) the President should determine the adequacy of the international system of safeguards to give timely warning in the event of diversion of nuclear material to military purposes.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, June 11, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 12

9:00 a.m.
*Office of Technology Assessment
The Board, to hold a business meeting on pending business matters.
EF-100, Capitol

9:30 a.m.
Finance
Taxation and Debt Management Subcommittee and Energy and Agricultural Taxation Subcommittee
To hold joint hearings on the taxation of commodity straddle transactions, and on S. 626, proposed Commodity Straddles Tax Act.
2221 Dirksen Building

Judiciary
Security and Terrorism Subcommittee
To continue hearings to explore the origin, direction, and support tactics of terrorism, focusing on alleged past Soviet involvement in international terrorism.
2228 Dirksen Building

10:00 a.m.
Environment and Public Works
Water Resources Subcommittee
To hold hearings on proposals to provide for the development of ports and harbors and inland waterways in the United States, including S. 809, S. 68, S. 202, S. 576, S. 828, and S. 1094.
4200 Dirksen Building

Judiciary
Separation of Powers Subcommittee
To resume hearings on S. 158, establishing a congressional finding and declaration that human life begins at conception.
6226 Dirksen Building

Joint Economic
Monetary and Fiscal Policy Subcommittee
To hold hearings on U.S. monetary and fiscal policy.
5110 Dirksen Building

1:30 p.m.
Select on Intelligence
To hold a closed briefing on intelligence matters.
Room S-407, Capitol

2:00 p.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To hold hearings on S. 1343, providing for the sale of strategic petroleum reserve fixed maturity certificates to offset the Federal Government's expense of filling the reserve.
6226 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
To continue hearings on proposals to provide for the development of ports and harbors and inland waterways in the United States, including S. 809, S. 68, S. 202, S. 576, S. 828, and S. 1094.
4200 Dirksen Building

JUNE 15

9:00 a.m.
Appropriations
*Defense Subcommittee
To resume closed hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on defense intelligence programs.
S-406, Capitol

Labor and Human Resources
*Employment and Productivity Subcommittee
To resume hearings on employment and training programs in the United States, focusing on objectives of employment and training policy and the relationship between Federal, State, and local governments in the funding, design and administration of employment and training programs.
4232 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
To resume hearings on S. 898, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

10:00 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To resume oversight hearings on the implementation of the municipal wastewater treatment construction grants program of the Clean Water Act, and to hold hearings on S. 975, revising and extending for 1 year certain provisions of the Federal Water Pollution Control Act, and on other related proposals.
4200 Dirksen Building

Judiciary
To resume hearings on monopolization and competition in the telecommunications industry, and on related proposals.
2228 Dirksen Building

1:00 p.m.
Judiciary
Separation of Powers Subcommittee
To resume hearings on S. 158, establishing a congressional finding and declaration that human life begins at conception.
2228 Dirksen Building

4:00 p.m.
Conferees
On section 303 of Senate amendment No. 10, permitting the nomination of a Surgeon General who may be more than 64 years of age, of H.R. 31, proposed Cash Discounts Act.
Room to be announced

JUNE 16

9:00 a.m.
Governmental Affairs
*Civil Services, Post Office, and General Services Subcommittee
To hold hearings on S. 1224, stengthening and clarifying the congressional franking law.
3302 Dirksen Building

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development, Oversight, and Investigations Subcommittee
To hold oversight hearings on the implementation of the Emergency Petroleum Allocation Act, focusing on the energy needs of agriculture, rural America, and the food and fiber processing industry.
324 Russell Building

Banking, Housing, and Urban Affairs
International Finance and Monetary Policy, and Securities Subcommittees
To resume joint hearings on S. 708, clarifying the intent and modifying certain provisions of the Foreign Corrupt Practices Act of 1977.
5302 Dirksen Building

Commerce, Science, and Transportation
To continue hearings on S. 898, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

Labor and Human Resources
*Labor Subcommittee
To hold hearings on S. 1182, improving the administration of the Longshoremen's and Harbor Workers' Compensation Act by removing certain inequities, reducing incentives for fraud and abuse, and assuring immediate compensation benefits and competent medical treatment for injured employees.
4232 Dirksen Building

10:00 a.m.
Budget
Business meeting, to review reconciliation proposals of standing Senate committees as required by H. Con. Res. 115, the First Congressional Budget Resolution.
6202 Dirksen Building

Energy and Natural Resources
To hold hearings on the nominations of Daniel N. Miller, Jr., of Wyoming, to be an Assistant Secretary of the Interior for Energy and Minerals, Richard Mulberry, of Texas, to be Inspector General, Department of the Interior, Shelby T. Brewer, of Maryland, to be an Assistant Secretary of Energy for Nuclear Energy, and J. Erich Evered, of Nevada, to be Administrator, Energy Information Administration.
3110 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
To hold hearings on S. 810, proposed Inland Waterway User Fee Act.
4200 Dirksen Building

2:00 p.m.
Environment and Public Works
*Nuclear Regulation Subcommittee
To hold oversight hearings on the implementation of the Uranium Mill Tailings Act.
410 Russell Building

2:30 p.m.
Special on Aging
To hold oversight hearings to review short-term financing issues of the social security system.
5302 Dirksen Building

JUNE 17

8:30 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Alan Green, Jr. of Oregon, to be a Federal Maritime commissioner.
235 Russell Building

9:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony from public witnesses.
1223 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on certain provisions providing for the transfer of Conrail freight lines to private sector railroads and the transfer of Conrail commuter operations to Amtrak, of S. 1100, proposed Northeast Rail Service Act (pending on Senate calendar).
5110 Dirksen Building

9:30 a.m.
Governmental Affairs
To hold hearings on the nominations of Warren R. King, Reggie B. Walton, and Richard S. Salzman, each to be an Associate Judge of the Superior Court of the District of Columbia, and James A. Belson, to be an Associate Judge of the District of Columbia Court of Appeals.
1224 Dirksen Building

Labor and Human Resources
*Labor Subcommittee
To continue hearings on S. 1182, improving the administration of the Longshoremen's and Harbor Worker's Compensation Act by removing certain inequities, reducing incentives for fraud and abuse, and assuring immediate compensation benefits and competent medical treatment for injured employees.
4232 Dirksen Building

Veterans' Affairs
To hold hearings on the substance of S. 266, implementing procedures and guidelines for the interagency sharing of health resources between the De-

partment of Defense and the Veterans' Administration.
412 Russell Building

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of James M. Beggs, of Missouri, to be Administrator of the National Aeronautics and Space Administration.
235 Russell Building

Energy and Natural Resources
Public Lands and Reserved Water Subcommittee
To resume hearings on S. 842, proposed RARE II Review Act.
3110 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee
To resume oversight hearings on the implementation of the municipal wastewater treatment construction grants program of the Clean Water Act, and to hold hearings on S. 975, revising and extending for one year certain provisions of the Federal Water Pollution Control Act, and on other related proposals.
4200 Dirksen Building

Governmental Affairs
To hold hearings on S. 1249, providing tools and incentives to the Federal Government in its efforts to collect debts owed the United States.
3302 Dirksen Building

2:00 p.m.
*Environment and Public Works
To hold hearings on the prospective nomination of Nunzio J. Palladino, of Pennsylvania, to be a Member of the Nuclear Regulatory Commission.
4200 Dirksen Building

JUNE 18

9:00 a.m.
Commerce, Science, and Transportation
To hold oversight hearings on the implementation of the Motor Carrier Act (Public Law 96-296).
235 Russell Building

Labor and Human Resources
Employment and Productivity Subcommittee
To resume hearings on employment and training programs in the United States, focusing on objectives of employment and training policy and the relationship between Federal, State and local governments in the funding, design and administration of employment and training programs.
4232 Dirksen Building

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development, Oversight, and Investigations Subcommittee
To resume oversight hearings on the implementation of the Emergency Petroleum Allocation Act, focusing on the energy needs of agriculture, rural America, and the food and fiber processing industry.
324 Russell Building

10:00 a.m.
Environmental Public Works
Water Resources Subcommittee
To resume hearings on S. 621, authorizing funds for the development of certain water resources projects, and to review existing water resources policy and water problems.
4200 Dirksen Building

Governmental Affairs
To hold hearings on proposed legislation expanding the Inspectors General Act of 1978 to include certain departments and agencies within the Federal Government.
3302 Dirksen Building

Judiciary
Separation of Powers Subcommittee
To resume hearings on S. 158, establishing a congressional finding and declaration that human life begins at conception.
6226 Dirksen Building

2:00 p.m.
Environment and Public Works
Water Resources Subcommittee
To continue hearings on S. 621, authorizing funds for the development of certain water resources projects, and to review existing water resources policy and water problems.
4200 Dirksen Building

2:30 p.m.
Special on Aging
To hold hearings on the subject of early retirement and its implications for social security.
6226 Dirksen Building

JUNE 19

9:00 a.m.
Commerce, Science, and Transportation
To resume hearings on S. 898, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

Labor and Human Resources
Employment and Productivity Subcommittee
To continue hearings on employment and training programs in the United States, focusing on objectives of employment and training policy and the relationship between Federal, State and local governments in the funding, design and administration of employment and training programs.
4232 Dirksen Building

Select on Intelligence
To hold a closed briefing on intelligence matters.
Room S-407, Capitol

10:00 a.m.
Environment and Public Works
Transportation Subcommittee
To resume hearings on S. 841 and S. 1024, bills authorizing funds through fiscal year 1986 for the construction and safety of Federal highways.
4200 Dirksen Building

Judiciary
Criminal Law Subcommittee
To hold hearings on S. 691, strengthening the laws for the criminal infringement of a copyright involving the reproduction or distribution of phonorecords, motion pictures, or audiovisual works.
5110 Dirksen Building

JUNE 22

10:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold oversight hearings on the role of the rural telecommunications system in America.
235 Russell Building

Environment and Public Works
To resume oversight hearings on the implementation of the Clean Air Act.
4200 Dirksen Building

1:30 p.m.
Environment and Public Works
Environmental Pollution Subcommittee
To resume oversight hearings on the implementation of the municipal wastewater treatment construction grants program of the Clean Water Act, and to hold hearings on S. 975, revising and extending for one year certain provisions of the Federal Water Pollution Control Act, and on other related proposals.
4200 Dirksen Building

JUNE 23

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 49, S. 879, and S. 1151, bills extending the period of daylight savings time.
235 Russell Building

Labor and Human Resources
Aging, Family, and Human Services Subcommittee
To hold oversight hearings on the role of the Federal Government in family planning programs of title X of the Public Health Services Act.
6226 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To resume hearings on S. 1182, improving the administration of the Longshoremen's and Harbor Workers' Compensation Act by removing certain inequities, reducing incentives for fraud and abuse, and assuring immediate compensation benefits and competent medical treatment for injured employees.
4232 Dirksen Building

10:00 a.m.
Environment and Public Works
To continue oversight hearings on the implementation of the Clean Air Act.
4200 Dirksen Building

Governmental Affairs
To resume hearings on S. 1080, improving and modifying the Federal regulatory process, and other related measures.
3302 Dirksen Building

Rules and Administration
Business meeting, to mark up Senate Resolution 20, providing for television and radio broadcasting of Senate Chamber proceedings, and other legislative and administrative business.
301 Russell Building

2:00 p.m.
Environment and Public Works
To hold hearings on the nomination of A. Alan Hill, of California, to be a member of the Council on Environmental Quality.
4200 Dirksen Building

JUNE 24

9:00 a.m.
Select on Intelligence
To hold a closed briefing on intelligence matters.
Room S-407, Capitol

10:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on the progress and directions of American consumerism in the 1980's.
1318 Dirksen Building

Energy and Natural Resources
Public Lands and Reserved Water Subcommittee
To hold hearings on miscellaneous land conveyances, studies, boundary changes, and exchanges, S. 146, S. 187,

S. 188, S. 512, S. 634, S. 656, S. 763, S. 764, and S. 794.
3110 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee
To resume oversight hearings on the implementation of the municipal wastewater treatment construction grants program of the Clean Water Act, and to hold hearings on S. 975, revising and extending for 1 year certain provisions of the Federal Water Pollution Control Act, and on other related measures.
4200 Dirksen Building

Governmental Affairs
To hold oversight hearings on the Federal Government's film making procedures.
3302 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation, and Government Processes Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the Nuclear Non-Proliferation Act.
Room to be announced

2:00 p.m.
Environmental and Public Works
To resume oversight hearings on the implementation of the Clean Air Act.
4200 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on S. 1042, abolishing the Intergovernmental Personnel Act grant program.
3302 Dirksen Building

JUNE 25

9:00 a.m.
*Veterans' Affairs
Business meeting, to mark up S. 917, increasing the rates of disability compensation for disabled veterans, and the rates of dependency and indemnity compensation for their survivors, S. 911, authorizing the payment of a special pension to the survivors of persons awarded the Medal of Honor, and S. 915, S. 779, and S. 112, bills providing for memorials to honor the memory of certain deceased members of the Armed Forces, and the substance of S. 266, implementing procedures and guidelines for the interagency sharing of health resources between the Department of Defense and the Veterans' Administration.
412 Russell Building

9:30 a.m.
Labor and Human Resources
*Labor Subcommittee
Business meeting, to mark up S. 398, permitting certain employees to work a 10-hour day in the case of a 4-day workweek.
4232 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings in conjunction with the National Ocean Policy Study on the substance of Senate Resolution 147, calling for a moratorium of indefinite duration on the commercial killing of whales.
235 Russell Building

Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on the progress and direction of American consumerism in the 1980's.
1318 Dirksen Building

Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To hold hearings on S. 859, providing for uniform treatment of certain receipts under the Mineral Leasing laws.
3110 Dirksen Building

Environment and Public Works
To resume oversight hearings on the implementation of the Clean Air Act.
4200 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation, and Government Processes Subcommittee
To continue hearings on proposed legislation authorizing funds for programs of the Nuclear Non-Proliferation Act.
Room to be announced

11:00 a.m.
Governmental Affairs
Business meeting, to mark up S. 10, providing for creation of a Commission to design a blueprint for improving governmental performance at the Federal level and throughout the intergovernmental system.
3302 Dirksen Building

2:00 p.m.
Environment and Public Works
Business meeting, to consider pending nominations.
4200 Dirksen Building

JULY 7

9:30 a.m.
Commerce, Science, and Transportation
*Aviation Subcommittee
To hold hearings on proposed legislation to provide for an early phaseout of the Civil Aeronautics Board.
235 Russell Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee.
To hold hearings on the primary intervention in addressing societal problems.
4232 Dirksen Building

JULY 8

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on proposed legislation to provide for an early phaseout of the Civil Aeronautics Board.
235 Russell Building

Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To hold hearings on S. 1073, authorizing an additional lands lease to the holder of an oil shale lease for purposes that the lessee demonstrates are necessary for such operation.
3110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To hold joint oversight hearings with Finance's Subcommittee on International Trade on U.S. trade policy.
2221 Dirksen Building

Finance
International Trade Subcommittee
To hold joint oversight hearings with Banking, Housing, and Urban Affairs' Subcommittee on International Finance and Monetary Policy on U.S. trade policy.
2221 Dirksen Building

JULY 9

9:00 a.m.
*Veterans' Affairs
To hold hearings on the prospective nomination of Robert P. Nimmo, of California, to be Administrator of the Veterans' Administration.
412 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
*Aviation Subcommittee
To continue hearings on proposed legislation to provide for an early phaseout of the Civil Aeronautics Board.
235 Russell Building

JULY 15

9:30 a.m.
*Veterans' Affairs
To hold oversight hearings on procedures for the adjudication of certain claims, and to hold hearings on S. 349, providing for limited judicial review of the administrative action of the Veterans' Administration, and for reasonable fees to attorneys representing legal counsel for veterans.
412 Russell Building

10:00 a.m.
Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To hold hearings on S. 1166, to provide grants to States for low-income weatherization assistance programs.
3110 Dirksen Building

JULY 16

9:30 a.m.
*Veterans' Affairs
To continue oversight hearings on procedures for the adjudication of certain claims, and to hold hearings on S. 349, providing for limited judicial review of the administrative action of the Veterans' Administration, and for reasonable fees to attorneys representing legal counsel for veterans.
412 Russell Building

JULY 22

9:30 a.m.
Veterans' Affairs
To hold hearings on S. 5, S. 7, S. 25, S. 26, S. 48, S. 105, S. 248, S. 417, and S. 742, bills providing educational assistance to members of the Armed Forces.
412 Russell Building

10:00 a.m.
Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To hold hearings on S. 506, reinstating and validating certain numbered U.S. oil and gas leases.
3110 Dirksen Building

JULY 23

9:30 a.m.
*Veterans' Affairs
To continue hearings on S. 5, S. 7, S. 25, S. 26, S. 48, S. 105, S. 248, S. 417, and S. 742, bills providing educational assistance to members of the Armed Forces.
412 Russell Building

JULY 28

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on adoption services in the United States.
4232 Dirksen Building

JULY 29

9:30 a.m.
*Veterans' Affairs
Business meeting to mark up S. 349, providing for limited judicial review of the administrative action of the Veterans' Administration, and for reasonable fees to attorneys representing legal counsel for veterans.
412 Russell Building

SEPTEMBER 16

9:30 a.m.
*Veterans' Affairs
Business meeting to mark up S. 5, S. 7, S. 25, S. 26, S. 48, S. 105, S. 248, S. 417, and S. 742, bills providing educational assistance to members of the Armed Forces.
412 Russell Building

CANCELLATIONS

JUNE 16

10:00 a.m.
Labor and Human Resources
Education Subcommittee
To resume hearings on S. 1103, authorizing funds through fiscal year 1986 for elementary and secondary education programs and providing educational support at the State and local level.
4232 Dirksen Building

JUNE 17

9:30 a.m.
Labor and Human Resources
*Education, Arts and Humanities Subcommittee
To continue hearings on S. 1103, authorizing funds through fiscal year 1986 for elementary and secondary education programs, and providing educational support at the State and local level.
4232 Dirksen Building

JUNE 18

9:30 a.m.
Labor and Human Resources
Education, Arts and Humanities Subcommittee
To continue hearings on S. 1103, authorizing funds through fiscal year 1986 for elementary and secondary education programs, and providing educational support at the State and local level.
5110 Dirksen Building

JUNE 24

10:00 a.m.
Labor and Human Resources
Education, Arts and Humanities Subcommittee
To resume hearings on S. 1103, authorizing funds through fiscal year 1986 for elementary and secondary education programs, and providing educational support at the State and local level.
4232 Dirksen Building

SENATE—*Thursday, June 11, 1981*

(Legislative day of Monday, June 1, 1981)

The Senate met at 9:15 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us pray.

Almighty God of love whose plan for history is to unite all things in Christ, we pray for the unity of our people. We do not ask for uniformity with its leveling process that reduces everything and everybody to the lowest common denominator. We ask for true unity with its bountiful diversity, in which each person finds individual fulfillment in the community of love. Give us unity like the symphony with its variety of instruments, its many different notes which produce the grand harmony. Give us the unity of the tapestry with its threads of every color woven into one masterful design.

Help us to find this unity in the Senate. Help us to appreciate each other, to honor our differences—even the differences which are in opposition—but out of which come the synthesis of truth and action that represents the maximum response of our corporate power and influence.

Help us serve one another, to love one another. We pray this in the name of Him who was incarnate love. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. Under the previous order, the acting majority leader is recognized.

TRIBUTE TO THE CHAPLAIN

Mr. STEVENS. Mr. President, I am sure all the Senate is grateful to our Chaplain, Reverend Halverson, for his guidance at the beginning of each session. I am particularly pleased to have his prayer this morning because it is most meaningful to Members of the Senate as we now approach a period where there is going to be, I think, great division among us.

THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings to date be approved.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. STEVENS. Mr. President, I ask unanimous consent that following the recognition of the two leaders under the standing order and the special orders for Mr. NUNN and Mr. BRADLEY, there be a period for the transaction of routine morning business not to extend beyond 10 a.m. during which Senators may speak therein for a period not to exceed 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I reserve the remainder of our time.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The Senator from West Virginia.

MARILYN COURTOT, ASSISTANT SECRETARY, U.S. SENATE

Mr. ROBERT C. BYRD. Mr. President, effective June 6, 1981, Marilyn Courtot became Assistant Secretary of the Senate. I am pleased that the present Secretary of the Senate has recognized her ability and experience by appointing her to this top Senate staff position.

Ms. Courtot was hired in 1973 to help modernize the offices under the Secretary and improve the services they provide to Senators. In the last 8 years, she has lent her considerable analytical and administrative talents to this task. She has been instrumental in developing the automated legislative information system, expanding the bill status telephone query service of the Senate Library, and designing and implementing the very educational staff seminars which address various important aspects of the Senate.

I commend Mr. Hildenbrand on his wise selection for the position of Assistant Secretary of the Senate, and I extend every good wish to Ms. Courtot as she pursues her new responsibilities.

I yield to Mr. PROXMIRE such time as he may require.

Mr. PROXMIRE. I thank the Democratic leader.

SENATOR LUGAR AND UAW SAVE JOBS, HOLD DOWN PRICES

Mr. PROXMIRE. Mr. President, in last night's Washington Star, Germond and Witcover described how labor union members and a U.S. Senator saved several hundred jobs in an automobile plant in South Bend, Ind. It was a tribute to the remarkable willingness of the workers at that plant, to the labor union to which they belonged, and to one of our ablest U.S. Senators, DICK LUGAR. The message of that column should not be lost on us. Many Americans fear that the wage-price spiral makes ever-worse inflation inevitable and with it the decline of some of America's most vital industries, particularly the automobile industry. The members of the United Automobile Workers in South Bend and Senator LUGAR showed that we do not have to surrender to this gloomy prospect. The Germond-Witcover column tells the story of how Senator LUGAR's timely and forceful intervention did the job. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHEN A UNION TRIED TO GET A CUT IN PAY

(By Jack W. Germond and Jules Witcover)

SOUTH BEND, IND.—About 17 years ago this industrial city in northwest Indiana was shattered economically by the collapse of the Studebaker Corp. as a major auto maker. More than 20,000 jobs were lost in the demise of an enterprise that had been born here and had dominated the city's economy. It was a punishing experience the the city has never been able to forget.

That is probably one of the reasons that South Bend has just witnessed a unique demonstration of labor-management conciliation between the city's chief remaining employer, the Bendix Corp., also founded here about 50 years ago, and Local 9 of the United Auto Workers.

Union offers of sacrifice—including a voluntary pay cut for all UAW members in South Bend—have cushioned the human impact of an increasingly commonplace industrial development: the relocation of a plant from the high labor-cost "Frost Belt" to the lower-cost "Sun Belt."

Although Bendix denied that any pay cut was ever formally offered and rejected even the idea, the firm did adjust its relocation plans, saving several hundred jobs in South Bend. It guaranteed retraining and relocation of all UAW members involved in other parts of the sprawling Bendix complex here.

The highly dramatic offer of a voluntary pay cut, and the wide publicity it stimulated, clearly affected the political climate and put heat on Bendix from some unexpected quarters.

Perhaps the most unique element was the spectacle of a business-oriented Republican senator, Richard Lugar, siding with the union and pressuring the employer to make accommodations. Union officials are convinced that this and other political pressure persuaded Bendix, which has lucrative defense contracts, to work out the concessions.

John M. O'Hare, director of industrial relations for Bendix, denies that pressure was reason, but another Bendix official, David Taylor, calls the agreement "the first of its kind to our knowledge in collective bargaining."

And, although particular local conditions existed here that facilitated it, the negotiation could show the way for other companies

and unions in the beleaguered industrial North to at least temper the lure of lower-cost Sun Belt economic environments.

Bendix two months ago told the union that intolerably high labor costs here were dictating relocation of a brake assembly plant.

The union, to Bendix's surprise, countered with an astonishing offer: if Bendix would reconsider relocating the plant, the members would be asked to absorb the full labor-cost savings that Bendix might achieve by the transfer. Although moving the plant might eliminate at most 900 jobs, the union plan was for all 35,000 UAW workers at the Bendix complex here to take a pay cut. The union estimated the company would be saving $3,400 per year per worker.

Lugar, learning of the informal offer, wrote to William Agee, the Bendix president, urging acceptance. "The national fight against inflation would be served," Lugar wrote, "if there were more recognition that wages and benefits must occasionally be restricted in bad times, just as they should increase in good times."

Bendix, turning aside the idea of a voluntary pay cut, argued in effect that it would be subsidizing an unprofitable plant with money from employees working at profitable Bendix plants and thus not solving the basic problem of a facility that couldn't make it on its own.

Joe Burkus, president of Local 9 during the negotiations, says the company's attitude toward the voluntary pay cut proved that Bendix really just wanted to get the plant out of the union environment altogether. "They just wanted to move," he said. "If they were looking for relief, they would have grabbed it. We really put the monkey on their back."

But Bendix's O'Hare says there was no sense keeping a plant in South Bend that was just "withering," and that it was significant in the end that Local 9 recognized that fact and cooperated to minimize the human impact. The voluntary pay cut, while never implemented, was also significant, O'Hare says, as a symbol of labor's willingness to make sacrifices to help management cope in a time of economic difficulty.

Whether other unions in Frost Belt cities threatened with plant relocations will be willing to make similar gestures is an open question. Taylor says, "the Studebaker experience has had a lingering effect on the psychology of South Bend" that may make the situation here unusual.

But the loss of Northern industrial jobs through relocation to the South is increasingly widespread, and the only hope may be greater labor-management conciliation of this sort—helped along perhaps by political pressure.

A PRAGMATIC CASE FOR RATIFICATION

Mr. PROXMIRE. Mr. President, the Genocide Convention offers the ideal opportunity to combine idealism with some very realistic benefits. Ratification would help put to rest the mischievous accusations of Russian diplomats that this country somehow condones genocide.

Furthermore, ratifying the convention could only improve our often-troubled relations with the Third World. It would buttress our moral position in dealing with the nations of Latin America, Africa, and Asia—many of whom have already ratified the treaty.

Finally, the implementing legislation, by enabling us to try our nationals at home, would strengthen our case for extradition of U.S. nationals charged with genocide abroad.

The ratification of the Genocide Convention is exactly the symbol we need today—enhancing our image abroad while furthering our own interests.

In fact, such action would be in perfect harmony with the "hard-nosed pragmatism" of the current administration. The Reagan administration's support for ratification was made clear by Secretary Haig in his confirmation hearings and is an indication, of course, of the support of the Reagan administration for the genocide treaty.

Mr. President, now, more than ever, we should ratify the genocide convention. I urge my colleagues to take action quickly.

I thank the Democratic leader.

Mr. STEVENS. Mr. President, I yield back the remainder of the leader's time on this side.

The PRESIDENT pro tempore. Time has been yielded back on the majority side.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum on my time.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BRADLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

The PRESIDING OFFICER. The Chair advises the Senator that, under the previous order, the Senator from Georgia (Mr. NUNN) was to be recognized first for not to exceed 15 minutes, following which the Senator from New Jersey was to be recognized for not to exceed 15 minutes, and, at no later than 10 o'clock, under the previous order, the Senate would go into executive session to proceed to the consideration of Calendar No. 2.

Mr. STEVENS. Will the Senator yield?

Mr. BRADLEY. Yes.

Mr. STEVENS. Mr. President, may I inquire of the Senator from Georgia how much time he requires under the special order? Does the Senator intend to use his special order this morning?

Mr. NUNN. Mr. President, I shall take whatever time is available and put the remainder of my remarks in the RECORD. I do not want to hold up other business. I probably could summarize my remarks in 2 or 3 minutes.

Mr. STEVENS. Mr. President, may I inquire which Senator wishes to proceed with the special order first? Does the Senator from Georgia have any objection to the Senator from New Jersey proceeding?

Mr. NUNN. No, Mr. President, I was not fully aware what time I was supposed to begin this morning. I shall defer to the Senator from New Jersey and to the Senator from Alaska as to what the schedule will be.

EXTENSION OF ROUTINE MORNING BUSINESS

Mr. STEVENS. Mr. President, I ask unanimous consent that the period for routine morning business be extended until 10:15 and that Senators may speak therein for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

EMERGENCY PREPAREDNESS ACT OF 1981

Mr. BRADLEY. Mr. President, the most pressing aspect of energy policy today is preparation for the disruptions in our oil supply that are virtually inevitable over the next decade. Ironically, this aspect of energy policy has been neglected, even though three relatively small disruptions—the Arab embargo in 1973, Iran in 1979, and the Iran-Iraq war in 1980—have had terrible consequences for our standard of living and for economic growth. The latest turmoil in the Middle East only underscores the need to prepare. The best way to prepare for oil supply disruptions is to stockpile oil in advance. My longstanding advocacy of the strategic petroleum reserve reflects this concern about preparedness. But, Mr. President, what happens if a disruption occurs before our reserves are sufficient? We will face two unappealing choices: Rapidly rising oil prices or Government price controls and allocations.

Today Senator PERCY and I are introducing the Emergency Preparedness Act of 1981 in an attempt to avoid a return to ineffective price controls and allocations. Under our approach, we would rely on market forces to distribute scarce supplies and determine prices, but we would also provide Federal financial aid to citizens during the disruption. If the supply disruption is so large that it threatens national security, and the President feels he must allocate oil supplies, he can do so by invoking authority he already has under the Defense Production Act of 1950 or under the Energy Policy and Conservation Act of 1975.

With our plan, the 1980 windfall profit tax would be augmented so that additional revenues, which would come from the price increase that will be inevitable during a disruption, could be recycled back into the economy. At the same time, income transfer payments would increase to low-income individuals. The President also would reduce income and payroll taxes so that taxpayers would have more income to deal with the higher prices. Increased Government revenues from the windfall profit tax—a significant disruption would increase revenues on the order of tens of billions of dollars per year—would offset lower Government revenues from income and payroll taxes.

In addition, the President would draw on windfall profit tax revenues to provide emergency block grants to State Governors. Each Governor would be required to distribute these funds to local governments to maintain essential public services such as police and fire protection. The Governors also could use this money for other priority activities which are unique in their State. In other words, a rise in oil prices will cause personal hardship and economic damage, but it will also provide the Government with the resources to offset a portion of the negative effect.

The recycled funds would be allocated under a formula proposed by the President and approved by the House and Senate. At the outset of a disruption, both Houses of Congress would have to give their approval before the plan could be implemented.

Adoption of this plan would send a clear and true signal to the Nation, that signal being: Prepare for rising prices during an oil supply disruption. If Americans get that message, they will have real incentives to make arrangements that are best suited for their individual needs. The public has not had such incentives in the past because people have been assured that the Government would intervene with price controls and allocation rules and take other steps to help powerful and important groups in the event of a disruption. Although such measures did not work well at all, people expected them to be effective and therefore saw little, if any, need to take preparatory action of their own.

Furthermore, our plan would respond to concerns about equity during a disruption by increasing the windfall profit tax and by assuring that the revenues are recycled to taxpayers and to low-income individuals. In so doing, we can partially offset the harmful effects of rising prices without removing the incentives to prepare for disruptions.

Mr. President, what is the alternative to this plan? It is some form of price controls coupled with gasoline rationing and Government decisions about who gets oil. After 10 years of controls, can it really be said that they protected the poor from rising prices? No. We have seen price controls cannot stop price increases. By relying on price controls to assist the poor, we fool ourselves. But others benefited: Specifically, the politically powerful who were able to mold the regulations to their advantage. Our bill would assist the poor directly with financial aid.

More troubling, however, is that the threat or promise of price controls reduces individual incentives to prepare for disruptions. Furthermore, price controls encourage oil consumption during a disruption and discourage production of alternatives for imported oil. Price controls send false and damaging signals to the economy that oil is not scarce, that conservation is not needed, and that alternative sources of energy are unimportant. As a result, world oil prices would be driven still higher, and our allies would again be enraged.

On top of these disadvantages, we all know that price controls are nearly impossible to remove after they are in place. The temporary controls imposed in 1971 were extended in 1973, again in 1975, and will finally expire next September.

Now we must choose between a market approach and a regulatory approach. Clearly, neither option will work perfectly. The Nation will suffer under either option. But, in my opinion, one of these options is clearly better than the other.

Mr. President, again, instead of relying on Washington to allocate scarce supplies and try to combat rising prices, I say we should have the Federal Government provide financial protection for middle- and low-income citizens and essential public services while we let the market determine oil prices and the distribution of supplies. By taking this course, we will not be encouraging consumption just when we want to discourage it; we will not be discouraging energy production just when we want to encourage it; we will not boost world oil prices just when they are rising rapidly anyway; we will not alienate our allies just when cooperation is most essential; and we will not add to confusion in the market just when panic is already a possibility.

Three times in the last 8 years, we have seen what happens when Washington tries to control prices and allocate oil supplies. We know our oil supplies can be interrupted again at any time. We now have an opportunity—indeed, I say an obligation—to make sure that we do not repeat past mistakes. It is time to chart a new course.

I ask unanimous consent that the full text of the Emergency Preparedness Act of 1981, with accompanying summary sheet, and a supporting article by Robert Hall and Robert Pindyck in the June Technology Review, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1354

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1 (a) SHORT TITLE.—This Act may be cited as the "Emergency Preparedness Act of 1981"

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents
Sec. 2. Statement of findings and purposes
Sec. 3. Definitions
TITLE I—STANDBY REVENUE RECYCLING AUTHORITY
Sec. 101 Standby recycling authority
Sec. 102 Approval of Proposed Standby Plan
Sec. 103 Implementation of the Approved Standby Plan
Sec. 104 Reimbursement to States
Sec. 105 Expiration
TITLE II—USE OF THE STRATEGIC PETROLEUM RESERVE
Sec. 201 Crude Oil Access
Sec. 202 Amendments to the Strategic Petroleum Reserve Plan
TITLE III—INVESTIGATIONS AND REPORTS
Sec. 301 Tax incentives for oil storage
Sec. 302 International cooperation in preparedness for supply disruptions.

STATEMENT OF FINDINGS AND PURPOSES

SEC. 2 (a) Congress finds and declares that—

(1) disruption in the supply of imported oil are likely during the next decade;

(2) such emergencies will disrupt normal petroleum market operations; standby sources of supply of crude oil, such as strategic stockpiles, should be used to mitigate the potential for market turmoil;

(3) if oil stockpiles are unavailable or insufficient to fully offset the reduction in oil available to the world oil market, oil prices will rise, possibly rapidly and to high levels;

(4) without compensating action, such high prices will create severe economic dislocations and individual hardships;

(5) if Federal action is not taken to ameliorate these economic consequences of disruptions, individual states may be compelled to implement differing, perhaps less efficient emergency programs;

(6) severe oil supply disruptions constitute a threat to public health, safety and welfare which can most effectively, efficiently, and equitably be dealt with through prompt fiscal action by the executive branch of Government; and

(7) no emergency program will be able to avoid entirely the market disruptions and personal hardships that will accompany a petroleum supply disruption; however, prompt fiscal action by the executive branch of Government will reduce individual hardships and economic dislocations more effectively than other mechanisms used in the past.

(b) The purpose of this Act is to grant the President of the United States authority during severe supply disruptions of crude oil to recycle Federal tax revenues to U.S. residents and State governors for further distribution. The authority granted under this Act shall be exercised only for the purpose of minimizing the adverse effects of such supply disruptions on the nation.

(1) "United States" means the several States, the Commonwealth of Puerto Rico, the District of Columbia, and the Trust Territories of the United States.

(2) "State" means the 50 States, the Commonwealth of Puerto Rico, the District of Columbia, or the Trust Territories of the United States.

(3) "severe petroleum supply disruption" means a reduction in the volume of oil available to the world oil market which the President determines—

(A) is the primary cause or is likely to be the primary cause of a 20 percent increase in the world price of petroleum products over a 3-month period; and

(B) is having or can reasonably be expected to have a major adverse effect on public health, safety or welfare or the national economy. A severe petroleum supply disruption exists only as long as either the world price of petroleum products remains above the pre-disruption level or the volume of oil available to the world oil market remains below the pre-disruption level.

(4) "to recycle Federal tax revenues" means to rapidly return to the economy the increased revenues of the Federal Crude Oil

Windfall Profit Tax of P.L. 96-223, or other disruption-related, increased Federal revenues, that the President determines have resulted or are likely to result from a severe petroleum disruption.

(5) "refined petroleum products" means gasoline, kerosene, distillates (including Number 2 fuel oil), liquid petroleum gases, refined lubricating oils, diesel fuel, and residual fuel.

(6) "world price of petroleum products" means a weighted average of spot and contract prices as reported in several world marketing centers as determined by the President.

TITLE I—STANDBY REVENUE RECYCLING AUTHORITY

STANDBY RECYCLING AUTHORITY

SEC. 101. (a) Not later than one hundred and eighty calendar days after the date of the enactment of this title, the President shall submit a proposed standby plan to Congress which when implemented will permit the President to recycle Federal tax revenues both to state governors for further distribution and to residents of the United States.

(b) The proposed standby plan under subsection (a), to the maximum extent practicable, shall provide for—

(1) economic efficiency in all sectors of the economy;

(2) the mitigation of extreme personal hardship caused by the severe petroleum supply disruption;

(3) the national defense and other essential services for the public;

(4) the protection of public safety, health and welfare;

(5) the prompt recycling of Federal tax revenues commencing as soon as practicable after the President determines the existence of a severe petroleum supply disruption;

(6) assurances that each resident of the United States is eligible for assistance under this title;

(7) procedures by which the President would ensure that highest priority is given to the enforcement of anti-trust statutes that will guard against anticompetitive practices during severe petroleum supply disruptions; and

(8) the fulfillment of international treaty obligations.

(c) The plan providing for the recycling of Federal tax revenues shall use a combination of emergency distribution of funds to state Governors for further distribution, emergency changes in withholding rates, reductions in payroll taxes, additions to Social Security and Supplemental Security Income payments, or other distribution mechanisms that the President elects to address the objectives listed in (b). The proposed standby plan shall provide guidelines for state governors and instructions for the Attorney General of the United States to ensure the objectives listed in (b) are met. Reasonable accounting and auditing procedures shall be established. The proposed standby plan shall be developed in consultation with State Governors and with the benefit of public participation.

(d) The emergency distribution of funds to each state Governor shall enable each Governor, to the maximum extent practicable, to mitigate the effects of higher oil prices on low-income or otherwise disadvantaged people; public health, safety and welfare activities in the state; essential public services in the state; economic efficiency; people experiencing extreme personal hardship; and other priority activities in the state as determined by the Governor.

(e) The proposed plan shall specify the formula by which the recycled Federal tax revenues will be distributed to the economy. To avoid disproportionate burdens on any one sector, income group, or region, the formula shall be designed to give priority to those individuals or regions who are most adversely affected and least capable of absorbing higher oil prices. The percentages of total recycled Federal tax revenues to be distributed to each of the following categories shall be specified in the proposed plan: individuals via lower Federal income tax withholding rates, individuals via other Federal payments, each state governor for further distribution to essential public services, each state governor for further distribution to low-income or otherwise disadvantaged people, and other categories specified by the President.

(f) The proposed plan shall include adjustments and simplifications to the Crude Oil Windfall Profit Tax, P.L. 96-233, that would eliminate the tax on oil discovered during and after the severe supply disruption and that would increase the tax rate on the incremental revenues resulting from the supply disruption. The adjusted tax shall apply to all oil flowing from wells in production prior to the disruption. In formulating the proposed plan, the President shall consider exempting from the windfall profit tax oil stored prior to the disruption.

APPROVAL OF PROPOSED STANDBY PLAN

SEC. 102. (a) The proposed standby plan transmitted to the Congress pursuant to section 101(a) shall bear an identification number and shall be transmitted to both Houses of Congress on the same day and to each House while it is in session.

(b) No such standby plan may be considered approved for purposes of section 103(a) of this title unless between the date of transmittal and the end of the first period of 60 calendar days of continuous session of Congress after the date on which action is transmitted to each House, each House of Congress passes a resolution described in subsection (d)(2).

(c) For the purpose of subsection (b) of this section—

(1) continuity of session is broken only by an adjournment of Congress sine die; and

(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 60-calendar-day period.

(d)(1) This subsection is enacted by Congress—

(A) As an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by paragraph (2) of this subsection; and it supersedes other rules only to the extent that it is inconsistent therewith; and

(B) With full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and the same extent as in the case of any other rule of the House.

(2) For purposes of this subsection, the term "resolution" means only a resolution of either House of Congress the matter after the resolving clauses of which is as follows: "That the ———— approves the standby plan numbered —— submitted to the Congress on —, 19—.", the first blank space therein being filled with the name of the resolving House and the other blank spaces being appropriately filled.

(3) A resolution once introduced with respect to the standby plan shall immediately be referred to a committee by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(4)(A) If the committee to which a resolution with respect to the standby plan has been referred has not reported it at the end of the 20 calendar days after its referral, it shall be in order to move either to discharge the committee for further consideration of such resolution or to discharge the committee from further consideration of any other resolution with respect to such standby plan which has been referred to the committee.

(B) A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the standby plan), and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(C) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the standby plan.

(5)(A) When the committee has reported, or has been discharged from further consideration of, a resolution, it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(B) Debate on the resolution referred to in subparagraph (A) of this paragraph shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing such resolution. A motion further to limit debate shall not be debatable. An amendment to, or motion to recommit the resolution shall not be in order, and it shall not be in order to move to reconsider the vote by which such resolution was agreed to or disagreed to.

(6)(A) Motions to postpone, made with respect to the discharge from committee, or the consideration of a resolution and motions to proceed to the consideration of other business, shall be decided without debate.

(B) Appeals from the decision of the Chair relating to the application of the rules of the Senate or the House of Representatives as the case may be, to the procedures relating to a resolution shall be decided without debate.

(e) If either House rejects a resolution described in subsection (d)(2), the President shall transmit to the Congress a revised proposed standby plan within 30 days of the rejection. The revised proposed standby plan shall be approved or rejected following the procedures of this section. The President shall continue to submit revised plans following the procedures of this section until a proposed plan is approved by both Houses of Congress.

IMPLEMENTATION OF THE APPROVED STANDBY PLAN

SEC. 103. (a) The President may implement the standby plan approved under section 102 whenever the President determines that a severe petroleum supply disruption exists and only with the passage of joint resolution authorizing a specific amount of Federal tax

revenues to be recycled. In the event of a severe petroleum supply disruption the President shall transmit evidence of the determination called for in the preceding sentence and a request for a joint resolution that specifies the amount of Federal tax revenues to be recycled according to the approved standby plan to both Houses of Congress on the same day.

(b) No such joint resolution may be considered approved for purposes of subsection (a) unless between the date of transmittal and the end of the first period of 6 calendar days of the date on which such action is transmitted to such House, each House of Congress passes the joint resolution described in subsection (d)(2).

(c) If the Congress is not in session the President may call the Congress into emergency session.

(d)(1) This subsection is enacted by Congress—

(A) As an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of joint resolutions described by paragraph (2) of this subsection; and it supersedes other rules only to the extent that it is inconsistent therewith; and

(B) With full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House, at any time, in the same manner and to the same extent as in the case of any other rule of the House.

(2) For purposes of this subsection, the term "joint resolution" means only a resolution of Congress as follows:

"The President is authorized to implement the plan submitted by the President and approved by Congress under the procedures of Section 102 of the Emergency Preparedness Act of 1981. The President is authorized to recycle no more than $—— over the twelve-month period beginning on the date of enactment of this joint resolution." The blank in the joint resolution will be filled with the amount of Federal tax revenues to be recycled over the twelve-month period beginning on the date of enactment of the joint resolution but the President shall not recycle revenues in excess of the amount of incremental Windfall Profit Tax revenues, or other disruption-related increased Federal revenues, collected during and as a primary result of the severe petroleum supply disruption.

(3) A joint resolution once introduced shall immediately be referred to the Committees on House Ways and Means, House Energy and Commerce, Senate Finance and Senate Energy and Natural Resources by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(4)(A) If the committee to which a joint resolution has been referred has not reported it at the end of 2 calendar days after its referral, it shall be in order to move either to discharge the committee from further consideration of such joint resolution or to discharge the committee from further consideration of any other joint resolution which has been referred to the committee.

(B) A motion to discharge may be made only by an individual favoring the joint resolution, shall be highly privileged and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the joint resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(C) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other joint resolution.

(5)(A) When the committee has reported, or has been discharged from further consideration of, a joint resolution, it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the joint resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(B) Debate on the joint resolution referred to in subparagraph (A) of this paragraph shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing such joint resolution. A motion further to limit debate shall not be debatable. An amendment to, or motion to recommit the joint resolution shall not be in order, and it shall not be in order to move to reconsider the vote by which such joint resolution was agreed to or disagreed to.

(6)(A) Motions to postpone, made with respect to the discharge from committee, or the consideration of a joint resolution and motions to proceed to the consideration of other business, shall be decided without debate.

(B) Appeals from the decision of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedures relating to a joint resolution shall be decided without debate.

(e) The procedures described in (a) and (b) above may also be initiated by either House of Congress. If the President vetoes the measure so initiated, the Congress may attempt to override the veto in the usual manner.

(f) The President may recycle revenues in addition to those initially requested under the procedures described in this section by submitting an additional request using the same procedure.

REIMBURSEMENT TO STATES

SEC. 104. The President may reimburse any State for expenses incurred by such State in preparation for or execution of responsibilities delegated to such State at its request by the President under this title.

EXPIRATION

SEC. 105. The provisions of this title shall cease to have effect on the date of expiration of the Windfall Profit Tax, P.L. 96-223.

TITLE II—USE OF THE STRATEGIC PETROLEUM RESERVE

CRUDE OIL ACCESS

SEC. 201. Within three months after the date of enactment of this title, the President shall submit to Congress a report describing the advisability of competitive sales from the Strategic Petroleum Reserve to ensure emergency access to crude oil for particularly affected refiners in lieu of a standby crude oil allocation program. The study shall examine competitive sale or auction procedures, determination of eligible participants (for example, whether refiners serving rural or agricultural regions should receive priority in the competitive sale or auction), volumes to be made available for competitive sale or auction, minimum volumes of Reserve to be maintained as necessary for wartime mobilization, and the use of the Reserve to meet international obligations.

AMENDMENTS TO THE STRATEGIC PETROLEUM RESERVE PLAN

SEC. 202. Within six months after the date of enactment of this title, the President shall submit an amendment to the Strategic Petroleum Reserve plan, in accordance with Section 154 of Puolic Law 94-163, that would incorporate any procedures recommended by the study called for in Section 201.

TITLE III—INVESTIGATIONS AND REPORTS

OIL STORAGE TAX INCENTIVES

SEC. 301. Within six months after the date of the enactment of this title, the President shall submit a full and detailed report on the advisability and alternative means of (1) reducing the tax liability of persons who draw down oil reserves during oil supply disruptions, and (2) providing tax or other incentives for the construction of private-sector oil storage facilities and the maintenance of increased private-sector oil reserves.

INTERNATIONAL COOPERATION

SEC. 302. Within six months after the date of the enactment of this title, the President shall submit a full and detailed report on the manner in which oil stockpile and demand restraint measures have been and may be coordinated among some or all allies and trading partners.

FACT SHEET: S. 1354, EMERGENCY PREPAREDNESS ACT OF 1981

CONCEPT

Instead of controlling oil prices and attempting to allocate oil supplies during petroleum supply disruptions, this bill would allow market forces to distribute oil supplies; it would offset the negative effects of higher oil prices by quickly recycling the unanticipated government revenues collected from the existing windfall profits tax. Rising oil prices have the same economic effect as an increased excise tax on oil; this bill would offset this effective tax increase with a tax reduction. It would reduce Federal income tax withholding rates to maintain a portion of consumer spending power, thus offsetting the depressing effect on the economy caused by higher oil prices. Also, the bill would recycle revenues to state governors for further distribution to people who are especially hard hit by higher prices and to essential public services such as police, fire and health services. Other existing revenue distribution mechanisms are also authorized for use.

STUDIES

The President is directed to evaluate three additional emergency preparedness options. First, the Strategic Petroleum Reserve could be used to provide access to crude oil, instead of a crude oil allocation scheme; an amendment to the SPR plan to this effect is requested. The second option would provide tax incentives to increase oil storage prior to a disruption. Finally, internationally coordinated stockpiling and emergency demand restraint measures would be investigated.

BACKGROUND

At the outset of the first oil supply disruption in 1973, the vestiges of President Nixon's wage and price controls were still in place. One month after the 1973 October war the Congress passed the Emergency Petroleum Allocation Act of 1973 which extended and expanded the price controls and allocations that were in place. These controls were again extended by the Energy Policy and Conservation Act of 1975 and remained in place until January 28, 1981 when President Reagan removed them. The standby authority to impose price controls and allocations and the authority to ration gasoline expire on September 30, 1981. Under the Energy Policy and Conservation Act of 1975 the President already has the authority to allocate oil supplies if necessary to meet international obli-

gations. Under the Defense Production Act of 1950 the President already has the authority to allocate oil supplies if it is necessary to promote the national defense.

SECTION-BY-SECTION ANALYSIS: S. 1354. EMERGENCY PREPAREDNESS ACT OF 1981

Sec. 1.—Short title and table of contents:

Sec. 2.—Findings and purposes:

Sec. 3.—Definitions:

TITLE I—STANDBY REVENUE RECYCLING AUTHORITY

Sec. 101.—Standby Recycling Authority:

Subsection (a) of this section requires the President to propose a standby plan to Congress which, when implemented under section 103, will provide for the rapid recycling of Federal tax revenues both to state governors (including Puerto Rico and the District of Columbia) for further distribution and to individuals residing in the United States. This plan would be independent of and prepared prior to any particular supply disruption.

Subsection (b) sets forth the objectives to be achieved by the plan under subsection (a) including protection of public health, safety, and welfare and the national defense; maintenance of essential public services; and economic efficiency. In addition, proposed plan would be available to assist all residents of the U.S. and would commence as soon as practicable after the President determines the existence of a severe petroleum supply disruption. Measures are called for to ensure against antitrust violations and to meet international obligations.

Subsection (c) sets forth the revenue distribution mechanisms available to the President to meet the objectives in subsection (b). Mechanisms include emergency distributions of funds to state governors (including Puerto Rico, the District of Columbia and U.S. Trusts and Territories), emergency changes in withholding rates, additions to Social Security and Supplemental Security Income payments, or other distribution mechanisms that the President elects. The plan shall be developed in consultation with the Governors and the public.

Subsection (d) describes the role of the state Governors. The emergency block grants will enable each Governor to mitigate the effects of higher oil prices on low-income or otherwise disadvantaged people, essential public services, people experiencing severe personal hardship, and other priority activities in the state as determined by the Governor.

Subsection (e) requires the President to include in the proposed plan the formula by which revenues would be recycled.

Subsection (f) requires the President to include in the proposed plan adjustments and simplifications to the Crude Oil Windfall Profits Tax that would eliminate the tax on oil discovered during and after the severe supply disruption and that would increase the tax on all oil flowing from wells in production prior to the disruption.

Sec. 102.—Approval of Proposed Standby Plan:

The President's proposed plan shall be approved only with the affirmative vote of both Houses of Congress. This section sets forth expedited procedures to be used for Congressional review.

Sec. 103.—Implementation of the Approved Standby Plan:

Subsection (a) of this section authorizes the President to implement the standby plan only when he determines that a severe petroleum supply disruption (defined in Section 3) exists or is imminent and only after the joint resolution described below is passed by both Houses.

Subsections (b) through (f) describe the procedures that would be used to determine how much money would be recycled during a supply disruption. Specifically, the President or either house of Congress could initiate the action and would specify the amount of money to be recycled over the year following the determination of a severe supply disruption. A joint resolution containing the amount of money to be recycled would be required.

Sec. 104.—Reimbursement to States:

This section authorizes the President to reimburse any State for expenses incurred by such State while preparing for or executing responsibilities delegated to the State under this title.

Sec. 105.—Expiration:

The provisions of this title would expire on the date of expiration of the Windfall Profit Tax.

TITLE II—USE OF THE STRATEGIC PETROLEUM RESERVE

Section 201 directs the President to evaluate the auction of the Strategic Petroleum Reserve to particularly affected refiners in lieu of a standby crude oil allocation program. Section 202 calls for an amendment to the SPR plan incorporating the results of this evaluation.

TITLE III—INVESTIGATION AND REPORTS

This title directs the President to prepare two reports to Congress on the following subjects:

1. oil storage tax incentives
2. international cooperation on stockpiling and demand restraint measures.

OIL SHOCKS AND WESTERN EQUILIBRIUM

(By Robert E. Hall and Robert S. Pindyck)

Energy prices rose dramatically in the 1970s, contributing to the chronic problems of inflation and economic stagnation plaguing so many countries. The odds are good that world energy prices will continue to rise during the next 20 years. What will this mean for economic policy and performance in the industrial nations?

World oil prices could be sharply and unexpectedly accelerated by political turbulence in some of the major oil-producing countries, as we saw recently with Iran. Indeed, none of the major oil-exporting countries are bastions of stability, and the possibilities for supply cutoffs are numerous. Any country in the Persian Gulf, including Saudi Arabia, may face political upheaval that could reduce or even terminate its production of oil. While the likelihood of another Mideast war has decreased, this possibility cannot be ruled out and would almost certainly lead to major production cutbacks by Arab exporters. Military intervention by major powers could likewise lead to a supply cutoff.

Of course, the future of energy prices is highly uncertain, in part because of the inherent instability of the world oil market. It is conceivable, for example, that the world price of oil could fall in real terms over the next 20 years, or rise only slowly. From 1974 to 1978, the economic objective of maximizing long-run revenue seemed to dominate the setting of OPEC prices, and recent analysis indicates that a return to such a policy over the next two decades could lead to real oil prices lower than today's levels. Or the OPEC cartel could break apart, leading to competitive oil prices well below current prices. Also, major new reserve discoveries and unexpected production increases in countries such as Mexico could help to push down oil prices.

But all in all, industrialized countries must be prepared to face further increases in oil prices, and thus increases in the cost of energy in general. These increases may be gradual, but more likely they will be sharp and unexpected as in 1974 and 1979. The consequences can be severe, particularly if the shocks occur when these countries are already suffering from serious problems of inflation, unemployment, and reduced economic growth. Do rising prices necessarily imply an era of sharply reduced economic growth, greater unemployment, and increased inflation? Does it mean serious balance-of-payments problems for the oil-importing countries, and will it lead to destabilization of the international monetary system?

The answers to these questions depend largely on the kinds of economic and energy policies the industrialized countries adopt, both now and in response to future price shocks. With the proper policies, the impact of future energy price increases will be significant but far from catastrophic. Indeed, the challenge facing the industrial nations during the next two decades will be to absorb the necessary costs of rising energy prices without incurring additional unnecessary costs. If they can meet this challenge, energy prices will not threaten their economic prosperity.

DIRECT AND INDIRECT EFFECTS

Rising energy prices have two distinct effects on an industrial economy. First, they reduce the total real national income available for domestic consumption and investment. When energy consumers pay more in real terms to foreign energy producers, their real incomes must fall; even the best economic policy cannot change this.

Whenever goods consumed directly or used in production become more costly to import or produce, the total goods available for consumption in the economy are reduced. It does not matter whether a cartel raises its monopoly price or domestic energy sources become more expensive. In either case, the higher cost of energy will mean a lower real national income, which in turn means lower real wages, profits, and consumption levels. Furthermore, this reduction in income would occur even if the economy were kept close to full capacity.

Second, if energy price increases are rapid and unexpected they create sever inflation, high unemployment, and low investment. This adjustment effect cannot be eliminated but can be reduced significantly through proper economic policy. With the wrong policies, however, these problems may far exceed the direct effect and become a serious threat to economic growth and stability. This adjustment effect led to the inflationary recessions in all the major countries of the Organization for Economic Corporation and Development (OECD) following the 1973–74 shock and appear to be following the 1979 shock as well.

Adjustment problems occur because most modern economies exhibit rigidities in prices, the use of inputs to production, and wages. For example, prices of goods other than energy do not fall rapidly to reflect changes in relative scarcity, and industries cannot quickly shift inputs to production in response to new energy prices. Perhaps most important, real wage rates often fail to fall quickly to the lower equilibrium level consistent with higher energy prices and reduced national income. Labor prices itself out of the market, and full employment becomes uneconomical.

LOSS IN REAL INCOME

If energy prices rise slowly and steadily, the effect is to depress the level and growth rate of real national income. The size of this effect depends on the role of energy in the economy, both as a fraction of GNP and the ability of consumers and producers to conserve energy when it becomes more expensive. If the share of energy as a fraction of GNP is very small, then even a large price increase will have only a small effect on real income. Alternatively, if the demand for energy is highly price-elastic—if it is easy for households and industries to consume less

energy as prices rise—the impact is again small, even if energy's share is large.

The share of energy as a fraction of GNP varies among the OECD countries, ranging from a low of about 8 percent in Canada and the United States to a high of about 10 percent in Japan. These cost shares limit the extent to which an energy price increase will depress real national income. If there are no possibilities for substitution away from energy, a 10 percent rise in the price of energy would reduce real national income by about 0.9 percent in the United States and about 1.1 percent in Japan. The greater the potential for substitution, the smaller are these effects. Based on emerging estimates of the elasticity of energy demand (-0.6 overall) and current energy shares, we have calculated that for the OECD as a whole, a 10 percent increase in energy price would lead to approximately a 0.8 percent reduction in real national income.

What are the implications for the OECD economies over the next two decades? Suppose that the price of energy in real terms were to rise smoothly for the rest of the century at an annual rate of 5 percent. Oil would sell for nearly $100 per barrel in today's dollars in the year 2000—a price that many view as a "backstop" at which oil could be economically replaced by nonconventional energy sources.

Over the next two decades, this hypothetical 5 percent annual increase in energy prices would depress real national income growth in the OECD by about 0.4 percent per year, a 10 percent reduction in the projected 4 percent annual growth rate. Real national income would still rise at an annual rate of around 3.6 percent, although large variations would result from differences in productivity growth and accumulations of savings and capital.

Losses in real income brought about by expensive energy will add to social tensions everywhere, particularly in the United States and Britain, where the loss of 0.4 percent per year in real income growth would constitute a far larger fraction of total growth than in the OECD as a whole. But overall, the loss should be manageable. Of course, this assumes a world free from surprises relating to energy or anything else.

The situation may be more favorable in countries with domestic energy resources. In nations that produce their own energy at very low cost, rising world price of energy would have little direct effect, and nations that export energy produced at low cost will benefit from the shifts in the terms of trade. Among the OECD countries, only Britain and Norway are anywhere close to this favorable position. On the other hand, a nation that produces its own energy at a cost equal to the world price is in no better position than an importing nation, because the labor and other resources devoted to energy production deprive the nation of goods and services exactly as if the energy were imported. Thus, the production of expensive synthetic fuels in the United States will not provide an economic buffer against rising energy prices.

ADJUSTING TO PRICE SHOCKS

The painful experiences of the 1970s taught us that energy prices may rise in sharp, unexpected jumps rather than along the smooth, predictable path that could be accommodated without serious dislocation. Therefore, to prepare to cope with future oil shocks, we must understand the mechanisms by which a sharp jump in energy prices destabilizes an economy.

The first effect, likely to be a major problem in most OECD nations, is generally a burst of price and wage inflation. Less well-appreciated, but in many respects more costly, is the decline in real output growth that typically results from the price shock and that may last for a number of years.

There is no fundamental economic law stating that prices in general must rise when the relative price of one commodity rises. Prices of other commodities could just as well fall, and would if there were no rigidities and equilibrium could easily be restored. But experiences of the 1970s revealed that not only do other prices fail to fall when energy becomes relatively more expensive, but they actually rise in most countries. This reinforcing of energy price shocks by sympathetic increases in other prices is one of the most serious obstacles to smooth adjustment.

For example, inflation would have increased by only 2 to 4 percent from 1973 to 1975 had the effects of energy shock been limited to direct increases in production costs and the prices of energy consumed directly. However, the energy shock also induced increases in wages and other non-energy costs. As a result, almost every major OECD nation had inflation far in excess of 2 to 4 percent. Among the seven major OECD nations, only Germany kept inflation within the benchmark—its rate rose from 6 percent in 1970 to 1973 to only 6.5 percent from 1973 to 1975. The United States was close with 5.1 extra percentage points. Inflation jumped by 6.3 points in Canada and France, 9.2 in Japan, 11.5 in Italy, and 12.7 in Britain. (Figures for inflation are based on the implicit consumption deflator, more uniformly defined among countries than the cost-of-living index.)

A predominant factor in the conversion of an energy price shock into general inflation is wages. Most advanced economies have difficulty making the necessary adjustment to the lower real wage rate necessitated by higher energy prices. The problem is simple: workers would rather not hear that real wages must fall. Again, the example of 1973 to 1975 is particularly instructive. Wage inflation worsened in every major OECD nation except Germany. The acceleration of wage rates was relatively mild in the United States—wage inflation worsened by only 1.9 percentage points during that period. Japan saw an increase of 4.7 percentage points; in Canada, France, and Italy, wage inflation accelerated by 5 to 10 percent; and Britain's wage inflation worsened by 10.1 percentage points. Explicit and implicit mechanisms that automatically link wages to prices create this unfortunate upward pressure on wages. The problem is worsened by the practice of indexing wages to the cost of living, which results in a severe inflationary spiral.

From 1973 to 1975, only Germany escaped this price-wage spiral, which was severe in the United States, Canada, and France and even worse in Japan, Italy, and Britain. This illustrates an important principle: there is no immutable relationship between dependence on imported energy and domestic inflationary effects of a world energy shock. From 1973 to 1975, Germany, heavily dependent on imported energy, had by far the least worsening of inflation, while the United States, the least dependent, was in the middle and the other important OECD energy producer, Britain, had the worst experience.

ENERGY AND REAL OUTPUT

An energy price shock will affect real output, substantially impeding GNP growth for several years. The major OECD economies experienced more or less synchonous recessions in 1975, and the prospects for similar contractions in 1980 to 1981 are strong. The total economic cost of the recession created by the adjustment to suddenly higher energy prices may be as large, or even larger, than the cost of the higher energy prices themselves over the indefinite future, even though the recession lasts only a few years.

The real output level of modern industrial economies is vulnerable to energy price shocks for a number of reasons. Foremost is the inability of an economy to return to equilibrium quickly at a new—and lower—real wage level. Higher real wages mean that employment will fall after a shock as firms lay off workers rather than take losses, and this will mean a drop in real output. Furthermore, sudden changes in input prices create uncertainty about the profitability of private investment. Together with the high interest rates that accompany a suddenly higher price level, this can produce a slowdown in investment demand. Consumption demand will also fall immediately and permanently because of depressed expectations about future real incomes. In the longer run, export demand from energy producers should offset declines in domestic demand, but the experience of the 1970s showed that this process takes quite some time.

Because of the strong interactions among the major OECD economies, the recessionary impact of an energy shock within any single economy is substantially larger than a purely domestic shock of the same magnitude. The business cycles of the OECD nations were out of synchrony before the 1970s, and when the German economy contracted in 1966, it was saved from deeper recession by the booming U.S. economy. By contrast, from 1973 to 1975, all the major OECD economies went into recession in a strikingly uniform way. Neither the magnitude of the inflationary burst set off by the energy price shock nor the degree of dependence on imported oil entirely explains the reduction in real GNP growth in each economy. The mildest recession was in France, where real GNP growth dropped from 5.5 percent from 1970 to 1973 to 1.8 percent from 1973 to 1975, a decline of 3.7 percentage points. Germany dropped by 4.7 percentage points even though it escaped the inflationary explosion in France and elsewhere. The United States had close to the worst recession, losing 5.9 percentage points of real growth and experiencing a contraction in GPN, in spite of its relatively favorable inflation rates and energy endowments. Because of the tight linkage of the OECD through mutual trade, future energy shocks will have relatively uniform effects on the GNP of all OECD nations.

MONETARY MODERATION AND FISCAL RESTRAINT

Sharp increases in the price of energy create a serious dilemma for economic policymakers. The resulting combination of higher inflation, higher unemployment, and lower real output is the worst of all possible worlds. The only effective policy tool for controlling inflation in the longer run is stabilization of the money supply. On the other hand, monetary expansion, or "accommodation," is one of the more effective ways to offset the impact of the shock on employment and real GNP. However, raising the rate of growth of the money supply seems only an academic possibility in countries determined to limit the excessive inflation of the past 15 years. From 1973 to 1975, monetary acceleration took place only in Canada and Italy, and even there it was very modest.

On the other hand, several OECD nations severely curtailed monetary growth from 1973 to 1975 in an effort to offset the inflationary effect of the energy shock. The most extreme case was Britain, where growth of the money supply fell an astonishing 13 percentage points from 1973 to 1975 from its 1970–to–1973 average. Japan also drastically applied the monetary brakes. Significantly, the country with the smallest increase in inflation, Germany, did not reduce (or increase) its rates of money growth; it simply maintained a policy of moderate money growth. The conclusion is that monetary policy should be smooth and predictable to provide a stable economic environment, and should not be used to offset the inflationary effect of an energy shock.

Fiscal policy presents another dilemma in the aftermath of an energy shock. On the

one hand, there is pressure to lower individual tax rates to make up for the loss in real income brought about by higher energy prices. But even without tax cuts, government revenues decline in real terms because higher prices for imported energy, combined with diminished levels of economic activity, will reduce the real tax base. There may also be pressure on government to spend more to stimulate demand and counteract recession.

Higher government deficits are likely to follow an energy shock for a number of years and do not by themselves present any serious economic problems. However, fiscal policymakers should recognize that higher energy prices will decrease real national income. It is impossible to maintain real growth in government expenditures and cut taxes enough to maintain real growth in consumption when the total resources available for domestic purposes have been reduced by higher energy prices. Although budget deficits are sensible during the recession that immediately follows an energy shock, the growth of revenues must be large enough so that it eventually finances the growth of expenditures. If the government chooses to keep expenditures in real terms at preshock levels, then tax increases, not decreases, will be needed sooner or later. With constant tax rates, government expenditures must share in the decrease in real national income. Thus, any increases in expenditures and reductions in taxes that follow an energy price shock should be small and temporary.

POLICY PRESCRIPTIONS FOR A PRICE SHOCK

Although it is impossible to eliminate the inflationary and recessionary impact of an energy price shock, four economic policies can ameliorate that impact. First, governments should not respond to energy price shocks in a knee-jerk fashion by sharply contracting monetary and fiscal policy to prevent the inevitable inflationary burst. Unfortunately, this happened in 1974 and is one of the reasons that many countries experienced such deep recessions in 1975. Some additional inflation is unavoidable in the aftermath of an energy price shock, and severe monetary contractions will only reduce GNP and employment while having little effect on inflation.

Second, when real income falls after a price shock, it is important that the tendency to increase government spending be avoided. The size of the government's share in GNP should be determined by broad social and economic considerations, and reductions in real national income should be spread evenly across all sectors of the economy, including the government. Otherwise government budget deficits can grow out of control, leading to still further inflation and a more than proportionate drop in real income outside the government sector. In countries with substantial domestic energy production, higher energy prices may greatly increase government revenue either through direct income from nationalized energy production or through increased tax revenues from private producers. These revenues should be used to reduce other taxes, not swell government's role in the economy.

Third, special temporary incentives should be used to stimulate investment in the aftermath of an energy price shock because sharp energy price increases can seriously depress investment demand, retarding GNP growth for years. Investment credits, accelerated depreciation, and their equivalents are a good way to stimulate short-term investment in a socially effective way. In the longer term, policies that encourage investment also offset inflation somewhat by adding to productive capacity and thus increasing aggregate supply.

Fourth, are cost-reducing tax policies, which operate to lower prices and raise output by reducing the costs of production. In effect, they introduce the short-run flexibility that modern economies seem to lack and are ideal for offsetting higher energy prices and the resulting recessions. However, effective options for cost reductions are limited.

Reductions in payroll and value-added taxes are the leading candidates. Their effectiveness has been demonstrated in reverse by the recent British experience of raising indirect taxes just before the 1979 energy shock (undertaken with the laudable objective of lowering income taxes). An increase in payroll or commodity taxes has the same effect as an energy price increase—a price-wage spiral—and much of Britain's current high inflation is attributable to this action. Thus, a payroll or commodity tax cut is the natural antidote for an energy price increase.

Unfortunately, such a tax cut is limited by the size of existing taxes and requires difficult and extensive modifications in fiscal institutions in many countries. This is especially true in the United States, where the only federal tax of this type, the Social Security payroll tax, is earmarked for a single purpose.

In summary, increased inflation and reduced levels of real income and output are inevitable after an energy price shock, but economic policies can soften the blow. Such policies should include moderate growth in the money supply, restraint on government spending and budget deficits, investment incentives, and, where possible, reductions in payroll and commodity taxes.

PREVENTING ENERGY SHORTAGES

Major energy shortages can have a much more severe impact on an industrial economy than large increases in energy prices. By restricting the production of other goods and creating supply bottlenecks throughout the economy, energy shortages can cause considerable economic damage. Would sharp cuts in OPEC production lead to significant shortages?

Barring a major war with wide-spread disruption of oil shipments, shortages are almost impossible in the world oil market. As long as some oil is being produced, any country can import as much as desired by offering a high-enough price. Indeed, the very function of the world oil market, particularly the spot market, is to let prices equalize supply and demand.

Likewise, it is impossible for an oil embargo by the Arab (or any other) members of OPEC to cause an energy shortage. The oil-producing countries can determine the quantity of oil they produce, but they cannot dictate where that oil will ultimately be shipped, so an embargo cannot be effective against any single country or group of countries. The Arab oil embargo against the United States and the Netherlands from 1973 to 1974 had virtually no impact on those countries' imports. Although an embargo may achieve political objectives, it results only in production cutbacks and reduces the oil available to all importing countries. Importing countries then compete for supplies, driving up the price of available oil until demand falls. The problem arises from the sharp increase in prices, not from the possibility that oil might be unavailable.

Even though shortages have not occurred in the world market and are unlikely, shortages at the retail purchase level are a distinct possibility. The United States has had the worst experience by far of all the major OECD nations, with serious gasoline lines in many parts of the country both in 1974 and 1979; minor shortages have also occurred in Canada and Britain. The other major OECD countries escaped this problem, even though some are far more dependent on imports than the countries that experienced shortages.

Retail shortages result from government attempts to hold fuel prices below market-clearing levels. Government involvement per se does not create shortages—for example, the government of France is much more involved in petroleum refining and distribution than the United States. But government price controls inevitably lead to shortages. Such controls, combined with government misallocation of regional supplies, created the gasoline lines in the United States. In Europe and Japan, where gasoline prices rose to market-clearing levels, no such problems occurred. Similiarly, the United States was plagued by natural gas shortages during the 1970s as a result of federal controls on wellhead prices.

The lesson from the American experience is clear. The United States has now removed all price controls on crude oil, and interstate natural gas markets will be largely deregulated by 1985. Unless such controls are revived during periods of rapid increases in energy prices, repetition of shortages is unlikely. The most important component of energy policy, particularly for the United States and Canada, is a commitment to the permanent elimination of price controls on energy markets.

STRATEGIC RESERVES

Another important component of energy policy is the implementation of strategic oil reserves. Reserves are not needed to prevent shortages—shortages will not occur in the absence of government controls. But we have seen that sharply rising energy prices cause much more damage than slowly rising ones, and strategic reserves can smooth out price increases in the wake of a major production cutback.

Strategic reserves are most effective when implemented multilaterally. When any country releases its stockpile, it adds to the supply of oil in the world market and thereby reduces the world price. If the United States released a stockpile in the wake of a crisis, its imports of oil would fall, but the impact on world oil prices—those faced by American consumers—would be minor. In that case, the benefits of stockpiling might not be worth the cost to the U.S. But if most or all of the major OECD nations maintained large stockpiles of oil that under international agreement flowed into the market during a major production cutback, this would significantly reduce any sharp price increases and resulting economic damage.

Finally, the impact of energy shocks can be reduced through taxation. Energy taxes reduce overall energy dependence, thereby mitigating the potential economic impact of sudden increases in world energy prices, and can be used to help finance reductions in payroll and commodity taxes. Like strategic reserves, energy taxes can be most effective when imposed multilaterally. Just as the OPEC cartel exercised monopoly power by coordinating cutbacks in oil production, so the OECD countries can exercise monopsony power with concerted action to reduce energy demand. Such use of taxes would not only reduce vulnerability to energy price shocks but would also create downward pressure on world energy prices.

THE INTERNATIONAL FINANCIAL SYSTEM

There is a pervasive fear that growing surplus by the oil-exporting countries—which imply growing trade deficits for the importing countries—impede the recycling of petrodollars and make exporting countries less willing to hold financial assets in lieu of in-ground oil reserves. OPEC and other oil exporters face three possibilities for spending their petroleum revenues.

First, they can purchase goods produced by oil-importing nations. In the aftermath of the 1973-to-1974 oil price increase, OPEC surprised its major customers by rapidly converting payments into goods and services. Second, producers can purchase marketable financial claims upon the oil importers.

OPEC members, especially the Arab nations, have accumulated large volumes of U.S. government obligations and other readily marketable financial instruments, and most OECD countries already produce such instruments in large volume. Finally, OPEC can make direct investments in the oil-importing countries.

If their need for imports were limited, OPEC countries would take a good part of the proceeds from the sale of oil in the form of direct investments or financial claims upon other economies, and the importing nations would run large balance-of-trade deficits. This would be a healthy accommodation to the circumstances that would not strain the international financial system or individual economies if importing nations recognized that trade deficits were inevitable and desirable.

Unfortunately, there is an irrational tendency in some countries to view trade deficits, even if temporary, as threatening to economic health and stability. This puts pressure on governments to adopt "beggar-thy-neighbor" tariffs and quotas in an attempt to export the deficits to other countries. The result is a useless stifling of world trade and further unnecessary reductions in national incomes.

A second problem arises if oil producers begin to lose faith in the financial obligations of their customers. Currently the OPEC nations are accumulating claims upon the rest of the world (primarily OECD countries) at a rate approaching $100 billion per year. Although this is a small fraction of the growth of financial instruments in OECD markets each year—in 1980 the United States alone will create over $60 billion in further government obligations—OPEC members may well question the wisdom of putting so much wealth in a form susceptible to expropriation.

This would create a bias in favor of taking immediate delivery of goods produced by the OECD, the solution to the first round of oil price increases, or, worse, storing wealth as oil in the ground. The inability of the OECD to guarantee the security of OPEC investments creates an incentive to limit oil production and further raise prices. And resulting higher prices can lead to still further concern about investment security.

Therefore, the threat is not within the international financial system, which can easily provide the assets OPEC wants. Rather, OPEC may decide it does not want assets or goods and so further reduce oil production. Convincing OPEC that financial obligations will be honored should be an important policy of the OECD nations.

PLIGHT OF THE DEVELOPING COUNTRIES

Although we have focused on Western industrial economies, we cannot ignore poorer nations. They are likely to face particularly severe problems from rising energy prices, creating both moral and economic problems for industrial nations.

Our analysis of the direct effect of higher energy prices on real income applies with even greater force to the less-developed countries (LDCs). Evidence suggests that LDCs will be less successful than industrial nations in offsetting higher energy costs because their potential for substitution away from energy is smaller. Thus, the reduction in real income growth caused by rising energy prices will be greater and much more significant in countries where a large fraction of the population lives near the margin of subsistence.

A more immediate problem is the LDCs' accumulation of debt to large banks. Energy-dependent nations typically pay for OPEC oil at least in part with financial claims rather than exports of goods and services, particularly following a sharp rise in prices. Because the LDCs do not have readily marketable government or private debt instruments, they are more limited in financing trade deficits.

In the past decade, large banks have acted as intermediaries by providing loans to LDCs and issuing their own reliable instruments in the international credit market. But this process may soon end as the risk of these loans increases. OPEC may invest directly in projects in the LDCs, an activity that has accelerated recently, but this cannot be counted on. As a result, the LDCs cannot run large chronic trade deficits indefinitely. They will be forced to substantially limit oil imports and reduce real output, or they will have to increase exports of commodities and goods. The increase in oil prices in 1973 raised the aggregate account deficit of the non-OPEC LDCs from $10 billion to $35 billion by 1975. This figure fell to $22 billion in 1977 but reached about $70 billion last year. The impact on GNP growth in the LDCs has been limited at the cost of major increases in external indebtedness, which may seriously restrain future GNP growth.

This means that industrial nations should be willing to run large trade deficits so that the LDCs can finance oil imports through exports, but there will also be a need for increased direct aid. We should not expect to depend on the current pattern of extending loans that may never be repaid. Instead, the high-income nations of the OECD must carefully consider and act on the growing disparity in world real income levels, a disparity exacerbated by rising energy prices.

Energy prices are likely to continue to rise in real terms, possibly in sharp and unexpected bursts as in 1974 and 1979. This will no doubt impose significant costs on industrial economies in reduced growth in real income and output and higher rates of inflation and unemployment. In countries with growing political pressures to increase military and social-welfare expenditures while reducing taxes, these costs will be particularly stressful. But these costs should be manageable, even if energy prices triple in real terms over the next two decades. The challenge to industrial economies will be to adopt economic and energy policies to prevent these costs from becoming larger than necessary.

The adjustment to future energy price shocks will be considerably eased if economic policies include moderate money growth, fiscal restraint, investment incentives, and one-shot reductions in payroll and value-added taxes. Multilateral development of strategic reserves and taxes on energy can further ease adjustment. Barring a major war, shortages of oil or other fuels need not occur if energy policies are based on maximum price flexibility rather than artificial price controls. The recycling of petrodollars can also continue smoothly as long as importing countries recognize that temporary trade deficits are inevitable, and they maintain the credibility of their financial obligations. Finally, wealthier nations should recognize that rising energy prices will create special problems for poorer nations, which may require increased assistance.

Unfortunately, most governments have yet to accept these facts and adopt these policies. The costs of further delay may be considerable.

Mr. PERCY. Mr. President, I am pleased to cointroduce with my distinguished colleague from New Jersey, Senator BRADLEY, the Emergency Preparedness Act of 1981—the Bradley-Percy bill. It is a privilege for me to join my name in a bipartisan effort with a Senator who already has a well-deserved reputation as an outspoken and responsible leader on energy security issues. He and his excellent staff have brought creative, nonsense ideas to this forum on a number of occasions. In this case, I am proud to cointroduce a legislative plan which Senator BRADLEY and I both believe constitutes a new and realistic approach to combating the severe economic effects of a future crude oil supply disruption.

While the United States has made significant strides in curbing its appetite for imported oil, we are still dependent on foreign sources and must therefore continue to take steps to insure our national energy security. With President Reagan's bold move to decontrol oil prices, the development of a free-market-oriented energy policy began to take shape. It was an important first step in the direction of energy independence.

But our Nation remains vulnerable to petroleum supply disruptions, an event which appears increasingly likely given recent developments in the Middle East. Such supply disruptions have serious economic effects, the most obvious being soaring oil prices. We cannot afford to be complacent. In the long term, we are investing in new technologies which may some day make the entire world less vulnerable to oil shocks. But until that day comes, we must develop policies which see the world as it is—simple and effective policies which use existing institutions and authorities to the extent possible. We must remain as prepared for energy emergencies as we are for the other dangers that exist in the world.

We have tried gas rationing plans, price controls, allocations schemes, and other regulatory approaches, and I—together with many of my colleagues here in the Senate—have come to the view that these approaches simply do not work. Last year, as ranking Republican on the Permanent Subcommittee on Investigations, and this year as chairman of the Energy Subcommittee of Governmental Affairs, I have chaired hearings on a variety of these issues. From what I have learned, I am convinced we can no longer afford unworkable, bureaucratic approaches to coping with the economic problems associated with oil disruptions.

The Bradley-Percy bill breaks from the tradition established by the Emergency Petroleum Allocation Act and related legislation. It does not seek to control the market and move private oil supplies by Government fiat. This bill is founded on the belief that I consider central to the mandate and philosophy of the new administration—that the free market is generally superior to Government regulatory programs. Yet this bill does not propose a totally hands-off, laissezfaire approach to energy emergencies. Senator BRADLEY and I realize that in the event of a major supply disruption, the absence of compensating action by the Federal Government could result in a severe blow to the economy.

I am as worried about the prospect of $100-a-barrel crude as anyone in this Chamber. Last month, I chaired a hearing at which Frank Zarb, former Administrator of the Federal Energy Administration, warned that future supply disruptions could easily push the price of gasoline as high as $10 per gallon in today's dollars. This would be terrible. However, we must not fall into the trap of believing that price controls and allocation schemes are the answer.

It is my view that these programs only exacerbated the effects of shortages and

have caused us to pay more today for crude oil than we otherwise would. This does not mean that we have no means by which we cannot actively combat price increases. I support the standby availability of emergency demand restraint measures, and I would like to see the administration and the Congress seriously consider standby programs for emergency oil import fees or tariffs, or an emergency tax/rebate plan for gasoline and perhaps other petroleum products.

Last year I cosponsored legislation with Senator JOHNSTON which would have authorized a standby gasoline tax. I still support this measure, but I do not sense much support for its passage. For now, we must make a realistic appraisal of existing conditions and use those authorities which are already in place. This is what this bill does.

The Bradley-Percy bill does contain what I consider to be a potentially very effective measure for preventing or alleviating crude oil price increases. We direct the President to prepare a drawdown plan for the strategic petroleum reserve to reduce the likelihood that refiners who might otherwise have limited access to crude oil would go to the "spot market" and contribute to the chaotic world market situation which has led in the past to the price escalation we are trying to prevent. With the current administration having acted so boldly and effectively to buy additional oil for this Reserve, we are starting to accumulate enough of a stockpile to enable us to use it—fairly soon, if necessary—as a major tool for combating price increases.

The creative and effective use of the strategic petroleum reserve can serve other purposes, as well. We cannot ignore the risk of spot shortages, especially in rural or agricultural areas, during time of emergency. The reserve provides a means by which consumers in all regions of the country—particularly the Nation's farmers—can have confidence that they will have adequate supplies. I want to assure the farmers in Illinois and across the Nation that I would not support this bill if I suspected that it would in any way jeopardize crude supplies going to the agricultural sector.

If this bill becomes law, I have complete confidence that the Reagan administration would draft a drawdown plan in close consultation with Secretary Block and representatives of agricultural associations throughout the Nation. Neither I—nor, I firmly believe, a majority of my colleagues in the Senate—would ever approve a plan which did any less.

I also believe that the proper use of the strategic reserve in time of shortage can help maintain the competitive nature of the domestic refining industry by making crude oil available to nonintegrated refiners unable to secure contract agreements in time of shortages. Many of these refiners are farmer owned and operated cooperatives which, in time of shortage or glut, play a key role in meeting the energy needs of farmers and other rural Americans. Farmer energy cooperatives presently produce almost half of all on-farm fuel requirements.

In addition, these refiners, many of which have invested millions of dollars to upgrade facilities in order to run heavier and more sour crudes, supply rural areas which might otherwise be seriously underserved. By insuring that these refiners have access to strategic reserve oil in time of shortage, the Bradley-Percy bill will prevent farmer co-ops from having to rely on the bureaucratic decisionmaking and cumbersome procedures that have been associated with earlier shortages.

At the same time as I cointroduce this bill, I would like to join Senate Resolution 139 as a cosponsor. This resolution, submitted by Senator ANDREWS, observed that "it is the sense of the Senate that the continued access of farmer-owned oil refining cooperatives and independent oil refining businesses to crude oil at reasonable prices must be assured during petroleum disruptions."

I originally did not cosponsor this resolution because its language implied that these small and independent refiners might be singled out for special treatment in a regulatory environment. Access to crude at "reasonable prices" raises the possibility of price controls, which I would not support. The reference that "access—must be assured" raises the possibility of a Federal allocation program for private oil supplies, which I also would not support. I have since learned that Senator ANDREWS intended these terms to be applied in their broader contexts. Because I share the basic policy objective of this resolution, I will cosponsor it.

The other important provision in this bill is its proposal for recycling additional windfall profit tax revenues that would be associated with a run-up in the price of crude oil during an emergency. Even with an effective strategic petroleum reserve drawdown policy, we have to be prepared for this contingency. The windfall profit tax gives us a means for recycling a major part of these price increases for the benefit of the public. During and after a shortage, revenues derived from the windfall profit tax would rise dramatically, whether or not the Government takes any action. The Bradley-Percy bill gives the administration the authority to develop a plan for distributing those extra revenues to combat the effects of a shortage.

The standby plan, to be prepared by the President and approved by both Houses of Congress, would provide that these tax receipts be turned over to State governments for maintenance of essential public services and distribution of funds to those especially hard hit by higher oil prices. The President could also propose temporary reduction in the withholding rates on Federal income taxes or other measures which could alleviate the effects of higher oil prices on citizens throughout the Nation.

A related provision of this legislation asks the President to recommend to the Congress changes in the windfall profit tax that would be implemented only in the event of a very severe oil supply disruption. Many Illinoisans are in the oil producing industry, and I have always worked to insure them a fair return on their investment. I am especially concerned about royalty oil producers who do not, as a general matter receive a very large return on their wells. We in the Congress have worked hard to find a fair middle ground on the subject of the windfall profit tax—and this bill does nothing to alter the present situation.

What this bill does address is the way the Nation would respond to a potentially devastating jump in the price of crude oil—to as high as $100 per barrel, for example. I know Illinois oil producers well enough to be confident that, if the price of crude oil suddenly tripled during a global emergency, they would not be comfortable watching their incomes triple while other Americans endure grave economic hardships. At the same time, an emergency situation would require a maximum effort to pump as much additional domestic oil as possible. The bill proposes that oil discovered during and after the shortage be totally exempted from the tax. We need a balanced approach to emergency tax policies. The Bradley-Percy bill asks the administration to propose such a balanced approach to the Congress as part of its standby plan.

Mr. President, we must now choose between competing strategies designed to cope with the grave dangers and economic hardships which a severe petroleum supply disruption could entail. I believe that the old "solutions" were not solutions at all and may have even exacerbated our problems. The creation of regulatory bureaucracies has been demonstrated to be a mistake. We must embark on a new approach, one that is simple and—above all—workable.

The Bradley-Percy bill incorporates a reliance on the free market to determine price and allocate crude oil resources while at the same time providing for the lessening of personal hardship, the maintenance of agriculture and other essential economic activities, and the continuation of an unimpaired national defense and other public services. No emergency plan will function perfectly or run as smoothly as its originators intended, but in this bill we have a program that will work far better than the legislation it is intended to replace.

I urge my colleagues to join in this bipartisan plan and support the Emergency Preparedness Act.

RECOGNITION OF SENATOR NUNN

The PRESIDING OFFICER. The Senator from Georgia (Mr. NUNN) is recognized.

PEACETIME SELECTIVE SERVICE REGISTRATION: IMPROVEMENTS IN EQUITY OR COMBAT CAPABILITY?

Mr. NUNN. Mr. President, the issue of registration of young men for selective service is under active consideration by both the executive and judicial branches.

Newsweek recently reported that President Reagan ". . . is almost certain to let the authority for draft registration expire."

I hope this report is inaccurate.

It would require a direct Presidential order to cease registration. Any such decision would seriously weaken our Na-

tion's ability to both deter and respond to national emergencies.

Peacetime registration has significantly improved our ability to meet mobilization requirements and thus is a vital component of military preparedness and conventional deterrence. Army Chief of Staff Shy Meyer has testified this year that registration—

> Has saved 72 critical days in providing trained military personnel to sustain our fighting forces in an emergency.

I find it difficult to believe that any President so deeply committed to improving our national security as President Reagan would intentionally take an action to seriously weaken our defense capability. A decision to stop peacetime registration would undermine our overall national security. It would render suspect our commitment to our allies and would warm the hearts of Soviet military planners.

Before making a decision, I hope the President will consult directly with his top military advisers, and those who have studied this for a long time, especially the Joint Chiefs of Staff.

The issue of registration is also under review by the Supreme Court where a ruling is expected this session.

I was priviledged to attend the session in the Supreme Court on March 24 when the issue of whether the ongoing registration of only draft-age young men is constitutional was argued. The Justices exhibited great interest in the issue before them vigorously questioning both counsel. The Court clearly recognized the importance of their ruling in this case.

I do not want to belittle this constitutional debate or to demean the role of our judicial process. Both are very significant. But while we wrestle with whether the current registration system is unconstitutionally discriminatory, we should not forget that the Soviet military machine is not an equal opportunity employer.

Unfortunately, Mr. President, many discussions of registration focus on the wrong issues and suggest the wrong criteria for judging the need and justification for the registration of only men. There are really three major questions that demand straight answers:

First, is registration needed?

Second, should only men be registered?

Third, is it constitutional to register only men?

The answers will help to clarify why registration has profound implications for our Nation's security and freedom and thus should be allowed to proceed as required under the current law prescribed by Congress.

IS REGISTRATION NEEDED?

Is peacetime registration needed? Yes, because without registration this Nation faces an impossible task in meeting our wartime mobilization requirements. Without it, Mr. President, a major element of our conventional deterrence is AWOL.

The Department of Defense itself, in a December 1978 report on the All-Volunteer Force, has candidly assessed the importance of an effective mobilization capability:

> If deterrence fails and a major conventional war continues beyond the initial engagements, the ability to rapidly mobilize, train and arm these previously untrained personnel may be the difference between victory and defeat or between staying conventional or being forced to shift to the awful specter of international nuclear war.[1]

And Gen. Lew Allen, Air Force Chief of Staff, has said:

> The United States needs to have, in being, a system which will provide a continuous inventory of potential inductees for mobilization . . . The national security risk associated with a weak Selective Service System is significant.[2]

The existence of an effective standby draft apparatus has always been a fundamental assumption underlying the All-Volunteer Force, which was never intended to go it alone in the event of mobilization. But in 1979, when the Senate Armed Services Committee began to consider the need to resume registration, we found that it would have taken 7 months after Congress authorized the resumption of induction for the first draftee to arrive in combat. By that time, the question of reinforcements might very well be an academic one.

In the absence of registration, Selective Service had developed a so-called postmobilization plan for rapid registration and induction after the declaration of an emergency. But investigation revealed that such a plan was at best wishful thinking, and at worst a cruel hoax. Mr. President, experience with registration has confirmed that relying on such a plan would anchor our mobilization capabilities in quicksand.

Yet, in 1979, despite the unanimous recommendation of the Joint Chiefs of Staff, and House and Senate Armed Services Committee reports favoring legislation to resume registration, the administration opposed that resumption and no legislation was enacted. Then, in his January 1980 state of the Union address, President Carter had a change of mind; he decided to resume registration and requested Congress to appropriate the necessary funds. The funds were appropriated and peacetime registration of draft age young men resumed in July 1980.

Mr. President, it is clear that peacetime registration is the only mechanism which will provide for the speedy delivery of the inductees needed for combat replacement and augmentation in a national emergency. No one is claiming that peacetime registration is a panacea; manpower shortages and other mobilization problems still are very large. But the fact is that, as Army Chief of Staff General Meyer recently noted:

> Peacetime registration has saved 72 critical days in providing trained military personnel to sustain our fighting forces in an emergency.[3]

SHOULD ONLY MEN BE REGISTERED?

Now let me turn to my second question: Should only men be registered?

In 1980, President Carter also recommended that women be registered, essentially based on equity arguments and on his administration's prophecy of the Supreme Court's attitude toward the constitutionality of a male-only system. This issue of registering women had been duly deliberated by the Armed Services Committees of both the House and Senate in 1979. And the Senate Armed Services Committee had specifically rejected the idea, long before the Soviet invasion of Afghanistan, long before the hostage crisis in Iran, and long before the Carter declarations on the Persian Gulf.[4]

Again in 1980, the Manpower and Personnel Subcommittee of the Senate Armed Services Committee, after hearings specifically focused on the registration of women, rejected the idea. The full Armed Services Committee agreed and set forth in detail the basis for the decision, including comprehensive "specific findings" which eventually were adopted by the entire Congress.

Mr. President, Congress concluded that women should not be required to register only after hard study of all the critical facets—military needs, constitutional implications, sociopolitical ramifications—of that issue. The congressional decision was not based on some stereotypical notions about the roles of men and women. Rather, there were two essential reasons for registering only men. First and foremost, Congress concluded that the Nation should register men because if induction is required, we will need people for combat, a requirement women cannot satisfy. Second, there are important societal reasons for not registering and drafting women.

CONGRESSIONAL JUDGEMENTS HELD ERRONEOUS

As I am sure many of my colleagues are aware, these sound and considered judgments on the issue of registering women were challenged in the Federal courts. The named plantiffs, including at least one male subject to the revitalized registration process, argued that refusing to register women unconstitutionally discriminated against men, in violation of the equal protection component of the fifth amendment to the U.S. Constitution. Just before the initial phase of registration was to start last July, a panel of three Federal district court judges in Philadelphia, having conducted their own review of much of the evidence underlying Congress decision, agreed with plantiffs' contention. Based on their review, the panel concluded that Congress' judgments were wrong and that our national defense would best be served by a registration and induction system which includes women.

Mr. President, the implications of this ruling are indeed profound. If upheld by the Supreme Court, America, in effect, would have fought four wars in this century with unconstitutional manpower policies. More importantly, Congress affirmative constitutional powers to raise, maintain, and regulate armies in support of our national security would be severely hamstrung. For these reasons, I am compelled to reiterate again today Congress reasons for not requireing women to register and to set forth why I believe that congressional decision was constitutional.

Footnotes at end of article.

THE PRIMARY MILITARY NEED DURING MOBILIZATION IS FOR COMBAT-ELIGIBLE PERSONNEL

Let me repeat that the focus of our efforts was, and must be, to determine the most efficient and effective way to supply the military personnel that would be needed in time of emergency. This is a critical distinction which unfortunately has been lost on the lower court and other critics of congressional judgments on this issue. We are not talking about some new social program or theory to be experimented with. We are talking about the Nation's ability to respond in war to needs that affect—in literally the most serious way—our Nation's survival.

Of course, the congressional decision to require only men to register was in no way intended to denigrate the tremendous contribution many women have made to our peacetime volunteer forces. And I certainly expect that many women volunteers would contribute to our military forces during wartime, just as they have done in the past.

But the fact is, Mr. President, that during a national emergency, the main military need would be for combat-eligible inductees for the infantry, armor, artillery, and other close combat forces. Women are banned from these positions by law and policy and cannot fill this primary military need, unless, of course, the Supreme Court also rules the combat exclusion unconstitutional.

Furthermore, the needs of military flexibility require combat-eligible individuals in combat support and combat service support positions who are available to rotate into combat positions. We cannot fill up these support units with combat-ineligible women without adversely affecting our war fighting capability. Thus, with this primary need for combat-eligible personnel in mind, our training bases, particularly in the early stages of a war, must concentrate on combat skills training. Moreover, current law requires that inductees be selected "in an impartial manner" from those registered.[5] An induction system that provided 50 percent men and 50 percent women to the training commands in the event of mobilization would be a military disaster and an administrative nightmare.

Nor would the need for women during wartime be so large that volunteers could not fill the bill. The services testified that they are getting all the women volunteers they currently need. The Navy, with a strength of over 520,000, has calculated that based solely on combat requirements and the need for rotation, the most women that could be utilized in the Navy would be 45,000. Indeed, a statement of concern about having too many women has very recently come from the Army, which has actively been recruiting women volunteers, in part because of its inability to attract a sufficient number of men. But now according to Army Deputy Chief of Staff General Yerks, and I quote:

> We are starting to get some really hard data, really hard data, on the impact of females on our force. . . . We have seen indications in readiness reports and so forth that there may be some really adverse impacts on readiness.[6]

In summary, Mr. President, registration plays a major role in our Nation's ability to mobilize our combat and other forces in response to an emergency. Those who argue for the registration of women on the grounds of equity are substituting a farfetched theory that cannot practically be implemented for a real military need essential to our national security.

Let me also add, Mr. President, that Congress specifically reaffirmed the wisdom of the exclusion of women from combat in deciding against the registration of females. Although the prohibition against women in combat has not been challenged in the present case before the Supreme Court, a Court decision, now or in the future, that the combat exclusion is unconstitutional would effect a sweeping change in or national security policy. The inevitable result would be an erosion of support for the military strength of our Nation.

THERE ARE IMPORTANT SOCIETAL REASONS FOR NOT CHANGING MALE-ONLY REGISTRATION AND INDUCTION

Mr. President, as I have outlined, the Nation's military needs during an emergency provide the primary and most compelling reasons for not registering women. But Congress also found that there are important societal reasons for not changing our present male-only system of registration and induction. Human beings cannot be stereotyped into neat little classifications solely on the basis of sex. History records the deeds of men like Mahatma Ghandi as well as Attila the Hun. History also records the deeds of women like Mother Theresa and Joan of Arc. Without a doubt there are vast differences among women as well as men. Again, the question is who should be required to fight for the Nation? Surely this is a social issue of the highest order, with sweeping implications for our society.

No one can seriously contend that drafting women, whether in peacetime or in time of emergency, would not impose unprecedented strains on family life, in addition to those on military capability. A draft occurring in time of emergency would produce unpredictable, but most probably adverse, public reactions to the fact of female conscriptions. Thus, drafting large numbers of women could seriously undermine the resolve of the Nation to support the mobilization process.

To be more specific, how would questions of deferments and exemptions be handled? Does providing equity mean identical exemptions based on hardship, physical ability, sole surviving sons, and so forth?

Those who advocate registering women for the draft must accept the inevitable consequences of such a policy, during an emergency mobilization. For example, take the case of a young family with two young children. Under such a system a letter arrives from the U.S. Government ordering that young mother to active duty and denying her any kind of exemption based on hardship or dependents because the father will be left at home to care for the children. Does anyone seriously believe the American people will support such a system? I was, and remain, convinced that they will not. I am confident that the vast majority of the Congress would agree with that assessment.

I am also confident that if we ever change that concept Congress will soon be notified by irate constituents all over this country that they have not subscribed to that new theory.

Thus, Mr. President, those who base the case for the registration of women on principles of equity ignore the fact that their theory has no practical, equitable application. They also ignore the broad implications for our society as a whole which would occur during the strained atmosphere of mobilization.

Some have suggested that although all women should be registered, only a handful actually should be inducted in an emergency. But if we were trying to choose this course, is it not probable that a court which finds that the Constitution compels the registration of men and women equally would then find constitutionally suspect any justifications for inducting only a token number of women in an emergency? How is the equity, which is the aim of the advocates of an equal registration system, achieved by a system wherein a vastly larger number of men than women are actually called to duty? Indeed, at least one of the Supreme Court Justices voiced a concern for precisely this scenario during oral argument.

But the practical import of these societal misgivings goes far beyond merely determining whether women will or will not be registered. The Supreme Court is really deciding whether we will have registration at all. Of course, the Court can depart from all past American experience and declare male-only registration unconstitutional. It cannot, however mandate Congress to pass a bill requiring male and female registration. My reading of Congress makes it clear to me that there will be no female registration, whatever the Court decides. Most Americans do not support the registration and induction of women and Congress will not force such a program on an unsympathetic populace. Thus the Supreme Court decision is not simply another "equal rights" interpretation. The resolution of this registration issue will affect the ability of the United States to mobilize for years to come. Should the Supreme Court affirm the lower court decision, Congress may well be, on the one hand, legally and, on the other hand, politically incapable of meeting its specific responsibilities to provide for the military needs of the Nation. It could be impossible to shape a mobilization system consistent with the legal ruling and public support.

The country then would have to rely on a volunteer force not only in peacetime, but also in war, a result never intended even by the strongest proponents of an All-Volunteer Force. And it

Footnotes at end of article.

should also be clear from the problems we now have with the quality and quantity of our current peacetime All-Volunteer Force that the Nation will not be able to rely on such a volunteer system for very long in the future, even in peacetime.

IS IT CONSTITUTIONAL TO REGISTER ONLY MEN?

Mr. President, having addressed the first two of my opening questions, let me now turn to the third—is it constitutional to register only men?

For the benefit of my colleagues, a detailed treatment of the various legal questions involved in this issue can be found in a very thoughtful law review article recently written by John Roberts, former associate dean of the Yale Law School and the recently appointed dean of the Wayne State University Law School. Dean Roberts also was general counsel to the Senate Armed Services Committee for 3½ years, during which time he was intimately involved in the full range of issues surrounding registration. Anyone interested in the constitutional questions involved in the Supreme Court case should read this article by a legal scholar and military expert.

Mr. President, I ask unanimous consent that Dean Roberts' article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. ARMSTRONG). Without objection, it is so ordered.

(See exhibit 1.)

Mr. NUNN. Mr. President, the constitutionality of a male-only draft registration scheme is not a matter of first impression in the Federal courts. On 12 different occasions, courts at various levels of the Federal judicial system have found male-only registration and induction to be fully consistent with the constitutional guarantees of equal protection under the law. But new constitutional standards for analyzing the propriety of purportedly gender-based discrimination have evolved in the Supreme Court since these earlier decisions. Indeed, one of the questions argued before the Court in the present case focused on what standard the Congress should be held to in exercising its responsibility to raise and maintain armies. I respectfully submit that whatever standard the Supreme Court deems appropriate, Congress action on this issue passes constitutional muster.

Mr. President, I believe the judicial review of legislative decisions is an essential part of the system of checks and balances which protects the integrity of our constitutional guarantees. But the Federal courts have recognized that there are areas where wide latitude is due the Congress in the exercise of its affirmative responsibilities. Congress powers to raise, maintain and make rules for the regulation of our land and naval forces is one area where prudent, but not unbridled, deference to congressional judgments is a long judicial tradition.[7]

A good example is Schlesinger against Ballard,[8] a decision of particular pertinence here since it also involved a congressional judgment tied largely to restrictions on using women in combat. In that case, the Supreme Court rejected an equal protection challenge to statutory provisions which provided that male naval officers were subject to mandatory discharge for failing twice to be promoted within approximately 10 years of service, while female officers were afforded 13 years to obtain equivalent promotions. The differential treatment was based on the fact that female officers had less opportunity for promotion than did their male counterparts because women were excluded from combat duty. Mr. President, the Supreme Court concluded that Congress had acted rationally and cited Congress "broad constitutional power" to raise and regulate armies and navies, emphasizing that "the responsibility for determining how best our Armed Forces shall attend to" fighting and insuring readiness for fighting wars rests with the Congress, and not the courts.[9]

Deference is even more apropos here, where Congress action is so centrally related to military preparedness. As the Supreme Court has noted on another occasion, when asked to exercise regulatory responsibility over the activities of a specific military unit, deference to the judgements of the coordinate branches is especially warranted with respect to:

> The complex, subtle, and professional decisions as to the composition, training, equipping, and control of a military force.[10]

Moreover, this judicial deference to congressional decisions in the military context has been shown even when those decisions limit in some way fundamental freedoms guaranteed under the Constitution, such as freedom of speech [11] and freedom of religion.[12] And the relevance of all these precedents cannot be discounted on the ground that persons called upon to register are merely civilians. For registration and induction are interlocked, and the Supreme Court has recognized Congress compelling interest in maintaining an efficient and workable draft system.[13]

Mr. President, I would not presume to suggest what measuring rod should be used to gage the constitutional propriety of Congress decision not to register women. The Federal courts of appeals which previously have considered this question have looked to whether Congress structuring of the system was "rationally related to a legitimate State purpose" and have uniformly found that standard to be satisfied.[14] In my view, the tradition of deference to Congress judgments in this area would argue that this standard continue to be applied.

However, as I noted briefly before, recent Supreme Court decisions have been elucidating a more demanding test to measure the constitutionality of differences in treatment based on gender—a test which the lower court applied in concluding that male-only registration was unconstitutional. That stiffer standard requires that:

> Classification by gender . . . serve important governmental objectives and . . . be substantially related to achievement of those objectives.[15]

Of course, Congress decision here primarily was based on combat eligibility, not gender. Therefore, there is a strong argument that the stiffer test does not apply at all. But even if the stiffer constitutional test is to be applied in some form, since registration and the draft are inextricably intertwined, the constitutionality of male-only registration must be determined by reference to whether such registration serves substantially to satisfy the Nation's emergency conscription needs.

Mr. President, I strongly believe that the precise legislative record built by Congress on this issue unequivocally satisfies even the more demanding constitutional benchmark. Contrary to the picture painted by those contesting the constitutionality of our decision, Congress examination of whether women should be registered and drafted was lengthy, thorough and comprehensive. It is preposterous to suggest, as some have, that Congress decision on this issue was contrived or somehow uninformed and unintended. Over the course of 2 years, the question was discussed, debated, and decided in both the House and Senate, in both the Armed Services Committees of those two bodies and in both the pertinent subcommittees thereof. Indeed, in 1980 the Subcommittee on Manpower and Personnel of the Senate Armed Services Committee rejected registration of women by a vote of 5 to 2; the full committee by a vote of 12 to 5; and the full Senate by a vote of 51 to 40.[16] The main elements of our findings, which I reviewed earlier, should serve to remind my colleagues of the multifaceted, military-related rationale behind our judgments.

I have also pointed out that Congress was concerned about continued political support for registration as a whole if that system included women. This is a factor which was fitting and appropriate for the Congress to take into account. Indeed, the Supreme Court has stated that when it comes to important public policy decisions:

> The appropriate forum for their resolution in a democracy is the legislature.[17]

Certainly, Mr. President, the question of who should be required to fight for the Nation and how best to accomplish that end is a social issue of the highest order, with sweeping implications for our society. The strains placed on family life by the drafting of women, whenever it might occur, and the unpredictable public reaction to the fact of female conscription properly contributed to Congress judgment that such conscription would not enjoy public support and, therefore, women should not be registered or drafted. And these are the types of social factors that the Supreme Court recently has intimated are permissible for legislators to consider.[18]

CONCLUSION

As I have noted before, it is really in this last conclusion that the true implications of this decision lie. For without public support for an induction system which includes women, it will be impossible for Congress to fashion a mechanism which meets the criteria of any court decision, in effect, requiring such an inclusion. The country essentially would be left without an effective mobilization capability, a vulnerability which

Footnotes at end of article.

clearly would not be in our national interest. The Supreme Court is being asked to replace a congressional judgment with a farfetched theory of equity that is not equitable and cannot practically be implemented. Those practical problems are problems that would have dire consequences for our national security.

Mr. President, let me say in conclusion, that whatever the precise state of the evidence before it, it is the Congress that is specifically charged with the power to raise and maintain armies and thus help protect our national security. And where Congress exercises that affirmative power judiciously, in reasoned fashion, its conclusions should be given due deference. For well-informed, factually based congressional judgments about statutory classifications are not the stuff of which unconstitutional laws are made.

I thank the Senator.

FOOTNOTES

[1] America's Volunteers, December 31, 1978, p. 135.

[2] Hearings on Reinstitution of Procedures For Registration Under The Military Selective Service Act (S. 109 and S. 226) Before the Subcommittee on Manpower and Personnel of the Senate Committee on Armed Services, 96th Cong., 1st Sess. 72 (1979).

[3] Transcript of Hearing on fiscal year 1982 Army Programs Before the Senate Committee on Armed Services, 97th Cong., 1st Sess. 87 (February 3, 1981).

[4] S. Rep. No. 226, 96th Cong., 1st Sess. (1979).

[5] 50 U.S.C. App. 455(a)(1)(1976).

[6] Transcript of Hearing on fiscal year 1981 Supplemental and FY 1982 Authorization Request—U.S. Army Total Manpower—Before the Subcommittee on Manpower and Personnel of the Senate Committee on Armed Services, 97th Cong., 1st Sess. 51, 53 (February 26, 1981).

[7] See, for example, *Schlesinger* v. *Councilman*, 420 U.S. 738, 757–758 (1975): *United States ex rel. Toth* v. *Quarles*, 350 U.S. 11, 17 (1955); *Orloff* v. *Willoughby*, 345 U.S. 83, 93–94, (1953).

[8] 419 U.S. 498 (1975).

[9] 419 U.S. at 510.

[10] *Gilligan* v. *Morgan*, 413 U.S. 1, 10 (1973); see *United States* v. *MacIntosh*, 283 U.S. 505, 622 (1931) (The express power granted Congress under Article I, Section 8, "necessarily connotes the [plenary] power to say who will serve in [armies] and in what way.")

[11] *Park* v. *Levy*, 417 U.S. 733 (1974).

[12] *Gillette* v. *United States*, 401 U.S. 437 (1971).

[13] *See Gillette* v. *United States*, 401 U.S. 437, 461–462 (1971); *United States* v. *O'Brien*, 391 U.S. 367, 377 (1968).

[14] See, for example, *United States* v. *Baechler*, 509 F.2d 13 (4th Cir.), cert. denied, 421 U.S. 993 (1974); *United States* v. *Bertram*, 477 F.2d 1329 (10th Cir. 1973): *United States* v. *Camara*, 451 F.2d 1122 (1st Cir. 1971), *cert. denied*, 405 U.S. 1072 (1972).

[15] *Craig* v. *Boren*, 429 U.S. 190, 204 (1976).

[16] The issue of women was considered in conjunction with four different legislative proposals, S. 109 and H.R. 4040 in 1979, and H.J. Res. 521 and S. 2440 in 1980.

[17] *Maher* v. *Roe*, 432 U.S. 464, 479 (1977) (public funding of nontherapeutic abortions).

[18] See generally *H. L.* v. *Matheson*, 49 U.S.L.W. 4255, 4258–4259 (March 24, 1981); *Michael M.* v. *Superior Court of Sonoma County*, 49 U.S.L.W. 4273, 4275–4276 (March 24, 1981).

EXHIBIT 1

I. INTRODUCTION

In a modest ceremony at the White House on July 2, 1980, President Carter signed a Proclamation reinstituting draft registration for 19- and 20-year-old men.[1] That act may have brought to a close the first phase of the post-Vietnam period in American history, and represents the ending of a complex political and social process. The period from the chaotic withdrawal of American forces from Saigon in April 1975 to July 1980 was characterized by strong anti-military feelings on the part of many citizens and by the rather hasty implementation of plans for an all-volunteer military.[2] By the latter part of 1979, however, many of those feelings which ran so high at the end of the most unpopular war in American history had subsided. Members of Congress and others spoke increasingly of the problems of the all-Volunteer Force, particularly its failures to maintain a sufficient level of quality among new recruits and to provide adequate volunteers for the reserve forces.[3] Many Americans were again willing to talk openly of using American military power abroad. While the President and his chief military and civilian advisors at first maintained staunch opposition to resuming draft registration, the Soviet invasion of Afghanistan led the administration to support registration as a sign of American strength and of the will to protect its worldwide interests.[4]

Conscription, of which registration is the first and necessary step, has always called forth opposition in American society.[5] It has been attacked as involuntary servitude in violation of the thirteenth amendment to the U.S. Constitution, assailed as contrary to the religious and moral precepts of some citizens, accused of fostering foreign involvements by providing a limitless ready pool of men to be sent overseas, and characterized as class-conscious and racist in the application of the various exemptions and classifications which help decide who will actually serve.[6] The current debate over the wisdom and legality of registration, however, has revolved to a significant extent around a relatively new issue—whether women should, or constitutionally may, be excluded from compulsory service. Unthinkable as it may be to many World War II veterans and to members of Congress who have served continuously since the 1940's and 1950's, the issue of whether compulsory military service shall remain a burden imposed only on young men is important to many Americans, and cannot now be avoided.

It was therefore inevitable that the plan to resume registration during the week of July 21, 1980, at post offices all over America, would be immediately challenged in the federal courts. Ironically, the vehicle for this challenge was not a case filed in early 1980, as it became apparent that Congress and the President were finally of the same mind about registration; rather, it was a Vietnam-era case that had been kept alive since 1971.[7] The plaintiffs in *Goldberg* v. *Rostker*[8] had originally attacked the Selective Service System on several grounds, including the failure to include women. The Court of Appeals for the Third Circuit dismissed all claims except the equal protection one,[9] and eventually a three-judge court was convened to hear that issue. On July 1, 1974, the three-judge court, with Judge Rosenn dissenting, denied the Government's motion to dismiss.[10] The authority to draft young men expired, however, on July 1, 1973, and President Ford ended registration by proclamation on March 19, 1975, putting the lawsuit into a state of suspended animation.[11] When discussion of renewing registration began in 1979, the case again became active, and with the congressional appropriation of funds and Presidential action to resume registration, it moved quickly to decision

The three-judge court in Philadelphia decided *Goldberg* v. *Rostker* on July 18, 1980, late Friday afternoon, with registration of the first group of eligible men scheduled to begin on Monday, July 21. It ruled that male-only registration was unconstitutional and permanently enjoined the operation of the Selective Service System.[12] In its opinion, the court first disposed of the justiciability arguments, finding that the case was not moot and that the requirements of standing and ripeness had been met.[13] The court next reviewed the various equal protection tests, concluding that the so-called "middle-tier" test of *Craig v. Boren*[14] was applicable. The opinion went on to discuss in detail the proffered justifications for excluding women from registration, noting that: "If the purported justifications do not support this exclusion, or . . . are invalid as a matter of law, or . . . are contradicted by Congress' own actions or the overwhelming evidence in the record, then we will be required to declare the discriminatory statute unconstitutional."[15] The main portion of the opinion centered around the Government's argument that the exclusion of women from combat roles and the primary need for combat personnel in a time of military mobilization justifies the sole reliance on men in the Selective Service System.[16] The court responded by quoting from congressional testimony and other evidence that women are extensively used in the military services in peacetime,[17] that they can play an important role even in mobilization,[18] and that in any case large numbers of men who would be drafted would not be employed in combat.[19] Based on the assumption that the draft would be selective as to women, the Philadelphia court concluded that incorporating women into the pool of registrants would increase, not decrease, the flexibility of manpower management in time of crisis.[20] The court thus held that the purported justifications set forth by the Government did not meet either prong of the *Craig* test—a male-only draft did not serve important governmental interests and it was not substantially related to the achievement of any legitimate objective.[21]

Immediately after the announcement of the court's opinion, the government sought out the Circuit Justice for the Third Circuit, Justice Brennan; the next day, from his summer home on Nantucket Island, the Justice granted a stay of the order of the three-judge court, pending appeal to the Supreme Court.[22] Registration of men went forward as planned. Thus the stage was set for another act in that peculiarly American drama—the resolution of major social and political questions through judicial review by the Supreme Court.

This article will place the constitutional question into its factual and legal context, and will suggest a framework for deciding the issues. It will attempt to show that the legal issue is more complex than the *Goldberg* opinion indicated; involving not only the recent doctrinal development in the area of gender-based discrimination, but also the cases involving the special application of fundamental rights in the military or national defense context. It will attempt to analyze the conflicting factual claims and policy considerations upon which the justification for excluding women from registration and conscription rests, and will suggest that the proper stance for the courts is one of deference to the judgment of Congress. Finally, the article will suggest a possible disposition in the Supreme Court based on

Footnotes at end of article.

a modification of the *Craig* equal protection standard.

II. JUSTICIABILITY

The registration case had for some years been held in a state of dormancy by the Philadelphia three-judge court. The fundamental reason for this, of course, was that after 1975 there was no requirement to register and the Selective Service System itself was an inactive organization. The Government continued to argue that the case was not justiciable, despite the announcement by the President, during his State of the Union message in January 1980, that he intended to revitalize the registration system,[23] and despite the congressional consideration of special appropriations for registration [24] during the briefing and argument stages of the case. Justice Department lawyers argued that the various plaintiffs could not be drafted, and therefore could suffer no actual injury, since induction was barred by law.[25]

As briefing and argument in the case continued through the Spring of 1980, however, the Government's justiciability arguments became weaker. Congress passed a joint resolution providing registration funds,[26] and the President reinstituted registration,[27] thus removing any doubt that young men would actually be required to register. Similarly, individuals subject to the requirement to register in July 1980 were named as class members, making it clear that at least some of the plaintiff class would be liable for prosecution for failure to register. The three-judge court rejected all of the Government's justiciability arguments, resting most strongly on the existence of criminal penalties for failure to register and on the desirability of deciding the constitutional questions involved in advance of an actual emergency mobilization.[28] Although the Government conceded all the justiciability issues in its Jurisdictional Statement to the Supreme Court,[29] these issues loom as possible means of sua sponte escape for the Supreme Court, should the Justices decide that they do not wish to address the merits of a gender-based draft registration system. Therefore, they will be discussed briefly before turning to the merits.

A. Standing

Like the other elements of justiciability, standing is less a rigid doctrine than a series of general principles. The requirement focuses on the characteristics of the litigant, and is grounded on the "cases and controversies" requirement of the Constitution.[30] The Burger Court is perceived by many as having "revived standing as a formidable obstacle to judicial review." [31] Recent decisions require not only the constitutionally mandated injury-in-fact, defined as a distinct and palpable injury, but also a fairly traceable causal connection between the claimed injury and the challenged conduct.[32]

It seems clear that members of the class of plaintiffs in *Goldberg* do have a sufficient stake in the outcome of the controversy to be granted standing. With the reinstitution of registration, some of the plaintiffs are actually required to register, and face criminal penalties for failure to do so.[33] While they cannot at the moment be drafted, the criminal sanction and the burden of registering seem sufficient to satisfy traditional standing requirements. Recognizing, moreover, that challenges to underinclusive statutes present special problems of standing, the Supreme Court has in the past stated that "the burden alone is sufficient to establish standing." [34] Since the Selective Service Act itself imposes these burdens, and enjoining it would relieve the plaintiffs of them, causation is not a problem.

B. Ripeness

Ripeness is closely related to standing and is an even more slippery concept. Unlike standing, the ripeness inquiry focuses on the controversy itself, and is essentially a doctrine that controls the timing of judicial review.[35] A controversy is not ripe when the court perceives that the acts of the parties have not yet created the concrete likelihood of harm that requires judicial intervention.[36] At base, ripeness also rests on the constitutional requirement that there must be actual cases and controversies in order to invoke the article III judicial power.[37] It reflects the desire of the framers that judicial resources be conserved for cases that actually require resolution, and particularly their fear of advisory opinions.[38]

The cases on the ripeness doctrine seem to establish three tests. First, whether the positions of the parties are such that there is an actual and not a hypothetical clash of interests.[39] Second, whether the facts are sufficiently clear to convince the court to decide the case rather than waiting until a further stage of the controversy.[40] And third, whether there are other reasons which militate in favor of judicial intervention.[41]

The *Goldberg* court rejected the Government's contention that the case was not ripe, based on the actual requirement to register and the criminal penalties for not doing so.[42] It also observed, as to the third aspect of ripeness outlined above, that there were compelling reasons for deciding the constitutional question of male-only registration at that stage.[43] If, as initially advocated by the Government, the issue was litigated only after induction was actually authorized or begun, the important constitutional questions might be adjudicated during a period of mobilization, leaving in doubt at a most crucial point the government's power to induct.[44] The *Goldberg* court had no trouble concluding that the positions of the parties were truly adversarial, and that no new facts would arise between registration and actual induction to materially alter the legal issues.[45] The Supreme Court, based on its precedents, is likely to agree.

C. Political question

A potentially more serious justiciability problem is posed by the political question doctrine. Though the doctrine has been invoked by the Supreme Court rarely since *Baker* v. *Carr*,[46] in 1962, the political question inquiry is still important, as it defines the separation of powers between the legislative and executive branches on the one hand, and the judiciary on the other.

It certainly can be argued that the power to raise and support armies is granted exclusively by the Constitution to the Congress, and that therefore its chosen methods lie outside the ken of the federal courts. Similar decisions have been rendered by the Supreme Court on issues that involved the President's powers over the conduct of foreign affairs, and the constitutional guarantee to the states of a republican form of government.[47] It is a disturbing notion, however, that certain parts of the Constitution are completely outside the power of the federal courts, and the doctrine has not been expansively employed. It was argued by the Government in *Goldberg*, and rejected by the three-judge court.[48]

The best recent illustration of the use of the political question doctrine is *Gilligan* v. *Morgan*,[49] a case which is particularly relavant to the registration issue. *Gilligan* involved the efforts of a group of plaintiffs to prevent a recurrence of the Kent State tragedy. They asked that a federal court impose "continuing regulatory jurisdiction over the activities of the Ohio National Guard," [50] and particularly over its training. The Court found this to be the classic occasion for invoking the political question doctrine, since the administration of the National Guard was a federal and state executive responsibility, and not suitable for judicial decisionmaking.[51] It stressed that no issue of liability for specific wrongs or violation of constitutional rights was involved in the case, only the fear that the Guard would do so in the future.[52] Reflecting the separation of powers roots of the political question doctrine, the Court said:

It would be difficult to think of a clearer example of the type of government action that was intended by the Constitution to be left to the political branches directly responsible—as the Judicial Branch is not—to the elective process. Moreover, it is difficult to conceive of an area . . . in which the courts have less competence. The complex, subtle, and professional decisions as to the composition, training, equipping, and control of a military force are essentially professional military judgments, subject *always* to civilian control of the Legislative and Executive Branches. . . . It is this power of oversight and control of military force by elected representatives and officials which underlies our entire constitutional system. . . .[53]

On balance, invoking the political question doctrine is probably not the best resolution in *Goldberg*. Plaintiffs are arguing that their rights to equal protection under the fifth amendment have been violated; they are not abstractly challenging the administration of the Selective Service System. It is the clash of constitutional provisions—equal protection and Congress' power to raise and support armies—and not the conflict between political branches and the judiciary, that creates the core issue requiring resolution. The best way to resolve that clash is not to declare that equal protection rights cannot be judicially enforced in this context. The Court should, however, recognize the special powers and competence of Congress, and therefore give deference to congressional factfinding and reasoning when applying the appropriate equal protection standard.[54]

III. THE DEVELOPMENT OF AN EQUAL PROTECTION STANDARD

Assuming the Supreme Court opinion addresses the merits of the gender-based discrimination argument, *Goldberg* v. *Rostker* may well take its place as one of the most important cases decided by the Court under the equal protection clause. Before turning to the legal arguments and the issues of military policy involved in the Philadelphia registration case, it is necessary to review the development of the so-called "middle tier" standard for judging gender-based discrimination that has emerged since 1970. Against the backdrop of that development, the special approach advocated in this article for cases like *Goldberg* will become clearer.

As the above brief summary of the three-judge court opinion indicates, the judges did not consider male-only registration a difficult case, but rather one directly controlled by *Craig* v. *Boren* [55] and the related line of gender-based equal protection cases. As Justice Brennan noted in the brief opinion accompanying the stay order, however, the equal protection standard in such cases is not quite clear-cut.[56] There is a good deal of irony in the fact that the stay decision fell to Justice Brennan, who has written the Court's opinions in almost all the major gender-based discrimination cases, and also in the fact that he granted the stay, despite his consistent and articulate opposition to gender-based laws. In answering the question whether there is a "fair prospect" that a majority of the Court will conclude that the decision of the three-judge court below was erroneous [57] Justice Brennan recognized that the state of the law in this area is not without confusion and ambiguity:

In the past, the standard of review to be applied in gender-based discrimination cases has been a subject of considerable debate, compare *Schlesinger* v. *Ballard*, with *Craig* v. *Boren*. And my Brethren's application of the standard upon which we have finally settled in a context as sensitive as that before me cannot be predicated with anything ap-

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proaching certainty. Nonetheless, it does seem to me that the prospects of reversal can be characterized as "fair." [58]

A. Developments before Craig v. Brown

The equal protection clause was not a major weapon for striking down state or federal legislation in the pre-Warren period of Supreme Court history.[59] During the 1960's, however, the equal protection argument came alive as one of the principal elements of constitutional litigation. Generally, the Warren Court began to demand a far greater measure of congruence between means and ends in legislative action. It developed a two-tier approach to these problems. In most subject matter areas, the Court tested a particular law having differential impact on persons similarly situated under the old permissive test: if a rational legislative basis could be conceived for the distinction, the requirements of equal protection were satisfied. But the Court also developed a second test, much less permissive, in which the relation between legislative ends and means was reviewed with "strict scrutiny." This new test was applied by the Court to certain suspect classifications, such as race, or where the legislative scheme affected certain fundamental rights.[60]

Professor Gunther has ably described the complicated changes in the law of equal protection that have developed under the Burger Court.[61] The Court has developed an additional "middle-tier" test in gender-based cases, rejecting the permissive "rational basis" test but stopping short of classifying gender as a suspect classification and thus subject to "strict scrutiny." These recent cases have produced major changes in federal and state law concerning gender-based distinctions, and have spawned considerable doctrinal confusion.

Recent cases and commentaries often allude to *Reed* v. *Reed* [62] in 1971 as the birthplace of the middle-tier test.[63] As with so many "seminal" cases, rereading the case today leaves one somewhat puzzled at its reputation as the intellectual progenitor of the modern gender-based equal protection doctrine. *Reed* involved an Idaho statute granting a preference for male over female executors in the administration of estates. In striking down the statute on equal protection grounds, the Court did not spell out with particularity the standard it was using. While noting that the fourteenth amendment does not "deny to States the power to treat different classes of persons in different ways," [64] the Chief Justice, for a unanimous Court, asked whether the difference in treatment of men and women "bears a rational relationship" to a legitimate state objective.[65] While the Court seemed to be applying the old rational basis standard and not a new middle-tier test, it did find that the statute in question violated the equal protection principle, because its only justification was to avoid controversy and accelerate the selection of an executor. Perhaps foreshadowing the developments in the law that later purport to rest on the shoulders of *Reed*, the Court quoted from a 1920's case for the proposition that the legislative classifications must bear a "fair and substantial relation" to the end sought.[66]

While the rationale in *Reed* may not have been well developed, the disposition certainly suggested that there were cases where a "rational" reason for a gender-based distinction would not be sufficient; moreover, the fact that the Court had finally struck down a state law because of gender-based discrimination indicated that something extraordinary was happening.

The next significant case was *Frontiero v. Richardson* [67] in 1973, but a coherent middle-tier standard still did not emerge. *Frontiero* involved benefits for dependents of military service members. Under the then-current law and regulations, a male service member could claim his wife as a dependent without proof of her dependency, while a female service member was required to prove that her husband was actually dependent on her income. There was no legislative history to give a purpose to this distinction. The Government conceded that males had probably been exempted from a showing of dependency merely for administrative convenience, since female dependents were generally dependent in fact while male dependents were not. Justice Brennan, writing for a plurality of the Court, explicitly found that sex was a suspect classification, and that the Government's justification fell considerably short of the requirements of strict scrutiny. Four other Justices agreed that the distinction could not survive equal protection attack, but expressly refused to hold sex a suspect classification and thus to apply the strict scrutiny test; Justice Rehnquist dissented.

Two things are significant about the opinions in *Frontiero*. First, the Court did not articulate a clearly different standard for judging gender-based discrimination cases, though it again seemed to be applying a stricter standard of some sort. Second, since the Court stressed that it found no arguable government justification other than administrative convenience, *Frontiero* did not indicate how the Court would react to gender distinctions that have a strongly articulated policy basis.

In 1974, *Kahn* v. *Sheven* [68] introduced further doctrinal confusion. Florida had for many years given property tax exemptions to widows but denied them to widowers. Rejecting a widower's equal protection challenge, the Court upheld the law, distinguishing *Reed* and *Frontiero*. In those cases, said Justice Douglas, the distinction between men and women had been made solely for administrative convenience. Florida, by contrast, was attempting to assist widows who face an inhospitable job market marked by sex discrimination.[69] Thus, the purpose was remedial and it did not fall afoul of the equal protection theory of *Reed* and *Frontiero*. The Court also noted that states have a special leeway in enacting tax legislation and classifying persons for tax purposes, implying that the Court would given additional deference to legislative decisions in that substantive area. [70] Nonetheless, as critics were quick to point out, the case was a troublesome one. [71] How far may a state go to compensate for disadvantages inherent in society? The question obviously raises the same difficult and divisive issues as the racial affirmative action cases. The opinion also ignored what advocates of equal rights for women have always regarded as the most serious defect in "protectionist" legislation—that it stigmatizes women as inferior and incapable of caring for themselves, and thus perpetuates society's structure of discrimination.[72] In practical terms, the *Kahn* opinion did not indicate how the remedial purpose of the legislation can excuse the overbreadth of the classification: applying the exemption to many women who do not in fact need help.

The Court's next major opportunity to deal with these issues was *Stanton* v. *Stanton*,[73] in 1975. A divorced woman challenged Utah's age of majority statute, which defined adulthood as eighteen-years-old for females and twenty-one for males, because it allowed her former husband to end support for their daughter at age eighteen instead of three years later. The Court found the statute unconstitutional, again without deciding whether sex was a suspect classification and without articulating a new middle-tier standard.

Another case of major doctrinal importance during 1975 was *Schlesinger v. Ballard*,[74] also significant because it is one of the few major equal protection opinions that have dealt with military issues. The case concerned a challenge to the military promotion system which allowed women officers to remain four years longer than men after failing to be promoted a second time. The suit was brought by a male officer on equal protection grounds, and, on the authority of *Frontiero*, a three-judge federal court invalidated the provisions involved,[75] concluding that the only justification offered was administrative convenience. The Supreme Court, however, disagreed. Without being explicit about the standard it was applying, the Court found sufficient justification for differential treatment of men and women in military promotions. The distinction rested on the fact that promotion opportunities were different for men and women because of the exclusion of women from combat duty. Thus, the extra time available for final promotion of women made up in some measure for the limitations on career opportunities imposed by the combat restrictions.[76]

Significantly, Justice Brennan dissented, repeating his argument that sex should be a suspect classification and questioning the logic behind the majority's holding. It was particularly strange, he noted, to justify one act of gender-based discrimination (differential time to promote) by a second and more pervasive discriminatory policy (prohibition on women in combat positions).[77]

The Court returned to the themes of *Kahn* in a 1975 social security case, *Weinberger v. Wiesenfeld*.[78] In *Wiesenfeld*, the Court, with Justice Brennan writing for the majority, again looked to the purpose and effect of a clearly discriminatory rule—one allowing greater social security benefits for women—and found the remedial justification wanting. Justice Brennan thus followed *Frontiero* and not *Kahn*. A close reading of the opinion indicates that the Court may have in fact been retreating from *Kahn* by applying a different standard of proof for determining legislative purpose.[79] While the Government's proof of a reasonable purpose to compensate women for discrimination in the marketplace is at least as good as in *Kahn*, the Court seemed skeptical as to whether this was in fact the goal Congress had in mind, regardless of the effect. Perhaps *Kahn* and *Wiesenfeld* are simply irreconcilable; at least the latter opinion signals a harder look at discriminatory statutes that purport to have a "good" effect on the status of women.

B. Craig v. Boren

The middle-tier analysis finally emerged in 1976, in *Craig v. Boren*.[80] Like *Stanton*, *Craig* involved different ages of majority for males and females, this time in the context of Oklahoma's law allowing the sale of 3.2 beer to males at age twenty-one and females at age eighteen. Justice Brennan found his majority and wrote for the Court, articulating a special separate standard to govern sex discrimination cases. Reviewing *Reed* and its progeny, Justice Brennan perhaps overstated the clarity of the Court's doctrinal development over those intervening five years: "To withstand constitutional challenge, previous cases establish that classification by gender must serve important governmental objectives and must be substantially related to achievement of those objectives." [81]

While the Court accepted the state's purpose—to improve traffic safety—it found that the statistical relationship between age, sex and drinking on the one hand, and traffic accidents on the other, was insufficiently established.[82] The appropriate standard for judging the statistical evidence is not clearly explained, and indeed, after a lengthy discussion of the evidence, none of which was considered in the legislative history of the provision, the Court concluded that statistical analysis, while helpful, "is in tension with the normative philosophy that underlies the Equal Protection Clause," and thus must be kept in proper perspective.[83]

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Craig v. Boren completed the process begun with *Reed* in 1971. A majority of the Court had now articulated an equal protection standard for gender-based discrimination cases. The standard begun with *Reed* and fully developed in *Craig*, however, left some important questions unanswered. Although it was clear that the intermediate standard differed from the old "rational basis" standard, the extent of that difference was not yet apparent.

C. Post-Craig Developments

Two 1977 cases illustrate the problems that remain even after *Craig*. *Califano v. Goldfarb*,[84] another in the line of cases presenting the dependency issue first raised in *Frontiero*, again rested on the need to probe Congress' actual purposes, and found them wanting. It also contained a confusing discussion of whether the law discriminated against women, whose earnings produced smaller benefits for their deceased husbands; or against men, who were forced to present proof of actual dependency.[85] *Califano v. Webster*[86] showed that life remained in the *Kahn v. Shevin* line of cases, in which provisions are upheld on the ground that they are remedial. A provision of the Social Security Act which results in higher payments for female wage earners upon retirement was upheld because it was designed to compensate women for job discrimination, and not based merely on "archaic and overbroad generalizations" about women's role in society.[87] Again, the Court did not deal with the larger issue of stigmatizing women, nor did it seem troubled by the fact that by no means all of the wage earners who benefited from the statutory favoritism were actually discriminated against.

Without belaboring this brief review of the Court's odyssey in search of a coherent doctrine for gender-based discrimination cases, three of the most recent cases deserve mention. *Orr* v. *Orr*,[88] in 1979, struck down Alabama's alimony law because it allowed such payments to be made only to women. Justice Brennan asked whether gender was an accurate proxy for need in the divorce situation, but found that no such proxy was necessary, since hearings were already held in each case to probe the circumstances of each spouse and individualized determinations were therefore feasible.[89] Perhaps signalling an acceptance by the Court of the more generalized justification for striking down gender-based distinctions, Justice Brennan commented: "Legislative classifications which distribute benefits on the basis of gender carry the inherent risk of reinforcing stereotypes about the 'proper place' of women and their need for special protection." [90]

A more difficult case to understand is *Personnel Administrator* v. *Feeney*,[91] which the Court concluded was not a gender-based discrimination case at all. The Court upheld Massachusetts' absolute lifetime preference for veterans in state hiring practices, despite the fact that 98 percent of all veterans in the state were male and the scheme indisputably made it most difficult for women to obtain state employment. After reviewing past cases, and noting that a law which overtly or covertly preferred males over females in public employment would require "an exceedingly persuasive justification," the Court concluded that the law was simply not gender-based.[92] It was designed to help veterans, and thus excluded a large number of nonveteran males and included a small number of veteran females.

An aspect of *Feeney* which may be relevant to the registration case is that the Court gave no real consideration to the fact that the discriminatory effect of the veterans' preference was due in part to gender-based discrimination in the military service. This issue also skirted in *Ballard*, will come up again in the registration litigation since excluding women from the registration system was justified by Congress on the basis of another set of gender-based distinctions—the restrictions that keep women out of combat positions in the military.

The most recent excursion by the Court into the gender-based discrimination thicket is *Wengler* v. *Druggists Mutual Insurance Co.*[93] As in so many earlier cases, at issue was a statutory scheme which automatically allowed benefits to widows, while insisting that men prove actual dependence on a deceased wife's earnings. The Court's opinion did not contain any new discussion of the *Craig* standard, but illustrated some of the other perplexing problems arising in this line of cases. Like *Califano* v. *Goldfarb*, *Wengler* was viewed by the Court as involving simultaneous discrimination against both men and women. Finding such double-edged discrimination, of course, makes it extremely difficult for the state to justify the law. Moreover, the Court repeated its earlier statements that simply describing a benign purpose—here, to assist widows with death benefits while assisting only those widowers who are actually in need—is not enough.[94] Two other requirements must be met—proof of actual legislative intent and factual proof that the distinction or presumption underlying the law is valid.[95] Neither was found in *Wengler*.

D. Summary—The New Equal protection standard

The cases show considerable support for Justice Brennan's remark that the Court's handling of an equal protection case "in a context as sensitive" as draft registration is not altogether predictable.[96] They show, without question, a progressively greater willingness to strike down laws which discriminate against women, whatever the doctrinal formulation used. They also show an increasing demand that the actual purposes of the legislature be probed, not just the post-hoc rationalization presented by counsel. There is undoubtedly a growing requirement, moreover, that supposed justification for discriminatory treatment be supported by factual evidence of the relationship between means and ends. On the other hand, the Court still betrays substantial confusion about the level of factual proof required, particularly where the law involved has a benign remedial purpose, and remains fixed to some extent on the traditional analysis of whether a provision actually discriminates against one sex or the other. It does not seem fully inclined to accept the proposition that any law drawing a gender line is unconstitutional because it relegates women to second-class status, regardless of a motive to "protect" or "compensate." Finally, the Court seems ready to grant a greater measure of deference in areas of special state or federal legislative responsibility—*e.g.*, state taxation, military affairs, and immigration.[97] The questions to be asked are now clear: does the provision serve an important governmental interest, and is the means chosen substantially related to that interest? The answers, however, are rarely self-evident. The treatment of the emerging equal protection doctrine and the "answers" provided by the three-judge court in *Goldberg* v. *Rostker* will be examined in a later section.[98]

E. Lower court consideration of the draft and equal protection

The doctrinal development in the field of gender-based discrimination is a striking manifestation of how quickly the nation's attitudes about the position of women in society have changed. In fact, the question whether women may constitutionally be excluded from the Selective Service System is not one of first impression; it was decided by eight district courts and five courts of appeals during the Vietnam and post-Vietnam period, 1968 to 1976.[99] Ordinarily, the chances of the Court reversing so formidable and varied a line of cases would be slight. The rapid development of the intermediate standard of review in sex discrimination cases, however, has made the Vietnam line of cases a very doubtful resting place. Not one was discussed or even cited by the Philadelphia court, though they do stand as direct support for the proposition that the exclusion of women from the registration is constitutional.

The opinion in *United States* v. *St. Clair* [100] is typical. The district court evidently applied a rational basis test, noting that Congress excluded women "presumably because they are still regarded as the center of home and family life." [101] Continuing in this vein, Judge Bonsal concluded that men have traditionally had the responsibility for fighting wars, and that "Congress followed the teachings of history that if a nation is to survive, men must provide the first line of defense while women kept the home fires burning."[102] No specific legislative history supporting a male-only draft was cited, as indeed there was none in 1968.

In a Louisiana case two years later, Judge Rubin avoided the stereotypical characterization of women's role, but rested on deference to Congress and its judgments about how best to meet the defense needs of the nation through conscription.[103] His equal protection analysis was also based on a rational basis standard. For Judge Rubin, the then-current debate about the fairness of certain draft exemptions, the lottery system, and other policy questions underscored the political nature of the issue:

> This debate underlines the fact that the question of whom to call up is essentially a political one, and that the political process is now specifically focused on it.
>
> But the wisdom of the legislative definition of the manpower pool is not a matter for a court to rule on. Congress is constitutionally permitted to draw rational distinctions in deciding from whom to require military service, according to its own evaluation of the nation's needs, military, civilian and societal.[104]

In *United States* v. *Yingling* [105] in 1973, the court noted that the Supreme Court opinions in *Reed* and *Frontiero* [106] showed a change in the test used for gender-based laws under the equal protection clause. *Frontiero* was interpreted as meaning that administrative convenience cannot be the sole reason for the gender-based distinction, but the court concluded that more than administrative convenience was involved in the exclusion of women from registration and conscription.[107] A 1974 Wisconsin case dealt more fully with the emerging equal protection cases, but still concluded that a gender-based registration and draft system was constitutional.[108] The court found the personnel regulations at issue in *Frontiero* easily distinguishable from the more fundamental policy issues involved in the draft, where the government's interest is very strong:

> The power of Congress to raise an Army is sui generis. The exercise of that power, through the selective service laws, has deprived citizens of the most profound of human and constitutional rights. . . . Yet, the government interest is so extremely urgent that courts must show the greatest deference to congressional judgment. National security, in its true sense, is at stake.[109]

Only one case during this period held the gender-based draft system unconstitutional.[110] It is noteworthy, however, that it is the most recent district court decision, as well as the most complete, reviewing the historical attitude of paternalism toward women and noting that women are often disadvantaged by it. The court quoted, and disapproved of, the language from *St. Clair*

Footnotes at end of article.

regarding women's stereotyped role, and reasoned that women will never be equal until they are asked to share equally in the burdens of citizenship.[111] The decision, which was grounded on a finding that gender was a suspect classification, was later reversed.[112]

The court of appeals opinions on the issue of a gender-based registration are likewise cursory. In the earliest opinion, *United States v. Fallon,* [113] the Seventh Circuit in 1969 attempted to define precisely the governmental interest served by the Selective Service System. Alluding to the wide variety of classifications and deferments in the law, including the exclusion of women, the court said that "Congress was entitled to consider factors which would both maximize the efficiency and minimize the expense or raising an army and minimize the disruption of what were considered important civilian functions." [114] The court, clearly applying a "reasonable basis" test, found sufficient justification for the exclusion of women from the system.

Opinions in the First and Tenth Circuits, in 1971 [115] and 1973 [116] respectively, gave short shrift to the sex discrimination issue. They seemed to be applying a rational basis test, and there was very little discussion of the factual basis for exclusion of women.

In *United States v. Baechler,*[117] the Fourth Circuit, in a per curiam opinion, also applied the rational basis test. It seemed to find, in the arguments about the different physical abilities of women and the restrictions on their combat role, a sufficient reason for excluding them from the draft system:

Considering the nature of the demands of military service we cannot say that Congress had no rational basis for the distinction based on sex. While it is true that women may and do perform vital services in the armed forces of the United States, and their physical and mental capabilities are valued contributions on the nation in both peace and war, these characteristics and accomplishments do not create a constitutional obligation upon the Government to subject them to call equally with men.[118]

In summary, the courts that considered the constitutionality of excluding women from registration and conscription from 1968 to 1976 found the issue, by and large, to be an easy one. Except for the single district judge who found the law unconstitutional and was reversed on appeal, most of these judges applied a rational basis test in their equal protection analysis, and had no difficulty concluding that the Government had met that burden. None was decided after *Craig v. Boren,* and those decided after *Frontiero* distinguished it. It is, however, too easy to say that these decisions predated the *Craig* intermediate standard of review and are therefore not relevant today. One district judge recognized that the standard was changing,[119] and a reading of the opinions leave one with the strong impression that most would have been decided the same way under the new intermediate standard of review then under development by the Supreme Court. The dominant theme of these cases is deference to the judgment of Congress as to the best way to provide personnel for military service. It is this same deference that seems lacking in the three-judge court's analysis in *Goldberg* and it may yet be the principal issue on appeal of that case to the Supreme Court during the 1980 term.

IV. APPLYING THE EQUAL PROTECTION STANDARD

The opinion of the Philadelphia three-judge court did not linger over the choice of an equal protection standard. It rejected the contentions of the Government that a "rational relationship" test would be appropriate because of the nature of the governmental interest in national defense. It also rejected the arguments of the plaintiffs that sex is a suspect classification or that registration involves a fundamental interest, either argument leading to the application of a "compelling governmental interest" or strict scrutiny test. The court instead chose the middle ground of the *Craig v. Boren* standard, advocated in the alternative by the plaintiffs, which it characterized as the "important government interest" test.[120] The more difficult task is to apply that standard to the registration situation.

A. Defining the gender-based discrimination

In trying to unravel the complexities of the equal protection test, with its inevitable subjectivity about the relationship between means and ends, it is important to keep in mind precisely what sort of discrimination is involved. Excluding women from registration does not "burden" them in the old-fashioned sense reflected in *Craig* or *Reed.*[121] Women are not deprived of a societal benefit by the law. Nor is the question of access to military service as a career an issue. Though the point is often overlooked, exclusion from registration does not impinge in any way on the access of women to a military career, since they may continue to volunteer and serve even in a mobilization situation. Because they are free to participate voluntarily in the activity in question, unlike the situation in most of the earlier equal protection cases, it is even difficult to make the argument that women are being relegated to a position of second-class citizenship.[122] If there is any stigma attached, it arises from the exclusion of women from combat service, not from being freed from conscription. The "burden" here, if there is one, falls on men—exclusion of women from the system makes it more likely that any particular man will be drafted because the registration pool is smaller. Interestingly, registering and drafting women in large numbers, while it might reduce the chances of a particular man being called, probably would increase the chances of a particular male inductee actually going into combat and getting killed or wounded, since fewer rear echelon jobs would be open to men. In any event, in constitutional terms the issue is a narrow one—whether compulsory entry into the service in a time of emergency may be restricted to men.

B. The governmental interest in draft registration

The *Goldberg* court was not careful to separate the two parts of the *Craig* test, but rather treated them as a single standard. Nonetheless, it is analytically helpful to distinguish the two steps—isolating the governmental interest involved and judging the appropriateness of the means chosen to attain the end.

As the above review of the equal protection cases shows,[123] determining whether an important interest is involved usually is not the crucial part of the analysis. Even in cases like *Craig* where the law was struck down, the more difficult task was substantiating the appropriateness of the means. The problem with the first part of the Craig test is more often ambiguity in the legislative purpose, or a disparity between the stated purpose and the legislative history. It is important, however, to understand the governmental interest involved, not as a legal technicality to be satisfied, but rather as a prerequisite to the reasoned analysis of the relationship between means and ends which is at the heart of the equal protection issue. In the case of draft registration, it is arguable that the Goldberg court did not in fact understand the congressional purpose behind reinstitution of male-only registration, and that this misunderstanding was an important factor in skewing its final constitutional conclusions.

1. Legislative history revisited

Legislative history is the key to the first part of the Craig test. It is essential for courts to have a clear idea of what the Congress intended in order to judge its actions. In this report, the Goldberg court went seriously astray, and did not seem to have before it the full legislative history. The Goldberg opinion seems to rely, as the source of the congressional justification for the exclusion of women, on an informal report of a single subcommittee—Senator Nunn's Subcommittee on Manpower and Personnel of the Senate Armed Services Committee.[124] In fact, the legislative history is much more extensive, and established a stronger and clearer congressional purpose.[125] The court quoted extensively from a draft report released to the press by the Nunn Subcommittee in April 1980, and drew from that report the congressional arguments that it found so unconvincing.[126] The court did not, however, note that the report was formally adopted by the subcommittee and later revised, enlarged, and adopted by the full Armed Services Committee as part of its larger report on the fiscal year 1981 military authorization bill.[127] In short, what the Goldberg court treated rather deprecatingly as the preliminary view of a subcommittee was in fact the formally adopted view of the full committee. The final committee report, moreover, contained a revised justification not addressed by the court. The Goldberg court thus divined the congressional purpose and justification for the exclusion of women from registration without considering some elements of Congress' analysis.[128]

Second, the court seemed unaware that the question of excluding women from registration was debated on the floor of the Senate during the summer of 1980, though the floor debate occurred before oral argument and decision in the case. During the debate over the supplemental appropriation necessary to fund the July 1980 registration Senator Kassebaum, along with Senator Levin and others, made a substantial effort to amend the bill to require registration of both men and women; that effort failed.[129] The full Senate also adopted without debate the Armed Services Committee's statutory provision adding authority to begin registration by transferring funds from the Department of Defense, along with the crucial report language on the registration of women.[130] Thus, there was clear Senate endorsement of the report of the Armed Services Committee, rejection on the floor of an effort to include women in registration, and a positive decision to begin registration as necessary in the national interest. In weighing the congressional interest in this vital matter, the court did not deal with any of these facts, and may indeed have been unaware of them.

Third, the court did not mention House action rejecting the proposal that women should be registered along with men. A subcommittee of the House Armed Services Committee addressed the matter and reaffirmed the Congress' consistent opposition to registration of women; the Appropriations Committee also rejected efforts to include women, and a floor amendment to require registration of both sexes was defeated by voice vote on April 22, 1980.[131]

Because the congressional articulation of purpose and the strength of congressional commitment to the challenged policy are crucial to any consideration of the constitutionality of male-only registration and conscription, the Philadelphia court's failure to fully consider the legislative history is curious. In addition, after the court's decision, the House-Senate conferees on the military authorization bill addressed the question in conference committee. The conferees specifi-

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cally adopted the Senate's findings on the registration of women, making them the formal findings of the entire Congress.[133]

2. Determining the congressional purpose

We have seen that the full legislative history on the draft registration issue may not have been adequately analyzed by the Goldberg court. But what of the merits of this issue? What was the congressional purpose? On an elementary level, the purpose of the Military Selective Service Act and of registration procedures is to protect our national security by ensuring a strong military establishment. But such a statement is too general to be of much use in constitutional analysis. It is necessary to dig deeper to understand fully the congressional purpose.

As the resumption of registration became a viable possibility during 1979 and early 1980, members of Congress who were convinced of the wisdom of a male-only system were very concerned over the lack of legislative history to support that policy. The Senate Armed Services Committee, for example, concluded after its 1979 hearings and after research on the issue by the Congressional Research Service, that the legislative history of past draft laws did not provide a defensible justification for the decision to exclude women.[134] It is a commentary on how significantly our ideas about women in society have changed that the need to explain why the draft was limited to men simply had never occurred to earlier congresses. Recognizing the possibility that the courts would apply a heightened standard of scrutiny to such an obviously gender-based classification, the committee set about to establish the basis for its conclusion, which it strongly felt was the conclusion of the Congress as a whole and a majority of Americans as well.[134] Hence the extensive 1979 and 1980 hearings and the effort to articulate the reasoning behind a male-only draft. As noted above, the Nunn subcommittee, the Senate Armed Services Committee, the Senate, and the Congress itself attempted to clarify their intent not only by a general discussion of its reasoning and the facts supporting it, but also by the adoption of specific findings on the question of registration and induction of women. It may be helpful to the analysis to reprint those findings in full.

SPECIFIC FINDINGS

(1) Article I, section 8 of the Constitution commits exclusively to the Congress the powers to raise and support armies, provide and maintain a Navy, and make rules for the Government and regulation of the land and naval forces, and pursuant to these powers it lies within the discretion of the Congress to determine the occasions for expansion of our Armed Forces, and the means best suited to such expansion should it prove necessary.

(2) An ability to mobilize rapidly is essential to the preservation of our national security.

(3) A functioning registration system is a vital part of any mobilization plan.

(4) Women make an important contribution to our national defense, and are volunteering in increasing numbers for our armed services.

(5) Women should not be intentionally or routinely placed in combat positions in our military services.

(6) There is no established military need to include women in a selective service system.

(7) Present manpower deficiencies under the All-Volunteer Force are concentrated in the combat arms—infantry, armor, combat engineers, field artillery and air defense.

(8) If mobilization were to be ordered in a wartime scenario, the primary manpower need would be for combat replacements.

(9) The need to rotate personnel and the possibility that close support units could come under enemy fire also limits the use of women in non-combat jobs.

(10) If the law required women to be drafted in equal numbers with men, mobilization would be severely impaired because of strains on training facilities and administrative systems.

(11) Under the administration's proposal there is no proposal for exemption of mothers of young children. The administration has given insufficient attention to necessary changes in Selective Service rules, such as those governing the induction of young mothers, and to the strains on family life that would result from the registration and possible induction of women.

(12) A registration and induction system which excludes women is constitutional.[135]

It is apparent from a reading of the committee report and hearings, as well as from the relevant floor debate, that the court did not grasp Congress views on this issue. Congress saw the proposal to begin registration as a way to strengthen our mobilization capability, not as a peacetime adjunct to the All-Volunteer Force.[136] It saw registration and the draft as inseparable parts of a single process, designed to supply needed manpower in time of emergency. Congressional concern was much colored by the revelations about current shortages of volunteers for combat assignments, combat-related shortfalls in the reserves, a disastrous 1978 mobilization exercise, and a general concern that the country had no real Selective Service System capable of functioning should it be needed.[137]

By contrast, the court seemed to view registration and possible conscription simply as an extension or supplement to the volunteer services, not as an emergency manpower system primarily designed to supply combat forces.[138] Thus, the court continually emphasized the important role played by women in the present volunteer army and the increasing number of women in all the services. In fact, Congress shares the view that women are an important element of our military services, are making vital contributions to our security, and should continue to do so.[139] That point was simply seen as irrelevant to the issue at hand. Congress focused not on the proper role of women in the peacetime volunteer army, but rather on the most efficient ways to supply the soldiers, sailors, marines and airmen that would be needed in an emergncy. The court's extraordinary comment about congressional purposes can be seen as a fundamental misunderstanding of what had happened:

> It is difficult for us to accept the inconsistent positions of Congress. Congress has continuously allocated funds for the increase of the number of women in the armed services, in both absolute terms and as a percentage of total forces. There can be no doubt that the experience of women in the volunteer army has been a success story. . . .
>
> It is incongruous that Congress believes on the one hand that it substantially enhances our national defense to constantly expand the utilization of women in the military, and on the other hand endorses legislation excluding women from the pool of registrants available for induction.[140]

Quite to the contrary, the congressional view is clearly that encouraging the use of women in the volunteer army and expanding opportunities for career advancement of women are not inconsistent with an all-male draft, but merely reflect different policies with different purposes. The court failed to grasp the point that regardless of the present heavy use of women in the All-Volunteer Force, Congress was postulating a mobilization scenario in which the mix of skills of draftees would be different from those of former volunteers—much more heavily weighted toward combat skills.

Moreover, the *Goldberg* court seemed at times to isolate registration from conscription in a way that is logically and practically impossible. While the judges rejected as illogical the argument that the constitutionality of registration can be analyzed separately,[141] they insisted at several points in the opinion on excluding any consideration of policy concerns like equal induction and the validity of the combat restrictions—issues which are inextricably caught up with the validity of all-male registration itself.[142]

As to the first part of the *Craig* test, then, it is reasonable to criticize the Philadelphia court on several grounds. It inadequately analyzed the legislative history, confused the voluntary peacetime force with the differently oriented mobilization system, and unfairly characterized general congressional attitudes about women in the military.

C. The congruence of means and ends

The meat of the *Craig* test is whether the means chosen by Congress to attain its important governmental objective are "substantially related" to the attainment of that objective. To answer that question, it is necessary to ask why Congress chose the particular means at issue—male-only draft registration—to attain the emergency mobilization capability that was so urgently sought. It is important, therefore, to examine each of the reasons Congress gave for its choice of male-only registration, and the *Goldberg* court's treatment of those reasons.

1. Requirements for combat personnel in mobilization

In examining the justifications proffered by Congress, the Government correctly placed great emphasis on the need for combat replacements in a mobilization scenario and the consequent flexibility given to the services by the fact that the draft pool contained only men.[143] The court responded to this in several ways. First, it noted that in the past only a small percentage of military personnel actually engaged in combat. Second, the court asserted that women can be used in a draft scenario, as they presently perform a variety of military tasks. Finally, the court reviewed the requirements of the Defense Department, to be filled by the Selective Service System in time of mobilization, which call for drafting about 80,000 women along with 570,000 men, concluding that there is no justification for excluding women from the pool. The court summed up by simply disagreeing with the Congress that a male-only pool would give the personnel managers added flexibility.[144]

There is no dispute about the facts on the most general level—most of those needed in mobilization are combat replacements—but not all conscripts go into combat. It is necessary, however, to look more closely at the record, for there is additional evidence that the need for combat replacements in a mobilization scenario is more important than the opinion of the court indicates. Most significantly, the court does not mention the fact that the Defense Department's mobilization plan does not call for the drafting of any women at all in the first sixty days, because of the need for large numbers of combat replacements.[145] Moreover, the 80,000 women to be utilized in the first 180 days would be drafted only if volunteers are not available. The large majority of those needed, and those called, would have to be men in order to fill the need for additional combat personnel.[146]

Throughout the Senate hearings, witnesses testified that the primary need during a mobilization scenario was for men in order to enlarge combat units and replace casualties. Senator Cohen, an opponent of registration but an advocate of including women if registration were to be instituted, questioned William Clark, Principal Deputy Assistant Secretary of the Army for Manpower:

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Senator COHEN. Does it necessarily follow that if you have a draft that all of those who would be drafted would be put into a combat role, or would some be assigned to support roles that you talked about?

Mr. CLARK. Some would certainly be assigned to support roles. But your immediate and very evident demand is going to be first to fill up the kinds of units that have to be deployed early, with an added demand for the replacement of casualties.[147]

Senator Nunn asked a similar question of General Bronars, the Marine Corps personnel chief:

Senator NUNN. General Bronars, what proportion of people drafted in the Marine Corps in case of a mobilization would be for combat skills?

General BRONARS. Assuming that the draft was designed to sustain force levels and that personnel were drafted for a 2-year period, the vast majority of drafted personnel would be used in skills such as the combat arms, requiring the least amount of training time.[148]

The court ignored an additional factual point of considerable importance to its analysis of the primary need for combat personnel. Throughout both the House and Senate manpower hearings for the fiscal years 1980 and 1981, there is considerable testimony about shortages of combat personnel in the present volunteer environment.[149] In a volunteer system, where recruits have a choice of skills, recruiting for combat skills is very difficult, despite special bonuses. As a result, many existing units are very short of combat personnel.[150] The same is true of the reserves, where the Army is short up to 500,000 personnel in the Individual Ready Reserve, the principal pool for immediate augmentation of existing units.[151] When the Army tested its mobilization system, in a 1978 exercise called Nifty Nugget, major deficiencies in combat personnel were revealed.[152] Although the figures were initially classified, they were eventually released and included by Senator Nunn in the hearing record:

[I]f an emergency occurred, the Army indicates that it would not have sufficient combat manpower in combat units. I can now reveal the extent of the problem for some skills: 90 days after a mobilization occurred, the Army would only be able to fill: 52 percent of its infantry positions . . . 73 percent of its artillery positions . . . and 28 percent of its armor positions. . . .[153]

These facts indicate that the need for combat personnel in mobilization is a more complex problem than the court realized. Not only is the major need in a mobilization scenario for combat replacements, but that need is exacerbated by the fact that the foundation on which mobilization builds—active and reserve units and individual reserves—is woefully short on combat manpower. This analysis helps to understand the need felt by Senator Nunn and others to concentrate on combat skills in reinstituting draft registration.

2. Manpower utilization and flexibility

Another argument addressed in detail by the Senate Armed Services Committee and argued by the Government in the Philadelphia case is that the need for combat-capable personnel in mobilization is increased by the necessity to rotate noncombat personnel into combat units and by the possibility that a number of combat support personnel may be drawn into combat inadvertently, thus limiting the number of women assigned to those units. In other words, the figures on percentages of combat and noncombat jobs (roughly 43% of all personnel "slots" are in combat skills[154]) do not give a true picture of the military's ability to utilize women. The court, however, seemed to rest on the fact that there are plenty of noncombat jobs and that there is, therefore, no justification for excluding women from the pool.[155] The difficulty with such an argument is that it views the armed services in a static state, with so many soldiers in combat jobs and so many in combat support and service support units. This is unrealistic, as the following exchange from the Senate hearings indicates:

Senator JEPSEN. Historically, in the Army where most draftees would serve, the distinction between combat and noncombat jobs is quickly lost on the mobile battlefield.

Personnel in noncombat units are often asked to be combat replacements and combat support. Combat service support units often find themselves ordered to accomplish combat missions where combat units are not available.

Doesn't this mean that there is a limit to the number of women who can safely be assigned to combat units, to any units?

Mr. DANZIG. Yes: there is a limit to the number of women who can be assigned to units and the support base because the military must be responsive, not only to the number of men who actually are needed in combat at any given moment, but also those who may be needed in the future because of rotation or whatever.[156]

As the Armed Services Committee report points out, there should be sufficient noncombat males in the services to allow the usual rotation.[157] Given the combat restrictions, moreover, the services will try to avoid placement of women in combat support positions where they are more likely to be engulfed in combat. There was, in fact, considerable testimony in the Senate hearings that the fluid nature of the battlefield makes that problem somewhat greater now than it was in World War II.[158]

The Government argued that these two requirements—rotation from combat to noncombat jobs and insulation from combat on a mobile battlefield—meant that using only men in a mobilization scenario would increase the flexibility of military manpower management.[159] In the Philadelphia case, the court addressed only the first of these requirements, and placed great emphasis on the point that exclusion of women would *decrease*, not increase, such flexibility. The court's reasoning again shows its limited understanding of the actual justifications for a male-only mobilization system:

Defendant's main argument may be summarized as follows: women cannot fill all positions in the armed services, especially combat positions; in a time of mobilization the primary need of the military services will be in combat related positions and in support position personnel who can readily be deployed into combat; therefore, in order to maximize the flexibility of personnel management, women should be excluded from the MSSA.[160]

Admitting that the immediate need in mobilization would be for combat troops, the court then constructed its own scenario, in which the availability of women would improve flexibility:

[M]ale inductees cannot be moved into basic combat positions until after twelve to fourteen weeks of training, and considerably more for highly skilled combat positions; the only immediate deployable source of combat trained manpower would be existing male military personnel on non-combat assignments; the immediately deployable male military personnel are, to a substantial degree, in positions where they do clerical and typing work, nursing and other similar jobs which in the civilian work force are disproportionately filled by women; the pool of female registrants would have a strong concentration of skills not largely available among the pool of male registrants; thus inducted women would be moved into non-combat jobs with little or no training and release men for immediate deployment into combat. Inducted women could complete the work left undone by the combat deployment of the men in non-combat units.[161]

Several points should be made about this scenario. First, of the noncombat males who can be transferred into combat jobs in an emergency, quite a small proportion are in clerical, typing or nursing work. Second, the court assumes that women could step into these jobs, even if they did predominate, with little training: a proposition for which there is no support in the record. In fact, combat training takes less time than most noncombat training, not more as the court assumes.[162] Noncombat billets which are crucial in mobilization are not clerical, but are in communications, engineering, transportation, maintenance, and other areas where civilian men are at least as well qualified as women and have the added advantage of being combat-deployable later.[163] Most significantly, however, the court's rationale is strikingly inconsistent with a primary justification given by Congress for a male-only draft—the court's scenario would quickly result in most of the noncombat jobs being taken by women and the combat jobs taken by men. Congress made a conscious policy choice, based on its constitutional power to raise and support armies, that it did not want individuals to remain in combat without adequate rotation into noncombat units. With the possible exception of nurses, where there are few men available in the civilian pool, the conclusion is inescapable: the flexibility of having all the inductees capable of performing combat or noncombat jobs is significantly greater, over a longer period of time, than the court concluded.

3. Women in combat

A major factor in the congressional analysis of registration was undoubtedly the issue of women's role in combat and its implications in a mobilization scenario. As indicated above, advocates of male-only registration and conscription felt that the 1979 and 1980 hearings had clearly established the primary need for combat replacements in an emergency situation, in contrast to the mix of skills needed in the normal peacetime accession system. They reasoned that in light of that fact, and the legal and policy restrictions against women in combat, the registration and conscription system should therefore be limited to men. Underlying that reasoning, of course, was a congressional belief that the combat restrictions are reasonable and valid. Congressional efforts to make these restrictions more workable and less of an impediment to career advancement for women are not inconsistent with that view, but merely reinforce it; for in each case Congress reaffirmed the basic policy against use of women in combat.[164]

The restrictions placed on women serving in combat positions in the American armed services play an important role in the justifications put forward by the Congress for excluding women from the registration and induction system. It is necessary, therefore, to examine the scope of those restrictions and their logical implications for our legal analysis.

Contrary to popular belief, the actual legal restrictions on women in combat do not cover all the services. There is a specific provision excluding women from certain types of Navy ships expected to engage in combat,[165] and the statutes governing the Air Force contain a provision prohibiting women from serving on combat flying missions.[166] By contrast, the Army provisions are not based upon statute, but upon consistent tradition, policy, and regulation.[167] The notion that women should not intentionally engage in combat is not new, nor is it an exclusively American idea. Of the more than seventy nations that have conscription in some form, only ten conscript women, and none place women in combat jobs.[168]

The definition of "combat" has never been

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clear, but the core meaning of the word seems to involve physical proximity with the enemy rather than merely performance of functions that may involve killing or being killed.[169] For example, the Air Force assigns women officers to duty as strategic missile officers. These officers would fire missiles at targets inside the Soviet Union in time of war, but the Air Force does not categorize that job as a "combat" assignment despite the obviously greater chance of killing and being killed in a strategic nuclear exchange.[170]

As Americans have increasingly begun to rethink their traditional notions of what women can and cannot do, the argument that women could not be successful frontline riflemen, artillerymen, and tank drivers has come under increasing criticism.[171] While these restrictions have their basis in physiological differences between men and women, they are also based on a deep-seated belief that fighting should be restricted to men, and upon doubts as to the actual performance of mixed units in the field. There is very little credible evidence to establish the latter argument one way or the other.[172]

Few courts have considered the constitutional validity of the prohibition of women in combat positions. The Supreme Court, in *Schlesinger v. Ballard*, noted as a fact that these restrictions resulted in different career opportunities for men and women in the Navy, without so much as a hint that the underlying restrictions themselves might be invalid.[173] The most extensive discussion of the matter was in a district court case, *Owens v. Brown*.[174] Judge Sirica there invalidated the old statutory provision concerning women on Navy ships, which did not distinguish between combat and noncombat sea duty. But he took care to make it clear that he was not calling into question the right of the Congress and the President to restrict the use of women in combat positions:

[N]othing in this decision is meant to shape the contours of Navy policy concerning the utilization of female personnel. As the Court has noted in deciding the merit of plaintiff's claims, there remain many unanswered questions about the effects of full sexual integration that may well convince military authorities that women members should be excluded from shipboard combat assignments, or even from permanent assignment to some non-combat positions, or for that matter, from all shipboard duties until such time as the vessels are properly equipped and crew members properly trained to accommodate their female counterparts.[175]

In light of the long line of cases in which the Supreme Court has deferred to congressional and military judgment about matters involving entry into the armed services, control of military reservations, and internal discipline,[176] it would seem highly unlikely that the Supreme Court would ever invalidate the combat restrictions. They involve judgments about military effectiveness that come perilously close to the actual deployment of forces and internal management of the armed services, and they represent a policy judgment too strongly held and fundamental to most Americans for the Court to interfere.

The interesting logical question, assuming that the combat restrictions are valid, is what consequences flow from that conclusion. Military witnesses testified before the Nunn subcommittee that women now comprise about 9% of the armed services, that the figure would increase to 12% or so in the next five years, and that 20–25% was probably the maximum that could be effectively utilized.[177] The latter fact, not mentioned by the Philadelphia court, is a consequence of the need to have some flexibility in the employment of personnel between combat and noncombat jobs; if all potential noncombat jobs—roughly 57% of all individual job assignments in the peacetime army [178]—were occupied by women and thus those service members could not be rotated into combat during an extended emergency, the Army would find itself, in the words of the Senate Armed Services Committee Report, divided into "two groups—one in permanent combat and one in permanent support." [179] Presumably then, if the combat restrictions themselves are valid, other restrictions that are based on them, but also clearly discriminatory, could be justified. For example, if the 20–25% limit of women were to be reached, it would be constitutional to exclude women from voluntary enlistment, or at least severely curtail enlistment. One might also argue that the validity of the combat restrictions would support a differential draft of the kind advocated by the Carter administration and supported by the plaintiffs in *Goldberg*. Thus, the argument would go, because there are restrictions on the utilization of women in combat units, and admittedly more combat replacements are needed in mobilization, it is permissible to draft large numbers of men and small numbers of women, despite the obvious equal protection arguments raised. In any event, admitting the validity of the combat restrictions exerts a strong logical pull away from the result in *Goldberg*.

Recognizing the doctrinal problem, the plaintiffs in *Goldberg* were somewhat unclear as to whether the combat restrictions themselves were unreasonable and invalid.[180] The ACLU legal and policy memoranda take the same ambiguous line.[181] The Philadelphia court, perhaps recognizing that the Supreme Court would be even more unlikely to strike down such restrictions than to invalidate a male-only draft, skirted the issue.[182]

4. The problem of unequal induction

Another major factor in the Congress' decision to limit the registration and draft system to men was the conviction that equal induction of men and women would be extremely undesirable, and that it was more likely to be required by a court if registration were opened to women.[183] Senators Warner and Nunn reepatedly expressed the fear that if Congress were to register both men and women, creating a new legislative history in favor of equal treatment, and then were to authorize a draft which was largely composed of men, the federal courts would strike it down and create the intolerable situation of an equal-numbers draft.[184] That fear, and the belief that an equal-numbers draft would be disastrous militarily, played a major role in congressional reasoning. It was an argument that the Philadelphia court did not see fit to address in detail, calling it irrelevant,[185] although its arguments about flexibility assume a selective draft of women.[186]

The Senate Armed Services Committee criticized the administration for espousing the goal of equality but then advocating a plan that would subject at least six times as many men as women to the draft: "It has been suggested that all women be registered, but only a handful actually inducted in an emergency. The committee finds this a confused and ultimately unsatisfactory solution.

"First, the President's proposal does not include any change in section 5(a)(1) of the Military Selective Service Act, which requires that the draft be conducted impartially among those eligible. Administration witnesses admitted that the current language of the law probably precludes induction of men and women on any but a random basis, which should produce equal numbers of men and women. Second, it is conceivable that the courts faced with a congressional decision to register men and women equally because of equity considerations, will find insufficient justification for then inducting only a token number of women into the Services in an emergency. Indeed, it is hard to see how the equity which is the aim of advocates of an equal registration system is achieved by a system under which a vastly larger number of men than women would actually be called to duty. If the Congress were to mandate equal registration of men and women, therefore, we might well be faced with a situation in which the combat replacements needed in the first 60 days—say 100,000 men—would have to be accompanied by 100,000 women. Faced with this hypothetical, the military witnesses stated that such a situation would be intolerable. It would create monumental strains on the training system, would clog the personnel administration and support systems needlessly, and would impede our defense preparations at a time of great national need." [187]

The Senate's grave concern was based on testimony concerning the effects of a draft that required equal numbers of men and women to be chosen, or put another way, a draft system that was purely random from among a male *and* female population and which would therefore bring in approximately equal numbers of each gender. Service personnel chiefs and their civilian superiors testified that induction of equal numbers in a mobilization situation would be disastrous.[188] If the Army needed, for example, 570,000 combat-capable replacements during the first six months, as is projected for the most frequently used NATO conventional war scenario,[189] an equal induction would also bring in 570,000 women, the vast majority of whom could not be usefully employed. Training bases would be overburdened, and separate housing and other arrangements for such a large influx of women would simply be unavailable. All experts seem to agree that such a result would be unworkable, and would endanger the mobilization itself at the very time when a smooth-working and efficient system is most needed.

The equal induction problem must be taken into account as a practical matter because the Congress considered it an important reason for not registering women. But the equal induction argument is also relevant from a doctrinal standpoint. It is tempting to argue that while the combat restrictions and differential inductfon are constitutionally valid, excluding women from registration for the same reason is not. But the reasoning is not self-evident. One could sensibly conclude, as Congress has done, that the combat restriction can serve to support both the validity of differential induction and the exclusion of women from registration (since it would be difficult to register just *some* women), and that since so few women will be needed in mobilization it is rational to confine the draft to the primary group needed. And it is well to keep in mind that there is no issue here of whether women should serve at all, only whether they should be compelled to serve in a situation where they are excluded from performing the principal function required at that time.

Recall, too, that the mobilization plan calls for one-sixth women over the first six months of mobilization, if needed, but no women at all in the first two months. The court rests on and uses this mobilization plan to support its reasoning,[190] but does not explain how one can conclude that male-only registration is invalid, while a male-only induction in the early weeks is valid.

What the disagreement between the Philadelphia court and Congress may come down to, if one accepts the assumptions that Congress did, is that there is a constitutionally significant difference between imposing a burden on men six-times more frequently than on women at the induction stage, and imposing it on men entirely at the registration stage. From a policy standpoint, Con-

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gress simply did not see the two as significantly different.

5. The military need to draft women

Many members of Congress emphasized the fact that there was no military need to draft women. All witnesses testified that in their military opinion there was a sufficiently large pool of men available to make drafting women militarily unnecessary. As the court quote properly pointed out, that is not strictly relevant to resolution of the constitutional issue.[191] It is, however, relevant to an understanding of what members of Congress saw as their major role—not to redress some abstract inequality of status between men and women, but rather to discharge, along with the President, the constitutional responsibility for national defense. Particularly in the House military personnel subcommittee, the prevailing attitude was an unwillingness to experiment with women in the draft system when there was no military need to take on that added and uncertain burden.[192]

6. Unresolved social problems

In trying to understand the congressional point of view on this volatile issue, it is also important to keep in mind that social, political, and moral considerations also played a role. Congress saw the issue as a complex of military, social, and political concerns not all capable of reduction to factual propositions. There was concern that it was foolish to begin registration of women, with all its symbolic importance and its historical break with precedent, without confronting hard questions about exemptions and deferments for women. What would happen, Senator Nunn asked of administration witnesses, if a family consisted of a young mother, a young father, and small children, and the mother received a draft notice but the father did not? [193]

Was the nation ready for that outcome? Would the drafting of young women in an emergency where thousands of soldiers were dying in a NATO of Middle East clash affect the nation's will to protect its interests? What would the political effects be? All of these questions had no answers, because of the historical exclusion of women for the system, and there is a strong thread running through the congressional deliberations that the majority was not willing to experiment in a situation where our national security would be at stake.

7. Political and tactical considerations

Finally, a consideration in Congress' decision to authorize only the registration of males was the fear that President Carter's proposal to register both men and women would doom the registration issue itself. This surfaced occasionally in the hearings, where Senator Nunn expressed the view that the issue of registration of women would divert the Congress from the registration issue itself, send the wrong signal to our allies and adversaries, and harm our security.[194] It was also mentioned by Congressman Montgomery during House hearings, in a passage quoted in the court's opinion.[195] It is arguable that if the choice had been registration of men and women on the one hand, or no registration on the other, the Congress in 1980 would have voted down registration. In light of the strong view of the administration and many members of Congress that registration was urgently needed to repair a major defect in the country's ability to protect itself, the practical political considerations were an important motive. In fact, the administration itself ceased to press for registration of women when it saw that such an effort could result in defeat or indefinite delay of the larger issue of registration.[196] In light of Congress' affirmative constitutional responsibility for national defense, this factor should have been given some weight in the constitutional analysis, but was not alluded to by the Philadelphia court.

D. Judging Congress' Policy Choice by the Craig Standard

We have now seen that a cogent argument can be made that the *Goldberg* court misconceived the purpose behind Congress' decision to reinstitute registration. We have also reviewed the reasons for the congressional choice. Some of those reasons, like the problem of unequal induction, the unresolved social problems and the practical political considerations, were not addressed by the court at all. Others—like the need for combat replacements and the flexibility issue—involve conflicting evidence and require for adequate judgment, some expertise in military problems. Even assuming these reasons are well understood, it is a major thesis of this article that a court, in applying the *Craig* test to draft registration, should proceed with a healthy dose of deference to the legislature.

Deference to the judgment of Congress was not a major theme of the three-judge court's opinion in *Goldberg*.[197] Yet it is almost certainly going to be a major concern of the Justices when the case is argued before the Supreme Court, as is shown by the emphasis on the issue in the Government's jurisdictional statement [198] and by the Court's treatment of similar issues.[199]

1. The argument for deference

It is not enough to apply the *Craig v. Boren* standard [200] to male-only registration without recognizing the substantially different problems it presents. An obvious reason why more deference should be given to Congress' weighing of the arguments and Congress' view of the facts concerning mobilization is that we are here dealing with an issue—who shall be compelled to serve and perhaps die in defense of the country—which is not only a fundamental political question, but also a matter given over by the Constitution to the affirmative power of Congress.[201] It is thus vastly different from the contexts of the other major gender-based discrimination cases, which involved social security benefits, tax exemptions, dependency benefits, pregnancy leaves, ages of majority and similar classifications applied to men and women who were fundamentally similarly situated.[202] Here, we are concerned with Congress' constitutional duty to raise and support armies, whereas in none of the major equal protection cases has an affirmative power of Congress been directly implicated.

The strength of congressional feelings on the provision in question should also be taken into account. Even using the *Craig v. Boren* approach, it is extremely important to ask how strongly the legislative view is held. Since the equal protection analysis is very subjective in any case, the degree to which Congress attaches special importance to the policy choice it has made is, and should be, very relevant. In contrast to some of the equal protection cases of the 1970's, cases in which the legislative purpose and the ends the legislature sought to achieve were unclear, here the purposes are clear and the strength of conviction is substantial.

In disposing of the argument for congressional deference in a few sentences, the Philadelphia court reasoned that the deference Congress may be due should come into play not in deciding whether to apply the old rational relationship or the new important governmental interest test, but rather in determining the substantiality of the relationship between means and ends.[203] But the court failed to follow its own advice. It is indeed the wise course to analyze the complicated issues of the need for combat replacements and the conflicting claims for operational flexibility with the knowledge that Congress' constitutional responsibility and its superior experience give it something of an edge. But it is difficult to read the *Goldberg* opinion and not conclude that the judges there, by contrast, substituted their judgment for that of Congress on these issues. The court did discuss the factual evidence, but devoted the bulk of its opinion to quotations from administration spokesmen to the effect that registration of women was desirable.[204] Surely it could not have meant to imply that the executive branch's advocacy of this policy is more significant constitutionally than Congress' rejection of it. In both *Schlesinger v. Ballard* and *Owens v. Brown* the administration had advocated that the policy at issue be reversed; the Supreme Court and Judge Sirica, however, appropriately judged the statute or regulation as it existed and ignored the fact that the executive branch opposed it.[205] Reliance on the opinions of administration spokesmen in preference to the judgment of Congress, moreover, ignores political realities. The year before, all these same spokesmen had opposed registration.[206]

2. Deference in other military cases

The Government argued strongly in *Goldberg* that prior Supreme Court decisions established a special deference for congressional and military judgments in areas with national security implications.[207] The *Goldberg* opinion does not address these cases, but rather dismisses them with the statement that they deal with military discretion or day-to-day military operations.[208] That is an inadequate response to a significant and complex line of cases which stand for the proposition that conflicts between individual rights and national security measures must be resolved with great deference to congressional judgments. The Supreme Court cases that establish a different attitude toward fundamental rights in this context do not all relate to internal management of forces or deployment of troops. Contrary to the assertion of the *Goldberg* court, they clearly involve the entire spectrum of congressional power to *raise* and support armies and to make rules pursuant to that power.[209]

A number of Supreme Court cases have dealt with the problem of how to adjust our attitudes, our fundamental civil liberties in the very different context of a military society. While they involve internal management of the military, they are nonetheless relevant, for they show that even our most fundamental liberties must be balanced against national security needs in certain situations. Putting aside as tangential the cases involving military jurisdiction over civilians, which deal with the question of where court-martial jurisdiction and civilian judicial power intersect,[210] the first important case in the post-war period was *Orloff v. Willoughby*.[211] There, a doctor challenged the power of the United States to draft him under a special doctors' draft and then assign him to duties which, while medically related, did not fully utilize his status as a doctor of medicine and did not entail officer's status. The Court deferred to the discretion of the service as to what particular duties he might be assigned, even though the only statutory basis for inducting him was his medical degree.[212] While the case relates to internal management of the military, the Court's broad language about its lack of expertise to decide such questions, and its special deference to military judgments regarding the proper utilization of personnel, makes it relevant to *Goldberg*.

The Vietnam conflict spawned several cases which raised questions about the nature of civil liberties inside the military services. Perhaps the most significant was *Parker v.*

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Levy.[213] Doctor Levy was charged with violating the two "general articles" of the Uniform Code of Military Justice [214] and for disobeying a lawful order after he refused to give medical instruction to special forces personnel and counseled black soldiers to refuse to go to Vietnam. Justice Rehnquist, upholding the provisions, reasoned that military society was different from civilian, and a special military customary law had developed that gives service members like Levy notice as to what was "conduct unbecoming." [215] On the more general issue of the application of first amendment freedoms in the military, he said: "While the members of the military are not excluded from the protection granted by the First Amendment, the different character of the military community and of the military mission requires a different application of these protections." [216]

Middendorf v. Henry [217] involved another right deemed fundamental in the civilian world, but which the Court viewed somewhat differently in a military context—the right to counsel. With only Justice Marshall dissenting, the Court held that it should defer to Congress' judgment that counsel not be provided as of right in summary court-martial proceedings.[218] Most recently, the Supreme Court decided consolidated appeals in *Brown v. Glines* [219] and *Secretary of the Navy v. Huff*,[220] both of which involved the right of service members to circulate petitions. Writng for a six-man majority, Justice Powell upheld the validity of regulations which required prior approval by the base commander for the circulation of petitions, emphasizing that certain civil liberties have to be interpreted differently in a military context because of the special needs of discipline and response to command authority.[221]

Even where the rights of those outside the military are affected by military rules, the Supreme Court has exhibited great reluctance to interfere—even when fundamental rights are involved. The most striking example of cases in this category is *Greer v. Spock*,[222] involving the right of Dr. Benjamin Spock to make a partisan political speech within the borders of Fort Dix, New Jersey. The Court upheld a regulation banning partisan speeches, referring most explicitly to the special deference given to the judgment of military authorities and the special application of constitutional freedoms in the military context: "One of the very purposes for which the Constitution was ordained and established was to provide for the common defense, and this Court over the years has on countless occasions recognized the special constitutional function of the military in our national life, a function both explicit and indispensable." [223]

Two major Supreme Court decisions have dealt with issues involving the Selective Service System, and thus are closely analogous to *Goldberg*. They may in fact may be the most revealing clues to the Court's handling of the registration issue. *Gillette* v. United States [225] involved the congressional decision as to which citizens will be granted exemptions from compulsory military service because of conscientious objection to war. Congress had drawn a line between those who object on religious grounds to all wars and those whose religious beliefs forbid them to engage in unjust wars but allow participation in some conflicts.[225] The former were to be granted conscientious objector status while the latter are denied it. This congressional distinction was challenged on grounds that it violated the freedom of religion of those who object on religious and moral grounds to a particular war, in this case the Vietnam conflict.[226] The Court justified the distinction, which to many may seem irrational, on the grounds that Congress has special powers in the area of raising military forces, and a compelling interest in maintaining an efficient and workable draft system.[227] The case is a striking example of judicial deference to congressional judgment in national security affairs, even where the classification made by Congress affects a basic right of citizenship.

The other case was *United States* v. *O'Brien*,[228] the draft card burning case. There, Chief Justice Warren upheld the constitutionality of the law making it a crime to destroy one's draft card, and described Congress' power in a most expansive way:

> The constitutional power of Congress to raise and support armies and to make all laws necessary and proper to that end is broad and sweeping. . . . The power of Congress to classify and conscript manpower for military service is "beyond question." . . . Pursuant to this power, Congress may establish a system of registration for individuals liable for training and service, and may require such individuals within reason to cooperate in the registration system.[229]

Finally, there is *Gilligan* v. *Morgan*.[230] That case, as discussed above, involved a wholesale assault on the concept of military discretion and judicial deference. In rejecting the plaintiff's request to undertake continuous judicial supervision of the Ohio National Guard, the Court went even further than the other deference cases noted above, refusing on political question grounds to address the merits at all.[231]

This catalog of recent decisions is not an exhaustive treatment of the cases discussing the relationship between constitutional protections in the military and civilian contexts. But the cases, none of which are alluded to by the three-judge court in the Philadelphia registration case, do indicate an attitude by a majority of the present Court that even the most fundamental rights must be viewed within the context of Congress' judgment about military necessity. These cases involve interests just as important, socially and constitutionally, as gender-based discrimination—free speech in *Parker v. Levy*, freedom of political activity in *Greer v. Spock*, right to counsel in *Middendorf v. Henry*, freedom to circulate petitions in *Secretary v. Huff*, to mention only a few. While the Court does look at the merits of the constitutional claims in most of these cases, it does so with a special attitude of deference because of the constitutional separation of powers in national security matters. The military-context cases constitute clear support for the proposition that the courts should judge the constitutional issue in the male-only registration case with substantial deference to the judgment of Congress concerning the reasonableness of its choices in the national security area.

3. Deference in equal protection cases

The notion that the applicable equal protection test should be applied, in certain contexts, with a greater measure of deference to congressional findings and reasoning is not a new one. As observed above, deference to the state's affirmative taxing powers was mentioned by the Court as one reason for upholding a Florida tax that applied differently to men and women in *Kahn v. Shevin*.[232] Moreover, the Court has used deference to congressional policy quite recently in an equal protection case. In *Fialla v. Bell* [233] in 1977, the Court relied very heavily on Congress' special powers over immigration and naturalization, despite previous applications of the middle-tier test in cases involving aliens. The analogy to the affirmative powers of Congress is certainly apt. In *Fiallo*, the Court upheld a provision of the Immigration and Nationality Act which grants special status to aliens who are parents of children of U.S. citizens; the law withholds the preference from the natural father of an illegitimate child while giving it to the mother.[234] With Justice Powell writing for the Court, the Justices rested on the traditional extreme deference to congressional decisions about the entry of aliens.[235] They made no real attempt to probe the rationality of the distinction Congress drew in that instance, even though *Fiallo* is a post-*Craig* case.

The most relevant support for deference can be found in *Schlesinger v. Ballard*.[236] The case is significant in several respects. Unlike *Frontiero* it involved important military policy questions, not administrative arrangements or benefits, and thus is arguably closer to the registration case. Indeed, military promotion policy, at issue in *Ballard*, is one of the most fundamental congressional duties in establishing and maintaining an adequate army. Thus, the Supreme Court's finding of sufficient justification for a gender-based difference in *Ballard* may indicate that it may come to the same conclusion in *Goldberg*. It is particularly relevant because the promotion problems at issue in *Ballard* were a direct result of the restrictions against women in combat, and that policy also stands at the root of Congress' decision to exclude women from registration and induction. Second, even though the line of "new equal protection cases" seemed well established by them (albeit without a clear rationale), the majority in *Ballard* did not demand very much in the way of factual support for its finding of sufficient governmental interest. For example, it might well be asked whether there were other means available to compensate for the different work opportunities imposed by the combat restrictions which were less blatantly discriminatory. The Court might also have examined more carefully whether the challenged policy actually benefited women officers.[237] But most importantly, the Court in *Ballard* expressed a special concern for deferring to Congress in judgements about military matters:

> This court has recognized that "it is the primary business of armies and navies to fight should the occasion arise." The responsibility for determining how best our Armed Forces shall attend to that business rests with Congress, and with the President. We cannot say that in exercising its broad constitutional power here. Congress has violated the Due Process Clause of the Fifth Amendment.[238]

Recognizing that *Schlesinger v. Ballard* is a crucial equal protection case for its analysis, the *Goldberg* court made special efforts to distinguish it. First, it noted that the men and women naval officers whose allowable time to be promoted was different were not in fact similarly situated, because the combat restrictions limited the kinds of work women could do and thus their chance of promotion.[239] The difficulty is that precisely the same situation arises in the registration case from those very same restrictions, and therefore it is no ground for distinguishing the cases. The ability to utilize large numbers of women effectively in a mobilization situation is severely limited by the combat restrictions. Second, the court asserts that *Ballard* was decided before *Craig*, and therefore is of questionable validity. It is doubtful that any commentator on the sex discrimination cases which would give much credence to that argument. The *Craig* opinion twice quotes *Ballard* with approval,[240] and *Craig* itself purports to be a restatement and clearer articulation of what had already been established, not a change in the doctrine.[241] The Court has consistently taken the position that its "new" equal protection standard dates not from *Craig* but from *Reed* and *Frontiero*, both decided before *Ballard*. *Schlesinger v. Ballard* may be read to reflect the analysis advocated in this article—it recognizes Congress' special role in raising and supporting armed forces and deciding on

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their management, and gives deference, within reasonable limits, to Congress' view of the justification for its actions. In fact, since there was substantial disagreement about the purpose and effect of the personnel provisions in *Ballard*, one can make a cogent argument that the registration question is the easier of the two.

4. What is a "Substantial Relationship"?

The standard of proof for constitutional facts which has emerged from the Supreme Court's equal protection cases is neither clear nor consistent. Thus, even if applied with deference to congressional findings, the second, "substantial relationship," part of the *Craig* test does not provide a simple or concise set of guideposts for constitutional decisionmaking. The *Goldberg* court lays out a three-part test by which to judge the sufficiency of Congress' reasons—whether the purported justifications support the exclusion of women, whether the justifications are invalid as a matter of law, and whether they are contradicted by Congress' own actions "or the overwhelming evidence in the record."[242] But these three standards are not drawn from the Court's equal protection opinions, and are certainly too conclusory to be helpful.

Commentators and even members of the Court have pointed out the lack of content to the notion of a "substantial relationship."[243] In *Craig*, as we have seen, the Court demanded a clear statistical relationship between drinking, driving, and the earlier maturity of young women.[244] It did not find that relationship. But the Court's other opinions do not clearly explain what kind of statistical relationship is needed. There is no such requirement, for example, in *Kahn* v. *Shevin*, where certainly not all women needed the protective exemption given them by Florida law,[245] or in *Califano* v. *Webster*,[246] where all women had not suffered the employment discrimination that lay behind higher social security benefits for them. Both of these cases involved provisions that placed a special burden on men, just as does the male-only draft. Even in the *Craig* opinion itself, where the Court performed its most searching statistical inquiry, there is a recognition that mathematical certainty in judging the congruence between a gender class and the legislative purpose is simply not possible. After a complicated review of the statistical evidence, the Court concludes:

> There is no reason to belabor this line of analysis. It is unrealistic to expect either members of the judiciary or state officials to be well versed in the rigors of experimental or statistical technique. But this merely illustrates that proving broad sociological propositions by statistics is a dubious business, and one that inevitably is in tension with the normative philosophy that underlies the Equal Protection Clause. Suffice it to say that the showing offered by the appellees does not satisfy us that sex represents a legitimate, accurate proxy for the regulation of drinking and driving.[247]

There is also a qualitative aspect to the notion of a "substantial relationship." Here too the Court's opinions give insufficient guidance. This is because few of its decided cases involved policies that were clearly articulated or backed by strong legislative conviction. In several of the important cases—Reed, Frontiero and Orr, for example—the Court found no real reason for the gender-based classification except for administrative convenience. Those cases are not particularly useful in analyzing the standard of proof needed where there is an expressed policy basis for the distinction, as in Goldberg. Whatever one might think of the justification for a male-only draft, it surely involved more than administrative convenience, since it is bottomed on the restrictions concerning women in combat.

There is no dispute over the fact that the primary need in a mobilization situation is for combat personnel, and it is also clear that some women could be used, assuming a differential draft. While this article has attempted to show that there is somewhat more evidence to support the congressional judgment than the Goldberg court acknowledged, the question whether there is a substantial relationship between means and ends is certainly not easily resolved. The Court's opinions give very little guidance to a judge in evaluating factual arguments that are conflicting, where Congress has chosen to accept one rational interpretation and to reject another. Yet this is where deference is most clearly to be preferred. Moreover, there is no escape from the fact that application of the Craig test involves some sort of balancing between the state interest on the one hand and the fit between congressional purpose and the gender line drawn on the other. And while factual evidence helps in that balancing process, it should also involve, depending on the precise issue, considerations other than factual and statistical ones. Thus, the social and political issues in the case may prove more important in the Supreme Court than they were below.

5. A lower-middle-tier standard?

The Government's jurisdictional statement to the Supreme Court continues to assert the position it took before the Philadelphia court, that the respect due to congressional powers in the national security area should dictate use of the old rational basis standard.[248] It seems unlikely, however, that the Supreme Court will be willing to turn back the clock in the field of gender-based discrimination. It also seems more reasonable to interpret *Ballard*, perhaps the key precedent, as representing a deferential approach to application of the middle-tier standard, not as a rational basis, pre-Reed case.

Admittedly, adopting the posture advocated here—accepting the applicability of the *Craig* test but applying it with a measure of deference to Congress—would not always give a clear answer. But it defines an attitude on the part of the judiciary in the crucial area of national defense which is more consonant with separation of powers doctrine than is the opinion in *Goldberg* v. *Rostker*. It does not require that Congress' facts and reasoning be immune from scrutiny, but it does counsel a certain respect for clearly articulated findings based on reasonable evidence, even if other conclusions are possible. It recognizes, moreover, a limitation on the skill and experience of judges in dealing with defense issues. While it may further confuse an already confusing set of equal protection standards, such an approach seems well supported by the cases outlined in this section and more conducive to a sensible separation of powers in matters which critically affect national defense. Such an approach does not mean abandonment of the *Craig* standard, because application of the modified test here is supported by a line of precedent for deference in military and national security affairs that will not be present in other contexts.

In retrospect, it appears that the district and circuit judges who adjudicated the equal protection issue during the Vietnam years, before the flowering of the middle-tier standard, were on the right track. They approached the task with a healthy respect for congressional decisionmaking and a recognition of the critical nature of the national security issues involved. Since that line of cases was decided, the Supreme Court has arguably set out a more demanding standard for gender-based discrimination cases, but Congress has also more forcefully and factually explained the reasons for its policy. Following the analysis advocated in this article, the outcome should be the same—upholding the constitutionality of the male-only draft.

V. CONCLUSION

The purpose of this article has been to suggest what, in the author's view, are the real issues in *Rostker v. Goldberg*, and to provide an analytical framework for their resolution. In Section II, we reviewed the various justiciability issues—standing, ripeness, and political question, and concluded that they should probably not be barriers to adjudication of this case on the merits. In Section III we reviewed the general development of equal protection doctrine in the Supreme Court's gender-based discrimination cases, culminating in the middle-tier standard of *Craig v. Boren*. We saw that those cases leave many questions unanswered, and do not provide an easy solution to the problem raised in *Goldberg*. In Section IV, we attempted to isolate the actual purpose behind the congressional decision to reinstitute registration. We also probed the reasons for the policy choice to exclude women, concluding that in several particulars the *Goldberg* court failed to consider or inadequately understood those reasons. Finally, we examined the possibilities of a different approach to the registration issue, applying the *Craig* standard but doing so with special deference to legislative powers in the national security area. The result of upholding congressional action in this case can therefore be doctrinally consistent with earlier equal protection decisions, and at the same time in line with the Supreme Court's resolution of other clashes between fundamental rights and national security considerations.

In a very real sense, *Goldberg* is unique. It is substantially different from recent gender-based discrimination cases, in that it does not involve the exclusion of women from military service, but rather the exclusion from compulsory service in a time of crisis. Indeed, the Philadelphia decision does not represent a major victory for women in their rightful drive for equality, because, as we have seen, they would only be drafted in small numbers in any event and would not be used in combat roles. The true badge of inferiority or second-class citizenship, if one is involved in this case, is the exclusion of women from combat, a restriction that is unlikely to be changed by judicial action. The inexorable and justifiable march of women for full equality in American society can and should proceed even if *Goldberg v. Rostker* is reversed in the Supreme Court.

The issue here is whether the judgment of Congress that good military and social reasons exist for excluding women from registration, reached after careful and serious consideration, should be overturned by the judicial branch. Few questions are more fundamental in a free society than the choice of who should be required to serve in its defense. America's long term interests are surely safer if such decisions are entrusted, with proper safeguards, to the representative branch of government.

FOOTNOTES

[1] Presidential Proclamation No. 4771, 45 Fed. Reg. 45, 247 (1980).

[2] 50 U.S.C. app. § 467 (1976); Presidential Proclamation No. 4360, 3A C.F.R. 33 (1975), reprinted in 50 U.S.C. app. § 453 at 1994 (1976).

[3] *See, e.g., Department of Defense Authorization for Appropriations for Fiscal Year 1981—Part 3, Manpower and Personnel: Hearings on S. 2294 Before the Senate Comm. on Armed Services*, 96th Cong., 2d Sess. 1371–73 (1980) [hereinafter *Senate Manpower Hearings*]; S. REP. No. 197, 96th Cong., 1st Sess. 102–03 (1979); H.R. REP. No. 166, 96th Cong., 1st Sess. 141–44 (1979); S. REP. No. 826, 95th Cong., 2d Sess. 102–03 (1978). *See generally* THE ALL-VOLUNTEER FORCE AND AMERICAN SOCIETY (J. Keeley ed. 1978).

[4] President's State of the Union Address, *reprinted in* [1980] U.S. CODE CONG. & AD. NEWS 130, 132–34.

[5] *See generally* J. GRAHAM, A CONSTITUTIONAL HISTORY OF THE MILITARY DRAFT (1971); T. REEVES & K. HESS, THE END OF THE DRAFT (1970); G. WAMSLEY, SELECTIVE SERVICE AND A CHANGING AMERICA (1969); Marmion, *Historical Background of Selective Service in the United States*, in SELECTIVE SERVICE AND AMERICAN SOCIETY (R. Little ed. 1969).

[6] *See, e.g., Hearings on Military Draft Registration Before a Subcomm. of the Senate Comm. on Appropriations*, 96th Cong., 2d Sess. 93, 124–26 (1980) (statements of the American Civil Liberties Union and the Friends Committee on National Legislation) [hereinafter *Appropriations Subcomm. Hearings*]; T. REEVES & K. HESS, *supra* note 5; Marmion, *supra* note 5. *See also* J. GERHART, THE DRAFT AND PUBLIC POLICY: ISSUES IN MILITARY MANPOWER PROCUREMENT (1971); THE DRAFT: A HANDBOOK OF FACTS AND ALTERNATIVES (S. Tax ed. 1967).

[7] In Barnett v. Rostker, No. 80–1578 (D.D.C., filed June 26, 1980), Judge Gesell stayed the proceeding in light of the expected determination of the same issues in Goldberg v. Rostker, No. 71–1480 (E.D. Pa., July 18, 1980). See Barnett v. Rostker, No. 80–1578 (D.D.C., filed June 26, 1980).

[8] No. 71–1480, slip op. at 1 (E.D. Pa. July 18, 1980).

[9] Rowland v. Tarr, 480 F.2d 545, 547 (3d Cir. 1973).

[10] Rowland v. Tarr, 378 F. Supp. 766 (E.D. Pa. 1974).

[11] Presidential Proclamation No. 4360, 3A C.F.R. 33 (1975), *reprinted in* 50 U.S.C. app. § 453 at 1994 (1976).

[12] No. 71–1480, slip op. at 40–41.

[13] *Id.* 5–11.

[14] 429 U.S. 190 (1976), *cited in* Goldberg v. Rostker, No. 71–1480, slip op. at 20–21 (E.D. Pa. July 18, 1980).

[15] No. 71–1480, slip op. at 20–21.

[16] *Id.* 28.

[17] *Id.* 30, 36–37, 39.

[18] *Id.* 30–31.

[19] *Id.* 31.

[20] *Id.* 40–41.

[21] *Id.* 41, *citing* Craig v. Boren, 429 U.S. 190 (1976).

[22] Rostker v. Goldberg, 101 S. Ct. 1 (Brennan, Circuit Justice, 1980). *See* N.Y. Times, July 22, 1980, § A, at 1, col. 1, § B, at 3, col. 2; N.Y. Times, July 19, 1980, § A, at 1, col. 6.

[23] President's State of the Union Address, *reprinted* in [1980] U.S. CODE CONG. & AD. NEWS 130, 134.

[24] H.R.J. Res. 521, 96th Cong., 2d Sess., 126 CONG. REC. H5776 (daily ed. June 26, 1980) [hereinafter H.R.J. Res. 521].

[25] Brief for Defendant on the Standards for Determining Justiciability at 10, Goldberg v. Rostker, No. 71–1480 (July 19, 1980).

[26] H.R.J. Res. 521, *supra* note 24.

[27] Presidential Proclamation No. 4771, 45 Fed. Reg. 45,247 (1980).

[28] Goldberg v. Rostker, No. 71–1480, slip op. at 5–11 (E.D. Pa. July 18, 1980).

[29] Appellant's Jurisdictional Statement to the Supreme Court at 16 n. 13, Rostker v. Goldberg, No. 80–251 (Aug. 19, 1980).

[30] Duke Power Co. v. Carolina Environmental Study Group, Inc., 438 U.S. 59, 79 (1978) (footnote omitted).

[31] Sedler, *Standing and the Burger Court: An Analysis and Some Proposals for Legislative Reform*, 30 RUTGERS L. REV. 863, 869 (1977).

[32] Duke Power Co. v. Carolina Environmental Study Group, Inc., 438 U.S. 59, 72 (1978), *citing* Simon v. Eastern Ky. Welfare Rights Org., 426 U.S. 26 41–42 (1976); Warth v. Seldin, 422 U.S. 490, 501 (1975).

[33] 50 U.S.C. app. § 462 (1976). Some of the plaintiffs were among those who had been deferred under the previous draft system, and are technically still liable for induction until age 35. *See* 50 U.S.C. app. §§ 455(a), 456(h), 467(a) (1976).

[34] Orr v. Orr, 440 U.S. 268, 273 (1979).

[35] *See* Blanchette v. Connecticut Gen. Life Ins. Corp., 419 U.S. 102, 140 (1974).

[36] United Public Workers v. Mitchell, 330 U.S. 75, 89–90 (1947).

[37] *See, e.g.*, Blanchette v. Connecticut Gen. Life Ins. Corp., 419 U.S. 102, 143 (1974); United Public Workers v. Mitchell, 330 U.S. 75, 89–90 (1947); Muskrat v. United States, 219 U.S. 346, 361 (1911).

[38] *See* 3 CORRESPONDENCE & PUBLIC PAPERS OF JOHN JAY 488 (H. Johnson ed. 1891).

[39] 330 U.S. at 89–90.

[40] 419 U.S. at 143, 145.

[41] Duke Power Co. v. Carolina Environmental Study Group, Inc., 438 U.S. 59, 81–82 (1978).

[42] No. 71–1480, slip op. at 6–7.

[43] *Id.* 10.

[44] Appellant's Jurisdictional Statement to the Supreme Court at 16 n. 13, Rostker v Goldberg, No. 80–251 (Aug. 19, 1980).

[45] No. 71–1480, slip op. at 10.

[46] 369 U.S. 186 (1962).

[47] *See generally* Henkin, *Is There a "Political Question" Doctrine?* 85 YALE L.J. 597 (1976); Scharpf, *Judicial Review and the Political Question: A Functional Analysis*, 75 YALE L.J. 516 (1966).

[48] No. 71–1480, slip op. at 3 n. 5, *citing* Rowland v. Tarr, 480 F.2d 545 (3d Cir. 1973).

[49] 413 U.S. 1 (1973).

[50] *Id.* 5.

[51] *Id.* 8.

[52] *Id.* 10.

[53] *Id.*

[54] See notes 197–241 & accompanying text *infra*.

[55] 429 U.S. 190 (1976).

[56] Rostker v. Goldberg, 101 S. Ct. 1 (Brennan, Circuit Justice 1980).

[57] Justice Brennan, citing appropriate cases, summarized the standard for granting a stay in these situations as follows: there must be a "reasonable probability" that four Justices will vote to hear the case, the Circuit Justice must be convinced that there is a fair prospect that the majority of the Court will conclude that the decision below is erroneous, there must be a showing of irreparable harm if the stay is not granted, and in a close case the balance of equities must be explored. The Government made a showing that failure to grant a stay would leave the country without a functioning mobilization system, and that the inconvenience suffered by individual men in having to register was not sufficient to outweigh that harm. *Id.* 2.

[58] *Id.* 3 (citations omitted).

[59] *See* Gunther, *The Supreme Court 1971 Term, In Search of Evolving Doctrine on a Changing Court: A Model for a New Equal Protection*, 86 HARV. L. REV. 1, 8 (1972).

[60] *See, e.g.*, Shapiro v. Thompson, 394 U.S. 618 (1969) (invalidating durational residency requirement for welfare benefits as denial of right to travel); Harper v. Virginia Bd. of Educ., 383 U.S. 663 (1966) (invalidating state poll tax); Bolling v. Sharpe, 347 U.S. 497 (1954) (overturning legally compelled segregation in public schools).

[61] *See* Gunther, *supra* note 59, at 10–12.

[62] 404 U.S. 71 (1971).

[63] *See* Orr v. Orr, 440 U.S. 268, 278–81 (1979); Craig v. Boren, 429 U.S. 190, 197–98 (1976); Ginsberg, *Sex, Equality and the Constitution*, 50 TUL. L. REV. 451, 458 (1978); Gunther, *supra* note 59, at 33–34; Johnston, *Sex Discrimination and the Supreme Court—1971–1974*, 49 N.Y.U. L. REV. 617, 622 (1974); Wilkinson, *The Supreme Court, The Equal Protection Clause, and the Three Faces of Constitutional Equality*, 61 VA. L. REV. 945, 953 (1975).

[64] 404 U.S. at 75.

[65] *Id.* 76.

[66] *Id.*, *quoting* Royster Guano Co. v. Virginia, 253 U.S. 412, 415 (1920).

[67] 411 U.S. 677 (1973) (plurality opinion).

[68] 416 U.S. 351 (1974).

[69] *Id.* 352–53.

[70] *Id.* 355.

[71] *See, e.g., Erickson, Kahn, Ballard, and Wisesenfeld: A New Equal Protection Test in "Reverse" Sex Discrimination Cases?* 42 BROOKLYN L. REV. 1, 13–18 (1975); Johnston, *supra* note 63, at 661–73.

[72] *See* Ginsburg, *supra* note 63, at 456.

[73] 421 U.S. 7 (1975).

[74] 419 U.S. 498 (1975).

[75] Ballard v. Laird, 360 F. Supp. 643, 647–48 (S.D. Cal. 1973), *rev'd sub nom.*, Schlesinger v. Ballard, 419 U.S. 498 (1975).

[76] 419 U.S. at 507–08.

[77] *Id.* 511 n.1 (Brennan, J., dissenting).

[78] 420 U.S. 636 (1975).

[79] *Id.* 648. The Court's now celebrated language from *Weisenfeld* is: [T]he mere recitation of a benign, compensatory purpose is not an automatic shield which protects against any injury into the actual purposes underlying a statutory scheme. Here it is apparent both from the statutory scheme itself and from the legislative history . . . that Congress' purpose in providing benefits to young widows with children was not to provide an income to women who were, because of economic discrimination, unable to provide for themselves. Rather, [the statute], linked as it is directly to responsibility for minor children, was intended to permit women to elect not to work and to devote themselves to the care of children. Since this purpose in no way is premised upon any special disadvantages of women, it cannot serve to justify a gender-based distinction which diminishes the protection afforded to women who do work.

[80] 429 U.S. 190 (1976).

[81] *Id.* 197.

[82] *Id.*

[83] *Id.* 204.

[84] 430 U.S. 199 (1977) (plurality opinion).

[85] *Id.* 208–09.

[86] 430 U.S. 313 (1977).

[87] *Id.* 317.

[88] 440 U.S. 268 (1979).

[89] *Id.* 283.

[90] *Id.*

[91] 442 U.S. 256 (1979).

[92] *Id.* 273–77, 281.

[93] 446 U. S. 142 (1980).

[94] *Id.* 151–52.

[95] *Id.* 152.

[96] See text at note 58 *supra*.

[97] *See, e.g.*, Fiallo v. Bell, 430 U.S. 787 (1977); Schlesinger v. Ballard, 419 U.S. 498 (1975); Kahn v. Shevin, 416 U.S. 351 (1974).

[98] See notes 120–96 & accompanying text *infra*.

[99] *See* United States v. Baechler, 509 F.2d 13 (4th Cir.), *cert. denied*, 421 U.S. 993 (1974); United States v. Bertram, 447 F.2d 1329 (10th Cir. 1973); United States v. Camara, 451 F.2d 1122 (1st Cir. 1971), *cert. denied*, 405 U.S. 1072 (1972); United States v. Fallon, 407 F.2d 621 (7th Cir.), *cert denied*, 395 U.S. 908 (1969); United States v. Offord, 373 F. Supp, 1117 (E.D. Wis. 1974); United States v. Reiser, 394 F. Supp. 1060 (D. Mont. 1975), *rev'd*, 532 F.2d 673 (9th Cir.), *cert denied*, 429 U.S. 838 (1976); United States v. Yingling, 368 F. Supp. 379 (W.D. Pa. 1973); United States v. Dorris, 319 F. Supp. 1306 (W.D. Pa. 1970); United States v. Cook, 311 F. Supp. 618 (W.D. Pa. 1970); United States v. Clinton, 310 F. Supp. 333 (E.D. La. 1970); Suskin v. Nixon, 304 F. Supp. 71 (N.D. Ill. 1969); United States v. St. Clair, 291 F. Supp. 122 (S.D.N.Y. 1968).

[100] 291 F. Supp. 122 (S.D.N.Y. 1968).

[101] *Id.* 124 (citation omitted).

[102] *Id.* 125.

[103] United States v. Clinton, 310 F. Supp. 333 (E.D. La. 1970).

[104] *Id.* 335.

[105] 368 F. Supp. 379 (E.D. Pa. 1973).

[106] *Id.* 385. See text at notes 62–67 *supra.*

[107] 368 F. Supp. at 385.

[108] United States v. Offord, 373 F. Supp. 1117 (E.D. Wis. 1974).

[109] *Id.* 1118.

[110] United States v. Reiser, 394 F. Supp. 1060 (D. Mont. 1975), *rev'd.* 532 F.2d 673 (9th Cir.), *cert. denied,* 429 U.S. 838 (1976).

[111] *Id.* 1062.

[112] United States v. Reiser, 532 F.2d 673 (9th Cir.), *cert. denied,* 429 U.S. 838 (1976).

In its opinion, the court confined itself to pointing out to the district court that the strict scrutiny test was not applicable. Applying a rational basis test, the court upheld the exclusion of women from the Selective Service System. *Id.*

[113] 407 F.2d 621 (7th Cir.), *cert. denied,* 395 U.S. 908 (1969).

[114] *Id.* 623.

[115] United States v. Camara, 451 F.2d 1122 (1st Cir. 1971), *cert. denied,* 405 U.S. 1072 (1972).

[116] United States v. Bertram, 477 F.2d 1329 (10th Cir. 1973).

[117] 509 F.2d 13 (4th Cir.), *cert. denied,* 421 U.S. 993 (1974).

[118] *Id.* 14–15.

[119] See notes 105–07 and accompanying text *supra.*

[120] Goldberg v. Rostker, No. 71–1480 (E.D. Pa. July 18, 1980).

[121] See notes 62–66, 80–85 and accompanying text *supra.*

[122] Senator Warner, one of the principal Republican supporters of draft registration and of the exclusion of women from the system, had as Secretary of the Navy expanded opportunities for service women. During Senate consideration of the draft issue, he repeatedly made the point that there was a difference between a woman volunteering for military service, knowing that her career opportunities would be affected by the exclusion of women from certain combat-related jobs, and compelling a woman to participate in such a system. Senator Warner saw a problem of constitutional dimensions in compelling women to participate in such service, with its inherent discrimination (assuming, of course, the continuing validity of the combat restrictions). *Senate Manpower Hearings, supra* note 3, at 1686–87.

[123] See notes 62–95 and accompanying text *supra.*

[124] No. 71–1480, slip op. at 26–35.

[125] The Manpower and Personnel Subcommittee first considered the registration issue formally in 1979. It held hearings on S. 109 and reported the bill favorably to the full committee on June 7, 1979. S. 109 would have required the President to begin registration of male citizens on January 2, 1980, and to prepare a full study of classification and exemption standards and procedures. S. 109 was reported favorably by the full Committee on Armed Services on June 19, 1979, but was never voted on by the Senate. Because of the desire of Senator Nunn to discuss on the Senate floor the facts the subcommittee developed on U.S. mobilization capacity, a rare closed session of the Senate was held on September 21, 1979. The threat of a filibuster by Senator Hatfield and other opponents of registration prevented debate on the bill. The Armed Services Committee Report included a recommendation that women not be registered. SENATE COMM. ON ARMED SERVICES, REQUIRING REINSTITUTION OF REGISTRATION FOR CERTAIN PERSONS UNDER THE MILITARY SELECTIVE SERVICE ACT, AND FOR OTHER PURPOSES, S. REP. No. 226, 96th Cong., 1st Sess. (1979); *Hearings on S. 109 Before the Senate Comm. on Armed Services,* 96th Cong., 1st Sess. (1979).

The House also considered the registration issue in 1979, including a provision in the House version of the fiscal year 1980 Military Authorization Bill, H.R. 4040, requiring registration in January 1981. It did not consider the issue of inclusion of women, however. H.R. REP. No. 166, 96th Cong., 1st Sess. 141–43 (1979). The registration requirement was deleted on the House floor, but a provision requiring the President to report on reform of the Selective Service System was adopted by the House-Senate conference committee. *See* CONFERENCE REPORT, DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1980, S. REP. 371, 96th Cong., 1st Sess. 54 (1979).

After the invasion of Afghanistan, the President reversed his earlier position and called for registration under the Selective Service Act, proposing both additional appropriations for that purpose and a change in the law to allow the registration of women. *See* PRESIDENTIAL RECOMMENDATIONS FOR SELECTIVE SERVICE REFORM, H.R. Doc. No. 265, 96th Cong., 2d Sess. 24–28 (1980) [hereinafter PRESIDENTIAL RECOMMENDATIONS FOR SELECTIVE SERVICE REFORM]. Those issues were considered by the Senate Subcommittee on Manpower and Personnel at hearings on March 19 and April 2, 1980, and the issue arose on other occasions during the subcommittee's regular hearings on the fiscal year 1981 Department of Defense budget request. *Senate Manpower Hearings, supra* note 3, at 1647, 1655–94. After debate on the issue of registration of women, the subcommittee issued a draft report to the press on April 22, 1980. That report was later revised and presented to the full committee during the markup sessions on the fiscal year 1981 defense budget. The committee voted 12–5 on June 3, 1980 to reject the President's proposal to register women and to endorse his request for additional funds to begin registration, incorporating its comments into the Report on the 1981 Defense Authorization Bill. SENATE COMM. ON ARMED SERVICES, AUTHORIZING APPROPRIATIONS FOR FISCAL YEAR 1981 FOR MILITARY PROCUREMENT, RESEARCH AND DEVELOPMENT, ACTIVE DUTY, SELECTED RESERVE, AND CIVILIAN PERSONNEL STRENGTHS, CIVIL DEFENSE, AND FOR OTHER PURPOSES, S. REP. No. 826, 96th Cong., 2d Sess. 154–62 (1980) [hereinafter S. REP. No. 826].

[126] No. 71–1480, slip op. at 23–35.

[127] S. REP. No. 826, *supra* note 125, at 1655–94.

[128] The Government's submissions do not clearly spell out this legislative history. The Senate Armed Services Committee's report was available on June 20, fully one month before the court's opinion was promulgated. S. REP. No. 826, *supra* note 125, at 1. In their brief, plaintiffs make the following statement: "The proposal to open registration to women never got out of subcommittee in either the House or the Senate." Plaintiffs' Reply Memorandum to Defendants' Memorandum Filed June 16, 1980, at 20 n.14, Goldberg v. Rostker, No. 71-1480 (E.D. Pa. July 18, 1980). If that statement, dated June 23, 1980, means that no full congressional committee considered and acted on the question, it was clearly incorrect as of the date it was written.

[129] 126 CONG. REC. S6527-49 (daily ed. June 10, 1980). The debate was complicated by several factors. First, while cloture had been invoked, thus insuring that a vote on the appropriation necessary to begin registration would take place, some Senators voted for the Kassebaum amendment because they perceived that it would stop registration entirely. The form of the amendment did not require the registration of women, but rather prohibited registration of anyone unless women were included. Thus, had the amendment passed, registration would have been prohibited unless Congress passed an amendment to the basic Selective Service law to include women in the system. *Id.* S6544 (remarks of Sen. Nunn).

It should also be noted that while the question of additional funds to allow for registration in the summer of 1980 was an Appropriations Committee matter, the question of amending the law to include women fell under the jurisdiction of the Armed Services Committee. Believing that there was some chance that the Senate Appropriations Committee would fail to report out S.J. Res. 521, providing the registration funds, the Armed Services Committee added a provision onto the 1981 Military Authorization Bill authorizing the transfer of funds from the Department of Defense to Selective Service. This stopgap provision provided an alternative method of revitalizing the Selective Service System; it was not needed after the passage of S.J. Res. 521, and was deleted by the Conferees. *See* CONFERENCE REPORT, DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1981, S. REP. No. 895, 96th Cong., 2d Sess. 100 (1980) [hereafter S. REP. No. 895].

[130] *See* 126 CONG. REC. S8795-8807, S8855-8905, S9009-9135, S9195-9238 (daily eds. June 28, 30, July 1, 2, 1980).

[131] As in the Senate, the House took up the registration issue in two different forums. The Subcommittee on Military Personnel of the House Committee on Armed Services considered H.R. 6569, the proposal to register women, in hearings held March 5, 1980, and rejected it by a vote of 8–1 on March 6. Markup Session Transcript on H.R. 6569 by the Military Personnel Subcomm. of the House Armed Services Comm. (Mar. 6, 1980) (unpublished, copy on file at offices of WAYNE LAW REVIEW) [hereinafter Markup Session]. It also considered the general issue of registration at its regular hearing on the fiscal year 1981 military authorization request. *Department of Defense Authorization for Appropriations for Fiscal Year 1981: Hearings on H.R. 6495 Before the House Comm. on Armed Services,* 96th Cong., 2d Sess. 143–55 (1980) (Hearings Before the Military Personnel Subcommittee) [hereinafter *Hearings on H.R. 6495*]. The full Armed Services Committee did not consider the question. The House Appropriations Committee reported out the resolution allowing funds for registration without including funds for registration of women. Author's Conversation with Staff Member of House Appropriations Comm., Dec. 2, 1980 (memorandum of conversation on file at offices of WAYNE LAW REVIEW). The question was raised, however, by a floor amendment in the House, and was defeated by a voice vote on April 22, 1980. *See* 126 CONG. REC. H2747 (daily ed. Apr. 22, 1980).

[132] S. REP. No. 895, *supra* note 129.

[133] *See* Memorandum on Constitutionality of an All Male draft to Stuart R. Reichart, General Counsel, United States Air Force, from Stephen Teichler at 25 (May 9, 1979) (copy on file at offices of WAYNE LAW REVIEW).

[134] Plaintiffs argued in their briefs that the legislative history developed by the House and Senate Armed Services Committees in 1979 and 1980, which attempted to articulate for the first time the reasons for exclusion of women from the registration system, should be disregarded—first, because it could not explain what Congress was thinking when it originally passed the Military Selective Service Act in 1940 and later amended it, and second because the recent legislative history was "statutory history on demand, for use in the very lawsuit." Plaintiffs' Reply Memorandum to Defendant's Memorandum Filed June 16, 1980 at 15, Goldberg v. Rostker, No. 71–1480 (E.D. Pa. July 18, 1980). The court did not mention this argument.

While it is true that some of the gender discrimination cases are crucial of post-hoc rationalization for discriminatory provisions, the focus in those cases is on litigation rationalizations, not later reasons given by Congress itself for its earlier action. Then too, it can cogently be argued that Congress was really making a legislative history not to support earlier action, but to justify its present

action rejecting legislative proposals to include women and appropriating enough funds to begin registration of men.

S. R5$. No. 826, supra note 125, at 160–61.

[136] *See, e.g.*, SENATE COMM. ON APPROPRIATIONS, MAKING ADDITIONAL FUNDS AVAILABLE BY TRANSFER FOR THE SELECTIVE SERVICE SYSTEM FOR 1980, S. REP. No. 789, 96th Cong., 2d Sess. (1980); HOUSE COMM. ON APPROPRIATIONS, MAKING ADDITIONAL FUNDS AVAILABLE BY TRANSFER FOR THE SELECTIVE SERVICE SYSTEM FOR 1980, H.R. REP. No. 885, 96th Cong., 2d Sess. (1980); S. REP. No. 826, *supra* note 12, at 154–55; *Hearings on Military Draft Registration Before the Senate Comm. on Appropriations*, 96th Cong., 2d Sess. 16 (statement for the administration by John White); *id.* 27 (statement of General Meyer, Army Chief of Staff); Markup Session, *supra* note 131.

Chairman White of the House Armed Services Committee's Subcommittee on Military Personnel expressed it clearly in his opening statement at the markup session on H.R. 6569, a bill to provide for registration of women:

The issue before us this afternoon is largely a result of the problem that exists in the capacity of the All-Volunteer Force to mobilize for an emergency. This is a problem that needs to be solved. While a major protracted conventional conflict may or may not be a likely scenario, the maintenance of a capability to defend the Nation and protect its vital interests in such a situation effectively deters the likelihood of such a conflict.

With the Selective Service System in its current posture, or even in an upgraded posture—but still dependent on contingency plans that can never be adequately tested—the Nation's ability to mobilize in an emergency and produce sufficient forces to defend itself in a timely manner is not credible.

If this Nation were required to mobilize and engage in a conventional conflict, we would be extremely short of trained personnel in combat skills. The demand for personnel in combat skills is particularly sharp in the early months of such a conflict. The requirement for the Selective Service System to be in an active posture and produce personnel immediately in an emergency is principally to provide combat replacements.

Markup Session, *supra* note 131, at 2.

At the Senate hearings, there was general agreement that the reinstitution of registration was not a mere supplement to the All-Volunteer Force, but rather a measure designed to improve our ability to mobilize in an emergency:

Senator NUNN. I think the registration issue is getting very badly bogged down and misunderstood because the perception—and I think some of it has to be shared, the burden has to be borne by the Administration—is that this is a move being made to strengthen the American military capability in the Middle East. Perhaps the Afghanistan invasion by the Soviet Union lent support to the overall mood to take steps that should have been taken relating to our scenarios in NATO and not scenarios in the Middle East.

Mr. PIRIE. I agree with your interpretation, Senator. Afghanistan was a triggering event. Registration is primarily required for a general mobilization to facilitate that capability and that relates to war with the Soviet Union, primarily in Europe.

Senate Manpower Hearings, supra note 3, at 1268–69.

Mr. Danzig, the other principal Defense Department witness, agreed, stating that: "The purpose of registration is to equip us with information so that if we had a national mobilization, we could move quickly to achieve our wartime personnel requirements with greater effectiveness." *Id.* 1670.

[137] *See Senate Manpower Hearings, supra* note 3, at 1820–21, 1823; *Hearings on S. 428 Before the Senate Comm. on Appropriations*, 96th Cong., 2d Sess. 2187–2274 (1979); *Appropriations Subcomm. Hearings, supra* note 6, at 65. The Selective Service System had been in "deep standby" since 1973, with minimal appropriations and fewer than 100 full-time employees. *See* PRESIDENTIAL RECOMMENDATIONS FOR SELECTIVE SERVICE REFORM, *supra* note 125, at 1, 23.

[138] No. 71–1480, slip op. at 130–37.

[139] S. Rep. No. 826, *supra* note 125, at 160–61.

[140] No. 71–1480, slip op. at 36–37 (footnote omitted).

[141] *Id.* 21.

[142] *Id.* 22.

[143] Defendants' Trial Brief at 6–9, Goldberg v. Rostker, No. 71–1480 (E.D. Pa. July 18, 1980).

[144] No. 71–1480, slip op. at 30–36.

[145] Director of the Selective Service, Improving Capability to Mobilize Military Manpower 28 (Jan. 16, 1980) (unpublished draft working document on file at offices of WAYNE LAW REVIEW). While the post-mobilization plan called for in that report was later repudiated, the factual requirements for mobilization remain the same. Apparently, Selective Service Director Bernard Rostker also stated the all-male 60-day requirement in his deposition in *Goldberg*. *See* Brief for Defendants on the Standards for Determining Justiciability, Standing, Ripeness, Mootness, and their Applicability to Plaintiffs' Claims at 21, Goldberg v. Rostker, No. 71–1480 (E.D. Pa. July 18, 1980).

[146] An enlightening exchange on this issue, not cited by the court in its opinion, occurred before the Nunn subcommittee between administration witnesses, led by John White, Deputy Director of the Office of Management and Budget and a former Assistant Secretary of Defense for Manpower; and Senator Roger Jepsen of Iowa:

Mr. WHITE. . . . I am not certain I know . . . the precise ratio of men to women that would be necessary in the event of a crisis; but we are on record that, in the event of a draft, our needs are largely for men. In a crisis mobilization, we would need people for the combat arms.

Under the current law and policy, as I am sure you know, women are precluded from those activities, so the dominant requirement in the event of mobilization is for men.

Senator JEPSEN. Talking about registration of women, Harrison Wellford, from your office, testified before this committee that the rate of induction for women as well as men will be determined by military need. Tell me how you are going to do that.

Mr. DANZIG. The calculations we have done suggest the need for some 650,000 people to come through the training centers in the first 6 months after mobilization. We estimate that some 80,000 of those people could usefully be women, that 80,000 slots could be filled by women in that circumstance.

If we had 80,000 women volunteer during that period, we would not need to draft women and we would not. If we had less than 80,000 volunteer during that period, we would induct women if the President's proposal were adopted as law.

Senator JEPSEN. So you are advocating registration of women but, when it comes time to draft, you would not draft them? You said that you would not draft them if they volunteered?

Mr. DANZIG. If we had enough female volunteers, we would not draft women. If we had enough male volunteers, we would not draft men.

Senate Manpower Hearings, supra note 3 at 1828.

[147] *Id.* 1395.

[148] *Id.* 1529.

[149] *See, e.g., Senate Manpower Hearings, supra* note 3, at 1194 (noncommissioned officers), 1385 (recruiting difficulties and bonuses), 1432–33, 1474–76 (Navy).

[150] House and Senate military manpower hearings for 1979 and 1980 are replete with references to this problem. Assistant Defense Secretary Pirie testified as follows:

Mr. PIRIE. In the Active Forces, for example, the Army is on the order of 19,000 men short.

Mr. WHITE. Nineteen thousand persons short, and you are talking about a registration in order to release 19,000 people. Are those 19,000 already in the service?

Mr. PIRIE. Those are gap billets that are not filled in the Active Army, Mr. Chairman.

Mr. WHITE. What types of jobs are those?

Mr. PIRIE. Where one finds the shortfall predominantly distributed is in the division forces in the United States, Mr. Chairman. They are combat jobs.

Hearings on H.R. 6495, supra note 131, at 152.

[151] S. REP. No. 826, *supra* note 125, at 154.

[152] *Senate Manpower Hearings, supra* note 3, at 1285–86. See note 136 & accompanying text *supra*.

[153] *Senate Manpower Hearings, supra* note 3, at 1286.

[154] S. REP. No. 826, *supra* note 125, at 158.

[155] No. 71–1480, slip op. at 32–33.

[156] *Senate Manpower Hearings, supra* note 3, at 1682.

[157] S. REP. No. 826, *supra* note 125, at 158.

[158] General Yerks, the Army's personnel chief, described the problem and its evolution in a colloquy with Senator Nunn:

General YERKS. Our requirements on mobilization—and I bring a mobilization plus 90 reference point because that is generally the shortfall figures that we use at an M–90 plus—we find that of the approximately 300,000—which we say is the shortfall at the present time of pretrained manpower—203,000 of that would be for the combat skills. 203,000 of the 300,000—

Senator NUNN. Approximately two-thirds would be combat skills?

General YERKS. That is correct, sir.

Senator NUNN. What would the other one-third be for?

General YERKS. All other support-related skills.

Senator NUNN. Support skills?

General YERKS. Support, communications, electronics, chemical, law enforcement, administration, food service, and the like.

Senator NUNN. Would those one-third not drafted primarily for combat skills be trained for combat in contingencies?

General YERKS. Yes.

Senator NUNN. General, have we had experiences in the past wars where those that are in support functions inadvertently are brought into combat because of shifts in lines?

General YERKS. Yes.

Senator NUNN. Is that a rare or frequent occurrence?

General YERKS. I would say that in the wars we have seen in recent years, in the Korean war, in Vietnam—the types of warfare that we have experienced since World War II—that that requirement is increasing.

Senator NUNN. What requirement?

General YERKS. The requirement to be able to defend yourself and have some basic combat skills, even in a service support area.

Senator NUNN. So compared to previous wars, you would say we would have the highest need today for people who were not primarily in combat to be trained and able to engage in combat?

General YERKS. Yes.

Senator NUNN. And what is the reason for that?

General YERKS. I think the nature of warfare, sir, where in the Vietnam conflict, for example, where there were no lines. I just feel that that type of warfare requires that everyone have the basic capability to defend themselves in a unit.

Senate Manpower Hearings, supra note 3, at 1390.

[159] Defendants' Trial Brief at 7–8, Goldberg

v. Rostker, No. 71-1480 (E.D. Pa. July 18, 1980).

[160] No. 71-1480, slip op. at 28.

[161] *Id.* 31-33.

[162] *Senate Manpower Hearings, supra* note 3, at 1529.

[163] In 1977, for example, only 17% of Army enlisted personnel and 19% of Army reserve enlisted personnel were listed as serving in clerical skills, and even these skills often require knowledge of sophisticated data processing equipment. M. BINKIN & I. KYRIAKOUPOULOS, YOUTH OR EXPERIENCE? MANNING THE MODERN MILITARY 19, 43 (1979).

An Army paper submitted to the Nunn subcommittee in March 1980 showed that the kinds of skills to be drafted for in a mobilization situation are heavily weighted toward combat and combat support, because of present critical skills shortages. A large proportion of those drafted would have to go into combat or combat support jobs. Of the significant shortfall areas, only 11% are described as administrative, supply and service, or food service jobs. It is for this reason that the Army does not propose drafting women at all for the first 60 days. *Senate Manpower Hearings, supra* note 3, at 1404-05.

[164] *See, e.g.,* SENATE COMM. ON ARMED SERVICES, AUTHORIZING APPROPRIATIONS FOR FISCAL YEAR 1979 FOR MILITARY PROCUREMENT, RESEARCH AND DEVELOPMENT, ACTIVE DUTY, SELECTED RESERVE, AND CIVILIAN PERSONNEL STRENGTHS, CIVIL DEFENSE, AND FOR OTHER PURPOSES, S. REP. No. 826, 95th Cong., 2d Sess. 119 (1978).

[165] 10 U.S.C. § 6015 (1976 & Supp. III 1979). The statute prohibits the assignment of women to duty on ships and aircraft that are engaged in combat missions but allows temporary assignment of women to some types of ships and permanent assignment to noncombat ships, *Id*

[166] 10 U.S.C. § 8549 (1976).

[167] The Army does not assign women to those specialties and units engaged in close combat—infantry. armor, cannon field artillery, combat engineer and low altitude air defense units of battalion size or smaller. PRESIDENTIAL RECOMMENDATIONS FOR SELECTIVE SERVICE REFORM; *supra* note 125, at 20-21.

Additionally, the Marine Corps does not assign women to units whose primary mission is combat, and because of rotational concerns, does not assign more than 10% women to any unit in the Fleet Marine Force. *Id.*

[168] *Senate Manpower Hearings, supra* note 3, at 1671-72. Countries that register and/or conscript women into the armed services are Algeria, Chile, Israel, North Korea, Peru, Romania, South Korea, Union of Soviet Socialist Republics, and Vietnam. *Id.*

Despite the common belief that women in Israel fully share with men the burden of combat service, it is clear that large numbers of women serving in the Israeli armed forces are moved out of combat areas when time permits. They are not intended to participate in combat operations engaging the enemy. *Id.* 1717.

[169] Senator Nunn and administration witnesses attempted at the Senate hearings to clarify the definition of "combat," but without much success. After noting that the administration had expressed its opposition to using women in "close combat," Senator Nunn continued:

Senator NUNN. . . . Is this a new catchword, this "close combat?" Have we qualified the Administration's position so that now you are opposed to women in combat, but you are opposed to women in close combat?
been in use for a while. The Administration is here simply reiterating that the involve-

Mr. DANZIG. Mr. Chairman, this not a new term, close combat. It is a phrase that has ment of women in direct combat situations, hand-to-hand combat, on ships and planes which are directly involved in combat, and so forth, is not something that we intend.

What we are seeking to do is to permit women to do a variety of kinds of things in support functions that relate to the combat area, but that are not combat in themselves.

Senator NUNN. You know the law says "combat."

Mr. DANZIG. Yes, I understand that.

[t]here are a variety of situations which I think clearly fit within the legislation which might be argued to be combat as it is commonly understood by the public at large.

Women, for example, serve in missile silos. The public might think of that as combat. We are simply trying to underscore that that word has itself some considerable ambiguity. I think you are making the same point.

Senate Manpower Hearings, supra note 3, at 1663-64.

The Fiscal Year 1978 Military Authorization Act contained a provision requiring the Secretary of Defense to study the definition of the term "combat" and report to the Congress. Pub. L. No. 95-79, § 303, 91 Stat. 327 (1977). The Department defined the term as "engaging the enemy or being engaged by an enemy in armed conflict.' " *Department of Defense Authorization for Appropriations for Fiscal Year 1979, Part 3—Manpower and Personnel: Hearings on S. 2571 Before the Senate Comm. on Armed Services,* 95th Cong., 2d Sess. 2105 (1978) (statement of John White). The Department also noted that:

"Under current practices, a person is considered to be 'in combat' when he or she is in a geographic area designated as a combat/hostile fire zone by the Secretary of Defense. Members of the armed forces, not in a designated combat/hostile fire zone, may be designated as being 'in combat' by the Secretary of Defense based on specific circumstances and events."

Id.

Thus, the definition is essentially circular. In that same document, and in legislative proposals transmitted to the Congress, the administration proposed to repeal the statutory restrictions on women in combat, leaving the policy against such assignment to administrative determination. *Id.* 2107-08.

[170] *Senate Manpower Hearings, supra* note 3, at 1664.

[171] *See, e.g.,* Hale & Kanowitz, *Women and the Draft: A Response to Critics of the Equal Rights Amendment,* 23 HASTINGS L.J. 199 (1971).

[172] *See generally* M. BINKIN & S. BACH, WOMEN AND THE MILITARY (1977); Adams, *Jane Crow in the Army: Obstacles to Sexual Integration,* PSYCHOLOGY TODAY, Oct. 1980

The Army has conducted two studies of the role of women which are often cited as support for the proposition that women can perform successfully in combat units. U.S. Army Research Institute, Women Content in Units Force Development Test (MAX-WAC) (1977); U.S. Army Research Institute, Women Content in the Army, Reforger 77 (REF-WAC 77) (1978). The MAX-WAC study should be used with caution, however, as it involved combat support, not combat-units, and was only for a 72-hour period. The Reforger test was longer, but involved only combat service support units, one more echelon removed from actual combat. *See Senate Manpower Hearings, supra* note 3, at 1678.

[173] See notes 74-76 & accompanying text *supra.*

[174] 455 F. Supp. 291 (D.D.C. 1978).

[175] Id. 310. In Kovach v. Middendorf, 424 F. Supp. 72 (D. Del. 1976), Judge Steel expressly upheld the old Navy combat provision against equal protection attack, concluding that: "The Constitution gives the Congress broad power to provide for the national defense. In so critical an area, the Congress has a compelling state interest on which to justify the classification established by section 6015." *Id.* 79.

[176] *See, e.g.,* Greer v. Spock, 424 U.S. 828 (1976); Parker v. Levy, 417 U.S. 733 (1974); Gilligan v. Morgan, 413 U.S. 1 (1973); Orloff v. Willoughby, 345 U.S. 83 (1953).

[177] *Senate Manpower Hearings, supra* note 3, at 1388.

[178] *Id.* 1681.

[179] S. REP. No. 826, supra note 125, at 158-59.

[180] Plaintiffs' Trial Brief at 32, Goldberg v. Rostker, No. 71-1480 (S.D. Pa. July 18, 1980).

[181] *Senate Manpower Hearings, supra* note 3, at 1870.

[182] No. 71-1480, slip op. at 22.

[183] *Senate Manpower Hearings, supra* note 3, at 1859-62. The possibility of court requiring equal induction was given additional emphasis by a Selective Service System General Counsel Memorandum that asserted that equal induction is constitutionally required. Memorandum from Henry N. Williams, Selective Service System General Counsel to the Director of the Selective Service (Dec. 4, 1979) (unpublished, copy on file at offices of WAYNE LAW REVIEW). The point was also made in an opinion letter furnished to the Nunn subcommittee by three prominent law professors. *Senate Manpower Hearings, supra* note 3, at 1859-62.

[184] *Senate Manpower Hearings, supra* note 3, at 1684, 1686.

Senator WARNER. What we are trying to do is really have our cake and eat it, too, I fear. We are trying to say that we want to treat them equally, men and women, for the purpose of induction in the draft. But then the day they enter military service, we want to practice discrimination.

And the first step of discrimination is that we would only select one out of six inductees as female. Wouldn't that be declared by a court as discriminatory?

That is a very fundamental thing, I say. Let's not open the floodgates by a congressional determination of equality at step 1 for fear that all the rest of the steps through that career will just topple like a bunch of dominoes. *Id.*

[185] No. 71-1480, slip op. at 22.

[186] *See id.* 31-36.

[187] S. REP. No. 836, *supra* note 125, at 158-59.

[188] *Senate Manpower Hearings, supra* note 3, at 1391 (Army) 1530 (Marine Corps, Navy).

[189] *Id.* 1665.

[190] No. 71-1480, slip op. at 20.

[191] *Id.* 22 n.13.

[192] *National Service Legislation: Hearings on H.R. 6569 Before the Subcomm. on Military Personnel of the House Armed Services Comm.,* 95th Cong. 2d Sess. (1980); Markup Session, *supra* note 131, at 7.

[193] Section 455(a)(1) of the present Selective Service law requires that selection of those to be inducted occur "in an impartial manner . . . from the persons who are liable for such training and service and who at the time of selection are registered and classified. . . ." 50 U.S.C. app. § 455(a)(1)(1976). At the Senate hearings, administration witnesses agreed that the law as it stands would probably require random induction from among men and women. Director of Selective Service Bernard Rostker took the position that the administration had not considered and was not proposing any special deferments for women:

Senator NUNN. Let's take a 21-year-old male and a 21-year-old female, both of whom are working and they have children. Let's take a hypothetical situation where the mother's name is pulled out of the hat in a lottery system and the father's name is not. In that situation, are you going to draft the mother and leave the father at home, as the father is going to be there to take care of the child?

Dr. ROSTKER. As the law would provide today, that in fact is what would happen.

Senator NUNN. As the law is today, I submit to you that this country will not tolerate that kind of law and that kind of draft. You can talk all you want about theoretical rights, but this administration is not dealing with reality. You are not confronting the difficult questions in peacetime; therefore, we are going to have to confront the difficult questions in wartime if we have it. And we are going to have pure, absolute bedlam in this society.

You are going to be drafting women, not putting them in combat, but putting them in the military service and perhaps leaving their husbands at home to take care of the children. Anyone who thinks this society is prepared for that kind of shock is either operating in a different environment than I am or in a dream world.

Dr. ROSTKER. I would certainly yield to you in that scenario you have just given. But you asked me in fact a broader question over the whole range of exemptions, deferments, and postponements. And that situation . . .

Senator NUNN. Who is thinking about that? Have you thought through that? Has the President thought through that? Is this part of the family policy we have got?

Dr. ROSTKER. We have had discussions. It is not part of the legislative proposal.

Senate Manpower Hearings: supra note 3, at 1691-92. *See also* S. REP. No. 826, *supra* note 125, at 159.

[194] *Senate Manpower Hearings, supra* note 3, at 1843–44. After noting that the President might have picked up support for his registration proposal by stating that he was studying the classification system and would later propose changes, rather than resting on the controversial current classification system, Senator Nunn made much the same point about coupling the registration issue with the role of women in the Selective Service System:

[I]f the President had done the same on the women issue, we might have had the appropriations bill passed. If he had said, "My instincts are that we should register women, but I am going to study this issue as clearly separate from the male issue and we will go ahead with males at this stage and study the female issue."

But, the common impression is that nobody studied the male-female issue in any detail at all. . . . In the hearing we had the other day, it was apparent there were numerous questions that had not been studied.

What you have here is a good step in the right direction which I applaud, but it has been coupled with a procedure that is causing an erosion of support even among people who a year ago would have been willing to mandate registration because of the military need for it.

Senate Manpower Hearings, supra note 3, at 1843–44.

[195] No. 71–1480, slip op. at 38 n.30, *quoting* Congressman Montgomery.

[196] Senator Warner questioned Office of Management and Budget's John White, a chief administration spokesman on the issue, as follows:

Senator WARNER . . . As this bill has progressed or not progressed on the Hill, has there been any change of heart within the administration as to how hard you want to push to continue to have women in the draft?

Mr. WHITE. No; we continue to believe that it is appropriate to register women. At the same time, we are asking that the registration of men get underway quickly. Therefore, while the Congress is deliberating the issue of whether to register women, we would urge the Congress to provide funds for the registration of men immediately. . . .

Senate Manpower Hearings, supra note 3, at 1832.

[197] The court indicated that it had "combed the record and the legislative history for purported justifications for the total exclusion of women from the MSSA, and [found] each proffered justification unconvincing." No. 71–1480, slip op. at 23. Much of the court's opinion consists of quotations from two civilian witnesses in congressional hearings—Richard Danzig, a former law professor with no previous experience in military manpower matters, and Robert Pirie, Assistant Secretary of Defense for Manpower. These were the men, of course, who were assigned the responsibility within the administration for defending the President's position and the court chooses to accept and rely on their opinions while giving no weight at all to Congress' evaluation of the evidence. At the 1979 Hearings in both the House and the Senate, civilian witnesses, including Messrs. Danzig and Pirie, steadfastly opposed registration as unnecessary and counterproductive because that was then the position of the administration.

[198] Appellants' Jurisdictional Statement to the Supreme Court at 10–12, Rostker v. Goldberg, No. 80–251 (Aug. 19, 1980).

[199] *See id.*

[200] See note 81 & accompanying text *supra*.

[201] U.S. CONST. art IV, § 8, cl. 12–14.

[202] See notes 59–95 & accompanying text *supra*.

[203] No. 71–1480, slip op. at 19–20.

[204] *Id.* 22–40.

[205] Schlesinger v. Ballard, 419 U.S. 498, 502–06 (1975); Owens v. Brown, 455 F. Supp. 291, 305–08 (D.D.C. 1978).

[206] *Hearings on S. 109 Before the Senate Comm. on Armed Services,* 96th Cong., 1st Sess. 2–24 (1979) (testimony of R. Pirie & R. Danzig).

[207] Defendants' Trial Brief at 3–4, Goldberg v. Rostker, No. 71–1480 (E.D. Pa. July 18, 1980).

[208] No. 71–1480, slip op. at 20.

[209] See note 176 and accompanying text *supra*. Justice Goldberg wrote perhaps the most memorable characterization of Congress' powers in military matters in another case that involved the draft, Kennedy v. Mendoza-Martinez, 372 U.S. 144 (1963). In addressing the question whether a citizen could be deprived of citizenship for leaving the country to avoid the draft, he said: "The powers of Congress to require military service for the common defense are broad and far reaching, for while the Constitution protects against invasions of individual rights, it is not a suicide pact." *Id.* 159.

[210] *See, e.g.,* O'Callahan v. Parker, 395 U.S. 258 (1969).

[211] 345 U.S. 83 (1953).

[212] *Id.* 93.

[213] 417 U.S. 733 (1974).

[214] Article 133 proscribes "conduct unbecoming an officer and a gentleman." 10 U.S.C. § 933 (1976). Article 134 applies to all service members and makes punishable by court-martial "all disorders and neglects to the prejudice of good order and discipline in the armed forces, and crimes and offenses not capital." 10 U.S.C. § 934 (1976).

[215] 417 U.S. at 755–56.

[216] *Id.* 758.

[217] 425 U.S. 25 (1976).

[218] *Id.* 43–44. Argersinger v. Hamlin, 407 U.S. 25 (1972), however, had extended the right to counsel, including the guarantee of appointed counsel, to all prosecutions in civil cases, as opposed to those involving the military, that could result in imprisonment for any term.

[219] 100 S. Ct. 594 (1980).

[220] 100 S. Ct. 606 (1980).

[221] 100 S. Ct. at 599–600.

[222] 424 U.S. 828 (1976).

[223] *Id.* 837.

[224] 401 U.S. 437 (1971).

[225] 50 U.S.C. app. § 456(j) (1976).

[226] 401 U.S. at 439–41.

[227] *Id.* 461–62.

[228] 391 U.S. 367 (1968).

[229] *Id.* 377 (citations omitted).

[230] 413 U.S. 1 (1973). See text at notes 49–53 *supra*.

[231] 413 U.S. at 10.

[232] 416 U.S. 351 (1974). See note 68 & accompanying text *supra*.

[233] 430 U.S. 787 (1977).

[234] 8 U.S.C. § 1101(b) (1976).

[235] 430 U.S. at 792, 795.

[236] 419 U.S. 498 (1975). See notes 74–77 & accompanying text *supra*.

[237] Erickson, *supra* note 71, at 26–27; Ginsburg, *supra* note 63, at 465.

[238] 419 U.S. 498, 510 (1975).

[239] No. 71–1480, slip op. at 19.

[240] 429 U.S. 190, 198 (1976).

[241] Justice Brennan takes great pains to emphasize that the Court is merely following *Reed v. Reed.* 427 U.S. at 197–99. After reviewing recent cases, like *Stanton, Stanley* and *LeFleur,* he concludes by saying: "In this case, too, '*Reed,* we feel, is controlling. . . .'" *Id.* 199 (citation omitted).

[242] No. 71–1480, slip op. at 20–21.

[243] *See* Craig v. Boren, 429 U.S. 190, 221–23 (1976) (Rehnquist, J., dissenting); Owens v. Brown, 455 F. Supp. 291, 304–05 (D.D.C. 1978); B. BABCOCK, A. FREEDMAN, E. NORTON & S. ROSS, SEX DISCRIMINATION AND THE LAW 65–67 (Supp. 1978, W. Williams ed.).

[244] See text at note 82 *supra*.

[245] See text at notes 69–72 *supra*.

[246] 430 U.S. 313 (1977). See text at notes 86–87 *supra*.

[247] Craig v. Boren, 429 U.S. 190, 204 (1976).

[248] Appellant's Jurisdictional Statement to the Supreme Court at 7–11, Rostker v. Goldberg, No. 80–251 (Aug. 19, 1980).

EXTENSION OF ROUTINE MORNING BUSINESS

Mr. STEVENS. Mr. President, I ask unanimous consent that routine morning business be extended until 10:20 and that the Senate proceed to the consideration of the treaty at that time.

The PRESIDING OFFICER. Without objection, it is so ordered.

BLOCK GRANTS

Mr. SYMMS. Mr. President, I have recently spoken about two essential elements of the Reagan resolution. Those are, of course, marginal rate reductions in the personal income tax rates, and the enactment of the block grants. I believe these are two pillars of Ronald Reagan which are essential, and without them there is really not a Reagan program.

The President is now engaged in negotiations with the other body on the tax cuts, and since that is where tax legislation originates under the Constitution, it is proper that he is doing that.

But we are empowered to deal with the block grants in this body, and, frankly, Mr. President, I am not happy about what I am hearing about the so-called compromises that have been struck in the past few days about the block grants.

Many of us who are new in this body campaigned on the principle that States and local governments were competent to do their own work if Washington would just get out of the way, and the block grant system that Ronald Reagan campaigned on offers us a way to fulfill that

promise. But they must be real block grants, not the same tired categorical programs in a new disguise.

Having a block grant for every categorical program, for instance, as it appears to be happening now is a mockery of the block grant idea. I understand there is a single block grant for the Community Services Administration. If there ever was a program that ought to be folded into a block and left to local government to administer, Mr. President, Community Services is one. I am sure the distinguished Presiding Officer agrees with me on that. It makes no sense at all to consider a separate Community Services block grant.

There are also rumors that the block grant bills being worked out in committee will require the States and cities to file detailed action plans with the Federal Government. If they have to file detailed action plans, Mr. President, that is not a block grant. That is the same tired, uniform, inflexible program we have all campaigned against.

I do not think we were sent here to reenact the same tired old programs that have not worked in the past and have cost the taxpayers billions upon billions of dollars to very little effect in the delivery of the services.

There are similar rumors about requirements that States and local governments maintain their current level of effort. I understand that no one wants the levels of service cut drastically, but that is not going to happen anyway. The States are very different than they were years ago when these programs were first introduced.

Their own social service agencies are in place, they are ready to pick up the slack, they can manage these programs more flexibly, more cheaply, and more responsibly than Washington can, and I think we should not tie their hands in efforts to provide cost-effective service. That is not a block grant.

Mr. President, I understand that it is a messy way to write legislation to write it on the floor of the Senate. I personally would prefer to have the committees do it. But, at the same time, I believe if bills come out of the committees that are unacceptable to the membership of the Senate we should make every effort to rewrite them on the floor. There is no way that many of us are going to be able to acquiesce in a total sellout of the President's program.

I have heard some of my colleagues saying in the cloakrooms and around the Congress in different meetings that these programs are being worked out and compromises are being worked out with the President's people; that the President favors this kind of a categorical program.

Well, Mr. President, I for one do not believe it. I know Ronald Reagan fairly well. I campaigned for him through the 1976 campaign and again this last year, and I have been with him, and I do not believe he has changed his mind.

I have watched him campaign, and he has not told me and he has not told the American people yet that he has changed his mind about block grants. Until he does tell the American people that, I have to believe he is holding firm. If some of his aides are not holding so firm, that is their problem. It may be his problem, too, but I am not going to get into that.

The point is, Mr. President, if unacceptable bills are written, the President is going to need to veto them, and we all know that, and we all know that Ronald Reagan is a President who understands the power of the veto, and he understands that there are enough of us here in the Senate to vote to sustain a veto of the so-called block grants.

I think first and foremost he is a President who understands who elected him and what he was sent here to do. He was not sent here to act as a caretaker President between Democratic Presidents. He was sent here to turn this country around and to institute a system of real block grants as part of that effort; in other words, to make a systematic change in what people expect out of the Federal Government and all the regulations and rules that go with it.

I suggest, Mr. President, that we were sent here for the same purpose and we have to be willing to stand up and to be counted, and if that means writing bills on the floor, then let us do it.

But if it means voting to sustain vetoes, then let us do it, and I am ready to do this, and I know my colleagues, many of them, enough of them, are ready to do it also, and I would encourage the proper committees to see that we do not compromise this very essential pillar of the Reagan program.

I yield back the remainder of my time, Mr. President.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

EXECUTIVE SESSION

1980 PROTOCOL AMENDING THE INTERIM CONVENTION ON CONSERVATION OF NORTH PACIFIC FUR SEALS

The PRESIDING OFFICER. Under the previous order, the Senate will now go into executive session for the purpose of calling up the 1980 protocol amending the Interim Convention on Conservation of North Pacific Fur Seals, Executive S. 96–2.

The Senate, as in committee of the whole, proceeded to consider Executive S, 96th Congress, second session, the 1980 protocol amending the Interim Convention on Conservation of North Pacific Fur Seals, which was read the second time, as follows:

1980 PROTOCOL AMENDING THE INTERIM CONVENTION ON CONSERVATION OF NORTH PACIFIC FUR SEALS

The Governments of Canada, Japan, the Union of Soviet Socialist Republics and the United States of America, Parties to the Interim Convention on Conservation of North Pacific Fur Seals, signed at Washington on February 9, 1957, as amended, hereinafter referred to as the Convention,

Desiring to amend the Convention,

Have agreed as follows:

ARTICLE I

The Convention shall be applied as amended by this Protocol as from the date of its entry into force.

ARTICLE II

In Article V, paragraph 2(e) of the Convention, "twenty-first" shall be replaced by "twenty-fifth".

ARTICLE III

In Article VI, paragraph 1 of the Convention, "except within the territorial waters of another State" shall be replaced by "except within the areas in which another State exercises fisheries jurisdiction".

ARTICLE IV

In Article XI of the Convention, "twenty-second" shall be replaced by "twenty-sixth".

ARTICLE V

In Article XIII, paragraph 4 of the Convention, "twenty-two" shall be replaced by "twenty-six".

ARTICLE VI

1. This Protocol shall be subject to ratification or acceptance. Instruments of ratification or acceptance shall be deposited with the Government of the United States of America as soon as possible.

2. A signatory Government which intends to ratify or accept this Protocol, may notify the Government of the United States of America that it will apply this Protocol provisionally in accordance with its laws and regulations pending fulfillment of domestic constitutional requirements for ratification or acceptance.

3. The Government of the United States of America shall notify the other signatory Governments of ratifications or acceptances deposited and of notifications of provisional application made.

4. This Protocol shall enter into force provisionally on the date on which instruments of ratification or acceptance have been deposited or the notifications of provisional application as referred to in paragraph 2 above have been made by all the signatory Governments. It shall continue in force provisionally until the date on which it enters into force definitively in accordance with the provisions of paragraph 5.

5. This Protocol shall enter into force definitively on the date on which instruments of ratification or acceptance have been deposited by all the signatory Governments.

6. The original of this Protocol shall be deposited with the Government of the United States of America, which shall communicate certified copies thereof to each of the Governments signatory to this Protocol.

IN WITNESS WHEREOF the undersigned, being duly authorized by their respective Governments, have signed this Protocol.

Done at Washington, this fourteenth day of October, nineteen hundred and eighty, in the English, French, Japanese, and Russian languages, each text equally authentic.

The PRESIDING OFFICER. Without objection, the protocol will be considered to have passed through its various parliamentary stages up to and including the presentation of the resolution of ratification, which the clerk will state.

The legislative clerk read as follows:

Resolved two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Protocol Amending the Interim Convention on Conservation of North Pacific Fur Seals, between the United States, Canada, Japan, and the Soviet Union, signed at Washington on October 14, 1980. (Executive S, 96th Congress, second session)

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Alaska suggest the absence of a quorum?

Mr. STEVENS. I do.

The PRESIDING OFFICER. On whose time?

Mr. STEVENS. Equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The bill clerk proceeded to call the roll.

RECESS UNTIL 11 A.M.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate stand in recess until 11 a.m. today.

There being no objection, the Senate, at 10:34 a.m., recessed until 11 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ARMSTRONG).

Mr. PERCY. Mr. President, today the Senate will consider the protocol amending the Interim Convention on the Conservation of North Pacific Fur Seals. The Interim Convention was signed in 1957 by the United States, Japan, Canada, and the Soviet Union. It replaced an earlier treaty dating back to 1911. The 1980 protocol would extend the Interim Convention by an additional 4 years.

The dual purpose of the protocol, as of the Interim Convention, is to continue the prohibition now being observed by the four governments party to the convention with respect to pelagic or high seas sealing, and to provide a joint research program designed to furnish, as appropriate, sufficient factual data to conserve the fur seal herds of the North Pacific Ocean at a level of maximum sustainable productivity.

The series of North Pacific fur seal treaties are heralded as the first conservation agreements entered into by the United States. There is widespread agreement that these treaties were responsible for saving the North Pacific seal from near extinction.

In 1910, the Pribilof herds numbered only 200,000 animals. Since the original treaty came into force in 1912, the fur seal population has increased to at least 1.7 million. The major reason for this increase was the agreement among the present nations of Canada, Japan, the Union of Soviet Socialist Republics, and the United States to stop harvesting the seals at sea, and to limit land harvest to levels consistent with wildlife management principles.

Pelagic sealing was a wasteful practice in that it had a high struck and lost ratio. Many more seals were lost from the population than were actually retrieved in the harvest at sea. Pelagic sealing also took an inordinately high percentage of female seals, thus further reducing the breeding potential of this population.

The Interim Convention provides for land harvests on the breeding islands of the northern fur seal by the United States and the Union of Soviet Socialist Republics, Canada, and Japan. Each receive 15 percent of the sealskins taken in both harvests. The United States and the Union of Soviet Socialist Republics each retain 70 percent of their respective harvest.

As we all know, there has been a great deal of public outcry concerning the government's Pribilof program. Despite the protection that the Interim Convention provides the seal herds, many people believe that the U.S. Government should not be in the business of killing marine mammals.

During the consideration of the Protocol, a reservation was offered by Senator DODD which would have directed the administration to reduce the fur seal harvest by 70 percent. This reservation was rejected by a vote of 6 to 9 on the grounds that:

The seal herds are not endangered;

The reservation would have an uncertain biological effect on the seal herds; and

The reservation would have an adverse effect on the Aleut communities in Alaska.

It is my understanding that Senator LEVIN was prepared to offer a similar reservation today—a reservation which would have been strongly opposed by Senators STEVENS and MURKOWSKI of Alaska, along with the majority of the Foreign Relations Committee.

Therefore, I wish to complement Senators LEVIN, STEVENS, and MURKOWSKI for their spirit of reasonableness and accommodation in reaching a compromise agreement. The compromise understanding will lay the groundwork for eventual adjustments in the commercial harvest of North Pacific fur seals based on sound scientific judgment.

It will also provide a foundation for the eventual development of alternative sources of employment for the residents of the Pribilof Islands.

I appreciate the efforts that were made in reaching this compromise and urge the Senate to grant its advice and consent to the ratification of the protocol, subject to the understanding proposed by Senators STEVENS, MURKOWSKI, and LEVIN.

Mr. LEVIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 150

Mr. LEVIN. Mr. President, I ask that the clerk read an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Michigan (Mr. LEVIN) proposes an unprinted amendment numbered 150 to the text of the resolution of ratification:

That the Senate advise and consent to the ratification of the Protocol Amending the Interim Convention on Conservation of North Pacific Fur Seals, Between the United States, Canada, Japan, and the Soviet Union, signed at Washington, on October 14, 1980 (Executive S, 96th Congress, 2nd Session), subject to the following—UNDERSTANDING:

It is the understanding of the Senate that appropriate studies shall be undertaken to (1) determine the fur seal feeding habits and food requirements and the at-sea migration and distribution patterns of various age/sex classes of fur seals; (2) determine the impact of any possible adjustments in the size of the harvest on the Pribilof Island residents, the fur seal herd, and the Bering Sea ecosystem; (3) in consultation with the Aleuts, determine the impact of various mutually acceptable alternative sources of employment for Pribilof Island residents on those residents, the fur seal herd, and the Bering Sea ecosystem and possible means of promoting said sources of employment. The results of these studies shall be reported to the Congress by the Administration for referral to the appropriate committees no later than March 1, 1984.

Any alterations in the level of the annual commercial harvest of North Pacific fur seals should be consistent with the development of a stable, diversified and enduring economy for the Aleut residents of the Pribilof Islands. Accordingly, the Senate declares its interest in exploring the appropriateness of, among other possibilities, increasing Aleut control over operation of the harvest consistent with the terms of the Interim Convention.

Furthermore, the Senate declares that: (1) the Secretary of State should continue to strive to conform the Interim Convention with the purposes and policies of the Marine Mammal Protection Act of 1972, as amended, and; (2) the United States may initiate adjustments in the harvest level or the U.S. share thereof providing any adjustments are in conformity with the terms of the Interim Convention, the health of the fur seal herd, and the rights of the Aleut people.

The PRESIDING OFFICER. Under the previous order of the Senate, the Senator from Michigan had been granted permission to offer two reservations. This is in the form of an understanding and would require unanimous consent.

Mr. STEVENS. Mr. President, I ask unanimous consent that it be in order for the Senate to consider such understanding.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and it is so ordered.

Mr. STEVENS. I make such request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I am grateful to the Senator from Michigan for the time he and his staff have spent working with me and Senator MURKOWSKI and our staffs to reach an accord on an understanding concerning the ratification of this convention.

The Interim Convention on Conservation of North Pacific Fur Seals has protected the fur seal herd in the North Pacific for the past 24 years. It replaced an earlier convention which dates back to 1911. Under these two conventions, the North Pacific fur seal herd has grown in population over five-fold.

Without this treaty, two of the four member nations of this convention have vowed to return to their pelagic sealing practices of the past.

Rather than a well managed harvest

insuring population maintenance growth, this would lead to uncontrolled sealing on the high seas. Mr. President, such action would wreak a devastating impact on the fur seal population, and bring irreparable harm to the Aleut people in the Pribilofs.

One of the most interesting studies I did in my legal career was to go back and trace the history of pelagic sealing in the case taken to the World Court concerning the actions of the United States and its effort to halt pelagic sealing.

Mr. President, this protocol will allow continuation of a widely recognized successful conservation and management program in the Pribilofs. In addition, this harvest effort provides the major source of livelihood to the Aleut people.

This treaty enforces a controlled and humane harvest that is restricted to the taking of bachelor male seals ensuring a growing and healthy breeding stock.

Mr. President, I would like to clear up a point of misunderstanding about this harvest that bears consideration. Comments have been made to me in the past several weeks about the "inhumane harp seal killing in Alaska." Such statements, although completely ignorant to the facts of this harvest, can be harmful. The Senator should take notice that the harp seal harvest in Canada is a totally different matter from that before us today. The seal harvest in the Pribilofs is closely monitored and controlled by the Federal Government. The fivefold increase in the fur seal population attests to the great success of this management effort.

Mr. President, I intend to support the understanding that Senator LEVIN has introduced. I am happy to yield to my colleague from Alaska at this point.

Mr. MURKOWSKI. Mr. President, I appreciate my colleague, the senior Senator from Alaska, yielding me this time.

I would also like to commend the Senator from Michigan for working so diligently in resolving what has amounted to an amendment to the text of the resolution for ratification.

Mr. President, today the Senate is considering the resolution for ratification of the Interim Convention on Conservation of the North Pacific Fur Seal. I think it is interesting to note that the National Audubon Society considers—and I quote:

> The response of the northern fur seal population to the protection on the high seas, and the controlled harvest in the Pribilof Islands, required by the provisions of the 1911 convention between and among the United States, Canada, Japan, and the Soviet Union, to be one of the outstanding wildlife conversation success stories of the last seven decades.

I have also, as have the rest of my colleagues, received confirmation of the Sierra Club's support of the continuation of the convention as negotiated. I will also add to the RECORD a letter from Secretary of State, Alexander Haig, supporting the convention as negotiated.

Mr. President, I would like to commend the chairman of the Foreign Relations Committee, Senator PERCY, and the committee members for dealing with this measure in a timely manner. Mr. President, the Foreign Relations Committee approved the continuation of the convention unamended, with a unanimous vote of 15 to 0. The committee's decision, made after hearing testimony from every concerned party interested in this convention bolsters the credibility and value of the convention.

As my colleague, Senator STEVENS, pointed out, when the convention went into effect in 1911, the North Pacific fur seal herd numbered approximately 300,000. At that point, Mr. President, extinction seemed imminent. Today, with the help of the convention and controlled harvest, the herds are approaching 2 million seals. The present count is approximately 1.7 million, to be exact. This type of biological rebound rarely occurs in our society today. Clearly, the convention which is responsible for this rebound should be continued.

Mr. President, there has been some confusion on the Pribilof Island fur seal harvest and I would again like to echo the comments of my colleague, the senior Senator from Alaska. The harvest taking place in my home State does not involve any taking of females or baby seals. This type of harvesting is strictly forbidden. The only seals that are taken are the excess bachelor male seals that are not able to be involved in the reproductive process of the rookery. The harp seal harvest in Canada has no relation whatsoever to the fur seal herd in the Pribilof Islands.

Mr. President, I support the further study of the Bering Sea ecosystem to more fully understand the effect of the North Pacific fur seals. The studies currently being carried out by our Government should continue and be extended as necessary. Without these crucial studies we will not be able to ascertain the healthy level of the fur seal herd.

Mr. President, in summary—I urge the Senate to ratify this treaty as a wise and effective means of managing the fur seal herd. It has the unanimous support of the Foreign Relations Committee. If we were not to continue this sound wildlife management vehicle, we will surely be endangering the North Pacific fur seal herd as well as adversely affecting the socioeconomic status of the Pribilof Island people.

Mr. President, I ask unanimous consent that several supporting documents be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C.

DEAR COLLEAGUE: Several weeks ago, the Foreign Relations Committee approved an extension of the Interim Convention on the Conservation of North Pacific Fur Seals by a 15–0 vote, after turning back a proposed reservation directing the United States to renegotiate the Convention. The purpose of renegotiation would have been the reduction in the harvest of fur seals by the United States and would amount to a "rejection of the protocol we have proposed for ratification", according to the State Department.

Ratification of the Convention by the Senate is of great importance to Alaska and to the effective management of the fur seal herd, and we urge you to reject any effort on the floor to require renegotiation.

The North Pacific Fur Seal harvest has been identified as one of the most successful conservation and wildlife management programs in the world. In 1912, before the Convention was in place, the herd numbered about 300,000 but today it is about 1.7 million animals. The annual U.S. harvest takes place only on the Pribilof Islands, by the Pribilof people, who have been carrying out this harvest for years. No pups or females are taken, only bachelor male seals. This harvest should not be confused with the Canadian harp seal harvest that has engendered much emotional publicity.

In the absence of a treaty the fur seal herd would be greatly endangered. The treaty prohibits pelagic sealing, which is the taking of seals at sea. This type of harvesting is harmful because it is unregulated and results in many wasteful killings since many seals killed in this manner are unretrievable.

Both the Sierra Club and the National Audubon Society have supported this treaty. And the Administration remains committed to it. We have included copies of letters setting forth this support for your information.

We would be happy to respond to any questions you may have about the fur seal convention and hope that you agree that it is appropriate to ratify it for another four years.

Sincerely,

FRANK H. MURKOWSKI,
TED STEVENS,
U.S. Senators.

NATIONAL AUDUBON SOCIETY,
Washington, D.C., March 15, 1981.

Hon. CHARLES H. PERCY,
Chairman Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The National Audubon Society wishes to comment on proposed renegotiation of the 1911 international convention to conserve northern fur seals on the Pribilof Islands, Alaska. We strongly support renegotiation of said convention and commend you and your committee for addressing this important issue in international wildlife conservation.

I can summarize our principal points as follows:

(a) National Audubon considers the respone of the northern fur seal population to the protection on the high seas, and the controlled harvest in the Pribilof Islands, required by the provisions of the 1911 Convention between and among the United States, Canada, Japan and the Soviet Union, to be one of the outstanding wildlife conservation success stories of the last seven decades;

(b) We oppose the resumption of pelagic sealing that could occur if the present convention is not renegotiated and, therefore, strongly oppose termination of the convention;

(c) We have a deep concern that renegotiation of the international convention should assure that the interests both of the northern fur seal and of the Native peoples on the Pribilofs, who obtain part of their livelihood through participation in the carefully controlled harvest of surplus 3-to-6-year-old bachelor males, are fully protected; and

(d) We support intensified research to learn more of fur seal population dynamics and behavior and to better assure that the most humane means of harvesting the bachelor males is being applied.

Mr. Chairman, surely it is incontrovertible that the northern fur seal population had sunk to dangerously low levels by the turn of the century, that it was still declining when the Convention was signed, that the Convention was intended to bring an end to pelagic sealing, that it did so, and that the fur seal population has rebounded as a result.

The present harvest is well designed to

take only surplus males. If pelagic sealing were to be resumed, there is no way to limit the harvest at sea to only bachelor males, no practical way to limit the total take. Thus we would be returning to indiscriminate harvesting, including the taking of pregnant females and pups (juveniles of the year). If pelagic sealing were to be resumed, we would also have great difficulty administering any kind of controlled harvest, since pelagic sealing goes on simultaneously, well out at sea, and we could not ensure that the number taken in any one year was not in excess of the population surplus. The seals' migrations take them far beyond the 200-mile zone.

In addition to the need for treaty protection of the seal population, there is a most serious need to provide greater long term protection to the marine environment of the Bering Sea and to the nationally and internationally significant marine bird colonies on the Pribilof Islands. A first step has been the inclusion of critical portions of the Pribilofs in the Alaska Maritime National Wildlife Refuge created by the Alaska National Interest Lands Conservation Act of 1980.

We urge your Committee to explore ways in which existing international agreements can be strengthened, and new agreements forged with Pacific rim countries, to better protect marine waters of the Bering Sea from dangerous pollution and overutilization of resources, particularly fish on which marine birds and mammals rely for sustenance. These are by far the more serious threats to the future welfare of fur seals, as well as of other marine mammals and of seabirds.

I'd appreciate your including this letter in the hearing record on the fur seal treaty. This is a very important conservation issue, and we shall welcome further opportunity to help see it resolved in the best interests of all concerned nations, the proud people of the Pribilof Islands, and the fur seals.

Sincerely,

ELVIS J. STAHR,
Senior Counselor.

SIERRA CLUB,
Washington, D.C., May 12, 1981.

MEMBERS,
Senate Foreign Relations Committee,
Washington, D.C.

DEAR MEMBERS: The Sierra Club endorses a four year continuation of the International Fur Seal Treaty, as negotiated, and would appreciate your support on this matter.

Sincerely,

JOHN A. MCCOMB,
Director of Operations.

RESOLUTION NO. 2

The Sierra Club Alaska Chapter Conservation Committee requests the Alaska Chapter to adopt the following:

Whereas, under the Interim Convention on Conservation of North Pacific Fur Seals, the Pribilof Islands' fur seal harvest has been well-managed for many years, and

Whereas, the Native subsistence use of the fur seals under this management has been successful both for the Native population and for the continued viability of the fur seal population, and

Whereas, abolition or non-renewal of the Convention would allow resumption of the pelagic harvest of the fur seals, which was a major cause of the fur seals' population decline prior to the Convention, thereby endangering both the species' survival and the Native subsistence culture.

Be it resolved that the Alaska Chapter of the Sierra Club supports the renewal of the Interim Convention on Conservation of North Pacific Fur Seals and supports the humane harvesting of the seals by the Pribilof Islanders as guided by the Convention.

Note to Sierra Club Board of Directors:

This resolution was adopted by the Alaska Chapter Conservation Committee on November 18, 1979, Lin Sonnenberg, Chair, at Fairbanks, Alaska.

The resolution was endorsed by the Alaska Chapter at Anchorage, Alaska, on January 14, 1980, to be forwarded to the National Wildlife Committee and Board of Directors.

JAMES K. BARNETT,
Alaska Chapter Chairman.

THE SECRETARY OF STATE,
Washington, D.C., May 11, 1981.

HON. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate.

DEAR MR. CHAIRMAN: The Protocol amending the Interim Convention on Conservation on North Pacific Fur Seals, was signed by the United States on October 14, 1980 and will come before the Senate Foreign Relations Committee for approval on May 12, 1981.

The Protocol extends the Convention for four years. The Convention has been in force since 1957, replacing a 1911 agreement, and provides for the protection and management of North Pacific Fur Seal stocks. We believe these agreements have served both our conservation and economic objectives. Under these agreements, the seal population has grown from 300,000 animals around the turn of the century to about 1.7 million at the present time. Further, the Convention prohibits killing seals at sea, a major cause of the earlier depletion. Lastly, the Aleut people on the Pribilof Islands have continued hunting seals under these agreements as they have done since the 1700's; sealing is part of their tradition and provides a subsistence harvest and a major source of their income. Furthermore, I understand the harvesting is conducted as humanely as possible.

A reservation has been proposed which directs the administration to renegotiate the Convention to allow the United States to reduce its harvest by approximately 70 percent. This reduction would purportedly allow the United States to continue its international obligations to Japan and Canada while foregoing its own harvest. It is our view that such an amendment is contrary to the intent of the Convention and runs counter to the will of other party members, which expect the U.S. to harvest a level of seals agreed upon under the terms of the Convention. The reservation is without scientific justification, and Department of Commerce scientists fear such precipitous action could have unforeseen effects on the fur seal stocks. Also such a proposal does not address the issue of the native subsistence harvest, nor the effects such a reduction would have on their lives.

I want to affirm the support of the Administration for the Protocol as negotiated and signed by the United States in October of last year, and my personal commitment to its objectives.

Sincerely,

ALEXANDER M. HAIG, JR.

UNANIMOUS-CONSENT AGREEMENT

Mr. BAKER. Mr. President, I understand that shortly debate on this treaty will conclude and almost certainly before the time allocated under the order has been utilized. I believe the unanimous consent request I am about to put has been cleared by the distinguished assistant leader, by all Members on this side, including the junior Senator from Alaska, and by the minority leader and Members on his side, as well, including the Senator from Michigan.

Mr. President, I ask unanimous consent that the vote on the treaty occur at 12:30 p.m. today. I further ask unanimous consent, Mr. President, and I understand this has been cleared, as well—that immediately after the vote on the treaty a vote occur on the confirmation of Myer Rashish, of the District of Columbia, to be Under Secretary of State for Economic Affairs, without an intervening period, and that that rollcall vote be a 10-minute vote.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I do not think I will object, as I understand the circumstances, they are as follows:

A vote, without such an agreement, would probably occur shortly. I have a Member who would like to have the vote at 1:30 p.m. today. I have a Member or Members who would not make the vote if it were delayed beyond 12:30. So, being between a rock and a hard place as I have explained it, I think it is best for us to accede to the request.

Otherwise, the vote would occur now and my Member who would otherwise lose a vote by not being able to be here by 12:30 and would not be here until 1:30 would lose in any event.

Having made that statement for the record, Mr. President, I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the majority leader? Hearing none, it is so ordered.

Mr. BAKER. Mr. President, I thank all Senators. I especially thank the minority leader. I would point out to him that it is my understanding that the Senators from Alaska and the Senator from Michigan and others have worked so well together in compromise that, indeed, the unanimous-consent agreement which was entered into earlier, which would provide for approximately 8 hours of debate, has now resolved itself to the place where we will vote momentarily were it not for this agreement.

The minority leader is absolutely correct. I believe the 12:30 agreement is the best accommodation on both sides.

Mr. STEVENS. If the majority leader will yield, I want to be sure that we are consistent with the understanding we have had with our friend from Michigan. His understanding is in the nature of an amendment to the resolution of ratification. I might inquire if the Senator from Michigan wants a vote on the adoption of that by rollcall.

Mr. LEVIN. That will not be necessary.

Mr. STEVENS. So we can adopt that by voice vote and then vote on the treaty. I thank the Senator.

I am mindful of what he told me about the old bulls from Alaska. We have been involved in a reproductive process here today. I am pleased to continue to be involved in that personally.

Mr. BAKER. I know that is a matter of great interest to the distinguished Senator from Alaska, speaking of old bulls, because I understand he is an expectant father.

Mr. STEVENS. That is right.

Mr. LEVIN. Mr. President, first of all I want to thank my colleagues from Alaska, Senators STEVENS and MURKOWSKI, for their cooperation and hard work in

trying to achieve a conclusion to this very, very difficult issue and very emotional issue.

I also want to pay a special tribute to Senator DODD. When the convention came before the Foreign Relations Committee earlier this year, he put forth a tremendous effort and offered a reservation to the convention that was aimed at stopping a major portion of the annual slaughter of the North Pacific fur seals. The American people were extraordinarily well served by his efforts and I am personally indebted to him.

I think my friends know how I feel about this issue. I feel strongly that each year the taxpayers are spending over $3 million to subsidize and operate a slaughter of 25,000 North Pacific fur seals, which no longer serves a legitimate purpose. The question, of course, that I, and those who take a similar position, face is how we can look at alternatives to this procedure.

Mr. President, the critical parts of this amendment to me, in terms of achieving the goal that I seek are really twofold.

First is the provision in the understanding that states that we will look at other means of promoting other mutually acceptable sources of employment for the Aleuts.

This is critical because unless the Aleuts have other employment, the pressure to take seals is going to continue. Indeed, even if there is other employment, the taking of seals may continue, but there is going to be less pressure to do so.

That is why the search for other means of employment, including the fishing alternative and the alternative involving tourism of a bird rookery which exists on those islands, are important alternatives. That is why other efforts are being made in this Congress, indeed today on the House side, to provide commitments to the Aleuts which will help develop those alternatives.

Both of those alternatives are absolutely essential if we are going to take pressure off the slaughter of the seals. That is why that provision in the first paragraph of the understanding, that in consultation with the Aleuts we are going to determine the impact of various mutually acceptable alternative sources of employment for those residents, is such an important provision, and why the language that we added, that we are also going to seek out possible means of promoting said sources of employment, is also important language.

There is other language in here which I want to highlight briefly, and then the rest of the understanding, of course, will speak for itself, as indeed these provisions will.

The other significant language, as far as our goals are concerned, is the declaration by the Senate that the United States may initiate adjustments in the harvest level or the U.S. share thereof, providing any adjustments are in conformity with the terms of the interim convention, the health of the fur seal herd, and the rights of the Aleut people.

We believe that in this regard the statement of the Department of Commerce in their final position paper and discussion topics for the 1981 annual meeting of the North Pacific Fur Seal Commission, is important. That statement is that in their view the United States may forego annually all or a part of its share of the harvest.

That continues to be the position of the Department of Commerce. It is a position which, although not shared by the Secretary of State or the Department of State, is critical to our position that this amendment will allow the goal to be achieved which we seek to achieve, which is less pressure on the herds and the slaughter thereof.

Mr. President, a number of organizations have worked extremely hard to try to reduce and preferably eliminate the slaughter of these seals and the U.S. taxpayer subsidies for the slaughter of seals in Alaska. I want to mention some of those organizations. I cannot tell you that they are going to be satisfied with this understanding.

I know that a number of them have great questions about it and probably will not be satisfied with it, while perhaps others will be satisfied. I want to mention for the Record the organization that have worked so hard to bring public pressure to bear on this issue: American Cetacean Society, American Littoral Society, American Society for the Prevention of Cruelty to Animals, the Center for Action on Endangered Species, Committee for the Preservation of the Tule Ele, Connecticut Cetacean Society, Defenders of Wildlife. Friends of the Sea Otter, Friends of Wildlife, Fund for Animals, Greenpeace Foundation, Center for Environmental Education, Institute for Delphinid Research, International Dolphin Watch/USA, Let Live, Animal Protection Institute of America, and People for the Ethical Treatment of Animals.

One of the great leaders in this effort, of course, is the Humane Society of the United States.

Mr. President, I began my study of this issue with the goal of producing legislation which would require us to end the Government subsidized slaughter of the North Pacific Fur Seal. That is not what this understanding provides. But what it does provide for is very significant. It allows the United States to reduce that slaughter by as much as 70 percent provided that such a reduction is consistent with the terms of the convention, the health of the Fur Seals and the rights of the Aleut people of the Pribilof Islands.

I believe that such a reduction can and should take place. To understand why I have reached that conclusion, it is necessary to look at the history of this convention.

Year ago, when the Alaskan lands were under the control of Russia, the sealing industry constituted a thriving economic resource. Seal skins were in great demand. Throughout the world, nations actively competed for the right to kill seals off the Phibilof Islands in Alaska.

In fact, it was to a significant degree the attractiveness of the sealing industry which motivated the decision of the United States to seek to buy Alaska.

Once that land became one of our possessions, however, we discovered that the sealing industry was in danger. Other nations, in their search for seal skins had adopted, as a primary mode of hunting and killing seals, a practice called pelagic sealing. Pelagic sealing, the killing of seals in the open sea, threatened the very existence of the North Pacific fur seal herds. Inherent to the killing in open sea is the taking of a large number of females and pups. And, as a result of their deaths, the very survival of the herd was threatened.

The United States, in an effort to end this threat, negotiated an agreement in 1911 with the principle sealing nations—Japan and Great Britain and Russia—in which the United States and Russia guaranteed Great Britain and Japan a given number of fur seal skins if, in return, they agreed to end the practice of pelagic sealing. They agreed and our current approach to the slaughter of the seals was initiated.

Under this approach, the U.S. Government hires 80 Aleut Natives of the Pribilof Islands to slaughter seals. For 5 weeks a year, we spend over $400,000 to have the kill seals and skin them. In addition to that $400,000, we also provide over $3 million as part of the Fur Seal Act of 1966, in direct subsidies which go to improving their living conditions, their housing and so on.

But we subsidize more than the Aleuts. In return for the promises made by Japan and now Canada not to kill seals of the open sea, we also give them title to 30 percent of each year's kill, 15 percent each. They contribute no money for the support of the Aleuts. They spend no money to pay their wages. All they do is promise not to kill seals on the open sea and, in return, receive 30 percent of the seal skins taken in the annual harvest.

Now in theory, this may all be defensible. Given the threat that Pelagic Sealing once represented to the continued existence of the herd, it sounds like it may make sense to make these kinds of expenditures in order to prevent their destruction. But the facts are that we no longer need the convention to prevent pelagic sealing. We no longer need to spend this money in order to protect this species.

In 1976, we expanded our territorial claims from 3 nautical miles to 200 nautical miles. And with that expansion, the practice of pelagic sealing lost its economic viability. It simply is no longer profitable to do pelagic sealing because the North Pacific Fur Seals do not move in any large numbers outside of the 200 mile limit.

That was the conclusion of Sidney J. Holt, professor of environmental studies at the University of California Santa Cruz and former senior advisor on marine affairs to the Department of fisheries of the Food and Agriculture Organization of the United Nations. He testified before the House Merchant Marine and Fisheries Committee in April, 1980 and told them that it was his judgment that:

Pelagic sealing, if conducted beyond the extended zones of national jurisdiction, would be prohibitively expenisve and technically quite difficult.

That is why, even though they are not bound by the convention, other nations which could have a sealing industry do not kill North Pacific Fur Seals. The costs of trying to kill them outside the 200 mile limit are simply too great.

But we have retained the Interim Convention. We have continued to spend $3 to $4 million of the taxpayer's dollars each year in an effort to persuade the other signatory nations not to kill seals on the open sea—something they would be convinced of anyway by sheer economics.

We have continued to slaughter tens of thousands of seals year after year under the illusion that somehow, as we beat them to death, we are saving them from a threat that no longer exists.

Now Mr. President, I must confess that I have no love for the act of slaughtering seals. But I must also confess that I am not philosophically or morally opposed to such an act if I believed it was either necessary or economically defensible. But, as I have indicated, there is no "need" to kill seals in order to save them from a worse fate.

And the plain truth is that this convention, and the subsidy it grants to the Aleuts and the other signatory parties, is the very antithesis of an economically defensible activity.

In this age where so much attention is focused on the free market and removing Government subsidies from the private sector, this harvest—this slaughter—of marine mammals is made possible only through Government support. And that, Mr. President, is really what I find indefensible.

I could accept the killing of seals. I can accept continuing Government support programs to make the life of the Aleuts better. But I cannot accept the link between the two. I cannot accept the fact that we subsidize Aleuts to kill seals and that only because of that subsidy are they being killed.

As a nation we have condemned the Canadian slaughter of baby harp seals. As a body, the Senate has gone on record as opposing that slaughter. Yet this Nation and this Senate is engaged in an even more indefensible act when we subsidize the needless slaughter of 25,000 North Pacific fur seals each year.

There is no economic justification for that payment.

There is no ecological rationale for that subsidy.

And there is no moral defense for the killing we sanction through it.

Mr. President, the understanding we are attaching to this protocol is designed to allow this U.S. Government-run and taxpayer-subsidized seal slaughter to be reduced in a reasonable and a fair way.

As the understanding states, such a reduction can be initiated if it is consistent with the terms of the convention, the health of the herd and the rights of the Aleuts. I believe a reduction in the harvest of the U.S. share thereof would, in fact, be consistent with these three goals. Let me discuss each of them.

There are approximately 80 Aleuts who we pay 5 week's wages, $250,000, to run the slaughter. The understanding I offer allows for a gradual reduction.

If any reduction takes place, and as the reduction takes place, I believe that the Aleuts can develop a more diversified and viable economy; one which can become independent of the slaughter. The Aleuts are working now to develop such an alternative economy.

They are engaged in a new commercial fishing venture which offers realistic and long-term employment opportunities to their people and income to their community corporations. They are also taking steps to develop the other natural attractions of the Islands which will be the source of tourism, particularly the bird sanctuary which the Congress has already authorized and should soon fund.

These and other activities are encouraging signs of economic independence. They are signs which I believe the Congress ought to encourage and support. And I am certainly ready to pledge my cooperation in continuing efforts to improve the economy of the region.

Other Members of Congress are also concerned about the Aleut community and are willing to support efforts to diversify it. I again note a portion of a letter from Congressman REGULA of Ohio who wrote to the chairman of the House Interior Appropriations Subcommittee about this issue earlier this month:

> It is my understanding that the Aleuts in the Pribilofs have begun a small boat commercial fishery, which it is anticipated will, in combination with the Refuge and tourism, eventually replace harvesting seals as the primary source of employment on the Islands. The natives expect to utilize the monies received from the government in exchange for these lands to further develop the commercial fisheries and the tourism industry.
>
> I therefore recommend that Congress appropriate $7.5 million in fiscal year 1982's budget to effectuate the contract which has been executed by the parties and previously ratified and authorized by act of Congress. With this money, and the establishment of the refuge, the Pribilof Aleuts will be able to develop an economic basis, other than sealing. They will thus be able to continue as viable economic units when National Marine Fisheries Service completes phasing out its Pribilof Islands program.
>
> As it is my understanding that this contract is supported by all concerned groups it would make a great deal of sense to appropriate the funds, establish the Refuge and develop the alternative economy now.
>
> In that way, the Aleuts will have an opportunity to establish profitable businesses based on foreseeable circumstances by the time the National Marine Fisheries Service phases out the services it provides on the islands.

This confidence about the viability of more diversified economies is also shared by those most directly concerned with the welfare of the Aleuts. In a letter addressed jointly to Senator STEVENS and myself, the attorney representing the Aleuts wrote that—

> With the assistance of the U.S. Government, my clients will take all reasonable steps to diversify the economy of the Pribilof Islands to the end that sealing is no longer the principal source of employment.

Mr. President, I ask unanimous consent that the full text of that letter appear in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SMITH & GRUENING, INC.,
Anchorage, Alaska.

Hon. TED STEVENS,
U.S. Senate,
Washington, D.C.
Hon. CARL LEVIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR STEVENS AND SENATOR LEVIN: This letter is in response to your requests that I write a letter explaining my clients, The Tanadgusix Corporation and the St. George Tanaq Corporation, concurrence with the "Understanding" which will be included in the Resolution of Ratification of the Interim Convention.

My clients understand the philosophical opposition to the harvesting of the Northern Pacific Fur Seal by groups in the United States and the effect that this pressure has on future alterations of the harvest, or the Convention. We understand the pressure for a reduction by many of these groups.

While my clients do not agree with the position of these groups, or to an alteration in the harvest, they do recognize the need to diversify the economic base of the Pribilof Islands so that sealing is not the only source of employment on the islands.

In that light, and as a result of the agreement of the Senate and others to take significant steps to provide the means of diversifying the economy, my clients agree to the Levin Understanding as an amendment to the Resolution of Ratification of the Interim Convention.

We would expect that the future conduct of the harvest would be in accordance with the ecosystem research and based on sound scientific principles. With the assistance of the United States Government my clients will take all reasonable steps to diversify the economy of the Pribilof Islands to the end that sealing is no longer the principal source of employment.

Sincerely,

JOHN ANTHONY SMITH.

Mr. LEVIN. There is, then, Mr. President a significant body of opinion which suggests that a reduction of the harvest or the U.S. share of that harvest can be accomplished in ways which are consistent with the needs of the Aleut residents of the Pribilof Islands.

A second consideration involves the relationship between a reduction in the harvest and the terms of the convention. I believe that the understanding I am offering does not—does not—violate our commitment to provide a given percentage of the skins to the Japanese or the Canadians, which amounted to 7,500 in 1980. We would continue to kill a significant number of seals to meet that obligation.

All my understanding provides is that we need not take those skins to which we are entitled, which amounted to 17,000 in 1980—and we need not kill the seals which would have provided us with those skins.

The Japanese and the Canadians still get the skins they were promised. Our contractual commitment to them is honored for the life of the treaty. But we also, through this understanding, can honor another commitment: A commitment not to needlessly support the slaughter of intelligent animal life.

I would advance three reasons to support my claim that such a reduction is consistent with the convention.

First, the Department of Commerce

believes that we already have—under the terms of the treaty—the right to unilaterally decide what to do with our allotment of seals. We can decide to kill them or we can decide not to. As long as we supply 30 percent of the projected harvest to the Canadians and the Japanese, we have met the terms of the treaty.

Let me quote the statement of the Department of Commerce on that issue. They said in their 1981 final position paper, and discussion topics for the 1981 annual meeting of the North Pacific Fur Seal Commission:

> Should this issue be raised at the Commission meeting, the U.S. response will state that our preliminary view remains that the United States may forego annually all or a part of its share of the harvest. Reduction of the harvest is not contemplated for 1981.

This view has been reiterated as recently as June 8, 1981. Secretary of Commerce, Malcolm Baldrige, in a letter to Mr. Roger Kindler of the Humane Society, wrote that:

> It is and has been our view that it may be possible for the United States to reduce its share of the harvest within the provisions of the interim convention on conservation of North Pacific Fur Seals.

Second, those who suggest that such a reduction would violate the treaty depend on an objection raised to an earlier version of this reservation by the Department of State. Now, Mr. President, that objection really is not persuasive.

The State Department comments on the earlier version of the reservation were not very precise. They wrote then that they believed the reservation was "contrary to the intent of the convention and * * * counter to the will of other party members."

Now Mr. President, I am getting used to dealing with State Department types and the language of diplomacy. They say that the reservation is contrary to the intent of the convention. But that does not mean that the reservation is a violation of the terms of the agreement.

I have been a lawyer long enough to know that there is a big difference between behavior which is argued as being contrary to the intent of a contract and behavior which violates the terms of a contract. The State Department letter, then, is really rather mild—especially when contrasted with the clear position of the Department of Commerce.

But finally, in terms of this question about whether or not the reservation violates the terms of the convention, I think it is important to note that the State Department bases half its case not on the terms of the convention itself but rather on the will of the other party members and their fear that this reservation would be counter to that will. The point is, however, that to the best of this Senator's knowledge, this issue has never been directly negotiated with the other parties. It has, however, been discussed. Let me share with you the report of the Department of Commerce on this discussion:

> During consultations with party governments on the future of the Interim Convention on Conservation of North Pacific Fur Seals in October, 1979, the United States questioned party governments regarding whether or not any party may unilaterally forego its share of the commercial harvest. The party governments noted that such an interpretation of the Convention had never been contemplated, but did not initially oppose this interpretation.

And in the same vein, Mr. President, I fail to see how a decision by the United States not to take its full allotment of the harvest would violate the intent of the convention when the Department of Commerce, as one party to the negotiation of the convention, very explicitly has indicated that it was their intent all along to give the United States the option to take any portion of its allotted share of the harvest.

It is not my intent, Mr. President, to violate the terms of the convention. It is simply my intent to allow the United States to exercise its rights under the terms of the convention and decline to kill or take the skins of all the seals to which it is entitled.

Finally, Mr. President, this understanding requires that any reduction be consistent with the health of the herd. I have already indicated that there is no threat of a return to pelagic sealing. And thus no threat from that quarter of the herd.

But I have sometimes heard those who disagree with me claim that whether or not the slaughter is needed to prevent a return to pelagic sealing, it is needed to allow us to better manage the seal population and protect the other sea life—and the fishing industry which needs that sea life—in the region.

I would begin by suggesting that there is at least something mildly presumptuous about the claim that we need to kill seals in order to protect them—that mankind is in a better position to control and balance nature than nature itself. I find it hard to accept the claim that we need to kill seals in order to save them.

The State Department also joins this argument and suggests that, as a result of the termination of the harvest at St. George Island, there may have been some damage done to the fur seal stock.

They wrote that the termination of the harvest resulted in a reduction in the female and pup population for reasons not fully understood.

Now that is an interesting argument in at least three senses.

First, it is an admission that we do not fully understand the environmental forces which have caused this alleged shift in population. Given that uncertainty, I find it hard to understand the degree of confidence the Department has in the ecological effects it predicts would result from a termination of the slaughter.

Second, the termination of the harvest at St. George was done on an experimental basis—and that experiment is not yet concluded. To that extent the Department is certainly prejudging the results of its experiment and leaping to conclusions.

And, third, I think that conclusion is at least mildly inconsistent with the fear that an end to the harvest would endanger the fishing industry by allowing the fur seal population to grow and consume ever-increasing levels of commercially viable fish. How can a population that is arguably going to be reduced by the ending of the harvest at the same time develop an appetite voracious enough to increase its consumption of fish and endanger that industry? I just do not see how it can happen.

The argument that an end to the harvest would upset nature's balance or impact the commercial fishing industry is, then, one which simply does not have merit.

Mr. President, let me conclude these remarks by emphasizing the main issues I have tried to raise. Essentially I am saying that this slaughter can be phased out without doing real damage to the herds, the Aleuts, the economy of the region, or the terms of the treaty.

And, as importantly, I am saying that this slaughter should be phased out; it is economically inefficient and morally unacceptable. We should help the Aleuts. We can, if we need to, kill seals. But we cannot—and should not—needlessly continue a vicious circle in which we pay Aleuts to kill seals and we kill seals in order to have a reason to pay the Aleuts.

This understanding allows us—if we have the wisdom to make it, as I believe we will—to reduce this slaughter and break out of this circle.

We have an obligation, Mr. President, to treat this Earth and its resources with care and concern. We have an obligation to treat all creatures with compassion. And those are obligations which we have violated and will continue to violate if we perpetuate this needless and wasteful slaughter.

We can develop a diversified economy for the native population of the Pribilof Islands. We can honor our obligations to Japan and Canada. And we can do those things in ways which are consistent with environmental concerns and human compassion.

And I believe that adoption of this understanding allows us to make progress toward achieving those goals.

Finally, Mr. President, let me close these remarks by paying a brief tribute to Jim Callow of my staff. He has worked long hours on this issue and his advice and counsel have proven to be invaluable to me in this effort.

In the same way, I would like to express my appreciation to Mr. Milton Kaufman of the Fund for Animals for his work in coordinating the involvement of the environmental community in this effort.

And finally, I want to thank an old friend, Bill Broder, for his advice and counsel. His suggestions gave me the incentive to carry on in this effort.

Mr. President, again, I thank my colleagues from Alaska. I think we have reached a conclusion here which allows us to move in the direction which I have indicated.

At this time, Mr. President, I yield 5 minutes to my friend from Rhode Island (Mr. PELL) whom we have named as a cosponsor of this amendment.

Mr. PELL. Mr. President, I thank my colleague from Michigan.

Mr. President, I urge the Senate to

give its advice and consent to the 1980 Protocol Amending the Interim Convention on Conservation of North Pacific Fur Seals. The effect of the protocol is to extend for another 4 years the system of protection for and management of the North Pacific fur seal herd.

The Interim Convention, which, in the present form, dates back to 1957 and, in an earlier form, to 1911, has been a model of successful cooperation in the protection and management of migrating species. Under the convention, the nations without seal rookeries—Canada and Japan—share in the controlled harvest of the nations with such rookeries—the United States and the Soviet Union. In return, all powers agree to forego the extremely wasteful practice of pelagic—high seas—sealing. Since 1911, the fur seal population on the U.S.-owned Pribilof islands, which are the major breeding grounds, has increased from 200,000 to 1,250,000.

The North Pacific Fur Seal Convention, in spite of its past successes, cannot be an unchanging and unchangeable document. Circumstances have changed since the original agreement was negotiated in 1911, and indeed, have changed since the present convention was last extended in 1976.

Two important changes deserve comment. First, sealskins are no longer in great demand and hence the harvest is no longer profitable. Since 1970, the total cost of managing the Pribilof island program has exceeded the revenue earned from sealskins.

In 1979, expenditures exceeded receipts by $3,335,789. Second, the adoption of the 200-mile fishing zone has brought much of the fur seal's migration path under the provisions of the Marine Mammal Protection Act and, hence, has sharply reduced the potential damage of resumed pelagic sealing.

In response to these changed circumstances. I supported in committee a reservation offered by Senator DODD to reduce the harvest on U.S.-owned rookeries by 70 percent by instructing the United States not to kill any of its quota. The Dodd reservation would have annually saved 19,000 seals from an uneconomical and cruel slaughter. The reservation did not impinge on Canada's and Japan's share of the harvest and, hence, was entirely consistent with the terms of the Convention. Regrettably, the Dodd reservation was rejected by the Foreign Relations Committee.

I am pleased, however, that a compromise has been worked out between the Senators from Alaska and Michigan, and I look forward to supporting it.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Mr. President, I yield myself such time as I may need. It is my intention that we shall yield back the remainder of our time to my friend from Michigan, in a few minutes.

Mr. President. I think it is important to call the attention of the Senate to the fact that this Interim Convention is in fact the Protocol Amending the Interim Convention on Conservation of North Pacific Fur Seals. It was submitted to the President on October 31, 1980, by our former colleague, former Secretary of State Edmund Muskie.

I ask unanimous consent that the letter of submittal from the Department of State to the President of October 31, 1980, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, October 31, 1980.

THE PRESIDENT,
The White House.

Mr. PRESIDENT: I have the honor to submit to you, with a view to transmittal to the Senate for advice and consent to ratification, the Protocol Amending the Interim Convention on Conservation of North Pacific Fur Seals, between the United States, Canada, Japan, and the Soviet Union, signed at Washington, on October 14, 1980 (the Protocol).

The Interim Convention was signed in 1957; it replaced an earlier convention on North Pacific fur seals dating back to 1911. Under the two conventions, the herds of fur seals have been protected and managed, and the population has increased from 300,000 animals to approximately 1.7 million. The Interim Convention was extended in 1963 and 1969. A 1976 Protocol further extended the Convention and amended it in order to provide greater protection for fur seals. This Protocol extends the Interim Convention for an additional four years, until 1984. It also reflects the four signatory nations' recognition of the extensions of fisheries jurisdictions which have occurred since the entry into force of the 1976 Protocol.

The Interim Convention bans pelagic sealing, which United States scientists consider a wasteful method of harvesting seals. Should the Convention not be extended, the Japanese have indicated they would return to the practice. The Convention also allows the management of fur seal stocks throughout their range. Without it, the United States could manage fur seals within its fishery conservation zone, but would not have any means of control over taking outside the zone. In addition, the Convention allows the continuation of traditional Aleut harvesting of seals for subsistence.

The Department of Commerce has drafted an environmental impact statement on the possibilities of renegotiating the Interim Convention and has concluded that a four-year extension of the present agreement is the course of action which will provide the best protection to North Pacific fur seals throughout their range. The Department of Commerce, which participated with the Department of State in the negotiation of this Protocol, concurs in the view that early ratification of the Protocol is most desirable. I recommend that the Protocol be transmitted to the Senate as soon as possible for its advice and consent to ratification.

Respectfully submitted,

EDMUND S. MUSKIE.

Mr. STEVENS. Mr. President, this is one of the most interesting records in history of an attempt to bring about the controlled utilization of a species. The activities of the United States commenced following the purchase of Alaska from Russia. Prior to that time, the Russians, who had discovered the Pribilofs in 1786, had initiated a very large sealing activity. The resource was practically annihilated by 1834 as the report of the Senate Foreign Relations Committee points out. The Russians then stopped the taking of females and the herds began to increase.

By the time the United States purchased Alaska, the Pribilof fur seal herd had been restored to about 2½ million, according to the records of that time. We are not certain how accurate that count was.

In 1869, Congress set aside the Pribilofs as a special reservation for the seals, but did conduct sealing during the 20-year period that followed under a leasing arrangement that allowed the take of about 2 million seal skins. By 1910, only 200,000 seals were estimated to remain.

In 1911, the first treaty was entered into between our Government and Japan, Russian, and Great Britain acting on behalf of Canada. The success of this treaty has brought us to the point where there are now approximately 2 million seals. The estimate of the department was 1.7 million; I understand that is about 2 years old.

We have discontinued the taking of fur seals on St. George in a controlled experiment that commenced in 1973. It was done with the full consent of the Pribilof people in consultation with the State of Alaska.

In the last 7 years, there has been a rapid increase in the abundance of adult males and a decline in females and pups. It is obvious, I think, to anyone who has studied the past history of this treaty that the scientific management that has been applied to this fur seal herd has, in fact, revived it when it was close to extinction in 1910.

I believe that the State of Alaska and all Alaskans are most interested in securing the approval of the Senate for the extension of this treaty, primarily to assure that this species will be maintained under scientific management principles. We believe that the history of this treaty demonstrates what we have tried to bring about in the management of other species. It is to our sad regret that there are many who will not listen to us as we try to point out that other species could similarly be restored through scientific management. Unfortunately, we have a far different concept involved in the moratorium as far as ocean mammals are concerned right now. But this history demonstrates that when the welfare of the species is our first and foremost goal, the concept of scientific management does work.

Mr. President, I want once again to go on record as stating unequivocally that I think that the history of this program demonstrates that those of us who believe that man has a role in assisting in the preservation of the species such as the fur seal and utilizing a portion of the harvest to benefit mankind, are on the right course as far as wildlife is concerned. Wildlife management, to me, is demonstrated in its finest form in connection with the history of the fur seal treaty.

Mr. President, unless my friend seeks any more time, I am prepared to yield back the remainder of the time on our side.

Mr. CRANSTON. Mr. President, I support the language offered by Senator LEVIN to the resolution ratifying the 1980 Protocol Amending the Interim Convention on Conservation of North Pacific Fur Seals. While the language now be-

fore the Senate stops short of ending the U.S. take of fur seals—and ending that take was the course I advocated as a member of the Senate Foreign Relations Committee—I believe this modification, agreed upon in a spirit of comity by Senator LEVIN and the distinguished assistant majority leader (Mr. STEVENS), represents a significant and hopeful step in how we view the fur seal harvest and the U.S. involvement in carrying out the terms of the treaty.

I think it important to recognize that this language makes possible both a continued stand by the United States against pelagic sealing—that is, killing seals on the high seas—as well as a Senate directive to study fur seal feeding habits, food requirements, and migration and distribution patterns, about which we now have insufficient information. We also recognize the need for alternatives to sealing for the inhabitants of the Pribilof Islands. And we further declare that the Secretary of State should continue efforts to conform the Interim Convention with the purposes and policies of the Marine Mammal Protection Act, and we reiterate the right to adjust the U.S. share of the annual fur seal harvest.

Mr. President, I look forward to the day when we end U.S. involvement in the fur seal hunt. I believe that taxpayer-subsidized seal hunts are inconsistent with the wishes of a majority of Americans. Each year, Members of Congress are bombarded with communications from their constituents in specific reference to the Canadian harp seal hunts carried out under sanctions of that Government. More Americans are becoming aware that in the case of the fur seal, the United States not only sanctions, but pays for a similar slaughter—with taxpayers' money—over which our Government has direct control.

Let me say, Mr. President, that I believe conducting this hunt is an international embarassment to the United States. It clearly lowers our credibility when we push for abolition of other seal hunts—which we do—and where extinction is a far more imminent threat.

I would also point out that the Senate Committee on Foreign Relations has previously expressed its concern about continuing the treaty without modification. In our 1976 report on the treaty, the committee pointed out that with the extension of U.S. jurisdiction out to 200 miles, it was unclear how much pelagic sealing other nations could undertake effectively. The committee urged the State Department to undertake a study of the situation and the possibility of negotiating a bilateral agreement with Canada on pelagic sealing which might be preferable to the present convention. In that report, the committee clearly implied that alternative means to conserve fur seals might be found.

Four years later, we find ourselves in the same quandary that faced us then, and I feel uncomfortable continuing this same arrangement for an additional 4 years without at least some indication by the Senate that we must make progress toward an alternative to the killing of fur seals as an economic base for the Aleuts.

Mr. President, I believe the understanding Senators have reached on this issue offers much to alleviate the concerns expressed by me and by other Senators on the Foreign Relations Committee. I support the language now before the Senate.

Mr. President, I ask unanimous consent to have printed in the RECORD the additional views of Senators on the Foreign Relations Committee in which we discuss the reasons for our support of the original reservation specifying an end to the U.S. take of fur seals. The views provide background to the discussion here today.

There being no objection, the additional views were ordered to be printed in the RECORD, as follows:

ADDITIONAL VIEWS OF SENATORS PELL, BIDEN, SARBANES, ZORINSKY, CRANSTON, AND DODD

During Committee consideration of the Protocol Amending the Interim Convention on Conservation of North Pacific Fur Seals, Senator Dodd offered the following reservation:

"It is the position of the United States that the United States is not obligated to harvest any of the quota of North Pacific Fur Seals assigned to the United States under the terms of the Interim Convention on Conservation of North Pacific Fur Seals. Approval of this Protocol is subject to the condition that the United States not harvest any of its quota of fur seals after January 1, 1981. The Senate directs the Administration to negotiate an arrangement with Canada and Japan so that Canada and Japan will receive sealskins as provided under the terms of Article IX of the Interim Convention on Conservation of North Pacific Fur Seals, except that the total number of sealskins provided annually to Canada and Japan shall be no greater in number than the number they would have received if the United States harvested its quota."

This reservation, which we supported, is similar to one suggested by Senator Levin in a letter to Committee Members (see appendix). The reservation requires the United States, as a condition of extending the Interim Convention on Conservation of North Pacific Fur Seals, to forgo harvesting its 70 percent share of the annual seal kill on the Pribilof Islands. The effect of the reservation would be to reduce the annual seal kill on the Pribilofs from the present level of 26,000 to approximately 7,800. We believe a United States decision not to harvest its quota of seals is entirely consistent with our obligations under the Interim Convention.

We believe United States participation in the annual seal kill is economically unsound, is inconsistent with the management and conservation criteria contained in the Marine Mammal Protection Act of 1972, and serves to undermine efforts to persuade other countries to better protect marine mammals. The Pribilof Island rookeries, which are home to approximately 1,250,000 of the estimated 1,750,000 North Pacific Fur Seals, are administered as a commercial venture by the Department of Commerce. In 1979 the Department of Commerce spent $4,208,600 on the Pribilof Island program, of which $444,000 were direct expenditures on fur seal harvesting and processing. While receipts from sealskins ($842,811) do cover direct costs, they are how far short of covering program costs. (By contrast, in 1960 sealskins earned $3,220,405 while total program costs were only $1,720,402). Thus, at least indirectly, U.S. taxpayers are subsidizing the price of fur coats.

The Marine Mammal Protection Act of 1972 establishes strong standards for protecting and managing marine mammal populations. Were the management goals of this law—i.e., the goal of maintaining the species at optimum sustainable population—applied to the Pribilof Island rookeries, there would be no harvest. By eliminating the United States share of the harvest, we will be following management and conservation practices more in line with the objectives set out by Congress in the Marine Mammal Protection Act.

We share the concern of many Americans over the killing of whales and harp seals. United States Government participation in the seal kill on the Pribilofs strikes us as inconsistent with public and governmental goals in marine mammal protection and certainly weakens our ability to influence other nations.

In its comment on the proposed reservation, the State Department said it "appears to be, in effect, a rejection of the Protocol we have proposed for ratification." We strongly disagree. The Convention is a commercial arrangement allowing the parties without rookeries (Canada and Japan) a share of the land harvest in return for a prohibition on pelagic sealing. Nowhere in the text of the Convention is the United States required to harvest its quota and the proposed reservation explicitly protects the right of the treaty partners to their share.

Furthermore, we note the United States government has stated, both in the September 1980 Final Environmental Impact Statement and the Final Position Paper for the April 1981 annual meeting of the North Pacific Fur Seals Commission, its preliminary view that the United States may forego all or part of its share of the harvest under the terms of the present Convention. The other governments, when questioned on this position, did not object.

We recognize the economic hardships facing the Aleut peoples of the Pribilof Islands, and are concerned about their economic well-being. The Aleuts are a strong and proud people with a long heritage, who have endured a great deal of economic uncertainty. Their fate, now and in the past, has been linked to commercial sealing on their islands. However, this no longer needs to be the case.

Alternative employment opportunities do exist. The rich fisheries of the Bering Sea and the tourist attraction of the soon-to-be established Wildlife Refuge for birds can form the basis for a diversified and enduring economy.

We recognize that, even with a reduction in the seal harvest, Federal expenditures will be essential to provide the Aleuts with necessary services. We do believe that the alternative economies described above provide greater prospects for economic independence than the seal harvest. We hope the State of Alaska and the Federal Government will work with the Aleuts to achieve this independence.

Although the proposed reservation was not accepted by the Committee, we nevertheless supported the Convention of final passage. We believe that resumed pelagic sealing poses a potentially greater risk to the seal populations than the current harvest. We note, however, that the 200-mile fisheries zone provide greater protection to the North Pacific Fur Seals than that which existed at the time of the previous extension of the Interim Convention in 1976. Prior to renewal of the Convention in 1984, we request the Administration provide data on the economic prospects for pelagic sealing outside the 200-mile limit. We also urge the Administration to negotiate with our treaty partners for a reduction in the annual seal harvest.

Mr. LEVIN. Mr. President, I am prepared to yield back the remainder of my time.

Before doing so, I ask unanimous consent that the name of Senator from California (Mr. CRANSTON) be listed as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, I yield back the remainder of my time.

Mr. STEVENS. I yield back the remainder of my time, and ask that the amendment of the Senator from Michigan be considered at this time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Michigan (UP No. 150).

The amendment was agreed to.

Mr. STEVENS. Mr. President, I ask for the yeas and nays on the resolution of ratification, as amended.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HEINZ. Mr. President, I rise to support the protocol amending the Interim Convention on Conservation of North Pacific Fur Seals, a treaty which has been in force since 1957. Its ratification will certainly lead to continued protection for the fur seals of the Pribilof Islands.

In the past, I have been a strong advocate of bringing some sensibility to the Pribilof seal harvest program and it is with this in mind that I endorse the protocol as amended by Senator LEVIN.

What Senator LEVIN has proposed is to begin the slow process of getting the Federal Government out of subsidizing the fur seal harvest while still maintaining and strengthening our country's commitment to conducting the harvest in a humane fashion.

This proposal would direct appropriate studies to be undertaken in order to examine the effects of possible changes in the harvest of the Pribilof residents, the ecosystem, the Aleutian economy, and the fur seals themseves. I cannot emphasize enough the importance of adding substantive studies and useful data to the fur seal debate. We need to have some scientific basis on which to make decisions affecting the Pribilof Islands, its people, and the fur seals.

Four years ago, the Senate faced this same issue on the Interim Convention. Then, as now, insufficient information existed on the effects of proposed changes to the treaty. If we expect to make any reasonable modifications to the treaty, we simply must have this information.

The Interim Convention has been responsible for much of the resurgence in fur seal herds over the last 70 years. Our Nation and the other members of the Interim Convention have a right to be proud of this cooperative accomplishment.

However, the United States has an obligation to see that the harvest is conducted humanely under the protection of the Marine Mammal Protection Act of 1972. We owe it to ourselves to encourage Japan, Canada, and the Soviet Union to comply with the principles of conservation and humane treatment of animals which this landmark law mandates.

Furthermore, the subsidization of the seal harvest by the Federal Government is a national embarrassment. During this period of budgetary austerity in our Government, we must make every effort to stop wasteful and unnecessary expenditures.

I am well aware of the importance of the seal harvest to the lives and the economy of the Aleuts and I would not propose to radically alter a tradition which is several hundred years old. However, the Federal Government cannot continue its financial support for this harvest. Our Government cannot afford it and the taxpayers will not stand for it.

The Prilibof seals are one of our Nation's great natural resources. We do have a responsibility for their continued well-being and protection. I look forward to the results of scientific studies on this region and the fur seals and to a rapid yet effective resolution of this problem.

RECESS UNTIL 12:25 P.M.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate stand in recess until 12:25 p.m. today.

There being no objection, the Senate, at 11:50 a.m., recessed until 12:25 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. WARNER).

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The hour of 12:30 having arrived, the Senate will now vote on the resolution of ratification.

The question is on agreeing to the resolution of ratification, as amended, on Executive S, 96th Congress, 2d session, 1980 Protocol Amending the Interim Convention on Conservation of North Pacific Fur Seals.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Oregon (Mr. HATFIELD), and the Senator from Nevada (Mr. LAXALT), are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Connecticut (Mr. DODD), the Senator from Ohio (Mr. METZENBAUM), and the Senator from Nebraska (Mr. ZORINSKY), are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. DODD) and the Senator from Delaware (Mr. BIDEN), would each vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The yeas and nays resulted—yeas 94, nays 0, as follows:

[Rollcall Vote No. 148 Ex.]

YEAS—94

Abdnor	Garn	Moynihan
Andrews	Glenn	Murkowski
Armstrong	Goldwater	Nickles
Baker	Gorton	Nunn
Baucus	Grassley	Packwood
Bentsen	Hart	Pell
Boren	Hatch	Percy
Boschwitz	Hawkins	Pressler
Bradley	Hayakawa	Proxmire
Bumpers	Heflin	Pryor
Burdick	Heinz	Quayle
Byrd, Harry F., Jr.	Helms	Randolph
	Hollings	Riegle
Byrd, Robert C.	Huddleston	Roth
Cannon	Humphrey	Rudman
Chafee	Inouye	Sarbanes
Chiles	Jackson	Sasser
Cochran	Jepsen	Schmitt
Cohen	Johnston	Simpson
Cranston	Kassebaum	Specter
D'Amato	Kasten	Stafford
Danforth	Kennedy	Stennis
DeConcini	Leahy	Stevens
Denton	Levin	Symms
Dixon	Long	Thurmond
Dole	Lugar	Tower
Domenici	Mathias	Tsongas
Durenberger	Matsunaga	Wallop
Eagleton	Mattingly	Warner
East	McClure	Weicker
Exon	Melcher	Williams
Ford	Mitchell	

NOT VOTING—6

Biden	Hatfield	Metzenbaum
Dodd	Laxalt	Zorinsky

The PRESIDING OFFICER. Two-thirds of those Senators present and voting having voted in the affirmative, the resolution of ratification, as amended, is agreed to.

DEPARTMENT OF STATE

NOMINATION OF MYER RASHISH, OF THE DISTRICT OF COLUMBIA TO BE UNDER SECRETARY OF STATE FOR ECONOMIC AFFAIRS

Mr. PERCY. Mr. President, the Committee on Foreign Relations voted 16 to 0 on April 28 in favor of the nomination of Myer Rashish to be Under Secretary of State for Economic Affairs. The position is an important one in the formation of U.S. policy on international economic matters. The Under Secretary of State for Economic Affairs is the fourth ranking officer of the Department of State, and is responsible for developing the Department's views on international energy policy, international financial affairs, North-South economic relations and trade. The Under Secretary is responsible for preparation for economic summit meetings.

Mr. President, the first economic summit meeting will be held in Ottawa, Canada little more than a month from now. There will be a larger summit meeting in Mexico in October which will focus on North-South relations. In view of these upcoming meetings and all the other pressing international economic issues, it is critical to have Myer Rashish confirmed today for the position of Under Secretary of State for Economic Affairs.

The Committee on Foreign Relations found Myer Rashish to be highly qualified for the position. The Under Secretary for Economic Affairs ought to have a background in economics or business in order to handle the many technical and sensitive international economic

questions which arise. Myer Rashish is a professional economist with a masters degree in economics from Harvard University and extensive experience as a private consulting economist, a government economist, and an academic economist. He has advised several congressional committees, as well as previous administrations, on international economic policy.

The Committee on Foreign Relations found Myer Rashish to be thoroughly familiar with all the major international economic issues. Myer Rashish has the strong support of the Secretary of State and the President. Myer Rashish's views on the issues were found by the committee to be consistent with those of the Reagan administration. Mr. Rashish supports free trade together with a stronger U.S. export effort and greater access to foreign markets; so does the administration. Mr. Rashish believes the private sector should have a larger role in the development process; so does the administration. Mr. Rashish said he would take "a sober, candid, and constructive" view of North-South economic relations; the administration is doing so as well.

Mr. President, based on his fine qualifications for the job, the Foreign Relations Committee urges approval of the nomination of Myer Rashish to be Under Secretary of State for Economic Affairs.

Mr. HELMS. Mr. President, yesterday morning the Foreign Relations Committee held additional hearings with Mr. Myer Rashish, the designated Under Secretary of State for Economic Affairs. The subject matter in question was the pending administration decision on whether or not to sell 100 Caterpillar pipelayers to the Soviet Union.

Mr. Rashish, in the post to which he presumably will be confirmed, has the final authority for making the recommendation to be presented to the Secretary of State in this matter. Indeed, he has already been acting in this position, and, according to the information I have received, has played a significant role in the recommendation which has already been forwarded to the Secretary.

In the hearing yesterday, Mr. Rashish made a pleasant and competent presentation. Unfortunately, he was under restraints by the Secretary of State not to discuss his role in this matter, nor any conversations he may have had with members of the administration, or memoranda he may have approved. I find it discouraging that the administration is invoking the dubious doctrine of executive privilege so early in the game.

One of the reasons I originally raised doubts about the nomination of Mr. Rashish was the fact he was a policymaker whose past policies were more compatible with the Carter administration than with the doctrines which had been enunciated for years and years by Ronald Reagan before he became President of the United States. As a matter of fact, here we have exactly the type of issue which I had in mind when I first raised questions about Mr. Rashish.

The Caterpillar pipelayer sale was first approved in and by the Carter administration, then held up when the grain embargo was imposed. It is my understanding, based upon information which I believe to be accurate, that Mr. Rashish became the advocate in the State Department for making this sale now that the grain embargo is lifted. He was joined by Mr. Robert D. Hormats and Mr. Lawrence Eagleberger in this advocacy.

You might ask, Mr. President, why is Senator HELMS so concerned about these pipelayers and the implications of the sale of them to the Soviet Union at this critical time?

Now the pipelayers become significant in a strategic sense because they increase the Soviet capacity to operate militarily. Moreover, there is a considerable body of expert opinion that the pipelayers could be used to lay coaxial cable for hardened, underground communications networks for military command structures, ABM systems, et cetera. If the Soviets were to build modular structures, premade, hardened with cement, and with the coaxial cable inside a pipe casing filled with cement, they could be laid by the new pipelayers with the same sophistication and delicacy as a natural gas pipeline is laid.

Mr. Rashish stated yesterday that he did not believe the pipelayers would be practical in this application, since they work best on level ground. Of course there is rough terrain in the Soviet Union, but there is plenty of level ground too. I recall, Mr. President, that the American people were told that the Kama River plant would have no military applications, but then we found out that Kama River equipment was used for the invasion and subjugation of Afghanistan.

Moreover, the pipelayers would increase the capability of the Soviet Union to construct gas pipelines to Afghanistan for the continued exploitation of that country. Of course, the Soviets have other pipelayers already. But for major projects, whether of a direct military nature, or for strategic objectives such as the exploitation of Afghanistan, the denial of new pipelayers would require diversion from other high priority projects in the Soviet Union. The denial of the pipelayers would place a strain upon the Soviet overall capability.

Now the distinguished chairman of the Foreign Relations Committee, Mr. PERCY, in whose State the pipelayers are made, has pointed out that the Japanese are prepared to sell such machines made by the Komatsu company. The Soviets already have 547 Komatsu pipelayers, along with about 1,000 Caterpillars.

But this, Mr. President, is significant in itself. Does it not raise the question of what kind of relationship do we have with our allies in this instance Japan? It is not just a question of sales competition, but a question of the survival of the Western nations. We should be using our leverage with the Japanese to secure their cooperation in worldwide actions of a strategic nature. Mr. Rashish yesterday declined to say whether or not discussions were being held with Japan on joint cooperation to deny pipelayers to the Soviet Union.

My friend, the distinguished Senator from Maryland (Mr. MATHIAS), forcefully made the underlying issue clear at yesterday's hearing. I am immensely grateful to him for having done so. I could not agree with my friend from Maryland more on his analysis of this issue, even though we might disagree on the outcome. The point which the distinguished Senator from Maryland made was that we do not have a consistent, underlying foreign policy that would form the basis for making decisions of this type.

We have to decide whether pipelayers are really low technology or not. I do not believe that they represent low technology. But if they were low technology items, denial of the sale would imply a new U.S. policy to inhibit Soviet energy production. Even inaction by the administration while the larger energy implications are being studied would have a major impact, particularly if concerted action with Japan were implemented.

So it boils down to this, Mr. President: if the Caterpillar case is approved, we would be giving a signal to the public and to our allies that the lifting of the grain embargo is leading to an across-the-board liberalization of controls. Since the grain embargo was lifted, we have tried to emphasize to our allies the importance of maintaining and strengthening security controls; we have supposedly been maintaining a no-exceptions policy, expediting review of U.S. proposals to tighten controls on computers, gas turbine engines, and metallurgy.

So it is important, I think, that the case not be approved, and that the Japanese, who seek access to our markets, understand that we truly want a no-exceptions policy in this matter dealing with the Soviet Union in terms of technology and other matters.

It would be interesting, Mr. President, for the Congress to know just exactly what the political-military bureau of state and the policy planning bureau of state had to say in the internal debate on this matter. I cannot believe that any objective analysis of this matter would conclude that the pipelayers could not be used to develop military infrastructure.

Now, I asked Mr. Rashish yesterday if the National Security Council had been consulted about this proposed sale. He said he did not know.

Now, I would hope, Mr. President, that this decision will be taken to the National Security Council before anything is finalized.

I was gratified that the distinguished chairman of the committee, in response to the colloquy between Senator MATHIAS and this Senator from North Carolina, promised that the committee would soon hold hearings on the overall implications of economic policy. The truth is that we do not have a comprehensive policy. We do not know why a grain embargo should be put on or should be lifted. We do not know why we can sell pipeplayers, with military implications, to the Soviet Union, but we cannot sell Government-storage butter that will soon represent a dead loss to the taxpayers.

As the matter now stands, we can sell

the Soviets wheat for their bread but we cannot sell them soon-to-be-rancid butter to butter it. But we can sell them pipelayers that clearly, in the judgment of this Senator, have military implications. There are no principles to guide our planners. And that is the reason the hearings promised by the chairman of the Foreign Relations Committee yesterday morning are so essential.

Mr. President, from the outset, I have tried to argue that our policymakers should be guided by principle. I was one of the earliest supporters of Ronald Reagan for the Presidency, precisely because I admired and respected the principles that he had been espousing for years before that day in 1973 that I made the commitment to him in his home in Los Angeles to support him for the Presidency if, as, and when he should seek the nomination. The years went by. We all remember what happened in 1976.

And then, in 1980, at the convention of the Republican Party in Detroit, I was a member of the platform committee, willing to serve precisely because I felt that it was important that political principles receive close attention and public scrutiny. I worked hard last fall in the campaign to explain those principles as best I could across this country so the people of America could know where the Reagan administration, if it were elected, would stand.

After the election, I became involved in the transition process so that the guidelines for the new administration would be based on the principles that Ronald Reagan has enunciated all these years. And I interested myself in the nomination process for the same reason, as I said earlier.

Mr. President, in the long run, policies are made by people, and the people who make those policies must be carefully chosen. The Caterpillar pipelayer issue is a good example of the way in which policies can be made.

Unfortunately, the restrictions which Secretary Haig placed upon Mr. Rashish just prior to his appearance yesterday morning before the Foreign Relations Committee made it impossible to place upon the record Mr. Rashish's own affirmation about his role in this process. But I hope that the issues which were raised at the hearing yesterday will demonstrate to Mr. Rashish that the supporters of the Reagan administration hope for high standards, and that this must not—must not—be another administration that is just business as usual.

As we have traveled the road through the years from candidate to platform, from platform to campaign, from campaign to transition, from transition to nominations, and now from nominations to new policies, it is vitally important that there be consistency and fidelity. The American people are looking for trust and reliability. They want an end to politics and expediency.

I have said repeatedly that I have not been opposing personalities in the handful of nominations I have questioned. Nor did I expect to defeat the nominees involved. What I was raising were issues, principles, and the future of policy. I hope that the efforts of the Senator from North Carolina have been constructive in focusing on the direction of the Reagan administration, and, subsequently, the direction of our Nation.

The PRESIDING OFFICER. Under the previous order, the Senate will now vote on the nomination of Mr. Myer Rashish.

The question is, Will the Senate advise and consent to the nomination of Myer Rashish, of the District of Columbia, to be the Under Secretary of State for Economic Affairs?

Mr. JACKSON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Oregon (Mr. HATFIELD) and the Senator from Nevada (Mr. LAXALT) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Ohio (Mr. METZENBAUM), and the Senator from Nebraska (Mr. ZORINSKY) are necessarily absent.

The PRESIDING OFFICER (Mr. MATTINGLY). Are there other Senators wishing to vote?

The result was announced—yeas 91, nays 4, as follows:

[Rollcall Vote No. 149 Ex.]

YEAS—91

Abdnor	Garn	Moynihan
Andrews	Glenn	Murkowski
Baker	Goldwater	Nickles
Baucus	Gorton	Nunn
Bentsen	Grassley	Packwood
Boren	Hart	Pell
Boschwitz	Hatch	Percy
Bradley	Hawkins	Pressler
Bumpers	Hayakawa	Proxmire
Burdick	Heflin	Pryor
Byrd, Harry F., Jr.	Heinz	Quayle
	Hollings	Randolph
Byrd, Robert C.	Huddleston	Riegle
Cannon	Humphrey	Roth
Chafee	Inouye	Rudman
Chiles	Jackson	Sarbanes
Cochran	Jepsen	Sasser
Cohen	Johnston	Schmitt
Cranston	Kassebaum	Simpson
D'Amato	Kasten	Specter
Danforth	Kennedy	Stafford
DeConcini	Leahy	Stennis
Denton	Levin	Stevens
Dixon	Long	Thurmond
Dodd	Lugar	Tower
Dole	Mathias	Tsongas
Domenici	Matsunaga	Wallop
Durenberger	Mattingly	Warner
Eagleton	McClure	Weicker
Exon	Melcher	Williams
Ford	Mitchell	

NAYS—4

Armstrong	Helms	Symms
East		

NOT VOTING—5

Biden	Laxalt	Zorinsky
Hatfield	Metzenbaum	

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. STAFFORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STAFFORD. Mr. President, on behalf of the majority, I would say that we are about to move some nominations that are cleared on both sides as soon as the minority leader can be on the floor, after which it will be the intent of the Senator from Vermont, as the acting majority leader, to call up S. 63 for immediate consideration, following which we will return to morning business after these matters are completed.

Mr. President, since we are still in executive session, I ask the minority leader if there are any nominations on the Executive Calendar that are cleared on the minority side that could be taken up immediately.

Mr. ROBERT C. BYRD. Mr. President, all nominations on page 2 of the Executive Calendar, beginning with New Reports, have been cleared on the minority side, and if the Senator wishes to proceed en bloc, it would be agreeable on this side.

Mr. STAFFORD. Mr. President, I thank the minority leader, There is a hold on Mr. Enders on this side.

Mr. President, on behalf of the majority, I move that the nominations, with the exception of Mr. Thomas O. Enders, be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the specified nominations are considered en bloc and confirmed en bloc.

Nominations confirmed en bloc are as follows:

DEPARTMENT OF STATE

J. William Middendorf II, of Virginia, to be the Permanent Representative of the United States of America to the Organization of American States, with the rank of Ambassador.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Antonio Monroig, of Puerto Rico, to be an Assistant Secretary of Housing and Urban Development, vice Sterling Tucker, resigned.

Stephen J. Bollinger, of Ohio, to be an Assistant Secretary of Housing and Urban Development, vice Robert Campbell Embry, Jr.

Stephen May, of New York, to be an Assistant Secretary of Housing and Urban Development, vice Horace Dicken Cherry, resigned.

Judith L. Tardy, of Virginia, to be an Assistant Secretary of Housing and Urban Development, vice William Antonio Medina, resigned.

DEPARTMENT OF COMMERCE

Lawrence J. Brady, of New Hampshire, to be an Assistant Secretary of Commerce, vice Frank Alan Weil, resigned.

COUNCIL OF ECONOMIC ADVISERS

William A. Niskanen, Jr., of California, to be a member of the Council of Economic Advisers, vice George C. Eads, resigned.

STATEMENT ON THE CONFIRMATION OF LAWRENCE J. BRADY, OF NEW HAMPSHIRE, TO BE AN ASSISTANT SECRETARY OF COMMERCE

Mr. DOLE. Mr. President, on May 22, 1981, the Committee on Finance held a hearing on the nomination of Lawrence J. Brady to be Assistant Secretary of Commerce for Trade Administration. As chairman of the committee, it is a privilege and a pleasure to report the committee's decision by a unanimous vote to

report favorably the recommendation of Mr. Brady. I might also note that the Committee on Banking, Housing, and Urban Affairs has also favorably reported this nomination.

Mr. President, the Committee on Finance has reviewed Mr. Brady's financial position, the results of the investigation by the FBI and the report of the Office of Government Ethics. We are confident that there are no problems in any of these areas.

Mr. Brady has been nominated to fill a very important position in the administration. The Assistant Secretary for Trade Administration is the principal officer responsible for Commerce Department investigations of antidumping and countervailing duty complaints, implementation of the steel trigger price mechanism (TPM), and administration of the statutory import, foreign trade zones and industrial mobilization programs. In addition, he will be responsible for developing and implementing policy with respect to U.S. export controls for strategic, foreign policy or short supply reasons as mandated by the Export Administration Act and also for the act's antiboycott provisions.

Mr. Brady has had a distinguished career in public service, providing him with an excellent background and experience for the position to which he has been nominated. He was Acting Director and Deputy Director of the Commerce Department's office of export administration from 1974 to 1980. From 1971 to 1974, he was a senior staff member of the White House Council of International Economic Policy and special adviser for congressional relations. From March 1970 to April 1971 he was senior international economist in the office of international trade, Department of State.

Earlier, he worked in various positions with the U.S. Senate. From 1967 to 1970, he was legislative aide to the late Senator Everett M. Dirksen and simultaneously minority counsel of the Senate Judiciary Subcommittee on Separation of Powers.

From 1963 to 1967, he was a legislative aide to the secretary of the minority, U.S. Senate, and from 1958 to 1963 he was staff assistant to Senator Norris Cotton (R., N.H.).

He received his B.A. in politics and economics from Catholic University, Washington, D.C., in 1962, and has completed all requirements, except the dissertation for his Ph. D. degree, in the fields of international law and relations and international economics.

Mr. President, Mr. Brady is well qualified to serve in this important position. I urge that the Senate approve his nomination.

Mr. STAFFORD. Mr. President, I ask that the President be immediately notified of the confirmations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. STAFFORD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

STEEL INDUSTRY COMPLIANCE EXTENSION ACT OF 1981

Mr. STAFFORD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar Order No. 164, S. 63, the Steel Industry Compliance Extension Act of 1981.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I do not plan to object, I simply want to state for the RECORD that I have run the cloakroom lines twice on this measure, and I did that because it has not cleared the 3-day rule as yet, nor has it cleared the 1-day rule. But I have run the cloakroom lines on this side of the aisle twice, once for 30 minutes and once for 5 minutes. I have received no objections and, therefore, I have no objections.

Mr. STAFFORD. Mr. President, I appreciate the statement of the minority leader.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 63) to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Environment and Public Works with amendments, as follows:

On page 2, line 3, strike "110", and insert "113";

On page 5, line 11, after "under", insert "this";

On page 5, line 11, strike "113 of this Act";

On page 5, line 13, strike "and";

On page 5, line 18, after "extension", insert the following:

"; and

"'(G) the State in which such source is located does not object to such schedule for compliance."

On page 5, line 23, strike "include", and insert "means";

On page 6, line 21, after the period, insert the following:

In the case of any stationary source for which an extension of compliance or the deferral of expenditure until after December 31, 1982, will result in a modification of the proposed means of compliance involving a significant reduction in employment at an iron- and steel-producing operation, additional capital investments in iron- and steel-producing operations equivalent to the funds referred to in paragraph (1)(B) of this subsection and deferred for such source shall be made at iron- and steel-producing operations in the same community or labor market in which the reduction in employment would occur.

On page 7, beginning on line 15, strike ": Provided, that", and insert "only if"; and

On page 8, line 19, strike "publish notice of such receipt in the Federal Register", and insert the following:

"(i) publish notice of such receipt in the Federal Register,

"(ii) notify the Governor of the State in which the stationary source referred to in paragraph (1) is located, and

"(iii) notify the chief elected official of the political subdivision in which such source is located.

"(B) In any judicial proceeding to establish a schedule of compliance pursuant to the authority of this subsection, the State or local government in which the stationary source is located, or any other person may intervene as a matter of right in such proceeding and judicial decree.

"(7) Notwithstanding any other provision of this Act, Federal judicial decrees or implementation plans under this Act may not be 1985, a schedule of compliance for any source which receives an extension under this subsection.".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Steel Industry Compliance Extension Act of 1981".

SEC. 2. Section 113 of the Clean Air Act is amended by adding the following new subsection:

"(e)(1) The Administrator may, in his discretion, in the case of any person which is the owner or operator of a stationary source in an iron- and steel-producing operation not in compliance with the emission limitation requirements of an applicable implementation plan, consent to entry of a Federal judicial decree, or to the modification of an existing Federal judicial decree, with such person establishing a schedule for compliance for such source extending beyond December 31, 1982, but ending not later than December 31, 1985, on the following conditions:

"(A) the Administrator finds, on the basis of information submitted by the applicant and other information available to him, that such extension of compliance is necessary to allow such person to make capital investments in its iron- and steel-producing operations to improve their efficiency and productivity;

"(B) the Administrator finds, on the basis of information submitted by the applicant and other information available to him, that an amount equal to the funds the expenditure of which would have been required to comply by December 31, 1982, with those requirements of an applicable implementation plan for which such extensions of compliance are granted and whose expenditure for such purposes are being deferred until after December 31, 1982, pursuant to such extensions will be invested prior to two years from the date of enactment of this subsection in additional capital investments in the iron- and steel-producing operations owned or operated by such person, and located in communities which already contain iron- and steel-producing operations, to improve their efficiency and productivity;

"(C) the Administrator and such person consent to entry of Federal judicial decree(s) establishing a phased program of compliance to bring each stationary source at all of such person's iron- and steel-producing operations into compliance with the emission limitation requirements of applicable implementation plans (or, with respect to existing stationary sources located in any nonattainment area for which no implementation plan has been approved as meeting the requirements of part D and subject to implementation plan(s) which do not require compliance with emission limitations which represent at least reasonably available control technology, compliance with emission limitations which represent reasonably available control technology) as expeditiously as practicable but no later than December 31, 1982, or, in the case of sources for which extensions of compliance have been granted, no later than December 31, 1985; such decree(s) shall also contain, at a minimum, (i) requirements for interim controls (which may include operation and maintenance procedures); (ii) increments of compliance sufficient to assure compliance by the final compliance deadlines; (iii) requirement(s) that the amount referred to in subparagraph (B) above, is to be invested in projects representing additional capital investments in the iron- and steel-producing operations owned or operated by such person for the purposes specified in such subparagraph and shall

contain schedule(s) specifying when each such project (or specified alternative project) is to be commenced and completed, as well as increments of progress toward completion; (iv) stipulated monetary penalties covering completion of the air pollution control projects required by the decree, the projects referred to under (iii) above, and such other items as appropriate; (v) monitoring requirements; (vi) reporting requirements (including provision for periodic reports to be filed with the court); and (vii) provisions for preventing increases of emissions from each stationary source;

"(D) the Administrator finds, on the basis of information submitted by the applicant and other information available to him, that such person will have sufficient funds to comply with all applicable requirements by the times set forth in the judicial decree(s) entered into pursuant to subparagraph (C) of this subsection;

"(E) the Administrator finds, on the basis of information submitted by the applicant and other information available to him, that the applicant is in compliance with existing Federal judicial decrees (if any) entered under this section 113 of this Act applicable to its iron- and steel-producing operations or that any violations of such decrees are de minimus in nature; and

"(F) the Administrator finds, on the basis of information submitted by the applicant and other informaiton available to him, that any extension of compliance granted pursuant to this subsection will not result in degradation of air quality during the term of the extension; and

"(G) the State in which such source is located does not object to such schedule for compliance.

"(2) For the purpose of this subsection, 'iron- and steel-producing operations' include means production facilities for iron and steel, as well as associated processing, coke making and sintering facilities. For the purpose of this subsection, 'phased program of compliance' means a program assuring, to the extent possible, that capital expenditures for achieving compliance at all sources owned or operated by such person in iron- and steel-producing operations must be made during the second and each succeeding year of the period covered by the decree(s) in an amount such that at the end of each such year the cumulative expenditures under the decree(s) will be at least equal to the amount which would have been spent if the total expenditures to be made under the decree(s) were made in equal increments during each year of the decree(s). For the purpose of this subsection, 'additional capital investments in iron- and steel-producing operations' means investments which the Administrator finds would not be made during the same time period if extension(s) of time for compliance with clean air requirements were not granted under this subsection. The decree entered into pursuant to subparagraph (C) of paragraph (1) of this subsection shall specify the projects which represent additional capital investment in iron- and steel-producing operations, but may also contain specified alternative projects. The decree may also be modified to substitute equivalent projects for those specified. In the case of any stationary source for which an extension of compliance or the deferral of expenditure until after December 31, 1982, will result in a modification of the proposed means of compliance involving a significant reduction in employment at an iron- and steel-producing operation, additional capital investments in iron- and steel-producing operations equivalent to the funds referred to in paragraph (1)(B) of this subsection and deferred for such source shall be made at iron- and steel-producing operations in the same community or labor market in which the reduction in employment would occur. The owner or operator of iron- and steel-producing operations seeking an extension of compliance under this subsection has the burden of satisfying the Administrator with regard to the findings required in paragraphs (A), (B), (D), (E), and (F). A person which is subject to a judicial decree entered or modified pursuant to this subsection shall not be assessed a noncompliance penalty under section 120 of the Act for any source with an extension of compliance under such decree for the period of time covered by the decrees: *Provided*, that only if such source remains in compliance with all provisions and requirements of such decree.

"(3) Any records, reports, or information obtained by the Administrator under this subsection shall be available to the public, except that upon a showing satisfactory to the Administrator by any person that records, reports, or information, or particular part thereof (other than emission data) to which the Administrator has access under this section if made public, is likely to cause substantial harm to the person's competitive position, the Administrator shall consider such record, report, or information or particular portion thereof confidential in accordance with the purposes of section 1905 of title 18 of the United States Code, except that such record, report, or information may be disclosed to other officers, employees, or authorized representatives of the United States concerned with carrying out this Act or when relevant in any proceeding under this Act. Any regulations promulgated under section 114 of this Act apply with equal force to this subsection subject, however, to any changes that the Administrator shall determine are necessary.

"(4) Nothing in this subsection shall preclude or deny the right of any State or political subdivision to enforce any air pollution requirements in any State judicial or administrative forum.

"(5) The provisions of this subsection shall be self-executing, and no implementing regulations shall be required.

"(6)(A) Upon receipt of an application for an extension of time under this subsection the Administrator shall promptly—

"(i) publish notice of such receipt in the Federal Register,

"(ii) notify the Governor of the State in which the stationary source referred to in paragraph (1) is located, and

"(iii) notify the chief elected official of the political subdivision in which such source is located.

"(B) In any judicial proceeding to establish a schedule of compliance pursuant to the authority of this subsection, the State or local government in which the stationary source is located, or any other person may intervene as a matter of right in such proceeding and judicial decree.

"(7) Notwithstanding any other provision of this Act, Federal judicial decrees or implementation plans under this Act may not be modified to extend beyond December 31, 1985, a schedule of compliance for any source which receives an extension under this subsection.".

SEC. 3. Section 110(a)(3)(C) of the Clean Air Act is amended to read as follows:

"(C) Neither the State, in the case of a plan (or portion thereof) approved under this subsection, nor the Administrator, in the case of a plan (or portion thereof promulgated under subsection (c), shall be required to revise an applicable implementation plan because one or more exemptions under section 118 (relating to Federal facilities), enforcement orders under section 113(d), suspensions under section 110 (f) or (g) (relating to temporary energy or economic authority) or orders under section 119 (relating to primary nonferrous smelters) have been granted, or extensions of compliance granted in decrees entered under section 113(e), if such plan would have met the requirements of this section if no such exemptions, orders, extensions, variances, or decrees had been granted or entered.".

Mr. STAFFORD. Mr. President, the principal author of S. 63 is the very distinguished and most able senior Senator from West Virginia, Senator RANDOLPH.

I am happy to yield to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, the legislation being considered by the Senate this afternoon is very important to the steel-making industry in the United States. That industry, as we know, has been in difficult times. We are not asking that the Clean Air Act be vitiated for the steel industry. We ask only that on a case-by-case basis certain extensions of deadlines could be given for the specific reason, as the able chairman of our Committee on Environment and Public Works knows, of the modernization within the industry.

The industry has not been reluctant to make these improvements, but the large amounts of money required for both modernization and pollution control have caused the steel industry, so vital to the American economy, not to hesitate, but to go more slowly than we would like.

I do want the RECORD to reflect, as the chairman of our committee has said, the 23 cosponsors of the legislation who are conscious of the need for this measure.

In addition to myself, the cosponsors are Senators HEINZ, GLENN, LUGAR, BENTSEN, BOSCHWITZ, BUMPERS, ROBERT C. BYRD, DANFORTH, DIXON, DURENBERGER, FORD, HATCH, HAYAKAWA, HEFLIN, HUDDLESTON, METZENBAUM, PERCY, PRYOR, QUAYLE, SIMPSON, SPECTER, and SARBANES.

We have in the Senate a steel caucus and at the present time there are some 44 or 45 members of that caucus. We are not in any way replacing any formal committee of the Senate, but we believe that we should bring together those Members of the Senate who come from States in which there are large steel productions because we need to constantly look at the facts, the facts being the importation of Japanese steel into this country and sold here at prices less than we can sell it. But those prices that the Japanese have been selling their products in this country for are, frankly, in many cases less than the actual cost because the Government steps in in Japan and makes up the difference.

So we have been suffering in this country in connection with our ability to produce steel and to sell it in our country because of these importations.

I speak of the administration not politically one way or the other, but we have had this as a matter of real concern. We had a hearing last December in our committee on this subject. The bill, then as now, was supported by the industry, the steelworkers union, environmental groups, and the administration.

We have gone forward this year on the same subject matter. It is in no wise an attempt to release the steel-producing companies from compliance with Clean Air Act goals. It is only on a case-by-case basis, where modernization can take place, to give the opportunity for this stretchout.

We have, during the past, worked with various approaches—the trigger mechanism is one—to try to help the steel industry, so vital to the automotive industry in this country. That is the reason that the action taken in the Senate today, brought to the floor by our realistic chairman of the Committee on Environment and Public Works, reflects the need to act very quickly in a matter of this kind. The House acted on May 28 on a measure similar to this one. There will be no difficulty whatsoever, I believe, in having one or two slight differences adjudicated. But the vote there, in the House, was approximately 322 for the measure and only 3 against.

So, Mr. President, we are bringing something to the floor that has the support of Senators regardless of party, regardless of the sections of the country in which steel is manufactured. This is an American move, an American move based upon the realities.

Mr. President, I am very grateful to the chairman of the committee for calling attention to the fact that I introduced such a bill. That bill, I want the RECORD to show, through the cosponsorship of Republicans and Democrats, reflects a responsible action in the Senate of the United States, as well as, a few days ago, a similar action in the House.

Mr. STAFFORD. Mr. President, I certainly thank the Senator from West Virginia for his excellent discussion of S. 63.

● Mr. HEINZ. Mr. President, I ask unanimous consent that the text of my statement appear in the RECORD during the course of proceedings relating to passage of H.R. 3520, the Steel Industry Compliance Extension Act.

Mr. President, as chairman of the Senate Steel Caucus, I am pleased that the "steel stretchout" has now overcome one of the last remaining obstacles to its hopeful enactment in time to be beneficial in terms of maintaining American jobs in a competitive domestic steel industry.

I urge the House and Senate committees to meet quickly to resolve the differences between the Senate bill and the House-passed version. These are differences more of style rather than substance and should not be allowed to stand in the way of this much-needed relief for the steel industry.

As I testified before the Environment and Public Works Committee back in March, this legislation reflects the recommendations of the Steel Tripartite Committee. It is unique in that it reflects a consensus of the Environmental Protection Agency, the United Steelworkers Union, and the management of American steelmakers that such relief is necessary to maintain employment in a competitive domestic steel industry, and that environmental quality will not suffer as a result.

In fact, the November 1980 Environmental Action reported, "Environmentalists are confident that the plan will not give the steel industry a carte blanche to pollute, but will rather create an orderly process in which companies will be judged on a case-by-case basis."

Rather than granting a blanket extension of Clean Air Act deadlines to steel producers, this legislation grants the EPA Administrator the authority to negotiate consent decrees with individual steelmakers at existing facilities. These consent decrees must include:

First, a schedule of expenditures for plant modernization that could not be undertaken without the stretchout of pollution abatement expenditures;

Second, a schedule of pollution abatement expenditures to insure that clean air goals now set for attainment by December 31, 1982, are met by December 31, 1985;

Third, a finding by the EPA Administrator that environmental quality will not significantly deteriorate in the interim; and

Fourth, monetary penalties for noncompliance with the terms of the consent decree.

I am very grateful that the distinguished chairman of the Environment and Public Works Committee, Senator STAFFORD, has been so accommodating in expediting consideration of this legislation without amendments in advance of the Clean Air Act reauthorization, which probably will not occur until late in the session. The steel industry is unique in terms of the capital shortfall confronting it. Unless a stretchout of pollution control expenditures is available within the next few months, steelmakers will not be able to generate sufficient capital to finance the modernization programs needed to maintain American jobs and the competitive position of domestic producers. This modernization program will not only prevent the domestic market share of American steelmakers from declining further; it will result in cleaner operations.

The massive capital needs of the American steel industry—both to modernize and to comply with Federal pollution control requirements—were the subject of a recent study by Arthur D. Little. That study, commissioned by the American Iron and Steel Institute—forecast annual capital needs of some $7 billion. Of that total, $4.4 billion would be required for modernization and replacement of existing facilities to maintain current levels of capacity. Expansion of production capacity would cost at least an additional $500 million per year.

Compliance with 1982 Clean Air Act mandates will require $1.2 billion in annual capital expenditures, plus an additional $550 million per year in operating costs. Yet despite projected capital needs of $7 billion annually, the steel industry—according to the Arthur Little study—has the capability of generating only $3 to $3.5 billion per year to meet all its capital needs.

The stretchout legislation carefully and specifically addresses the unique capital shortfall problems facing the steel industry. To qualify for the stretchout, a company must have previously entered into consent decrees mandating compliance at all its facilities by December 31, 1982. Because construction to comply with this deadline must begin 1½ to 2 years in advance, capital expenditures that might be diverted for modernization will soon be irrevocably committed.

In closing, I hope that we shall soon see this long-overdue relief enacted in time to be of benefit to American steelworkers and their employers.●

● Mr. STAFFORD. Mr. President, the bill now before the Senate deals with only one industry affected by the Clean Air Act. Specifically, it would allow certain steel facilities up to three additional years in which to comply with some requirements of the Clean Air Act.

I hope that the other interests concerned over various aspects of the Clean Air Act discern the lessons to be learned from this bill and its progress. The bill is relatively simple in both concept and execution.

Moreover, it is supported by four widely disparate interests: The Federal Government, the representatives of steel industry management, the steelworkers union and representatives of an environmental group, the Natural Resources Defense Council.

Such agreement is, in the memory of this Senator, unprecedented. The bill is the product of efforts begun by the Carter administration and, if not explictly endorsed by the present administration, it was not opposed.

In short, this is a bill, with the altogether unprecedented opportunity for rapid, easy enactment.

Despite this, it is now more than 6 months since its original introduction. Enactment into law is still not reality. At least a conference committee yet lies in its path.

It will do well for those who observe congressional review of the Clean Air Act as a whole to learn from this lesson: One simple bill, supported by several groups, the focus of intense attention has already consumed 6 legislative months.

That is not to say that this legislation should require an extended conference or cause a protracted delay. On the contrary, I anticipate that it can be enacted into law very quickly.

But it does illustrate very well the lesson which those new to the legislative process tend to forget or disbelieve: It is agonizingly slow. The more ambitious the undertaking the slower the process.

And, I might add, there is not necessarily any relationship between the quality of the legislative product and the amount of time it consumes. Often, the relationship, if any, is inverse.

In any event, Mr. President, I would like to commend those with whom we have worked on this bill and encourage them to continue in their later efforts the reason and restraint they have exercised most recently. There are still problems to be solved, but they are not insuperable. There are differences between the other body and this Chamber, but they can be worked out, assuming all sides remain reasonable.●

Mr. ROBERT C. BYRD. Mr. President, the Steel Industry Compliance Extension Act of 1981 seeks to balance the capital and energy requirements of our domestic steel industry with long-term environmental goals. The legislation per-

mits the steel industry to comply with the Clean Air Act under a reasonable timetable, and at the same time spurs badly needed modernization efforts in our steel plants.

It is encouraging to note that this stretchout of the compliance deadlines of the Clean Air Act has overwhelming support not only from the steel industry, but from State and Federal regulatory authorities and the environmental community.

I hope that this support signals a recognition of the difficulties that may arise from inflexible regulatory schemes, and the burden that such systems may place on our economy.

Adoption of this measure will provide a shot in the arm to the steel industry, which will be in a much better position to make decisions on how and where to spend its capital. The money saved by deferring expenditures for pollution control equipment is to be invested in plant modernization.

Improvement in the productivity and efficiency of American steel producers will benefit our entire economy to some extent. Almost every region of the country has some steel-making capacity, and steel is important to virtually every industrial segment of the national economy.

Automobile production, construction work, manufacturing, and the production and transportation of coal, oil, and gas are just some of the elements of our economy that are affected by the steel industry.

I strongly support this bill, of which I am a cosponsor, as an appropriate change in the Clean Air Act. Public health is fully protected under the provisions of this bill.

At the same time, the steel industry will be able to better plan its capital investments and better predict the compliance requirements of the Clean Air Act.

I commend my distinguished colleague from West Virginia, Senator JENNINGS RANDOLPH, for his fine efforts in connection with this legislation. As the former chairman, and now the ranking Democratic member of the Committee on Environment and Public Works, he has long espoused the need for balance in environmental legislation.

The current chairman of the committee, the distinguished Senator from Vermont (Mr. STAFFORD) has carried on in that tradition. I commend both Senators for bringing this bill through the Senate expeditiously, and I look forward to working with them in the future.

Mr. STAFFORD. Mr. President, this legislation came out of the Committee on Environment and Public Works unanimously and with 23 cosponsors.

Mr. President, I ask unanimous consent that the Senate agree to the committee amendments en bloc and that the bill be advanced to third reading.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. STAFFORD. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be discharged from further consideration of H.R. 3520, the companion bill, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 3520) to amend the Clean Air Act to provide compliance date extensions for steel-making facilities on a case-by-case basis to facilitate modernization.

The PRESIDING OFFICER. Without objection, the Senate will proceed immediately to the consideration of the bill.

Mr. STAFFORD. Mr. President, I move that H.R. 3520 be amended by striking all after the enacting clause and inserting in lieu thereof the text of S. 63, as amended by the Senate, and that H.R. 3520 be advanced to third reading and passed.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Vermont.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 3520) was passed.

Mr. STAFFORD. Mr. President, I ask unanimous consent that Calendar Order No. 164, S. 63, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STAFFORD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MATSUNAGA. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZATION FOR OFFICIALS OF THE SENATE TO TAKE CERTAIN ACTION

Mr. STAFFORD. Mr. President, I ask unanimous consent that, during the recess of the Senate over until Monday, June 15, 1981, messages from the President of the United States and the House of Representatives may be received by the Secretary of the Senate and appropriately referred, and that the Vice President, the President pro tempore, and the acting President pro tempore be permitted to sign duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECORD OPEN UNTIL 5 P.M.

Mr. STAFFORD. Mr. President, I ask unanimous consent that, until 5 p.m. today, Senators may be able to introduce bills, resolutions and statements, and that committees may be authorized to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

Mr. STAFFORD. Mr. President, I ask unanimous consent that there be a period of not to exceed 30 minutes for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR GOLDWATER REPORTS ON THE PARIS AIR SHOW

Mr. GOLDWATER. Mr. President, at 0700 on the morning of June 4, I departed with some members of my staff, the Air Force, and a few personal friends, to visit the Paris Air Show. This is the fourth air show where I have been asked by my President to represent him and report to him on the things that I saw and the matters about which I felt concern.

On the first day that I attended the Paris Air Show, it was my extreme pleasure to meet the new President of France, Mr. Mitterrand. The first thing I did was to extend to him as the official representative of my President, Mr. Reagan's best wishes for a successful tenure of office and added that I felt certain all American people joined in this because of the affection Americans have always had for France.

I was impressed by President Mitterrand. I look forward eagerly to his term of office because I think he is going to prove to be a different kind of President than many observers around the world feel that he might be. He may be inclined a bit toward socialism, but I do not think that inclination will be more than that, just an inclination.

I must compliment the Americans who were responsible for the exhibitions in the International Pavilion. These exhibitions were better done than any I have ever seen. They displayed their manufactured items in such a way that anyone could understand what they were and what they were intended to do.

The exhibits in the U.S. portion of the pavilion were all from America, but there were other American displays in the main portion of the international show and these were outstanding because they showed larger pieces of equipment than the U.S. pavilion was able to handle.

I am not going to try to pick out any one exhibitor who had a better display than others; they were all consistently good and came across well, I think, to the visiting public.

I am appending a list of the exhibitors

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and, while I think I saw all but three or four of them, there may have been a few others that I did not get around to see, but I spent 6 to 8 hours a day for 6 days visiting these displays and visiting the chalets where the American companies were located. The appendix containing the names of the exhibitors will be exhibit 1. Those companies having chalets are shown in exhibit 2. I might explain what the purpose of a chalet is.

An American company or, in fact, a company from any country can purchase space and a chalet from the French, and this is more or less their headquarters where they have meetings for briefing purposes, where they meet for social gatherings, serve lunch, and so forth.

In addition to visiting as many American chalets as I could, I had a nice long visit with the Israelis and observed what they were doing in this whole area.

Now I have to come to the point where I draw some conclusions, and they are not easy to come to, but they are very obvious to me. When I first started attending these shows, it was impossible to find any evidence of real progress among other countries, particularly the European countries.

I will repeat what was told me at the Paris air show following the time we, in our stupid way, canceled development of the SST. One of my foreign friends in the aerospace business pointed his finger at me and said, "I never thought I would see the day when the United States would quit making progress." He then said, "We are going to catch you," and that is the substance of my report.

In every field, starting from the completed aircraft on down to the smallest part, they are showing strong evidence of not only catching us but, in some areas, having passed us.

Avionics, which is a particular field of interest to me, is one in which they are, in some cases, ahead of us; in many cases equal to us, and in other cases showing every evidence of being able to match us, instrument to instrument.

It has not been many years since they started in the forging, casting, and other areas of the metallurgical fields and now their products compare with anything that we make. There are reasons for this which have been touched on by different people in this country over the past several months, so I will not reiterate in too detailed or lengthy a manner.

First of all, we have to realize that in the foreign areas we are competing with firms that are subsidized by their governments from around 45 percent for the manufacturing and to the airlines around 100 percent.

This is only part of the problem, though, because I really do not believe that if the United States nationalized the entire industry, it would help us at this point.

There has to be incentive and our tax system in this country has no way of giving incentive to anyone to build anything or to grow. Until we get the courage in the Congress to really give tax breaks to the people who make our country tick economically, I am afraid we are not going to start making the progress we should.

I am thinking of real tax breaks and even incentives for existing manufacturers and new people interested in getting into the fields, to acquire more money and invest it.

In fact, every billion dollars worth of avionics or aeronautics that we sell overseas or domestically, creates 30,000 more jobs in the United States. This entire industry complex is probably the biggest part of our employment at this time, employing well over a half million people directly and probably that many more people indirectly.

It seems that every country in this world except the United States realizes the importance of turning out engineers and this is best illustrated by the fact that last year over 45 percent of the engineering degrees given in American colleges were given to foreign students.

Now I will quote from a publication of SRI International on the training and utilization of engineers in our country compared to Russia:

> The level of educational attainment of the Soviet population as measured by number of years of training completed has risen from 5.9 years in 1960 to 8.7 years in 1977, and is projected to rise to 9.9 years by 1985. When these data are compared to data for the United States, there is still a significant disparity, especially in terms of percentage of population who have completed higher education (15.4 percent of total population in the United States with four or more years of college as opposed to 6.7 percent in the Soviet Union having completed approximately 5 years of higher education). The distribution of the Soviet population at the higher levels of education, however, is far more heavily skewed toward the scientific and technical fields than is that of the United States, and even at the lower levels of education there is a much greater emphasis on the science and mathematics content of the curriculum than is the case in the United States.
>
> While the United States has a greater proportion of secondary school graduates entering higher educational institutions than does the Soviet Union, attrition rates are much higher. About 80 percent of those admitted to higher educational establishments in the Soviet Union complete their undergraduate education and receive a diploma, whereas only 55 percent of these students who enroll in U.S. colleges go on to receive their bachelor's degrees.
>
> However, in the engineering fields, the Soviet Union graduated almost six times the number of specialists at the undergraduate level as did the United States, a difference which is substantial, even allowing for the probably inferior instruction of approximately one-third of the Soviet engineering graduates who were enrolled in part-time programs.
>
> About 75 percent of Soviet graduate student (aspirant) enrollment is in the science and engineering fields. The percentage of total U.S. master's and doctoral enrollment in these fields has been steadily declining since 1960, and was about 20 percent in 1974.
>
> In 1950 there were approximately the same number of engineers in the United States and the Soviet Union, but by 1974, the U.S.S.R. had over three times as many as the United States. In addition, while there were more than twice as many natural scientists in the United States as in the Soviet Union in 1950, by 1974 this discrepancy had become somewhat less pronounced so that there were only about one-and-one-half times as many natural scientists in the United States as in the Soviet Union. Thus, while in 1950 the total number of natural scientists and engineers combined was about 20 percent greater in the U.S. than in the U.S.S.R., by 1974 the U.S.S.R. had over twice as many natural scientists and engineers as the United States, largely because of the enormous increase in the number of engineers in the U.S.S.R. during this period.

To give the reader a better understanding of how we are drifting down in the total aircraft picture, I will append a table (exhibit 3) of some figures taken from Aerospace, which is the official publication of the Aerospace Industries Association for spring of 1981. Breaking these figures down, we will compare 1984 with 1974 in the different categories of aviation.

In 1974, we sold 332 commercial transports with 227 being sold overseas. In 1980, that figure had climbed to 415, with 237 going overseas. Helicopters found us in our best condition with 828 being sold in 1974, and 420 going overseas, and in 1980, that figure had jumped to 1,272 sales with 659 exported.

In general aviation aircraft, 1974, we sold 14,166 with 4,428 going overseas and in 1980 that had dropped to 1,881 sales with 3,559 being exported.

This brings the total civil aircraft figure in 1974 to 15,326 with exports of 5,598 and in 1980, the total sales 13,691 with total exports 4,434. In those last figures we can see the trend that disturbs many of us who have spent many years of our lives in the aircraft business.

In spite of this downward trend, though, Boeing Aircraft did sell 23 aircraft at the Paris Air Show for $500 million and sales to foreign carriers consisted of one 747, six 757's and sixteen 737's.

However, at the time this was occurring, the A–300 Airbus, and the new model of that craft, were giving strong competition to every American manufacturer except Boeing and, of course, Boeing has dominated this field for more years than we can recite.

Now as to the aircraft shown daily on the flight line and demonstrated in flight, I do not think there is any question but the head of the show was the Bell Helicopter Tilt Rotor which is a concept first thought of by Igor Sikorsky many, many years ago.

Until the great power obtainable in the turbo jets, this vertical takeoff was impossible. There is no question this is a great step forward and while I do not see any great foreign sales emanating from it, I do see a great demand for commuter purposes in our own country.

Also, it has good military applications

in certain areas. Every person in a foreign country I spoke with expressed dismay and concern over the continued inflation going on in the United States.

In military aircraft, I think one would have to say that the F–16 more or less stole the show, although the French Mirage 4000 certainly gave it a good race.

Also, as part of our participation and evaluation at the show, I flew in the Lockheed Alpha Jet—a competitor in the U.S. Navy's advanced trainer aircraft program. The Alpha is currently in use with the French and German military forces.

Later this month, I will be flying the Hawk trainer, built by British Aerospace, and also another competitor for the U.S. Navy selection process.

There are others being built exclusively by U.S. manufacturers but, believe me, the European firms have made great progress. It is a sad comment on the U.S. state of affairs when we have to go abroad for training aircraft and I would like to see that change.

To sum my total reaction to the Paris air show all up, I think the word that comes to me is incentive. Unless we can create a way to give American manufacturers incentive, unless we can find a way to get American labor to increase its productivity and the quality of their products, unless we can overcome the big metal shortage that is looking us right in the face, I am afraid this country is going to see a continued slide in the whole field of aeronautics if we do not get moving.

I would say this was the consensus of every American I visited with over there who looked at the products the way I did, who talked to foreigners and others interested in this specific field.

I wish that I could have come home and made a thoroughly rosy report, but it is not possible to do that with any degree of honesty. So my urging to my President is to get together with the aircraft industry, the avionics industry, and so forth, and determine what specifically he and our Government might do to help create the real meaning of this word, incentive.

In closing, I am going to make this recommendation to the President—that he appoint a committee from industry and other interested parties to explore the possibility of the United States putting on its own air show. The Paris air show has been going on for 68 years, being held every 2 years, and while it has a romantic attachment to everyone, I do believe an air show put on by the United States in a proper location in this country could focus the attention of the American people more exactly on the importance of this industry to the future of America.

Mr. President, I ask unanimous consent to have printed in the RECORD the materials to which I have made reference.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXHIBIT 1

AAR Corporation.
Abex Corporation.
Aerospace Division.
Acurex/Aerotharm.
Advanced Alloys, Inc.
Aero Systems, Inc.
Aero Systems Engineering, Inc.
Aerotech World Trade Corp.
Air Center Incorporated.
Aircraft Parts Corp.
Allfast Fastening Systems, Inc.
Alloytek, Inc.
Aluminum Company of America.
American Institute of Aeronautics & Astronautics (AIAA).
Ametek U.S. Gauge Division.
Aerospace Products.
AMI Industries, Inc. An Advance Ross Company.
Analog Training Computers.
Arwood Corporation Jetshapes, Inc.
Astronautics Corporations of America.
Avco Specialty Materials Division of Avco Corp.
Bell & Howell.
Bowmar Instrument Corp.
Cardion Electronics.
Unit of General Signal Corp.
CCS Communication Control, Inc.
Chromalloy Gas Turbine Products.
Cooper Almotive.
Parts Distribution.
Turbine Engine Services.
Devore Aviation Corporation.
Display Workshop, Inc.
Donallco International Sales Corp.
Dowty Group.
Aerospace and Defense International.
E Systems.
Edmac Associates, Inc.
EDO International.
Elpper Formance, Inc.
Emerson Electric Company.
Electronics and Space Division.
Endevco.
Fairchild Weston Systems, Inc.
Federal Aviation Administration (FAA).
Fenwal Incorporated.
Ferrotherm Company Inc.
Flight International, Inc.
Flight Suits Ltd.
Flite-Tronics Co., Inc.
Ford Aerospace and Communications Corp.
GEMCOR.
Generation Metals Corp.
George G. Harris Corporation.
Gould Inc. Government Systems Group.
Greene Tweed & Co.
Grimes Division.
Midland-Ross Corporation.
Harlan Corporation.
Harris Corporation.
Government Information Systems Division.
PRD Electronics Division.
Hayes International Corp. Targets Division.
Hazeltine Corporation.
Hiller Aviation.
Hillman Helicopter.
IFR, Inc.
Inflight Services Inc.
Intercontinental Dynamics Corporation.
International Aerospace Group.
International Harvester.
Itek Optical Systems.
A Division of Itek Corporation.
Itek Corporation.
Applied Technology/Antekna, Inc.
Jantrol Aero Division.
Midland Ross Corporation.
Walter Kidde Division of Kidde, Inc.
Kleopura Aviation Corporation.
King Radio Corporation.
Langenthal.
Lear Avia Corp.
Lear Siegler, Inc. Aerospace Group.
The Lee Company.
Lockheed Aircraft Service Company.
Loral Corp.
Lord Kinematics, Lord Corporation.
Macrodyne Industries, Inc.
Memphis Aero International Aircraft Sales, Inc.
Metal Bellows Corporation.
The Mitre Corporation.
ATC Systems Engineering.
NASA (Public/Thematic Area).
Northrop Corporation.
Tactical & Electronic Systems Group.
Ventura Division.
Electro-Mechanical Division.
Defense Systems Division.
Wilcox Electric, Inc.
Norton Aero Products.
Pan American World Airways, Inc.
Plessey Dynamics Corporation.
Polaris Systems
Precision Products Division.
Puritan-Bennett Aero Systems Co.
Republic Electronics, Inc.
RMI Company.
Rockwell International Aircraft Group.
Schneller Division of Becton Dickinson Co.
Sheffield School of Aeronautics.
Simmonds Precision.
The Singer Company.
Spitz Space Systems, Inc.
Structural Dynamics Research Corporation.
Sunair Electronics, Inc.
Support Systems Associates, Inc., International.
Teledyne.
Thunder Engines, Inc.
Timex Corporation.
Titech International, Inc.
Turbomach Solar Turbines International.
Unitron Incorporated.
USATCO/Air World.
U.S. Embassy.
U.S. Industrial Tool Air Tools for Aircraft.
Vought Corporation.
Walbar Metals & Walbar, Inc.
Westinghouse.
Wilcox Electric, Inc.
Wulfsberg Electronics, Inc.

EXHIBIT 2

Garrett Corp.
Northrop.
Sundstrand.
Bell.
Helicop.
Textron.
Emerson Electric.
Singer.
Vought Corp.
Martin Marietta.
Grumman.
Raytheon.
General Dynamics.
General Electric.
Boeing.
Litton Ind.
Pan American.
Talley Industries.
Gulfstream American Corp.
Avco Corporation.
Gates Learjet.
Beech Aircraft Corp.
Hughes Helicopters.
Fairchild Industries Inc.
Westinghouse.
Rockwell.
United Technologies.
McDonnell-Douglas.
Teledyne.
Lockheed.
Bendix.
Hughes Aircraft Company.
Honeywell.

EXHIBIT 3

AIRCRAFT IN AIRLINE SERVICE AND ON ORDER BY REGION [1]

[Numbers in parentheses indicate aircraft on order]

Manufacturer/model	North and South America	Europe	Middle East and Africa	Asia and Australia	World total
Aerospatiale:					
Caravelle	19	96	12	2	129
Concorde		14			14
Airbus Industrie:					
A300	20 (9)	52 (33)	11 (19)	35 (29)	118 (90)
A310		(61)	(18)		(79)
Boeing:					
707	219	111	114	65	509
720	9	27	30	6	72
727	1,280 (96)	174 (7)	80 (9)	75 (4)	1,609(116)
737	312 (47)	173 (49)	101 (14)	83 (23)	669(133)
747	170 (9)	113 (26)	46 (10)	130 (29)	459 (74)
757	(90)	(19)		(3)	(112)
767	(125)	(4)		(32)	(161)
British Aerospace:					
BAC 1-11	57	88 (3)	4	14	163 (3)
Trident		54		32	86
BAe 146	(5)				(5)
Dassault: Mercure		10			10
Fokker: F-28	16 (3)	32		25 52 (7)	125 (10)
Lockheed: L-1011	113 (21)	26 (7)	24 (11)	31	194 (39)
McDonnell Douglas:					
DC-8	227	77	19	54	377
DC-9	477 (73)	296 (24)	11	79 (14)	863(111)
DC-10	177 (19)	89 (4)	10	52 (4)	328 (27)
Total:					
In service	3,096	1,432	487	710	5,725
On order	497	237	81	145	960
Percent of world total (in service and on order combined)	54	25	8	13	100

[1] Drawn from "World airliner census No. 18", Flight International. Dec. 27, 1980. Data as of Dec. 1, 1980.

Mr. GOLDWATER. Mr. President, that constitutes the report that I have turned over to the White House this afternoon, and I thank the Chair very much.

Mr. RANDOLPH. Mr. President, will my able colleague from Arizona yield?

Mr. GOLDWATER. I am glad to yield.

Mr. RANDOLPH. Mr. President, the recommendation is being made to the administration as indicated by the Senator who has just concluded a very valid appraisal of the situation.

I commend him as an individual and as a Senator, but most of all as a knowledgeable American in the field of aeronautics. What he is saying this afternoon I hope will not go unheeded by those who are in important positions of Government.

We must not take an unjustifiable pride in the fact that the Wright Brothers were the first to fly that heavier-than-air craft because there were others throughout the world who at the same time were giving of their skills and imagination really to bring flight into being.

But it is a fact that the United States of America from those earlier days until almost the present has been preeminent in the manufacture of aircraft of all kinds.

And I think there is a justifiable warning in what the Senator has said, knowledgeable as he is in not only aircraft and the uses of aircraft but aerospace as well, that we need to give more attention than we have to these matters which are reflected in his cogent comment.

This is not a pleasantry when I take the floor at this time. This is a belief that is deep within me, that the American people, if they are told the facts, if our leaders of not only Government but industry and American creativity of thought come to the people of our Nation and let the story be known, once again perhaps we will be able to not only stabilize what we have been doing but strengthen these programs with'n the United States of America.

I find increasingly as others find the comments, "We were once the leader in this field and that field, but someone else has moved in and taken it away from us." It is not just a case of pride, and I do not want even that word to be implied, but the realism of the situation calls on an America which through the body politic as well as the thinking of our people is and are alert to some of the dangers, dangers which come from unstable countries and maybe in some cases unfriendly countries. But as we continue to build our defense posture on a positive level, we naturally trust for that long-sought hour when peace and understanding will come to the peoples of the earth.

Again I commend our knowledgeable colleague who has given us now not the negative so much as pointing out that the time is now not later when we should be alerted to this challenge.

Mr. GOLDWATER. I thank my good friend, the senior Senator from West Virginia. I might just say in acknowledging his kind remarks that he probably has done more than any other man in Congress for aviation in this country. He was, I do not like to use the word grandfather—but both of us are getting there—a man who did more to establish our airways, responsible for the aerospace museum here, and he has long been a leader in aviation.

But what the Senator has said is so true. We in America are ahead of the world or we have been ahead of the world because we had Americans who liked to work and invention was the name of the game. Advancement of technology, the desire to go to school and learn something about the skills that made America great have always dominated our lives and now all of a sudden we find that other countries, Japan, Germany, France, Italy, even the Soviets have discovered this secret of America, that you do not get any place in this world without work. I am hopeful that what I have said to our President will be something he will become aware of, namely, we have to give incentives to get these companies going, and we have to give incentives to get money invested in a resumption of research and development in technology.

I have no question but what the United States can lead the world again, but we are not going to lead the world if we just sit back in a nice quiet way and watch the complicated avionics system that we invented and developed being made better, faster, and more dependable in other countries. We are going to see more and more of our airframe business slipping away.

As I say, of course, I may be prejudiced. I have been flying 52 years of my life. But to me the whole future of this country rests on technology, whether it is in flying, avionics, or space.

I think back during my life of the great improvements that have been made. When I started to fly, the airplane I learned in would go 90 miles an hour. Since then—I think it would go about 5,000 feet—and I have since flown at 83,000 feet at over three times the speed of sound. That has all happened in a relatively short life span, and I see no reason for it to end unless the American people continue to be satisfied.

I look at our automobile industry. There is no reason why the Germans and the Japanese should outproduce us. The only reason is we got lazy. We said, "People don't really want a small car. They want a six-passenger car." So the others came in and ran us out of business.

I want to thank my friend from West Virginia for what he said. I have enjoyed reporting to my President on the four air shows I have attended. It is not easy work. It is hard work. But I do not know of a way we can become better acquainted with what the competition is doing than going right there and sticking our noses under the tent.

LEGISLATIVE PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I take the floor at this time to inquire of the distinguished majority leader what the program will be for the remainder of the day and for the early part of next week.

Mr. BAKER. Mr. President, at the conclusion of the business of the Senate today, it is my intention to ask that the Senate stand in recess until 12 noon on Monday next.

Later in the day, I intend to ask unanimous consent that any rollcall votes that

are ordered on Monday go over until Tuesday at noon.

It is my hope that on Monday, June 15, we may be able to take up the reauthorization of the Federal Election Commission. That is not clear as yet. It is a matter that is being worked on between the two sides.

It is anticipated that we will take up the veterans' health care bill under a unanimous-consent order that has already been entered, providing that it will be laid before the Senate at 2 p.m., and there is a time agreement on that measure.

It is also hoped, Mr. President, that on Monday, June 15, we can take up the Veterans' Administration authorization bill as well.

It is expected that on Tuesday, June 16, we will try to go to the Department of Justice authorization bill. We are negotiating now on a time limitation for that bill. For the information of Senators, it appears that the prospects are good that we can obtain an agreement on that bill, on time for debate, with the possible exception of one amendment. If it is necessary to go over and continue the consideration of the Department of Justice authorization bill, we will do so on Wednesday, the 17th.

On June 17, we hope to be able to proceed to the consideration of the State Department authorization bill.

On Thursday and Friday, the 18th and 19th, there are a number of matters we are trying to clear. The Calendar is not yet clear.

Mr. President, it had been my hope that we could go to the reconciliation bill on the 18th and 19th of June. However, I am advised now that the report has not been filed in time to do that without a waiver of the 3-day rule. Since the report to accompany this bill will be more than 1,500 pages, I do not presume to ask the Senate to waive the 3-day rule on that measure. So it appears that we will go to the reconciliation measure on Monday or Tuesday, the 22d or 23rd of June. There is, of course, a 20-hour time limitation by statute on that reconciliation measure when it reaches the floor.

Before we go out for the July 4 recess, Mr. President, I expect that we will take up the farm bill, perhaps on the 24th and 25th of June, and there are miscellaneous bills from the Committee on Environment and Public Works and the Committee on Labor and Human Resources.

Mr. President, that is the outlook for the Senate as I see it at this time. Some of those items are already fixed, and some of them are still in negotiation. If we can complete that schedule of events, we will have accomplished a great deal before we adjourn for the Fourth of July recess.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader.

WHAT FUTURE LIES AHEAD?

Mr. MATHIAS. Mr. President, last Thursday Mrs. Mathias and I had the great privilege of attending the commencement exercises at Harvard University and of seeing our son, Charlie, receive his bachelor of arts degree. It was a moving occasion, deeply rooted in tradition that distilled into a few hours the intellectual ferment of a great university for a full year. The commencement speaker sustained the standards of excellence expected in Cambridge.

In fact, Ambassador Thomas J. Watson, Jr., made a speech that was so pertinent, so thoughtful and so accurate that within 72 hours some of the specific dangers he foresaw were tragically realized in the Israeli raid on Baghdad.

Ambassador Watson expressed a concern that in the widening nuclear arms race there was "the danger that a suspected violation, some unforeseen new technology or a sudden quantitative surge will trigger a desperate response."

On Sunday, this is exactly what happened. Israel, haunted by fear, real, or imagined, triggered "a desperate response." Aside from the violence and tragedy of the event itself, it is still too soon to even assess or estimate the long-range fallout from this act.

Ambassador Watson referred to "the danger that we may further split ourselves from Western allies who fear we lack seriousness about negotiation, whether on SALT or on European Theater Nuclear Forces." Within hours the current edition of the Economist was on newsstands with a lead editorial that begins:

> The relationship between western Europe and North America, alias the Atlantic alliance, is in the early stages of what could be a terminal illness.

But these are only confirmation of the urgency and accuracy of Ambassador Watson's statement. His message was and is far broader and for more compelling for all of us. As he said:

> The time has come for all human beings to realize that we must live together or die together.

Ambassador Watson's advice comes to us weighted by his first-hand experience in the Soviet Union at the very time it launched its brutal invasion of Afghanistan which has since transformed itself into a bloody occupation. Nonetheless, he warns:

> We cannot wait for improved Soviet behavior around the world, or for better U.S.-Soviet relations. Control of strategic arms is not a concession to the Soviets. It must not be linked to irrelevant issues. Those who urge delay take an awesome responsibility on their shoulders.

With the sense of urgency that reading Ambassador Watson's speech inspires, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

HARVARD COMMENCEMENT SPEECH

(By Thomas J. Watson, Jr.)

WHAT FUTURE LIES AHEAD?

There are many things to be optimistic about. The view from the Kremlin is bleak, with nearly everyone on the Soviet borders hostile. The view from Washington sees mostly friends, admirers, or neutrals. The overwhelming vote in the U.N. on Afghanistan should encourage all of us.

On the other hand, an anthropologist writing the history of the past forty years since the first atomic explosion might well conclude that we human beings have been preparing for our own demise.

Like many extinct species we have had a massive change in our environment. We have finally invented the ultimate weapon and in a mad technological race have connected thousands of them to two buttons—one in Washington and one in Moscow. And with two very slight pressures we can literally do away with the world's two most powerful nations, and leave much of the rest of our planet unfit for human habitation.

Is that our future? The answer hinges on many things. But it hinges above all on us: on the United States' policy on nuclear weapons—on what we and our leaders do about that policy in the days and months immediately ahead. And that is what I want to talk about today.

Let me start out by speaking to today's graduates and those of you who are young.

Throughout the past half century, young people have played many heroic roles. You went to World War II and brought down fascism. You fought and died in the mountains of Korea. Spurred by the challenge of the Russian Sputnik, you made brilliant contributions to American science and engineering, keeping America in the forefront of technology.

You fought heroically in Vietnam. And you worked courageously within the system, joined it in large numbers, became a potent political force, influenced public opinion, and helped bring that tragic war to an end.

We need—and shall always need—this kind of courage and conviction. And especially we need today the courage and conviction of youth to face up realistically to a change of course as a nation—our course on strategic arms control and our whole handling of the nuclear equation.

The hour is late. The imperative of realism and reason is urgent. And we confront many illusions.

First is the illusion of victory—the illusion that one side or the other can start a nuclear war and win it.

Sober common sense analysis will tell anyone that this is impossible. Consider this illusion in its most popular package:

The Soviets launch a surgical first strike and destroy most of our Minutemen and Titan missiles in their underground silos. Thus they leave us few weapons capable of retaliation in kind—of wiping out their remaining underground missiles. And thus they force us to a choice: attack Soviet cities with our submarine missiles and bombers, thereby provoking a counterattack on American cities from Boston to Seattle; or surrender.

What's wrong with this picture? Lots of things. It assumes—against all common sense—that the Soviet leaders, notoriously cautious about security, would bet their total nation on at least four foolhardy all-or-nothing gambles:

The gamble—against all technological likelihood—that their first strike would be essentially perfect—that it would leave few if any Minutemen or Titans to retaliate in kind;

The gamble that we would not use some of our remaining underwater and airborne weapons, nearly three fourths of our total warheads, to attack the thousands of vulnerable military targets in the Soviet Union other than missile silos;

The gamble that when our President learned the Soviet missiles were flying our way he would freeze and do nothing—that he would not send those targeted Minutemen and Titans flying towards Russia's remaining silos before the enemy missiles landed;

And the ultimate gamble: That in desperate retaliation we would not rain down total destruction on Soviet cities, even

though that might mean our own destruction as well.

Make no mistake: That scenario defies all sober analysis. It would be the most risky and ultimately costly gamble in history. By overwhelming odds, the result of any use of nuclear weapons would not be victory. It would be all out war and total destruction. And in the words of President Kennedy, "The living would envy the dead."

The illusion of Soviet preemptive victory has a corollary: the illusion of achievable American superiority—the illusion that like the Red Queen in Through the Looking Glass we can outrace the danger by going "faster, faster;" outproducing the Soviets in nuclear arms; playing a multi-billion-dollar shell game in the desert; hoping that somehow with exotic weapons we can erect a protective umbrella over our country.

So-called nuclear superiority assures no safety—not for the Soviet Union; not for us; because what counts is not superiority but sufficiency—the guaranteed power to destroy the other side under all circumstances. And we both have it.

A quarter century ago Donald Quarles, then Secretary of the Air Force and a wise scientist in a Republican Administration, put it succinctly:

"Beyond a certain point, the prospect is not the result of relative strengths of the two opposing forces. It is the absolute power in the hands of each . . ."

Think of it this way: Would you, if you sat in the Kremlin, attack the United States, even knowing that you could knock out 95 percent of our weapons, but realizing that the remaining five percent could destroy literally the whole Soviet Union?

Would you, sitting in Washington, attack even a smaller country which had only a thousand warheads knowing that if you missed only ten percent they could wipe out a hundred American cities?

You know the answer: There is no safety in numbers. The war planning process of the past has become totally obsolete. Attack is now suicide.

Yet the pursuit of the mirage of superiority persists. And over the years the two superpowers have piled weapon on useless weapon.

In 1945, when we exploded our first atomic bomb at Hiroshima, we had a four-year lead over the Russians. In 1952, when we exploded our first H-bomb, we had a ten-month lead. The Soviet Union closed the gap despite having a country severely torn by the ravages of a war of a ferocity never visited on our country. And it has kept up in the race, despite the burden of a hopelessly inefficient economy, by ruthlessly channeling its resources, and by calling upon the Soviet people for an endless acceptance of sacrifice.

Between us, our two countries now have explosive power equal to a million Hiroshima A-bombs. We have between us some 15 thousand "city killing" weapons—one bomb, one city. Bigger stockpiles do not mean more security. Enough is enough. And we are far beyond that point now.

There is a third illusion, rooted in the belief that nuclear victory is possible and strategic superiority attainable. It is the illusion of nuclear omnipotence—that if we just have more weapons we can use nuclear threats to deter Soviet misbehavior anywhere in the world.

I can think of no quicker prescription for disaster. Our nuclear weapons are useless except for their mission of preventing direct attack on us.

Fourth is the illusion of futility: the illusion that we cannot sign treaties with the Russians because they systematically violate them.

Let us be clear about this: there are major differences between our two countries. Soviet values are diametrically opposed to ours. Contention between us on a global scale is a fact of life. Suspicion is the keynote of our relations.

But having said that, let me add this: on the evidence, the Soviets do keep agreements provided each side has an interest in the other's keeping the agreement; and provided each side can verify compliance for itself.

Look for example at the 1972 Anti-Ballistic Missile Treaty and the Interim Agreement—the two parts of SALT I. The Soviet Union has violated neither. For these treaties do not depend on trust or good will. They depend on cold self-interest and unilateral verifiability.

Fifth is the illusion of benign neglect, the idea that if we just muddle along, in the phrase of Dickens' Mr. Micawber, "something will turn up;" that the current aging Soviet leadership, for example, will soon be replaced by enlightened and reasonable men; that the Soviet system will crumble from within; or that we can indefinitely stall on serious negotiations, let the Soviets cool their heels waiting, and use the intervening time for our own advantage—to arm up.

Let us not delude ourselves. We can take no comfort from all these kinds of wishful thinking.

To be sure, the average Soviet Politburo member today is sixty-nine years old. But I have met many of the possible successors, and I can tell you: I foresee no real change. I do not see the Soviet Union becoming more pro-American. I do not see a revolution around the corner. I do not foresee the demise of the rigid system or the rigid thinking that runs it. And I see no chance that the Soviet leaders will be hoodwinked by protracted negotiations while we try to jump ahead in strategic arms.

Finally, we confront the illusion of softheadedness; that anyone who favors an end to the arms race must be soft on U.S. defense or even soft on Communism. And we confront its corollary: the simplistic formula "arm up and stand firm," though war would mean losses of 50 to 75 percent on each side.

The illusion of softheadedness is thermonuclear McCarthyism. Because the search for a way out of this morass—the search for an avenue of negotiation and survival instead of confrontation and weaponry—has a long and honorable heritage.

That heritage includes Republicans and Democrats; military and non-military leaders, among them some of the greatest and most tough-minded of our time.

It began in 1946 under President Harry Truman with the proposal of a hardheaded financier, Bernard Baruch, for international UN control of atomic energy.

It continued with President Dwight Eisenhower, who in his first major foreign policy address denounced the tragic waste of armaments, and in his farewell message warned against the power of a military-industrial complex.

It includes another great five-star General, Omar Bradley, who nearly a quarter century ago called for the country to turn away from "the search for peace through the accumulation of peril."

That heritage embraces the last legacy of President Kennedy, the nuclear test ban treaty of 1963; the SALT I accords under President Nixon; and the SALT II treaty initiated by President Nixon, continued by President Ford, and completed by President Carter.

SALT II was guided to completion in large part by former Secretary of State Cyrus Vance, who sits on this platform with me today, and for whom I was proud to serve in Moscow. Though the U.S. Senate has not ratified the treaty, it was endorsed by former Secretary of Defense Harold Brown, one of the world's brightest authorities on modern armaments; by General David Jones, head of the joint chiefs of staff; and countless others.

Thermonuclear McCarthyism is a slander against the wisdom of many great Americans.

Against all these illusions, what is the reality? The reality is that thermonuclear war in any form is suicide.

Our imperative is to change our course—to take the only road which offers a viable hope for the future: not a road to unilateral action of any kind, but a road toward the joint continuation of the SALT process; a road to a long series of mutually verifiable treaties.

I know from experience how maddening protracted negotiations with the Russians can be. I know what these negotiations will demand of us: in the words of St. Francis of Sales, "A cup of science, a barrel of wisdom, and an ocean of patience." But we have no choice. Because the longer we drift on without firmly capping the arms race, the graver the dangers we create:

The time has come to realize that our nuclear deterrent is robust under any possible contingency. Let our politicians and arms technicians stop poor-mouthing it.

Above all, the time has come for a new effort to cap the strategic arms race—cap it through a verifiable treaty which gives both sides the security they require.

SALT II offers a good framework. Minor changes could be made at the negotiating table if necessary. But there is little time before technology and pressures on both sides push us into a new and unmanageable spiral.

We cannot wait for improved Soviet behavior around the world, or for better U.S.-Soviet relations. Control of strategic arms is not a concession to the Soviets. It must not be linked to irrelevant issues. Those who urge delay take an awesome responsibility on their shoulders.

Twenty-eight years ago in Sanders Theater across the street, a great American journalist, Elmer Davis, delivered the annual Phi Beta Kappa oration. It was a time of darkness and witch hunts and false accusations. And in calling upon friends of freedom to stand up and fight, he quoted the first book of Samuel, which tells of the fear of the Philistines as they faced a formidable foe.

"Woe unto us!" they said. "Who shall deliver us out of the hands of those mighty gods?" But when they looked around and saw that no one else was going to deliver them, they said to one another: "Be strong, and quit yourselves like men; and fight." And they did, and they saved themselves.

The title of that Phi Beta Kappa oration was: "Are We Worth Saving? And If So Why?" The title of my remarks today might be: "Can We Be Saved? And If So How?"

I have tried to suggest some answers. And despite the somberness of my theme, I remain an optimist.

I regard the first atomic explosion in 1945 as an arrival—a culmination of mankind's long advance in ever greater mastery over the forces of nature.

I regard that explosion also as a watershed; because it signaled man's capability for the first time to destroy himself and the earth he lives on.

But I do not regard that explosion of 1945 as a beginning of the end.

The time has come for all human beings to realize that we must live together or die together.

I believe we have the reason and the realism and the common sense to choose life.

THE FLIGHT TRAINING BENEFITS SECTION OF THE GI BILL

Mr. STEVENS. Mr. President, the Senate Committee on Veterans' Affairs re-

cently considered changes in the veteran's program authority to meet the budget resolution's mandate of a $110 million cut in program authority. I understand that the committee was able to meet and exceed that goal without recommending termination of the authority for flight training benefits.

I am pleased that this was possible and urge the committee, when it goes to conference, to continue to resist efforts to cut flight benefits.

The flight training benefits section of the GI bill has been an important part of the benefits program available to our veterans in Alaska. Alaska is heavily dependent on air transportation to reach the many remote parts of the State. We have an extensive system of air taxi operators and small regional airlines which depend on flight personnel getting their training from outside sources.

The veterans flight training benefits program has provided a valuable source of people for these flying jobs. It has allowed our veterans to break into aviation. The program has also made it possible for men and women working as pilots to improve and expand their skills. This adds both to the individuals career opportunities as well as to the general level of safety in the industry through better trained pilots.

The training program in Alaska has been quite successful. Most of the people who take flight training remain in aviation. At the present time, the majority of the approved flight training schools in the State have 100 percent of their students employed in the same type of work, or closely related work, for which they were trained. This is an indication of the carefulness with which the program is administered in Alaska.

Again, I want to congratulate my distinguished colleague from Wyoming for his skillful training of veterans' programs—achieving the goal of reduced Government size—while at the same time keeping intact the worthwhile programs.

TRIBUTE TO DR. DONALD E. SHAY

Mr. MATHIAS. Mr. President, I greet the retirement of Dr. Donald E. Shay, chairman of the Department of Microbiology, School of Dentistry, of the University of Maryland at Baltimore, with mixed emotions. Certainly, after 37 years of service to the university and the people of Maryland, Dr. Shay's retirement is well-deserved and I rejoice that he now may savor the blessings that only the leisure for contemplation can provide. On the other hand, Dr. Shay's counsel and contribution to the school of dentistry will be greatly missed and I am sorry to see a man of his intellectual distinction leave the university even to retire.

For the past 33 years, Dr. Shay has been chairman of the microbiology department at the dental school. Under his aegis, the department has become one of the largest basic science departments on the campus of the University of Maryland at Baltimore. His official title, however, barely suggests the ambit of Dr. Shay's interests, concern and accomplishment. He is widely published in scientific journals. He is a leader in both national and international organizations concerned with life sciences. And he has held high office in a number of scientific organizations. For example, he has been president of the Maryland Biological Society; of the Maryland Branch of the American Society for Microbiology; of the Baltimore Branch, International Association for Dental Research; chairman of the Membership Committee of the American Academy for Microbiology; and Secretary of the American Society for Microbiology.

But, more than the honors he has received, more than the articles he has written or the conferences he has enlightened, what speaks of the essential man is the record of his involvement in his own immediate community, for what boots it to have world renown, if your neighbors didn't know who you are?

Dr. Shay's neighbors do know who he is and they like what they know. So do the members of Boy Scout Troop 822 where he has been counselor. He has also been a board member at the Linthicum Heights Methodist Church; a member of the advisory committee of the Anne Arundel County Science Fair, and a member of the National League of Families of American Prisoners and Missing in Southeast Asia.

On June 30, when Dr. Shay steps down at the University of Maryland, he will take with him the respect and gratitude of his fellow Marylanders for a lifetime of outstanding service to the community, the Nation and the world. I congratulate him on a job well and selflessly done and I wish him a rich and rewarding retirement.

RECEIPT OF A RESOLUTION FROM THE MISSOURI STATE LEGISLATURE CONCERNING THE POW/MIA TRAGEDY

Mr. THURMOND. Mr. President, as President pro tempore, I would like to bring to the attention of my distinguished colleagues a resolution passed by the House of Representatives in the great State of Missouri concerning a full and accurate accounting and return of all American POW's and MIA's in Vietnam.

It is heartwarming to know that there is a new surge of grave concern across our Nation for a resolution of this tragedy. Time and again, I have urged for our Government to pursue every possible course of action to resolve this serious dilemma. The intransigence of the Communists on this vital issue is intolerable and unacceptable to the free world.

Mr. President, I commend the distinguished members of the Missouri House of Representatives for their strong action and persuasive resolution. It is another significant signal to America that we, as a nation, must relentlessly pursue a solution of this tragedy. I congratulate the Missouri House of Representatives for joining with the legislatures of other States, including South Carolina, to press our Government for action on this issue.

Mr. President, I ask unanimous consent for the Missouri House of Representatives resolution on the POW/MIA tragedy, dated May 20, 1981, to be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

MISSOURI HOUSE OF REPRESENTATIVES
RESOLUTION

Whereas, it has now been six years since the end of American involvement in the tragic struggles of Indochina; and

Whereas, the members of the Missouri House of Representatives wish to reaffirm their appreciation to the veterans of that conflict who sacrificed so much, and especially to the families and loved ones of those 2,500 Prisoners of War and Missing in Action who have not returned; and

Whereas, this body encourages all state, county, and local governments throughout this great land to actively support the effort to obtain a full and accurate accounting and return of all of America's Vietnam POW's and MIA's through the use of such devices as letter writing, petitions, and resolutions; and

Whereas, the Missouri House of Representatives also urges the President and Congress of the United States to renew and intensify diplomatic efforts and negotiations with the nations of Southeast Asia on behalf of these missing Americans; and

Whereas, the members of this chamber also appeal to the leaders and people of Vietnam, Laos, and Cambodia to join with them in a cooperative effort to bring an end to this unhappy chapter in the history of modern civilization by demonstrating compassion toward these innocent victims of war and their families;

Now, therefore, be it resolved, That we, the members of the Missouri House of Representatives, Eighty-first General Assembly, First Regular Session, appeal to all Americans and men and women around the world to seek a full return and accounting of all Vietnam era Prisoners of War and Missing in Action; and

Be it further resolved, That the Chief Clerk of the Missouri House of Representatives be instructed to send properly inscribed copies of this resolution to the President of the United States, the Speaker of the United States House of Representatives, the President Pro Tempore of the United States Senate, the Governors of the several states, the Secretary General of the United Nations, and the Governments of Vietnam, Laos, and Cambodia.

HUMAN RIGHTS

Mr. MITCHELL. Mr. President, in the wake of the controversy over the nomination of Dr. Ernest Lefever to be Assistant Secretary of State for Human Rights, suggestions have been made that the Office of Human Rights be abolished.

It has been suggested that the role of Government in furthering human rights is properly included within Government's other responsibilities to the economic, strategic, and trade interests of the Nation.

Concern has been voiced that an Office of Human Rights may, in some way, represent an imposition of uniquely American values on other cultures and other governments. It has even been argued that an Office of Human Rights may, in fact, run counter to our national interest by imposing considerations on policy questions which prevent policies being clearly defined and carried out.

All these reservations about the role of government in enhancing human

rights are grounded in the idea that what a nation's government does is separable from what the nation itself is.

But the actions of a government cannot be separated from the nation itself. We ought not express our misgivings about the complexity of human rights issues in the world today by abandoning the one office in our Government whose stated and single goal is their enhancement.

The history of what our Nation is and stands for illustrates that as long as we remain the United States of America, we can never be unconcerned about human rights.

The United States of America is a great Nation. We have the largest and most productive economy in the world and the most powerful military forces in all of human history.

But the United States was a great Nation long before it possessed economic or military strength. The United States was a great Nation from the moment of its birth, when it contained fewer than 4 million persons clinging to the Atlantic seaboard. Its greatness then was based not on American power, but on American ideals. It still is.

The history of man is, unfortunately, largely a record of oppression.

Here, for what in the sweep of history is but a brief moment, the ideals of liberty, justice and equality of opportunity have become living realities. The people of the world know that. They have known it for two centuries. That is why so many of them have come here and why so many more now try so desperately to reach American shores.

If the source of our appeal were military strength, the Soviet Union would attract a goodly share of immigrants, since it too is a great power. But no boatloads of refugees risk their lives to reach Soviet soil. Indeed, as we pass laws to keep people out, the Communists build walls to keep them in.

Foremost among American ideals is our belief—our faith—in the worth of the individual. No principle is etched more deeply in the American character than that represented in the Bill of Rights: Each individual possesses inalienable rights that are secure from violation by anyone else, including the Government—especially the Government.

For most of mankind, past and present, that has not been true.

We live in a time of danger. The power of the weapons of destruction has increased more in the past half-century than in all the previous millenia of recorded history. At the same time, there is greater willingness to resort to violence to achieve goals, by individuals and by governments. Strikingly, much of the violence and terror engaged in by governments is against their own people. With good reason, many people fear their own governments.

And the governments which inspire the greatest fear are the ones which most loudly proclaim the principle that the repressions of human beings within the borders of a nation state is a matter of little consequence and no legitimate concern to any other nation state. That principle has been endorsed by such nations as the Soviet Union today and Nazi Germany in the past. It echoes in the actions of such murderous regimes as Idi Amin's in Uganda and the Pol Pot regime in Cambodia. It nourishes the contentions of such regimes as Argentina's and Paraguay's, which assert that their treatment of their citizens is no-one's business.

In 1937, the civilized nations of the world met at the French spa of Evian to explore joint action to save the Jews of Germany. No agreement proved possible. The willingness of the civilized world then to placate Hitler's Germany, to ignore the fate of the Jews there, and to play down reports of mass murder in the East made possible the Holocaust, the central most terrible episode in the human experience in this century.

The postwar world recognized that the treatment of citizens within national borders was not the exclusive concern of a nation state or a national government. The postwar world joined together in our own country, under American leadership in San Francisco, and drafted the universal declaration of human rights. Our current human rights statutes stem from that antecedent and seek to further the goal of a humane world.

There is no more compelling commandment in the entire Judeo-Christian tradition than the one which asserts that we are, indeed, our brothers' keepers. To the limited and imperfect degree that governments can carry out that commandment, our human rights statutes represent an honorable, essential expression of what we, as a nation are, and what we, as a nation, should seek to remain.

We cannot be dedicated to the proposition that all men are of equal worth, that all men have equal rights, unless we apply those beliefs to all men—not to the select few who are lucky enough to live in democratic societies and enjoy civil liberties.

Human rights are not divisible. Our tradition, our moral code and everything we know informs us that as long as one of our fellow human beings suffers, we are all thereby diminished.

And human rights are not divisible from those creations of human beings which we call governments. We cannot be and remain humane beings unless our institutions—including our governments—are also humane.

All governments, including our own, respond imperfectly to the challenge of upholding human rights. When that happens, some who call themselves realists contend that government cannot and ought not make moral judgments. They argue that government's sole responsibility is to practical economic and strategic interests. They cite John Quincy Adams, who said that "We are the friends of liberty everywhere, but the custodians only of our own."

That maxim may have been appropriate to a small, new struggling nation in the dawn of the industrial era. But it is surely no measure of our Nation's responsibilities today. Nor does it bear any realistic relevance to the world of the 20th century, where the fates of all nations are inextricably intertwined.

I believe another American President, our first and greatest Republican President, Abraham Lincoln, more truly and more fully expressed the view of Americans today when he said: "Those who deny freedom to others deserve it not for themselves, and, under a just God, cannot long retain it."

This century bears out the truth of that prophetic remark.

Our goal in foreign policy remains, as it ever has, to seek peace, to encourage industry, and to nourish trade between nations. On that basis, America found its prosperity in the past and on that basis will continue to flourish in the future.

And so long as our own future remains so closely tied with other nations of the world, so long must we remain concerned and active in support of the principles which animate our Nation.

Liberty, justice, and democracy are surely our paramount values. They are values sought by ordinary people throughout the world. They are values which are denounced and trivialized and suborned by totalitarian and authoritarian regimes throughout the world. We have an obligation to give voice and action to our determination to protect the true meaning and the practical expression of those values in our world. To do less is to concede to the totalitarian nations that there is liberty in Afghanistan, that justice is served by government goon squads, and that freedom flourishes in the Gulag.

Those are obviously lies, and if we have any national moral obligation whatever, it is to fight the spread of those lies.

We cannot do so if we permit any friendly nation to trade with us, to buy our arms, to entertain our ambassadors and our businessmen while its own agents hunt down and torture and kill their own people. We cannot do so if we will not permit our trade policies to be influenced by the extent of human rights violations in the Soviet Union.

The practitioners of "practical" politics, of politics empty of moral content, argue that any friendly nation ought to be able to buy anything from us. They argue that relations with the Soviet Union ought to be determined solely on the basis of our economic and strategic needs.

That is a view the Soviet Union itself endorses wholeheartedly.

But there is no basis for that view in American policy, in the American Constitution, or in the American tradition.

The American commitment to individual liberty, to personal dignity, to human self-worth stands unalterably opposed to it.

The public debate over the extent and the limits of Government's role in enhancing human rights in the world is today in danger of becoming a confrontation between the proponents of domestic policy differences.

Domestic political differences can and should play a role in setting the terms of our Nation's policies abroad, but they should not dominate the debate.

What is at stake is more important than domestic doctrinal differences: It goes to the heart of what our country stands for.

Are we willing to ignore the barbarities of the totalitarians of the right in order to excoriate the totalitarians of the left? Are we willing to embrace a foreign policy which negates the struggle of individuals in favor of "larger" issues?

In a nation founded and sustained on the inalienable rights of individuals, what larger issue can there be?

Nations, like individuals, are what they do. We cannot assert a love of liberty and look away from repression. We cannot assert respect for humanity and tolerate torture. We cannot and ought not pretend a reverence for the sanctity of the individual and countenance the negation of individuality which is the essence of all totalitarian regimes, left, right, and center.

If our ideals are to have meaning, our Government must act on them. Without practical expression, our ideals are nothing but rhetoric. Unless they are embodied in our policies, they remain lifeless. It is action which gives life to ideals. And to remain true to our ideals as a nation, our National Government must be willing to take action on our principles.

I hope the Senate will have an opportunity to consider this entire issue in more detail in the near future.

THE NEED FOR DEVELOPMENT OF SIMPLER COMBAT AIRCRAFT FOR THE MILITARY

Mr. THURMOND. Mr. President, once again respected leaders in the military area have proposed that this country should move away from reliance on complex, sophisticated weaponry.

As a proponent of a test for the privately developed Enforcer aircraft, and a supporter of less complex and more dependable military equipment, I believe this report deserves careful study by the Defense Department and the Congress.

While I would not agree with all of the recommendations it contains, it certainly deserves consideration in view of the low readiness rates for much of the complex aircraft and other equipment produced by the Pentagon in recent years.

Mr. President, I ask unanimous consent that an article on this subject which appeared in the June 1, 1981 issue of Aerospace Daily under the heading "Report Urges Simpler Combat Aircraft" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REPORT URGES SIMPLER COMBAT AIRCRAFT

Critics of the current U.S. military doctrine of firepower/attrition warfare have urged in a new report that the U.S. move away from reliance of complex, sophisticated weaponry.

The report, "Reforming the Military" published by the conservative Heritage Foundation, reflects the thinking of Col. John Boyd and others who have argued that U.S. military forces should be geared toward a maneuverable and flexible style of fighting using simple, adaptable and easily maintained weaponry in relatively large numbers.

In his essay on land-based tactical aviation, Pierre M. Sprey, an engineer and analyst whose work at the Pentagon laid the foundation for Chuck Spinney's "Defense Facts of Life"— a DOD study which has provoked a debate over the need for less complex aircraft—argues that the complexity of aircraft such as the F–15 fighter, E–3A AWACS and the F–111 fighter bomber have lead to low readiness rates and fewer aircraft in the Air Force inventory because of escalating costs.

Sprey also questions the force structure of the NATO air forces, explaining that too many aircraft are designed for attrition warfare/interdiction bombing—"a capability that would have little effect, and certainly no immediate one, on Red armored spearheads thrusting deep into West Germany"—and too few aircraft earmarked for stopping Soviet tanks.

Sprey makes two key recommendations concerning future aircraft procurement.

The first is that procurement of the F–16 "should be emphasized over the F–15. In visual combat, the F–16 has been demonstrated to be the superior aircraft. The poor performance of the Sparrow missile and lack of solution to the IFF (Identification Friend or Foe) problem render the beyond-visual-range mission highly questionable."

REPLACE F–16 WITH SUPERCRUISE FIGHTER

The F–16 should eventually be replaced by what Sprey calls a supercruise fighter, "a single purpose air-to-air fighter designed to maximize surprise, the decisive factor in 80 percent of air kills. It would be intended to cruise at Mach 1.3 to 1.6 instead of the Mach .08 to .09 of every current tactical fighter. To enhance the surprise achieved by superior cruise speed, basic avionics and weapons would be non-emitting and the aircraft's size would be held to less than that of the F–5 . . . The cost would be under $5 million in FY '81 dollars. The weight would be less than 10,000 pounds."

Sprey's second recommendation is that the A–10 should remain in production until a "combined arms fighter" is introduced. "A minimum of 2000 of these aircraft (U.S. plus Allied) would operate as a major combat arm combined integrally with blitzkrieg ground tactics. The aircraft should be the smallest, most maneuverable fighter possible, wrapped around the four-barrel 30mm cannon. Speed should be no more than 400 knots; acceleration should be double that of the A–10 together with a 50 percent maximum G advantage. Cost should be under $2 million in FY '81 dollars, weight under 7,500 pounds."

Sprey also suggests a wide range of changes in aircraft weaponry and components. Among his recommendations:

Replacing the current U.S. F–14/F–15/F–16 gun, which "uses a 1942 round that is the least effective 20mm round in the world."

The introduction of an air-to-air anti-radiation missile (ARM) to eliminate the use of radars, which can be used by enemy pilots as a self-identifying beacon for missiles to home on. "Because the enemy's radar solves the IFF problem this missile would be the only true BVR (beyond visual range) missile available. The missile would be Sidewinder-sized with only earphones (for lock-on tone) needed as fire control." Cost: $20,000.

Development of a snapshoot passive air-to-air missile, "intended to permit locking on the firing in equal or less time than required by a gun." The missile, possibly a Sidewinder variant, would include look-down ability and resistance to combined flare/maneuver countermeasures. A head-on requirement would be eliminated. Cost: $15,000.

Replacing the GAU–8 30mm cannon with a new cannon of larger caliber and higher velocity to deal with possible increased thickness of Soviet armor. One possible candidate would be built around the NATO 35mm round.

Development of a supercruise engine. "Because optimization for supersonic cruise fortunately requires more ramjet-like engines, the supercruise engine would be much simpler and a lower risk than the high cost, trouble-ridden TF30, F100, F101, or F404," according to Sprey.

Simple air-to-air radar warning receiver, which Sprey describes as "the single most important avionics item on the supercruise (or any) air-to-air fighter."

Short-squirt radar with passive angle-tracking. Sprey says "it would be useful to have a simple radar to do wide-band passive angle-tracking on an enemy fighter radar located by the . . . warning receiver and occasionally to take a short-burst range reading on the target in order to decide whether to launch an air-to-air ARM or other missile. The short burst minimizes the chance of alerting the enemy's radar warning receiver and thereby sacrificing the all-important surprise attack."

THE NEED FOR NEW STRATEGIC ARMS CONTROL INITIATIVES

Mr. CRANSTON. Mr. President, I am deeply concerned by the Reagan administration's apparent lack of a clear strategic arms control policy some 5 months into its incumbency. I believe it is very important for our Government to continue to consider arms control as an important component of our national security program. I believe this is especially important in view of the unprecedented peacetime military buildup which the administration has requested—a projected total of $1.448 trillion for defense spending over the next 6 years.

As we consider the future of nuclear arms control, I believe we must think anew on the problems which confront us in our effort to negotiate equitable, balanced, verifiable reductions in the bloated U.S. and Soviet nuclear arsenals. The currently stalled SALT process requires new initiative and creative thought if it is to be moved forward significantly in the foreseeable future.

For this reason, I welcome several recent statements on the SALT process from such scholars as Wolfgang Panofsky, George Kennan and Sidney Drell.

In a January speech on "Science, Technology and the Arms Build-Up", Dr. Panofsky, Director of the Stanford Linear Accelerator (SLAC) wrote:

In the interest of the future of mankind the kinds of practices and forces which have driven the armaments in the world to their current level must not continue . . .

After the first nuclear weapon was detonated in 1945 at Alamagordo, many observers expressed the sentiment that this new weapon would make further wars impossible, and that further buildup of stockpiles of these weapons would not occur. These prophecies have proven false. No strategic doctrine adopted officially by any power has provided a quantitative interpretation of the word coined by Kissinger, "sufficiency." No government has answered the question, When is enough enough? applied to nuclear weapons.

In principle, if there were an accepted answer to the quest for an interpretation of sufficiency, then limitation of nuclear arms could be achieved both through negotiated arms control and through unilateral action. Yet we have not seen a halt in the growth of nuclear stockpiles or the number of deployed nuclear weapons. 50,000 nuclear weap-

ons worldwide are still not "sufficient." I attribute this failure largely to disregard by governmental leaders of generally accepted technical facts on nuclear weapons . . .

To summarize, once nuclear war is initiated by any power, under any doctrine, in any theater, or for any strategic or tactical purpose, the outcome will involve truly massive casualties and devastation, leading to uncalculable effects on the future of mankind. The predictions of Science concerning the effects on large segments of the world's population of large-scale use of nuclear weapons are extremely uncertain . . .

. . . the nuclear arms race is driven by the perception of power rather than by physical realities. Unfortunately, perceptions tend to become political realities, and thus nuclear weapons become symbols of power and strength and trading objects in arms control negotiations. Such a shift of the role of nuclear weapons from threats of massive death and destruction to political tools has denied each nation a rationale for defining what nuclear weaponry is sufficient for its needs. Nuclear weapons cannot compensate for deficiencies in conventional military power. Only a continuing and insistent reminder about the technical realities can form the basis for agreements and unilateral acts leading to lowered limits on nuclear weapons deemed sufficient for national and international security. The present course is set for disaster.

Writing in the winter 1980–81 issue of International Security, Dr. Drell, Deputy Director of SLAC, and Kent Wisner of the Stanford University arms control program offer an idea to simplify the reduction of United States-Soviet nuclear arsenals by introducing the following proposal:

Effective control of long range nuclear arms is an urgent and broadly proclaimed goal for the United States and the Soviet Union. In the interest of international security we must continue efforts to negotiate a treaty that:

Enhances strategic stability based on a balance of highly survivable and secure deterrent forces, and

Initiates significant, timely, and verifiable reductions in the nuclear forces and destructive potential of both nations.

It is evident from the record of negotiations at SALT and of the related public debate during the past decade that progress toward such a goal would be greatly aided if the negotiations could proceed within a framework that is:

Conceptually simple so as to be readily explained and comprehended in the broad public debate;

Highly flexible, allowing the two countries to implement the treaty provisions by taking different steps. Indeed, the very different technological and bureaucratic styles of the U.S. and Soviet Union will necessarily lead them to follow different paths in making selective reductions. While these reductions must be equitable, they may, at the same time, be asymmetric.

In this comment we describe an approach to reducing strategic arms that meets these four requirements. Our proposal is simply to limit the total number of deployed launchers plus reentry vehicles (i.e., warheads and cruise missiles) to 10,000 for each country.

More recently, the Honorable George Kennan outlined his own bold approach to the dilemma which has seen the United States and the Soviet Union producing more and more nuclear arms while feeling less and less secure. Kennan declared the following:

Adequate words are lacking to express the full seriousness of our present situation. It is not just that we are for the moment on a collision course politically with the Soviet Union, and that the process of rational communication between the two governments seems to have broken down completely; it is also—and even more importantly—the fact that the ultimate sanction behind the conflicting policies of these two governments is a type and volume of weaponry which could not possibly be used without utter disaster for us all . . .

I can see no way out of this dilemma other than by a bold and sweeping departure—a departure that would cut surgically through the exaggerated anxieties, the self-engendered nightmares, and the sophisticated mathematics of destruction, in which we have all been entangled over these recent years, and would permit us to move, with courage and decision, to the heart of the problem.

What I would like to see the President do, after due consultation with the Congress, would be to propose to the Soviet government an immediate across-the-boards reduction by fifty percent of the nuclear arsenals now being maintained by the two superpowers—a reduction affecting in equal measure all forms of the weapon, strategic, medium range, and tactical, as well as all means of their delivery—all this to be implemented at once and without further wrangling among the experts, and to be subject to such national means of verification as now lies at the disposal of the two powers.

Mr. President, I believe each of these three statements merits serious consideration and discussion by all of us here in the Congress and by relevant executive branch officials. We must make new departures if we are to break the process of building ever more nuclear weapons—a process which George Kennan describes as being "like men in a dream, like lemmings headed for the sea."

Next week, I will reconvene the informal group of Senators who have met in recent years on a regular basis in my office to discuss strategic arms limitation issues. The speakers for this first session of the "Arms Control/National Security Study Group" for the 97th Congress will be the Honorable Paul Nitze and Dr. Sidney Drell, who will discuss alternative proposals for significantly reducing United States and Soviet nuclear arsenals. For the benefit of my colleagues who will be participating in this session, and for other interested persons, I ask unanimous consent that the full text of the three articles from which I have read be printed in the RECORD and that the text of a May 7 statement of mine before the Senate Foreign Relations Committee be printed as well.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SCIENCE, TECHNOLOGY AND THE ARMS BUILD-UP, COLLOQUIUM ON SCIENCE AND DISARMAMENT, INSTITUT FRANCAIS DES RELATIONS INTERNATIONALES, PARIS, FRANCE

(By W. K. H. Panofsky)

The arms race, in particular the nuclear weapons competition between the Soviet Union and the United States, threatens the very existence of man's civilization. Yet one must admit, albeit reluctantly, that the nuclear balance between these two powers deserves at least partial credit for the absence of all-out hostilities for the longest period in recent history. But even in the absence of total conflict, the increase of potential devastation and the growth in the number of nuclear weapons states have created tensions which increasingly overshadow all other concerns of mankind. Many hold science, which led to the release of nuclear energy, responsible for this evolution. But others look to science for the tools to reverse this threat to all humanity.

Accordingly, a discussion of the relationship of science and technology to the arms race is timely. I will here only touch upon a topic of at least equal importance—the relation of science and technology to arms control.

A. SCIENCE AND MILITARY DEVICES

The relation of science to war and preparation for war has been what I might call a love/hate relationship throughout recorded history. Let me remind you of the story of Archimedes: In the defense of Syracuse against the Romans, Archimedes reputedly devised numerous instruments of war which contributed materially to delaying Roman entry into that besieged city for many years. When the conquest of Syracuse finally took place in 212 B.C., Archimedes was engaged in "pure" science, drawing circles in the sand in studying basic geometry. When a Roman soldier approached him, Archimedes was reported to have uttered as his last words, "Don't disturb my circles." This story illustrates that scientists wish to be recognized by all, friend and foe alike, for their contributions to pure science, irrespective of whether they also play an important and at times even decisive role in providing armaments to their home country. A vexing conflict between two moral responsibilities of the scientist in relation to armaments emerges: his duty to his fatherland, on the one hand, and his responsibility to prevent the abuse of lethal weapons on the other.

This dilemma is rooted directly in the nature of the scientific process. New science and technology evolve through a long chain: Basic scientific discoveries eventually lead to the development of specific new devices, and finally to their testing, production, distribution and use.

Each of these steps offers different needs and opportunities for control by human institutions. Most scientists and non-scientists would agree that basic science motivated solely by the desire for improved understanding of nature should remain unfettered. I would maintain that, however fallible humans and their institutions may be, decisions on how to live harmoniously with nature and its products will be made more wisely with understanding of the workings of nature than without. Yet once basic new revelations are apparent, applying restraints to their potential fruits, lest they be abused for asocial ends, is difficult. In regard specifically to the military arms control problem, one finds that controls are very difficult to apply to early phases of the development chain. As a practical matter, particularly if "verification" (i.e., policing of an arms control agreement) is to be taken into account, controls can be applied primarily to the test phase of development, on the one hand, and to final deployment actions, on the other.

It has become trite to say that the rate of progress in arms control has been so small that the rate of technological advance of military systems has outpaced the gains of arms control. Yet I would argue that had technological and purely military factors been the only ones in determining the buildup of arms, then arms control efforts might well have stemmed and possibly reversed the buildup of nuclear weapons. In truth it is largely political factors that have made it infeasible thus far for arms control efforts to prevail over the arms buildup.

B. SCIENCE IN RELATION TO OTHER FACTORS DRIVING THE ARMS RACE

Evolution of the tools of war as facilitated by advances in science and technology has aggravated the action and reaction cycles between nations and has led the competi-

tion between offensive and defensive technology systems through successive stages. Yet while such cycles are clearly demonstrable, it appears that the nature of the arms competition is in fact not dominated by such direct causal factors. Examination of the history of the arms race appears to demonstrate that non-scientific factors have preempted what might be logically predicated on technical or even military grounds. For instance, if one observes the arms competition between the U.S. and the Soviet Union, one finds very few instances of demonstrable action-reaction processes. Apparently the decisions by both sides to proceed with arms acquisitions are driven by other forces. What are these?

Let me describe a few factors:

1. It appears clear that in all countries—capitalist and socialist alike—there are strong institutional pressures and interests for augmented armaments by the institutions charged with developing and producing or managing and using such arms. This commonality of pressures for arms expansion within different social systems does not mean that the sources for military expansion are identical, but it makes it indeed difficult to attribute such growth to single factors such as the profit motive, communist or imperialist expansionism, inter-service rivalry, etc., etc. We are dealing here with the institutional inertia, or other manifestations of historical persistence which are inherent in any highly organized human activity. Institutions always find it difficult to produce only a fixed and limited amount of any one commodity; the producer always rationalizes why more of what he can produce is needed.

2. A second driving force in the arms race is what I will call mirror imaging. Rather than reacting to a potential opponent's new military system by implementing specific counter measures, frequently the reaction is "We must have it too." This reaction tends to be relatively uncritical in regard to the technical merit of the item in question. The public rationale given, for instance, among other factors, for the United States to develop an improved hard-silo killer for its missile arsenal is that the Soviets have developed enough striking power to threaten preemptively the U.S. Minuteman silos; yet the public rationale for the U.S. "silo killer" missiles disclaims any intent for a "preemptive" or "first" strike. A "mirror image" response aims to silence the implied threat that the Soviets would receive political advantage and bargaining leverage out of these weapons, unless the U.S. could field a matching threat. Conversely, one of the motives for some Soviet deployment appears to be to "mirror image" the U.S. rather than to countermeasure U.S. moves. For example, the Soviets continue to upgrade the technological complexity of many of their military systems, following the U.S. lead. Yet in so doing they at times inherit the maintenance and reliability problems which have so frequently plagued the U.S. systems in the past.

Very new and frequently spectacular technology is particularly sensitive to this aspect of the arms race. For example, the militarily highly dubious development of particle-beam weapons is largely promoted by the argument that "The other side is doing it," rather than by valid military-technical arguments. The difficulty here is that the political prestige engendered by a perceived technical-military "breakthrough" is simply too valuable a commodity for decision makers to forgo, even if the true military significance is minor or non-existent.

3. Possibly the most serious driving factor in the arms race is the asymmetry of perception, resulting both in uncertainty and fear. Each side in an adversary situation tends to feel insecure and threatened by the technical developments of the opponent, particularly if the technical details are poorly known and if the doctrine under which they are developed is ambiguous. For instance, the claim that the opponent is not only striving for, but has in fact attained nuclear superiority rather than parity is being heard both from U.S. and Soviet spokesmen in the current state of U.S./Soviet relations. Such spokesmen may in fact be sincere, yet both cannot be correct. In fact most discussions on superiority tend to be based on simplistic numerology. Items which are difficult to quantify such as the reliability of allies, asymmetries in geography, access to ocean areas, the length and number of boundaries shared with potential adversaries, make "superiority" an even less tractable quality. As a result the question of "superiority" is one of perception of potential adversaries, rather than objective reality.

As a result of asymmetry of information and interpretation it is not unreasonable that both sides in the current arms buildup feel genuinely threatened. Political leaders at times react to these perceptions by "sabre-rattling," i.e. by proclaiming their military prowess "second to none" in order to reassure their constituencies. At other times, in particular when military appropriations or other allocations of resources are at stake, political leaders emphasize the "gaps" in the armor of their country, i.e. the areas of perceived deficiencies and weakness. Thus the perceived rather than the real military situation greatly affects decisions on the acquisition of military weapons.

4. The development and deployment of arms generally requires very long and frequently uncertain lead times—well over a decade elapses between development for most systems and their completion and final deployment. Thus military needs should be based on a combination of judgment of the opponent's intentions, evaluation of his current status, and on intelligence projections from that base. The validity of these projections and their accuracy are not only impaired by the basic uncertainty in foreseeing future developments and future intentions starting from known current conditions, but also by the ignorance imposed by the secrecy which shrouds these conditions. Thus it is not surprising that judgments as to future defense needs can span a very wide range between "best" and "worst" case projections. This gap is amplified by secrecy, and thus secrecy becomes a major factor in driving the arms race. I challenge national leaders, in particular those of the Soviet Union, to examine critically whether extreme secrecy on technical developments is really in the best security interest of their country, quite apart from the damage such secrecy does to basic human values, and incidentally, to the feasibility of negotiated verifiable arms control.

5. This complaint by a technical person that for the most part political and perceptual rather than technical factors have driven the arms race must in fairness be balanced by the existence of what has been designated as the technological imperative. While a vast number of technical developments are on balance beneficial, there may be a rational assessment that a certain new development, if generally adopted, might result in decreased security for all; the strategically destabilizing influence of high accuracy of ballistic missiles is a case in point. Yet prohibiting or impending the evolution of such a "counterproductive" technology under current conditions is generally infeasible. A development of what J. Robert Oppenheimer called a "technically sweet" military technology is hard to stop, either unilaterally or through negotiated arms control. Unilaterally, the argument "What will we do if the other side gets it first?" tends to prevail. In an arms control negotiation the difficulty to police the evolution of new technology in its infancy is usually a block to agreement, unless very low standards of verification are acceptable, or unless the openness of the societies involved leads automatically to public exposure.

Thus new technology tends to generate its own momentum and unilateral or negotiated control is impeded.

6. There has been much speculation on the escalating role of arms control negotiations on the weapons buildup. I will not discuss this subject here in detail. I would like to conclude, however, that the arms control efforts during the last decade have on balance led to positive results. In particular the SALT I agreement has increased world security and so has the Nuclear Non-Proliferation Treaty. Also the various achievements in less central areas of arms control have certainly made net positive contributions. In addition, the very existence of arms control discussions, even those not leading to positive results, has maintained channels of communication and has permitted exchange of data which, in the absence of such talks, would hardly have been possible.

Despite this net positive assessment of arms control effort, one should also acknowledge the negative by-products of arms control negotiations. The linkage of arms control negotiations to the political process, and in particular the extensive ratification discussions, have given undue political importance to the detailed numbers of military systems, in particular those employing nuclear weapons, which their actual technical performance does not deserve. No analyst could reliably predict a specific dependence of outcome of military conflict on the precise number of nuclear weapons now deployed. Yet as we debate as to who has gained or lost in an arms control agreement the detailed numbers gain undue significance.

It is also true that arms control agreements tend to leave "uncashed bargaining chips" on the table. When a key military system has played a politically important role in the bargaining process in arms control negotiation, then it is politically very difficult to abandon the system after the negotiation, once it has not been possible to ban its deployment as part of the agreement reached. The 54 U.S. TITANS are a case in point. Although the recent accident suggests that it might be advantageous to decommission the U.S. TITAN force, this is politically very difficult since their numbers played a significant role during the SALT II negotiation and in forming the political perception of U.S. Strengths. Similarly, it was a matter of considerable difficulty for the U.S. to discontinue the deployment of those ABM forces permitted under SALT I, however limited their strategic importance may be. The Soviets have not as yet succeeded in doing so, and are in fact putting their ABM deployment around Moscow through a new round of modernization, notwithstanding the limited potential effectiveness of this system.

The domestic debates in the United States and presumably also in the Soviet Union surrounding the arms control negotiating process also related directly to the military buildup. This matter has several diverse aspects: For instance, during the ratification process in the U.S. Senate, the price for a favorable action voiced by some senators was escalation in defense expenditures. Similarly it is maintained that an arms buildup is essential to make it possible to "bargain from strength." E.g. for many years the Soviet Union showed no interest in nuclear arms control until a very substantial nuclear arsenal was at hand.

After the Soviet Union deployed and continues to deploy their mobile and accurate

SS-20 medium-range ballistic missiles targeted against Western Europe, the U.S. proposed to station a number of missile systems which can reach the Soviet Union, on the soil of members of NATO. However, members of NATO were willing to accept these more advanced "Theatre Nuclear Force" only if the U.S. agreed to pursue negotiations with the USSR on limiting such forces.

These examples indicate how interwoven arms control and weapons buildups have become: We are hearing "no arms control unless we first arm," but also "no new arms unless we move to new arms control" voices. While such coupling may represent current political reality, it breeds cynicism among the non-nuclear nations that the efforts of the Soviet Union and the Western Allies are genuine in sealing meaningful and incisive arms control. On technical grounds there is no basis for such linkage: A good arms control agreement increases the security of all participants, irrespective of buildup in areas not controlled by the agreement.

All the above factors, combined with political developments, have led both the Soviet Union and the United States to escalate their nuclear arsenals to the potential of worldwide destruction. I should like to add, however, that the rate of growth of military expenditures of less developed countries is actually higher than those of the two superpowers, and that the fraction of GNP dedicated by some smaller nations to military pursuits is higher than that of the United States, or even that of the Soviet Union.

The two superpowers have at times, driven by the non-scientific, non-technical factors listed above, procured large and expensive systems which are only of marginal value to their security. The MIRV buildup by the United States and then by the Soviet Union is a case in point. Most would agree that the security of both countries would be greater if neither had deployed MIRV. Originally the U.S. decided to develop and deploy MIRVs primarily as a penetration aid against Soviet ARM; yet it is well known that Soviet ARM evolved at a rather slow and irregular pace. Economic arguments (cost per reentry vehicle) also played a role. Even when it became evident that Soviet ARM was not a very effective counter measure against U.S. missiles, U.S. MIRV deployment continued. The U.S. launch-based MIRV missile buildup was then matched and exceeded by the Soviet Union, even though the need for MIRV to penetrate U.S. defenses was clearly absent. Whether the Soviet motive in building up MIRV forces was to "mirror image" the U.S. buildup, or was to threaten preemptive attack against U.S. missile silos, or was simply to lengthen the potential target list, we can only surmise.

There is no doubt that had arms control efforts involving the Soviet Union and the United States led to more incisive results at earlier times, the security of both nations and of the international community would now be greater.

C. STRATEGIC DOCTRINE: LIMITED CONFLICT

There is a further factor which has militated against unilateral or successfully negotiated steps to limit deployment of strategic weapons; this is the vacillation and ambiguity of stated doctrines by the United States and the lack of clarity in the available statements of Soviet doctrine.

All declaration of U.S. strategic doctrine give highest priority to deterring initiation of nuclear war by an opponent by demonstrating to the potential initiator of such war that he faces an "unacceptable" outcome. This highest priority goal has been supplemented during various U.S. Administrations by listing additional objectives. Unfortunately, once strategic doctrine wanders beyond the limited goal of deterring nuclear war it faces severe internal inconsistencies. For instance, U.S. doctrine tends to include provisions aimed at limiting damage, or assuring that U.S. damage be less than that suffered by the adversary, in case deterrence failed. Yet a damage limiting posture tends to contravene deterrence: one nation's measures to limit damage in nuclear war generate the perception by the opponent that such a nation would be more difficult to deter from initiating nuclear conflict. Similarly extending doctrine to the use of nuclear weapons in deterring not only nuclear war but war at all levels projects the image that nuclear retaliation is threatened against even minor, non-nucelar incursion. Such a threat is hardly credible in the face of today's nuclear balance. As a matter of history, military intervention not involving nuclear weapons either by non-nuclear nations or the super-powers have not been deterred. The broadening of doctrine in either direction raises the perceived requirements for nuclear arms, and thus contributes to the arms race.

On the Soviet side the available literature is even less definite as to the priority given to deterrence in strategic doctrine; there are extensive discussions of extended nuclear warfighting sequences. Soviet leaders have made it clear that they are well acquainted with the potential horrors of nuclear war, and both Soviet and U.S. leaders continue to express great doubts whether a limited nuclear war could ever remain limited. Yet the actual development and deployment of hardware on both sides can only have a "rational" basis if its use is anticipated in connection with various limited conflicts, and if limited conflicts can remain confined.

Recently in the U.S. limited use of nuclear weapons has been emphasized more frequently in policy declarations. Part of the basis of this emphasis is "mirror imaging," citing selected Soviet sources on nuclear doctrine, and Soviet weapons deployments. The "straw man" is presented that under past doctrine U.S. leaders would have no choice but to respond to the initiation of nuclear war of some kind either by not using nuclear weapons at all, or by using them in a full-scale counter attack. This situation has never been real.

The so-called MAD (Mutual Assured Destruction) strategy has never existed as such. Rather, the option has always been available to launch parts of the force against a fraction of the listed targets, although the actual implementation of such "flexible" response can be and is being improved. Nevertheless, U.S. leaders and particularly U.S. Secretary of Defense Harold Brown, continue to emphasize that they do not believe that a limited conflict will remain limited. At the same time current doctrine is that the deterrent purpose of U.S. weapons to convince an adversary that "first use" of nuclear weapons in any situation, for any purpose, limited or comprehensive, cannot lead to an outcome favorable or acceptable to the initiator. Rigidly interpreted, such a doctrine might imply that the U.S. should be prepared to fight to "victory" any nuclear war fought for any "limited" goal set by the opponent. More liberally interpreted, this doctrine deviates very little from earlier declarations.

Although currently stated U.S. doctrine implies in fact little significant change in number and kind of weaponry, the frequent public reformulations of strategy give the false impression of truly significant changes in doctrine. This in turn gives the impression that consequently large changes in future military wapons may result from the changed doctrine—an impression that is largely false.

Once nuclear weapons are used at all in war, the ultimate impact is largely uncalculable; therefore the threat faced by mankind due to the advert and buildup of nuclear weapons is largely insensitive to announced military doctrine. This conclusion is not only based on the often-stated belief, which I share, that it is unlikely that "limited" war will stay limited, but also on the actual physical and technical effects of so-called limited exchanges.

Most analyses of limited nuclear war tend to be grossly simplistic in largely ignoring such exchanges. As an example, many studies on the use of nuclear weapons in theatre conflict do not include the effects of targeting errors or intelligence failures in identifying and locating targets. One must remember that when a CEP (Circular Error Probable) is assigned to a weapons system, this means that one-half the rounds will impact outside this error circle, and some of those impact points just might be highly populated areas. Analyses also tend to ignore the fact that in all past wars in Europe a large fraction of the population, and in particular the urban population, did not remain in cities but traveled along roads to other areas. Yet refugee casualties are rarely included in theatre nuclear war considerations. In addition, although some military doctrines discount the value of occupation of cities by troops in localized warfare, the taking of cities has been in fact a major political prize in past wars. Therefore, while the assumption is often made in limited warfare analyses that enemy columns will avoid centers of population, this is apt to be false. On top of all this, civil defense measures and evacuation, so much discussed publicly in the U.S. and implemented on a considerable scale in the Soviet Union, are apt to be highly ineffective, simplistic calculations to the contrary notwithstanding.

All these considerations indicate that the vast volume of discussions and literature on limited uses of nuclear weapons tends to disregard physical reality. No national leader should assume that he can fine-tune the use of nuclear weapons in an actual conflict. This point can possibly best be illustrated by the so-called Neutron Bomb, or more correctly, Enhanced Radiation Warhead, which has played such a large political role in Europe. The Neutron Bomb is considered as a specialized device which minimizes blast while maximizing lethal effects from radiation. In this role it is advertised to be a powerful weapon against the crews of enemy tanks, while minimizing collateral damage to friendly populations, structures, and economic assets of the country where this device is used. Yet under potential use of such a weapon the actual physical differences between the neutron bomb and other nuclear weapons are minimal. Roughly speaking, the 1-kiloton version of the U.S. Lance Enhanced Radiation Warhead produces as much neutron radiation as a "normal" 10-kiloton device would. The blast effect is still equivalent to 1,000 tons of TNT, much larger than any blockbuster of World War II. The lethal radius of the neutrons is significantly dependent on intervening structures, and there is a wide gap between a lethal radiation dose and an instantaneous disabling dose, the latter being about .20 times larger. All these physical factors together with the problems cited above (that is targeting errors, intelligence failures, and the presence of refugees in battle zones) indicate quite clearly that highly specialized use of enhanced radiation type warheads is not all that specialized. The "Enhanced Radiation" of the neutron bomb is unlikely to be exploitable.

The controversy over whether the neutron bomb will lower the nuclear threshold and thus make nuclear war more likely receives substance only if governments assume that the use of such a weapon implies consequences significantly different from the use of nuclear weapons of more usual design. In view of the previous discussion such a conclusion is fallacious.

D. DEFENSE AGAINST NUCLEAR WEAPONS

The escalation in numbers of strategic nuclear weapons by the superpowers and the decrease in stability of the strategic deterrent due to the vulnerability of land-based missile silos to accurate enemy MIRVs, have revived discussion of the need for widely or locally deployed anti-missile defenses. The Soviet Union has carried out more extensive recent development programs than has the U.S., and the Moscow ABM system is in the process of modernization. While current activities are consonant with the provision of the SALT I Treaty, expanded deployments beyond these limits would invalidate the most significant arms control agreement yet enacted by the Soviet Union and the United States.

One firm technical conclusion in the nuclear age is that the outcome of nuclear military conflict is apt to be "offense-dominated" rather than "defense-dominated." Since a single penetrating and exploding nuclear warhead does such an enormous amount of damage, the standards of interception required for defensive systems to be effective must be very high. Formal exchange calculations which compare the cost of defenses against nuclear weapons, be they air defenses or ballistic missile defenses, with the incremental cost required for the offense to cancel the effect of the defense, always show that defensive costs are higher if such calculations are carried out at relatively moderate levels of casualties. There could be specialized exceptions to this general conclusion. For example, defense of very hard-point targets like missile silos may under certain circumstances be militarily effective. However, the conclusion remains valid that, at least in reference to all currently designed systems, ABM is a poor investment for any large-scale strategic exchange, whether targets are economic or military, and is an escalatory component of the arms race.

This negative technical conclusion on the value of anti-nuclear defenses is politically difficult to accept. As a matter of psychological and political necessity, it is unpalatable to leave the homeland undefended; yet the relative impotence of defense is a de facto truth in the nuclear age. Once there is clear recognition that nuclear strategic balance is offense-dominated, an escalating and self-defeating offense-defense competition can be avoided.

E. "SUFFICIENCY"

All studies continue to show that if a large fraction of the 50,000 warheads now stockpiled worldwide—most are more powerful than those two which together killed one-quarter million people in Japan—were used in war, several hundred million people would die and immense suffering would follow. Such studies make a variety of assumptions about targets, shelter, or effectiveness of evacuation. Yet they tend to consider only the "prompt" effects of nuclear weapons—blast and early radiation, combined with radio-active fallout. The casualties induced by delayed consequences—the effect of fires, food deficiency, absence or maldistribution of medical care, societal breakdown, epidemics—are not included; they are omitted as "too difficult to calculate." Some of the long-range effects—ecological imbalances, depletion of the ozone layer, synergistic effects, and the genetics burdens—have been studied, but it is generally agreed that the unknown exceeds the known.

How, in the face of these horrendous facts, have a series of "rational" decisions led to the status quo? What reasoning has led the super-powers to conclude that their nuclear weapons stockpiles and at times even their supplies of weapons-grade nuclear raw materials are insufficient.

In the interest of the future of mankind the kinds of practices and forces which have driven the armaments in the world to their current level must not continue.

Since most of the factors discussed previously which drive the arms race are fundamentally not directly related to science and technology, remedies must be sought largely in the political arena. I would like to defend here the thesis that if the technical and scientific nature of weaponry, and particularly of nuclear weaponry, were more clearly recognized and considered by the political decision makers, then the largely non-technical factors which now drive the arms race would be greatly diminished.

After the first nuclear weapon was detonated in 1945 at Alamagordo, many observers expressed the sentiment that this new weapon would make further wars impossible, and that further buildup of stockpiles of these weapons would not occur. These prophecies have proven false. No strategic doctrine adopted officially by any power has provided a quantitative interpretation of the word coined by Kissinger, "sufficiency." No government has answered the question, When is enough enough? applied to nuclear weapons.

In principle, if there were an accepted answer to the quest for an interpretation of sufficiency, then limitation of nuclear arms could be achieved both through negotiated arms control and through unilateral action. Yet we have not seen a halt in the growth of nuclear stockpiles or the number of deployed nuclear weapons. 50,000 nuclear weapons worldwide are still not "sufficient." I attribute this failure largely to disregard by governmental leaders of generally accepted technical facts on nuclear weapons.

Too often the radically different nature of nuclear weapons and nonnuclear arms is ignored, or at least minimized by some. Conventional wisdom applied to non-nuclear weapons is that you require many more bullets than targets. For ordinary "bullets" this statement is self-evident, since a large fraction of available bullets would in fact not actually be fired in war; of those actually used, a large fraction would miss their intended targets. However, applied to nuclear weapons this homily should be far less persuasive. A nuclear weapon which misses its assigned target still does an enormous amount of damage. Since the principal aim of nuclear weapons acknowledged by all parties is to deter nuclear war, the importance of stockpiled weapons beyond those which might actually be used in a conflict is a matter of political leverage rather than military utility. It is this political role of nuclear weapons, rather than their actual potential utility in warfare, which has prevented the nations of the world from defining nuclear "sufficiency."

F. CONCLUSION

To summarize, once nuclear war is initiated by any power, under any doctrine, in any theatre, or for any strategic or tactical purpose, the outcome will involve truly massive casualties and devastation, leading to uncalculable effects on the future of mankind. The predictions of Science concerning the effects on large segments of the world's population of large-scale use of nuclear weapons are extremely uncertain.

If these facts were emphasized more often and more persuasively, then world leaders might begin to realize that such controversies as employment or non-employment of specialized weapons such as the Neutron Bomb, or the exact numbers of weapons systems permitted under arms control agreement, lack technical or military significance.

This discussion leads to the profoundly pessimistic conclusion that arms control agreements have not been successful in limiting the destructive options of war, in particular those involving nuclear weapons, since so many other forces and processes have in fact amplified the nuclear arms race. This trend must be reversed or else the future will indeed be dim.

Many remedies for this condition have been discussed and will continue to be discussed. Leading the list of remedies must be a conscientious policy decision by the nuclear nations to govern their policies in regard to nuclear weapons by true technical and military circumstances, and to minimize their justification as symbols of prestige and power.

More specific measures following from such policy might be:

1. Sufficiency. Each nuclear nation should analyze its nuclear weapons needs under a strategy solely dedicated to deter initiation of nuclear attacks by others under a variety of assumptions. Such deterrence should retain the option to counter-attack a spectrum of military and economic targets with varying degrees of severity, but not to reply in kind to all possible modes of attack the initiator of nuclear war might choose. Sites which are of limited economic or military value, and those targets which cannot be successfully attacked should be eliminated from the list of possible objectives of nuclear attack. This prescription should result in specifying the number of survivable nuclear weapons "sufficient" for national security, since in the technical sense there is indeed saturation of utility of nuclear weapons.

2. Arms Control. Concurrent with such reexamination of policy and drastically downward revision of required number and kind of weapons, arms control negotiations must be given higher priority than they have been given in the past, or even highest priority in the discussion among nations. This implies that the linkage between arms control issues and other topics of controversy between nations must be minimized. Those arms control measures should be emphasized which improve the security of both sides.

3. Unilateral Action. Based on internal examination, each nuclear nation should consider unilateral steps in decreasing nuclear armament. Among candidate items for such unilateral steps would be cutoff or reduction in the production of weapons-grade, fissionable material and the elimination of clearly redundant weapons and those weapons susceptible to first-strike attack—and therefore only useful for a first strike in themselves.

4. The Technical Nature of Nuclear Weapons. Since the current generation of decision makers in most countries lacks personal acquaintance with nuclear weapons and their effect, a renewed effort should be made within each country and internationally to disseminate fully and publicly technical facts on the nature and destructive effects of nuclear weapons. Such studies should not only emphasize what is known, but also what is unknown. International communication and exchanges among scientists, including those who have contacts with military activities, should be greatly amplified.

The hope that measures such as those listed here might lead to a halt and even reversal in the growing accumulation of nuclear arms is based on the conclusion that the nuclear arms race is driven by the perception of power rather than by physical realities. Unfortunately, perceptions tend to become political realities, and thus nuclear weapons become symbols of power and strength and trading objects in arms control negotiations. Such a shift of the role of nuclear weapons from threats of massive death and destruction to political tools has denied each nation a rationale for defining what nuclear weaponry is sufficient for its needs. Nuclear weapons cannot compensate for deficiencies in conventional military power. Only a continuing and insistent reminder about the technical realities can form the basis for agreements and unilateral acts leading to lowered limits on nuclear weapons deemed sufficient for national and international security. The present course is set for disaster.

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A NEW DIRECTION FOR NUCLEAR ARMS CONTROL

BY SIDNEY D. DRELL AND VENT F. WISNER

Effective control of long range nuclear arms is an urgent and broadly proclaimed goal for the United States and the Soviet Union. In the interest of international security we must continue efforts to negotiate a treaty that:

Enhances strategic stability based on a balance of highly survivable and secure deterrent forces, and

Inititates significant, timely, and verifiable reductions in the nuclear forces and destructive potential of both nations.

It is evident from the record of negotiations at SALT and of the related public debate during the past decade that progress toward such a goal would be greatly aided if the negotiations could proceed within a framework that is:

Conceptually simple so as to be readily explained and comprehended in the broad public debate;

Highly flexible, allowing the two countries to implement the treaty provisions by taking different steps. Indeed, the very different technological and bureaucratic styles of the U.S. and Soviet Union will necessarily lead them to follow different paths in making selective reductions. While these reductions must be equitable, they may, at the same time, be asymmetric.

In this comment we describe an approach to reducing strategic arms that meets these four requirements. Our proposal is simply to limit the total number of deployed launchers plus reentry vehicles (i.e., warheads and cruise missiles) to 10,000 for each country.

"L+RV"≤10,000

Three important static measures of effectiveness of strategic forces are the:

1. Numbers of launchers.
2. Numbers of warheads.
3. Throw-weight (or megatonnage).

In addition, there are four critical measures of effectiveness that depend upon the R&D, modernization, and testing programs that each country pursues, as well as on the nature of their deployed forces and on their overall balance. For the individual systems these are the:

4. Accuracy.
5. Reliability.
6. Pre-launch survivability.
7. Ability to penetrate to target.

The SALT II treaty puts equal aggregate limits on the first measure; i.e., numbers of launchers. However, the treaty as signed, though not ratified, constrains the second measure only indirectly by putting a large maximum on the permitted warhead fractionation (14 RVs per SLBM and 10 per ICBM along with a freeze on current force loadings per type of ICBM). The net result is that growing concern remains about criterion (6) for fixed land-based ICBMs. Furthermore, the treaty limits are perceived by some to be unequal because of the larger size of Soviet ICBMs. This concern has led, on the one hand, to broad opposition to SALT II within the U.S. and, on the other hand, to a very complex structure of negotiated provisions that has dulled the overall impact of the treaty and obscured the recognition that the sum total of its provisions are equitably balanced. Evidently, numerical limits on launchers alone provide an inadequate basis for continuing negotiations. Our starting point recognizes the importance of limiting the numbers of warheads directly and more effectively. In particular, by specifying a limit on the total number of "L+RV" we have the important and desirable effect of driving each side away from the automatic choice of the maximum warhead loading per missile or launcher that is physically possible, or permitted by treaty.

Our proposal concerns itself only with the static measures of effectiveness on grounds of simplicity and flexibility in the negotiating process. The value of negotiating limits on qualitative improvements of strategic forces, such as (4) and (5), is widely recognized. Measure (7), in particular, would be assured for missiles as long as the SALT I treaty limiting ballistic missile defenses is in force. However, it seems to us that in the present political and negotiating climate the probability of making timely progress will be enhanced by limiting the scope of issues to simple counting rules which also provide a basis for effective arms control.

One might consider including measure (3), that is limits on throw-weight (or megatonnage, or volume of the missiles and bombers), in our proposal as well. This is both unnecessary and undesirable. It is unnecessary for two reasons. The first reason is that, given the present level of destructive potential in U.S. and Soviet arsenals, the warheads' yields are far less significant measures of effectiveness than are their accuracies which will continue to improve with allowed testing and modernization programs. This is especially true for hard-point targeting, with high accuracies, either already achieved or anticipated, are rapidly making throw-weight and megatonnage almost meaningless indicators of strategic efficacy. The second reason is that the "L+RV" weighting already includes in its count any additional warheads that are deployed in order to exploit a throw-weight advantage. It would also be undesirable to include throw-weight as a parameter in the limits because such a provision would emphasize precisely those differences in technological style and sophistication between the U.S. and Soviet Union that we are seeking to downplay on grounds of simplicity as well as balance. For example, the Soviet Union has deployed its "heavy" SS–18 ICBM with 10 warheads, the same number which the U.S. plans for the new MX missile now being developed. Although the throw-weight of the MX is approximately one-half that of the SS–18s, the MX incorporates the most modern technology and by no rational measure can be judged to be a less effective weapon system than the SS–18. As a consequence, we exclude throw-weight from the "L+RV" counting system because it is neither sufficiently flexible nor simple to meet our initial criteria.

An even simpler proposal than "L+RV" might be to limit only the total number of RVs without accounting for launcher numbers. However, we see this as posing two difficulties:

1. There is little practical difference between a limit on "L+RV" and a limit on RVs alone when comparing highly MIRVed missiles. The difference shows up effectively only in the weighting of single-RV missiles relative to highly MIRVed ones. For example, should one Soviet SS–18 or one U.S. MX with 10 warheads be given equal weight as 10 single-warhead MM II missiles, or should 2 SS–18s or MXs with an "L+RV" weight of 22 be balanced against 11 MM IIs? The later seems to be a more realistic balance of their strategic values. In particular, a single-RV missile has no need for a MIRV bus to carry and dispense the individual warheads to different targets. Therefore, it can devote a larger fraction of its throw-weight to deliverable megatonnage and should be given a higher weighting, as we have proposed by the "L+RV" formula. Furthermore, there is a very much smaller probability that all of a large number of single-RV missiles will fail than there is of one highly MIRVed missile with the same number of warheads. Hence the former deserve greater weight because of this increased insurance against failure.

2. It is a sudden and large wrench from the approach so far at SALT of counting launchers. It may be an eventual goal after achieving an "L+RV" agreement which provides for some continuity with our negotiating record at SALT thus far.

We now describe an example of what could emerge as balanced U.S. and Soviet deployments from our proposal. It is likely that reductions of the magniture suggested here would require the formal or informal agreement by the U.S. and Soviet Union to some corollary limits on theater or "gray area" systems such as the Tu-26 Backfire aircraft, the SS–20 IRBMs, and the U.S. forward-based systems in NATO, but they are ignored in our example for the sake of TWF a requirement (prerequisite) for any significant cuts proposal. Also for continuity we stay below the individual limits of the SALT II treaty, However, our proposal does not require SALT II. It should be stressed that the only purpose of this example is to illustrate the virtues of an arms control agreement which uses "L+RV" as a basis for counting strategic systems. These virtues are, above all:

1. Reductions in the numbers of very highly fractionated MIRV launchers which pose the primary threat against pre-launch survivability of silo-based missiles;
2. Substantial reductions in total throw-weight, numbers of warheads, and numbers of launchers; and,
3. Simplicity.

TABLE 1.—SOVIET UNION

System	Launchers		Reentry vehicles	L+RV total
SS–18	200	(× 10)	2,000	2,200
SS–19 mobile	400	(× 6)	2,400	2,800
SS–17 mobile	100	(× 4)	400	500
New single-RV ICBM	400	(× 1)	400	800
Delta II and III—16 SSBN's	[1] 256	(× 3)	768	1,024
Delta I—5 SSBN's	[2] 60	(× 1)	60	120
Yankee—10 SSBN's	[3] 160	(× 1)	160	320
Typhoon—8 SSBN's	192	(× 7)	1,344	1,536
Long range bombers	140	(× 4)	560	700
Total	1,908		8,092	10,000

[1] SS–N–18.
[2] SS–N–8.
[3] SS–N–6/SS–NX–17.

Table 1 illustrates a possible distribution of Soviet forces under the proposal. The SS–19 and SS–17 may be presumed to be based in a mobile mode. The distribution of SLBMs and SSBNs is only one of many conceivable ways of sizing the sea-based forces to a subtotal of "L+RV"=3000.

Under the "L+RV" formula, the SS–18 would be an extremely "expensive" strategic system (1 launcher plus 10 warheads=11). The 308 "heavy ICBMs" which the Soviets will soon have deployed under the SALT II provisions would put 34 percent of their total allowed "L+RV" in only 308 aimpoints. Such a highly unbalanced deployment would put too large a portion of their force at risk to a preemptive first strike. Clearly, the incentive is to move away from the SS–18 and place greater emphasis on a larger number of launchers that are "cheaper" by these counting rules, such as the SS–19s and SS–17s (1 launcher plus 6 RVs=7 and 1 launcher plus 4 RVs=5, respectively) as well as single-RV missiles. The MIRVed ICBM launchers and RVs in this example (700 and 4800, respectively) comprise 55 percent of the Soviet "L+RV" total but are substantially below the projections under SALT II ceilings of 820 and 5800–6000, respectively (depending on the relative numbers of SS–19s and SS–17s which are deployed). Under an "L+RV" formula the Soviet Union could continue to favor heavily its overall land-based ICBMs for geopolitical, technological, and climatic reasons. At the same time, the Soviet Union would very likely reduce its heavy and highly MIRVed

ICBMs by a substantial amount even without a treaty ceiling requiring them to selectively reduce these forces. In the specific example their total of ICBM MIRVs threatening U.S. ICBM silos is reduced by more than 1000 although the reduction could very well be by a significantly larger amount if their bomber force grows and is loaded with cruise missiles (ALCMs).

TABLE 2.—UNITED STATES

System	Launchers		Reentry vehicles	L+RV total
MM III	350	(x3)	1,050	1,400
MM II	319	(x1)	319	638
MX	150	(x10)	1,500	1,650
Trident-10 SSBN's	[1] 240	(x7)	1,680	1,920
Poseidon-14 SSBN's	[2] 224	(x7)	1,568	1,792
Long range bombers	100	(x4)	400	500
Cruise missile carrier	100	(x20)	2,000	2,100
Total	1,483		8,517	10,000

[1] C-4 or D-5.
[2] C-4.

Table 2 illustrates a possible distribution of U.S. forces under the proposal. The MX could be deployed in either a land-mobile "Linear Grid" or a Smallsub-Underwater-Mobile (SUM) mode.

In the U.S. example we have included the MX deployed in a land-mobile, linear-grid mode and reduced its projected total by 50 missiles, and hence by 23 x 50=1150 shelters or aimpoints. This reduction matches the comparably reduced number of threatening Soviet ICBM MIRVs. (As currently planned, approximately 50 percent of the grid deployment must survive an attack of 2 RVs per shelter.) Although the development of the MX missile itself is moving ahead toward first flight test in 1983, a final decision as to its basing has yet to be made. An alternative of basing the MX at sea on many small, near-coastal submarines (the Smallsub-Underwater-Mobile or "SUM" deployment mode) is still under discussion and is being anayized further, in particular by the Congressional Office of Technology Assessment.

The SUM basing mode would require fewer MX missiles to achieve the same target coverage as the linear grid deployment. This difference is due to the fact that the linear grid deployment is sized for approximately 50 percent survivability against a Soviet attack, whereas the SUM system is designed for 70 percent "at sea" availability of the missiles and submarines. Thus a grid basing mode would be more "expensive" under the "L+RV" restriction since it requires a greater number of missiles (by some 35, for a total "L+RV" count of 11 x 35=385) for an equally survivable deployment. In any case, under an arms control agreement which uses "L+RV" as its basis for limitations, the United States would have a strong lever with which to control the Soviet threat to the linear grid. Without such a control there would be no assurance that such a system, or any land-based multiple protective shelter deployment, would catch up to a Soviet threat that could continue to grow in numbers of RVs capable of destroying hardened missile shelters.

When the two hypothetical force postures in our example are paired against one another, the 1050 MARK 12A warheads on 350 Minuteman III missiles plus 1500 extremely accurate new MX warheads will appear, from the Soviet perspective, as threatening their 700 MIRVed and 300 single-warhead ICBM launch sites. Faced with such a large theoretical preemptive threat to their fixed silos, the Soviet Union would have a very strong incentive to deploy their light ICBMs in a mobile mode also. Hence, in our example, the SS-19s and SS-17s are assumed to be mobile, as allowed by SALT II. An alternative Soviet response could be to give up some ICBMs in exchange for more bombers.

Large aircraft loaded with many air-launched cruise missiles (ALCMs) are "costly" under our counting regime. Thus, in our example the average payload for an ALCM carrier has been reduced from a permitted maximum of 28 to 20 cruise missiles per aircraft. A larger number of ALCMs could be accommodated within our proposal if the MX missiles were deployed in a SUM system rather than in the grid. As noted earlier, fewer MXs would be required in SUM for the same target coverage. Furthermore, SUM will contribute to survivable U.S. megatonnage in proportion to the level of deployment, in contrast to the grid which must be sized to the number of threatening Soviet RVs. Therefore, there would be complete freedom to mix between the levels of ALCM and MX deployments in a SUM basing mode. Although the ALCM force is quite accurate, it is a slowly reacting force and hence not a potential first-strike weapon.

For the purposes of our analysis, the U.S. SSBN fleet is fitted entirely with Trident missiles (I or II) loaded with 7 MIRVs each. The "L+RV" weighting measure, in effect, drives the U.S. away from the highly fractionated Poseidon C-3 (with up to 14 RVs) currently deployed on Poseidon submarines and encourages the SLBM force modernization with Trident missiles.

Overall, the U.S. force posture in our example places less than 20% of its "L+RV" total in any one ballistic missile system. In keeping with a traditional emphasis on sea-based forces, 55% of the American warheads would be based at sea if MX were deployed in a SUM mode (38% if the linear grid is used). The important point to emphasize here is that this counting procedure is flexible enough to allow the different domestic traditions and institutional influences in the United States and the Soviet Union to steer their nuclear weapons programs. At the same time this proposal accomplishes significant reductions as well as limitations on the level of nuclear arms.

This proposal might be viewed as prejudicial against the United States because the U.S. would be reducing its total warheads by a larger number from currently planned totals than the Soviet Union. But a closer look at the nature of the reductions is necessary. Although the U.S. is decreasing greater numbers of reentry vehicles below projected SALT II limits, the Soviet Union is reducing warheads of greater yield. Furthermore, although throw-weight was consciously excluded from the reduction formula, the Soviet advantage in MIRVed ICBM throw-weight is actually decreased, because the missiles which become the most "expensive" under the "L+RV" limit also carry the most throw-weight. Specifically, in our example the Soviet Union would reduce more than 1,800 kilopounds in planned MIRVed ICBM throw-weight, while the U.S. would reduce less than 900 kilopounds. In fact, the U.S. reduction is less than 500 kilopounds if one discounts the 50 MX missiles which the United States would not be demobilizing, but in reality would simply not be building. Thus the numerical reductions of "L+RV" also diminish the Soviet advantage in ICBM throw-weight.

The "L+RV" formula proposed here should be attractive to both the United States and the Soviet Union. The Soviet Union would have a way of making the newest U.S. MX and ALCM deployments very "costly," while the United States would have a way of inducing reductions in the threateningly large and highly MIRVed Soviet ICBM force. And, as shown in our examples, the "L+RV" formula is capable of impressive accomplishments as an arms control measure if it is implemented with reasonable speed; that is, within approximately five years. The most salient of these accomplishments would be substantial reductions on both sides:

1. In the number of MIRVed ICBM warheads threatening the survivability of land-based forces;

2. In the level of planned ICBM MIRVed throw-weight;

3. In the number of deployed launchers that are allowed under the SALT II treaty and in the total number of RVs.

These examples also illustrate that, while achieving this progress, the "L+RV" formula can allow domestic bureaucratic, organizational, and institutional influences to structure stable, though not necessarily identical, force postures.

At its outset, SALT focused on launchers alone. A decade later we now recognize the importance as well as the possibility of including numbers of RVs along with the launchers in a simple and effective treaty. We leave for a later date the consideration of a shift of criteria to embrace other parameters and variables, both quantitative and qualitiative, which may acquire greater importance at much lower levels of force deployments than now under discussion.

ADDRESS BY THE HONORABLE GEORGE F. KENNAN ON THE OCCASION OF HIS RECEIVING THE ALBERT EINSTEIN PEACE PRIZE

SALUTATION

A person would have to be wholly insensitive, or perhaps selfless to the point of saintliness, in order not to be moved by such an honor as the Einstein Foundation is conferring on me today. I am neither of those things; so I am naturally deeply gratified and appreciative. On the other hand, I cannot help but have my doubts as to whether I have fully deserved it. And for that reason I can look on it only as a mark of confidence and of encouragement—encouragement to myself and to a great many other people—encouragement to continue to do what little may be in our power to assure that we of this generation, here and elsewhere, do not, in deference to our military fears, commit the supreme sacrilege of putting an end to the civilization out of which we have grown, the civilization which has made us what we are, the civilization without which our children and grandchildren can have no chance for self-realization, possibly no chance for life itself. This, as I see it, is the task to which the Einstein Foundation has devoted itself. Beside it, all personal considerations ought to fade into insignificance. I am grateful for the opportunity to associate myself publicly with this cause. And I am grateful for the admonition which the award implies: the admonition to neglect nothing—no effort, no unpleasantness, no controversy, no sacrifice—which could conceivably help to preserve us from committing this fatal folly.

What can we do?

Adequate words are lacking to express the full seriousness of our present situation. It is not just that we are for the moment on a collision course politically with the Soviet Union, and that the process of rational communication between the two governments seems to have broken down completely; it is also—and even more importantly—the fact that the ultimate sanction behind the conflicting policies of these two governments is a type and volume of weaponry which could not possibly be used without utter disaster for us all.

For over thirty years wise and far-seeing people have been warning us about the futility of any war fought with nuclear weapons and about the dangers involved in their cultivation. Some of the first of these voices to be raised were those of great scientists, including outstandingly that of Albert Einstein himself. But there has been no lack of others. Every president of this country, from Dwight Eisenhower to Jimmy Carter, has tried to remind us that there could be no such thing as victory in a war fought with such weapons. So have a great many other eminent persons.

When one looks back today over the his-

tory of these warnings, one has the impression that something has now been lost of the sense of urgency, the hopes, and the excitement that initially inspired them, so many years ago. One senses, even on the part of those who today most acutely perceive the problem and are inwardly most exercised about it, a certain discouragement, resignation, perhaps even despair, when it comes to the question of raising the subject again. The danger is so obvious. So much has already been said. What is to be gained by reiteration? What good would it now do? Look at the record. Over all these years the competition in the development of nuclear weaponry has proceeded steadily, relentlessly, without the faintest regard for all these warning voices. We have gone on piling weapon upon weapon, missile upon missile, new levels of destructiveness upon old ones. We have done this helplessly, almost involuntarily: like the victims of some sort of hypnotism, like men in a dream, like lemmings heading for the sea, like the children of Hamlin marching blindly along behind their Pied Piper. And the result is that today we have achieved, we and the Russians together, in the creation of these devices and their means of delivery, levels of redundancy of such grotesque dimensions as to defy rational understanding.

I say redundancy. I know of no better way to describe it. But actually, the word is too mild. It implies that there could be levels of these weapons that would not be redundant. Personally, I doubt that there could. I question whether these devices are really weapons at all. A true weapon is at best something with which you endeavor to affect the behavior of another society by influencing the minds, the calculations, the intentions, of the men that control it; it is not something with which you destroy indiscriminately the lives, the substance, the hopes, the culture, the civilization, of another people. What a confession of intellectual poverty it would be—what a bankruptcy of intelligent statesmanship—if we had to admit that such blind, senseless acts of destruction were the best use we could make of what we have come to view as the leading elements of our military strength! To my mind, the nuclear bomb is the most useless weapon ever invented. It can be employed to no rational purpose. It is not even an effective defense against itself. It is only something with which, in a moment of petulance or panic, you commit such fearful acts of destruction as no sane person would ever wish to have upon his conscience.

How have we got ourselves into this dangerous mess?

Let us not confuse the question by blaming it all on our Soviet adversaries. They have, of course, their share of the blame, and not least in their cavalier dismissal of the Baruch Plan so many years ago. They too have made their mistakes; and I should be the last to deny it. But we must remember that it has been we Americans who, at almost every step of the road, have taken the lead in the development of this sort of weaponry. It was we who first produced and tested such a device; we who were the first to raise its destructiveness to a new level with the hydrogen bomb; we who introduced the multiple warhead; we who have declined every proposal for the renunciation of the principle of "first use;" and we alone, so help us God, who have used the weapon in anger against others, and against tens of thousands of helpless non-combatants at that.

I know that reasons were offered for some of these things. I know that others might have taken this sort of a lead, had we not done so. But let us not, in the face of this record, so lose ourselves in self-righteousness and hypocrisy as to forget our own measure of complicity in creating the situation we face today.

What is it then, if not our own will, and if not the supposed wickedness of our opponents, that has brought us to this pass?

The answer, I think, is clear. It is primarily the inner momentum, the independent momentum, of the weapons race itself—the compulsions that arise and take charge of great powers when they enter upon a competition with each other in the building up of major armaments of any sort.

There are those who will agree, with a sigh, to much of what I have just said, but will point to the need for something called deterrence. This is, of course, a concept which attributes to others—to others who, like ourselves, were born of women, walk on two legs, and love their children, to human beings, in short—the most fiendish and inhuman of tendencies. But all right: accepting for the sake of argument the profound iniquity of these adversaries, no one could deny, I think, that the present Soviet and American arsenals, presenting over a million times the destructive power of the Hiroshima bomb, are simply fantastically redundant to the purpose in question. If the same relative proportions were to be preserved, something well less than twenty per cent of these stocks would surely suffice for the most sanguine concepts of deterrence, whether as between the two nuclear superpowers or with relation to any of those other governments that have been so ill-advised as to enter upon the nuclear path. Whatever their suspicions of each other, there can be no excuse on the part of these two governments for holding, poised against each other and poised in a sense against the whole northern hemisphere, quantities of these weapons so vastly in excess of any rational and demonstrable requirements.

This is nothing new. I am a diplomatic historian. I see this same phenomenon playing its fateful part in the relations among the great European powers as much as a century ago. I see this competitive build-up of armaments conceived initially as a means to an end but soon becoming the end itself. I see it taking possession of men's imagination and behavior, becoming a force in its own right, detaching itself from the political differences that initially inspired it, and then leading both parties, invariably and inexorably, to the war they no longer know how to avoid.

This is a species of fixation, brewed out of many components. There are fears, resentments, national pride, personal pride. There are misreadings of the adversary's intentions—sometimes even the refusal to consider them at all. There is the tendency of national communities to idealize themselves and to dehumanize the opponent. There is the blinkered, narrow vision of the professional military planner, and his tendency to make war inevitable by assuming its inevitability. Tossed together, these components form a powerful brew. They guide the fears and the ambitions of men. They seize the policies of governments and whip them around like trees before the tempest.

Is it possible to break out of this charmed and vicious circle? It is sobering to recognize that no one, at least to my knowledge, has yet done so. But no one, for that matter, has ever been faced with such great catastrophe, such inalterable catastrophe, at the end of the line. Others, in earlier decades, could befuddle themselves with dreams of something called "victory." We, perhaps fortunately, are denied this seductive prospect. We have to break out of the circle. We have no other choice.

How are we to do it?

I must confess that I see no possibility of doing this by means of discussions along the lines of the negotiations that have been in progress, off and on, over this past decade, under the acronym of SALT. I regret, to be sure, that the most recent SALT agreement has not been ratified. I regret it, because if the benefits to be expected from that agreement were slight, its disadvantages were even slighter; and it had a symbolic value which should not have been so lightly sacrificed. But I have, I repeat, no illusion that negotiations on the SALT pattern—negotiations, that is, in which each side is obsessed with the chimera of relative advantage and strives only to retain a maximum of the weaponry for itself while putting its opponent to the maximum disadvantage—have no illusion that such negotiations could ever be adequate to get us out of this hole. They are not a way of escape from the weapons race; they are an integral part of it.

Whoever does not understand that when it comes to nuclear weapons the whole concept of relative advantage is illusory—whoever does not understand that when you are talking about absurd and preposterous quantities of overkill the relative sizes of arsenals have no serious meaning—whoever does not understand that the danger lies not in the possibility that someone else might have more missiles and warheads than we do but in the very existence of these unconscionable quantities of highly poisonous explosives, and their existence, above all, in hands as weak and shaky and undependable as those of ourselves or our adversaries or any other mere human beings: whoever does not understand these things is never going to guide us out of this increasingly dark and menacing forest of bewilderments into which we have all wandered.

I can see no way out of this dilemma other than by a bold and sweeping departure—a departure that would cut surgically through the exaggerated anxieties, the self-engendred nightmares, and the sophisticated mathematics of destruction, in which we have all been entangled over these recent years, and would permit us to move, with courage and decision, to the heart of the problem.

President Reagan recently said, and I think very wisely, that he would "negotiate as long as necessary to reduce the numbers of nuclear weapons to a point where neither side threatens the survival of the other." Now that is, of course, precisely the thought to which these present observations of mine are addressed. But I wonder whether the negotiations would really have to be at such length. What I would like to see the President do, after due consultation with the Congress, would be to propose to the Soviet government an immediate across-the-boards reduction by fifty percent of the nuclear arsenals now being maintained by the two superpowers—a reduction affecting in equal measure all forms of the weapon, strategic, medium range, and tactical, as well as all means of their delivery—all this to be implemented at once and without further wrangling among the experts, and to be subject to such national means of verification as now lie at the disposal of the two powers. Whether the balance of reduction would be precisely even—whether it could be construed to favor statistically one side or the other—would not be the question. Once we start thinking that way, we would be back on the same old fateful track that has brought us where we are today. Whatever the precise results of such a reduction, there would still be plenty of overkill left—so much so that if this first operation were successful, I would then like to see a second one put in hand to rid us of at least two thirds of what would be left.

Now I have, of course, no idea of the scientific aspects of such an operation; but I can imagine that serious problems might be presented by the task of removing, and dis-

posing safely of, the radioactive contents of the many thousands of warheads that would have to be dismantled. Should this be the case, I would like to see the President couple his appeal for a fifty-percent reduction with the proposal that there be established a joint Soviet-American scientific committee, under the chairmanship of a distinguished neutral figure, to study jointly and in all humility the problem not only of the safe disposal of these wastes but also the question of how they could be utilized in such a way as to make a positive contribution to human life, either in the two countries themselves or—perhaps preferably—elsewhere. In such a joint scientific venture we might both atone for some of our past follies and lay the foundation for a more constructive relationship.

It will be said: this proposal, whatever its merits, deals with only a part of the problem. This is perfectly true. Behind it there would still lurk the serious political differences that now divide us from the Soviet government. Behind it would still lie the problems recently treated, and still to be treated, in the SALT forum. Behind it would still lie the great question of the acceptability of war itself, any war, even a conventional one, as a means of solving problems among great industrial powers in this age of high technology. What has been suggested here would not prejudice the continued treatment of these questions just as today, in whatever forums and under whatever safeguards the two powers find necessary. The conflicts and arguments over these questions could all still proceed to the heart's content of all those who view them with such passionate commitment. The stakes would simply be smaller; and that would be a great relief to all of us.

What I have suggested is, of course, only a beginning. But a beginning has to be made somewhere; and if it has to be made, it is best that it should be made where the dangers are the greatest, and their necessity the least. If a step of this nature could be successfully taken, people might find the heart to tackle with greater confidence and determination the many problems that would still remain.

It will be argued that there would be risks involved. Possibly so. I do not see them. I do not deny the possibility. But if there are, so what? Is it possible to conceive of any dangers greater than those that lie at the end of the collision course on which we are now embarked? And if not, why choose the greater—why choose, in fact, the greatest—of all risks, in the hopes of avoiding the lesser ones?

We are confronted here, my friends, with two courses. At the end of the one lies hope—faint hope, if you will—uncertain hope, hope surrounded with dangers, if you insist. At the end of the other lies, so far as I am able to see, no hope at all. Can there be—in the light of our duty not just to ourselves (for we are all going to die sooner or later) but of our duty to our own kind, our duty to the continuity of the generations, our duty to the great experiment of civilized life on this rare and rich and marvelous planet—can there be, in the light of these claims on our loyalty, any question as to which course we should adopt?

In the final week of his life, Albert Einstein signed the last of the collective appeals against the development of nuclear weapons that he was ever to sign. He was dead before it appeared. It was an appeal drafted, I gather, by Bertrand Russell. I had my differences with Russell at the time, as I do now in retrospect; but I would like to quote one sentence from the final paragraph of that statement, not only because it was the last one Einstein ever signed, but because it sums up, I think, all that I have to say on the subject. It read as follows: "We appeal, as human beings to human beings: Remember your humanity, and forget the rest."

STATEMENT OF SENATOR ALAN CRANSTON

I welcome this first opportunity for this committee to learn the views of the Reagan Administration on very important arms control issues.

I have joined Senators Pressler, Pell and Percy in urgently requesting this hearing because of my concern that sensitive defense and foreign policy decisions have been made and are being made by the Reagan Administration with little or no attention being paid to the role of arms control in advancing our national security interests.

The Administration abruptly scrapped the March 25 meeting of the Standing Consultative Commission which monitors SALT compliance. Various Administration officials have issued contradictory statements on the vital question of interim SALT compliance. And decisions have been made on Theatre Nuclear Force reduction negotiations without adequate consultation with this committee—which will of course have to consider ratification of any treaty which emerges from such negotiations. The Administration has also failed to live up to its publicly stated commitment to consult with Senator Pell, Senator Pressler and me on the nominations of the Director of the Arms Control and Disarmament Agency and the chief U.S. arms control negotiator.

These issues need to be discussed and examined.

The Administration is currently embarked upon our largest peace time military buildup in history. The Reagan Administration projects defense spending totalling $1.448 trillion for a six-year total outlay. I for one believe that this enormous defense budget increase—which is inherently inflationary—could represent the greatest threat to the Administration's economic program. Successful arms control efforts could reduce this burden and this threat.

The Administration has no mandate for an arms race. As we move forward with our defense purchases and as the Administration begins to outline its foreign policy, we need to consider carefully the role of arms control in these efforts.

EXPENSES OF OFFICE OF CIVIL RIGHTS

Mr. HATCH. Mr. President, I wish to add a few remarks to the statement of Senator ZORINSKY upon his introduction of S. 1091, of which I am principal cosponsor.

The Office of Civil Rights of the Department of Education is empowered under and charged by the Department of Education Organization Act to oversee the operation of Federal civil rights laws in education. In the pursuit of equal educational opportunity the Office not only investigates complaints referred to it, of which there are some 3,000 annually, but it also initiates on its own, without prior complaints, over 200 wideranging, much more extensive investigations called "compliance reviews." Both complaint investigations and compliance reviews involve considerable expense, including lost time, by the responding institutions. However the Office of Civil Rights has heretofore been constrained in its investigatory activities only by the staff limitations imposed by its own budget. It has not been concerned with the cost of its activities to those it regulates because it has not been responsible for those costs.

As we would expect, therefore, the Office has turned into a spendthrift with regard to the time and resources of our educational agencies and schools. It has become profligate in the information it requires from all schools, whether under suspicion or not; it has become inquisitorial in its compliance reviews, conducting exhaustive searches to try to manufacture, often of the flimsiest materials, a case against the hapless subject. All this it does without the most basic duty to account for the burden it imposes.

S. 1091 is designed to correct these excesses. It does no more than make the Office of Civil Rights responsible for paying the reasonable expenses of complying with its investigations, whether complaint investigations, compliance reviews, or under some other name. I note here that the bill does not provide for reimbursement of the expense of remedial action required of institutions because of the investigations. Thus if the Office desires a volume from each local agency, it can expect to pay for a volume.

As the very healthy result, the Office will be required to view all of its activities on a cost/benefit basis, as it should. Only where it is convinced detailed information is necessary and beneficial will it require the production of same—where it has no reason to believe the information would reveal a violation, it will presumably direct its funds to other investigations deemed more profitable.

The moneys to be used in the payment for these investigatory expenses come straight from the regular appropriation of the Office of Civil Rights—no increased appropriation is necessary.

I ask the support of my colleagues for S. 1091. Its importance lies not only in the restriction of unreasonable regulation and reporting, but in its imposition of fiscal responsibility upon our National Government.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 2:11 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its clerks, announced that

the House has passed the following bill, without amendment:

S. 1213. An act to amend title I of the Marine Protection, Research, and Sanctuaries Act, as amended.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3239. An act to amend the Communications Act of 1934 to authorize appropriations for the administration of such act, and for other purposes; and

H.R. 3240. An act to authorize appropriations for fiscal year 1982 for the administration of the National Telecommunications and Information Administration.

HOUSE BILL REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 3240. An act to authorize appropriations for fiscal year 1982 for the administration of the National Telecommunications and Information Administration; to the Committee on Commerce, Science, and Transportation.

HOUSE BILL PLACED ON CALENDAR

The following bill was read twice by unanimous consent, and placed on the calendar:

H.R. 3239. An act to amend the Communications Act of 1934 to authorize appropriations for the administration of such act, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1350. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, six reports of violations of the Anti-Deficiency Act; to the Committee on Appropriations.

EC–1351. A communication from the Deputy Assistant Secretary of Defense (Military Personnel Policy), transmitting, pursuant to law, a report on special pay for duty subject to hostile fire for calendar year 1980; to the Committee on Armed Services.

EC–1352. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Improved Work Measurement Program Would Increase DOD Productivity"; to the Committee on Armed Services.

EC–1353. A communication from the Executive Director of the United States Olympic Committee, transmitting, pursuant to law, the calendar year 1980 financial report of the Committee; to the Committee on Commerce, Science, and Transportation.

EC–1354. A communication from the Acting Under Secretary of Energy, transmitting, pursuant to law, the third of the semiannual reports on activities undertaken by the Department of Energy to implement the alternative fuels production portion of the Interior and Related Appropriations Act for fiscal year 1980; to the Committee on Energy and Natural Resources.

EC–1355. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Minerals Management At The Department of the Interior Needs Coordination and Organization"; to the Committee on Energy and Natural Resources.

EC–1356. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Department of Energy Needs Better Procedures for Selecting a Contractor To Operate Argonne National Laboratory"; to the Committee on Energy and Natural Resources.

EC–1357. A communication from the Acting Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, the summary volume of Volume Three of the Energy Information Administration 1980 annual report to the Congress; to the Committee on Energy and Natural Resources.

EC–1358. A communication from the Acting Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, a report entitled "Performance Profiles of Major Energy Producers, 1979"; to the Committee on Energy and Natural Resources.

EC–1359. A communication from the Secretary of the Interior, transmitting, pursuant to law, the second public lands program report entitled "Managing the Nation's Public Lands"; to the Committee on Energy and Natural Resources.

EC–1360. A communication from the Deputy Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, a report entitled "Projects Recommended for Deauthorization—6th Annual Report"; to the Committee on Environment and Public Works.

EC–1361. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Congressional Action Needed To Provide A Better Focus On Water-Related Research Activities"; to the Committee on Environment and Public Works.

EC–1362. A communication from the Fiscal Assistant Secretary of the Treasury, transmitting, pursuant to law, the Annual Report of the Secretary of the Treasury on the State of the Finances, Fiscal Year 1980; to the Committee on Finance.

EC–1363. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Assessing the Impact of Federal and State Taxes on the Domestic Minerals Industry"; to the Committee on Finance.

EC–1364. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Millions Can be Saved by Improving the Productivity of State and Local Governments Administering Federal Income Maintenance Assistance Programs"; to the Committee on Finance.

EC–1365. A communication from the Acting Deputy Assistant Secretary for Administration of the Department of Housing and Urban Development, transmitting, pursuant to law, a report on the establishment of a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC–1366. A communication from the Acting Deputy Assistant Secretary for Administration of the Department of Housing and Urban Development, transmitting, pursuant to law, a report on the establishment of a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC–1367. A communication from the Secretary of Energy, transmitting, pursuant to law, the results of an investigation of allegations against the Administrator, Southwestern Power Administration, Tulsa, Oklahoma; to the Committee on Governmental Affairs.

EC–1368. A communication from the Deputy Assistant Secretary of Defense for Administration, transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC–1369. A communication from the Acting Comptroller General of the United States, relating to inadequate salary levels, irregular pay adjustments, and distorted pay interrelationships of top Federal employees; to the Committee on Governmental Affairs.

EC–1370. A communication from the Secretary of Defense, transmitting, pursuant to law, the semiannual report of the Inspector General; to the Committee on Governmental Affairs.

EC–1371. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a copy of legislation adopted by the Council and signed by the Mayor; to the Committee on Governmental Affairs.

EC–1372. A communication from the Secretary of Education, transmitting, pursuant to law, the annual report of the Department's freedom of information activities; to the Committee on the Judiciary.

EC–1373. A communication from the Executive Director of the Marine Mammal Commission, transmitting, pursuant to law, the Commission's annual report under the Freedom of Information Act; to the Committee on the Judiciary.

EC–1374. A communication from the Acting Commissioner of Immigration and Naturalization transmitting, pursuant to law, 676 reports on visa petitions accorded third and sixth preference classification; to the Committee on the Judiciary.

EC–1375. A communication from the Secretary of the Smithsonian Institution, transmitting, pursuant to law, a copy of the annual report of the Daughters of the American Revolution; to the Committee on Rules and Administration.

EC–1376. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on budget rescissions and deferrals, dated June 1, 1981; pursuant to the order of January 30, 1975, referred jointly to the Committee on Appropriatioins and the Committee on the Budget.

EC–1377. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting, pursuant to law, a report on 12 construction projects to be undertaken by the Air National Guard; to the Committee on Armed Services.

EC–1378. A communication from the Assistant Attorney General (Antitrust Division), transmitting, pursuant to law, a report on a study of the various agreements between Government and private industry under the Defense Production Act of 1950; to the Committee on Banking, Housing, and Urban Affairs.

EC–1379. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Federal Railroad Safety Act of 1970 to extend authorization for appropriations; to the Committee on Commerce, Science, and Transportation.

EC–1380. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report on applications by Shell Oil Company and Amax Petroleum Company for refunds of excess royalty payments; to the Committee on Energy and Natural Resources.

EC–1381. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, an annual report on actions taken to recruit and train Indians for positions which are subject to preference under Indian preference laws; to the Committee on Governmental Affairs.

EC–1382. A communication from the Vice Chairperson of the Merit Systems Protection

Board, transmitting, pursuant to law, the annual report on the study of appeals of Board decisions for fiscal year 1980; to the Committee on Governmental Affairs.

EC–1383. A communication from the Mayor of the District of Columbia, transmitting a draft of proposed legislation to provide for improvements in the local planning process in the District of Columbia, a transfer of authority over certain purely local planning activities to the government of the District of Columbia, and for other purposes; to the Committee on Governmental Affairs.

EC–1384. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on May 19, 1981; to the Committee on Governmental Affairs.

EC–1385. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on May 19, 1981; to the Committee on Governmental Affairs.

EC–1386. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on May 19, 1981; to the Committee on Governmental Affairs.

EC–1387. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on May 19, 1981; to the Committee on Governmental Affairs.

EC–1388. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on May 19, 1981; to the Committee on Governmental Affairs.

EC–1389. A communication from the Secretary of the Postal Rate Commission, transmitting, pursuant to law, the annual report of the Commission on their administration of the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–1390. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Cost Cutting Measures Possible If Public Health Service Hospital System Is Continued"; to the Committee on Labor and Human Resources.

EC–1391. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a report on the annual report of the Federal Council on Aging for 1979; to the Committee on Labor and Human Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–179. A resolution adopted by the General Court of the Commonwealth of Massachusetts; to the Committee on Agriculture, Nutrition, and Forestry:

"RESOLUTION

"Whereas, the use of tobacco products by human beings according to indisputable medical evidence directly leads to debilitating and often terminal disease of the users; and

"Whereas, the social costs of such disease caused to said users of tobacco products are reflected in the suffering of those afflicted, their families and their friends; and

"Whereas, the economic costs of such disease caused to said users of tobacco products amount to billions of dollars a year in increased health care costs, decreases in work productivity and other loss due to accident; and

"Whereas, the taxpayers of this Nation through the United States Department of Agriculture are subsidizing the growing of tobacco in an annual amount of at least eighty million dollars a year; and

"Whereas, it is the role of Government of the United States to protect the welfare of all of its citizens physically and economically; therefore be it

"*Resolved*, That the General Court respectfully urge the United States Congress to enact legislation this year to end all Federal subsidies for the growing of tobacco; and be it further

"*Resolved*, That copies of these resolutions be transmitted forthwith by the Clerk of the House of Representatives to the President of the United States, the Presiding Officer of each branch of the Congress, and to each Member thereof from the Commonwealth."

POM–180. A resolution adopted by the House of Representatives of the State of Missouri; to the Committee on Appropriations:

"RESOLUTION

"Whereas, over the next several months Congress will begin considering the consolidation of forty separate health, education, and social service programs into four "blocks" of money to be allocated to the states; and

"Whereas, "Block Grants" transfer money, administrative authority, control over regulations, and the decision-making about allocating funds from the federal government to the state government; and

"Whereas, in addition to this transfer of funds, the Reagan Administration is proposing a twenty-five percent cut in the levels of funding for these programs; and

"Whereas, the Block Grants would replace or reduce funds for many programs which are of direct benefit to the poor, including community health and mental health clinics, fuel assistance for the poor, legal services, adoption and foster care, and aid to local public schools; and

"Whereas, the Block Grants provide funds to the states with very little federal guidance or protection, including no civil rights requirements, no citizen participation requirements, no requirement that states submit applications and nothing requiring formal review by local citizens or state legislatures;

"*Now, therefore, be it resolved* that this Honorable Missouri House of Representatives hereby requests of our United States Congress that the Block Grant appropriations currently being considered by Congress include provisions that shall require open hearings, thorough review by citizens and most importantly formal approval of state legislatures; and

"*Be it further resolved* that all Block Grant programs must include provisions to insure that citizens have full protection and established procedures for appealing illegal or arbitrary actions by governmental agencies; and

"*Be it further resolved* that all Block Grant programs must include provisions that funds shall be administered with strict adherence to the fundamental standards of accountability and openness to the public; and

"*Be it finally resolved* that the Chief Clerk of the Missouri House of Representatives be instructed to prepare properly inscribed copies of this resolution to be transmitted to the Chief Clerk of the United States House of Representatives, the Secretary of the United States Senate, the Majority Leader of the United States Senate, the Minority Leader of the United States Senate, the Speaker of the United States House of Representatives, and to all members of the Missouri Congressional Delegation."

POM–181. A resolution adopted by the Sixteenth Guam Legislature; to the Committee on Armed Services:

"RESOLUTION No. 74

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, Guam is a U.S. territory strategically situated in the Western Pacific Ocean; and

"Whereas, Guam is directly adjacent to the U.S. Navy's Seventh Fleet Operations area; and

"Whereas, American trade with Asian-Pacific countries now exceeds in value that with Western Europe and this trend is expected to continue making control of the Pacific by the American Navy essential to our economic freedom and our national defense; and

"Whereas, the Pacific Fleet has increasing responsibilities in Southeast Asia and the Indian Ocean which makes relocation of the fleet's ships from the U.S. West Coast a logical, economical, and practical action; and

"Whereas, Guam's capability to accommodate additional forces is also evident in existing naval and military base infrastructure such as harbor facilities including thirty-two deep water major ship berths, eighteen of which have a complete cold iron capability, a large floating dry dock now in operation, compressed air service, electrical power, fresh and salt water connections, shore steam, compressed air service and sewage connections which are all available at the harbor, plus, a modern ship repair facility and skilled work force, a naval supply depot, a naval magazine utilized at present at less than one-third (⅓) its capacity, extensive fuel storage, one of four major Naval Communications Area Master Stations worldwide located on Guam, a naval air station, full personnel support including the world's largest overseas commissary, fifth largest Navy Exchange in the Navy Resale System, modern recreation facilities, including two new gymnasiums opened within the last eighteen months; and

"Whereas, U.S. naval facilities in Guam are presently underutilized resulting in substantial excess capacity at Ship Repair Facility, Naval Hospital, recreation and housing facilities; and

"Whereas, Guam strategically lies within a 1500-mile radius of the Pacific-Asia theater, thus giving-making it a base of operation with an effective striking capability of potential adversaries; and

"Whereas, being America's westernmost territory, making Guam a focal point of military activities is making long term investment in American strength in the Western Pacific not subject to the fickle winds of international politics and foreign governments; and

"Whereas, the Sixteenth Guam Legislature is in support of homeporting of Navy ships on Guam because of the strategic as well as the economic advantages it will bring to the territory and the U.S. Navy, including the savings resulting from utilizing existing facilities, the protection of American balance of payments and the stimulus it will give to Guam's economy; and

"Whereas, homeporting of Navy ships at Guam offers the best guarantee to continuing economic viability of Navy's vital Ship Repair Facility and Regional Naval Medical Center during peacetime, thereby assuming the readiness of these facilities in case of war; and

"Whereas, Guam, as an American territory, offers military personnel and their families all amenities of a progressive American community, including a fully accredited public and private school system, medical personnel specializing in all critical fields, community recreation programs and facilities, employment opportunities for military dependents, the U.S. dollar of common currency, and English as the common language; now, therefore, be it

"*Resolved*, that in view of the current world political and military climate, the Sixteenth Guam Legislature requests that the President, Congress and the Department of Defense consider the distribution of the Pacific Fleet and locate naval resources in the logical location, Apra Harbor in Guam; and be it further

"*Resolved*, that the Commander-in-Chief, U.S. Pacific Fleet, is urged to consider Guam for homeporting of additional ships in the naval facilities available but currently underutilized; and be it further

"*Resolved*, that the Sixteenth Guam Legislature urges the immediate consideration of a plan to homeport an aircraft carrier and such other naval vessels on Guam as required to provide a greater defense posture for the United States in Asia and the Pacific; and be it further

"*Resolved*, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President of the United States; to the U.S. Secretary of Defense; to the U.S. Secretary of State; to the Secretary of the Navy; to all members of the Joint Chiefs of Staff; to all members of Armed Forces Committee, U.S. Senate; to all members of Armed Forces Committee, U.S. House of Representatives; to all members of Foreign Affairs Committee, U.S. Senate; to all members of Foreign Affairs Committee, U.S. House of Representatives; to the Commander, Naval Forces Marianas; to Washington's Delegate, Antonio B. Won Pat, U.S. House of Representatives; and to the Governor of Guam."

POM–182. A resolution adopted by the Central Pacific Conference of the United Church of Christ, relative to the production of chemical weapons by the United States Government; to the Committee on Armed Services.

POM–133. A resolution adopted by the Fourteenth Legislature of the Virgin Islands; to the Committee on Energy and Natural Resources:

Resolution No. 1034

"FOURTEENTH LEGISLATURE OF THE VIRGIN ISLANDS OF THE UNITED STATES

"Whereas H–2 and H–4 aliens (temporary workers and their dependents) have contributed significantly to the development of the Virgin Islands economy; and

"Whereas these aliens were brought to the Virgin Islands at the behest of local businessmen to augment the labor force during a period of rapid economic development in the 1960's and early 1970's; and

"Whereas in the succeeding years these aliens have developed deep ties to the local community, have become taxpayers, and have made many cultural and economic contributions to the Virgin Islands; and

"Whereas many children have been born in the Virgin Islands of these aliens and are citizens of the United States; and

"Whereas despite their many contributions, H–2 and H–4 aliens are denied access to various social services, H–4 aliens are excluded from job opportunities, and all must deal with a multitude of oppressive rules and regulations, living under the constant threat of deportation through no fault of their own; and

"Whereas the "Virgin Islands Nonimmigrant Alien Adjustment Act of 1981", as introduced into the Congress of the United States, seeks to remedy these injustices; and

"Whereas the bill is cost-effective and otherwise financially beneficial to the Virgin Islands in that the costs of legal fees now expended on Suspension of Deportation and other immigration cases would significantly decrease and could be directed elsewhere, costs of certification paperwork and man hours by employers and the Immigration and Naturalization Service would decrease, improved job opportunities for the aliens would be beneficial to the entire economy, and the anticipated costs to the government for litigation over possibly illegal restrictions and regulations would be eliminated; Now, therefore,

"*Be it resolved* by the Legislature of the Virgin Islands:

"Section 1. It is the sense of the Legislature of the Virgin Islands "Virgin Islands Nonimmigrant Alien Adjustment Act of 1981" is justified on both humanitarian and economic grounds and should be given prompt and favorable support.

"Section 2. The Legislature of the Virgin Islands hereby urges the Congress and the President of the United States to adopt the "Virgin Islands Nonimmigrant Alien Adjustment Act of 1981".

"Section 3. Copies of this Resolution shall be forwarded forthwith to the President of the United States, the Vice President of the United States as Presiding Officer of the Senate, the Speaker of the House of Representatives, the Virgin Islands Delegate to the House of Representatives, and members of the House and Senate Judiciary Committees."

POM–184. A resolution adopted by the Sixteenth Guam Legislature; to the Committee on Energy and Natural Resources:

"RESOLUTION NO. 67

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, Delegate Antonio B. Won Pat has introduced to the 97th Session of the Congress of the United States H.R. 1872, which is an act to waive visa requirements for certain alien visitors to Guam; and

"Whereas, the beneficiaries of this proposed legislation would only be persons temporarily visiting Guam for business or pleasure; and

"Whereas, the passage of H.R. 1872, with certain amendments, would facilitate the expeditious entrance into Guam of tourists from the Asian area in increasing numbers; and

"Whereas, tourism is an industry whose development continues to provide economic stimulus for the territory at a time when the general economic outlook for Guam is not bright; and

"Whereas, tourist traffic to Guam from other Asian destinations helps our visitors to better understand America, Guam being the showcase of American democracy at the doorstep to countries with lesser personal freedoms; and

"Whereas, the stability of the entire trans-Pacific air route is greatly dependent upon increased traffic between Guam and the Republic of the Philippines; and

"Whereas, such visitors pose no threat to national immigration control such visitors cannot easily continue on to the U.S. mainland, Guam not being a designated port of entry to the United States; and

"Whereas, any aliens intending to illegally overstay their stated visit to Guam could not easily do so without almost immediate detection; and

"Whereas, an effective method for Congress to gauge local sentiment on this matter would be to hold public hearings locally by a committee or subcommittee of the United States Congress; and

"Whereas, a case in point is the recommendation, at this point in time, that H.R. 1872 be amended to provide for Guam Only visas or entry permits, rather than no visa at all; now, therefore, be it

"*Resolved*, that the Sixteenth Guam Legislature, on behalf of the people of Guam, hereby respectfully requests that the Congress of the United States hold public hearings on this matter in Guam to determine other possible recommendations that would satisfy the position of Guam and, at the same time, provide safeguards against violations of the U.S. immigration laws; and be it further

"*Resolved*, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to Delegate A. B. Won Pat; to the Speaker of the House of Representatives; to the members, Committee on Foreign Affairs and Committee on the Judiciary of the House of Representatives; to the President of the Senate; to the members, Committee on Foreign Relations and Judiciary Committee of the U.S. Senate; to the President of the United States; to the Secretary of State; and the Governor of Guam."

POM–185. A concurrent resolution adopted by the Legislature of the State of Texas; to the Committee on Energy and Natural Resources:

"HOUSE CONCURRENT RESOLUTION

"Whereas, The State of Texas has an abundant supply of natural gas, and exploration and development of this plentiful natural resource continues to result in the discovery of additional natural gas reserves; and

"Whereas, When the Congress of the United States enacted the Powerplant and Industrial Fuel Use Act of 1978, it prohibited the use of natural gas as a primary energy source by new "major fuel-burning installations" and certain existing major fuel-burning installations and required the discontinuance after January 1, 1982, of the use of natural gas for certain illuminating purposes; and

"Whereas, These artificial restrictions on marketing natural gas will inhibit the development of new gas production and prevent a stronger reliance on free market forces in determining which fuels should be used; and

"Whereas, These prohibitions, as provided in Sections 202, 302, and 402 of the Act, place a financial burden on Texas industries and many of its citizens, whose reliance on natural gas is greater than any other area of this country; now, therefore, be it

"*Resolved* by the House of Representatives, the Senate concurring, That the 67th Texas Legislature hereby respectfully memorialize the Congress of the United States to repeal the restrictions on natural gas use in Sections 202, 302, and 402 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C.A. Sections 8312, 8342, and 8372); and, in the case of facilities which remain subject to the Powerplant and Industrial Fuel Use Act of 1978, to establish a new exemption to permit use of natural gas in conjunction with coal for the purpose of environmental compliance; and, be it further

"*Resolved*, That the Texas Secretary of State forward official copies of this resolution to the President of the Senate and the Speaker of the House of Representatives of the United States Congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States."

POM–186. A joint resolution adopted by the Legislature of the State of Colorado; to the Committee on Energy and Natural Resources:

"SENATE JOINT RESOLUTION NO. 13

"Whereas, Continuing uncertainty of oil supply in the Middle East threatens the strategic and economic security of the United States; and

"Whereas, The national dependence on imported oil has reached an alarming percentage of our total petroleum requirements; and

"Whereas, The enormous oil shale resources in Colorado and Utah can provide a large and secure source of liquid fuel which can greatly offset unreliable foreign supplies; and

"Whereas, The ability to provide for off-

site location of plant sites, processed shale disposal, and other oil shale facilities can enhance efficient resource recovery and sound environmental planning and is in the public interest; and

"Whereas, In order to become more energy self-sufficient and have the ability to produce adequate supplies of petroleum products for our nation, it is essential that the nation's industries be authorized by the Congress of the United States to employ the most efficient technological resource recovery systems available; now, therefore,

"Be It Resolved by the Senate of the Fifty-third General Assembly of the State of Colorado, the House of Representatives concurring herein, That we, the members of the Fifty-third General Assembly of the State of Colorado, do urge the members of the Congress of the United States from the states of Colorado and Utah and the Governors of Colorado and Utah to support the passage of federal legislation to permit the Secretary of the Department of the Interior to grant surface only" uses on federal lands to serve as oil shale plant sites or areas for the disposal of overburden and processed shale and other special uses.

"Be It Further Resolved, That copies of this Resolution be sent to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each member of the Congress of the United States from the states of Colorado and Utah, to the Governors of the states of Colorado and Utah, and to the Secretary of the Department of Interior."

POM–187. A resolution adopted by the Mendocino County, California Board of Supervisors, urging the repeal of section 301 of the Powerplant and Industrial Fuel Use Act; to the Committee on Energy and Natural Resources.

POM–188. A resolution adopted by the Senate of the State of Colorado; to the Committee on Environment and Public Works:

"SENATE MEMORIAL NO. 1

"Whereas, The United States Army Corps of Engineers is charged with administering the 'dredge and fill' program on the navigable waters of the United States pursuant to section 404 of the federal Clean Water Act of 1977; and

"Whereas, The federal regulations promulgated pursuant to the act provide for regulation of wetlands in direct contravention of clearly expressed congressional intent; and

"Whereas, The Corps' administration of the wetlands program in the state of Colorado has been carried out in such a manner as to constitute an abuse of the Corps' discretionary authority; and

"Whereas, The Corps' officials charged with administering the wetlands program have been arbitrary and capricious in their targeting of specific counties for the enforcement of permit requirements under section 404; and

"Whereas, The Corps' has been reluctant to cooperate with county and local governments in administering the program and has imposed unnecessary and unexplained delays in the issuance of permits; and

"Whereas, The Corps' has been inconsistent in its designations of wetlands and has denied directly affected private landowners and citizens of the state an opportunity to participate in the mapping designations made by the Corps; and

"Whereas, Such mapping of private land constitutes a land use planning decision and as such is an invasion of an area of governmental decision-making traditionally and appropriately reserved for local governments; and

"Whereas, The Corps' has failed to recognize and to exempt from the permit requirements of the program certain statutorily exempt activities; and

"Whereas, This oppressive regulatory activity threatens the state of Colorado's management of its water resources, adversely affects the agricultural, construction, and housing industries in the state and ercdes the rights of property owners in Colorado; now, therefore,

"Be It Resolved by the Senate of the Fifty-third General Assembly of the State of Colorado: That the Congress of the United States is hereby memcrialized to:

"(1) Redefine navigable waters for purposes of the Clean Water Act of 1977 to include only those waters used or susceptible of being used in their natural condition as a means to transport interstate or foreign commerce;

"(2) Eliminate the jurisdiction of the Corps of Engineers over man-made wetlands created as a result of present or past irrigation of the land;

"(3) Restrict the expansion of federal government authority over nonnavigable waters.

"Be it further resolved, That copies of this Memorial be transmitted to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each member of the Colorado Congressional delegation."

POM–189. A resolution adopted by the American Fishing Tackle Manufacturers Association, supporting President Reagan's program for economic recovery; to the Committee on Finance.

POM–190. A resolution adopted by the Central Pacific Conference of the United Church of Christ, relative to military aid to El Salvador; to the Committee on Foreign Relations.

POM–191. A resolution adopted by the General Court of the Commonwealth of Massachusetts; to the Committee on Governmental Affairs:

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO AMEND CERTAIN FEDERAL SOCIAL WELFARE ENABLING STATUTES

"Whereas, the error rate which occurs within the federally funded cash and social assistance programs administered for the benefit of low income persons often results in adjustment or repayments made from the various States to the Federal Government which exceeds the actual rate of error; therefore be it

"Resolved, That the General Court of Massachusetts respectfully urges the Congress of the United States to enact legislation which limits adjustments and repayments owed to the Federal Government to the actual rate of error; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the Clerk of the Senate to the Presiding Officer of each branch of the Congress and to the Members thereof from this Commonwealth."

POM–192. A resolution adopted by the City Council of Rialto, California, expressing its support of efforts by the Federal Administration to return powers to local entities and urging a careful implementation of those efforts in ways that will enhance, not further impede, home rule; to the Committee on Governmental Affairs.

POM–193. A resolution adopted by the City Council of Hidden Hills, California, expressing its support of efforts by the Federal Administration to return powers to local entities and urging a careful implementation of those efforts in ways that will enhance, not impede, home rule; to the Committee on Governmental Affairs.

POM–194. A resolution adopted by the D.C. Federation of Civic Associations, Inc., relating to bond issues in the District of Columbia; to the Committee on Governmental Affairs.

POM–195. A resolution adopted by the New Jersey delegates to the White House Conference on Aging, opposing any cuts or reductions in programs that affect the elderly; to the Committee on Labor and Human Resources.

POM–196. A resolution adopted by the Dallas County Court of Commissioners, recommending the continuation of the CETA program; to the Committee on Labor and Human Resources.

POM–197. A resolution adopted by the National Association of the Physically Handicapped, Inc., relative to Department of Transportation regulations on transportation of the handicapped; to the Committee on Labor and Human Resources.

POM–198. A resolution adopted by the Fourteenth Guam Legislature; to the Committee on Labor and Human Resources:

FOURTEENTH LEGISLATURE OF THE VIRGIN ISLANDS OF THE UNITED STATES

"Whereas President Reagan's Administration has proposed the elimination or severe cutbacks in the funding of many social programs, among them programs under the auspices of the Comprehensive Employment and Training Act (CETA); and

"Whereas many Virgin Islanders, most of them young and unskilled, are currently receiving benefits from the affected social programs as well as on-the-job training in programs partially funded by CETA; and

"Whereas CETA and other social programs have had beneficial effects on the Virgin Islands by providing many other job skills with which they become productive, tax-paying members of society and thereby avoid being forced to look to welfare programs for financial aid; and

"Whereas elimination of the CETA and other social training programs would have a severe negative effect, both socially and economically, on the Virgin Islands; Now, Therefore,

"Be it Resolved by the Legislature of the Virgin Islands:

"Section 1. The legislature of the Virgin Islands hereby expresses its concern and strong opposition to any elimination or cutbacks in Comprehensive Employment and Training Act programs and other social programs.

"Section 2. Copies of this Resolution shall be forwarded immediately upon its approval to the President of the United States, the Vice President of the United States as President of the Senate, the Speaker of the House of Representatives, the Virgin Islands Delegate to Congress, the Chairman of the Senate Committee on Labor and Human Resources and the Chairman of the House Committee on Education and Labor.

POM–199. A concurrent resolution adopted by the Legislature of the State of New Hampshire; to the Committee on Labor and Human Resources:

"SENATE CONCURRENT RESOLUTION NO. 7

"Whereas, Public Law 94–142, the federal special education law, mandates that each child receive a free and appropriate public education; and

"Whereas, the costly mandates of Public Law 94–142 have resulted in a projected $6,651,000 deficit in state funds for education of the handicapped for fiscal year 1981; and

"Whereas, the federal government is funding the implementation of this mandate for special education programs with only about 25 percent of the amount proposed in the original federal legislation; and

"Whereas, this is one more example of Congress' increasing state and local taxation by imposing mandates without committing the funds necessary to carry out the mandates; and

"Whereas, this unaffordable burden should not be imposed on the state by the federal government; now, therefore, be it

"Resolved by the Senate, the House of Representatives concurring:

"That the Congress of the United States is hereby urged to immediately pass legislation which will change the federal mandate for special education to provide for the full reimbursement of any federally mandated state expenditures for special education; and

"That copies of this resolution be forwarded by the secretary of state to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the Administrator of General Services of the United States and the members of the New Hampshire congressional delegation."

POM-200. A resolution adopted by the General Court of the Commonwealth of Massachusetts; to the Committee on Energy and Natural Resources:

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO DECLARE A MORATORIUM ON THE LICENSING OF NUCLEAR PLANTS UNTIL EMERGENCY EVACUATION PLANS ARE DEVELOPED

"Whereas, the dangers to people residing and working in areas in which nuclear plants are located have resulted in said people expressing their great concern, by vote, and otherwise, to the legislators representing said areas, with the dangers to their lives, safety and health created by said plants; therefore be it

"Resolved, That the general court respectfully urges the Congress of the United States to declare a moratorium on the licensing of any nuclear plant until full and complete emergency evacuation plans covering a fifteen mile radius of said plant are developed and approved by the United States office of Civil Defense; and be it further

"Resolved, That copies of these resolutions be forwarded by the clerk of the House of Representatives to the presiding officer of each branch of the Congress and to the members thereof from the commonwealth."

POM-201. A resolution adopted by the General Court of the Commonwealth of Massachusetts; to the Committee on Finance:

"RESOLUTION MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO EXPAND MEDICARE BENEFITS

"Whereas, the First Annual Silver-Haired Legislature of Massachusetts convened at the State House in Boston on August seventeeth, nineteen hundred and eighty; and

"Whereas, the Members of the Silver-Haired Legislature expressed deep concern for elderly persons on fixed incomes who are burdened by the inflated costs of eye examinations, eye glasses, dental care, prescriptions, hearing aids, voice boxes and health examinations; and

"Whereas, the Silver-Haired Legislature voted to urge State and National Government leaders to take appropriate remedial action; therefore be it

"Resolved, That the General Court of Massachusetts hereby urges the Congress of the United States to immediately enact legislation to expand the benefits of the medicare program, so-called, to include benefits to cover the cost of eye examinations, eye glasses, dental care, prescriptions, hearing aids, voice boxes, health examinations and other medical costs not presently covered by medicare; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the clerk of the Senate to the President of the United States, the presiding officer of each branch of the Congress and to each member thereof from this commonwealth."

POM-202. A resolution adopted by the General Court of the Commonwealth of Massachusetts; to the Committee on the Judiciary:

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION CREATING A COMMISSION TO OBSERVE THE 200TH ANNIVERSARY OF THE UNITED STATES CONSTITUTION

"Whereas, the Founding Fathers of this Nation signed the United States Constitution on Monday, September seventeenth, seventeen hundred and eighty-seven; and

"Whereas, the two hundredth anniversary of the signing will be September seventeenth, nineteen hundred and eighty-seven; and

"Whereas, the Congress of the United States is now considering the creation of a national commission to observe the bicentennial of that historic event; and

"Whereas, Massachusetts patriots played a prominent role in fostering the basic values of freedom that resulted in the founding of the United States Constitution; and

"Whereas, preparation for this bicentennial affords the people an opportunity to review these values in historical perspective; and

"Whereas, it is historically appropriate that the Commonwealth of Massachusetts assume its traditional leadership by encouraging the observation of the bicentennial of the Constitution; therefore be it

"Resolved, That the General Court of Massachusetts endorses the enactment of Federal legislation by the Congress of the United States to create a national commission to observe the bicentennial of the United States Constitution; and be it further

"Resolved, That a copy of these resolutions be transmitted forthwith by the clerk of the Senate to the President of the United States, the presiding officer of each branch of the Congress and to each member thereof from this commonwealth."

POM-203. A resolution adopted by the House of Representatives of the Commonwealth of Massachusetts; to the Committee on Banking, Housing, and Urban Affairs:

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES NOT TO DENY FEDERAL FUNDS TO MUNICIPALITIES BECAUSE OF THEIR ADOPTION OF RENT CONTROL

"Whereas, some Massachusetts communities have chosen to adopt rent and eviction controls; and

"Whereas, rent controls are efforts to deal with a lack of affordable and decent rental housing; and

"Whereas, the shortage of such rental housing, aggravated by a rash of condominium conversions, has increased; and

"Whereas, an attempt is being made in the Congress to punish local communities that have adopted rent control by denying them certain Federal housing funds; and

"Whereas, the Massachusetts House has a historic record in favor of home rule; and

"Whereas, the Massachusetts House of Representatives opposes any congressional attempt to punish Massachusetts communities that have adopted rent control; therefore be it

"Resolved, That the Massachusetts House of Representatives respectfully urges the Congress of the United States not to withhold Federal funds from Massachusetts communities because of their adoption of rent control; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the clerk of the Massachusetts House of Representatives to the President of the United States, to the presiding officer of each branch of the Congress of the United States, and to each member thereof from this commonwealth."

POM-204. A resolution adopted by the Loma Linda, California City Council, expressing its support of efforts by the Federal Administration to return powers to local entities and urging a careful implementation of those efforts in ways that will enhance, not further impede, home rule; to the Committee on Governmental Affairs.

POM-205. A joint resolution adopted by the Legislature of the State of Colorado; to the Committee on Finance:

"HOUSE JOINT RESOLUTION No. 1017

"Whereas, The Public Employees' Retirement Association of Colorado was created in 1931 to provide reliable retirement benefits to state employees and, since 1944, has also covered most school and municipal employees in this state; and

"Whereas, The Public Employees' Retirement Association submits actuarial valuation reports annually to the General Assembly as well as to the Governor, as required by law, which reports show the Retirement Association to be in sound condition according to accepted actuarial principles; and

"Whereas, Mandatory coverage of state and local employees for Social Security would represent an intrusion by Congress into the fundamental duties of the states and almost certainly would be judged unconstitutional; and

"Whereas, Imposing Social Security coverage on state and local public employees would not solve Social Security's financial problems; and

"Whereas, Any scheme to integrate the Public Employees' Retirement Association benefits with Social Security benefits would result in lower benefits at retirement including the elimination of disability and survivor benefits and cost of living increases, and any such scheme would cost the state approximately an additional $15,000,000 annually; and to maintain at least the present level of benefits would cost $75,000,000 annually; now, therefore,

"Be It Resolved by the House of Representatives of the Fifty-third General Assembly of the State of Colorado, the Senate concurring herein:

"That this General Assembly does hereby urge the Congress of the United States not to pass any legislation requiring mandatory Social Security coverage of state and local public employees.

"Be it further resolved, That copies of this Resolution be sent to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, each member of Congress from the State of Colorado, the Chairman of the United States Congress House Ways and Means Subcommittee on Social Security, the Chairman of the United States Congress Senate Finance Subcommittee on Social Security, the United States Secretary of Health and Human Services, Richard Schweiker, and Undersecretary designate of Health and Human Services, David Swoap."

POM-206. A resolution adopted by the House of Representatives of the Commonwealth of Massachusetts; to the Committee on Labor and Human Resources:

"RESOLUTIONS MEMORIALIZING THE PRESIDENT AND THE CONGRESS OF THE UNITED STATES TO MAINTAIN THE CLAIMS AND COLLECTIONS DIVISION, REGION I, DEPARTMENT OF EDUCATION, IN BOSTON

"Whereas, the United States Department of Education through the use of Federal collectors has established an impressive record in the collection of defaulted or delinquent student loans; and

"Whereas, of the more than six hundred thousand guaranteed loans in default over the past four years, nearly ninety per cent have been resolved, and the Federal collectors have returned more than three dollars for every one dollar cost to the taxpayer; and

"Whereas, the Boston regional office has collected approximately $1,371,268.00, an amount which compares most favorably with other regional offices; and

"Whereas, it is proposed to transfer the collections function to the private sector and to consolidate the collection operations from ten to three regions; and

"Whereas, the claims and collections division, region I, in the Boston regional office is not one of those to be maintained and its closing will result in substantial unemployment and hardship to the people of the Commonwealth; therefore be it

"Resolved, That the Massachusetts House of Representatives hereby respectfully requests the President, the Secretary of Education and the Congress of the United States to take the necessary action to maintain the continued operation of the claims and collections division, region I, Department of Education, in Boston; and be it further

"Resolved, That copies of these resolutions be forwarded by the Clerk of the House of Representatives to the President of the United States, to the Secretary of Education, to the presiding officer of each branch of the Congress, and to the members thereof from this Commonwealth."

POM—207. A resolution adopted by the House of Representatives of the Commonwealth of Massachusetts; to the Committee on Labor and Human Resources:

"RESOLUTION MEMORIALIZING CONGRESS TO TAKE THE NECESSARY ACTION TO FUND AND MAINTAIN THE CONTINUED OPERATION OF THE GREATER BOSTON AND OTHER LEGAL SERVICES CORPORATIONS

"Whereas, the Greater Boston Legal Services Corporation has established an impressive record in providing legal aid to the poor and disadvantaged people of the Commonwealth through the use of Federal funds; and

"Whereas, of the more than sixteen thousand cases worked on during the past year, over four thousand have been related to minor children and the elderly; and

"Whereas, over forty per cent of the pending cases deal with housing and family related matters; and

"Whereas, the policy issues of housing, the elderly, and the family are of great national concern and exigency; and

"Whereas, the Massachusetts House of Representatives believes the Federal Government has an important responsibility to ensure the nation's poor access to our justice system under the time honored principle of justice for all; therefore be it

"Resolved, That the Massachusetts House of Representatives hereby respectfully requests the President and the Congress of the United States to take the necessary action to fund and maintain the continued operation of the Greater Boston and other Legal Services Corporations; and be it further

"Resolved, That copies of these resolutions be forwarded by the Clerk of the House of Representatives to the President of the United States, to the presiding officer of each branch of the Congress, and to the members thereof from this Commonwealth.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PERCY, from the Committee on Foreign Relations:

S. Ex. Res. 1. An original executive resolution providing for the return to the President of the agreement between the Government of the United States of America and the Government of Canada on East Coast Fishery Resources, signed at Washington on March 29, 1979 (Ex. Rept. No. 97-13).

By Mr. TOWER, from the Committee on Armed Services:

Herman E. Roser, of New Mexico, to be an Assistant Secretary of Energy (defense programs);

Russell D. Hale, of Virginia, to be an Assistant Secretary of the Air Force;

Edward J. Philbin, of California, to be Deputy Assistant Secretary of Defense for Reserve Affairs;

George A. Sawyer, of New Jersey, to be an Assistant Secretary of the Navy; and

William R. Gianelli, an Assistant Secretary of the Army, to be a Member of the Board of the Panama Canal Commission.

Mr. TOWER. Mr. President, from the Committee on Armed Services, I report favorably the following nominations: Maj. Gen. James E. Dalton, U.S. Air Force, to be lieutenant general, Admiral Alfred J. Whittle, Jr., U.S. Navy, (age 57) for appointment to the grade of admiral on the retired list, Maj. Gen. Oren E. Dehaven, U.S. Army, to be lieutenant general, Maj. Gen. John W. McEnery, U.S. Army, to be lieutenant general, Rear Adm. James A. Lyons, Jr., U.S. Navy to be vice admiral, Lt. Gen Paul X. Kelley, U.S. Marine Corps, to be general, Lt. Gen. Arthur J. Gregg, Army of the United States (major general, U.S. Army), (age 53), for appointment to the grade of lieutenant general on the retired list, and Maj. Gen. Richard H. Thompson, U.S. Army, to be lieutenant general. I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. In addition, in the Regular Army, there are 52 promotions to the grade of colonel and below (list begins with Lowell L. Ballard, Jr.), and in the Navy there are 1,226 chief warrant officers for temporary promotion to the grade of chief warrant officer, W-3, and W-4 (list begins with James D. Abshear). Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of June 1, 1981.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BRADLEY (for himself and Mr. PERCY):

S. 1354. A bill to provide standby authority to deal with petroleum supply disruptions, and for other purposes; to the Committee on Finance.

By Mrs. HAWKINS (for herself and Mr. PELL):

S. 1355. A bill to amend title 28, United States Code, to authorize the Attorney General to acquire and exchange information to assist Federal, State, and local officials in the identification of deceased individuals and in the location of missing children; to the Committee on the Judiciary.

By Mr. WARNER (for himself and Mr. MATSUNAGA):

S. 1356. A bill to amend the Internal Revenue Code of 1954 to allow the energy investment credit for equipment designed to use sailpower on vessels to lower fuel costs; to the Committee on Finance.

By Mr. BENTSEN (for himself, Mr. BOREN, Mr. GARN, Mr. HOLLINGS, Mr. CHILES, Mr. NUNN, Mr. EXON, Mr ZORINSKY, Mr. DECONCINI, Mr. HEFLIN, Mr. HARRY F. BYRD, JR., Mr. COCHRAN, Mr. LONG, Mr. PELL, Mr. HELMS, Mr. DENTON, Mrs. HAWKINS, Mr. EAST, Mr. PRYOR, Mr. SASSER, Mr. JOHNSTON, and Mr. SYMMS):

S. 1357. A bill to amend the Federal Rules of Criminal Procedure to provide consecutive sentencing for felonies committed while on bail for another offense; to the Committee on the Judiciary.

By Mr. SASSER:

S. 1358. A bill to provide benefits under the Uniformed Services Survivors Benefits Amendments to the survivors of the Reverend Clarence C. Adderholdt; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

S. 1359. A bill for the relief of Paul E. Zirkle; to the Committee on the Judiciary.

By Mr. LEVIN (for himself, Mr. ROTH, Mr. BAUCUS, Mr. BUMPERS, Mr. METZENBAUM, and Mr. RIEGLE):

S. 1360. A bill to provide for the formation of regulatory negotiations commissions; to the Committee on Governmental Affairs.

By Mr. HATCH (for himself, Mr. QUAYLE, Mrs. HAWKINS, Mr. DENTON, Mr. EAST, Mr. SYMMS, Mr. HELMS, and Mr. GARN):

S. 1361. A bill to amend title IX of the Education Amendments of 1972 relating to sex discrimination; to the Committee on Labor and Human Resources.

By Mr. HATCH:

S. 1362. A bill entitled the "Voluntary Vitamins Act of 1981"; to the Committee on Labor and Human Resources.

By Mr. HATCH (for himself, Mr. KENNEDY and Mr. HAYAKAWA):

S. 1363. A bill entitled "The Saccharin Study and Labeling Act Amendment of 1981"; to the Committee on Labor and Human Resources.

By Mr. HATCH:

S. 1364. A bill for the relief of Jose Ramon Beltron Alvenda Ostler; to the Committee on the Judiciary.

S.J. Res. 90. Joint resolution designating June 30, 1981, as "National Drug Standards Day"; to the Committee on the Judiciary.

By Mr. THURMOND (for himself, Mr. HOLLINGS, Mr. NUNN, and Mr. MATTINGLY):

S.J. Res. 91. Joint resolution to designate July 1981 as "National Peach Month"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BRADLEY (for himself and Mr. PERCY):

S. 1354. A bill to provide standby authority to deal with petroleum supply disruptions, and for other purposes; to the Committee on Finance.

EMERGENCY PREPAREDNESS ACT OF 1981

(The remarks of Mr. BRADLEY and Mr. PERCY on this legislation appear earlier in today's RECORD.)

By Mrs. HAWKINS (for herself and Mr. PELL):

S. 1355. A bill to amend title 28, United States Code, to authorize the Attorney General to acquire and exchange information to assist Federal, State, and local officials in the identification of certain deceased individuals and in the location of missing children; to the Committee on the Judiciary.

MISSING CHILDREN ACT

● Mrs. HAWKINS. Mr. President, I am introducing legislation today which will go a long way toward solving one of the most heart-rending problems that faces the families of this Nation. Every year 1.3 to 1.8 million children are reported missing. Many of these are runaways, but I am convinced that many thousands of them are not.

They are, quite simply, victims of crime. And yet, unless the parents can produce evidence that a missing child's safety is in jeopardy, law enforcement officials will not enter information on the missing child into the computer system operated by the Federal Bureau of Investigation.

This situation is alarming and can no longer be tolerated. Too often a child who disappears, a child with no history of running away, is the victim of crime. We have seen it time and time again in Atlanta, and in hundreds of other communities across the Nation. As it works out in practice now, less than 10 percent of the children who disappear each year are entered in the FBI computer. That is not enough.

If a car is reported stolen, a description of it is circulated nationwide almost immediately. Federal law enforcement officials will help find missing horses. Yet we do virtually nothing at the Federal level to report and find missing children.

I am horrified at the number of missing children who are never located simply because they are presumed to be runaways. These are 12-year-olds, with no history of family trouble or of running away. They are not victims of parental kidnapings. They just disappear, later to turn up beaten or murdered; or perhaps they simply remain unfound and untraced.

The legislation I am introducing today, which is identical to a bill already introduced by Congressman PAUL SIMON in the House of Representatives, would require law enforcement officers to enter data into the FBI's computer on any missing children under age 17 who have been missing for 48 hours and who have no history of running away from home. Many missing children do return home of their own accord, and the 48-hour period will keep most of the true runaways out of the computer.

The legislation will also allow use of the computer to help identify bodies. Law enforcement officers find hundreds of bodies every year that are never identified. By cross-matching characteristics of the body with information on the FBI computer, many more identifications should be made than are now being made.

Each year we lose 50,000 children, 50,000 beloved soldiers in our common fight for a better future. This legislation will mandate a nationwide network to unify the search for these lost children.●

By Mr. WARNER (for himself and Mr. MATSUNAGA):

S. 1356. A bill to amend the Internal Revenue Code of 1954 to allow the energy investment credit for equipment designed to use sail power on vessels to lower fuel costs; to the Committee on Finance.

ENERGY INVESTMENT CREDIT FOR EQUIPMENT USING SAILS

Mr. WARNER. Mr. President, I am today introducing a bill with my distinguished colleague from Hawaii (Mr. MATSUNAGA) as cosponsor. Mr. President, I want to say at the outset that the inspiration for this legislation has emanated from this distinguished legislator. It is quite innovative and it may start a historic trend in our country toward helping to resolve the energy problem.

The legislation is aimed at supporting a new technology holding extraordinary promise for improving the fuel efficiency of our cargo and fishing fleets.

Mr. President, as seamen can testify, the power of the wind on the high seas exceeds that of any propulsive force human ingenuity has so far managed to devise; the problem lies in harnessing it.

About 100 years ago, after centuries of successful development, sailing ships lost favor. Their replacements—steam and diesel powered vessels—drew on sources far inferior to the power of the wind but more susceptible to efficient management. Steam and diesel permitted reduced crew sizes at a time when crew costs were the principal expense for ocean transport.

During ensuing years, however, important changes occurred that caused many farsighted marine architects and ocean engineers to reexamine the potential of wind.

On the one hand, fuel costs escalated to the point where they replaced crew costs as the principal operating expense, often exceeding 50 percent of the operating budget for fishing and cargo vessels.

On the other hand, remarkable advances occurred in sail and hull design; in construction materials; in navigation equipment and procedures, such as minute-by-minute information beamed by satellite on wind speed, wind direction, wave heights, the ebbs and flows of transoceanic currents.

Other new developments included sails with the tensile strength of steel and automated winches that permitted 1 or 2 persons to manage sails that had required crews of 10 or 20 or more. The power of the wind was being harnessed with once inconceivable efficiency.

In the process, there gradually emerged a new and extremely promising approach to maritime transport that incorporated motor and wind power in a complementary mode. It came to be called sail-assisted technology. It produced fuel savings of anywhere from 15 to 90 percent, depending on the size and design of the vessel, its range and area of operations, and the equipment employed.

Last year, sail-assisted technology came into its own as a worldwide phenomenon. A major Japanese shipbuilding firm, Nippon-Kokan, launched a 1,400-deadweight-ton sail-assisted coastal tanker. Another Japanese firm, Mitsui, unveiled plans for a 14,000-deadweight-ton sail-assisted towed barge to be used for hauling cargo between Taiwan and Japan.

The Nikolayev Institute of Shipbuilding in the Soviet Union produced a design for a sail-assisted motor vessel and prepared for production.

The Royal Institute of Navigation in London held the first international conference on sail-assisted technology, with delegates in attendance from every corner of the globe. Such widespread interest was not surprising.

In 1980, in the non-Communist world alone, ocean transport consumed more than 4 million barrels of increasingly expensive oil per day.

Mr. President, as fuel costs continue to accelerate, the logic on the side of eventual worldwide deployment of sail power in various combinations with motor power is becoming overwhelming. The only question is: Who will first begin to derive the considerable benefits?

In that regard, no nation can match the potential of the United States. Although other nations have taken the lead in commercial sail, none of them approaches our sophistication in the design of sail equipment.

For instance, I am informed by American naval architects that sails designed for Japanese commercial vessels cannot match the quality and efficiency of those serving American craft.

Unfortunately, our expertise is for the most part focused on the yachting industry. We need to shift that focus to commercial shipping and fishing.

And the sooner the better. The American fishing industry, in particular, faces a fuel crisis that threatens key segments with extinction, notably the shrimp industry. Sail-assisted fishing vessels could eventually cut fuel costs in half.

I can testify to that from first-hand observation and with home State pride, since, in 1980, the first National Marine Fisheries Service grant ever awarded for testing fuel efficiency on a sail-assisted vessel went to a resourceful young tug and fishing boat operator from Norfolk, Va.—Jesse Briggs, of Rebel Marine, Inc. Fuel efficiency on Mr. Briggs' vessel is being monitored by the Virginia Institute of Marine Science.

I have followed the progress of this endeavor. Savings of 40 percent on diesel fuel are being reported. And please keep in mind, we are talking about a technology in its infancy.

Over the long term, sail-assisted vessels could bring new vitality to our fishing industry and ultimately even to our ocean cargo industry.

At present, motor-sail fishing vessels require an initial investment running about 25 percent greater than the cost of a comparably sized diesel-powered vessel.

Although long-term fuel savings make commercial sail vessels a better buy, tightly strapped fishing boat owners lack the capital for that initial investment.

They are thus trapped in a vicious cycle: They must buy vessels burning fuel whose cost is breaking them. A necessary first step for tapping the immediate fuel saving advantages of commercial sail, and for making possible the cost reductions that come with large-

scale production, is to bring that initial investment within reach of boat owners.

I am therefore joining with my distinguished colleague from Hawaii, Senator SPARK MATSUNAGA, in introducing legislation that would amend the Internal Revenue Code to permit a 15-percent tax credit for sail-assisted equipment on new American-made vessels employed in trade or commerce, for a 3-year period, effective January 1, 1981. Also eligible would be sail assist retrofits. In no case would the credit apply to more than 35 percent of the total cost of the vessel.

This measure would really do nothing more than extend the energy tax credit for wind power on dry land to wind power on the high seas.

But it would serve to launch a new technology that could ultimately revitalize our fishing and ocean cargo industries while significantly reducing American dependence on imported oil.

It would make American seaborne commerce more efficient and more self-sufficient. It would open up new prospects for American shipbuilders. It would strengthen free enterprise and reduce the pressure for fuel subsidies. It is in every respect the right thing to do and now is the right time for it.

Mr. President, I ask unanimous consent that the text of our bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1356

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (4) of section 48 (1) of the Internal Revenue Code of 1954 (defining solar wind energy property) is amended by inserting "qualified sail-assistance property or" before "equipment".

(b) Section 48(1) of such Code (defining energy property) is amended by adding at the end thereof the following new paragraph:

"(18) QUALIFIED SAIL-ASSISTANCE PROPERTY.—

"(A) IN GENERAL.—The term 'qualified sail assistance property' means equipment which, when installed on a vessel, allows such vessel to be operated solely through the use of wind energy, including, but not limited to—

"(i) masts,

"(ii) standing and running rigging,

"(iii) sails, and

"(iv) deck hardware related to hoisting, trimming, or otherwise controlling sails.

"(B) CONTROLLING QUALIFIED INVESTMENT.—Any qualified investment (within the meaning of section 46 (c) and (d)) which, in connection with the construction or reconstruction of a vessel—

"(i) is attributable to ballast or hull modification necessary to allow the vessel to be sailed using wind energy shall be treated as qualified investment in qualified sail-assistance property, and

"(ii) otherwise constitutes investment in qualified sail-assistance property shall not be treated as investment in such property to the extent such investment (when added to any such investment in connection with such construction or reconstruction for any prior taxable year) exceeds 35 percent of the total qualified investment in such construction or reconstruction.

"(C) VESSEL.—For purposes of this paragraph, the term 'vessel' means any vessel described in subsection (a) (2) (B) (iii).".

(c) The amendments made by this section shall apply to periods after December 31, 1980, under rules similar to the rules of section 48 (m) of the Internal Revenue Code of 1954.

Mr. WARNER. Mr. President, I yield to my distinguished cosponsor and colleague, the Senator from Hawaii (Mr. MATSUNAGA).

Mr. MATSUNAGA. Mr. President, I thank the Senator for yielding.

Mr. President, it is with great pleasure that I join my distinguished colleague from Virginia (Mr. WARNER) in introducing legislation designed to promote fuel efficiency on the high seas through the application of a new and exciting technology.

The potential of sail-assisted technology first came to my attention last July when I conducted hearings in Honolulu, on behalf of the Energy and Natural Resources Committee, on an energy crisis facing our Pacific territories. They had become almost totally dependent on imported fuel whose escalating cost their fragile economies simply could not absorb.

Essential services were being cut back and economic development had come to a virtual standstill. Nowhere was the impact more keenly felt than in the area of surface transportation. With its 2,000 islands scattered over 3 million square miles—an area larger than the entire U.S. continental land mass—the Trust Territory of the Pacific Islands depended on ocean transport the way we depended on land transport for commerce, point to point transportation, distribution of food, fuel, medical supplies.

Ironically, these Pacific islanders were once the world's most daring ocean navigators. But, under our tutelage, they had become hooked on diesel fuel and were finding themselves increasingly isolated as a result.

I introduced legislation calling for a study into the potential application of sail-assisted technology as a means of reducing energy costs for inter-island transportation in the Trust Territory.

Last August, the Energy and Natural Resources Committee held hearings on my bill in Washington. Since these were the first congressional hearings relating to this new technology, I suggested that the occasion be employed to examine the technology as a whole.

Mr. President, the occasion was quite extraordinary. At their own expense, pioneers in sail-assisted technology traveled to Washington from around the country.

They told me they came because this was the first opportunity they had to describe what they were doing at a national forum and explain why it was important. They had felt isolated in their efforts. They were a remarkable group, in the best tradition of this Nation.

Jesse Briggs, of Norfolk, Va., whom Senator WARNER singled out in his remarks, was there. So was C. R. Palmer, up from Houston, an o'l rig operator who had ingeniously mounted two sails, each half the size of a football field, on one of his jackup oil rigs, to achieve significant fuel savings during transoceanic tows.

Down from Norwell, Mass., came Lloyd Bergeson, former general manager of two major shipyards, Quincy and Ingalls, who had established a space age sail technology firm called Wind Ship Development Corp., and was employing sophisticated computer techniques to chart the most favorable trade routes for sail-assisted vessels, in association with Henry S. Marcus, MIT professor of Ocean Engineering and chairman of MIT's graduate program in Shipping and Shipbuilding Management.

Across the continent from Sausalito, Calif., came Hugh Lawrence, an attorney and marine designer who was converting a cargo vessel to take a sail assist for use in the Caribbean trade. They were joined by many others of comparable qualifications and determination. The hearings provided convincing evidence that we were dealing with a technology that had been constrained in its development for far too long, due in large measure to the failure of public and private institutions to grant it legitimacy.

Mr. President, I ask unanimous consent that my opening remarks at those hearings be printed in the RECORD at this point.

I am especially pleased to join my discerning and farsighted colleague from Virginia in introducing this legislation today. It will help open the way to a new era in ocean transport. It will bring a new and boldly promising dimension to the lives of those who link their destinies to the sea.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

OPENING STATEMENT OF THE HONORABLE SPARK M. MATSUNAGA

Today's hearings will now address S. 2992, a bill which I introduced last month after conducting Energy and Natural Resources Committee field hearings in Honolulu on the disastrous energy crisis confronting the U.S. Pacific territories. And, for background purposes, I would like at this point to submit for the record a statement I delivered on the floor of the Senate when the bill was introduced.

S. 2992 calls for a study of sail-assisted technology as a means of reducing energy costs for inter-island transportation in the Trust Territory of the Pacific Islands. That's a summary description of the bill. A summary description of today's hearing on S. 2992 might be:

"Innovation and Productivity Journey to Washington at Their Own Expense To Be Heard."

I must admit that when I first learned of it, sail-assisted technology hardly seemed worth bringing to the attention of the Congress. But I was intrigued. I asked my staff to investigate the matter. And lo and behold, there emerged a series of personal accounts, from around the nation, that were so refreshing, so filled with promise, so representative of that American ingenuity without which the economic renewal we all seek can only be a reshuffling of spent ideas, that I felt compelled to request a hearing—for them, in Washington. I say for them because the persons involved often seemed so frustrated in their scattered and relatively anonymous efforts. They were frustrated by the absence of a vital element that the federal government holds the power to confer—that is, legitimacy.

Sail assistance for motorized fishing boats and cargo vessels is generally perceived as an exercise in nostalgia rather than the extremely advanced technology it really is. As a consequence, those farsighted entrepreneurs who want to carry the technology forward are having difficulty obtaining private

financing or the federal loan guarantees normally granted for vessel construction. Without financing, they, of course, are unable to build the vessels that will prove their concepts. A few hardy individuals have broken out of that vicious cycle, but not many, and none yet to venture on the cargo vessel scale.

Hopefully the evidence presented by witnesses today will show the need to establish mechanisms for financing certain feasible prototypes—or retrofits—to spur this new technology forward, before the Japanese, who are already moving quickly into this field, leave us behind once again.

One possibility is an energy tax credit for wind power on the high seas that is equal to the tax credit for wind power on dry land. Another is legislation to make it as easy to obtain federal loan guarantees for modern sail-assisted vessels as it is for old-fashioned vessels that run only on diesel fuel, the price of which has increased from $2 a barrel to $37 a barrel during the past decade.

Still another possibility would be to consider developing a program involving working prototypes for the Trust Territory where cargo vessels are small-sized, gusty trade-winds prevail, and fuel costs are having a disastrous impact on a surface transportation system serving an area encompassing 3 million square miles. If successful, and indications are that it would be, this program could usher in a new age of high technology wind ships on the high seas.

Those are specific steps that might be taken on behalf of sail-assisted technology. But in a broader sense, if innovative technologies such as this one are to obtain the legitimacy they deserve, and contribute to the revitalization of the American economy, those at the highest level of government must cultivate a special kind of receptivity.

It is a receptivity to the disparate activities of unique individuals working with day-to-day, down-to-earth problems—such as how to cut the operating costs of a tugboat on the Chesapeake Bay.

Now if that last phrase sounds less ringing, less stimulating and inspiring than phrases such as the reindustrialization of America, or business-labor-government partnership, or post-industrial technology, then, I submit it is time for those at the policy-making levels to reach out to the grass roots a bit more.

The secret of our historically unequalled capacity for innovation and productivity is there, in the vibrantly curious activities of scattered individualists, whom some would call mavericks, or even tinkerers (and I mean that in a deeply respectful sense), and some of whom are gathered in this room today.

When addressing the productivity issue, we in and around government need to listen to them more and to ourselves less. They can tell us, for instance, that the Japanese model for innovation that has become so fashionable in higher circles cannot be duplicated in America without stifling the very spirit which it is meant to awaken, but which may exist in another form.

Japan, operating through culturally inherited procedures of hierarchical consensus, already has launched a sail-assisted coastal tanker of 1600 deadweight tons and next year will launch a sail-assisted towed barge of 12,000 deadweight tons.

But even so, Japanese policymakers can draw upon nowhere near the variety of expertise and imagination in this field as is being generated in the United States through the scattered activities of our intensely individualistic culture.

The challenge to American policymakers is to reach out and turn those activities into an integral part of the policymaking process without overwhelming the stubborn individuality that informs them. To that end, those at the top need to spend more time addressing new technologies on a case by case basis, in depth, drawing into their deliberations those anonymous Americans tinkering away on the fringes, which is to say those advancing on technology's frontier.

In the process, policymakers need to free themselves of the fear of being surprised, especially by simple solutions that by their nature challenge an institutional commitment to complexity on a grand scale.

So I take particular pleasure in welcoming the witnesses for today's hearings on S. 2992. You are, in my view, "the real thing." Without you, the concept of innovation that everyone in Washington is talking about wouldn't exist. The nation's capitol needs to see more of you, to listen more to you, and those of your fraternity.

Mr. MATSUNAGA. Mr. President, once again, I appreciate the sponsorship of this major piece of legislation in the area of energy by my good friend and colleague from Virginia (Mr. WARNER).

By Mr. BENTSEN (for himself, Mr. BOREN, Mr. GARN, Mr. HOLLINGS, Mr. CHILES, Mr. NUNN, Mr. EXON, Mr. ZORINSKY, Mr. DECONCINI, Mr. HEFLIN, Mr. HARRY F. BYRD, JR., Mr. COCHRAN, Mr. LONG, MR. PELL, Mr. HELMS, Mr. DENTON, Mrs. HAWKINS, Mr. EAST, Mr. PRYOR, Mr. SASSER, Mr. JOHNSTON, and Mr. SYMMS):

S. 1357. A bill to amend the Federal Rules of Criminal Procedure to provide consecutive sentencing for felonies committed while on bail for another offense; to the Committee on the Judiciary.

FELONIES COMMITTED WHILE ON BAIL

● Mr. BENTSEN. Mr. President, our current criminal justice system has created an intolerable situation that actually amounts to an incentive to commit a criminal act. Today I am joining with 21 of our colleagues to introduce a bill that will remove that incentive once and for all.

In our current system, when someone commits a crime and is arrested there is a fairly good chance that the offender will be released on his own recognizance or on bail until a trial date has been set. But most offenders do not sit around and patiently wait for their trial. Rather, many of them take this opportunity to go back out into the streets and commit yet another crime. They do this because the courts can, and often do, impose concurrent sentences for both crimes.

Therefore, if the criminals believe that they are likely to be convicted for an offense, they are actually encouraged to go out and commit another offense, knowing that if they are caught and eventually convicted of both crimes, they will only receive one prison term. This "two for one" bargain is an inducement few serious criminals pass up.

I propose to correct this situation by making a simple change in our criminal sentencing procedures. My bill will require that when an offender is convicted of two felonies, one committed while on bail for the other, the judge will impose the sentences consecutively rather than concurrently. This change should make it clear to the criminal that he will not be able to commit two crimes for the penalty of one—each new violation will bring a suitable and additional penalty.

How much crime would be reduced if my bill is enacted into law? One career criminal program indicates that more than 36 percent of the repeat offenders arrested were on bail for previous crimes. If even half of these offenders were discouraged from committing a second offense we could reduce the crime committed by career criminals by better than 15 percent. Other data support the value of this change.

A study of auto theft found that 65 percent of those arrested for auto theft were again arrested for auto theft while on bail; 40 percent of those arrested for larceny were again arrested while on bail; 33 percent were again arrested for robbery and 27 percent for burglary. If we could reduce each of these rates by even 50 percent we would be making tremendous inroads into the problem of ever increasing crime in America.

The sober statistics above indicate that our current system of criminal justice is not discouraging recidivism—it is actually encouraging it. We have an opportunity to make a change in our Federal criminal law which will reduce the rate of crime for Federal offenses and serve as a model for those State legislatures that want to reform their own codes.

Mr. President, I am hopeful that the committee and the Senate will be able to quickly make this change and end this "bargain basement" system of punishing criminals for their repeated violations.●

● Mr. SASSER. Mr. President, I am pleased to be a cosponsor of S. 1357, which can do so much to bring swift and sure punishment to the repeat offender.

Career criminals are the hard core of our national crime problem. They have little regard for the law, and are the ones primarily responsible for rising crime rates.

Crime statistics demonstrate again and again that it is the repeat offender who accounts for the bulk of auto thefts, robberies, and burglaries.

Our system of criminal justice must be swift and sure in meting out just punishment for the criminal. We simply cannot continue to tolerate a situation where these criminals use our bail procedures as a gateway to more crime.

S. 1357 is built on a simple proposition; abuse the bail system and you will pay the consequences. And in these times of increased national concern about crime, that is a proposition worth having in our criminal justice system.

I commend Senator BENTSEN for introducing this bill and I hope that the Judiciary Committee will take immediate action to favorably report this measure.●

● Mr. PELL. Mr. President, I am pleased to join Senator BENTSEN today in cosponsoring legislation I believe will go a long way toward deterring the commission of crimes by offenders who have been released on bail while awaiting trial. One of the most troubling aspects of the crime epidemic which is engulfing America is the number of crimes committed by persons who are on bail for the commission of another offense. It is clear that most offenders do not sit around patiently and wait for their trial; many of them are going out into

the streets and committing other serious offenses.

Senator BENTSEN's bill requires that when an offender is convicted of two felonies, one committed while on bail for the other, the judge must impose the sentences consecutively rather than concurrently. This needed change in the law will end the current practice where all too often the criminal is able to commit two crimes for the penalty of one.

The need for stronger measures to deal with the crime epidemic is evident in every State. In my own State of Rhode Island, crime increased statewide last year by over 7 percent, and, in the city of Providence alone, crime registered a 13.3 percent increase over the previous year. According to the Justice Department, the national increase in crime during 1980 was the biggest jump in a dozen years, and much of this crime was committed by repeat offenders.

Statistics show that 65 percent of those arrested for auto theft were again arrested for the same offense while on bail, and that 40 percent of those arrested for larceny were again arrested while on bail. The practice of concurrent sentences has actually encouraged repeat offenders, because they know that if they are caught and convicted of both crimes, the chances are good that they will receive only one prison term.

This is a difficult time for our law enforcement officials, who truly are our first line of defense for the protection of our families and friends. The public demand for more effective crime control is increasing, just as local budgets are stretched to the bone and limited Federal resources to assist law enforcement are being cut back or eliminated entirely. The best tool we can give to local law enforcement is to strengthen the hand of the prosecutors in their war against the repeat offenders who are responsible for so much of the drain on police and court resources. Senator BENTSEN's bill is an excellent model for the States, and sends a strong message to offenders released on bail. Mandatory concurrent sentences will end the practice of committing two crimes for the penalty of one, and I am pleased to join Senator BENTSEN in cosponsoring this excellent piece of crime prevention legislation.●

● Mr. DECONCINI. Mr. President, I am pleased to cosponsor legislation introduced today by my distinguished colleague from Texas, Senator BENTSEN. The legislation provides for mandatory consecutive sentences for criminals who commit a second felony while awaiting trial for a first. Such a measure is long overdue because of abuses in our judicial system which judges themselves have been reluctant to correct.

The congested condition of our courts and prisons has made long waits for trials commonplace. Criminals are sent back into society either on bail or on their own recognizance. Thus, an unsuspecting population has a horde of criminals in its midst who are essentially free to do as they wish. These released individuals form a cadre of criminals who have had an appalling impact on the overall crime rate. Affirmative measures must be taken to deal with this increasingly intolerable situation.

Punishment, Mr. President, is a deterrent to crime only so long as the criminal is reasonably assured that he or she will be apprehended and, if apprehended, punished. As long as the odds strongly favor either nonapprehension or nonpunishment, there is little incentive for criminal types to adhere to society's rules. Judicial laxness has virtually guaranteed to the criminal on bail that he or she will, in effect, receive no punishment for a felony committed while on bail. The reason for this is simple. Judges are generally inclined to condemn individuals convicted of a second felony while awaiting trial for the first to concurrent sentences. A concurrent sentence is the functional equivalent of no sentence.

The legislation that I join my distinguished friend from Texas in sponsoring would reverse this absurd practice. It would force judges to show the same consideration to the society which supports them as it does to the criminals they are supposed to judge. If an individual were convicted of a second felony while awaiting trial for another, the judge would be forced to impose consecutive rather than concurrent sentences for the two crimes. In other words, Mr. President, the legislation removes the "free ride" that criminals have been enjoying. Under our legislation, they must actually pay the penalty for their crimes.

As the Members of this body are painfully aware, the incidence of crime in America is again on the rise. Much crime is the result of complicated social factors, and quite obviously an intelligent society must attempt to deal effectively and compassionately with the conditions that may spawn antisocial behavior. But there are some causes or encouragements to crime that are within our ability to control and affect. This is one of them. Current practice practically invites the criminal to strike again. Our legislation would, at least, return the odds back to where they should be.

I urge my colleagues on the Senate Judiciary Committee to seriously consider this measure as soon as possible. And I hope the full Senate will pass the matter quickly to help protect the millions of law-abiding citizens who are unnecessarily preyed upon as the result of this type of judicial behavior.●

By Mr. LEVIN (for himself, Mr. ROTH, Mr. BAUCUS, Mr. BUMPERS, Mr. METZENBAUM, and Mr. RIEGLE):

S. 1360. A bill to provide for the formation of regulatory negotiation commissions; to the Committee on Governmental Affairs.

REGULATORY NEGOTIATION ACT OF 1981

● Mr. LEVIN. Mr. President, I am pleased to introduce along with my colleagues, Senators ROTH, BUMPERS, METZENBAUM, and RIEGLE, a bill which encourages and funds the use of a process called "regulatory negotiation."

The current approach to regulatory policymaking has evolved into a very adversarial and litigious process. Affected businesses, interested groups, and the regulatory agencies all tend to adopt conflicting postures during the promulgation and implementation of Federal regulations. It is not surprising that the policies and regulations which result are often considered inappropriate and ineffective both by businesses and interested groups, and that litigation and conflict appear inevitable. The resulting regulatory policy crisis has become so severe that innovative alternatives are needed to encourage a more cooperative and productive process, where as many common positions as possible can be reached and incorporated into the regulations.

One of the most exciting and promising new approaches is a process called "regulatory negotiation." Regulatory negotiation operates on the belief that industry and interested groups can sit down together and, with the aid of a "facilitator", attempt to fashion a consensus in areas of mutual concern. The basic notion is that if responsible people commit to find areas of agreement in a cooperative atmosphere, regulations can be designed which better meet true policy needs—and a lot of needless conflict and delay can be avoided in the process.

The need for such an approach is apparent. Regulations often create a great deal of anxiety among all parties who have a stake in their promulgation and implementation. Businesses often see regulations as limiting their profits and infringing on their freedom to function as they would want. Other interested groups believe that the public welfare will be sacrificed in the regulatory process and that they will not be heard. The regulators themselves are often required to attempt to interpret a broad statute and apply it to very specific circumstances with the result being that they are often unable to please any of the parties involved. Legislators, who thought the problem was solved when they adopted legislation, are faced with a continuing battle during the rulemaking and enforcement process.

In a recent Washington Post interview (February 8, 1981), Irving Shapiro, chairman of the DuPont Co. since 1974, aptly describes the adversarial nature of the current regulatory process:

> It seems to me the starting point is to recognize that the administrator and the industry need not be adversaries. They ought to have a common objective . . . And so I would make the case that if you get rid of the adversary approach and simply say we have a common objective—one as a representative of the public sector, the other as a representative of the private sector—we ought to sit down and talk about how to get from here to there. You very often would wind up with good answers . . . That doesn't happen very often. Instead the system says we must be adversaries . . .
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> What it is today, really, is an adversary procedure in which you've got single-issue groups on one side pressing the agency, you've got people in the agency pressing for their own viewpoint, and then you've got people in the industry pressing for their viewpoints, and each one is shooting at the other.
>
> Ultimately, you wind up in court and then work out the compromises afterward. And it seems to me perfectly wasteful and silly to say that you have to go through all that agony to do something that you should have been able to do at the beginning.

Attempts to use regulatory negotiation as an alternative have been successful in several areas. The most well-known use of the approach has been the national coal policy project (NCPP).

The national coal policy project was an outgrowth of the recognition that it was important for the United States to shift from oil and natural gas to coal. In order to accomplish this, there had to be a reconciliation of environmental and industrial interests.

At a July 1976 meeting, business representatives and environmentalists endorsed the regulatory negotiation concept and agreed to pursue important coal related environmental and energy policy issues. Initially, neither group was enthusiastic about the potential of such an approach, but both wanted something better. Those who took part did so as individuals—not as company representatives.

The participants used the following principles—called the rule of reason—to resolve differences and to develop workable solutions:

First. Data should not be held from the other side;

Second. Delaying tactics should not be used;

Third. Tactics should not be used to mislead;

Fourth. Motives should not be impugned lightly;

Fifth. Dogmatism should be avoided;

Sixth. Extremism should be countered forcefully—but not in kind; and

Seventh. Integrity should be given first priority.

The Georgetown University Center for Strategic and International Studies (CSIS) served as the neutral meeting place for project participants. It also raised funds and provided administrative support for the project. The project itself was financed by grants and contributions from foundations, Government agencies, and industry. Expenses of participants representing environmental concerns were paid from foundation and governmental contributions.

Five task forces were established to cover coal policy issues: Mining; transportation; air pollution; fuel utilization and conservation; and energy pricing. Each side was equally represented. Each task force was assigned the responsibility for developing recommendations on its issues.

The selection of task force participants and chairpersons was accomplished by each caucus—industry and environmental. These individuals were to be selected based on expertise in the task force's issues, intent to follow rule of reason, and respect of their peers.

The governing body for the project was called the plenary group which consisted of task force cochairmen and vice cochairmen, the national coal policy project cochairmen and the plenary chairman. The duties of the plenary group were: To define the nature and scope; to provide guidance; to review and finally approve task force recommendations; and to resolve task force disputes.

All of the 200 task force recommendations were not unanimously achieved. However, 90 percent were: The really hard issues were debated until consensus was reached, while in a few cases, there was none.

The NCPP report found that the project was very successful in dispelling stereotypes:

> Quite apart from the substance of the recommendations, the project has been valuable in dispelling stereotypes. Those environmentalists who had previously regarded the position of industry on environmental and energy issues as being monolithic and intransigent were rather quickly disabused of that notion. This was largely because of the differing perspectives of the industry members. For example, producers of fuel, regulated utilities, and industrial users of large quantities of energy each tended to have different interests and views on questions of energy pricing.
>
> In a similar fashion, those industrialists who expected the environmentalists to be opposed to economic growth and to the introduction of new technology, and in favor of governmental rather than marketplace decisions on the allocation of resources, were pleasantly surprised to find that their suppositions were incorrect. The environmentalists opposed a pattern of growth that produced a wasteful use of natural resources and an environmental impact which they felt was unacceptable; they did not oppose economic growth in itself. They welcomed new technology that would serve to increase efficiency and reduce adverse environmental impacts and demands on natural resources. They preferred marketplace decisions to economic regulation by government when markets were workably competitive; when this was not the case, or when important (external) environmental and social impacts were not properly valued in the market, the environmentalists were eager to explore methods of influencing the market (as with emission charges) so that the desired goals would be achieved while retaining the advantages of keeping detailed decisions in the private sector.

The report further states:

> We are not proposing that the process of discussion and negotiation in which we have participated should replace the adversary process. Indeed many of the policy recommendations on which we have agreed would have to be implemented through the traditional adversary system; that is, they require action by legislative and judicial bodies . . . there are others that simply do not lend themselves to negotiated agreements . . .
>
> We believe, however, that exclusive reliance on adversarial processes is likely to produce decisions that are less desirable (from the point of view of either of the parties) than those in which a common position serving both interests could have been agreed to in a non-adversarial context.

The coal policy project's recommendations have received agency support by the Office of Surface Mining and the Federal Energy Regulatory Commission. The first has adopted word-for-word project recommendations with respect to bonding concerns and operations. FERC has adopted the coal generation and small power recommendations.

Also, two bills were introduced in May 1980: H.R. 7464 and H.R. 7465, which adopted recommendations that called for the use of incentives to develop pollution control technology and the development of plant siting procedures.

Regulatory negotiation has been tried in the toxic substances area as well. The conservation foundation was involved in this approach during the implementation of the Toxic Substances Control Act.

Specifically, 12 to 14 business persons and environmentalists met to discuss the training of toxicologists; the testing of new chemicals and the prioritizing of what chemicals should be tested, and determining the nature and scope of agency followup on the chemical after it reaches the market.

With respect to the testing of new chemicals, the conservation foundation's committee made four recommendations:

First. That a conceptual framework for a testing program be developed to test chemicals using a tier system;

Second. That all relevant aspects of the potential impacts on human and animal health be tested, starting with inexpensive tests and ending with more complex tests;

Third. That the tests within each tier be required on a selective and necessary basis; and

Fourth. That tier 0—the first tier—should be viewed as a minimal test—therefore, all substances should be tested under the first two tiers at a minimum.

EPA is now developing guidelines—regulations—to effectuate the first recommendation.

In the area of labor relations, regulatory negotiations have emerged as well. For example, the Joint Labor Management Committee for the Retail Food Industry utilized the process to reach an agreement on an OSHA regulation for protective equipment for employees in the meat department of supermarkets. This consensus took several months of hard work, but once labor and management agreed, the two groups were able to reach agreement with OSHA to everyone's satisfaction.

On July 29 and 30, 1980, the Subcommittee on Oversight of Government Management, of which I was then chairman, and the Select Committee on Small Business, of which I am a member, held hearings on the regulatory negotiation approach. We received testimony from representatives of both the private and public sectors who have had specific experiences in regulatory negotiations, including the Georgetown Center for Strategic and International Studies, the national coal policy project, the conservation foundation, and EPA. These witnesses supported regulatory negotiation as a valuable aid to achieving more flexible and workable regulatory policy and suggested ways to strengthen the process.

The bill reflects many of these suggestions.

Essentially, it creates a pilot project to fund and encourage the voluntary formation of regulatory negotiation commissions. These commissions are to be composed of balanced interests representing industry and nonindustry groups, labor, State and local officials or others with a vital interest in the area being reviewed. These commissions are to develop recommendations representing a consensus of the commission participants.

The bill gives the chairman of the administrative conference the responsibil-

ity for administering the pilot project and authorizes the funds necessary to pay the administrative costs of up to 10 regulatory negotiation commissions during fiscal years 1982 and 1983. Specifically, the chairman must announce the availability of grants in the Federal Register. Grants are available for projects in the areas of health, safety, and the environment—when a major law has been enacted but proposed rules and regulations have not been issued; when final rules and regulations have been issued, but are likely to be significantly revised; or when basic statutory changes are contemplated. It is my belief that regulatory negotiations will be most productive at these stages of the regulatory process—that is, before the affected parties have staked out seemingly irreversible positions.

Individuals with an identifiable interest in a regulatory area selected by the chairman can make application for a grant according to the conditions stated in the act. The chairman may approve such application only if there is a reasonable likelihood that negotiation will expand the existing areas of consensus among the affected parties, increase cooperation and develop regulatory policy alternatives.

The chairman also must determine whether a commission has properly balanced representation. If it is determined that a commission is not properly balanced, the chairman may include additional members.

The bill also indicates the manner in which grants may be used as well as the reporting responsibilities of each commission at the completion of its negotiations.

Agency participation is limited to observer status. Observers provide information, but are nonvoting and nonnegotiating participants.

Upon receipt of commission reports, the agency must comment on the report within 60 days.

The national coal policy project and toxic substance activities show that vital progress can result from regulatory negotiation. Yet despite the promise this approach holds, its use has been limited. The failure to use it more stems in part from our traditional reliance on adversarial proceedings and in part from costs involved in the process.

Expanding its use will require some encouragement from the regulators. Private parties need to know that funds to meet the costs of negotiation are available, since many vital public and some industry interests could not otherwise afford to participate, that the Government will take the process' results seriously, and that the negotiations will be fairly and impartially structured so that all points of view can be effectively represented.

The program envisioned in this bill will give the concept the impetus and initial funding it needs and deserves, while at the same time providing a laboratory to refine the process where needed. Moreover, in the next few years, several major regulatory policy decisions will be made in areas such as the impact of air and water quality rules on the steel industry and the more effective regulation of chemical wastes, to name a few. Certainly, the time for a less adversial and more productive approach to regulatory policymaking can be no more urgent than it is now.

I might also note that Congressman PEASE of Ohio has also introduced a companion bill on the House side which is very similar to this bill.

Within the coming weeks, Senator ROTH, my distinguished colleague from Delaware and chairman of the Governmental Affairs Committee, will also be introducing a bill entitled "The Regulatory Procedures Reduction Act of 1981." Our bills do differ in key aspects, particularly on the degree of agency participation in regulatory negotiation, and on the manner in which courts review rules derived through regulatory negotiation.

Senator ROTH and I both share a strong commitment to the concept of regulatory negotiation although we differ on precisely how use of the concept can be best achieved. Senator ROTH and I both believe that an alternative approach to the current purely adversarial process is sorely needed. We view regulatory negotiation as a unique opportunity to foster more effective and appropriate regulations and to reduce conflict and delay in the regulatory process. We look forward to working together and to sharing the leadership needed to further the regulatory negotiation concept.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD, together with articles from the August 23, 1980 Providence Journal Bulletin and the November-December 1980 Bulletin of the American Association of Motor Vehicles Administrators urging that this bill be adopted by the Senate.

There being no objection, the bill and articles were ordered to be printed in the RECORD, as follows:

S. 1360

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Regulatory Negotiation Act of 1981".

TITLE I—GENERAL PROVISIONS

FINDINGS

SEC. 101. The Congress finds and declares that—

(1) Government regulation of the economy has increased rapidly in recent years due to an increased awareness of the environmental, social, and health effects of a variety of economic practices;

(2) although this increased regulation has commendable purposes, it has frequently resulted in contradictory, inefficient, unjustifiably expensive, and often counterproductive requirements;

(3) unnecessary regulation has reached a level that is having a significant adverse effect on the economy;

(4) ineffective regulation has prevented the attainment of important national goals in the areas of the environment, health, and safety;

(5) some of these problems of Government regulation are attributable to the adversarial process of setting regulatory policy, a process in which the best solutions to problems are often ignored by all sides in a dispute in order to maintain their bargaining positions; and

(6) this adversarial regulatory process frequently ignores the expertise and understanding of people working in the affected areas.

PURPOSE

SEC. 102. The purpose of this Act is to establish a pilot program to encourage the voluntary formation of regulatory negotiation commissions as an alternative to the adversarial process of establishing regulatory policy. Commissions receiving assistance under this Act shall be composed of a balanced representation of industry, public interest groups, labor, State and local officials, or other participants with a vital interest in the areas under consideration by the commission, and shall meet to negotiate recommendations on regulatory policy which represent a consensus of the viewpoints of the participants in the commission.

DEFINITIONS

SEC. 103. For purposes of this Act—

(1) the term "regulatory negotiation commission" means a group formed on a voluntary basis by private individuals and organizations to study one or more regulatory policies which (A) contains representatives of all or most of the major positions on the issues under consideration by the commission, and (B) attempts, through negotiation, to reach recommendations on regulatory policy which represent a consensus of the viewpoints of the participants in the commission;

(2) the term "Conference" means the Administrative Conference of the United States;

(3) the term "Chairman" means the Chairman of the Conference; and

(4) the term "agency" has the same meaning as in section 551(1) of title 5, United States Code.

TITLE II—FUNDING FOR REGULATORY NEGOTIATION COMMISSIONS

PILOT PROJECT AUTHORIZED

SEC. 201. (a) In order to carry out the purposes of this Act, the Chairman of the Conference shall establish a pilot program to make available funds for the creation of five regulatory negotiation commissions to be funded in each of the fiscal years 1982 and 1983. Funds made available under this Act shall be for the payment of administrative expenses of regulatory negotiation commissions, shall remain available without fiscal year limitation, and may be augmented by funds from non-Federal sources.

(b)(1) By April 1, 1982, the Chairman shall announce, through publication in the Federal Register and through notices to appropriate journals, newsletters, and other media, the availability of funds under this Act, and shall take whatever other reasonable steps are necessary to provide notice to the public of such funds. The announcement required by the preceding sentence shall specify the areas of regulatory policy for which applications for funds for regulatory negotiation commission projects will be accepted. The Chairman shall only make funds for such projects for matters pertaining to regulatory policy in the areas of health, safety, and the environment, and for which—

(A) a major law has been enacted, but proposed rules and regulations have not been issued;

(B) final rules and regulations have been issued, but are likely to undergo major revision; or

(C) basic statutory changes are contemplated.

(2) The selection of areas of regulatory policy for regulatory negotiation commission projects under this Act shall be at the discretion of the Chairman and shall not be subject to judicial review.

(c) Individuals and organizations with an identifiable interest in any regulatory area selected by the Chairman under subsection (b) may make an application to the Chair-

man for a funding under this Act. Each such application shall—

(1) be signed by all proposed members of a regulatory negotiation commission applying for funding;

(2) include a description of the regulatory area to be discussed, the need for a regulatory negotiation commission in such area, a proposed membership list for the commission and justification for that list, proposed rules for the operation of the commission, a statement of purpose for the commission, a proposed time period for the completion of the work of the commission, and an organization plan and an agenda for the commission;

(3) contain a written commitment signed by all proposed members of the commission to negotiate the issues under consideration in good faith, and to produce a report on the negotiations within a time period appropriate to the regulatory area under consideration; and

(4) include such other matters as the Chairman may by rule require.

(d)(1) The Chairman shall only approve an application under this Act if the Chairman determines that there is a reasonable likelihood that the regulatory negotiation commission applying for funds under this Act—

(A) is able to produce a report that will significantly expand the existing area of consensus among major affected parties in a regulatory area;

(B) is able to significantly increase cooperation between such parties;

(C) will include a balanced representation of the major affected interests in an area, including business and public interest organizations, in accordance with subsection (e)(1); and

(D) can recommend policy alternatives that will provide significant improvements over existing policy.

(2) A determination of the Chairman under this Act with respect to an application shall be at the discretion of the Chairman and shall not be subject to judicial review.

(e)(1) In determining whether a proposed commission meets the requirements of subsection (d)(1)(C), the Chairman shall consider whether the regulatory negotiation commission applying for funds under this Act contains sufficient representation of the major positions of interest in the area of regulatory policy to be considered by the commission in order that each such interest is able to effectively express its views during the deliberations of the commission. The Chairman may not approve an application for funds under this Act—

(A) in the case of a regulatory negotiation commission which will consider regulatory policy in the area of the environment, unless at least one-third of the members of the commission are representatives of business and at least one-third of such members are representatives of environmental organizations;

(B) in the case of any regulatory negotiation commission which will consider issues relating to the health and safety of workers, unless at least one-third of the members of the commission are representatives of workers; and

(C) the Chairman is satisfied that major interests other than the interests specified in subparagraphs (A) and (B), including, labor, consumer organizations, and State and local officials who have a significant contribution to make to the commission are provided with an adequate opportunity to make such contribution.

(2) In order to achieve a balanced representation of interests in a regulatory negotiation commission, the Chairman may suggest to an applicant for a grant under this Act additional members for inclusion in the regulatory negotiation commission to be supported by such grant. An applicant is not required to include members suggested by the Chairman in the commission and the Chairman may not deny an application under this Act for failure to include any such suggested member unless the Chairman determines that excluding such additional member will substantially impair the ability of the applicant to meet the requirements of subsection (d)(1)(C) and paragraph (1) of this subsection.

(f) Funds made available under this Act may be used—

(1) to employ an administrative director for a regulatory negotiation commission, who—

(A) shall be responsible for the administrative operation of the commission and such other mediative or facilitative duties as the commission finds appropriate;

(B) shall not represent any member of the commission with respect to a particular viewpoint in a regulatory area;

(C) shall be compensated at a rate which is not in excess of $45,000 per year; and

(D) shall not be considered an employee of the Federal Government;

(2) to pay travel expenses and per diem expenses for the administrative director;

(3) to pay all other administrative expenses of the regulatory negotiation commission, including but not limited to expenses for duplication of materials, telephone, postage, clerical assistance, and for printing of commission documents.

(g) Funds made available under this Act shall be used for no other purpose unless expressly authorized by the Chairman.

(h) Each commission receiving funds under this Act shall issue a report at the conclusion of its negotiations outlining areas of consensus, areas of disagreement, and recommendations, and containing any background material the commission may consider appropriate.

(i) Any regulatory negotiation commission receiving funds under this Act may change its membership, rules, or agenda at its discretion if the commission submits each such change to the Chairman for review. If the Chairman determines that any such change will substantially impair the ability of the commission to carry out the purposes of this Act, the Chairman may (1) suggest additional changes to assure consistency with the purposes of this Act, or (2) require the commission to repay the Government any funds provided by this Act which have not been obligated or expended. The Chairman may not require a commission to make repayment under this subsection unless the Chairman determines that efforts to assure consistency with the purposes of this Act have failed.

(j) Any meeting of a regulatory negotiation commission receiving funds under this Act shall be open to the public unless a majority of the commission members vote to close the meeting. All open meetings shall be announced at least 15 days prior to their occurrence in the Federal Register and a record shall be prepared of such meetings.

(k) By April 1, 1982, the Chairman shall issue rules and regulations to carry out the provisions of this section.

GOVERNMENT PARTICIPATION IN COMMISSION NEGOTIATIONS

SEC. 202. An agency shall send an observer to any regulatory negotiation commission requesting an observer. An agency observer shall report to the agency concerning commission activities, shall provide information to the commission, and may make suggestions to the commission. An agency observer may not negotiate regulatory policy positions on behalf of his agency, and the view of the agency observer shall not be considered to represent the formal position of his agency. An agency observer may not be present at a closed meeting of a regulatory negotiation commission.

GOVERNMENT COMMENTS ON COMMISSION REPORTS

SEC. 203. (a) An agency shall comment on the report of a regulatory negotiation commission receiving funds under this section within sixty days after the receipt of such report, except that in any case in which proposed regulations are pending with respect to an issue considered by a commission, any agency shall make such comments within thirty days after the issuance of final regulations with respect to such issue.

(b) Agency comments on commission reports shall be transmitted to all appropriate committees of Congress for potential review and action.

(c) All Federal agencies engaged in the areas of health, safety, and environmental regulation shall assure that the recommendations and reports of any regulatory negotiation commission which is voluntarily established by private parties and is not receiving a grant under this Act are seriously reviewed by the appropriate agencies.

TITLE III—MISCELLANEOUS

EXEMPTIONS

SEC. 301. (a) The provisions of any law or rule relating to prosecution for ex parte communications shall not apply to any communications between an agency of the Federal Government and any regulatory negotiation commission.

(b) Except as may be provided by rule promulgated by the Chairman, the provisions of sections 553 through 559 of title 5, United States Code, and the Federal Advisory Committee Act do not apply to any regulatory negotiation commission receiving funds under this Act or the report of any such commission, the participation of agency observers in any such commission, the response of agencies to the recommendations of any regulatory negotiation commission, and any other function to carry out this Act or regulations promulgated pursuant to this Act.

CONFORMING AMENDMENT

SEC. 302. Section 575(c) of title 5, United States Code, is amended by striking out "and" at the end of paragraph (14), by striking out the period at the end of paragraph (15) and inserting in lieu thereof a semicolon and "and", and by inserting after paragraph (15) the following new paragraph:

"(16) make grants under the Regulatory Negotiation Act of 1981.".

REPORT TO CONGRESS

SEC. 303. By January 1, 1984, and at such other times as he finds appropriate the Chairman shall report to the Congress on the pilot program established pursuant to this Act, including an analysis of the activities of regulatory negotiation commissions supported pursuant to this Act and such recommendations the Chairman finds appropriate for further action to expand the use of such commissions.

AUTHORIZATION OF APPROPRIATIONS

SEC. 304. To carry out the purposes of this Act, there are authorized to be appropriated to the Administrative Conference of the United States such sums as may be necessary.

CONGRESS MULLS A SOUND REFORM TO THE REGULATORY PROCESS

While Congress has been struggling for the past several years with the idea of deregulation, some members are beginning to question the whole regulatory process. Testimony before congressional committees has shown how an agency, created as a watchdog to stop foxes from stealing chickens, can evolve into a fatcat with its own appetite for chickens.

All of this got some congressmen to thinking that someone ought to be watching the watchdog. Out of this line of reasoning has sprung a new bit of jargon—"reg-neg," standing for regulatory negotiation—and a

bill, currently being written by three senators, that could evolve into a governmental reform along the order of sunset legislation and congressional budgetary review.

The senators hope their idea would help prevent the confrontations caused by regulations hatched in bureaucratic cloisters, and laid on industry as a fait accompli. The examples are familiar and legion: The EPA sets new standards of environmental purity. The CAB adopts a new fare schedule, or the FAA adopts a new air safety code. The FDA determines that a chemical substance is carcinogenic, bans it, then changes its mind after industry has spent huge sums developing alternative substances.

Arbitrary changes in regulations and masses of paper work create a pervasive negative attitude within the business community toward government. Billions of dollars are lost to the national economy every year from arbitrary decisions imposed on industries, sometimes justifiably and sometimes not. Millions of man-hours are lost fighting cases through boards of appeal and the courts. And many a firm has had its name irrevocably stigmatized by charges from government agencies which later proved unfounded.

The group of senators hope their new bill will transform the regulatory process from an adversary procedure to a cooperative one. They seek to set up a pilot program of panels in several regulatory agencies. The panels, made up of business, labor and public-sector representatives would have a say in policy direction, checking out proposed new regulations for potential trouble spots and trying to work the problems out before they happen.

The aim is to ensure that regulations are based on objective data rather than on bias or incorrect assumptions, to keep costly paperwork to a minimum, and to work out in advance potential direct conflicts between public policy and private practice so as to eliminate time-wasting and costly litigation later on.

Is this approach practical? A similar system has worked in Japan—admittedly a dissimilar society—and supporters cite a precedent in this country, the National Coal Policy Project.

"Reg-neg" would take deregulation one step forward. Useful as that effort has been, its results are limited because it attempts to dismantle structures already in place. As anyone who has tried to change bureaucratic ways has learned,—including every president in recent memory—bureaucracies are enormously resistant to change. If "reg-neg" can minimize the perceived threat, and therefore the resistance, by working within and as part of the bureaucratic structure, a major cause of the distrust and disillusionment that has grown between the private sector and government might be removed.

It's certainly worth a try. The Senate should pick this one up and run with it.

THE EXECUTIVE DIRECTOR

(By Donald J. Bardell)

The 96th Congress has adjourned, *sine die*, and the bills that it enacted are a matter of record. However, there were some measures that came before the lawmakers during this session—and for a variety of reasons not passed—that seemingly offer considerable merit.

Such is the case, in our judgment, with the concept underpinning the proposed Regulatory Negotiation Act of 1980 (S. 3126), which has become more commonly known among congressional observers as "Reg/Neg."

The purpose of the Reg/Neg bill is to establish a pilot program to encourage the voluntary formation of regulatory commissions as an alternative to the adversarial process of establishing regulatory policy—which currently is so prevalent throughout the federal government.

The proposed legislation would authorize establishment, under the Administrative Conference of the United States, of up to five pilot regulatory negotiation commission projects, in the area of health, safety and the environment for which (a) a major law has been enacted, but proposed rules and regulations have not been issued; (b) final rules and regulations have been issued, but are likely to undergo major revision; or (c) basic statutory changes are contemplated.

These regulatory negotiation commissions would be composed of a balanced representation of industry, public interest groups, labor, state and local officials, or other participants with a vital interest in the areas under consideration by the commission. They would meet to negotiate recommendations on regulatory policy—such as highway and motor vehicle safety, fuel efficiency, and clean air standards—which represent a consensus of the viewpoints of the participants in the commission.

The AAMVA and its state jurisdictional members have long maintained that being limited to commentary on proposed rules and regulations after they are published in the Federal Register—without any opportunity to provide input during their formative stages in the federal agency—tends to set-up an adversial process with respect to the development of virtually all federal rules, regulations and standards.

This places AAMVA and the states—or anyone else petitioning for a change in a proposed federal rule, regulation or standard—in the position of seeming to critically attack and undermine a measure that dedicated federal civil servants, with a measure of expertise in the area in question, have spent hours in developing. On the other hand, the federal agency is placed in a position of "pride of authorship"—to defend the product that it and its staff of experts have developed. Consequently, the adversial process ensues.

The congressional findings embodied in the Reg/Neg bill very perceptively point out: "(This) adversarial regulatory process frequently ignores the expertise and understanding of people working in the affected areas."

Furthermore, the ineffective (or unneeded) regulation that ensues from this adversarial process has often prevented the attainment of important national goals in the areas of the environment, health, and safety, the findings stress.

Our Association suggested a consultative process similar to the concept embodied in the Reg/Neg bill on motor vehicle theft prevention legislation (HR 4178), when we testified at hearings held by the House Committee on Interstate and Foreign Commerce.

In order to ensure a meaningful consultative process in the development of motor vehicle security standards that would have been authorized by the proposed vehicle theft prevention legislation, the AAMVA suggested an amendment that would have directed the Secretary of Transportation to develop a consensus with the named organizations with which the legislation directed him to consult. In addition, the AAMVA further suggested that the Secretary consult with other groups and individuals interested in, or affected by, the motor vehicle theft problem.

Had such a regulation negotiation concept—embedded in the development of a consensus among those impacted—been in effect when the National Highway Traffic Safety Administration promulgated the Federal Motor Vehicle Safety Standards on a uniform Vehicle Identification Number (VIN), it would not have been possible for the federal agency to propose a VIN Standard that was at the time opposed by all 50 states, as well as significant segments of the private sector. This actually was done, despite the fact that state motor vehicle and traffic law enforcement agencies are the principal users of VIN information.

Time constraints in the waning days of the 96th Congress prevented a full consideration of the proposed Reg/Neg legislation by the lawmakers. Consequently, it was not enacted. However, the AAMVA believes that the concept on which Reg/Neg was based is one that is meritorious; and perhaps one for which the time for careful consideration is at hand in the 97th Congress.

If the concept inherent in Reg/Neg can make a significant contribution toward ameliorating the adversarial regulatory process that seemingly is so pervasive in federal/state/private sector relations, the effort will have been well worthwhile.

By Mr. HATCH (for himself, Mr. QUAYLE, Mrs. HAWKINS, Mr. DENTON, Mr. EAST, Mr. SYMMS, Mr. HELMS, and Mr. GARN):

S. 1361. A bill to amend title IX of the Education Amendments of 1972 relating to sex discrimination; to the Committee on Labor and Human Resources.

AMENDMENT OF EDUCATION AMENDMENTS OF 1972 RELATING TO SEX DISCRIMINATION

Mr. HATCH. Mr. President, I rise today to address one of the most abused relationships to be found in our society. I refer to the delicate and complex relationship between the Federal Government on the one hand and State and local institutions on the other. This relationship—expressed by the term "federalism"—is unique in its division of authority and responsibility. It commits to the jurisdiction of the National Government certain specified national concerns and reserves all else to State and local governments or to individuals and private organizations as the case may be.

Over the past 200 years we have come to recognize the wisdom of this arrangement in preserving individual and local governmental liberty during an age devoted to centralization, bureaucracy, and national prescription in nearly every facet of our lives. We have seen the relentless encroachment of Federal statutes and regulations sap our initiative, hamstring our State and local governments and private organizations, and rob us at the national level of that one blessing we must have in order to govern well—the confidence, love, and respect of our people.

Federalism is truly the sail which harnesses the collective energies of our people, but for some time now it has been poorly set to the wind.

The balance which invigorates our Federal system has been disturbed, sacrificed by those whose zeal for what they label goals of national policy overcame their respect for our constitutional constraints. The sixties and seventies saw the ascendancy of these reformers who were so single minded that they advocated the most extreme and tenuous extensions of Federal authority in order to serve their ideals. Theirs was a classic "ends-justifies-the-means" movement, whose slogan was expediency. These decades also recorded the unfortunate compliance of legislators and judges who, in the name of progress, effectively dismantled much of that Federal system.

Finally, however, the people have spoken—it is time for a change, not just in the people who fill positions, but in

the concept of Government in the eighties. It is time to realize that there are some areas, more areas than not, where the Federal Government should not act and where its intervention is counterproductive if not constitutionally unwise. It is time to realize that there are some things, even worthy things, the Federal Government just cannot and should not do, though it could in fact do them through the abuse of its power. Nowhere has the Federal Government's interventionism left a sorrier legacy than in the area of education, a field long considered especially suited for local control.

Says Prof. Joseph Adelson of the University of Michigan in an article printed in the March issue of Commentary, speaking of the loss of discipline in public schools and of their resulting loss of public confidence:

> Perhaps the most important source of the school's diminished authority is the growth—I am tempted to say the cancerous growth—of judicial and bureaucratic intervention, generally at the Federal level. . . . It is an extremely troublesome development, since neither the courts—given their adversarial style—nor the bureaucracies—given their tendency toward Byzantine inefficiency—are the appropriate forum for the discussion or the making of education decisions . . .
>
> In short, all the three branches of Government, and furthermore separate or overlapping or competing units within these branches, take it as their privilege to intervene in education. They do so with almost no regard to the financial costs involved. And once they have done so, their decisions, however erroneous or short-sighted these turn out to be in practice, prove nearly impossible to modify or rescind.
>
> Thus the authority of education—at all levels—is weaker today, far weaker, than any other moment in memory. The schools do not fully govern themselves; they do not freely choose their own goals; they are not guided by their own values.

Indeed our schools often are not guided by any values other than those sanctified by publication in the Federal Register.

On the national level education has departed from basic values. We have indulged in a species of social fanaticism which led us to believe that American society should and could be reshaped in a particular mold by the brute imposition of Federal wealth and power upon local schools, colleges, boards of education, indeed upon individual students and families.

Now is the time to reassess that course. The proud sail of federalism is flapping feebly in the wind, and we feel we drift powerless as the allegiance, the devotion of our citizens for their Government fade.

The Federal Government has a role to play in education: The role of facilitator, support, resource; not the role of headmistress, enforcer, despot. We have before us an opportunity to turn our feet again to the path of reason. I am introducing a bill which makes a limited but significant start in restoring restraint to Federal involvement in education. The subject is title IX of the Education Amendments of 1972, which prohibits sex discrimination in activities which receive Federal financial assistance.

I support the idea that women and girls should receive fair and evenhanded treatment in our schools. But both bureaucratic and judicial interpretations of title IX have wandered far from its original intent; it has become a showcase of Federal intervention at its worst.

Title IX's intent is to prevent Federal funds from being used in an activity characterized by discrimination on the basis of sex.

The authority of the Department of Education to issue regulations and withhold Federal funds is accordingly limited in the statute to the particular program or activity so affected. As has been pointed out by Janet Lammerson Kuhn in perhaps the most careful published analysis of these issues, this "program-specific" approach is clearly indicated by both the language of title IX and by its legislative history and context. ("Title IX: Employment and Athletics Are Outside HEW's Jurisdiction," 65 Georgetown L. J. 49, 67–70 (1976).)

In other words, the interests of the Federal Government in this area flow only as far as its money. As originally reflected in title IX's intent, we here in Congress have no justification in this area for regulating education programs or activities which receive no Federal funds; and it is open to question to what extent we should wisely regulate those activities which do receive Federal moneys.

So far, so good. But the Department of Education and its predecessors, in a protracted pilgrimage to the shrine of social activism, have sought to make title IX the irresistible engine for bulldozing from the school halls of our Nation practically all distinctions based on sex. It has been made an efficient instrument for stamping the rules of statistical equality upon the forehead of every school administrator, teacher, and student in America.

How is this done? The Department of Education has in the past decreed that title IX governs all activities at any school or education institution which in any one of its programs or activities benefits, I repeat, benefits from Federal assistance, or at any school one of whose students receives, for example, a guaranteed student loan. Now where in this Nation is there a school without an activity which does not somehow benefit from Federal assistance under this test?

The possibilities for expanded jurisdiction through these nonstatutory definitions are almost limitless and have been thoroughly explored in the regulations. What facet of federalism, what practice of sound administration, what principle of fairness requires the Federal Government to subject to hundreds of pages of regulations the entire range of activities of a school whose modern language program has received a hundred dollar grant or whose only Federal contacts are the loans extended its students?

Further, the Department of Education has made itself the guardian of sex equity in employment at institutions it regulates, despite the fact that the drafters of title IX intended that this facet of employment be governed by amendments enacted to the Equal Pay Act of 1963, administered by the Department of Labor, and to title VII of the Civil Rights Act of 1964, now administered by the Equal Employment Opportunity Commission. It was never their design that sex equity in the education job market be administered by the Department of Education through title IX as codified at 20 U.S.C. 1681–82. For further elaboration I again defer to Mrs. Kuhn's treatment of this issue in the same article I have cited before (pp. 49–62).

These regulatory results are not required by the statute and are not prudent as a matter of policy. Though we have hope for a modification of these policies under the current administration, abuses of the past will never be conclusively laid to rest without amendment of the act itself. The amendment I propose reforms the regulations and restores reasonable limits to title IX's reach. It has four purposes:

First, to reinforce the "program-specific" nature of title IX's prohibitions, and limit regulations accordingly.

Second, to shift the administrative focus of the law to programs and activities which receive Federal financial assistance, as stated in the statute, and away from financial aid to students. The amendment would dispose of the issues in the Grove City College versus Harris case, currently in litigation, in which the Department of Education has contended that Federal aid to a student is sufficient by itself to subject to title IX all the activities of whatever school he or she decides to attend.

Third, to expressly restrict the scope of the act to those who are or have applied to be students, not faculty.

Fourth, to, for the first time, expressly acknowledge jurisdiction of the act over admissions to institutions conducting one or more federally assisted activities, in order to insure nondiscrimination as to that activity.

This amendment is not intended as an exhaustive overhaul of title IX or its regulations. Though it addresses some of the worst abuses which have developed, there are sure to be other areas that would profit from review as well. Yet, this amendment will serve notice that Congress will not sit idly by while words are placed in its mouth by a verbose bureaucracy. It will save untold dollars and personnel hours taken from education service delivery and diverted to satisfying the unreasonable inquiries and requirements of those who have administered title IX.

It will preserve local and State freedom of action while protecting legitimate Federal interests. It will help restore confidence in the capacity of our National Government to exercise self-restraint. It will begin to dispel from the vital enterprise of education that atmosphere of antagonism and distrust which has impeded cooperation among Federal, State, and local authorities.

It is time to get back to basics: The basics of teaching our youth the essential skills they need to become happy, productive, informed citizens; the basics of encouraging, not stifling that variety and individuality which must enrich our

society if we are to resist the pressures toward enforced conformity and authoritarianism in the name of efficiency which we see in so many other nations.

Title IX is an example of good intentions gone awry. In their zeal to eliminate sex discrimination in education the Department of Education and its predecessors in the past have overstepped their bounds. To quote Mrs. Kuhn in conclusion: "The end of equal educational opportunity does not justify the assumption of legislative functions by an executive department."

Mr. President, I ask unanimous consent that the text of this salutory amendment be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1361

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the matter preceding clause (1) of section 901(a) of the Education Amendments of 1972 is amended—

(1) by inserting after "United States" the following: "who is a student";

(2) by inserting "which itself" after "activity";

(3) by deleting "receiving" and substituting therefor "receives"; and

(4) by inserting after "Federal financial assistance," the following: "and no person who has applied for admission to any educational institution or organization conducting for the benefit of its students any such Federally assisted program or activity shall be denied admission to such institution or organization on the basis of sex,";

SEC. 2. Section 901 of the Education Amendments of 1972 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) In order to carry out the policy of the United States that Federal jurisdiction under this title affecting the policies and practices of educational institutions or other organizations conducting education programs or activities shall not exceed the extent of Federal financial assistance—

"(1) this title applies only to those education programs or activities conducted by an educational institution or organization which programs or activities themselves receive Federal financial assistance which a Federal department or agency is expressly authorized by statute to extend by way of grant, loan, or contract other than a contract of insurance or guaranty; and shall not apply to any education program or activity to which the department or agency is not expressly authorized by statute to extend Federal financial assistance, or which does not itself receive such assistance, regardless of whether: (A) the program or activity is within the same educational institution or organization, or administrative unit or subunit thereof, as a program or activity which does receive such assistance, (B) is deemed to benefit from assistance received by any other such program or activity, or (C) is otherwise related to such a program or activity; and

"(2) nothing in this title shall be construed to make its provisions applicable to any education program or activity of, or to the admissions practices of, any educational institutional or organization because any of its students receives Federal financial aid to assist in financing his or her education, by way of scholarship, grant, loan, wages, reimbursement or otherwise, regardless of whether such aid is received through the institution or organization; except that if the educational institution or organization has substantial responsibility for administering a Federal student aid program and has discretion to determine which students will receive the aid, the institution or organization shall not, unless pursuant to express Federal statutory authorization, discriminate on the basis of sex in the award of aid under such aid program."

SEC. 3. Section 901(d) of the Education Amendments of 1972 (as redesignated by section 2 of this Act) is amended by adding at the end thereof the following new paragraphs:

"(2) For purposes of this title 'Federal financial assistance' means only financial assistance by way of grant, loan or contract other than a contract of insurance or guaranty, extended pursuant to a Federal statute expressly authorizing such assistance, to an education program or activity which itself receives the assistance. Without limitation, 'Federal financial assistance' does not include scholarships, loans, grants, wages or other funds extended directly to students; participation in a program or activity by students who receive scholarships, loans, grants, wages or other Federal student financial aid; or mere consequential effect of Federal financial assistance where the assistance is not received by the program or activity which is deemed to be affected.

"(3) For purposes of this title, 'admission' or 'admissions' means the granting, to applicants, of access to an educational institution or organization and the education programs and activities it offers for the benefit of its students, but shall not include any other program or activity which does not itself receive Federal financial assistance."

SEC. 4. The first sentence of section 902 of the Education Amendments of 1972 is amended by inserting before the period a comma and the following: "and which shall not apply to programs or activities to which the department or agency is not authorized to extend Federal financial assistance by any such statute".

● Mr. QUAYLE. Mr. President, today I am cosponsoring legislation with Senator HATCH which seeks to amend title IX of the Education Amendments of 1972. I am taking this step to protect institutions of higher learning from the zealousness of the Department of Education which has gone beyond the bounds of commonsense.

In 1978, the Department of Health, Education, and Welfare sought to terminate all financial assistance to students attending Hillsdale College in Michigan under the national direct student loan program, BEOG program, the supplemental educational opportunity grant program, and the guaranteed student loan program because the college refused to execute an assurance of compliance with title IX.

An administrative law judge ruling on the case in August 1978, found that although the NDSL, BEOG, and SEOG programs all constituted Federal financial assistance to Hillsdale, the GSL program fell within the exception in title IX for contracts of guaranty. DHEW appealed the decision and an administrative appeals panel reversed the GSL finding and ordered DHEW to withhold funds until a compliance form was signed by the college.

In an effort to have this order revoked, Hillsdale appealed the decision in the sixth circuit, U.S. Court of Appeals, and is awaiting the court's action.

The point at issue here is whether DHEW, now the Department of Education, has jurisdiction over schools simply because students at the school accept Federal financial aid. Schools like Hillsdale have a history of refusing any form of Government assistance for fear that its acceptance would bring them under the regulatory thumb of the Federal Government.

The controversy over whether the Department of Education can apply title IX regulations to schools which do not accept Federal financial assistance but whose students do accept loans and grants continues to be unresolved. It is for this reason that I am cosponsoring this amendment to title IX. The Federal Government's attempts to overregulate must be curbed, and it appears that a statutory remedy is the most direct approach to solving this problem. I hope you will join with Senator HATCH and me in seeing that these inequities are corrected.●

By Mr. HATCH:

S. 1362. A bill entitled the "Voluntary Vitamins Act of 1981"; to the Committee on Labor and Human Resources.

VOLUNTARY VITAMINS ACT OF 1981

Mr. HATCH. Mr. President, one of the corollary rights we as Americans have the liberty of taking for granted, is the freedom to buy vitamins, minerals, and other food nutrients which in more regulated societies are only dispensed through doctors' prescriptions or are banned altogether. This basic American freedom has nonetheless been jeopardized several times during the past few years. The most recent danger came in the form of last year's initial plans by the Food and Drug Administration to regulate vitamins and minerals as over-the-counter drugs.

If labeled or promoted as preventing a vitamin or mineral deficiency, as for example is the case with "One-a-Day" brand vitamins or the other rival vitamin tablets we are able to buy in supermarkets or drug stores, the Federal Food and Drug Administration would have presumably required a doctor's prescription or some other form of market interference before we could purchase our bottles of Geritol or boxes of Total cereal. How ironic it is that at a time when States are making it easier to buy marijuana or alcohol, the FDA would lead a national Hallelujah Trail against our freedom to buy vitamins and minerals.

The most recent sighting of the FDA war against vitamins was on March 16 of last year, the date when the Federal Register published FDA's proposal to regulate vitamins and minerals as I have described it. It is not dissimilar from an FDA proposal issued in June 1962, intended to limit the sale of vitamins and minerals as Rx or prescription only drugs, and to outlaw the sale of vitamins altogether if sold in potencies or combinations FDA has arbitrarily set as too high.

In 1976, the U.S. Congress unanimously voted for the bill which has since been enacted into law as the Wilson-Proxmire Vitamin Act, signed into law

by then President Ford on April 22, 1976. This statute spared us the imposition of FDA's requirement that we purchase vitamins as Rx drugs. But under the FDA regulations last threatened to be promulgated, this law would be circumvented, and we would be forced to purchase vitamins as over-the-counter drugs.

I do confess to taking a few vitamin pills now and then. I will even go further and admit that I am like millions of other American consumers who for various health reasons choose to supplement our diets with a wide variety of vitamins, minerals, and other so-called health foods.

Every reasonable and informed American who cares about health issues appreciates and supports the critical mission of the Food and Drug Administration to preserve the safety and efficacy of pharmaceuticals. But we also recognize that with the excessive proposals such as last season's FDA plan to make it as difficult to get a bottle of vitamins as it is to buy a bottle of pencillin, the agency is shooting itself in the foot. It is fortifying its self-image among all too many Americans as a harasser and belittler of American consumers. In time, the FDA would run the risk of being reviled as the OSHA of the culinary arts.

An FDA plan to tighten up restrictions on the sale and purchase of vitamins and minerals would be excessive. The nature of the marketplace requires some Government guarantees of the safety of the products we buy, but in this case the Food and Drug Administration would have gone beyond the brink.

I have described the worst of it. Now for the good news. One of the brightest days for both consumers and pharmacy people in our country occurred when President Reagan selected as the new Commissioner of the Food and Drug Administration, Dr. Arthur Hull Hayes. A distinguished academic, physician and student of Government, Dr. Hayes is one of the most knowledgeable pharmacological professionals in our country. Having shared conversation with him on several occasions, I additionally commend his practical knowledge of the practical problems daily plaguing American consumers, problems which more often than not have their source traced to previous legislative acts of this distinguished body. To be precise, I am talking about the misdeeds of past Congresses.

Confident as I am in the new administration of FDA under Commissioner Hayes, I am equally certain that we will not be forced to witness the varieties of regulatory imprudence to which I earlier referred. However, knowing that the FDA will soon have the responsibility of reviewing past and pending over-the-counter drug and food nutrient proposed regulations, I solicit the support of my colleagues supporting legislation I am today introducing, entitled The Voluntary Vitamins Act of 1981. Similar to legislation I introduced last year, as S. 2297, my bill leaves no doubt that the Congress intends and recognizes that vitamins, minerals, herbs, and enzymes will be advertised, labeled, promoted and sold as foods for special dietary use rather than as Rx or OTC drugs when sold to consumers by the food supplement and health foods industry to prevent vitamin and mineral deficiency diseases or conditions.

I also encourage Commissioner Hayes to consider the letter and spirit of my bill. His administrative and deregulatory actions if taken would make the need for this legislation unnecessary, and no one would be more delighted than myself. In the meantime, the time for Congress to act is now. Now is the appropriate moment to make clear our legislative intent, and to encourage the FDA through the good offices of its promising new leadership to stay within the policy boundaries set by my legislation. I ask unanimous consent that the text of my legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1362

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 (s)) be amended so that (1) to section 201 (s) shall be added a 6th exemption: "(6) the food itself, a combination of foods, or foods for special dietary use, or the ingredients thereof, unless being used as preservatives or flavors for a food"; and (2) to section 201(g) shall be added the words, "Foods for special dietary use, when offered or employed for purposes as defined in section 411(c)(3) of this act or for preservation or treatment of dietary deficiency conditions shall not be classified as drugs."

By Mr. HATCH (for himself, Mr. KENNEDY and Mr. HAYAKAWA):

S. 1363. A bill entitled the Saccharin Study and Labeling Act Amendment of 1981; to the Committee on Labor and Human Resources.

SACCHARIN STUDY AND LABELING ACT AMENDMENTS OF 1981

Mr. HATCH. Mr. President, the subject of food safety and the problems surrounding the administration of the Food, Drug, and Cosmetic Act have been brought to the attention of the Congress a number of times in recent years. Perhaps no other single issue demonstrated the problems inherent in food safety decisionmaking as vividly as the controversy surrounding saccharin.

The attempted banning of saccharin from the food supply by FDA in 1977 created an immense uproar and resulted in the FDA and the Congress being deluged with an unprecedented volume of mail questioning FDA's ability to make rational food safety decisions. The net result of this public outcry was the unfortunate loss of credibility suffered by FDA and the need for Congress to intervene in the decisionmaking process. Since that time, Congress acted twice (Public Law 95–203 and Public Law 96–345) to assure the continued availability of saccharin to the American public.

I believe that a review of the history of saccharin, the scientific studies conducted and now in progress, and a weighing of the consequences of keeping it on the market, will lead to the inescapable conclusion that saccharin should continue to be available to the American public for at least another 2 years. Thus I am introducing today legislation which would provide for a 24-month extension of the current moratorium on FDA action against saccharin, effective from the date of enactment.

I am pleased to have as initial cosponsors of this legislation, my colleague and the distinguished ranking minority member on the Committee on Labor and Human Resources, Senator Kennedy, as well as the distinguished Senator from California, during whose term on the committee had been very active on this issue, Senator SAM HAYAKAWA. This bill would continue to require the warning statement mandated by the Saccharin Study and Labeling Act (Public Law 96–203) and would allow the American public the option of using saccharin in their foods while at the same time provide the manufacturers of saccharin products with a degree of certainty in developing their marketing strategies.

Saccharin has been surrounded by controversy almost continually since its accidental discovery in 1879 by Dr. Constantin Fahlberg, who was working under the direction of Prof. Ira Remsen at Johns Hopkins University. The initial controversy began with Fahlberg and Remsen themselves over the legal rights to saccharin. Remsen won a moral victory among his peers in the scientific community with an award from the Society of Chemical Industry, while Fahlberg won the legal rights by securing a patent on saccharin in 1895.

Shortly thereafter, saccharin found varied use as a sweetener in canned fruits and vegetables, baked goods and beverages, and is the therapeutic treatment of diabetes and obesity. It also began to stir up debate about its safety. Late 19th century tests in humans showed no apparent effects at daily doses of 5 grams. However, some investigators claimed adverse effects on digestion from saccharin. Then, as now, the primary attention was focused on the claims of adverse effects.

Two of the earliest combatants over saccharin were Dr. Harvey Wiley and President Teddy Roosevelt. Dr. Wiley objected to the use of the name saccharin feeling that it led consumers to believe they were eating sugar. He also considered saccharin-containing foods to be adultered since saccharin, contributing no calories, was clearly not comparable to sugar. Dr. Wiley also objected to saccharin on health grounds. He apparently was quite concerned over reports that sufficiently high levels of saccharin fed over a long enough time resulted in gastrointestinal disturbances.

The war between Dr. Wiley and proponents of saccharin escalated when President Teddy Roosevelt reacted with his timely observation that, "Anybody who says saccharin is injurious to health is an idiot." Dr. Wiley reacted at the time that he had become the first Government official to have his mental incompetency established by official pronouncement.

The saccharin controversy, of course, did not end with President Roosevelt's

pronouncement. In fact, there was hardly a pause before a panel of scientists was established to review the safety of saccharin, an approach not unheard of today. This panel chaired by Prof. Ira Remsen, concluded that although prolonged daily intake of large amounts (especially more than 1 gram) of saccharin could lead to disturbed digestion, daily intakes of up to 300 mg were apparently without effect. Having received this favorable panel report on saccharin, the Federal Government nevertheless promptly issued an order prohibiting the use of saccharin in foods. Before the order was effective, its inconsistency with the panel report was highlighted and effective date of the order was postponed. Saccharin was then referred back to the panel and a second report was issued leading to approval of its use in foods intended for invalids.

Saccharin's use gradually increased in the early 1900's, continuing to grow with the scarcity of sugar at the time of World War I.

During this same period, toxicological attention on saccharin was also increasing with numerous tests in humans as well as a variety of animal species. The results continued to receive differing interpretations but a 1942 editorial in the Journal of the American Medical Association concluded that there was no reason why saccharin could not be used continuously in average sweetening doses for an indefinite period.

Saccharin's use grew significantly during World War II. In 1950 when cyclamates became available, the two sweeteners were used successfully in combination. The first chronic test on saccharin was performed by Dr. Fitts-hugh, et al., in 1948–49 with the conclusion that saccharin was without effect at feeding levels up to 1 percent of the rat diet and was only slightly toxic at the 5-percent level.

The periodic review of saccharin which had been started in 1911 by Teddy Roosevelt was continued in 1955 with a review being made by the National Academy of Sciences. That review concluded that saccharin was relatively nontoxic and that the maximum tolerated dose was at least 1 gram per day. The Academy report also concluded that cyclamates alone or in combination with saccharin were safe for human use.

Consumer demand for low-calorie and noncaloric foods and beverages increased significantly in the early 1960's, as did demand for saccharin and cyclamates. By then the 1958 food additives amendment to the Food, Drug, and Cosmetic Act had been passed and saccharin and cyclamates were classified. The increasing use of the artificial sweeteners led FDA to request another safety review by the National Academy of Sciences in 1967–68. The Academy again concluded that saccharin was safe at levels up to 1 gram daily but recommended additional testing. In 1968 the FAO/WHO Joint Expert Committee on Food Additives—JECFA—set an acceptable daily intake of 5 mg/kg for general consumption and 15 mg/kg for dietetic foods, for saccharin.

With the banning of cyclamates in 1969 saccharin became the only available noncaloric sweetener and FDA once again asked the National Academy of Sciences to review the safety of saccharin. In their 1970 report the Academy again concluded that saccharin was safe but again recommended additional testing.

FDA removed saccharin from the GRAS list in 1972 based on concern over results in a chronic rat-feeding study conducted by the Wisconsin Alumni Research Foundation—WARF. FDA also imposed labeling requirements on saccharin-containing foods, advising consumers that such products should be used only by persons who must restrict their intake of ordinary sweets. Once again FDA asked the Academy to review the safety of saccharin which resulted in still another NAS report in 1974. The 1974 report essentially reiterated the 1970 conclusions but called for specific additional research including a study involving in utero exposure and investigation of the impurities in saccharin.

FDA subsequently decided that a Canadian Government study involving in utero exposure, a single dose level of 5 percent purified saccharin in the diet, and a treatment group exposed to orthotoluenesulphonamide (OTS, the major impurity in commercial saccharin) met the testing recommendations of the NAS. Preliminary results from the Canadian study which became available in March 1977 indicated no effect associated with OTS but showed both benign and malignant bladder tumors in the second-generation male rats consuming 5 percent saccharin. FDA then announced its intention to ban saccharin. Acting Commissioner Sherwin Gardner stated that:

> We have no evidence that saccharin has ever caused cancer in human beings. But we do now have clear evidence that the safety of saccharin does not meet the standards for food additives established by Congress.

In other words. FDA took the position that the Canadian results would not legally permit approval of saccharin under either the Delaney clause or the food additive provision of the act.

FDA's interpretation led eventually to the statutory moratorium (Public Law 95–203) on regulatory action against saccharin and to still another review of saccharin by the NAS, this time mandated by Congress. The NAS reports on saccharin, issued in November 1978, and on food safety policy, issued in March 1979, utilizing the Delaney clause definition of a carcinogen, concluded that saccharin was a weak animal carcinogen but that it should be regulated along with all food additives under a new food safety policy. That new policy would entail consideration of both the risks and the benefits associated with the use of food additives. About a year later the controversy surrounding saccharin was still as great as ever and Congress extended the moratorium against regulatory action.

In order to better understand the science surrounding the saccharin controversy, one must begin by reviewing the animal evidence. The basic problem there is one of definition. If we use the Delaney clause definition that a substance associated with an increased incidence of tumors in animals, regardless of the test conditions, is a carcinogen, then saccharin is indeed a carcinogen albeit a weak one, with an associated risk probably equivalent to something between the risk of death from lightning and the risk of death from an occasional airplane trip. But such a black-and-white definition is not adequate to reflect the many complexities of what we simply call carcinogenesis. Neither does it make good sense from a realistic public health point of view to ignore the clear differences between saccharin and the aflatoxins or nitrosamines, for example, by simply defining each as a carcinogen and letting it go at that.

It has been established that saccharin is not metabolized, does not bind to DNA, does not show other obvious biological activity, does not show any consistent genetic effect and produces chronic effects only in second generation male rats exposed in utero to high doses. I would also point out that it is ironic that saccharin is so innocuous that it can be fed at very high levels. If saccharin were like most other test compounds it could not have been fed at such high levels, there would have been no indications of chronic effects and we would not be here today talking about it. Nonetheless, we do need to know more scientifically about the mechanisms associated with saccharin toxicity (as well as the toxicity of other food ingredients) and one of the primary questions is that of dose dependence.

The questions of dose dependence with saccharin is important because there is considerable suspicion that the effects seen in the in utero, high dose tests were due to the high dose rather than the saccharin itself. This is one of the questions being explored in an industry-sponsored, large-scale rat feeding study. This study is a two-generation study involving 2,500 animals and six saccharin dose levels ranging from 1 percent to 7½ percent in the diet.

This study has been set up in accordance with FDA's good laboratory practices regulations and has been designed to answer some of the questions raised by evaluation of previous studies. The effects of the sodium part of the sodium saccharin molecule are also being assessed as are the effects of the in utero exposure. Preliminary results from this study, which is about half completed, are very interesting. It appears that the higher feeding levels are impacting on food consumption, water consumption, weight gain, urinary pH, urine volume and urine constituents but the lowest dose level (which is still 100–200 times the equivalent normal human exposure) is not. Conceivably, these dose-dependent effects could ultimately contribute to tumor formation.

I am not suggesting that it can be proven that saccharin has a dose threshold below which there are no chronic effects, since scientists contend that it is impossible to prove the existence of a threshold. However, this study could demonstrate that there is a practical threshold below which any risk is prac-

tically negligible. In any event the study will provide data which will permit realistic risk estimates to be made and will contribute to the understanding of the high-dose mechanisms of toxicity. This study will not be completed until after the end of 1982.

Thus, the latest animal results are reassuring with respect to the relative safety of saccharin but the real question is not rat safety, it is human safety. In this connection considerable information has become available in recent months from three new epidemiology studies.

The first and most important of these epidemiology studies is the National Cancer Institute study, the preliminary results of which became available last December. The NCI study, involving about 9,000 subjects in 10 areas throughout the country, looked at the consumption of artificial sweeteners (saccharin and cyclamates) relative to the incidences of bladder cancer. Since the results of this study have been, and continue to be, misinterpreted I would like to try to set the record straight.

First of all, the data showed no association between the incidence of bladder cancer and consumption of artificial sweeteners in the overall study population either for males, or females, or both sexes combined. Further, this lack of association also held even for those persons who had used artificial sweeteners most frequently and for the longest periods of time.

There have been statements by the press and even by some Government officials that the NCI study showed increased risk of cancer with heavy or prolonged use of artificial sweeteners. Such statements are simply not factual. Anyone who examines the results carefully will find subgroups of subjects that have so-called "relative risk ratios" greater than one (which mathematically would indicate an increased risk) as well as those with relative risk ratios less than one (which mathematically would indicate a protective effect against cancer). However, in most cases these risk ratios involve too few subjects to be statistically significant and cannot be interpreted as showing either increased risks or protective effects.

Thus, the NCI study in general is reassuring relative to the human safety of saccharin. Furthermore, two more recent studies, although not as large, reached similar conclusions.

On March 6, 1980, the Harvard epidemiology study of artificial sweeteners was reported in the New England Journal of Medicine. This was a case-control study of 592 patients with lower-urinary-tract cancer and 536 controls in the Greater Boston area. No association between artificial sweetener use and cancer was found for men, or women, or both sexes combined. The authors also noted that—

> Increasing frequency or duration of use of artificial sweeteners was not consistently associated with increasing relative risk.

And concluded that—

> This study suggests that, as a group, users of artificial sweeteners have little or no excess risk of cancer of the lower urinary tract.

The Harvard report was followed a few days later by another study report in Science from the American Health Foundation (AHF). The AHF study involved 367 bladder cancer patients and the same number of matched controls. The authors of this study concluded that:

> No association was found between use of artificial sweeteners or diet beverages and bladder cancer. No dose-response was observed with respect to quantity or duration of use or the two combined. No evidence was found to suggest that artificial sweeteners or diet beverages promote the tumorigenic effect of tobacco smoking.

The NCI study and the two more recent studies brought to 12, the number of major epidemiology studies that have failed to show an association between the use of artificial sweeteners and bladder cancer. In most situations, that would be considered overwhelming evidence, but such is not the case with saccharin, partly because of the political emotionalism involved and partly because of the rigid regulatory framework to which saccharin and other food additives are currently subject.

Dr. Robert Hoover, director of the National Cancer Institute epidemiology study characterized the three most recent studies as follows. He first noted that the results could be interpreted as being consistent with saccharin as a weak carcinogen or on the other hand could also be interpreted as showing no effect. In fact, the results are also consistent with a third possibility, namely that saccharin has a weak protective effect against bladder cancer. I am not pushing saccharin as a cancer preventer; I merely point out the reservations that should be attached to such results.

Those possibilities illustrate the difficulty of once and for all scientifically resolving the saccharin controversy. We would all like black and white answers to food safety questions but unfortunately science rarely comes in other than various shades of grey. Whether saccharin has slightly protective effects, slightly adverse effects or no effects at all apparently cannot be totally resolved by epidemiology and further studies would likely only confirm the mathematical lack of association between usage and bladder cancer, leaving us with the same trinity of possible interpretations. What is clear is that the increase in risk from normal usage of saccharin, if present at all, is indeed small and little if any cause for concern.

The industry-sponsored rat study may answer some of the questions about saccharin but I suspect that we will never have all of the answers. This is equally or even more true relative to other components of foods, be they naturally occurring or introduced by man. We must, therefore, get to the realization that absolute food safety is impossible, for no component of food is without some risk to some part of the population, and base food regulation in a priority way on the type and extent of risk involved. This requires appropriate modification of the FDC Act—a task which I intend to make a priority in this and future Congresses.

For these reasons as well as those enumerated in the Senate the report (96–175) from the Committee on Labor and Human Resources accompanying H.R. 4453, I believe the interest of the public will best be served by allowing saccharin to continue to be marketed for at least another 2 years, during which time the industry study will be completed and evaluated. We in Congress, meanwhile, will have begun our deliberations on updating and revising the Nation's food safety laws to make them more responsive to today's increasingly sophisticated food safety testing technology.

Mr. President, I ask that portions of the Senate report, Calendar No. 765, and my bill, the Saccharin Study and Labeling Act Amendment of 1981, be included in the RECORD immediately following by previous remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows;

S. 1363

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Saccharin Study and Labeling Act Amendment of 1981".

SEC. 2. The Saccharin Study and Labeling Act is amended by striking from section 3 "June 30, 1981" and inserting in lieu thereof "twenty-four months after the date of enactment of the Saccharin Study and Labeling Act Amendment of 1981".

PORTIONS OF SENATE REPORT 96–175

I. SUMMARY OF LEGISLATION

H.R. 4453 amends section three of the Saccharin Study and Labeling Act (Public Law 95–203) to extend from May 23, 1979 to June 30, 1981, the prohibitions on actions by the Secretary of Health, Education, and Welfare respecting saccharin.

II. HISTORY OF H.R. 4453

On May 9, 1979, the Subcommittee on Health and Scientific Research held a hearing on saccharin. On July 24, 1979, the House passed H.R. 4453. The measure was referred to the Senate on July 27, 1979, and referred to the Committee on Labor and Human Resources. On September 10, 1979, it was referred to the Subcommittee on Health and Scientific Research. The Subcommittee considered the legislation on April 24, 1980 and ordered it reported to the Full Committee without amendments. On May 8, 1980, the Full Committee considered the legislation and ordered it reported favorably without amendments to the Senate.

III. BACKGROUND OF SACCHARIN ISSUE

Saccharin was first discovered in a Johns Hopkins University laboratory in 1879 and thus has been known for over 100 years. Almost immediately after its discovery, saccharin was the subject of scientific scrutiny for safety. In 1912, saccharin was banned from use in foods. During World War I, reduced sugar supplies prompted the lifting of that saccharin ban. In 1925, after a lengthy lawsuit, saccharin was once again allowed in foodstuffs.

Questions about the safety of saccharin have continued, and numerous scientific "blue ribbon" panels in 1911, 1955 and 1974 recommended maximum daily limits for human consumption.

In February 1974, the Canadian government initiated a two-generation animal study to evaluate the toxicity and carcinogenicity of OTS (orthotoluenesulfonamide), a common impurity found in saccharin, and OTS-free saccharin. The study on saccharin was the third experiment in which rats were exposed to saccharin during their period of

development in the uterus and then throughout their entire life span. The two previous studies, one performed by FDA and the other by the Wisconsin Alumni Research Foundation (WARF), had shown an increased incidence of bladder tumors in male rats, but had left unresolved the question of whether the tumors were caused by saccharin itself or by OTS. The Canadian study was designed to clarify this question by testing OTS by itself as well as by testing purified saccharin containing only minimal amounts of the impurity.

Six groups of 50 male and 50 female rats were included in the study: a control group; 3 groups receiving different dose levels of OTS (2.5, 25 and 250 milligrams per kilogram) per day; a group receiving 5 percent saccharin (2,500 milligrams per kilogram per day) in the diet; and a group receiving 250 milligrams of OTS per kilogram per day and 1 percent ammonium chloride in the drinking water. The doses of OTS incorporated the amount of OTS, ranging from 0.6 to 25 milligrams per kilogram OTS per day, which may have been consumed by animals in the FDA and WARF studies on saccharin. OTS, a weak carbonic anhydrase inhibitor, may have a tendency to produce a slightly alkaline urine, possibly resulting in an increased incidence of bladder stones. Therefore, ammonium chloride was added to the drinking water of one OTS group to prevent this effect by producing a more acidic urine. The rats were observed daily, their weights and food consumption recorded weekly, and 20 males of each generation of controls, saccharin treated, and high-level OTS treated animals with and without ammonium chloride had urine examined a 6-month intervals for microscopic calculi and parasite eggs.

The results of the Canadian study have been evaluated by expert pathologists, including scientists from FDA and other institutions in the United States, Great Britain, and from other European countries, as well as from Canada. The findings indicate that saccharin caused bladder tumors in test animals. Malignant bladder tumors were detected only in the saccharin tested rats, and the difference in incidence between first and second generation males and controls was statistically significant. Three tumors were found in first generation males, eight in second generation males and two in third generation males. In addition, eight benign bladder tumors were observed in saccharin-tested male rats, compared to a total of six benign tumors in the OTS group and one in the control group.

The low incidence of tumors in the animals fed OTS seemed to clearly resolve the earlier speculations, based on the FDA and WARF studies, that OTS and not saccharin may have been responsible for the cancers in the test animals. No evidence of bladder parasites was found in any of the rats. Microscopic crystals were found in the urine, but the distribution did not seem to be related to treatment. Two grossly visible bladder stones were found in rats bearing tumors, one receiving saccharin and the other receiving OTS, while six were found in animals of various groups without bladder tumors. There was no significant increase in bladder tumors in any of the groups tested with OTS.

Based on the Canadian study, on April 14, 1977, the FDA issued a detailed plan for ending the use of saccharin as a general food additive. The proposal included banning its use in foods and beverages, in cosmetics likely to be ingested, and as a non-medical ingredient in drugs. Also proposed was the continued marketing of saccharin as a single-ingredient drug for use by diabetics and others who need to restrict their sugar intake for medical reasons.

The proposed ban evoked a storm of public protest ranging from medical and scientific experts questioning the wisdom of removing saccharin from the marketplace, to some legislators, scientists and industry representatives questioning the validity of the scientific evidence. In addition, various consumer groups wanted "freedom of choice." Others supported the FDA action.

In order to clarify some of these issues, the Senate Subcommittee on Health and Scientific Research met shortly after publication of the proposed ban in executive session with a panel of scientists and representatives of the Office of Technology Assessment (OTA) to discuss the undertaking of a study of the scientific and technical issues surrounding the saccharin controversy.

On June 7, 1977, the Senate Subcommittee on Health and Scientific Research conducted a public hearing on the saccharin issue. Six members of the OTA panel testified at the hearings. Although points were presented where a consensus had been reached (such as the ability of current testing methods to predict whether or not a substance is likely to cause cancer, and that animal testing is valid and reliable in predicting that a substance will produce cancer in humans), there was also a split among the panel members over the FDA proposal to ban saccharin. Three supported the FDA decision, while three others supported continued marketing of the artificial sweetener as a food additive with warning labels.

The OTA panel published its report in October of 1977. In order to assess the current testing methodology, OTA commissioned 12 short-term animal tests to be performed on saccharin. The purpose was to demonstrate to Congress the nature of the tests, the speed in which they could be conducted, and their usefulness in making regulatory decisions. The tests were also conducted to clarify some of the uncertainties regarding the carcinogenicity of saccharin. Positive results in short term tests would support the long-term tests which showed saccharin to be a carcinogen.

At the time of publication of the OTA report, 10 of the 12 studies were completed. Three of the 10 tests for mutagenicity were positive indicating that saccharin is a potential carcinogen. However, the report did indicate that the responses were weak, even with high dose levels of saccharin.

On November 23, 1977, the Saccharin Study and Labeling Act was enacted (P.L. 95-203). The law established a moratorium on the banning of saccharin for 18 months until May 23, 1979; requested the National Academy of Sciences to study the health risks and benefits associated with the consumption of saccharin and the more general issue of national food safety policy; and required warning labels on foods containing saccharin and warning notices about saccharin to be posted in retail food establishments.

The National Academy of Sciences released the first report required by the law on November 4, 1978. This report, "Saccharin: Technical Assessment of Risks and Benefits" was a comprehensive review of the available scientific information on the artificial sweetener. The study reaffirmed the previous conclusions of FDA and OTA that saccharin causes cancer in test animals and that it therefore poses a presumptive risk of cancer to humans.

Three new human epidemiology studies have recently been published. The results of the most elaborate study conducted by the National Cancer Institute and cosponsored by FDA, involving 9,000 people, are now available. Although no increased relative risk of bladder cancer as a whole from the use of artificial sweeteners was detected, certain subgroups showed increased risk:

1. Heavy users of artificial sweeteners, particularly those who consumed both diet beverages and sugar substitutes, showed a 60 percent increased risk of bladder cancer. Heavy use was defined as six or more servings a day of a sugar substitute or two or more eight-ounce diet beverages a day.

2. People who smoked cigarettes heavily and who also made heavy use of artificial sweeteners showed a higher risk of bladder cancer than heavy smokers who did not use artificial sweeteners. Heavy cigarette smoking was defined as more than two packs a day for men and more than one pack a day for women. Study authors noted that saccharin and cyclamates may enhance the cancer-causing effects of heavy cigarette smoking.

3. Those women who normally would be at low risk for bladder cancer, but who consumed sugar substitutes or diet beverages twice or more a day, had a 60 percent greater risk of bladder cancer compared with similar women who never used artificial sweeteners. The risk increased with the amount of artificial sweeteners used.

Based on these data, the authors estimated that low-risk women who never used artificial sweeteners had an estimated yearly rate of about five cases of bladder cancer per 100,000, while similar women who consumed sugar substitutes or diet beverages twice a day or more had an estimated yearly rate of an additional three cases per 100,000.

The authors of the study concluded that while the positive association in the study did not establish a causal link between artificial sweeteners and bladder cancer, saccharin and cyclamate should be regarded as potential risk factors for human bladder cancer, based on the results of this study plus previous experiments in laboratory animals. They added, however, that the possibility could not be excluded that the positive associations found for certain subgroups represented chance variations.

They said the findings of this study appear consistent with the results of animal studies that concluded saccharin was a weak animal carcinogen when given alone and may also enhance the carcinogenic action of other chemicals.

One purpose of the study was to examine the conclusions of previous, smaller studies that found a 60 percent increased risk of bladder cancer among men who consume sugar substitutes. The NCI study did not confirm the 60 percent rate. The investigators said the increased risk of bladder cancer to males in the NCI study, from average use of sugar substitutes, would not exceed 18 percent.

The authors cautioned that further analysis of the preliminary data will be needed to separate with precision the effects of saccharin and cyclamate. Cyclamate was the predominant artificial sweetener used during the 1960's; after FDA banned its use in 1970, saccharin became the only artificial sweetener available in the United States. The authors also noted that the study could not assess the effects of consuming artificial sweeteners during pregnancy or in early childhood.

NCI's study, the largest of its type ever conducted, comprised interviews from March 1978 to June 1979, with more than 3,000 bladder cancer patients and almost 6,000 people from the general population who did not have cancer, but who were similar in age and sex. Three of every four persons in the study were men.

Bladder cancer is three times more common in men than in women, and is more common among cigarette smokers and among workers exposed to certain chemicals on the job.

A second study, published in the New England Journal of Medicine on March 6, 1980 and conducted at the Harvard School of Public Health, involved 592 cancer patients and 536 controls. The researchers said, "This study suggests that, as a group, users of artificial sweeteners have little or no excess risk of cancer of the lower urinary tract."

But they said three interpretations were consistent with the findings: that "the exposures that have been sustained to artificial sweeteners are not carcinogenic for the human bladder"; that "artificial sweeteners are carcinogens but weak enough for their effects to be difficult to perceive"; or that "sufficient time for an obvious carcinogenic effect to appear has not yet elapsed since relatively heavy exposure to artificial sweeteners began in the 1960's."

The third study, conducted by the American Health Foundation, involved 3367 bladder cancer patients and 367 controls. The study found "no association * * * between use of artificial sweeteners or diet beverages and bladder cancer." Although the study's findings did not support the hypothesis that saccharin use causes bladder cancer, the authors state that it is possible that the absence of a demonstrable association may be due to insufficient sample size.

In an editorial in the New England Journal of Medicine, March 6, 1980, Dr. Robert Hoover, director of the Environmental Epidemiology Branch at NCI and author of the NCI–FDA study reported in December, commented on his and the Harvard study:

"The evidence is that little, if any, current bladder cancer is due to the consumption of artificial sweeteners at the doses and in the manner in which sweeteners were commonly consumed in the past. * * *

"The findings of these studies can be interpreted as being consistent with the laboratory (animal) evidence suggesting that saccharin is a weak carcinogen. On the other hand, the findings can also be interpreted as showing no evidence of carcinogenicity. * * * The correct or more prudent interpretation will probably be a matter for conjecture and debate for some time. * * *

"When all the evidence of toxicity is weighed against the lack of objective evidence of benefit, any use (of saccharin) by nondiabetic children or pregnant women, heavy use by young women of childbearing age, and excessive use by anyone are ill-advised and should be actively discouraged by the medical community."

FDA believes that the studies recently reported are consistent with the view, based on animal studies, that saccharin is a weak carcinogen and that saccharin may pose a risk to certain people such as women of childbearing age and children.

IV. HEARING

A hearing on saccharin was held by the Subcommittee on Health and Scientific Research on May 9, 1979. The witnesses appearing before the subcommittee were:

Robbins, Frederick C., M.D., dean, Case Western Reserve University, School of Medicine; T. Colin Campbell, professor of nutritional biochemistry, Cornell University; Emmanuel Farber, M.D., chairman, Department of Pathology, University of Toronto; and Joyce C. McCann, Ph. D., Department of Biochemistry, University of California at Berkeley.

Kennedy, Donald, Ph. D., Commissioner of the Food and Drug Administration, Public Health Service, Department of Health, Education, and Welfare.

Kellen, Robert H., president, Calorie Control Council; Ellen Haas, director, Consumer Division, Community Nutrition Institute; William J. Gill, Ph. D., vice president, research and technical service, Pepsico, Inc.; William B. Schultz, Esquire; Public Citizen Litigation Group, Health Research Group; Grace Powers Monaco, Esquire, the Candlelighters; Fred W. Whitehouse, M.D., president, American Diabetes Association.

Harkins, Robert W., Ph. D., vice president—scientific affairs, Grocery Manufacturers of America, Inc., accompanied by Stephen A. Brown, vice president and general counsel, Grocery Manufacturers of America.

Numerous additional written statements were received for inclusion into the hearing record. Differing opinions on what to do about saccharin were presented.

V. COMMITTEE VIEWS

The Committee believes it is appropriate to extend until June 30, 1981 the moratorium on Food and Drug Administration regulatory efforts to remove saccharin from the market. Under current law, FDA is required to remove from the market any additive that is unsafe or is found to cause cancer in appropriate animal or human studies. Although the process of removing saccharin from the market would take at least 15 months to complete, the Committee's action to extend the moratorium makes it clear that this process should not begin at this time.

Although the Committee believes that the saccharin controversy is an important one, it should not be considered in isolation from overall food safety policy. The Congress should not be asked to intervene in the regulatory process and overrule existing statutes on a product-by-prdouct basis as is currently the case. The Committee believes that if current regulatory statutes do not permit these issues to be fairly resolved, then those statutes should be reexamined.

The National Academy of Sciences has recently reviewed our food safety laws and concluded:

"The law has become complicated, inflexible and inconsistent in implementation. Although complex in itself, the law is inadequate to meet changing and increasing problems of food safety."

The Committee believes that this conclusion in light of the growing number of controversies about individual products argues for a thorough and complete congressional reexamination of the food safety laws. The extension of the moratorium until June 30, 1981 will give the Committee the time to complete such an examination. It is the Committee's intent to reach final resolution on saccharin in its proper perspective as part of overall food safety policy.

The Committee does not intend its action in extending the saccharin moratorium to be interpreted as an endorsement of the view that studies to date have proven saccharin is safe for human consumption. The Committee recognizes that many people, including diabetics and others on special diets, want a no-calorie or low-calorie substitute for sugar and that at the present time saccharin is the only noncaloric substance available. The Committee believes that the American people would prefer an alternative non-nutritive sweetener, that is not subject to so many questions of safety and carcinogenicity. Therefore, the Committee hopes that in the next year industry will make a determined effort to develop a safe alternative to saccharin.

The Committee felt strongly that during the original 18-month moratorium that consumers should be afforded a reasonable opportunity to know which products contain saccharin so that they could make personal judgments concerning its use. The Saccharin Study and Labeling Act, therefore, authorized the Secretary to place warning labels on products containing saccharin and required retail establishments that self saccharin or food containing saccharin to prominently display a notice of the risks to health that may be related to the use of saccharin. This requirement is unchanged and reflects the Committee's continued support of consumer choice in this matter.

VI. COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., May 9, 1980.

Hon. HARRISON A. WILLIAMS, Jr.,
Chairman, Committee on Labor and Human Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed H.R. 4453, a bill to amend the Saccharin Study and Labeling Act, as ordered reported by the Senate Committee on Labor and Human Resources on May 8, 1980.

The bill extends to June 30, 1981 the ban on actions by the Secretary of Health, Education, and Welfare to restrict saccharin use. Based on our review, it is expected that no additional cost to the government will be incurred as a result of enactment of this legislation.

Sincerely,

ROBERT D. REISCHAUER,
(For Alice M. Rivlin, Director)

VII. REGULATORY IMPACT STATEMENT

The Committee anticipates that there will be little if any additional regulatory impact because of this legislation. The bill merely extends the original moratorium as enacted under the Saccharin Study and Labeling Act (SSLA) (Public Law 95–203) which expired on May 23, 1979 to June 30, 1981. There are no new labeling or testing requirements in this bill, only the effective date has been changed. Posters and notices will continue to be distributed by the manufacturers of the products or by their trade associations. There may be some minimal costs to industry for additional posters for display in retail stores, however, this should be incurred only where new stores are opened or existing posters need to be replaced because of damage or other similar reasons.

Manufacturers of products containing saccharin will not incur additional expenses related to labeling changes because the basic labeling requirements—prescribed by the law itself (section 4)—are unchanged and have been implemented during the initial moratorium.

VIII. VOTES IN COMMITTEE

Pursuant to section 133(b) of the Legislative Reorganization Act of 1949, as amended, the following is a tabulation of votes in committee:

All members of the Committee voted to favorably report the bill except that Senator Nelson abstained.

IX. SECTION-BY-SECTION ANALYSIS

The bill contains one section.

The bill amends section 3 of the Saccharin Study and Labeling Act (Public Law 95–203) to extend the prohibition on actions by the Secretary of Health, Education, and Welfare, which is provided for in section 3, from May 23, 1979 until June 30, 1981.

X. CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted enclosed in black brackets; new matter printed in italic):

SECTION 3 OF THE SACCHARIN STUDY AND LABELING ACT

SEC. 3. During the [18-month] period beginning on the date of the enactment of this Act *and ending June 30, 1981;* the Secretary—

(1) may not amend or revoke the interim food additive regulation of the Food and Drug Administration of the Department of Health, Education, and Welfare applicable to saccharin and published on March 15, 1977 (section 1801.37 of part 180, subchapter B, chapter 1, title 21. Code of Federal Regulations (42 Fed. Reg. 14638)), or

(2) may, except as provided in section 4 and the amendments made by such section, not take any other action under the Federal Food, Drug, and Cosmetic Act to prohibit or restrict the sale of distribution of saccharin, any food permitted by such interim food additive regulation to contain saccharin, or any drug or cosmetic containing saccharin,

solely on the basis of the carcinogenic or other toxic effect of saccharin as determined by any study made available to the Secretary before the date of the enactment of this

Act which involved human studies or animal testing, or both.

By Mr. HATCH:

S.J. Res. 90. Joint resolution designating June 30, 1981, as "National Drug Standards Day"; to the Committee on the Judiciary.

NATIONAL DRUG STANDARDS DAY

Mr. HATCH. Mr. President, I am today introducing a joint resolution to commemorate the first 75 years of the Pure Food and Drug Act and to declare June 30, 1981, as "National Drug Standards Day" in honor of the safe and high drug standards provided with the enactment of this law.

Recognition of this act would not be complete without mentioning the great contribution to the work in this area made by the men and women of the U.S. Pharmacopeial Convention.

The first convention assembled here in Washington on January 1, 1920, and in December of that year the first U.S. Pharmacopeia was published. It was the objective of the Pharmacopeia to:

Select from among substances which possess medicinal power, those, the utility of which is most fully established and best understood; and to form from them preparations and compositions, in which their powers may be exerted to the greatest advantage. (Preface of the 1820 Pharmacopeia.)

Through their work tests and assays came about to set standards of strength and purity for drugs. With the enactment of the Pure Food and Drug Act in 1906 the authority for the Pharmacopeia was designated as the body to:

Set standards of strength, quality and purity of medicinal products recognized therein when sold in interstate commerce for medicinal use. (Pure Food and Drug Act of 1906.)

More than 300 elected representatives of medical and pharmacy schools and associations, plus representatives of nearly 2 dozen national scientific organizations and several Federal agencies today participate in the convention.

Drug standards writing is a continuous endeavor requiring the utmost knowledge and laboratory skill. Through hundreds of volunteer physicians, pharmacists, scientists, and other health professionals, the USPC publishes the U.S. Pharmacopeia and the National Formulary every 5 years with regular supplements as required.

In 1960, Dr. Arthur Flemming, then Secretary of HEW, commented on the USPC. He said:

I think that it is fair to say that I do not know of any organization that has a more interesting and a more significant relationship to the government of the United States than your organizations. As a layman, I can't help but take note of the fact that your organization is almost as old as the Union itself.

He further noted that:

The sole objective of the USPC was to assist in safeguarding the health of citizens of our nation, and in so doing, of course, helping to safeguard the health of citizens of all nations.

National Drug Standards Day will help us all, in some small way, give a warm thanks to those who have labored to produce our drug standards.

Mr. President, I ask unanimous consent that the text of my joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 90

Whereas the United States Pharmacopeia and the National Formulary, published by the United States Pharmacopeial Convention, Inc., were recognized as containing "official" standards for drugs by the Federal Food and Drug Act of 1906;

Whereas the United States Pharmacopeial Convention, Inc., a nonprofit organization of physicians, pharmacists, and members of other health professions, associations, and governmental agencies, does its primary work of revising and publishing standards for drugs and drug information with the volunteer assistance of hundreds of physicians, pharmacists, and other health professionals;

Whereas such volunteers have freely given of their expertise, knowledge, and time since January 1, 1820, to assure that drug standards and drug information available to the people of the United States are the best possible;

Whereas the Pharmacopeial Convention, Inc. is an outstanding example of what can be accomplished by groups with special interests and expertise to contribute to the health and welfare of our citizens;

Whereas the United States Pharmacopeia and the National Formulary have been valued sources of drug standards and drug information for the drug industry, the Food and Drug Administration, and nearly all governments of the free world, especially since 1906; and

Whereas June 30, 1981, will mark the 75th anniversary of the enactment of the Federal Food and Drug Act of 1906: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America, in Congress assembled, That June 30, 1981, is designated as "National Drug Standards Day" and the President of the United States is authorized and requested to issue a proclamation calling upon Federal, State, and local government agencies, interested groups and organizations, and the people of the United States to observe that day by engaging in appropriate ceremonies, activities, and programs, thereby showing their support of the United States Pharmacopeia and the National Formulary and thanking the hundreds of volunteers who have contributed to the high drug standards of the United States.

By Mr. THURMOND (for himself, Mr. HOLLINGS, Mr. NUNN, and Mr. MATTINGLY):

S.J. Res. 91. Joint resolution to designate July 1981, as "National Peach Month"; to the Committee on the Judiciary.

NATIONAL PEACH MONTH

Mr. THURMOND. Mr. President, I am today introducing on behalf of myself and three of my colleagues a joint resolution which would authorize and request the President to designate July 1981, as "National Peach Month."

I am pleased to have joining me my distinguished colleague from South Carolina, Senator HOLLINGS, and the two distinguished Senators from Georgia, Senators NUNN and MATTINGLY. As I am sure you are aware, peach production is a very important part of the overall agricultural industry in both States.

My purpose in introducing a joint resolution designating July of this year as "National Peach Month" is twofold.

First, I would like to call attention to the nutritional value of this particular fruit and to the importance of a well-balanced diet in general.

As the language of the joint resolution points out, peaches are a very important source of vitamin A, protein, and minerals such as calcium and iron.

Moreover, they are very low in calories, containing approximately 38 calories each. Peaches can and should be, therefore, a nutritious part of any well-balanced diet.

I am hopeful that the programs and activities planned in connection with "National Peach Month" will emphasize this fact and will also stress the need for a balanced diet consisting of foods from each of the basic food groups.

Proper nutrition, together with regular exercise and a sufficient amount of rest is essential to overall physical and mental well-being. This is a regimen which I have always attempted to follow myself, as well as to emphasize its importance to my family and my staff.

My second purpose in introducing this joint resolution is to call attention to an agricultural product which is of economic importance to the States of South Carolina and Georgia and to the Nation as a whole.

Peaches, for example, are our Nation's third largest noncitrus fruit crop in production and value.

Grapes and apples constitute the first and second largest crops respectively. In 1980, the total value of utilized production of noncitrus fruits was $3,319,291,000. Peaches had a value of utilized production of $368,004,000, but were recognized as the No. 1 summer fruit.

South Carolina, I am proud to say, is the second largest producer of peaches in the country, ranking behind only California. In 1980, total peach production was 3.07 billion pounds. California produced 1.96 billion pounds. South Carolina followed with 355 million pounds.

Other States producing significant amounts of this succulent fruit included Georgia at 120 million pounds, New Jersey at 110 million pounds, and Pennsylvania at 105 million pounds.

The remainder of the Nation produced 418.6 million pounds. South Carolina, however, was the largest producer of peaches for the fresh fruit market in the Nation, with case receipts from the sale of this fruit totaling approximately $62,480,000 annually.

This joint resolution has the strong support of the National Peach Council (NPC), a nonprofit association of individual peach producers who belong to NPC either through their State peach councils or as individual members.

NPC, which was organized in 1941, currently has members in all 33 States which grow peaches.

In addition to supporting legislation designating a National peach month, NPC has been working with State councils to have July 1981, declared as peach month in various States.

The following 14 States issued proclamations: South Carolina, Arkansas, Delaware, Georgia, Illinois, Indiana, Kansas, Louisiana, Mississippi, North Carolina, Oklahoma, Virginia, West Virginia, and New Jersey.

I ask unanimous consent that a copy of South Carolina's proclamation on peach month be placed in the RECORD following my remarks, along with a copy of the joint resolution.

There being no objection, the joint resolution and proclamation were ordered to be printed in the RECORD, as follows:

S.J. RES. 91

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Whereas peaches are recognized as the number one summer fruit;

Whereas peaches are harvested in our Nation from May until October, with peak supplies occurring nationally in July;

Whereas public awareness of the need for a well-balanced diet is becoming increasingly evident;

Whereas medical authorities believe that proper nutrition can be a factor in preventing and relieving diseases such as cancer, cardiovascular diseases, and other illnesses; and

Whereas peaches, which contain only thirty-eight calories each, are an important source of vitamin A, protein, and minerals, such as calcium and iron, and can be a nutritious part of any well-balanced diet: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to designate July, 1981, as "National Peach Month," to call upon the people of the United States to incorporate nutritious peaches into their diets when they are in season, and to call upon interested groups to celebrate this month with appropriate programs and activities that will make the benefits of this succulent fruit and of a well-balanced diet known to the consumers of America.

PROCLAMATION BY GOVERNOR RICHARD W. RILEY ON PEACH MONTH

Whereas, because of its beauty and delectability, the peach is called the Queen of Fruits; and

Whereas, Fresh South Carolina peaches are in good supply, making it possible for all menu planners to use the "Queen of Fruits" for meal and snacktime delights; and

Whereas, South Carolina is the largest producer of peaches for the fresh fruit market in the nation; and

Whereas, peach production is an integral part of our overall agricultural industry with cash receipts totaling approximately $62.4 million annually; and

Whereas, peaches are an important source of vitamin A, protein, and minerals, including calcium and iron, as well as being low in calories, they are an excellent part of any well balanced diet; and

Whereas, the prosperity and well-being of South Carolina are dependent upon cooperation and understanding between two great elements of our society—farmers and consumers.

Now, therefore, I, Richard W. Riley, Governor of the State of South Carolina, do hereby proclaim the month of July, 1981 as: Peach month in South Carolina and urge all citizens to join with me in honoring and enjoying the delicious peach.

ADDITIONAL COSPONSORS

S. 239

At the request of Mr. DURENBERGER, the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 239, a bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for the purchases of a commuter highway vehicle, to exclude from gross income certain amounts received in connection with the provision of alternative commuter transportation, to provide employers a credit against tax for costs incurred in ride sharing programs and for other purposes.

S. 475

At the request of Mr. DURENBERGER, the Senator from Connecticut (Mr. WEICKER), and the Senator from New Jersey (Mr. BRADLEY) were added as cosponsors of S. 475, a bill to amend the Internal Revenue Code of 1954 to clarify the definition of specially defined energy property for purposes of the investment tax credit.

S. 739

At the request of Mr. DURENBERGER, the Senator from South Dakota (Mr. ABDNOR) was added as a cosponsor of S. 739, a bill to amend the Internal Revenue Code of 1954 to make the investment credit for railroad property refundable.

S. 811

At the request of Mr. DOLE, the Senator from Illinois (Mr. DIXON) was added as a cosponsor of S. 811, a bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to permit local distribution companies to continue natural gas service to residential customers for outdoor lighting fixtures for which natural gas was provided on the date of enactment of such act, and for other purposes.

S. 865

At the request of Mr. PRYOR, the Senator from Kentucky (Mr. FORD) was added as a cosponsor of S. 865, a bill to amend the Small Business Act to provide that any change in regulations affecting the disaster loan provisions of such act shall not apply to applications for disaster loan assistance received before the effective date of the change.

S. 888

At the request of Mr. DURENBERGER, the Senator from Wisconsin (Mr. KASTEN), the Senator from Hawaii (Mr. INOUYE), the Senator from Michigan (Mr. RIEGLE), and the Senator from Maine (Mr. COHEN) were added as cosponsors of S. 888, a bill to provide effective programs to assure equality of economic opportunities for women and men, and for other purposes.

S. 1096

At the request of Mr. KASTEN, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 1096, a bill to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes.

S. 1120

At the request of Mr. KASTEN, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 1120, a bill to reduce the amount of funds available to an agency unless the agency has reduced waste, fraud, and abuse to the maximum extent feasible or demonstrates that no waste, fraud, or abuse exists in the administration of programs, and for other purposes.

S. 1131

At the request of Mr. DANFORTH, the Senator from Florida (Mrs. HAWKINS) was added as a cosponsor of S. 1131, a bill to require the Federal Government to pay interest on overdue payments and to take early payment discounts only when payment is timely made, and for other purposes.

S. 1225

At the request of Mr. SPECTER, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 1225, a bill to require Federal agencies to include in a notice of proposed rulemaking estimates of the costs to State and local governments resulting from a proposed rule, an identification of sources of funds to pay such costs and a statement requesting comments from State and local governments on the costs to such governments resulting from the proposed rule.

S. 1288

At the request of Mr. DURENBERGER, the Senator from Pennsylvania (Mr. SPECTER), the Senator from Idaho (Mr. SYMMS), and the Senator from Connecticut (Mr. WEICKER) were added as cosponsors of S. 1288, a bill to amend the Internal Revenue Code of 1954 to encourage greater energy conservation by commercial businesses, and for other purposes.

S. 1326

At the request of Mr. SASSER, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 1326, a bill to amend title 38, United States Code, to authorize a service pension of up to $150 per month for veterans of World War I and for certain surviving spouses and dependent children of such veterans.

SENATE JOINT RESOLUTION 59

At the request of Mr. ROBERT C. BYRD, the Senator from Kentucky (Mr. FORD), and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of Senate Joint Resolution 59, a joint resolution designating the square dance as the national folk dance of the United States.

SENATE RESOLUTION 65

At the request of Mr. DURENBERGER, the Senator from Vermont (Mr. LEAHY) and the Senator from New York (Mr. D'AMATO) were added as cosponsors of Senate Resolution 65, a resolution to promote alternative nonanimal testing procedures.

SENATE CONCURRENT RESOLUTION 22—CONCURRENT RESOLUTION HONORING DR. HOWARD A. RUSK

Mr. HATCH submitted the following concurrent resolution: which was referred to the Committee on the Judiciary:

S. CON. RES. 22

Whereas, Dr. Howard A. Rusk, during World War II was responsible for the development and institution in the Army Air Force of its rehabilitative convalescent programs for injured servicemen.

Whereas, Dr. Howard A. Rusk after World War II founded and continued until recently to direct the world-renowned Institute of Rehabilitative Medicine of the New York University Medical Center, the first institute of its kind, and still serves at age 80 as President of the World Rehabilitation Fund as well as Chairman of the National Council on the Handicapped.

Whereas, Dr. Howard A. Rusk is more responsible than any other individual for awakening the medical profession to the need to treat "the whole man," and for pioneering the techniques which led to the establishment of the medical specialty of "Physical Medicine and Rehabilitation," and

Whereas, the Congress and the Nation wish to recognize these achievements and express their thanks for a lifetime of clinical practice, teaching, and administration devoted to the alleviation of suffering around the world and the restoration to a productive life of those physically handicapped who before had no champion: Now, therefore, be it

Resolved by the Senate (The House of Representatives concurring), That the Congress of the United States hereby commends Dr. Howard Rusk for his tireless spirit of leadership, for his contribution to the development of modern medicine and to the training of generations of his fellows, for his example of professional excellence expressed in a career of service, for his humanity.

SECTION 2. The Secretary of the Senate shall transmit a copy of this Resolution to Dr. Howard A. Rusk.

DR. HOWARD A. RUSK

Mr. HATCH. Mr. President, I am pleased to submit today a concurrent resolution recognizing the accomplishments of Dr. Howard A. Rusk, a physician and humanitarian whose pioneering efforts in the field of rehabilitative therapy have brought not only hope, but miraculous clinical results for countless newly productive lives around the world.

Nominated for last year's Nobel Peace Prize, Dr. Howard has long been an international medical figure. Now aged 80, he has devoted decades of his life to training others, both here and abroad, in the techniques he developed.

As president of the World Rehabilitation Fund and chairman of the National Council on the Handicapped he has been an exemplar of the energetic public service upon which free societies depend.

As clinical practitioner, director of the Institute of Rehabilitative Medicine of the New York University Medical Center, and as an eloquent advocate both within his profession and beyond, he has broadened our medical perspective from treatment of the ill to treatment of the whole man. In so doing he has given generations of the physically disabled more than restored productivity and independence; he has given them self-respect and dignity.

This is truly a man of whom our nation can be proud. I ask your support in honoring him through this concurrent resolution.

SENATE RESOLUTION 152—RESOLUTION RELATING TO THE 1,300TH ANNIVERSARY OF BULGARIAN STATEHOOD

Mr. BOSCHWITZ (for himself, Mr. SARBANES, and Mr. PRESSLER) submitted the following resolution: which was referred to the Committee on Foreign Relations:

S. RES. 152

Whereas Bulgaria this year celebrates its 1300th year of statehood, making it the oldest surviving State in Europe to have kept its original name:

Whereas in 1943 the Government of Bulgaria resisted pressure from Nazi Germany to deport the country's 50,000 Jews to concentration camps; and

Whereas because of the protection afforded by their government, the Bulgarian Jews were the only Jewish community in the occupied territories to survive as a whole within their native country; Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the Bulgarian people be congratulated on their 1300th year of statehood; and

(2) they be further commended for their heroic and compassionate defense of the human rights of their Jewish community during the Nazi holocaust.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President with the request that he transmit such copy to the Ambassador of Bulgaria to the United States.

● Mr. BOSCHWITZ. Mr. President, today I, along with my colleagues Senators SARBANES and PRESSLER, am submitting a Sense-of-the-Senate resolution commemorating Bulgaria on this their 1,300th year of statehood.

Mr. President, Bulgaria is the oldest surviving state in Europe to have kept its original name. It is a country with a long and interesting history.

One of the most noteworthy chapters in Bulgarian history was the Bulgarian Government's refusal to deport the country's 50,000 Jews to Nazi concentration camps during World War II.

Because of the protection afforded by their government, the Bulgarian Jews were the only Jewish community in the occupied territories to survive as a whole within their native country.

Mr. President, the Senate should congratulate the Bulgarian people on their 1,300th year of statehood, and the Bulgarians should be further commended for their heroic defense of their Jewish community in the face of the Nazi holocaust.

Mr. President, I ask unanimous consent that articles on this matter from the Los Angeles Times, the Orange County Heritage, and the B'nai B'rith Messenger be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times, Jan. 24, 1981]

ARTIST SCULPTS HOLOCAUST MEMORIAL MODEL

On behalf of his church, an Orange County designer has sculpted a model for a bronze and stone memorial to be built in Bulgaria, where it will be a permanent reminder of that country's protection of 50,000 Jews from the Nazi Holocaust.

The artist is Don Winton of Corona del Mar, whose commercial work has been mostly Disney cartoon and Disneyland characters, and more recently miniature Star Wars figures and the Mickey Mouse and Snoopy telephones.

But several trips to Israel by Winton and his wife with members of the large Calvary Chapel of Costa Mesa also led him to make a solid bronze cast of the late Israeli Prime Minister Golda Meir, presented to her on her 80th birthday.

KING RESISTED NAZIS

Winton was asked by Rabbi Haim Asa of Fullerton, a native of Bulgaria, to sculpt a memorial for Bulgaria to commemorate the time in 1943 when King Boris resisted Nazi pressure to deport that country's Jews to concentration camps. Asa's father was instrumental in alerting Bulgarian Jewry and other countrymen to the deportation order.

Bulgaria, though a communist-ruled nation, is celebrating this year its 1,300th anniversary of statehood and is re-dedicating the restored Main Synagogue in Sofia in connection with Jewish observances.

The 2-by-3-foot clay model donated by Winton through his church reflects, he said, "our church's almost fanatical love for Israel and Jewish people."

Because the congregation led by the Rev. Chuck Smith is also evangelistically minded, Winton said, "We've developed a sensitivity to Jewish feelings." Rather than overt proselytizing, he said members like himself simply try to show "real love."

[From the Los Angeles Times, Oct. 23, 1980]

TEMPLE PAYS HOMAGE TO BULGARIA

(By J. Michael Kennedy)

The man in the charcoal-gray suit sat stiffly in the front row, his chiseled face expressionless, the unlikely object of homage.

His name was Stoyan Zhulev, the Bulgarian ambassador to the United States. The setting was the Sephardic synagogue Tifereth Israel in the Wilshire district of Los Angeles.

He was there Tuesday night because of a footnote in history, one of those bits of information seldom mentioned in the story of the Jewish Holocaust of World War II.

The 500 people who came to the temple, most of them with graying hair and the stoop of age, were there because Bulgaria saved its 50,000 Jews from Nazi extermination. While other nations are noted for their efforts to save their Jewish citizens, notably Denmark and Finland, Bulgaria efforts have gone virtually unnoticed.

So they came to the temple more than 35 years after the fact, with Zhulev as the symbol of their tribute. Many of those in the audience spoke Bulgarian. Many of them were the very Jews that Hitler had ordered off to the concentration camps of Treblinka and Auschwitz.

Before the program began, one survivor, Rabbi Haim Asa of Temple Beth Tikvah, stood in the back of the synagogue talking about Bulgaria's lack of recognition.

ALLY OF GERMANY

"Bulgaria is a very backward country," he said. "There was no public relations, no Madison Avenue. Nobody told them they were big heroes. They didn't know how to exploit a good story.

"I look upon this as a long overdue tribute to friendship and brotherhood."

Asa said the story of how the Jews of Bulgaria were saved is somewhat complicated, but that several factors were relevant in discussing what happened, beginning in 1943, when the Nazis began pressing for their deportation to concentration camps.

He said one was that because Bulgaria was an ally of Germany, it was in charge of its internal affairs and the country was still ruled by its own leader, King Boris.

He said that when the Nazis gave the orders for the roundup of the country's Jews, mass demonstrations against their impending deportation were staged. The Jewish community petitioned the leaders in the country, asking them not to cooperate. In the end, the pressure on King Boris was too great to ignore, and he did not sign the deportation order.

"If the king had signed the shipping order, we would have been on the train," Asa said.

"It was almost a paralysis of not taking action."

Asa was 13 years old at the time, but in a way, he was very close to the events that saved the Jewish community. His father was president of the Jewish community in Bulgaria. In 1943, an order for deportation was sent by the Nazis to the Bulgarian Department for Jewish Problems. The messenger mistakenly delivered the telegram to Asa's father, who began rallying the Jewish community to fight the deportation.

The furor that ensued was what stopped the king from signing the shipping orders, and other deportation attempts during the rest of the war failed miserably.

Asa and the rest of his family had to flee Bulgaria shortly after the telegram incident.

"My father was a marked man," he said.

Asa talked on. He had told the story many times before, including what he considered the highest praise ever bestowed on the Bulgarian people, praise inadvertently given in a report by a Nazi official stationed in Bulgaria to his foreign ministry:

"Having grown up with Greeks, Armenians, Turks, and Gypsies, the ordinary Bulgarian does not understand the significance of the struggle against the Jews because he doesn't have the capacity to recognize the concept of racial purity," the Nazi official wrote.

The program began. Rabbi Jacob Ott of the Sephardic Synagogue took the stage briefly, making it clear it was a non-political meeting, but at the same time saying it was a "gesture that was long overdue."

Zhulev was next on the stage. An old man, bewhiskered and leaning on a wooden cane, began shouting from the back of the room, his angry voice turning all eyes toward him.

Moments later, he was walked out the door as Zhulev continued his speech, one that in stiff formal English traced the history of Jews in Bulgaria.

"Let us work together with all peace loving people in this world," he said at the end of the speech.

[From the Orange County (Calif.) Heritage, Jan. 16, 1981]

DR. WIETZ TO HELP DEDICATE SYNAGOGUE

Dr. Martin M. Weitz, rabbi, professor at Saddleback College, author and world traveler, has been invited to participate as guest speaker in the international rededication of the ancient Main Synagogue in Sofia, Bulgaria, which was accidentally bombed by American forces during World War II in an action against Nazi forces.

Sofia's synagogue is the largest Sephardic synagogue in Europe, followed by synagogues in Florence and Amsterdam.

The June celebration will commemorate the 40th Anniversary of the saving of Bulgaria's 50,000 Jews from the Nazi Holocaust of World War II and Bulgaria's 1300th anniversary of statehood.

Weitz, a native of Denver, Colorado, is known for his works in Jewish literature. He has authored eight books and 20 booklets on Jewish and general themes, and more than 200 articles.

Weitz served congregations in Wisconsin, Iowa, New Jersey, Arkansas, North Carolina and Long Island.

Currently teaching at Saddleback College's North Campus and at National University, San Diego, Weitz directs "Campus on a Compass" tours for students wishing to supplement classroom lectures. He has traveled extensively and has led student tour to Europe, Mexico, the Mideast and the West Indies.

Dr. Weitz' invitation to Bulgaria is the basis of a study tour he is currently organizing through "Campus on a Compass" of seven European capitals, leaving June 7, to correspond with the main events in Sofia, Bulgaria, with an optional Israel pilgrimage. Also included will be: Britain, Czechoslovakia, Austria, Hungary, Romania, Yugoslavia, as well as Bulgaria.

For more information, call Dr. Weitz at National University, 563-0100, or for travel information call U.T.S.: (800) 432-7230.

[From the B'nai B'rith Messenger, Jan. 3, 1981]

CANTOR BULGARIA-BOUND TO DEDICATE TEMPLE

Cantor Isaac Behar of the Sephardic Temple Tifereth Israel will participate in the rededication ceremonies of the old, restored synagogue in Sofia, Bulgaria—the largest Sephardic synagogue in Europe.

Cantor Behar was invited by Bulgarian authorities to take part in these unique ceremonies commemorating the 40th anniversary of the saving of the entire Bulgarian Jewish community of 50,000 Jews from the nazi Holocaust. These commemorations are part of the 1300th anniversary celebrations of Bulgaria's statehood in 1981.

For Behar, a native of Bulgaria, this will be the first homecoming since 1946 when he left for Romania. He was ordained cantor in the synagogue and will play an instrumental part in its rededication. The synagogue was bombed by American bombers near the end of World War II as an action against the Nazi forces.

After leaving Bulgaria, Cantor Behar lived in Israel for 12 years. He then moved to Mexico City where he officiated as cantor and choir conductor in Yehuda Halevi Sephardic Temple. Behar was conductor of the Olympic Games choir in Mexico City and has made many television appearances.

For the past 11 years, Cantor Behar has associated with the Sephardic Temple Tifereth Israel in Los Angeles, and has made his mark as a singer, composer and conductor in that area.

Behar will lead a two-week tour, departing June 17, 1981, for Bulgaria, Israel and Turkey to specifically coincide with Bulgaria's special events and celebrations.

For information on Bulgaria's special 1300th anniversary events and the saving of Bulgaria's Jews, contact Cantor Behar at Tifereth Israel (213) 475-7311. For information call UTS 800-432-7230.

SENATE EXECUTIVE RESOLUTION 1—EXECUTIVE RESOLUTION AUTHORIZING THE RETURN OF THE EAST COAST FISHERY RESOURCES AGREEMENT BETWEEN THE UNITED STATES AND CANADA

Mr. PERCY, from the Committee on Foreign Relations, reported the following original executive resolution:

S. EX. RES. 1

Resolved, That the Secretary of the Senate is directed to return to the President of the United States, as requested in his message to the Senate under date of April 21, 1981, the Agreement Between the Government of the United States of America and the Government of Canada on East Coast Fishery Resources, signed at Washington on March 29, 1979 (Executive V, 96th Cong., 1st sess.).

AMENDMENTS SUBMITTED FOR PRINTING

HOSPITAL CARE AND MEDICAL SERVICES IN PUERTO RICO AND THE VIRGIN ISLANDS

AMENDMENT NO. 66

(Ordered to be printed and to lie on table.)

Mr. PRESSLER submitted an amendment intended to be proposed by him to the bill (S. 921) to amend title 38, United States Code, to extend authority to provide contract hospital care and medical services in Puerto Rico and the Virgin Islands, and for other purposes.

HEALTH HAZARDS AFFECTING VIETNAM VETERANS

● Mr. PRESSLER. Mr. President, during Senate consideration of S. 921, the veterans health care bill, I will offer an amendment which I am submitting today to make mandatory an expanded study of health hazards that may be affecting Vietnam veterans.

In addition to the herbicide agent orange, Vietnam veterans were exposed to other potential health detriments such as the herbicide agent blue which contains arsenic, chemicals, and other dangerous biological agents.

Although VA studies are currently underway regarding agent orange, little research is being conducted into the effects of these other dangerous elements.

Both the Veterans' Administration and the White House Interagency Work Group To Study the Possibly Long Term Health Effects of Phenoxy Herbicides and Contaminants (IAG) have recommended that the current agent orange epidemiological study be broadened to include other possible health problems that may be related to Vietnam service.

I am pleased that the committee-reported version of S. 921 broadens this study. My amendment, however, goes further by specifically requiring study of the physiological and psychological effects of delayed stress evolving from Vietnam service and readjustment therefrom.

Post traumatic stress disorders may account for some of the symptoms attributed to agent orange. This is a major problem affecting Vietnam veterans which requires additional research.

The amendment which I am proposing also requires the administration, concurrently with the epidemiological study, to conduct research, testing evaluation and literature reviews to determine the potential toxicological, mutagenic and physiological effect of possible health hazards affecting Vietnam veterans.

Additionally, my amendment would require research into the processes of how health hazards affect humans and their reproductive processes. It would require the VA to develop a testing and screening procedure to detect potential health hazards which affect Vietnam veterans or which may affect their unborn offspring.

The amendment would require the VA to recommend and develop treatment and therapeutic intervention programs in the case of substances found to be harmful.

The cost of this amendment would be absorbed within the VA's medical research budget and within the research budgets of other appropriate Federal agencies such as EPA and Health and Human Services.

Mr. President, I urge the support of my colleagues for this amendment which will help allay the fears of many Vietnam veterans and provide important new knowledge for the treatment of their ailments.

Mr. President, I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

Strike all language from line 22, page 5 up to and including line 4, page 6, and insert in lieu thereof:

"(ii) In conducting the study provided for by division (i) of this subparagraph, the Administrator shall, as the Administrator deems appropriate, expand the scope of such study to include research and evaluation of the long-term adverse health effects in humans, and their natural children, which may result from service during the Vietnam era and/or readjustment therefrom including, but not limited to, exposure to other herbicides, chemicals, biological or hallucinogenic agents, medications, diseases, environmental hazards or conditions, and the psychological and physiological effects of delayed psychological stress evolving from such service or readjustment therefrom."

Line 14, page 6, strike the word "may" and insert in lieu thereof the word "shall".

Insert between lines 22 and 23, page 6, the following:

"(C) Concurrent with the carrying out of the provisions of (A) and (B), the Administrator shall conduct such studies, research, testing, evaluation and literature review as is necessary and appropriate to determine the pharmacokinetics and metabolic pathways, potential toxicological, biological, physiological, immunological, mutagenic, carcinogenic and/or psychological effects of potential health hazards in Vietnam and Vietnam era veterans; and means for detecting or screening potential health hazards in veterans and their unborn children, and means of treatment or therapeutic intervention.

Line 23, page 6, redesignate "(C)" as "(D)".

Strike line 25, page 6, and insert in lieu thereof: "of the literature studies, research, testing and evaluation provided for by subparagraphs (B) and (C), or all three.".●

CONVEYANCE TO THE STATES OF CERTAIN LANDS

AMENDMENT NO. 67

(Ordered to be printed and referred to the Committee on Energy and Natural Resources.)

Mr. HATCH submitted an amendment intended to be proposed by him to the bill (S. 1245) to provide for the cession of and conveyance to the States of federally unreserved, unappropriated lands, and to establish policy, methods, procedures, schedules, and criteria for such transfers.

PRESERVATION OF INDIAN TREATY RIGHTS

Mr. HATCH. Mr. President, as you know, on May 20 of this year, I introduced the Public Lands Reform Act of 1981 (S. 1245). Since that time, a number of organizations and individuals representing American Indian tribes have brought to my attention a serious concern on the part of many native Americans: State control of a large portion of the western public lands would lead to the abrogation of certain treaty rights which they currently have on Federal lands. While I was mindful of the general matter of preserving valid existing rights on the lands in the event of State transfer, I see now that the concerns of the tribes are sufficiently grave as to merit specific treatment.

Therefore, I would like to submit at this time an amendment to S. 1245 which, if adopted, would provide that explicit protection. I would also like the record to clearly reflect that the sponsors of this measure do not intend its passage to be anything but beneficial to all Americans, with the possible exception of those Interior Department and Agriculture Department employees whose livelihoods are directly dependent upon Federal ownership and management of the lands in question. We will continue to be receptive to positive changes in the bill which will insure that objective.

I would like to thank Mr. Walter Moffett of Kamiah, Idaho, and Mr. Bearhead Swaney of St. Ignatius for taking a firm hand in educating my staff in the realities of Indian interests in nontribal lands. Without their efforts this amendment would not have been possible.

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES

Mr. WARNER. Mr. President, I would like to announce for the information of the Senate and the public, changes in the scheduling of public hearings before the Subcommittee on Energy and Mineral Resources.

The subcommittee hearing on S. 859, to amend the mineral leasing laws of the United States to provide for uniform treatment of certain receipts under such laws, previously scheduled for Thursday, June 25, has been rescheduled for Wednesday, July 8, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

The subcommittee hearing on S. 1073, to amend section 21 of the Mineral Leasing Act of 1920, previously scheduled for Wednesday, July 8, has been rescheduled for Thursday, June 25, beginning at 9:30 a.m. in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Subcommittee on Energy and Mineral Resources, Committee on Energy and Natural Resources, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding these hearings, you may wish to contact Mr. Roger Sindelar of the subcommittee staff at 224–4236.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON SEPARATION OF POWERS

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on the Separation of Powers of the Committee on the Judiciary be authorized to meet during the session of the Senate on Monday, June 15, to discuss the human life bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL COMMMITTEE ON AGING

Mr. BAKER. Mr. President, I ask unanimous consent that the Special Committee on Aging be authorized to meet during the session of the Senate on Tuesday, June 16 from 2:30 until 4:30, to consider social security short term financial issues.

The PRESIDING OFFICER. Without objection, is is so ordered.

SUBCOMMITTEE ON NUCLEAR REGULATION

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Nuclear Regulation of the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Tuesday, June 16 at 2 p.m., to consider mill tailings legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

RUBY LEE PIESTER

● Mr. TOWER. Mr. President, Mrs. Ruby Lee Piester, a native Texan and a professional social worker, was featured recently in People magazine for her work as executive director of the country's largest combined maternity home and adoption agency, the Edna Gladney Home in Fort Worth. It is my distinct pleasure to ask that this feature article from the May 18, 1981, issue of People magazine be printed in the RECORD at the conclusion of my remarks.

As the article points out, Mrs. Piester and her husband, Jim, have devoted their lives to helping young women who chose adoption as the best plan for the baby which is unwanted or unplanned in their lives. By working with thousands of adoptive parents and pregnant girls over 20 years at the Edna Gladney Home, Mrs. Piester is convinced that open adoption records would be disastrous for adoption because the privacy of all those involved is threatened. It was because of the open-records provision and other harmful provisions present in the proposed Model State Adoption Act, that Mrs. Piester and other adoption leaders across the country decided to form a national organization to promote adoption in a positive manner. This organization, the National Committee for Adoption, has as its vice president Mrs. Piester. Many of you know of my grave concerns with the Model Adoption Act proposed by an advisory panel to the Department of Health and Human Services last year. I continue to be concerned that the final Model State Adoption Act published by Secretary Schweiker is one which promotes adoption in a positive manner—especially for those children in foster care and institutions who are free for adoption.

Mrs. Piester is truly the first lady of adoption in Texas. She has been involved in child welfare services since her graduation from the University of Texas School of Social Work, having worked for the State Department of Public Welfare and having served on numerous committees at the local, State, and national levels. Under Mrs. Piester's leadership as the executive director of the Edna Gladney Home, client involvement has been a major focus. The young women at the home staff a hotline talk-

ing with young women who are faced with the crisis of an unwed pregnancy and also assist with their ideas for brochures and other materials used in outreach. Young adoptive parents are organized throughout the Nation reaching out into public schools, college campuses, medical groups, and service groups sharing the services of the home. An Adult Adoptee Association and the National Grandparents Association have also been formed under Mrs. Piester's guidance.

But Mrs. Piester's community activities are much broader than her own agency's activities. She promotes the social work field—and the positive "adoption option"—in every aspect of her endeavor through radio, television, and the printed media not only in Fort Worth and throughout the State of Texas, but nationally as well. I invite my colleagues to read Mrs. Piester's interview. In a few short pages, the real facts about adoption and high quality services to young, unmarried pregnant women are spelled out clearly by a Texas lady who has devoted her life to helping people from all over the Nation.

Thank you, Mr. President.

The article follows:

FOR RUBY LEE PIESTER, THE FIRST AND LAST WORD ON ADOPTION IS "CONFIDENTIAL"

Ten to one. In some areas of the U.S. that is the disproportionate ratio of couples seeking to adopt children as compared to the discouraging small number of babies available. So great is the demand from would-be parents that some young unwed mothers are being offered large sums of money—even a four-year college education—to turn over their newborn offspring. As if the statistics weren't bad enough, the tight adoption market is being complicated by "right to know" advocates, who assert that adoptive children should automatically be able to learn the identities of their natural parents upon request, thus ending the long-standing code of adoption confidentiality.

Few are more concerned about the problems of adoption than Ruby Lee Piester, 65, executive director for the past 18 years of the country's largest combined maternity center and adoption agency, the Edna Gladney Home in Fort Worth. A foundation-supported complex of 13 buildings set in a handsome campus of rolling lawns, the home has as many as 145 unwed young women "in residence" at any one time.

The childless Piester, like her husband, James (a retired real estate manager), is an opponent of abortion and a firm believer in adoption. Her commitment led her to become a founding mother of the National Committee for Adoption, the nation's first full-time lobby and clearinghouse for adoption issues. Earlier this month the NCA held its first annual conference in Washington. Shortly before, People's Kent Demeret spoke to Piester about her views on the current state of adoption in America.

Is there a crisis in adoption?

Yes, there is. Though thousands of children are put up for adoption each year, there simply aren't enough to meet the demand. The gap is widening as contraception and abortion whittle down the birthrate. At the Gladney Home last year, we had 352 babies up for adoption—and some 3,000 applications, most of them from childless couples unable to conceive themselves.

What is the current status of adoption legislation?

Most adoption law is handled at the state level with a variety of procedures. However, a new federally recommended code of practice called the Model State Adoption Act is being prepared by the Department of Health and Human Services. Besides trying to unify adoption methods with a set of proposed guidelines, the Act aims to spur the lagging adoption of older children and those with emotional or mental problems. Government subsidies would be offered to people who balk at adopting problem kids because of the high cost of caring for them.

What objections do you have to the Act?

One disturbing feature is that it recommends allowing the natural father to extend his veto power over adoption until after the child is born, rather than before the birth as is generally the case. Our experience is that some previously disinterested fathers, or their mothers, become anxious to keep a baby once it is born, especially if it's a boy. Such a practice can make things difficult for a mother favoring adoption.

How can so-called right-to-know clauses endanger the adoption process?

Such provisions, if they are ever enforced, could be disastrous for adoption because they threaten the privacy of those involved. The average age of the expectant mothers who come to Gladney is 17. Mostly, these are fine girls from all-American families who have had an unfortunate experience, and one of the first things they ask about is confidentiality. They are looking forward to the time when they can pick up their lives, get married and have more children. They see problems ahead if anyone can find out who they are.

And the adoptive parents?

They are just as concerned. They don't want to raise a child and have the natural mother or father try to take it away later.

What if the right to confidentiality is taken away?

More girls will get abortions; perhaps 50 percent of those who come to Gladney now would do so. Also, many girls who do give birth will lie about their backgrounds to protect themselves, and then we won't get the honest information we need to help the children.

What do you now tell adopters and the natural parents about each other?

Everything but their identity. Adoptive parents need to know if there is, say, diabetes in the natural family.

How do you answer the argument that both parents and child have a "right" to know each other's identity?

I have heard both adoptees and biological mothers say that while they appreciate each other's need for contact later in life, they would not want the other person to simply come to their house one day and ring the doorbell. I know of a 60-year-old woman who had had an illegitimate child when she was young. Now someone has managed to contact the mother, and she is terribly distraught by the experience. We've had girls at Gladney who have become prominent—one went on to be a Miss America, and several others married politicians. They should have the right to decide whether or not they want to be contacted.

What if their decision is yes?

Our new National Committee for Adoption has worked out a way of arranging contact discreetly, via a third party. Adoptees over 18 and mothers register with the agency. Then they are matched up if they desire, by the agency or some central organization.

If they do make contact, what's the usual result?

It varies. One woman told me that her hunt for her mother was beneficial because she finally knew her adoptive parents were the ones she truly identified with. She absolutely did not identify with her real parents, but she had to go through some painful experiences to find that out. I also know of a woman, who had a baby after being raped, and she is terrified that her identity will be traced.

How do you manage adoptions?

At Gladney, a mother never meets the people adopting her child, but we make certain she meets other adoptive parents, to reassure her about the kind of folks who will be bringing up her baby. All the applicants are carefully screened. We also try to match up physical characteristics. It helps a child as he grows up being told that he looks like his "parents"—even if he is eventually told, as he should be, he was adopted.

What if a woman decides to keep her child or abort it?

At Gladney, we don't press anyone. If they opt for an abortion, we have them talk to a doctor about how and where it can be done.

And if she opts for adoption?

Then we contact the natural father. If she won't tell us who he is, the courts won't allow the adoption. Sometimes, though—in rape cases or if the mother has been very promiscuous—that requirement can be waived. We also don't let the girl sign anything until at least four days after the baby is born. If she still wants adoption, she signs the releases and a judge then awards the baby to the parents we deem best. But the whole process isn't final for another six months, during which a follow-up investigation is conducted to make sure everything is going as it should.

What are the concerns of the mothers?

They want their child to have a good home and be raised like a natural child. They also stress the need for stability—and discipline.

And the adoptive parents?

They are not as threatened as people might think about losing their child's affections when it learns it has been adopted. But they are fearful that the child could be taken away from them after a few years. They want to know exactly how the mother feels about giving up the child, and want some assurance that she won't change her mind.

What kinds of prospective parents seek to adopt?

They are usually 25 to 35, active churchgoers, have a suburban home and an annual income averaging about $25,000, and have been trying to start a family of their own for many years. Interestingly, we find that about 25 percent of them do have a natural child within a year after adoption.

Where is the competition between adoption and abortion headed?

Right now, I'd guess that two-thirds of unwed pregnant girls never even consider adoption. Young people have tended to accept abortion as the current thing. But now, with all the debating on abortion, we see a trend away from it, especially among college girls. If the new law leaves confidentiality intact, more people will turn to adoption agencies. Then the number of adoptable babies will become more in line with the number of good homes available to put them in.●

ELIMINATION OF STRIKER PARTICIPATION IN FOOD STAMP PROGRAM

● Mr. LEVIN. Mr. President, while I voted yesterday for final passage of the food stamp bill, I am nevertheless deeply disturbed over the committee decision to bar a household from qualifying for food stamps or receiving increased benefits due to the participation of a household member in a strike.

I see no cause for such action. The change is wholly unnecessary and above all unfair.

Under current law, strikers must meet every eligibility requirement, including the income and assets tests and they

must seek and accept work in order to be eligible for food stamps, the same as any other recipient. If a household has liquid assets of $1,500 it is ineligible for the program—strike benefits are counted toward this $1,500 limit. Studies show that the vast majority of strikers do not receive food stamps. GAO has reviewed five recent time periods for which data on the participation of strikers in food stamps is available. In four of these periods, GAO found that 89 to 96 percent of all strikers did not receive food stamps. In the fifth period, which concluded with the 1978 coal strike, GAO found that 64 percent of all strikers did not participate in the food stamp program.

Mr. President, those members of the committee who supported this change in current law failed to recognized that workers are taxpayers. The benefits of tax-supported programs should not be denied them. Mr. President, there is a clear inconsistency here in the treatment of the parties involved in worker disputes.

The posture of neutrality certainly does not exist when comparing the committee's action with that of current tax laws. Businesses may claim net losses incurred during a strike not only for one tax year, but back 3 years and forward 5 years. This insures maximum tax deductibility for strike losses. Additionally, during a strike, a company can continue to take advantage of other income supporting provisions available to business such as depreciation allowances, government information and research, and other investment incentive programs.

Elimination of striker participation in the food stamp program will pose hardship for the poorest of the strikers. In many instances a striker may be out of work against his own personal wishes. The decision to strike is not made by an individual worker. The law compels a vote before a strike can be held, and the will of the majority prevails. There is no way of knowing which persons may or may not have voted to strike because the law also compels that the vote be by secret ballot. So, the committee chooses to penalize even those who voted against a strike, along with each of the members of that family.

Mr. President, the labor laws of this country protect the right to strike. Those workers who choose to exercise this right should not be singled out for denial of food stamp benefits if they otherwise qualify under the Act and program regulations.

Mr. President, I see absolutely no justification for the change proposed by the committee.●

STATUS REPORT ON THE BUDGET

Mr. DOMENICI. Mr. President, I submit to the Senate a status report on the budget for fiscal year 1981 pursuant to section 311 of the Congressional Budget Act. Since my last report the Congress has cleared for the President's signature H.R. 3512, the 1981 supplemental appropriation and rescission bill.

REPORT TO THE PRESIDENT OF THE U.S. SENATE FROM THE COMMITTEE ON THE BUDGET—STATUS OF THE FISCAL YEAR 1981 CONGRESSIONAL BUDGET ADOPTED IN H. CON. RES. 115

REFLECTING COMPLETED ACTION AS OF JUNE 10, 1981

[In millions of dollars]

	Budget authority	Outlays	Revenues
Revised 2d Budget Resolution level	717,500	661,350	603,300
Current level	715,178	661,065	611,900
Amount remaining	2,322	285	8,600

BUDGET AUTHORITY

Any measure providing budget or entitlement authority which is not included in the current level estimate and which exceeds $2,322 million for fiscal year 1981, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in H. Con. Res. 115 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate and which would result in outlays exceeding $285 million for fiscal year 1981, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in H. Con. Res. 115 to be exceeded.

REVENUES

Any measure that would result in revenue loss exceeding $8,600 million for fiscal year 1981, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in H. Con. Res. 115.●

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million, or in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that two such notifications were received on June 1, 1981.

Interested Senators may inquire as to the details of these preliminary notifications at the offices of the Committee on Foreign Relations, room 4229 Dirksen Building.

The notifications follow:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., June 1, 1981.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Northeast Asian country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERICH F. VON MARBOD,
Acting Director.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., June 1, 1981.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Northeast Asian country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERICH F. VON MARBOD,
Acting Director.●

POWER, POLITICS, AND A SENSE OF HISTORY

● Mr. WEICKER. Mr. President, I commend to the attention of my colleagues the May 23 baccalaurate address of A. Bartlett Giamatti, president of Yale University, to the Yale class of 1981. Mr. Giamatti's impassioned call for citizen participation in the political process is compelling, as is his insistence that "high idealism" represents the essence of our democratic society. I respectfully urge my colleagues to consider the thoughtful conclusions of Mr. Giamatti's address, which apply to all Americans as well as to young adults. Therefore, Mr. President, I ask that the baccalaurate address of A. Bartlett Giamatti be printed at this point in the RECORD.

The address is as follows:

POWER, POLITICS AND A SENSE OF HISTORY

One of our most sensible commentators on education and society recently published a brief piece which was deeply disturbing for what it said, yet again, about America's confusion about ideas and power and the power of ideas in our national life. Briefly, this commentator, dismayed because Professor James Coleman had authored a report holding "that private high schools seemed to provide a better education than public ones," went to considerable lengths to chide social scientists for having or wishing to have an impact on the course and conduct of national life. Thinking about society is splendid, it seemed to be said, as long as the thinkers remain uninvolved in public policy and its creation. "Sociology gains in prestige and value when it keeps its distance from the political battles of the day" (New York Times, May 11, 1981, The Editorial Notebook).

Presumably, politicians, who fight the battles of the day, fight them better when they do not have the benefit of thinking. Why thoughtful people have chosen to join the gang on the crowded anti-social science bandwagon is a question I cannot answer.

Most disturbing to me is the idea that "If those who wield political power are to make use of sociological studies—and they should—the research should be neutral both in fact and appearance." I believe our commentator wants research that is nonpartisan, as do I. If he wants, however, social science research that is encouraged to believe itself free of values and disconnected from the world it studies, then he wants soulless, "academic" theorizing that will be of no use to anyone.

To wish a world where ideas are "value free," freeze-dried commodities, and political power is necessarily unconnected with reflection or analysis about society, is to wish for more of what we have at a time when we need much less of it. Our problem as a society is that we have fostered disconnectedness; we have created a false and falsifying separateness between social research and policy making, thinking and politics, ideas and power. At some point we became unmoored from that fundamental Western concept of a society where the leader and the system he energizes were meant to blend thought and action, ideas with force and forceful ethical behavior. Read Plato's Statesman, where the leader fosters education and education furthers the weaving of the web of the state, meshing as in a tapestry the various types of citizens; read Cicero's Republic, where the state is a harmonious orchestra, blending like musical tones the various classes, a concord aided by an idea of justice; read these, and whatever you think of them, you will not find a vision of a state where ideas and power can be distinct, where the power of ideas could ever be unconnected to a forceful public good.

I speak today to you, whose education has been for the purpose of directing ideas to a life of leadership and service to others; whose education has been to urge you to see and feel and think about the connectedness among things and how that connectedness must be fostered so that civilization is sustained. In speaking to you, I take as my theme power and a sense of history in our public life. What concerns me most today is the way we have disconnected ideas from power in America and created for ourselves thoughtful citizens who disdain politics and politicians when more than ever we need to value politics and what politicians do; when more than ever we need to recognize that the calling to public life is one of the highest callings a society can make. We need to recognize that if we do not summon and send forth from ourselves a few of the highest quality to lead, the many cannot hold together in civility and dignity.

If a society assumes its politicians are venal, stupid or self-serving, it will attract to its public life as an ongoing self-fulfilling prophecy the greedy, the knavish and the dim. If, as I will argue later, a culture like ours has wrongly persuaded itself that power is really mere force, and the use of power in its public or private life simply the exercise of force, then that culture will attract to leadership those who misunderstand power and who therefore cannot possibly use it correctly or well. How power is conceived in a society has the most to do with determining who is attracted to positions of power. A healthy society must never wish to have as its public servants people who only hunger to be in public life, who, thinking power is a natural force, believe they will become immortal if they can tap into its sheer, natural flow. The best way to avoid such people is to avoid such an idea of power.

Far better to think historically, to remember the lessons of the past. Thus, far better to conceive of power as consisting in part of the knowledge of when not to use all the power you have. Far better to be one who knows that if you reserve the power not to use all your power, you will lead others far more successfully and well, for to restrain power is in effect to share it. To share power is to give power to those who do not have it. Whoever knows how to restrain and effectively release power finds, if he is skilled and good, that power flows back to him. Power flows back to such a leader because from the sharing of power comes stability in a society, and stability is finally what humankind aches for, a stability that is just and equitable and humane.

On the other hand, those who think of power as simple force to be unleashed, force of personality, force of followers, force of might, force with no historical roots and no sense of consequence, invariably find that they exhaust their power, or are exhausted by it; they find that they only call forth their opposites and that then society inevitably swings, sickeningly, back and forth among those thoughtless enough to consume power because they will not share, and thus replenish, it. Under such leaders, the body politic suffers seizures but it never achieves stability. No one wins.

This layman's view of how power in a democracy ought to be construed depends for its efficacy upon those who are attracted to public life; it requires those who are impelled by talent for connectedness rather than by ambition for aggrandized private pleasure; its efficacy depends upon politicians who view the act of governing not as the exercise of sheer pressure, but as the assertion of compelling principle. I believe that we have a number of such people serving at the local and national level, and that we do not appreciate them as we should. I also believe we ought to be concerned by the spectacle of so many experienced and able elected officials, at all levels, retiring from public service because they will no longer put up with the casual unappreciation by the very people who elected them or with the gnawing of special-interest groups or with the constant high whine emitted by the herds of lobbyists. Finally, we must recognize that we have been so disdainful of or inattentive to our political system that it is increasingly difficult to find candidates who assume the need for any measure of professionalism as a prerequisite for public service.

By professionalism in politics I mean that one should serve an apprenticeship in how to serve, that women and men be encouraged and trained in how to be responsive in a democracy as well as responsible for democratic values. Increasingly we elect, on the basis of powerful advertising campaigns, people who do not know how to do anything for anybody, whether it is having a street light installed or protecting a citizen against loss of liberty. Increasingly we elect people who are governed by their staffs, whom no one elected. By professionalism, I mean we must find people who know how and when to subordinate personal obsession to the wishes or will of those they represent, wishes or will those politicians comprehend by returning to where they came from to talk to the people, not by counting editorials or by reading polls. People with professionalism believe politics is an ancient art, not a necessary trial in the world for secular saints nor a new game to be played after the rigors of making money are over. Professionalism in public life would never assume that you educate the citizenry to its needs by asserting over and over again that government is best done by dismantling the structures and purposes of government.

While it pleases some to repeat that politics is the art of the possible. I prefer to think that politicians must have the capacity for the impossible—for knowing in which direction their moral compass points and for being supple enough to persuade others of the moral rightness of the course they have set. They must be those who have a clear sense of how complex life is and be willing to make choices they can then convince other thinking people are the correct decisions. We are afflicted now, and have been for some time, with solo operators for whom nothing is complex, because nothing is connected to anything else; who believe the function of government is to impose moralistic schemes rather than to forge complex consensuses, and who treat government as an impediment to mandating purity rather than as a means of connecting, and negotiating among, legitimate needs and achieving a practical, equitable balance.

I am disheartened that for at least a decade we have been told by our shepherds that government or the other shepherds are the "enemy." Government is not the enemy, and neither are the people who elect governments. If we elect those who play on the forces that divide us, who play to our fears, we court a tradegy we may not be able to contain. And if we continue to elect those who denigrate what they pursue, who insist they are outsiders as they claw their way to the inside, we ought to ask if it is in our common interest to buy any more snake oil.

II.

Where did it all start in our culture, this worship of power as force, this contempt for restraining or complex connections, and the consequent devaluation of political life? I am not really sure but I choose to speculate it began in the middle of the last century, as America was collapsing into and struggling out of the ruins of the Civil War. I think it began with those who were positioned to bypass the Founders and to summon up the original strength of puritan America and to hurl that strength, naked, squalling as if newborn, into the gathering darkness. I believe it began with prophets of the secular religion that was the new America, like Emerson. In 1860, Emerson published his essay "Power" in The Conduct of Life.

In the dark pages of that powerful meditation on power, on the eve of the War, Emerson amply reflects a view of politics and politicians that is disdainful of the hurly-burly, the compromising and the dirtiness of it all. But Emerson makes it clear that he does not share those fastidious views. Those views, he says, are only held by the "timid man"; by the "churchmen and men of refinement," implicitly effete and bookish. Emerson was not for them. He was for the man who is strong, healthy, unfettered, the man who knows that nothing is got for nothing and who will stop at nothing to put himself in touch with events and their force. He is willing to say, because he believes it, that "Society is a troop of thinkers, and the best heads among them take the best places," but the metaphor of the mounted squadron, with the best jostling to the fore, means that this is a special kind of thinker.

He is, as the immediately preceding sentence says, one who knows "There is always room for a man of force, and he makes room for many." The "thinkers" Emerson really admires are those with "coarse energy,—the 'bruisers,' who have run the gauntlet of caucus and tavern through the county or the state,—" the politicians who despite their vices have "the good-nature of strength and courage." And what do the political bruisers know? They know what Emerson knows: the key to all ages is—Imbecility; imbecility in the vast majority of men at all times, and even in heroes in all but certain eminent moments; victims of gravity, custom, and fear. This gives force to the strong—that the multitude have no habit of self-reliance or original action.

With extraordinary literary skills at a crucial moment in our nation's life, it is Emerson who freed our politics and our politicians from any sense of restraint by extolling self-generated, unaffiliated power as the best foot to place in the small of the back of the man

in front of you and who promoted shoving as the highest calling abolitionist, moral New England could conceive.

Emerson was a potent figure in his time, and his influence in our culture is powerful to this day. You do not have to read the prophet to realize his ideas are all around us. Strangely enough, he lives in the popular imagination as the Lover of Nature, a sweet, sentimental, Yankee Kahlil Gibran. In fact, Emerson is as sweet as barbed wire, and his sentimentality as accommodating as a brick. There might have been no lasting harm in all this, no lasting harm in his hymns to the strong and to a strength deriving from a frenzied harmony with the higher laws of Nature; no great harm, though enough, from his wishing for a politics where energy, will and ferocious concentration were the royal roads to success; no real danger from his worship of "self-reliance and original action," except that, like all implacable saviors, Emerson knew where his people were most insecure and where he could best make his balm as indispensible as blood. His everlasting harm comes because he knew Americans would forever feel themselves colonists and thus forever feel themselves derived, or secondhand. And so his greatest contribution to our culture, and greatest disservice, lies in the assurances with which in subtle and obvious ways he justified jettisoning history.

Emerson found in our independent character, xenophobia, and he made it into a gospel. He managed to persuade generations that custom was a crutch, not a means of continuity; he assured everyman that he was his own pure source, and that every native strain in his character was a link with Higher Nature. He wished to sever America from Europe, and American culture and scholarship and politics from whatever humankind had fashioned before. And he thought he had done something good.

The result is that he infected American culture with a scorn of the past. The result is he encouraged America to shake loose from any constraint on our strength and then to call the resulting power miraculous because it had no moorings. Thus, to Emerson I believe we owe our worship of a politics which wishes for originality in all things: for a society in its origins pure, for solutions that are wondrously complete, for politicians whose sheer unthinking vigor will cleanse us forever. To Emerson we owe that spirit of puritan America that has survived to today, the smug, abstract moralism that is distrustful of any accommodation, that is always certain of its righteousness because it is merely self-regarding, that is scornful of any flexibility of spirit because it has never looked over its shoulder.

Emerson and those who followed him licensed that unstable strain in us that would have us begin all over again every morning, every morning to discover evil again in order every morning to focus the will in order to shove our way to noontime; that naive energy that legisimizes those gusts of moralistic frenzy masquerading as high principle that periodically seize us by the throat and that, while always comfortable with nostalgia, are never truly attentive to history. Emerson licensed our violent swings from extreme to extreme by insisting that whatever willful impulse sat in the throne of the heart, holds legitimate sway. In another creed, his self-reliance would be the sin of pride.

Rootless save for immersion in the rich soil of the endlessly admiring self, glowing with animal energy, completely devoid of any sense of our common past, a new technocrat of force, Emerson's figure of power formed more than the nineteenth and much of the twentieth centuries' view of the politician. It formed what became an acceptable public personality, and that view of power and its uses is still with us; and it still calls forth reactions to itself as extreme as it is. That is why I lay at Emerson's cottage door the encouragement to instability that is one of America's real afflictions.

Emerson's views are those of a brazen adolescent and we ought to be rid of them. The maturing of America will occur when we have absorbed, not rejected, our past, our past as various peoples from diverse cultures, not simply as entrepreneurs of the soul. We will mature fully when we require sense of history in those who lead up and reject those originals who believe, in whatever walk of life, that each of us is created afresh solely for the purpose of baying at every new, pure moon. The maturing of our politics, which is to say the fashioning of our national life as a work of art, will come when stability of society, not originality of action, is our goal.

To assume that civility, not success in forcing new purities, is the proper end of politics will begin to rid this country of the extraordinary savagery of spirit that is now abroad: the resentment at the advancement of others, the bitterness that begrudges everyone else everything, the increasing and deeply dangerous polarization of the races, the pustular eruptions of sexism, racism and of anti-Semitism whose stench now fills the air. These are all signs that some now feel licensed to shove again the less numerous, the weaker, the new, the exotic, the foreign. I smell that spirit in the air and read it in the papers, I see it in the mail I get, I read it spray painted on walls, I hear it in the jokes people tell, and it is imperative that all of us condemn and exorcise that spirit.

We must civilly but absolutely clearly reject a spirit that instinctively turns to boycott, instead of tough, reasoned debate, to express its disagreement. We must publicly reject the movement that once again cries to ban books in libraries. We must insist on law, not on rule by decree; we must insist that the principles of the Constitution be applied through the courts and resist the desire that the Constitution be endlessly amended. We must never lose sight of the need for a balanced, pluralistic society, where ideas compete and principles are adjudged by legislative processes and judicial forums. If the day is won by the neo-Puritans through those means, so be it. But those who simply, arrogantly assert that their morality is in the majority should not expect others who simply do not believe it to stand mute. A civil society can be shattered by the kind of coercion that now seeks to become commonplace.

These tensions and many others are the stuff of our local and national public life, and these tensions must be managed by our politicians and by the rest of us. We should honor those who are willing to confront these tensions and we must insist that they and we do not acquiesce to their divisive force. We must encourage a regard for those who manage our public needs and desires and if we do not find that regard justified, then we must find and encourage those in whom we can believe and who are worthy of our trust. We must insist that the goal of our politics is not punishment of some group or tendency, but healing, a healing of the wounds that the world will always inflict on us all; we must remember and insist that our leaders know that exclusion was never the purpose of our country's dream. We must remember America was not founded to create exiles.

Ladies and Gentlemen of the Class of 1981: America's founders intended that we manage, by an act of the will, competing as well as complementary freedoms, in the interests of forging a civil state and a free, generous people. That is not impossibly high idealism and we cannot let our public life fall to disconnected fragments by scorning its call, or by ignoring its imperatives. High idealism is America's most practical and durable product, our best native handicraft. Those who founded this Republic knew that and it is the obligation of our political leaders and of the rest of us who elect them to remember it too. It is our obligation to remember that the promise of our history lives in each of us a sacred trust. What a grand and precious gift, that legacy of competing freedoms all urging us to liberality of spirit and a decent public order. Women and men of Yale, as you lead, let that high idealism which is America's essence lead you.●

PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of a proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is available to the full Senate, I submit for the RECORD at this point the notifications which have been received.

The notifications follow:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., June 1, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-49 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter of Offer to Jordan for defense articles and services estimated to cost $60 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

ERICH F. VON MARBOD,
Acting Director.

[Transmittal No. 81-49]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Jordan

(ii) Total Estimated Value:

[In millions]

Major Defense Equipment *	$57
Other	3
Total	60

* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Four AN/TPQ-36 mortar locating radars with support equipment.

(iv) Military Department: Army (VCT).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Included in report for quarter ending 31 March 1981.

(viii) Date Report Delivered to Congress: June 1, 1981.

POLICY JUSTIFICATION

JORDAN—ARTILLERY AND MORTAR LOCATING RADARS

The Government of Jordan (GOJ) has requested the purchase of four AN/TPQ–36 mortar locating radars and four AN/TPQ–37 artillery locating radars with support equipment at an estimated cost of $60 million.

The sale will further U.S. foreign policy objectives by assisting a friendly country to deter hostilities and defend itself in a region where it is vital to U.S. interests to reduce the probability of open conflict and to promote peace and stability. The sale will assist the GOJ in meeting its legitimate defense requirements and reaffirm to the Jordanian military and political leadership that the United States is responsive to the priority modernization objectives of the Jordanian Armed Forces. This modernization effort is consistent with U.S. views on Jordanian security needs, the regional military balance, and long-range peace and stability in the region.

The sale of the radars will provide Jordan an automated capability for locating mortars, short-range artillery, and high-angle fire weapons firing from multiple positions. The Jordanian Armed Forces will require training and logistical support for these weapon systems. The sale of the AN/TPQ–36 and AN/TPQ–37 radars will assist the Jordanian Armed Forces to offset in part the substantial artillery advantages held by neighboring countries.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Hughes Aircraft Corporation of Fullerton, California.

Implementation of this sale will require the assignment of four additional U.S. Government personnel to Jordan for approximately three weeks.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., June 1, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81–51, concerning the Department of the Navy's proposed Letter of Offer to Saudi Arabia for defense services estimated to cost $66 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERICH F. VON MARBOD,
Acting Director.

[Transmittal No. 81–51]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Saudi Arabia.
(ii) Total Estimated Value:

[In millions]

Major Defense Equipment*	60
Other	66
Total	66

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Propulsion Engineering Training and in-country support for the U.S. Navy Chief of Naval Education and Training representatives for the Saudi Naval Expansion Program.

(iv) Military Department: Navy (LAP, Amendment 1).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: None.

(vii) Section 28 Report: Included in report for quarter ending 31 March 1981.

(viii) Date Report Delivered to Congress: June 1, 1981.

POLICY JUSTIFICATION

SAUDI ARABIA—PROPULSION ENGINEERING TRAINING AND TECHNICAL TRAINING SUPPORT SERVICES

The Government of Saudi Arabia has requested amendment of an existing foreign military sales agreement to provide Propulsion Engineering Training through May 1985, and to provide continued support for the U.S. Navy Chief of Naval Education and Training technical representatives in Saudi Arabia through May 1985 at an estimated cost of $66 million. Approval of this request will increase the cost of this sales agreement to $196 million.

This sale is consistent with the stated U.S. policy of assisting friendly nations to provide for their own self-defense by allowing the transfer of reasonable amounts of defense articles and services. It will demonstrate the continuing willingness of the United States to support the Saudi Arabian effort to improve the security of the country through modernization of Royal Saudi Naval Forces (RSNF). Enhancement of defensive capabilities of Saudi Arabia in a regional context will also contribute to overall Middle East stability.

Saudi Arabia is in the process of enlarging and improving its naval assets and operations through its Saudi Naval Expansion Program (SNEP) with the United States. This program started in 1972 and is scheduled to be completed in the mid-1980's. The SNEP includes the purchase of 29 ships and craft, shore facilities, equipment, and training. This purchase will provide for the training of RSNF personnel to insure the RSNF has the requisite numbers of trained personnel to operate and maintain the propulsion systems on the ships purchased from the United States.

The sale of this training and support services will not affect the basic military balance in this region.

The prime contractor will be Northrop Services, Incorporated of San Diego, California.

Implementation of this sale will require the assignment of two additional contractor personnel to Saudi Arabia.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., June 1, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81–52, concerning the Department of the Air Force's proposed Letter of Offer to Oman for defense articles and services estimated to cost $17 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERICH F. VON MARBOD,
Acting Director.

[Transmittal No. 81–52]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Oman.
(ii) Total Estimated Value:

[In millions]

Major defense equipment*	$14
Other	3
Total	17

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: One C–130H aircraft with support for two years and training.

(iv) Military Department: Air Force (SBA).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: None.

(vii) Section 28 Report: Included in report for quarter ending 31 March 1981.

(viii) Date Report Delivered to Congress: June 1, 1981.

POLICY JUSTIFICATION

OMAN—C–130H AIRCRAFT

The Government of Oman has requested the purchase of one C–130H cargo aircraft with support for two years and training at an estimated cost of $17 million.

This sale is consistent with the stated U.S. policy of assisting other nations to provide for their own self-defense by allowing the transfer of reasonable amounts of defense articles and services. Oman's strategic location at the entrance to the Persian Gulf closely links the national interests of Oman and the U.S. Along with the formal Access Agreement signed by the Governments of Oman and the United States in June 1980, this sale of a C–130H aircraft will enhance our country-to-country relationship.

This sale is designed to assist the Omani Air Force in modernizing and increasing its transport aircraft capability for the rapid movement of troops and military equipment within Oman and the resupply of ground forces. The sale of the C–130H aircraft does not introduce a new military capability into the region.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Lockheed Corporation of Marietta, Georgia.

Implementation of this sale will require the assignment of four additional U.S. Government and two contractor personnel for a minimum of one year.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., May 29, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81–53, concerning the Department of the Army's proposed Letter of Offer to Jordan for defense articles and services estimated to cost $27 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERICH F. VON MARBOD,
Acting Director.

[Transmittal No. 81-53]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Jordan.

(ii) Total Estimated Value:

[In millions]

Major Defense Equipment*	$25
Other	2
Total	27

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Thirty M88A1 tracked recovery vehicles.

(iv) Military Department: Army (VCV).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: None.

(vii) Section 28 Report: Included in report for quarter ending 31 March 1981.

(viii) Date Report Delivered to Congress: May 29, 1981.

POLICY JUSTIFICATION

JORDAN—M88A1 TRACKED RECOVERY VEHICLES

The Government of Jordan (GOJ) has requested the purchase of 30 M88A1 tracked recovery vehicles at an estimated cost of $27 million.

The sale will further U.S. foreign policy objectives by assisting a friendly country to deter hostilities and defend itself in a region where it is vital to U.S. interests to reduce the probability of open conflict and to promote peace and stability. The sale will assist the GOJ in meeting its legitimate defense requirements and reaffirm to the Jordanian military and political leadership that the United States is responsive to the priority modernization objectives of the Jordanian Armed Forces. This modernization effort is consistent with U.S. views on Jordanian security needs, the regional military balance, and long-range peace and stability in the region.

The sale of M88A1 tracked recovery vehicles will provide a tracked vehicle recovery capability to support Jordan's existing tank battalions. The Jordan Arab Army presently has the capability to absorb these vehicles with little or no additional training and logistical support. The sale of the M88A1 tracked recovery vehicles does not introduce a new capability into the region.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Bowen-McLaughlin-York Corporation of York, Pennsylvania.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Jordan.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

MT. ST. CHARLES ACADEMY HOCKEY TEAM AGAIN RANKED TOPS IN UNITED STATES

● Mr. PELL. Mr. President, I wish to share with my colleagues news of a hockey team from Woonsocket, R.I., that has again been ranked the best high school team in this sport in the Nation.

High school hockey is "king" in Rhode Island. There are more youngsters playing hockey than baseball in the northern part of our State and Rhode Islanders follow the sport with great enthusiasm.

The Woonsocket team—Mt. St. Charles Academy—has been ranked the best high school hockey team in the Nation by the National Sports News Service. This is the second year in a row that the team has been top ranked and the first time any high school has earned this honor in consecutive years.

Mt. St. Charles Academy has captured the Rhode Island State Championship for the fourth straight season and, for the fifth straight time, has won the regular metropolitan A division title, this year with a 22–0–0 record. The team has 75 consecutive, undefeated, and untied victories in the metropolitan A division.

The team has compiled an incredible record of 91 consecutive, undefeated contests and finished the year with a 31–0–1 season. The team and its coach, Bill Belisle, are to be commended for their unmatched accomplishments and for the dedication and skill those accomplishments demonstrate.

I am sure that the school's excellent faculty and students, the residents of Woonsocket and all Rhode Islanders share my pride in the team's undefeated record and top honors.

Mr. President, I ask that an article from the Woonsocket (R.I.) Call of June 2, 1981 about the "Mounties" from Mt. St. Charles Academy be printed in the RECORD.

The article follows:

MAYOR, CITY COUNCIL HONOR KING MOUNTIES

(By Larry Berman)

How welcome were the Mounties made to feel at City Hall last night? Well, team captain Paul Guay sat himself down and ate his dinner at the mayor's desk.

The Mount St. Charles hockey team, named national champions for the second straight year by the National Sports News Service, were the guests of honor at a reception hosted by new Mayor Gaston A. Ayotte Jr. All the team members, coach Bill Belisle, and assistant Dave Belisle were served a buffet dinner.

The Mounties then were saluted by the City Council, which passed a resolution denoting their accomplishments. All seven councilmen gave the hockey kings a rousing standing ovation.

Belisle's stakers, who won their fourth straight Rhode Island championship and their fifth straight Metropolitan A Division title, were further congratulated as several councilmen addressed the well-dressed group.

"I've never met anyone in my life, until now, who can say that they are number one. To be the very best in the country is really special and I hope the whole state recognizes that," offered Francis L. Lanctot.

At the council's suggestion, a copy of the resolution will be sent to Governor J. Joseph Garrahy.

Councilman Maurice R. Bell had special praise for Belisle, the coach of the Mount dynasty. "You boys should consider yourself fortunate to have such a fine coach that has shown you how important playing together as a unit can be."

Mayor Ayotte also offered his congratulations, pointing out how proud Woonsocket is of the Mounties. "Whenever you hear that Mount is number one, they always say Mount St. Charles of Woonsocket, Rhode Island."

The final portion of the resolution perhaps summed it all up.

"This enviable record of achievements, team skill, fine team play and superb coaching has brought great honor and pride to Mount St. Charles Academy, the hockey team, their families and to the City of Woonsocket."

The following Mounties will have a copy of the resolution sent to their homes:

Marc Guay, Gary Fuoco, Jay Octeau, Brian Lawton, Paul Guay, Douglas Petrarca, James White, Billy Slaney, Tim LeBlanc, Rene Boudreault.

Robert Angell, Jody Demers, Chris Palin, Mike Hodson, Gregory Pratt, Joe Catalfano, Robert DiSandro, John Ursillo, Tom McComb, Billy Dean.

George Pisaruk, Paul Croteau, John Trimble, Steve D'Angelo, Todd Corkum, John Krim; head coach, Bill Belisle; assistant coach, David Belisle; managers, Brian Lefort, William Sieboda; moderator, Brother Roland Champagne.●

ISRAEL HAS THE RIGHT TO DEFEND ITSELF

Mr. PACKWOOD. Mr. President, the events of the last week in the Middle East, specifically the bombing by Israeli planes of a nuclear reactor in Iraq, have once again given supporters of Israel reason to rally around that beleaguered nation. I am particularly dismayed by the decision of the Reagan administration to delay the sale of additional F–16 planes that were scheduled for shipment to Israel this week.

As one Senator who recognizes the need for a strong Israeli defense, I must ask why people are unable to realize that the Israelis are motivated by self-defense and a justifiable preoccupation with security. It appears that the administration has already acted as both judge and jury in deciding that Israel was at fault in some way for their actions on Sunday, June 7, 1981 in attacking and destroying the Iraqi nuclear plant.

It was my hope that the administration would not have taken measures to delay the delivery of the F–16 planes, specially since an examination of news stories on the Iraq reactor would have revealed the extent to which Israel's attack was justified. To quote one example, from the October 4, 1980 edition of Al Tawrah, one of Baghdad's major newspapers:

The Iranian people should not fear the Iraqi nuclear reactor which is intended to be used against the zionist enemy.

To this end, one can understand why the Israelis moved so quickly—they were protecting their own survival. Israel can not afford to stand by and watch an enemy country build a nuclear bomb which, as Israel well knows, will be used against it. The Jewish people have already experienced one holocaust, and should not be condemned for insuring against another one. It is my belief, that we should know "all" of the facts first, before judging Israel.

The actions taken by this administration to delay the sale of the four F–16 fighter bombers to Israel, must be questioned.

GEORGE KENNAN AND NUCLEAR DISARMAMENT

● Mr. KENNEDY. Mr. President, on May 19, George F. Kennan, one of the wisest and most distinguished experts of our time in foreign policy, received the Albert Einstein Peace Prize for his substantive contributions over many years to the avoidance of nuclear war.

Throughout his long years of extraordinary public service, as Ambassador to Moscow, as counselor in the State Department, and as chief of the Department's policy planning staff, and in his eloquent and perceptive writing, Ambassador Kennan has earned an outstanding reputation for excellence and commitment, and I commend him for this well-deserved new recognition he has received.

In his address on receiving the Einstein Peace Prize, Ambassador Kennan calls for bold action by both the United States and the Soviet Union to break the relentless spiral of the nuclear arms build-up that threatens to engulf us in humanity's final war.

Mr. President, 35 years ago, at the dawn of the nuclear age, Bernard Baruch warned us that we must choose between the quick and the dead. Ambassador Kennan's address is a powerful and urgent new call to this task, and I request that his remarkable address be printed at this point in the RECORD.

The address follows:

ADDRESS BY THE HONORABLE GEORGE F. KENNAN

A person would have to be wholly insensitive, or perhaps selfless to the point of saintliness, in order not to be moved by such an honor as the Einstein Foundation is conferring on me today. I am neither of those things; so I am naturally deeply gratified and appreciative. On the other hand, I cannot help but have my doubts as to whether I have fully deserved it. And for that reason I can look on it only as a mark of confidence and of encouragement—encouragement to myself and to a great many other people—encouragement to continue to do what little may be in our power to assure that we of this generation, here and elsewhere, do not, in deference to our military fears, commit the supreme sacrilege of putting an end to the civilization out of which we have grown, the civilization which has made us what we are, the civilization without which our children and grandchildren can have no chance for self-realization, possibly no chance of life itself.

This as I see it, is the task to which the Einstein Foundation has devoted itself. Beside it, all personal considerations ought to fade into insignificance. I am grateful for the opportunity to associate myself publicly with this cause. And I am grateful for the admonition which the award implies: the admonition to neglect nothing—no effort, no unpleasantness, no controversy, no sacrifice—which could conceivably help to preserve us from committing this fatal folly.

What can we do?

Adequate words are lacking to express the full seriousness of our present situation. It is not just that we are for the moment on a collision course politically with the Soviet Union, and that the process of rational communication between the two governments seems to have broken down completely; it is also—and even more importantly—the fact that the ultimate sanction behind the conflicting policies of these two governments is a type and volume of weaponry which could not possibly be used without utter disaster for us all.

For over thirty years wise and far-seeing people have been warning us about the futility of any war fought with nuclear weapons and about the dangers involved in their cultivation. Some of the first of these voices to be raised were those of great scientists, including outstandingly that of Albert Einstein himself. But there has been no lack of others. Every president of this country, from Dwight Eisenhower to Jimmy Carter, has tried to remind us that there could be no such thing as victory in a war fought with such weapons. So have a great many other eminent persons.

When one looks back today over the history of these warnings, one has the impression that something has now been lost of the sense of urgency, the hopes, and the excitement that initially inspired them, so many years ago. One senses, even on the part of those who today most acutely perceive the problem and are inwardly most exercised about it, a certain discouragement, resignation, perhaps even despair, when it comes to the question of raising the subject again. The danger is so obvious. So much has already been said. What is to be gained by reiteration? What good would it now do? Look at the record.

Over all these years the competition in the development of nuclear weaponry has proceeded steadily, relentlessly, without the faintest regard for all these warning voices. We have gone on piling weapon upon weapon, missile upon missile, new levels of destructiveness upon old ones. We have done this helplessly, almost involuntarily: like the victims of some sort of hypnotism, like men in a dream, like lemmings heading for the sea, like the children of Hamlin marching blindly along behind their Pied Piper. And the result is that today we have achieved, we and the Russians together, in the creation of these devices and their means of delivery, levels of redundancy of such grotesque dimensions as to defy rational understanding.

I say redundancy. I know of no better way to describe it. But actually, the word is too mild. It implies that there could be levels of these weapons that would not be redundant. Personally, I doubt that there could. I question whether these devices are really weapons at all. A true weapon is at best something with which you endeavor to affect the behavior of another society by influencing the minds, the calculations, the intentions, of the men that control it; it is not something with which you destroy indiscriminately the lives, the substance, the hopes, the culture, the civilization, of another people.

What a confession of intellectual poverty it would be—what a bankruptcy of intelligent statesmanship—if we had to admit that such blind, senseless acts of destruction were the best use we could make of what we have come to view as the leading elements of our military strength! To my mind, the nuclear bomb is the most useless weapon ever invented. It can be employed to no rational purpose. It is not even an effective defense against itself. It is only something with which, in a moment of petulance or panic, you commit such fearful acts of destruction as no sane person would ever wish to have upon his conscience.

There are those who will agree, with a sigh, to much of what I have just said, but will point to the need for something called deterrence. This is, of course, a concept which attributes to others—to others who, like ourselves, were born of women, walk on two legs, and love their children, to human beings, in short—the most fiendish and inhuman of tendencies. But all right: accepting for the sake of argument the profound iniquity of these adversaries, no one could deny, I think, that the present Soviet and American arsenals, presenting over a million times the destructive power of the Hiroshima bomb, are simply fantastically redundant to the purpose in question.

If the same relative proportions were to be preserved, something well less than twenty per cent of these stocks would surely suffice for the most sanguine concepts of deterrence, whether as between the two nuclear superpowers or with relation to any of those other governments that have been so ill-advised as to enter upon the nuclear path. Whatever their suspicions of each other, there can be no excuse on the part of these two governments for holding, poised against each other and poised in a sense against the whole northern hemisphere, quantities of these weapons so vastly in excess of any rational and demonstrable requirements.

How have we got ourselves into this dangerous mess?

Let us not confuse the question by blaming it all on our Soviet adversaries. They have, of course, their share of the blame, and not later in their cavalier dismissal of the Baruch Plan so many years ago. They too have made their mistakes; and I should be the last to deny it. But we must remember that it has been we Americans who, at almost every step of the road, have taken the lead in the development of this sort of weaponry. It was we who first produced and tested such a device; we who were the first to raise its destructiveness to a new level with the hydrogen bomb; we who introduced the multiple warhead; we who have declined every proposal for the renunciation of the principle of "first use;" and we alone, so help us God, who have used the weapon in anger against others, and against tens of thousands of helpless non-combatants at that.

I know that reasons were offered for some of these things. I know that others might have taken this sort of a lead, had we not done so. But let us not, in the face of this record, so lose ourselves in self-righteousness and hypocrisy as to forget our own measure of complicity in creating the situation we face today.

What is it then, if not our own will, and if not the supposed wickedness of our opponents, that has brought us to this pass?

The answer, I think, is clear. It is primarily the inner momentum, the independent momentum, of the weapons race itself—the compulsions that arise and take charge of great powers when they enter upon a competition with each other in the building up of major armaments of any sort.

This is nothing new. I am a diplomatic historian. I see this same phenomenon playing its fateful part in the relations among the great European powers as much as a century ago. I see this competitive build-up of armaments conceived initially as a means to an end but soon becoming the end itself. I see it taking possession of men's imagination and behavior, becoming a force in its own right, detaching itself from the political differences that initially inspired it, and then leading both parties, invariably and inexorably, to the war they no longer know how to avoid.

This is a species of fixation, brewed out of many components. There are fears, resentments, national pride, personal pride. There are misreadings of the adversary's intentions—sometimes even the refusal to consider them at all. There is the tendency of national communities to idealize themselves and to dehumanize the opponent. There is the blinkered, narrow vision of the professional military planner, and his tendency to make war inevitable by assuming its inevitability. Tossed together, these components form a powerful brew. They guide the fears and the ambitions of men. They seize the policies of governments and whip them around like trees before the tempest.

Is it possible to break out of this charmed and vicious circle? It is sobering to recognize that no one, at least to my knowledge, has yet done so. But no one, for that matter, has ever been faced with such great catastrophe, such inalterable catastrophe, at the end of the line. Others, in earlier decades, could befuddle themselves with dreams of something called "victory." We, perhaps fortunately, are

denied this seductive prospect. We have to break out of the circle. We have no other choice.

How are we to do it?

I must confess that I see no possibility of doing this by means of discussions along the lines of the negotiations that have been in progress, off and on, over this past decade, under the acronym of SALT. I regret, to be sure, that the most recent SALT agreement has not been ratified. I regret it, because if the benefits to be expected from that agreement were slight, its disadvantages were even slighter; and it had a symbolic value which should not have been so lightly sacrificed. But I have, I repeat, no illusion that negotiations on the SALT pattern—negotiations, that is, in which each side is obsessed with the chimera of relative advantage and strives only to retain a maximum of the weaponry for itself while putting its opponent to the maximum disadvantage—I have no illusion that such negotiations could ever be adequate to get us out of this hole. They are not a way of escape from the weapons race; they are an integral part of it.

Whoever does not understand that when it comes to nuclear weapons the whole concept of relative advantage is illusory—whoever does not understand that when you are talking about absurd and preposterous quantities of overkill the relative sizes of arsenals have no serious meaning—whoever does not understand that the danger lies not in the possibility that someone else might have more missiles and warheads than we do but in the very existence of these unconscionable quantities of highly poisonous explosives, and their existence, above all, in hands as weak and shaky and undependable as those of ourselves or our adversaries or any other mere human beings: whoever does not understand these things is never going to guide us out of this increasingly dark and menacing forest of bewilderments into which we have all wandered.

I can see no way out of this dilemma other than by a bold and sweeping departure—a departure that would cut surgically through the exaggerated anxieties, the self-engendered nightmares, and the sophisticated mathematics of destruction, in which we have all been entangled over these recent years, and would permit us to move, with courage and decision, to the heart of the problem.

President Reagan recently said, and I think very wisely, that he would "negotiate as long as necessary to reduce the numbers of nuclear weapons to a point where neither side threatens the survival of the other." Now that is, of course, precisely the thought to which these present observations of mine are addressed. But I wonder whether the negotiations would really have to be at such great length. What I would like to see the President do, after due consultation with the Congress, would be to propose to the Soviet government an immediate across-the-boards reduction by fifty percent of the nuclear arsenals now being maintained by the two superpowers—a reduction affecting in equal measure all forms of the weapon, strategic, medium range, and tactical, as well as all means of their delivery—all this to be implemented at once and without further wrangling among the experts, and to be subject to such national means of verification as now lie at the disposal of the two powers.

Whether the balance of reduction would be precisely even—whether it could be construed to favor statistically one side or the other—would not be the question. Once we start thinking that way, we would be back on the same old fateful track that has brought us where we are today. Whatever the precise results of such a reduction, there would still be plenty of overkill left—so much so that if this first operation were successful, I would then like to see a second one put in hand to rid us of at least two thirds of what would be left.

Now I have, of course, no idea of the scientific aspects of such an operation; but I can imagine that serious problems might be presented by the task of removing, and disposing safely of, the radioactive contents of the many thousands of warheads that would have to be dismantled. Should this be the case, I would like to see the President couple his appeal for a fifty-percent reduction with the proposal that there be established a joint Soviet-American scientific committee, under the chairmanship of a distinguished neutral figure, to study jointly and in all humility the problem not only of the safe disposal of these wastes but also the question of how they could be utilized in such a way as to make a positive contribution to human life, either in the two countries themselves or—perhaps preferably—elsewhere. In such a joint scientific venture we might both atone for some of our past follies and lay the foundation for a more constructive relationship.

It will be said: this proposal, whatever its merits, deals with only a part of the problem. This is perfectly true. Behind it there would still lurk the serious political differences that now divide us from the Soviet government. Behind it would still lie the problems recently treated, and still to be treated, in the SALT forum. Behind it would still lie the great question of the acceptability of war itself, any war, even a conventional one, as a means of solving problems among great industrial powers in this age of high technology. What has been suggested here would not prejudice the continued treatment of these questions just as today, in whatever forums and under whatever safeguards the two powers find necessary. The conflicts and arguments over these questions could all still proceed to the heart's content of all those who view them with such passionate commitment. The stakes would simply be smaller; and that would be a great relief to all of us.

What I have suggested is, of course, only a beginning. But a beginning has to be made somewhere; and if it has to be made, it is best that it should be made where the dangers are the greatest, and their necessity the least. If a step of this nature could be successfully taken, people might find the heart to tackle with greater confidence and determination the many problems that would still remain.

It will be argued that there would be risks involved. Possibly so. I do not see them. I do not deny the possibility. But if there are, so what? Is it possible to conceive of any dangers greater than those that lie at the end of the collision course on which we are now embarked? And if not, why choose the greater—why choose, in fact, the greatest—of all risks, in the hopes of avoiding the lesser ones?

We are confronted here, my friends, with two courses. At the end of the one lies hope—faint hope, if you will—uncertain hope, hope surrounded with dangers, if you insist. At the end of the other lies, so far as I am able to see, no hope at all. Can there be—in the light of our duty not just to ourselves (for we are all going to die sooner or later) but of our duty to our own kind, our duty to the continuity of the generations, our duty to the great experiment of civilized life on this rare and rich and marvelous planet—can there be, in the light of these claims on our loyalty, any question as to which course we should adopt?

In the final week of his life, Albert Einstein signed the last of the collective appeals against the development of nuclear weapons that he was ever to sign. He was dead before it appeared. It was an appeal drafted, I gather, by Bertrand Russell. I had my differences with Russell at the time, as I do now in retrospect; but I would like to quote one sentence from the final paragraph of that statement, not only because it was the last one Einstein ever signed, but because it sums up, I think, all that I have to say on the subject. It reads as follows:

"We appeal, as human beings to human beings: Remember your humanity, and forget the rest."●

MISSING CHILDREN: THE NEED FOR A STRONGER FEDERAL ROLE

● Mr. PELL. Mr. President, the Department of Health and Human Services estimates that about 50,000 children under the age of 17 disappear each year in the United States. These children are not runaways, most of whom eventually return to their homes unharmed, or the objects of parental kidnapings inspired by custody battles. These children are the victims of abduction and crime, taken by adults who want children of their own, molested by other children or by sex offenders, or lured into prostitution or child pornography. Violence against children is not confined to the neighborhoods of Atlanta.

This dilemma affects every community in the country, rich and poor, black and white, from cities to suburbs to rural areas. Every community has its list of well-known cases, in which missing children have been the objects of intense local searches without ever being found. A major roadblock in most of these searches has been the lack of a central clearinghouse for information on missing children.

The fact is that no one really knows how many missing, murdered, and molested children there are in the United States. Although a national data bank in the Justice Department keeps tracks of stolen cars and other types of stolen property, no central clearinghouse for data on missing children exists in the United States today.

I am pleased to join Senator PAULA HAWKINS in introducing legislation to authorize the FBI to acquire and exchange information to assist local authorities in the identification of missing children.

This bill is identical to one introduced recently in the House by Congressman PAUL SIMON of Illinois, who has been in the forefront of those advocating a stronger Federal role in this area.

The Simon bill would authorize the Attorney General to use an existing computer in the FBI's National Crime Information Center to create a central data bank on missing children. Any child under the age of 17 who is reported missing for at least 48 hours, and who does not have a history of being a runaway child, would be listed on the computer, which has the capability of sending identifying information to some 50,000 police departments nationwide. The information would be kept on the computer until the case is solved.

This system would operate in the same fashion as the NCIC stolen car file, and for the first time would allow the FBI to keep accurate statistics on the problem to assist local police departments in identifying trends and following leads. I understand that the additional cost of the Simon bill would be approximately

$100,000 per year, for the use of existing computers.

Mr. President, I believe that if we can have a nationwide clearinghouse for information on stolen property, we ought to be able to use these existing computer facilities to maintain the same information on missing children. The lack of a central data bank for identifying information has seriously hindered the efforts of law enforcement in tracing missing children, and has contributed to the prolonged anxiety of their parents and friends. This legislation addresses a serious national problem with a relatively straightforward and workable solution, and I hope there will be early action on this bill.●

INFLATION

● Mr. HAYAKAWA. Mr. President, inflation is widely believed to be our No. 1 economic problem. The Reagan administration is supporting a four part program designed to end inflation by increasing the supply of goods and decreasing Government interference in the market place. However, many observers point to continued high interest rates and the depressed bond market as signs that the Nation's financial community does not believe that the program will work.

In a recent Washington Post article, Mr. Richard Whalen forcefully argues that the Government must earn the respect of Wall Street by refusing to rescue large corporations who find themselves in financial difficulty. While a large business failure will certainly cause short-term problems for individuals associated with the company, this may be a necessary price to pay for the restoration of our national economic health. It will also convince investors that Washington is serious about staying out of the free market, and that inflation will be stopped.

Mr. President, I ask that this article be printed in the RECORD.

The article follows:

[From the Washington Post, May 31, 1981]

HELP CURE INFLATION: LET A BIG BUSINESS GO BELLY UP SOON—CONVINCE THE MARKETS THERE'LL BE NO MORE "WELFARE" FOR THE RICH, EITHER

(By Richard J. Whalen)

Late one Friday afternoon this summer, after the financial markets close and the brokers and traders scatter, the Dow Jones ticker may carry an arcane-sounding item like this: "Armageddon Industries, one of the nation's largest corporations, has had its commercial paper sharply downrated by credit agencies and is conferring with its bankers." What this will mean, quite simply, is that debt-ridden Armageddon has run out of cash.

Over that summer weekend, anxious bankers will use the resourceful White House telephone operators to track down high officials, and they will impart this message: "Armageddon will go belly up on Monday morning, the banks are very shaky, the unions will raise hell at the layoffs, and the markets will panic—unless Washington does something right now."

Will the president, the Treasury secretary, the Federal Reserve chairman and a handful of powerful congressional committee chairmen have the political wisdom and courage to withstand such pleas? We may soon find out, for a major financial crisis, likely to be marked by spectacular bankruptcies, appears headed our way. What Washington should do when it strikes is simple: nothing.

Wall Street is not convinced that Washington has that kind of political will. That's largely why the Street remains skeptical of the Reagan administration's economic program. Important as the Reagan steps to date have been, painful budget cuts, promised tax reductions and tighter monetary and credit growth have been insufficient by themselves to dispel Wall Street's fear that larger doses of inflation lie ahead.

Thus when a major corporation or bank begins to totter, as will likely happen with the prime rate climbing above 20 percent, Wall Street believes Washington will pull back from the brink and uncork yet another inflationary wave of money and credit to bail out all the illiquid companies and financial institutions. Indeed, one banker reportedly told Fed chairman Paul Volcker recently that if one of his bank's riskier loans goes bad, the government will have no choice but to save his corporate client and his bank. The government needs to deal that welfare capitalist a rude awakening, just as it has been shaking up the rest of the comfortable but unaffordable American welfare state.

If Armageddon is not bailed out and goes bankrupt, it obviously will mean at least temporary suffering for some: The company will be reorganized and some of its assets sold, its incompetent executives and hapless employees will be out of work, stockholders will lose their investment, and the creditors and bankers most or all of their money. But, more important, a cleansing wave of fear will pass through the markets, flushing out similar debt-financed excesses that might have produced even worse suffering. This jolt of disinflation will create the sober expectation of more of the same, and prices and interest rates will soon reflect the new trend and the market's perception of it.

If, however, Armageddon proves to have helpful friends in Washington, prompting the Federal Reserve to open the discount window to the bankers and the Congress to push through an Emergency Loan Guarantee Act to "protect" all those jobs, financial panic may be averted. But it will be at the cost of a deepening cynical conviction that, in modern America, high inflation is forever.

If the economic system is again short-circuited by political intervention, the peril is that inflation soon will accelerate to hyperinflation, sending prices and interest rates soaring to once unimaginable levels. Would you believe a 35 percent prime rate? It sounds ridiculous. But, only a few years ago, the present 20 percent prime seemed impossible.

Americans today are paying the highest "real" interest rates (adjusted for inflation) in perhaps a century and a half. Bank interest rates have soared to former loan-shark levels because lenders demand an extra-large "inflation premium" to protect themselves. The memory of past inflation inspires apprehension of worse to come. And it blights the future health of our economy by destroying the predictability of future savings and investment returns.

It also strikes terror in the hearts of bond dealers. A bond is a debt instrument (usually issued in $1,000 denominations) paying a fixed interest rate and redeemable at its face value at maturity. Soaring interest rates have caused the market values of bonds to plummet. So demoralized is the bombed-out long-term bond market, according to traders, that everything bought in the past 40 years shows a loss.

It is no secret why key Reagan policymakers regard the bond market as a crucial barometer of the economic climate and of the administration's prospects. The bond market, which is much larger in terms of total investment values than the stock market, is the indispensable source of funds to finance all levels of government and the most creditworthy U.S. corporations.

If the bond market collapses permanently, as many observers now believe it has, we will experience increasing difficulty in turning over our astronomical public and private debts. To maintain our precariously balanced debt structure, we may be tempted to follow the example of other nations and resort to deliberate hyperinflation to defraud our creditors.

To encourage investors to buy bonds, the Federal Reserve must convince them that inflation is being brought under control. This of course, depends largely on the fiscal posture and borrowing requirements of the federal government. When confronted with chronic federal budget deficits and massive Treasury bond issues, the Fed's vaunted "independence" disappears.

Tradition and expediency dictate that the Fed must provide the markets with the liquidity required to accommodate the Treasury's needs and minimize the "crowding-out" of other borrowers. Such "monetarizing" of debt has been the driving force behind inflation since the mid-1960s.

Monetarist economists, led by Nobel Laureate Milton Friedman (a part-time Reagan adviser) and represented in the upper ranks of the administration by Treasury Undersecretary Beryl Sprinkel, are right to criticize the Fed for creating too much money in recent years. The grossly inflated statistics show an upward trend line as eloquent as Alps.

But the monetarists tend to become entangled in arcane technical and procedural arguments over day-to-day Fed management that obscure the demands of our situation of opportunity and peril. Even if the Fed succeeds in restoring a semblance of stability and predictability to closely watched weekly monetary statistics, this technical feat will not in itself alter the inflationary psychology of the bond market.

Because the root of our inflation is political, an act of political will in the face of crisis is needed—and there are encouraging signs that this need is recognized.

Fed chairman Volcker visited the White House the other day at his request to chat with President Reagan and his senior advisers. The unusual meeting bore witness to the policy concensus and political coordination that may soon bring a turning point in our economic history.

As Volcker remarks privately, for the past decade and a half a speculative bet on further inflation has been a sure thing, and he wants to upset that assumption. He also wishes to shake the complacency of bankers who once worried about their risky loans going bad but who now assume they can shift that burden to Volcker's shoulders if they get in serious trouble.

Ironically, the Fed's ability to protect or punish the imprudent is more limited than they imagine. Created in a much simpler political and financial environment 70 years ago, the Fed now lags behind the competitive and technical forces transforming the financial marketplace. Present-day markets are linked electronically on a global scale. The regulators are officially responsible, but scarcely in control.

When the New York Federal Reserve Bank's trading desk recently allowed the federal funds (interbank loan) rate to float freely, as the Fed had indicated it would, bank traders were shocked. "Mother wasn't there," says a top Fed official, "and the money markets panicked."

Panic, though frightening, can be therapeutic and profitable. The Rothschilds, who belong to the oldest school of banking, are said to have a family motto that sums up

their centuries-old strategy: "Buy to the sound of cannons, sell to the sound of trumpets."

In the debt-burdened, inflation-besieged U.S. economy, the guns of a major corporate bankruptcy might well cause a liquidity panic in the markets. But markets swing between excesses, and the therapy of fear would quickly yield to the therapy of greed. Institutional money managers, pension fund trustees and other fiduciaries would hear a flourish of trumpets summoning them to buy bonds offering the highest rates of return in U.S. history, rates that some observers thing might not be seen again in this century.

In the real world, a whiff of disinflation hangs over glutted markets for overpriced surplus commodities ranging from oil to suburban houses. To translate this trend into financial terms means knocking the inflation premium in half, and that will take more than supply-side rhetoric.

Washington is naive to suppose it can melt Wall Street's cynicism by offering attractively packaged promises, or even by devising a tax cut compromise featuring new investment incentives. All this could easily be undone, the Street suspects, and none of it marks an unmistakable end to inflationary business-as-usual.

There is only one certain way for Washington to gain Wall Street's attention and respect, and that is to scare the hell out of the sure-thing inflationary speculators and make them true-believing capitalists again. If Washington refuses the inevitable distress call, breaking the assumed bail-out pattern of more inflation, it will be rewarded with the biggest bond market rally in history.●

SOVIETS SEEM UNFAZED BY REAGAN'S "TOUGH" POLICY

● Mr. PELL. Mr. President, the Providence Sunday Journal of June 7, 1981. featured an analysis by Homer Metz of the Soviet Union's reaction to the Reagan administration's get tough policy. Mr. Metz, a distinguished editor of the Sunday Journal's News Perspective section, questioned whether the administration's anti-Soviet policy was working. He questioned whether the President and his advisers had succeeded in their attempt to persuade the Western world that the Soviet Union is its No. 1 enemy, and whether the United States, with its new plans to build up super military power, had intimidated or inhibited the Soviets. Mr. Metz concludes that the answer in both cases is a resounding no.

Mr. Metz points out that "nowhere in Europe, the Middle East or Latin America are conditions favorable to the President's 'get tough and halt the Soviets at all costs' policy." He emphasizes that nothing has occurred or been said since Reagan's inauguration that supports the administration's assumption that if we spend vast sums of money building up our military, the Soviets will give up and back out of an arms race. On the contrary, Mr. Metz argues convincingly that the Soviet Union, with its controlled economy and disciplined populace, could probably spend such sums on arms more easily than the United States.

Finally, Mr. Metz warns that world tensions are likely to rise as the administration persists in its effort to cow the Soviets rather than pursuing negotiations.

Mr. President, I ask that Mr. Metz's article, "Soviets Unfazed by Reagan's 'Tough' Policy," be printed in the RECORD.

The article follows:

SOVIETS UNFAZED BY REAGAN'S "TOUGH" POLICY

Is our anti-Soviet policy working?

Is the Reagan administration persuading the Western world that the Soviet Union is its Number 1 enemy?

Is the United States intimidating and inhibiting the Soviets with its plans for super military power?

The answers would appear to be no.

The Soviets have indicated that they respect America's armed might—present and potential—but they have given no sign that the Reagan administration's policies are sidetracking or slowing down the pursuit of their basic long-range objectives which they list as (1) to achieve a modus vivendi with the capitalist Western countries, and (2) to convince the rest of the world that Marxism under a Russian umbrella is the best way of life.

Nowhere in Europe, the Middle East or Latin America are conditions favorable to the President's "get tough and halt the Soviets at all costs" policy. The NATO allies aren't buying the Reagan strategy, nor are the Arabs, the Israelis or the Third World nations. The Latin Americans are either strongly opposed or, at best, only lukewarm to it.

Recent Soviet actions and statements hint that Moscow regards Mr. Reagan's foreign policy as compounded of bombast and uncertainty and as easier to cope with than the Carter administration's firm "counter punching," as exemplified by the grain embargo and the boycotting of the Olympic games after the Afghanistan invasion.

"Carter acted," Soviet Foreign Minister Andrei Gromyko told an Indian correspondent in Moscow recently. "The Reagan policy only polarizes things."

Mr. Reagan and his foreign affairs team headed by Secretary of State Alexander M. Haig Jr. continue to assume that they will be able to work out a better SALT II agreement and halt further Soviet adventuring if they spend untold billions in a new display of nuclear and conventional military strength.

Regardless of how this is viewed it amounts to an American-initiated arms race.

And arms races have never brought peace. They have, in fact, if pursued for any length of time, invariably led to conflict.

The President has said repeatedly that if we spend enough money on a new military machine the Soviets will become frightened and back out of an arms race.

Nothing that has occurred or been said by the Soviets since Mr. Reagan took office supports this assumption.

The Soviets may be having their economic and political troubles, both at home and in the outer reaches of "empire," but they are able and presumably willing to match whatever military expenditures we come up with.

The President wants to spend $1.5 trillion over the next five years for military purposes. This is a lot of money, but the Soviets with their controlled economy and their disciplined populace should be able to raise a similar sum without too much difficulty; easier perhaps than we can if inflation continues to soar.

The other day the Soviet news agency, Tass, quoted an authoritative Soviet magazine as saying, "The Soviet Union and the socialist community are capable of accepting and enduring any competition with imperialism in the military-economic field, although . . . they would prefer . . . to spend their resources on creative aims."

Moscow, meanwhile, is continuing its efforts to improve the East-West political climate and counter American activity in Europe.

Boris Ponomaryov, a non-voting member of the ruling Soviet Politburo, in a recent speech renewed a Soviet offer to hold unconditional talks with Western European leaders on limiting nuclear missile emplacements.

This goes considerably beyond Soviet President Leonid Brezhnev's recent suggestion that the number of medium-range missiles in Western Europe be frozen at current levels which Washington claims would merely cement the current Soviet advantage. Ponomaryov said the Soviets would reduce the number of missiles aimed at NATO capitals which they have emplaced in western Russia if the United States would drop its plans to deploy new missiles in Western Europe.

In making this offer, Ponomaryov said the Kremlin hopes to convince the Reagan administration that a nuclear arms buildup in Europe would only increase the threat of war and that it would be the better part of valor, and wisdom, for the United States to join in new strategic arms talks now.

"We are emphatically not intimidated by the American proposal to deploy new missiles in Western Europe by 1983," the official Soviet newspaper Pravda quoted Ponomaryov as saying, "but we hope the United States realizes that any argeement to limit strategic arms would be in its interest."

The United States obviously does realize this, but it also believes that the stronger it becomes the better an agreement it will be able to achieve. Therefore it intends to build up its power before it talks.

An unbiased observer might ask if such reasoning is valid in a nuclear age. Twenty American nuclear missiles might be capable of doing more damage than say 15 Soviet missiles. But how significant is this if a mere 10 Soviet projectiles are powerful enough to raze the northeastern seaboard of the United States, plus Washington and Baltimore? Which they are. Getting in the first strike would seem to be more important than comparative fire power.

In any case, recent events emphasize further Western Europe's concern with what it considers the Reagan administration's unwise belligerence toward the Soviet Union.

The Dutch elections were a definite setback to the American-sponsored NATO missile program and turned the Netherlands toward Moscow and away from Washington.

The activities of the Dutch anti-nuclear youth groups were an important factor in the voting. These groups are strongly opposed to any strengthening of the NATO defenses and do not believe the Soviets are intent upon expansionism in Western Europe. Neither, according to all indications, do the young anti-war elements, the so-called "mad youth," in West Germany, France, Belgium and other NATO countries.

In France, the victory of Socialist President Francois Mitterrand over conservative Valery Giscard d'Estaing, while it meant many things, was certainly not an endorsement of Mr. Reagan's policies toward the Soviet Union.

And still another indication of Europe's growing dissatisfaction with American policy generally came to light in recent talks in Brussels between President Reagan's new international economic team and European Common Market officials. The EC leaders reportedly objected strongly to the combative stance taken by the Americans on some key issues and said this could lead to a "trade war" between this country and Europe.

Which could lead one to ask whether containing the Soviets and higher profits for American business are not part of the same package?

In Latin America, meantime, the Soviets are pressing hard for better trade relations—and getting them. Argentina, for instance, is helping the Soviets overcome shortages in meat and grain supplies. And senior trade delegations from Brazil and Mexico are due in Moscow for trade talks in the next few weeks.

In view of all this, will the Reagan administration decide to take a new look at its "halt the Soviets" policy and perhaps become more amicable in its dealings with Moscow?

Don't bet on it.

There is every indication that Mr. Reagan, Secretary Haig and the rest of the Washington strategists will persist in their efforts to cow the Soviets—and talk later.

And world tensions can be expected to continue to rise.●

REMOVAL OF INJUNCTIONS OF SECRECY

Mr. BAKER. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from three treaties transmitted to the Senate today by the President of the United States, to wit: Protocols to the 1971 Wheat Agreement (Treaty Doc. No. 97–9); Tax Convention with the Republic of Argentina (Treaty Doc. No. 97–10); and Mutual Legal Assistance Treaty with the Republic of Colombia (Treaty Doc. No. 97–11).

I ask that these treaties be considered as having been read the first time; that they be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's messages be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The President's messages are as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Protocols for the Extension of the Wheat Trade Convention, 1971 (WTC), and the Food Aid Convention, 1980 (FAC), which Conventions constitute the International Wheat Agreement, 1971. The Protocols were adopted by a conference which met in London on March 6, 1981 and were open for signature in Washington from March 24 through May 15, 1981. They were signed by the United States on May 8, 1981.

I transmit also, for the information of the Senate, the report of the Secretary of State with respect to the Protocols.

The Protocols extend both Conventions through June 30, 1983. They maintain the framework for international cooperation in wheat trade matters, continue the existence of the International Wheat Council, and extend the parties' commitments to provide minimum annual quantities of cereals aid to developing countries.

I ask that the Senate give early and favorable consideration to the two Protocols so that ratification by the United States can be effected at an early date. Doing so will demonstrate our continued commitment to cooperation on international wheat trade matters and to providing food aid to needy developing nations.

RONALD REAGAN.

THE WHITE HOUSE, *June 11, 1981.*

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, a Convention between the Government of the United States of America and the Government of the Republic of Argentina for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and Capital (the Convention), together with a related Protocol, signed at Buenos Aires on May 7, 1981. I also transmit the report of the Department of State on the Convention.

The Convention, based on the United States and OECD model income tax conventions published in 1977, is the first of its kind to be entered into by the United States with a Latin American country.

Argentina taxes all income derived in Argentina, but does not tax any income derived by residents of Argentina from foreign sources. Thus, the usual treaty practice of reciprocal reductions in withholding taxes at source on dividends, interest, and royalties paid to residents of the other country has little appeal to Argentina. Argentina is reluctant to reduce its own tax at source, incurring a revenue cost for which it sees no offsetting benefit. The negotiators believe that the Convention represents a fair and reasonable compromise between the Argentine position that tax should be imposed only at source and the broader view of the United States and most other countries that tax may also be imposed on the basis of residence.

I recommend that the Senate give early and favorable consideration to the Convention and related Protocol and give advice and consent to their ratification.

RONALD REAGAN.

THE WHITE HOUSE, *June 11, 1981.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty on Mutual Legal Assistance between the United States of America and the Republic of Colombia, together with a related exchange of notes, signed at Washington on August 20, 1980.

I transmit also, for the information of the Senate the report of the Department of State with respect to the treaty.

The treaty is one of a series of modern mutual assistance treaties being negotiated by the United States. The treaty is self-executing and utilizes existing statutory authority.

The new treaty provides for a broad range of cooperation in criminal matters. Mutual assistance available under the treaty includes: (1) executing requests relating to criminal matters; (2) taking of testimony or statements of persons; (3) effecting the production, preservation, and authentication of documents, records, or articles of evidence; (4) returning to the requesting Party any objects, articles, or other property or assets belonging to it or obtained by an accused through offenses; (5) serving judicial documents, writs, summonses, records of judicial verdicts, and court judgments or decisions; (6) effecting the appearance of a witness or expert before a court of the requesting Party; (7) locating persons; and (8) providing judicial records, evidence, and information.

I recommend that the Senate give early and favorable consideration to the treaty and give its advice and consent to ratification.

RONALD REAGAN.

THE WHITE HOUSE, *June 11, 1981.*

ORDER FOR RECESS UNTIL MONDAY, JUNE 15, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 12 noon on Monday.

The PRESIDING OFFICER (Mr. PRESSLER). Without objection, it is so ordered.

ORDER OF RECOGNITION OF SENATORS ON MONDAY

Mr. BAKER. Mr. President, I ask unanimous consent that following the recognition of the two leaders under the standing order on Monday, June 15, the following Senators be recognized for not to exceed 15 minutes each: The senior Senator from Tennessee (Mr. BAKER), the senior Senator from Alaska (Mr. STEVENS), and the senior Senator from Idaho (Mr. MCCLURE).

The PRESIDING OFFICER. Without objection, it is so ordered.

NEXT SENATE VOTE AT NOON ON TUESDAY

Mr. BAKER. Mr. President, I announced earlier today, when the distinguished minority leader and I were discussing the program for Monday, that it was my intention to ask the Senate to agree that any votes ordered on Monday would go over until Tuesday at 12 o'clock and to occur back to back, with the first vote being 15 minutes and succeeding back-to-back votes to be 10 minutes each. Mr. President, I now make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

TWENTIETH ANNIVERSARY OF SENATE SERVICE BY SENATOR TOWER TO BE OBSERVED ON MONDAY

Mr. BAKER. Mr. President, a number of special orders have been entered for Monday. I might advise our colleagues that the purpose of those special orders, in part, is to call attention to the fact that Monday next will be the 20th anniversary of Senate service of our distinguished colleague from Texas, the senior Senator from Texas, Mr. TOWER. I believe we will have a fair amount of time, three special orders on that day of 15 minutes each, plus perhaps part of leader time. Any Members who wish to join in that colloquy, of course, will be welcome beginning at noon on Monday.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I would inquire of the distinguished minority leader if there is any further business that he wishes to transact today? There is no further business on this side of the aisle that I am aware of.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader. I know of no further business that is required on this side of the aisle.

RECESS UNTIL MONDAY, JUNE 15, 1981

Mr. BAKER. Mr. President, in that event, I move, in accordance with the order previously entered, that the Senate now stand in recess until the hour of 12 noon on Monday next.

The motion was agreed to; and, at 2:25 p.m., the Senate recessed until Monday, June 15, 1981, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate June 11, 1981:

DEPARTMENT OF JUSTICE

Rex E. Lee, of Utah, to be Solicitor General of the United States, vice Wade Hampton McCree, Jr., resigning.

William Bradford Reynolds, of Maryland, to be an Assistant Attorney General, vice Drew S. Days III, resigned.

FEDERAL AVIATION ADMINISTRATION

Michael J. Fenello, of Florida, to be Deputy Administrator of the Federal Aviation Administration, vice Quentin Saint Clair Taylor.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Hans Michael Mark, of Virginia, to be Deputy Administrator of the National Aeronautics and Space Administration, vice Alan M. Lovelace, resigned.

NUCLEAR REGULATORY COMMISSION

Nunzio J. Palladino, of Pennsylvania, to be a Member of the Nuclear Regulatory Commission for the term of 5 years expiring June 30, 1986, vice Joseph Mallam Hendrie, term expiring.

CONFIRMATIONS

Executive nominations confirmed by the Senate, June 11, 1981:

DEPARTMENT OF STATE

Myer Rashish, of the District of Columbia, to be Under Secretary of State for Economic Affairs, vice Richard N. Cooper, resigned.

ORGANIZATION OF AMERICAN STATES

J. William Middendorf II, of Virginia, to be the permanent Representative of the United States of America to the Organization of American States, with the rank of Ambassador.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Antonio Monroig, of Puerto Rico, to be an Assistant Secretary of Housing and Urban Development, vice Sterling Tucker, resigned.

DEPARTMENT OF COMMERCE

Lawrence J. Brady, of New Hampshire, to be an Assistant Secretary of Commerce, vice Frank Alan Weil, resigned.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Stephen J. Bollinger, of Ohio, to be an Assistant Secretary of Housing and Urban Development, vice Robert Campbell Embry, Jr.

Stephen May, of New York, to be an Assistant Secretary of Housing and Urban Development, vice Horace Dicken Cherry, resigned.

COUNCIL OF ECONOMIC ADVISERS

William A. Niskanen, Jr., of California, to be a Member of the Council of Economic Advisers, vice George C. Eads, resigned.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Judith L. Tardy, of Virginia, to be an Assistant Secretary of Housing and Urban Development, vice William Antonio Medina, resigned.

HOUSE OF REPRESENTATIVES—*Thursday, June 11, 1981*

The House met at 10 a.m.

The Reverend Jack M. Copas, pastor, Andover United Methodist Church, Andover, N.J., offered the following prayer:

Lord God in Heaven and here on Earth, we acknowledge Your presence among us. We beseech You, as Ruler of all nations, to hear our prayer for peace and justice in the world.

Continue to help this, the 97th Congress, to respond as a governing body that honors You, in which and by which Your good news of love is proclaimed, and by which Your love for all people and Your concern for the last and the least are expressed. Help us to deeply believe that You can be trusted, come what may.

We thank You for the privilege to respond to that belief by doing Your work, challenging the power of evil, binding up the wounds of those who suffer, giving of ourselves in service, helping when others would not help, and caring when others fail to care.

May Your spirit remain our mandate to glorify You with our bodies, our souls, and our minds. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. WALKER. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device and there were—yeas 342, nays 13, present 2, not voting 74, as follows:

[Roll No. 71]

YEAS—342

Addabbo	Annunzio	Bafalis
Akaka	Archer	Bailey (MO)
Albosta	Ashbrook	Bailey (PA)
Alexander	Atkinson	Barnard
Anderson	AuCoin	Beard
Andrews	Badham	Bellenson
Benedict	Fiedler	Livingston
Benjamin	Fields	Loeffler
Bennett	Findley	Long (LA)
Bereuter	Fish	Long (MD)
Bethune	Fithian	Lott
Bevill	Flippo	Lowry
Biaggi	Florio	Lujan
Bingham	Foley	Luken
Bliley	Ford (TN)	Lungren
Boggs	Fountain	Madigan
Boland	Fowler	Markey
Bolling	Frank	Marlenee
Boner	Frenzel	Marriott
Bonior	Frost	Martin (IL)
Bonker	Fuqua	Martin (NC)
Bouquard	Garcia	Martin (NY)
Bowen	Gaydos	Mattox
Brinkley	Gejdenson	Mavroules
Broomfield	Gibbons	Mazzoli
Brown (CA)	Gilman	McClory
Brown (CO)	Gingrich	McCloskey
Brown (OH)	Ginn	McCollum
Broyhill	Glickman	McCurdy
Burgener	Goldwater	McDade
Burton, Phillip	Gonzalez	McEwen
Butler	Gore	McHugh
Byron	Gradison	Mica
Campbell	Gramm	Michel
Carney	Gray	Mikulski
Chappie	Green	Miller (CA)
Cheney	Gregg	Miller (OH)
Clausen	Grisham	Mineta
Clinger	Guarini	Minish
Coats	Gunderson	Mitchell (NY)
Coelho	Hagedorn	Moakley
Coleman	Hall (OH)	Molinari
Collins (IL)	Hall, Ralph	Mollohan
Collins (TX)	Hall, Sam	Montgomery
Conable	Hamilton	Moore
Conte	Hammerschmidt	Moorhead
Corcoran	Hance	Morrison
Coughlin	Hansen (ID)	Motti
Courter	Hansen (UT)	Murphy
Coyne, William	Hartnett	Murtha
Craig	Hatcher	Myers
Crane, Daniel	Hefner	Napier
D'Amours	Hendon	Natcher
Daniel, Dan	Hertel	Nelson
Daniel, R. W.	Hightower	Nowak
Danielson	Hiler	O'Brien
Dannemeyer	Hillis	Oakar
Daschle	Holt	Oberstar
Daub	Hopkins	Obey
Davis	Horton	Panetta
de la Garza	Howard	Parris
Deckard	Hoyer	Pashayan
Dellums	Hubbard	Patman
Derrick	Huckaby	Patterson
Dicks	Hughes	Paul
Dingell	Hunter	Pease
Dixon	Hyde	Pepper
Donnelly	Ireland	Perkins
Dorgan	Jeffords	Petri
Dornan	Jeffries	Peyser
Dreier	Jenkins	Pickle
Duncan	Jones (NC)	Price
Dunn	Jones (TN)	Pritchard
Dwyer	Kastenmeier	Rahall
Dymally	Kazen	Railsback
Dyson	Kildee	Rangel
Early	Kindness	Ratchford
Eckart	Kogovsek	Regula
Edgar	Kramer	Rhodes
Edwards (AL)	LaFalce	Rinaldo
Emerson	Lagomarsino	Ritter
Emery	Lantos	Roberts (KS)
Erdahl	Latta	Roberts (SD)
Ertel	Leach	Robinson
Evans (DE)	Leath	Rodino
Evans (GA)	LeBoutillier	Rogers
Evans (IN)	Lee	Rosenthal
Fary	Lehman	Rostenkowski
Fascell	Lent	Roth
Fazio	Levitas	Roybal
Fenwick	Lewis	Rudd
Russo	Spence	Waxman
Sawyer	St Germain	Weaver
Scheuer	Stangeland	Weber (MN)
Schulze	Stanton	Weiss
Seiberling	Staton	White
Sensenbrenner	Stenholm	Whitehurst
Shamansky	Stratton	Whittaker
Shannon	Studds	Whitten
Sharp	Stump	Williams (MT)
Shaw	Swift	Williams (OH)
Shumway	Synar	Winn
Shuster	Tauke	Wirth
Siljander	Taylor	Wolf
Simon	Thomas	Wolpe
Skeen	Traxler	Wortley
Smith (IA)	Trible	Wright
Smith (NE)	Udall	Wyden
Smith (NJ)	Vander Jagt	Wylie
Smith (OR)	Vento	Yates
Snowe	Volkmer	Yatron
Snyder	Walgren	Young (FL)
Solarz	Wampler	Young (MO)
Solomon	Watkins	Zeferetti

NAYS—13

Evans (IA)	Jacobs	Schroeder
Forsythe	Johnston	Walker
Goodling	Jones (OK)	Young (AK)
Harkin	Mitchell (MD)	
Hawkins	Sabo	

PRESENT—2

Ottinger	Smith (AL)

NOT VOTING—74

Anthony	Edwards (OK)	Porter
Applegate	English	Pursell
Aspin	Erlenborn	Quillen
Barnes	Ferraro	Reuss
Bedell	Foglietta	Richmond
Blanchard	Ford (MI)	Roe
Breaux	Gephardt	Roemer
Brodhead	Heckler	Rose
Brooks	Heftel	Roukema
Burton, John	Holland	Rousselot
Carman	Hollenbeck	Santini
Chappell	Hutto	Savage
Chisholm	Kemp	Schneider
Clay	Leland	Schumer
Conyers	Lowery	Shelby
Cotter	Lundine	Skelton
Coyne, James	Marks	Stark
Crane, Philip	Matsui	Stokes
Crockett	McDonald	Tauzin
DeNardis	McGrath	Washington
Derwinski	McKinney	Weber (OH)
Dickinson	Moffett	Whitley
Dougherty	Neal	Wilson
Downey	Nelligan	Zablocki
Edwards (CA)	Nichols	

□ 1015

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1033. An act granting the consent of Congress to the agreement between the States of North Carolina and South Carolina establishing their lateral seaward boundary; and

S. 1337. An act to provide for the temporary exclusion of foreign fishing support vessels from the internal waters of Alaska.

The message also announced that the Vice President, pursuant to Public Law 94-399, appointed Mr. D'AMATO as a member, on the part of the Senate, of the Temporary Commission on Financial Oversight of the District of Columbia, in lieu of Mr. LEAHY, resigned.

The message also announced that the Vice President, pursuant to Public Law 86-420, appointed Mr. PERCY (chairman), Mr. DODD (vice chairman), and Mr. THURMOND to attend, on the part of the Senate, the Mexico-United States Interparliamentary Conference, to be held in Manzanillo, Colima, Mexico, June 11 to 15, 1981.

THE REV. JACK M. COPAS

(Mr. COURTER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. COURTER. Mr. Speaker, it gives me great pleasure to mention the fact that the minister who gave the opening prayer this morning is a good friend of mine, Rev. Jack Copas.

Jack Copas lives in northwest New Jersey in Sussex County. He was educated at Dominican College in Orangeburg, N.Y. He then went to Drew University in Madison, N.J., and received his master of divinity, and at the present time Rev. Jack Copas is studying for his doctorate of ministry at Drew University in Madison, N.J.

Reverend Copas was the pastor at West Side United Methodist Church from April 1977 to June 1980. At the present time he is the pastor at Andover United Methodist Church at Andover, N.J.

Jack Copas is married to the former Paula Anne Casavis, and they have two children, John Anthony, age 4, and Jeremiah Paul, age 1½.

Jack Copas is an innovator. Not long ago he initiated a program of bringing the Gospel on radio in northwest New Jersey and conducts a radio program for about an hour each Sunday morning.

In October of last year I had a distinct pleasure, I gave the lay sermon at the United Methodist Church in Andover.

Mr. Speaker, I can report that that was one of my most memorable experiences during the last number of years.

Rev. Jack Copas has a strong, growing ministry in northwest New Jersey, with enthusiastic people in his community. They love him, and I do as well.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO HAVE UNTIL MIDNIGHT, FRIDAY, JUNE 12, 1981, TO FILE REPORT ON H.R. 3850, BUDGET RECONCILIATION EXPENDITURE REDUCTIONS

Mr. PEASE. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight, Friday, June 12, 1981, to file its report on the bill (H.R. 3850) making expenditure reductions in accordance with the budget reconciliation process.

The SPEAKER pro tempore (Mr. FRANK). Is there objection to the request of the gentleman from Ohio?

There was no objection.

JOINT RE-REFERRAL OF H.R. 3723, HEALTH PROFESSIONS PERSONNEL AMENDMENTS OF 1981, TO COMMITTEE ON ENERGY AND COMMERCE AND COMMITTEE ON WAYS AND MEANS

Mr. PEASE. Mr. Speaker, I ask unanimous consent that H.R. 3723, the Health Professions Personnel Amendments of 1981, be re-referred jointly to the Committee on Energy and Commerce and to the Committee on Ways and Means. Section 32 of that legislation would amend the disclosure provisions of section 6103(m) of the Internal Revenue Code.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. WALKER. Mr. Speaker, reserving the right to object, may I ask the gentleman, has this request been cleared with the minority?

Mr. PEASE. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I will be glad to yield to the gentleman from Ohio.

Mr. PEASE. Yes, Mr. Speaker, it has been cleared with the subcommittees of both the Committee on Energy and Commerce and the Committee on Ways and Means.

Mr. WALKER. Mr. Speaker, I thank the gentleman from Ohio (Mr. PEASE), and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

WORK REQUIREMENT

(Ms. OAKAR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. OAKAR. Mr. Speaker, the administration proposes to increase the work requirement for disability insurance eligibility from 20 to 30 out of the past 40 quarters. This proposal has potentially disastrous consequences for working mothers in this Nation. The House Select Committee on Aging gives this example of the results of the administration plan: A woman, now 40 years old, worked under social security from age 17 to age 35, when she had a child. She left the labor force for 3 years at that time and returned to covered employment at the age of 38, just 3 years later. At 40 she developed multiple sclerosis and was completely incapacitated. Despite having worked for 20 years in employment covered under social security, this 40-year-old mother, along with her child, would not be eligible for disability insurance protection under the administration proposal because she had not been in the labor force for 7½ years out of the last 10 years.

Mr. Speaker, if the administration and Congress are serious about providing a true safety net, we cannot allow this direct attack on disability insurance protection to be enacted. Women who temporarily leave covered employment to have a child, a person forced to leave the workforce to care for a sick parent or child, and many others will lose the vital protection of disability insurance under the administration's plan. This proposal is simply cruel and unjust.

BREZHNEV DOCTRINE IS UNACCEPTABLE

(Mr. LANTOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANTOS. Mr. Speaker, the danger is profound that in a uniquely tragic way history will again repeat itself. Twenty-five years ago as the West was preoccupied with the Suez crisis, the world stood idly by as the Red army with its well-known brutality crushed the heroic uprising of the Hungarian people, for freedom and independence.

Today, as many are mesmerized over the destruction of the nuclear capability of the radical and irresponsible regime in Iraq, the Soviet Union is again poised on the brink of crushing the budding independence of Poland.

The Soviet Union's brazen intimidation of the Polish people must not be allowed to go unchallenged. I call upon President Reagan to publicly declare, without delay, that our Nation rejects the pernicious Brezhnev doctrine which arrogates to itself by the divine right of Communist imperialism the license to subjugate its neighbors in Afghanistan, in Poland, in Czechoslovakia, indeed everywhere.

We as Members of Congress have a supreme obligation to the American people to focus on the dangerous Soviet ball game and not become distracted by the momentary sideshow in the Middle East.

□ 1030

DAMAGE TO THE SOCIAL SECURITY SYSTEM

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, I am concerned about the damage that was done to the public confidence in the social security system as a result of the administration's proposal and subsequent discussions publicly last month. I think we have a special responsibility in Congress to repair the damage done to the confidence of that system.

The word security in the term social security is no accident. It should mean something special and it should mean something that people can depend on. People that I have talked to who are senior citizens, in the past several months indicate to me that they do not feel a great deal of security about that social security system.

It is true, certainly, that there are difficulties with the system. Each day 5,000 people turn 65 years of age. Each day 3,600 people die in this country. In the year 1900, we had 3 million people who were senior citizens. Today we have over 25 million who are senior citizens; so we do have some difficulties and some strains in that system.

The fact is that it is not whether we are going to solve that problem, it is how we are going to solve it. I think the message to the senior citizens of this country should be that the Congress is a body that you can depend on. The Congress is a body that will keep the American promise to senior citizens and we will have a social security system that is stable, fiscally healthy, and one in which we can have public confidence.

MEDICAL ONLY DETERMINATION OF DISABILITY

(Mr. FROST asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FROST. Mr. Speaker, the administration's proposals to reduce the disability insurance protection for Americans is a direct attack on the disabled workers of this country. The administration proposes that we no longer take into account a person's age or employment prospects in determining eligibility for disability insurance, despite the fact that a person's physical disability prevents that person from finding another job because of the person's age or local employment conditions. According to 1978 figures from the Select Committee on Aging, this proposal would mean that nearly 350,000 disabled worker beneficiaries between the ages of 60 and 65 would lose benefits. It would be many more than that today. The effect of the administration's proposal is compounded by the proposal to reduce the benefits for the retirees in this age group. The Select Committee on Aging estimates that these unemployable disabled persons would suffer a permanent loss of benefits of up to 31 percent or more as the combined effect of the administration's proposals.

Mr. Speaker, the American people and the Congress should not allow such devastating proposals to be adopted. We all recognize the need to reform the social security system and I support the efforts of Chairman PICKLE and his subcommittee to structure a strong and equitable system. But we should not eliminate vital elements of the system, as the administration's disability insurance proposal would do, in our effort to strengthen that system.

NEEDLESS SLAP AT ISRAEL

(Mr. BINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BINGHAM. Mr. Speaker, I deplore the administration's decision to hold up the delivery of four F-16 fighter-bombers to Israel. This unprecedented action is a needless slap at our most important and reliable Mideast ally. It is ironic that the Reagan administration which came to office criticizing President Carter's alleged betrayal of key allies, has now chosen to punish Israel by withholding arms, a step President Carter never even suggested. Israel is being punished for denying pro-Soviet Iraq a nuclear arms capacity. This makes no sense.

I do not know what the administration hopes to accomplish by this action. They cannot believe that a delay in delivery of F-16's for a few weeks or months will mollify the Arab hardliners. It will not. The Arabs will not be appeased by anything less than a long-term arms embargo to Israel by the United States. I cannot believe that the administration would propose such a thing and I can safely say that Congress would not permit it either.

Mr. Speaker, I am growing weary of the hypocritical finger-waggling which is going on in this country and abroad over the Israeli raid on Iraq. Destruction of the Iraqi reactor has made the world a safer place, not only for Israel but for all Mideast nations—including those Arab States which are now protesting the loudest.

I trust the administration will quickly complete its review of the Israeli action, conclude that Israel's attack was a legitimate act of self-defense, and resume the sale of weapons. To do otherwise will be to shoot ourselves in the foot.

ISRAEL'S PREEMPTIVE STRIKE

(Mr. McHUGH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McHUGH. Mr. Speaker, given the potential threat to its survival as a nation, one can understand why the Israelis, a people surrounded by hostile forces, chose to eliminate the nuclear facility in Iraq. If we thought that our very existence were threatened by nuclear holocaust, would we have acted differently? Would any other nation?

Yet, this preemptive strike, while understandable as a short-term expedient, should be seen for what it is, an act of desperation, a reflection of the bankruptcy of the political process in the Middle East, a reflection of the bankruptcy of all prior efforts to stem nuclear proliferation.

What is required now is not more political posturing, more empty speeches in the United Nations, in Israel, in the Arab countries, in the United States. Time is running out.

Those who are truly interested in peace and stability must come to grips with the difficult questions which are at the heart of the political stalemate in the Middle East. We all know what those issues involve: The right of Israel to exist in peace within secure and recognized borders, and the need to provide the Palestinian people with some measure of political identity of their own.

These questions will not be resolved by nuclear capabilities or by preemptive strikes. They can be resolved only by political leaders having the initiative and courage to break new ground, the kind of initiative and courage exhibited by Sadat and Begin at Camp David.

Mr. Speaker, time is running out.

A SAD DAY FOR AMERICA'S COLLEGE STUDENTS

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, yesterday was a sad day for the United States and a day that I think college students and those about to go to college will remember as a Pearl Harbor for education, because yesterday, Mr. Speaker, under the mandate of the Gramm-Latta and the Reagan administration budget, the House Committee on Education and Labor was forced to make cuts of over $504 million in the guarantee student loan program, and to support that kind of a cut we had to reduce the eligibility so that any family in the United States having an income in excess of $25,000 would be eliminated from the guaranteed student loan program. Over 1 mil-

lion middle-income families, students from those families, are going to be eliminated from the guaranteed student loan program. This is going to bring about either a change in college for the students or a dropping out of higher education.

I think it is a tragic situation and one that hopefully on the floor of the House in the next couple of weeks we will be able to restore in an amendment to put back the money that is needed to restore this program.

AN UNMISTAKABLE SIGNAL TO BIG-TIME DRUG SMUGGLERS

(Mr. BENNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BENNETT. Mr. Speaker, I am today introducing legislation that will once again send a clear and unmistakable signal to the big-time drug smugglers that the Federal Government is committed to putting them out of business once and for all.

This important bill will provide much needed reform to the Federal bail laws by authorizing judges to deny bond under certain circumstances to those implicated in smuggling operations.

All too often, these drug traffickers look upon bail as simply the price of doing business. With the profits so high and risks so low, it is not uncommon for them to jump bails as high as half a million dollars. In south Florida alone, at least 90 percent of the current 369 no-show cases are drug related.

It is clear that these abuses must be stopped in their tracks. I am pleased to join with Senator CHILES in introducing this bill to amend the Drug Abuse Act of 1970 to allow judges to refuse bail for those persons arrested for a narcotics violation if they can be shown to—

Have been previously convicted of a narcotics felony;

Be on parole or probation for a felony narcotics offense;

Be an illegal alien;

Be in possession of a false passport; and

Be a fugitive from justice.

Mr. Speaker, the drug culture in our country grows stronger and more ominous each day. We can allow this growth to go unchecked no longer. We in the Congress must act quickly in enacting this urgent legislation before it becomes too late.

CONGRESSMEN BAFALIS AND PICKLE INTRODUCE NEW REVISION IN ESTATE AND GIFT TAX LAWS

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, in 1976, I worked very hard to get meaningful relief for our many family farms and small businesses for the high death taxes levied in this country. Joining me in that effort were many people, particularly my colleague from Florida, Congressman "SKIP" BAFALIS.

In 1976, we never dreamed that in the next 5 years, inflation would be at levels unknown in the history of this Nation. Because this is so, we still see high estate and gift taxes making the widow or family of the farmer, rancher, and small businessman selling the estate in order to pay death taxes.

I want to provide that the family owned farm or ranch is the most productive food and fiber unit in the history of man. The corporate operations just do not produce as efficiently. The small business is the one that hires the most people, and creates the most new jobs. The big public corporations are too good at cutting labor costs to really help out in curing the unemployment problem the way small businesses do.

Thus it does not make sense that we have death tax laws that break up family farms and small businesses.

Today, Congressman BAFALIS and I are introducing, with the support of the majority of the House Ways and Means Committee, a new revision in our estate and gift tax laws. This bill will protect the family farm and the small businesses by raising the exemption amount, raising the gift tax exemption, and most importantly providing better valuation for family farms and small businesses. A fuller explanation will be in today's RECORD.

Mr. Speaker, I am happy to join with Congressman BAFALIS on this bill, and I urge all Members to give this vital measure the highest priority.

CONGRESSMAN RHODES TAKES SIDE OF THE DEVILS

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, in Congress, when we take a stand on an issue, we all like to be on the side of the Angels, as the saying goes. Well, this time, I am delighted to be on the side of the Devils. Earlier this week, Arizona State University's baseball team, the Sun Devils, won their fifth college world series title—defeating Oklahoma State 7 to 4.

Sun Devil Stan Holmes set a record for the most runs batted in—in a single game, and for the entire series—earning him the Most Valuable Player Award.

This was Coach Jim Brock's second world series title—and he was named as the PAC-10 Coach of the Year.

Five ASU players made the all tournament team and five players were selected in the first and second rounds of the major league draft.

This was a sensational finale to an outstanding season for the Sun Devils, whose season record was 55 games won and 13 games lost. Only one other team has topped their world series winning record—and I wish Coach Jim Brock and all those great players on the championship Sun Devils team the best for continued future success.

Providing major league players is nothing new to Arizona State. Just three of the players whose names come to my mind who are graduates of the baseball program at Arizona State are Rick Monday, Sal Bando, and the incomparable Reggie Jackson. There are many more, some of whom played under Coach Brock, and others who were developed by his distinguished predecessor, Bobbie Winkles. I expect the five players going to the majors from the 1981 squad to be as outstanding as those fine ASU players who went before them.

PRESIDENT CARTER'S OUTRAGEOUS REQUEST FOR PX AND COMMISSARY PRIVILEGES

(Mr. PARRIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PARRIS. Mr. Speaker, former President Jimmy Carter was honored with the highest office the citizens of this Nation can bestow on an individual and as such he is entitled to the privileges and respect that that office carries with it. However, when he left office, Mr. Speaker, he had estimated assets of $1.5 million. The citizens of this Nation provide him with $375,000 a year for staff. He has a pension of $70,000 a year for life.

I was therefore appalled, Mr. Speaker, to read in this morning's newspaper that he has "asked the White House to grant him PX and commissary privileges at military bases."

I submit that he can go buy his groceries from the taxpaying merchants of this Nation the same as all the rest of us do. To grant this request would be an absolutely unjustified abuse of the taxpayers' charity. This time he has gone too far.

I think the White House should summarily reject the request, Mr. Speaker, and I hope they do so. It is outrageous, unwarranted, and indefensible.

IN DEFENSE OF ISRAEL

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, I rise to briefly discuss the imaginative, surgical, daring, bold, and

controversial raid by the small State of Israel to destroy that controversial nuclear reactor in Iraq.

I believe the intelligence information is incontrovertible, all quibbling aside, that Iraq was definitely planning to assemble a nuclear weapon as soon as technically possible. When the Iraqis in print, and vocally, forcefully maintained that they planned to use an atomic weapon to destroy the small nation of Israel while assuring it was not to be used against their enemy in hot combat—Iran—the result was predictable.

Anyone who knows anything about the quality of Israeli intelligence knows that they not only have agents in Baghdad, but they most certainly had agents working at the Iraqi nuclear site itself.

Many Members know that China traditionally calls itself "the Central Kingdom" or the Middle Kingdom (Chunq-Kuo) and their world maps of course show China at the center of the world, as all of our world map mercator projections show the United States in the center of the world and the remainder of the planet proceeds west and east.

I think if we look at the Iraqi nuclear threat from inside Israel, from their viewpoint of the world where their maps place them as the center of a hostile Moslem sea, then, and only then, will we be reserved and properly thoughtful in our analysis. I do not criticize President Reagan's reaction, however. Our President has different responsibilities than any Member of this House or the other body and his devotion to the existence of the State of Israel, with secure and defensible borders, is beyond question.

REPRESENTATIVE BEARD INTRODUCES RESOLUTION TO DENOUNCE UNESCO EFFORTS TO ESTABLISH WORLDWIDE CENSORSHIP ORGANIZATION

(Mr. BEARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEARD. Mr. Speaker, you and the rest of my colleagues have surely been sickened by the gradual trend that has reduced the United Nations to little more than a mouthpiece for the Soviet bloc and an evergrowing family of Third World nations—many of them ruled by dictators or nonelected leaders.

Understanding that it is always in our best interests to maintain membership in any organization that allows a free forum for discussion, I would not suggest that this country withdraw from the U.N. I would, however, suggest that we should have limits as to what we will endure.

Today I am introducing a resolution that would denounce an effort on the part of the United Nations Educational, Scientific, and Cultural Organization—or UNESCO, as it is commonly called—to establish a worldwide censorship organization. Justification for this great leap backward is the alleged domination and victimization of the Third World by Western journalists.

Mr. Speaker, this should not be tolerated, and to show that we mean business, my resolution would call for the withdrawal of $49 million in funding for UNESCO unless this proposal is withdrawn.

I ask for the careful consideration and support of my resolution. Thank you.

VOLUNTARY METRIC SYSTEM

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, a cartoon in one of the newspapers this week drew attention to the problems that will be foisted upon us if metric measurement ever becomes the official U.S. way of weighing and measuring.

In the comic strip, called "Downtown," one character is saying, "You know the old saying, 'Give him 2.54 centimeters and he'll take 1.6093 kilometers.'" The other character looks blank and the first character says, "I'm thinking metric."

Well, Mr. Speaker, that is amusing and that is why it is in the comic strip. But what is behind this is not so amusing; that is, an insidious and illegal effort by the Metric Board to convince the American public that metric is the law of the land.

That is why I have introduced H.R. 1660, a bill to assure that metric conversion will be voluntary. There is nothing funny about the Metric Conversion Act and there is nothing funny about the way it is being administered.

In fact, a good-to-the-point comic strip based on the one I have recounted could characterize the Metric Board as being the one that, if you give them a foot, will take a mile.

BUCKEYE BOYS RANCH DEDICATION PROGRAM

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, on Sunday it was my privilege to participate in the dedication of the new E. P. Messham Center for Work Experience at the Buckeye Boys Ranch which is located in the congressional district I represent.

One of the most satisfying emoluments of the office which I hold is the opportunity to participate in events like the Buckeye Boys Ranch dedication program. The Buckeye Boys Ranch was founded in 1961 as a private residential treatment center for boys aged 10 to 18 with significant educational and behavioral problems, and was modeled after Boys Town, Nebr.

Since Buckeye Boys Ranch was established, some 700 boys have had the work experience offered by the ranch and 82 percent of them have become productive members of our society.

One of the aspects of the ranch which appeals to me is the fact that the ranch has been built and maintained without Federal money. The E. P. Messham Center for Work Experience, the money for which was donated by Mrs. Paula M. Watkins, the daughter of Mr. E. P. Messham, is an example of the remarkable generosity of many people in our community.

The executive director of the Buckeye Boys Ranch is Dr. Leslie Bostic, who has been invaluable to the ranch since its beginning. I was indeed proud to be a part of the dedication program.

EFFECT OF GRAMM-LATTA ON EDUCATION

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, as the ranking New York member on the Education and Labor Committee I witnessed yesterday, after 13 years of service in this Congress, an act that was compelled by the Gramm-Latta budget proposal. The Committee on Education and Labor with a budget of some $21 billion was required by virtue of the Gramm-Latta proposal to cut some $10 billion.

Those individuals responsible for and who were in support of the cruel Gramm-Latta measure should look to their consciences and to their political futures. Let me cite a few of those programs that were required to be virtually decimated.

Guaranteed student loans—legislation we enacted in previous Congresses in order to guarantee every aspiring student the opportunity to go to college—have been severely curtailed resulting in a throw back to a more regressive age where fiscal insufficiency denied hundreds of thousands the opportunity to pursue their education.

Nutrition to the elderly has been severely cut without regard for the disastrous consequences.

The Head Start program also suffers from this restricting proposal—notwithstanding the effectiveness of the program.

Vocational education programs have been severely cut giving no consideration to the success in real terms that this program enjoys.

Mr. Speaker, I would urge those who supported Gramm-Latta to contem-

plate seriously about the consequences of that questionable action. An action that reflects an insensitivity and disregard for the young, the old, and those in that developing stage of their lives that could importantly impact on the quality of life in our country in the decades ahead.

MARINE PROTECTION, RESEARCH, AND SANCTUARIES ACT, TITLE I, FISCAL YEAR 1982 AUTHORIZATION

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the Senate bill (S. 1213), to amend title I of the Marine Protection, Research, and Sanctuaries Act, as amended, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

Mr. PRITCHARD. Mr. Speaker, reserving the right to object, and I will not object, I would ask the chairman to explain the bill.

Mr. JONES of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. PRITCHARD. I yield to the gentleman from North Carolina (Mr. JONES).

Mr. JONES of North Carolina. Mr. Speaker, S. 1213 reauthorizes title I of the Marine Protection, Research, and Sanctuaries Act of 1972—commonly known as the Ocean Dumping Act. Title I of the act establishes a policy to prohibit or strictly limit the dumping of materials harmful to the marine environment.

All ocean dumping activities are under the regulation of the Environmental Protection Agency (EPA), except for dredged material disposal, which is regulated by the U.S. Army Corps of Engineers.

On March 26, an executive communication was transmitted to the House of Representatives and the Senate from the EPA requesting an increase over the present fiscal year 1982 funding level of $2 million. S. 1213 would authorize $4.213 million in appropriations for fiscal year 1982. The increase in funding is needed to continue a joint program between EPA and the corps to identify and designate suitable sites for the disposal of wastes in the ocean.

The Committee on Merchant Marine and Fisheries unanimously reported out H.R. 3319 which is identical to the Senate-passed bill.

I would urge my colleagues to support S. 1213 in order to continue the safe disposal of wastes in the ocean.

Mr. PRITCHARD. Mr. Speaker, I thank the gentleman for that explanation.

Mr. Speaker, I rise in support of the unanimous-consent request to take from the desk and consider S. 1213, the authorization bill for title I of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended. This bill would increase the authorization level for fiscal year 1982 from $2 million to $4.213 million. Title I of the so-called Ocean Dumping Act is administered by EPA, and EPA has testified that it needs this additional authorization level in order to complete environmental impact statements which are necessary for the final designation of ocean dumpsites for the disposal of dredged materials.

Mr. Speaker, the need for additional ocean dumpsites for dredged materials stems primarily from the expansion of several port transshipment centers around the United States, many of which will be used for increased bulk cargo and coal shipments. EPA was required to accelerate the completion of the ocean dumpsite environmental impact statements as a result of an out-of-court settlement in a case arising from a National Wildlife Federation suit. Therefore, this additional money is necessary to recognize this accelerated completion schedule.

Mr. Speaker, the Subcommittee on Oceanography held 1 day of hearings on this additional administration request for title I, and the committee was satisfied that these moneys were to be used primarily for the completion of designations of ocean dumpsites for dredged materials. These designations are particularly important at this time as our Nation struggles to expand its exports and exporting facilities for coal ports around the country. The additional request is not that directly related to the ongoing controversy over the question of sewage sludge dumping. Therefore, Mr. Speaker, I would strongly urge that this bill be adopted at this time.

Mr. JONES of North Carolina. I might add in conclusion the EPA is under a court order to proceed in this fashion.

Mr. PRITCHARD. The gentleman is correct.

Mr. JONES of North Carolina. This request for further authorization has been made by the Reagan administration.

Mr. PRITCHARD. Mr. Speaker, I withdraw my reservation of objection.

● Mr. FORSYTHE. Mr. Speaker, S. 1213 will enable the Environmental Protection Agency to carry out their responsibilities under title I of the Ocean Dumping Act by providing an increase in the existing fiscal year 1982 authorization level. Under the act, EPA is responsible for developing environmental impact documents and designating ocean sites where industrial and municipal wastes and dredged materials may be disposed.

EPA has testified that the present authorization of $2 million will be inadequate to fulfill certain functions related to the disposal of dredge spoils which are necessary before site designations can be finalized. It is anticipated that the designation of sites for the disposal of dredged materials will be given increased emphasis in 1982 due to an out-of-court stipulation agreement entered into by EPA which requires that they meet established schedules for site designations. Emphasis must also be given to the growing need for the improvement of deep draft port facilities in order to provide for navigation which will accommodate increased movement in coal and energy products as well as allow for the expansion of our Navy equipment and operational activities.

The total authorization of $4.213 million provided for in S.1213 will allow EPA to continue with their site designation studies for dredged material disposal as well as their monitoring, evaluation and assessment activities to ascertain what impacts have resulted from ocean dumping—whether past or present.

Mr. Speaker, without these funds, EPA will be unable to provide the staff and support for studies necessary to carry out their very important responsibilities under the Marine Protection, Research and Sanctuaries Act. They anticipate that the additional $2.213 million will be expended for reviewing and finalizing environmental impact documents, surveying sites which have not yet been studied and preparing documents for newly studied sites. A small amount will also be used for monitoring and management of the sites to insure that any dumping activities will not result in unreasonable degradation of our marine environment.

For these reasons the enactment of S. 1213 is important and I want to urge my colleagues to join me in supporting this bill.●

● Mr. D'AMOURS. Mr. Speaker, I wish to state my support for the unanimous-consent request of my colleague from North Carolina. S. 1213 is identical to H.R. 3319, a bill taken up by the House Oceanography Subcommittee and unanimously reported out of the Merchant Marine and Fisheries Committee on May 13. It responds to an administration request for an increased authorization level for EPA's activities under title I of the Marine Protection, Research and Sanctuaries Act, commonly known as the Ocean Dumping Act. The administration is seeking to increase the $2,000,000 fiscal year 1982 authorization to $4,213,000.

EPA needs the increase in order to continue identification and designation of suitable ocean dumpsites and issuance of permits for ocean dumping. EPA and the U.S. Army Corps of Engineers indicate a growing need for ocean dumpsites that will be used for

the disposal of dredged material. Much of the increase in demand for ocean dumpsites stems from the expansion of U.S. ports. The funding increases will also be used to comply with a court settlement agreement which requires EPA to complete environmental impact statements that are necessary for the final designation of ocean dumpsites.

Mr. Speaker, the Ocean Dumping Act has recently received a great deal of attention as a result of the December 31, 1981, deadline for prohibition of sewage sludge dumping. I share the concerns of a number of my colleagues who anticipate attempts to alter or circumvent this congressionally mandated deadline. However, EPA has given this committee sufficient assurances that none of the additional authorizations contained in H.R. 3319 will be used to survey or evaluate any sewage sludge sites.●

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1213

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 111 of the Marine Protection, Research, and Sanctuaries Act, as amended (33 U.S.C. 1420), is amended by striking "and fiscal year 1982," and inserting in lieu thereof "and not to exceed $4,213,000 for fiscal year 1982,".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 3319) was laid on the table.

□ 1100

GENERAL LEAVE

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill, S. 1213, just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5(b) of rule I, the Chair announces that he will postpone further proceedings today on each question of agreeing to resolutions or on ordering the previous question on resolutions reported from the Committee on Rules on which a recorded vote of the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken at the conclusion of debate on all such resolutions.

PROVIDING FOR CONSIDERATION OF H.R. 3413, NATIONAL SECURITY AND MILITARY APPLICATIONS OF NUCLEAR ENERGY AUTHORIZATION ACT OF 1982

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 155 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 155

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3413) to authorize appropriations for the Department of Energy for national security programs for fiscal year 1982, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from South Carolina (Mr. DERRICK) will be recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, for purposes of debate only I yield the customary 30 minutes to the gentleman from Missouri (Mr. TAYLOR) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 155 provides for the consideration of the bill H.R. 3413, to authorize appropriations for the Department of Energy for national security programs for fiscal year 1982, and for other purposes. The rule provides 1 hour of general debate to be equally divided between the chairman and the ranking minority member of the Committee on Armed Services. This is a straight open rule, allowing any germane amendment to be offered under the 5-minute rule and there are no waivers of points of order. The bill shall be read by titles instead of by sections. Upon conclusion of consideration of the bill, one motion to recommit will be in order.

Mr. Speaker, H.R. 3413 authorizes appropriations of $5.06 billion in fiscal year 1982 for the national security functions of the Department of Energy. These activities include research, development, testing, production, data collection, evaluation, and nuclear safeguards in support of the Armed Forces; the production of strategic and critical materials; and the military applications of nuclear energy.

Section 101 of title I of the bill authorizes $3.78 billion for operating expenses for DOE defense programs. Section 102 authorizes $1.27 billion for plant and capital equipment. The Committee on Armed Services recommends a total authorization which is $68.1 million above the President's budget request.

In title II of the bill which pertains to general provisions, the committee adopted an amendment to prohibit the expenditure of funds for the preparation of any environmental impact statement in connection with the operation of the Pantex nuclear weapons plant at Amarillo, Tex., or at any other DOE defense facility unless such preparation is required by statute.

Mr. Speaker, I know of no opposition to this rule and I urge its adoption so that we may proceed to the consideration of this very important legislation.

Mr. TAYLOR. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, House Resolution 155 is an open rule providing 1 hour of general debate for the consideration of the Energy Department's national security program authorization bill for 1982.

The rule provides that the bill, H.R. 3413, will be read for amendment under the 5-minute rule by titles instead of by sections. As pointed out by the gentleman from South Carolina (Mr. DERRICK), the rule provides one motion to recommit.

There are no waivers on points of order and no restrictions on amendments in this rule.

The bill made in order under the rule authorizes $5.06 billion for the Department of Energy's military nuclear programs for fiscal year 1982, which include the development of nuclear weapons and naval powers units, and the manufacture and testing of nuclear weapons.

Mr. Speaker, the authorization bill recommended by the Committee on Armed Services for the Department of Energy's defense programs reverses the trends of recent years and substantially increases support for the Nation's strategic and theater nuclear weapons programs.

President Reagan requested approximately $5 billion in fiscal year 1982 authorizations for this purpose, an increase of about 25 percent over the 1981 budget request of the previous administration.

The Republican floor manager of the bill will be the gentlelady from Maryland (Mrs. HOLT), a cosponsor of

the bill and the ranking minority member of the Armed Services Subcommittee on Procurement and Military Nuclear Systems.

The Committee on Armed Services reported the bill by a recorded vote of 39 to 2, and the Committee on Rules reported this rule by a voice vote.

Mr. Speaker, I support the bill made in order by the rule, and urge adoption of the rule so that the House may proceed to consider this important legislation.

Mr. DERRICK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 3023, NAVAL PETROLEUM RESERVES AUTHORIZATION FOR FISCAL YEAR 1982

Mr. HALL of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 156 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 156

Resolved. That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3023) to authorize appropriations to the Department of Energy for fiscal year 1982 for conservation, exploration, development, production, sale, and use of the naval petroleum reserves and naval oil shale reserves, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. HALL) is recognized for 1 hour.

Mr. HALL of Ohio. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Missouri (Mr. TAYLOR) for purposes of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 156 is an open rule providing for the consideration of H.R. 3023, the naval petroleum reserves authorization for fiscal year 1982.

The rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services.

The rule also states that the bill shall be read for amendment under the 5-minute rule. House Resolution 156 further provides for one motion to recommit.

Mr. Speaker, H.R. 3023 authorizes appropriations for fiscal year 1982 for the Department of Energy for conservation, exploration, development, production, sale, and use of the naval petroleum reserves and oil shale reserves and for other purposes, in accordance with section 660 of the Department of Energy Organization Act.

The naval petroleum reserves authorization for fiscal year 1982 authorizes a total of about $228.5 million, of which $225.9 million is authorized for the naval petroleum reserves and $2.6 million for the naval oil shale reserves.

This legislation was requested by the Department of Energy and is in accordance with the President's program.

Mr. Speaker, I urge my colleagues to adopt House Resolution 156 so that we may proceed to the consideration of H.R. 3023.

Mr. TAYLOR. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, House Resolution 156 is an open rule providing 1 hour of general debate for the consideration of the naval petroleum reserves authorization bill for 1982.

The notable thing about this rule is that it contains no waivers on points of order and no restrictions on amendments.

The bill will be read for amendment under the 5-minute rule. As the gentleman from Ohio (Mr. HALL) has mentioned, one motion to recommit is provided for.

H.R. 3023 authorizes some $228.5 million in funding for the Department of Energy to operate, maintain, explore, develop, and use the naval petroleum and oil shale reserves and to sell the production from the naval petroleum reserves.

Mr. Speaker, of the amount authorized by H.R. 3023, $225.9 million is for operation of the naval petroleum reserves and $2.6 million is for continuation of the Government's naval oil shale program. These amounts are identical to the President's request for 1982, and the administration supports enactment of H.R. 3023.

The Republican floor manager of H.R. 3023 will be the gentleman from Tennessee (Mr. BEARD), the ranking minority member of the Armed Services Subcommittee on Investigations.

The Committee on Armed Services reported the bill by a recorded vote of 39 to 0, and the Committee on Rules reported the rule by a voice vote.

Mr. Speaker, I support the rule so that the House may proceed to consider the bill.

Mr. Speaker, I have no further requests for time.

Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from Oregon (Mr. WEAVER) for purposes of debate only.

Mr. WEAVER. Mr. Speaker, I thank my colleague for yielding to me.

Mr. Speaker, I rise in support of the rule as well as the bill. My involvement in Elk Hills Naval Petroleum Reserve is a long one. In my freshman term in the Congress, the committee on which I serve, the Committee on Interior and Insular Affairs, brought out a bill to take Elk Hills out of the naval petroleum reserves. I opposed this. I believed strongly that we needed to continue our military oil reserves, and I worked with and commend the Committee on Armed Services for doing what it could at that time to try to maintain the reserve as a naval reserve.

The reason I support the bill is that, in effect, much of the oil from Elk Hills is now going into our strategic reserve, the salt domes in Louisiana and Texas. This is a proper place for the oil. It will help us meet immediate emergencies which may occur.

I do have, however, an amendment to the bill, and I want to say that the primary purpose for my amendment is to set up a study to see and determine the adequacy of our national security oil reserves in the ground. We have no such reserves anymore on the mainland of the United States. I think this is a grave, grave situation.

I am talking now about 30 or 40 years down the pike.

There is one other element in my amendment, however, that of designating one area off the coast of California for the study because that area may be subject to immediate leasing for development. I appeared before the Committee on Rules in order to ask that my amendment contain language which would mandate that that oil and gas area not be leased for the succeeding year. However, the amendment that I will offer is considered germane. It does not mandate the nonleasing of this area, and I believe its effect will be much the same, and if the House sees fit to pass my amendment, we will set up a study of the adequacy of our military reserves. Also I would be confident that such areas off the coast of California might not be leased for the coming year so that they could be considered for part of the reserve.

□ 1115

Mr. HALL of Ohio. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 2614, DEPARTMENT OF DEFENSE SUPPLEMENTAL AUTHORIZATION ACT, 1981

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 154 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 154

Resolved, That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2614) to authorize supplemental appropriations for fiscal year 1981 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles and for research, development, test, and evaluation for the Armed Forces and to increase the authorized personnel end strengths for military and civilian personnel of the Department of Defense for fiscal year 1981, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Armed Services now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and said substitute shall be read for amendment by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 2614, it shall be in order to consider, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, the bill S. 694 in the House, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and to insert in lieu thereof the provisions contained in H.R. 2614 as passed by the House.

The SPEAKER pro tempore. The gentleman from Texas (Mr. FROST) is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 154 provides for the consideration of H.R. 2614, the Department of Defense Supplemental Authorization Act for Fiscal Year 1981. The rule provides for 1 hour of general debate to be equally divided between the chairman and ranking minority member of the Committee on Armed Services. This is a straight open rule, allowing any germane amendment to be offered under the 5-minute rule and the committee amendment in the nature of a substitute is made in order as an original bill to be read for amendment by titles instead of by sections. Upon conclusion of consideration of the bill, one motion to recommit with or without instructions will be in order.

House Resolution 154 waives section 402(a) of the Congressional Budget Act against consideration of the bill. Section 402(a) prohibits consideration of any bill which authorizes enactment of new budget authority for a fiscal year unless that bill has been reported on or before May 15 preceding the beginning of such fiscal year. Various sections of the bill as introduced and reported would directly authorize enactment of supplemental new budget authority in fiscal year 1981 for weapons procurement, military construction, and for other purposes. Since the bill was not reported by May 15, 1980, it would be subject to a point of order. This waiver is something of a technicality, since funds authorized by this bill were included in the Supplemental Appropriations and Rescission Act of 1981 which was enacted on June 5.

After passage of H.R. 2614, the rule provides for consideration of the Senate companion bill, S. 694 and waives section 402(a) of the Budget Act against consideration of the Senate bill.

Mr. Speaker, H.R. 2614 authorizes appropriations of $2.641 billion, approximately $400.5 million below the administration's request. This authorization covers the DOD procurement, research and development, military construction, test and evaluation programs for the remainder of the fiscal year.

Mr. Speaker, this rule was unanimously agreed to by the Rules Committee; I know of no opposition to it. I urge adoption of House Resolution 154 so that the legislation may be considered.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule provides 1 hour of general debate for the consideration of H.R. 2614. The bill will be open to amendment.

The only unusual features in this rule are the Budget Act waivers.

Section 402(a) of the Budget Act prohibits consideration of an authorization for a fiscal year unless that bill has been reported by May 15 preceding the beginning of the fiscal year. Since this bill includes authorizations for fiscal year 1981, it would have had to have been reported by May 15, 1980, in order to comply with the Budget Act requirement. Since this bill was not reported until April 9, 1981, the Budget Act waiver is required in order to consider the bill.

The rule also provides that after passage of the House bill, it will be in order to insert the House-passed language in the Senate bill. The same Budget Act waiver is required in order to allow consideration of the Senate bill.

Mr. Speaker, the bill made in order by this rule, provides supplemental authorizations for the Department of Defense for fiscal year 1981. It authorizes an additional $2,641,462,000. This is approximately $400 million less than the administration's request.

Mr. Speaker, this bill was reported out of the Armed Services Committee by a vote of 36 to 1. The rule was reported by a voice vote.

Mr. Speaker, the scheduling for this bill is also a little unusual. The supplemental appropriation bill for 1981 has already been passed by the House and signed into law. And now we are following along with the supplemental authorization.

Mr. Speaker, I yield back the balance of my time.

Mr. FROST. Mr. Speaker, I have no requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 3480, LEGAL SERVICES CORPORATION ACT AMENDMENTS OF 1981

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 148 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 148

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3480) to amend the Legal Services Corporation Act to provide authorization of appropriations for additional fiscal years, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on the Judiciary now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. No amendment to the bill or to said substitute shall be in

order except germane amendments printed in the Congressional Record at least two legislative days before their consideration. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Texas (Mr. FROST) is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 148 is an open rule providing for the consideration of H.R. 3480, the Legal Services Corporation Act Amendments of 1981. The rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary. In addition, the rule makes in order an amendment in the nature of a substitute recommended by the committee, which is now printed in the bill, as an original bill for the purpose of amendment under the 5-minute rule.

During consideration of the bill for amendment, no amendment to the bill or the substitute shall be in order except germane amendments printed in the CONGRESSIONAL RECORD at least 2 legislative days prior to the consideration of H.R. 3480. The Rules Committee adopted this provision in the rule because of the comprehensive nature of this law. This is not an unusual practice; in fact, the Rules Committee has adopted procedures of this nature in the past in order to allow all the Members of the House, not just members of the committee or those Members who are particularly interested in the bill, to be fully aware of what the amendments to such comprehensive laws are and exactly what it is they mean. I should point out to my colleagues that those amendments that have been printed in the RECORD and thus are eligible for consideration are all subject to germane amendments when they are considered under the 5-minute rule.

Upon conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted and the rule provides that any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The rule also provides one motion to recommit with or without instructions.

Mr. Speaker, H.R. 3480 is a bill that allows continued authorization for a program that provides the poor of this Nation with an access to the legal system of this country that those citizens might not otherwise have available to them. The Committee on the Judiciary, recognizing that we must cut the costs of the Federal Government has reduced the authorization level for the Legal Services Corporation over the next 2 years by 20 percent to $260 million for each of fiscal years 1982 and 1983. This important program, which was reported unanimously from the Subcommittee on Courts, Civil Liberties, and the Administration of Justice and was reported by a vote of 22 to 6 from the committee on the Judiciary, represents a bipartisan effort—it represents bipartisan support for the continuation of the Legal Services Corporation. We all know that the President has recommended that Legal Services be abolished and that the need for legal services for the poor be met solely by the private bar and through social services block grants to the States. While I recognize that the President is making every effort to contain the costs of Federal spending programs, I firmly believe that the President is making a tragic error by recommending that this program be abolished. The Legal Services Corporation was established in a bipartisan manner and its continued existence has been the result of bipartisan support for the availability of legal services to the poor and indigent of this Nation.

As I am sure the Committee on the Judiciary will more fully explain, the Legal Services Corporation is a program that has the overwhelming support of the people of the United States. A recent New York Times poll around the Nation showed that 83 percent of those polled favored increases in legal services or agreed that the funding for legal services should remain the same. Only 13 percent of those polled wanted decreases. In addition, over 60 national organizations and 200 bar groups support the continuation of the Corporation. I know from personal experience that the Legal Services Corporation and the hundreds of lawyers throughout the country not otherwise have access to the legal system have provided an invaluable service to our country.

This bill is a demonstration of bipartisan support for the continuation of the program. Over the years of its existence, there have been reported abuses by individual legal services programs, and the committee fully believes that the amendments they are recommending in H.R. 3480 will cure most, if not all, of those problems. I support the efforts of the Judiciary Committee and I fully support the continued authorization for the Legal Services Corporation.

I would find it hard to justify abolition of this program in a time when the poor of this country are being asked to make many other sacrifices in the name of fiscal responsibility. Mr. Speaker, I would urge my colleagues to support the rule and I would further urge them to support the bill. It would be a tragic mistake to abolish a program that assures equal access to justice for the poor in the name of fiscal austerity.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this will be the first opportunity for this House to show the American people they meant business when they voted on May 7 for the President's budget which attempts to restrain the growth of Federal spending.

The President recommended that Legal Services Corporation be terminated and consolidated into a block grant program. As a matter of fact, LSC has been without authorization for some time. Why they are bringing it forward now I cannot say, other than perhaps to make a test of wills between the Legal Services Corporation, which apparently wants to become the fourth branch of Government, and the President of the United States.

□ 1130

As a matter of fact, I have a clipping from the Washington Post of Monday, March 30, 1981, entitled, "Legal Services Corporation Suits Itself, Waves Red Flag at Reagan."

I think this is what it is all about. Do we have a President of the United States to follow or are we going to follow the advocates of the Legal Services Corporation?

I think the American people not only want the Members of this House of Representatives to follow the dictates of their conscience, but also to indicate whether or not they meant what they said when they voted to retrain the growth of Federal spending on May 7, just a few weeks ago.

We have had this matter before the Congress for quite a number of years and each time it comes up, we have the Committee on the Judiciary or the members on that committee who support Legal Services Corporation continuously coming in with amendments trying to perfect its charter as they are doing now. I think the committee has already indicated there are 17 or 18 substantive amendments already added to this bill in an attempt to plug the holes in the LSC dike. This is not new, it has been done before.

The next time we would have this matter up for reauthorization, if it continues, they would be here with a host of other amendments saying,

well, we know there are shortcomings in the program and we have to correct them.

Well, what is wrong with this program is the basic structuring of the program itself and this restructuring is not provided for. We have a Legal Services Corporation, funded with taxpayers money, answerable to no one and this is wrong. I have contacted individuals supposedly running the program on the national level, about Legal Services Corporation personnel in my district and they say, we cannot do anything about the personnel running the program.

Well, after all, they are spending taxpayers money. Somebody ought to be able to do something about their activities. That is one of the reasons the President of the United States has proposed to give the legal services to the poor through a block grant program so that we can be assured that the truly needy will get some services.

What I oppose mostly is that some in this corporation want to take over the direction of the operations of various agencies of the Government by filing lawsuit after lawsuit against them whenever someone thinks it should be operated differently.

I could read from now to doomsday about the reported abuses out of this corporation. If you do not know anything about them now, you had better become acquainted with what they are doing in your respective districts.

All we hear everytime this program comes up is: We have to do something for the poor. They, LSC, uses this as an excuse for its existence, not a reason. If we are truly interested in legal services for the poor, we can get it cheaper and more effectively through block grants, to meet the problem.

There are about 6,200 attorneys and 9,800 others employed. The committee is asking for $260 million. This is not a small sum. First time the Legal Services Corporation wanted a third of a billion dollars. But now they come in and say, "We are cutting our request down to $260 million."

I see this as a question of whether or not we are going to follow the advice of the President of the United States and go the block grant route or whether we are going to follow the advice of the Legal Services Corporation.

Oh, I know the American Bar Association is all for this. I can recall, and I am a member of the bar, when we as attorneys felt we had a responsibility to the poor ourselves. As soon as the Congress dreamed up the LSC which gets the poor people out of our offices, many said we no longer had that responsibility. I think we still have that responsibility and so do the bar associations in my district.

In my district, for example, the bar associations in almost every county have written me over the years indicating that they are not for the Legal Services Corporation and are still ready, able, and willing to perform those services.

Look at the type lawsuits LSC has been filing. When I was practicing law, we were not supposed to be filing lawsuits just to be filing a lawsuit. We were not soliciting cases at that time. But if there has not been solicitation going on by the Legal Services Corporation, I am not standing here. Everybody knows they do.

Let me say also that everybody knows they have been breaking the law including the Comptroller General as he wrote the gentleman from Wisconsin (Mr. SENSENBRENNER) on May 1, 1981, as follows: I am not going to read his very lengthy letter, but let me just quote:

> After reviewing this material, we have concluded that the LSC has itself engaged and allowed its grant recipients to engage in lobbying activities prohibited by Federal law.

They know it is illegal to lobby, but they dare you to do anything about it.

I think it is time to pay attention to the President of the United States, follow his recommendation and send back to the States the block grant money so that each and every State can take care of the poor. There is no reason for us to continue to debate this authorization bill. We ought to decide now that LSC ought to be terminated and defeat the rule rather than take the time of the House of Representatives in debating this issue.

Mr. Speaker, I yield 10 minutes to my friend, the gentleman from Wisconsin (Mr. SENSENBRENNER).

Mr. SENSENBRENNER. Mr. Speaker, I urge my colleagues to vote against the rule providing for the consideration of H.R. 3480, a bill to reauthorize the Legal Services Corporation.

The November 1980 elections indicated our citizens wanted change. Included in this demand for change is a return to federalism, a return to local decisionmaking mechanisms which reflects the soundness of allowing people to make their own decisions.

There is not room within this concept for continuation of a centralized system for dispensing legal services which, through its power to fund grantees, has the inherent power to impose a prevailing ideology upon its funded programs.

Aside from this consideration, since its inception the Legal Services Corporation has found itself embroiled in the myriad of controversial activities. Everytime Legal Services Corporation or appropriation legislation comes before Congress, amendments have been passed to place reins and redirect the focus of its activities. But these restrictions have been steadily and repeatedly ignored. There is little indication that the new restrictions placed in H.R. 3480 will be treated any differently than the restrictions that have been enacted into law in the past.

Take, for example, lobbying activities. The LSC and its grantees were found by the Comptroller General of the United States to have engaged in illegal grassroots lobbying activities. The activities were conducted despite prohibitions in both the appropriations and authorizing legislation and repeated warnings from the General Accounting Office.

While H.R. 3480 attempts to address the grassroots lobbying problem, I am not confident that these activities will be restricted. Recent statements on the importance of lobbying by Legal Services Corporation personnel indicate the importance the Corporation itself has placed on this advocacy tool. In a recent published interview with Dan Bradley, President of the Legal Services Corporation, it was made clear that the coming decade would see lobbying substantially replace courtroom efforts as the LSC mode of fulfilling what it believes to be its mission.

Mr. Bradley says:

> In the 1980's, many of our attorneys may elect the legislative and administrative agency route, rather than go through the long, exhaustive, uncertain judicial process. It is certainly my observation that legislative and not administrative activities is as important, if not more important than some of the long judicial appeals.

Aside from lobbying, LSC attorneys have found a preference for engaging benchmark litigation on various entitlement programs in social litigation. Recent statements by LSC officials drill this point home harder. For example, LSC President Dan Bradley publicly announced that the LSC was an integral part of the traditional public interest movement and defined his major goal in these terms:

> If I could but mobilize my 5,500 full-time attorneys and my 17,000 full-time employees HEW would not stand a chance, HUD would not stand a chance.

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. SENSENBRENNER. I would be delighted to yield to my colleague from Ohio.

Mr. LATTA. I wonder if the gentleman would just reread the statement he just made.

Mr. SENSENBRENNER. This is Dan Bradley, the President of the Legal Services Corporation speaking:

> If I could but mobilize my 5,500 full-time attorneys and my 17,000 full-time employees, HEW would not stand a chance, HUD would not stand a chance.

That means he is saying that he is going to be suing the agencies of Government to do what he wants to do, to increase entitlements, to increase taxpayer funding and that means increased inflation and increased unemployment.

Ms. FIEDLER. Mr. Speaker, will the gentleman yield?

Mr. SENSENBRENNER. I yield to the gentlewoman from California.

Ms. FIEDLER. I thank the gentleman for yielding.

Along that line I have with me just a brief description of a few of the cases they have been involved in. When the gentleman talks about their suing the Government, not only are we paying for their services for the privilege of being sued, but let me give a few examples.

One was a case of litigation to compel payment of SSI benefits to alcoholics. Another one was litigation to compel the New York City Transit Authority to hire former heroin addicts. Another piece was a successful Federal district court suit to compel New York to pay State welfare benefits to illegal alien parents and the list goes on and on and on.

Not only are the taxpayers picking up the bills on one end, but also at the other end.

Mr. SENSENBRENNER. I am delighted that the gentlewoman from California brought those out. But to drive the point home even further on what the intent of the Legal Services Corporation is, even with the restrictions contained in this legislation, I would like to read another comment, a postelection memo from Alan Houseman, who is the Director of the Legal Services Corporation's Research Institute:

> Far more is at stake than the survival of Legal Services Corporation. Many social benefit and entitlement programs that have developed during the sixties and seventies to provide concrete benefits to poor people are threatened. As we proceed in our fight, we must take all the steps necessary at the National, local and State levels to assure the continuation of other social benefit and entitlement programs.
>
> It is essential that we join with others in preventing cutbacks in these programs and preventing changes in other Federal policies, such as affirmative action, which are essential to the continued development of poor people and minorities in this country. At no time must we let our own concerns override the more basic concerns of poor people.

Thus it is quite evident that the LSC sees itself as the principal means of increasing the already mushrooming entitlement programs of the Federal budget. Federal funds will continue to be used for the LSC's brand of social reform despite any restrictions that are placed on the Legal Services Corporation's activities.

As to representation of the poor, the abolition of the Legal Services Corporation will allow the poor to receive more skilled and vigorous legal representation. The American Bar Association's Code of Professional Responsibility requires that: Every lawyer, regardless of professional prominence or professional workload, find time to participate in serving the disadvantaged. Federal funding of the LSC has lured the private bar into a false sense of security in believing that the LSC is providing enough indigent representation. The abolition of the LSC will force the private bar to develop better and adequate programs of representation for the poor.

□ 1145

It is difficult to understand how a practicing bar with 575,000 members, whose gross income exceeded $20 billion, cannot substantially support a legal services program it is obligated by its own code of ethics to provide. Furthermore, it is also questionable whether LSC attorneys are providing quality legal representation. Supporters of the LSC argue that there is a need for poverty law experts. It is argued that private practitioners do not have the expertise in poverty law. A good case can be made that the LSC attorneys do not have it either. An unpublished 1977 study of the problem indicated that one out of every three LSC lawyers leaves the program each year, and that the average level of expertise is a little over 2 years.

A February 1981 LSC fact book indicates the average staff attorney experience has steadily declined from 3.6 years to 2.4 years between 1978 and 1981. Not only did the average experience of staff attorneys decrease, but the average experience of managing and supervising attorneys dropped from 6.3 to 4.6 years, while the average experience of program directors went from 9.1 to 6.9 years. The impact of so great a rate of turnover on the quality of legal services in the legal aid cases mostly handled by staff attorneys is of obvious consequence.

In conclusion, H.R. 3480 does not make a serious effort to redirect the Corporation toward the type of representation the poor and indigent want and need. Corporate grantees will continue to selectively choose causes which animate them and find clients to serve as the means for the advancement of such causes. This is all to the detriment of the poor, whose interests will be subsumed by the political agendas of their alleged proponents.

The underlying premise of this bill is mistakenly founded on the premise that the States cannot be trusted to provide legal representation for the poor. There is no basis for the assumption that States and localities have any objection to the provision of legal services on a traditional, individual basis. Legal Services can, and if properly offered will, compete within States and localities for a fair share of bloc grant funds, but only if offered on a nonpolitical basis. A bloc grant approach will work better to achieve the result than the most strongly worded package of reform legislation.

Mr. Speaker, H.R. 3480 is a sham. It will not address the substantial problems that have been raised in the management of the Legal Services Corporation. If it passes, its proponents will be back with another fix-up bill when the authorization expires. The time to do away with the Legal Services Corporation is now. Let the bar dispose of their professional responsibilities and let the States have a nonpolitical legal services program.

Mr. FROST. Mr. Speaker, I yield 4 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Speaker, I thank the gentleman for yielding this time to me. As I have listened to this debate and listened to the vehemence with which the Legal Services Corporation has been attacked, it was as though this were some evil legislation that somehow the Congress has mistakenly passed over the years, and now is the time to purge ourselves of this terrible program.

But, the contrary is really true, and the record is quite amazing. The appropriate committee in the Judiciary Committee has approved the continuation of Legal Services overwhelmingly, the Republican-controlled Senate has also approved the continuation of Legal Services, and the statement that was made that this would be an opportunity to decide whether the President of the United States was going to be the leader in this country, or whether Legal Services was going to be the leader is certainly very strange thinking. I am sure that if President Reagan were here today, he would not want his leadership to be hanging on the vote that is about to take place in a few minutes on this rule, and if there is no vote on the rule, on the vote that is going to take place on the Legal Services legislation itself when it reaches the floor, because we then would lose the leadership of President Reagan.

There is no doubt in anybody's mind who has been following this legislation that Legal Services is going to continue in this country, and that this legislation and this rule will be passed. So, I would like to say that whether I support all of President Reagan's programs or not, I think it should be clearly stated that this is not going to be a test of his leadership, because it would go down very early in his career as President.

The President's record on Legal Services is also quite clear. In California, the then Governor of California tried very desperately to eliminate Legal Services, and once again that effort was rejected, as it should have been. So, I would like to say to my colleagues that: First, for the good of the President, let us not say that this is a test of his leadership; second, for the good of the country and for the poor people in this country who we still have an obligation to, and still most of

us in this Congress feels are entitled to this type of protection, let us vote very clearly, as I am sure we will—let us vote overwhelmingly for not only the rule but for the obvious need for the continuation of Legal Services.

Mr. BUTLER. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I will be glad to yield to my friend from Virginia.

Mr. BUTLER. Mr. Speaker, I thank the gentleman for yielding. I would just make the point, since he has raised some questions about the President's involvement in this, he recognizes, I am sure, as the Members must, that the President of the United States—this President—has within his power to appoint the entire Board of the Legal Services Corporation, so that the power to correct the course and direction and the lack of supervision from the top is now available to this administration. Apropos of that, of course, the two members of the staff which the gentleman from Wisconsin mentioned——

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. FROST. Mr. Speaker, I yield 1 additional minute to the gentleman from New York.

Mr. BUTLER. Of course, it is within the power of the new Board, it would be within the power of the new Board to discharge the two members of the staff that were mentioned by the gentleman from Wisconsin, and indeed we are told that they have seen the handwriting on the wall and expect to leave very shortly.

All of these things indicate to me that this administration can place its imprint on the direction of Legal Services Corporation and bring it back to the basis I had in mind when I voted for it earlier. Of course, if the gentleman will yield further, the legislation which is before us has a number of amendments—I believe the number is in the neighborhood of 16—each of which is designed to respond to an objection which has been raised by a Member of this body in the committee when we considered it.

So, I think that we have tailored the new Legal Services legislation to meet the objections that have been made, and with the course and direction that it will receive in the new administration, we can anticipate that Legal Services will do what it was contemplated it would do.

Mr. PEYSER. I thank the gentleman for his comment and leadership in this matter.

Mr. LATTA. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, let me just say that everybody is aware of the fact that the President will make these appointments, but the President does not restructure the program. That is up to the Congress, and the Congress has failed to do this.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mr. LATTA. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina (Mr. JOHNSTON).

Mr. JOHNSTON. Mr. Speaker, 20 years ago I had the privilege of being admitted to the bar of the State of North Carolina. It was a particular privilege for me, because my own father swore me in, and that day when he permitted me to come within the bar of that court, he granted me a great privilege. But, concomitant with that privilege, he also granted me a lot or responsibility.

The issue today is not whether poor people are entitled to legal services. The issue today is whose responsibility is it to provide them. For 15 years the Congress of the United States has been trying to give people rights and take away their responsibilities. The issue today is whether or not the legal business is a profession or a trade; whether or not members of the bar have an obligation to do pro bono work.

One of the greatest deans of any law school ever in this country was Dean Carroll Weathers, and he spent many months in our senior year at Wake Forest Law School instilling in us the history of the legal profession since the days of the Greek city-states; how advocacy was originally not something one pursued for gain or profit, because an advocate was not paid; he was granted an honorarium.

But, our legal profession wants to get rid of its responsibilities to the poor and have the American taxpayer assume those responsibilities because it is beneath the dignity or not in the economic interests of the wealthy Wall Street lawyers to take their time pursuing the interests of the poor and the indigent.

Well, actually we are doing the organized bar a great disservice by taking this responsibility away from them, because once we do it, then they become merely purveyors of their minds and their souls at the highest hourly rate, because they have no responsibility that enures to their profession. Somehow or another, I do not think we will have done them a favor in the long run by taking away this responsibility. We will have denied them something special, something that comes with being a professional.

I do not think any doctor in this country would deny a person needing an operation this operation because he could not pay for it. If so, they do not warrant the recognition that the Hippocratic oath grants them. But one thing is for sure, if the legal profession does not pick up and assume the responsibilities to the poor, the indigent, it should not be the burden of the taxpayers of the United States to take up their responsibilities. If we take it over, they will never regain it, and what was once a great and noble profession will degenerate into a mere craft.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. RAILSBACK).

Mr. RAILSBACK. Mr. Speaker, may I first also begin by complimenting the previous speaker, and indicate that if the legal community of this country had recognized the responsibility that this one Member, I believe, has toward the idea of providing on a pro bono basis legal services for the poor, then to be quite candid, we would not be here today.

The facts are that by reason of a number of circumstances, that occurred before we ever served in Congress; namely, the settlement of certain poorer areas, disadvantaged areas, ghettos in some cases, where frankly there were not even enough lawyers to serve the people and to meet the needs of the residents of those particular areas, a legal service program was needed. If the private bar had met its responsibility with lawyers contributing of their time, then we would not be here today. Frankly, if everyone in the country could afford legal services, how desirable that would be. Unfortunately, there are many Americans that simply do not have the resources to be able to hire a lawyer, not necessarily for litigation purposes, but, frankly, for some very basic, fundamental legal requirements.

□ 1200

It could be divorces, it could be child abuse, it could be separations, or it could be family problems, which, by the way, make up 30 percent of the caseload of the legal services community.

The SPEAKER pro tempore. The time of the gentleman from Illinois (Mr. RAILSBACK) has expired.

Mr. FROST. Mr. Speaker, I yield 4 minutes of our time to the gentleman from Illinois (Mr. RAILSBACK).

Mr. RAILSBACK. Now, Mr. Speaker, what has happened, reviewing very quickly the history of the Legal Services Corporation, is that some Members of the minority, including the three members who sat on the subcommittee, favor a continuation of the Legal Services Corporation. It started out back in the early 1970's, when President Richard Nixon providing leadership and recognized a responsibility, supported and advocated the establishment of a Legal Services Corporation.

That Corporation has not always operated free of controversy, and I concede that. There have been plenty of problems, and we on the subcommittee proposed and adopted something like

18 amendments designed to make the thing operate in a better fashion.

But having said that, I am not going to be defensive about it, because I believe there is a genuine need that does exist. The Legal Services Corporation, as has been mentioned, is going to be completely under the control of President Reagan's appointees—and I think that is very significant.

I would like to quote a comment by a very strong conservative commentator, James J. Kilpatrick, who had this to say:

> If there is one concept that our Nation cherishes more than any other, it is the commitment that is carved in stone at the Supreme Court. The legend reads: "Equal justice under the law." Year by year we creep a little closer toward that distant goal.
>
> That cheerful observation is prompted by a report from the Legal Services Corporation, marking its first 5 years of operation. The Corporation has come a long way from those angry days in 1973 and 1974 when many of us on the conservative side fought like bobcats against its very creation.
>
> In the nature of things, poor families can accept the realities of being poor; they are not going to have the food, clothing, housing, and higher education and material amenities of the rich. What they cannot accept is the sense of being unfairly ground down by the millwheels of the law.

Mr. Speaker, I hope that we have many Republican Members and many Members on both sides of the aisle supporting a continuation of Legal Services at this substantially reduced rate.

Mr. SENSENBRENNER. Mr. Speaker, will the gentleman yield?

Mr. RAILSBACK. I yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER, Mr. Speaker, will the 11 Members President Reagan appoints to the Board, be able to control the activities of the grants? But how can they do so when the legislation the gentleman is supporting does not give the Legal Services Board the right to sue a grantee for specific performance of its grant contract?

Mr. RAILSBACK. Mr. Speaker, actually one of the amendments that was adopted gives much greater control of the Corporation at any point in time to actually defund particular recipient grantees. That was very controversial. Some of the Members thought that we ought to have hearings. We were able to get that amendment adopted.

In my opinion, the safeguards that have been enacted are good. There are many Members who think we have gone too far. My feeling is that we have a legal services authorization that can be supported by conservatives, because, as I said, there have been 18 amendments designed to tighten up the standards.

Mr. FROST. Mr. Speaker, I yield 6 minutes to my distinguished colleague on the Committee on Rules, the gentleman from Florida (Mr. PEPPER).

Mr. PEPPER. Mr. Speaker, I think we are engaged in a very serious discussion as we consider this rule.

I am sure that there is not a Member of this House who would not proudly acclaim his loyalty to and support of the Constitution of the United States. The Constitution says that all citizens of this country are entitled to the due process of law. The Constitution says that all citizens of this country are entitled to equal protection of the law. But neither of those constitutional provisions is self-executing.

We do not get due process of law except in the protections of the courts. We do not get equal protection in the law except as the judicial system of the country affords it to us, and we do not get the advantages of the judicial system deciding due process or equal protection in our favor unless we can in a lawful way get into the courts.

We cannot stop a judge on the street and say, "Judge, I have got a case." We cannot buttonhole a Supreme Court Justice and say, "Judge, I want you to protect my rights."

We have a judicial system in this country, a court system, so that if we are going to get redress of our constitutional rights, we have got to go in the orderly way through those courts. And except in a small claims court, where we do not have technicalities involved, the only man or woman qualified to represent a citizen who is trying to protect his rights is a lawyer.

That is the way our system works. If we deny a person access to a lawyer, the services of a lawyer, we might just as well tell him he does not have any constitutional rights that will be protected, because only the lawyers in the courts of the land are able to protect his rights.

Last year, as this report ably shows, there were 1,500,000 cases handled for people, and that meant something very important to those people. They were handled by the lawyers in this Legal Services Corporation.

We have set up this organization. It has functioned well. If it has made mistakes, they are in the process of being corrected by the procedures that have now been adopted, by the amendments that have now been accepted.

The present administration will appoint a majority of the Board that runs this Corporation, so this will not be a past administration holdover run by somebody else.

In addition to that, an amendment has provided that the organization of the system and the direction of it shall be from Washington, not from the local community, where there may be error in the policy that may be determined. So we have afforded protection in the administration of the program, because it will be run from Washington; it will be run by a Board appointed by the President of the United States at the present time, and we will be able to show the advantages of doing what has been done in the past perhaps in a more effective and efficient way.

So why should we deny people the right to have a lawyer? Some say, "Well, let the law profession do it."

Well, as a matter of fact, the lawyers have only their services to sell. They pay taxes like everybody else. We cannot expect a law firm that is busy with its own clients, making a living for the members of that firm, to give more than a relatively small amount of its time to the public interest. After all, why not let everybody do it? Why should the lawyers have to provide all of the opportunity for the poor to get the legal services they need? Why not have everybody do it? We should let the lawyers just pay their share of the cost of doing it.

Mr. JOHNSTON. Mr. Speaker, will the gentleman yield?

Mr. PEPPER. I will gladly yield to the able gentleman from North Carolina.

Mr. JOHNSTON. Mr. Speaker, according to the Census Bureau, about 10 percent of the population of this country is now impoverished. Would it not be reasonable to ask a group of people to whom we grant a peculiar privilege, an attorney-client privilege, to hold sacred these communications?

Mr. PEPPER. Mr. Speaker, I can only say to my distinguished friend, as I did a moment ago, that the right way to do this is to completely administer a responsible legal organization composed of lawyers dedicated to the service of the people who cannot have their legal rights protected in any other way.

When we are supporting this proposal, I think we are defending the constitutional rights, the Americanism rights, of the people of this country. Let the poor man have access to the courts, as the rich man is able to have access to the courts.

We pride ourselves that America has impartiality in the administration of the law and in the protection of the rights of all the people, but if we are really going to protect them, we have got to have lawyers working under an effective instrumentality like this Corporation under this bill we are considering.

Mr. Speaker, I hope that the rule will be approved.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman for Illinois (Mr. MCCLORY).

Mr. McCLORY. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Speaker, I certainly do not think anybody who is opposing the rule or opposing this legislation is against providing legal services for rich, poor, and middle class or anyone else. We do guarantee legal representation of all

persons involved in criminal proceedings. This is a constitutional right which is provided and administered in the States and in the communities without the involvement of any Federal corporation or Federal agency.

It seems to me that what we are undertaking to do at this time, consistent with the general overall domestic programs and policies that are being advanced by this administration is to return responsibility and authority to the States and to the local communities. We are trying to divorce ourselves from the philosophy that the only way to carry out a program of benefit to the people is to have it established and administered in Washington, D.C. The people have rejected that philosophy, and I am in the position now where, after supporting this legislation in the past, I am going to oppose it, at this time.

There is no reason why we cannot have a legal aid program supported under a block grant program, supported at the local level, and supported at the State level and even through the volunteers and legal aid committees of the various bar associations, as it traditionally has been done. We had legal aid for the poor before we had this program, and I think we will have it afterward, too.

The fact that this legislation is defective should be suggested by the fact that it took on 18 amendments. There was something wrong with it, and it needed a lot of correction. There is a lot of dissatisfaction and there is a lot of distortion of what we intended in this attempt to provide equal justice for all. It seems to me that we will establish better programs of legal aid by rejecting this rule.

I might say that the rule requires a 48-hour advance filing of an amendment. That requirement may deprive Members from bringing to the floor of this House their amendments designed to improve this legislation but who would be denied that opportunity because of the rule that is offered here today. My advice is that we reject the rule.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. TAYLOR).

Mr. TAYLOR. Mr. Speaker, about 2 years ago the Legal Services Administration decided to put in a staff attorney system in my district. We had a great deal of controversy, and our local bar decided, having served the people voluntarily without charge for years, that they would prefer, if we had anything, to have the judicare system.

So we had a hearing on the situation at Joplin, Mo. The legal services people came down. A member of the National Board came, and among the witnesses we had was a witness from the Missouri Division of Family Services, which handles all of the welfare for the people in the State of Missouri and does a good and a creditable job.

The testimony of the lady who was there was that the local bar in southwest Missouri had done an adequate job through the voluntary system that they had set up, and that the lawyers had provided adequate legal services for all the poor people with whom she worked, and her suggestion was that Federal legal services probably was not needed in our area, but if it was needed, it should be handled by the local bar through the judicare procedure.

Also attending the meeting was a member of the National Board, who got up and said:

I can understand why the Missouri Division of Family Services is against this program—because they are the ones we are going to be suing.

□ 1215

Well, now, friends, have we come to the place where we unleash the wrath of the Federal Government on local government and volunteers that is doing an adequate job in providing legal services for the people who need it in order to create even another expensive bureaucracy at the expense of the American taxpayer?

As I was campaigning in my first term for Congress, I well remember going through Taney County one day and campaigning. An old gentleman there that was 92 years old said:

Gene, I'm going to support you, but when you get up there and they bring up some of these expensive social tinkering programs, I want you to ask yourself two questions. No. 1, do we need it? No. 2, can we afford it? And if the answer to both of them is no, and it generally will be, then ask yourself this question, "How in tarnation have we done without it all these years?"

I believe that the legal services program falls within the catagory of one of the programs that we do not need and can well do without.

I suggest that this rule should be defeated.

Mr. LATTA. Mr. Speaker, I yield back the balance of my time.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

I would only remind my colleagues that we are voting on the rule today. It is an open rule. There is no question this is a matter of some controversy. It should have the opportunity to be heard on the floor, scheduled for next week. There is the opportunity for amendments at that time. There are a number of improvements that were made by the committee and we should have the opportunity to vote on this very important program.

Mr. Speaker, I yield back the balance of my time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SENSENBRENNER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 303, nays 88, not voting 40, as follows:

[Roll No. 72]

YEAS—303

Akaka	Eckart	Jenkins
Albosta	Edgar	Jones (NC)
Alexander	Edwards (CA)	Jones (TN)
Anderson	Emery	Kastenmeier
Andrews	English	Kazen
Annunzio	Erdahl	Kildee
Anthony	Ertel	Kindness
Applegate	Evans (DE)	Kogovsek
Atkinson	Evans (GA)	Kramer
AuCoin	Evans (IN)	LaFalce
Bailey (PA)	Fary	Lantos
Barnard	Fascell	Leach
Barnes	Fazio	Leath
Beard	Fenwick	Lee
Bedell	Ferraro	Lehman
Beilenson	Findley	Leland
Benjamin	Fish	Levitas
Bennett	Fithian	Livingston
Bereuter	Flippo	Long (LA)
Bethune	Florio	Long (MD)
Bevill	Foglietta	Lowry
Bingham	Foley	Lujan
Blanchard	Ford (MI)	Luken
Boggs	Ford (TN)	Lungren
Boland	Forsythe	Madigan
Bolling	Fountain	Markey
Boner	Fowler	Marks
Bonior	Frank	Marlenee
Bonker	Frost	Marriott
Bouquard	Fuqua	Martin (IL)
Bowen	Garcia	Martin (NC)
Brinkley	Gaydos	Matsui
Brodhead	Gejdenson	Mattox
Brooks	Gephardt	Mavroules
Brown (CA)	Gibbons	Mazzoli
Brown (OH)	Gilman	McCloskey
Burton, Phillip	Gingrich	McCollum
Butler	Ginn	McCurdy
Byron	Glickman	McDade
Chisholm	Gonzalez	McHugh
Clausen	Goodling	Mica
Clinger	Gore	Mikulski
Coats	Gradison	Miller (CA)
Coelho	Gramm	Miller (OH)
Coleman	Gray	Mineta
Conable	Green	Minish
Conte	Guarini	Mitchell (MD)
Coughlin	Hagedorn	Mitchell (NY)
Coyne, William	Hall (OH)	Moakley
Crockett	Hall, Ralph	Moffett
D'Amours	Hall, Sam	Molinari
Daniel, Dan	Hamilton	Mollohan
Danielson	Hance	Moore
Daschle	Harkin	Mottl
Daub	Hatcher	Murphy
Davis	Heckler	Murtha
de la Garza	Hefner	Nelson
Deckard	Hertel	Nichols
Dellums	Hightower	Nowak
DeNardis	Hiler	O'Brien
Derrick	Hillis	Oakar
Dicks	Hollenbeck	Oberstar
Dingell	Horton	Obey
Dixon	Howard	Ottinger
Donnelly	Hoyer	Panetta
Dorgan	Hubbard	Patman
Dougherty	Hughes	Patterson
Downey	Hunter	Pease
Dunn	Hutto	Pepper
Dwyer	Hyde	Perkins
Dymally	Ireland	Petri
Dyson	Jacobs	Peyser
Early	Jeffords	Pickle

Price	Schumer	Volkmer
Pritchard	Seiberling	Walgren
Rahall	Shamansky	Wampler
Railsback	Shannon	Washington
Rangel	Sharp	Watkins
Ratchford	Shaw	Waxman
Regula	Simon	Weaver
Richmond	Skelton	Weiss
Rinaldo	Smith (IA)	White
Ritter	Smith (NE)	Whitehurst
Roberts (KS)	Smith (NJ)	Whittaker
Rodino	Snowe	Whitten
Roemer	Solarz	Williams (MT)
Rose	St Germain	Williams (OH)
Rosenthal	Stanton	Wilson
Rostenkowski	Stark	Winn
Roth	Stenholm	Wirth
Roukema	Stokes	Wolf
Roybal	Stratton	Wolpe
Rudd	Studds	Wortley
Russo	Stump	Wright
Sabo	Swift	Wyden
Santini	Synar	Wylie
Savage	Tauke	Yates
Sawyer	Tauzin	Yatron
Scheuer	Traxler	Young (AK)
Schneider	Udall	Young (FL)
Schroeder	Vento	Zeferetti

NAYS—88

Archer	Frenzel	Myers
Ashbrook	Goldwater	Napier
Badham	Gregg	Natcher
Bafalis	Gunderson	Pashayan
Bailey (MO)	Hammerschmidt	Paul
Bliley	Hansen (ID)	Rhodes
Broomfield	Hansen (UT)	Roberts (SD)
Brown (CO)	Hartnett	Robinson
Burgener	Heftel	Rogers
Campbell	Hendon	Rousselot
Carman	Holt	Schulze
Carney	Hopkins	Sensenbrenner
Chappie	Jeffries	Shumway
Cheney	Johnston	Shuster
Corcoran	Lagomarsino	Siljander
Courter	Latta	Smith (AL)
Coyne, James	LeBoutillier	Smith (OR)
Craig	Lent	Snyder
Crane, Daniel	Lewis	Solomon
Crane, Philip	Loeffler	Spence
Daniel, R. W.	Lott	Stangeland
Dickinson	Martin (NY)	Staton
Dornan	McClory	Taylor
Dreier	McDonald	Thomas
Duncan	McEwen	Trible
Edwards (OK)	McGrath	Vander Jagt
Emerson	Michel	Walker
Evans (IA)	Montgomery	Weber (MN)
Fiedler	Moorhead	
Fields	Morrison	

NOT VOTING—40

Addabbo	Derwinski	Parris
Aspin	Edwards (AL)	Porter
Benedict	Erlenborn	Pursell
Biaggi	Grisham	Quillen
Breaux	Hawkins	Reuss
Broyhill	Holland	Roe
Burton, John	Huckaby	Shelby
Chappell	Jones (OK)	Skeen
Clay	Kemp	Weber (OH)
Collins (IL)	Lowery	Whitley
Collins (TX)	Lundine	Young (MO)
Conyers	McKinney	Zablocki
Cotter	Neal	
Dannemeyer	Nelligan	

□ 1230

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Derwinski.
Mr. Chappell with Mr. Parris.
Mr. Reuss with Mr. Porter.
Mr. Conyers with Mr. Skeen.
Mr. Lundine with Mr. Pursell.
Mr. Zablocki with Mr. Quillen.
Mr. Lowery of California with Mr. Weber of Ohio.
Mr. Shelby with Mr. Erlenborn.
Mr. Hawkins with Mr. Dannemeyer.
Mr. Biaggi with Mr. Collins of Texas.
Mrs. Collins of Illinois with Mr. Broyhill.
Mr. Clay with Mr. Benedict.
Mr. John L. Burton with Mr. McKinney.
Mr. Breaux with Mr. Edwards of Alabama.
Mr. Aspin with Mr. Nelligan.
Mr. Whitley with Mr. Kemp.
Mr. Young of Missouri with Mr. Neal.
Mr. Jones of Oklahoma with Mr. Huckaby.
Mr. Holland with Mr. Roe.

Mr. SMITH of New Jersey changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MSGR. GENO C. BARONI

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANNUNZIO. Mr. Speaker, this Sunday, June 14, my good friend Msgr. Geno C. Baroni celebrates the 25th anniversary of his ordination as a Catholic priest. Monsignor Baroni was, until January of this year, the Assistant Secretary of the Department of Housing and Urban Development for Neighborhoods, Voluntary Associations and Consumer Protection. He was the first Catholic priest to be appointed by a President to a sub-Cabinet position of policy responsibility. Prior to his service at HUD, Monsignor Baroni was the founder and the head of the National Center for Urban Ethnic Affairs. Geno Baroni is the driving force in setting up the Campaign for Human Development on behalf of the U.S. Catholic Conference and was the director of urban affairs of the Catholic Archdiocese of Washington in the late 1960's and associate pastor of Saints Paul and Augustine Church in Washington, D.C.

Geno Baroni was born in the Pennsylvania coal fields of a coal mining family. His mother and father were born in Italy, and like many other Italian-Americans, experienced ethnic discrimination while growing up. Monsignor Baroni is one of the strong proponents of ethnic identity and ethnic pride, urging ethnic groups to appreciate differences rather than fighting over them.

Monsignor Baroni was one of the founding members, along with myself, of the National Italian American Foundation. He has been my good friend over a long period of time and I join with all of his friends in wishing him many more years of priestly service.

NAVAL PETROLEUM RESERVES AUTHORIZATION FOR FISCAL YEAR 1982

Mr. WHITE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3023) to authorize appropriations to the Department of Energy for fiscal year 1982 for conservation, exploration, development, production, sale, and use of the naval petroleum reserves and naval oil shale reserves.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. WHITE).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3023, with Mr. PEYSER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Texas (Mr. WHITE) will be recognized for 30 minutes, and the gentleman from Tennessee (Mr. BEARD) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 3023 is a bill to authorize appropriations for the conservation, exploration, development, production, sale, and use of the naval petroleum and oil shale reserves for fiscal year 1982.

Before discussing the provisions of the bill, I believe that a brief summary of the history of the naval petroleum and oil shale reserves would be helpful.

Between 1912 and 1924 four naval petroleum reserves were established: No. 1 at Elk Hills, Calif.; No. 2 at Buena Vista Hills, Calif.; No. 3 at Teapot Dome, Wyo.; and No. 4 in Alaska. In addition, three naval oil shale reserves, Nos. 1 and 3 in Colorado and No. 2 in Utah, were set aside for the Navy between 1916 and 1924. The Elk Hills reserve is presently estimated to contain approximately 1 billion barrels of oil, while Teapot Dome is estimated at approximately 42 million barrels. In terms of remaining recoverable reserves, Elk Hills ranks fourth in the United States.

After a brief period in the early 1920's, when the reserves were under the administration of the Department of Interior and were leased to several oil companies, administration of the reserves was returned to the Department of the Navy where it remained until 1977. For about 2½ years, during World War II, the reserves were produced in order to supply petroleum for national defense needs. Except for those two brief periods of production, the management of the reserves was geared to conservation of the oil so that it would be available when needed by the Armed Forces.

As a result of the 1973 oil embargo, the Congress sought to bring all available domestic fields into production. Legislation was introduced in the 94th Congress to authorize production of the naval petroleum reserves at the maximum efficient rate of production (MER); that is, the maximum rate which could be achieved without detriment to the ultimate recovery of the fields. That legislation was opposed by our committee, which proposed that the reserves would be produced, but only at the level necessary to provide funding for their complete exploration and development and put them in condition to be produced, on short notice, in the event of a national defense need. Unfortunately, the majority of the House favored maximum production of the reserves. The result was the Naval Petroleum Reserves Production Act of 1976, Public Law 95-258. That law directed production of the reserves at the maximum efficient rate for a period of 6 years, with an option for extension of the production period if the President found such a necessity and neither House of Congress disapproved the continued production.

The 1976 act also took Naval Petroleum No. 4 in Alaska from the Navy, redesignated it the national petroleum reserve, and transferred it to the Department of the Interior. That reserve, which is adjacent to the Prudhoe Bay Field in Alaska, is estimated to contain from 10 to 33 billion barrels of oil. The loss of that reserve, which is owned completely by the Government and is largely unexplored and undeveloped, dealt a serious blow to the concept of providing a ready source of petroleum to the Armed Forces in time of crisis.

In accordance with the Naval Petroleum Reserves Production Act, production of the reserves began on July 3, 1976. Between that time and March 1981, 216 million barrels of oil have been produced at the naval petroleum reserves. Until recently all of that production was sold for consumption by the civilian economy. Those sales of oil and associated liquid products have realized more than $3.7 billion in revenues which have been deposited in the general funds of the U.S. Treasury.

At the time of our committee hearings in 1975, it was estimated that the maximum efficient rate of production for the Elk Hills reserve would be 300,000 barrels of oil per day when the field was fully developed. That estimate was based on the assumption that production would be minimal until the field was fully developed. Since production was begun before development of the field was completed and has been going on for almost 5 years, the estimated MER has been reduced. During our hearing in April, the Department of Energy witness estimated that later this year the peak MER of about 190,000 barrels daily would be reached. I should point out that figure does not reflect any reduction in the estimated ultimate recovery from the field, which is about 1 billion barrels, but only the rate at which the oil can be produced without detriment to the ultimate recovery.

Production at Elk Hills in April 1981 averaged 170,000 barrels of oil daily. The production at Teapot Dome at that time averaged 3,600 barrels daily. I should point out that two-thirds of the land within Naval Petroleum Reserve No. 2 at Buena Vista Hills, Calif., is privately owned. As a result of that large private ownership, the Government has been required to produce its portion of the field in order to prevent its oil from being drained by adjacent landowners. The Government's current royalty on that production amounts to about 300 barrels per day. Consequently, Buena Vista Hills is now a reserve in name only.

The Elk Hills Reserve, which became the largest producing oil field in the United States with the exception of Alaska, is still under development. For example, 64 development wells were drilled during fiscal year 1980. All were productive. Forty-five more development wells are scheduled for fiscal year 1981. Gas recovery plants and other facilities are also being constructed. This continued development of the field resulted in fiscal year 1980 in an increase of 15,000 barrels of oil daily over the prior fiscal year. Meanwhile, exploration of this reserve is continuing. Since production began in 1976, approximately 126 million barrels of additional proven reserve have been identified at Elk Hills. Approximately 20 percent of Elk Hills remains to be explored.

The naval oil shale reserves are estimated to contain 22 billion barrels of shale oil. Approximately 2 to 5 billion barrels are considered economically recoverable using current technology. Activity at those reserves, however, is limited to completion of a predevelopment plan at Oil Shale Reserve No. 1 to evaluate its shale resources and to evaluate underground water supplies, identification and evaluation of surface water supplies, and initiation of an air quality monitoring capability. The predevelopment plan began in June 1978 and is scheduled for completion in late fiscal year 1982.

One final item on the history of the reserves is that administration and jurisdiction was transferred from the Department of the Navy to the Department of Energy by the Department of Energy Organization Act, Public Law 95-91, on August 4, 1977. Since that time the uniformed personnel of the Navy have been detailed to the Department of Energy to staff the Office of Naval Petroleum Reserves which carries out the management of the reserves. The witnesses testified that it is the intention of the Department of Energy to continue to use uniformed naval officers in the management of the reserves.

That brief history of the naval petroleum reserves should help to place in context the actions of the Committee on Armed Services on H.R. 3023.

The purpose of H.R. 3023 is to authorize funding for the Department of Energy for the naval petroleum and oil shale reserves during fiscal year 1982. This funding is required to carry out the provisions of the Naval Petroleum Reserves Production Act of 1976. The bill was reported pursuant to section 660 of the Department of Energy Organization Act, Public Law 95-91, which provides that "appropriations to carry out the provisions of this act shall be subject to annual authorization".

Mr. Chairman, I would like briefly to outline the principal features of the bill. First, it authorizes a total of $225.9 million for conservation, exploration, development and use of the naval petroleum reserves; $202 million of that amount is allocated for operation and maintenance, development drilling, development facilities, exploration drilling, and program direction at Elk Hills. More than half the funding will be applied to operation and maintenance of the reserve. The bill provides $22.869 million for the Teapot Dome Naval Petroleum Reserve for the same purposes. In addition to providing funds for completion of the development of the Teapot Dome Field, this funding would also provide for a pilot secondary recovery program employing chemical and thermal processes to extract additional oil from the field. If this program is successful, production at Teapot Dome could be substantially increased in the mid-1980's. Funding of $2.5 million is provided for the naval oil shale reserves. This funding will allow completing a predevelopment plan for Naval Oil Shale No. 1 in Colorado. The balance of the authorization, approximately $1 million, is for headquarters funding. This element provides overall direction, management, and coordination for the reserves program.

Mr. Chairman, I should also point out that since late 1980 a substantial portion of the Government's share of the production from the naval petroleum reserves has been stored in the strategic petroleum reserve (SPR). Presently 103,365 barrels per day of Elk Hills production is being exchanged for other crude oil which is being stored in the SPR storage facilities. The balance of the Government's daily share of production, 34,000 barrels, is being sold directly to small refineries.

I should also point out, Mr. Chairman, that this authorization assumes that production at the petroleum re-

serves will continue throughout fiscal year 1982. The 6-year production period authorized by the Naval Petroleum Reserve Production Act of 1976, Public Law 95-258, will expire on April 5, 1982. That act, however, provides that the production period may be extended for 3 years if the President, after an investigation, determines the necessity for continued production, reports to the Congress certifying that necessity, and if neither House of Congress adopts a resolution of disapproval within 90 days after receipt of the report. During our hearing in April the witnesses testified that the investigation to determine the necessity for continued production was in progress and should be completed in June. If a production extension is recommended by the President, it will, of course, be carefully examined. While it is possible that such a recommendation might not be approved by the Congress, we believed it would be unwise to authorize appropriation for only the first half of the fiscal year. Even if the production extension were disapproved the operation and maintenance requirements at the petroleum reserve would be reduced by approximately $29 million. Shutting in the fields to a maintenance level of production, however, would require extensive work and involve expenses which would approach the amount presently allocated for operation and maintenance.

Mr. Chairman, this is a relatively simple bill. It authorizes funding for one of the Government's most profitable operations. It is estimated that the naval petroleum reserve will generate approximately $1.8 billion for fiscal year 1981. Those funds are all deposited in the general funds of the Treasury. The production and sale of naval petroleum reserve oil has had a favorable impact on our national budget as well as in our international balance of payments since 1976.

Mr. Chairman, I urge my colleagues to join in support of H.R. 3023.

□ 1245

Mr. BEARD. Mr. Chairman, I yield myself such time as I may consume.

I rise in support of H.R. 3023 and urge my colleagues to support this bill.

The naval petroleum reserves are one of the most valuable natural assets possessed by our Government. Naval Petroleum Reserve No. 1 at Elk Hills, Calif., is one of the largest producing oilfields in the United States, currently producing at a rate of 170,000 barrels of oil daily. In terms of remaining recoverable reserves, it ranks fourth in the United States. Reserve No. 3 at Teapot Dome, Wyo., while in no way comparable to Elk Hills, will produce about 4,000 barrels of oil daily during the current fiscal year.

Since production at the maximum efficient rate was decreed in the 1976 Naval Petroleum Reserves Production Act, over 200 million barrels of oil have been produced at the reserves. Sales of that oil and the associated liquid products have produced revenues in excess of $3.7 billion. Those revenues, which are deposited in the general fund of the Treasury, have made a substantial contribution to reducing the Federal budget deficit. Moreover, production of the reserves has reduced our dependency on foreign oil imports and has a substantial effect on our international balance of payments. Since late 1980 most of the Government's share of Elk Hills production has been exchanged for oil which is stored in the strategic petroleum reserve. While that strategic reserve is not exclusively for military use, it will provide military fuels in the event of a national petroleum emergency.

While the current production of the naval petroluem reserves is not in consonance with the intent of our earlier leaders who established them, it is accomplishing several important national goals. Presently the administration is conducting an examination to determine whether the production period should be extended for an additional 3 years as provided by the 1976 Naval Petroleum Reserves Production Act. Assuming that continued production will be recommended, the Congress will have an opportunity later this year to express its will in that matter.

Although the production period has depleted these critical national defense reserves, it has provided an opportunity for completion of the development of the fields. As you may recall, when our committee examined the reserves almost a decade ago, we found that extensive work, both in drilling of development wells and in the construction of production facilities, was essential if the reserves were to be available for production in the event of a national defense emergency. This period has also been utilized for continuation of the exploration program at Elk Hills. Today that exploration program is 80 percent complete. As an example of the benefits of that continuing exploration program, reservoirs containing more than 125 million barrels of oil have been located recently at Elk Hills.

The funding proposed by this bill, $228,463,000, will provide for operation and maintenance of the reserves, the construction of development facilities, development drilling, exploration drilling, an enhanced oil recovery program at Teapot Dome, completion of a predevelopment plan at oil shale reserve No. 1, and for program management and direction.

Mr. Chairman, the Nation has received an excellent return on its earlier investment in the naval petroleum and oil shale reserves, and I am confident that the fiscal year 1982 funding will continue to add to the value of these extremely valuable national assets.

Mr. Chairman, this is a good bill, and I urge all my colleagues to join me in supporting it.

Mr. WHITE. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon (Mr. WEAVER).

Mr. WEAVER. I would like to thank the distinguished chairman of the subcommittee for yielding me time. I would like to commend the Committee on Armed Services for bringing out this bill. I would like to say that I stood with them 5 years ago when they did, as the chairman said, hope to keep Elk Hills in the naval petroleum reserve and simply make it ready for production instead of opening it up and producing the oil that is in it. However, since that time we are now putting a majority of the oil into the strategic reserve and, therefore, as that is what the oil is for, I will support the bill. I can think of nothing more important to the security of the United States of America and to the functioning of the armed services than that there be set aside reserves of fuel for the long-term use of the military.

Yet today on the mainland United States we have no such reserve set aside for the military. None—none. What are we thinking about? What are we and our children going to be doing when 20 and 30 years down the road our oil wells in this country begin to run dry?

When the Soviet Union and the People's Republic of China have vast reserves left, and we do not have the oil to fuel our military capacity, much less produce the food we need in this Nation.

Therefore, I can think of no more important thing that we can do here today than to commence setting into reserves fields in our public lands which will be set aside for the long-term use of the military.

Let me make a very important distinction, a critical distinction. There are two kinds of reserves. One, the strategic reserve now being filled in Louisiana and Texas salt domes, and that kind of reserve would come into use if there were an immediate emergency. If there were a cut-off of foreign oil and we needed the oil immediately to run our economy and our military, we could begin pumping that out tomorrow. That is an essential kind of reserve. I fully support it and the maintenance of it.

The reserve I am talking about here today and the one with which the amendment that I will be offering to the bill will deal is a completely different kind of reserve. It is not a reserve set aside for a specific national emergency, for a military emergency. It is a reserve set asided so that 10 or 20 or 30 or 40 years down the road when we

perceive that we will not have oil in the years to come, when our wells will be running dry, there will be these reserves then that we can look to to make sure that our planes and our ships and tanks have the fuel to run them in the next 20 or 30 years or more.

The kind of reserves I am taking about here today would not be immediately taken out 20 years from now or 10 years from now and produced; it would be only when we perceive 20 or 30 years from now that we were not gong to have enough oil that we would begin exploring and developing these reserves for the next 20 or 30 years. So that is the kind of reserve I am talking about. Such reserves would be the last wells we have left. It is the kind of reserve that Elk Hills was originally set up for.

So I want to define in my amendment the words "national security." Again I want to repeat national security here is not the emergency kind of national security but the national security that means we are going to have far into the foreseeable future oil set aside exclusively for our military capacities. That is the kind of national security I am talking about.

I would like to ask my colleagues in the House, what happens 20 or 30 years from now if we do nothing, when our wells start going dry? What will happen then? Of course, I know what will happen then. We will then at that time set aside the few oil fields there are left for national security. Why not do that today? Why not set them aside today?

I repeat, there are no reserves left in mainland America.

Mr. BEARD. Mr. Chairman, I have no further requests for time.

Mr. WHITE. Mr. Chairman, I yield 4 minutes to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Chairman, I come to the floor on an issue today for which I apologize for not bringing to the committee's attention before, but it is one that I think is very important in terms of our national security. That relates to how does the Elk Hills Naval Petroleum Reserve relate to the strategic petroleum reserve? Under present law there is a mandated fill rate at SPRO, the strategic petroleum reserve, of 100,000 barrels a day, and to assure that that rate is reached, that we get this 100,000 barrels a day, production from Elk Hills is restricted to meeting that fill rate, if it is not met from another source. So, for example, if we only fill the SPRO at 80,000 barrels a day, we can use Elk Hills as a so-called safety net.

In the 1980 Interior Appropriations Committee report, a higher fill rate of 300,000 barrels was urged. Amendments to the strategic petroleum reserve law which have been reported by the Senate Natural Resources Committee would mandate 300,000 barrels a day to the strategic petroleum reserve. However, the Senate bill does not tie the Elk Hills commitment to the higher fill rate. It is my understanding that our own Energy and Commerce Committee has not decided exactly what to do with this issue.

But regardless of what that committee decides to do to meet the fill rate, to make the fill rate effective, there needs to be a matching section. If we stay at 100,000 barrels a day minimum on the fill rate for the SPRO, Elk Hills stays exactly where it is. But what happens if we go to 300,000 barrels a day on the SPRO, and we are only able to come up with 220,000 barrels a day in the spot market or elsewhere we buy that oil.

Under current law, Elk Hills would not be required to be used at all because we would have reached 100,000 barrels a day under current law.

What I am saying is that we are buying more oil for the SPRO, and if we exceed that 100,000 barrels a day minimum on the strategic petroleum reserve, there is no requirement that our own domestically produced oil by the U.S. Government on its land is required to fill the strategic petroleum reserve.

Action on the SPRO amendments will very likely be part of the budget reconciliation bill, and while we do not know at this point, it is likely that we are going to have a restricted rule which will not allow an amendment to that bill.

Presently SPRO has 142 million barrels of the 1 billion barrel goal. That is a shortfall of 858 million barrels. That makes increasing the fill rate exceedingly responsible. We are going to increase that fill rate. And given the circumstances of recent trends in the Middle East, it is likely to assume that our petroleum purchasing capabilities are not going to get any better.

So basically I bring this to the attention of the House. I may offer an amendment to insure that we tie the fill rate used for the Elk Hills Naval Petroleum Reserve to what we are requiring the SPRO to be filled.

□ 1300

If we are going to increase the strategic petroleum reserve to 300,000 barrels a day but we keep Elk Hills safety net, so to speak, at 100,000 barrels a day, it means that if we are only able to fill half the SPR at 150,000 barrels a day, zero oil will be required to be taken from the Elk Hills Naval Petroleum Reserve.

And I suppose what I am saying is, if we are serious about filling the SPR and if we are serious about increasing the fill rate of the SPR but if we keep Elk Hills safety net at its current level, then we have an illusory safety net that will, in effect, mean that we will not be able to fill more than 100,000 barrels a day if we have a Mideast crisis. And after the Iraqi-Israeli crisis, and after Kuwait has now suggested that perhaps they embargo oil sales to the United States, I would just suggest that matching the fill rate between the SPR and the fill rate safety net on the Elk Hills Naval Petroleum Reserve ought to be a prudent thing to do.

Mr. WHITE. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. BEARD. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 3023

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is authorized to be appropriated to the Department of Energy for fiscal year 1982 for conservation, exploration, development, production, sale, and use of the naval petroleum reserves and the naval oil shale reserves under chapter 641 of title 10, United States Code, the sum of $228,463,000, of which—

(1) $225,903,000 shall be available for the naval petroleum reserves; and

(2) $2,560,000 shall be available for the naval oil shale reserves.

Mr. WHITE (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OFFERED BY MR. WEAVER

Mr. WEAVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WEAVER: Change lines 2 and 6 to read as follows: Line 2, after "development," insert "study,".

Line 6, strike "$225,903,000" and insert "$225,703,000".

And, add additional paragraphs, beginning on line 10, to read as follows:

"(3) $200,000 shall be available for the study of existing or new naval petroleum reserves to determine the adequacy of naval petroleum reserves for the long-term national security; in particular the tracts of "Department of Interior OCS Sale Numbered 53" which lie in and north of the area which is designated Tier N-809 by the Bureau of Land Management.

"(4) The study shall be completed and the Secretary shall report his findings to the Congress 90 days from the date of enactment of this Act."

Mr. WEAVER. Mr. Chairman, the Elk Hills Naval Petroleum Reserve has a long history with me. As a freshman Member of the Congress, the Interior Committee on which I serve brought out a bill taking Elk Hills out of the naval petroleum reserve. I was one of the few Members to oppose that very strongly. I believe now, as I did then, that we must have military oil reserves in the mainland United States.

I have offered amendments in previous Congresses to restore Elk Hills as a naval petroleum reserve.

I no longer offer such an amendment to this bill, for the simple fact that much of the Elk Hills oil is now going into our strategic petroleum reserve. That is the reserve in Louisiana and Texas salt domes that can be used immediately for a national emergency.

My amendment here asks for a study, a 90-day study, requiring no new money and just $200,000 which is taken from the amounts available in the bill for a study of the adequacy of the existing and new petroleum reserves.

I would hope out of this study would come the impetus for legislation, because I tell my colleagues, and I tell my very dear friend, the chairman of the subcommittee, the gentleman from Texas, we have no reserves, long-term strategic reserves in the ground, reserves for our military today in the mainland United States.

As the chairman so ably demonstrated in his exposition of the bill, the former Pet-4 reserve in Alaska, with 10 billion to 30 billion barrels of oil, has been changed to the National Petroleum Reserve Alaska, is under the Interior Department, and also, very simply, it is not on the mainland; that oil must pass through some of the most precarious transportation systems, pipelines, ships, ports, in order to get to the mainland.

What we need are reserves in the ground in the mainland United States of America for the long term.

I want again to emphasize the national security situation I am discussing in this amendment is not the national emergency that might happen tomorrow. That is where the strategic petroleum reserve that can be pumped out tomorrow comes in. I am talking about 30 years down the pike, when our wells begin running dry, and we will scurry around then trying to lock up a little oil for our planes and ships and tanks. I am saying: Why not do it now?

This amendment simply says, "Let's study it." And I would hope, after the 90-day study, that legislation then could emerge, either from the Interior Committee or the Armed Services Committee, or I would like both committees, that would set up some long-term strategic reserves.

I point out to the Members a very simple fact, and that is that if foreign oil were cut off from us today—we are pumping 8 million barrels a day in this country—it would hurt our economy terribly, but we would still have the oil for our ships and planes and tanks. But what happens 30 years from now when we have just a couple of million barrels a day domestic production? What happens then, when our oil is cut off? What do we have to fuel our ships and planes and tanks with then?

And I ask also: What happens when the People's Republic of China and the Soviet Union have vast oil reserves still available to them 30 years from now and we do not? Will we become a third-rate nation?

I do not want my children living in a nation so devoid of the fundamental fuel to run our military machine that we must quake and quiver. Now is the time to set it aside, Now is the time to study. I ask the Members and I would hope the committee would consider accepting this amendment and then out of it we could proceed with hearings and legislation.

Mr. WHITE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to commend the gentleman for his sincerity and his objectivity in attempting to develop and preserve the defense of this Nation.

I want to point out to the membership that, as in all committees, this committee has tried to carefully tailor the authorization amounts within the capabilities of our Nation and within the purview of the budget system.

We have determined that $1 million was absolutely necessary for that. Well, the gentleman originally asked for $1 million, but the amount of money we requested is essential to pursue the program as mandated by law.

Now, what the gentleman is seeking is to divert $200,000 from essential spending, which we have determined is important, to what may be called nonessential spending.

Now, I can assure the gentleman that his objective is right, but we can probably get that same information by request now, without an expenditure or diversion of any of the money in this bill.

I pledge to the gentleman that as chairman of the Investigations Subcommittee we shall ask for all information available within the Defense Department, within the Interior Department, or within the Department of Energy, in order to try to acquire sufficient background to determine whether further legislation is necessary.

But within a 90-day span of time, and with $200,000, I do not think you are going to accomplish a great deal. I think we should first determine whether or not we can get that information, which I pledge we shall pursue.

Mr. WEAVER. Mr. Chairman, will the gentleman yield? I have a very important point to make here.

Mr. WHITE. I yield to the gentleman from Oregon.

Mr. WEAVER. The gentleman agrees that we should study the issue in the legislative committees that have jurisdiction?

Mr. WHITE. Absolutely, of course.

Mr. WEAVER. And would the gentleman agree that he will undertake such a study? And I will try to get it in my own committee.

Mr. WHITE. I have already issued instructions to the counsel to draw up sufficient letters to try to solicit this information from the respective departments.

Mr. WEAVER. In that event, Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. WHITE. I thank the gentleman.

AMENDMENT OFFERED BY MR. GLICKMAN

Mr. GLICKMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GLICKMAN: On page 2, after line 9, add the following: "Notwithstanding any other provision of law, no portion of the United States share of crude oil in Naval Petroleum Reserve Numbered 1 (Elk Hills) may be sold or otherwise disposed of other than the strategic petroleum reserve (either directly or by exchange) during any fiscal year, except as provided in 42 U.S.C. 6240(d)(2) unless—

"(A) the quantity of oil in storage within the strategic petroleum reserve is at least 500,000,000 barrels; or

"(B) acquisition, transportation and injection activities for the reserve are being undertaken for that fiscal year at a level sufficient to assure that crude oil in storage in the strategic petroleum reserve will be increased at an average daily rate at least equal to that amount of crude oil required to be acquired, transported and injected into the strategic petroleum reserve pursuant to 42 U.S.C. 6240(c)(1), as amended, or any other provision of law."

Mr. GLICKMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. GLICKMAN. Mr. Chairman, I raised this question during the general debate, but I think it is important enough to raise it again, and I realize I am bringing the issue for the first time now; so I will abide by the wishes of this Whole House. But it is a serious issue.

Here is basically the issue: The naval petroleum reserve, the Elk Hills Reserve, which is basically owned by the United States of America, is required to be used as a safety net to fill the strategic petroleum reserve, which of course is mandated right now at 100,000 barrels a day, and to the extent that we cannot buy that 100,000 barrels a day from spot market or other sources, the Elk Hills reserves, which produces about 140,000 barrels a day, is available to the strategic petroleum reserve.

That is, if we can only get 70,000 barrels a day to fill our reserve and the spot market, or from wherever else we buy it, we can go to Elk Hills to fill the rest.

In fact, we have been using about 100,000 barrels a day from Elk Hills, I believe, for the SPR.

Now, the Senate is considering mandating a raise in the minimum fill rate from 100,000 barrels a day to 300,000 barrels a day. That is in the McClure-Warner bill, S. 998, which has been reported by the Senate Energy Committee and is soon to be considered in the other body in the full body.

In addition to that, last year, in the Department of the Interior appropriations bill—I do not know exactly what the section number is—but under the section "Strategic Petroleum Reserve," the committee recommends that the President undertake to increase the average annual rate to 300,000 barrels a day.

So what we are saying here is that fill rate on the SPR is going up to 300,000 barrels a day, conceivably, and probably likely, but the safety net of the Elk Hills Naval Reserve is staying at 100,000 barrels a day.

Let me give the Members a hypothetical problem. Let us say that we have more Middle East problems and Kuwait cuts us off, and we are required to go on the spot market to buy oil for the reserve, and let us assume for the moment that we are up to 300,000 barrels a day, which I think we probably will be, and all we can get is 200,000 barrels a day in the spot market, and we need 100,000 barrels a day to fill the SPR.

Under current law, the naval petroleum reserve would not be required to fill even 1 barrel of oil into the SPR because its limit under current law is only activated if less than 100,000 barrels a day is filled in the SPRO. Thus, 105,000 barrels of oil are filled in the SPRO, these spot market purchases, and it is mandated by law to have 300,000 barrels a day, under current law Elk Hills would not serve as a required safety net under the SPRO for even 1 barrel of oil.

And so the purpose of this amendment—it does not change anything in current law other than what it says—is that to the extent that the mandatory fill rate in the SPR is upped, the safety net of the Elk Hills Naval Petroleum Reserve is also upped in order to see that SPR is filled.

Now, the argument has been made, two things. First is that, well, there is only so much that the naval petroleum reserve can produce.

My argument is that the troublesome area of the SPR is the last barrels of oil to be filled, not the first barrels of oil, and knowing that the safety net of the naval petroleum reserve will be there to fill that last 50,000, 60,000, or 70,000 barrels of oil surely must be important for the security of the United States.

Second of all, the argument has been made, well, we are going to start giving a set-aside to national defense, which I think is very important.

But the Energy Security Act right now, in subsection D(2) of the Energy Security Act—and this is in section 42 U.S.C. 6240—it provides that Elk Hills is not required to be used where national defense purposes are indicated pursuant to an authorization of Congress under that section during the preceding 9-month period. And that is in the Energy Security Act of 1980.

I suppose my whole point is this again, and I will not repeat myself: I endorse efforts to increase the fill rate of the strategic petroleum reserve. We do not seek here to make any determination regarding the fill rate. If the fill rate is not changed from current law, then my amendment does not change current law. But if the congressionally mandated fill rate for the strategic petroleum reserve is raised, my amendment makes certain that the present Elk Hills safety net is kept at corresponding levels. Otherwise I think that, with the problems in the Middle East, and increasing the effort we want to provide in the strategic petroleum reserve, we will have a totally illusory reserve.

And so, Mr. Chairman, I offer this amendment for discussion at this time, hoping that the committee will respond to it favorably.

□ 1315

Mr. WHITE. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

I want to commend the gentleman from Kansas (Mr. GLICKMAN) again, as I did the gentleman from Oregon (Mr. WEAVER) in his desire to insure that we have adequate oil supplies in reserve for any future emergencies that may arise.

I want to point out though that in the gentleman's amendment—and I just obtained a copy of the amendment—it says that—

Notwithstanding any other provision of the law, no portion of the United States crude oil in Naval Petroleum Reserve No. 1, Elk Hills, may be sold or otherwise disposed of to other than the Strategic Petroleum Reserve.

I want to point out that for the very first time, this coming July, the armed services will be able to purchase some of that Elk Hills oil, starting first with 3,500 barrels and going up to something like 35,000 barrels. In other words, under the amendment, the reserve that was intended for the use of the military would be denied for the use of the military. The oil would be going to the strategic petroleum reserve.

We want to fill the strategic reserve, but not at the expense of the military because they have daily operational requirements.

Further than that, as I understand it at present, Elk Hills can produce something in the nature of 170,000 barrels per day. Now the requirement that the gentleman is seeking to fill is something like 300,000 barrels per day. In order to fulfill a commitment that his amendment would mandate, they could find themselves overproducing and if you reach a certain level engineers tell you if you exceed the maximum amount than is conducive to the best operation of that well, you can in fact impede the eventual total production because of loss of pressures and other matters.

So, I would urge the House not to accept this amendment. We will certainly take up this matter before the committee as we have already said that we would do with the amendment of the gentleman from Oregon (Mr. WEAVER) because I think that both matters are highly important.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Kansas.

Mr. GLICKMAN. I see that the issue is confusing enough and perhaps not discussed enough in the legislative process. Therefore, I am going to withdraw the amendment, but I would make a couple of points before I do that.

In the first place, this amendment does not require Elk Hills to increase its production one iota. What it basically says is if the SPR is required to increase a maximum fill rate, then whatever is being produced from Elk Hills ought to meet that increased SPR fill rate.

Under current law that is 100,000 barrels a day limit on the Elk Hills safety net that can be used to fill the SPRO if necessary. And if the SPR fill rate authority goes up to 300,000 barrels a day and all the SPR management can find is 240,000 barrels a day on the spot market, under current law you could not get 1 barrel of oil out of Elk Hills, because all Elk Hills is obligated to contribute to the SPR is enough oil to complete the first 100,000 barrels that SPR needs.

My second point would be I would hope the hearings would explore the relationship between the strategic petroleum reserve and national defense purposes as an abstract matter because it is my understanding in reading the legislation that created the strategic petroleum reserve, national defense was the highest priority function in the strategic petroleum reserve.

So, Mr. Chairman, given the assurances of the chairman of this subcommittee that he will approach this issue in hearings, I ask unanimous consent

that I may be able to withdraw the amendment at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas (Mr. GLICKMAN)?

There was no objection.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to rise for just a few moments because as a former chairman of this committee and as a member of the committee and one who was concerned for a long time with the naval petroleum reserve, I think the gentleman from Kansas (Mr. GLICKMAN), as well as the gentleman from Oregon (Mr. WEAVER) do not perhaps fully appreciate the purpose of a naval petroleum reserve. The purpose of the naval petroleum reserve, which goes back many, many years and were long protected by the late Carl Vinson, the distinguished chairman of our committee, was to provide the necessary fuel for the armed services. The idea of a strategic petroleum reserve is a very fine one. It is something that should be done.

But the purpose of the naval petroleum reserve is to provide fuel for the armed services. The amendment that the gentleman from Kansas very wisely withdrew would have tapped virtually all of the oil available out of the only operating naval reserve, not for the purposes of the military, but for the general purposes of the Government itself. Many people say, well, if you have an emergency, obviously the Armed Forces of the United States will be first in line.

But the fact of the matter is that that is not the case. Back in 1973, with the oil embargo, we found that it took an incredible 8 months between the time that the Defense Production Act priority for the military was invoked until the fuel that it required was actually delivered to the installation where it was needed.

So if we listen to the gentleman from Kansas (Mr. GLICKMAN) and put all of this oil into the strategic reserve, we will run into exactly the same problem. There will be all kinds of reasons then why the oil ought to go into this function or that function. I am afraid that is what we are still in the process of doing, but what we should be doing is to keep that oil reserve available specifically and exclusively for the Armed Forces. We should not be pumping that oil out at 100,000 barrels a day or even 130,000 barrels a day.

Our purpose was to bring production at Elk Hills up to its peak, and then to turn off the spigot. Thus the reserve would be sitting there available if a new conflict should arise or a new emergency.

The proposal of the gentleman from Kansas, well intentioned as it is, is in direct contradiction to the basic purpose of these reserves. The gentleman from Oregon (Mr. WEAVER) also, I think, does not fully understand the situation because he says there is a lot of oil available in our public lands and maybe we ought to set those areas apart and not touch them until 30 or 40 years from now.

But a reserve is no good unless it is something you can go to and turn on when the emergency occurs. There may be a lot of water under the ground, but if you do not have a hydrant there and a wrench to turn that hydrant on, there is not going to be any water to put out the fire.

What we need for our armed services is the development of a really vast reserve. That reserve exists today in Alaska in Naval Petroleum Reserve No. 4 which the Congress misguidedly, back in 1976, turned over to the Department of the Interior; and they have not touched it since then.

I sympathize with the gentleman from Oregon (Mr. WEAVER). We ought to have a much greater reserve. But to get Pet-4 in Alaska into being an effective reserve does not mean shunting it aside and letting the flora and fauna flourish on top. Rather it means to put down wells there, get the oil out, and then have the spigot available to be turned on in the event of an emergency.

The CHAIRMAN. The time of the gentleman from New York (Mr. STRATTON) has expired.

(At the request of Mr. GLICKMAN and by unanimous consent, Mr. STRATTON was allowed to proceed for 2 additional minutes.)

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, my colleague has much more background on the origins of the naval petroleum reserve. I would only reply that for a long time now we have been producing that oil from the naval reserve and selling it to third parties to anybody else who wants it.

Therefore, the oil nor the money from the sales of the oil have not been going in anybody's pocket, not the Army, the Navy, the Air Force, or the Government of the United States. The money has been going into the general treasury. One would hope that money would be used to purchase more oil for the strategic petroleum reserve.

But it is not even doing that. It is just a nice credit balance in the treasury. I suppose that as long as we are producing this oil and selling the oil and not doing what the gentleman wants, I just wanted to make sure it was used to fill the SPR. That was my own purpose.

Mr. STRATTON. I am well aware of what the gentleman says. If the Congress had listened to me and to the Subcommittee on Investigations of the Committee on Armed Services a couple of years ago, that oil would have been going directly to the Department of Defense, and that action would have reduced their fuel bill over at the Pentagon by several billions of dollars.

The gentleman is absolutely correct. The only reason we have been producing oil from Elk Hills in the last couple of years is so that we could get the field up to its maximum capability and then turn it off. In the event of another emergency, God forbid, we would then be able to turn it back on and have that fuel supply available totally for the military.

So, I hope the gentleman will support us in another year or so when we are going to have to make a decision on whether we should set Elk Hills aside from then on exclusively for the military.

Mr. GLICKMAN. I suppose my last point, if the gentleman will yield further, is neither administration, Republican or Democrat, wants to spend the bucks to fill the reserve for SPR, period. So we are being naive to think that we are going to be able to continue to fill it in any meaningful fashion over the next several years. I suppose one of the points I meant to make in the amendment that I withdraw was that while I may agree with the gentleman from New York's rationale on the merits, I feel this may be one of the only ways realistically and financially to fill the SPR.

Mr. STRATTON. The fact of the matter is that we have a SPR in Elk Hills. We do not have to fill it. As long as its oil is ready to come out, we can leave it there until we need it. I think that is the best way to handle it.

Mr. THOMAS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, fully understanding that this amendment has been withdrawn, one of the concerns that I have in this continuing argument over Elk Hills is the assumption that we have an immediately usable strategic petroleum reserve in Elk Hills. The whole purpose of the salt domes in Texas was to be able to extract that oil in a relatively short period of time. At Elk Hills, you simply cannot do that. In addition we have a tremendous amount of drilling going on in Elk Hills and Elk Hills happens to be in my district in California.

One of the things that the sale of the Elk Hills oil has done is to continue to spur additional drilling in the surrounding areas of the Elk Hills, producing a tremendous increase in the quantities of heavy crude. The Elk Hills oil has been used in blending the heavy crude to increase California production. A simple example of that is that currently Kern County, one county in California, produces better than 600,000 barrels of oil a day. This

includes the portion from Elk Hills. If we subtracted the Kern County portion of oil from California, Kern County, that single county, would be No. 3 in the United States in oil production of States, behind only Alaska and Texas.

So, while we certainly ought to be filling the strategic petroleum reserve so that we can extract that oil in a very quick manner and certainly we should be making sure that Elk Hills has the potential to produce whenever we need to, to its maximum capacity, one of the things I think many Members of Congress really ought to do is come out to my district and take a look at the amount of oil that is actually available and the amount of oil that continues to be discovered in the immediate proximity of Elk Hills largely because of the stimulus provided by the Elk Hills oil for blending purposes. So when we consider the picture of what to do with Elk Hills, I urge my colleagues to look at the entire picture in terms of the amount of heavy oil being produced that would not be produced without the benefit of the blending possibilities from the Elk Hills crude.

So when we look at this picture of petroleum, of energy and of the strategic petroleum reserve, we have to also look at it in the terms of Elk Hills' ability to stimulate the production of oil in the surrounding area.

The CHAIRMAN. Are there other amendments to the bill?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. WEISS) having assumed the Chair, Mr. PEYSER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3023) to authorize appropriations to the Department of Energy for fiscal year 1982 for conservation, exploration, development, production, sale, and use of the naval petroleum reserves and naval oil shale reserves, pursuant to House Resolution 156, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

□ 1330

GENERAL LEAVE

Mr. WHITE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous matter on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON ARMED SERVICES TO HAVE UNTIL MIDNIGHT TOMORROW TO FILE REPORT ON H.R. 3454, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1982

Mr. WHITE. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may have until midnight, Friday, June 12, 1981, to file a report on the bill (H.R. 3454) intelligence authorization, 1982.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DEPARTMENT OF ENERGY SECURITY AND MILITARY APPLICATIONS OF NUCLEAR ENERGY AUTHORIZATION ACT OF 1982

Mr. STRATTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3413) to authorize appropriations for the Department of Energy for national security programs for fiscal year 1982, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. STRATTON).

The motion was agreed to.

The SPEAKER pro tempore. The Chair designates the gentleman from West Virginia (Mr. RAHALL) as Chairman of the Committee of the Whole, and requests the gentleman from Connecticut (Mr. RATCHFORD) to assume the Chair temporarily.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3413, with Mr. RATCHFORD, Chairman pro tempore, in the Chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from New York (Mr. STRATTON) will be recognized for 30 minutes, and the gentlewoman from Maryland (Mrs. HOLT) will be recognized for 30 minutes.

The Chair recognizes the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this bill, H.R. 3413, is the annual appropriation authorization bill for the defense program of the Department of Energy. While the total authorizations in the bill are but 2 percent of the total amount requested for defense in fiscal year 1982, and also represent a much smaller percentage of the gross national product, this bill is, of course, of tremendous importance to our national defense and security because, without the annual appropriations authorized by bills such as this, the strategic and tactical nuclear deterrent forces of the United States would soon disappear; important research work would be discontinued; and the radioactive wastes resulting from previous defense efforts could not continue to be effectively managed.

I can assure all the Members that, like other Members of this House, I truly wish that this bill were unnecessary. I wish that this world was as it should be and not as it actually is, and I wish that the safety of the United States could in fact be entrusted in these dangerous days to quiet diplomacy and the concept of the Golden Rule as many well-intentioned people feel that it should be, but realistically we know this is not the case.

It is true, Mr. Chairman, that the Soviet Union for more than a decade has been building up the largest peacetime nuclear and conventional military forces in modern times. This buildup, which is much greater than that needed for Soviet defenses, and which incidentally exceeds in overall destructive capacity the nuclear forces of the United States, has not been influenced in the slightest degree by détente or by restraint on the part of the United States.

As my good friend, the former Secretary of Defense, Harold Brown, used to say—although I did not always agree with everything he said—"We build and they build; we show restraint, they build."

So, whether we like it or not, the conventional weapons advantage shifted in favor of the Soviet Union some time ago, and if it has not already occurred—and I believe it has occurred—the nuclear advantage is also shifting to the Soviets. These are the facts as today's world exists.

Another fact of today's world is the reality that creeping Soviet adventurism shows a tendency now toward galloping adventurism. Whether this is due to a perception of American military weakness, which many feel has been the case, or of a failure of American will to protect our interests and those of our allies, neither perception must be allowed to persist.

So this bill, along with fiscal year 1982 defense authorization bill, H.R. 3519, will, I am convinced, begin a slow and tedious but effective defense recovery effort by the United States recommended by both President Carter and President Reagan.

At this point I would like to commend the ranking minority member of our Subcommittee on Procurement and Military Nuclear Systems, Mrs. HOLT, and all of the other members of the committee who have worked so diligently on this bill, who so faithfully have attended the hearings on H.R. 3415, and who, although they did not always support the chairman, did at least work together to be able to report out a bill that had broad bipartisan support, and which the Armed Services Committee supported by the unprecedented vote of 39 to 2.

The subcommittee, Mr. Chairman, recommends a total authorization of $5,064.55 million, which is $68.15 million above the request of $4,996.4 million from the administration.

Running quickly through some of the details of the legislation, section 101 would authorize $3.8 billion in appropriations for operating expenses, an increase of $55.9 million. The plant and capital equipment request in section 102 was increased by $12.25 million to $1.3 billion.

The other major categories are for naval reactors development—that is Admiral Rickover's program that we all subscribe to, of course; defense inertial confinement fusion; weapons activities, and that of course is the guts of the program; verification and control technology; defense nuclear materials production; management of defense materials byproducts; defense nuclear materials safeguards and security; and finally, security investigations.

For two of these programs, security investigations and verification and control technology, the committee recommends no changes from the Department request.

Now, let me touch on the other items where we have made changes. The request that came from Admiral Rickover in connection with the naval reactors contained $15 million to start architectural-engineering design, site preparation, and long leadtime item purchases for a new Government facility to be a second source of nuclear fuel for the reactors used in the naval nuclear propulsion systems. This work is now being done by a commercial plant, but Admiral Rickover felt that it was imperative that we have a second source because, with the increasing size of our nuclear Navy, if by any chance this single source were to be eliminated temporarily, the naval nuclear program could be very seriously damaged. So, the committee agreed with the admiral that this is worth looking into. We reduced the amount to $3 million, which will allow initiation of architect-engineering studies, and also a study that will demonstrate the need more specifically for a second source and also come up with the estimated total cost of that facility.

Current estimates range from $100 million to over $300 million, and our committee wisely felt that before we get going down the road on some expenditure that could cost $300 million, we had better know darn well what it is going to be and why we need it.

Congress has also for many years given a great deal of support to the inertial confinement fusion program. We have appropriated more than $1.2 billion over the past 4 years for this program, which offers a significant opportunity of a new energy source, and also for dramatic improvements in the development of nuclear weapons. Three major laboratory systems are now nearing completion in this program. Until these systems are completed and the experiments conducted, there is going to be no precise way to measure the contributions that this program can make to our nuclear weapons program or to our energy supply.

The Department requested only $106 million for inertial confinement fusion this year, which incidentally is $34 million below fiscal year 1981 appropriations for this very important and dramatic program, and almost $51 million below the funding needed just to maintain the current level of effort in fiscal year 1982. The sum of $106 million would almost appear to be a guarantee of a failure of a program that has a really remarkable prospect for the future, so the committee has recommended that $50.6 million—a very small sum as Washington goes—be added to the request to permit an orderly continuation of the research and development programs on glass and gas lasers, and also particle beam fusion systems. The committee knows of no reason why these established programs should not be funded to completion so that the full-scale experiments can be undertaken.

In the field of weapons activities, the committee recommends that operating expenses for weapons research and development be increased by $4 million to $590 million, a very modest increase, which would permit additional operating time of a weapons neutron facility at the Los Alamos National Laboratory, and also permit initiation of a study on the feasibility of installing a power reactor at the Los Alamos National Laboratory to provide electricity for the laboratory and for other Federal facilities in the area; and incidentally also to provide tritium as a byproduct for the weapons program.

The plant and capital equipment request for research and development and testing is recommended for an increase of $60 million, which would allow a start on the replacement of old structures that would require very large expenditures to maintain; refurbishing of obsolete laboratories, and replacement of data-recording equipment at the Nevada weapons test site. These, incidentally, were strongly recommended by Dr. Teller, the distinguished and revered father of the H-bomb.

Deferrals totaling $72 million are recommended in the request for additional production facilities for the MX and cruise missile warheads. Certain problems and uncertainties are associated with both programs, and additional authorization in fiscal year 1983 will provide ample time to complete these manufacturing and assembly facilities as they are needed for the two systems, assuming the problems and uncertainties are resolved. They just have not gotten their act together yet in the Department of Defense as to what warheads they really want to use.

With respect to defense nuclear materials, we are recommending an increase of $8.2 million in operating expenses, and $21.2 million for construction, which would be used to advance the special isotopes separation program to the demonstration phase.

□ 1345

This program can alleviate a possible critical shortage of plutonium which has been forecast for the post-1985 period. The isotopes separation program could be the fastest and most economical way to prevent that shortage.

With regard to nuclear byproducts, the total dollar changes recommended by our commitee for this program are small—the addition of $100,000 to operating expenses and $15 million for plant and capital equipment—but the consequences of the program changes are of significance.

The committee recommends $10 million for an increase in funding for the defense waste processing facility at the Savannah River plant to keep it on schedule, and $6.2 million was cut out of the program for decontamination and decommissioning to delay the initiation of a multibillion dollar cleanup program that may well be based upon unrealistic regulatory standards.

Incidentally, the subcommittee hearings on this matter, which I understand are of concern to several Members of the House, will be begun in a few days. There is no point in our embarking on a big decontamination and cleanup program until we know, first of all, exactly what the threat is and exactly what the costs might be, because they could run into the billions of dollars.

A program is recommended also to provide a method to use nuclear materials—a byproduct of nuclear materials, namely, radioactive cesium—to irradiate, disinfect, and sterilize such diverse materials as sewage sludge and citrus fruits.

Another byproduct, palladium, can be used in automobile catalytic converters and in petroleum plants as a catalyst for converting oil to gasoline and other products. These materials are now classified as radioactive wastes, but they can, as I pointed out, do an important job, particularly in making sewage sludge more desirable for those areas that have to receive it.

Finally, an additional $1.3 million is recommended for the waste isolation pilot plant project operating expenses to keep them in reasonable balance with the requested construction funds. This, I think, is an enormously important program, because it represents a significant step forward in the direction of doing something about collecting our nuclear waste products, transporting them to where they should be buried, and getting them buried. We have waited all too long to undertake that responsibility, which is technologically doable but which up until now nobody has wanted to undertake because of the responsibility of it.

With respect to safeguards and security for defense nuclear materials, the committee believes that this program has too long been heavily oriented toward long-term research on nuclear materials accounting and too little concerned with existing standards and security problems at DOE installations like Los Alamos, for example. So we have reduced this program by $7 million, which would require the termination of the least useful of these theoretical programs, and also the reduction of foreign and domestic travel in support of these programs. We found that some of the individuals involved were traveling so much that they were not available for security assignments in their own bailiwick.

Mr. Chairman, there are 11 general provisions contained in title II of the bill. The first nine of these are administrative provisions requested by the administration, and the committee is recommending two additional provisions—sections 210 and 211.

Section 210 would amend the Atomic Energy Act in order to clarify the arrest authority of persons authorized to carry firearms under that act. Since most of the security functions at the Department of Energy's nuclear installations are performed by contractor personnel, the Department believes that there ought to be a clear and unambiguous authority for those persons to make arrests without a warrant for apparent criminal violations of the Atomic Energy Act—if they cannot make any arrests, they are not doing much good on that job—for other Federal criminal offenses committed in their presence, for which they could also make arrests, and for felonies recognized by the laws of the United States.

Section 211 is one on which I anticipate there will be some discussion, and I may want to expand on this at a later time. It prohibits the obligation or expenditure of appropriations authorized in this bill for the purpose of preparing an environmental impact statement at a nuclear weapons plant near Amarillo, Tex., and at all other Department of Energy defense facilities unless such statements are required by statute. There is a great deal of concern within the Department of Energy and among those of us who are supportive of the nuclear program that several vital programs to our national defense—the MX, the Trident warhead, and these other programs—may be unduly delayed by legal harassment on environmental grounds.

If there is going to be any delay in these programs, the brave attempt of the Reagan administration to try to catch up with the Soviets and to close the gap between us in military power can be delayed, and I cannot think of anything that would be more damaging to the security of our country.

The chairman of the committee received a letter from the chairman of the Appropriations Subcommittee on Energy and Water Development the other day expressing his concern about the fact that the Department of Energy is spending large amounts of money in preparing environmental impact statements for public relations purposes when those statements are not actually required by statute. Let me read that letter to the committee before I conclude my statement. This was addressed by Chairman BEVILL of the Subcommittee on Energy and Water Development on May 5, 1981, the Hon. James Edwards, Secretary of the Department of Energy:

DEAR MR. SECRETARY: I learned yesterday—via the Washington Post—

Which is a source that most of us learn things from first—

of the Department of Energy's plan to prepare an environmental impact statement for its operations in assembling nuclear weapons at the Pantex plant near Amarillo, Tex. According to the Post, this extensive process would include both classified and unclassified meetings with various parties, including discussion with several groups opposed to nuclear weapons production.

I am at a loss to understand the Department's rationale for this effort. Pantex has been in operation since early in the 1950's. We have funded some upgrading of the facility and some expansion of capacity, but I am unaware of any major modification in its role in the weapons complex which would require an environmental impact statement under NEPA.

It appears to me that the balance between "doers" and "watchers" at DOE may need further review. Could I have your comments at an early date?

This was sent to me and to the chairman of the full committee, and, of course, we recognize that trying to prevent this kind of thing could not be done in an appropriation bill since traditionally—although it is a tradition that is frequently honored in the breach rather than the observance—appropriation bills cannot contain legislation, and we realized that if there was anything to be done by the doers, it would have to be done by our subcommittee and by our full committee. Therefore, section 211 has been placed in the bill to prevent the kind of delay and harassment that would be represented in what is an extremely vital assembly plant for nuclear weapons at Amarillo, Tex. That is the purpose of the section, to keep people working there without the interference and delays and even the possibility, as the DOE statement indicated, of an entire transfer of that facility to a location in Burlington, Iowa.

Mr. Chairman, I will include in the RECORD also the letter from Chairman BEVILL of the Subcommittee on Energy and Water Development to me, dated May 5, 1981, as follows:

MAY 5, 1981.

Hon. SAMUEL S. STRATTON,
Chairman, Subcommittee on Procurement and Military Nuclear Systems, Committee on Armed Services, 2120 RHOB, Washington, D.C.

DEAR MR. CHAIRMAN: Attached is a letter I have sent to Secretary Edwards regarding the Department's plans to prepare an Environmental Impact Statement for its operations at the Pantex plant near Amarillo, Texas.

Since the final resolution of such activity could affect several ongoing projects now underway at Pantex, and those proposed for fiscal year 1982, I would hope that your committee could consider this matter in connection with the fiscal year 1982 authorizing legislation for the Department.

Sincerely,

TOM BEVILL,
Chairman, Subcommittee on Energy and Water Development.

Mr. HIGHTOWER. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I would be very glad to yield to my friend, the gentleman from Texas.

Mr. HIGHTOWER. Mr. Chairman, I thank the gentleman for yielding.

The gentleman just read a few minutes ago a letter that expressed some concern about the information that might become available that would be classified. Is that part of the gentleman's concern, I will ask the gentleman from New York (Mr. STRATTON)?

Mr. STRATTON. Well, this is the concern that the gentleman from Alabama (Mr. BEVILL) indicated.

Mr. HIGHTOWER. I wanted to point out that there are procedures that protect classified information in institutions like this. I am reading from the Code of Federal Regulations, section 1507.3(c), as follows:

Agency procedures may include specific criteria for providing limited exceptions to the provisions of these regulations for classified proposals. They are proposed actions which are specifically authorized under criteria established by an Executive order or statute to be kept secret in the interest of national defense or foreign policy and are in

fact properly classified pursuant to such Executive order or statute * * * environmental impact statements which address classified proposals may be safeguarded and restricted from public dissemination in accordance with the agency's own regulations applicable to classified information.

So I wanted to put the gentleman's mind at ease, if that was part of the concern that prompted this amendment.

Mr. STRATTON. Mr. Chairman, I appreciate the gentleman's statement. I do not think it was that primarily which precipitated our concern, although I think, as often happens in these matters, there may be a slip between the cup and the lip and the regulations may provide for certain restrictions, but when we have got a lot of people milling around expressing their disapproval of nuclear weaponry, anything could happen.

What concerned us was the fact that this environmental impact statement, as described in the Washington Post and in the Federal Register, by the Department of Energy could involve a shutdown of the Pantex plant at the very time when we need its capabilities to meet the increased need of the MX and the Trident and all these new nuclear developments that we are forced to proceed with to catch up with the Soviet Union.

Mr. HIGHTOWER. Mr. Chairman, if I may, I would like to comment later on my own time on that subject, but to make it perfectly clear, as the gentleman is wont to do, I am very much for the facility at Amarillo. We are very proud to have it there. We want to do everything we can to make it a strong agency of the Department of Energy and to carry out its mission in the production of atomic weaponry.

So our difference of opinion is not based on any philosophical idea of mine as being opposed to nuclear weapons, because I am very much pronuclear, but it is out of the same concern and desire for the quick, efficient, productive operation there that I am going to oppose this particular action.

Mr. STRATTON. Mr. Chairman, I thank the gentleman from Texas (Mr. HIGHTOWER).

□ 1400

Mrs. HOLT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to commend my subcommittee chairman, Mr. STRATTON, for his leadership in the development of H.R. 3413, and I associate myself with his remarks. As Chairman STRATTON stated, this is a bipartisan bill and is of much greater importance than the amount of authorizations might indicate.

I also want to commend the members of the Subcommittee on Procurement and Military Nuclear Systems for their faithful attendance and many contributions during the work up of H.R. 3413. I believe that the bill represents a considerable improvement over the request.

Mr. Chairman, while I commend the Reagan administration for the general thrust of the budget request for DOE defense programs, I agree that there were a few discrepancies. This is particularly true with respect to the inertial confinement fusion research program. In all three of the nuclear weapons research laboratories—in Sandia and Los Alamos in New Mexico and in Livermore, Calif.—the research is most impressive, and I believe that it would be the shame of modern times to fail to fund these research efforts. I support the recommended increase of $50 million above the request for this program. This addition is required just to stay even with inflation.

As Chairman STRATTON has pointed out, it is this bill that provides the "teeth" for the "tail" contained in the DOD authorization bill. Without the authorization carried by this bill, the MX, cruise missile, Trident, and other strategic and tactical weapons requested by both Presidents Reagan and Carter would be useless.

This bill includes several modest, but important initiatives, while supporting the President's request. The committee has recommended increases for special nuclear materials supply programs, modernization of laboratory facilities, for terminal waste storage programs, and for waste processing facilities. We are determined to push ahead with an environmentally sound radioactive waste management program. Our efforts can also be the precursor to the solution to the commercial waste disposal program.

Another committee initiative, Mr. Chairman, would encourage the Department of Energy to look into the development of ways to beneficially use radioactive materials that are now classified as wastes. I am sure that we all remember the days when useful products such as sawdust, metal filings, and even used oil, were thrown away as waste products. This is no longer the case.

Useful products are contained in so-called radioactive wastes that can contribute to the economy and welfare. Sewage sludge can be rendered harmless. Fruits and vegetables, meats and other products can be preserved against insects and bacteria. The modest increases recommended by this bill can make a beginning on these programs while providing the potential of hundreds of millions in savings on the treatment and disposal of defense nuclear wastes.

This year the committee also recommends an increased authorization for the special isotopes separation program to advance the experimental programs at Los Alamos and Lawrence Livermore National Laboratories to the pilot plant stage. Both programs now appear promising. While the specifics of the special isotopes separation program are classified, I will state that the committee believes that these programs have the potential to save billions of dollars over the years.

The last item I would mention is the reduction the committee recommends in the so-called decontamination program. Efforts have been started to clean up or remove uranium ore residue piles under the assumption that the low levels of residual radiation in the piles may pose a threat to public health. In the 70 years or so that some of these piles have existed in the United States, there is no evidence that any person has developed any disease because of proximity to such piles.

The GAO, in a January 1981 report to the Congress, pointed out the difficulties and uncertainties in assessing risks from sources of low-level radiation. The GAO stated that: "The uncertainties in this area pose particular problems for Federal agencies in deciding how to best spend limited research dollars." The committee has not received adequate justification for this program, nor have we received adequate cost estimates. Our subcommittee will begin hearings on this subject this month.

In my opinion, Mr. Chairman, H.R. 3413 was carefully drafted to provide appropriate authorization and administrative authority to the Department of Energy to utilize most effectively the $5 billion recommended for authorization.

I join the chairman in his recommendation for the passage of this bill without amendment.

Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. HUNTER).

Mr. HUNTER. Mr. Chairman, I rise to support and applaud the statements of my chairman and of the ranking minority member.

I think it is important to know that while we were marking up this bill, we were facing a situation in which our strategic testing level was roughly 60 percent of what it was in 1969. We are faced with a very large backlog of construction requirements and a severe deficiency in equipment support.

Our committee recognized this year that our R.D.T. & E. of nuclear weapons in many cases is being carried out with 1950's equipment. I am referring to the oscilloscopes, the cranes, the computers that were utilized not only in Los Alamos and Livermore, but also at the Nevada testing facility. Because of the increased spending, we are going to be able to replace these oscilloscopes, cranes, and computers. We are going to be able to make some headway with the facilities that we desperately need at Los Alamos and at Livermore. I am speaking of the tri-

tium facility, the high explosive facility for Livermore and several others.

I think that it is important to know that the nuclear research and development program that we are undertaking right now is going to be the cornerstone of America's strategic deterrent in the 1980's.

In my estimation, the expenditures contained in this bill are absolutely critical to the security of this Nation.

Mr. STRATTON. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from South Carolina (Mr. DERRICK).

Mr. DERRICK. Mr. Chairman, I rise in support of H.R. 3413, the Department of Energy Security and Military Applications of Nuclear Energy Authorization Act of 1981 and commend the chairman and members of the Armed Services Committee for their excellent work in drafting this proposed legislation.

This bill goes a long way toward improving our Nation's military capabilities, particularly relating to the research and development, testing and production of nuclear weapons for the U.S. Armed Forces.

I particularly am pleased to see that the committee has recommended the funding of $20 million for the defense waste processing facility for the Savannah River Plant in Aiken, S.C., which I am privileged to represent. These funds will allow for construction design activities to take place in advance of what I hope will be a fiscal 1983 authorization for construction of a facility to solidify the 20 million gallons of high level radioactive waste presently stored in tanks at the plant, as well as future waste that will be generated. With the construction of this waste processing facility, we will have taken the first major step toward the disposal of the waste which will ultimately be placed in a permanent repository.

The committee should also be commended for the inclusion of funds for the upgrading of the "L" reactor at the Savannah River Plant. With the ultimate restarting of this reactor expected to take place in 2½ years, the delivery of nuclear weapons will be able to remain on schedule.

Also, as the members of the Armed Services Committee have recognized, the Savannah River Plant is an aging facility and funding has been made available in recent years to upgrade the plant and equipment. The bill before the House today provides for continued efforts in this regard, and I feel this is necessary and prudent action.

Mr. Chairman, at the time that the Federal Government announced its decision to locate the Savannah River Plant in Aiken, S.C., then-U.S. Senator Olin Johnston stated:

> The location of this plant in South Carolina will mean my people will have an opportunity to contribute even more to the defense of our nation. And I am sure South Carolinians will cherish this opportunity.

Today, 30 years after that announcement, I believe South Carolinians are still willing to help our Nation meet its military obligations.

With passage of H.R. 3413, I believe that we can make great strides toward the improvement of our military capabilities, and I would urge my colleagues to support this measure.

Mrs. HOLT. Mr. Chairman, I yield 5 minutes to the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Chairman, I thank the gentlewoman from Maryland for yielding.

I take this time to have a discussion with the subcommittee.

I chair the Civil Service Subcommittee and was very, very interested in the hearings that this subcommittee held in January of this year out in New Mexico about the problem faced by the security guards at the Los Alamos facility.

I can find nothing in the bill about the contracting out of the guard function at Los Alamos, which was the subject of Chairman PRICE's letter of the hearings.

I must say that I am terribly concerned. We have had many concerned people come to our office talking about this. As you know, the guards have always been Federal employees. A couple years ago the President decided the guard function was so crucial that a Government union could not represent them. There is no longer a Government union representing the guards.

Then, as you know, OMB through its wonderful circular A-76 decided that these would be the boys they were going to contract out.

Now, this I think is absolutely shocking. I think the chairman's letter, which is on page 55 of the report, proves that out. Chairman PRICE wrote to the Secretary of Energy saying that he really wondered why we were contracting out these very, very vital jobs. This is our most important nuclear facility. There are over 40,000 acres of very rough terrain.

We really have no control over contracted out employees. I can tell you that as the chair of the Civil Service Committee. We have been through this over and over again. All the Government can do when the contract comes up next time is try and get a better deal.

I remind you also in that report there are some very interesting things about what happened with the security guards at the National Aeronautics and Space Administration. Those, too, were contracted out and they have now been called the highest paid rent-a-cops in the country. As you know, their union threatened to call a strike which could have stopped the Space Shuttle last spring.

Now, as you know, this new group that they will be contracting out to at Los Alamos are also unionized. They will be able to strike, becuase they will not be considered Federal employees. They will be contract employees, of course.

So I wonder if the subcommittee chairman looked into this issue. I know the gentlewoman from Maryland looked into it very intently. Is there any way you can get language in this bill to stop this kind of contracting out of some of the most vital services the Federal Government has?

Mr. STRATTON. Well, if the gentlewoman will yield, I am certainly delighted that she shares our concern; and no one is more concerned about this matter than I am. In fact, our subcommittee did look into it very closely. I do not think that it is any surprise that the problem in this particular case is the same problem that we have usually encountered—The Director of the Office of Management and Budget, our beloved former colleague, Mr. Stockman. In order to get the Federal employees to carry out the necessary and extremely vital security functions at our laboratories, Los Alamos and elsewhere, we would have to increase the number of Government employees and Mr. Stockman, with his plenipotentiary powers has declined to provide us with that authority. We are reduced to using the contract employees, as the gentlewoman indicates, and that is the reason that we wanted them at least to have the authority to arrest people for crimes against the United States.

Mrs. SCHROEDER. But we know that those authorities will do absolutely no good if they should decide to strike. There is little we can do until that contract comes up for renewal.

I would hope that the subcommittee would offer an amendment prohibiting this. I think it is time we tell the Director of OMB that there are a lot of other Federal jobs we could contract out before the most important security guards in the whole country. We could contract out OMB, as far as I am concerned, and it would not be as much of a problem as this could possibly be.

I think it is really sad that we have not done something besides just expressing our concern. It begins to sound like the churchwomen's group. We really should write some legislation, I think.

Mr. STRATTON. Well, the gentlewoman is more knowledgeable in that field than I am; but I would hope perhaps that she could use her persuasive powers on our former colleague.

Mrs. SCHROEDER. Well, all I can say, the one way to do it is to legislate, saying that they cannot spend funds

for this, like we have done in other bills. I would hope somebody would write that amendment and offer it.

Mrs. HOLT. Mr. Chairman, I yield 1 further minute to the gentlewoman and ask her to yield to me.

Mrs. SCHROEDER. I would be delighted to yield.

Mrs. HOLT. I think that the problem is the OMB Circular A-76 provision that we are caught in. We fought very hard. We did take a delegation out to Los Alamos and argue it. We took testimony on the subject.

I am convinced that this is one of the most serious mistakes that we have ever made. I certainly will continue my efforts to turn it around; but I think we are caught in that provision of the OMB circular where they can show that contracting out will be more cost effective.

Mrs. SCHROEDER. Well, I think the problem is they can only show it for the short term.

The other side of A-76 is that it does not say they have to contract out these functions. It says that you should not contract things out that would jeopardize national security.

Mrs. HOLT. Well, I certainly agreed.

Mrs. SCHROEDER. I think both of us would think this would be the one thing that could really jeopardize national security, not because we like the way the world is now, but because of the way the world is.

Mrs. HOLT. Well, if the gentlewoman would yield further, the minority members of the committee agree with the gentlewoman wholeheartedly. We will continue our efforts to turn this around.

A letter contract is let now, as I understand it, but we can continue our efforts to change it.

Mrs. SCHROEDER. I thank the gentlewoman.

Mr. STRATTON. Mr. Chairman, I yield myself such time as I may consume.

Let me just say, in addition to what the gentlewoman from Maryland has said, it is our understanding that the entire New Mexico delegation of Members of Congress and Senators, all of the same party as the Director of OMB, went to him on exactly the same basis and he still declined to yield; so as I say, I think perhaps the combined efforts of the gentlewoman from Maryland and the gentlewoman from Colorado are about all that the House has left.

Mr. Chairman, I have no more requests for time. I yield back the balance of my time.

Mrs. HOLT. Mr. Chairman, I yield back the balance of my time.

□ 1415

The CHAIRMAN. All time having expired, pursuant to the rule, the Clerk will now read the bill by titles.

The Clerk read as follows:

H.R. 3413

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1982".

TITLE I—NATIONAL SECURITY PROGRAMS

OPERATING EXPENSES

SEC. 101. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1982 for operating expenses incurred in carrying out national security programs (including scientific research and development in support of the armed services, strategic and critical materials necessary for the common defense, and military applications of nuclear energy and related management and support activities) as follows:

(1) For the naval reactors development program, $279,500,000, including $9,500,000 for program management.

(2) For the defense inertial confinement fusion progam, $156,600,000 to be allocated as follows:

(A) For glass laser experiments, $82,100,000.

(B) For gas laser experiments, $42,800,000.

(C) For pulsed power experiments, $18,400,000.

(D) For supporting research and experiments, $12,000,000, none of which may be used for the research, development, or demonstration of the use of heavy ion devices as drivers for defense inertial confinement fusion experiments and defense inertial confinement fusion systems.

(E) For program management, $1,300,000.

(3) For Weapons activities, $2,352,300,000, to be allocated as follows:

(A) For research and development, $590,100,000.

(B) For weapons testing, $369,000,000.

(C) For production and surveillance, $1,351,800,000.

(D) For program management, $41,400,000.

(4) For verification and control technology, $48,900,000, including $1,800,000 for program management.

(5) For defense nuclear materials production, $624,400,000, to be allocated as follows:

(A) For production reactor operations, $280,630,000.

(B) For processing of defense nuclear materials, $148,650,000.

(C) For special isotopes separations research, $30,000,000.

(D) For supporting services, $163,320,000.

(E) For program management, $1,800,000.

(6) For defense nuclear materials byproducts management, $262,128,000, to be allocated as follows:

(A) For interim waste management, $181,084,000.

(B) For long-term waste management technology, $59,400,000.

(C) For byproducts beneficial uses, $5,000,000.

(D) For terminal waste storage, $5,000,000.

(E) For decontamination and decommissioning, $4,000,000.

(F) For transportation research and development, $6,067,000.

(G) For program management, $1,577,000.

(7) For nuclear materials security and safeguards technology development program (defense programs), $37,300,000, including $1,985,000 for program management.

(8) For security investigations, $23,600,000.

PLANT AND CAPITAL EQUIPMENT

SEC. 102. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1982 for plant and capital equipment (including planning, construction, acquisition and modification of facilities, land acquisition related thereto, and acquisition and fabrication of capital equipment not related to construction) necessary for national security programs, as follows:

(1) For naval reactors development:

Project 82-N-100, general plant projects, various locations, $4,000,000.

Project 82-N-111, naval fuels processing facility, Savannah River Plant, South Carolina, (A-E only), $3,000,000.

(2) For weapons activities:

Project 82-D-100, general plant projects, various locations (research, development, and testing), $25,800,000.

Project 82-D-103, general plant projects, various locations (production and surveillance), $16,300,000.

Project 82-D-104, new weapons production installations, various locations, $5,000,000.

Project 82-D-106, weapon assembly facilities, Pantex Plant, Texas, $23,500,000.

Project 82-D-107, utilities and equipment restoration, replacement and upgrade, Phase III, various locations, $87,500,000.

Project 82-D-108, nuclear weapons stockpile improvements, various locations, $15,000,000.

Project 82-D-109, 155-millimeter artillery-fired atomic projectile, varius locations, $35,000,000.

Project 82-D-110, exhaust plenum modifications, Rocky Flats Plant, Colorado, $12,000,000.

Project 82-D-111, interactive graphics system, Bendix Plant, Missouri, $9,000,000.

Project 82-D-142, North Las Vegas Atlas facility, Nevada, $3,600,000.

Project 82-D-144, simulation technology laboratory, Sandia National Laboratories, New Mexico (AE only), $1,200,000.

Project 82-D-146, weapons production and support facilities, various locations, $8,000,000.

Project 82-D-147, pressure test facility, Savannah River Plant, South Carolina, $3,500,000.

Project 82-D-150, weapons material research and development facility, Lawrence Livermore National Laboratory, California, $5,000,000.

Project 82-D-151, high explosives applications facility, Lawrence Livermore National Laboratory, California, $10,000,000.

Project 82-D-152, new detonator facility, Los Alamos National Laboratory, New Mexico, $8,000,000.

Project 82-D-153, tritium facility, Los Alamos National Laboratory, New Mexico, $5,000,000.

Project 82-D-154, weapons laboratory building, Sandia National Laboratory, Livermore, California, $7,000,000.

Project 81-D-106, weaponization facilities, Lawrence Livermore National Laboratory, California, $1,000,000.

Project 81-D-108, reactor support facilities, Sandia National Laboratories, New Mexico, $1,000,000.

Project 81-D-115, MX warhead production facilites, various locations, $30,000,000.

Project 81-D-116, utilities and equipment restoration, replacement and upgrade, various locations, $10,000,000.

Project 81-D-120, control of effluents and pollutants, Y-12 Plant, Tennessee, $3,400,000.

Project 81-D-133, earthquake damage restoration, Lawrence Livermore National Laboratory, California, $6,300,000.

Project 81-D-134, earthquake damage restoration, Sandia National Laboratories, California, $1,700,000.

Project 79-7-o, universal pilot plant Pantex Plant, Texas, $5,200,000.

Project 78-16-a, cruise missile production facilities, various locations, $44,000,000.

Project 78-17-d, steam plant improvements, Y-12 Plant, Tennessee, $1,500,000.

Project 78-17-e, high explosives machining, Pantex Plant, Texas, $5,600,000.

Project 77-11-c, 8-inch artillery-fired atomic projectile production, $3,600,000.

(3) For defense nuclear materials production:

Project 82-D-116, general plant projects, various locations, $23,000,000.

Project 82-D-117, plant engineering and design, various locations, $3,000,000.

Project 82-D-118, N-reactor plant security, Richland, Washington, $4,000,000.

Project 82-D-124, restoration of production capabilities, various locations, $126,000,000.

Project 82-D-126, reactor safety and reliability, various locations, $42,900,000.

Project 82-D-127, safeguards improvements, Savannah River Plant, South Carolina, $34,600,000.

Project 82-D-128, plant perimeter security systems upgrade, Idaho Fuels Processing Facility, Idaho National Engineering Laboratory, Idaho, $4,400,000.

Project 82-D-136, fuel processing facilities upgrade, Idaho Fuels Processing Facility, Idaho National Engineering Laboratory, Idaho, $40,000,000.

Project 81-D-126, pollution abatement facilities, Richland, Washington, $4,300,000.

Project 81-D-128, restoration of production capabilities, various locations, $14,400,000.

Project 81-D-142, steam transfer headers, Savannah River Plant, South Carolina, $1,000,000.

Project 81-D-143, L-reactor upgrade, Savannah River Plant, South Carolina, $66,000,000.

Project 81-T-502, advanced isotopes separation laboratory, Lawrence Livermore National Laboratory, California, $21,200,000.

Project 80-AE-3, steam generation facilities, Idaho Fuels Processing Facility, Idaho National Engineering Laboratory, Idaho, $5,000,000.

Project 77-13-a, fluorinel dissolution process and fuel receiving improvements, Idaho Fuels Processing Facility, Idaho National Engineering Laboratory, Idaho, $50,000,000.

(4) For defense nuclear materials byproducts management:

Project 82-N-101, general plant projects, various locations, $11,400,000.

Project 82-N-103, waste handling and isolation facilities, Richland, Washington, $34,450,000.

Project 82-N-104, waste transfer facilities, Richland, Washington, $6,750,000.

Project 82-N-107, rail replacement, Handford Railroad, Richland, Washington, $12,000,000.

Project 82-BU-1, byproducts beneficial uses demonstration plants, various locations, $5,000,000.

Project 81-T-105, defense waste processing facility (DWPF), Savannah River Plant, South Carolina, $20,000,000.

Project 77-13-f, waste isolation pilot plant, New Mexico, $8,600,000.

(5) For capital equipment not related to construction:

(A) For naval reactors development, $28,000,000,

(B) For defense inertial confinement fusion, $11,000,000,

(C) For weapons activities, $199,250,000,

(D) For verification and control technology, $1,100,000,

(E) For defense nuclear materials production, $73,600,000,

(F) For defense nuclear materials byproducts management, $24,472,000,

(G) For nuclear materials safeguards and security, $3,700,000.

Mr. STRATTON (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENT OFFERED BY MR. WEISS

Mr. WEISS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WEISS: Page 11, after line 20, insert the following new section:

PROHIBITION ON USE OF FUNDS FOR ENHANCED RADIATION WEAPONS

SEC. 103. None of the funds appropriated pursuant to an authorization of appropriations in sections 101 or 102 may be obligated or expended for production or research and development of an enhanced radiation weapon (or for any component of any such weapon) or for any component or item to be used to convert nonenhanced radiation nuclear weapons into enhanced radiation weapons.

Mr. WEISS. Mr. Chairman, since the first atomic bombs were dropped in the summer of 1945 the world and its people, all of humanity has been living on a razor's edge. While war througout all of history has been terrible and terrifying, it is safe to say that no war in the past could possibly approach in its horror and in the broad swath of destruction of humanity that would ensue if a war were to break out in which nuclear weapons were used.

It has been estimated reliably and conservatively that if there were a full-scale nuclear exchange between the United States and the Soviet Union that minimally 100 million Americans and 100 million citizens of the Soviet Union would perish immediately, and probably many millions more would die in the following days and weeks and months. So the prevention of the breakout of nuclear war I think must take the top place in the agenda of this Congress and its Members and, indeed, of all nations and governments across the face of this plant.

One of the reasons that the danger has increased is that as time goes by the impact of what happened in Hiroshima and Nagasaki fades from memory. More and more of us both in this country and elsewhere in the world were not alive at the time that those bombs were dropped and do not have the personal recollection of at least 100,000 people perhaps as many as 200,000, being immediately obliterated in Hiroshima. The horror and the extent of the destruction of humanity, which will happen in an outbreak of nuclear war become less and less immediate. We must, as an act of will remind ourselves, constantly, that the next war will, in all likelihood, be the last war.

We have to be very concerned that we do not unwittingly, accidentally, unintentionally, gradually, move to a position where it is more and more likely that a nuclear war will break out.

The amendment I am offering today is an effort, a small but I think very significant effort, to try to place the prospect and consequences of nuclear war at the top of our consciousness; to lessen the possibility that the difference between conventional war and nuclear war will be so diminished that imagining ourselves to be engaged in a conventional war we can drift across the threshold into an all-out nuclear war.

Enhanced radiation weapons, the so-called neutron bombs, are in essence small hydrogen bombs intended to be used as tactical field weapons, as artillery shells, if you will, to stop the onslaught of tanks. The danger, of course, is that even though this is supposed to be a clean bomb, and by "clean" the meaning is not that it does not destroy humanity; quite to the contrary, it kills more people by radiation than the so-called dirty bombs, but it is supposed to be clean: First, because there is supposed to be less fallout; and second, because it is supposed not to have all of the messy problems involved in the vast destruction of property.

But, of course, even assuming that there is more limited damage done by the neutron bomb than by standard nuclear weapons, the fact is that the theory works only if both sides to such a conflict agree that they are going to utilize small, tactical, enhanced radiation weapons.

The CHAIRMAN. Time of the gentleman from New York (Mr. WEISS) has expired.

(By unanimous consent Mr. WEISS was allowed to proceed for 5 additional minutes.)

Mr. WEISS. But the Russians have already said, that as far as they are concerned they draw no distinctions between the use of small nuclear weapons and large nuclear weapons. Indeed, our own arms control and military people confirm that the likelihood is that if, we were to use the neutron bomb, the Russians would retaliate with full-scale tactical nuclear weapons of larger size, and that inevi-

tably what we would have would be an escalation to the full use of large scale nuclear weapons on both sides and all-out nuclear war.

Our allies in Europe, recognizing that it is on their land and with their people as the potential victims, that this exchange would take place have been very clear in indicating in some instances their concern, in most instances their outright opposition to the use of the neutron bomb and its deployment on their territory. Indeed, there was such an outcry in 1977 when it seemed for a while as if this Nation was going to commit itself to the deployment in Europe of neutron bombs, that President Carter and his administration reversed its position; since April of 1978 we have not really had any discussion about the deployment of nuclear bombs until February of this year when Secretary of Defense Weinberger inadvertently suggested that, the issue was at the top of the Reagan administration agenda, only to be contradicted by Secretary of State Haig.

So now we face the opportunity, and I think the obligation, to adopt this amendment which would prevent the production of either the weapon itself or any of the components thereof, or items which could be used to convert standard nuclear weapons to enhanced radiation weapon capability.

It seems to me, Mr. Chairman, that it is absolutely essential that we do this if we are concerned about keeping the spectre of nuclear war a little bit further removed than it would otherwise be.

The danger I do not think can be overstated. It seems to me that it is better at this point, since there is nothing really to be gained by the use of these weapons, that could not otherwise be done with conventional artillery shells, to reject their development for the sake not only of this Nation, but for the sake of all humanity.

Mr. STRATTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is a field that we have been over on a number of occasions. I must say that I am impressed by the way in which the debate on this subject has been distorted to a kind of Alice-in-Wonderland category.

When the so-called neutron bomb, the enhanced radiation weapon, was first proposed, the Soviet Union went into one of the most extensive propaganda campaigns we have seen in history and convinced people that somehow this was an even more horrendous weapon than the weaponry which they have in their SS-18 and their SS-18's, and their SS-20's targeted into Europe. They have done a job, there is no question about it.

However, I wish my friend from New York had read the editorial that appeared the other day in the International Herald Tribune on the subject of the enhanced radiation weapon, the editorial made a lot of sense. That newspaper, of course, is supported by the New York Times and the Washington Post, papers to which both of us subscribe.

Let me point out just a little bit of the history. This, of course, is essentially a defensive weapon. It is designed, as the gentleman from New York (Mr. WEISS) has said, to try to break up the massed tank attacks that the Soviet Union, in all probability, would undertake if it decided to move into Western Europe and against our NATO forces. We do not have the tanks to oppose the Russians. They have four times as many tanks as we have.

The advantage of this particular type of weapon is that it enables someone who is fighting on his home soil to destroy the tankers in those tanks without also destroying his own home and the homes of his neighbors and the community around.

I do not suppose there are many gradations of distress in terms of nuclear weaponry. But if we do not employ the neutron weapon in a defensive mode, the only other thing that we have are the tactical nuclear weapons which we have had in Europe for years and which the gentleman from New York (Mr. WEISS) never objected to, or all of these people who are suddenly becoming experts on the enhanced radiation weapon ever objected to.

I can assure my colleagues that the devastation, the damage, and the casualties that would be inflicted upon the people of Germany and on the people of the NATO forces who are defending their home ground, would be infinitely greater from tactical nuclear weaponry that we have had in NATO forces for years than this particular weapon.

Let me make another point. The Soviet propaganda campaign has done its job. I had the honor, along with the distinguished chairman of our committee, the gentleman from Illinois (Mr. PRICE) and the gentleman from Alabama (Mr. DICKINSON) to attend the North Atlantic Assembly meeting in Venice in May. It is perfectly clear that if the nuclear weapon issue is raised in Europe we will never even get the modernized theater nuclear force implanted in our NATO position to counter the Soviet SS-20. So for good or evil, the enhanced radiation weapon is a long way from any kind of deployment.

But the Congress last year wrote into law the stipulation, and President Carter signed Public Law 96-540 which states in section 22 that—

> The Secretary of Energy shall produce and stockpile the nuclear materials and the warhead components necessary to enable the rapid conversion of the W70-3 and W79-1 warheads to an enhanced radiation capability.

□ 1430

The propaganda has had its effect, and the people of Europe, who do not really understand this situation, are calling upon their councils of fear rather than their heads in rejecting it.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. STRATTON was allowed to proceed for 2 additional minutes).

Mr. STRATTON. But at least we are going to continue to make the components of this weapon available in case we might have to use them against some massive Soviet breakthrough. President Reagan has made no decision to employ the weapon and made no decision to combine various elements, but we would be criminally negligent if we did not at least get these various parts manufactured so that we would have them available to assemble in the event of an emergency. I hope the amendment is rejected.

Mr. WEISS. Will the gentleman yield to me?

Mr. STRATTON. I will be glad to yield to my colleague from New York.

Mr. WEISS. I thank my distinguished colleague for yielding to me. Is it not a fact that the Reagan administration and, indeed, the Department of Energy itself, when it appeared before the subcommittee, indicated that this matter appears in the legislation before us not at their request, that is, the funding for it, but that they were simply reacting to the legislation adopted last December; and that as far as the Reagan administration is concerned, they have not yet taken a position on the production or the deployment of the neutron bomb? Is that not correct?

Mr. STRATTON. That is absolutely correct.

Mr. WEISS. I thank the gentleman.

Mr. McCURDY. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Oklahoma.

Mr. McCURDY. I thank the gentleman for yielding.

As the chairman indicates, I think as a new member of the committee that I, like many people, did not exactly understand the concept of the enhanced radiation weapon. I believe it is a misnomer when we call it a neutron bomb. I agree that the propaganda statement calling it a bomb, a neutron bomb, exudes much more fear than if you are talking about the technical information or the facts about this weapon.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. McCURDY, and by unanimous consent, Mr. STRATTON was allowed to proceed for 2 additional minutes.)

Mr. McCURDY. If the gentleman will continue to yield, I believe if the

Members who are offering this amendment had had the opportunity to grill the Department of Defense and Department of Energy officials as I had in trying to understand the general concept, they would perhaps have a different position today, because I was a skeptic as to the deployment of the neutron bomb or the enhanced radiation weapon as they refer to it. I believe that if they had had that opportunity and had taken the time to get into the details—and it took time; many members of the committee were confused and we had to go over it a number of times to really get down to the basic concept—I believe if they had a better understanding of this concept and would refer to it in the technical sense, they would have a different position on this amendment. I support the development of this weaponry, not so much for the further deployment in that area, but I think it gives us a technical edge. I think we need to move forward in this development.

Again, I believe that if the individuals concerned would take the time to get into the details of this weaponry, they would have a different position.

I hope our colleagues would reject this amendment.

Mr. STRATTON. I thank the gentleman for his statement. I think the reason, of course, for the intense Soviet effort to propagandize this misunderstanding is because a defensive weapon does not do them any good; it only does us good. We are not attacking the Soviet Union, but they have got their forces poised along the Warsaw line to move into Western Europe far beyond anything required for their own defense.

Mr. WEISS. Mr. Chairman, will the gentleman yield on that point?

Mr. STRATTON. I will be glad to yield if I still have the time.

Mr. WEISS. I thank my colleague for yielding. Does the gentleman recollect that somewhere in the early 1950's the Soviet Union in fact was the first to develop what in fact was an enhanced radiation weapon?

The CHAIRMAN. The time of the gentleman from New York (Mr. STRATTON) has expired.

(At the request of Mr. WEISS, and by unanimous consent, Mr. STRATTON was allowed to proceed for 1 additional minute.)

Mr. WEISS. If the gentleman will continue to yield, does the gentleman recall that at the time as distinguished a Member of the U.S. Congress as the late Senator Dodd referred to the fact that the Soviet Union produced what in fact was an enhanced radiation weapon as a defensive weapon?

Mr. STRATTON. No, I do not recall that. I do not think the Soviets developed one. The French developed one, but the gentleman does not seem to be criticizing our French allies.

Mr. WEISS. If the gentleman would yield further, what I have suggested is that nobody deploy or use a weapon which has a tendency to be mistaken as a coventional weapon when in fact it can start all-out nuclear war.

Mr. STRATTON. In other words, the gentleman is against defending ourselves against the Soviet superiority with the SS-18's and SS-19's. I am surprised.

Mr. WEISS. The gentleman recalls that in 1973 there was an Israeli-Arab war, and that during the course of that war when there were massive numbers of tanks wiped out by the Israelis, they did so with the use of conventional weapons, not with the use of nuclear weapons. Does the gentleman remember that?

Mr. STRATTON. I certainly hope that we do not have to use nuclear weapons, but the best way not to use them is to be prepared to use them against the other side. I add at this point an editorial from the International Herald Tribune relevant to this discussion.

[From the International Herald Tribune, June 9, 1981]

ONCE MORE, THE NEUTRON BOMB

The question of whether to deploy neutron warheads in Europe is too important to be influenced by emotional arguments about the morality of a weapon that is kinder to property than it is to people. The simple fact is that conventional nuclear warheads kill as efficiently by heat and blast as neutron weapons do by radiation. If neutron warheads don't destroy structures, so much the better for the people who survive. It is important that Western European leaders instruct their electorates accordingly so that the legitimate debate on neutron-weapons deployment will be rational and informed.

Like all other discussion about nuclear armaments, the neutron bomb debate is conducted in the context of the overwhelming need for arms limitation by the two superpowers, both of which have nuclear arsenals large enough to obliterate the globe. But until the United States and the Soviet Union find an approach to arms control that is sufficiently balanced to allow real reductions in stockpiles, the West's policy of deterrence remains the only sensible response to the steady and substantial increase in Soviet strategic and tactical power. That brings us back to neutron warheads, which are in the news again because the United States has decided to set aside the tritium needed to convert standard Lance battlefield warheads to neutron warheads.

Stated as simply as possible, the neutron warhead is the best weapon to use against massed tanks in Central Europe. That is important because the Warsaw Pact has almost four times as many tanks as NATO. NATO also lacks enough close ground support aircraft to make up the difference. Neutron weapons deployed in Western Europe would close the gap. That is why the Soviet Union has campaigned so actively against their deployment.

Proponents of the neutron weapons argue that because they destroy less property they would be more likely to be used and are therefore a better deterrent. Opponents turn that argument on its head and say that because they are more likely to be used they increase the possibility of an escalation to strategic nuclear warfare. Who is right? Nobody can be sure. But there is no such thing as risk-free deterrence. No one can predict what the Soviet Union will do at each stage of military escalation. The point is to avoid conflict by persuading Moscow that any conventional or tactical nuclear assault in the European theater can be contained in that theater at an unacceptable cost to the Red Army and its Warsaw Pact allies. If the only potentially effective response NATO can make is a doomsday response by the United States, the Soviet leaders might well conclude that the West would surrender rather than opt for global holocaust.

Successive U.S. administrations have bungled the politics of the neutron bomb. As a result, it has become extremely difficult for leaders such as West German Chancellor Helmut Schmidt to prepare their populations for a weapon designed specifically for use on European soil. Nevertheless, the United States is right to keep its options open in case the mood in Europe shifts and the weapon becomes acceptable.

Mr. DELLUMS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, just a moment ago as my two colleagues from New York were exchanging thoughts, one of my colleagues indicated that we ought to cease debate because we are not going to convince each other. Therein lies the tragedy of this moment.

Mr. Chairman, I would like to attempt to underscore for the purpose of emphasis the argument made by my distinguished colleague, the gentleman from New York (Mr. WEISS), the author of the amendment before the body. It would seem to me, Mr. Chairman, that when a generation of people develop the capacity to destroy all life—and we have done that with the development of nuclear capability—it then becomes a moral imperative that we take every single precaution to preclude the possibility of the eradication of life as a result of the technical capacity that we have developed.

Simply stated, we should do every single thing in our power to preclude the possibility of a nuclear war.

The argument that my distinguished colleague from New York was attempting to make is that the eradication of the potential of nuclear war has the highest priority of any matter that we can address at this point in history—the highest priority. The argument we make is that the enhanced radiation warhead blurs the distinctions between conventional and nuclear war capability, thus making the use of nuclear weapons in combat an easier thing to do.

If we were interested in preserving the planet Earth for ourselves and our children and our children's children, then we should never ever cross the intellectual threshold to make nuclear war a thinkable concept. We have big, dirty bombs at this moment. The only rationale for the development of

small, clean bombs is to make nuclear war an easier thing to do. The enhanced radiation warhead makes nuclear war thinkable, acceptable, possible, and potentially inevitable. Any of my colleagues on this floor who truly believe that we can confine the enhanced radiation warhead exchange to some kind of absurd notion of limited nuclear war is living in an absurd reality.

Mr. Chairman, once we start down that road, we cannot turn it around. We must not make nuclear war thinkable. For those of us who come to this body committed to preserving human life, we must exhaust every opportunity to preclude that possibility, not to make nuclear war an easier thing to do. So I underscore my colleague's argument that if we, indeed, are united by one thing, irrespective of our race, creed, color, national origin, or whatever, that one thing is the planet itself, and the planet Earth is in danger at this moment from the proliferation of nuclear weapons.

It would seem to me that we should not further endanger the planet by making nuclear war thinkable, so let us not cross that threshold, and that is precisely what this weapon does.

There is one other set of arguments to rationalize the deployment of the so-called neutron bomb that in some way we need to deploy this weapon in Europe. I have asked, Mr. Chairman, people in the Pentagon and the appropriate agencies, what do you perceive to be the probability by a mathematical calculation—not the possibility but the probability—of the Soviet Union, the Warsaw Pact, and NATO going to war in Europe, on a scale of 1 to 10? The response was somewhere between zero and one. So where is the great danger? We are not exchanging bombs at this moment, and why? We are not because of the simple notion that deterrence is already working.

So why do we want to introduce a weapon that would alter the delicate balance of deterrence, Mr. Chairman?

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. DELLUMS was allowed to proceed for 2 additional minutes.)

Mr. DELLUMS. Why do we want to introduce a weapon that would alter nuclear policy to bring us close to the potential of nuclear disaster?

A couple of years the President of the United States put this absurd, dangerous, and insane weapon on the shelf. It is my hope that this President, beyond ideology and beyond parochialism to a level of sanity, will understand on a rational basis that we should not go forward with the development and the deployment of the enhanced radiation warhead.

People in Europe do not want this weapon. We do not need the weapon. History will not serve us well, Mr. Chairman, if we deploy this weapon. I would suggest that it moves us closer to nuclear war.

In conclusion, the past events of the last few days in the Middle East ought to make every single person in this body shudder with the potential danger of the proliferation of nuclear weapons. We have given an ugly example to the world by saying to every nation, if you are going to be powerful, you have to have a nuclear bomb, and you might as well buy it from us, because you can buy it from someone else.

So we have not assumed a role of peaceful leadership in the world to stop the proliferation of nuclear weapons. In fact, we have contributed to the expansion of nuclear weapons. I would suggest that another message we will be sending to the world and to Third World countries that they ought to have a bomb is to not accept this amendment and go forward with the development and the deployment of the enhanced radiation warhead.

Mr. WEISS. Mr. Chairman, will the gentleman yield to me?

Mr. DELLUMS. I certainly yield to the gentleman from New York.

Mr. WEISS. I thank the gentleman for yielding and compliment him on that very eloquent and powerful statement. In the course of the colloquy that I had with my distinguished and good friend, the gentleman from New York (Mr. STRATTON), the one point that he did not respond to was, what would happen if the NATO armed forces were to utilize the enhanced radiation weapon in an effort to stop those Soviet tanks coming across the Polish border?

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. WEISS, and by unanimous consent, Mr. DELLUMS was allowed to proceed for 3 additional minutes.)

Mr. WEISS. The gentleman did not respond to that point because he knows and would have to agree that once our side used the enhanced radiation weapon, the other side, would have no alternative except to respond in kind with heavier nuclear weapons.

□ 1445

There has been some suggestion in the course of the comments from the gentleman from New York (Mr. STRATTON) that, our allies have been following the councils of fear and they do not really understand what this issue is all about; that in some way they are being brainwashed by Russian propaganda; and that perhaps the rest of us, too, are being brainwashed by Russian propaganda.

It might be instructive if we noted that there are some very good military people, American military people, who take basically the same position that the gentleman in the well and I have been enunicating.

I have, for example, a copy of a magazine called Arms Control Today, put out by the Arms Control Association, dated June 1978. It includes an article by retired Gen. Arthur S. Collins, Jr., whose last assignment was as Deputy Commander in Chief of the U.S. Army in Europe. Listen to what he says:

War games and studies have repeatedly shown that where there is careful and discreet first use of nuclear weapons, the side that initiated the nuclear attack is overwhelmed by a sudden and massive enemy nuclear response.

He goes on to say:

Ask any U.S. commander what he would do if his units were hit by a few small nuclear weapons. The response would be a request for all the nuclear firepower he could get. Are the Russians likely to be more restrained in similar circumstances?

I think there is no question about it. Once you start down the path of an exchange of utilization of nuclear weaponry, you are in for an all-out nuclear war.

Mr. DELLUMS. Mr. Chairman, I think the gentleman is absolutely correct.

Mr. Chairman, I would like to remind my colleagues that a while back I asked the Pentagon this exact question:

In your estimation, do you believe that a war can be contained in Europe even if it started as a conventional war? Could it be contained?

It was the wisdom of those in the Pentagon, their response was:

It is our estimation that no war could be contained in Europe; that even if the war started as a conventional war, it is our opinion that within a relatively short period of time that war would escalate to global strategic nuclear war—

Which underscores the point that the gentleman makes very powerfully and very effectively. If any of our colleagues are willing to do it, they can go back to the record of the Armed Services Committee and they can see the answer that was given.

The CHAIRMAN pro tempore. The time of the gentleman from California (Mr. DELLUMS) has expired.

(By unanimous consent, Mr. DELLUMS was allowed to proceed for 1 additional minute.)

Mr. DELLUMS. Mr. Chairman, after I asked the question of whether or not a conventional war could be contained in Europe and the response was no, it would escalate to global strategic nuclear war, the follow-on question was: "Is this the assessment of the Soviet Union?" The response was: "Yes."

Then I said, "Do you believe that the knowledge on both sides that a conventional war could not be contained, that it would escalate to global strategic war, nuclear war, that that fact, in and of itself, is enough of a deterrent for both sides coming to war?"

The response was, "That is a reasonable conclusion that the gentleman draws."

So the point is, we are not fighting at this moment. Why, then, are we placing a weapon in that situation: First, that the people in Europe do not want; and second, a weapon that brings us closer to the use of nuclear capability rather than further away?

Mr. McCURDY. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from Oklahoma.

Mr. McCURDY. Mr. Chairman, I agree with the gentleman when he says that nuclear war is unthinkable. Tactical nuclear war is unthinkable.

Mr. DELLUMS. I think any kind of nuclear war is unthinkable.

The CHAIRMAN pro tempore. The time of the gentleman from California (Mr. DELLUMS) has again expired.

(At the request of Mr. McCURDY and by unanimous consent, Mr. DELLUMS was allowed to proceed for 1 additional minute.)

Mr. DELLUMS. Mr. Chairman, I yield to my colleague from Oklahoma (Mr. McCURDY).

Mr. McCURDY. Mr. Chairman, I believe, however, that the proper forum for this debate should have been in committee a month ago, 2 months ago. There was a unique opportunity there, when dealing with those officials from that department to go into some of the policy decisions as opposed to taking it up today on the floor when we have already got the bill before us. I welcome the opportunity to get into a debate, into a colloquy on this type of issue. I welcome it. Let us do that. But I am just saying that today and now is not the place to do it. We should have taken up that opportunity before.

I welcome the debate. Let us get into it. Let us bring some of those officials over here, my distinguished colleague, and I ask the gentleman to do that. I believe there are many of us that would like to get into that debate, but today is not the time to do it.

Mr. DELLUMS. Mr. Chairman, if I may reclaim my time, I would simply suggest to my colleague that if we follow the gentleman's suggestion that only members of committees debate these critical questions, I would remind my colleague there are 435 Members of the House of Representatives, and the overwhelming majority of us do not serve on the committee presenting the bill on the floor.

The CHAIRMAN pro tempore. The time of the gentleman from California (Mr. DELLUMS) has again expired.

(By unanimous consent, Mr. DELLUMS was allowed to proceed for 30 additional seconds.)

Mr. DELLUMS. If we cannot debate on the floor of Congress these critical issues, then we cannot debate anywhere. The gentleman from Oklahoma (Mr. McCURDY) fully knows there is an ideological slant on the Armed Services Committee. We know that. If we are going to have any opportunity to debate these questions in some atmosphere of openness, you certainly have to bring these matters to the floor of the U.S. Congress.

There is only one person that voted against the military authorization bill for fiscal year 1982, and it was this gentleman in the well, and 40 other members of the Armed Services Committee went the other way. So if you have a debate, you have it on the floor.

The CHAIRMAN pro tempore. The time of the gentleman from California (Mr. DELLUMS) has again expired.

(By unanimous consent, Mr. DELLUMS was allowed to proceed for 1 additional minute.)

Mr. WASHINGTON. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from Illinois.

Mr. WASHINGTON. Mr. Chairman, I did not have the opportunity to debate this matter before the committee because I am not on the committee, but I welcome this opportunity and I commend the gentleman from New York (Mr. WEISS) for availing me this opportunity to briefly express my feelings about the neutron bomb.

I wish to join both of my colleagues, the gentleman from California (Mr. DELLUMS) and the gentleman from New York (Mr. WEISS), in support of this amendment, which should be so noncontroversial as to be adopted overwhelmingly by this body. There is no justification whatsoever for any appropriation for the construction of neutron weapons.

We are talking about a weapon which is specifically and explicitly designed to kill people. We are talking about a weapon which many of our European allies, the people it is ostensibly to protect, simply don't want to have anything to do with. We are talking about a military expenditure which could weaken our Nation's credibility in the community of nations by allowing our foes to claim that the United States is responsible for elevating the arms race to new heights of cruelty.

The CHAIRMAN pro tempore. The time of the gentleman from California (Mr. DELLUMS) has again expired.

(At the request of Mr. WASHINGTON and by unanimous consent, Mr. DELLUMS was allowed to proceed for 1 additional minute.)

Mr. DELLUMS. Mr. Chairman, I yield further to my colleague, the gentleman from Illinois.

Mr. WASHINGTON. Mr. Chairman, I rise in support of Mr. WEISS' amendment also because he and I yesterday suffered together through what was the most painful single moment in my career in public life, as the committee cut more than $13 billion from vital programs under the jurisdiction of the Education and Labor Committee. The money we would spend on building and stockpiling this murderous weapon, the neutron bomb, should be spent instead on the living. A Congress which will be drastically curtailing the programs which feed meals to low-income schoolchildren should not be squandering the taxpayers' money on one of the most horrible weapons ever invented. A Congress which wields the budgetary ax against vocational education, against public service employment, against programs for the handicapped should show at least equal diligence when it comes to controlling military spending.

Mr. MOFFETT. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, there have been references made in this debate to the committee, and I want to say that I think the gentleman from California (Mr. DELLUMS) would agree with this: None of our remarks with regard to the committee are in any way personal. The chairman of the full committee, the gentleman from Illinois (Mr. PRICE), is sitting here. I think all of us in this body have great respect for the gentleman and, of course, for our colleague and neighbor, the gentleman from New York State (Mr. STRATTON) we also have great respect.

One of the things I have found in my—I can not say few years any more—my 8 years in this body is that colleagues almost without exception want to do the right thing. So this debate is not about one group saying we want to do the right thing and we are the only ones who are pure and sacred here and the rest of you who disagree with us do not want to do the right thing, you are being very destructive. It is not that kind of assertion we are making in opposing this weapon.

I say this to our colleague, the gentleman from Oklahoma (Mr. McCURDY): It might just be as the gentleman from California (Mr. DELLUMS) suggested, that there is an overwhelming mind-set on the Armed Services Committee. It is a specialized committee, as it should be. It is not a committee that is charged or that sees its responsibilities necessarily with obtaining peace in the shortest possible time. One might say that peace through strength will get us there, but by and large the committee is charged with trying to figure out the kind of defense that we will have. We know that that is not an easy job.

One of my problems with the system as it works, however, is we are talking about the destruction of the planet here. There are 2, 4, 6, 8, 12, 14, 16, 18, maybe 20 Members on the floor right

now. We all know when citizens come to watch us in action they probably look at the House in a situation like this and they say, "My goodness, the House is discussing possible destruction"—is how we would characterize it, some of us—"and there are only 20 people on the floor."

We all know and we try to explain they are in committees, at their offices, and so forth. We are the same way. We do not always make it for every debate, so we are not pointing fingers. But it is a commentary, is it not, that we are debating such a deadly weapon, such a weapon of overwhelming destruction, and we are not debating with a large number of Members present and participating.

It is very important that the Committee of the Whole and the full House have an opportunity to debate these issues, because this one Member's view is that we are not seeing a debate go on in terms of what our priorities should be. The perception that some of us have is that the Armed Services Committee, frankly, ends up looking at a vast array of military options and picking all of them.

It bothers us. We know again it is done with the best of intent and with the country first in mind; but where will the tremendous pressure for a world that is less fully armed and, therefore, less damaging and potentially destructive come from? Where is it going to come from?

We have a citizens' petition now in my own State with tens of thousands of signatures of people, not only people who would be characterized as liberal but business people as well, who have signed a petition saying we should not have unilateral disarmament but we must move swiftly for a kind of disarmament that goes in lock step with the other major powers.

I know that might sound naive to the gentleman from New York (Mr. STRATTON). I see him smiling. He is much more versed in this than I am. I ask the gentleman, and I ask rhetorically. Where does it end? Where does it end?

Does the gentleman or any of the gentlemen or gentlewomen on the committee picture a day when the Soviet Union will say, "OK, we give up, we give up. The Armed Services Committee has been persistent in the House of Representatives and we give up"?

Is that what is going to happen? Or are we handing a legacy to our children, and asking our allies to carry out a good portion of it in terms of the threat to them, which just keeps us in a never-ending spiral that leads to the kind of destruction that the gentleman from California (Mr. DELLUMS) is talking about?

I had no intention of being involved in this bill until I realized the gentleman from New York (Mr. WEISS) was offering the amendment, and I thank him for doing that. I suggest to my colleagues who have spoken in favor of this amendment, let us resolve—although it may be bad news to some of our dear friends on the committee—that we will join together on the floor to discuss these matters not less but more. I would say to the gentleman from Oklahoma (Mr. MCCURDY), we have not done enough of this. That is our fault.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. MOFFETT) has expired.

(By unanimous consent, Mr. MOFFETT was allowed to proceed for 2 additional minutes.)

Mr. MOFFETT. Mr. Chairman, we should be here discussing this on every weapons bill. I know the gentleman from New York (Mr. STRATTON) cares about survival and has his view of how we obtain it, but I also know there are some of us who have a different view of how we obtain it; and I cannot believe that anyone in this body would suggest that we would not discuss those differing points of view.

I want to raise in my final moment a rather provocative question. That is, can we in this body stand the thought, can we stand the thought that we might be ahead of the Russians in most areas? Is that something we can live with? How does it make us feel or does it in a way totally destroy our reason for being?

It is a very, very useful question. I think that their society is a failure. So much of what they build is a failure. We so often end up bowing down and paying deference to the wonderful machinery of the Soviet Union, it seems to me, and spreading fear across our land about how we are in jeopardy because of what the Soviets are doing. I know there are threats from the Soviets. I believe it when the distinguished members of the Armed Services Committee tell us that there are threats. Of course there are threats.

But I urge the committee to give us the real picture on where the threats come from. They are not coming from every direction with every weapon that the Soviets have, from every nook and cranny, from every part of the Soviet Union. It cannot possibly be. We are a better country. We are a stronger country. We build things better. We do not have to build everything to counter the Soviet threat.

□ 1500

I ask, can we stand the thought that we might in fact be ahead and not have to build the neutron bomb?

Mr. MCCURDY. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Oklahoma.

Mr. MCCURDY. I thank the gentleman for yielding.

The gentleman raises a good point. The gentleman says, where does it all end. Let met ask the gentleman a question. Where does it begin?

I can tell the gentleman where it begins. Yes, there is a philosophical bent on that committee. It is primarily because people are concerned to be on that commitee. I contend there is a philosophical bent on the Committee on Education and Labor.

The CHAIRMAN pro tempore (Mr. FASCELL). The time of the gentleman from Connecticut (Mr. MOFFETT) has expired.

(At the request of Mr. MCCURDY and by unanimous consent, Mr. MOFFETT was allowed to proceed for 2 additional minutes.)

Mr. MCCURDY. If the gentleman would yield further, I believe there is a philosophical bent. But do not just assume—as I stated to my friend from California—do not just assume that just because a person is on that committee they are either on one side or the other. The place one begins is that committee, let us get that debate in that committee. The way one solves this problem, the way one turns this around is one does the work there.

The gentleman knows as well as anybody here that the effective work done in this body is done in committee. If we do not get people who are concerned about spending on that committee and if we do not get people on that committee who are concerned about nuclear proliferation, we are not going to solve this problem.

Mr. MOFFETT. I agree with the gentleman. Let me just say that nothing that I have said, I hope, has given the impression that I think that these ideas are not allowed a fair hearing on the committee. The Chairman is the fairest member one could find. The subcommittee chairmen are extremely nice people as far as I am concerned and I am sure give a hearing to every point of view. That is not what we are talking about.

I would like to see this Chamber filled with the membership for a period of 5 or 6 days or a week or 2 or 3 weeks while we discuss the number one issue on the planet, as the gentleman is saying. That is what we are talking about. That does not in any way diminish the specialized kind of work that the committee does, but maybe the committee cannot look overall at the issue in the way the full House can.

Mr. MCCURDY. If the gentleman will continue to yield, I would submit in this body that when we sit through a class 5 or secret briefing looking at aerial photographs, I wish everyone in this body would be there to observe that. People are notified of these things. They do not take the time or the interest to look at those things.

If you ask about threat, take the time to come to committee and you will see threat. That is all I am asking. It riles us, it makes us made to sit there time and time again through committee and the biggest opponents are not there. You talk about threat, you will see it if you come to the committee.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. MOFFETT) has again expired.

(At the request of Mr. DELLUMS and by unanimous consent, Mr. MOFFETT was allowed to proceed for 2 additional minutes.)

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from California.

Mr. DELLUMS. First, in response to the last comment the gentleman makes, clearly the perception of risk is a debatable issue. What the gentleman may perceive as risk may not be what the gentleman and I may perceive as risk. So the gentleman is stating the notion as if there is an absolute definition of risk. That is an absurdity.

We ought to be debating what is the level of the threat. What is the risk? I think that what this debate calls into question is the serious issue that American people ought to be debating not only on the floor of this Congress, but in every community throughout this country and that is the simple notion: What is the role of nuclear weapons in modern life? It is a powerful question and it is a question that we do not discuss. It is an issue that we do not raise. It is a debate that we do not engage in.

I would suggest that if the gentleman answered the question, "What is the role of nuclear weapons in modern life?" that it is to use those weapons, then, in fact, we are all dead.

But if the notion is for nuclear weapons to be used for deterrence, then I would suggest that we already have deterrence and what we ought to be moving for is not further down the road toward a greater arms race, toward greater nuclear capability, but to move back within the confines of an arms control environment and really begin to negotiate moving back from the brink of disaster.

Mr. MOFFETT. I thank the gentleman for his remarks.

I say in my final seconds that this body has many great traditions. One of those great traditions is having sometimes a very small minority in the body raise issues that later on it turns out they were absolutely right on. Whether it is five of us or four or three or two or one, as long as one of us gets reelected to come back and raise these issues, I think we should continue to do that.

I appreciate the indulgence of the gentleman from New York and I yield back the balance of my time.

Mr. SEIBERLING. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I had not planned to speak on this amendment. But this debate reminds me of a debate some years ago in this House when, I believe it was John Moss, who was standing in this spot and one of the folks from the minority side and he were having a very hot debate.

At one point John said:

> I am not going to talk any longer because I see the gentleman does not want to have a serious debate.

The gentleman on the other side rose up and said, with some indignation, "Well, I want to have serious debate, but this is not the place for it."

Well, if this is not the place for debate on serious issues, I do not know what is. Surely the floor of the House of Representatives is the prime forum for discussing issues of great national importance, and we should be discussing them here much more than we do at times.

Now we all remember the famous remark by the Army major in Vietnam during the Vietnam war, who made the statement, "we had to destroy the village in order to save it."

I suggest to my colleagues that the Europeans are beginning to get the idea that maybe that is what we have planned for them. The neutron weapon is one example of the kind of weapon that might give them that impression. It is designed to destroy people but leave the facilities more or less intact. More or less, I say, because it really is a small nuclear bomb, but with a much wider radiation effect.

Now the Carter administration, and this Congress, went through this same debate several years ago, about 3 years ago, as I recall. On the basis of the facts that were brought out then, the Carter administration decided to drop the idea. It did so partly because it is a poor military weapon. There were articles in scientific magazines pointing out, for example, that while it would eventually kill the crew of Soviet tanks, they would live long enough to continue the battle for 48 hours or so.

So it had its drawbacks from a military standpoint.

But, more important, the previous administration dropped the neutron weapon because it would be a political disaster. The Director of the National Security Council came back from Europe a month or so ago and expressed horror that, "neutralism" is abroad in Europe and that people are raising again the dreadful slogan "better Red than dead."

Well, if my colleagues want to help that movement toward pacification or neutralization, or whatever we want to call it, in Europe, just go ahead and deploy this neutron weapon and watch the results. That is something to think about again.

Unfortunately, these weapons programs seem to develop a life of their own. Every time we think we have disposed of one of them, whether it is the B-1 bomber or neutron warhead, a new crowd comes along and wants to raise it all over again. But fortunately, there are some of us in this House who are willing to take the job of educating the younger Members and some of the senior ones, I am sorry to say, all over again, and I hope also the man who is sitting in the White House.

Now there has been a brilliant speech recently by the gentleman who invented the containment policy, Mr. George Kennan. It was printed in the Washington Post a couple of weeks ago. I just want to read part of what he had to say.

He said:

> Look at the record. Over all these years the competition in development of nuclear weaponry has proceeded steadily, relentlessly without the faintest regard for all the warning voices. We have gone on piling weapon upon weapon, missile upon missile, new levels of destructiveness upon old ones. We have done this helplessly, almost involuntarily, like the victims of some sort of hypnotist, like men in a dream, like lemmings headed for the sea.
>
> The result is that today we have achieved, we and the Russians together, in the number of these devices and their means of delivery and their destructiveness levels a redundancy of such grotesque dimensions as to defy rational understanding.

The trouble with the so-called tac nukes and the neutron weapon is that they may delude some people and particularly military commanders like the famous General LeMay who wanted to "nuke Hanoi," for example, into thinking that there are some cases where we can cross that nuclear threshold without causing a general nuclear exchange.

As Kennan said:

> Once people begin to accept that a given war is inevitable, they behave in ways that make it inevitable, whether they were right in their initial assumption or not.

The CHAIRMAN pro tempore. The time of the gentleman from Ohio (Mr. SEIBERLING) has expired.

(By unanimous consent, Mr. SEIBERLING was allowed to proceed for 2 additional minutes.)

Mr. SEIBERLING. Mr. Chairman, the world, and this Congressman personally, were shocked and staggered when we read a couple of days ago about the Israeli bombing of the Iraqi nuclear plant. Yet, there was a certain logic to that, a preemptive strike. While I personally deplore that kind of tactic and I have yet to see it adequately justified, there is one thing one can say for the Israelis. If any of my colleagues did not see that ABC News special documentary, "Near Armageddon" that was shown on the House TV yesterday, I recommend

that colleagues look at it tomorrow when it is going to be shown again. As the film, which deals with the nuclear weapons race in the Middle East, shows, there was a certain grim logic to the Israeli action. But whether it was justified or not, the Israeli action may serve a useful purpose if it makes us face the fact that, unless something is done to end the competition among both superpower and Third World states to acquire nuclear weapons, then we are truly, all of us, in for a holocaust that will make all of the horrors of the holocaust that the Nazis conducted seem tame by comparison and that will affect every living person on this Earth.

I suggest, that the Third World countries are not going to give up this competition to acquire nuclear weapons as long as the United States and Russia continue to pile them up. This is a very good place to begin by forswearing the neutron weapon. If we build it, it will not be long before Qaddafi or some other person whom we consider to be totally irresponsible, will do everything in his power to acquire the same thing.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I am glad to yield to the gentleman from New York and I commend him for offering this amendment.

Mr. WEISS. I thank the gentleman for yielding. I want to compliment him because over the years he has been perhaps the most consistent Member of this body in focusing on the great danger of nuclear war.

The CHAIRMAN pro tempore. The time of the gentleman from Ohio (Mr. SEIBERLING) has expired.

(At the request of Mr. WEISS and by unanimous consent, Mr. SEIBERLING was allowed to proceed for 2 additional minutes.)

Mr. WEISS. If the gentleman will continue to yield, the gentleman has focused on the great peril we and the rest of humanity face unless we keep in mind the destructive capacity which the major powers now possess and, indeed, some of the smaller powers now have as well.

The gentleman made a comment earlier to the effect that the neutron bomb has less capacity to destroy physical objects, as distinguished from human beings. One of the reasons why it is suggested that the neutron bomb would destroy less property is due to the assumption that only one such weapon would be used at a time. But interestingly, the Army's own manuals have pointed out—and I cite Army Field Manual 100-5 and 101-3-1—that packages of warheads would be used.

In other words, one would end up having just as much physical damage as one does with the larger tactical nuclear weapons. The amount of damage that it would do to human beings is so horrendous that there have been suggestions that it may in fact violate the ban on the use of chemical warfare because that is exactly the manner in which this weapon is used.

So again, I thank the gentleman for his contribution to this debate and for his constant involvement in calling attention to the danger that we face.

Mr. SEIBERLING. I thank the gentleman, and I yield back the balance of my time.

Mr. EDWARDS of California. Mr. Chairman, I would like to take this opportunity to thank my colleague, Representative WEISS, for introducing an amendment opposing the authorization of funds for the construction of the neutron bomb. I share his views and would like to take this opportunity to make my opposition known to my colleagues.

Rather than get bogged down in discussion of the reduced collateral damage caused by a bomb which kills through radiation rather than blast and heat effects, I think the effects of this weapon need to be portrayed in more human terms. I have found a Congressional Quarterly piece from 1977 which should help illustrate. The article quotes from an Army field manual published in July 1976. I commend it to my colleagues:

> The immediate incapacitation radiation level is 8,000-18,000 rads (unit of measurement for radiation) but an active soldier suddenly exposed to 3,000 rads could become incapacitated within 3-5 minutes. He may recover to some degree in about 45 minutes, but due to vomiting, diarrhea, and other radiation sickness symptoms, he would be only partially effective until he dies within a week. A soldier exposed to 650 rads initially shows no symptoms, but loses some of his effectiveness in about two hours and can be expected to die in a few weeks under battlefield conditions. Exposure in the 100 rad region usually has little effect. Accordingly, in conventional-nuclear combat it would be prudent to subject front-line enemy to 3,000-8,000 rads or more, enemy to the rear to 650-3,000 rads, and avoid subjecting friendly forces and civilians to an unacceptable dose level (100 or more rads).

Obviously, unarmed civilians would often be exposed to doses of radiation exceeding the acceptable level. It is clear that the use of this weapon could result in battlefields and cities littered by human ghosts awaiting their inevitable death. The nation of Japan is still haunted by survivors from Hiroshima and Nagasaki who bear scars from the effects of radiation. The use of neutron weapons in Europe would add greatly to this human tragedy.

The suffering caused by a weapon as inhumane as the neutron weapon, a weapon which kills by attacking the cellular processes of living things, should be beyond the consideration of a civilized nation as great as ours.

The peculiar attributes of the neutron weapon make it a desirable weapon in the limited perspective of military planning. These warheads would be much more precise in their application and result in less property damage than nuclear devices. However, these same attributes make the weapon a nightmare on a broader level. Because the weapon is so much more limited, precise, and usable than previous warheads, it would dangerously lower the threshold at which conflicts could escalate from conventional to nuclear weapons. This may not bother strategists who believe in the concept of a winnable nuclear war, but it presents a grave threat to the lives and security of our citizens.

Our decision to produce these weapons is not made in a vacuum. One element which must be considered in this decision is the reaction of our allies. The debate which occurred at the beginning of this year between the Secretaries of Defense and State on this weapon helped to underscore European reaction. Immediately after Secretary Weinberger indicated his support for an enhanced radiation weapon, Secretary Haig launched his rebuttal. As the Secretary of State indicated, our allies do not support the notion of our deploying these weapons on their soil. As the New York Times indicated on February 5 of this year, the West Germans have revealed that they no longer have public support for the use of neutron bombs. The position of the new French President on these weapons is not clear yet, but it is safe to assume that France will not welcome these weapons either. The development of a more vocal opposition party in England will make the deployment of these weapons on British soil difficult also.

Finally, our development and deployment of these weapons will seriously undermine any future efforts toward a new arms limitation agreement. We already have enough bargaining chips to bring to the table in these negotiations; we do not need this additional threat. The development of these weapons will only increase bellicosity on both sides and thereby slow any progress toward a much needed agreement.

I urge my colleagues to vote in favor of the Weiss amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. WEISS).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. WEISS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 88, noes 293, not voting 50, as follows:

[Roll No. 73]

AYES—88

AuCoin	Bedell	Bingham
Barnes	Bellenson	Bonior

Bonker	Heckler	Rahall
Brodhead	Jacobs	Rangel
Burton, John	Kastenmeier	Ratchford
Burton, Phillip	Kildee	Rodino
Chisholm	Kogovsek	Roybal
Collins (IL)	Leach	Sabo
Coyne, William	Lehman	Savage
Crockett	Leland	Schneider
Dellums	Lowry	Schroeder
Dixon	Markey	Schumer
Donnelly	Marlenee	Seiberling
Dorgan	Mattox	Shannon
Early	Mazzoli	Simon
Eckart	McHugh	Smith (NJ)
Edgar	McKinney	Stokes
Edwards (CA)	Mikulski	Studds
Erdahl	Miller (CA)	Vento
Foglietta	Mitchell (MD)	Walgren
Ford (TN)	Moakley	Washington
Forsythe	Moffett	Weaver
Frank	Nowak	Weiss
Garcia	Oakar	Williams (MT)
Gejdenson	Oberstar	Wirth
Glickman	Obey	Wolpe
Goodling	Ottinger	Wyden
Gray	Patterson	Yates
Harkin	Paul	
Hawkins	Pease	

NOES—293

Addabbo	Derrick	Hertel
Akaka	Dickinson	Hightower
Albosta	Dicks	Hiler
Anderson	Dingell	Hillis
Andrews	Dornan	Holt
Annunzio	Dougherty	Hopkins
Anthony	Downey	Horton
Applegate	Dreier	Howard
Archer	Duncan	Hoyer
Atkinson	Dunn	Hubbard
Badham	Dwyer	Huckaby
Bailey (PA)	Dyson	Hughes
Barnard	Edwards (OK)	Hunter
Benedict	Emerson	Hutto
Benjamin	Emery	Hyde
Bennett	English	Ireland
Bereuter	Ertel	Jeffords
Bethune	Evans (DE)	Jeffries
Bevill	Evans (GA)	Jenkins
Biaggi	Evans (IA)	Jones (NC)
Blanchard	Evans (IN)	Jones (TN)
Bliley	Fary	Kazen
Boggs	Fascell	Kemp
Boner	Fenwick	Kindness
Bouquard	Ferraro	LaFalce
Bowen	Fiedler	Lagomarsino
Breaux	Fields	Lantos
Brinkley	Findley	Latta
Brooks	Fish	Leath
Broomfield	Flippo	LeBoutillier
Brown (CO)	Florio	Lee
Brown (OH)	Foley	Lent
Broyhill	Fountain	Levitas
Burgener	Fowler	Lewis
Butler	Frenzel	Livingston
Byron	Frost	Loeffler
Campbell	Fuqua	Long (LA)
Carman	Gaydos	Long (MD)
Carney	Gephardt	Lott
Clausen	Gibbons	Lowery
Clinger	Gilman	Lujan
Coats	Gingrich	Luken
Coelho	Ginn	Lungren
Coleman	Goldwater	Marks
Collins (TX)	Gonzalez	Marriott
Conable	Gore	Martin (IL)
Conte	Gradison	Martin (NC)
Corcoran	Gramm	Martin (NY)
Coughlin	Green	Matsui
Courter	Gregg	Mavroules
Coyne, James	Grisham	McClory
Craig	Guarini	McCloskey
Crane, Daniel	Gunderson	McCollum
Crane, Philip	Hagedorn	McCurdy
D'Amours	Hall (OH)	McDade
Daniel, Dan	Hall, Ralph	McDonald
Daniel, R. W.	Hall, Sam	McEwen
Danielson	Hamilton	McGrath
Dannemeyer	Hammerschmidt	Mica
Daschle	Hansen (ID)	Michel
Daub	Hansen (UT)	Miller (OH)
Davis	Hatcher	Mineta
de la Garza	Hefner	Minish
Deckard	Heftel	Mitchell (NY)
DeNardis	Hendon	Molinari
Mollohan	Rogers	Staton
Montgomery	Rose	Stenholm
Moore	Rostenkowski	Stratton
Moorhead	Roth	Stump
Morrison	Roukema	Swift
Murphy	Rousselot	Synar
Murtha	Rudd	Tauke
Myers	Russo	Tauzin
Napier	Santini	Taylor
Natcher	Sawyer	Thomas
Nelson	Scheuer	Udall
Nichols	Schulze	Volkmer
O'Brien	Sensenbrenner	Walker
Panetta	Shamansky	Wampler
Parris	Sharp	Watkins
Pashayan	Shaw	Waxman
Patman	Shumway	Weber (MN)
Pepper	Shuster	White
Perkins	Siljander	Whitehurst
Petri	Skeen	Whittaker
Peyser	Skelton	Whitten
Pickle	Smith (AL)	Williams (OH)
Price	Smith (IA)	Wilson
Pritchard	Smith (NE)	Winn
Railsback	Smith (OR)	Wolf
Regula	Snowe	Wortley
Reuss	Snyder	Wright
Rhodes	Solarz	Yatron
Rinaldo	Solomon	Young (AK)
Ritter	Spence	Young (FL)
Roberts (KS)	Stangeland	Young (MO)
Robinson	Stanton	Zeferetti
Roemer	Stark	

NOT VOTING—50

Alexander	Edwards (AL)	Porter
Ashbrook	Erlenborn	Pursell
Aspin	Fazio	Quillen
Bafalis	Fithian	Richmond
Bailey (MO)	Ford (MI)	Roberts (SD)
Beard	Hance	Roe
Boland	Hartnett	Rosenthal
Bolling	Holland	Shelby
Brown (CA)	Hollenbeck	St Germain
Chappell	Johnston	Traxler
Chappie	Jones (OK)	Trible
Cheney	Kramer	Vander Jagt
Clay	Lundine	Weber (OH)
Conyers	Madigan	Whitley
Cotter	Mottl	Wylie
Derwinski	Neal	Zablocki
Dymally	Nelligan	

□ 1530

The Clerk announced the following pairs:

Mr. Richmond for, with Mr. Chappell against.

Mr. Conyers for, with Mr. Shelby against.

Messrs. CAMPBELL, NELSON, and STARK changed their votes from "aye" to "no."

Messrs. SIMON, EDWARDS of California, and FORSYTHE changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. VOLKMER. Mr. Chairman, I move to strike the last word.

Mr. VOLKMER. Mr. Chairman, I rise to inquire of the chairman of the subcommittee in regard to the amount of funds that are provided in the bill for decontamination and decommissioning. I might say for those Members who are not interested in what I am about to say that I suggest that in order for the chairman of the subcommittee to hear me, perhaps I can at least speak very quietly and maybe he can hear me then, because this, although it may not be important to other Members, is very important to me or else I would not be here nor would I be taking the time of the committee.

Mr. Chairman, in the past we have had numerous sites used in this country for production of nuclear weapons. One of those sites is located within my district and is known as Weldon Spring. It presently consists of approximately 272 acres of buildings, a quarry with water in it, and some pits. It contains many tons of radioactive material, much of which is highly radioactive.

I noticed, Mr. Chairman, that the amount that was provided originally for decontamination and decommissioning by the administration has been reduced by the committee from $10.5 million to $4 million, and this concerns me and, I am sure, others who are trying to find ways to decontaminate these highly radioactive sites throughout our country.

I for one plan in the future to have a meeting with the military, the Department of the Army officials, with DOE officials, with the EPA, and with the Nuclear Regulatory Commission people in order to try to come up with some type of plan whereby we can decontaminate the Weldon Spring area.

I would like to know, I will ask the subcommittee chairman, whether he feels the $4 million provided in the bill will provide for the necessary decontamination for these numerous sites that we have within the country.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, the gentleman from Missouri (Mr. VOLKMER) is asking a question which I think may be of interest to other Members in the Chamber. He is asking, what about these sites which may be contaiminated with uranium filings or something of that kind?

There are some 300 of them around the country, so there may be other Members who are concerned, as the gentleman from Missouri is.

Let me just say in response to the gentleman from Missouri that I would like to assure him, to put his mind at ease, that the Weldon Spring site in Missouri is specifically mentioned as a former DOE defense facility that will receive attention. I quote briefly from the DOE fiscal year budget submission:

> This program for decontamination and decommissioning provides for the safe management and disposition of surplus radioactive contaminated DOE facilities originally used in supportive defense programs.

All facilities were originally used for this purpose: the New Brunswick laboratory in New Jersey, the Niagara Falls storage site in New York, and the Weldon Spring site in Missouri. Maintenance and management of these

facilities is necessary until they can be decommissioned or decontaminated.

So the gentleman's district will be covered. The problem our subcommittee was concerned with was to learn what the safe level is and how that can be determined.

We received testimony during the hearings on the proposed remedial action at the former uranium storage site where it was pointed out to the Members that there is no danger to the public from this site, but DOE said they were prepared to spend $29 million for remedial action.

The standards established by the Nuclear Regulatory Commission and the EPA for decontamination should be based on established needs for public health and safety. In the interest of economy, these two agencies should justify their standards on a cost-risk-benefit basis, and this has not been done. There is no clear indication of how much it will cost to decontaminate to their proposed standards, but it could be in the tens of billions of dollars at a time when billions of dollars are getting a little bit harder to come by. Even the resources of the Federal Government are not sufficient to correct every insult to the environment.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. VOLKMER) has expired.

(By unanimous consent, Mr. VOLKMER was allowed to proceed for 2 additional minutes.)

Mr. STRATTON. Mr. Chairman. if the gentleman will yield further, in every case there has to be a cost-benefit/risk-benefit factor involved. A major issue in this regard is the concept of the return of land to unrestricted use, and many factors have to be considered. The assessment of all these factors unfortunately has not always been based on facts but on emotionalism.

We do not believe that sufficient data are available, and for that reason we intend to start hearings in our subcommittee on June 23 to try to learn from the experts in the Nuclear Regulatory Commission, the EPA, and the Department of Energy just what is safe, what may not be safe, and how much is safe enough.

So, Mr. Chairman, I thank the gentleman for raising this point and for providing me with the opportunity to advise the House in this regard.

Mr. VOLKMER. Mr. Chairman, I thank the subcommittee chairman, and I look forward, as he does, I know, to the hearings on June 23. I believe that the gentleman and I are probably agreed that the criteria presently established may be too much in the ultimate or may be unachievable, but yet we need to look to other possible solutions for decontamination of these sites.

Mr. Chairman, I thank the subcommittee chairman.

Mr. STRATTON. I thank the gentleman from Missouri (Mr. VOLKMER).

The CHAIRMAN. Are there further amendments to title I?

If not, the Clerk will read.

The Clerk read as follows:

TITLE II—GENERAL PROVISIONS

REPROGRAMMING

SEC. 201. Except as otherwise provided in this Act—

(1) no amount appropriated pursuant to this Act may be used for any program in excess of 105 percent of the amount authorized for that program by this Act or $10,000,000 more than the amount authorized for that program by this Act, whichever is the lesser, and

(2) no amount appropriated pursuant to this Act may be used for any program which has not been presented to, or requested of, the Congress,

unless a period of thirty calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) has passed after receipt by the appropriate committees of Congress of notice from the Secretary of Energy (hereinafter in this title referred to as the "Secretary") containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of the proposed action, or unless each committee before the expiration of such period has notified the Secretary it has no objection to the proposed action.

LIMITS ON GENERAL PLANT PROJECTS

SEC. 202. (a) The Secretary may carry out any construction project under the general plant projects provisions authorized by this Act if the total estimated cost of the construction project does not exceed $1,000,000.

(b) If at any time during the construction of any general plant project, the estimated cost of the project is revised due to unforeseen cost variations and the revised cost of the project exceeds $1,000,000, the Secretary shall immediately furnish a complete report to the appropriate committees of Congress explaining the reasons for the cost variation.

(c) In no event may the total cost of all general plant projects carried out under this Act exceed by more than 10 percent the total amount authorized to be appropriated for such projects under this Act.

LIMITS ON CONSTRUCTION PROJECTS

SEC. 203. (a) Whenever the current estimated cost of a construction project which is authorized by section 102 of this Act, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent of the higher of (1) the amount authorized for the project, or (2) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress, the project may not be started or additional obligations incurred in connection with the project above the total estimated cost, as the case may be, unless a period of thirty calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three days to a day certain) has passed after receipt by the appropriate committees of Congress of written notice from the Secretary containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of the action, or unless each committee before the expiration of such period has notified the Secretary it has no objection to the proposed action.

(b) Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

FUND TRANSFER AUTHORITY

SEC. 204. To the extent specified in appropriation Acts, funds appropriated pursuant to this Act may be transferred to other agencies of the Government for the performance of the work for which the funds were appropriated, and funds so transferred may be merged with the appropriations of the agency to which the funds are transferred.

AUTHORITY FOR CONSTRUCTION DESIGN

SEC. 205. (a) Within the amounts authorized by this Act for plant engineering and design, the Secretary may carry out advance planning and construction designs and may obtain architectural and engineering services in connection with any proposed construction projects.

(b) In the case in which the estimated design cost for any construction project is in excess of $400,000, the Secretary shall notify the appropriate committees of Congress in writing of the details of the project at least thirty days before any funds are obligated for design services for the project.

FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY

SEC. 206. Subject to the provisions of appropriation Acts, amounts appropriated pursuant to this Act for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

AUTHORITY FOR EMERGENCY CONSTRUCTION DESIGN

SEC. 207. In addition to the advance planning and construction design authorized by section 102, the Secretary may perform planning and design utilizing available funds for any Department of Energy defense activity construction project whenever the Secretary determines that the design must proceed expeditiously in order to meet the needs of national defense or to protect property or human life.

ADJUSTMENTS FOR PAY INCREASES

SEC. 208. Appropriations authorized by this Act for salary, pay, retirement, or other benefits for Federal employees may be increased by such amounts as may be necessary for increases in such benefits authorized by law.

AVAILABILITY OF FUNDS

SEC. 209. When so specified in an appropriation Act, amounts appropriated for "Operating Expenses" or for "Plant and Capital Equipment" may remain available until expended.

ARREST AUTHORITY FOR PERSONS AUTHORIZED TO CARRY FIREARMS UNDER THE ATOMIC ENERGY ACT OF 1954

SEC. 210. Section 161 k. of the Atomic Energy Act of 1954 (42 U.S.C. 2201(k)) is amended by striking out the semicolon and inserting in lieu thereof a period and the following: "A person authorized to carry firearms under this subsection may, while in the performance of, and in connection with, official duties, make arrests without war-

rant for any offense against the United States committed in that person's presence or for any felony cognizable under the laws of the United States if that person has reasonable grounds to believe that the individual to be arrested has committed or is committing such felony. A person granted authority to make arrests by this subsection may exercise that authority only in the enforcement of (1) laws regarding the property of the United States in the custody of the Department of Energy, the Nuclear Regulatory Commission, or a contractor of the Department of Energy or Nuclear Regulatory Commission, or (2) any provision of this Act that may subject an offender to a fine, imprisonment, or both. The arrest authority conferred by this subsection is in addition to any arrest authority under other laws;".

RESTRICTION ON ENVIRONMENTAL IMPACT STATEMENT PREPARATION

SEC. 211. No funds appropriated pursuant to an authorization of appropriations contained in this Act may be obligated or expended for the purpose of preparing any environmental impact statement with respect to the operation of the Pantex Nuclear Weapons Plant at Amarillo, Texas, or at any other defense facility of the Department of Energy unless the preparation of such statement is required by statute.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 16, after line 23, add the following new section:

RESTRICTION ON ENVIRONMENTAL IMPACT STATEMENT PREPARATION

SEC. 211. No funds appropriated pursuant to an authorization of appropriations contained in this Act may be obligated or expended for the purpose of preparing any environmental impact statement with respect to the operation of the Pantex Nuclear Weapons Plant at Amarillo, Texas, or at any other defense facility of the Department of Energy unless the preparation of such statement is required by statute.

□ 1545

Mr. STRATTON. Mr. Chairman, on the committee amendment, I understand that I have 5 minutes available in support of the committee amendment.

The CHAIRMAN. The gentleman is correct.

Mr. STRATTON. Mr. Chairman, this is an amendment that has caused some controversy and some misunderstanding. I think it is important for all of the Members to understand exactly what is involved.

As I said earlier in my remarks, the committee received a letter from the chairman of the Appropriations Energy Subcommittee back in May pointing out that he had learned from the Washington Post that an environmental impact study was going to be conducted at the Pantex nuclear weapons plant at Amarillo, Tex. That is the plant at which all of our nuclear weapons are assembled.

The fact of the matter is that, as we are aware, in the nuclear field we have turned the corner under this present administration. The United States has undertaken a major program to increase our nuclear weaponry. Under both President Carter and President Reagan, we have begun to move to close the gap between ourselves and the Soviets in nuclear weaponry. I refer to the MX, the air-launched cruise missile, the ground- and sea-launched cruise missile, the Pershing II, and the Lance nuclear artillery weapons. We are trying to close a window of vulnerability that will probably continue for another 4 or 5 years.

The role of the Department of Energy in this process is to provide the weapons and specifically the warheads for these weapons that we require. This is going to involve the expenditure of a great deal of Federal money and, more importantly, if we are going to close this window quickly, the Department of Energy is going to have to meet very exacting time schedules. Over the next few years the Department will have to retire thousands of old weapons and recover the nuclear material in them and then provide material for new weapons and produce thousands of new weapons. This involves a very extensive expansion.

One of the major concerns expressed by witnesses from the Department of Energy was that their schedule for weapons deliveries could easily be delayed because of the impact of the National Environmental Policy Act type lawsuits. The provisions of NEPA would appear to apply under the law only to major Federal actions that affect the environment and that took place after 1970, the effective date of that act.

Clearly, Congress did not intend for the Government to go backward and go into NEPA policies on things that have been in operation prior to that point.

But during the past administration, it became fashionable to sue the Federal Government over environmental impact statements and in South Carolina and at Oak Ridge, Tenn., both installations which predated the NEPA, EPA was actually encouraging local citizens to bring suit against other agencies of the Government.

Environmental impact statements take a long time to complete and they cost millions of dollars. If the enlargement and refurbishment of weapons facilities is going to have to wait for this environmental impact statement process, the defense of the Nation is going to suffer very definitely.

We are in a bind with this particular amendment. If the enlargement proposed for the Pantex plant in Texas is going to have to wait for completion of the environmental impact process to be carried out, the national defense is certainly going to be delayed, as much as 2 years. If, however, the impact statement that has been agreed to is going to be carried on at the same time that the construction work at Pantex goes along, then there is no real point in having an environmental impact statement at all. The end result is already predetermined.

The committee amendment would, therefore, prohibit the use of any funds in this bill for developing environmental impact statements at vital defense energy establishments.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent, Mr. STRATTON was allowed to proceed for 3 additional minutes.)

Mr. STRATTON. I hope that we can have order, Mr. Chairman, not because I am enchanted with the sound of my own voice, but only because this is a rather complicated subject and one that is I think of vast concern to the defense of the Nation.

The section in controversy provides that pursuant to an authorization of appropriation, no funds may be obligated or expended for the purpose of preparing any environmental impact statement with respect to the operation of the Pantex nuclear weapons plant at Amarillo, Tex., or at any other defense facility of the Department of Energy unless the preparation of that statement is required by statute.

It is not of course required by statute in the case of the Pantex plant which was in operation long before NEPA was enacted. This case came immediately to the attention of the subcommittee because of the agreement of the Department of Energy to go ahead with an environmental impact statement anyway, even though it was not required.

As I previously said, we undertook to put this section in our bill at the suggestion of the chairman of the Subcommittee on Energy of the Appropriations Committee, the gentleman from Alabama (Mr. BEVILL).

Mr. Chairman, I will be very happy to yield to the gentleman from Alabama (Mr. BEVILL).

Mr. BEVILL. Mr. Chairman, I thank the gentleman for yielding. I commend him and his committee for addressing this very important issue. As we know, the Council on Environmental Quality and the Environmental Protection Agency have expanded their jurisdiction through their own regulations.

Mr. Chairman, I rise in support of the committee amendment and wish to commend this committee for its foresightedness in addressing this issue. The unnecessary application of EIS requirements not required by statute could slow down the manufacture of some very important, highly classified weapons. The decision to prepare an EIS after a facility has been operating over 30 years is certainly out of place. It is something that this coun-

try just cannot afford to get into, slowing down and bogging down the production of these very important, highly classified weapons.

So I just want to commend the subcommittee chairman, his committee and subcommittee, that offered this amendment. I rise in support of it.

Mr. DINGELL. Mr. Chairman, I rise to strike the requisite number of words.

Mr. Chairman, I find this an interesting amendment. I would like the attention of the chairman of the subcommittee or the author of the amendment, or one of my colleagues to try to understand exactly what is done here.

As I gather, there is an attempt here to limit funds, or rather, to be expended for the preparation of environmental impact statements; is that correct?

Mr. STRATTON. The gentleman is correct, that none of the funds contained in this authorization can be obligated or expended for the purpose of preparing any environmental impact statement with respect to the operation of the Pantex nuclear weapons plants at Amarillo, Tex., or any other defense facility of the Department of Energy unless the preparation of such statement is required by statute.

Mr. DINGELL. I see.

Mr. STRATTON. That is in the bill and it is available for anybody that can read, actually.

Mr. DINGELL. What I am trying to figure out, what this says, though, is that if preparation of an environmental impact statement is required by statute, that funds will then be available for the preparation of such impact statement; is that correct?

Mr. STRATTON. That is correct; yes.

Mr. DINGELL. I see. I thank the gentleman, because I point out that under section 102(2)(C) of NEPA, if a matter is determined to be a major Federal action, and so forth, then NEPA itself—which is, of course, a statute—requires preparation of an EIS. This is understood under longstanding and numerous court decisions concerning NEPA. Many of those decisions also make it clear that NEPA applies to actions that took place prior to its enactment in 1970 as well as those that took place after 1970. The gentleman's explanation of the language is quite helpful in explaning the meaning of the provision. If the determination is made under NEPA, then funds shall be used to prepare the EIS. I just wanted to emphasize all this as the chief author of NEPA. I thank the gentleman.

Mr. HIGHTOWER. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to section 211 of the bill, H.R. 3413, for precisely the same reasons that Chairman STRATTON says that the provision is made. This involves the preparation of an environmental impact statement for the Pantex nuclear weapons plant at Amarillo, Tex., and other DOE defense facilities.

The Pantex nuclear weapons plant in my district is the only facility in the United States which assembles nuclear weapons. For national security reasons, it is vital that this plant be allowed to continue to operate.

The House Armed Services Committee recognizes this when it says in its report that the Department of Energy must provide the necessary nuclear warheads before the MX, the cruise missile, Trident, and other nuclear weapons achieve an initial operating capability.

Unless action is taken, a serious shortage of nuclear materials will occur within the 1980's. Of course, Chairman STRATTON wants and I want action to prevent this; but let me go ahead with the background behind this amendment. Because of the growing number of nuclear weapons being assembled at the Pantex plant and the anticipation that more capacity will be needed, it was decided that the Pantex operations would be expanded. The authorization for this expansion is contained in this bill before us today.

In June of last year, suit was brought by a group of concerned, respected citizens in my district, claiming that the expansion of the Pantex plant violated the environmental impact statement requirements of the National Environmental Policy Act.

The Department of Energy negotiated with this group and agreed to do an environmental impact statement on the plant expansion. In exchange for this promise of preparation of the impact statement, the group bringing the suit agreed to terminate the lawsuit and give up the right to request an injunction to halt the Pantex expansion.

In other words, the Department of Energy entered into a contractual obligation to do the environmental impact statement.

There are a number of reasons for going ahead with the DOE impact statement at the Pantex plant. For one thing, DOE has done an environmental impact statement on nearly every other major nuclear facility. I say this particularly for the benefit of my friend and colleague on the Appropriations Committee, Chairman BEVILL.

□ 1600

Rockie Flats, Los Alamos, Sandia, most have had full-blown environmental impact statements done by the Department of Energy. There is no reason why the Pantex facility should be singled out to be exempt from a study that has been done in all other nuclear facilities.

A second reason is that if DOE fails to live up to its contractural obligations with the plaintiffs in the former suit, my colleagues can count on the plaintiffs reopening that suit in the court, something that I do not want to happen.

I have been assured by the attorney for the plaintiffs that an injunction to halt Pantex's expansion will be sought. We must not let that happen.

If this injunction is granted, then expansion of the Pantex facility, this very critical facility that the Armed Services Committee report says is critical to our national defense security needs, could be delayed indefinitely. Under the present agreement, construction is going on. Nothing is being delayed.

What could have been a very difficult situation has been ironed out. In a settlement we put the cap or put a lid on a troubled situation that could have caused difficulty. But we have an environment in our community of wanting that facility. We do not want it moved, but we want it operated safely and for the protection of everybody, and that is all that anybody, any Member of this House would want.

But another good reason for allowing DOE to continue with its statement is simply that the agency has promised it would do so. It was negotiated in good faith. It is a mistake to retroactively terminate DOE's ability to make good its promise. These studies have already begun. Hearings have already begun on the impact statement.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent, Mr. HIGHTOWER was allowed to proceed for 5 additional minutes.)

Mr. HIGHTOWER. Section 211 makes no sense no matter how one looks at it, and I am not the only one who believes this.

On June 8 of this year the Office of Management and Budget issued a position statement:

> Although the administration supports House passage of H.R. 3413, it urges deletion of section 211 which concerns the application of the environmental impact statement to DOE defense facilities. Section 211 is unnecessary and could lead to needless litigation.

This document I have just quoted from was signed by officials from the Office of Management and Budget, the Department of Energy, the Council on Environmental Quality, the Environmental Protection Agency, and the Department of Justice. The administration's position is that this provision should not be in the bill.

Mr. Chairman, the only opposition to allowing the Pantex environmental statement to be completed seems to be coming from the committee itself. I believe the committee has misread the situation. I had one DOE official say

to me, "If people think they are helping us by passing section 211, they are not. They are hurting us."

I strongly urge my colleagues in the House to pay attention to the comments of the executive agencies and vote to delete this committee amendment from the body of the bill.

I yield back the balance of my time.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think we ought to understand just how significant this whole issue is. The gentleman from Texas (Mr. HIGHTOWER) and I are both in agreement that we want the development of nuclear weapons to continue and we want the development of nuclear weapons to continue at Pantex in Amarillo where 2,000 people are involved.

But the problem is that if you have an environmental impact statement underway, there is no assurance that the operations of the installation which is being environmentally examined can continue. We have a number of court decisions on the books to demonstrate that. The whole purpose of an environmental impact statement is to take a look at the environment where a particular activity is going on and see whether the environmental circumstances there are such as to protect the health and welfare of the people and the flora and fauna or whatever it may be.

The gentleman from Texas (Mr. HIGHTOWER) has pointed out that the group which was opposing the Pantex plant and had brought a suit against the Government, agreed to cease and desist and allow the operations of the Pantex plant to continue while the environmental impact statement was in preparation.

But the fact of the matter is that some other environmental group can still go to court and demand that the operations be suspended in line with prior Supreme Court decisions. In this particular case at Pantex the Federal Register outlines exactly what the environmental statement is going to be looking for as far as Pantex is concerned. They say they intend to analyze a range of alternatives to the operations presently taking place at Pantex.

Alternatives which they identified were continued operation and new facilities at Pantex; relocation of some or all of Pantex's operations to existing facilities elsewhere; and even relocation of all operations to new facilities at another site near Burlington, Iowa.

Well, if there is a chance that the EIS would require the transfer of the operations of Pantex to Burlington, Iowa, or if we are going to close them down because they are not safe enough, it so happens that there is $28 million in this bill to proceed with new construction at Pantex. What is the point of proceeding with any new construction there if these people in DOE are going to come up after the EIS has been developed and say, "No, we ought to move this to Burlington, Iowa."

The United States Code Annotated, title 42 on environmental policy in section 4332 notes that a Supreme Court decision indicates that—

> Balancing of the equities required that work on proposed New Melones Dam project be permitted to continue but that the actual construction not be permitted to continue while the environmental impact statement was being supplemented to deal with tentative alternative uses to which conservation yield might be put.

Another case in Hawaii states:

> Even if particular segments of a project have no appreciable effect on the environment, work on such segments cannot be allowed to go forward, absent showing of irraparable injury from delay.

This means that the Federal Government, in other words, if somebody wants to go to court and cite these cases, they will be able to stop the operations at Pantex, regardless of what the gentleman from Texas has said, regardless of what the peace organizations there have agreed to do, and regardless of what the Department of Energy says until the environmental impact statement has been completed.

So it simply is a question whether this House thinks seriously enough about building up our nuclear arsenal to match the Russians, and thus enable us to go to a SALT negotiation from a position of strength, or whether we are willing to tie up the whole nuclear weapon schedule by permitting these unneeded environmental impact statements to continue.

The CHAIRMAN. The time of the gentleman from New York has expired.

(At the request of Mr. HIGHTOWER, Mr. STRATTON was allowed to proceed for 5 additional minutes.)

Mr. HIGHTOWER. Will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Texas (Mr. HIGHTOWER).

Mr. HIGHTOWER. In the first place, we are talking about construction that is going ahead. As was pointed out, the agreement was, in the dismissal of the lawsuit, that they go ahead with the construction.

In addition to what has already been authorized and already been appropriated, there are plans in future years for the construction of about $35 million more. Certainly we should go ahead and do what we ought to do, but have we really been wise, have we spent the taxpayers' dollars correctly if, after we have built all of this, we find that we do not have the water resources to support that new construction?

What we want to do is go ahead with the plans that have already been made, with the authorized money which has already been appropriated. We believe there is no question about that. I hope the environmental impact statement will say that there are going to be water resources there that will take care of the future planned expansion. But if there is not, we have wisely planned now instead of waiting at some future time and saying, "Well, we made a mistake, we did not have the water to do it; we are sorry, we are going to have to go somewhere else." If some other decision is going to have to be made, let it be made properly. Let it be made in the time frame that we will have to do it and not sit back and say we are not even going to look at that until it is too late.

Mr. STRATTON. If the gentleman wants the environmental impact statement to go forward and if the environmental impact statement ultimately finds there is not enough water or not enough something else and says "No, you cannot properly carry out additional construction at Pantex, and you will have to move to Burlington, Iowa," then what is the point of our having spent $23 million in this bill for construction in Texas?

You either have to wait until the results of the environmental impact statement are in or else the whole exercise is a phony.

Mr. HIGHTOWER. No; we believe we have everything we need for now.

Mr. STRATTON. The gentleman believes that, but——

Mr. HIGHTOWER. That is right.

Mr. STRATTON. But the purpose of the environmental impact statement is for the Government to determine that fact, not guess at it.

Mr. HIGHTOWER. The previous study was done and should not the Government find out, should they not know how they are going to spend the $55 million.

Mr. STRATTON. But why should we spend the money if the gentleman says everything is OK now. If it is OK, why inquire at all? This is the thing we object to, having the Department of Energy yield to these groups and spend $2 million or $3 million of the Government's money to try to find out something when that effort is not required by statute, and when the Congressman from the district is certain that all of the requirements are met. We are wasting the taxpayers' money, are we not?

Mr. HIGHTOWER. If I was not certain, I would say so. But the thing is we should do things orderly and we have worked out an agreement. We have a good situation. We should abide by the agreement. What we are doing here is saying it does not make any difference what the court said, and the Department of Energy is not just caving in. They do not just cave in. The Department of Justice and the Department of Energy said that there

should be an environmental statement. If they needed one at Los Alamos and Sandia and other places, why not have one at Amarillo?

Mr. STRATTON. The gentleman from Alabama (Mr. BEVILL) in the letter I read earlier, has indicated that the Department of Energy has been caving in on these matters for some time. Maybe it is all right in some areas. But when it comes to trying to build nuclear warheads for the MX and the Trident missiles, an air-launched cruise missile, I do not think we can afford the risk of the kind of interruptions and uncertainty that this environmental study inevitably entails. Someone has got to have the guts to stand up and support our defense program and not let the people down in the DOE give everything away.

I urge that the committee amendment be adopted.

AMENDMENT OFFERED BY MR. HIGHTOWER AS A SUBSTITUTE FOR THE COMMITTEE AMENDMENT

Mr. HIGHTOWER. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. HIGHTOWER as a substitute for the committee amendment: Strike all of section 211 and insert the following:

RESTRICTION ON ENVIRONMENTAL IMPACT STATEMENT PREPARATION

SEC. 211. No funds appropriated pursuant to an authorization of appropriations contained in this Act may be obligated or expended for the purpose of preparing any environmental impact statement not already in the process of preparation with respect to the operation of any defense facility of the Department of Energy unless the preparation of such statement is required by statute.

Mr. HIGHTOWER. Mr. Chairman, what this does is just take the Amarillo situation out. If they want to require an environmental impact statement at future installations, that is fine; I have no problem with that. But we have an agreement here. We have a situation that requires it.

I think we have not really served our constituents, my constituents or yours, any taxpayers if we say that we are not going to pay any attention to what the natural resource requirements are for a particular facility.

I am as much a proponent of my district as any chamber of commerce man there, but I would not stand up and ask that we put a shrimp-packing plant in Amarillo, Tex., because we do not have the shrimp and we do not have the water, and we are not going to get it.

If we do not have the natural resource requirements, why should we close our eyes and say we want to build it there?

□ 1615

I want us to go ahead and build or expand on what we have. After careful studies, the authorization was granted; the money has been appropriated; let us go ahead. But before we do anything else, we will have this environmental impact statement. Under the present authorizations, under the present appropriations, we are all right, and we want to go ahead and proceed, but we do not want to be precluded from not going further down the line if we can. And we want to do it.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. HIGHTOWER. I will be happy to yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding. I would just like to ask the gentleman something. As I understand it, the Department of Energy agreed in the settlement of a lawsuit to prepare an environmental impact statement; is that correct?

Mr. HIGHTOWER. That is correct.

Mr. SEIBERLING. So what the committee amendment would do is to say that you have to carry every case through to litigation and you cannot settle it because if you settle it, you have agreed to it, and someone can argue that it was not required by statute because you voluntarily agreed; is that not right?

Mr. HIGHTOWER. That is my understanding, and contrary to the idea of Mr. STRATTON's about it, I do not think that this is going to keep us out of the courts. If this amendment were to pass as it is, not my substitute, but the amendment to the bill, I am afraid that we will be right back into court because of the agreement having been abrogated, and that we might run into a situation where we would have some kind of injunction. We have got a good situation. We have a good local situation. Let us not disturb it. We want to go ahead. We want to fulfill the mission of the Pantex plant. We want to build those nuclear weapons, and we want to build them in an orderly and sensible way.

Mr. SEIBERLING. If the gentleman will yield further, I think he makes a very persuasive argument in this case. What disturbs me about the committee amendment, though, quite apart from his case, is that it would mean that the Government could not settle litigation involving an environmental impact statement. They would always have to pursue them all the way to a final court judgment, which could actually end up costing more and taking more time.

Mr. HIGHTOWER. We might be accused of caving in.

Mr. SEIBERLING. I thank the gentleman.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. HIGHTOWER. I will be glad to yield to the gentleman from New York.

Mr. STRATTON. I thank the gentleman for yielding. I certainly understand the gentleman's interest in his own district and in continuing production in his district. But I think that his amendment really boils down to saying that we will stop all of the environmental impact statements except the one at Amarillo, Tex. This is a little bit like somebody on a diet saying, well, I will eat this chocolate mousse tonight and I will begin the diet tomorrow.

I will predict that if this amendment, this substitute amendment, succeeds, you are going to see environmental groups not only at Amarillo, but you are going to see them at Los Alamos and Livermore; and all the antinuclear people are going to be encouraged because they are going to know that Congress has backed up the Department of Energy and said, let them go ahead with delays on any production at any nuclear plant, even though it is not required by statute. I hope the substitute amendment will be rejected.

Mr. HIGHTOWER. If I might reply to that, what we have said in the substitute amendment is this would cut off all environmental impact statements not already in the process of preparation, which would make it possible for us to go ahead and complete the situation at Amarillo, but in every other respect, Mr. Chairman, it would be exactly as you have it.

Mr. STRATTON. I just hope we do not appropriate this $23 million and then have the Texas plant end up at Burlington, Iowa. That is my concern.

Mr. HIGHTOWER. I do not want to do that either. That is why I am working at this point.

Mr. McCURDY. Mr. Chairman, will the gentleman yield?

Mr. HIGHTOWER. I will be glad to yield to the gentleman from Oklahoma.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. McCURDY, and by unanimous consent, Mr. HIGHTOWER was allowed to proceed for 2 additional minutes.)

Mr. McCURDY. If the gentleman will yield, does he have a time frame? Has there been an agreement as to when this environmental impact statement is due?

Mr. HIGHTOWER. Yes; the final is supposed to be in 1982. I believe it is October 1982. But in the meantime construction is proceeding. It is not slowing up anything. Nobody is waiting. That was part of the agreement we got when we settled the lawsuit.

Mr. McCURDY. Is that a written agreement?

Mr. HIGHTOWER. Yes; it is approved by the Federal court.

Mr. McCURDY. All right. I am on the subcommittee that handled that.

At the time we were discussing this, this, of course, was not presented. We did not have that information.

Mr. HIGHTOWER. I regret that.

Mr. McCURDY. All right. I tend to support the gentleman's amendment in this particular situation, provided that it is something that is in the court record. The gentleman has some confirmation of an agreement that there is going to be a set time frame and, hopefully, we can get this thing resolved.

Mr. HIGHTOWER. Yes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. HIGHTOWER) as a substitute for the committee amendment.

The question was taken; and on a division (demanded by Mr. HIGHTOWER) there were—ayes 38, noes 28.

RECORDED VOTE

Mr. STRATTON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 233, noes 122, not voting 76, as follows:

[Roll No. 74]

AYES—233

Addabbo	Edwards (OK)	Ireland
Akaka	Emery	Jacobs
Andrews	English	Jeffords
Annunzio	Erdahl	Jenkins
Anthony	Ertel	Jones (NC)
Applegate	Evans (DE)	Jones (TN)
Archer	Evans (GA)	Kastenmeier
Atkinson	Evans (IN)	Kildee
Barnard	Fary	Kindness
Bedell	Fascell	LaFalce
Bellenson	Fenwick	Lantos
Benedict	Ferraro	Latta
Benjamin	Fiedler	Leach
Bereuter	Fields	Lehman
Biaggi	Fish	Levitas
Bingham	Florio	Livingston
Blanchard	Foglietta	Loeffler
Boggs	Foley	Long (LA)
Boner	Ford (MI)	Long (MD)
Bonior	Ford (TN)	Lowery
Bouquard	Fowler	Lowry
Breaux	Frank	Lujan
Brodhead	Frost	Markey
Brooks	Garcia	Marks
Burgener	Gejdenson	Marlenee
Burton, John	Gephardt	Matsui
Burton, Phillip	Gilman	Mattox
Butler	Gingrich	Mazzoli
Chisholm	Ginn	McClory
Clausen	Glickman	McCloskey
Clinger	Gonzalez	McCurdy
Coelho	Gore	McEwen
Collins (IL)	Gramm	McHugh
Collins (TX)	Gray	McKinney
Conte	Green	Mikulski
Coughlin	Gunderson	Miller (OH)
Courter	Hall, Ralph	Mineta
Coyne, James	Hall, Sam	Minish
Crockett	Hamilton	Mitchell (MD)
D'Amours	Harkin	Mitchell (NY)
Daschle	Hatcher	Moakley
Daub	Hawkins	Moffett
Deckard	Heckler	Moorhead
Dellums	Hefner	Murphy
DeNardis	Heftel	Napier
Derrick	Hertel	Natcher
Dixon	Hightower	Nowak
Donnelly	Hopkins	O'Brien
Dorgan	Horton	Oakar
Downey	Howard	Oberstar
Dwyer	Hoyer	Obey
Dyson	Hubbard	Ottinger
Early	Huckaby	Panetta
Eckart	Hughes	Patman
Edwards (CA)	Hutto	Pease
Pepper	Schroeder	Tauzin
Perkins	Schumer	Udall
Pickle	Seiberling	Vento
Pritchard	Shamansky	Volkmer
Rahall	Shannon	Walgren
Railsback	Sharp	Walker
Ratchford	Shumway	Wampler
Regula	Shuster	Washington
Reuss	Simon	Watkins
Rhodes	Smith (NE)	Waxman
Rinaldo	Smith (NJ)	Weaver
Rodino	Snowe	Weiss
Roemer	Snyder	White
Rogers	Solarz	Williams (MT)
Rose	Stangeland	Williams (OH)
Rostenkowski	Stanton	Wirth
Roth	Staton	Wolf
Roybal	Stenholm	Wolpe
Russo	Stokes	Yates
Sabo	Studds	Young (AK)
Savage	Swift	Young (MO)
Scheuer	Synar	Zeferetti
Schneider	Tauke	

NOES—122

Anderson	Dunn	McGrath
Badham	Emerson	Michel
Bailey (MO)	Evans (IA)	Molinari
Bailey (PA)	Findley	Mollohan
Beard	Flippo	Montgomery
Bennett	Forsythe	Moore
Bethune	Fountain	Morrison
Bevill	Frenzel	Murtha
Bliley	Fuqua	Myers
Bonker	Gaydos	Nelson
Bowen	Gibbons	Nichols
Brinkley	Gradison	Parris
Broomfield	Gregg	Pashayan
Brown (CA)	Grisham	Patterson
Brown (CO)	Hagedorn	Petri
Brown (OH)	Hall (OH)	Price
Broyhill	Hammerschmidt	Ritter
Byron	Hansen (ID)	Roberts (KS)
Campbell	Hansen (UT)	Robinson
Carman	Hendon	Roukema
Carney	Hiler	Rousselot
Chappie	Holt	Sawyer
Coats	Hunter	Schulze
Coleman	Hyde	Shaw
Conable	Jeffries	Siljander
Corcoran	Kemp	Smith (AL)
Coyne, William	Lagomarsino	Smith (IA)
Craig	LeBoutillier	Smith (OR)
Crane, Daniel	Lee	Solomon
Crane, Philip	Lent	Spence
Daniel, Dan	Lewis	Stratton
Daniel, R. W.	Lott	Stump
Dannemeyer	Luken	Taylor
Davis	Lungren	Thomas
Dickinson	Madigan	Weber (MN)
Dicks	Marriott	Whitehurst
Dingell	Martin (NC)	Whittaker
Dornan	Mavroules	Whitten
Dougherty	McCollum	Winn
Dreier	McDade	Wortley
Duncan	McDonald	

NOT VOTING—76

Albosta	Hance	Richmond
Alexander	Hartnett	Roberts (SD)
Ashbrook	Hillis	Roe
Aspin	Holland	Rosenthal
AuCoin	Hollenbeck	Rudd
Bafalis	Johnston	Santini
Barnes	Jones (OK)	Sensenbrenner
Boland	Kazen	Shelby
Bolling	Kogovsek	Skeen
Chappell	Kramer	Skelton
Cheney	Leath	St Germain
Clay	Leland	Stark
Conyers	Lundine	Traxler
Cotter	Martin (IL)	Trible
Danielson	Martin (NY)	Vander Jagt
de la Garza	Mica	Weber (OH)
Derwinski	Miller (CA)	Whitley
Dymally	Motti	Wilson
Edgar	Neal	Wright
Edwards (AL)	Nelligan	Wyden
Erlenborn	Paul	Wylie
Fazio	Peyser	Yatron
Fithian	Porter	Young (FL)
Goldwater	Pursell	Zablocki
Goodling	Quillen	
Guarini	Rangel	

□ 1630

The Clerk announced the following pairs:

On this vote:

Mr. Hollenbeck for, with Mr. Nelligan against.

Mr. Paul for, with Mr. Quillen against.

Mr. Porter for, with Mr. Trible against.

Mr. Roberts of South Dakota for, with Mr. Vander Jagt against.

Mr. Rudd for, with Mr. Hartnett against.

Mr. Skeen for, with Mr. Derwinski against.

Mr. Wylie for, with Mr. Kramer against.

Messrs. DANNEMEYER, SMITH of Oregon, HUNTER, SILJANDER, DANIEL B. CRANE, COLEMAN, ROUSSELOT, KEMP, and FOUNTAIN changed their votes from "aye" to "no."

Messrs. FRANK, MOFFETT, BARNARD, and DOWNEY, Ms. OAKAR, Mr. JAMES K. COYNE, Mrs. FENWICK, Mr. GILMAN, and Mr. LONG of Maryland changed their votes from "no" to "aye."

So the amendment offered as a substitute for the committee amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MRS. SCHROEDER

Mrs. SCHROEDER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. SCHROEDER: Page 16, line 4, insert "(a)" after "SEC. 210.".

Page 16, after line 23, add the following:

(b)(1) No funds appropriated pursuant to an authorization of appropriations contained in this Act may be obligated or expended for the purpose of contracting for, or of fulfilling obligations under any previously existing contract for, the performance of security and protective functions at the Los Alamos National Laboratory.

(2) Nothing in paragraph (1) shall prevent the Secretary of Energy from obligating or expending funds for the purpose of terminating, as rapidly as possible after the date of the enactment of this Act, any existing contract for the performance of security and protective functions at the Los Alamos National Laboratory.

(3) Notwithstanding the provisions of the Office of Management and Budget Circular A-76, "Policies for Acquiring Commercial or Industrial Products and Services Needed by the Government", the security and protective functions at the Los Alamos National Laboratory shall be performed by Government personnel and shall not be subject to performance by contract.

Mrs. SCHROEDER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

Mr. STRATTON. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from New York, to whom I have shown the amendment.

Mr. STRATTON. I thank the gentlewoman for yielding.

Mr. Chairman, we on this side have had an opportunity to review the amendment offered by the gentlewoman from Colorado. We have no objection to the amendment and we are prepared to accept it.

Mrs. SCHROEDER. I thank the gentleman from New York for his comments.

Mrs. HOLT. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentlewoman from Maryland.

Mrs. HOLT. I thank the gentlewoman for yielding, and I want to commend the gentlewoman for offering this amendment.

This was a subject of hearings in Los Alamos. I think it is absolutely essential that we have Federal guards at this facility, so I am very pleased to say that I accept the amendment.

Mrs. SCHROEDER. I thank the gentlewoman.

Mr. LUJAN. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from New Mexico.

Mr. LUJAN. I thank the gentlewoman for yielding.

Mr. Chairman, the entire congressional delegation from New Mexico is concerned because we are proud of our laboratories and would certainly not want to see anything happen here.

There are a number of issues that I wish to address this morning:

First and foremost, it is my feeling that under a contract arrangement, security would suffer. For example, the ground force today cannot go on strike, a contract guard force can.

As a matter of fact, the Los Alamos guard force has been used as a backup when strikes have occurred in Las Vegas. It is essential that we keep such a force in Los Alamos to fill in in sensitive areas during strikes.

Where does this stop? The next thing we hear is a contract fire department.

The guard force is composed 100 percent of veterans. There is no veteran's preference requirements in the contract.

Cost: The claim is made that the cost under a contract arrangement will be less. While money is important, security is paramount. But, what I cannot understand is if the contractor can save $3 million why the Department of Energy cannot do the same through better management.

The figures are suspect. For example: $1 million per year is now allocated to overhead and $264,000 for general administrative expense under a Government operation, but only $176,000 for contract administration and $13,000 for general and administrative expense under contract. Can a cost-plus contract really be cheaper?

What about the employees? What happens to those that have paid in several years to a retirement plan?

Let me point out that there are about 150 positions. The need is for 250. If the 250 are hired under contract, what happens to the 150 positions now authorized? I suspect that they will be distributed throughout DOE to be used in other areas.

There is no question that there is a need to beef up security in Los Alamos but the solution is to authorize an additional 100 slots in the guard force.

Mrs. SCHROEDER. I thank the gentleman.

Mr. Speaker, since the Members know what the amendment is all about, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Colorado (Mrs. SCHROEDER).

The amendment was agreed to.

Mr. HERTEL. Mr. Chairman, I move to strike the last word.

□ 1645

Mr. Chairman, I rise to address the bill as amended at this point. I think we have an inconsistency in the bill at this time. The Hightower amendment to the committee amendment now states in the bill that aside from one project in Texas, all other defense facilities in the DOE will be exempted from the National Environmental Protection Act, unless there is a latter statute or another statute on the books that specifically says they shall come under NEPA. I do not think that is the intent of this body. I opposed that amendment in the committee for this very reason. I do not think that any of us in our States or districts wants to automatically say that Department of Energy defense facilities will be exempted from NEPA. So, I opposed that amendment.

I think the Hightower amendment shows the great inconsistency in the fact that that can happen to any one of us in our districts or in our States, too, to be in that very same problem of saying they are exempted from NEPA.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. HERTEL. I yield to the gentleman from New York.

Mr. STRATTON. I certainly would not quarrel with the gentleman's point of view, but I think the record ought to be absolutely clear that there is nothing in the amendment which the House has adopted which exempts anybody from NEPA. It simply says that none of the funds in the act shall be expended for environmental impact statements of defense facilities that are not required by statute.

Mr. HERTEL. I thank the gentleman for the clarification and I agree. But then how could things proceed with NEPA if those facilities cannot be defended with funds either in this act in that way? What then is the purpose of the committee amendment?

Mr. STRATTON. The only thing that NEPA covers are those things that are required by the statute.

Mr. HERTEL. Mr. Chairman, I reluctantly arise at this late hour, but I felt I did have to be consistent. I did feel there was some misunderstanding amongst the Members of the House.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. HERTEL. I yield to the gentleman from Georgia.

Mr. LEVITAS. I thank the gentleman for yielding.

I would like to ask the gentleman this question: It is my understanding that the amendment has the effect that the gentleman has indicated, but that in terms of environmental concerns it was an improvement over the language that was in the committee bill as reported to the House.

Would the gentleman care to comment on that?

Mr. HERTEL. I would disagree. I think clearly the aim is to get away from NEPA. That was the aim of the committee amendment. I think the Hightower substitute shows the need in fact not to have this committee amendment.

Mr. LEVITAS. If the gentleman would yield further, did the committee position in the bill as reported, did it require environmental impact statements for these same projects?

Mr. HERTEL. There is a question as counsel to the committee points out, as to whether something is a major change in an existing facility and therefore whether NEPA should be brought in or not. That might be alluded to in the amendment where it talks about referring to other statutes at the end of the substitute amendment as it is before the House now.

My point is that as I read the committee amendment as substituted and as previous to the discussion, it says that NEPA will not operate when there is a defense facility under DOE.

Mr. LEVITAS. If the gentleman will yield further, it seems to me that whatever the merits or demerits, that the Hightower amendment may be less damaging than the committee position.

I thank the gentleman.

Mr. HERTEL. The Hightower amendment I think just clearly shows the problem with the committee amendment itself because what it does is allow the gentleman from Texas to exempt one facility from the damage that we do to NEPA and the law.

Mr. ROEMER. Mr. Chairman, will the gentleman yield?

Mr. HERTEL. I yield to the gentleman from Louisiana.

Mr. ROEMER. I thank the gentleman for yielding.

The gentleman agrees then that the Hightower amendment does less than the damage committed by the committee in the original amendment; is that not true?

The CHAIRMAN. The time of the gentleman from Michigan (Mr. HERTEL) has expired.

(By unanimous consent Mr. HERTEL was allowed to proceed for 1 additional minute.)

Mr. HERTEL. Very briefly, what it does is just say the plant from Texas is exempted, only that plant. So it only improves it for that gentleman's district, yes. But it points out that some of us might have that problem in the future just as the gentleman brought it to the floor in substituting the committee's amendment. I think my point is clear.

The CHAIRMAN. Are there further amendments to the bill?

If not, under the rule, the Committee rises.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. RAHALL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3413) to authorize appropriations for the Department of Energy for national security programs for fiscal year 1982, and for other purposes, pursuant to House Resolution 155, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PARLIAMENTARY INQUIRY

Mr. JOHN L. BURTON. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. JOHN L. BURTON. Mr. Speaker, I was on my feet asking for the yeas and nays.

Mr. SPEAKER. The request comes too late. The motion to reconsider has been laid on the table.

AUTHORIZING CLERK TO MAKE CHANGES IN SECTION NUMBERS, CROSS-REFERENCES, PUNCTUATION, AND OTHER TECHNICAL CORRECTIONS IN ENGROSSMENT OF H.R. 3413

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the Clerk, in the engrossment of the bill, H.R. 3413, be authorized and directed to make such changes in section numbers, cross references, punctuation, and other technical corrections as may be required.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

GENERAL LEAVE

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the bill, H.R. 3413, just passed.

The SPEAKER. Is there objection to the request of the gentlemen from New York?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. LOTT asked and was given permission to address the House for 1 minute.)

Mr. LOTT. Mr. Speaker, I ask for this 1 minute for the purpose of inquiring as to the legislative schedule for next week.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the distinguished majority whip, the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. I thank the distinguished Republican whip.

Mr. Speaker, the program for next week is as follows:

The House will meet at noon on Monday and will consider the Consent Calendar. There are no suspensions.

The House will then consider H.R. 2614, the Department of Defense Supplemental Authorization Act of 1981, an open rule, with 1 hour of general debate. The rule has been adopted, but we will consider the bill for general debate only. It is not anticipated that there will be any votes on Monday next.

Tuesday, the House will meet at noon and we will have the call of the Private Calendar.

Again there will be no suspensions.

The House will take up H.R. 3480, the Legal Services Corporation Act. The rule was adopted today. It is a 1-hour rule. It is subject to amendments printed in the RECORD 48 hours in advance.

Wednesday and the balance of the week, the House will continue consideration of H.R. 3480, the Legal Services Corporation Act, and will complete consideration, and also consider H.R. 2614, the Department of Defense Supplemental Appropriations Act, on which we adopted the rule today. We would then consider H.R. 3238, the Public Broadcasting Act amendments, under an open rule, with 1 hour of debate.

I would like to advise, Mr. Speaker, all Members, that there is a possibility of a Friday session next week. We intend to complete the business scheduled for Wednesday and the balance of the week and that may well involve a Friday session. So Members should be put on notice that at this time there is a possibility of a Friday session next week.

Mr. LOTT. I would like to ask a series of questions, if I could. First of all, I would like to again inquire—there will be no business tomorrow?

Mr. FOLEY. The gentleman is correct. When the House adjourns tonight, it will be my purpose to ask unanimous consent to adjourn until Monday next.

Mr. LOTT. And no votes on Monday?

Mr. FOLEY. There are no votes planned on Monday because the House will only be taking up general debate. Obviously all Members are advised that procedural votes could occur. It is the hope on both sides that they do not, but it is always possible.

Mr. LOTT. I note on here that there are no anticipated suspensions either on Monday or Tuesday, however sometimes suspensions do have a way of appearing on the schedule on short notice. Do we have any feel about suspensions?

Mr. FOLEY. At the present time we do not have any plans to bring matters before the House on suspension. It is certainly always a possibility.

Mr. LOTT. Now on Tuesday I take it that the amendments would be in order and we probably will have votes on Tuesday on amendments to the Legal Services Corporation; is that correct?

Mr. FOLEY. It is anticipated that we will have amendments considered on Tuesday, that is correct.

Mr. LOTT. As I look at the schedule here for Wednesday and the balance of the week, I see only three bills. It is possible, I presume, that we could finish that on Thursday and if we do finish it on Thursday, then we might not have a session on Friday; is that correct? Although there is a possibility.

Mr. FOLEY. If the gentleman will yield further, if we complete the business which I have announced for Wednesday and the balance of the week by Thursday afternoon, it would not be the plan to meet on Friday, but it depends on how expeditiously the House proceeds with the schedule

which is announced for Wednesday and the balance of the week.

Mr. LOTT. Just one final question: I see that reconciliation is not on the schedule for next week. Do we have any idea at this point when the reconciliation matter would be considered on the floor?

Mr. FOLEY. We anticipate it will be the following week.

The SPEAKER. May the Chair respond to that? The leadership had intended to bring up the reconciliation on Thursday and Friday of next week. As the gentleman knows, the document may be quite large, possibly with a report of over 4,000 pages. In view of the fact that it cannot be printed in sufficient time to be available to the Committee on Rules, consideration will be postponed. The minority may well be also offering a document and the majority may be offering a document. So after the Rules Committee reports a rule, the leadership might schedule the bill so that sometime—be available for Members to study the bill.

So it is doubtful that the bill can be scheduled the week after next. But if it is possible, the leadership will do that. It will be scheduled as quickly as it possibly can.

Mr. LOTT. I thank the Speaker and I yield to the gentleman from New York (Mr. SOLOMON).

Mr. SOLOMON. To the Republican whip or the majority leader, I would like a clarification on the Legal Services Corporation legislation.

Do I understand we will be allowed to file amendments with the desk on Monday and that will consititue 48 hours, being 2 working days, Monday and Tuesday?

Mr. LOTT. I yield to the gentleman from Washington (Mr. FOLEY) if he would care to respond to that.

The SPEAKER. The Chair will answer that the bill will be up on Tuesday for general debate and for amendments. It is not anticipated, in view of the interest in the bill, that the House will be able to complete the bill on that day.

□ 1700

So, any amendment that would be offered on Tuesday would have to be filed today. Any amendment filed on Monday could be offered on Wednesday if offered to a portion of the bill not yet read.

The chairman of the Judiciary Committee is present. The Chair is sure he can answer the question.

Mr. SOLOMON. Would the distinguished minority whip yield further?

Mr. LOTT. I would be glad to yield to the gentleman further.

Mr. SOLOMON. If I understood the Speaker correctly, he said that we have to file amendments today that would be allowed on Tuesday on the Legal Services Corporation.

Mr. LOTT. That is correct.

Mr. SOLOMON. That is outrageous.

Mr. LOTT. I might say, of course, he did go on to say that if we did not complete consideration on Tuesday, amendments filed in the RECORD on Monday would be in order, but if we do finish it on Tuesday the gentleman is right, they would have to be in here today. That is why I voted against the rule, one of the reasons. We do not do it ordinarily, but I felt there was a possibility that some Members could have difficulties as a result of the rule.

Mr. SOLOMON. For those Members that made the mistake of voting for that rule, I think they understand why most of us voted against that rule, for that very reason.

Mr. LOTT. I yield to the gentleman from Washington.

Mr. FOLEY. I do not have anything to add. I think it is only fair to say that the rule was adopted by the House under considerations which required a 48-hour notice, and the gentleman should not be surprised by that. That was in the rule.

Mr. LOTT. Could we have some assurance, perhaps, that this bill will go over until Wednesday?

Mr. FOLEY. I cannot give the gentleman assurance that the bill will go over until Wednesday. I think it is the assumption of almost everybody in the House that the bill would require 2 days. But, I believe the rule requires that the bill be read by section, and so if there are any amendments to the early sections they would probably have to be filed tonight.

Mr. LOTT. Well, it does put a burden on the Members.

Mr. FOLEY. The bill is to be read by section, but if there are amendments to early sections of the bill, they would have to be offered either by filing them tonight, if the bill comes up as it is planned Tuesday, or by substitute proposal at the end of the section.

Mr. LOTT. Again, I say it does put a burden on the Members in that, because we are not going to be in session on Friday, that they would have to get their amendments in now, which could preclude some Members from having that 1 additional day or the weekend to draft amendments.

I do wish we could get some sort of agreement that we would go over until Wednesday to give Members that opportunity to at least have Monday to file their amendments.

The SPEAKER. In response to the gentleman, the Chair would hope there would be no objections to a unanimous-consent request to have until midnight tomorrow night to file the amendments.

Mr. LOTT. If it would be in order, I would like to make that request.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. ECKART. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

Mr. SOLOMON. Mr. Speaker, will the gentleman yield further?

Mr. LOTT. I yield to the gentleman.

Mr. SOLOMON. If the gentleman insists on objecting on that point, I just might object to not having a session tomorrow and laying it over until Monday.

Mr. LOTT. I would like to, if I could, Mr. Speaker, ask if the chairman of the Judiciary Committee would have any comment. I would be glad to yield to him at this point.

Mr. RODINO. Mr. Speaker, I would like to state that the House has been well advised as to what the rule was, and the rule has been voted on. It was voted on substantially, and I believe that we ought to proceed with the business as proposed in the rule.

Mr. LOTT. Well, I am raising this question because there is a possibility that Members on this side of the aisle and on both sides might start objecting on procedural points, and I would hope that we would not get into that. I think it really has just come to Members' attention because of the schedule being announced that they would be precluded from perhaps having amendments in order on Wednesday, or being able to print them on Monday. I am just trying to have some way of getting away from those procedural amendments.

Mr. RODINO. I merely state, I think that the Members want to act responsibly. I think the Committee on the Judiciary, which had a responsibility to go before the Rule Committee, discussed that rather adequately in the rule that was granted, and I do not see any need unless the Members want to now resort to some unusual procedure, and it is permissible, fine with me.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman.

Mr. FOLEY. Mr. Speaker, I think the gentleman from New York indicated that he would like to object to the unanimous-consent request that we adjourn to Monday next. That would create a pro forma session tomorrow, so if the gentleman would yield to me for this purpose, I would make the unanimous-consent request at this time and the gentleman from New York can exercise his privilege of objection.

REQUEST TO ADJOURN TO MONDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. SOLOMON. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

Does the gentleman from Washington desire to offer a motion?

Mr. FOLEY. Mr. Speaker, I think at this time that I would advise the Republican whip that we would meet tomorrow for a pro forma session rather than any business schedule, and the gentleman can then have until the time of the conclusion of the session tomorrow to file the necessary amendments.

Mr. LOTT. I think that helps our problem, and I thank the distinguished majority whip for doing so.

The SPEAKER. Under the circumstances, the House will meet in pro forma session at 10 o'clock tomorrow morning.

Mr. LOTT. I thank the Speaker.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

HOUR OF MEETING ON WEDNESDAY, JUNE 17, 1981

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House meets on Wednesday, June 17, 1981, it meet at 12 o'clock noon.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

ADMINISTRATION WITHOUT AN ADVOCATE FOR THE ELDERLY

(Mr. RATCHFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RATCHFORD. Mr. Speaker, as the reconciliation process winds down, it now becomes quite clear that the administration-endorsed budget will necessitate significant cuts in many programs designed to meet the special needs of our Nation's 25 million older Americans. Both the administration and the Congress have undertaken the unenviable task of determining just where such cuts must be made, and what programmatic changes are necessary to improve the efficiency of many health and human service programs. Of course, all this has come much easier for an administration not quite as sensitive to the special of the elderly and not quite as committed to retaining the critical "safety net" programs that serve them. Despite earlier assurances to the contrary, this has proven to be an administration bent on deep cuts even into the most essential of services to the elderly. I can only suspect that this unfortunate posture is the result of the fact that we have an administration without an effective and central advocate for the elderly within its ranks.

Throughout this difficult process, the legislative branch has benefited from the advocacy role assumed by the House Select Committee on Aging under its able Chairman CLAUDE PEPPER of Flordia. It is indeed unfortunate that the administration has been so unwilling to select its new Commissioner of the Administration on Aging—the one individual in the administration charged with oversight of key Older American Act programs and advocacy for our Nation's elderly as national priorities are established. In the House, the select committee has served as an effective advocate for a burgeoning elderly population by extending expert technical assistance and advice on the impact of proposed cuts and programmatic changes on services to the elderly. Importantly, the select committee has also urged the standing committees of the House to exercise restraint in subjecting critical aging programs to the budget cutting ax.

The Older Americans Act is the only categorical, Federal social service program for the elderly. The Administration on Aging has experienced great difficulty in the past in coordinating with other Federal and State agencies in managing Older Americans Act programs. When the Administration on Aging was created in 1965, many senior citizens felt that for the first time their particular concerns and needs would receive special attention within the execution branch. Since that time, the Commissioner of AOA has intentionally been buried in the dark recesses of the HHS policymaking bureaucracy and the Commissioner has proven incapable of serving as an effective administrator and an aggressive advocate for the Nation's elderly.

At the same time, Older Americans Act programs have grown from a $6.5 million commitment at its inception in 1965 to a program now approaching $100 in Federal funding each year. Particularly during this period of priority-setting, 25 million Americans over the age of 60 cry out for the selection of a new Commissioner with the knowledge, administrative skills, compassion, and creativity that such a critical national advocacy role requires.

Joined by my distinguished colleagues on the Aging Committee, Chairman PEPPER and Human Services Subcommittee Chairman BIAGGI, I today sent an urgent plea to the President that he submit the name of his AOA Commissioner-designate to the Senate for timely approval. To wait even longer in filling this key position would be to heighten further the anxiety that many elderly now fill. Without a new Commissioner, the Administration acts in a vacuum as major program changes are debated and advice in a number of policy areas, such as the future of the social security system, is required.

CONGRESSMAN OBERSTAR INTRODUCES LEGISLATIVE ALTERNATIVE TO ELIMINATE LOCAL SERVICE AIR CARRIER SUBSIDIES

(Mr. OBERSTAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. OBERSTAR. Mr. Speaker, today I am introducing a legislative alternative to the Reagan administration's proposal to completely eliminate section 406 local service carrier subsidies available under the Airline Deregulation Act of 1978. My proposal will ease the clearly predictable disruption of air service to the 80 to 90 small, generally rural communities, which will be affected by the abrupt termination of subsidies. My bill will continue the 406 subsidies at a reduced rate while providing a much smoother transition toward complete airline deregulation than the administration's plan.

The Public Works and Transportation's Aviation Subcommittee, on which I serve, has scheduled hearings for June 18 and 25 on this issue. I fully expect a thorough and comprehensive review of the impact of the President's recommendations during these hearings. This bill offers a good starting point in the development of substitute legislation which provides greater assurance of adequate air service to smaller communities while achieving necessary budgetary savings.

The Airline Deregulation Act of 1978 intended to increase marketplace competition in the passenger airline industry by gradually removing Federal controls over route designation and fare rates. The legislation liberalized market entry provisions, provided greater fare flexibility and instituted a phaseout of the activities of the Civil Aeronautics Board (CAB). Under the act, smaller communities were given the guarantee that existing 1977 levels of service would continue for a 10-year period.

Today, almost 3 years after enactment, airline deregulation is playing to mixed reviews. In 1978, the traveling public saved over $2.5 billion in air fares, while the industry realized over $1 billion in net profits. However, during 1979, earnings of the major domestic trunk airlines were down sharply and the decrease in earnings has

continued into 1980 and 1981. The overall negative national economic situation and the dramatic rise in operating costs have contributed to the industry's financial troubles. Air fares, initially well below the Consumer Price Index during the early months of deregulation, have surpassed the inflation rate by a considerable margin.

Service between the smaller and medium sized communities and the larger hubs have suffered. Airlines have abondoned these communities to move to more profitable routes out of large metropolitan areas. According to the CAB, as of November 1, 1979, 169 communities had either lost a major carrier, or had a termination notice pending before the Board.

Airlines receive Federal subsidies to provide air service to certain rural communities. There are two types of subsidies. The Federal Aviation Act of 1958 established rates of compensation for transportation of mail by aircraft. The authority to set the rates was given to the CAB under section 406 of the act. Payments are currently made to airlines for service to about 150 cities in 36 States. The Deregulation Act of 1978 requires 406 subsidy to be paid for service comparable to the character and quality of service to the community in 1977 until the end of 1985 when the section expires.

To take the place of section 406, Congress created a new section (419) which guaranteed at least some air service to communities threatened with loss of air service. This essential air service, generally defined as two round trips to the nearest large city in commuter type aircraft, is guaranteed until October 24, 1988.

In 1980, approximately $120 million in Federal subsidies were paid to commercial airlines: $110 million under section 406 and $10 million under section 419.

President Reagan has proposed termination of payments under section 406 on September 30, 1981, rather than the current statutory deadline of January 1, 1986. The administration has increased the amount budgeted for section 419 service by $22 million to help provide hold-in compensation until the conversion from 406 to 419 subsidies.

The CAB estimates that airlines will file notice for suspension of service at 80 to 90 communities as a result of the elimination of 406 subsidies. For 40 to 50 of these communities, the Board predicts 419 subsidies will be paid to a replacement carrier. The remainder 35 to 40 points will be left to free market forces, but will probably receive service from commuter airlines not requiring 419 subsidies.

The deregulation process, which originally began at a gradual pace, will become, by virtue of the President's recommendation, a sudden plunge into chaos. The communities which are the most adversely affected are the ones which are presently hurting under deregulation—the small- and medium-sized cities. These communities can expect significant reductions in the level and quality of air service as a result of the President's recommendations.

The prospect of reduction or total loss of air service has a devastating impact on any small town or city. Finding a replacement carrier can be a difficult and time consuming chore. Adequate air service is essential to the economic development of a community and region. Commuter airlines are expected to fill this void, despite the industry-wide shortages of aircraft and aviation fuel. I have a very real concern about the ability of commuter aircraft to meet the unique needs of a community. The northern mining towns in my district depend heavily on the freight carrying capability of the DC-9. This freight capacity is lost with commuter equipment.

These problems are added to the expected administrative backlog at the CAB which will cause longer delays and expenditures greater than anticipated. In the 2½ years since deregulation, the CAB has processed 419 replacements in 65 cases of which 55 required subsidy rates. The elapsed time required to process these cases has been usually 9 to 15 months. At the present time, the CAB has a backlog of 44 section 419 cases. By the CAB's own estimates, it will be fiscal year 1983 before most communities receive replacement service, should the President's proposal become law. I would suggest in light of significant staff cutbacks at CAB this process will be delayed even further. In the meantime, the affected communities remain stranded with carriers which have already filed notice to terminate service.

My legislation makes significant reductions without the widespread havoc caused by total elimination of the subsidies. The bill denies any subsidies to those points enplaning more than 100 passengers daily, a level that will not cause extensive withdrawal of service should be subsidy be eliminated. This would be a savings of approximately $40 million. It prohibits the addition of any new points or the restoration of any points to the program, once they have been removed. Secondly, the subsidy would be partially offset by the profits a carrier earned at its nonsubsidized points, based on the formula previously used by the CAB but prohibited by the 1978 legislation. The level of compensation will be determined by the rate in effect as of December 31, 1980. This would rollback the amount of subsidies by an additional $10 million. Finally, the starting date for involuntary replacement of section 406 carriers by more efficient section 419 carriers offering better service would be advanced from January 1, 1983, to the effective date of the legislation.

I believe my proposal to be a reasonable approach to the quality of air service while reducing spending. It will allow adequate air service to continue at a subsidized rate in communities which have the greatest potential for eventually becoming self-sufficient. This legislation is necessary from the standpoint of both sound transportation policy and responsible economic development policy.

A section-by-section analysis of my bill follows:

SECTION-BY-SECTION ANALYSIS OF THE AIRLINE SUBSIDY REDUCTION BILL

Section I—"Airline Subsidy Reduction Act of 1981."

Section II—A. Eligibility for Subsidy

(1) cuts subsidies off to carriers for any points enplaning more than 100 passengers daily

(2) allows for orderly transfer of Alaskan carriers from 406 subsidies to 419 subsidies

TOTAL SAVINGS ESTIMATED AT $40 MILLION

B. Determination of Rate of Compensation

(1) sets ceiling rate at that in effect as of December 31, 1980

(2) subsequent rates shall take into account all other revenues from nonsubsidized points of the carrier

TOTAL SAVINGS ESTIMATED AT $10 MILLION

Section III—Amends Section 419 of the Federal Aviation Act of 1958 to advance the date for the start of involuntary "bumping" of Section 406 carriers by 419 carriers from January 1, 1983 to the date of enactment of this bill.

Section IV—Exempts the carriers from the revenue offset provision stipulated in Section II during the period a carrier is forceably held-in a point beyond the expiration of the 90 day suspension notice.

Section V—Directs the Secretary of Transportation to submit a report and/or recommendations to Congress with respect to subsidies disproportionate to carrier revenues for any point.

Section VI—The effective date of the Act shall be on the first day of the first month beginning more than 10 days after enactment.

KEY REDUCTIONS MADE BY THE BILL

1. Cuts off subsidies to all those points enplaning more than 100 passengers daily.[1]

2. Prohibits addition of any new points or the restoration of any points to the program, once they have been removed.

3. Rolls back the ceiling on the rate of compensation to that in effect as of December 31, 1980.

4. Institutes a profit offset provisions into the subsidy rate computation.

5. Permits the immediate bumping of a 406 carrier by a carrier which can provide an improvement in service at no subsidy or at a lesser subsidy under 419.

[1] CAB estimates that this is the level that elimination of 406 will not cause extensive withdrawal of service.

□ 1045

FAMILY ENTERPRISE ESTATE AND GIFT TAX EQUITY AND REDUCTION ACT

(Mr. BAFALIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BAFALIS. Mr. Speaker, my colleague from Texas, Mr. PICKLE and I—joined by a majority of the membership of the House Ways and Means Committee—are today introducing a bipartisan bill to protect family enterprises, be they businesses, farms, or ranches, from the destructive effects of our current, confiscatory estate tax policy.

This package—which has the support of a myriad of national organizations representing agriculture small business, the construction industry, and the financial industry—is designed to allow family enterprises to pass from one generation to another intact.

As the Members of this body know all too well, our current estate and gift tax laws actually promote the dissolution of family enterprises. Farms and ranches end up being sold to developers, small businesses are sold to conglomerates, and sons and daughters are kept from benefiting from their parents' lifetime of labor—all because our current tax laws force so many enterprises onto the selling block.

For that reason, Mr. PICKLE and I and a majority of the Ways and Means Committee and other Members are today introducing the Family Enterprise Estate and Gift Tax Equity and Reduction Act.

A key proposal in this legislation is a provision providing for a 50-percent reduction in valuation for small businesses to protect the heirs from having to sell out in order to satisfy the estate tax. In addition, this proposal protects the family farm and ranch by modifying and expanding the special valuation, increases the unified credit, and provides an unlimited marital deduction.

A short summary of the Family Enterprise Estate and Gift Tax Equity and Reduction Act follows:

SUMMARY OF FAMILY ENTERPRISE—ESTATE AND GIFT TAX EQUITY AND REDUCTION ACT

The Family Enterprise Estate and Gift Tax Equity and Reduction Act would make significant changes in the estate and gift tax rules. In general, these changes would reduce the Federal estate and gift tax burdens and would make it much easier for a farm or small business to be transferred from the owner to other members of his family.

REDUCES RATES

The bill would make substantial reductions in the estate and gift tax rates effective this year. These rates currently range from 18 percent to 70 percent. Under the bill, the rates would range from 8 percent to 50 percent.

INCREASES CREDIT TO RESULT IN $600,000 EXEMPTION

The bill also increases the unified credit against estate and gift taxes from $47,000 to $103,500 over a four-year period beginning in 1982. This means that an estate would incur no estate tax liability if the taxable state (including prior taxable gifts) was no more than $300,000 in 1982, $400,000 in 1983, $500,000 in 1984, and $600,000 in 1985 and thereafter.

PROVIDES UNLIMITED MARITAL DEDUCTION

Under the bill, all of the present dollar and percentage limitations on the gift tax and estate tax marital deductions would be repealed, and the marital deduction would be allowed on an elective basis for certain gifts or bequests of a life estate or other terminable interest (but, in such cases, the property would be included in the surviving spouse's estate).

INCREASES ANNUAL GIFT TAX EXCLUSION TO $10,000

Under the bill, the annual $3,000 per donee gift tax exclusion is increased to $10,000.

MODIFIES AND EXPANDS SPECIAL VALUATION FOR FARMS AND RANCHES

The bill would make a number of changes in the provisions allowing special use valuation of real property used in farming or other closely held businesses. Among the most significant of these changes are the repeal of the $500,000 limitation on the reduction in value due to special use valuation, expansion of the provision to cover woodlands, and revisions in the rules for valuing eligible property. The bill also would revise a number of statutory provisions and administrative interpretations which have resulted in the unavailability of special use valuation in a number of situations.

PROVIDES 50 PERCENT REDUCTION IN VALUE FOR SMALL BUSINESSES

The bill would add to the tax law a new special valuation provision for interests in closely held businesses. Under this new provision, the executor of an estate could elect to value an interest in a closely held business at 50 percent of its fair market value (determined without regard to this provision). If the decedent's heirs dispose of their interests in the business or it is merged into a publicly held company within 10 years after the decedent's death, the benefits of this special valuation would be recaptured. This provision would not be available to an estate if real property used in the business is valued under the provisions allowing special use valuation of real property used in farming or other closely held businesses.

LIBERALIZES EXTENDED PAYMENT AND STOCK REDEMPTION PROVISIONS FOR CLOSELY HELD BUSINESSES

The tax law currently contains provisions allowing an extended period of time to pay estate taxes and favorable income tax treatment of stock redemptions to pay estate taxes where a large portion of the estate consists of an interest in a closely held business. The bill would coordinate, liberalize and simplify these provisions. It would also make it easier for control of a closely held business to be transferred from one generation to another by liberalizing the rules governing when the proceeds of stock redemptions are entitled to capital gains treatment (rather than dividend treatment) and by allowing a closely held corporation to accumulate funds during the lifetime of a shareholder (without application of the accumulated earnings tax) for the purpose of redeeming stock from the shareholder's estate (rather then being forced to accumulate funds only after the shareholder's death).

MAKES OTHER SIMPLIFYING CHANGES

The bill would make several other changes to simplify the administration of the estate and gift tax laws and provide more certainty for taxpayers. For example, gifts made within three years of death are valued as of the date of the gift for estate tax purposes rather than as of the date of the decedent's death. Also, gifts made within three years of death which were not taxable when made by reason of the annual per donee exclusion and the rule allowing one half of the gift to be treated as made by the donor's spouse would not be included in the decedent's estate. Another provision would allow the value of a gift to be determined (even though it would not nomally be taxable by reason of the unified credit) by allowing the taxpayer to forgo the immediate use of the unified credit and pay gift taxes. (This rule would assure that a reevaluation of the gift after the donor's death could not affect the estate tax liability of his estate.) Finally, the bill would recognize the effectiveness of a disclaimer which meets the standards of the tax law even if State law does not treat it as a disclaimer.

FORMER PRESIDENT CARTER'S REQUEST FOR MILITARY EXCHANGE AND COMMISSARY PRIVILEGES AN AFFRONT TO THE AMERICAN PEOPLE

(Mr. KRAMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. KRAMER. Mr. Speaker, this week's copy of Navy Times contains an interesting article. It seems that former President Jimmy Carter has asked for permission to shop at military exchanges and commissaries, presumably so he can use the facilities at Fort Benning, Ga. This request is an affront to every American taxpayer and I would urge the Pentagon to deny it without delay. Not only did Mr. Carter leave us a legacy of double-digit inflation and the highest taxes in American history, now he appears to be saying he cannot get along on the $69,630 a year he draws in retirement pay while he writes his memoirs.

And this is only the beginning. As a former Chief Executive, he also receives $150,000 a year for staff salaries, $35,000 a year in travel allowances, and the Government picks up the tab for his office equipment, rent, utilities, supplies, printing costs, and telephone bills. I ask you, "Is it too much to ask that he should have to pay what everyone else does for groceries or a pair of shoes?" At a time when we are asking Americans from all walks of life to make sacrifices, this request is ludicrous on the surface. During his 4 years in the White House, I often felt Mr. Carter was out of touch with reality. I see that things

have not changed now that he is out of office.

[From the Navy Times, June 13, 1981]

CARTER SEEKING PERMISSION TO USE STORES, EXCHANGES

(By Tom Philpott)

WASHINGTON.—Former President Jimmy Carter has asked the Reagan administration for permission to shop at military exchanges and commissaries, Navy Times has learned.

Phillip J. Wise, Carter's staff director in Plains, Ga., confirmed that an inquiry has been made at the former President's request to see if he would be eligible for the discount shopping based on his seven years in the Navy and his four-year tour as Commander-in-Chief.

Pentagon sources said Carter's request is under consideration by the Defense Department General Counsel but is expected to be denied.

Carter, now retired from public office and working on his memoirs in Plains, was graduated from Annapolis in 1946 and served on active duty until 1953. As a former chief Executive he draws $69,630 in retirement plus $150,000 a year for staff salaries. He's also provided $35,000 a year in travel allowances and the government pays for his office equipment, rent, utilities, supplies, printing costs and telephone bills.

Nothing in the law, however, entitles a former President to exchange and commissary privileges on military installations, Pentagon sources said. Title 10 of the U.S. Code says the services can sell food and other stores to certain "civilian officers and employees of the United States" when they live near a military installation outside the United States or on a military installation in the United States.

Carter made few public comments on the military commissaries and exchanges during his presidency. On a talk show in Los Angeles in May 1977, however, he said "it's not unreasonable for the taxpayers to demand that the military at least pay enough for goods they buy to cover operating expenses."

Wise said if Carter was granted shopping privileges he probably would use the facilities at Fort Benning, located about 40 miles away.

LEGAL SERVICES CORPORATION SHOULD NOT BE REFUNDED

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SENSENBRENNER. Mr. Speaker, next week the House will consider H.R. 3480, a bill to reauthorize the Legal Services Corporation. The Chamber of Commerce of the United States of America has taken the position in opposition to this legislation. In a letter to me from Hilton Davis, vice president for legislative and political affairs of the U.S. chamber, he states:

The Legal Services Corporation was intended to help the poor when they unavoidably become entangled in our complex legal system, but, too often, legal aid lawyers are using poor people as guinea pigs in an effort to bring about fanciful views of social justice and undertake illegal lobbying efforts.

I hope the House will join with the chamber of commerce, the administration, and myself in rejecting H.R. 3480.

I insert Mr. Davis' letter in the RECORD at this point:

CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA,
Washington, D.C., June 9, 1981.

Hon. JAMES J. SENSENBRENNER, Jr.,
House of Representatives, Cannon House Office Building, Washington, D.C.

DEAR MR. SENSENBRENNER: I want to take this opportunity to confirm the U.S. Chamber's complete support for President Reagan's Economic Recovery Program and, in particular, the effort to stop reauthorization of the Legal Services Corporation. The record of the Corporation justifies its elimination; however, the states and localities should be allowed the option of providing legal services as part of a comprehensive social services strategy under the block grant approach proposed by the President.

The Legal Services Corporation is a clear example of a well-intentioned concept run amok. Time after time, the Corporation has wasted its resources on ideologically motivated class action suits, and failed to assist citizens and business people in resolving their immediate problems. For example, the Corporation-funded group, California Rural Legal Assistance, has sued in the federal courts to stop research to improve agricultural productivity studies because this research may reduce the need for farm labor. This type of suit benefits no one but those interested in promoting inefficiency and unnecessary increases in food prices.

The Legal Services Corporation was intended to help the poor when they unavoidably become entangled in our complex legal system—but too often legal aid lawyers are using poor people as guinea pigs in an effort to bring about fanciful views of social justice and undertake illegal lobbying efforts.

On behalf of the 135,000 members of the U.S. Chamber of Commerce, I urge you to support President Reagan's entire program for economic recovery. Adoption of the Administration's package of spending and tax reductions represents a major step in returning the nation to economic health. As proposed by the President, consolidation of many of the grants provided to state and local government into more efficient and flexible block grants will allow for a reduction in federal spending, while continuing support for services that have high local priority.

Sincerely,

HILTON DAVIS.

ISRAELI STRIKE ON OSIRAK

(Mr. SCHEUER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SCHEUER. Mr. Speaker, it is time we stopped talking abut penalizing the State of Israel for taking decisive action to provide for its own defense against terrorists who operate in tiny bands as well as terrorists who head governments. It is time we stopped hesitating to support our only ally in the Middle East and one of our firmest allies anywhere. It is time we faced up to the fact that talk is not always sufficient to cope with international blackmail. Sometimes it is necessary to take strong, decisive, and responsible action. Israel's attack on that Iraqi reactor was just such an action.

The weapons we provide to Israel are, by agreement, to be used only in Israel's self-defense. It is proper, of course, for our Government to determine whether the Israelis did act in self-defense when they bombed the reactor; but how can Sunday's raid be characterized in any other way?

In 1962, our own President considered just such a preemptive strike in self-defense to knock out missiles being sited in Cuba. The chairman of the Senate Foreign Relations Committee, J. William Fulbright, joined with other responsible American leaders in urging that course of action. In the end, a bombing raid was not needed, but a blockade of Cuba (an act of war) was indeed undertaken, and with the same success Israel achieved on Sunday.

Israel is at war with Iraq and has been since 1948. Iraq has never agreed to an armistice. Iraq has long been one of the most reckless and irresponsible governments on Earth, training, equipping, and financing terrorist attacks on Israel and supporting international terrorism wherever and whenever it suits Iraq's supposed interests.

Mr. Speaker, Israel faced a simple choice: Sit back and wait for Iraq to build the bombs to slaughter millions of Israeli men, women, and children, or eliminate that capability swiftly, boldly, and with minimal casualties on either side.

I submit that this was no choice at all. I submit that we will make a great mistake if we in any way penalize Israel for doing a job that had to be done—in our interests and in the interests of world peace, as well as in Israel's own.

Mr. Speaker, of all of the comments that have been made about the Osirak strike by the Israelis against that threatening nuclear plant in nearby Iraq, the most pungent, the most eloquent, and the one with the most panache was from yesterday's editorial in the Washington Star. Just in the event any of my colleagues have missed it, I recommend it for your attention.

I would just quote one paragraph:

We cannot imagine, whatever the cries of outrage, that in Riyadh, in Amman and Cairo, in Damascus and the Persian Gulf states and in Tehran, there is not a sense of relief today. People in authority in the Middle East may condemn Israel by day, but by night they will all sleep a bit better.

The entire editorial follows:

[From the Washington Star, June 10, 1981]

THE OSIRAK STRIKE

Time and events will tell, more clearly than we can, whether it was wisdom or folly for Israel to send its strike force to obliterate Iraq's nuclear facility at Osirak, near Baghdad.

There is no shortage of cries that it is folly. There is no shortage of sermonizing, much of it pertinent, on such appropriately civilized themes as the sacredness of national boundaries and air space, the iniquity of surprise attack, the rude surprising of friends and allies—especially the U.S. and Anwar Sadat. Unilateral military action is rarely without untoward consequences for the perpetrator. Iraq is far from Israel, not a country that has much bothered Israel militarily in recent years; and the sword that Israel drew may well be double-edged.

Certainly it must be said that Mr. Begin's timing was awkward, to say the least, on the morrow of his first meeting with President Sadat in 17 months and while the U.S. is trying to use its good offices to settle the dispute over Syrian missiles in Lebanon. It is tainted with the suspicion of electioneering on his own behalf. Be all this as it may, there are times in this treacherous and tragic world when nations must embrace lesser dangers and evils, and risk some scorn, to combat ultimate dangers. Israel did so in the Entebbe raid. The U.S. did so nearly 20 years ago in confronting Nikita Khrushchev over his attempt to make a nuclear-missile striking platform of Cuba—a confrontation, incidentally, in which air strikes were held in readiness if suasion and naval blockades failed. Many condemned these operations, as propriety demanded, but felt safer afterward.

We have no doubt that the Middle East is today a safer place for all nations—not merely for Israel—than it was a few days ago, before the operation at Osirak. The Iraquis were moving steadily toward putting into operation, by late summer or early autumn, a nuclear facility that could produce weapons-grade fuel. And although Iraq had hypocritically signed the international nuclear non-proliferation agreement, her gates were shut until a short time ago against international inspection. There is almost no doubt on anyone's part that Iraq meant to make atomic weapons.

There was little pretense to the contrary. Only last year, the Iraqi government brazenly stated that these nuclear possibilities were not for Iran to worry about (notwithstanding that she was at war with that nation) but Israel's worry entirely. This is surely a provocative thing to say in any circumstances to anyone, idly or not. And given the Israelis' vocal campaign of many months to stop the establishment of a weapons-grade nuclear facility it was one stroke more than could be tolerated.

Whether the threat was idle boasting, or seriously intended, it constitutes the ultimate terrorism to menace another nation with nuclear attack. If there were nothing else to be said for Israel's pre-emptive attack, it would have to be said that there is some value in demonstrating that such threats carry a high price.

Indeed, we cannot imagine, whatever the cries of outrage, that in Riyadh, in Amman and Cairo, in Damascus and the Persian Gulf states and in Tehran, there is not a sense of relief today. People in authority in the Middle East may condemn Israel by day, but by night they will all sleep a bit better. It is, of course, equally true that their sense of peace would be greater without an Israeli nuclear capability in the neighborhood. But that is a separate reality.

Obviously diplomacy, not sudden air attack, is the proper way to contain the threat of nuclear proliferation. That must be the unswerving preference of a world that rejects anarchy. It seems to us that our friends in France bear a special part of the blame. They remained heedless of the danger signals over many months. They have seemed bent on driving, regardless of consequences, the Faustian bargain of delivering provocative nuclear goods to Iraq in return for life-sustaining oil.

But when diplomacy fails—and the most strenuous and persistent protests by the Israelis and others had not shaken the foolhardy resolve of the French to barter high nuclear technology to an unstable and aggressive regime, or of that regime to menace Israel with it—what is left? Is the nation confronted by such a nightmare to sit idly by waiting and hoping, like Mr. Micawber, that something will turn up?

Certainly the air strike at Osirak is not a thing to be condoned or applauded. But neither is it a fit subject for tiresome sermonizing in an international community whose will to contain nuclear proliferation is paralyzed by fear, palsied by diplomatic minuets, and not a little corrupted by the fearful but profitable commerce in deadly weapons and oil.

ANNIVERSARY OF GENOCIDE DAY

The SPEAKER. Under a previous order of the House, the gentleman from Pennsylvania (Mr. DOUGHERTY) is recognized for 60 minutes.

Mr. DOUGHERTY. Mr. Speaker, I have requested today a special order to commemorate the anniversary of a sad day in the history of the Baltic States: June 14, 1941. It was on this date, known as Genocide Day, that the Soviet Union removed thousands of Baltic people from their homes and sent them to slave labor camps in northern Russia and Siberia. In each Baltic State, over 30,000 men, women, and children were deported from their homelands to the camps. How many of these people were ever seen again by friends and relatives? Very few, I would imagine.

At the same time, the German Nazis were invading the Baltic States and put a premature end to the deportation plans of the Soviets. So what did the Soviets do before they made their retreat? They executed more than 5,000 Lithuanian political prisoners in cold blood. The unfortunate Baltic people saw control of their countries being transferred from the Soviets to the Nazis—not an encouraging change. Needless to say, the harsh treatment under the Nazi regime resulted in the death and deportation of more Baltic persons, including the majority of the region's Jewish population.

Three years later, as the Allied Forces gained momentum in the war against Germany, troops from the U.S.S.R. retook the Baltic region and retained control of it at the end of World War II. Not surprisingly, the nation guilty of genocide on June 14, 1941, did not grant independence to the three deserving states of Lithuania, Latvia, and Estonia. Instead, the states were incorporated into the Soviet Union against their will and have been under Soviet domination since World War II.

These days it is too easy to dismiss past Soviet crimes as typical and then accept them as a fact of life. But how do we explain this to the Lithuanians, Estonians, and Latvians around the world, many of them in the United States, who have had relatives taken away on June 14, 1941, never to be seen again? How do we explain to them that their whole nation has been taken away, and that many other people accept it as a fact of life? I cannot explain it, nor accept it, Mr. Speaker.

To remember these courageous people in the Baltic States, we in Congress have formed an Ad Hoc Congressional Committee on the Baltic States and Ukraine. My distinguished colleague from Massachusetts, Mr. DONNELLY, and myself urge as many Members as possible to join this group to concentrate our efforts in helping our Baltic friends. The committee will be meeting with representatives from several major Baltic groups to establish a working relationship with them, and to better learn the dominant concerns and attitudes of the Baltic people here in the United States.

One such group is the Joint Baltic American National Committee, which is celebrating its 20th anniversary this year. The committee, under the chairmanship of Maido Kari, represents the Estonian American National Council, the American Latvian Association, Inc., and the Lithuanian American Council, Inc. Surely it must be proud of the hard work it has accomplished over the years on behalf of Baltic Americans. I am very grateful for the job they have done because it is through their organization and the many others in the United States like it that attention remains focused on the unjustifiable occupation of Latvian, Estonian, and Lithuanian territory by the Soviets. I am sure that there will be many more anniversaries for the committee in the future. As for today, we in Congress, along with the hundreds of thousands of Baltic Americans in the United States, can lament the actions taken by the U.S.S.R. on June 14, 1941, and pray that such an act of violence may never occur against any people again.

□ 1715

Mr. DONNELLY. Mr. Speaker, will the gentleman yield?

Mr. DOUGHERTY. I am pleased to yield to my colleague, the gentleman from Massachusetts.

Mr. DONNELLY. Mr. Speaker, I thank my good friend from Philadelphia, Pa., for yielding, and I would like to join him today in commemorating the 40th anniversary of the tragic and brutal annexation of Lithuania, Latvia, and Estonia, by the Soviet Army. Many thousands of men, women, and children were slain or deported in that supremely cowardly attack.

Our presence here today means that the suffering of those innocent souls was not in vain and will not be forgotten. More than 40 years of Communist domination have not extinguished the fire of freedom that burns in the hearts of the people of the Baltic States. That spirit will never die. We will work together to keep it alive.

The criminal annexation of the legitimate States of Lithuania, Latvia, and Estonia has not broken the desire for self-determination there. Instead, that yearning grows even stronger with each passing day, and we must do everything we can to keep it alive.

The Congress of the United States has a deep and abiding concern for the plight of the brave patriots of the Baltic States. The herioc struggle of the Polish workers has indeed added renewed interest in the fight for freedom within the Iron Curtain.

We have recently formed an Ad Hoc Committee on the Baltic States and the Ukraine. We will focus national attention to, and support for, the quest for freedom in these captive nations, remembering that their cause is the same that ignited our forefathers' revolt against foreign domination. Let us together pledge our untiring commitment to their difficult pursuit of liberty.

In conclusion, Mr. Speaker, let me congratulate my dear friend, the gentleman from Pennsylvania (Mr. DOUGHERTY), for the untiring work that he has done in behalf of the captives in the Baltic States and in the Ukraine. It is through his outspoken efforts that this caucus has been put together. I have the pleasure of cochairing it with him, and through our determination and the efforts of many Members of this body, we will be able to keep that flame and spirit of freedom alive in those captive nations so that some day those people will have the same rights of self-determination that we in this Nation have, because those are rights that belong to the human race and ought not to be and cannot be extinguished by any army.

Mr. DOUGHERTY. Mr. Speaker, I thank my colleague, the gentleman from Massachusetts (Mr. DONNELLY), for his comments.

I think it is most appropriate that we say to the Soviets, in case they are listening, that is has been 40 years and the people of the Baltic States have not forgotten, and that those of us in the Congress who have just organized this committee want the Soviets to understand that we are not only not going to forget about what happened but we are going to try to raise the issue on a more constant basis.

Mr. DORNAN of California. Mr. Speaker, will the gentleman yield?

Mr. DOUGHERTY. I am happy to yield to the gentleman from California.

Mr. DORNAN of California. Mr. Speaker, I appreciate the gentleman's yielding.

It is an honor to join my two colleagues and others, particularly these two of Irish-American descent, who understand something about a long struggle for freedom.

I would like to add a few historical facts to the ones the gentleman has already given on this 40th anniversary of yet another day of genocide.

On that day in 1920, when Lenin's Soviet Russia—he still had 4 years to live—concluded the peace treaties with the Baltic States, he renounced, through his emissaries, in perpetuity all sovereign rights to these three states, in spite of the fact—and probably because of the fact—that the "Latvian Rifles," as they called them, had been his own personal guard when he went back into the revolutionary city of Petrograd, soon to become Leningrad.

In 1939, after 19 glorious years of breathing free, the people of the Baltic nations were confronted with Germany and Russia signing what became the Molotov-Ribbentrop Treaty. Just to say the names of these two people indicates what a strange—and yet not so strange—relationship that was of two totalitarian powers coming together and arbitrarily dividing into spheres of influence free people in that part of the world. Russia got Estonia and Latvia, and Germany got Lithuania, which was then principally a Catholic nation, developed with an atheistic Hitler gang, just as the others on the side were also developed with atheism and totalitarianism.

In 1940 the red army, breaking a treaty that was written in deceit anyway, occupied all three states, including that area within Germany's sphere of influence, which helped to send all the continent of Europe and England in a disastrous war which took almost 50 million lives.

Russian domination has never left that area since. The mass arrest, deportation, and extermination of Estonians, Latvians, and Lithuanians, was carefully planned and carried out by the Soviets, similar to the Katyn Forest massacre in Poland.

In November 1940, the Soviets issued an order mandating an accounting of all people who were members of anti-Soviet political parties and groups, nationalistic parties and groups, former policemen, former army officers, employees of foreign firms, persons having contact with people or institutions abroad, former workers for the Red Cross, if you will, former noblemen, merchants, bankers, and even anyone who employed domestic help or hired help in a small store or a cottage industry shop.

Then the next year, 1941, an order of the People's Commissar for State Security of the Lithuanian SSR, a Red Gestapo, if you will, was issued to purge that Baltic State of "hostile and criminal and socially dangerous elements."

In June of 1941, an important month, as it turns out by the end of that month, mass deportations to Siberia and the Arctic began. Between June 14 and June 21, 1941, 34,260 Lithuanians alone were deported. And it was a cruel fate that those deportations were finished on that date, because on the very next day, June 22, Operation Barbarossa started and the Russians were paid in kind for their deceit by a sneak attack across the borders of Poland by German Panzer divisions into Russia.

They were slow in starting because they had to divert to Greece to rescue Mussolini, and even though they reached Moscow's outskirts on the day of our Pearl Harbor, their advance might have been even swifter if it had not been for the delay in their Greek campaign.

In 1948–49, one-tenth of Lithuania's population was driven to Siberia for resisting forceable collectivism of land. Obviously, many of those who were deported died, and those who became sick or handicapped along the way were not aided; they were only left to die and torture was not uncommon. All the things that this Nation was confronted with took place some 11 months later, and the Bataan Death March took place after that.

In closing, Mr. Speaker, I would like to ask my colleagues to keep in mind that we still recognize to this day, 40 years after the Soviet Baltic occupation, governments in exile for these three tragic nations. If anyone in this Chamber or the other body or any citizen has any need to contact one of these legations or read this RECORD and this comes to their attention, I submit for the RECORD their addresses, as follows:

The Latvian Legation, 4325 17th Street NW., Washington, D.C. 20011;

The Estonian Consul General, 9 Rockefeller Plaza, New York, N.Y. 10020; and

The Lithuanian Legation, 2622 16th Street NW., Washington, D.C. 20009.

Mr. Speaker, I just want to conclude by saying that on a visit to Riga in Latvia last year to meet the dissidents there, some Christians, some Jews, I was invited by the Intourist guides to go to the cathedral for a songfest one

evening. I went there, and it had been a Catholic Church; it was still a consecrated Catholic Church, if you believe in the theology of Christendom as I do.

They had all the chairs reversed, and instead of facing the altar, we were facing a beautiful organ, and all the Stations of the Cross were up, the vestments were there, and the beautiful art going back 700 years was there.

As the Lithuanian choir began to sing many hymns in their own language, then there came a moment when they sang "All Through the Night" in English. Then that was followed by "Silent Night," and even though this was the summertime, I felt like it was Christmas and I could feel the snow.

I deliberately turned my chair around and faced the altar, and I thought to myself, "hope springs eternal." They will never, even after a thousand years of occupation, take the faith out of those great people of Estonia, Lativia, and Lithuania.

Mr. Speaker, I was convinced that evening in Riga, Latvia, that the youngest Member of this House and the oldest Member of this House will live yet to see these great Baltic nations free again.

Mr. Speaker, I thank the gentleman from Pennsylvania (Mr. DOUGHERTY) again for the honor of allowing me to join in his special order.

Mr. DOUGHERTY. Mr. Speaker, I want to thank my distinguished colleague, the gentleman from California (Mr. DORNAN), for his contribution to this special order.

I want to reemphasize what he has said so eloquently, and that is despite everything the Soviets do, they cannot kill the spirit of these people, and they cannot destroy the hope of the Americans of Latvian, Lithuanian, Estonian, and Ukrainian nationalities in believing and working and striving to indeed see these nations free one day.

Mr. MAVROULES. Mr. Speaker, will the gentleman yield?

Mr. DOUGHERTY. I yield to my good friend and distinguished colleague, the gentleman from Massachusetts.

Mr. MAVROULES. Mr. Speaker, I thank my dear friend, the gentleman from Pennsylvania, very much for yielding to me.

Let me first commend the gentleman and congratulate him on his remarks. I would like to associate myself with those remarks at this time.

I commend and congratulate also the gentleman from Massachusetts (Mr. DONNELLY) for helping to put together this caucus which met at 3 o'clock this afternoon.

Just very, very briefly, I am very supportive of what the gentleman from Pennsylvania (Mr. DOUGHERTY) and his colleagues are trying to do.

Let me just simply state that the unyielding spirit of the people of the states we are referring to will certainly be felt in the caucus that is now being put together in the Congress of the United States.

Mr. Speaker, again I thank the gentleman for this opportunity to join in this special order.

Mr. DOUGHERTY. Mr. Speaker, I thank the gentleman from Massachusetts (Mr. MAVROULES). I am very pleased that he will be joining us in an active role in the caucus, and I appreciate his support and participation today.

Mr. ECKART. Mr. Speaker, will the gentleman yield?

Mr. DOUGHERTY. I am happy to yield to my friend, the gentleman from Ohio.

Mr. ECKART. Mr. Speaker, I too, would like to join with the gentleman from Pennsylvania (Mr. DOUGHERTY) and associate myself with his remarks today.

I believe the spirit that symbolizes the people of Latvia, Estonia, and Lithuania is reflected very strongly in this country. The effort that the gentleman and his colleagues have made to bring this matter to the floor, further accentuating the need for a continuation of the preservation of the spirit of freedom that we enjoy and want to see our friends, our brothers and sisters in the Baltic and Ukrainian parts of the world, enjoy, is meritorious.

I associate myself with the gentleman's remarks and congratulate him for taking time for this special order. I urge all our colleagues in the House to once again join in a renewed spirit of single-minded purpose, so that once and for all we can tell the Soviets that we have not forgotten and we know that these proud people have not forgotten.

Mr. DOUGHERTY. Mr. Speaker, I thank the gentleman from Ohio (Mr. ECKART) very much for his comments and for his participation.

Mr. Speaker, it is rather ironic that the Soviets, even to this day, cannot completely control these nations. The Soviets to this day still must persecute people in order to achieve whatever they are trying to achieve in these states.

We had a recent experience—in fact, it happened today in my office—where people in my district tried to reach some refuseniks in the Soviet Union, and it was most ironic, after the phone call went through, that we were advised there were two men who had participated in a demonstration in Kishinev, a very peaceful demonstration, against what they considered to be unjust Soviet activities and a denial of their basic human rights.

□ 1730

According to Soviet law, Mr. Speaker, these people could only be held for 10 days without being formally charged. This incident occurred on May 30. As of today, the Soviet Union has not charged these two people, nor have they released them, nor will they admit as to where they are, nor will they allow a telephone call to be completed to determine the location and the well-being of these two refuseniks.

I think it is a good commentary on just how bad the Soviets are, how guilt-ridden they are, how impossible they are, how they realize that freedom is one of the one thing they do not know how to live with and they cannot handle, that they would allow these things to happen against their own citizens and in violation of their own laws.

In discussing today this special order with some of my friends who are Ukrainian-Americans, they pointed out a very interesting thing to me and that is that the Soviet Union today still says there is such a concept as dual citizenship. If you were born in the Ukraine and came to the United States and married and had a child and your child had children and, therefore, these were your grandchildren, according to Soviet law these grandchildren born in the United States are Soviet citizens, and should they choose to travel to Eastern Europe they would be subjected to being drafted into the Soviet Army and, indeed, required to comply with Soviet law.

It is pretty bad off when a nation like the Soviet Union has to go to the third generation to try to claim people as citizens. I think it is rather a very honest commentary on the Soviets that they simply are a scourge in the society of decent men, that they are afraid of the truth, that they are afraid of an openness in society, that they do not want to allow people the right to political self-determination.

We would like to put the Soviets on notice that this committee which we have created, that those in this Nation who are citizens of the United States, but whose heritage is in Eastern Europe, we would like the Soviets to know that we will not forget. The issues will not go away. We will not be quiet. We will not tolerate this deprivation of basic human dignity and decency and that we will be back again and again and again to raise on the floor of the Congress of the United States, and hopefully in the minds and hearts of the American people, the idea that, indeed, there are three nations in the Baltic area, Latvia, Lithuania, and Estonia, that there is a nation called Ukraine, whose people do not desire to live under Soviet domination, whose people desire to be free. We are going to do whatever we can to see that the determination and the fire and the hope prevails, continues, and God willing, succeeds.

● Mr. ANDERSON. Mr. Speaker, it has been 40 years since Soviet troops entered the Baltic States of Estonia, Latvia, and Lithuania. The troops moved quickly to establish a Stalinist rule of terror, deporting tens of thousands of Balts to Siberia. At first the deportees were the obvious ones to go in such situations, the educated, the civil servants, and the military personnel. This destruction of three nations' elite is a terrible thing in itself; but totalitarian terror necessarily spares no one, and soon every citizen was afraid that he or she might arbitrarily be chosen for the next train east. This is a situation we in the United States have never known, and I pray to God that we never do.

All of this—coming as it did in the midst of the horror and turmoil of the Second World War—was noticed and condemned by most of the world and then rather quickly forgotten. Quickly forgotten; that is, by all except the Balts, for the Soviet troops did not leave at the end of the war. And they have not left in the succeeding decades, as the Soviet occupation became the Soviet annexation, an artificial expansion of borders with no legitimate cultural or historical basis. Much has happened throughout the world during these past four decades, and the Soviet invasion has receded further into our memories; but I hope we never forget the distinct nationalities of Estonia, Latvia, and Lithuania.●

● Mr. RUSSO. Mr. Speaker, we are here today to pay tribute to the freedom loving people of the Baltic States of Lithuania, Latvia, and Estonia. The courage and spirit of these people has not only withstood Soviet domination in the last 40 years, but has been strengthened in the face of it.

Though this is a tragic observance, calling to mind the terrors of war, displacement, and forced occupation, it should kindle in all of us the spirit of hope and renewed dedication to the struggle for freedom.

We must not let the past and present sufferings of these oppressed states recede into the shadows of memory.

The perseverance of these brave people serves only to underscore their fierce loyalty to and love of their culture, faith, and homeland.

Let our remarks serve as a sign of support to the Baltic peoples. Their continued resistance and dissent indicates that they will not be passively subdued.

I am proud to acknowledge today, their continuing efforts to rightfully determine their own destiny.●

● Mr. BONKER. Mr. Speaker, time and time again I have tried to alert this body to the continuing acts of repression, torture, detention without charge and the hideous phenomenon of disappearances in many nations around the world. These acts of madness seem more and more to have become the rule rather than the exception.

This month we commemorate the 40th anniversary of the "Baltic Holocaust." It was 1941 when the Soviet regime embarked on its first mass deportation of the peoples of Estonia, Latvia, and Lithuania. This was designed to Sovietize these three Baltic countries.

Herded like cattle into railroad cars, the prisoners were transported to slave labor camps in Siberia to disappear forever in the vast Gulag of the Communist regime. Many died from the cold and hunger before finishing their long journey. More met their death due to severe conditions which were exemplified by disease, harsh treatment and at times summary executions.

Those who were the greatest threat to the Soviet regime—the educated and those in government or military service—were the first to be arrested. Later, anyone remotely suspected by the Soviet authorities became victims of the repression.

In 1941, over 100,000 of the Baltic people were displaced. By 1949, over 850,000 people had been deported to Siberia, a total which was equivalent to 10 percent of the population of the Baltic States.

I applaud the efforts of the Joint Baltic American National Committee, representing millions of Estonians, Latvians, and Lithuanian Americans and concur with their statement:

Today the Soviets continue to repress indigenous national, cultural and religious movements, Baltic and others * * * we ask America's leaders to persevere in their efforts to fight oppression throughout the world, and to encourage humane, civilized and representative forms of government. America has tremendous power to influence the countries of the world and their policies. In the name of all those who died 40 years ago—in an environment which still exists today—we ask that this country never forget its role as the world leader in the cause of freedom.●

● Mr. ANNUNZIO. Mr. Speaker, 41 years ago on June 14-15, 1940, the army of the Soviet Union invaded the Baltic countries of Estonia, Latvia, and Lithuania, and ever since the history of that region has been shattered and scarred by that terrible experience.

The Soviets were bent on the systematic destruction of these three countries and demanded their complete subservience. In order to insure the success of their intentions, the Soviets ordered massive deportations and executions.

First, the intellectuals and those who were politically inclined were executed, then efforts were concentrated against the peasants and others who asked for nothing but to be left alone to live in peace. The deportations continued from mid-1940 into 1941. By June 1941, Soviet designs became quite clear when Estonia, Latvia, and Lithuania were targeted for major depopulation efforts.

During the period of June 14 through 16, 1941, the Russians concentrated and intensified their efforts to break the will of the people to resist communism. Inhabitants of entire villages—including men, women, and even little children—were rounded up, herded together under miserably overcrowded and unsanitary conditions, and shipped in railroad boxcars east to the Soviet Union.

The genocidal deportations only stopped with the German invasion of the three Baltic States in June 1941, but in 1944, when the Red Army regained control, the deportations began again and lasted through the rest of the decade of the 1940's. Ethnic Russians were resettled in the three Baltic States which continues to this day, and efforts also continue to destroy the languages, literatures, cultures, and religions of the people of these three helpless nations.

Excerpts follow from the book entitled, "The First Guidebook to Prisons and Concentration Camps of the Soviet Union" on the brute slave state being run by the Communists in the three Baltic nations:

ESTONIA

Our knowledge of this part of the Soviet Union is incomplete and imprecise. We know of only five camps, two prisons, and one psychiatric hospital.

In Tallinn (republican capital; formerly called Reval; pop. 420,000), there is an ordinary-regime camp (no. ITK-5) for 1,000 to 1,200 prisoners at Tisleri Street 31-32. Camp commander is Major Kitaev. This is a camp for ordinary criminals, but there are also Estonian and other dissidents here (ask, for example, about Viktor Matveyuk, a political prisoner) as well as those arrested for their belief in God. The prisoners of the camp are assigned to work in industrial construction.

There are two prisons in Tallinn. One is a pre-trial detention facility for approximately 1,000 inmates; it is known for its brutal regimen, its isolation cells (which are penetrated by moisture from the sea), and its special cells, in which thugs, incited by the K.G.B., beat up political prisoners and extract confessions from them. Located in the vicinity of Kaubasadam on Suur-Patarei Street the prison may be reached by tram nos. 1 and 2.

The other prison is housed in the K.G.B. building, formerly the stock exchange, at Pagari Street 2 and can hold 500 to 600 inmates. Only political prisoners are incarcerated here.

In Tartu (formerly called Dorpat; located in the southeast of the republic), there is a strict-regime camp for 800 to 900 prisoners assigned to the construction of military installations. Camp commander is Major Kapustin.

South of Tartu, there is a psychiatric hospital (in fact, a psychiatric prison) in which Estonian nationalists involved in the struggle for the independence of their country and against the Soviet occupation of it are confined. Konstantin Past, the former president of independent Estonia, recently died here.

In Vasalemma, 50 kilometers southwest of Tallinn, there are two camps: an ordinary-regime facility in which approximately 1,500 prisoners produce spare parts in an excavator plant; a strict-regime camp for 600 to 800 prisoners who work in a quarry or in a lime pit. Work conditions here are extremely severe.

In Harku, about 30 kilometers southeast of Tallinn, 300 to 400 prisoners in a women's camp manufacture and grind buttons. The work is very damaging to the lungs.

On Paldiski Bay, prisoners from a forced-labor facility (mentioned on our list of death camps) are assigned to clean the exhaust nozzles of atomic submarines at a naval base. The work eventually leads to the radioactive contamination and death of the prisoners.

At the State University of Tartu, Professor Juri Saarma, a K.G.B. expert on the delivery of dissidents to the psychiatric prison, has been developing new "medications"—neuroleptic drugs—that turn his victims into indifferent idiots.

This is how the peaceful and friendly Estonia would appear to the tourist, if he knew what the Soviet state concealed behind the mask of its "economic achievements".

LATVIA

1. Ventspils.—Men's camp for about 800 prisoners assigned to construction work; transit prison for about 600 inmates.

2. Dalbuti.—Prison for about 500 inmates.

3. Jelgava.—Two men's camps, each with about 1,000 prisoners; prison for 1,000 inmates.

4. Valmiera.—Two men's camps (an intensified-regime and a strict-regime facility), each with 1,000 prisoners; prison for 500 to 600 inmates.

5. Cesis.—Children's camp for 1,800 prisoners used for the manufacture of kitchen furniture and boxes.

6. Rezekne.—Men's camp for 1,200 prisoners; prison for 500 inmates.

7. Daugavpils.—Men's special-regime camp for 800 to 1,000 prisoners; prison no. 24 (1,000 inmates).

8. Brasa.—Men's camp no. OTs-78/9 (1,800 prisoners).

Those who have seen these camps and prisons have prolifically commented on the cruelty of the guards and K.G.B. personnel. Here is an excerpt of one such testimony.

Ya. R., who was a prisoner in camp no. OTs-78/7 (Riga, Krustpils Street 53), reports: "Colonel Aleksei Antonov was camp commander, though we rarely saw him. He ran the camp from his office. His low visibility, however, was compensated for every day by the cruelty of his assistants. Aleksandr Denisov, responsible for maintaining camp discipline, was a good example. A sly and malicious person, Denisov would order the prisoners thrown into the isolation cell for the slightest transgression, such as failing to remove their caps in his presence or not sitting on their own plank-beds in the barracks. Worst of all was K.G.B. Captain Elmar Zaul, head of the operations section at the camp. A real Gestapo type, his aim was to humiliate people. In his office, he had rubber hoses, boxing gloves, and even handcuffs attached to electrical wiring. All this was mere pretense, but there were times when he dropped all pretence to frighten those prisoners who refused to collaborate with the K.G.B. by informing on their fellow inmates. Those who could not be intimidated were thrown into the isolation cell. Zaul thus often beat the prisoners himself; it was not unusual to hear the cries of his victims from his office.

"One of Captain Zaul's deputies was Alfred Berzins. He was two meters tall, drank constantly, beat the prisoners, and carried two medals on his chest—'Outstanding Worker of the K.G.B.' and 'Outstanding Worker of the Ministry of Interior'.

LITHUANIA

In Lithuania, an independent country until its occupation by the Soviet Union in 1939, the tourist can visit eleven concentration camps and seven prisons. There were only two prisons in independent Lithuania. We have no knowledge of any camps.

Four prisons and three concentration camps—one of them for children—may be found in the capital city of Vilnius. In Lukiškés Prison (in Russian: Lukishk), women are confined with their infant children. See the special map of Vilnius for details on how to find the penal facilities of the city.

In Panevežys northwest of Vilnius, you can visit a large women-and-children's camp. More than 2000 women prisoners there work in a sewing factory (army uniforms, tank covers, cartridge pouches).

If you take the train or drive for 60 kilometers from Vilnius in the direction of Kaunas, you will see provinishki (Lithuanian name: Pravieniškes) on the right-hand side. Along the railroad tracks is a zone guarded by soldiers and watchtowers, where prisoners unload lumber transported here for processing at the furniture factory or the woodworking plant. These two enormous and profitable plants are manned by prisoners from two large camps located about one kilometer from the railroad tracks. Some 3000 inmates work themselves to exhaustion in the production of upholstered furniture, elegant yachts, and carved hunting rifle butts (see map of these two camps).

On approaching Provinishki, the tourist will be able to spot atomic rocket warheads above the trees about one kilometer from the tracks. The silos were dug by the prisoners.

In Siauliai, in northern Lithuania, two camps, each with more than 1500 prisoners, provide labor for construction projects and for production in the local industry. More than 1000 prisoners in Alytus in southern Lithuania are used for the same purposes.

In Jonava, 30 kilometers from Kaunas, more than 5000 prisoners are being used to construct a chemical plant. Female prisoners have been assigned to auxiliary tasks in a separate zone there.

As you can see, Lithuania is covered with camps and prisons, although there are fewer of them here than in Siberia. The local population, however, will tell your that in almost every Lithuanian family, at least one person has served in a Siberian camp, participated in the construction of mine shafts in Vorkuta and Noril'sk, mined gold in Kolyma or coal in Kazakhstan, or sawn wood in the taiga forest of Krasnoyarsk or Irkutsk.

Mr. Speaker, 41 years have passed since the Baltic States were overrun by the Communists. The sad fate and memory of these victims are very much alive today and it is my privilege to join with Americans of Latvian, Lithuanian, and Estonian descent in the 11th Congressional District of Illinois, which I am honored to represent, in the city of Chicago, and all over this Nation, in the observance of the 41st anniversary of Soviet aggression against these three small nations.

It will also be my privilege to receive the Baltic Freedom Award from the Joint Baltic American National Committee later today, and I shall accept this award as a tribute to the blessed memory of those who have given their lives for religious, cultural, and political freedom in the Baltic nations. The legitimate aspirations and the perseverance of the Baltic peoples for independence and the right to reside again in their historic lands will ultimately triumph over communism, and freedom will someday be restored to these nations.●

● Mr. DERWINSKI. Mr. Speaker, it has now been 41 years since the three Baltic States of Estonia, Lithuania, and Latvia, were seized by the Soviet Union. Many Americans have little knowledge of the fate of these heroic Baltic peoples. However, this forcible occupation and incorporation of hundreds of thousands of Lithuanians, Latvians, and Estonians to Siberian concentration camps remains a constant reminder of the true attitude of the Soviet Union toward basic human rights.

Before the conquest of these three nations, there was a short yet progressive period of free government in these lands. After World War I, Latvia, Lithuania, and Estonia all declared their independence and enjoyed democratic governments until 1939. With the advent of the Second World War, Estonia, Latvia, and Lithuania lost their freedom when they were, in accordance with a Nazi-Soviet pact, allocated to the U.S.S.R.

Toward the end of World War II, when Soviet troops reoccupied the Baltic States, the U.S.S.R. illegally incorporated these three small countries into its huge empire. The end of World War II found the Communists in undisputed and complete control.

Tens of thousands of the Baltic peoples were killed and over a million were deported to slave labor camps in Siberia and other areas of the Soviet Union. Hundreds of thousands of Estonians, Latvians, and Lithuanians, were transported from their homelands, to be replaced by peoples from other parts of the Soviet empire. This exchange of population has substantially altered the ethnic composition of the Baltic nations.

In addition, the Baltic people have suffered from the collectivization of their farms and the nationalization of their industries. They have suffered religious persecution and their children have been subject, through Soviet educational institutions, to Communist brainwashing.

However, throughout the free world, the peoples of Estonian, Latvian, and Lithuanian origin have maintained their traditional civic, cultural, and church organizations and bravely continued their efforts on behalf of the

enslaved compatriots held captive within the U.S.S.R.

The Soviet Union has blatantly ignored the human rights provisions of its own constitution; the provisions of the human rights in the United Nations Charter; and most recently, it has ignored the implementation of the provisions of the final act of the Helsinki accords and the Belgrade Conference.

As a nation, we stand for freedom and the right to self-determination. I believe that this is a universal principle and not one that should be applied selectively. As this is not the case for those held captive of communism, it is important for us to bring global attention to their plight.

In past Congresses, we have recorded our denunciation of the Soviet annexation of the Baltic nations and the iron-fisted control to which they are subjected by Soviet totalitarianism.

As a member of the Ad Hoc Congressional Committee on the Baltic States and Ukraine, I believe that we should continue to draw attention to this tragic anniversary and recognize that it is the duty of the United States to support the cause of freedom for the Baltic peoples. We must continue our policy of nonrecognition of the Soviet Union's forcible annexations; and further demand the release of political prisoners of Estonian, Latvian, and Lithuanian nationalities from Soviet incarceration; and return the right of self-determination and territorial integrity to the Baltic nations.

The legitimate aspirations of the Baltic peoples will be fulfilled only with the end of political repression, religious persecution, and cultural genocide. The perseverance of the Baltic peoples to independence and the right to again reside in their historic lands will ultimately triumph over communism.

The Baltic and other captive nations continue to yearn for independence. They are among America's best allies against the Kremlin. History has shown us that great empires can disintegrate overnight. In the Soviet Empire, there are already cracks visible in the wall.●

● Ms. FERRARO. Mr. Speaker, June 14 marks the 40th anniversary of Genocide Day. We commemorate this day to remind the world of the tragic brutalities which have occurred in Estonia, Latvia, and Lithuania in the past, and which continue today.

These three countries were invaded in 1940 and occupied by Soviet forces. In 1941, thousand of innocent men, women, and children were sent off to be eliminated in Siberian concentration camps. Few ever returned.

Nearly 40 years of oppression have not destroyed the strength of the Estonian, Latvian, and Lithuanian people. Their homes have been taken and they have had to seek refuge in foreign countries, but they have never given up the hope for freedom. The spirit of these noble people and their unfailing resistance to tyranny are an inspiration to all people; but perhaps even more so to the American people, for we too struggled for freedom.

The plight of all Baltic people may only be bettered by the continued attention of the free world leaders and press. Only when Soviet policies are revealed and repudiated by the rest of the civilized world will these authorities make concessions to humanitarian principles.

The U.S. Government has never recognized the occupation of these Baltic States. The United States has never relinquished its support for principles of political freedom and self-determination for the Baltic States. American support for Baltic is traditionally important and right.

The Soviet occupation of the Baltic States must end. The Soviet Union must be made to realize that it will be held accountable for its denial of basic human rights in the Baltic States. As Americans we must support the successful efforts of the Baltic people to resist russification policies. We must support the struggle of the Baltic people to reachieve independence.

I am asking all my colleagues, therefore, to recognize the plight of all the people of Estonia, Latvia, and Lithuania, to stop for a moment to remember that we, as Americans and as compassionate people, have a commitment to independence and freedom.●

● Mrs. FENWICK. Mr. Speaker, in the dark hours of the morning on June 14, 1941, one of the saddest incidents in human history began to unfold. On that morning, while the citizens of Lithuania, Latvia, and Estonia slept, Soviet trucks and motorcars emerged from their hiding places and began to execute a carefully designed plan to deport hundreds of thousands of anti-Soviet elements from these Baltic States.

The deportees, seized in the night, given less than an hour to gather their belongings, separated from their families, were herded into the trucks, and then into railroad cattle cars, and sent off to the Soviet Union. Thousands of them, including many children, died en route because of the inhuman conditions. Those who did survive were brought to the slave labor camps in Siberia and Vorkuta, or, if they were women, to the collective farms or the forest lumbering camps or the fishing industry at the mouth of the Lena River. In all cases, they were used as cheap and expendable labor under the harshest of conditions.

By the end of 1941, well over 100,000 inhabitants of the Baltic States had been deported, and by the end of the decade, more than 850,000—more than 10 percent of the population of Lithuania, Latvia, and Estonia—had been deported.

These mass deportations were a later major step—a brutal vicious step—in the larger Soviet design to rob the Baltic countries of their independence. That Soviet design has been made clear when Molotov and von Ribbentrop signed the Nazi-Soviet pact 2 years earlier, on August 27, 1939. This infamous agreement, which cleared the way for the Nazi invasion of Poland only 1 week later, placed Estonia, Latvia, and, after further negotiations in September 1939, Lithuania, in the Soviet sphere of influence. By June 14, 1940—1 year before the mass deportations began, and the same day that German troops rolled into Paris—Estonia and Latvia had been forced, by threat of outright invasion, to sign "Treaties of Mutual Assistance," with the Soviets and the Lithuanian Minister of Foreign Affairs was in Moscow facing the same ultimatum. By the time the mass deportations began, the russification of the Baltic States was in full steam—the armies were taken over by the Soviets, and all sources of national pride were banned.

The deportations themselves had been planned weeks or even months in advance, with detailed instructions prepared which clearly demonstrate the cruelty of the Soviet plan. Soviet Order No. 001223, the secret "Instructions Regarding the Procedure for Carrying out the Deportation of Anti-Soviet Elements from Lithuania, Latvia, and Estonia," contained the following directions:

> . . . It is essential that the removal of the members of the deportee's family and of the head of the family shall be carried out simultaneously, without notifying them of the separation confronting them . . .

and

> Care must be taken that the operations are carried out without disturbances or panic, so as to avoid any demonstrations and other troubles . . .

Mr. Speaker, care may have been taken to avoid disturbances during this evil exercise, but the world has noticed. It is the duty of those of us who are so fortunate as to live in free countries, so fortunate that we can determine our own future, to take note of this tyranny. We must speak out against it, we must call the attention of the world to the actions of those who would violate human rights and silence the voices of freedom.

So, I am honored to speak here today on behalf of the many who could not speak, and I urge my colleagues to remember June 14, 1941, when they speak of freedom and bravery and courage, and when they deal with those who would seek to deny them.

Thank you.●

● Mr. GEJDENSON. Mr. Speaker, it is with great pleasure that I rise today

to join my colleagues in commemorating the 40th anniversary of Genocide Day. I find this day in Baltic history to be a particularly moving one as members of my own family suffered deportation at the hands of the Soviet Union in the early 1940's. Along with over 300,000 other Lithuanians, they were taken from their homes and forcibly sent to Siberia. Many of these people were never to see their beloved homeland again.

Lithuania had experienced an all too brief 30 years of independence between the two World Wars. During that period the Lithuanians industriously improved the country's agricultural productivity, land distribution and developed an industrial base. Substantial progress was also made in labor and education. This progress was brutally interrupted with the advent of World War II. Via the infamous Molotov-Ribbentrop pact of 1939, the sovereign nations of Eastern Europe were divided between Nazi Germany and the Soviet Union. The subsequent illegal annexation of Lithuania in 1940 by the Russians was the precursor to a systematic campaign of terror marked by the mass deportations of 1941. The Soviet Union had smashed the independence of this small Baltic State and proceeded through the next 40 years to attempt, by every means possible, to crush the national identity of the Lithuanian people. It is this continued brutality that so disturbs us as we commemorate Genocide Day.

On behalf of the Lithuanian Americans of the second district of Connecticut, I wish today to speak out against the Soviet Union's ceaseless domination of Lithuania. They are concerned, as I am, with the ongoing struggle that the Lithuanians face. I feel very strongly that the United States and its citizens should not forget the love of freedom and the sense of national pride these people share with America despite the decades of repression that they have endured.

It is a great privilege for me to join my colleagues today in speaking out against the great tragedy that has befallen Lithuania. It is with a great sense of honor that I identify myself with the Lithuanian people in their fight for true independence from the Soviet Union.●

● Mr. SOLOMON. Mr. Speaker, this month, June 14 to be precise, marks the 40th anniversary of one of the cruelest human endeavors ever perpetrated by one government upon the citizens of another country. I am referring to the forced deportation of thousands of Latvians, Lithuanians, and Estonians from their homelands in June 1941, and subsequent dispersal of these peoples to all corners of the Soviet empire, in many cases to the forced labor camps of Siberia.

These nations, Mr. Speaker, had been free and prosperous since the end of World War I, to say nothing of their national and cultural identities that have existed for centuries. But no sooner had the czarist yoke been thrown off with the fall of the Russian Empire in 1917, than did the leaders of the Soviet state to the east, unable to bear the sight of free and prosperous nations contrasting with the misery of communism, begin to scheme to annex the Baltic States. Aided by the Nazi threat in Europe, the political and moral paralysis of the Western democracies, and a tiny fifth column of Soviet sympathizers, the Red army overran the Baltic States in June 1940, and thus embarked upon a campaign to eradicate any form of resistance by the conquered peoples. The mass deportations were but one example of this campaign, which included murder, intimidation, elimination of the free press, and the subjugation of all political, religious, and education institutions to the will of the all-powerful Soviet police state.

I would also point out that the policy of deportation was reinstituted in 1944 and again in 1948, as Stalin sought to tighten his grip on his conquests.

All in all, hundreds of thousands of men, women, and children were forcibly uprooted from their homelands and driven into the vast archipelago of Soviet prisons and labor camps. Those few who were fortunate enough to survive and return were, of course, greeted by that particular form of misery that communism inflicts upon any society, especially on those that have previously known freedom and prosperity.

Mr. Speaker, it is probably superfluous to mention that Soviet persecution of the Baltic nations continues to this very day. Soviet control of its captive nations, by its very nature, depends upon intimidation and terror. In Latvia, Lithuania, and Estonia, national and religious leaders are systematically subjected to imprisonment, exile, psychiatric incarceration, and other forms of persecution. In order to further repress and weaken the fiber of Baltic nationalism, the Soviet Government continues its notorious policy of russification in the Baltic countries, forcing upon an unwilling people the Russian language, Russian culture, appointing ethnic Russians to high positions in industry, education, the judiciary, and, it goes without saying, government.

Mr. Speaker, I have stated in the past that it is to our credit that the United States does not recognize the puppet governments established by the Soviet Union in Latvia, Lithuania, and Estonia. I call upon Congress and our national leaders to focus attention upon the injustices that I have mentioned and the struggle of the Baltic peoples for their freedom and national identity. We, as a nation, pride ourselves on our love for democracy and free political institutions. Let us work together so that these values are returned to the captive nations of Latvia, Lithuania, and Estonia.●

● Mr. FASCELL. Mr. Speaker, among the events etched in living memory which serve as an eternal lesson to the Western World of the expansionist intentions and brutal practices of the Soviet Union are the forcible annexation of the free nations of Estonia, Latvia and Lithuania 41 years ago this month on June 14 and 15, 1940, and the inhumane mass deportations to Siberia of approximately 100,000 Balts beginning 1 year later. Sadly, Moscow's practice of invading, occupying, and forcibly absorbing whole nations and ethnic homelands into the so-called Soviet Union or sphere of influence did not begin nor did it end with the Baltic countries.

The history of the U.S.S.R.'s formation, the postwar Soviet domination of Eastern Europe and the Soviet invasions of Hungary in 1956 and Czechoslovakia in 1968 are other notorious examples of such aggression. The fate of Afghanistan and the recent ominous Soviet messages to the Polish leadership plainly indicate that the Soviet Government has never abandoned its efforts to violate the internationally proclaimed rights of peoples to freely determine their own destinies. Therefore, marking the anniversary of the forcible seizure of the Baltic nations, annually condemning the illegality of this act of aggression and refusing to reorganize Soviet claims to sovereignty over these peoples has been and must remain the policy of the United States and other free world countries. Even though we can point to fresh instances of Soviet aggression, our indignation over earlier Soviet acts of violence against sovereign peoples must grow, not diminish, with time.

The tragic June anniversaries teach a bitter lesson about the nature of the Soviet regime. But, the Estonian, Latvian and Lithuanian peoples teach the West another kind of lesson—a lesson of courage and dignity which has survived 41 years of oppression. In 1941, the Soviet Government tried physically to obliterate resistance in the Baltic countries to the forcible annexations by means of mass deportation. For more than four decades, Moscow has attempted to culturally and linguistically russify and "sovietize" the Baltic peoples. Estonian, Latvian, and Lithuanian rights activists are still sent to prisons, labor camps and into internal exile far from their homelands, while non-Balts are encouraged to settle in the Baltic lands. Through it all, the Estonian, Latvian, and Lithuanian peoples have preserved a sense of national identity and have not capitulat-

ed spiritually to overwhelming Soviet force.

That they cling to their dream of independence and refuse to forfeit their national, political, cultural, religious, and linguistic rights despite terrible odds is exemplified by the men and women of the Lithuanian Helsinki Monitoring Group, which was formed in November 1976. Currently, six members of the group are serving long terms of imprisonment—Victoras Petkus, Vytautas Skuodys, Algirdas Statkevicius, Balys Gajauskas, and the recently arrested new group members, Mecislovas Jurevicius and Vytautas Vaichiunas. As of April 1981, remarkably, there are 16 identifiable samizdat journals in Lithuania representing various persuasions and interests. The oldest of these is the Chronicle of the Lithuanian Catholic Church, which came into existence in March 1972. Last year, five contributors to the Chronicle, two of them women, were arrested and tried. In all, in 1980, five Lithuanian women have been sentenced.

In late March 1981, we learned of the tragic death of 41-year-old Estonian human rights activist Yuri Kukk. He died in a Soviet labor camp far away from his homeland. A fellow Estonian human rights defender, biologist Mart Niklus, is presently serving a 10-year term in special regimen labor camp to be followed by 5 years of internal exile. Niklus has been on a hunger strike, his current whereabouts are unknown and his parents are concerned for his welfare. Estonian dissidents Veljo Kalep, engineer, and Tiit Maddison, worker, were sentenced in March and May, respectively, to 4 years labor camp each on charges of "anti-Soviet agitation and propaganda." Three schoolboys have recently been found guilty of burning Soviet flags in Tallinn on the 1980 anniversary of the October Revolution. For this "malicious hooliganism" two of the students, Alle Kermo and Janis Surva, were sent to labor camps for 3 and 2½ years, respectively. The third student, Andrus Mizit, was given a 3-year suspended sentence.

In Latvia, the trial of Yuris Bumeister, an engineer, commenced on May 25. Bumeister was charged in connection with his alleged membership in the outlawed Latvian Social Democratic Party. The results of his trial are known.

These are but a few of the numerous testaments we could make to the indomitable spirit of the Baltic peoples—a spirit which has survived unceasing Soviet attempts to break it.

As a Member of Congress and as Chairman of the Commission on Security and Cooperation in Europe, I stand resolved, together with our colleagues in the Congress, every year to mark the infamous June anniversaries of the forced annexations and mass deportations, to monitor the arrests and trial of Baltic activists and to speak out against continuing Soviet efforts to suppress the national, political, cultural, religious and linguistic rights of Estonians, Latvians, and Lithuanians. We will do so for as long as it takes to see Estonia, Latvia, and Lithuania counted once again among the world's free nations.●

● Mr. ROE. Mr. Speaker, this month marks one of the saddest events in the history of civilized man, the infamous Baltic holocaust.

It was 40 years ago that the Soviet Armies stormed across the borders of Estonia, Latvia, and Lithuania and began a mass deportation of the Baltic people to slave labor camps in Siberia.

No Baltic family in that region was left untouched by the Soviet rape of June 14 and 15 in 1941. The tragic deportation program undertaken by the Russians brutually ended the years of national freedom and sovereignty which had begun in 1918 for Estonia, Latvia, and Lithuania.

The aim of the Soviets in this purge was clear; the elimination of all who might provide resistance to Russian domination over the Baltic area. The first to go were the government leaders, the educated, and military personnel. Later, the deportations spread to relatives of the original victims and those whom the Soviets simply distrusted.

No segment of Baltic society was protected from the ravages of the Soviet purge including the young and old and the rich and poor.

It was not unusual for the deportees to be herded into railroad cattle cars for the arduous journey to Siberia. Many lost their lives to the ravages of malnutrition and exposure.

Estimations are that in 1941, some 100,000 Baltic persons were deported. By 1949, that total had reached 850,000.

Mr. Speaker, to this day the Soviets continue to suppress individual thought and freedom of national, cultural, and religious thought among the Baltic people. The Russian aggression against Afghanistan proved the Soviets have not changed their aim of controlling freedom-loving people by brute force.

The 40th anniversary of the Baltic holocaust should serve as a strong reminder to the American people that our Nation continues to serve as the bastion of human rights for all the repressed nations of the world.●

● Mr. SMITH of New Jersey. Mr. Speaker, 41 years ago an act of aggression was perpetrated. The Baltic States—against their will—were forcibly incorporated into the Soviet Union.

This occurred a week before Hitler marched into Paris. Yet the incorporation of these nations was the direct result of the Hitler-Stalin Pact made the previous August, the infamous pact that made World War II certain.

By the terms of the Nazi-Soviet Pact—and later agreements between Moscow and Berlin made after the partition of Poland—the territory of the Baltic States was made the sphere of the Soviet Union. Thus did two dictators callously decide the fate of millions of people.

Hitler is dead. But the Soviet regime—a regime Hitler admired, and copied—lives on. The successors of Stalin rule from the Kremlin. Afghanistan has been only the most recent victim of Soviet aggression and deceit.

We are using this special order to ask this country to continue its policy of nonrecognition of the annexation of the Baltic States. We urge the United States to raise the issue of the Baltic States in international conferences and at the United Nations. We demand the wanton destruction of the Baltic peoples stop.

The Soviet Union has deliberately sent millions of Lithuanians, Estonians, and Latvians into forced exile in Siberia. Others have been callously murdered.

The persecution goes on to this day. I protest—with my other colleagues in this special order—against the terrible persecution the Catholic Church is suffering in Lithuania. Because the Lithuanians hold true to their ancient faith they find priests deported, churches closed, their nation subjected to a reign of terror.

Mr. Speaker, the storm clouds are again gathering over Eastern Europe. Poland is now threatened with invasion. At this hour it is well we remember Baltic States and their people, as the Poles struggle for freedom.

Let us stand together with all free peoples of the world. Let the voice of the United States not be silenced or lowered till the Baltic nations are again free and are again restored to their rightful place among the nations of the world.●

● Mr. CARNEY. Mr. Speaker, June 14 commemorates a tragic anniversary for the people of Estonia, Latvia, and Lithuania. On this date in 1941, over 100,000 people were sent to Siberia by the Soviet authorities. The Soviet Union had occupied the Baltic States illegally since the previous year.

The Baltic holocaust was a terrifying time in the history of these countries. Thousands of midnight arrests occurred in each country. The people never were told where they were going or for what reason. Given moments to pack their belongings, they were taken from their homes, many for the last time.

The victims of the deportations were taken to Siberia under the worst conditions. Traveling in cattle cars, many

people died from malnutrition and exposure. Many more would die in the frozen wasteland through illness, mistreatment or execution. So many lives were uprooted. So many families were separated and never reunited. So many people perished. The irrational campaign of terror affected every segment of Baltic society. No family was untouched by the outrage of the holocaust. By the end of 1949, over 850,000 Estonians, Latvians, and Lithuanians—over 10 percent of the population—had met this terrible fate.

Mr. Speaker, the environment which produced this Soviet campaign of terror still exists today. The Gulag Archipelago, the prisons and psychiatric hospitals still operate and are filled with innocent and free-thinking people. The recent death of Estonian dissident Juri Kukk attests to the commitment of the Soviet authorities to eradicate any elements of spiritual, cultural and political freedom in the Baltic States and throughout the Soviet Union. On this, the 40th anniversary of the tragic event, we join with Americans of Baltic descent to express our sorrow and indignation. I ask that we reaffirm our commitment to Baltic independence and to human rights for all people under Soviet domination.●

● Mr. FORSYTHE. Mr. Speaker, it is with great solemnity that I join my distinguished colleagues in commemorating the 40th anniversary of Genocide Day. Forty years ago the Soviet Union initiated a ruthless and brutal campaign of deporting innocent people from the Baltic nations of Lithuania, Latvia, and Estonia to slave labor camps in Siberia. About 30,000 people from each nation were deported to these camps as a result of this Soviet effort to eradicate Baltic nationalism and force an alien culture on the people of Lithuania, Latvia, and Estonia.

It is particularly important on this memorative day that we pay tribute to these Baltic people and their determination to preserve their heritage in the face of the horrifying treatment they have received and continue to receive from the Soviet Union. It should be particularly meaningful for us, a people established under an undying belief in freedom, to witness the strength of the Baltic people in refusing to surrender their identity in the face of years of repression.

I believe the spiritual battle of these Baltic nations is an effort we should never forget as we stand true to our commitment to freedom. We salute the continuing struggle of the Baltic people to preserve and protect their national heritage.●

● Mr. RITTER. Mr. Speaker, June is a lovely time of the year. However, for many people of Lithuanian, Estonian, and Latvian descent the month of June is time to look back with sadness to June of 1941. On June 14, 1941, the Soviet Union began a campaign of terror throughout the Baltic States making midnight arrests, separating families, and forcing thousands into exile. It was a purge of broad scope, designed to eradicate all elements who might impede the Sovietization of these three countries. In the wake of this wholesale terror, virtually no Baltic family was left untouched by the tragedy.

The Baltic peoples have a rich and cultured history. Lithuania, the largest of the three Baltic States was, during the middle ages, a strong European state whose people protected Europe from the Mongol and Tartar invaders and whose government furnished a power behind which the East Slavs could live in peace and freedom. Both Latvia and Estonia were prosperous states whose deep water ports provided a strong mercantile trade for the many merchants who lived there. Both the Estonian capital of Tallinn and the Latvian capital of Riga were members of the highly prestigous Hanseantic League. The architecture, religion, and people of these small states reflect a truly European culture, a culture totally alien to Soviet communism.

At the beginning of the 20th century all three Baltic States were under the domination of the Russian Empire. However with the demise of the Russian autocracy, during World War I, the Baltic States found themselves independent and by 1922 were recognized as sovereign states. During this short lived period of history, Baltic culture took on new forms of expression and nationalism grew to unprecedented heights.

However, as Europe began to gird for World War II, the Baltic States found themselves caught between the scissors of Nazi aggression and Soviet communism. Although espousing neutrality, one by one the Baltic States were swallowed up by the Soviet Union. The Soviet occupation was brutal. Those who served in the military, the government, or who were members of the educated elite were subject to arrest and sent into labor camps or to exile in Siberia. For example, some 30,000 members of the Lithuanian intelligentsia were deported to Siberia on the night of June 14, 1941, and 5,000 political prisoners were executed when the Soviet forces hastily retreated under German attack. Death from malnutrition, exposure, and disease claimed thousands more during this perilous year. It is estimated that 100,000 Baltic people were forced to emigrate during the Soviet occupation which lasted only 8 days.

On June 22, 1941, the Nazis, entered the Baltic region and began a similar form of repression. During their 3-year occupation, the Nazis succeeded in executing or placing into labor camps all Baltic people of Jewish descent. With the decline of Germany's power, the Baltic States returned not to independence but to Soviet domination. During the Second World War and reentrenchment of Soviet power the population of the Baltic nations was reduced massively by 850,000 or 10 percent.

We cannot change what has already happened, but we can reflect on the inhumanity that men and nations have lowered themselves to, so as to reduce the chance for genocide to occur again. We must persevere in our struggle against the oppression and inhumanity which is occurring now.

Mr. Speaker, today marks the 40th anniversary of the Baltic tragedy. With solemnity, I rise with my colleagues to pay tribute to the many Lithuanians, Latvians, and Estonians whose lives were taken by the hand of oppressors.●

● Mr. ATKINSON. Mr. Speaker, I rise today to salute the people of Lithuania whose nation was forcibly incorporated into the Soviet Union by the Red Army 40 years ago next week.

During their brief independence beginning July 12, 1921, the Lithuanian people espoused a similar spirit of freedom that was manifested during our own drive for independence.

As a nation which was founded upon the principles of individual freedom and national sovereignty, the United States must not let the plight of Lithuania and her sister States of Latvia and Estonia be forgotten.

Even though the Iron Curtain continuously attempts to extinguish it, we must foster the flame and spirit of independence and keep it burning brightly.

The Lithuanians have a rich language and culture that has contributed much to the world including the United States.

Also, let us not forget the contributions of the more than 500,000 Lithuanians who have immigrated to our shores. They have contributed to all facets of our heritage. The descendants of these people have included sports stars Johnny Unitas, Dick Butkis, and Johnny Podres, comedians David Brenner and Walter Mathau.

We carry Lincoln "cents" designed by Victor D. Brenner, another descendant of Lithuanian heritage.

I endorse continuation of the U.S. policy of refusing to recognize the Soviet occupation of Lithuania, and maintenance of our independent diplomatic relations with them.

Further I urge a renewed effort in seeking to enforce the principles agreed upon by many countries in the Helsinki agreement of 1975, to which the U.S.S.R. was a signatory.

We must not fail those who seek freedom for themselves and their homelands.●

● Ms. FIEDLER. Mr. Speaker, today we mark the 40th anniversary of the start of the mass deportations and totalitarian repression of the peoples of the three Baltic Republics—Estonia, Latvia, and Lithuania. While we remember and honor those who suffered and perished, we also reaffirm our recognition, our support and our great respect for our sister republics and their people, and we take this opportunity to say to the world that these things shall not be diminished by the passing of time, nor any adversity, nor the acts of any aggressor.

Through American's long-standing commitment to the freedom and independence of Estonia, Lativa, and Lithuania, we stand irrevocably opposed to armed invasion and conquest. We believe, in the end, that right will triumph over might. To believe in the freedom and independence of these nations is also to believe in the deep and abiding power of freedom. The cause of these nations is that of human rights and dignity, and throughout history we have seen how many diverse tyrants have found that these things do not die, go away, or conveniently remove themselves. Rights may be abrogated, they may be eclipsed, they may be put under the strongest of armed guard, but they have a way of outlasting their oppressors. This lesson—of the importance and immortality of freedom—is one that we may all gladly learn from the Baltic Republics and their brave people.

The strength and power of the spirit of freedom is still with the people of Estonia, Latvia, and Lithuania, both here in the United States and in their original homeland. That this spirit should remain undiminished through the years of adversity should be a source of pride not only to the citizens of these nations and Baltic-Americans, but to all those who believe in freedom.●

● Mr. BLANCHARD. Mr. Speaker, I would like to take this opportunity to join my colleagues, in commemorating the 40th anniversary of "Genocide Day"—when hundreds of thousands of Lithuanian, Latvian, and Estonian citizens were taken from their homes and deported to the slave labor camps of Siberia and other places in the Soviet Union.

Genocide Day is an important one in Baltic history, for it keeps fresh in our mind the tragic fate of the nations of Lithuania, Latvia, and Estonia. It serves to remind us of the despicable treatment of the captive nations and their peoples by the Soviet Union.

The Baltic nations were forcibly annexed by the Soviets in 1940, and their genocide began in earnest the following year. Through our delegation in Madrid, through an active and outspoken human rights policy, and through action we take in Congress, the United States must continually speak out against the egregious violations of human rights by the Soviet Union, toward the men, women, and children in the Baltic States.●

● Mr. MOAKLEY. Mr. Speaker, today marks the 40th anniversary of the mass terror the Soviet Union inflicted upon Lithuania, Latvia, and Estonia.

Thousands of men, women, and children lost their lives and many more were taken from their homes and deported to the inhuman conditions of Soviet slave labor camps. Equally tragic, even today, the brave people of the Baltic nations face injustice and deprivation of basic human rights by Soviet occupation forces.

All Americans should stand by the people of Lithuania, Latvia, and Estonia, for they yearn for the basic freedoms we cherish. As Members of Congress, we should speak out against the terrible acts of inhumanity by the Soviet Union and support the rightful independence of the Baltic States.

Forty years have passed since the Soviets began their campaign of destruction of the way of life in the Baltics without undergoing any basic changes. Also unchanged is the determination of these people to regain their freedom and independence.●

● Mr. LENT. Mr. Speaker, it is with great solemnity that I join my distinguished colleagues in commemorating the 40th anniversary of Genocide Day, the forced deportation of hundreds of thousands of persons in the Baltic nations of Lithuania, Latvia, and Estonia which occurred on June 14, 1941.

Mr. Speaker, not only were they forced into labor camps during this deportation but thousands of these innocent people were executed by the Soviets who were retreating from the invading armies of Hitler's Germany. This was indeed one of the darkest days in the history of civilized man. Seldom has the world been witness to such terrible acts of inhumanity. Sadly, the Soviets' abuse of human rights continues to this day.

For more than four decades, the Soviets have continuously disregarded the human rights provisions of both the United Nations Charter and the Helsinki accords. They have also ignored the stipulations of the Belgrade Conference.

But the Soviet Union's numerous acts of political repression, religious persecution, and cultural genocide have not stopped the proud and determined peoples of Latvia, Estonia, and Lithuania in their resistance to the Soviets. These courageous people have refused to succumb to this repression and have preserved their unique languages, culture, and religious heritage.

Mr. Speaker, as we commemorate the 40th anniversary of Genocide Day, let us continue to preserve and protect the precious freedoms and liberties we Americans enjoy, and seek to extend these same liberties and freedoms to the repressed peoples of the Baltic whose freedom has been taken by force. Aggression against a free people will never be condoned and as a free nation, we should challenge this aggression at every opportunity.

On this day, the 40th anniversary of Genocide Day, it is appropriate that we renew our pledge to aid in restoring freedom to those who seek for its rewards. We must pledge to continue our support for the people of Latvia, Estonia, and Lithuania in this struggle for the freedoms they have been denied for too many years.●

● Mr. McDONALD. Mr. Speaker, June 14 marks a sad day in Baltic history when the Soviet Union started a series of forced deportations from Latvia, Lithuania, and Estonia just prior to the Nazi invasion of June 22, 1941. The Baltic countries had the great misfortune to be invaded three times during World War II, twice by the Red Army and once by the German Army. Deportations and executions of these Baltic citizens continued right up until the Wermacht tanks rolled into the Baltic nations later in the month. When the Baltic nations were reoccupied, the brave people of those nations resisted heroically. From roughly 1944 to 1947 they fought pitched battles with regular Red Army troops, but mainly with MVD formations. All during this period the forced deportations continued and there are photographs available of some of these infamous happenings to prove what took place. An inordinate number of Balts came to populate the forced labor camps. Those who lived to be released from the camps were never permitted to return to their native lands, but were forced to live in Central Asia and other areas foreign to them. By the end of 1949 a grand total of 850,000 people have been removed from their native lands—or roughly 10 percent of the population of the countries involved.

From the Soviet point of view, this was a logical move. They exterminated or removed most of the opposition to their rule, or so they thought, the clergy, military officers, and intellectuals. However, the resistance continues to this day and there are even forced labor camps on Baltic soil today. As part of their overall plan, the Soviets moved Great Russians and reliable Communists steadily into the Baltic nations to act as a check on local nationalistic tendencies, but they have always remained outsiders. We who live in freedom can only wish Lithuania, Latvia, and Estonia well in their struggle against Soviet oppression and try to nourish the hope that they may someday again be free.●

● Mr. PEPPER. Mr. Speaker, once again I feel it is my sad duty to help keep alive the memory of the Baltic

genocide under Soviet occupation during World War II and after.

Hundreds of thousands perished because their fatherlands were occupied in the name of the war effort, their countries seized, their relatives taken away never to be seen again. This heinous act shows the kind of neighbor the Soviet Union is to so many insecure and fearful countries on its boundary: a neighbor who rings the doorbell and puts a foot inside, who lifts the chain and enters saying he will protect your home from thieves. Then he says he needs your living room to hear the noise of doors being opened, he must put iron gates over your windows to prevent unauthorized entrance and then he puts you down into your basement and locks the door so you will be safe from harm. Then you realize that nothing could be worse harm to you than that neighbor, but it is too late. What kind of a neighbor is that?

Lithuania, Estonia, Latvia, Poland, the Ukraine, Armenia, Azerbaidjan, and many other small or medium nations have made this discovery and are now sitting bound and gagged in the Soviet basement. I hope and pray that someday they will live in freedom and happiness once again and let us remember that they exist in bondage all the while.●

● Mr. HOLLENBECK. Mr. Speaker, June 14 marks a day of sober reflection for individuals living in the Baltic States and throughout the world. On this day in 1941, the midst of a world conflagration, hundreds of thousands of persons in Lithuania, Latvia, and Estonia were taken from their homes and deported—many of them being sent to slave labor camps in Siberia. Thousands of others were mercilessly executed by the ruthless Soviet forces.

Oppressed for centuries because of their vulnerable geographic location, the Baltic States have suffered invasions from the East by the Russians and from the West by the Teutonic knights. They have demonstrated incredible spiritual and ethnic fortitude by surviving these repeated onslaughts.

Ever since these gallant Baltic countries were forcibly incorporated into the Soviet Union by the Russians, the inhabitants of these states have struggled to cast off the chains of their oppressors. Thousands of these freedom fighters have sacrificed their lives in an attempt to secure freedom and liberty for their beleaguered nations. From 1944 to 1952 alone, some 50,000 Lithuanian freedom fighters gave their lives as part of a grassroots resistance movement. However, the cessation of armed guerrilla warfare has not resulted in the end of resistance against Soviet domination. Rather, it has fostered the introduction of nonviolent protest on a massive scale.

Even today, Lithuanians, Latvians, and Estonians are risking their lives in outright defiance of the Communist regime. The protests of these proud people against the denial of their right to self-determination and religious and political freedom continues despite Soviet oppression. With this in mind, we must attempt to match the courage of Lithuania, Latvia, and Estonia by redoubling our efforts to secure self-determination and human rights for all.

It is our duty to confront the Soviet Government with the fact that despite being cosigners of the Helsinki accords, they have willfully ignored many of the provisions guaranteeing basic human rights. We must continue to speak out against the infringement of human rights and not succumb to any temptation to condone the inhumane treatment of those less fortunate throughout the world.

June 14 marks a grim reminder for all of us as to the extent of man's inhumanity to man. I am convinced that it is only appropriate that we pause and reflect on the events that transpired in June of 1941. By doing so, we can only reinforce our convictions to ease the plight of those held under Soviet domination in the Baltic States.●

● Mr. BAILEY of Pennsylvania. Mr. Speaker, this month marks the anniversary of a disastrous and inhuman castastrophe committed by the Soviets against the Baltic States some 40 years ago. The consequences and the suffering of the Estonian, Latvian, and Lithuanian people are still sharply felt. The persecution, oppression, and injustice inflicted upon these people by the Soviets when they marched into and seized their countries was a tragedy that struck virtually every Baltic family. The human suffering and loss of lives was an atrocity and this country must strive to prevent the chance of such a holocaust ever happening again on the face of this Earth.

Our country was built by a nation of strangers—that is a fact. From hundreds of places all over the world, people poured into an empty land joining and blending into one irresistible wave. And the land flourished because it was fed from so many sources because it was nurtured by cultures, traditions, and people who placed their love for freedom, peace, dignity, and respect for their fellow man above and beyond all other goals.

When the earliest settlers landed here, there was no one to ask them from where they came. The only questions asked of them was were they strong enough, strong enough to make the journey, strong enough to clear the land, enduring enough to make a home for freedom and brave enough to die for liberty if necessary?

We must never neglect the freedoms and basic rights granted to us as citizens of the United States. Neither can we neglect to promote our democratic principles abroad. Human rights, self-dignity, and the value of each human life can never be cast aside. These matters, especially in countries where their existence is threatened, must be supported and promoted by nations such as ours. We must use our strength to benefit those who, through no fault of their own, cannot control their own destiny. Oppression and persecution become their fate. This is not right. This is not just. We, as a nation have never and should never accept it. We can only become more dedicated to our conviction to fight such injustices.

Unfortunately, the Soviets to this day continue to repress the national, cultural, and religious movements of the Baltics and others. It is with great hope for the eventual decline of such practices that I join the Joint Baltic American National Committee and Baltic communities throughout the country to continue to strengthen our efforts to combat oppression throughout the world, and to encourage humane, civilized, and representative forms of government.●

● Mr. ADDABBO. Mr. Speaker, I join the Committee on Baltic States and Ukraine in commemorating the tragic genocide in Lithuania, Latvia, and Estonia in 1941. The people and culture of these states have been scapegoats to the feuding of governments stronger than themselves in a way the United States has never even had to fear. The 1939 secret pact, dividing Eastern Europe between Germany and the Soviet Union, is still a symbol of East European oppression. The memory of the 1941 genocide is an all-too-real reminder of the Baltic victims of the 20th century.

In the years before the Second World War, the Baltic States struggled to maintain their new-found independence, their allegiances to European nations constantly shifting. By the end of the war, many of the Baltic people were deported or killed and the society they had begun to rebuild in the interwar period was more splintered than ever. The states never lost the national culture and unity they had fought for, but they were never granted their sovereign right to self-government and self-determination.

What are the proposed courses of action on the problem of the Baltic States? A Chicago Tribune article quotes a Latvia resident as saying:

> We are not ripe for revolution, I am afraid . . . All we can reasonably hope for is preservation of our national identity and some degree of self-determination.

The signers of the 1979 Baltic amendment were not so accepting. They stated that—

> In the given historical situation, the question of self determination of Lithuania,

Latvia and Estonia must be decided by means of a referendum, conducted in each one of these countries under conditions which provide for a free expression of the people.

Whether we believe the goal is referendum or national identity, we cannot give up on freedom for the Baltic people. We must constantly reemphasize to the Soviet Union our strong disapprobation of their denial of Baltic self-determination.●

● Mr. BAILEY of Missouri. Mr. Speaker, on this 40th anniversay of "Genocide Day," I wish to read a statement written by my constituent, Mrs. Eve Straumanis:

I, Eve Straumanis, wish to clarify for you Congressman Bailey, the little part of history that I lived and am still living. I am Latvian by birth: small as that land may be and small as the number of Latvians may be, it does not make us less human nor less entitled to freedom and self-determination on our own soil that God gave us thousands of years ago.

The year of "horrors" started on the basis of the Molotov-Ribbentrop secret agreement on June 17, 1940. Soviet armed troops invaded and occupied Latvia. This occupation violated all previous non-aggression treaties signed by both countries and was preceded in 1939 by a Soviet ultimatum that forced the Latvian Government to allow Soviet military bases on Latvian territory.

At 2:30 on the morning of June 14, 1941, Martin and I were awakened by banging on the door of our two story house in Riga, Latvia. Five armed military men gave us a document in Russian entitled "ma bacceresive" which translated meant resettlement for my sister and her three children, the oldest under four years of age. My sister and family lived on the first floor of our house: but had left June 13, to visit grandma for the summer. By God's grace, they were saved from the fate of thousands who during that night were torn away from their homes, families, and freedom into the distant regions of Siberia. Age meant nothing; those even under one year and people beyond 90 were not spared. My sister's husband lived a true horror's year, for eleven times he was sought to be arrested at our home as well as others. He managed to escape the endeavors of the Soviet occupied troops.

By order of Moscow on July 15, 1941, the Soviets held a general mock election in Latvia. Only Communist candidates were allowed. It was an enforced casting of votes; 99 percent of the population was said to have voted. A short time later in August, Moscow announced the decision of Latvians to have their dear little native land incorporated into the Soviet Union.

I take heart in the firm stand of the United States for never having recognized the illegal incorporation of the Baltic States into the Soviet Union.●

● Mr. LEBOUTILLIER. Mr. Speaker, this month marks the 40th anniversary of the tragic Baltic holocaust. On June 14, 1941, the Soviet armies marched into the Baltic States of Estonia, Latvia, and Lithuania under the banner of Stalin's "Sovietization" policies. Inhabitants of these three countries were unjustly forced to leave their homeland, and many were never to return.

The Russians stated that only those who could have provided resistance to Soviet rule were exiled. In reality, members from all spheres of society, regardless of their political views, were cruelly herded into railroad cars and transported to slave labor camps in Siberia. Unfortunately, by the end of 1949, a total of 850,000 or more than 10 percent of the population of these nations had suffered this fate at the hands of the Soviet Government.

In these violent times, people around the world are still subjected to oppression, terrorism, and inhumane treatment. Americans can feel proud of the fact that we live in a nation where individual rights and dignitites are respected.

I think that it is important, in our role as a world leader in the cause for freedom, to commemorate this memorable day in Baltic history. Hopefully, by reminding people of these tragic events, the day will come when individuals throughout the world will live in an environment where their rights and freedom are truly respected.●

● Mr. FROST. Mr. Speaker, I join my colleagues in taking this time to remind us all of the tragedy that occured 40 years ago this month. June 14, 1941, which we now remember as Genocide Day, represents one of the bleakest chapters in the history of the Baltic States. But through remembrances such as their special order, we are able to show the world that we will not forget the terrible chain of events that led to Genocide Day and which still keep Latvia, Lithuania, and Estonia in bondage to the Soviet Union.

I am especially pleased to join this ceremony because my maternal family heritage is Lithuanian. I am grateful that my Lithuanian ancestors were able to emigrate to the United States and prosper in our free society. But I am saddened at the knowledge that today's citizens of Lithuania and the other Baltic States still live under the domination of a totalitarian state dedicated to eradicating all semblance of freedom.

I commend the Ad Hoc Congressional Committee on the Baltic States and Ukraine in taking this time to keep the memory of Genocide Day fresh in the minds of the Congress and the people of the United States. Perhaps only by our commemoration of Genocide Day can we ever hope to join the people of the Baltic States in celebrating that most precious of gifts—freedom.●

GENERAL LEAVE

Mr. DOUGHERTY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks in the RECORD on this issue.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PERMISSION FOR COMMITTEE ON GOVERNMENT OPERATIONS TO HAVE UNTIL MIDNIGHT FRIDAY, JUNE 12, 1981, TO FILE SUNDRY REPORTS

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations may have until midnight Friday to file sundry reports.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

SAVINGS AND LOAN INSTITUTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. EMERSON) is recognized for 10 minutes.

Mr. EMERSON. Mr. Speaker, as many of my colleagues are aware, the savings and loans institutions throughout the country have been faced with unprecedented hardships in recent years as a result of the double-digit inflation produced by Federal Government policies. According to recent reports, some 400 S. & L.'s are technically bankrupt under the FSLIC's net worth requirements, since their equity is less than 4 percent of deposits. Across the country, profits for S. & L.'s fell 75 percent in 1980, and the Nation's 4,700 S. & L.'s are expected to lose approximately $4 billion in 1981.

It is important for those of us in this body to realize that in many instances these conditions have developed far beyond the control of those who manage the savings and loans. This is not a case of mismanagement on an unprecedented scale. The many thousands of managers who built and have administered the multibillion-dollar savings and loan industry have not fallen into some sort of collective negligence. No, the problems that confront the S. & L.'s were manufactured here in Washington; and the answers devised by Washington to the S. & L.'s problems have been too slow and many times too late.

In the weeks and months to come, I intend to actively participate in the search for the solution to the problems confronting the thrift industry; and I invite all my colleagues to join in this effort to save the industry that has allowed so many Americans to fulfill the dream of owning their own home. As a first step, I would like to insert into the RECORD a brief narrative about the industry and the problems it faces. This description was prepared for me by Mr. David Patterson,

president of the Colonial Federal Savings and Loan in Cape Girardeau, Mo. I believe his remarks are well worth noting for anyone who is concerned about the continued stability of the financing for homebuilding and who wishes to assist the savings and loans out of a crisis that Congress and Federal regulations made for them. His remarks follow:

A SHORT HISTORY OF SAVINGS AND LOANS

(By Mr. David Patterson)

From its inception in 1831 in a little town near Philadelphia, the savings and loan industry has served primarily two purposes. One to provide a safe depository for savings, principally family savings, and the other to lend funds to provide for homeownership.

The business entity was only mutual in nature for many, many years; hence the name "Association" rather than "Corporation", and to this day, by law, is a mutual association in approximately twenty-two states—Missouri being one of them. This concept means, of course, that the savings depositors own the company and vote for its directors just as does a mutual insurance company. Stock chartered associations came into being not too many years ago and are allowed in several states, the principal one being California, and the stockholders elect directors in that case.

There are, other than the stock ownership and the mutual ownership, two charters available for the conduct of business. One a state charter authorized by state of domicile and the other a federal charter authorized by the federal government. This parallels the banking setup wherein banks with the name "National" incorporated in the name are chartered by the federal government and those without the name "National" are state chartered. Federal associations are not allowed to be stock associations. State chartered associations may be stock chartered only if their state of domicile has the proper enabling legislation. Missouri has no such law.

Without the advantage of the stock ownership, a mutual savings and loan such as Colonial Federal, is limited to the attraction of savings deposits for its capital, being unauthorized to issue stock. Remember, about one-half of the states, including Missouri, are in this same position.

Savings and loans can be credited for the fact that the American public has attained such a high level of homeownership—a level which outstrips any other nation in the world. It is our reason for being, and we have succeeded greatly in fulfilling the mandates of our charters until fairly recently. Savings and loans, as an industry, have financed more homes than all other financial institutions put together. Of course, the success years came during those years of low inflation and stable interest rates. The norm for many, many years was to pay 6 percent on savings and charge 8 percent on a home loan. Before that there were several years of 6 percent home loans and 4 percent savings. In fact, many states, including Missouri, had a usury limit of 8 percent until only five or six years ago when it was raised to 10 percent, and with interest rates increasing fast, had to be raised again within just a couple of years—when, finally, about one year ago state usury limits were so restrictive that the federal government issued preemptive regulations taking all state usury laws off the books, unless they were reinstated by state legislation within three years. This action was absolutely necessary in order for savings and loans to compete for money, because inflation and volatile interest rates made it impossible to attract money at low rates any more—much less earn a profit margin by lending at the old low rates.

The real troublesome aspect of savings and loan operations is that our savings base is on a short term, almost demand, basis whereas our mortgages are generally written for thirty years at fixed rates. This means that we have to live with our old low contracted rates on the earnings side but must pay current market rates on the cost side. Virtually all, at least 95 percent, of the savings and loans in the country are losing money rapidly right now. We do not have the ability to roll over the old fixed rate mortgages into higher rates—and this situation was mandated by government, both state and federal.

The business, through its national trade association, and directly, clamored for years for a variable rate mortgage such as has been used in Canada and Britain for decades—to no avail. We were required to deal in fixed rate mortgages only, with perhaps the exceptions of state chartered associations in a very few states, notably California.

In the first half of 1980, merely one year ago, the Federal Home Loan Bank Board which governs savings and loans through twelve district Federal Home Loan Banks (a similar setup with the Federal Reserve Board for banks) authorized the usage of a variable rate mortgage, but with such restrictions that it was of absolutely no help at this time, and, of course, could only affect newly written mortgages. This VRM allowed an interest rate change only at the end of a three-year period and then only by ½ percent per year. In the meantime, we saw interest rates go from 9 percent to 20 percent, then reduce somewhat, and are now climbing again. It has forced us to sustain old low rate notes at high cost money.

Finally, just about three week ago, the Federal Home Loan Bank Board authorized an adjustable rate mortgage for usage with no increase limitation whatsoever. If this tool had been available years ago when we demanded it, we would not be in the loss situation that we are in today. Even this tool will take (assuming the homebuying public will use it) another six to eight years to amass enough such mortgages on the books to again be in a profitable position.

Our association, just like thousands of others, currently has over half of its earning assets in fixed rate mortgages of 9 percent and under. These mortgages will stay on the books, many of them for their remaining terms of twenty years, but we would expect that about 70 percent would be changed within eight years simply by the action of a home sale.

About two years ago Congress created a Depository Institutions Deregulation Committee (DIDC) composed of the Secretary of the Treasury, the Chairmen of the Federal Reserve Board, Federal Deposit Insurance Corporation, Federal Home Loan Bank Board, and the National Credit Union Administration Board. This committee, which is stacked against the savings and loans, stipulates the rates to be paid for family savings. Since no institutions other than savings and loans are strapped with old low rate mortgages, we are the only ones to suffer from the high rates as authorized. Banks and credit unions can call their notes and raise their lending rates accordingly as costs increase—savings and loans cannot.

Assistance must be forthcoming, since savings and loans all over the country will be in default and will have to be either merged (which is merely a delaying action) or taken over by the FSLIC, which has only about 2 percent reserves—in other words, only 2 percent of the total of the entire savings of the country. This, of course, is the organization, along with the FDIC for banks, that, for an insurance premium which we pay, insures all savings, time, and demand accounts in the country to a maximum of $100,000 per account.

It is clear, therefore, that the FSLIC does not have the cash, and some plan such as an exchange of low-yielding mortgage loans for FSLIC issued notes, must be adopted soon. Senator Moynihan of New York has introduced a bill similar to this plan. New York, by the way, had to live with artificially low usury limits for far too long, just as did Missouri.

It appears that Secretary of the Treasury Regan, the former head of Merrill-Lynch, has absolutely no sympathy for savings and loans. By his statements he acts as if savings and loans are in this shape because of poor management and that they, like many other small businesses, are expendable and should experience a big shakeout through failures and mergers—because in his opinion housing takes too much capital anyway. He doesn't think of the millions of savers who would be affected or the panic it might cause.

In the meantime, the mutual money market funds of which Merrill-Lynch has the largest, attracts money away from savings and loans with high rates and invests more than half of it in Euro-dollars and foreign investments. Yet they cry that savings and loans are remiss by not paying the highest rates possible to the poor saver; rates, of course, which we cannot afford anyway because we are not allowed by law to make the types of investments allowed to mutual money market funds. By law, we must follow our charters and invest principally in mortgages, although recently we were allowed personal consumer financing, an avenue of investment that can only practically amount to 1 percent to 2 percent of our total assets.

Even if we were allowed to make investments such as the mutual money market funds can make, we would be years in overcoming the burden of our portfolio of low yielding mortgages. Even if this were to happen, you can see that mortgage money to finance the homes for the American public would completely dry up.

JUST A WARNING

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. FISH) is recognized for 5 minutes.

Mr. FISH. Mr. Speaker, the real question facing this Nation and the world community is not whether Israel acted properly or improperly in its raid against the Iraqi nuclear reactor. Rather, the question is why we in the technologically advanced West have permitted advanced nuclear technology, with the capability of producing nuclear weapons, into an area as volatile as the Middle East, and especially to nations as irresponsible as Iraq and, possibly in the near future, Libya.

France and Italy, in their efforts to maintain a secure supply of oil, by introducing nuclear technology which would result in the construction of nuclear weapons, may have resulted in making the area even more dangerous and unstable.

Mr. Speaker, the failure was not in the Israeli action, but in the steadfastness of the French and Italians in refusing to alter their reckless course of supplying Iraq with this technology—this despite intense diplomatic and public pressure.

I believe that Israel has provided all of us in the Western world a second chance, and opportunity to reexamine policies of providing advanced nuclear technology to unstable areas of the world in a wholesale manner. For that, she should be thanked and not condemned.

Mr. Speaker, I would also like to briefly address the question of the Israeli action itself. We in the United States should realize that the action by Israel differs very little from our action in the early sixties to prevent a nuclear threat from Cuba by the Soviet Union. We acted at that time as Israel acted this past week, to protect our essential and vital interests as a nation.

Mr. Speaker, if someone threatens to burn down your house, and you do whatever is possible to prevent that person from doing so, is that considered an aggressive act, or one to protect the safety of your family. The answer should be quite obvious. Well, Iraqi President Sadaam Hussein threatened several times to develop nuclear weapons with the sole intent of destroying Israel. The evidence is not all in. But it appears Israel had exhausted all other possible peaceful remedies. Her last recourse, with the very tight time frame she had to work with, was to use military action.

We should also note the extraordinary precautions Israel took to limit injury of innocent people. The possible consequences, had the reactor gone "critical," would have been far more devastating. Israel's action was as responsibile as one could expect, given the circumstances I have described.

POSTAL SERVICE SHOULD FIND OTHER MEANS OF REDUCING EXPENDITURES THAN CLOSING LOCAL POST OFFICES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, on Wednesday the Post Office and Civil Service Committee reluctantly acted to comply with budget reductions imposed upon the Congress by reporting out legislation that instructs the Postmaster General to cut $100 million over the next 3 years by closing or consolidating up to 10,000 of our Nation's smallest post offices. Because that action will likely be included in an omnibus reconciliation package that will not afford Members of Congress the opportunity to express their opposition on this specific proposal, I am today introducing a resolution expressing the sense of the Congress that the Postmaster General of the United States should give priority consideration to means other than closing large numbers of local post offices as a method of reducing expenditures by the U.S. Postal Service.

Mr. Speaker, I believe it would be a tragic mistake for this Congress to pass legislation that would result in the Postmaster General closing up to one-third of our Nation's post offices. Even the Post Office and Civil Service Committee recognized the disastrous effects of this action when they recommended that the full House not approve this measure.

I am sure that most Members of Congress recognize that the Postal Service could realize some savings by closing or consolidating some very small post offices without impacting upon the mail service of this country. Clearly, this resolution does not prohibit or discourage the Postmaster General from using his authority to close or consolidate inefficient, duplicative, or marginal post offices in communities which could receive satisfactory postal service from another post office or contract post office. However, this resolution does express the sense of the Congress that the closing of up to 10,000 post offices would be unwise and irresponsible.

Mr. Speaker, yesterday I spoke with members and staff of the Post Office and Civil Service Committee and learned that in their views, up to 10,000 of the Nation's 30,304 post offices could be closed by the Postmaster General if the committee action is adopted by the Congress. The committee action calls upon the Postmaster General to save $100 million over the next 3 years by closing or consolidating inefficient post offices. The committee received information from the Postal Service that the estimated savings of closing a small post office is $10,000. While the savings may be greater over the 3-year period, it is possible that up to one-third of our country's post offices would be closed to accomplish a $100 million savings if the average savings is $10,000 per post office.

This action would have repercussions which will be felt by industry, institutions, small business, and many of the 230 million Americans, especially those in rural areas. Postal service is viewed by most Americans as a service as essential as fire, police, and health protection. We have become a nation reliant upon a responsive, expedient, and convenient postal service. This service is essential to the livelihood of many businesses and individuals for their everyday life.

I think that it is going to be very difficult to explain to an elderly or handicapped person why the Congress would instruct the Postmaster General to initiate a wholesale action to close thousands of small post offices. This action would not be because the service could be performed equally well by another post office or because detailed study and careful examination could show equivalent service in a different fashion. But because the reconciliation package calls for a savings of $100 million by closing of small post offices.

I am greatly disturbed by this proposal and I urge my colleagues to join me in support of this resolution. Adopting this policy in response to President Reagan's budget proposal must be termed reckless and irresponsible. The Congress must respond to the desire of the American people to control Federal spending in a responsible fashion. Let us join together in this resolution to instruct the Postmaster General to take a more responsible course of action:

H. RES. 147

Whereas the Congress has recognized the need to eliminate waste in the Federal budget; and

Whereas the budget reductions imposed upon the Congress are requiring substantial decreases in the level of Federal funding provided to the United States Postal Service; and

Whereas local postal service is viewed by many communities as a service as essential as fire, police and health protection; and

Whereas many businesses and individuals are dependent on a reliable, expedient and convenient postal service to maintain their livelihood; and

Whereas the burden imposed by the closing of small post offices is likely to impact disproportionately on the rural sector of our economy; and

Whereas the closing of large numbers of this country's smallest post offices would result in hardship for millions of elderly, handicapped, and other citizens which presently benefit from the service of small local post offices: Now, therefore, be it

Resolved, That the House of Representatives calls upon the Postmaster General of the United States to give priority consideration to means other than closing local post offices as a method of reducing expenditures by the United States Postal Service.●

OLYMPIC COMMEMORATIVE SILVER DOLLAR BILL INTRODUCED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO), is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, today I am introducing the Olympic Commemorative Silver Dollar Act. This bill authorizes the mint to strike

up to 25 million full size 90 percent silver dollars to commemorate the 1984 Summer Olympics to be held in Los Angeles, Calif. The sale of these coins will help provide funds to train our athletes for the Olympics as well as reduce the national debt. The House this month passed a bill that would authorize the minting of commemorative coins for the first time in over 25 years in honor of George Washington's 250th anniversary. The Olympic commemorative silver dollar bill follows in the footsteps of that bill.

I believe that the minting of commemorative coins is a tradition that needs to be revived in America. Most American coin collectors are especially interested in using U.S. coins, but are limited to collecting our regular issue coinage. Collectors who seek something special are forced to purchase commemorative coins from foreign governments.

The minting of commemorative coinage was halted in this country because of a number of abuses connected with those programs. The bill I am introducing today, like the George Washington Commemorative Coin Act, addresses those problems in a manner that has gained widespread acceptance.

This bill authorizes the issuance of a single coin for a limited period of time. There will not be a multitude of different coins. Multiple issues are confusing and discouraging to collectors and are a burden on the production capacity of the mint.

The coins would be struck only for 3 years, from 1983 through 1985. This avoids the problems of the past in which commemorative coins were issued for years after the event being commemorated was over.

The timing of the coin also fits nicely with that of the George Washington commemorative. The sales program will begin just as the Washington program is winding down in 1983. Since the coins will not compete with one another, collectors will not be forced to choose which one to purchase.

The marketing and sales of the coin will be conducted exclusively by the Bureau of the Mint. Coin collectors have high regard for the ethical, fair and efficient manner in which they have been treated. Past abuses by private marketers of commemorative coins is avoided.

The coin commemorates a significant national event of interest to all Americans. The Olympics are not solely of local or regional interest, but are national and even international in scope. There can be no doubt that the Olympic games are a meaningful occurrence in American life. One needs only recall the excitement last year of Eric Heiden's five gold medal victories and the glorious triumph of the U.S. hockey team.

Money from the sale of these coins will be used to train our Olympic athletes, but the money will be disbursed by the Treasury. The Government will have the right to audit the books of the U.S. Olympic Committee to assure that the money is used properly. Furthermore, I intend to request that such an audit is performed and I will make the results of that audit public.

Finally, but hardly least of all, this coin will be another round fired in my war on the national debt. Half the profits from the sale of these coins will be earmarked to reduce the national debt. That money can be used for no other purpose.

Our national debt has reached nearly $1 trillion. We must begin to attack that debt and get the taxpayer out from under the dark shadow it casts upon our economic well-being. It is extremely important that every bill that this Congress considers that generates receipts to the Government contain a provision earmarking a portion of those receipts to reduce the crushing burden of our national debt.

Mr. Speaker, this bill benefits America in three ways. It provides funds to train our athletes so that they may best represent America at the Olympics. It raises money to reduce our national debt. It commemorates the U.S. participation in, and the hosting of, a significant international event. I urge all my colleagues to join with me in cosponsoring this legislation.

A copy of the legislation and summary of the bill follow:

SHORT SUMMARY OF H.R. 3879, THE OLYMPIC COMMEMORATIVE SILVER DOLLAR ACT

Sec. 1. The short title of the bill is the "Olympic Commemorative Silver Dollar Act".

Sec. 2. The bill amends the Coinage Act of 1965 to provide for the minting of up to 25 million full-size 90 percent silver dollars. The coins would be legal tender. Each coin would contain .7734 ounce of silver. The coins would commemorate the 1984 Summer Olympics to be held in Los Angeles. None could be minted after 1985.

The coins would be sold to the public at a price equal to the cost of manufacture plus at least a 25 percent surcharge. One half of the surcharge would be given to the United States Olympic Committee to train athletes for the Olympics. The other half of the surcharge would be used solely to reduce the national debt.

The Comptroller General would have the right to audit the books of the Olympic Committee to assure that the money was used for training athletes.

Sec. 3. The Act takes effect on October 1, 1982.

H.R. 3879

A bill to provide for the minting of silver dollars with a design emblematic of the 1984 Summer Olympic games which are to be held in Los Angeles, California

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Olympic Commemorative Silver Dollar Act".

SEC. 2. Title I of the Coinage Act of 1965 (31 U.S.C. 391 et seq.) is amended by inserting after section 104 the following:

"Sec. 104A. (a)(1) Notwithstanding any other provision of law, the Secretary shall mint and issue one-dollar coins pursuant to this section in such quantities as are necessary to meet the needs of the public, except that such quantity shall not exceed 25 million coins.

"(2)(A) The one-dollar coins minted pursuant to this section shall weigh 26.73 grams, have a diameter of 1.50 inches, and be minted in accordance with the standard established in section 3514 of the Revised Statutes (31 U.S.C. 321).

"(B) The Secretary shall determine the design of such one-dollar coin. Such design shall be emblematic of the 1984 Summer Olympic games which are to be held in Los Angeles, California. On each such one-dollar coin there shall be a designation of the value of the coin, an inscription of the year '1984', and the inscriptions of the words 'Liberty', 'In God We Trust', 'United States of America', and 'E Pluribus Unum'.

"(C) All one-dollar coins minted pursuant to this section shall be legal tender as provided in section 102 of this title (31 U.S.C. 392).

"(b)(1) Notwithstanding any other provision of law, all one-dollar coins minted pursuant to this section shall be sold to the public by the Secretary under such regulations as he may prescribe and at a price equal to the cost of minting such one-dollar coins (including labor, materials, dies, use of machinery, and overhead expenses) plus a surcharge, established by the Secretary, of not less than 25 percent of such cost.

"(2) An amount equal to one half of the amount of all surcharges which are received by the Secretary from the sale of such one-dollar coins shall be promptly paid by the Secretary to the United States Olympic Committee. Such amounts shall be used to train United States athletes for participation in the Olympic games.

"(3) An amount equal to one half of the amount of all surcharges which are received by the Secretary from the sale of such one dollar coins shall be desposited in the general fund of the Treasury and shall be used for the sole purpose of reducing the national debt.

"(4) The Comptroller General of the United States shall have the right to examine such books, records, documents, and other data of the United States Olympic Committee as may be related to the expenditure of amounts which are paid to the United States Olympic Committee pursuant to paragraph (2).

"(c) No one-dollar coins shall be minted pursuant to this section after December 31, 1985.

"(d) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.".

SEC. 3. The amendment made by the first section of this Act shall take effect on October 1, 1982.●

THE 40TH ANNIVERSARY OF GENOCIDE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 5 minutes.

● Mr. FORD of Michigan. Mr. Speaker, this month, Americans of Estonian, Latvian, and Lithuanian descent will commemorate the 40th anniversary of the Baltic Holocaust. The days of June 14 and 15 marked the beginning of a mass deportation effort conducted in the Baltic States 40 years ago by the Soviet regime. In the wake of this campaign of terror, virtually no Baltic family was left untouched by the tragedy.

Occupation and genocide are still being repeated by the U.S.S.R. with the most recent example being in Afghanistan. Indeed, during its entire 63 years in power, Communist Russia has remained an ideologically dogmatic, politically repressive state which has exploited every opportunity to control its weaker neighbors.

It is up to us in the West to continue to focus world attention on the Soviet Union's blatant disregard of human rights and fundamental freedoms. The Soviet Union must be made to realize that it will be held accountable for its denial of basic human rights in the Baltic States and other captive nations. America must persevere in its efforts to fight oppression throughout the world, and to encourage human, civilized and representative forms of government.●

SMALL BUSINESS AND MILITARY READINESS—HEARING ANNOUNCEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 5 minutes.

●Mr. LAFALCE. Mr. Speaker, the United States is experiencing a massive military buildup today. We are seeing a doubling of the defense budget over the next few years from $161 billion in fiscal 1981 to $343 billion in fiscal 1986. We will be seeing a surge in orders for new military equipment, spare parts, and ammunition. There will be a greater need for industrial capacity to handle defense work.

Can our industrial base meet this challenge? I do not know. That is an unsettling answer given the unsettling international conditions our Nation faces. But the truth is that the U.S. defense industrial base has been weakened over the past decade to the point where some experts doubt whether we have the capacity in industrial plant and skilled manpower to handle the increased volume of defense work.

The most serious problems arise in the small business sector of our economy. Many small businesses have stopped seeking and handling defense work because it has been undependable. Yet small business is a key part of our defense industrial base. According to economist Gail Schwartz:

Small firms are pivotal in the defense production chain because they produce the highly specialized tools and equipment often in very small runs that make sophisticated weapons systems work. They are subcontractors to the larger firms which assemble the planes, missiles and vehicles themselves. There may be as many as five tiers of subcontractors involved in one final product. They provided $8 billion worth of shipments to the Department of Defense in 1978.

Let me add that small businesses are prime contractors in many instances.

I have long been concerned about the need to strengthen the small business component of the U.S. defense industrial base. I have also been interested in assuring that small business is utilized to its fullest ability in rebuilding U.S. military capabilities and receives a fair share of the new defense contracts. Giving small business its fair—and proper—share not only helps strengthen the economy; it means competition. And we have found that greater competition for defense contracts means lower costs to the taxpayer.

The House Small Business Oversight Subcommittee, which I Chair, plans to hold hearings on June 18, 23, and 25 on the broad issue of small business and Government procurement. The subcommittee will be paying close attention not only to defense procurement and the problems small business faces but to small business and civilian procurement. In our concentration on defense spending today, we must not forget that $28 billion is spent on procurement by the civilian sector of the Government. The General Services Administration, are the major civilian buyers. To examine the problems small business experiences, I have invited the following witnesses:

JUNE 18, 1981, ROOM 2359A, RHOB, 9:30 A.M.

Dr. Gail Schwartz, visiting professor of Public Policy, Johns Hopkins University;

Terry Ford, assistant to the president, Gould's Ocean Systems Division, Cleveland, Ohio;

Pat Lee, president, Enidine Inc., Buffalo, N.Y.;

Herman Director, editor—Bidders Early Alert Message System, Washington, D.C.;

Paul Seidman, Esq., Washington, D.C., former assistant Chief Counsel for Procurement, Office of Advocacy, SBA;

Lola Dickerman, Esq., Boston, Mass.;

Daniel Barry, director, Labor Surplus Area Small Business Outreach Program, Buffalo, N.Y.;

JUNE 23, 1981, ROOM 2359A, RHOB, 10:30 A.M.

Michael Cardenas, Administrator, Small Business Administration;

Gerald Carmen, Administrator, General Services Administration;

Donald Sowles, Administrator-Designate, Office of Federal Procurement Policy.

JUNE 25, 1981, ROOM 2359A RHOB, 9:30 A.M.

Dr. Richard DeLauer, Under Secretary for Research and Engineering, Department of Defense.

I am also inserting in the CONGRESSIONAL RECORD three recent articles that are required background reading on the problems we face in rebuilding U.S. military readiness and the contribution small business should be making in that effort. The articles appeared in the Washington Star of May 22, 1981, Newsweek of June 8, 1981, and the Washington Post of June 7, 1981.

[From the Washington Star, May 22, 1981]

INDUSTRY COULDN'T FULFILL SUDDEN WEAPONS DEMAND

(By Gail Garfield Schwartz)

The U.S. economy could not respond to a sudden demand for weapons and equipment to fight a prolonged, conventional war. Further nothing being considered in Congress and/or by the Defense Department to deal with this recognized problem will make any substantial difference.

The American defense industrial base, which is almost totally owned and operated by the private sector, is in turbulence. Serious bottlenecks and choke points adversely affect the Defense Department's ability to procure military equipment in a timely, efficient and economical manner. These difficulties have resulted in a dramatic increase in the time lags for defense procurement, to as long as 120 weeks in many instances, according to the House Committee on Armed Services.

SPECIAL PROBLEMS

A major reason for the lack of a surge capacity is that small firms, which comprise one-fourth of all firms producing for the Defense Department, face special problems, and these problems cannot be solved by the Defense Department alone.

Small firms are pivotal in the defense production chain because they produce the highly specialized tools and equipment, often in very small runs, that make sophisticated weapons systems work. They are subcontractors to the larger firms which assemble the planes, missiles, and vehicles themselves. There may be as many as five tiers of subcontractors involved in one final product. They provided $8 billion worth of shipments to the Department of Defense of 1978.

There are some 92 industries involved in defense production. But the primary contributors at the subcontractor level are in the machinery sector and the electronics sector. The former produces tools, moulds, dies needed for making weapons parts. The latter makes the control elements that make these sophisticated systems work. Small firms in both these sectors make up over 53 per cent of all firms in the sector producing for defense.

WOES OF SMALL FIRMS

Small firms in these sectors face two crucial difficulties: They have a hard time getting capital; and they have a hard time hiring and retaining highly skilled workers.

Equity capital is hard to come by because many small firms are high risks and privately owned. Debt financing is hard to obtain because the firms limited assets often put them at a disadvantage for collateralized loans.

Small firms have trouble competing for specialized personnel in a tight labor market. They cannot offer the wage-fringe package that many large firms provide. Worse, they cannot afford to pay well during what may be long learning periods as workers master new equipment that is constantly changing.

Why does this matter? It matters for four reasons.

First, the inability of small domestic firms to produce the parts needed, on time, at planned costs, means that their customers look overseas for those parts. It does not augur well for the nation's military or political independence to rely on Japanese or German or Swedish suppliers for weaponry. In time of war, this overseas dependence could be catastrophic.

Second, if the United States tries to become more self-sufficient in defense production, and small firms cannot deliver the needed products on time, large firms may have to produce them. But, this may be more costly to the economy as a whole. It is inefficient for large firms to retain on line highly specialized capacity that is only occasionally used.

Third, defense production has beneficial spin-offs for small firms, as it expands their technological know-how.

And last, improving capacity in these sectors would help revitalize the economies of states in deep economic trouble. Illinois, Michigan, Indiana, New York, New Jersey, and many other states would benefit, along with the larger defense-related states of California and Texas.

SPECIAL CREDIT NEEDED

What is needed is a public-private effort to strengthen the competitive position of small firms in the key sectors that feed the defense industrial capacity. These efforts must go beyond changes in procurement practices or bidding systems now under consideration by Congress. Such adjustments may ease the pressure on small firms by improving their cash flow.

But high rates of inflation—which make even accelerated depreciation for new equipment of little use when cash is needed to replace it—and tight money put small firms at a great disadvantage. Special credits could be offered to small firms to enable them to buy materials and equipment needed for defense production.

The nation also needs a crash program to train machinists and engineers. Job tax credits could be made available to small firms so that they could match the pay scale of larger firms.

The nation's defense needs should trigger efforts to strengthen small machinery and electronics firms. This would send beneficial ripples through every region of the country. It could also determine the outcome of any war or police action in which we might find ourselves.

[From Newsweek, June 8, 1981]

CAN UNITED STATES INDUSTRY DELIVER?

The Ohio, the nation's first Trident submarine, will be delivered to the U.S. Navy in December—two and a half years late and $280 million over budget. Since construction started in 1976, the sub's builder, the Electric Boat Division of General Dynamics Corp., has weathered problems ranging from strikes to shoddy workmanship to defective government-supplied parts. Steel that may have been used in up to 126,000 locations didn't conform to specifications. Technicians had to rebalance the ship's service turbine generators, then rip out and replace the main turbine rotors. Management fired 3,000 workers. There have been so many delays and disputes that Navy Secretary John Lehman Jr. warned he might have a foreign contractor build the giant sub. His frustration was understandable, but the threat was laughable. Only one other country now has the capacity to build the Trident: the Soviet Union.

On the eve of one of the biggest defense buildups in peacetime history, there is serious doubt that the nation's defense industry can deliver the goods on time and within budget. After years of dampened military spending, the U.S. defense industry has dwindled substantially. More than 2,000 aerospace subcontractors left the field between 1968 and 1976, for example, and 240 forging foundries have closed. There are scattered shortages of men and material and many firms have cut capacity. The lead time for aluminum aircraft forgings, twenty weeks in 1976, has stretched to 120 weeks. An F-16 fighter that took 120 weeks to build in 1977 now takes 180 weeks. Delays mean higher price tags; and if the huge cost overruns in the Trident program are any example, the Pentagon's shopping list could easily bust even a swelled defense budget—and with it the Reagan Administration's hopes of eliminating the Federal deficit.

Hardware: To minimize potential problems, the Pentagon will spend slowly in the first few years. Defense Secretary Caspar Weinberger has asked Congress for an additional $32.6 billion in defense-spending authority for fiscal 1981 and 1982—but the Pentagon will spend only $5.8 billion of it right away. The rest is for long-range procurement programs that won't show up in actual appropriation bills for several years (chart). Still, the Reagan Administration proposes to double defense spending—to $343 billion—by 1986, and much of that money will go for hardware. Plans call for more spare parts and ammunition, a host of new fighters for the Air Force, Navy and Marines, more submarines, helicopters, tanks and cruise missiles, a new version of the B-1 bomber—and the MX missile, which alone could cost up to $56 billion.

Industry analysts say the nation's prime defense contractors do have the capacity to fill the new orders—at least in the short run. In the aerospace industry, for example, the military buildup will simply take up slack left by declining orders for commercial jets in recent years. But the squeeze may well be felt at the subcontractor level. Bottlenecks are inevitable, defense experts warn, because so many smaller firms have left the defense business for more dependable commercial contracts. The dwindling number of subcontractors has forced the Pentagon to work with many "sole suppliers." Only one plant makes a special steel used in air-to-air missiles; only one makes a special valve needed for submarines. A monopoly manufacturer, notes Adam Klein, a staff member of the House Armed Services Committee, "can sell at whatever price he chooses."

Shortages—of manpower, materials and manufacturing capacity—are already occurring in some areas, substantially driving up defense costs. Some key raw materials must be imported from politically unstable countries. The price of cobalt—used in the engines of F-15 and F-16 fighters—shot up 246 percent after the 1978 rebellion in Shaba Province in Zaire, for example, and now each engine costs an additional $18,000. A shortage of 30,000 aerospace and electrical engineers in the Los Angeles area has led to a bidding war, boosting labor costs. Shipbuilders can't find enough pipe fitters and welders. By one estimate, defense-related industries will be short 10,000 workers by 1985. Ironically, if the Reagan Administration's "supply-side economics" does stimulate the private sector, a serious crunch could come "five years down the road—when the economy and the military are both booming," says Michael Derchin, a defense analyst for Oppenheimer & Co., Inc.

In the scramble to win defense contracts, many large firms are working around the problems. To avoid subcontractors, for example, Pratt & Whitney Aircraft, which manufactures the engines for F-15 and F-16 fighters, is building factories to supply its own turbine airfoils, compressor blades and discs. To escape the engineering crunch in California, some plants have relocated. But many manufacturers say the shortages will not stop until the Federal government ends the piecemeal production cycle of defense spending. Contractors have often tooled up to meet an order only to have Congress cut the appropriation—or the Administration change plans. "If the subcontractors gear up for 1,400 F-18 fighters and Congress cuts it back to 200 or 300," says Oppenheimer's Derchin, "these guys will be left out on a limb."

Electric Boat's experiences building the Trident—and simultaneously the SSN 688 attack submarine—illustrate other contractor laments. Officials at the Groton, Conn., shipyard blame the government for much of the Trident's cost overruns. In 1979 and 1980 they submitted 8,000 complaints about defects in government-furnished parts that required "750,000 man-hours to correct" says general manager P. Takias Veliotis. In 1978 the firm threatened to stop work completely on the attack sub unless the government paid for $544 million worth of claims caused, company officials say, by 35,000 Navy-ordered design changes. Part of the problem was the Navy's policy of "concurrency"—beginning construction before the design was firmly set. "You finish a job 50 per cent through, then rip it out and put in a lot of revisions they come up with," grumbled one Groton draftsman. Adm. Hyman Rickover, however, has charged Electric Boat with underestimating bids to win contracts, then inflating costs.

Glitches: "Concurrent testing" was a complication for Chrysler Corp., builder of the Army's sleek new M-1 Abrams tank. The Army accelerated the tank's production schedule from ten years to seven, effectively skipping one testing stage. "The law of averages says you're going to uncover problems—that's why you do testing," says Chrysler spokesman John W. Day. The result: embarrassing glitches such as faulty gears and a tendency to throw tracks. Corrections to the M-1—together with inflation—have pushed the first model's price tag to $2.5 million, according to some estimates—four times the original cost in 1973.

Delays and cost overruns also seem inevitable in the gigantic MX missile project. If the Administration approves the plan to base the MX underground in Utah and Nevada, constructing the 4,600 shelters along with 8,000 miles of road would require digging up as much dirt as was excavated for the Panama Canal and pouring twice as much cement as was used in the Grand Coulee Dam. Critics warn that one key shortfall might be in obtaining enough water just to pour the cement.

Beyond the sheer scope of such projects, "gold plating"—using ever more sophisticat-

ed gadgetry in new weapons systems—further complicates construction and raises costs. Many last-minute design changes stem from the Pentagon's penchant for the most advanced technology—from precision-guidance systems to "all weather" capabilities. The resulting complexities mean fewer interchangeable parts—and more opportunities for production foul-ups and delays. Still, most defense contractors welcome—even foster—gold plating. "Sophisticated weapons," says Derchin, "are more lucrative because of constant, built-in obsolescence."

"Lower Risk": Such criticisms are hardly new, but Pentagon planners are taking a long, hard look at them in an effort to increase industrial efficiency. Deputy Defense Secretary Frank Carlucci has instructed the services to step back from the cutting edge of technology and plan for "lower risk" systems. Weinberger has announced plans to purchase more weaponry in quantity to cut unit production costs. Despite some Congressional opposition, he also hopes to issue multiyear contracts to defense manufacturers, replacing year-by-year appropriations that fluctuate with the political wind. The big buildup is bound to be dogged by technical hitches, bottlenecks and cost overruns, but sustained, well-planned spending is what it will take to to revitalize the defense industry.

[From the Washington Post, June 7, 1981]

REAGAN'S AUGUST GUNS: CRITICS SHOUT THEIR WARNING CRIES

(By Art Pine)

The Reagan administration has begun a major new buildup of the nation's defense forces that could have profound implications for the overall economy. If the president has his way, over the next five years military outlays will more than double to $336 billion, from $158.6 billion this year.

Administration figures show that between fiscal 1982 and 1986, the defense budget will surge an average 11.1 percent a year after adjustment for inflation, outpacing both the 6 percent growth that former President Carter envisioned and the 10 percent annual rate achieved during the Vietnam war buildup.

The increase will begin slowly but will speed up significantly in later years. Over the full five-year period, defense outlays would grow by $177.4 billion under Reagan's proposed budget, compared with $135.7 billion under Carter's plan. And the new president seems likely to get what he's asking.

Can the defense industry—and the economy—seriously cope with this kind of outpouring? Or will the increase, as some analysts argue, overwhelm the industry's production capacity, exacerbate shortages in labor and materials and send inflation soaring even farther?

The industry's current readiness has set off warning cries from some critics. A House Armed Services Committee report last December asserted the U.S. industrial base has deteriorated sharply and questioned whether the Pentagon will be able to spend the money it's seeking in an "economic manner."

Thomas S. Hahn, former counsel to the armed services panel, points to a steady decline in the number of defense contractors over the past few years, aging facilities and shortages of skilled labor and critical materials. He also warns that the increasing complexity of new weapons has lengthened production time.

The issue is important because of the potential impact of this size increase on the overall economy. In the Vietnam war buildup, for example, the spurt in defense spending overheated the economy, created bottlenecks in key industries and sent prices skyrocketing. It was the beginning of the current inflation spiral.

But how serious is the prospect of a repeat performance this time around? How critical are the shortages and bottlenecks likely to be? And how effectively will the defense industry be able to gear itself up to meet the military's new needs?

Ralph Doggett, defense specialist for Data Resources Inc., the Cambridge, Mass.-based research firm, joins a sizable group or analysts who concede that the short answer is that "nobody can really tell for sure" yet, "There's been very little hard analysis," Doggett admits.

Although experts on both sides can argue heatedly over whether the industry can cope with the new outpouring, the government has only just begun a detailed survey of the defense industry's current capacity and ability to expand. And private analysts seem no better grounded.

While defense analysts concede some bottlenecks will occur no matter what, the impact is likely to depend largely on how quickly the new budget decisions will be translated into actual spending and how rapidly the overall economy will perform over the next several years.

Unlike the case in the Vietnam era, the defense outlays being pondered now would not go primarily for ordnance, where dollars are dumped quickly into the pipeline, but for new long-term weapons systems, which often require years before production contracts actually are let.

Economists say if the Pentagon and Congress can manage the defense pot effectively, the industry may be able to squeak by with a minimum of bottlenecks in a few, albeit important, sectors. But if the money simply is "dumped" into the economy, serious strains could result.

A rundown by several knowledgeable defense analysts produces this sketch of the industry's current state:

The major prime contractors, particularly in aerospace and communications, are in relatively good shape and should have no trouble meeting the new push. Unlike the situation during the Vietnam war, the commercial aircraft market is on the decline, making it easy for companies to switch to military production.

Edward E. Hood Jr., vice chairman of General Electric Co., one of the nation's largest defense contractors, says the impact is "hard to assess until we see" how the defense budget actually breaks down. But private consultant Hahn notes that "as far as floor space is concerned, we've got a lot of it."

The picture for subcontractors isn't nearly as bright. After years of on-and-off budget cuts before Reagan's newly announced buildup, many subs and suppliers have gone out of business or switched to more lucrative civilian work. To attract them back would require costly and long-term guarantees.

There's a serious problem in the nation's foundry capacity, where shrinking markets and increasingly stiff environmental regulations have forced some 240 shutdowns in recent years, virtually wiping out the industry's ability to handle any major new increase in production demands.

The United States currently has only two major foundries large enough to be able to make the huge forgings needed for aircraft and other weapons. There's also a shortage of bearings for jet engines. And supplies of semiconductors, which are crucial to military electronics systems, are becoming increasingly scarce.

More ominously, many of these items, particularly forgings, require lead times of two years or more just for normal production. As a result, in many cases manufacturers couldn't boost their output rapidly no matter how much the government was willing to pay.

The shipbuilding industry is in a mess, partly because of its own bad management practices, and some experts are expecting more closings within the next few months. The quality of U.S. yards has been so low, the Navy has considered buying warships from British producers. Can the remaining yards cope?

There are critical labor and materials shortages to take into account. The aerospace and electronics industries already are unable to find the engineers and technicians they need, and many categories of skilled workers also are in short supply. As a result, wage pressures easily could mount.

There's also a potential for serious shortages in strategic metals, such as titanium, cobalt and chromium, that are needed for the production of aircraft and jet engines. Many already are in short supply, and despite new government efforts to rebuild stockpiles, inventory levels remain low.

Admittedly, at least some of these hitches are offset by economic factors. Compared to historical levels, defense spending right now is relatively low.

Government figures show the nation now is spending only 5.6 percent of its gross national product on defense. Reagan's budget would push this to slightly more than 7 percent by 1986, still well below the 8-to-9 percent that prevailed before Vietnam.

Besides the aerospace industry, the segments apt to feel the strains the most are shipbuilding, missile construction, the forgings and castings industries, tank production and general armaments manufacturing. No doubt there also will be some spillover into related areas.

What can the government do to prevent the defense time bomb from exploding?

Experts offer these steps:

First: Improved management of the entire military procurement process to make sure all purchases are coordinated to avoid undue strain on individual industries. Experts argue that some orders ought to be delayed, if necessary, to avoid overloading the industry's capacity.

Second: A switch to multiyear contracting on defense procurement to guarantee subs and suppliers a long-term market and to make it attractive for them to stay in defense production. Also possible: Increased incentives, such as loan guarantees and price floors.

Defense consultant Hahn reflects a widely held view in the industry: "Under current procedures, our defense industry doesn't know how to plan. How many people were all lined up to build the B1 bomber when Jimmy Carter backed away?"

Third: A step-up in stockpiling of strategic materials so reserves can be rebuilt now while supplies are still moderately good. Until recently, the United States has regularly sold off its stockpiles as a price-dampening measure. Defense considerations have been put aside.

Finally, a good many analysts are urging the military to settle for less complexity on new weapons and stick with proven systems

that cost less and provide more bang for the buck. "More money alone just isn't the solution," says a former congressional defense expert. "There must be some reforms."

The difficulty is, how to manage all these components without setting off a new price spiral that could spread throughout the economy. To some analysts, that means not only skillful manipulation of the defense side, but a firm hold on nondefense spending as well.

Albert M. Wojnilower, economist for First Boston Corp., notes that, because sharp boosts in defense programs require such large capital spending increases, the current push could provide a bigger spur to the economy than most analysts are predicting, particularly on top of the Reagan tax cuts.

"When the military is spending more it makes everyone else spend more . . . without making anybody else spend less," Wojnilower says. "So its multiplier effect, to use that jargon, is far greater than that of either the spending cuts or the tax cuts." The prospect clearly worries Wall Street.

For the moment, policymakers may have some respite. Given the usual lags between the time a president proposes any spending increase and the time it's actually pumped into the economy, the first serious pressures shouldn't begin to show up until 1983 or 1984.

In the meantime, the defense boost, which actually began in earnest during the final year of the Carter administration, already is under way and threatens to loom even larger as Congress continues to out-Reagan the president on defense. How well the nation can swallow that increase remains to be seen.●

GETTING SERIOUS ABOUT BOMBS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

● Mr. BINGHAM. Mr. Speaker, earlier this week I issued a statement in response to the Israeli attack on Iraq's nuclear facilities underscoring the urgent need for a tough and responsible U.S. nuclear nonproliferation policy. Since then, this call has been echoed very thoughtfully by a number of newspaper editorials. The essential point is that the need for a preemptive Israeli strike against sensitive Iraqi nuclear installations would not have arisen had the world community acted responsibly earlier to prevent the spread of nuclear weapons-usable technology. Instead, the United States and its allies have made half-hearted efforts at nuclear restraint, put far too much faith in international safeguards, and totally ignored the military implications of these actions. Israel could not afford to ignore them—the entire country of Israel could be virtually destroyed by two or three nuclear weapons. After Sunday's events, the Reagan administration can not afford to wait any longer to enunciate an effective nuclear nonproliferation strategy.

I urge my colleagues to read the following Washington Post, Wall Street Journal, Baltimore Sun, and The Washington Star editorial comment:

[From the Washington Post, June 10, 1981]

GETTING SERIOUS ABOUT BOMBS

Maybe the trouble is the term. "Nuclear nonproliferation" is a mind-numbing agent, an eye-glazing property, a bore. Ask anyone. Or, better yet, try to get anyone who is in office and on a busy track, either in this government or those of our dearest friends and allies, to talk about it. Then you will find out: There are—always have been—other more pressing matters; and besides, to try to hold back the inevitable is stupid; and anyhow, to irritate Country X or Country Y on such a hopeless, long-term issue would be a real time-waster, even an act of irresponsibility when we have so much more urgent, high-stakes business to negotiate with them; and how can we ask other countries to forgo the nuclear option while we and the Russians continue our own nuclear arms buildup—how arrogant can you *get*?—and, in truth, it's just a little research reactor Country Y is building for Country Z (don't ask about the weapons-grade fuel this reactor will use, it would be rude) . . . and . . . and . . . and . . .

And what? And this: it all adds up to Sunday's raid by the Israelis on the French- and Italian-built Iraqi nuclear installation near Baghdad, the very model of the kind of panic-generated first-strike action that the literature warning against the spread of nuclear weapons has always foreseen as the predictable result. The introduction of nuclear weapons in conflict-ridden regions, even the strong suspicion that they are about to be introduced, will function as an incentive to such an action by those with the means to act. We all got off relatively easy this time. Yes, people were killed and danger was courted and the prospectively harmful consequences of the raid have not all been felt. But it was a pale version of what can yet come when installations that are further advanced (say after the fuel has been emplaced, not right before) are determined to be mortal threats by some country's neighbor that may or may not itself have some kind of nuclear weapons potential.

The Carter administration can be faulted for an on-again, off-again uneven effort in this field. Its commitment to discourage the spread of nuclear weapons around the world never enjoyed the degree of administration-wide support that could have made it at once smoother and less prone to swings between overstatement and negligence—in short, more consistent and effective. And it ended with the dismal decision to resupply the Indian reactor at Tarapur despite India's refusal to renounce use of U.S. exports for future nuclear bombs. But even with all those failings, it began as a right policy that represented a right instinct; it had some notable successes, and the people who have subsequently been deriding it as one of the Carter government's exercises in amateurism and futility need to understand that they are really making a bad joke. The cynical, worldly wise, what-the-hell alternative, that has gained such currency in Washington since then represents, in our view, the truly disastrous choice.

If you explore the upper reaches of the Reagan administration on the question of commitment and action designed to stop or even to impede the spread of nuclear weapons to new proprietors, you will find first that there is deep disagreement concerning both the priority of the worry and the possibility of doing much about it. A lot of the objections are familiar and have some plausibility—but the same is not true of the conclusions drawn from them. For example, it may be true that the anti-proliferators, King Canutelike, wish to stop an inexorable trend of technology that is destined to bring nuclear weapons to ever more governments. But does this mean that we should do nothing to discourage or inhibit or slow down this trend, especially as it creates new and terrible dangers in particular regions of the world?

Just about everyone will answer no to that—but actions, ah, that's something else again. A second Reagan administration idea on this seems to be that "universalism," as it has been called (the attempt to deal with nuclear proliferation on a kind of planet-wide, blanket basis via U.N. treaties and so on, with one general policy approach to all) is a bummer. Why deal with Liechtenstein and Zimbabwe and Cyprus and Ireland as if they were the same place? Why deal with some of them—hardly potential bomb-builders or buyers—at all? Wouldn't a wise nuclear nonproliferation policy be discriminating and deal with those specific countries and regions and international relationships that are likely to be the cause or setting of nuclear spread? Sure it would—now, where is it?

Here you reach the heart of the matter, the temporizing and sophistry that mark the 1980s approach of the Western industrial countries in general to this subject. The French will tell you that since certain Third World countries are going to get into these things, it is better—is it not?—that they be on hand as suppliers and technicians to keep an eye out for the dangers. How was this valuable in Iraq, where an effort was clearly being made, in their presence and with their assistance, to create an installation that could easily have produced quick bombs? Likewise, where is this discriminating program of which some in the Reagan administration speak? If, as they argue, the point is to act in ways that will strengthen the sense of countries like, say, Pakistan or South Korea, that they do not need to seek an independent deterrent, where is the evidence that a conscious effort in this regard is being made?

Mr. Reagan has, among his own appointees in the State Department and high up at Defense, some of the soundest and most stalwart and intelligent critics there are of the mindless export of nuclear materials and other actions that have created so much danger already. What he needs is a commitment, a policy, a determination to put the prospective spread of nuclear weapons into the national security context where it belongs. This is not some goo-goo, do-good preoccupation, some bath of idealism wallowed in by the naive of the world. Ask the Iraqis, if you don't believe that. Ask the Israelis.

[From the Wall Street Journal, June 9, 1981]

MOURNING THE BOMB

An atom bomb for Iraq, we have learned in the last 24 hours, has become the latest great cause celebre of world opiniondom. Various governments, including our own, and a lot of pundits have been busily condemning Israel's raid on Iraq's nuclear reactor. Our own reaction is that it's nice to know that in Israel we have at least one nation left that still lives in the world of reality.

What is going on here: Iraq, awash in cheap crude oil, wants a big nuclear reactor. It rebuffs French suggestions to give up the original design and substitute one that does not need weapons-grade uranium. It has been buying raw uranium, which is not sutiable for use in reactors, but dandy if you want to use the reactor to breed plutonium for weapons. Faced with this evidence, the conclusion of world opinion has been—everything's OK, Iraq has signed the nuclear non-proliferation treaty.

This kind of silliness has a mysterious power to blind most who man foreign ministries, think tanks and editorial sanctums. Of course Iraq was building a bomb. Of course its intended target was Israel. Of course, given the Iraqi reputation for political nuttiness reaffirmed again in its starting a war with Iran, its atom bomb would also have been a danger to all its neighbors. We all ought to get together and send the Israelis a vote of thanks.

Israel, which is assumed to have its own atom bomb but not to have conducted a test explosion, was not acting out of some abstract concern with non-proliferation. It was pursuing its own national interest, and in its timing also no doubt Prime Minister Begin's political interest in the impending elections. Its pre-emptive strike was strong medicine.

This would not have been necessary, though, if the reality that marked the Israeli decision had been present in the United States' non-proliferation policy this last decade or so. These efforts more or less went out the window when the U.S. refused to take sanctions against India's "peaceful nuclear device," exploded in violation of an agreement with the U.S. After this show of irresolution, the U.S. could hardly expect to persuade, say, the French to pass up sales to Iraq. Soon the whole non-proliferation question was lost in the fog of international negotiation.

To give the worriers about Israel their due, there is always reason to be concerned that any military act could prove to be the spark in the tinderbox of the Middle East. But we have been under the impression that the Middle East wasn't a very peaceful place even before last Sunday. People were being blown up on the beaches of Beirut and in the redoubts of western Iran. To judge the extent of the silliness, notice that among the governments objecting is Iran, locked in war with Iraq. Is there any reason to doubt that there were sighs of relief in the Saudi palaces on learning that Iraq won't have a bomb soon.

Being concerned about the peace of the Middle East does not make it necessary to be easily deceived about the necessary components for peace. Without a doubt, the ability of Israel and Egypt to come to terms has contributed mightily to that end, and President Carter's role in aiding that agreement was a major foreign policy achievement. But Lebanon has become a madhouse and the Soviet Union, through its surrogate, Syria, seems intent on keeping it that way to keep the Middle East pot boiling.

In such a situation, it is not entirely impausible for the United States to send a shuttle diplomat to try to damp down the passions and seek out possiblities for a modus vivendi. But the best chances for peace, to the extent they exist, depend far more heavily on balance of power perceptions in the area itself.

The Israelis are not infallible, but their security for 33 years now has depended on making careful power judgments. They know that their best chances for avoiding bloodshed lie in frequently reminding their neighbors that they are strong and that their wishes are not to be taken lightly.

The Israeli approach to non-proliferation is limited and direct. But their outlook on the world and on what it takes to earn the world's respect offers a few lessons we ourselves could profitably learn.

[From the Baltimore Sun, June 9, 1981]

MIDEAST'S NUCLEAR NIGHTMARE

Despite public denunciations of Israel for its attack on Iraq's nuclear research facility, many nations must be privately thankful that Baghdad has been set back in its bid for regional dominance. Iraq is a menace. It is a menace to Iran, having invaded that country a year ago. It is a menace to Saudi Arabia, which has clashed repeatedly with Baghdad over the use of oil power. It is a menace to Syria, its feud with Damascus only temporarily mended because of the situation in Lebanon. Above all, is it a menance to Israel—the stated target of Iraq's threatened nuclear capability.

Of course, the Middle East is too volatile a region for a military strike to be taken lightly. The United States is correct in condemning Israel's use of American-made jets despite restrictions on the use of such equipment in "offensive" operations. Washington has invested too much in the Camp David peace process, and it has too much at stake in insuring the flow of Persian Gulf oil, to acquiesce in this bellicose move by Israel. Prime Minister Menachem Begin may have seriously compromised U.S. Senators who were prepared to oppose the Reagan administration's plan to supply AWACS surveillance aircraft to Saudi Arabia.

Yet justified as the U.S. criticism of Israel may be, France must bear the onus for its highly irresponsible course of supplying a 70-megawatt research reactor to Iraq. Under the Paris-Baghdad agreement, France was to supply 70 kilograms of 92-percent enriched uranium. This is weapons-grade material. When France, under U.S. pressure, tried to get Iraq to accept a new fuel enriched to only 10 percent, Baghdad dismissed the offer. And France, eager as ever to placate its Mideast oil suppliers, quickly went along.

Dean Fischer, the State Department spokesman, made much of the fact yesterday that Iraq had adhered to its commitments as a signatory of the Non-Proliferation Treaty and International Atomic Energy Agency safeguards. But this ignores the political leverage Iraq would gain if it became the first Arab nation with the potential to build nuclear weapons. And it ignores the warning in a Brookings Institution study last year that "nations can possess nuclear explosive materials without violating the NPT-IAEA safeguards."

With the Israeli strike at Iraq, the world has entered a new nuclear phase. This was the first time something nuclear had been directly involved in hostilities since American atomic bombs fell on Japan. The fact that something nuclear was the target rather than the projectile is beside the point. Israel, one of the most beleaguered of nations, saw the Osirak reactor as the possible source of its destruction. Believing that, Israel took action to preclude the nightmare prospect of having to use its nuclear weapons to survive.

There are many lessons in this grave affair. One is that a country like Israel, with its very being at stake, will act when confronted with a nuclear threat. Another is that nuclear-supplier countries, such as France, should be more careful in the future about supplying nuclear facilities to a country that can provoke severe regional reactions. Still another lesson is that nuclear facilities are inviting targets not only to unfriendly governments but to terrorist groups, especially terrorist groups operating in unstable countries.

All nations should come out of this experience more determined than ever to strive for tighter controls over the spread of nuclear weapons. The initiative—and the example—must come from the superpowers. So long as the United States and the Soviet Union continue to pile up nuclear arsenals, smaller nations will be tempted to follow suit as they pursue regional ambitions.

[From the Washington Star, June 10, 1981]

THE OSIRAK STRIKE

Time and events will tell, more clearly than we can, whether it was wisdom or folly for Israel to send its strike force to obliterate Iraq's nuclear facility at Osirak, near Baghdad.

There is no shortage of cries that it is folly. There is no shortage of sermonizing, much of it pertinent, on such appropriately civilized themes as the sacredness of national boundaries and air space, the iniquity of surprise attack, the rule surprising of friends and allies—especially the U.S. and Anwar Sadat. Unilateral military action is rarely without untoward consequences for the perpetrator. Iraq is far from Israel, not a country that has much bothered Israel militarily in recent years; and the sword that Israel drew may well be double-edged.

Certainly it must be said that Mr. Begin's timing was awkward, to say the least, on the morrow of his first meeting with President Sadat in 17 months and while the U.S. is trying to use its good offices to settle the dispute over Syrian missiles in Lebanon. It is tainted with the suspicion of electioneering on his own behalf. Be all this as it may, there are times in this treacherous and tragic world when nations must embrace lesser dangers and evils, and risk some scorn, to combat ultimate dangers. Israel did so in the Entebbe raid. The U.S. did so nearly 20 years ago in confronting Nikita Khrushchev over his attempt to make a nuclear-missile striking platform of Cuba—a confrontation, incidentally, in which air strikes were held in readiness if suasion and naval blockades failed. Many condemned these operations, as propriety demanded, but felt safer afterward.

We have no doubt that the Middle East is today a safer place for all nations—not merely for Israel—than it was a few days ago, before the operation at Osirak. The Iraqis were moving steadily towards putting into operation, by late summer or early autumn, a nuclear facility that could produce weapons-grade fuel. And although Iraq had hypocritically signed the international nuclear non-proliferation agreement, her gates were shut until a short time ago against international inspection. There is almost no doubt on anyone's part that Iraq meant to make atomic weapons.

There was little pretense to the contrary. Only last year, the Iraqi government brazenly stated that these nuclear possibilities were not for Iran to worry about (notwithstanding that she was at war with that nation) but Israel's worry entirely. This is surely a provocative thing to say in any circumstances to anyone, idly or not. And given the Israelis' vocal campaign of many months to stop the establishment of a weap-

ons grade nuclear facility it was one stroke more than could be tolerated.

Whether the threat was idle boasting, or seriously intended, it constitutes the ultimate terrorism to menace another nation with nuclear attack. If there were nothing else to be said for Israel's pre-emptive attack, it would have to be said that there is some value in demonstrating that such threats carry a high price.

Indeed, we cannot imagine, whatever the cries of outrage, that in Riyadh, in Amman and Cairo in Damascus and the Persian Gulf states and in Tehran, there is not a sense of relief today. People in authority in the Middle East may condemn Israel by day, but by night they will all sleep a bit better. It is, of course, equally true that their sense of peace would be greater without an Israeli nuclear capability in the neighborhood. But that is a separate reality.

Obviously diplomacy, not sudden air attack, is the proper way to contain the threat of nuclear proliferation. That must be the unswerving preference of a world that rejects anarchy. It seems to us that our friends in France bear a special part of the blame. They remained heedless of the danger signals over many months. They have seemed bent on driving, regardless of consequence, the Faustian bargain of delivering provocative nuclear goods to Iraq in return for life-sustaining oil.

But when diplomacy fails—and the most strenuous and persistent protests by the Israelis and others had not shaken the foolhardy resolve of the French to barter high nuclear technology to an unstable and aggressive regime, or of that regime to menace Israel with it—what is left? Is the nation confronted by such a nightmare to sit idly by waiting and hoping, like Mr. Micawber, that something will turn up?

Certainly the air strike at Osirak is not a thing to be condoned or applauded. But neither is it a fit subject for tiresome sermonizing in an international community whose will to contain nuclear proliferation is paralyzed by fear, palsied by diplomatic minutes, and not a little corrupted by the fearful but profitable commerce in deadly weapons and oil.●

NATIONAL ORGANIZATIONS SUPPORT LEGAL SERVICES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 5 minutes.

● Mr. DANIELSON. Mr. Speaker, it is my understanding that next week, H.R. 3480, providing for the reauthorization of the legal services program, will be on the floor for our consideration. I would like my colleagues to know that there are approximately 80 national organizations supporting the reauthorization of this vital program including the Leadership Council on Aging Organizations that represents 22 national organizations for the aging. I would like to submit, for the RECORD, the Leadership Council's statement in support of the legal services reauthorization:

STATEMENT BY THE LEADERSHIP COUNCIL OF AGING ORGANIZATIONS IN SUPPORT OF THE RODINO BILL (H.R. 3480) TO PROVIDE FOR A REAUTHORIZATION OF THE LEGAL SERVICES CORPORATION, JUNE 4, 1981

The Leadership Council represents the 22 undersigned national organizations concerned with the well being of elderly Americans.

We strongly urge your support for H.R. 3480, which provides for the reauthorization of the legal services program—a program which is of major importance to millions of older Americans.

As Congressman Peter W. Rodino, Jr., Chairman of the House Judiciary Committee, has pointed out, in 1980 alone more than one-half million elderly persons who otherwise would have been denied access to justice were provided with legal assistance through federal programs. This assistance was essential in order to enforce the legal rights of elderly persons in a wide variety of areas, including: housing, food, Social Security, Medicare, Medicaid, age discrimination in employment, and fuel assistance, as well as disagreements concerning taxes, regulations for nursing homes, and retirement benefits. The need to represent the elderly poor in all of these highly specialized areas, areas which are usually not within the normal scope of practice of members of the private bar, is indisputable.

In our view, H.R. 3480, as approved by the House Judiciary Committee, embodies a series of constructive compromises designed to allow this important program to continue its necessary work. We note with gratification that this measure has strong bi-partisan support and was reported with unanimity by the Subcommittee that originally considered it.

Under the circumstances we strongly encourage your active support for H.R. 3480 as reported by the House Judiciary Committee.

American Association of Homes for the Aging; AFL-CIO/Social Security Department; Asociacion Nacional Pro Personas Mayores; Association for Gerontology in Higher Education; Concerned Seniors for Better Government; Gerontological Society; Gray Panthers; Legal Research and Services for the Elderly.

National Association of Area Agencies on Aging; National Association of Mature People; National Association of Retired Federal Employees; National Association of State Units on Aging; National Association of Nutrition and Aging Services Programs; National Center/Caucus on the Black Aged; National Council on the Aging; National Council of Senior Citizens.

National Indian Council on the Aging; National Retired Teachers Association-American Association of Retired Persons; National Senior Citizens Law Center; United Auto Workers/Retired Membership Department; Urban Elderly Coalition; Western Gerontological Society.●

REINTRODUCING LEGISLATION TO REMOVE THE EXISTING LIMITATION ON LIABILITY FOR NUCLEAR POWERPLANT ACCIDENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WEISS) is recognized for 5 minutes.

● Mr. WEISS. Mr. Speaker, more than 2 years after the worst commercial nuclear accident in history no one is certain about the extent of damage done. Cleanup at Three Mile Island is expected to continue for another 7 or 8 years and cost more than $1 billion. Yet in spite of the potential for environmental and social devastation that could result from a nuclear powerplant accident, we continue to rely on an antiquated provision, the Price-Anderson Act, to make compensation available to those who might suffer in the event of such an accident.

I am today reintroducing legislation to amend the Price-Anderson Act, the 1957 law which limits liability for utilities in the possible occurrence of a major nuclear accident. My bill would remove the act's $560 million compensation ceiling and would require all atomic plant licensees to arrange a combination of individual private policies and an industry-financed insurance pool to cover the balance of claims resulting from a nuclear accident.

There are two primary reasons for these changes. Those people whose businesses, homes, and lives would be unalterably damaged by a nuclear accident currently could receive a total of no more than the $560 million limit as compensation, but the Nuclear Regulatory Commission has estimated that a serious accident could do as much as $14 billion damage. The Price-Anderson Act, in its current form, therefore prevents fair compensation for damages done.

Price-Anderson also results in an unjustified competitive economic advantage for nuclear utilities by protecting them from full financial responsibility for operation of their plants. Under the legislation I am introducing, the true costs of atomic energy generation would no longer be artificially deflated through an arbitrary and inequitable cutoff of claim payments.

The current $560 million figure consists of: First, the amount of private coverage available to a particular plant—about $160 million; second, a formula based on the number of plants operating, currently 71, which provides $355 million; and third, $45 million in Federal payments. The liability limit was set in 1957 and has never subsequently been adjusted for inflation.

My legislation would amend Price-Anderson in the following ways:

Stipulate that each licensee must obtain the maximum coverage available from private insurers;

Provide that in the event of an accident at a particular plant, insurance on the facility would be the first source of payment;

State that if the judgment against a given facility exceeds available private insurance coverage, the plant would then be liable up to the total of its assets;

Require that if a court determines that the plant's assets are insufficient to meet the full judgment, the industry pool shall cover the balance of outstanding claims;

Mandate that industry pool participants shall contribute to the cost of the judgment according to a formula based on each licensee's generating capacity, its degree of risk, its total assets, and other factors;

Provide that should a court determine that a given utility cannot meet its proportional share to the pool, that plant would then become eligible for long-term Federal loans to be secured against the plant's assets;

Make explicit that each licensee shall be liable for any incident at its facility resulting in injury to persons and/or damage to property; and,

Waive the 20-year statutory limitation on claims resulting from a nuclear accident.

Unlike the current Price-Anderson Act, which mandates a Federal subsidy for nuclear powerplant insurance, my bill would entail use of Federal funds only in the event of a major catastrophe where victims' claims exceed a plant's private insurance coverage, the plant's total assets, and the proportional contribution toward an industrywide pool. Even then, Federal money would be used only to provide interest-bearing loans.

This act was enacted as a means of encouraging private industry to accelerate nuclear power development. That was 24 years ago, and since then more than 70 nuclear plants have come on line in our country. The time is long overdue for nuclear power to stand or fall on its own merits. No other energy source enjoys this type of liability limitation, and it is Congress duty to end this unfair underwriting of the nuclear power industry.

Proponents of nuclear power insist that it is a safe source of energy. The nuclear industry certainly should be able to obtain policy coverage far in excess of the current $160 million level, on the basis of this argument. The industry also should be made to back up its claims by financing a pool to cover the costs of a possible accident which they say never will occur.

I urge my colleagues to join me in this important effort. A copy of the legislation follows:

H.R. 3915

A bill to amend the Atomic Energy Act of 1954 to modify certain statutory limitations on the amount of financial protection required with respect to nuclear incidents, to remove the statutory limitations on the aggregate liability for a single nuclear incident, to limit the financial obligations of the United States with respect to such incidents, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this act may be cited as the "Nuclear Incident Liability Reform Act of 1981".

SEC. 2. (a) Section 170 a. of the Atomic Energy Act of 1954 is amended by striking out the second sentence thereof.

(b)(1) The first sentence of section 170 b. of such Act is amended to read as follows: "The amount of financial protection required shall be the maximum amount of liability insurance available from private sources. Such amount shall be redetermined periodically by the Commission on the basis of the cost of living (including the cost of health care).

(2) The third sentence of such section 170 b. is amended to read as follows: "All licensees required to maintain financial protection under this section shall also be required, without regard to the manner in which they obtained other types or amounts of financial protection, to participate in an industry retrospective rating plan. Such plan shall provide for premium charges deferred in whole or in major part until public liability from a nuclear incident exceeds or appears likely to exceed the sum of—

"(1) the level of primary financial protection required of the licensee involved in the nuclear incident, and

"(2) the amount otherwise available from such licensee for the satisfaction of such liability (including all real and personal property of the licensee and any amounts available pursuant to applicable bankruptcy proceedings).

The deferred premium which shall be charged following any nuclear incident under such a plan shall be such amount as is required under rules promulgated by the Commission not later than sixty days after the date of the enactment of the Nuclear Incident Liability Reform Act of 1981. Such amount required under such rules shall be determined according to a formula based on—

"(A) the licensee's generating capacity,

"(B) the degree of risk of nuclear incident associated with the licensee,

"(C) the licensee's total assets, and

"(D) such other factors as the Commission deems appropriate.".

(3) Such 170 b. is further amended by striking out the fifth sentence and all that follows and substituting: "If any licensee is unable to meet any assessment of deferred premiums within a reasonable time following any nuclear incident without impairing the provision of electric utility service by such licensee, the Commission may loan such licensee the amount by which such assessment exceeds the amount which the licensee is able to pay without such impairment. The loan shall be made upon such terms and conditions as may be established by the Commission except that such loan shall be secured by the liens on assets of such licensee and on the revenues derived therefrom and shall bear interest at a rate determined by the Secretary of the Treasury on the basis of the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the making of such loan.".

(c) Subsection c. of section 170 of such Act is hereby repealed.

(d) Subsection d. of such section 170 is amended by striking out ", in the amount of $500,000,000" and all that follows down to the period at the end thereof.

(e) Subsections e., f., g., and h. of such section 170 are hereby repealed.

(f) Subsection i. of such section 170 is amended by striking out "which will probably require" and all that follows down through "560,000,000".

(g) Subsections k. through m. of such section 170 are hereby repealed.

(h) Paragraph (1) of subsection n. of such section 170 is amended to read as follows:

"(1) With respect to any nuclear incident with respect to which financial protection is required under this section and which—

"(a) arises out of, or results from, or occurs in the course, of the construction, possession, or operation of a production or utilization facility, or

"(b) arises out of, or results from, or occurs in the course of transportation of, source material, byproduct material, or special nuclear material to or from a production or utilization facility, or

"(c) during the course of the contract activity arises out of, or results from the possession, operation, or use by a Commission contractor or subcontractor of a device utilizing special nuclear material or byproduct material.

the Commission shall require provisions to be incorporated in insurance policies or contracts furnished as proof of financial protection, which waive (i) any issue or defense as to conduct of the claimant or fault of persons required to obtain financial protection, (ii) any issue or defense as to charitable or governmental immunity, and (iii) any issue or defense based on any statute of limitations if suit is instituted within three years from the date on which the claimant first knew, or reasonably could have known, of his injury or damage and the cause thereof. The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action. When so incorporated, such waivers shall be judicially enforcible in accordance with their terms by the claimant. Such waivers shall not preclude a defense based upon a failure to take reasonable steps to mitigate damages, nor shall such waivers apply to injury or damage to a claimant or to a claimant's property which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant.".

(i) Paragraph (2) of subsection n. of such section 170 is amended by striking out "extraordinary nuclear occurrence" each place it appears and substituting "nuclear incident".

(j)(1) The section heading for section 170 is amended to read as follows:

"SEC. 170. LIABILITY FOR NUCLEAR INCIDENTS.—".

(2) The item relating to section 170 in the table of contents is amended to read as follows:

"Sec. 170. Liability for nuclear incidents.".

SEC. 3. Section 53 e. of the Atomic Energy Act of 1954 is amended by striking out paragraph (8), by striking out "; and" in para-

graph (7) and substituting a period, and by inserting "and" at the end of paragraph (6).

SEC. 4. Section 2 i. of the Atomic Energy Act of 1954 is amended by striking out ", and may limit the liability of those persons liable for such losses".

SEC. 5. (a) Section 11 t. of the Atomic Energy Act of 1954 is hereby repealed.

(b) Section 11 m. of such Act is amended by striking out "; and (3)" and all that follows down to the period at the end thereof and by inserting "and" before "(2)".

(c) Section 11 w. of such Act is amended by striking out "indemnified" and substituting "required to obtain financial protection under section 170".

(d) Section 11 p. of such Act is amended by striking out "as the term is used in subsection 170 l., it shall include any such occurrence outside the United States: *And provided further,*".

SEC. 6. The amendments made by this Act shall take effect on the date sixty days after the date of the enactment of this Act and shall apply with respect to all contracts referred to in section 170 d. of the Atomic Energy Act of 1954 and to all licenses referred to in section 170 a. of such Act without regard to whether such contracts were entered into, or such licenses were issued, before, on, or after the date of the enactment of this Act.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CHAPPELL, for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DOUGHERTY) to revise and extend their remarks and include extraneous material:)

Mr. SMITH of Alabama, for 60 minutes, July 17.

Mr. GINGRICH, for 60 minutes, today.

Ms. FIEDLER, for 60 minutes, July 17.

Mr. EMERSON, for 10 minutes, today.

Mr. HUNTER, for 5 minutes, today.

Mr. FISH, for 5 minutes, today.

(The following Members (at the request of Mr. DONNELLY) to revise and extend their remarks and include extraneous material:)

Mr. BEDELL, for 5 minutes, today.

Mr. AUCOIN, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. FORD of Michigan, for 5 minutes, today.

Mr. CROCKETT, for 5 minutes, today.

Mr. LAFALCE, for 5 minutes, today.

Mr. BINGHAM, for 5 minutes, today.

Mr. DANIELSON, for 5 minutes, today.

Mr. WEISS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. EDWARDS of California, prior to the vote on the Weiss amendment to H.R. 3413, in the Committee of the Whole today.

Mr. STRATTON, and to include extraneous matter on the Weiss amendment to H.R. 3413.

(The following Members (at the request of Mr. DOUGHERTY) and to include extraneous matter:)

Mr. COURTER.

Mr. MCCLOSKEY in three instances.

Mr. LEBOUTILLIER in two instances.

Mr. FIELDS.

Mr. HORTON.

Mr. CAMPBELL.

Mr. MCGRATH in three instances.

Mr. DERWINSKI

Mr. LOWERY of California.

Mr. FINDLEY in two instances.

Mr. DORNAN of California in two instances.

Mr. BAILEY of Missouri in two instances.

Mr. LENT.

Mr. MCDADE.

Mr. SHUMWAY.

Mr. ARCHER.

Mr. RITTER.

Mr. SKEEN.

Mr. NAPIER.

Mr. LUJAN in two instances.

Mr. HAGEDORN.

(The following Members (at the request of Mr. DONNELLY) and to include extraneous matter:)

Mr. SCHEUER in two instances.

Mr. GUARINI.

Mr. GAYDOS.

Mr. REUSS in two instances.

Mr. BARNES.

Mr. OTTINGER in three instances.

Mr. ECKART in two instances.

Mr. BOLLING.

Mr. LEVITAS.

Mr. FAUNTROY.

Mr. EDWARDS of California.

Mr. ANTHONY in two instances.

Mr. GINN.

Mr. BEDELL.

Mr. RODINO.

Mr. LEHMAN.

Mr. AUCOIN.

Mr. PEPPER.

Mr. RANGEL.

Mr. LONG of Maryland in three instances.

Mr. FLORIO in two instances.

Mr. VENTO.

Mr. PEASE.

Mr. BAILEY of Pennsylvania.

Mr. DANIELSON.

Mr. EDGAR in two instances.

Mr. BRODHEAD.

Mr. MURTHA.

Mr. CONYERS.

Mr. MOTTL in two instances.

Mr. ROSENTHAL.

Mr. FRANK.

Mr. APPLEGATE.

Mr. BLANCHARD.

Mr. ENGLISH.

Mr. LAFALCE.

Mr. BEILENSON.

Mr. ROE.

Mr. MCDONALD.

Mr. ATKINSON.

Mr. FORD of Tennessee.

Mr. WYDEN.

Ms. FERRARO.

Mr. BROOKS.

Mr. AKAKA in three instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1033. An act granting the consent of Congress to the agreement between the States of North Carolina and South Carolina establishment their lateral seaward boundary; to the Committee on the Judiciary; and

S. 1337. An act to provide for the temporary exclusion of foreign fishing support vessels from the internal waters of Alaska; to the Committee on Merchant Marine and Fisheries.

ADJOURNMENT

Mr. ECKART. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 41 minutes p.m.), the House adjourned until tomorrow, Friday, June 12, 1981, at 10 a.m.,

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1571. A letter from the Acting Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the commissary shelfstocking and custodial services function at Chanute Air Force Base, Ill, pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

1572. A letter from the Assistant Attorney General (Antitrust Division), transmitting the annual report for fiscal year 1980 on voluntary agreements between government and private industry under the Defense production Act of 1950, as amended, pursuant to section 708(k) of the act; to the Committee on Banking, Finance and Urban Affairs.

1573. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 4-44, "To amend the District of Columbia Campaign Finance Reform and Conflict of Interest Act to clarify its provisions concerning persons required to file Financial Disclosure Statements," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1574. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 4-45, "To amend the District of Columbia Nonprofit Corporation Act to permit a director's attendance at meetings of boards of directors by means of telephonic or other communications equipment," pursuant to section 602(c) of Public

Law 93-198; to the Committee on the District of Columbia.

1575. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 4-46, "To amend the regulation establishing standards for ambulances and emergency medical personnel; to provide for the certification of a new category of emergency medical personnel (intermediate paramedics); and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1576. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 4-47, "To amend the Rental Housing Act of 1980, by authorizing the Mayor to lift the ban on demolition of housing accomodations or rental units for nonresidential uses other than hotels, motels, inns, or other transient residential occupancy," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1577. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 4-48, "To amend the Rental Housing Conversion and Sale Act of 1980 to subject those persons who began the conversion process prior to September 10, 1980, to relocation and housing assistance requirements," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1578. A letter from the Secretary of State, transmitting a report that a substantial violation of the Mutual Defense Assistance Agreement of July 23, 1952, may have occurred in Israel's air attack against a nuclear reactor under construction in Iraq on June 7, 1981, pursuant to section 3(c)(2) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1579. A letter from the Under Secretary of State for Security Assistance, Science and Technology, transmitting changes in the previously submitted arms sales proposal for fiscal year 1981, pursuant to section 25(d)(2) of the Arms Export Control Act, as amended; to the Committee on Foreign Affairs.

1580. A letter from the Administrator of General Services, transmitting a followup report on the recommendations contained in the 1979 annual report to the President of the Federal Council on the Aging, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

1581. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $14,416.07 in excess royalty payments to Shell Oil Co., and Amax Petroleum Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953, as amended; to the Committee on Interior and Insular Affairs.

1582. A letter from the Executive Director, United States Olympic Committee, transmitting the annual report and audit of the committee for calendar year 1980, pursuant to section 113 of the act of September 21, 1950, as amended, and section 3 of Public Law 88-504, respectively; to the Committee on the Judiciary.

1583. A letter from the Vice Chair, Merit Systems Protection Board, transmitting the annual report for fiscal year 1980 on the Board's processing of appeals of Federal employees of personnel actions taken or denied by Government agencies, pursuant to 5 U.S.C. 1205(a)(3); to the Committee on Post Office and Civil Service.

1584. A letter from the Acting Comptroller General of the United States, transmitting a report on opportunities for cost savings at Public Health Service hospitals (HRD-81-62, June 10, 1981); jointly, to the Committees on Government Operations and Energy and Commerce.

1585. A letter from the Acting General Counsel of the Navy, transmitting a report on results of an investigation of the allegations against Mr. John B. Cunningham, pursuant to 5 U.S.C. 1206(b)(5)(a); to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WHITTEN: Committee on Appropriations. H.R. 3603. A bill to provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, continue food assistance to low-income households, and for other purposes (Rep. No. 97-106, Pt. 2). Ordered to be printed.

Mr. ADDABBO: Committee on Appropriations. H.R. 3380. A bill to increase the pay and allowances of members of the Armed Forces; with amendment (Rep. No. 97-109, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Report on air traffic control computer failures (Rep. No. 97-137). Referred to the Committee of the Whole House on the State of the Union.

Mr. RODINO: Committee on Judiciary. Report on allocation of budget totals by subcommittee (Rep. No. 97-138). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTEN: Committee on Appropriations Report on subdivision of budget totals agreed to in first concurrent resolution on the budget (H. Con. Res. 115) for fiscal years 1981 and 1982 (Rep. No. 97-139). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. Report pursuant to section 302(b)(2) of the Congressional Budget Act of 1974 (Rep. No. 97-140). Referred to the Committee of the Whole House on the State of the Union.

Mr. NICHOLS: Committee on Armed Services. H.R. 3807. A bill to make technical corrections in the Defense Officer Personnel Management Act (Rep. No. 97-141). Referred to the Committee of the Whole House on the State of the Union.

SUBSEQUENT ACTION ON A BILL SEQUENTIALLY REFERRED UNDER TIME LIMITATIONS

Under clause 5 of rule X, the following action was taken by the Speaker:

The Committee on Agriculture and the Committee on Interior and Insular Affairs consideration of the bill (H.R. 3432) extended for an additional period ending not later than July 17, 1981.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO:

H.R. 3879. A bill to provide for the minting of silver dollars with a design emblematic of the 1984 Summer Olympic Games which are to be held in Los Angeles, Calif.; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ANTHONY:

H.R. 3880. A bill to amend the Internal Revenue Code of 1954 to provide estate and gift tax equity and family enterprises, and for other purposes; to the Committee on Ways and Means.

H.R. 3881. A bill to direct the Secretary of Agriculture to release on behalf of the United States a reversionary interest in certain lands conveyed to the Arkansas Forestry Commission, and to direct the Secretary of the Interior to convey certain mineral interests of the United States in such lands to such Commission; jointly, to the Committees on Agriculture, and Interior and Insular Affairs.

By Mr. BAFALIS (for himself, Mr. PICKLE, Mr. ARCHER, Mr. CONABLE, Mr. PHILIP M. CRANE, Mr. DUNCAN, Mr. FRENZEL, Mr. GRADISON, Mr. HANCE, Mr. HEFTEL, Mr. HOLLAND, Mr. JENKINS, Mr. JONES of Oklahoma, Mr. MARTIN of North Carolina, Mr. MOORE, Mr. ROUSSELOT, Mr. SCHULZE, Mr. VANDER JAGT, Mr. LOEFFLER, Mrs. SMITH of Nebraska, Mr. ROBERTS of Kansas, and Mr. NOWAK):

H.R. 3882. A bill to amend the Internal Revenue Code of 1954 to provide estate and gift tax equity and reductions for family enterprises, and for other purposes; to the Committee on Ways and Means.

By Mr. BENNETT:

H.R. 3883. A bill to tighten the conditions of release on bail for drug offenders; jointly, to the Committees on the Judiciary and Energy and Commerce.

By Mr. DELLUMS (for himself, Mr. CONYERS, Mr. FORD of Tennessee, Mr. MITCHELL of Maryland, Mr. RICHMOND, Mr. ROSENTHAL, Mr. ADDABBO, Mr. WEISS, Mr. SAVAGE and Mr. WASHINGTON):

H.R. 3884. A bill to establish a U.S. Health Service to provide high quality health care and to overcome the deficiencies in the present system of health care delivery; jointly, to the Committees on Energy and Commerce, Armed Services, Banking, Finance and Urban Affairs, the District of Columbia, Education and Labor, the Judiciary, Post Office and Civil Service, Veterans' Affairs, and Ways and Means.

By Mr. DOWNEY:

H.R. 3885. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income reduced airline fare benefits received by airline employees and their families; to the Committee on Ways and Means.

By Mr. ERTEL:

H.R. 3886. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the deduction for individual savings and for contributions to Keogh plans, and for other purposes; to the Committee on Ways and Means.

By Mr. EVANS of Delaware:

H.R. 3887. A bill to provide for the establishment of a veterans' cemetery in the State of Delaware; to the Committee on Veterans' Affairs.

By Mr. EVANS of Indiana:

H.R. 3888. A bill to amend the National Manufactured Housing Construction and Safety Standards Act of 1974; to the Committee on Banking, Finance and Urban Affairs.

By Mr. GUARINI:

H.R. 3889. A bill to provide that Memorial Day be celebrated as a legal public holiday on May 30 of each year; to the Committee on Post Office and Civil Service.

By Mr. GUARINI (for himself, Mr. JACOBS, Mr. BAILEY of Pennsylvania, and Mr. HOLLAND):

H.R. 3890. A bill to amend the Internal Revenue Code of 1954 to allow the investment tax credit for theatrical productions; to the Committee on Ways and Means.

By Mr. HAGEDORN:

H.R. 3891. A bill to amend the Internal Revenue Code of 1954 to eliminate the estate and gift tax on interspousal transfers, to make the estate tax farm valuation provisions applicable to the gift tax, and for other purposes; to the Committee on Ways and Means.

H.R. 3892. A bill to provide that the interest rates applicable for purposes of sections 482 and 483 of the Internal Revenue Code of 1954 shall not exceed the interest rates applicable for such purposes on August 1, 1980; to the Committee on Ways and Means.

By Mr. HAMMERSCHMIDT:

H.R. 3893. A bill to amend the Internal Revenue Code of 1954 to increase to $10,000 the amount of savings interest which may be excluded from gross income by individuals and to make such exclusion permanent; to the Committee on Ways and Means.

H.R. 3894. A bill to amend the Internal Revenue Code of 1954 to increase the allowable contributions to individual retirement plans and to allow employees a deduction for savings contributions to employer retirement plans or to individual retirement accounts; to the Committee on Ways and Means.

H.R. 3895. A bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from taxation of interest earned on deposits which are used for residential mortgage lending purposes; to the Committee on Ways and Means.

H.R. 3896. A bill to amend the Internal Revenue Code of 1954 to clarify certain requirements which apply to mortgage subsidy bonds; to the Committee on Ways and Means.

By Mr. LUJAN:

H.R. 3897. A bill to amend title 38, United States Code, to reestablish educational assistance benefits for veterans under chapter 34 of such title; to the Committee on Veterans' Affairs.

H.R. 3898. A bill to authorize the Secretary of Agriculture to convey certain National Forest System lands, and for other purposes; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

By Mr. McGRATH:

H.R. 3899. A bill to establish an Interagency Committee on Arson Control to coordinate Federal antiarson programs, and for other purposes; to the Committee on the Judiciary.

By Mr. MICA:

H.R. 3900. A bill to amend the Internal Revenue Code of 1954 to allow certain partnerships and partners to continue to report income on the cash method; to the Committee on Ways and Means.

By Mr. OBERSTAR:

H.R. 3901. A bill to reduce airlines subsidies, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. OTTINGER:

H.R. 3902. A bill to amend title V of the National Energy Conservation Policy Act relating to Federal employee parking; to the Committee on Public Works and Transportation.

H.R. 3903. A bill to amend the Ethics in Government Act of 1978 to require reporting of the exact value of items required to be disclosed; jointly, to the Committees on Armed Services, the Judiciary, Post Office and Civil Service, and Rules.

H.R. 3904. A bill to reform the laws relating to former Presidents; jointly, to the Committees on Government Operations, House Administration, the Judiciary, and Post Office and Civil Service.

H.R. 3905. A bill to establish a system of regional Presidential primaries administered by the Federal Election Commission, and for other purposes; to the Committee on House Administration.

By Mr. PETRI:

H.R. 3906. A bill to provide that areas which are urbanized areas on the basis of the 1970 decennial census will not lose their status as urbanized areas under the Urban Mass Transportation Act of 1964 by population reductions on the basis of the 1980 decennial census; to the Committee on Public Works and Transportation.

By Mr. RITTER:

H.R. 3907. A bill to amend the Internal Revenue Code of 1954 to increase the investment tax credit for qualified rehabilitation expenditures; to the Committee on Ways and Means.

By Mr. SAWYER:

H.R. 3908. A bill to amend the Internal Revenue Code of 1954 to increase the limitations on the deduction for individual retirement savings and to allow individuals covered by employer plans to qualify for such deduction; to the Committee on Ways and Means.

By Mr. SAWYER (by request):

H.R. 3909. A bill to amend section 376 of title 28, United States Code, in order to reform and improve the existing program for annuities for survivors of Federal Justices and judges; to the Committee on the Judiciary.

By Mrs. SCHNEIDER (for herself and Mr. MARKEY):

H.R. 3910. A bill to amend the Internal Revenue Code of 1954 to encourage energy efficiency improvements of commercial and residential property; to the Committee on Ways and Means.

By Mr. STARK:

H.R. 3911. A bill to amend the Internal Revenue Code of 1954 to permit individuals to establish housing accounts in certain financial institutions and to provide that interest on such accounts will be exempt from taxation; to the Committee on Ways and Means.

By Mr. THOMAS:

H.R. 3912. A bill to amend the Internal Revenue Code of 1954 to redefine heavy oil for purposes of the windfall profit tax on domestic crude oil; to the Committee on Ways and Means.

H.R. 3913. A bill to amend the Internal Revenue Code of 1954 to exempt heavy oil from the windfall profit tax on domestic crude oil; to the Committee on Ways and Means.

By Mr. WALGREN:

H.R. 3914. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of oil and gas income; to the Committee on Ways and Means.

By Mr. WEISS:

H.R. 3915. A bill to amend the Atomic Energy Act of 1954 to modify certain statutory limitations on the amount of financial protection required with respect to nuclear incidents, to remove the statutory limitations on the aggregate liability for a single nuclear incident, to limit the financial obligations of the United States with respect to such incidents, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ANDREWS:

H.J. Res. 282. Joint resolution authorizing and requesting the President of the United States to issue a proclamation on Independence Day, July 4, of each year calling upon Government officials and the people of the United States to display the flag of the United States and to participate in appropriate ceremonies in recognition of their liberty and independence; to the Committee on Post Office and Civil Service.

By Mr. BEARD:

H.J. Res. 283. Joint resolution to oppose efforts by the United Nations Educational, Scientific, and Cultural Organization to attempt to regulate news content and to formulate rules and regulations for the operation of the world press; to the Committee on Foreign Affairs.

By Mr. ERDAHL:

H.J. Res. 284. Joint resolution proposing an amendment to the Constitution changing the term of Office of the President and Vice President and amending the length of time a person may serve as President or Vice President of the United States; to the Committee on the Judiciary.

By Mr. LEVITAS:

H.J. Res. 285. Joint resolution to designate the week of October 5, through October 11, 1981, as "National Productivity Improvement Week"; to the Committee on Post Office and Civil Service.

By Mr. SHANNON (for himself and Mr. DOUGHERTY):

H.J. Res. 286. Joint resolution relating to the hunger strike in Northern Ireland; to the Committee on Foreign Affairs.

By Mr. ZABLOCKI (for himself, Mr. OBEY, Mr. CONTE, Mr. BINGHAM, Mr. BONKER, Mr. SOLARZ, Mr. BARNES, Mr. WOLPE, Mr. GILMAN, Mr. PRITCHARD, Mr. LEACH of Iowa, Mr. ERDAHL, Mr. HARKIN, Mr. MARKEY, Mr. OBERSTAR, Mr. SIMON, Mr. BONIOR of Michigan, Mr. GORE, Mr. FAZIO, Mr. WYDEN, Mr. FISH, Mr. SHANNON, and Mr. DENARDIS):

H.J. Res. 287. Joint resolution in support of the implementation of the World Health Organization voluntary code on infant formula; to the Committee on Foreign Affairs.

By Mr. PARRIS:

H. Con. Res. 148. Concurrent resolution to deny the request of former President Carter for commissary privileges; to the Committee on Armed Services.

By Mr. BEDELL:

H. Res. 157. Resolution calling upon the Postmaster General of the United States to give priority consideration to means other than closing local post offices as a method of reducing expenditures by the U.S. Postal Service; to the Committee on Post Office and Civil Service.

By Mr. BIAGGI (for himself Mr. GILMAN, Mr. PEYSER, Mr. ROE, Mr. HOLLENBECK, Mr. WALGREN, Mr. ADDABBO, Mr. FAUNTROY, Mr. ZEFERETTI, Mr. MITCHELL of Maryland, Mr. RATCHFORD, Mr. RUSSO, Mr. McGRATH, Mr. SCHEUER, Mrs. COL-

LINS of Illinois, Mr. FORSYTHE, Mr. FOGLIETTA, Mr. BINGHAM, Mr. CROCKETT, Mr. WEISS, Mr. LENT, Mr. LEBOUTILLIER, Mr. CARNEY, Mr. MOLINARI, Mr. RANGLE, Mr. MAVROULES, Mr. LEE, Ms. FERRARO, Mrs. SCHROEDER, Mr. HOWARD, Mr. ATKINSON, Mr. ALBOSTA, Mr. BRODHEAD, Mr. EDGAR, Mr. OTTINGER, Ms. OAKER, Mr. MOAKLEY, Mr. RICHMOND, Mr. GEJENDSON, Mr. NOWAK, Mr. GRAY, Mr. RINALDO, Mr. FISH, Mr. SAVAGE, Mr. MOTTL, Mr. FRANK, Mr. MCKINNEY, Mr. SCHUMER, Mr. ANNUNZIO, Mr. SWIFT, and Mr. YATRON):

H. Res. 158. Resolution to express the sense of the House of Representatives that the hunger strike in Northern Ireland be settled; to the Committee on Foreign Affairs.

By Mr. ZABLOCKI (for himself and Mr. BROOMFIELD):

H. Res. 159. Resolution expressing the strong support of the House of Representatives for diplomatic efforts to resolve the current crisis in Lebanon and congratulating special envoy Philip C. Habib on his tireless efforts to resolve that crisis; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H.R. 3916. A bill for the relief of Kurt Perwolf, his wife Hilda Perwolf, and his son Christian Perwolf; to the Committee on the Judiciary.

By Mr. HILER:

H.R. 3917. A bill for the relief of the administrators and beneficiaries of the Chrapliwy-Uniroyal Settlement Fund; to the Committee on the Judiciary.

By Mr. LEATH;

H.R. 3918. A bill for the relief of Ursula Grubusch Oldham; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 116: Mr. BAFALIS, Mr. JONES of North Carolina, and Mr. YOUNG of Alaska.

H.R. 478: Mr. DYSON.

H.R. 881: Mr. VENTO and Mr. MCKINNEY.

H.R. 917: Mr. ROBERTS of South Dakota, Mr. HUBBARD, Mr. JONES of Tennessee, Mr. BEARD, Mr. SNYDER, Mr. HAMMERSCHMIDT, Mr. TRIBLE, Mr. DORNAN of California, Mr. CLAUSEN, Mr. CORCORAN, Mr. PERKINS, Mr. SKELTON, Mr. DICKINSON, Mr. GOLDWATER, Mr. HUNTER, Mr. LUJAN, Mr. FORSYTHE, Mr. MCDADE, Mr. DANNEMEYER, Mr. HORTON, Mr. BROYHILL, Mr. FISH, Mr. MITCHELL of New York, and Mr. SAM HALL, JR.

H.R. 1005: Mr. SHUMWAY, Mr. COURTER, and Mr. CRAIG.

H.R. 1176: Mr. BEILENSON, Mr. GIBBONS, Mr. JOHNSON, Mr. KRAMER, Mr. WHITEHURST, Mr. PEPPER, Mr. GLICKMAN, Mr. EDGAR, Mr. GRISHAM, Mr. FRENZEL, Mr. FORSYTHE, Mr. BEDELL, Mr. MCCLOSKEY, Mrs. FENWICK, Mr. BENEDICT, Mr. BEARD, Mr. JAMES K. COYNE, Mr. HARKIN, and Mr. SIMON.

H.R. 1177: Mr. LANTOS.

H.R. 1200: Mr. DECKARD.

H.R. 1301: Mr. MOLINARI and Mr. LOEFFLER.

H.R. 1302: Mr. MOLINARI and Mr. LOEFFLER.

H.R. 1325: Mr. SHAW, Mr. FOUNTAIN, Mr. PHILIP M. CRANE, Mr. NAPIER, Mr. MCCLOSKEY, Mr. SILJANDER, and Mr. GRISHAM.

H.R. 1336: Mr. KOGOVSEK, Mr. BEILENSON, Mr. PEPPER, and Mr. BONIOR of Michigan.

H.R. 1339: Mr. DECKARD.

H.R. 1340: Mr. DECKARD.

H.R. 1400: Mr. KOGOVSEK, Mr. FISH, Mr. DYSON, and Mr. MINETA.

H.R. 1409: Mr. BROWN of Colorado.

H.R. 1430: Mr. KOGOVSEK, Mr. EDGAR, Mr. MURPHY, Mr. ROBINSON, Mr. SIMON, and Mr. JAMES K. COYNE.

H.R. 1431: Mr. COELHO, Mr. PETRI, Mr. KOGOVSEK, Mr. EDGAR, Mr. MURPHY, Mr. ROBINSON, Mr. SIMON, and Mr. JAMES K. COYNE.

H.R. 1541: Mr. SHAW.

H.R. 1597: Mr. FLORIO, Mr. BEILENSON, Mr. KASTENMEIER, Mr. YATRON, Mr. TRAXLER, Mr. EDGAR, Mr. VENTO, Mr. KOGOVSEK, Mr. BEREUTER, Mr. SIMON, Mr. BEARD, Mr. SHAMANSKY, and Mr. NEAL.

H.R. 1605: Mr. MURPHY, Mr. CROCKETT, Mr. GORE, Ms. FERRARO.

H.R. 1658: Mr. KOGOVSEK, Mr. NICHOLS, Mr. VENTO, Mr. BEARD, Mr. WHITTAKER, and Mr. SABO.

H.R. 1778: Mr. DREIER.

H.R. 1779: Mr. DREIER.

H.R. 1852: Mr. LANTOS.

H.R. 1867: Mr. GOLDWATER.

H.R. 1868: Mr. GOLDWATER.

H.R. 1873: Mrs. FENWICK.

H.R. 1918: Mrs. CHISHOLM.

H.R. 2129: Mr. DWYER.

H.R. 2440: Mr. GARCIA, Mr. HUGHES, Mr. WOLPE, and Mr. STOKES.

H.R. 2533: Mr. GUNDERSON, and Mr. TRIBLE.

H.R. 2564: Mr. SHUMWAY.

H.R. 2605: Mr. JEFFRIES, Mr. SHELBY, Mr. GUNDERSON, Mr. BAILEY of Missouri, and Mr. LEE.

H.R. 2793: Mr. WAXMAN.

H.R. 2812: Mr. GRADISON.

H.R. 2910: Mr. LANTOS, Mr. MCKINNEY, and Mr. MINETA.

H.R. 2974: Mr. HILER and Mr. WAXMAN.

H.R. 3003: Mr BURGENER, Mrs. SMITH of Nebraska, Mr. DAUB, Mr. FORSYTHE, Mr. JOHNSTON, Mr. KINDNESS, Mr. GINGRICH, Mr. LEBOUTILLIER, Mr. LAGOMARSINO, Mr. MORRISON, Mr. NAPIER, Mr. PARRIS, Mr. SOLOMON, Mr. SILJANDER, Mr. WILSON, and Mr. WHITTAKER.

H.R. 3019: Ms. FERRARO.

H.R. 3039: Mr. MOAKLEY, Mr. WHITEHURST, Ms. FERRARO, Mr. FOGLIETTA, Mr. OBERSTAR, Mr. FORSYTHE, Mr. MITCHELL of Maryland, Mr. PEPPER, Mr. IRELAND, Mr. BEILENSON, Mr. FAUNTROY, Mr. AKAKA, Mr. LEHMAN, Mr. HUTTO, Mr. ERDAHL, Mr. HOWARD, Mr. HANSEN of Idaho, Mr. EDWARDS of California, Mr. STARK, Mr. SEIBERLING, Mr. FROST, Mr. KILDEE, Mr. LAGOMARSINO, Mr. HOLLENBECK, Mr. LOWRY of Washington, Mr. SOLARZ, Ms. OAKAR, Mr. FAZIO, Mr. FRANK, Mr. FISH, and Ms. MIKULSKI.

H.R. 3091: Mr. FISH, Mr. TAUKE, Mr. FAZIO, Mr. DIXON, and Mr. SILJANDER.

H.R. 3092: Mr. BEREUTER.

H.R. 3117: Mr. CLINGER, Mr. DELLUMS, Mr. BARNES, Mr. WAXMAN, and Mr. CONABLE.

H.R. 3227: Mr. MARKS, Mr. STANTON of Ohio, Mr. DOWNEY, Mr. MOTTL, Mr. ZEFERETTI, and Mr. RITTER.

H.R. 3236: Mr. HUCKABY.

H.R. 3268: Mr. WALKER, Mr. DYSON, Mr. NAPIER, Mr. FAZIO, Mr. HUTTO, and Mr. BARNARD.

H.R. 3269: Mr. HEFNER, Mr. STUMP, Mr. DASCHLE, Mr. MITCHELL of New York, and Mr. ZEFERETTI.

H.R. 3416: Mr. BAFALIS, Mr. ERTEL, Mr. FUQUA, Mr. GIBBONS, Mrs. HOLT, Mr. HUTTO, Mr. MCCOLLUM, Mr. PEPPER, and Mr. SMITH of Alabama.

H.R. 3440: Mr. ATKINSON, Mrs. COLLINS of Illinois, Mr. STOKES, and Mr. FOGLIETTA.

H.R. 3456: Mr. MOORE, Mr. HOLLAND, Mr. GINGRICH, Mr. LOTT, Mr. LUKEN, Mr. MOLLOHAN, Mr. NICHOLS, Mr. PRITCHARD, Mr. RAHALL, Mr. ROBINSON, Mr. CHENEY, Mr. DWYER, Mr. JONES of Tennessee, Mr. JACOBS, Mr. DONNELLY, Mr. HANSEN of Idaho, Mr. HEFNER, Mr. JEFFORDS, Mr. JEFFRIES, Mr. MOTTL, Mr. ROEMER, Mr. HENDON, Mr. HOYER, Mr. ROSE, Mr. SHANNON, Mr. LENT, and Mr. RINALDO.

H.R. 3464: Mr. LIVINGSTON, Mr. JONES of North Carolina, Mrs. BOGGS, Mr. HERTEL, Mr. LOWRY of Washington, Mr. MURTHA, and Mr. MCKINNEY.

H.R. 3485: Mr. MCDONALD, Mr. DYSON, Mr. BAFALIS, Mr. MATTOX, Mr. NICHOLS, Mr. WYLIE, Mr. LOWRY of Washington, Mr. LUNGREN, Mr. WHITEHURST, Mr. CROCKETT, Mr. NELSON, Mr. SHAW, Mr. LEHMAN, Mr. BARNARD, Mr. MCKINNEY, Mr. LEBOUTILLIER, Mr. LANTOS, Mr. BEDELL, Mr. SAWYER, Mr. HANCE, Mr. TAUKE, Mr. WHITTAKER, Mr. GIBBONS, and Mr. BROOKS.

H.R. 3496: Mr. ANDERSON, Mr. BLANCHARD, Mr. FOGLIETTA, Mr. GEPHARDT, Mr. HUBBARD, Mr. LEBOUTILLIER, Mr. MAVROULES, Mr. NEAL, and Ms. OAKAR.

H.R. 3542: Mr. CHENEY.

H.R. 3599: Mr. MCDONALD and Mr. COLLINS of Texas.

H.R. 3650: Mr. BARNES, Mrs. BYRON, Mr. DYSON, Mr. HOYER, Ms. MIKULSKI, and Mr. MITCHELL of Maryland.

H.R. 3708: Mr. DAN DANIEL, Mr. BUTLER, Mr. JOHNSTON, Mr. BLILEY, Mr. SHUMWAY, Mr. WHITEHURST, Mr. GINGRICH, Mr. EDWARDS of Oklahoma, Mr. LUNGREN, Mrs. HOLT, Mr. JEFFRIES, Mr. SPENCE, Mr. FORSYTHE, Mr. BEARD, Mr. ROBINSON, Mr. NAPIER, Mr. MARTIN of North Carolina, Mr. RUDD, Mr. STANGELAND, Mr. PHILIP M. CRANE, and Mr. ROBERT W. DANIEL, JR.

H.R. 3721: Mr. EVANS of Indiana and Mr. FASCELL.

H.R. 3769: Mr. MADIGAN and Mr. HAMMERSCHMIDT.

H.J. Res. 2: Mr. CLAUSEN, Mr. HAGEDORN, Mr. IRELAND, Mr. LEBOUTILLIER, Mr. NAPIER, Mr. NELLIGAN, Mr. SILJANDER, Mr. WHITEHURST, and Mr. WILSON.

H.J. Res. 68: Mr. NAPIER.

H.J. Res. 72: Mr. ATKINSON, Mr. NAPIER, Mr. MITCHELL of New York, Mr. MATTOX, Mr. JONES of Tennessee, Mr. EMERY, Mr. DREIER, Mr. BAFALIS, Mr. SMITH of New Jersey, Mr. ZEFERETTI, Mr. APPLEGATE, Mr. LUJAN, Mrs. FENWICK, and Mr. GOODLING.

H.J. Res. 104: Mr. CARNEY and Mr. SILJANDER.

H.J. Res. 128: Mr. EDWARDS of Oklahoma.

H.J. Res. 176: Mr. LOTT, Mr. MONTGOMERY, and Mr. BOWEN.

H.J. Res. 211: Mr. HUCKABY and Mr. GOODLING.

H.J. Res. 214: Mr. CRAIG, Mr. D'AMOURS, Mr. DUNCAN, Mr. GREGG, Mr. JONES of Tennessee, Mr. MCCOLLUM, Mr. NAPIER, and Mr. WAXMAN.

H.J. Res. 277: Mr. DAN DANIEL, Mr. BUTLER, Mr. JOHNSTON, Mr. BLILEY, Mr. SHUMWAY, Mr. WHITEHURST, Mr. GINGRICH, Mr. EDWARDS of Oklahoma, Mr. LUNGREN, Mrs. HOLT, Mr. JEFFRIES, Mr. SPENCE, Mr. FORSYTHE, Mr. BEARD, Mr. ROBINSON, Mr. NAPIER, Mr. MARTIN of North Carolina, Mr.

RUDD, Mr. STANGELAND, Mr. PHILIP M. CRANE, and Mr. ROBERT W. DANIEL, JR.

H.J. Res. 279: Mr. SYNAR, Mr. WATKINS, Mr. MCCURDY, Mr. ENGLISH, Mr. TRAXLER, Mr. BIAGGI, Mr. PEPPER, Mr. LOEFFLER, Mr. LATTA, Mr. YOUNG of Alaska, Mr FARY, Mr. FOGLIETTA, Mr. LANTOS, Mr. DANNEMEYER, Mr. FAUNTROY, Mr. LAGOMARSINO, Mr. BONIOR of Michigan, Mr. PURSELL, Mr. FOWLER, Mr. MURPHY, Mr. BURGENER, Mr. EVANS of Delaware, Mr. CAMPBELL, Mr. DENARDIS, Mr. THOMAS, Ms. OAKAR, Mr. PASHAYAN, Mr. JONES of Tennessee, Mr. MOAKLEY, Mr. ALEXANDER, Mr. SAM B. HALL JR., Mr. SOLARZ, Mr. MARKEY, Mr. BEILENSEN, Mr. DASCHLE, Mr. WHITTAKER, Mr. COURTER, Mr. PICKLE, Mr. LUKEN, Mr. BLANCHARD, Mr. KRAMER, Mr. COATS, Mr. ROEMER, Mr. MORRISON, Mr. BAILEY of Missouri, Mr. NAPIER, Mr. MADIGAN, Mrs. FENWICK, Mr. DE LA GARZA, Mr. FAZIO, Mrs. HOLT, Mr. LENT, Mr. BEVILL, Mr. LOWERY of California, Mr. BOLAND, Mr. JOHN L. BURTON of California, Mr. CHAPPELL, Mr. SOLOMON, Mr. MOTTL, Mr. NICHOLS, Mr. SPENCE, Mr. CONTE, Mr. ADDABBO, Mr. PRICE, Mr. DANIEL B. CRANE, Mr. STENHOLM, Mr. SWIFT, Mr. UDALL, Mr. LUNGREN, and Mr. STANGELAND.

H. Con. Res. 74: Mr. YATRON, Mr. MOTTL, Mr. OBERSTAR, Mr. D'AMOURS, Mr. HOLLENBECK, Mr. BARNARD, Mr. MURPHY, Mr. VENTO, Mr. SEIBERLING, Mr. WON PAT, Mr. DAN DANIEL, Mr. FAZIO, Mr. COELHO, Mr. DORGAN of North Dakota, Mr. SABO, Mr. LUNDINE, Mr. CLAY, Mr. FROST, Mr. HUGHES, Mr. JEFFORDS, Mr. MARKS, Mr. WILSON, Mr. LAFALCE, Mr. BONKER, Mr. BEARD, Mr. ROSENTHAL, Mr. EVANS of Georgia, Mr. WEBER of Minnesota, Mr. ECKART, Mr. PORTER, Mr. PATTERSON, Mr. BONIOR of Michigan, Mr. BEREUTER, Mr. MINETA, Mr. RITTER, Mr. GRAY, Mr. SMITH of New Jersey, and Mr. GARCIA.

H. Con. Res. 139: Mr. LEBOUTILLIER, Mr. MARTIN of New York, Mr. NAPIER, Mr. ZEFERETTI, Mr. SMITH of New Jersey, and Mr. GOODLING.

H. Res. 79: Mr. BUTLER.

H. Res. 150: Mr. MORRISON, Mr. BROWN of Colorado, Mr. FIELDS, Mr. WEBER of Minnesota, Mr. MCEWEN, Mr. WEBER of Ohio, Mr. HILER, Mr. DUNN, Mr. HANSEN of Utah, and Mr. SKEEN.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3480

By Mr. ASHBROOK:

—Page 12, line 16, strike out "or" after the semicolon.

Page 12, line 19, strike out the two periods and closed quotation marks and insert in lieu thereof "; or".

Page 12, insert the following after line 19:

"(13) to provide legal assistance in any litigation in which a local board of education responsible for the administration of public elementary or secondary schools, or any of its employees acting in an official capacity and within the scope of his or her authority, is a defendant.".

—Page 12, strike out lines 4 and 5 and insert in lieu thereof the following:

(3) by amending paragraph (9) to read as follows:

"(9) to provide legal assistance with respect to any proceeding or litigation relating to the desegregation of any elementary or secondary school or school system;";

By Mr. PHILIP M. CRANE:

—On page 13, line 8, strike the period and replace it with the following: ", except that nothing in this title shall be construed to allow a recipient to represent anyone other than an otherwise eligible individual person.".

By Mr. FRANK:

—Page 6, strike out lines 1 through 4 and insert in lieu thereof the following:

(d) Section 1006(b)(5) of such Act is amended in the first sentence—

(1) by striking out "(A)";

(2) by striking out "; and (B) no such employee shall, at any time," and inserting in lieu thereof the following: "; except that, in connection with such employee's own employment situation, should an impasse in collective bargaining occur, no employee may engage in a strike unless the labor organization involved has given notice of the dispute to the Federal Mediation and Conciliation Service, and unless 60 days has elapsed after such notice is given. After receiving the notice, the Federal Mediation and Conciliation Service shall use its best efforts to bring the parties to agreement. The Corporation shall also insure that no such employee shall, at any time, including but not limited to when acting in connection with such employee's own employment situation,";

(3) in clause (iii) by striking out "or" after the comma;

(4) by striking out "(i)", "(ii)", "(iii)", and "(iv)", and inserting in lieu thereof "(A)", "(B)", "(C)", and "(D)", respectively; and

(5) by inserting immediately after "1007(a)(6)" the following: ", or (E) any conduct which would violate his or her professional responsibilities".

By Mr. KASTENMEIER:

—Page 3, strike out lines 19 through 25 and all that follows through page 4, line 14, and insert in lieu thereof the following:

SEC. 3. Section 1007(c) of the Legal Services Corporation Act (42 U.S.C. 2996f(c)) is amended by striking out the last sentence and inserting in lieu thereof the following: "The Corporation shall also insure that a majority of the attorney members of the governing body be appointed by the bar association or associations in the area in which the recipient is to provide legal assistance. Any attorney, while serving on such board, shall not receive compensation from a recipient.".

—Page 11, insert the following after line 3 and redesignate succeeding sections accordingly:

ALLOCATION OF FUNDING

SEC. 11. Section 1007(a) of the Legal Services Corporation Act, as amended by sections 8, 9, and 10 of this Act, is further amended—

(1) in paragraph (12) by striking out "and" after the semicolon;

(2) in paragraph (13) by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(14) unless minimum access to legal assistance is available or provided in all parts of the country, allocate basic field grants so as to insure that no greater level of access to legal assistance funded by the Corporation is available or provided to any part or area of the country than is available or provided to all parts of the country, consistent with available funding and other provisions of the Legal Services Corporation Act and regulations.".

By Mr. KAZEN:

—Page 12, strike out lines 10 through 16 and insert in lieu thereof the following:

"(11) to provide legal assistance for or on behalf of any alien who has not been lawfully admitted for permanent residence in the United States unless the residence of the alien in the United States is authorized by the Attorney General; or

By Mr. KRAMER:

—Page 6, strike out line 20 and all that follows through line 21 on page 7 and insert in lieu thereof the following:

"(5) insure that no funds made available to any recipient are used, directly or indirectly, to pay for any personal service, advertisement, telegram, telephone communication, letter, printed or written matter, or other device, intended or designed to influence any decision by a Federal, State, or local agency, except where legal assistance is provided by an employee of a recipient to an eligible client on a particular application, claim, or case, which directly involves the client's legal rights and responsibilities, or to influence any Member of Congress or any other Federal, State, or local elected official to favor or oppose any Acts, bills, resolutions, or similar legislation, or any referendum, initiative, constitutional amendment, or any similar procedure of the Congress, any State legislature, any local council, or any similar governing body, except that this subsection shall not preclude such funds from being used in connection with communications to Federal, State, or local elected officials, upon the formal request of such officials through proper official channels, pertaining to the authorization or appropriations of funds or oversight measures directly affecting the operation of the program involved;".

—Page 13, insert the following after line 8 and redesignate succeeding sections accordingly:

BUDGET REVIEW

SEC. 13. (a) Section 1005(e) of the Legal Services Corporation Act (42 U.S.C. 2996d(e)) is amended in paragraph (1)—

(1) by striking out "(1)"; and

(2) by striking out the period at the end thereof and inserting in lieu thereof the following: ", except that the President and the Office of Management and Budget shall have the same authorities with respect to the review and submission of the budget of the Corporation as the President and the Office of Management and Budget have with respect to the review and submission of the budgets of all departments and agencies of the Government, including the authority regarding rescission of budget authority and deferrals of budget authority provided in sections 1012 and 1013, respectively, of the Congressional Budget and Impoundment Control Act of 1974 (31 U.S.C. 1402 and 1403).".

(b) Such section is further amended by striking out paragraph (2).

By Mr. MCCOLLUM:

—Page 11, line 5, insert "(a)" after "SEC. 11.".

Page 12, strike out lines 10 through 16 and insert in lieu thereof the following:

"(11) to provide legal assistance for or on behalf of any alien unless the alien is a resident of the United States and is—

"(A) an alien lawfully admitted for permanent residence as an immigrant as defined by sections 101(a)(15) and 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15), (20));

"(B) an alien who is either married to a United States citizen or is a parent or an unmarried child under the age of 21 years of such a citizen and who has filed an applica-

tion for adjustment of status to permanent resident under the Immigration and Nationality Act and such application has not been rejected;

"(C) an alien who is lawfully present in the United States pursuant to an admission under section 207 of the Immigration and Nationality Act (8 U.S.C. 1157, relating to refugee admissions;) or who has been granted asylum by the Attorney General under such Act; or

"(D) an alien who is lawfully present in the United States as a result of the Attorney General's withholding of deportation pursuant to section 243(h) of the Immigration and Nationality Act (8 U.S.C. 1253(h)), or

Page 12, after line 19, insert the following new subsection:

(b) An alien who is lawfully present in the United States as a result of being granted conditional entry pursuant to section 203(a)(7) of the Immigration and Nationality Act (8 U.S.C. 1153(a)(7)) before April 1, 1980, because of persecution or fear of persecution on account of race, religion, or political opinion or because of being uprooted by catastrophic natural calamity shall be deemed, for purposes of section 1007(b)(11) of the Legal Services Corporation Act, to be an alien described in subparagraph (C) of such section.

By Mr. McDONALD:

—Page 11, insert the following after line 3 and redesignate succeeding sections accordingly:

RESTRICTIONS ON FUNDS

SEC. 11. Section 1006 of the Legal Services Corporation Act (42 U.S.C. 2996e) is amended by adding at the end thereof the following:

"(g) No funds made available to carry out this title may be used (1) to provide legal assistance to promote, defend, or protect homosexuality, or (2) to promulgate or enforce the proposed rules of the Corporation which were published in the Federal Register on March 23, 1981 (46 F.R. 18055; 45 C.F.R. 1624), or any substantially similar rules which the Corporation may promulgate, to the extent that such rules pertain to homosexuality.".

By Mr. MOFFETT:

—Page 5, lines 1 and 2, strike out "Or by the President of the Corporation".

By Mr. SENSENBRENNER:

—Page 5, strike out line 4 and all that follows through "Corporation" on line 8.

Page 5, line 9, strike out "(1)".

Page 5, strike out lines 11 through 14.

By Mr. VOLKMER:

—Amend H.R. 3480 by adding after the word "States" on page 3, line 25 "and which nonprofit organization is to provide service to clients in an area which includes a political subdivision with a minimum population of 100,000 persons,".

—On page 13 strike lines 15 and 16 and insert in lieu thereof: "$200,000,000 for the fiscal year 1982.".

By Mr. WATKINS:

—Page 13, add the following after line 23:

(c) Section 1010 of such Act is amended by adding at the end thereof the following:

"(e) Not less than 30 per centum of the amounts appropriated pursuant to subsection (a) for the fiscal year 1982 or any fiscal year thereafter shall be made available only for nonmetropolitan areas. For purposes of this subsection, the terms "nonmetropolitan area" and "nonmetropolitan areas" shall mean any area outside a Standard Metropolitan Statistical Area, as established by the Department of Commerce, or any area which, as determined by the Board, after consultation with the Secretary of Agriculture, is rural in character.

By Mr. WILSON:

—Page 8, lines, 2 and 3, strike out "except in accordance with policies or regulations adopted by the Board".

EXTENSIONS OF REMARKS

THE CHANGE THAT HAS TO HAPPEN—HOW TO GET ALCOHOL OFF THE HIGHWAYS

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. BARNES. Mr. Speaker, the drinking driver continues to pose the No. 1 highway traffic safety problem, resulting in 26,000 deaths and 1 million injuries in the United States every year. I submit for the attention of my colleagues a superb article from the latest issue of Family Circle magazine on the needless human suffering caused by persons who abuse their driving privilege in this most egregious manner.

The article describes the emergence of a movement that has formed, spurred by public outrage and led by victims of drunk drivers, and other concerned citizens, to combat this threat to the health and safety of all citizens on our highways.

The Family Circle article follows:

THE CHANGE THAT HAS TO HAPPEN—HOW TO GET ALCOHOL OFF THE HIGHWAYS

(By Eugene L. Meyer)

It happened at midday on Saturday, November 10, 1979, on a rolling country road outside Washington, D.C. Cindi Lamb, shopping-bound with her five-month-old baby Laura belted in beside her, was approaching the crest of a hill when an oncoming car veered across the center line and smashed into her pickup head-on. The driver was drunk.

The 25-year-old mother was pulled from the wreckage with a dozen broken bones, which were soon to heal, but Laura suffered irreparable injuries to her spinal column and will be paralyzed for life. After six months of intensive care, she was sent home from the hospital with braces on her legs and body and a tube in her throat so that mucus could be suctioned from her lungs. Although she could move her arms, she had no sensation in them nor in any other part of her body. Because she could feel no pain, she had chewed one hand bloody and had to wear mittens. She must still wear them.

"I remember the last time Laura felt a hug," Cindi Lamb says. "I remember the last time she moved her fingers and her hands and her legs and feet. Now she doesn't feel any hugs. She doesn't feel anything from her shoulders down."

For Cindi Lamb and her husband, life would never be the same. Within months the round-the-clock strain of caring for Laura had placed a fatal burden on their troubled marriage and Alan Lamb moved out. Cindi had no choice but to quit her two jobs (selling Tupperware and teaching the deaf) and rely on welfare and Medicaid to keep herself and Laura alive.

And what happened to the person who was responsible for all this? He turned out to be a man who was out on parole for armed robbery at the time of the Lamb accident. In addition, he was found to have been driving without a license and to be a repeat drunk-driving offender. On the day of sentencing, the judge—the same man who had sentenced him for armed robbery—returned him to prison for violating his parole. He then tacked on a mere two years for the smash-up that crippled Laura Lamb. Locking the man up longer, the judge said, would accomplish little since sooner or later he would return to society to drink and drive again.

Even the offender was shocked by the judge's attitude. "Sure, what I did was wrong," he said later from his jail cell. "But it really was the judge's fault too for not keeping me off the street."

Alcohol on the highways is responsible for killing at least 25,000 persons a year in the U.S. and for gravely injuring at least a million others. Every day nearly 70 persons die—about one death every 23 minutes—and an additional 2,750 are maimed or seriously hurt. It is estimated that one out of every two Americans will be involved in an alcohol-related car crash during his or her life. Yet, up to now, the general public and our criminal justice system have managed to turn their backs on the problem, letting most drunk drivers literally get away with murder and showing little concern for their surviving victims.

"It is a national outrage," says an official with the National Highway Traffic Safety Administration. In spite of the sobering facts, "Our society continues to accept drinking and driving as a normal part of daily life." Small wonder then that many of the frustrated victims of what is, after all, a criminal offense, turn bitter.

Cindi Lamb did no such thing. Instead she turned crusader. Determined that Laura's tragedy should not be in vain, she now directs her considerable energies and talents toward forcing lawmakers, the courts and the public at large to move in on the problem of getting alcohol off the highways. And thanks to her efforts—and to those of other strong-minded survivors—headway is at last being made.

"Laura used to have the strongest, sturdiest little legs," the Unionville, Md., mother remembers. "She was just beginning to crawl at the time of the accident. Now she can't move at all. But she can move people."

Last summer, mother and daughter descended on their state capital to confront a roomful of legislators who were considering whether to toughen Maryland's drunk-driving laws by lowering the permissible alcohol content in the blood from Maryland's then 15% to 10%, which is the standard in all other states. Under the law then in effect (it has since been changed), a man who weighed 150 pounds would have had to bolt down six shots of liquor within an hour in order to be found legally drunk. Reformers, including, of course, Cindi Lamb, regarded the standard as ludicrous, but many legislators disagree. "You are wrong, dead wrong," Cindi told the stand-pat lawmakers. "My daughter is living proof of how wrong you are."

The lawmakers sat impassively through her testimony. After the hearing, a man who was being blamed for blocking the reform measure explained his reasons. "I want to get laws that will work," he said, "but I don't know what they should be. If I did, I'd certainly be the first to push for passage." He and like-minded legislators argue that the tougher the standards, the more likely drunk drivers would be to wriggle off the hook by hiring high-pressure lawyers, pleading guilty to lesser offenses (reckless driving, for example) and generally impeding justice.

Still, legislators notwithstanding, Cindi Lamb sticks by her guns. It is posssible, she insists, to reduce drunk driving by establishing a deterrent which will be tough enough and well-enough enforced to make drinkers think twice before climbing behind a wheel. Highway safety experts agree. Says one Federal offical: "You've got to scare hell out of people." But, he adds, you've also got to persuade everyone involved in criminal justice to work together. Unless judges, prosecutors, policemen and penologists are equally determined to clamp down on offenders, no deterrent will work. And that requires pressure from the general public.

"Our son was killed June 17, 1972, when a drunk driver was passing at a non-passing yellow line coming over a hill," a Springfield, Iowa, couple wrote Cindi Lamb. "He was charged with manslaughter. Judge and lawyers worked out a sentence of three years' probation and said that if after that time he hadn't been in trouble, his case would be sealed and be wouldn't have to say he'd ever been convicted of a felony. A little more than three years later, we noticed in the paper that he'd been arrested for drunk driving. They said he'd be tried as a first offender. Now we've just given up at the hopelessness of it all."

But there are more and more outraged victims who refuse to give up. Candy Lightner, for example, is a Fair Oaks, Calif., mother whose 13-year-old daughter, Cari, was run over and killed while walking to church. It was the second time Cari Lightner has been hit by a driver who'd been drinking. This time, the driver turned out to be a man who'd been out on bail for only two days after a previous hit-and-run drunk-driving arrest.

As soon as she could pull herself together, Candy Lightner, as she says, "went public" and formed Mothers Against Drunk Drivers (MADD). Last year she joined forces with Cindi Lamb and staged a Washington protest and press conference. "We can put on pressure. We can lay the blame where blame belongs," Lightner says.

In addition to MADD, there are other "survivor groups" across the country. They include RID (Remove Intoxicated Drivers, which has 15 local chapters) and PARKIT (Prevent Alcohol Related Killings and Injuries in Tompkins County, N.Y.). As angry and determined as their names imply, they are all working to make authorities accountable by monitoring courtrooms, lobbying among legislators and holding media events.

The emergence of these citizen-activist groups is a new and hopeful element in an old and frustrating story. For decades Euro-

pean and British governments have been grappling with the problem of drunk driving, but with no great success. As soon as laws were toughened, in Britain, Norway, Sweden and the Netherlands, the rate of alcohol-related accidents dropped but then it began creeping up again. Today there is no hard evidence the problem has been solved anywhere in Europe.

The U.S. government plunged into the field in the 1970's pouring $88 million into 35 Alcohol Safety Action Programs across the land. Here, too, the results were disappointing. Even though the overall number of arrests more than doubled, there was a significant reduction in nighttime accidents in only one-third of the programs. As for dramatic success stories—only one stands out: In Hennepin County, Minn., arrests almost tripled between 1971 and 1974, and alcohol involvement in fatal accidents dropped from 63% in 1972 to 38% four years later.

One reason many programs have misfired is that treatment for alcohol misuse, which was meant to supplement punishment, has often ended up replacing it. Challenging the conventional wisdom of the alcoholic treatment professionals, Federal experts have concluded that there is "no firm evidence rehabilitation is effective in reducing the number of repeat offenders."

But there is an important lesson in the combined experience of governments here and abroad: a well-publicized crackdown with tough laws can and will work, but only so long as potential offenders believe they will be caught and jailed. Once word gets around that the chances of apprehension and punishment are slim, drinkers will once more flaunt the law.

"It is a peculiar form of crime, in that it is one frequently committed by citizens who have no history of convictions of any other criminal offense," the Chief Judge of Maryland's District Court asserted in answering a letter from Cindi Lamb and her husband complaining about the judge in Laura's case. "In drunk driving cases, more than in any other type of case, the argument is made to judges that 'we are dealing with an illness, not a crime.' Our judges are constantly asked to use charges of this kind to rehabilitate a person suffering from this sickness, to restore him to the ranks of healthy, law-abiding, self-sufficient citizens." Clearly the response fitted neither the crime nor the criminal.

Similarly, the man responsible for Cari Lightner's death cited his alcoholism as a mitigating circumstance and was allowed to plead "no contest" to manslaughter while all other charges were dropped. The prosecutor asked for a three-year prison sentence. The judge sentenced the man to two. "I was appalled," said Candy Lightner.

The sentence would not have surprised Federal officials in charge of the Alcohol Safety Programs. They found repeatedly that "many judges believe that most defendants deserve to avoid the loss of license or increased insurance penalties, and they will protect these individuals by such devices as encouraging a plea to a non-alcohol-related offense, refusing to convict, avoiding a record of conviction or notification of conviction."

"My 26-year-old son is the victim of a young man who had been drinking and had a terrible driving record," a Kentfield, Calif., woman says. "My son suffered serious brain injury. He is alive, but his life is ruined. The system is far too lenient on drunken drivers. It is almost as though nobody cares. The man who hit my son had had 200 moving violations and five accidents in less than four years, but he carried a valid driver's license."

The effect of such lenience on those charged with arresting drunk drivers is devastating. "It's a waste of time," said a policeman in suburban Montgomery County, Md.: "Nothing happens. Unless a drunk gives me a hard time, I simply give him a ride home or call someone to pick him up. If judges and prosecutors aren't going to do anything, the hell with it!"

Although legislation has been introduced in Congress to force states to get tough or forfeit U.S. highway safety funds, Federal officials would prefer to have local efforts carry the ball. "The Federal role," says John Moulden, head of the Alcohol Safety Programs, "is to catalyze, facilitate and stimulate action in the local community." To that end, Moulden's agency is this year sponsoring workshops around the country on the subjects of drunk driving and auto safety restraints.

To tell the locals how to do it, the government has hired, among others, a freelance investigative reporter named Sandy Golden who has worked closely with both Lamb and Lightner. "Drunk driving is a political problem and it succumbs to political pressure," he believes. "The trouble is that most people don't know how to fight City Hall."

That's precisely what the survivor groups are learning to do. And the pressure they're bringing is already beginning to achieve dramatic results:

Three months after her daughter's death, Candy Lightner, under the aegis of MADD, appealed to California Governor Jerry Brown to appoint a task force. He did so and he named her a member.

"MADD is hitting right on target," says Sacramento Judge Lorenzo Patino, who was named task-force chairman. "At judges' meetings we always used to talk about standardized sentencing, but there was no pressure before Lightner's group got to work." Beginning last January the Sacramento judges agreed to accept reduced charges only for first offenders. If a second violation comes in less than two years after the first, the drunk driver will be sent to jail for 40 days.

A governor's task force was also formed in Maryland, following extensive publicity over the Laura Lamb tragedy and an appeal by the Lambs to Governor Harry H. Hughes. The panel came down with six major recommendations, which have for the most part been enacted. In addition, the chief county prosecutor directed his assistants to stop plea bargaining in most drunk driving cases. "The recent public hue and cry has made me examine the issue again," he says.

"My daughter Debbie was killed at the age of 23," a Monticello, Minn., mother wrote Candy Lightner. "Also her husband and the baby they were soon to have. It was 1979, the day after Thanksgiving, which we all spent in Debbie and Mike's home. Next day the kids set off in their car for Wisconsin and a second honeymoon before the baby came. A 27-year-old man, drunk, hit their van head-on, taking both their lives. He was sentenced to one year of nights and week-ends in the county jail. This man had a record of DWI (Driving While Intoxicated) arrests in 1975, 1976 and 1978. He killed Debbie and Mike in 1979."

As things now stand, a drunk driver's chances of getting caught are reckoned at one in 2,000. For those who are arrested, the chances of being punished at all are no more than one in two. And punishments tend to be benign. Drinkers who drive are apparently willing to accept these risks.

Why do so many drunk drivers get off scot-free?

Because many judges jealously, guard their right to "judicial discretion"—that is, their right to mete out unequal justice.

Because defense lawyers are quick to make use of plea bargaining, reducing the severity of the charges.

Because in some states civil libertarians oppose laws setting objective, measurable blood and breath standards for intoxication.

Because bar owners lobby against bills that would hold them liable for what their patrons do when they get on the highways.

Because U.S. jails are already so overcrowded, many penologists agree they might burst their seams if drunk drivers were added to the prison population.

Because by and large prosecutors still take the view that driving while drunk is a relatively minor offense.

For example, last December two judges in Belleview, Wash., agreed to postpone for 90 days sending drunk drivers to jail for one day, as required by Washington state law. The judges acted at the request of the city prosecutor, in the hope that jail conditions would improve in three months. "It is hard to believe," the prosecutor wrote the judges, "that the Legislature intended that otherwise responsible citizens be subjected to the physical conditions or atmosphere of fear that now exists in the King County jail."

If that strikes you as a curious position for a prosecutor, it is none the less widespread. Even in fatal accidents, offenders are treated as "otherwise responsible citizens" who somehow must be shielded from the very indignities that might deter them from driving while drunk.

In New York State, RID was largely responsible for the passage in 1980 of drunk driving laws that had been sitting on the legislative back burner for several sessions. The new laws virtually end the practice of plea bargaining from an alcohol to a non-alcohol related offense such as reckless driving. They also shorten the lengthy process of taking away an offender's driver's license.

"We were told the bills couldn't possibly pass because of constitutional problems and because half the legislators were lawyers who earned fees from plea bargaining people out of alcohol," said Doris Aiken, a Schenectady, N.Y., mother of three who founded RID when two teenage children of an acquaintance were killed by a drunk driver.

Playing hardball, RID warned the lawmakes, "Defense attorneys doubling as legislators with a possible conflict of interest should abstain from voting on these bills. RID with the help of the media and supporters will alert the public in the district of such legislators who put the rights of the public second to their own interests." RID's memo was denounced as "reckless and without merit" by some lawmakers, but ultimately 200 of 210 voted in favor of the measures.

Farther down the road, the battle against drunk driving will cost money—lots of it—for more prosecutors, police, judges and jails. Nowadays, fines paid for driving while intoxicated are not earmarked for that purpose, but are added to "general funds," big pots of revenue up for grabs by all agencies of government. But even if fines were available for the battle, additional monies would probably be needed. One suggestion comes from Forest Lowery, coordinator of Minne-

sota's alcohol program. His proposal: That a new five-cents-a-drink tax be imposed for liquor served in bars and that proceeds be used to keep drunks out of drivers' seats.

The bottom line, however, is attitude. Charles Hayes, a Washington state traffic official, sees a parallel between the issue of driving while drunk and the issue of smoking. "It's now become socially wrong to smoke in public," he says. "I used to think I couldn't stop, but then peer disapproval began to get to me. Every time I went into a meeting, I used to find ashtrays. But after the public's attitude changed, the ashtrays disappeared. After that, I managed to stop smoking."

Attitudes toward drunk driving could change, too. But not soon enough for Laura Lamb. As Cindi Lamb says, "The sun rises, the sun sets, Laura's still paralyzed. And that's the way it's going to be."

WHAT YOU CAN DO ABOUT DRUNK DRIVING

It's going to take a lot of pressure from the general public to get alcohol off the highways and keep it off. Here's how you can help:

1. Discourage everyone you know from driving after drinking. One way is never to ride in a car driven by anyone who's high. That must include everyone—even spouses, family and friends.

2. When someone in your town is arrested for drunk driving, make it your business to follow up on the disposal of the case (if the police won't give you the facts, the courts are obligated to do so by law). If you think the punishment doesn't fit the crime, write a protest letter for publication in your local newspaper, or for airing on your local TV station.

3. To find out what else needs doing and how to go about doing it, write to one of the many citizen action groups that are springing up across the country (please enclose a stamped, self-addressed envelope). Two t. 12301. For those starting their own survivor groups, RID has how-to-do-it kits. They include fact sheets, a speaker's outline, buttons and bumper stickers, a "Dear judge" letter, petitions, court monitoring forms and a training manual. These items, RID points out, are all "tools to involve people on a local level in getting the drunk driver off the road."

4. The National Highway traffic Safety Administration, which is an arm of the Federal Government, can also be helpful. Its address: 400 Seventh St., S.W., Washington, D.C. 20590.●

EARLY RETIREMENT PLAN DISASTER

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. AuCOIN. Mr. Speaker, I do not think any one here is willing to support the President's plan to reduce basic retirement benefits for those who retire early by 30 percent. I doubt that there are many in the administration that still think it is a good idea. I know that 18 million people planning to retire over the next 5 years are scared and angry.

It is unfair and irresponsible to tell several generations that their careful planning for their retirement years has been for naught. We are changing the rules in the last few seconds of a game in which there is no instant replay.

They have been told that if they wait until next year to retire early, they only get 55 percent of their full benefit for the rest of their lives—their spouses get 27.5 percent. That is an average reduction of $126 each month for a population that is already the fastest growing poverty group in America. For the average worker who retires early in 1987, it means $42,000 less during their retirement years than under present law.

Eighty percent of our workers retire early—most of them not by choice, but because of poor health and job loss. Only 22 percent voluntarily leave the work force. Oregon, with an unemployment rate averaging 10 percent, is no exception.

The Republican National Committee's senior Republican newsletter proclaimed "President Reagan keeps promise, retirement benefits go untouched." They must be using the new math.●

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

HON. GLENN ENGLISH

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. ENGLISH. Mr. Speaker, on May 19, the House rejected H.R. 2979, a proposal to extend the authorization of appropriation for the National Historical Publications and Records Commission for 2 years at $3 million per year. The bill was simply a reauthorization proposal involving no funding, per se. Moreover, the $3 million figure approved by the Committee on Government Operations represents a 25-percent cut from the currently authorized level of funding. Rather than examine the merits of the program, opponents of the bill argued that, as a Great Society program, the Commission exemplifies why we have been unable to restrain Federal growth and that authorizing this particular program would bust the budget.

The Members of the Senate were undoubtedly aware of these arguments by House opponents. Nonetheless, last week the Senate approved by unanimous consent S. 1050, a companion to the bill rejected by the full House. Now, one could conclude that the Senate favors unrestrained growth and budget busting; or, perhaps, that the Members of the other body found the views of House opponents to be specious. Having recently received a letter from the Coalition To Save Our Documentary Heritage that takes issue with the arguments of House opponents, I am inclined to believe that the Senate found the views of the House opponents to be less than convincing. I commend the letter to my colleagues:

COALITION TO SAVE OUR DOCUMENTARY HERITAGE,
June 1, 1981.

Hon. GLENN ENGLISH,
Chairman, Subcommittee on Government Information and Individual Rights, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In his speech of May 18 (printed as an extension of remarks in the CONGRESSIONAL RECORD of May 19), Congressman William Dannemeyer made several misleading statements about the National Historical Publications and Records Commission.

He began: "When we examine this history of this organization . . . , we can really see a little of what has happened to our Government, the Federal Government, in the course of the last 47 years." This statement suggests, if not implies, that the NHPRC is a superfluous program which has grown without proper supervision, like some self-perpetuating bureaucracy.

Although the NHPRC was created in 1934, the National Archives did not staff the Commission until 1950. Congressman Dannemeyer considers the NHPRC to be "one of those great society programs," since federal grant funding was first authorized in 1964. But what the Congressman fails to point out was that funds were provided to both stimulate and match private dollars to demonstrate a serious and long-term commitment to the preparation of the papers of the Founding Fathers and other Americans who contributed significantly to this country's development.

Interestingly, those who urged the involvement of Federal funds, whom Mr. Dannemeyer calls "the proponents of this project [who] got the idea that we must stimulate the gathering of this data," included Associate Justices of the U.S. Supreme Court John M. Harlan and Felix Frankfurter and Senator Leverett Saltonstall.

In 1972, when the funding level for the Publications Program was increased from $500,000 to $2,000,000, this legislation was co-sponsored by Senator WILLIAM V. ROTH, JR., who, in his remarks of August 15 which are printed in the CONGRESSIONAL RECORD, claimed:

"The Commission has been able to undertake such an extensive program despite a very limited budget because these projects have attracted outside contributions from universities, foundations, charitable organizations and other groups."

He continued:

"The Commission's activities assisting in the collecting, describing, editing, and publishing of documentary sources important to American history are likely to have a lasting influence on the way in which we interpret our country's history and traditions."

The NHPRC has been a model Government-funded program. The Publications Program has produced an impressive body of work: 319 volumes, 5,450 reels of microfilm and 1,005 microfiches. This has been accomplished at a funding level that has never been over $2,000,000 a year—a figure that has not been adjusted for inflation in the last seven (7) years.

The NHPRC has been able to compile this impressive record because it has been extremely successful at leveraging private dollars. In fiscal year 1980, for example, federal funding for fourteen representative publications projects, was at a level of 43.6 percent of operating budget, while private contributions and institutional/sponsor support was 56.4 percent.

The increase in the funding of the Publications Program was signed into law by President Richard M. Nixon (Public Law 92-546). And his successor, President Gerald R. Ford, created the Records Program in 1974, by signing Public Law 93-536. The NHPRC's achievements are the product of strong bipartisan effort and can hardly be called simply "one of those great society programs."

Although the NHPRC's programs will be severely curtailed by the 25 percent reduction in authorized grant funding, the Coalition to Save Our Documentary Heritage accepts this cut as necessary in this time of budget austerity. But any further reduction or the complete elimination of Federal funding as proposed by OMB would cripple the Publications Projects of the NHPRC and annihilate the Records Program.

During the last seventeen years, the NHPRC has proven to be a strikingly effective Government-funded program. Congressman Dannemeyer has misrepresented this program by calling it "just a microcosm of what has happened to our Federal Government in the last 47 years. They start out with a good idea and it just grows and grows and grows."

What is particularly disturbing to those who are concerned about America's future and interested in having access to the records and documents of the past is Congressman Dannemeyer's willingness to permit the Office of Management and Budget to make a determination about the survival of the NHPRC, not by examining the record or judging the accomplishments of the program, but by the simple act of eliminating Federal funding from the budget.

H.R. 2979 asks for reauthorization for fiscal year 1982 in order to seek a fair hearing on the future of NHPRC. Because of this action we are accused by President Reagan's supporters of busting the budget. The $3,000,000 represents 4.2 one-millionths of the fiscal year 1982 budget. How can members of the Coalition be convinced that this program was given serious and thoughtful review by OMB? The automatic response that private funds can support the entire effort fails to consider the proven record of the NHPRC. Without a strong federal financial involvement this essential fundamental research could not survive. We are advocating nothing more than the continuation of a program which collects and transmits the primary records of America's past.

For all these reasons, we believe Congressman Dannemeyer's contention—that the National Historical Publications and Records Commission and its grant programs is a great society project gone awry—is incorrect.

Sincerely,

MICHAEL RICHMAN,
CHARLENE N. BICKFORD,
Coordinators for the Coalition.●

A FATHER AND SENATOR HELMS

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. McCLOSKEY. Mr. Speaker, in the Washington Post of June 5, 1981, a good and thoughtful man, Tom Braden, wrote of his decision to obtain an abortion for his daughter after she was brutally and repeatedly raped. This might give some of us pause, particularly after our vote of 329 to 70 last May 13, denying Federal funds for abortions for rape victims.

Time after time, we in the House have voted to deny women the right to control perhaps the most personal of their decisions—whether or not to bring a child into the world. But the unwanted child of an unknown rapist seems too much to ask a woman to bear.

We, of course, are predominantly men. How would we feel if a Congress made up of a majority of women were to vote a mandatory vasectomy for all men who had sired two or more children?

I suspect most of us, faced with the problem Mr. Braden faced, would have made the same decision.

If we are to enact laws and a system of laws which retain the respect of our citizens, why then should we not bring our laws into accord with what we ourselves, as fathers, would choose to do?

Thank you, Tom Braden, for pointing up the differences between what we require of others under a law most otherwise law-abiding fathers, including most of us in the House of Representatives, would not obey.

Mr. Braden's comments in the Washington Post of June 5 follow:

A FATHER AND SENATOR HELMS

(By Tom Braden)

I have been wondering whether to tell you a personal story that seems to me to have general implications. This is one of those sad family stories that normally you don't find fathers talking about in public, or even very much with close friends.

But I picked up the newspaper the other day to read that a Senate committee had voted to abolish payments for abortions for the poor, even when the pregnancies are the result of rape.

Now this was not a question of cutting the budget. Abortion costs for poor women who are raped do not amount to a large sum. Rather it was a question of morality. Republican Sen. Jesse Helms of North Carolina, and the Moral Majority, which follows him around, are convinced that abortion is wrong even when the woman who wants one wants it because she has been raped.

So I don't think it will be very long before Jesse and his friends are going to come after the unpoor.

In this instance, I am not very comfortable about being unpoor. I object to what the Senate committee did. But I have the human instinct to object even more strenuously when I reason that, by the same standard with which the senators dealt with the poor, they will shortly deal with me.

So let me tell you my story.

A few years ago one of my daughters attended an enormous Fourth of July celebration at the Washington Monument. It was a free show with fireworks and flags and entertainment, and, according to the newspaper account, the large crowd behaved well.

But as my daughter strolled alone off the Monument grounds and entered a side street, a car rolled up next to the sidewalk. Three men emerged from it, seized her roughly and, before she could do more than utter a half-stifled cry, put her into the back seat where two more men held her to the floor.

She was tied, gagged and taken to a house, the location of which she cannot now identify. She was kept in the house for the rest of the night during which time she was repeatedly beaten and raped.

The next morning she was blindfolded, driven back to the Monument grounds and shoved out of the car. Eventually, sometime about midday, she made her way home.

During the time she was gone, there was of course, a great deal of worry and anxiety at that home. And I must confess anger.

Her arrival was followed by various interviews with policemen who tried to be helpful to a hysterical girl. But couldn't be. Because the hysterical girl could only estimate the time she had been in the car, describe the inside of a house and sob out some meaningless first names.

That's really the end of the story. Except, of course, that within a very short time, my daughter knew that she was pregnant.

Now I would like to ask Sen. Helms what he would do if he had been the father of the girl. I know what I did. And I can promise the senator and the Moral Majority and all the shrill voices of the Right to Life Movement, that no matter what law they may pass and how stringent the penalty, I would do it again.●

ENERGY PROBLEMS REQUIRE ATTENTION

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. MURTHA. Mr. Speaker, the initial focus of Congress in the opening months of 1981 has properly been on the economy. As that debate moves forward, we must now begin to focus on energy. Progress on the economy without concurrent progress on energy will leave our economy unsettled.

Presently, our energy situation seems to be pretty good. We have enough gasoline at the corner station; we had enough natural gas and electricity through the winter. Last month we imported 5.4 million barrels of oil a day, down 22 percent from April a year ago and the lowest monthly total in 6 years. More good news comes from electric utilities where petroleum use is down from 18 percent in 1977 to 12.4 percent last year. Meanwhile, gasoline consumption dropped 5 percent last year, and is down 9.4 percent from its peak in 1978.

Unfortunately, all that good news is deceiving. While I believe we have made considerable energy progress in recent years, major problems still exist.

For one thing, most experts see the energy use decline as temporary. Shell Oil Co. forecasts imports back up to 8.6 million barrels a day by the middle of this decade. Exxon thinks it will be even higher. While imports are down now to 35 percent of our supplies, such an increase would boost them back to one of every two barrels of oil we use.

For a second thing, even though exports are presently down we remain vulnerable to a cutoff of one-third of our oil supply at any time. The Arab States could ban together again in an attempt to influence our foreign policy, or internal problems could cause international oil cutoffs from a country such as Iran, Iraq, or Libya.

For a third thing, oil production in our own country has declined.

Fourth, while there have been gluts of oil before, they tend to be replaced by shortages, so today's oil glut should not be taken as a need for a lack of U.S. energy policy.

As we move into the 1981 energy debate, I believe there are 10 principles that should guide us in these discussion.

Principle No. 1: Focus on goals, not numbers.—In past debates we have spent too much time worrying about just how much oil, gas, and coal was available in the United States and throughout the world. The point is that there are limited supplies of natural gas and oil. Whether the breakpoint where they run out comes in year X, Y, or Z is less important than the fact that everyone agrees they will run out. We need to keep our goals in mind. Those goals are to switch from oil, and especially imported oil, to supplies that are reliable and will be there in the future. Temporary oil glut situations, like the present one, cannot remove us from the long-range focus of our energy future, and our need to change our energy policy. We will clearly run out of oil someday, we must continue to make changes away from this energy source.

Principle No. 2: Stress domestic supplies.—As long as OPEC holds even one-third of our oil imports which are essential to our economy we remain their captive on prices and they can attempt to influence our foreign policy decisions. We must stress development of our own oil supplies, natural gas production and coal which are presently available, and continue work on such things as oil shale, solar power, windpower, and other options for the future. We may never be able to be totally free of energy imports, but we can and should reduce our dependence as far as possible and rely on our own supplies. Coal is our most prevalent energy option, and we should use it as fully as possible.

Principle No. 3: Stress synthetic fuels development.—By beginning now to stress the use of coal, biomass, and other options to produce synthetic oil and gas we can begin to produce that product by the mid-1980's, just when our imports are expected to begin increasing again. We must make synfuels a key to our energy future, and press for their development. This is our best long-range hope, as a new source of domestic energy supplies. All options should be explored and given a chance.

Principle No. 4: We must be realistic.—In all energy development there are costs, penalties, and in some cases high prices. There will have to be trade-offs with the environment, with water demand, with land policies, and other areas. Without those changes, though, our energy policy will remain at a standstill and our economy and energy policy will remain stagnate. We must be willing to make energy a priority. It does not mean ripping out environmental gains or destroying the land, but it does mean being realistic and admitting we will have to make some adjustments.

Principle No. 5: Continue vital research.—On the Interior Appropriations Subcommittee we fund much of the vital energy research in fossil fuels, and this must be continued. Only by doing basic research now can we be prepared for the future solutions to the energy technology we need.

Principle No. 6: The Government role must be reevaluated regularly.—There are areas private industry can best develop. In other areas, though, programs will not get started unless the Government stimulates them, and we must be prepared to do it. As Majority Leader JIM WRIGHT remarked recently, if we had left space exploration in the 1960's to private industry, it still would not be done. Where there is a national priority such as energy, there are areas where Government money must provide a stimulus. Synfuels is one example of this, and others must be evaluated on an individual basis of what will work most efficiently and effectively.

Principle No. 7: We must make a decision about nuclear power.—Everyone joins in requiring that the nuclear powerplants in operation be run as safely as possible and that all necessary safeguards be taken. It appears that in the wake of Three Mile Island, any future nuclear plant construction will not occur. We must make positive decisions about the nuclear plants in operation and near construction. I favor the continued use of the plants in and near operation, otherwise they will be replaced by imports of foreign oil. Nuclear power must be dealt in or out of the energy plan, but a decision must be made so we can plan properly.

Principle No. 8: We must stress substance, not organization.—Some people want to dismantle the Department of Energy just a couple years after we created it to pull together various energy functions of the Federal Government and make energy policy formations more efficient. Our first concern must be with policy. Once we set that policy the organization to operate it will follow. But we should not put the organization ahead of the policy, or waste precious time in a debate over organization.

Principle No. 9: Conservation must be stressed.—Our personal and business gains from conservation have been substantial and can continue to be. I am concerned that we have relaxed building temperature standards and abandoned a gasoline rationing plan for an emergency. We must continue to develop an energy ethic in this country that preserves precious fuel, ends waste, and looks for ways to save. Conservation gains can be important in our overall effort, and help remind us all of the energy problems facing us.

Principle No. 10: Look at the whole system.—Energy problems are not isolated. As an example, to use more coal we will have to review the clean air and water acts, we will have to improve rail, road, and port transportation, we will have to provide capital assistance for the opening of new mines, we will have to insure mine safety, and there are many other steps. I use this to illustrate that we must continue to stress America's energy needs through all our decisions as they impact on our economy and society.

The energy crisis has temporarily disappeared, but it has not been eliminated. We face major energy tests in the months ahead. We must face the problems head on and deal with them effectively or they will destroy the economic progress we have attempted to make.●

FORTIETH ANNIVERSARY OF BALTIC GENOCIDE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. FLORIO. Mr. Speaker, I am pleased to participate in this recognition by the Congress of the 40th anniversary of when the Soviet Union illegally occupied the Baltic States and sent thousands of Lithuanians, Estonians, and Latvians to their certain death. During June of 1941, the world viewed acts of inhumanity seldom witnessed before. It is proper to pause today to recall these events which left

virtually no Baltic family untouched by tragedy.

The suffering and inhumanity perpetrated against the Baltic peoples continue today. Although the Soviet Union's occupation of the Lithuanian, Estonian, and Latvian nations remain unrecognized by the U.S. Government, the Baltic peoples are constantly reminded of the imposing Soviet rule over their institutions, churches, and culture. Baltic parents must bear the burden of seeing their children educated in the Russian language, and their religious beliefs and heritage held up for ridicule. The Gulag Archipelago and its prisons and psychiatric institutions reach into the Baltic States, bringing terror into homes and hostility and fear throughout the once independent states.

Resistance to Soviet tyranny continues among the Baltic peoples. I urge my colleagues to recognize their continuing fight and join allegiance with them in denouncing Soviet oppression. As a member of the Ad Hoc Congressional Committee on the Baltic States and Ukraine, I will continue to help strengthen the commitment of the Congress to the struggle for self-determination for the Baltic nations.●

SADDAM HUSAYN'S SPEECH ON BOMBING TEL AVIV

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. ROSENTHAL. Mr. Speaker, the bold Israeli air strike against the Iraqi nuclear reactor has prompted serious questions about whether this attack was an act of legitimate self-defense. A close examination of Iraqi policy makes it clear that it was.

To my regret, the Department of State has been slow to share with the Congress and the American public those statements of the Iraqi leadership, most notably Iraq's President Saddam Husayn, which detail Iraq's intention to develop new weapons to destroy Israel.

I insert into the RECORD Saddam Husayn's speech of August 19, 1980, in which he boasts of plans to confront Israel and destroy Tel Aviv with bombs. The English transcript has been provided by the Foreign Broadcast Information Service.

Some time ago the Zionist entity adopted a serious decision to consider Jerusalem the Zionist entity's capital. Though quite serious, this decision reflects nothing new in the Zionist entity's mentality and its aggressive intentions. When we reject the Zionist entity's decision to take Jerusalem as its capital, we do not mean that we recognize Tel Aviv as its capital. We consider it a usurper of the territory of Palestine and of the other Arab territories. We also consider it an entity founded to threaten the Arab nation's future, sovereignty and prospects. [Applause.] We said, comrades, that a while ago the Zionist enemy adopted a serious decision considering Jerusalem the seat of its government and its capital. This decision is nothing new—the enemy also took Tel Aviv, which is Arab, as its capital. But when its arrogance and intransigence make it take Jerusalem as its capital, the enemy has posed the highest challenge to the Arab nation. It has reached the highest degree of disregard for the Arabs' rights and sovereignty as well as disregard for world public opinion. You have heard that there has been media reaction, but the fact is that through all the Arab nation's experiences in the last few years, the Arabs have waited for an Iraqi initiative because Iraq, with its mind, conscience, concepts, properties and abilities, is no longer the possession of only the Iraquis, but has become the property of the Arabs. [Applause.]

It was necessary to take an effective stand. What then is the effective stand? Any gradual response cannot represent a serious reply to the Zionist entity. Therefore, we decided to confer with the brothers in Saudi Arabia and to study with them the adoption of the decision with which you are aware and which was published in the newspapers. [Applause.] When we proposed it to the brothers in Saudi Arabia, they responded splendidly. The decision received an extensive practical response in the world and the Arab nation. Now most of the Arab states have expressed their support for it. The states which have embassies from Jerusalem, or else we will boycott them at the end of a 30-day ultimatum. The world has begun to view this decision seriously whether in international or regional organizations. Why has the world taken this decision seriously? It is because it was serious and was not meant for publicity. We really meant by this decision to boycott the states that abide by or accede to the Zionist decision. We will do so. We believe that all the Arab brothers will do the same.

Some people may ask if this decision is the best that can be taken. No, a better decision would be to destroy Tel Aviv with bombs. [Applause, cheers.] But we have to use the weapons available until it is actually possible to respond to the enemy with bombs. The other Arab brothers can help us in this respect.

Regrettably there has been moral degeneration in some Arab regimes. [Words indistinct.] You hath the Ba'ath Party. [Shouts of "no".] Brothers, not you [words indistinct] [he laughs] our brothers in nationality in the fraternal Syrian Arab state, the rulers there [words indistinct] [cheers] anyone who faces a predicament in his country thinks we stir it up. It is you who try to stir up the people against us: All radios such as that of the Zionist entity, Washington radio and this and that side have tried and are continuing. Even some comrades said [words indistinct] to travel and we said let them travel and see everything. You see that the radios and instigation have not affected us; they were able to accomplish nothing. Every Arab ruler whose people rise up against him comes and blames us. The brother rulers in Syria, and we do not know whether it was done with or without their knowledge or the embassy behaved on its own. [Sentence as heard.] We leave it for them to [words indistinct] What is important is that if you are displeased with Saddam Husayn, one bomb is enough for Saddam [shouts]; if you are displeased with the leadership and the ruling cadre, 1 kg of TNT is enough. [Applause and cheers.] It would have been enough for them to send a few revolvers affixed with silencers [words indistinct], but why send poison? Do you want to poison the whole Iraqi people? These great Iraqi people are your support. When you cried, none but the Iraqis wiped your tears. [Applause.]

Muhammad Haydar, deputy prime minister [words indistinct], came to us on the eighth day of the October war and said: The Israeli army has crushed all our tanks and are heading toward Damascus; we have no weapons except some antiarmor weapons and [words indistinct]. He was extremely demoralized. I met with him at the National Council and told him: the [Iraqi] planes have arrived in Damascus and the tanks are heading in your direction, but hold on until the first Iraqi tank arrives and be assured that this land will not be given up as long as one of us in Iraq is alive. [Applause.] Of course, you and they know the rest of the story. They sometimes admit it and at other times deny it. This is not the important point. What is important is that our great people in great Damascus and Aleppo and everywhere in the Syrian cities know the great role played by the Iraqi Army. Well, why do you want to kill these people with poison? Leave them [words indistinct].

One and a half months ago I received a report from the security and intelligence departments saying they had reliable information that the Iranian circles were planning to poison the drinking water in Karbala and An-Najaf in order to incite sectarian and other grudges inside Iraq. We told them to continue their investigation. We wish and hope [words indistinct].

However, sister and brother comrades, these wonders of misdeeds from this or that Arab ruler in the Arab homeland must not let such things diminish your faith in the Arab nation and the Arab people. We must always draw lines between the ruler and the people, between the masses and the rulers, between the good ones and the bad ones, between those who adopt positive stands and those who adopt evil stands. They and the others always know that the Ba'thist Iraqi is the first to want to be honored to smell dynamite on the Golan Heights and the Palestinian Arab lands. [Applause.] Therefore, no matter how hard they or others try, they will not impede the Iraqis' great potential in serving the Arab nation because this potential is derived from the principles drawn up by the great July revolution. [Applause.]

The Zionist entity has filled the world with its clamor about an alleged atomic bomb in Iraq. Golda Meir said: The worst day in my life is when a Palestinian child is born in the land of occupied Palestine; it increases the number of Arabs in occupied Palestine. It seems that the Zionist entity has begun to see in you and read through your eyes the coming fighter that will remove it and purge the Arab territory from it and its evils. [Applause.]●

TRIBUTE TO CARL VINSON

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. LONG of Maryland. Mr. Speaker, I offer these words of affection for, and respect to the memory of, my former colleague, Carl Vinson, who

passed away June 1, 1981, at the age of 97.

Mr. Vinson was elected to the House in 1914. He became chairman of the Naval Affairs Committee in 1932 and shortly after presented a $616 million proposal calling for a 10-year program to build up U.S. naval power, earning him the title "Father of the Modern Navy." In his honor, the nuclear carrier U.S.S. *Carl Vinson* was launched in March 1980, in Newport News, Va.

His skill with parliamentary procedure enabled him to push through numerous major defense bills. Also nicknamed "Mr. Defense," he played a key role in launching the "two-ocean" navy, and fought for expanded air power.

I first knew Carl Vinson when, on my election to Congress, I went on the Armed Services Committee in 1963. Although he retired from the House 2 years after, I feel honored to have known him. Our Nation is fortunate to have had Carl Vinson's 50 years of service. I doubt there will be another like him.●

TIME TO OPPOSE UNITED NATIONS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. ASHBROOK. Mr. Speaker, for too long the United States has stood by while delegates to United Nations bodies have aggressively assailed our good intentions, mocked our way of life, and used our money to begin the process of denying others the rights we believe as essential to the progress of mankind.

Now the U.S. public has wisely elected some leaders who have the insight to reverse this dangerous trend in international regulation/intimidation of people and trade.

We have delayed the Law of the Seas Treaty, and are now reviewing the almost successful efforts of Third World governments to end traditional freedom on the high seas and decide who should be allowed to develop the sea's wealth. As usual the Third World wants us to do the work while they share in the proceeds which will bolster their socialist/communist life styles.

The United States cast a lone dissenting vote against the ill-conceived World Health Organization's code to regulate the sale of infant foods and formula by denying a minimum of three basic constitutional rights to businessmen, medical personnel, and educators. The vote was an act of wisdom and courage, and consistent with the philosophy that the best government is the one closest to home.

The United Nations also wants to decide through UNESCO who will write and speak for the press and would give sanction through regulation to what they write in the form of the "New World Information Order."

Mr. Speaker, I recommend to my colleagues an article by Mr. William Safire who has seen the danger inherent in these proposals:

[From the Washington Star, May 21, 1981]

TURNING BACK THE TIDE ON MILK, NEWS, AND SEA

(By William Safire)

"The old order changeth, yielding place to new" wrote Tennyson, and for a time it appeared that the Third World's ambitious "New Economic Order" would shame the industrial world's old order into a redistribution of wealth and a guilt-ridden rejiggering of principles.

Three events of recent days show that the old order has come to its senses and yieldeth not when the change demanded is in the direction of collectivism and the denial of individual freedom.

(1) International regulation of advertising. In the name of promoting breast-feeding, the World Health Assembly is voting to forbid all advertising of infant formula. Because some poor nations are afflicted with contaminated water supplies, more advanced nations with clean water to mix formula—and with mothers who go to work—must conform to international "ethics codes" that restrict information about ways to bottle-feed babies.

All formula should be secret formula, say the third worldly dogooders—if powdered milk is not advertised, it will go away. Incredibly, 149 nations are ready to sign this code, moved by propaganda about multinational villains killing babies. In so doing they will start the process of regulating all international marketing of all products.

Our State Department, fearful as ever about asserting the values of freedom, advised a discreet abstention. The Reagan White House said no, the United States thinks such restrictions are wrong, and it would be hypocrisy to approve as international behavior actions that our own courts would condemn as subversive of free speech and free trade. We will stand on principle; the hollering will be fierce.

(2) International regulation of reporting. The director general of UNESCO, urged on by the Soviet bloc and its Third World allies, is drawing up a "New World Information Order."

In this new order, journalists would be licensed by international organizations and individual governments; they would have to promise to abide by codes that prevent "unfair" criticism or embarrassing exposures; they would be common carriers for the institutions they cover.

As in the mother's milk code, these restrictions would not stand up in a U.S. court, but would affect Americans doing journalism's business abroad. The American foreign correspondent would be in the same crib as the infant-formula salesman.

This week, at a meeting in France, free-world newsmen called on UNESCO "to abandon attempts to regulate news content." Led by Murray Gart of The Washington Star, backed by the American Newspaper Publishers Association, European newsmen were urged to go further: to call for governments to withdraw from UNESCO if that totalitarian-inclined world organization goes ahead with its press power grab. Such a threat is the only effective counterpressure—and the Americans are leading the fight.

(3) International regulation of resources. For five long years, the proposed (with its apt acronym: LOTS) Law of the Sea has been attacked in this space as "the great ripoff." Hornswoggled during the Nixon administration by Pentagon officials worried about Third World interference with traditional rights of passage through narrow straits, we have since been negotiating a vast giveaway of fundamental rights to explore for resources.

OCEANS FOR ALL

When no government owns the ocean bottom, every individual in the world is free to fish and mine there; but when every government shares in ownership of the seabed, no individual is free to operate there. The fine-sounding "common heritage of mankind" should mean that no government may claim the seas; like fools, we have permitted an interpretation that every government shares in the seas.

As a result of that colossal mistake, we nearly signed an agreement that put all free prospecting for minerals under license to an international Sea-Bed Authority. LOTS' purpose? To share the world's wealth, just as the infant-formula prohibitors want to share free enterprise's marketing power, and just as the UNESCO collectivists want to share—that is, control—the independent power of the press. In the nick of time, the Reagan administration turned back the tide at the Law of the Sea Conference.

Whether the subject be mothers' milk or muckraking or manganese nodules, the principles of free and unrestricted intercourse are being rediscovered and newly defended: to that end, the old order changeth not.●

THREAT OF WORLD HUNGER TO OUR SECURITY

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. EDGAR. Mr. Speaker, Sol Linowitz, former Chairman of the Presidential Commission on World Hunger, has written a disturbing but astute article on the threat of world hunger to our security. He finds that hunger is not periodic famine but chronic malnutrition. It fast becomes a political problem overshadowing the energy crisis in its potential for disruption of delicate political and social orders. Mr. Linowitz reaches a conclusion which challenges the very basis of our traditional outlook on world security. I urge my colleagues to read the following article:

[From the Washington Star, June 9, 1981]

HUNGER THREATENS SECURITY

(By Sol M. Linowitz)

We can no longer ignore the fact that the very survival of the human race may depend on how well we together manage the finite resources of this earth. Energy makes the headlines today and the concerns about energy are real and significant. But the undeniable fact is that a worsening of the world food situation could make us look upon the current energy shortage as merely

one contributing factor to the far greater challenge to our ability to control our destiny. What is required—and urgently—is to find a way to awaken among the governments of the world and the peoples of this world an understanding of the broad scope of this world hunger challenge—and the dangerous implications of failure to meet it head on.

If we are really ready to take effective action to help solve the hunger problem affecting these millions, then we will have to have a radical reordering of our national and international priorities—including a redefinition of national security and we must do so for a number of reasons which are all too clear:

Because the world food problem is less a matter of periodic famine than of chronic malnutrition rooted in poverty and in lack of access to available supplies;

Because hunger is a political problem at least as much as a scientific and technological problem;

Because while hunger has extremely complex and interrelated global causes and consequences, we now know that its elimination is within the available technical and financial resources of the world today;

And because the attainment of long-term solutions will depend upon lasting commitments by all countries, international agencies, and private organizations alike.

NO MAGIC FORMULA

Clearly there is not and cannot be any single answer or magic formula to overcome the problem of world hunger. And clearly there is no single model for all countries to follow. But there are many partial answers which together can add up to solutions.

In the first place, and obviously, there cannot be a solution without increased food production. More food is needed and it will take money to produce it. But agricultural production is only one part of the answer.

Structural change is necessary too. People have to be able to buy what they do not grow. The poor need jobs in order to gain purchasing powers. They need education and organization to convert their nutritional needs into effect demand. The whole system of food production, processing, transportation, marketing, distribution and storage must be modernized and made more equitable.

In dealing with the problem of world hunger, our first priority in our country must be to focus United States efforts directly and through multilateral agencies on encouraging developing countries to adopt food policies aimed at improving self reliance. The simple fact is, however, that every country cannot be self-sufficient in food production and that there will continue to be need for food trade—and, for the time being, food aid. To encourage governments of food-priority-developing countries to commit themselves to provide additional food for their poor and to change their internal policies and structures will mean that the United States and other developed countries must be ready to help them with material and financial resources.

In that regard we should remember—as most of the world does that America played a decisive role in the reconstruction of a ruined Europe after World War II.

The investments made in that difficult time have since paid benefits worth many times the original outlays. The vigorous trade between the United States and Europe has enriched both partners, and world security has been greatly enhanced by the stability and strength of the Western democracies.

Yet now, when we should be addressing the problems of hunger in the developing nations—and laying the basis for future stable relationships—the portion of our wealth dedicated to helping those in need has fallen to less than a tenth of the post-World War II level. This year we are spending $520 on defense for every American, but less than $15 for development aid. I submit that this allocation of our resources reflects a profoundly distorted perception of national security needs.

Today the impact of total human activity is bursting national boundaries and there is an explosive growth in the agenda of global issues. Increasingly we are confronted by problems which have become global because they can no longer be dealt with by nations acting alone and because their resolution has unavoidable implications for the well-being of the world at large. Hunger today has become such an issue. And, as never before, hunger today threatens world security.

SECURITY INTERESTS

For a long time now the world has equated security with military security. For a long time we have been accepting the notion that security lies in armed might—and to achieve that kind of security the world today spends collectively some $400 billion each year. But the simple fact is that military security is but one facet of national safety and survival in the last quarter of the 20th Century. For today national security is inseparable from global security, and the non-military threats to that security are manifold and awesome. The most unsettling force in the world today is the inability of poor people to attain a decent standard of living. No weapon or military alliance can ovecome hunger. No instruments of war can overcome disease, death and economic decline—which would result from the spread of hunger.

For the first time in human history we have the science and the technology, the skills and resources to put an end to hunger which, has for so long, been the scourge of humanity. The question is whether we are ready to do what we can and must to help.●

TRIBUTE TO THE GREYSTONE JEWISH CENTER

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. OTTINGER. Mr. Speaker, I rise to call to the attention of my colleagues the 25th anniversary of an important part of the community of Yonkers, N.Y., the Greystone Jewish Center.

In conjunction with this celebration, I want to acknowledge the achievements of an outstanding individual who has played an important role in the center's activities over the past 18 years: Mr. Herman Sheft. Mr. Sheft was responsible for raising the funds necessary to keep the center from defaulting on its mortgage. As president of the congregation, he has brought a firm sense to purpose to his responsibilities. His record of community service stands as a model for us all.

I also want to salute Rabbi William Herskowitz, the spiritual leader of the Greystone Jewish Center who has entered the hearts of his congregation and earned the respect of all for his devotion to the religious life of his community and his people.

The 25th anniversary of the Greystone Jewish Center is an important community event in Yonkers and I am pleased to join in honoring the people who have made the center such a vital institution.●

GLOBAL 2000: IF YOU DON'T LIKE THE FORECAST, NOW'S THE TIME TO ACT

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. SEIBERLING. Mr. Speaker, recently our colleague from Minnesota, VIN WEBER, submitted for the RECORD and distributed in a "dear colleague" letter an article which appeared in the op-ed section of the Wall Street Journal attacking the credibility of the Global 2000 report prepared under the Carter administration.

The article written by Prof. Rene Dubos, suggests that the report presents only "gloomly prospects" which were extrapolated from "incomplete, inaccurate, slanted, and outdated information" which could depress America's reindustrialization efforts.

In response to that article, Nicholas Yost, former general counsel to the Council on Environmental Quality, wrote a letter to the editor of the Journal. Mr. Yost points out that the Global 2000 report, which describes problems we would face if current population, resource, and environmental trends are projected ahead 20 years, has been complemented by another report: "Global Future: Time to Act". Global Future suggests what to do to alter such trends to produce a more favorable global situation.

These two documents are among the most important contributions of the Carter administration, and deserve close attention by all of us. The Global 2000 report is indeed depressing, but that very fact may spur us to act to prevent the undoing of our ecosystem.

I urge all of my colleagues to read Mr. Yost's letter. A copy of his letter follows my remarks:

GLOBAL 2000 DEFENDED

Rene Dubos's editorial page article "Half-Truths About the Future" in the May 8 Journal assailing the allegedly pessimistic tone of the "Global 2000 Report to the President" has missed the main point. Global 2000 was conceived as one part of a two part effort by the U.S. government to

determine what should be done to deal with global population, resource, and environmental problems. It was the function of Global 2000 to describe the problems. It was then the function of the follow-up report to the President. "Global Future: Time to Act," to make recommendations as to what to do about those problems. To read one without the other leaves the reader with a skewed vision.

As Mr. Dubos says, "Time and time again throughout 'The Global 2000 Report' statements are preceded by the phrase 'if present trends continue.' What a big 'if' that is." He concludes that use of that cautionary statement is "completely useless . . . because trend is never destiny."

Of course he is right. Global 2000 is not a prediction. It is a projection of what will happen if nothing is done to change present trends. The very purpose of the government's effort was to suggest and invite action to change those trends. The purpose of the Global Future Report was to make the Global 2000 Report a self-defeating prophecy.

What should be done? Global Future contains 165 recommendations in a broad range of areas ranging from the biological fixation of nitrogen to measures for improved budget review. There is no easy answer, no panacea. There are instead many things that can be done by people unwilling to be the slaves of events and who are determined to control their own destinies and that of our globe.

Cutting population growth, planting a tree, indeed planting a tree farm, improving crop yields—each of these are steps which can interrupt the cycles I have described. Transfer of skills and of money to those, primarily in the less developed countries, who most urgently face the problems we are discussing are an essential part of any answer. We say, accurately, that if you give a man a fish, you feed him for a day. If you teach him how to fish, you feed him for a lifetime. The transfer of skills is enormously important. There are also fishing lines and nets to be bought, streams to be stocked, harvests to be managed on a sustainable basis. In the meantime people are hungry. Money is needed too.

The second major theme of Global Future's recommendations concerns the adequacy of the U.S. government's institutional capacity to deal with these global resource, environment, and population problems. Quite simply, that capacity is inadequate. Four years ago the then President directed the U.S. government to report to him within one year on global resource problems in the year 2000. The resulting Global 2000 Report took over three years and still has severe limitations, some of which Mr. Dubos has described and others of which are acknowledged in the report itself. The report took this time not because of any lack of diligence, but because the models and institutions to look at the world as a whole simply are not there.

The United States lacks an adequate predictive capacity and must have it. We similarly lack a long range policy capacity—an ability to take the data about the future and relate it, for the benefit of the President and the nation, to the choices we make today. This capacity cannot be confined to either foreign or domestic matters, as is the case with our departments, but must include both of them. There are a number of ways of meeting these institutional needs, and options are presented in the Global Future Report for those in positions of responsibility to consider.

The third theme of Global Future's recommendations is that of conservation and wise use. We in the richest corner of the world use resources on a per capita basis strikingly disproportionate to that of most of the world. As others escape from poverty, they too will use more. All of us will have to learn to use what we have as wisely as possible. First, we must insure that there is enough to go around. Second, we Americans, who consume so much, are poorly placed to advise others to consume less.

Note to Editor: I was until recently the general counsel of the Council on Environmental Quality. During 1980 I took a leave of absence from that position for six months to act as Director of the Presidential Task Force which prepared the Global Future Report.

NICHOLAS C. YOST,
Environmental Law Institute.●

STATEMENT OF CONGRESSMAN BERYL ANTHONY TO ACCOMPANY INTRODUCTION OF EXCHANGE OF POISON SPRINGS STATE FOREST LANDS ACT

HON. BERYL ANTHONY, JR.

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. ANTHONY. Mr. Speaker, the Poison Springs State Forest located in Arkansas was acquired from the United States in 1957 and is comprised of 19,442 acres. That immediate area annually generates millions of tree seedlings and is a major source of seedlings used to replace timber harvested in Arkansas.

When these lands were acquired by Arkansas from the Federal Government the deed contained a reversionary clause which provides that if the lands cease to be used for public purposes, title reverts back to the United States.

To improve the seedling production potential in the Poison Springs State Forest Area, the Arkansas Forestry Commission, which manages the State forest, needs to trade approximately 80 acres to timberland located in the State forest for a similar tract located on private property.

The bill I am today introducing will allow the Arkansas Forestry Commission to make the land trade described above and thereby increase the availability of seedlings for private nonindustrial timberland owners.●

MARTIN LUTHER KING'S COMMITMENT TO A WORLD COMMUNITY: REFLECTIONS OF CONGRESSMAN RONALD V. DELLUMS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. CONYERS. Mr. Speaker, Martin Luther King, Jr., had a passionate commitment to the idea of a common humanity and a world community. In his last book, "Where Do We Go From Here: Chaos or Community?" (1967) Dr. King writes:

We have inherited a large house, a great "world house" in which we have to live together . . . All inhabitants of the globe are now neighbors . . . Nothing could be more tragic than for men to live in these revolutionary times and fail to achieve the new attitudes and the new mental outlooks that the new situation demands . . . today our very survival depends on our ability to stay awake, to adjust to new ideas, to remain vigilant and to face the challenge of change. The large house in which we live demands that we transform this world-wide neighborhood into a worldwide brotherhood. Together we must learn to live as brothers or together we will be forced to perish as fools.

King's internationalist commitment was the subject of a major teach-in in Washington last April 4—the 13th anniversary of his assassination. This gathering was one of some 40 teach-ins and siminars held throughout the country on that day to rediscover the King legacy for the present generation.

My distinguished colleague, and good friend, Congressman RONALD V. DELLUMS, keynoted the Washington seminar, "Martin Luther King, Jr. and Global Concerns," that was held at the Institute for Policy Studies. In his remarks Mr. DELLUMS surveyed conditions in the world and responses of American foreign policy. I can think of few other individuals who capture so well Dr. King's passionate commitment to world peace and justice than Congressman DELLUMS. I want to share with my colleagues the remarks of Congressman DELLUMS at the King seminar on April 4.

A REFLECTION ON MARTIN LUTHER KING

It is an appropriate time to come together to rethink what Martin Luther King, Jr. stood for and was all about. He is often eulogized as a moderate civil rights leader, a notion that many of us reject. For a human being who believed that generosity was more than throwing a few crumbs to the poor, in my estimation, is certainly more than a moderate civil rights leader. A man who believed that nonviolence is more than a tactic for change, but an alternate way of life, certainly is more than a moderate civil rights leader. In fact, Dr. King was a prophetic and brilliant revolutionary thinker. So we come together around the context of the brilliance and prophetic nature of one human being, who walked among us for a

relatively short period of time, but who had a very profound impact upon the nation and the world.

This teach-in is not intended as an esoteric discussion of where Martin Luther King was, but is an occasion to talk about him in contemporary terms and to look at the nature of the world at this moment.

We meet against the backdrop of the reality that last year this country spent $173 billion on the military function, and this year the Reagan administration is advocating a $226.3 billion military budget, $53.3 billion more than last year. It is estimated by fiscal year 1986 the country will be spending $386 billion per year on the military alone. Stated in a different way, in the decade of the 1970's the nation spent $1 trillion on the military. We will exceed $1 trillion in the first 5 years of the 1980's, and probably will exceed $2.5 trillion by the year 1990, more than doubling America's military budget. When we were fighting an illegal and immoral war in Indochina, the military budget never topped $80 billion. That was during wartime. Now military spending far exceeds that, during a period of so-called peacetime. We're talking about a rapid, substantial, and sustained growth in the U.S. military budget.

Behind these figures is the mentality that sees the nature of the world's problems as military problems, that require military solutions. There are many of us who reject this notion, who do not see the problems of the world as military ones, but rather as social, political, and economic problems, as problems that cannot be solved by building big bombs, as problems that have to be resolved by addressing the political, economic, and social realities of human misery in the world as we find it. . . .

So we come together against these very different backdrops. On the one hand, the reality of a beautiful, far-reaching set of thoughts of a brilliant and prophetic revolutionary thinker. And also at perhaps the most dangerous moment in our history, on the other hand. Our greatest fears are presently being realized. The militarism that frightened all of us is here. The unleasing of the intelligence community, that was so harmful for so many years. And a set of national priorities that does damage to the poor and that manipulates and exploits the middle class.

The planet is in great danger. One manifestation is the MX-missile, that will greatly intensify the nuclear arms race, push the world ever closer to nuclear holocaust, and that involves the expenditure of between $75 and $108 billion over the 20-year life span of the missile system, and this figure does not include the cost of the Mark 12A warhead, which is one of the most lethal nuclear weapons ever devised by the human mind.

America's involvement in El Salvador is an example of a militarized foreign policy. Each day we engage ourselves further in that nation, America becomes a larger, more irrational, and uncontrollable factor in that situation. We have to raise the question, why we continue to place the prestige of the nation on the back of another impoverished nation, rather than to play a role in trying to develop the necessary structures that would allow these problems to be resolved peacefully and nonviolently . . .

And the close relation we are developing to South Africa points up the move away from a commitment to human rights, a move back to the parochialism and the arrogance that dominated American foreign policy for so many years.

The direction that Martin Luther King would have taken us is about as diametrically opposite as one can get from the direction we are taking today. If nothing else, this coming together to re-examine what Dr. King stood for will remind us that there are other, more humane, peaceful, and promising directions that we can be taking as a nation, besides the one that the Reagan administration is proposing.●

THE HERITAGE CONSERVATION AND RECREATION SERVICE—A RECORD OF ACCOMPLISHMENT

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. REUSS. Mr. Speaker, effective May 31, 1981, the Secretary of the Interior administratively abolished the Heritage Conservation and Recreation Service (HCRS). Through grant programs such as the land and water conservation fund, the historic preservation fund, and the urban park and recreation recovery programs, HCRS helped many States and local governments in acquiring land for public use and in rehabilitating parks and historic sites. HCRS was an example of America doing something important about its heritage and doing it well, at very little cost.

HCRS's lake central regional office was particulary active in my home State of Wisconsin, assisting in establishing the 1,000-mile Ice Age National Scenic Trail—Public Law 96-370—and in restoring urban parks and recreation facilities in Milwaukee. I want to share with my colleagues a summary of the accomplishments of the lake central regional office during HCRS's 3 years of existence:

LAKE CENTRAL REGIONAL OFFICE

Approved 2,229 Land and Water Conservation Fund projects obligating $204.5 million: 747 projects were to acquire 120,000 acres for $108 million; 1,473 projects were to develop recreation facilities for $95.2 million; and 9 state recreation planning projects were for $1.4 million. In addition, 10 contingency reserve projects obligated $9.5 million.

Administered 52 UPARR grants totaling $22.8 million.

Provided technical assistance to the city of Detroit, Mich., which produced the nation's first complete Recovery Action Program (a UPARR requirement).

Participated in a federal regional program in cooperation with the city of St. Paul, Minn., resulting in the donation of a $2 million 1,000-acre park preserve area to the city and improved intergovernmental coordination.

Completed studies of five urban areas for the National Urban Recreation Study: Chicago, Cincinnati, Cleveland, Detroit, and Milwaukee.

Completed a case study in Jackson, Mich., to demonstrate the use of coordination between city and county park departments.

Initiated and published Urban Upbeat, a newsletter on UPARR and urban recreation issues.

Assisted in 2 land donations for park and recreation purposes: the city of Detroit received a bargain sale/donation of 10 acres of riverfront property from the Michigan Consolidated Gas Company, and the State of Michigan received more than 2,000 acres in the Upper Peninsula from the Mead Corporation.

Opened the East St. Louis, Illinois field office to improve the local parks and recreation system.

Completed and published guides to recreation and recreation assistance programs in Indiana and Wisconsin.

Assisted in 25 surplus federal property transfers to state and local governments for park and recreation purposes, comprising 1,370 acres valued at $5.1 million.

Administered the designation of 38 National Recreation Trails totaling 456 miles.

Oversaw the formation of the Great Lakes Regional Trails Council to improve coordination among state and federal agencies and the province of Ontario, Canada.

Helped to draft legislation establishing the 1,000-mile Ice Age National Scenic Trail in Wisconsin which became Public Law 96-370.

Completed an assessment and recommended actions to increase trail opportunities in the region, including proposed amendments to the National Trails System Act.

Helped the U.S. Forest Service develop 12 recreation composite plans to acquire land under the Land and Water Conservation Fund.

Provided technical assistance for designation of the lower Little Miami River as a state-administered component of the National Wild and Scenic Rivers System.

Completed a study of the Lower Wisconsin River and prepared a draft secretarial report.

Reviewed 51,508 miles of river for the HCRS nationwide rivers inventory; 6,880 miles were determined to have wild and scenic qualities, and 463 rivers and river segments were identified as having recreation and cultural values.

Completed a regional list of 898 river segments; federal agencies must consult with HCRS prior to taking actions that would affect these rivers.

Improved the monitoring of national natural and historic landmarks for the Section 8 report to Congress, including: recruitment of private citizens, organizations, and other governments agencies; contacting landmark owners; and coordinating visits to landmarks with other official travel by HCRS staff.

Evaluated 114 potential national natural landmarks: 32 have been designated by the secretary, 6 have been recommended for designation, 35 have been removed from further consideration, and 42 are still being evaluated.

Provided technical assistance to the State of Michigan to establish the Michigan Natural Features Inventory.

Participated in the HCRS National Architectural and Engineering Record study in Lockport, Illinois, which included proposals to more closely link the city with resources along the Des Plaines River and two canals.

Negotiated an intergovernmental personnel agreement with the State of Ohio for the state historic preservation officer to assume the duties of Assistant Regional Director for Cultural Programs for one year.

Wrote and published a bibliography of technical assistance materials produced in the Lake Central Region, a case study of the recreation technical assistance program of the Michigan Department of Natural Resources Recreation Services Division, and A Guide to Designing Accessible Outdoor Recreation Facilities for the handicapped.●

CARL VINSON

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. CLAUSEN. Mr. Speaker, it is with great sadness and with great respect that I join my fellow colleagues in paying tribute to the late Carl Vinson of Georgia. We are deeply saddened to hear of his passing.

It was my privilege and honor to have had the opportunity to serve with Chairman Carl Vinson during my first term in the House of Representatives. One of his most notable qualities was the measure of respect he held for the Congress and for the country. I remember Carl Vinson as "Mr. Defense"; his dedication, leadership, and unwaivering devotion to the maintenance and strength of our Armed Forces are attributes paralleled by few, surpassed by none. Carl Vinson's credibility in the area of defense is best exemplified when we observe the military superiority and strength enjoyed by the United States during the years of Chairman Vinson's guidance as compared to our Nation's defense during the years since his retirement in 1965. This comparison provides a perspective on the level of credibility we placed in Carl's judgment and the faith we entrusted to his leadership.

Chairman Carl Vinson's commitment to the defense posture of our Nation is exemplary of his love for this country and his dedication to the preservation of freedom. We are indeed grateful for the privilege of having known this great American, will long cherish the memories of his friendship, and will look back on this unique privilege and experience of having served with this outstanding chairman of the House Armed Services Committee—truly a legend in our time—Carl Vinson of Georgia.●

CONGRESS AT THE CROSSROADS

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. BOLLING. Mr. Speaker, the Meg Greenfield column which appeared in the June 15 Newsweek and the June 10 Washington Post is a perceptive analysis of what is really at stake in the current controversy over the congressional budget process.

CONGRESS AT THE CROSSROADS

(By Meg Greenfield)

Summer belongs to Congress in Washington. This may be true of some other special times, such as that couple of weeks before Christmas when the power plays and deadline bartering and general collapse of dignity combine to create an annual entertainment that is as much a part of the holiday season as "Peter and the Wolf." But it is somehow in the lore and each legislator's biologic clock that the steamy days of summer in Washington shall be (even the classic movie image of the raucous, sweat-soaked filibuster affirms this) the time of Congressional pre-eminence.

This year is no exception. The Hill is becoming the locus of all the most interesting things that are going on. But that is not, I think, just a consequence of the predictable tension between Washington's vestigial Democrats and its newly installed Republican Administration. The big question, it seems to me, the one that is lurking behind all the conflict—whether it involves Jesse Helms or Ernest Lefever or Tip O'Neill or Dan Rostenkowski or Charles Percy—is what, if any, role the political culture thinks it suitable and/or safe for Congress to play.

SUICIDE?

We have just come through a decade or so of tedious and ponderous attention to this subject, replete with all those extreme statements people like to make when a fashionable idea overwhelms them. So the '70s were a time of struck poses concerning the God-given right—not to say the sacred duty—of legislators to intervene in everything. Now no one seems so sure. I even discern an occasional whisper in the air that it is *not quite right* for Congress to do *anything* to thwart the will of the new President.

I'm thinking here of something quite apart from purely tactical considerations which the Democrats are debating with their usual lack of discretion: is it or isn't it political suicide to be seen to be opposing Reagan (never mind the merits) at the moment? For it's not just politics, but also institutional entitlement that you find people worrying about.

Consider Jesse Helms. My view of his terrorizing of the Administration on some good and important appointments to the State Department is that it is (1) unfortunate and (2) unnecessary for the Administration to sustain, since the President, at least at the outset, had much more power than he exercised in this relationship. He could have told Helms where to get off—perhaps still can and will. But to say, as some do, that Helms as a senator has no business interfering in the Administration's internal affairs is something else again.

Still, that seems to be the growing sentiment, rather than the view that Helms simply speaks for a lot of truly terrible ideas. And, from the other end of the Republican Senate spectrum, resistance to Reagan's wishes is viewed by some similarly. It was no secret inside the Washington Beltway before Lefever withdrew that there were plenty of Republican senators who believed him a very bad choice for the human-rights job at State and yet who would have voted for him. The theory here, as well, was that you can carry all this advising and consenting too far, that a President, unless he tries to make Fidel Castro head of the CIA, is entitled to just about anyone he wants and that senators of his own party have a moral obligation to vote accordingly. That is why Senator Percy's stubborn rebellion was so notable and, in my view, admirable.

Yes, there have been huge breaches of this protocol in the past. One thinks of Senate Republican Leader William F. Knowland during the Eisenhower years and of Senate Democratic Leader Mansfield and his many fractious and unhappy colleagues under LBJ. But the big talk about Congressional prerogatives and checks and balances and the rest that ballooned up over the Capitol in those years has been muted. Right now the word is that you are a Republican or a Democrat, a conservative or a liberal and, above all, a would-be political survivor; and this collection of attributes, not some dim sense of independent calling as a legislator, is what is meant (and expected) to guide your actions.

All this—Congress sense of itself—is about to be put to a fascinating test. The context will be the coming phase of the budget struggle. It might have occurred under any President who held office this year, since Congress last year strengthened its own budget-approving procedures to make the discipline it was newly imposing upon itself even tighter. But the central importance of the Federal budget to Reagan's whole purpose in office and the enormous changes he is trying to make in spending trends sharpens the challenge considerably. The question is whether Congress *can* function responsibly as a budget-making entity except by yielding up most of its authority to the executive branch.

TURNING POINT

Until a few years ago the question was irrelevant because Congress hadn't even attempted to produce a whole, i.e., responsible, budget—it just authorized and appropriated what it pleased without thinking in terms of limiting this to pay for that and so forth. The budget reforms of the 1970s changed that. But this year things have been so tightened up and schedules so rearranged that the next series of budget votes could go one of two ways: they could amount to an enforced acceptance by committee chairmen of the wishes and will of the Administration and of the resolutions Congress itself has earlier passed—or they could amount to a busting wide open of the disciplines and reform, a reversion to type whereby each committee does "its thing" and the unified budget goes out the window.

I get a sense from the Hill now of one of those classic institutional turning-point battles—the barons against the prince, the counties against the central government. How much will they give over to orderly, modern, managerial-type governing? Will they give over everything, including not just their clout but also their political predilections? Not likely—but can they reclaim a proper amount of say-so without becoming, budgetarily speaking, just another rogue legislature? Disregard all that hairsplitting accountancy argument. Watch whether your friendly legislators are able to assert their influence without wrecking the reform of their system so far. You are about to see something important happen.●

THE UNITED STATES MUST NOT WITHHOLD AID TO ISRAEL

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. LENT. Mr. Speaker, I rise to warn my colleagues against hasty efforts to punish Israel for the Sunday air strike which demolished Iraq's nuclear reactor. I rise to call upon President Reagan to withdraw his suspension of the sale of four F-16 aircraft to Israel.

Those who rush to condemn Israel give little thought to the harsh realities of the situation which confronted her. It is worth remembering that Iraq, alone of all the Arab nations which attacked Israel in 1948, refused to sign the 1949 armistice agreement. Iraq and Israel are still in a state of war.

It is worth remembering that the ruling regime of Iraq—which refers to Israel as the "Zionist enemy"—has made no secret of its hope of using nuclear bombs against Israel. After Iran's unsuccessful attack on the Iraqi reactor last year, the official organ of the Iraqi Revolutionary Command Council declared on October 4, 1980:

> The Iranian people should not fear the Iraqi nuclear reactor, which is not intended to be used against Iran, but against the "Zionist enemy".

It is worth remembering that Iraq started a war with Iran last year, without warning, and without apparent cause, save a hope that it could take advantage of what appeared to be Iranian weakness. Other Arab nations who could come under Iraqi attack at any time, should be blessing Israel for accomplishing what the Iranians failed to do.

It is worth remembering that the United States was faced with a very similar situation in 1962 when the Russians secretly moved nuclear missiles into Cuba. Then the United States came within a whisker of using a similar surgical air strike against the missiles. Had the Russians not agreed to withdraw the missiles, there is no doubt in my mind but that the air strike would have been made. Facing a similar situation, but with no options available such as the blockade of Cuba ordered in 1962, Israel, in reality had no choice but to strike now of face atomic attack later.

Those who now accuse Israel of heightening tension in the Middle East should consider what a terrible world crisis would be provoked by use of nuclear weapons in the Middle East. To run such a risk, when a remedy is available, seems senseless. Israel's preemptive strike has given the world a breathing spell—more time to work out some solution to the continually increasing danger in the spread of nuclear capability. Rather than condemning Israel, the world should be considering how to pressure France and Italy to stop providing nuclear material to Iraq and other unstable Arab nations.

The most important consideration of all in this matter, Mr. Speaker, should be the interests of the United States. There is no question that stability in the Middle East is of the gravest importance to the United States. The greatest contribution to stability in that volatile area is a strong and secure Israel—the most dependable ally America has in that part of the world. Diminishing U.S. assistance to Israel simply adds to the security imbalance already created by the mistaken U.S. decision to sell F-15 fighter planes to Saudi Arabia. We must not act against our own interests.

Therefore, Mr. Speaker, I call upon President Reagan to release the F-16 aircraft scheduled for shipment to Israel, and to continue to honor all asistance commitments made to Israel. I call upon my colleagues to do the same, should this issue come before the House. In contributing to a strong and secure Israel, we are acting in our own best interests.●

DEATH OF FORMER CONGRESSMAN CARL VINSON

HON. JOHN L. NAPIER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. NAPIER. Mr. Speaker, I would like to take this opportunity to pay tribute to a distinguished legislator, the late Carl Vinson. Although I did not have the privilege of working with Mr. Vinson, I admired and respected him greatly for his well-known integrity and dedication to service.

Throughout his tenure as chairman of the House Armed Services Committee, Mr. Vinson directed with a firm hand the buildup of the U.S. defense capability. He advocated the development of a two-ocean naval fleet, and was a persuasive spokesman for the expansion of the U.S. Air Force.

Carl Vinson was dedicated to the philosophy of peace through strength. He encouraged the United States to maintain a strong military posture, believing that peace could best be insured through a ready defense. This philosophy is evident in his first statement before Congress, delivered just prior to the United States entry into World War I, in which he states, "I devoutly hope the casting of every ship will be done with a prayer for peace."

Mr. Vinson's achievements in the realm of military affairs in Congress are legend, and his record of service, enviable. I join with my colleagues here today in mourning the passing of this outstanding American.●

THE NEED FOR REGIONAL PRIMARIES

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. OTTINGER. Mr. Speaker, the 1980 Presidential election was yet another example of the nightmare of reforms gone awry. It was so long, so expensive and so complicated that the results were bound to leave the American people disheartened, regardless of the outcome. Never has so much time, money, and effort been spent on so bad a system.

If Americans are to have confidence in the Presidential nominees they are offered, they must have confidence in the system that produces those nominees. That is why it is important that, with the memory of the 1980 Presidential nominating debacle fresh in our minds, we move to improve the way we choose our Presidential nominees.

I am a longtime sponsor of a measure to establish a series of regional primaries to choose Presidential candidates. Today, I am introducing that legislation once again. It is a bill, I believe, that addresses the most significant problems with our Presidential nominating system.

My bill would divide the country into five regions, which would hold primaries at 3-week intervals. This plan would cut drastically the length of the nominating season, which now serves only to test the physical stamina of the candidates and their staffs and to run up outrageous expenses. It would eliminate the need for the frenzied criss-crossing of the country in search of receptive media markets, and would instead permit candidates to present their programs carefully to the voters.

My bill would also help correct what is probably the worst shortcoming of our system. Only a few voters in this country are given meaningful opportunity to consider the candidacies of all those running for President. Most voters are not given an opportunity to choose until the field has been whittled down. Many voters must wait until the outcome is already obvious, the nominees all but selected.

My bill also eliminates the insidious practice of crossover votes by which the registrants of one party may vote in the primary of another party.

I believe my regional primary bill would accomplish what our past reforms have failed to do: That is, to create a logical system to permit voters all over the country to consider the candidacies of all major Presidential candidates at the least expense possible. I ask my colleagues to support this vital legislation.

Here is the text of the bill:

H.R. 3905

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Regional Presidential Primaries Act of 1981".

ESTABLISHMENT OF REGIONAL PRIMARIES

SEC. 2. (a) Each State shall conduct an election for delegates to national nominating conventions for the nomination of individuals for election to the office of President in accordance with this Act.

(b)(1) Five regional primaries shall be held during each Presidential election year. The first regional primary shall be held on the first Tuesday of April, and an additional regional primary shall be held on the Tuesday of each of the third, sixth, ninth, and twelfth succeeding weeks. Thirty days before the date of the first regional primary, the Commission shall determine by lot the region in which such primary is to be held. The Commission then shall determine by separate lot, conducted 30 days before the date of each subsequent regional primary except the last, the region in which each subsequent regional primary is to be held.

(2) The ballot for a regional primary conducted by each State under paragraph (1) shall include the names of (A) each candidate who is eligible to appear on the ballots of each State in the region involved under subsection (c)(1); and (B) each candidate who is eligible to appear on the ballot of the particular State under subsection (c)(2).

(c)(1) The ballot of each regional primary which is held under this section shall include the name and political party affiliation of any candidate with respect to whom the Commission has certified payments under section 9036(a) of the Internal Revenue Code of 1954 and who remains eligible to receive payments from the Secretary of the Treasury or his delegate under chapter 95 or chapter 96 of the Internal Revenue Code of 1954, on the date of the regional primary involved.

(2) An individual whose name is not placed on a regional primary ballot under paragraph (1) may have his name and the name of the political party with which he is affiliated appear on the ballot of any State participating in the regional primary involved, if he is eligible for election to the office of President, by (A) notifying the Secretary of State of the State involved (or, if there is no office of Secretary of State, the equivalent State officer) in writing that he is a candidate for nomination by a specified political party for election to the office of President; and (B) presenting such Secretary of State or equivalent State officer with a petition supporting his candidacy for such nomination signed by at least one percent of the individuals who are registered to vote in the State involved.

(3)(A) The Commission shall announce the names of any candidates who are entitled to be on the ballot of any regional primary under paragraph (1) no later than 30 days before the date of the regional primary involved.

(B)(i) The Secretary of State (or, if there is no office of Secretary of State, the equivalent State officer) shall transmit to the Commission the names of any candidates who are entitled to be on the ballot of the State involved under paragraph (2) in connection with a regional primary. Such transmission shall be made no later than 30 days before the date of the regional primary involved.

(ii) The Commission shall certify the ballot of each State as soon as practicable after receiving a transmission from the Secretary of State (or, if there is no office of Secretary of State, the equivalent State officer) of the State involved under clause (i).

(d)(1) Subject to such guidelines as the Commission may establish, the regional primary shall be conducted in each State by officials of such State charged with conducting elections.

(2) Voters in each State shall have the qualifications requisite for electors of the most numberous branch of the State legislature. Each voter shall be eligible to vote only for delegates for a candidate for nomination by the party of such voter's registered affiliation. If the law of a State makes no provision for the registration of voters by party affiliation, voters in such State shall register their party affiliation in accordance with procedures established by the Commission.

(e) The chief executive officer of each State shall certify the results of the regional primary held in his State to the Commission within a period of time after such date, not exceeding 15 days, prescribed by the Commission.

DESIGNATION OF CONVENTION DELEGATES

SEC. 3. (a)(1) Any candidate whose name appears on the ballot of any regional primary under section 2(c), or an authorized representative of such candidate, shall designate the names of individuals to serve as delegates of such candidate in each State participating in the regional primary involved. The number of delegates designated in each State under the preceding sentence shall be equal to the number of delegates to which such State is entitled at the national nominating convention involved.

(3) Delegates to which any candidate is entitled at a national nominating convention shall be selected from a list of delegates designated by such candidate in accordance with the ranking determined by such candidate, except that such selection shall be made in a manner which is consistent with any rule of the national political party involved relating to categories of persons which shall be represented as delegates at the national nominating convention of such political party.

(4) An individual may serve as an authorized representative of a candidate for purposes of paragraph (1) only if such authorization is transmitted to the Commission in writing by such candidate.

(b) The number of delegates which a candidate may receive in any State in connection with a regional primary is a number which is a percentage of the total number of delegates from such State to his party's national nominating convention equal to the percentage of the votes cast by members of his party in such State received by him in the primary.

(c)(1) If a candidate in a regional primary receives less than the greater of—

(A) five percent of the votes cast by members of his political party in such regional primary; or

(B) a percentage of votes which would entitle such candidate to one delegate, if one delegate constitutes more than five percent of the total number of delegates to be appointed in the region involved;

no individuals may be appointed as delegates of such candidate in any State in the region involved.

(2) The percentage of votes cast in any State in a regional primary for any candidate who is not entitled to any delegates as a result of paragraph (1) shall be—

(A) apportioned among other candidates of the same political party who received votes in such State, on the basis of the number of votes received by each such candidate; and

(B) added to the percentage of votes received by each such candidate in such State, for purposes of determining the number of delegates which may be appointed for each such candidate.

REIMBURSEMENT OF STATES FOR COSTS OF PRIMARY

SEC. 4. Upon application therefor, the Commission shall reimburse each State for any reasonable costs it incurs in conducting a regional primary held under this Act. Such reimbursement shall be made in accordance with such rules as the Commission may prescribe. Such applications shall be submitted at such times, and in such form, and shall contain such information, as the Commission shall require.

FILING FEE REQUIREMENT

SEC. 5. (a) Any candidate whose name appears on the ballot of any regional primary under section 2(c) shall pay a filing fee of $10,000 to the Commission.

(b) The filing fee required by subsection (a) shall be refunded by the Commission to the candidate paying such fee if such candidate receives two percent or more of the votes cast by members of the political party of such candidate in the regional primary involved.

(c) Payment of a filing fee by a candidate under this section shall be made to the Commission no later than such date before the regional primary involved as the Commission may establish, except that such date shall not be earlier than 30 days or later than 15 days before the date of the regional primary involved.

(d) Any filing fee which is not refunded by the Commission under this section shall be paid into the general fund of the Treasury.

DUTIES OF THE FEDERAL ELECTION COMMISSION

SEC. 6. (a) The Commission shall meet before each regional primary and at such other times as it considers necessary, and shall—

(1) prescribe the date, after the date of a regional primary, on which the chief executive officer of each State shall certify the results of the regional primary held in his State to the Commission;

(2) promulgate guidelines and procedures to be followed by the States in conducting regional primaries;

(3) review applications for reimbursement submitted under section 4, prescribe the time of submission, form, and information content of such applications, and determine and pay the amount to be reimbursed to each State under such section;

(4) consult and cooperate with State officials in order to assist them in conducting regional primaries; and

(5) take such other actions as may be necessary to carry out this Act.

(b) The Commission shall report to the Congress and the President not later than 180 days before the date of the first regional primary to be held under this Act on the steps it has taken to implement this Act, together with recommendations for additional legislation, if any, which may be necessary to carry out the regional primary system established under the Act.

EFFECT ON STATE LAWS

SEC. 7. This Act supersedes and preempts any provision of State law relating to any election or convention held in connection with the nomination of any candidate for election to the office of President.

DEFINITIONS

SEC. 8. As used in this Act, the term—

(1) "Commission" means the Federal Election Commission;

(2) "region" means any of the following five regions:

(A) region 1 comprises Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, Connecticut, New York, Pennsylvania, New Jersey, and Delaware;

(B) region 2 comprises Michigan, Illinois, Indiana, Ohio, West Virginia, and Kentucky;

(C) region 3 comprises the District of Columbia, Maryland, Virginia, North Carolina, South Carolina, Tennessee, Mississippi, Alabama, Georgia, Florida, the Commonwealth of Puerto Rico, and the Virgin Islands;

(D) region 4 comprises North Dakota, South Dakota, Minnesota, Wisconsin, Iowa, Nebraska, Kansas, Missouri, Oklahoma, Arkansas, Texas, and Louisiana; and

(E) region 5 comprises Washington, Oregon, Montana, Idaho, Wyoming, California, Nevada, Utah, Colorado, Arizona, New Mexico, Alaska, Hawaii, and Guam;

(3) "regional primary" means an election held in accordance with this Act for the expression of a preference for the nomination of individuals for election to the office of President;

(4) "national political party" means a political party whose Presidential electors received more than 25 percent of the total number of votes cast for all Presidential electors in the most recently held Presidential election, except that in any such election in which less than two political parties receive in excess of 25 percent of the total number of such votes, such terms means a political party whose Presidential electors received more than 15 percent of the total number of such votes;

(5) "candidate" means an individual who is a candidate for nomination by a political party as its candidate for election to the office of President;

(6) "national nominating convention" means a convention of a national political party held under the constitution and rules of such party for the nomination of candidates for election as President and Vice President and for such other purposes as may be specified in such constitution and rules; and

(7) "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and Guam.

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. There are authorized to be appropriated such sums as may be necessary to carry out this act.●

REAGAN'S ECONOMICS BY A SUPPLY-SIDE INSIDER

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. FIELDS. Mr. Speaker, in an ongoing effort to highlight the tremendous potential benefits of the President's tax proposal, I am today submitting for the RECORD an exposé of Mr. Bruce Bartlett's book entitled "Reaganomics."

I would urge my colleagues to spend a few moments not only reviewing this exposé but also reading the contents of Mr. Bartlett's well written publication on supply-side economics.

In the next few weeks, the debate over tax legislation will be heated but if given an opportunity supply-side economics will lead us down the road to real economic recovery.

The text of this article follows:

[From the Wall Street Journal, June 5, 1981]

REAGAN'S ECONOMICS BY A SUPPLY-SIDE INSIDER

(By Susan Lee)

Back in 1977, Bruce Bartlett applied for a job as Rep. Jack Kemp's staff economist. Mr. Kemp asked: "Are you a supply-side fiscalist?" Well, Mr. Bartlett confesses now, he didn't have the vaguest clue to what Mr. Kemp meant; but, in the tradition of job applicants everywhere, he answered: "Yes." Four years later, his book "Reaganomics" (Arlington House, $14.95, 229 pages) proves what job applicants everywhere already know: Punt—you can always learn it on the job. "Reaganomics" is an unadulterated supply-side primer: production, investment, initiative and incentive all depend crucially on tax policy.

For Keynesians, aggregate demand is the powerhouse; and tax cuts and increases in government spending have the same effect. If the economy is dragging, demand-siders will prescribe either a tax cut, giving some bucks to consumers to cycle through Bloomingdales, or a direct injection of government buying. Both devices increase demand and thus, it is thought, give the economy a little pick-me-up.

Further, in the Keynesian model, the type of tax cut—marginal or average rates, rebates or credits, business or personal—matters not. What matters is the size: This much tax cut translates into that much increase in demand.

By contrast, as Mr. Bartlett shows, supply-siders aren't interested in fooling with demand, and for them there is a dramatic difference between tax cuts and government spending. The first encourages while the second depresses the very things supply-siders want to inspire: incentive and initiative.

The type of tax cut, moreover, is vital to the supply-side scheme. Creating or fostering incentive depends on cutting *marginal* tax rates. That is, reducing marginal rates lowers the relative price of work in the trade-off between work and leisure, and lowers the relative price of investment in the trade-off between investment and consumption. All of this is a long way of saying that the more you can keep of the next dollar you earn, the more likely you are to go earn that dollar.

Those are obvious distinctions between the Keynesian orthodoxy and the supply-side challenge. But Mr. Bartlett limns another, more subtle difference which could trip up the unsuspecting and subvert the true supply-side into a kind of conservative Keynesianism. This menace lurks in the balanced budget question: Is a tax cut, without a dollar-for-dollar cut in government spending, inflationary? The orthodoxy makes two arguments. The plain old version says that a tax cut will heat up demand which, when added to already overheated demand, will speed up inflation (the too-many-teen-agers chasing too-few-designer-jeans argument). The new sneaky version says that less revenue with the same, or more, government spending will balloon the deficit, thus spurring inflation (the it-looks-like-Tip-O'Neill but sounds-like-Eisenhower ploy).

However, as Mr. Bartlett points out, changing tax rates changes incentives; reducing marginal taxes will increase the after-tax rewards of working, saving and investing, hence creating incentives to do these very activities—hardly inflation-making stuff. Moreover, there is no ironclad relationship between a deficit and inflation. A deficit by itself is not villainous—only the decision by the Fed to monetize it is. In fact, supply-side tax cuts, according to Mr. Bartlett and contrary to the dark mutterings heard in Congress at the moment, will promote a non-inflationary expansion of the economy.

"Reaganomics" offers more than an explanation of supply-side economics; it provides, as well, an account of our predicament. Several chapters describe, chillingly, the distortions wrought by current tax policy. The underground economy bustles with tax refugees, bartering their services—I'll build you a redwood deck if you install the plumbing for my hot-tub—or merrily ringing up cash sales on the just-for-show register. The above-ground economy, meanwhile, lurches from crisis to disaster, led by business people who demonstrate energy and creativity only when asking for a little government loan here or a bitsy tariff there to tide them over.

If that doesn't quite convince, then try Mr. Bartlett's no-nonsense review of the real costs of our progressive tax system—the costs at both ends. Start with the progressive aspect, ignoring the impact of inflation. The more you work, the more you earn, the more taxes you pay. But the more you pay, the less you keep, the less incentive you have to earn. Now factor in inflation where increases in nominal income double whammy the progressive effect. Even if you work the *same* amount, the more you earn, the more you pay, the less you keep. That pretty much finishes off incentive.

This is the giving end of the tax system. What about the receiving end? After all, equity considerations are the heart of the progressive tax notion: Those who have should help those who don't. Mr. Bartlett draws together a bunch of studies which carry a dismaying message: Exactly as high marginal tax rates discourage those who have from going out and getting more, large income transfers discourage those who receive from going out and getting it for themselves. High levels of unemployment compensation, for instance, cause more unemployment: perhaps as much as a 1% permanent rise in the rate. The same goes for welfare: The greater the benefits, the larger the number of recipients.

The fact that Bruce Bartlett is a supply-side insider makes for bad news as well as good. While his intimacy gives an authentic flavor to the debates and the debators; it also results in heavy-handed seasoning of detail. Some of the blow-by-blows of the legislative process, for example, could only be read (let alone admired) by a dedicated political science fiend.

All in all, this book is a feast; Mr. Bartlett serves many dishes, peppered with numbers and salted with scholarly studies. For those interested in the political and intellectual

origins of supply-side economics, it's a necessary Baedeker and for rookies who have just joined the team, the legislative history will equip them to talk like old pros.●

CRISIS IN CIVIL SERVICE

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. VENTO. Mr. Speaker, recently I met with a group of Federal employees to discuss the problems which they are facing. The situation and prospects that were described to me are bleak.

Morale amongst Federal employees is at an all-time low and highly qualified personnel are leaving at record numbers. Within the past 3 years, retirement of the highest-ranking Federal employees aged 55 to 59 has risen from 18.2 to 95 percent.

The causes for this problem may be many but the main underlying factor is the public perception of Federal employees. No longer are they respected as dedicated civil servants who provide needed services to the American people. Today the public image of the Government employee is that of a faceless bureaucrat who shirks work at the expense of the taxpayer. This erroneous perception has been perpetuated by those seeking political gain by placing blame for all our Nation's ills on the backs of Government employees.

Using Government employees as scapegoats is a disservice to the American people and civil servants. To say that the serious economic and social ills our Nation now faces can be solved by reducing governmental size is a simplistic approach that will not solve our problems.

Most Government employees, at all levels, are dedicated individuals who take pride in their jobs and strive to provide the best possible service to the public. In addition, they share all of our concerns to properly address the problems our Nation faces. However, continual low pay and the demagogic harangues by self-appointed experts are now driving these hard workers out of their jobs.

It is important that we look at the end product of the current policies and attitudes toward Government employees. Public service will no longer be an honorable profession. Qualified personnel will not seek employment in this area and our current high standards will be lowered to attract employees. In addition, we will continue to lose experienced personnel and will be unable to replace them. These factors will combine to provide lower services to the American people and will be a self-fulfilling prophecy in which our civil service will slip from one of the best in the world to one of the worst.

I believe that we must reexamine the policies and attitudes toward public servants today with these potentialities in mind and reestablish a positive attitude and a fair approach toward those in public service. Clearly, the quality of service by public employees cannot be maintained against a background of public indifference toward unjustified treatment and a hail of criticism.

At this time, I would like to draw the attention of my colleagues to a recent article in Newsweek which describes the current crisis in the civil service.

[From Newsweek, June 1, 1981]

THE FEDERAL BRAIN DRAIN

Roy McKinnon liked his job. In over 26 years as an FBI official, he headed the investigation into the 1969 murders of United Mine Workers leader Joseph Yablonski and his family, helped negotiate an end to the Indian uprising at Wounded Knee and last year he was promoted to an assistant director of the bureau. But his $50,112-a-year salary had been frozen by a pay cap ordered by President Carter and a change in government benefits threatened to cut his monthly pension by $250 a month. So last January, at 50, McKinnon took early retirement. It wasn't just the money. "My career was built on the credibility of the agents working for me," he says. "Under the circumstances people might have thought, 'This guy's a damn fool to stay on'."

McKinnon is now a statistic—one of hundreds of top Federal employees who have left government recently. The resulting "brain drain" is becoming so great that many agencies can't find good managers or technical experts to run billions of dollars worth of programs. Within the last three years, retirement of the highest-ranking Federal employees aged 55 to 59 has risen from 18.2 per cent to 95 per cent. Many younger civil servants are quitting too, taking private-sector jobs that pay up to triple their government salaries. They include some of the best and the brightest in government, including Dr. Robert Levy, who ran the heart, lung and blood program for the National Institutes of Health, and Donald K. (Deke) Slayton, who was flight test manager for NASA's space shuttle. "If you really want a bloated bureaucracy populated by incompetents who can't make it in the private sector, the surest way is to stay with the [pay] policies we're following now," warns Rep. William Ford of Michigan.

Many say the problem began when Jimmy Carter tried to reform the civil service. In an effort to improve incentives, a Senior Executive Service was created for about 8,000 top employees. They gave up some civil-service job security in return for financial incentives that included promises of hefty pay increases and sizable bonuses for jobs well done. But, strapped for funds, Carter soon scaled down the bonuses and, except for one small pay raise in 1979, decided not to remove a pay ceiling imposed in 1977. With their pay frozen, many employees began to leave. In addition, the pay ceiling produced a phenomenon called "pay compression." Executives in the top seven civil-service categories ended up with the same $50,112 maximum salary. A promotion no longer meant a pay increase and an employee who managed 2,000 people often earned no more than his subordinates. "It's not a matter of a living wage," insists Paul Lorentzen of the Federal Executive Institute Alumni Association. "It's a matter of getting talented people to run the Federal government at the highest levels."

The Best. The private sector is reaping the benefits of the government brain drain. Now that the first space shuttle has been successfully completed, for instance, NASA expects to lose much of its team to private industry where salaries are sometimes triple what NASA pays. "We're losing the best people because there are jobs in industry for those people," says Dr. Robert Wiseman, who hires scientists and engineers for the Department of the Army. The National Institutes of Health has been rebuffed by five outside candidates for the top job in the Cancer Cause and Prevention Division because the minimum salary of $50,112 is far from competitive.

The drain is likely to continue. President Reagan has abandoned for now a campaign promise to raise executive salaries, and Congress is prohibited by law from increasing the pay of the Senior Executive Service without raising its own. And that, in the midst of budget cuts, is unlikely. Congress could change the law and grant increases to the bureaucratic elite, but it probably won't. "There's a kind of professional jealousy on the Hill that if we can't get a raise, the bureaucrats aren't going to get one either," says one Congressional aide. In an age of budget cuts and government-as-villain politics, the senior bureaucrats are not likely to win much public sympathy. But if the drain continues, the Federal bureaucracy will end up even less efficient than it is now.●

FIRST NATIONAL CONGRESS FOR MEN

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. LONG of Maryland. Mr. Speaker, the first National Congress for Men will meet in Houston, Tex., tomorrow, June 12, through Sunday, June 14, 1981, to discuss issues in which men are discriminated against.

Men from around the Nation will meet to discuss areas in which men have been traditionally discriminated against, for example, child custody, child support payments, alimony, the all-male draft for military service, and higher insurance rates for men.

Throughout my years in Congress I have fought for equal rights for all, regardless of sex, race, or creed, and I look forward to receiving a report of findings of the first National Congress of Men.●

KENMORE'S FIGHT AGAINST PORNOGRAPHY

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. LaFALCE. Mr. Speaker, Kenmore, N.Y., is a community which has

long prided itself on its clean and quiet streets and its small but prosperous neighborhood business district. Like many American communities, it is filled with a diverse mixture of people—liberal, conservative, young, old, and a panoply of ethnic groups.

Although it is filled with tolerant people, the citizens of Kenmore have become increasingly angered by the presence of a 24-hour-a-day, 7-days-a-week pornography operation in its business district.

For over 1 year, members of Citizens Concerned for Kenmore have picketed the store, while the Village has pursued criminal and civil actions in the courts. It is clear that this business will never be accepted by the community because it runs against the very nature of the otherwise quiet and placid community.

Earlier this year, Citizens Concerned for Kenmore wrote an open letter of concern which outlined their anger over this issue. I am inserting a copy of this letter, which was distributed to Members of Congress, the U.S. Supreme Court, the Cabinet, and all 50 Governors, among others, to inform others of the concerns voiced by the residents of Kenmore.

The letter follows:

CITIZENS CONCERNED FOR KENMORE,
Buffalo, N.Y., March 1981.

To Members of Congress.

You must be aware that the pornography industry is flourishing and rapidly infiltrating suburban communities. The major reason is the fact that pornographers rely on public ignorance. We hope to focus your attention on the undesirability of pornography and the vulnerability of society to this serious and detrimental problem. We would stand accused of negligence if we did not share our acute understanding of this issue with all Members of the Congress, church leaders, as well as Government officials (elected and appointed) at every level.

We speak from experience. Kenmore, New York, a suburb of Buffalo, is a typical family-school-church oriented community. Residents are average, middle class Americans. We represent thousands of similar communities across our nation. There is one important exception. Our community has been singled out as one of the first locations to have a 24-hour, 7-days-a-week pornography operation replete with 24 "peep shows," open displays of sexual devices and explicitly salacious magazines.

Pornographers are engaged in a devious scheme to condition "middle America" and their children to accept this desensitizing material as common-place. We are being engrained to consider pornography as second nature and part of a normal changing of the times. If Sovereign News of Cleveland, Ohio (the multi-faceted corporation that operates the Kenmore establishment) feels that, in a state of semi-consciousness, we have become conditioned to sit back in apathetic silence and, in so doing, condone this flagrant display of alleged obscenity, they are terribly mistaken!

Pornographers attempt to cloud the issue by appealing to rights of "Freedom of Expression". How can anyone lend credibility to the absurd notion that our fore-fathers meant to protect such filth under the First Amendment?

How can we, the average American, willingly accept this argument when, in fact:

Over 90% of pornography activity is controlled by organized crime.

Pornography centers attract similar and related undesirable activities to a neighborhood.

Pornography related sex crimes are dramatically rising.

Nearby residential and commercial properties are threatened by devaluation.

75% of all pornography ultimately ends up in the hands of children.

We have to ask about your feelings. Surely you are astute enough to see that pornography continually shows womanhood in the lowest possible form. Do you willingly accept them being ravaged, sodomized, brutalized and generally downgraded and defiled in every possible manner that the pornographers can depict, literally and visually?

And what about our children? How do you feel about the fact that there are over 1,000,000 children being used in pornography? President Reagan said, "Our biggest investment in the future is our kids." At what point are you willing to stop this ugly degenerative process? Our safety and socio-economic well being is in jeopardy. Where are the First Amendment rights of middle-Americans?

Most Americans believe in morality and its importance to this nation's strength. It is not our intent to impose our moral standards on you or your colleagues. It is our intent to emphasize to you that middle-America (your constituency) will not tolerate the abuses of liberalism and the acceptance of such extremes that challenge the future of our country. Obviously, we must have a sound economy; a strong national defense. But, if we are plunging into a cesspool of pornography and obscenity that is eroding the very principles of morality and democracy on which this nation was founded, where are we headed?

After assuming the office of President, Mr. Reagan said: "It is essential that those in government do listen. However, there is a greater duty. If, as an elected official, you gain information that suggests that many people are wrong or misguided in their support of or opposition to an issue, you have the responsibility to inform them and to act in their best interest, as you see it, regardless of the consequences."

The problems our President and you, the Congress, inherited are the direct result of benign neglect on the part of all Americans. Not all Americans have the capacity to change laws. You do. It is time. The signals sent out in the last election should be telling you that Americans are fed up with officials who, after being elected, become islands unto themselves with large staffs whose sole purpose is perpetuation in office. We feel that some of the duties of your staff should be directed to furnishing you factual information about pornography, digesting the text of material issued by worthwhile citizen-oriented groups such as Morality in Media, Citizens for Decency through Law and Women Against Pornography. Data thus accumulated should mandate you to move for needed legislative reforms.

The time has come for a reassertion of the fundamental moral principles upon which this nation was built and which have traditionally been among its greatest strengths. We will not sit still, in silent frustration, as our elected representatives permit the proliferation of pornography. We urge you to legislatively address this problem.

We would appreciate a reply, stating your personal position on this issue. Please note the extensive distribution of this letter. Public ignorance is no longer tolerable or an acceptable excuse for inaction or indifference.

KATHLEEN DIBBLE,
Chairman,
Citizens Concerned for Kenmore.●

CENTENNIAL BIRTHDAY OF RABBI MORDECAI KAPLAN

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. ARCHER. Mr. Speaker, I, along with world Jewry, would like to acknowledge the 100th birthday celebration of one of the most creative American Jewish thinkers of the 20th century, Rabbi Mordecai Kaplan. On June 11, 1981, throughout these United States, celebrations will pay honor to this man who has contributed so much to the American community.

During his lifetime, Rabbi Kaplan committed himself wholeheartedly to Judaism and made major contributions to world Jewry. On a routine day, the rabbi would spend 12 to 14 hours studying and writing articles which he related to his personal creative approach to Judaism. As a professor of homilectics at the seminary, Rabbi Kaplan believed his purpose as a teacher to be not only to teach people how to preach, but also how to think creatively by an innovative approach to religious problems. His less than traditional mode of teaching including eliciting questions from students and then leading them to find the answers themselves. Thus, the rabbi viewed his role as an instructor not only as one who indoctrinates, but as one who enlightens the students through a learning process of self-discovery. In this way, Rabbi Kaplan was a major influence on the lives of many people.

The Rabbi considered questions raised from family members as well as from students very valuable creative approach to religion. For example, he devoted an entire book, "Questions Jews Ask," just to these questions asked of him by family and students over the years. In addition to this book, the Rabbi wrote many other publications such as "The Greater Judaism in the Making," a review of Jewish history, "The Religion of Ethical Nationhood," and "The Future of the American Jew," just to name a few. In all of his works, Rabbi Kaplan reflects a very positive view of human nature as well as an outlook on Judaism as an essentially optimistic religion.

Today, I would like for my colleagues to join with me in recognizing the centennial birthday of this great religious humanist, and to pay tribute to Rabbi Mordecai Kaplan for his many contributions in the area of the esthetics of religion, his impressive theological thoughts, his dedication to an active stimulating Jewish life, and finally his American Zionist ideology.●

THE JIG IS UP

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. REUSS. Mr. Speaker, the jig, as they say, is up. You and I—and our coconspirator colleagues—have been found out, and our treacherous efforts to "sabotage" President Reagan's economic proposals have been exposed.

I refer to a letter being circulated by a Virginia-based group known as CALL, which stands for "Conservatives Against Liberal Legislation"—so named, I suppose, to avoid being confused with conservatives who favor liberal legislation. A constituent has just sent to me CALL's April 24 form letter, which I quote in its entirety:

CONSERVATIVES AGAINST
LIBERAL LEGISLATION.
April 24, 1981.

DEAR ——: Just before the March 30 tragedy, I met with President Reagan.

Because Conservatives Against Liberal Legislation is an experienced nationwide citizens' action organization, President Reagan has asked CALL to help him get his Economic Survival Program through Congress.

I know you share my deep concern about America's economic future and desire to help President Reagan.

That's why I invite you to join with me and other CALL members in this tough legislative battle.

The fact is, the liberals are swarming all over President Reagan's economic program like locusts on a tree. Even the recent assassination attempt on President Reagan's life has not slowed these liberals down.

They're going to tear that program and the country apart. The pressure is mounting behind the scenes. They have to do it in secret because the American people support the President by a ratio of over 2 to 1, according to the latest Washington Post-ABC News Poll.

I just learned that Democratic leader Jim Wright sent a memo to all House Democrats (which CALL will publish in the next issue of CALL FOR ACTION). He is uniting the Democrats with a common strategy to fight the Reagan Economic Survival Program.

Meanwhile, Tip O'Neill is giving the go ahead to six key leaders in the House of Representatives to sabotage President Reagan's recovery program. He is sending them into the trenches with orders to return with the chopped-up remnants of the Reagan plan.

President Reagan knows that O'Neill's six puppets have the power to kill his Economic Survival Program and subvert the electoral mandate you gave him last November 4th.

Each of these House committee chairmen can stall hearings on Reagan's program—ram liberal amendments—keep the program from every getting to the House floor. The House can destroy the President's economic package even though the Republican-controlled Senate recently approved all of Reagan's spending cuts.

And their constituents back home won't know what's happening because O'Neill's puppets will be playing the same old liberal game. . . .

. . . voting one way in Washington and talking another way back home.

They've been doing it for years.

It's vital that O'Neill and his six puppets know that their actions will be made public for anything they do to stop Reagan's Program.

Reagan's trump-card in this battle to save America is you and other active citizens. He needs you to put pressure on your congressman. Otherwise, his program will fail. He will certainly get no help from Congress.

But the liberals are being so sneaky about their attack on Reagan's plan that the American public will never know what's going on. Not unless there is an organization that knows what is going on and is willing to tell the American people.

That's why President Reagan is relying on you and other CALL supporters to help him revive America's economy and stop inflation.

CALL is working with the White House to make sure that neither O'Neill nor his henchmen get away with their plans.

How many people know, for instance, that last year O'Neill and his puppets supported a tax increase of $1,000 for the average American worker. This and other stories must be told, and CALL is telling them.

CALL has tabulated a new ECONOMIC SURVIVAL RATING (ESR) on each Congressman. It shows exactly how O'Neill and his puppets are voting on the House floor, and behind the scenes in committee.

Just consider the Economic Survival Ratings of O'Neill's six puppets for the past year:

Jamie Whitten—0 percent—Chairman of the House Appropriations Committee.

Jim Jones—0 percent—Chairman of the House Budget Committee.

Jim Wright—0 percent—House Majority Leader.

Richard Bolling—20 percent—Chairman of the Rules Committee.

Dan Rostenkowski—0 percent—Chairman of the Ways and Means Committee.

Henry Reuss—17 percent—Chairman of the Joint Economic Committee.

This story must get out. The only way O'Neill and his henchmen can be stopped is by exposing them in their home districts, and by pressuring them to vote for the complete Reagan Economic Recovery Program.

And CALL has promised President Reagan to do just that!

With your help CALL is going to confront these liberals with:

First. Full page ads in their hometown newspapers

Second. Radio actualities, ads, and talk shows

Third. Community meetings

Fourth. Postcards by the thousands to undecided congressmen

CALL has developed the Economic Survival Rating, the newspaper ads, and the scripts for radio and television. The only thing we don't have is the funds to get our program in the papers and on the airwaves.

That's going to cost $133,450.00.

This is the only program I know of that goes to the heart of the opposition, pressuring these men in their home districts and on Capitol Hill.

But, there's no time to waste. The Reagan Program is already before Congress. O'Neill's puppets have their knives drawn and are beginning to carve the Reagan Program to ribbons.

If we lose this battle every family and hardworking American will suffer. Folks on fixed incomes will suffer. Businesses will decline further. And the economy will sink into further ruin.

It's vital that you help CALL today. Please use the enclosed reply memo and postage paid envelope for your contribution.

Sincerely,

JOHN T. DOLAN,
National Director.

I should point out that John T. Dolan is better known as Terry Dolan, chairman of the National Conservative Political Action Committee (NCPAC), which in 1980 targeted for defeat Senators McGovern, Nelson, Church, Bayh, Culver, CRANSTON, and EAGLETON—the first five of whom were, in fact, defeated. He has already named more than 20 targets for his 1982 "hit list."

In his rush to "get the story out," Mr. Dolan does get mixed up on some details. He never quite explains how our conspiracy works, or why all Democratic committee chairman are not part of the puppet show. He also overlooks the fact that the days when chairmen ruled with iron hands, and could get from their committees whatever they wanted, have long since passed. Nor is he quite right about my powers as chairman of the Joint Economic Committee. I cannot, as he states, "stall hearings on Reagan's program—ram liberal amendments—keep the program from ever getting to the House floor"; the Joint Economic Committee does not even handle legislation.

I also wish that his letter had explained how he calculated my "Economic Survival Rating". I would like to know how it is that I am 17 percentage points closer to redemption than four of my fellow "puppets", but 3 points behind another. That must make it tough on the puppeteer.

Still, we must not be too critical, considerating the noble task which CALL has undertaken, with apparent blessings from the White House. We have been caught redhanded (as Mr. Dolan would probably put it), and our conspiracy is undone. I reprint his letter in a spirit of contribution, and hope that publicizing it this way will accomplish his goal of "getting the story out."

With that goal accomplished, I trust that Mr. Dolan can now suspend this tedious business of soliciting cash, which must be sapping his time and energy from NCPAC, "working with the White House", and other endeavors. And as for any money which he

may have raised already, I can suggest any number of people, in my district and elsewhere, to whom he could send it—to social security recipients, those on fixed incomes, the ill, the poor, the handicapped and disabled, nursing mothers, grade schoolers, inner-city youth, the jobless, the elderly, and so many others who will find their hopes dashed and their lives colder, hungrier, and shorter as this administration, supported by people like CALL, trickles its essential meanness throughout the land.●

FRANK SCOTT ADDRESSES PROBLEM OF TERRORISM

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. ASHBROOK. Mr. Speaker, when nations fail to deal with severe social problems there always arises from the political extremes those with easy answers, and a heavy hand. We have witnessed this throughout history. Greek democracy was destroyed by despotism because the law of the city states were not applied. Germany faced severe economic inflation and social decay between the two wars, and the reluctant Weimar Republic became a delight to the Nazi propagandists. Today the shrinking world is constantly threatened with an apparent breakdown of law in the form of terrorism.

This terrorism is often nurtured and encouraged by those who have a desire for political power and strategic hegemony in the world. Terrorism is made to appear by clever propagandists as a problem no nation is willing to face with decisive action.

An age when political tolerance and criminal tolerance become confused, terrorism can hold entire communities, indeed, entire countries hostage while discussions are aired about the rights of that community or country to exercise its rule of law. The enemies of the West take great comfort in our reluctance to deal firmly with the problem of terrorism.

Mr. Frank Scott stated the case for swift and sure punishment of terrorists in a WRC radio editorial on May 22, 1981.

Mr. Speaker, I commend Mr. Scott and recommend his thought-provoking comments for my colleagues consideration.

ALVORD. Escalating IRA terrorism in Northern Ireland. Bombings in New York. A never ending siege of terror throughout Central and South America. Innocent civilians and tourists killed in senseless attacks in the Middle East. The Pope shot by an avowed terrorist while in the act of blessing the masses in St. Peter's Square. There is a swelling wave of world wide terrorism. And that's the subject of the WRC editorial this morning. Here's WRC's Vice President and General Manager, Frank Scott. Frank, where's the end of it—when does the terrorism stop?

SCOTT. That, Ken, is indeed the question. A question being discussed in Cabinet rooms of the world's capitols, board rooms of multi-national businesses, and cocktail parties along the Potomac and Thames and Tiber.

As far as we're concerned, the solution begins with acceptance of the problem. Mankind is getting more and more injured to terrorism. At first we were shocked. But with each succeeding violent act, we are less surprised—we shrug it off more quickly. Now we have a world where incredible acts of violence are accepted as every day facts of life. That acceptance is the first step toward disaster. We are frighteningly complacent when we should be angry! The world is generally three basic societies. There are those who live as automatons under the oppressive rule of Marxist, Communist and Fascist oligarchies. Those who live in the terrible agony of starvation and exploitation. And those who live in the relative comfort and ease of the free nations of the world.

Those three societies have spawned different kinds of terrorists. Fiery zealots from the ranks of the oppressed are fighting for a cause in places like the Middle East and Central America.

Those rare ones who flare up in the Western World and usually come from middle class backgrounds—ideologues with a twisted sense of what the world should be.

And still another kind of terrorist, whose purpose is anarchy. Anarchy for the sake of anarchy. Destruction for the sake of destruction.

This combination of terrorists is raping the world. And to a large degree they are being supplied and in some cases even trained by those Marxist, Communist and Fascist oligarchies we mentioned. As they see it, terrorism and anarchy are in their favor. For when the old order becomes anarchy they move in with their own brand of oppressive rule. They've done it in many countries since 1917.

We are not saying here that those oppressors are orchestrating all the terrorism in the world today. But they are not unhappy with it except in isolated cases. And they do stand to profit by terrorism.

So the point here is to say it's up to us to do something about terrorism. To pay attention—not ignore it. To get mad.

Perhaps we're seeing signs of that happening when we hear New York Mayor Ed Koch name terrorists in his city "scum." And call for their execution. And when Tom Braden, long opposed to the death penalty, take note of the fact that Pope John would not have been wounded if the death penalty had been applied to a convicted Turkish killer and terrorist. It is also a sign of that anger when Senator Barry Goldwater reacts to the Pope's shooting by saying the would-be assassin doesn't even deserve a trial.

That's true. He doesn't. But we do. We must maintain the institutions of freedom and human rights. But we must come down hard with maximum punishments for those who would come down on all of us with anarchy and oppression. And we must move to let the free institutions of man bring more of those human rights to more of those who are oppressed. For if our freedom is worth having, it certainly is worth fighting for.●

AN UPDATE ON THE INTERNATIONAL SYNDROME

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. GAYDOS. Mr. Speaker, several years ago, March 26, 1975, to be exact, I inserted into the RECORD an article protesting what I considered to be a disturbing trend on the part of the Congress and the Federal Government.

It seemed the Government, following the lead of private industry, was inclined to change the name of certain committees to something with a more international ring to it. The U.S. Tariff Commission, for instance, became the U.S. International Trade Commission. The House Foreign Affairs Committee became the International Relations Committee.

This international syndrome concerned me. I wondered, since the United States was feeding, financing, and defending a major part of the world, if it might not spread to other committees. The Agricultural Committee, for example, might change its name to the International Breadbasket Committee; Banking and Currency could be the International Finance Committee. Congress, itself, might want to take on a more international flavor and become the International Assembly of North American States in the Western Hemisphere.

I was, of course, Mr. Speaker, being facetious but I did not—and do not—like this trend toward internationalism, even in name only, and recent events have led to update the report on the international syndrome.

A few weeks ago it was reported in the media the U.S. Navy was considering buying its submarines and, perhaps, other warships from foreign shipbuilders because of a squabble with the domestic producer. And, just a few days ago, I learned the Army and Air Force is planning to replace more than 20,000 noncombat vehicles at European bases with foreign trucks at a cost of $300 million.

Furthermore, it was reported the Pentagon admitted it had purchased 63 Japanese trucks for use at military bases here at home and, indeed, had another 200 such vehicles on order.

I understand the Pentagon has explained that part of the reason for its switchover to foreign made trucks for the U.S. military is to further good relations with our Western allies.

Mr. Speaker, I cannot believe the problems of the U.S. Navy with a domestic shipbuilder are so insoluble that it has to purchase warships on the international market. Nor do I believe the Army and the Air Force should buy military equipment from

foreign sources in the interest of good international relations.

If we are going to start importing our military ships and trucks, what's next under the international syndrome? The importation of international personnel to man them? Then the Defense Department could change its name to the International Agency for the Importation of Military Might and Mercenaries.●

A REAL ECONOMIC RECOVERY PROGRAM MUST REPEAL TAX LOOPHOLES

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. WALGREN. Mr. Speaker, in recent months, Congress has been preoccupied with the President's four-pronged economic recovery program—budget cuts, tax cuts, regulatory reform, and monetary policy. We have exercised fiscal discipline and have begun to reduce the Federal deficit. Virtually every committee is working to streamline Federal programs to eliminate waste and guarantee that the taxpayer gets the most for his or her tax dollar.

The administration has sent us a tax cut proposal designed to get the economy moving. In my view, however, this proposal falls far short of any measure of fairness by not eliminating the major tax loophole enjoyed by the oil companies—the foreign tax credit. Any economic recovery program must take into account all aspects of Federal spending, especially indirect subsidies through tax breaks. The foreign tax credit is just that, a special tax break for the oil industry which for all practical purposes, is a direct subsidy paid for by the taxpayer.

Today I am introducing a bill to eliminate the foreign tax credit for multinational oil companies, and I urge my colleagues to support its enactment.

WHAT IS THE FOREIGN TAX CREDIT?

The foreign tax credit allows oil companies a dollar-for-dollar reduction in their U.S. taxes for each dollar they pay in tax to a foreign nation. But the problem is that these are usually not taxes. Rather, they are actually royalty payments to foreign nations which own the oil. Royalty payments to the mineral landowner or excise taxes to local governments in our country are only deductible as a business expense. There is no reason royalty payments to foreign nations should not be treated the same way.

A little history helps to explain the paradox. Foreign tax credits to oil companies began in 1950 when the Saudi Arabian Government sought more revenue from its oil properties. After consultation with American oil and tax experts, the Saudis imposed an income tax on Aramco (the sole producer in Saudi Arabia) instead of increasing royalty payments for oil extractions. Aramco asked the Treasury Department to certify these royalty increases as taxes, which would qualify to be credited against their U.S. tax liability and not cost them any money. Despite Treasury's refusal to do so, the State Department intervened for foreign policy reasons and the IRS issued a favorable retroactive ruling in 1955.

WHY REPEAL THE FOREIGN TAX CREDIT?

We need to eliminate this tax loophole for several reasons:

First, we should not be making foreign policy decisions through our tax code. I doubt if the State Department could find much support for foreign aid to Saudi Arabia or any other OPEC nation today. If, for foreign policy reasons, we decide another country needs economic assistance, we should provide it through normal diplomatic channels.

Second, like other tax loopholes, we cannot actually see the cost of this subsidy by looking at the budget; nor can we control it. This loss of legitimate tax revenue, however, has the same effect on the Federal budget as any other kind of Government spending. This kind of "expenditures" through the Tax Code is just like spending money through an appropriations bill. It should be planned, controlled, and accounted for in the annual budget just as other Government spending. Tax expenditures should not escape the scrutiny of the Congress and more importantly, the public.

Finally, this tax loophole is costly. It has already cost the American taxpayers $14 billion. And it is not as if the oil companies need the money. Following their banner year of 1979, when the oil industry enjoyed the largest increase in profits in its history, the industry recorded 30 percent increases in profits in 1980. Oil companies accounted for 40 percent of all profits earned by U.S. manufacturing firms in 1980. In other words, some 30 oil companies made almost as much profit as the 9,000 other major U.S. companies, even despite the windfall profits tax. I see no reason for doling out dollars annually to the oil industry, especially when we are being called on to cut assistance for the handicapped, the elderly, the sick, and the schoolchildren.

Mr. Speaker, the House has already recognized the need to eliminate this loophole. By an overwhelming vote in the process of developing the budget in 1979, the House voted to eliminate the foreign tax credit for oil companies. Unfortunately this change never made it through the Ways and Means Committee.

We desperately need to cut Federal spending; we desperately need to slow inflation and high interest rates. But we need to do so in a manner which is fair. And we especially need to reform our tax laws so that sacred cows like this that drain the Treasury are eliminated. I urge adoption of this bill as one step toward that goal.●

TO BE "GUILTY BY BIRTH": A TRAGIC FATE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. DORNAN of California. Mr. Speaker, Yuriy Shukhevych's sole crime consists in the fact that he is the son of General Shukhevych, a brave Ukrainian who actively fought against the enslavement of his people. Yuriy's crime is his undying love for his country. As Americans, we sometimes take patriotism and national pride for granted—but in the Ukraine, one cannot be proud to be a Ukrainian. After more than 20 years of prison, the Soviet authorities have Yuriy in jail once again, isolated from citizens of the free world.

The tragic story of Yuriy Shukhevych is told in Barrister—Winter, 1980, vol. 7, No. 1—a journal published by the ABA Press for the young lawyers division. I direct the attention of my colleagues to the article "Guilty By Birth," by Andrew Sorokowski, both out of my own regard for basic human rights and the demands of my own political consciousness.

Yuriy Shukhevych has been free for only 3½ years since his first arrest on August 22, 1948. The rest of his days have been spent in prisons and concentrations camps in the U.S.S.R. By the time his third 10-year term expires in March 1982, his prison tenure will equal 30 years. He will be 48 by then but he still will not be able to lead a normal life—a 5-year term in exile awaits him. Judging from the past, so will repressions at the hands of the Soviet regime.

Yuriy has committed no crime, however, and has never been a threat to society. The Soviet regime considers him dangerous only because he is a symbol of Roman Shukhevych, the former commander in chief of the Ukrainian Insurgent Army which fought the Nazis in World War II and continued to fight Soviet forces occupying the Ukraine.

Though a denounciation of his father and the Ukrainian resistance movement would have given him freedom, or so it was alleged, Yuriy has always refused to succumb to Soviet proposals to do so.

Shukhevych was born March 28, 1934, in Lvov, western Ukraine. He was

only 10-years old when Soviet forces captured his city, shot his uncle and sent his mother into Siberian exile. In 1948, at age 14, Yuriy was arrested and sentenced—not by a court of law but by a special tribunal of the Ministry of State Security—to a 10-year prison term. Two years later, Soviet authorities brought him back to Lvov to identify the body of his father killed in battle by Soviet security forces. In 1956, the earlier sentence was overturned and Yuriy was released for having been tried illegally as a minor. But the Prosecutor General of the U.S.S.R., Roman Rudenko, immediately protested the release by arguing that Yuriy Shukhevych was the son of a nationalist leader. Yuriy was sent back to Vladimir Prison to finish his term.

In 1958, shortly before Yuriy's release, a KGB official specializing in fabricating incriminating cases against political prisoners, K. Galsky, advised Yuriy to publicly renounce his father and condemn the movement that he had led. Yuriy refused. Then, on the day of his release, Yuriy Shukhevych was again charged with anti-Soviet propaganda and agitation. There was, however, no real case against him—only a fabricated story created and boasted about by Galsky when Yuriy was still in his cell.

In 1961, Yuriy Shukhevych was again brought to Lvov where he was offered freedom at the price of collaboration. Again he refused. In 1967, he wrote a letter to the Supreme Soviet of the Ukrainian S.S.R. offering an account of the unfair and unjust proceedings in the 1958 trial. As his scheduled release approached Yuriy expressed his fear that another new crime would be perpetrated against him and a newly fabricated case brought—for a third time.

Yuriy was released in August 1968, but not allowed to return to the Ukraine for 5 years. He married and settled in Nalchik, the Kabardino-Baldan A.S.S.R. In 1970, a son, Roman, was born and in 1972, a daughter, Iryna.

But Yuriy Shukhevych's short-lived period of freedom and family happiness ended with his third arrest in March 1972. The fear expressed in his 1967 letter had come true. Again, charged with anti-Soviet aggression and agitation, Yuriy's crime was that he had compiled personal memoirs of his past 20 years in Soviet prisons and labor camps. This sentence was the harshest yet: 5 years in prison, 5 years special regime labor camp, 5 years in exile. But even this sentence was not enough for the Soviet leadership, who, as of 1980, was still keeping Skukhevych in Christopol Prison in the Tatar A.S.S.R. long after the terms of his sentence required his removal to a labor camp.

Yuriy Shukhevych is a man of spirit and will—a Ukrainian patriot fighting for the human and national rights of his people. In Autumn 1979, Yuriy renounced his Soviet citizenship and joined the Ukrainian Public Group to promote the implementation of the Helsinki accords. Though decimated by arrests, exiles, and repressions, this Ukrainian citizens group has continued to monitor Soviet compliance with the Helsinki accords because new members—recently released political prisoners and others, like Yuriy, still banned from the free world and locked behind bars—courageously declare their support.

The fate of Yuriy Shukhevych is a tragic one. Bringing his case to our attention is only a small part of the awareness needed to spurn progress and action on behalf of Yuriy Shukhevych and other victims denied basic human rights, freedom and decency.

[From the Barrister, Winter, 1980]

GUILTY BY BIRTH

(By Andrew Sorokowski)

He was born in 1933 in L'viv, the principal city of the western Ukrainian province of Galicia, then under Polish administration. His father, Roman Shukhevych, was a leading member of the Organization of Ukrainian Nationalists (OUN), dedicated to the establishment of an independent Ukrainian state (the short-lived Ukrainian National Republic had been partitioned by Poland and Soviet Russia in 1921). During World War II, an underground Ukraninian Insurgent Army was formed to resist the Nazi and, from 1944, the Soviet occupation. For five years after the end of the war Roman Shukhevych, as commanding officer, continued the struggle in the mountainous southwestern borderlands of the USSR.

Yuri Shukhevych was 11 years old when the advancing Red Army made it to Galicia. The Soviet authorities deported his mother and executed his uncle. In August 1948, they arrested Yuri himself and sought to compel him to publicly denounce his father, whose forces were then engaged in guerrilla warfare with Soviet troops in the Carpathian Mountains. Yuri refused. On Aug. 22, 1949, the 16-year-old boy was sentenced to 10 years' imprisonment by a three-man "special council" of the Ministry of Internal Affairs. These "troikas" were empowered to arrest, investigate, try, convict and sentence persons suspected of political opposition. The summary proceedings were held in secret, without the presence of the accused or counsel, independent of court or code, with no right of appeal.

On March 5, 1950, Roman Shukhevych was killed when his forces were surrounded by Soviet security troops at Bilohorshcha, a village near L'viv. Yuri was brought to the city to identify the body of his father, then returned to prison.

Stalin's death in March 1953 and Khrushchev's condemnation of past illegalities at the Twentieth Party Congress in 1956 offered some hope for Yuri Shukhevych. In April 1956, a court at Vladimir, in the Russian Soviet Federated Socialist Republic (RSFSR) held that inasmuch as the "special councils" had been declared illegal, and in light of a decree allowing release of those convicted of crimes committed under the age of 18 (decree of the Presidium of the USSR Supreme Soviet of April 24, 1954), Yuri's sentence was invalid. He was duly released.

However, the Procurator-General of the USSR, Roman Rudenko, intervened in the case and appealed the court's decision. Alleging that Shukhevych had tried to contact an OUN center abroad, and pointing out that Shukhevych was the son of a man who had taken up arms against the Soviet state, Rudenko, in his supervisory capacity as guardian of socialist legality, had Yuri rearrested to serve the rest of his 10-year term.

Shortly before his term was to expire, Yuri was approached by Lieutenant Halski of the security police, who was reputed to have participated in the fabrication of cases and the murdering of prisoners in the last years of the war. Halski proposed that Yuri publicly denounce his father and his national liberation movement. Yuri refused.

Halski then provided the prisoner with two new cell-mates. Alexander Fomchenko had been sentenced in 1947 to 25 years for robbery, and in 1951 to another 25 years for anti-Soviet political activity. Burkov from Voronezh had been sentenced to 10 years for cutting a man's throat with a razor. In return for their cooperation, they were promised the relatively mild conditions of a labor camp.

RELEASE AND REARREST

Several days before Yuri was to be released, Burkov signed a grievance to the Procuracy, complaining of Shukhevych's anti-Soviet agitation among the prisoners and protesting his impending release. On Aug. 21, 1958, Yuri was released and was immediately rearrested on charges of anti-Soviet agitation and propaganda. The police confiscated some copies of works by Olha Ilkiv, a poetess who had been sentenced for membership in the OUN, and added them to his dossier as incriminating evidence.

As is customary in political cases, the pretrial investigation was carried out by the state security police. Under Halski's supervision, the case was transferred to L'viv and conducted by a Captain Vinogradov, who in Stalinist days had become notorious for beating and torturing prisoners.

The trial was held in secret. Although Soviet law requires that the accused be tried by a court of the region where the crime was committed, Shukhevych's trial was held in L'viv rather than Vladimir, perhaps in order to fully exploit its exemplary value in that hotbed of separatism.

The star witnesses for the prosecution were Burkov and Fomchenko. Unfortunately, their testimonies were confused and inconsisent. Prosecutor Koliasnikov, as well as the court, had to prompt them repeatedly. Even so, the prosecution could offer but scanty evidence. For example, testimony that Shukhevych had been studying foreign languages in his cell was offered to prove his intent to flee the country.

Because the appointed defense counsel, one Smirnova, did not study the case until just before the trial, Shukhevych requested permission to conduct his own defense. The court ignored his request. To refute the testimonies of Burkov and Fomchenko, Shukhevych had obtained 12 witnesses. None was permitted to testify. Nor was the accused allowed to question the witnesses for the prosecution.

On Dec. 1, 1958, Yuri Shukhevych was convicted of anti-Soviet agitation and propaganda, and sentenced to another 10-year term and five years' exile.

Later that month, he was summoned before Lieutenant Halski, who cyncially admitted to the fabrication of evidence, but pointed out candidly that "with your views and convictions, we cannot set you free." He suggested that Shukhevych hold a press conference and prepare a pamphlet or radio broadcast condemning his father's activities. In return, Halski promised a review of the sentence and release from prison. Yuri again refused. He was thereupon dispatched to a labor camp in the Mordovian Autonomous Soviet Socialist Republic (ASSR).

During the next 10 years, Yuri Shukhevych was given several more opportunities to recant. In 1961, he was brought back to L'viv for further discussions with Halski. In 1963, he was transferred from the Mordovian labor camp to the investigative prison of the Committee of State Security (KGB) in Kiev. Security officials began taking him on trips to museums, theaters, factories and nearby towns. After several months of intermittent exposure to the amenities of civilian life, Yuri Shukhevych was summoned in July 1964 before Colonel Kalash, Captain Lytvyn, and Captain Merkatanenko of the Kiev KGB. He again was offered an opportunity to regain his freedom. He need only make a declaration, to be published in the press, renouncing "nationalist ideas." Shukhevych asked whether it would not suffice to renounce anti-Soviet activity as such. That, after all, was the legal basis of his conviction. But the officers replied that this would not do.

He would have to condemn his father and all that he stood for. Yuri refused. The KGB men then took a conciliatory position, proposing that he merely write an article for the press describing his journey through the country. Colonel Kalash indicated that the KGB could thus secure his pardon. But Shukhevych, perhaps sensing an attempt to make gradual inroads in his integrity, refused to cooperate. He was returned to the Mordovian camps.

In July 1965, Yuri Shukhevych was called in to see Captain Krut of the local KGB. Krut proposed that he send a petition for pardon to the Presidium of the Supreme Soviet of the Ukrainian SSR. As Shukhevych later explained, this tactic, based on the premise that an innocent person does not seek pardon, was aimed at supplementing an inconclusive dossier with an admission of guilt. Indeed, Captain Lytvyn had remarked in Kiev that the L'viv KGB had done a poor job of preparing the case. But Shukhevych declined to help them out.

Instead, on July 28, 1967, he sent the chairman of the Presidium of the Ukrainian Supreme Soviet an open letter reciting the facts of his case, and pointing out specific instances of illegality in both his first and second convictions. He continued in these words:

"Of my 34 years I have spent 19 in prison. . . .

". . . I have long ago ceased to believe in a proclaimed justice and legality which I have never seen embodied in real life.

"Therefore I turn to you now, when only one year remains before my second term of imprisonment runs out, not because I have any illusions on your account, not because I hope that you are able to intervene and vindicate justice trampled underfoot. . . .

"I turn to you because it may happen that in a few months' time a new crime will be perpetrated against me. The security police will again fabricate a new case to have me sentenced for the third time."

In concluding, he explained the purpose of his letter:

"This was the reason that prompted me to address myself to you so that you should know these things, and that later . . . you would not be able to say that you had not been properly informed, that all this was done without your knowledge, and that you bear no responsibility for similar actions by the KGB."

On Aug. 21, 1968, Shukhevych was released from the labor camp and then sent to the Caucasian town of Nal'chik, Kabardin-Balkar ASSR, to serve his five-year term of exile. He found work as an electrician, married, and had two children: a son, Roman, born in 1970 and a daughter, Iryna, born in 1972. He also began work on his memoirs.

In February 1972, Yuri Shukhevych was arrested and charged with anti-Soviet agitation and propaganda under Article 62 of the Criminal Code of the Ukrainian SSR (corresponding to Article 70 of the RSFSR Criminal Code). Accused of "nationalist activity" (namely, writing his memoirs), he was tried in Kiev behind closed doors, and in September 1972, convicted. The court handed down the maximum sentence for a recidivist: five years in prison, five years under strict regime in a labor camp, and five years in exile. His prediction had proven correct.

Today, Yuri Shukhevych remains a prisoner. According to underground reports, he is suffering from an untreated duodenal ulcer, no doubt exacerbated by the punitive dietary restrictions of "strict regime" confinement. This is not an unusual condition among prison camp inmates; the poet Yuri Galanskov was deprived by the labor camp administration of a proper diet and medical attention for his duodenal ulcer for the greater part of a year until the ulcer burst, precipitating his death on Nov. 4, 1972.

THE ILLEGALITY OF SHUKHEVYCH'S IMPRISONMENT

Under international as well as Soviet law, each of Yuri Shukhevych's three convictions was illegal. On Dec. 10, 1948—while the 16-year-old boy was confined in pretrial detention—the United Nations General Assembly adopted the Universal Declaration of Human Rights (G.A. Res. 217A(III), U.N. Doc. A/811). Article 11(2) states that "No one shall be held guilty of any penal offense on account of any act or omission which did not constitute a penal offense, under national or international law, at the time when it was committed."

Whatever may have been the penal offenses with which Shukhevych was charged, he was in fact held guilty on account of his "omission" to denounce his father. This obviously does not constitute a penal offense under national or international law.

It follows then, that Yuri's arrests, detentions and exile were all "arbitrary" in violation of Article 9 of the Declaration. Nor did his closed trials conform with Article 10, which requires a "fair and public hearing" by an "independent and impartial tribunal."

Moreover, his first trial, and the attempts to extort a denunciation of his father, violated Article 16(3), which declares that the family is entitled to the protection of the State. His last trial, based principally on the offense of writing his memoirs, violated the right to "seek, receive and impart information and ideas through any media and regardless of frontiers" guaranteed by Article 19.

One need not rely solely on international law, however, to demonstrate the illegality of Yuri Shukhevych's convictions. Soviet law itself provides ample guarantees of the rights of the accused, some of which mirror international human rights standards.

True, the 1926 RSFSR Criminal Code, in effect at the time of Yuri's first and second trials (and largely duplicated by the Criminal Code of the Ukrainian SSR), permitted conviction and sentencing of a political suspect who had committed no crime whatsoever. Political considerations took the place of proven guilt. Indeed, under Article 17 of the RSFSR Criminal Code, one could be found guilty as an accomplice without a showing of criminal intent. One could in effect be punished for mere association with politically undesirable elements.

Even under such questionable laws, however, Yuri's first conviction was improper. The "special council" that conducted his trial was later declared an illegal institution. But even a legitimate court could not have proven him guilty by association with a criminal. His father was never convicted of any crime by a Soviet court—in fact, he was not even a Soviet citizen subject to the jurisdiction of ordinary criminal courts, but an enemy combatant. There was thus no proven "guilt" to be imputed to his son, And it is hardly conceivable that a 15-year-old boy could himself have been so "socially dangerous" under the Criminal Code as to merit 10 years' imprisonment.

Yuri's second conviction, handed down 24 days before the criminal law reform embodied in the new Fundamental Principles of Criminal Law and Criminal Procedure (FPCL and FPCP) was inacted, was invalid on several grounds. First, the Procuracy, established pursuant to Article 113-117 of the 1936 Constitution and regulated by the 1955 Statute on Procuratorial Supervision as a guardian of legality, hardly fulfilled its proper role. It attacked the perfectly valid decision of the Vladimir regional court to free Yuri under the post-Stalinist law reforms, and then indicted him on the basis of fabricated evidence.

Second, holding the trial in L'viv rather than Vladimir clearly violated the rule that trial is to be held in the court of the region where the crime was committed [CCP RSFSR (1923) art. 29]. In fact, under the Code, transfer to another court was permitted only when the defendant would thereby receive a more dispassionate examination of his case (id. art. 30). Here, the opposite was true.

Third, the right to defense counel, guaranteed by Article 111 of the 1936 Constitution, was effectively denied because Yuri's attorney did not have time to properly study the case. The Supreme Court of the USSR had ruled in the Romaniuk case of Nov. 29, 1950, that where the defense attorney had had only a half hour to study the case, the constitutional right to counsel had not been respected. Although Supreme Court Decisions do not have precedential value in the USSR, this case set a reasonable standard.

Fourth, Yuri was denied the right to examine witnesses [CCP RSFSR (1923) art. 283].

Fifth, aside from the fact that the evidence was fabricated, it is difficult to see how any activity behind bars could constitute such "counterrevolutionary crimes" (CC RSFSR (1926) ch. I, sec. 1) or "socially dangerous activity" (id. art. 6) as to require punishment through the severe "measures of social defense" (*id.* art. 10) outlined in the Code.

Sixth, even under the theory of guilt by association, Yuri's possession of some works by an imprisoned poetess could hardly constitute criminal association. While under Article 58(10) the mere possession of literature

constituting "agitation or propaganda calling for the weakening of Soviet rule" could be punished as a counterrevolutionary crime, the lyrical poems of Olha Ilkiv were not of this nature.

Finally, assuming for the sake of argument that Yuri really did openly advocate the most revolutionary of his father's ideas—the national liberation of the Ukrainian people—he would only have been advancing a basic Soviet constitutional principle: the right of each Republican to secede from the Union (1936 Constitution, art. 17; 1977 Constitution, art. 72).

If his first two convictions were illegal under the harsh, Stalinist statutes, Yuri's 1972 conviction, under the relatively liberal 1958 Fundamental Principles and their statutory progeny, was a travesty of the law.

GUILT BY ASSOCIATION

First, since the 1960 RSFSR Criminal Code and its companion republican codes had abolished the category of political offenses, Yuri's trial should have been conducted without regard for political factors. This seems not to have been the case. Second, Article 17 of the Fundamental Principles of Criminal Law abolished guilt by association, declaring that one cannot be considered an accomplice to the acts of one's associate without the requisite intent. Yuri thus could not longer be punished for the acts of another without proof that he intended to participate therein. Third, under Article 3 of the RSFSR Criminal Code, one may only be sentenced if one has been tried in a court of law and found guilty of an act specifically designated a crime at the time of its commission (see also FPCL, art. 3; FPCP, art. 4). Whether writing one's memoirs can be considered an act specifically designated by law as a crime depends on an interpretation of Article 70 of the RSFSR Criminal Code.

AT first glance Article 70, covering "anti-Soviet agitation and propaganda," seems nearly as broad as its notorious predecessor, Article 58 of the 1926 Criminal Code. For example, it permits the punishment of one who has merely prepared or kept in his possession literature containing "slanderous fabrications" defaming the Soviet state and social system "for the purpose of subverting or weakening the Soviet regime." As the "purpose" clause implies, however, and as Soviet commentators have noted, this crime requires an element of anti-Soviet intent. Thus, Shukhevych could only have been guilty if he wrote his memoirs with intent to subvert or weaken the Soviet regime. But his apparent willingness, in his July 1964 conversations with the officers of the Kiev KGB, to publicly renounce all anti-Soviet activity tends to show a lack of anti-Soviet intent on his part. Nor does it seem likely that personal memoirs, which tend to be purely factual and in any case deal with past conditions, would constitute defamation of the Soviet state designed to weaken or subvert it. In any case, it would seem that the writing of memoirs was protected by Article 125 of the 1936 USSR Constitution (Article 50 of the 1977 Constitution), guaranteeing freedom of speech.

Yuri Shukhevych's "crime" lies not in anything he has done, but in who he is. He has been designated a political symbol, and punished as an object lesson for the edification of the Soviet masses.

If a discussion of these legal issues strikes us as irrelevant, perhaps it is because we have resigned ourselves to the idea that in the USSR the rule of law cannot prevail. Yet when we simultaneously seek to broaden our commercial, diplomatic and cultural relations with the Soviet government, such resignation takes on a shade of hypocrisy. No lawyer may accept the rule of terror so complacently. None can preserve his rights long while condoning their denial to another Yuri Shukhevych deserves our rights. If we choose to remain silent, we deserve only his.

IN THE MATTER OF YURI SHUKHEVYCH

I first became aware of the Shukhevych case in the winter of 1973 while living in Munich, Germany. Some students of my acquaintance (also of Ukrainian origin) were organizing a public hunger-strike in support of Soviet prisoners of conscience. One of their posters showed Yuri Shukhevych with his son, under the caption "This Man is Guilty from Birth." It outlined his life story, and quoted from his letter to the Supreme Soviet of the Ukrainian Soviet Socialist Republic (SSR).

While I was immediately struck by the injustice of Yuri's predicament, it was only years later . . . that I was able to translate it into legal terms. It seemed a classic case of guilt by association—a concept incompatible with fundamental legality as it is understood in most modern countries. I decided that it merited the attention of the legal community.

The principal sources on the Shukhevych case are the Soviet Ukrainian underground known as the "Ukrainian Herald," documents compiled by Soviet journalist Vyacheslav Chornovil in The Chornovil Papers, and Yuri's own letter to the chairman of the Presidium of the Ukrainian Supreme Soviet. Copies of all were smuggled out of the USSR and published abroad.

To reconstruct the events of Yuri Shukhevych's life is not easy. Sources are few (I believe I have exhausted them) and occasionally inconsistent. Official trial records are unavailable, and it is difficult to obtain information about "dissidents" from the USSR. One reason for the scarcity of material on this particular case is that for a prisoner of conscience. Yuri Shukhevych is unusually quite and apolitical. Dissident scources give him little attention because unlike most prisoners of conscience, he is imprisoned primarily by virtue of his identity rather than for his words or acts. This, of course, only magnifies the illegality of his confinement.●

FINANCIAL DISCLOSURE

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. OTTINGER. Mr. Speaker, as I have done every year since my first election to Congress, I am today disclosing a statement of my assets and liabilities, a schedule of securities which I own, a schedule of other securities of which I am an income beneficiary, and a schedule of the taxes I paid in calendar year 1980.

While this disclosure goes beyond what is required by law at the present time, I believe it is in the public interest. Therefore, I have sponsored legislation requiring full financial disclosure.

The statement and schedules follow:

STATEMENT OF ASSETS, LIABILITIES AND CAPITAL, MARCH 31, 1981

	Amount
Assets	
Cash	$21,485
Assets held by Richard L. Ottinger trust dated March 19, 1969:	
Investment in limited partnership—at cost	250,000
Marketable securities—at market value	1,780,087
Other securities: Chancellor tax exempt fund	22,193
Real estate: Residences in New York and Washington, D.C.—at estimated market value	350,000
Total assets	2,423,765
Liabilities and Capital	
Liabilities—Notes and loans payable:	
Testamentary trust u/w/o Lawrence Ottinger f/b/o Richard L. Ottinger	339,912
Trust u/a dated 10/30/57 f/b/o Richard L. Ottinger	110,000
Patricia L. Chernoff	150,000
Louise L. Ottinger	400,000
Mortgages payable	216,000
Subtotal	1,215,912
Income taxes payable on unrealized gain on marketable securities	381,547
Total liabilities	1,597,459
Capital	826,306

SCHEDULE OF MARKETABLE SECURITIES (HELD IN RICHARD L. OTTINGER TRUST), MARCH 31, 1981

Number of shares or par value	Description	Current market value
	Stocks	
6	Alpha Industries, Inc.	$173
1,500	Anheuser Busch Co., Inc	52,125
990	Champion International Corp	28,958
2,700	Connecticut General Insurance Corp	144,788
4,152	International Business Machines Corp	258,981
11,698	Simplicity Pattern Co., Inc.	112,593
1,200	Travelers Corp	55,200
7,094	Weyerhaeuser Co	274,892
800	Wheelabrator Frye Inc.	44,900
7,600	Xerox Corp	430,350
	Total stocks	1,402,960
	Bonds	
100,000	P/H/A Long Beach, N.Y. project note, 7 percent, due June 5, 1981	99,973
130,000	P/H/A N.Y. City, N.Y. project note, 6.82 percent, due July 2, 1981	129,877
50,000	N.Y. State, Mortgage Agency, Series C, 6.9 percent, due Apr. 1, 1983	48,009
25,000	N.Y. State, General Obligation, 5.3 percent, due Mar. 15, 1992	17,876
50,000	Albany, N.Y., South Mall Construction Revenue, 5.4 percent, due Oct. 1, 1993	32,392
50,000	Ascension St. James, Bridge & Ferry Authority, LA., 4.45 percent, due Nov. 1, 2001	27,000
	Total bonds	355,127
	Other	
22,000	U.S. Trust Co., temporary investment fund	22,000
	Total	1,780,087

SCHEDULE OF ASSETS OF VARIOUS TRUSTS IN WHICH RICHARD L. OTTINGER IS INCOME BENEFICIARY, MARCH 31, 1981

Number of shares or par value	Description	Current market value
	Stocks	
1,000	H & R Block Inc.	$32,500
100	Champion International Corp	2,925
634.4	International Business Machines Corp	39,570
7,200	Perkin Elmer Corp	216,000
	Total stocks	290,995
	Bonds	
$15,250	N.Y. State Mortgage Agency, 6.9 percent due Apr. 1, 1983	14,643
12,200	Alaska State General Obligation, 5.4 percent, due Jan. 1, 1984	11,276
21,350	N.Y. State Thruway Authority, 3.5 percent, due Jan. 1, 1990	13,368

SCHEDULE OF ASSETS OF VARIOUS TRUSTS IN WHICH RICHARD L. OTTINGER IS INCOME BENEFICIARY, MARCH 31, 1981—Continued

Number of shares or par value	Description	Current market value
18,300	Mass. Bay Transportation Authority, 3.75 percent, due Mar. 1, 1990	$11,203
15,250	N.Y. State Housing Finance Agency, 3.6 percent, due Nov. 1, 1991	8,384
30,000	Nevada Housing, 4.8 percent, due Apr. 1, 1986	24,270
15,000	N.Y.C., N.Y. 5 percent, due May 1, 1991	9,595
25,000	Pennsylvania Commonwealth, 4.5 percent, due July 1, 2000	12,616
40,000	P/H/A N.Y. City, N.Y., 9.48 percent, due July 2, 1981	40,232
25,000	P/H/A Guam, 6.86 percent, due Aug. 7, 1981	24,974
30,000	Puerto Rico Commonwealth, 4.5 percent, due July 1, 1997	15,116
4,000	U.S. Treasury Notes, 4 percent, due Feb. 15, 1987	3,344
25,000	Ascencion St. James, Bridge and Ferry Authority, LA, 4.45 percent, due Nov. 1, 2001	13,500
21,350	P/H/A Alaska, 9.6 percent, due July 2, 1981	21,480
24,400	P/H/A South Carolina, 9.68 percent, due July 2, 1981	24,554
436	Temporary investment fund	43,600
	Total bonds and temporary investment fund	292,155
	Total	583,150

The above securities are not reflected as assets of Richard L. Ottinger since he is only an income beneficiary of the Trusts. The schedule is prepared for informational purposes only.

Schedule 3—Richard L. Ottinger—schedule of taxes paid in 1980

Federal income tax	$42,249
State and local income tax	20,119
New York and District of Columbia property tax	4,487
Total taxes paid	66,855

PREEMPTIVE ATTACKS MUST STOP

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. FINDLEY. Mr. Speaker, I wish to commend President Reagan for his decision concerning the Israeli air attack against Iraq. The bombing of the nuclear facility utilized U.S.-supplied aircraft and thus raised grave questions concerning violation of U.S. law.

The President was wise to notify the Congress under the terms of the Arms Export Control Act that a "substantial violation may have occurred" and that the shipment of F-16 aircraft to Israel scheduled for tomorrow would be delayed pending further study of the legality question.

He was also right to condemn the Israeli raid. It was, as the New York Times said, an act of "inexcusable aggression."

The President's decision on legality is only preliminary but it carries the message that the administration recognizes the enormity of the crisis provoked by Israel.

In my view, no additional military supplies should be shipped to Israel until an ironclad agreement is made under which Israel pledges it will never again engage in preemptive attacks using U.S.-supplied equipment.●

THE IRAQI NUCLEAR REACTOR

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. MARKEY. Mr. Speaker, the Washington Star wrote an excellent editorial on June 10 about the Israeli attack on the Iraqi nuclear reactor. The editorial makes the point that while Israel's action should not be applauded, neither should it be the subject of premature criticism and condemnation. There may in fact be a sense of relief in many Arab countries that Israel has eliminated Iraq's immediate capability to produce an atomic bomb. I will introduce in the next few days a concurrent resolution which addresses this difficult and complicated international incident. The language of the resolution is printed below. I encourage Members to cosponsor this resolution with me.

H. Con. Res. —

Concurrent resolution expressing the sense of the Congress that the President should take certain actions concerning the supply of further nuclear material and technology to Iraq by certain countries and concerning United States nuclear nonproliferation policy

Whereas Israel is a key national security ally of the United States;

Whereas Iraq, despite huge oil reserves, purchased a 70 megawatt nuclear reactor from France which uses substantial amounts of highly enriched uranium as fuel;

Whereas Iraq purchased from Italy nuclear technology and training to aid in the development of a plutonium extraction capability;

Whereas both highly-enriched uranium and plutonium can be used directly to manufacture nuclear weapons;

Whereas the President of Iraq has made public statements implying that nuclear weapons could be used against Israel; and,

Whereas the crucial issue facing the United States is not whether Israel did or did not commit a technical violation of our arms sale agreement, but the real issue is the consequence of the spread of nuclear weapons technology throughout the world: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—(1) The President should urge the governments of France and Italy not to sell sensitive nuclear technology or material to Iraq to replace the reactor and equipment destroyed by Israel's action of Sunday, June 7, 1981; (2) the Congress should impose no economic or military aid sanctions against Israel in response to the June 7 action; (3) the President should strengthen the nuclear non-proliferation policy of the United States and should improve and tighten restrictions on the export of nuclear technology or material which can be used to make atomic weapons; and (4) the President should determine the adequacy of the international system of safeguards and whether they provide sufficient warning of a diversion of civilian nuclear material to military purposes.

[From the Washington Star, June 10, 1981]

THE OSIRAK STRIKE

Time and events will tell, more clearly than we can, whether it was wisdom or folly for Israel to send its strike force to obliterate Iraq's nuclear facility at Osirak, near Baghdad.

There is no shortage of cries that it is folly. There is no shortage of sermonizing, much of it pertinent, on such appropriately civilized themes as the sacreness of national boundaries and air space, the iniquity of surprise attack, the rude surprising of friends and allies—especially the U.S. and Anwar Sadat. Unilateral military action is rarely without untoward consequences for the perpetrator. Iraq is far from Israel, not a country that has much bothered Israel militarily in recent years; and the sword that Israel drew may well be double-edged.

Certainly it must be said that Mr. Begin's timing was awkward, to say the least, on the morrow of his first meeting with President Sadat in 17 months and while the U.S. is trying to use its good offices to settle the dispute over Syrian missiles in Lebanon. It is tainted with the suspicion of electioneering on his own behalf. Be all this as it may, there are times in this treacherous and tragic world when nations must embrace lesser dangers and evils, and risk some scorn, to combat ultimate dangers. Israel did so in the Entebbe raid. The U.S. did so nealy 20 years ago in confronting Nikita Khrushchev over his attempt to make a nuclear-missile striking platform of Cuba—a confrontation, incidentally, in which air strikes were held in readiness if suasion and naval blockades failed. Many condemned these operations, as propriety demanded, but felt safer afterward.

We have no doubt that the Middle East is today a safer place for all nations—not merely for Israel—than it was a few days ago, before the operation at Osirak. The Iraqis were moving steadily towards putting into operation, by late summer or early autumn, a nuclear facility that could produce weapons-grade fuel. And although Iraq had hypocritically signed the international nuclear non-proliferation agreement, her gates were shut until a short time ago against international inspection. There is almost no doubt on anyone's part the Iraq meant to make atomic weapons.

There was little pretense to the contrary. Only last year, the Iraqi government brazenly stated that these nuclear possibilities were not for Iran to worry about (notwithstanding that she was at war with that nation) but Israel's worry entirely. This is surely a provocative thing to say in any circumstances to anyone, idly or not. And given the Israelis' vocal campaign of many months to stop the establishment of a weapons-grade nuclear facility it was one stroke more than could be tolerated.

Whether the threat was idle boasting, or seriously intended, it constitutes the ultimate terrorism to menace another nation with nuclear attack. If there were nothing else to be said for Israel's pre-emptive attack, it would have to be said that there is some value in demonstrating that such threats carry a high price.

Indeed, we cannot imagine, whatever the cries of outrage, that in Riyadh, in Amman and Cairo, in Damascus and the Persian Gulf states and in Tehran, there is not a sense of relief today. People in authority in

the Middle East may condemn Israel by day, but by night they will all sleep a bit better. It is, of course, equally true that their sense of peace would be greater without an Israeli nuclear capability in the neighborhood. But that is a separate reality.

Obviously diplomacy, not sudden air attack, is the proper way to contain the threat of nuclear proliferation. That must be the unswerving preference of a world that rejects anarchy. It seems to us that our friends in France bear a special part of the blame. They remained heedless of the danger signals over many months. They have seemed bent on driving, regardless of consequence, the Faustian bargain of delivering provocative nuclear goods to Iraq in return for life-sustaining oil.

But when diplomacy fails—and the most strenuous and persistent protests by the Israelis and others had not shaken the foolhardy resolve of the French to barter high nuclear technology to an unstable and aggressive regime, or of that regime to menace Israel with it—what is left? Is the nation confronted by such a nightmare to sit idly by waiting and hoping, like Mr. Micawber, that something will turn up?

Certainly the air strike at Osirak is not a thing to be condoned or applauded. But neither is it a fit subject for tiresome sermonizing in an international community whose will to contain nuclear proliferation is paralyzed by fear, palsied by diplomatic minuets, and not a little corrupted by the fearful but profitable commerce in deadly weapons and oil.●

CONGRESSIONAL VIGIL FOR SOVIET JEWRY: MIKHAIL SALMAN

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. FAUNTROY. Mr. Speaker, I want to thank my distinguished colleague and neighbor, Congressman MICHAEL BARNES, for providing leadership and organizing the "Call to Conscience" Congressional Vigil for Soviet Jewry.

My assignment and responsibility in this effort is to speak to the plight of Mikhail Salman, a student who was arrested on May 17 on charges of "parasitism" for the crime of merely seeking to emigrate from the Soviet Union.

Mr. Salman was refused permission to emigrate in December 1978, on the basis of secrecy. After applying to emigrate Mr. Salman was no logner allowed to pursue his studies leading to the trumped up charge of "parasitism" and his arrest.

It must be continually repeated to the Soviet leaders that the right to emigrate is a basic human right embodied in article 13, paragraph 2, of the Universal Declaration of Human Rights and in the Conference on Security and Cooperation in Europe: Final Act (Helsinki Final Act).

This is no time for quiet diplomacy. We must speak forcefully and with a firm standard for all on human rights. That is what will give hope and with God's help relief to the victims of human rights abuses wherever they may be.

Again, I salute my colleague for his leadership on this "Call to Conscience" and pledge my continued support in relieving the plight of our Jewish brothers and sisters in the Soviet Union.●

MARIE MACRI LAMBERT, PREEMINENT NEW YORK JURIST, WHO HAS REALIZED THE AMERICAN DREAM

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. BIAGGI. Mr. Speaker, the Marie Macri Lambert story is a classic American success story. The spirit of her story has been repeated time after time in our American history. While it is a tale oft told, Marie Lambert's uniqueness as a person adds a new dimension to the old story line.

On Saturday, May 9, in New York City, the Columbian Lawyers Association formally and publicly attested to her legal, judicial, and personal accomplishments by presenting a very special award to Judge Lambert. The award was established to commemorate another great Italo-American jurist—Charles A. Rapallo. Marie Lambert shares many of Judge Rapallo's noteworthy characteristics—integrity, compassion, solid judgment, a love of learning, and an outstanding intellect.

As judge of the surrogate's court in New York County, Marie has acted with an extraordinary ability reflected in the sound decisions she has rendered. She has shown compassion and insight.

Marie's journey to this particular crest in her life began in Italy. She came to America and proceeded to take New York City's finest educational institutions by storm. She, like so many newcomers to our shores, entered school speaking a foreign tongue. From elementary school to law school she consistently outranked the other students, taking highest honors every time. At New York University Law School, she was an editor of the Law Review; received numerous awards for excellence; and graduated first in her class.

Since launching her legal career, she has made a reputation in New York as a competent and articulate litigator motivated by a deep sense of justice and never out by an interest in pecuniary gain.

One of her first legal tasks was to represent over 200 victims of the Nazi holocaust, who prior to the war, lived in countries which were subsequently occupied by the Soviet Union. Marie represented these victims of religious bigotry without fee and was successful in obtaining asylum in the United States for these indigents. Her peers in the legal profession, recognizing her leadership traits have seen fit many times to elect her to office in the New York State and American Travel Lawyers Association. As President of the New York State Trial Lawyers Association, she was the first women to serve as president of a major statewide bar association. She has taken the time to share her knowledge and years of experience with others by lecturing before numerous legal, community, and religious groups.

I have known Marie Lambert for many years. I value her friendship and respect her judgment. We share many similar interests and concerns. We share a common heritage. I am proud that such a well-respected organization like the Columbian Lawyers Association has seen fit to name her as their first woman recipient of this significant award. She deserves it—she earned it.

On the occasion of the Rapallo Award luncheon, Judge Lambert presented her very enlightening "new perception and direction" to which the law, specifically the criminal laws, should be interpreted and applied. Those remarks follow for the benefit of my colleagues and our constituencies throughout the Nation.

Not only do we celebrate the Rapallo Award today but we also pay tribute to the State of Israel on the anniversary of its establishment. It is fitting that I should be honored today on Israel's anniversary day by the Columbian Lawyers further establishing the solidarity between the Jewish and Italian community.

I am deeply honored today to be in such distinguished company and to be the recipient of this award named after our great Italian-American jurists. I am particularly honored because I am the first woman to receive it.

A look at the roster of previous recipients of this award constitutes a who's who of American jurisprudence and reflects the impact which Italian-Americans have had on the formulation of law and legal concepts. That impact is not surprising when one considers that centuries ago, Rome stood as the wellspring of legal precepts and theory. In the case of Italian-American contributions to law, the past is clearly prologue. I stand before you as one of a multitude of Italian-American jurists who wish to offer a new perception and direction to the way in which the law, specifically our criminal laws, are both interpreted and applied.

In my brief tenure as surrogate, I have been witness to a countless number of probate proceedings which indicate the cause of death as homocide. In several instances, the legend "multiple stabbing" or "multiple gunshot wounds" stand as a grim reminder that the constitutional promise of life and liberty have, for many individuals, been rendered meaningless. It is undeniable that the primary purpose of government is to provide physical safety of its populace and that in this task, it has failed miserably. The newspapers and telecommunications media are daily testaments to the assaults and in-

juries which are inflicted on our citizenry. Each new assault brings with it details which were previously thought to be too gruesome and too horrible for us to contemplate.

The feat etched on the faces of the children of Atlanta is but a composite photograph of the fear which pervades the daily life of each American. Each mugging, rape, robbery, and murder strikes not only the victim but the society at large which sees its fundamental principles violated and shattered.

As members of the bar and bench, it is our responsibility to define the problem and to propose a solution. In that regard, it is important to note that our fellow citizens view us, the lawyers and judiciary, as part of the problem. At no time in the history of our republic have lawyers and the legal profession been held in such low regard and esteem. While some may shrug this off as the mere whimperings of a pampered populace, others will recognize it for what it is—a damning rebuke to the rule of law as we have fashioned it. Rightly or not the public at large holds our profession responsible for the construction of a criminal justice system which they view as criminally lacking in justice. Certainly, many of the theoretical under pinnings used to justify our present system must be re-examined. The first underpinning which must be re-examined is our overwhelming preoccupation with protecting the rights of the violent criminal. Each police activity, whether it includes the right to stop and frisk a subject, the right to make searches or the right to take a confession has been circumscribed by rules and procedures which extend beyond the protection afforded by the Constitution. The right to counsel, for example, has been extended beyond the accusatory stage of a criminal proceeding and has been held to apply to administrative correctional proceedings. Justice Holmes observed in a 1904 dissent case, "At the present time in this country there is more danger that criminals will escape justice then that they will be subjected to tyranny." While some may argue that it is better to allow 10 guilty men to go free than to convict one innocent person, others may ask how many additional crimes those 10 men will inflict on an already suffering public. What is undeniable is that our preoccupation with the rights of criminals has led to both justice delayed and justice denied. Innumberable delays and adjournments have often resulted in either the disappearance or death of crucial witnesses. A strict application of the exclusionary rule has resulted in the inadmissability of evidence which could have been gathered by other sources. Lenient bail policies have returned to the streets those violent individuals who use them as stalking grounds in search of another victim. Lenient sentencing decisions have allowed convicted murderers to walk out of the courthouse with nothing more than the imposition of probation. Just this week, despite the pleas of the prosecutor, a 15-year-old received only 3 years probation for the murder of a child, recently, a man convicted of manslaughter was given only 5 years probation because he was in the judge's words, "A fruitful member of society," and 6 months later this same man brutally assaulted, maimed, and almost killed another young man. As Justice Cardozo said in Snyder v. Massachusetts, "Justice, though due to the accused, is due to the accuser also. The concept of fairness must not be strained till it is narrowed to a filament, we are to keep the balance true."

For those accountants who wish to view only the bottom line, the figures reveal that 100,000 felony arrests were made in New York City last year. With a population of approximately 7 million people, that means that 1 out of every 70 citizens is the yearly victim of a felony. When you extrapolate those figures to the longevity tables, each person in this room would theoretically have one felony committed upon them during their lifetime. If those numbers are not disturbing enough, you should be aware that these numbers take into account only reported crimes and arrests actually made, countless rapes and robberies are not reported because the victims are too ashamed or do not wish to be bothered anymore with making endless trips to court. What is equally depressing is that only 5,000 indictments and approximately 1,000 convictions have resulted from the yearly criminal onslaught.

The second underpinning which we need to re-examine is the belief that all crime should be pursued and prosecuted with the same vigor. In order to make a dramatic impact on crime, we must set priorities and vigorously pursue those crimes which we view as most heinous. Each passing day recounts in detail the time, attention and dollars spent to apprehend the perpetrators of nonviolent infractions of the law. While the enforcement of securities laws, the antitrust laws and the Foreign Corrupt Practices Act are important, they pale in insignificance besides the need to protect our citizenry from murder, rape and robbery. Under previous administrations, the FBI took an active role in the apprehension of bank robbers and car thieves. Today, it is the avowed policy of that agency to focus on "white collar" crime. Some individuals, after viewing the recent ABSCAM convictions, might even argue that the FBI is in the business of inducing crime. Our resources and our efforts should be focused on the elimination of violent crime. In a society where limited resources have been allocated to the fighting of crime, we cannot afford the luxury of spending vast sums of money on nonviolent crimes or infractions of the law.

Finally, we need to re-examine the philosophies which have guided our theories of punishment. In the past, our correctional policies have been shaped in the belief that rehabilitation of the criminal is the most important goal. Educational programs, better facilities and the development of psychological and sociological counseling programs have been designed with an eye toward turning the criminal into a useful member of society. Any review of the figures concerning recidivist crime (that is, repeat offenders) shows that these policies are not working. While there may be a few criminals who can be reclaimed from the junkheap of humanity, the focus of our correctional policies must be on deterrence and, even retribution. Why is it wrong to say that certain crimes are so heinous that society does not have the right to exact retribution? Is the death penalty so inappropriate when one considers the crimes that Richard Speck, John Gacy, Charles Manson, David Berkowitz and Sirhan Sirhan committed? I, for one, am appalled to see the killer of Robert F. Kennedy, a man who has changed the course of history, get ready to walk the streets after a mere 15 years in jail. I am also appalled to see certain criminals achieve celebrity status as the press and media vie for their attention. Why should any individual be allowed a public stage to recount, gory by gory detail, the acts which resulted in their prosecution? Why must so many of our criminals be glorified and the victims vilified? A recent example being the late Allard Lowenstein whose memory has been defiled by a certain press columnist in order to glorify and justify the act of the perpetrator. Even the dead victim is not free of villification.

If we are to achieve change in our criminal justice system, it is clear that we must re-examine the attitudes upon which many of our policies have been founded. No amount of money can correct a system which places such emphasis on the rights of criminals rather than victims. Like Gresham's law, any new infusion of funds will throw good money down a system which neither prosecutes effectively nor punishes adequately. After guilt has been established, it is time to discard the traditional responses offered by many that crime is a circumstance which results from individuals being trapped in a cycle of poverty. Many, if not most, of us present here today are only one or two generations removed from foreign soil. Many, like me, can remember eating a boiled potato or an onion sandwich for dinner during the depression. Yet, the result of our deprivations was education and hard work, not crime. It is time for our society to stop uttering mea culpas and to start placing the blame where it belongs—on the criminal. It is time for our lawmakers to stop proposing symbolic change and to start addressing the fundamental problems. In that regard, the reimposition of the death penalty for the murder of our protectors would be both a substantive and constructive first step. Finally, it is time for all of us, the leaders of the legal community to lend every effort in support of those who seek to reorient our priorities and reestablish our goals. Our Nation is the greatest Nation on the face of the Earth. Its history is marked by the fulfillment of principles which we hold dear. The first and foremost such principle is the right to life and to liberty. What is liberty if our storekeepers must close their doors before Sundown and our citizens must bolt themselves inside their apartments? What is liberty if a casual word or glance can anger some psychopath into setting a token booth ablaze or shoving some helpless victim under the wheels of an oncoming train? What is liberty when every article of clothing or property which we don must be scrutinized so that it will not make us an alluring target to some criminal? The ability to live life and to exercise our liberties must be viewed through the prism of our right to have freedom from fear.●

ALTERMAN TRANSPORT LINES, INC., FINDS ADVANTAGES IN TRUCKING DEREGULATION

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. LEHMAN. Mr. Speaker, when Congress acted to deregulate the airlines, it did so over the objections of numerous carriers. The airline industry learned to cope with the new economic environment, and many profited by it.

State and Federal legislation to deregulate the trucking industry has

been greeted with similar protests. Some firms, however, are now beginning to see how deregulation can work to their benefit. One such company is Alterman Transport Lines, Inc., located in Opa-Locka, Fla. Its owner, Mr. Sidney Alterman, has accepted the challenge of deregulation and has found success in meeting that challenge.

The following excerpt from a Miami Herald article describes Mr. Alterman's efforts:

[From the Miami Herald, Apr. 27, 1981]

(By Mimi Whitefield)

When trucker Sidney Alterman made his first 50-hour haul from Pompano Beach to New York City more than 40 years ago, the trucking industry had been federally regulated for three years.

Regulation was the system under which his fledgling trucking company, Alterman Transport Lines Inc., grew and flourished and it was no surprise that he was an ardent foe of deregulation.

But Alterman—who built his hauling business from a single 1936 Chevrolet truck and a single driver, himself, to the state's third largest trucking company with a fleet of more than 1,200 vehicles—is a pragmatist.

When Florida became the first state in the nation to deregulate its trucking industry July 1, the 69-year-old Alterman says he saw the handwriting on the wall.

"The minute I knew it became law, I switched," he now says. "That's like asking me if I'm a Democrat or a Republican. There's a Republican president, so I'm going to support him. That's the American way, isn't it?"

Although Alterman's name is listed on a suit filed by 19 trucking companies and shippers who want Florida's motor carrier laws reinstated, he says he thinks deregulation is here to stay and the suit has little chance of succeeding.

However, he would like to see legislation that would give shippers more protection from unscrupulous truckers.

Alterman's revenues were down 20 per cent during the fourth quarter of 1980 and he blames the increased competition that deregulation unleased.

He says business is still off about 20 per cent, but this year he is hoping for an 8-10 per cent increase over 1980 revenues of $45 million.

In the long-run, he says, deregulation may help his business.

"I'm going to accept the deregulation factor and utilize the advantages it may offer," says Alterman. "I think there's a new direction we'll develop."

He no longer is required to operate on a fixed schedule, has free rein to set his own prices and can turn down freight that isn't profitable.

"We can pick and choose good and bad freight," he says. "If a shipper is not using us as a regular customer, we'll think twice about going out of our way for him. We're thinking twice about making a profit in the business now."

Alterman Transport is seeking out the more lucrative business of large volume shippers and is giving them discounts. At the same time, the company has increased its charges for small shipments (under 300 pounds) from $12.01 to $14.25-$16.25, depending on the distance the freight is carried.

Alterman, whose interest in the trucking business was piqued by the trucks that made pickups and deliveries at a produce market across the street from the Miami gas station he bought in 1935, has never been one to avoid taking chances.

Hauling frozen citrus products, fruits, vegetables, meats, seafood and other food products comprises 60 per cent of his business today, but back when he started in 1937 refrigerated trucks seemed anything but a sure bet.

"But I still remembered the days of the depression and I still remembered the days of hunger and I thought there would always be some business in hauling food commodities," he says.

His current fleet of 600 refrigerated trucks began with a wooden semi-trailer with ice bunkers built in the front and rear.

In the early days he would head north with limes, avocados and mangos, stop long enough for a "free razor blade and a shot of whiskey" in a small town in South Carolina and "keep on going."

Back-hauls were a problem until he began hauling northern vegetables down to Florida during the summer months.

Gradually, Alterman began adding routes. The company—which is headquartered at 12805 NW 42nd Ave., Opa Locka—now has 14 terminals nationwide and serves 1,800 Florida communities and 48 states. It employs 1,400 people.●

CARL VINSON

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. RODINO. Mr. Speaker, I join my colleagues in paying tribute to one of the legends of the House of Representatives, Carl Vinson, who passed away recently at the age of 97.

This soft-spoken Georgian was truly a legislative giant who laid the foundation of our modern military. The great strides that our Nation has made in the 20th century to become the strongest country on Earth were taken at the direction of Carl Vinson who served as chairman of the House Naval Affairs Committee from 1931 to 1947 and then as chairman of the House Armed Services Committee from 1949 to 1952 and from 1955 until his retirement in 1964. No person ever served longer in the House of Representatives than Carl Vinson—50 years and 1 month.

When he entered Congress in 1914, World War I was just beginning, and he immediately took an interest in strengthening our defenses. In the decades following, he was one of the first to recognized the importance of air power in our overall military preparedness, and he was a leader in moving America's Navy into the modern era.

But perhaps Carl Vinson's most important contribution was simply his constant presence—an awesome presence—as a statesman overseeing America's military. He was a powerful reminder to the Pentagon that the military policy of the United States is made by the Congress and the President, not the generals.

Carl Vinson's commitment to a strong defense was no greater than his love for this House and his devotion to its traditions. Uncle Carl, as he affectionately was known to his colleagues, knew how to move his bills through the Congress and many a young legislator learned the ways of the House by watching this knowledgeable and successful veteran. Lyndon Johnson, after leaving the Congress, told his friends that he was a graduate of "Vinson College." This respect and admiration was echoed by countless others.

Mr. Speaker, I was one who was privileged to serve in this House for many years with this great American and I am saddened by his death.

EL SALVADOR: WHY NOT NEGOTIATE?

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. EDGAR. Mr. Speaker, in the continuing debate over the administration's proper policy toward El Salvador, we have heard all sides. The majority of voices still seem to favor providing military assistance to the beleaguered government. But a vocal and experienced minority continue to speak for another policy toward El Salvador, one that seeks peaceful reform rather than violent civil strife. Robert White, former Ambassador to El Salvador, provides an excellent critique of our current policy in the following op-ed piece from the Washington Post on June 9.

[From the Washington Post, June 9, 1981]

EL SALVADOR: WHY NOT NEGOTIATE

(By Robert E. White)

The poverty of this administration's policy toward El Salvador becomes clearer every day. The government of El Salvador is going nowhere. The violence continues. The reforms have stopped. The economy is foundering. The extremes are gathering strength. Yet the only response from this administration has been to discourage diplomatic initiatives from friendly governments, to spin tall tales about massive arms shipments from Nicaragua and to point the Salvadoran military toward search and destroy missions against campesino towns suspected of containing guerrillas.

To a government pleading for economic assistance to carry out its reform programs, we have provided unneeded armaments. To a people crying out for an end to the violence, we have furnished unwanted military advisers. To moderate civilian and military leaders trying desperately to contain the slaughter practiced by the security forces, we have given an abandonment of our human rights policy and a justification for government-sponsored terrorism. To friendly governments seeking to encourage a negotiated solution, we have trumpeted unsupportable charges of a "textbook case of indi-

rect armed agression by communist powers." And to world leaders who believed that the United States had finally learned that counterrevolution is not an adequate response to a people determined to transform their country, we have responded with Cold War rhetoric.

If U.S. policy toward El Salvador continues to exclude a political solution to that country's tragic civil war, the inexorable result will be to drive the moderate element—the Christian Democrats—from the government. This has long been the objective of the economic elites that regard the commitment of the Christian Democrats to profound reform as far more dangerous than the threat posed by the guerrillas of the far left.

The Reagan administration has thrown its weight behind a miliatry solution to the Salvadoran tragedy. This has forced the Christian Democrats to equivocate regarding their long and strongly held position in favor of a negotiated solution to the conflict, and threatens their ability to govern. Two public examples that bear witness to the Christian Democrats' commitment to negotiation come to mind.

In October 1980, the bishop of San Salvador, Arturo Rivera y Damas, speaking in the name of the entire episcopate, offered to mediate between the government and the Democratic Revolutionary Front (FDR). While the FDR turned its back on the bishops' initiative, the government immediately accepted the mediation offer. A few weeks later, at a ceremony in the headquarters of the Organization of American States, Foreign Minister Fidel Chavez Mena stated unequivocally the government's willingness to "meet with all groups and sectors at the negotiating table."

It is important to be clear on this essential point. The Christian Democrats want to enter into negotiations with the FDR. It is the Salvadoran military that opposes any accommodation with the left, preferring instead to kill them with the assistance of our arms and our military advisers. Unless the United States uses its influence in favor of negotiation, the Christian Democrats have no choice but to temporize. They are not powerful enough to move the military toward a political solution without the solid backing of the United States. The Christian Democrats' only hope is that the nations of Western Europe and this hemisphere will persuade the United States to adopt a more responsible and humane course.

It is not only the Reagan administration that treats the Christian Democrats as expendable. Leaders of the FDR have persistently underestimated the importance of the Christian Democrats. FDR President Guillermo Ungo has spoken contemptuously of President Napoleón Duarte and other party leaders, describing them as nothing more than a facade for repression. This is both factually wrong and morally unfair. Men such as junta member José Antonio Morales Erhlich and Minister of Planning Atilio Vieytez, as well as Duarte and Chavez Mena are authentic democrats committed to a new deal for their country. More than the others, perhaps, Duarte may be tempted to use every device available to stay in office even after any real hope of transferring power from the military to the civilian institutions of the country has disappeared.

Ultimately, however, Duarte is a disciplined Christian Democrat. Should the party decide to leave the government, he will comply. And there is solid evidence of a sentiment building within Christian Democracy that the party can expect no support from the Reagan administration and would do well to leave the government in order to salvage what they can of its reputation. When Minister Atilio Vieytez said publicly that, while he did not dress in olive drab, he was as much a revolutionary as any guerrilla, he spoke for the great majority of the party.

The government of El Salvador contains worthy people, both uniformed and civilian. It also contains some of the most brutally repressive military in the world. Although the FDR counts many committed democrats in its ranks, it also contains armed guerrillas led by Marxist-Leninists who are guilty of unacceptable violence. It may be that any negotiation would both drive hard-line military elements into opposition to the government and induce some Marxist-led guerrilla groups to break away from the FDR. Both results should be welcomed. The repressive elements of the military, which regularly torture and kill, constitute a fatal weight around the neck of the government. The FDR must also decide which route it favors—negotiations, guarantees and elections, or a continuation of armed struggle. Each side must face the reality that it contains extremist elements which cannot be assimilated.

In a recent message to his confreres, the director general of the Jesuits, Pedro Arrupe, said, "Even when Christians recognize the legitimacy of certain struggles and do not exclude revolution in situations of extreme tryanny that have no other solution, they cannot accept that the privileged method for ending struggle is struggle itself. They will rather seek to promote other methods of social transformation calling for persuasion, witness, reconciliation."

Profound words. World leaders who profess Western values should indeed prefer negotiation over violence. It is therefore discouraging that the Reagan administration has set it face against a political solution for El Salvador. If it continues to follow this course it will alienate not only the Western community of nations but also the crucial civilian component of the government of El Salvador. For the Christian Democrats are not only tough, pragmatic politicians, they are also idealists who have more in common with much of the FDR leadership than they do with those whom professor Thomas J. Farer eloquently and correctly condemned as "an alliance of corrupted soldiers, industrialists and landowners (who) would rather fight to the last worker, peasant, politician and priest than accept reform."●

REUNITING A SOVIET MOTHER WITH HER AMERICAN DAUGHTER

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. WALGREN. Mr. Speaker, as you may know, Mrs. Pouy, a well-known actress in the Soviet Union and the daughter of a retired U.S. Navy admiral, left Moscow in 1975 to be reunited with her father in the United States for the first time. While in the United States she fell in love, married and stayed here and became an American citizen in 1980.

Since her arrival in the United States, Mrs. Pouy has been a rather well-known and outspoken critic of the Soviet Union. Her mother, Zoya Fyodorova, still lives in the Soviet Union and was permitted to visit the United States in 1976 when Victoria gave birth to a child. Soviet officials permitted Mrs. Fyodorova to visit her daughter in the United States each year since 1976 until January of this year when the Soviet Union permanently denied her request for an exit visa. It is my understanding that this denial is based solely on the Soviet's irritation at Mrs. Pouy's criticism of their policies.

Last week, Zoya Fydorova again applied for a Soviet exit visa and it is my hope, and I am sure the hope of every Member of this body, that the Soviet Government will look favorably upon this request enabling mother and daughter to be united once again, at long last.●

SUMMARY OF GLOBAL 2000 REPORT ISSUED BY ZERO POPULATION GROWTH

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. BEILENSON. Mr. Speaker, the Global 2000 Report was one of the major accomplishments of President Carter's administration. The report examines the interrelationships among population, resources, and the environment, projecting what conditions might be like in the year 2000 if we fail to slow population growth and to conserve resources and the environment.

The report, which was the first attempt by the Federal Government to systematically examine these relationships across agency boundaries, has generated a great deal of useful discussion. One organization which has contributed to the examination of these issues is Zero Population Growth (ZPG), which helped found the Global Tomorrow Coalition, a group of organizations concerned with the issues raised in the report. Now ZPG has released a useful brochure describing the report. Because of the importance of these issues, I commend the ZPG brochure to my colleagues.

CREATING THE COMING CENTURY

Continuing growth of the world's population, depletion of its natural resources, and deterioration of its environment increasingly threaten the prosperity and security of the United States and its citizens.

This is a major implication of the Global 2000 Report, completed in 1980 by the Council on Environmental Quality and the Department of State with the help of 11 other government agencies. The report presents projections of what could happen if steps are not taken to curb populatior

growth, conserve natural resources and safeguard the environment.

It shows how growing numbers of people exhaust resources and strain environments, steadily undermining and ultimately endangering the fragile systems upon which life depends.

GROWING POPULATIONS

Today, the world's population numbers 4.5 billion. The Global 2000 Report projects it will swell to 6.3 billion by the turn of the century. Just the increase in global numbers during the next 20 years will equal the total world population in 1930. By 2000, population will be growing by 100 million a year—40 percent faster than in 1975.

Ninety percent of this growth will occur in Less Developed Countries (LDCs), where eight of every 10 people on earth will live by the year 2000. Most of these people will be young. So many young people are bound to create even more population growth, crowded job markets, and pressure for migration.

And many more of these people will live in bloated, congested cities. Mexico City is expected to reach 30 million, while Bombay, Calcutta, and Seoul each will approach 20 million. By the turn of the century, cities of 10 million will be commonplace in LDCs. America's largest city—New York—had nine million in 1980.

More people will be added to America's population than to that of any other industrial country. The U.S. population will rise from 228 million in 1981 to 260 million by 2000.

DWINDLING RESOURCES

The Global 2000 Report confirms that the world's population is consuming its limited resources at a dangerously rapid rate.

In 1970, 2.7 acres of land produced enough food for 2.5 people. By 2000, those same 2.7 acres will have to feed four people. But, just as the need for food is increasing, topsoil erosion, nutrient loss, water shortages, and land development—all on the rise—are exhausting the land and reducing its output.

Forests are being felled rapidly, especially in LDCs, where 40 percent of the ground cover and tree reserves will be lost, chiefly to fuelwood, by 2000. By 2020, virtually all forests in LDCs within reach will have been harvested. The loss of forests hastens the erosion of soils and loss of water, contributing to the spread of deserts. Each year, an area the size of Maine turns to desert; by 2000, the deserts' share of the earth's surface will have grown by 20 percent.

Fisheries, fouled by water pollution and exhausted by excessive catches, are expected to yield little more by 2000 than they do today. Right now, the world's catch meets 27 percent of the protein required by the world's 4.5 billion people; in 2000, that same catch must be spread among 6.3 billion people.

The world's population is expected to use between two and three times more water during the next 20 years. Population growth alone, apart from agricultural and industrial development, will double the demand for water in half the countries of the world.

Throughout the world, demand for energy is expected to rise by 60 percent. Production of conventional sources of energy, especially oil, is expected to peak or fall, as well as become more and more costly. As the harvesting of forests accelerates, fuelwood, the major source of household energy in LDCs, will become increasingly scarce; a shortfall of 25 percent is expected before 2000.

Growing demand for dwindling resources will increase prices and decrease living standards.

DECAYING ENVIRONMENT

As more and more people compete for fewer and fewer resources, stresses and strains on the earth's natural environment mount.

Land: Accelerating loss of farmland and ruin of soils severely threaten the future of agriculture in much of the world. Overgrazing, excessive planting, and use of shrubs and trees for fuel are bringing desert-like conditions to many dry regions in LDCs. Because the demand for food, timber and living space is expected to increase, prospects for slowing the loss and ruin of the land are bleak.

Water: Widespread and heavy use of chemical pesticides and fertilizers, together with urban growth and industrial expansion, are accelerating water pollution around the world. Disease, flooding and erosion will become common in river systems and coastal waters, as more and more rivers are dammed to generate electricity.

Air: Air quality, already a serious problem in many of the world's cities, is expected to deteriorate still further as larger cities burn more coal. Air pollution will become an even greater problem in LDCs where cities and industries will grow most rapidly.

Greater and greater air pollution may seriously affect the earth's atmosphere, bringing about a warmer climate which could hinder food production and raise sea levels.

GLOBAL FUTURE AND THE NATIONAL INTEREST

Rich and Poor

Growing populations, dwindling resources and decaying environments are bound to cause economic disorder, civil strife and political upheaval in many LDCs. As the weak economies, frail social structured, and unstable political institutions in these countries give way under pressure, the tremors will be felt around the world.

Differences in wealth between industrial countries and LDCs, already wide, are expected to widen even further. At present, 25 percent of the world's population lives in industrial countries with 80 percent of the worlds wealth. The remaining 75 percent lives in LDCs with only 20 percent of the wealth. Although Americans comprise only five percent of the world's population, they use 10 times the world average of energy, six times the steel and four times the grain. One of every nine barrels of oil produced in the world goes into the gas tanks of American cars.

Although the Gross National Products (GNPs) of LDCs are projected to grow faster than those of the industrial countries during the next two decades, so will their populations, providing little or no gains for their people. Per capita GNP in 2000 is projected to average about $8,500 (in 1975 dollars) in developed countries and less than $600 in LDCs.

NATIONAL PERSPECTIVE

The United States cannot escape the repercussions of greater tension and turmoil elsewhere in the world.

More than ever before, America relies on foreign sources for commodities essential to its prosperity and security. And not just oil. By 1985, the United States will import over half its supplies of basic raw materials, many of them—particularly minerals like cobalt, bauxite, chrome and tin—with strategic uses and without viable substitutes. And a significant share of these resources comes from those very countries most liable to unrest. The ongoing energy crisis indicates how gravely day-to-day life across the country can be affected by events in faraway places. Falling output, climbing prices, and rising unemployment follow from the uncertain availability and increasing cost of essential resources.

America's security is threatened more and more by problems aggravated by population growth and resource scarcity. These problems, by their very scope and nature, cannot be resolved by military power alone. Lasting solutions also require a wide range of policies and strategies to meet these global challenges.

POPULATION POLICY: A FIRST STEP

Imaginative, sensitive, skillful and generous policies, launched quickly and pursued with patience, courage and purpose, are required to meet the challenges of the Global 2000 Report.

The first step must be to break the vicious spiral of rising population, dwindling resources and decaying environment by planning for an end to population growth—both at home and abroad.

The United States, with its power and prestige, must show leadership if the warnings of the Global 2000 Report are to be heeded by nations around the world. The U.S. can begin by adopting a national population policy aimed at eventually halting the growth and effectively managing changes in the American population. At the same time, the U.S. must help to ease population pressures in other countries. Only Austria and Italy provide a smaller share of their GNP for foreign aid than the U.S.

The Global 2000 Report challenges us to prepare now for the coming century. The sooner we begin, the greater our chances of success.●

ISRAELI STRIKE AGAINST IRAQ

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. McGRATH. Mr. Speaker, the reaction to Israel's attack on the Iraqi nuclear reactor was one of official condemnation by most nations. This is certainly nothing new and, as usual, it is excessive. Further, it entirely misses the real issue.

It is necessary in this case to look at the mission from Israel's point of view. Iraq is an avowed enemy of the state and of Israel, and there is no doubt as to the purpose behind Iraq's development of an independent nuclear capability. All one has to do is read statements from Iraqi officials to see that Iraq is intent upon destroying Israel. On October 4, 1980, after the unsuccessful Iranian attempt to destroy the same facility, the Iraqi newspaper Al Tawrah stated:

> The Iranian people should not fear the Iraqi nuclear reactor which is not intended to be used against Iran but against the Zionist enemy.

Iran and Iraq are in a state of war, because Iraq has never seen fit to sign the Middle East cease-fire. Since 1948, Iraq has refused to recognize Israel, and has been a major supplier of the terrorist organizations which have at-

tacked Israel. In view of the fact that the Iraqi reactor was scheduled to go "hot" as early as next month, and that Iraq was likely to have a nuclear weapons capability by the end of the year, the Israeli attack was hardly surprising. Since a nuclear weapons capability for Iraq posed a legitimate, immediate threat to Israel's security, I am hard pressed to condemn the attack.

To me, the real issue is the role of France and Italy in providing Iraq with a nuclear capability. In exchange for oil, those two nations have helped to promote instability in an already volatile region of the world. The goal of the United States and its European allies should be nuclear nonproliferation, not the spread of nuclear weapons to all nations that can afford to pay for them. I hope the Reagan administration will use this latest episode to press for greater international cooperation to stop the spread of nuclear weapons.●

REV. WILLIAM JAMES

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. RANGEL. Mr. Speaker, Rev. William James, pastor of the Metropolitan Community Methodist Church, has served the community of Harlem for 40 years. In honor of his dedicated and able leadership, members of the community gathered at a testimonial recently to show our appreciation for his years of service. I would like to share with my colleagues the remarks that I delivered at this occasion.

REMARKS BEFORE TESTIMONIAL HONORING REV. WILLIAM JAMES

I am glad to have this opportunity to be present at this testimonial dinner in honor of a great New Yorker and dear friend Reverend William James. For over 40 years, Reverend James has been an activist in the community, as pastor of the Metropolitan Community Methodist Church. During this time, he has demonstrated his compassion and support for all those around him. Although he is pastor of a church and works very diligently there, his work isn't confined to the environs of the church.

Bill James is Chairman of the Harlem Urban Development Corporation Board of Directors. We are all very proud of his work in that capacity because this is the vehicle we have for bringing needed housing and other community development projects to the district. I sit with Reverend James on the Board and have had the opportunity to watch as he uses his engaging personality and ability to forge compromises. I and other Board members marvel at his unique trait of being able to bring various factions in our community together so that the very impressive revitalization programs of HUDC can move forward. When Bill James comes to you and solicits your support, it is extremely difficult to turn him down.

In these very difficult economic times, it is imperative that all community leaders recognize the need for their heightened activity on behalf of our aged, sick and poor citizens. The thrust of this Administration is to reduce the levels of Federal spending. Programs which were designed to service those in need are being drastically reduced, if not totally eliminated. States are being given responsibility for deciding as to how the Federal dollars coming into their states should be spent. This new direction on the part of the Reagan Administration portends adversely for those programs that Reverend James and I have worked on jointly.

The Federal government became involved in the social welfare area not out of choice but out of design. It was clear that the State governments weren't enacting legislation to deal adequately with the basic minimum visa-vis the less fortunate within our society. Who can forget the factory sweat-shop, the terrible working conditions at sub-human wages or the not too long ago scene of Blacks riding on the back of mass transportation vehicles? Without the Federal government intervention we would see more vestiges of our blighted past than we do today. The question is why then should we subscribe to this policy that would reverse the progress that we have fought so hard to achieve.

Reverend James understands quite vividly the need to keep up the struggle. He has been in the trenches and has fought the battles that have helped to produce the victories on behalf of the cause of racial and economic justice. He knows that in these changing times it isn't enough for a clergyman to remain isolated in his church or rectory, oblivious to the world outside. We are all our brother's keepers and if our society is to survive as we know it, then more individuals, be they clergymen or just laymen, must follow his lead. The battles will be difficult but they require the efforts of all.

I have been proud to be associated with Reverend James. The community has benefitted greatly from his leadership and I know that although today has been selected for his testimonial, that long after this day passes, the legacy of Reverend William James will indeed live on. Congratulations to my dear friend and fine human being.●

THE NEED FOR PRODUCTIVITY—NATIONAL PRODUCTIVITY IMPROVEMENT WEEK

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. LEVITAS. Mr. Speaker, all of us are concerned about the inflation that is eating away at our wages and salaries, our lifestyles, our savings, our entire economy. And, we all have ideas about how to go about combating this pernicious problem.

However, there is a weapon in our economic arsenal that has been too long overlooked, and it is a weapon that most of us can agree on. What is more, it is a weapon which individual citizens, business enterprises and governments—local, State, and Federal—can pick up and use. This unheralded weapon is productivity improvement.

Productivity is a comparison—comparing the values of what is produced with what is needed to produce it. In other words, productivity is input compared with output. Productivity encompasses the contributions of all resources of production: Technology, capital, energy, and the human effort and skills needed to manage them. A nation or an industry advances by using less of these resources to turn out more products and services.

This has been true throughout American history; our ability to produce more in less time and with fewer resources has helped raise our standard of living.

This natural yielding of more benefits from improved use of resources works well when allowed to function. The problem comes when increases in productive output or quality fail to cover increases in the cost of labor or other resources used. This creates inflationary prices because when productivity falters while a producer's costs go up, there is often no other choice—the producer must charge more for its goods or services in order to stay in business.

Thus at least one major remedy for inflationary ills is to increase American productivity, which for the past entire decade has lagged sadly behind increases of other industrial nations.

Since World War II, America has watched other countries close the gap on its productivity leadership. In 1950, for instance, one U.S. worker produced as much as seven workers in Japan and as much as three in Germany. By 1977, it took fewer than 3 Japanese or 1.3 Germans to match 1 American. And by early in 1979 the productivity path of America not only sputtered, but showed a downward turn.

There are several things we can do to improve productivity over the long run—tax incentives and fewer governmental restrictions to encourage more research, development, and capital investment and better training of workers to give some examples—but there is one thing that we can do to get the ball rolling and that is to stress the relationship of productivity to inflation by bringing it to the attention of the American people.

The American Institute of Industrial Engineers is again sponsoring the "National Productivity Improvement Week," to focus more attention on this vital subject. AIIE chapters all over the Nation are participating in this event. The theme is "Raise Productivity, Check Inflation," and posters extolling this fact will be on bulletin boards throughout hundreds of communities. They will also be contacting the media—newspapers, radio, television, and others—to help explain the importance of productivity improvement and help turn this around for America.

Today I am introducing a House Joint Resolution to proclaim October

5 to 11 as "National Productivity Improvement Week" and I invite each of you to join me in this effort.

The Joint Economic Committee in a report on productivity and inflation said:

A rising rate of productivity growth can reduce inflation over time and will generate greater incentives to capital formation and productivity growth.

* * * * *

The time has come to end the long neglect of lagging productivity growth in the analysis of economic events—not only in the analysis of real growth over the longer run, but the dynamic process of accelerating inflation.

I urge each of you to join in this effort.●

THE SECRETS OF SCIENCE BEGIN WITH SURPRISES

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. BEDELL. Mr. Speaker, on April 18, 1981, Dr. Lewis Thomas addressed the Clearinghouse on the Future during one of our "Dialogs on America's Future." Dr. Thomas is the author of the National Book Award winner, "The Lives of a Cell," and "Medusa and the Snail"—both collections of essays about biology and the human condition. Dr. Thomas is also the chancellor of the Memorial Sloan-Kettering Cancer Center in New York City.

Mr. Speaker, Dr. Thomas urged us to explore the future of science and of basic research, and I recommend his remarks to my colleagues.

A DIALOG ON AMERICA'S FUTURE WITH DR. LEWIS THOMAS

I am grateful for this opportunity to talk to Members of Congress.

I'd like to talk about two or three things that are connected to each other—the state of basic science in this country at this time, and the prospect for fundamental research as I see them over the rest of the century.

Several weeks ago I was here for a meeting of the National Academy of Sciences. The Great Hall of the Academy was occupied by exhibits of scientific accomplishments carried out by high school students from various parts of the country. I spent a fair amount of time going from one booth to another and I came away vastly encouraged. There was evidence all around of real scientific talent—the presence of genuine investigators in the population aged 16–18 years old. The problems they dealt with ranged from particle physics to quantum mechanics—mathematics, biology, ecology, medical science.

Since then I've had a deepening anxiety about what's going to happen to people of that caliber. Biological science is moving more rapidly and has gained the capacity to probe more profoundly into processes of living than ever before in history. Things that are happening now that were unimaginable five years ago.

I am no longer able to imagine any human disease among the major health problems in our kind of society that represents an impenetrable problem. This is a great change, and has occurred just within the past decade. There are ways into problems like schizophrenia, senile dementia, rhumatoid arthritis, diabetes, most of the afflictions that make aging the most humiliating and incapacitating disease-like condition that it now is for so many people.

Within the basic science community, there is a general air of well-founded and genuine optimism. At the same time, there are several pieces of reality confronting all of us that seem at odds with the possibilities. There is some slippage in basic science. It is partly due to the shortfall in funding, but only partly. It is partly due also to the sheer size of scientific enterprise in this country which began to be created in the 1950's, principally through the National Institutes of Health (NIH), but also through the Department of Defense (DOD), and the Energy Commission and the National Science Foundation (NSF). That growth has now leveled off because you can't grow by 18–20 percent a year. But it's leveled off enough so there are now cuts in funding because of inflation. One damaging result of this is the impact on the brightest young investigators.

The competition for research grants has become so intense and the anxieties in the younger group so deep that one outcome is a tendency on their part to do safe and sound research, instead of research that involves real risks.

Partly the difficulty is the bureaucracy and the rules for accountability. Some of the young investigators tell me they spend 20–30 percent of their time filling out grant applications and the paperwork accompanying grants.

SCIENCE RESEARCH BECOMING RISKLESS

I'm worried because I think we're beginning to drift as a country into fundamental research which is unlike us as a people. We're not gambling the way we should, not allowing risks in our research enterprise. We don't even have a capacity for the development of our high technology instrumentation for basic research. We are dependent on Germany or France or Japan if we want something complicated. We are lagging behind in basic research at the same time these other countries are investing more of their GNP in fundamental science.

One of the unnatural phenomena in this country is the schism between the universities and industry in the world of science. In the last half decade, something has happened to industrial science, especially in the pharmaceutical industry, but also in hard science industries as well. They have attracted into leadership positions some of the very best professionals from the universities. The climate is very different. There used to be a lot of hostility between the university scientific community and industrial science, with both groups looking down their noses at each other as though there were castes of scientists. This has changed. it would be a good time for the country to encourage partnerships and close linkages between parts of the industrial world and the university world. There are a lot of myths about this: one is that the requirement for secrecy and confidentiality is so important in industry that academic scientists can't play at that game. This is not what I'm told at all. I'm not taking about industry investing in university science for products. I'm talking about an investment on their part for information, which has to be developed if they are to have products that are competitive with those in Europe and Japan ten years from now. Unless something is done to stabilize part of the university science effort, the corporate world is going to run out of new information, and therefore new products before the end of this century.

The industrial science labs have got a technology that we do not have in the university, and we should not attempt to scale up as they scale up. For their part, they should not invest in acquiring a basic science capacity of their own. I see no reason why we couldn't form partnerships with joint academic appointments, with the exchange of graduate students and fellows between the two parts of the enterprise where the only quid pro quo for the industry would be access to information as it turns up. If such arrangements had existed in the labs that emerged with recombinant DNA technology, the industrial labs could have taken the research back to their own labs and developed the products themselves.

SCIENCE EDUCATION IS A SCANDAL

Education in science in primary and secondary schools in this country is nothing short of a scandal. It is a very real problem. Math, physics, chemistry, biology are taught for shorter lengths of time than ever before in private schools as well as public. As long as the job market is as tight as it is for Ph. D's and persons with higher degrees, we should recruit them for high schools and elementary schools and try to make that into a profession with the dignity and prestige it deserves.

On the matter of accountability, there is a misunderstanding in the public mind and, to some extent, in Washington about what basic science really is and how it works. It is an unpredictable enterprise. The investigator trying to study a phenomenon tends to make up a story for himself and then tests the validity of the story by setting up experiments. He does so in an atmosphere of almost complete uncertainty. The only certainty is that he may be wrong. There is a high degree of fallibility; therefore, committees cannot sit at the center of things and decide which kind of basic science should be encouraged in order to get which kind of technology. It doesn't work that way. The way it works is by surprise. The way you tell if things are going well is to walk through the corridors of your institution, and if you hear a burst of laughter as you pass a lab and a voice saying, "That's impossible," and more laughter, then you know that something very good is about to happen. You direct your attention and budget there. Most of the really good things that happen in the field I know about start out being very funny and very entertaining.

In closing, I've been involved with the Office of Technology Assessment (OTA) and I'm proud of that involvement. I think that group is doing an extremely good job. I wish there were an "S" in OTA's title. I'd like to see some effort to assess basic science as it moves along, so there's more awareness in government of the really exciting areas in fundamental science and where they might lead. It's very well to worry about the impact of technology, but in order to get that technology, the basic science must be

done first. Maybe we can talk more about this together.

QUESTIONS AND ANSWERS

Question. It seems to us lay people that the scientific revolution is picking up steam and moving more quickly and reshaping our society. This is especially true in the biological sciences in the last five years. Will this continue and are we on the edge of an era of possibilities in the biological science comparable to that experienced in physics in the last few decades?

Answer. Yes, but I am a congenital optimist, and can see nothing but gain for the society in what lies ahead. It is unpredictable. I look for a time when the major diseases—diabetes, coronary, stroke, schizophrenia, senile dementia—can be prevented. I think something will certainly happen in the field of senile dementia in the next 20 years if we can work on it. It's a hard problem to get young people to work on because it's so chancey. There's no assurance of renewal of a grant if a young investigator gets onto something as hard as that.

A question is raised by this—What are we going to die of and what happens with more older people in the population? That we won't die is a fiction. The life span of human beings will not and cannot be much changed. It simply means that we will not be totally incapacitated for the last decade of life. I wouldn't want to meddle with when we die. Things like cloning I think are largely science fiction—in the sense that no respectable intelligent scientist would waste time on that kind of a problem in a human being. We might want to clone mice, but not Henry Kissinger, because it simply would not work. To make it work, you'd have to clone the parents, the siblings, the environment, and since each of these is associated with others, you'd have to clone them. You'd have to clone the whole earth and all its population, and we don't have enough money for that. I don't see anything hazardous as we learn more biology and biomedical science.

Question. Apparently you're not concerned that the profit motive could cause industry to move research into a detrimental direction.

Answer. The profit motive on industry's part is what everybody knows it to be. What I'm hoping for is enough insight and imagination in industry to think 10-15 years ahead and to be able to invest in pure information, not products. I think they have a role to play. They will profit from it sooner or later. With some changes in tax laws, it could be made more enticing for them. I do not envision a connection where secrecy would be imposed on the scientists. I think there is great value in information for its own sake, and there is great advantage at getting a first look.

ROLE OF FEDERAL GOVERNMENT IN RESEARCH

Question. Where should basic research be, given the high cost and necessity for academic freedom? And what role should the federal government play?

Answer. In the best of all worlds, the federal government should carry the basic responsibility, because it is in the national interest of our society. We are good at research and imaginative, and could do a lot more. I don't really care which agency supports it. I don't think there is a problem of overlooking the eventual applications of basic scientific information in this country. There is some risk of overapplication, premature application. But every basic scientist I know lies awake at night hoping what he is doing will be useful. The risk now is that the Wall Street Journal has discovered biology, and you can make money from recombinant DNA technology. I am fearful this will divert some very brainy, imaginative and productive people out of university labs and into those of industy. This could be very damaging to science. I'm delighted that Harvard backed away from involvement in that kind of venture.

Question. Is there a need for a sort of clearinghouse to coordinate science research efforts all over the country?

SCIENCE NEEDS BETTER PUBLIC RELATIONS

Answer. It would be a good idea. The scientific community has been very poor at telling the general public what they're up to. The public has been badly served until now. Scientists have a responsibility to explain what they're doing and why it is useful and exciting. Because they haven't, there are misapprehensions. For a nation as wealthy as this one, even in our economic trouble, the amount of money needed for supporting and stabilizing basic research is a relatively trivial sum. It ought to be something between one and five percent of the GNP. That's not a lot of money. It has an absolutely certain payoff. The only technologies that we do have which we value, both in hard science and medical science, have come from fundamental research done for motives or reasons that had nothing at all to do with the final technology. If we don't do something about it, the Europeans and the Japanese will be running rings around us.

Question. Can we understand the mystery of life and, if not, how can we understand death?

Answer. One great discovery of this century is that of the depth of human ignorance. We have none of the confidence as a society that we had a century ago that we understand any of the important aspects of living and being. In the 18th century, we knew everything about everything. Now we've discovered ignorance and it makes for an uneasy society, skeptical, occasionally despairing. We can't go back, and once we acknowledge the profundity of our ignorance, we can begin learning. Whether the learning turns out to have salable products and use technologies, doesn't matter over the long haul. We are creating a basis for wisdom, based on comprehension. There are some mysteries that are totally impenetrable, but we will keep after them century by century.

Question. What is happening to good science teachers? Don't most scientists go to labs instead of into teaching?

Answer. The academic community is anguishing over this problem now more than ever before. We built the wrong kind of merit system; it's impossible to advance through the ranks toward tenure in a university or medical school on merit, other than that based on research or productivity. We do not acknowledge teaching as we should. One reason we're into this trouble is that we bought into federal support long ago, especially in medical schools.

I came up in the Rockefeller Institute under Thomas Rivers. He believed anybody who came to do research should be (1) unmarried and (2) willing to starve in a garret. When we were commissioned and given Naval uniforms and salaries, Rivers thought it would be the ruination of the Institute. Now we've gone the other direction and it needs correcting.

Question. You seem unconcerned about the risks of scientific discovery in the future. How can Congress be sure that scientists are being responsible, and what is the role of a public body in thinking about science?

Answer. It's important to distinguish between science and technology in this respect. I would resist to the end the notion that there are some things human beings ought not to know. I have no misgivings about turning decisions about technology over to any public body with the competence to make decisions about its use. These are separate things. The science comes first.

Question. Could the information transfer that goes on within and between cells be responsible for a multitude of diseases? What is that information transfer?

Answer. Most important is a set of labels on the surface of the cell, which can be recognized by immunologic techniques, by the development of antibodies. We now can recognize any change on the surface of the cell and can track in embriologic development changes that seem to be associated with the differentiation and orientation of new tissues. The information that is exchanged, cell to cell, is either by contact or the exchange of molecules.

There are some very funny things about cells. You can take a mosquito cell, and by playing a trick, you can fuse it with a mouse cell and the two nuclei fuse. Now you have a hybrid cell, the most unnatural thing I've heard of in nature. It begins dividing and replicating the full genome of both parties. This is one of the most useful discoveries in genetics that has ever turned up. As the hybrid cell divides, it makes mistakes and will spit out chromosones and these can be identified for what they are. As chromosones are lost, enzymes (measurable) are lost and we have been able to map the human genome so we know what chromosones certain enzymes are located on, and what they do for the welfare of the cell. A lovely technique.

Question. Regarding the lack of risk taking, what could Congress do to encourage the risk of failure?

LONGER TERM SUPPORT FOR RESEARCH IS NEEDED

Answer. We need longer term support for carefully selected people. A bit more elitism is needed in science—as much as a ten year grant for some kinds of scientific problems like senile dementia. This condition costs the country 20-25 billion dollars a year, and is the principal reason for the existence of nursing homes. There is a strong possibility that some of it is caused by slow viruses, which are at first dormant and begin to cause brain cell destruction in old age. That is a risky problem. It means you have to test for the virus, and be willing to accept an incubation period of one and a half to two years. Your first experiment won't be finished until your grant is up. And if you're a good scientist, the first experiment will be wrong. The way to solve it is to pick a good university science lab and give them ten years to work on it.

There are no guarantees but if we appreciate the surprise element in basic science and the need for longer term support, we really can solve some of the medical problems that are costing this country billions and billions of years. I thank you for the opportunity to talk about some of these issues, and commend you for your support of the Clearinghouse.●

MOURNING THE BOMB

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. LOWERY of California. Mr. Speaker, I encourage my colleagues to carefully evaluate Israel's successful operation against the Iraq nuclear facility before reaching any hasty conclusions which condemn this incident.

Israel's air strike, from an Israeli perspective, was clearly a defensive and necessary action, aimed solely at maintaining the status quo within the region. Unquestionably, nuclear weapons development by Iraq poses an unacceptable and direct military threat to Israel and, hence, a serious threat to world peace.

In light of the foregoing, I would like to call my colleagues' attention to an editorial that appeared in the Wall Street Journal of June 10, 1981, entitled "Mourning the Bomb."

[From the Wall Street Journal, June 10, 1981]

MOURNING THE BOMB

An atom bomb for Iraq, we have learned in the last 24 hours, has become the latest great cause celebre of world opiniondom. Various governments, including our own, and a lot of pundits have been busily condemning Israel's raid on Iraq's nuclear reactor. Our own reaction is that it's nice to know that in Israel we have at least one nation left that still lives in the world of reality.

What is going on here: Iraq, awash in cheap crude oil, wants a big nuclear reactor. It rebuffs French suggestions to give up the original design and substitute one that does not need weapons-grade uranium. It has been buying raw uranium, which is not suitable for use in reactors, but dandy if you want to use the reactor to breed plutonium for weapons. Faced with this evidence, the conclusion of world opinion has been everything's OK, Iraq has signed the nuclear non-proliferation treaty.

This kind of silliness has a mysterious power to blind most who man foreign ministries, think tanks and editorial sanctums. Of course Iraq was building a bomb. Of course its intended target was Israel. Of course, given the Iraqi reputation for political nuttiness reaffirmed again in its starting a war with Iran, its atom bomb would also have been a danger to all its neighbors. We all ought to get together and send the Israelis a vote of thanks.

Israel, which is assumed to have its own atom bomb but not to have conducted a test explosion, was not acting out of some abstract concern with nonproliferation. It was pursuing its own national interest, and in its timing also no doubt Prime Minister Begin's political interest in the impending elections. Its pre-emptive strike was strong medicine.

This would not have been necessary, though, if the reality that marked the Israeli decision had been present in the United States' non-proliferation policy this last decade or so. These efforts more or less went out the window when the U.S. refused to take sanctions against India's "peaceful nuclear device," exploded in violation of an agreement with the U.S. After this show of irresolution, the U.S. could hardly expect to persuade, say, the French to pass up sales to Iraq. Soon the whole non-proliferation question was lost in the fog of international negotiation.

To give the worriers about Israel their due, there is always reason to be concerned that any military act could prove to be the spark in the tinderbox of the Middle East. But we have been under the impression that the Middle East wasn't a very peaceful place even before last Sunday. People were being blown up on the beaches of Beirut and in the redoubts of western Iran. To judge the extent of the silliness, notice that among the governments objecting is Iran, locked in war with Iraq. Is there any reason to doubt that there were sighs of relief in the Saudi palaces on learning that Iraq won't have a bomb soon.

Being concerned about the peace of the Middle East does not make it necessary to be easily deceived about the necessary components for peace. Without a doubt, the ability of Israel and Egypt to come to terms has contributed mightily to that end, and President Carter's role in aiding that agreement was a major foreign policy achievement. But Lebanon has become a madhouse and the Soviet Union, through its surrogate, Syria, seems intent on keeping it that way to keep the Middle East pot boiling.

In such a situation, it is not entirely implausible for the United States to send a shuttle diplomat to try to damp down the passions and seek out possibilities for a modus vivendi. But the best chances for peace, to the extent they exist, depend far more heavily on balance of power perceptions in the area itself.

The Israelis are not infallible, but their security for 33 years now has depended on making careful power judgments. They know that their best chances for avoiding bloodshed lie in frequently reminding their neighbors that they are strong and that their wishes are not to be taken lightly.

The Israeli approach to non-proliferation is limited and direct. But their outlook on the world and on what it takes to earn the world's respect offers a few lessons we ourselves could profitably learn.●

VOTING RIGHTS ACT

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. FORD of Tennessee. Mr. Speaker, the landmark Voting Rights Act of 1965 will expire in 1982. H.R. 3112 has been introduced to extend the act for an additional 10 years (1992). Recently, I testified before the Subcommittee on Civil Rights of the Judiciary Committee which is considering H.R. 3112.

It is important that this important act be extended for an additional 10 years. While it is true that black voter registration has increased significantly since 1965, the percentage of registered black voters still lags behind that of white registered voters.

However, we must look beyond numbers and percentages of voters. We must also remember that while it is doubtful that there will be literacy tax tests and poll taxes which were utilized to prevent blacks from voting prior to the Voting Rights Act, we still have sophisticated methods of voter discrimination based on race such as redistricting election districts, relocating polling sites away from black communities at the last minute, converting single-member districts to at-large districts, and switching elected positions to appointed ones. It is obvious that the act needs to be extended in order to insure that the voting rights of black Americans are not diminished.

Furthermore, it is important that the Federal Government continue to review proposed changes in election and voting procedures in States and localities that have had proven track records of discriminating against minority voters.

It has been proposed that the burden of proof of discrimination should be shifted to the complaining party. How does one prove intent to discriminate, unless one was present when the decision to discriminate was made? I believe that the burden of proof should be on the party which has a history and tradition of discriminating. The current Voting Rights Act does this.

We must also maintain the Voting Rights Act because Hispanics and other minority groups are also experiencing various discriminatory practices relative to their voting rights.

I submit the following testimony in support of extending the Voting Rights Act of 1965 through H.R. 3112:

TESTIMONY OF CONGRESSMAN HAROLD FORD ON THE VOTING RIGHTS ACT OF 1965, BEFORE THE SUBCOMMITTEE ON CIVIL RIGHTS OF THE HOUSE JUDICIARY COMMITTEE, JUNE 10, 1981

Mr. Chairman, I would like to thank members of the subcommittee for permitting me to speak before you, my colleagues, today on behalf of the Voting Rights Act of 1965.

I stand before you today as one of two black representatives from the South currently serving in the Congress. While Tennessee was one of the Southern states not covered by the Voting Rights act of 1965, the momentum of the legislation swept through my home state like a forest fire, and the number of black voters in Tennessee increased significantly. Had not the Voting Rights Act been passed, I seriously doubt that I would be standing before you as the elected representative of the 8th District of Tennessee. Although I was only 20 years old and a college student when the Voting Rights Act was passed, it had a very special meaning to me and that undiminished meaning is even more significant today.

When the landmark voting rights act was passed in 1965 by the Congress, it was viewed by many citizens, black and white—as one of the most significant pieces of civil rights legislation passed in the history of the United States.

The year 1965 was almost one hundred years after the Civil War ended, and the Emancipation Proclamation was signed by President Abraham Lincoln. Yet, it took that long for voting privileges of black

Americans in this country to be fully guaranteed and enforced under the law.

During the Reconstruction era, after the Civil War, black Americans in the Southern States did exercise their new voting rights, and they elected 20 black members to the Congress of the United States, including two black senators.

As you know, at the end of the Reconstruction Era, black Americans were quickly disenfranchised through gerrymandering, poll taxes, literacy tests, and violence and intimidation by various white supremacy organizations which were sanctioned by local and state government officials.

In the 1960's, black Americans became adamant about exercising their voting rights despite its specific language that neither the Federal government nor any state could deny the right to vote because of race, color or previous condition of servitude, the 15th Amendment of the U.S. Constitution, ratified in 1890, had not been successful in ensuring that black Americans could vote.

When the Voting Rights Act was passed in 1965, it, in effect, utilized an administrative remedy for ending voter discrimination based on race. The judicial process had been slow and had not worked effectively. The Voting Rights Act of 1965 as amended in 1970 and 1975, prohibited literacy tests and other devises used to qualify individuals for election, provided for federal examiners to supervise the voting process when necessary, required approval by the federal government before changes could be made in voting registration laws or procedures in the affected states, and provided for language requirements other than English in affected states to protect the rights of non-English speaking groups.

As the result of the enactment of the Voting Rights Act of 1965, black voter registration and participation increased dramatically. For example, in the seven years, from 1965 to 1972, the percentage of blacks who registered to vote in seven southern increased form 29.3 percent to 56.6 percent. Furthermore, in these states, black elected officials increased from less than 100 prior to 1965 to more than 1,100 in 1974. These numbers have continued to increase. For example, in Mississippi, almost 70 percent of black citizens are registered and there are approximately 400 black elected officials.

Even given these impressive statistics, there are some that say that the Voting Rights Act of 1965 has outlived its usefulness and should not be extended when it expires in August, 1982 or should be modified. There are those that say times have changed, and that this is 1981, not 1965. I should note that those who focus their attention on ending or modifying the Voting Rights Act tend to look at only a few of the aspects of the act—the increased number of registered black voters and the elimination of literacy tests. I remind you that while black voters certainly have increased in the affected states that I previously mentioned, their registration percentage generally trails that of white voters—56.8 percent for black voters compared to approximately 70 percent for whites.

As proposed in H.R. 3112, I believe that it is necessary to extend the Voting Rights Act for 10 years, until 1992 in order to protect the impressive gains that have been made. To not extend the Act, or to significantly "water it down" would seriously erode these gains.

One of the important factors of the Voting Rights Act is Section Five which forbids any State or Political Subdivision to put into effect any voting qualification or prerequisite to voting, or standard, practice, or procedure, unless submitted to the Justice Department for prior approval to ensure the proposed change does not discriminate on the basis of race or language.

Without the preclearance provision of the Voting Rights Act, states and localities would again be free to resort to more sophisticated and subtle methods of disenfranchising and discriminating against black voters. No, I don't think there will ever be poll taxes or literacy tests again, but I do think that the following methods could easily be utilized as they are being used by some localities at this very moment:

Changes by redistricting to dilute the voting power of concentrations of black voters by adding more white voters by concentrating blacks into one district rather than several.

Annexing surrounding areas which almost always tend to be predominantly white. Again, the effect is to dilute the voting power of black voters.

Changing key public offices to appointed rather than elected offices.

Switching poll locations outside of black areas to discourage black voter turnout.

Changing single-member districts to at-large voting districts to dilute the political power of black voters.

Eliminating minority language requirements on ballots.

To say that all voting discrimination based on race and language has been eliminated is an overstatement. We have made significant progress, but we still have a long way to go. As I have previously said, the gains can easily, without oversight from the Federal government, be wiped out overnight.

Does anyone here today believe that without the Voting Rights Act progress will continue? If you do, then I have some costume jewelry that you might be interested in buying after my testimony.

It is not the question of whether the Old Confederacy has been in the "Penalty Box for the past 17 years," as I have heard. It's a matter of having done what was right, and continuing to do so in the future. I should note that some people tend to point to the South as being the victim of the Voting Rights Action. All Southern States are not involved in the pre-clearance provision. I hardly consider states such as Oregon, Arizona, California, Alaska, Hawaii, and New York as Southern states. They are included in the Section Five Pre-Clearance Provision. Without scrutiny by the federal government, there could be a relapse in disenfranchising black voters similar to when the federal troops were ordered out of the South during Reconstruction. I need not remind you of what happened. Blacks, again, were basically disenfranchised until the voting rights act of 1965.

I would also like to remind you that the Voting Rights Act covers not only black Americans, but also persons of Spanish heritage, American Indians, Alaska natives, Asian Americans and other Minority groups as well. For example, as a result of the amended Voting Rights Act, hispanic voter registration, from 1975 to 1980, increased 29.5 percent nationwide, and 44 percent in the Southwest.

It would seem to me that if states and localities have actually stopped discriminating based on race, and have no plans to do so in the future, then pre-clearance or federal approval of proposed voting law changes should not bother them. Why should the burden of proof be shifted to the complaining party? How do you prove that a change in voting procedures or a change in precinct boundaries or poll location, was intended to discriminate—unless you participated in the process. You know, folks just don't sit out on the public square and invite the whole town when they are making plans to circumvent the law.

In 1978, the City of Jackson, Mississippi, moved 38 polling places located in predominantly black areas to white areas and announced the changes one day before the election was held. Should black voters, as proposed by opponents of the Voting Rights Act, have to prove that discrimination was intended?

The Voting Rights Act of 1965 as amended in 1970 and 1975 has worked well for the past 17 years. I don't think that we are totally ready to say that it is no longer needed, that pre-clearance is no longer necessary, or the burden of proof of discrimination should be on the complaining party. This is not the time to retreat.

The Act should be extended for ten additional years. During this period, the country will go through another census and reapportionment process. The extension will give us the chance to see whether we truly need to eliminate the Voting Rights Act. The redistricting plans will speak for themselves at that time. In 1992, I hope that I can come before this Subcommittee again and advocate that the Voting Rights Act is no longer necessary.●

TWO HUNDRED AND FOUR INDOCHINESE REFUGEES ADJUSTED TO PERMANENT RESIDENT STATUS IN ROCHESTER, N.Y.

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. HORTON. Mr. Speaker, on May 15, 1981, I had the pleasure of being present in Rochester, N.Y., when some 204 Indochinese refugees were adjusted to permanent residence status under the Refugee Act of 1980. This occasion was particularly successful and noteworthy because it was achieved through the joint efforts of the Catholic Family Center of Rochester and the U.S. Immigration and Naturalization in Buffalo, which Ben Ferro serves as director.

After many weeks of preparation on the part of Mrs. Anna Humaydan and her staff from the Catholic Family Center, all 204 refugees gathered at Saint Boniface Parish Hall in Rochester, N.Y. where immigration officers from the U.S. Immigration in Buffalo, N.Y., interviewed and processed them for permanent residency. The entire processing was completed in less than 3 hours. Under normal conditions, each adult refugee would have had to have arranged for transportation to the Buffalo Office of Immigration accompanied by an interpreter at great personal expense and inconvenience. Instead, the Indochinese families were

allowed to remain within their community, assisted by the Catholic charities staff, while the Government representatives traveled to them. I estimate that this arrangement within the community, in addition to the time and cost savings to the applicants, reduced the processing time and Government expense to a fraction of what it would have been. As it is estimated that there are over 2,000 Indochinese refugees in the Rochester area, there is no doubt the same arrangement will be considered in the future. This truly demonstrated the effectiveness of joint community-Government efforts in behalf of citizens and citizens to be.

As Director of the Buffalo INS office, Ben Ferro is to be commended for his efforts in making this process a smooth and successful one. The names of the new permanent residents follow:

Mr. Tam MA. Mr. and Mrs. Khan Chanhthala (5 children). Miss Anh T. T. Truong, Mr. Quang Truong (sister and brother). Mr. and Mrs. Chantha Syharath (1 child). Mr. Cam Luong. Mr. Hue B. Vuong. Mr. Gioi Truong. Mrs. My T. Nguyen (8 children).

Mr. and Mrs. Somvang Phongsamouth (1 child). Mr. and Mrs. Khamprasong Phongsamouth. Ms. Kham Bouphachay. Mr. and Mrs. Bounlap Bouphachay (3 children). Mr. Oudith Trichanh, Mrs. Khamasavay Pananouvong (1 child). Mr. and Mrs. Khamprasong Phongsamouth (2 children). Mr. Giang The Ngo, Mrs. Xuan Phuong Thi Huynb (1 child). Mr. Trung Dai Lam, Mrs. Le My Trieu (Trung Dai Lam—mother). Sengthong and Nalone Misengsay (sisters).

Mr. Tho Phuoc Tran, Mrs. Bay Thi Le (3 children and 1 nephew). Mr. Tuong Hoa Thai, Mrs. Tien Thi Nguyen, (Chi Thi Le Thai—sister and 2 children). Tuan Ngoe Nguyen. Mr. and Mrs. Singh Moc On (4 children). Mr. and Mrs. Khampheng Marrivong. Mr. and Mrs. Chantha Syharath (1 child). Hoang Do Yu.

Mr. Samien Chanya (2 children). Phonexay Nachampassack. Lan Thi Tiyet Vu. Mr. and Mrs. Thongphout Chanthaboury. Phong Thanh Dang. Mr. and Mrs. Sikhoune Phouthavong (Sennala Phouthavong—brother, Duc The Diep—cousin). Mr. and Mrs. An Van Lam (2 children). Mr. and Mrs. Nen Phomphackdy (3 children). Hai Huynh. Hong Khue La—cousin. Chay Khue La—brother. Cuong Khue La—brother.

Mr. and Mrs. Boun Xou Xamountry (5 children), Mr. Soulene Xamountry, Mr. Somvang Xamountry. Mr. Hoang Tan Ngo. Mr. and Mrs. Vane Keovongxay (4 children). Mr. Chung Au. Mr. Sangovane Luanglathay. Mr. Amoneask Nachampsassak. Khammouy Maokhamphiou, Boualiane Maokhamphiou (5 children). Maniyomphane Machampasach, Nachampasack Machampasack (sister).

Hue Thieu Hua, Phaylieng Chanthysasach, Chanksy Chanthysaach (4 children). Vanapha Chantaboury, Nai Chantaboury (2 children). Bounlouanh Rajaphoumy, Songrane Rajaphoumy (4 children). Mr. and Mrs. Viravone (8 children). Mr. and Mrs. Phenymasack (3 children). Sypanya Thongbay. Thi Bach H. Nguyen. Kim Thanh Dao. Guong Dan Vuong. Thanh Hich Duong. Mr. and Mrs. Sinh Mol On (4 children).●

THE LENINGRAD ARRESTS

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. McGRATH. Mr. Speaker, next Monday, June 15, marks the 11th anniversary of the arrests which led to the infamous First Leningrad Trials. Today, only two of the individuals convicted at the Leningrad trials, Yuri Feodorov and Alexei Murzhenko, remain prisoners of the Soviet Government.

On Monday, an interfaith prayer service will be conducted in Mineola, N.Y., to commemorate this event. This will be an appropriate time for all individuals who are concerned about the countless Soviet prisoners of conscience and refuseniks to renew their commitment to effecting a change in Soviet human rights policies. Although this cause might seem hopeless at times, I am convinced that efforts on behalf of Soviet Jews and other dissidents has made a difference, and because of this, our efforts must continue.

As we approach the anniversary of this dark day in the history of human rights, I call upon my colleagues to write to Soviet officials to urge the release of Feoderov and Murzhenko, and to continue pressure on the Soviet Union to comply with the human rights accords to which it is a signatory.●

THE FIASCO WITH LEFEVER SHOULD SERVE AS A LESSON

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. SEIBERLING. Mr. Speaker, the Akron Beacon Journal for Sunday, June 7, contained an outstanding editorial commenting on the nomination and subsequent withdrawal of Ernest Lefever as Assistant Secretary for Human Rights. One must hope that President Reagan was not aware of Mr. Lefever's opposition to a strong human rights policy at the time the President nominated him. Otherwise, the nomination would seem to have been deliberately aimed at making a mockery of the office to which Lefever was nominated.

Unfortunately, some of President Reagan's earlier remarks, including statements to the effect that what goes on in other countries is none of our business, justify the inference that the President himself may share Mr. Lefever's views.

In any event, as the editorial points out, "the United States cannot wink at inhumanity, no matter where it takes place." Clearly, if we are to retain our national self-respect as well as our standing as an opponent of human rights violations by Communist countries, then we cannot afford to follow a double standard when basic human rights are violated by countries with whom we have security relationships or to which we extend economic or military assistance.

As the editorial says:

To the degree that it can do so effectively, American foreign policy must recognize and make known this country's abhorrence of all human rights violations, regardless of where and under what political auspices.

The full text of the Akron Beacon Journal editorial follows these remarks:

THE FIASCO WITH LEFEVER SHOULD SERVE AS A LESSON

President Reagan's nomination of Ernest Lefever to head the human rights division of the State Department was a mistake. It became an embarrassment to the United States during Mr. Lefever's confirmation hearings before the Senate Foreign Relations Committee.

The committee recognized the error. It disapproved the nomination on Friday by a lopsided 13-4 vote—a vote which included strong sentiment against the appointment from the President's fellow Republicans.

A few hours later, Mr. Lefever asked that his name be withdrawn from consideration. That ought to put an end to this particular error.

The process, however, should be as instructive to the White House as it has been disturbing to many Americans, in addition to thoughtful members of the Foreign Relations Committee.

The next nominee should display far more commitment to, and enthusiasm for, advancing the cause of liberty and human rights by American diplomacy then Ernest Lefever.

The Lefever nomination was flawed from the start. The nominee, who increasingly displayed hard-headed, misguided views, had scant understanding of the need for American diplomacy to advance human rights in all countries—authoritarian as well as totalitarian.

In the Lefever nomination, the Reagan administration seemed to settle for something less than the high ideals for which America has long stood—against human rights violations in communist countries, but willing to ignore torture, political imprisonment and other political cruelties in non-communist nations.

The United States cannot wink at inhumanity, no matter where it takes place.

The lash applied for political purposes to someone in an Argentine dungeon is no less disturbing to Americans than when it is applied in Siberia.

To say that Mr. Lefever is less than enthusiastic about speaking out for human rights across the broad spectrum of world politics understates the case.

In the past, he publicly advocated eliminating from American law any vestige of concern for the liberties of others outside this country.

During the hearings, he recanted that earlier advice, but made clear that he believes that open U.S. foreign policy initiatives should be directed at human rights viola-

tions only in communist countries, and not in non-communist dictatorships.

To the degree that it can do so effectively, American foreign policy must recognize and make known this country's abhorrence of all human rights violations, regardless of where and under what political auspices.

The nomination has sent the wrong signals when the new President has been seeking to be conciliatory and effective in dealing with our closest allies, most of whom care deeply about human rights.

The Reagan administration ought to learn from this that the view of the committee reflected the mood of the people of this country.

There have been some previous cynical departures from the principle, but for more than two centuries this nation has stood as a beacon of respect and decent treatment for the individual human being.

There is a limit, when Americans are aware, to how much they will tolerate departure from this historic posture.

It is wise counsel for any administration, no matter how confident of its popular support, to be aware of this limit and to respect it.●

INSIDE EL SALVADOR

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. LONG of Maryland. Mr. Speaker, I would like to share with my colleagues an article written by Mr. Theodore G. Venetoulis, publisher of the Towson Times.

Mr. Venetoulis visited El Salvador in March as a special correspondent for WBAL-TV in Baltimore, and covered my own trip to El Salvador while he was there.

After having visited El Salvador myself, I feel Mr. Venetoulis' article is well balanced, informative, and perceptive, and I encourage all of you to take the time to read his story.

[From the Towson Times, Mar. 25, 1981]

INSIDE EL SALVADOR—AN EXCLUSIVE LOOK AT THE EXPLOSIVE CIVIL WAR

(By Ted Venetoulis)

(Towson Times' Publisher Ted Venetoulis visited El Salvador last week on special assignment for WBAL-TV. While there he conducted interviews with Second District Congressman Clarence Long and El Salvador's president, Jose Duarte. What is really going on in this tiny Central American nation that has become a touchstone of the new administration's foreign policy? We asked the former Baltimore County executive to share his impressions with our readers.)

It's one thing to read about a nation caught in a civil war, it's quite another to see it first hand, to see the bodies stuffed in trash cans or ditches as each side leaves behind the remnants of its previous night's work.

Each day during my recent visit to El Salvador journalists were informed of a new horror story concerning the senseless murder of villagers—usually related to violations of the 9 p.m. curfew.

The first night it was a bereaved priest discussing the burial of one of his popular parish teachers shot 20 minutes after the curfew, 50 yards from his home.

The next night was the shooting of a retarded child out five minutes after the deadline not far from the posh neighborhood housing the residence of the American ambassador.

And another night it was the death of a small girl, again out after the curfew, a few blocks from the local university, less than a mile from our hotel. At noon the next day, her parents were still weeping over their child, still waiting for an ambulance. The government is clearly better at killing curfew violaters than collecting their bodies.

The real war in El Salvador is brought home by a hotel window shattered by a bullet . . . by a tank thundering through a narrow street, six soldiers sitting atop its armor eyeing the gringo camera crew filming the teeming, raucous humanity of the open market . . . by a jeep full of armed soldiers pulling in front of your car, their weapons lifted slightly as the vehicles stand poised for one long dreadful moment until the commander orders the jeep to proceed.

The war is brought home at the residence of the American ambassador, where a Marine guard opens the small opening in the armored wall and says, in astonishment: "Are you Ted Venetoulis? I'm Mike Sitkowski, from Maryland. Come into the compound. We never know what's going to happen out there."

As we entered the narrow opening, the Marine stepped back five paces, placed his gun on his hip, and aimed it forward. Neither his eyes nor his weapon moved until passports were checked, embassy officials were notified, and the door was jammed shut behind us. It was clear that no one else was going to get in.

But mostly, the war is brought home by the raw figures. Since the coup of October 1979, which installed the present government, over 10,000 El Salvadorans have been killed. In percentage terms, that number is equal to 500,000 Americans—about two thirds of the population of Baltimore County.

But that is just one side of the war. There is another battle—a war of conditions that we would find improbable in America. Density—if the U.S. was as densely populated as El Salvador, our population would be 2 billion instead of 220 million. Inequity—5 percent of the people own 43 percent of the wealth; 2 percent own 30 percent of the land; the per capita income is less than $700 (it is $9,000 in America); 95 percent of all peasants are functionally illiterate.

The civil war fueled by these conditions has brought forth a cast of characters whose roles are only now unfolding.

The first, is the assemblage of foreign correspondents gathering in El Salvador to report on the war—a group that in quality, irreverence, spunkiness and daring outrivals the full press contingent that sits docility before President Reagan waiting for their names to be pulled from a jelly bean jar.

The newsmen have come from home base beats in plusher places like Miami, Rio de Janiero or London to set up camp in the Camino Real, a small, pleasant hotel that has clearly seen better days and never quite expected to see these. Correspondents do what most correspondents do when told to cover stories by editors who don't know the territory—they gripe.

"The problems in Latin America have been with us for decades," a veteran wire service correspondent complained, "problems of illiteracy, [military] strong men—but for years no one would take our stories. Now they want us to go out and cover the shooting, the bang-bang. The bang-bang is not the story—the story is the poverishment."

El Salvador is too young to have produced a Dave Halberstam, who early on punctured the official myth of Vietnam. But if the cynicism expressed by the journalist I talked to continues, no one who covers the war will believe anything told to them by anyone. They are not about to accept body counts or bombing missions as evidence of government victories. They are not about to ignore escalation what would make it an America's rather than El Salvador's war. In fact, the Vietnam syndrome is apt to give the left greater legitimacy than it may deserve, particularly in light of its brand of viciousness and terrorism.

The second cast of characters is the local ruling clique—a handful of socially conscious colonels and clergy, more conservative free enterprise merchants and businessmen, and hard core right wing militarists. This ideologically disparate crowd has propped a mild mannered, American-educated social democrat as the head of its ruling hierarchy—Jose Napoleon Duarte.

President Duarte is a veteran politician. He was actually elected to the presidency in 1972, but was denied the office when the military junta simply canceled the election. Duarte barely escaped with his life, apparently saved by Notre Dame University President Theodore Hesburg's late night telephone call to then Secretary of State Kissinger, who intervened with the junta to allow the Notre Dame graduate to go into exile in Venezuela.

During a lengthy interview, Duarte spelled out his determination to push through financial and agrarian reforms. He has already nationalized the banks, key export operations and is now in the first phase of a massive land redistribution that would be considered nothing short of socialism in this country. Two hundred and eighty-two farms larger than 1,250 acres, equal to 20 percent of the nation's farmland, have been taken from their owners and turned into collectives owned by the State. The former owners were to be compensated through low interest bonds while the peasants who are now working the farms were supposed to be able to purchase the land from the State.

Neither has happened, which has led to Duarte's most brutally bizarre predicament. Not only is much of his reform program stymied by the government bureauracy, both the extreme left and extreme right are doing what they can to assure that what does survive is doomed to fail.

The left, connected to gun running Castro insurrectionists, is busy blowing up tractors and terrorizing villagers who show signs of sympathy towards the government. Their brutal tactics have made it difficult for Duarte to impose his reforms in the rural areas where justice is of the High Noon, frontier town variety.

The extreme right has resorted to assassinations and death squads to prevent their countrymen from supporting Duarte. Many of these militarists, financed by the old line families whose land is being confiscated and whose banks and businesses are being nationalized, think Duarte has lost his centrist moorings and moved too close to a socialist state, an argument that receives a sympathetic hearing from America's new rulers.

The man in the middle is Duarte, his country caught in a quagmire of poverty, illiteracy, and violence.

The third cast of characters are the American policymakers, the Washington crowd, headed by a new secretary of state, who seems to possess an "us or them" clarity about international relations and who seems better at dealing with communist "hit lists" than with complicated socio-economic equations. Secretary Haig has decided that El Salvador is now an American symbol in superpower politics. And, therefore, El Salvador, whether it wants it or not, is going to get U.S. military assistance.

Such Yankee assertiveness may have been acceptable in the days of gunboat diplomacy, but it hardly fits current conditions where American imperialism is frequently the reason for uneasiness in Latin American countries.

What Haig did not count on in establishing his new hardnosed anti-communist line, was another set of Washington characters—the skeptics of the U.S. Congress, particularly those members who were bruised by the Vietnam experience when they blindly believed every president or general who promised them there was light at the end of the tunnel.

The unavowed but clear leader of this band of rebellious Congressional skeptics is Maryland Congressman Clarence Long, who has represented the folks in greater Baltimore County from Pikesville to Dundalk for two decades. Long is not high on the establishment's list of friends in this town, mostly because he is essentially an independent fellow who speaks his mind openly and who has opposed the big money interests on two big money issues—the construction of the Bay Bridge and the dumping of harbor spoils at Hart-Miller Islands.

Long was determined to see El Salvador for himself and to ask local officials if they really wanted American military involvement. When administration officials heard this, they, of course, rebelled, forcing the cancellation of Long's trip and making the Congressman more determined than ever to go.

In many ways Long's visit to El Salvador was a personal act of courage, but as important, it was an act of enormous symbolism. Unlike the Vietnam experience, during which lawmakers simply digested the executive branch's gobbledygook, here was the chairman of a powerful congressional subcommittee already asserting his independence even before the administration had gotten its own act together.

In risking his own life, which Long seemed blase about—"I've lived more than my three score and ten years," he offered—the Congressman established an essential principle: that the administration was not going to drag America into another Vietnam. "If they need military aid," Long said, "let them train their troops here—out of their country. I don't think we need American soldiers in El Salvador to protect our interests."

President Duarte confirmed Long's feelings.

"There is no reason for American troops to fight in El Salvador," Duarte told me in a private conversation at his presidental palace. "This is not Vietnam. We do not want your troops. We do not want your fighting men. We need your foreign economic assistance. We need your help to make our reforms work. We do not want to be part of a bigger game. We want to hold our own elections, to elect our own people, to choose freedom our own way.

"After all," he reminded me, "I learned about democracy in America. And I intend to practice it here in my own country."

Clarence Long and some of his colleagues agree with President Duarte's assessment and are busy battling the administration on the issue of our involvement. Just as Secretary Haig wants to use El Salvador as a symbol of a new drive against communism, these congressmen want to use it as a symbol of post-Vietnam skepticism.

"Every President I can remember," Long told me in El Salvador, "promised we wouldn't get too involved in Vietnam. And each one got us more involved. You'd think someone over there at the White House would read a little history, would understand that you just can't go around telling people not to be communists or buying them off with tanks or machine guns. El Salvador needs help—it needs schools and equipment and markets for their products. But by God, they don't need us sending troops as a symbol of our nation's macho."

The saga of El Salvador will not end soon. One gets the feeling it will be around for a long time, cropping up every time American interests are threatened in a small country. But most characters I crossed paths with believe that El Salvador's salvation will ultimately be in the development of a society that provides schools to its peasants rather than howitzers.

"They are a peaceful people," Maryknoll nun Joan Petrik told me as she pondered the recent death of her colleagues and the fact that somehow she, a woman of God, was a persona non grata in a country she loved. "It's a shame to see them so absorbed by a new psychology of violence."

But her concern did not stop her from wanting to go back. And our concern about the level of American participation should not—as Clarence Long continues to point out—prevent us from opening our hearts and our pocketbook to help a neighbor through a trying and tragic era.●

TRIBUTE TO CARL VINSON

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. SMITH of Iowa. Mr. Speaker, we pay tribute to Carl Vinson today not simply because he served in the House longer than anyone else but because of what he stood for and what he accomplished for his country in his long years of public service.

As we all know, he was one of the ablest and most powerful committee chairmen in the history of Congress. He was one of the all-time leading authorities on military matters, and his expertise and dedication were significant factors in the success of U.S. military forces in World War II.

His achievements as a national leader are a matter of record. But many of us in this Chamber and elsewhere will remember him equally for his rare personal qualities. He was demanding but he was considerate; he was decisive but he was reasonable; he carried a tremendous burden of responsibility but this did not deter him from uncounted acts of personal kindness and thoughtfulness. Many younger Members of Congress became better public servants because of Carl's generous help and wise counsel.

Carl loved the Congress. At a time when it is fashionable for some candidates to run for Congress by running against it, this fact is worth remembering: Carl Vinson was not only one of the greatest Members of Congress; he was also one of the most loyal. It was a great privilege to have served with and to have known him for several years before he retired.●

ESTATE AND GIFT EQUITY ACT

HON. BERYL ANTHONY, JR.

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. ANTHONY. Mr. Speaker, I am today introducing legislation which will put our Federal estate and gift tax laws more in tune with present day reality.

The estate and gift tax laws were imposed to generate revenues but also to prevent indefinite perpetuation of very large estates. However, inflation of estate values, particularly when real property is involved, has prevented families from passing family homes and family farms from one generation to another to an extent which far exceeds the intent of the original estate and gift tax laws. If the bulk of the land in this country were tied up in a few estates for generation after generation, as in feudal England, so that other citizens could never expect to own land, then obviously restrictions on perpetual ownership would be warranted. But when relatively small family farms which should be retained by the same family must be sold to satisfy taxes due, then the laws should be changed.

During the 96th Congress the onerous carryover basis was struck down but that was not enough. Far too many estates still must be liquidated for tax purposes. The bill I am introducing today should help correct this national inequity. Briefly the major provisions are:

An increase in the annual gift tax exclusion from $3,000 to $8,000 with an increase in the so-called unified credit against an individual's lifetime gift tax liability from $47,000 to $155,800 to be phased in over a 5-year period. An increase in the value of an estate exempt from the tax from $175,000 to $600,000. Elimination of the tax when transferred to a spouse.

Obviously the changes I propose will bring about a loss of revenue to the Federal Government. But I believe such a loss will be more than offset by an increase in the productivity of our citizens who will be able to work hard and accumulate an estate knowing

that the bulk of it will not be sold to pay taxes.●

ECKART ALARMED OVER OIL COMPANY MERGER

HON. DENNIS E. ECKART

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. ECKART. Mr. Speaker, I would like to insert in the RECORD a news article on the proposed merger of Occidental Petroleum Corp., and the Iowa Beef Processors, Inc.

By itself this merger would seem to be a harmless business transaction. However, it deeply concerns me and, I think, should concern all Americans as another indication of how big oil has begun to penetrate and control every aspect of American life.

To illustrate this point, during the period of January 1977 through March 1981, the top 20 oil companies were involved in 74 acquisitions and 12 mergers. Of the 83 transactions where adequate data was available, 58 percent were nonenergy related. These 48 companies cover a wide range of activities such as the printing of paperback books, biotechnology, chemical manufacture, computerized measurement systems, copper mining, almond growing, and life insurance, just to name a few. But the acquisition that highlights this thirst for properties better than any other is one which was not consummated, namely, Gulf's offer several year ago to buy Ringling Brothers, Barnum and Bailey Circus.

As we are well aware, the energy companies in this country have a cash flow problem. They are drowning in a sea of money; money which, if invested in domestic sources of energy, could break our Nation's dependence on foreign sources.

I offer this article for my colleague's attention.

OCCIDENTAL OIL, IOWA BEEF FIRM ANNOUNCE AGREEMENT TO MERGE

(By James L. Rowe, Jr., Washington Post staff writer)

NEW YORK, June 1.—Occidental Petroleum Corp., the giant oil and gas company, announced today that it has reached an agreement in principle to merge with the nation's biggest beef slaughterer, Iowa Beef Processors Inc.

Stockholders of Iowa Beef would receive shares of Occidental common and preferred stock under the terms of the proposed deal. Based on Occidental's closing price last Friday, the companies said, Iowa beef shareholders would receive about $77 worth of Occidental common and preferred stock for each share of Iowa Beef common stock. The total value would be about $800 million.

Oxy stock fell one point to 28 yesterday, while Iowa Beef stock soared 6¾ points to 65¼ on the New York Stock Exchange.

According to the companies, if the deal is not closed within four months, either side has the option to terminate the proposed merger. Furthermore, Iowa Beef can kill the merger if Occidental stock falls below $25 a share in the 10 days before the closing date, and Occidental can back out if its stock rises above $33.

A spokesman for Occidental, the 20th-largest industrial company in the United States, with sales of about $12.5 billion, said that while the company derives most of its revenues from oil and gas, it also is involved in the agricultural area, primarily in the manufacturing of pesticides.

But Occidental also does some cattle breeding, and one of its subsidiaries is developing a hybrid rice for the People's Republic of China. According to the company's 1980 annual report, Occidental last year sold $1.08 billion worth of agricultural chemicals.

A spokesman for Iowa Beef Processors, which last year had sales of $4.6 billion and was the 81st-largest industrial company, said that Occidental Chairman Armand Hammer first approached Iowa Beef officials about the merger last week.

Hammer and Iowa Beef cochairmen Robert L. Peterson and Dale Tinstman flew to Los Angeles on Friday. Saturday, they presented the plan to Iowa Beef's board of directors at a regularly scheduled meeting.

Iowa Beef pioneered the concept of boxed beef, doing much of the butchering at its own plant, then shipping 80-pound boxes of cut beef to supermarkets, restaurants and hotels. Before boxed beef caught on, supermarket chains generally bought whole or half carcasses, complete with bones and fat, and cut them up into steaks and roasts.

Iowa Beef will operate as an independent subsidiary of Occidental, Hammer and Peterson said in a statement.

Occidental's Hammer, who is a well-known art collector with close ties to the Soviet Union, has become increasingly interested in food and nutrition, a spokesman for Occidental said. In a recent speech, Hammer said that there can be no world peace until all human beings are well-fed, and that during the decade of the 1980s there must be a major increase "in the food production capability of this planet."

Occidental officials said they think that the oil giant's worldwide distribution network should open up export markets for the beef processor, especially in Europe.

Occidental is based in Los Angeles. Iowa Beef is in Dakota City, Neb., just across the stateline from Sioux City, Iowa.

Nearly 75 percent of Occidental's revenues last year came from oil and gas operations—exploration, production and marketing—while another 20 percent came from chemicals. One of its major subsidiaries, Hooker Chemical Co., has gained national notoriety from the situation at Love Canal in upstate New York, where the company has been accused of storing toxic wastes that polluted the surrounding area.

Last year Iowa Beef earned $53 million on $4.6 billion in sales, while Occidental Petroleum had profits of $710 million on $12.5 billion in revenues. If the merger is completed, the combined company would vault to 15th place among U.S. industrial companies, right behind Conoco Oil, based on 1980 sales.●

OPPOSE FEDERAL INTERVENTION IN RENT CONTROL

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. FLORIO. Mr. Speaker, I rise in strong opposition to the Senate approved housing bill which seeks to impose the judgment of the Federal Government in the affairs of local communities in the area of rent control and rent stabilization. The Senate amendment strikes at the very foundation of the right of local communities to express themselves and form policies which best address their individual housing needs.

I am disturbed that this legislation comes at a time when the administration has formed its intergovernmental policy on the basis that the Federal Government should not interfere in the affairs of local governments. I am disturbed that the Senate approved this measure without the courtesy of committee hearings to permit tenants, owners, and local officials to exchange debate on this unexpected, and I believe, unwarranted provision. Every Member of the House should be appalled that with such limited discourse, the Senate has approved legislation which seeks to thwart normal democratic processes exercised by local governments.

Rent control or rent stabilization programs span across many States in our Nation. Many were initiated by referendum. All were adopted through the normal processes by which the local community makes decisions. This implies that these communities and their elected officials have debated the arguments presented in favor and those presented against rent control. One hundred and thirty communities in my State of New Jersey, through democratic selection, have decided that rent control statutes best address their particular housing needs. I object to the notion that legislation can now be imposed nationally which says that selected communities will be penalized unless they subscribe to a universal standard which they have already determined not to be in their interest.

I urge my colleagues to oppose the Senate action and vote against any legislation presented before this House which seeks to penalize or restrict the right of local communities to determine policies with respect to rent control.●

ERTEL LEGISLATION TO STIMULATE INDIVIDUAL SAVINGS

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. ERTEL. Mr. Speaker, the legislation I introduce today will do what a simple tax cut cannot—stimulate individual savings. A family of four with annual earnings of $20,000 will have its taxes reduced by only $300 with a simple tax cut. Even if the taxpayer manages to save all of this, he may have enough for a downpayment on a house by the time he retires in 30 years. Even if the taxpayer does save all this—or whatever portion of the $300 is not eaten up by increases in taxes elsewhere—it will in no way be adequate to reverse the abysmally low rate of personal savings in the United States—the lowest of any major industrialized nation except Sweden.

The consequences of an inadequate savings base are readily apparent today—high interest rates. Savings provide the funds private enterprise needs to finance business expansions and entrepreneurial undertakings. Savings provide the funds home buyers need to purchase new homes. Savings provide the funds government needs to protect jobs and stimulate economic growth during recessionary cycles. Inadequate savings simply means the cost of money is driven up because of the sharp competition which ensues among borrowers for limited funds.

One would expect today's high interest rates to stimulate savings. They have not because inflationary expectations are so deeply engrained in our national economic mentality. This vicious cycle has to be broken somewhere, somehow; and my legislation will accomplish just that. It can do this by providing American citizens with a new expectation—that they can save without diminishing their overall purchasing power—since what they save will be tax deductible—and with the knowledge that the money is available for later investment.

I believe that the U.S. savings problem should be addressed in this year's tax cut legislation. The legislation I introduce would:

First, reconstitute individual retirement accounts and Keogh plans as "Individual Savings and Investment Accounts";

Second, provide a $2,000 annual tax deduction for contributions to the individual savings and investment account for individuals previously covered by IRA's--up from the present $1,500 deduction;

Third, provide a $15,000 annual tax deduction for contributions to the individual savings and investment account for individuals previously covered by Keogh plans—up from the present $7,500 deduction; and

Fourth, extend the Keogh and IRA concept to everyone by providing a $1,000 annual tax deduction for contributions to the individual savings and investment account for individuals previously ineligible for IRA's and Keogh plans.

As with IRA's and Keogh plans, interest on the individual savings and investment account would be deferred until distribution.

To achieve the desired increase in the rate of savings, I think the IRA concept has to be broadened. The person still in the early stages of a career probably has more immediate needs for his disposable income than setting it aside for retirement. Consequently, my legislation would make the principal and interest of individual savings and investment accounts available without penalty before the age of 59½ for the purchase of a home or the depreciable assets of a nonincorporated business. This latter provision gives the small business entrepreneur, the backbone of American business, a helping hand. Individuals exercising either option would continue to have that portion of their principal and interest treated for tax purposes as if it were undistributed, in other words, nontaxable. Let me stress, too, that the individual savings and investment account can be established through commercial banks, credit unions, savings and loans, mutual savings banks. Also, like IRA's and Keogh plans, the individual savings and investment account could be set up as a stock purchase plan or annuity.

I think savings and investment must be encouraged in the United States. Mr. Speaker, my legislation will do just that and I urge its incorporation into this year's tax cut legislation.●

COMMEMORATION OF DEPORTATION

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. BRODHEAD. Mr. Speaker, I join with many of my colleagues in commemorating the mass deportation carried out by the Soviet Union in Latvia, Lithuania, and Estonia. this terrible tragedy will always remain in the hearts of people of Baltic descent.

Even as the events of June 1940, when over 100,000 Latvians, Lithuanians, and Estonians were sent to Siberia are recalled to us today, we are reminded of the fact that the Soviet Union still occupies these nations, still denies these people the basic human rights which they struggled so long and valiantly to secure. We are reminded that the United States is one of the few nations which is founded upon a deep and abiding respect for individual liberties. Our Nation's tremendous military and economic strength have made us by far the leading advocate of these rights for people around the world. We must never abandon our commitment to the protection of these rights, and to restoring them to those who are oppressed. Certainly, we must not recognize as legitimate the Soviet occupation of the Baltic nations.

Southeastern Michigan has an active community of people of Baltic descent. Their untiring efforts help keep alive the heritage of the Baltic nations and the hope that they will one day be restored to freedom. I believe that our commemoration of the Baltic holocaust today is also an important part of these efforts. The Soviet Union exercises a tyrannical domination over the Baltic nations, and its grip will not be swiftly or easily loosened. However, just as the odds in this struggle do not deter those of Baltic descent around the world, so also we in the Congress must also pledge to do what can be done in this cause. I am pleased to join with my colleagues in renewing our commitments in this regard.●

PELF AND PETROLEUM

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. MOAKLEY. Mr. Speaker, at a time when the people of the Northeast must fight for every Federal dollar for weatherization and low-income energy assistance to buffer themselves from the ever-rising price of oil, I am disappointed to see that President Reagan has included in his tax cut proposal extending and increasing the present exemption for small oil-royalty owners from a portion of the windfall profits tax.

Last year, Americans poured out $175 billion for about 6 billion barrels of oil and this year, under President Reagan's decontrol of domestic oil, can expect to pay $225 billion for an equal amount at current world prices.

As Michael Kinsley rightly notes in his recent article entitled "Pelf and Petroleum" (the New Republic, June 13, 1981) this windfall does not fall from the sky but rather from the pockets of energy consumers from across this country. Mr. Speaker, I would like to share Mr. Kinsley's article with my colleagues for I feel it accurately portrays how the oil companies have us over a barrel.

The text of the article follows:

[From the New Republic, June 13, 1981]

PELF AND PETROLEUM

(By Michael Kinsley)

In 1972, Americans purchased about 6 billion barrels of oil at an average price of $3.39 a barrel. Total cost: $20.3 billion. In 1980, Americans purchased slightly more oil at an average price of $28 a barrel. Total cost: $175 billion. In January 1981, when President Reagan decontrolled domestic oil prices, the cost of imported oil was running about $37.50. Six billion barrels at $37.50 will cost $225 billion. Compared to other goods and services (that is, even after general inflation), oil costs almost six times as much now as it did in 1972. The OPEC "surcharge" for oil amounts to about $820 per American in 1981, or $3,300 for a family of four.

This represents a staggering transfer of wealth over the past few years from American consumers and producers to . . . whom? The first image that comes to mind is of Arab sheiks. But less than 15 percent of the oil Americans consumed last year was bought from Arab nations, and less than 40 percent was imported at all. Throughout the entire oil crisis, well over half the oil consumed by Americans has been sold to them by other Americans. Natural gas and coal, virtually all domestic, provide more of our energy than imported and domestic oil combined, and these prices have increased dramatically also.

In other words, most of the vast sums Americans have paid for fossil fuels (still the source of 92 percent of our energy) since 1973 have stayed in this country. Some of this money has paid for higher extraction costs, and some has gone for taxes. But billions have enriched, or further enriched, those who happen to own the energy sources. The Independent Petroleum Association says that only two percent of the population has any stake in oil. (This strikes IPAA as a weighty argument against the windfall profits tax.) In effect, these lucky few are American members of OPEC, profiting just as if they were part of the conspiracy.

Oil people tend to see themselves as the most buccaneering sort of capitalists, and to some extent they are. By performing the classic capitalist functions of investment, innovation, and risk-taking, they are helping society deal with the energy crisis, and whatsoever they sow, that do they also reap. But many reap far more than they sow. To the extent that they receive OPEC-level prices for oil that costs far less to pump and remove, their place in economic theory is more akin to that classic enemy of capitalist and laborer alike—the landlord. Economists since David Ricardo have noted that natural resources have value, not because of the work or investment that went into them, but because of their inherent scarcity. The owner of natural resources, the landlord, produces nothing, yet can extract a share of society's production as his "monopoly rent"—or, in today's term, "windfall profit." If you own a scarce natural resource,

". . . you need do nothing more. You may sit down and smoke your pipe; you may lie around like the lazzaroni of Naples or the leperos of Mexico; you may go up in a balloon, or down in a hole in the ground; and without doing one stroke of work, without adding one iota to the wealth of the community, . . . you will be rich!"

Thus Henry George in *"Progress and Poverty"* (1880). There has never been a more ardent supply-sider than Henry George. Here he is on taxes:

"Taxation which lessens the reward of the producer necessarily lessens the incentive to production. . . . Thus taxation which diminishes the earnings of the laborer or the returns of the capitalist tends to render the one less industrious and intelligent, the other less disposed to save and invest. . . .

"If a man build a ship we make him pay for his temerity, as though he had done an injury to the state; if a railroad be opened, down comes the tax-collector upon it, as though it were a public nuisance; if a manufactury be erected we levy upon it an annual sum which would go far toward making a handsome profit. We say we want capital, but if any one accumulate it, or bring it among us, we charge him for it as though we were giving him a privilege.

But as Henry George patiently explained, the owner of natural resources is not a "producer" (oil company self-identifications notwithstanding). The landlord's share of the common product is taken from the productive elements of society, capital and labor. It works just like a tax, reducing the reward for productive effort and thus reducing general prosperity in the manner modern supply-siders have made familiar.

So here is a whole category of financial inequality that cannot be explained by the classic doctrines of capitalism, and thus cannot support the Reagan administration's "supply-side" solicitude for "creators of wealth." Ownership of natural resources like land or oil does not "create" or "supply" anything. The profit from such ownership is a direct transfer from the rest of society.

Henry George wanted to tax away the landlord's unearned monopoly rents, and use the money to eliminate taxes on the productive sectors of society. This seductive idea still attracts a small band of zealots, which is why anyone who cites Henry George risks getting labeled as a crank. In practice, there would be impossible problems. At this late date, most owners of natural resources did not get them for free, but paid good money in expectation of a reasonable return; the "monopoly rents" have dissolved into the marketplace. And even when the windfall is easy to spot, as in the real estate boom of the 1970's, measuring and collecting it fairly is probably beyond the capacity of democratic government. In general, there is little choice but to allocate monopoly rents to that broader residual category of inequality known as "luck."

But the energy crisis has put the issue in sharper relief, for three reasons. First, there is the magnitude of the windfall. Owning oil property has always been the popular paradigm of good fortune. "The Beverly Hillbillies" became a hit in 1962, when the average wellhead price of crude oil was $2.90 a barrel. Now it is 13 times that amount. Second, this windfall is so clearly a simple transfer from the rest of society. The same is true of land profits and all other monopoly rents, but it takes a bit of economic theory to understand why. With oil, we see it happening before our eyes at the gas pump. Third, this colossal windfall derives, not from the process of social growth described by David Ricardo, but from a classic price-setting conspiracy. If American justice could reach the official members of OPEC, they would be in jail. Charge: crimes against capitalism. Our law considers their method of extracting money from people just as antisocial as stealing it at gunpoint. Yet most of the money OPEC extorts from Americans goes to other Americans.

This is not an argument for restoring oil price controls. OPEC sets the cost to society as a whole of consuming an extra barrel of oil, and thus the value to society of conserving or replacing it. Individual consumers should face the same cost, to encourage conservation, and oil drillers should be offered a similar price for new oil, to encourage domestic extraction. Likewise, this is not an argument for *ressentiment* against all of those who are enriching themselves off the energy crisis. Much of the profit from the oil boom is not "monopoly rents" at all, but a fair return for investment of money and effort in a high-risk field.

On the other hand, the unique economic role of natural resources explains why we needn't take seriously all the moans and groans about the windfall profits tax. And it suggests that those making huge fortunes from oil these days might benefit from a little modest reflection on the nature of their triumph, and a more generous attitude toward those at whose expense they are getting rich.

While the northeast and midwest stagnate, Texas and other oil states prosper. Businesses catering to high level personal consumption proliferate: fancy stores and restaurants, resorts, and so on. How much of the oil boom is based on monopoly rents, as opposed to productive capitalist activity?

Not long ago, oil folks were happily and profitably pumping away at less than $4 a barrel. Now they can get almost $40 a barrel. The oil industry likes to suggest that its costs have been climbing right along with oil prices over the past eight years. As the easy oil gets used up, it must be replaced with oil from deeper wells, or oil from wells in less accessible locations, or oil coaxed from old wells by fancy extraction techniques. But a little creative inference from the industry's own data offers a different picture from the one in, for example, those Chevron television commercials showing thousands of little dollar signs pouring into the ground for each little jigger of oil that squirts back up.

At the end of 1973, the oil industry reported 35.3 billion barrels of "proved reserves" in the United States. Proved reserves are defined as oil that can be extracted "with reasonable certainty . . . under existing economic and operating conditions." Or, as an industry publication explains, it is oil that can be" produced [sic] . . . from wells already drilled, given the price of crude oil . . . at the time the estimate is made." These estimates tend to be conservative, since the industry wants people to believe that oil is getting harder and harder to find. So at the beginning of the energy crisis, there were at least 35.3 billion barrels in the ground that could be extracted profitably at the current price, which was $3.89 a barrel.

What has happened to all that pre-crisis oil? Well, from 1974 through 1980, about 20 billion barrels of oil were extracted in the United States. This means that owners of oil could have been pumping away since the energy crisis began at no increased cost, except for inflation, and still would have plenty of this cheap oil to sell now for $40 a barrel. Of course some of the oil we've consumed since 1973 has been from reserves added after 1973. (In 1980, only 16 percent of domestic extraction was so-called "old" oil.) But this means even more $3.89 oil remains to be sold today.

Besides this pre-crisis oil, there are 9.3 billion barrels that have been added to United States "proved reserves" between 1973 and 1979, either through new discoveries or through revisions of previous estimates. By definition, this oil could be extracted, with a

profit, for the going price at the time. And as recently as two years ago, the highest price for oil was half of what it is today.

Oil companies must calculate their actual costs and revenues per barrel each year for the Securities and Exchange Commission. Shell, for example, reported an average price of $20.83 for domestic oil it sold in 1980, of which $4.06—20 percent—was profit, after taxes. Not bad. But wait. This reflected the supposedly onerous windfall profits tax, which came to $2.77 a barrel. Without it, the after-tax profit per barrel would have been $6.83 or 33 percent. And Shell's costs included $1.20 per barrel for exploration, allocated to 1980 sales even though the oil discovered in 1980 "will be produced [sic] in future periods" (says a footnote) and sold at a much higher price (left unsaid). Shell's calculated costs for "production" (i.e., extraction) also have a suspicious way of keeping up with price increases. In 1980 they were $4.67 a barrel, yet just a year earlier they were only $2.20.

So any way you figure it, there are plenty of monopoly rents in the oil business these days. Who is getting them? Three categories of people: stockholders of the major oil companies, independent oil operators, and royalty owners. Royalty owners are people who've signed away the right to drill for oil on their property, in exchange for a share (generally one-eighth) of the revenues. In 1979, about 70 percent of domestic oil was extracted by the majors, 30 percent by the independents. Private landowners get royalty payments on about three-quarters of domestic extraction. (Another 15 to 20 percent involves royalty payments to federal, state, or local governments.)

The major oil companies have endured the greatest vilification in recent years, and no doubt the executives of these firms have done their fiduciary best to mislead citizenry and pervert public policy. They also have done quite well for their stockholders. Most of the majors recorded total returns to their investors last year (stock appreciation plus dividends) of better than 50 percent. Shell's was 120 percent. But the majors are, after all, widely owned and openly traded. Their past profits have been spread among millions of people, and anyone who spies more exceptional profits ahead is free to stake a claim. These days, about $65 will buy you a share of Exxon and the same proportional opportunity for monopoly rents as the richest Rockefeller.

By contrast, the independent oil "producers" (those not affiliated with refining and retail operations) have gotten a public relations free ride, thanks to the anthropomorphic fallacy that little companies must be owned by little people. The average stockholder of an independent is far wealthier than the average stockholder of Mobil or Exxon, and many of the very richest people in the Country got that way by owning "little" oil companies. Marvin Davis of Denver recently tried to buy 20th Century-Fox for $700 million cash, $600 million of which he had just been paid for oil and gas property he owned in several western states. When one of the owners of a small, family-owned company, Belridge Oil, died in 1975, she willed some of her stock to a foundation, to be used for charitable works in Marin County, California. She thought she was leaving five or ten million dollars for this eccentric purpose. When Belridge was sold to Shell for $3.65 billion four years later, the foundation suddenly had $253 million to dispose of among the deserving poor of Marin. The remaining $3.4 billion stayed in the family.

Because they are seen, absurdly, as somehow more deserving or less greedy, the independents enjoy a lower rate of windfall profits tax than the majors. They also continue to enjoy the oil percentage depletion allowance, a racket that finally was discontinued for the majors in 1975.

There has been a rash of newspaper stories lately about poor dirt farmers in Louisiana or widows in Texas who sign royalty agreements with oil and gas developers, and suddenly have money for a new chicken coop or a Winnebago for trips to visit the children. Very touching. Many royalty owners, of course, are doing somewhat better than that, and even the most modest royalty payment is pure monopoly rent. The standard royalty on one small well producing 15 barrels a day is worth over $2,000 a month. This windfall does not fall from the sky. It falls from the pockets of energy consumers, including the vast majority of dirt farmers, widows, orphans, and so on. Yet last year, Congress gave royalty owners a $1,000 income tax credit against any windfall profits tax they might have to pay and probably it will increase that credit, or exempt royalty owners completely, in this session.

The purpose of the windfall profits tax is to reclaim for consumers and real producers some of the monopoly rents they are paying to oil extractors. The Wall Street Journal, which greeted the windfall tax last year with a black-bordered editorial entitled "The Death of Reason," was at it again last month, commenting:

"Oil economists say that the incidence of the tax is falling about equally on the consumers, who pay the tax through prices at the pump, and on the oil companies, which have to reduce their retained earnings that otherwise would have gone toward new investment."

This is tripe. Perhaps these "oil economists" have never read Adam Smith, but surely the editors of the Wall Street Journal have done so. They know perfectly well that, under decontrol, consumers will have to pay the full OPEC price for domestic oil whether or not there is a windfall profits tax. Domestic suppliers cannot make them pay more and need not let them pay less. And true free marketeers also should know that rational investment decisions are based on how much money you think you can make in the future, not how much you've "retained" in the past. The oil industry is not short of cash.

The only legitimate concern about a windfall profits tax is that it could make domestic oil extraction unprofitable. This one does not. It takes a percentage of the difference between the sales price and a "base price," set with comic exactitude and then indexed for inflation. For oil in the reserves before 1979, the lowest base price is $12.81 and the highest tax rate is 70 percent. So at a decontrolled price of $38 a barrel, my calculator says that the most anyone will have to pay is about $17.50, leaving net revenues of about $20. But this is oil that, by definition, could be extracted profitably at prices ranging from below three dollars to a high of less than $15. So the tax is no disincentive to keep on pumping.

The tax on "new" oil (newly discovered, or removed from old wells by costly new techniques) is just 30 percent, and the base price is $16.55 plus inflation plus 2 percent. (Got that?) On $38 oil, the tax might be as high as $6.50, leaving a mere $31.50 to someone who took the trouble to extract it. Now it's possible that there is oil somewhere in this country that could be extracted profitably for, say, $35 and will stay in the ground instead because of this tax. But just at the moment, there isn't a drilling rig or an oil geologist available to find out, since even $31.50 a barrel remains strangely tempting, so that problem is pretty hypothetical.

The windfall tax recovers just as small fraction of the monopoly rents that some Americans are collecting courtesy of OPEC. It is riddled with special exemptions and favored categories, and it doesn't apply at all to natural gas and coal, where similar profits are being made. Congress has provided that the tax will phase out after raising the pointlessly precise figure of $227.3 billion. by contrast, US proved reserves already have a market value of a trillion dollars. The process of extracting them and finding more is "creating wealth," all right, but only in the Neiman-Marcus sense.●

TEXAS PRIDE

HON. SAM B. HALL, JR.

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. SAM B. HALL, JR. Mr. Speaker, if this Nation is to maintain its position of world leadership in agriculture, we must convince our young people of the need to remain on the land and follow a career in farming. One of the most significant programs that promotes this endeavor is the international pasture and range contest.

Known as the olympics of land evaluation, the international pasture and range contest had humble origins as an effort of several Oklahomans to develop guidelines for land evaluation similar to livestock judging. What had its roots as a local and State event soon established a tradition of sharp competition. In 8 short years this competition graduated from the local arena and became national and, in 1951, international in scope. Since 1951, 29 nations have participated with as many as 16 nations represented in 1 year.

On May 7, 1981, the Mount Vernon, Tex., FFA pasture and range judging team won the international pasture and range contest. Mount Vernon is the county seat of Franklin County and I am proud of its location in the First Congressional District which I represent in the House of Representatives; 801 contestants, most of them teenage 4-H and FFA members, representing 33 States and 1 foreign nation, participated in the contest. These young people, armed with nothing but their knowledge of the soil, vied for top honors; their mission was clear, the competition keen, the teams well prepared. The Mount Vernon team can be proud of its achievement.

The members of the winning Mount Vernon High School FFA team are David Gillen, Brad Bass, Darrell Donaldson, and Mark Stretcher. They

were very ably coached by Mr. Charles Stretcher.

In addition to winning the team event, these young men were outstanding in all of the judging activities. Mark Stretcher was 2d high individual, Darrell Donaldson was 4th high, David Gillen 8th and Brad Bass 11th in points scored.

The winning performance of these fine leaders of tomorrow has brought great honor to the State of Texas, the city of Mount Vernon, and to Mount Vernon High School. Their interest in furthering agricultural methods and tradition is to be highly commended.●

THE DIPLOMACY OF HUMAN RIGHTS

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. PEASE. Mr. Speaker, as the chairman of the Human Rights Committee of Members of Congress for Peace Through Law, I would like to call the attention of my colleagues to an excellent article written by Joseph Kraft entitled "The Right Person for the Rights Job," appearing in Tuesday's Washington Post.

Although I sometimes find myself in disagreement with Mr. Kraft's views, his comments on the Lefever affair and on the necessary qualifications for the next Assistant Secretary for Human Rights are most enlightening and informative.

He points out that Mr. Lefever was right to withdraw his name from consideration as the Assistant Secretary of State for Human Rights and Humanitarian Affairs. A man who could alienate all the Democrats and most of the Republicans on the Senate Foreign Relations Committee is certainly not the proper candidate for this important and sensitive post.

The question then becomes, who is a suitable candidate and what guidelines shall that person follow in the diplomacy of human rights?

Unfortunately, as Mr. Kraft points out, there are no easy answers and no simple guidelines to follow. The job requires good judgment and diplomatic skill as well as a deep commitment to the principles of freedom and democracy for which this country stands.

Mr. Kraft also notes that Lefever and his backers were wrong to draw a black and white distinction between Communist, "totalitarian," countries and right-wing, "authoritarian," countries. According to this view, the former are beyond reform and deserve any criticism we care to level at their human rights abuses; the latter, on the other hand, are subject to reform and, by withholding public comments about their abuses, we can nudge them to more humane internal policies.

Recent history shows that this dichotomy does not hold up. In the same way that the "authoritarian" regimes of Spain, Greece, and Portugal have given way to more liberal regimes, China, since the death of Mao, and Poland, since the worker's strike in Gdansk, have moved in the direction of greater liberties for the individual citizen. Certainly, political and economic reforms in these two communist countries are more pronounced than in the Paraguays, Guatemalas, and the Koreas of the authoritarian camp.

In President Reagan's meeting with the wife of the imprisoned Soviet dissident, Anatoly Scharansky, we saw how self-described "quiet diplomacy" can be very public indeed—especially in light of the sensitive nature of the Scharansky case.

To be credible, our human rights policy must be evenhanded. That, I believe, was the message of the 13-to-4 vote against the confirmation of Mr. Lefever by the Senate Foreign Relations Committee.

I would urge the White House as well as my colleagues to pay careful attention to Mr. Kraft's article which follows:

THE RIGHT PERSON FOR THE RIGHTS JOB

(By Joseph Kraft)

Ernest Lefever rightly claimed to be "blameless of the charges and innuendoes against my integrity and my compassion." But he was also correct in asking the president to withdraw from consideration his nomination as assistant secretary of state for human rights.

For the nomination had become entangled in a viper's nest of ideological conflict. A disentangling effort has to precede clear judgment as to the right person for the rights job.

At the root of the confusion lies the distinction between communist governments, which are said to be "totalitarian," and right-wing governments, which are said to be "authoritarian." Backers of Lefever insist the distinction is absolute.

"Totalitarian" regimes, they claim, are beyond reform and, therefore, deserve relentless attacks on transgressions against human rights. "Authoritarian" regimes, by contrast, are supposed to be subject to change. Hence a more sympathetic attitude can force their better behavior.

In practice, however, that neat dichotomy falls apart. A more totalitarian regime than that in China under Mao Tse-tung has rarely, if ever, existed. But sweeping change distinguishes China since the death of Mao. Poland provides another case of a "totalitarian" system yielding dramatic evolution toward more humane treatment of individual citizens.

Conversely, the picture is equally muddy. In Spain, Portugal and Greece to be sure, "authoritarian" governments gave way to more liberal regimes. But how much has Paraguay changed recently? Or Guatemala?

The difference that counts lies between governments disposed to be friendly to the United States and those that tilt toward this country's prime rival, the Soviet Union. Obvious reasons tell Washington to be more lenient toward pro-American governments than toward hostile governments. These reasons are certainly not trivial. But neither are they moral, still less absolute.

Similarly with a supposed polarity in tactics. According to some, quiet diplomacy lies at one end of the spectrum and public disapproval at the other. Backers of Lefever insisted that he stood for "quiet diplomacy" and that that approach had already begun to yield dividends.

Opponents of Lefever asserted that "quiet diplomacy" was, in fact, an excuse for ducking the issue. Among those most impressive in making that charge was Jacobo Timmerman, a newspaper editor who was exiled from Argentina after having been arrested, tortured and jailed for months. Timmerman claims that quiet diplomacy as applied to Argentina was "surrender" to torture, mass murder and gross prejudice.

But times change and circumstances alter cases. I met Timmerman two years ago and was enormously impressed by his dignity and humanity. The personal attacks launched against him recently seem to be as shameful as those directed against Lefever. It has to be said, however, that at that time Timmerman favored quiet diplomacy in dealing with Argentina. At his urging, indeed, the American Jewish Committee, which had given him an award, decided—against its own interest—to muffle the publicity.

An almost ludicrous example of the same inconsistency occurred at the White House the other day. President Reagan and Vice President Bush received, with photographers present, the wife of the imprisoned Soviet dissident Anatoly Scharansky. The Scharansky case is an explosive affair in the Soviet Union, and it took courage for the president to do what he did. The stakes were big, and the risks not small. But the White House press office, in speaking of an event that was like a red flag to the Moscow bull, described it as an example of—you guessed it—"quiet diplomacy."

As those examples suggest, sure guides and clean rules do not exist for the diplomacy of human rights. It is quintessentially a matter of judgment and of feel. Those with years of experience in the field and a professional commitment to human rights—whether they come from the right as Lefever did, or from the liberal side as was the case with Jimmy Carter's appointment, Patricia Derian—are apt to be unbending in their views, Derian did, after all, alienate several governments of importance to the United States. Lefever did, after all, alienate most of the Foreign Relations Committee, which voted against his nomination 13 to 4.

Balance, much more than experience in the field, is the critical quality. The human rights job calls for sensitivity to this country's interest in both strategic advantages and in its good name in the world. It requires great skill at translating those fine judgments into negotiations. It involves trade-offs and even manipulation. To me, that suggests a disciplined, professional diplomat.●

NEW ALEXANDRIA CELEBRATES 150TH ANNIVERSARY

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. APPLEGATE. Mr. Speaker, it is an honor for me to bring to the attention of this House and its Members an upcoming event in my congressional district.

The small community of New Alexandria in Jefferson County is celebrating the 150th anniversary of the village.

The residents of this community have planned several activities including games, crafts, combined church services, and a wide variety of food. The celebration will begin with a parade on June 20, 1981.

Rich in history, New Alexandria has much of which it can be proud. It was the principle village in Cross Creek Township in the early 1900's. It was laid out by Alexander Smith who was the first to introduce horsemills in this country.

The village was incorporated in 1871 and the 1880 census showed 175 people. One hundred years later, the 1980 census records 371 people.

The village had the distinction of having the youngest bicentennial chairman in the United States. Jim Westling was 14 years old when appointed to the position.

Mr. Speaker, on behalf of the 18th Congressional District, I would like to express my sincere congratulations to New Alexandria, its village officials, and most of all, its citizens, both past and present, on the celebration of this great event.●

HERITAGE CONSERVATION AND RECREATION SERVICE

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. GINN. Mr. Speaker, the Heritage Conservation and Recreation Service of the Department of Interior has been phased out of existence under the policies of Secretary James G. Watt. Though I recognize the right of our new Secretary to make reorganizational changes, I also believe that it is appropriate that we be aware of the achievements accomplished on behalf of the American people through the work of the HCRS.

It is my hope that under the administration of the National Park Service, where most of the functions of HCRS have been assigned, we can continue to see that our Nation realizes the benefits of the programs which were part of the HCRS agenda.

To illustrate the importance of those programs, I would ask that the following partial list of accomplishments of HCRS within the southeastern section of our Nation be included in the RECORD at this point. This information is excerpted from the publication, "HCRS Accomplishments, 1977 to 1980," which was issued by the Department of the Interior and the HCRS.

EXCERPTED FROM HCRS ACCOMPLISHMENT REPORT, 1977-80

SOUTHEAST REGIONAL OFFICE

Approved 1,275 Land and Water Conservation Fund (L&WCF) projects totaling $180.4 million, including 16 projects from the secretary's contingency reserve.

Offered states the option of consolidating 5 or more individual projects under one project application, resulting in 23 projects with 399 elements (projects) submitted for approval that considerably reduced paperwork.

Worked with the State of Georgia in an L&WCF project to acquire Amicalola Creek, a 26,000-acre stream, with $1.5 million from the secretary's contingency reserve and a private land donation. The creek is one of the few undeveloped whitewater streams in Georgia, and is within an hour's drive from Atlanta.

Administered 33 rehabilitation, 5 innovation, and 47 recovery action program Urban Park and Recreation Recovery Program grants. Examples of projects include: converting an abandoned post office in Wilmington, N.C., into a girls' club recreation center; creating a playground for mentally retarded and physically handicapped children in Pascagoula, Miss.; and renovating two city parks to provide basketball and tennis courts, wading areas, and picnic facilities for residents of nearby public housing units in Jackson, Tenn.

Provided $2.5 million under the L&WCF for Statewide Comprehensive Outdoor Recreation Plans; a portion was used for studies on subjects such as recreation for the handicapped, natural heritage areas, and barrier islands. Under the program, three states established citizen participation councils to represent the public and private sectors in considering state recreation problems.

Developed and conducted a well-attended regional urban waterfront revitalization conference in Jacksonville, Fla.

Established a federal Southeast Urban Waterfront Action Group with which cities can discuss their plans for waterfront revitalization. Waterfront projects are already underway in Covington, Ky.; Charleston, S.C.; and Jacksonville, Fla.

Cosponsored a number of recreation technical assistance workshops, including "Liability and Risk Management" with the Tennessee Department of Conservation, "Energy Conservation in Parks and Recreation" with the Tennessee Valley Authority, and "Energy Management in Recreation and Parks" with the U.S. Forest Service and the Soil Conservation Society of America.

Helped to develop a land-use agreement between a private landowner and the Audubon Society to manage the 32-acre Emerald Island in North Carolina.

Provided assistance to a multi-million dollar recreation demonstration project in Jacksonville, Fla. that is using an innovative privately financed trust to finance ongoing maintenance and operation.

Helped a pilot project in Cobb County, Ga. with methodologies for accessing cost/benefit ratios of local park and recreation programs.

Identified the recreation needs of approximately 500 rural and small communities.

Developed a regional priority system to evaluate and rank U.S. Forest Service components before submitting them for funding under the L&WCF; approved 19 Forest Service composite recreation plans.

Administered the transfer of 4,000 acres of federal surplus property, valued at $32 million, to state and local governments for park and recreation purposes, including: the 643-acre Ramey Air Force Base and a 156-acre portion of Culebra Island to Puerto Rico; a 205-acre portion of Fort Knox to Bullitt County, Ky.; and a 970-acre portion of Blythe Island to Glynn County, Ga.

Negotiated 13 cooperative management agreements with military bases to provide public access to base recreation programs and facilities; 8 additional cooperative agreements are being negotiated.

Conducted nine seminars on land preservation and published eight workbook guides on protecting natural heritage resources.

Inventoried 57,000 river miles for the HCRS nationwide rivers inventory, and determined that 11,482, or 20 percent, had outstanding qualities.

Worked closely with the Bartram Trail Conference and the Overmountain Victory Trail Association to provide for cooperation between federal, state, and local governments and private interests to implement trails. One accomplishment was the designation of the Overmountain Victory Trail as a National Historic Trail.

Administered the designation of 32 National Recreation Trails including two 200-mile trails in Kentucky, the Jenny Wiley Trail and the Sheltowee Trace Trail.

Identified significant natural areas and rivers for the Ohio River Basin Commission study of the Cumberland River Basin in Tennessee and Kentucky.

Administered 200 archeological contracts totaling $4 million, including the Tennessee-Tombigbee Waterway in Mississippi and Alabama, and the Richard B. Russell Dam and Lake project in Georgia and South Carolina.

Evaluated 322 potential national natural landmarks and recommended 34 for designation; 16 have been designated.

Helped the States of Kentucky and North Carolina establish statewide natural heritage programs to systematically identify and classify important natural areas.

Conveyed 30 national historic landmark plaques in public ceremonies.●

SOVIET PHYSICIST IMPRISONED

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. McGRATH. Mr. Speaker recently I received a statement from the Committee of Concerned Scientists in New York expressing grave concern over the welfare of one of their colleagues who has been sentenced to a 3-year prison term in the Soviet Union. The following release is one more shocking example of the disdain of the U.S.S.R. for human rights which I feel warrants the serious attention of this body:

NOBEL LAUREATES PROTEST SENTENCING OF SOVIET PHYSICIST TO A LABOR CAMP

NEW YORK, May 29.—Sixteen Nobel Prize winners today cabled Soviet authorities protesting "in the strongest terms" the sentencing of nuclear physicist Vladimir Kislik of Kiev to three years in a labor camp.

In cables to Soviet President Leonid Brezhnev and Academician B. E. Paton, President of the Ukrainian Academy of Sciences, they termed Kislik's sentence "a bizarre miscarriage of justice" which "can only further impede scientific cooperation" between the U.S. and the USSR.

The signers include Christian B. Anfinsen, Kenneth J. Arrow, Julius Axelrod, Baruj Benacerraf, Herbert C. Brown, Leon N. Cooper, Donald A. Glaser, Sheldon L. Glashow, Robert Hofstadter, Robert W. Holley, Polykarp Kusch, Arno Penzias, Herbert Simon, Howard M. Temin, George Wald, and Rosalyn S. Yalow.

Dr. Kislik was arrested on March 19 and charged with "malicious hooliganism" for allegedly molesting a woman. According to friends in Kiev, Kislik is innocent of the charge. Nevertheless he was convicted and sentenced in a two-day trial.

Kislik, a Jewish emigration activist, has been refused permission to emigrate from the USSR since 1973. His wife and son, however, were allowed to leave and live in Israel.

A series of harassments have punctuated Kislik's personal and professional life in the past eight years. Soon after applying to emigrate he was dismissed from his research post at the Institute of Physics of the Ukrainian Academy of Sciences and barred from other professional employment. His attempts to organize an unofficial scientific seminar along with other refusenik scientists in Kiev were foiled by the authorities. He was repeatedly summoned for lengthy interrogations, his apartment was searched, his scientific materials confiscated.

He has been vilified in the Soviet press and even accused of compromising state secrets in a scientific paper published abroad despite the fact that his research had been officially cleared for open publication. Protests from Western scientists deterred the authorities from prosecuting Kislik at that time.

In July 1980, while world attention was focused on the Olympics, he was remanded to a psychiatric facility. His release after two weeks is also attributed to Western pressure.

News that Kislik had been sentenced to three years in a labor camp roused the American Nobel laureates to issue their protest as follows:

"We protest in the strongest terms the sentencing of Dr. Vladimir Kislik of Kiev to three years in a labor camp. The conviction of this nuclear physicist on charges of malicious hooliganism is a bizarre miscarriage of justice. It is clear to colleagues who know him that he is incapable of such behavior.

"We appeal to you to commute this sentence and grant him the exit visa he has been denied for eight years. His confinement in a labor camp can only further impede scientific cooperation between our countries."

The Committee of Concerned Scientists, which transmitted the Nobelists' message to Soviet officials, is an independent organization of 4,000 American scientists dedicated to the defense and advancement of human and scientific rights for colleagues throughout the world.●

VOTING EXPLANATION

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. COURTER. Mr. Speaker, although I was unable to be present in the House on June 9, 1981, I would like to announce that, had I been present, I would have voted in favor of final passage of the following bills: H.R. 3240, National Telecommunications and Information Administration authorization; H.R. 3239, Federal Communications Commission authorization; and H.R. 3462, Justice Department authorizations. I would also have voted in favor of the Collins amendment to H.R. 3462.●

BABY FORMULAS AND THE FIRST AMENDMENT

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. SHUMWAY. Mr. Speaker, when the Supreme Court the other day denied the power of a local government to ban nude dancing in a community on the grounds that such dancing was a form of expression protected by the first amendment, I was amazed at the depth of commitment to freedom of speech some people have. My amazement lasted just long enough for me to recall that those same people were perfectly willing to muzzle some Americans in the name of a higher good. I refer, of course, to the reaction of some people to the U.S. vote against banning the advertising of baby formula in Third World countries.

When the World Health Organization voted to adopt an advertising code banning such advertising, the United States stood alone in voting no. The beating of breasts in the Eastern press was thunderous. The New York Times editorial informed us that, "It is unwise to contend that every society should observe American styles of commerce." In other words the freedom that business enjoys in this country should not necessarily prevail in every country.

No doubt that is true, Mr. Speaker, but it is also not the issue. The question was not whether other countries had the power to ban that advertising, but whether we should agree that censorship of advertising is a good idea. In the United States, advertising is protected by the first amendment. It is, whether the Times recognizes it or not, a part of freedom of the press.

Now suppose, Mr. Speaker, that we change the quotation from the editorial just slightly, just one word. Let us make it read as follows: "It is unwise to contend that every society should observe American styles of press freedom." What will be the reaction of the New York Times?

Well, as it happens, we do not have to guess, because another international organization, UNESCO, has been trying to do just that for some years. Under the UNESCO plan, a journalist in a Third World country would have to promise to abide by a code of behavior that would prohibit unfair stories about Third World countries. In other words, the UNESCO proposal would amount to thorough press censorship.

The reaction of this same Eastern press to this dangerous proposal has been swift, strong, and commendable. Correctly sensing an imminent goring of its own ox, the Times has joined with every other news outlet in the country to protest its loss of freedom.

But surely the attempt to control the press through international sanction is no more meritorious than the attempt to control advertising content. There was no suggestion that the formula advertising was false, just that it was unwise. Why can the editorialists so quickly smell danger in one case, and be so insensitive in the other? Is it simply because of their antibusiness bias?

In any event, Mr. Speaker, I am glad that my Government took the side that it did. If the United States does not stand for freedom in both press and commercial matters, it is clear that no other country will. We should not be a party to prohibiting, through international sanction, what is legal and permitted in our own country.●

EXPLANATION AS TO MISSED VOTE

HON. WENDELL BAILEY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. BAILEY of Missouri. Mr. Speaker, due to official business in my district, I was unable to be present on the floor of the House of Representatives on June 4, 1981, when the House voted on rollcall No. 63, to repeal the authorization for construction of binary nerve gas production facilities, and rollcall No. 64, the authorization of certain military construction for fiscal year 1982. Had I been present, I would have voted "No" on rollcall No. 63 and "Aye" on rollcall No. 64—the prevailing side on both votes.●

U.S. GRAIN EMBARGO WAS SUCCESSFUL—MEAT, DAIRY PRODUCTS BEING RATIONED IN SIBERIA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. McDONALD. Mr. Speaker, the agricultural sector of the Soviet economy has always been weak since the enforced collectivization of the peasantry by Dictator Stalin. At the time of enforced collectivization, peasants slaughtered livestock in enormous numbers rather than turn them over to the state. Evidence shows that the herds have never quite recovered from that blow. The Soviet Union, as a result, is nearly always short of meat and dairy products. So it is not surprising to learn the U.S. grain embargo made this already bad situation worse. And, contrary to some of the so-called experts our grain embargo did hurt. What follows is a translation of a story that appeared in the Swedish newspaper Dagens Nyheter of June 3, 1981—as printed in the Foreign Broadcast Information Service for June 8, 1981, volume III, No. 109, annex No. 023—relative to the rationing instituted for meat and dairy products in Irkutsk—population 451,000. The item follows:

[From Dagens Nyheter, Stockholm, Sweden, June 3, 1981]

MEAT, DAIRY PRODUCTS BEING RATIONED IN SIBERIA

IRKUTSK, June.—"Remember the Starving!" This is the exhortation in the Russian text of a poster printed in France which depicts a crowd of people dragging themselves toward a price of bread. The crowd on this poster has been hidden by some ration coupons taped over it.

The poster hangs in a Soviet home in the major Siberian city of Irkutsk and the man whose apartment it is has tried to give expression with his taped ration coupons to what many people in Siberia feel about the food situation just now. Since 1 May the authorities in Irkutsk have introduced meat and butter rations of 1 kg and 300 g per person per month respectively.

"The Irkutsk area is a good cattle-farming area, but the meat from here goes to cities like Moscow and Leningrad," some young Irkutsk inhabitants said bitterly.

For a considerable period now there have been problems with meat and dairy products such as milk, butter and cheese in Irkutsk and Siberia. "We have not seen cheese here for 4 years," said a young man living in one of Irkutsk's suburbs when I happened to mention that it had been difficult in the last month to buy cheese in normal shops in Moscow. "We even had to wait in line for milk."

But the greatest bitterness in these circles is over the enforced rationing.

"In the past you had to wait in line for many hours, but you could at least buy either 1 or 8 kg of meat if they had any. Now you can only buy your allotted kilo."

The rationing in Irkutsk is called an "experiment" by the authorities. It was not preceded by a debate and has not been written about in the local papers in order not to attract interest from other localities, among the foreign correspondents living in Moscow, for instance. But if you visit Irkutsk almost the first thing you hear about are the ration coupons. Everywhere people are discussing the new arrangements. Not everyone is totally negative.

"Before you could never get hold of any meat," a taxi driver said. "Now at least you can buy as much as you have coupons for."

"So this is better?" I asked.

"Yes, perhaps," he replied with a certain skepticism in his voice.

The advertising of the rationing took place at workplaces and on notices in dwelling houses. The authorities have expended a great deal of effort in introducing the food rationing coupons which are the first Irkutsk inhabitants have seen since World War II. Each section of the city has its own ration office and all family members including babies are allocated coupons. Each section of the city has its own color on the coupons.

The rationing measures in Irkutsk are perhaps the clearest indication so far that the U.S. grain embargo on the Soviet Union has been effective, despite all Soviet assurances to the contrary. So far the Soviet Union has avoided having to slaughter its large cattle stocks. But less fodder for the cattle has resulted in less milk and milk products.

The stagnation in production is also clear from official Soviet statistics. In 1980 less meat was produced than 5 years earlier—15.1 million tons as against 15.2 million.

Between 1975 and 1980 the Soviet population increased by over 8 million to almost 263 million inhabitants. At the same time butter production stagnated—1.3 million tons against 1.2 million 5 years earlier. Milk production increased to 25.3 million tons in 1980 from 23.6 million in 1975.

In other ways the Irkutsk region has the potential to provide the inhabitants of Irkutsk with the essentials. Around the world's deepest inland sea, Lake Baykal, near the city cows can be seen grazing on one of the region's 83 kolkhozes or sovkhozes, or cows which belong to the villages themselves. Cattle farming accounts for the more than half of the region's agricultural output. In Irkutsk there are also factories for meat products and butter making factories.

"But what difference does it make," people in Irkutsk ask, "when the products go to Moscow and Leningrad?"

Even in Siberia's largest city, Novosibirsk, where food supplies are better, the inhabitants are discovering that certain foodstuffs from the area are for export only. "We have fish-breeding here," a Novosibirsk inhabitant said, "but the fish are only sold to Moscow, never in Novosibirsk,"

In Irkutsk there is another explanation apart from the U.S. grain embargo, of why it is difficult to buy meat and milk products. "Young people no longer want to settle in the country and go in for agriculture," it is said.

The Soviet 5-year plan is aware of the problem in Siberia. The directives say that "it is necessary to increase food production in Siberia in all ways by developing agriculture and building factories to process agricultural raw materials."●

CARL VINSON

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. ANDERSON. Mr. Speaker, I, like most of us here was not yet a Member of Congress when Carl Vinson finished his 26th and final term in the House of Representatives in 1965. Yet the legacy he left this institution that year has stayed and accompanied me through my own tenure, for 50 years of such exemplary service to one's State, one's country, and its Congress do not vanish with one's retirement. We have been thankful for Carl Vinson in the past; we are thankful for his continued influence today; and I'm sure we will continue to be thankful in the future.

Mr. Speaker, Carl Vinson was a young man during the Teddy Roosevelt administration. Now I know that political analogies are too much in vogue these days, but I hope your patience will bear one more, for I think that Chairman Vinson was the man who—perhaps more than any other—carried Roosevelt's maxim of talking softly and carrying a big stick into the nuclear age. As chairman of the Naval Affairs Committee and, later, the Armed Services Committee, there was no doubt that he believed in wielding a very large stick indeed, but he was in no sense of the word a "militarist." With his first speech in Congress before the U.S. entry into the First World War, the then young Congressman Vinson made clear his perspective on armaments: "I devoutly hope the casting of every gun and the building of every ship will be done with a prayer for peace." As you know, the United States will soon have a new aircraft carrier, the U.S.S. *Vinson.* It is a magnificent ship and an appropriate namesake for Mr. Vinson, but please, do not forget the prayer that, were he still alive, he would send with it.●

ERNEST J. GAZDA, SR., PASSES AWAY

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. McDADE. Mr. Speaker, all of us in northeastern Pennsylvania have been greatly saddened by the recent death of one of our foremost citizens, Attorney Ernest J. Gazda, Sr., of Taylor, Pa. Attorney Gazda passed away on May 14 in the city of Scranton after a long illness.

All who knew Ernie Gazda and were privileged to enjoy his friendship and counsel are going to miss him. He was

a rare individual who showed, not with words but with example, how one man can change the face of a community. He was a man with deep religious convictions, a strong sense of community, a great pride in his Polish heritage, and a man whose compassion for the less fortunate made him a force that improved everything he touched.

Ernie Gazda's life was full and diverse. He returned to northeastern Pennsylvania after a college career at Marietta and Cornell Universities where hard work and educational excellence placed him at the top of his class. He brought that work ethic and excellence back to our region where he settled.

A pillar of the Scranton, Pa., home of the Polish National Catholic Church, he taught philosophy in his native language at the School of Christian Living, led the drive to build the parish youth center, served as one of seven members of the Church Great Lay Council, and spearheaded the $1 million drive to build the church home for the aged. And his tireless dedication did not stop at home. He personally led delegation after delegation to his native Poland where the church contributed a massive effort to provide relief to Polish refugees and poor families.

His strength of character was felt not only in the religious community but the legal community as well. Ernie's life was the law and he was a skillful practitioner. His sterling reputation as an attorney was an example to every lawyer in the community. He led the local bar association as its president for 6 years; served on numerable law-improvement committees at both the local and State level; and he served my predecessor in Congress, former Gov. Bill Scranton, as his executive assistant for 2 years.

When our community needed him, his talents were always available. When a new system of mass transportation for Lackawanna County was needed, Ernie Gazda created it and then served as the chairman of the board for the fledgling system.

Whether the task was to meet the very special needs of the children at the Pennsylvania School for the Deaf or the day-to-day needs of the children in the Taylor public schools, Ernie Gazda served them.

Whether the task was to coordinate the volunteer efforts of the Taylor Lions Club or to fill the difficult and often thankless needs of political life, Ernie was president, chairman, treasurer, counselor, and just plain friend.

Whether the task was spreading the work of Freemasonry in his hometown, in Pennsylvania, or throughout the Nation, this 33d degree Mason was always too caring and too concerned to say anything but "yes." He has been a friend, neighbor, counselor, activist, and gentleman, always there not just to help but to lead. And we had a better community because of him.

Throughout this active and productive life, this fine and good man somehow found the time to be a proud family man as well. To his lovely wife Helen, his son and law partner Ernie, Jr., and his daughter Dr. Elaine Gazda, of the University of Michigan, all of us extend our personal sympathy. His memory runs deep among those who loved him. His example lives on in the institutions, public and private, to which he gave his talents. I am proud to have known him and will always have his example before me as a man among men.●

COMMERCIAL AND INDUSTRIAL STRUCTURES REHABILITATION ACT

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. RITTER. Mr. Speaker, today I am introducing the Commercial and Industrial Structures Rehabilitation Act of 1981, an act which is necessary to stop the downward spiral of economic decline in many of our older industrial areas.

The Commercial and Industrial Structures Rehabilitation Act increases the investment tax credit on the rehabilitation of existing structures from 10 percent to 25 percent. This needed change will help increase the amount of renovation in all regions of the Nation. At the same time it will provide new construction and related industry jobs. For example, the Advisory Council on Historic Preservation found that renovation yields an average of 33 percent more construction jobs than does demolition and new construction. And when one considers the high levels of unemployment in the construction industry, renovation becomes even more attractive.

This bill will also give firms an incentive to remain and expand in their present locations. For too long tax policies have made the cost of new construction artificially low relative to that of renovation. This advantage encourages companies to pack up and leave an area, causing choas in many of our older communities. By raising the investment tax credit to 25 percent for the rehabilitation of existing structures, we will be giving our private and public sector leaders at the State and local levels an important tool to mobilize the resources necessary for the renewal of older commercial and industrial areas.

We must increase incentives for industries to expand through renovation of existing structures, and this bill accomplishes this goal. I urge my colleagues to support this needed tax reform legislation.●

PALESTINIAN PROBLEM CENTRAL

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. FINDLEY. Mr. Speaker, the Washington Post has once again recognized the centrality of the Palestinian problem to peace in the Middle East. In a recent editorial commenting on the gossamer quality of Lebanese sovereignty and the difficult task confronting Ambassador Habib, the Post suggests that "neutrality is the answer for Lebanon," but then raises the question: "But what happens to the Palestinians . . . ?"

Answering his own question, the Post concludes:

> Israel must decide whether its legitimate wish to have a peaceful border is satisfied better by the current policy of political manipulation and armed intervention in Lebanon or by seeking its neutrality and at the same time doing its full part to make possible a solution to the Palestinian problem.

It is a clear warning to Israel that it must get on with the business of solving the Palestinian problem, something that it has been unwilling to do so far. U.S. patience is not unlimited.

Text of the Washington Post editorial follows:

NEUTRAL LEBANON

Nothing better illustrates the flimsiness of Lebanon's grip on its own destiny than the peregrinations of the American representative, Philip Habib, who in his efforts to avert war in Lebanon finds himself spending most of his time in Israel and Syria. It is as though the Lebanese were incidental to the potential conflict, spectators at their own ruin. It is a sobering vista, the more so that few of the actors evince awareness, let alone regret, that Lebanon's sovereignty is being treated like smoke, something to blow away in order to see the real terrain of Israeli-Syrian confrontation underneath. Even the redoubtable and sympathetic Mr. Habib focuses on the most immediately explosive aspect, which requires him to tend to the twin fuses burning in Jerusalem and Damascus. Lamented Lebanon's president the other day, "the only losers are Lebanon and the Lebanese."

You can find people who claim that Lebanon is not so much a nation as a political or cultural invention fashioned by various outside interests: that it is one of those countries like Cyprus, whose sovereignty is accidental and not to be much mourned when lost; that its misfortunes are somehow less serious because they were brought on in part by acts of cupidity by the Lebanese themselves; that particular groups of Lebanese solicit or accept the foreign attachments that erode the country's sovereignty, and so on. Some of these arguments are made by Syria, some by Israel. Contempt for Lebanese sovereignty has become the common core of their respective policies in Lebanon.

Is it possible that from the current crisis a sense can emerge that the restoration of Lebanon is not only right in itself but is also the key to the interests imposed by the dominant outside players? Lebanon is not the West Bank, i.e., contested territory. It is not territory that either Syria or Israel can stake a claim to without arousing the predatory suspicions of the other. It is in the first instance territory that neither Israel nor Syria wants the other to be able to exploit.

Neutrality is the answer. It means foreign countries would stop intervening physically and Lebanese would stop looking outside their borders for solutions to the tensions arising inside them. The international role would be to invite a negotiation and offer guarantees.

But what then happens to the Palestinians, who, almost all Lebanese agree, spilled into Lebanon as a result of the establishment of Israel and are a destabilizing as well as a reluctant foreign presence there? Israel must decide whether its legitimate wish to have a peaceful border is satisfied better by the current policy of political manipulation and armed intervention in Lebanon or by seeking its neutrality and at the same time doing its full part to make possible a solution to the Palestinian problem. Next month's Israeli elections center, to an important extent, on precisely this choice.●

WESTERN LOS ANGELES CHAMBER OF COMMERCE HONORS RETIRING CHAIRMAN OF THE BOARD BRUCE BLICKENSDERFER

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. DORNAN. Mr. Speaker, on Friday, June 19, the Western Los Angeles Regional Chamber of Commerce will hold their annual installation dinner dance at the Riviera Country Club in Pacific Palisades. I would like to call to my colleagues' attention the outstanding job done by the chamber's retiring chairman of the board, Bruce Blickensderfer.

The chamber was actively involved in the community during Bruce's tenure. In addition to sponsoring numerous successful mixer parties throughout the West Side this past year, the chamber sponsored two of the largest outdoor arts and crafts shows ever held in the United States.

Bruce also presided over the formation of an energy production and conservation committee designed to aid in the energy conservation effort, and to pursue leads on possible alternative fuel sources.

The chamber's commitment to young people was also strengthened during Bruce's term with several job faire programs held at local high schools. These job faires presented students with various career options and opportunities.

Bruce has also supervised the chamber's extensive public affairs activities, which have included the consolidation of several smaller legislative committees into one large legislative action committee, as well as serving as host to numerous "brown bag" luncheons with political figures.

Bruce had the honor of coordinating an inaugural cocktail reception for President Reagan at the request of the inaugural committee. The reception was connected by satellite hookup to the Inaugural Ball in Washington.

As a community service, the chamber initiated several crime prevention programs in Westwood Village during Bruce's term. And Bruce has increased the chamber's revenue by 50 percent over last year, allowing it to better serve area residents and merchants.

Mr. Speaker, it is men like Bruce Blickensderfer who are the backbone of community service organizations across the country. Because Bruce cares about his community, he has selflessly given much of his free time over the last year to the chamber's worthwhile efforts. His outstanding achievements are evidence that an individual is capable of exerting influence for the common good.●

JEANNETTE RANKIN: THE FIRST WOMAN IN CONGRESS BLAZED A TRAIL FOR MORE THAN 100

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. LANTOS. Mr. Speaker, this day, June 11, marks the 101st anniversary of the birth of Jeannette Rankin the first woman to be elected to the U.S. Congress. Her election occurred a full 4 years before the 19th amendment gave women the right to vote. Montana, which she represented, was ahead of the Nation in already having awarded women the right to vote.

Jeannette Rankin is a Congresswoman to be remembered. She had two terms in Congress, 16 years apart. She was first elected in 1916, and again in 1941. Her district was redrawn at the end of her first term, eliminating her as a candidate. A quarter of a century later she was reelected to the House of Representatives.

Ms. Rankin was not afraid to stand alone for her convictions. Her positions were often unpopular. She was a suffragette. She had courage and she stood unwaveringly for what she was convinced was right.

Her most outstanding contribution was in the field of women's rights. She worked hard to get a suffrage amendment passed. She sponsored legislation to aid women and children, to regulate improvements in the working conditions of women, and legislation to combat infant and maternal disease.

Jeannette Rankin was a pioneer in Congress. She was the first of a line of American women who have now served in the Congress of the United States—with more than 100 women having been elected to Congress since 1916. The number of women legislators is certainly not an optimum number, but it is slowly increasing. There are more women now in Congress than at any previous time in our history.

Therefore, on this the date of Jeannette Rankin's birth, I salute her achievements which have benefitted and enriched both the Congress and the men, women, and children of the United States.●

TRIBUTE TO CARL VINSON

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. RHODES. Mr. Speaker, it is an honor to join in this special order paying tribute to Carl Vinson. It is frequently noted that he served more years in the House of Representatives than any other Member—50 years and 1 month, to be exact. However, far more distinctive is the quality of Carl Vinson's service to his country.

He was dedicated Member of the House and an accomplished chairman of the Armed Services Committee. There were many changes in our country's national defenses during Carl Vinson's tenure in Congress, and he possessed the kind of forward-looking vision necessary to the development of our military capabilities through the adoption of innovative programs.

Carl Vinson's great knowledge of military affairs, coupled with his competent leadership, were acknowledged by all who knew him. In fact, these attributes so impressed President Harry Truman that he considered Carl Vinson for the post of Secretary of Defense. Being a true creature of Congress, Carl wisely withdrew his name from consideration and continued to serve with distinction in the House.

Of all the honors bestowed on Carl, perhaps none was as fitting as the naming of the Nation's fourth nuclear carrier after him. The fact that this was done during his lifetime was particularly appropriate. It gave the Nation the opportunity to express its gratitude to him for his signficant contribution to our military preparedness.

It is, of course, sad that Carl's final wish was not granted—to live to be 100 to see the *Vinson* join the Navy as an active part of the fleet. But the legacy which he left—a lifetime of work devoted to the improvement of our national defenses, should serve as inspired motivation for us to continue this important task. The members of this body, especially, should keep in mind Carl Vinson's words, appropri-

ately inscribed on the nuclear carrier's keel, "No person representing the American people should ever place the defense of this Nation below any other priority.●

REAGAN'S SOCIAL SECURITY CUTBACKS LOGICAL, EQUITABLE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. DERWINSKI. Mr. Speaker, as a result of the controversy over President Reagan's proposed changes in the social security system, I have been flooded with mail on the subject, as I am sure most of my colleagues have. In contrast to the sensational press coverage which has caused many fears and doubts toward the President's social security proposals, I wish to insert a very responsible editorial that appeared in the May 31, Suburbanite Economist newspaper which serve my constituents in the southwest suburban area of Chicago. The very timely editorial follows for the Members' attention:

[From the Suburbanite Economist, May 31, 1981]

REAGAN'S SOCIAL SECURITY CUTBACKS LOGICAL, EQUITABLE

The opposition to President Reagan's social security proposals is, in some respects, very difficult to understand.

For example, the reduction in benefits for those taking retirement at 62.

After a trend toward early retirement started by President Franklin D. Roosevelt when he was attempting to create jobs, the pendulum has now swung back. The courts have ruled against mandatory retirement at 65. Older workers are being encouraged to stay on the job. It follows, then, that fewer people would be opting for retirement at 62 and making social security more attractive by working until 65 is in step with the times.

We suggest that many of those taking retirement at 62 are not really dependent upon social security anyway. Otherwise they couldn't retire. They have other sources of income and social security is just a little extra. Certainly no one could live on the average social security benefit available at age 62.

You ask what about the disabled and unemployed forced to quit working at 62? It would seem that persons in this category would be eligible for other benefits, and if not provisions could be made for them.

Some are also opposing lifting of the limitation on outside income. The income restriction is an unfair rule that should never have been part of the system. Its elimination has long been urged by numerous groups and this is a "must" in whatever social security changes are finally approved.

It will make it possible for many senior citizens who do not have company pensions to live decently on lower social security benefits. And it will encourage many who might not otherwise be able to retire to do so, thereby making jobs available to others.

We also don't understand the many experts who have been warning that social security is going broke suddenly voicing alarm over the proposed reductions. You can't have it both ways. If you agree that some cuts have to be made in social security in order for it to survive the Reagan proposals are the most equitable.

What has occurred, it seems, is that weak-kneed Republicans and eager Democrats have come together, as indicated by the Senate resolution opposing the cuts. And the press has at last found an issue it believes it can use to whack away at Reagan, whose popularity has dismayed many in the industry.

It is natural that public opinion polls should register a drop in Reagan's popularity after he has taken a stand on such a sensitive and controversial issue. When all of the facts are faced, however, and all of the critics come up with their suggestions, if they have any, his program, as we said, will stand out as the most equitable.●

GUARDIAN ANGELS ARRIVE

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. MOTTL. Mr. Speaker, this morning the city of Cleveland will officially welcome the Guardian Angels to establish a branch of their organization in the Cleveland Metropolitan Area. The Angels, under the guidance of founder and leader Curtis Sliwa, have been an instrumental force in curbing crime in major cities across the country. They have served as an effective deterrent force in our Nation's largest and most crime-infested cities, and have gained national recognition and acclaim for their efforts to protect a citizenry harassed by crime. I welcome their presence in Cleveland.

Like our other major metropolitan areas across the country, Cleveland has found itself plagued by an unhalting and dramatic increase in violent crime. Despite a concerted effort by our law enforcement officials to combat this wave, we have witnessed as astounding 52 percent increase in the commission of violent crimes in the past decade. It is only too obvious that we must take every action and make every effort to relieve our cities and suburbs from crippling crime. The Guardian Angels are a talented and energetic force which can aid in providing this relief.

Since their conception in New York 2½ years ago, the Angels have expanded their chapters across the country to Chicago and Los Angeles, Houston, and Miami. They have grown from a membership of 13 concerned youths to over 1,200 dedicated volunteers. They can be recognized by their white shirts and red berets in 17 cities across the country. They carry no weapons, and they receive no compensation. They are armed with a training in the martial arts and a commitment to effectively ward off crime. It has been the unrelenting efforts of the Cleveland people, and in particular the Cleveland Press that have made this day of welcoming a reality.

A special citation is in order for Cleveland Press reporter Eric Brewer, whose insightful reporting on the Guardian Angels during the past few months kept the issue alive in the hearts and minds of Clevelanders. Mr. Brewer wrote a number of accurate, hard-hitting articles about Sliwa and the Angels. This perceptive, dedicated reporter was one of few Cleveland newsmen who was able to recognize the Guardian Angels and the possibility of their coming to Cleveland as a legitimate news story.

I join with my fellow citizens of Cleveland to applaud the efforts of these dedicated young people. We are proud to welcome the Guardian Angels to our city.●

MONTHLY LIST OF GAO REPORTS

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The April 1981 list includes:

NATIONAL DEFENSE

Factors Influencing DOD Decisions to Convent Activities In-House to Contractor Performance. PLRD-81-19, April 22.

Weak Internal Controls Make Some Navy Activities Vulnerable to Fraud, Waste, and Abuse. Acc. No. 114798, AFMD-81-30, April 3.

Controls Over DOD's Management Support Service Contracts Need Strengthening. Acc. No. 114894, MASAD-81-19, March 31.

The Army Needs to Improve Individual Soldier Training in its Units. Acc. No. 11438, FPCD-81-29, Mar. 31.

When One Military Service Pays Another's Members, Overpayments May Result. Acc. No. 114918, AFMD-81-41, April 14.

Assessment of the Navy Comparative Study of Florida Canyon and Helix Heights for the Proposed San Diego Naval Hospital. Acc. No. 115039, HRD-81-71, April 23.

DOD's Use of Remotely Piloted Vehicle Technology Offers Opportunities for Saving Lives and Dollars. Acc. No. 114831, MASAD-81-20, April 3.

Incentive Programs to Improve Productivity Through Capital Investments Can Work. Acc. No. 114965, AFMD-81-43, April 20.

Appropriateness of Procedures of Leasing Defense Property to Foreign Governments. Acc. No. 115049, ID-81-36, April 27.

LETTER REPORTS

Reliability and maintainability requirements need more emphasis in weapon system development. Acc. No. 114765, MASAD-81-25, March 31.

Field Army requirements for calibration equipment need to be reexamined. Acc. No. 114797, PLRD-81-16, Apr. 3.

The Secretary of Defense should reassess the range and payload issues to determine if the C-X aircraft being considered by the Air Force provides the capability to fill its mission need. Acc. No. 114832, MASAD-81-24, Apr. 6.

Management of repairable spare aircraft components needs to be improved. Acc. No. 114979, PLRD-81-17, Apr. 21.

Action needed to improve timeliness of Army billings for sales to foreign countries. AFMD-81-61, Apr. 30.

Navy's decision to contract out vehicle maintenance and operations functions at the U.S. Naval Station, Mayport, Florida, is not supported. Acc. No. 114910, MASAD-81-8, Mar. 4.

Army's contracting out of installation support functions at Fort Gordon, Georgia, will result in $5.7 million annual savings. Acc. No. 114877, PLRD-81-9, Apr. 1.

Naval Air Systems Command's move from California to Washington, D.C. resulted in reduced operational costs. Acc. No. 114794, PLRD-81-15, Apr. 2.

Coast Guard personnel records storage areas need fire protection Systems. Acc. No. 114998, GGD-81-72, Apr. 22.

Retention periods and optimal time for microfilming military personnel records are needed. Acc. No. 115050, GGD-81-59, Apr. 27.

Potential savings exist in military family housing in Oahu, Hawaii by eliminating air conditioning. Acc. No. 114966, CED-81-91, Apr. 20.

INTERNATIONAL AFFAIRS

Improving Independent Evaluation Systems in the Multilateral Development Banks. Acc. No. 114978, ID-81-30, Apr. 21.

Poor Planning and Management Hamper Effectiveness of AID's Program to Increase Fertilizer Use In Bangladesh. Acc. No. 114878, ID-81-26, Mar. 31.

Management Problems with AID's Health-Care Projects Impede Success. ID-81-24, Apr. 28.

LETTER REPORTS

Examination of financial statements of Overseas Private Investment Corporation for fiscal years 1980 and 1979. Acc. No. 114917, ID-81-45, Apr. 15.

The 1978 Diplomatic Relations Act's liability insurance provision needs attention. ID-81-31, Apr. 28.

ENERGY

Department of Energy Needs to Resolve Billions in Alleged Oil Pricing Violations. EMD-81-45, March 31.

The Department of Energy Should Provide Leadership to Assure Near-Term Gasoline Conservation Opportunities are Realized. Acc. No. 114896, EMD-81-52, April 13.

Full Development of OTEC's Potential May Be Impeded. Acc. No. 114992, EMD-81-62, April 10.

Interior's Report of Shut-In or Flaring Wells Unnecessary, but Oversight Should Continue. Acc. No. 114958, EMD-81-63, April 17.

Impact of Geothermal Development on Stockraising Homestead Landowners. Acc. No. 114924, EMD-81-39, April 16.

LETTER REPORTS

The Secretary of Energy should not spend funds on fuel saving improvements having little likelihood of implementation. Acc. No. 115038, EMD-81-51, March 23.

Electric utilities are concerned with the Department of Energy's wind energy program. Acc. No. 114993, EMD-81-77, April 21.

Concerns exist over a permanent facility for the Solar Energy Research Institute. Acc. No. 115037, EMD-81-68, April 27.

The Pacific Northwest Electric Power Planning and Conservation Act expanded the authority and responsibility of the Bonneville Power Administration. Acc. No. 114862, EMD-81-67, April 8.

Changing the basis of the Department of Energy's price for uranium enrichment services from "cost recovery" to a fair value price would eliminate a subsidy to the commercial nuclear industry. Acc. No. 114915, EMD-81-75, April 14.

Does the Utah Power and Light Company have a valid right to be issued a preference right lease? Acc. No. 114795, EMD-81-70, April 2.

Department of Energy needs to improve timeliness of the Third Annual Reports on Title I of the Public Utility Regulatory Policies Act. EMD-81-56, April 28.

A proposed $200,000 Department of Energy subcontract should not be awarded until DOE evaluates its need. EMD-81-81, April 24.

NATURAL RESOURCES AND ENVIRONMENT

Hazardous Waste Sites Pose Investigation, Evaluation, Scientific, and Legal Problems. CED-81-57, April 24.

Better Data Needed to Determine the Extent to which Herbicides Should be used on Forest Lands. CED-81-46, April 17.

Clean Air Act: Summary of GAO Reports (October 1977 through January 1981) and Ongoing Reviews. Acc. No. 114793, CED-81-84, April 1.

EPA Actions Against the Hopewell, Virginia, Wastewater Treatment Facility. Acc. No. 114870, CED-81-47, March 3.

LETTER REPORTS

The Safe Drinking Water Act does not clearly authorize the Environmental Protection Agency to carry out the day-to-day operations of a drinking water program in States unwilling to assume primacy. Acc. No. 114996, CED-81-58, April 23.

Information on the resale of water provided under contract by the Federal Government in California. Acc. No. 115011, CED-81-95, April 21.

Procurement practices at the Council on Environmental Quality. Acc. No. 11500, PLRD-81-24, April 24.

The Mine Safety and Health Administration's regulation development process needs improvement. HRD-81-80, April 27.

The Secretary of the Interior should direct the Bureau of Land Management to develop a plan providing for the correction of haul road deficiencies along the Alaska Pipeline Corridor. Acc. No. 114861, EMD-81-69, April 8.

AGRICULTURE

The Department of Agriculture can Minimize the Risk of Potential Crop Failures. Acc. No. 114908, CED-81-75, April 10.

Department of Agriculture Should Have More Authority to Assess User Chargers. Acc. No. 114923, CED-81-49, April 16.

LETTER REPORTS

Increased hourly inspection fee at egg processing plants was needed. Acc. No. 114875, CED-81-82, March 11.

Information on strikers' participation in the food stamp program. Acc. No. 114879, CED-81-85, March 26.

COMMERCE AND HOUSING CREDIT

SBA 8(a) Procurement Program—A Promise Unfulfilled. Acc. No. 114863, CED-81-55, April 8.

Measurement of Homeownership Costs in the Consumer Price Index Should Be Changed. Acc. No. 114922, PAD-81-12, April 16.

Assurance Needed that Import Classifications are Accurate. Acc. No. 114994, GGD-81-46, April 23.

A Primer on Gross National Product Concepts and Issues. Acc. No. 114920, GGD-81-47, April 8.

SOCIAL SERVICES

Improved Collections Can Reduce Federal and District Government Food Stamp Program Costs. Acc. No. 114830, GGD-81-31, April 3.

An Evaluation of the Organizational Relationship of the Office of Human Development Services and the Administration on Aging. Acc. No. 114994, FPCD-81-41, April 20.

Further Improvements Needed in EEOC Enforcement Activities. Acc. No. 114892, HRD-81-29, April 9.

LETTER REPORTS

Differences in State administration exist in delivering services and monitoring the results. HRD-81-76, April 10.

Allegations concerning the Veterans Administration Medical Center, Manhattan, New York, were substantiated. Acc. No. 114921, HRD-81-70, April 16.

VA's home care program is a cost-beneficial alternative to institutional care. Acc. No. 115036, HRD-81-72, April 27.

Equal Employment Opportunity Commission needs to improve its administrative activities. Acc. No. 114969, HRD-81-74, April 21.

INCOME SECURITY

Action Needed to Avert Future Overpayments to States for AFDC Foster Care. HRD-81-73, April 20.

Pension Fund Investment in Agricultural Land. Acc. No. 114880, CED-81-86, March 26.

Revising Social Security Benefit Formula Which Favors Short-Term Workers Could Save Billions. Acc. No. 114916, HRD-81-53, April 14.

ADMINISTRATION OF JUSTICE

Streamlining Legal Review of Criminal Tax Cases Would Strengthen Enforcement of Federal Tax Laws. GGD-81-25, April 29.

Number of Undocumented Aliens Residing in the United States Unknown. Acc. No. 114829, GGD-81-56, April 6.

Better Management Needed in Automating the Federal Judiciary. Acc. No. (GGD-81-19), April 2.

GENERAL GOVERNMENT

What Can Be Done to Check the Growth of Federal Entitlement and Indexed Spending? Acc. No. 114766, PAD-81-21, March 3.

The Federal Structure for Examining Financial Institutions Can Be Improved. GGD-81-21, April 24.

Fictitious Tax Deposit Claims Plague IRS. GGD-81-45, April 28.

Improper Accounting for Costs of Architect of the Capitol Projects. Acc. No. 114909, PLRD-81-4, April 13.

Information on Mission and Functions of the National Bureau of Standards. Acc. No. 114977, CED-81-39, April 22.

LETTER REPORTS

The Internal Revenue Service found that some districts made little effort to publish in newspapers, lists of individuals due undelivered refund checks. Acc. No. 114911, GGD-81-71, April 10.

Because no guidelines have been established to distinguish between prohibited and allowable expenditures, GAO cannot con-

clude that appropriated funds were improperly used by White House and Executive Agencies before the 1980 election. Acc. No. 114874, AFMD-81-35, March 6.

Review of programs reimbursing the public for participating in Federal rulemaking proceedings. Acc. No. 114869, PAD-81-30, March 4.

There is no justification for excluding certain Government corporations from prohibited personnel practices provisions of the Civil Service Reform Act of 1978. Acc. No. 114841, FPCD-81-28, April 7.

The Combined Federal Campaign needs improved fiscal controls. Acc. No. 114960, AFMD-81-56, April 10.

The Office of Personnel Management is not using the Honeywell Computer equipment in Macon, Georgia, as originally intended. Acc. No. 114970, AFMD-81-55, April 21.

Opportunities still exist to better use the Bureau of the Mint's data processing center. Acc. No. 114834, GGD-81-64, March 27.

SBA's management of Arcata Associates' participation in the 8(a) program has been deficient., Acc. No. 114876, AFMD-81-33, March 23.

The Planning Research Corporation was not guilty of wage busting at NASA's Scientific and Technical Information Facility. Acc. No. 114868, HRD-81-49, January 30.

The General Services Administration will not relocate the NRC Region IV office from Arlington, Texas to Fort Worth. Acc. No. 114792, PLRD-81-13, April 1.

Impoundment of funds for several Federal agencies. Acc. No. 14925, OGC-81-7, April 13.

GENERAL PURPOSE FISCAL ASSISTANCE

The Federal Payment to the District of Columbia: Experience Since Home Rule—Analysis of Proposals for Change. Acc. No. 114999, GGD-81-67, April 23.

The monthly list of GAO reports and/or copies of the full texts are available from the U.S. General Accounting Office, Distribution Section, Room 1518, 441 G Street NW., Washington, D.C. 20548. Phone (202) 275-6241.●

AN ORGY OF HYPOCRISY

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. MARKEY. Mr. Speaker, I would urge all my colleagues to read the incisive comments of William Safire on the Israeli demolition of the Iraqi nuclear reactor. Despite the brilliance of Mr. Safire's analysis, he fails to focus on the failure of U.S. nonproliferation policy, which deserves substantial blame for Iraq-Israeli incident. If the United States has not promiscuously sold nuclear technology and expertise without proper international controls over the last 30 years, then we could have had a tough nonproliferation policy with bite and integrity. Instead we have a policy which is deeply flawed and inconsistent in its implementation. For example, we sent enriched uranium fuel to India last year despite that country's detonation of an atomic bomb and refusal to have international safeguards on its nuclear facilities. If the United States had a serious nonproliferation policy it could have been more persuasive with the French in urging them not to supply Iraq with weapons-grade nuclear material. The lesson for the future is to toughen U.S. nonproliferation policy.

AN ORGY OF HYPOCRISY

(By William Safire)

Israel has done the world two enormous favors: it has denied an aggressive dictator the ability to inflict atomic terror, and it has enabled the rest of the world to indulge in an orgy of hypocrisy.

Iraq has long been proud of the fact of its "state of war" with Israel; it is one Arab nation that has repeatedly rejected any armistice sought by Israel with its neighbors.

In addition, oil-rich Iraq—which needs no atomic power for peaceful purposes—has been planning to use its French-purchased nuclear equipment to produce atomic bombs, a fact known to French and U.S. intelligence. When Iran vainly tried to bomb that reactor after Iraq's invasion, Baghdad's official newspaper made no secret of the ultimate target, asserting that the nuclear facility "is not intended to be used against Iran but against the Zionist enemy."

With its survival thus directly threatened, Israel had the legal right and moral obligation to deny Iraq's dictator the capacity to bring about instant holocaust. Against a neighbor that had recently proved its willingness to commit aggression, Israel used its planes for the precise purpose for which they were purchased: self-defense.

Such defense need not await a devastating offense. If warlike Cuba were to acquire atomic weapons and the means of delivering them, the president of the United States would have the same right and obligation to obliterate that destabilizing nuclear threat.

But some of our apoplectic editorialists ask: If Israel's nuclear nonproliferation strike is right and proper, then would it not be equally moral for an aggressor to attack suspected nuclear weapons in Israel?

AN ABSENCE OF THREATS

The answer is no: Israel, its people so often threatened with extermination, is not threatening to incinerate the Arab world. No nation has cause to fear an atomic attack from Israel any more than one from the United States. Weaponry whose purposes is to deter is not weaponry whose purpose is to terrorize; there is a huge moral difference.

The removal of the threat of atomic blackmail has caused the world to heave a sigh of relief that comes whooshing out in the furious condemnation of the nation that solved the world's dilemma. Never in diplomatic history have so many nations been able to issue statements so directly contrary to what their leaders really believe.

In France, the Mitterrand government, tut-tutting publicly, is profoundly relieved. The Giscard-Chirac appeasement of Iraqi oil threats led to France's dishonor in supplying atom bomb materials; Mitterrand would have found it difficult to extract his nation from ever-deeper involvement. The French are now free to rethink their participation in an Islam bomb.

In the Arab world, joy is confined but real. The Saudis feared an atomic-equipped Iraq would dominate the region, and conditioned aid to Pakistan with the proviso that atomic development not be shared with Iraq or Libya. Anwar Sadat is as relieved as he is embarrassed. Syria, which supports Iran in its war with Iraq, must be pleased that Iraq has suffered a black eye on the eve of its drive to take Abadan.

The official U.S. reaction was dismaying. At the Department of Defense—hotbed of pro-Arab sentiment in the Reagan administration—a memo was prepared for the National Security Council on ways to punish Israel. Among the recommended options: (1) cut economic aid; (2) suspend all military equipment deliveries, including F-16s; (3) press Israel to submit its nuclear facilities to international observation; (4) vote for condemnation of Israel at the U.N.; (5) call for Israel to compensate Iraq.●

CARL VINSON

HON. JAMIE L. WHITTEN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. WHITTEN. Mr. Speaker, I join my colleagues in paying tribute to the late Carl Vinson, or the "Admiral", as we fondly called him.

Carl Vinson was an institution here for years; he possessed a delightful personality and ranked among the most effective Members of Congress. He enjoyed the friendship of Members from the most senior ones to the newest; and since so many of his activities have been covered by my colleagues in remarks previously made here, I do want to add that above all, he represented ably his district, his State, and his Nation.

His length of service here in the Congress is only a small part of the permanent benefits that come from his service and all have benefited from his activities and all can still learn from the way he handled his job.

It is an honor and privilege to say for the RECORD that, while we gained from all the things mentioned above, we have all lost a valuable friend.●

CURTAIL USE OF TOBACCO

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. FRANK. Mr. Speaker, each year we force our Federal taxpayers to contribute $80 million to the growth of tobacco products. This is unconscionable.

Science has shown that smoking leads to debilitating disease. Ignorant or careless smokers damage the health of those around them as well as their own health. The costs of tobacco related illness amount to billions of dollars annually.

The Government should be making every effort to curtail the use of the deadly weed rather than nourishing

the merchants who sell it. It is especially inappropriate that these subsidies should continue while we contemplate deep cuts in spending for health care.

Recently, the Massachusetts General Court resolved that Congress should end these subsidies. I commend the Massachusetts legislators, with whom I had the honor to serve for 8 years, for their wisdom, and I commend their resolution to my colleagues here.

A copy of the resolution follows.

RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION ENDING THE GOVERNMENT SUBSIDIES OF TOBACCO GROWERS

Whereas, the use of tabacco products by human beings according to indisputable medical evidence directly leads to debilitating and often terminal disease of the users; and

Whereas, the social costs of such disease caused to said users to tobacco products are reflected in the suffering of those afflicted, their families and their friends; and

Whereas, the economic costs of such disease caused to said users of tobacco products amount to billions of dollars a year in increased health care costs, decreases in work productivity and other loss due to accident; and

Whereas, the taxpayers of this Nation through the United States Department of Agriculture are subsidizing the growing of tobacco in an annual amount of at least eighty million dollars a year; and

Whereas, it is the role of Government in the United States to protect the welfare of all its citizens physically and economically; therefore be it

Resolved, that the general court respectfully urge the United States Congress to enact legislation this year to end all Federal subsidies for the growing of tobacco; and be it further

Resolved, that copies of these resolutions be transmitted forthwith by the Clerk of the House of Representatives to the President of the United States, the presiding officer of each branch of the Congress, and to each Member thereof from the Commonwealth.

House of Representatives, adopted, May 20, 1981.

Senate, adopted in concurrence, May 28, 1981.●

THE CIGARETTE SAFETY ACT

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. MOAKLEY. Mr. Speaker, the newspaper headlines of a fire started by a cigarette causing serious injury and property destruction hit the Washington area. Just this week, a fire in a Southeast Washington apartment building injured five children and three adults and fatally injured a 22-month-old child.

Cigarette-related fires number 74,000 annually across the country and result in 2,300 deaths, 5,800 injuries and $210 million in economic losses. The Congress must address this serious national problem.

I have proposed legislation (H.R. 1854) which seeks to reduce the capacity of cigarettes from igniting fires. It calls for a performance standard to be developed that would insure that cigarettes have a minimum capacity for igniting smoldering upholstered furniture and mattress fires.

Support for my bill comes from local governments, professionals who work with the problems of smoking-related fires and concerned citizens from around the country. I would like to share with my colleagues some recent endorsements.

Texts of the endorsements follow:

RESOLUTION NO. 356-81—MEMORIALIZING CONGRESS TO ENACT HOUSE OF REPRESENTATIVES BILL 854 AND SENATE BILL 51, KNOWN AS THE "CIGARETTE SAFETY ACT."

Whereas, Statistics have shown that annually in the United States there are approximately 2,300 deaths, 5,800 injuries and $210,000,000 property damage as a direct result of fires caused by cigarettes and careless use of smoking materials; and

Whereas, Most American cigarettes are treated with chemicals to promote burning so that once a cigarette is lit, it will continue to burn, whether puffed on or not; and

Whereas, Laboratory experiments have shown that cigarettes and little cigars as presently marked are a dangerous ignition source; and

Whereas, Research and testing have shown it is both feasible and practical to produce a "self-extinguishing" cigarette that does not present an unreasonable fire hazard; and

Whereas, H.R. 1854 (Moakley) and S. 51 (Cranston) would require persons who manufacture cigarettes or little cigars for sale or distribution in commerce to meet mandatory safety performance standards, as prescribed by the Consumer Product Safety Commission, to test a cigarette's tendency to ignite upholstered furniture and mattresses; now, therefore, be it

Resolved, That the Board of Supervisors of the City and County of San Francisco does hereby memorialize the Congress to enact H.R. 1854 and S. 51 as a means of protecting countless thousands of tragic injuries and loss of life by reducing a major fire danger; and, be it

Further resolved, That copies of this resolution be furnished to her Honor, the Mayor, for transmission to the Federal Legislative Advocate for presentation by the latter to the members of the San Francisco delegation in the Congress, with the request that all necessary action be taken to ensure the enactment of the above described legislation.

ILLINOIS FIRE INSPECTORS ASSOCIATION,
Mt. Prospect, Ill., May 13, 1981.

Hon. JOHN MOAKLEY
House of Representatives,
Washington, D.C.

DEAR MR. MOAKLEY: I, as President of the Illinois Fire Inspectors Association, am writing you to express the support of the association in legislation recently introduced by yourself.

The membership of this Association is in total support of your Bill, H.R. 1854, the Cigarette Safety Act. We feel that 2,300 smoking related, fire deaths per year is a crime, warranting legislation such as yours.

To express our support, this Association has written, both the Senators and the members of the House, representing the State of Illinois. For you benefit, I am enclosing a copy of my letter to these individuals. It is my desire to inform you that, the Fire Prevention inspectors of the State of Illinois back your efforts 100 percent.

If I, or any members of our Association can be of any further help, on our local level, with this legislation, we ask that you do not hesitate in contacting our office.

Sincerely,

ROBERT NIELSEN,
President, Illinois Fire,
Inspectors Assocation.

THE JUNIOR LEAGUE OF
SAN FRANCISCO, INC.,
San Francisco, Calif., May 1, 1981.

Mr. ANDREW MCQUIRE,
Executive Director, The Burn Council, San Francisco General Hospital, San Francisco, Calif.

RESOLUTION

Since approximately half of all residential fire deaths in the United States are caused by carelessly discarded cigarettes, and, since most of these fire deaths can be prevented if cigarettes were made fire safe; therefore, be it

Resolved, That the Junior League of San Francisco, Inc. supports and endorses efforts to require that all American produced cigarettes be made fire safe.

MRS. ALVIN F. JOHNSON,
President.●

SOVIET ENERGY AND THE FUTURE OF THE WEST—PART III

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. LEBOUTILLIER. Mr. Speaker, on Wednesday, June 10, 1981, I inserted into the CONGRESSIONAL RECORD the second part of an advanced copy of a forthcoming article soon to appear in Policy Review, a quarterly journal published by the Heritage Foundation. Entitled "Soviet Energy and the Future of the West," authors Steven C. Goldman and Wayne A Schroeder, underscore the critical importance of Soviet energy developments to Western security and set forth a positive realistic approach to Western energy needs. The third and final part of that article follows:

HOW WILL EUROPE COPE?

The six East European CMEA countries (Poland, Bulgaria, Hungary, East Germany, Czechoslovakia, and Romania) are all facing severe energy problems in the 1980s, and the Soviet oil shortage will serve to exacerbate an already critical situation. Eastern Europe has a very limited indigenous energy resource base and, unlike the U.S.S.R., cannot even hope to produce its way out of the current shortage by increasing investments in the energy area. Every East European CMEA country is a net oil importer including even Romania, which currently produces about 80 percent of East European oil.

Although the Soviets will consider concessionary oil exports to Eastern Europe as a high priority, there are limits to the U.S.S.R.'s export capacity. Indeed, if the worst-case projections regarding Soviet oil production are realized, the U.S.S.R. will have no oil for export at all. A decline in Soviet oil deliveries to Eastern Europe will create major problems within the U.S.S.R.'s Empire because the rising aspirations of the East European people will not be fulfilled. Tension within the Bloc is clearly in the interest of the United States; we have no desire to see the Eastern European countries remain slavishly dependent upon Moscow; problems in the Empire will keep the Soviets bogged down on "in house" matters, thereby making it less likely that they will have resources to invest in adventurism outside their current sphere of influence.

The West Europeans have to date demonstrated no desire to restrict the growth of energy production in the Soviet Union. Indeed, they are pursuing a course which will greatly increase their dependence upon Soviet natural gas. Currently, the Europeans are negotiating the largest East/West trade deal in history, as they seek to cooperate with the U.S.S.R. in the building of a 6,000 km natural gas pipeline from Northwest Siberia to Western Europe.

The Europeans are anxious to consummate this project because of the business it will create for their energy equipment manufacturing companies and because they are in need of additional energy supplies. The Soviets are naturally anxious to conclude this deal because it will assist them in developing their energy resources and help them earn hard currency from the West, an important consideration especially if oil sales will be declining. But despite these obvious mutual benefits, there are significant dangers inherent in this project sufficient for the U.S. to oppose its completion.

Once the Yamal Pipeline project is consummated, the Soviets will have a major weapon that can and probably will be used to disrupt the NATO alliance. In the near term, it would not be surprising if the U.S.S.R. refrained from using energy for political blackmail; they need European cooperation for the Yamal project. However, long term Soviet reliability is more questionable.

Once our allies become addicted to Soviet gas, the U.S.S.R. can become a price setter rather than merely a price taker. The Soviets will be in a position to demand their price for natural gas because they will have such a large share of the market. Although the West Europeans are surely aware of the dangers implicit in energy dealings with the U.S.S.R., they are forging ahead with this project because they consider energy alternatives to be so limited. Negotiations have at times stalled and the terms are still very much in question; but it is prudent to assume that the deal will likely be concluded.

In addition to the possibility of price gouging, the Soviets will be in a position to threaten the West Europeans with strategic supply interruptions (for example, in January and February). Short disruptions of this sort would not seriously damage their hard currency flow. In so doing, the Soviets could persuade West Europeans that policies designed to prevent Soviet adventurism in the Persian Gulf would be unwise. Can we really afford to have our allies "Finlandized" to the extent that they are afraid to cooperate with us in defense of our vital interests? Surely, a policy designed to promote West European dependence upon Soviet gas is reckless in the extreme. Indeed, one could argue that it is more in our interest for the Europeans to be dependent upon Middle East energy; it will give them a stake in defending this vital area against Soviet imperialism.

Unilateral U.S. efforts to constrain Soviet energy development would surely be less successful than a concerted allied effort. Therefore, we must persuade our allies that it is in their best long term interest to follow the U.S. lead. But the United States cannot persuade the Europeans to reconsider its policy of growing dependence upon Soviet gas unless we can suggest creative and realistic alternatives. Contrary to conventional thinking, these options do exist.

REDUCING EUROPEAN DEPENDENCE

The West European countries involved in the current Soviet natural gas negotiations are as a group heavily reliant upon energy imports—they do not have the requisite resource bases to produce their way out of this dependence. Consequently, they have been willing to accept virtually any potential source which meets the criteria of price competitiveness and supply security. Currently, they believe that Soviet energy meets these criteria and the United States has done almost nothing to persuade them otherwise. But other less vulnerable options do exist if the United States is prepared to reorient its international and domestic energy policies. What follows is a comprehensive plan to reduce European energy reliance upon the U.S.S.R., increase U.S./European energy and economic cooperation, and contribute to the strategic security of the United States.

1. The United States has a coal resource base of approximately 438 billion tons or about 2 trillion barrels of oil equivalent. There reserves are so large that neither production nor exports will be restricted by availability. Currently, the United States is exporting coal to Europe, and the political decisions necessary to expand this trend must be made. If our European allies are to plan their energy futures based upon greatly expanded coal deliveries from the United States, we must make certain that the adequate supplies will be forthcoming.

The federal government, in cooperation with state governments and the private industrial sector, must take the necessary steps to: (a) expand rail infrastructure, (b) improve port facilities, and (c) trim regulations that discourage domestic production. In order to be effective, such a program cannot be pursued on a piecemeal basis or in a half-hearted manner. These efforts must be highly coordinated because they are interdependent. Indeed, if production is increased, there must be assurance that the rail facilities are available to bring the coal to ports which can accommodate the flow of transport vessels.

In addition to decreasing European dependence upon Soviet energy, a major U.S. coal export program will have a positive impact upon our trade balance and help stimulate growth in our economy. The following option would have a similar beneficial impact upon our limping economy.

2. The U.S. synthetic fuel industry is in its infancy and will require massive investments in order to develop. The natural resources necessary for the development of a major U.S. synfuel industry do exist. As in the case of coal, reserves are not a factor constraining development of the industry. We must encourage our European allies to invest in our long term energy resources rather than tie their future to the Kremlin. Such investments will accelerate the development of the industry in the U.S. and provide greater supply security for our allies. We should, therefore, embark upon a campaign to attract European investment in American synfuel plants and guarantee them a share of the liquid product for their markets.

The American and Soviet energy situations are, in many respects, similar: We both have huge resource bases, we both are exhausting our easily accessible and inexpensive supplies; we both must make huge investments to exploit remaining substantial resources. Our allies should help us promote the development of these resources and should think twice before making heavy investments in the U.S.S.R.

The U.S., Japan, and West Germany have a history of multilateral cooperation in the area of synthetic fuel technology development. As it becomes increasingly apparent that the Free World will need synthetic fuels as a part of its energy balance, opportunities for investments in the U.S. industry will increase. These foreign investments should be encouraged, not only because they will assist U.S. energy development but also because they will promote greater strategic security for the West.

2. North Sea—particularly Norwegian—natural gas reserves represent a potential major source of energy for Western Europe in the late 1980s to early 1990s. While current Norwegian policy continues to stress conservation of domestic resources, a concerted effort by NATO members might be persuasive in shifting Norwegian government views. Norway is not likely to invest the capital in developing some of its North Sea gas resources on an urgent basis unless the financial incentives are excellent. The United States should, therefore, urge that NATO as an institution invest in the development of the requisite infrastructure to accelerate North Sea gas production and treat the entire matter as an alliance security issue. Given the potential dangers implicit in the Soviet gas pipeline, the development of alternative supplies is just as much a strategic security investment as military procurement. Such a program would not only benefit Norway by greatly reducing the costs of North Sea gas development but would also have a major psychological impact upon NATO and the Soviets. We would be redefining the way we think about the relationship between energy and security.

4. The advent of the Carter administration ushered in a phase of American withdrawal from the international nuclear electric power community. Although this withdrawal was intended to contribute to nonproliferation of nuclear weapons, all that was accomplished was reduced American influence in a field of growing importance. Indeed, only a country that plays an active role in the international nuclear community can have a meaningful impact upon the developments in the field.

The U.S. must seek to re-enter nuclear export markets in an aggressive manner. The Administration should lend political support to U.S. nuclear industries seeking to market reactors in Western Europe. Furthermore, we should take the necessary steps to provide reliable enrichment services to our customers and seek to reduce European dependence upon Soviet enrichment.

5. Can the United States help Europe improve its access to natural gas sources outside the U.S.S.R.? Options are available that

would improve both our own position and that of our allies. A fundamental change in U.S. domestic and international gas policy is long overdue. Currently, we are discouraging domestic gas production through price controls and encouraging gas imports by allowing other countries to charge more than our own producers are allowed to receive. Accelerated gas price decontrol should help stimulate domestic production and enable the U.S. to decrease its dependence upon gas imports.

To the extent that the U.S. will still need imported gas supplies, we should emphasize regional trade relations rather than long haul liquefied natural gas (LNG) from Africa and elsewhere. Indeed it makes good political and economic sense to maintain close relations with our Canadian and Mexican neighbors and possibly seek to develop an LNG relationship with Trinidad. By emphasizing proximate trade relations rather than long haul LNG deals, the transportation costs of moving gas would be greatly reduced. Furthermore, if we agree to pay high prices for African LNG, it can be expected that Canada and Mexico will seek to obtain equivalent revenues for the gas they sell us.

African gas is more proximate to our European allies than it is to us and can be an incremental alternative to Soviet imports. There are substantial gas resources in Algeria, Nigeria, and the Cameroon which we should encourage our European allies to purchase. These gas supplies would be less expensive for Europeans to buy than for the United States. Furthermore, by refraining from bidding on African gas, we would both reduce the bargaining leverage of these producers by limiting their potential markets to the European theatre and help to create monopsonistic markets.

In spite of the above, the U.S. government has sought to salvage America's faltering LNG relations with Algeria. (The Algerians stopped deliveries in April 1980 under the El Paso project when the company refuses a 200 percent price increase.) The U.S. also has an option to compete against our European allies by seeking to purchase LNG from Nigeria. It makes no sense to compete against our allies for gas which we do not need and cannot afford at a time when those allies need supplies outside the U.S.S.R. and can purchase African LNG at more reasonable rates than we can. In assessing this problem, the Comptroller General of the U.S. issued a major report on December 6, 1980 which stated that:

"GAO does not believe importing large amounts of LNG from OPEC countries is in the national interest. LNG imports generally trade oil dependence for gas dependence. It makes little sense to increase U.S. dependence on gas at a time when extraordinary steps are being taken to reduce dependence on oil."

We do not mean to suggest that any one of the above options can replace prospective Soviet energy deliveries to Western Europe. But the Yamal line could not be completed before 1985 at the earliest, and we have sufficient time to take steps that will at least mitigate the political/economic impact of this line should it be completed. It is time for us to propose to our allies that they seek to tie their energy future to our resource base by investing in U.S. coal, synthetic fuel, and nuclear technology and services. We must also demonstrate that we are prepared to reorder our international energy trade patterns to provide more gas to their markets from non-Soviet proximate sources. Taken together as a package, these measures could greatly reduce the dangers implicit in European dependence upon Soviet energy.

Given the critical importance of Soviet energy developments to Western security, the United States cannot afford to adopt a passive or reactive posture. Neither can we be insensitive to the energy needs of our allies by suiggesting only negative policies—policies designed to restrict Soviet energy development without any positive supply alternatives. The approach we have suggested is both positive and realistic. If adopted, our program can help revitalize NATO, develop closer ties with the oil-producing countries, accelerate U.S. energy proliferation, develop alternatives to increased European dependence on Soviet gas, and meet the security challenges of the 1980's.●

VETERANS EDUCATIONAL ASSISTANCE PROGAM

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. LUJAN. Mr. Speaker, I would like to take the time to comment briefly on a bill I am introducing to reinstitute the GI educational benefits.

On January 1, 1977 the veterans educational assistance program began. It functions as a voluntary contributory program where the individual in the armed services has deducted part of his paycheck every month and the money is matched on a 2-to-1 ratio by the Federal Government. It has not been a great success, a fact which the Veterans' Affairs Committee has taken note of and has brought out H.R. 1400 in response to.

I agree with the committee that it has not been successful and I am introducing this bill to demonstrate my view that the current program is a failure. There is one basic difference between my bill, however, and the original system, and that is that I would provide the veteran with 1 months of benefits for every month of service up to 45 months, and requiring a minimum of 18 months to qualify. I believe that this would be a successful formula.

We are agree that there is a great need to retain trained people in the service. By matching the benefits received to the months in which a person serves, the incentive exists to stay in the service to accumulate the greatest amount of benefits. This, it seems to me, provides the greatest for all concerned. The military retains qualified personnel for a longer period of time, the individual receives the most educational benefits the longer he stays in, and the society eventually benefits from this individual becoming a more educated person. It is a no lose situation.

All of us are now aware of the need to beef up service benefits. I think that is one answer. Thank you.●

CATHOLIC CONFERENCE LAWYER OPPOSES H.R. 900

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. EDWARDS of California. Mr. Speaker, in the preceding weeks I have submitted the legal opinions on the "human life statute" of some of our Nation's finest constitutional scholars: Professors of law William Van Alstyne (Duke); Thomas Grey, Paul Brest, and William Cohen (Stanford); Lea Brilmayer (University of Chicago); Telford Taylor and Louis Henkin (Columbia); and the American Law Division of the Congressional Research Service all concluded unequivocally that the bill is unconstitutional and unwise. Similar views have been expressed by professors of law Lawrence Tribe, Paul Freund, and John Hart Ely (Harvard); Philip Kurland (University of Chicago); Louis Schwartz (University of Pennsylvania); Harry H. Wellington (dean, Yale Law School); and Charles Alan Wright (University of Texas). Finally, joining the unanimity of opinion have been the former highest law enforcement officials in our country: former Attorney Generals Herbert Brownell, Nicholas Katzenback, Ramsey Clark, Elliot Richardson, William Saxbe, and Benjamin Civiletti, and former Solicitor General Erwin N. Griswold.

Needless to say, these fine scholars and public servants represent a wide spectrum of political beliefs. The opinion that this bill will be held to be unconstitutional is also shared by those leading the "Pro-Life" movement for example, the general counsel of the United States Catholic Conference, an organization which long has urged the adoption of a constitutional amendment on abortion, prepared a following memorandum on this subject (a copy of which was provided to the Congressional Research Service) which concluded that the bill is unconstitutional. Excerpts from that opinion follow:

INTRODUCTION

In my memorandum to you dated March 16, 1981, I stated that a substantial question existed as to whether Congress has constitutional authority to define "person" in the manner and for the purposes contemplated by the captioned Bills, in light of the holdings in *Roe* v. *Wade*, 410 U.S. 113 (1973). After consideration of the relevant authorities, for the following reasons I am persuaded that the Congress is clearly not so empowered . . . Clearly, the Court's determinations were a product of a legal analysis which explicitly and repeatedly rejected the human "personhood" of the unborn as a proper measure of the rights of the mother, the unborn or the State.

Perhaps the most telling indication of the depth of the Court's holding concerning Fourteenth Amendment "personhood" for

prenatal life is the following passage from the majority opinion:

"The appellee and certain amici argue that the fetus is a 'person' within the language and meaning of the Fourteenth Amendment. In support of this they outline at length and in detail the well-known facts of fetal development. If this suggestion of personhood is established, the appellant's case, of course, collapses, for the fetus' right to life is then guaranteed specifically by the Amendment."

410 U.S. at 156-57. Thus, in the Court's view, the mother's constitutional right necessarily presupposes the absence of Fourteenth Amendment personhood for prenatal life.

APPLICATIONS OF ROE V. WADE

Assertions of a legislative prerogative to impinge on the mother's *Roe* v. *Wade* rights by declaring a countervailing policy in favor of the unborn have met the same fate as the claims of Texas in that case. See *Doe* v. *Israel*, 358 F. Supp. 1193 (D.R.I.), stay denied, 482 F. 2d 156 (1st Cir.), cert. denied, 416 U.S. 993 (1973); *Abele* v. *Markle*, 351 F. Supp. 224 (D. Conn. 1972), vacated and remanded for further consideration, 410 U.S. 1417, adhering to previous holding, 369 F. Supp. 807 (1973). *Doe* v. *Israel* is particularly instructive by reason of the force of the court's expressions. In that case, a Rhode Island statute which prohibited abortions except to preserve the life of the mother had previously been invalidated by the court after the decisions in *Roe* v. *Wade* and *Doe* v. *Bolton*, 410 U.S. 739 (1973). In the words of the court, the Rhode Island legislature then attempted "to infuse constitutionality into its heretofore unconstitutional statute by declaring that human life begins at the moment of conception and that such life is a person within the meaning of the Fourteenth Amendment to the United States Constitution." 358 F. Supp. at 1196. Declaring the unconstitutionality of this enactment, the District Court said:

"Nor does the Rhode Island legislature have the power to determine what is a 'person' within the meaning of the Fourteenth Amendment. Such a question is purely a question of law for the courts, independent of any power in the state legislature to create evidentiary presumptions. It has always been the Supreme Court that has given content to the term 'person' under the Fourteenth Amendment.

* * * * *

"It is sheer sophistry to argue as the defendant does that *Roe* v. *Wade* and *Doe* v. *Bolton* can be nullified by the simple device of a legislative declaration or presumptions contrary to the court's holding. Indeed it is a surprising attempt by one independent branch of government to invade and assume the role of the other. The right of a state to declare an entity does not carry with it the judicial prerogative to determine the constitutional status of such entity.

"Finally, it must be said that the Supreme Court having ruled on this issue, its judgment is the law of this land. Under our scheme of government, it is the Supreme Court, not state legislatures, that ultimately determines the meaning of constitutional guarantees. *Marbury* v. *Madison*, 1 Cranch 137, 2 L.Ed. 60 (U.S. 1803); *McCulloch* v. *Maryland*, 2 Wheat. 316, 4 L.Ed. 579 (U.S. 1819)."

358 F.Supp. at 1201-02. Of like tenor is the language of the Court of Appeals in denying the motion of Rhode Island's Attorney General for a stay pending appeal in the same case.

JUDICIAL SUPREMACY

The Courts in *Abele* v. *Markele* were expounding the fundamental principle that the interpretation of the Constitution of the United States is ultimately the province of the judicial branch. The classic exposition of the principle was rendered by Chief Justice Marshall in *Marbury* v. *Madison*, 5 U.S. (1 Cranch) 137, 176-179 (1803). The Court has often reasserted the principle. *See, e.g., Nixon* v. *Administrator of General Services*, 433 U.S. 425, 503 (1977); *Powell* v. *McCormack*, 395 U.S. 486, 548-49 (1969). This principle of judicial supremacy was well stated in the *Powell* case, *supra:*

"But, as our interpretation of Art. I, §5, discloses, a determination of petitioner Powell's right to sit would require no more than an interpretation of the Constitution. Such a determination falls within the traditional role accorded courts to interpret the law, and does not involve a 'lack of the respect due [a] coordinate [branch] of government,' nor does it involve an 'initial policy determination of a kind clearly for nonjudicial discretion.' *Baker* v. *Carr*, 369 U.S. 186, at 217, 82 S.Ct. 691, at 710. Our system of government requires that federal courts on occasion interpret the Constitution in a manner at variance with the construction given the document by another branch. The alleged conflict that such an adjudication may cause cannot justify the courts' avoiding their constitutional responsibility.

* * * * *

Finally, a judicial resolution of petitioners' claim will not result in 'multifarious pronouncements by various departments on one question.' For, as we noted in *Baker* v. *Carr, supra*, at 211, 82 S. Ct., at 706 it is the responsibility of this Court to act as the ultimate interpreter of the Constitution. *Marbury* v. *Madison*, 1 Cranch (5 U.S.) 137, 2 L.Ed. 60 (1803)."

The final authority of the U.S. Supreme Court to interpret constitutional and Federal law needs no further exposition.

U.S. CONSTITUTION—14TH AMENDMENT, SEC. 5

Proponents of the Bills have suggested that Congress' authority to enact this legislation may be founded upon its power under Section 5 of the Fourteenth Amendment, which provides: "The Congress shall have power to enforce by appropriate legislation, the provisions of this article." Reliance is placed on cases such as *Fullilove* v. *Kultznick*, 100 S. Ct. 2758 (1980); *City of Rome* v. *United States*, 100 S. Ct. 1548 (1980); *Oregon* v. *Mitchell*, 400 U.S. 112 (1970); *Katzenbach* v. *Morgan*, 384 U.S. 641 (1966); *South Carolina* v. *Katzenbach*, 383 U.S. 301 (1966).

Careful analysis of these and other authorities readily reveals that they do not support the proposition that Congress may overrule or alter the Supreme Court's interpretations of basic constitutional concepts. Rather, they merely recognize that the Congress may "enforce" constitutional rights by adopting appropriate legislation designed (a) to avoid practices which infringe on those rights or (b) to achieve other legiti mate ends. Properly understood, the cited cases are merely applications of a basic principle long ago expounded by Chief Justice Marshall in *McCulloch* v. *Maryland*, 17 U.S. (4 Wheat.) 316 (1819):

"Let the end be legitimate, let it be within the scope of the constitution, and all means which are appropriate, which are plainly adapted to the end, which are not prohibited, but consistent with the letter and spirit of the constitution, are constitutional."

17 U.S. at 421. Not only do the Bills purport to overrule the U.S. Supreme Court's denial of fourteenth amendment personhood to the unborn, but they would simultaneously abrogate or abridge the mother's fourteenth amendment rights. No case even remotely suggests that the Congress has such authority. Indeed, even *Katzenbach* v. *Morgan, supra*, expressly held:

"Contrary to the suggestion of the dissent, infra, . . . §5 does not grant Congress power to exercise discretion in the other direction and to enact 'statutes so as in effect to dilute equal protection and due process decisions of this Court.' We emphasize that Congress' power under §5 is limited to adopting measures to enforce the guarantees of the amendment; §5 grants Congress no power to restrict, abrogate, or dilute these guarantees. Thus, for example, an enactment authorizing, the States to establish racially segregated systems of education would not be—as required by §5—a measure 'to enforce' the equal protection clause since that clause of its own force prohibits such state laws."

384 U.S. at 651, n. 10. Similarly in announcing the Court's judgments in *Oregon* v. *Mitchell*, Justice Black stated:

"Congress has no power under the enforcement sections to undercut the amendments' guarantees of personal equality and freedom from discrimination, see *Katzenbach* v. *Morgan*, 384 U.S. 641, 651 n. 10 (1966), or to undermine these protections of the Bill of Rights which we have held the Fourteenth Amendment made applicable to the States."

400 U.S. at 128-29. These views are in accord with the more recent expressions by Justice Stewart in *Harris* v. *McRae*, 100 S.Ct. 2671, 1685 (1980): "It is well settled that, quite apart from the guarantee of equal protection, if a law 'impinges upon a fundamental right explicitly or implicitly secured by the Constitution [it] is presumptively unconstitutional'."

Finally, it should be emphasized that reliance upon the fact-finding authority of Congress fails to recognize the actual thrust of the rationale of *Roe* v. *Wade*. The Court was immersed in the conflicting views of when human life begins. Indeed, its considerations of extensive data prompted the Chief Justice to observe: "I am somewhat troubled that the Court has taken notice of various scientific and medical data in reaching its conclusion; however, I do not believe that the Court has exceeded the scope of judicial notice accepted in other contexts." 410 U.S. at 208. The Court rejected all efforts to root the protection of the unborn in concepts of when human life begins in the womb. It did so as a matter of constitutional law. It is utterly unrealistic to suppose it would alter its views because the Congress might be willing to do otherwise based on the same basic data that were considered by the Court. In this regard, it should be noted that when the Court acknowledged the judiciary's inability to speculate as to when human life begins, it did so in the context of the State's interest in safeguarding potential life—not in the context of the question of personhood under the Fourteenth Amendment. The Court's candid admission cannot reasonably be regarded as opening the way for what is contemplated by these Bills.

OTHER LEGAL OBSERVATIONS

So that all my observations will be integrated in single document, the following restates the several views expressed in my memorandum dated March 26, 1981.

The Bills do not purport to operate as a constraint upon private action, i.e., abortions procured without State assistance or involvement. Such abortions would continue unaffected by this legislation.

These Bills define "person" to include human life from the time of conception for purposes of the Fourteenth Amendment. That amendment obliges States not to deprive persons of life without "due process of law." Although the legal effect of the Bills is to proscribe certain State action which would support abortions, I understand there is an underlying expectation that such legislation would encourage State action in opposition to abortions. I express no view upon such speculations.

Although the Bills are structured as a constraint on State action which would support or facilitate abortions, they by no means prohibit all such State action under all circumstances. They purport merely to prohibit the States from supporting abortions in circumstances which would amount to a denial of "due process of law" to the unborn child. There are volumes written on the esoteric concept of "due process", which is a flexible standard designed to assure fundamental justice in particular cases by balancing competing State and private interests. As one scholar has aptly observed: "What process is due always depends upon the circumstances, and the Due Process Clause is always flexible enough to take the circumstances into account." If these Bills became law the circumstances would include the rights of the unborn, the rights of the mother including those expounded in *Roe* v. *Wade*, and the States' right to formulate policy in the field of abortions as indicated in *Harris* v. *McRae, supra*. In my opinion, even if these Bills could survive constitutional scrutiny it is probable that a State could support abortions in certain circumstances without necessarily offending the Fourteenth Amendment as interpreted by these Bills.

How the "due process" test would actually work is a matter of considerable conjecture. However, it is probable that the "due process" approach would give rise to a disparity of results in the various States, subject only to certain limitations that may be determined by the U.S. Supreme Court. The prospect that certain States may become havens for abortions should not be overlooked.

Subject to the deficiences noted, the Bills would protect prenatal life against State action from the time of "conception". This is a critical term which is not free from ambiguity. Although the term "conception" refers to the event of fertilization according to one body of opinion in which the Bishops concur,* others maintain it refers to the time of implantation of the fertilized ovum. Such a potential for ambiguity could result in a failure to protect prenatal life to the degree we desire.

Section 2 of the Bills would deny jurisdiction to all inferior Federal courts to issue injunctions (temporary or permanent) or declaratory relief in cases involving several specified categories of state and local laws geared to the protection of prenatal life. Two points can be made concerning the scope of this provision. First, it would not deny Federal jurisdiction in cases involving state action which permits or otherwise supports abortion, or in other cases which do not involve State action. Second, because the denial of jurisdiction is limited to particular remedies (injunctive or declaratory relief) it is possible that lawsuits involving other relief could be entertained even though involving the specified categories of State action. In short, this provision would not necessarily prevent the inferior Federal courts from determining important constitutional principles in cases not clearly covered by this section of the Bills.

For present purposes I express no view on the constitutionality of Section 2. Likewise, I express no view concerning possible "equal protection" difficulties which might arise out of the fact that the Bills place restrictions on State action, through the Fourteenth Amendment, which are not expressly imposed on the Federal Government, through the Fifth Amendment.

Finally, if enacted the Bills would be open to amendment at any time, and from time to time. This should be taken into account by those responsible for assessing the political and other realities as they relate to the Human Life Amendment.●

* Testimony of United States Catholic Conference on constitutional amendment protecting unborn human life before the Subcommittee on Constitutional Amendments of the Senate Committee on the Judiciary (Mar. 7, 1974), reprinted in Documentation on the Right to Life and Abortion, 1-33 (NCCB/USCC 1974). See pp. 4, 6, 32 n. 18.

HAIL TO THE RAWLINS

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. MOTTL. Mr. Speaker, in these turbulent times, those who have not been divorced are almost a rarity.

Marriages are crumbling almost as quickly as they occur.

It is for that reason, I would like to share with my colleagues in Congress the 60th anniversary of a Greater Cleveland couple who have contributed heavily to my city and to our country.

I am referring to William Patrick Rawlins and Margaret Ann Rawlins who on June 7, 1981, celebrated 60 years of marriage. Mr. and Mrs. Rawlins of suburban Garfield Heights, were married shortly after World War I. They are the parents of five children, Jean, Eileen, Edward, Dorothy, Billie, 33 grandchildren and 26 great grandchildren.

Mr. Rawlins was a World War I veteran who later served on Garfield Heights Council. He laid the groundwork for public service in his family. All five children have a history of civic participation. His son-in-law Jack Donovan, Jean's husband, served as mayor of Garfield Heights.

I ask the House of Representatives to join with me in saluting Mr. and Mrs. Rawlins and their family. It is people like the Rawlins which bring a sense of family to our country's tradition.●

PITTING THE POOR AGAINST THE RICH

HON. CARROLL A. CAMPBELL, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. CAMPBELL. Mr. Speaker, I would like to bring to the attention of my colleagues an editorial written by Mr. Rudy Rivers that appeared on June 5, 1981, in the Spartanburg Herald, one of my district's daily newspapers located in Spartanburg, S.C. Mr. Rivers states so well the social ramifications of the Democrats "pitting the poor against the rich" in their opposition to President Reagan's tax cut plan, and I commend his remarks to my colleagues' attention.

[From the Spartanburg Herald, June 5, 1981]

PITTING THE POOR AGAINST THE RICH

(By Rudy Rivers)

The Democrats are reluctant to go along with Reagan's proposal for an across the board 10 percent cut in taxes for the next three years.

The Democrats say they aren't sure the tax cut will produce the boost for the economy that the president suggests it will—besides, they want to restore some of the budget cuts that have been effected under Reagan's urging. The tax cuts are claimed by Reagan to be a vital part of the economic program which included the budget cuts.

The president's budget cuts are aimed at reducing federal spending. The tax cuts are aimed at encouraging taxpayer savings. Both are aimed at fighting inflation. The two efforts are part of a plan that is worth trying.

The Democrats have decided that the tax cut, if it is so vital to the Reagan economic plan, should be damaged or watered down, presumably to forestall either success or failure of the Reagan plan on its own merits.

That is understandable. They are trying to rebuild the Democratic Party and having some trouble. Their last plan for the nation's economy over the past four years has left them with little credibility.

Therefore, they feel the best way to rebuild the party of the little people, as the Democrats express it, is to pit the little people against the "rich" people.

The tax cut of 10 percent, say the Democrats, would give more money back to the "rich" people than it would give to the little people. That is true. It has to be because the "rich" people pay more taxes.

We might add here that the richness of a person is relative. The man who makes $15,000 per year is "rich" compared to the man who makes $10,000 per year. The man who makes $25,000 or $30,000 is richer than the $15,000 per year man. Each man in each higher pay bracket has a higher tax bill to prove his richness.

House Speaker Tip O'Neill makes the tax cut proposal of the president sound like an evil plot, deliberately aimed at hurting the little people. When he says that the tax cut favors the rich, he is talking about the $15,000 per year man being favored over the $10,000 per year man. O'Neill, as do so many of his colleagues, believes that the chief role of the federal government is to redistribute

the wealth of the nation. That is, take yours and give it to someone else. Give the $15,000 a year man a good tax cut but no cuts for the $25,000 a year man.

In the simplest logic, an across the board tax cut is fair. It is no less fair than the income tax rates that are levied against all taxpayers. It would apply alike to each taxpayer, based on that taxpayer's tax rate.

There is a popular notion among some politicians that the government ought to set "poverty level" incomes at a certain figures from time to time and that each American must be guaranteed an income equal to that.

It ought to worry the thinking taxpayer.

It ought to outrage every taxpayer. We have all seen the results of that notion in the various welfare programs of recent years. Most Americans believe that the federal government overstepped itself in choosing to manage our lives.

That same kind of management is exactly what O'Neill and his colleagues propose again.●

KAMEHAMEHA DAY

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. AKAKA. Mr. Speaker, Kamehameha Day was celebrated on June 11 at our Capitol in Statuary Hall in memory of the birth of King Kamehameha. Following is the speech I delivered at the foot of his statue after a program of ancient chants and dances.

Aloha pumehana ia kakou apau! I bid all of you a very warm welcome.

We are here today to honor King Kamehameha, Hawaii's most revered and beloved monarch. As we stand before the statue of King Kamehameha the Great, we honor his memory and all that he has come to mean to our people. We honor his great deeds. We honor his courage. We honor his virtue. And we honor a man whose righteousness dominated his spirit and whose justice was known throughout our land. His name remains firmly etched in the hearts and minds of our people now and in the years to come.

Kamehameha was a great king. He was a great warrior. But he was more than just a noble figure in Hawaiian history. He was the driving force behind the unification of the chiefdoms into the Kingdom of Hawaii. His reign was one of justice, of righteousness, and of equity for all.

The principles which guided King Kamehameha during his reign are principles which still live. He is strength. He is goodness. He is righteousness. And he is courage. For us in Hawaii, King Kamehameha has come to symbolize the noble qualities of man throughout this country.

In Hawaii, cultural values have always been transmitted, not through the written word, but through song, dance, and oral traditions.

Today, you heard the songs and saw dances that have kept Kamehameha close to our hearts. My hope is that you will understand what the man Kamehameha was really like as you watch this celebration. In Kamehameha, there is power. There is majesty. There is grace and there is unity. And, above all, there is a deep concern for the "common man" in the chants of this great king.

You heard the sound of the drums and felt the power of the man we honor. You watched the graceful hands of the male dancer and saw the power and grace needed to throw a spear and conquer an island. You saw the sensitivity of the dancers as their hands told you the story of the great king.

The heritage and spirit of our people—the Hawaiian people—is before you. As we honor him today, we honor that which is noble and good in all of us. We honor that which has made our Nation a great Nation and our people a great people. He is the hope of the future and the dreams not only of the Hawaiians, but the people of the United States. Let us make his courage, our courage * * * his virtues our virtues as we face the problems of America in the 20th century.

Mahalo nui loa. Thank you very much.●

WINDFALL PROFITS TAX DISCRIMINATES AGAINST SMALL ROYALTY OWNERS

HON. JOE SKEEN

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. SKEEN. Mr. Speaker, among the provisions of President Reagan's bipartisan tax package is continuation and expansion of the exemption from the windfall profits tax for small royalty owners. I applaud this effort. Royalty owners—farmers and others who own the mineral rights in the ground—have been hit harder by the WPT than anyone.

The National Association of Royalty Owners, Inc., has prepared a fact-sheet on America's oil tax victims: This country's 2.5 million royalty owners, which I recommend to my colleagues.

THE GREAT ROYALTY ROBBERY: WHO IT HIT, AND WHY

On April 2, 1980, a bill was signed into law that had been sold to the American public as a "punitive measure to tax the major oil companies for any excess profits they might gain from the nation's new energy policy."

In debate, and in drafting the Windfall Profits Tax, all impacted groups but one had full-time lobbyists working around the clock. The unorganized and unaware exceptions were the royalty owners of the nation. As a result they were taxed at the same hefty rate as Exxon. These innocent victims were targets, according to most sources, primarily because few facts existed about the nature of mineral ownership, the demographics of the people owning these interests, or even how many existed.

The nature of mineral ownership itself is not widely understood, even in the prime producing states. First, a royalty owner is a person who receives a portion of oil and gas production, "if and when it is produced." The figure has traditionally been ⅛. The royalty owner receives this amount because he has leased the mineral rights underneath his land for the exploration of oil and gas.

If near production, the landowner paid a handsome premium for obtaining the mineral rights when he purchased this land. Aside from this financial commitment, the landowner faces several risks in negotiating a lease on his property. First, if no production is found, the value of his estate has been diminished dramatically. Second, if production is minimal, the resulting income from the well may not return a fraction of the damages that occur to property from the exploration and operation of the oil or gas well. So-called damages paid under most contracts are usually weak and unenforceable so the property may be ruined forever.

In heavy production areas, severed royalty and mineral interests have long been used as a means of barter and trade. In these areas, they have also been a prime source of investment, much as stocks and bonds have been to people in the industrialized sectors of the nation. People invested in these interests as a means of retirement income. Royalty owners have also been the prime source of funds for the drilling of wells by independent producers, who account for most exploration in the nation.

It is because of the free exchange of these rights as a form of currency that the nation has a whomping 2.5 million royalty owners. Thus, mineral estates underlying a single unit of land may encompass many owners. Deaths, assignments and other transactions have divided these interests into many more sections than the surface ownership of land.

It has further been traditional over past years that upon the death of a parent, the minerals would be divided among heirs and the surface ownership consolidated to the one surviving family wishing to work the land.

ROYALTY OWNER FACTS

Approximately 2.5 million royalty owners exist in the United States today.

As exploration intensifies, it is estimated by Oklahoma State University that 13 million people may well become royalty owners in the next decade. These are people owning mineral interests in rapidly developing geologic prospects such as the Appalachian Overthrust, which slices through the heavily populated Northeast quadrant of the nation.

About 70 percent of the nation's royalty owners live in 24 major producing states. The other 750,000 are evenly scattered, with heaviest concentrations being in the industrial metro areas that drew migrant populations during the Depression and World War II years. Areas of the East Coast with heavy concentrations of oil refineries also have heavy royalty owner concentrations.

Several recent studies indicate Oklahoma has over 200,000 royalty owners, Texas well over 700,000, Louisiana 150,000, Kansas 100,000, Michigan 80,000, Illinois 180,000, California 500,000, New York 200,000 and Ohio 80,000. Other states are being surveyed by NARO.

A survey by Eason Oil Company for the National Association of Royalty owners among 15 states proved that 73 percent of

royalty owners were over 61 years of age, 45 percent were on Social Security, 27 percent were widows, 12 percent disabled and nearly 5 percent were in health care facilities.

Until recently, in most states it was mandatory that surface taxes be paid to hold ownership of mineral estates. This also resulted in a great deal of sacrifice over the years, as mineral owners often paid surface taxes for destitute relatives in order to protect their own interests.

Further, oil and gas is still found in paying quantities in only one out of 50 drilling ventures.

Royalty owners state they can better live with those uncertainties, than with a government that in one-tenth of a second can wipe out the fruits of generations of labor.

In over 70 percent of the cases, royalty owners had received checks resulting from decontrol of stripper categories of oil in the years prior to the bill's passage. This decontrol of wells producing less than ten barrels daily was necessary to keep this marginal production active. Stripper well production is cost ineffective and requires continual attention as the reservoir is drained to its final recoverable drop.

To those royalty owners the windfall profits tax severed 60 percent of the difference between market price and an adjusted base price.

Decontrol is considered long overdue, and not a bonanza, by royalty owners, since domestic production has for more than two decades been controlled at prices far below market value. So, as royalty owners saw the prices of vital goods and services jump as high as 700 percent during this period, their mineral estates were being drained forever at prices comparable to a barrel of spring water in much of the nation.

Only 1 percent of respondents had incomes exceeding the salary of a United States Senator. Major methods of acquisition of mineral properties include 1) purchased with the land, 2) for investment, 3) inheritance and 4) production share for retirement income.

Only 8 percent of responding royalty owners in a West Texas survey had incomes from single unit production in excess of $500 monthly. The advanced age of royalty interest owners parallels the date of discovery of most major producing fields of oil in the nation. It is noted that in recent years investments in oil and gas lean toward "working interest units" as opposed to royalty interests, the most popular means of production ownership in the boom days of the 1920's and 1930's. This is because the more favorable tax benefits accrue today to working interest owners. Thus the value of a royalty interest, which is also taxed by the WPT at the same rate as "Big Oil," has declined considerably because of both tax situations.

Royalty income has not only endowed many of the major institutions of the oil belt, but hundreds of foundations centered in Washington, D.C., New York, and Chicago.

OIL BARONS OR GOVERNMENT VICTIMS?

A Tatum, OK, couple, both over 75 years of age, bought land at an acre a year during the Depression. Oil was discovered 25 years ago. Their check has helped educate their children, grandchildren and great grandchildren. "Our stripper well is going dry. Now the tax takes out almost all that's left." They state that Blacks, such as themselves, had little opportunity for jobs other than farming. Thus they are too old and untrained to pull up stakes.

A Matoon, Illinois, couple, both in their 80's, lived comfortably on social security and a royalty check in a trailer part. Returns from their well production caused a $286 monthly rollback. They state they thought the windfall profits tax was to be on oil companies, not retired people unable to work or to pass it along.

Mrs. E. Bates Nisbet of Houston is 78, a retired schoolteacher with diabetes, heart disease, high blood pressure and arthritis. She needs nursing care, household help, burglar bars and a new air conditioner. Her stripper well income was sliced by 60 percent by the windfall profits tax at a time she needs expensive help to live.

Prentiss Bass of Snyder, Texas, has interest in a stripper well that amounts to three pints of oil a day. The windfall profits tax takes one pint off the top. "Out of $36 a barrel, I end up with one thin dime," he says. "The only thing my children will inherit are debts and taxes."

A Stephens County, OK, widow sent nine children, grandchildren and relatives through school with the help of her limited royalty income. During the Depression she slept on the floor of a country school in South Dakota to keep taxes paid on the family farm, while her father did odd jobs in town. "We've spent our lifetimes holding on to our property. We finally got a little production, but now it's been taxed so hard that it really doesn't help like it should."

A Hayward, California, 79-year-old man has income from a small pension and royalty from one well. He bought and paid for his land by doing hourly labor during the Depression, and only recently received oil income. "I worked for 40 years to pay taxes on that 20 acres. The (WPT) tax is just not right. I bought a trailer to live in and the ground rent keeps going up. How come when oil is to go up they tax it so it only goes to government?"

Pat Wall of Willow, OK, states her 85-year-old sister is too proud and independent to last on welfare. Until the windfall profits tax, the sister received $3,000 income and royalty checks. She had homesteaded 360 acres of Oklahoma wilderness, cared for her husband, a disabled veteran, for 35 years, farmed by herself until the age of 72 and is now legally blind. She has accepted no government help in her lifetime, but now must face public care when a daughter, in rapidly failing health, can no longer provide help.

A Byars, Okla., rancher pledged royalty income for needed ranch improvements before the windfall profits tax. He owns only 1/32 of his production and the well has ruined 10 acres of pasture land. The rollback of stripper well payments, because of the tax, has caused him "severe problems." Drought, during the period, caused losses that make survival questionable, he says.

A Beecher City, Illinois, retired couple write that they receive no social security and depend upon royalty income from 1/8 of the production from one well on their land. This was cut by 38 percent. "It looks bad for us. We're paying land tax, federal tax, Illinois mineral tax and now the Windfall Profits Tax. There's not enough left to pay bills."

A Colorado widow was taxed over $200 from royalty checks of slightly over $500. She finds it hard to believe that the government has more important needs for her money than for herself at the age of 71 and in poor health.

Mrs. Fleta Lee Archer of Oklahoma City is a widow without relatives, confined to a wheelchair, and had received a monthly royalty check of $45 which she states "isn't much but it was a big help." It is now $18 and declining each month due to the depletion of the well. She was unable to pay an electric bill of $92.90 for last summer's heatwave, and had to seek a loan. She said she prays we won't have another hot summer and fears for her survival.●

BILL FOR THE RELIEF OF MARVIE JOY WILLIS

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. MITCHELL of Maryland. Mr. Speaker, today I have introduced a private bill to aid one of my constituents in bringing her adopted daughter to this country. During the 96th Congress, this bill, H.R. 6527, was referred to the Judiciary Committee's Subcommittee on Immigration, Refugees, and International Law. The subcommittee failed to act on the measure and I am prepared once again to attempt to remove certain barriers which prevent the reestablishment of the Willis' family unit.

The case in question is clearcut, and essentially one which deserves the compassion and insight which the Congress can provide in such instances. Mrs. Rita Willis was born in Jamaica and immigrated to the United States in 1970. She is a permanent resident and has resided in Baltimore with her husband, Laurie Charles Willis, since that time.

Prior to coming to the United States, Mrs. Willis took responsibility for the upbringing of her cousin, Marvie Joy Bent, due to the death of the child's mother. At that time, Marvie was only 4 years old. For 11 years following the death of her mother, the Willises raised Marvie as their own.

When Mr. and Mrs. Willis immigrated to the United States in 1970 and 1971 respectively, they sought to bring their daughter with them. They were informed, however, by the American Consulate that they had to adopt Marvie first. Following this suggestion, in 1971—when Marvie was 12 years old—the Willises attempted to adopt the child by filing an adoption petition in the resident magistrate's court in Black River, Jamaica.

The resident magistrate's court took 6 years to grant the adoption of Marvie to the Willises. By the time the court proceedings were completed, Marvie was 16 years old, and, by U.S. immigration law, ineligible to be considered the "child" of Mr. and Mrs. Willis. The sad story continues to haunt the Willises as they have continued to support Marvie through the years. To date, however, Marvie is still staying with the Willis' friends in Jamaica.

As I exert my best efforts to reunite the Willis family, I am urging that the Judiciary Committee consider my initiative in an expeditious manner, and lead the way for subsequent passage of the bill for the relief of Marvie Joy Willis.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Marvie Joy Willis may be classified as a child within the meaning of section 101(b)(1)(E) of this Act, upon approval of a petition filed in her behalf by Rita Willis and Laurie Charles Willis, permanent residents of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.●

HOUSING: A CRITICAL INDUSTRY

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. LaFALCE. Mr. Speaker, the housing industry is one of the most important elements in our economy, not only because of the millions of workers who rely on that industry for their jobs but also because each and every American deserves to have a decent, affordable home in a suitable living environment.

The United States has come closer than any other nation in history to meeting this goal, but much more remains to be done. And perhaps equally important, we have to make sure that our housing stock keeps pace with a growing and changing population in the years ahead.

As a recent editorial in the Christian Science Monitor noted, population trends during the past decade showed startling trends, highlighted by a decrease in the average household size to a point where the typical household now contains fewer than three persons. The rate of overall population growth may have slowed considerably, but the data on household formations indicates that the need for new housing will not abate commensurately.

Right now construction of new housing isn't keeping pace. We need about 2 million units a year, but we're producing only about 1.3 million. This cannot be permitted to continue for very long unless we want to see very serious problems in all elements of our housing markets. I hope that the administration and the Congress—along with State and local governments and the private sector—will give serious consideration, at an early date, to the recommendations in the Monitor's editorial, which I am hereby submitting for printing in the RECORD at this point.

THE HOUSING CRISIS

The recently released U.S. Census Bureau findings on the gradual aging and smaller family size of the American population add urgency to what many housing experts have been warning political leaders about for the past several years. That is, that the demand for affordable housing in the United States is going to increase significantly during the 1980's. The experts' concern is that public officials may not yet be listening to—or grasping the import of—the warnings.

That the demand for housing will grow is of course not in dispute, even though some 18 million new homes were built during the 1970's. But what seems not to be fully understood is that the characteristics of the house-buying population are changing rapidly as the postwar baby-boom generation comes to maturity. Example: the typical household has now dropped to 2.8 persons form 3.1 persons at the start of the past decade. By 1995, notes the Census Bureau, the median household may number 2.2 persons.

What that means is that the new home of the 1980's and 1990's will have to fill diverse needs. Many housing units will have to be smaller because single people or childless couples, many of the latter with considerable income levels, and increasing numbers of elderly people now are buying homes in sizeable numbers. Other houses will have to accommodate traditional families, or at least "family units" (sometimes with just one parent) that include children.

Yet future construction will take place against a background of historically high interest rates and new forms of variable-rate mortgage credit that will sharply work to the disadvantage of lower-income and lower-middle-class families. The average price of a new home is now over $80,000. The home of the 1990's will not be inexpensive by any measurement.

Until the recent census figures came in, housing experts were talking about the need to build 21 million new units during this decade, which would mean over 2 million starts a year. But the swiftly changing composition of the population may mean that even the 21-million-unit estimate is too low. What is clear, however, is that the current seasonal construction rate—1,343,000 units as of April—is far below the minimal 2 million annual units now needed. Worse still, a significant percentage of that new construction is clustered in just a few states such as California, Texas, and Florida.

What is to be done? Most important at this juncture is a clear-cut federal policy that the United States will not retreat from its traditional commitment to the growth of homeownership. Homeowning contributes to a stable society, one in which citizens have a special stake in the well-being of their communities.

In 1949 Congress (with a sympathetic Truman administration in power) adopted a national housing policy to ensure that stocks were ample, affordable—and available. The United States dearly needs a new national housing policy. The 1980 Republican platform itself partially recognized that need by calling for a "young family housing initiative." The recent census findings suggest that such an initiative must look beyond just the young family to encompass all Americans needing shelter.

The administration and Congress should put the housing issue on the front burner of its upcoming "social-action agenda." Every possible idea to boost housing stocks should be explored. Such alternatives include granting the savings industry new forms of savings instruments to encourage mortgage money creation; finding ways of rebuilding older, often abandoned, buildings; providing housing vouchers for low-income families; offering special tax-incentives for housing construction; revising zoning codes that often discourage building; urging wage restraint on the part of construction unions—and price restraint by builders.

One expert recently told a housing panel that America's housing crisis threatens to become "the Vietnam of the 1980's." That must not happen. The warnings must be heard. Lawmakers, builders, lenders, and the public must take steps now to ensure that Americans will always have adequate shelter—and shelter they can afford.●

INVESTMENT TAX CREDIT FOR THEATRICAL PRODUCTIONS

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. GUARINI. Mr. Speaker, today I am pleased to reintroduce a bill which would amend the Internal Revenue Code of 1954 to extend the investment tax credit to theatrical productions.

The Theatrical Production Investment Tax Credit Act of 1981 would extend the investment tax credit to live commercial theatrical productions of dramatic works. The provisions of this bill closely parallel those which were included in the Tax Reform Act of 1976 which extended the investment tax credit to qualified production costs of films.

Under the provisions of this bill, the investment tax credit would be allowed with respect to production costs only if such costs constitute new section 38 property with respect to a qualified theatrical production and only to the extent that the taxpayer has an ownership interest in the theatrical production.

The investment tax credit was devised as a means to spur investment in business assets which, in turn, would result in expansion of the business and the creation of new employment opportunities. Clearly, the theater industry meets these objectives.

First, the industry badly needs the stimulus of the investment tax credit. Fewer new plays are being produced each year in commercial theaters in New York and other cities with strong theater traditions. From a high point of 161 new plays each season during the 1920's and 1930's, an average of only 38 new plays have been produced on Broadway each year over the past decade.

To a great extent, this decline can be traced to skyrocketing production costs. A play must run for months, if not a year, if the investors are to recoup production costs. Yet four out

of five productions lose money. The investment tax credit would help offset this deterrent to investment in new productions.

Furthermore, the theater industry is a significant employer. Each new production requires the employment of a variety of personnel of varying levels of skill, from actors, directors, and stage technicians, to ticket sellers and concession workers. In addition, other industries prosper by their proximity to an active theater industry. Hotels, restaurants, and retail concerns all benefit from a thriving theatrical environment.

In addition, the theater makes a significant contribution to the urban environment. A vital theater industry makes urban areas more safe by helping to keep people downtown during the evening hours. It provides an invaluable cultural resource which attracts corporations and their employees to locate in or stay in the city environs. Theaters also serve as effective buffers against urban blight and may, on occasion, provide the catalyst around which a community may rally to reverse a declining neighborhood.

According to an estimate prepared by the Joint Tax Committee, the Theatrical Production Investment Tax Credit Act would reduce budget receipts by less than $5 million annually. This is certainly a small price to pay for encouraging investors to participate in new theatrical productions and I would request prompt consideration of this bill.●

HUMAN RIGHTS—TORTURE IS TORTURE IS TORTURE—TIMERMAN AND HIS DETRACTORS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. BONKER. Mr. Speaker, there are legions of people who are having great difficulty in cutting through the thick fog which the Reagan administration has manufactured as a substitute for a human rights policy.

I commend to their attention and the attention of my distinguished colleagues an article by Gary Wills which appeared in yesterday's Baltimore Sun. In his column entitled "Torture is torture, is torture: Blaming the Victim," Mr. Wills writes:

Poor Jacobo Timerman. he was dumb enough to get tortured by the wrong guys. Electrodes to the gonads do not count unless Communist generated electricity is coursing through the wires—or so Irving Kristol would have us believe, from his column in The Wall Street Journal. . . . though Ernest Lefever is gone, Lefeverism lingers on—the belief that only Communists violate human rights, that 'quiet diplomacy' calls for ignoring Argentine torture now as we ignored Iranian torture in the past.

Wills brilliantly analyzes the pseudo arguments of the Reagan administration officials in which they try to frame a human rights policy based on the definition of whether a government is totalitarian or authoritarian.

For the sake of our country and the rest of the world one would hope that the President's foreign policy advisors will soon learn to differentiate between substance and the shallow slogans which they are trying to pass off as policy. Perhaps soon it will dawn on them that repression is repression is repression irrespective of the source.

The article by Gary Wills follows:

TORTURE IS TORTURE IS TORTURE: BLAMING THE VICTIM

Poor Jacobo Timerman. He was dumb enough to get tortured by the wrong guys. Electrodes to the gonads do not count unless communist-generated electricity is coursing through the wires—or so Irving Kristol would have us believe, from his column in the *Wall Street Journal.*

Mr. Timerman should have consulted the Kristol ball before he angered the Argentine regime. Getting tortured by mere authoritarians is a distraction at worst, a deliberate disservice at best. Only totalitarian (i.e., communist) torture can be noticed. Those who recklessly go around risking torture by the good guys must be willing pawns of the leftists. It's all an Institute of Policy Studies plot. The only reward such people deserve is vilification by William Buckley for biting the hand that feeds them.

By the Buckley code, getting upset over electrodes attached to one's person is a sign of "instability." If Mr. Timerman really wanted to help the cause of freedom, he would gate-crash some Gulag and get himself properly maimed by the delegated torturers of Mr. Reagan's presidency.

If he had done that, Messrs. Kristol and Buckley would not mind at all that Mr. Timerman is combative and abrasive—survivors of torture are not the wilting-flower type. When a Solzhenitsyn bites the Western hand that feeds him, turns on other dissenters, or proclaims at Harvard a "right not to know," Messrs. Kristol and Buckley nod and murmur their approval genuflect and waft the incense. Mr. Solzhenitsyn attended the right places so far as torture goes.

The Kristol and Buckley columns demonstrate that, though Ernest Lefever is gone, Lefeverism lingers on—the belief that only communists violate human rights, that "quiet diplomacy" calls for ignoring Argentine torture now as we ignored Iranian torture in the past. For the fanatical anti-communist, all language of disapproval should be reserved for one object only to vilify communists. Mr. Buckley even informed William Sloane Coffin that we should not criticize our own Jim Crow laws because that would encourage communists.

The current rationale now for this moral monopolizing of terms for evil is a distinction between authoritarian and totalitarian governments. At one level this makes a kind of sense. People as different as Hannah Arendt and Graham Greene have noted that a cruel king's whims can make life hell for his court, but a police state reaches with impersonal zealotry into every home.

But neither Ms. Arendt nor Mr. Greene would endorse the one-sided use of this distinction by Mr. Reagan's apologists for torture. This current fad harks back to the "end of ideology" talk of the Fifties, to prove that a corrupt dictator is really a blessing—mere personal greed is less systematically destructive than ideology.

There are two things wrong with this use of the distinction. First, it ignores the way so-called authoritarian regimes pick up an ideology of their own. Anti-communism itself can become a systematic ideology with its own thought police, as our McCarthy period proved. Besides, in places like South Africa, white racism is an ideology in the sense that Hitler's racism was. The secret police of Iran's shah and Chile's Pinochet have systematically pursued their quarry not only into every native's home but onto our shores as well.

The second problem with this distinction is that it ignores the quality of popular support. The Reaganites would have us support an authoritarian regime against ideological rebels. But what if the rebels have majority opinion with them—as, for instance, the black majority has in South Africa? To hold the authoritarian rulers as "better" than ideologues is to say, in effect, that we and not the citizens of any country should determine its rulers.

Ideological regimes, especially in the wake of revolution often violate civil rights with popular support. Even our own comparatively mild revolution denied civil rights to the large population of loyalists within our borders. Emigres to London talked as emigres in Miami do, now about the excesses of the rebel government that should be overthrown. But, by the end of our revolution, Washington was a charismatic leader like Fidel Castro, no matter what the loyalists said of him in their own circles.

To judge a regime apart from its popular support, as the Reaganites ask us to do, is to make America the "grader" of good and bad rulers, whom we can then prop up (like Diem or the shah) or remove (like Arbenz or Allende or Mossadegh) at our pleasure. This introduces a third kind of government to the categories Mr. Kristol proposes—authoritarian (like Argentina), totalitarian (like Russia) and divine (like America). Self-appointed divinities are a dangerous sort.●

TAX PLAN TO AID FARMERS

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. HAGEDORN. Mr. Speaker, I have introduced legislation designed to complement and improve President Reagan's tax plan in an effort to assist U.S. farm families in maintaining possession of their farmland.

My three-pronged legislation is a combination of measures I introduced during the 96th Congress and includes the President's proposal to allow unlimited transfer of property between spouses with no payment of estate or gift taxes. The current $250,000 exclusion for a husband and wife would be lifted if the tax plan is enacted. In addition to providing my strong support for that very important measure, I will be lobbying hard for two other provisions offered in my legislative package

which would help preserve the family farm.

The second feature of my package is a provision to allow the IRS special use valuation to be applicable at the time of a farmer's retirement rather than at death. The special use valuation would allow retiring farmers to have their children or grandchildren take over the operation of the farm and be taxed only on the productive value of the farm rather than its market value.

The final provision of my legislation would prohibit IRS, by statute, from increasing the interest rate above the 6- and 7-percent level when computing taxes on loans for family farms. Under proposed IRS regulations scheduled to go into effect on July 1, the minimum interest rate needed to prevent imputed interest will be a 9 percent. When a farmer sells his land to his children at an interest level less than existing loan rates, he should not be taxed as if he is charging the higher interest rate. He is helping to preserve the family farm—one of our most important national goals—and he should not be punished with higher taxes.

Congress should do everything it can to help a retiring farmer turn his land over to his children without excessive tax penalties. I strongly support President Reagan's proposal to eliminate the estate and gift taxes between spouses and feel that my two additional provisions will enhance the President's tax package and assure the survival of the family farm.

The time is long past for this necessary legislation. We have an obligation to halt the disappearance of the family farm and I hope you will join in supporting this bill.●

BILL TO ASSIST INDIVIDUALS WHO FIND THEMSELVES IN TRESPASS ON FOREST SERVICE LAND

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. LUJAN. Mr. Speaker, today I am introducing a bill I hope will work to assist both the individuals who find themselves in trespass on Forest Service land due to faulty cadastral surveys, and the Forest Service itself.

The bill authorizes the Forest Service to convey, at fair market value or by interchange of titles by quitclaim deed, national forest land. The limits are any of the following; the land cannot be conveyed through any other existing legislation, the parcels are of 40 acres or less when interspersed with or adjacent to mineral patents with values no greater than $150,000, or the land parcel is 5 acres or less, and the encroachment is caused by an erroneous cadastral survey, title search or other land description.

Under the bill, the person who acquires the land bears the costs of the conveyance, and any land within wilderness areas are exempt.

I think that the problems currently facing the Forest Service are beginning to be monumental. Let me cite a few statistics. It is currently estimated that there are 50,000 places along national forest boundaries where the boundary is or can be in dispute. This comes out to an average of 1½ errors due to cadastral survey problems per mile of property line. Ninety-five percent of them involve between zero and 5 acres and 70 to 80 percent are less than 1 acre, most of them being between one-quarter and one-half acre each.

There is no legislation now on the books to take care of these problems, and what usually happens is that either they go unresolved or special legislation is required. If this bill is enacted, the Forest Service will have greater freedom to deal with the individuals who need to have the clouds on their titles removed. It will also reduce the number of small bills that committees here in the Congress must deal with.

Let me also point out that I have included in this bill a section not related to cadastral surveys. Under Public Law 90-171 the Forest Service currently has the authority to convey to public school districts land for public school use. Section 9 would broaden this authority to permit conveyance to State or local governments for such uses as firehouses, police stations, et cetera. I can see no real reason to distinguish between permitting this land to be sold for schools but not for other public purposes and broadening the authority in this manner is good commonsense. I might add that since there is no evidence that the Forest Service has abused the authority to sell to school districts, I think we can assume they would not abuse this addition to the act.

Mr. Speaker, there are going to be hearings on H.R. 3021, the small tracts bill introduced by Congressman MARLENEE and Congressman WEAVER in Forest Subcommittee on June 18. At that time I plan to speak on behalf of my bill and I hope that after all bills are considered, that the provisions in mine will become public law.

Thank you.●

THE ISRAELI ATTACK ON IRAQ

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. AKAKA. Mr. Speaker, I rise to express my profound concern at the recent action taken by Israel when the Israeli Government carried out a bombing raid last Sunday on an Iraqi nuclear reactor. The Israeli Air Force attack on the 70-megawatt nuclear reactor near Baghdad represents none other than a willful act of terrorism on the part of the Begin government. I condemn this act of international violence, for it is in clear contravention of all tenets of international law.

The Government of Israel has long sought the support of this country in calling for international sanctions on acts of terrorism. For many years, we have been friends with the Israeli Government. We have joined hands with Israel and other world governments in limiting the cancer of international violence as a solution to disagreements among world nations.

The recent attack on the Iraqi nuclear reactor and Israel's solid defense of its action clearly bear witness to the Begin government's lack of good faith in its dealings with other nations.

When Prime Minister Begin justifies this attack by evoking memories of the Nazi Holocaust during World War II, he and his government are certainly acting in bad faith. I remind all of you in this body that the Iraqi nuclear installations are under the supervision of the International Atomic Energy Agency. A January inspection of the Iraqi nuclear reactor attacked by Israel found no evidence that the plant was being used to manufacture nuclear weapons. It would appear that Israel attacked the plant on the mere speculation that such weapons could be produced there. Furthermore, Israel, unlike Iraq, has refused to sign the 1970 Nuclear Nonproliferation Treaty * * * a treaty which we, in this country, have long supported.

Furthermore, the planes used to destroy the plant were aircraft which we supplied to the Begin government for defense purposes only. That Israel used our aircraft for attack purposes is clearly a blatant violation of our agreements with Israel. If we are to continue to lend our support to Israel in the arena of international affairs, then we must make it clear to Israel's Government that we demand that Israel act responsibly and in good faith. As a Congress, we must make it clear to Israel that we will not support a nation which practices international terrorism with such pride and gusto.

I call on my colleagues to remind Israel of its commitments to the principles of peace in the world community of nations.

I call on my colleagues to join the other nations of the world in making it crystal clear to Israel that we will not support international terrorism under any conditions.●

HOUSE APPROVES DEEP CUTS IN SOCIAL SERVICE PROGRAMS

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. FRANK. Mr. Speaker, the Members of this House recently gave initial approval to the deep cuts in social service programs proposed by the new administration. I believe that it was a blindness to concrete suffering that led my colleagues to approve these cuts.

I have received hundreds of letters from elderly constitutents and from their friends and protectors relating poignantly the effects which the proposed cuts would have on their lives.

The table which follows comes from the director of one of the many small nonprofit organizations established in the last decade to deliver home care services to the elderly. It shows in hard numbers the losses which would result from the proposed cuts.

I hope my colleagues will take the time to consider the human meaning of the facts shown here and remember that the same story will be repeated in hundreds of localities around the Nation.

The table follows:

PROJECTED IMPACT OF PRESIDENT REAGAN'S PROPOSED CUTS IN PROGRAMS FOR ELDERS—MINUTEMAN PLANNING AND SERVICE AREA, 1981

I. OLDER AMERICANS ACT PROGRAMS

A. Title III-B Community Services. Overview: MHCC has started important, new services with these funds (Fiscal year 1981 allocation: $237,000). Inflation, cutbacks in other funds sources, and increasing demand for service by a growing elderly population will force reductions in current service levels. Some listed below:

1. Senior Citizens Law Project (Fiscal year 1981 Grant: $42,000). Grantee: Cambridge & Somerville Legal Services. The proposed massive cutback or elimination of the Legal Services Corporation will eliminate 40% of the project's budget. Impact: eliminate two support staff, eliminate visits to community locations, eliminate home visits.

Estimated number elders affected: 200.

2. House Sharing Program (Fiscal year 1980 Grant: $12,000). Grantee: Woburn Council for Social Concern. Minimum cut would be reduction of the one fulltime staff person to halftime. Outreach and number of matches would be cut in half.

Estimated number elders affected: 25.

3. Adult Day Health Center (Fiscal year 1981 Grants: $6,000). Grantee: Cooperative Elder Services, Inc. This program seeks to open a second site in Acton next year. There are 30 people on a waiting list for service. CESI's request for $15,000 could not be honored in Fiscal year 1982.

Estimated number elders affected: 30.

4. Protective Services Program (Fiscal year 1980: $13,600). Provided directly by MHCC. Current fulltime Social Worker might be reduced to halftime. Clientele is composed of elders facing abuse or neglect, who need quick, intensive assistance. Staff training for other agencies would be eliminated.

Estimated number elders affected: 20.

5. Transportation Services (Fiscal year 1981: $57,000). Provided by private taxi companies and one non-profit firm under contract with MHCC. Current level: 535 trips/month for 105 people. Service may be restricted to handicapped elders only. Currently available for out-of-town trips for medical and social service appointments to all elders who have no other means of transportation.

Estimated number elders affected: 70.

B. Title III-C Nutrition Program (Fiscal year 1981: $268,852). Overview: MHCC now serves 500 meals (congregate and home delivered) at eight locations. We anticipate an inflation adjustment in current food contract and overhead costs.

1. Congregate Meals. Impact of inflation absorbed here. Approximate reduction of 50 meals per week or 13,000 per year.

Estimated number elders affected: 50.

2. Home Delivered Meals. No cutbacks, but no increase in number of participants, unless congregate meals further reduced.

Estimated number eiders who will not be served: 35.

II. ENERGY ASSISTANCE PROGRAMS (BLOCK GRANT)

A. Fuel Assistance. About 620 elders received fuel assistance payments in the MHCC region in the past year. If oil prices rise 20% and the allocation is cut 25%, the minimum number of elders affected would be 248.

B. Weatherization. Minimum number of low-income elders known to need weatherization: 200.

Total estimated number elders affected: 843.

Assumptions used to develop estimates: (1) Level funding of Title III-B and III-C of Older Americans Act. (2) Elimination of Legal Services Corporation (CSC). (3) Transfer of LSC costs of Senior Citizens Law Project to MHCC Title III-B budget. (4) Inflationary increases in contracted costs of 10%. (5) No increase in demand or outreach for fuel assistance program.●

SOCIAL SECURITY CUTS EFFECTS ON WOMEN

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. DELLUMS. Mr. Speaker, we are all concerned over the effect the proposed cuts offered by the administration in social security benefits will have on the recipients of this program. Recently one of my constituents, Ms. Laurie Shields, executive director of the Older Women's League, testified before the Task Force on Women and Social Security of the Select Committee on Aging. I believe her comments are particularly relevant to our deliberations, particularly as these cuts affect women, the majority of social security recipients.

The comments follow:

COMMENTS OF MS. LAURIE SHIELDS

My name is Laurie Shields and I am the Executive Director of the Older Women's League. Founded at the White House Mini-Conference on Older Women in Des Moines last October, this new nationally organized voice of older women already has forty-one chartered chapters in twenty-two states and is growing by leaps and bounds. Our national office is in Oakland, California.

I have come across country specifically for this hearing because our membership is vitally concerned about Social Security, and very worried about the frightening proposals being put forth by Administration spokespersons to change the system. We deeply appreciate this opportunity to put the views of the Older Women's League on record and express relief that this task force wants to examine the impact of these proposed cuts upon women.

Women, especially older women, and their stake in the proposed changes have been curiously missing from materials presented by the Administration's spokespersons or, for that matter, from media coverage of the subject. This despite the fact that almost two-thirds of all adult social security recipients are women; this despite the fact that older women are far more dependent upon social security for survival than are men; and this despite the fact that since women live longer, we do have a greater stake in what happens to the system now and in the future.

Everyone agrees, social security as it is presently structured is in trouble. But the Administration says it wants to make sure that the little old lady who depends on Social Security will continue to get her check. To which we in the Older Women's League retort, "if you really cared you wouldn't propose reductions that particularly affect women".

Mindful that others on the panel will testify, I will limit myself to discussing just two of the proposed cuts and the potentially devastating effect they will have on women: the so-called "early retiree" disincentives and the proposed slash in disability benefits.

The proposal for an immediate and sharp reduction in early retirement benefits for persons who apply for Social Security before age 65 assumes that everyone between the age of 62 and 65 has the option to work or not. But most women (and many men) take benefits early because there are no jobs for older persons, or because they can no longer physically handle the kind of jobs that are available.

Sex discrimination compounded by rampant age bias and in the case of older minority women, by racism as well, means that very few of us break through to paid employment compatible with any physical limitations we might have. Seventy percent of women who now apply for benefits early, take a 20 percent reduction for life and most do so because they have no choice. The Administration's proposed sharp reductions for taking benefits early would force many more women on to S.S.I., turning them from the benefits of an earned rights program to those less likely to be available under a means tested program. The spouses' benefits for early retirees forced into it by illness, for example, would similarly be reduced, meaning that a couple would enter retirement with much less income than anticipated.

Moving along to consideration of the Administration's proposed cuts in disability benefits, we contend that regulations already discriminate against many older women and the proposed changes will only increase this discrimination. There is, for example, direct discrimination in the current regulation that measures the disability of surviving spouses (most of whom are

women). Widows have to meet a stricter test of disability than all other beneficiary groups. Most of today's older women have been homemakers and because homemaking has not been given "vocational status", the widow's disability claim is judged solely on medical evidence and excludes vocational factors such as age, education and work experience.

Instead of broadening the basis for widows applying for disability, the Reagan Administration now proposes to "equalize" regulations by having everyone establish disability on the basis of medical evidence alone. As any disabled widow can tell you, the result of the stricter test will be to dramatically reduce the number of disabled beneficiaries. Additionally, the Administration would add another requirement—claimants will have to have worked in covered employment in six out of the previous thirteen quarters and workers must have been in covered employment for 7½ out of the last 10 years in order to be insured for disability. The worker most likely to have extended periods out of covered employment is, of course, the homemaker, wife and mother. The Social Security Administration, we are told, estimates that just under the proposed 6/13 requirement alone, between 8 and 9 percent of applicants eligible under the current law would no longer be eligible.

During Mr. Schweiker's recent testimony, Rep. J. J. Pickle challenged the Administration's plan which would take $24 billion of their proposed total of $88 billion SS cuts out of the disability program alone, noting that while 65 million persons would remain protected, 30 million Americans would be deprived of their current disability protection. This was summarily dismissed with the comment that other programs for the disabled would take up the slack "in a humanistic, effective way". Administering social security on the cold and calculating insurance principle of increasing forfeitures in order to benefit the remaining beneficiaries amounts to an unconscionable and cynical move on the Administration's part.

This Administration, from the President on down, tells us that old age and survivors insurance will not have enough money on hand to pay benefits after mid-1982 unless their specific changes are made. From the vantage point of his 34 years and possibly with a crystal ball, David Stockman predicts the most devastating bankruptcy in history on "or about November 3, 1982".

These are "Chicken Little" scare tactics in an attempt to stampede Congress into cuts of vital entitlements. Knowledgeable people have, for years, proposed changing of the financing of SS, to maintain entitlements while adjusting to changing economic circumstances. These include permitting interfund borrowing, combining assets of the three trust funds, shifting hospital insurance over to general revenue or strengthening the system with general revenue funds as other industrial countries do.

In the summary of his presentation May 21st to the House Select Committee on Aging, Mr. Schweiker threw out a challenge: "Those who criticize the Administration's proposals have a clear responsibility to advance their own proposals to deal with the social security crisis".

Perhaps it is only older women who can point out the Emperor has no clothes and remind the Administration that it has a "clear responsibility" to be less hasty in proposing changes that will drastically alter a time-honored American program.

The most recent poll (May 12-14, Yankelovich, Skelly and White, Inc.) which gave Reagan high marks in some areas, revealed that there is a "widespread skepticism about the equity of Reagan's budget cuts: 71 percent believe that some people—primarily the poor and the elderly—will be hurt more than others". Poor elderly persons are primarily women.

The Older Women's League urges the members of the House and the Senate, to resist pressure from the Administration for substantive change in the social security system without sufficient investigation into options for change and a clearer picture of women who will be most affected by change. A hastily assembled across-the-board package of cuts is not a desirable nor an equitable solution. Equality between unequals is not true equality. Therefore, we will continue to do our best to organize women everywhere to defend social security, for the survival of the old but also for the future of the young.●

FAMILY PLANNING AND BLOCK GRANTS

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. McCLOSKEY. Mr. Speaker, last week the Subcommittee on Health and the Environment completed markup of H.R. 2807, which included the funding of family planning services as a categorical grant. The full Energy and Commerce Committee will soon be taking up the bill. With that in mind, I recommend to my colleagues the following issue brief from the Alan Guttmacher Institute, which details the problems that would evolve if family planning services are not kept as a categorical grant:

FAMILY PLANNING AND BLOCK GRANTS

As part of its "plan for economic recovery," the Reagan adminstration is proposing that Congress repeal almost 40 health and social welfare programs and replace them with "block" grants to the states. Four broad funding categories would be created: health services, preventive health services, social services and low-income energy assistance. The proposed preventive health services block grant would abolish Title X of the Public Health Service Act, whose project grants form the core of the national program enabling the poor and the young to avoid unwanted or mistimed pregnancies. Also abolished by block grants would be Titles V (maternal and child health) and XX (social services) of the Social Security Act, both of which complement Title X and are important to the national family planning effort.

It is now commonly accepted that a reduction in the growth of federal spending is a political imperative and, indeed, drastic cutbacks have been proposed for health and social services. As a tactical maneuver, it is clearly most expedient to achieve these reductions by aggregating services and cutting the four categories rather than attempting to wage 40 separate budget battles over the individual programs. Yet, the political climate is such that substantial spending cuts could likely be approved even if all the authorities for current categorical programs were continued. There is another, more fundamental issue underlying the block grant concept that is more philosophical than budgetary: the nature and scope of the federal and, by inference, the state goverments' role—if any—in ensuring the health and social welfare of their citizens. Office of Management and Budget Director David Stockman elucidated the philosophy upon which the administration's plan is based when he said: "I don't believe that there is any entitlement, any basic right to legal services or any other kinds of services, and the idea that almost every service that someone might need in life ought to be provided, financed by the government as a matter of basic rights, is wrong."

THE ADMINISTRATION'S PROPOSALS

The preventive health services block would contain, besides family planning, smaller health programs such as screening for genetic and venereal diseases and the programs for pregnant adolescents, lead-based paint poisoning, rat control and fluoridation. Title V (which now mandates that six percent of its total expenditures go toward family planning) would be folded into the basic health block along with the community health and migrant health centers programs and mental health. Title XX (also containing a mandate for family planning) would be folded into the social services block. Since family planning services receives support from these three sources, in theory, each state could support family planning from all three block grants if it so desired. It must be noted, however, that, at present, half of all MCH expenditures for family planning nationwide is concentrated in five states and close to two-thirds of Title XX funds is expended in six states. If a state should decide to use any block grant monies for family planning, it would likely follow its historic funding pattern.

Regardless of the specific proposal, the block grant design is identical for the three bills relevant to family planning. First, funding authority (money ceiling) is set at 75 percent of the fiscal year 1981 aggregate appropriation for a given category for fiscal year 1982 (the proposals are to take effect October 1, 1981) and held constant through fiscal year 1985. The administration asserts that the 25 percent cut will impinge on service delivery only nominally, if at all, because of the administrative savings that are expected. However, the burden of program implementation, administration and evaluation simply would be shifted from the federal government to the 50 state governments, many of which have no experience directly administering programs on a large scale and would be forced to expand their own bureaucracies to do so. Moreover, because funding authority would be held constant over the next four years, the 25 percent reduction in fiscal year 1982 would be much greater than that by the end of the period because of continued inflation. Finally, it must be remembered that the funding authority is the *maximum* amount Congress can actually appropriate, but Congress is under no obligation to appropriate the full amount.

Money would be allocated to a state in the same proportion as for fiscal year 1981 for all programs in the four broad functional areas. Administration officials admit that this formula freezes current inequities in the distribution of funds and does not take into account population shifts or changing needs for services. (The administration

viewed other possible distribution formulas as highly disruptive. For the preventive block, for example, more than half the states would gain or lose more than 20 percent of current appropriations under a population-based formula.) The proposals also contain a provision allowing governors to shift up to 10 percent of funds allocated for one block grant to another.

The administration's block grant concept is premised on a strict "no strings" approach. Accordingly, there are no requirements for reliable accountability, maintenance of service effort, state fund matching, service standards, or eligibility criteria for service recipients in the administration's proposals, nor is there any requirement that a particular service, such as family planning, be provided at all.

FLEXIBILITY VERSUS ACCOUNTABILITY

The block grant concept is certainly not new. It has been proposed in the past (as it is today) mainly on the grounds of economy, efficiency, program expansion and decentralization.

The record shows, however, that, by and large, block grants have failed to meet their stated goals. In 1966, Congress passed the Partnership of Health Act (section 314d of the Public Health Service Act) which consolidated 16 categorical health programs and returned control of them to the states. According to the Advisory Commission on Intergovernmental Relations (ACIR), "the basic block grant dilemma—striking an appropriate balance between providing relatively unrestricted financial support for state and local health programs, and promoting national health care priorities—was not resolved." In addition, over time, without any means of evaluation, political support for the program waned. This lack of support was reflected by a sharp downward trend in funding amounts, which started at $90 million in 1966 and, after several years of level funding, dropped to $36 million in fiscal year 1981. As ACIR has pointed out, "Once the block grant reaches the states, it ceases to be an identifiable program in the normal usage of the word and becomes instead simply another source of funds."

Aside from Title X, two of the other three important sources of federal family planning support are already, for all practical purposes, block grants.

The Title XX program (formerly Title IV-A), whose chief purpose is to lessen or avert government dependency through the provision of social services, became a block grant when a spending ceiling was imposed in 1972 (the same time that family planning became a mandated service). It is administered by the states and funds are allocated on the basis of population. Title V, geared primarily toward promoting the birth of healthy babies, may also be considered a block grant in that it, too, is state administered and funds are allocated on the basis of a state's birthrate and financial need. While both programs have succeeded in providing state "flexibility," the lack of reliable reporting systems makes accountability for federal dollars virtually impossible. Additionally, a 1979 General Accounting Office study of Title XX indicated that standards (where they exist) and eligibility criteria vary tremendously from state to state and that the funding formula based on population does not direct money to areas of greatest need. Moreover, as was mentioned earlier, most states do not use large amounts of funds under these programs to support family planning.

The other major source of family planning support is Medicaid. Still an open-ended entitlement program, Medicaid (like Title XX) may soon be "capped," further reducing states' abilities to provide adequate health care to low-income people. It is likely that a cap on Medicaid would provide an impetus to Congress to drop certain services, possibly including family planning, from the list of "mandated" services.

THE CRUCIAL ROLE OF TITLE X

Congress enacted the Family Planning Services and Population Research Act of 1970 to establish categorical support for family planning services and to stimulate research in human reproduction, contraceptive technology and population dynamics. With then-Rep. George Bush (R-Texas) as an original cosponsor, President Nixon strongly endorsed the legislation which he hoped would enable the nation to attain "the goal of providing adequate family planning services within the next five years to all those who want and need them but cannot afford them."

Under the block grant proposal, many of the very issues that have been critical to the success and acceptability of the family planning program would be left up to the states: National standards for medical care: the requirement that all methods of contraception be made available at clinics to enable a woman to make an informed choice considering her risks and benefits; and the safeguard against coercion of patients to accept a particular contraceptive method. There would no longer be any planning or reporting requirements. Even if the states chose to monitor services in sufficient detail to assess state needs, it is highly unlikely that the data would be comparable from one state to another, making it impossible to detect and analyze any national trends. For example, it has been determined that almost 800,000 unintended pregnancies were prevented because of the national family planning program in a single year (1979)—pregnancies that would have resulted in 275,000 births, 420,000 abortions and 98,000 miscarriages. Without national reporting requirements, and without statistics that are comparable from state to state, such determinations might be impossible in the future. Perhaps most important is Title X's proven record of extraordinary cost-effectiveness, which is unmatched by any other federal program and has been key in winning the strong support of Congress for Title X during the decade of its existence. Aside from the human costs if a state should shun family planning services, the subsequent medical and welfare costs associated with childbirth for indigent women will cost the taxpayers much more the very next year and promote rather than lessen dependency.

TABLE 1.—ESTIMATED FEDERAL EXPENDITURES FOR MEDICAL FAMILY PLANNING SERVICES IN ORGANIZED CLINICS, BY SOURCE OF FUNDING AND STATE, FISCAL YEAR 1979

[Patient numbers and dollars in thousands]

State	Patients served	Title X funds	Title V funds	Title XIX funds	Title XX funds
U.S. total	4,486	$127,573	$20,257	$24,401	$60,799
Alabama	73	3,595	80	373	(1)
Alaska	13	236	50	(1)	(1)
Arizona [2]	92	2,474	512	(1)	311
Arkansas	54	2,687	46	134	(1)
California	525	10,363	(1)	3,250	4,400
Colorado	75	1,391	89	192	(1)
Connecticut	62	1,157	68	(1)	1,350
Delaware	13	449	13	350	33

TABLE 1.—ESTIMATED FEDERAL EXPENDITURES FOR MEDICAL FAMILY PLANNING SERVICES IN ORGANIZED CLINICS, BY SOURCE OF FUNDING AND STATE, FISCAL YEAR 1979—Continued

[Patient numbers and dollars in thousands]

State	Patients served	Title X funds	Title V funds	Title XIX funds	Title XX funds
District of Columbia	34	$855	(1)	$192	(1)
Florida	154	4,464	397	353	7,764
Georgia	111	3,541	205	528	1,040
Hawaii	17	855	246	(1)	(1)
Idaho	15	539	107	34	107
Illinois	122	3,948	115	1,684	4,510
Indiana	82	2,618	2,000	279	2,372
Iowa	41	1,326	150	527	400
Kansas	34	1,235	66	70	(1)
Kentucky	89	2,939	555	401	(1)
Louisiana	92	1,341	1,289	(1)	2,558
Maine	28	692	(1)	207	678
Maryland	116	2,650	370	406	46
Massachusetts	112	3,024	90	763	500
Michigan	113	4,225	781	2,307	(1)
Minnesota	60	1,269	390	(1)	99
Mississippi	74	2,930	55	652	603
Missouri	95	3,214	454	389	399
Montana	19	789	54	78	230
Nebraska	26	1,055	174	62	344
Nevada	20	686	(1)	49	55
New Hampshire	16	408	15	(1)	637
New Jersey	110	4,920	532	1,068	2,632
New Mexico	44	1,250	120	(1)	417
New York	374	9,435	700	3,910	(1)
North Carolina	143	3,901	713	373	3,031
North Dakota	12	448	190	20	(1)
Ohio	154	4,274	1,384	695	1,694
Oklahoma	72	2,582	760	(1)	(1)
Oregon	53	1,486	193	262	(1)
Pennsylvania	213	6,206	595	1,205	3,761
Rhode Island	16	330	6	46	(1)
South Carolina	82	3,550	338	362	521
South Dakota	11	424	13	(1)	(1)
Tennessee	147	4,045	641	498	2,424
Texas	350	9,050	3,699	650	13,163
Utah	13	554	(1)	59	(1)
Vermont	17	330	5	75	160
Virginia	110	2,696	368	406	2,763
Washington	100	2,265	292	211	343
West Virginia	38	576	(1)	(1)	905
Wisconsin	48	1,840	1,330	[3] 1,289	(1)
Wyoming	5	458	6	(1)	56

[1] State did not report a figure in this category to AGI.
[2] Medicaid program not operative in fiscal year 1979.
[3] Excludes $140,000 spent on infertility in the state of Wisconsin.
Note.—Numbers may not add to totals due to rounding.

The proposed legislation also leaves in doubt the status of research relating to human reproduction and population growth. Congress has given this research special emphasis for the past 10 years through Title X by providing visibility, accountability, and a legislative mandate somewhat broader than the general authority of the National Institutes of Health to investigate the "causes, diagnosis, treatment and prevention of disease." Besides the Center for Population Research (CPR) of the National Institute of Child Health and Human Development, the only two NIH institutes to have specific congressional authorizations are the Cancer Institute and the Heart, Lung and Blood Institute. The Title X research authority specifically permits research in the "biomedical, contraceptive development, behavioral and program implementation fields related to family planning and population." If Title X is repealed, CPR's activities could be continued under the general legislative authority of NIH, but probably with less visibility and priority, and with much reduced scope. CPR's own existence as an administrative entity would be jeopardized. This has both international as well as domestic implications since CPR (through Title X) provides almost half of all funds worldwide for contraceptive development and the reproductive sciences. In the past few years, this funding has declined in absolute dollars due to inflation, at the very time the inadequa-

cies of all current methods of fertility control have been fully exposed.

A NATIONAL PROBLEM REQUIRES A NATIONAL SOLUTION

Title X is the only federal family planning program operating through the project grant mechanism, with a mandate for services for those in need with the greatest access problem: low-income individuals and teenagers. Title X-supported clinics are now accessible in every county in the country. Given the nature of family planning programs, which serve similar populations nationwide, providing very similar services in generally comparable settings, it is difficult to believe that a state-by-state approach would be more efficient, more cost-effective or more equitable in the provision of care to the eligible patient populations. The desperate need for subsidized family planning services is glaring and transcends state boundaries. Congress has historically recognized the magnitude and severity of the problems associated with unwanted pregnancy, especially among teenagers, and acknowledged the success of the national program. When examined on its merits, Title X addresses an immediate and important national goal and advances the nation toward that goal in a cost-efficient manner which can be best accomplisiied through concerted and coordinated national attention.

OUTLOOK

While the administration's "no strings" block grant proposals will shape the legislative debate, Congress may have its own ideas. Most Republicans can be expected to adhere closely to the President's proposals, but some will insist on modifications—probably in the form of more blocks that would consolidate fewer programs in each and have a higher degree of "accountability" to Congress. Some Republicans no doubt will even make exceptions to their endorsement of block grants for favorite programs. Meanwhile, the majority of Democrats probably will support legislation to retain the general outlines of existing, categorical programs—albeit at greatly reduced funding levels. In any event, whatever emerges from the respective authorizing committees in both Houses surely will be modified during the floor debates and, again, when the legislation approved by each body goes to conference.●

HOUSE OF REPRESENTATIVES—*Friday, June 12, 1981*

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. FOLEY).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C., *June 11, 1981.*

I hereby designate the Honorable THOMAS S. FOLEY to act as Speaker pro tempore on Friday, June 12, 1981.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O God eternal, King of Kings and Lord of Lords, even as we pray for the needs of the world, so too we pray for ourselves and those near and dear to us. Especially we remember our families and give thanks for them and their love to us. For parents who have nurtured us and brothers and sisters who have supported us, we offer You our praise.

We are grateful for the devotion of those whom we cherish and who have helped show us the way of faith, hope, and love. May the inspiration of their lives continue to give meaning and encouragement to us as we seek to serve You and those about us. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

IT ISN'T THE MINORITY PARTY THAT IS RESISTING THE BUDGET CUTS THE PEOPLE INDICATED THEY WANTED

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, I was distressed to read, in this morning's edition of the Washington Post, that Minority members of this body were guilty of "unmitigated arrogance" with respect to the upcoming reconciliation bill. Not only is such an accusation inaccurate but it is indeed ironic. After all, it was not the minority party in this House which stacked the committees with their own Members at the outset of the session. It is not the minority party that is resisting the budget cuts the people so clearly indicated they wanted when they went to the polls last November. And it was not the minority on the Commerce Committee yesterday that favored abrogating that committee's responsibilities and passing them along to the Budget Committee. No, Mr. Speaker, if anyone in this body is acting with "unmitigated arrogance" these days, it is those who do not want to heed the mandate of the people and the voice of Congress as expressed in the budget resolution approved May 20. The time has come for us to stop dragging our feet and come up with real budget cuts of at least $35 billion; and if that means a substitute reconciliation bill then so be it.

THE IMPACT AID PROGRAM

(Mr. DAUB asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAUB. Mr. Speaker, just this last Wednesday, we saw the Democrats on the House Education and Labor Committee vote to zero-fund the impact aid program. This program provides financial assistance to school districts in federally affected areas which are not allowed to assess local taxes. Without impact aid funding to compensate for this revenue loss, these school districts would be severely hampered in their efforts to provide quality education—even a base line education—to the children of our Nation's military families. Impact aid has long been recognized as a legitimate governmental responsibility and I was shocked at the Democrats disregard of this critical program.

I recognize the tremendous fiscal constraints with which that particular committee is faced. Indeed, some of our most cherished and humanitarian educational and human service programs are being forced to suffer. My sincere hope is that when our economy is in better health, we can continue the progress that has been made, in large part, by this hard-working committee under the determined leadership of my colleague, CARL PERKINS.

I would urge my distinguished colleague from Kentucky, the respected chairman of the House Education and Labor Committee, to reconsider the committee's action in allowing the elimination of the impact aid program. The elimination of this long-established and necessary program affects 4,000 school districts and 2.3 million children. I implore the distinguished gentleman to reconsider and not to treat the program as a political football in a game where our children will be the ultimate losers.

DELETION OF NAME OF MEMBER AS COSPONSOR OF HOUSE CONCURRENT RESOLUTION 118

Mr. KASTENMEIER. Mr. Speaker, I am listed as a cosponsor on House Concurrent Resolution 118. In view of the incidents of last weekend, I ask unanimous consent that my name be deleted as a cosponsor thereof.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

ADJOURNMENT TO MONDAY, JUNE 15, 1981

Mr. ECKART. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PHIL FAUCETTE AND LYNN COVINGTON AWARDED BOY SCOUTS OF AMERICA HONOR MEDAL FOR LIFESAVING

(Mr. JOHNSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHNSTON. Mr. Speaker, in an era of much bad news, it is delightful to recognize two young men, two Boy Scouts, who put their life on the line in order to rescue four aged people by going into a burning house and removing them just ahead of the flames.

I would like to recognize Phil Faucette and Lynn Covington and include in the RECORD the recognition letter granting them the highest award for lifesaving bestowed by the Boy Scouts.

The letters are as follows:

MEBANE, N.C. *May 20, 1981.*

Mr. PHILIP B. FAUCETTE,
Mebane, N.C.

DEAR PHILIP: I wish to extend the most sincere appreciation and congratulations to you, as Mayor and on behalf of the citizens of Mebane, as one of the two Eagle Scouts

from Eastern Alamance High School who will be honored this month by the Boy Scouts of America with its coveted Honor Medal for Lifesaving.

You and your fellow scout will receive only the ninth and tenth Honor Medals for Lifesaving to be presented in the United States this year, and the first to a North Carolinian since 1979. This award, presented through action of a National Review Board, is given only to those, both youth and adult, "who demonstrate unusual heroism in saving or attempting to save life at the risk of their own." Your efforts resulted in the saving of four lives.

We, your neighbors, associates, classmates and fellow scouts are proud to also call you "our friends." God Bless as you continue to grow with the ideals of Scouting.

Cordially, your friend,

GLENDEL STEPHENSON,
Mayor.

MEBANE, N.C. *May 20, 1981.*

Mr. D. LYNN COVINGTON,
Mebane, N.C.

DEAR LYNN: I wish to extend the most sincere appreciation and congratulations to you, as Mayor and on behalf of the citizens of Mebane, as one of the two Eagle Scouts from Eastern Alamance High School who will be honored this month by the Boy Scouts of America with its coveted Honor Medal for Lifesaving.

You and your fellow scout will receive only the ninth and tenth Honor Medals for Lifesaving to be presented in the United States this year, and the first to a North Carolinian since 1979. This award, presented through action of a National Review Board, is given only to those, both youth and adult, "who demonstrate unusual heroism in saving or attempting to save life at the risk of their own." Your efforts resulted in the saving of four lives.

We, your neighbors, associates, classmates and fellow scouts are proud to also call you "our friends." God Bless as you continue to grow with the ideals of Scouting.

Cordially, your friend,

GLENDEL STEPHENSON,
Mayor.

TRIBUTE TO THE CAPITOL PAGE CLASS OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 10 minutes.

● Mr. MOAKLEY. Mr. Speaker, on Monday, June 15, the U.S. Capitol Page School will hold its commencement exercises in the caucus room of the Cannon House Office Building. The impressive evening ceremony will mark the end of excellent and faithful service to the Congress by the 46 graduating House and Senate pages. The class of 1981 has earned an unusual number of honors which I am including for the RECORD. As chairman of the Democratic Personnel Committee I take particular pride in the achievements and contribution which our fine young men and women have made. I know that I am joined by all my colleagues, their individual sponsors, and their supervisors in expressing our thanks and congratulations for a job well done. The names of the graduates and their honors follow:

GRADUATES

Patricia A. Ahearn, William H. Austin, Curt Blasiman, Robert P. Breen, Jr., Lisa Anne Capra, Aidan J. O. Conway, Michelle M. Cremona, Halle M. Czechowski, Joseph R. Dalton, Richard L. Doerner, David W. Dunaway, Tuesday R. Everett.

Camilla C. Fore, Dennis M. Fulwood, Neil L. Ganz, Jane E. Garnett, Terrence M. Gilbride, Julie Hickman, Kimberly A. Higgins, Thomas J. Hricik, Glenn R. Huffman, Patricia A. Jones, Michele M. Kroll.

Antonio C. Martinez II, Paul J. McCaffrey, Kelly A. McCarty, Bruce H. S. Middleton, Molly J. Morgenstern, Colleen Morrow, Lacey A. Mullowney, Timothy D. Nelson, Tracy C. Outlaw, Christopher S. Phillips, Jeffery A. Przygocki, Bryce R. Quick.

Mary K. Reckard, Robert C. Schuler, Mary Beth Schultheis, Dawn M. Sciarrino, Penny A. Shamblin, Ann E. Shepherd, Precious C. L. Thomas, Thomas P. Welch, Michael T. Westmoreland, Powell L. White, Anne Wilson.

CAPITOL PAGE SCHOOL AWARDS

Flag Salute: Bryce Quick, President, Senior Class.

Citizenship Medal—American Legion: Connie Fore, Glenn Huffman.

Civitan Honor Key Award: Bruce Middleton.

Harvard Book Award: Steve Kaufman.

Danforth Award: Bruce Middleton, Precious Thomas.

Rensselaer Award: John Landry.

Bausch and Lomb Award: Joe Dalton.

Journalism Award: Colleen Morrow.

Women's Bar Association of the District of Columbia: Patricia A. Ahearn, C. Constance Fore, Tracy Outlaw, Jeffrey A. Przygocki, Precious C. L. Thomas.

National Merit Scholarship Finalist: Curtis A. Blasiman.

National Merit Scholarship Program Commendation—PSAT: Bruce Middleton, Robert Schuler.

National Council of Teachers of English Award for Superior Performance in Writing: Bruce Middleton.

Biology Award: Geoffrey Peterson.

French Award: Brad Taylor.

Spanish Award: Colleen Morrow.

Physics Award: Bill Gillespie.

Salutatorian Medal: Connie Fore.

Valedictorian Medal: Bruce Middleton.

School Letters—Service, Achievement: Patricia Ahearn, James Erskine, Jane Garnett, Terry Gilbride, Steve Kaufman, Colleen Morrow, Tracy Outlaw, Chris Riley, Dawn Sciarrino, Anne Wilson.

School Star: Connie Fore.

Varsity Basketball Awards:

Boys: Willie Austin, Martin Coster, Chuck Curry, Dennis Fulwood, Neil Ganz, Andrew Glick, John Reed, Stewart Speed.

Girls: Cathleen Colvin, Michelle Cremona, Molly Morgenstern, Colleen Morrow, Lacey Mullowney, Polly Padden.

Most Valuable Player: Boy, Dennis Fulwood; girl, Colleen Morrow.

Cheer Leaders: Sheila Dwyer, Kim Higgins, Mary Beth Schultheis, Ann Shepherd.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. HUBBARD (at the request of Mr. WRIGHT), for today, on account of death of his father.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. BEREUTER), to revise and extend his remarks and include extraneous material:)

Mr. GINGRICH, for 60 minutes, on June 15.

(The following Members (at the request of Mr. ECKART), to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. MOAKLEY, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. LEBOUTILLIER), and to include extraneous matter:)

Mr. LEBOUTILLIER in two instances.

Mr. MICHEL.

(The following Members (at the request of Mr. ECKART), and to include extraneous matter:)

Mr. LANTOS.

Mr. BENNETT.

Mr. LAFALCE.

ADJOURNMENT

Mr. ECKART. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 9 minutes a.m.), under its previous order, the House adjourned until Monday, June 15, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1586. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of June 1, 1981, pursuant to section 1014(e) of Public Law 93-344 (H. Doc. No. 9760); to the Committee on Appropriations, and ordered to be printed.

1587. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the commissary shelf-stocking and custodial services function at March Air Force Base, Calif., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

1588. A letter from the General Counsel of the Department of Defense, transmitting amendments to the Manual for Courts-Martial, United States, 1969 (Revised Edition), pursuant to 10 U.S.C. 836(b); to the Committee on Armed Services.

1589. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Federal Railroad Safety Act of 1970 to extend authorization for appropriations; to the Committee on Energy and Commerce.

1590. A letter from the Administrator of General Services, transmitting the 1980 annual report of the General Services Administration; to the Committee on Government Operations.

1591. A letter from the Secretary, Postal Rate Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1592. A letter from the Deputy Assistant Secretary of the Interior for Indian Affairs, transmitting a report on efforts to recruit and train Indians for positions subject to indian Preference, pursuant to section 2(d) of Public Law 96-135; jointly, to the Committees on Interior and Insular Affairs and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HUGHES: Committee on the Judiciary. H.R. 3519. A bill to authorize appropriations for fiscal year 1982 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, to authorize appropriations for such fiscal year for civil defense, and for other purposes; with amendment (Rept. No. 97-71, pt. 2). Ordered to be printed.

Mr. BROOKS: Committee on Government Operations. H.R. 3519. A bill to authorize appropriations for fiscal year 1982 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, to authorize appropriations for such fiscal year for civil defense, and for other purposes; with amendment (Rept. No. 97-71, pt. 3). Referred to the Committee of the Whole House on the State of the Union.

Mr. PRICE: Committee on Armed Services. H.R. 3454. A bill to authorize appropriations for fiscal year 1982 for the intelligence and intelligence-related activities of the U.S. Government, for the intelligence community staff, and for the Central Intelligence Agency Retirement and Disability System, to authorize supplemental appropriations for fiscal year 1981 for the intelligence and intelligence-related activities of the U.S. Government, and for other purposes (Rept. No. 97-101, pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. Report pursuant to section 302(b) of the Congressional Budget Act of 1974 (Rept. No. 97-142). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 3850. A bill to make expenditure reductions in accordance with the budget reconciliation process; with amendment (Rept. No. 97-143, pt. 1). Ordered to be printed.

Mr. BROOKS: Committee on Government Operations. Inspecting operating nuclear powerplants: shortcomings in the nuclear regulatory commission program (Rept. No. 97-144). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Impact of administration policies on Department of Energy enforcement of oil pricing regulations (Rept. No. 97-145). Referred to the Committee of the Whole House on the State of the Union.

SUBSEQUENT ACTION ON A BILL SEQUENTIALLY REFERRED UNDER TIME LIMITATION

Under clause 5 of rule X, the following actions were taken by the Speaker:

The Committee on the District of Columbia consideration of the bill (H.R. 3518) extended for an additional period ending not later than June 19, 1981.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LAFALCE:

H.R. 3919. A bill to amend title II of the Social Security Act to provide that a beneficiary who dies shall (if otherwise qualified) be entitled to a prorated benefit for the month of his death; to the Committee on Ways and Means.

H.R. 3920. A bill to amend the Internal Revenue Code of 1954 and the Social Security Act to provide that disability insurance benefits and the medicare program shall be financed from general revenues (pursuant to annual authorizations) rather than through the imposition of employment and self-employment taxes as at present, and to adjust the rates of such taxes (for purposes of financing the OASI program) accordingly; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of Rule XXII,

125. The SPEAKER presented a memorial of the Legislature of the State of Minnesota, relative to White Earth Indian Reservation controversy; to the Committee on Interior and Insular Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1918: Ms. FIEDLER and Mr. PHILIP CRANE.

H.R. 1989: Mr. JAMES K. COYNE.

H.J. Res. 72: Mr. FOGLIETTA, Mr. BROYHILL, Mr. WORTLEY, Mr. STANGELAND, Mr. SKELTON,, Mr. TRAXLER, Mr. COELHO, Mr. DORNAN of California, Mr. MCCLORY, Mr. FORSYTHE, Mr. FUQUA, and Mr. JEFFRIES.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H. Con. Res. 118: Mr. KASTENMEIER.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

114. By the SPEAKER: Petition of the members of the Spanish-speaking community, relative to the food stamp budget; to the Committee on Agriculture.

115. Also, petition of Frank R. Hutchinson, Silver Spring, Md., relative to Social Services Block Grant in Aid Act; to the Committee on Education and Labor.

116. Also, petition of Citizens United To Save Our Trains, Fitchburg, Mass., relative to Amtrak's budgetary requests for fiscal year 1982; to the Committee on Energy and Commerce.

117. Also, petition of the League of Women Voters of Massachusetts, Boston, Mass., relative to birth control and abortion laws; to the Committee on the Judiciary.

118. Also, petition of League of Women Voters, Columbus, Ohio, relative to proposed Federal Budgets cuts; to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3480

By Mr. STANGELAND:

—Page 11, insert the following after line 3 and redesignate succeeding sections accordingly:

ACCESS TO LEGAL SERVICES; PRIVATE BAR PROGRAMS

SEC. 11. (a) Section 1007(h) of the Legal Services Corporation Act (42 U.S.C. 2996f(h)) is amended to read as follows:

"(h) The Corporation shall annually review whether all eligibile clients, but especially eligibile clients who are—

"(1) veterans,

"(2) native Americans,

"(3) migrants or seasonal farm workers,

"(4) persons with limited English-speaking abilities, or

"(5) persons in sparsely populated areas where a harsh climate and an inadequate transportation system are significant impediments to receiving legal services,

have special difficulties of access to legal services or special legal problems which are not being met. The Corporation shall report to the Congress annually on the extent and nature of any such problems and difficulties and shall include in each such report recommendations and procedures to implement appropriate remedial action as necessary.".

(b) Section 1007 of such Act is amended by adding at the end thereof the following new subsection:

"(i)(1) Subject to paragraph (2) of this subsection, no funds may be made available by the Corporation under this title by grant

or contract for the fiscal year 1982 and 1983 to any State for providing legal assistance unless the following requirements are met:

"(A) At least one recipient in each State is a private bar program with open participation rights by members of the bar.

"(B) Each such private bar program is available to those local bar associations which desire to participate in the delivery of legal assistance to the poor, and funds are made available under this title to any such program, including funds for administrative support services.

"(2) The requirements of paragraph (1) need not be met in a State if the private bar in that State refuses or is unable to provide legal assistance to the poor in a private bar program and that refusal or inability is clearly demonstrated.".

(c) Section 1007(a)(3) of the Legal Services Corporation Act is amended to read as follows:

"(3) insure that grants and contracts are made so as to provide, consistent with the requirements of subsection (i) of this section, the most economical and effective delivery of legal assistance to persons in both urban and rural areas;".

EXTENSIONS OF REMARKS

SECRETARY OF DEFENSE CASPAR WEINBERGER'S COMMENCEMENT ADDRESS AT THE U.S. AIR FORCE ACADEMY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 12, 1981

● Mr. MICHEL. Mr. Speaker, on May 27, 1981, Secretary of Defense Caspar Weinberger delivered the commencement address to graduating students of the U.S. Air Force Academy, Colorado Springs, Colo. At this time I insert in the RECORD the Secretary's inspiring remarks on that occasion.

REMARKS OF HON. CASPAR W. WEINBERGER, SECRETARY OF DEFENSE, AT U.S. AIR FORCE ACADEMY COMMENCEMENT

Secretary Orr, General Allen, General Tallman, Distinguished Guests, men and women of the Class of 1981, I am pleased to be with you in this very beautiful setting, and I am honored to address a commencement of this fine institution.

Twenty six years ago, in a commencement address at another Service Academy on the banks of the Hudson River, President Eisenhower reminded the graduates of two missions they would be called upon to serve in their military careers. The first, of course, is to prepare to fight wars in defense of our society and our way of life. The second is less obvious, but just as much a part of our nation's tradition. "You are members," he said, "of a vast team, the American Nation. Its historic objectives have always been human dignity, human peace, human prosperity. These, as a public servant, you must help attain."

These words of one of America's pre-eminent soldier-statesman apply as well today, to this class, at this Academy as they did on that occasion a quarter of a century ago. The concept of the military as an integral part, and indeed the servant, of its parent society, is an ancient and hallowed democratic ideal. The military draws its strength, its values, and its reason for being from the society it is sworn to defend. Pericles, in his funeral oration, chose to honor fallen heroes by paying particular tribute to the virtues of the society they died defending.

Historically, our country has gone through cycles in which the basic positive and mutually reinforcing relations between the military and the rest of society have been interrupted by periods of tension, suspicion, and even hostility. We are just now emerging from one of these darker periods, and all Americans, I am sure, will be relieved to have it behind us.

In terms of both of President Eisenhower's two missions, these early years of the 1980's are an exciting and an important time for you who are entering your careers as commissioned officers. Your mission as defenders of America will assume greater importance as the decade unfolds, as the expansion of Soviet power continues, and as the further extension of that power looms as a greater threat in several areas of the world. It will become more critical as instability—economic, political, religious, and social—plagues the regions of vital interest to us and to our allies and friends. Tense, uncertain, unpredictable, these times may yet call upon you to defend and not merely to deter.

Yet, at the same time, your mission as public servants is of equal importance. It behooves all of us—in and out of uniform—who care about the military to remember the heritage of past service and the continuing need today, for it is through this second mission that the military can most effectively confirm its identity as an organic part of our total society.

Earlier this week I was privileged, at the President's request, to address the graduating class at the University of San Diego. You and those graduates must share some of the same worries that anyone graduating this year must feel, but you are free of some of their worries at least; you know not only that you will have a job, but who your employer will be.

Also, you will not need the exhortations I gave to them urging them to devote a good part of their future careers to participation in some form of public service. Our self-governing democracy cannot work unless most of us do devote some of our time to helping make it work by participating in various forms of public service.

You who have chosen it as your profession and your career are already aware of this. It is a belief which I have held since I gave another graduation speech, far too long ago at my own high school commencement entitled "The Honorable Profession of Politics," that we must all contribute, if not our full time and devotion as you do, at least a substantial part of our endeavors to insuring that this government of ours realizes the enormous potential that a government literally of the people and by the people can have.

This commencement is an especially fitting time to review the rich past, the demanding present, and the exciting future of both missions.

Deterrence of attacks on the territory and vital interests of the United States and of our allies and friends, and, should deterrence fail, defense against such attacks constitute the core role of the United States military forces. We have formal treaty obligations and informal networks of ties with nations in all parts of the globe.

Changes in international politics and shifts in the global military balance require periodic adjustments in our security focus. As a defensive and not an aggressive military power, we gear our forces toward the threats that emerge. In this century, we have fought four major wars on two continents, and in this last fifth of the century, we must realign our sights to the new geography of conflict while not losing our ability to deter and to defense in more traditional theaters. As a result of these changes, many of you will spend a considerable portion of your professional career thinking about and even serving in parts of the world that once seemed remote and irrelevant to most Americans.

The Maginot Line was a failure, not only because physically it was rigid and immobile, but also because strategically it reflected a myopic vision of the geography of potential conflict. As a global power with global interests and responsibilities, the United States cannot afford, and cannot survive, such geographic myopia. You will be the leaders of a flexible, mobile, modern military which can adapt quickly and decisively to meet challenges to our interests wherever they may appear.

Because of the interdependence of our security interests, you will also be called upon to work with your colleagues from friendly nations, preserving the common security. Thus, this will frequently call for diplomatic skills of high order, bringing to bear not only aerodynamics and fluid mechanics, but history, geography, and politics.

Your second mission of public service will also demand and tap a wide range of skills. As graduates of a military academy, you bear a special obligation in this second mission, which was part of Thomas Jefferson's original vision of the first military academy. Always both practical and imaginative, Jefferson conceived of a professional educational institution and a military whose talents and resources could be applied to vital national projects, both military and civilian. As with so many of our finest American institutions, the military academies and the military have become infused with the Jeffersonian vision and have given it life down through the years.

In the Nineteenth Century, the earliest graduates of West Point not only built fortifications, but also explored and surveyed the Western territories, managed the expanding nation's seaports and inland waterways, and helped build the railroads. In the 1981 equivalent of the exploration of a vast and uncharted new nation, today members of the Armed Forces are, side-by-side with civilian colleagues, exploring outer space in vehicles not even dreamed of by earlier earth-bound explorers.

Over the years, military-supported research has stimulated many major scientific and technological break-throughs. From the development of synthetic rubber in World War II to the contemporary explosion of high-speed integrated circuit technology, American ingenuity, applied to the solution of military problems, has been parlayed into much broader and diverse applications, both military and civilian.

Time and again, our country has turned to the military for relief and rescue in natural disasters and other crises. Europe—East and West—will long remember the 1948–1949 Berlin airlift, in which, over a period of 15 months, the United States flew in two-and-one-half million tons of food and fuel. Every year, the American Armed Forces respond to disasters ranging from floods and earthquakes, to hurricanes and blizzards, to epidemics and airplane crashes. From Toledo to Tanerife to Turkey, American military uniforms has meant rescue and relief to millions.

For generations, the Armed Forces have been the nation's great provider of basic education, high school equivalency, and entry-level training. For millions of American youth, we have been the national high school, junior college, and even graduate

school. As society has become more technologically sophisticated, so did the military and the training we provide. In fact, we have become so good at advanced training that we are paying a real price for success, as our best people are in great demand in the very competitive civilian economy, and many trained by the military no longer serve the Armed Forces directly.

Medical history is dotted with landmarks of military origin. Major Walter Reed's isolation of the mosquito, coupled with environmental and protective techniques developed and implemented by the Army Corps of Engineers, not only made possible the construction of the Panama Canal, but freed future generations from the fear of suffering and death generated by Yellow Fever. Today, in distant corners of the world, military medical research institutes are breaking paths in the treatment and prevention of malaria and other exotic and deadly diseases.

Similarly, we have made great progress in opening up opportunities for women and minorities in the Armed Forces. What we have done is right and is best for the Services also. Last year, with the graduation of the first women from our military academies, we took a symbolic and practical step forward. We will take many more in the future.

President Reagan is committed to enhancing our ability to carry out both missions—by rebuilding America's military strength, by providing greater equity in the standard of living of our military and their families, and, by means of his unexcelled leadership, securing a renewed pride in our military and a far greater appreciation by all Americans of the outstanding, dangerous, and vitally necessary job they do.

President Reagan well describes the result by saying "There is a spiritual revival going on—a hunger once again to be proud of all that America is and can be."

Last fall, the voice of the American people clearly demanded that our nation should be second to none in military power. Acting through their elected representatives in Congress, the people are backing this mandate with the resources necessary to bring it to fruition. We are asking for approval of long-overdue and very significant increases in the defense budget, and so far the Congress has been very responsive. Not the least of those is the restoration of a decent standard of living for all the people who serve us all in the Armed Forces. No one joins the military to make vast sums of money. Far more noble motives are at the root of your decision. But precisely because of that, you are entitled to a fair and decent standard of living, and that we are pledged to restore from the shamefully low levels to which it was allowed to sink.

With the responsibility of this mandate and the considerable resources we are being granted—especially while our economy is still in the earliest stages of recovery—goes an ever-more demanding and serious obligation for all of us in the Department of Defense to demonstrate that we deserve this public trust by doing our determined best to be faithful to it. We, more than any of the other 200 million Americans, hold in our hands and in our daily work, the potential to fortify or to erode the public consensus in favor of a stronger defense. If we are perceived as wasteful, or unreceptive to new ideas of strategy or tactics, or if we do anything to lose the people's confidence, we might destroy the fragile national consensus so recently formed for stronger defenses, and the new national resolve to fight if necessary for our future. This solemn obligation should underlie everthing we do in the years ahead.

By your splendid and successful performance through the academic, physical, and military rigors of four years at the Air Force Academy, you have proven you have the resources to become outstanding officers and professionals.

There is a particularly moving feature to graduation ceremonies at all of our great Service academies. What our President so eloquently calls the "torch of leadership," is being handed to you in this commencement ceremony today. You now have both the right and the ability to accept that torch.

Bear it proudly while you have it, and prepare others who will follow to receive it and do likewise.

That is one of the special obligations and privileges that will come to you as a graduate of this great institution.

I have no doubt whatever that you will so bear this torch that it will bring the very greatest credit upon each of you, your Service, the Armed Forces and your country.●

FIFTY YEARS OF MINISTRY

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 12, 1981

● Mr. LeBOUTILLIER. Mr. Speaker, on June 14, 1981, the Community Church of Little Neck will celebrate the Reverend Warren E. Darnell's 50th anniversary of ordination as a minister. He has served his entire 50 years at the Community Church.

During these days of rapid change and changing attitudes there is something very special about an individual who dedicates 50 years of service to a vocation.

I am, therefore, most pleased to bring special attention to this momentous anniversary of Reverend Darnell, and I am proud to insert the following profile of Reverend Darnell which appeared in the Little Neck Ledger on February 6, 1981.

CELEBRATING THE 50 YEARS OF REVEREND DARNELL—I DON'T KNOW WHERE IT'S GONE

It has been 50 years since a 26-year-old Indianapolis native, just out of the seminary, arrived at a small church in Little Neck to assume the duties as pastor but Rev. Warren E. Darnell doesn't remember it being that long ago.

"It's gone in a hurry, I don't know where its gone." said the Indianapolis native. Rev. Darnell, now 76, last weekend celebrated 50 years as pastor of the Community Church of Little Neck.

Over that half-century which spanned the depression and World War II, the biggest change for Rev. Darnell and his wife of 51 years, Dorothy, has been the transformation of Little Neck from "a slow growing suburban community" to what it is today—a town that finds the city moving closer and closer every day.

If anything has remained the same it is the fact the church still caters to homeowners with families.

The only difference is that in the past those homeowners came from area farms and now they come from two story homes and apartment houses.

It is precisely that family-oriented quality which has kept Rev. Darnell here for so long. "This is a family minded town, I was a family minded man and we seemed to fit," he said during an interview this week.

There were a number of opportunities in others around the country, but Rev. Darnell found Little Neck to his liking. "There was no plan to stay 50 years," he said. "I did it one year at a time and it ended up this way."

Rev. Darnell's interest in religion started at the age of 19 when he left his Presbyterian church one day overwhelmingly impressed by the sermon just given by the pastor. "I went from the service feeling this is what I could do and would do for other people," he said.

Until then he had entertained thoughts about entering religion but "this was the catalyst."

Rev. Darnell ended up at the Union Theological Seminary in New York and was asked by the Community Church to become their pastor. He at first declined, intent on finishing his studies, but the church persisted and asked him one more time during the middle of senior year. Rev. Darnell recalls them saying, "We can't get you out of our mind. Would you consider working for us?

Finally he said yes, once he was sure that he had his studies under control. So, on Feb. 1, 1931 Rev. Darnell began working at what was then a little six-year-old white church on Little Neck Parkway in Little Neck.

In 1951 the small church was replaced by what stands today, with the Chapel Hall standing in the spot formerly occupied by the old church.

Not only has Rev. Darnell grown fond of Little Neck over the years, but so has the town embraced him, as judged by last Sunday's luncheon at the church in his honor. There, over 200 people from the church congregation honored Rev. Darnell and his wife for their 50 years of dedicated service.

During the ceremony it was recalled how Rev. Darnell arrived in 1931, succeeding Dr. Harold Pattison, the church's first pastor, and how his career has spanned the depression, World War II and the construction of a new church building.

Rev. and Mrs. Darnell received a plaque during the luncheon from Carleton P. Creadick, superintendent of the church Bible school, on behalf of the congregation.

Inscribed on the plaque was "Rev. and Mrs. Warren E. Darnell—Fifty Years of Dedicated Service to the Glory of God—1931-1981—The Community Church of Little Neck, New York, February 1, 1981."

When asked what he has most enjoyed about his years in the ministry, Rev. Darnell responded: "The most satisfaction I get out of the ministry is the ability to help people cope with life and to rejoice with those that rejoice and bear the burden of those who find certain life situations too much for them."

Finally, when asked if he was looking forward to the next 50 years, Rev. Darnell recalled what a friend always said: "The next 10 years is the best 10 years of my life."

Rev. Darnell then added: "So I'm looking forward to those 10 years."●

ANNUAL GERMAN DAY CELEBRATION—JUNE 28, 1981

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 12, 1981

● Mr. DOUGHERTY. Mr. Speaker, I would like to bring to the attention of my colleagues that on Sunday, June 28, 1981, the German American community of Philadelphia, Pa., and vicinity will hold their annual German Day celebration at the Bayerischer Volksfest Verein in Philadelphia, Pa. This day is a celebration of their ethnic heritage and pride. The funds from this celebration help support the German American annual Von Steuben Day Parade in Philadelphia.

General Von Steuben left his native Germany to transform Washington's freezing, starving troops into a first-rate, well-disciplined army. This army was instrumental in the birth of our free Nation.

Yes, the German American community has much for which to be proud. From the first German settlers who settled in Philadelphia during the latter part of the 17th century to the countless others who left their German homeland to settle throughout this Nation, German Americans have contributed much to the growth of our United States. These immigrants brought with them their skills as craftsmen, as entrepreneurs, and as scientists and, most importantly, a willingness to work hard. These skills and their commitment to hard work helped to forge our great Nation.

German Day is celebrated throughout the Nation on various days in recognition of the central European immigrants who brought their proud heritage to a new land of promise, and together with others, built our great Republic.●

A COUNTERPRODUCTIVE TAX CUT

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 12, 1981

● Mr. LaFALCE. Mr. Speaker, amid all of the debate over the right type of tax cuts, there is unanimity concerning the need to provide increased and more effective incentives for increased personal savings. Without those increased savings, the battle against economic stagnation and high inflation rates can not be won, because the currently low rate of savings has helped exacerbate our serious economic problems.

Proponents of the administration's proposed across-the-board cut in personal income tax rates have argued that those cuts will produce dramatically higher rates of savings, as individual taxpayers pour their new riches into personal savings. Despite strong historical evidence to the contrary, these proponents insist that this time taxpayers will not go out and purchase new goods and sevices.

Although the concept of a family of four, earning $20,000, receiving a $300 tax cut and buying a few shares of stock with it is faintly ludicrous, that claim should be seriously investigated, before the Congress enacts a tax cut.

Fortunately, Sam I. Nakagama, chief economist of the respected investment banking house of Kidder, Peabody & Co., has examined that claim in an article in the May 29 edition of the Journal of Commerce. The article's title tells it all; it is: "Thirty Percent Tax Cut Could Lower Savings Rate." This is a very sobering and thought-provoking message for the Congress from one of the best economists on Wall Street, and I hope that all of my colleagues will carefully consider Mr. Nakagama's findings, because the administration's proposed cut could very well be a counterproductive cut for the personal savings rate.

The article follows:

[From the Journal of Commerce, May 29, 1981]

THIRTY PERCENT TAX CUT COULD LOWER SAVINGS RATE

(By Sam I. Nakagama)

Proponents of the administration economic program has maintained that the proposed 30 percent across-the-board tax cuts would lead to a large increase in savings and cite the experience of the Kennedy-Johnson tax cuts of 1964–65 to back up their case.

They point out that personal savings as a percentage of disposable income—usually referred to as the "savings rate"—rose from 5.4 percent in 1963 to 8.1 percent in 1967, a sharp increase that they attribute to the increased savings incentives provided by the across-the-board tax cuts.

In fact, however, this is a misinterpretation of what actually happened at that time. The personal savings rate tends to go up and down in an inverse relationship with the change in household mortgage and installment debt. In 1963, the savings rate was low because there was an abundant supply of mortgage and installment debt that made it easy for consumers to borrow.

The personal savings rate, it should be noted, is an average for all households, including those which have a high savings rate and those which are actually dis-saving because they are spending more than their annual incomes. The latter group of dis-savers are typically able to spend more than their incomes in any one year because they are utilizing mortgage and installment credit to buy homes, cars, and other durable goods.

The younger households tend to dis-save because they are in the physical investment phase of their life cycle when they are acquiring homes, cars, and other forms of household assets. The older households tend to have a high savings rate because they have higher per capita incomes and have already acquired those physical assets and are now accumulating financial assets.

In effect, the older households lend their savings to the younger households indirectly through such financial intermediaries as the banks and thrift institutions.

During the '60s and '70s, the savings rate tended to be low at a time when households found it easy to borrow and high when mortgage and installment credit was hard to get.

The savings rate was low in 1963 primarily because the net increase in mortgage and installment debt had mounted to 5.7 percent of disposable income. At that time, it may be noted government bonds yielded 4 percent the prime rate was 4.5 percent and home mortgage rates were under 6 percent.

On the other hand, the credit crunch of 1966—which resulted in large-scale disintermediation among thrift institutions—led to a sharp contraction in the availability of mortgage and installment credit in late 1966 and early 1967. As a result, the net increase in such debt fell to only 3 percent of disposable income in 1967, down 2.7 percentage points from the 5.7 percent figure of 1963.

This explains why the savings rate rose to 8.1 percent in 1967 from 5.4 percent in 1963, an increase of 2.7 percentage points. In other words, the 2.7 percentage-point rise in the savings rate from 1963 to 1967 is explained by the 2.7 percentage-point decline in the rate of household borrowing in the form of mortgage and installment credit.

To a large extent, therefore, it is the rate of dis-saving—particularly among the younger households—that actually determines the average savings rate for all households and that, in turn, depends on the availability of mortgage and installment credit.

This is a primary reason why we believe that the three-year 30 percent tax-cut idea is flawed from the standpoint of stimulating savings and investment. It was the credit crunch of 1966 rather than Kennedy-Johnson tax cuts that caused the savings rate to rise sharply in 1967.

It may well be that the 10-percent-per-year tax cuts will initially cause the older, higher-income households to save a good part of their tax reductions. However, to the extent that these funds flow into the financial intermediaries, they will be borrowed by other households—especially the younger families in the asset-acquisition stage of their life cycles—and the savings rate will go down.

Indeed, given the current tax structure—which makes interest costs and property taxes deductible in figuring income taxes—there will be a continuing incentive to borrow for homes, cars, and other durable goods. Additional incentives are the rollover treatment for capital gains on homes as well as the $100,000 exemption on such gains at age 55.

Moreover, the high rate of inflation, the effective elimination of Regulation Q, and equal credit opportunity legislation have made it much more difficult to restrain household borrowing. Interest rates have to go much higher to have the same effect.

What is needed, therefore, are tax changes designed to encourage investment in business enterprises and productive assets. Ideally, the aim should be to minimize or eliminate taxes on savings and investment and to increase them on consumption, housing and borrowing. Unless incentives to invest in business enterprise are sharply increased, savings from individual tax cuts will tend to flow into housing and consumption.

From this standpoint, it would be especially appropriate to focus more of the tax cuts on business investment. Our favorite idea, of course, is to cut the capital gains tax to zero on new investment. In addition, steps should be taken to remove the double-taxation of corporate dividends and to lower the corporate tax rate.

A substantial amount of annual savings should be made tax-free for individuals. Increased incentives should also be provided for research and development.

The upward revision of the first quarter GNP figures, which now show real growth at an annual rate of 8.4 percent and the price deflator at a 10 percent rate, indicates that massive individual tax cuts are not an urgent necessity at this time.

On the contrary, what this country needs are tax reductions that will encourage the formation of new enterprises, investment in new technologies and management ideas, and high rates of business investment. Since the public and the Congress now favor strong moves in this direction, the country has a unique opportunity to make a great leap forward in tax legislation.●

PERSONAL EXPLANATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 12, 1981

● Mr. MAZZOLI. Mr. Speaker, on June 9, 1981, I inadvertently failed to cast my vote on roll No. 70, final passage of H.R. 3462, to authorize appropriations to carry out the activities of the Department of Justice for fiscal year 1982.

I would have voted "yea."●

RETURNING VALUES EDUCATION TO OUR SCHOOLS

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 12, 1981

● Mr. BENNETT. Mr. Speaker, for a number of years, I have introduced legislation which would promote education in the principles of citizenship and ethics in our schools as a regular part of their curriculum. I recently came across an article in the Milwaukee Sentinel which clearly demonstrates the importance of education in solid citizenship values in our schools.

[From the Milwaukee Sentinel, May 30, 1981]

TEACH MORALITY IN PUBLIC SCHOOLS? HE'S READY

(By James M. Johnston)

Teaching or inculcating morality and human decency in public schools is a long way from teaching religion in the schools.

Some boards of education, teachers and parents become confused over these problems and insist that such instruction is the job of the parents and the church, according to Reo M. Christenson, political science professor at Miami University, Oxford, Ohio.

Others ask whose morals would be taught, in a culture as varied as ours.

To Christenson, neither of these barriers is solid. As teachers of values, some parents are slipshod and set bad examples, even though most try to do a good job.

Church? Many children don't attend. "Of those who go, many are not exposed to the full range of moral values and attitudes young people need," he wrote in Christianity Today magazine.

The second objection, while also invalid, carries more weight because of the church-state separation principle and fear that moral teaching, securely tied to Christianity and Judaism, violates that principle.

While most schools do manage to teach such non-sectarian values as "don't cheat, steal or deface; do your work well; be responsible; be courteous and law-abiding; respect persons of other races and so on," they treat a mere fraction of the values that could be taught without offense to Protestant, Catholic, Jew, Moslem, humanist or atheist.

Christenson presents a list of 21 values adopted recently by the Talawanda School Board near Oxford, which is in southwestern Ohio, not far from the Indiana border.

These, he wrote, "were endorsed, after public hearings, without serious objection from any of the widely diverse groups in this heterogeneous university community.":

Acknowledge the importance of self-discipline, defined as the strength to do what we believe we should do, even when we would rather not do it.

Be trustworthy, so that, when we say we will or will not do something, we can be believed.

Tell the truth, especially when it hurts us to do so.

Be honest in all aspects of life, including in our business practices and in our relations with government.

Have the courage to resist group pressures to do things that we would not do as individuals.

Be ourselves, but be our best selves.

Use honorable means, those that respect the rights of others, in seeking our individual and collective ends.

Conduct ourselves, where significant moral behavior is concerned, in a manner that does not fear exposure.

Have the courage to say, "I'm sorry. I was wrong."

Practice good sportsmanship. Recognize that, although the will to win is important, winning is not all important.

Maintain courtesy in human relations, including the courtesy of really listening to others.

Treat others as we wish to be treated, recognizing that this principle applies to persons of every class, race, nationality and religion.

Recognize that no person is an island, that behavior that may seem to be of purely private concern often affects those about us and society itself.

Bear in mind that how we conduct ourselves in times of adversity is the best test of maturity and our mettle.

Do our work well, whatever that work may be.

Show respect for the property of others—school property, business property, government property, everyone's property.

Give obedience to law, except when religious convictions or deeply held moral principles forbid.

Respect the democratic values of free speech, a free press, freedom of assembly, freedom of religion and due process of law. Recognize that this applies to speech we abhor, groups we dislike, persons we despise.

Develop habits that promote physical and emotional health and refrain from activities destructive of those ends.

Abstain from premature sexual experience and develop sexual attitudes compatible with the values of family life.

Recognize that the most important thing in life is the kind of persons we are becoming, the qualities of character and moral behavior we are developing.

Of course, much more than a mere posting of these guidelines is needed. They must be discussed and displayed in concrete examples.

Christenson recommends studying biographies of people who have lived out a number of them, and writing themes about instances of their violation and the consequences.

The list contains nothing "revolutionary," nothing that parents and teachers for years have not yearned to see in their young ones.

As to the constitutionality, they do not promote or establish any one religion. What they do support is expressed in the Preamble to the United States Constitution, which was ordained "to establish justice, insure domestic tranquility * * * and promote the general welfare."●

FILIPINO INDEPENDENCE DAY

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 12, 1981

● Mr. HOLLENBECK. Mr. Speaker, I would like to take this opportunity to rise and join my distinguished colleagues in recognizing the 35th anniversary of the creation of the Republic of the Philippines as well as the 83d anniversary of Filipino independence from Spain. As we all realize, these anniversaries are celebrated in both the Philippines and the United States.

This celebration commemorates the native insurrection led by Emilio Aguinaldo, who was aided by Commodore Dewey, and the ensuing proclamation of independence on June 12, 1898. Throughout the interim from 1898 to 1946, the Filipino democratic governmental structure emerged.

The men and women of Philippines must be admired for their arduous struggle toward independence. In accordance with the Tydings-McDuffie Act of 1943, the independent Republic of the Philippines was formed in 1946 with Mañuel Acuña Roxas as the Republic's first President. Since that time, Filipinos have made substantial progress toward modernization. Located in a part of the world where democracy is often an alien concept, Filipinos persistently strive for their inalienable rights. With the recent lifting of martial law, by President Ferdinand Marcos, Filipinos will continue to work toward perpetuating a democratic system of government.

We should appreciate that Philippine-United States relations have been an important aspect of the Philippine's foreign policy and we must as a

nation continue to strengthen these ties. On this Independence day, we should contemplate what we can do to further improve our understanding of the Philippine people, and at the same time, thank our Filipino-American friends for their many worthwhile contributions to our American way of life.●

FRINGE BENEFITS SHOULD NOT BE TAXED

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 12, 1981

● Mr. GINGRICH. Mr. Speaker, employee fringe benefits should not be taxed. Working Americans are already overtaxed, and now the Treasury Department is in the process of preparing regulations to tax employee fringe benefits. This must be stopped.

Congressman JIM COLLINS of Texas has introduced a bill, H.R. 741, that would prohibit the taxation of fringe benefits. I urge my other colleagues to sign up as cosponsors of this important bill. Fringe benefits are work incentives, not payment. They can be used to motivate productivity and worker loyalty.

I would like to share with my colleagues an article from the Atlanta Constitution written by Gene Tharpe, entitled "Ready for Your Fringe Benefits To Be Taxed?" The Internal Revenue Service must not be given open ended authority to tax everything from airline passes to reduced school tuition.

READY FOR YOUR FRINGE BENEFITS TO BE TAXED?

(By Gene Tharpe)

The federal government, for the past two score years at least, often experienced a strange disease. The feds would start itching and break out in a rash all over when they discovered something that wasn't taxed. So it was in 1977 that the Internal Revenue Service proposed that most fringe benefits were income and, as such, should be taxed.

"The rats!," quickly charged many Americans. And Congress, being populated by politicians eager to keep their jobs and who are keenly sensitive to what the voters think, voted a moratorium on any federal plans to tax fringe benefits. The bad news today is that the moratorium is scheduled to expire this Sunday, May 31.

Are you ready to have your fringe benefits taxed?

If you oppose such an idea, the sooner you fire off your letters to your senators and representatives, or the sooner you phone them, the better. But don't panic. The IRS, according to the office of Rep. Newt Gingrich, already is drawing up proposed regulations for taxing fringe benefits—but such taxing will not begin next Monday.

Several members of Congress, including Gingrich, have introduced bills which would either ban such taxes completely or, at the minimum, extend the moratorium on fringe-benefits taxes pending further study. No such legislation has been passed to date and, with just two days left this week, probably won't be before the Sunday deadline. But, again, that doesn't mean the new taxes will be instituted.

The IRS, before it could begin taxing fringe benefits, would face a series of hearings before congressional committees to obtain approval of its proposed taxing regulations. Those opposed to the taxing of fringe benefits will have plenty of time to zero-in and concentrate their fire.

Now, understand that some fringe benefits are already taxable. But what's taxable and what isn't is very much a cloudy area.

For example: If an employer provides $4 luncheons to employees but charges them only 50 cents, is that a taxable fringe benefit for the employees? Such a case went to the Supreme Court, which held that the benefit was taxable (although, to confuse the issue even more, the court ruled it wasn't subject to withholding nor to Social Security taxes). But—remember, I said it was a cloudy area—it seems that a company can supply free meals to employees (tax free for the employees) if the meals are served on the company premises and are made available for the benefit of the company rather than that of the employees.

In the lack of specific law on fringe-benefits taxes, "an individual's tax may depend on which Internal Revenue district he or she lives," said Sen. Daniel Patrick Moynihan, D-N.Y., one of the senators who has introduced legislation postponing any taxation on fringe benefits.

The Reagan administration, despite its proposed huge cuts in personal income taxes, apparently intends to push forward with legislation expanding and codifying fringe-benefits taxation. The Reagan folks may find, however, that such proposals will be opposed as stiffly as Reagan's proposed cuts in Social Security benefits were.

What are some of the fringe benefits that probably will be taxable if the IRS has its way? Major price discounts for store clerks. Free trips for employees of airlines, railroads and bus lines. Free parking on employers' premises. Loans to employees at low or no interest to buy company stock. Free tickets to sports events or movies or plays. Company-paid memberships in lunch or country clubs. Annual medical checkups. Free company picnics or parties. Company-provided recreational facilities for employees' use. "In kind" benefits, such as free or reduced-cost telephone and power service for employees of phone companies and power companies.

The list goes on and on, but the general theme is any benefit provided an employee that can be "priced"—and is not available to persons not employees of the companies providing the benefits—will be taxable.

The feds may eventually succeed in expanding the taxation of fringe benefits. But, safe to say, such efforts will not be happily accepted by many workers. It is a rare worker who doesn't receive some type of substantial "free" fringe benefit—and it's not going to go down easy if the government starts trying to tax it.●

FORTIETH ANNIVERSARY OF THE BALTIC HOLOCAUST

SPEECH OF

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mrs. FENWICK. Mr. Speaker, in the wee hours of the morning on June 14, 1941, one of the darkest incidents in human history began to unfold. On that morning, while the citizens of Lithuania, Latvia, and Estonia slept, Soviet trucks and motorcars emerged from their hiding places and began to execute a carefully designed plan to deport hundreds of thousands of anti-Soviet elements from these Baltic States.

The deportees, seized in the night, given less than an hour to gather their belongings, separated from their families, were herded into the trucks, and then into railroad cattle cars, and sent off to the Soviet Union. Thousands of them, including many children, died en route because of the inhuman conditions. Those who did survive were brought to the slave labor camps in Siberia and Vorkuta, or, if they were women, to the collective farms or the forest lumbering camps or the fishing industry at the mouth of the Lena River. In all cases, they were used as cheap and expendable labor under the harshest of conditions.

By the end of 1941, well over 100,000 inhabitants of the Baltic States had been deported, and by the end of the decade, more than 850,000—more than 10 percent of the population of Lithuania, Latvia, and Estonia—had been deported.

These mass deportations were a later major step—a brutal, vicious step—in the larger Soviet design to rob the Baltic countries of their independence. That Soviet design had been made clear when Molotov and von Ribbentrop signed the Nazi-Soviet pact 2 years earlier on August 27, 1939. This infamous agreement, which cleared the way for Nazi invasion of Poland only 1 week later, placed Estonia, Latvia, and, after further negotiations in September 1939, Lithuania in the Soviet sphere of influence. By June 14, 1940—1 year before the mass deportations began, and the same day that German troops rolled into Paris—Estonia and Latvia had been forced, by threat of outright invasion, to sign Treaties of Mutual Assistance, with the Soviets and the Lithuanian Minister of Foreign Affairs was in Moscow facing the same ultimatum. By the time the mass deportations began, the Russification of the Baltic States was in full steam—the armies were taken over by the Soviets, and all sources of national pride were banned.

The deportations themselves had been planned weeks or even months in advance, with detailed instructions prepared which clearly demonstrate the cruelty of the Soviet plan. Soviet Order No. 001223, the secret "Instructions Regarding the Procedure for Carrying out the Deportation of Anti-Soviet Elements from Lithuania, Latvia, and Estonia," contained the following directions:

* * * It is essential that the removal of the members of the deportee's family and of the head of the family shall be carried out simultaneously, without notifying them of the separation confronting them.* * *

Care must be taken that the operations are carried out without disturbances or panic, so as to avoid any demonstrations and other troubles * * *.

Mr. Speaker, care may have been taken to avoid disturbances during this evil exercise, but the world has noticed. It is the duty of those of us who are so fortunate as to live in free countries, so fortunate that we can determine our own future, to take note of this tyranny. We must speak out against it, we must call the attention of the world to the actions of those who would violate human rights and silence the voices of freedom.

So, I am honored to speak here today on behalf of the many who couldn't speak, and I urge my colleagues to remember June 14, 1941, when they speak of freedom and bravery and courage, and when they deal with those who would seek to deny them.

Thank you.●

ISRAEL HAD NO OTHER WAY TO END NUCLEAR THREAT

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 12, 1981

● Mr. LANTOS. Mr. Speaker, my distinguished colleague, Congressman STEPHEN J. SOLARZ of New York—with his unique sense of historical perspective and extraordinary scholarship—has succeeded in placing the Baghdad affair in its proper context. The leadership and wisdom of Congressman SOLARZ in international affairs have been of inestimable value to many of us in Congress. His penetrating understanding of the forces that shape the momentous events of our time command the admiration and respect of members of both parties. The people of New York—and indeed the entire Nation—are fortunate to have an individual of Congressman SOLARZ' intelligence and integrity serving in Congress.

I am inserting in the RECORD Congressman SOLARZ' outstanding article on the crisis in the Middle East which appeared in the distinguished daily of our Nation's Capital—The Washington Star.

[From the Washington Star, June 11, 1981]

ISRAEL HAD NO OTHER WAY TO END NUCLEAR THREAT

(By Stephen J. Solarz)

The Israeli raid against the Osirak nuclear reactor in Iraq is an extremely serious development.

But before we join the growing chorus of criticism against Israel, and possibly even impose some form of sanctions against it, we should carefully consider not only the consequences of this action but the motivations behind it.

To be sure, in the immediate wake of the Israeli strike, the peace process between Israel and the Arabs is hardly likely to gain much momentum. Nor have the prospects for the success of the Habib mission been improved.

It is also clear that Israel's international position will not exactly be enhanced. And it is doubtful the raid will do much to shore up President Sadat's sagging popularity and reputation in the Arab world.

But what, when you think about it, were Israel's alternatives?

Given the failure of our own non-proliferation policy, and the determination of France and Italy to maximize their profits by selling sophisticated nuclear technology to Iraq regardless of the consequences, there can be little doubt that the Iraqis would soon have had the capacity to manufacture nuclear weapons.

It should not, even for those who instinctively disapprove of the use of force as a way of resolving international disputes, be too difficult to understand why the Israelis, confronted with a choice between popularity or survival, chose the latter.

TECHNICAL STATE OF WAR

Iraq is still in a technical state of war against Israel, never having signed the Armistice Agreement, as did Egypt, Jordan, the Lebanon, and even Syria, in 1949. Indeed, to this day, Iraq still has not recognized Israel's right to exist and continues to call for the elimination of the "Zionist entity."

Iraq is also a nation that unabashedly and unequivocally supports international terrorism and which, only 8 months ago, in contravention of recently-signed treaty commitments, launched a massive attack against Iran.

Israel is a small country. A few Hiroshima-type bombs, which Iraq would have had the capacity to produce if the reactor had not been destroyed, would be sufficient to completely wipe it out. Could any government in Israel respond to such a development with greater equanimity than we did to the placement of Soviet missiles in Cuba almost 20 years ago?

Israel will undoubtedly be bitterly condemned for its surgical strike by the Soviet Union, which last year invaded Afghanistan; by Vietnam, which currently occupies Cambodia; by Libya, which recently overran Chad; by Somalia, which not too long ago attacked Ethiopia; and by dozens of other nations which were silent when Iraq invaded Iran.

But we can and should try to be more honest in our own assessment of the situation.

Unless we are prepared to argue that the prospects for peace in the region would have been better served by the eventual acquisition of nuclear weapons by a militant and murderous Baathist regime in Baghdad, which even the critics of the Israeli raid are loathe to do, then we must recognize there was no other way in which this frightening development could realistically have been prevented.

Once the Iraqis actually had nuclear weapons, it would have been too late to do anything about it. And with the Iraqi reactor about to be put into operation within a matter of weeks, the Israelis either had to strike now, when collateral and civilian casualities could be and were limited, or attack after the reactor had become "critical," at which point they might have endangered the lives of all of those living in the vicinity of the facility.

LEGITIMATE ACTION

The use of force as a way of dealing with disputes among nations is always regrettable. But sometimes it may be the lesser of the evils involved. And this time, given the nature of the threat a nuclear-armed Iraq would have posed, not only to the survival of Israel, but to the peace and stability of the entire world, it must be considered an understandable and legitimate act of self defense.

Indeed, one cannot avoid the suspicion that, for all the furor of the criticism against Israel, there are a number of nations in the region, and maybe elsewhere in the world, who are privately relieved that the Iraqi nuclear threat has at least been temporarily eliminated.●

WILLIAM H. WEBSTER—FBI DIRECTOR

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 12, 1981

● Mr. MAZZOLI. Mr. Speaker, I would like to call our colleagues' attention to the following article that appeared recently in the Washington Post.

It concerns the improvements Judge William H. Webster has made at the Federal Bureau of Investigation during his tenure as its Director.

With a minimum amount of attention or recognition, he has updated the Bureau's priorities, increased its morale, and improved its effectiveness as the world's premier investigative and law enforcement agency.

Director Webster certainly deserves commendation for a job well done. The article follows:

THE FBI'S NOT-SO-TARNISHED IMAGE

(By Clayton Fritchey)

In a little-noticed ceremony in New York the other day, William H. Webster, director of the Federal Bureau of Investigation, was awarded a medal in recognition of the improvements he has made in the professional attitude and morale of the FBI.

The award was made by the Riot Relief Fund, a century-old New York institution with a membership that includes many prominent jurists and other leaders of the bar. It was a welcome sign that Webster, a former federal judge himself, is finally beginning to get the belated appreciation that is due him for the low-keyed, but effective

way he has gone about restoring public confidence in the FBI.

While the job may not be completed, even the harshest of critics would concede that Webster has already done much to rescue the bureau from the disrepute that attended its last years under J. Edgar Hoover and his immediate successor, L. Patrick Gray.

Unlike Hoover, Webster apparently is not consumed by a passion for personal publicity and political leverage. Instead, he has quitely concentrated on cleaning house, reorganizing the hierarchy and decentralizing the one-man, tyrannical rule that prevailed under Hoover.

Above all, perhaps, he has instilled in the bureau a new respect for the Constitution, especially the Bill of Rights, with its protection of individuals against government encroachments. This is most reassuring at a time when civil rights and civil liberties are encountering renewed hostility in the United States.

On Capitol Hill, a new subcommittee on terrorism and security has been established under the chairmanship of newly elected Sen. Jeremiah Denton (R-Ala.), a protégé of Sen. Strom Thurmond (R-S.C.). On the House side, there is talk of reviving something akin to the old Red-baiting Un-American Activities Committee.

Those who fear a new assault on political and ideolgoical dissenters were not comforted when President Reagan's counselor, Edwin Meese, recently referred to the American Civil Liberties union as, in effect, a "criminals' lobby." Nor did the president help matters by refusing to rule out surreptitious entries ("black bag jobs") in future national security.

Under current rules, established by President Carter in 1978 and faithfully adhered to by Webster, such black bag jobs could be undertaken against a U.S. citizen only if the president approved the procedure and only if the attorney general determined there was probable cause to believe the target to be an agent of a foreign power. It is not yet clear what specific standards Reagan has in mind.

In civil liberties circles, concern about this was compounded by Reagan's recent pardon of two former high-ranking officials of the FBI, who were found guilty last year of authorizing illegal searches of private homes. Despite their conviction by a jury, Reagan insisted the defendants had not acted with "criminal intent." Officials of the ACLU wrote to the president, saying that they feared his action would be taken by the FBI and other U.S. intelligence agencies "as a signal that they should feel free to violate constitutional rights whenever they believed that the national security is threatened."

As long as Webster remains as head of the FBI, however, that is not likely to happen. Webster is in the fourth year of a 10-year appointment, but he serves at the pleasure of the president. So far, there has been no talk of supplanting him.

The influence of a forthright FBI chief is hard to overestimate, as Denton discovered a couple of weeks ago. He set out to dramatize alleged terrorism in the United States, but was promptly deflated when Webster was asked about this. The FBI director calmly said, "There is no real evidence of Soviet-sponsored terrorism within the U.S."

Moreover, he added, guidelines restraining political surveillance and intrusive investigative techniques were not hampering the FBI. In fact, he said, there would be "a storm of protest within the bureau" if the guidelines were abolished.

Nevertheless, Joel Lisker, chief counsel of Denton's committee, has said he favors changes that will give the FBI more leeway to investigate various groups. Hence, it is hardly surprising that there is some suspense over what changes, if any, Reagan finally decides on.

Fortunately, Webster has enjoyed the support of all the attorneys general he has served under. Indeed, Griffin Bell, Carter's first Justice Department chief, said Webster might be "the best appointment President Carter ever made." That may be a little extravagant, but he is surely the best FBI director the country has had in a long time.●

END VIOLENCE AND INJUSTICE IN NORTHERN IRELAND

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 12, 1981

● Mr. LEBOUTILLIER. Mr. Speaker, as a member of the House Foreign Affairs Committee and the Ad Hoc Congressional Committee for Irish Affairs, I have repeatedly voiced my concern for the violence and bloodshed that continues in Northern Ireland.

A generation of children is now half grown, and they know only death and destruction. The conflict which has worn on for too many years, is no closer to being resolved now than when this most recent outbreak of violence began in 1969.

In the sincere interest of bringing about a just and lasting peace to this troubled land, I submit, for the consideration of my fellow Members of Congress, the following resolution which was adopted by the New York State Assembly on May 14, 1981.

It is my sincerest hope, that all peoples and governments concerned may see fit to end injustice, and end violence, so that all may live in peace. The Congress of the United States must undertake every possible effort to bring about this goal before the next generation of innocents suffers the effects of violence borne of political injustice and religious persecution.

LEGISLATIVE RESOLUTION—ASSEMBLY No. 712

(Legislative resolution memorializing the President and Congress of the United States to use all the powers of their offices to end the 800-year-old conflict in Ireland as imposed by the English Government.)

Whereas, The conflict in Ireland, called the Irish Problem, goes back to the twelfth century and has existed continually from that date; and

Whereas, A condition of repression, penal laws, inhuman practices and discrimination existed in all of Ireland until nineteen hundred twenty-one, when a truce was called and the country was divided, despite a plebiscite to the contrary, into two separate countries—there the unlawful beginning of the present conflict in Northern Ireland which has been condemned by Amnesty International, the European Commission on Human Rights, the European Court of Human Rights, the Geneva Conference and by the English Government's own Standing Advisory Commission on Human Rights; and

Whereas, Irish and American legal authorities have documented the contravention by the English Government of fifteen of the thirty Articles of the Universal Declaration of Human Rights to which both the United States and the English Government are signatories; and

Whereas, Today, British Law in Northern Ireland violates the fundamental principles of human rights in permitting and using imprisonment without charge or trial, trial by military and civil tribunals without a jury, denial of Habeas Corpus, and detention solely on the uncorroborated statement of security officers; and

Whereas, More than four hundred Irish men and women are at present being held, many without ever being tried, in Armagh Jail, Cocemlin Road Jail and Long Kesh Concentration Camp under conditions witnessed and described by numerous officials, including His Eminence, Tomas O. Fiaich, Cardinal Archbishop of Armagh and Primate of All Ireland, as horrifying and inhuman; and

Whereas, These inhuman conditions and violence will be escalated by the death of Bobby Sands and possibly the death of other Hunger Strikers, who are willing to die for their freedom and the freedom of all Irishmen; and

Whereas, This great land of America is peopled by Irishmen and those with Irish Ancestors who feel strongly on these injustices being committed daily by the English Government; and

Whereas, A bi-partisan group of more than one hundred thirty Members of the Congress of the United States, including Reps. Mario Biaggi, Hamilton Fish, Jr., Benjamin S. Rosenthal, James M. Hanley, Raymond McGrath, Joseph Addabbo, Charles B. Rangel, Leo Zeferetti, Stephen Solarz, Norman F. Lent, Samuel S. Stratton, James H. Scheuer, Benjamin A. Gilman, Ted Weiss, Richard L. Ottinger, Robert Garcia, William S. Green, Frederick Richmond, Gerald Solomon, Gary R. Lee, William Carney, Peter A. Peyser, Geraldine Ferraro, Donald J. Mitchell, and Frank Horton, all of New York State, have been seeking Congressional hearings into the conditions in Northern Ireland; now, therefore, be it

Resolved, That this Legislative Body respectfully memorializes the Congress of the United States and the President of the United States to investigate formally and officially the treatment and conditions of incarceration of Irish political prisoners in Northern Ireland and the systematic denial of human rights by the English Government in its occupation of the six counties of northeastern Ireland; and be it further

Resolved, That this Legislative Body calls upon the Congress and the Government of the United States to use their influence to obtain for the people of Northern Ireland the same human dignity, civilized treatment, democratic, social and political processes, justice, and self-determination that are accorded the people of other European nations and our own people; and be it further

Resolved, That copies of this resolution, suitably engrossed, be transmitted to the President of the United States, to the Speaker of the House of Representatives, to the Majority Leader of the United States Senate, to the Secretary of State and to each member of Congress from the State of New York.●

HOUSE OF REPRESENTATIVES—*Monday, June 15, 1981*

The House met a 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. FOLEY).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
June 11, 1981.

I hereby designate the Honorable THOMAS S. FOLEY to act as Speaker pro tempore on Monday, June 15, 1981.

THOMAS P. O'NEILL, JR.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Deliver me, O Lord, from evil men; preserve me from violent men, who plan evil things in their heart, and stir up wars continually.—Psalms 140: 1, 2.

O Lord, Your word to us is the word of peace, Your commandment to us is the commandment of love. May Your message of reconciliation between nations and forgiveness between peoples be heard amid the shrill clamor of hostile voices and the proud boasts of sovereignty and power. Give us all the courage to speak and to do those things that bring true security for nations that the good deeds of peace may bring confidence to those who fear and hope to those who despair. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3520. An act to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1007. An act to amend the Food Stamp Act of 1977 to restrain food stamp program spending, to increase State agency flexibility to focus benefits toward the most needy, to extend appropriations authority, to amend the Agriculture and Consumer Protection Act of 1973, and to extend and improve the commodity distribution programs, and for other purposes.

HEARINGS ON EDUCATIONAL ASSISTANCE PROGRAM FOR THE MILITARY

(Mr. NICHOLS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NICHOLS. Mr. Speaker, with the substantial recruiting and retention difficulties facing the military services today, I think it is appropriate for the Congress to consider all options to assist the all-volunteer system. I wish to announce that the Military Personnel and Compensation Subcommittee of the Committee on Armed Services will commence hearings on proposals to establish an educational assistance program for the military which are the subject of legislation introduced by many of our colleagues in the House and Senate. One such proposal, H.R. 1400 by Mr. MONTGOMERY and 102 cosponsors, was reported favorably by the Committee on Veterans' Affairs on May 19, 1981 (H. Rept. 97-80, part I).

I know the ranking minority member of the subcommittee, Mr. DONALD J. MITCHELL of New York, would join me in stating that it is the subcommittee's intention to conduct an extensive review of the proposals.

We will begin hearings the week of June 22, 1981, and continue the hearings thereafter as necessary. Members of Congress and outside organizations desiring to present testimony on the issue should contact the subcommittee staff at 225-7560.

CORRECTING ERROR IN ENROLLMENT OF H.R. 3512, SUPPLEMENTAL APPROPRIATIONS AND RESCISSION ACT, 1981

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent for the immediate consideration in the House of the joint resolution (H.J. Res. 288) to correct Public Law 97-12 due to an error in the enrollment of H.R. 3512.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 288

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to correct an error in the enrollment of H.R. 3512, the figure in the second line of the third paragraph on page 42 of Public Law 97-12 is hereby amended as follows: Strike "$10,455,000" and insert "$410,455,000".

The SPEAKER pro tempore. The gentleman from Mississippi (Mr. WHITTEN) is recognized for 1 hour.

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, as you know both the House and Senate cleared the conference agreement on the fiscal year 1981 supplemental, rescission and continuing appropriation bill on Thursday, June 4, 1981. The President signed this bill into law on Friday, June 5, as Public Law 97-12.

As my colleagues on the Appropriations Committee know, there were 432 amendments in disagreement and over 500 budget accounts in the bill. The conferees worked long and hard to resolve all these differences.

It has now developed that after the conference report was agreed to, a technical enrolling error occurred when the bill was printed and submitted to the President for signature. The purpose of this resolution is to correct this error and conform the public law with the conference agreement voted on by this House.

Since the President proposed his package, our Committee on Appropriations has inspected the various proposals which were directed to the committee by the President's Office of Management and Budget and where we felt we could cut back, we did so, but where we felt we could not, we have not done so. Many items have not yet been submitted and requests for rescissions and deferrals are being submitted, including an additional one to cancel funds for soil conservation, where they had been allocated and where local sponsors have been paying taxes.

As all of you know, I first voted for the substitute which Members of Congress prepared for the President's package. I learned as a youngster, do not buy a package without inspecting its contents.

Mr. Speaker, with further reference to the supplemental rescission bill, payment for social security does not come before our committee; however, we did point out in our bill that the

social security system is vital to the American people and should be maintained as is.

I daresay that none of our 55-member committee was fully satisfied with every item in the bill; however, it reflects a composite view. While we cut the recommendation by the President for additional spending by $2.6 billion, and reduced his recommendation for rescissions of existing appropriations from a request of $15.1 billion to $14.3 billion, we added deferrals in the amount of $1.2 billion, which we believe can be saved.

While doing this, we provided for soil conservation, some of which is now requested for deferral. We provided for the sale of surplus farm commodities in world trade at competitive prices, believing that the sale of our surplus food in foreign trade would not only recover a large share of our investment, but would really contribute to bringing about peace.

We provided for the various food programs, of course, making them subject to such restrictions as the legislative committees might require in its authorization.

We held the major part of funds for education, including vocational education, for medicaid for the Institutes of Health, for hospitals and the disabled.

We were able to retain $70 million to Appalachia for works committed, for the EDA and other programs of benefit to our own country.

I do regret that most of the savings here go to increased military spending where we already have $142,000,000,000 unobligated and unspent. We now have an investigation going in an effort to eliminate waste—the picture is anything but good.

We do have assurances that before these additional funds are spent, full justification by item will be required.

Mr. Speaker, as you know, this bill took care of our needs until October 1. In the weeks ahead we will have before you the various appropriation bills for 1982.

Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, this resolution simply corrects a technical error within the Department of Education section of the supplemental appropriations bill that we passed on June 4. It is now Public Law 97-12.

This resolution corrects the law to conform to the agreement reached in conference between the House and Senate on June 3.

This resolution in no way alters that agreement, nor does it suggest support for a particular program level. It simply makes a technical correction to reflect what we all agreed to on June 4 and I urge us to adopt it.

Mr. WHITTEN. Mr. Speaker, I yield back the balance of my time.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FURTHER LEGISLATIVE PROGRAM

(Mr. SUNIA asked and was given permission to address the House for 1 minute.)

Mr. SUNIA. Mr. Speaker, I have an announcement for Tuesday, June 16. We will have one bill under suspension, House Joint Resolution 287, on implementing World Health Organization resolution re infant formula marketing code.

DEPARTMENT OF DEFENSE SUPPLEMENTAL AUTHORIZATION ACT, 1981

Mr. PRICE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2614) to authorize supplemental appropriations for fiscal year 1981 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles and for research, development, test, and evaluation for the Armed Forces and to increase the authorized personnel end strengths for military and civilian personnel of the Department of Defense for fiscal year 1981.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. PRICE).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2614, with Mr. SAM B. HALL, JR., in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Illinois (Mr. PRICE) will be recognized for 30 minutes, and the gentleman from Alabama (Mr. DICKINSON) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois (Mr. PRICE).

Mr. PRICE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, questions have arisen concerning the necessity for acting on a fiscal year 1981 supplemental defense authorization bill when the companion appropriation bill has already passed the Congress.

The reason is clear.

The law, as contained in title 10, section 138, United States Code, states that no funds may be appropriated for any fiscal year to, or for the use of, any armed force or obligated or expended for research and development, procurement of various types of major weapons systems, and military construction, unless previously authorized. In addition, authorization for personnel and related matters are required by section 138. While it is true that the requirement for prior authorization was waived in the rule which brought the supplemental appropriations bill to the floor, it is also true that not a penny of those appropriated funds may be obligated or expended by the services until this piece of legislation is enacted into law.

Mr. Chairman, on the day the supplemental appropriations bill was on this floor, the ranking minority member of our committee, Mr. DICKINSON of Alabama, expressed his grave concern over instances of bypassing the authorization process when considering appropriations legislation. I joined Mr. DICKINSON in that expression of concern and wish to reiterate and reemphasize today my hope that such instances of bypassing the authorization process are behind us.

The bill, H.R. 2614, as approved by the committee on April 7, by a vote of 36 to 1, authorizes supplemental appropriations totaling $2.6 billion for fiscal year 1981. This is $400 million below the amount requested by the President.

As reported, the bill provides $2.1 billion in procurement, a reduction of $194 million; $409 million in research, development, test, and evaluation, a reduction of $199 million; and $66 million in military construction, a reduction of $17 million.

The committee elected to incorporate in a single bill supplemental requests for both military construction, which was submitted separately, and for the general Defense Department authorization.

The increases called for by the supplemental are for specific programs—in most cases to increase procurement rates. However, the request also presupposes decreases in inflation rates beginning in fiscal year 1981. It also assumes savings through management efficiencies. Reductions are called for in many programs based on these projected savings.

The inflation projections of the new administration are lower than those of the Carter administration and are, in our committee's view, unrealistic. To the extent that these reductions in inflation are not realized, there will be shortages in some programs, despite the budget increases.

Mr. Chairman, it should be understood that the committee's authorizations in the present bill do not always properly reflect the committee's position on distinct programs. The request as submitted by the administration included all programs at the level for

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which appropriation was being requested in the fiscal year 1981 supplemental appropriation submission. In some cases, therefore, authorization was requested for programs that had been previously authorized but not funded in fiscal year 1981. Committee reductions in such instances reflect only the fact that new authorization is not required.

In the case of the shipbuilding and conversion request, there were three substantive program changes from the original fiscal year 1981 program: the reactivation of the aircraft carrier *Oriskany,* reactivation of the battleship *New Jersey,* and advance procurement and cost growth for the CG-47 Aegis cruiser. The committee has included in the bill $139 million in authorization for advance procurement for reactivation of the aircraft carrier *Oriskany.* The committee had approved reactivation of the *Oriskany* in fiscal year 1981, although it was not requested at the time. However, to emphasize its support for the *Oriskany* on the basis on which the request was made this year, that is, for long lead items in fiscal year 1981 with the presumption of the remaining funding being requested in fiscal year 1982, the committee has specifically included an authorization of $139 million in H.R. 2614.

The committee has deleted as unnecessary $178.9 million in additional authorizations requested in the shipbuilding and conversion line. But the committee has made clear in its report its support for the reactivation of the battleship *New Jersey* and its support for the supplemental request for the CG-47 Aegis cruiser and has recommended that appropriations for such programs be made against authorizations previously provided for fiscal year 1981 in Public Law 96-342.

In the case of research, development, test and evaluation, the committee has also recommended lower amounts than requested in instances where excess authorization is already available in fiscal year 1981. Additionally, the committee has made numerous reductions in R. & D. programs that were not fully justified or did not require additional funds on the urgent basis normally justifying a supplemental.

The committee has recommended supplemental authorization for four programs not requested by the administration. These include $25 million additional for the Air Force advanced ballistic reentry system (ABRES), a program that provides vital technological support for advanced ballistic systems; $8.5 million for continued development of the Army's antiradiation projectile, which would provide a much needed capability against Soviet surface-to-air missile systems; $9.5 million for the Marine Corps diesel rotary engine program; and $30 million for the triservice very-high-speed integrated-circuit program, to continue important development of advanced semiconductor technology.

The committee recommends the end strengths for the Navy, Marine Corps, and Air Force at the levels requested by the administration, representing increases of 3,000 for the Navy, 2,500 for the Marine Corps, and 4,500 for the Air Force. These increases recognize that the services can move more rapidly toward the manning levels projected for fiscal year 1981 as a result of improved retention following dramatic increases in pay and allowances approved by the Congress in the closing months of the 96th Congress.

The committee also approved the requested increase of 27,900 in the number of civilian personnel for the Department of Defense.

The $16 million reduction made by the committee in the Defense Department's military construction request relates entirely to military family housing. The request here is for additional authorization for family housing operation and maintenance, where inflation rates and fuel costs have been higher than projected. As a result of excess authorization remaining in the construction account for fiscal year 1981, however, the committee suggests that additional authorization is not necessary.

The authorizations provided in H.R. 2614 would allow for earlier procurement of key components of systems that are scheduled to be procured at a higher rate in fiscal year 1982 and beyond. It is, therefore, the important beginning of the program to modernize our Armed Forces, and its enactment is necessary to avoid delay in this needed modernization.

Regarding this Department of Defense Supplemental Authorization Act, 1981, in the report (97-20) the following errors were found in the research, development, test, and evaluation fiscal year 1981 supplemental program summary tables on pages 26 and 27.

ARMY

Under inflation adjustment, the committee change from request should be 24,000 not 26,000.

NAVY

Under Ship Systems Comp Dev, the appropriation should be 3,910 not 3,190.

AIR FORCE

Under MEECN, the amount authorization should be 13,600 not 13,000.

Under Space Launch Support, the committee recommendation should be 24,970 not 2,970.

Inflation adjustment should have an asterisk at the end; that is, Inflation adjustment*.

Advanced Ballistic Reentry Sys should have an asterisk at the end; that is, Advanced Ballistic Reentry Sys*.

Very High Speed Int Circuits should have an asterisk at the end; that is, Very High Speed Int Circuits*.

DEFENSE AGENCIES

Under Def Research Sciences, the committee change from request should be −5,000 not −5,00.

Under Exper Eval/Major Tech, (should be Eval/Major Tech), the appropriation should be 197,670 not 297,670.

Under Cryptologic Activities, the authorization should be 188,142 not 188,141.

Under Long-Haul Comm, the supplemental request should be 4,100 not 4,010.

□ 1215

Mr. DICKINSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am pleased to appear with our distinguished chairman of the House Armed Services Committee in support of H.R. 2614, authorizing supplemental appropriations for the Department of Defense for fiscal year 1981.

The committee recommends an additional $2,641,462,000 of authorization. This amount is $400,454,000 below the President's request. However, many of the amounts requested in the supplemental had previously been authorized by the committee but were not appropriated. Consequently, the actions of the committee are not rejections of the President's programs, but recommendations to make use of the unused authorization.

However, the committee continues to observe a disturbing trend: The systematic underestimation of inflation rates for defense budgeting. Almost concurrent with the committee's deliberations on the supplemental, the Defense Department released the end of year 1980 selected acquisition reports—or SAR's. The SAR's detail the cost histories of major defense programs during the previous 3 months. The December SAR showed that 47 major programs increased almost $48 billion—and one-quarter of that amount—$12 billion was due to inflation. The inevitable results of this underestimation of inflation are loss of combat capability, slippage of vital programs and a perception by the American people of mismanagement of the Nation's defense effort. With respect to capability, the Navy stated that 7 of 60 F/A-18 aircraft would have to be cut from the production because appropriated funds would not cover inflation. The Army indicated that production of the M-1 tank would have to be curtailed by 63 tanks in purchases for fiscal years 1979 and 1980.

The committee urges the administration to realistically budget for inflation by using indexes unique and appropriate to weapon's research, development, and acquisition.

The committee was more than receptive to the President's request for additional funds to begin the rebuilding of our forces. This committee, for many years, has sounded a warning—almost unheard—as our military posture declined. This decline has been measured in number of units produced, readiness of our forces and numbers of personnel available to fight. Our flagging capability occurs coincidentally with an unprecedented buildup of our potential adversaries' forces. The committee has received testimony that shows the Soviets outproduce us: 3 to 1 in tanks; 5.5 to 1 in armored vehicles; 18 to 1 in surface-to-air missiles; 3 to 1 in helicopters; and 2 to 1 in submarines, naval surface combatant ships and tactical fighter aircraft.

The Soviets have introduced 3 new types of intercontinental ballistic missiles since we introduced the Minuteman III 10 years ago, and they have deployed over 600 new ICBM's since our last Minuteman was deployed.

Over the past decade, the disparity between the Soviet and United States military investment amounts to about $350 billion—1981. Not only are the Soviets outproducing us in quantity, they are mounting a major effort to close the gap in quality. They are spending massive amounts on military research and development—$70 billion more than the United States during the 1970's. The Soviets increased the share of their defense budget dedicated to research and development efforts from 20 percent in 1965–79 to 25 percent in 1980—ours is 10 percent.

As a result of their unprecedented concentration on technology, it is now generally agreed that by 1982, with an expenditure of 25–35 percent of their intercontinental ballistic missiles, they could destroy about 90 percent of our Minuteman ICBM's. Even if this capability is never used, it will change the strategic balance.

From this viewpoint, the members of our committee heard testimony from the Secretary of Defense and leaders from all the services. We worked long and hard on this bill, and I want to detail some of the significant parts of it.

The Department of Defense requested additional funding to procure 60 F/A–18 fighter-attack aircraft. Low estimates of inflation for 1981 had resulted in sufficient funding for only 53. The committee approved additional authorization to fully fund 60 aircraft.

An additional 12 F–15 aircraft were authorized in order to replace the aging F–106 air defense fighters and to reach a more economical production rate.

While the supplemental request contained no additional authorization for the Tomahawk sea-launched cruise missile, the committee learned that the unit cost of this missile could be reduced by over $100,000 if additional missiles were produced in 1981. Consequently, the committee recommends a supplemental authorization of $41.2 million for the procurement of 16 additional missiles in 1981.

When the committee received a request for an additional $337.5 million for the M–1 tank, we determined that the ravages of inflation could severely curtail the production. Without the supplemental increase, 209 tanks would have to be cut from the 1981 purchase—the equivalent of two armored divisions.

After a thorough review of the program, the committee determined that the 1972 original design-to-cost estimate of the M–1 tank has increased by only 12 percent, and much of this is directly related to executive branch direction to use the German 120-millimeter gun.

We further discovered that the M–1 tank program was another victim of the OMB/OSD habit of using unrealistically low inflation rates for budgeting. The M–1 1981 fiscal problem was directly related to the use, in 1979 and 1980, of low rates, because 1981 budgeting used prior year funding as a base. The 1979 and 1980 contracts also overran, forcing a reduction of 63 tanks in those years.

The committee found that the tank was meeting or exceeding almost all of the technical requirements, and had confidence that the one remaining problem of power train durability would be solved. The committee approved the supplemental request less $10 million for changes in budgeting assumptions.

In examining the administration's research and development request, the committee noted that in many programs excess authorization existed. That is, the 1981 appropriations were less than the authorizations. Consequently, in those programs with excess authorization, the committee recommends lowering the supplemental request by the difference between the authorization and the appropriation. In total the overall R. & D. request was lowered by $104,872,000 using that procedure.

The committee denied administration requests for $42 million for the F–18 aircraft because Department of Defense representatives could not satisfactorily reconcile the use of funds with specific problems and corrective actions.

The committee recommended deletion of the Air Force's request for $41.4 million of ground launch cruise missile research and development funds, and recommends transfer of that amount to the Navy's Tomahawk sea-launched cruise missile production account. As previously cited, these funds would insure a higher production rate for the Tomahawk and lower the unit cost by more than $100,000. The committee strongly supports both the ground-launched and sea-launched cruise missile programs, but again, the Department of Defense could not sufficiently explain the reasons for the cost growth in the GLCM program. If the GLCM European initial operational capability could slip because of the lack of GLCM funding, I would encourage the Department of Defense to return to us and explain, in full, the requirements for additional funds.

The committee recommends approval of the administration's request for an increase of 10,000 personnel to cover manning shortages in the operating forces.

In summary then, this supplemental request starts the rebuilding of our Nation's forces—with the objective of deterring aggression. When we come to the floor with 1982 authorization bill, you will see that the effort continues.

We have a determined adversary—one with the will to make her populace bear any burden for the sake of defense. Members of the committee have seen the graphic evidence of the Soviet buildup over the years. Not a buildup characterized by fits and starts, but a constant, unrelenting improvement of her strategic and conventional offensive capability.

We must demonstrate our resolve to recapture and maintain the strategic balance.

H.R. 2614 is a start and I fervently request my colleague's support.

Mr. PRICE. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. DICKINSON. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. PRICE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. FOLEY) having assumed the chair, Mr. SAM B. HALL, JR., Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2614) to authorize supplemental appropriations for fiscal year 1981 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles and for research, development, test, and evaluation for the Armed Forces and to increase the authorized personnel end strengths for military and civilian personnel of the Department of Defense for fiscal year 1981, had come to no resolution thereon.

ELEVATOR OPERATORS

(Mr. SMITH of Alabama asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Alabama. Mr. Speaker, according to Justice Department statistics, enough money is wasted each year to practically wipe out the Federal deficit. The Justice Department reports that incidents of waste and fraud in Federal programs range up to 10 percent of program expenditures.

A perfect example is requiring taxpayers to pay 76 people close to $1 million to sit in automatic elevators and punch buttons.

Imagine getting paid to sit in an automatic elevator all day. If this does not qualify as waste, I do not know what does.

I beg you to cut out this ridiculous expenditure. This is not our money we are squandering. It is the people's money and it is hypocritical to rant and rave about cutting Government spending and then allow the working people in this country to pick up the tab for such extravagance. Ladies and gentlemen, this is more than just absurd. This is downright outrageous. Congress wonders why it has no credibility. This is a perfect example.

Creating make-shift employment at the taxpayers' expense serves absolutely no purpose. It does not provide meaningful work and it does not provide workers with needed work experience that would allow them to better themselves.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HUBBARD (at the request of Mr. WRIGHT), for today, on account of the death of his father.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. ROGERS) to revise and extend his remarks and include extraneous material:)

Mr. DOUGHERTY, for 1 hour, on June 18.

(The following Members (at the request of Mr. GINN) to revise and extend their remarks and include extraneous material:)

Mr. CROCKETT, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. ROGERS) and to include extraneous matter:)

Mr. BROOMFIELD.

Mr. NELLIGAN.

Mr. FISH.

Mr. GREEN in two instances.

(The following Members (at the request of Mr. GINN) and to include extraneous matter:)

Mr. SOLARZ.

Mr. PEYSER.

Mr. D'AMOURS.

Mr. PEASE.

Mr. MAZZOLI in two instances.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. FARY.

Mr. CORRADA.

Mr. JONES of Oklahoma.

ADJOURNMENT

Mr. GINN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 33 minutes p.m.), the House adjourned until tomorrow, Tuesday, June 16, 1981, at 12 o'clock noon.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Report of House committee concerning the foreign currencies and U.S. dollars utilized by them during the first quarter of calendar year 1981 in connection with foreign travel pursuant to Public Law 95-384 is as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RULES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1981

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Albert A. Sayers, Jr.	1/8	1/13	England	216.65	527.00	14.70	35.75				562.75
	1/13	1/15	Sweden	1,234.45	282.00						282.00
	1/15	1/17	Federal Republic of Germany	338.30	170.00						170.00
	1/17	1/20	France	1,090.20	237.00		2,638.25				2,875.25
	3/12	3/16	England	287.00	645.00		2,610.00				3,255.00
Richard Bolling	3/12	3/16	do	287.00	645.00		2,610.00				3,255.00
Committee total					2,506.00		7,894.00				10,400.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RICHARD BOLLING, Chairman.
May 27, 1981.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1593. A letter from the Executive Associate Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the Department of Justice for fiscal year 1980 has been reapportioned on a basis which indicates a need for further supplemental appropriations, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

1594. A letter from the Deputy Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the Army Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

1595. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation to amend section 2306(f) of title 10, United States Code, to increase the amount of a certain dollar threshold applicable to the making of contracts; to the Committee on Armed Services.

1596. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation to amend section 709 of title 32, United States Code, to permit the Secretary of Defense to approve certain regulations governing excepted service technicians of the National Guard, and for other purposes; to the Committee on Armed Services.

1597. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the commissary shelf-stocking

and custodial services function at Luke Air Force Base, Ariz., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

1598. A letter from the General Counsel, Federal Emergency Management Agency, transmitting a draft of proposed legislation to authorize the Director of the Federal Emergency Management Agency to provide transportation for certain persons engaged in activities at the Federal Emergency Management Agency Special Facility; to the Committee on Armed Services.

1599. A letter from the Secretary of Education, transmitting final regulations for the college library resources program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1600. A letter from the Secretary of Health and Human Services, transmitting the annual report on childhood lead-based paint poisoning prevention programs, pursuant to section 316(f) of the Public Health Service Act; to the Committee on Energy and Commerce.

1601. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to provide for a register in the Department of Commerce in which shall be listed the names of certain persons who have had their motor vehicle operator's licenses revoked; to the Committee on Energy and Commerce.

1602. A letter from the Secretary of Energy, transmitting a report on the status of the National Energy Policy Plan; to the Committee on Energy and Commerce.

1603. A letter from the Deputy Director, Selective Service System, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1604. A letter from the Chairman, Tennessee Valley Authority, transmitting a report on the Authority's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1605. A letter from the Secretary of Health and Human Services, transmitting the annual report for fiscal year 1980 on activities carried out under title XX of the Social Security Act, pursuant to section 2006 of the act; to the Committee on Ways and Means.

1606. A letter from the Special Representative for Trade Negotiations, Executive Office of the President, transmitting notice of the President's decision to renew the United States-Romanian and United States-Hungarian Trade Agreements, pursuant to subsection 405(b)(1) Public Law 93-618; to the Committee on Ways and Means.

1607. A letter from the Comptroller General of the United States, transmitting a report on the needs assessment processes of health care programs administered by the Department of Health and Human Services (HRD-81-63, June 15, 1981); jointly, to the Committees on Government Operations and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FUQUA: Committee on Science and Technology. Report on allocation of budget totals for fiscal year 1982 (Rept. No. 97-146). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII,

Mrs. HECKLER (for herself and Mr. PEPPER) introduced a bill (H.R. 3921) to amend title XVIII of the Social Security Act to provide medicare coverage of personal emergency response services, which was referred, jointly, to the Committees on Ways and Means, and Energy and Commerce.

MEMORIALS

Under clause 4 of the rule XXII, memorials were presented and referred as follows:

126. By the SPEAKER: A memorial of the Legislature of the State of Nevada, relative to Amtrak; to the Committee on Energy and Commerce.

127. Also, memorial of the Legislature of the State of Nevada, relative to Nuclear testing in Nevada; to the Committee on the Judiciary.

128. Also, memorial of the Legislature of the State of Alaska, relative to the Bradley Lake hydroelectric project; to the Committee on Public Works and Transportation.

129. Also, memorial of the Legislature of the State of Nevada, relative to establishing national cemeteries in Nevada; to the Committee on Veterans' Affairs.

130. Also memorial of the Legislature of the Territory of Guam, relative to establishing a Veterans' Affairs Office on Guam; to the Committee on Veterans' Affairs.

131. Also memorial of the Legislature of the State of Nevada, relative to income-tax exemptions; to the Committeee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. FRANK introduced a bill (H.R. 3922) for the relief of Alejo White and Sonia White, which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 149: Mr. HUGHES and Mr. FORD of Michigan.

H.R. 151: Mr. FORD of Michigan.

H.R. 911: Mr. MURTHA.

H.R. 1005: Mr. PARRIS, Mr. HAMMERSCHMIDT, Mr. BONKERS, and Mr. YOUNG of Missouri.

H.R. 1293: Mr. OBERSTAR and Mr. WALGREN.

H.R. 1680: Mr. EVANS of Indiana.

H.R. 2007: Mr. SILJANDER, Mr. CHAPPELL, Mr. BAILEY of Pennsylvania, and Mr. HOWARD.

H.R. 2068: Mr. NAPIER.

H.R. 2385: Mrs. SCHNEIDER and Mr. BARNARD.

H.R. 3716: Mr. RAILSBACK.

H.R. 3856: Mr. HARKIN.

H.R. 3870: Mr. MORRISON, Mr. WYLIE, Mr. SEIBERLING, Mr. GOODLING, and Mr. RODINO.

H.J. Res. 72: Mr. ROEMER, Mr. ROE, and Mr. WEBER of Minnesota.

H. Res. 124: Mr. EDWARDS of Oklahoma, Mr. FOUNTAIN, Mrs. HOLT, Mr. MICA, Mr. MURPHY, Mr. NAPIER, Ms. OAKAR, Mr. PEPPER, Mr. SHAMANSKY, and Mr. WEBER of Minnesota.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3480

By Mr. PHILIP M. CRANE:

—On page 13, strike lines 2 through 8 and insert the following: "Except that nothing in this title shall be construed as permitting the representation of any person, corporation, group or entity other than an individual person who is a member of a household whose income is less than 125 per centum of the poverty line as determined by the Director of the Office of Management Budget."

(Rationale: This would prevent LSC grant recipient lawyers from representing the Grey Panthers or any other group, profit or nonprofit corporation, etc. It would put the program back where it is supposed to be—namely providing legal assistance to help solve the individual legal problems of individual poor people. It would prevent LSC lawyers from forming ad hoc groups for the purpose of allowing them to lobby for whatever "cause" caught their fancy. Pages 22-30 of the transcript of the Puerto Rico Lobbying Strategy Conference detail how they go about forming these ad hoc "client" groups.)

By Mr. MINISH:

—Page 13, add the following after line 23 and redesignate the succeeding section accordingly:

INFORMATION TO CONGRESS

SEC. 14. The Legal Services Corporation Act (42 U.S.C. 2996 et seq.) is amended by redesignating sections 1013 and 1014 as sections 1014 and 1015, respectively, and by inserting after section 1012 the following new section:

"INFORMATION TO CONGRESS

"SEC. 1013. The Corporation, any recipient, and any employee of a recipient shall make available upon request to any committee or subcommittee of the Congress or to any Member of Congress any information which is not subject to the attorney-client privilege and which relates to the operations of the Corporation or such recipient, as the case may be.".

SENATE—*Monday, June 15, 1981*

(Legislative day of Monday, June 1, 1981)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the Honorable JAKE GARN, a Senator from the State of Utah.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Hear, O Israel: The Lord our God is one Lord; and you shall love the Lord your God with all your heart, and with all your soul, and with all your might.—Deuteronomy 6 : 4, 5 (RSV).

God of Abraham, Isaac, and Jacob, God of Moses and the prophets, God of Jesus and the Apostles, we are created to worship Thee, to love Thee, to serve Thee. Thou dost not need our worship but we need to worship, our nature demands it. We are something less than human when we fail to worship Thee.

Deliver us from all that would deny our humanity. Remind us of our weakness and fallibility. Grant us grace to listen to those with whom we disagree and out of the forge of conflicting views grant that truth and justice emerge.

Let Thy light, Thy wisdom, Thy righteousness, Thy love fill our minds and hearts and lead us in Thy way to do Thy will for Thy glory. Through Jesus Christ, Saviour and Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 15, 1981.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JAKE GARN, a Senator from the State of Utah, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. GARN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting majority leader is recognized.

THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. STEVENS. Mr. President, I say to my good friend, the distinguished minority leader, that it will be my intention to yield the leadership time to the Senator from Arizona to be used in conjunction with the special orders. I would like to reserve the time for that purpose. Does the distinguished minority leader seek time now?

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the distinguished minority leader is recognized.

THE UNITED STATES SENATE

THE SENATE IN THE JEFFERSONIAN ERA, 1800–1808

Mr. ROBERT C. BYRD. Mr. President, we have recently undergone a transition of party power in Washington, both in the executive branch and in the United States Senate. In both cases the transition was peaceful, amiable, and dignified, as the public has come to expect. We would be surprised and disappointed if it had been anything less. Yet when we look back over our national history to the first transition of party, we find an entirely different atmosphere, one of tension and intrigue. There were no guarantees that the new nation would survive the transfer of power between the Federalists and the Jeffersonian Republicans (a different political organization altogether, I should add, from today's Republican Party). This first transition was the greatest test of the fledgling constitutional republic, and while the process was by no means smooth and easy, it is stirring to read how successfully our predecessors passed this test, paving the way for the many orderly transitions which would follow during the next two centuries.

Since 1789, the nation had been led by Federalist presidents, George Washington and John Adams, and the Congress controlled by Federalist majorities. For the first six congresses, the Federalists were continually in the majority in the Senate and only during the Third Congress, from 1793 to 1795, did the Jeffersonians take a majority in the House of Representatives.[1] With the election of 1800 this situation was reversed. The Republicans gained an 18 to 14 majority in the Senate and a 69 to 36 majority in the House. During the next eight years they would keep and increase these margins sharply, so that during the Tenth Congress (1807–1809) their majority in the Senate was 20 to 6, and in the House 118 to 24.

As for the presidency, both the Federalists and Republicans nominated their candidates in congressional caucuses, a system which lasted until 1824. The Federalists renominated the incumbent president, John Adams and chose Charles Cotesworth Pinckney for vice president. The Republicans chose their popular leader, Thomas Jefferson, for president. Following the voting in New York in May 1800 (in those days, each state conducted its elections on its own independent schedule), which the Republicans carried largely due to the effective campaigning of Aaron Burr, the party nominated Burr for vice president. "Burr in 1800 was not some devious plotter," Professor Noble E. Cunningham has written, "but an aggressive, practical party organizer."[1] Not until December did the last state, South Carolina, cast its ballots. Until then, Jefferson and Adams were tied with 65 electoral ballots each. South Carolina determined the victor by casting its eight electoral votes to Jefferson and Burr. But while Jefferson now had 73 electoral votes, so did his vice presidential running mate, and the tie vote forced the election into the House of Representatives.

While the Republicans would have the majority in the House, as a result of the election, it was the outgoing Federalist-dominated Sixth Congress which would determine the presidential election. Hating Jefferson, the Federalists cast their votes for Burr. For his part, Aaron Burr insisted that he was not in competition with Jefferson, but he took no action to dissuade Federalist support. The House was then meeting in the newly constructed Senate wing of the Capitol, in a room which for many years served as our disbursing office and which has recently become a part of the majority leader's suite. Outside that room is a bronze plaque describing the dramatic events which occurred there: "This tablet marks the first meeting place of the House of Representatives. Here—on November 18, 1800—the House of Representatives met for the first time in Washington, remaining through the second session of the Sixth Congress. Here, from February 11 to February 17, 1801, the House cast 36 successive ballots to elect Thomas Jefferson as President of the United States in the contest between Jefferson and Aaron Burr."[2]

Why the Federalists abandoned Burr's candidacy is still uncertain. Alexander Hamilton strongly recommended voting for Jefferson over Burr on the grounds that Burr's "public principles have no other spring or aim than his own aggrandizement." The Federalists may also have assumed the effort was futile and might cause public resentment against them. There also appeared to be some backstage assurances from the Jeffersonians on matters of policy and pa-

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tronage, which won over sufficient Federalist votes. In any case, Jefferson was finally selected and was sworn in as president in the Senate Chamber, less than a month later on March 4.

President Adams left town without attending the inauguration of his successor, but two of Jefferson's chief antagonists were present in the Senate Chamber that day (today the room is commemorated as the Old Supreme Court Chamber, on the first floor of the Capitol, but from 1800 to 1810 it served as the Senate Chamber): Chief Justice John Marshall, who swore in the president; and the new vice president and erstwhile rival, Aaron Burr. What a dramatic picture those three men must have presented to the audience that day. Just before taking his oath, Jefferson addressed the assemblage with these memorable lines:

"We have called by different names brethren of the same principle. We are all Republicans; we are all Federalists . . . I know indeed that some honest men fear that a Republican Government cannot be strong; that this Government is not strong enough. But would the honest patriot, in the full tide of experiment, abandon a Government which has so far kept us free and firm, on the theoretical and visionary fear that this Government, the world's best hope, may, by possibility, want energy to preserve itself? I trust not. I believe this, on the contrary, the strongest Government on earth." [3]

Once in power the Jeffersonian Republicans intended to flex their political muscles. They controlled the executive and legislative branches, but the Federalists remained firmly entrenched in the judiciary. Shortly before the end of his term as President, John Adams had signed the Judiciary Act of 1801. Ostensibly this act was designed to relieve the burdens of Supreme Court Justices who spent several months a year in the saddle riding circuit. The Judiciary Act created a special circuit court and new district judgeships to assume these duties. However, President Adams immediately filled the new positions with Federalist judges. The Act also provided that the Supreme Court would be reduced by attrition from nine to five justices, thereby postponing Jefferson's ability to nominate new Republican justices to the Court. Jefferson and his supporters in Congress were determined to repeal this offending act.

In his State of the Union message on December 8, 1801, Jefferson called for a reexamination of the judicial system, and on January 6, 1802, Senator John Breckinridge of Kentucky moved for repeal of the Judiciary Act. Breckinridge argued that the law was both unnecessary and improper and that the courts and judgeships created by it should be abolished.[4] The Senate debated the issue for the rest of the month and on January 26 it voted 15 to 15 on the motion to repeal. Vice President Burr then cast the deciding vote in favor of repeal.[5]

The following day, however, Federalist Senator Jonathan Dayton of New Jersey proposed that the Senate reconsider its action and refer the issue to a special committee which would consider revision of the entire judiciary system. Dayton had made the same motion the day before and had been defeated by only one vote, and now argued that his motion had "not been perfectly heard and understood by one of the gentlemen who voted against it." And so he moved again to refer it to committee. Again the vote was 15 to 15, but this time Vice President Burr cast his vote with the Federalists. Burr explained that he had no reason to question the sincerity of those wishing to refer the bill to committee to "render it more acceptable to the Senate," but the Jeffersonians were outraged over what they considered Burr's duplicity and political maneuvering. Dayton, a Federalist, was known as a lifelong friend of Burr's and one of the leaders in his abortive challenge to Jefferson's election.[6]

Even today historians disagree over what motivated Aaron Burr and we may never fully understand this man who, some would aver, preferred to walk a crooked mile even when a straight path was available. In a letter to a friend the next day, Burr expressed his concern over "depriving twenty-six judges of office and pay." [7] Some of Burr's supporters argued that he was merely acceding to a desire among half the members of the Senate to have a committee appraise the legislation, and that with the return of the absent Vermont Senator Stephen Bradley the Republicans would have the necessary votes to discharge the bill and pass it—which is exactly what happened on February 3, 1802. But Burr's action had been the final straw for congressional Republicans. They were sure that he was plotting to win friends among the Federalists for a future challenge to the Jefferson administration. There was no hope that Burr would win renomination from the Republicans for vice president, or advance further in his party's ranks—and he began to conceive of bolder plans.

Reading through the *Annals of Congress*, the forerunner of our *Congressional Record*, one finds many landmarks in American history during the Jeffersonian era. On January 31, 1803, for instance, the Senate received a petition from William Marbury and several others. This was less than a month before the Supreme Court would hand down its monumental ruling in *Marbury* v. *Madison* in which, for the first time, it declared an act of Congress unconstitutional. Marbury, as constitutional scholars will recall, had been appointed a justice of the peace for the District of Columbia as one of the last acts of President John Adams, but Adams had left office before the commission could be delivered to Marbury, and the new Secretary of State, James Madison, refused to deliver the commission to him. Marbury went to court, but he also petitioned the Senate to obtain copies of the Senate's proceedings for March 2 and 3, 1801, relating to his nomination.

Now in those days—and until 1929—most discussions of nominations and related executive business of the Senate were held in secret, closed-door executive sessions. Senator Breckinridge spoke for the majority of the Senate when he expressed the opinion that "the Executive Journal is kept only for the private use of the Senate and there is an express rule that extracts should not be given without the order of the House." He considered that the President was a party to the business in the Executive Journal, and should give his consent before its materials were opened. Senator Ogden of New Jersey argued in Marbury's behalf that, although executive business was conducted behind closed doors, there was no Senate rule that the Journal must be kept secret. Senator Ross of Pennsylvania took the position that since Marbury had a case before the high court, and the material was necessary for that case, the Senate had no justification for withholding it. "It is a public record," said Ross, "of which any person interested has a right to demand a copy." The Senate, however, voted 15 to 13 to deny Marbury and the others the Executive Journal extracts they requested.[8]

On February 24, 1803, the Supreme Court dismissed Marbury's suit on the grounds that the court lacked jurisdiction. Chief Justice Marshall declared that section 13 of the Judiciary Act of 1789 had empowered the Court to issue writs of mandamus in such cases, but that this was in violation of the Constitution and therefore the Court held the law null and void. This was an incredibly shrewd maneuver on Marshall's part since he had given the immediate victory to President Jefferson against Marbury, and yet he had also established the principle of judicial review—a power which the Constitution did not specifically provide for, and one which has significantly affected relations between Congress and the Court ever since.

Also in February 1803, the Senate was preoccupied with the Mississippi question. Residents of three-eighths of the territory of the United States, living in the lands west of the Alleghenies, shipped their produce down the Mississippi River to market. But Spain controlled the city of New Orleans and therefore could interfere with American trade at will. America had enjoyed freedom of transit on the Mississippi since the 1795 Pinckney Treaty with Spain, in which Spain promised free navigation of the river and the right to deposit goods at New Orleans before shipment elsewhere. In October 1802 the Spanish governor of New Orleans suddenly revoked the right to deposit goods in that city duty free. Outraged Americans in Tennessee, Kentucky, and other affected states talked of going to war to seize New Orleans. President Jefferson dispatched James Monroe to France and Spain as minister extraordinary. Monroe's mission was to reopen the Mississippi and to prevent France from regaining control of New Orleans from Spain. The French leader, Napoleon Bonaparte, was also concerned with the American reaction to the closing of New Orleans and sought to avoid driving the United States into an alliance with

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his enemy Great Britain. Abandoning his colonial ambitions, Napoleon decided to sell the entire Louisana territory with the city of New Orleans to the United States, thereby raising money for France's impending war with Britain.

All of these negotiations were being conducted in secret and there was great concern over their progress inside the Senate. On February 14, Federalist Senator James Ross of Pittsburgh, Pennsylvania rose to say that his constituents were greatly alarmed over the "injustifiable, oppressive conduct of the officers of the Spanish government at New Orleans." Ross was aware of Monroe's mission, but he wanted a statement of support from the Senate. The United States should expel the wrongdoers, Ross proclaimed: "Plant yourselves on the river, fortify the banks, invite those who have an interest at stake to defend it; do justice to yourselves when your adversaries deny it; and leave the event to Him who controls the fate of nations." However, when Ross turned to discuss the rumors that Jefferson had authorized Monroe to purchase Louisiana, he was cut off from speaking until the galleries could be cleared. "I will never speak upon this subject, sir," said Ross, "with closed doors." Vice President Burr ruled that the doors could be closed at the request of any Senator, and could be opened again only by the vote of the Senate; and the doors were shut. Two days later Ross again rose in public session to introduce his resolutions "That the President be authorized to take immediate possession of such place or places, in the said . . . territories, as he may deem fit and convenient." The president should also be authorized to call up the militia in the western states, and some $5 million should be appropriated to support the war effort.[9]

After lengthy debate, on February 25, 1803, the Ross resolution was defeated, 15 to 11, and shortly afterwards the Seventh Congress adjourned. In April, French Foreign Minister Talleyrand broached the question of how much the United States was willing to pay for Louisiana, and by the end of the month the treaty of cessation had been signed. For $15 million the United States purchased enough land to double the size of the country—the whole central portion of the continental United States today, from the Mississippi river in the east to Montana, Wyoming, Colorado, and New Mexico in the west, from Louisiana in the south to Minnesota in the north. It was ironic that Jefferson, a strict constructionist and a believer in limited government, had taken this bold move. However, if Jefferson was inconsistent in expanding the power of the presidency, the Federalists were equally inconsistent in opposing him.

President Jefferson called the Eighth Congress into session two months earlier than scheduled in order to approve the treaty he had negotiated with France. On October 22, 1803, Senator Breckinridge offered a bill to enable the President to take possession of the vast territory ceded from France, and the bill passed easily by a vote of 26 to 6 (among the dissenters was the new senator from Massachusetts, John Quincy Adams). On November 1, Senator James Jackson of Georgia reported from committee a bill authorizing $11,250,000 for implementing the treaty. It was this authorization, rather than the treaty itself, which caused the intense debate that dominated the Senate during the first session of the Eighth Congress.[10]

The Federalists, long identified with a strong presidency and central government, now argued that President Jefferson had acted unconstitutionally in signing the treaty with France, and that the Senate had no authority to approve the purchase of new territory. In addition they objected to delegating power to the president to determine whether the French government had fully complied with its end of the treaty. Indeed, they had serious doubts that the Spanish government would willingly abandon the city of New Orleans which it had so profitably occupied, French treaty or not. Said Senator Samuel White of Delaware, the treaty would be simply the "buying of France authority to make war upon Spain."[11]

Finally, the Federalists rejected the theory then being advanced that the new land west of the Mississippi could be preserved for the Indian population, which could be induced to leave their lands in the East. "To every man acquainted with the adventurous, roving, and enterprising temper of our people, and with the manner in which our Western country has been settled," said Senator White, "such an idea must be chimerical. The inducements will be so strong that it will be impossible to restrain our citizens from crossing the river."

Of course, White was absolutely correct on that point. However, he went on to warn that those who went west would be separated by "the immense distance of two or three thousand miles from the capital of the Union where they will scarcely ever feel the rays of the General Government; their affection will become alienated."[12] In the light of recent reports about the disaffection of our Western states with the federal government, it would seem that Senator White's prediction in 1803 turned out exactly in reverse. The Western states complain they feel the rays of Government far more strongly than they would like.

In response to these Federalist accusations, the Republicans, who had traditionally supported limited government and reduced executive authority, strongly defended the president's bold move. Although the Constitution did not specify the purchase of territory from foreign governments, Article IV, Section 3 did give Congress power to regulate the territories of the United States, thereby implying the right to obtain such territories. Senator Breckinridge of the then far western state of Kentucky dismissed fears that migration to the West would weaken the loyalty of the pioneers, noting that "the people of the Western states are as sincerely attached to the Confederacy, and to the true principles of the Constitution, as any other quarter of the Union." The vote on authorization of funds was 26 to 5, with John Quincy Adams switching his vote from negative to affirmative on the grounds that having approved the treaty the Senate had an obligation to implement it.[13]

Mr. President, in discussing the repeal of the Judiciary Act and the ratification of the Louisiana Purchase, I have several times mentioned the role of Senator John Breckinridge of Kentucky and it is appropriate to devote some special attention to that remarkable gentleman. We have eighteen new senators in the Ninety-seventh Congress who are learning the rules and procedures of the Senate and are perhaps feeling some of the frustrations that a lack of seniority inevitably causes. I think they might find some interest in the career of John Breckinridge, who became his party's most effective spokesman and legislative leader in the Senate while serving in his first term. Admittedly the party structures were only forming in those days, and seniority was not a significant issue since the standing committees had not yet been organized. Nevertheless, Breckinridge's immediate rise to leadership was a testament of his considerable abilities.

A farmer, a lawyer, and a statesman from Kentucky, John Breckinridge had migrated to that fertile state from a war torn section of Virginia after the American Revolution. Building a magnificent estate near Lexington, and a profitable law practice, Breckinridge was elected to the state legislature. There he helped to write and sponsor the famous Kentucky Resolutions—with the aid of Thomas Jefferson and James Madison—in protest to the Alien Sedition Acts. In 1800, Breckinridge won election to the Senate and arrived here in March 1801, where he quickly became the leading spokesman for the new Jefferson administration and for the new western states. He was eloquent in debate, as the *National Intelligencer* noted in reporting that his opening speech on repeal of the Judiciary Act was noteworthy for its "conciseness, for comprehensiveness, for dignity, for appropriate language, and for sound inference." In 1805 President Jefferson appointed Senator Breckinridge as Attorney General. This, as Breckinridge's biographer, Lowell Harrison, had judged, was a great mistake. Breckinridge was admirably qualified for the job, but his departure from the legislative branch meant that "there was not a senator in the Ninth Congress who was competent to manage a difficult measure for the administration as Breckinridge had done with a much smaller majority behind him . . . Breckinridge's greatest services on the national scene ended the day he left the Senate Chamber for the last time."[14]

Tragically, Breckinridge's life was cut short by typhus fever at the age of 46, just a year after leaving the Senate. Had he lived, he might well have become president, but his family carried on his tradition of public service. Two of his grandsons served as representatives from Kentucky, and one of them, John Cabell Breckinridge, became senator and vice president (under James Buchanan), and later a General in the Confederate Army.

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Breckinridge's great-grandson, Clifton Rhodes Breckinridge, served as a representative from Arkansas in the 1890's, and more recently, his great-great-grandson, John Bayne Breckinridge, represented Kentucky in the House in the 1970's.

Having opened with the monumental debate over the Louisiana Purchase, the Eighth Congress concluded its business with the impeachment trial of Supreme Court Justice Samuel Chase. Once again the Jeffersonian Republicans sought to influence the courts by removing an eloquent and intemperate Federalist judge. The Republicans had taken heart from the successful impeachment for a Federalist District Judge from New Hampshire, John Pickering, in January 1804. But Pickering, charged with malfeasance, loose morals, and intemperate habits, was clearly insane, and so the political issue was muted. On March 12, 1804, the House of Representatives voted 73 to 32 to impeach Justice Chase, who had been a Revolutionary War leader and a signer of the Declaration of Independence, accusing him of biased conduct on the bench and a partisan (that is, anti-Republican) harangue to a grand jury in Baltimore. Had Chase been successfully removed from the Court solely because of congressional disapproval of his opinions, it was widely believed that Chief Justice Marshall would become the next target.

In the Senate, the Republicans needed 25 of the 34 votes to convict Justice Chase—which was exactly their party's margin over the Federalists. In preparation for the trial, the Senate Chamber was hung with crimson drapery and a special gallery was constructed to accommodate the many ladies of the city who were expected to attend. On February 4, 1805, the trial began, with the erratic John Randolph of Virginia presenting the House's arguments against Chase. Adding to the drama was the appearance of Vice President Aaron Burr to preside over the trial. The previous July, Burr had shot and killed Alexander Hamilton in a duel at Weehauken, New Jersey and had fled warrants for his arrest. He appeared in Washington to preside over the Senate as if nothing had happened. While some were outraged over his behavior, the Republicans received him warmly, with the hope that he would lean to their side while presiding over the Chase trial. But Burr, that great enigma, did "himself, the Senate and the nation honor by the dignified manner in which he . . . presided," according to Senator William Plumer, and his impartiality was praised by both sides.[15]

The impeachment trial filled over 600 pages of the *Annals of Congress* for the Eighth Congress, second session, and it still makes fascinating reading today. On March 1, the trial ended with the Senate failing to convict Chase on a single count. Despite their two-thirds majority, the largest margin the Republicans could muster was a vote of 19 to 15. As I said earlier this year in my remarks welcoming Vice President Bush to this chamber, the Senate exercised, in that fine moment of drama, the kind of independence, impartiality, fairness, and courage that, from time to time over the years, it has brought to bear upon the great issues of our country.

Two days after the Chase trial, Vice President Burr bid adieu to the Senate, stepping down to make way for the new Vice President George Clinton, who had been elected to serve during Jefferson's second term. Burr's farewell speech, we are told by those who heard it, was received with such emotion that the senators were brought to tears and stopped their business for a full half hour. It is truly one of the great speeches in the Senate's history. "This House is a sanctuary, a citadel of law, of order, and of liberty," said Burr that day. "It is here in this exalted refuge, here if anywhere, will resistance be made to the storms of political frenzy and the silent arts of corruption. And if the Constitution be destined ever to perish by the sacrilegious hands of the demagog or the usurper, which God avert, its expiring agonies will be witnessed on this floor."[16] Mr. President, I ask unanimous consent that Aaron Burr's speech—recorded as was the custom in the third person—be printed in full in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ROBERT C. BYRD. Mr. President, here, at mid-point in the Jeffersonian era, I should like to make some observations concerning the role of the Senate vis-a-vis the House in those years. In 1804, when New York Congressman Samuel Mitchill was elected to the Senate, he wrote to his wife: "Henceforth you will read little of me in the Gazettes. Senators are less exposed to public view than Representatives. Nor have they near so much hard work and drudgery to perform." As I have mentioned in earlier addresses, the popularly-elected House was far more active than the Senate in those early days and, therefore, drew far more public attention. Sessions in the House generally lasted longer than those in the Senate. And, as Professor Noble Cunningham has pointed out in his study of *The Process of Government Under Jefferson*, House members originated more bills and demanded more roll call votes than did senators. Much of their activity was devoted to originating revenue bills as the Constitution provided. However this did not mean that the Senate was not the "upper body." Movement from one House to the other was consistently from the House to the Senate and rarely in reverse. Samuel Mitchill described himself as no longer a "Representative of the People" but one of the "Senators of the Nation," a member of "the Supreme Executive Council of the Nation."[17]

The Senate had not yet evolved into its "Golden Age of Debate," as it would in the next few decades, and descriptions of its proceedings in those first years in Washington do not sound all that foreign from our proceedings today. Senator William Plumer of New Hampshire wrote to his son in 1806 that "in general by the time a senator has been speaking 10 minutes it is rare that there is a quorum within the Bar—and many of those that are there, are either writing letters or reading newspapers. At the fire side a majority is seated, and often in a private conversation the question under debate is there settled by a free interchange of opinions."[18]

When the Ninth Congress convened in December 1805, foreign policy became the chief concern of the senators. On December 20, Senator George Logan of Pennsylvania, a close friend and ally of President Jefferson, introduced a resolution to suspend commercial trade between the United States and the French island of Santo Domingo, today the Dominican Republic. American merchants had been trading with the black population of that island who were in revolt against France, which was clearly a violation of American neutrality. The Republicans believed such trade would draw the United States into a war with France and proposed ending all trade with the island, a solution vigorously opposed by the Federalists, especially those who represented the trading states of New England. Senator John Quincy Adams expressed his belief that "no needless interference of the Government with the regular course of commercial transactions ought ever to be countenanced." To assist in resolving this controversy, the Senate requested that the president send them all documents, papers, and any other information relative to complaints by the French Government against United States trade with Santo Domingo. Jefferson then provided them with notes from French Foreign Minister Talleyrand and Ambassador Louis Turreau protesting the Santo Domingo trade, and on February 20, the Senate voted 21 to 7 to suspend the trade and preserve American neutrality.[19]

Of course, settling the issue in the case of Santo Domingo did not solve the neutrality problem, which grew much graver during Jefferson's second term. Reading through the *Annals of Congress*, one sees the frequent references to British interference with American shipping. Great Britain, as we recall, was at war with Napoleonic France and the powerful British Navy sought to halt American commerce with France—as, indeed, the French would also have done against trade with Britain, had their Navy been the equal of the British Navy. A particularly noxious side to this interference was the impressment of American seamen into the British Navy. While many of these seamen had once served in the British Navy, they were now American citizens and public sentiment was outraged by their capture. Senator Robert Wright of Maryland pointed to the "present degraded state of impressed American seamen, thousands of whom have been pressed on board the British ships of war, and compelled, by whips and scourges, to work like galley slaves."[20]

On January 25, 1806, the Senate received from Secretary of State James Madison a report on the "unjustifiable British violations" of American neutrality rights. The Senate unanimously re-

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sponded with a resolution declaring the British actions "an unprovoked aggression upon the property of the citizens of these United States, a violation of their neutrality rights and an encroachment upon their national independence." [21] As a means of punishing Great Britain, the resolution recommended prohibiting the importation of numerous goods manufactured in Great Britain, ranging from woolens and linens, to mirrors, boots, shoes, and rum. This eventually became the Non-Importation Act of 1806, enacted that April, the first step on the road to Jefferson's Embargo. The Federalists argued that the president and Senate had no such right to interfere with United States trade, but they fought a losing battle.

The Non-Importation Act was due to go into effect by December 14, 1807, but long before then, it was clear that it would not influence British policy, which if anything was becoming even more aggressive and restrictive. On December 18, Jefferson sent Congress a warning about the "increasing dangers with which our vessels, our seamen, and merchandise, are threatened on the high seas" and recommended a complete embargo on all United States overseas trade. The overwhelmingly Republican Senate suspended its rules and passed the measure that same day, 22 to 6.[22] During the next few months, however, evidence became unmistakable that American smugglers were successfully circumventing the Embargo Act, particularly by carrying goods across the Canadian border, and so the Embargo had little effect on the British economy. On the contrary, it was having its most adverse effect on the old, predominantly Federalist, merchant class in New England and New York, whose normal foreign trade had been officially severed.

Thus, when the Tenth Congress convened in November 1808, the Embargo was the subject of bitter debate. Senator James Hillhouse of Connecticut complained that the Republican notion that a cut-off of American food products would starve Britain was "a farce, an idle farce." Instead of affecting the nations that had violated American neutral rights, Hillhouse charged that it was "fraught with evils and privations to the people of the United States. They were the sufferers."

It reminds one of the recently imposed and subsequently lifted embargo on grain to the Soviet Union. There were those who said that the American farmers—not the Soviet Union—were the sufferers.

The Republicans conceded the weaknesses of the Embargo but argued that its alternatives were submission or war. The Senate then debated the Enforcement of the Embargo Act, which on December 21 passed by a vote of 20 to 7. These enforcement provisions established stern penalties for violations of the Embargo, a highly unpopular move in mercantile New England, where the Federalists made strong gains in local and congressional elections. Outcry was so great that by February 22, the Senate voted 21 to 12 to repeal the Embargo and to pass in its stead the Non-Intercourse Act, reopening all sea trade except with England and France.[23] Thomas Jefferson admitted defeat on his controversial Embargo, but to his dying day maintained that the measure would have worked had it been given sufficient time.[24] Time, however, had run out for Jefferson, and on Saturday, March 4, 1809, the Senate of the Tenth Congress returned in extra session to witness the inauguration of his successor, James Madison.

In telling the story of the Senate during the Jeffersonian era, it is fitting to conclude with the mysterious figure with whom we began: Aaron Burr. In these eight years, Burr contested with Jefferson for the presidency, served as vice president, shot Alexander Hamilton, and then was tried for treasonous conspiracy. After leaving the vice presidency, Burr first tried to persuade President Jefferson to appoint him to a high government post. Failing that, he headed west to rebuild his personal and political fortunes. Soon rumors began drifting east to Washington that Burr was seeking to separate the new western territories to create an independent state, with himself as its ruler. It was said that he was plotting with the British and the Spanish, and with the American military governor of Louisiana, James Wilkinson.

Undercover agents pursued Burr and collected evidence against him. On January 22, 1807, Jefferson sent a remarkable message to the Senate warning its members of Burr's activities.[25] The next month, Burr surrendered to authorities in Mississippi, and a trial was set for him in the federal circuit court in Richmond, Virginia. Presiding over this trial was Jefferson's other nemesis, Chief Justice John Marshall. Burr's trial lasted from August 3 to September 1, and resulted in his acquittal. Shortly afterward, Aaron Burr went into exile in Europe. Dissatisfied with the results of the trial, President Jefferson sent Congress the transcripts to examine for possible defects in the law, to protect the nation from treason. But Congress was preoccupied with the Embargo and offered no resolution to the problem. The transcripts of that dramatic trial are preserved for us today in the *Annals of Congress*, Tenth Congress, first session.

The Senate remained aloof from the Burr trial, but could not ignore the involvement of one of its own members, Senator John Smith of Ohio, who was indicted for conspiracy along with Burr. Smith was accused of having entered into the conspiracy in 1804, when President Jefferson had sent him on a special mission to Louisiana and Florida. A special Senate committee, chaired by John Quincy Adams, reported on December 31, 1807, a resolution "That John Smith, a Senator from the State of Ohio, by his participation in the conspiracy of Aaron Burr against the *peace, union,* and liberties, of the United States, has been guilty of conduct incompatible with his duty and station as a Senator of the United States. And that he be therefore, and hereby is, expelled from the Senate of the United States." Smith responded with a 96-page defense of his actions.[26]

Now, when Burr had been acquitted, the government had dropped charges against Senator Smith, but the Republican members of the Senate felt the evidence against him warranted pursuing the case, even though he was a member of their own party. Smith denied all the charges of conspiracy, that he had no desire to separate off the western territories or participate in a military rebellion against the government. His only fault, he insisted, was in opening his doors hospitably to Aaron Burr. Senator James Bayard of Delaware led much of Smith's defense in the Senate, which was particularly crucial to the case, since Bayard, as a member of the House, had been one of the managers of the impeachment proceedings against Senator William Blount, who was expelled in 1797, a case which provided most of the precedents for the Smith proceedings. Bayard fully believed that Burr had conspired against the country, adding that "scarcely a man in the United States doubts it." Yet he would find no evidence to substantiate the charges against Smith.[27] It is indeed a painful task for members of the Senate to try one of their colleagues for possible censure or expulsion, and the Senate debate moved slowly and deliberately from December through the following April, filling page after page of the *Annals*. At last, on Saturday, April 9, 1808, the Senate voted 18 to 10 to expel Smith. However, this was less than the necessary two-thirds margin, several Republicans having found it impossible to vote against their colleague. The matter was settled later that month when Smith resigned from the Senate at the urging of the Ohio legislature.[28]

Mr. President, the events in the history of the United States Senate between 1800 and 1808 were certainly dramatic and crowded ones.[29] These events were faced by a Senate of thirty-four members representing seventeen states. Yet, in the eight years I have been discussing, there were eighty-four different senators serving in this body. Only three senators served consistently from the Seventh to the Tenth Congresses: James Hillhouse of Connecticut, Samuel White of Delaware, and Jesse Franklin of North Carolina.

One of the chief reasons for this high turnover was the change in party structure in the United States, as the Republican party became the predominant party and the Federalist party began to fade from the scene. The Senate in the Jeffersonian era was also growing younger, with the average age of senators falling from 44.4 years in 1800 to 40.6 in 1810. This, in fact, is the lowest average age in the history of the Senate. (For the Ninety-seventh Congress, the average age of senators is 52.5 years.)

The youngest member of the Senate in this era was an ambitious politician named Henry Clay from Kentucky, of whom I will have considerable more to say in later addresses. Clay was elected by the Kentucky legislature to fill a vacancy in November 1806 and took his oath on December 29, 1806, when he was twenty-nine years, eight months, and

Footnotes at end of article.

seventeen days old, a little over three months younger than the constitutionally-provided thirty years of minimum age for a senator. The *Annals of Congress* do not show anyone challenging Clay for his unconstitutional act, although legend has it that when asked by a fellow senator he responded: "I hope my colleague will propound that question to my constituents," and let the matter drop there.[30] Clay filled out the remainder of the term until March 3, 1807, when he left the Senate, still a month shy of his thirtieth birthday. He served another partial term from 1810 to 1811, but his major service in the Senate did not begin until 1831 and then continued intermittently until his death in 1852.

These young senators served a young nation—whose median age was only sixteen years old. But it was a growing nation in size and population. Between the censuses of 1800 and 1810 the population of the United States increased 36 percent, from 5.3 million to 7.2 million; while the physical size of the nation doubled from 865,000 square miles to 1,682,000 square miles, as a result of the addition of the Louisiana Purchase. With a doubling of the land area the number of people per square mile declined from 6.1 to 4.3. This statistic illustrates graphically that the United States was predominently a rural, agricultural nation. Only half a million Americans lived n cities and town with populations over 2,500 back in 1810, while 6.7 million lived in areas with less than 2,500 people. It was to this rural, agricultural, westwardly moving population that the Jeffersonian Republicans appealed and why the party prospered to the point of wiping out the very existence of its opposition. In just a few short years the United States would move into a unique era of single party politics, which we refer to rather wistfully as "the Era of Good Feelings." The truth, as usual, was more complex—as I will be discussing in a future address on the history of the United States Senate.

NOTES TO "THE SENATE IN THE JEFFERSONIAN ERA, 1880–1808"

[1] Noble E. Cunningham, Jr., "Election of 1800," in Arthur M. Schlesinger, Jr. and Fred L. Israel, eds., *History of American Presidential Elections, 1789–1968* (New York: McGraw-Hill, 1971), Vol. I, 108.

[2] *Ibid.*, 131–132.

[3] *Annals of the Debates and Proceedings in the Congress of the United States*, 6th Congress, 2d session, 763–766.

[4] *Annals of Congress*, 7th Congress, 1st session, 11–16.

[5] *Ibid.*, 147.

[6] *Ibid*, 148–150.

[7] Herbert S. Parmet and Marie B. Hecht, *Aaron Burr: Portrait of an Ambitious Man* (New York: Macmillan, 1967), 179.

[8] *Annals of Congress*, 7th Congress, 2d session, 34–50.

[9] *Ibid.*, 83–89, 91–98.

[10] *Annals of Congress*, 8th Congress, 1st session, 26, 29.

[11] *Ibid.*, 31–35.

[12] *Ibid.*, 34.

[13] *Ibid.*, 65, 73

[14] Lowell H. Harrison, *John Breckinridge, Jeffersonian Republican* (Louisville, Kentucky: The Filson Club, 1969), 118.

[15] Everett Somerville Brown, *William Plumer's Memorandum of Proceedings in the United States Senate, 1803–1807* (New York: Macmillan, 1923), 310.

[16] *Annals of Congress*, 8th Congress, 2d session, 71–72.

[17] Noble E. Cunningham, *The Process of Government Under Jefferson* (Princeton, New Jersey: Princeton University Press, 1978), 261–2.

[18] *Ibid.*, 269.

[19] *Annals of Congress*, 9th Congress, 1st session, 30.

[20] *Ibid.*, 58.

[21] *Ibid.*, 90–91.

[22] *Annals of Congress*, 10th Congress, 1st session, 50–51.

[23] *Annals of Congress*, 10th Congress, 2nd session, 298, 436.

[24] Merrill D. Peterson, *Thomas Jefferson and the New Nation: A Biography* (New York: Oxford University Press, 1970), 916.

[25] *Annals of Congress*, 9th Congress, 2nd session, 39–43.

[26] *Annals of Congress*, 10th Congress, 1st session, 55–62.

[27] *Ibid.*, 71–72.

[28] *Ibid.*, 324–331. The story is also told in the diary of John Quincy Adams. See Charles Francis Adams, ed., *Memoirs of John Quincy Adams, Comprising Portions of His Diary From 1795 to 1848* (Freeport, New York: Books for Libraries Press, 1969), Vol. I, 485–529.

[29] For those interested in pursuing the events of this period in greater detail I highly recommend the doctoral dissertation or Alex B. Lacy, Jr., "Jefferson and Congress: Congressional Method and Politics, 1801–1809" (University of Virginia, 1963), which regrettably remains unpublished.

[30] *Washington Star*, November 30, 1925.

EXHIBIT 1

BURR'S ADDRESS

The Vice President took an affectionate leave of the Senate, in substance as follows:

"Mr. BURR began by saying that he had intended to pass the day with them, but the increase of a slight indisposition (sore throat) had determined him then to take leave of them. He touched lightly on some of the rules and orders of the House, and recommended, in one or two points, alterations, of which he briefly explained the reasons and principles.

"He said he was sensible he must at times have wounded the feelings of individual members. He had ever avoided entering into explanations at the time, because a moment of irritation was not a moment for explanation; because his position (being in the chair) rendered it impossible to enter into explanations without obvious danger of consequences which might hazard the dignity of the Senate, or prove disagreeable and injurious in more than one point of view; that he had, therefore, preferred to leave to their reflections his justification; that, on his part, he had no injuries to complain of; if any had been done or attempted, he was ignorant of the authors; and if he had ever heard, he had forgotten, for, he thanked God, he had no memory for injuries.

"He doubted not but that they had found occasion to observe, that to be prompt was not therefore to be precipitate; and that to act without delay was not always to act without reflection; that error was often to be preferred to indecision; that his errors, whatever they might have been, were those of rule and principle, and not of caprice; that it could not be deemed arrogance in him to say that, in his official conduct, he had known no party, no cause, no friend; that if, in the opinion of any, the discipline which had been established approached to rigor, they would at least admit that it was uniform and indiscriminate.

"He further remarked, that the ignorant and unthinking affected to treat as unnecessary and fastidious a rigid attention to rules and decorum; but he thought nothing trivial which touched, however remotely, the dignity of that body; and he appealed to their experience for the justice of this sentiment, and urged them in language the most impressive, and in a manner the most commanding, to avoid the smallest relaxation of the habits which he had endeavored to inculcate and establish.

"But he challenged their attention to considerations more momentous than any which regarded merely their personal honor and character—the preservation of law, of liberty, and the Constitution. This House, said he, is a sanctuary; a citadel of law, of order, and of liberty; and it is here—it is here, in the exalted refuge; here, if anywhere, will resistance be made to the storms of political phrensy and the silent arts of corruption; and if the Constitution be destined ever to perish by the sacrilegious hands of the demagogue or the usurper, which God avert, its expiring agonies will be witnessed on this floor.

"He then adverted to those affecting sentiments which attended a final separation—a dissolution, perhaps forever, of those associations which he hoped had been mutually satisfactory. He consoled himself, however, and them, with the reflection, that, though they separated, they would be engaged in the common cause of disseminating principles of freedom and social order. He should always regard the proceedings of that body with interest and with solicitude. He should feel for their honor and the national honor so intimately connected with it, and took his leave with expressions of personal respect, and with prayers, and wishes," &c.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, if the distinguished acting majority leader would like to utilize my remaining time, I will be glad to yield.

Mr. STEVENS. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, I yield my remaining time under the standing order to the acting majority leader.

ORDER FOR RECOGNITION OF SENATOR FORD

Mr. STEVENS. Mr. President, I ask unanimous consent that Senator FORD be permitted a special order for 15 minutes following the time under the control of the distinguished Senator from Arizona today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I yield control of the acting majority leader's time, and the time that the distinguished Senator from West Virginia has so graciously yielded to us, to my good friend from Arizona.

TRIBUTES TO SENATOR JOHN TOWER ON 20 YEARS OF SENATE SERVICE

The ACTING PRESIDENT pro tempore. The Senator from Arizona is recognized.

Mr. GOLDWATER. Mr. President, before beginning my remarks, I submit a statement on behalf of our distinguished majority leader (Mr. BAKER).

© Mr. BAKER. Mr. President, I would like to join my colleagues in taking note of this day of special significance in the rich history of the U.S. Senate and memorable accomplishment in the life and

career of our most distinguished colleague from Texas (Senator TOWER).

As has been duly noted, this day marks the 20th anniversary of JOHN TOWER's diligent service and dedicated leadership in this body. I commend Senator TOWER and I congratulate him.

I am especially delighted that the occasion of Senator TOWER's 20th anniversary in the Senate comes at a time of unparalleled accomplishment by him. As the chairman of the Senate's Committee on Armed Services, JOHN TOWER is rendering this body and this Nation great service and leadership in an arena of acute importance not only to America, but to all of the free world. Throughout his 20 years in the Senate, JOHN TOWER has recognized and advocated the most sound and prudent principle that genuine and longstanding peace throughout the world can come only through genuine and long-standing power to resist aggression. And as Senator TOWER now enters his third decade in this body, we are fortunate that he is in a position whereby he can contribute mightily to our ability to secure that long-standing peace.

But if I might, Mr. President, I would like to spend just a few moments exploring perhaps a more partisan, but a nonetheless relevant and important aspect of JOHN TOWER's service in the Senate.

When first elected to this body on May 27, 1961, JOHN TOWER became the first Republican elected to the U.S. Senate from the 11 States which had formed the Confederacy since the time of Reconstruction. That in itself was a remarkable accomplishment. But it was merely a harbinger of things to come.

As one examines the composition of the Senate today, 20 years later, one can see easily the magnitude of what JOHN TOWER began—myself from Tennessee; Senator COCHRAN from Mississippi; Senator DENTON from Alabama; Senator MATTINGLY from Georgia; Senator HAWKINS from Florida; Senator THURMOND from South Carolina; Senator WARNER from Virginia; Senators HELMS and EAST from North Carolina.

It has been a remarkable Republican wave that has swept through our beloved South. And at its crest has been JOHN TOWER, of Texas. As a Southern Republican and as the Republican leader of this Senate, I want to express my appreciation to Senator TOWER for the course he charted for those of us fortunate to follow him. And I am certain I say that for my other Republican colleagues from the South, as well.

However, so that this is not a wholly somber—and therefore inappropriate dissertation on JOHN TOWER—allow me to extend for just a moment longer my remarks in this regard. Although Senator TOWER inexplicably refuses to acknowledge the point, most historians of note concur that there may well have not been a Texas at all were it not for a handful of Tennessee Volunteers at the Alamo. I have raised this point judiciously with Senator TOWER throughout the years, on each occasion prompting this response: "HOWARD, if there hadn't been a Texas, I would've invented one!"

What frightens me, Mr. President, is that I think he means it.

Seriously, to my dear friend and colleague, I offer my congratulations, my appreciation and my best wishes for 20 more years of distinguished service to the people of Tennessee's favorite annex—the great State of Texas.●

Mr. GOLDWATER. Mr. President, in my 24 years serving as a Senator from my State of Arizona, it has been my privilege and pleasure to have campaigned for literally dozens of men and some women running for office from the Republican Party, offices at the State level, the local level, but principally at the national level.

People have often asked me what I consider to be my crowning contribution to the Republican effort in that field, and I have to say that one person stands out particularly. His name is Senator JOHN TOWER, of Texas.

It was just 20 years ago when JOHN GOODWIN TOWER, a political science professor, was elected to the U.S. Senate in a special election, to become the first Republican U.S. Senator from the State of Texas in this century.

JOHN TOWER first ran for political office in the 1954 State legislature election. He gained high recognition in 1960 as the "little professor" running against Lyndon Johnson, who was running for Vice President and the Senate at the same time.

JOHN TOWER lost. But when a special election was held in 1961 to fill the vacancy left when Johnson was elected Vice President, JOHN TOWER ran again and won.

It is reported that when Senator TOWER was campaigning in one of his early political efforts, he was flying in a single-engine plane and had to land on a highway when the aircraft ran out of fuel.

Mr. President, I can vouch for that.

It is well known that Senator TOWER left his job as a political science professor at Midwestern University to enter politics. It is not so well known that he left a budding career as a radio broadcaster at KTAE in Taylor, Tex., where he read the news.

Nor is it often told that after Senator TOWER had enlisted in the Navy at 17 and was the only Texan assigned to his Navy ship, he took to wearing his cowboy boots on board. Rumor has it that Senator TOWER got tossed overboard and those boots are still lying at the bottom of the ocean.

Throughout his Senate career, Senator TOWER has stressed the importance of meeting America's defense needs. A summary of his activities on the Armed Services Committee is attached. He recently told a reporter one of his most satisfying accomplishments was his successful work in helping to steer through congressional approval of the antiballistic missile system in 1969 by a single vote majority.

In an initiative designed to bring greater understanding to the congressional budget process, Senator TOWER, on March 25, 1980, submitted to the Senate Budget Committee his detailed recommendations for increased defense spending. He called for a basic increase of $6.4 billion to protect the President's request against faulty economic assumptions such as underestimates of inflation and fuel costs. Furthermore, he insisted that an additional $2 billion be made available for military compensation, including a lifting of the military pay cap. Added to these basic adjustments, Senator TOWER presented three funding options for the next fiscal year to enhance our Armed Forces, ranging in cost from $7 billion to $23 billion, each option taking us further toward the U.S. force posture which would be necessary to support official U.S. national security strategy. Senator TOWER's ability to identify in detail the relationship between levels of defense spending and the ability of our Nation to fulfill its national defense commitments played an important role in the increased defense spending authorized by the Congress during the last year.

Having made room in the defense budget for lifting the military pay cap, it was Senator TOWER himself who introduced the amendment in the Senate Armed Services Committee which ultimately led to the 11.7 percent pay increase for military personnel.

Senator TOWER has always understood the importance to our national security of the men and women who serve in uniform. In recent years, he has sponsored legislation to correct deficiencies in the retired servicemen's family protection plan and was the author of the provision in law whereby active duty personnel who choose to retire at a date after they first become eligible will not suffer a pay cut for their patriotism.

Mr. President, I could go on at great length concerning Senator TOWER and his great contributions to the Senate, to his State of Texas, and to our country, but I know there are others who want to address this subject. It is more than just a relationship of Senator to Senator that I have always enjoyed. Senator TOWER happens to be the godfather of one of my grandchildren. I hope that that grandchild can grow up to resemble the Senator in many ways. I am not going to go into detail, because it might embarrass the Senator. I do not intend to do that. But I have enjoyed these years with him, enjoyed working with him on the Committee on Armed Services, enjoyed working under him as one of the leaders of our party here, on the floor. All I can say is that I pray for him and my country that he will have many, many more years of service to give us.

Mr. President, I ask unanimous consent that two articles appearing in recent newspapers—one is entitled "His Name is Tower and How He Does It," and the other is entitled "Prime Time for John Tower"—be printed at this point in my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

PRIME TIME FOR JOHN TOWER

(By Laurence Jolidon)

"When I was a boy, I used to sit at the foot of my grandfather for hours. He was an old unreconstructed rebel raised in Louisiana during Reconstruction. I was tremendously influenced by him."—John Tower, when asked why he was a conservative during his 1961 campaign for the U.S. Senate.

In 1925, Doucette was a thriving lumber mill town of several thousand souls, a buzzsaw in the sawdust heaven of East Texas timber country. There was a company store, a private store and a community church where mill workers of all denominations and sinners of every stripe were welcome. The preacher then was the Rev. Joe Z. Tower, a stern, earthy country person who could summon the Lord, stare down the devil and prescribe for a fever with great conviction and persuasion. He was a Methodist minister by both training and family tradition and an ex-Navy corpsman who had acquired a pharmacist's certificate after peace was declared.

Doucette is where John Goodwin Tower was all but born that year, the place he would have been born if not for the natural, maternal caution of the Rev. Tower's wife. In late September 1925, when the whole country was in a hot lather over the coming court-martial of Capt. Billy Mitchell and Mrs. Tower knew she was about to give birth, she had her husband take her into Houston so the child could be delivered at a hospital. There was no hospital in Doucette, she recalled recently, "and we weren't too sure about the mill doctor."

The Towers later moved to Houston for a brief period, but for the first dozen or so years after John was born, they lived mostly in a succession of East Texas towns—Jacksonville, Alvin, Tyler—where the Rev. Tower took his healing messages to Methodists and others.

Three years after John was born, the Towers had a baby girl, Beryl Joe. Mrs. Tower devoted all her time and energy to her husband and children. "I never did get bored at home," she says of those early years. "I always wonder about these women who write to these counselors that they don't know what they're going to do, they're so bored staying home with an 18-month-old child. I wasn't bored with John. I taught him something every day, and that made it a very interesting business."

Mrs. Tower is 82 and has been a widow since 1970. She lives in a log-cabin-style house she and her husband built as a summer home in 1934 and retired to in 1965. The Rev. Tower used the straightest cedar logs he could split and strip and his World War I veteran's bonus to build the place and, with the exception of patched roof, it has stood firm and dry since the day it was done.

The house sits on a 777-acre farm between Atlanta and Douglassville. Mrs. Tower rents a few hundred acres to cattle-owners for pasture. The rest is timber. At Christmastime every year, and some years more often, John Tower comes back to this farm to visit his mother. Usually, it is a very private, peaceful, reflective time, a chance for him to listen to the pine needles crackle underfoot and let boyhood memories of summers spent there with his family and friends, among the loblolly pines, drift back.

A few days before Christmas 1980, John Tower came back once again, but under slightly different circumstances. He was accompanied by a West German television crew that had been assigned to film a feature of the new Senate Armed Services Committee chairman. The NATO countries, it appears, have developed a keen curiosity about the newly powerful Republican senator and his geopolitical roots in East Texas.

So on a crisp winter morning, the senator, the television crew and another visitor or two arrived at the farm. While field producer Thia Rosenbaum, a tall blonde in brown leather jacket and denim jeans, marched with Tower and her three-man crew into the woods and toward one of Mrs. Tower's leased-out pastures, in hopes of finding a bovine background for some shots of the senator, Mrs. Tower talked to the other visitors about bringing up John. "We didn't try to influence him to follow his father and grandfathers into the ministry. We brought our children up to do their thing, whatever it was, as long as it was decent."

When she wasn't allowed to enroll him in first grade in the Jacksonville schools because his birthday, Sept. 29, fell after the Sept. 1 cutoff for admission, "John cried, because he wanted to go to school. I said, 'Don't worry, John, we'll have school at home.' So every morning, from 9 until 11, we had school. And when we entered him in second grade the next year, he was ahead of his classmates. Which made him a problem, because he knew what it was all about and he amused himself, and most of the students."

His mother saw that he took piano lessons, but the lure of the football was strong. Eventually, he abandoned his piano lessons to have time for football practices and became manager of the school team in Tyler. "His daddy said when he became manager—he was always small, John was—that means he's the waterboy." But there were other lessons that could be taught at home. "I've always said the mother can teach any child if she'll set in and do it," says Mrs. Tower, "but a doctor told me I was wrong, that it takes certain brain convolutions to be ready. There had to be some brilliance there in John, I think".

She "watched his voice," she remembers. "He has a splendid voice. But children have a tendency to pitch their voices wrong, you know. I watched that. I'd say, 'Here John, you don't want to talk like that, run the scale with me.' He didn't resent it. We just made a game of it. And I worked on his posture some. I don't think there's any reason to let a child get into bad habits. It's easier to teach them what we do to start with, when they're very young."

While the voice of John Tower was being trained for the lectern, the Sunday school class and the U.S. Senate chamber, while the spine of John Tower was being encouraged to remain straight as a rod, straight as a minister's finger pointed at the wrong, John Tower's mind was working on the history of Texas and the South.

"I have a picture of him in his Navy outfit and cowboy boots," says Mrs. Tower with a smile. "The cowboy boots are very evident. He was very much the Texan. And he fought the Civil War right on through World War II'" Both of John Tower's grandfathers—C. A. Tower and John W. Goodwin—were Confederate army veterans who laid down their rifles and took up the scripture, circuit riders of the old school who believed in the correctness of the Confederate cause and of Methodist doctrine.

The Rev. C. A. Tower lived in San Augustine and John spent some summers there. When he was old enough, he also worked behind the soda fountain at Rushing's Drugstore in San Augustine, an ice cream parlor owned by "Uncle Ace"—Asa Rushing. It was there in San Augustine that the Towers became acquainted with a man who in the 1970s would startle his fellow Democrats by announcing his support for Republican Tower's reelection: Ed Clark, former ambassador to Australia during the Johnson administration. But to those who knew where the roots were buried in East Texas, it made more sense than most things do these days.

When John was nine, his parents decided to build the summer place in Cass County. His father named it "The Anchorage," as befitting the haven of an old sailor, and erected a sign with that on it at the entrance.

John and his sister, cousins and friends went there to ride horses, eat watermelons and, of course, learn. "I wanted my children to grow up knowing something about the country," says Mrs. Tower. "I said my children aren't going to be city children who don't know anything about the country, because the country is basic."

As for politics, Mrs. Tower says, "We came up Democrats, of course, our part of the country. I was the first member of the family, as far as I know, to vote for a Republican. The year I was 21, my first vote was for the Republican candidate for governor. I can't remember his name, but I had been reading what he said he thought ought to be done and I liked what he said."

The Rev. C. A. Tower, who his grandson would later describe as "an unreconstructed rebel from Louisiana," supplemented his meager church income by learning the surveying trade and hiring out to settle boundary disputes. But the never-settled issues of southern obedience and obedience to the scriptures were his strongest passions. When the Rev. C. A. Tower died in San Augustine in 1941, John Tower's other grandfather, the Rev. John Goodwin, wrote a memorial published in that year's Methodist conference annual that began:

"Brother Tower was a great preacher. It has been said that he could take a text and entering at once into the heart of it, preach a logical, scriptural and interesting sermon without unnecessary preliminaries, digressions or conclusions that were not well within the text, as few of his contemporaries could."

If a future U.S. senator ever needed a grandfather to take after, John Tower, it would seem, had one for all time.

"John, the mighty mite of BHS, wishes to take up international law, and his hobby is Texas history. He is also fond of baseball and blondes. After he finishes high school, John (you'd never know he was a preacher's son) will carry himself and his antics to SMU."—from the senior yearbook, class of 1942, Beaumont High School.

Dr. B. L. "Buddy" Payne is a podiatrist in Austin. He was graduated from Beaumont High School in 1942 and his annual for that year bears this penned inscription from a classmate: "Although you are often unwise, you are a swell guy. I wish you luck in your love affairs, pal." The note is signed "Tower."

Dr. Pat Blair is a professor in the school of business administration at the University of Texas at Austin. David Switzer is a Methodist clergyman who teaches at the Perkins School of Theology at Southern Methodist University. Tower, Payne, Blair and Switzer have been friends "from the seventh grade on," when they lived within a few blocks of each other in a south-central Beaumont neighborhood that included the First Methodist Church and parsonage.

"We were a very close-knit bunch," says Blair, and have stayed in touch over the years, during the war and afterward, through letters and periodic get-togethers.

"If you check into it," says Payne, "you'll find many of us are still in contact. It was a very unique high school class, the class of '42."

One of Payne's most vivid memories of the class of '42 and the small circle of friends that included Tower was the afternoon when he and John ("We had a nickname for him but I don't want to tell you") got into a "real heated argument and he challenged me to a fight." Asked what the argument was over, Payne says drolly, "probably a girl. What else? Actually, there wasn't much fight to it."

Switzer had saved enough money one summer to buy a Model A, two-door sedan, and every day the group of boys and a "couple of girls" from the same neighborhood around Park Street and Railroad Avenue would ride back and forth to school in Switzer's snazzy car. The car, Payne recalls, was named "Spitfire," because it was always doing just that.

The argument between Payne and Tower "got pretty loud and boisterous in the back seat," says Payne, "so David stopped the car and we got out and got after it. John took a

couple of swings, but I kept backing up and before long, David jumped on top of John and broke it up." The next day, the car pool was back in action as though nothing had happened.

"Everybody liked John," says Payne, "but you know being a minister's son had its handicaps, especially back in those days. He had two handicaps, really. His size, naturally, and being a minister's son. But I think he carried the burden very well."

Blair, who last saw Tower two years ago, right after his most recent re-election victory when he stopped in Austin and called a few old friends to get together for a chat, says Tower was "one of those guys who was a very good student in what he liked, and a very poor student in what he didn't. In things like math and Latin, he really did rather poorly. And chemistry. I know because among other things I tutored him in math one summer up on his family's farm.

"But in political science and history and English, he did very well. And he had another side, too. He was kind of the Mark Twain version of the preacher's son."

Tower's sister, who lives in Houston, says it was kind of tough following John at Beaumont High because "he was always well-known . . . a bit of a clown in high school."

"John had some of the rebel in him," says Switzer, "and like a lot of us, if everybody knew everything we did, we wouldn't come off looking so good." But the Methodist parsonage was not as calm and quiet as the public library, thanks to John Tower. "There was a lot of life in that household," says Switzer.

Tower took roles in school plays, an activity that would keep him interested through college and even later. But his main interest, his family and close friends all agree, was history and the Civil War. "A lot of our going to and from school in my car," says Switzer, "was a reciting of battles of the Civil War, with John's taking the South's position."

Says Blair, "John was always fighting the Civil War over and over again. He was one of those guys who sort of romantically felt that the wrong side had won the war."

While Tower was preoccupied with history and the shortchanging of the South, the call of the ministry was tugging—not at him, but at his friend Switzer. But it was all due to the minister at the Methodist church.

"I had gone through seven grades of school and had always gone to Sunday school and church," says Switzer, "and Joe Z. Tower was the first human being I ever saw in the pulpit of our church. He was so courageous and so earthy-talking, even to the point of offense to some people. He knew what life was all about, he really tied into things, and spoke in a very clear, understandable way about things that were important. In some ways, I found John the same way. Frankly, John and I do not agree on the majority of our positions. On the other hand, I've heard him speak in public and field questions, and there's never—or seldom—any doubt as to where he stands."

There wasn't much doubt about what the near future held for the able-bodied young scholars and practical jokers of the class of '42, either, thanks to Pearl Harbor. Pat Blair went directly from commencement to the Seabees. Tower enlisted in the Navy and Switzer in the Marines, but they were too young to qualify for active duty immediately.

So they both entered Southwestern University in Georgetown and became roommates for a year. "As far as I know," says Switzer, Tower is "the only college freshman who read Marx's Das Kapital just because he wanted to, while the rest of us were doing our algebra and stuff like that because it was assigned. John did well in what he was interested in and didn't fool around too much with what he wasn't interested in. Therefore, he would make some very good grades and some very poor grades."

In a few short months, though, grades were of no importance whatsoever. There was a war to fight.

"I saw those creeps moralizing on how they would consider nothing less than unconditional amnesty . . . they can go to hell."—Sen. John Tower, responding to the appearance on television of U.S. military deserters, 1974.

The German television crew returns to the cabin on the hill with their camera, the senator, and looks of disappointment. The cows in the pasture refused to cooperate, and wouldn't stay within camera range.

But producer Rosenbaum, with Teutonic determination, has devised another shot. To catch the informal nature of the senator's visit, he is to back his car down the hill, away from the house, and then drive back and run up to his mother as though he had just arrived. Tower goes into the cabin to get his mother.

"You're about to become a German television star," he tells her. "After they see you, they'll throw rocks at Marlene Dietrich." Mrs. Tower laughs. The senator explains the skit. "They want you to come out; I'm going to drive up and spring from the car. You're going to welcome the prodigal son home."

Mrs. Tower laughs again. "Don't run into any of my trees."

While the television crew is setting up, Tower takes a photograph from the cedar mantel and shows it to his visitors. The photo is of a woman in a high-necked, lace-collar dress, with grayish hair and a stern gaze. "This is Charlie," he says. "My grandmother Goodwin. Mean as hell. Had the mentality of a drill sergeant."

Charlie, the visitor observes, is an odd name for a woman. "The name Charlie?" says Mrs. Tower. "Yes, she hated it. Of course, most women would have changed it. She kept it and hated it."

The German television crew announces it is ready to shoot. Tower climbs into his rental car, backs down the hill and drives slowly back to the house as his mother opens the front door of the cabin and walks outside. Tower stops the car, jumps out and trots briskly around it and embraces her. The Towers turn expectantly toward the producer, but she is still wearing a look of disappointment.

Pointing to a crewman hidden behind a nearby tree with a microphone, she says, "Have to do it over. You forgot to turn off the motor in the car and we cannot hear your mother."

Tower is a study in patience as he gets back in the car and re-enacts the scene. The German television crew signals a successful shot and begins to pack up its equipment.

Since only the producer speaks English, the German crew may not have appreciated that they were dealing with an unpaid actor, but not an inexperienced one.

Of all the roles he played in school and afterward, when he helped organize the community theater in Wichita Falls, Tower says his favorite was the prosecutor in the Caine Mutiny court-martial. Theirs was the first amateur production permitted in the U.S., he says.

As for his own record in the Navy, Tower says, he never had to sample military discipline, "not even a captain's mast." He served for three years aboard a landing craft support ship in the Western Pacific, where some days the kamikaze planes seemed as thick as bees in the summer.

Then it was home, and a discharge.

"John caught hell" during the war, says Payne. "He was on one of those picket boats out there and they were shooting down kamikazes. He had a belly full of that. We all were 22, 23 years old, with no background except how to fight. You get out of an experience like that you're expected to pick up your life and put it back together. It was confusing."

"We have no militaristic tradition, although we have a tradition of military capability. I think you have to distinguish between the two. The reason that we have deteriorated in terms of military capability vis a vis that of the Soviet Union has been the result of political decisions. It's not the military's fault."—Sen. Tower, in an interview at his mother's farm, December 1980.

When her son came back from the war, Mrs. Tower recalls, he "had gotten so quiet it worried us," but he went back to Southwestern and finished up his bachelor's degree, graduating in 1948. He worked as a radio announcer in Beaumont and Taylor, then spent a year as an insurance agent in Dallas before entering a graduate program in political science at SMU.

There was a turmoil, the "period of adjustment" most veterans experienced in some form or other, and it gnawed at John Tower as it did the rest. While he was doing graduate work, he even gave serious consideration to the ministry, a field he had shunned in the past. But it would have been a different ministry from his father's and grandfather's had he chosen it. He had become intellectually drawn to a faculty member who was an Episcopalian, and Tower says he thought for a time he should study to enter the Episcopalian priesthood.

But the urge passed, and with his master's degree in political science, he gained a job on the faculty at a small college in Wichita Falls, where his family had moved while he was away in the service. It was there he married into a family active in Republican politics and, after nine years of teaching at Midwestern University, he gained enough of a political foothold to work his way into the race to fill Lyndon Johnson's vacated seat in the Senate.

But all that time, and since then to this day, his fortunes have remained of interest to the class of '42, Beaumont High, particularly the "close-knit bunch" that traveled back and forth to school in Dave Switzer's Model A.

"Being the first Republican senator from Texas since Reconstruction," says Pat Blair, "he got a lot of national attention. That sort of flashed and then disappeared. Then everybody began to write him off, saying he'll lose the election the second term."

And not all of his detractors have been Democrats, by any means. Periodic revolts flare among Texas Republicans, some of whom thought Tower took his high position too lightly and failed to build a stronger party organization soon enough. Then there was what his friends call "a serious bout with drinking," that he has won, he assures acquaintances, but that gave his early supporters second thoughts about whether he was the right person to lead the way for an obviously weak GOP organization.

But it has been 20 years since John Tower first surprised his friends and startled the experts by grabbing the Senate coonskin that LBJ had left hanging on the bunkhouse wall when he moved over to the White House.

Asked if he ever came close to conceding in that race, when late in the count he was running considerably behind, he answered: "I took my advice on that from H. J. Porter, the father of the modern Republican Party in Texas. He said, 'Never concede. That's when they start stealing from you.' "

As the first Republican senator from Texas since Reconstruction, Tower received a lot of attention at a young age. He was 35 when first elected, making him the youngest member of the 87th Congress. The liberal element then thriving in Texas gave the upstart college professor their votes in 1961, thinking

they could easily knock him off later. His first few years were a continuous battle to convince the folks back home they hadn't sent a political accident to Washington.

"The biggest thing he wanted to get over to people then," says a former aide, "was that he wasn't a fluke in that first election." As the flash of national attention faded, the corridor talk of "playboy senator" and "hard drinker" began to follow him. As a debator, however, he never lost his hard edge, and when he had not lubricated his vocal cords in advance, a former staff aide recalls the saying in Washington then was that Tower was "a fearsome debater when he wants to be."

He became a favorite of the Taiwan lobby, personified by the tigerish Anna Chenault. Their friendship led him into a circle that came to include a young student at Georgetown University from South Korea named Tongsun Park. Their friendship brought Tower's only close scrape with scandal when Park later bragged that Tower was among the members of Congress he had cultivated with gifts in return for influence. But Tower proved to an investigating committee's satisfaction that Park had greatly exaggerated their relationship.

His image took on another aspect in the mid-'70s when he divorced Lou Bullington, the mother of his three daughters (they met when she was an organist at the First Methodist Church in Wichita Falls, where Tower's father had taken the pulpit during World War II) and married Lilla Burt Cummings, a Washington lawyer from Philadelphia.

There followed a rapid turnover in Tower's staff, plus a switch in his political ad consultant, moves that those in a position to know said were directly influenced by the new Mrs. Tower, a woman of independent means and direct manner. Friends and associates also noticed a marked change in the Senator's drinking habits; an absence of excess. Tower himself says that he has avoided "spirits" for the past four years, while still enjoying a glass of wine with dinner or for relaxation.

"I felt more involved in the Vietnam War than the one I fought in."—Sen. John Tower, talking with reporters in a waiting lounge at DFW airport, December 1980.

During the war in Vietnam, Tower made nine trips to that country to visit with the troops and to be briefed by the officers. A boatswain's mate during World War II, Tower has remained a member of the Naval Reserve since then and throughout his Senate career has continually stressed the importance of meeting the needs and maintaining the morale of the rank-and-file military personnel, in the field and at the battle stations.

Analyzing the country's current defense priorities, Tower says the problems America now confronts "cover virtually every aspect of military capability, strategic, conventional, nuclear, maritime. We need to move on a broad front."

And while some of the deficiencies, he believes, will require up to 10 years to correct, the principal problem "in the near term . . . is the retention of our experienced non-commissioned officers. If we went to the draft tomorrow, it wouldn't solve this problem. Without trained cadre, you can't function. You can't send a rifle platoon out into action without a sergeant."

For this preoccupation with military matters, Tower has earned the gratitude of defense-related interests and tongue-lashings from those who see America's tax money going for guns when it should be buying butter.

"He is a hostage of the Pentagon," says one Texas Democrat who used to labor on Capitol Hill. The charge is made anonymously, a subtle but telling recognition of the power inherent in the office of U.S. senator, even if the holder is in the opposite party.

Tower, he adds, "wants all the wars the Pentagon wants. He is a powerful ally of the Defense Department and the contractors who do business there. That's why he's so powerful in Texas." (The most recent figures show Texas companies pulling down slightly more than 8 percent of the defense procurement dollars spent by the Pentagon: during the fiscal year ending last September, $5.3 billion came to Texas, third after California's $13.8 billion and New York's $5.6 billion.)

Tower's reply to such criticism: "The United States can afford both guns and butter."

While most of the 8–9 percent increase he is urging in the defense budget left by Jimmy Carter would go mostly for non-hardware items such as increased military pay, Tower also wants to beef up the hardware in the U.S. arsenal. He has stepped up his lobbying for a new bomber for the Air Force, to make up for the B–1 that was scrapped by the Carter administration, and also wants the Pentagon to move with determination toward a neutron bomb and the deployment of the controversial MX missile system.

America must move quickly to make up for lost time and capability, he believes. By Tower's figures, the Soviets have out-spent the U.S. by about $240 billion over the past 15 years. Defense spending critics, of course, argue that if the Russians want to spend themselves into a well-armed but ill-housed and ill-fed nation, let them.

The first major hearings Tower has scheduled for the Armed Services Committee will focus on the new Rapid Deployment Force, an innovative, multi-service squad whose mission is to respond quickly and with stunning firepower to a breakout of hostilities (a "dust-up," in Tower's lingo) anywhere in the world. Most military planners see the Mideast as the force's most likely inauguration site.

But Tower's two decades in the Senate haven't been taken up entirely by concern for the military. When he first went to Washington, he informally declared that his main task would be to sabotage anything that came out of the office of super-liberal Ralph Yarborough, whose Senate term overlapped his. As a conservative Republican representing a state with a conservative Democratic majority, Tower has made a lot of friends among voters simply by working to sidetrack new programs devised by a Democratic-controlled Congress.

And there was that acting kernel that Tower bit in high school and college days and that kept him behind the amateur footlights into his college teaching days, which burst like popcorn seeds in a hot pan. For three years running, he starred in an annual media skit in Dallas where the lines were like nothing ever heard in the Senate chambers.

His most recent role, in 1979, was as Superman, for which he adopted a cape, leotard, slippers and a stiff-legged leaping style that catapulted him onto the photo pages of newspapers throughout the U.S. and Europe.

His duties during 1980 as the chairman of the Republican Platform Committee, which took him to hearings in several cities for primary-season shaping of the GOP planks, and as a member of the Reagan-Bush "truth squad" that dogged Carter's heels on the campaign trail, kept him from an appearance last year.

Having played Superman, however, most such roles would surely appear to be a dramatic comedown from a career high. What role now for John Tower? With Congress back in session, the hostages home and a patriotic tide running high along the nation's emotional banks, Tower can count on hearing many of his views echoed as never before.

Dave Switzer, the old Beaumont High buddy, thinks his long-time friend is "probably in for a time of reaping some of the fruit of his long labor" now that the conservatives have captured the Senate. Political fortunes turning as quickly as they do, what exactly lies ahead in terms of a lasting reputation is difficult to determine. At 55, with 20 years of senatorial miles on his feet, he is second in seniority in the house he joined as a Goldwater prospector on the New Frontier. It is too soon for him to want to declare his intentions in 1984. Asked how long he expects to serve in the Senate, he adopts a mischievous preacher's-son grin and replies, "at least four more years." Whatever reputation he achieves, for the next several years he will be forging it with the help of a broader forum—a taller soapbox, one might say.

Pat Blair, another member of the old Model A gang from the class of '42, says it this way: "The real test will come now that John has a chance to be a really influential senator. That's a different role. When you're not a major character, you can kind of stay in the background. It's going to test his mettle, no doubt about that."

HIS NAME IS TOWER, AND HOW HE DOES IT

(By Jack M. Kneece)

WASHINGTON.—It was 20 years ago when John Goodwin Tower, a political science professor with a paper-thin support base, was elected to the U.S. Senate in a special election to become the first Texas Republican in the Senate since 1877.

Chagrined Democrats pronounced him a fluke, a GOP one-termer who could never survive a general election. They talked of the next general election with the same glee cannibals might have used in anticipating the arrival of a plump missionary.

That was back when Democrats joked that most of the Republicans in Texas could caucus in a telephone booth. And not many Republicans would have challenged that joke in 1961.

Now that obscure academic from Midwestern University in Wichita Falls is the second most senior Republican in the Senate (Sen. Strom Thurmond is first) and chairman of its Armed Services Committee. And after two decades, Democrats are no longer joking.

Tower first vaulted into national prominence when he volunteered for the suicide mission of running against Sen. Lyndon Baines Johnson, achieving vital name recognition by his own account, as "the little guy" who took on LBJ.

"My name is Tower, but you can see I don't," was the Henny Youngman type one-liner that Tower used to win over audiences as he often, at 5-feet-6, stood atop soft drink crates behind podiums from El Paso to Longview.

There was some disgruntlement because LBJ was running for vice president and the Senate at the same time, having suggested the rearrangement of Texas law to allow this with a little help from friends in Austin.

Tower lost, but when a special election was required later to fill the vacancy left by LBJ, who was elected vice president, he ran again and won. By then, people knew the feisty little politician, and he said this helped him defeat Braniff executive Bill Blakely.

Texas Gov. Bill Clements, noting the anniversary, described Tower Tuesday as a fine, high-quality conservative senator . . . who has demonstrated his good judgment in his service to this state as well as to the country."

But not everyone obviously, is a Tower admirer.

"He is obviously a very good politician. Nobody with a record as bad as his could have survived otherwise," said Ron Dugger, editor of the Texas Observer, a longtime foe of political conservatives.

Dugger said Tower has survived because

the Democrats have never really fielded a good candidate, often putting up men almost as conservative as Tower.

"When it's a case of eeny, meeny, miney moe, people don't give a darn who wins," said Dugger. "If the Democrats ever nominate a real Democrat, he will be in for the fight of his life."

"He is a very good rhetorician who has been snickering at the people. He is against the people and for big industry,' said Dugger.

But Tower did not become the footnote to history Democrats thought he would.

Now, at the age of 55, he heads not only the powerful Senate Armed Services Committee, but the Senate Republican Policy Committee as well.

Although columnist David Broder once described him as "a tiny dandy who dangles his toes from his swivel chair and favors English cigarettes," Tower must—as the saying goes—be doing something right.

Usually immaculately turned out in Saville Row three-piece suits, Tower said he thought his most influential work in the Senate involved his efforts in 1969 in behalf of the U.S. anti-ballistic missile system, for which he was praised by President Nixon after it won by a single vote.

Tower, who consistently is rated high by the Americans for Conservative Action (and low by the liberal Americans for Democratic Action), also has worked in behalf of most new bombers and armament, including the B-1 bomber and A-7 fighter. He is viewed as a team player by the Republicans, even to subordinating his own leanings.

He stayed with Nixon, for example, until after the smoking gun tape, and remained loyal to Gerald Ford despite a groundswell in Texas for Reagan when Ford sought the presidency.

The son of a Methodist minister, Tower joined the Navy as an enlisted man at the age of 17. After the war, he graduated from Southwestern University and got a masters in political science from Southern Methodist University. He also did graduate work at the London School of Economics.

Some say it may have been in London that he began to like the three-piece, Churchillian style suit that is one of his trademarks. He said that Churchill is his choice for greatest man of this century.

Regardless of how one views Tower and his two decades on Capitol Hill, future Texas historians may very well date the emergence of a viable two-party system in the state to Tower's 1961 election or, most certainly, his reelection in 1966.

In 1961, for example, aside from Tower, Republicans did not hold a single statewide office. Now the House and Senate delegation in Washington includes five out of 19 on the House side and Tower in the Senate.

In many ways, Tower has changed over the years—in lifestyle when he divorced his first wife of many years and married an attractive Washington attorney, 52-year-old Lilla Burt Cummings, and politically as he edged away from the hard right.

He acknowledges that the Goldwater debacle of 1964 left him more depressed than he had ever been. And he now at least talks of disarmament as if it were one alternative, having shed just a bit of his hawkishness.

Tower seemed to function best as a member of the loyal opposition when Democrats were in power. No doubt he picked up some ideas when he did a long paper as a student in London on the conservative party.

He was noted for rapier-like criticism of Democratic policies and used to enjoy picking holes in the Carter budget and calling it a ruse designed to fool the people without substantive cuts.

A shy man who has emphasized constituent service, Tower is on demand around the nation on the lecture circuit, primarily in the pre-Reagan era because of his role as part of the loyal opposition.

In an interview, there is still very much that is professorial about his style as he interrupts himself to take a telescoping pointer and demonstrate a global grasp of geopolitics. And though he seems to be vaguely ill-at-ease, he displays a hearty sense of humor. He laughed uproariously when recalling how he dressed up in a Superman costume at a Dallas gridiron dinner.

SOVIET GLOBAL OBJECTIVES WILL NOT GO UNCHALLENGED

(By Jack M. Kneece)

WASHINGTON—Following are excerpts from an interview with Sen. John Tower on the occasion of the 20th anniversary of his election.

Q. What are some of the accomplishments that you are most proud of over the last two decades?

A. It's awful difficult to view these things in retrospect. I think, looking back, it was the work I did on the authorization of the antiballistic missile system back in '69. We won that issue by one vote in the Senate. Richard Nixon once told me that was a critical vote and without it we could not have proceeded to the ABM Treaty and SALT I. In retrospect you might not think much of ABM or SALT I, but in fact our defenses vis a vis the Soviet Union had deteriorated to the point where the President thought he better get some limitation to permit us to play catch-up. That's because of the enormous momentum the Soviets were building, and that momentum has continued. Soviet (defense) spending has increased in real terms by double-digit percentages. It is said that they have outspent us by more than $300 billion in the last decade.

Q. Can we achieve parity in nuclear defense capability?

A. Parity is a difficult thing to accomplish because you accept certain differences in doctrine, differences in resources that dictate certain symmetries. What we have striven to do is maintain a technological edge over the Soviet Union and accept superiority of numbers. Now we don't feel we need, for example, the large land army that the Soviet Union has. They have four million men under arms. That's dictated by different geographical considerations, China and Europe and the fact that they are a great land mass with inland lines of communication. Therefore we have to maintain a degree of naval superiority because our lines of communication are stretched all over the world. Our source of energy and raw materials are deployed everywhere. One thing that gives me cause for concern is that the Soviets have built up a bluewater navy with a global capability that gives them a force projection power that they don't really need just for the defense of their country. The question is, if they don't need it for the defense of their own country, what are they doing with it? Well, the answer is unpleasant to contemplate.

Q. It's been said that there are no disincentives on either side for the great powers to disarm. We have the military-industrial complex and the Russians have a system of perks for their top military people.

A. What we have to do is convince the Soviet Union that they can't beat us in an arms race, and that the pursuit of their global objectives will not go on unchallenged. Then maybe they will be prepared to sit down and consider arms reduction and an end to the arms race and a rededication of their resources away from the military toward economic pursuits. If we got into an all-out arms race with the Soviets, economically we could have it much better than they could. We've got a bigger industrial base, a bigger technological base, and we have more efficient farmers than they have. So what occurs to me is that the Soviets would be much better off if they turned their attention to competing in the world economy. They're seeking economic domination of the world through military power.

Q. There are those who say their nuclear power is a diversion so that they can achieve their objectives by other means.

A. Well, you know, the possession of it can allow you to accomplish your political objectives without ever firing a shot. It's just the idea that if I hold a .45 on you and say that I want your wallet and your watch, the prospect is that you will give it to me without my having to blow your brains out.

Q. Your dad was a minister, I understand. What were you like as a boy? What were your goals?

A. I was interested in politics.

Q. You didn't have much of a power base when you first ran for the Senate did you?

A. Ha, that's an understatement. I didn't have any, except for a very dedicated group of Republicans down at the grassroots level who wanted to establish a two-party system in the state and they worked hard at it. Of course in a special election they were able to compensate by superior enthusiasm and hard work. I had run against Lyndon in 1960 and subsequently that summer he was nominated for vice president. So, because he was running for both offices, I attracted some attention: there's a little guy down in Texas running against Lyndon for the Senate. I did attract quite a bit of media attention and built up name identity. As a result of that, I had superior name identity, actually, to the incumbent Democrat I ran against in the special election in 1961. And I would say better organization and grassroots workers who turned out the vote.

Q. At that time did you think of yourself as a one-term senator?

A. I knew that it would be very difficult to win reelection because I felt the Democrats would gang up on me in 1966. And, too, it would be a general election situation instead of a special election, with everybody coming out to vote on everything else, constitutional amendments and what have you. But in fact I ran against an attorney general who was a well known figure in the state and a good vote getter and I beat him substantially.

Q. Who do you think was the greatest man of this century—or say since 1900?

A. I would say Winston Churchill . . . I certainly think he was the most heroic figure of the century.

Q. Were you seriously considering the job of secretary of defense?

A. Yes, I was interested. That's not to say that I would have willingly or quickly left my Senate seat. I still can influence defense policy here in the Senate. And, too, I have the privilege of continuing to represent the greatest state in the union.

Q. I think even people who voted for Carter have come to see Reagan in a different light. Some of it has been because of the courageous way he came through the assassination attempt. Do you think he will shape up as one of the great presidents we have had?

A. I think it's too early to say. Certainly, up until this point he has been an enormously effective president. When you consider the first four months of his presidency he has gotten along very well.

Q. Do you have a fairly close relationship with the president? Do you talk to him fairly often?

A. Yeah. I attend leadership meetings regularly. And I have talked to him on the phone a few times, not a lot of times, but on matters that were current that I was involved in. And I debriefed him when I came back from a trip in February from Europe,

North Africa and the Mideast. I spent about 35 or 40 minutes debriefing on that.

Q. Where do you see the Republican party headed?

Q. Looking at our prospects next year, still the arithmetic favors us. What is it, 20 to 13. Last time it was 24–10. You had 10 Republican seats up and 24 Democrats. Next time I think it's 20 Democrats and 13 Republicans incumbents. So the arithmetic still favors us.

Q. How about in the House? Could Democrats lose control of the House?

A. I think we can take control of the House next year. Reallocation of seats and redistricting will have a big impact on that.

Q. During the campaign, Reagan said there was enough energy in this country to supply our needs. Was he correct?

A. Most of the people who are heavily into the energy field say we have a lot of untapped resources we haven't identified yet.

Q. Do you think mankind could survive a global nuclear war?

A. I'm not even going to speculate on that. Obviously, we don't want a nuclear holocaust. And the idea is to never let the Soviets become convinced that a nuclear war against the West is an acceptable risk to them. Or that their gains would outweigh their losses. We want them to continue to think that nuclear war is unthinkable.

Q. How has our relationship with mainland China affected the international balance of power?

A. The normalization of relations with China was necessary from a geopolitical standpoint.

Q. Do you think this will be considered Nixon's major accomplishment?

A. That probably will be.

Q. Can there evolve another LBJ, powerful and bigger than life, in the Senate?

A. I don't think that's likely because of changes in rules and the fact that there is more dissemination of power among senators. It is more difficult now for one senator to assume a position of almost preeminent influence in the Senate.

Mr. STEVENS. Mr. President, I am pleased to join my colleagues in celebrating the 20th anniversary of service in the Senate by Senator JOHN TOWER of Texas. It is a special day for all who have served with him in the Senate. Few men in the history of the United States have had the privilege of serving our country in the Senate for over 20 years. Today, our friend and distinguished colleague joins that honored fraternity.

I first met JOHN TOWER, I believe, at President Eisenhower's farm in the 1950's. As a matter of fact, I still have a photograph on the wall today in remembrance of that experience. The photograph contains an image of a new Republican Senator from Texas, a Republican Governor from Oregon, now Senator HATFIELD, and me. We were together at one of the gatherings that President Eisenhower had for young Republicans throughout the country.

Since the time that Senator TOWER has been in the Senate, he has contributed very significantly to the development of our party. Not only as a Senator, but, as a leader of the party, he attended every Republican National Convention since 1952, with the exception of the 1976 convention.

As has been said here often already, he holds the seat first held by Sam Houston and later by Lyndon Johnson. He is the only Republican Senator from Texas since 1870.

Others have gone into his accomplishments here in the Senate. We know them well. He has not only contributed significantly to the State of Texas but, as a Senator from Texas, he is recognized as a strong leader in the Senate.

As a public servant, JOHN TOWER, we feel, has placed his country first and above all. He has worked to preserve the freedom and integrity upon which this Nation has been founded. The principles to which he has dedicated his life and public service have been strengthened by the contribution he has made to the development of our Republic.

Mr. President, one of the beauties of this Nation is the freedom of debate. Throughout the years I have been in the Senate, I have debated on numerous occasions with my good friend from Texas and I must say it is much more pleasant to be on the same side with him than it is against him, because those are hard lessons to learn, to oppose the Senator from Texas.

The Republican Party, the State of Texas, the U.S. Senate, and our country as a whole have benefited from his 20 years of service, a service that we all hope Senator JOHN TOWER will continue.

I take pride in having had the opportunity to join him here in the Senate and look forward to many more years with my good friend, the senior Senator from Texas.

Mr. JACKSON. Mr. President, I am honored to join with my colleagues in this celebration. It has been my good fortune to be closely and continuously associated with JOHN in the handling of national security issues since he came to the Senate 20 years ago today, in 1961.

During these dangerous and turbulent 20 years, JOHN TOWER has been stalwart in standing up for the safety of the Nation and the future of individual liberty. He understands the relation between a strong national defense and the conduct of a steady, responsible foreign policy. He is nonpartisan in national security affairs and a marvelously reliable partner in bipartisan struggles. And, as all of us in the Senate know, he has a terrific sense of humor and is a constant delight to work with.

I know from long personal experience JOHN's remarkable value as an ally in committee deliberations and on the Senate floor, when votes are close and feeling runs high. He is eager for the fray, cool as a cucumber, resourceful in tactics, decimating in argument—all the time, with that disarming twinkle in his eye.

Now JOHN is showing his special mettle as chairman of the Senate Armed Services Committee, serving in the great tradition of three Senators who held that post since I came to the Senate in 1953—Leverett Saltonstall, Richard B. Russell, and JOHN C. STENNIS.

As our new chairman, JOHN is giving superb leadership, digging into the tough defense issues and probing alternatives with the best available advice; making the hard choices, and going to bat for them; moving business along at a faster-than-usual clip; looking for ways to save money and reduce waste in a growing defense budget; and providing an experienced committee staff under the skilled tutelage of Rhett Dawson.

Mr. President, I am proud to serve with JOHN TOWER on the Armed Services Committee. I relish his friendship. And I look forward to being at his side in the fateful battles to safeguard our national security in the years ahead.

Mr. STEVENS. Mr. President, I shall control my time and the remainder of the leadership time and the special orders. I yield such time as the Senator from Utah seeks in connection with Senator TOWER and then to my good friend from Virginia (Mr. HARRY F. BYRD, JR.).

The PRESIDING OFFICER (Mr. SPECTER). The Senator from Utah is recognized.

Mr. GARN. Mr. President, 20 years ago today, history was made when JOHN TOWER was sworn in as the first, in fact, the only, Republican Senator from the State of Texas since 1870. He was elected to fill the seat vacated by Lyndon Johnson who, of course, had just been elected Vice President of the United States. The seat had first been held by Sam Houston. By any measure, the seat has a heritage established by some of the giants of our Nation's history. JOHN TOWER's service perpetuates that heritage.

Senator TOWER was one of the first men I looked to for leadership when I came to the Senate a little over 6 years ago. He was the ranking minority member of the Banking, Housing, and Urban Affairs Committee, to which I was appointed in 1975.

Most of my colleagues have been referring to his service in armed services and defense, but I felt it was noteworthy to talk very briefly about his service on the Banking Committee and his expertise in the financial affairs of this country as well.

I learned much from him of the committee process, which has served me well in the years since.

In 1977, I was fortunate enough to join JOHN TOWER on yet another committee, the Armed Services Committee, which he, of course now chairs with such distinction. Senator TOWER and I share a common commitment to the improvement of the defense capabilities of our Nation. His tremendous abilities and leadership in that area, and now his important major role in guiding our Nation's defense policies in the Senate, give us all cause for reassurance that we will be able to meet the security challenges of the coming decades.

Mr. President, I shall not repeat what others have said about the personal history of this great son of Texas, who represents the fire and spirit of his fellow Texans so well. Let me simply say that JOHN TOWER is a man whose strength, intellect, and leadership I respect, and whose friendship I value highly. He is a pillar of resolve in this body. In thinking of the words to sum up the character of this man, I am reminded of his own words, which I once heard him use to describe another of our colleagues, Senator

TED STEVENS of Alaska, our distinguished majority whip. I believe the phrase applies equally to JOHN TOWER: "He could fight a buzz saw at parade rest."

My congratulations to my friend and colleague, Senator JOHN TOWER.

Mr. STEVENS. Mr. President, I yield to the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.).

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. Mr. President, it is a privilege to join my colleagues today in tribute to the senior Senator from Texas, JOHN TOWER.

On this 20th anniversary of Senator TOWER's swearing-in as a U.S. Senator, it is fitting that we who have worked with him over the years recognize his great accomplishments and contributions.

It has been my pleasure to serve with Senator TOWER on the Armed Services Committee since I first came to the Senate nearly 16 years ago.

I can say from firsthand experience that no man in this body is more unswervingly dedicated to the national security of the United States than is JOHN TOWER.

He is fond of pointing out that he is the only active enlisted reservist in the Congress. He enlisted in the Navy at age 17, in 1942, and served through World War II, including combat on a gunboat in the Western Pacific. He is a Reserve chief petty officer.

His unique perspective makes JOHN TOWER a consistent champion of the reserves and of the rank-and-file men and women who make up the backbone of our armed services.

He is also a close student of national defense and the related issues in the field of foreign affairs. And he brings to his study of those critical problems not only years of experience in the Senate but also the background of a history professor. This enables Senator TOWER to look at the issues of the day in the perspective of the long-term trends of history, and he does just that.

Today, of course, he is the chairman of the Armed Services Committee. He has served in that capacity only a few months, but already he has demonstrated keen judgment and even-handed fairness to his colleagues. He is discharging a very difficult and demanding duty with rare distinction.

Through the years, Senator TOWER also has made great contributions in his service on the Committee on Banking, Housing, and Urban Affairs, and more recently on the Committee on the Budget. Wherever he has served, he has made a contribution.

I take pleasure in paying tribute today to JOHN TOWER, a Senator in whom both the people of Texas and the Senate itself can justifiably take pride.

I salute him as an outstanding Senator.

The ACTING PRESIDENT pro tempore. The Senator from Alaska.

Mr. STEVENS. Mr. President, I yield to the Senator from Iowa (Mr. GRASSLEY) such time as he needs, and following that, I yield to the Senator from Pennsylvania (Mr. SPECTER).

Mr. GRASSLEY. I thank the Senator from Alaska for yielding.

Mr. President, as a new Member of the U.S. Senate, it is a special privilege for me to join in this tribute to the senior Senator from Texas, JOHN TOWER.

I compliment the Senator from Texas for his outstanding service to the people of his State and our Nation.

His election in 1961 received my attention—and I wish to emphasize that it did receive my attention—as a young member of the Iowa Legislature. It received my attention for two reasons:

First, as a Republican and as a conservative, I read it as a hopeful sign that, perhaps, the people of our country were turning more conservative and that, in fact, it would lead to the election of a conservative President in 1964. I was obviously wrong in that interpretation, for it was not until 20 years later—now—that persons with a conservative political philosophy have prevailed in a national election.

Second, it received my attention because he, as I, has a background as a political scientist. That was my discipline. I felt a kinship for any political theorist who was desirous of putting his beliefs into practice, and that is what JOHN TOWER has done in the last 20 years as a U.S. Senator.

Now, 20 years later, the Senator from Texas is still here, with the experience and expertise to help lead America in reestablishing its military strength, which reestablishment is a necessary prerequisite to America once again being the leader of the free world.

President Reagan's administration will accomplish its goals of economic recovery and a strong military. It will be much easier because of Senator TOWER's tremendous background of service in the U.S. Senate, as that background is put to use to accomplish these goals.

My congratulations to Senator TOWER.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania is recognized.

Mr. STEVENS. Mr. President, I will be happy to yield to the Senator from Mississippi following the statement by Senator SPECTER.

Mr. SPECTER. Mr. President, I am happy to yield to the Senator from Mississippi.

Mr. STENNIS. I thank the Senator from Pennsylvania, and I thank the Senator from Alaska. Let me make clear that I do not like to intrude on anyone, but I do wish to say something about the Senator from Texas.

He and I have been here, shoulder to shoulder, for these 20 years that have been referred to, and that includes some pretty rocky times. During that time, we have never had anything even bordering on personal ill-feeling, and our relationship has been one of friendliness and cooperation.

I certainly admire Senator TOWER's energy. Being a Senator is not an easy job. It is difficult on a person in many ways including physical energy as well as mental energy, and the job is never done, either here or at home. There is always a waiting list of things to be done. But he does not hold back; he does not spare himself.

Another thing that makes him an effective Senator is his innate ability. He has a keen mind and is usually constructive; he wants to be and tries to be, and that goes to make up a Senator's work here.

In addition, he has what I would call good judgment. I do not recall his ever going off on a wild goose chase. Whether you agree with him or not, he certainly arrests your thought and makes you rethink your own points and consideration of a matter. That, in itself, is worth a great deal in the legislative process. I have tried to worship at the shrine of the legislative process. That is the constitutional part of the Government that is delegated to us for the time being.

I am also impressed with the fact that he is not the type who holds back. He will go on and tackle the hard problems, the ones that may take time and work, matters that may be politically sensitive or sensitive at home, or anything that might bear on matters of that kind. He does not try to dodge them or duck them or avoid them. He is willing to pitch in and do the best he can.

Many times, JOHN TOWER and I have talked about the committee system in the Senate, and I believe we have a great deal in common as to that. We have worked toward the end of a nonpolitical and nonpartisan committee, the Senate Armed Services Committee. I am proud of the record of the Senate Armed Services Committee, and I am thinking about what little contribution I might have made. But I know that, over the years, it has been a tower of strength on this floor and in the Nation. A great deal of that is due to the fact that it earned and kept the reputation of being nonpartisan and nonpolitical—not playing politics, so to speak, with our national security.

And I think that that is reflected here, if I may say, in our chairman, Chairman TOWER, of Texas. I believe that his judgment is that he and I have tried to work along that line in a large measure. We run into subject matters that are highly important that do have political implications but primarily, I think, he tries to steer away from that and I know I try to. I think a great deal of the good that this committee has done in the past, and when I say "past" I mean going back before World War II and way on back before then down to now, has been due to the fact that the committee had this reputation, and I warn now, since we are just human beings, and this can be lost overnight also if it is not maintained by more than just the chairman and the so-called senior member of the minority. It has to be maintained by the committee as a whole, and under the leadership of Chairman TOWER I charge him with that responsibility as he charges me with my responsibility in this field and look to him for leadership there that I think that he will fulfill.

So I am glad to join in this tribute that is deserved so well and wish him well in every way in the future years to come.

Mr. SPECTER. Mr. President, I am pleased to join my colleagues in the U.S. Senate in paying tribute to Senator JOHN TOWER on the occasion commemorating his 20 years of service in the Senate.

As a citizen from afar, for many years I have admired JOHN TOWER's work in the Senate. He has demonstrated great capacity for constructive solutions for the problems of his Nation as well as his State.

I had the pleasure to meet Senator TOWER some 5 years ago when I was first a candidate for the Senate and found him to be most courteous and helpful.

Since coming to the Senate with the attendant opportunity to observe Senator TOWER at close range, I have been enormously impressed with his breadth and capabilities. I have been impressed with his leadership on the Senate floor as he has guided complex legislative matters relating to the Armed Services Committee which he so ably chairs. His skills at expression and debating interchange are in my opinion extraordinary.

His leadership in being elected as a Republican from the State of Texas has been enormously important to the party in setting the stage for Republican victories throughout his region of the country.

Beyond his virtues of ability and integrity, it has been a pleasure to work with JOHN TOWER on the personal level. His leadership and camaraderie make it very pleasant to be a Member of this body.

Mr. BENTSEN. Mr. President, for more than a decade it has been my pleasure to join with the senior Senator from Texas and work with him on behalf of the people of our State and our Nation. JOHN TOWER has been a friend, and I would like to join my colleagues in paying tribute to his truly distinguished record in the Senate. I would also like to take this opportunity to thank JOHN TOWER for the many courtesies he has extended to me over the years and commend him for his sense of fairness and dedication to public service and ask him if 20 years ago he really thought it would be 20 years.

Senator TOWER and I serve the same constituency. We have consistently attempted, and generally succeeded, in reaching out across party lines to work together in the best interest of Texas and America. In my opinion that is the sort of relationship that makes for effective representation in Congress. It requires, however, a sense of trust, good will, and a willingness to foresake partisan politics in the interest of good government. I think it is eloquent testimony to the character of JOHN TOWER that we have been able to foster this sort of relationship and make it work so well for so long.

During his 20 years of service to the people of Texas, JOHN TOWER has established an enviable Senate reputation for effectiveness, ability and hard work. As chairman of the Armed Services Committee, my senior colleague will be playing a key role in helping our country build a national defense that will enable us to look with confidence to the challenge of the eighties.

Those of us who work with JOHN TOWER day in and day out understand, however, that his talents and interests extend far beyond defense issues. We appreciate his ability to bring the intellect of a professor and the dogged determination of a petty officer to the whole broad range of problems that are of vital concern to the people he represents.

As the junior Senator from Texas, I sincerely believe, Mr. President, that I am in a unique position to observe and appreciate the talents of JOHN TOWER. I know this is a very special day for him and his family.

It is also an opportunity for those of us who have served with JOHN and who count him as a friend to congratulate him on a job well done and wish him well for the future.

Mr. EXON addressed the Chair.

Mr. STEVENS. Mr. President, following the comments of the Senator from Nebraska, I yield to the distinguished Senator from North Carolina and the distinguished Senator from Virginia.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, I thank my friend from Alaska for yielding.

I wish to be one of a whole series of colleagues of Senator TOWER who are rising on the floor of the Senate today to pay tribute on this his 20th anniversary of service in this body.

As the Senator from Texas knows, I am a relatively new Member of this body. I was assigned by request to the Armed Services Committee when I first came here. I served on that committee under the direction of the chairman of that committee the first 2 years and now I am pleased and privileged to serve on that committee with the distinguished chairman whom we have now.

JOHN TOWER was not known to me when I came here about 2½ years ago. But, Mr. President, I have come to respect his fairness and his knowledge of defense and other matters.

I consider him a friend and I consider him most of all a very effective colleague as we continue to build up this Nation's defenses.

I was not aware that we were going to salute my friend and colleague from Texas until I received a "Dear Colleague" letter from Senator GOLDWATER and as I came in the Chamber today I heard the very eloquent message from the junior Senator from Iowa.

I rise to thank my friend for his cooperation and understanding during my short tenure here and his tutelage.

We have not always agreed, but I have always found him a man of openness and fairness.

So I rise to salute him not because he is a Republican or not because he is a conservative, and I do not think that it is appropriate for us to put the term of sainthood on him at this particular juncture in his career. Maybe that will come later. But in all sincerity I congratulate my friend for 20 outstanding years and thank him for the help that he has been to me as a new member of this body.

Godspeed.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the Chair. Mr. President the distinguished senior Senator from Texas (Mr. TOWER) frequently engages in jests about his height. It is a measurement of his good humor that he does. The record should be made clear, however, that when it comes to principle, dedication, and courage JOHN TOWER is 10 feet tall.

Through the years, dating back to prior to my own election to the Senate in 1972, I have admired Senator TOWER. And today being the 20th anniversary of of his having been sworn in as a U.S. Senator, it is appropirate that all of us who have been privilege to serve with him use this occasion to pay our genuine respects to him.

I was not here on the day that JOHN TOWER took the oath of office 20 years ago, but I am told that another distinguished Texan, the late Lyndon B. Johnson, was presiding at the time Senator TOWER was sworn in, and the galleries erupted with applause, I am told, and had to be gaveled to order by a Texan who was, in effect, restraining the applause for another Texan.

But JOHN TOWER on countless occasions not merely the eyes of Texas but the entire country have been focused on him. He has been a stalwart in opposing the growth of an all-powerful Government. He has fought to preserve the free enterprise system. And most of all, he has been unyielding in his support for rebuilding America's defense capability.

Mr. President, I am proud of the distinguished Senator from Texas. I congratulate him on this anniversary of his first 20 years of service in the Senate. I trust that his next 20 years in this body will be equally fruitful and productive, so that when the year 2000 rolls around, he will still be 10 feet tall in the hearts of Americans who love their country and its principles.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President and distinguished colleagues, it is a great pleasure for me to join in recognition of this day of accomplishment by the senior Senator from Texas.

Well over a decade ago I first made his acquaintance, at which time I was serving in the Department of the Navy in the Department of Defense. I came before him at confirmation hearings on two occasions. But on many occasions respecting the particular problems of the U.S. Navy his wisdom—as a matter of fact I would have to say his love for the U.S. Navy goes way back, as we all know, to the beginning of his service in World War II. On these occasions it was always his steady hand and sound counsel that enabled me and others to work our way through the problems respecting the Navy, and particularly during the difficult days of the war in Vietnam.

When I had the great fortune to be elected to this distinguished body—I cannot recall whether it was at that time the minority leader or Senator TOWER who called me first to congratu-

late me, but I know the calls were back to back—calls were made urging further that I join with him on the Armed Services Committee. That has been a great pleasure and privilege now for these 2½ years serving as one of his lieutenants on that committee.

He has treated all of the new members with total equality and fairness, and he relies on us. He delegates, gives us, responsibility, and when we step out of line we know it, again with firmness and fairness.

It is indeed a fortunate thing that America has men such as JOHN TOWER who have dedicated almost their entire lives in the service of their country.

I thank the Chair.

Mr. STEVENS. Mr. President, I yield such time as the Senator from Minnesota desires.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I rise also on the occasion of JOHN TOWER's 20th anniversary in the Senate. It is interesting to reflect for a moment on the manner in which he got here because this is a rather unsual time of year for a Senator to be sworn in as a Member of the U.S. Senate.

JOHN TOWER had to run twice to get here, something I did not have to do, Mr. President, nor did you. But through a quirk in the Texas law his first run for this office was against Lyndon B. Johnson, the man who had to quell his supporters who were in the galleries at the time that JOHN TOWER was sworn in, and in a very strongly Democratic State, JOHN TOWER received approximately 42 percent of the vote against Lyndon Johnson who, through a quirk in the Texas law, was running not only for the U.S. Senate but was simultaneously running for the Vice Presidency with John F. Kennedy. So it is an unusual time.

Then, of course, there was a by-election. There was an election to fill the seat that was vacated by President Johnson's elevation to the Vice Presidency, and at that time Senator TOWER, who just kept right on running, in a very hostile political atmosphere, was able to come through and, to the best of my knowledge, to be the first Republican Senator from the State of Texas since reconstruction days.

But now that he is here we speak of him as a colleague and as a friend, and my comments about JOHN TOWER are on the basis of my friendship for my colleague.

Indeed, JOHN TOWER is first and foremost, in my judgment, feisty. He is kind of fun to be around. You do not have to wonder exactly where you stand with our colleague from Texas because he tells you and he tells you very often quite directly, and that is very refreshing in this body because not all of the Members react in quite that way.

But, perhaps, more importantly, JOHN TOWER, because of his background as a professor of history, has a sense of history so that he talks about the problems that face us not only on a short-term basis but he talks about them with a sense of history that is far more expansive than I see in some of our other colleagues, and that, indeed, gives his argument more potency.

Then JOHN TOWER is as much as any Member of this body a very fervent defender of his point of view. I do not always share his point of view, Mr. President, but I always have respect for his point of view because again he comes at it with a sense of history and he comes at it with such a fervent desire to see his point of view prevail.

Finally, Mr. President, I find JOHN TOWER, who is one of the leaders of the Republican caucus, to be a very excellent leader indeed. He presides over the lunches that we have each Tuesday to discuss where we are in the Senate, how we stand, where we are going, and quite customarily he leads that Republican caucus in a firm, strong, and deliberate way. In the leadership of our Republican group, our Republican Members, he is indeed one of our outstanding Members.

I was proud, Mr. President, when he came to me and asked me to serve on the Armed Services Committee. I thought for a moment I might be getting too hawkish, and we spoke about it, and in the balance of my various priorities and what I wanted to achieve I did not join. But I was proud that a man of his substance, his sense of history, and his leadership would ask me to serve on his committee.

So it is with great joy and it is a great privilege that I join many of my colleagues in congratulating Senator TOWER on the first 20 years that he has served with us here in the Senate.

I yield the floor.

Mr. DOLE. Mr. President, today is a special one for the Nation, a nation-state, and a political party that governs both. It is a celebration of two decades of service by one man to the people of Texas. It is a commemoration of a political milestone, and of the candidate who, in his victory 20 years ago, did as much as anyone in history to usher in the new South.

JOHN TOWER has never been content to merely shatter precedents. He came to the Senate intending to be much more than a symbol, and he rapidly widened the breach he had opened in the old solid South. He made it possible for other Republicans whose philosophy and ideals proved to reflect those of Americans from Richmond to El Paso to serve in the Halls of Congress and in Southern statehouses.

And he proved as well that 14,000,000 Texans made the right choice in electing him to fill Lyndon Johnson's chair in the Senate Chamber. Three times since, he has been returned to office, and he has come to hold a special place in this body in its own way as significant as Johnson's was, a quarter century ago.

At a time when Americans, as never before, are concerned about the state and purpose of their national defense, JOHN TOWER speaks with a forceful and effective voice for a defense second to none. And, as if all this were not enough, the senior Senator from Texas combines a sense of puckish humor with healthy perspective. He is equally at home in professional garb or a superman suit. He distinguishes this Chamber by his presence, and enlivens Washington with his wit. Like all of his colleagues, of whatever political inclination, I am honored to call him my friend.

Mr. RUDMAN. Mr. President, I rise on this occasion to pay tribute to an accomplished statesman and outstanding American: The very able and well-respected senior Senator from Texas.

As previously noted, it was 20 years ago today that the State of Texas elected to the U.S. Senate a man of great fortitude and extraordinary insight, a man whose many talents and abilities soon distinguished him as a leading and thoughtful individual whose voice would be heard and his counsel heeded. In observing this anniversary, I feel it appropriate to note that his election 20 years ago was a boon not only to his home State but to the Nation as a whole. For if it is true that you measure a man by his accomplishments, then the very able Senator from Texas has secured for himself a prominent place in this Nation's history. As the ranking minority member, and now as chairman of the Senate Armed Services Committee, JOHN TOWER has established a reputation for unsurpassed expertise in vital defense matters.

It is truly a tribute to this outstanding individual that much of the Nation is only now recognizing the importance of implementing programs and policies that he has long supported and advocated. His tremendous insight into this country's defense structure and corresponding requirements have presaged the military debate we now see unfolding on a national level. His tireless efforts in this area will certainly be prominent in his legacy.

In closing, I would like to take this moment to extend a personal note of appreciation to the Senator from Texas for his many kindnesses. It is testament to his great devotion to this body that he has taken the time and exhibited patience in working with the freshman Members of the Senate and has extended to us the benefits of his knowledge and experience.

IT'S A BIRD, IT'S A PLANE, IT'S JOHN TOWER

Mr. MATHIAS. Mr. President, I am happy to add my voice to those of my colleagues in saluting the 20th anniversary of JOHN TOWER's swearing-in as the first Republican in modern times to represent the State of Texas in the U.S. Senate.

Following Lyndon B. Johnson in office had to be one of the toughest performances on the American political stage—tough enough for a Texas Democrat, next to impossible for a Texas Republican. I can appreciate JOHN TOWER's particularly uncommon electoral successes over the years, for in my own State of Maryland we Republicans are outgunned by Democrats by 3 to 1 .

Ever since he raised his right hand in this Chamber on June 15, 1961, JOHN TOWER has played more than a bit part in our national political drama. He entered the Senate as its youngest member at age 35. Without pausing for the niceties, he plunged into the thick of debate making his views known vigor-

ously and fully. Maybe you did not agree with him on all things, but one thing was certain, you always knew where he stood on an issue. Early on he proved that he sprang from the same fertile soil which has produced some of our most colorful, canny, and capable political leaders, from "Cactus Jack" Garner and Sam Rayburn to John Connally and GEORGE BUSH.

Today, JOHN GOODWIN TOWER has joined those Texans who have and are continuing to shape and direct the policies of the United States in this remarkable century. As chairman of the Senate Armed Services Committee, he is leading the way toward restoring our defenses and keeping our country strong and flexible in a dangerous world. As chairman of the Republican Policy Committee, he is guiding the legislative program under which the country will be governed in the years immediately ahead. As the second most senior Republican, he is an elder statesman of the Senate, whose voice is heeded and whose counsel is sought.

But more than anything else, he brings to his job in the Senate a sense of perspective. He is a man possessed of the enviable capacity to view history from the perspective of the average American, from the perspective of the highest level of national leadership and from the perspective of the political scientist that he was before his election by the people of the Lone Star State.

Many of us in public life like to think we can do anything, that we are Superman. Well, JOHN TOWER is the only man I know who has actually pulled on the electric blue uniform, furled his cape and shouted "Up, Up and Away."

Mr. DOMENICI. Mr. President, if there is a term that aptly describes my good friend and Senate colleague from Texas, JOHN TOWER, it is a political pioneer. Senator TOWER has been able to step right into a situation and succeed where weaker men would never dare venture. Elected to the Senate in a special election in 1961, he was the first Republican Senator to be elected in the old South during modern times. This in itself was a tremendous feat, but it was even more remarkable because he was elected to the seat vacated by the Democratic Vice President Lyndon Johnson, one of the most imposing political figures of the 1960's.

Adjectives used to describe JOHN TOWER's Senate career include effective, thoroughly competent, and highly respected. He has always been a strong backer of national defense and his hard work backing up his beliefs has made his name synonymous with strong national security. It is indeed fortunate that in this time of history when the world situation is one of instability and turmoil, we have as chairman of the Senate Armed Services Committee, JOHN TOWER, whose intelligence and experience have earned him this respected post.

As a Senator who has only been here since 1972, I have grown to admire and respect Senator TOWER and have looked to him for his wisdom and guidance when difficult questions arise.

Twenty years is a long tenure of service for your country, but this Nation is grateful for your self-sacrifice in working for what you believe in. May you always have this respect your colleagues in the Senate have for you now, and that this 20-year anniversary of service be not a pinnacle, but simply another mark in your monument of accomplishment.

Mr. QUAYLE. Mr. President, I am honored to stand here today with my colleagues and add my voice to the chorus of praise we extend to one of the most respected Members of this body—Senator JOHN TOWER. His has been a remarkable career, all the more so because it is far from over. A sailor during World War II, a student of political science, an educator and now a distinguished Senator of prodigious accomplishment, Chairman TOWER stands on the threshold of his third decade in the Congress. All this, and still not a gray hair in sight.

As a member of the Senate Armed Services Committee, which he chairs, I have had the privilege of working closely with him. I could not help but think when I first saw him in action, that with his broad knowledge, deep commitment, and boundless energy, he was, without question, the right man, in the right job, at the right time. I was also struck by the professionalism with which he conducted the committee's day-to-day business. It is a caliber for which we all can strive

But one of the things that impresses me most about JOHN TOWER is his sense of fair play. As important as his responsibilities are and as intense as his convictions are about where this country must go to insure its security, he repeatedly goes out of his way to make certain that the members of the committee, both majority and minority, are given the opportunity to express themselves and communicate their concerns and those of their constituencies. To JOHN TOWER, the Nation's defense is too important to play political games. He knows that our security, if it is to be maintained, must be based on a broad, nonpartisan consensus. It is in this spirit that he conducts the committee's affairs.

It is with great pleasure that I join my colleagues in wishing JOHN TOWER 20 more years as fruitful as the last.

(By request of Mr. GOLDWATER, the following statement was ordered to be printed in the RECORD:)

● Mr. HATCH. Mr. President, I want to join my colleagues in honoring one of the great men of the U.S. Senate. Twenty years ago today JOHN TOWER was sworn in as the first Republican Senator from Texas in modern times. The people of Texas used sound judgment 20 years ago and have continued to demonstrate that same judiciousness in returning JOHN TOWER to the Senate for three more terms since then.

Today JOHN TOWER sits as the chairman of the Senate Armed Services Committee. He has long been a champion of our national defense while being involved in one of the more interesting dramas of military history. Senator TOWER enlisted in the Navy during World War II as a boatswain's mate. After his discharge he continued in the Active Reserves and currently holds the rank of BMC, achieved through competitive examinations. The deep human interest of this situation lies in the number of admirals, to include the CNO's of the Navy who have been in the Senator's office to seek his wise counsel. While others might have used their position to advance themselves to a more prestigious rank, Senator TOWER saw the real significance of the enlisted force in today's military and chose to sustain and honor these men by remaining within their ranks.

As a Senator, he is without peer in his ability to deal effectively with any legislation on the Senate floor. He commands the respect of all who know him and I stand here today to offer him both my admiration and gratitude for a job well done. I look forward to serving with him in the coming years.●

Mr. GORTON. Mr. President, one of the most exciting byproducts of the 1960 Presidential election was, of course, Senator JOHN TOWER's remarkable achievement in being elected to succeed Lyndon Johnson 6 months after that Presidential election. In so doing, he became the first Republican U.S. Senator to be elected from the State of Texas in this century but the people of Texas have been wise enough to keep him here ever since.

I can remember, quite clearly, celebrating that very special event, as a young State legislator in Olympia, Wash. It is now an honor to me to able to celebrate Senator TOWER's 20th anniversary in the U.S. Senate, from what is, I might add, a different but delightful vantage point as one of his admiring colleagues.

Mr. THURMOND. Mr. President, today marks a great occasion for one of our colleagues. Twenty years ago today, JOHN TOWER began his service in the Senate. During these 20 years, Senator TOWER has made outstanding contributions to both the Senate and to our Nation.

It is a great pleasure for me to join with my colleagues in paying tribute to Senator TOWER. Even before he came to the Senate, I admired JOHN TOWER for his sound judgment and firm beliefs. In the Senate, JOHN TOWER has helped provide outstanding leadership and advice on matters of great national importance for two decades.

Senator TOWER is a man of courage, ability, and compassion. He has worked long and hard to preserve the fundamental principles on which this Nation was founded. He also has the foresight to realize that these principles are meaningful only if we have a strong national defense. I have had the opportunity to observe his dedication during my service with him on the Armed Services Committee. His leadership efforts there as ranking member, and now as chairman, have materially strengthened our Nation.

For years, Senator TOWER warned of the glaring weaknesses in our national defense. He instigated alternative defense proposals to prevent a further weakening of our defense posture. Now, he is at the forefront of the congressional effort as we respond to the recently acknowledged need for a strong

national defense. The leadership of Senator TOWER in the early days of the 97th Congress, in particular, has been crucial in this area.

Mr. President, today, we pay tribute to a great American patriot. By taking this time to recognize Senator TOWER, the Senate is acknowledging his courage and unyielding devotion to this Nation. He is a man who has a vision to see beyond political pressures to understand the best long-term interest of this country. His ability to marshal facts and figures to support his positions has been a credit to the Senate.

The past 20 years of service by Senator TOWER have been in the finest tradition of the U.S. Senate. The American people have benefited greatly from the efforts of Senator TOWER, and the Senate is richer for his service. I want to commend Senator TOWER for the past 20 years, and I look forward to many more years of his outstanding leadership.

Mr. D'AMATO. Mr. President, the United States and the American people owe a great debt of gratitude to the late Reverend and Mrs. Joe Z. Tower of Texas, for they were the parents of JOHN GOODWIN TOWER, our esteemed colleague who has graced this Chamber for the past 20 years.

While it has been my privilege to work with Senator TOWER for only 6 months, I have witnessed the leadership and statesmanship which has earned Senator TOWER the respect and admiration of Presidents and legislators, alike. Most of all, he has earned the respect and loyalty of Texans fortunate enough to be represented by a man so completely dedicated to their interests as JOHN TOWER.

On behalf of the citizens of New York State, I salute my colleague and friend from the great State of Texas and wish him the privilege of serving another 20 years in this body.

Mr. HEINZ. Mr. President, I rise to salute my friend and distinguished colleague from Texas, JOHN TOWER, on this the 20th anniversary of his inauguration as Texas' first Republican Senator in modern times.

During my tenure in the Senate, I have found him to be a most dedicated and effective public servant who puts the national interest first and above political considerations. At the same time, I know of no more loyal member of the Republican Party, or anyone more committed to the principles for which our party stands.

Mr. President, JOHN TOWER has long demonstrated deep concern about our national defense posture and the deficiencies of previous administrations' defense policies. As chairman of the Armed Services Committee, he has exercised great good judgment in trying to remedy those deficiencies and restore America's defense credibility.

As chairman of the Republican Policy Committee, Senator TOWER has been resourceful and forceful. He has continually drawn on the talents of other Republican Senators by creating task forces on the major issues of the day: On the economy, on energy, on defense, and foreign policy, to name but a few. And largely because of Senator TOWER'S superb leadership, these task forces have produced not political rhetoric, but the conceptual framework and the specific policy proposals which, by virtue of these timely and articulate Republican initiatives, have helped the Senate steer a stronger, sharper course for our Nation.

Mr. President, let me say, too, that I know Senator TOWER to be a most gracious man. Presiding over our weekly Policy Committee luncheons, he is unfailingly courteous and proper, and he always exhibits the sense of good humor so vital to our effectively pursuing our work. His only failure as a host is that we have to pay to go to his weekly policy luncheons. But then again, Senator TOWER has always been a fiscal conservative.

Finally, I want to express a personal note of gratitude for the extraordinary amount of assistance that JOHN TOWER has rendered to our party, especially to me during the 96th Congress. As chairman of the National Republican Senatorial Committee, I always found JOHN TOWER willing to lend an invaluable helping hand, no matter the time or place. Perhaps it is his own distinguished service in the same role in previous years that made him so understanding and generous. In any event, I am grateful.

Once again, let me join with my colleagues in congratulating my friend from Texas, who has done so much to make the Republican Party and America good and great.

Mr. SCHMITT. Mr. President, 20 years of Senate service by JOHN TOWER provides only a small measure of his contribution to the Nation and New Mexico's friendly neighbor, his home State of Texas.

The distinguished Senator from Texas has steadily risen in influence over the most critical area of our national activities, our national defense. His detailed knowledge of national defense programs is second to none and now is being applied with his irrepressible vigor through the chairmanship of the Armed Services Committee.

In addition to the political activities we have shared in our home States, my own personal memories of JOHN TOWER'S continuing history will include recollections of vigorous, knowledgeable, and eloquent debate with other stalwarts of the Senate. I look forward to many more years of association with and education from this remarkable Senator from Texas.

Mr. DENTON. Mr. President, I rise today to join with my colleagues in paying tribute to a man, who since the age of 17 when he enlisted in the Navy during World War II, has dedicated himself to the service of his country. I speak, of course, of the most distinguished chairman of the Armed Services Committee, Senator JOHN TOWER, who 20 years ago today was first sworn in as a Member of the U.S. Senate.

Although I have been a Member of this body for but 6 months, my respect for JOHN TOWER was forged many years ago during my own Naval career. Senator TOWER'S longstanding affiliation with the Naval service, his expert knowledge of defense requirements and foreign affairs, have earned him the highly deserved reputation as one of the foremost guardians of our national security. This unparalleled guardianship, steeled by leadership and conviction, has been a major force over the past 20 years in preserving, protecting, and defending the precious liberties which our forebears set forth over 200 years ago.

During the course of my brief tenure in the Senate, I have come to recognize firsthand the qualities which have established JOHN TOWER as one of the most highly regarded Members of this body. His leadership has proven invaluable; his counsel reassuring; his friendship rewarding.

Mr. President, today we pay tribute to more than a long and illustrious Senate career, we are formally recognizing a classic combination of soldier, stateman, and public servant. Senator JOHN TOWER'S selfless dedication to the State of Texas, and to this Nation can best be expressed in three words: Duty, honor, country.

Mr. McCLURE. Mr. President, it is my honor to pay tribute to Senator JOHN TOWER on his 20th anniversary of service in the Senate. On this date in 1961 Senator TOWER became the first statewide Republican officeholder in the Old South in the 20th century. His election was a harbinger of the growth of Republican Conservatism in the South.

The 20th anniversary year of that historic political occasion also marks the seating of senators from Alabama and Georgia and for the first time in this century a Republican served as a Governor or Senator in every State in the Old South.

Without the 10 present Republican Senators from the South the Republican Senate majority would not be possible.

After taking the seat of the late Lyndon B. Johnson, Senator TOWER rapidly became one of our most respected colleagues and has now served in the U.S. Senate as long as any Texan.

As chairman of the Conference Committee I work closely with the Senator from Texas in his position as chairman of the Policy Committee, and this relationship increased the respect and admiration I had long felt for his leadership in the banking and national defense areas.

Mr. President, I am proud to salute JOHN TOWER on this historic day.

Mr. WEICKER. Mr. President, I am pleased to join with my colleagues in paying tribute to the senior Senator from Texas, JOHN TOWER, as he begins today his third decade in this Chamber.

It is difficult, in these heady days of Republican control of the Senate, to comprehend the magnitude of JOHN TOWER'S achievement in being elected to the Senate from the State of Texas in 1961. He was the trailblazer for the Grand Old Party in the southern United States. Those who have followed him have not only made the party a respectable political force in the South but have brought about a historic shift in the balance of power in this body.

Throughout his service in the Senate, JOHN TOWER has demonstrated a courage of conviction and strength of char-

acter which have brought credit to this institution. As a worthy opponent or a valued ally, he is a force to be reckoned within this body. The people of Texas can be proud of the quality of representation he has given them and the Nation can be grateful for the leadership he has provided.

As far as the Republic Party is concerned, JOHN TOWER embodies an important principle. By expanding the party's horizons in the Old South, he demonstrates the need for the party to continually seek to expand its appeal to all groups and regions of this society. Without that dynamic outreach, our days in the majority and as a functioning participant in the national political debate are numbered.

I congratulate the Senator on this special day and applaud his record of distinguished national service.

Mr. NICKLES. Mr. President, it is with distinct pleasure that I join my colleagues today in paying tribute to JOHN GOODWIN TOWER from Texas, Oklahoma's good neighbor to the south.

The election in 1961 of JOHN TOWER as U.S. Senator from Texas was a harbinger of the breakthrough for the Republican Party in the South. The next year, Henry Bellmon was the first Republican to be elected Governor of the State of Oklahoma. The late Dewey F. Bartlett was elected Governor the following term. And, as most of my fellow colleagues are well aware, both of these gentlemen served as colleagues of JOHN TOWER in the U.S. Senate.

I take a great deal of pride in the privilege granted to me by the voters of Oklahoma in November to take up the scepter alongside JOHN TOWER.

JOHN TOWER is representative of what has made America great. He grew up in the small towns of Texas, fought in World War II as an enlisted man and taught government in a small university in Texas. This perspective no doubt has served him well in his approach to solutions to problems under consideration by the U.S. Senate.

One of the greatest challenges to the 97th Congress and to President Ronald Reagan is to insure the protection of our people, our country, and our freedom. During the last few years, our defense strategy has been allowed to deteriorate to the brink of disaster. The leadership provided by JOHN TOWER at the helm of the Senate Committee on Armed Services has, in these few short months, made possible the first giant step to recovery as evidenced by the fiscal year 1982 authorization.

Thank you, JOHN, for your friendship, your guidance, and mostly for your dedication to the people of Texas and to these United States of America.

Mr. PACKWOOD. Mr. President, we are often given in politics to unjustified superlatives. We often will say of each other "My great and good friend of longstanding." We will often make that statement of someone we have met once or twice and have known only 6 months.

Of JOHN TOWER, however, I can honestly say that this is my close and good friend of longstanding.

I first met JOHN TOWER in the summer of 1961, shortly after he was elected to the U.S. Senate. I was then chairman of the Multnomah County (Portland area) Republican Central Committee. JOHN TOWER had agreed to come to Oregon for a series of speeches on behalf of the Republican Party, culminating in a speech at a large Republican picnic in Portland.

I joined JOHN TOWER at the start of his tour in Medford, a town in southern Oregon. I watched and listened to him speak to the Republican gathering in that area. I then moved with JOHN TOWER north as he gave speech upon speech to different Republican groups until he reached Portland and spoke before about 5,000 people. Each of the speeches JOHN TOWER gave was different. Each of the audiences was different, although they were all Republican groups. On every occasion to every group, JOHN had the appropriate words for the situation. From that day onward, I have held him in esteem and respect. Never did I dream in the summer of 1961 that I would be joining JOHN TOWER in the U.S. Senate a few years later.

Everything I know about JOHN TOWER, everything I have observed working with him, and on occasion, working against him, confirms what I learned in that summer of 1961. He is able; he is astute; he is a leader.

Mr. President, I am delighted to join my colleagues in offering these few words of tribute to an extraordinary man. He is a credit to his country, to his State, and to his party.

Mr. JEPSEN. Mr. President, I am priviledged to have this chance to recognize my colleague and personal friend, the distinguished Senator from Texas, JOHN G. TOWER. Twenty years ago today, he began a career in the Senate which has been marked by a clear perception of public service and the strength and courage needed to realize that vision. His firm leadership in the full Senate and as chairman of the Armed Services Committee now plays a critical role in implementing the programs that this country sorely needs to regain its economic health and preeminent military strength.

I have the honor to serve under Senator TOWER on the Armed Services Committee. His association with the military goes back to his service with the U.S. Navy in World War II aboard an amphibious gunboat in the Western Pacific. He has continued to serve his country as a chief petty officer in the Naval Reserve. Senator TOWER has shown a clear understanding of the need for a strong U.S. military as the best way to maintain national security and international peace.

Over the last 20 years, the distinguished Senator from Texas has fought an often lonely battle to insure that the United States has the military strength it needs to meet is commitments. Long before it was popular to do so, he warned of the continuing buildup of Soviet forces around the world. He strongly opposed any short-sighted move to dismantle our Armed Forces. During my tenure on the Armed Services Committee, I have watched Senator TOWER, first as minority leader, then as chairman, skillfully pursue the goal of a strong U.S. defense posture. He has refrained from alienating anyone on the committee and kept the atmosphere amicable between both parties. The Armed Services Committee is an epitome of bipartisan cooperation toward a common goal. This is no minor achievement when one considers the widely divergent views on some aspects of national defense that are represented on the committee.

Mr. President, JOHN TOWER is an outstanding public servant and a vital asset to the U.S. Senate. I congratulate him on 20 years of service to the people of Texas and to the people of the United States. May God grant us his service for at least 20 years more.

Mr. WALLOP. Mr. President, 20 years ago JOHN TOWER was big news. The Kennedy administration had just taken office in a narrow victory, and some of its leading lights were telling the world that the country was going to make itself over according to the abstract tenets of political liberalism. But the voters of Texas, the first chance they got, told a different story. In the election held to fill Lyndon Johnson's seat they selected JOHN TOWER, a man who described himself as a Goldwater conservative. Too few people today remember that during 1961, 1962, and 1963 JOHN TOWER and BARRY GOLDWATER were advancing the very same things which, in the 1980's, have become the Nation's agenda. In 1961 JOHN TOWER knew that the American people were demanding military forces capable of protecting the United States.

He knew that the American people wanted to see a foreign policy which would show the world that Soviet totalitarianism is the wave of the past, and that the future belongs to freedom. He knew that the American people want to be left alone, in their sovereign wisdom, to regulate the moral order of their communities.

He knew that the American people want to be free of excessive regulations and taxes in order to prosper.

Above all, when it was unfashionable to do so, JOHN TOWER said that the American people, the people of Texas, were right and that a host of prestigious folks in the media, foundations and universities were wrong. Today, 20 years of history have validated JOHN TOWER's judgment and have borne witness to the faith he has kept with his State.

As one who came of age politically in those days, I have counted JOHN TOWER as my mentor. Over the past 4 years during which I have served as his colleague it has been my privilege to observe firsthand the quality of his judgment. I have seen him in the Soviet Union, face to face with the leaders of the world's greatest totalitarian power, when these were trying to persuade the U.S. Senate to ratify the SALT treaty by a mixture of threats and blandishments. Where lesser men of both parties have either been charmed or frightened, JOHN TOWER grew in both insight and determination. Thanks in large part to JOHN TOWER the Senate fulfilled its constitutional duty, albeit informally, and let the Nation know that our safety lies not in illusory negotia-

tions with a totalitarian party determined to use the very process of negotiations to stymie us, but on our own ability to defend ourselves.

Today this Nation is in greater danger than ever before. Because, until recently, JOHN TOWER's ideas were in the minority, the Nation's armaments are inadequate to their task. Today anyone who knows the strategic balance can describe any number of ways in which the Soviet Union could win a war. Today no one who knows the strategic balance can describe how the United States could defeat the Soviet Union. Therefore today as never before the American people should be grateful to the people of Texas for having sent JOHN TOWER to this body. Of course everyone today agrees that more money should be spent on defense. But lesser men than JOHN TOWER would not think beyond present programs, would not think beyond more of the same approach which got us into the dangerous fix we are in. I am confident, however that the Nation can trust a man with JOHN TOWER's academic record, with his record as a critic of the ways of the past, to demand measures that will actually safeguard the American people in case of war. We can count on such a man to choose one course or reject another on the basis of one supreme criterion: The need to provide the Armed Forces of the United States with the ability to fight and win wars, and to safeguard the American people in the process.

Finally, Mr. President, on this 20th anniversary of JOHN TOWER's accession to this body, I can do no better than to thank the people of Texas on behalf of the people of Wyoming, who care greatly about our country, for having sent him here.

Mr. PRESSLER. Mr. President, it is a pleasure to recognize with my colleagues today the distinguished service of Senator JOHN TOWER of Texas in the U.S. Senate.

As a World War II veteran, Senator TOWER survived that terrible conflict while serving courageously on a gunboat in the western Pacific Ocean.

Following the war, JOHN TOWER excelled as a political science major at Texas universities, receiving a B.A. in that field from Southwestern University and a M.A. degree from Southern Methodist University. His studies also included graduate work at the University of London.

JOHN TOWER's public service did not begin with his election to the U.S. Senate. His excellence in the study of political science led to an 11-year stint as a professor at Midwestern University in Wichita Falls, Tex. His public service in the education field has also included membership in the Texas Historical Society and the Texas Philosophical Society, as well as trusteeship positions for Southwestern University and Southern Methodist University.

Thus, Senator TOWER's public life was marked with great distinction before being elected to the Senate seat formerly held by Senator Lyndon B. Johnson. His commitment and his keen devotion to public service and to his constituents explain his reelection in 1966, in 1972, and again in 1978.

As a political scientist by training, Senator TOWER's many accomplishments in this body should come as no great surprise. But his academic expertise does not alone explain his rise to the topmost positions in Congress and in the Republican Party in the Senate.

Frankly, he is one of the most powerful leaders among us. His peers have recognized his leadership acumen by electing him chairman of the Republican Policy Committee and making him chairman of one of the most powerful and important committees in the entire Congress—the Senate Armed Services Committee. With the anticipated major increase in defense spending, his abilities as chairman of this critical committee will be extremely important to have—not only because of his detailed, vast knowledge of our national security programs and needs, but also because his proud conservative consciousness will help to reduce unnecessary or wasteful spending wherever that may occur.

Mr. President, it is reassuring to me, and it should be reassuring to all Americans, and people everywhere, who value freedom and liberty, to realize that this masterful and patriotic person is at the helm of the U.S. Senate's defense policy-making leadership.

Thus, I congratulate my dedicated friend from Texas on the arrival of his 20th anniversary as a distinguished Member of the U.S. Senate.

Mr. HUMPHREY. Mr. President, for 20 years now, the people of Texas, the citizens of the United States and indeed all those in the world who cherish freedom and democracy have been fortunate to have had Senator JOHN TOWER, a Member of this great Chamber. As JOHN TOWER begins his third decade of service as a U.S. Senator, I am honored that I can join my colleagues in offering a tribute to his achievements.

It has been a personal privilege and pleasure to have worked with Senator TOWER as a member of the Committee on Armed Services. As the ranking minority member and now as chairman of the committee, Senator TOWER has always been a bold spokesman for the effort to insure a strong national defense. Although, as a Member of the Senate, I know best his contributions to our national defense, I am not unfamiliar with the important role Senator TOWER has played as a Member of the Senate Committee on Budget at this watershed in our history. Senator TOWER's legislative interests are diverse and the beneficial influence he has exerted on legislation in this body over the past two decades is unquestioned.

At this time, it is perhaps most important to remember that Senator TOWER was one of a handful of men in the Senate who, sharing values similar to those I hold dear, held the fort during difficult, trying times.

Never compromising their beliefs, they fought doggedly looking forward to a time when they could lead; never giving up faith, they waited for their ranks to grow. Now, the ranks have swelled, and JOHN TOWER fully enjoys the rewards of leadership he so richly deserves. We, in the Senate, are grateful for his work and his friendship.

Mr. HART. Mr. President, I join in this tribute to JOHN TOWER's 20 years of service in the U.S. Senate. For the last 6½ years, Senator TOWER and I have worked together on the Armed Services Committee on a number of complex issues critical to our national defense.

Since Senator TOWER became chairman of the Armed Services Committee this year, I have been particularly impressed with his fairness, his dedication, and his commitment to building a stronger America. I congratulate JOHN on this milestone in his career and join with my colleagues in honoring his achievements.

A SALUTE TO THE SENATE'S TOWERING TEXAN

Mr. WILLIAMS. Mr. President, a lot of new folks arrived in Washington in 1961 and it was a time of great change, new policies and renewed hope for the American people. 1981 presents this town with a similar situation and it's interesting, I think, that the 2 years have in common the very extraordinary and uncommon figure of Senator JOHN TOWER.

He might have been missed when he first arrived in this Chamber. It was the advent of a new Democratic administration which included a President of the Senate from Texas of all places and Senator TOWER was not a man of, shall we say, towering physical proportions. But we Democrats were soon to learn just what a standout he truly is.

In 20 years, JOHN TOWER has bedeviled many of us on this side of the aisle and he has always done it with a rare mix of good humor, quick wit, and sharp tongue. He is a formidable adversary but a delightful colleague, and he is one of this body's most effective and talented Members.

We have squared off on many an issue, and I suppose that my win-loss record with Senator TOWER reads like the standings of the Texas Rangers—he is ahead, but not far enough ahead that there is no chance of catching up. In our years of service together on the Senate Banking Committee, Senator TOWER has been a successful proponent of his region, a Senator concerned with the full range of Federal urban, housing, and transportation policies and a Senator whom one can always count on for vigorous and enlightened debate. When we have been in agreement on an issue, I find that Senator TOWER is the perfect ally—he supports your cause and lets others know the merits of your case.

I once had an amendment on a foreign export bill which would have banned the overseas shipment of horses for the purpose of slaughter. It was an amendment which was considered important in the animal welfare community but, I must admit, Senator TOWER was more an expert on horses than I was. Yet he spoke graciously of my amendment and even dubbed it the "Wrangler Pete" legislation—a label which fits somewhat misshapenly on this New Jersey Senator, but which seemed perfectly natural coming from the mouth of a true Texan.

Mr. President, for 20 years JOHN TOWER has served this Nation and the Senate

well. He has pointed out the need for strong defense and sensible economic programs, and though you might not always agree with the thrust of his arguments, you can indeed always say that he has been a noble and gentlemanly colleague. We all salute his stature in the Senate on the 20th anniversary of his service among us.

Mr. STEVENS. Mr. President, I yield the remainder of our time to the distinguished Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. I thank my distinguished colleague from Alaska.

Mr. President, I simply want to say "thank you" to all of my colleagues who have been so generous and kind in their remarks about me today. I know what it feels like now to be present and listen at your own funeral ceremony. I think the analogy is well drawn, because at funerals you rarely say anything disparaging about the departed. I note that my colleagues today avoided saying a great number of things about me that might have been said that might not be quite so complimentary as the things they did say. And I thank them, I suppose, as much, then, for what they did not say as for what they said.

In any case, I do thank them. I feel privileged to have the opportunity to serve with men of such caliber that I think this validly and rightly may be called the world's greatest deliberative body.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I yield back the balance of the time allocated under the special orders and under the leadership time.

RECOGNITION OF SENATOR FORD

The PRESIDING OFFICER (Mr. MURKOWSKI). Under the previous order, the Senator from Kentucky is recognized for not to exceed 15 minutes.

Mr. FORD. Mr. President, I thank the distinguished acting majority leader.

DROUGHT DISASTER LOANS FOR FARMERS

Mr. FORD. Mr. President, I rise today to bring to the attention of the Senate the intolerable situation the Reagan administration is permitting to continue in the Small Business Administration disaster loan program.

Last summer, a serious drought devastated crops and killed livestock over large portions of my State and throughout the South and Midwest. Total agricultural losses exceeded $1 billion in some States and hundreds of counties were declared disaster areas.

In my State of Kentucky alone agricultural income was reduced by $500 million. Corn and soybean yields dropped 29 percent below 1979.

Drought-stricken Kentucky farmers looked to the Federal Government for some assistance—not handouts, but loans necessary to remain financially solvent through another growing season. Over 500 farmers, mostly from the western part of the State, applied to the Small Business Administration for disaster loans based on documented losses.

We know, Mr. President, that there has been a long debate in this body over whether or not the SBA should be in the business of agricultural disaster loans. Without the necessary background and experience, the SBA had considerable difficulty in efficiently managing a farm loan program. Many of my colleagues argued persuasively to get SBA out of the farm disaster loan business.

That issue was settled last year when we passed Public Law 96-302 and effectively removed SBA from farm disaster lending by requiring farmers to go to the Farmers Home Administration flirst for disaster assistance. However, the changes made in Public Law 96-302 do not apply to the drought or any other disaster that commenced on or before July 3, 1980. Thus, for this one last time SBA was involved in providing some assistance to drought-stricken Kentucky farmers.

SBA officials in conjunction with other State and local government personnel held several meetings to explain their disaster loan program. Drought victims relied on the law, regulations, and statements made by SBA officials. Through June 12, 518 applications have been received in the Louisville SBA office. Thousands of other applications were made in Arkansas, Missouri, Texas, and other States.

In the middle of processing these loans, SBA on March 19, issued emergency and final regulations making significant changes in both eligibility and loan benefits. These regulatory changes were made without benefit of public notice or comment.

The new loan regulations affected all pending loan applications. A credit-elsewhere test was imposed on applicants where none had been required before. In addition, a limitation was imposed on the amount of a disaster loan a farmer could receive. Now SBA loans could not be made for more than 60 percent of the documented drought losses.

Mr. President, drought-stricken farmers in my State were totally surprised, perplexed, and frustrated by the actions of SBA. At a time when trust in government was already low, the Reagan administration has succeeded in ignoring promises made to thousands of disaster victims.

On April 28, five colleagues joined me in a letter to President Reagan. We implored him to rescind these emergency and final regulations promulgated on March 19. We brought to his attention the fact that thousands of farmers were in desperate need of credit to provide for planting crops and replacing livestock. Time was of critical importance since the planting season cannot wait.

The administration has chosen to do nothing. The unfairness and inequity of the SBA actions continue without a word of comment from our President. SBA continues to operate under the emergency and final regulations issued March 19. As of June 12, SBA-Louisville has now turned down 134 disaster loan applications. Prior to March, only four applications had been refused. Still pending in the Louisville office are 149 loans, most of which will undoubtedly now be turned down.

Time has run out for many Kentucky farmers. The drought of last summer, the lack of credit for this year—and to top it off torrential floods this spring—has brought many of my farmer constituents to their knees. Why does the administration refuse to recognize that the Federal Government has a basic responsibility to help victims of natural disasters?

This week the Senate will begin floor action on the reconciliation resolution. A vital part of this reconciliation is S. 865, a bill put together by my distinguished colleagues Senator BUMPERS and Senator PRYOR. This legislation will provide for a return to the pre-March 19 regulation for processing all applications for drought disaster assistance pending at that date. This legislation has been favorably reported by the Small Business Committee and I call on my colleagues on both sides of the aisle to support this desperately-needed action. By doing so, we can meet the promise made to America's drought victims who in good faith relied on the Federal Government for assistance in time of need.

The administration has demonstrated quite clearly that it is deaf to the pleas of America's victims. I do not want the Senate of the United States to also turn a deaf ear.

EXECUTIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate go into executive session for the purpose of considering all nominations under new reports on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

Mr. STEVENS. Mr. President, I ask unanimous consent to consider all nominations under New Reports and placed at the Secretary's desk en bloc and that they be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF ENERGY

Herman E. Roser, of New Mexico, to be an Assistant Secretary of Energy.

DEPARTMENT OF DEFENSE

Russell D. Hale, of Virginia, to be an Assistant Secretary of the Air Force.

Edward J. Philbin, of California, to be Deputy Assistant Secretary of Defense for Reserve Affairs.

George A. Sawyer, of New Jersey, to be an Assistant Secretary of the Navy.

William R. Gianelli, an Assistant Secretary of the Army, to be a member of the Board of the Panama Canal Commission.

U.S. AIR FORCE

Maj. Gen. James E. Dalton [redacted], FR, U.S. Air Force, to be lieutenant general.

U.S. ARMY

Maj. Gen. Oren Edwin DeHaven, [redacted] U.S. Army, to be lieutenant general.

Maj. Gen. John Winn McEnery, [redacted] U.S. Army, to be lieutenant general.

Lt. Gen. Arthur James Gregg [redacted] (age 53), Army of the United States (major general, U.S. Army), to be lieutenant general.

Maj. Gen. Richard Horner Thompson, [redacted] U.S. Army, to be lieutenant general.

U.S. NAVY

Adm. Alfred J. Whittle, Jr., U.S. Navy (age 57), for appointment to the grade of admiral on the retired list, to admiral.

Rear Adm. James A. Lyons, Jr., U.S. Navy, to be vice admiral.

U.S. MARINE CORPS

Lt. Gen. Paul X. Kelley [redacted], U.S. Marine Corps, to be general.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE ARMY AND THE NAVY

Army nominations beginning Lowell L. Ballard, Jr., to be colonel, and ending Susie M. Sherrod, to be lieutenant colonel, which nominations were received by the Senate May 27, 1981, and which appeared in the Congressional Record of June 1, 1981.

Navy nominations beginning James D. Abshear, to be chief warrant officer, and ending Adrian C. Youngblood, to be chief warrant officer, which nominations were received by the Senate and appeared in the Congressional Record of June 1, 1981.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the nominations were considered and confirmed en bloc.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I ask unanimous consent that the President be notified of the confirmation of all the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

REORGANIZATION ACT OF 1981

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 161, the Reorganization Act of 1981.

Mr. ROBERT C. BYRD. Mr. President, there is no objection.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (S. 893) to extend and amend the authority of the President to reorganize the executive branch of the Government under chapter 9, of title 5, United States Code.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Governmental Affairs with amendments, as follows:

On page 2, line 6, strike "of", and insert "after";

On page 3, line 7, after the period, insert the following: addition, the message shall present evidence that preliminary planning has taken place, through an interagency task force or otherwise, to achieve effective implementation of the reorganization.

On page 3, line 11, strike "also";

On page 3, line 13, strike "for", and insert "in"; and

On page 3, line 13, strike "the", and insert "such":

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Reorganization Act of 1981".

EXTENSION OF AUTHORITY

SEC. 2. Section 905(b) of title 5, United States Code, is amended to read as follows:

"(b) A provision contained in a reorganization plan may take effect only if the plan is transmitted to the Congress within four years after the date of enactment of the Reorganization Act of 1981.".

PERIOD FOR CONSIDERATION OF PLAN

SEC. 3. Chapter 9 of title 5, United States Code, is further amended—

(1) by striking out "thirty calendar days" in section 903(c) and inserting in lieu thereof "60 calendar days";

(2) by striking out "sixty calendar days" in such section and inserting in lieu thereof "90 calendar days";

(3) by striking out "sixty-day" in section 906(c) and inserting in lieu thereof "ninety-day";

(4) by striking out "45 calendar days" in section 910(b) and inserting in lieu thereof "75 calendar days"; and

(5) by striking out "45 calendar days" in section 911 and inserting in lieu thereof "75 calendar days".

INFORMATION TO ACCOMPANY PLANS

SEC. 4. Section 903(b) of title 5, United States Code, is amended by adding at the end thereof the following new sentences: "If the reorganization provided for in a plan requires the promulgation of an Executive order, Presidential directive, or other administrative action, a draft of each such order, directive, or action shall accompany such message. In addition, the message shall present evidence that preliminary planning has taken place, through an interagency task force or otherwise, to achieve effective implementation of the reorganization. The President shall submit such further background or other information as the Congress may require in its consideration of such plan.".

RESTRICTIONS ON CONTENTS OF PLANS

SEC. 5. (a) Section 905(a) of title 5, United States Code, is amended—

(1) by inserting "or renaming an existing executive department" immediately after "a new executive department" in paragraph (1);

(2) by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively, and by inserting immediately after paragraph (4) the following new paragraph:

"(5) creating a new agency which is not a component or part of an existing executive department or independent agency;".

(b) Section 904(1) of such title is amended by inserting ", subject to section 905," immediately after "may".

METHOD OF APPROVAL OF PLANS

SEC. 6. (a) Section 906(a) of title 5, United States Code, is amended to read as follows:

"(a) Except as otherwise provided under subsection (c) of this section, a reorganization plan is effective—

"(1) if each House of Congress, within 90 calendar days of continuous session of Congress after the date on which such plan is transmitted to it, adopts a resolution stating in substance that the House favors the reorganization plan; or

"(2) upon the expiration of such 90-day period unless, within such period, in a vote on final approval of such a resolution in either House, such resolution fails to be adopted.".

(b) Section 906(c) of such title is amended by striking out "if both Houses of Congress have defeated a resolution of disapproval" and inserting in lie uthereof "if both Houses of Congress have approved a resolution of approval".

(c) Section 909 of such title is amended by striking out the matter within the quotation marks and inserting in lieu thereof the following: "That the favors the Reorganiation Plan Numbered transmitted to the Congress by the President on , 19 .".

Mr. STEVENS. Mr. President, I am pleased to inform the Senate, on behalf of Senator ROTH, chairman of the Governmental Affairs Committee, that the committee unanimously recommends passage of S. 893, to extend executive reorganization authority.

Presidential authority to propose Executive Reorganization Plans to Congress, subject to a one-House veto, expired on April 6, 1981. The matter of reviewing the President's reorganization authority is one which has been before the Congress numerous times during the last 40 years. The Reorganization Act thus gives successive President's authority to make the national Government more responsive to their policies, while it has made them more accountable to the public for their actions.

The bill reported by the Governmental Affairs Committee is not a simple reorganization, but rather makes some important changes in the reorganization process.

The expiration date has been altered to extend authority for 4 years rather than the 2-year extension more common in the recent past. A 4-year extension will help to assure more effective implementation of reorganization proposals.

Section 5(a)(1) of S. 893 prohibits the President from renaming any existing executive department in a reorganization plan. This is intended to reinforce the existing prohibition against the creation of new departments and so minimize unnecessary friction between the Administration and the Congress.

Section 5(a)(2) adds a new subsection to the Reorganization Act which would prevent the President from creating new agencies which are not made a part of an existing department or independent agency. New independent agencies frequently diffuse accountability for programs and policies while their increasing number makes it more difficult for the President to implement and coordinate policies. The committee believes that this provision will enhance the accountability of all executive branch agencies to the President and the Congress and will reduce fragmentation.

Section 4 provides that any executive orders or other written directives which the President believes may be required to implement any plan must be made a part of the message accompanying it.

While the orders and directives are intended to provide committee members with a complete description of the scope of each proposed plan, they would be in draft form only and would not be binding on the President. During the course of its consideration, the committee heard testimony from GAO to the effect that inadequate resources are devoted to implementing reorganization plans once approved. Section 4 was therefore amended to require that the message accompanying any plan include sufficient evidence to assure the committee that preliminary planning has taken place.

Section 3 of S. 893 extends by 30 days the period of time for congressional consideration. Congress will now have 90 days in which to consider plans. The Governmental Affairs Committee in the Senate and the Government Operations Committee in the House will have 75 days for hearings or review before being discharged of further consideration. The President will have up to 60 days after a plan is submitted to Congress in which to offer amendments. Experience with the reorganization process has demonstrated the need for more time to carefully review plans and to allow the committee to work more effectively with the administration.

Finally, under section 6 of this bill, reorganization plans would become effective if any one of these conditions were satisfied during the 90-day period for congressional review:

First, each House of Congress adopts a resolution approving the plan;

Second, one House of Congress adopts an approving resolution while the other fails to vote; or

Third, neither House votes on an approving resolution.

If none of these conditions are met; for example, if one House defeats a resolution to approve, the plan is defeated. Because the approval mechanism in S. 893 provides for passage, rather than defeat, of a resolution as a method of approval, it more closely resembles the normal legislative process than the previous law.

Since its original enactment the reorganization process has served as a principal instrument for the restructuring of government. The need for such an instrument is as great today. As the President moves forward with the economic recovery program and with the return of many responsibilities to State and local governments, his effort to reform the organization of the executive branch will be aided and simplified by the authority conferred upon him through this customary measure.

I am convinced that the reorganization procedure and the new provisions for expanded review contained in S. 893 balance the Executive's need for quick and flexible action with the need for meaningful review by Congress. I recommend its prompt passage.

Mr. President, I ask unanimous consent that there be no amendments in order to this bill other than the committee amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 2 P.M.

Mr. STEVENS. Mr. President, I ask unanimous consent that, following the statement by the Senator from Iowa, the Senate stand in recess until 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Does the Senator wish the committee amendments considered en bloc?

Mr. STEVENS. Mr. President, yes, I ask unanimous consent that the committee amendments be considered en bloc. I ask that that be done now.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the committee amendments en bloc.

The committee amendments were agreed to en bloc.

Mr. GRASSLEY. Mr. President, I thank the Senator from Alaska for yielding to me. I have no opposition to the bill. In fact, I have totally supported the legislation over a long period of time. I think that this bill is a reasonable and responsible procedure for amending the law dealing with the reorganization of government.

The President's role in this process is enhanced through legislation that allows him to come to Congress with recommendations for Congress to approve or disapprove as it sees fit, but nevertheless aware that his plans will go into effect unless Congress takes any contrary action. Therefore, I am not rising to speak to the major point of the legislaiton, but I rise to remind my colleagues in this body that, involved with this legislation, as it has historically been since the 1930's, is the legislative dissapproval provision by which these reorganization programs are reviewed by the Congress of the United States. That review is what we commonly refer to as the congressional veto, a procedure by which Congress will have a certain period of time after a proposal is given to them by the President to take contrary action. If no contrary action is taken, then the proposal goes into effect.

I take this opportunity, Mr. President, to bring this issue up on this specific piece of legislation because, hopefully, later on in this Congress, we shall be discussing the subject of the congressional veto—whether or not the congressional veto, the concept or the principle of a legislative disapproval mechanism, however, you want to say it, should be applicable to regulations written by the bureaucracy, which regulations, we all know, have the same impact upon our lives as any law passed by the Congress of the United States. I hope that this issue will be up for discussion soon.

There are, undoubtedly, a number of people who hope it will never come up for discussion, because they oppose the concept of a congressional veto. I address the disapproval mechanism at this time because, when Members of this body vote for this legislation, they are endorsing the concept of a congressional veto as previous Senates have endorsed the concept of the congressional veto on previous reorganization bills.

I also take the opportunity to remind the Members of this body that the President of the United States, through his support of this legislation, is supporting the concept of the congressional veto. The President, as far as I know, to this point, has not taken a position on the congressional veto applicable to regulations. I hope that he will not do so until he gives it serious consideration and he has an opportunity to visit with some of us in the Congress who support the congressional veto, because we want to remind the President of the United States that before he announced his candidacy for the Presidency, he spoke, in newspapers and on radio programs, in support of the congressional veto.

We want to remind him that the Republican platform has come out in support of the congressional veto.

We want to remind him that he made statements in the election last fall that he supported the congressional veto.

We want to remind him that the reports of his transition teams recommended the congressional veto.

We want to remind him that one of his top advisers, David Stockman, Director of the Office of Management and Budget, has spoken out in support of the congressional veto and voted that way as a Member of the U.S. House of Representatives.

Finally, we want to remind him that one of his Cabinet members, Mr. Schweiker, supported the concept when he was a Member of the U.S. Senate.

Mr. President, we think that all of these bits of evidence are important to the President of the United States and that he ought to come out in support of the congressional veto as it applies to regulation. But more importantly, the fact that he supports the congressional veto as it is applicable to this piece of legislation and that he is willing to allow basic legislation to give Congress the opportunity to thwart any reorganization proposals, suggest likewise, that it ought to be available to the Congress of the United States, whenever his administration suggests regulations to be promulgated pursuant to legislation passed by the Congress of the United States. So, in more than one way, the President has endorsed and is endorsing the congressional veto. Most importantly, he is endorsing it on a very specific piece of legislation that we are going to pass here today. In passing this legislation, the Senate of the United States is tacitly supporting the congressional veto as well.

Mr. President, as to all the questions that have been raised by the opponents of the congressional veto as to its constitutionality—whether or not it violates the separation of powers between the executive branch and the congressional branch of Government—those questions are answered right here in this very report on this bill, where it says, in the middle paragraph on page 3:

> The limitations and procedures contained in the act have, over time, proved adequate both as a constitutional and practical matter to protect the responsibilities of both the Congress and the executive branch in accordance with the principles of separation of power between the two branches.

I continue to quote:

> Renewing reorganization authority is not an open-ended mandate to the President to

reorganize Government on his own. Congress should and must be an active participant in the process of formulating and implementing reorganization plans.

It reads, further, that the President and Congress can work together in a way neither could work alone to improve the Government as organized to meet the obligations to the people it serves.

The constitutional questions of Congress delegating some legislative authority to the President and the constitutional questions involved with administrative action taken by the President and how that may be checked by review by the Senate and the House are involved with this piece of legislation.

It seems to me that this very bill serves as a worthy precedent for any discussion of Congressional veto that has come up on individual, specific pieces of legislation or the more encompassing piece of legislation that the distinguished Senator from New Mexico (Mr. SCHMITT) and I have introduced, to establish the congressional veto.

As I look across the Chamber, I see the Senator from Michigan, who also has introduced a measure on this subject, and who has additionally tried to address this overall issue.

I hope the Senate will consider the issue of congressional veto as it is involved with this piece of legislation. I hope the Senate approves it. But I also hope the Senate will not be inconsistent when the subject of congressional review of regulations comes before this body and that it will, likewise, approve that legislation.

Mr. LEVIN. Mr. President, will the Senator yield?

Mr. GRASSLEY. I yield for discussion purposes only, on my time, to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. Mr. President, I commend the Senator from Iowa for his statement reminding the Senate that there is much precedent in the Senate, including the bill before us today, for legislative veto. There are many other precedents we can point to for the adoption of legislative veto, everything from a one-House veto to a joint resolution veto, the so-called Levin-Boren approach we adopted last year on FTC and HUD. So there is much precedent, as the Senator indicates, for adoption of the legislative veto.

I also commend the Senator for reminding us of that fact and reminding the President—as it is important to remind the President—that he also has made a commitment to legislative veto; and we hope that, in the next few months, one form or another of a Government-wide legislative veto will be passed by Congress.

I might add that, by coincidence or otherwise, the Senator from Virginia (Mr. HARRY F. BYRD, JR.) is in the Chamber. He also is the father of a form of legislative veto, a so-called two-House veto, which has much to be said for it.

As it happens, we have Senator GRASSLEY, who is part of the Schmitt-Grassley approach, and I, who am part of the Levin-Boren approach, as well as the Senator from Virginia (Mr. HARRY F. BYRD, JR.) who is the sponsor, as we know, of the two-House veto without the President, another form of veto.

We all hope that, in one form or another, this Congress will adopt a broad, across-the-board form of legislative veto. It is long overdue. Many of us have been working very hard to adopt it, to apply to all the agencies, with a few exceptions. I know that particularly my friend, Senator GRASSLEY, the Senator from Virginia and I are among those who have worked hardest in this area.

Mr. HARRY F. BYRD, JR. Mr. President, I concur in the comments made by the able Senator from Michigan and the able Senator from Iowa with respect to the need to take some action in regard to congressional veto power.

Mr. GRASSLEY. Mr. President, I should like to participate in a colloquy at this time with the distinguished Senator from New Mexico.

We are presently considering legislation, S. 893, which would have the effect of extending and amending the ability of the President to reorganize the executive branch of Government under chapter 9 of title 5 of the United States Code. It is important to note, that contained within this legislation, is a provision which would provide Congress with a legislative disapproval mechanism.

Mr. President, it is ironic that many Members of this Chamber who have condemned the legislative veto as an unconstitutional interference with administrative duties, have no qualms about supporting legislation that contains a veto provision. The legislative veto should not be viewed as a substitute for other regulatory initiatives but rather as a complement to such legislation. It is time to recognize this tool for what it is—an essential instrument of congressional oversight.

Mr. SCHMITT. Will the distinguished Senator from Iowa yield?

Mr. President, in recent years, the Congress has made increasing use of the legislative veto procedure. Some 296 provisions of law now require some kind of congressional review of agency rulemaking. The 96th Congress took the step of applying the legislative veto to all the rules of a major agency—the Federal Trade Commission. It is necessary that we apply this procedure to all Federal departments and agencies. Senator GRASSLEY and I have introduced a legislative veto bill, S. 890, which currently has 37 cosponsors. This legislation will, in a reasonable, orderly and constitutional manner, return to the Congress some measure of responsibility for the quantity and quality of regulatory law which confronts the American people. The House bill, introduced by Congressman LEVITAS, has over 227 cosponsors, and it is time for the Senate to act favorably.

Mr. GRASSLEY. History reveals a variety of congressional motivations behind the growth of legislative vetoes. Legislative vetoes originate as a condition attached to authority that Congress had exercised in the past. In delegating to the President or executive officials the authority to reorganize executive agencies, suspend deportations, and adjust Federal salaries, Congress relinquishes power only with the assurance of a legislative veto. The authority and the legislative veto are inseparable; the administration could not have had the authority without the condition. This same reasoning applies to legislation on Federal elections, atomic energy, export administration, standby gasoline rationing plans, and public works and buildings. Without recourse to the legislative veto, the two branches might well have been stalemated in their search for an acceptable piece of legislation.

Although Presidents often object to the legislative veto as an infringement on executive power and a destabilizing force on the balance between the branches, the net effect of legislative vetoes may actually be an increase in executive power. President Reagan campaigned on a platform advocating the use of this important tool. Far more power is delegated in the company of the legislative veto than would have been tolerated without it.

Another motivation behind the growth of the legislative veto is, of course, its restraint on authority previously delegated. Here, Congress attempts to rein in power that has drifted too far from legislative control. In this category are the legislative vetoes that are applied to arms sales, trade authority, regulatory agencies, and the General Services Administration.

Finally, as illustrated by the legislation we are presently considering, some of the legislative vetoes do not concern power delegated by Congress. Instead, the problem is how the legislative branch and the executive branch can share a responsibility that combines elements of congressional and Presidential power. Unable to define by statute the precise boundary between the branches, Congress relies on a legislative veto as a procedural link between rival and conflicting constitutional interpretations. Included within this category are the legislative vetoes in the war powers resolution and national emergency legislation. Without a definitive ruling from the courts on the allocation of war and emergency powers—a ruling the courts have been reluctant to deliver—the legislative veto offers a workable arrangement on the sharing of power between the legislative and executive branches.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

The bill (S. 893) was passed.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until 2 p.m.

The Senate recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. RUDMAN).

VETERANS' PROGRAMS EXTENSION AND IMPROVEMENT ACT OF 1981

The PRESIDING OFFICER. Under the previous order, the hour of 2 p.m.

having arrived, the Senate will now proceed to the consideration of S. 921, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (S. 921) to amend title 38, United States Code, to extend authority to provide contract hospital care and medical services in Puerto Rico and the United States Virgin Islands.

The Senate proceeded to consider the bill which had been reported from the Committee on Veterans' Affairs with an amendment to strike out all after the enacting clause, and insert the following:

That (a) this Act may be cited as the "Veterans' Programs Extension and Improvement Act of 1981".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

EXTENSION OF AUTHORITY TO PROVIDE CERTAIN CONTRACT HOSPITAL CARE AND MEDICAL SERVICES IN PUERTO RICO, THE VIRGIN ISLANDS, AND OTHER TERRITORIES

SEC. 2. Section 601(4)(C)(v) is amended by striking out "December 31, 1981" and inserting in lieu thereof "September 30, 1982".

LIMITATION ON CERTAIN DENTAL CARE ENTITLEMENT

SEC. 3. Clause (2) of section 612(b) is amended by inserting after "that" in subclause (B) "(i) in the case of a person who reenters active service in either the military, naval, or air service within one year after the date of such person's prior discharge or release from such service, the one-year limitation shall be measured from the date of such person's subsequent discharge or release, and (ii)".

EXTENSION FOR CERTAIN VIETNAM-ERA VETERANS TO REQUEST READJUSTMENT COUNSELING

SEC. 4. Section 612A(a) is amended—

(1) by striking out "two years after the effective date of this section" and inserting in lieu thereof "before October 1, 1983"; and

(2) by adding at the end the following new sentence: "Notwithstanding the first sentence of this subsection, in any case in which the Administrator determines that a veteran was, at any time during the period in which such veteran was eligible to request such counseling under such sentence, prevented from receiving such counseling—

"(A) because of a medical condition of such veteran, or

"(B) because such veteran was incarcerated in a Federal, State, or local jail or penal institution,

such period shall not run during the period of time that such veteran was so prevented from receiving such counseling. For the purposes of this subsection, the term, 'medical condition' means a disability, including an alcohol or drug dependence or abuse disability.".

VOCATIONAL REHABILITATION AND GI BILL PROGRAMS DELIMITING PERIODS EXTENTION BASED ON ALCOHOL OR DRUG DISABILITIES

SEC. 5 (a) Section 1501 is amended—

(1) by redesignating paragraphs (3) through (9) as paragraphs (4) through (10); and

(2) by inserting after paragraph (2) a new paragraph (3) as follows:

"(3) The term 'medical condition' means a disability, including an alcohol or drug dependence or abuse disability, of a veteran.".

(b) Section 1662(a) is amended by inserting at the end of paragraph (1) the following new sentence: "For the purposes of this paragraph, an alcohol or drug dependence or abuse disability from which the veteran has recovered shall not be considered to be the result of willful misconduct.".

EXTENTION OF VETERAN'S READJUSTMENT APPOINTMENT AUTHORITY

SEC. 6. Section 2014(b)(2) is amended by striking out "1981" and inserting in lieu thereof "1984".

EXTENSION OF TIME FOR STATE MEDICAL SCHOOLS ESTABLISHED WITH ASSISTANCE OF VA GRANTS TO OBLIGATE FUNDS

SEC. 7. Section 5073(a)(2)(G) is amended by striking out "seventh such period" and inserting in lieu thereof "seventh and eighth such periods".

AMENDMENTS TO AGENT ORANGE STUDY PROVISIONS

SEC. 8. Section 307 of the Veterans Health Programs Extension and Improvement Act of 1979, Public Law 96–151 (93 Stat. 1097), is amended—

(1) by amending subsection (a)(1) to read as follows:

"(a)(1)(A)(i) The Administrator of Veterans' Affairs shall design a protocol for and conduct an epidemiological study of the long-term adverse health effects in humans of service in the Armed Forces of the United States in the Republic of Vietnam during the period of the Vietnam conflict as such health effects may result from exposure to phenoxy herbicides (including the herbicide known as agent orange) and the class of chemicals known as the dioxins produced during the manufacture of such herbicides.

"(ii) In conducting the study provided for by division (i) of this subparagraph, the Administrator may, as the Administrator deems appropriate, expand the scope of such study to include an evaluation of the long-term adverse health effects in humans of such service as such health effects may result from other factors involved in such service, including exposure to other herbicides, chemicals, medications, or environmental hazards or conditions.

"(B)(i) The Administrator shall also conduct a comprehensive review and scientific analysis of the literature covering other studies relating to whether there may be long-term adverse health effects in humans from exposure to phenoxy herbicides (including the herbicide known as agent orange) and the class of chemicals known as the dioxins produced during the manufacture of such herbicides.

"(ii) In conducting the review and analysis of the literature provided for by division (i) of this subparagraph, the Administrator may, as the Administrator deems appropriate, expand the scope of such review and analysis of the literature to include a review and analysis of the literature covering other studies relating to whether there may be long-term adverse health effects in humans from other factors involved in service in the Armed Forces of the United States in the Republic of Vietnam during the Vietnam conflict or in other comparable situations involving one or more of the factors described in subparagraph (A)(ii) of this paragraph.

"(C) The Administrator may, in carrying out the study provided for by subparagraph (A) or the review and analysis of the literature provided for by subparagraph (B), or both, enter into such contracts or agreements with private or public agencies or persons for such necessary services, including design of the protocol for or the conduct of, in whole or part, such study, or both, or such review and analysis of the literature, or both, as the Administrator may deem practicable and necessary."; and

(2) by amending subsection (b)—

(A) by amending paragraph (2) by inserting "for administrative or legislative action, or both," after "recommendations"; and

(B) by adding at the end the following new paragraph:

"(3)(A)(i) Not later than ninety days after the submission of each report provided for in paragraph (2), the Administrator shall, based on the results described in each such report and the comments and recommendations thereon and any other available pertinent information, develop and publish in the Federal Register, for public review and comment, proposed regulations containing proposed guidelines, standards, and other criteria (together with an explanation of the bases for such proposed guidelines, standards, and criteria) for resolving claims for benefits administered by the Veterans' Administration based on exposure to agent orange during service in the Armed Forces of the United States in the Republic of Vietnam during the Vietnam conflict.

"(ii) If the Administrator expands the scope of the study provided for in subsection (a)(1)(A)(i) (as provided for in subsection (a)(1)(A)(ii), such proposed regulations shall also contain proposed guidelines, standards, and other criteria for resolving claims for benefits administered by the Veterans' Administration based on one or more factors described in subsection (a)(1)(A)(ii) related to such service.

"(iii) Proposed regulations developed and published pursuant to division (i) of this subparagraph (and, of proposed regulations are developed and published pursuant to division (ii) of this subparagraph, pursuant to such division) shall include specification of any presumptions (including any presumptions regarding service and exposure) to be applied to the resolution of the claims to which such proposed guidelines, standards, and criteria in such proposed regulations apply.

"(iv) Notwithstanding any other provision of law, the public review and comment process required by division (i) of this subparagraph shall be conducted in accordance with the provisions of sections 553 (b) and (e), 556, and 557 of title 5, United States Code.

"(v) On the same day as such proposed regulations are published as required by division (i) of this subparagraph, the Administrator shall submit to the appropriate committees of the Congress any recommendations for legislative action that the Administrator considers appropriate in light of such proposed guidelines, standards, and criteria, the report submitted pursuant to subsection (b)(2), and other available pertinent information.

"(B) Not later than ninety days after the completion of the public review and comment process provided for in subparagraph (A)(i) and (iv), the Administrator shall publish in the Federal Register final regulations containing the guidelines, standards, and other criteria (together with an explanation of the bases for such guidelines, standards, and criteria) for resolving the claims involved.

"(C) Nothing in subparagraph (A) or (B) shall be considered to limit in any way the discretion and authority of the Administrator to promulgate or prescribe regulations, guidelines, standards, or other criteria for resolving any claims described in subparagraph (A)(i) or (ii) at any time earlier than the time prescribed in subparagraph (A) for the publication of the proposed regulations described in such subparagraph.

"(D) The Administrator's compliance with the provision of, and any regulations promulgated pursuant to, this paragraph shall be subject to judicial review in accordance with the provisions of chapter 7 of title 5, United States Code.".

TECHNICAL AMENDMENT TO PUBLIC LAW 96–385

SEC. 9. Section 508 of the Veterans' Disability Compensation and Housing Benefits Amendments of 1980 (Public Law 96–385; 94 Stat. 1538) is amended by striking out subsection (b).

Amend the title so as to read: "A bill to amend title 38, United States Code, to extend the authority to provide certain contract hospital care and medical services in Puerto Rico, the Virgin Islands, and other territories, to remove a limitation on certain dental care entitlement, to extend the period for Vietnam-era veterans to request readjustment counseling, to clarify eligibility for postdelimiting date vocational rehabilitation and educational benefits based on disability, to extend the program of veterans' readjustment appointments in the Federal Government, to extend the period of availability of funds committed under the Veterans' Administration program of assistance to new State medical schools, to authorize expansion of an epidemiological study regarding veterans exposed to agent orange, and for other purposes.".

The PRESIDING OFFICER. Time for debate on this bill is limited to 2 hours, to be equally divided and controlled by the Senator from Wyoming (Mr. SIMPSON) and the Senator from California (Mr. CRANSTON), with 1 hour on any amendment in the first degree, except on Cranston amendment No. 58, on which there shall be 1½ hours; Cranston amendment No. 59, on which there shall be 1½ hours; and a Proxmire amendment No. 53, on which there shall be 30 minutes, with 30 minutes on any amendment in the second degree and with 20 minutes on any debatable motion, appeal, or point of order.

The Chair recognizes the Senator from Wyoming.

Mr. SIMPSON. I thank the Chair.

Mr. President, I am pleased to move to consideration of S. 921, the proposed Veterans' Programs Extension and Improvement Act of 1981, legislation that was reported by the Committee on Veterans' Affairs on May 15. I strongly support this legislation and would trust my colleagues to do likewise. The various provisions in the bill affect many aspects of the Government's programs for veterans, including a number of programs for Vietnam veterans.

INTRODUCTION

On April 8, 1981, as chairman of the Committee on Veterans' Affairs, I introduced S. 921 at the request of the administration. On April 30, 1981, the committee held a hearing on this and a number of other measures and, on May 13, 1981, the committee met in open session and voted to report favorably S. 921 with an amendment in the nature of a substitute and a title amendment.

HIGHLIGHTS OF S. 921 AS REPORTED

S. 921, which I will refer to as the committee bill, contains provisions that would extend the authority for and improve a variety of programs benefiting veterans, including a variety of programs targeted toward veterans of the Vietnam-era such as the VA's readjustment counseling program and the veterans readjustment appointment authority. The committee bill would also make improvements in the Federal Government's action in response to the issue of the adverse health effects resulting from exposure to agent orange, by modifying the authorized epidemiological study to ascertain the health effects of exposure to agent orange among Vietnam veterans that was mandated by Congress in 1979 in Public Law 96–151.

I should like to highlight briefly some of the provisions of the committee bill.

PROGRAMS TARGETED ON VIETNAM-ERA VETERANS

Mr. President, as I noted above, a number of provisions in the committee bill deal with programs that are targeted toward Vietnam-era veterans. Specifically, section 2 of the bill would extend the period of eligibility within which eligible Vietnam-era veterans could request readjustment counseling from the VA and make other amendments to the statutory authority for this program, section 6 would extend the authority for the veterans readjustment appointment authority, and section 8 would amend the provision in Public Law 96–151, under which the VA is to conduct the already authorized epidemiological study of Vietnam veterans who were exposed to agent orange.

The VA's readjustment counseling program was first authorized in 1979 by Public Law 96–22. The first of the storefront offices—the vet centers—established by the VA to carry out this program opened in January 1980. Under the original authority for the program, Vietnam-era veterans discharged before the effective date of the law—October 1, 1979—had 2 years within which to apply for this counseling. At the committee's April 30 hearing, it was clear that this program has proven to be quite effective in assisting in addressing the needs of those Vietnam-era veterans who have not yet made a creative and satisfactory readjustment following their service. Also, it became evident at the hearing that, because of the staggered opening dates for the 91 centers and varied external difficulties that have beset the program in the past 2 years, including agencywide personnel hiring freezes, reductions in travel and equipment funding, and uncertainty as to continuation of the program beyond the end of the current fiscal year, there would appear to be sufficient justification for an extension of the eligibility period for an additional 2 years or until October 1, 1983. I was impressed by the worth of these centers in the hearing process.

Section 2 of the committee bill would further amend the readjustment counseling authority to provide that a veteran's eligibility period for such counseling will not be deemed to run during any time in which a veteran is prevented from receiving the counseling by virtue of a disabling medical condition, including an alcohol or drug dependence or abuse disability, or because the individual is imprisoned. The provision relating to incarcerated veterans is included in the bill in order to address the committee's concern that, although incarcerated veterans are eligible for readjustment counseling, practical difficulties associated with providing the counseling to those veterans and the program's resource limitations, make it unlikely that many of these veterans will receive this counseling while imprisoned. Therefore, the committee bill would provide for a tolling of their eligibility period during their prison experience.

Section 6 of the bill would provide for an extension of another program targeted toward Vietnam-era veterans, the (VRA) veterans' readjustment appointment authority. This authority, which would otherwise expire on September 30, 1981, permits certain disabled Vietnam-era veterans—those with disabilities rated at 30 percent or greater—and educationally disadvantaged Vietnam-era veterans—those with less than 14 years of education—to be given excepted appointments in the Federal civil service. Once appointed, these veterans, through a program of education and training, are eligible to convert to regular civil service appointments.

The committee is convinced that the VRA program has been a most successful veterans' employment program and believes that extending the authority for this program at the same time the eligibility period for readjustment counseling is extended should benefit both programs. The single largest problem cited by Vietnam-era veterans seeking assistance at vet centers is employment. The VRA program—one that has a proven record of success—can help meet this problem directly not only by offering Vietnam-era veterans the possibility of a job, but by offering skill and education training as well.

The other section of the bill most directly related to Vietnam-era veterans is section 8 which would amend the Public Law 96–151 agent orange study mandate. Under that law, the VA is required to conduct an epidemiological study of Vietnam veterans exposed to agent orange, a study that I am most pleased to note is finally under way after being delayed for nearly a year by litigation and by the filing of a preaward protest with the GAO (General Accounting Office) challenging the agency's initial attempts to begin the study.

Mr. President, the provisions in section 8 of the committee bill were twice passed by the Senate during the 96th Congress—on September 4 and September 26, 1980. The committee bill would amend the study mandate in four ways: First, it would amend the description of the mandated agent orange study to require the VA to study the health of Vietnam veterans as their health may have been affected by exposure to agent orange. Second, it would authorize the Administrator of Veterans' Affairs to expand the scope of the agent orange study to include an evaluation of other factors involved in service in Vietnam, including exposure to other herbicides, chemicals, medications, or environmental hazards or conditions. Third, it would expressly provide the Administrator with authority to contract with non-VA entities for the design and conduct of the study. Fourth, it would provide a framework within which the VA would be required to translate information obtained from the agent orange study—and the other factors if the study is expanded—and information from other relevant studies or sources, into guidelines and recommendations for responding to the claims of Vietnam veterans that are based on exposure to such elements.

Mr. President, the first two of these changes are proposed in response to two concerns raised by the interagency work group formed to study the possible long-

term effects of phenoxy herbicides and contaminants—the so-called IAG. The IAG, through its scientific panel, has suggested that a study of veterans exposed to dioxin may be extremely difficult to fulfill because of many scientific problems entailed in identifying a population, prior to commencing the study, with known levels of exposure. In addition, the IAG has stated that there are many other chemicals, medications, and environmental hazards that were present in Vietnam that could have had an impact on Vietnam veterans' health.

In response to these concerns, Mr. President, the first proposed change would allow the VA to begin the study of the health status of Vietnam veterans—as their health may have been affected by exposure to dioxin agent orange—by identifying a population of veterans who served in Vietnam, without first having to determine whether each one was, without question, exposed to agent orange during their service. The second proposed change would give the VA Administrator the discretionary authority to broaden the focus of the study to include a study of other factors without, in any way, detracting from the already mandated focus on agent orange.

Mr. President, the third change in the agent orange study mandate that would be made by the provisions in the committee bill would explicitly authorize the Administrator to contract with non-VA, public or private entities for the design. There have been many expressions of concern that, although the VA is technically capable of carrying out the mandated study, it would be in the best interest of all concerned that the study be managed by a clearly neutral, nongovernmental body so that no allegations of bias could be raised to discredit the final results of the study, whatever those results may be. Several of the veterans' organizations, most notably, the American Legion and the Veterans of Foreign Wars, adopted resolutions at their most recent national conventions in support of such an approach.

Mr. President, the fourth change to the study mandate that would be made by the provisions in the committee bill would require the Administrator to establish a framework for the VA to issue regulations containing guidelines, standards, and criteria for resolving disability compensation claims based on disabilities or diseases believed to be related to agent orange exposure, and, if the scope of the study is expanded, on the other possible health-risk factors.

This provision would establish a specific timetable for the VA to report to appropriate congressional committees on the study findings, to develop and publish in the Federal Register proposed regulations, and to make recommendations to appropriate congressional committees for any legislative action that might be necessary in light of the proposed regulations.

Such recommendations would include, of course, any changes in current law that would be warranted by the study findings with respect to certain specific presumptions of disability or compensation for genetic damage that might be related to birth defects. However, this change would not, in any way, compel the VA to develop and propose any such guidelines, criteria, and standards that are not justified by the scientific information available at the times that the reports and proposals must be submitted, nor would it preclude VA actions with respect to proposals for the resolution of these claims based on scientific evidence available from other sources at any earlier time.

Although this change would not have the effect in itself of "speeding up" the scientific process of finding the answers to the very perplexing questions regarding the health of Vietnam veterans, the committee believes that, by establishing a specific framework and timetable for VA action, tied to certain reporting requirements already contained in Public Law 96–151, an important step forward will be taken toward meeting the strong concerns of many Vietnam veterans that, in the absence of an express requirement for VA actions on the findings of the mandated study, the VA might not act promptly.

Mr. President, section 5 of the bill, while not directly targeted toward Vietnam-era veterans, will have the greatest impact for those veterans because they are the veterans who are now making greatest use of the programs involved, the vocational rehabilitation and GI bill programs. This section would first amend title 38 in order to provide for an extension, or tolling, of a Vietnam-era veteran's GI bill delimiting period when the veteran has been prevented by an alcohol or drug dependence or abuse disability from which the veteran has recovered, from pursuing a program of education, and second it would provide a similar delimiting period extension with respect to a VA rehabilitation program for a service-connected disabled veteran. These two provisions are based on provisions that were passed by the Senate in the last Congress as part of legislation dealing with the GI bill and the VA's vocational rehabilitation program.

Mr. President, the committee's concerns in this area grew out of a finding of a number of instances in which the VA, acting under authority provided to the agency in the GI Bill Improvement Act of 1977, Public Law 95–202, in dealing with a GI bill delimiting date extension in the case of an eligible veteran who was prevented from pursuing a program of education due to a mental or physical disability not the result of the veteran's willful misconduct, has denied an otherwise eligible veteran such an extension on the grounds that the disability on which the veteran's claim was based was one of alcohol or drug abuse or addiction.

Mr. President, the committee has reexamined the practice consequences of denying a delimiting-period extension on the grounds of alcohol or drug disabilities and awarding other VA benefits, such as compensation or pension, based on such disabilities. As a result of this reexamination, the committee sees no substantial purpose to be served by denying a veteran GI bill delimiting-period extension when the veteran was prevented by such a disability during part or all of the ordinary 10-year delimiting period, from using GI bill benefits, and the veteran has recovered from the disability. In fact, in the committee's view, it could be expected that GI bill educational assistance would have considerable value to the social and economic rehabilitation of veterans who have recovered from disabilities related to alcohol or drugs.

In contrast, the committee notes that some undesirable consequences might flow from a similar rule being applied for purposes of other VA benefit programs, such as service-connected compensation, where the rate and duration of benefits depend directly upon the severity and duration of the disability. Under that program, an individual receiving benefits for alcoholism or drug addiction might be confronted with a strong financial incentive—in the form of a higher rate of compensation or the continuation of receipt of compensation—in contributing to the worsening or prolongation of the disability, both of which are to some very real extent within his or her control because they depend upon the amount, frequency, and duration of his or her consumption of alcoholic beverages or use of drugs. In any event, where the issue is whether to grant a GI bill delimiting period extension, the committee did not perceive that consideration of drug and alcohol disabilities not the result of willful misconduct in the case of a veteran who has recovered from the disability, would have any of the possibly undesirable consequences that may be seen to arise in other contexts.

Mr. President, because the committee strongly believes that the opportunity to use GI bill and VA rehabilitation program benefits can be extremely important to the readjustment and rehabilitation of the Vietnam era and disabled veterans involved, and that the delimiting-period extensions for those who were prevented by alcohol or drug disabilities from using those benefits would be fully consistent with the readjustment and rehabilitation goals of both programs, the committee bill includes both delimiting period extension provisions. In addition, it carries forward the same theory for readjustment counseling eligibility in the tolling provision proposed in section 4 of the bill.

EXTENSION AND CLARIFICATION OF OTHER PROGRAMS

Mr. President, section 2 of the committee bill would extend by 9 months—from December 31, 1981, until September 30, 1982—the VA's authority in section 601(4)(c)(V) of title 38 to provide, through contracts with private facilities, hospital care and such medical services as would obviate the need for hospital care for the treatment of nonservice-connected conditions in any U.S. territory, commonwealth, or possession.

This extension is being proposed in order to allow the Committee on Veterans' Affairs and the Congress to study a recently submitted VA report on the health-care needs of veterans in Puerto Rico and the Virgin Islands—two loca-

tions where this authority is used extensively—and to evaluate various options for meeting the health-care needs of these veterans.

Mr. President, section 3 of the bill would clarify the current law authority, in section 612(b)(2) of title 38, pursuant to which a recently discharged veteran receives dental care for a noncompensable service-connected dental condition. The committee bill provision would amend this authority to specify that, in the event a veteran reenters the service before the expiration of the 1-year period within which the veteran is eligible to request treatment under this authority, the 1-year period for treatment of dental conditions related to the first period of service will be reinstated after the subsequent period of service.

Mr. President, section 9 of the committee bill contains a technical amendment that would strike a provision in Public Law 96–385. The provision that would be eliminated is an amendment to a Public Law 96–330 provision relating to the retirement rights of VA Department of Medicine and Surgery title 38 employees. Provisions in Public Law 96–330 made changes in the manner in which retirement benefits are to be computed for part-time employees under section 4109 of title 38 and the Public Law 96–385 provision was enacted as a further, and as it turned out, incorrect adjustment to this title 38 authority. The provision in the committee bill would restore the law to its previous form under Public Law 96–330.

COST ESTIMATE

Mr. President, CBO estimates the fiscal year 1982 cost of the bill as $26.7 million in outlays and the 5-year cost in outlays as $75.3 million. The bulk of these costs are related to the readjustment counseling program which, as I noted earlier, the committee feels as do I, to have been a successful program.

CONCLUSION

Mr. President, I believe this bill makes a number of appropriate changes to programs targeted toward Vietnam-era veterans and to other VA initiatives. The House passed a similar measure, H.R. 3499, on June 2, and I urge that we proceed swiftly in order that we may forward a final bill to the President in a diligent manner.

Mr. President, I ask unanimous consent that excerpts of the committee's report on S. 921 be inserted in the RECORD in order that all Senators and the public may have a full understanding of the various provisions in this measure.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

SUMMARY OF S. 921 AS REPORTED

The basic purpose of S. 921 as reported (hereinafter referred to as "the Committee bill") is to maintain and improve the quality, scope, and efficiency of services provided the Nation's veterans through the Federal Government.

The Committee bill would accomplish this purpose by extending the authority for and improving a variety of programs benefiting veterans, including a number of programs targeted on veterans of the Vietnam-era such as the VA's readjustment counseling program and the veterans readjustment appointment authority. The Committee bill would also make improvements in the governmental action in response to the issue of the adverse health effects resulting from exposure to agent orange by modifying the epidemiological study to ascertain the health effects of exposure to agent orange Vietnam veterans mandated by the Congress in 1979 in Public Law 96–151.

The Committee bill would also extend the authority for the VA to provide hospital care and medical services in Puerto Rico, the Virgin Islands and other territories of the United States on a contract basis; and provide an additional year within which State medical schools established with VA grant assistance could expend previously appropriated funds.

SUMMARY OF PROVISIONS

Included in the Committee bill are provisions which would:

1. Extend, from December 31, 1981 until September 30, 1982, the VA's authority to provide hospital services and medical care of non-service-connected disabilities as will obviate the need for hospital admissions in the Commonwealth of Puerto Rico, the Virgin Islands and other territories of the United States.

2. Extend by 2 years the period within which eligible veterans of the Vietnam-era may request readjustment counseling from the VA.

3. Provide that the period in which an otherwise eligible veteran may request readjustment counseling shall not run during any period in which the veteran is prevented from receiving such counseling because of a medical disability, including an alcohol or drug dependence or abuse disability, or because of being incarcerated in a Federal, State, or local jail or penal facility.

4. Provide that, in the case of a veteran who reenters active duty service after less than a one-year break, the one-year period within which such a veteran can request outpatient dental care from the VA for a noncompensable, service-connected dental condition from the first period of service, would be reinstated following the individual's discharge or release from the subsequent service.

5. Provide that, for the purpose of determining eligibility for an extension of the delimiting period for vocational rehabilitation, a "medical condition" shall include an alcohol or drug dependency or abuse disability.

6. Provide that, solely for the purpose of determining eligibility for an extension of the delimiting period for the GI Bill program as a result of a disability, an alcohol or drug dependency or abuse disability from which the veteran has recovered shall not be considered to be the result of the veteran's willful misconduct.

7. Extend for 3 years the veterans readjustment appointments authority under which eligible Vietnam-era veterans may receive noncompetitive appointments in the Federal civil service.

8. Extend by one year, from seven to eight years, the period in which State medical schools established with grant assistance from the VA may use previously appropriated grant funds to defray faculty salary costs.

9. Authorize expanding the scope of an epidemiological study regarding veterans exposed to agent orange to include an evaluation of the impact on such veterans' health of other factors associated with service in Vietnam and clarify that the VA has the authority to contract with a private entity for the conduct of this study.

10. Establish timetables within which the Administrator, based on the results of the epidemiological study regarding veterans exposed to agent orange and other available pertinent information, would be required to develop regulations for the resolution of claims for benefits based on exposure to agent orange and, if the scope of the study is expanded, on other factors.

DISCUSSION

Extension of authority to provide certain contract hospital care and medical services in Puerto Rico and the Virgin Islands

Under section 601(4)(c)(v) of title 38, as most recently amended by Public Law 95–520, the Veterans' Administration Programs Extension Act of 1978 (in conjunction with sections 610(a) and 612(8)), the VA has the authority to provide, through contracts with private facilities, hospital care and such medical services as would obviate the need for hospital care for the treatment of non-service-connected conditions in any State, territory, Commonwealth, or possession of the United States not contiguous to the 48 contiguous States. In Public Law 95–520, this authority was made permanent with respect to Alaska and Hawaii and, for other locations, to expire on December 31, 1981. Provision of authorized care and services is conditioned on the requirement that the annually-determined patient load and the incidence of the provision of medical services for veterans hospitalized and treated by the VA in each such State, territory, Commonwealth, or possession be consistent with the level of such care and services provided within the 48 contiguous States. However, with respect to contract hospital care and medical services which may be furnished in Puerto Rico and the Virgin Islands, the Administrator is authorized to waive this requirement until the current expiration date for the general authority.

At the time the Congress was considering the legislation that was ultimately enacted as Public Law 95–520, the General Accounting Office had recently completed a report on the VA's use of its then-existing contract authority to provide non-service-connected care in Puerto Rico and the Virgin Islands. In this GAO report, which is discussed in more detail in the Committee's report accompanying H.R. 5029 (S. Rept. No. 95–825), the GAO concluded that "a comprehensive assessment is needed of the health-care needs of veterans in Puerto Rico and the Virgin Islands." In response to this recommendation, the Congress directed the VA to conduct such a study and submit a report to the Congress and the President not later than February 1, 1980. Last Congress, in Public Law 96–330, this deadline was extended until February 1, 1981, and, on March 10, 1981, the report was submitted to the Congress.

The VA report found generally that the male population of Puerto Rico and the Virgin Islands has a somewhat poorer state of health than the male population of the United States and that the availability of non-VA medical resources in both locations is very limited. In addition, the report noted that the percentage of service-connected disabled veterans is higher in the Puerto Rico and Virgin Islands veteran population than in the U.S. veteran population. Based on all of the findings of the study, the contractor who actually conducted the study for the VA concluded that there is a gap between the demand for health-care services from both Puerto Rico and Virgin Islands veterans and the available supply of such services and that this gap is widening at a rate of approximately 2 percent each year.

In order to address the problems raised in the report, the VA developed a series of options, including four options for inpatient hospital care, six options for outpatient care and five options for nursing home care. The inpatient care options ranged from expanding the San Juan VA Medical Center to 1,037 beds (in order to end contract psychiatric care) to reducing the VAMC to 492 beds from

the current level of 692 beds. Outpatient care options ranged from increasing the number of visits to 401,300 to decreasing the number of visits to 112,957. The nursing home patient care options ranged from the VA constructing all 144 beds deemed necessary to the VA constructing various numbers of beds and contracting for the remainder.

So that the Committee and the Congress will have sufficient time to weigh these various options and select the most appropriate course for meeting the health-care needs of veterans in these two locations, the current contract non-service-connected care authority would be extended 9 months, until September 30, 1982, by section 2 of the Committee bill.

Limitation on certain dental care entitlement

Section 612(b)(2) of title 38 generally requires that a veteran apply to the VA within 1 year of the date of his or her discharge or release in order to receive outpatient dental care (and related dental appliances for a service-connected dental condition or disability that is not compensable in degree. When the individual leaves active-duty service permanently upon receipt of a discharge or release, this one-year limitation operates fairly and requires the veteran to seek early treatment of the service-connected, but noncompensable, condition or disability.

If, however, the individual reenters active duty service before the 1-year limitation has expired, the time for making application may expire during such service. Thus, immediately following the subsequent period of service and return to civilian life, if the veteran requires care for the condition or disability incurred or aggravated during the prior period of service, the veteran would be, according to the VA's interpretation, ineligible for such care from the VA.

In the Committee's view, it is unreasonable to expect the individual to apply to the VA for care or treatment while on active duty. Persons on active duty naturally expect the military department concerned to provide for their dental and medical needs and would, understandably and justifiably, be surprised to learn that their entitlement to any VA care may expire during such service. In fact, it is conceivable that the individual might actually receive some treatment for his or her dental condition or disability during the subsequent enlistment, and, assuming the condition was not aggravated during that enlistment, still be ineligible for VA treatment of the condition following discharge or release from that period of service.

The Committee views these results as clearly inequitable and anomalous. Section 3 of the Committee bill, therefore, amends section 612(b)(2) to reinstate, after subsequent active duty service in the cases of a person with less than a 1-year break in service, the 1-year post-service period within which an application for such dental care must be made to the VA.

Vietnam-era veterans readjustment counseling program

The principal focus of the Committee's April 30 hearing was on the VA's program of readjustment counseling for Vietnam-era veterans. During the course of the hearing, the Committee heard from a number of witnesses on this program, including two members of the U.S. Senate, Senators Chafee and Pressler, the former Administrator of Veterans' Affairs, Max Cleland, representatives of veterans' organizations, including The American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, AMVETS, and Vietnam Veterans of America. In addition, there were a number of individual witnesses who testified on the program. Without exception, each of these witnesses expressed support for the readjustment counseling program and advocated an extension of the eligibility period.

Under current law, an otherwise eligible Vietnam-era veteran discharged before October 1, 1979, the effective date of Public Law 96-22, the legislation that initially provided the authority for the VA to provide readjustment counseling, will become ineligible to request readjustment counseling for the first time after October 1, 1981. At the April 30 hearing, the Committee had three measures before it that would have extended this eligibility period—for 2 years in S. 25 and S. 458, and for 3 years in S. 872.

Among the many reasons advanced for an extension of the eligibility period, the Committee was most impressed by testimony indicating that the first Vet Center did not open until January 1980, 3 months after the program was authorized, and that a number of such centers were not established until much later. As the following list of Viet Centers, arranged by official opening date indicates, many of the original Vet Centers have been open less than a year at the present time.

CHRONOLOGICAL LIST OF OPERATION OUTREACH VET CENTERS BY OFFICIAL OPENING DATE

Team	City	Official opening date
118	Williston	Jan. 3, 1980.
601	Albuquerque	Jan. 11, 1980.
505	Des Moines	Jan. 12, 1980.
410	Chicago	Jan. 14, 1980.
614	San Jose	Jan. 17, 1980.
615	do	Do.
304	Atlanta	Jan. 23, 1980.
605	Van Nuys	Jan. 26, 1980.
501	Cheyenne	Jan. 30, 1980.
516	Sioux Falls	Feb. 1, 1980.
508	Kansas	Do.
514	Salt Lake City	Feb. 6, 1980.
107	Buffalo	Feb. 7, 1980.
210	Philadelphia	Do.
115	Portland	Feb. 8, 1980.
507	Houston	Feb. 12, 1980.
102	Boston	Feb. 13, 1980.
617	Portland	Feb. 15, 1980.
415	Milwaukee	Feb. 16, 1980.
510	Minneapolis	Feb. 20, 1980.
504	Denver	Feb. 21, 1980.
116	New Haven	Feb. 22, 1980.
513	Omaha	Do.
209	Elkton	Do.
517	Wichita	Do.
618	San Diego	Feb. 26, 1980.
604	Boise	Feb. 28, 1980.
608	El Paso	Feb. 29, 1980.
310	Miami	Mar. 1, 1980.
411	Oak Park	Mar. 3, 1980.
302	Birmingham	Mar. 7, 1980.
621	Seattle	Do.
502	Dallas	Mar. 11, 1980.
202	Baltimore	Mar. 13, 1980.
201	do	Do.
108	Manchester	Mar. 24, 1980.
301	St. Petersburg	Do.
506	Fargo	Mar. 26, 1980.
104	Brockton	Mar. 28, 1980.
606	Los Angeles	Mar. 29, 1980.
305	Jacksonville	Mar. 31, 1980.
211	Pittsburgh	Apr. 1, 1980.
512	Oklahoma City	Apr. 2, 1980.
515	San Antonio	Do.
306	Jackson	Apr. 4, 1980.
311	Ft. Lauderdale	Apr. 14, 1980.[1]
509	Billings	Apr. 16, 1980.
312	New Orleans	Do.
518	Laredo	Apr. 22, 1980.
213	Washington	Apr. 25, 1980.
214	do	Do.
309	Memphis	May 1, 1980.
206	Fayetteville	May 2, 1980.
404	Cincinnati	May 7, 1980.
307	Little Rock	May 8, 1980.
416	Dayton	May 9, 1980.
401	Detroit	Do.
402	do	Do.
409	Fort Wayne	May 13, 1980.
113	Pawtucket	May 16, 1980.
207	Norfolk	Do.
208	Huntington	May 23, 1980.
406	Cleveland	Do.
405	East Cleveland	Do.
612	Oakland	May 24, 1980.
607	Venice	May 28, 1980.
610	Las Vegas	Do.
609	Honolulu	May 29, 1980.
303	North Charleston	May 30, 1980.
203	Jersey City	June 13, 1980.
204	Newark	Do.
619	San Francisco	June 16, 1980.
620	do	Do.
408	Columbus	June 20, 1980.
215	Wilmington	June 25, 1980.
616	Phoenix	June 27, 1980.
414	St. Louis	June 30, 1980.
413	Indianapolis	July 17, 1980.
623	Montabello	July 25, 1980.
308	Louisville	Aug. 8, 1980.
105	Brooklyn	Aug. 28, 1980.
109	Queens	Sept. 10, 1980.
101	Brighton	Oct. 1, 1980.[2]
106	Manhattan	Oct. 10, 1980.
603	Anchorage	Oct. 28, 1980.
624	Anaheim	Oct. 31, 1980.
110	Bronx	Nov. 24, 1980.
114	San Juan	Dec. 18, 1980.
622	Tacoma	Dec. 20, 1980.
117	Hartford	Jan. 16, 1981.
119	St. Thomas	Feb. 19, 1981.[2]
613	Reno	Apr. 24, 1981.

[1] This is the official opening date for the first Fort Lauderdale center. The present center was officially opened on Apr. 18, 1981.
[2] This is the date in which the team first occupied its site. An official opening for this center was waived.

Source: Veterans' Administration.

In view of this circumstance and in view of the many external difficulties that have beset the program in the past 2 years, including agency-wide personnel hiring freezes, reductions in travel and equipment funding, and uncertainty as to continuation of the program beyond the end of the current fiscal year, it was apparent to the Committee that there was sufficient reason for an extension of the eligibility period.

The Committee was also impressed with testimony from witnesses at the April 30 hearing on the role the Vet Centers can play beyond their primary mission of locating and providing direct counseling to Vietnam-era veterans through the Centers. One hearing witness, Mr. John Russell Smith, an individual with a great deal of personal experience dealing with the issue of the readjustment of Vietnam-era veterans and himself, both a Vietnam combat veteran and a mental health professional, indicated his view that:

The third function is one of educating the psychiatric and psychological professions about stress disorders, how to treat them, how they are different from what they normally expect, and the vet centers play an important role as Dr. Arnold has indicated in the interaction between both VA facilities and private facilities and professionals in educating them about them.

Another hearing witness, Dr. Arthur Arnold, the Chief of Psychiatry at the Bay Pines, Florida, VA Medical Center, provided an example of how Vet Centers can serve this function in his response to a question when he stated:

"But there's another spinoff from our involvement with the vet centers and our awareness of the necessity to get very clear war experience history from patients in the Veterans Administration.

"There was a man in his late 50's who had been treated in the VA hospital for probably 30 or 40 admissions for alcoholism over the last 40 years who finally because of awareness of the staff of the importance of knowing the war experience, he was asked what he had done in the World War II.

"Finally, it came out that he has had nightmares for 40 years of being pinned down on the beach in the South Pacific for 72 hours as a teenage corpsman trying to patch pieces of bodies together. This had never come out and until now, that man had never really gotten treatment that went to the core of his problems.

"So it's that kind of thing which is increasing the awareness of treatment facilities to a condition which has been approached in more traditional ways but not in relevant and effective ways."

Earlier, in response to a question from Chairman Simpson about the differences between treating Vietnam veterans and other individuals, Dr. Arnold noted:

"Many of the major differences are that psychiatrists and psychologists usually deal with people whose main problems are in fantasies and in fears and in Vietnam veterans, we're dealing with people who have real experiences which are extremely disturbing.

"When you deal with someone whose actual experience has been involved in atrocities, it's an entirely different matter for the mental health professional than listening to someone who believes he's Jesus Christ or that the FBI is after him when in fact it's not true.

"If he tells you that he was lying, pretending to be dead for four or five hours while the Vietcong were nearby in the bushes, afraid he would scream when his ears were cut off to be hung on a Vietcong gun belt he's not talking about imaginary problems and many health professionals aren't prepared to deal with that."

Dr. Arnold also provided his personal views on another function that the Vet Centers can play in conjunction with the more traditional service providers in the VA, a function that the Committee believes is very important. Dr. Arnold stated, in response to a question from Chairman Simpson:

"Mr. Chairman, I not only feel that it is possible for vet centers to be very close working partners of the VA, but I found it to be true in practice. Over the last year and a half, the vet centers have made some daring rescues of veterans who were in suicidal and other very critical situations, brought them to our hospital.

"They are able to bring people in for admission who otherwise are avoiding going to any hospital, not just VA hospitals. Many who are afraid of bringing out the difficulties that are disabling them and making them sometimes very dangerous as well as depressed and very disturbed.

"They work very closely with us at this. They have taken the long, patient time talking veterans into coming in. They accompany them into the hospital. They often come in to see them several times a day during the initial days in the hospital to help them trust the staff.

"Once in awhile when a Vietnam veteran has a very critical situation—if he's suicidal or if there's been an assaultive episode or he is attempting to leave the hospital or in a very upset situation, the staff person will come in and help him to develop a better sense of trust of the staff.

"It is often a very critical role because this is the most dangerous time in treatment, they may be the only people to get the Vietnam veterans to work with the staff on the difficult problems."

The effectiveness of the Vet Centers in these roles, together with their performance to date in their primary role, are shown in tables 1 and 2 below which present statistical information on the client contact the Vet Centers have had, first in FY 1980 (table 1) and in FY 1981 to date (table 2), in seeing and counseling Vietnam-era veterans, suggest that the VA's readjustment counseling program has been very successful at meeting its statutory role to this time, despite the external problems mentioned above.

TABLE 1.—VIETNAM VETERANS READJUSTMENT COUNSELING PROGRAM—FISCAL YEAR 1980 EOM SEPTEMBER STATISTICAL REPORT

Nationwide summary	Vet centers		VAMC S		Fee providers		Other		Total	
	Current	FYTD	Current	FYTD	Current	FYTD	Current	FYTD	Current	FYTD
1. Number of veterans seen:										
1A. Total number of veterans seen	7,114	27,850	1	13	0	0	0	0	[1] 7,115	27,863
1B. Number found ineligible at first contact	38	387	0	0	0	0	0	0	38	387
1C. Number found ineligible after readjustment counseling	1	8	0	0	0	0	0	0	1	8
1D. Total found ineligible	39	395	0	0	0	0	0	0	39	395
1E. Total eligible veterans seen	7,075	27,455	1	13	0	0	0	0	7,076	27,468
1F. Total number of veterans outreached	1,227	9,221	0	0	0	0	0	0	1,277	9,221
2. Number of visits (multiple contacts on 1 day count as 1 visit):										
2A. In outreach category	2,183	13,811	0	0	0	0	0	0	2,183	13,811
2B. For readjustment counseling	7,140	46,233	1	34	0	0	0	0	7,141	46,267
2C. For referral	621	3,361	0	0	0	0	0	0	621	3,361
2D. Total veteran visits	9,944	63,405	1	34	0	0	0	0	9,945	63,439
2E. Collateral visits	2,275	15,377	0	1	0	0	0	0	2,275	15,378
2F. Total visits	12,219	78,782	1	35	0	0	0	0	12,220	78,817
3. Number of contacts:										
3A. In outreach category	2,476	16,133	0	0	0	0	0	0	2,476	16,133
3B. For readjustment counseling	8,176	53,593	1	34	0	0	0	0	8,177	53,632
3C. For referral	671	3,898	0	0	0	0	0	0	671	3,898
3D. For followup	485	2,587	0	0	0	0	0	0	485	2,587
3E. Total contacts	11,808	76,216	1	34	0	0	0	0	11,809	76,250
4. Telephone contacts:										
4A. With veterans	4,089	25,569	0	0	0	0	0	0	4,089	25,569
4B. On behalf of veterans	8,526	59,653	0	1	0	0	0	0	8,526	59,654
4C. Total telephone contacts	12,615	85,222	0	1	0	0	0	0	12,615	85,223

[1] Includes 3,818 new clients. Source: Veterans' Administration.

TABLE 2.—VIETNAM VETERANS READJUSTMENT COUNSELING PROGRAM—FISCAL YEAR 1981 EOM APRIL STATISTICAL REPORT

	Vet centers		VAMC S		Fee providers		Other		Total	
	Current	FYTD	Current	FYTD	Current	FYTD	Current	FYTD	Current	FYTD
1. Number of veterans seen:										
1A. Total number of veterans seen	11,023	34,834	0	0	0	0	0	0	[1] 11,023	34,834
1B. Number found ineligible at first contact	117	521	0	0	0	0	0	0	117	521
1C. Number found ineligible after readjustment counseling	6	9	0	0	0	0	0	0	6	9
1D. Total found ineligible	123	530	0	0	0	0	0	0	123	530
1E. Total eligible veterans seen	10,900	34,304	0	0	0	0	0	0	10,900	34,304
1F. Total number of veterans outreached	1,649	7,863	0	0	0	0	0	0	1,649	7,863
2. Number of visits (multiple contacts on 1 day count as 1 visit):										
2A. In outreach category	2,846	13,556	0	0	0		0	0	2,846	13,556
2B. For readjustment counseling	16,268	69,526	0	0	0	0	0	0	16,268	69,526
2C. For referral	598	2,813	0	0	0	0	0	0	598	2,813
2D. Total veteran visits	19,712	85,895	0	0	0	0	0	0	19,712	85,895
2E. Collateral visits	3,844	16,943	0	0	0	0	0	0	3,844	16,943
2F. Total visits	23,556	102,838	0	0	0	0	0	0	23,556	102,838
3. Number of contacts:										
3A. In outreach category	12,939	58,017	0	0	0	0	0	0	12,939	58,017
3B. For readjustment counseling	105,629	428,481	0	0	0	0	0	0	105,629	428,481
3C. For referral	1,747	9,849	0	0	0	0	0	0	1,747	9,849
3D. For followup	2,485	12,751	0	0	0	0	0	0	2,485	12,751
3E. Total contacts	122,800	509,098	0	0	0	0	0	0	122,800	509,098
4. Telephone contacts:										
4A. With veterans	5,950	30,940	0	0	0	0	0	0	5,950	30,940
4B. On behalf of veterans	11,628	59,028	0	0	0	0	0	0	11,628	59,028
4C. Total telephone contacts	17,578	89,968	0	0	0	0	0	0	17,578	89,968

[1] includes 5,497 new clients. Source: Veterans' Administration.

The data in the above tables demonstrate another important function served by the Vet Centers, namely their work with veterans' family members. When S. 7, legislation that was ultimately enacted as Public Law 96–22, was considered by this Committee in 1979, the Committee noted its view that: "many veterans with readjustment problems experience difficulties with family relationships. These difficulties may be caused by the psychological problems of the veteran resulting from his or her service, or they may be caused or aggravated by the family's lack of understanding of the veteran's problems or the inability of the family to adjust to the veteran's return. In any case, the veteran's relationships with his or her family or household members are often extremely important to his or her psychological well-being and their involvement in counseling and mental health services may be essential in treating the veteran effectively." (S. Rept. 96–100, p. 32)

In recognition of this need, the VA readjustment counseling authority was structured so as to permit counseling of family members in conjunction with the counseling of eligible veterans. As the figures under collateral visits in the above tables indicate (15,377 total such visits in FY 80, 16,943 such visits in FY 81 through April 30), this authority has been used to a significant degree. The Committee is further aware of the value of this function by virtue of the significant volume of correspondence that has been received in recent months from spouses and other family members who have written to the Committee, urging continued support for the program and noting how important the program has been in assisting the veteran and his family to cope with the unique readjustment problems of the Vietnam-era.

Another factor that influenced the Committee's deliberations on the readjustment counseling program was the recently submitted report "Legacies of Vietnam: Comparative Adjustment of Veterans and Their Peers" prepared for the VA by the Center for Policy Research (CPR). During consideration of S. 7 in 1979, the Committee mentioned testimony that had been received from Dr. John Wilson, a noted scholar on issues related to Vietnam veterans, in which he stated:

"(W)e are currently amassing a large body of evidence which indicated that for many Vietnam-era veterans there exists a delayed stress syndrome. What this means . . . is that for many individuals the effects of the war experience may not appear until 5 to 10 years or later after discharge from the Armed Forces. It is my firm judgment that longitudinal studies of Vietnam-era veterans will ultimately show that the effects of war will significantly affect every stage of psychosocial development in the life cycle." (S. Rept. 96–100, p. 29)

The Committee then noted that:

"The VA has entered into a contract for the conduct of one such longitudinal study, mandated by section 304(b)(1)(B) of Public Law 95–202, the GI Bill Improvement Act of 1977. This study, due on September 30, 1979, will include a detailed examination and analysis of the extent to which veterans have readjusted successfully to civilian life in terms of employment achievement and satisfaction and family and other interpersonal relationships. The Committee has recently been advised by the Veterans' Administration that this extremely important study is not scheduled to be completed until September 30, 1980." *Id.*

That study, the CPR study, was finally submitted to the Congress and the Committee on March 20, 1981. Although not enough time has elapsed to bear Dr. Wilson's prediction out completely, the CPR study does show significant continuing problems for some Vietnam-era veterans, particularly those involved in combat in Vietnam.

Because the CPR study is very comprehensive and has been received only recently, all of the implications of the study have not been evaluated by the Committee. It does appear clear from the report, however, that there is a continuing need for the Vet Center program and, as the Findings of that study became more widely known, that need may become greater as veterans and their families come to realize that service during the Vietnam-era may have had an impact on an individual's ability later in life to adjust satisfactorily to his or her social environment.

At the Committee meeting on May 13 to consider, among other things, the Committee Print of S. 921, as amended, two principal issues were debated with reference to the readjustment counseling program—the appropriate length of an extension of the eligibility period and a limit on the population eligible to request readjustment counseling. On the latter point, the Committee Print contained a provision that would have limited the eligible population, as of October 1, 1981, to those veterans who qualified for the Vietnam Service Medal. After some debate, a vote was taken on a motion by Senator Cranston to strike that provision. This motion was agreed to by a vote of 8–4, leaving the eligibility criteria as in current law.

On the question of the length of the extension, the Committee Print contained a provision authorizing a one-year extension. During debate on a proposal to substitute a three-year extension, unanimous agreement was reached on authorizing a two-year extension. In conjunction with this extension, the Committee indicated its intention to conduct further oversight and evaluation of the program in an effort to determine the continued effectiveness of the program and to develop lessons learned from the readjustment counseling program for possible application to other VA programs.

Another provision in the Committee bill relating to readjustment counseling that was not the subject of debate or significant discussion at the Committee meeting on April 30 would amend the readjustment counseling authority to provide a veteran's eligibility period for such counseling will not run during any time in which the veteran is prevented from receiving the counseling by virtue of a disabling medical condition, including an alcohol or drug dependence or abuse disability, or because the individual is incarcerated. With respect to those Vietnam-era veterans who are incarcerated, it has long been the Committee's view that such veterans should be eligible to receive readjustment counseling. But because of resource limitations—at present there are only 91 Vet Centers to serve the entire Vietnam-era veterans population—and practical difficulties associated with routinely providing such services to presently incarcerated veterans, the Committee realizes that many of these veterans who could benefit from the program are unable to take advantage of it. Therefore, the Committee bill would provide for a tolling of their eligibility period during incarceration.

The Committee noted that there was significant emphasis placed on the subject of post-traumatic stress disorders at the April 30 Committee hearing. In this regard, the Committee found the prepared testimony of Mr. John Russell Smith particularly enlightening and useful. The final suggestion in his testimony, that the VA might "assume a leadership role in the study and treatment of the long-term psychological reaction to combat" and his advocacy of "(t)he eventual establishment, within the VA, of a Center for Post-Traumatic Stress Disorder" is worthy of serious consideration by the VA. Such an entity would be helpful not only to Vietnam-era veterans but could also serve as a center for the treatment of other veterans suffering from stress disorders occasioned by intense combat or by incarceration as a prisoner of war, as well as a training center for mental health practitioners who would be working with such individuals.

Eligibility extensions based on alcohol or drug dependence or abuse disabilities

The Committee bill, in section 5, contains provisions that would first, amend title 38 so as to provide for an extension, or tolling, of a Vietnam-era veteran's GI Bill delimiting period when the veteran has been prevented by an alcohol or drug dependence or abuse disability, from which the veteran has recovered, from pursuing a program of education and second, provide a similar delimiting period extension with respect to a VA rehabilitation program for a service-connected disabled veteran. These two provisions are based on provisions that were passed by the Senate in the last Congress as part of legislation dealing with the GI Bill and the VA's vocational rehabilitation program. There is further discussion on these two proposals in the Committee reports accompanying the legislation in the previous Congress (S. Rept. No. 96–314, accompanying S. 870, dealing with the GI Bill provision, and S. Rept. No. 96–746, accompanying S. 1188, dealing with the vocational rehabilitation program). A similar provision extending the eligibility period in which a veteran may request readjustment counseling is contained in section 4 of the Committee bill. These provisions would have the effect of putting alcohol and drug disabilities on essentially the same footing as other disabilities solely with respect to delimiting and eligibility period extensions.

The Committee's concerns in this area grew out of a number of instances in which the VA, acting under authority provided to the agency in the GI Bill Improvement Act of 1977, Public Law 95–202, to grant a GI Bill delimiting date extension in the case of an eligible veteran who is prevented from pursuing a program of education due to a mental or physical disability not the result of the veteran's willful misconduct, has denied an otherwise eligible veteran such an extension on the grounds that the disability on which the veteran's claim was based was an alcohol or drug abuse or addiction disability. The VA has based its denials in these cases on the legislative history of the 1977 provision that addressed the issue of how determinations of disability should be made for the purposes of the extension. In particular, the report of the Veterans' Affairs Committee, Senate Report No. 95–468, on the provision which was enacted as section 203(a)(1) of Public Law 95–202, in discussing the concept of "willful misconduct," stated at pages 69–70:

In determining whether the disability sustained was a result of the veteran's own "willful misconduct", the Committee intends that the same standards be applied as are utilized in determining eligibility for other VA programs under title 38.

The report further referenced VA regulations and manual provisions relating to the determination of willful misconduct for the purposes of determining service-connected disability. Under the VA's interpretation of those standards—38 CFR section 3.301(c)(2) and (3)—alcoholism and drug addiction and injuries proximately and immediately resulting from the effects of the deliberate ingestion of an alcoholic beverage or voluntary use of a drug—such as an injury incurred in a traffic accident caused by the veteran's driving while under the influence of alcohol or a drug—are considered to be the result of willful misconduct.

Subsequently, the Committee reexamined the practical consequences of denying a delimiting-period extension on the grounds of alcohol or drug disabilities and awarding other VA benefits, such as compensation or

pension, based on such disabilities. As a result of this reexamination, the Committee saw no substantial purpose to be served by denying a veteran GI Bill delimiting-period extension when the veteran was prevented by a drug or alcohol disability, during part or all of the ordinary 10-year delimiting period, from using GI Bill benefits and the veteran has recovered from this disability. In fact, in the Committee's view, it could be expected that GI Bill educational assistance would have considerable value to the social and economic rehabilitation of veterans who have recovered from disabilities related to alcohol or drugs.

In contrast, the Committee noted that some undesirable consequences might flow from a similar rule being applied for purposes of other VA benefit programs, such as service-connected compensation, where the rate and duration of benefits depend directly upon the severity and duration of the disability. Under that program, an individual receiving benefits for alcoholism or drug addiction would have a strong financial incentive—in the form of a higher rate of compensation or the continuation of receipt of compensation—in the worsening or prolongation of the disability, both of which are to some extent within his or her control because they depend upon the amount, frequency, and duration of his or her consumption of alcoholic beverages or drugs. In any event, where the issue is whether to grant a GI Bill delimiting period extension, the Committee did not perceive that considering drug and alcohol disabilities not to be the result of willful misconduct in the case of a veteran who has recovered from the disability would have any of the possibly undesirable consequences that may seem to arise in other contexts.

Thus, the Committee reported in S. 870—and the Senate passed in section 201(2) of H.R. 5288—a provision to establish that an alcohol or drug dependence or abuse disability from which the veteran has recovered shall not be considered to be the result of willful misconduct for purposes of deciding requests for delimiting-period extensions.

Similarly, in the bill to revise and update chapter 31, relating to VA rehabilitation programs for service-connected disabled veterans, S. 1188, the Committee reported on May 15, 1980, and the Senate passed on September 4, 1980, a comparable provision to permit a service-connected disabled veterans' delimiting period for a chapter 31 vocational rehabilitation program to be tolled—in generally the same manner as was proposed for GI Bill eligibility—on account of an alcohol or drug disability.

Despite the Committee and the Senate's action, however, the House Veterans' Affairs Committee, during negotiations to reconcile the GI Bill and vocational rehabilitation bills passed by the two houses, would not accept either the GI Bill nor the rehabilitation program provisions.

Because the Committee strongly believes both that the opportunity to use GI Bill and VA rehabilitation program benefits can be extremely important to the readjustment and rehabilitation of the Vietnam era and disabled veterans involved and that the delimiting-period extensions for those who were prevented by alcohol or drug disabilities from using those benefits would be fully consistent with the readjustment and rehabilitation goals of both programs, the Committee bill includes both delimiting period extension provisions. In addition, it carries forward the same theory for readjustment counseling eligibility in the tolling provision proposed in clause (2) of section 4 of the bill.

The Committee, in including these provisions of the Committee bill, wishes to make clear that it is not taking the position that the same results could not be achieved administratively under current law. In fact, when these provisions were deleted in negotiations with the House Committee on Veterans' Affairs, both committees stated in a document in lieu of a joint explanatory statement accompanying a conference report that was inserted in the Congressional Record in both bodies at the time of final passage—H9630, September 25, 1980, and S13583, September 26, 1980—that, with respect to the deletion of both provisions, they were "taking no position as to whether such a (statutory) provision is necessary in order to authorize the VA" to grant such extensions. The VA has for a considerable time had these issues under review but has not yet resolved them.

Extension of the veterans readjustment appointment authority

Section 6 of the Committee bill would extend for three additional years the authority set forth in section 2014(b) of title 38 for veterans readjustment appointments (VRA's). This authority, which would otherwise expire on September 30, 1981, permits certain disabled Vietnam-era veterans and educationally disadvantaged Vietnam-era veterans to be given excepted appointments in the Federal civil service. The purpose of the VRA authority is to assist these veterans by making it possible for them to be hired noncompetitively into the Federal service and to develop additional skills through a program combining education and training with the opportunity for a regular career appointment.

On March 26, 1970, President Nixon issued Executive Order No. 11521, which established a special civil service appointment authority for certain veterans and disabled veterans of the Vietnam area. Under that original authority, the eligibility requirements specified that in order to be considered for an appointment, a veteran must be qualified for the position, must have completed no more than 14 years of education, must have served on active duty during the Vietnam era, and generally must have been separated from the service for 1 year or less. Veterans who met these established eligibility requirements could be given a VRA to any position in competitive service at or below level 5 of the General Schedule (GS–5) level or its equivalent. A veteran who satisfactorily completes 2 years of substantially continuous service under a VRA and an education or training program is converted to career conditional employment and automatically acquires a competitive status for civil service purposes.

In 1918, Public Law 93–508 codified the VRA authority as section 2014(b) of title 38, extended the eligibility period for certain veterans who enrolled in a program of education within one year after release from active duty, and provided for the continuation of the program through June 30, 1978.

The Veterans' Programs Extension Act of 1978 (Public Law 95–520), extended and expanded the VRA program substantially. Section 6(b) of that Act extended eligibility to all Vietnam-era veterans with no more than 14 years of education—not just those separated after April 9, 1969, and covered by the original 1970 Executive order—and eliminated from the eligibility criteria the limitation on the number of years of education for those with service-connected disabilities rated at 30 percent or more and those who were discharged or released because of a service-connected disability. In addition, the measure raised the grade-level limitation for VRA's from GS–5 to GS–7, expanded requirements for reporting on the use of this authority, and extended the program for three years through September 30, 1981.

The VRA program does not provide for the creation of additional Government jobs. The authority is used by those executive departments and independent agencies with employees subject to the competitive service. All VRA positions are regular civil service positions that count against an agency's staffing ceiling. Federal agencies' participation in the VRA program is influenced by such factors as budgetary considerations and the types of positions available that attract the interest and are compatible with the qualifications of VRA eligibles. Since the program's inception in 1970, VRA's have provided employment opportunities for more than 150,000 Vietnam-era veterans.

The December 1980 report on the VRA authority prepared by the Office of Personnel Management (OPM) pursuant to the statutory reporting requirements, indicates that the VRA authority continues to be of significant value in terms of assisting eligible Vietnam-era veterans in finding work. During the 6-month period from April through September 1979, the 10 executive departments and 14 independent agencies that participated in the program reported a total of 10,700 hires under the VRA authority—or nearly 5 percent of all new hires made by those 24 agencies during that period. Also during that period, minorities received 42 percent of all VRA's and women received 10 percent; service-connected disabled veterans received 6.6 percent of the appointments made.

Nearly one-half—45.4 percent—of all VRA appointments made during the April to September 1979 period were made by the Defense Department; the Navy alone hired 2,045 VRA's. The Veterans' Administration hired the most VRA's—3,798 or 36 percent of all those hired agencywide. Eight other agencies' proportional representation of VRA hires among total new hires exceeded the governmentwide proportion—4.9 percent; those included the Government Printing Office, the Departments of Justice and Transportation, and the General Services Administration.

The success of the VRA program can also be evidenced by the high governmentwide retention rates of veterans who were initially appointed under the VRA authority. OPM data indicate that of the almost 19,000 VRA's on board as of June 30, 1976, almost 75 percent have continued their Federal employment—85 percent at the GS–5 level or above—as of June 30, 1979.

The Committee agrees with the views expressed by the Director of the Office of Personnel Management, the Honorable Donald J. Devine, in a statement he submitted to the Committee in conjunction with the Committee's April 30 hearing, in which he noted that the VRA program "is a veterans' employment program which continues to be a real success". Unfortunately, as he indicated later in his statement, ". . . unemployment rates for the disabled and disadvantaged veterans continue to be quite high. The number of Vietnam-era veterans unemployed in January 1981 was about one-half million according to the Department of Labor". To help address this problem, the Committee believes the extension of the VRA authority proposed in section 6 of the Committee bill is a most appropriate action.

In addition, the Committee believes that extending the VRA authority at the same time that the eligibility period for readjustment counseling is extended, as is proposed in section 4 of the Committee bill, should serve to benefit both programs. Firsthand reports from the field indicate that the single largest problem cited by Vietnam-era veterans seeking assistance at Vet Centers is employment. The VRA program—one that has a proven record of success—can help meet this problem directly by not only offering Vietnam-era veterans the possibility of a job, but skill education and training as well. The VRA authority offers a ready, almost no-cost source of assistance to unemployed, undereducated, and disabled Vietnam-era veterans and its continued availability until September 30, 1984, will provide the Viet Centers with a valuable means for assisting some veterans.

Extension of time for State medical schools established with assistance of VA grants to obligate funds

Public Law 92–541, the Veterans' Administration Medical School Assistance and Health Manpower Training Act of 1972, established a program through which the VA could provide grant assistance for the establishment of new State medical schools. Under this authority, which was codified in subchapter I of chapter 82 of title 38, five State medical schools were established—Wright State University in Dayton, Ohio; Marshall University in Huntington, W. Va.; the University of South Carolina in Columbia, S.C.; the Quillen/Dishner Medical School in Johnson City, Tenn.; and Texas A&M University in Temple, Tex. Each of these new medical schools has received grants to assist in the alteration or repair of buildings in order to make them suitable for use as medical school facilities and to help pay the faculty salaries. Also, each of these new medical schools is affiliated with at least one VA medical center.

Although new medical schools are no longer authorized to be established under the subchapter I program, funds previously appropriated remain available—by virtue of sections 5072(b) and 5082(b) of title 38—for six years after the year for which they were appropriated. Despite a continued availability of an authorization for appropriation for this program through 1982, no new appropriation has been made for any part of the chapter 82 program since fiscal year 1979, and none have been requested for fiscal year 1981 or 1982.

Under section 5073(a)(2) of title 38, a grant made to a new medical school under the subchapter I program for the payment of faculty salaries may be used for that purpose only during the first seven years of the school's operation and only up to a statutorily specified percentage of total faculty salary costs—declining from 90 percent during the first three years of a school's operation to 50 percent in the seventh year.

Wright State University, an affiliation with the VA Medical Center in Dayton, Ohio, was the first of the five new medical schools established under this program, and it is now well into its seventh year of operation, as defined in VA regulations implementing the subchapter I program. According to information received by the Committee, Wright State, because of unanticipated delays in completing its faculty roster in the first year, was unable to expend fully the first year's VA grant for faculty salaries. Thus, at the end of that year, approximately one-third of the VA grant funds were unexpended and remained in Wright State's account.

Because of the limit on the percent of the VA's contribution to overall faculty salaries imposed by the statute, Wright State has been unable to effectively use these funds for additional faculty positions in subsequent years.

In order to resolve this problem and also to prevent similar difficulties from occurring at the other four schools, section 7 of the Committee bill would provide an additional 12-month period in which these schools could obligate the funds already committed to them under subchapter I beyond the period specified in section 5073(a)(2) of title 38.

This provision would limit the amount of remaining funds that could be used to pay faculty salaries during the 12-month extension period to 50 percent of the total cost of such salaries during that year—the same limit that currently applies in the seventh year. It is expected that providing this additional year in which these medical schools can expend grant funds should be of significant assistance in enabling the schools which have been established with significant VA assistance to make a smooth transition from Federal support to full State and local support.

Agent orange study provision amendments

At the Committee's April 30 hearing in conjunction with the various legislative items that were considered for inclusion in the Committee bill, the Committee heard testimony on the issue of the long-term adverse health effects in humans of exposure to dioxin, the chemical contaminant of agent orange. This issue continues to be of great concern to many Vietnam veterans, other Americans, and those in the Federal Government, including in the Congress, who are trying to help resolve the many difficult questions involved.

Although the Committee heard testimony on this issue, the hearing was not intended to be a comprehensive hearing on this very difficult issue but rather was meant to focus on certain provisions related to the VA study of Vietnam veterans exposed to dioxin mandated by Public Law 96–151 that were passed by the Senate twice in the 96th Congress but which were not addressed by the House Committee on Veterans' Affairs before the final adjournment of the Congress. These provisions, which are included in section 8 of the bill, were reconsidered by the Committee and are now being reported favorably to the Senate, without change, in followup to a promise made by members of the House Veterans' Affairs Committee during the last Congress to give the proposed amendments full consideration if they were passed by the Senate in this Congress.

In terms of future activity on this issue, Chairman Simpson has repeatedly indicated his intention to schedule comprehensive oversight hearings on the agent orange issue later in this session of the Congress. These hearings will be scheduled at such time so that the Committee can receive information on, among other things, the status of ongoing studies, including the aforementioned epidemiological study by the VA that is the subject of the amendments proposed in the Committee bill.

With specific reference to the VA study, the Committee is particularly pleased that, after a delay of nearly a year caused by litigation and the filing of a pre-award protest with the GAO challenging the agency's initial attempts to begin this study, the agency was exonerated and, on May 1, contracted with scientists at the School of Public Health of the University of California at Los Angeles for the development of the protocol for the study. Set out below is the text of the VA's News Release announcing this contract followed by the text of a letter to the Chairman from the Director of the Office of Technology Assessment, John H. Gibbons, regarding this action and OTA's plans to review and approve the protocol as required by section 307(a)(2)(A)(i) of Public Law 96–151.

[Veterans' Administration News Release, May 12, 1981]

A team of scientists at the University of California at Los Angeles will design a study by which the Veterans' Administration will attempt to determine what, if any, medical effects result from human exposure to agent orange, a defoliant used during the fighting in South Vietnam.

VA announced the award of a $114,288 contract under which Drs. Gary Spivey and Roger Detels of UCLA's School of Public Health will direct the design of the epidemiological study.

The work of the UCLA team will then be evaluated by experts from the National Academy of Sciences-National Research Council, Congressional Office of Technology Assessment, the Interagency Work Group to Study the Possible Long-term Health Effetcs of Phenoxy Herbicides and Contaminants and the VA's Advisory Committee on Health-Related Effects of Herbicides.

Agent orange has been a health concern among a number of veterans since allegations were raised several years ago that exposure to it had resulted in a variety of maladies ranging from headaches to cancer and birth defects. To date, no definite medical link has been established that would substantiate these claims.

The epidemiological study was mandated by Congress in December of 1979 and VA issued a request for proposals to design it in March of 1980. Legal objections raised by an advocacy organization called the National Veterans Law Center delayed award of the design contract for the study until today.

Dr. Spivey, the chief investigator on the study, is associate professor of epidemiology at the UCLA School of Public Health and the other team leader, Dr. Detels, is dean of that school.

CONGRESS OF THE UNITED STATES,
OFFICE OF TECHNOLOGY ASSESSMENT,
Washington, D.C., May 6, 1981.

Hon. ALAN K. SIMPSON,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: A significant step forward has been taken under the provisions of the Veterans' Administration Health Resources and Program Extension Act of 1979 (P.L. 96–151). On May 1, the Veterans' Administration contacted scientists at the School of Public Health of the University of California at Los Angeles, and told them to proceed with developing a protocol for the epidemiologic study of possible long-term health effects resulting from exposure to dioxins (in Agent Orange) in Viet Nam.

Under the provisions of P.L. 96–151, I am to review and approve the protocol developed for the VA study. To help accomplish that review, I shall assemble a panel representative of biomedical sciences, statistics, industry, veterans' groups, public interest groups, and, perhaps, labor organizations. Dr. Richard Remington, Dean of the School of Public Health, University of Michigan, Chairman of the Advisory Panel and Michael Gough of the OTA Health Program will assist me in assembling the panel.

Please call Mr. Gough at 226–2070 with any suggestions, comments, or questions. The OTA is working under time constraints and must complete assignments to the Panel by mid-June. Your suggestions will help to insure that the OTA review is as good as possible and that the epidemiologic study will have the best possible chance of providing answers to the questions addressed in P.L. 96–151.

Sincerely,

JOHN H. GIBBONS.

As indicated above, the provisions in the Committee bill were passed twice by the Senate during the 96th Congress, on September 4, 1980 (126 Con. Rec. S. 12012–17) and September 26, 1980 (126 Cong. Rec. S. 13586–88). Section 8 of the Committee bill, which contains these provisions, would amend the current agent orange mandate in four ways.

First, it would amend the description of the mandated agent orange study to require the VA to study the health of Vietnam veterans as their health may have been affected by exposure to agent orange.

Second, it would authorize the Administrator of Veterans' Affairs to expand the scope of the agent orange study to include an evaluation of other factors involved in service in Vietnam, including exposure to other herbicides, chemicals, medications, or environmental hazards or conditions.

Third, it would expressly provide the Administrator with authority to contract with non-VA entities for the design and conduct of the study.

Fourth, it would provide a framework within which the VA would be required to translate information obtained from the agent orange study—and the other factors if the study is expanded—and information

from other relevant studies or sources, into guidelines and recommendations for responding to the claims of Vietnam veterans that are based on exposure to such elements.

In considering these changes to the study mandate, particularly the amendment to the description of the population to be studied and the authorization for the Administrator to expand the scope of the study, the Committee was cognizant of recommendations made by the Interagency Work Group to Study the Possible Long-Term Health Effects of Phenoxy Herbicides and Contaminants (IAG). In its sixth progress report, which was submitted in August 1980, the IAG commented that the current study mandate, which requires a study of veterans exposed to dioxin as would be found in agent orange, would be extremely difficult, if not impossible, to fulfill because of the many scientific problems entailed in identifying a population, prior to commencing the study, known to be exposed to agent orange. The IAG, in its seventh progress which was submitted on April 24, 1981, reiterated this position and stated:

"Unless such an outside review suggests new approaches to records searches which are likely to produce sufficiently specific data, it is the Work Group's view that an epidemiology study of ground troops which is focused solely on agent orange exposure may be impossible to conduct with an acceptable measure of scientific validity."

In response to this concern, the first change proposed to the study mandate would remove this unintended threshold problem by requiring the VA to study the health of Vietnam veterans as it may have been affected by their exposure. This change would allow the VA to begin the study of the health status of these veterans by identifying a population of veterans who served in Vietnam, without first having to determine whether each one was, without question, exposed to agent orange in Vietnam.

The IAG also stated in its August 1980 report that it was aware of a multitude of concerns of Vietnam veterans about various other chemicals, medications, and environmental hazards that were present in Vietnam and, thus, possibly could be related to health impairments that Vietnam veterans are experiencing today.

Based on the above-described difficulty in identifying with precision a population exposed to agent orange and these other concerns, the IAG recommended in its August 1980 report that the VA study be expanded to take these other factors into account. This recommendation was renewed in the April 1981 report when the IAG stated:

"The Work Group continues to believe that an epidemiology study of grounded troops should be broadened to focus on service in Vietnam as the exposure circumstance being studied."

The provision in the Committee bill would give the VA Administrator discretionary authority to do just that while not, in any way, detracting from the study's focus, as already mandated, on agent orange.

The third change in the agent orange study mandate that would be made by the provisions in the Committee bill would explicitly authorize the Administrator to contract with non-Va, public or private entities for the design. There have been many expressions of concern that, although the VA is technically capable of carrying out the mandated study, it would be in the best interest of all concerned that the study be managed by a clearly neutral, nongovernmental body so that no allegations of bias could be raised to discredit the final results of the study, whatever those results may be. Several of the veterans' organizations, most notably, The American Legion and the Veterans of Foreign Wars, adopted resolutions at their most recent national conventions in support of such an approach.

The fourth change to the study mandate that would be made by the provisions in the Committee bill would require the Administrator to establish a framework for the VA to issue regulations containing guidelines, standards, and criteria for resolving disability compensation claims based on disabilities or diseases believed to be related to agent orange exposure, and, if the scope of the study is expended, on the other possible health-risk factors.

This provision would establish a specific timetable for the VA to report to appropriate congressional committees on the study findings, to develop and publish in the Federal Register proposed regulations, and to make recommendations to appropriate congressional committees for any legislative action that might be necessary in light of the proposed regulations.

Such recommendations would include, of course, any changes in current law warranted by the study findings with respect to certain specific presumptions of disability or compensation for genetic damage that might be related to birth defects. However, this change would not, in any way, compel the VA to develop and propose any such guidelines, criteria, and standards that are not justified by the scientific information available at the times that the reports and proposals must be submitted, nor would it preclude VA actions with respect to proposals for the resolution of these claims based on scientific evidence available from other sources at any earlier time.

Although this change would not have the effect in itself of speeding up the scientific process of finding the answers to the very perplexing questions regarding the health of Vietnam veterans, the Committee believes that, by establishing a specific framework and timetable for VA action, tied to certain reporting requirements already contained in Public Law 96–151, an important step forward will be taken toward meeting the strong concerns of many Vietnam veterans that, in the absence of an express requirement for VA actions on the findings of the mandated study, the VA might not act promptly.

Technical correction to Public Law 96–385

Section 114 of Public Law 96–330 amended section 4109 of title 38 to modify the way in which employees working on a less than full-time basis in the VA's Department of Medicine and Surgery (DM&S) receive credit for such employment when their civil service annuities are computed. This provision was enacted because, under civil service laws and regulations, an individual working on a part-time basis receives a full-year's credit toward the years-of-service portion of the civil service annuity computation. Because DM&S has the largest group of career part-time employees in the Federal workforce and because of the relative ease of transferring from part- to full-time service in DM&S, concern was expressed that some career part-time DM&S employees might convert to full-time service in their final years before retirement, so as to have a "high three" salary for annuity computation purposes based on full-time service. By this action, such employees would qualify for an annuity equal to that earned by a career full-time employee. Such an annuity would be disproportionate to the part-time employees' actual service or contribution to the civil service retirement fund.

The provision as enacted in Public Law 96–330, although derived from a provision in S. 2534 as reported by this Committee and passed by the Senate, was based on technical suggestions received from the Office of Personnel Management. In providing this technical assistance, OPM personnel indicated that it was OPM's intention to develop similar legislation that would modify the retirement provisions for the entire civil service system and a question was raised as to whether the Committee should go forward with a provision limited to DM&S employees. However, because of the significant potential for problems in DM&S, and because of the size of the part-time work force, specific legislation was pursued. To afford OPM an opportunity to propose legislation that would encompass the entire civil service, the effective date of the amendment was delayed until October 1, 1981.

Shortly after Public Law 96–330 was enacted, concerns were raised by various individual VA employees that the amendment to section 4109 by Public Law 96–330 made retroactive as well as prospective changes in the way annuity computation were made whereas the provision in S. 2534, as passed by the Senate, had made prospective changes only.

In response to these concerns, and based on an incomplete understanding of the Public Law 93–330 provision, a technical amendment to that provision, making it prospective only, was included in Public Law 96–385, the Veterans' Disability Compensation and Housing Benefits Amendments of 1980. Instead of correcting the Public Law 96–330 amendment, however, that technical correction not only nullified the Public Law 96–330 provision but also made the possibility of a part-time DM&S employee receiving a disproportionate annuity a certainty because, with the Public Law 96–385 correction in effect, an individual working on a part-time basis for an entire career, without ever converting to full-time service, would qualify for an annuity only slightly less than that received by an employee retiring after a career of full-time service.

Section 9 of the Committee bill would rectify this situation by repealing the Public Law 96–385 technical amendment, thereby restoring section 4109 to the form made by Public Law 96–330.

In compliance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the Committee, based on information supplied by the Congressional Budget Office, estimates that the costs resulting from the enactment of the Committee bill during the first 5 years following enactment would be $26.7 million in fiscal year 1982; $31.3 million in fiscal year 1983; $15.5 million in fiscal year 1984; $1.8 million in fiscal year 1985; and no cost in fiscal year 1986. A detailed breakdown of the costs, as estimated by CBO, over the five-year period follows:

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE—MAY 15, 1981

1. Bill number: S. 921.

2. Bill title: Veterans Programs Extension and Improvement Act of 1981.

3. Bill status: As ordered reported by the Senate Committee on Veterans Affairs, May 13, 1981.

4. Bill purpose: To extend authority to provide contract hospital care and medical services in Puerto Rico and the Virgin Islands, and for other purposes.

5. Cost estimate:

[By fiscal years, in millions of dollars]

	1982	1983	1984	1985	1986
Estimated authorization level	30.3	27.4	13.8	1	0
Outlays	26.7	31.3	15.5	1.8	0

The cost of this bill would fall in budget function 700.

6. Basis for estimate:

Section 2: This section would extend for nine months the authority of the Veterans Administration (VA) to provide contract

hospital and medical care in Puerto Rico and the Virgin Islands.

[By fiscal years, in millions of dollars]

	1982	1983	1984	1985	1986
Estimated authorization level	2.9	0	0	0	0
Estimated outlays	2.7	(1)	0	0	0

[1] Less than $500,000.

This estimate represents the normal cost of providing contract health care for nine months in these two areas, according to the VA. The VA maintains that these funds are contained in their FY 1982 budget request and that no supplemental appropriation would be required.

Section 3: This section would make a minor amendment to the entitlement of certain veterans to VA dental care. It should not result in a significant cost.

Section 4: This section would extend for two years the period during which Vietnam era veterans may initially request psychological readjustment counseling.

[By fiscal years, in millions of dollars]

	1982	1983	1984	1985	1986
Estimated authorization level	27.4	27.4	13.8	0	0
Estimated outlays	24.0	27.4	15.5	1.8	0

This estimate assumes that the fiscal year 1981 appropriation would be continued in fiscal years 1982 and 1983. Half of the 1981 level is assumed to be appropriated in fiscal year 1984 to cover the cost of those veterans who apply for counseling prior to October 1, 1983 but whose counseling would extend into the following year. The estimate also assumes, based on VA assurances, that the procedures for approving fee-basis counseling will be fully operational by the start of fiscal year 1982.

Section 5: For the purpose of determining the period of eligibility for benefits under chapters 31 and 34 (title 38, U.S.C.), this section would redefine the term "medical condition" to include an alcohol or drug dependence or abuse disability.

According to VA sources, this provision should not reentitle a large enough number of individuals to result in a significant cost.

Section 6: This section would extend for 3 years the program of veterans' readjustment appointments in the Federal Government.

Since this provision does not affect total Federal personnel levels, it would have no budgetary impact.

Section 7: This section would extend by 12 months the period during which funds appropriated for grants by the VA for the establishment and support of new state medical schools may be expended.

[By fiscal years, in millions of dollars]

	1982	1983	1984	1985	1986
Estimated authorization level	0	0	0	0	0
Estimated outlays	0	3.9	0	0	0

The above estimate represents the unobligated balance remaining in the Assistance for Health Manpower Training Institutions account at the end of fiscal year 1982.

Section 8: This section would expand the scope of study of health effects resulting from exposure to agent orange which was originally mandated by Public Law 96-151. This expansion should not result in a significant cost.

7. Estimate comparison: None.

8 Previous CBO estimate: None.

9. Estimate prepared by: K. W. Shepherd.

10. Estimate aproved by: James L. Blum, Assistant Director for Budget Analysis.

REGULATORY IMPACT STATEMENT

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee on Veterans' Affairs has made an evaluation of the regulatory impact which would be incurred in carrying out the Committee bill. The results of that evaluation are described below.

A. Estimate of the numbers of individuals and businesses who would be regulated and a determination of the groups and classes of such individuals and businesses: The Committee bill consists of eight substantive provisions, one of which (section 9) is a technical amendment to a prior law and thus, has no regulatory impact.

Of the other seven substantive provisions in the Committee bill, four (sections 2, 4, 6, and 7) would amend current law to extend existing programs or authorities, only one of which (section 4) would otherwise modify the provision of law being amended. None of these provisions would result in any significant regulatory authority beyond the modifications, where appropriate, or existing regulations to reflect the extension or, in the case of the change made by section 4, to provide by regulations the new bases for tolling the eligibility period for readjustment counseling.

Two other provisions (sections 3 and 5) would amend current law programs to provide new bases for receipt of VA benefits. There will be no regulatory activity associated with these provisions except to modify existing regulations, where appropriate, to reflect the changes.

The last provision (section 8) would amend a provision in public law mandating an epidemiological study of the health of Vietnam veterans as their health may be affected by exposure to agent orange. The amendment to this study would, among other things, require the VA, at specified intervals after reports are due to the Congress on the study, to develop regulations pursuant to which claims for benefits based on exposure to agent orange would be resolved. These regulations, once issued, will not, however, regulate any individuals or businesses but will only provide a framework for the resolution of certain claims for VA benefits.

B. Determination of the economic impact of such regulations on individuals, consumers, and the businesses affected; since, as previously indicated, there would be no such regulation, there would be no such impact.

C. Determination of the the impact on the personal privacy of the individual affected: The enactment of the Committee bill would not significantly increase the impact on the personal privacy of participants in any of the programs involved.

D. Determination of the amount of additional paperwork that will result from regulations to be promulgated under the bill: The only significant increase in paperwork that is likely to result from regulations to be promulgated under the Committee bill will be in the form of increased activity, both by veterans and the VA, in the area of claims for benefits based on disabilities attributed to exposure to agent orange once the regulations required to be issued by section 8 of the Committee bill are promulgated.

SECTION-BY-SECTION ANALYSIS OF S. 921 AS REPORTED

Section 1

Subsection (a) of section 1: Would provide that the Committee bill may be cited as the "Veterans' Programs Extension and Improvement Act of 1981".

Subsection (b) of section 1: Would provide that, whenever in the Committee bill an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code, relating to veterans' benefits.

Section 2

Would amend present section 601(4)(c)(v) relating to the Administrator's authority to provide hospital care and medical services on a contract basis in a "State" not contiguous to the forty-eight contiguous States, to extend for nine months—from December 30, 1981 until September 30, 1982—the VA's authority to provide, on a contract basis for non-service-connected disabilities, hospital care and such medical care services as will obviate the need for hospital admission in the Commonwealth of Puerto Rico and the Virgin Islands and other territories of the United States.

Section 2—Cost: Enactment of the provisions of section 2 is estimated to entail a cost of $2.9 million.

Section 3

Would amend clause (2) of present section 612(b), relating to eligibility for outpatient dental services and treatment for service-connected dental conditions that are not compensable in degree, to provide for a reinstatement, after subsequent active duty service in the case of a person with less than a one year break in service, of the 1-year postservice period within which application for dental care, based on the first period of service, must be made to the VA.

Section 3—Cost: Enactment of the provision of section 3 is estimated to entail no significant cost.

Section 4

Clause (1) of section 4 would amend present section 612A(a), relating to eligibility for readjustment counseling, to extend the date by which an otherwise eligible Vietnam-era veteran discharged prior to October 1, 1979, may request readjustment counseling to September 30, 1983.

Clause (2) of section 4 would further amend section 612(A)(a) to provide that a veteran's period of eligibility to request readjustment counseling would not run during any period that the veteran is prevented from requesting such counseling because of a medical condition, including an alcohol or drug abuse or dependency disability, or being incarcerated in a Federal, State, or local jail or penal institution.

Section 4—Cost: It is estimated that the enactment of the provision of section 4 would cost $24 million in fiscal year 1982.

Section 5

Clause (1) of subsection (a) of section 5 would redesignate paragraphs (3) through (9) of section 1501, relating to definitions applicable to the vocational training and rehabilitation program, as paragraphs (4) through (10), respectively.

Clause (2) of subsection (a) of section 5 would add a new paragraph (3) that would provide that, for the purposes of the vocational training and rehabilitation program, the term "medical condition" would include an alcohol or drug dependency or abuse disability.

Subsection (b) of section 5 would amend present section 1662(a), relating to the period of time—the so-called "delimiting period"—within which an otherwise eligible veteran is eligible to use educational assistance benefits under chapter 34, to specify that, for the purposes of determining whether a veteran is eligible for a delimiting period extension because the veteran was prevented from initiating or completing a program of education during his or her delimiting period because of a mental or physical disability not the result of the veteran's willful misconduct, an alcohol or drug dependence or abuse disability from which the veteran has received shall not be considered to be the result of willful misconduct.

Section 5—Cost: Enactment of the provisions of section 5 is estimated to entail no significant cost.

Section 6

Would amend present section 2014(b)(2) relating to veterans readjustment appointments, noncompetitive appointments to the Federal civil service for certain Vietnam-era veterans, to provide an additional 3-year period—until September 30, 1984—during which such appointments may be made.

Section 6—Cost: Enactment of the provisions of section 6 is estimated to entail no significant cost.

Section 7

Would amend present section 5073(a)(2), relating to the use by State medical schools established with assistance from the Veterans' Administration of grant funds for the payment of the salaries of the faculty of such schools, to provide an additional 12-month period in which such grant funds may be used for such purpose.

Section 7—Cost: Enactment of the provisions of section 7 is estimated to entail no significant costs.

Section 8

Would amend present section 307 of Public Law 96–151, the Veterans Health Programs Extension and Improvement Act of 1979, relating to an epidemiological study regarding veterans exposed to agent orange.

Clause (1) of section 8 would amend present subsection (a)(1) of section 307, relating to the specific mandated study, to (1) require the VA to study the health of Vietnam veterans as their health may have been affected by exposure to agent orange rather than requiring a study of such veterans exposed to agent orange, thereby removing an unintended threshold problem of requiring the VA to identify a population to be studied, each of whom had been exposed to agent orange; (2) authorize the Administrator to expand the scope of the study to include, in addition to the emphasis on the impact of exposure to agent orange, the effects of exposure to other factors related to service in Vietnam, including other herbicides, chemicals, medications, or environmental hazards, or conditions; and (3) expressly provide the Administrator with authority to contract with non-VA entities for the design or the conduct of the study or both.

Clause (2) of section 8 would amend present subsection (b) of section 307, relating to reports on the study by the Administrator to appropriate committees of the Congress, to: (1) clarify that the Administrator's recommendations in light of the results of the study should include recommended legislative or administrative action or both; and (2) require the Administrator, not later than 90 days after each required report on the study is submitted, to develop and publish in the Federal Register proposed regulations for the resolution of claims based on exposure to agent orange and, if the scope of the study is expanded as authorized by the amendment proposed in clause (1) of this section, on other factors associated with service in Vietnam. The proposed regulations, which would be based on the reported study results and other available pertinent information, would contain proposed guidelines, standards, and other criteria for resolving claims and would include specifications of any presumptions to be applied to the resolution of claims. Not later than 90 days after the completion of required public review and comment of the proposed regulations, the Administrator would be required to publish final regulations. Compliance with the requirements relating to these regulations, and any regulations promulgated, would be subject expressly to judicial review.

Section 8—Cost: Enactment of the provisions of section 8 is estimated to entail no significant cost.

Section 9

Would amend section 508 of the Veterans' Disability Compensation and Housing Benefits Amendments of 1980, Public Law 96–385, relating to technical amendments to Public Law 96–330, to strike a provision that was included in Public Law 96–385 based on an incorrect analysis of the impact of a provision in Public Law 96–330 that modified the way in which annuities are computed for personnel retiring after serving in the VA's Department of Medicine and Surgery. This repeal of the Public Law 96–385 amendment to Public Law 96–330 thereby restores the relevant section of title 38, section 4109, relating to retirement rights of DM&S employees, to the form made by Public Law 96–330.

Section 9—Cost: Enactment of the provisions of section 9 is estimated to entail no significant cost.

TABULATION OF VOTES CAST IN COMMITTEE

In compliance with paragraph 7 of rule XXVI of the Standing Rules of the Senate, the following are tabulations of votes cast in person or proxy by Members of the Committee on Veterans' Affairs at a May 13, 1981, meeting to consider S. 921.

The Committee agreed to report S. 921, with an amendment in the nature of a substitute, and a title amendment, favorably to the Senate by a unanimous voice vote.

Prior to that vote, votes were taken on five motions made by Senator Cranston to amend S. 921, as amended. First, Senator Cranston moved to amend section 4 of the Committee Print on S. 921 to strike a provision that would have amended current law eligibility for readjustment counseling for Vietnam-era veterans to limit eligibility to veterans whose service made them eligible for the Vietnam Service Medal. This amendment was agreed to by an 8–4 vote, as follows:

Yeas—8	Nays—4
Strom Thurmond	Alan Simpson
Robert Stafford	Bob Kasten
Arlen Specter	Jeremiah Denton
Alan Cranston	Frank Murkowski
Jennings Randolph	
Spark Matsunaga	
Dennis DeConcini	
George Mitchell	

The second motion made by Senator Cranston was also to amend section 4 of the Committee Print on S. 921 to extend the eligibility period during which eligible veterans could request readjustment counseling by 3 years instead of the 1-year extension provided for in the Committee Print. Prior to the vote on this amendment, a substitute amendment was agreed to by Senator Simpson and Senator Cranston to amend the Committee Print to extend the eligibility period by 2 years. Subsequently, this amendment was adopted by a unanimous voice vote.

The third motion made by Senator Cranston was to add a section to the Committee bill that would have amended chapter 17 of title 38 to provide eligibility for hospital care and limited medical services for veterans suffering health problems attributed to exposure to agent orange, radiation from nuclear tests, or any other toxic substances or environmental hazards. Subsequently, this amendment was modified to limit its impact to providing such eligibility for veterans exposed to agent orange and radiation. This amendment failed to carry by a vote, 6–6, as follows:

Yeas—6	Nays—6
Strom Thurmond	Alan Simpson
Alan Cranston	Robert Stafford
Jennings Randolph	Bob Kasten
Spark Matsunaga	Jeremiah Denton
Dennis DeConcini	Frank Murkowski
George Mitchell	Arlen Specter

The fourth motion made by Senator Cranston was to add a section to the Committee bill that would have provided a targeted GI Bill delimiting data extension for certain Vietnam-era veterans. This amendment was rejected by a 7–5 vote, as follows:

Yeas—5	Nays—7
Alan Cranston	Alan Simpson
Jennings Randolph	Strom Thurmond
Spark Matsunaga	Robert Stafford
Dennis DeConcini	Jeremiah Denton
George Mitchell	Bob Kasten
	Frank Murkowski
	Arlen Specter

The fifth motion made by Senator Cranston was to strike section 5 of the Committee Print, a provision which would have authorized the Administrator to make contributions to local authorities in support of construction projects adjacent to national cemeteries designed to facilitate safe ingress or egress. This amendment was agreed to by a unanimous voice vote.

Mr. SIMPSON. Mr. President, this concludes my opening remarks.

Mr. CRANSTON. Mr. President, as the ranking minority member of the Committee on Veterans' Affairs, I am very pleased that the Senate is today considering the proposed "Veterans' Programs Extension and Improvement Act of 1981" as reported by the committee on May 15 in S. 921.

This bill includes many important provisions, derived largely from my bills, S. 458 and S. 636, which would improve VA health-care programs for veterans, in particular Vietnam-era veterans, and which have received much attention both in and out of the committee. I believe that passage of this measure will send a strong, positive signal to Vietnam-era veterans that their concerns have not been lost in the shuffle even though we are still without a Reagan-appointee Administrator of Veterans' Affairs. Additionally, our action on this bill will tell VA employees, especially those who staff the readjustment counseling program in the 92 current vet centers and at the VA Central Office, that we are deeply committed to providing concrete assistance to Vietnam-era veterans who turn to the VA for help.

Nevertheless, as I indicated in my additional views in the committee report on S. 921, I do not believe that, in certain respects, S. 921 as reported goes far enough—based on recent data and other available evidence—to meet the current, very real needs of Vietnam-era veterans.

Mr. President, I think we have an obligation to make use of the very valuable information contained in currently available studies, including a congressionally mandated study on the readjustment experiences of Vietnam-era veterans, and other information of great importance in terms of defining and describing the remaining readjustment difficulties that some Vietnam-era veterans are experiencing, including the testimony received during the committee's April 30 hearing on the legislation from which the committee bill is largely derived. Thus, I shall be proposing and supporting certain amendments designed to help insure that the needs of these veterans are met through constructive programs.

Before discussing this legislation any further, Mr. President, I wish to note that since joining the committee in 1979, as its then-ranking minority member, my very able colleague from Wyoming (Mr. SIMPSON) has done a remarkable job of mastering the often difficult subject matters with which the committee deals. As chairman of the com-

mittee during the last Congress, I was grateful for his contributions and cooperation in connection with the work of the committee. Now, as the ranking minority member, I appreciate the very difficult job he has in store and am very pleased that we are still able to work together productively on behalf of our Nation's veterans. That is what I expect we will be doing today and throughout this Congress.

BACKGROUND

Mr. President, many of the provisions incorporated in the committee bill are derived from two measures that I introduced very early in this Congress. From S. 458, which I introduced on February 6, 1981, the committee bill incorporates provisions to—

First, extend by 2 years the period of eligibility for Vietnam-era veterans to request readjustment counseling.

Second, provide for a tolling of the readjustment counseling eligibility period for veterans who are unable to receive such counseling by virtue of a medical condition, including an alcohol or drug dependence or abuse disability, or incarceration in a Federal, State, or local jail or penal institution.

Third, provide that, for the purposes of determining eligibility for an extension of the GI bill or rehabilitation delimiting period as a result of a disability, an alcohol or drug dependency or abuse disability shall not be considered to be the result of the veteran's willful misconduct.

Fourth, extend the authority for veterans' readjustment appointments, under which disabled and educationally disadvantaged Vietnam-era veterans are hired by Federal agencies on a noncompetitive, probationary basis.

From S. 636, which I introduced on March 5, 1981, the committee bill incorporates provisions to—

First, extend by 12 months the period of availability of funds committed by the VA under its program of assistance to new State medical schools—a measure providing such an extension, H.R. 2156, has already passed both Houses and is awaiting the President's signature.

Second, authorize the expansion of the scope of an epidemiological study regarding veterans exposed to agent orange.

Third, require the promulgation of regulations containing guidelines for resolving claims for veterans' benefits based on exposure to agent orange.

Mr. President, at this point, I would like to comment very briefly on the provisions in S. 921 as reported that are of special importance to Vietnam-era veterans.

READJUSTMENT COUNSELING ELIGIBILITY EXTENSION

Mr. President, section 4 of S. 921 as reported would provide a 2-year extension of the period during which Vietnam-era veterans who were discharged before October 1, 1979, may request readjustment counseling services from the VA. The purpose of this extension is to make it possible for some Vietnam-era veterans who will not have requested readjustment counseling from the VA before September 30, 1981, to use the program. If a veteran once requests readjustment counseling, under existing law—unchanged by the committee bill—the veteran continues to be eligible for that assistance, without time limit, under this program.

In addition, the continued availability of readjustment counseling services through the Vet centers will benefit those veterans who already have received some services but need more time to work out their readjustment problems. As I noted above, this is identical to my original proposal as contained in S. 458.

However, based on the very strong testimony we heard during the committee's April 30 hearing, I became convinced that a 3-year extension is fully warranted and, therefore, proposed during the May 13 markup of S. 921 a 3-year extension—until September 30, 1984—of that application period. Although the committee did not adopt my proposal at that time, I believe there is strong support and ample justification for a 3-year extension, as indicated by the growing list of cosponsors of amendment No. 61 to S. 921 as reported, which will be offered by my very good friend and distinguished colleague from Rhode Island (Mr. CHAFEE) and of which I am an original cosponsor. I shall speak to the need for this amendment when it is before us.

ELIGIBILITY EXTENSIONS FOR CERTAIN VIETNAM-ERA VETERANS

Mr. President, sections 4 and 5 of the committee bill would provide—as I had proposed in S. 458—for the tolling in certain circumstances of a Vietnam veterans eligibility for readjustment counseling, GI bill benefits, and the vocational rehabilitation program for service-connected disabled veterans.

With respect to the readjustment counseling program, the bill would provide that a veteran's eligibility will not run during any time while the veteran is prevented from receiving readjustment counseling by virtue of incarceration or a disabling medical condition, including an alcohol or drug dependency or abuse disability. Because I have long believed that these veterans, many of whom directly relate their incarceration or such a disability to their service in the Armed Forces during the Vietnam era, should not be precluded from using the VA's readjustment counseling services, I am very pleased that the committee bill would provide an extension of eligibility in these circumstances. This would assure the veterans involved that they will still be eligible for readjustment counseling services when they are able to take advantage of those services.

With respect to GI bill benefits, the bill would provide for such a tolling of the period of eligibility, but only to the extent that the veteran was prevented from using these benefits by an alcohol or drug dependency or abuse disability and the veteran has recovered from such a condition. Similarly, the bill would provide for a tolling of the eligibility period for the VA's program of vocational rehabilitation for service-connected disabled veterans when the veteran has been prevented, by a drug or alcohol disability, from participating in a program of vocational rehabilitation. In these respects, the provisions in the committee bill are based on provisions I authored last Congress that were passed by the Senate last year as part of legislation dealing with the GI bill—H.R. 5288, on January 24, 1980—and the VA's vocational rehabilitation program—S. 1188, on September 4, 1980.

Mr. President, although we were not successful last year in our negotiations with the House on these particular provisions regarding GI bill benefits and the VA's vocational rehabilitation program, I hope we can persuade the House this time around that the provisions in the committee bill are needed.

EXTENSION OF THE VETERANS' READJUSTMENT APPOINTMENT AUTHORITY

Mr. President, section 6 of the committee bill would extend for 3 additional years the Federal Government's authority—set forth in section 2014(b) of title 38—to provide excepted appointments in the civil service to certain Vietnam-era veterans who are disabled or who are educationally disadvantaged. The purpose of the veterans' readjustment appointment—VRA—authority is to assist these veterans by making it possible for them to be hired noncompetitively in the civil service and to develop additional skills through a program combining education and training with the opportunity for a regular career appointment.

This program has been very successful in assisting unemployed, undereducated Vietnam-era and disabled veterans in finding work at very little cost to the Federal Government. Since the program's inception in 1970, VRA's have provided employment opportunities for more than 150,000 Vietnam-era and disabled veterans. The success of the program can also be evidenced by the high governmentwide retention rate—almost 75 percent according to Office of Personnel Management data—of veterans who were initially appointed under the VRA authority.

Mr. President, in this regard it should be stressed that not only would the committee bill assure that this source of assistance continues to be available to eligible veterans, but it would serve to supplement the readjustment counseling program in which unemployment is the most prevalent readjustment difficulty reported by staff at Vet Centers.

Although I originally proposed 2-year extension in S. 458, I proposed an additional year to the committee in light of the administration's strong statements of support for the VRA program and as complementary to my view that the readjustment counseling program application period should be extended for 3 years.

Thus, the committee bill would extend the VRA authority until September 30, 1984. Likewise, as I stated earlier, I believe the Senate should support the proposal to provide an additional 3 years after September 30, 1981, of eligibility for Vietnam-era veterans to apply for readjustment counseling. Taken together in this way, these two programs will con-

tinue to offer a valuable means of assisting Vietnam-era veterans.

AGENT ORANGE STUDY AMENDMENTS

Mr. President, I am very pleased that the committee bill incorporates the amendments to the mandated VA study on agent orange that I proposed in S. 636 and which were passed by the Senate twice last fall, in S. 1188 on September 4, and in H.R. 4015 on September 26, before the sine die adjournment of the 96th Congress. I worked hard to develop these changes now proposed in the committee bill, together with the Senator from Pennsylvania (Mr. HEINZ) and was disappointed that the House refused to act on them last year.

The proposed amendments would make several changes in the study mandated in Public Law 96–151 that, in my view, are critical if a study is to be done that is significant, valid, objective, credible, and responsive to the concerns of Vietnam veterans about their health. These changes include expanding the scope of the study to take into account certain other factors in Vietnam that may be affecting the health of Vietnam veterans, requiring the VA to issue regulations—within a framework provided in the committee bill—in connection with the resolution of claims of veterans against the VA based on exposure to agent orange and such other factors as may be involved in any study expansion, and authorizing the VA to contract with a non-VA entity for the conduct of the study.

Mr. President, with respect to the last change I mentioned, while I continue to believe a valid and objective study could be conducted by the VA, I also continue to believe that the perception of a conflict of interest would be of great concern to many Vietnam veterans and other members of the public. Thus, in response to such concerns, which I believe are certain to be raised, I will continue to urge the Administrator of Veterans Affairs to arrange for the conduct and management of this study outside the VA, as the committee bill would expressly authorize.

CONCLUSION

In conclusion, I again would like to express my appreciation to the chairman (Mr. SIMPSON) for his hard work on this measure and to the committee staff members, Bill Brew, Ken Bergquist, Harold Carter, and Jim MacRae. Also, my special thanks to members of the minority staff—Molly Milligan, Babette Polzer, Ed Scott, and Jon Steinberg—for their contributions.

The measure before us is a sound and important one. I urge my colleagues to support it.

Before closing, Mr. President, I note that, on June 2, 1981, the House passed H.R. 3499, the proposed Veterans' Health Care Act of 1981, by a vote of 388 to 0. The House-passed bill is, in many respects, very similar to S. 921 as reported. Because it is important that the issues in the bill be resolved in a timely manner, I shall do my best to urge that we try to work out the differences between the two measures in the very near future.

Mr. President, in order that my colleagues may understand my reasons for offering amendments No. 58 and No. 59 and cosponsoring amendment No. 61, I ask unanimous consent that my minority views in the committee report be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ADDITIONAL VIEWS OF SENATOR ALAN CRANSTON

I am submitting these additional views in connection with the following three amendments that I offered unsuccessfully but with much support during the Committee's consideration of S. 921, as amended, on May 13, 1981—

(1) to provide basic Veterans' Administration health care eligibility to a veteran suffering from a disability as to which the Administrator, upon the recommendation of the Chief Medical Director, determines there is credible medical evidence linking it to exposure to dioxin (the toxic contaminant found in agent orange), an herbicide used by our Armed Forces in Vietnam, as to veterans who served in Vietnam; or to nuclear weapons test radiation or any other toxic substance or environmental hazard if the veteran is found to have experiences in-service exposure to the radiation or pertinent substance or hazard.

(2) to extend by three years, until September 30, 1984, the period of eligibility for a Vietnam-era veteran to request readjustment counseling.

(3) to provide a "targeted delimiting date extension" designed to allow educationally disadvantaged, unskilled, and unemployed Vietnam-era veterans with expired GI Bill eligibility up to two additional years—until September 30, 1983—to use their entitlement for apprenticeship or other on-job training or, if they do not have a high school diploma or equivalency certificate, for high school (or equivalency) or vocational training.

I. HEALTH-CARE ELIGIBILITY OF VETERANS WHO WERE EXPOSED TO AGENT ORANGE AND RADIATION

Amendment No. 42

I offered as an amendment to S. 921 the provisions of Amendment No. 42, which I submitted for printing on May 7. The purpose of this amendment is to address the health-care needs of veterans who are concerned that their exposure during service to dioxin—the highly toxic contaminant found in agent orange, an herbicide used by our Armed Forces in Vietnam—nuclear weapons test radiation, or other toxic substances or environmental hazards has resulted in health problems.

The text of the amendment follows:

SEC. Chapter 17 of title 38, United States Code, is amended—

(1) by amending subsection (a) of section 610—

(A) by striking out "and" after clause (3);

(B) by inserting after clause (3) the following new clause:

"(4) any veteran for a disability which a physician employed by the Veterans' Administration determines (or, in areas where no such physician is available, by a physician carrying out such function under a contract or fee arrangement with the Administrator) is a disability with respect to which the Administrator has found, upon the recommendation of the Chief Medical Director, there to be some credible medical evidence indicating that such disability may be caused by the exposure of humans to—

"(A) dioxin if the Administrator finds that such veteran served on active duty in the Republic of Vietnam during the Vietnam era,

"(B) radiation if the Administration finds that such veteran was exposed to such radiation while participating in a nuclear weapons test while serving on active duty, or

"(C) any other toxic substance or environmental hazard to which the Administrator finds that such veteran was exposed while serving on active duty, unless the Administrator determines (i) that such exposure was not incurred in line of duty or was the result of such veteran's willful misconduct, or (ii) upon the recommendation of the Chief Medical Director, that, despite such credible evidence, on the basis of clear and convincing medical evidence, such disability is not caused by such exposure; and"; and

(C) by redesignating clause (4) as clause (5); and

(2) by amending subsection (i) of section 612—

(A) by inserting after clause (3) the following new clause:

"(4) To any veteran described in section 610(a)(4) of this title."; and

(B) by redesignating clause (4) as clause (5).

This amendment would afford these veterans general eligibility for hospital and nursing home care and limited eligibility for outpatient care at an appropriate level of priority but only for conditions that can be linked by some credible medical evidence to such an exposure, and it would provide such eligibility only with respect to those disabilities which the Administrator, upon the recommendation of the Chief Medical Director, determines may be linked to the exposure of humans to the substance or hazard to which the veteran concerned was exposed.

The amendment would specifically exclude eligibility where the exposure to a specific hazard or substance was the result of the veteran's willful misconduct or was otherwise not incurred in line of duty. Eligibility for health-care services would also be denied if the Administrator, upon the recommendation of the Chief Medical Director, determines that, despite some credible evidence showing a link, other medical evidence clearly shows that exposure to a specific hazard or substance does not cause the disability involved. After some debate with respect to the desirability of including the general category relating to other toxic substances and environmental hazards, I modified my amendment to include only veterans exposed to agent orange or radiation. As so modified, however, the amendment failed on a 6-to-6 vote. Nevertheless, I continue to believe that there is much justification for this approach and will propose such an amendment when the bill comes to the floor.

SUPPORT FOR AMENDMENT

Subsequent to May 7, the Disabled American Veterans and the Vietnam Veterans of America wrote to me expressing their support of Amendment No. 42 to provide this VA health-care eligibility to veterans who were exposed to agent orange, a radiation, and other toxic substances. In addition, I received a copy of a letter from The American Legion to the Chairman with that organization's view on my amendment which stated, in part,

We believe . . . that VA should be further obligated to follow up that examination [of all veterans who claim to be suffering from the residuals of toxic substance exposure] by treating any condition which, based upon reasonable medical evidence, may be caused by such exposure.

COMMITTEE OVERSIGHT ACTIVITIES

The Committee—over the past two years—has received and reviewed a great deal of information regarding the inservice exposure of veterans to agent orange and radiation. And the Committee has assisted with the cases of many individual veterans who, in addition to being unable to prove a connection strong enough to qualify for compensation, have experienced great difficulty in obtaining health-care services from the VA.

In connection with these issues, the Committee, during the 96th Congress, held five days of hearings:

June 20, 1979, Veterans' claims for disabilities from nuclear weapons testing, in Washington, D.C.;

January 25, 1980, Vietnam veterans readjustment, including the issue of exposure to agent orange and the VA study mandated by Public Law 96–151, in Chicago, Illinois;

January 26, 1980, Vietnam veterans readjustment, including the issue of exposure to agent orange and the VA study mandated by Public Law 96–151, in Los Angeles, California;

February 21, 1980, Vietnam veterans' readjustment, including views of various Federal agencies on their agent orange-related activities and the VA study mandated by Public Law 96–151, in Washington, D.C.; and

September 10, 1980, agent orange update, including testimony on the amendment which had passed the Senate on September 4 as section 501 of S. 1188 and is included in section 8 of S. 921, as reported, in Washington, D.C.

The Committee also compiled a comprehensive record of documents with respect to the agent orange-related activities of Federal agencies, the Congress, various concerned groups, and others, and printed that record as appendices to two hearing records. Part I, which covers a period from July 1978 to January 1980 is appended to the Committee's April 10, 1979, hearing on S. 741 and S. 196; Part II, which covers a period from January 1980 to November 1980, is appended to the Committee's September 10, 1980, agent orange update hearing. In addition, throughout the 96th and 97th Congresses, I have inserted in the Congressional Record various reports and letters that have come to my attention with respect to matters related to the issue of veterans' exposure to both agent orange and radiation.

LINK TO SERVICE

With respect to many potentially hazardous substances, we are now just beginning to understand what long-term health effects may result from human exposure. We know more about radiation's effects in this regard than we do with respect to certain other hazards, but there is progress being made in research on dioxin's effects and the effects of other substances also.

Recently, results of certain studies on the health of humans with respect to radiation exposure during the nuclear test "Smoky" and dioxin exposure in connection with railway workers in Sweden have become available and been reviewed by various experts. According to many of these experts, these studies present significant medical information and thus, in my view, should be considered relevant to the availability of VA health care in connection with diseases identified in such studies, for example. I think we have a responsibility to respond appropriately in light of those study findings now available, as we have often pledged to these veterans we would do. And we should provide a way for a continuing responsiveness as further credible scientific data become available.

It seems very likely to me, now that we have available to us various creditable scientific studies that suggest—although not definitively—a link between exposure to certain substances and the subsequent development of specific diseases, that some of the problems these veterans are experiencing today may well in the future be found to be related to inservice exposure. In my view, the veterans concerned should be assured access to the VA's health-care system for health problems with such a credible linkage to service and for which hospitalization is or may be indicated. My amendment would provide that access.

Also, because of the more than speculative probability that certain of their health problems may ultimately be found to be service related, it seems fully warranted, in my view, that these veterans should have a higher priority, with respect to such problems, for using the VA's available outpatient resources than do veterans with no service-connected disabilities whose health problems have no such link to service. My amendment would provide for that priority.

This proposal also would provide the further, possibly significant, advantage of giving VA physicians more experience in treating more efficiently and effectively the specific diseases and disabilities involved. In some cases, this could contribute to advances in scientific knowledge about the nature and causes of such conditions.

As I have proposed it, this amendment would, in practice, involve no additional costs. What is involved here is not a proposal to add new services, facilities, or other resources. Rather the proposal is to adjust the manner in which available VA health-care resources are utilized. Thus, if this amendment were enacted and the Administrator made the requisite finding with respect to linkage regarding certain disabilities, the veterans involved would receive care ahead of other veterans who have no service-connected disabilities and who, as a result, in some cases would experience a delay in receiving care or be referred to other sources of care. The result of the amendment would be to provide for an appropriate level of care for these "exposed" veterans ahead of those whose medical problems have no link whatsoever to their military service. This would be the same eligibility and priority that the Committee recommended in section 6 of S. 468, as reported, for non-service-connected ex-POW's.

EFFECT OF AMENDMENT

The practical effect of the amendment would be to ratify in part what the VA has indicated in testimony before this Committee is its current policy, albeit one of questionable legal validity, with respect to health care for Vietnam veterans who claim their disabilities result from agent orange exposure. We would thereby assure consistent application of this policy and equitable application of it to veterans in very similar circumstances—those exposed to radiation while participating in nuclear weapons tests. It would thus relieve the veterans involved of the alternative requirements of obtaining a finding of service connection or signing an oath of inability to defray the costs of care, which, as a result of the enactment of section 401 of Public Law 96–330 last year, is now more difficult for some non-service-connected disabled veterans to do. I do not believe these veterans should have to take a "pauper's oath" to become eligible for health care for conditions that may be linked to their service.

I want to emphasize that the amendment would not provide a presumption of service connection be adopted in connection with eligibility for health care or any other VA benefits. Rather, it proposes that we provide "exposed" veterans—including those who served our country in Vietnam and in the atmospheric nuclear weapons tests—with appropriate access to health care from the government that exposed them to those hazards.

I believe this proposal represents a fair middle ground pending the outcome of the various scientific inquiries that the Committee is following so carefully, and I think it's time to undertake action in response to the information that now is available to us.

OTHER TOXIC SUESTANCES AND ENVIRONMENTAL HAZARDS

The Committee also received information during the 95th and 96th Congresses that, in connection with various defense-related experiments involving human subjects, some veterans were exposed to several other hazardous substances, such as LSD and other drugs.

During the markup, certain concerns were raised with respect to the provision of my amendment that would provide health-care eligibility to veterans exposed while serving on active duty to such toxic substances or environmental hazards—other than dioxin in Vietnam or nuclear weapons test radiation—with respect to which the Administrator finds, upon the recommendation of the Chief Medical Director, there to be some credible medical evidence that the disability for which the veteran requests care may be caused by human exposure to the substance to which the veteran was exposed.

Although I believe this general category would serve an important purpose, I can appreciate the reservations of other members of the Committee regarding it, particularly with respect to the generality of the inclusion of other environmental hazards not specifically identified in the legislation. However, I would like to set out the reasons I included this category of exposure in the same context as exposure to dioxin and radiation.

First, if the VA's mandated study does not result in specific findings with respect to dioxin, but rather it or other studies now ongoing provide some credible medical information that service in Vietnam—that is, service in that environment in general—may itself have had adverse effects on the health of veterans who served there, we should assure appropriate access to the VA health-care system for Vietnam veterans. Admittedly, this could be dealt with by expanding category (A) relating to service in Vietnam.

Second, the general category would assure an appropriate access to the VA health-care system for veterans who were exposed in line of duty to other hazards—such as LSD in testing or research programs—as to which the state of medical knowledge is in much the same inconclusive state as it is with respect to dioxin and radiation.

For example, there is substantial controversy—very similar to that respecting agent orange and radiation—about the long-term health effects of exposure to sulpha, asbestos, and other hazards. The problem regarding many of these substances from exposure to which veterans allege they are suffering ill effects is that there is some medical evidence that appears to support a linkage but no medical followup has been conducted or is planned.

For example, in a March 18, 1981, memorandum to members of Congress (printed in the appendix to these views) with respect to a followup study on veterans who, from 1955 until 1967, were exposed to LSD as volunteers in the Army's chemical research program, the Secretary of the Army indicated that, while some of the volunteers followed seem to have legitimate health complaints that might reasonably be considered to have arisen from LSD exposure, "further followup studies are probably inadvisable from a scientific viewpoint." Thus, it seems clear to me that, with respect to some of those possibly legitimate complaints, there will never be enough information to allow a finding of service connection because the necessary research will not be conducted. Perhaps it is not reasonable scientifically to push for further study (in a May 4, 1981, letter to the Director of the Office of Technology Assessment, I have sought advice on the scientific aspects of that question), but because the individuals involved clearly are confronted with a "catch 22" situation, I believe those volunteers with such possibly legitimate complaints should be given the opportunity to obtain appropriate VA health care.

Another example, and one which has only recently emerged as an issue, is the health situation of Navy veterans who were given sulpha medication—a substance that is very

effective in the treatment of certain infections although with occasional serious side effects—during World War II and who now believe that certain health problems they are experiencing may be the result of their exposure to that drug. It is not yet clear how many veterans may be involved or even what conditions they think may be related, but if more information develops to provide a credible link, I think the veterans involved should have some access to health care for the medical conditions that are indicated. Some of them may not be able to get into the VA system unless such a general provision is enacted.

Finally, I would reemphasize that, in the case of any particular substance, under the amendment new VA health-care eligibility would be provided only if the Chief Medical Director has made a recommendation with respect to conditions indicated by credible medical evidence to be linked to exposure during service and the Administrator has agreed and made the requisite determination.

II. READJUSTMENT COUNSELING PROGRAM

Application-period extension

I also proposed a 3-year extension—until September 30, 1984—of the application period for Vietnam-era veterans to request readjustment counseling from the VA without excluding any Vietnam-era veterans. I am disappointed that my motion to provide a 3-year extension of the application period, which was cosponsored by Senators Randolph, Matsunaga, DeConcini, and Mitchell, was not successful. I am pleased, however, that my amendment to retain the present eligibility for all Vietnam-era veterans (rather than restrict it to those whose service during the Vietnam era made them eligible to receive the Vietnam Service Medal) was agreed to and that the Committee agreed to my modified motion for a 2-year extension, as I had originally proposed in section 2 of S. 458, introduced on February 6, 1981.

On April 2, 1981, Senator Chafee introduced S. 872 with broad bipartisan support (cosponsored by Senators Dole, Danforth, Heinz, Melcher, Hatfield, Pell, Sarbanes, Exon, Moynihan, Hart, Boschwitz, Hollings, Dodd, Goldwater and Sasser). Based on the testimony we received at the April 30 hearing, I became convinced that a 3-year extension is fully warranted, and I congratulate Senator Chafee and the cosponsors of S. 872 for their foresight. As Dr. Ewalt, the VA's Director of Mental Health and Behavioral Sciences, pointed out during the hearing, if the program is to have a fair shot at being effective and being able to attract and retain qualified personnel, the VA needs to be able to offer assurances to individuals who staff the program that it will be around for awhile. The testimony clearly indicated that the uncertain future of the program has led to great instability in the current operation of the Vet Centers, including the premature loss of individuals already trained to provide counseling services. Dr. Ewalt and the entire panel of mental health and social science professionals—in addition to the VFW, the DAV, and the Vietnam Veterans of America—recommended that from the standpoint of providing the program the stability it needs to operate efficiently and to provide effective counseling assistance to those who request it, a 3-year extension would be optimal.

In addition, the CPR report, "Legacies of Vietnam: Comparative Adjustment of Veterans and Their Peers," a study prepared by the Center of Policy Research, Inc., (CPR) for the Veterans' Administration pursuant to section 304(b) of Public Law 95-202 and submitted to Congress on March 20, 1981, substantiates that the continuing problems of Vietnam-era veterans do not easily reduce to a single problem or problem cluster, and, for a variety of reasons, the overwhelming majority of veterans interviewed for the study was not inclined to use either VA programs or other traditional non-VA mental health services. The conclusion is inescapable that the problems of Vietnam-era veterans are more complex and widespread than many previously believed and, thus, more time than previously expected will be necessary to provide assistance to those individuals who need it.

In addition, although the authority for the VA to provide readjustment counseling became effective more than one and a half years ago, the 91 Vet Centers currently in operation opened several at a time over a period of many months. Because of the staggered schedule of openings, very few of the Vet Centers will have been in operation for periods approaching 2 years by September 30, 1981—the end of the eligibility period for veterans released from active duty before October 1, 1979—and many of the centers will have been in operation for less than a year by that date. Moreover, it takes a substantial period of time for a new Vet Center to establish a reputation in its community and overcome the initial skepticism of its target clientele. Several months of the first year's operation must necessarily be devoted to making contacts and developing effective working relationship with other agencies and organizations that provide services in the communities in which each Vet Center is located. Thus, most of the centers will fall far short of realizing their maximum potential by September 30, 1981, and it is vital that additional time, in the form of extended eligibility for veterans who would seek a center's services, be provided.

Also, beginning early in January 1981 the program was directed to refrain from offering career appointments to prospective employees—a situation in which it has been difficult (if not impossible) to hire qualified applicants. In this regard, the program director, Dr. Donald Crawford, stated: "It is next to impossible to employ anyone of excellent credentials not being able to say to them 'you have a future with the VA'." In addition, the new Administration's March 10 budget proposal not to fund the program in fiscal year 1982 has had a paralytic effect on the program. At the April 30 hearing, several witnesses, including Dr. Crawford, indicated that regenerating the program after the application period is extended legislatively would take several months.

For these reasons, at present the Vet Centers have been functioning for an average of less than 1 year as an effective way of providing readjustment counseling.

I would also note that Dr. Ewalt reminded the Committee at the hearing that he had initially recommended to the Committee a 5-year eligibility period.

If it should turn out that fewer veterans are using the Vet Centers 2 years down the road, the Congress would certainly have the option of reducing the scope of the program commensurately through the appropriations process. However, I agree with Senator Chafee and the co-sponsors of his bill that there is more than ample justification and need for us to provide Vietnam-era veterans the assurance of an effective program that a 3-year eligibility extension would provide.

Eligibility for readjustment counseling

During the markup, a question was raised about whether Congress really intended to make all Vietnam-era veterans eligible for readjustment counseling when it added section 612A to title 38 in 1979 in Public Law 96-22. I would like to set the record straight.

In my view, there is no question both that, over the 10-year history of the legislation (which I first introduced in 1971) the Congress stated its intention clearly and repeatedly—as the legislation expressly shows—that the eligible population include all Vietnam-era veterans; and that veterans of the Vietnam era have been identified by our society with the United States operations in Vietnam whether or not they served there. To quote from Senate Report No. 96-100 (pages 27-28) on the bill, S. 7, enacted as Public Law.

According to testimony from psychiatrists and other physicians, psychologists, social workers, and counselors at hearings held in February 1976, June 1977, and January 1979, veterans of the Vietnam era have suffered significantly as the result of society's indifference and, in some cases, overt hostility to the sacrifices they made during their periods of military service. Those who served in Vietnam have also experienced anguish due to the unusual conditions of service in Vietnam. . . .

Moreover, at our Committee's meeting, 2 years ago (March 9, 1979) on S. 7, we rejected by an 8-to-2 vote a proposal—just as the Committee rejected a similar proposal on my motion (8-to-4) 2 days ago—to limit readjustment counseling eligibility to Vietnam-era veterans who served in Southeast Asia.

On the basis of the total legislative history of the program, I think it is fair to conclude (indeed, I think no other reasonable conclusion is possible) that the Congress explicitly intended the program to focus primarily on those who served in Southeast Asia, who were expected to have the most readjustment difficulties, while keeping readjustment services available for the smaller proportion of Vietnam-era veterans who did not serve there, but who also experience difficulties.

This is exactly the way the program has worked. The facts are that veterans who served in Vietnam constitute about one-third of the total population of Vietnam-era veterans and about two-thirds of the Vet Center clients. Thus, a Vietnam-era veteran who served in Vietnam is about four times as likely to request readjustment counseling as one who did not.

III. TARGETED DELIMITING DATE EXTENSION

Finally, I regret deeply that the Committee by a 5-7 vote did not approve my amendment to incorporate in S. 921 the provisions of section 3(2) of S. 458, the proposed "Vietnam-Era Veterans' Readjustment Amendments of 1981", which I introduced on February 6, 1981, and which is cosponsored by Senators Matsunaga and DeConcini, providing for an extension of the so-called "delimiting period" for the use of GI bill benefits. This extension would be targeted only on those most in need of assistance—that is, those Vietnam-era veterans who, even though they would have been out of the service for more than 10 years, do not have high school diplomas and those who could benefit from participation in apprenticeship or other on-job training programs. Our proposal would provide these veterans with up to an additional 2-year period—October 1, 1981, to September 30, 1983—in which to use their GI Bill benefits for apprenticeship or OJT programs or, if they do not have high school diplomas or the equivalent, for pursuit of a secondary education or vocational objective program of education.

Under current law, veterans eligible for GI Bill benefits generally have 10 years after their last discharge or release from active duty to utilize their benefits for pursuit of a variety of programs of education. The Veterans' Affairs Committee has a number of occasions considered a variety of proposals designed to extend this 10-year delimiting period and has generally not been supportive of such extensions. However, that is not the case with the amendment I offered.

This amendment, which I intend to offer again as an amendment to this measure when it comes before the Senate, is essentially the same as that which the Committee approved in the 96th Congress in connection with S. 870 in 1979 and the Senate approved in January of last year, but to which the House would not agree. It is now, as it was then, a

modest effort to provide special assistance to veterans who have had the most difficulty in readjusting to civilian life following their service during the Vietnam era. It is significantly different from other proposals for general, across-the-board delimiting date extensions in that it is a one-time extension tightly targeted on those who are most in need of assistance and available only for certain kinds of education and training. It is designed to provide a limited extension to those very veterans who have never effectively utilized GI Bill benefits to which they earned entitlement.

Target population

According to VA data, educationally disadvantaged Vietnam-era veterans—that is, those who were discharged from active duty without having ever obtained a high-school diploma or equivalency certificate—accounted for nearly 20 percent of the Vietnam-era veteran population, more than 1.7 million individuals. Yet, compared with an overall utilization rate of more than 65 percent for the current GI Bill, only 35 percent of educationally disadvantaged veterans have used any of their GI Bill entitlement and, according to the VA's summary report on the 1979 National Survey of Veterans based on Census Bureau data, about half of them still don't have a high school degree. So, their problems persist and most have passed their 10-year delimiting dates.

Similarly, the needs of unskilled, underemployed, and unemployed Vietnam-era veterans can be seen in the high rates of unemployment that continue to plague this segment of the labor force. In April, the rates of unemployment for Vietnam-era veterans were 10.4 percent higher than they were a year ago. Among those Vietnam-era veterans who are 30 to 35 years of age—and who comprise 44 percent of the total Vietnam-era veteran labor force—the April rate of unemployment was 21.6 percent higher than it was in April of 1980 and 8.8 percent higher than it was for non-veterans in the same age bracket. These veterans, too, have generally passed their delimiting periods.

It cannot be stressed too strongly that our proposal is not for a general extension for all veterans as they reach their delimiting dates. Rather, it is to provide a "one-shot" opportunity for reaching these very deserving veterans—a final effort to try to assist them in making a successful and complete transition to productive civilian lives.

Adjust to readjustment counseling program

In that sense, this proposal must be viewed as a logical adjunct to the readjustment counseling program extension of eligibility provided for in S. 921 as reported by this Committee. The study prepared for the VA by the Center for Policy Research entitled, "Legacies of Vietnam: Comparative Adjustment of Veterans and their Peers", recently documented that Vietnam veterans have not achieved as high a level of education as their peers and hold jobs that are, on the average, at lower levels than those held by nonveterans. It further found that much of the occupational difference between veterans and nonveterans are due to educational differences. Finally, the study concluded that, when background differences are controlled, Vietnam-era veterans—and, to the greatest extent, those who served in Vietnam—still show "some residual disadvantage in educational and occupational attainment" and that "military duty in Vietnam had a negative effect upon post-military achievement."

At the Committee's April 30 hearing, much testimony was received in support of the concept of a targeted extension of the delimiting period. Both The American Legion and the Veterans of Foreign Wars indicated in their testimony that they supported such extensions. The Disabled American Veterans, in response to a question I submitted in writing, has responded that the approach I am proposing would "undoubtedly benefit" veterans utilizing the services at the Vet Centers. Max Cleland, the former VA Administrator, spoke eloquently about the need to couple the kind of support the Vet Centers are offering with the type of approach embodied in this proposal.

With respect to the need for this amendment, I want to underscore other very important testimony the Committee received. First, in response to a question I submitted as to how important it is that readjustment counseling efforts be coupled with efforts to provide employment opportunities and education and training assistance, Dr. Robert Laufer, a co-principal investigator on the CPR, wrote,

"Occupational/educational programs and psychological problems have to some extent become intertwined over time. Therefore, it would be advisable to relate services to both psychological and educational/occupational problems."

In supporting the need for a targeted delimiting period extension as an adjunct to the readjustment counseling, Dr. Laufer stated:

"The lack of timely psychological support for Vietnam veterans after their release from the service we believe contributed to a delayed use of available benefits. Therefore, we think it is reasonable to make special efforts for the educationally disadvantaged and unskilled or unemployed veterans. . . . This would be a valuable adjunct to the VA's readjustment counseling program."

Dr. Arthur Arnold, Chief of Psychiatry at the VA Medical Center in Bay Pines, Florida, stated that it is "essential" that treatment of post-traumatic stress be coupled with employment and education assistance. "Otherwise," he said, "treatment does not necessarily result in any improvement in practical living."

The American Psychiatric Association witness, Dr. Stephan Sonnenberg, responded that the availability of employment, education, and training assistance is a "crucial component of a comprehensive human service effort."

Regarding cost, the Congressional Budget Office estimates that this proposal would have a first-year cost of $63 million and a second-year cost of $67 million. Thus, the total of 5-year cost would be $130 million.

Budget considerations

Although I am fully appreciative of the Chairman's concerns with respect to the budget constraints, on which his opposition to this proposal rested, it is clear now that the constraints which a few months ago we feared we would be facing are not going to be a reality. The budget levels for veterans' programs (Function 700) in the Gramm-Latta version of the First Budget Resolution for Fiscal Year 1982—as supported by the President, passed by the House, and just yesterday approved in conference—are based squarely on the House Veterans' Affairs Committee's legislative assumptions, including expressly the enactment of a targeted delimiting date extension such as the one I am proposing. Thus, there is ample latitude for the Congress, within the limits of the Budget Resolution and the crosswalks to the Veterans' Affairs Committees, to enact this very useful and reasonable provision.

Unlike last year when the House refused to agree to the extension in the context of the Veterans' Rehabilitation and Education Amendments of 1980, the House Veterans' Affairs Committee unanimously ordered reported on May 12 a similar extension provision in connection with H.R. 4233. So now achievement of this opportunity is within our grasp, and I intend to continue to work to insure that it does not slip through our fingers.

It is all well and good to approve special days and special weeks in recognition of the sacrifices that Vietnam-era veterans have made, to construct new memorials, and to celebrate welcome homes that have been too long delayed. But, I believe, it is more important to provide concrete, positive assistance to those veterans who are just now beginning to take steps to readjust fully from their wartime experiences. When the Vietnam-era veteran who, after years of frustrations and personal agonies, seeks assistance at the Vet Center, it is critically important that he be provided the very kind of assistance that could be most valuable to him—and that is what this amendment would authorize.

As I indicated previously, I intend to offer my amendment as an amendment to S. 921 when it comes before the Senate. I hope my colleagues will join with me and support this effort to benefit those veterans of our Nation's longest conflict who continue to be very much in need of this kind of assistance.

APPENDIX

DEPARTMENT OF THE ARMY,
OFFICE OF THE SECRETARY OF THE ARMY,
Washington, D.C., March 18, 1981.

INFORMATION FOR MEMBERS OF CONGRESS

FOLLOW-UP STUDY ON THE LONG-TERM EFFECTS OF LSD ON VOLUNTEERS IN THE ARMY'S CHEMICAL RESEARCH PROGRAM

The Department of the Army released today its follow-up study on the long-term effects of LSD on volunteers in the Army's chemical research program.

The most significant finding of the study indicates that the volunteers who participated in the chemical research program and agreed to be studied, have about the same frequency of common medical illnesses as the general population in the same age range. Also, the incidence of psychiatric illness in the studied population was the same as that in the general population of the U.S.

The study concludes that the majority of subjects evaluated did not appear to sustain any significant damage from their participation in the LSD experiments. In cases where there were abnormalities, LSD could not be conclusively identified as the cause.

LSD was used in a series of experiments by the Army Chemical Corps from 1955 through 1967. Army records indicate 741 individuals voluntarily received LSD during that time. Fifty-five were Air Force personnel who were studied separately. Of the remaining 686, the Army examined 320 individuals, 220 directly and 100 by medical history questionnaires. The remaining Army participants were not studied due to their not being locatable, their death prior to the following study, or their unwillingness to participate in the follow-up.

Further information may be obtained from Mr. John L. Naler, 697-2106.

Furnished by: Office, Chief of Legislative Liaison.

Mr. MURKOWSKI. Mr. President, as a member of the Veterans' Affairs Committee and a cosponsor of S. 921, I am pleased to join with the distinguished chairman, Mr. SIMPSON, in urging my colleagues to approve the "Veterans' Programs Extension and Improvement Act of 1981."

I commend the chairman of our committee, for the leadership he has shown in bringing this measure to the floor. I would also like to compliment my colleague Senator CRANSTON for the key role he has played in the drafting of this legislation.

Mr. President, there has been a growing concern by the Members of Congress

over the needs of this Nation's veterans, in particular those of the Vietnam era. Less than 2 weeks ago the Senate passed the "Former Prisoners of War Benefits Act of 1981," which among other things, expanded the eligibility of former POW's for health care provided by the Veterans' Administration. Now we are considering a bill to extend and improve a variety of programs offered to the veterans of this Nation.

Among the programs to be affected by this legislation are those provided to veterans of the Vietnam era. S. 921 authorizes a 2-year extension of the veterans readjustment counseling program, the VA epidemiological study of Vietnam veterans exposed to dioxin, the chemical contaminant of agent orange, will be expanded to include an evaluation of other factors affecting the health of Vietnam era veterans. The Veterans' Administration will also be allowed to contract private entities for the continuation of this study. Eligibility for readjustment counseling, vocational rehabilitation and GI bill benefits will no longer be effected by alcohol or drug dependence or abuse disability. The eligibility of certain disabled and educationally disadvantaged Vietnam era veterans to receive noncompetitive appointments within the Federal civil service will be extended for 3 more years.

In addition to those programs directly affecting Vietnam era veterans, S. 921 will also grant the Veterans' Administration an extension to provide contract hospital care and medical services in Puerto Rico, the Virgin Islands, and other territories of the United States. This bill will also allow State medical schools—established with VA grant assistance—an additional year in which to spend previously appropriated funds. Adjustments are to be made in the outpatient dental program for veterans who reenter the armed services prior to 1 year after discharge.

Mr. President, the extensions and improvements of these programs are of importance in meeting the needs of not only those veterans of the Vietnam era, but all veterans of this Nation. I am proud to be a cosponsor of this legislation and urge my colleagues' timely approval of this measure.

Thank you, Mr. President.

AMENDMENT NO. 59

(Purpose: To provide certain health-care eligibility and outpatient care priority to veterans for disabilities linked to their exposure to agent orange or other toxic substances in Vietnam, or to nuclear weapons test radiation)

Mr. CRANSTON. Mr. President, I call up amendment No. 59 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from California (Mr. CRANSTON), for himself and other Senators, proposes an amendment numbered 59.

Mr. CRANSTON. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment proposed by Mr. CRANSTON, for himself, and Mr. RANDOLPH, Mr. MATSUNAGA, Mr. MITCHELL, Mr. SASSER, Mr. CHAFEE, Mr. HUDDLESTON, Mr. SARBANES, Mr. LEAHY, Mr. RIEGLE, Mr. LEVIN, Mr. DIXON, Mr. HART, Mr. BENTSEN, Mr. BAUCUS, Mr. ROBERT C. BYRD, Mr. BIDEN, Mr. PRESSLER, Mr. THURMOND, and Mr. METZENBAUM, is as follows:

On page 2, between lines 19 and 20, insert the following new section:

SEC. 3. Chapter 17 of title 38, United States Code, is amended—

(1) by amending subsection (a) of section 610—

(A) by striking out "and" after clause (3);

(B) by inserting after clause (3) the following new clause:

"(4) any veteran for a disability which a physician employed by the Veterans' Administration determines (or, in areas where no such physician is available, by a physician carrying out such function under a contract or fee arrangement with the Administrator) is a disability with respect to which the Administrator has found, upon the recommendation of the Chief Medical Director, there to be some credible medical evidence, indicating that such disability may be caused by the exposure of humans—

"(A) to—

"(i) dioxin, or

"(ii) any other toxic substance which was used in connection with military purposes and to which the Administrator finds that such veteran was exposed while serving on active duty in the Republic of Vietnam, if the Administrator finds that such veteran served on active duty in the Republic of Vietnam during the Vietnam era, or

"(B) to radiation if the Administrator finds that such veteran was exposed to such radiation while participating in a nuclear weapons test while serving on active duty,

unless the Administrator determines (i) that such exposure was not incurred in line of duty or was the result of such veteran's willful misconduct, or (ii) upon the recommendation of the Chief Medical Director, that, despite such credible evidence, on the basis of clear and convincing medical evidence, such disability is not caused by such exposure; and"; and

(C) by redesignating clause (4) as clause (5); and

(2) by amending subsection (i) of section 612—

(A) by inserting after clause (3) the following new clause:

"(4) To any veteran described in section 610(a)(4) of this title."; and

(B) by redesignating clause (4) to clause (5). Redesignate clauses (3) through (9) as clauses (4) through (10), respectively.

Mr. CRANSTON. Mr. President, I send to the desk a modification and ask unanimous consent that it be in order for me to modify my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

On page 2, between lines 19 and 20, insert the following new section:

SEC. 3. Chapter 17 of title 38, United States Code, is amended—

(1) by amending subsection (a) of section 610—

(A) by striking out "and" after clause (3);

(B) by inserting after clause (3) the following new clause:

"(4) any veteran for a disability which a physician employed by the Veterans' Administration determines (or, in areas where no such physician is available, by a physician carrying out such function under a contract or fee arrangement with the Administrator) is a disability with respect to which the Administrator has found, upon the recommendation of the Chief Medical Director, there to be some credible medical evidence, indicating that such disability may be caused by the exposure of humans—

"(A) to—

"(i) dioxin, or

"(ii) any other toxic substance which was used in connection with military purposes and to which the Administrator finds that such veteran was exposed while serving on active duty in the Republic of Vietnam, if the Administrator finds that such veteran served on active duty in the Republic of Vietnam during the Vietnam era, or

"(B) to radiation if the Administrator finds that such veteran was exposed to such radiation while participating in a nuclear weapons test while serving on active duty,

unless the Administrator determines (i) that such exposure was not incurred in line of duty or was the result of such veteran's willful misconduct, or (ii) upon the recommendation of the Chief Medical Director, that, despite such credible evidence, on the basis of clear and convincing medical evidence, such disability is not caused by such exposure; and"; and

(C) by redesignating clause (4) as clause (5); and

(2) by amending subsection (i) of section 612—

(A) by inserting after clause (3) the following new clause:

"(4) To any veteran for a disability described in section 610(a)(4) of this title."; and

(B) by redesignating clause (4) as clause (5).

Redesignate sections 3 through 9 as sections 4 through 10, respectively.

Mr. CRANSTON. Mr. President, this is a technical modification to correct a mistaken reference and to clarify another. It has been discussed with the distinguished chairman, and is acceptable to him. Thus, I have modified my amendment in accordance with that understanding.

Mr. President, on behalf of Senators RANDOLPH, MATSUNAGA, MITCHELL, SASSER, CHAFEE, HUDDLESTON, SARBANES, LEAHY, RIEGLE, LEVIN, DIXON, HART, BENTSEN, BAUCUS, ROBERT C. BYRD, BIDEN, PRESSLER, THURMOND, and METZENBAUM, I urge the adoption of amendment No. 59, which I submitted for printing on May 21.

Mr. President, the purpose of this amendment is to address the health-care needs of veterans who are concerned that their exposure during service to agent orange or certain other toxic substances in Vietnam or to nuclear weapons test radiation has resulted in health problems. I offered a similar proposal—a somewhat modified version of amendment No. 42—during the committee's May 13 markup which failed of adoption on a 6-to-6 tie vote.

Mr. President, this amendment would provide for basic VA health-care eligibility in two situations:

First, for a Vietnam veteran suffering from a disease or disability with respect to which the Administrator of Veteran's Affairs, upon the recommendation of the VA's Chief Medical Director, determines there is credible medical evidence linking it to human exposure to dioxin, the highly toxic contaminant found in the defoliant agent orange that was used extensively in Vietnam, or to any other toxic substance that was used in connection with military purposes in Vietnam

and to which it is determined that the veteran in question was exposed.

Second, for any veteran determined to have been exposed to radiation in a nuclear weapons test for any disability that is, in the same manner, determined to be linked to human exposure to such test radiation.

Under this amendment, certain Vietnam veterans and veterans who were nuclear test participants would be afforded general eligibility for hospital and nursing home care and limited eligibility for outpatient care, at an appropriate level of priority, but only for conditions that can be linked by some credible medical evidence to the types of exposures I have just noted.

Mr. President, many of these veterans currently are experiencing health problems that scientists indicate may be linked—although not definitively—with exposure during service to certain hazards.

In cases in which such a link is supported by credible medical evidence, I strongly believe the veteran involved should have access to the VA health-care system for treatment of such a disability.

Thus, in light of the study findings now available, I think we have a responsibility to respond to the veterans concerned—as on many occasions we have pledged to them that we would do. Even though we do not have, in most instances, the definitive scientific and medical information on which to base a determination on the question of service connection of specific diseases and disabilities, we can, in my view, take the middle ground of making available VA health-care services in the situations I have outlined.

Mr. President, there is no question in my mind that there is more than a speculative possibility that certain of the health problems which have developed in veterans who served in Vietnam or who participated in nuclear weapons tests may ultimately be found to be service related. I think that it is, thus, fully warranted that, in such cases, these veterans be afforded general eligibility for hospital and nursing home care and limited eligibility at an appropriate level of priority for outpatient care. With regard to outpatient-care eligibility, the amendment would provide certain exposed veterans a higher priority for use of the VA's available outpatient resources for treatment of such possibly related health problems—placing them ahead of veterans with no service-connected disabilities whose health problems have no such link to service.

I wish to emphasize, in this respect, that this amendment would not authorize either the provision of disability compensation, comprehensive health-care services on a top priority basis, or any other benefits based under current law on a determination that a particular disability is, in fact, service connected. Those benefits would be appropriate only when the medical evidence more clearly establishes that a particular disability is actually the result of exposure that occurred during the veteran's active-duty service.

Mr. President, I wish to point out that once the Administrator's determinations are made as to particular disabilities the VA would have authority under this proposal to carry out necessary examinations and medical testing to determine whether a particular veteran has a listed disability.

Mr. President, the amendment would require that before treatment could be provided by the VA, a determination would be made by the Administrator as to what diseases or disabilities have been indicated, by credible medical evidence, to possibly be related to a veteran's in-service exposure to certain hazards, such as dioxin or radiation.

In my view, in order to assure that all points of view and as much relevant data as possible are available to the Administrator in making the required determination of eligibility, interested individuals, and organizations and the public generally should be given an opportunity to comment to provide to the Administrator suggestions and supporting information, together with any other comments that they might wish to make, regarding the making of those determinations under the provision. I believe that such a public comment process would be very valuable in assisting the Administrator to make determinations as to what might constitute credible medical evidence and, further, what health problems have been indicated in such evidence.

In this connection, I also note that, under the amendment, the Administrator would have a continuing responsibility to make determinations regarding credible medical evidence as it becomes available. However, in the interest of enabling the Administrator to arrive as swiftly as possible at all positive determinations that can be made on the basis of existing data, the amendment does not require any particular, fixed procedures for soliciting comments and suggestions. Thus, the amendment would afford the Administrator maximum flexibility in this regard. Nevertheless, it is my expectation that, at the least, the Administrator would actively solicit—by notice in the Federal Register and letters to the major veterans' organizations and all groups that have been in contact with the VA with respect to the issue involved in this area—input from all who may have views and useful information.

More specifically, it would be my anticipation that, under this amendment, the Administrator would publish for public comment proposed determinations within 3 months after enactment and would make final determinations—after a 30-day comment period—within 5 months after enactment. I would also anticipate that the state of medical evidence would be under continuing scrutiny by the Chief Medical Director and that the public and congressional committees would be advised at least annually about the state of the evidence and any new determinations which should be made pursuant to the same kind of expeditious comment process.

I believe that this kind of a process is the appropriate way to make sure that any eligibility determinations will be VA policy and are uniformly applied throughout the VA health-care system. This might not be the situation—given the continuing medical controversy in these areas—if such determinations were to be left up to individual physicians. In addition, this approach would provide for the participation of interested parties outside of the VA and thus assure that the determinations proposed by the Administrator would be carefully scrutinized.

Mr. President, I have received letters from the American Legion, the Vietnam Veterans of America, and the National Association of Atomic Veterans in support of the approach in my amendment. I ask unanimous consent that those letters be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE AMERICAN LEGION,
Washington, D.C., June 12, 1981.

Hon. ALAN CRANSTON,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR CRANSTON: The American Legion wishes to re-emphasize its support for provisions contained in Amendments No. 58 and No. 59. We understand that you intend to introduce these measures during full Senate consideration of S. 921.

The value of Amendment No. 58, to provide a targeted extension of the GI Bill delimiting date to those Vietnam era veterans who remain educationally disadvantaged, is indisputable when considering the employment difficulties encountered by these people. Although our organization has repeatedly resisted efforts to establish a general extension of the GI Bill delimiting date because of our belief in a consistency of educational assistance benefits for veterans of all wartime periods, we find your targeted extension proposal to be an appropriate response to a special need.

The American Legion views Amendment No. 59 as a reasonable approach to the toxic substance exposure controversy. Your proposal simply provides eligibility for VA medical treatment to those persons who claim to be suffering the residuals of exposure to toxic substances or radiation. It does not presume service connection for any such residuals, nor does it authorize the payment of compensation for those disabilities.

Your amendment's exclusion of presumed service connection and authorized compensation removes those concerns which have created our opposition to other toxic substance/radiation proposals over the past several years. Definitive medical evidence linking exposure to specific disabilities must be established before the payment of compensation is in order. Until the evidence is available to prove or disprove the link, the federal government does have an obligation to provide treatment or to insure health maintenance.

Both of these amendments deserve the support of your colleagues.

Sincerely,

MYLIO KRAJA,
Director, National Legislative Commission.

VIETNAM VETERANS OF AMERICA,
Washington, D.C., June 15, 1981.

Hon. ALAN CRANSTON,
Ranking Minority Member, Senate Veterans Affairs Committee, U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR CRANSTON: The Vietnam Veterans of America strongly supports your efforts to increase accountability within the Veterans Administration in determining eligibility for health care for Agent Orange related disabilities.

Given the history of the VA's handling of the Agent Orange problem, we have no faith whatsoever that the Agency will be responsive to the current legislative mandate that has already passed the House and which hopefully will gain Senate support tomorrow. Perhaps responsibility should be fixed on the VA Administrator to make the necessary determinations regarding what is or is not an Agent Orange related disability. In that way, next year we may be better able to direct specific actions on the part of the Administrator so that veterans can finally get the treatment they so desperately need.

We are hopeful that our supporters in the Senate will join you in your amendment. We are confident that with the strong leadership Congressman Tom Daschle has provided in the House, passage of your amendment will help realize the first real Congressional action toward solving the Agent Orange issue.

We thank you for your help.

Sincerely,

ROBERT O. MULLER,
Executive Director.

NATIONAL ASSOCIATION
OF ATOMIC VETERANS,
Burlington, Iowa, June 3, 1981.

Hon. ALAN CRANSTON,
U.S. Senate, Russell Office Building, Washington, D.C.

DEAR SENATOR CRANSTON: I have had an opportunity to review your Amendment No. 42 to S. 636, "Health Care Eligibility for Veterans Exposed to Agent Orange, Radiation, and Other Toxic Substances and Environmental Hazards During Service."

The Amendment would be of great value to many of the families who are suffering from huge medical bills. It is definitely a step in the right direction. However, and as surely you are aware, the amendment will not take care of all the problems veterans and their families are encountering nor does it cover all of our concerns.

NAAV's major concern specific to the proposed Amendment is the lack of a deadline within which the Administrator would be required to establish at least an initial list of disabilities which "some credible medical evidence" indicates may be caused by exposure to dioxin, radiation, etc. We are concerned that unless there is a Congressional mandate establishing a reasonable time for the Administrator to make his findings under clause (4) of section (4) to chapter 17, the Administrator could, whether by design or through neglect or oversight, frustrate implementation of your proposed Amendment.

Another concern is the process by which the Administrator and the Chief Medical Director would establish their standards, or list of disabilities, under clause (4). It is essential that the public have input into this process. Unless already provided for in some other section that we are unaware of, we strongly urge that the process for establishing standards include public hearings or, at a minimum, an opportunity for written submissions following publication of proposed standards or lists of recognized disabilities in the Federal Register. There should also be a means by which NAAV or a member of the public could initiate the process to include diseases or disabilities overlooked and not included by the Administrator. I believe that the Federal Endangered Species Act had, at least initially, provisions addressing the above concerns, and recommend it for review should you deem our comments to have merit.

Of a more general nature are the following concerns which we hope can be covered in later legislation, if not along with your present Amendment:

Many of our members feel that they do not get the proper treatment in VA hospitals at this time, and, in many cases, they have difficulty in getting a proper diagnosis. Many times, their physical problems are diagnosed as mental problems.

We attribute this to the fact that there have not been enough studies done on illnesses that are caused by radiation. Because of the treatment many atomic veterans received in VA hospitals, they feel as if they are second-class citizens. They feel that they should have the right to go to any hospital or doctor of their choice for treatment, with the VA then picking up the tab. In the situation where an individual is covered by medical insurance, this would be less expensive for the VA than treatment at a VA hospital.

Also, an important factor to be noted from letters NAAV receives is the prevalence of birth defects in the children and grandchildren of the atomic veterans. In many instances, the atomic veteran informs us that children born prior to their radiation exposure have no health problems, while children born after their exposure have birth defects and other serious illnesses. We feel research should be done not only on the atomic veterans, but also their offspring.

In understanding the broader picture of the plight of the atomic veteran, it should be pointed out that NAAV does not know how many atomic veterans still living are suffering from delayed radiation illness. But we know, however, that as of October 1, 1980, 41,500 persons called a toll free number published by the Defense Nuclear Agency. Of the callers, 10,000 have reported various serious illnesses including thousands of cases of cancer.

With respect to the long-term exposure to radiation that the members of our organization are experiencing, the information from the many atomic veterans who write to NAAV has been collected. The data on the different medical problems which are occurring indicates that the following symptoms and illnesses are showing up:

Death at an Early Age,
Sterility,
Loss of Hearing,
Skin Diseases,
Bone Deterioration,
Muscle Weakness and Deterioration,
Blindness,
Brain Tumors,
Terminal Cancer,
Hair Loss, and
Boils and Blisters.

Shockingly, these men are denied access to Veterans Administration Hospitals. The VA does not even consider the problem of atomic veterans an important topic for research. The NAAV is the only organization promoting research and treatment of the medical problems of atomic veterans. One of the doctors who is researching psychological problems in atomic veterans, Henry R. Vyner, M.D., states the following:

"It appears as though the atomic veterans have developed a group of psychological problems as a result of their participation in this country's atmospheric nuclear tests. It appears as though these problems have developed as a consequence of their exposure to ionizing radiation in the course of their participation in these tests. Evidence for these hypotheses comes from preliminary research done on the psychological responses of the atomic veterans to their test participation. This research consisted of extensive psychological evaluations of twelve atomic veterans, and thus far it indicates that many of the atomic veterans are developing an adverse psychological response to the ionizing radiation to which they were exposed. This response has been tentatively labeled the Atomic Veterans Syndrome.

"The Atomic Veterans Syndrome (AVS) is characterized by three sympomatic processes: (1) a total preoccupation on the part of the veteran with his physical illnesses, (2) a series of identity conflicts precipitated by the changes forced upon the atomic veteran's life by that illness, and (3) the development of a world view that focuses upon their predicament as atomic veterans and comes to dominate their lives.

"At this point in time, the general medical community does not know that the AVS exists. In addition, there is not yet enough scientific information available to convince them that it does exist. Discovery of the AVS, as mentioned earlier, occurred in a small pilot study of twelve self-selected atomic veterans. It is not, of course, possible to scientifically conclude, from a study of twelve self-selected men, that their psychological problems were caused by their participation in nuclear tests. Nor is it possible to prove that this sample of twelve men is representative of the larger population of 250,000 atomic veterans. The scientific community would probably contend, and rightly so, that the studies done to date have not yet proven that anyone outside of this small group of men has developed the AVS. Or it might contend that it has not been proven that the twelve men studied were anything more than a small group of malcontents and malingerers.

"In order to surmount this type of criticism, it will be necessary to determine whether or not the twelve men studied are representative of the larger population of 250,000 atomic veterans. This end can be accomplished by doing a study of the prevalence and etiology of the AVS amongst a randomly selected sample of 500 atomic veterans. If a significant prevalence of the AVS is found amongst this random sample, then it will be established that the AVS is a diagnostic entity. Once it has been established that the AVS is a diagnostic entity, it will then be possible to (1) shape public policy regarding the atomic veteran, (2) shape the response of the medical community to the atomic veteran, and (3) stimulate further research into the medical problems that lie at the heart of the AVS."

I hope this information will help you in some way to understand the whole problem in the atomic veteran issue. We very much appreciate all you have done for us in the past, and would appreciate anything you can do in the future to help us.

Sincerely,

WANDA S. KELLY,
Director.

EXCERPTS OF LETTERS

The following are excerpts of letters received by NAAV from atomic veterans and their families:

Since January, 1979, I've been in the hospital five times with stomach cramps, which were caused by a severe blow to the stomach while on guard duty in Japan. That's a different claim I have had going since April of 1980.

I had two operations which revealed two "broken" muscles and one surface tumor. On January 5, 1981, I again had surgery, and three more surface tumors were found. That's what I'm concerned about. For the past year I have had to take valium for my muscle pain.

I also have about ten red blood spots on different parts of my body and itching sensation on my face and neck, which I've had for several years now. I tried to get help at the VA hospital several times last year and got nowhere. I was told to put a hot water bottle on my stomach and was sent home. (That was when I had been taken there by ambulance, doubled up with stomach cramps.) I was told by at least six doctors that I have to learn to live with it.

I am having lots of trouble getting this service related from the VA. So far, everything has been done through private doctors, and my insurance does not cover all of it.

R. D., Oakridge, NJ 07438.

I spoke with Bob today, and he said he has been waiting for three weeks for the VA to supply transportation for him to the hospital for a check-up. Also, he has been three weeks without medication. He has contacted the VA over and over without response. He also has contacted his legion post and they are assisting him with applications again for a service-connected disability. He will be seeing an independent doctor outside the VA.

Mrs. W. D. Holbrook, MA.

From 1947 to 1972, these symptoms persisted and in many cases increased. My periods of fatigue increased, chest pains developed more frequently, periods of disorientation were prolonged and my stomach problems accelerated. I visited 8 or 10 doctors from 1947 to 1972 and no doctor could give me a diagnosis. I underwent many tests but to no avail. Finally, in 1972, I had a complete collapse and was admitted to the VA hospital. Again, my illness was not diagnosed and so I went into the psychiatric ward. I was hospitalized for approximately 4½ months—getting no treatment for physical problems, just psychiatric problems—that meant heavy doses of valium and aventyl. Despite the heavy doses of medication, my problems persist—chronic, constant fatigue; chest pains; eyes failing; teeth systematically fall out (had the best set of teeth you ever saw); heart palpitations; and gruelling bone aches.

S. S., Warwick, RI.

I reported to the VA Hospital in 1947 and they refused to treat me. I then reported to the VA Hospital in Houston in 1949 and they also refused to treat me. The first treatment I received from the VA was in 1970, for skin cancer, in Little Rock, Ark. I also suffered from blackouts. I now have blackouts so often that I can't be left alone and I can no longer drive an auto.

My husband spent approximately seven months in the Marshall Islands in 1948, late winter spring as he remembers it. He suffered sudden attacks of uncontrollable shaking, high fever, nausea and vomiting; followed by debilitating sweating. At times he was incoherent. There was no VA hospital around, and he got no medical attention. He developed cancer of the colon in 1961. He had two surgeries with severe complications—heart stoppage and staph infection. He was hospitalized—not at government expense—for 8 weeks.

Mrs. W. M.

The VA refused me braces. They gave me one cane and said to switch when the other leg aches. I ache from my waist down 24 hours a day.

H. J., New Bedford, MA.

We have three children. Our oldest daughter is 30. She had a misplaced gall bladder and very poor vision. Our second daughter had surgery at 5 for congenital kidney and bladder malformation. Both girls have bones missing in their feet. Our twenty-year-old son was born with severe allergies—tests showed allergic reaction to 75 substances. He was raised on soy-milk. We soon discovered he had hypogammaglobulin anemia. He was kept alive with gamma globulin shots—2 weeks apart for years. He still gets them. He cannot tolerate any vaccines or penicillin. His vision is 20/80 and he cannot function without his thick glasses. It is for my children that I worry.

Mrs. W. M.

My son has been sick since he was born. He has had nose surgery (from bleeding all the time) and lumps in his neck. He has extra ribs, rectal bleeding, deafness, bone disease, allergies, bronchial asthma, seizures, severe arthritis of both knees and multiple joint problems. I know that my exposure to radiation is the cause of my son's problems because my wife was married before and had two healthy, beautiful daughters who are now married and have four children.

H. J., New Bedford, MA.

I participated in Operation Sandstone in Eniwetok in 1948. We had one son after returning to the States—James. He was an invalid all his life and he passed away on March 10, 1965, at 15 years of age. All any doctor could ever find wrong with him was spectrum in the blood stream. He just withered away.

L.O.H., Belgrade, MO.

Prior to service, we had one son with no genetic problems and his children show no damage. However, four children born since my service and the radiation exposure all have varying degrees of damage including but not limited to deafness, no speech, aphasia, lack of antibodies, neuro-muscular (one a quadraplegic), anemia, digestive problems, kidney infections, and mental retardation. Moreover, the digestive problems and blood problems are starting to manifest the continuing horror in the two grandchildren of one of the four affected.

T.L., Gorham, ME.

Before I went into the service, I had a strong and healthy son. After my return, we had a daughter, who developed Multiple Sclerosis eleven years ago and is not capable of taking care of herself. She is in the Nassau County Home for the handicapped. We feel that this is a result of my having been exposed to radiation from the bomb in Hiroshima.

P.G., Elmont, L.I., NY.

My oldest son was born in 1965 and had a brain tumor removed when he was three months old. When he was six years old he had a tumor removed from his throat. When he was twelve years old he had another tumor removed from his throat and one from his stomach. He is thirteen now and has one or more tumors that have to be removed from his stomach in the very near future. My second son is twelve and has been anemic since he was born. My third son is ten years old and has been fighting lymph cancer since he was four. I am convinced that my exposure to radiation, both in Nevada and on Eniewetok, is the basis of my sons' and my own ill health. I alternate sleeping and walking the floor at night with stomach pains. When I went to a Veterans Hospital for a cancer check-up, I made the mistake of voicing my convictions. I was not only not given a thorough check-up, but I was laughed out of the hospital. I never went back.

P.C., Ruther Glen, VA.

My husband died from cancer on January 22, 1962. He was involved in atomic testing on Eniwetok in 1950. We have been trying to get his death service-connected ever since. As a result, my children and I came close to starving. The last year he was alive, we had a total income of $400. My children and grandchildren have all had problems that others their ages have not had and most do not ever have. Most of them have tumors, some of which have been removed through surgery, and others are facing surgery later on. I had a great deal of trouble carrying each of my children in pregnancy and almost lost all three. I have had one miscarriage.

B.H.F., Guymon, OK.

Since my radiation exposure in 1957, I have consulted with several doctors, military as well as civilian. Some have been sympathetic and have prescribed medication. Some think that I am crazy. My ailments have continued and among them are lumps and growths on my head, spine and buttocks and one of my legs has shrunk and is shorter than the other. In 1963 I started losing my teeth and my hair turned grey and started to fall off. During some blood tests a doctor mentioned that some unusual substances were in my blood and told me to watch my white cells. He gave me some capsules to take. He took, for a time, blood samples three times a week. My wife has had several miscarriages. One of my sons has developed unexplainable pains in different parts of his body. One of my daughters has blotches and spots all over her body. There are times when my body appears all bruised and purple spots appear that look like "hickies". I do not know if this is due to my exposure or not. God only knows. What worries me the most are my children.

I.T., Sgt. U.S.M.C., Retired.

My wife and I had two sons who were born severely handicapped. They were both non-ambulatory, their condition diagnosed as Cerebral Palsy. Their short, tragic, and bitter-sweet life on this earth is chronologically as follows: John—Born 8-17-54—Died 10-16-75; William Jr.—Born 8-22-55—Died 11-28-64. We have no other children, and since there is absolutely no history of defective births on either side of families, I am thoroughly convinced that my participation in the A-bomb blasts is a definite link to our physical woes.

W.A.D., Old Forge, PA.

My son was born in 1969, and with many birth defects. The sutures in his head were grown together, a severe heart problem, an imperforate anus, he had only one kidney and an obstruction in the urinary tract. He had to have a colostomy at one day old. At three months old he had a "Pots procedure" operation on his heart. He had a ureterostomy at 6 months (which will be permanent). A pull through was done on his rectum at 2 years old. At the age of 5 he had open heart surgery. He cannot attend school and still suffers from these problems. Recently I have been told, the M.C.V. Hospital in Richmond, Virginia, wants to do two more operations on my son.

J.W.Y., Keeling, VA.

Mr. CRANSTON. Mr. President, I would like to stress that the very complex issues involved in connection with the in-service exposure of service personnel to agent orange and to radiation have been considered at great length by the Committee on Veterans' Affairs. Five days of hearings on these matters were held during the 96th Congress during which many scientific and medical experts testified that certain recent studies on human exposure to dioxin and radiation present significant medical information that suggests—although not definitively—a link between exposure to them and the subsequent development of specific diseases. We have also received testimony about other such studies that are ongoing.

Mr. President, in my additional views to the committee's report on S. 921, Senate report No. 97–89, I discussed the activities of the committee and the purpose of my proposal in greater detail. I already have inserted in the RECORD earlier today the text of my minority views.

Mr. President, in conclusion, I point out that the amendment does not propose to increase spending for VA services, facilities, or contract care. Rather, the proposal is to adjust the manner in which available VA health-care resources are utilized. I believe it does so in a manner that appropriately recognizes the significant progress that has been made in tracking down what, if any, long-term adverse health effects in humans may be the result of exposure to certain hazards.

By proposing that we take action in response to the information now available to us, the amendment, in my view, represents a fair middle ground pending the outcome of the various scientific inquiries we are following that might produce more definitive results.

I urge my colleagues to support this

very reasonable approach to providing certain exposed veterans with appropriate access to health-care services from the Government that exposed them to those hazards.

(By request of Mr. CRANSTON, the following statement was ordered to be printed in the RECORD):

● Mr. SASSER. Mr. President, I am pleased to be a cosponsor of amendment No. 59, the amendment now pending before the Senate. Adoption of this amendment will help correct the injustice of exposing servicemen to environmental hazards, and then refusing to provide any subsequent hospital care.

Specifically, the amendment sponsored by my good friend from California (Mr. CRANSTON) will extend basic VA health care eligibility for disabilities and diseases that can be credibly linked to exposure to agent orange and other hazardous materials during the Vietnam era, and to nuclear radiation exposure.

The medical evidence on the long-term health effects of exposure to hazardous materials is growing daily. Indeed, recently completed studies of radiation exposure during nuclear-weapons testing and dioxin exposure in Swedish railway workers have lent significant proof that debilitating diseases and disabilities can be the result of such exposure. The Veterans' Administration is now in the midst of several studies to determine the effects and implications of exposure to the herbicide known as agent orange—studies which will be expanded by the legislation now under consideration, S. 921.

Most importantly, adoption of our amendment would relieve the Vietnam veteran exposed to agent orange, and the serviceman exposed to nuclear radiation, of the burden of signing an oath of inability to pay medical costs for conditions that are most likely linked to their military service. The Federal Government must recognize it has a responsibility to veterans with in-service exposure to hazardous materials and an obligation to provide adequate health care for those suffering from credibly-linked illnesses.

This amendment, Mr. President, grants no presumption of service-connected disability for VA health care eligibility. Instead, it recognizes that appropriate health care opportunities must be available to exposed veterans pending the outcome of the various studies now underway.

Let me share with the Senate some of the more common symptoms of agent orange exposure, as reported by Vietnam-era veterans living in my own State of Tennessee: Nervousness, dizziness, blackouts, rashes covering most of the body, joint pain, loss of memory, skin irritations, insomnia, enlarged internal organs, swelling, stiffening of the joint, chest pain, blurred vision, depression, and impotency. Even more alarming, Mr. President, is the fact that the children of Vietnam veterans exposed to agent orange also suffer the effects of the defoliant—birth defects at higher than "normal" rates, and combinations of the above-named symptoms.

Mr. President, we sent dedicated, capable service men and women to Southeast Asia. We have asked servicemen to participate in atmospheric nuclear tests, we have conducted defense-related experiments on human subjects. These veterans now suffer from a variety of diseases and disabilities. We should provide an adequate level of medical care to these veterans now.

I urge the Senate's approval of amendment No. 59.●

● Mr. BENTSEN. Mr. President, I am pleased to join the distinguished minority whip in cosponsoring an amendment designed to address the health care needs of veterans who were exposed to dioxin, or agent orange, during their service in Vietnam and others who were exposed to the hazards of nuclear radiation as a result of their service in the military.

In giving the American veteran the benefit of the doubt, this amendment accomplishes two important purposes. During the last Congress we enacted legislation calling for a study of the health hazards connected with exposure to agent orange. That study is not yet complete, but while we analyze the data and ponder the conclusions, many veterans are suffering ailments that may well be related to agent orange. Under the terms of this amendment, they would be eligible for medical coverage until the study is completed. I think that is an entirely reasonable and fair proposition. The amendment also states that, in this time of increasing budget restraints, veterans who seek assistance for service-related disabilities will be given priority over those whose problems are not service-related.

Mr. President, America has a sacred bond of trust with its veterans. Over the years we have called for and received great sacrifices from our men and women in uniform. We have asked them to lay their lives on the line for democracy. Now, when there is credible scientific evidence suggesting a link between specific diseases and exposure to agent orange and nuclear radiation, we have a responsibility to provide urgently required medical attention for our veterans who have been exposed to such hazards in the line of duty. At the present time such assistance is being postponed pending conclusion of the study, and I believe that is a tragic mistake.

We currently have about 45,000 veterans entered on the agent orange registry. Last year, when there were only 23,000 registrants, about 4 percent of them had evidence of a cancer called neoplacia.

Now it is true, Mr. President, that we have not yet established the definitive, final, indisputable link between exposure to agent orange health problems, but we are working to settle the issue once and for all. In the meatime there are thousands of veterans suffering the very real and indisputable symptoms of disease—symptoms that will not wait for the conclusion of a study. They need immediate medical care, and we have a national obligation to provide it.

In addition to providing important assurances to veterans whose health may have suffered from exposure to radiation and passage of dioxin, this amendment will guarantee that we will respond quickly to the immediate needs of our Vietnam veterans for medical attention.

Mr. President, every Member of the Senate is concerned with a national defense that is truly second to none. And every Member of the Senate knows that a basic ingredient in our defense is highly motivated, well-supported personnel. By passing this amendment we can honor our commitments to those who have fought and suffered in the defense of liberty. We can help build a stronger and more secure America.

I urge the passage of the Cranston amendment.●

● Mr. HEINZ. Mr. President, I rise in support of the amendment by the Senator from California, which would provide health care eligibility to veterans for disabilities connected to their exposure to agent orange. As I outlined to my fellow Senators in a recent "Dear Colleague" letter, I was planning to offer a similar amendment today, using language from S. 1345, my omnibus bill on veterans health. I am satisfied that the amendment of the Senator from California will address this matter effectively, and I am pleased to join in supporting his effort.

Mr. President, it has already been 14 years since agent orange was identified as a hazard to humans, and considerable scientific evidence exists indicating its harmful effects. Yet of the 5,025 claims which the VA had received as of November 30, 1980, for inservice exposure to herbicides, only 23 claims had been allowed as of the end of last year. It is understandable, therefore, when many Vietnam veterans express frustration and hostility toward the efforts of their Government to respond to their pleas for help.

In light of the length of time which has gone by, I do not find it at all unreasonable to require, as this legislation would do, that, until the scientific community has been able to make a determination as to the possible cause and effect relationshp between the toxic herbicides and the problems of our veterans, the VA should do everything possible to provide the appropriate care to such veterans. The amendment of the Senator from California provides a good step in this direction and I am glad to lend my support for its passage.

Mr. President, I ask that my "Dear Colleague" letter of June 10 be printed in the RECORD.

The letter follows:

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, D.C., June 10, 1981.

DEAR COLLEAGUE: When the Senate takes up consideration of S. 921, the Veteran's Programs Extension and Improvement Act of 1981, I intend to offer an amendment on medical care for veterans exposed to Agent Orange based on the bill which I introduced on Monday, S. 1345. This language is identical to the language on this issue which appeared as Section 3 of H.R. 3499, the Veterans Health Care Act of 1981, which recently passed the House by a vote of 388-0.

My amendment provides authority for hospital care for Vietnam veterans who served in the Republic of Vietnam if a physician employed by the Veterans' Administration, or a physician carrying out such functions on a contract or fee basis arrangement in areas where a VA physician is not available, determines that such care is necessary for the treatment of a condition that may be as-

sociated with exposure to phenoxy herbicides and chemicals used as defoliants, including the herbicide commonly known as Agent Orange.

I think that this is a necessary and reasonable approach to the problem at this time. It does not in any way prejudge the outcome of the studies currently mandated by law about the effects of Agent Orange which resulted from legislation which I and others sponsored. Rather, it provides an interim period of attention for our veterans until such studies are completed, at which time Congress should and will review the entire matter in more detail.

I solicit your cosponsorship and support of the amendment. If you would like to cosponsor, please contact me or ask your staff to contract Jason Hall at 4-6324.

Sincerely,

JOHN HEINZ,
U.S. Senate.●

Mr. CHAFEE. Mr. President, I am pleased to have the chance to cosponsor amendment No. 59 to the Veterans' Programs Extension and Improvement Act of 1981 (S. 921) which has been introduced by my colleague, Senator CRANSTON.

This amendment seeks to provide eligibility for health-care treatment to veterans who have been exposed to certain toxic herbicides and chemical defoliants, such as agent orange. It also provides general eligibility for hospital and nursing home care for veterans whose disabilities may be linked to service-connected exposure to other toxic substances or to nuclear weapons test radiation.

Between 1962 and 1970, well over 2 million veterans who served in Vietnam came in contact with agent orange and other herbicides that could adversely affect the health of the veterans or their offspring. During the summer of 1969, the first reports of human birth defects attributed to agent orange appeared in Vietnamese newspapers. Based on these allegations, and the results of a study sponsored by the National Cancer Institute which showed that agent orange caused birth defects in laboratory animals, the U.S. Air Force stopped spraying agent orange in April 1970.

Although the Department of Defense maintains that only a limited number of U.S. military personnel can be positively identified as having been exposed to agent orange in South Vietnam, it is theoretically possible that large numbers of both military personnel and civilians were exposed to agent orange through the USAF spraying program. A growing number of U.S. veterans who served in South Vietnam have begun to attribute the cause of various chronic ailments which they are now experiencing—especially nervous disorders, cancers, and birth defects in their offspring—to exposure to agent orange in South Vietnam, and over 5,000 have filed claims with the Veterans' Administration (VA) for compensation. The VA has not yet awarded compensation to veterans for any claims related to agent orange exposure due to the following two reasons: The lack of valid human data to prove a cause-and-effect relationship between exposure to agent orange and specific health effects; and the difficulty of determining which veterans have been exposed to agent orange.

Mr. President, I think it is time that we took a more serious look at the whole agent orange issue, especially as it pertains to health care for Vietnam veterans who claim their disabilities resulted from exposure to this chemical which was widely used during the Vietnam war.

In my judgment, Senator CRANSTON's amendment No. 59 breaks important new ground in legislating a sound approach to this whole issue.

I strongly support this approach, and urge my colleagues to do the same.

Mr. ROBERT C. BYRD. Mr. President, I am proud to rise as a cosponsor of the amendment being offered by the distinguished senior Senator from California (Mr. CRANSTON). The amendment would renew our national commitment to Vietnam veterans. It would send a clear message to the frustrated or disappointed veteran who believes the Nation is not meeting its commitment. It would say that our Nation cares, and that we are willing to fulfill our obligations to those who have served our country.

For veterans who were exposed in the line of military duty to dangerous substances, including agent orange and nuclear radiation, the amendment would provide basic VA health care eligibility for diseases and disabilities that can be linked by credible scientific and medical evidence to such exposure. In the 96th Congress, the Committee on Veterans' Affairs held 5 days of in-depth hearings on these matters. During that time, scientific and medical experts concluded that recent studies on human exposure to dioxin and radiation produced substantial medical evidence that indicates—although not conclusively—a link between exposure and the subsequent development of specific illnesses.

The Cranston amendment does not state that there is a definitive medical link between exposure to agent orange and radiation, and subsequent health problems. It does, however, say that because it is likely that certain health problems will ultimately be found to result from such exposure, and will be judged as service related. it is fully warranted to provide an adequate level of medical care to the affected veterans. The amendment would establish a workable, fair, and immediate solution to the serious and complex health problems facing many veterans. It would be a strong, positive step on behalf of those veterans—and their families—who appear to be suffering from dioxin or radiation exposure.

It seems clear that there are some unique problems facing Vietnam-era veterans, including delayed stress syndrome and other adjustment problems, as well as the effects of exposure to agent orange. As I have said many times in the past, our national involvement with Vietnam will not end until we pay a fair debt of gratitude to those who served there so courageously.

Mr. CRANSTON. Mr. President. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CRANSTON. Mr. President, the chairman and I have discussed the amendment, and I believe we can arrive at an acceptable compromise on it. I am prepared to yield back my time. I do yield back my time on the amendment.

Mr. SIMPSON. Mr. President, I yield back my time on the Cranston amendment.

UP AMENDMENT NO. 151

(Purpose: To limit to toxic substances found in herbicides, defoliants, and malaria preventatives the toxic substances to which exposure may provide a Vietnam veteran with eligibility for care for a disability linked to such exposure, and to provide a termination date for the care authorized to be provided)

Mr. SIMPSON. Mr. President, I send to the desk a substitute amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state it.

The assistant legislative clerk read as follows:

The Senator from Wyoming (Mr. SIMPSON), for himself and Mr. CRANSTON, proposes an unprinted amendment numbered 151.

Mr. SIMPSON. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, between lines 19 and 20, insert the following new section:

SEC. 3. (a) Chapter 17 of title 38, United States Code, is amended—

(1) by amending subsection (a) of section 610—

(A) by striking out "and" after clause (3);

(B) by inserting after clause (3) the following new clause:

"(4) any veteran for a disability which a physician employed by the Veterans' Administration determines (or, in areas where no such physician is available, by a physician carrying out such function under a contract or fee arrangement with the Administrator) is a disability with respect to which the Administrator has found, upon the recommendation of the Chief Medical Director, there to be some credible medical evidence, indicating that such disability may be caused by the exposure of humans—

"(A) to—

"(i) dioxin if such veteran served on active duty in the Republic of Vietnam during the Vietnam era, or

"(ii) any other toxic substance found in an herbicide, a defoliant, or a malaria preventive medication used in connection with military purposes if the Administrator finds that such veteran was exposed to such substance while serving on active duty in the Republic of Vietnam during such era, or

"(B) to radiation if the Administrator finds that such veteran was exposed to such radiation while participating in a nuclear weapons test while serving on active duty.

unless the Administrator determines (i) that such exposure was not incurred in line of duty or was the result of such veterans' willful misconduct, or (ii) upon the recommendation of the Chief Medical Director, that, despite such credible evidence, on the basis of clear and convincing medical evidence, such disability is not caused by such exposure: *Provided*, That (I) no veteran may be provided care under this clause after the last day of the period beginning on the date that the Administrator submits to the appropriate Committees of the Congress the

initial report described in section 307(b)(2) of the Veterans Health Programs Extension and Improvement Act of 1979 (Public Law 96-151; 93 Stat. 1098) and ending one year after such date, and (II) that such report shall include the Administrator's recommendations, and reasons therefor, with respect to whether the authority to provide care under this clause should be extended beyond such period; and"; and

(C) by redesignating clause (4) as clause (5); and

(2) by amending subsection (i) of section 612—

(A) by inserting after clause (3) the following new clause:

"(4) To any veteran for a disability described in section 610(a)(4) of this title."; and

(B) by redesignating clause (4) as clause (5).

Redesignate sections 3 through 9 as sections 4 through 10, respectively.

Mr. SIMPSON. Mr. President, as my colleague from California (Mr. CRANSTON) well knows, I was unable to support an amendment similar to the one now pending when he proposed it in the May 13 markup. Let me say that, serving under ALAN CRANSTON as chairman of the committee during my first 2 years in this place, I learned much. His tutelage was excellent. His patience was extraordinary and if I have mastered any subjects in this area, it has only come from my presentation of myself to him in so many fine conferences and consultations. He has had many opportunities to toughen up the junior Senator from Wyoming.

My principal concern at the time of the markup, Mr. President, was that by establishing a new and what seemed to me to be a relatively wide-open basis for eligibility for medical care, could subject the VA to great pressures to find less than causal relationships between various health problems and exposure to many different elements. We know that causal relationships are the key to liability in the law.

I was also very specifically concerned at that time that providing eligibility for health care for problems that might be associated with exposure to agent orange was most inappropriate in light of the action of Congress in directing the VA to conduct a major study to determine exactly what health problems might be related to agent orange.

Mr. President, I believe that my substitute amendment to the pending amendment addresses these two concerns, and I urge my colleagues and Senator CRANSTON to accept this amendment in a spirit of cooperation.

My substitute amendment would have a dual impact: First, it would restrict coverage to dioxin, other specified substances related to Vietnam service, and radiation as being substances for which health care eligibility would be granted under this provision, thereby eliminating exposure to "other toxic substances"—which I believe is too broad a term—as forming a basis for this eligibility.

Second, the substitute amendment would make this interim authority specifically time-limited by requiring that no eligibility for care would be granted under this provision after the expiration of 1 year following the submission of the first report on the results of the congressionally mandated agent orange study. By that time, Congress should have more concrete information on the effects of exposure to dioxin, the other substances related to Vietnam service and radiation, and with that information, we should be able to develop legislation as may then be needed to insure that appropriate medical care is provided to veterans exposed to these substances.

Mr. President, the first of my proposed changes, that of limiting the amendment's scope to dioxin, other specific chemical elements associated with service in Vietnam, including other herbicides, defoliants, and malaria-preventive medication, and radiation, is a further reflection of the concern I raised at our committee markup when I stated that providing a too nonspecific exposure basis could have the effect of removing Congress from its role as being the appropriate body to evaluate different general assertions of entitlement to veterans' benefits and services, particularly in this sensitive area of defining eligibility for services and benefits that are based on exposure to occupational hazards during service.

I am concerned, Mr. President, that radiation, dioxin, and the other specified factors associated with service in Vietnam may only be the very first of similar claims that may well be forthcoming. I am satisfied that exposure to these elements should form some basis for governmental action such as is being proposed in the pending amendment, but I believe that it is critically important that Congress retain its historical role in this regard; and I feel that my substitute amendment would accomplish this by limiting eligibility for health care to health problems that can clearly be related to exposure to the specified elements.

Mr. President, the second alteration to the amendment of my colleague from California, as made by my substitute amendment, would place a time limitation on the eligibility for health care under this new authority. Under the provision in the substitute amendment, this eligibility would be available until 1 year after the VA submits the first report on the results of the congressionally mandated agent orange study which is due within 2 years after the VA approves the study protocol.

This time limit reinforces the emphasis that this new authority is intended only as an interim measure until the scientific information becomes available on which decisions relating to service-connected disability can be made. Certainly, if there is still insufficient information available at that time, I am certain that there will be widespread support to extend the authority.

Mr. President, the substitute amendment retains the core of the amendment of the Senator from California, while making what I view as being important changes. I urge my colleagues to support the substitute amendment.

Mr. CRANSTON. Mr. President, the substitute proposed by the distinguished chairman, in which I join, makes two changes. First, it adds a sunset provision to this new authority.

The amendment as I submitted it would provide for basic VA health-care eligibility in two situations:

First, for a Vietnam veteran suffering from a disease or disability with respect to which the Administrator of Veterans' Affairs, upon the recommendation of the VA's chief medical director, determines there is credible medical evidence linking it to human exposure to dioxin, the highly toxic contaminant found in the defoliant agent orange that was used extensively in Vietnam, or to any other toxic substance that was used in connection with military purposes in Vietnam and to which it is determined that the veteran in question was exposed.

Second, for any veteran determined to have been exposed to radiation in a nuclear weapons test for any disability that is, in the same manner, determined to be linked to human exposure to such test radiation.

Under the original amendment certain Vietnam veterans and veterans who were nuclear test participants would be afforded general eligibility for hospital and nursing home care and limited eligibility for outpatient care, at an appropriate level of priority, but only for conditions that can be linked by some credible medical evidence to the types of exposures I have just noted.

Mr. President, under the substitute, the new authority would expire 1 year after the date on which the VA submits the initial report on the agent orange study required by section 307(b)(2) of Public Law 96-151. That report is required to be submitted, under paragraph (2)(B) of this section 2 years after the protocol for the study is approved. The contract for the study design was finally entered into by the VA—after an extended legal challenge—on May 1, 1981, and is being carried out by the UCLA School of Public Health. Thus, we will have ample opportunity, based on experience under the new provision and the data developed in the VA and other studies on agent orange and Vietnam service as well as on radiation effects to determine whether the authority should be extended, expanded, or reduced.

Second, the substitute would limit the toxic substances—in addition to dioxin—covered, in terms of exposure in Vietnam, to those substances found in defoliants, herbicides, and malaria-prevention medications. This is a reasonable refocusing of this aspect of the amendment.

I support the substitute, and I am prepared to yield back time when the Senator from Wyoming is ready for the question on the substitute. I know that the Senator from South Dakota (Mr. PRESSLER), a cosponsor of my underlying amendment, wishes to speak on the amendment at this time.

Mr. PRESSLER. Mr. President, I commend the chairman and the ranking minority member for their work on this matter and which to voice my support for the pending amendment.

I am a cosponsor of this amendment and I will shortly offer another agent orange amendment to expand the Veterans' Administration's proposed study

of the after affects of exposure to dangerous chemicals.

Mr. President, I am extremely pleased to have the opportunity to work with the Veterans' Committee on this legislation. I believe adoption of the amendment being offered by this distinguished Senator from California (Mr. CRANSTON) is a very positive action in dealing with the needs of the Vietnam veterans.

In many ways, it not only is a practical step forward but also is symbolic.

The agent orange issue has become symbolic of the plight of the Vietnam veterans. There has been a great feeling in our country that Vietnam veterans have received lower priority; that those who served in that war were from lower educational and income levels; that it was a war which, culturally, we as a Nation are not proud of; that social conversations with veterans about that war end without discussing some of the problems and difficulties of those who experienced the wartime situation.

The issue of agent orange has been with us for some time. There is substantial evidence that the chemicals and defoliants used between 1962 and 1970 in Vietnam and the surrounding countryside have caused health problems to Vietnam veterans so exposed.

This legislation will be a first step, by opening the door to our VA facilities for treatment for those who are suffering ailments attributable to agent orange. Not only will it provide treatment to some of the people, but also, I predict that, as a result of this, we will learn more about what really happened in Vietnam.

We may well learn as a result of this legislation some of the dangers that exist from domestic chemicals and, we are told, even some of the materials used in our civilian life.

So I think that this measure has a much broader application than just to Vietnam veterans.

Let me say that in the last 2 or 3 years the treatment of the Vietnam veterans has improved in our country. I believe this can be documented by our efforts here today, and by recent coverage in movies, literature, and newspapers.

There still does exist a feeling, however, on the part of many of our people who served there that they got a bad deal. The draft at the time very frankly was not fair. Many of those who served there came from lower economic and educational groups. Even today those veterans experience a higher unemployment rate than other segments of the population.

In the Senate only two Members, Senator DENTON and I, actually served in Vietnam. Senator DENTON's service was much more distinguished than probably anyone else who served in Vietnam. He was a prisoner of war for several years.

But irrespective of this, the fact of the matter is that unlike World War II when nearly everyone served in the armed services there was, and is even to this day, so much glory and honor attached to the veterans of that era.

I just recently saw the movie, "The Big Red One," about the 1st Infantry Division in World War II, which glorified the whole macho element of winning the war and of killing as many of the enemy as possible, and the whole aura of that era, the clear cut issue of right versus wrong. The simplicity of the issues for veterans of that war as portrayed in that film starkly compare with the complexity of issues for the Vietnam veteran.

Of course, no one should expect special recognition for having served in any war because it is the duty of one to one's country, but there has been a widespread feeling, and I have heard it from my colleagues who served with me in Vietnam, that they were given comparatively less in terms of veterans' benefits, comparatively less in other areas, but most significantly less in terms of recognition and understanding by their countrymen.

So, Mr. President, I again commend the chairman and the ranking minority member, and I wish to thank their staff, especially the committee chief counsel, Ken Bergquist, and the minority counsel, Jon Steinberg, who have worked on this and other amendments, to the legislation. At the proper time I have an additional agent orange amendment after the pending one. So at this time I yield back my time and I hope to regain the floor shortly to offer an amendment.

Mr. CRANSTON. Mr. President, I am prepared to yield back time if the chairman is.

Mr. SIMPSON. Mr. President, at the conclusion of this voice vote, we will get to the specific amendment of the Senator from South Dakota.

I will yield back the remainder of my time in just a moment, but I think it is important for this debate and so, therefore, I will ask to have printed in the RECORD some very significant legislative steps that have been taken for Vietnam-era veterans in the past 10 years in Congress.

Somewhere this record seems to get lost in the emotion of this issue. It is a difficult issue. We all know it. There is not a thing that could be added to the debate as to the Vietnam-era issues, the guilt, the courage, and the reception at home. All of those things have been covered thoroughly and even perhaps more than thoroughly in the media.

But I just wish to state and ask to have printed in the RECORD, a list of legislative accomplishments on behalf of the Vietnam-era veterans. A great many of the legislative proposals were presented by Senator ALAN CRANSTON, of California, when he was chairman of the Veterans' Affairs Committee.

Mr. President, those of us who worked with Senator CRANSTON and served with him know of his compassion for these veterans. We may be assured that the needs and requirements of Vietnam-era veterans have been served by Congress.

This fact somehow continues to get lost somewhere in the shuffle. None who served in the armed services, including myself, a lifetime member of the VFW, and Senator CRANSTON, who served in the combat zone as a noted war correspondent, enjoyed the war experience. I have failed to meet anyone who really did.

I hope that, in the debate, we can continue to defang the emotion that seems to surround the issue of Vietnam veterans and that we can deal with facts. I know that emotion will always triumph over reason but I believe that reason will always persist.

Mr. President, for that reason, I ask unanimous consent to have printed in the RECORD the list of legislative accomplishments in the past 10 years. Unfortunately this is not current. It is about 1 year old, and I will insert later in the debate the additional legislation that we have entered into the statute books for the Vietnam-era veteran.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LEGISLATIVE ACCOMPLISHMENTS ON BEHALF OF VIETNAM-ERA VETERANS

Beginning 10 years ago the Veterans' Affairs Committee of the Senate conducted an extensive congressional investigation into the adequacy of VA medical care for veterans wounded in Vietnam to explore the special problems confronting the VA in caring for veterans of the Vietnam conflict. These hearings led to dramatic improvements in VA hospital staffing, facilities, and services. Since 1970, six new VA hospitals have been built; the staff-patient ratio has been increased from 157 FTEE's to 100 patients in 1974, 50 more than 200 FTEE's to each 100 patients; the health-care staff has been increased by 50,000 since 1970; the number of outpatient clinics has been increased from 209 to 219 in the last 5 years; and special pay for physicians and dentists was authorized in 1975 to improve the retention and recruitment of these health-care professionals.

Also in 1970, the Veterans' Affairs Committee of the Senate reported the Veteran's Education and Training Amendments Act of 1970 (Public Law 92-219). This legislation included provisions to:

First. Increase rates of GI bill benefits by 34.6 percent. During the first year after this rate increase took effect, there was a 56-percent increase in GI bill participation.

Second. Establish a program of "special assistance for the educationally disadvantaged" under which veterans without high school diplomas or in need of refresher or remedial courses could—without charge to entitlement—use GI bill benefits for pursuit of appropriate programs of education. Since this program was established, more than 407,000 veterans have received benefits under it.

Third. Establish a program for tutorial assistance under the GI bill. Almost 200,000 veterans have used tutorial assistance—receiving $17.7 million in benefits—through this program.

Fourth. Establish the "predischarge education program" to provide an opportunity for service personnel to pursue high school, remedial, or refresher courses—while on active duty. More than 304,000 Vietnam-era personnel participated in this program.

Fifth. Provide for a greatly expanded "veterans' outreach service program" designed to search out recently discharged veterans, to advise them of benefits, and to assist them in obtaining them. Since enactment of this expanded authority, the VA has communicated with over 6.2 million Vietnam-era veterans shortly after release from service, established 72 "one-stop" USVAC centers to provide complete benefit information and assistance to veterans, conducted job interviewing classes for those needing guidance in order to obtain meaningful employment, and provided veterans in rural areas with service by use of mobile vans.

At the same time, the Veterans' Affairs Committee of the Senate supported an increase or rates of service-connected compensation—which raised the rate of compensation for "total disability" by 12.5 percent

(Public Law 91–376). Since that time, eight additional rate increases have been approved.

In 1970, the Veterans' Affairs Committee of the Senate reported the Veterans' Housing Act of 1970 (Public Law 91–506) which provided for VA loan guaranties for veterans who wish to purchase mobile homes. From the inception of the mobile home loan program, the VA has guaranteed 33,684 loans. It is estimated that over 60 percent of these loans—totaling almost $396 million—were made to Vietnam-era veterans.

In 1971, the Labor and Human Resources Committee of the Senate reported the Emergency Employment Act of 1971 (Public Law 92–54) to require that veterans who served in the Indo-China area be given special consideration in filling public employment program (PEP) jobs. Under this authority, such veterans constituted 13 percent of all participants.

In 1972, the Senate passed the veterans' cost-of-instruction (VCI) program legislation as part of this Education Act Amendments of 1972 (Public Law 92–318). This authority was designed to provide incentives and supporting funds for colleges and universities to recruit veterans and to establish special programs and services necessary to assist GI bill veteran-students in readjusting to an academic environment and to reach out to surrounding communities to get more veterans back to school under the GI bill, with special emphasis on educationally disadvantaged veterans.

Also in 1972, the Senate passed the Veterans' Compensation and Relief Act of 1972 (Public Law 92–328), which included provisions to provide an annual clothing allowance for service-connected disabled veterans whose prosthetic devices or wheelchairs tend to tear or wear out their clothing.

In 1972, the Veterans' Affairs Committee of the Senate reported the Vietnam Era Veterans' Readjustment Assistance Act of 1972 (Public Law 92–540). This legislation included provisions to:

First. Increase GI bill benefits by 25.7 percent and increase assistance rates for VA apprenticeship and OJT programs by 48 percent.

Second. Provide for advance payment of GI bill benefits at the start of a school term.

Third. Establish the VA work-study program for veterans attending school under the GI bill. An average of 50,000 GI bill students have benefited annually from participation in this program receiving about $20 million each year in assistance.

Fourth. Set up the VA education loan program as a means of supplementary assistance. Since its inception, 65,761 loans have been made under this authority, totaling $63.9 million.

Fifth. Revised chapter 451 of title 38 setting forth the basic veterans employment responsibilities of the Department of Labor as administered by the Veterans Employment Service, stressing the needs of recently separated veterans.

Sixth. Add a new chapter 42 to title 38 to require Federal contractors to give emphasis to employment of Vietnam-era and disabled veterans and provide for mandatory listing of job openings with local employment service offices and priority in referrals to disabled and Vietnam-era veterans. This requirement has led to the employment of more than 540,000 disabled and Vietnam-era veterans.

In 1973, the Senate passed Senate Concurrent Resolution 51, to express the gratitude of the Congress to the Vietnam veteran for his efforts to make it possible for our Nation to observe Veterans' Day, 1973, in peace, and to commend the Vietnam veteran for his valor, courage, loyalty, and devotion to duty as an American serviceman.

In 1973, the Comprehensive Employment and Training Act of 1973 (CETA) (Public Law 93–203), was drafted to require CETA prime sponsors to give special consideration to certain unemployed veterans in filling public service employment jobs. Almost 2 million Vietnam-era veterans have been served by CETA programs since 1973.

In 1974, the Veterans' Affairs Committee of the Senate reported legislation, ultimately enacted as Public Law 93–337, to extend the delimiting period under the current GI bill from 8 years to 10 years. It is estimated that this extension has benefited more than 2 million veterans.

In 1974, the Senate passed the Emergency Jobs and Unemployment Assistance Act of 1974 (Public Law 93–567) which among other things provided for the conduct, by the Secretary of Labor, of a special outreach and public information program to promote maximum effort to produce job and job training opportunities for Vietnam-era veterans.

In 1974, the Veterans' Affairs Committee of the Senate reported the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (enacted as Public Law 93–508). This measure included provisions to:

First. Increase rates of GI bill benefits by 25.7 percent. During the first year after this rate increase took effect, there was a 25 percent increase in GI bill participation.

Second. Add an additional 9 months of GI bill entitlement for a total of 45 months of maximum entitlement to be earned by a veteran.

Third. Authorize refresher training under the GI bill.

Fourth. Establish the veteran representative on campus (Vet-Rep) program. Under this program more than 1,327 "Vet-Reps" were assigned to 3,320 colleges across the Nation to assist veterans in obtaining GI bill benefits.

Fifth. Require the Secretary of Labor to establish definitive standards for determining compliance with the employment assistance programs mandated by chapter 41.

Sixth. Strengthen chapter 42 to require Federal contractors to take affirmative action to employ Vietnam-era and disabled veterans.

Seventh. Establish the authority for veterans' readjustment appointments (VRA) under which certain disabled and Vietnam-era veterans could receive noncompetitive appointments, up to a GS–5) in the Federal civil service. Since its inception, more than 125,000 veterans appointments have been made throughout the Federal Government.

Eighth. Extend the protections of veterans' reemployment rights to persons who prior to military service had been employed by State or local governments and otherwise improve the veterans reemployment rights program.

In 1974, the Veterans' Affairs Committee of the Senate reported the Disabled Veterans' and Servicemen's Automobile and Adaptive Equipment Amendments of 1974 (Public Law 93–538) to liberalize eligibility requirements for Vietnam-era service-connected disabled veterans to receive automobile assistance grants, to increase the grant by 17.8 percent, to add the provision of adaptive equipment to this benefit as well as driver training in the use of the adaptive equipment, to require the promulgation of quality and safety standards for adaptive equipment, and specifically to authorize research relating to improvements in such adaptive equipment.

In 1975, the Veterans' Affairs Committee of the Senate reported legislation (Public Law 94–482) to extend for 3 years the authority for the VCI program, require increased emphasis on educationally disadvantaged veterans, and provide for offsetting the impact of the May 31, 1976, GI bill delimiting date in the formula for determining which colleges were eligible for and the size of their grants.

In 1976, the Veterans' Affairs Committee of the Senate reported the Veterans' Education and Employment Assistance Act of 1976 (Public Law 94–502). This legislation provided an 8.0 percent increase in GI bill benefits and contained provisions to: First, repeal the restriction on graduate study during the last 9 months of a veteran's entitlement; second, increase the maximum amount of a VA education loan; and third, establish a Deputy Assistant Secretary of Labor for Veterans' employment issues.

In 1977, the Veterans' Affairs Committee of the Senate reported the GI Bill Improvement Act of 1977 (Public Law 95–202). This measure included provisions to:

First. Increase by 6.6 percent the rates of GI bill benefits.

Second. Extend the delimiting period during which a veteran or eligible spouse may use GI bill benefits when the veteran has a mental or physical disability which prevents initiating or completing a course of study. More than 2,700 veterans have received extensions of their delimiting periods as a result of this provision.

Third. Extend for 2 additional years the period of time a veteran is able to receive direct education loans when enrolled full time at the time the delimiting period expires. More than 1,400 veterans have received $1.5 million in assistance under this authority.

Fourth. Require more extensive VA educational and vocational counseling and outreach services.

Fifth. Provide for a Federal-State matching program of accelerated tuition assistance for veterans enrolled in high-cost institutions of higher learning. To date, Louisiana has enacted legislation to establish a mechanism for participating in this program.

Sixth. Require the VA to conduct a study into the extent to which Vietnam-era veterans use GI bill entitlements, complete programs of education under the GI bill, and achieve job satisfaction and readjustment.

In 1978, the Veterans' Affairs Committee of the Senate reported the Veterans' Housing Benefits Act of 1978 (Public Law 95–476). This legislation included provisions to:

First. Increase from $25,000 to $30,000 the maximum amount of grants for specially adapted housing to assist severely disabled veterans. Because of the proportionately greater number of Vietnam-era veterans who have suffered the severe disability requirement for eligibility for specially adapted housing, this increase is particularly beneficial to veterans of that era.

Second. Extend entitlements to VA home, condominiums, and mobile home loan guaranties and loans to additional Vietnam-era veterans by reducing from 181 days to 90 days the length of service requirement.

In 1978, the Veterans' Affairs Committee of the Senate reported the VA Programs Extension Act of 1978 (Public Law 95–520). This measure included provisions to:

First. Extend for 3 years (until September 30, 1981) the VRA appointments authority and expand the VRA program by removing all limitations based on the date of the veteran's discharge, raising the maximum civil service grade appointment from GS–5 to GS–7, and making any service-connected disabled veterans rated at 10 percent or more eligible for an appointment regardless of years of education completed.

Second. Give service-connected disabled veterans the right to file with the Veterans Employment Service in the Department of Labor a complaint that he or she has been discriminated against because of handicap by a Federal contractor.

In 1978, the Senate passed the Comprehensive Employment and Training Act Amendments of 1978 (Public Law 95–524) which included provisions to:

First. Require that, with respect to public service jobs, prime sponsors give special consideration to disabled and Vietnam-era vet-

erans (with special emphasis on Vietnam theatre veterans).

Second. Require the Secretary to take appropriate steps to provide for increased participation of disabled and Vietnam-era veterans (with special emphasis on threatre veterans) in all CETA job and job training opportunities.

Third. Promote maximum arrangements by CETA prime sponsors for utilization of apprenticeship and other OJT opportunities available under the GI bill.

Fourth. Require the Secretary of Labor to coordinate with the Administrator of Veterans' Affairs in carrying out all of the Department's responsibilities with respect to veterans under CETA.

Fifth. Add veterans' organization representatives as permanent members of local, State, and national planning councils. As of October 1, 1979, 365 prime sponsors had veterans' representatives serving on their planning councils.

Sixth. Include as a special Federal responsibility of the Secretary the conduct of the veterans' outreach and public information program enacted by Public Law 94–567.

In 1978, the Senate passed the Revenue Act of 1978 (Public Law 95–600) which included provisions to authorize the targeted jobs tax credit program designed to promote increased employment of seven "target groups" including low-income Vietnam-era veterans under 35 years of age and disabled veterans participating in vocational rehabilitation programs. The program was implemented in May 1979, and, as of July 31, 1979, 3,152 Vietnam-era veterans have been certified as eligible for the credit and 880 have been employed.

This past year, the Veterans' Affairs Committee of the Senate reported the Veterans' Health Care Amendments of 1979, signed into law as Public Law 96–22 on June 13, 1979. This measure contains a number of important new VA health-care programs. Most directly targeted to Vietnam-era veterans is the readjustment counseling program, under which the VA is finally authorized to provide readjustment counseling for those Vietnam-era veterans who have not made a successful transition from their military service to civilian life. The agency is establishing 85 store-front facilities across the country, staffed by outreach teams that will go into the community to locate and assist Vietnam-era veterans. The emphasis of the program will be on peer counseling in a nonformal setting so as to encourage the participation of those veterans distrustful of normal VA and other governmental efforts. It is estimated that 1,970,000 Vietnam-era veterans will participate in this program in the first 2 years.

Three other improvements in VA's health-care programs enacted in Public Law 96–22 will also benefit Vietnam-era veterans: new authority for the VA to enter into contracts with halfway houses and other community facilities for the treatment of veterans suffering from alcohol and drug abuse dependencies; authority for the VA to provide preventive health-care services for veterans with service-connected disabilities rated at 50 percent or greater and veterans receiving care for service-connected disabilities; and extension of dental care benefits to all veterans with 100-percent service-connected disabilities and to those who were prisoners of war for at least 6 months.

Also this last year the Veterans' Affairs Committee of the Senate reported legislation (H.R. 2282 as passed by the Senate) to provide for an 11.1 percent increase in rates of VA service-connected compensation. The House of Representatives had originally approved an 8.3 percent increase and we have since compromised on a 9.9 percent increase which has only recently been signed into law by the President.

Mr. SIMPSON. Thank you, Mr. President.

At this point, I yield back to the remainder of my time on the Simpson substitute amendment.

The PRESIDING OFFICER (Mr. WALLOP). Is all time yielded back?

Mr. CRANSTON. Mr. President, I yield back my time and thank the chairman for his generous remarks.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the Simpson-Cranston amendment.

The amendment (UP No. 151) was agreed to.

The PRESIDING OFFICER. The Cranston amendment will be laid aside, as amended, until 12 noon tomorrow.

The bill is open to further amendment.

The Senator from South Dakota is recognized.

UP AMENDMENT NO. 152

(Purpose: To authorize expressly further expansion of the scope of an epidemiological study regarding veterans' exposed to Agent Orange)

Mr. PRESSLER. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. PRESSLER) proposes in unprinted amendment numbered 152.

Mr. PRESSLER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 5, line 18, and on page 6, lines 1, 8, and 18, insert "(including genetic and psychological)" after "health".

On page 6, line 4, insert "and to include the means of detecting and treating such effects" after "conditions".

On page 6, line 22, insert "and to include the means of detecting and treating such effects" after "paragraph".

Mr. PRESSLER. Mr. President, I rise to call up this unprinted amendment to S. 921, which would expand the study of health hazards that may be affecting Vietnam veterans. This amendment is similar to my printed amendment, No. 66.

I am especially concerned about the effects of agent orange. This chemical, which was used as a defoliant between 1962 and 1970 in Vietnam and surrounding countryside, has been thought to cause health problems for Vietnam veterans exposed to it. I have been in touch with a number of veterans who feel that they have been exposed to the chemical, which caused them great problems. The earlier amendment adopted will be a step in the right direction. This amendment will provide the proper information upon which to base future benefits and coverage in addition to the herbicide agent orange, Vietnam veterans were exposed to other potential health detriments such as the herbicide agent blue which contains arsenic, chemicals, and other dangerous biological agents.

Although VA studies are currently underway regarding agent orange, little research is being conducted into the effects of these other dangerous elements.

Both the Veterans' Administration and the White House interagency work group to study the possible long term health effects of phenoxy herbicides and contaminants (IAG) have recommended that the current agent orange epidemiological study be broadened to include other possible health problems that may be related to Vietnam service.

I am pleased that the committee reported version of S. 921 broadens this study. My amendment, however, goes further by specifically requiring study of the physiological and psychological effects of delayed stress evolving from Vietnam service and readjustment therefrom.

Posttraumatic stress disorders may account for some of the symptoms attributed to agent orange. This is a major problem affecting Vietnam veterans which requires additional research.

The amendment which I am proposing also requires the administration, concurrently with the epidemiological study, to conduct research, to determine the potential toxicological, mutagenic, and physiological effect of possible health hazards affecting Vietnam veterans.

My amendment will provide for research into the processes of how health hazards affect humans and their reproductive processes.

The amendment would also require the VA to study the psychological effects of exposure by veterans to these chemicals. The cost of this amendment would be absorbed within the VA's medical research budget and within the research budgets of other appropriate Federal agencies such as EPA and Health and Human Services.

Let me say, Mr. President, I think this study will have a much broader impact in the future in terms of the use of chemicals domestically and internationally.

I am happy to say that we have talked with the staffs, in our work in the past week, of both the minority and the majority, of the Veterans' Committee and if Senator SIMPSON will give me a signal I would rather not call for a rollcall vote on this if we can do it by voice vote. But I will take his suggestion as I want to take as little time as possible.

Mr. SIMPSON. Mr. President, I want to thank the Senator from South Dakota for his cooperation on this very difficult issue.

By his amendment, the agent orange study will be amended by including "genetic and psychological," in the definition of Vietnam veterans' health that will be studied and also the Senator is including language "and to include the means of detecting and treating such effects" after the word "condition" in the study so that the VA will have to provide information on this issue as well.

I know that the Senator has been a very strong advocate for Vietnam-era veterans—he served during that conflict—and I welcome his advice and assistance on issues related to these veterans. I appreciate his presentation of this amendment, which is certainly ac-

ceptable to me as the floor manager of the legislation.

Mr. CRANSTON. Mr. President, I am pleased to support the amendment of the distinguished Senator from South Dakota (Mr. PRESSLER) in lieu of his originally proposed amendment on this subject, printed amendment No. 66. The amendment now being offered makes two changes, which we helped develop with the Senator from South Dakota, to the agent orange study provision in the committee bill. Both are useful, clarifying changes; they would, first, make clear that the long-term adverse health effects in humans included within the scope of the study—both as originally mandated and as it may be expanded—would encompass psychological and genetic effects and, second, clarify that the Administrator would have the authority to include within the scope of the expanded study—to the extent the Administrator may consider it advisable to do so in the context of an epidemiological study—a study, or literature review and analysis, or both, of the means of detecting and treating any long-term adverse health effects that are found to be involved.

I do want to clarify one point with the Senator. He talked about his original amendment and the current revised amendment in terms of mandating a study expansion, and I just want to make certain it is clearly understood that through the amendment now before us we would authorize, but not require, certain expansions of the scope of the study.

Mr. PRESSLER. That is correct.

Mr. CRANSTON. I thank the Senator.

Mr. PRESSLER. Mr. President, if I may add a couple of remarks, first of all, Senator HEINZ wishes to be made a cosponsor of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRESSLER. Senator BIDEN also.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, will the Senator add me as a cosponsor?

Mr. PRESSLER. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMPSON. Mr. President, chivalry is not dead around here, so I ask unanimous consent to be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, I ask unanimous consent that I may be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRESSLER. Let me conclude, before asking unanimous consent that the amendment be adopted, by saying how good it has been to work with the majority and minority, the Senator from California and the Senator from Wyoming on this legislation. I thank them very much.

I think what the Senator from Wyoming has said is very true. There has been much legislation for the benefit of veterans but there is much left to be done.

Let me say I think that it is important to have in our country an atmosphere in which Vietnam veterans may be proud of having served. Frequently in conversations about having served in Vietnam, one will be asked "Oh, you served in Vietnam? Did you kill anyone? How do you feel about that?" It becomes kind of a guilt syndrome, and I hope our country is getting over that. I suppose most important is the attitude with which we view that particular war and especially its veterans. Certainly the efforts of my two colleagues exemplify the best in efforts to bring about better understanding of this era and the men who served our country.

Mr. President, I ask that the amendment be adopted.

The PRESIDING OFFICER. Is all time yielded back?

Mr. SIMPSON. Yes, Mr. President.

Mr. CRANSTON. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment (Up No. 152) was agreed to.

Mr. CHAFEE. Mr. President, I must say we have discussed the effect of agent orange on our veterans. I often think of what effect agent orange must have had on the Vietnamese women and children and people of that beleaguered country. I think it is a tragic thing for our country that we ever got to using agent orange.

AMENDMENT NO. 61

(Purpose: To extend for three years the period in which Vietnam era veterans may request readjustment counseling and related mental health services)

Mr. CHAFEE. Mr. President, I call up a printed amendment No. 61.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Rhode Island (Mr. CHAFEE) for himself, Mr. CRANSTON, Mr. DANFORTH, Mr. DOLE, Mr. HEINZ, Mr. ANDREWS, Mr. BIDEN, Mr. BOSCHWITZ, Mr. CHILES, Mr. DECONCINI, Mr. DODD, Mr. DURENBERGER, Mr. EXON, Mr. GOLDWATER, Mr. HART, Mr. HATFIELD, Mr. HUDDLESTON, Mr. KENNEDY, Mr. LEAHY, Mr. MATSUNAGA, Mr. MELCHER, Mr. MITCHELL, Mr. MOYNIHAN, Mr. PELL, Mr. PRYOR, Mr. RANDOLPH, Mr. RIEGLE, Mr. SARBANES, Mr. SASSER, Mr. SCHMITT, Mr. TSONGAS, and Mr. WILLIAMS) proposes a printed amendment numbered 61:

On page 3, strike out lines 6 through line 8 and insert in lieu thereof the following:

(1) by striking out "or two years after the effective date of this section" and inserting in lieu thereof "or by September 30, 1984"; and

Mr. CHAFEE. Mr. President, I ask unanimous consent that the Senators from North Dakota (Mr. BURDICK), Kentucky (Mr. FORD), Arkansas (Mr. PRYOR), California (Mr. HAYAKAWA), South Dakota (Mr. ABDNOR), Nevada (Mr. CANNON), Missouri (Mr. EAGLETON), Michigan (Mr. LEVIN), Oklahoma (Mr. BOREN), Illinois (Mr. DIXON), Arkansas (Mr. BUMPERS), Maine (Mr. COHEN), Delaware (Mr. ROTH), Texas (Mr. BENTSEN), Montana (Mr. BAUCUS), West Virginia (Mr. BYRD), Utah (Mr. HATCH), and South Carolina (Mr. THURMOND) be added as cosponsors to amendment No. 61 to S. 921, a bill to amend title 38, United States Code, to extend authority to provide contract hospital care and medical services in Puerto Rico and the Virgin Islands, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, I rise today to speak in support of amendment No. 61 to the Veterans' Programs Extension and Improvement Act of 1981 (S. 921). Amendment No. 61 is the same as S. 872, which I introduced on April 2, 1981.

The purpose of this amendment is simple. It provides a 3-year extension—through September 30, 1984—of eligibility for the Vietnam-era veterans readjustment counseling program, also known as Operation Outreach.

This worthy program provides readjustment counseling to Vietnam era veterans suffering from various readjustment problems including post-traumatic stress syndrome, and operates 91 vet centers across the Nation.

In support of my amendment, I am pleased to be joined by Senator CRANSTON, ranking minority member of the Senate Veterans' Affairs Committee, and by over 45 distinguished colleagues from both sides of the aisle. Our proposal is identical to the provision which passed in the House on June 2 by a vote of 388 to 0.

The House vote, Mr. President, was 388 to 0. Not a single voice of opposition was raised to the 3-year extension or to any other provision of the House bill.

Available data strongly supports a 3-year extension of eligibility for readjustment counseling. A major recent independent study, testimony from mental health professionals within and without the Veterans' Administration, and statements from veterans' organizations at the April 30 hearing of the Senate Veterans' Affairs Committee, all suggest that a 3-year extension would be optimal.

Mr. President, in March of this year the Veterans' Administration transmitted a major 900-page study to the Congress. Titled "Legacies of Vietnam: Comparative Adjustment of Veterans and Their Peers," this congressionally mandated study was prepared by an independent research organization which had complete autonomy in all phases of its work. The study findings substantiate beyond question that the continuing readjustment problems of Vietnam-era veterans are more complex, more long lasting, and more widespread than has been previously believed.

Among other things, this study concluded, and I quote:

For the American men who reached the age of eligibility for military service during the Vietnam era, the events of the war and the issues surrounding that conflict remain undigested in a social and psychological sense. Years after war-related issues have ceased to be everyday preoccupations, they continue to evoke confusion, pain, resentment and mistrust among veterans and non-veterans alike.

A decade after the peak years of the war, those who actually served in Vietnam are plagued by significantly more problems than their peers . . . exposure to combat bears a direct and significant relation to current alcohol and drug use, arrests, medical prob-

lems and stress-related symptoms. (Page XLIV.)

. . . the majority of Vietnam veterans . . . interviewed have not made substantial headway in working through their war experiences. Many are impeded by tendencies to avoid emotional conflict, or to blame others, or to pity and punish themselves for the past. The data suggest that unresolved war experiences among these men should be a matter of concern for a public health point of view. (Page XLVI.)

The evidence from this study indicates that as many as 50 percent of Vietnam veterans are still plagued by unresolved war experiences. While the most opportune time to assist these men in readjusting to civilian life is past, the evidence also suggests that current efforts to work through war-related after-effects may still have a significant impact on the quality of veterans' lives. Follow-up studies of veterans of World War II have shown that psychological difficulties among former soldiers can erupt several decades or longer after the initial trauma. It would therefore be appropriate to establish a long-term commitment to address the problems that have become part of the painful legacy of Vietnam. (Page 825.)

Outreach programs should continue to function in the foreseeable future. (Page 826.)

Mr. President, how can we talk of closing down a program which this comprehensive 900-page study concludes should continue into the "foreseeable future?"

Is a 2-year extension, or even a 3-year extension for that matter, what you would call a long-term commitment to address the painful legacy of Vietnam? I think not.

Mr. President, I believe there are a number of other compelling reasons why a 3-year extension should be provided to this program:

Although the VA's authority to provide readjustment counseling became effective on October 1, 1979, many of the vet centers have been in operation for less than 1 year, and have not yet been able to provide their unique service to troubled Vietnam-era veterans due to initial start-up problems, a Government-wide personnel freeze, lack of adequate resources, and insufficient time to establish credibility with clients and working relationships with other community organizations.

Dr. Arthur Arnold, the chief of psychiatry at the Bay Pines VA Medical Center in Tampa, Fla., Dr. Steven M. Sonnenberg, chairman of the Committee on Federal Government Health Services of the American Psychiatric Association, and John R. Smith, of the Department of Psychology at Duke University, all have stated that a 3-year extension of the application period would provide a more effective time frame with respect to the availability of the readjustment counseling program for Vietnam-era veterans.

The Veterans of Foreign Wars, the Disabled American Veterans, and the Vietnam Veterans of America recommended, during the April 30 hearing of the Senate Veterans' Affairs Committee, that a 3-year extension, such as our amendment provides, would be optimal from the standpoint of giving the program the stability it needs to operate efficiently and effectively.

Mr. President, I ask unanimous consent that letters to me from these veterans' organizations be inserted into the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

[See exhibit 1.]

Mr. CHAFEE. Dr. Jack Ewalt, the VA's Director of Mental Health and Behavioral Sciences, testified recently that nothing had changed his view, expressed during the committee's January 25, 1979, hearing on the original enabling legislation, that a 5-year eligibility period was needed.

Extending the application period 1 year longer than the Veterans' Affairs Committee has recommended is estimated by the Congressional Budget Office to cost only $26.9 million in fiscal year 1984, a very modest sum in comparison to the benefits that this program provides.

In my judgment, the readjustment counseling program has been well received by both Vietnam-era veterans and the communities in which vet centers are located. The program is a visible and meaningful symbol of our determination to provide assistance to those Vietnam-era veterans who still need help. At a time when the military is plagued with manpower problems, and the All-Volunteer Force is facing increasing challenges in recruiting adequate numbers of qualified personnel, we must meet our obligations to the veterans of the last war.

I urge my colleagues to support this amendment when it comes to a vote.

EXHIBIT 1

VETERANS OF FOREIGN WARS,
Washington, D.C., June 12, 1981.

Hon. JOHN H. CHAFEE,
Chairman, Subcommittee on Consumer Affairs, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: It is my understanding you will introduce an amendment to S. 921 with a large number of bipartisan cosponsors to extend for three years, rather than two years, the readjustment counseling program for Vietnam veterans.

As you know, Mr. Chairman, the life span initially envisioned for Operation Outreach was two years, with the third year to be devoted to phasing out the program. The bulk of the first year's operation, out of necessity, was devoted to recruiting and training staff, and to locating and preparing storefront sites.

It was in 1980 that the program began encountering obstacles to its continued expansion and operation. The federal hiring freeze and a freeze on the acquisition of furniture were imposed. In addition, restrictions were also placed on the acquisition of equipment. Further, after having been authorized additional funding of some $6 million, and to recruit and train an additional 176 personnel, effective December 23, 1980, efforts to accomplish such were eliminated by a second federal hiring freeze imposed by the current Administration. A second equipment and furniture acquisition freeze was also imposed at the same time. As a result, some centers have been open for little more than 60 days.

Inasmuch as your amendment is in concert with an identical provision of H.R. 3499 passed by the House of Representatives on June 2, 1981, the Veterans of Foreign Wars of the United States fully supports your amendment.

With best wishes and kind regards, I am
Sincerely,

DONALD H. SCHWAB,
Director, National Legislative Service.

VIETNAM VETERANS OF AMERICA,
Washington, D.C., June 15, 1981.

Sen. JOHN H. CHAFEE,
Room 5229, Dirksen Building,
Washington, D.C.

DEAR SENATOR CHAFEE: The Vietnam Veterans of America strongly supports your Amendment No. 61 to S. 921.

The recently released study conducted by the Center for Policy Research, which the Veterans' Administration sponsored, clearly documents the need to continue the readjustment counseling program for at least three more years. It has been our experience that the Vet Centers have provided a unique and much needed service for Vietnam Veterans. We have found them to be very helpful as referral points for many Vietnam veterans and family members who need the professional assistance that counselors can provide. Even the head of the Veterans' Administration's Behavioral Science Program, Doctor Jack Ewalt testified that the centers should be continued for another three years.

Passage of this important amendment by the Senate will send a much needed message to the veteran community. We very much appreciate your help.

Sincerely,

ROBERT O. MULLER,
Executive Director.

Mr. CRANSTON. Mr. President, as an original cosponsor, I am very pleased to rise in support of the amendment being offered by the distinguished Senator and my good friend from Rhode Island (Mr. CHAFEE) to provide a 3-year extension of the eligibility period for Vietnam-era veterans to request readjustment counseling services from the VA.

Although earlier this year I proposed a 2-year extension of this application period in S. 458, which I introduced on February 5, subsequent developments, including testimony to our committee on April 30, convinced me that a 3-year extension is fully warranted. Thus, I proposed, with the cosponsorship of Senators RANDOLPH, MATSUNAGA, DECONCINI, and MITCHELL, at the committee's May 13 markup of this bill, a 3-year extension of the readjustment counseling application period as was proposed in S. 872, the bipartisan measure introduced on April 2 by Senator CHAFEE. Regrettably, my proposal was not adopted by the committee despite what I believe to be very strong and convincing evidence in support of a 3-year extension.

Mr. President, on June 8 I joined with my good friend, the Senator from Rhode Island (Mr. CHAFEE), in sending to other Senators a "Dear Colleague" letter expressing our intention to offer this amendment—now amendment No. 61. In our letter we outlined the justification for our proposal and indicated the broad, bipartisan support it already had received in the Senate.

Mr. President, in my view the strongest reasons in support of this amendment are the findings of the study of the readjustment experiences of Vietnam-era veterans that Congress, back in 1977 in Public Law 95-202, directed be undertaken. The report on this study became available to us only 10 weeks ago—months after I had introduced S. 458. That study, prepared by the Center for Policy Research, Inc., for the VA and entitled "Legacies of Vietnam: Comparative Adjustment of Veterans and Their Peers," indicates that the readjustment problems of Vietnam-era veter-

ans are more widespread, complex, and long lasting than believed therefor. Thus, much more time than previously seemed needed will be necessary to deal effectively with persistent readjustment problems.

The study findings substantiate that the continuing problems of Vietnam-era veterans do not easily reduce to a single problem or problem cluster. For a variety of reasons, the overwhelming majority of veterans interviewed for the study was not inclined to use either VA or other traditional non-VA mental health services. Also, more and more data show that certain specific psychological difficulties experienced by some Vietnam-era veterans—which are recognized as resulting from a delayed reaction to the stress of the Vietnam conflict—become symptomatic for the first time 10 or more years after a combat tour. Thus, the special storefront vet centers will, I believe, continue to be needed for the full 3-year period.

Mr. President, another important point that was raised in this context by witnesses at the committee's April 30 hearing—including Dr. Ewalt, the VA's top psychiatrist and Director of Mental Health and Behavioral Sciences, and the entire panel of mental health and social service professions in addition to several of the veterans' organizations—is that, if the readjustment counseling program is to have a fair shot at being effective and being able to attract and retain qualified personnel, the VA needs to be able to offer to current and potential employees assurances that the program will be around for a significant period of time.

Mr. President, recent events regarding this program—including many that have nearly paralyzed its progress and meaningful development—demonstrate that stability is critical to the program's ability to provide effective readjustment counseling services on a continuing basis to the veterans we are trying to help.

First, in January the recruitment effort for the expansion of this program that the Congress mandated last December in Public Law 96-526, an appropriations measure, was hamstrung by a central office order that limited the number of career appointments the program's Director could offer to qualified personnel.

Also in January, the President imposed an executive branch personnel hiring freeze in which he included the readjustment counseling program.

Next, in February the Reagan administration announced that it was recommending that funding for the program be terminated on October 1, 1981.

Then, in March the administration took action to defer fiscal year 1981 appropriations for VA health care personnel, including personnel for the mandated expansion. That action amounted to an illegal impoundment in my view, in the view of the Comptroller General, as stated in his April 13, 1981, report to the Congress, and—as of June 2 with the adoption of Senate Resolution 120, disapproving that deferral—in the view of the Senate.

Mr. President, for the information of my colleagues, I would note that I discussed this deferral action in a statement appearing in the April 27, 1981, RECORD, daily edition, pages 7451 through 7455 and also inserted copies of pertinent documents in the RECORD at that point. My statement in connection with Senate Resolution 120 appeared in the June 2, 1981, RECORD, daily edition, pages 11123 through 11124.

Finally, Mr. President, during our April 30 hearing, the committee learned that approximately $11.2 million of the fiscal year 1981 appropriation for the readjustment counseling program had been diverted to other purposes and was not being used—in any way—to provide readjustment counseling services. After this funding diversion was brought to the attention of the Appropriations Committee, it was objected to by seven members of the Appropriation Committee, led by the chairman of the Subcommittee on HUD-Independent Agencies (Mr. GARN), the ranking minority member of that subcommittee (Mr. HUDDLESTON), and my good friend and colleague from Arizona (Mr. DECONCINI) who is a member of both the Veterans' Affairs and Appropriations Committees. I ask unanimous consent that that letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, D.C., May 20, 1981.

Mr. RUFUS WILSON,
Acting Administrator, Veterans' Administration, Washington, D.C.

DEAR RUFUS: During our Committee's consideration of the Veterans' Administration's request for FY 81 supplemental appropriations, a question was raised with respect to the availability of approximately $11.2 million, of a total medical care account appropriation of $29.6 million, that had been provided in Public Law 96-526 for the Vietnam-era veteran readjustment counseling program (carried out pursuant to section 612A of title 38, United States Code).

On page 173 of House Report 97-29, accompanying H.R. 3512, the Supplemental Appropriations and Rescission Bill, 1981, the House Appropriations Committee indicated that $23.6 million currently is "available" for the program and the House Committee recommended in its report that the proposed VA medical care account deferral (D81-95, pursuant to which the Administration proposed to reduce FY 1981 expenditures for medical care account personnel by $29.4 million), including the $6 million add-on for the readjustment counseling program, be disapproved. On May 13, the House passed H.R. 3512 as reported—with no amendments relating to the VA medical care account.

However, the April 30, 1981 testimony of VA witnesses before the Senate Veterans' Affairs Committee—of which Senator DeConcini is also a member—indicated that $11.2 million had been diverted to other purposes in the medical care account and is not being utilized to provide readjustment counseling services to Vietnam-era veterans (see page 158, S. Report 97-67, accompanying H.R. 3512) and that the program—which now consists of approximately 91 storefront counseling centers—currently is significantly underfunded.

In our Committee's report on the supplemental appropriations bill, our Committee expressed concern regarding the status of these funds and noted that they were diverted from their intended use without the requisite notification to this Committee of a reprogramming within the medical care account. On both procedural and substantive grounds, therefore, we object to the diversion of funds from the readjustment counseling program which Congress intended to be the major focus of the VA's programs designed to address the current needs of veterans who served during the very long and controversial Vietnam conflict.

We strongly believe that the VA's readjustment counseling program should be appropriately equipped to provide the more intensive and extensive program for Vietnam-era veterans that was intended by Congress when Public Law 96-526 was enacted in December 1980, including the $6 million add-on for this purpose. Thus, in order to assure needed readjustment counseling services for Vietnam-era veterans, we urge that the $11.2 million that was reprogrammed, without notification, be restored. We also urge that these restored funds, to the maximum extent feasible during the remaining months of the current fiscal year, be put to use immediately in an effort to enhance and expand the readjustment counseling program. These restored funds should be used to, among other things, augment staffing for the existing centers and for regional program administration, establish additional storefront centers (including proposed satellite teams), provide staffing for those additional centers, provide appropriate resources for supplies and equipment, and improve training programs for professional and non-professional staff.

We consider the readjustment counseling program to be a very high priority in the agency's mission, and we hope that you will proceed without delay to make available the funding Congress has provided for this purpose.

Sincerely,

WALTER D. HUDDLESTON,
Ranking Democratic Member, HUD and Independent Agencies Subcommittee, Committee on Appropriations;

JAKE GARN,
Chairman, HUD and Independent Agencies Subcommittee, Committee on Appropriations;

LAWTON CHILES,
WILLIAM PROXMIRE,
DENNIS DECONCINI,
PATRICK LEAHY,
JIM SASSER,

Mr. CRANSTON. Mr. President, as the Senator from Rhode Island has noted, the House passed a 3-year extension on June 2. I think that the record in this body also fully supports that 3-year extension.

This program was long overdue when it was authorized. The fits and starts experienced in getting the vet centers opened and operational in additional to the recent instability in the program that resulted from doubts about its future have combined to result in the program—successful and well received as it has been—falling short of achieving its full potential. It is time we put the Senate solidly behind giving the readjustment counseling program a clear opportunity at reaching that potential. A 3-year extension of the application period would do just that.

I strongly urge my colleagues to support this amendment, and I congratulate the Senator from Rhode Island for his outstanding leadership on this amendment, and thank his staff member, Rob Simmons, for his very capable assistance and cooperation with me and my staff on this matter.

Mr. CHAFEE. Mr. President, I thank the distinguished Senator from California, my good friend, Senator CRANSTON, very much for that very kind support for this measure. He has long been a leader in veterans affairs. To have him as the principal cosponsor of this amendment gives it a big thrust forward and I wish to thank him very much.

Mr. SIMPSON. Mr. President, I certainly concur in that.

I want to offer to the Senator from Rhode Island, if I may, perfecting language to the amendment that he might consider. Senator CHAFEE, as in everything that he undertakes on this floor, brings his sincerity to the cause and that is why he is very formidable here.

As I mentioned previously, the Committee on Veterans' Affairs unanimously voted, as part of its consideration of S. 921, for a 2-year extension of the eligibility period for readjustment counseling through the storefront centers. As I say, that was a unanimous vote. I did support that period of extension since I became convinced by the testimony at the committee's April 30 hearing and from other information reviewed by me that many of those vet centers established by the VA—and there are currently 92 across the country available to provide this critically important counseling—have not had a sufficient life span to be able to reach out properly to all of the Vietnam era veterans who might most benefit from those services. The committee hearings had a great influence on changing my position, particularly when I found out that 52,000 veterans have visited the centers.

My only fear and concern at the time was that we might be entering into a situation where we would find that the continuing support system provided by the vet centers would prevent the veteran from moving into the regular VA health care system or from working himself back into society. I was also concerned that a person might remain in the support system which might become a type of umbilical cord unable to be severed. This could leave a crippling dependency on those centers. Those things were fairly well answered in my mind at the hearing.

I think the vet centers have been most effective because they have a peer group dealing with people who have a deep-seated suspicion, in many cases, of regular VA health care personnel.

I became aware, too, of the number of external difficulties that have hindered that program and prevented it from reaching full effectiveness. Of those external problems, certainly the concern about the program's future during the past 6 months may have been the most damaging one as we dealt with the issue, both because the program may have been unable to attract and retain capable staff as efficiently as it might have done if the program's future was clear, and also because many eligible veterans may well have been reluctant to get involved with the centers if the centers were destined to close out in the near future.

So, Mr. President, in supporting this extension of the period within which the eligible veterans can request counseling, I was then unwilling to support the 3-year extension since the original eligibility period provided for the normal authorizing legislation itself was only of 2 years' duration and I could perceive of no reason that the original period should be exceeded.

But following the committee's markup, I continued to examine and review this issue and the perfecting language that I now propose reflects that effort.

Under the terms of my additional perfecting language, the eligibility period would be extended 3 years until September 30, 1984, as proposed in Senator CHAFEE'S amendment, but a provision would also be added to section 612A, which is the section of title 38 that authorizes the VA to provide the readjustment counseling.

The additional language would require the VA Administrator, during the third year of the extension, to take all steps necessary to convert the program from the operation that now provides for the readjustment counseling assistance through the storefront entities into one which provides those services through the VA regular health care channels and facilities.

In that manner, the third year of the extension would be truly available as "the transition year," which is the period that a number of witnesses at the committee hearing on April 30 indicated that they believed that the program must have if it is to attain its full potential.

Also, in taking the statutory step of indicating that this is the purpose of the third year, it should insure that a concentrated effort will be made by the VA to create the setting for the long-term ability needed to continue to meet the requirements of the Vietnam veterans when the veterans centers are no longer available.

I believe that this additional language of the 3-year extension of the eligibility period is fully appropriate, and I would ask my colleague from Rhode Island respectfully to accept the modification of that language of his amendment.

Mr. CRANSTON. Mr. President, I can understand the concern that the Senator from Wyoming (Mr. SIMPSON) has expressed, and I join in proposing the perfecting amendment to provide expressly for the appropriate phasing in during fiscal year 1984 of readjustment counseling services in the VA's own regular mental hygiene clinics and other facilities. I support fully his proposal that we act to assure that the VA will continue to meet the readjustment needs of Vietnam-era veterans in those clinics and facilities after September 30, 1984.

Mr. President, I would note in this connection that in providing an extension of eligibility until September 30, 1984, we would be providing only that no new applications may be accepted after that date. We would not—I repeat not—be acting to repeal the VA's existing, unlimited authority to provide readjustment counseling services after the application cutoff date for those who had already requested counseling, and I would expect that some veterans in the program would have continuing needs for help. As the chairman's perfecting amendment would make clear, under the Chafee amendment, readjustment counseling services would continue to be provided, as necessary, to Vietnam-era veterans pursuant to section 612A of title 38 after September 30, 1984. Thus, I think planning for a phase-in is a thoughtful and prudent move, and I congratulate the Senator from Wyoming (Mr. SIMPSON) on his farsighted amendment.

Mr. President, sufficiently in advance of the transition period we are proposing the VA should also determine the extent to which increased funding and staffing for its mental hygience clinics will be necessary for fiscal year 1984 to enable them effectively to provide readjustment counseling services in order that an appropriate augmentation, if needed, may be provided. If possible, this matter should be dealt with fully in the context of the President's proposed fiscal year 1984 budget, but in no event later than in the April 1, 1984, report required by the pending amendment. Another very important aspect of such a phase-in period would be that the VA make every effort to phase into its medical centers and other facilities, as appropriate, qualified staff from the vet centers. We would certainly expect that the April 1 report would specify the VA's plans for this phase-in of vet center staff.

These two results of the pending proposal are consistent with my expectation that the vet center function generally—although not necessarily in all places, such as large urban areas with large caseloads and crowded VA outpatient facilities—will be folded into traditional VA facilities in most localities so that readjustment counseling services can continue to be provided for Vietnam-era veterans who applied for those services before the application cutoff date and still need those services.

I hope that the Senate from Rhode Island will accept the amendment.

Mr. CHAFEE. Mr. President, I would refer to this as a modification as opposed to an amendment. It is my understanding that the Senator from Wyoming is proposing this as a modification. Am I correct?

Mr. SIMPSON. That would be correct, Mr. President, rather than perfecting language. It would be a modification.

The PRESIDING OFFICER. The Senator has a right to modify his amendment. Please send the modification to the desk.

Mr. CHAFEE. Mr. President, I send the modification to the desk.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 61) as modified, reads as follows:

On page 3, strike out lines 6 through line 8 and insert in lieu thereof the following:

(1) by striking out "or two years after the effective date of this section" and inserting in lieu thereof "or by September 30, 1984"; and

On page 3, line 5, insert "(a)" after "SEC. 4".

On page 3, after line 25, insert the following new subsection:

(b) Section 612A is further amended by adding at the end the following new subsection"

"(g) During the twelve-month period end-

ing September 30, 1984, the Administrator shall take appropriate steps to ensure (1) the orderly transition, by October 1, 1984, of that part of the program established under this section for the provision of readjustment counseling services by Veterans' Administration personnel from a program providing services through centers located primarily in facilities situated apart from the health-care facilities operated by the Veterans' Administration for the provision of health-care services under other provisions of this chapter to a program providing such services primarily through such health-care facilities, and (2) the continued availability after such date of readjustment counseling and related mental health services under this section to veterans eligible for the provision of counseling and services requested before such date. Not later than April 1, 1984, the Administrator shall submit to the Committees on Veterans' Affairs of the Congress a report on the plans made and actions taken to carry out this subsection.".

Mr. CHAFEE. I thank the distinguished chairman of the Veterans' Affairs Committee, Senator SIMPSON, and his counterpart, Senator CRANSTON, for their very fine contribution to this matter.

● Mr. BOSCHWITZ. Mr. President, I rise in support of the amendment offered by my distinguished colleague from Rhode Island, Senator CHAFEE, to extend for 3 years the Vietnam-era readjustment counseling program.

The Vietnam veterans readjustment counseling program, otherwise known as operation outreach, was initiated by Public Law 96–22 in June 1979 on a 2-year trial basis. This legislation called for the Veterans' Administration to provide readjustment counseling and other mental health services to any veteran who served on active duty during the Vietnam era, which was designated as August 1964–May 1975.

This program was designed to help ease the readjustment of Vietnam veterans, especially combat veterans, to civilian life. We are only now coming to realize how unique the Vietnam veteran's readjustment problems really are.

The Vietnam war, particularly in its later stages, was so unpopular that when veterans of this conflict returned home they often did not receive the positive reinforcement from their fellow countrymen which World War II and Korean war veterans enjoyed. The feeling that their sacrifices have not been appreciated has left many Vietnam veterans deeply disillusioned.

Further, Mr. President, their war experiences have caused over 500,000 Vietnam veterans to be afflicted with posttraumatic stress syndrome, in which nightmares, depression, and anxiety attacks manifest themselves as many as 10 years after the veteran's combat service.

Operation Outreach, which has been implemented through so-called storefront counseling centers, has provided Vietnam veterans with an informal setting in which to work out their problems with the help of metal health professionals who are themselves veterans.

Mr. President, in my State, this program is working. Minnesota sent 55,000 men and women to Vietnam, with an average age of 19.2. During the 15 months in which the Minneapolis Counseling Center has been in existence, the staff has counseled well over 2,000 Vietnam veterans and their families. The Center's encounter groups have helped hundreds of veterans come to grips with their wartime experiences. Through a number of workshops, the Center's staff has alerted the Minneapolis-St. Paul community to the often complex problems which the Vietnam veteran faces.

Mr. President, unless we act now the eligibility of Vietnam veterans to participate in this worthwhile program will expire on September 30. Many of the 91 counseling centers around the country have not even been in operation for the 2-year trial period established by Public Law 96–22. Let us give this noble program another 3 years. Let us give it a chance to reap even greater dividends than it already has.

Mr. President, I would also like to take this opportunity to praise one particular provision of S. 921.

The bill provides that an alcohol or drug dependence will not be considered the result of willful misconduct for the purpose of determining eligibility for an extension of the delimiting period for GI bill benefits.

Mr. President, I became interested in this issue 2 years ago, when a constituent of mine, Mr. Dennis Curran, was denied an extension of his eligibility period for GI bill benefits. For several years of this period, Mr. Curran was unable to make use of his benefits because he suffered from an alcoholic dependency. However, he was denied an extension because his alcoholism was termed willful misconduct.

During the 97th Congress the Senate was able to eliminate this unjust willful misconduct clause. Unfortunately, our House colleagues did not agree with us, and the issue died. For the sake of Dennis Curran and other veterans who may be in his predicament, I hope we will be more successful this year. I would urge my fellow Senators who will serve on the conference committee for S. 921 to protect this important provision, which the House of Representatives has not seen fit to include in their version of S. 921.●

Mr. CHAFEE. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. SIMPSON. Mr. President, I wish to be indicated as a cosponsor of Senator CHAFEE's amendment, as modified.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, might I just take this occasion to thank Senator SIMPSON for his cooperation in this matter. It is greatly appreciated.

Mr. SIMPSON. Mr. President, I can assure the Senator of a mutual feeling in that regard, and I also thank Senator CHAFEE's capable staff member, Mr. Simmons, for his fine assistance. I thank Senator CHAFEE for a most cooperative venture on something that I know is very seriously felt by him.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. Mr. President, I rise in support and as a cosponsor of this amendment. I commend the distinguished Senator from Rhode Island (Mr. CHAFEE) for his efforts.

Mr. President, the outreach program established under the law in 1979 is just now becoming functional. It has been favorably received by Vietnam veterans around the country and has been particularly successful in my home State of South Dakota. The 91 store front centers throughout the country serve as informal and accessible clearinghouses for information and counseling of veterans.

In its short existence, it has already served over 30,000 veterans and their families. The $20 some million earmarked for it this year represents a very small portion of the VA's budget of over $20 billion.

This small amount has been extremely beneficial for those many veterans who do not have clinically diagnosed psychiatric disorders but who nevertheless benefit from counseling. These individuals would be precluded by other portions of the law from receiving treatment in VA facilities.

These individuals are not mentally ill, but rather may have experienced a very traumatic situation in Vietnam and are still finding difficulty in returning to society. The outreach program provides the ounce of prevention to deter development of more serious problems.

If we are concerned with reducing VA expenditures and hospital patient loads, this program is extremely cost-effective. It currently costs the VA over $100 a day for every hospitalized psychological disorder. Outreach can see and assist 10 veterans for the cost of every 1 hospitalized.

Let me also say, Mr. President, that Vietnam veterans have been hesitant about entering traditional VA centers for psychiatric treatment. They have been hesitant about admitting the fact that their war experience bothers them. They have been hesitant about coming forward for treatment in these areas.

These storefront outreach programs make it more comfortable and easier for them to do so.

Mr. President, many people have noted that the Vietnam veterans have functioned after the war in a different fashion. Lower numbers have joined the American Legion, the VFW, and other traditional organizations.

Rates of unemployment are extremely high among Vietnam veterans, probably as a result of the draft selection that brought into the Vietnam War, those who actually served in the theater, persons from a much lower educational and income background. As a result, these same people have not responded to some of the traditional type veterans' treatment in veterans' hospitals.

This group is very hesitant to declare themselves in need of seeing a psychiatrist. I might say, in many instances there have been examples of where the VA has not been as responsive to the Vietnam veterans' particular problems. We hope that this is changing.

Certainly, this outreach program is a part of a good veterans' program. It has been successful, and I am happy to join in cosponsoring and strongly supporting this amendment.

Mr. ROBERT C. BYRD. Mr. President, I am proud to cosponsor this amendment. Unfortunately, many Vietnam veterans believed that they had been betrayed earlier this year when the administration recommended budget cuts in programs specifically designed to help those who served in Vietnam. The administration's recommendation not to continue the readjustment counseling program sparked some of the loudest cries of outrage from Vietnam veterans across the Nation.

Those cries of injustice were somewhat relieved, when the Senate Budget Committee restored the approximately $25 million that had been deleted from the President's budget request, for the unequivocal purpose of insuring that the readjustment counseling program continue beyond September, 1981.

As a candidate for the Presidency, Mr. Reagan lamented that "we have been shabby in our treatment of those who returned" from Vietnam. And, in part, we have been. It is regrettable that it took Congress 10 years to enact a readjustment program for Vietnam veterans. But, now we have a program that appears to be a success, having been in operation for less than a year in many regions of the country—at a relatively modest cost. Obviously, many of us want to see it continue.

The American Psychiatric Association has recognized a unique disorder troubling a disproportionate number of Vietnam veterans—delayed stress syndrome, which is a complex term meaning emotionally suffering from combat long after returning from the war. Unfortunately, the problems associated with delayed stress syndrome are not disappearing. In fact, in recent years, they have been growing.

A congressionally mandated independent study of Vietnam veterans' problems by the Center for Policy Research, Inc., strongly supports an eligibility extension for readjustment counseling. Mental health professionals from both within the VA and outside have testified before the Senate Veterans' Affairs Committee, that Vietnam veterans are still suffering from the residual effects of the war and are in need of counseling services.

I urge all Senators to vote for the readjustment counseling amendment.

(By request of Mr. CHAFEE, the following statement was ordered to be prined in the RECORD:)

● Mr. SASSER. Mr. President, I want to outline my strong support for amendment No. 61, sponsored by the distinguished Senator from Rhode Island, Mr. CHAFEE, and of which I am an original cosponsor. This important amendment will extend for 3 years—until September 30, 1984—eligibility for the Vietnam-era veterans readjustment counseling program.

Earlier this year, the Senate Budget Committee restored $25 million to the readjustment counseling program at a time when most programs were being drastically cut. The Budget Committee vote is but one indication of the widespread support this outreach program has in Congress.

In 1979, we authorized the Veterans Administration to begin providing readjustment counseling services to veterans of the Vietnam-era. Although 91 storefront outreach centers are now in operation, many of them have been open less than a year. The program itself is just hitting its stride, encouraging veterans in need of assistance to utilize the facilities.

According to a study released in March 1981, veterans of the Vietnam conflict are subject to the pressures of the war longer, and more often, than previously thought. Delayed stress syndrome, for example, may only become apparent 10 or more years after combat duty. Thus, more time is needed to insure that those veterans most deserving and most desirous of counseling receive it.

Various veterans organizations, as well as experts in behavioral sciences consider a 3-year extension of eligibility for the program essential in providing the best possible service to veterans of the Vietnam-era. I agree, Mr. President. The faith of the veteran in his Government has already been strained by action on the budget—we must not break faith with our veterans by eliminating one of the most popular, most helpful programs of the Veterans Administration.

In the past year and a half, Mr. President, we have approved legislation for a Vietnam veterans memorial here in Washington, we have approved legislation designating "national Vietnam veterans recognition day", and we have generally taken the first steps toward fulfilling our obligation to the 9 million men and women who served during the Vietnam era.

But, it is estimated that one out of every two Vietnam veterans experience some traumatic stress disorder. One out of four is clinically depressed. Half are unemployed. And 40 percent were divorced within 6 months of returning home.

The typical Vietnam veteran still faces a great deal of pressure, Mr. President. Operation outreach, as the readjustment counseling program is commonly known, is the means many veterans of the Southeast Asian conflict have to return a degree of stability to their lives. I urge the Senate's approval of this 3-year extension of eligibility for readjustment counseling, thereby enabling the Congress to take another step in meeting our responsibilities to the Nation's veterans.●

Mr. DANFORTH. Mr. President, I am a cosponsor of the amendment to S. 921 to extend the period of Vietnam veterans' eligibility for readjustment counseling. The bill reported out of committee provides for an additional 2 years eligibility for Vietnam-era veterans. I strongly believe, however, that a 3-year extension, as originally proposed in a bill introduced by Senators CHAFEE, DOLE, HEINZ, and myself, is needed to maintain the effectivenesss of this program and to provide the quality of care that our veterans deserve.

Recent studies, newspaper reports, and testimony from hearings have established that some Vietnam-era veterans have suffered upon their return to normal society. It is estimated that thousands of Vietnam combat veterans suffer from what psychologists call the post traumatic stress syndrome. The syndrome manifests itself in the form of problems with employment, family, and coping with daily life. One statistic is especially startling: Vietnam veterans have a suicide rate of 33 percent higher than their peers.

Mr. President, it has been common to think only of the physical costs of a war. But as we have learned, the psychological costs can also be great. We mend our physical wounds in a hospital, but our psychological wounds require similar care. That is the function of the Outreach program. Psychological counseling is not new: The VA operated extensive programs for the veterans of World War II. Because of the character of the Vietnam conflict, though, the need for such counseling is greater than ever before.

Instead of being met with fanfare and honor, our Vietnam veterans too often have been ignored. Whereas veterans of previous conflicts finished the war with their fellows, the Vietnam veteran came back by himself. At the end of his tour of duty, he returned to his community in only 72 hours, without any forewarning of the problems of readjustment. The effects of these experiences are being manifested now.

In 1979, the Congress, in a noteworthy act, established a program to deal with these problems. The result of that act was the Outreach program, which has been a success during its limited existence. More than 50,000 veterans and their families have been helped through the storefront counseling centers that were established. VA figures show that 82 percent of this group feel they were counseled successfully. These people are now putting their lives back together and continuing as constructive members of our society.

The outreach program has had significant secondary benefits as well. The centers have helped to identify hidden disabilities, they have prevented suicides, and most importantly, they have substantially increased our knowledge about a previously unknown disorder. The program is not extravagant; on the contrary, it is one of the least expensive offered for veterans.

Today we continue to be faced with a serious problem concerning our care and attitude toward our Vietnam veterans. The Veterans' Administration's traditional means of providing for their needs have not worked well enough. The veterans criticize the VA for ignoring their problems. The VA has indicated that the clients counseled through the storefront centers will be helped by other veterans programs. Yet, a recent study that the VA itself commissioned on the problems of Vietnam veterans concluded that the outreach approach "is the best method to * * * bring these men back into the mainstream of society." I think all the Members of this body appreciate the need to continue this counseling. The issue

now is for how long. I would like to suggest that a 3-year extension would best meet our needs.

Psychological studies show that symptoms of post traumatic stress may appear as long as 10 years after the time of combat. A 3-year extension to October 1984, would nearly cover those 10 years. Another factor to bear in mind is the fact that the last 2 years of the outreach program have been marked by starting delays and instability from a variety of sources. Fully a quarter of the centers have been open less than a year, and 40 percent of the program's funding for fiscal year 1981 was impounded by the OMB. Uncertainties like these have severely impaired the outreach program, limiting its ability to employ skilled professionals and discouraging veterans from seeking help. Even the VA's director of mental health and behavioral science has recommended a 3-year extension to provide the stability necessary for an effective and efficient program.

A 2-year extension will not solve problems like these. If this bill is passed in its present form, the outreach program will face the same difficulties that it did during its initial startup; putting the centers back into full operation alone will take several months. The outreach program has the potential to better its record substantially. To do that, however, requires the stability that a limited 2-year extension cannot provide. The House has already recognized the need for 3 more years of the outreach program in H.R. 3499, which passed 388 to 0 on June 2. I ask the Senate now to support this amendment and do the same. The proposed extension is not based on any belief that 2 years is the right amount of time to best help the veterans; it is a compromise solely for budgetary reasons. But the cost involved is low. We know how well the outreach program works, and we know that medical and procedural evidence supports a 3-year extension. On this issue, budgetary concerns pale beside the need to care properly for our veterans.

Mr. CRANSTON. Mr. President, has the amendment, as modified, been disposed of?

The PRESIDING OFFICER. Under the previous order, the vote on this amendment will be deferred until 12 noon tomorrow.

AMENDMENT NO. 58

(Purpose: To extend for two years for certain educationally disadvantaged and unskilled, unemployed, or unemployed Vietnam-era veterans the period of time in which GI bill benefits may be used for the pursuit of certain training)

Mr. CRANSTON. Mr. President, I call up amendment No. 58 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from California (Mr. CRANSTON), for himself, Mr. RANDOLPH, Mr. MATSUNAGA, Mr. DECONCINI, Mr. MITCHELL, Mr. LEVIN, Mr. SARBANES, Mr. CANNON, Mr. WILLIAMS, Mr. BENTSEN, Mr. LEAHY, Mr. SASSER, Mr. HART, Mr. BAUCUS, and Mr. DIXON proposes an amendment numbered 58.

Mr. CRANSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, between lines 16 and 17, insert the following new section:

SEC. 6. Section 1662(a) is amended by adding at the end the following new paragraphs:

"(3) Notwithstanding the expiration of the applicable delimiting period under paragraph (1) of this subsection, any eligible veteran who served on active duty at any time during the Vietnam era may, effective October 1, 1981, be provided educational assistance under this chapter until September 30, 1983, for the purpose of permitting such veterans to pursue—

"(A) a program of apprenticeship or other on-job training; or

"(B) an approved vocational objective or secondary education course if such veteran does not have a secondary school diploma (or an equivalency certificate).

"(4) A program of education consisting exclusively of flight training may not be approved in the case of any veteran pursuing a program of education under paragraph (3) of this subsection.".

Redesignate sections 6, 7, 8, and 9 as sections 7, 8, 9, and 10, respectively.

Mr. CRANSTON. Mr. President, this amendment, in which I am joined by Senators RANDOLPH, MATSUNAGA, DECONCINI, MITCHELL, LEVIN, SARBANES, CANNON, WILLIAMS, BENTSEN, LEAHY, SASSER, HART, BAUCUS, and DIXON, would incorporate in S. 921 as reported the provisions of section 3(2) of S. 458, the proposed "Vietnam-Era Veterans' Readjustment Amendments of 1981," which I introduced on February 6, 1981. The amendment would provide a limited extension of the so-called delimiting period for the use of GI bill benefits. This extension would be targeted only on those most in need of assistance—that is, those Vietnam-era veterans who, even though they woud have been out of the service for more than 10 years, do not have high school diplomas and those who could benefit from participation in apprenticeship or other on-job training programs. Our proposal would provide these veterans with up to an additional period of 2 years—between October 1, 1981, and September 30, 1983—in which to use their GI bill benefits for apprenticeship or OJT programs or, if they do not have high school diplomas or the equivalent, for pursuit of a secondary education or vocational objective program of education.

The amendment is identical to one I offered unsuccessfully during the Veterans' Affairs Committee consideration of S. 921 on May 13. It is also essentially the same proposal that the committee approved in the 96th Congress in connection with S. 870 in 1979 and that the Senate approved in January of last year, but to which the House would not agree.

TARGETED APPROACH

Under current law, veterans eligible for GI bill benefits generally have 10 years after their last discharge or release from active duty to utilize their benefits for pursuit of a variety of programs of education.

The Veterans' Affairs Committee has, on a number of occasions, considered and generally rejected a variety of proposals designed to extend generally this 10-year delimiting period.

However, Mr. President, that is not what this amendment proposes.

We propose a modest effort to provide special assistance to veterans who have had the most difficulty in readjusting to civilian life following their service during the Vietnam era. It is significantly different from other proposals for general, across-the-board delimiting date extensions in that it is a one-time extension tightly targeted on those who are most in need of assistance and available only for certain kinds of education and training. It is designed to provide a limited extension to those very veterans who have never effectively utilized GI bill benefits to which they earned entitlement.

TARGET POPULATION

According to VA data, there are 1.7 million educationally disadvantaged Vietnam-era veterans—that is, those who were discharged from active duty without having ever obtained a high school diploma or equivalency certificate. However, compared with an overall utilization rate of more than 65 percent for the current GI bill, only 35 percent—or 599,000—of these educationally disadvantaged veterans have used any of their GI bill entitlement and, according to the VA's summary report on the 1979 national survey of veterans based on Census Bureau data, about half of them still do not have a high school diploma. These data show a great need for a further effort to assist these educationally disadvantaged veterans in completing that basic educational program that a high school diploma represents in our society and economy.

Similarly, Mr. President, the needs of unskilled, unemployed Vietnam-era veterans can be seen in the high rates of unemployment that continue to plague this segment of the labor force. In May, the rate of unemployment for Vietnam-era veterans was almost 4 percent higher than it was a year ago. Among those Vietnam-era veterans who are 30 to 35 years of age—and who comprise 40 percent of the total Vietnam-era veteran labor force—the May rate of unemployment was 11.8 percent higher than it was in May of 1980 and 18.8 percent higher than it was for nonveterans in the same age bracket. These veterans, too, have generally passed their delimiting periods.

It cannot be stressed too strongly that our proposal is not for a general extension for all veterans as they reach their delimiting dates. Rather, it is to provide a one-shot opportunity for reaching certain very deserving veterans—a final effort to help those who are still having problems in making a successful and complete transition to productive civilian lives.

ADJUNCT TO READJUSTMENT COUNSELING PROGRAM

Mr. President, my colleagues should view this proposal as an important adjunct to the readjustment counseling—

vet center—program, the period of application for which would be extended by 2 years in S. 921 as reported by the committee and by an additional third year as a result of the Senate's approval of amendment No. 61 which the distinguished Senator from Rhode Island (Mr. CHAFEE) and I have proposed and which the Senate has just agreed to.

I think it is very significant that the study prepared for the VA by the Center for policy research entitled, "Legacies of Vietnam: Comparative Adjustment of Veterans and Their Peers," recently documented that Vietnam veterans have not achieved as high a level of education as their peers and hold jobs that are, on the average, at lower levels than those held by nonveterans. It further found that much of the occupational variation between Vietnam-era veterans and nonveterans is due to educational differences. Finally, the study concluded that, when background differences are controlled, Vietnam-era veterans—and, to the greatest extent, those who served in Vietnam—still show "some residual disadvantage in educational and occupational attainment" and that "military duty in Vietnam had a negative effect upon postmilitary achievement."

Mr. President, at the committee's April 30 hearing, much testimony was received in support of the concept of a targeted extension of the delimiting period.

Both the American Legion and the Veterans of Foreign Wars indicated in their testimony that they supported such extensions. The Disabled American Veterans responded to a question I submitted in writing that the approach I am proposing would "undoubtedly benefit" veterans utilizing the services at the vet centers. Max Cleland, the former VA Administrator, spoke eloquently about the need to couple the kind of support the vet centers are offering with the type of approach embodied in this proposal.

The letter from the American Legion that I previously submitted for the record in connection with my amendment No. 59, expresses the Legion's most recent statement of support for the pending amendment.

With respect to the need for this amendment, I want to underscore other very important testimony the committee received. First, Dr. Robert Laufer, a coprincipal investigator on the CPR study stated.

> Occupational/Educational programs and psychological problems have to some extent become interwined over time. Therefore, it would be advisable to relate services to both psychological and educational/occupational problems.

In supporting the need for a targeted delimiting period extension as an adjunct to the readjustment counseling program, Dr. Laufer said:

> The lack of timely psychological support for Vietnam veterans after their release from the service we believe contributed to a delayed use of available benefits. Therefore, we think it is reasonable to make special efforts for the educationally disadvantaged and unskilled or unemployed veterans. . . . This would be a valuable adjunct to the VA's readjustment counseling program.

Dr. Arthur Arnold, chief of psychiatry at the VA Medical Center in Bay Pines, Fla., stated:

> It is "essential" that treatment of posttraumatic stress be coupled with employment and education assistance. Otherwise treatment does not necessarily result in any improvement in practical living.

The American Psychiatric Association witness, Dr. Stephen Sonnenberg, responded that:

> The availability of employment, education, and training assistance is a "crucial component of a comprehensive human

COST AND BUDGET CONSIDERATIONS

Regarding cost, the Congressional Budget Office estimates that this proposal would have a first-year cost of $63 million and a second year cost of $67 million. The total 5-year cost would be $130 million.

Mr. President, although I am fully appreciative of the chairman's prior concerns regarding budget constraints on which his opposition to this proposal in committee rested, it is clear now that we are not faced by the constraints which, a few months ago, we believed we would encounter. The budget levels for veterans' programs—function 700—in House Concurrent Resolution 115, the first budget resolution for fiscal year 1982, are based squarely on the House Veterans' Affairs Committee's legislative assumptions, including expressly the enactment of a targeted delimiting date extension such as the one I am proposing costing $63 million in fiscal year 1982, and there is ample latitude for the Congress, within the limits of the budget resolution and the crosswalks for entitlement programs to the Veterans' Affairs Committees, to enact this very useful and reasonable provision.

CHANGE IN HOUSE VETERANS' AFFAIRS COMMITTEE POSITION

Unlike last year, when the House refused to agree to the Senate-passed targeted delimiting date extension in the context of the Veterans' Rehabilitation and Education Amendments of 1980, the House Veterans' Affairs Committee unanimously ordered reported on May 12 a similar extension provision in connection with H.R. 4233, and the full House approved the extension on June 2. So achievement of this opportunity is now within our grasp, and I intend to continue to work to insure that it does not slip through our fingers.

CONCLUSION

Mr. President, it is all well and good to approve special days and special weeks in recognition of the sacrifices that Vietnam-era veterans have made, to construct new memorials, and to celebrate welcome homes that have been too long delayed. But, I believe, it is more important to provide concrete, positive assistance to those veterans who are just now beginning to take steps to readjust fully from their wartime experiences. When an educationally disadvantaged or unemployed Vietnam veteran, after years of frustrations and personal agonies, seeks assistance at a vet center, it is critically important that he be provided the very kind of assistance that could be most valuable to him in improving his ability to succeed in the job market—and that is what this amendment would authorize. Recent studies show that employment remains the largest single readjustment problem for Vietnam veteran.

Mr. President, I urge my colleagues to join with me and support this effort to benefit those veterans of our Nation's longest conflict who continue to be very much in need of this kind of employment-related assistance.

Mr. SIMPSON. Mr. President, I do have a very short response. Before I make those brief remarks, I want to indicate once again my agreement with the Senator from South Dakota on the important role played by the storefront counseling centers in meeting the needs of Vietnam-era veterans. I think that role is very obvious. I also concur with my colleague from California that the budgetary needs of the VA mental health clinics in standard VA facilities must be adequately considered in the 1984 and thereafter.

I am pleased to accept this amendment presented by my good colleague from California which, as he has so well described, would provide a GI bill education delimiting date extension beyond the 10-year limit in current law, an extension which would be expressly targeted toward two groups of Vietnam-era veterans—those without a high school diploma and those who could possibly still benefit from participation in apprenticeship or other on-job training programs.

Mr. President, although I did support a very similar provision in the 96th Congress as a part of S. 870. I opposed this amendment when it was again proposed at the full committee's May 13 meeting on the pending legislation. My opposition at that time was not directed to the substance of this targeted extension—indeed, I continue to feel, just as I did in the last Congress, that this is an effective way to reach and provide assistance to those Vietnam-era veterans who are in need of employment or minimal educational assistance. No, my concern in May was that sufficient funds to cover the cost of this provision—CBO had estimated at fiscal year 1982 cost of $63 million—would not be available in the VA's budget as being within the limit the committee had projected in that budget as being part of the effort to meet the President's goal of curbing Federal spending. Since that time, however, the Congress had adopted the first concurrent budget resolution for fiscal year 1982, House Concurrent Resolution 115, and the budget level for veterans programs in that resolution does appear to assume sufficient funding for this extension.

Thus, Mr. President, I do accept this amendment and I thank my good friend from California for his patient and most persistent effort in obtaining this important eligibility extension.

The PRESIDING OFFICER. Who yields time?

● Mr. BENTSEN. Mr. President, I commend Senator CRANSTON for this amendment and for the opportunity to join him as a cosponsor. What we are proposing, very simply, is to provide Vietnam veterans who do not have a high school diploma with an additional 2 years in which to apply for GI benefits. Without this amendment, many thousands of educationally disadvantaged Vietnam veterans will soon lose their eligibility for benefits.

Mr. President, approximately 1.7 million Vietnam-era veterans or one-fifth of those discharged from active duty do not have a high school diploma. Only about 35 percent of these veterans have utilized their GI benefits. In the meantime, the rate of unemployment among Vietnam veterans continues to increase; in April 1981 it was 10.4 percent higher than last year, and is expected to increase further.

This amendment is targeted at those Vietnam veterans most in need of assistance. We are talking about young people who have been out of the military now for a decade and still lack a high school diploma or the skills necessary to obtain a decent job.

Mr. President, it is never too late to start. I do not think this country can afford, economically or morally, to write off these young people who have fought in defense of our freedoms. By providing a one-time extension to those veterans who have never utilized their GI benefits, we are offering them an extension of the opportunity to become more productive citizens. And we are helping ourselves by upgrading our labor force.

In urging approval of this amendment, Mr. President, I can only state that we have an obligation to those who have served our Nation in its time of need. We did not place any limits on the danger to which they were exposed, and I believe we can extend the limits on their ability to take advantage of benefits they have earned.●

(By request of Mr. CRANSTON, the following statement was ordered to be printed in the RECORD:)

● Mr. SASSER. Mr. President, I rise today in support of Senator CRANSTON'S amendment to S. 921, the Veterans' Programs Extension and Improvements Act of 1981. I am a cosponsor of this vital amendment which would provide for a limited extension of the so-called delimiting period for the use of GI bill benefits.

According to the Veterans' administration, educationally disadvantaged Vietnam-era veterans, or those without high school diplomas, account for nearly 20 percent of the Vietnam conflict veterans population. That is nearly 1.7 million Americans, Mr. President, who significantly underuse their GI bill benefits.

High unemployment rates continue to plague the Vietnam veterans. Half of these veterans are unemployed, and most have already passed their 10-year postservice delimiting period.

The amendment now before the Senate would extend, to September 30, 1983, the period of eligibility for GI bill benefits for apprenticeship training or a high school diploma or vocational objective. It is not an across-the-board extension. It is a well-thought, targeted extension to grant GI bill benefits to those veterans most in need.

I have stated time after time, Mr. President, that we cannot turn our backs on the Vietnam-era veteran. The amendment now under consideration provides concrete, positive assistance to those who are just now beginning to take steps to readjust fully from their wartime experience.

In testimony before the Senate Veterans' Affairs Committee, Dr. Arthur Arnold, chief of psychiatry at the Bay Pines, Fla., VA Medical Center, considered employment and education assistance "essential" in the treatment of posttraumatic stress syndrome. The lack of such assistance, he noted, would prevent "any improvement in practical living." In similar testimony, Dr. Stephen Sonnenberg of the American Psychiatric Association stated that education, employment, and training assistance was "a crucial component of a comprehensive human service effort."

Thus, Mr. President, there is a clear need for an extension of GI bill eligibility for certain Vietnam-era veterans. Legislation already passed by the House of Representatives contains a similar provision, evidence that the House believes in the need to extend the delimiting period.

In closing, passage of this amendment will help educationally disadvantaged Vietnam veterans make the contribution to society of which they are capable. I expect the Senate's positive vote on amendment No. 58.●

Mr. CRANSTON. Mr. President, I am prepared to yield back my time.

Mr. SIMPSON. I yield back the remainder of my time on that amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 58) was agreed to.

Mr. CRANSTON. I move to reconsider the vote by which the amendment was agreed to.

Mr. SIMPSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who yields time?

UP AMENDMENT NO. 153

(Purpose: To make a technical correction)

Mr. SIMPSON. Mr. President, I send to the desk an unprinted amendment on behalf of myself and my colleague from California (Mr. CRANSTON) and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wyoming (Mr. SIMPSON), for himself and Mr. CRANSTON, proposes an unprinted amendment numbered 153.

Mr. SIMPSON. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, between lines 16 and 17, insert the following new subsection:

(c) Section 1712(b)(2) is amended by adding at the end the following new sentence: "For the purposes of this paragraph ony, an alcohol or drug dependence or abuse disability from which the eligible person has recovered shall not be considered to be the result of willful misconduct.".

Mr. SIMPSON. Mr. President, this is a technical amendment presented by myself and the Senator from California which will add a provision to section 5 of the bill in order to complete that section. Section 5 would provide a new basis for extending periods of eligibility for VA vocational and rehabilitation and GI bill programs when the individual eligible for either program is prevented from participation because of a drug or alcohol abuse disability.

This technical amendment now under consideration was inadvertently omitted from the committee bill at the markup. It would make corresponding and appropriate changes to chapter 35 of title 38, the chapter under which veterans' survivors are eligible for educational assistance from the VA.

Mr. President, I know of no objection to this amendment, and I urge the Senate to adopt it.

The PRESIDING OFFICER. Who yields time?

Mr. SIMPSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I appreciate the Senator offering the technical amendment, which is a help.

Mr. SIMPSON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 153) was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. SIMPSON. Mr. President, my agenda discloses that we have completed our activities on this measure until tomorrow. Unless other Senators are present who wish to offer amendments or to speak on the bill itself, and I see none, I state that the business we can complete today under the previous order is completed.

I note, however, that Senator PROXMIRE has an amendment that he will offer tomorrow, under the unanimous-consent agreement; that soon after the consideration of the Proxmire amendment, it would be in order to proceed to the previously ordered rollcall votes on the Cranston and Chafee amendments.

In the interest of expediting business tomorrow, I ask at this time for the yeas and nays on H.R. 3499, immediately following the rollcall votes on the amendments.

The PRESIDING OFFICER. Is there objection to it being in order to order the yeas and nays on the House bill at this time?

Mr. STEVENS. Mr. President, reserving the right to object, this is subject to the previous order that no rollcall votes will take place prior to 12 noon tomorrow?

The PRESIDING OFFICER. The Senator is correct.

Is there objection? The Chair hears none and it is so ordered.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. SIMPSON. I thank the Chair.

Mr. President, I believe we have completed what we can do today. I believe it has been a productive session for veterans' legislation.

Mr. STEVENS. Mr. President, what is the parliamentary situation for any amendments other than the amendment to be offered by Senator PROXMIRE?

The PRESIDING OFFICER. Any other amendment would have to be offered and debated today.

Mr. STEVENS. And if there are no further amendments offered today, the amendment of Senator PROXMIRE would be the only amendment tomorrow before going to third reading?

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. So that no consent is necessary for an order that there be no further amendments offered on tomorrow?

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. Mr. President, is there any further business on this bill today?

The PRESIDING OFFICER. There is nothing ordered at this point.

Mr. STEVENS. I inquire of the managers of the bill if they know of any other amendments to be offered today.

Mr. CRANSTON. I do not.

Mr. SIMPSON. I have nothing further

ROUTINE MORNING BUSINESS AND ORDER OF PROCEDURE

Mr. STEVENS. Mr. President, there being no further matter to come before the Senate on this bill, I ask unanimous consent now that there be a period for the transaction of routine morning business during which Senators may speak therein and that when the Senator from West Virginia is recognized, the distinguished minority leader may speak as long as he desires and following his statement the Senate stand in recess until 11 a.m. tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER HOLDING HOUSE JOINT RESOLUTION 288 AT THE DESK

Mr. STEVENS. Mr. President, I ask unanimous consent that when House Joint Resolution 288, a joint resolution to correct Public Law 97–12 due to an error in the enactment of H.R. 3512, is received by the Senate today it be held at the desk pending further disposition and that it be considered later today, notwithstanding my previous request, if the matter is cleared for action before recess today.

The PRESIDING OFFICER. Without objection, it is so ordered.

CORRECTING PUBLIC LAW 97–12 DUE TO AN ERROR IN THE ENROLLMENT OF H.R. 3512

Mr. STEVENS. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on House Joint Resolution 288, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 288) correcting Public Law 97–12 due to an error in the enrollment of H.R. 3512.

The PRESIDING OFFICER. Without objection, the joint resolution will be considered as having been read twice by its title.

Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (H.J. Res. 288) was considered, ordered to a third reading, read the third time, and passed.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REMOVAL OF INJUNCTION OF SECRECY—INTER-AMERICAN CONVENTION ON INTERNATIONAL COMMERCIAL ARBITRATION (TREATY DOCUMENT NO. 97–12)

Mr. STEVENS. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Inter-American Convention on International Commercial Arbitration (Treaty Document No. 97–12), transmitted to the Senate today by the President of the United States; and ask that the treaty be considered as having been read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

I transmit herewith the Inter-American Convention on Commercial Arbitration, adopted by the First Specialized Conference on Private International Law of the Organization of American States at Panama City on January 30, 1975, for the purpose of receiving the advice and consent of the Senate to ratification. This Convention was signed on behalf of the United States on June 9, 1978.

The provisions of the Inter-American Convention are explained in the report of the Secretary of State which accompanies this letter. In broad terms, the Inter-American Convention is designed to facilitate the settlement of international commercial disputes by arbitration rather than by court proceeding where the parties so desire, by providing that courts will enforce in appropriate cases both the agreement to arbitrate and any resulting arbitral award.

This Convention is similar in purpose and effect to the New York Convention on the Recognition and Enforcement of Arbitral Awards, adopted at the United Nations on June 10, 1958, which the United States ratified in 1970. The Inter-American Convention has, however, been ratified by a greater number of Member States of the Organization of American States than the New York Convention. We are thus hopeful that ratification of the Inter-American Convention by the United States and by OAS Member States will make possible greater recognition and enforcement of arbitral agreements and arbitral awards among the countries of the Western Hemisphere.

New legislation will be required as part of Title 9 (Arbitration) of the United States Code in order to implement the provisions of the Convention within the United States. The United States' instrument of ratification will be executed only after the necessary legislation has been enacted.

There is substantial support for ratification among members of the legal and business community concerned with international trade and investment. You will find enclosed as an attachment to the report of the Secretary of State letters recommending ratification of this Convention by the United States which have been received from the American Arbitration Association, the American Bar Association, the United States Chamber of Commerce, the Association of American Chambers of Commerce in Latin America, the American Foreign Law Association, and a number of state and local bar associations. We are aware of no opposition to ratification.

I recommend that the Senate give its advice and consent to ratification of this Convention, subject to the three reservations which are described in the accompanying report of the Secretary of State.

RONALD REAGAN.

THE WHITE HOUSE, *June 15, 1981.*

SENATOR PELL HONORED

Mr. HARRY F. BYRD, JR. Mr. President, Princeton University during its 234th commencement on Tuesday of last week conferred on our colleague, the senior Senator from Rhode Island, Senator PELL, the honorary degree of doctor of laws.

This is a most deserved and fitting tribute to Senator PELL and it is of particular interest to the Senate because the honorary degree was bestowed specifically in recognition of Senator PELL's legislative contributions to our Nation.

Because it summarizes so well Senator PELL's service to the Nation here in the Senate, I want to share with my colleagues the citation accompanying the honorary degree presented by Princeton President William G. Bowen.

It reads:

For twenty years in the United States Senate, he has been converting into thoughtful legislation his vision of a stronger America and a more harmonious world. Through his care for the environment and his insistence on peaceful exploration of the oceans, he has been an effective advocate of our natural resources; through his leadership in the National Endowments for the Arts and Humanities, he has been an able champion of our human resources of mind and spirit; and through his support of programs of aid to students in higher education, including one that now appropriately carries his name, he has been a strong witness to the importance of quality education for leaders of the next generation. Guided always by a commitment to excellence, he has served his state and the Nation with dignity, generosity and honor.

I know that this recognition by Princeton University is particularly cherished by Senator PELL because he is an alumnus of Princeton, having earned his bachelor of arts degree there in 1940.

I congratulate Senator PELL on this very appropriate recognition of his work in the Senate.

APPOINTMENT OF D. FRENCH SLAUGHTER, JR.

Mr. HARRY F. BYRD, JR. Mr. President, the Secretary of the Army, John O. Marsh, Jr., has selected as his civilian aide for the State of Virginia the Honorable D. French Slaughter, Jr., of Culpeper.

Mr. Marsh, himself a distinguished Virginian and former Representative of its Seventh Congressional District in the House of Representatives, said that as civilian aide, Mr. Slaughter will interpret and relate Army policies to the citizens of Virginia and keep the Secretary advised as to Virginians' views on matters of interest to the Army.

Mr. Slaughter is an excellent choice for this position. I had the privilege of serving with him for a number of years in the General Assembly of Virginia, where he was an outstanding member of the house of delegates.

An attorney in Culpeper, Mr. Slaughter is a graduate of Virginia Military Institute and received his B.A. and LL.B. degrees from the University of Virginia. He served in the U.S. Army Infantry during World War II and was given the Distinguished Service Award for Culpeper County in 1960.

I congratulate Mr. Slaughter on his appointment, and Secretary Marsh on a wise choice.

ISRAEL'S STRIKE AGAINST IRAQ'S NUCLEAR PROGRAM

Mr. KENNEDY. Mr. President, I consider the State Department criticism of Israel's action against the Iraqi nuclear facility to be unwarranted and unwise.

The United States should not second-guess Israel's decision in this extremely difficult situation—a dilemma that potentially involved a fundamental threat to the very survival of our closest ally in the Middle East. This is an issue of utmost concern for the national security of Israel, and an issue for the Israelis to determine for themselves.

There surely was reason for grave concern. Less than a year ago, when Iran sought to destroy the same facility in the war with Iraq, the official press organ of the ruling party of Iraq replied that:

The Iranian people should not fear the Iraqi nuclear reactor, which is not intended to be used against Iran, but against the Zionist enemy.

Instead of assailing Israel, we should criticize the failure to forestall European suppliers from providing sensitive nuclear technology to Iraq.

We should insist that the effort to halt nuclear proliferation must become a major priority for our Nation and the world.

I call upon the Reagan administration to resume the delivery of F–16 aircraft which are essential to the defense of Israel, and I call upon the administration to strongly oppose any effort at the United Nations or elsewhere to condemn, to isolate or to exclude Israel.

We must never forget that the security of Israel is essential to the security of the United States.

ENVIRONMENTAL STUDY CONFERENCE, 97TH CONGRESS

Mr. CHAFEE. Mr. President, it is with great pleasure that I take this opportunity to announce the new Senate officers and executive committee for the Environmental Study Conference for the 97th Congress.

The distinguished Senator from Vermont (Mr. LEAHY) was elected Senate chairman by unanimous vote of the executive committee on May 13. The distinguished Senator from Washington (Mr. GORTON) was elected Senate vice chairman by unanimous vote.

They are committed to the conference's goal of informed debate on environmental, energy, and natural resources legislation. They bring leadership and enthusiasm to the conference, and they will serve us well.

Also serving on the conference's executive committee are the Senator from Montana (Mr. BAUCUS), the Senator from Arizona (Mr. DECONCINI), the Senator from Colorado (Mr. HART), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Maryland (Mr. MATHIAS), and the Senator from Wyoming (Mr. WALLOP). I also will remain on the committee.

As I step down as Senate ESC chairman in the 96th Congress, I would like to thank my colleagues for their support and confidence. The conference plays a critical role in Congress, and I am proud to have helped lead the group the last 2 years.

SEVENTY-FIFTH ANNIVERSARY OF FEDERAL MEAT INSPECTION ACT

Mr. HELMS. Mr. President, this past Wednesday, June 10, marked the 75th anniversary of the Federal Meat Inspection Act, and a special commemorative ceremony was conducted at the U.S. Department of Agriculture.

Today's consumer takes meat inspection for granted. We automatically assume that our meat and poultry products are clean and wholesome. In 1906, however, the concept of inspecting every animal for disease was a new and revolutionary idea.

Then, as now, the catchwords of meat inspection were safe, wholesome, and accurately labeled. Seventy-five years ago each inspector made a personal judgment that a product was accurately labeled and free from contamination or disease. While USDA's professional inspectors still are responsible for making this determination, today they do so on the basis of objective data, uniform standards, and solid training and experience.

And they are working with an industry of professionals. Industry-Government cooperation should be the standard in meat inspection today. In fact, industry expertise has helped to strengthen meat inspection.

Mr. President, this is particularly true of the quality control approach to processing inspection. After World War II the food industry developed quality control programs to reduce costly production mistakes and to assure finished products of consistent quality. Through these systems the company assures uniform quality by checking products at different stages in processing, then making adjustments if necessary. For example, the condition of ingredients is checked before they are added. Cooking times and temperatures are doubled-checked to make sure they are safe and consistent with the company's formula for the product. Finished products are weighed to make sure they are uniform.

USDA has applied this industry concept to processing inspection. In 1980 a regulation went into effect allowing plants to participate in this new total voluntary quality control program. Twenty-seven processing plants have now been approved for quality control inspection. The USDA inspector uses the objective data supplied by the company's approved quality control system to supplement onsite inspection. This program is entirely voluntary. It provides the same level of consumer protection as traditional processing inspection, but more efficiency and more cost effectively

Quality control inspection is but one example of the sort of reform which Government can make to assure consumers of safety while minimizing unnecessary burdens on industry. I commend the Department of Agriculture on the 75th anniversary of the Federal Meat Inspection Act, and encourage them to continue involving industry in reforming inspection.

VICE ADM. JOSEPH J. McCLELLAND, U.S. COAST GUARD

Mr. JACKSON. Mr. President, the State of Washington and the city of Seattle recently lost one of their most respected and best loved citizens with the passing of Vice Adm. Joe McClelland, U.S. Coast Guard. He had just retired from active duty after a lifetime of dedicated service to his country and his fel-

lowman. Tragically, he did not have long to enjoy the leisure and calm he so richly deserved. He would have been 65 next month.

The legacy Joe McClelland left behind is one to which many Americans aspire. He made his own way, created his own opportunities, rose to the top of his chosen profession and earned the devoted respect of all who knew him. Born in 1916 in Seattle, he graduated from high school before his 16th birthday. But the times were difficult in 1932; his pioneer parents were unable to provide for further education, and he was forced to drop out of the University of Washington. He soon learned that entrance to the Coast Guard Academy at New London, Conn., was gained by competitive examination and based solely on individual merit. He studied for that exam, and a year later ranked No. 1 nationally.

Of course, he went to the Academy, but not only did he study, he swept the place by storm. He stood first in his class for the entire 4-year curriculum, was named cadet battalion commander in his senior year, was a 4-year letterman in three major sports and was slated to become the first Coast Guard Rhodes scholar. But in 1940, with war impending he went to sea instead of Oxford. During his career he commanded five Coast Guard cutters and a Navy destroyer escort. He has operated in the Arctic and the Antarctic. He has served at Coast Guard Headquarters here in Washington, D.C., and was prominently mentioned as a candidate for the highest post in the Coast Guard, its Commandant. Instead, however, he returned to the place where his career began, the Coast Guard Academy, as its superintendent.

Admiral McClelland was the first active duty officer selected for the Academy Athletic Hall of Fame, and upon his retirement, the J. J. McClelland Award for Excellence was established to perpetuate the love, affection, and influence he lavished upon the Corps of Cadets. He received the Distinguished Eagle Award from the Boy Scouts of America, the highest honor the Boy Scouts can bestow, and fittingly, it was while on an expedition of Sea Scouts, which he headed, that he first learned of the Coast Guard Academy and its program.

There are some people who take more than they give to our country. There are others who strive their utmost to use every opportunity which comes their way for the maximum good of themselves and their fellows, bringing into play every talent they possess, developing new unsuspected ones on the way, and by all measures leaving the world a far better place because they have lived. Such a man was Joe McClelland, whose lot was to become a vice admiral in our national service for safety at sea and whose spirit was that of America's finest.

Joe McClelland would have succeeded at whatever profession he chose. He might have achieved distinction in political life; he might have become a scientist, or an engineer, utilizing the mental gifts with which he was so abundantly endowed; he might have been an admired clergyman, for he was always unswerving in following what he believed to be true, right, and proper. But it does not matter what different courses he might have taken, or in what direction and detail his life might have developed. What matters is that he was here, and by his life he set an example for his fellowmen.

The United States, and the State of Washington, and all of us in this land, are poorer with the passing of Joe McClelland but we are richer that he was here among us.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PRESIDENTIAL APPROVAL

A message from the President of the United States reported that on June 12, 1981, he had approved and signed the following joint resolution:

S.J. Res. 50. Joint resolution designating July 17, 1981, as "National P.O.W.-M.I.A. Recognition Day."

MESSAGES FROM THE HOUSE

At 12:05 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate :

H.R. 3023. An act to authorize appropriations to the Department of Energy for fiscal year 1982 for conservation, exploration, development, production, sale, and use of the naval petroleum reserves and naval oil shale reserves;

H.R. 3413. An act to authorize appropriations for the Department of Energy for national security programs for fiscal year 1982, and for other purposes; and

H.R. 3462. An act to authorize appropriations to carry out the activities of the Department of Justice for fiscal year 1982, and for other purposes.

At 2:30 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 288. Joint resolution to correct Public Law 97-12 due to an error in the enrollment of H.R. 3512.

HOUSE BILLS REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 3023. An act to authorize appropriations to the Department of Energy for fiscal year 1982 for conservation, exploration, development, production, sale, and use of the naval petroleum reserves and naval oil shale reserves; to the Committee on Armed Services.

H.R. 3413. An act to authorize appropriations for the Department of Energy for national security programs for fiscal year 1982, and for other purposes; and to the Committee on Armed Services.

HOUSE BILL PLACED ON CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 3462. An act to authorize appropriations to carry out the activities of the Department of Justice for fiscal year 1982, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOLE, from the Committee on Finance, with amendments:

S. Res. 87. A resolution expressing the sense of the Senate that the Congress not enact legislation to tax social security benefits, and for other purposes (Rept. No. 97-135).

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Res. 145. A resolution waiving sections 303(a)(4) and section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 884.

By Mr. ROTH, from the Committee on Governmental Affairs, with an amendment in the nature of a substitute:

S. 807. A bill to reform the laws relating to the provision of federal assistance in order to simplify and coordinate the management of Federal assistance programs and requirements, provide assistance recipients with greater flexibility, and minimize the administrative burden and adverse economic impact of such programs and requirements (with additional views) (Rept. No. 97-136).

By Mr. ROTH, from the Committee on Governmental Affairs, without amendment:

S. 266. A bill to establish a Federal Interagency Medical Resources Committee to insure the most efficient use of Federal direct health care resources (Rept. No. 97-137); pursuant to the order of June 4, 1981, referred to the Committee on Veterans' Affairs for not to exceed 45 days.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation:

Reese H. Taylor, Jr., of Nevada, to be a member of the Interstate Commerce Commission for the term of 7 years from January 1, 1977.

(The above nomination, reported from the Committee on Commerce, Science, and Transportation, with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. ROTH, from the Committee on Governmental Affairs:

Donald E. Sowle, of Virginia, to be Administrator for Federal Procurement Policy.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DOLE (for himself, Mr. DANFORTH, Mr. JEPSEN, and Mrs. KASSEBAUM):

S. 1365. A bill to amend the Bankruptcy Act regarding farm produce storage facilities, and for other purposes; to the Committee on the Judiciary.

By Mr. WEICKER:

S. 1366. A bill to provide for fair commercial credit reporting; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. TOWER:

S. 1367. A bill to amend Title 10, United States Code, to make certain information available to the Armed Forces for military recruiting and related national security purposes; to the Committee on Armed Services.

By Mr. HUMPHREY (for himself, Mr. HELMS, and Mr. RUDMAN):

S. 1368. A bill to amend the Internal Revenue Code of 1954 to provide that services performed for camps by certain students who generally are not eligible to receive unemployment compensation will not be subject to the Federal unemployment tax; to the Committee on Finance.

By Mr. HUDDLESTON:

S. 1369. A bill to amend the Internal Revenue Code of 1954 to eliminate the withholding of certain gambling winnings; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOLE (for himself, Mr. DANFORTH, Mr. JEPSEN, and Mrs. KASSEBAUM):

S. 1365. A bill to amend the Bankruptcy Act regarding farm produce storage facilities, and for other purposes; to the Committee on the Judiciary.

GRAIN ELEVATOR BANKRUPTCY LEGISLATION

● Mr. DOLE. Mr. President, today the Senator from Kansas introduces on his behalf and that of Senators DANFORTH, JEPSEN, and KASSEBAUM, who cosponsored S. 839, a revised bill providing for amendments to the Bankruptcy Reform Act of 1978, as well as amendments to title VII, chapter 10 of the United States Code, which deals with agricultural warehouse licensing and operations.

The bill the Senator from Kansas introduces today constitutes a substantial revision of the provision of S. 839 a bill introduced by himself and Senator DANFORTH on March 31, 1981. S. 839 is a measure designed to amend certain sections of the Bankruptcy Code and Warehouse Act for the purpose of alleviating hardships created for farm producers when a commodity warehouse in which their crops are stored files a petition in bankruptcy.

After the introduction of S. 839 on March 31, 1981, the Senator from Kansas scheduled hearings before the Committee on the Judiciary, Subcommittee on the Courts, for the purpose of taking testimony on the provisions of S. 839. Those hearings were held on April 6, 1981 and May 18, 1981. They were very instructive and gave us a clear picture of the problems posed by elevator insolvencies. The witnesses, which included representatives of farm groups, State regulatory agencies, the U.S. Department of Agriculture, banking groups, and the feed and grain dealers association, offered a number of constructive criticisms of S. 839 and suggestions for improving the subcommittee's effort in this area. Their suggestions have been incorporated into this bill, which will be used for markup purposes in the Subcommittee on the Courts.

I. PROBLEM AREAS OF S. 839

Mr. President, the Senator from Kansas would like to take this opportunity to summarize the concerns raised about S. 839, and detail the manner in which these concerns are dealt with in the substitute bill.

First, it was felt by the witnesses that the original bill, which established a two-tier distribution system for the abandonment of grain assets, unfairly discriminated between producers holding warehouse receipts as evidence of ownership and other nonproducer parties who hold warehouse receipts as collateral or on assignment. This concern arose from vagueness in the language of S. 839 concerning those parties who would be entitled to share in the first tier of distribution, which is designed to protect those who have stored grain in a bankrupt elevator, without transferring title.

Second, officials of State regulatory agencies noted that distribution in kind of grain, an option reserved to the court in S. 839, is unworkable due to the administrative problems created and the probability of shortages of grain in bankruptcy situations.

Third, it was noted that a problem of major importance, the conflict between bankruptcy courts and State agencies with responsibility for liquidating insolvent elevators, was not addressed.

Fourth, comments were made indicating that the time limits set in the original bill were perhaps too short to allow adequate performance of the duties by the court required under the bill.

Fifth, questions were raised by officials of the Department of Agriculture as to the payment of trustee expenses and fees, the original bill providing that no expenses except storage charges and out-elevator charges could be deducted from the produce turned over to the bankruptcy court. The Department of Agriculture feels that this would significantly discourage trustee participation in these cases since the grain or crop assets are the principal, unencumbered asset available for the satisfaction of those expenses in an elevator bankruptcy.

Finally, representatives of the banking groups who testified expressed concern that the statutory lien provision, which protects farmers who have sold grain to an elevator but have not received payment, would create too much uncertainty in the financial status of elevators seeking financing and thus inhibit the credit available to operators.

A number of other matters were raised in testimony of a technical nature, but the items which the Senator from Kansas has mentioned were the principal criticisms of the witnesses and other interested parties.

II. PROVISIONS OF NEW BILL

The substitute bill the Senator from Kansas introduces today addresses these concerns in the following ways: First, the language in the bill has been clarified to make it clear that all holders of warehouse receipts or scale tickets would share in the first level of distribution on a pro rata basis. This insures that all warehouse receipts are treated equally, whether held by a producer, a bank, or a third party to whom the receipts had been assigned as gift, collateral, or in satisfaction of a debt or judgment.

Second, the trustee will be required, under the bill the Senator from Kansas introduces today, to liquidate all grain assets of an insolvent elevator and place the proceeds on deposit in an interest-bearing account. Then, distribution of the proceeds will take place on a pro rata basis, after deduction of storage charges and out-elevator charges.

Third, the Senator from Kansas has sought to deal with the conflict between bankruptcy courts and State regulatory agencies by incorporating a provision in the new bill which would require the bankruptcy court to appoint the director of any such State agency which has responsibility for supervising the liquidation of insolvent elevators as interim trustee to perform this function in the bankruptcy proceedings. There is a similar provision for federally licensed elevators, requiring the appointment of the administrater of the Department of Agriculture's agricultural marketing service. In either case, the agency would perform these services free of charge to the estate.

Fourth, the time limits in the original bill have been expanded by approximately one-half, such as the total elapsed time between filing of the petition and distribution of grain assets in all but the most complex cases will be 110 days, rather than 80 days as in the original bill. This period, slightly less than 4 months, is a reasonable period in which to require distribution, particularly when compared to delays in some of the bankruptcy cases the Subcommittee on Courts heard testimony about, lasting upward of 2 years and more.

Fifth, there is a provision in the new bill which would allow the payment of trustee expenses and fees of the liquidation of crop assets only out of: First, storage and out-elevator charges collected by the trustee; second, accrued interest on proceeds; and third, the proceeds to be distributed. These payment provisions are subject to the requirements of S. 326 of title 11, which would prohibit the deduction of more than 1 percent of the proceeds in any case where the value of the commodities exceeds $50,000, which is usually the situation. Thus, the degree to which the share owing to the owners of stored grain will be diminished for trustee expenses is minimized; and, in a large proportion of cases, there will be no such fees as a Federal or State agency will be performing these functions without cost to the estate.

Finally, the statutory lien has been limited to a maximum period of 60 days. The real purpose of the lien, as the Senator from Kansas sees it, is to protect

the farmer who receives an insufficient funds check due to intervening onsolvency. For farmers who are utilizing deferred payment contracts, there is adequate protection available to them through the Internal Revenue Code, section 453(f)(3), which provides that a producer may report crop sales income as installment income if his method of accounting does not require book entry in the year of sale—similar to income averaging—even though he may obtain a third party guarantee of the obligation. Thus, a farmer can obtain a third party security on the obligation owed by the warehouseman without incurring income liability. If bankruptcy occurs, the guarantor of the obligation to the farmer takes in bankruptcy in his—the farmer's—place as a secured creditor of the warehouseman after satisfying the obligation owed to the farmer.

There are many more changes in the new bill over S. 839 which clarify ambiguities in the original bill and distribute costs and benefits more equitably. But these are the major differences; and with these changes, it is the Senator from Kansas' anticipation that the revised bill will be acceptable, on balance, to all interested parties.

Mr. President, the Senator from Kansas would ask unanimous consent that the text of the bill he introduces today be printed in the RECORD following his remarks, together with a sectional analysis prepared by my staff.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 1365

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 101 of title 11, United States Code, is amended—

(1) by adding after paragraph (18), the following:

"(19) 'farm produce' means the product of a person engaged in a farming operation, including crops, poultry, livestock, or dairy products in an unmanufactured state;

"(20) 'farm produce storage facility' means any business enterprise operated by any person for the purpose of (A) providing facilities for the temporary storage of farm produce; or (B) purchasing farm produce from persons engaged in farming operations in bulk quantities;";

(2) by renumbering paragraphs (19) through (40) as paragraphs (21) through (42), respectively; and

(3) by adding after paragraph (42) as renumbered by this section, the following new paragraph:

"(43) 'storage facility receipt' means any document of the type routinely issued by a debtor operating a farm produce storage facility for the purpose of establishing a record of ownership of a quantity of farm produce which is stored with such facility by any person upon a contract of bailment. Such term shall include a warehouse receipt or a scale ticket, provided identification of the owner of the produce represented thereby is clearly noted upon the face of such document.".

SEC. 2. Section 109 of title 11, United States Code, is amended in subsection (e) by inserting after "commodity broker," the following: "or a person engaged in the business of operating a farm produce storage facility (with respect to the debts of that business),".

SEC. 3. Section 502(i) of title 11, United States Code, is amended by striking out "507(a)(6)" and inserting in lieu thereof "507(a)(7)".

SEC. 4. Section 503(b)(1)(B) of title 11, United States Code, is amended by striking out "507(a)(6)" and inserting in lieu thereof "507(a)(7)".

SEC. 5. Section 507(a) is amended—

(1) by adding after paragraph (4) the following:

"(5) Fifth, allowed unsecured claims of farmers or other persons engaged in farming operations arising from the sale or conversion of farm produce to or by a debtor engaged in the business of operating a farm produce storage facility.";

(2) by striking out "(5) Fifth" and inserting in lieu thereof "(6) Sixth"; and

(3) by striking out "(6) Sixth" and inserting in lieu thereof "(7) Seventh".

SEC. 6. Title 11, United States Code, is amended by adding after section 554 the following:

"§ 555. Expedited abandonment of farm produce

"(a) Notwithstanding any other provision of this title, in a case filed under such title by a person engaged in the business of operating a farm produce storage facility, the court shall follow the procedures herein stated, unless otherwise indicated.

"(1) Within ten days after the filing of the petition, the court shall direct the trustee who has been appointed to supervise liquidation and management of the estate to conduct an examination of the debtor, and of the debtor's books, records, and accounts to determine the identity of persons—

"(A) who either have or may claim to have an ownership interest in farm produce delivered over to the trustee by the debtor by virtue of having—

"(i) retained title to farm product stored with the debtor upon a contract of bailment;

"(ii) purchased produce from the debtor which was then, in turn, bailed to the debtor for storage purposes;

"(iii) taken assignment of, or title by judgment to, the debtor's ownership interests in produce owned by the debtor; or

"(iv) taken assignment of the ownership interest of any such parties; and

"(B) who claim status as secured creditors of the debtor arising out of a security interest in any farm produce which is delivered over to the trustee by the debtor, which farm produce is property of the debtor's estate.

"(2) Within thirty days after the filing of the petition, the trustee shall conduct an examination of the debtor and his records and, if necessary, shall conduct an audit of the physical assets of the farm produce storage facility operated by the debtor for the purpose of determining the quantity, quality, and type of farm produce, if any, which has been delivered over to the trustee by the debtor. The trustee shall then sell such farm produce for its then current fair market value, and place the proceeds of such sale on deposit in an interest bearing account of a type which will obtain the maximum return on such proceeds as may be practical.

"(3)(A) Within sixty days after the filing of the petition, the court shall, after notice to interested parties (including those persons identified by the trustee as having or claiming a direct ownership interest in farm produce delivered to the trustee, or a secured interest therein) conduct a hearing, at which all requests for abandonment of the proceeds of farm produce held by the trustee brought pursuant to the provisions of section 554 of this title shall be heard and determined. No request for abandonment of farm produce proceeds shall be considered which is not filed by a claimant with the court at least five days before the commencement of the hearing: *Provided,* That the court may grant leave for the filing of a request after such time period upon a finding by the court of excusable neglect justifying delay. No such request may be considered by the court after the distribution of farm produce proceeds by the trustee which is provided for herein commences, except in cases where notice or actual knowledge of the pendency of the proceedings was not provided to a claimant due to fraud, negligence of the trustee, or other cause beyond the control of the claimant. The court shall order abandonment of the proceeds of farm produce held by the trustee, in the manner specified below, with respect to each claim of an affected creditor or other party in interest who establishes, to the court's satisfaction, that—

"(i) a quantity of farm produce sold by the trustee was not part of the debtor's estate because title to such produce was vested in the claimant; or

"(ii) a quantity of farm produce sold by the trustee which was determined to be part of the debtor's estate is (at the time of the hearing) of inconsequential value to the estate in consideration of a valid security interest existing therein in favor of the claimant.

"(B) Any claimant's production to the court of a valid storage facility receipt held by that claimant as evidence of ownership of a quantity of farm produce sold by the trustee shall be sufficient to establish a right to possession in such claimant of a share of the proceeds equal in value to the quantity, quality, and type of farm produce specified in such document. In any case where a claimant has placed the original of such document on deposit with any party as collateral for a loan, without assigning ownership interests in the farm produce over to such party, an affidavit from such party verifying ownership of such receipt by the claimant shall be sufficient to establish a prima facie claim of right to possession of proceeds in such claimant.

"(4) Within ninety days after the filing of the petition, the court shall direct the trustee to effect abandonment of the farm produce proceeds found to be subject thereto in accordance with subsection (a)(3) of this section, in the following manner:

"(A) With respect to claimants who have established to the court's satisfaction that the trustee holds farm produce which does not properly constitute property of the debtor's estate, and as to which ownership lies in the claimant, the trustee shall apportion to each claimant out of the whole sum of farm produce proceeds held by the trustee that claimant's pro rata share (in comparison to the shares of like claimants) of the proceeds held by the trustee which are equivalent in value to the quantity, quality, and type of commodities which were originally delivered by such claimant, or the claimant's predecessor in title, to the debtor upon the contract of bailment. The value of such produce shall be calculated by reference to the price obtained for it at the time of sale. Distribution shall take place with respect to each of such claimants only after the deduction from such claimant's share of the proceeds of any commercially reasonable storage charge then due the debtor's estate from the particular claimant, plus any commercially reasonable charge for the expense of removing the particular claimant's farm produce from the storage facility.

"(B) With respect to claimants who have established to the court's satisfaction that the estate's interest in quantities of farm produce which (i) are part of the debtor's estate, and (ii) are subject to a security interest existing in favor of such claimants, is of inconsequential value to the estate by virtue of such security interest, the trustee shall next distribute from the remaining proceeds of the liquidation of farm produce

required by subsection (a)(2) of this section, a share of such proceeds to each of such claimants according to the value of their secured interests in the farm produce sold, as the same may be entitled to under law. Distribution shall take place with respect to each of such claimants only after the deduction from such claimant's share of any commercially reasonable charge for the expense of removing the farm produce represented by the proceeds distributed to that claimant.

"(C) Distribution of farm produce proceeds which are ordered abandoned by the court, shall commence within twenty days of the entry of the orders of abandonment.

"(D) Expenses of the court or trustee incurred pursuant to the liquidation and abandonment of farm produce and proceeds thereof shall be paid, in conformity to the provisions of section 326 of this title, in the following manner:

"(i) first, out of the funds retained by the trustee for storage charges and produce delivery charges, to the extent feasible;

"(ii) second, out of accrued interest on farm produce proceeds, to the extent feasible; and

"(iii) third, out of the whole quantity of farm produce proceeds held by the trustee prior to distribution of such proceeds.

No other expenses of the court or trustees shall be deducted from farm produce proceeds.

"(E) (i) If, after satisfaction of the claims of those persons entitled to abandonment of the proceeds of farm produce held by the trustee, there be any remaining proceeds of farm produce held by the trustee, such unclaimed proceeds shall be retained by the court in an interest bearing account, for the benefit of any persons who may present an untimely claim of right to abandonment in accordance with subsection (a)(3)(A) of this section, for a period of one year from the date of the entry of the orders of abandonment. At the expiration of such period, such funds shall be distributed in accordance with section 726 of this title.

"(ii) The trustee may conduct such examination of the debtor or other persons as may be necessary for the purpose of determining the identity of any persons to whom have been assigned the rights of ownership to farm produce which is not part of the debtor's estate as reflected by the books and records of such debtor and for which no claim has been made; and shall provide notice of the pendency of the action to any person who is identified.

"(b) This section shall be applied by the court solely for the purpose of effectuating abandonment of farm produce which is not property of the estate, or is of inconsequential value to the estate, and shall not be construed to limit the right of any party to seek abandonment of any other property delivered over to the trustee in accordance with section 554 of this title.

"(c) Distribution of farm produce ordered abandoned by the court pursuant to this section shall not be delayed due to the pendency of any appeal from the orders of abandonment, except that a stay of orders entered pursuant to this section may be entered by the bankruptcy court under the following circumstances:

"(1) the party filing the request for stay, except for the United States, shall post a bond or other security in an amount equal to the amount of farm produce proceeds, distribution of which is affected by the requested stay; and

"(2) the parties entitled to distribution of farm produce proceeds under the terms of the abandonment orders affected by the stay shall, if successful in defending the appeal, be awarded their pro rata share of the proceeds of the liquidation; plus a sum equal to the difference in value between the awarded share and the highest intermediate value (between the date of the entry of the order of stay and the date of final distribution) of the produce sold which was owned by, or secured to, such parties; plus interest on the amount of the original award at the prevailing rate allowed by law upon judgments with interest to accrue from the date of the entry of the order to stay. The interest payment, and differential payment, provided for herein shall both be satisfied out of the bond posted by the party requesting the stay, to the extent feasible. In the case of an appeal by the United States, it shall be satisfied out of accrued interest on the proceeds on deposit, to the extent feasible. The party or parties requesting such stay and prosecuting such appeal shall, if successful on appeal, be entitled to interest at the prevailing rate allowed by law upon judgments upon any sum which the court may ultimately award, such interest to be calculated from the date of the entry of the original order of abandonment appealed from.

"(d) Any order of stay entered by the bankruptcy court pursuant to subsection (c) of this section shall be immediately appealable as of right by any aggrieved party, to the district court for the division and district wherein the bankruptcy court exercises its jurisdiction; or, to a panel of bankruptcy judges as provided by section 405(c)(1) of title 28, United States Code, if the same has been ordered by the circuit council pursuant to such section. Notice of appeal shall be filed with the bankruptcy court within five days after the entry of an order staying distribution, in the absence of which no appeal shall be allowed, except upon a showing of excusable neglect to the district court or to the bankruptcy panels. The order of stay shall be vacated within twenty days after perfection of the appeal unless the party filing the request for stay demonstrates to the court's satisfaction that it is likely to prevail upon the merits of the appeal.

"(e) In any action brought pursuant to chapter 11 of this title, the provisions of this section shall govern the abandonment of farm produce held by the trustee or debtor in possession of a farm produce storage facility business for which reorganization is sought, which farm produce is not property of the debtor's estate but is held by the debtor upon a contract of bailment only. The abandonment of any quantity of such produce shall take place only upon the request of the owner thereof, and shall be done regardless of its effect upon any existing or proposed plan of reorganization.

"(f) The time limits set forth in this section may be extended by the court for good cause shown: however, the distribution of farm produce ordered abandoned by the court shall not be deferred beyond one hundred and forty days after the date of the filing of the petition, unless the court finds that—

"(1) the interests of justice so require in light of the complexity of the case; and

"(2) the interests of those claimants entitled to distribution upon their claims will not be materially injured by such additional delay.

"(g) In actions filed under this title in any State wherein an agency exists which operates under the supervision of that State's government, and which is charged with the responsibility for presiding over the liquidation of an insolvent farm produce storage facility licensed under the laws of such State, the bankruptcy court shall appoint the director of such State agency to act as interim trustee under the provisions of section 701 or section 1104 of this title, and such party shall perform the duties required of the trustee under this section until the earlier of the completion of the distribution of the proceeds of farm produce required by this section, or the election and appointment of a permanent trustee under other provisions of this title: *Provided*, That such interim trustee shall not be relieved of its responsibilities before the orders of abandonment required to be entered under this section are made. Said interim trustee shall perform all duties required of the trustee under this section, as well as under other provisions of this title. Such interim trustee shall not recover any compensation out of the assets of the estate for the services performed under this section.

"(h) In actions filed under this title by a debtor in the business of operating a farm produce storage facility licensed under the United States Warehouse Act, the bankruptcy court shall appoint the Administrator of the Agricultural Marketing Service of the United States Department of Agriculture to act as interim trustee under the provisions of section 701 or section 1104 of this title, and such party shall perform the duties required of the trustee under this section until the earlier of the completion of the distribution of the proceeds of farm produce required by this section, or the election and appointment of a permanent trustee under other provisions of this title: *Provided*, That such interim trustee shall not be relieved of its responsibilities before the orders of abandonment required to be entered under this title are made. Said interim trustee shall perform all duties required of the trustee under this section, as well as under other provisions of this title. Such interim trustee shall not recover any compensation out of the assets of the estate for the services performed under this section.".

SEC. 7. (a) Chapter 10 of title 7, section 255, of the United States Code, is amended by inserting a comma after the word "storage", and by inserting the following language between the words "storage" and "in" thereof: "marketing, handling, shipping, or other disposition"; such that the section, as amended shall read as follows:

"Any person who deposits agricultural products for storage, marketing, handling, shipping, or other disposition in a warehouse licensed under this chapter shall be deemed to have deposited the same subject to the terms of this chapter and the rules and regulations prescribed thereunder."

"(b) Chapter 10 of title 7, United States Code, is amended by adding after section 262 thereof the following:

"262(a). Statutory lien, pending payment for agricultural products sold to a warehouseman.

"Any farmer (as defined in Title 11, U.S.C. § 101) who, having delivered agricultural products to a warehouseman licensed under this chapter upon a contract for sale, or having sold to such warehouseman products previously delivered upon a contract for storage, and who has not received the consideration agreed upon for the sale of said products from the warehouseman, shall have a lien against like products in the licensed facility in excess of that required to satisfy receipted or other storage obligations; against like products in transit for which payment has not been made to the warehouseman; and against unencumbered products held in other locations for the account of the warehouseman, or the proceeds from any of the foregoing, to the extent of the consideration agreed upon for the purchase of the product sold. Such lien shall attach at the time of the formation of the contract for sale and shall continue until the obligations of the warehouseman to the seller of the products are satisfied, or the expiration of sixty days, whichever is earlier.

SEC. 8. Section 1123(a)(1) of title 11, United States Code, is amended by striking out "or 507(a)(6)" and inserting in lieu thereof "507(a)(5) or 507(a)(7)".

SEC. 9. Section 1129(a)(9)(B) of title 11, United States Code, is amended by striking out "or 507(a)(5)" and inserting in lieu thereof "507(a)(5), or 507(a)(6)".

SEC. 10. Section 1129(a)(9)(C) of title 11, United States Code, is amended by striking out "507(a)(6)" and inserting in lieu thereof "507(a)(7)".

SECTIONAL ANALYSIS

Section 1: Adds definitions of "Farm produce", "Farm produce storage facility", and "Storage facility receipt" to S. 101 of title 11, United States Code. Renumbers remaining provisions of that section in accordance with these additions.

"Farm produce" is defined as product of a person engaged in a farming operation, including crops, poultry, livestock, and dairy products in unmanufactured states.

"Farm produce storage facility" is defined as any business enterprise operated for the purpose of providing facilities for temporary storage of farm produce, or purchasing farm produce from persons engaged in farming operations in bulk quantities.

"Storage facility receipt" is defined as any document of the type routinely issued by a debtor operating a produce storage facility for the purpose of establishing a record of ownership of a quantity of farm produce which is stored upon a contract of bailment. Includes warehouse receipts, scale tickets, and similar documents.

Section 2: Amends 11 U.S.C. S. 109 to preclude a person engaged in the business of operating a produce storage facility from seeking to schedule the debts of that business in a Chapter 13 wage-earner proceeding.

Section 3, 4: Technical amendments.

Section 5: Amends 11 U.S.C. S. 507(a) to provide priority status to farmers who suffer loss from the sale or conversion of farm produce to or by a debtor operating a produce storage facility in any distribution to unsecured creditors, after trustee and Court expenses, wages of employees and pension plan obligations. This further protects farmers who, even after distribution of the proceeds obtained from the sale of grain assets provided for in the bill, suffer a loss. Renumbers other sections of that title to conform to the substantive change.

Section 6: Amends the bankruptcy code (Title 11) by adding, after section 554 thereof, a new section 555, titled "Expedited abandonment of farm produce." The new section 555 establishes the following procedures to be utilized in a bankruptcy case involving a farm produce storage facility:

a. Within ten days after filing of the petition, the trustee shall conduct an examination of the debtor and the debtor's books and records to determine persons who have or may claim to have an ownership interest in farm produce delivered to the Court by the debtor by virtue of having delivered the produce to the debtor upon a contract of bailment, or having taken assignment of the debtor's ownership interest in produce owned by the debtor; as well as persons who claim a security interest in produce owned by the debtor (S. 555(a)(1)).

b. Within thirty days of the filing of the petition, the trustee is to conduct an examination of the debtor to determine the quantity, quality, and type of farm produce delivered over to the trustee by the debtor. The trustee is then required to liquidate the produce on hand and deposit the proceeds in an interest bearing account. (555(a)(2)).

c. Within sixty days after the filing, the Court is directed to conduct a hearing at which all requests for abandonment of proceeds shall be considered, with claims to be filed no later than five days before the commencement of the hearing. Provisions are included for the filing of late claims of right to abandonment in cases where actual notice has not been provided to a claimant. The Court is then required to order abandonment of the proceeds of farm produce held by the trustee which are established to be (1) not property of the debtor's estate, or (2) property of the debtor's estate which is encumbered by liens of such value as to render the produce of inconsequential value to the bankruptcy estate. Any claimant's production to the court of a valid storage facility receipt held by that claimant as evidence of ownership of a quantity of farm produce sold by the trustee shall be sufficient under the bill to establish a right to possession in that claimant of a share of the proceeds equal in value to the produce identified in the receipt. (555(a)(3)).

d. Within ninety days after the filing, the Court shall direct the trustee to effect abandonment of the proceeds found to be subject thereto in two steps:

First, to claimants who demonstrate an ownership interest in produce proceeds, on a pro rata basis after deduction of storage charges, out-elevator charges, and any trustee expenses and fees;

Second, to claimants who show a security interest in the proceeds of such an extent as to render the proceeds of inconsequential value to the estate, after deduction of delivery charges and trustee expenses and fees, and as their interests appear under law.

Abandonment of proceeds shall go forward within twenty days of the issuance of the orders. (555(a)(4)(A–C)).

e. Expenses of the Court of Trustee incurred pursuant to the liquidation and abandonment of farm produce and proceeds thereof shall be paid in the following manner, in conformity with the provisions of 11 U.S.C. S. 326:

First, out of the funds retained by the trustee for storage charges and produce delivery charges, to the extent feasible;

Second, out of accrued interest on farm produce proceeds, to the extent feasible; and

Third, out of the whole quantity of farm produce proceeds held by the trustee prior to distribution of such proceeds.

f. After such distribution, if there be any proceeds unaccounted for, unclaimed proceeds are to be retained by the court for a period of one year for the benefit of any parties who may present an untimely claim of right to abandonment. After one year, such proceeds are to be distributed in the same manner as other assets of the bankruptcy estate (i.e., trustee expenses, etc.). (555(a)(4)(E)).

g. Distribution of produce proceeds ordered abandoned by the court shall not be delayed due to the pendency of any appeal, except that a stay of the orders of abandonment may be entered by the bankruptcy court if:

The party filing the request for stay posts a bond equal to the amount of farm produce proceeds distribution of which is affected by the stay; and

Provided, that the parties entitled to distribution of farm produce proceeds under the terms of the abandonment orders affected by the stay shall, if successful in defending the appeal, be awarded their pro rata share of the proceeds of the liquidation PLUS a sum equal to the difference in value (between the date of entry of the order of stay and the date of final distribution) of the produce sold; and PLUS interest on the amount of the original share at the prevailing rate allowed by law upon judgments; and

Provided, that any order of stay is immediately appealable to the district court or bankruptcy appeals court for the district; and further provided, that a showing is made to such court of likelihood of prevailing on the merits of the appeal, in the absence of which the stay shall be vacated. (555(c) and (d)).

h. In actions filed under Chapter 11 of Title 11 (business reorganization), abandonment of produce not owned by the debtor shall proceed (upon request of the owner thereof) regardless of the effect upon any proposed plan of reorganization (555(e)).

i. The time limits set forth in the bill may be expanded if the Court finds that:

The interests of justice so require in light of the complexity of the case; and

The interests of those claimants entitled to distribution of proceeds will not be materially harmed. (555(f)).

j. In any action filed in any state wherein an agency exists which operates under the supervision of that State's government, and which is charged with the responsibility for presiding over the liquidation of an insolvent farm produce storage facility licensed under that State's laws, the bankruptcy court is required to appoint the director of such agency to act as interim trustee for the purpose of performing the duties required of the trustee under this section, without charge for such services. (S. 555(g)). There is a similar provision providing for the appointment of the director of the U.S.D.A. Agricultural Marketing Service in cases involving federally licensed elevators. (S. 555(h)).

Section 7 amends the U.S. Warehouse Act (Title 7) to define the jurisdiction of the Secretary of Agriculture under that act, and creates a statutory lien in favor of farm producers who sell produce to a facility but have not received payment therefor. The lien extends for a maximum period of sixty days from the date of sale.

Sections 8, 9, 10: Technical amendments.●

By Mr. WEICKER:

S. 1366. A bill to provide for fair commercial credit reporting; to the Committee on Banking, Housing, and Urban Affairs.

FAIR COMMERCIAL REPORTING PRACTICES ACT OF 1981

● Mr. WEICKER. Mr. President, I am today introducing the Fair Commercial Reporting Practices Act of 1981. This bill is identical to legislation I introduced during the last Congress, and is the outgrowth of 2 days of hearings before the Senate Small Business Committee. These hearings closely examined existing commercial credit reporting practices, the rights of small businesses subject to such reports, and the remedies available to businesses injured by erroneous or incomplete reports. Based on the abuses found to exist and the lack of remedies available to businesses, I believe this legislation is long overdue. It is designed to give businesses that are the subject of commercial credit reports the same basic rights that are enjoyed by consumers who are the subjects of consumer credit reports.

In 1977, the Privacy Study Commission after devoting 2 years to examining individual privacy rights and recordkeeping practices in many environments, concluded that the impact of commercial credit decisions on businesses is particularly acute when the business seeking credit is a "partnership, sole proprietorship, or closely held corporation." The Commission recommended that since commercial reporting practices have a significant impact on these businesses and their owners, further investigation and study in this area should be conducted. This is exactly what the hearings before the Small Business Committee did; in addition, these hearings examined the Privacy Commission's recommendation to enact legislation to insure the accuracy of information gathered and disseminated by commercial reporting agencies.

Mr. President, it is recognized that commercial reporting agencies perform an important function in our economy

by assembling and evaluating commercial credit and other information on businesses and representatives of businesses. For businesses of all sizes to survive and prosper, they must have access to credit. The decision to extend business credit frequently hinges on the reports prepared by commercial reporting agencies. Unfortunately, despite the importance of these reports, there are currently no safeguards to insure their accuracy.

Testimony before the small business committee demonstrated clearly that these reports, and the agencies that prepare them, are not infallible; that all too often the information contained in them is incomplete, outdated, or downright inaccurate. Certainly, there is no question that an erroneous report can be harmful to an individual; to a small business, where access to credit means the difference between survival and going under, it can be devastating.

Unlike an individual, the small business owner has no statutory protection against erroneous credit reports. The Fair Credit Reporting Act, which provides statutory protections and a judicial remedy for the consumer who has been victimized by an inaccurate credit report, does not apply to businesses.

A business that is harmed by a false credit report must resort to a common law defamation action to recover damages for injury it has suffered. However, all but two States have afforded the commercial reporting agencies a "qualified privilege," thereby making it necessary for a plaintiff to prove malice in order to recover damages. Since this privilege imposes a higher standard for recovery. Small businesses may in fact have no real judicial recourse even if seriously harmed by an inaccurate credit report.

Abuses depicted in the testimony before the Small Business Committee demonstrate that legislation is necessary to insure that commercial reporting agencies exercise their responsibilities with fairness, accuracy, and a respect for the business' right to privacy.

The Fair Commercial Reporting Practices Act would provide the rights and protections business has been lacking through the following provisions:

First. When a business is denied credit because of information in a commercial credit report, the user of the report must notify the subject of the report in writing that credit has been denied based on the report, provide the name, address, and telephone number of the commercial reporting agency supplying the report and notify the business of its right to obtain a copy of and correct the report.

Second. Upon request and proper identification, the commercial reporting agency must:

Clearly and accurately disclose to the business all information in its files on the business at the time of the request;

Permit the business to examine and copy any such information;

Clearly and accurately disclose to the business the sources of the information; and

Disclose to the business the names of all recipients of the commercial report which the agency has furnished for any purpose within the 6-month period preceding the request.

Third. When the completeness or accuracy of any item of information in a business' life is questioned, the commercial reporting agency must reinvestigate the accuracy of the information within a reasonable time and if the reinvestigation does not resolve the dispute, the business is entitled to file a brief statement of disagreement.

Fourth. If inaccurate information has been deleted, or, when a brief statement of disagreement has been filed, the business may require that a corrected copy of the report be furnished to any person who received a copy of the erroneous report within the preceding 6 months.

Fifth. Each commercial reporting agency must maintain reasonable procedures to insure the maximum possible accuracy of the information it reports, and further, no commercial reporting agency shall:

Obtain information by implying that failure to do so will result in adverse consequences;

Furnish negative information or recommend that credit not be extended because of a business' failure or refusal to cooperate with the reporting agency; or

Lower a business' credit rating unless a business is notified in writing within 30 days of such action, accompanied by a statement of reasons for such action.

It is important to note that this legislation is a free standing act and not an amendment to the Fair Credit Reporting Act. The FTC will have no role to play in administering the law. No new bureaucracy will be necessary to insure that the interest of small businesses are properly protected.

In the event these legal safeguards are violated, this legislation would allow businesses to present their grievances and enforce their legitimate rights in any appropriate U.S. district court without regard to the amount in controversy.

Mr. President, the legislation I am introducing today will protect the interests not only of small businesses, but of all businesses. It is anticipated that the Consumer Affairs Subcommittee of the Senate Banking, Housing, and Urban Affairs Committee to which this bill will be referred, will hold hearings on this bill. I hope those who are aware of abuses in this area will relay this information to my staff in preparation for those hearings.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point. In addition, I ask unanimous consent that chapter XV of the 30th annual report of the Committee on Small Business, describing the testimony received by the committee on this issue at its hearings last year, be included in the RECORD.

There being no objection, the bill and chapter were ordered to be printed in the RECORD, as follows:

S. 1366

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Fair Commercial Reporting Practices Act of 1981".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) the free and competitive marketplace is dependent upon fair and accurate commercial reporting;

(2) inaccurate commercial reports directly impair the efficiency of the free marketplace and unfair commercial reporting practices undermine the confidence of businesses in the continued effective functioning of the free enterprise system;

(3) an elaborate mechanism has been developed for investigating and evaluating the credit worthiness, credit standing, credit capacity, character, and general reputation of businesses and the representatives of those businesses;

(4) commercial reporting agencies have assumed a vital role in assembling and evaluating commercial credit and other information on businesses and representatives of those businesses; and

(5) there is a need to ensure that commercial reporting agencies exercise their responsibilities with fairness, accuracy and a respect for the business' right to privacy.

(b) The purposes of this Act are to—

(1) ensure that commercial reporting agencies minimize the extent to which recorded information about a business is a source of error or unfairness in any decision made on the basis of such recorded information;

(2) create and define obligations with respect to the uses that will be made of recorded information about a business or its representatives; and

(3) require that commercial reporting agencies adopt reasonable procedures for meeting the needs of commerce for commercial credit, commercial insurance, and other purposes by gathering information in a manner that is fair and equitable to the business with regard to the confidentiality, accuracy, and proper utilization of such information in accordance with the requirements of this Act.

DEFINITIONS AND EXCLUSIONS

SEC. 3. (a) For the purpose of this Act, the term—

(1) "person" means any individual, company, corporation, trust, association, firm, partnership, cooperative, organization, or other entity;

(2) "commercial reporting agency" means any person which for compensation or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating financial information or other information on businesses for the purpose of furnishing commercial reports to third parties and which uses any means or facility of interstate commerce for the purpose of preparing or furnishing commercial reports; and

(3) "commercial report" means any written, oral, or other communication of any information by a commercial reporting agency bearing on a business' creditworthiness, credit, standing, credit capacity, general reputation, debts, or insurability, including information gathered on individuals who are owners, officers, or employees of the business, which is used or expected to be used in whole or in part for the purpose of serving as a factor in establishing the business' eligibility for—

(A) credit;

(B) insurance or otherwise in connection with an insurance transaction involving the business, including the underwriting of insurance on either the business or on an individual if the business is the beneficiary of the policy; or

(C) other purposes in connection with a commercial transaction involving the business.

Such term does not include—

(1) any report containing information solely as to transactions or experiences between the business or its owners, officers, or employees and the person making the report;

(ii) the transfer of information to a guarantor, insurer, or joint creditor participating in the same transaction if the transmitting party advises the business of the name and address of the guarantor, insurer, or joint creditor;

(iii) any compilation of consumer complaints or information collected or used for the primary purpose of responding to inquiries by consumers concerning the general reputation of a business; or

(iv) stock reports or other financial reports on a business made available by stock brokers or financial analysts.

(b) Nothing in this Act applies to any consumer reporting agency, consumer report, or user of information which is governed by the Fair Credit Reporting Act.

PERMISSIBLE PURPOSES OF REPORTS

SEC. 4. (a) A commercial reporting agency may furnish a commercial report under the following circumstances and no other:

(1) In response to the order of a court having jurisdiction to issue such an order.

(2) In accordance with the written instructions of the person to whom it relates.

(3) To a person which it has reason to believe—

(A) intends to use the information in connection with a commercial credit transaction involving the person on whom the information is to be furnished and involving the extension of commercial credit to, or review or collection of an account of, the person;

(B) intends to use the information in connection with the underwriting of commercial insurance involving the person;

(C) intends to use the information in connection with a determination of the person's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider a business' financial responsibility or status;

(D) otherwise has a legitimate business need for the information in connection with a business transaction involving the person; or

(E) as expressly authorized pursuant to any other State or Federal law.

(b) Notwithstanding the provisions of subsection (a), a commercial reporting agency may furnish identifying information respecting any business, limited to the business' name and address or former addresses, to a governmental agency.

DISCLOSURE REQUIRED

SEC. 5. (a) Whenever credit or insurance or other benefit is denied or the charge for such credit, insurance, or other benefit is increased either wholly or partly because of information about a person contained in a commercial report from a commercial reporting agency, the user of the commercial report shall notify the person in writing that the credit, insurance, or other benefit has been denied based in whole or in part on a commercial report, provide the name, street address, and telephone number of the commercial reporting agency supplying the report, and notify the person of its right to request and receive a copy of the report and to correct any errors in the report by contacting the commercial reporting agency.

(b) Every commercial reporting agency, upon request and proper identification of any person, shall—

(1) inform the person whether the agency has any information in its files pertaining to the person; and

(2) if the agency has any information in its files pertaining to the person, it shall—

(A) clearly and accurately disclose to the person all information in its files on the person at the time of the request;

(B) permit the person to examine and copy all such information;

(C) clearly and accurately disclose to the person the sources of all information; and

(D) clearly and accurately disclose to the person the names of all recipients of any commercial report on the person which the agency has furnished for any purpose within the six-month period preceding the request.

(c) The requirements of subsection (b) respecting the disclosure of sources of information and the recipients of reports do not apply to information received or reports furnished prior to the effective date of this Act except to the extent that the matter involved is contained in the files of the commercial reporting agency on that date.

COMPLIANCE PROCEDURES

SEC. 6. (a) The disclosures required under section 5(b) shall be made to a person—

(1) in person if the person appears in person and furnishes proper identification; or

(2) by telephone if the person has made a prior written request, with proper identification, for telephone disclosure and the toll charge, if any, for the telephone call is prepaid by or charged directly to the person; or

(3) by mailing a copy of all information to the person within a reasonable time after receipt of a written request from the person for disclosure of the information.

(b) Each commercial reporting agency shall provide trained personnel to explain to any person any information furnished pursuant to section 5(b).

DISPUTES

SEC. 7. (a) If the completeness, accuracy, or timeliness of any item of information contained in a person's file is disputed by the person, and such dispute is directly conveyed to the commercial reporting agency by the person, the commercial reporting agency shall within a reasonable period of time, but not longer than thirty days, reinvestigate and record the current status of that information unless it has reasonable grounds to believe that the dispute by the person is frivolous or irrelevant. If after such reinvestigation such information is found to be inaccurate or can no longer be verified, the commercial reporting agency shall promptly correct or delete such information as appropriate. The presence of contradictory information in the person's file does not in and of itself constitute reasonable grounds for believing the dispute is frivolous or irrelevant.

(b) If the reinvestigation does not resolve the dispute, the person may file a brief statement setting forth the nature of the dispute. The commercial reporting agency may limit such statements to not more than one hundred words.

(c) Whenever a statement of a dispute is filed, unless there is reasonable grounds to believe that it is frivolous or irrelevant, the commercial reporting agency shall, in any subsequent commercial report containing the information in question, clearly note that the information is disputed by the person and provide either the person's statement or a clear and accurate codification or summary thereof.

(d) Following any deletion of information which is found to be inaccurate or whose accuracy can no longer be verified or any notation as to disputed information, the commercial reporting agency shall, at the request of the person, furnish notification that the item has been deleted or the statement, codification, or summary pursuant to subsection (b) or (c) to any person who has within six months prior thereto received a report which contained the deleted or disputed information. The commercial reporting agency shall clearly and conspicuously disclose to the person his rights to make such a request. Such disclosure shall be made at or prior to the time the information is deleted or the person's statement regarding the disputed information is received.

CHARGES FOR CERTAIN DISCLOSURES

SEC. 8. A commercial reporting agency shall make all disclosures pursuant to section 5(b) and furnish all commercial reports pursuant to section 7(d) without charge to the person if, within thirty days after receipt of a notification sent pursuant to section 5(a), the person makes a request under section 5(b) or 7(d). Otherwise, the commercial reporting agency may impose a reasonable charge on the person for making disclosure to such person pursuant to section 5(b), the charge for which shall be indicated to the person prior to making disclosure; and for furnishing notifications, statements, summaries, or codifications to the person designated pursuant to section 7(d), the charge for which shall be indicated to the person prior to furnishing such information and shall not exceed the charge that the commercial reporting agency would impose on each designated recipient for a report, except that no charge may be made for notifying such persons of the deletion of information which is found to be inaccurate or which can no longer be verified. A commercial reporting agency may charge a reasonable copying fee for furnishing copies of information pursuant to section 5(b).

PROCEDURES TO ENSURE ACCURACY

SEC. 9. Each commercial reporting agency shall maintain reasonable procedures to assure the maximum possible accuracy of the information it reports.

PROHIBITED PRACTICES

SEC. 10. A commercial reporting agency may not—

(1) furnish any commercial report containing any adverse item of information which antedates the report by more than ten years, except in the case of any commercial report to be used in connection with a credit transaction, or underwriting of life insurance, involving a principal amount of $500,000 or more;

(2) obtain information or seek to obtain information from any source by means of any threat, direct or implied, that the failure to furnish information may result in any adverse consequences for the person from whom the information is sought;

(3) furnish negative information or recommend that credit not be extended or make any other adverse recommendation to a third party in whole or in part on the basis of a business' failure or refusal to cooperate with the inquiry of the commercial reporting agency;

(4) furnish a commercial report which indicates that a business has been denied credit, if the sole reason for such denial is lack of sufficient information to grant credit, unless the report states that the denial was for that reason; or

(5) take any action to lower the credit rating of a business on which information is maintained or furnished to third parties, unless that business is notified of such action in writing within thirty days of such action, such notification to be accompanied by a statement of the reasons for such action.

CIVIL LIABILITY FOR WILLFUL NONCOMPLIANCE

SEC. 11. Any commercial reporting agency or user of information which willfully fails to comply with any requirement imposed by this Act with respect to any person is liable to that person in an amount equal to the sum of—

(1) any actual damages sustained by the person as a result of the failure;

(2) such amount of punitive damages as the courts may allow; and

(3) in the case of any successful action to enforce any liability under this section, the costs of the action together with reasonable attorney's fees as determined by the court.

CIVIL LIABILITY FOR NEGLIGENT NONCOMPLIANCE

SEC. 12. Any commercial reporting agency or user of information which is negligent in failing to comply with any requirement im-

posed by this Act with respect to any person is liable to that person in an amount equal to the sum of—

(1) any actual damages sustained by the person as a result of the failure; and

(2) in the case of any successful action to enforce any liability under this section, the costs of the action together with reasonable attorney's fees as determined by the court.

JURISDICTION OF COURTS; LIMITATION OF ACTIONS

SEC. 13. An action to enforce any liability created under this Act may be brought in any appropriate United States district court without regard to the amount in controversy, or in any court of competent jurisdiction, within two years from the date on which the liability arises, except that where a defendant has materially and willfully misrepresented any information required under this Act to be disclosed to any person and the information so misrepresented is material to the establishment of the defendant's liability to that person under this Act, the action may be brought at any time within two years after discovery was made or should have been made by the exercise of due diligence by the person of the misrepresentation.

OBTAINING INFORMATION UNDER FALSE PRETENSES

SEC. 14. Any person who knowingly and willfully obtains information on a person from a commercial reporting agency under false pretenses shall be fined not more than $5,000 or imprisoned not more than one year, or both.

UNAUTHORIZED DISCLOSURES BY OFFICERS OR EMPLOYEES

SEC. 15. Any officer or employee of a commercial reporting agency who knowingly and willfully provides information concerning a person from the agency's files to a person not authorized to receive that information shall be fined not more than $5,000 or imprisoned not more than one year, or both.

RELATION TO STATE LAWS

SEC. 16. This Act does not annul, alter, affect, or exempt any person subject to the provisions of this Act from complying with the laws of any State with respect to the collection, distribution, or use of any information, except to the extent that those laws are inconsistent with any provision of this Act, and then only to the extent of the inconsistency.

EFFECTIVE DATE

SEC. 17. This Act shall take effect upon the expiration of one hundred and eighty days following the date of its enactment.

CHAPTER XV. REPORTING OF COMMERCIAL CREDIT AND ITS EFFECTS ON SMALL BUSINESS

A. INTRODUCTION

Commercial credit reporting practices perform an important function in our economy. For businesses of all sizes to survive and prosper, they must have access to credit. The decision to extend business credit frequently hinges on reports made by commercial credit reporting services. However, despite the importance of these reports, there are presently no statutory safeguards to insure their accuracy.

In 1977, after devoting 2 years to examining individual privacy rights and recordkeeping practices in many environments, the Privacy Protection Study Commission concluded that, "the impact of commercial credit decisions on individuals is particularly acute when the business seeking credit is a partnership, sole proprietorship, or closely held corporation." Since commercial credit reporting practices have a significant impact on business entities with which individuals are associated, the Commission recommended that further investigation and study in this area should be conducted. Accordingly, the Senate Small Business Committee held 2 days of public hearings on October 31, and November 1, 1979 to review the impact of commercial credit reporting practices on small business.

The hearings were held after a year-long investigation by the minority staff conducted at the direction of Senator Lowell Weicker, Jr., the ranking minority member of the committee. Senator Weicker cochaired the hearings with Senator Carl Levin of Michigan.

The hearings closely examined existing commercial credit reporting practices, the rights of small businesses which are the subject of such reports, and the remedies available to businesses injured by erroneous or incomplete reports. In addition, consideration was given to the Privacy Commission's recommendation that procedures be adopted to assure the accuracy of information collected and reported by commercial credit reporting services.

B. PROTECTIONS PROVIDED UNDER CURRENT LAW

Unlike an individual, the small business person has no statutory protection against erroneous credit reports. The Fair Credit Reporting Act, which provides statutory protections and a judicial remedy for a consumer who has been injured by an inaccurate credit report, is not applicable to commercial credit reports on small businesses.

The Fair Credit Reporting Act is designed to create a statutory system under which consumers may learn of adverse reports, examine the information contained in the reports, and be afforded the opportunity to correct or supplement false or misleading entries. The Fair Credit Reporting Act also establishes a statutory cause of action for consumers against reporting agencies for negligent noncompliance with the act. Under this act, which is enforced by the Federal Trade Commission, the consumer has the following basic rights:

(a) whenever credit is denied because of a negative report, the potential credit grantor must so advise the consumer and identify the agency making the report;

(b) anyone causing an investigative report to be made must notify the subject of that report within 3 days of the request;

(c) upon receiving notice of an adverse credit decision, the consumer may obtain from the reporting agency disclosure of the nature and substance of the information in his file, the sources (except for those used solely in preparing an investigative report) and the identities of recipients of these reports;

(d) if the consumer disputes items on the credit report, he may request a reinvestigation. If the item proves inaccurate or can no longer be verified, it must be deleted. If reinvestigation does not resolve the dispute, the consumer may file a brief statement of the dispute, which must be included in future reports; and

(e) the consumer may require that notice of the deletion, or the statement of dispute, be sent to those who received reports containing the disputed item.

The Fair Credit Reporting Act applies only to consumer reports and has been held not applicable to credit reports on businesses, even if that report contains personal information about the business owners.

Under the Equal Credit Opportunity Act (ECOA), businesses are able to obtain a statement of reasons for credit denied by a member bank of the Federal Reserve System. The ECOA, however, does not regulate either the accuracy of private credit reports or credit transactions solely between businesses.

Thus, a business entity harmed by a false credit report must resort to a common law defamation action to recover damages for injury which it may have suffered. Although under common law, and in Georgia and Idaho only, a disseminator of defamatory material is held strictly liable for distributing information he knew or should have known was false, all other States have carved out public policy exceptions to the common law rule, and afford the commercial credit reporting agency a qualified privilege. This qualified privilege imposes a higher standard of recovery, thereby requiring a business plaintiff to prove malice in order to recover damages, and thus, small businesses may, in fact, have no real judicial recourse even if seriously harmed by an inaccurate credit report.

C. COMMERCIAL CREDIT REPORTING PRACTICES

When a business seeks credit from banks, Government agencies or other businesses, its creditworthiness is evaluated by the prospective credit grantor. For assistance in making this determination, the credit grantor frequently calls upon commercial credit reporting services to collect and evaluate information.

There are two general categories of commercial credit reporting services. The first type is the investigative service which collects information about the credit applicant from past and current creditors as well as from a variety of other sources. The investigation is carried out by field representatives who compile a detailed report about the business, including information about the owners and managers of the business, as well as an analysis of its financial condition and performance. The business is then given a credit rating. Investigative services rely on the management of the business under investigation for their principal source of information. Based on these interviews, the reporting service is led to other suppliers, public records and other creditors. Frequently the business under investigation names other sources of information and authorizes the collection of information from them.

The second type of commercial credit reporting service simply collects information about an applicant from credit grantors with which the applicant has, or once had, a credit relationship. In essence, these firms act as clearinghouses for commercial credit information, compiling information obtained from credit grantors and reporting the information to prospective grantors. These services provide no evaluative information about firms to credit grantors nor do they provide information about the business related background of a company's management.

Commercial credit reporting services, both investigative and clearinghouse services, generally disseminate the information they compile about a credit applicant to their subscribers in the form of a written report. Some of the services also provide information over the telephone. For example, Dun & Bradstreet has a reporting service subsidiary that provides over-the-telephone recommendations as to whether credit should be extended to a subscriber in the apparel industry.

D. PRIVACY COMMISSION STUDY AND RECOMMENDATIONS

The mandate of the 1976 Privacy Protection Study Commission was to examine the impact of credit-reporting practices on individuals. However, because, "the boundary between recordkeeping that affects individuals and that which affects legal entities is not always entirely clear" and since a "decision about whether to grant or deny credit to a sole proprietor inevitably has great import for the individual who owns the firm," the Commission also undertook to study commercial credit-reporting practices to determine what their impact on individuals is and to assess whether legal protections against unfairness to individuals in the commercial credit relationship are necessary.

The Commission's hearings on commercial credit-reporting practices focused on a legal dispute begun in 1962 involving Michael Goldgar and the Dun & Bradstreet Corp. As the New York Supreme Court Appellate Division noted in a 1973 opinion:

"The record presents the picture of a feud carried on by defendant against one Goldgar who has incurred defendnat's ill will. Concededly, defendant was "out to get" Goldgar and the corporate conglomerate he was attempting to build. Unfortunately, for Goldgar * * * dissemination of derogatory information about him and his enterprises brought them crashing down into bankruptcy. Had this come about as a result of straightforward and honest credit reporting that would have been the end of the matter. Unfortunately, for defendant, the record discloses that its coup was accomplished by intrigue, deliberate assault on a business, planted rumor, and reckless disregard of consequence * * *."

The Commission concluded that this case demonstrated the need for procedures to assure that information collected and reported by commercial credit-reporting services is accurate.

The failure of a business to cooperate with the commercial credit-reporting service preparing the report, however, may have an adverse effect on the credit recommendations given by investigative services. As the Privacy Commission observed in its final report, "a reported failure to cooperate, or Dun and Bradstreet's inability to produce a report because of a lack of cooperation, can arouse suspicions about a company's creditworthiness, and have a chilling effect on its ability to obtain credit."

The Commission went on to recommend:

(a) further examination of the need for requirements appropriate for commercial credit granting and credit recordkeeping practices;

(b) amendment of the Fair Credit Reporting Act to provide that a commercial credit grantor must disclose to the subject of an adverse credit decision the name of the commercial credit reporting service that provided the information;

(c) amendment of the Fair Credit Reporting Act to provide that a commercial credit reporting service must:

(i) disclose any recorded information pertaining to an individual connected with a business report;

(ii) permit the copying of any recorded information, except the identity of sources; and

(iii) apprise the individual of the nature and substance of any recorded information by telephone.

(d) amendment of the Fair Credit Reporting Act to provide that an individual has a right to correct or amend information pertaining to him that is maintained by a commercial credit reporting service, or is provided an opportunity to file a concise statement of disagreement;

(e) amendment of the Fair Credit Reporting Act to provide that commercial credit reporting services must have reasonable procedures to assure the accuracy of information in reports produced by them; and

(f) examination of the time limits for reporting certain types of information and the need to protect the identity of sources.

The Senate Small Business Committee hearings were particularly significant in that they marked the very first congressional examination of the impact of commercial credit reporting practices on businesses since the Privacy Commission's study and recommendations.

E. SUMMARY OF HEARINGS

The Senate Small Business Committee held 2 days of public hearings on October 31, and November 1, 1979, during which a total of 13 witnesses testified. Witnesses included David F. Linowes, the former Chairman of the Privacy Protection Study Commission Congressman Barry M. Goldwater, Jr., a member of the Privacy Commission, Commissioner Patricia P. Bailey of the Federal Trade Commission, representatives of two trade associations, five small businesspersons who testified that they were injured by improper and erroneous commercial credit reporting practices, and representatives of three commercial credit-reporting services (the Dun & Bradstreet Corp., TRW, and the National Association of Credit Management).

A summary of the testimony of the witnesses and the evidence presented to the committee during the course of the hearings is presented below:

1. Prof. David F. Linowes, former chairman, Privacy Protection Study Commission, Boeschenstein professor of political economy and public policy, University of Illinois, Urbana, Ill.

Prof. David F. Linowes served as Chairman of the Privacy Protection Study Commission and testified concerning the Privacy Commission's findings and recommendations. Although the Commission was only directed to examine the impact of credit reporting practices on individuals, it undertook a cursory study of commercial credit reporting practices because "the boundary between recordkeeping that affects individuals and that which affects legal entities is not always clear." The Commission concluded that further examination of commercial credit reporting practices was warranted.

In addition, the Commission made recommendations for enactment of legislation to assure the accuracy of information collected and reported by commercial credit reporting agencies. Linowes noted that: "although commercial reporting services are not generally subject to laws governing fairness in recordkeeping, some services go beyond the requirements of the law and conform in some respects to the provisions of the Fair Credit Reporting Act. I might add Dun & Bradstreet is an outstanding example of that. I do understand they have the policy that will give individual protection to business organizations. This is encouraging. However, where such voluntary compliance is in effect, it may be suspended whenever the need or desire arises. This only serves to point up the need to consider legislation on the Federal level to provide uniform compliance with fair information practices for all."

Professor Linowes emphasized during his testimony the need for extensive examination of privacy rights because of the complex credit explosion in our society, coupled with major advances in computer and telecommunications technology. Linowes stated that:

"(F)or small business, in particular, the information is quite personal. As set forth by the Privacy Commission throughout our report covering personal privacy, potential for misuse and abuse of personal information does exist. This is true whether the report originates with a consumer reporting agency, or a commercial reporting service. Yet, the commercial reporting service is not subject to the Fair Credit Reporting Act.

Linowes noted that in the past, information and data accumulated had always been promptly destroyed after its use because it was too costly to store. Today that is not the case. Now, according to Linowes, it is cheaper to keep "2,000 to 60,000 bits of information stored on a pinhead size piece of silicon" than to destroy it because destruction requires that data already stored on a computer to run through the computer a second time. Linowes further related that because of the rapid development of advanced technology "this information is being disseminated across the Nation at the speed of light."

Linowes believed that if more businessmen were better informed about the collection, maintenance, and disclosure of information, they might very well seek to exercise stricter controls over its use. With respect to the unlimited amounts and types of data on business operations accumulated by scores of organizations and fed into data banks around the country, Linowes stated:

"Much of it is being shared with others, often without the knowledge of the principals concerned. With split-second retrieval, anything that is ever recorded about an executive or business entity becomes immediately available; and with computer-to-computer linkage anything put into the data bank of one organization can be tied together with another organization's data bank. It is this linkage which has the potential for creating major problems for vulnerable small business interests."

Based on a recent study conducted under his direction, Professor Linowes also expressed grave concern over the seemingly indiscriminate disclosure of credit information by banks concerning their customers. Linowes noted that since only 25 percent obtain customer authorization prior to disclosing some information and 80 percent never tell their customers that disclosures have been made, what these "secret practices" add up to is that "the small business organization apparently needs the same information privacy protections, as the Privacy Commission recommended for the individual."

2. Patricia F. Bailey, Commissioner, Federal Trade Commission, Washington, D.C.

Commissioner Bailey testified on behalf of the FTC about the complaints her agency received concerning credit reporting practices.

Commissioner Bailey believed that basic, fair informational reporting practices which are guaranteed to consumers under the Fair Credit Reporting Act should also apply to commercial credit reports. Because the remedy under the Fair Credit Reporting Act is one of the weakest remedies afforded under Federal law, it is the FTC's position that such a remedy could be extended to cover commercial credit reports without hampering the recognized necessary flow of information. Although the FTC favors creation of a private cause of action, Commissioner Bailey testified that the FTC would not favor or encourage a wide-scale regulatory scheme. At the conclusion of her testimony, Commissioner Bailey submitted proposed legislation which would have the effect of giving businesses injured by erroneous commercial credit reports the same rights as those guaranteed to consumers under the Fair Credit Reporting Act.

3. Panel I: (A) Gale D. Metzger, president, Statistical Research, Inc. (SRI), Westfiled, N.J.; (B) Mark D. Berson, vice president, Raphael's, Mobile, Ala.; (c) Martin H. Zanger, president, Bookland, Inc., Holyoke, Mass.

(a) Gale Metzger, the president of SRI, testified that SRI is a 10-year-old research company formed to design and conduct professional research and analysis for major national corporations and government. SRI has been a profitable business since it was formed and has experienced a steady growth in billings each year; it has never experienced any particular financial difficulties. Metzger indicated that his company pays all local suppliers within 7 to 10 days, and all national suppliers within 2 weeks.

SRI's only "credit problem" arose in 1979 when it attempted to open a new account with a supplier; SRI was informed by the supplier that credit would not be extended because SRI had a "bad credit rating." SRI was informed that this information was based on a credit report prepared by Dun & Bradstreet which listed them as "slow pay."

The Dun & Bradstreet report further stated that Metzger declined to comment on the "reason for slowness." Metzger testified that this was false. That he last spoke to a Dun & Bradstreet representative in 1972 and that SRI paid all of its bills promptly. Metzger stated that his policy was not to provide Dun & Bradstreet or anyone else with financial information which he considered to be, and wanted to keep confidential.

Metzger testified that immediately upon learning of these errors in the Dun & Bradstreet report, he attempted to resolve and correct these reporting errors through a number of telephone calls and letters to Dun & Bradstreet. He never received a satisfactory response concerning how these errors were made or from whom this erroneous information was collected. As to Dun & Bradstreet's attitude toward attempting to resolve these errors, Metzger reported that the "arrogance and platitudes" contained in Dun & Bradstreet's responses "are laughable." Metzger stated:

"Information is dynamic; yet they were never able to respond to our problem with anything but a static, standard, preprogramed series of responses. Certainly, as a firm which trades in the vital free flow of credit information, they ought to be mightily concerned about accuracy, truth and responsibility."

Metzger further complained that Dun & Bradstreet refused to give him the basic right "to confront his accuser," the source of this erroneous information. Metzger reported that the damage to his business was not fatal, but this was "simply because we are bigger and more esteemed by our clients than any Dun & Bradstreet report." Metzger suggested that "to allow (D&B) to continue this irresponsible pattern of behavior would do great damage."

He summed up this experience with Dun & Bradstreet by stating:

"So much of our experience evidences that this is their way of doing business, rather than a simple mistake—as they chose to label it.

"For us, as a small business, there is no such thing as a simple mistake which can affect our existence.

"For us, whose business is to provide and disseminate accurate information, there is no rational explanation for their practice of publishing unchecked information.

"For us, as a sophisticated data firm in 1979, there is no explanation for a company such as this operating without sufficient systems checks that automatically flag inconsistent data fed into that system.

"For us, concerned about clear and actionable information, there is no sense in their policy of telling the business world whatever they learn, true or not.

"When they were told that the report was in error, it took them 2 weeks to respond in any way whatsoever. When they were notified that there were other errors in the report, they did not bother to correct them. The report as I most recently saw it still includes significant errors. Dun & Bradstreet showed little regard for what they were doing in the first place and couldn't have cared less about correcting any error when it was pointed out. 'Business as usual' meant 'We'll get back to you when we're good and ready'.

"There is one other interesting parenthetic note to our experience with Dun & Bradstreet. During the first phone contact with [D&B] on February 9, I asked that the circulation of the false report be halted. One day short of a month later, our erroneous report still was in circulation not only to others, but sent directly to me. This is another illustration of a lack of control throughout the entire system, of a style of doing business, of a lack of concern about accuracy or responsibility."

Dun & Bradstreet responded to this and other complaints raised by several witnesses during its presentation to the committee, and submitted a more complete response for the record. More specifically, Dun & Bradstreet responded that when Metzger complained, they stopped distribution of the report immediately and sent a copy of the report to him. Dun & Bradstreet conceded that it did not answer Metzger promptly because it had difficulty in contacting the proper persons at the suppliers to resolve the dispute. When, after 17 days, Dun & Bradstreet was unable to verify information in the Dun & Bradstreet report it accepted Metzger's statement that the two reports of slow pay were inaccurate and issued a correction notice which Dun & Bradstreet said was sent to all subscribers who had received the earlier report.

Further, Dun & Bradstreet stated that the report Metzger received 1 month later, with an accompanying letter requesting that he review the report, was "part of a test program designed to explore another way of improving the quality of our reports," and was not in circulation to anyone else at that time.

(b) Mark D. Berson, vice president of Raphael's, a leading women's clothes retail store in Alabama, testified that the store had been doing business since 1946, and was purchased by the Bersons in 1978. The Berson family has been in the retail clothing business for 32 years, and has established an outstanding credit and payment record.

When Berson first refused to answer inquiries from a commercial credit reporting service in New York, Credit Exchange, Inc., he was told by a senior vice president that merchandise might be difficult for Raphael's to obtain if it did not cooperate and voluntarily supply Credit Exchange with financial information. Berson still refused, and despite Credit Exchange having no credit information on Raphael's whatsoever, potential new suppliers indicated that they had declined Raphael's credit based on a reliance on Credit Exchange's "recommendation" not to extend credit.

Berson also related to the committee Raphael's credit experience with Dun & Bradstreet. Berson reported that although Raphael's provided Dun & Bradstreet with a copy of the business' financial statements and other information requested, a Dun & Bradstreet subsidiary, Credit Clearinghouse, prepared and issued a report in accurately listing Raphael's high credit range as $2,500—despite the fact that it was in the range of $20,000—and recommending against credit being extended.

Berson testified that upon learning of the existence of the inaccurate Dun & Bradstreet report on Raphael's he requested and received a copy of the Dun & Bradstreet report. Berson noted that the Dun & Bradstreet report sent to him was printed on April 26, 1979, and contained a summary of Raphael's 1977 financial statement. However, when Berson requested from one of his suppliers a copy of the Dun & Bradstreet report sent to that supplier, the supplier provided Berson with a Dun & Bradstreet report dated 3 days earlier but containing both 1977 and 1978 financial information. How could reports printed 3 days apart be so different in content; and how could a later report contain substantially less information. Berson asked? In addition, the same supplier also enclosed a Dun & Bradstreet prepared cover sheet to the report which included with Dun & Bradstreet's specific recommendation to the supplier that it not enter into a business credit transaction with Ralphael's. In Dun & Bradstreet's response to Berson's request for a copy of the Dun & Bradstreet report on Ralphael's, Dun & Bradstreet did not forward Berson a copy of this cover sheet nor did it indicate to Berson in any other way that Dun & Bradstreet was advising inquirers not to enter into credit transactions with his company.

Berson, like other witnesses who testified, agreed that it is necessary in the business world to have credit reporting agencies that can be relied upon, but stated further:

However, I am adamant in my belief these agencies should be managed by responsible people. These agencies also should be regulated in the manner in which they report financial information to their clients.

"There are literally thousands of small retailers across America who are victims of undue pressure and brow-beating from irresponsible credit reporting agencies. Something needs to be done about this situation."

Dun & Bradstreet noted that Berson was sent only a copy of the regular business information report while his supplier was provided a separate report prepared by Dun & Bradstreet's industry subsidiary.

Dun & Bradstreet related that part of its confusion with respect to information sent to Berson directly and information made available to Berson's supplier was attributable to the fact that Dun & Bradstreet did not realize that Berson was requesting copies of all reports in their entirety that Dun & Bradstreet was circulating about the business and its creditworthiness. Subsequently, Dun & Bradstreet indicated it would change its procedures to attempt to provide to businesses all reports requested.

(c) Martin Zanger, president of Bookland, testified that he is engaged in the sale of books, periodicals, and greeting cards in stores in small shopping centers in Holyoke and Northampton, Mass. Bookland has a sales volume of $650,000 per year, and Zanger stated he has always paid all of his bills on time. He further reported to the committee that:

"We have had a problem with Dun & Bradstreet since 1976. At that time, their report on our company came to my attention and I noted several errors. They said our sales were $80,000 when, in fact, they were eight hundred thousand. They stated that I had said sales were down. I never made such a statement as, in fact, sales were up that year."

When Zanger attempted to resolve the errors contained in the Dun & Bradstreet report, he found that Dun & Bradstreet had used as trade credit references two companies that he had never heard of nor had ever done business with, and one company that was a direct competitor of Bookland. To confirm his suspicion that Dun & Bradstreet had obtained its false credit information from a competitor, Zanger placed a telephone call to the competitor, identified himself as the credit manager of a nationally known publisher seeking a credit reference on Bookland, and got the following response: "I wouldn't touch it unless it was C.O.D. Their credit is no good."

Dun & Bradstreet subsequently acknowledged to Zanger that the information it had published was false, and that it had been obtained from one of Bookland's competitors. Dun & Bradstreet issued a new report on Bookland which deleted the specific false information. However, according to Zanger, even after he had pointed out other misstatements in the report to Dun & Bradstreet employees on five separate occasions, the new report, which was "reasonably correct," still contained other false information.

Zanger concluded his testimony to the committee by noting:

"Now, what are the implications of all of this. The fact that we had an undeserved bad report had little effect on our long term suppliers to the best of our knowledge but mitigated strongly against our obtaining credit from new suppliers. The book business is made up of many thousands of publishers

and hardly a week goes by that we do not have at least one or more new suppliers. Generally our orders are small and what happened is that our small orders simply went unfilled. In some instances shipments were delayed while further credit checks were made.

"Dun & Bradstreet's policy of not checking or verifying any trade clearances permits the system to be abused. In our case, our competitor deliberately put through a blatantly false report in a successful attempt to interfere with our ability to purchase goods for resale. When we called their attention to the fact that the report was a lie, nothing was done for a very long time.

"It would certainly seem that we ought to have such legislation as would preclude credit agencies from using unverified data and would preclude business firms from furnishing false data to credit agencies."

Dun & Bradstreet acknowledged that Zanger's account is substantially correct and his criticisms justifiable. With respect to the situation in which one of Bookland's competitors was able to provide false credit information on the business, Dun & Bradstreet admitted the factual situation, and said that it has instituted a new control system to guard against improper trade references.

4. Panel II: (a) Sheldon Feldman, Esq., National Retail Merchants Association (NRMA), Washington, D.C.; (b) Jo Goff, President, Jo's Place, Ltd.

(a) NRMA is the Nation's largest trade association in the general merchandise retail industry. Its members operate 35,000 stores, employ over 2.5 million people, and have current annual sales in excess of $95 billion. More than 80 percent of its members are small businesses with annual sales under $1 million.

NRMA polled its small, independent members to determine the experiences these retailers encountered in their relationships with commercial credit reporting agencies. Although the questionnaire admittedly did not employ generally accepted statistical techniques and, accordingly, the results cannot be interpreted as precise, they did provide an indication of the experiences of this nationwide group of more than 2,000 companies. The results indicate:

"(i) nearly 14 percent of those questioned responded, which, according to NRMA, is double their normal response rate and indicates a high degree of interest and concern regarding current commercial credit reporting practices;

"(ii) 43 percent found the practices of the commercial credit reporting firms to be 'fair,' while 23 percent found the practices to be 'intrusive and unfair;'

"(iii) nearly half the respondents found problems with the accuracy of the report, with the most prevelant complaint pertaining to the inclusion of obsolete data. 15 percent believed the reports were accurate; and,

"(iv) nearly 82 percent advocated reform of commercial credit reporting practices."

During his testimony Feldman summarized the results of the NRMA survey for the committee as follows:

"The most important conclusion that we draw from the survey is the extent to which respondents believe that regulation of the practices of commercial credit reporting firms is essential. While the respondents do not dispute the right of the reporting firm to investigate and report upon them, they do believe that certain standards procedures should be followed by these firms in the conduct of their business. Primary among the suggested reforms is the right of the business or individual being investigated to have access to the credit report and to have the right to correct any misinformation or misrepresentations. Moreover, the respondents are virtually unanimous in advocating that strict confidentiality of information be maintained, that the propriety of questions be assured, and that guidelines for the use of commercial reporting firms be established.

"This dramatic support for regulation of commercial credit investigatory practices is particularly striking because, as a rule, small business executives oppose increased Federal control of or intervention in their business or private lives."

Feldman offered another comment from an NRMA member-retailer which he indicated typified the frustration felt by small business retailers who are confronted with inaccurate, misleading and out-of-date reports:

"I am basically opposed to (the) use of government action for private problems. However, since many credit reporting firms use and distribute erroneous information without opportunity for refutation, I guess the only cure is law."

Feldman recommended that, since fairness and equity demand that businesses be treated in the same manner and afforded basically the same protections as those provided for consumer credit, the protections afforded to consumers under the Fair Credit Reporting Act should be extended to businesses. He concluded that:

"If the reporting companies do, in fact, afford these rights, they will not be burdened by compliance with a law that reinforces their current policies. If they do not afford these rights, and we are persuaded that they do not, they should be required to start now."

(b) Jo's Place Ltd., a NRMA member, is a ladies store located in Knoxville, Iowa, with approximately $250,000 in annual gross sales.

Mrs. Goff, as a small business person, was acutely aware of her business' dependence upon good credit and the actions of credit reporting agencies for its very existence. She stated:

"Without it we cannot survive—and the commercial credit reporting agencies control that credit! In effect, the commercial credit reporting agencies control the existence of small retail businesses! We would all assume, as I did when I entered the business world, that anyone blessed with this kind of power would be above reproach when wielding it. I assumed, as most do, that credit reporting agencies were in business to protect and assist everyone involved—to simplify business transactions, and expedite delivery of orders placed with manufacturers. Unfortunately, the real world differs from the American dream in that most instances you are dealing with an unfeeling, inanimate computer in an office somewhere which may or may not be using current or correct information concerning your account * * * I can say very comfortably that in the past, some of the people with whom I have had to deal who were representing credit reporting agencies did not even understand the financial statements and accompanying figures which they were demanding."

Mrs. Goff reported that Jo's Place was denied credit due to an inaccurate D&B report. When she informed D&B of the inaccuracy and demanded a correction, D&B refused, simply stating that "time would heal all." In attempting to resolve the inaccuracies in the D&B report, she found the D&B personnel to be "rude, abrupt and overbearing," and concluded:

"I guess most of us could tolerate the inefficiency of reporting companies more if it weren't coupled with arrogance. The credit reporting agencies control your future and they know it and so do you. So you try your best to cope with their errors, insults, veiled threats, and overbearing employees in order to stay in business. The factors need the manufacturer to sell goods—or else there is no need for them to exist. The only people who continue to do business either way are the credit reporting firms. If a business is denied credit based on its rating with the reporting company, the retailer loses, the manufacturer loses and the factor loses. But does the failure to compete a transaction affect the reporting agency in any way? Not at all."

Mrs. Goff concluded, therefore, that the only way that small business could be assured fair, complete and accurate credit reporting by commercial credit reporting agencies was through Government intervention and appropriate legislation.

D&B indicated that, based on its review of the information it had in its files, the company's payments on the whole were good and D&B should have been in a position to answer her questions. If a request for information was refused, and a reporter declined to show the business a copy of the report, that was an error on the reporter's part, and against clear company policy.

5. Hon. Barry Goldwater, Jr., U.S. House of Representatives, Washington, D.C.

Congressman Goldwater was a member of the Privacy Protection Study Commission and has been active in the House of Representatives on privacy matters. He is the sponsor of H.R. 2465, a comprehensive privacy bill, which contains a provision concerning commercial credit and privacy. Mr. Goldwater's testimony focused on the need for regulation of commercial credit reporting practices and the legislative proposal he is sponsoring.

Mr. Goldwater's bill adopts virtually all of the recommendations of the Privacy Protection Study Commission and, in substance, proposes that business entities be afforded the same remedies that consumers have been granted under the Fair Credit Reporting Act.

6. Panel III: (a) Peter Zimmerman, New York State Council of Retail Merchants, Inc., Albany, N.Y., (b) Charles Green, president, Jack Green Men's Shop, Rochester, N.Y.; (c) Albert Wohl, Wohl's Department Store, Cobleskill, N.Y.

(a) Peter Zimmerman is the Director of Governmental Affairs for the New York State Council of Retail Merchants, a statewide trade association representing 5,000 retail outlets throughout the State of New York. For many years the council has received numerous complaints about commercial credit reporting services. One of the more serious complaints received is that D&B, through its Credit Clearinghouse subsidiary, recommends that subscribers not enter into a transaction with a business for which D&B does not have a financial statement, thereby seriously impairing the ability of the business to obtain credit. The council has also received numerous complaints concerning the overall inaccuracies of credit reports; the use of outdated and obsolete information; delays and unresponsiveness in resolving complaints; and businesses' inability to learn sources of information.

As has been noted earlier, several witnesses indicated that they felt under pressure to volunteer information to commercial credit reporting agencies; others thought they were being penalized for their failure to provide financial and other background information to commercial credit reporting agencies. During the hearing, considerable attention was directed to Dun & Bradstreet's use of a blank rating for certain businesses. Under D&B's current use, the blank rating is given not only to businesses on which D&B has been unable to obtain sufficient information, but also businesses that are in bankruptcy or receivership, businesses that have incurred serious losses and where there is a strong chance that creditors may lose, businesses in critical financial condition, businesses where failure appears imminent, and businesses where there is a serious question of moral risk.

The committee was concerned that lumping lack of information into a list of significant negative factors may have the effect of urging businesses to provide information so as to disprove the existence of any of the possible adverse implications. The committee recommended that D&B explore the feasibility of establishing rating notations separating lack of information from adverse information.

During the hearing, D&B indicated that it was unaware that its subscribers had interpreted the blank rating in the same manner as the committee, but agreed to carefully study the committee's suggestions. In a follow-up letter, D&B rejected any notion that its blank rating exerted pressure on businesses to provide information, and reaffirmed its earlier position that the business community generally regards the blank symbol as meaning insufficient information.

However, D&B also recognized that its current explanation of the blank rating could contribute to misunderstanding, and agreed to revise their literature on this point. Nevertheless, after internal deliberations, D&B decided against establishing differing symbols for the two classifications for fear of creating what it believed would be a readily identifiable don't sell notation, and decided to continue to allow lack of information and adverse information to be reflected by the same blank rating symbol.

(b) Charles Green, the president of Jack Green Men's Shop, testified that he has been in the menswear retail business for 20 years and heads up a well-established business that was started by his father. He owns and operates three menswear stores in Rochester, N.Y. He testified that although his company has never been slow in paying its bills, D&B has continually indicated slow payments in its reports on Jack Green Men's shop.

Green indicated that D&B's Credit Clearinghouse subsidiary recommended over the telephone to a manufacturer that credit not be extended to his company despite his company's prompt payments during 23 years of operation. According to Green, the only reason that Credit Clearinghouse recommends against extending credit is because Green refuses to cooperate with D&B and voluntarily provide information. Examination at the hearing of a copy of the Credit Clearinghouse referral slip that Credit Clearinghouse subsequently sends to telephone inquirers to confirm its oral recommendation, confirmed that among the specific reasons cited for recommending against a credit transaction with that company are: "statement not submitted" and "statement refused."

Another of Green's major complaints was that when a dispute as to the accuracy in a credit report did arise, he was unable to learn D&B's sources for the erroneous information. As he put it, "certainly businesses, whose life and continuance depends upon credit, are entitled, as are consumers, to know their accusers."

Mr. Green recommended to the committee that it enact legislation to prevent these abuses and among other things, to require credit reporting agencies to list their sources of information and to advise businesses immediately upon any update of credit reports prepared and issued.

Although critical of the way D&B conducts its credit reporting service, Mr. Green emphasized that:

"Despite the imperial attitude displayed to retailers by Dun & Bradstreet, we are not attempting to create the impression that they are 'an evil to be done away with'. On the contrary, we need reporting agencies, for without them, dispersal of credit information would be very cumbersome and thereby restrict commerce as we know it, in today's credit atmosphere. Yes, we do need reporting agencies, but we need some changes in their methods, so as to make their reports, subject to policing, as to their accuracy."

Dun & Bradstreet stated that it was unable to determine if the data in its July, 1977 report was correct. Therefore, it issued a new report which reflected no slowness in payments.

Dun & Bradstreet further commented that, as a matter of policy, when Credit Clearinghouse is unable to suggest a credit guideline because of the unavailability of financial information, the subscriber is so informed.

As noted previously, this means that because of the unavailability of financial information, D&B recommended against a credit transaction with Green's company.

(c) The third scheduled witness on the panel, Albert Wohl, president of Wohl's Department Store, Cobleskill, N.Y., was unable to personally testify but submitted a statement to the committee relating his experience with D&B.

Wohl's Department Store was refused credit from a manufacturer in the spring of 1979 after ordering goods. The manufacturer said that it would not extend him credit because of an unfavorable D&B report indicating his company was a slow payer. When Wohl learned that D&B had erroneously reported a slow payment and requested a copy of his report, D&B provided him a copy of a report that was 13 months old containing outdated information. Wohl has had great difficulty getting an updated and corrected report.

Wohl's written testimony related that if he had been given the opportunity to review his credit reports and update and correct deficiencies, the problems outlined in his testimony could have been avoided. Simply put, he stated that his interest was only in being assured that the credit reports prepared by D&B and other commercial credit agencies are accurate, and portray a realistic picture of his credit worthiness as a retailer and a small businessman.

With respect to Wohl's slow pay report, D&B was unable to find any such notation in its reports, and has not obtained a satisfactory response from suppliers as to the source of this information.

7. Richard D. Simmons, vice chairman of the board, the Dun & Bradstreet Corp., New York, N.Y.

(a) Background information

The principal business of Dun & Bradstreet, Inc., is a commercial credit reporting service. Dun & Bradstreet reported that it does not collect or disseminate consumer credit information in the United States. Other subsidiaries of the parent company, the Dun & Bradstreet Corp., are involved in a variety of data and information activities.

According to D&B, 95 percent of the commercial establishments on which it reports can be classified as small business and 92 percent of the users of its reports are small businesses.

Dun & Bradstreet advised that it has a field staff of 1,600 reporters/information collectors working out of field offices throughout the United States and that 80,000 companies subscribe to its service. D&B reports business information on over 4 million companies and, in 1978, processed over 14 million separate requests for this information. In addition, its credit reporting services are available in other countries.

The D&B business information report is an analysis of those aspects of a commercial enterprise that are relevant in making business credit decisions. It contains information about the manner in which a business pays its bills, its banking relationships, its operations, its financial statements, and its owners, partner, or officers.

According to Dun & Bradstreet, references to the principals of a business are limited to facts which are relevant in evaluating the present and probable future condition of the business, consisting solely of the executive's current position, previous business experience, educational background, year of birth, marital status, and bankruptcies or criminal convictions, if any. Dun & Bradstreet reports that it does not collect information on a businessman's personal habits, lifestyle, or the manner in which he pays his personal bills.

Dun & Bradstreet's Credit Clearinghouse is a division designed to provide credit information for manufacturers in the apparel industry. Inquiries can be made by mail or phone. When Dun & Bradstreet recommends over the telephone against entering into a credit transaction with a retailer, it confirms its recommendation by mail. Among the reasons cited on the Dun & Bradstreet confirmation slip as a basis to recommend against granting credit are two items which show a retailer's lack of cooperation: Item 20—"Statement refused" and item 21—"Statement not submitted."

(b) Testimony of Richard Simmons

Richard D. Simmons, vice chairman of the board of the Dun & Bradstreet Corp., testified on behalf of Dun & Bradstreet. He reported to the committee that Dun & Bradstreet has voluntarily established the following practices to protect the rights of businesses on which it reports:

"(i) We believe that a business is the best source of information about itself and therefore we seek this information from the business whenever possible. At that time we inform the business that we intend to prepare a report on it and that the report may be used for a variety of business decisions.

"(ii) Any time a business wishes, we give it a copy of our report on it.

"(iii) We discuss our report with the business upon request and correct any errors called to our attention. We include a concise statement of the business' position if we are unable to resolve any differences of opinion concerning the facts in the report.

"(iv) We restrict the information concerning the principals of any business on which we report to that which will be used in the evaluation of the business. We do not conduct investigations of individuals with respect to their personal habits and lifestyle."

Dun & Bradstreet receives complaints in approximately three hundredths of 1 percent of the reports prepared.

According to Simmons, Federal regulation over the commercial credit reporting industry is not necessary and would be costly, cumbersome, and unnecessary. Furthermore, Dun & Bradstreet does not believe it is possible for Congress or the executive branch of Government to impose a "simple" privacy standard on commercial credit reporting without opening the door to a never-ending flow of rules by the supervising Government authority.

Dun & Bradstreet reported that the Privacy Commission also recognized major differences between the consumer and commercial credit reporting fields. While Dun & Bradstreet noted that the Commission did call for regulation intended to insure what Dun & Bradstreet asserted was already being accomplished on a voluntary basis, the Commission specifically concluded that:

"(A)lthough the Commission believes that the procedures established by Dun & Bradstreet to permit owners or managers of a firm to see commercial reports, to dispute their accuracy, and to request their correction are entirely laudable, it finds that such procedures are not entirely sufficient to protect individuals from unfairness in the use of commercial reports."

Although testimony from witnesses at the hearing, and documents received in evidence, indicated otherwise, Dun & Bradstreet denied that it makes a specific recommenda-

tion that a credit transaction not be entered into.

The committee also received written testimony from Dr. Andrew F. Brimmer, president of Brimmer & Co., a provider of economic and financial consulting services. In his statement on the "Economic Impact of Regulatory Delay in Commercial Credit Reporting," prepared and submitted on behalf of Dun & Bradstreet, Dr. Brimmer noted that the inevitable result of any Federal Government intervention to regulate commercial credit reporting now handled by the private sector would be a serious delay in the availability and increase in the real cost of commercial credit information. "In such a case as this, it would be the reduction or elimination of information on small businesses, and small businesses would suffer most," he concluded.

8. James H. Holly, vice president and director of business development, TRW, Inc., Orange, Calif.

Testimony by Mr. Holly revealed that TRW's National Credit Information Service (NACIS), operated on behalf of the National Association of Credit Management, does not investigate firms but merely compiles information obtained from commercial credit grantors and reports the information to other credit grantors. NACIS also collects and reports information about a firm's relationship with banks. NACIS provides no evaluative information about firms to credit grantors nor does NACIS provide information about the business-related background of the company's management. TRW's fully computerized approach to information delivery is gaining industry acceptance.

TRW supplies trade-payment information that is no more than 90 days old. Thereafter, this information is automatically removed from the computer system.

Mr. Holly testified also that since TRW provides only current factual trade data and provides no evaluative information, it receives few complaints concerning its commercial credit reporting services. When there is a complaint, it is checked out with the supplier and unless the supplier reverifies its trade information, the information is automatically removed from the computer. In the event of error the company that declined credit is automatically sent a copy of the corrected credit report. TRW's complaint procedure is designed to resolve all complaints within 30 days.

9. William J. Parsons, vice president, National Association of Credit Management (NACM) New York, N.Y.

According to Mr. Parsons, NACM is a confederation of 58 autonomous trade groups that collects trade-payment information for their 44,000 members. Its operations are similar to TRW which is also a member of NACM. The major difference, however, is that NACM trade-payment information is collected and processed manually and is not computerized. NACM does not rate the credit position of the firm on which it reports, nor does it make any recommendations whatsoever regarding whether credit should be extended.

F. CONCLUSION

The testimony presented at the committee hearings, the first congressional follow-up to the Privacy Commission study, highlighted the profound effect commercial credit reports have on small businesses. It is apparent that commercial credit reporting agencies play an essential role for both the grantor of credit and for the business applying for credit. While inaccurate reporting exists, the commercial credit reporting agencies testified that there are adequate safeguards in the present system to protect small business. Acting on suggestions made at the hearings, Dun & Bradstreet subsequently indicated that a number of changes will be forthcoming in their procedures.

All the private sector witnesses that were heard, except for the commerical reporting agencies, believed that the existing statutory safeguards were inadequate to guarantee fair and accurate commercial credit reporting on small business. The committee has undertaken additional data gathering in this important area. In addition, Senator Weicker, the ranking minority member of the committee, stated that he would introduce legislation to provide Federal standards to protect against inaccurate business credit reports, and to provide a statutory remedy for injured businesses.●

By Mr. TOWER:

S. 1367. A bill to amend title 10, United States Code, to make certain information available to the Armed Forces for military recruiting and related national security purposes; to the Committee on Armed Service.

MILITARY RECRUITING INFORMATION ACT OF 1981

● Mr. TOWER. Mr. President, I wish to introduce legislation today that will assist our military recruiters in their efforts to recruit into the military those service eligible youth who are best qualified to serve in our Nation's Armed Forces.

A decade ago our Nation chose to maintain a force of volunteers to defend our country. Since that time our military recruiters have been placed at a disadvantage in their efforts to inform our high school youth about a military career and the benefits associated with military service. The inability to attract a sufficient number of high school graduates has forced our services to accept large numbers of recruits from the lower mental categories and those who have not completed high school. Statistics clearly indicate that non-high-school graduate recruits attrite at twice the rate of high school graduates. Additionally, there is an informal leadership cadre missing from the ranks as well as the lack of a cross section of American youth, the fabric that binds a strong military force.

This bill will authorize the Secretary of Defense to collect high school directory information for confidential use by military recruiters. Our recruiters consider these directories to be their single best source of potential enlistees. In the past, confusion over the interpretation of such laws as the Federal Educational Rights and Privacy Act (FERPA) has hampered recruiters in their efforts to acquire directory information.

While FERPA proscribes only the public dissemination of directory information—without parental approval—it does not prohibit the confidential distribution of that information. This bill will make clear that use of directory information by recruiters will be confidential and that such cooperation between educational officials and recruiters is strongly encouraged by the Federal Government. I urge my colleagues to support this important measure.●

By Mr. HUMPHREY (for himself, Mr. HELMS, and Mr. RUDMAN):

S. 1368. A bill to amend the Internal Revenue Code of 1954 to provide that services performed for camps by certain students who generally are not eligible to receive unemployment compensation will not be subject to the Federal unemployment tax; to the Committee on Finance.

LEGISLATION RELATING TO UNEMPLOYMENT TAX FOR CERTAIN STUDENTS

● Mr. HUMPHREY. Mr. President, today I am introducing a bill to amend the Internal Revenue Code of 1954 to provide for the removal of the requirement presently imposed on children's summer camps to pay Federal unemployment compensation tax on students who by law are not entitled to receive benefits. This legislation is the same as the measure I introduced in the 96th Congress, S. 1394.

Small business is increasingly being burdened with Federal regulations. During school vacation periods, employment opportunities are scarce. The summer camp industry collectively provides over a half million jobs during summer vacations, plus a wide variety of skill training programs. This tax reform legislation seeks to stimulate small business while increasing job opportunities in the private sector during these traditional school vacation times.

This bill will not deprive any individual of any current benefit nor change the status of an individual now compensable. It will, however, relieve the summer camp business of an unfair regulatory burden, a burden on the employer which provides no benefit to the employee.

Presently, under the Federal Unemployment Tax Act (FUTA), a basic tax of 3.4 percent is paid by the employer for all values received by the employee, including in-kind compensation such as room and board. There are few exceptions under the act as to whom is considered an employer; title 26, United States Code, section 3306 broadly defines employer as one who pays wages of $1,500 or more during any calendar quarter, or who on each of 20 days during the calendar year, each day being in a different calendar week, employed at least one person for some portion of the day. Thus, nearly all employers, including camp employers, are required to pay this tax.

Simply stated, the inequity is that there are employers paying taxes on individual workers who are exempted from FUTA benefits. Generally, employee benefits under FUTA apply to all employees earning more than $6,000 annually, but there are certain exceptions. To become compensable, the worker must be employed for a specific number of weeks annually. The law is thus designed to prevent vacation period employees from receiving unemployment compensation benefits; yet contrary to this logic, the employer still pays unemployment compensation tax on such employees.

Unemployment compensation laws are intended to protect bona fide workers in the labor force. To assure that Federal qualifying restrictions limit FUTA benefits to such workers, certain employees are exempted from compensation benefits. From the perspective of the camping industry, most of their staff is in this way exempted from unemployment compensation benefits. Those workers excluded from such benefits include all college and university full-time students,

those persons who are declared dependents of others, and semester/term holiday persons. Vacation time is considered normal and not a work loss to be compensated.

Our children's summer camps are still paying in full the FUTA tax on their noncompensable employees. The FUTA revisions effective January 1978, do not provide relief.

The summer camp industry is in a unique position compared to many other small businesses. Almost all of the men and women they employ are noncompensable by statute or judicial decision. The student—or dependent—voluntarily places himself outside the labor force and elects to seek an education. This student accepts work during a vacation period with the understanding that employment is temporary and will terminate at an agreed-upon date. The employee is neither fired nor laid off, but at the end of the season returns to resume his or her schooling.

A number of States exempt this type of temporary employment from State unemployment compensation with regard to benefits. Several States have taken the next logical step, which my bill attempts to take federally, and have also rescinded the requirement that the employer pay a State unemployment tax on persons not considered bona fide workers in the labor force protected under the law. However, even where the employer is excluded from paying a State unemployment tax, the employer must still pay the Federal unemployment tax of 3.4 percent on that same noncompensable person.

I believe that my bill will rectify this inequity under the Federal Unemployment Compensation Act, which I perceive to be a legislative oversight. Employers shall be exempt from FUTA contributions for those specifically defined student employees who are deemed outside the labor force the law was intended to protect. By removing this unnecessary regulatory burden from our children's summer camps, these camps will have more operating funds with which to provide more job opportunities. In addition, the camps' purchasing power in the local communities will be increased.

I ask for my collegues' bipartisan support for this tax reform in order to conform to FUTA congressional intent and to provide equity and basic fairness in taxation, and in addition, to reduce the regulatory burden on small businesses. I am very pleased to have the support of my fellow distinguished Senator from New Hampshire, Mr. RUDMAN, and the distinguished Senator from North Carolina, Mr. HELMS.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1368

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (c) of section 3306 of the Internal Revenue Code of 1954 (defining employment) is amended by striking out "or" at the end of paragraph (17), by striking out the period at the end of paragraph (18) and inserting in lieu thereof "; or", and by adding at the end thereof the following new paragraph:

"(19) service performed by a full-time student (as defined in subsection (q)) in the employ of an organized camp—

"(A) if such camp—

"(i) did not operate for more than 7 months in the calendar year and did not operate for more than 7 months in the preceding calendar year, or

"(ii) had average gross receipts for any 6 months in the preceding calendar year which were not more than 33⅓ percent of its average gross receipts for the other 6 months in the preceding calendar year; and

"(B) if such full-time student performed services in the employ of such camp during fewer than 13 calendar weeks in the calendar year.".

(b) Section 3306 of such Code is amended by adding at the end thereof the following new subsection:

"(q) FULL-TIME STUDENT.—For purposes of subsection (c)(19), an individual shall be treated as a full-time student for any period—

"(1) during which the individual is enrolled as a full-time student at an educational institution, or

"(2) which is between academic years or terms if—

"(A) the individual was enrolled as a full-time student at an educational institution for the first of such academic years or terms, and

"(B) there is a reasonable assurance that the individual will be so enrolled for the second of such academic years or terms.".

(c) The amendments made by this Act shall apply to remuneration paid after December 31, 1980.●

ADDITIONAL COSPONSORS

S. 270

At the request of Mr. SCHMITT, the Senator from Georgia (Mr. MATTINGLY) was added as a cosponsor of S. 270, a bill to amend the Communications Act of 1934 in order to encourage and develop marketplace competition in the provision of certain radio services and to provide certain deregulation of such radio services, and for other purposes.

S. 351

At the request of Mr. WALLOP, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 351, a bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that the provisions of such act shall not apply to the surface mining of stone, clay, and sand work.

S. 708

At the request of Mr. CHAFEE, the Senator from New Mexico (Mr. SCHMITT), and the Senator from New York (Mr. D'AMATO) were added as cosponsors of S. 708, a bill to amend and clarify the Foreign Corrupt Practices Act of 1977.

S. 921

At the request of Mr. SIMPSON, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 921, a bill to amend title 38, United States Code, to extend authority to provide contract hospital care and medical services in Puerto Rico and the Virgin Islands, and for other purposes.

S. 966

At the request of Mr. SASSER, the Senator from Wyoming (Mr. SIMPSON) was added as a cosponsor of S. 966, a bill to amend chapter 13 of title 18 of the United States Code.

S. 1018

At the request of Mr. CHAFEE, the Senator from Maine (Mr. MITCHELL), the Senator from Pennsylvania (Mr. SPECTER), the Senator from Vermont (Mr. STAFFORD), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Wyoming (Mr. SIMPSON), the Senator from Connecticut (Mr. DODD), the Senator from Rhode Island (Mr. PELL), the Senator from Delaware (Mr. ROTH), and the Senator from Maine (Mr. COHEN) were added as cosponsors of S. 1018, A bill to protect and conserve fish and wildlife resources, and for other purposes.

S. 1120

At the request of Mr. KASTEN, the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 1120, a bill to reduce the amount of funds available to an agency unless the agency has reduced waste, fraud, and abuse to the maximum extent feasible or demonstrates that no waste, fraud, or abuse exists in the administration of programs, and for other purposes.

S. 1131

At the request of Mr. DANFORTH, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 1131, a bill to require the Federal Government to pay interest on overdue payments and to take early payment discounts only when payment is timely made, and for other purposes.

S. 1218

At the request of Mr. WALLOP, the Senator from Florida (Mrs. HAWKINS), the Senator from Alabama (Mr. HEFLIN), the Senator from New Mexico (Mr. SCHMITT), and the Senator from Wyoming (Mr. SIMPSON) were added as cosponsors of S. 1218, a bill to amend the Internal Revenue Code of 1954 to allow employees a deduction for savings contributions to employer retirement plans.

S. 1235

At the request of Mr. D'AMATO, the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 1235, a bill to exempt certain matters relating to the Central Intelligence Agency from the disclosure requirements of title 5, United States Code.

S. 1245

At the request of Mr. HATCH, the Senator from Wyoming (Mr. SIMPSON), and the Senator from Wyoming (Mr. WALLOP) were withdrawn as cosponsors of S. 1245, a bill to provide for the cession and conveyance to the States of federally owned unreserved, unappropriated lands, and to establish policy, methods, procedures, schedules, and criteria for such transfers.

S. 1348

At the request of Mr. SASSER, the Senator from Montana (Mr. MELCHER), and the Senator from Rhode Island (Mr. CHAFEE) were added as cosponsors of S. 1348, a bill to amend the Internal Rev-

enue Code of 1954 to clarify certain requirements which apply to mortgage subsidy bonds.

SENATE JOINT RESOLUTION 62

At the request of Mr. DOLE, the Senator from New Jersey (Mr. BRADLEY) was added as a cosponsor of Senate Joint Resolution 62, a joint resolution to authorize and request the President to designate the week of September 20 through 26, 1981, as "National Cystic Week."

SENATE POINT RESOLUTION 64

At the request of Mr. SIMPSON, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of Senate Joint Resolution 64, a joint resolution designating August 13, 1981, as "National Blinded Veterans Recognition Day."

AMENDMENT NO. 58

At the request of Mr. CRANSTON, the Senator from Montana (Mr. BAUCUS), the Senator from Michigan (Mr. LEVIN), the Senator from Maryland (Mr. SARBANES), the Senator from Illinois (Mr. DIXON), and the Senator from Texas (Mr. BENTSEN) were added as cosponsors of amendment No. 58 proposed to S. 921, a bill to amend title 38, United States Code, to extend authority to provide contract hospital care and medical services in Puerto Rico and the Virgin Islands, and for other purposes.

AMENDMENT NO. 59

At the request of Mr. CRANSTON, the Senator from Texas (Mr. BENTSEN), the Senator from Montana (Mr. BAUCUS), the Senator from West Virginia (Mr. ROBERT C. BYRD), the Senator from Delaware (Mr. BIDEN), the Senator from South Dakota (Mr. PRESSLER), the Senator from Michigan (Mr. LEVIN), the Senator from Illinois (Mr. DIXON), and the Senator from Colorado (Mr. HART) were added as cosponsors of amendment No. 59 proposed to S. 921, a bill to amend title 38, United States Code, to extend authority to provide contract hospital care and medical services in Puerto Rico and the Virgin Islands, and for other purposes.

At the request of Mr. SIMPSON, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of amendment No. 59 proposed to S. 921, supra.

AMENDMENT NO. 61

At the request of Mr. CHAFEE, the Senator from Kentucky (Mr. FORD), the Senator from California (Mr. HAYAKAWA), the Senator from South Dakota (Mr. ABDNOR), the Senator from Nevada (Mr. CANNON), the Senator from Missouri (Mr. EAGLETON), the Senator from Michigan (Mr. LEVIN), the Senator from Oklahoma (Mr. BOREN), the Senator from Illinois (Mr. DIXON), the Senator from Arkansas (Mr. BUMPERS), the Senator from Maine (Mr. COHEN), the Senator from Delaware (Mr. ROTH), the Senator from Texas (Mr. BENTSEN), the Senator from Montana (Mr. BAUCUS), the Senator from West Virginia (Mr. ROBERT C. BYRD), the Senator from Utah (Mr. HATCH), and the Senator from North Dakota (Mr. BURDICK) were added as cosponsors of amendment No. 61 proposed to S. 921, a bill to amend title 38, United States Code, to extend authority to provide contract hospital care and medical services in Puerto Rico and the Virgin Islands, and for other purposes.

At the request of Mr. SIMPSON, the Senator from South Carolina (Mr. THURMOND), and his name were added as cosponsors of amendment No. 61 proposed to S. 921, supra.

NOTICE OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I would like to announce for the information of the Senate and the public, that the Senate Small Business Committee will hold a full committee hearing on the deterioration of the U.S. defense industrial base.

The hearing will be on Tuesday, July 14, 1981, at 9:30 a.m., in room 424 of the Russell Senate Office Building. For additional information contact Jim O'Connell of the committee staff at 224–5175.

SUBCOMMITTEE ON ADVOCACY AND THE FUTURE OF SMALL BUSINESS

Mr. WEICKER. Mr. President, I would like to announce for the information of the Senate and the public, that the Subcommittee on Advocacy and the Future of Small Business of the Senate Small Business Committee will hold a hearing on Government Competition with Small Business. The hearing will be on Wednesday, June 24, 1981, at 10 a.m. in room 424 of the Russell Senate Office Building. Senator HAYAKAWA will chair the hearing.

For additional information contact Kim Elliott of the committee staff at 224–5175.

SUBCOMMITTEE ON INNOVATION AND TECHNOLOGY

Mr. WEICKER. Mr. President, I would like to announce for the information of the Senate and the public, that the Subcommitttee on Innovation and Technology of the Senate Small Business Committee will hold a field hearing on Tuesday, June 30, 1981, in Boston, Mass. The hearing will convene at 9:30 a.m., in room 2003, JFK Building, Government Center, Boston, Mass. Senator RUDMAN will chair.

The purpose of the hearing will be to continue the subcommittee's review of S. 881, the Small Business Innovation Research Act of 1981.

For additional information contact Anne Sullivan of the committee staff at 224–5175, or Andy Peterson of Senator RUDMAN's staff at 224–5371.

Mr. President, I would like to announce for the information of the Senate and the public, that the Subcommittee on Innovation and Technology of the Senate Small Business Committee will hold 2 days of hearing, Tuesday, July 7 and Wednesday July 8, to continue its review of S. 881, the Small Business Innovation Research Act of 1981.

The hearing will convene at 9:30 a.m. on both days in room 424 of the Russell Senate Office Building. Senator RUDMAN will chair.

For additional information contact Anne Sullivan of the committee staff at 224–5175, or Andy Peterson of Senator RUDMAN's staff at 224–5371.

ADDITIONAL STATEMENTS

COMMENCEMENT ADDRESS BY DR. MICHAEL I. SOVERN, PRESIDENT OF COLUMBIA UNIVERSITY

● Mr. PELL. Mr. President, on May 13, 1981, President Michael I. Sovern, of Columbia University, gave that distinguished institution's commencement address at the close of its 227th academic year. Dr. Sovern's address is an important one, for it accurately portrays the dire consequences of many of the proposed reductions this Congress is supporting in its effort to balance the budget.

I have opposed the budget resolutions presented to us this Congress, because I believe strongly that they contain the wrong choices as to how economic recovery can be achieved. And I agree wholeheartedly with Dr. Sovern's analysis that the proposed cutbacks in Federal student assistance programs and basic research programs are a "gross error." The minds and talents of our people are this Nation's most precious resource. In my opinion, many of the budget cutting decisions we are making lose sight of this fact. As I have said time and time again, cuts in educational programs, especially student assistance programs are penny wise and pound foolish. Cutting these programs is the wrong way to achieve national economic security.

Mr. President, Dr. Sovern's address is an important one. It raises issues which are vital to this Nation. I ask that it be printed in the RECORD, and I commend it to the attention of my colleagues.

COMMENCEMENT ADDRESS AT COLUMBIA UNIVERSITY BY PRESIDENT MICHAEL I. SOVERN

Congratulations. You made it.

I know you will understand how much I envy you as I end my first year as President. In a few moments you will become alumni; I shall become a sophomore.

You are an extraordinarily diverse group and this day has different meanings for you. Many of you are marking the end of your careers as undergraduates but not your time as students: professional or graduate school awaits. Others are making the great change from dependence to independence. Your formal education is over. (Sometimes I wish you didn't feel quite so elated about that.) As your parents breathe a sigh of relief, you are going off the family payroll and embarking, at last, on gainful employment.

But we and, I hope, you will not be content if you are merely prodigious breadwinners. We expect you to be uncommonly skillful at your callings, but we ask for more. We want you to be caring doctors; fair-minded journalists; architects and planners of vision and discipline; inspiring ministers and teachers; business leaders who understand that the good bottom line, though indispensable, is insufficient by itself. We seek commitment and creativity—from our artists and scholars, yes—but also from our therapists. And, I have not forgotten you, social workers, our diplomats, nurses and therapists. And, I have not forgotten you, we want lawyers with a passion for justice.

Whether these next years are spent as an advanced student or as a beginning profes-

sional, they are still years of preparation. They will seem painfully long as you live them, cruelly swift as you look back on them, but one day you will be ready, and an amazingly large proportion of you will ascend to important positions of leadership. On average, you will get there around the year 2001.

Parents, I want you to take good care of yourselves so that you will be around to savor the moment. It will be almost as good as today.

It would be foolish to claim that we have trained you for that day, particularly since no one has a very clear idea what the world will look like in the next millenium. Still, I hope we have prepared you so that you can continue to prepare yourselves. We are seekers at Columbia, students and teachers alike. Wanting to know, needing to know is our passion, our mission. Omniscience is not open to us, but greater understanding is. So, too, is an appreciation of the joy of the quest. That, I hope, you will take with you. If we have helped you to kindle the fire of exploration, do not bank it now. Keep on stretching and growing.

Much of what you will face is captured in a quotation from Harper's: "It is a gloomy moment in the history of our country . . . never has the future seemed so incalculable as at this time. The domestic economic situation is in chaos. . . . Prices are so high as to be utterly impossible. The political cauldron seethes and bubbles with uncertainty. Russia hangs as usual, like a cloud, dark and silent upon the horizon. It is a solemn moment. Of our troubles no man can see the end."

As you undoubtedly guessed, that was from Harper's Weekly, October 1857.

The message is clear. The world has looked gloomy before. To some, it has always looked gloomy. Life is difficult business under the best of circumstances. And the best of circumstances exist only in the past or in the future, the stuff of nostalgia or hope. We must make do with something less than the best of circumstances. Today that means perhaps above all else, uncertainty. What makes the world into which you are graduating different is that no one with any sense can claim to know what lies ahead for you. That degree of uncertainty is rare, perhaps unique, in history.

Until the American Revolution, people knew in broad outline what the future held for them—more of the same. There were harbingers of a radically different world—Gutenberg and Galileo, Luther and Lavoisier—but, measured by our standards, the pace of change was glacial.

With the American, French, and Industrial Revolutions, the pace picked up; but even so, the handful of New Yorkers who graduated from young Columbia College at the beginning of the nineteenth century had a foreseeable future. Fifty years later, slavery would still be flourishing, the trip from New York to Washington would still be a journey of several days, and the survivors could do no more than hope that the next influenza epidemic would spare them again.

In our own century, change moved into high gear, yet a Commencement speaker in the first decade of the 1900's would have foreseen relatively little of it. He would have talked confidently of the Brave New World ahead—full of spiritual well being and material progress, fueled by inexhaustible minerals and man's limitless ability to cope.

We know better. If ignorance is the beginning of wisdom, we are beginning to be wise. If the strong know their weaknesses, we are beginning to be strong. We are learning about our limitations—nature is not subject to infinite manipulation by man; we cannot influence other people as much as we thought we could; we cannot even shape ourselves as much as we would like.

Understanding these limitations is part of the essence of leadership. As leaders you must carry your share of the burden of leading from illusion to reality without losing your way in disillusion and abandoning the journey in cynicism.

These are testing days. Our national government makes cynicism seductive as it maintains subsidies for tobacco growers while proposing budget rescissions for cancer researchers; laments our poor productivity and eliminates the National Science Foundation's program for training scientists and engineers; continues cost-of-living increases to its retired federal employees but denies them to students on financial aid. But we err if we assume that these are the works of malevolence. Ironically, an Administration that would subscribe to the proposition that solutions are the chief cause of problems, is offering solutions at a rate that may well exceed even the early days of the New Deal. Inevitably, they are making mistakes.

I applaud the President's determination to roll back inflation. It is an insidious plague and we have been among those seriously hurt by it. The President has shown rare political courage in proposing to bring under control such extravagant, unproductive programs as dairy price supports and trade adjustment assistance. I applaud too the urgings to put aside narrowly partisan differences, to forego special interests. I believe deeply in the virtue of subordinating selfish claims to the common good. But I do not believe in suspending judgment as to where the common good lies.

We expect an administration to make its own, earnest search for the common good, using the best information available, filterering that information through its own predispositions and making whatever political compromises it must to come as close as it can to its goals. All of us have a role in that process—both as sources of information and as elements in the political balance. If we keep silent when we see gross error, we fail in our responsibilities.

And I do see gross error in the way the Reagan Administration is proposing to deal with basic research and student aid.

It would be hyperbole to say that we are embarking on our own Cultural Revolution. I do not foresee in America the wasteland of China's laboratories and classrooms. But I can well imagine a news story datelined Washington, D.C., January 21, 1989, which reads: "In her State of the Union Message, the President called for a multibillion dollar crash program of federal and private investment in America's university research base. She asserted that radical action is critical to meet the problems posed by the greatest shortage of scientists and scholars in our history. Without it, she said, we have no hope of returning to our rightful place as tenth most productive nation in the world."

That is not hyperbole. America's per capita gross national product has slipped to tenth in the world. Tenth.

America's private universities have led the way in scientific innovation—the lion's share of the ground-breaking research has been done in our laboratories and the majority of America's leading scientists have trained with us, hardly a startling congruence. Recognizing the critical importance of keeping American science in the forefront, the previous Administration recommended the expenditure of seventy-five million dollars for advanced scientific instrumentation—the tools of state-of-the-art research and training. This entire item has been stricken from the budget. Private universities cannot assume these costs. The result will be an inexorable reduction in the effectiveness of both research and training, a further erosion of America's ability to compete.

You know of the Administration's widely shared concern for productivity, its proposals for accelerated depreciation of plant and equipment, its hopes for increased rates of savings and investment. But buildings and machinery are not the fundamental answer to America's productivity problem. We must be concerned more with people than we are with things.

As our colleague, Professor Eli Ginzberg, has pointed out, "(H)uman capital, defined as the 'skill, dexterity, and knowledge' of the population, has become the critical input that determines the rate of growth of the economy. . . ."

But what is the Administration doing? Just look at the federal budgets, if you have a spare month or two. Since 1965, the federal government has provided nearly $20 billion in loan guarantees and interest subsidies for college and university students. It has disbursed billions more in direct financial aid to those most in need. I know of no wiser, fairer, more fruitful investment in America's people and America's future. We here have a high responsibility to that future: we must not stand by in silence and timidity while it is bargained away.

Surely, at this critical time, our nation should not be so short-sighted as to embark on the false economy of cutting financial aid to students.

Yet that is precisely what the national Administration is proposing. It wants to cut Pell grants, the program that some of you have known as BEOGs. Pell grants provide a maximum of $1,800 a year in support of students demonstrating serious need. As you know all too painfully, no student eligible even for a maximum Pell Grant of $1,800 can attend an Ivy League college without holding down a part-time job, taking out a loan and receiving additional scholarship help from the college itself. That program should not be cut; it should be increased.

It should be increased because fair play calls for allowing those able enough to go to the best colleges to attend them. It should be increased because we have a vital economic stake in not wasting valuable human resources.

The budget-cutters would also shrink the Guaranteed Student Loan Program. These loans are made by private capital, not the government, and the repayment obligation is that of the student. The Guaranteed Student Loan Program makes it possible for private lenders to help students willing to bear major costs to finance their own education. Improvements in the program are needed; some who don't need the loans have taken advantage of the favorable rate to turn an arbitrageur's profit at public expense, and some have defaulted on their repayment obligation. Those failings can be corrected, and they will be. But let us be careful not to damage a critically important and extraordinarily fruitful program in the process.

To give you a rough idea of the importance of Pell grants and the Guaranteed Student Loan Program to American higher education, last year Columbia alone disbursed 22 million dollars in financial aid; our students borrowed 37 million more, 30 million of it under the Guaranteed Student Loan Program.

There are still other examples of unwise cuts in research support and aid to students, but they all add up to the same sum: we are risking waste of our most precious national resource, stunting of individuals and serious damage to independent colleges and universities—all for savings that amount to a fraction of one per cent of the federal budget.

One of the afflictions of our society is a widespread unwillingness to choose. Where, then, can federal expenditures be reduced to make up for the cuts I oppose? Former Secretary of Commerce Peter Peterson has calculated that if the highly inflationary indexation of many federal programs were cut to 85 per cent of the Consumer Price Index, instead of the current 100 per cent, the savings would amount to three billion dollars

in fiscal year 1982 alone. That is substantially more than all of the damaging cuts I have been talking about.

Adlai Stevenson once observed: "The human animal is peculiar—it seems unable to read the handwriting on the wall until its back is against it." I believe the handwriting is on the wall, that the budget-cutters are being profligate with our most precious national resource, and I hope America won't wait until our backs are against the wall to do something about it.

If one needed proof of the value of student aid, today would be proof enough. You are the best evidence of the magnificent results of student aid. You are America's future. As the door of opportunity was opened to me here, as it was opened to so many of you, let us work together to ensure that it will be opened to those who follow.

Those who do come in that door will discover that at Columbia we are embarked on a wonderful renaissance. Three weeks from today we shall formally dedicate the East Campus Residence Hall; the renovated Hartley and Livingston Halls will reopen on schedule in the fall; and we shall open the new Humanities Center later this year. A new biology library and new undergraduate laboratories are now ready in the Sherman Fairchild Life Sciences Center and plans are already in the works for a new chemistry building. In addition to our bustling new care in Ferris Booth Hall, we shall have a thoroughly refurbished John Jay Dining Hall in September.

More important than these tangible improvements has been our commitment to intellectual renewal. The Marcus Commission Report has pointed the way to heightened excellence in the Arts and Sciences. While other American colleges are reconsidering their abandonment of demanding curricular requirements—a task we have been spared since we never lost faith in ours—we are free to think about how to make the superb even better, and we are doing that, emphasizing new writing programs and working on a solution to the problem of scientific illiteracy. Though our professional schools have never been stronger, I see in them not complacency, but a healthy restlessness, a spirit of self-examination that augurs well for the future.

A new spirit animates relations between the University and our neighbors. We have begun to work together to our mutual benefit.

And I note with special pleasure that alumni giving to the University has more than doubled this year. Let that be a lesson to you.

For while we need all the help we can get from government, our very existence depends on the generosity of our alumni who believe, rightly, of course, that they got more than they paid for; the wisdom of friends and business leaders who understand the importance of investing in human capital; and, above all, the faith of our students and their families who pay the bills.

The special quality of the Columbia student has been demonstrated, generation after generation, by the distinction of our alumni. As you join their ranks today, the Latin phrase you have seen on the sundial assumes new meaning: Horam Expecta Veniet. await the hour; it will come.

Your hour has come. I wish you joy in your work, love in your life, happiness in your heart. Good luck and Godspeed. Columbia is very proud of you.

JACOBO TIMERMAN—SPOKESMAN FOR HUMAN RIGHTS

● Mr. PELL. Mr. President, last night I was privileged and moved to hear an address by Jacobo Timerman at the annual general meeting of Amnesty International U.S.A.

What a peculiar phenomenon of our political life. Today Mr. Timerman is being attacked in a vigorous and almost vicious manner by various apostles of the New Right. It is as if he deserves criticism for having had the misfortune to being repeatedly tortured, more cruelly because he is a Jew, and has the poor taste to write about it. He is, more to the point, being attacked because he believes the Carter human rights policy was a success. Mr. Timerman believes that public protests have a beneficial affect upon the imprisonment of political prisoners. I must say I completely agree with him. Some weeks ago I was in Brazil and Argentina and met many unfortunate individuals who said to me "thank God for Carter's human rights policy."

I would like to think that this policy should and will continue to become known not just as Carter's human rights policy, but as the American human rights policy.

I ask that the full text of Mr. Timerman's speech be printed in the RECORD.

The speech follows:

ADDRESS BY JACOBO TIMMERMAN, FORMER PRISONER OF CONSCIENCE IN ARGENTINA

I am grateful to Amnesty International of the U.S.A. for inviting me to speak to this meeting. I speak for myself, as another person in the struggle for human rights, and appreciate this opportunity to present my own views.

Every person who gets out of prison feels an immediate impulse and an urgent need to reconstruct his life. It is not very probable that he can achieve it, because prison has destroyed many of his inner mechanisms. His second impulse, therefore, is to try to construct a new life. For this he needs privacy and the emotional support of his family.

But the prisoner who has been released as a result of the efforts of thousands of people feels other obligations as well. I obtained my liberty as a result of the struggle of organizations and individuals who generously give their time to a world campaign for human rights.

I would like to spend my time in Israel, dedicated to the beautiful adventure of reconstructing a Jewish state, a democratic and peaceful Israel, participating in the enormous endeavor of correcting history and ending the most terrible aggression against human rights recorded by history, the endless barbarism of anti-Semitism. But I have continued to travel around the world and to add my voice to the cry for human rights.

I have taken part in almost all the international meetings of journalists and publishers which have been held in the 20 months since I was released from prison—to tell the world of the first case in memory of a genocide of journalists—the kidnapping by the Argentine armed forces of 100 journalists and their subsequent total disappearance. I have participated in conferences devoted to the problem of the disappearances, especially the International Colloquium held in the French Senate at the beginning of this year under the auspices of the International Federation of Catholic Lawyers. In all those ceremonies in which I have been honored by the Jewish institutions of the United States for my struggle for the security of the Jewish community of Argentina—the American Jewish Committee, the United Jewish Appeal, Haddasah, the United Synagogue of America, the Anti-Defamation League of B'nai B'rith—I have presented the case of human rights violations in Argentina. And I have participated in the international campaign for the freedom of the Soviet dissident Ida Nudel, in close cooperation with the sister of that great woman, Mrs. Elena Friedman.

In my house in Tel Aviv, we organized the press conference that Mrs. Friedman gave in Madrid, shortly before the beginning of the Helsinki deliberations at the end of last year, and I maintained the firm position that we must confront the pressure of U.S. State Department officials who insisted on the cancellation of the press conference. Those bureaucrats felt that it might provoke the Soviet Union into deciding not to permit the inauguration of the Madrid gathering. We were abandoned by all those who should have participated in that press conference, but there were two persons, in addition to Mrs. Friedman, who insisted that it was necessary to confront the Soviet Union with the denunciation of the case of Ida Nudel.

One of my most precious awards is the letter sent to me by Ida Nudel's sister, saying: "I am filled with gratitude for the important and timely advice you gave us in a difficult period of decision when we were in Madrid."

My presence here is in response to the same motives. I am not a perfect orator. My English is faulty. I am not an expert on human rights. I am a former political prisoner persecuted for his ideas, a former Jewish prisoner tortured for his origins, a survivor of the clandesine prisons of Argentina. I do not come to present theories. I come to give personal testimony. And I do so before this assembly because I am grateful to Amnesty International, and because this Assembly represents the men and women who maintain the integrity of the humanitarian, moral and political principles that gave birth to the United States of America—principles which, in the midst of tremendous upheavals, have guided the course of the history of this nation and this people.

During this long journey of meetings, conferences and ceremonies, I have observed that no one any longer dares to deny the need for governments and private institutions to defend the human rights of individuals and societies. No one, openly, denies that violations of human rights exist under different political regimes, and that it should be condemned, halted, neutralized. Perhaps one of the greatest successes of the marvelous institution that is Amnesty International is its ability to demonstrate that there is no organization today—labor union or professional association, scientific or sports group, cultural or artistic council—that does not have a department or committee dedicated to the protection of human rights. And it is also a great triumph to show that those who used to be openly opposed to the struggle for human rights, now choose to employ mechanisms of deception but not of opposition. While the people affirm the necessity of fighting for human rights, they create diplomatic and political theories, like the thesis of "quiet diplomacy," or the theory of different strategies that should be employed in individual cases, or the difference between authoritarian and totalitarian governments. What they are trying to do is to replace the idea of human rights with a mere tactical or strategic exercise, that is, to sterilize the basic idea, and create a kind of travesty which dictators on the right and the left quickly interpret as an unlimited license to trample on human rights.

Curiously enough, the thesis of authoritarian governments which are friendly and should be protected, and totalitarian governments that should be openly accused because there is no hope of winning their friendship, does not originate in the recent semantic adventures of American conservatives. It was the Soviet Union that

perfected the idea in the case of Argentina. The Soviet Union has been the only important world power never to formulate one single protest against the violation of human rights in Argentina. It has been the Soviet Union that has blocked in the United Nations every attempt by democratic countries to investigate violations in Argentina, to condemn these violations. Every time the Argentine drama was to have been considered by the United Nations Commission on Human Rights, the Soviet Union, with the help of the automatic majority that controls the institutions of the U.N., put forth such a variety of fantasies that even an American delegate was moved to say: "Abuse of human rights is abominable, but we want the same standards applied everywhere." Another delegate, Richard Shifter, said that if the U.N. Commission on Human Rights is worthy of its name, it should be guided by "one standard in assessing violations of human rights and fundamental freedoms." Unfortunately the Reagan administration wishes to modify this policy and apply a double standard.

I have also been able to demonstrate that the conservative ideologues who apply the Soviet semantics, also, in the case of Argentina, apply the mathematical machinations of the directors of the Argentine communist party. The Argentine communists maintain that the support of the so-called moderate military in Argentina has permitted an improvement in the situation of human rights, and they devote themselves to making a count of how many disappearances there are today and how many there were before. That is like feeling sufficiently satisfied with the changes introduced in Russia after the death of Stalin, especially the vindication of many of those murdered by the regime, and at that point considering the matter closed.

The theorists of quiet diplomacy make their reckonings in the following way. Since the Reagan administration has occupied the White House, there has not been one single disappearance in Argentina, giving the impression that this was achieved through silent negotiations with the Argentine military. But if the Argentine military are able to stop the wave of disappearances, that means that they are the kidnappers. How is it possible, then, to maintain absolute silence over the fate of 15 to 20,000 persons whom they kidnapped? Isn't there any moral or religious problem in this to worry the proponents of silent negotiations?

Quiet diplomacy then compares the absence of disappearances in 1981 with the 28 disappearances in 1980, and takes pride in the great success of the present American administration.

But, in my opinion, if we accept this mathematical formula, we can also say that the Carter administration reduced the disappearances from 15,000 to 28, which from the arithmetical point of view is an even greater triumph.

What the new theorists of human rights evidently intend is to pervert the whole concept, emptying it of its moral content. The current president of Argentina, General Roberto Viola, who is so content with quiet diplomacy, was Chief of Staff and Commander in Chief of the Army when thousands of persons disappeared. Since he assumed power, last March, he has not taken a single step to respond to the requests of the families of the disappeared persons, nor a single step to resolve the problem of those imprisoned without charge and without trial, nor to change the situation of those who were illegally condemned by military courts that were created by laws put into force by the same officers, in contravention of the Argentine constitution.

All the former political prisoners with whom I have spoken, whether they be Russians in Israel, Chileans in France, Uruguayans in Spain—insist that the only formula that exists for an effective struggle for human rights is a permanent public denunciation of violations formulated by governments, or private institutions, or the press.

From my own experience, I believe that the most effective action is always that of private institutions supported by the press. And I remember that on a visit I made to the Museum of the Ghetto Fighters, north of the city of Haifa, there is the original telegram sent by the Swedish diplomat Raul Wallenberg from Budapest, when he was struggling to save the Jews that Eichmann was sending to the gas chambers of Auschwitz. The telegram, dated the 29th of July, 1944, directed to London and Washington via Stockholm, reads: "Foreign press publicity eased the situation here. We need more." I think that all the newspapers in the world, all the written and spoken press, should distribute that telegram of Raul Wallenberg to all journalists, so that they may always keep it in mind.

My experience has also shown me that if there is a government that is disposed to have a human rights policy defined as such, this policy will put that country in a prominent position, a position which becomes transformed into a permanent defense of its own interests. In this sense, those of us who were imprisoned, those who are in prison still, will never forget President Carter and his contribution to the battle for human rights. Those who attack his policy as too weak, do so because they cannot find other arguments and must revert to hypocrisy. Those who attack his policy as ineffective, do so because they are seeking a strategy to destroy the policy of human rights and they do not dare to say so openly. Those who say that this policy did not defend the interests of the United States, are trapped by the same obsessions of those who consider that the United States was too generous with the Marshall Plan and that it did not suit American interests.

Once again I shall return to this point. No one dares to dispute the validity of the struggle for human rights. But totalitarians of right and left, pragmatic conservatives, all are seeking a way to change the strategies as a way of neutralizing this struggle.

It is not the only formula that they have copied from the Soviets. I remember the campaigns unleashed by the Soviet Union against the intellectuals who became disillusioned with Russia. The French writer Andre Gide, the Hungarian Arthur Koestler, the Rumanian Panait Istrati, to recall only a few. On returning from the Soviet Union, and after the publication of their books, they were accused of being police agents, mercenaries, arms traffickers, decadent bourgeois.

The same policy is followed today by the theorists of quiet diplomacy with the prisoners who are released from jail and declare themselves in favor of an open struggle against the violation of human rights—a struggle that should include all nations, condemn all regimes, those of the left and those of the right, those who call themselves friends and those presumed to be enemies. There should be no double standard, because this double standard is part of the strategy of fascists and communists alike. On this point, Amnesty International has surely been the organization that has maintained an independent position with the most courage and which has withstood most of the attacks. Luckily, it is a strong and solid institution. Much more difficult is the situation of individuals who must readapt their lives after being badly battered, in part destroyed, in prison. They feel obliged to denounce what they have seen, but feel themselves attacked by theorists who utilize lies and defamation with the same virulence and immorality as the communist parties of the Third International used them against the intellectuals who were disenchanted by the Soviet Union between the two wars.

But the fact is that we are here. And we are all over the world. Under different designations, in the framework of different institutions or religions or political identities, there are millions of us who are dedicated to this struggle for human rights. Because we are convinced that the defense of these rights is the basis of humanity, the basic principle for which life may be preserved.

They cannot murder all of us. They will not be able to torture everyone. They cannot frighten everyone. They cannot deceive everyone, not with false strategic promises, not with false mathematical calculations, not with semantic adventures. The struggle to which we are committed has had, and still has, moments of beauty, sacrifice and glory, that no campaign of attrition, no psychological action, can destroy. Think of the great human epic of the Mad Mothers of the Plaza de Mayo, meeting every Thursday in front of the Casa de Gobierno in Buenos Aires, asking about their children. Imagine them in that plaza, surrounded by "gorilas" in uniform and in civilian clothes, hand in hand, insulted, pawed, pushed, beaten, kidnapped—and none of the valiant generals who ordered the murder of their children dares to confront them. The Argentine president does not dare to receive them. No officer has the courage to assume the responsibility for what he did. Perhaps these soldiers have studied history better than we did. Many conservative theorists do not wish to compare them to the Nazis, and none of those who signed the death warrants of 15,000 persons, thinking of Nuremberg, dares to take responsibility for what he did.

I could give many examples of sacrifice and struggle. Lawyers, threatened with death, have not abandoned their clients. Reporters on the only free newspaper in Argentina, the Buenos Aires Herald, bearing up under harassment, threats, humiliations, accept the challenge of being the only free voice in the nation—young staff members born in England, showing more Argentine patriotism than the army officers.

Thousands of stories. I should like to recount two of them. The efforts of Rabbi Marshall Meyer to enter the jails, the humiliation inflicted on him by the guards, his attempts to discover the whereabouts of the disappeared persons. The emotion I felt when he visited me for the first time, and how he helped the Catholic prisoners—whom the priest in the prison did not even want to visit on Sundays. At that time, Rabbi Meyer represented for all of us—Catholics, Jews, believers and atheists—something stronger than religion. He represented the total idea of humanity.

And let me read you a paragraph from an article by Professor Fritz Stern of Columbia University that appeared in Foreign Affairs.

Professor Stern writes in the July 1978 edition, after returning from a visit to Argentina: "The Argentine dictatorship faces pockets of opposition from within. The Church, it would appear, is far from indifferent to the violations of human rights. It serves as an occasional shield for those outside as well: prominent lay Catholics told me—and individual Jews confirmed it—that the Jewish community of some 400,000 people, which feels a collective sense of beleaguerment, turns first of all to the hierarchy when a specific threat to Jewish rights appears."

These two examples clearly show the depth of solidarity, as they also show that solidarity can confront and resolve problems of every kind created by the violation of human rights. It has an effectiveness which penetrates all nations, which confronts all governments, which worries all regimes.

When we make a count of all the violations that occur in the world today, especially the

terrible creations of the inventors of new crimes—the disappearances in Argentina, the boat people and the re-education camps of Southeast Asia—it seems that the task of Amnesty is impossible, interminable. Perhaps it is interminable. But it is possible, and for twenty years, Amnesty has been able to prove it.

We have been called together by the men and women of Amnesty International of the United States. This country has witnessed important battles for civil liberties and human rights—fought under many different names and under many different political and religious symbols. The most admired heroes, the names repeated throughout the world, are the names of Americans born in this land. Just a few weeks ago, in this country, in this city, one more battle for human rights was won, and a group of semantic adventures was prevented from deceiving the people of the United States about the true meaning of human rights. This one event demonstrates the force of this idea in America, the depth to which it has penetrated the conscience of the American people. And it does not much matter what attitude the government adopts, because the strength and the vitality of the struggle will be represented by the American people and by its Congress, and by its humanitarian organizations.

Many times we have conquered fear. We have conquered confusion. We shall also conquer brutality.

I salute the men and women of Amnesty International. ●

S. 1131, THE DELINQUENT PAYMENTS ACT OF 1981

● Mr. DANFORTH. Mr. President, on May 6, 1981, I, along with 22 of my colleagues, introduced S. 1131, the Delinquent Payments Act of 1981. I am pleased to report that, as of today, more than one-third of the members of the Senate have announced their support for this long overdue legislation.

On May 13, 1981, the Subcommittee on Federal Expenditures, Research and Rules, which I have the privilege to chair, held hearings on the problems Federal contractors have encountered in securing prompt payment for their goods and services. The subcommittee heard nothing to indicate that the Government's payment practices have improved since 1978 when, according to a study conducted by the General Accounting Office, nearly 40 percent of the invoices submitted to the Federal Government were paid late.

What the subcommittee did hear, however, was example after example of suppliers' being forced to secure loans—at devastatingly high rates of interest—in order to meet their operating expenses, simply because the Government was delinquent in paying its bills. The American Consulting Engineers Council had completed, just prior to the hearing, a survey of its membership on the slow pay problem. The council discovered that, partly because of slow Government bill paying, its member firms across the country had borrowed an average of $225,000 over each of the last 2 years and paid approximately $23,000 in interest annually at a rate of 10 percent. This year, the firms are likely to borrow $260,000 and pay $42,500 in interest at a rate exceeding 16 percent.

A representative of the American meat industry testified that at the end of 1980 his company alone had military accounts totally nearly $1.3 million, and nearly one-third of the amount—$395,000—had remained unpaid for over 30 days. In an industry where raw materials must be paid for in cash almost immediately upon receipt, where invoices are expected to be paid within 7 days, and where sellers rely on a low rate of profit, a 30-day overdue account can virtually wipe out the entire profit on a given sale.

The Chamber of Commerce of the United States reported that, in effect, the Federal Government is borrowing up to $11 billion per year from businesses by not paying its bills on time. The Slow Pay Coalition, a group of business associations which have vigorously pursued potential remedies for the late payment problem, presented numerous examples of inexcusable delays in Government bill-paying.

The subcommittee was also told that suppliers frequently stop doing business with the Government altogether because of the Government's negligence in paying its bills promptly. This disturbs me deeply, since it means not only that contractors suffer from delinquent payments but also that the taxpayers suffer because of the shrinking number of bidders for Federal work. Fewer bidders means higher prices, and higher prices can amount to a great deal of money where total Government purchases exceed $100 billion each year.

I am encouraged and gratified by the strong show of support my colleagues, from all areas of the country and both sides of the aisle, have shown for S. 1131. We intend to move forward with this legislation and put a stop to unfair Government bill-paying practices.●

MARION—SOMEPLACE YOU CAN BELIEVE IN

● Mr. METZENBAUM. Mr. President, Carrie Niece, an eighth grade Baker Middle School student from Marion, Ohio, has the distinction of being the winner of the "Marion—Someplace You Can Believe In" essay contest sponsored by Scantland Communications. Ms. Niece was chosen over all Marion County students in grades 7 through 12 who were invited to enter the contest and describe why they believe in Marion.

Mr. President, it always is heartening to find a young person with the obvious writing talent of Ms. Niece, as well as the deep sense of civic pride she feels toward her community.

Marion is indeed a very special place, and Ms. Niece has captured the spirit of this fine community in her essay.

I ask that the full text of this essay be printed in the RECORD.

The essay follows:

CONTEST WINNER

Marion: Someplace you can believe in.

As a young person living in Marion, Ohio, I have the advantage of recognizing the accomplishments of Marion's past and looking forward to its achievements in the years to come. In restoring Old Village Marion, for example, the past is not being forgotten, but is being preserved for the future. By contrast, with new housing developments and public buildings. Marionites are able to appreciate the beauty of modern architecture.

The people of Marion are able to enjoy established parks that were planned by our ancestors and take advantage of the many recreation programs offered to people of all ages. Such groups are the Marion Recreation Department and the local YMCA.

The people of Marion always respond to a call for help, whether it be a neighbor in trouble, charity contribution, or a fundraising drive. WDIF, for example, has recently raised $32,000 for the cancer fund.

The civic government of Marion is often controversial but never boring because the people of Marion get involved in public issues. It is only when people become involved that progress can be made. Marion is always in a state of change, but its greatest asset would have to be the citizens who respect the traditions while planning for the future.

It's people that make a city what it is. I believe in the people of Marion; in their generosity; their kindness; and in their hopes for Marion's future.

I want to be a part of Marion's future, but if someday I must live in another community, I will always be proud to say that Marion, Ohio is my home town.

CARRIE NIECE,
Grade 8, Baker Middle School.

Mr. Lawrence.●

LITHUANIA—STRUGGLE FOR FREEDOM

● Mr. WEICKER. Mr. President, today we commemorate the forcible occupation and incorporation of Lithuania into the Soviet Union, which took place 41 years ago today. I stand with many of my colleagues and Lithuanians all over the Nation and the world in marking this significant event.

Mr. President, even a cursory review of the history of this noble people reveals that from the time of the Middle Ages, Lithuania has been synonymous with the struggle for freedom. The present generation of Lithuanians, which suffers under Soviet tyranny, carries on this historic effort to establish justice and independence in that land.

We, this present generation of Americans, who take our liberties for granted, have much to learn from the Lithuanian people. Their experience shows us that we must continue to be willing to pay the price necessary to maintain our freedoms and democratic values. We are indebted to those Lithuanians who have come to the United States with such a rich heritage of sacrifice and commitment to fundamental principles.

Mr. President, the message to the leadership of the Soviet Union which emanates from this Chamber today and from the hearts of countless Lithuanians around the world is very clear: the Lithuanian people will not yield. They, and freedom's advocates around the world stand united in the struggle to restore the independence of this land. History and the enduring strength of the Lithuanian people tell us that this endeavor will not be in vain.●

COAL TRANSPORTATION STUDY

● Mr. CHILES. Mr. President, it is evident that for the immediate future, at least, a major source of energy for this country will be coal. It remains an abundant resource in this Nation as other energy sources dwindle in supply. For States such as Florida which are now dependent upon foreign sources of oil

for a major portion of their electric generation, coal can become a very important energy option.

For coal to be a significant energy source for Florida and other States far removed from this Nation's coal fields, reliable and cost-effective transport of coal will be of critical importance. It is vital that we have a transportation system that can handle the large volume of coal needed to fuel new coal-burning facilities. It is equally important that transportation costs be kept to a minimum so that the consumer will realize the savings that will result from the use of coal rather than high-priced foreign oil.

Continental Resources Co. of Winter Park, Fla., has recently commissioned a study of coal transportation. I believe the results of this study should prove of considerable interest to the Congress as it considers coal slurry pipeline legislation.

Mr. President, I ask that an executive summary of the study be printed in the RECORD.

The summary follows:

EXECUTIVE SUMMARY

In view of the large projected increase in U.S. coal use by the year 2000, Coalstream Pipeline Company (CPC), a subsidiary of Continental Resources Company (CRC), is considering the construction of a coal slurry pipeline from the Huntington, West Virginia and Shawneetown, Illinois areas to serve 16 selected generating plants in Georgia and Florida. Total estimated coal use is 54 million tons per year. In order to construct the pipeline, Federal eminent domain legislation is required.

The major competitors for this traffic are the rail carriers currently serving the generating plant sites. Historically, these carriers have been closely regulated by the Interstate Commerce Commission (ICC). However, on October 14, 1980, the Staggers Rail Act of 1980 was signed into law, substantially deregulating the ratemaking process for railroads and, for the first time, allowing negotiation of long-term contracts with rail carriers for transportation services. To understand and assess the implications of this legislation on the potential rail rates for coal deliveries to the affected utility generating plants, CPC commissioned Kearney Management Consultants to prepare an analysis of potential rail rates. Independently, Fluor Ocean Service, Inc. was commissioned to estimate potential pipeline rates.

Kearney's rail rate analysis consisted of the calculation of the ICC-prescribed adjusted Rail Form A variable costs for each of the 16 potential movements. These variable costs were used as a basis for estimating the maximum allowable rates which avoid ICC jurisdiction in the ratemaking process under the provisions of the Staggers Act. Rates beyond this maximum are subject to protest by the shippers and receivers and review by the ICC. These estimated rates were then projected for 1988 (the first year of operation of the proposed pipeline) through 2007.

Fluor's pipeline rate analysis consisted of developing estimated maximum allowable coal slurry pipeline rates based on ICC-valuation ratemaking methodology for oil pipelines, since a regulatory methodology for coal slurry pipelines has not been established. These rates were also projected from 1988 through 2007.

The two resulting maximum rate curves are shown in Figure A.

[Figure A not printed in Record.]

The comparison indicates that after 1988 the maximum allowable pipeline rate is less than the maximum allowable rail rate under the Staggers Act. The primary reason is that a large portion of the railroad cost structure is subject to normal price inflation (which can be passed through under Staggers Act provisions), while a large porportion of the pipeline cost structure is fixed capital investment not subject to general inflation.

The exact impact of the proposed pipeline on the rate eventually paid by the affected utilities depends upon many economic and competitive factors. However, an indication of the spectrum of possible impacts can be gained from consideration of the data in Figure A.

1. Status Quo. If there were no threat of pipeline construction, the railroads would be free to set rates in a relatively noncompetitive environment. Under the provisions of the Staggers Act, it is likely that these rates would approximate the maximum rates shown in Figure A for rail transportation. The total cost of rail transportation for 54 million tons of coal annually would be approximately $28 billion in 1981 dollars ($115 billion in inflated dollars) over the 20-year period shown in Figure A.

2. Construction of Coal Slurry Pipeline. If eminent domain legislation is enacted and the coal pipeline is constructed, then pipeline rates for movements would approximate those in the pipeline rate curve shown in Figure A. The cost of pipeline transportation for 54 million tons of coal per year over the 20-year period would be aproximately $16 billion in 1981 dollars ($61 billion in inflated dollars).

If eminent domain legislation were enacted, the threat of slurry pipeline competition alone would likely result in coal transportation savings from competition between the railroads and the proposed pipeline. Under the provisions of the Staggers Act, utilities could negotiate long-term contracts for rail transportation to establish rate levels and control future rate escalation. Similar contracts would be negotiated between the utilities and the operators and the proposed pipeline. In such a competitive environment, railroads would likely price selected movement at rates substantially below the maximum allowed by the Staggers Act as shown in Figure A. The pipeline could also be expected to lower its rates from the maximum allowable to compete with the railroads. Therefore, this competition between rail and pipeline to establish long-term contractual arrangements for coal transportation to the 16 generating plants could result in net rates below those shown in the rail and pipeline curves in Figure A.

Therefore, the possible savings in coal transportation costs for the 16 selected generating plants would range from nothing—if there were no eminent domain legislation—to as much as $12 billion in 1981 dollars ($54 billion in inflated dollars) if the coal pipeline were constructed and transported the 54 million tons of coal annually over the 20-year period. By introducing competition for their coal traffic, some portion of this potential savings would likely be realized by the affected utilities simply from approval of eminent domain legislation.●

JOURNALISTIC MISCONCEPTIONS

● Mr. McCLURE. Mr. President, I am constantly amazed at the misinformation that is presented to the American public as fact. I have spent a good many hours talking to reporters, only to discover that either some were not listening, did not understand, or purposely distorted the facts. It is truly refreshing to see that this politicization of the press does not affect all reporters. Gene Brown, a correspondent for the Spokesman Review, debunks a number of journalistic misconceptions and I would like to share his thoughts with my colleagues.

The article follows:

GUN-CONTROL ADVOCATES TAKE CHEAP SHOTS

(By Gene Brown)

SANDPOINT, WASH.—Six years ago this November I quietly pulled the plug on my little black and white television set, dumped it into the trunk of my car and headed for a rifle range, where I made the tube the object of some casual target practice.

I have not owned a television since and, with the exception of old Laurel and Hardy, Humphrey Bogart and John Garfield movies, I do not miss it.

Like millions of other Americans I was fed up with the violence, bloodshed, mundane programming and canned laughter, and decided to rid myself of this video thorn in the side.

But, above all, it was the constant barrage of antigun propaganda that finally triggered my target practice.

Two programs on same were the cappers.

One was "The Gun," a fictional work made to appear real and totally distorted the facts on gun laws in this country. The other was "The Guns of Autumn" which made hunters look like shaggy-faced, pot-gutted slobs who tuned up for the season by drinking large amounts of liquor and beating their wives and kids before they headed out to the edge of town to slaughter does, fawns and baby bears with machine guns.

I am aware of a few "road hunters" who are too lazy to get off the county roads and back into the brush. But as a group, none of the hunters I associate with fit the mold of the TV stereotype redneck gunslinger.

Nor do most of the gunowners I know fall into this category.

The recent assassination attempt on President Reagan has once again put some steam into the rollers of the gun control crowd.

It didn't take the network people long to start babbling about the lack of gun control, the horrors of Saturday Night Specials, easy availability of murderous devices in America and a vast assortment of other media cliches that many of us are tired of hearing.

We discuss these things over fences and at laundromats and restaurants around North Idaho, and the majority of those I have talked with cannot believe the idiotic statements they hear and read.

Generally, the public is not aware of the stringency of existing gun controls and laws.

For instance, mail-order guns for the public are long gone.

Unless you hold a Federal Firearms License, which requires a good deal of checking on you and your background by U.S. Treasury agents, you are not going to get a gun (with the exception of pre-1898 antiques) through the mail. The public has not been able to order a handgun or a rifle through the mail since June 19, 1968, when Congress passed the Gun Control Act of 1968.

Also since 1968, you have had to register for all handgun ammunition and any rifle ammunition, such as .22 or .44 caliber, that will fit into a handgun.

Another myth touted by the gun-control gang is the so-called Saturday Night Special.

Too many people think that any handgun fits into this category, and, if Sen. Ted Kennedy had his way, all these handguns would be melted down.

According to the National Rifle Association, Kennedy has introduced bill after bill to implement a meltdown law where owners of handguns—expensive or otherwise—would be reimbursed $50 after their handgun was confiscated by the government.

A recent letter to the editor of The Spokesman-Review implied that it is nothing for a

would-be assassin to go into his local pawnshop and "for a few dollars" pick up a gun.

Wrong again. In order to sell any kind of gun, pawnshops must have Federal Firearms Licenses requiring them to register any firearm that comes in or out of their shop.

It is highly unlikely that any member of the hock shop set is going to risk his entire business by selling guns under the table or out the backdoor.

And the "few dollars" part is a real fable. A decent Colt, Smith and Wesson or Ruger .38 caliber handgun starts at about $200, and a Model 29 S&W retails for around $425.

To legally carry one of these handguns in some parts of the country, mainly east of the Mississippi, requires reams of paperwork and detailed police checks.

New York City, with its stringent Sullivan Law—Sullivan, who was instrumental in getting this passed, died in a mental hospital—Detroit, Chicago, Washington, D.C., and Philadelphia have the toughest gun laws in the country.

Apparently, their stance on guns hasn't done much to alleviate their crime problem.

If you haven't done so already, I suggest you read a regular feature in the NRA's monthly magazine, the American Rifleman, called The Armed Citizen.

These articles are a selection of news clippings from around the country showing where mere presence of a firearm, without a shot being fired, prevents crime in many instances.

The NRA says that shooting usually can be justified only where crime constitutes an immediate, imminent threat to life or limb, or in some instances property.

If the anti-gun forces have their way, this option for millions of law abiding Americans could become a thing of the past.●

JACOBO TIMERMAN AND ARGENTINA

● Mr. KENNEDY. Mr. President, many of us have read about the tragic and brutal experiences undergone by Jacobo Timerman as a political prisoner of the current regime in Argentina. Mr. Timerman, formerly the founder, editor and publisher of La Opinion, one of Argentina's most renowned newspapers, is neither terrorist nor Communist. His imprisonment, torture and expulsion from his homeland demonstrates how unfounded are the assertions of the Argentine military that their only excesses were in response to terrorist attacks, and their only prisoners those with a terrorist connection.

For more than 2 years, while the world watched, this distinguished journalist and author was held in jail, after the courts had ruled that there were no legitimate charges against him and after they had ordered his release. But in Argentina, for the past several years, the rule of law has been more often broken than respected by those sworn to defend it.

Until these conditions change, until men and women like Jacobo Timerman are able to engage in their chosen professions and live their lives without the fear of a midnight kidnaping by security forces, the United States should not be engaged in supporting the military junta in that country.

I urge my colleagues to read the testimony of Jacobo Timerman which appeared in the April 20, 1981, edition of the New Yorker. It is more than a description of the suffering endured by political prisoners in Argentina. It reveals much of the anti-semitism which is part of the pattern of repression in that country and the nature of the government which could carry out this gross injustice.

I ask that the full text of both the article by Jacobo Timerman and a further article by Robert Cox, the courageous editor of the Buenos Aires Herald, appearing in the June 9 edition of the New York Times, be printed at this point in the RECORD.

The material follows:

[From the New York Times, June 9, 1981]

TIMERMAN SHOWS THAT "AUTHORITARIAN GENERALS" ARE KEEPERS, CAPTIVES OF A "TOTALITARIAN BEAST"

(By Robert Cox)

CAMBRIDGE, MASS.—Jacobo Timerman, expelled from Argentina and stripped of his citizenship and most of his property by the military regime, is demonstrating that writing well is the best revenge.

In a searing document, his book "Prisoner Without a Name, Cell Without a Number," he has revealed the secret world of terror in Argentina. The book is so powerful that he has achieved something I thought impossible: He has made the people of the United States care about Argentina.

Etching in blood, sweat, and tears the torture he underwent in mind, body, and soul, through a year's imprisonment and subsequent house arrest for a total period in captivity of 30 months, he has grabbed public opinion by the scruff of its neck and taken it to where the totalitarian beast lives.

Mr. Timerman has torn off the flimsy veil of respectability with which the upholders of the new orthodoxy in United States foreign policy hoped to dress up the Argentine regime. The smiling authoritarian generals have been revealed in his book, and in a series of dramatic news-media encounters, as the keepers and the captives of the totalitarian beast that lurks in the darkness of the security forces where Nazism lived on after World War II.

It is a new kind of totalitarianism. It does not strut. It skulks. There are no swastikas on armbands for public view. No mass rallies or ranting speeches. The dreaded symbols—the portraits of Hitler—are kept for the torture chambers and cell blocks, where only the prisoners, victims of the new fascism, can see them.

Mr. Timerman has revealed the nature of the regime. Can a regime that has sent at least 6,000, probably 10,000, and maybe more people through secret death camps be described as *authoritarian?* When the torturer turns up the voltage because he has a Jew on the bedsprings, or a guard gives another Jew a methodical kick every time he passes his bound form, are these acts merely characteristics of "a moderatly repressive regime?"

Clearly, Mr. Timerman must be discredited. Otherwise, the pretty little theory that, for foreign policy purposes, the world can be divided up into clear categories, goes by the board. The new orthdoxy under which tyrannies that appear to be anti-Communist can be euphemistically described as authoritarian is dangerous for the United States and the world because it demands witting or unwitting self-deception.

To consider the Argentine Government authoritarian denies reality. If labels must be applied, Argentina could best be described as feudalistic and anarchic; it is divided by the rivalries of the separate fiefdoms represented by the armed forces, with their various free-wheeling intelligence services and the beleaguered, powerless Presidency. The tragedy stems from the fact that central authority, and the responsibility that goes with it, has never been established by the moderates in the military who have held nominal power since the March 1976 coup.

Self-delusion in Argentina is understandable. In a country cowed by justified fear, it is safer to hope for the best and to pray that the moderates will eventually win out and establish the moderately repressive regime that the new United States foreign policy orthodoxy would like to persuade us already exists.

It is unmasked reality, not misleading jargon, that United States foreign policy must address—this is the message that public opinion has extracted from Mr. Timerman's testimony. The reservations expressed about Mr. Timerman by defenders of the doctrine that would make the distinction between totalitarian and authoritarian regimes crucial to the Administration's human rights policy are irrelevant to the central issue of Mr. Timerman's revealed truth. But if some lobbyist seems to be working up a campaign of character assassination by feeding understandable doubts, I would like to try to clear up some of these peripheral questions.

Like most people with more than a passing acquaintance with Argentina, I too was astonished that in his book Jacobo Timerman made no mention of David Gravier, who was his friend and financial backer at La Opinión, the daily newspaper that Mr. Timerman published. Mr. Gravier, who is reported to have died in a plane crash in Mexico in 1976, has been accused of acting as a financial agent for the left-wing terrorists called the Montoneros, and most of his close relatives are still in jail in Argentina. The military has never revealed what has been proved against Mr. Gravier and the charge against him remains in the realms of supposition, no more reliable nor damaging than the rumor that the current President, Lieut. Gen. Robert Viola, was given a gold watch by Mr. Gravier. If the military would make public the results of its investigations into Mr. Gravier's activities, the sewer of slander and libel that has sullied many prominent Argentines would be cleared up and the country would be healthier. The truth is that the allegation that Mr. Gravier handled the terrorists' blood money led the Nazi-minded hardliners in the military to the conviction that there was a Jewish-Marxist-liberal (in the Argentine sense, a liberal is a civilized conservative) conspiracy linking all their enemies. Mr. Timerman was kidnapped when this collective psychosis was at its height, and scores of completely innocent and some very eminent people disappeared for a short time. Mr. Timerman, although all charges against him were dropped, remained in prison, where he was probably unaware of the intensity of the smear campaign launched against him because of his perfectly legitimate relationship with Mr. Gravier.

Another charge against Mr. Timerman is that he exaggerates. His critics call his torturers thugs, as though they were unrepresentative. Yet, he says he saw Gen. Carlos Suarez Mason, then the commander of the most powerful military garrison, watching a torture session. I can vouch for the lunatic fervor with which Mr. Timerman's tormentors pursued their anti-Semitic quest for proof of the Jewish-conspiracy theory because I was close to his family throughout his ordeal and what they told me then coincides completely with the account in the book.

Mr. Timerman's political views, which have always been "parlor pink," seem to be as annoying to the right as Aleksandr I. Solzenhitsyn's majestic moralizing is to the left. But Mr. Timerman emerges as a committed democrat and as a profound humanist. He is a man who has always, as far as I know,

had an equal loathing for all forms if totalitarianism. I have never heard him call any left-wing totalitarian regime authoritarian. for example.

The totalitarian nature of the military regime will prevent his book and his message, which is that the respect for human rights transcends ideology, from reaching the Argentine people. The worst form of censorship—self-suppression—has been imposed by state terrorism for five years. So the Argentine people will remain ignorant of the fact that the true rulers are the men who run the clandestine jails and operate torture machines. Even the decent but weak military leaders at the top seem to live in fear of the creatures of the Argentine netherworld.

A few days ago, I received a letter from a couple whose son was kidnapped by security forces in August 1979. About a dozen young people disappeared then, but this was a case with a difference. The young people were allowed to telephone from their secret jails from time to time and to write letters to their families. Two young mothers among the kidnapped were allowed one day to visit their children. These communications continued until March 1980, and then stopped abruptly. Before I left Argentina, at the end of 1979, I tried to use quiet diplomacy on behalf of the missing young people. I spoke to the interior minister, the army's secretary general, even the President, Lieut. Gen. Jorge Rafael Videla. I left lists of their names and the circumstances of their abductions with top Government officials. I published nothing because the families believed that the Government and military leaders would transfer their children from the secret death camps to the law courts, military or civil, if they were allowed to do so without publicity. One couple concluded that their son has been murdered. Now they have asked me to publicize the case. I will not name them because I fear that they might be driven from Argentina or murdered by the real totalitarian rulers.

Can Washington afford to support a regime that—three years after the defeat of left-wing terrorism, in a country that has not suffered a major left-wing terrorist attack since late 1979—has the built-in instability of secret killers loose in its security organizations?

If an authoritarian Government is established, the pros and cons of the "K Doctrine" (for Jeane J. Kirkpatrick, its originator) can be debated. Mr. Timerman's ideology of concern for human rights and opposition to both leftist and rightist totalitarianism is, after all, based on a compelling experience of evil whose very horror lies in the fact that no authority in Argentina will even acknowledge its existence.

[From the New Yorker, Apr. 20, 1981]

REFLECTIONS: NO NAME, NO NUMBER

The cell is narrow. When I stand at its center, facing the steel door, I can't extend my arms. But it is long, and when I lie down I can stretch out my entire body. A stroke of luck, for in the cell I previously occupied—for how long?—I was forced to huddle up when seated and keep my knees bent while lying down.

The cell is quite high. When I jump, I'm unable to touch the ceiling. The walls have recently been painted white. Undoubtedly, they once had names on them, messages, words of encouragement, dates. They are now bereft of any vestige of testimony.

The floor of the cell is permanently wet. Somewhere, there's a leak. The mattress is also wet. I have a blanket, and to prevent that from getting wet I keep it on my shoulders constantly. If I lie down with the blanket on top of me, I get soaked from the mattress. I discover it's best to roll up the mattress, so that one part of it doesn't touch the ground. In time, the top part dries. This means, though, that I can't lie down but must sleep seated. My life goes on during this period—for how long?—whether I'm standing or seated.

The cell's steel door has an opening that allows part of a face—a minimal part—to be visible. The guard has orders to keep the opening shut. Light enters from the outside through a small crack, which acts also as an air vent. This is the only ventilation and light. A faint glow, night and day, eliminating time. Producing a semi-penumbra within an atmosphere of contaminated air—semi-air.

I miss my former cell—where was that?—because it had a hole in the floor that served as a toilet. In my present one, I must call the guard to take me to the bathroom. It's a complicated procedure, and he is not always in the mood. First, to reach my cell he opens a door—the entrance to the block where my cell is situated—and closes it from the inside. At my cell, he announces that he's about to unlock the door, so that I will turn my back to it. Then he blindfolds me and guides me to the bathroom. To bring me back, he has to reverse the whole procedure. It amuses the guards sometimes to tell me that I'm alongside the latrine when I am not. Or to direct me with shoves from behind—so that I stick one foot into the latrine. Eventually, they tire of this game and don't respond to my call. I do it on myself.

I do it on myself. And then I must get special permission to have my clothes washed and must wait in the cell, naked, until they are dry and are brought back to me. Sometimes days pass, because—they claim—it's raining. My isolation is so overwhelming that I prefer to believe what I'm told.

The discipline of the guards is not very good. Often, one will bring food to me without blindfolding me. Then I can see his face. He smiles. Sentry duty wearies them, for they must also serve as torturers and interrogators. They're the only people at work in these clandestine prisons. On the other hand, they're entitled to part of the booty in every arrest. One of the guards has my watch. During an interrogation, another guard offered me a cigarette and lit it with my wife's lighter. Tonight, a guard, not following rules, leaves the peephole ajar. I wait awhile to see what will happen, but it remains open. Standing on tiptoe, I peer out. The light outside is strong. Momentarily blinded, I step back, but then hungrily return. I try to fill myself with the visible space. There's a narrow corridor, and across from my cell I can see at least two other doors. Indeed, I have a full view of two doors. What a sensation of freedom! An entire universe has been added! I have been deprived of a sense of distance and proportion for so long that I feel suddenly unleashed. In order to look out, I must lean my face against the icy steel door. As the minutes pass, the cold becomes unbearable. The cold makes my head ache. But I've been a long time—how long?—without a celebration of space. I press my ear against the door, yet hear no sound. I resume looking.

He is doing the same. I suddenly realize that the peephole in the door facing mine is also open and that there's an eye behind it. I'm startled: They've laid a trap for me. Looking through the peephole is forbidden, and they've seen me doing it.

I step back and wait. I wait longer. And then return to the peephole.

He is doing the same.

And now I must talk about you, about that long night we spent together, during which you were my brother, my father, my son, my friend. You were merely an eye, yet you, too, remember that night, don't you? According to my calculations, it must have been April or May of 1977. Later, I was told that you'd died, that you had a weak heart and couldn't survive a session with "the machine"—"a chat with Susan," as they called it. How can you have died, considering that that night we conquered death?

You must remember. I need you to remember, for otherwise I'm obliged to remember for us both, and the beauty we experienced requires your testimony as well. You blinked. I clearly recall your blinking. And that flutter of movement proved conclusively that I was not the last human survivor amid this universe of torturing custodians

You were—you are?—a person of high human qualities, endowed, certainly, with a profound knowledge of life, for you invented all sorts of games that night, creating movement in your confined world. You'd suddenly move away, then return. At first, I was frightened. But then I realized you were recreating the great human adventure of hide-and-seek, and I played the game with you. Sometimes, we'd return to the peephole at the same time, and our sense of triumph was so powerful we felt immortal. We were immortal.

You were—you are?—extremely intelligent. I was desperate. And frightened. I remained glued to the peephole. I put my cheek to the opening, whereupon the inside of my cell sprang into view and my spirits immediately dropped. The gap between life and solitude was so evident; knowing that you were nearby, I couldn't bear grazing at any part of my cell. You forgave me for this, retaining your vitality and mobility. I realized that you were consoling me, and I started to cry. In silence, of course. You needn't worry. I knew that I couldn't risk uttering a sound. You saw me crying, though, didn't you? You did see that. It did me good, crying in front of you. You know how dismal it is to be in a cell and to say to yourself, It's time to cry a bit. Whereupon you cry, hoarsely, wretchedly, heedlessly. With you, I was able to cry serenely, peacefully, as if allowed to cry. As if everything might be poured into that sobbing, converting it into a prayer rather than tears. You can't imagine how I detested that fitful sobbing of mine inside the cell. That night, you taught me how we could be comrades-in-tears.

I don't know why, but I'm sure that you were—that you are?—a young man of medium height. Let's say thirty-five years old, with a great sense of humor. A few days later, a guard came to my cell to soften me up. He gave me a cigarette: it was his turn to play the good guy. He advised me to spill everything, told me that he'd had plenty of experience and that a person my age winds up dying in Susan's arms, because his heart can't withstand the electric shock. And he informed me that you'd been "cooled out." Here's how he put it: "Look, Jacobo, the only obligation you have is to survive. Politics change. You'll be getting out—you Jews help one another. You'll make a fortune again.

You have children. In the cell facing yours, there was a crazy guy. We cooled him out. Look, Jacobo . . ."

I didn't believe him. If I was able to withstand it, certainly you were. Did you have a weak heart? Impossible. You were strong-hearted, generous, brave. Such hearts are not destroyed by Susan. Do you remember how the lights once went off? It's possible, of course, that a large amount of current was being consumed by Susan. Undoubtedly, several new prisoners had arrived, and the first thing that was automatically done to them was to put them through the machine, even before they were asked who they were. The prisoner's first sensation on admittance had to be a succession of electric shocks, in order to lower his defenses. I found out later that this technique was changed after some prisoners were cooled out before they could even be interrogated. Not even the doctor on duty could save them. Yet both of us sur-

vived. Do you remember when I got a cramp in my leg while they were torturing me and suddenly my outcries ceased? They thought I had "gone," and were alarmed. They had orders to get me to confess, because they wanted to build a big case around me. I wasn't any use to them dead. It's curious how one can experience pain and joy simultaneously. Although I was blindfolded, I sensed their fear, and rejoiced. Then I began moaning again on account of Susan. Afterward, I tried to convey the episode to you, for it was as if a battle had been won against them.

My friend, my brother, how much I learned that night from you! Suddenly, you put your nose in front of the peephole and rubbed it. It was a caress, wasn't it? Yes, a caress. At that moment, you were suggesting tenderness, caressing your nose, gazing at me. You repeated it several times. A caress, then your eye. Another caress, and your eye. You may have thought that I didn't understand. But we understood each other from the start. I understood clearly that you were telling me tenderness would reappear.

My father was Nathan Timerman. Nathan ben Jacob (Nathan, son of Jacob). And I am Jacob ben Nathan. Jacob, named after my father's father. The Timermans, by way of those strange, biforked paths of Judaism, escaped the Spanish occupation of the Netherlands, and the Inquisition, and wound up in a small town in Vinnitsa Oblast, in the Ukraine, called Bar. Family accounts, rather imprecise and often colored by vanity, claim that the Timermans were prominent in the Jewish community and fought for Jewish rights.

It was most likely an enlightened, combative community, inasmuch as by 1556 the Jews of Bar had reached an agreement with the townsmen which allowed them to own buildings and granted them the same rights and obligations as the other residents, including the right to travel to other towns in the district for family or business reasons. When the Cossack chief Chmielnicki passed through Bar, in 1648, he, of course, massacred all the Jews he could capture. The community recovered, however, and assumed that something as brutal as the existence of Cossack murderers could only be God's final test before the coming of the Messiah. So staunch was its conviction that in 1717 the Jews of Bar constructed their Great Synagogue, receiving special permission beforehand. As a child, I attended that synagogue with my father, his six brothers, and all my cousins, and I bear within me still a vague longing for those tall, bearded, unsmiling men.

In 1941, when the Nazis entered Bar, they set that synagogue on fire, burning many Jews to death. All the remaining Jews of Bar, with others from the environs—and including the Timermans, who had survived the sufferings that, according to their rabbis, had been imposed by God to herald the Messiah's arrival—were killed by the Nazis in October of 1942: some twelve thousand within a month. My father, happily, had left Bar for Argentina in 1928.

In 1977, in Argentina, the same ideological conviction that impelled Chmielnicki and the Nazis reverberated in the questions posed by my interrogators inside the Army's clandestine prisons. But I have survived, to give testimony. And I'm doing so, at age fifty-seven, in the land of Israel, where I'm beginning this account a few days after the birth of the first Israeli Timerman—my grandson—whose name is Nahum ben Nathan ben Jacob. That is, Nahum ("He who brings solace"), son of Nathan, who is the son of Jacob, who is the son of that other Nathan, in Bar, who was the son of Jacob, whose grave he left when he departed for Argentina.

At dawn one morning in April, 1977, some twenty armed men in civilian clothes invade our apartment in midtown Buenos Aires. They say they are obeying orders from the Tenth Infantry Brigade of the First Army Corps. They uproot our telephone lines, take possession of our automobile keys, handcuff me from behind. They cover my head with a blanket, ride down with me to the basement, remove the blanket, and ask me to point out my automobile. They blindfold me, throw me to the floor in the back of the car, cover me with the blanket, stick their feet on top of me, and jam what feels like the butt of a gun against me. No one speaks.

We arrive somewhere. A pair of large doors open up. They squeak. Dogs bark quite close by. I am taken out of the car and flung onto the ground. A long interval elapses. I can hear only footsteps. Suddenly, some bursts of laughter. Someone approaches and puts what seems to be the barrel of a revolver against my head. From up close—perhaps leaning over me—he says, "I'm going to count to ten. Say goodbye, Jacobo dear. It's all up with you." I say nothing. Again he speaks: "Don't you want to say your prayers?" I say nothing. He starts to count. His voice is well modulated—what you might call an educated voice. He counts slowly, enunciating clearly. It is a pleasant voice. I remain silent, saying to myself, "Is it inevitable for me to die like this? Yes, it is inevitable. Is it what I desire? Yes, it is what I desire. Wife, children, I love you. Adiós, adiós, adiós . . ."

". . . ten. Ha-ha-ha!"

I hear laughter I, too, begin laughing. Loudly. Great guffaws.

The blindfold is removed from my eyes. I'm in a large, dimly lit study: there's a desk, chairs. Colonel Ramón Camps, Chief of Police of the Province of Buenos Aires, is observing me. He orders my arms, handcuffed behind my back, to be freed. This takes awhile, because the keys have been misplaced. Or it may have taken only a few minutes. He orders a glass of water to be brought to me.

"Timerman," he says, "your life depends on how you answer my questions."

"Without preliminary trial, Colonel?"

"Your life depends on your answers."

"Who ordered my arrest?"

"You're a prisoner of the First Army Corps in action."

Between 1966 and 1973, there were three military governments in Argentina, each presided over by a general. The entire institutional scheme was organized under the pompous heading of the Argentine Revolution. It began with great optimism, but after 1969 it found itself on a dead-end street, owing to widespread resistance to the economic, social, and political situation. Juan Perón had been in exile since 1955, but Perónism remained strong at home, and Perón's followers began to ally themselves with all the other political parties in demanding that elections be called. At the same time, his left-leaning followers began organizing Special Formations, consisting of urban guerrillas, who were known as Montoneros. Perón, still in exile, in Madrid, called them Special Formations because he didn't want to lend official support to Perónist guerrillas and find himself accused of subversion.

The Montoneros assassinated those who were trying to suppress them; those who they believed were trying to suppress them; those whom they regarded as doing nothing to oppose those who suppressed them; those who spoke up against violence of both the Right and the Left; second-rank politicians who were friends of first-rank politicians who refused to make deals with the Montoneros; politicians who they imagined might at some point interfere with their future plans because these politicians were liberals and would attract leftist youth; and leftist journalists who were opposed to violence and hence planted confusion in the minds of Montonero guerrilla fighters. The Montoneros engaged in kidnapping as well, considering it logical that men who were able to afford ransom should return their ill-gotten gains to society.

Meanwhile, Peron's right wing had developed its own subversive activity, through the Triple A (Argentine Anti-Communist Alliance), headed by José López Rega, who for several years had been Perón's private secretary in Madrid. The Triple A was largely made up of policemen and retired noncommissioned officers—usually those who had had disciplinary problems, committed some crime, or been punished for other offenses while they were in the ranks. The Triple A engaged in killing Montoneros, or those they assumed to be Montoneros. They murdered liberal politicians, because their demands for legal trials of arrested Montoneros were regarded as a form of complicity with the Left. They murdered defense lawyers of arrested Montoneros, regarding them as a branch of the guerrilla forces. And they murdered writers and leftist journalists, even though the latter might be anti-guerrilla. The Triple A obtained its funds for salaries and the purchase of its weapons and automobiles, and for its clandestine prisons, from the sale of booty acquired in raids and from the ransom paid for kidnapped individuals—these often being financially powerful members of the Jewish community.

Coexisting with these two forces were rural and urban Trotskyite guerrillas; right-wing Perónist death squads; armed terrorist groups of the large labor unions, used for handling union matters; paramilitary Army groups, dedicated to avenging the murder of their men; parapolice groups of both the Left and the Right, vying for supremacy within the organizations of federal and provincial police forces; and terrorist groups of Catholic rightists organized by cabals who opposed Pope John XXIII's ideological thesis of rapprochement between the Church and the poor.

These, of course, were only the principal groups. Hundreds of other organizations involved in the eroticism of violence existed—small units that found ideological justification for armed struggle in a poem by Neruda or an essay by Marcuse. Lefebvre might be as useful as Heidegger; a few lines by Mao Zedong might trigger the assassination of a businessman in a Buenos Aires suburb; and a hazy interpretation of Mircea Eliade might be a perfect justification for kidnapping an industrialist, whose ransom would make possible a further perusal of Indian philosophy and mysticism, to corroborate the importance of national liberation.

In the early seventies, the military dictatorship entered a crisis, brought on by its inability to devise a suitable political formula for dealing with the climate of violence which enveloped the whole nation. In 1972, the armed forces allowed Perón, who was seventy-seven, to return to Argentina, and in March of 1973 elections were called. All the political parties, newspapers, and institutions supported this solution. Perón wasn't permitted to run for the Presidency—the Army had vetoed him—but his designated candidate, Héctor Cámpora, triumphed by a wide margin. Cámpora, however, was basically supported—and dominated—by the leftist, Montonero faction of Perónism. A couple of months later, the situation again became untenable, and Perón denounced Cámpora. Another Perónist, Raúl A. Lastiri, was named Provisional President, to succeed Cámpora, and he called for new elections in September. This time, no one could veto Perón. Besides, the nation longed for Perón, because it assumed that he had sufficient authority to resolve the situation and end the violence. Perón's margin of victory was even greater than that obtained by Cámpora. Despite being burdened in the election slate by the dead weight of his wife, Isabel, who was his Vice-Presidential candidate, he won by more than sixty per cent of the vote. He was now the third Perónist President in 1973. He

could not quell the violence, however, and it was hard to tell whether he actually wished to do so. Less than a year later, after a heart attack, he was dead, and the situation started to deteriorate further on every level, especially in terms of the economy and of violence. Isabel Perón succeeded him and managed to remain until March, 1976, when the Military Junta took power. Her twenty-one-month survival in office was not the result of her political acumen. According to some observers, the military required that amount of time to lay their plans. In reality, the plans were already laid. The military needed something that proved to be of much greater importance. They needed to have the situation deteriorate sufficiently so that the populace—press, political parties, Church, civil institutions—would regard military repression as inevitable. They needed allies who could be converted into accomplices. They needed the presence of enough fear—about one's personal security, the economic crisis, the unknown—and passivity to enable them to develop what they regarded as the only solution to leftist terrorism: extermination.

At La Opinion, the newspaper I published and edited in Buenos Aires, we held a meeting one day to analyze the situation, and decided that hope still existed—we merely had to begin the battle and explain everything. That day, we wound up toasting each other for having committed ourselves—a true privilege for any civilized man—to combatting Fascism. I recall saying somthing to the following effect: "Our generation witnessed the struggle against Fascism during the Second World War only through the street demonstrations that took place in Buenos Aires. We ran no risk. Nor did we run any of the risks faced by those who confronted Stalinism and now languish in the Gulags. We're lucky at least to be here, with a newspaper at hand, at a time when the country is being besieged by Fascism of the Left and of the Right."

Beautiful words. Now I understand (perhaps I understood it then, too) that we were trying to create a microclimate in order to avoid the recourse suggested by so many friends, especially to me: leave the country. Up to the last day—the day of my kidnapping, which was subsequently converted into an arrest—we persisted in this battle; I refused to leave the country. In reply to an Israeli friend who begged me to leave, I sent a brief note, which he showed me on my arrival in Tel Aviv in 1979. It wound up by saying, "I am one who belongs to Masada." How I would have liked to remember that remark during torture sessions.

Is it all any easier to understand now? What of that wide range of terrorist groups who have killed one another, killed not only enemies of other political stripes but adversaries within their own party—Peronists assassinating Peronists, the military assassinating the military, union members assassinating union members? What of those vast parapolice or paramilitary terrorist organizations that required arms, munitions, training camps, transport, "ideological" training, identity documents, clandestine prisons, dwellings, and maintenance, and whose funds all emanated from the same sources—kidnapping and blackmail, booty and plundering? This mechanism of terror and violence still remains unclear. And it must be portrayed in all its dimensions, for it has reached such magnitude that it cannot be understood simply in political, cultural, or electoral terms.

Nor does the old struggle of democracy against extremism of the Right and the Left aptly define the Argentine situation. It may be simpler and more terrible than anything hitherto known by our generation in Latin America. It is a struggle between civilization and barbarism within a country of twenty-seven million inhabitants. And this barbarism—whether it be private or governmental, civil or military—must obviously be eradicated before it is possible to enter civilization.

It is essential, I suppose, to attempt some explanation of what Argentina is. Yet I find it almost impossible to do so in normal terms, applying current political principles. The problem is not merely that I find it difficult to explain Argentina to outsiders in comprehensible terms but that I myself am perhaps unable to understand it. Or it may be that I've lived through a period of such political and social disintegration that it is hard for me to conceive that some coherent explanation could emerge from such disparate and anarchistic opposing elements. In this context, a statement by the Argentine writer Jorge Luis Borges is useful, I think. Some thirty years ago, Borges remarked that the Argentine is not a citizen but an individual—that he lacks any idea of the nation he resides in, and views it as a territory that, owing to its wealth, can be exploited rapidly. To my mind, this is a noteworthy comment on the Argentine problem. Nothing simple: Argentina as an entity does not yet exist; it must be created. But if I envision how each of the diverse Argentinas existing at present within that territory—each regarding itself as the authentic one—would interpret Borges' definition, the result may provide a more descriptive and precise response, something akin to a French pointillistic canvas.

Rightists would accept Borges' remark as an absolute truth, claiming that the flood of immigrants into Argentina destroyed the roots implanted by the Spanish monarchy—those Hispanic roots of the noble Bourbons and of Franco. Immigrants came merely to get rich. It is they who prevented consolidation of a notion of citizenry.

Liberals would accept Borges' remark as an absolute truth, claiming that it was the inability of the Argentine ruling class to understand the immigrant phenomenon—with all its contributions to creativity, culture, the republican and democratic spirit, all its impulse toward civic activity, the struggle for human rights and man's equality—and, more specifically, the battle of the ruling aristocratic groups against unlimited immigrant access to every level of Argentine life, particularly political life, that have prevented national consolidation, and hence the creation of an Argentine citizenry.

Leftists would accept Borges' remark as an absolute truth, claiming that only within a socialist nation can a man genuinely feel that he's a citizen, and therefore no bourgeois nation can expect its inhabitants to share any possible common interests.

Fascists would accept Borges' remark as an absolute truth, claiming that citizens exist only when a central power organizes them as such, and that it is precisely that central power, which need give explanations to no one, that is lacking in Argentina.

During my journalistic career, particularly as publisher and editor of La Opinión, I received countless threats. One morning, two letters arrived in the mail: one was from a rightist terrorist organization (protected and utilized by paramilitary groups) and condemned me to death, because of the organization's belief that my militancy on behalf of the right to trial for anyone arrested and my battle for human rights were hindrances in overthrowing Communism; the other letter was from the Trotskyite terrorist group known as the People's Revolutionary Army, or ERP, and indicated that if I continued to accuse leftist revolutionaries of being Fascists and to refer to them as the lunatic Left I would be tried and most likely sentenced to death. In the past, I had never answered such threats, but the incident struck me as so brutal and comical, so tragic and banal, that I wrote a few lines on page 1 of La Opinión in reply. I didn't say much: merely that we would continue to maintain our standards (a statement reiterated by so many newspapers and journalists all over the world that it has become tedious), and that I felt genuinely curious to know who would wind up with my corpse—the terrorists of the Right or those of the Left. After all, it was a question of only one corpse, and the joke was irrelevant. One more dead journalist in a country where a hundred journalists had died or "disappeared" within the space of a few years was of no great significance. But the incident is useful in delving further into the Argentine drama: Can the Argentine community alone, without outside intervention, prevent either of the two Fascisms from winding up with Argentina's corpse?

In this climate, which dragged on for years, I conducted two interviews that illustrate Argentina's impotence in finding adequate political responses to that most elemental of needs, survival. One was with a Perónist senator, highly influential in his party; he was a lawyer, a moderate (he had been a student leader in his youth), a man cultivated and serene. In the United States, he would have been found in the liberal wing of the Democratic Party. Our conversation revolved around violence—the year was 1975—and I explained to him, with ample statistics and out of nearly thirty years of experience in political journalism, that the country was heading inevitably toward occupation by military power.

I maintained that the only recourse left for preserving the existing political institutions was to make use of legal channels to put an end to all brands of violence, and that the Army was the only group in a position to do this. I proposed that he, along with the Peronist majority in the Senate and the House of Deputies, should pass extraordinary legislation empowering the Army to initiate measures against terrorist activity of all sorts, but that the new powers should be limited by congressional statute within the constitutional framework and should remain under constant civil jurisdiction. His reply went as follows: "Once we allow the military to step through the door, they'll take possession of the entire house. This would be tantamount to a coup, leaving us on the oustide. Furthermore, right-wing Perónists who support rightist terrorist groups that assassinate leftist Perónists will not vote for the laws, and leftist Perónists who support leftist terrorists who assassinate rightist Perónists will not vote for the laws. Moreover, the Army will suppress only one sector of violence, and not the other. It will pit one against the other, thus assuring its own survival." His conclusion? "Let's leave things the way they are. Something will happen. God is Argentine."

The second interview was with a high-ranking official on the Army General Staff. His reply was essentially the same. When I asked what the Army's reasons were for not using all its resources to combat violence—why it was concerned solely with retaliation for its own casualties—his reply was simple: "Do you expect us to go out and fight so that they [the Perónists] can continue to govern?"

When I founded La Opinión, I had been a political journalist for newspapers, magazines, radios, and television for twenty-four years. The first issue of the newspaper appeared on May 4, 1971. I was arrested in April of 1977. During that interval in Argentina, six Presidents governed—so to speak. Sanctions against La Opinión took place under all six regimes, in the form of economic measures, bomb assaults at my home and office, the murder—or, in any case, the "disappearance"—of one of my journalists, and, finally, my arrest and the Army's confiscation of the newspaper. The most subtle form of sanction was economic, for Argentina is a

country whose economy is heavily government-controlled, and advertising from government agencies constitutes a decisive portion of the revenue that a newspaper requires to insure its financial solvency.

Successive administrations suspended government advertising in La Opinión whenever an article provoked their anger. One government invented a Machiavellian stratagem. It induced the association of newspaper distributors, which it controlled, to request a much larger number of copies of La Opinión than the market could absorb. If we refused to supply the copies, the distributors were released from their distribution agreement with us; if we complied, delivering this inordinate quantity of unneeded papers resulted in excessive production costs. Whenever such economic sanctions took place, La Opinión turned to its readers, increasing its price until it became the most expensive newspaper in the country, but it remained, unlike the others, independent of public or private advertising.

La Opinión, curiously, was a moderate newspaper. It was often compared with Le Monde, but it was really just a typically liberal newspaper. Every day, it committed what in Argentina was construed as a mortal sin: it used precise language to describe actual situations, so that its articles were comprehensible and direct. Might one claim that La Opinión was attacked for semantic reasons? Not so, though semantics is the means employed in Argentina to avoid seeing or presenting problems in their total dimensions. Newspapers there write virtually in code, resorting to euphemisms and circumlocutions, and so do politicians and intellectuals, among other leaders. One might imagine Argentina to be a rich heir dissipating his inherited fortune—in this instance, the wealth derived from the generations that ruled between 1860 and 1930—but trying as hard as possible to conceal the fact that the fortune is dwindling and that nobody is making any effort to restore it. In this sense, La Opinión was genuinely provocative. On more than one occasion, it published news stories that had appeared in other papers but had been completely incomprehensible to those outside an informed inner circle, and explained these articles so that the average reader could understand them. One of these explanations—of a news item that had appeared five days earlier in a provincial paper, with no measures having been taken against that paper—led to a ten-day suspension of La Opinión by President Isabel Perón. Similarly, President Jorge Rafael Videla suspended La Opinión for three days for having published an explanation of an article that had appeared in a recent issue of a Jesuit magazine, although that particular issue had not ever been confiscated.

The semantics of the three governing factions that still rule Argentina—the Perónists, the trade unions, and the armed forces—represents one of the oddest processes in political practice. In essence, the process is not unprecedented, considering the accumulated experience of Fascism and Communism with propaganda, slogans, and the fabrication of a reality contradicting actual events every step of the way. Fascism and Communism, however, are political phenomena of great magnitude and encompass nations of vast geopolitical and international interests. Their semantic processes tend to create not only a special reality within their own territories but also an agile and flexible instrument for penetrating other countries. But why should such a phenomenon occur in a country that is relatively small and practically devoid of demographic or economic growth—a country whose twenty-seven million inhabitants could live peacefully off its existing wealth and enjoy even greater ease than the Swiss?

During a meeting of the International Monetary Fund, a Brazilian economist, who I'm sure prefers to remain anonymous, defined the different economic groupings in the world as (1) the developed countries; (2) the undeveloped countries; (3) Japan, which has become an industrial power with a permanent demographic boom; and (4) Argentina. He included Argentina in a special category, he said, because the Japanese work and save for years in order to be able to live someday like the Argentines, who neither work nor save.

Juan Domingo Perón used to say, "Violence from above engenders violence from below." It is a statement that could be found in any Harvard, M.I.T., or Hudson Institute study of the aggressive feelings of populations with meagre resources—a liberal statement, a sociological equation, which in an organized country might lead merely to a polemic on the ways in which such aggressiveness can be eliminated through housing, education, and public-health programs. In Argentina, however, Perónist youth understood at once what Perón was saying: he approved of violence and terrorism, and would lend his support to any murder, kidnapping, or assault that helped him to achieve his goal—the conquest or reconquest of power.

Another of Perón's statements reflecting his infinite semantic creativity was "Reality is the only truth." This might be construed as an incitement to give careful and meticulous scrutiny to data culled from reality, in order to discover peaceful, moderate paths toward a political solution of problems. In practice, however, it formed the basis for Perónist intolerance of any solution outside the ken of its own totalitarian rigidity, and provided the justification for utterly irrational acts in the economic, cultural, and political spheres; in fact, the only admissible reality was Perónism, since the Perónists were in the majority, and the only truth was the Perónist way of life.

The form of combat devised by the other political parties was also a semantic process: to negotiate without contradicting, to await the inevitable crisis and the consequent deterioration of officialdom rather than exert forceful opposition. The anti-Perónist newspapers employed euphemisms to present their criticism—euphemisms that were comprehensible to the parties involved in the game but not to the readers. In refusing to use such euphemisms, La Opinion flirted with suicide every day.

The 1976 revolt against the Isabel Perón Presidency found its principal supporter in La Opinion, which insisted on the need to fill the vacuum in which the country dwelt. The leaders of the Military Junta that took power were prepared, according to long conversations between them and editors of La Opinion, for a revolution that would terminate the violence of both Left and Right, would take measures against corruption, would curb terrorism only through legal channels, and would overcome the danger of hyper-inflation, which at one point was approaching an annual rate of nine hundred per cent. The whole nation longed for peace. In 1975, during Isabel Perón's last year in power, La Opinion voiced these principles in every issue; and in March of 1976, when the Army seized the government and installed General Videla in the Presidency, the entire country, including the Perónists, breathed a sigh of relief.

But once again the semantic process ran parallel to a reality that contradicted it every day. General Videla's government strove to perform peaceful acts; it spoke of peace and understanding, maintaining that the revolution was not aimed against anyone in particular or against any special faction.

But in the meanwhile military leaders hastily organized a warlord in the zone each one becoming a warlord in the zone under his control, whereupon the previous chaotic, anarchistic, irrational terrorism of the Left and of the Fascist death squads gave way to systematized terrorism. Each officer in charge of a military region had his own prisoners, his own prisons, and his own form of justice, and the central government was unable to secure the freedom of a prisoner even when it was importuned by international pressure. Between 1976 and 1978, prisoners whose freedom was sought by the central government, the Catholic Church, or some international organization immediately "disappeared." Whenever the government was forced to admit some repressive excess, the wording of its self-criticism tended to suggest merely that a certain ward of prisoners had had to spend one night without food. Whenever a military officer referred to those who had "gone away forever," it sounded rather like a melancholy reference to people who had emigrated to distant lands to rebuild their lives.

The semantic process could acquire sudden clownish overtones. On one occasion, when Thomas Reston, a spokesman in Washington for the American State Department, expressed his goverment's concern over attacks on the headquarters of certain organizations that were defending human rights in Argentina, the reply given by one of the ministers indicated that the Argentine government was likewise concerned and, at the same time, wishes to protest the existence of the Ku Klux Klan in the United States. Newspaper, radio, and television commentators took up the cry. How was one to explain that the Ku Klux Klan did not form part of the United States government and occupied no seat in President Carter's Cabinet?

The reason that La Opinión succeeded in surviving between March, 1976, and April, 1977—the first year of the Military Junta—was that Army moderates had decided that this journal, critical but not antagonistic, opposed to terrorism but supportive of human rights, ought to survive. The continued existence of La Opinión brought the Military Junta credit abroad; the paper backed the philosophy of future national reconstruction, it upheld the thesis of national unity, and it was committed to curbing extremist excesses. Even in those early days, the moderates were a minority in the armed forces, and only their political acumen enabled them to retain a foothold in the ongoing process. Yet the political parties, virtually every civil institution, the Catholic Church, and Western governments maintaining satisfactory relations with Argentina all calculated that the best strategy was patience: to wait for time to pass and the extremists to weaken, and in the meanwhile to impose no excessive demands on the moderates.

On paper, this approach was not implausible. Elections seemed inevitable. But in my position as editor-in-chief of La Opinión I had to confront the distinction between extremists and moderates every day, for every day relatives of those who had disappeared would show up at my office on the assumption that La Opinión could assist in finding them. Over and over, I had to explain that an article in La Opinión could mean a death sentence; nonetheless, their loneliness and the dearth of news made them believe that printing an article about a disappearance would do some good. At least, it would fortify them in their solitude. On balance, I'm able to weigh the results. I know that I saved the lives of some, and I believe that others killed merely because La Opinión demanded to know their whereabouts. But in the long run, it seems to me, the battle had to be fought, so that at least there would be a battle, however small. Some people hold that the only possible response to totalitarian repression, whether Fascist or Communist, is to go underground or into exile. Both solutions were contrary to my philosophy. I thought it necessary at the time to go one

step further; to attack the leaders of extremist military groups directly.

How, then was one to judge the moderates? They were, are, and will always be opposed to excesses. Yet they opposed none of these. Was this due to lack of strength? They said they were simply allowing the unavoidable to occur. Elsewhere, that attitude had given Hitler a free hand in Germany and had empowered the Communists in Cuba to take over the youthful, romantic revolution of the Sierra Maestra against Fulgencio Batista's dictatorship.

In my opinion, the moderates had to be supported by public pressure rather than by patience. The Western governments did not take this view, nor did the Church, the Argentine political parties, or other Argentine newspaper, and one might say that my present freedom is a result of the patience exercised by the moderates. Still, my own belief is that the concessions the moderates made toward the extremists on my behalf have been harmful to Argentina on an international scale. I would have preferred to see the moderates wage a more militant battle against the extremists. They had—and, in fact, still have—greater strength than they imagine.

They would have been joined in that battle by an Army minority and also by a popular majority, political parties, and civil institutions. I believe that the moderates would have won the battle, and Argentina would have been saved some years of tragedy. On the other hand, it's hard to talk about tactics when countless innocent people have lost their lives.

I was kidnapped by the extremist sector of the Army. From the outset, President Videla and his chief military supporter, General Roberto Viola, tried to convert my disappearance into an arrest, in order to save my life. They did not succeed. Paradoxically, my life was spared because this extremist sector was also the heart of Nazi operations in Argentina. From the very first interrogation, its members figured they had found what they'd been seeking for so long: one of the elders of Zion, the axis of the Jewish anti-Argentine conspiracy.

"Are you Jewish?"

"Yes."

"Are you a Zionist?"

"Yes."

"Is La Opinión Zionist?"

"La Opinión supports Zionism, since Zionism is the liberation movement of the Jewish people. It considers Zionism to be a movement of high positive values, the study of which can shed light on many problems related to building national Argentine unity."

"Then it is a Zionist newspaper?"

"If you wish to put it in those terms, yes."

"Do you travel to Israel often?"

"Yes."

"Do you know the Israeli Ambassador?"

"Yes."

All this was a sort of revelation to the interrogators. Why kill this goose laying these golden eggs? Better to exploit the goose in the crusade against the international Jewish conspiracy.

That's what saved my life. From that moment on, my arrest was officially recognized. I did not "disappear." My life was saved because the Nazis were overly Nazi—because they believed, as they informed me, that "World War III" had begun and that they enjoyed total impunity. One of the interrogators, known as Captain Beto, told me, "Only God gives and takes life. But God is busy elsewhere, and we're the ones who must undertake this task in Argentina."

In my home, as far back as my memory takes me, the news of the day was the main topic of conversation—news in all its forms and stages. As a child, I listened to grownups talking about the pogroms of the Russian Civil War. At home, newspapers bringing the first news about Hitler were devoured, and later on, with others of my generation, I followed the long path leading from the Spanish Civil War to the present day; newspapers, novels, films, poetry; war diaries, political works, the memoirs of those who had escaped the prison camps of Franco, Pétain, Mussolini, Hitler, Stalin; books about repression in Cuba, Nicaragua, Paraguay, Vietnam, China, all parts of Africa—countless battles, countless tortures, countless blows, countless killers. One might logically assume that I knew it all—knew what a political prisoner was, how he suffered in jail, the things a tortured man felt. But I knew nothing.

I'm seated on a chair in a yard. Hands tied behind my back. Eyes blindfolded. It's cold and drizzling, and I'm soaked. I keep moving my head and legs in an effort to get warm. I've peed, the pee has turned icy, and the skin on my legs where the urine ran down hurts. I hear some steps, and a voice asks me if I'm cold. I'm untied from the chair and led into a warm room. I was brought to this clandestine prison today from federal-police headquarters in Buenos Aires. I later learn that a prisoner who saw me leave asked for permission to inform my family that he'd seen me, arms tied behind my back, go peacefully, without offering resistance. He was told that it wasn't advisable to get involved, inasmuch as I'd been removed without a written order or record of transfer, and that meant that I was going to be executed.

It is hot. They seat me on a chair and take the blindfold off. It's handed to me. We're in a spacious kitchen. Before me are some smiling men, big and fat, dressed in civilian clothing. Weapons are everywhere. The men are drinking coffee, and one of them offers me some in a tin cup. He keeps smiling, tells me to sip it slowly, asks if I want a blanket, invites me to come close to the stove, to eat something. Everything about him transmits generosity, a desire to protect me. He asks if I'd like to lie down awhile on the bed. I say no. He tells me there are some female prisoners on the grounds, and asks if I'd care to go to bed with one of them. I say no.

This gets him angry, because he wants to help me and by not allowing him to I have upset his plan, his aim. In some way, he needs to demonstrate to me and to himself his ability to grant things, to alter my world, my situation—to demonstrate to me that I need things that are inaccessible to me and that only he can provide. (I've seen this dynamic recur countless times. One feels tempted to combat this tendency on the part of the torturers, to confront it, because it offers a rare chance to feel alive; yet such battles lead to nought. It's best to acknowledge and accept the torturers' omnipotence in such unimportant matters.) From weariness, perhaps, or resignation, or that sensation which so often assails the tortured—a presentiment of imminent death—I do not answer one of his questions. He insults me but doesn't strike me. He puts the blindfold back on my eyes, takes my hand, and leads me out of the kitchen. He seats me on the chair and ties my hands behind me.

It continues to drizzle.

The man sighs and goes off, casting toward me, I suppose, a final glance of incomprehension.

In the long months of confinement, I often thought about how to convey the pain that a tortured person undergoes. And always I concluded that it was impossible. It is a pain without points of reference, without revelatory symbols or clues to serve as indicators. A man is shunted so quickly from one world to another that he's unable to tap a residue of energy that will permit him to confront this unbridled violence. That is the first phase of torture: to take a man by surprise, without allowing him any reflex defense, even psychological. A man's hands are shackled behind him, his eyes blindfolded. No one says a word.

Blows are showered upon him. He's placed on the ground and someone counts on the ground and someone counts to ten, but he's not killed. He is then led to what may be a canvas bed or a table, stripped, doused with water, and tied to the ends of the bed or table with his hands and legs outstretched. And the application of electric shocks begin. The amount of electricity transmitted by the electrodes—or whatever they're called—is regulated, so that it merely hurts, or burns, or destroys. It's impossible to shout—you howl. At the onset of that long human howl, someone with soft hands checks the state of your heart, someone sticks his hand into your mouth and pulls out your tongue in order to prevent you from choking. Someone places a piece of rubber in your mouth to prevent you from biting your tongue or destroying your lips. A brief pause. And then it starts all over again. With insults this time. A brief pause. And then questions. A brief pause. And then words of hope. A brief pause. And then insults.

What does a man feel? The only thing that comes to mind: They're ripping apart my flesh. They didn't rip apart my flesh. They didn't even leave marks. But I felt as if they were tearing my flesh. And what else? Nothing that I can think of. No other sensation? Not at that moment. But did they beat you? Yes, but it didn't hurt.

When electric shocks are applied, all that a man feels is that they're ripping apart his flesh. And he howls. Afterward, he doesn't feel the blows. Nor does he feel them the next day, when there's no electricity but only blows. A man spends days confined in a cell without windows, without light, either seated or lying down. He also spends days tied to the foot of a ladder in such a way that he can't stand up; he can only kneel, sit, or stretch out. A man spends a month not being allowed to wash himself, being transported on the floor of an automobile to various places for interrogation, being fed badly, smelling bad. A man is left enclosed in a small cell for forty-eight hours, his eyes blindfolded, his hands tied behind him, hearing no voice, seeing no sign of life, having to perform his bodily functions upon himself.

And there is not much more. Objectively, nothing more. Or perhaps there is much more and I'm trying to forget it. Every day since my release, I've been waiting for some vital shock to take place, some deep, extended nightmare to explode suddenly in the middle of the night, allowing me to relive it all—something that will take me back to the original scene, purify me, and then restore me to this place where I am now writing. But nothing has happened, and I find this calm terrifying. A journalist asked me how freedom feels. I still do not feel it. I'm repressing the sensation of freedom, because I fear that otherwise I may find myself relinquishing the profound marks imprinted on me.

Although I cannot convey the magnitude of that pain, I can perhaps offer some advice to those who will suffer torture in the future. Human beings will continue to be tortured, in different countries, under different regimes. Looking back on my attitude during torture sessions and during the periods of solitary confinement, I realize that instinctively I developed an attitude of absolute passivity. Some people fought against being carried to the torture tables; others begged not to be tortured; others insulted their torturers. I represented sheer passivity. Because my eyes were blindfolded, I was led by the hand. And I went. The silence was part of the terror. Yet I did not utter a word. I was told to undress. And I did so, passively. I was

told, when I sat on a bed, to lie down. And, passively, I did so. That passivity, I believe, preserved a great deal of energy and left me with all my strength to withstand the torture. I felt I was becoming a vegetable, casting aside all logical emotions and sensations—fears, hatred, desire for vengeance. To feel any emotion or sensation meant wasting energy.

In my opinion, this is sound advice. Once it has been determined that a human being is to be tortured, nothing can prevent that torture from taking place. And it's best to allow yourself to be led meekly toward pain and through pain, rather than to struggle resolutely, as if you were a normal human being. The vegetable attitude can save a life.

More than once during those days of solitary confinement, I was brusquely awakened by someone shouting, "Think. Don't sleep, think." But I refused to think. I behaved as if my mind were occupied with infinite diverse tasks. Concrete, specific tasks, chores. To think meant becoming conscious of what was happening to me, imagining what might be happening to my wife and children; to think meant trying to imagine a way to relieve this situation, to wedge an opening in my relationship with the jailers. In that solitary universe of the tortured, any attempt to relate to reality was an immense, painful effort leading to nothing.

When I was not blindfolded, I'd spend a few minutes—I believe it was minutes—moving a hand or a leg and observing the movement fixedly, in order to experience some sense of mobility. Once, a fly entered the cell, and it was a real holiday watching it flit around—for hours, until it disappeared through the small crack by which the jailers communicated with me. Then, after these "important" episodes in my life were over, my mental labor began. I decided to write a book about my wife's eyes. It would be titled "Rische's Eyes in the Cell Without a Number." Curiously, I wasn't thinking about my wife as such, for that would have been acutely painful; I was simply organizing myself, like a poet at his desk before undertaking some inspired professional endeavor. I held a long discussion with myself about what style to employ. Modelling it after Pablo Neruda would result in an inadequate romanticism, perhaps; whereupon I recalled Federico Garcia Lorca's style in "Poet in New York," and came up with a few lines. But then I began wondering if perhaps Stefan George's symbolism might not be more appropriate, for in a certain way it was linked with Franz Kafka's world. But if my quest for a style were to end here, that meant that my mental writing had to begin. And the important thing was for that quest to last as long as possible.

I recalled the work of Chaim Nachman Bialik—particularly one of his poems about a pogrom—but his work struck me as being too peculiar to Eastern European experience; as for Vladimir Mayakovsky, he seemed overly Russian in his love poems to Lila Brik and too verbose in his poetry about the Russian Revolution. I likewise dismissed Paul Éluard; Claudel was unadaptable, and Aragon didn't especially impress me. There remained, of course, the poets of my youth: Walt Whitman, Carl Sandburg, and the Spaniards Miguel Hernández and Luis Cernuda. Finally, I settled on Stephen Spender, and began to write, in my mind.

One might think that the selection of a style would bring back memories of the times when I first read these writers. Memory is the chief enemy of the solitary tortured man—nothing is more dangerous. But I managed to develop certain passivity-inducing devices for withstanding torture and certain anti-memory devices for those hours in the solitary cell. I refused to remember anything that connected with actual experience—I was a professional stoic dedicated to his task. The book I was working on absorbed me for days, but now I can't remember a single line. For a time, I recalled passages; now they are deeply buried. And the thought that they may resurface is as frightening as the notion of reliving those solitary hours. Someday, I suppose, I'll be forced to reëncounter myself by way of all that. Perhaps I'm experiencing the same problem—Argentina—an unwillingness to be aware of one's own drama.

Another activity was to organize a bookstore. I thought about how one day I'd be free, figuring that several long years might elapse before that moment—maybe ten or fifteen. Thinking in terms of a prolonged span of time is extremely useful when there is no fixed sentence, for it annihilates hope, and hope is synonymous with anxiety and anguish. I imagined my eventual arrival in Israel and the need to engage in some work. I decided that a bookstore would be the most suitable way for two voracious readers like me and my wife to earn a living. I speculated on all the details: the size of the main room, the name of the store, the typography of the sign on the window, the sorts of books we'd sell, whether it would be a good idea to install a literary salon on an upper floor, or perhaps an experimental-film society.

A detailed task of this sort could easily keep me occupied for days. Following the same method, I organized a newspaper in Madrid and another in New York, planned my life on a kibbutz, and wrote a film for Ingmar Bergman to direct on the solitude of a tortured man. In my solitary-confinement cell and during interrogations and long torture sessions, and after sessions, when only time remained—all of time, time on all sides and in every cranny of the cell, time suspended on the walls, time on the ground, in my hands—I tried through every available means to maintain some professional activity, disconnected from the events going on around me, or the events that I imagined to be going on around me. Deliberately, I evaded conjecture about my own destiny, that of my family, of the nation. I devoted myself simply to being consciously a solitary man entrusted with a specific task.

At times, something—some lingering physical pain following an interrogation, hunger, the need for a human voice for contact, for a memory—would cause the mechanism of withdrawal to fail, and I would have to devote several hours to reconstructing it. I always did manage to withdraw again, and thus was able to avoid lapsing into that other mechanism of tortured solitary prisoners—establishing a bond with one's jailers or torturers. Each party seems to feel some need of the other. For the torturer, it is a sense of omnipotence, without which he'd find it hard, perhaps, to exercise his profession (the torturer needs to be needed by the tortured), whereas the man who is being tortured finds in his torturer a human voice, the possibility of a dialogue, some partial recognition of his human condition—he asks for pity, asks to go to the bathroom, asks for another plate of soup, for the result of a football game. I was able to avoid all that.

Later, when I was moved from that clandestine jail into a cell in a legal prison, it became possible for me to have family visits, and my new guards would have allowed packages of food to be brought to me in exchange for a gift. I didn't take advantage of this system, and my wife was told by a policeman that I was punishing myself, playing the martyr. I don't know why I opted for such proud asceticism. Today, I am unable to judge how sensible an idea it was, but then it helped to give me an idea of my own reserves, and I rejoiced. The other recourse would have provided consolation but not joy.

Still later, when my situation had improved further, there were other prisoners, we were allowed to talk, each cell was provided with a latrine (a hole in the floor). We could bathe every day. We began cooking our own food, played long card games, read newspapers, and were allowed to receive certain books, clean clothing, blankets and sheets, a radio. We had all been tortured, to a greater or lesser degree. Talking to one another, we discovered that a torture session to soften a man up for interrogation always followed immediately upon his arrest, though in some cases many days elapsed between torture session and interrogation. Some prisoners were never interrogated at all. I think that the tortures were performed in old buildings in small villages near Buenos Aires—generally in some rebuilt kitchen or in a large cell where an electric cable could be installed. Torture centers existed in military barracks, of course, but always in their basements or in abandoned kitchens. The torturers nevertheless tried to create a more sophisticated image of the torture sites, as if thereby endowing their activity with a more elevated status. Their military leaders encouraged fantasies of important sites, exclusive methods, original techniques, novel equipment. The conversion of dirty, dark, gloomy places into a universe of spontaneous innovation and institutional "beauty" was one of the most arousing pleasures for torturers. It was as if they felt themselves to be masters of the force required to alter reality. And it placed them again in the world of omnipotence. The omnipotence they felt assured them of impunity—gave them a sense of immunity to pain, guilt, emotional imbalance.

Inevitably, since my release, the first question I've been asked by anyone has concerned the torture I underwent. Yet for the man who has been tortured and has survived this is perhaps the least important topic. In conversations with other prisoners, I discovered the following curious fact: our preoccupations revolved entirely around how long we'd be in jail, and our family's situation and economic needs. If by chance the topic of torture came up, it was only in a random remark that didn't seem of consummate interest to anyone: "I had five days on the machine." "They put me on the machine with my clothes on." "The machine hurt my head." Sometimes, on hearing the howls that rose from the basement, a prisoner might say, as if in passing, "They're giving someone the machine." Torture forms part of a prisoner's ordinary routine—something that has already been undergone and is now the turn of others, some of whom will survive, others not.

It occupies a very limited place in the life of the tortured person, and when he is newly freed and is able to speak openly he's astonished at the importance that mankind attaches to the subject.

In the entrance hall of La Opinion stands a weeping woman asking to see me. I don't have the strength for this meeting, because I'm as despairing as she is. My secretary persuades the woman to give her reason for coming to see me. Her two children have disappeared—a girl and a boy, eighteen and fifteen years old. They were taken from the house while she was out. The neighbors said they saw two cars with armed men. She was told at her district police station that the police had no knowledge of the incident, that it was not an official act. She tells my secretary she's convinced that the editor-in-chief of a newspaper is sufficiently powerful to find her children.

It's a lie. She isn't convinced; she knows that I can do nothing. Everyone knows that I can do nothing. But people have no place else to go; they come to La Opinion because, they claim, it's the only daily newspaper that shows any concern over those who have disappeared.

I anticipate this woman's story and therefore don't receive her. I receive some, not

others. It depends on the degree of despair that I'm feeling the day they arrive. And they arrive in large numbers. How can I tell this woman that if I published the story about her children it would most likely amount to a death sentence? How can I tell her that the government will never tolerate the assumption that a newspaper article can save a life? To permit this would mean losing the power of repression, the utilization of fear and silence.

Yet when my secretary tells me the story how can I live with it? Well, one can live with it. The Germans did, the Italians did, the Russians do, the Paraguayans do, the Chileans do, the Czechs do, the Uruguayans do.

Later, however, a strategy for helping that mother occurs to me. I realize that nothing can be printed in the newspaper and that I cannot phone the garrison where the mother believes that her children are being held, for then they would certainly be killed.

What I can do is to send a reporter to the headquarters of one of the three branches of the armed forces—not, obviously, the branch where the mother thinks they are held. Competition among the three armed forces is an old Argentine tradition, as are suspicion and intrigue. All that the reporter need do is to mention that an officer from the branch actually holding the children had been heard to say that both children were being held at the headquarters the reporter is now visiting. His hosts, worried about their image, will order their own intelligence service to inquire into the whereabouts of the children. The stratagem works and the children are located; though the boy will never reappear, the girl is saved.

In Buenos Aires, there's a place that we onetime habitués converted into an almost private club—the basement bar and restaurant of the Plaza Hotel. The wood panelling, the tables and chairs, the china—all had a pleasantly Art Nouveau look. The tourists didn't bother us; they passed unnoticed. We were a sizable group—almost a crowd—of executives, businessmen, journalists, politicians, and high public officials. We had our favorite dishes and enjoyed the snobbism whereby the maitre d's waiters, and sommeliers knew our tastes and we knew them by name. We were all aware that whenever a table was reserved in advance the secret police would wire it with a microphone, and this struck us as funny.

For years, I had held conversations in that place with future Argentine Presidents and former Argentine Presidents, with ministers and ex-ministers. I had been practicing political journalism since 1946, and had come to the restaurant the first time as the guest of a politician. Now, as the head of a newspaper, I was the one who did the inviting. Greetings were exchanged from table to table. I often saw high government officials greeting first civilians and then military officers who were conspiring to overthrow that particular government. Sometimes people having lunch at one table wound up having coffee and liqueur with members of another table. Diplomats came to ask questions, politicians to get information, journalists to gather news, the military to make contacts, corporate managers to do public relations with the present or future power. That near-frivolous climate lasted for years. But with the growth of rightist and leftist violence the climate began to change. Our group began to suffer some temporary casualties through kidnappings and some permanent casualties through assassinations.

We also missed those who had decided to live abroad. "Abroad" generally meant merely taking up residence in the beautiful beach resort of Punta del Este, on the Uruguayan coast, barely forty minutes away by plane, and we'd see these emigrants on weekends or in the summer. But during those years from 1972 through 1976 our group did begin experiencing certain uncustomary worries and fears.

In 1976, a few weeks after the fall of Isabel Peron and the rise to power of the Military Junta, I met an officer of the Argentine Navy at one of these lunches. Like many of the military of that period, he had an almost visceral hatred of the Peronist urban guerrillas. The mere motion that the guerrillas wanted to beat the military on the field of battle was more than the military could tolerate. And though this was not the first time that the Argentine armed forces had taken power by overthrowing a popularly elected government—after all, they had also done it in 1930, 1943, 1955, 1962, and 1966—there had never before been such systematized hatred of the opposition. This man, who was in his early forties, had undoubtedly begun his career at the age of thirteen in the Naval Academy, and he could verify that never had such hatred existed among his peers, or such pleasure in the hatred.

All my efforts to steer the conversation toward an analysis of long- and short-term political measures that would benefit the country clashed with his conviction of the need to exterminate everyone opposed to his views. Barely forty-eight hours earlier, it had been discovered accidentally that all the food destined for a certain group of officers had been poisoned. If the meal, which was cancelled at the last minute, had taken place, twelve high-ranking officers would certainly have died.

"What would you do, Timerman, if the culprits were arrested?"

"It was obviously the guerrillas," I answered. "I'd submit them to military law and aim for a public trial, inviting journalists and foreign jurists to attend."

"For what purpose?"

"During the trial, the motives and methods of leftist subversion would inevitably emerge. The whole muddle of improvised ideas that represents the guerrillas' pattern of thinking—the divergence between their alleged aims and their methods—would be exposed, stripped of the romanticism bestowed on it by its clandestine nature and presumed martyrdom. Argentina, from an internal point of view, would benefit from such a political and judicial process. The political defeat of subversion is as important as its military defeat. Using legal methods to curb violence would eliminate one of the major elements exploited by subversion—the illegal nature of repression."

"But, Timerman, don't you understand that applying legal methods is equivalent to the death sentence?"

"I know. It's hard, but it's acceptable."

"So you'd be willing to accept the death sentence for those people?"

"Yes, I'd accept it. I do accept it."

"Fine. Well, you can be happy—they've already been executed."

"Without trial, defense, or anyone's knowledge?"

"If we had followed the method you advise, we would have had to delay their execution after they'd been sentenced to death."

"Why?"

"Because the Pope would have intervened."

"Surely, it's preferable to reject a petition from the Pope rather than to mar the entire political process with a flagrant, bloody illegality that jeopardizes it in the future. All that you'll be accomplishing, once this phase is over, is a resurgence of vengeance and violence. The seeds of future violence are being planted."

"You're a Jew and don't understand that we can't deny a petition from the Holy Father."

"But the Pope would agree to a life sentence."

"And we'd be allowing a twenty-year-old terrorist to remain alive and maybe receive amnesty in ten or fifteen years when a Congress in this country might pass amnesty laws. But if we exterminate them all there will be fear for several generations."

"What do you mean by all?"

"All—about twenty thousand people. And their relatives, too—they must be eradicated. And also those who remember their names."

"And what makes you think that the Pope will not protest such repression? Many governments, political leaders, trade-union leaders, and scientists throughout the world are already protesting."

"Not a trace or a witness will remain."

"That's what Hitler attempted in his Night and Fog policy. Germany paid for each and every one of the victims. And is still paying, with a nation that has remained divided."

"Hitler lost the war. We will win."

I left the meeting with the naval officer at the Plaza Hotel filled with dreams of glory and combat. Convinced that I held many cards in my hand, I accepted the challenge. I sent a journalist to London to spend a week at the Institute for the Study of Conflict. I was told that the people there had done several investigations of democratic methods of combatting leftist terrorism. We collected material and published it in a special supplement to La Opinion. The British Embassy informed me that a number of Argentina's military leaders had requested further information and wanted to consult the sources used by La Opinión. They sent for some books. All the books concurred, in varying degrees, that irrational, illegal repression on the part of a government compromises any future political victory and the formation of a democratic society. Illegal repression leaves the door open for a return of left-wing terrorism. Such repression cannot be indefinitely maintained. When it is over, terrorism returns, armed with the baggage of martyrdom.

I met with an ex-President of Argentina. I proposed that he and other living ex-Presidents jointly sign a document opposing violence in any form, of either the Right or the Left, and in favor of legal methods of curbing terrorism. Such a proposal might work, he thought, if, in advance, editorials supporting it appeared in all the newspapers. I told him that La Opinion was prepared to print such an editorial, and we expected that certain small newspapers would join us, but that it was unlikely any other major paper would. Still, I would try to persuade them. Both of us failed. A member of his family died in the attempt. An ex-secretary disappeared forever.

I instructed political reporters and military columnists on La Opinión to broaden their contacts with leaders on both sides in order to locate any democratic leader who cared to comment or write an article, any military official who foresaw the national peril in the illegality that was encroaching on the judicial process. Hardly anyone cared to talk to us. We were quite alone. Some reporters resigned.

Entire families disappeared. The bodies were covered with cement and thrown to the bottom of the river. The Plata River, the Paraná River. Sometimes the cement was badly applied, and corpses would wash up along the Argentine and Uruguayan coasts.

A mother recognized her fifteen-year-old son, an Argentine, who appeared on the Uruguayan coast. But that was an accident—the corpses usually vanished forever. The corpses were thrown into old cemeteries, under existing graves, never to be found. The corpses were heaved into the middle of the sea from helicopters. The corpses were dismembered and burned.

When there was mercy, small children were turned over to grandparents. Or presented to childless families. Or sold to childless families. Or taken to Chile, Paraguay, Brazil, and given to childless families.

The people who participated in these procedures were generally transferred after a time to other regions or duties. The places where massacres took place were altered. Old buildings were demolished, their sites converted into public gardens or sold to builders who would quickly put up new apartment houses on them.

Yet even amid victory the Argentine military discovered that everything was known. And that is the chief advantage they've handed the guerrillas and terrorism: an acknowledgment that their own terrorist irrationality exceeds that of their opponents.

No, there was no successful Night and Fog policy, nor will there be. What there was, from the start, was the great silence, which appears in every civilized country that passively accepts the inevitability of violence and fear—that silence which can transform any nation into an accomplice, that silence which existed in Germany under Hitler and in the Soviet Union under Stalin. Such silence begins in the channels of communication. Although certain political leaders, institutions, and priests attempt to denounce what is happening, they are unable to establish contact with the population. Then silence finds another ally: solitude. The person who wants to fight senses his solitude and is frightened. Whereupon the silence reverts to patriotism. Fear finds its great moral revelation in patriotism, with its indubitable capacity for justification, its climate of glory and sacrifice. Only abroad, where there is no Night and Fog, can the truth be revealed. That, however, is "the Anti-Argentine Campaign." It's best, therefore, to be a patriot and not remain in solitude; to stay out of politics and stay alive.

An old one-story house in the village of Martinez, a suburb of Buenos Aires. Formerly a police station. In the basement is a corridor lined with several cells. Here prisoners are enclosed. The walls are perpetually damp. One of the cells hasn't been opened up for a year. They say a guerrilla is inside. The prisoners have no names, the cells have no numbers in this clandestine prison. It is known as Coti Martinez.

A guard asks me for work for one of his sons, who doesn't want to study—a boy of fourteen who's causing him problems and whom he'd like to have learn a good trade. I recommend a trade school, and, despite the fact of my disappearance, the guard isn't worried about visiting the director of this school and using my name to apply for an opening for his son. He doesn't feel he's doing anything incorrect, and he goes on to explain to me that it's all simply a matter of preventing thieves—at first he says Jews but then corrects himself—from carrying off Argentina's money. He has his morals:

When he's sent by his boss to find a terrorist, he will kill the man and others with him—wife, parents, children—only if resistance is offered; if the terrorist doesn't resist, he's brought to the boss. Only if the boss issues the order does the guard place the revolver at the prisoner's neck and kill him. He doesn't kill for pleasure—only out of necessity or in obedience to an order. There are others, he says, who do it for pleasure or in the sporting spirit, competing with the others in the number of *enfriados*, or captives who wind up as "cold bodies." He's a nice man, who looks after his diet, brings his utensils from home because he thinks that the ones in the kitchen are contaminated, hopes to be able to retire soon, while he's still young—since his job is dangerous, the years of service are calculated as double. When his bosses are not around, he lets me use their bathroom.

I've been thrown to the ground in the cell. It's hot. My eyes are blindfolded. Two days have gone by without torture. The doctor comes to see me and removes the blindfold. I ask him if he isn't worried about my seeing his face. He acts surprised. "I'm your friend. The one who takes care of you when they apply the machine. Have you had something to eat?"

"I have trouble eating. I'm drinking water. They gave me an apple."

"You're doing the right thing. Eat lightly. After all, Gandhi survived on much less. If you need something, call me."

"My gums hurt. They applied the machine to my mouth."

He examines my gums and advises me not to worry—I'm in perfect health. He tells me he's proud of the way I withstood it all. Some people die on their torturers, without a decision having been made to kill them; this is regarded as a professional failure. He indicates that I was once a friend of his father's, also a police doctor. His features do seem familiar. I mention his father's name: this is indeed the son. He assures me that I'm not going to be killed. I tell him that I haven't been tortured for two days, and he's pleased.

I'm transferred to police headquarters in the city of La Plata, and as we enter the city my blindfold is removed. I recognize the city, where I was a university student many years ago. A typical student city, with wide, treelined streets. I often came to police headquarters for various transactions. Now I'm led through the Fire Department entrance into the basement. I keep walking, my hands tied behind me. There's a corridor, and propped against one wall is a painter's high ladder. The blindfold is again placed over my eyes, and one of my hands is tied to the bottom step of the ladder. I can either sit or lie down.

I remain this way for a couple of days, given only water. Every once in a while, I'm allowed to go to the bathroom. I'm spoken to amiably—without shouts, insults, jeers, or sarcasm. People here recognize me, recall my television appearances. I'm told that the newspapers are writing about me, and I'm assured that I'll be all right.

My blindfold is removed—that is all. Different guards take turns. They alternate every six hours. I begin to recognize them. There's one who gives me a kick whenever he passes, without saying a word. I question another guard about why he does this. He asks me to be understanding: The lad's a fine boy, but he can't stand Jews.

The interrogation takes place in the chief inspector's private dining room, on the top floor. Two people will question me; they're having lunch, and I'm invited to share their meal. They assure me that all they want to do is hold a political conversation.

They have certain points in their favor, however: I've been subjected to days of torture and have signed many papers that they claim are statements I made. They flourish the papers in front of me but don't allow me to read them. They ask me a question. If they like one of my answers, they have me write it out, sign it, and imprint it with the thumb of my right hand. What arouses the most enthusiasm is my theories on the need to combat both rightist and leftist terrorism. They anticipate using these ideas as the basis of their accusation proceedings against me, because, they say, "to identify legal forces with subversion is to be a subversive." I talk briefly about Fascism of the Right and of the Left. They get furious but don't strike me. It's a political conversation. How can I offend Fascism by speaking of it in the same breath as the Left?

During this political conversation, which lasts for perhaps fifteen or twenty hours, all the elements of my luncheon dialogue with the naval officer at the Plaza Hotel are repeated, to some extent. But now the exposition of my ideas is more a confession than an expression of a political proposal. My advocacy of legality is distorted by the interrogators into a tactic designed to weaken the effectiveness of the security forces. The reproduction of articles from other publications is converted into a satanic provocation intended to force the government to close down numerous publications, thereby stirring up confrontations with different groups. Accepting the death penalty as the outcome of a trial is tantamount to presenting the armed forces as murderers.

I reiterate my ideas and convictions. And the interrogators are genuinely satisfied, for I have provided them with the proof that the security forces sought regarding the subversive nature of my journalistic activity. They ask if I'd like to have a bath, and suggest that I take advantage of an opportunity I may not have again for some time. I hesitate slightly, because of my great fatigue. I don't realize, they say, how bad I smell. Indeed, I haven't washed for almost a month. I accept the bath, with a guard posted at the door. In the mirror, I see how thin I am. I must have lost forty or fifty pounds, but there are no signs of torture evident on my body. The scents of soap and water. . . . I discover them perhaps for the first time. I am overwhelmed by a forgotten sensation, and am frightened, for until now I'd avoided memories as much as possible.

The examiner returns. He tells me that I've failed to understand his questions. I make one more effort to explain the ideology of La Opinion, the battle against leftist and rightist extremism, but to no avail. He turns off the water faucet. I'm still covered with soap.

January 26, 1980. The English weekly The Economist devotes a special section to Argentina—its political, social, and economic aspects. The journalist Robert Harvey writes:

The use of official terrorism to counter ordinary terrorism made Argentina a more dangerous place than Chile after its coup because the rules of the game, for the government's critics, were so ill-defined. A journalist, for example, might be given a wink by a minister to go ahead and publish an article criticising an aspect of government policy. But he would not know whether a security service belonging to the army, or to the air force, or to the navy, or to the local military governor, or to the provincial governor, or independent of any of these, would or would not take umbrage. And even a top minister might be unable to help him if he was whisked off by a group of unknown men one night.

They blindfold me—I'm "boarded up," as they say in police jargon. Someone grabs me by the shoulders and sets me in the direction I'm to go in. I hear voices and have the impression of being in a large room. I assume that I'm going to be made to undress for a torture session. But they sit me down, clothed, and tie my arms behind me. The application of electric shocks begins, penetrating my clothing to the skin. It's extremely painful, but not as bad as when I'm stretched out naked and doused with water. The sensation of the shocks on my head makes me jump in my seat and moan.

No questions are asked. There is merely a barrage of insults, which increase in intensity as the minutes pass. Suddenly, a hysterical voice begins shouting a single word: "Jew! Jew! Jew!" Others join in and form a chorus while clapping their hands, the way we did as children when the Tom Mix film came on the screen at the movies. We'd clap our hands and shout, "Picture! Picture! Picture!"

Now they're really amused, and burst into laughter. Someone tries a variation while still clapping hands: "Clipped ———! Clipped ———!" Whereupon they begin alternating while clapping their hands: "Jew! Clipped ———! Jew! Clipped ———!" It seems they're no longer angry, merely having a good time.

I keep bouncing in the chair and moaning as the electric shocks penetrate my clothes. During one of these tremors, I fall to the

ground, dragging the chair. They get angry, like children whose game has been interrupted, and again start insulting me. The hysterical voice rises above the others: "Jew! Jew!"

I ask my mother why they hate us so. I'm ten years old. The year is 1933, five years after our arrival from Russia. My mother says we're newcomers in Argentina—"greenhorns"—but I don't feel like a newcomer. She talks to me in Yiddish, and I teach her Spanish. She learns, but goes on talking to me in Yiddish and calls me Yankele. She shames me everywhere. But the Spanish translation of Jacob also makes people smile: Jacobo is very Jewish. We are living in one of the poor sections of Buenos Aires, in one room—my parents, my brother, and I. There are two beds, a table, and a closet. It's a large building, and my mother is worried because we're the only Jews. My mother believes that it's dangerous not to have Jewish friends. She keeps arguing about it with my father, but renting a room in the Jewish section—"the city," as my father calls it—is too expensive.

There's much excitement in the building, for this is the weekend when Carnaval festivities begin. I ask my mother if I can go in costume. We have no money to buy a costume, and I know it, but she's a good dressmaker. All the clothes my brother and I wear—pants, shirts, underwear—are sewn by my mother. The only things bought for us are socks; shoes are generally a gift from some wealthy cousins. But I'm not to have a costume for Carnaval, nor will I be allowed to play and celebrate in the street. Carnaval, according to my mother, is an anti-Semitic holiday. People disguise themselves in order to show that the Jews have no country, that they've been dispersed throughout the nations and dress in the clothing of other nationalities.

"Mother, why do they hate us?"

"Because they don't understand."

Yes, my mother in good faith believed that if the anti-Semites understood us, they'd stop hating us. But understand what? Our traditions? Our religion, our culture, our personality? She never told me.

I was held in three clandestine sites in Argentina, and two legal prisons. I was able to exchange ideas with political prisoners prior to, during, and after my arrest. In Argentina, the military examiners or police felt toward left-wing terrorists the way you might feel toward an enemy. These political prisoners were not spared when it came to torture or murder, but the psychological relationship was simple—confrontation with one's enemy. With Jews, however, there was a desire to eradicate wholesale. Interogating enemies was a job, but interrogating Jews was a pleasure or a curse.

Torturing a Jewish prisoner always yielded a moment of entertainment to the Argentine security forces, a certain pleasurable, leisurely moment. In moments of hatred, when the enemy must be hated in order for him to be broken, hatred of the Jew was visceral, explosive, a supernatural bolt. Such hatred was a deeper expression than the mere aversion aroused by an enemy, for it expressed, in addition, the need for a hated object and the simultaneous fear of that object—the almost magical inevitability of hatred. One could hate a political prisoner for belonging to the opposite camp, but one could also try to convince him, turn him around, make him understand his error, get him to switch sides, to work for you. But how can a Jew be changed? That is hatred: eternal, interminable, perfect, inevitable. Always inevitable.

No, there can be no doubt that my mother was the one who was mistaken. It is not the anti-Semites who must be made to understand. It is we Jews.

We're at the military prison in Magdalena, about fifty miles from Buenos Aires. Since we prisoners are held incommunicado, only one of us is permitted to enter the shower at a time. But sometimes the guard gets fed up with the excessive control: opening a cell, leading the prisoner to the shower, waiting till he's washed, leading him back again to his cell, shutting the cell, opening another cell . . . When this occurs, the guard passes along the corridor, opens all the cells, and tells us to remain standing naked at our doors ready to go for a shower one at a time. On one such occasion, a guard passes in front of an elderly Jew and makes a joke about his circumcised penis—his "clipped prick." The Jew smiles, too, and blushes—as if apologizing. Or, at least, that's how it strikes the guard, who dismisses the smile with a gesture. The old man looks at me and again blushes, and I have the sense that he's trying to explain things to me. Two successive glances, almost simultaneous. The guard imagines he's being asked forgiveness. I imagine that I'm being implored to understand. The guard forgives him. I understand him.

Is Argentina an anti-Semitic country? No; no country is. But there are anti-Semitic factions operating in Argentina—as, indeed, there are in all countries. Are these factions violent? More violent that some, less violent than others. And the military? Each time a military government comes into power in Argentina, typical anti-Semitic acts (bombs placed in synagogues and Jewish institutions) disappear, for at the outset a military government imposes a certain order. But the Jew as citizen senses that his situation is altering: military governments do not name Jews to public posts; state radio and television prefer not to hire Jews; and so on—although a certain number of Jews are always given appointments, in order to prevent accusations of anti-Semitism.

But this is past history. The military government that took power in Argentina in March 1976, arrived with an all-encompassing arsenal of Nazi ideology. Anyone who was a Nazi, let alone anyone who was merely anti-Semitic, no longer needed to conceal or disguise his feelings; he could act in accordance with them. Judging from my experiences in Argentina of recent years, I'd say that today the armed forces and the trade unions can become involved in intense anti-Semitic activity if socioeconomic conditions allow. Political parties and the press will in all likelihood demonstrate indifference. Argentine Jews may then try to adjust to conditions without a struggle, passively accepting their reduced rights and the increasingly severe restrictions on ghetto territory. The Catholic Church will most probably be the only institution to denounce racism publicly. And, of course, there will always be a few suicidal individuals who will join the Church in this battle. Many times, I've been asked whether a Holocaust is conceivable in Argentina. Well, that depends on what is meant by a Holocaust—though no one would have been able to answer such a question affirmatively in 1937 in Germany. If we cared to formulate a historical equation, we could say that the conditions do exist: a profound political crisis; an economic crisis that has lasted for several years; impotence on the part of political parties to come up with a minimally coherent response, an inability of the Jewish community to face straightforwardly its own reality; a totalitarian cast of mind among the majority of the population, with a tendency toward messianic beliefs. The reason the outbreak of anti-Semitism has not assumed more pronounced characteristics is that the balance of power within the armed forces has been under permanent debate in recent years, with the moderates weighing the potential international repercussions of a stronger outbreak and concluding that these would be hard to withstand. But perhaps the Holocaust is in a way already occurring—perhaps the seeds have already been planted. Again, it depends on one's view of a Holocaust. There are no gas chambers in Argentina, and this leaves many people with a clear conscience. No one can predict what will happen in the future to the four hundred thousand Argentine Jews. But everyone knows that something terrible has already happened.

The Argentine government steadfastly insisted that I was not arrested for being a Jew, or for being a journalist. Yet never did it indicate why I was arrested; never did it give any reason for my arrest. If, therefore, I were to venture an explanation besides the fact that La Opinión's existence had become intolerable to extremists, which is simply a political interpretation, the only concrete element at my disposal—the only objective, palpable element—would be what they were seeking in the interminable interrogations they put me through. Any totalitarian interrogator—whether Nazi or Communist—has a definite conception of the world he inhabits and of reality. And any fact that fails to conform to his conception he must distort in order to fit it into the scheme. For that reason, perhaps, those who hold a fluid, pluralistic view of reality may find quite implausible certain convictions that to totalitarians seem natural and convincing. There's a ring of absurdity to them when you read about them, but they have a much more terrible aspect when you hear them in the context of an interrogation unravelling under the auspices of expert torturers. It sounds absurd to say that my torturers wanted to question me about the details of a meeting they believed that Menachem Begin had held in 1976 in Buenos Aires with the Montonero guerrillas. To anyone at all familiar with Begin, such a meeting sounds altogether unreal. But it seems quite reasonable to someone who believes in the existence of an international Jewish conspiracy that is prepared to utilize any method to seize world power.

Similarly for many years Argentine Nazi ideologues have claimed the existence of a Jewish scheme for seizing Patagonia, the southern zone of the country, and creating the Republic of Andinia. Books and pamphlets have appeared on this subject, and it's extremely difficult to convince a Nazi that the plan is, if not absurd, at least unfeasible. Naturally, my questioners wanted to know more details than were then available to them on this matter.

"We'd like to know some further details on the Andinia Plan. How many troops would the State of Israel be prepared to send?"

"Do you actually believe in this plan—that it exists at all? How can you imagine four hundred thousand Argentine Jews being able to seize nearly one million square kilometers in the southern part of the country? What would they do with it? How would they populate it? How could they defeat twenty-seven million Argentines, the armed forces?"

"Listen, Timberman, that's exactly what I'm asking you. Answer me this: You're a Zionist, yet you didn't go to Israel. Why?"

"Because of a long chain of circumstances all personal and familial."

"Come on, Timberman, you're an intelligent person. Find a better answer. Let me give an explanation, so that we can get to the bottom of things. Israel has a very small territory and can't accommodate all the Jews in the world. Besides, the country is isolated in the midst of an Arab world. It needs money and political support from all over the world. That's why Israel has created three power centers abroad. One is the United States, where Jewish power is evident. This means money and political control of capitalist countries. The second is the Kremlin, where Israel also has important influence——"

"I believe the exact opposite is true."

"Don't interrupt me. The opposition to

Israel is totally fake. The Kremlin is still dominated by the sectors that staged the Bolshevik Revolution, in which Jews played the principal role. And the third center of power is Argentina—especially the south, which, if it were well developed by Jewish immigrants from various Latin-American countries, could become an economic emporium, a food and oil basket, the road to Antarctica."

The interrogations began unexpectedly, and always dealt with subjects of this sort; each session lasted from twelve to fourteen hours. The questions were impossible to answer. In my fatigue and exhaustion, I tried not to engage in ideological discussions, so as to avoid the trauma of direct questions and impossible replies.

Why should the publisher of a newspaper who had devoted his entire career to political journalism in Argentina confess openly to being a Zionist?

Why, when rumors of my possible arrest began to circulate, hadn't I left the country? Obviously, I'd remained behind for some mission.

Why as a political journalist had I hobnobbed so often with the military?

Which branch of the Jewish conspiracy did I belong to—the Israeli, the Russian, or the North American? A true dilemma, since I was born in Russia, had traveled to Israel, and was extremely friendly with the United States Embassy.

At any cost, they found it necessary for me to declare myself a Marxist. This demanded many hours of questioning and harsh treatment, without my being able to make them understand the obvious contradiction between being a Zionist and being a Marxist, according to their understanding of Marxism. Finally, they accepted my declaration that I was a Zionist, but one who employed Marxism as a dialectical tool to explain the contradictions of society. I believe that in the upper echelons of the Army they eventually acknowledged that Marxism and Zionism were mutually exclusive, yet still couldn't understand what Zionism was. Nevertheless, at the time of my arrest, in 1977, the subject of Zionism obsessed them. Sometimes, outside the framework of formal questioning, they'd converse with me through the bars of my cell on Zionism and Israel, trying to accumulate information, taking notes. I advised them to go to any of the Jewish organizations in Buenos Aires, which could give them more information than I was able to provide from memory in my present physical state. This, they said, might be too compromising. I thought they were joking, but in their opinion the matter was inordinately serious.

On one occasion during my imprisonment, I was unexpectedly brought before the Minister of the Interior. Earlier that day, Patricia Derian, the American Assistant Secretary of State for Human Rights and an adviser to President Carter, had met with President Videla and had raised, with some vehemence, the issue of my predicament. The Minister of the Interior, who was concerned, wanted to see for himself what condition I was in. We'd known each other for years. Our conversation was long but in no way transcendent. Only one point was noteworthy. I told him I'd been informed that I would be brought before a War Council, but had not been told on what grounds or charges. I wanted to know whether this information was correct. He said that it was, but not to worry, since I was not a subversive and would not be convicted by the War Council.

Why, then, was I being imprisoned?

"You admitted to being a Zionist, and this point was revealed at a meeting of all the generals."

"But being a Zionist is not forbidden."

"No, it isn't forbidden, but, on the other hand, it isn't a clear-cut issue. Besides, you admitted to it. And the generals are aware of this."

The Jewish question dominated every interrogation, during my entire imprisonment. And although the government, its officials, and military personnel time and again put forth the most dissimilar explanations of my arrest, while never formulating a concrete accusation, the enormous undercurrent of irrational hatred behind these explanations, having no correlation with the words employed, could not deceive a Jew. It smelled of anti-Semitism. And the magnitude of their hatred increased along with the impossibility they faced of expressing that hatred publicly and explicitly.

I had ample time to speculate on the Jewish reality against its contemporary background. It was evident that Argentine Jewry, like world Jewry, seemed incapable of responding to this level of aggression. When I saw that Argentine Jewish leaders refused to focus on the issue in its true dimensions, and I began to recognize the extent of Jewish passivity, I was amazed—stunned, almost unable to encompass it, trying to unearth some elusive clue. Then, gradually, I became poisoned by hatred and vindictive desires. I would forget my torturers, I told myself, but never the Jewish leaders who acquiesced calmly in the torturing of Jews. Later, during a conversation with the Israeli leader Yigal Allon, I told him that I had not been humiliated by the torture but that I had been humiliated—profoundly—by the silent complicity of Jewish leaders. My incarceration and torture were a personal tragedy but nothing more, for, in view of the sort of journalism I practiced, the possibility of my arrest and assassination accorded with the rules of the game. Whereas the panic of Argentine Jewish leaders constituted a nightmare within the tragedy. And it was that nightmare that agonized me and kept me awake.

Of course, there's still the typical statement I heard so often: Even if I had not been a Jew, I would have been a candidate for assassination, because of the nature of the work I was involved in. That may be. After all, Hitler also sent journalists, dissidents, Communists, and others to concentration camps. But the Jews were sent as Jews.

It is best, I believe, not to elaborate on this but to return to simpler truths, I was never able to prove to my interrogators that Zbigniew Brzezinski was not a Jew and not the head of a Latin-American Jewish conspiracy, or that Sol Linowitz, the former United States Ambassador to the Organization of American States, was not second-in-command to Brzezinski and I not his Argentine representative. Some things cannot be proved. And one of them, it strikes me, is the right of Jews to exist. Simply speaking, the only thing one can do is fight for one's own right to exist. Under certain circumstances, anti-Semitic groups seize power in a country—or exercise a portion of that power in a country—or exercise a portion of that power. It may be for a long or a brief while. In Argentina, all the conditions exist for it to be a rather prolonged period. That is indubitable. Another that's indubitable is that the Argentine Jewish community is not about to defend itself. And, finally one further indubitable fact; The international community is able to intervene, through innumerable mechanisms, in order to disseminate this information, particularly in Argentina. Only public knowledge can alter, to some extent, the course of these events, this downward slope in the march of history.

To strengthen the Jewish spirit, people often resort to observation on the tragic fate that has accompanied the Jews' existence. I've learned, however, that the only thing that strengthens the Jewish spirit is understanding combined with a sense of identity. Being is more important than remembering. I believe that the reminder of Jewish tragedies, punctiliously invoked by the Jewish community against its adversaries, has been futile in overcoming the paralysis and panic that envelop it. These who have succeeded in doing so in recent difficult years were impelled and are impelled, by a clear notion of their Jewish identity. Only Zionism is capable of providing this identity with a movement, a dynamic, and a policy. On different occasions since my release, and even at times during interrogation, I was asked how I would have been treated if the Trotskyite or Peronist terorists had seized power. I have no doubts. I would have geen placed against a wall and shot following a summary trial. The charge: counterrevolutionary Zionism.

The peephole of my cell opens, and the face of the corporal on guard appears. He smiles, and tosses something into the cell. "Congratulations, Jacobo."

This is the first time anyone has spoken to me in this place. The guard's remark is startling. My initial reaction whenever a new event occurs is, What will happen to me now? Sure, I'm in a legal prison, at central headquarters of the federal police, in Buenos Aires. The cell measures nearly two metres in width and three in length. Furthermore, it has a privy in it, so that I needn't ask permission to go to the toilet, and it has a tap with drinking water. I can also wash up, but have no soap or towel. There's a cement bed without a mattress, though I was promised one. I have a blanket but gusts of cold air penetrate from the space above the wall, and I must walk for hours in an attempt to keep warm. If I calculate carefully the longest diagonal, extending from the hole in the ground to the other end of the cell, I'm able to take seven steps. I've already covered a thousand laps. It's better, much better, than in a clandestine prison. But no one talks to me. I don't know what's going to happen; the peephole is always shut. Everything is utterly still, except for the sounds and voices that penetrate from outside. Before dawn, while it's still dark, I can hear the bugle, the commands, the sound of a formation under my window, then the sounds of court-yards being washed. Often, I hear prisoners weeping. One of the punishments meted out to someone who doesn't do a good scrubbing job is to force him to undress, to lean over and put his index finger on the ground, and to rotate round and round without lifting his finger from the ground. This is called "looking for oil." You feel as if your kidneys were bursting. But it's even more entertaining to place a prisoner near the wall and have five hefty policemen form a little train by lining up in single file, holding the hips of the person in front. They come down the passage making the sound of a locomotive and, picking up speed, hurl themselves like a deadweight on the prisoner, plastering him against the wall. This is called "the choo-choo shock." When they're busy, though, they simply order the prisoner to run naked along the passageway, which is fifty metres from one end to the other, reciting aloud sayings dictated to him. He has to repeat these without stopping until they invent others: "My mother's a whore. . . The whore who gave birth to me. . . . I masturbate. . . . I must respect the ccrporal on guard. . . . The police love me. . . ."

The prisoner who is incommunicado is envious of all this. He longs to see a face. This need engenders a series of skills. From his isolation, he begins to comprehend the architecture of the outside world, an invisible architecture that he pieces together like a puzzle. He is a blind man, a dexterous blind man, who comes to the end of his task without a happy conclusion to provide him any relief, and he remains blind, never able to see the vital part. There are long silences that

must be linked with whispers. (A soft voice asks "Who's there?" and, softly, I reply "Timerman," and the voice lets out a burst of laughter. Then another voice slowly asks "Who's there?" and this time I don't answer; but another time I say "Timerman" and the voice murmurs "Be strong.") Then, too, he must find a place in the puzzle for the shouts, insults, and hard beatings meted out to prisoners, the jokes aimed at homosexuals; all must be incorporated if he is to have an idea of what's going on. The police need to shout—shouting helps them. They have orders from their superiors to shout all the time, in order to intimidate and confuse prisoners. Therefore, whenever they talk they shout, and this adds to the puzzle, to the effort of constructing the outside world, the only world apart from the cell.

And that is why I am startled now. The sound that just dropped into my cell has destroyed the puzzle and doesn't fit into the despair of the cell, or into my effort to compensate for that despair by my slow, laborious, ardent reconstruction of the exterior architecture, the blind man's stubborn obsession with his puzzle.

I pick up a letter and two candies. The letter, a few brief lines, is from my wife. Dated May 20, 1977. We've been married today for twenty-seven years. I leave everything on the bed and go back to my task as blind architect: She has undoubtedly been in touch with one of our Army friends, or one of the retired officers who worked on my newspaper, perhaps someone who spent vacations at our beach house. And yet this doesn't fit into the heightened sensibility of a blind man whose sightless eyes are gazing at an unknown world. No military man nowadays would dare to speak to my wife. More likely, one of the guards went to visit her and offered, for a sum of money, to bring something to me. At this point, the blind architect starts reconstructing the scene: my house, the entrance, the doorbell, my wife's face—But no, the image of my wife's face is unbearable in this place.

How I cursed my wife that day! How many times I told myself I wouldn't read her letter, I wouldn't eat the candies. After so many efforts to forget, to refrain from loving and desiring, to refrain from thinking, the entire painstaking edifice constructed by the blind architect collapses over his head. Already, I'd begun to belong to the world around me, the one I actually belonged to, the imprisoned world, where my heart and blood were installed: this world that I've already accepted, that is real, that corresponds to the inscriptions on the wall, the odor of the latrine (matching the odor emitted by my skin and clothes), and those drab colors, the sounds of metal and violence, the harsh, shrill, hysterical voices. And now this world, so heavily armored, so solid, without cracks, and so irreplaceable, has been penetrated by a letter and two candies. Rische, why have you done this to me?

She tells me that if she could she'd give me Heaven, with all its stars and clouds, all the air in the world, all her love, all her tenderness. She says that she'd kiss me a thousand times if she could. But that is what she fails to understand: she cannot. In a rage, I throw the letter into the latrine, and, with equal rage, stick the two candies into my mouth. But already I'm lost, for the flavor is overpowering, as is my wife's face—her scent, almost—and my realization that I have been married today for twenty-seven years.

How can a blind architect fit into his unknown edifice—that structure he can neither see nor touch—the face of his wife, the taste of two candies, his wedding anniversary? Anywhere I place them, the structure collapses. Then, once again, I sit down on the cement bed, and when the guard opens the peephole to ask me my name, once again I rouse myself from the submerging debris, grasping for some firm plank that will enable me to reconstruct my reality. I don't reply, and the guard kicks the steel door with his heavy boots. "Name, son of a whore!"

The blind architect goes to work trying to fit the meaning of this insult into his world. He no longer needs to remember. At this juncture, I feel that I've passed the first serious test, worse than torture, and that I'll survive. For it is here that you must survive, not in the outside world. And the chief enemy is not the electric shocks but penetration from the outside world, with all its memories.

The Military Junta officially imposed strict censorship on films and theatrical and literary works. It altered university curricula, eliminating majors in sociology and psychology. It forbade the use of Freudian techniques in the psychiatric services of state hospitals. It made Catholic education obligatory for pupils in the secondary schools. All this could suggest merely a reactionary or conservative conception of reality. But the Argentine military government went further: it strove to eliminate physically all those who in any way participated in the world it wanted to alter—a program that wreaked particular havoc among psychiatrists, sociologists, journalists, and university students, many of whom simply disappeared after interrogation. The presence of an unacceptable world determined the military government's tactics. Although such tactics were easy to perceive in Nazism and less apparent but still discernible in Communism, in the case of Argentina two elements impeded their visibility. First, Argentina did not put its thesis into practice on an international scale; it remained a domestic affair, in a country whose destiny was not of world interest. Second, Argentina is a land of euphemisms, and the government decided never to acknowledge its use of violence or the reasons for using it.

The official argument of the armed forces when they took over the government in 1976 was not complex; subversion and public corruption were the enemies. Enemies, therefore, were easy to identify. And at the outset no one doubted that the methods used to put down these enemies would be those fixed by the Constitution, which gave quite adequate scope to legal repression. Yet the military officials in charge required more. Only Communism or Fascism could provide a solid program for embarking upon an absolute violation of human values. Logically, they chose Fascism. Other choices existed in the contemporary world, but they failed to conform to Argentine cultural, political, economic, and social standards. Violence based on a religious leadership, as with Ayatollah Khomeini, or situations combining superstition and tribal struggle, as in Uganda or the Central African Republic, were inapplicable in a country like Argentina.

As publisher of La Opinión, I often attempted to correct the irrationality that had been converted into ideology. I had only one permanent, unswerving companion in this arduous battle: the English-language newspaper the Buenos Aires Herald. Occasionally some provincial papers joined us in our attempt to keep the Argentine military process inside constitutional or juridical norms, and so did certain Catholic publications, such as the magazine Criterio. Sometimes we succeeded in saving a life, although we never actually modified the course of events. In 1976, I learned that the military had resigned themselves to the existence of the Herald but had decided to initiate steps leading to the suppression of La Opinión. In April, 1977, at the time of my arrest, La Opinión was shut down on the orders of the military. ('n December, 1979, the publisher of the Herald, Robert Cox, was forced, through a campaign of threats, to leave Argentina; his newspaper, however, was not successfully silenced.)

At La Opinión, we often endeavored to take an objective approach to the ideology of the armed forces, but that always proved impossible. It was clear that they hated Karl Marx, Che Guevara, Sigmund Freud, Theodor Herzl. But it was hard to understand that they hated Zionism more than Communism, and considered it a more significant enemy—that they regarded Israel as a more dangerous foe than the Soviet Union. If someone discussed the subject privately with a military officer, he would obtain an explanation of sorts: Communism was more visible than Zionism, therefore easier to identify, and therefore less dangerous. Even if one were to grant the truth of this statement, it would still be hard to understand the outpouring of violence that was used to eliminate both these enemies—a violence that far exceeded the prevailing guidelines of repression in any moderately civilized government. What, for example, was the thinking that led to the kidnapping of the published or Padres (Parents), a magazine devoted to modern parent-child relationships, and to his being condemned to death? (La Opinión's campaign to save this journalist resulted in the sparing of his life, but only on condition that he promise to suspend publication and leave the country.)

Even the most irrational being finds it necessary to formulate a certain coherence around his irrationality, in order to be able to maintain its continuity. The Argentine military, tapping their vast reservoir of hatred and fantasy, synthesized their action into one basic concept: World War III had begun, the enemy was left-wing terrorism, and Argentina was the initial battleground chosen by the enemy. Every week, in the clandestine prisons where I was held, courses were given in World War III. These sessions went under the rubric of "the Academy." They were generally given by an Army intelligence officer, and attendance was obligatory for the entire staff of torturers, interrogators, and kidnappers.

The thought of suicide occurred to me often. But I discovered then that it was a temptation rather than a subject for premeditated decision. The idea of suicide would appear like a delicious fruit. Suicide was the only thing that could share the endless stretch of time, of time and more time, of interrogation and time, of cold and time, of hunger and time, of tears and time. How to fill those orifices of time if not with the preserved fruit of suicide? How to modify the rigid, endless structure of time if not with the unforeseen originality of suicide? But with my hands bound behind me and my eyes blindfolded there was no possibility of suicide.

Aside from suicide, there was one other temptation—madness. These were the only two temptations I experienced during my thirty months of imprisonment and beatings. They were strong temptations, because their repressed violence enabled them to overpower time. And time is not an easy enemy to overpower.

To reflect on suicide does not mean that you're going to commit suicide, or even decide that suicide ought to be committed. It means introducing into your daily life something that is on a par with the violence around you. Contemplating suicide is like living on an equal footing with your jailers. This self-imposed state of equality functions as a compensatory mechanism. It's with you, created and structured in that place, that prison, and afterward it will be missed. More than a decision or a hope, the thought of suicide is an occupation—its dimension so profound, so biological and awesome, that it's a palpable presence, impossible to confuse with any other sensation. It introduces the possibility of achieving a level of destruction akin to the destruction unremit-

tingly being inflicted upon you. And it fills the Time of the prisoner's time, and the Space of the prisoner's cell. He can measure the wall-to-wall distance inside his cell and wonder whether his head will break if he hurls himself against that wall with all his might; or he can imgaine the feasibility of puncturing a vein with his nails. All this inherent violence transmits a sensation of physical capacity and inevitability to the prisoner who has undergone torture. It contains an element of romantic audacity, the sense of a completed story.

There's pride in the idea of potential suicide. But at some point you must decide to abandon the idea, for it can become too obvious a subterfuge. In fact, it has already become a subterfuge, for you realize that you're not going to commit suicide, and once again comes the feeling of defeat. You're humiliated, and the humiliation is justified. Your world is utterly reduced, and the facts that you've told the torturers nothing and that you've survived don't occur to you. These facts mean nothing in this world of cockroaches, vomit dried on your clothes, bits of half-raw meat strewn on the ground.

When the possibility of suicide no longer exists, there remains the temptation of madness. But it's impossible to deal with madness as one does with suicide. You must await madness, and think that perhaps it will come. You must try to yield to it, and possibly it will engulf you. To await it and yield to it—that is the grim part. For if it fails to arrive, your impotence is conclusive, your humiliation greater than a kick in the behind from some voiceless, faceless stranger, who leads you blindfolded from your cell, stands you flat against the wall, gives you a kick, and then returns you to your cell—all in total silence.

September, 1977. For a month, I've occupied a cell in the military prison at Magdalena. The military routine is strict. I'm in an isolation cell, but on Saturdays and Sundays I may receive visits from members of my immediate family. I'm allowed to take a hot bath three times a week, and meals are served four times a day. I'm being detained in a military jail because I shall be appearing before a Special War Council. The government has modified the Code of Military Justice before the trial is to begin; in other words, it has changed the rules of the game. Until now, an accused person could designate as his defense lawyer a military officer of any rank, either in active service or retired. A retired officer, whose career is over, has greater freedom of action; he isn't anticipating promotions. This clause has now been amended, with the stipulation that the officer must be of lower rank than the president of the military tribunal. The president of the War Council that is to examine me is Colonel Clodoveo Battesti; hence my defense lawyer must hold a rank below that of colonel. Finally, I must select him from a list submitted to me by the War Council. I know no one on the list and am therefore choosing at random.

I had intended to designate as defense lawyer a personal friend, once President of the country, who I'm sure would have been unintimidated by threats. Now I must settle on a young officer whom I don't know but who is on active service and is certainly aspiring to fresh promotions. In any event, at an interview in the prison he informs me that this mission is an act of service on his part. It's clear that if he'd had a choice he would not have accepted, but he prepares conscientiously for the task of defending me. With respect to the torture I underwent, he consoles me: these are errors committed in the course of an extremely difficult investigation. Yet I have the impression that, intellectually, he's attracted by the issue, and that he will fight to defend me up to the limits of prudence dictated by "an act of service."

Those who knock on my door four times a day to deliver food are four young prisoners. Their jail sentences range from three to five years. Mornings, at dawn, they clean the ward, wash the meal utensils, and sing beautiful religious songs. They are Jehovah's Witnesses, who refuse for conscientious reasons to serve in the armed forces. Although the Argentine Constitution guarantees freedom of worship, the armed forces do not accept the principle of conscientious objection. Even as children, therefore, Jehovah's Witnesses are aware that on reaching the age of eighteen they will have to serve an extended period in prison. They accept the punishment as part of their religious faith. They are gentle and peaceful, and perform all the jobs and services in the prison. They're aware that I'm incommunicado, but they always find some way to exchange a few words. During the day, I wait for those four opportunities to talk to someone. And at night I recall the words they uttered, say them aloud, repeat them.

The headquarters of the Supreme Council of the Argentine armed forces, where Special War Council No. 2 is going to examine me, is in an old, run-down palace in the heart of Buenos Aires. There the military amuse themselves with all the attributes of protocol and the greatest possible imitation of legality. The seven members of the tribunal—three representatives from the Army, two from the Navy, and two from the Air Force—are simply to decide, after weighing the entire case, whether sufficient charges exist to justify a trial. For some time, they have had in their possession a copy of statements that I was forced to sign without having been able to read them first. Until the very moment of my appearance before the military court, I remain uninformed of the grounds for my arrest, or even of the accusations against me, if any exist.

The protocol, of course, is strict. I mount the steep stairway escorted by guards who hold my arms gently but firmly. At the top, I'm received by a uniformed Army officer accompanied by two officers of lower rank. The officer takes me to the courtroom where Special War Council No. 2 will be in session. It is an immense hall, about ten metres wide and twenty-five metres long—dark, without windows, ancient, its walls covered with huge paintings that depict the great battles of Argentine independence, the conquest of the southern desert, and the war against the Indians. There is dark boiserie, red curtains, high ceilings. I'm ordered to take a seat on a small, round, backless red bench—the famous bench of the accused. I'm at one end of the huge room. At the other end, on a high dais, stands the crescent-shaped table of the military tribunal.

To my left is an Army officer, the prosecuting attorney; to my right, my defense attorney. He will intercede only if the tribunal decides that a trial is to take place. Alongside me is a small table with microphones. Behind, two young naval officers serve as stenographers.

At a command, we all rise to our feet, and the members of the tribunal enter through a side door. They walk slowly—erect, firm of step. Uniformed, wearing caps, they climb the dais and remain standing in front of their chairs until the president of the tribunal orders them to be seated. We all sit down. They keep their caps on. The scene is imposing, the air sparking with tension. We remain serious and silent.

The secretary of the tribunal, an Army officer, reads the data on me. I'm asked whether it's correct. I answer affirmatively. Of the seven members of the tribunal, only the president may speak; the other members pass him the questions they wish to ask, written on slips of paper. Approximately every forty minutes, the president interrupts the session and orders a five-minute break. The session, in total, lasts about fourteen hours over a period of two days. At each interruption, the entire ceremony is repeated: we rise to our feet, the members of the tribunal retire; we rise to our feet, the members of the tribunal enter.

The president asks, "Are you a Jew?"

"Yes, Mr. President."

Always, through history and the present, I've been among the accused. Is this role that is assigned to me—this role of sinner, criminal, or simply culpable party—something that pride has obliged me to assume in order to convert it into a virtue? If you add up all the victims and victimizers, they form a very small percentage of the world population. And the rest of humanity, the great majority—what are they engaged in? On that day in September, 1977, how many of us in the whole world were seated upon an accused man's bench? How many were being judged for what they did? How many were judged for having been born? The war against Nazism had ended thirty-two years and four months before. And yet, these same thirty-two years and four months later, in the city of Buenos Aires, I continued to be a citizen under total suspicion, proved to have been born on the wrong, absurd side of humanity.

"Are you a Jew?"

"Yes, Mr. President."

"Are you a Zionist?"

"Yes, Mr. President."

"When did your Zionist activities begin?"

"At the age of eight, Mr. President. My mother enrolled me in a sports club called Macabi."

"Did your mother take you or did you go by yourself?"

"My mother took me, Mr. President."

"Therefore, one could say that it wasn't a voluntary act on your part."

"I was taken by my mother, Mr. President."

"In what way did your Zionist activities continue?"

"While attending high school, I was invited to participate in a student Zionist group called Avuca. I was fourteen years old."

"Which means we could say that at age fourteen you voluntarily began your Zionist activities in Argentina?'

"Yes, Mr. President."

"What did you do?"

"We met on Saturdays, Mr. President, in the basement of the Argentine Zionist Federation. We had a library, a Ping-Pong table, and several chess sets. We were all Jewish high-school students."

"Were you being indoctrinated?"

"Every Saturday, a member of the University Zionist Atheneum, which operated on the top floors, presented a talk on Zionism or Jewish history."

In that year of 1937, when I was fourteen years old, I went to school mornings, and afternoons I worked as a messenger for a jewelry store. We lived in the heart of the Jewish quarter. My father had died two years before. My mother worked as a street vender; my brother studied and helped her. On Saturday morning, we had to attend classes, but in the afternoon the jewelry store was closed. After lunch, my chores were to wash the dishes and pots, iron my shirts, and scrub the stairway of the building. In exchange for running this small apartment building in the Jewish quarter, a building in which each family occupied a single room, we were given a free room. For this, we had to scrub the bathrooms, corridors, and stairways, and collect the rents. At the Avuca meetings, Ping-Pong and chess were novelties, and Zionism and Jewish history true discoveries. But meeting Jewish adolescents who didn't work, were well-to-do, dressed in suits, and had money—that was mind-boggling. These young people of sixteen and seventeen were the ones responsible for the

abrupt end of my childhood; they thrust me head-long into the world I would never thereafter abandon. Emilio Salgari and Alexandre Dumas had to be set aside in favor of Jack London, Upton Sinclair, John Dos Passos, Henri Barbusse, and Erich Maria Remarque.

When I was fifteen, two good-looking young men whom we'd never seen before at Avuca—handsome young men in white shirts with military pockets and wearing blue kerchiefs at their necks—arrived and informed us that in addition to being Socialist Zionists they were Jewish Boy Scouts, and that we ought to learn about Scouting, so that we would be prepared when we returned to the land we'd left so many centuries ago. We ought to return to Israel, which was ours, and which was under Socialism, for the nation we wanted to build had to be the synthesis of the dreams of prophets past and present; namely, humanist Socialism. There in Argentina stood those two young men from Hashomer Hatzair, and there at Avuca on that memorable night when I heard them speak I became destined for that world I would never abandon and never try to abandon—a world that took the form of Zionism at times, at times the struggle for human rights, at times the fight for freedom of expression, and at times solidarity with dissidents against all totalitarianisms. And it was that world which Colonel Clodoveo Battesti, president of the Argentine military tribunal and head of Special War Council No. 2, sought to understand. He wanted me to confess—to convert my whole consuming mission of love and destiny, identity and future, into a confession.

"Did you at any point abandon Zionism?"

"No, Mr. President."

"Yet, according to this police report, in 1944 you were arrested for belonging to an organization affiliated with the Communist Party."

"I was arrested in 1944, Mr. President, while attending a film festival of the Argentine League for Human Rights. I was in jail for only twenty-four hours, because it was proved that I hadn't participated in that organization, which the police considered Communist."

"During that period, you belonged to the Youth League for Freedom, which was also registered as an affiliate organization of the Communist Party."

"That's true, I did belong to that organization. The members were young supporters of an Allied victory during the Second World War. They disseminated news on the fighting being waged by Great Britain, China, the United States, Russia, and France, without discrimination shown toward any of these countries. They also took up collections for the purchase of medicines that were sent to the Allied nations. What other organization, Mr. President, could I possibly have belonged to?"

"I didn't belong to that organization."

"Mr. President, can you imagine a young Jew in 1944 fighting for a Nazi victory?"

"That organization was dissolved by the police for being considered Communist."

"That designation was the police's. I belonged to it as an anti-Fascist, a Jew, and a Zionist. Mr. President, in view of the evident interest regarding my relationship with Zionism I think I ought to explain to the court the meaning of Zionism."

"We're well aware of the nature of Zionism. Confine yourself to answering the questions."

In 1939, we had no radio, but early one morning the sirens of the three big newspapers in Buenos Aires went off, and my mother hurried out into the street and came back with the news that France and England had declared war on Hitler. She was radiant. "In a month, he'll be defeated. Our brothers will be avenged." In 1940 and 1941, veterans of the Spanish Civil War, travelling in small groups, began arriving in Argentina, from the Far East, the north, and Africa. I couldn't tear myself away from the bars where they congregated, held their conversations, lived their bohemian lives—their unique, romatic postwar lives. For the first time, I heard about the betrayal of democracies from men who had sought to combat Fascism. I heard about the Russian intrigues, the massacre of Trotskyites and anarchists. I and my friends were eighteen, nineteen, and twenty years old at the time, clustered around these men who had had firsthand contact with Fascism and explained battle strategy to us, men absorbed in their war, that genuine war; and we acquired words and techniques in order to understand—to attempt to understand—the successive Allied defeats, convinced that Fascism would be defeated.

Those youthful convictions! We'd chosen that moment to prepare a group of young Jews for work on the land—collective work—for who could doubt that the war would be won, that a Socialist-Zionist state would be established, and that all of us would be going to kibbutzim? In 1943 and 1944, I, too, learned how to plow the earth, to milk cows, to plant seeds. Yet though my blood and imagination were engaged in the struggle against Fascism, there was little I could do other than sign manifestos, obtain signature for manifestos, collect money, buy medicines, and roll bandages.

Rolling bandages! Being able to fight would have simplified everything. At the Free French Committee, I was told that only Frenchmen or sons of Frenchmen were being accepted for service, because there was an excess of volunteers and limited possibilities of transferring them all to Europe or North Africa. At the British Embassy, I was welcomed as a volunteer, because of my willingness to go to Asia, but when my application was filed, revealing my Russian origin, I learned that an existing agreement with the Soviet Union prohibited contingents with "White Russians." At the United States Embassy, I was told that no volunteers were being accepted. That day, at noon, on leaving the United States Embassy, which was only two hundred metres from the Government House, I witnessed the peaceful takeover of the Government House by the Argentine Army and Colonel Juan Domingo Perón. It was June 4, 1943.

From that day on, the years of my youth were further complicated, for all my time, energy, reading, studies, and knowledge flowed in countless directions. And these directions, which in my mind were totally connected and integrated, seemed contradictory in the eyes of others, and were so hard to explain: We were fighting against Perón's dictatorship and his friendship with Fascism. We were siding with the Allies but were opposed to England in Palestine. We were pro-Russia in Stalingrad but anti-Russia with respect to the Russians' behavior in Spain and their anti-Zionism. We were trying to establish a parallel between Marx and Freud, between Picasso and Socialist Realism. We demanded a second front.

And now that vast sea of doubts and imagination, youth and dreams, that miraculous coexistence of world suffering and Jewish suffering, that anti-Fascist solidarity, that anti-totalitarian dream of my youth, was being suddenly reduced to a police report flourished by Army Colonel Clodoveo Battesti, president of Special War Council No. 2.

"Did you have any contact with the terrorists?"

"No, Mr. President."

"But you knew terrorists, didn't you?"

"Mr. President, some of the people classified as terrorists by the armed forces were members of the Argentine Congress. I had conversations with them in their role as legislators, as I might with any other legislator. I also had conversations with the military commandants of the three branches of the armed services. This was normal for a newspaper publisher."

"Timerman, answer the questions. You remind me of a pickpocket claiming innocence because the number of handbags that he didn't steal was greater than those he did. Did you have any contact with the terrorists? Yes or no."

"No, Mr. President."

"Yet the declarations of leading terrorists often appeared in your newspaper. How did these declarations fall into your hands?"

"Mr. President, I never printed declarations of clandestine individuals. How could I classify as terrorist a person who called a press conference, who hadn't been arrested by the police or the armed forces, whose statements were broadcast on state television? All the newspapers printed such statements, yet their publishers are not in front of this War Council."

"You're here to answer questions, not give opinions."

Why should a professionally competent, informed, and educated journalist have assumed that it was possible in the struggle against left-wing and right-wing terrorism to maintain an independent position, opposed to both extremes and favorable to democracy? In Argentina, everyone not directly involved in the struggle was engaged in survival—the political parties especially, and certainly newspapers. How could someone who wasn't attempting to survive fail to arouse suspicion? On more than one occasion, the Minister of the Interior had assured me that there would be no conflicts between me and the military government if I ceased recording appeals for habeas corpus which relatives of the disappeared presented to the courts for information about sons, husbands, and wives. With the exception of the Buenos Aires *Herald*, every other newspaper had by now ceased doing this. Doing it was seldom fruitful. Still, the faces of relatives who appeared at *La Opinión*, plus the absurd conviction that it was possible to recover a human being, plus the need to believe that a newspaper constitutes a powerful institution, precluded any other position. Otherwise, one would simply have had to tell these people to forget about it, to accept death—tell them that no one could do a thing, and that they should pray. The only alternative was to print what had to be printed. Or else close down the newspaper.

More than once, my staff and I considered temporary suspension of publication. Or perhaps my family and I would leave the country, while the staff gradually converted La Opinión into a more or less acceptable vehicle. I toyed with these easy, sensible, accessible, soothing notions. To sit down with the Minister of the Interior for coffee with a sense of immunity to danger; to forget about the daily desperation and that sense of impotence; to go abroad—it would all have been so easy, and was so tempting.

How could a military tribunal comprehend these doubts and fears? How could a military tribunal, a military government conceive of someone's feeling an obligation, the force of an idea, the inevitability of a conviction? How could the Argentine military government of 1976–77 accept the fact that a Jew would sacrifice his economic welfare, his tranquity, for an idea, unless that idea represented some illegitimate agreement, something as unnatural and illegitimate as his own birth, the unnatural circumstance of being a Jew? How was one to encompass all this in the replies given to Colonel Clodoveo Battisti, president of Special War Council No. 2?

The members of the War Council, in the

course of that fourteen-hour session, traced my entire life—or my presumed life as it emerged in the police reports accumulated under my name during my thirty-year span as a political journalist. They had already categorized me as a criminal by birth, but they had unearthed no crime that would plausibly lend itself to publication under banner headlines in Argentine newspapers, and their legal counsel advised them not to press charges that weren't clearly specified in the anti-subversive laws or in the Code of Military Justice.

Special War Council No. 2 therefore ruled that there was no valid charge against the aforementioned Jacobo Timerman, that he remained outside their jurisdiction, and that there were no grounds for holding him under arrest. This ruling was made in late September, 1977, and was communicated to me on October 13, 1977. The interrogations, declarations, and explanations were over. But the government kept me under arrest for two years afterward.

Before my kidnapping, military friends used to offer me what they regarded as sound advice: Leave the country for a couple of years, until the most violent phase of the repressive process has passed. Turn over the management of the newspaper to your colleagues until the violence is quelled. Or don't publish certain articles. Or stop publishing the names of people who disappear every day. In short, find some sort of compromise with reality.

Adapting to this "realism," this pragmatic spirit, is the most important means of survival in a totalitarian country. One can say to oneself, My acts aren't going to change history and will lead only to my death, but if I survive I'll be useful in the reconstruction of the country. If I publish the names of the disappeared, as their family members requests, I won't prevent them from being killed but will succeed in having myself killed, whereas if I don't publish the names I'll be able to survive in order to continue the fight. Nothing I do or print can modify events, whereas if I survive I'll be able, with my newspaper, to help the moderate groups when they assume power.

This conditioning to reality is constantly practiced by the large majority of the population. Nearly everybody will consistently seek a compromise with reality in order to be able to survive and be useful at a more propitious moment. So anyone who departs from such almost biological pragmatism becomes suspect, not only to those in power but also to the population in general.

On many occasions, the military expressed their admiration for my open confrontations with the leftist terrorists, whom I accused in my newspaper and named, using no euphemisms. But they subsequently found it hard to fathom why, with the same voeiferousness, I accused those who used terrorist methods to liquidate left-wing guerrillas. There was no way of getting them to understand that I firmly believed in the need to curb all terrorism, but that this could be, and had to be, accomplished within the framework of Argentine law.

The totalitarian mind obsessively needs the world to be clear-cut and orderly. Any subtlety, contradiction, or complexity upsets and confuses this notion and becomes intolerable. Some of the military felt that they could understand me as a religious individual or as a religious Zionist. But when I informed them, either in person or in print, that I didn't observe Jewish religious rites but was a Jew from a political point of view, and also a political Zionist, they felt a kind of terror before the unknown. Judaism as a political category proved impossible for the military to understand. They couldn't comprehend or couldn't accept that an Argentine patriot could simultaneously be a patriotic Jew, a Zionist of the Left, a defender of Salvador Allende, of the Soviet dissidents, and of political prisoners in Cuban jails. Their world was simpler. And in order to survive in that world one needed to choose between two extremes. For many—the great majority—choosing silence was simple. For me, impossible. And this is what made the Jewish leaders of Buenos Aires also regard me as an irritating element. In the pages of my newspaper, all the country's anti-Semitic acts were protested and denounced. A well-known leader of the Jewish community explained to me that not all of them should be protested, for that would create a confrontation with highly powerful sectors of the Army. There was a better tactic: to protest some and maintain silence about others, in an attempt to negotiate and survive.

Psychologists were persecuted; democratic priests were persecuted; journalists, university professors, Jews, defense lawyers of political prisoners—all were persecuted or humiliated. The majority opted for silence, abiding by the new values that constrained their professions, denigrated their creative spirit. The overriding majority accepted this golden ghetto and survival, the voluptuous sensation of security, the wonderful biological sensation of knowing beyond a doubt that you're alive. But if all are guilty of compromising with reality—or, rather, if all are innocent, since it is nearly understandable that life in any situation or circumstance is preferable to death—why should I have this obsession only about the complicity of the Jewish leaders in Argentina?

The point of reference for the Jewish leaders of Buenos Aires, as for Jewish leaders in many parts of the world, is the horror of the Holocaust. For me, the point of reference is equally the responsibility of Jews in the face of any anti-Semitic act. I was never able to understand, for instance, how the horrors of the Holocaust could diminish the significance of the violation of Jewish girls in clandestine Argentine prisons. I had never imagined that there would be Jewish leaders who would utilize the horrors of the Holocaust to maintain that the most advantageous response to certain anti-Semitic aggressions of a much less brutal nature was silence.

In my opinion, the most important lesson of the Holocaust lies not in the horrors committed by Nazism—expounding those over and over fails to move any anti-Semite to pity—but in the Jewish silence and the Jewish incapacity for defending itself. The Holocaust will be understood not so much through the number of its victims as through the magnitude of the silence in which it existed. And what obsesses me most is the repetition of that silence, rather than the possibility of another Holocaust.

The balcony of my house in a suburb of Tel Aviv faces the Mediterranean. It is large, almost the size of a room, and my wife has filled it with flowers, plants, and Max Ernst posters. Facing my balcony, the scarlet sun is sinking over a sea that is too blue for my eyes, which are accustomed to the southern Atlantic. It hasn't rained in Tel Aviv in nine months, and the ceremony of the sun blazing over the sea is repeated daily. This is a peculiarly odd moment in my life. Pity emerges as stronger than my memory and more tender than my ideology. I think of those Jewish leaders in Buenos Aires who are trying to find a point of equilibrium between their terror—their paralysis—and the anticipated pardon from the moderate military. I recall a time when they felt proud that a powerful Timerman was propounding in his newspaper such strong Judaism and Zionism, discoursing on an equal footing with the military, the Catholic Church, politicians, union leaders. They felt protected. Timerman's downfall aroused the feelings deeply hidden in the subconscious of every Jew: the fear of leaving the medieval ghetto limits at night and being unable, within those dark, narrow streets, to have recourse to the protection of the feudal lord.

How can one fail to feel pity for them? One could not ask for a greater victory for Argentine anti-Semitism: a Jewry at a loss about what to do, unaware of what lies in store, unaware of its strength or the strength of the enemy.

It is possible to feel pity and it is possible to feel rage. Both feelings are the result of love. And how can one fail to love this tortured, sacrificed people, who are abandoned each time that history becomes very complicated and dangerous for them?

In the clandestine jail of Puesto Vasco, a woman is being tortured. My cell is very close to the kitchen where the torture is being applied. I can hear her clearly, crying out, shouting that she isn't a Jew, that her name is German. There's nothing simpler for an Argentine policeman than to confuse names that are odd-sounding to him. But here in Tel Aviv, facing the Jewish Mediterranean, I think about that scene—that if she had been a Jew she wouldn't have had even that last line of defense. What loneliness! And, I also think, if she was lying, and was actually Jewish, what a terrible renunciation!

In the clandestine prison of Coti Martínez, a man of about seventy is being beaten by a policeman. The man's hands are tied behind his back, and he is blindfolded. The policeman pulls off a cross the man is wearing around his neck, and accuses him of being a Jew, of wanting to hide his identity. After his beating, the old man is put into my cell, and he tells me that he was converted to Catholicism nearly fifty years ago and that the cross was a gift from Pope Paul VI. He considers himself a Catholic and is enraged that the police do not believe him. He vows to avenge himself on the gray-haired policeman with the small, pudgy hands who beat him—and who passes our cell every day smiling.

And here, facing the Jewish Mediterranean, I think about that old man, eternally Jewish in my eyes, who was beaten as a Jew, and that Catholic woman who was beaten as a Jew—about those two Catholics beaten as Jews because they were hated as Jews—and I suppose that I no longer have a right to demand anything of any Jew. What people—what individual—can withstand such hatred? How can one demand that anyone exercise such a superhuman effort in order that his right to life may be respected—that he have the strength to live if he barely has the strength to allow himself to be led to death? In the solitude of prison, it was so sad to be beaten for being Jewish. There was such despair when they tortured you for being Jewish. It seemed so humiliating to have been born.

This account I am writing—it's painful. Most of the time, I feel paralyzed. I cannot prevent the memories of the tortures from spreading themselves over my daily life, over the hours that make up a daily life—like a jigsaw puzzle that a neat and careful child spreads piece by piece over the floor of his room. The scenes of beatings, electric shocks, solitary confinement, cold baths in winter combine themselves into the final image, and the result is always the same: the shout with which my interrogators used to insult me when they were really furious—"Jew!"

In the decade of the seventies, in a remote country, the southernmost of all countries, in a nation just a hundred and sixty years old, in that far country torn by a war between Right and Left, I saw repeated the words and ideas that were expressed in Germany in the nineteen-thirties and forties.

Either the Right or the Left could have arrested me or kidnapped me or murdered me in that country, so young and far away, because both had sufficient motive. I was the kind of journalist they didn't have to force into history—I entered willingly. No

one had to impose my enemies on me—I selected them myself. I didn't avoid them—I pointed them out, marked them, attacked them.

Why, then, in that arrogant journalist, that aggressive accuser of Right and Left, did they single out his Jewishness as his most dangerous element, for which he must be eliminated? I know the Argentine political situation, and I know that the Army officers did not need to use a Jew, even for strategic reasons, as a scapegoat. So the gratuitousness of the act frightens me—that is, the existence of a hatred so pure, so unreal, without cause and without object, without end, eternal. Above all, it frightens me that it has all been repeated. Admittedly, it has not been repeated with the same magnitude. But if the Jew can be considered the enemy only thirty-five years after the German experience, and can be tortured and killed for being that enemy, then he has kept his place in history; his historic condition persists. I believe that in Argentina all this could have been prevented—if not by the Jews themselves, then by the Christians, for most of those killed were not Jews.

When they broke into the house, they didn't find the one they were looking for—the father. They placed hoods over the others and took them away—the mother, both sons, the daughter-in-law, and the servant. A few days later, the servant was released. They began torturing the mother, the sons, and the daughter-in-law, whereupon the father appeared before a judge to testify that it was he whom the police were after and that he was surrendering himself into the hands of justice. The judge turned him over to the police, and the police released his wife. The father, the sons, and the daughter-in-law were incarcerated at Coti Martínez, the clandestine prison. For a while, all four were tortured. Then only the father. Before each of the father's torture sessions, his sons were ordered to prepare food for him and take care of him, so that he'd be fortified for the torture. One of the father's hands were fastened to the bed with an iron ring. He ate with his free hand, assisted by his sons and his daughter-in-law. The three would then say goodbye to him, trying to bolster his spirits for the torture session.

If we were to leave the scene at this juncture, we might ask ourselves. Which universe, country, and period does it belong to? How does this scene conceivably differ from the events that took place during the period of Mussolini, Hitler, Franco, Stalin? It differs in certain procedural details, perhaps, but not in the conception of the event. For the event was conceived in accordance with a basic totalitarian principle: a political deed can be achieved through the destruction of an individual; violence committed upon one person can signify the solution of a political problem, the strengthening of an ideology, a system.

If this scene were described in Russian, would anyone doubt that it had occurred in some remote region of the Soviet Union? And if it were described in German, would it differ in any way from the episodes that occurred repeatedly during the process of consolidating the Hitler regime?

The scene actually took place in Argentina and involved a prominent family. The father had been minister of economics to a provincial Perónist governor and had fought alongside Army moderates against leftist Perónist guerrillas and in support of Isabel Perón's overthrow. The provincial governor he served under might become in the future a leader who was favorable to a moderate military that wanted to win the Perónist vote. The most probable candidate, General Roberto Viola, who was then chief of the Army General Staff, was guaranteeing the provincial governor's security against kidnapping. The hard-line military sought to destroy Viola and his potential future aspirations, and thereby the governor as well, whose political background had been in the trade-union world. Since kidnapping the governor was impossible, the alternative was to put him on trial, accuse him of some crime. Hence a charge had to be found, and certainly nothing could serve this purpose better than questioning his minister of economics in order to prove illegal profiteering.

I was imprisoned with the minister and his family at Coti Martínez, and afterward with the minister and one of his sons at Puesto Vasco. Many times, I heard the father, after prolonged torture, crying out that he would sign whatever was demanded, pleading to be killed. But the fact remained that he couldn't provide any incriminating evidence against the provincial governor, for there was none. After several months, he was released.

Of all the dramatic situations I witnessed in clandestine prisons, nothing can compare with those family groups who were tortured—often the family members together, sometimes separately but in view of one member or another, or in different cells while one was aware of another's being tortured. The entire affective world, constructed over the years with the utmost difficulty, collapses with a kick in the father's genitals, a smack on the mother's face, an obscene insult to the sister, or the sexual violation of a daughter. Suddenly, an entire culture based on familial love, devotion, and the capacity for mutual sacrifice collapses. Nothing is possible in such a universe, and that is precisely what the torturers know.

The father's glances: of desperation at first, then of apology, and then of encouragement. The family members seeking some way to help one another—sending an apple, a glass of water. Those fathers, thrown on the ground, bleeding, endeavoring to help their children find the strength to resist the tortures still in store for them. The impotence—that impotence which arises not from one's failure to do something in defense of one's children but from one's inability to make a tender gesture. From my cell, I'd hear the whispered voices of children trying to learn what was happening to their parents, and I'd witness the efforts of a daughter to win over a guard, to arouse a feeling of tenderness in him, to incite the hope of some lively future relationship between them, in order to learn what was happening to her mother, to have an orange sent to her, to get permission for her to go to the bathroom.

Those family groups, crushed and destroyed together, without the hope that comes from thinking about family members on the outside, as I was able to do with regard to my wife and children. Those fathers, devoid of heroism, desperate to provide the answers that the torturers were after, but often uninformed about the matter, ignorant of the intrigue that was unfolding with them at its center. It was the true end of the civilization I'd been reared in, because it marked the disappearance of what was once the family; consolation was impossible, tenderness untenable, protection violated in every form. The old protective, tender family had given way to a group whose members were unable to express anything toward one another that possessed any force, validity, or semblance of utility. It all wound up in a fresh moan from a beloved person being tortured, and once again only madness provided some escape from the collapse of a life that had begun with love, was based on tenderness, and ought to have been enveloped in solidarity.

When I had been under arrest for thirty months, the Buenos Aires newspapers began publishing rumors that the Supreme Court would order the government to arrange for my release, since there was no indictment against me. (Although the military tribunal declared, in September 1977, that there were no charges against me and that I was free, I had been kept in prison for several months by order of the Military Junta; then I had been put under house arrest.) My wife was in Washington, working with a group of congressmen who were putting intense pressure on the Argentine government. The Vatican was also investigating the matter. Finally, in September 1979, the Supreme Court declared that it found no grounds for my continued arrest, and ordered the government to release me. The government kept the court's decision a secret; neither my wife nor my attorney was informed of it. The generals, meeting in a special session, decided that, despite the court order, I would not be released. The Supreme Court threatened to resign. The generals were prepared to arrest the members of the court. The President of Argentina, General Videla, under international pressure, declared that if the court resigned he, too, would present his resignation. At that point, unknown to me, the Army came up with a Solomon-like solution to the impasse: it issued an order annulling my Argentine citizenship, expelling me from the country, and confiscating my goods—all without officially heeding the Supreme Court's ruling. Need one add that Argentine newspapers, jurists, political friends of the government, and Jewish community leaders subsequently congratulated the military government for obeying the court ruling and faithfully respecting the majesty of justice?

It's Tuesday morning, September 25th. The Buenos Aires newspapers report that there's agitation at Army headquarters, and that high-ranking officers are discussing what position to take toward the Supreme Court's decision. Meetings of the Military Junta are being reported. It is said that there will be a final meeting, and that the generals will put my case to a vote.

It is Tuesday midday, and a high police official arrives. I've never seen him before. He's accompanied by the police chief of the district in which my house is situated. He says he's going to move me elsewhere, where I'm to sign some papers. I'm to take a bag with some clothing. I refuse, and insist that I be told where I'm going or that my lawyer or rabbi be called. He says that if I don't go peaceably I'll be taken by force. I argue, the telephone rings, he answers and tells the caller that he's leaving now. He hangs up and insists that he's in a hurry. I'm alone in the apartment and upset because there is no witness to my transfer.

We descend in an elevator filled with policemen and go down to the basement of the building, where a private car without any police markings is waiting for us. I'm told to take the back seat. There's a great display of plainclothesmen. In the car, I'm seated alongside a young, elegantly dressed woman. I ask her if she, too, is a prisoner; she tells me she's a policewoman. We drive quickly, escorted by several private cars filled with civilians. They try to avoid being recognized.

At the federal security offices, I'm informed that I have been stripped of my citizenship and expelled from the country and will be transported at once to the airport. I argue that this decision is illegal, since only a judge can take such a measure, and that in order for it to be valid sixty days must elapse, during which I have the right to appeal. "Appeal from Israel," I'm told by the assistant to the Minister of the Interior. So I learn that I'm to go to Israel. I'm handed a passport, which is valid for only two days. Then the Israeli charge d'affaires comes into the room and attaches a visa to my passport. He insists on accompanying me. A brief argument with the police ensues, during which he states that he won't let me go alone—that he wishes to accompany me to the plane. We all leave the offices together. They keep arguing. Israeli security men are

waiting on the ground floor, where two automobiles are parked. The atmosphere is extremely tense. A police official indicates that we'll be going to a heliport, because a helicopter will be taking me to the airport, which is thirty kilometres from the city, and that the Israeli official can follow us in his own car.

Once in the heliport, the Israeli security men again insist on accompanying me to the plane. Then a high-ranking official says that no one can join the group on my helicopter but that a second helicopter will be escorting us in the event of an attack by far-right elements of the military, and the chargé d'affaires can go in that one. On the helicopter trip, one policeman tells me they had been unable to inform me at my house of my expulsion from the country because various security services had installed wiretapping devices that could have revealed that I was leaving the country alive.

We reach the airport, where an Aerolineas Argentinas plane destined for Rome is waiting. We get into the plane, along with the airport commander, a patrol of Air Force soldiers, and the Israeli diplomat. The officials escorting me leave. The Israeli diplomat goes last, making sure that I am still on the plane when the door is closed. The plane takes off.

I've been in Israel for two days, and am spending Yom Kippur in the Ein Shemer kibbutz, where one of my sons lives. I listen to the radio and hear my name and Argentina mentioned. I don't understand Hebrew. Someone translates for me: General Luciano Menéndez, the commander of the Third Army Corps, has begun a rebellion to overthrow the government because of my release. Since my reflexes are still attuned to Argentina, this gives me a scare. It seems real, plausible, inevitable. I have a feeling that I can't escape. And yet General Menéndez, who acted like a god, who by a mere gesture could rule on the life or death of countless people in the concentration camp known as La Perla, is unable to reach me. He can still plunge Argentina into civil war, he can still dispatch numerous Argentines to torture chambers, throw them to the bottoms of lakes, but he can no longer touch me.

And it is with this sensation—of being distant from the Nazi paranoia that suddenly overcame the most advanced nation of Latin America, as it once overcame the most advanced nation of Europe—that I reach the end of my story. I know there ought to be a conclusion, but I have no conclusion. I have lost none of my anxieties, none of my ideology, none of my love or my hate.

I know that the Argentine nation will not cease to weep for its dead, because throughout its often brutal history it has remained loyal to its tragedies. I know that it will succeed in overcoming the paranoids of every extreme, the cowards of every sector. And it will learn how to be happy.

Have any of you ever looked into the eyes of another person, on the floor of a cell, who knows that he's about to die, though no one has told him so? He knows that he's about to die, but he clings to his biological desire to live, as a single hope, since no one has told him that he's to be executed. I have many such gazes imprinted upon me. Each time I write or utter words of hope, words of confidence in the definitive triumph of man, I'm fearful—fearful of losing sight of one of those gazes. At night, I recount them, recall them, re-see them, cleanse them, illumine them. Those gazes, which I encountered in the clandestine prisons of Argentina, and which I've retained one by one, were the culminating point, the purest moment of my tragedy. They are here with me today. And although I might wish to do so, I would not know how to share them with you.●

NATURAL GAS DEREGULATIONS: PRICE INCREASES OUTPACE PRODUCTION GAINS

● Mr. SASSER. Mr. President, the intent of the Natural Gas Policy Act of 1978 was to stimulate natural gas production and exploration by permitting higher prices for certain categories of natural gas. Unfortunately, according to a study which I recently requested of the General Accounting Office, the current outstanding consequence of the 1978 act has been increased prices to consumers.

Natural gas prices, according to the nationwide survey done by the GAO, increased an average of 33 percent from 1978 to the first quarter of 1980, while the consumer price index increased by 21 percent. Mr. President, we are all painfully aware of the effect of these price increases on middle- and low-income Americans. Higher natural gas prices have also been reflected in nearly every consumer good produced in our Nation.

It is particularly alarming, Mr. President, that this may only be the tip of the iceberg. For if natural gas were totally decontrolled, the price increases might be staggering. According to some recent studies I have seen, total natural gas decontrol would cost residential consumers in Tennessee approximately $1.3 billion between now and 1985, with residential gas bills averaging $965 per year over that same period.

My longstanding concern about natural gas price increases prompted me to request that the General Accounting Office study the effect of the Natural Gas Policy Act of 1978 on natural gas production and reserves. Mr. President, I am quite distressed with what the GAO has found.

The GAO reports that production of natural gas increased by only 1.6 percent in 1979, hardly the boom in production which advocates of the act predicted. Even more discouraging is GAO's finding that additions to proven reserves have actually declined since enactment of the Natural Gas Policy Act of 1978.

Mr. President, I hope that my colleagues carefully consider the findings of this GAO report. Energy deregulation is sold to the American people on the basis that higher prices are needed to encourage more energy exploration and production. It is the duty of Congress to study the results of deregulation so that American consumers are not saddled with higher energy prices and no commensurate increase in energy supplies.

Mr. President, I ask that the summary of the GAO natural gas study be printed in the RECORD along with my original letter to the Comptroller General requesting the GAO study.

The material follows:

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C.

To the President of the Senate and the Speaker of the House of Representatives:

This report provides information on the changes in natural gas supplies and prices since enactment of the Natural Gas Policy Act of 1978. It was prepared at the request of Senator James Sasser, then Chairman, Subcommittee on Intergovernmental Relations, Senate Committee on Governmental Affairs. However, because of the wide interest in the subject, he agreed that the report should be addressed to the entire Congress.

Copies of this report are being sent to the Secretary of Energy and the Acting Chairman, Federal Energy Regulatory Commission.

JOHN D. HELLER,
Acting Comptroller General of the United States.

CHANGES IN NATURAL GAS PRICES AND SUPPLIES SINCE PASSAGE OF THE NATURAL GAS POLICY ACT OF 1978

DIGEST

Through the Natural Gas Policy Act of 1978, the Congress intended to stimulate production and exploration for reserves by permitting producers higher prices for gas from areas where production was previously not economic and for gas produced from new wells. The act eliminated the price disparity between the natural gas sold in interstate and intrastate commerce by subjecting both to Federal regulations.

It also provided for monthly price increases and for gradual deregulation of natural gas prices. Existing legislation provides for most natural gas prices to be deregulated by 1985. (See p. 1).

This report evaluates the impact of the act on natural gas prices, particularly at the end user level, and new natural gas reserves and production.

To measure fully the act's impact would have entailed comparing conditions as they are to an estimate of conditions as they would have been absent the act. The lack of sufficient data on many factors that should be measured, and the assumptions which would have to be made about regulatory actions absent the act, made this approach impractical. (See pp. 2 to 4.)

Consequently, GAO limited the review to obtaining industry attitudes, data on prices charged, and data on supplies and industry activities. GAO obtained the information from 54 producers which in 1979 produced about 48 percent of country-wide production, 22 pipelines which in 1979 handled about 76 percent of country-wide production, and 67 distributors which in 1979 handled about 37 percent of country-wide production. (See p. 3.).

CHANGES IN PRICES

Natural gas prices have increased substantially since enactment of the Natural Gas Policy Act of 1978. The natural gas distributors GAO surveyed reported that consumer prices during the first quarter of 1980 were 72 cents per 1,000 cubic feet (or about 33 percent) higher than average 1978 prices. If consumer price increases had followed the general inflationary trend, as measured by the Department of Labor's Consumer Price Index, the natural gas increases would have averaged about 46 cents per 1,000 cubic feet. (See p. 5.)

About 40 cents of the increase resulted from higher prices the act permits producers to charge for the natural gas and 32 cents was from increases in pipeline and distributor costs and profits which the act did not directly affect. Producer prices increased about 45 percent, or about 24 percent more than general prices as measured by the Consumer Price Index. The post-1978 increases added about $2.3 billion to gross revenues of the surveyed producers. Pipeline and distributor costs and profits increased only 3 percent more than the Index. The increases added about $4.6 billion to the gross revenues of the surveyed distributors. (See pp. 5 to 9.)

Price increases occurred in every section of the lower 48 states. The information GAO obtained from the producer and pipeline

companies showed that the producers charged the maximum prices allowed for the vast majority of gas produced. Pipeline and distributor companies for the most part charged the price increases to their customers through purchased gas adjustments. (See pp. 6 to 11.)

GAO was unable to determine what portion of the price increases was directly attributable to the act. Although prices rose faster after 1978, they were consistently above the inflationary trend shown by the Consumer Price Index during the 3 years 1976–1978. During that period, the price of gas sold intrastate was increasing, and the Federal Energy Regulatory Commission allowed increases in gas sold interstate. Thus, an estimate of prices absent the act would have to be based largely on speculation regarding the Commission's actions if the act had not been passed. (See pp. 7 to 11.)

Consumers should expect natural gas prices to continue to climb over the next several years. Data obtained from the producers shows that during 1979 gas subject to the incentive provisions of the act accounted for only 18.5 percent of production. This ratio will increase as output from old wells declines and is replaced by higher priced output from new wells. Most of the surveyed pipeline and distributor companies expect the increases to continue. (See p. 12.)

CHANGES IN SUPPLIES

Producers GAO surveyed reported production figures for the period 1975 through 1979 increased about 1.6 percent in 1979, reversing a historical decline in annual production. Through 1979, however, production continued to outpace additions to proven reserves, and, therefore, reserves continued the post-1975 decline, but at a somewhat slower pace.

Current supplies of natural gas were generally adequate and most of the surveyed pipeline and distributor companies were trying to increase deliveries. The producers, pipelines, and distributors were generally optimistic that the act's incentives would increase supplies through 1990.

All of the surveyed distributors were accepting new customers, as were about one-half of the pipelines. However, four of the 22 pipelines were attempting to reduce deliveries. Seventy-five percent of the producers, all of the pipelines, and 84 percent of the distributors believe that the act improved availability of natural gas. (See p. 15.)

Although it is too soon for the act to have much effect on proven reserves, about 4 percent of the producers in the survey expected their reserves to decrease between 1980 and 1990 time frame, while the vast majority expected them to increase or hold their own. (See pp. 16 to 17.)

About 80 percent of the producers stated that, because of the act, they had increased leasing, geophysical activities, and drilling of exploratory and developmental wells. According to country-wide data published by the Petroleum Information Corporation and the American Gas Association, seismic activity was up in 1979, and it accelerated during the first quarter of 1980. Land leasing increased by 6.2 percent and seismic crews increased from about 352 in 1978 to 471 during the first quarter of 1980. These data relate to both natural gas and oil, and the rising prices of both undoubtedly contributed to the increased activity. (See pp. 18 to 19.)

Much of the intensified seismic activity and drilling must be attributed to the increased prices of domestic oil. Sixty percent of surveyed producers stated that their emphasis on oil has actually impeded their natural gas exploration and development activities since passage of the act. These companies continued to drill substantially more developmental oil wells than gas wells, thus increasing production from already-discovered oil reserves. In 1980, they also drilled more exploratory oil wells than exploratory gas wells for the first time in 6 years. Although oil drilling activity has significantly increased, associated natural gas (found with the crude oil) remains at about 20 percent of total natural gas production. (See p. 14.)

AGENCY COMMENTS

GAO requested both the Federal Energy Regulatory Commission and the Department of Energy to comment on a draft of this report. The Commission, by letter dated May 1, 1981, provided written comments (See appendix II), and on May 5, 1981, the Department of Energy provided oral comments.

The Commission supported GAO's findings based on the source data submitted by producers, pipelines, and distributors. However, the Commission believed that more than two years are needed to measure the true effect of the act on exploration, development, and revenues. It suggested that GAO update its survey to include more current information.

GAO recognizes that the information available to date does not allow for full measurement of the effect of the Natural Gas Policy Act of 1978, but it does provide a reasonably current assessment of the extent of changes in natural gas prices, availability of supplies, and reserves following its enactment.

GAO considered the Department of Energy's oral comments which were technical and clarifying in nature and made changes deemed appropriate in preparing this report.

APPENDIX VI

COMMITTEE ON GOVERNMENTAL AFFAIRS, SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS,
Washington, D.C., July 25, 1979.

Mr. ELMER B. STAATS,
Comptroller General of the United States, U.S. General Accounting Office, Washington, D.C.

DEAR ELMER: On November 9, 1978, the Natural Gas Policy Act (NGPA) was signed into law. Title I of the NGPA prescribes wellhead ceiling prices for natural gas which are considerably higher than interstate natural gas prices were prior to the NGPA. The intent behind increasing these prices was to provide an incentive to natural gas producers to increase discoveries and production, thereby increasing our supply of natural gas.

Hearings held earlier this year before the Subcommittee on Intergovernmental Relations, which I chair, indicated that the NGPA has caused consumer prices to rise by as much as 20 percent without any marked increase in natural gas production. We would like for you to ascertain, on a sample basis, the impact of the NGPA on natural gas prices, particularly at the end-user level, and new natural gas reserves and production.

We would like these impacts to be shown as of one year after the enactment of the NGPA.

We understand from discussions with your Energy and Minerals Division staff that they plan to initiate an assignment reviewing the implementation of the NGPA's natural gas pricing provisions beginning in November, 1979. In order to avoid duplication of effort, you could incorporate the work we are requesting into your planned assignment. We understand that the target issuance date for a report to Congress on these matters is the fourth quarter of fiscal year 1980.

If you have any questions, please call Andy Wolfson of the Subcommittee staff on 224–4718.

With best wishes, I am
Sincerely,

JIM SASSER,
Chairman, Subcommittee on Intergovernmental Relatives.●

THE EFFECTS OF DECONTROL AND FREE COMPETITION

● Mr. GARN. Mr. President, back when we were debating the relative merits of decontrol of oil prices and the windfall profits tax, there were a lot of people arguing that higher prices were only going to make the oil companies rich, and not have any real effect on consumption. Others of us took the position that higher prices would do more to discourage consumption than all the directives from Washington could possibly do, and that this consumption effect was worth some increase in profits to oil companies, especially when those companies could use the profits to explore for and produce more oil, and to develop alternatives to high-priced Mideast oil.

Well we have had decontrol now, Mr. President, and there are a lot of economists and politicians with egg on their faces. I am not saying that oil companies have not made money, because they have, though not as much as many said they would. The real embarrassment for the economists has been the demand elasticity of oil. As the price has gone up, the demand has gone down drastically.

The decrease has been substantial in the United States, but it has been even greater in other countries. The reason for the difference is that the primary use of oil in the United States is for motor fuel. Over half the oil consumption in this country is devoted to transportation. Worldwide, only about a third of oil is used for transportation. The balance is used as a boiler fuel or for space heating. In both cases, it is relatively simple to substitute such cheaper fuels as coal, natural gas, or nuclear material, and that has been done to a great extent worldwide.

In Virginia, where I live, the effect of rising oil prices can be clearly seen at the gas pump. When gasoline prices were first decontrolled by the Reagan administration, we saw per gallon costs rise above $1.60, as the marketplace sought to find out the true price of gas. That did not last long at all. Under the pressure of adequate stocks and keen competition, prices have fallen steadily over the last couple of months, to the point where it is now possible to find regular gas for as little as $1.288.

The Springfield Times took the trouble to do a little survey a short time ago, and published in the issue of 21 May a table of current gasoline costs compared with prices of 7 weeks earlier. This table clearly shows the effects of decontrol and free competition, and I ask that the table be printed in the RECORD, and that the article accompanying the table also be printed.

The material follows:

[From the Springfield (Va.) Times, May 21, 1981]

FUELING AROUND

As high school proms and the Memorial Day weekend herald the beginning of the summer driving season, the good news is that area gas retailers are lowering prices as demand for their product is drying up. This week the Times Gas Gauge survey of local prices shows the first price drop in months. Gas retailers could not promise that prices would continue to drop, but for now the product is lower in price and plentiful in supply.

Station	Self service			Full service		
	Regular	Unleaded	Premium unleaded	Regular	Unleaded	Premium unleaded
Price average:						
This week	1.34.4	1.40.2	1.51.8	1.47.7	1.52.1	1.57.1
7 weeks ago	1.38.6	1.44.9	1.53.7	1.47.7	1.52.8	1.56.8
Cardinal Plaza Shell, 8334 Old Keene Mill Rd.:						
This week	1.30.9	1.36.9	1.54.9	1.47.9	1.51.9	1.56.9
7 weeks ago	1.36.9	1.41.9	1.52.9	1.45.9	1.49.9	1.54.9
Springfield Amoco, 6703 Backlick Rd.:						
This week	1.34.9	1.39.9	1.53.9	1.47.9	1.53.9	1.57.9
7 weeks ago	1.41.8	1.48.8	1.55.8	1.47.8	1.53.8	1.57.8
Rolling Road Mobil, 6381 Rolling Rd.:						
This week	1.31.9	1.37.9	1.54.9	1.47.9	1.51.9	1.56.9
7 weeks ago	1.38.9	1.43.9	1.54.9	1.47.8	1.51.9	1.56.2
Don's Texaco Service,[1] 8315 Old Keene Mill Rd.:						
This week	1.31.9	1.37.9	-------	1.48.9	1.52.9	-------
7 weeks ago	1.38.9	1.44.9	-------	1.48.9	1.52.9	-------
Don's Texaco Service, Inc.,[2] 5533 Backlick Rd.:						
This week	1.30.9	1.36.9	-------	1.47.9	1.51.9	-------
7 weeks ago	1.32.9	1.38.9	-------	1.47.9	1.59.9	-------
Exxon Car Care Center, 8400 Old Keene Mill Rd.:						
This week	1.31.9	1.37.9	1.53.0	1.46.8	1.50.9	1.55.0
7 weeks ago	1.39.4	1.43.9	1.54.7	1.48.6	1.52.7	1.56.7
Springfield Exxon Service Center, 6707 Bland St.:						
This week	1.31.9	1.37.9	1.49.9	1.45.9	1.50.9	1.54.9
7 weeks ago	1.34.9	1.41.9	1.52.9	1.44.9	1.49.9	1.55.9
Springfield Gulf Service,[3] 6841 Franconia Rd.:						
This week	1.33.9	1.49.9	1.53.9	1.48.9	1.53.9	1.57.9
7 weeks ago	1.33.0	1.49.9	1.53.7	1.48.9	1.53.9	1.57.9
Hooes Road Mobil, 8318 Hooes Rd.:						
This week	1.32.9	1.38.9	1.47.9	1.49.9	1.53.9	1.58.9
7 weeks ago	1.38.8	1.42.8	1.52.9	1.45.2	1.49.2	1.54.0
Pioneer Mobil Service Center, 6708 Franconia Rd.:						
This week	1.33.9	1.38.9	1.49.9	-------	-------	-------
7 weeks ago	1.35.9	1.43.9	1.51.9	-------	-------	-------
Ravensworth Phillips 66, Braddock and Port Royal Rds.:						
This week	1.34 0	1.39.0	1.49.0	1.48.0	1.53.0	1.59.0
7 weeks ago	1.46.0	1.50.0	1.56.0	1.54.0	1.58.0	1.62.0
Springfield Texaco Servicenter,[4] 6250 Brandon Ave.:						
This week	1.39.9	1.44.9	-------	1.43.9	1.48.9	-------
7 weeks ago	1.41.9	1.44.9	-------	1.43.9	1.48.9	-------
Friendship Amoco, 9550 Old Keene Mill Rd.:						
This week	1.43.8	1.49.8	1.54.8	1.46.8	1.50.8	1.55.8
7 weeks ago	1.39.8	1.47.8	1.51.8	1.42.8	1.50.8	1.54.8
Kings Park Exxon, 5239 Rolling Rd.:						
This week	1.41.9	1.41.9	1.49.9	1.48.9	1.52.9	1.56.9
7 weeks ago	1.44.1	1.48.1	1.52.1	1.48.4	1.52.4	1.56.5
Saratoga 66 Service, 8040 Rolling Rd.:						
This week	1.33.9	1.38.9	1.47.9	1.46.9	1.50.9	1.57.9
7 weeks ago	1.42.9	1.49.9	1 54.9	1.50.9	1.54.9	1.57.9
Burke Center Exxon, 5701 Burke Center Pkwy.:						
This week	1.36.9	1.39.9	1.53.9	1.48.9	1.52.9	1.56.9
7 weeks ago	1.38.9	1.44.9	1.54.9	1.48.9	1.52.9	1.56.9
Franconia Texaco,[5] 6117 Franconia Rd.:						
This week	1.28.9	1.35.9	-------	-------	-------	-------
7 weeks ago	1.31.9	1.37.9	-------	-------	-------	-------

[1] Sells gasohol at 1.44.9 self service, 1.54.9 full service. The self service gas in priced 8 cents lower than 7 weeks ago.
[2] Sells gasohol at 1.42.9 self service, 1.51.9 full service. The full service gas is priced 8 cents lower than 7 weeks ago.
[3] Sells full service diesel at 1.33.9, about 15 cents lower than 7 weeks ago.
[4] Sells self service gasohol at 1.50.9, down 2 cents from 7 weeks ago. Diesel is 1.36.9 self service and 1.38.9 full service. Both are down 4 cents from 7 weeks ago.
[5] Sells gasohol at 1.44.9. The price has not changed from 7 weeks ago.

Gas Dealers Lower Prices To Pump up Business

(By Teresa Brumback)

For the first time since gas price decontrols went into effect in February, the price of gas has been on the downswing and now averages $1.34.4 for regular self service, down four cents from seven weeks ago.

But local gas dealers said the plan to boost sales by lowering prices has backfired, and many are wondering how they are going to stay afloat in an increasingly tight market.

The demand for gas has gone down at the pumps as people buy smaller cars and drive less, according to local station officials and Richard Cooper, executive director of the Northern Virginia Service Station Dealers Association, a non-profit lobbying organization.

"If a dealer in Northern Virginia is making a penny a gallon, he's doing good," said Cooper.

Local dealers complain they must charge consumers about three cents a gallon because of a two percent state sales tax to offset Metro's current operating deficit. That tax could go up to six cents a gallon by July of 1982 if alternate Metro funding is not found, according to Sen. Richard Saslaw (D-35th).

"They should charge the people that use Metro," complained Jerry Krug, manager of Franconia Texaco, which recently collected 400 names of customers for a petition against the tax.

"Our customers will never use Metro. I am resentful of the fact that I have to become a tax collector again," said Krug. "Put the tax on farecards instead of the gasoline pumps."

But the gas stations are "the only place where you can come up with a stable and reliable source (of revenue) other than the property tax," responded Saslaw.

Almost immediately after decontrols went into effect in February, the average price of self-service gas skyrocketed an average of six cents a gallon, or $1.37.2. Six weeks later, the increase had apparently slowed because of competition among dealers, and the price was $1.38.6.

The dealers have been further encouraged to lower their prices by oil companies' plans for rebates to those who sell a certain percentage of what they did last year. But these rebates are negligible in the wake of sharply declining profits, they said.

"We're not making as much anymore. We're selling self-service at no profit," said Jimmy White, manager of Don's Texaco on Old Keene Mill Road.

"Business has gone up a little since April," at Cardinal Plaza Shell, according to manager Kent Taylor. But he said "the amount we're making is actually less. In time we hope to pump more" as people start driving more in the summer, he said.

"You will see a lot of companies going under in the next year," predicted one dealer who asked not to be identified. He said dealers who try to "buck the system by raising their prices" may not fare as well as their competitors. In a future oil crisis, those stations would be the first ones on allocations or completely shut down by the oil companies, he said.

The gas dealers' representative Cooper said it is too early to tell if the prices will continue to decrease the rest of this year. Much will depend on the demand for gas, he says.●

COMMEMORATION OF THE OCCUPATION AND SUBJUGATION OF THE BALTIC NATIONS BY THE SOVIET UNION

● Mr. LEVIN. Mr. President, every year in June, members of the Estonian, Latvian, and Lithuanian communities gather together as one people to commemorate the occupation and subjugation of the Baltic Nations by the Soviet Union.

And every year, I am afraid, the situation of the people of these nations remains the same.

We all know that the annexation took place in June of 1940. And we also know that in June of 1941 deportations of hundreds of thousands of Estonian, Latvian, and Lithuanian men, women, and children began, a practice which was continued after World War II.

Therefore, what I say here today is not new. These brave and freedom-loving people have not known true independence for over 40 years. They must struggle to keep alive their dreams of freedom—freedom which we take for granted in this country—adherence to personal religious beliefs—the preservation of cultural and historical traditions which are centuries old—the right to travel freely and to any land—the right to emigrate to another country.

Nothing specific has happened over the years to give the people of the world real hope that these countries will break out of the strong grip that the Soviets hold over them. However, we know that at least this country has never recognized the incorporation of Estonia, Latvia, and Lithuania into the Soviet Union.

Those Baltic natives who have settled in America know that they have found a good home. They know that this is a country that is premised on the fact that those who seek freedom can find freedom here—that those who want to practice their own religion can do so here—that we welcome diversity of thought and custom here—and that we recognize the honor difference here.

Mr. President, I hope that we in this Senate of the United States will never forget that we must continue to cham-

pion the cause of human rights for all people, everywhere. That is our heritage—and that, I believe, is our duty.●

SPECIAL COMMITTEE ON AGING TO HOLD HEARINGS ON SOCIAL SECURITY

● Mr. HEINZ. Mr. President, I recently announced a series of hearings to be held by the Special Committee on Aging on the subject of social security. The first hearings, focusing on the short-term financial status of the social security trust funds, will be held on June 16. The second, dealing with the issue of early retirement and its impact on the system, will be held on June 18. A third hearing will be held on June 24 to examine the automatic cost-of-living adjustments to social security benefits.

The purpose of these hearings is to put the current debate about the social security system into the proper perspective, and to carefully examine the complex issues involved in both the immediate future and over the longer range.

Social security has been our most successful and popular Federal program. For more than 40 years, without fail, benefit checks have been sent out on time. Today, more than 35 million Americans receive benefits through this unparalleled program.

The changes recently proposed by the administration have alarmed many people who view them as the Government's way of changing the rules on retirement benefits in the middle of the game.

I am particularly concerned about the serious and adverse impact the current debate about social security is having on older Americans.

Older persons who are retired and those who are about to retire are losing confidence in the system because of extreme remarks being made about the financial integrity of the system and proposals for drastic changes that have created a climate of suspicion and fear. Many believe Congress intends to adopt draconian measures that would change the basic character of the social security system. I believe such changes are unfair and unnecessary.

There are two separate and distinct problems with social security finances: a short-term problem and a long-term problem.

The short-term financial problem we are confronted with involves a temporary shortage of cash in the trust funds—a shortage that has resulted because of our sluggish economy, and continuing high unemployment and inflation.

This is not a new problem. It is one Congress attempted to resolve in 1977 by increasing payroll tax rates and the taxable earnings base. Based on economic forecasts at the time, these revenue increases were to place the social security trust funds on a sound financial footing until sometime in the next century. By 1987, it was expected that trust fund reserves would be up to 60 percent of estimated benefit payments for the year.

Unfortunately, these forecasts have proved to be overly optimistic. Since then, inflation and unemployment have been higher, and real wage growth has been slower than anticipated. As a result the payouts from the trust funds have increased by nearly 50 percent, and the proportion of reserves to payouts has dropped from 52 percent in 1977 to an estimated 29 percent in 1980.

According to some projections, the combined trust funds can be expected to drop below the level required to meet cash flow requirements sometime in the mid-1980's. It is expected that scheduled payroll tax increases and improving demographic balances will begin to improve the condition of the trust funds after 1985; however, we must address the need to guarantee sufficient reserves to meet the system's obligations until that time.

There is today considerable confusion about the magnitude of the cash shortage over the next 5 years.

Estimates of the near term savings or revenues needed to assure solvency of the social security system range from less than $50 billion to more than $100 billion. The hearings tomorrow on the short-term financial status of the trust funds will explore the range of estimates and the assumptions behind them. If we reach agreement that the shortfall is in the neighborhood of $50 billion then this would require relatively modest changes in the current program. The Senate Finance Committee has already agreed on changes totaling nearly half of this amount. The difference of $25 billion, although it sounds like an enormous sum, represents only 2 percent of the estimated $1.2 trillion in payments that social security is projected to make between 1982 and 1986.

The long-range problem with social security is expected to develop sometime in the next century because of increasing number of older workers receiving benefits from the system. Today there are over three productive workers for every person retired on social security; but in 40 years, that ratio is expected to worsen so that only two persons will be employed for each social security beneficiary.

We have the time to seek creative solutions which may, at least in part, reverse the trends contributing to the expected deficit. Current estimates of the magnitude of the long-term problem indicate that the social security system could remain solvent for the next 75 years if taxes were increased by 1.5 percent of payroll. Although I am not proposing such an increase, I think it is important to keep this option open since surveys have consistently shown that the majority of Americans would prefer social security tax increases to reductions in benefits.

There are, however, a variety of options for the long run.

One major issue that must be explored is the increasing trend toward early retirement. Studies have shown that half of the retired people say they would prefer to continue working in some manner, yet over two-thirds retire before the age of 65. Early retirement is an important option for many workers, but it is likely that many older workers who would like to remain on the job are denied that opportunity for encouraging employment. Numerous options should be considered for encouraging employment, including the elimination of the limit on earnings, increasing social security benefits for those who work past age 65, enforcing the Age Discrimination in Employment Act, and encouraging employers to change their attitudes and priorities to accommodate people who want to work longer, but not necessarily in the traditional 40-hour week.

The committee intends to examine carefully retirement trends and the incentives and disincentives in public policy which are relevant to those trends. If older people want to work and are given that opportunity, the trend toward early retirement may be altered, reducing the demand on the social security system.

To the extent Congress makes changes in the social security system to respond to the long-term problem, they should be phased-in gradually over a long time period, not less than 10 years, to enable retirees and pension plans time to adjust.

Most importantly, I believe it is time to stop overreacting and to start dealing realistically with the problems in the social security system so that we can restore the confidence of the American people, and particularly our older citizens, in this proven and essential program.

The hearings we have scheduled are designed to do that. This Nation has a commitment to older persons who have contributed greatly to our productivity and who continue to enrich our society through their valuable contributions and service to others. I intend to insure the fulfillment of that commitment.●

ORDER FOR THE RESUMPTION OF S. 921, VETERANS' HEALTH CARE, ON TOMORROW

Mr. STEVENS. Mr. President, I ask unanimous consent that after routine morning business is completed on tomorrow, the Senate resume consideration of the pending business, S. 921, veterans' health care, and Senator PROXMIRE's amendment be called up at that time.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE SENATE TO PROCEED TO ROLLCALL VOTES AFTER DISPOSITION OF PROXMIRE AMENDMENT ON TOMORROW

Mr. STEVENS. Mr. President, I ask unanimous consent that following the disposition of Senator PROXMIRE'S amendment on tomorrow, the Senate

proceed to the rollcall votes already ordered on the pending amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I serve notice on the Senate that it is intended to attempt to make rollcall votes on this bill, following the initial vote tomorrow, 10 minutes in length, but I do not ask that consideration yet.

ORDER TO CONSIDER H.R. 3499 TOMORROW AND SUBSTITUTE TEXT OF S. 921

Mr. STEVENS. Mr. President, following the action of the Senate on the amendments that will be voted upon tomorrow on the Senate bill, I ask unanimous consent that the Senate turn to the consideration of the House bill, which is H.R. 3499; that all material in the House bill, with the exception of the enacting clause, be deleted and that the text of S. 921, as amended, be substituted for the House bill; that there be no further amendments in order; that there be no appeals or points of order allowed at that time; and that the Senate proceed to vote on the substitution of the Senate language for the language appearing in the House bill which was transmitted to the Senate.

Mr. ROBERT C. BYRD. Mr. President, I reserve the right to object.

Mr. STEVENS. Mr. President, I amend that by deleting the request that there be no amendments or points of order in order at that time and substitute for that a request that the unanimous-consent agreement contain the condition that there be no debate on the motion to substitute the Senate language for the language of the House bill or no debate on any other matter brought before the Senate at that time and no amendment other than technical amendments will be in order.

Mr. President, I add to that request that the unanimous-consent agreement contain the restriction that there be no time for debate on any motion to reconsider the action adopting the Senate language in lieu of the House language, and so I ask unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATORS JEPSEN AND LAXALT ON WEDNESDAY, JUNE 17, 1981

Mr. STEVENS. Mr. President, I ask unanimous consent that after the recognition of the two leaders on Wednesday, June 17, Senators JEPSEN and LAXALT be recognized for 15 minutes for special orders.

ORDER FOR THE RECORD TO REMAIN OPEN TODAY UNTIL 5 P.M. AND AUTHORIZATION FOR SECRETARY TO RECEIVE MESSAGES

Mr. STEVENS. Mr. President, I ask unanimous consent that the RECORD remain open today until 5 p.m. to receive bills, resolutions, statements, and committee reports, and that the Secretary of the Senate be authorized to receive messages from the President of the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. STEVENS. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 11 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. STEVENS. Mr. President, I ask unanimous consent that after the two leaders are recognized on tomorrow there be a period for the transaction of routine morning business to extend not beyond 11:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. ROBERT C. BYRD at this point are printed earlier in today's RECORD, by unanimous consent.)

RECESS UNTIL 11 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 11 a.m. tomorrow morning.

At 4:34 p.m., the Senate recessed until Tuesday, June 16, 1981, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate June 15, 1981:

INTER-AMERICAN DEVELOPMENT BANK

Jose Manuel Casanova, of Florida, to be Executive Director of the Inter-American Development Bank for a term of 3 years vice Ralph Anthony Dungan, resigned.

INTERNATIONAL COMMUNICATION AGENCY

Gilbert A. Robinson, of New York, to be Deputy Director of the International Communication Agency, vice Charles W. Bray III, resigned.

DEPARTMENT OF DEFENSE

Francis J. West, of Rhode Island, to be an Assistant Secretary of Defense, vice David E. McGiffert, resigned.

DEPARTMENT OF AGRICULTURE

Harold V. Hunter, of Oklahoma, to be Administrator of the Rural Electrification Administration for a term of 10 years, vice Robert W. Feragen, resigned.

DEPARTMENT OF EDUCATION

Donald J. Senese, of Virginia, to be Assistant Secretary for Educational Research and Improvement, Department of Education, vice F. James Rutherford, resigned.

ACTION AGENCY

Thomas L. Lias, of Iowa, to be Assistant Director of the ACTION Agency, vice Irene Tinker, resigned.

GOVERNMENT PRINTING OFFICE

Danford L. Sawyer, of Florida, to be Public Printer, vice John J. Boyle, resigned.

TENNESSEE VALLEY AUTHORITY

Charles H. Dean, Jr., of Tennessee, to be a Member of the Board of Directors of the Tennessee Valley Authority for the term expiring May 18, 1990, vice Robert N. Clement, term expired.

IN THE AIR FORCE

Lt. Gen. Ronald T. Adams, Jr., U.S. Air Force (age 56), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

Lt. Gen. Benjamin N. Bellis, U.S. Air Force (age 57), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

Lt. Gen. Edgar S. Harris, Jr., U.S. Air Force (age 56), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

Lt. Gen. Eugene F. Tighe, Jr., U.S. Air Force (age 60), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

IN THE COAST GUARD

The following temporary officers of the U.S. Coast Guard for promotion to chief warrant officer, W-4:

Augusta L. Duncan	Leonidas M. Patton
John R. Arnold	John W. Spreter
David M. Donaldson	David N. Russell
William F. Collier	

The following permanent chief warrant officers, W-3 of the U.S. Coast Guard to be permanent chief warrant officer, W-4:

Horace C. Webb	Gerald F. Perry
Louis J. Jensen	Ronald D. Ricker
Richard T. Lyon	William F. Madigan
Thomas J. Bobrowski	Harold R. Packer
Richard T. Shannon	William E. Davis
Leon R. Cisek	Jack N. Bond
John R. Manyon	

The following temporary officers of the U.S. Coast Guard to be permanent chief warrant officer, W-3:

Phillip M. Peterson	Thomas L. Stewart
John D. Christensen	Robert W. Clark
William S. Cheever	Neil D. Ruenzel
Floyd A. Williams II	

The following permanent chief warrant officers, W-2 of the U.S. Coast Guard to be permanent chief warrant officer, W-3:

Alice T. Jefferson	William F. Britt III
Rodney E. McHenry	Rustico E. Aranas, Jr.
William L. Heffiin	Richard U. Mansur
Wayne P. Phillips	Theodore F. Ramsey
Joseph F. Burgess, Jr.	Randolph P. Fitchen
John O. Webb.	John W. Brennan
Herman P. Huffman	Dale W. Gruber
Robert C. Collins	Marcelino R. Castor
Bobby D. Rose	George W. Gilpin
Michael G. Hancock	Francis X. McCarthy
Robert C. Klowas	Samuel B. Bromley, Jr.
Howard L. Case	Leon M. Mason, Jr.
Robert L. Gatlin	Andrew P. Vargo
Robert J. Klein	Carrol D. Spires
Kenneth R. Felmey	Harry M. Dey
George W. Gruber, Jr.	Kenneth R. Henson
Robert L. Simpson	Edmund Lee
Robert R. Poole	Robert G. Sigler

Ruben S. Manlangit
Jimmie R. Hall
John R. Burckley
Patrick J. McCabe
Ronald D. Mcewan
James R. McDermott
William L. Raynor
Brian L. Griffin
James M. Flournoy

The following temporary officers of the U.S. Coast Guard to be permanent chief warrant officer, W–2:

Walter J. Graves
Russell F. Glendenning
Michael T. Burnett
Gary J. Fox
Michael A. Jett

The following warrant officers, W–1 of the U.S. Coast Guard to be permanent chief warrant officers, W–2:

Mark W. Allen
Elvin E. Woodward
Terence W. Patzwald
Lawrence A. Dykes
Frank D. Donaldson
Robert T. Stranathan
Paul V. Clemons
Daniel D. Larson
Roy E. Summers
Gerald G. Warren
Harvy L. Coy
Larry J. Allen
Jack W. Gotwalt
Walton L. Biggness
Klaus J. Steinhurst
Isaac W. Osteen
James R. Byrd, Jr.
David W. Severs
Lynn B. Dehaan
Robert S. Young
Raymond L. Shaffer
Samuel E. Elder
Lawrence I. Culley
Ronald E. Cox
Charles C. Greiner
Richard R. Rabbitt
Wanda P. Hurst
Ronald E. Allen
Ernest D. Bonnette
Edward H. Wassell, Jr.
Richard G. Kohler
Carl A. Schwaab
Larry P. Seligman
David E. Power, Jr.
Marvin C. Lange
Ronald C. Wolf
Howard L. Giblin
Paul C. Lewis
Gary R. Collins
Wesley L. Townsend, Jr.
Stephen A. Miller
Robert D. Groves
Robert D. Haines
Alfred H. Mattner, Jr.
Ramond M. Hubbard
John W. Dilley
Jerome J. Haskins
Charles R. Steele, Jr.
Alan C. Zack
Kenneth Ashby
Robert R. Larson II
Bobbie G. Mann
Simpson W. Holston, Jr.
Joel Walton
Edmund S. Burke
Andrew F. Scharf, Jr.
Joseph S. Puntino
John F. Gomoke
Donald T. Staton, Jr.
Oscar W. Hamon, Jr.
Larry G. Thompson
Kevin D. Alway
Richard E. Brown
Andrew W. Ipock
Johnny M. Andrews
John L. Reid
Neale P. Purseglove
Garry M. Ortner
Walter E. Glassco
Delmer L. Terry
Terry L. Tague
James D. Knox
Richard H. Felter
Larry R. Meade
James P. Lewicki
William L. Moore
James A. Storey
Ronald E. Wood
Phillip T. Jenkins, Jr.
Bruce L. Nattress
Edward E. Bradley
Hollis F. McMullen
Will L. Marlett
William A. Barnes
Clyde H. Lowe
Paul J. Paton
Vanus J. Priestley
Jack Moody
Thomas J. Winters
William G. Dorsey
Eugene M. Melfy
Daniel A. Shearer
Roger S. Lewis, Jr.
George H. Briggs
William L. Bush
Randolph J. Eley
Barry B. Roberts
Peter R. Null
Robert B. Shettlesworth
Danny R. Buck
Thomas W. Flynn
Louis J. Krucenski
Victor L. Bissonnette, Jr.
Thomas L. Clark
Paul J. MacDonald
Robert W. McCauley
James W. Sebastian
Herbert W. Davis, Jr.
Dolton E. Gurkin
Alan C. Beal
Kenneth D. Thoeni
Frank M. Zimmerman
Thomas W. Murray
Brian F. Zane
Bruce A. Carnell
Thomas S. Ellis
Tommy D. Cook
James M. Curtis
Jerry R. Wilson
Calvin D. Work
Thomas A. Fine
Raymond C. Willis
Thomas E. Atwood
Robert L. Lewis
Paul R. Higginbotham
Bruce L. Ward
Philip J. Organ III
Curtis L. Rabel
Dean O. Hensel
Cristopher J. Butcher
David T. Ormes
Larr L. Peel
Bryan R. Parker
Glenn R. Ginader
John R. Lindley, Jr.
Larry B. Gemoets
Jack G. Albert, Jr.
Daniel L. Carter
Donald L. Smith
Robert D. Hall
Martin W. Farris
Patrick C. Kane
Blain D. Jensen
Richard L. Johnson
John J. Miller
Francis A. Oneill
Fred C. Ripley
Kenneth K. Turner
Thomas D. Marquette
Curtis M. Marten
Allen E. Walker
Richard A. McCullough
Jerry L. Warren
John E. Martin, Jr.
Thomas W. Smith
Ralph T. Brittingham
David C. Martin
Merwyn L. Cook
Rodney O. Thrasher
Dennis K. Goble
Kenneth M. Casey
Jack A. Vannatta III
Charles A. Rasmussen
Leonard E. Wiggins
Ronald M. Utzig
David J. Kozik
Gregory M. Holman
Albert M. Snelling
Edward G. Mann
Charles C. Oneal
Michael D. Krohn
Larry J. Phetterplace
Anthony M. Worsham
Glen Nelon
James H. Sipes
Kenneth E. Woycke
Robert Villegas
William T. Leduc II
Burt J. Thomas
Dennis F. Bush
William A. Tesch
Gary E. Desilets
Charles D. Johnson
Stuart I. Gross
William S. Allen
Glen R. Zeamer
Elton G. Miller
William R. Laird
Robert L. Tanner
Gerald D. Sweet
Robert D. Jones
Edgardo B. Cosio
David M. Poissant
Daniel M. Wells
Remigio M. Abacan
James R. Normand
Gonzalo A. Fabricante
Homer B. Murray, Jr.
Marino N. Ortega
Dennis E. McCord
Ronald A. Badeaux
Robert H. Carmichael
Reynaldo P. Martin
Elbert L. Ricks
John S. Eve
Richard F. Ramsay, Jr.
Bruce J. Brady
Arthur W. Ringler
Roger L. Schartzer
Michael J. Denton
James W. Heringer

The following-named Reserve officers of the Coast Guard to be permanent commissioned officers in the grade of lieutenant (junior grade):

Samuel K. Shriver
Michael H. Graner
Thomas J. Viglienzone

IN THE ARMY

The following-named officers for promotion in the Army of the United States, under provisions of title 10, United States Code, sections 3442 and 3447:

DENTAL CORPS

To be colonel

Babigan, Alan E., [redacted].
Boglarski, Stephen [redacted].
Boynton, Robert E. [redacted].
Burg, Hans Adolf [redacted].
Cunningham, David E. [redacted].
Davila, Manuel A., [redacted].
Eichel, Thomas F. [redacted].
Jagels, Arlen E. [redacted].
Keoleian, Diran A. [redacted].
LaRue, John R. [redacted].
Mitchell, Wayne H., [redacted].
Schow, Sterling R. [redacted].
Serwatka, Walter J. [redacted].
Simes, Thomas A., [redacted].
Strope, Michael B. [redacted].

MEDICAL CORPS

To be colonel

Aronson, Charles E. [redacted].
Bergman, Kenneth R. [redacted].
Brahman, Sherry L. [redacted].
Bruhn, Frederic W. [redacted].
Buscemi, Jon H. [redacted].
Butler, Donald [redacted].
Camp, Norman M. [redacted].
Carns, Edwin H. [redacted].
Carpenter, John L. [redacted].
Connolly, James C., III [redacted].
Crosse, James E. [redacted].
Dahl, Raymond E., [redacted].
Dalton, Bruce A., Jr. [redacted].
Davies, Ross S., [redacted].
Difiore, Ralph J. [redacted].
Doberstyn, Edward B. [redacted].
Duffield, John R. [redacted].
Esposito, Maria E. [redacted].
Faggett, Walter L., II [redacted].
Fort, Samuel L. [redacted].
Frattaroli, Nicholas F. [redacted].
Gaydos, Joel C., [redacted].
Geschke, Dietrich W. [redacted].
Hall, Roger V., [redacted].
Hamlin, Elvin R. [redacted].
Hamlin, Nonila V. [redacted].
Harden, Lewis B. [redacted].
Head, David R., [redacted].
Head, Harold D. [redacted].
Homann, Joseph F. [redacted].
Imonen, Robb E. [redacted].
James, James J. [redacted].
Jurney, Thomas H. [redacted].
Ketchum, Robert V. [redacted].
Lampe, Richard M. [redacted].
Lee, Roger B., [redacted].
Lipton, Charles S. [redacted].
Lisanti, Michael J. [redacted].
Lundy, Ray O., [redacted].
Mitchell, Charles H. [redacted].
Moore, Hylan C., [redacted].
Morgan, Andrew M., [redacted].
Nardi, James A. [redacted].
Newell, Robert T., III [redacted].
Onufer, Charles N. [redacted].
Peake, James B. [redacted].
Pearlman, Eliot J. [redacted].
Podgore, John K. [redacted].
Pollard, William W. [redacted].
Privitera, Charles R. [redacted].
Raleigh, Edward N., [redacted].
Riffle, John E., [redacted].
Salasche, Stuart J. [redacted].
Salazar, Andres M., [redacted].
Shearer, Robert D. [redacted].
Shegog, James H. [redacted].
Shim, Poong S. [redacted].
Singleton, Peter T., Jr. [redacted].
Smith, Thomas L., [redacted].
Squitieri, Alfonse P. [redacted].
Summers, Richard J. [redacted].
Surti, Nergesh R. [redacted].
Thomas, Harry M., Jr. [redacted].
Todd, Robert C. [redacted].
Tyner, Carl F. [redacted].
Walker, John D. [redacted].
Watson, Richard A. [redacted].
Wear, Douglas J. [redacted].
Weidenfeld, Irwin [redacted].
Wells, David W., [redacted].
White, Stephen W. [redacted].
Wilson, Robert M. [redacted].
Woodall, John B. [redacted].
Yim, Donald W., [redacted].

JUDGE ADVOCATE GENERAL'S CORPS

To be colonel

Jacob, Gustave F. [redacted].

CHAPLAINS CORPS

To be lieutenant colonel

Hattle, George R. [redacted].

The following-named officers for promotion in the Regular Army of the United States, under provisions of title 10, United States Code, sections 3284, 3299 and 3305:

ARMY PROMOTION LIST

To be major

Bowes, Steven C., [redacted].
Brockelsby, John W., [redacted].
Busch, Conrad H., Jr. [redacted].
Calhoun, Ernest L. [redacted].
Carnes, Edward L., [redacted].
Flynn, Robert J. [redacted].
Garrett, Sol M. III [redacted].
Gonzales, Benigno F., Jr. [redacted].
Graves, Richard M. [redacted].
Hannon, Michael J. [redacted].
Heath, George E., [redacted].
Hopkins, John G. [redacted].
Jackson, William L. [redacted].
Jandreau, James L. [redacted].
King, David H., [redacted].
Montero, Mario F., Jr. [redacted].

To be captain

England, Thomas F. [redacted].

CONFIRMATIONS

Executive nominations confirmed by the Senate June 15, 1981:

DEPARTMENT OF ENERGY

Herman E. Roser, of New Mexico, to be an Assistant Secretary of Energy (Defense Programs), vice Duane C. Sewell, resigned.

DEPARTMENT OF DEFENSE

Russell D. Hale, of Virginia, to be an Assistant Secretary of the Air Force, vice Charles William Snodgrass, resigned.

Edward J. Philbin, of California, to be Deputy Assistant Secretary of Defense for Reserve Affairs, vice Harold W. Chase, resigned.

George A. Sawyer, of New Jersey, to be an Assistant Secretary of the Navy, vice George A. Peapples, resigned.

PANAMA CANAL COMMISSION

William R. Gianelli, an Assistant Secretary of the Army, to be a member of the Board of the Panama Canal Commission, vice Michael Blumenfeld.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. James E. Dalton [redacted] FR, U.S. Air Force.

IN THE NAVY

Adm. Alfred J. Whittle, Jr., U.S. Navy (age 57) for appointment to the grade of admiral on the retired list, pursuant to the provisions of title 10, United States Code, section 5233.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Oren Edwin DeHaven, [redacted] U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. John Winn McEnery, [redacted] U.S. Army.

IN THE NAVY

The following-named officer, having been designated for command and other duties of great importance and responsibility in the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment while so serving as follows:

To be vice admiral

Rear Adm. James A. Lyons, Jr., U.S. Navy.

IN THE MARINE CORPS

The following-named officer under the provisions of title 10, United States Code, section 5202, to be assigned to a position of importance and responsibility designated by the President, in grade as follows:

To be general

Lt. Gen. Paul X. Kelley [redacted], U.S. Marine Corps.

IN THE ARMY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Arthur James Gregg [redacted] (age 53), Army of the United States (major general, U.S. Army).

The following-named officer to be assigned to a position of importance and responsibility designated by the President under the provisions of title 10, United States Code, section 3066(a) in the grade as follows:

Maj. Gen. Richard Horner Thompson, [redacted] U.S. Army.

IN THE ARMY

Army nominations beginning Lowell L. Ballard, Jr., to be colonel, and ending Susie M. Sherrod, to be lieutenant colonel, which nominations were received by the Senate May 27, 1981, and which appeared in the CONGRESSIONAL RECORD of June 1, 1981.

IN THE NAVY

Navy nominations beginning James D. Abshear, to be chief warrant officer, and ending Adrian C. Youngblood, to be chief warrant officer, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 1, 1981.

EXTENSIONS OF REMARKS

AMENDMENTS TO THE 1981 FARM BILL

HON. PETER A. PEYSER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Monday, June 15, 1981

● Mr. PEYSER. Mr. Speaker, today I am introducing two separate amendments to H.R. 3603, the Food and Agriculture Act of 1981.

My first amendment to this year's farm bill would delete the provisions in title IX, which establish a mandatory sugar support program. Since 1979, the Federal Government has been spared the task of maintaining a costly, burdensome, and inflationary support program for sugar crops. While Congress eliminated the sugar support program, it did provide the Secretary of Agriculture with discretionary authority to set up a nonrecourse loan program for sugar if necessary.

Now, however, the 1981 farm bill tries to resurrect a support program which will surely come to haunt the American public. The bill, as reported from committee, establishes a support price of 19.6 cents a pound for the 1982 through 1985 sugar crops. Financing of the 1982 sugar crop at this level will require another $1 billion in Government borrowing, further aggravating inflation. Even more alarming is the expectation of the U.S. Department of Agriculture that the proposed sugar support program could cost consumers up to $2.2 billion annually. Cumulative cost of such a program, due to the increased costs of commercial sugar products, could exceed $5 billion by 1985.

My second amendment would eliminate the arbitrary and antiquated restrictions on peanut production and peanut marketing, and begin to remove the price support system for this commodity.

The is no other food crop program within the USDA that is based on such an archaic system as that for peanuts. The Federal Government not only dictates the States in which peanuts can be grown, but also stipulates the counties in those States in which peanut production can take place, and then which farms in those selected counties will be allowed to grow peanuts. There are many farmers throughout the country who would like to grow peanuts on their land, but are prohibited from doing so by the Federal Government.

Yet these restrictions are enough. The Federal Government, through an arcane set of regulations, also limits the amount of peanuts which can be marketed for domestic edible consumption. With the demand for peanuts growing in this country and throughout the world, there is no logical argument which can be made to continue such a "feudal" system for growing peanuts.

Mr. Speaker, my amendments would correct these excesses of Government intervention, protect a potential run on the Treasury, and save the consumers billions of dollars. It is a problem which demands our attention.

An editorial in today's edition of the Wall Street Journal focuses on the 1981 farm bill, and I want to bring it to the attention of my colleagues.

[From the Wall Street Journal, June 15, 1981]

PEANUTS, BUTTER AND SUGAR

One of the biggest tests for Reagan budget cutters is coming from the farm lobbies, who have had some success in persuading House and Senate agriculture committees to restore benevolences the Reaganites want to take away. Their most remarkable and most implausible victories are on the peanut, sugar and dairy fronts.

The spinoffs could go beyond mere budget busting if this sort of thing gets out of control. For example, American taxpayers could find themselves owning ever-larger mountains of surplus dairy products. And they could end up paying dearly for sugar that Latin American and Caribbean nations would be more than happy to supply cheaper and with great benefits to our frayed North-South relationships.

The committee successes, which have added something like $1.5 billion to the fiscal 1982 farm programs, go beyond the boundaries of commodity stabilization. A case of sorts can be made for stabilization on the grounds that farmers, because of the vagaries of weather, lead times and markets, are in a particularly risky business. There is something, but not much, to be said for policies that help them smooth out some of the ups and downs and thus gain sufficient business confidence to invest in more productive and efficient farming methods. It could be argued, for example, that such aid has helped U.S. wheat producers develop a world-wide market. On the other hand, corn and soybean growers have been even more successful with very little federal help.

The old political habit, moreover, was to move quickly from mere stabilization to outright subsidy and income maintenance on the political principle that a lot of help is more vote-rewarding than a little bit. Some of this was reformed by Earl Butz in the early 1970s but Jimmy Carter drifted back toward good deeds for farmers. The Reaganites have been attempting to return to less generous policies, particularly on some of the more blatant examples of federal favoritism. they have aimed particularly at dairy supports, which have become a little short of a scandal, and peanuts, where acreage allotments and commodity loans prevail. However, congressional committees not only reinstated costly protections for peanuts and dairy farmers but went a step further to create support for sugar at 19.6 cents a pound.

The administration hoped to pare the dairy support program to about $950 million in the coming fiscal year. But changes made by the Senate Agriculture Committee would add another $150 million to the program, and the House version costs almost $1.35 billion. The government is already eye-brow-deep in dairy surpluses—over 400 million pounds of butter, for example. The USDA wants to sell some of the stuff on the world market, but since the Europeans have the same surplus problem, finding a buyer isn't easy. One possible purchaser is the Soviet Union. But Secretary of State Haig opposes the idea, saying that it would "send the wrong signal" to sell butter to the Russians at prices that would amount to a $50 million U.S. taxpayer subsidy. President Reagan is soon expected to make a final decision. In the meantime, the butter mountain is growing at a rate of 10 million pounds a week and tons of extra dried milk and cheese are also piling up.

A different problem afflicts sugar. U.S. producers of both beet and cane sugar are confronted not only with producers abroad but also with sugar substitutes. For example, fructose made from corn is coming into wide use as a commercial sweetener. But rather than compete or switch to other crops, the sugar people want additional government protection. Poor little Caribbean countries wonder why the big colossus to the North preaches free enterprise and then denies them a potentially important market. U.S. sugar producers might ask themselves how long it will be, if they get their supports, before the government is eyebrow-deep in *both* sugar and butter.

The peanut people, wiped out by a drought last year, also have some questions to answer, like why consumers had to put up with sharp price runups and even shortages because of the industry's market protections. And consumers now might wonder why they should be asked to further subsidize such an industry.

The farm lobbies seem to think that they should be exceptions to the Reagan attempts to cut the federal budget and restore market competition generally. From the standpoint of political credibility, it would be a good idea for the Reaganites to push hard to try to prove to them that they are not.

AMENDMENT TO H.R. 3603 OFFERED BY MR. PEYSER

Page 60, line 6, strike out "sugar beets and sugarcane," and insert in lieu thereof "oil sunflower seeds".

Page 60, line 10, strike out "sugar beets, sugarcane,".

Page 60, line 11, insert "and" at the end thereof.

Page 60, strike out line 12 and all that follows through page 61, line 7.

Page 61, line 8, strike out "(3)" and insert in lieu thereof "(2)".

Page 61, line 10, strike out "(g)" and insert in lieu thereof "(f)"

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Beginning on page 44, strike out line 19 and all that follows through page 58, line 3, and insert in lieu thereof the following:

REPEAL OF PEANUT ALLOTMENTS AND MARKETING QUOTAS

SEC. 701. The Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) is amended—

(1) in section 301(b)—

(A) in paragraph (1)(B) by striking out ", rice or peanuts" and inserting in lieu thereof "or rice",

(B) in paragraph (3)(A) by striking out ", rice, and peanuts" and inserting in lieu thereof "and rice",

(C) in paragraph (6) by striking out subparagraph (C),

(D) in paragraph (10)(A)—

(i) by striking out ", wheat, and peanuts" and inserting in lieu thereof "and wheat", and

(ii) by striking out "20 per centum in the case of wheat; and 15 per centum in the case of peanuts" and inserting in lieu thereof "and 20 per centum in the case of wheat",

(E) in paragraph (13)—

(i) by striking out subparagraph (B) and subparagraph (C), and

(ii) in subparagraph (G) by striking out "or peanuts, shall" and all that follows through "may be," and inserting in lieu thereof ", shall be the average yield per acre of corn", and

(F) in paragraph (16)(A) by striking out "rice, and peanuts" and inserting in lieu thereof "and rice",

(2) by striking out part VI of subtitle B of title III,

(3) in section 361 by striking out "peanuts,"

(4) in subsection (a) and subsection (b) of section 371 by striking out "peanuts," each place it appears,

(5) in section 373—

(A) in the first sentence of subsection (a)—

(i) by striking out "peanuts," each place it appears,

(ii) by inserting "and" before "all persons engaged in the business of redrying", and

(iii) by striking out ", all farmers" and all that follows through "machines", and

(B) in subsection (b) by striking out "peanuts",

(6) in section 375(a) by striking out "peanuts,",

(7) in section 377 by striking out "in the case of peanuts, an acreage sufficient to produce 75 per centum of the farm poundage quota or," and

(8) in section 378(c) by striking out "tobacco, and peanuts," and inserting in lieu thereof" and tobacco,".

PRICE SUPPORT FOR PEANUTS

SEC. 702. The Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) is amended—

(1) in section 101(b) by striking out "and peanuts",

(2) by inserting after section 106 the following new section:

"SEC. 106A. (a) The Secretary shall make price support available to producers through loans, purchases, or other operations on peanuts for each of the 1982 through 1984 crops at such levels as the Secretary finds appropriate, taking into consideration the eight factors specified in section 401(b) of this act, and any change in the index of prices paid by farmers for production items, interest, taxes, and wage rates during the period beginning January 1 and ending December 31 of the calendar year immediately preceding the marketing year for which the level of support is being determined, but not more than $250 per ton for the 1982 crop, $175 per ton for the 1983 crop, and $100 for the 1984 crop. The levels of support so announced shall not be reduced by any deductions for inspection, handling, or storage: *Provided*, That the Secretary may make adjustments for location of peanuts and such other adjustments as are authorized by section 403 of this Act.

"(b)(1) In carrying out subsection (a) of this section, the Secretary may make warehouse storage loans available in each of the three producing areas (described in 7 CFR § 1446.4 (1977)) to a designated area marketing association of peanut producers which is selected and approved by the Secretary and which is operated primarily for the purpose of conducting such loan activities.

"(2) The Secretary may require that each such association establish pools and maintain complete and accurate records by type for peanuts handled under loans. Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed in proportion to the value of the peanuts placed in the pool by each grower. Net gains for peanuts in each pool shall consist of the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in such pool. Notwithstanding any other provision of this subsection, any distribution of net gains on peanuts of any type to any producer shall be reduced to the extent of any loss by the Commodity Credit Corporation on peanuts of a different type placed under loan by such grower.", and

(3) in section 408(c) by striking out "peanuts,".

EFFECTIVE DATE

SEC. 703. (a) Except as provided in subsection (b), the amendments made by this title shall take effect on October 1, 1981.

(b) The amendments made by this title shall not apply with respect to the 1978 through 1981 crops of peanuts.●

THE CASE OF DR. KOOP

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 15, 1981

● Mr. MICHEL. Mr. Speaker, I rarely discuss matters which are currently before committees. But in the case of Dr. C. Everett Koop, the President's choice to be Surgeon General, I have to make an exception.

To get directly to the point, there is opposition to Dr. Koop's appointment from bureaucratic, professional, and political sources.

This opposition is supposed to be based on alleged concerns over Dr. Koop's age and his qualifications.

But the real reason there is opposition to Dr. Koop is that he happens to hold very strong convictions on the subject of abortion.

These convictions, I might add, are shared by President Reagan.

So why do we not put an immediate stop to this vendetta against Koop? It is not Koop's age or his credentials that are being held against him. It is what he believes.

I do not happen to share some aspects of Dr. Koop's views on abortion. But I do feel that if the Congress sets a precedent of burning Presidential nominees at the stake because they share a President's view on a controversial subject, where will it all end?

I have an institutional bias against signing discharge petitions. But I can well understand and sympathize with any Congressman who signs a current discharge petition dealing with Dr. Koop. The President wants him. He is a distinguished medical man. He deserves a chance.●

BALTIC STATES FREEDOM DAY

HON. JAMES L. NELLIGAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. NELLIGAN. Mr. Speaker, I rise to commemorate one of the most important days for the people of Estonia, Latvia, and Lithuania: Baltic States Freedom Day, which is celebrated each year on June 15.

In 1940, the Soviets offered ultimatums to each of these countries, which resulted in their territories being annexed and occupied. Their political, cultural, and religious independence was denied, and mass deportations took place.

The Soviet cultural policy since the occupation has been one of integration and assimilation, to the extent that the Baltic States have been subjugated to political and cultural despotism.

The United States has long recognized the independence and right to self-determination of Estonia, Latvia, and Lithuania. Baltic States Freedom Day affords us the opportunity to reaffirm our strong and lasting friendship with the people of the Baltic States.

We look to the day when these countries can again enjoy the privilege of cultural and ethnic independence.●

DRAIZE EYE TEST

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 15, 1981

● Mr. GREEN. Mr. Speaker, I believe that animal welfare is an issue we cannot neglect, and I know that this is a concern to many residents of New York's 18th Congressional District. Several of my constituents have written to me expressing their concerns over the use of the Draize eye test. Last year I wrote to Robert C. Wetherell, Associate Commissioner for Legislative Affairs at the Department of Health and Human Services, expressing these concerns. Because of my continuing concern over the use of the Draize test, I recently wrote to him

again asking for another status report on the current use of the test.

Because I know that many of my colleagues, and their constituents, are interested in this issue, I would like to share Mr. Wetherell's reply to my inquiry. I hope that this information will be helpful in keeping you abreast of the status of the Draize eye test.

DEPARTMENT OF HEALTH AND HUMAN SERVICES, PUBLIC HEALTH SERVICE, FOOD AND DRUG ADMINISTRATION,

Rockville, Md., May 21, 1981.

Hon. BILL GREEN,
House of Representatives,
Washington, D.C.

DEAR MR. GREEN: This is in response to your letter of May 8, 1981 concerning the current status of the Draize test.

The Federal Food, Drug, and Cosmetic Act, the statute under which the Food and Drug Administration (FDA) regulates cosmetic products, prohibits the introduction into interstate commerce of products that are harmful to consumers or are not truthfully labeled. However, the law does not require safety testing of cosmetics or their ingredients, nor does it give us the authority to specify the types of tests that should be performed to assure safety, or require submission of data to the Agency when safety testing is carried out. There are no specific cosmetic regulations that animal testing be conducted prior to the marketing of cosmetic products. Further, the Agency does not have the authority to approve cosmetic products, regardless of whether safety testing is conducted. It remains the responsibility of the manufacturer to assure that products marketed are in compliance with the laws that FDA enforces.

Cosmetic manufacturers that conduct animal safety testing (e.g., eye irritancy tests) may use their own facilities or the facilities of a private testing laboratory. Such tests are conducted at the cosmetic manufacturer's own expense. The FDA does not conduct these tests for the cosmetic industry or supply the animals or any of the funds required to perform such tests.

The FDA also agrees with you that, within the limits of scientific and economic capability, research should be directed toward finding better and more humane methods for testing the safety or harmfulness of products. Tissue and cell culture techniques are very useful to study the action of chemicals when research scientists wish to answer questions specifically directed to certain cells of an organ. However, the results of a tissue or cell culture test alone cannot be the basis for deciding on the safety of a substance, at least not at this time. Any human or animal organ is a complex biological system, and the effect of a chemical on a specific cell or tissue in culture may differ significantly from the effect experienced in the entire system. Animal testing, therefore, remains unavoidable. Some testing may be performed in humans. We do not believe, however, that anyone would condone the testing of potentially harmful substances in humans prior to some initial animal testing that could reasonably assure absence of injury.

It is somewhat difficult to extrapolate from rabbit test data to human experience and predict precisely the severity of an adverse reaction that may occur in a consumer if a product were accidentally squirted into the eye. Nevertheless, the rabbit eye irritation test is currently the most reliable method to determine the harmfulness or safety of a substance introduced into the eye. For determining adverse reactions in the eye, cell or tissue culture techniques may be viewed more as scientific concepts than safety tests. Many years of further research will be required before these techniques will be useful as predictive tests.

The FDA shares your concern about the welfare of animals used for toxicological testing. In accordance with the requirements of the Laboratory Animal Welfare Act of 1967, as amended, the Agency is giving constant attention to the use of animals to ensure that they are being treated in conformity with the Act, and we trust that private laboratories are equally concerned about humane treatment of animals.

The Ageny encourages the development and use of in vitro alternatives to animal testing (including the Draize test) and as part of the Public Health Service (PHS), subscribes to the PHS "Principles for the Use of Animals." These principles support the use of in vitro methods to reduce the required number of animals and the use of anesthetics whenever possible. We require all contractors and grantees to give assurance that they follow these principles as well as the National Institutes of Health (NIH) "Guide for the Care and Use of Laboratory Animals."

Also, FDA was a participant in a conference held at the Pan American Health Organization in February 1981, entitled "Trends in Bioassay Methodology: In-Vitro, In-Vivo, and Mathematical Approaches." This conference presented the state of the art and examined the strengths and limitations, as well as implications for improving health through in vitro, in vivo, and mathematical approaches. In addition we have been able to support, in the past, a small number of extramural contracts which had as their goal the measurement of in vitro parameters which could be related to traditional toxicological responses. While we have only a few groups within FDA working on this topic, there are a larger number of in vitro systems being studied for their ability to simulate or predict carcinogenesis.

FDA's main area of potential impact is through the encouragement of industry to develop and validate alternative methods for the Draize test. The Agency will, through communications with concerned parties (e.g., Cosmetic Toiletry, and Fragrance Association), assure industry that we would accept results from such tests (when properly validated) as sufficient evidence of safety. We must strongly emphasize, however, that no such in vitro test currently exists and the Draize method is the only test to adequately assess the possible danger of a test substance to a consumer's sight.

You may also be interested to know that the Agency is committing funds to allow one of our senior scientists to study a new in vitro technique involving certain kinds of eye danger that is presently under development at the Medical College of Wisconsin.

The "Draize" test, is found in Title 16 of the Code of Federal Regulations (CFR), under Chapter II, Subchapter C, Part 1500.42 (test for eye irritants). This regulation was promulgated under the Federal Hazardous Substances Act and transferred to the jurisdiction of the Consumer Product Safety Commission in a notice published in the September 27, 1973 Federal Register.

If we can be of any further assistance, please let us know.

Sincerely yours,

ROBERT C. WETHERELL, JR.,
Associate Commissioner
for Legislative Affairs.●

FLAG DAY 1981

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 15, 1981

● Mr. FARY. Mr. Speaker, yesterday, June 14, 1981, was Flag Day, a day on which our Nation commemorated the Stars and Stripes as the banner of our pride and heritage. This date bears historical significance, for it was on June 14, 1777, that the Continental Congress passed a resolution establishing the Stars and Stripes.

Our citizens must not forget the meaning behind Old Glory. The flag symbolizes our heritage and beliefs; she symbolizes a nation dedicated to independence, freedom, and justice. Originally the banner of an infant republic, she is a symbol of over 200 years of growth and liberty for our country. Her stripes symbolize the Thirteen Original Colonies and our forefathers who forged a nation from that confederation. Because of our forefathers' foresight, wisdom, and perseverance, a great nation has emerged—a nation of 50 diverse States, each represented on the flag, and of over 200 million people.

It is a symbol of the unity and spirit of devotion we all have toward our country. Its pattern has traditionally represented our strength in democracy; a colony in every stripe, a State in every star, while its colors represent the best of qualities in millions of Americans; red for valor, white for purity and innocence, and blue for vigilance, perseverance, and justice. This emblem has reigned over decades of our accomplishments and achievements.

I urge all citizens of the United States to proudly fly their flags and to reflect on the meaning and heritage behind our Stars and Stripes.●

THE CHANGING NATURE OF AGRICULTURE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 15, 1981

● Mr. BROWN of California. Mr. Speaker, our food and agriculture system is of critical importance to this Nation. As in every other sector of our society, recent changes in the price and availability of critical resources, mostly energy, have begun to cause changes in agricultural production and

marketing. The long-term effects of these changes on the structure and performance of the agricultural sector are still unknown.

If we are to take advantage of the changes taking place, we need to begin to closely analyze the factors causing these changes. We, in Congress, will be challenged to engage in a process of foresight examinations, calling upon the best minds and predictive models available. We cannot afford the luxury of reacting to issues, as we have in the past.

We also need the best estimates available of future directions in agriculture because of the lag time between research and field application. We cannot simply turn a dial and expect immediate changes to occur. Any mature system generates inertia which perpetuates existing practices beyond their logical life. What we need to do is direct our research to generate alternatives that will be ready for application when economic factors dictate the need for change.

The process of collecting a record which is useful in this foresight process will not be easy, and will generate some controversy. There will be differing opinion about the future direction for American agriculture. There will be controversy over the amount of planning needed to master these changes, and controversy over who will perform this planning. But, we cannot afford to avoid controversy with so much at stake.

I would like at this point to add to the discussion of this issue by reprinting an article by M. Mitchell Waldrop, which appeared in a recent issue of Chemical & Engineering News. I hope, in the coming months, to continue to move this discussion along, both in this method and in hearings before the Agriculture Subcommittee on Department Operations, Research, and Foreign Agriculture, which I chair.

[From the Chemical & Engineering News, June 1, 1981]

DEEP CHANGES TAKING ROOT IN U.S. AGRICULTURE

With the growing season now well under way, American farmers are beset with traditional farm concerns over rain, weeds, and insects. But added to these again are the concerns of the past few years with rising costs of energy and chemicals. And these newer concerns are affecting the way farmers are going about their work.

It's a comfortable and oft-quoted statement that one American farmer can feed 50 people all by himself. The statement is true enough—on the surface. The system is incredibly robust. To Americans it seems only natural that the nation's chief dietary problem is not malnutrition, as it is in much of the rest of the world, but obesity. So bountiful is the soil of the Midwest that people actually are using edible grain—in its fermented form, ethanol—as auto fuel.

On the global scene, some 65 percent of the grain that is exported in the world is exported from the U.S. When the harvest is bad in the Ukraine, as it often has been of late, even the Kremlin must look to the grain elevators of Duluth—a fact made vivid by President Jimmy Carter's 1980 embargo on the sale of grain to the Soviet Union, and by the recent controversy over the Reagan Administration's lifting of that ban. Agriculture has long since entered the realm of geopolitics.

On the other hand, that fabulously productive American farmer is utterly dependent on petroleum and petrochemicals to supply him with diesel fuel, fertilizer, pesticides, and herbicides. Given the U.S.'s dependence on imported oil, and the vagaries of the Organization of Petroleum Exporting Countries and mideastern politics, there is cause to wonder how long the system can continue as it has.

Agricultural practices in the U.S. in fact are undergoing slow but profound changes, changes that will have equally profound effects on how and how much agricultural chemicals will be used in the coming decades. Heavy demand for grain exports, environmental concern over pesticides and herbicides, increased use of biomass energy, new crops created by genetic engineering and advanced breeding techniques all will continue to play a part. But for the present, nothing is having so great an impact as the individual farmer's efforts to cope with the rising costs of energy and petrochemicals.

Last year CRC Press published its "Handbook of Energy Utilization in Agriculture," edited by Cornell University entomologist David Pimentel. "Currently, the high yields with relatively small inputs of manpower are associated with mechanized agriculture and are due essentially to ample supplies of inexpensive fossil energy," he writes in the introduction "The often quoted statistic that one U.S. farmer feeds about 50 people [is] an oversimplification of the facts, because the farmer himself depends upon large inputs from petrochemicals, machinery industries, and commercial services. A more realistic statement is that about one person in five in the nation's work force is involved in supplying food in the American system."

About 17 percent of the nation's fossil energy goes for production (including shipping), processing, and for preparation of food, with about one third allocated to each activity, Pimentel continues. For comparison, automobiles burn about 25 percent.

On the production end, by far the largest fossil energy inputs are for fuel and nitrogen fertilizer. The numbers vary greatly between locations in the country and even more from crop to crop. (Alfalfa, for example, is a legume that fixes nitrogen on its own and doesn't need fertilzer.) Fairly typical, however, are the handbook's estimates for corn grown in southern Minnesota. The fossil energy input is about 6.5 million to more than 7 million Btu per acre; the energy content of the final product is just under 61 million Btu per acre. Liquid fuel and nitrogen fertilizer account for just under 40 percent of the input apiece, and transportation of materials to the farm accounts for 11 percent. Filling out the balance are the energy costs of seed production, pesticides, and phosphorus and potassium fertilizers.

"Rising energy prices have not changed practices so much as they have changed how the inputs are managed," Pimentel tells C&EN. "When nitrogen was quite cheap, less than 10 cents per lb, growers would apply it in the winter, when there was lots of surplus labor and equipment. Nobody cared that it was soluble and that lots of it was lost in the spring runoff.

"But now the price is up by a factor of four or five, so you apply it during the spring and summer when the crops can make use of it," he says. "Even then nearly half of it leaches away or is oxidized by microorganisms. People are working on ways to prevent the loss and improve the timing, but again, there's a trade-off with the cost of machinery and labor."

Parenthetically, Pimentel doesn't lend much credence to the idea that heavy fertilization is somehow harming the soil, or is lowering the nutritional value of food. "I haven't seen any good scientific evidence," he says. "Ammonia is made in nature, so how can it be bad for the soil? Again, all analyses of the nutritional value of food show little or no effect. Most of the organic matter in plants is made from sunlight, water, and carbon dioxide, after all. Plants also take some trace metals from the soil, and a few have microorganisms that take nitrogen from the air. For the rest we have to replace what we are taking out every year, which implies fertilizer, which implies energy."

The rising cost of energy on the farm, compounded by similar increases in the processing and transportation of food, shows up most obviously at the supermarket cash register. But there are also second-order effects that can have a profound impact by putting an economic squeeze on the individual farmer.

"It's the transportation costs that have risen the most, and hurt the most," says Eric Thor, agricultural economist with the University of California, Berkeley, cooperative extension. "People think that it just affects the cost of food, but the big effect is on market structure, where the food is grown, and where it is sold."

California dairymen, for example, used to haul in alfalfa hay from Idaho. But now that the cost has risen to $35 or $40 per ton, he says, it pays to grow the hay locally. So Idaho is losing a profitable crop.

The Californians themselves, on the other hand, are hurting badly in vegetable crops (the state produces 25 percent of the fresh vegetables in the U.S.). Two years ago, Thor points out, a truck could haul lettuce from Salinas to the East Coast for about $1,800 per load, or about $2 per carton. Add in the cost of production, roughly $4 per carton, and it was still competitive with $6-per-carton lettuce from New Jersey and Maryland. Today, however, the transcontinental shipping costs have more than doubled. So the California growers, says Thor, are losing out.

Energy prices also have driven up the cost of food processing, says Thor. The cost of canning, for example, has risen by a factor of almost five since 1972. So the market for canned good has fallen. Vegetable crops can be cut back easily enough, but it's hard to reduce volume very rapidly on fruit tree crops like peaches, pears, and apricots, he points out. So the growers try to maintain their orchards from year to year while the prices plummet.

"The individual farmer knows what's killing him," says Thor. "It's the transportation costs and processing costs. These have several times more effect on the farm than the production."

On the other hand, if the individual farmer can't do much about the first two, he certainly can do something about his own costs. "Farmers are a very innovative group of people," Thor says. "Most of them are way ahead of the universities on this."

With irrigation, for example, farmers don't just go out and kick a few clods anymore. Growers are putting instruments in the ground to determine just how much water they need and when they need it. They are installing smaller pumps, matching capacity more closely to demand.

With pesticides—and with so many restrictions on their use in recent years—growers are moving more toward the use of commercial spraying services. Because California law requires that a sprayer pass certain exams, Thor says, a network of independent pest management consultants—some even have Ph.D.'s—has arisen to provide the services. "With commercial sprayers you don't spray unless you absolutely have to," Thor says. "When you did it yourself, you sprayed regardless."

Richard Norgaard, Thor's colleague at the University of California Giannini Foundation of Agricultural Economics, Berkeley, points out that there has been a fairly steady rise in the use of consultant services over the past 20 years. Today they have about 20 pecent of the pest control market in such important California crops as cotton and grapes. Norgaard also believes that the number of practicing consultants offers the best measure of how much the rather abstract idea of integreated pest management is actually taking hold in the field. "Certainly the university professors of entomology don't think of consultants as high powered practitioners" of integrated pest management, he says. "But they are highly competent and in good touch with the universities."

The term "integrated pest management" wasn't coined until the early 1970's. The basic concepts, however, can be traced to University of California entomologist Charles W. Woodworth, who was advocating an ecologically based pest management approach as long ago as 1896. The Berkeley campus has remained a stronghold of such thinking ever since; when chemical pesticides swept the market in the 1940's and 1950's, the agriculture school there was one of the few in the country to keep up the study of biological controls.

In its modern form, integrated pest management is a melding of both approaches. A consulting service, for example, might carefully monitor a field to keep track of pests and their natural enemies, and then spray only when the pests threaten to get out of hand. The consultant might recommend intercropping—alternating rows of different crops on the same plot—to slow down the spread of any one type of pest. A change in the time of planting might avoid the most destructive phase of an insect's life cycle. The solution might even be as simple as cleaning up old shells and other debris from an almond orchard to take away winter cover for the navel orangeworm.

The consulting service usually is provided at a fixed fee per acre, says Norgaard. For crops like cotton that come in big, uniform fields, the fee might run $4 to $5 per acre; for higher-value crops in smaller fields, $25 to $30 per acre. But that's still a savings, he points out, because pesticides cost up to $100 per acre—and a professional consultant can decrease pesticide use roughly 50 percent.

So why isn't everybody using the technique? "Three dissertations later we still don't know," Norgaard laughs. He and his students have found that integrated pest management users tend to be a little older, a little more experienced, to have stayed in a crop longer, and to be more adverse to risk—all contrary to expectations. "Perhaps it's because the consultant is providing information," he says. "Information offsets risk."

Pimentel, however, lists a number of practical problems with integrated pest management.

In the first place, the technology is far more sophisticated than a straightforward application of chemicals, he says. You need to monitor each pest and its natural enemies. Then you have to know the threshold density of the pest that will cause a significant crop loss, plus the density of natural enemies that will control the pest. Next, you have to project the infestation based on past data, including climate data. Finally, you have to predict the outcome of your intervention.

Once all that is done, Pimentel continues, there's still a bit of risk involved: If you're right on the margin you could get an outbreak anyhow. So you err on the side of pesticides.

Then there are the psychological factors. "If you spray," Pimentel says, "then at least you tried, you did something, you can see the little buggers falling to the ground and squirming. With integrated pest management you have to just sit there, depending on natural enemies you can't see. It's nerve wracking. Besides, you've got $200 per acre invested in your corn already, so another $6 or $8 to treat for cornworm sounds like a pretty cheap insurance policy. And if you pay somebody $3 to $5 per acre to scout your farm, and he tells you that two thirds of it needs spraying anyway, that's not much of a savings."

Finally, says Pimentel, there's a matter of salesmanship. There are a lot more pesticide salesmen that there are extension people.

But integrated pest management is coming on nonetheless, Pimentel says. It's a prime example of the "systems management" theme now being sounded more and more often in the agriculture schools. One extension service now being offered by the University of Michigan, for example, is a farm-management software package that can be accessed by telephone hookup to the individual farmer's home computer.

Also, a good many farmers are feeling a genuine concern about the health and environmental problems of pesticide use—after all, they are the ones who have to live with these chemicals every day. And a prime advantage of integrated pest management is that by minimizing the use of pesticides it exposes a small percentage of the pest population and thus slows the buildup of resistance.

"Worldwide, there are more than 400 species of insects and mites that now have some form of resistance," Pimentel points out. "The United Nations environmental program has called this one of the four major environmental problems of the world."

In India, for example, DDT was first used for malaria control in 1950. Since people there were spraying only houses and such, he says, they exposed only a small fraction of the mosquito population. So the mosquitoes didn't build up any resistance, and the number of malaria cases plummeted. Then, the Indians started using DDT in agriculture. A large fraction of the mosquito population was exposed, the resistant strains multiplied, and the incidence of malaria increased from 100,000 cases in 1961 to 50 million in 1978.

If economic factors have promoted more efficient use of energy on the farm and a more ecologically sound use of chemicals, the same cannot be said of its impact on erosion.

"We are mining the soil," says Pimentel, "and we shouldn't be." Iowa had an average of 8 inches of topsoil when it was settled; today, 100 years later, it has 4. The U.S. as a whole now has 320 million acres routinely under cultivation. The Department of Agriculture estimates that erosion is causing a steady drop in the productivity of that land equivalent to the loss of 1.25 million acres per year. The difference must be made up with more fertilizers, more pesticides, more petrochemicals, and more energy.

"At the moment," Pimentel says, "we're taking out 1 inch of topsoil every eight to 10 years on the average. The thing is, we could easily slow erosion to the rate at which new topsoil is being created from the bedrock, which is about 1 inch per century under agricultural conditions." The techniques are very straightforward, he says, and have been known for a long time. The problem is that it costs money to put them into practice.

For example, it would help to rotate crops more. Back in the 1930's, when the soil conservation service first was established, most of the corn crop was planted in rotation with other crops. Now, only 40 to 45 percent is planted this way because continuous cropping is economically more efficient. Yet erosion jumps 25 to 30 percent with continuous cropping.

Contour planting and plowing are obvious things to do, says Pimentel. But the big tractors can't always turn fast enough. So especially on the larger farms there's a tendency for a reduction in effective contour planting. Terracing is also obvious—but expensive and time-consuming.

A cover crop, planted after harvest, could protect the soil over the winter. But this takes money for seed, and anyhow, a lot of farmers plow in the fall to save the rush in the spring.

Perhaps the ideal way to control erosion is to eliminate plowing entirely. In "no-tillage agriculture," last year's crop debris is left on top of the ground as mulch, instead of being plowed under. Seed is covered with just enough soil to allow it to germinate. There usually is no further cultiviation before harvesting. Weeds and other competing vegetation are controlled by chemical vegetation are controlled by chemical herbicides. Lime and fertilizer are added to the soil surface.

University of Kentucky agronomist Ronald E. Phillips and his colleagues recently found that no-till reduces energy input into corn and soybean 7 percent and 18 percent, respectively, without reducing yields [*Science*, 208, 1108 (1980)]. Moreover, it virtually eliminates soil erosion. The authors estimate that no-tillage methods will be used on as much as 65 percent of U.S. crops by the year 2000; it also may prove extremely valuable with the fragile soils of the tropics.

No one denies, however, that no-tillage agriculture has some problems of its own. Pimentel, for example, points out that dead weeds and old crop debris shelter insects, so more pesticide are needed. Coolness and moisture under the debris also cause some seed to rot, so more seed is needed. Furthermore, not all weeds are susceptible to chemical control. In fact, Pimentel says that some farmers have abandoned no-till because of weed problems. "I'm all for no-till," he says. But the system needs further development.

Pimentel takes a rather fatalistic view toward the prospect of erosion control.

"There's a certain attitude of 'Get what you can out of the thing, and let other people worry about the future,'" he says. "But you can't blame the farmers. The capital investment in a farm is tremendous. And farmers are terribly underpaid; many of them operate so close to the margin that they can't afford to worry about maintaining the land's productivity 50 years from now."

Not everyone is so pessimistic as Pimentel, however, Gordon Rausser, chairman of agricultural and resource economics at Giannini Foundation, for instance, is cautiously optimistic that the price mechanism will ultimately act as a corrective.

If soil erosion or other factors cause the productivity of the land to decrease, and if that is reflected in a lower price for the land, he says, then there is an incentive for maintaining it. On the other hand, productivity is only one factor in the price equation. People also buy land as an investment, as a hedge against inflation, especially when it lies in the path of suburban development. Moreover, government price support can drive up the price of produce artificially and thus the value of the land where it is grown.

"If the loss in land values due to erosion is more than compensated by the other two factors," says Rausser, "then you're in trouble." Then the price of land will not fall, and over the course of a century or so the nation will find itself with a markedly less productive resource base. "If that happens," Rausser adds, "then you either learn to live with it, or else you have a powerful incentive to develop new technologies."

The list of agriculture's problems could go on forever, it seems. There are worries about dwindling water supplies for irrigation, the effects of acid rain, and the recent plagues of drought. Both urban and rural Americans, ever reluctant to embrace land-use planning, are still paving over good farmland with subdivisions, shopping malls, and roads at the rate of a million acres per year. The nebulous political issue of large corporate farms vs. the small family farm still continues to simmer.

But if the problems are real enough, agriculture's future in America is hardly so bleak as some have made it seem. The system is not in danger of imminent collapse. Indeed the predominate mood among university and government experts contacted by C&EN was one of optimism: that American agriculture, as energy-intensive, chemical-intensive and petroleum-dependent as it is, will adapt to the times; that the problems tend to be self-correcting; that the land will remain fertile and bountiful for a long, long time to come.●

MAKING INDIVIDUAL RETIREMENT ACCOUNTS MORE ACCESSIBLE AND MORE ATTRACTIVE

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 15, 1981

● Mr. SAWYER. Mr. Speaker, I recently introduced H.R. 3908 for the purpose of making individual retirement accounts more accessible and attractive to all Americans. At the present time, the Internal Revenue Code allows individuals to contribute up to $1,500 per year—or $1,750 for certain married couples—to an IRA at a bank, savings and loan, credit union, mutual fund, or insurance company. These contributions may be deducted from the individual's gross income and thus may lower the person's tax rate. In addition, these contributions may earn interest and neither the interest nor the contribution is taxed until retirement. Upon retirement, the interest earned is taxed as ordinary income, but this rate can be much lower because all persons 65 or older qualify for a double personal tax exemption on their Federal income tax return. In effect, an IRA is a tax shelter available to low-, middle-, and upper-income wage earners.

Unfortunately, there are several shortcomings in the current code which make IRA's not as effective as they could be. First, the individual maximum contribution of $1,500 per year is not as competitive or attractive as the maximums found in Keogh accounts (for the self-employed) or many private employer pension plans. Both of these retirement fund alternatives are available to a relatively small segment of the work force. In 1975, the U.S. Bureau of Labor Statistics estimated that 40 million workers were not covered by pension plans. This problem is particularly evident in small businesses and corporations which do not have the time or the money to create an efficient retirement benefit program.

Second, the current code provisions inhibit savings for retirement by prohibiting individuals from establishing an IRA if they are participating in another, however small, pension plan. If a person is financially able to do so, why should not he or she save as much money as possible for retirement?

Third, the code allows a maximum annual IRA contribution of $1,750 for a married couple where only one spouse is working. This allows a contribution of only $875 per year for each spouse and does little to establish financial security for two people to live on after the working spouse has retired. In effect, the code provides only minimal coverage of nonworking spouses and homemakers. More adequate coverage is absolutely necessary as it is estimated that there are at least 30 million nonworking spouses who could benefit from more attractive individual retirement accounts.

My bill seeks to remedy these problems by increasing the maximum individual contribution level to $5,000 or 10 percent of the person's annual gross income, but in no case less than the current law allows. Further, the bill raises the current contribution level for married couples to $7,500 per year or 15 percent of the working spouse's gross income, whichever is less. The bill also removes the present law's prohibition on an individual's participating in a pension or profit-sharing plan and an IRA if the individual is financially able to do so.

H.R. 3908 will make individual retirement accounts more attractive and accessible and that will have two very important effects. First, more lucrative IRA's will encourage much needed saving for retirement. Even when it was originally established, the social security system was designed only to supplement—not to solely constitute—a person's retirement income. As we know all too well, too many people are relying on social security as their only or major source of money after retiring. And as we also know, inflation and cost of living increases are already weakening the social security system. Social security needs help now, and individual retirement accounts will provide much of that help.

The second major benefit from attractive IRA's will be to curb present day inflation. Inflation rates are fueled by too many dollars chasing too few goods and services. There is a real need to encourage saving, rather than spending, that money. Saving at banks, savings and loans, and credit unions expands the pool of capital investment money which is in turn lent to business, industry, and individuals. Increased business and industrial activity means more jobs, more production of goods and services, and more revenues. Saving encourages a healthy economy and helps reduce inflation.

Therefore, it is my hope that my colleagues will join me by supporting H.R. 3908 which, I feel, will help to relieve the present-day problem of inflation and will also assure better and more secure retirement incomes for millions of individuals in the future.●

CARL VINSON

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1981

● Mr. MICHEL. Mr. Speaker, it might seem almost superfluous for us to praise the late Carl Vinson. What else remains to be said about this unique, legendary patriot?

I recall a story told about a teacher who was fired from his job. He complained that he should not be fired because he had 10 years' experience. The principal said "No, you have had 1 year's experience 10 times."

Carl Vinson did not have 1 year's experience 50 times. He learned and studied and, most important, listened, as our Nation began its historic mission of carrying the burden of the defense of freedom.

I had the honor of serving with the congressional institutional known as Uncle "Carl." When I got to Congress he was already a legend. His legacy

can be found today anywhere there is concern for our national defenses.

Carl Vinson just did not help build a military machine—he helped to build a concept of national defense as the highest priority of a free people.

It is good to know that the Vinson legacy, which in recent years seemed to have been forgotten, is once more inspiring Americans.●

WOOD ENERGY MONTH

HON. NORMAN E. D'AMOURS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Monday, June 15, 1981

● Mr. D'AMOURS. Mr. Speaker, September 1981 has been declared Wood Energy Month by the Wood Heating Alliance, the National Wood Energy Association, the Bio-Energy Council, and the American Forestry Association. Along with my distinguished colleagues, Mr. ALBOSTA of Michigan, Mr. BROWN of Ohio, Mr. DAVIS of Michigan, Mr. JEFFORDS of Vermont, Mr. LANTOS of California, Mr. MITCHELL of New York, Mrs. SNOWE of Maine, and Mr. WEAVER of Oregon, I am pleased to endorse this declaration.

The use of wood energy as an energy source is growing steadily but not as fast as it should. The Wood Energy Month campaign prepared by the sponsoring groups will encourage this growth by focusing on the safe use of wood heating appliances and on the proper management of our wood fuel resources. The sponsors plan to distribute television and radio announcements urging the public to use our wood fuel resources wisely.

Although report after report has affirmed the enormous and immediately practicable energy resources we have in wood, it always seems to startle some Members to learn the facts about wood's energy potential.

The General Accounting Office, 2 months ago, issued a report confirming what supporters of wood energy have long claimed. Entitled, "The Nation's Unused Wood Offers Vast Potential Energy and Product Benefits," the report states that—

> The nation's wood residues, being both abundant and renewable, could play a significant role in reducing dependence on foreign energy sources * * * Wood could meet over 14 percent of our national energy needs and cut current U.S. oil imports in half.

A new report by the Worldwatch Institute in Washington points out that prior to 1973 fewer than 200,000 wood stoves were sold in the United States; in 1980 that figure climbed to well over 1 million. Presently 7 percent of the homes in the country are entirely or partly heated with wood stoves or furnaces, and the proportion is steadily increasing.

Yet another report by the Office of Technology Assessment underscores wood's potential for commercial and industrial as well as residential applications. In 1980, the United States used roughly 1.5 quads of wood energy, mostly in the wood products industry. This compares to an estimated total U.S. energy consumption of some 80 quads in 1980. The OTA study suggests that wood could supply about 10 quads by the turn of the century without disrupting the flow of raw materials into the wood products industry.

The basic theme of each of these reports is twofold: That wood's energy potential is enormous, and that much of this potential could, with a minimum of Federal effort, be achieved in the very near future. Unfortunately, however, the new administration is making drastic cuts in precisely those near-term wood energy programs that have been most effective. Funds to implement the Wood Energy Utilization Act, Public Law 96-554, enacted by the Congress just last year, have been cut. Funds for the Solar and Conservation Bank, whose establishment was mandated by Congress last year and which would have offered low-interest loans for wood energy investments, have been eliminated. Also cut have been funds for wood technical assistance and consumer information activities, industrial wood programs, and forestry management, and market development activities. Prospects for a wood stove tax credit are not bright. Clearly, the Federal drive to encourage our Nation to take advantage of wood's significant energy potential is being abruptly stopped.

A Wood Energy Month will help pick up the lagging spirit of that effort. If we are to reduce our dependence on oil, and if we are to do so soon, then I hope that the Congress will pick up that spirit and will look again at Federal conservation programs and will not permit them to languish.

American industry is displaying the kind of old-fashioned ingenuity for which it is famous in the development of wood heating appliances. New appliances using catalytic combustors much like the ones used in automobile exhaust systems are already on the market. The combustors promise to eliminate the already minimal pollution from wood heating devices and increase their efficiency at the same time.

Of course, there are some problems to be worked out. Most notable among them is the fire hazard that can result from improper installation of wood heating appliances, as well as the indiscriminate cutting or our forest resources for fuel. It is these problems that Wood Energy Month 1981 will primarily address.

Industry is acting wisely and responsibly to overcome the barriers to wood energy utilization. Congress can lend its support to these efforts by endorsing this important campaign.●

THE ANNIVERSARY OF LITHUANIAN OCCUPATION

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. HOWARD. Mr. Speaker, June 15 is remembered with disgust and condemnation, for it was on this day, 41 years ago, that the nation of Lithuania was forcibly occupied by the Soviet Union.

Yet, the memory of this day is also a source of great inspiration. Since 1940, tens of thousands of Lithuanians have been killed or deported for their belief in the inalienable rights of men; yet, the Lithuanian people endure, their beliefs persevere. Though this nation has been bound by the shackles of Soviet oppression for more than four decades, the memories of a free and democratic Lithuania live on in the hearts and minds of Lithuanians all over the world. It is in these memories that this brave people finds the courage to believe that over its Communist adversary, the nation of Lithuania shall yet prevail.

It is for us, then, to stand fast in our support of Lithuania, until the day when the people of that nation can once again enjoy the right to control their own destinies.●

EQUITY IN ANNUITIES

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 15, 1981

● Mr. GREEN. Mr. Speaker, the Social Security Amendments of 1977 (Public Law 95-216) and the civil service retirement survivor annuities—reinstatement (Public Law 95-318) provided that widowed annuitants who had attained the age of 60 be permitted to remarry without losing their pension benefits. Public Law 95-216 provided that widowed annuitants on social security who had attained the age of 60 be permitted to remarry without losing their social security pension benefits and Public Law 95-318 provided that widowed annuitants of civil service retirees who had remarried before July 18, 1966, have their pension benefits reinstated if such persons had attained 60 years of age.

Regrettably, when the 95th Congress made these changes in current law it failed to consider the predicament of widowed annuitants of Federal judges 60 years of age or older who had or were contemplating remarriage.

On April 10, 1981, I introduced H.R. 3217 in order to correct this inequity in current law. H.R. 3217 amends sec-

tions 375 and 376 of title 28 of the United States Code, relating to judicial annuities, to provide that annuities under such sections shall not terminate by reason of remarriage of an annuitant after attaining 60 years of age.

Additionally, widowed annuitants have been unfairly treated in regard to their annuity payments which have not kept up with inflation.

Under present law, beneficiaries of the plan have their benefits adjusted 3 percent for each 5 percent increase of salaries of active Federal judges. My proposal would modify this method by adopting an adjustment formula similar to that used for the civil service retirement system (CSRS). That plan adjusts benefits twice yearly at a rate equal to changes in the CPI measured over 6-month intervals.

According to an analysis by the Congressional Research Service, based on information provided by the GAO, the proposed changes to the remarriage section would have a negligible cost and the changes in the annuity formula would have a moderate cost, especially considering the injustice it would rectify.

Current actuarial practice assumes that no remarriage after age 60 is occurring among widows receiving benefits from the Federal judges' survivors plan. Thus, it follows from the actuarial assumption that maximum aggregate benefits are already being paid from the plan to widows over age 60. Therefore, the effect of a change permitting widows to remarry after age 60 without a loss in benefits would be negligible in actuarial terms, and would involve no additional expense above that currently projected for the system.

If the Federal judges' survivors plan were adjusted annually for changes in the CPI, costs of the plan would increase by the difference between the aggregate costs of applying an increase equal to three-fifths of the salary increase, and the aggregate costs of applying an increase equal tc full CPI changes. If the change is adopted for fiscal year 1982 and no salary increase is granted active Federal judges during that fiscal year, the cost of this provision would probably be about $200,000 for that year, assuming an annual inflation rate of 10 percent, or about $20,000 in costs for each 1 percent of adjustment. Should Federal judges be granted a salary increase, of course, the cost of this change would be a corresponding lower amount.

These inequities were brought to my attention by Mrs. Zdena Lawrence, widow of Federal Judge Charles D. Lawrence who served with distinction in the U.S. Customs Court for more than 20 years. If enacted, H.R. 3217 will remedy these inequities with respect to annuitants of justices of the Federal District Court, Federal Court of Appeals, U.S. Customs Court, U.S. Supreme Court and other Federal Judges appointed for life terms.●

THE 41ST ANNIVERSARY OF THE SOVIET UNION MILITARY OCCUPATION OF LITHUANIA

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. CORRADA. Mr. Speaker, we commemorate an anniversary which stands as a symbol of Soviet repression—it was 41 years ago that the Soviet Union began a military occupation and forcible incorporation of Lithuania into its totalitarian system. In the process, over 300,000 Lithuanians were sent to Siberian labor camps.

The fact that this deplorable situation still continues is evidence of the extreme methods employed by the Soviets. But the spirit of freedom that all Lithuanians share will not be stifled; and it behooves all liberty-loving peoples to show our support for their efforts. The Soviet Union must be held accountable for its continued occupation of Lithuania and for its denial of basic human rights to the people living there. I join all fellow Americans and all Lithuanian Americans in remembering this date and in praying that the future will see freedom for all repressed people.●

COMMEMORATION OF ANNEXATION OF LITHUANIA

HON. F. JAMES SENSENBRENNER, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. SENSENBRENNER. Mr. Speaker, today, I join my colleagues in commemorating the military occupation and annexation of Lithuania by the Soviet Union. After centuries of control by the Russian autocracy, Lithuania gained its sovereignty in 1917. This independence was short lived, for in 1939, under the provisions of the Molotov-Ribbentrop Pact, Lithuania, Latvia, and Estonia were apportioned to the Soviet Union. The signing of the agreement was followed by the Soviet occupation of the Baltic States. Over 35,000 Lithuanians were shipped to Siberian concentration camps to quell resistance and to cement control. Within a week, the Nazi forces had invaded. Thousands more Lithuanians were rounded up and sent off to the extermination camps. In 1944, the Soviets pushed back the German troops and reoccupied Lithuania. The Lithuanians continued their resistance to Soviet rule with a protracted guerrilla war through 1952. Thousands of Lithuanians gave their lives for the cause of freedom.

Soviet policy implementation during the Stalin years forced a dramatic change in the composition of the Lithuanian population. A policy of forced assimilation and russification of this proud people began. Some 80,000 Lithuanians fled to West Germany when the Soviets took over the Baltic region in 1944. An additional 60,000 were found in East Germany and deported during 1945 and 1946. Their passive resistance to the collectivization of agriculture brought the deportation of some 60,000 Lithuanians in 1949. The death of Stalin eased the harassment of these displaced people, and about one-third of those who had been deported were permitted to return to their homeland. Yet, this cannot erase past cruelties committed by the U.S.S.R., nor the continuing effort by the Soviets to destroy the Lithuanian national spirit.

Despite all the hardships suffered, the strength and dignity of the Lithuanian people have survived. The Lithuanians continue their resistance against the Soviet occupation. In their fight, they look to the United States as a source of moral support and strength. Lithuania is a travesty of international justice. The U.S.S.R. signed the Helsinki agreement, yet Lithuania has yet to be granted any human rights that were called for in the agreement. Soviet authorities prohibit the speaking of Lithuanian in public. Reading materials are controlled and censored by the Government. The citizens of Lithuania are subject to unexplained and unwarranted searches.

It is good to be reminded today that this noble country, which was once free, is now the subject of violent repression by the Soviet Union. For it is only by remembering their repression that we can strive to alleviate the conditions of this satellite of Soviet hegemony and to prevent further encroachment.●

REQUEST FOR RULE ON OMNIBUS RECONCILIATION ACT

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 15, 1981

● Mr. JONES of Oklahoma. Mr. Speaker, I take this occasion to advise my colleagues that I will request a rule limiting some germane amendments for the consideration of the Omnibus Reconciliation Act of 1981.●

CONTINUED SOVIET OCCUPATION OF LITHUANIA

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. BROOMFIELD. Mr. Speaker, today we commemorate the 41st anniversary of the forcible Soviet occupation of Lithuania and the Soviet deportation of more than 35,000 innocent Lithuanians to Siberian concentration camps, an action from which few of those deported survived. Since the illegal Soviet occupation of Lithuania, the issue of Soviet violation of Lithuanian human rights, and the struggle of the Lithuanian people to extricate their nation from Soviet subjugation have dominated the history of this Baltic nation.

The continued Soviet harassment and persecution of Lithuanians, and the unrelenting efforts of the Lithuanian people to regain their right to self-determination must never go unnoticed by the United States. We must continue to assert our strong moral support for the Lithuanian cause and our commitment to a free Lithuania. In addition, we must take every opportunity to condemn Soviet violations of Lithuanian human rights.

On this 41st anniversary of the tragic and reprehensible Soviet crimes against Lithuania and its citizens, great praise and admiration is due to the Lithuanian people. Their fortitude and perseverance throughout this 41-year period of repression and persecution while under Soviet domination is an example to all peoples struggling to have their right to self-determination respected. It is a great hope of this Nation and all freedom loving peoples that the continued efforts of the Lithuanian people to regain their national sovereignty will result in success.●

NEW YORK STATE ASSEMBLY SAYS: STOP SAUDI ARMS SALE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 15, 1981

● Mr. SOLARZ. Mr. Speaker, Stanley Fink, speaker of the New York State Assembly, has asked me to bring to the attention of my colleagues a resolution adopted in the New York State Assembly on May 4, 1981, that memorializes the Congress of the United States to disapprove the sale of AWACS and auxiliary equipment to Saudi Arabia.

Resolution 553 describes some of the compelling reasons why the United States should not proceed with the sale of AWACS and auxiliary equipment which would extend the range of the F-15 fighter bombers.

The New York State Assembly resolution illustrates the potential danger such a sale would create to the security of the State of Israel. The legislators refer to the commitment made by the U.S. Government to the Government of Israel that such equipment would not be supplied to the Saudis.

I strongly concur with the New York State Assembly conviction that this sale would jeopoardize an essential element of Israeli air security, while giving the Reagan administration no assurance that the Saudis will support the peace process, and use this highly advanced equipment for merely defense purposes.●

REPRESENTATIVE EDWARD MARKEY SPEAKS ON THE NEED FOR COMPREHENSIVE NUCLEAR NONPROLIFERATION POLICY

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 15, 1981

● Mr. WAXMAN. Mr. Speaker, in a June 13 speech to the Union of American Hebrew Congregations, my colleague, Representative ED MARKEY, urged President Reagan to call a summit conference of all nuclear exporting countries on the critical issue of the spread of atomic bomb capability to countries such as Iraq and Libya. Mr. MARKEY makes some excellent comments on the implications of the Israeli attack on the nuclear facility in Iraq. No other Member of Congress has spoken so consistently, and so eloquently, on the need for a comprehensive nuclear nonproliferation policy. The Iraqi nuclear reactor was not only a threat to Israel, but to the entire free world. We must understand that nuclear blackmail is the ultimate weapon of terror, and that this Nation has an obligation to prevent the spread of nuclear weapons.

I commend Representative MARKEY for his extraordinary leadership on this issue, and look forward to working with him in his efforts to further an effective nonproliferation policy.

Following is Representative MARKEY's address to the Union of American Hebrew Congregations:

Thank you for inviting me to speak this evening. We meet here tonight under extraordinary circumstances. We meet to discuss Israel's attack. We meet to discuss the Reagan Administration and probable United Nations condemnations of Israel. We meet to discuss the spread of atomic bomb capability to countries such as Iraq, Pakistan, Libya, South Africa, and others. We meet to discuss the eventual spread of nuclear weapons to terrorist groups such as the PLO. Our subject is a grave national security problem for Israel, the United States, and all of Western civilization.

Less than a week ago, the Israeli Air Force obliterated a nuclear reactor outside Baghdad, deep inside Iraqi territory. The air strike caused few civilian casualties. Israel struck before the reactor was fueled to minimize radioactive fallout. The attack denied Saddam Hussein the wherewithal to make an atomic bomb. Who is Saddam Hussein? He is the Iraqi President who routinely employs terrorism and torture as government policy. The attack was as bold and sudden as the Entebbe rescue mission. And it was plainly done in self-defense.

Yet the Israeli action triggered an orgy of condemnation and criticism from world leaders and world press. The world turned on Israel. It indulged in a torrent of self-righteous and narrow-minded anger against the pre-emptive strike. The Reagan Administration condemned Israel and suspended shipment of military planes. Country after country next week will line up to criticize Israel in the United Nations. Israel stands alone.

The Israeli raid was an inevitable response to the danger of nuclear terrorism. Israel's back was to the wall. Its lengthy diplomatic efforts went unheeded. It had no alternative except to destroy the Moslem bomb. The Jewish people have been ravaged by persecution for thousands of years. They survived the holocaust of the Nazi's final solution created by the madman Adolf Hitler. The devastation caused by the killing of six million Jews and millions of political activists, priests, and innocent people stands as the blackest period in world history.

But Israel in June, 1981, faced another holocaust . . . and here I pause because I do not use that word lightly . . . a nuclear holocaust created by another madman, Saddam Hussein, who in his remarks leaves no doubt that an atomic bomb, if possessed by him, would be used against Israel.

Would we in this country have acted any differently if we were threatened by a nuclear attack by a terrorist leader like Saddam Hussein? Would any other nation have acted differently? Will any nation in the future act differently?

As a United States Congressman, I am proud to stand here before you tonight and represent the views of many of my colleagues on Capitol Hill. I am here tonight to declare that President Reagan should impose no economic or military sanctions against Israel. I am here to declare that President Reagan should veto any condemnation of Israel in the United Nations.

The Reagan Administration's decision to suspend the delivery of four F-16 fighter bombers to Israel is both impotent and hypocritical. Impotent in that it will not appease any Arab countries. Hypocritical because the Administration knows that destruction of the Iraqi reactor has made the world a safer place not only for Israel but for all countries in the world including many that are now protesting the loudest. Mr. Reagan avoids the real issue.

Our country should not waste its time with hypocritical gestures against Israel. Instead we should seize the opportunity to solve the fundamental problem of nuclear proliferation. Are we so naive to think that Iraq, Libya, and other Middle Eatern countries, with oil wells at every oasis, will use nuclear power for peaceful research and energy purposes? They do not want atoms for peace. They want atoms for bombs. They want to detonate those bombs in Tel Aviv and Haifa.

What Americans don't understand about nuclear power plants is that in this country we look at them as generators of electricity with a by-product of radioactive waste,

many third world countries such as Libya, Iraq, Pakistan, and others see nuclear power plants as a means to acquire nuclear bombs. Electricity is only a by-product.

The distinction between the peaceful atom and the military atom has always been ambiguous. What Iraq has shown is that there is no difference for many countries between a bomb and a power plant. What we are beginning to understand in this country is that the Seabrooks and the Three Mile Islands are used by other nations to produce bombs under the convenient cover of electrical generation.

It is common knowledge that countries such as Iraq are using their vast oil reserves to blackmail petroleum dependent nations like France and Italy into providing them material and technology for atomic bombs. And Western nations seem all too willing to make this deadly exchange.

We must stop the madness of countries such as France and Italy supplying nuclear technology to countries such as Iraq. There should be a world-wide embargo on the sale of nuclear technology to Iraq and Libya. The United States should actively oppose any nuclear commerce between its allies and these countries.

Because it is just not Israel, it is all countries and all cities which are threatened by the rapid spread of nuclear bomb-grade material to unstable nations and eventually terrorist groups around the world.

The major nuclear threat in the world today is not the arms race between the Soviet Union and the United States . . . as unfortunate and insane as that surely is. A nuclear danger even more ominous is the spread of nuclear weapons in the guise of nuclear reactor exports. Before Israel's attack on Iraq this grave problem of horizontal nuclear proliferation received only a fraction of the attention it deserves. We are fortunate that it was catapulted to prominence by the Israeli raid and not news reports of Saddam Hussein boasting to the world that Iraq had the atomic bomb. For then it would have been too late.

Some forty nations in the world are in possession of nuclear electric or research facilities. A modern nuclear power plant produces about 600 pounds of plutonium each year. Once separated from radioactive waste, this is enough plutonium for 50 atomic bombs as powerful as the one that destroyed Hiroshima.

The only barrier between atoms for peace and atoms for war is the International Atomic Energy Agency inspections system. You may have read in the morning newspapers that this agency is condemning Israel and demanding that the international community finance a rebuilding of Iraq's nuclear facilities. Let me tell you several of the glaring inadequacies of this much ridiculed international inspection agency.

It is astonishingly simple to convert fuel and facilities from peaceful power generation and research to military weapons. It is estimated that there are 10,000 people in the United States who have the knowledge to design a workable atomic bomb. Anyone with several years of college physics can build an atomic weapon from documents that can be purchased for $25 from the U.S. Government. Other than a blueprint, all that is needed is plutonium or highly enriched uranium. Plutonium separation is a simple industrial process. U.S. scientists in fact will show an interested country how to build its own reprocessing facility, even supplying blueprints. Here is a quote from a U.S. study:

"Much of the equipment can be improvised of stainless steel 55 gallon drums. All can be easily fabricated in a small metal working shop. It is probable that most equipment will be available from local industries."

No one told the American people that export of nuclear power technology including conventional reactors could put countries a few simple steps away from building a bomb.

The IAEA was designed to inspect and protect against such diversions. Most experts concede however that the IAEA is an unfortunate international charade. The IAEA system is riddled with loopholes. For starters, almost 50 nations refuse to recognize the IAEA. It is possible for a country which is under IAEA inspections to take all the necessary steps to build a bomb and escape detection. In fact the IAEA gave a convenient cover to Iraqi bomb program.

The IAEA has fewer than 170 inspectors, many of them poorly trained, to inspect 700 nuclear facilities. They have loose accounting procedures which rely on the good faith of the host country. In this case IAEA inspections rely on figures produced by Saddam Hussein to verify amounts of nuclear material.

All of the inspections and investigations of the IAEA are kept confidential because of agreements between the IAEA and the host country so there is no proof this inspection process is anything but a sad joke. Iraq in fact denied access to all IAEA inspectors last year during the Iran-Iraq War. Can you blame Israel for not being reassured about the supposed guarantees of the IAEA that Iraq was not diverting nuclear material to bombs?

Even if Iraq chose to build a bomb in the open, there are no sanctions available to the IAEA to force such a country to give the bomb up. The situation would be comical if it were not so tragic. The weakness of the IAEA is the world's best kept secret, protected from the public eye by the government and industry which fear that billions of dollars in reactor sales and nuclear trade would be halted if the public knew the truth.

A diversion of 20 pounds of nuclear material is sufficient to make a crude atomic bomb. One bomb detonated in an American or Israeli city could begin the end of Western civilization as we know it. A crude terrorist bomb can be delivered to any city in the trunk of a subcompact car. If parked near Wall Street in New York City and exploded during working hours, such a small bomb would kill one million people and render the city of New York uninhabitable for generations. A ground level atomic bomb would be far more devastating than the air blast over Hiroshima where most of the radio-active fallout went into the atmosphere. In a ground level terrorist bomb, every building in a ten block radius in New York City would be leveled. It would kill every person within a 25 block radius. A radioactive cloud would drift for miles with the wind contaminating land and water supplies and causing cancer and genetic damage in the populations affected. In a word, such a threat is unthinkable.

The United States and its allies have a long history of insincere efforts to control the spread of nuclear weapons. The Reagan Administration continues this with a pattern of vacillation, confusion, and irresponsibility. The U.S. policy is flawed by a giant contradiction. It tries to halt the spread of nuclear weapons while simultaneously exporting nuclear reactors like Seabrook and Three Mile Island which become bomb factories for Third World countries.

President Reagan has stated publicly that proliferation of nuclear weapons to Moslem states such as Pakistan is "None of our business." Would it be our business, Mr. President if Pakistan gave an atomic bomb to Libya or to the PLO and they blackmailed the United States with a nuclear threat? No wonder Israel decided to take non-proliferation into its own hands and eliminate Iraq's bomb factory.

In addition President Reagan has appointed James Malone, a former lobbyist for nuclear exports, as his chief non-proliferation spokesman. Mr. Reagan supports a restoration of military aid to Pakistan which was suspended because of their open efforts to construct an atomic bomb. Mr. Reagan believes that the peaceful atom can be promoted and the military atom controlled. Iraq proves him wrong.

A message needs to be sent to President Reagan. One vehicle is a Congressional resolution I have drafted. This resolution calls on the President, first to impose no sanctions or condemnation on Israel; second to pressure France and Italy not to resupply Iraq; and third, that United States non-proliferation policy should be strengthened. The resolution has already been signed by thirty Congressmen and two Senators.

In the same spirit, I believe that the Union of American Hebrew Congregations should rally the American Jewish community to demand a meeting with President Reagan on non-proliferation. The President should be urged to call a summit conference of all nuclear exporting countries to impose new restrictions on nuclear exports.

The insanity of exporting nuclear technology to Iraq and other unstable countries must cease. The march towards oblivion must be halted. Yes, the nuclear genie is out of the bottle. But the genie was not let out by an invisible hand. Nuclear technology was not spread by some supernatural force. The Iraqis and Pakistanis and Libyans did not just wake up one morning to find nuclear reactors in their backyards.

The United States Government helped cause the problem by its promotion of nuclear exports. Our government got the world into this mess. We must demand that it get us out.

We must realize that Israel has warned us. Israel has blown the ram's horn, the ancient shofar to sound the alert to justice through action. We must not ignore that call. We must not let Israel down, and indeed the security of the world down, by ignoring the danger of nuclear terrorism.●

LITHUANIAN NATION NOT FORGOTTEN

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. ANDERSON. Mr. Speaker, it has been 42 years since the signing of the Molotov-Ribbentrop nonaggression pact between Nazi Germany and Stalinist Russia. As you know, that agreement was the diplomatic shock of the decade, if not the century. It caught the Western powers unaware and presaged the outbreak of the

Second World War. It was, as the phrase goes, an "earth-shaking event." Remembering the event today, it is easy to lose sight of everything but the immense power politics at play, or perhaps to become hopelessly lost trying to decipher the ideological paradox of radical communism dealing with radical fascism.

I would submit, however, that such abstract reasoning is nothing if it is not placed in the context of the pact's very real effect on the people and nations of Eastern Europe, for they were the ones literally caught in the middle of this monstrous agreement. Secret clauses of the agreement "gave" Lithuania, as well as the other Baltic States, to the Soviets. It mattered little to Hitler and Ribbentrop that Lithuania, a sovereign nation, was not theirs to give, and even less to the Soviets that it was not theirs to receive, for Soviet troops invaded the country a year later. Occupation followed: People were deported, others shot. Such things get overlooked when they occur during the greatest spree of bloodletting mankind has ever unleashed on itself.

I do hope, however, that we in the United States, as well as the rest of the world, do not forget the legitimate Lithuanian nation that existed before the 1940's, and continues to exist even today under the illegal rule of the Soviets. While the State of Lithuania has been incorporated into the Soviet Union, its culture and society remain distinct. Looking at the map, it is true, we no longer see an independent Lithuania; but four decades of Soviet control of the state have not eradicated the Lithuanian culture, the true determinant of the Lithuanian nation. I hope it is not long before the Lithuanian state again gains its independence to truly represent the Lithuanian nation.●

A DAY OF INFAMY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. MICHEL. Mr. Speaker, June 14 marks the 40th anniversary of one of the most cruel and inhuman acts ever committed by one nation against the innocent people of another. On this day, 40 years ago, the secret police of the conquering Soviet Union began to deport innocent citizens from Estonia, Latvia, and Lithuania. These unfortunate human beings were herded into cattle cars and forced to endure a death ride to Siberia. Those who survived found themselves in Soviet work-death camps, where most were systematically starved, beaten, or worked to death.

I think it is good to remind Americans—especially those with romantic ideas about the alleged "mellowing" of the Soviet leadership—that anywhere Communists have gained power, the cattle cars begin to roll in the middle of the night, cries of pain and shock are heard, and the innocent die.

The people of Estonia, Latvia, and Lithuania deserve our respect and our prayers on this day. I hope we have learned from their bitter lesson.●

THE BALTIC HOLOCAUST

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1981

● Mr. HAMMERSCHMIDT. Mr. Speaker, this month, Americans of Lithuanian descent will commemorate the 40th anniversary of the Baltic Holocaust. June 15 marked the beginning of a mass deportation effort conducted in the Baltic States 40 years ago by the Soviet regime. In the wake of this campaign of terror, virtually no Baltic family was left untouched by the tragedy.

The deportation campaign had been planned in Moscow before the Soviet armies occupied Lithuania in 1940, ending their years of national freedom and sovereignty which had begun in 1918. It was a purge of broad scope, designed to eradicate all elements which might impede the sovietization of this country. The deportations began on June 14, 1941. The now infamous midnight arrests occurred simultaneously throughout the Baltic States. The people were tersely informed of their arrests by the KGB, but were not told of the charges against them. They did not know where they were to be taken, nor for how long. Given minutes to pack, they were rushed out of their homes, many for the last time.

At first, the arrests took the elite of Baltic society—the educated, those in government or military service—who could have provided the most resistance to Soviet rule. Later, the arrests and deportations would spread to many others who were even remotely related to the original victims. In its final form, the campaign took all Balts who were merely suspected of noncompliance, as well as those whom the Soviet authorities simply disfavored for unknown reasons. It was an irrational campaign of terror which reflected the fears of a paranoid dictatorship in Moscow. It claimed old and young, weak and strong, rich and poor.

The prisoners were herded into railroad cattle cars and transported to slave labor camps in Siberia. Death by malnutrition and exposure claimed many during the long journey. Many more died in the frozen wasteland of Siberia from disease, mistreatment, or outright execution. In 1941, almost 100,000 Baltic peoples were deported, roughly over 30,000 from each of the three nationalities. By the end of 1949, a total of 850,000 or more than 10 percent of the population of these three nations had suffered this fate at the hands of the Soviet Government.

Through years of physical deprivation, religious persecution, the brutal excesses which took place during the third week of June, 40 years ago, are so abominable that they stand out as "days of terror" during a time when terror was often a daily companion. Terror of this intensity has never been felt by the collective population of our own country. We are secure in our reliance on continuation of order and maintenance of our freedoms. The possibility of losing these blessings seems so remote, many never give it a thought. This complacency is a great blessing—it allows us to conduct our lives and our business within a stable framework, yet that very stability may induce us to lose sight of how precious our freedom is.

Russia claims Lithuania as the 14th Soviet Republic. The United States does not officially recognize that claim, characterizing Russia's takeover of Lithuania as not only brutal, but illegal and unconscionable. Our diplomatic relations, begun in 1922 with the independent Republic of Lithuania, continue today through the Legation Office in Washington, and the Consular Offices in Los Angeles, Chicago, and New York City.

The Lithuanian-American community plays an important role in making sure its plight is not forgotten and includes many gestures. One particularly meaningful action took place in 1922 in connection with the beginning of diplomatic relations. Lithuanian Americans sent to the citizens of then-free Lithuania a liberty bell, which was located in a museum at Kaunas. The inscription, composed by a Lithuanian diplomat, seems to have grown in meaning over the years.

Ring for centuries for the sons of Lithuania,
One is not worth freedom who does not defend it!

Today, the Soviets continue to repress indigenous national, cultural, and religious movements, Baltic and others. The Gulag Archipelago and its prisons and psychiatric institutions still exist. Recurring campaigns of terror have left their mark on the many people under Soviet rule, leaving a pervasive environment of fear, mistrust, and hostility.

History has witnessed several holocausts, and in each case the cost in terms of human suffering and loss of life has been tragic. On this anniversary of the Baltic Holocaust America must never forget its role as the world leader in the cause for freedom.

Despite everything the Soviets do they cannot kill the spirit of these people and they cannot destroy the

hope of the Americans of Latvian, Lithuanian, Estonian, and Ukranian nationalities in believing, working, and striving to indeed see these nations free one day.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, June 16, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 17

8:45 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Alan Green, Jr. of Oregon, to be a Federal Maritime commissioner.
235 Russell Building

9:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony from public witnesses.
1223 Dirksen Building

Armed Services
Preparedness Subcommittee
To hold hearings on S. 906, authorizing funds for the acquisition of strategic and critical materials for the National Defense Stockpile, and S. 1338, prescribing the method for determining the quantity of any material to be stockpiled under the Strategic and Critical Materials Stock Piling Revision Act of 1979.
212 Russell Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on certain provisions providing for the transfer of Conrail freight lines to private sector railroads and the transfer of Conrail commuter operations to Amtrak, of S. 1100, proposed Northeast Rail Service Act (pending on Senate calendar).
5110 Dirksen Building

Select on Intelligence
To hold a closed business meeting.
Room S-407, Capitol

9:30 a.m.
Governmental Affairs
To hold hearings on the nominations of Warren R. King, Reggie B. Walton, and Richard S. Salzman, each to be an Associate Judge of the Superior Court of the District of Columbia, and James A. Belson, to be an Associate Judge of the District of Columbia Court of Appeals.
1224 Dirksen Building

Labor and Human Resources
*Labor Subcommittee
To continue hearings on S. 1182, improving the administration of the Longshoremen's and Harbor Worker's Compensation Act by removing certain inequities, reducing incentives for fraud and abuse, and assuring immediate compensation benefits and competent medical treatment for injured employees.
4232 Dirksen Building

Veterans' Affairs
To hold hearings on the substance of S. 266, implementing procedures and guidelines for the interagency sharing of health resources between the Department of Defense and the Veterans' Administration.
412 Russell Building

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on the nominations of James M. Beggs, of Missouri, to be Administrator of the National Aeronautics and Space Administration, and Hans M. Mark, of Virginia, to be Deputy Administrator of the National Aeronautics and Space Administration.
235 Russell Building

Energy and Natural Resources
Public Lands and Reserved Water Subcommittee
To resume hearings on S. 842, proposed RARE II Review Act.
3110 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee
To resume oversight hearings on the implementation of the municipal wastewater treatment construction grants program of the Clean Water Act, and to hold hearings on S. 975, revising and extending for one year certain provisions of the Federal Water Pollution Control Act, and on other related proposals.
4200 Dirksen Building

Foreign Relations
To hold hearings on the nomination of Charles W. Bray III, of Maryland, to be Ambassador to the Republic of Senegal.
4221 Dirksen Building

Governmental Affairs
To hold hearings on S. 1249, providing tools and incentives to the Federal Government in its efforts to collect debts owed the United States.
3302 Dirksen Building

Joint Economic
Trade, Productivity and Economic Growth Subcommittee
To hold hearings on national tax policies and productivity.
6226 Dirksen Building

2:00 p.m.
*Environment and Public Works
To hold hearings on the prospective nomination of Nunzio J. Palladino, of Pennsylvania, to be a Member of the Nuclear Regulatory Commission.
4200 Dirksen Building

Foreign Relations
To hold hearings on the nominations of James T. Hackett, of Virginia, to be an Associate Director of the International Communication Agency, James B. Conkling, of California, to be an Associate Director of the International Communication Agency, and Jose S. Sorzano, of Virginia, to be the Representative on the Economic and Social Council of the United Nations, with the rank of Ambassador.
4221 Dirksen Building

Joint Economic
International Trade, Finance, and Security Economics Subcommittee
To hold hearings on U.S./Japan economic relations.
2154 Rayburn Building

Judiciary
To resume hearings on monopolization and competition in the telecommunications industry, and on other related proposals.
2228 Dirksen Building

4:00 p.m.
Conferees
On Section 303 of Senate amendment No. 10, permitting the nomination of a Surgeon General who may be more than 64 years of age, of H.R. 31, proposed Cash Discounts Act.
H-130, Capitol

JUNE 18

9:00 a.m.
Commerce, Science, and Transportation
To hold oversight hearings on the implementation of the Motor Carrier Reform Act (Public Law 96-296).
235 Russell Building

Foreign Relations
To hold open and closed hearings on the recent Israeli situation.
Room to be announced

Labor and Human Resources
Employment and Productivity Subcommittee
To resume hearings on employment and training programs in the United States, focusing on objectives of employment and training policy and the relationship between Federal, State, and local governments in the funding, design, and administration of employment and training programs.
4232 Dirksen Building

9:30 a.m.
*Agriculture, Nutrition, and Forestry
Rural Development, Oversight, and Investigations Subcommittee
To resume oversight hearings on the implementation of the Emergency Petroleum Allocation Act, focusing on the energy needs of agriculture, rural America, and the food and fiber processing industry.
4221 Dirksen Building

Armed Services
Closed business meeting, to markup S. 1181, increasing the pay, allowances, and benefits for members of the uniformed services, S. 834, authorizing funds for fiscal year 1982 for military construction programs of the Department of Defense, and to consider pending nominations.
212 Russell Building

Judiciary
Constitution Subcommittee
To resume hearings on S.J. Res. 41, proposing an amendment to the Constitution of the United States relating to affirmative action.
2228 Dirksen Building

10:00 a.m.
Appropriations
Military Construction and Defense Subcommittees
To resume joint hearings to review proposed budget estimates for the MX missile program.
1223 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Environmental Public Works
Water Resources Subcommittee
To resume hearings on S. 621, authorizing funds for the development of certain water resources projects, and to review existing water resources policy and water problems.
4200 Dirksen Building

Governmental Affairs
To hold hearings on proposed legislation expanding the Inspectors General Act of 1978 to include certain departments and agencies within the Federal Government.
3302 Dirksen Building

Judiciary
Separation of Powers Subcommittee
To resume hearings on S. 158, establishing a congressional finding and declaration that human life begins at conception.
6226 Dirksen Building

1:30 p.m.
Appropriations
Military Construction and Defense Subcommittees
To continue joint hearings to review proposed budget estimates for the MX missile program.
1223 Dirksen Building

2:00 p.m.
Environment and Public Works
Water Resources Subcommittee
To continue hearings on S. 621, authorizing funds for the development of certain water resources projects, and to review existing water resources policy and water problems.
4200 Dirksen Building

Judiciary
Constitution Subcommittee
To hold hearings on proposed legislation authorizing funds for the Civil Rights Commission.
2228 Dirksen Building

2:30 p.m.
Special on Aging
To hold hearings on the subject of early retirement and its implications for social security.
6226 Dirksen Building

JUNE 19

9:00 a.m.
Armed Services
Preparedness Subcommittee
To resume hearings on S. 906, authorizing funds for the acquisition of strategic and critical materials for the National Defense Stockpile, and S. 1338, prescribing the method for determining the quantity of any material to be stockpiled under the Strategic and Critical Materials Stock Piling Revision Act of 1979.
212 Russell Building

Commerce, Science, and Transportation
To resume hearings on S. 898, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

Foreign Relations
To continue open and closed hearings on the recent Israeli situation.
Room to be announced

Select on Intelligence
To hold a closed briefing on intelligence matters.
Room S-407, Capitol

10:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To hold hearings on S. 1295, establishing a Soybean Research Institute for the development of a national soybean policy.
4221 Dirksen Building

Appropriations
Military Construction and Defense Subcommittees
To continue joint hearings to review proposed budget estimates for the MX missile program.
1223 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on proposed legislation to transfer the Maritime Administration from the Department of Commerce to the Department of Transportation.
6226 Dirksen Building

Environment and Public Works
Transportation Subcommittee
To resume hearings on S. 841 and S. 1024, bills authorizing funds through fiscal year 1986 for the construction and safety of Federal highways.
4200 Dirksen Building

Judiciary
Criminal Law Subcommittee
To hold hearings on S. 691, strengthening the laws for the criminal infringement of a copyright involving the reproduction or distribution of phonorecords, motion pictures, or audiovisual works.
5110 Dirksen Building

JUNE 22

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on the nominations of Joseph P. Welsch, of Virginia, to be Inspector General, Department of Transportation, Sherman M. Funk, of Maryland, to be Inspector General, Department of Commerce, and June G. Brown, of Virginia, to be Inspector General of the National Aeronautics and Space Administration.
235 Russell Building

9:30 a.m.
Judiciary
Constitution Subcommittee
To hold hearings to review certain Constitutional restraints upon the Judiciary.
2228 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold oversight hearings on the role of the rural telecommunications system in America.
235 Russell Building

Environment and Public Works
To resume oversight hearings on the implementation of the Clean Air Act.
4200 Dirksen Building

1:30 p.m.
Environment and Public Works
Environmental Pollution Subcommittee
To resume oversight hearings on the implementation of the municipal wastewater treatment construction grants program of the Clean Water Act, and to hold hearings on S. 975, revising and extending for one year certain provisions of the Federal Water Pollution Control Act, and on other related proposals.
4200 Dirksen Building

JUNE 23

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 49, S. 879, and S. 1151, bills extending the period of daylight savings time.
235 Russell Building

Labor and Human Resources
Aging, Family, and Human Services Subcommittee
To hold oversight hearings on the role of the Federal Government in family planning programs of title X of the Public Health Services Act.
6226 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To resume hearings on S. 1182, improving the administration of the Longshoremen's and Harbor Workers' Compensation Act by removing certain inequities, reducing incentives for fraud and abuse, and assuring immediate compensation benefits and competent medical treatment for injured employees.
4232 Dirksen Building

10:00 a.m.
Environment and Public Works
To continue oversight hearings on the implementation of the Clean Air Act.
4200 Dirksen Building

Governmental Affairs
To resume hearings on S. 1080, improving and modifying the Federal regulatory process, and other related measures.
3302 Dirksen Building

Rules and Administration
Business meeting, to mark up Senate Resolution 20, providing for television and radio broadcasting of Senate Chamber proceedings, and other legislative and administrative business.
301 Russell Building

Select on Indian Affairs
To resume hearings on the substance of S. 1088, authorizing funds for fiscal years 1982 and 1983 to promote the goal of economic and social self-sufficiency for American Indians, and Hawaiian and Alaskan natives (pending on Senate Calendar).
1114 Dirksen Building

2:00 p.m.
Environment and Public Works
To hold hearings on the nomination of A. Alan Hill, of California, to be a member of the Council on Environmental Quality.
4200 Dirksen Building

JUNE 24

9:00 a.m.
Select on Intelligence
To hold a closed briefing on intelligence matters.
Room S-407, Capitol

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Michael J. Fenello, of Florida, to be Deputy Administrator of the Federal Aviation Administration.
357 Russell Building

Commerce, Science, and Transportation
To hold oversight hearings on the activities of the Department of Commerce in the areas of strategic minerals and materials.
235 Russell Building

10:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on the progress and directions of American consumerism in the 1980's.
1318 Dirksen Building

Energy and Natural Resources
Public Lands and Reserved Water Subcommittee
To hold hearings on miscellaneous land conveyances, studies, boundary changes, and exchanges, S. 146, S. 187, S. 188, S. 512, S. 634, S. 656, S. 763, S. 764, and S. 794.
3110 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee
To resume oversight hearings on the implementation of the municipal wastewater treatment construction grants program of the Clean Water Act, and to hold hearings on S. 975, revising and extending for 1 year certain provisions of the Federal Water Pollution Control Act, and on other related measures.
4200 Dirksen Building

Governmental Affairs
To hold oversight hearings on the Federal Government's film making procedures.
3302 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation, and Government Processes Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the Nuclear Non-Proliferation Act.
Room to be announced

Small Business
Advocacy and the Future of Small Business Subcommittee
To hold hearings on the role of Government competition with small business.
424 Russell Building

2:00 p.m.
Environmental and Public Works
To resume oversight hearings on the implementation of the Clean Air Act.
4200 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on S. 1042, abolishing the Intergovernmental Personnel Act grant program.
3302 Dirksen Building

JUNE 25

9:00 a.m.
*Veterans' Affairs
Business meeting, to mark up S. 917, increasing the rates of disability compensation for disabled veterans, and the rates of dependency and indemnity compensation for their survivors, S. 911, authorizing the payment of a special pension to the survivors of persons awarded the Medal of Honor, and S. 915, S. 779, and S. 112, bills providing for memorials to honor the memory of certain deceased members of the Armed Forces, and the substance of S. 266, implementing procedures and guidelines for the interagency sharing of health resources between the Department of Defense and the Veterans' Administration.
412 Russell Building

9:30 a.m.
*Energy and Natural Resources
*Energy and Mineral Resources Subcommittee
To hold hearings on S. 1073, authorizing an additional lands lease to the holder of an oil shale lease for purposes that the lessee demonstrates are necessary for such operation.
3110 Dirksen Building

Labor and Human Resources
*Labor Subcommittee
Business meeting, to mark up S. 398, permitting certain employees to work a 10-hour day in the case of a 4-day workweek.
4232 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings in conjunction with the National Ocean Policy Study on the substance of Senate Resolution 147, calling for a moratorium of indefinite duration on the commercial killing of whales.
235 Russell Building

Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on the progress and direction of American consumerism in the 1980's.
1318 Dirksen Building

Environment and Public Works
To resume oversight hearings on the implementation of the Clean Air Act.
4200 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation, and Government Processes Subcommittee
To continue hearings on proposed legislation authorizing funds for programs of the Nuclear Non-Proliferation Act.
Room to be announced

11:00 a.m.
Governmental Affairs
Business meeting, to mark up S. 10, providing for creation of a Commission to design a blueprint for improving governmental performance at the Federal level and throughout the intergovernmental system.
3302 Dirksen Building

2:00 p.m.
Environmental and Public Works
Business meeting, to consider pending nominations.
4200 Dirksen Building

JULY 7

9:30 a.m.
Commerce, Science, and Transportation
*Aviation Subcommittee
To hold hearings on proposed legislation to provide for an early phaseout of the Civil Aeronautics Board.
235 Russell Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee.
To hold hearings on the primary intervention in addressing societal problems.
4232 Dirksen Building

Small Business
Innovation and Technology Subcommittee
To resume hearings on S. 881, to stimulate technological innovation and to increase economic productivity by using small businesses more effectively in Federal research and development programs.
424 Russell Building

JULY 8

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on proposed legislation to provide for an early phaseout of the Civil Aeronautics Board.
235 Russell Building

Small Business
Innovation and Technology Subcommittee
To continue hearings on S. 881, to stimulate technological innovation and to increase economic productivity by using businesses more effectively in Federal research and development programs.
424 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To hold joint oversight hearings with Finance's Subcommittee on International Trade on U.S. trade policy.
2221 Dirksen Building

*Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To hold hearings on S. 859, providing for uniform treatment of certain receipts under the Mineral Leasing laws.
3110 Dirksen Building

Finance
International Trade Subcommittee
To hold joint oversight hearings with Banking, Housing, and Urban Affairs' Subcommittee on International Finance and Monetary Policy on U.S. trade policy.
2221 Dirksen Building

JULY 9

9:00 a.m.
*Veterans' Affairs
To hold hearings on the prospective nomination of Robert P. Nimmo, of California, to be Administrator of the Veterans' Administration.
412 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
*Aviation Subcommittee
To continue hearings on proposed legislation to provide for an early phaseout of the Civil Aeronautics Board.
235 Russell Building

10:00 a.m.
Veterans' Affairs
To hold hearings on the prospective nomination of Allan B. Clark, Jr., of Texas, to be Deputy Administrator of the Veterans' Administration.
412 Russell Building

11:00 a.m.
Veterans' Affairs
To hold hearings on the nomination of Frank S. Sato, of Virginia, to be Inspector General, Veterans' Administration.
412 Russell Building

JULY 14

9:30 a.m.
Small Business
To hold hearings on small businesses' participation in the production element of the defense sector.
424 Russell Building
Select on Ethics
To hold hearings on matters involving Senator Williams.
6226 Dirksen Building

2:00 p.m.
Select on Ethics
To continue hearings on matters involving Senator Williams.
6226 Dirksen Building

JULY 15

9:30 a.m.
*Veterans' Affairs
To hold oversight hearings on procedures for the adjudication of certain claims, and to hold hearings on S. 349, providing for limited judicial review of the administrative action of the Veterans' Administration, and for reasonable fees to attorneys representing legal counsel for veterans.
412 Russell Building
Select on Ethics
To continue hearings on matters involving Senator Williams.
6226 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To hold hearings on S. 1166, to provide grants to States for low-income weatherization assistance programs.
3110 Dirksen Building

2:00 p.m.
Select on Ethics
To continue hearings on matters involving Senator Williams.
6226 Dirksen Building

JULY 16

9:30 a.m.
*Veterans' Affairs
To continue oversight hearings on procedures for the adjudication of certain claims, and to hold hearings on S. 349, providing for limited judicial review of the administrative action of the Veterans' Administration, and for reasonable fees to attorneys representing legal counsel for veterans.
412 Russell Building
Select on Ethics
To continue hearings on matters involving Senator Williams.
6226 Dirksen Building

2:00 p.m.
Select on Ethics
To continue hearings on matters involving Senator Williams.
6226 Dirksen Building

JULY 17

9:30 a.m.
Select on Ethics
To continue hearings on matters involving Senator Williams.
6226 Dirksen Building

2:00 p.m.
Select on Ethics
To continue hearings on matters involving Senator Williams.
6226 Dirksen Building

JULY 20

9:30 a.m.
Select on Ethics
To continue hearings on matters involving Senator Williams.
6226 Dirksen Building

2:00 p.m.
Select on Ethics
To continue hearings on matters involving Senator Williams.
6226 Dirksen Building

JULY 21

9:30 a.m.
Select on Ethics
To continue hearings on matters involving Senator Williams.
6226 Dirksen Building

2:00 p.m.
Select on Ethics
To continue hearings on matters involving Senator Williams.
6226 Dirksen Building

JULY 22

9:30 a.m.
Veterans' Affairs
To hold hearings on S. 5, S. 7, S. 25, S. 26, S. 48, S. 105, S. 248, S. 417, and S. 742, bills providing educational assistance to members of the Armed Forces.
412 Russell Building
Select on Ethics
To continue hearings on matters involving Senator Williams.
6226 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To hold hearings on S. 506, reinstating and validating certain numbered U.S. oil and gas leases.
3110 Dirksen Building

2:00 p.m.
Select on Ethics
To continue hearings on matters involving Senator Williams.
6226 Dirksen Building

JULY 23

9:30 a.m.
*Veterans' Affairs
To continue hearings on S. 5, S. 7, S. 25, S. 26, S. 48, S. 105, S. 248, S. 417, and S. 742, bills providing educational assistance to members of the Armed Forces.
412 Russell Building
Select on Ethics
To continue hearings on matters involving Senator Williams.
6226 Dirksen Building

2:00 p.m.
Select on Ethics
To continue hearings on matters involving Senator Williams.
6226 Dirksen Building

JULY 24

9:30 a.m.
Select on Ethics
To continue hearings on matters involving Senator Williams.
6226 Dirksen Building

2:00 p.m.
Select on Ethics
To continue hearings on matters involving Senator Williams.
6226 Dirksen Building

JULY 27

9:30 a.m.
Select on Ethics
To resume hearings on matters involving Senator Williams.
6226 Dirksen Building

2:00 p.m.
Select on Ethics
To resume hearings on matters involving Senator Williams.
6226 Dirksen Building

JULY 28

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on adoption services in the United States.
4232 Dirksen Building
Select on Ethics
To continue hearings on matters involving Senator Williams.
6226 Dirksen Building

2:00 p.m.
Select on Ethics
To continue hearings on matters involving Senator Williams.
6226 Dirksen Building

JULY 29

9:30 a.m.
*Veterans' Affairs
Business meeting to mark up S. 349, providing for limited judicial review of the administrative action of the Veterans' Administration, and for reasonable fees to attorneys representing legal counsel for veterans.
412 Russell Building
Select on Ethics
To continue hearings on matters involving Senator Williams.
6226 Dirksen Building

2:00 p.m.
Select on Ethics
To continue hearings on matters involving Senator Williams.
6226 Dirksen Building

JULY 30

9:30 a.m.
Select on Ethics
To continue hearings on matters involving Senator Williams.
6226 Dirksen Building

2:00 p.m.
Select on Ethics
To continue hearings on matters involving Senator Williams.
6226 Dirksen Building

JULY 31

9:30 a.m.
Select on Ethics
To continue hearings on matters involving Senator Williams.
6226 Dirksen Building

2:00 p.m.
Select on Ethics
To continue hearings on matters involving Senator Williams.
6226 Dirksen Building

SEPTEMBER 16

9:30 a.m.
*Veterans' Affairs
Business meeting to mark up S. 5, S. 7, S. 25, S. 26, S. 48, S. 105, S. 248, S. 417, and S. 742, bills providing educational assistance to members of the Armed Forces.
412 Russell Building

SEPTEMBER 22

11:00 a.m.
Veterans' Affairs
To hold hearings on fiscal year 1982 legislative recommendations of the American Legion.
318 Russell Building

CANCELLATIONS

JUNE 16

10:00 a.m.
Labor and Human Resources
Education Subcommittee
To resume hearings on S. 1103, authorizing funds through fiscal year 1986 for elementary and secondary education programs and providing educational support at the State and local level.
4232 Dirksen Building

JUNE 17

9:30 a.m.
Labor and Human Resources
*Education, Arts and Humanities Subcommittee
To continue hearings on S. 1103, authorizing funds through fiscal year 1986 for elementary and secondary education programs, and providing educational support at the State and local level.
4232 Dirksen Building

JUNE 18

9:30 a.m.
Labor and Human Resources
Education, Arts and Humanities Subcommittee
To continue hearings on S. 1103, authorizing funds through fiscal year 1986 for elementary and secondary education programs, and providing educational support at the State and local level.
5110 Dirksen Building

JUNE 19

9:00 a.m.
Labor and Human Resources
Employment and Productivity Subcommittee
To continue hearings on employment and training programs in the United States, focusing on objectives of employment and training policy and the relationship between Federal, State and local governments in the funding, design and administration of employment and training programs.
4232 Dirksen Building

JUNE 24

10:00 a.m.
Labor and Human Resources
Education, Arts and Humanities Subcommittee
To resume hearings on S. 1103, authorizing funds through fiscal year 1986 for elementary and secondary education programs, and providing educational support at the State and local level.
4232 Dirksen Building